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**POLICY FOR PRESERVATION / ARCHIVAL OF DOCUMENTS**

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(As approved by the board at its meeting held on 2<sup>nd</sup> November 2015)

## **1. Introduction**

Securities and Exchange Board of India (SEBI) has introduced SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (Regulations), effective 1<sup>st</sup> December 2015. Clause 9 and 30 of Regulations mandates framing of a policy by all listed companies for preservation / archival of documents.

Accordingly, Harita Seating Systems Limited (hereinafter referred to as 'the Company' or 'HSSL'), has formulated and notified this Policy for preservation / archival of documents in compliance with the Regulations, to be effective 1<sup>st</sup> December 2015. The board of directors reviews and amends this policy from time to time.

## **2. Objective**

To ensure that the Company

- complies with document retention laws;
- allow for continuity in the event of a disaster;
- retains valuable documents and saves time, money and space;
- protects against allegations of selective document destruction; and
- provides for a routine destruction of non-business, superfluous, and outdated documents.

## **3. Definitions**

"Archive/archiving" is the process of transferring records to a repository managed by personnel specialized in storing, conserving and authorizing access to the records entrusted.

"Committee" shall mean administrative committee of directors;

"Policy" means Policy for preservation / archival of documents.

Words and expressions not defined in this policy shall have the same meaning but defined in SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, Securities and Exchange Board of India Act 1992 (15 of 1992), the Securities Contracts (Regulation) Act 1956, the Depositories Act, 1996 (22 of 1996) or the Companies Act, 2013 and rules and regulations made there-under.

## **4. Classification of Documents to be preserved / retained**

Based on the recommendation of the management of the Company, the Board of Directors have classified the following documents to be retained and preserved for posterity.

- ❖ Documents that need to be preserved / retained permanently

- ❖ Documents that may be preserved / retained for a period of 8 years

## **5. Document retention**

Any document that is required to be maintained by law should be retained for the time and in the form that is mandated by law. The period of retention listed in the schedule is based on the time limits for potential judicial claims and aims to draw sensible conclusions as to how long keeping the records will protect the Company. In general, documents that are not subject to a retention requirement should be kept long enough to accomplish the task for which they were generated.

Where the recommended retention period given is eight years, this is based on the eight year time limit within which legal proceedings must be commenced. Where documents may be relevant to a contractual claim, it is recommended that these be retained for at least the corresponding eight year limitation period.

Each record of information should entail identifying when the retention period of each record is due to expire and taking immediate action to ensure its destruction in a proper and secure manner.

The Company has a legal duty to retain relevant documents which it knows or believes may be relevant to any legal action.

## **6. Roles and responsibilities**

Ultimate responsibility for determining whether to retain or dispose or archive of specific documents rests with the board or administrative committee thereof (the board). The board may delegate the operational aspects of this function to one or more senior management personnel (SMP) of the Company.

The internal legal department can advise on whether minimum retention periods are prescribed by law, and whether retention is necessary to protect the Company's position where the likelihood of a claim has been identified by the board.

The legal department cannot be expected to possess the operational or background knowledge required to assess whether a particular document may be required by the Company. This is the responsibility of the SMPs or HODs concerned.

## **7. Storage and Archival of Records**

Important original documentation shall be kept in a secure location

A record that is no longer required by the unit, department, or division in which it originated or was received, and that has permanent legal, institutional, or historical value, to be archived.

Hard copies or scanned copies of documentation beyond its operational date may be kept onsite for reference purposes.

Electronic data shall be backed-up by the IT department and the back-up files shall be kept at an offsite location.

Copies of all material disclosures made to the stock exchanges under Regulation 30 of the Regulations (Disclosed Information) shall be hosted on the website of the Company for a minimum period of 5 years. After a period of 5 years from the date of filing the records or documents with the stock exchanges, the copies of such records or documents shall be archived from the website of the Company. Any one intending to review the Disclosed Information after 5 (five) years may write to the Compliance Officer of the Company

## **8. Litigation**

All electronic and paper document destruction should automatically be suspended when a lawsuit, claim or government investigation is pending, threatened or reasonably foreseeable. In the case of electronic destruction, the IT department is responsible for ensuring that any automatic destruction programme is disabled.

