

EON ELECTRIC LIMITED

POLICY ON PRESERVATION OF DOCUMENTS AND ARCHIVAL OF DOCUMENTS

[Regulation 9 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The Securities and Exchange Board of India (“SEBI”), vide its Notification dated September 2, 2015, issued the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Listing Regulations come into force from December 1, 2015. The Listing Regulations mandate listed entities to formulate a Policy for preservation and archiving of documents. It is in this context that the Document Retention and Archival Policy (“Policy”) is being framed and implemented. This policy represents the policy of EON Electric Ltd. (the “organization”) with respect to the preservation/retention and destruction of documents and other records, both in hard copy and electronic media and archival of documents in its website.

1. Purpose and Scope

The purpose of this policy is to present a high level policy statement for its organization regarding preservation of its documents.

The policy is intended to define preservation of documents responsibilities and to provide guidance to the executives and staff working in the organization in making decisions and undertaking other activities that may have an impact on the operations of the Company. It also frames the guidelines for fundamental accountability of the Organization to retain and preserve its documents as the basis for communication with a range of external stakeholders.

The policy is framed for the purpose of systematic identification, categorization, maintenance, review, retention and destruction of documents received or created in the course of business. The policy would contain guidelines on how to identify documents that need to be maintained, how long certain documents should be retained, how and when those documents should be disposed of, if no longer needed and how the documents should be accessed and retrieved when they are needed.

2. Records as per the Companies Act, 2013 and the SEBI Regulations

The Company shall maintain all records as per the Companies Act, 2013 and SEBI Regulations for not less than 8 (Eight) Years and other records as per the time limits specified in this policy. Documents that are to be made available on the Company’s website in Compliance with the SEBI (Listing Regulations and Disclosure Obligations), 2015 will be made available on the website for a period of 5 years and thereafter will be archived for a period of 3 years.

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3. Classification of Documents to be preserved / retained

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

- ❖ Documents that need to be preserved / retained permanently – Doc 1
- ❖ Documents that may be preserved / retained for a period of 8 years as specified under the Companies Act, 2013 or LODR – Doc 2
- ❖ Documents to be preserved electronically and archived when necessary – Doc 3.
- ❖ Documents that may be required by judicial proceedings and which may be destroyed after closure of the legal case – Doc 4.
- ❖ E-mails of all employees in the grade of manager and above for a period of 3 years – Doc 5.
- ❖ Documents like budget papers etc., which may be retained for less than 8 years – Doc 6.

4. Principle of Responsibility of Employees for Preservation of Documents

All the Employees in the permanent rolls of the Company are responsible for taking into account the potential impacts on preservation of the documents in their work area and their decision to retain/preserve or destroy documents pertaining to their area. Such policy bestowing responsibility on the Company's employees would immensely help company's litigation preparedness tool helping the Company's and Outside legal counsel to track down documents to handle the legal cases.

5. Administration

The Record Retention Schedule approved by the Board of Directors for initial maintenance, retention and disposal schedule for physical records is as given in the annexure. The Chief Financial Officer of the Company shall be the administrator ("Administrator") in charge of the administration of this Policy.

6. Suspension of Record Disposal in the event of Litigation or Claims

In case the Company is served with any notice for request of documents or any employee becomes aware of a governmental investigation or audit concerning the organization or commencement of any litigation against the Company, such employee shall inform the Top Management and any further disposal of documents shall be suspended until such time as the Top Management with the due advice from the legal counsel determine otherwise. The Top Management in such case shall inform all employees by mail under "User list" of the need to retain the documents and suspension of disposal of the same.

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7. Document Destruction

The Administrator shall be responsible for the ongoing process of identifying its records, which have met the required retention period and overseeing their destruction. Destruction of financial and personnel-related documents will be accomplished by shredding or fire or other proven means in the presence of Administrator.

8. Emergency Planning

Documents shall be stored in a safe and accessible manner. Documents which are necessary for the continued operation of the organization in the case of an emergency shall be regularly duplicated or backed up and maintained in an off-site location. The Administrator shall develop reasonable procedures for document retention in the case of an emergency.

