

UNITED CREDIT LIMITED

VIGIL MECHANISM / WHISTLE BLOWER POLICY

I. Introduction :

Whistle Blower Policy is a non-mandatory requirement of Clause 49 of the Listing Agreement with Stock Exchanges. The Policy intends to formulate a mechanism to enable the employees to report to the management any kind of unethical behaviour, actual or suspected fraud or violation of the code of conduct or ethics policy. The mechanism could also provide for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. Once established, the existence of the mechanism may be appropriately communicated within the organization.

The revised Clause 49 II F (Whistle Blower Policy) of the Listing Agreement, which will be effective from 1<sup>st</sup> October, 2014 makes it a mandatory requirement to establish a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The details of establishment of Whistle Blower Policy / vigil mechanism should be disclosed both on the website of the Company and in the Board's report to the members.

Section 177 of the Companies Act, 2013 makes it a mandatory requirement for every listed company to establish a vigil mechanism for the directors and employees to report genuine concerns to the management.

The vigil mechanism under Section 177(9) of the Companies Act, 2013 should provide for adequate safeguard against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate cases.

The Code of Conduct for directors and senior executives has been framed under Clause 49 of the Listing Agreement and approved by the Board of Directors in its meeting held on 27<sup>th</sup> January, 2005.

The Board of Directors, in its meeting held on 23<sup>rd</sup> May, 2014, established a Whistle Blower Policy / vigil mechanism.

Whistle Blower Policy / Vigil Mechanism Policy

A mechanism for directors and employees to report to the management, concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

II. Operation of the mechanism

The Directors and employees will report to the Chairperson of the Audit Committee in case of any unethical behaviour or any non-compliance which may cause genuine concern for the organization and all concerned connected with it,

The Chairperson will immediately initiate investigation in the matter and decide about the course of action to be followed in consultation with the members of the Committee. The report of the investigation and recommendation of the Committee will be forwarded to the Board of Directors.

III. Objective of Policy formulation

United Credit Ltd., being a widely held public limited company, has to comply with many statutory requirements. It is always the intention of the Company and its management to provide transparency in every respect and maintain ethical standard in the business carried on by the Company. The vigil mechanism policy enables the directors and employees of the Company to report genuine concern to the Chairperson of the Audit Committee directly in case any unethical behaviour or other unwanted activities is noticed. The mechanism provides adequate safeguard against victimization of employees and directors in the process of bringing unethical and illegal practices to the forefront.

It is expected that employees, directors and all concerned will maintain confidentiality in respect of any matter which deserves to be reported to the Chairperson of the Audit Committee.

IV. **Scope**

- (i) The Policy is formulated to encourage employees to report unethical and statutory violations that they may observe in the course of their work, to an internal authority so that the matter may be resolved immediately it is noticed.
- (ii) To minimize exposure to the damage that may occur owing to violation of ethical standard and statutory requirement.
- (iii) To make employees aware of the ethical standard and statutory norms that should be mandatorily observed.

V. **Definition**

- (a) "unethical behaviour" means violation of any code of conduct that is framed for the employees and directors and includes non-compliance of statutory requirement, actual or suspected fraud, acting contrary to moral principles.
- (b) "Board" means the Board of Directors of the Company and the committees set up by the Board.
- (c) "Company" means United Credit Limited.
- (d) "Code" means various codes framed by the Company as per requirement of various applicable statutes..
- (e) "employee" means all the present employees, including managing director of the Company.

- VI. Who can complain - all employees and directors of the Company.
- VII. Mode of reporting - All reports should be made in writing in closed envelope and addressed to the Chairperson of the Audit Committee.
- VIII. Investigation - The Chairperson of the Audit Committee will investigate the matter and report it to the Audit Committee.
- IX. Action - The Chairperson of the Audit Committee, in consultation with the other committee members, may decide the course of action to be followed on receipt of any complaint from any director and / or employee of the Company.
- X. Confidentiality - Both the employees and the persons involved in the administration of the policy will maintain confidentiality in respect of any matter of concern / complaint that may be reported to the Chairperson of the Audit Committee.

- XI. Safeguards - The Policy provides adequate safeguards against victimization of employees and directors who avail of the mechanism.
- XII. Access to the Chairperson of the Audit Committee - The Audit Committee shall oversee the vigil mechanism and the employees at all levels, shall have direct access to the Chairperson of the Audit Committee in case of any suspected fraud or unethical behaviour that may be noticed by any person.
- XIII. Effectiveness - Vigil mechanism and Whistle Blower Policy will be effective only when it is properly communicated to the employees. The Company will take all steps to arrange proper communication of the Policy to the employee concerned. Any report made to the Chairperson of the Committee will be retained for seven years.
- XIV.. Alteration and modification - The vigil mechanism / whistle blower policy may be amended or modified from time to time by the Board of Directors.

CHAIRMAN

Place : Kolkata

Dated : 23<sup>rd</sup> May, 2014