

SOMA TEXTILES & INDUSTRIES LIMITED

POLICY FOR PRESERVATION OF DOCUMENTS

1. Preface

The Board of Directors (the “Board”) of Soma Textiles & Industries Limited (the “Company”) has approved the following Policy (“The Policy”) of the Company for preservation of Documents/Records maintained by the Company either in Physical Mode or Electronic Mode (hereinafter referred to as “the Documents”). This Policy has been formulated in accordance with the Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

2. Purpose of the Policy

The purpose of this Policy is to ensure that all the necessary documents and records of the Company are adequately protected and preserved as per the Statutory requirements and to ensure that the records of the Company which are no longer needed or are of no value are discarded after following the due process for discarding the same. This Policy is also for the purpose of aiding employees of the Company in understanding their obligations in retaining and preserving the documents and records which are required to be maintained as per the applicable statutory and regulatory requirements.

3. Scope

This Policy applies to all the Departments and Divisions of the Company and also applicable to documents in both physical and electronic mode. This Policy has been approved by the Board of Directors at its meeting held on 2nd February, 2016 and the effective date of the Policy is 1st December, 2015.

4. Administration

Attached as **Appendix A** is a Documents Preservation Schedule that is approved as the Initial Schedule for maintenance, preservation and disposal of the Documents. The Company may preserve the Documents in electronic mode. The Compliance Office of the Company, (the Administrator) shall be in-charge of administration of this Policy and the implementation process and procedures to ensure that Documents Preservation Schedule is followed. The Administrator is also authorized to make modifications to the Documents Preservation Schedule from time to time to ensure that it is in compliance with local, State and Central Laws and monitor compliance with this Policy.

5. Procedure for disposal of Documents

The Documents of the Company which are no longer required as per the time schedule prescribed in the Appendix A may be destroyed. Head of the Departments should

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recommend the proposal for disposal of these documents to all concerned and thereafter the Administrator shall take necessary steps for approval of the Board, for disposal of such documents. The details of the Documents destroyed by the Company shall be recorded in the Register of Disposal of Records to be kept by the Administrator in the format prescribed at **Appendix B**.

6. Responsibility/Accountability

The Managing Director (CEO) shall submit a Certificate annually as on 31st March every year to the Administrator certifying that the documents are being maintained in accordance with this Policy.

7. Suspension of Documents disposal in the event of Litigation or Claims

In the event the Company is served with any Notice for documents from any of the Statutory Authorities or any Litigation is commenced by or against the Company, then the disposal of documents which are subject matter of Notice/Litigation, etc. shall be suspended till such time the matter is settled or resolved or disposed of. The Administrator shall immediately inform all the concerned Employees of the Company for suspension of further disposal of Documents involved in such matter.

8. Communication of this Policy

For all new Employees and Directors, a copy of this Policy shall be handed over as a part of the joining documentation, along with other HR related policies. For all existing Employees and Directors, a copy of this Policy shall be handed over within one month of the adoption of this Policy by the Board of Directors of the Company. This Policy shall also be posted on the website of the Company.

9. Amendment

Any change in this Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

APPENDIX A – DOCUMENTS PRESERVATION SCHEDULE

The Documents Preservation Schedule is organized as follows:

Section Topic

A. Accounts and Finance	G. Property Records	M. Licenses/Government Approvals/ Certificates/Registrations
B. Contracts	H. Tax Records	N. Production
C. Corporate Secretarial	I. Sales Tax	O. Insurance Record
D. Legal Files and Papers	J. Service Tax	P. Electronic Documents
E. Payroll Documents	K. Import Documents	Q. Miscellaneous
F. Personnel Record	L. Export Documents	