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APPENDIX

Types of Records

1. Accounting and Finance records including Annual Financial Statements
2. Insurance Records
3. Tax records
4. Contracts entered into by the Company including Marketing Contracts
5. Corporate Records including Certificate of Incorporation, Certificate of Commencement of Business, Listing Agreement and other approvals from other statutory authorities.
6. Minutes of the proceedings of meetings of Board of Directors and its Committees.
7. Legal Files and Records
8. Property Records
9. Payroll Records
10. Pension and retirement related Records
11. Personnel and HR Records
12. Programs & Service Records
13. Sponsorship Projects Records
14. Correspondence and Internal Memoranda
15. Electronic Documents including email retention and back up
16. Miscellaneous Records

1. Accounting and Finance records including Annual Financial Statements

Record Type	Retention Period	Document Type
Accounts Payable ledgers and schedules	8 Years	Doc -2
Accounts Receivable ledgers and schedules	8 Years	Doc - 2
Annual Audit Reports and Financial Statements	Permanent	Doc - 1
Annual Audit Records, including work papers and other documents that related to the audit	8 years after completion of audit	Doc - 2
Annual Plans and Budgets	3 years after the budget year is closed	Doc - 6
Bank Statement and Cancelled Cheques	8 years	Doc - 2
Employee Expense Reports	8 years	Doc - 2
General Ledger	Permanent	Doc - 1
Interim Financial Statements	8 years	Doc - 2
Notes Receivable ledgers and schedules	8 years	Doc - 2
Investment Records	Permanent	Doc - 1
Security deposit receipt copies	3 years after termination of the contract	Doc - 6

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2. Insurance Records

Record Type	Retention Period	Document Type
Annual Loss Summaries	8 Years	Doc -2
Audits and Adjustments	8 Years	Doc - 2
Claim Files (Including correspondence, medical records, injury documentation, etc.)	Permanent	Doc - 1
Group Insurance Plans – Active Employees	8 years	Doc - 2
Group Insurance Plans - Retirees	Permanent	Doc - 1
Insurance Policies for the Company	Permanent	Doc - 1
Journal Entry Support Data	8 years	Doc - 2
Releases and Settlements	Permanent	Doc - 1

3. Tax Records

Record Type	Retention Period	Document Type
Tax-Exemption Documents and related correspondence	Permanent	Doc -1
Excise Tax records	Permanent	Doc - 1
Payroll Tax records	8 years	Doc - 2
Tax Bills, Receipts, Statements	8 years	Doc - 2
Tax Returns – Income, Property	Permanent	Doc - 1
Tax work paper packages - Originals	8 years	Doc - 2
Central Sales Tax / VAT Records	8 years	Doc - 2
Annual Information Returns – State and Central	Permanent	Doc - 1
Service Tax Records	8 years	Doc - 1

Responsibility: FINANCE AND ACCOUNTS DEPARTMENT

4. Contracts entered into by the Company including Marketing Records

Record Type	Retention Period	Document Type
Contracts and Related Correspondence (including any proposal that resulted in the contract and all other supportive documents)	8 years	Doc - 2

Responsibility: LEGAL AND MARKETING DEPARTMENT

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

Record Type	Retention Period	Document Type
Corporate Records (certificate of incorporation, commencement of business, listing agreement, common seal, minutes book of board and committees thereof, annual reports originals, etc.)	Permanent	Doc - 1
License and Permits, Industrial entrepreneurial Memorandum, and other statutory approvals	Permanent	Doc - 1
ROC Filings and Stock Exchange filings in physical and Electronic form	5 years from the date of filing	Doc - 6

Responsibility: COMPANY SECRETARIAL DEPARTMENT

6. Minutes of the proceedings of meetings of Board of Directors and its Committees. - Permanent

Responsibility: COMPANY SECRETARIAL DEPARTMENT

7. Legal Files and Records

Record Type	Retention Period	Document Type
Legal Memoranda and Opinions	3 years after the closure of the matter	Doc - 4
Litigation files	1 year after Expiration of disposal of the case	Doc - 4
Court Orders	Permanent	Doc - 1

