

**ELECON ENGINEERING COMPANY LIMITED**

**POLICY ON PRESERVATION**

**OF DOCUMENTS**

## INTRODUCTION

In terms of Regulation 9 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), the Board of Directors (the “**Board**”) of Elecon Engineering Company Limited (“**ELECON**”) has adopted this Policy at its meeting held on 29<sup>th</sup> January 2016, for Preservation of Documents, as required under applicable regulations.

This Policy is effective from 01-04-2016.

It is further amended by the Board at its meeting held on 6<sup>th</sup> November, 2020, to give effect of the amendments in Regulation 3 of the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2020.

In any circumstance, where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy and procedures until such time as this Policy is amended to conform to the law, rule, regulation or standard.

## OBJECTIVES

To determine preservation period for records/documents based on their reference value and legal requirements. The following aspects are considered while arriving at the preservation period:

- Company's own information retrieval needs (reference value)
- Statutory requirements under respective statutes.
- Litigation requirements
- To ensure easy retrieval.
- To ensure that unwanted records do not occupy storage space.

## DEFINITION

In this policy unless the context otherwise requires

- a. “**Act**” means the Companies Act, 2013 and rules made there under, as amended from time to time.
- b. “**SEBI Regulations**” shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be amended from time to time.

- c. **“Company”** means Elecon Engineering Company Limited
- d. **“Document”** includes summons, notice, requisition, order, declaration, form, minutes 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;
- e. **“Key Managerial Personnel”** or **“KMP”** shall have the same meaning ascribed to it under the Act.
- f. **“Board”** or **“Board of Directors”** shall mean the Board of Directors of Elecon Engineering Company Limited, as may be re-constituted from time to time
- g. **“Financial Year”** shall have the same meaning ascribed to it under the Act.
- h. **“Electronic Form”** with reference to information means any information generated, sent, received or stored in physical, media, magnetic, optical, computer memory, micro film, computer generated micro fiche or similar device.

The words or expressions used but not defined herein, but defined under Companies Act, 2013 or the SEBI Regulations shall have the same meaning assigned therein.

### **SCOPE**

These guidelines will be valid for determining preservation period for commercial and legal records; and will be applicable to all locations of the Company.

### **RESPONSIBILITY**

The departmental head concerned will be responsible for the maintenance, preservation and destruction of records pertaining to the respective Department.

### **PRESERVATION PERIOD**

The preservation period starts with the conclusion of financial year, in which the document has been formed or the last entry was made; the preservation period of agreements starts with the end of the financial year in which the agreement period expires.

For Taxation Department, the documents will be preserved for a minimum period of 8 years and for matters in dispute, the documents will be preserved till the time they are finally disposed off.

For Purchase, Accounts & Finance, Legal and Engineering Department all the documents will be preserved for minimum 8 years and as regards Engineering Drawings, Deeds, legal documents pertaining to properties and the same will be preserved permanently.

For Excise, HR, and Secretarial Department list of documents are listed out as Annexure-1, Annexure-2 and Annexure-3 respectively.

For determining the preservation period, the records are categorized into following three categories:

<b>Category &amp; Description</b>	<b>Period of Preservation</b>
Records/documents with short reference value – i.e. Records, which are to be preserved for a short period for enquiry, evidence, verification, evaluation, etc.	Not less than 8 years.
Records/documents required to be maintained as per statutory requirements and having higher reference value – i.e. records having contractual/legal implications, which need to be preserved for a prescribed periods as per statutory requirement; and records, which need to be, preserved for a particular period according to Company’s own reference needs.	Documents to be preserved for a period of 8 to 12 years (Illustrative list of documents to be maintained for 8 to 12 years is annexed).
Records which will have a permanent value for the Company even after the expiry of legal preservation period.	Permanent.
Records which are required for adducing evidence in judicial or quasi judicial or other dispute redressal forum.	Till the time the matters are finally disposed off.

Notwithstanding the general guidelines, care should be taken by the respective departments to ensure that records of special nature such as unsatisfied claims by or against the Company, suits pending in courts, tribunals, quasi-judicial for a and other

mediation and alternate dispute for example litigations, industrial disputes, etc. are preserved according to specific needs and even beyond the prescribed period.