## **9. Document destruction**

When information reaches the expiry date for retention, ensure that ALL copies of that information are permanently destroyed. Where information is held in more than one media the information must be removed from all record systems, for example, paper copies – shredded; electronic copies – completely destroyed from any memory source or other media.

All documents, including electronic documents, that are no longer relevant to the Company's business, should be destroyed every thirty (30) days. Drafts of documents that have been finalised should not be retained, unless a SMP or HOD advises otherwise.

## **10. Method of disposal**

The Company should follow these guidelines:

- Documents should be destroyed on site, using the shredders.
- steps should be taken to make data virtually impossible to retrieve;
- If data is no longer relevant it should be deleted after thirty (30) days and if data is relevant it should be backed up and stored offsite. If in doubt further advice should be sought from the SMP or IT department.
- wherever practicable, disposal should further recycling, in-line with the Company's commitment to sustainable development and promoting an alternative waste disposal strategy.

Disposal of significant documents should be documented by the relevant HODs by keeping a record of the document disposed of, the date and method of disposal, and who authorised disposal.

## **Amendment**

The Board has the right to amend or modify this Policy in whole or in part, at any time, without assigning any reason whatsoever, subject, however, to the condition that such alterations will be in consonance with the provisions of the applicable Law.

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**Type of Record**

1. Accounting and Finance records including Annual Financial statement
2. Insurance Records
3. Tax records
4. Contracts entered into by the Company including Marketing Contracts
5. Corporate Records including Certificate of Incorporation, Listing Agreement and other approvals from other statutory authorities.
6. Legal Files and Records
7. Property Records
8. Payroll Records
9. Pension and retiral related Records
10. Personnel and HR Records
11. Electronic Documents including email retention and back up
12. Correspondence and Internal Memoranda & Miscellaneous Records

**1. Accounting and Finance records including Annual Financial statement**

Record Type	Retention Period	Responsibility
Accounts Payable ledgers and schedules - in system	8 Years	Finance and Accounts Department
Accounts Receivable ledgers and schedules - in system	8 Years	
Annual Audit Reports and Financial Statements (including schedules)	Permanent	
Annual Audit Records, including work papers and other documents that related to the audit	8 years after completion of audit	
Bank Statement and Cancelled Cheques	8 years	
Employee Expense Reports	8 years	
General Ledger	Permanent	
Interim Financial Statements	8 years	
Notes Receivable ledgers and schedules	8 years	
Investment Records	Permanent	
Security deposit receipt copies	8 years after termination of the contract	
Inventory ledger & inventory related documents ( in system)	8 Years / 3 years (hard copies)	
Purchase day book in system	8 Years	
Sales day book in system	8 Years	
Cash book & related documents	8 Years / 3 years (hard copies)	
Fixed assets register in system	8 Years	
Land documents - sale / purchase deeds	Permanent	
Central excise documents ( including duplicate for	5 years after	

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Record Type	Retention Period	Responsibility
transporter copy of bills)	assessment	
Sales tax documents (including original for buyer copy of bills)		
Income tax documents		
General Agreements (including loan documents)	8 Years (after expiry)	

### 2. Insurance Records

Record Type	Retention Period	Responsibility
Annual Loss Summaries	8 Years	Finance and Accounts Department
Audits and Adjustments	8 Years	
Claim Files (Including correspondence, medical records, injury documentation, etc.)	Permanent	
Group Insurance Plans – Active Employees	8 years	
Group Insurance Plans - Retirees	Permanent	
Insurance Policies for the Company	Permanent	
Journal Entry Support Data	8 years	
Releases and Settlements	Permanent	

### 3. Tax records

Record Type	Retention Period	Responsibility
Tax-Exemption Documents and related correspondence	Permanent	Finance and Accounts Department
Excise Tax records	Permanent	
Payroll Tax records	8 years	
Tax Bills, Receipts, Statements	8 years	
Tax Returns – Income, Franchise, Property	Permanent	
Tax workpaper packages - Originals	8 years	
Sales Tax Records	8 years	
Annual Information Returns – State and Central	Permanent	
Service Tax Records	8 years	
Tribunal Rulings	Permanent	

### 4. Contracts entered into by the Company including Marketing Records

Record Type	Retention Period	Responsibility
Contracts and Related Correspondence (including any proposal that resulted in the contract and all other supportive documents)	8 years	Marketing Department
Contracts with PR / Advertising Agencies	8 years	

