

	<u>NAME OF THE POLICY:</u> POLICY ON PRESERVATION AND ARCHIVAL OF DOCUMENTS	Version: 1.0 Last Review Date: NA Approval Date: January 30, 2023	Approved by : Board of Directors
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Hero FinCorp Limited ("HFCL")

POLICY ON PRESERVATION AND ARCHIVAL OF DOCUMENTS

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Approved By	Board of Directors	
Frequency of review	Event Based	

INTRODUCTION:

Record retention and maintenance is concerned with the selection, classification, storage, retrieval and timely destruction of information. This requires a structured approach in order to comply with the applicable laws and regulations and to meet business needs.

The Record Retention Policy of Hero FinCorp Limited (hereinafter called “HFCL”) governs the obligations and responsibilities of all staff at HFCL in relation to the management of official records. Under this policy, each department has an obligation to maintain official records and keep them in good order and condition. This obligation applies not only to the capture, storage, maintenance and disposal of physical records, but also to records in electronic form.

The purpose of this policy is to ensure that all necessary records and documents of HFCL are adequately protected and maintained and to ensure that the records that are no longer required or are of no value are discarded at the proper time.

The objective of the policy is to establish guidelines for management, preservation, archival and destruction of Documents by the Company.

This policy has been framed in accordance with requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing-Regulations”) and other applicable law(s) to maintain and preserve certain types of Documents either permanently or for a specified period of time.

This policy sets out a data retention schedule for all Documents of the Company and the related procedures to be followed to ensure compliance with this Policy. The retention periods are based on legal, tax, audit and other defined business needs.

APPLICABILITY:

This Policy is extended to all business segment functions and departments of the Company.

The policy will apply to all employees of the Company and it covers all the records/documents issued/held by the Company.

CLASSIFICATION OF DOCUMENTS:

- The preservation of documents of the Company, as approved by the Board of Directors of the Company, should be as per the following classification:
 - Documents whose preservation shall be permanent in nature;

- Documents with preservation period of not less than eight (8) years after completion of the relevant transactions
- The following overriding matters may be taken into account while setting retention periods:
 - a) Compliance with statutory and regulatory requirements;
 - b) Satisfaction of the needs of regulatory inspectors to have access to certain records; and
 - c) Satisfaction of the needs of internal and external auditors to have access to certain records

DEFINITIONS

- 1.1 “Board”** shall mean the board of director(s) of Hero FinCorp Limited;
- 1.2 “Document(s)”** shall refer to all documents, deeds, agreements, notices, orders, declarations, forms, minutes, registers, returns, approvals, licenses, permissions, books of accounts, petitions, suits, records, files, books, etc., and any other documents, papers, records, etc., required to be preserved under Applicable Laws, whether created, prepared, issued, sent, received or kept in pursuance of any Applicable Law for the time being in force or otherwise, maintained on physical paper or in Electronic Form, but shall not include the temporary Documents;
- 1.3 “Electronic Form”** shall mean 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 or access to it;
- 1.4 “Employee”** shall mean any employee of the Company, whether permanent, contractual or otherwise
- 1.5 “Maintenance”** means keeping Documents, either physically or in Electronic Form
- 1.6 “Preservation”** means to keep in good order and to prevent from being altered, damaged or destroyed.

2. SCHEDULE

- 2.1** The Document retention schedule as provided in **ANNEXURE-1** hereto (“Schedule”), lays down the retention period for all the Documents of the Company. The Schedule applies to all the Documents of the Company regardless of their location, and shall include Documents in off-site locations, in computer storage and / or in Employees’

laptops.

- 2.2 Any information in the Electronic Form that must be preserved or maintained pursuant to this Policy, which are confidential or sensitive shall be access- restricted. The Documents which are confidential in nature should be titled / marked as confidential before being sent to the intended users.
- 2.3 Every Employee shall adhere to and shall comply with this Policy and the guidelines specified in this regard from time to time.
- 2.4 Any revision to the Schedule to this Policy shall be subject to the approval of the Board.

3. **DOCUMENT DISPOSAL**

- 3.1 The documents specified in Schedule which are not required to be maintained and preserved permanently, may be destroyed after the expiry of the specified retention period.
- 3.2 Each Employee must report any Document destruction suspected to be in noncompliance with this Policy or Applicable Law, to his or her immediate superior or the Head of Respective Departments.

4. **DOCUMENTS WHICH ARE HOSTED ON COMPANY'S WEBSITE:**

- 4.1 All Documents generated, disclosed by the Company, on its website including those required as per the Regulations and / or any other Applicable Laws shall be hosted for a period of 5 (Five) years (or such longer periods as may be prescribed under Applicable Laws for such Documents)
- 4.2 The Documents to be uploaded on website shall be arranged under proper heads and sub heads in such a manner that they can easily be located/ searched by the viewers.