Responsibility: LEGAL DEPARTMENT

8. Property Records

Record Type	Retention Period	Document Type
Correspondence, Property Deeds, Assessments, Licenses, Rights of Way	Permanent	Doc - 1
Original Purchase / Sale Deeds	Permanent	Doc - 1
Original Lease Agreements	3 years after expiration of the lease	Doc - 6

Responsibility: LEGAL DEPARTMENT

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9. Payroll Records

Record Type	Retention Period	Document Type
Employee Deduction Authorization	3 years after termination of service of employment	Doc - 6
Payroll Deductions	3 years after termination of service of employment	Doc - 6
Labour Distribution Cost Records including details regarding gratuity and retiral disbursements	3 years after termination of service of employment	Doc - 6
Payroll Registers (Gross and Net)	3 years after termination of service of employment	Doc - 6
Time Cards / Sheets	2 years	Doc - 6
Unclaimed Wage Records	3 years	Doc - 6
Leave Records	2 years after the relevant period	Doc - 6

Responsibility: HUMAN RESOURCES DEPARTMENT

10. Pension and retirement related Records

Record Type	Retention Period	Document Type
Retirement and Pension Records	Permanent	Doc - 1

Responsibility: HUMAN RESOURCES DEPARTMENT

11. Personnel and HR Records

Record Type	Retention Period	Document Type
Personnel Files of individual employees	Permanent	Doc - 1
Commission / Bonuses / Incentives / Awards	8 years	Doc - 2
Employee Earnings Records	3 years after termination of service of employment	Doc - 6
Employee Handbook & Induction Manual	Permanent	Doc - 1
Employee Medical Records	3 years after termination of service of	Doc - 6

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Attendance records, application forms, job or promotion records, performance evaluations, termination papers, test results, training and qualification records, enquiry related papers	3 years after termination of service of employment	Doc - 6
Employment Contracts - Individual	3 years after termination of service of employment	Doc - 6
Correspondence with Employment Agencies and	3 years	Doc - 6
Job Description	3 years after superseding	Doc - 6

Responsibility: HUMAN RESOURCES DEPARTMENT

12. Programs & Service Records

Record Type	Retention Period	Document Type
Attendance Records	3 years	Doc - 6
Program statistics, etc.	3 years	Doc - 6
Research & Publications	Permanent	Doc - 1

Responsibility: HUMAN RESOURCES DEPARTMENT

13. Sponsorship Projects Records

Record Type	Retention Period	Document Type
Sponsorship agreements	Permanent	Doc - 1

Responsibility: HUMAN RESOURCES DEPARTMENT

14. Correspondence and Internal Memoranda

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.

Responsibility: RESPECTIVE DEPARTMENT

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15. Electronic Documents including email retention and back up -Doc. Type- 5

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

- All e-mail – from internal and external sources to be deleted after 24 months.
- Staff will strive to keep all but an insignificant minority of their email related to business issues.
- Central I.T team would archive email for six months after the staff has deleted it after which time the e-mail will be permanently deleted.
- Staff will not store or transfer the Company related e-mails 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.

2. Electronic Documents including PDF files. – Doc. Type- 3

- PDF documents – Can be a maximum period of 8 years. But the said document may be destroyed depending upon the completion of the job or its use coming to an end.
- Text/ Formatted files: All word / excel / Power point files may be deleted once every year depending on the importance or lack of it.

3. Web page files – Doc. Type – 3

- May be retained for a period of 5 years as specified in SEBI’s LODR Regulations, 2015.
- May be archived by the I.T. Department with the support of the service provider for a period of 3 years after the initial period of five years of live page.

Responsibility: INFORMATION TECHNOLOGY DEPARTMENT

16. Miscellaneous Records

Record Type	Retention Period	Document Type
Consultant Reports	3 years	Doc – 6
Policy and procedures manuals – Original	Current version with revision history	Doc – 6
Policies and procedures manuals – Copies	Retain current version only	Doc – 6
Dealership agreements	Current version with revision history	Doc - 6
Annual Reports	Permanent	Doc -1

Responsibility: HUMAN RESOURCES DEPARTMENT