

## **Record Retention and Preservation of Documents Policy**

**ECL Finance Limited**  
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*Adopted in the Board Meeting held on:*  
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## 1) PURPOSE

The purpose of this Policy is to ensure that necessary records and documents of ECL Finance Limited ("ECLFL/Company") are adequately protected and maintained and to ensure that records that are no longer needed by the Company or are of no value are discarded at the proper time. The Company understands that records form an essential and significant part of the Company's resources.

This Policy is also for the purpose of aiding employees of ECLFL in understanding their obligations in retaining electronic documents - including e-mail, Web files, text files, PDF documents, and other formatted files.

The Securities Exchange Board of India (SEBI) on September 2, 2015, has notified the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations, 2015). Regulation 9 requires the Company to frame and adopt a policy on preservation of documents.

Further Rule 6 of the Prevention of Money-laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 (hereinafter referred as "PMLA") also provides for retention of records for a specified time.

This Policy represents the Company's policy regarding the retention and disposal of records and the retention and disposal of electronic documents. The documents not covered under this Policy shall be preserved and maintained in accordance with the provisions of respective Acts, rules, guidelines and regulations as applicable in this regard to the Company under which those documents are maintained. In case of any subsequent amendments in Companies Act, 2013 or any other applicable law, statute, rules or regulations, the provision of such law, statute, rule or regulations shall prevail over the policy.

## 2) DEFINITIONS

- a) "**Act**" means the Companies Act, 2013, Rules framed thereunder and any amendments thereto.
- b) "**Applicable Law**" means any law, rules, circulars, guidelines or standards under which the preservation of the Documents has been prescribed.
- c) "**Board**" means the Board of directors of the Company or its Committee.
- d) "**Books of Account**" as per Section 2(13) of the Companies Act 2013 includes records maintained in respect of –
  - i. all sums of money received and expended by the Company and matters in relation to which the receipts and expenditure take place;
  - ii. all sales and purchases of goods and services by the Company;
  - iii. the assets and liabilities of the Company; and

- iv. the items of cost as may be prescribed under section 148 in the case of the Company which belongs to any class of Companies specified under that section;
- e) **“Document”** as per section 2(36) of the Companies Act 2013 includes summons, notice, requisition, order, declaration, form and register, whether issued, sent or kept in pursuance of this Act or under any other law for the time being in force or otherwise, maintained on paper or in electronic form. For the purpose of this Policy the term **“Documents”** shall mean statutory records, registers, returns, forms electronic storage devices etc., and the like etc. required to be maintained and preserved by the Company in physical or electronic form under the Companies Act, 1956/ Companies Act, 2013, Securities and Exchange Board of India Act, 1992, Securities Contracts (Regulation) Act, 1956, Depositories Act, 1996 or under any law or regulation for the time being in force.
- f) **“Electronic Record(s)”** means the electronic record as defined under clause (t) of sub-section (1) of section 2 of the Information Technology Act, 2000.
- g) **“Electronic Form”** means any contemporaneous electronic device such as computer, laptop, compact disc, floppy disc, space on electronic cloud, or any other form of storage and retrieval device, considered feasible, whether the same is in possession or control of the Company or otherwise the Company has control over access to it.
- h) **“Maintenance”** means keeping Documents, either physically or in Electronic Form.
- i) **“Preservation”** means to keep in good order and to prevent from being damaged or destroyed.
- j) **“Register”** means documents and records required to be maintained under:
  - i. The Companies Act 2013 and Rules thereunder
  - ii. SEBI Regulations
  - iii. Secretarial Standards
  - iv. Any other law for the time being in force
- k) **“Records”** means documentary evidence of past events or transactions.
- l) **“Regulations”** means the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The words and phrases used in this Policy and not defined here shall derive their meaning from the Applicable Law.

### 3) OBJECTIVE

This policy sets the standards for managing, storing and preservation of documents of the Company broadly classified in the following two categories:

- A. The documents of a permanent nature shall be maintained and preserved permanently by the Company subject to the modifications, amendments, additions, deletions or any changes made therein from time to time.

Provided that all such modifications, amendments, additions, deletions in the documents shall also be preserved permanently by the Company.

- B. The documents to be maintained and preserved for a specified time period after completion of the relevant transactions shall be preserved by the Company for the term not less than eight years after completion of the relevant transactions subject to the modifications, amendments, additions, deletions or any changes made therein from time to time.

Provided that all such modifications, amendments, additions or deletions in the documents shall also be preserved for a term not less than eight years.

Provided further that the Company may keep the documents as specified above in an electronic mode.

