



ASSET RECONSTRUCTION COMPANY (INDIA) LIMITED

FAMILIARIZATION PROGRAMMES FOR
INDEPENDENT DIRECTORS

(Approved in Board Meeting held on May 25, 2025)

Company Secretarial Group

Familiarization Programmes for Independent Directors

1. Background:

The provision of an appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high corporate governance standards of the Company. The Chief Executive Officer and Managing Director and the Company Secretary are jointly responsible for ensuring that such induction and training programmes are provided to the Independent Directors.

2. Definitions:

“Act” means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.

“Board” means the Board of Directors of the Company or any Committee thereof.

“Company” shall mean Asset Reconstruction Company (India) Limited (Arcil).

“Directors” means Directors of the Company.

“Independent Director” means an independent director referred to in sub-section (6) of Section 149 of the Act.

3. Regulatory Landscape:

Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) requires every listed entity to familiarise its Independent Directors through various programmes, including:

- Nature of the industry in which the listed entity operates;
- Business model of the listed entity;
- Roles, Rights, Responsibilities of Independent Directors; and
- Any other relevant information as required by directions of the Reserve Bank of India.

4. Purpose:

The program formulated with the objective of making the Independent Directors of the Company accustomed to their roles and responsibilities is divided into various modules with emphasis on:

- Roles, Rights and Responsibilities - Board dynamics & functions

- Strategy, Operations and functions of the Company

The Programme aims to provide to the Independent Directors an insight into the company's functioning, to familiarise them with roles and responsibilities, to provide Industry overview so as to help them contribute significantly during the deliberations in the Board / Committee meetings and facilitate active participation in managing of the company.

The Program has been designed considering the specific needs of contemporary Corporate Governance and the expected obligations of Independent Directors in view of the onerous responsibility conferred by the Companies Act, 2013 and the Listing Agreement as amended from time to time.

5. Objective:

The Companies Act, 2013, read with the rules thereunder, as amended read with Regulation 25(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended places increased responsibilities on independent directors of the Company. In order to enable the independent directors to fulfil their responsibilities efficiently and effectively, a familiarisation programme ("Programme") has been put in place the Company to assist them, understand details about the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc. through various programmes.

The familiarization programmes which may be conducted for Independent Directors from time to time, would aim to provide understanding about the Company's business, its operations, business strategies, management structure, risk management framework, regulatory environment in which the Company operates, among other things.

6. Initial Familiarization:

The Company conducts induction programme/ presentation whenever new Independent Director joins the Board of the Company. The Independent Directors are then undergone through a detailed induction and familiarization programme includes an overview of the Company, its vision and mission, the industry in which it operates, its business, strategies, risk management, organisation structure, etc.

On appointment, Independent Directors are provided with Letter of Appointment setting out in detail their terms of appointment, duties, responsibilities, remuneration, etc., Memorandum and Articles of Association, Annual Report(s) of the Company, Code of Conduct and other Company policies to enable them to familiarize with the Company's procedures and practices.

Various functional heads of the Company brief the newly inducted Independent Director on the different aspects of the business as well as important support functions of the Company.

Quarterly presentations are made at the Board meetings informing Directors about business and performance updates of the Company, market share, subsidiary information, business strategy and risks involved, etc.

7. Familiarization Process:

The Company shall through its Executive Directors / Senior Managerial Personnel conduct orientation programmes / presentations / training sessions, periodically at regular intervals, to familiarize the independent directors with the strategy, operations and functions of the Company.

The program essentially has two broad components-technical and behavioural.

- The technical component shall enable the participants to understand Company business, strategies, industry dynamics and its growth plans and prepare them for an active role in Company.
- The behavioural component shall empower the participants to understand board procedures and help them to be effective in board activities.

The Program also aims to offer a conceptual framework based upon current expectations which require the Independent Directors to adhere to a code and standard of ethics and integrity for fulfillment of their responsibilities in a professional and faithful manner to promote confidence of the investment community particularly minority shareholders, regulatory authorities and the stakeholders at large.