**5. Corporate Records including Certificate of Incorporation, Listing Agreement and other approvals from other statutory authorities.**

Record Type	Retention Period	Responsibility
Corporate Records (certificate of incorporation, commencement of business, listing agreement, common seal, minutes book of board and committees thereof, annual reports originals, etc.)	Permanent	Secretarial Department Doc – 1 Doc – 2
Licence and Permits, Industrial entrepreneurial Memorandum, and other statutory approvals	Permanent	
ROC Filings and Stock Exchange filings in physical and Electronic form	8 years from the date of filing	
FEMA/ RBI related documents and filings	Permanent	
Register of Members commencing from the date of registration of the Company	Permanent	
Index of members	Permanent	
Bylaws and Amendments	Permanent (current version with revision history)	
Register of Debenture Holders	8 years after the redemption of debentures	
Index of Debenture Holders		
Policies and Procedures	Permanent (current version with revision history)	

**6. Legal Files and Records**

Record Type	Retention Period	Responsibility
Legal Memoranda and Opinions	8 years	Legal Department
Litigation files	8 years	
Court Orders	Permanent	
Trademarks, Copyrights, Licenses, etc.	Permanent	
Other related records	Permanent	

**7. Property Records**

Record Type	Retention Period	Responsibility
Correspondence, Property Deeds, Assessments, Licenses, Rights of Way	Permanent	Land Department



Record Type	Retention Period	Responsibility
Original Purchase / Sale Deeds	Permanent	
Original Lease Agreements	8 years after expiration of the lease	

### 8. Payroll Records

Record Type	Retention Period	Responsibility
Employee Deduction Authorization	8 years after termination of service of employment	HR Department
Payroll Deductions		
Labour Distribution Cost Records including details regarding gratuity and retiral disbursements		
Payroll Registers (Gross and Net)		
Time Cards / Sheets	8 years	
Unclaimed Wage Records	8 years	
Leave Records	8 years after the relevant period	

### 9. Pension and retiral related Records

Record Type	Retention Period	Responsibility
Retirement and Pension Records	Permanent	HR Department

### 10. Personnel and HR Records

Record Type	Retention Period	Responsibility
Personnel Files of individual employees	Permanent	HR Department
Commission / Bonuses / Incentives / Awards	8 years	
Employee Earnings Records	8 years after termination of service of employment	
Attendance registers / records		
Employee Medical Records		
Attendance records, application forms, job or promotion records, performance evaluations, termination papers, test results, training and qualification records, enquiry related papers		
Employment Contracts - Individual		
Employee Handbook & Induction Manual	Permanent	
Correspondence with Employment Agencies and Advertisements for job openings	8 years	
Job Description	8 years after superseding the earlier document	

**11. Electronic Documents including email retention and back up**

Electronic Mail: Not all email needs to be retained, depending on the subject matters:

- All e-mail – from internal and external sources to be archived according to the space constraint provided to the employee.
- Staff will strive to keep all but an insignificant minority of their email related to business issues.
- Staff will not store or transfer the Company related emails on non-work related computers except as necessary or appropriate with due approvals from the Central IT team and the respective Managers.
- Staff will take care not to send confidential / proprietary information to outside sources.
- Any e-mail that the staff deemed vital to the performance of their job should be copied to the staff's specific folder and/or printed and stored in the employees' workplace.

**12. Correspondence and Internal Memoranda & Miscellaneous Records**

General Principle: Most correspondence and internal memoranda should be retained for the same period as the document they pertain to or support. For instance, a letter pertaining to a particular contract would be retained as long as the contract

1. Those pertaining to routine matters and having no significant, lasting consequences should be discarded within two years.
2. Those pertaining to non-routine matters or having significant lasting consequences should generally be retained permanently.
3. Correspondence and Internal Memoranda important to the Company or having lasting significance - Permanent, subject to review

Record Type	Retention Period	Document Type
Records to be maintained under the Hazardous Waste Management and Handling Rules 1989	Permanent	Respective Departments
Records to be maintained under the Manufacture, Storage and Import of Hazardous Chemical Rules 1989	Permanent	
KYC Document	8 years	