

DABRIWALA BANIJYA UDYOG LIMITED

CIN: L51109WB1983PLC037047

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Preamble

Schedule IV of the Companies Act, 2013 and Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI (LODR) Regulations, 2015] prescribes that the Company should familiarize the independent directors through various programmes about the Company. The programme, amongst other things, should include (a) nature of the industry in which the Company operates; (b) business model of the Company; (c) roles and responsibilities of independent directors and (d) any other relevant information. As the paid-up equity share capital and net worth of the Company do not exceed rupees ten crore and rupees twenty-five crore respectively as on the last day of the previous financial year, as per SEBI (LODR) Regulations, 2015, familiarisation programme is not mandatory. However, Schedule IV of the Companies Act, 2013 prescribes that the independent directors should undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company.

The Cadbury Committee was the first to introduce the concept of corporate governance in the year 1991 in U.K. Good corporate governance practices are a sine qua non for sustainable business that aims at generating long term value to all its shareholders and other stakeholders. A transparent, ethical and responsible corporate governance framework essentially emanates from the intrinsic will and passion for good governance ingrained in the business entity.

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.

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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.

Regulation 17(1)(b) of SEBI (LODR) 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.

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.

Familiarisation Process

The last Familiarisation Programme of the Independent Directors was held on 14th February, 2017.

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. Devashish Dabriwal, 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 is mainly engaged in leasing of houses and its income is derived mainly from rent earned by the Company. The Company intends to concentrate on acquisition and letting out of properties. Mr. Dabriwala invited the views of the directors present, for diversifying the activities of the Company in other areas of business. All the Directors present were of the view that the Company should explore opportunities for diversification of its business in real estate related activities.

The management is hopeful that the Company will be able to diversify in other profitable areas in the near future.

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 10, 2018