The program shall be conducted in such manner as to facilitate and convenience the Independent Directors and enable them to attend the same in view of their busy schedules.

The Company may provide specific regulatory updates from time to time; and The Company may conduct an introductory familiarization/ orientation program, when a new Independent Director comes on the Board of the Company.

Such programmes / presentations / training sessions will provide an opportunity to the independent directors to interact with the senior leadership team of the Company and help them to understand the Company's strategy, business model, group structure, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities, risk management strategy, governance policies, designated channels for flow of information and such other areas as deemed necessary.

The Company shall conduct a formal induction programme for the new Independent Director, which may include familiarization of Director with the following:

- Roles, rights and responsibilities of the Director and the Board as a whole;
- Company's vision, core values, ethics and Corporate Governance practices;
- Business Structure and Overview, Corporate strategy, Business Model, Business Plans and Annual Targets;
- Familiarization with Company's Business operations, performance, financial statements, other financial matters, Internal control processes and Statutory Compliances;
- Nature of industry in which Company operates;
- Code of Business Ethics and Conduct, Insider Trading Code, Fair Disclosure Code and others as may be formed by the Company from time to time;
- Any other relevant information.

The Company keeps all its Directors updated on the operations of the Company and key Developments which may impact the Company, its performance and its human resources through presentations made at the meetings of Board or otherwise by the CEO & MD of the Company from time to time. Such presentations, inter alia, include details of the industry in which Company operates, performance of the Company, updates on products of the Company, Company plans and strategies, budgets, risk management mechanism, investments, funds flows, operations of subsidiaries and associates, management succession planning and such other information as may be required by them.

Business/ functional heads and Company executives are invited at board or committee meetings, as and when required, to provide a platform for interaction between the Company's key executives and the Directors and also to enable them to better understand the business and operations of the Company.

The Board members are updated on various statutory regulations and other amendments and developments either by way of presentations by external experts/ consultants or by internal experts. The Independent Directors are also given a detailed overview of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards notified by Ministry of Corporate Affairs, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

To enable the Directors to familiarise themselves, Board Meetings are held from time to time. The industry scenario, competitive environment, regulatory framework and such other topics of interest are periodically shared with the Directors at the Board Meetings, along with review of the various businesses of the Company. Amongst others, risk assessment & minimisation procedures, CSR & sustainability interventions, changes in organisational structure, succession plans including management development processes, performance of subsidiary companies and new initiatives proposed by the Company are also presented to the Board and / or Board Committees, as appropriate.

The Company encourages and recommends its Independent Directors participation at various programmes being conducted by professional bodies and organizations to stay apprised on various changes and amendments in laws in the dynamic regulatory environment.

The Company may include such other details and information, as required, during the introductory programme.

8. Familiarization Process:

The Board will review this programme and make revisions as may be required.

9. Programme and Disclosure:

The Programme will be conducted “as needed” basis during the year.

As and when the programme is conducted the same will be disclosed on the website of the Company and a web link thereto shall also be given in the annual report of the Company.

Insights of the Training Programme conducted for Directors during the financial year _____

Sr. No.	Name of the Director	Designation of the Director	Topic of the Training Program	Details of the Programme / Training	Programme conducted by
1.					
2.					
3.					
4.					
5.					
6.					

Details of attendance of directors in familiarization sessions during the financial year _____

Sr. No.	Name of the Directors	Date of the Program	Number of Programme attended	Number of hours spent in Programmes (each director)	Number of total hours spent in Programme
1.					
2.					
3.					
4.					
5.					
6.					

Arcil – Familiarization Programmes for Independent Directors

	Total number of hours spent by Independent Directors during FY _____	
	Total number of programmes attended by Independent Directors during FY _____	
	Total number of hours spent by Independent Directors during last FY _____	
	Total number of programmes attended by Independent Directors during last FY _____	
	Cumulative Total number of hours spent by Independent Directors as on March 31, _____	
	Cumulative Total number of programmes attended by Independent Directors as on March 31, _____	