5. **RECORD RETENTION & TIMELINE**

- 5.1 The Company is required to record and retain records as per the following acts and for the below period:

S.No.	Applicable Act/Law	Timelines for Record Retention (As per the relevant Act)

1	Companies Act, 2013	8 years except for (General Meeting Minutes, Board and Committee Meeting Minutes, Statutory Registers, MOA and AOA)**
		These documents have to be maintained permanently
2	Income Tax Act, 1961	8 years
3	Indian Evidence Act, 1872	8 years
4	Prevention of Money Laundering Act, 2002 (in reference to amendment to Section 12 of Prevention of Money Laundering Act, 2002 through Prevention of Money Laundering (Amendment) Act, 2012)	5 years
5	General records as per RBI	8 years
6	SEBI regulations	8 years

6. **ARCHIVAL**

All events / information required to be hosted on the website of the Company as per applicable law shall be hosted by the Company from time to time and the same shall continue to appear on the Company's website for a period of 5 years or such longer period as may be necessary as per requirement of law. Thereafter, it will remain in the archives of the Company for a period of 2 years.

7. **GENERAL**

Notwithstanding anything contained in this Policy, the Company shall ensure compliance with any additional requirements as may be prescribed under any laws/regulations either existing or arising out of any amendment to such laws/regulations or otherwise and applicable to the Company from time to time.

8. **REVIEW OF POLICY**

In case of any amendment (s), clarification (s), circular (s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions in this Policy and this Policy shall stand amended accordingly.

ANNEXURE-1**DOCUMENT RETENTION SCHEDULE**

SI No.	Record Category	Record Type	Retention Requirement
1.	Board Meeting & Committee Meeting records	1. Minutes of the meeting of Board of Directors and Committee(s) constituted by the Board	Permanent
2.	General Meeting records	1. Register & Index of members 2. Minutes of General Meeting	Permanent
3.	Other Secretarial Records	1. Incorporation / Conversion/ Business commencement Certificates. 2. Memorandum of Association & Articles of Association. 3. Various Statutory Registers pursuant to the Companies Act, 1956 and/or Companies Act, 2013.	Permanent
		Attendance register of Board of Directors Meeting and General Meetings	8 years from the Financial Year in which the latest entry is made.
		Copies of all annual returns along with certificates & documents required to be annexed thereto.	8 years from the date of filing with the Registrar.
4	Insurance records	1. Insurance Policy Execution/Renewal Certificate 2. Insurance Claims under various Policies	For Policies with no claim – 3 years from the lapse of the Policy. For Policies in respect of which claim is preferred – 5 years from the date of settlement of the claim.
5	Contracts/ Agreements/ Purchase Orders	1. Renewal 2. Modification 3. Termination of Contracts	8 years from Termination of Contract/ Agreement/ completion of purchase.

6	Loan Agreements with the Clients	1. Agreement 2. Modification 3. Loans involving mortgage of property 4. Loan Document Files	8 Years 8 Years 12 Years 10 years from the date of cessation of transaction between the NBFC and the client.
7	SEBI & Stock Exchange Records	1. Listing Agreement 2. Statutory Returns/ Reports etc. submitted from time to time	Permanent 8 years
8.	RBI Records	1. License Certificate/ Renewal Certificate	Permanent
		1. Client Records & transactions pursuant to the 'Know Your Customer' (KYC) Guidelines – Anti- Money Laundering Standards (AML) 2. Records pertaining to the identification of the customers and their address (e.g. copies of documents like passports, identity cards, driving licenses, PAN card, utility bills, etc.) obtained while opening the account and during the course of business relationship.	8 years after completion of relevant transactions 8 years after the business relationship ended
		3. Records pertaining to complex, unusual, large transactions and all unusual patterns of transactions, which have no apparent economic or visible lawful purpose.	
		4. Statutory Returns/ Reports etc. submitted from time to time.	8 years after the business relationship ended 8 years

8	Misc. Licenses obtained from Statutory Authorities	-	Permanent
9	Property Records	1. Agreements/	Permanent

		Contracts 2. Documents relating to acquisition and sale of real property.	
10	Personnel Records	Official Personnel Files of Active Employees	Permanent, any document can be required at any point of time
		Official Personnel Files of inactive Employees	Permanent, any document can be required at any point of time
11	Labour Law Records	Registration/Renewal Certificate under various Acts relating to Labour laws. Maintenance of various Registers under the various acts in force read with the Rules made thereunder, relating to Labour laws	Permanent as the documents might be required during any inspection or due diligence activity
12	Finance	1. Audited Financial Statements 2. Auditors Reports 3. Books of Accounts & Vouchers	8 financial years following the relevant Financial Year. In cases where books and vouchers are subjects of enquiry, the relevant documents shall be kept till the expiry of 2 years after the final resolution of the enquiry.
13	Taxation	1.Registration/Amendment Certificate	Permanent

		Preservation of specific books of accounts	8 financial years following the relevant Financial Year. In cases where books and vouchers are subjects of enquiry, the relevant
			documents shall be kept till the expiry of 2 years after the final resolution of the enquiry.
14	Other documents not covered herein above	Records pertaining to various other laws in force	As required under various other laws in force, from time to time.