Also, in the case of statutory records such as licenses, certificates, sanctions, approvals, etc. from Government/ Statutory Bodies, care should be taken to maintain and preserve the records in accordance with the specific guidelines/instructions, if any, by the issuing authority.

### **PRESERVATION LOCATION**

The preservation location will be the concerned department. If the location is other than the concerned department, the same should be documented and kept in a file for reference purpose in the respective department. In case of critical documents which need to be preserved for very long periods or permanently, the same shall be preserved in fire proof or other such secure cabinets.

### **MODE OF PRESERVATION**

Records/documents may be preserved either physically or in electronic form.

### **DESTRUCTION OF RECORDS**

The records/documents preserved shall be reviewed every year or according to need by the respective department and action taken to destroy those records which are due for disposal.

### **GENERAL AUTHORISATION**

The Policy shall be reviewed on a periodic basis and the Chairman and Managing Director / Whole-time Director, CFO and Company Secretary are authorized jointly (by any two) to make such changes as may be deemed necessary or as warranted by law. Any Amendment in the applicable laws & Rules will be applicable from the date of Amendment/Notification as may be prescribed.

## ANNEXURE-1

As per Excise & Service Tax Rule we have preserved records & document for a minimum period of 5 years immediately after the financial year.

**1. Cental Excise Records** must be preserved for a minimum period of 5 years immediately after the financial year to which **such records pertain Chapter-6 Part-I Records and Returns Part – Records under Central Excise Rules, 1944.**

- Following records/ documents need to be kept permanently :-
  1. Original Copy of Excise Registration & amendment.
  2. RG-1 Daily stock register, RG-23A(Part-I), RG-23C(Part-I).
  3. TR-6/GAR-7 Challan.
  4. PLA Register.
  5. Input & Capital Goods credit Register.
  6. File of all litigations file at various courts.
  7. All Permission, Intimation, declaration etc.
  8. All correspondent copy of office records, correspondent with various stage & department.
  9. Export Document & proof of Export, Bond/LUT/CT-1/CT-3 etc.
  10. All Excise Returns like monthly ER-1, ER-6, ER-4, ER-5 & ER-7.
  11. Copy of all ER-2000 & CERA audit report.
  12. Cenvat Invoice copy of Input & capital goods.
  13. Sales Invoice.
  14. Job-work Challan material send for Job-work & material received for Job-work.
  15. Any other Form, Register, Challans, Declarations, etc as may be notified from time to time by Amendment/Notification by the Authority in the applicable Acts/Rules.

**2. Service tax all records and documents** concerning any taxable service, CENVAT transactions etc. must be preserved for a minimum period of 5 years immediately after the **financial year to which such records pertain (Rule 5(3) of Service Tax Rules 1994.)**

- Following records/ documents need to be kept permanently :-
  1. Original Copy of Service Tax Registration & amendment.
  2. TR-6/GAR-7 Challan.
  3. Input service tax credit Register.
  4. File of all litigations file at various courts.
  5. All Permission, Intimation, declaration etc.
  6. All correspondent copy of office records, correspondent with various stage & department.
  7. All Service tax Returns like Haft yearly ST-3.
  8. Invoice copy of all output service & payment under RCM as a service reception.
  9. Any other Form, Register, Challans, Declarations, etc as may be notified from time to time by Amendment/Notification by the Authority in the applicable Acts/Rules.
- Following records/ document need to keep in records for five years
  1. Cenvat Invoice copy of Input service.