- C. Retention of records in compliance with the Provisions of PMLA

The records referred to in Rule 3 of PMLA, as applicable to the Company, shall be maintained for a period of five years from the date of the closure of the account between the client and the Company. Rejected loan applicant's KYC documents and other particulars furnished by the client shall be preserved for a period for ten years from the date of rejection.

Background including all documents/office records/memorandums pertaining to such transactions and purpose thereof should, as far as possible, be examined and the findings at branch as well as Principal Officer level should be properly recorded. These records are required to be preserved for ten years as is required under PMLA, 2002.

#### **4) APPLICABILITY:**

This Policy is applicable to all Documents maintained in physical form and electronic mode by the Company.

Appended to the main policy is the Record Retention Schedule that is approved by the Board of Directors as the initial maintenance, retention and disposal schedule for physical records of ECLFL and the retention and disposal of electronic documents. The Compliance team of ECLFL will be the primary administrator of this Policy and the implementation of processes and procedures to ensure that the Record Retention Schedule is followed. The Administrator is also authorized to: make modifications to the Record Retention Schedule from time to time to ensure that it is in compliance with statutory laws whether Central, State or local, the appropriate document and record categories; monitor statutory obligations of laws affecting record retention; annually review the record retention and disposal program.

#### **5) GENERAL CORRESPONDENCE AND INTERNAL MEMORANDUM**

Most correspondence and internal memorandum should be retained for a period of eight years from the date of the event 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 (8 years

after expiration). It is recommended that records that support a particular project or product shall be kept with the project / product and take on the retention time of that particular file.

Correspondence or internal memorandum that do not pertain to documents having a prescribed retention period may be discarded sooner. These may be of the following categories:

- Routine letters and notes that require no follow-up, such as notes of appreciation, congratulations, letters of transmittal, and plans for meetings.
- Form letters that require no follow-up.
- Letters of general inquiry and replies that complete a cycle of correspondence.
- Letters or complaints requesting specific action that have no further value after action on them have been taken
- Other letters of not significant subject matter or that definitely close correspondence to which no further reference will be necessary.
- All correspondence files.

## 6) ELECTRONIC DOCUMENTS

1. **Electronic Mail:** Email needs to be retained, depending on the subject matter.
  - All e-mail – from internal or external sources – is to be deleted after 8 years.
  - Staff will strive to keep all but an insignificant e-mail related to business issues.
  - ECLFL will archive e-mail for 8 years after the staff has deleted it, after which time the e-mail will be permanently deleted.
  - Staff will not store or transfer ECLFL related e-mail on non-work-related computers.
  - Staff will take care not to send confidential/proprietary ECLFL information to outside sources.
2. **Electronic Documents:** including Microsoft Office Suite and PDF files. Retention also depends on the subject matter.
  - **PDF documents** - The length of time that a PDF file should be retained should be based upon the content of the file and the category under the various sections of this policy. The maximum period that a PDF file should be retained is 8 years. PDF files the employee deems vital to the performance of his or her job should be printed and stored in the employee's workspace.
  - **Text/formatted files** - Staff will conduct annual reviews of all text/formatted files (e.g., Microsoft Word documents) and will delete all those they consider unnecessary or outdated. After 8 years, all text files will be deleted from the network and the staff's desktop/laptop. Text/formatted files the staff deems vital to the performance of their job should be printed and stored in the staff's workspace.

Each day the Company shall run a tape backup copy of all electronic files (including email) on the Company's servers, as specified in the Company's Disaster Recovery Plan. This backup tape is a safeguard to retrieve lost information within a one-year retrieval period should documents on the network experience problems. The tape backup copy is considered a safeguard for the record retention system of ECLFL, but is not considered an official repository of the Company's records.

In certain cases a document will be maintained in both paper and electronic form. In such cases the official document will be the electronic document.

**7) SUSPENSION OF RECORD DISPOSAL IN EVENT OF LITIGATION OR CLAIMS**

In the event ECLFL is served with any notice or any request for documents or any employee becomes aware of any investigation or audit or if there is any the commencement of any litigation against or concerning the Company, such employee shall inform the Compliance Head and any further disposal of documents shall be suspended until such time as the Compliance deems appropriate.

**8) DESTRUCTION OF DOCUMENTS**

After the expiry of the statutory retention period, the preserved documents may be destroyed in such mode under any instructions approved by the department head(s). Destruction of documents as a normal administrative practice will also be followed for the records which are duplicate/unimportant/irrelevant. This applies to both Physical and Electronic Documents/records. Destruction of documents can be undertaken periodically with the approval of HOD of the department concerned. A list of document and date of destruction of such destroyed documents have to be maintained in the department.

