

PRECISION ELECTRONICS LIMITED
POLICY FOR PRESERVATION OF DOCUMENTS

1. Purpose and Scope

The purpose of this documents to present a high level policy statement for Precision Electronics Ltd (PEL) regarding preservation of its documents in accordance with the provisions of the Companies Act, 2013 and in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”).

The policy is intended to define PEL’s preservation of documents responsibilities and to provide guidance to the executives and staff working in PEL in making decisions and undertaking other activities that may have an impact on the operations of the Company. It also frame the guidelines for fundamental accountability of PEL 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. Statutory Mandate

The policy on preservation of documents and archival is mandated by the provisions of regulation 9 of Chapter III of LODR, 2015. Under this regulation, the Company has a strategic objective of ensuring that significant documents are safeguarded and preserved to ensure its longevity of priority documents including its electronic resources.

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 – Type 1
- Documents that may be preserved / retained for a period of 8 years as specified under the Companies Act, 2013 or LODR – Type 2
- Documents that may be required by judicial proceedings and which may be destroyed after closure of the legal case – Type 3

- Documents which may be retained for less than 8 years or till the expiry of the claim period– Type 4
- Correspondence and Internal memoranda including Emails of all employees in the grade III (Manager) – Type 5

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. Periodical Review of the Policy by Top Management

The Policy should be flexible and easy to understand and comply with by all levels of employees. The policy should be reviewed periodically by the Top Management and amendments effected to subject to approval of the Board if and when practical difficulties are encountered. The Top management may also review the policy on document retention to comply with any local, state, central legislation that may be promulgated from time to time.

6. 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.

7. 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 PEL 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 the employee by mail under "User list" of the need to retain the documents and suspension of disposal of the same.

8. Disaster Preparedness

PEL maintains a business continuity plan (BCP) designed to ensure safety of staff as well as members of the general public, safeguard the documents and records and to enable a return to normal operating with minimal disruption. Detailed procedures for responding to an incident are part of the BCP

In the event of major incident, the first priority is the safety of the people, followed by immediate action to rescue or prevent further damage to the records. Depending on the immediate threat, emergency response and recovery actions will take precedence over all other Company activities

The Company has made appropriate provision for the backup of its digital collections, including the provision of offsite security copies. The backup copies are actively maintained to ensure their continued viability. The Company's BCP ensures that the digital collections and technical infrastructure required to manage and access them can be restored in the event of an emergency

Type of Record

1. Corporate Records
2. Accounting and Finance records
3. Insurance Records
4. Tax records
5. Contracts entered into by the Company including Marketing Contracts
6. Legal Files and Records
7. Property Records
8. Payroll Records
9. Personnel and HR Records
10. Programs & Service Records
11. Correspondence and Internal Memoranda

1. Corporate Records

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	Type 1
Licence and Permits, Industrial entrepreneurial Memorandum, and other statutory approvals	Permanent	Type 1
Register of Members	Permanent. (To be retained by RTA)	Type 1
Index of Members	Permanent. (To be retained by RTA)	Type 1
ROC Filings and Stock Exchange filings in physical and Electronic form	8 years	Type 2
Board Agenda and supporting documents	8 years	Type 2
Attendance Register	8 years	Type 2
Office copies of Notice of Board Meeting / Committee Meeting, Agenda, Notes on Agenda	8 years	Type 2

and other related papers		
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Responsibility: **SECRETARIAL DEPARTMENT**

2. Accounts & Finance

Record Type	Retention Period	Document type
Annual Audit Reports and Financial Statements, Tax Audit	Permanent	Type 1
Fixed Asset Register	Permanent	Type 1
Books of Accounts, Ledgers and Vouchers	8 Years from the end of financial Year or completion of assessment under Income Tax whichever is later	Type 2
Interim Financial Statements	8 years	Type 2
Bank Statement	8 Years	Type 2
Payroll extract, Payroll TDS challan	8 Years	Type 2
Annual Plans and Budgets	3 years after the budget year is closed	Type 4
Bank Guarantee	Till the expiry of the claim period	Type 4
Tax Litigation documents	3 years after the close of litigation	Type 3

Responsibility: **FINANCE & ACCOUNT DEPARTMENT**

3. Insurance Records

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

4. Tax records

Record Doc	Retention Period	Document Type
Tax-Exemption Documents and related correspondence	10 years	Type - 2
Excise Tax records	10 years	Type – 2
Payroll Tax records	8 years	Type – 2
Tax Bills, Receipts, Statements	8 years	Type – 2
Tax Returns – Income, Franchise, Property	8 years	Type – 2
Tax work paper packages - Originals	8 years	Type – 2
Sales Tax Records	10 years	Type – 2
Annual Information Returns – State and Central	10 years	Type – 2
Service Tax Records	10 years	Type – 2

5. Contracts entered into by the Company including Marketing Records

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

Responsibility : LEGAL AND MARKETING DEPARTMENT

6. Legal Files & Records

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

Responsibility : LEGAL AND SECRETARIAL DEPARTMENT

7. Property Records

Record Doc	Retention Period	Document Type
Correspondence, Property Deeds,	Permanent	Type – 1

Assessments, Licenses, Rights of Way		
Original Purchase / Sale Deeds	Permanent	Type – 1
Original Lease Agreements	3 years after expiration of the lease	Type – 5

Responsibility : LEGAL AND ACCOUNTS DEPARTMENT

8. Payroll Records

Record Doc	Retention Period	Document Type
Employee Deduction Authorization	3 years after termination of service of employment	Type – 5
Payroll Deductions	3 years after termination of service of employment	Type – 5
Labor Distribution Cost Records including details regarding gratuity and retiral disbursements	3 years after termination of service of employment	Type – 5
Payroll Registers (Gross and Net)	3 years after termination of service of employment	Type – 5
Time Cards / Sheets	2 years	Type – 5
Unclaimed Wage Records	3 years	Type – 5
Leave Records	2 years after the relevant period	Type – 5

Responsibility : HUMAN RESOURCES DEPARTMENT

9. Personal & HR Records

Record Doc	Retention Period	Document Type
Personnel Files of individual employees	3 years after termination of service of employment	Type – 5
Commission / Bonuses / Incentives / Awards	3 years	Type – 2
Employee Earnings Records	3 years after termination of service of employment	Type – 5
Employee Handbook & Induction Manual	Permanent	Type – 1
Attendance records, application forms,	3 years after termination of	Type – 5

job or promotion records, performance evaluations, termination papers, test results, training and qualification records, enquiry related papers	service of employment	
Employment Contracts - Individual	3 years after termination of service of employment	Type – 5
Correspondence with Employment Agencies and Advertisements for job openings	3 years	Type – 5
Job Description	3 years	Type – 5

Responsibility : HUMAN RESOURCES DEPARTMENT

10. Program & Services Record

Record Doc	Retention Period	Document Type
Attendance Records	3 years	Type – 5
Program statistics (Training)	3 years	Type – 5

Responsibility : HUMAN RESOURCES DEPARTMENT

11. Internal Correspondence and Memoranda

Record Doc	Retention Period	Document Type
E Mails	3 years	Type – 5
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