**ANNEXURE - 2**

**DETAILS OF DOCUMENTS TO BE PRESERVED WITH HR AS PART  
OF STATUTORY COMPLIANCE UNDER VARIOUS LAWS**

<b>Sr. No.</b>	<b>Description of document</b>	<b>Time Limit</b>
1.	Factory Licence issued by Dy. Director Industrial Safety & Health	Till Factory exists (To be renewed every year/once in two/five years)
2.	Labour Licence, issued by Assistant Labour Commissioner	Till factory exists (to get amendment in case number of contract labours are increased.
3	Building Stability Certificate, including Office/Factory/any construction, (Form 1A) and Drawing approval issued by Dy. Director of Industrial Health and Safety	5 Years and then to be renewed for another 5 years, Whereas drawings to be updated/approval obtained and preserved whenever there is any modification including shifting of machines.
4	Labour Welfare Return (Form A) under Labour Welfare Fund, Ahmedabad	Six months and to be renewed every six months
5	Annual Consolidated return in Form No.25 to Factory Inspector/Labour Commissioner/Labour Officer etc.	To preserve for one year and to replace with a new return every year February.
6	Form No. 26A Test Certificate of Shot Blasting Machine issued by Competent Chartered Engineer. Under Factories Act	One year valid and to be certify every year.
7	APP-2 & APP-3 half yearly report to be submitted to the Apprenticeship Office	Apprentice Act 1961 under the section 19 (2), online portal developed by the Central Government hence apprentice returns are not required.
8	Form No. 15 (Adult Register) as per Factories Act	One Year. To be updated and maintained every year for inspection.
9	Form No. 10 issued by a competent chartered engineer for lifting machines, ropes, lifting tools and tackles	One year valid and to be certify every year.
10	Form No. 11 Test Certificate for Pressure Vessels issued by competent chartered engineer under Factories Act	Six months valid and to be certify half yearly.
11	Form ER-1 Employment details to be submitted to the Employment Exchange	Quarter. (to be preserved for one year)
12	Half yearly return in Form No.25 under the Factories Act	Six months. Every year June and December. (To preserve for one year)

13	Form ER-II Consolidated category of employees under Employment Exchange Acts	It is abolished
14	Filling of Annexure - A : Computation of Allocable Surplus & Annexure - B : Set on / Set off under Payment of Bonus Act (To be provided by the Finance Department)	These data are maintained by Finance and Accounts  Please approach F&A Dept.
15	Individual employee File	To maintain at least for 10 years after separation.
16	Form "D" Bonus Payment details under the Payment of Bonus Act	One year and to be replaced with new one (To keep at least 3 years details)
17	FORM No. 29	Accident (Major/dangerous occurrence)...Printed Register to be maintained
18	Form No. 07	Lime Washing/Painting.....Register to be certified by Factory Manager once in 3 months
19	Form No. 31	Inspection Registers....for the visiting government officials observation (likely to be on line)
20	Form No. 15	Adults Workers identification.....Register to be maintained and updated every year
21	Form 18	Leave with wage register.....Can be maintained on line
22	Form No. 12	Contractor's details.....Register to be maintained and updated whenever there is a change



**ANNEXURE - 3**

**RECORDS TO BE MAINTAINED IN SECRETARIAL DEPT.**

<b>Sr. No.</b>	<b>Section/ Rules</b>	<b>Description of document</b>	<b>Time upto which document to preserved</b>	<b>Place of Document</b>	<b>Remarks</b>
1	128(5)	Books of Accounts including vouchers relevant to any entry in such books of account	8 financial years preceding current FY.	Registered office of the company or at such other place in India	If, an investigation has been ordered in respect of the company under Chapter XIV, the Central Government may direct that the books of account may be kept for such longer period as it may deem fit.
2	the Companies (Meetings of Board and its Powers) Rules, 2014.	Disclosures/ Notices by a director of his interest	For a period of 8 years from the end of the financial year to which it relates	Registered office of the company and shall be kept in the custody of the company secretary of the company or any other person authorized by the Board for the purpose	Format of disclosure as per Form MBP 1
3	Section 186(9) & rule 12(1) of the Companies (Meetings of Board and its Powers) Rules, 2014	Register of loans, guarantee, security and acquisition made by the company	permanently	----“----	Format of register as per Form MBP 2
4	section 187(3) and rule 14(1) of the Companies (Meetings of Board and its Powers) Rules, 2014.	Register of investments not held in its own name by the company	permanently	----“----	Format of register as per Form MBP 3.
5	section 189(1) and rule 16(1) of the Companies (Meetings of Board and its Powers) Rules, 2014.	Register of contracts with related party and contracts and Bodies etc. in which directors are interested	permanently	----“----	Format of register as per Form MBP 4.
6	Section 73 & the Companies (Acceptance of Deposits) Rules, 2014	Registers of deposits	for a period of not less than 8 years from the financial year in which the latest entry is made in the register	registered office	--
7	Section 85 & the Companies (Registration of Charges) Rules, 2014	Register of charges	The register of charges shall be preserved permanently	registered office	Format of register as per Form No. CHG.7.

