Familiarization Programme for Independent Directors (in terms of clause 49 of the Listing Agreement)

1. Preamble:

The Clause 49(II)(B)(7) of the Listing Agreement with the Stock Exchanges stipulates that:

a) The Company shall familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of industry in which the Company operates, business model of the Company, etc., through various programmes.

b) The details of such familiarization programmes shall be disclosed on the Company's website and a web link thereto shall be given in the Annual Report.

2. Initial familiarization module:

At the time of appointing a Director, a formal letter of appointment is given to him/her, which inter alia explains the roles, functions, duties and responsibilities expected of him/her as a Director of the Company. The Company conducts an introductory familiarization program/presentation, when a new Independent Director comes on the Board of the Company.

At the outset, all the independent directors are provided an overview of;

- Criteria of independence applicable to Independent Directors as per clause 49 of the Listing Agreement on Corporate Governance and the Companies Act, 2013;
- Time allocation by the Independent Directors on financial controls, overseeing systems of risk management, financial management compliance, Stakeholders conflicts, Board effectiveness, Strategic direction, Meetings and performance assessment;
- Roles, functions, Duties, Responsibilities and liabilities of Independent Directors;
- Directors Responsibility Statement forming part of Board Report;
- Vigil Mechanism including policy formulation, disclosures, Code for Independent Directors;
- Directors, Fraud response plan, obtaining Audit Committee approval, wherever required;
- Risk Management Systems & framework;
- Board Evaluation Process and Procedures;

The Director is also explained in detail the compliances required from him under the Companies Act, 2013, Clause 49 of the Listing Agreement and other relevant regulations and his affirmation is taken with respect to the same.

With a view to familiarize him with the Company's operations, the Director is also given detailed presentations giving the organizational set up of the Company, the functioning of various divisions/departments, the Company's market share and the markets in which it operates, governance and internal control processes and other relevant information pertaining to the Company's business. The Senior Managerial Personnel also have a personal discussion with the newly appointed Director.

The above initiatives help the Director to understand the Company, its business and the regulatory framework in which the Company operates and equips him to effectively fulfill his role as a Director of the Company.

3. Continual familiarization modules:

The Company will follow a structured orientation programme for the Independent Directors to understand and get updated on the business and operations of the Company on a continuous basis. The familiarization module shall be designed by the Company on the following lines:

- Overview of Strategy and business model of the Company.
- Financial Performance, Budgeting and Planning.
- Overview of performance of various businesses.
- Statutory reporting including Internal Audit Reports and compliance related certifications.
- Overview of business of subsidiaries.

On an on-going basis, the Company, through its Senior Managerial Personnel, conducts programs/presentations to familiarize the Independent Directors with the strategy, operations and functions of the Company. Such programs/presentations 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, operations, service and product offerings, markets, organization structure, facilities and risk management and such other areas.

The Board of Directors has complete access to the information within the Company. Independent Directors have the freedom to interact with the Company's management. Interactions happen during Board/Committee meetings, when Business Heads are asked to make presentations about performance of their Business Division to the Board. Apart from this, they also have independent interactions with the Statutory Auditors, the Internal Auditors and external advisors appointed from time to time. Further, they meet regularly without the presence of any management personnel and their meetings are conducted informally to enable the Independent Directors to discuss matters pertaining to the Company's affairs and put forth their combined views to the Board of Directors of the Company.

4. Disclosure of the Policy:

This Policy shall be uploaded on the Company's website for public information and a web link for the same shall also be provided in the Annual Report of the Company.

Place Indore

Virendra Jain
Chairman