

UNITED CREDIT LIMITED

CIN: L65993WB1970PLC027781

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Preamble

Concept of independent director was first conceived in India by a Committee on corporate governance under the Chairmanship of Shri Kumar Mangalam Birla. The SEBI Board, in its meeting held on 25th January, 2009, considered the recommendation of the Committee and decided to make the amendments to the erstwhile listing agreement in pursuance of the decision of the Board, by incorporating Clause 49. As per Clause 49, the number of independent directors would depend whether the Chairman is executive or non-executive. In case of a non-executive Chairman, at least one-third of the board should comprise of independent directors and in case of an executive chairman, at least half of the board should comprise of independent directors.

The J J Irani Committee constituted by the Ministry of Corporate Affairs to advise the Government on the new company law, has, in its Report, discussed in detail, the changes required in the provisions relating to the Board of Directors. The Committee suggested that, presence of independent directors on the Board of a Company, would improve corporate governance. On the recommendation of J. J. Irani Committee, concept of independent directors was introduced and incorporated in Section 149 of the Companies Act, 2013.

Regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 states that 'where the chairperson of the board of directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors.

Provided that where the regular non-executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of director or at one level below the board of directors, at least half of the board of directors of the listed entity shall consist of independent directors.'

As per Section 149(4) of the Companies Act, 2013, every listed public company shall have at least one-third of the total number of directors as independent directors and the Central Government may prescribe the minimum number of independent directors in case of any class or classes of public companies.

Item III of Schedule IV of the Companies Act, 2013 inter alia, provides that the independent directors should undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company.

Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires listed companies to familiarise the Independent Directors through various programmes about the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company and other relevant information.

Contd....P/2

: 2 :

Item II of Schedule IV of the Companies Act, 2013, which prescribes role and functions of independent directors, stipulates that independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

The last Familiarisation Programme of the Independent Directors was held on 11th February, 2017.

Familiarisation Process

In the said programme, all the Independent Directors were made aware of their roles and responsibilities which also stipulated various terms and conditions of their engagement.

Mr. A. K. Dabriwala, Chairman & Managing Director of the Company, had given an overview of the present activities of the Company and new areas of operation which may be taken up by the Company in the near future. The Company belongs to the non-deposit taking NBFCs. The major portion of the revenue from operation is contributed by interest on loans; apart from this, the Company earns substantial income from rent. In course of his deliberations, Mr. Dabriwala invited the views of the directors present, for diversifying the activities of the Company in other areas of business.

In the recent past the Company was in the business of hire purchases, leasing, investment in securities apart from loan, both secured and unsecured. However, at present, it is concentrating on income from loans and rent. The management is hopeful that the Company will be able to diversify in other profitable areas. The company has started giving on rent on hourly basis, to individuals/organisations for temporary use on commercial purpose at a fee to be determined on a case to case basis.

Contd....P/3

: 3 :

Disclosure

This Programme shall be uploaded on the Company's website for public information and a web link thereto shall also be given in the Annual Report of the Company.

Review of the Programme

The Board shall review this Programme and suggestions given by the Members of the Board would be discussed in the next Familiarisation Programme.

Kolkata

February 6, 2018