8	Section 85 & the Companies (Registration of Charges) Rules, 2014	The instrument creating a charge or modification	preserved for a period of 8 years from the date of satisfaction of charge by the company	registered office	--
9	Section 88 & the Companies (Management and Administration) Rules, 2014.	Register of Members including an index of the names	permanently and shall be kept in the custody of the company secretary of the company or any other person authorized by the Board for such purpose;	registered office or be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a general meeting of the company and the Registrar has been given a copy of the proposed special resolution in advance	Format of register as per Form No. MGT.1.
10	Section 88 & the Companies (Management and Administration) Rules, 2014.	Register of debenture-holders including an index of the names	preserved for a period of 8 years from the date of redemption of debentures or securities, as the case may be.	----"----	Format of register as per Form No. MGT.2.
11	Section 88 & the Companies (Management and Administration) Rules, 2014.	Foreign Register of Members	preserved permanently, unless it is discontinued and all the entries are transferred to any other foreign register or to the principal register	----"----	Format of register as per Form No. MGT.1.
12	Section 88 & the Companies (Management and Administration) Rules, 2014.	foreign register of debenture-holder	preserved for a period of 8 years from the date of redemption of such debentures	----"---	Format of register as per Form No. MGT.2.
13	Section 88 & the Companies (Management and Administration) Rules, 2014.	Annual return and copies of all certificates and documents required to be annexed thereto	preserved for a period of eight years from the date of filing with the Registrar	----"---	Format of register as per Form No. MGT.7.
14	Rule 25 of the Companies (Management and Administration) Rules, 2014.	Minutes of General	Preserved permanently and kept in the custody of the company secretary or any director duly authorised by the board or at such other place as may be approved by the Board	Registered Office	--

15	Rule 25 of the Companies (Management and Administration) Rules, 2014.	Minutes of Board or Committee Meetings	----"---	registered office or such place as Board may decide	--
16	Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014.	Debenture trust deed	--	--	--
17	Rule 6(3) of the Companies (Share Capital and Debentures) Rules, 2014	Register of Renewed and Duplicate Share Certificates	preserved permanently and shall be kept in the custody of the company secretary of the company or any other person authorized by the Board for the purpose	registered office of the company or at such other place where the Register of Members is kept	Format of register as per Form No. SH 2.
18	Rule 7 of the Companies (Share Capital and Debentures) Rules, 2014.	all books and documents relating to the issue of share certificates, including the blank forms of share certificates	not less than 30 years and in case of disputed cases, shall be preserved permanently	Not specified	kept in the custody of the secretary or such other person as the Board may authorise for the purpose; and the company secretary or other person aforesaid shall be responsible for rendering an account of these forms to the Board
19	Rule 7(3) of the Companies (Share Capital and Debentures) Rules, 2014.	all certificates surrendered to a company shall immediately be defaced by stamping or printing the word "cancelled" in bold letters	may be destroyed after the expiry of three years from the date on which they are surrendered, under the authority of a resolution of the Board and in the presence of a person duly appointed by the Board in this behalf	Not specified	--
20	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015	All the forms, intimations, compliances, reports filled under regulations, 2015	For a period not less than 8 years from the end of the financial year to which it relates	Not specified	--
21	Other not covered in above	All the forms, intimation, compliances, report filled under MCA/SEBI/Stock Exchange/Other Statutory Authority	For a period not less than 8 years from the end of the financial year to which it relates	Not specified	--

22	SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2020	To maintain structured digital database of unpublished price sensitive information	For a period of not less than 8 years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.	Shall be maintained internally within the Company premises with adequate internal controls and checks	Format as prescribed in the Regulation 3, Sub-Regulation 5 of SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2020
----	---	--	---	---	---