

## Nido – Record Retention and Preservation of Documents Policy

**Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)**

CIN: U65922MH2008PLC182906

Regd. Off: Tower 3, Wing 'B', Kohinoor City Mall,  
Kohinoor City, Kirod Road, Kurla (West),  
Mumbai – 400 070

Website: <https://www.edelweisshousingfin.com/>

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## 1. INTRODUCTION

### 1.1 BACKGROUND

The Record Retention and Preservation of Documents Policy (hereinafter referred to as “the Policy”) represents the framework of Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited) (hereinafter referred to as “Nido” or “the Company”) regarding the systematic retention and disposal of records and electronic documents.

Regulation 9 of the Securities Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “SEBI LODR”) 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) Rules, 2005 (hereinafter referred as “PMLA”) and Master Direction - Know Your Customer (KYC) Direction, 2016 issued by the Reserve Bank of India and as amended from time to time also provides for retention of records for a specified time.

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 this policy.

### 1.2 PURPOSE

Nido understands that records form an essential and significant part of the Company’s resources. This Policy ensures safekeeping and safeguarding of records and documents of Nido as well as timely discarding of records and documents that are no longer needed by the Company or are of no value, avoiding superfluous inventory of documents.

This Policy aids employees of Nido in understanding their obligations in retaining electronic documents - including e-mail, Web files, text files, PDF documents, and other formatted files.

### 1.3 SCOPE & ADMINISTRATION

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.

The Compliance team of Nido will be the primary administrator of this Policy. The Administrator is also authorized to:

- Implement processes and procedures to ensure that the Record Retention Schedule is

followed

- 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

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 Nido and the retention and disposal of electronic documents.

## 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.
- 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.
- e) "Current Document" means any Document that still has an ongoing relevance with reference to any ongoing litigation, proceedings, complaint, dispute, contract or any like matter.
- f) "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 include but not limited to statutory records, registers, returns, forms electronic storage devices papers, notes, agreements, notices, advertisements, requisitions, orders, declarations, forms, correspondence, minutes, indices, required to be maintained and preserved by the Company in physical or electronic form under the applicable law.
- g) "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.
- h) "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.
- i) "Maintenance" means keeping documents, either physically or in electronic form.
- j) "Preservation" means to keep in good order and to prevent from being damaged or destroyed.
- k) "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
- l) “Records” means documentary evidence of past events or transactions.
- m) “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. CLASSIFICATION OF DOCUMENTS

This policy sets the standards for managing, storing and preservation of documents of the Company broadly classified in the following 3 categories:

#### 3.1 DOCUMENTS OF PERMANENT NATURE

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

#### 3.2 DOCUMENTS FOR SPECIFIED TIME PERIOD

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. 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.

#### 3.3 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. MODE OF PRESERVATION

The documents may be preserved in physical or electronic form. Insofar as practical and possible, after taking into consideration the legislative and regulatory requirement, the documents shall be preserved in electronic form.

The Functional Heads of the Company or delegate(s) one level below the Functional Head required to preserve the documents shall be the Authorized Person for that Function/Department who is generally expected to observe the compliance of preservation of Documents as per the requirements of Applicable law.

The preservation of documents should be such as to ensure that there is no tampering, alteration, destruction or anything which endangers the content, authenticity, utility or accessibility of the documents.

#### 5. PLACE OF STORAGE

- The Company shall identify and have an approved place of storage to maintain all records safely.
- The selected location must be secure and fireproof.
- A well-defined list of repositories for all documents archived with information on its physical/electronic location should be maintained.
- The Company may outsource its document storage activity; however, this must be done after carrying out due diligence and verification.
- Company shall enter into arrangements with the outsourced vendors/agencies after entering into an appropriate agreement

#### 6. ACCESS TO DOCUMENTS

The preserved documents must be accessible at all reasonable times. Access may be controlled by Authorized Person from each respective functions/department, so as to ensure integrity of the documents and prohibit unauthorized access.

Functional Heads of the respective departments, shall be responsible for ensuring compliance of this Policy, as related to access control of the documents and records.

#### 7. CUSTODY OF DOCUMENTS

- The custody of the documents shall be with the Authorized Person. In case the Authorized Person tenders resignation such person shall hand over all the relevant documents, lock and

key, access control or password of intranet drives, or CD ROMs/USB storage drives, other storage devices or such other documents and devices in his possession under the Policy.