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APPENDIX A

A. ACCOUNTS AND FINANCE		
Ownership	Type of document	Retention Period
Head of Accounts	Accounts payable ledgers and schedules	8 years
	Accounts receivable ledgers and schedules	8 years
	Annual Audit Reports and Financial Statements	Permanent
	Annual Audit Records, including work papers and other documents that relate to the Audit	8 years
	Annual Plans and budgets	8 years
	Bank statements and cancelled cheques	8 years
	Employee expenses reports	8 years
	General Ledgers/ Books of Accounts related vouchers including copy of invoices/ Purchase bills/ Cash receipts/ Bank payment vouchers / cash books.	8 years
	Interim Financial Statements	8 years
	Notes receivable ledgers and schedules	8 years
	Investment records	8 years after the sale of investment
	Credit Card records	8 years
Refundable securities deposits from Government departments	Permanent	
B. CONTRACTS		
Ownership	Type of document	Retention Period
Head of the concerned departments	All contracts and MOU(s) and necessary supporting documents (including any proposal that resulted in the contract and all other supportive documentation)	All Contracts and their previous versions. The disposal of any Contract as per clause 5 of this Policy.
C. CORPORATE SECRETARIAL		
Ownership	Type of document	Retention Period
Company Secretary	Memorandum and Articles of Association, Certificate of Incorporation, Certificate of Commencement of Business, Change of Name Certificate, Minutes of Board Meetings, Committee Meetings and Shareholders Meetings, Various Statutory Registers and Attendance Registers of Board of Directors and Committee Meetings, Annual Reports, Shareholders Records, Documents related to Dividend and RBI Records.	Permanent
	Certificates and Orders by Statutory Authority	Permanent
	Forms submitted with Registrar of Companies, Disclosures submitted with Stock Exchanges	10 Years
	Notice, Agendas, Notes on Agendas and other related paper	As long as they remain current or for 8 Financial Years, whichever is later and may be destroyed thereafter with approval of the Board
	Notices, Scrutiniser's Report and Related papers of Shareholders Meeting.	As long as they remain current or for eight Financial Years, whichever is later and may be destroyed thereafter with approval of the Board.
D. LEGAL FILES AND PAPERS		

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Ownership	Type of document	Retention Period
Head of Legal Department	Legal Memoranda and Opinions (including all subject matter files)	8 years after close of matter
	Litigation Files	3 years after close of matter
	Court Orders	Permanent
E. PAYROLL DOCUMENTS		
Ownership	Type of document	Retention Period
HR and IR Departments Head	Employee Deduction Authorizations	4 years after termination
	Payroll Deductions	Termination + 7 years
	Form 16	Termination + 7 years
	Labour Distribution Cost Records	7 years
	Payroll Registers (gross and net)	7 years
	Time Cards/Sheets	2 years
	Unclaimed Wage Records	6 years
F. PERSONNEL RECORD		
Ownership	Type of document	Retention Period
HR and IR Departments Head	Commissions/ Bonuses/ Incentives/ Awards	7 years
	Employee Earnings Records	Separations + 7 years
	Employee Handbooks	1 copy kept permanently
	Employee Personnel Records (including individual attendance records, application forms, job or status change records, performance evaluations, termination papers, withholding information, garnishments, test results, training qualification records, Leave records)	6 years after separation
	Employment contracts – Individual	7 years after separation
	Employee Medical Records	3 years after termination of service of employment
	Retirement and pension Records	Permanent
	Factories Act, 1948 Muster roll, Leaves, OT, Annual Returns, Renewal Challans	3 years
	ESI Act, 1948 Muster roll, Wage records, Challans, Accounts Book, P&L, Cash Book, Ledger and Balance Sheet.	5 years
	PF & Misc Act, 1952 Challans, Wage records and Books of Account	7 years (Period applies as per the IT Rules)
	Payment of Wages Act, 1936 Wage Records and Date of payment	12 Months
	Minimum Wages Act, 1948 Wage Records	12 Months
	Payment of Bonus Act, 1965 Books of Account, Employee Data, Wages and Returns (A,B,C & D)	5 years
	Gratuity Act, 1972	5 years
	AP Welfare Fund Act, 1987 Contributions and Annual Return with employees list	5 years
	Employment Exchange Compulsory Notification Act, 1959 Quarterly and Annually	5 years
	Contract Labour (R&A) Act, 1970 Contractor Licences and Renewals, Muster roll, Leaves, OT, Half yearly / Annual Returns, Wage record/ Register in Form XII	5 years
G. PROPERTY RECORDS		
Ownership	Type of document	Retention Period