**9) REVIEW OF POLICY:**

This Policy shall be subject to review, if necessary. Any change/amendments in applicable statutes with regard to maintenance and preservations of documents and records shall be deemed to be covered in this Policy without any review. Any change/amendments to this policy shall be approved by the Compliance Head.

The Policy shall come into force from December 1, 2015.

## RECORD RETENTION SCHEDULE

The Record Retention Schedule is organized as follows:

### 10) Documents to be preserved permanently:

#### A) Companies Act, 1956 / Companies Act, 2013:

- Memorandum and Articles of Association as amended from time to time.
- Statutory Registers
- Register of Contracts
- Register of Directors and KMPs and the Securities held by them
- Register of loans and investment made by the Company
- Register and Index of Members
- Minutes of the Board, Committees of the Board, General Body meetings, including meetings conducted through postal Ballots.
- Resolution passed by Circulation
- Various forms and Returns filed with the Authorities
- Audited Financial Statements

#### B) SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015:

- Listing Agreement executed with the Exchange/s
- Trading approval relating to listing of securities.
- Offer documents for Public Issues and Private placement of securities filed with Securities and Exchange Board of India.

#### C) Depository Act:

- Confirmation of all Corporate Actions in respect of allotment of securities
- Intimation on allotment of International Securities Identification Numbers (ISIN) for securities issued.

#### D) Others- Including Income & Other taxes:

- Legal opinions and Memorandum (including all subject matter files)
- Litigation Files
- Court Orders
- Income Tax Returns and Acknowledgements
- Submission to Tax Offices
- Assessment orders and appeal papers
- Evidence of payment of taxes
- Annual Information Reports
- Any other documents as may be required to be maintained and preserved permanently in accordance with applicable statues, law(s), rules and regulations from time to time

**11) Following documents shall be preserved and maintained for a period of 8 years from the date of its event, unless specified under the any other Act or Rules, for longer duration:**

**A) Companies Act, 1956/ Companies Act, 2013:**

- Notices and Notes to agenda of the Board, Committees of the Board, General Meetings and Postal Ballots
- Instrument creating a charge or modification from the date of satisfaction of charge
- Debentures Trust Deed from the date of its redemption.
- Books of Accounts including vouchers and bills
- Annual Returns together with the Annexures
- Scrutinizer's Report on Postal Ballot, if any, and AGM
- Documents relating to appointment of Managerial Personal
- Dividend reconciliation statement till the time the dividend is transferred to IEPF
- All notices disclosing directors concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals.

**B) SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015:**

- All reports filed with the stock exchange from time to time
- All disclosure of various events and Press Releases.
- Intimation of Board meetings.

**C) Documents filed with Stock Exchanges under SEBI Regulations**

All disclosures and intimations filed under:

- SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.
- SEBI (Prohibition of Insider Trading) Regulations, 2015.
- All disclosures and intimations filed under SEBI (Share Based Employee Benefit) Regulation, 2014 and SEBI (Employee Stock Option Scheme and Stock Purchase Scheme) Guidelines 1999.

**D) Others - Including INCOME TAX & OTHER TAXES**

- Employee Personnel Records (including individual attendance records, application forms, job or status change records,
- performance evaluations, termination papers, withholding information, training and qualification records
- Employee Payroll and deductions records
- Payroll Tax records
- VAT records - Invoices and set off claims
- Any other documents as may be required to be maintained and preserved for a period of 8 years, in accordance with applicable statues, law(s), rules and regulations from time to time

**12) Following records as required to be maintained under Prevention of Money Laundering Act and rules made there under read with RBI circulars in respect thereof shall be preserved and maintained for a period of five years from the date of its event, unless specified under the any other Act or Rules, for longer duration:**

- a. All record pertaining to or evidencing all cash transactions of the value of more than rupees ten lakhs or its equivalent in foreign currency;
- b. All record pertaining to or evidencing all series of cash transactions integrally connected to each other which have been individually valued below rupees ten lakhs or its equivalent in foreign currency where such series of transactions have taken place within a month and the monthly aggregate exceeds Rs.10 lakh;
- c. All record pertaining to or evidencing all cash transactions where forged or counterfeit currency notes or bank notes have been used as genuine or where any forgery of a valuable security or a document has taken place facilitating the transactions;
- d. All record pertaining to or evidencing all suspicious transactions whether or not made in cash;
- e. All record pertaining to or evidencing all cross border wire transfers of the value exceeding Rs.5 lakh or its equivalent in foreign currency where either the origin or destination of fund is in India; and
- f. All record pertaining to or evidencing all purchase and sale of immovable property valued at Rs.50 lakh or more that is registered by the reporting entity.

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