- Functional Heads of the respective departments, shall be responsible for ensuring compliance of this Policy, as related to records in their possession, custody, or control.

## 8. DIGITIZATION OF PHYSICAL RECORDS

- The physical documents preserved may be converted, whenever required or deemed necessary, into electronic form to ensure ease in maintenance of records and efficient utilization of space.
- Physical records may be digitized as per following category:
- Physical records to be preserved permanently.
- Records of secondary importance and have a reference value for a limited period – 8 years or as may be applicable.
- Physical Documents once digitized, may be destroyed, provided, record keeping of those documents are not mandated by law.
- Respective departments will take ownership of the proper digitization of physical records, when physical records are converted into electronic form. Digitization of Physical record and destruction of such physical record will be done as per this Policy.

## 9. SUSPENSION OF RECORD DISPOSAL IN EVENT OF LITIGATION OR CLAIMS

In the event Nido 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.

## 10. 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 Functional Head of the department concerned. A list of document and date of destruction of such destroyed documents have to be maintained in the Departments.

The documents may be destroyed as follows:

- Recycle non-confidential paper records.
- Shred or otherwise render unreadable confidential paper records.
- Delete or destroy electronically stored data.



The Company will have in place appropriate controls over the destruction of records upon expiry of the period set out in the policy statement. Such controls will include:

- Authorization and approval prior to destruction.
- Establish procedures for destruction of physical documents/records (whether in-house or outsourced).
- Electronic media as per the Company's Information Security policy.

## 11. RETRIVAL OF DOCUMENTS

At the time of retrieval of a document or sets of documents, the Company shall ensure the following:

- Define an approval and authority matrix to ensure that only legitimate requests for records retrieval are made.
- Define a time frame within which the documents will be ready for pick-up or delivery
- For physical documents, ensure that the time frame communicated includes the time involved in identifying the location of the archived document and the time to physically retrieve the document from the location where it is stored.
- For electronic documents, ensure that there is no loss or damage at the time of transmission of information

## 12. AUTHENTICITY OF DCUMENTS

Where a document is being maintained both in physical form and in Electronic form, the authenticity with reference to the physical form should be considered for every purpose.

## 13. 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.

#### 14. ELECTRONIC DOCUMENTS

- a) 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.
  - Nido 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 Nido related e-mail on non-work-related computers.
  - Staff will take care not to send confidential/proprietary Nido information to outside sources.
- b) Electronic Documents: including Microsoft Office Suite and PDF files. Retention also depends on the subject matter.
- c) 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.
- d) 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.

#### 15. RECORD KEEPING FOR IT RELATED APPLICATIONS

The Record Retention policy shall be in line with IT policies covering operations of the Company. Particularly, in case of record keeping in the electronic form, the record maintenance policy may be in line with the general Information Technology and Information System Security best practices.

- a) Digital records (soft copies) shall be categorized basis its importance and prioritization, aligning to the Organisation, Regulatory, Statutory and Legal requirements. These can be categorized as, but not limited to:
  - i. Emails
  - ii. Meeting minutes
  - iii. Spreadsheets & Documents
  - iv. Presentations
  - v. Scanned documents & images

- b) Retention of the records need to be maintained in a secure IT environment with access to only restricted and authorized personnel.
- c) During retention, appropriate IT security controls are to be implemented to ensure protection against unauthorized access, data pilferage or record corruption.
- d) Backup should be taken for important records, as a fallback option, if required. Disposal of records should be done in a safe and secure manner, once the validity of retention period is over.

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 Nido, 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.

## 16. REVIEW OF MAINTENANCE OF RECORDS

Maintenance of records may be reviewed by Functional Heads of the respective departments for adequacy against the following criteria:

- Content - what data is retained
- Frequency - intervals between updates
- Security - protection from unauthorised access
- Durability - safekeeping/protection from deterioration
- Accessibility - ready availability to authorised individuals
- Lag - delay between initiating and recording
- Accuracy - reliability and freedom from error
- Verification - ability to check accuracy.

## 17. REVIEW OF POLICY

This Policy shall be subject to review by the board annually. 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.

## 18. ANNEXURE - RECORD RETENTION SCHEDULE

### **I. 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 statutes, law(s), rules and regulations from time to time.

**II. Documents 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 and their attendance registers.
  - 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 statutes, law(s), rules and regulations from time to time.

- III. Records 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
  - 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.