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Chairman and Managing Director*	Correspondence, Property Deeds, Assessments, Licenses, Right of way	Permanent
	Lease Agreement	Tenure of Lease(current and the last version)
	Property Insurance Policies	Current and last 2 versions
*In case of Mortgage Property photocopy to be retain.		
H. TAX RECORDS		
General Principle: Must keep books of accounts or records as are sufficient to establish amount of gross income, deductions, credits, or other matters required to be shown in any such return.		
These documents and records shall be kept for as long as the contents thereof may become material in the administration of state and local income and property tax laws and such other authorities.		
INCOME TAX		
Ownership	Type of document	Retention Period
Head of Department	Tax exemption Documents and Correspondence	Permanent
	Rulings	Permanent
Plant Heads	Excise records, registers, filings, litigations,	8 years
Head of Department	<ul style="list-style-type: none"> • All Income Tax Return, Wealth Tax Return, T.D.S Return with all annexures. • All Orders of Assessing Officer, Commissioner of Income Tax (Appeal), Income Tax Appellate Tribunal, High Court. • Documents of all Appeals filed before Commissioner of Income Tax(Appeal), Income Tax Appellate Tribunal, High Court. 	Permanent
	Details those received from units and submitted to Assessing Officer in the course of hearing	8 years or till disposal of appeals before Authority
I. SALES TAX		
Ownership	Type of document	Retention Period
Head of Accounts	Related Forms, Assessment documents, Returns filed and other related to Sales Tax, litigation documents	8 Years
J. SERVICE TAX		
Ownership	Ownership	Ownership
Head of Accounts	Filings, Returns, Stock Registers, Assessment documents, litigations documents and other supporting documents.	8 Years
K. IMPORT DOCUMENTS		
Ownership	Type of document	Retention Period
a. Plant related Imports – Head of Plant b. Trading related Imports – Head of concerned procurement department	All documents related to Customs Imports including Purchase Order, Order acceptance , Sales Contract , LC copy, Bill of Exchange, Bill of Lading (Master Bill of Lading & House Bill of Lading)Bank signed Invoice , Packing List, Certificate of origin, Insurance cover note, Catalogue, literature, Bill of Entry , TR6 Challan against payment of Custom duty through Bank.	8 years or in case of a demand cum show cause notice for recovery is issued by the authorities 8 years after the closing of matter.
	In case of goods cleared under License: Import purpose: Copy of the License , Condition	

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	<p>sheets of License issuing authority, List of Import & Export Items, License debit credit Book, transfer release advise, Chartered Engineer Certificate, Central Excise Certificate, Bank Guarantee and end use certificate.</p> <p>Cancellation of Bank Guarantee and redemption of License:</p> <p>Copy of Shipping Bill, Bank Certificate of Export and realization , Copy of Export BL, Export Invoice, Packing list and JDGFT redemption certificate.</p> <p>Original Bill of Entry (Importer copy), Import invoice, TR 6 Challan, Sales Invoice, Vat/ CST return ,Chartered Accountant Certificate, Self declaration, Calculation sheet.</p>	
L. EXPORT DOCUMENTS		
Ownership	Type of document	Retention Period
Head of Exports Department	Copy of FIRC/LC, Commercial Invoices, Packing Lists, Bill of Landings, Shipping Co. Certificates, Certificates of origin, SDF Form, Exchange control copy, E.P. Copy, Performa Invoice/ Order	10 years
	Copy of ARE – 1, Proof of Exports	10 years
M. LICENSES/ GOVERNMENT APPROVALS/ CERTIFICATES/ REGISTRATIONS		
Ownership	Type of document	Retention Period
Head of concerned Departments	Latest copy of Licenses / Approvals/ Registration certificates from various Government departments including excise department/sales tax department/customs department/ Inspector of factories and boilers/Labour department/Pollution Control Board/ Electricity department etc.	Till the date of renewal or permanent as per terms of the issue of the license.
N. PRODUCTION		
Ownership	Type of document	Retention Period
Factory(s) Head	Factory Production and Research and Development related documents submitted to various Government and other departments.	3 years
O. INSURANCE RECORD		
Ownership	Type of document	Retention Period
Plant Heads	Summaries	10 years
	Adjustments	3 years after final adjustment
	Claims Filed and settled	5 years
	Claims Filed and pending Litigation	5 years after settlement
	Group Insurance Plans – Active Employees	Until Plan is amended or terminated
	Inspections	3 years
	Insurance Policies(including expired policies)	5 years
Support Data	7 years	
P. ELECTRONIC DOCUMENTS		
Ownership	Type of document	Retention Period

