

## **Familiarisation Programme for Independent Directors**

In terms of Clause 49(I)(D)(3)(d) and 49(II)(B)(7) of the Listing Agreement and Schedule IV to the Companies Act, 2013, the Company should conduct Familiarization Programmes for Independent Directors about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various initiatives.

### **Purpose and Objective of the Programme:**

The programme aims to provide insights into the Company to enable the Independent Directors to understand their roles, rights, responsibilities in the Company and get updated on the Business & Operations of the Company and contribute significantly to the Company.

The Board of Directors are encouraged to attend the training sessions to ensure that the Board members are up to date.

A few initiatives under familiarization programs are as follows:

### **A. Induction on joining the Board of Directors of the Company:**

The new Director is welcomed to the Board of Directors of the Company by sharing the following documents of the Company for his / her references:

- Memorandum of Association and Articles of Association of the Company;
- Annual Reports of last three consecutive years;
- Code of Conduct for Directors and Senior Managerial Personnel;
- Note on Directors roles and responsibilities;
- Policy Handbook of the Company comprising of policies on various business aspects and practices;
- Organizational Chart of the Company and the profile of all the Directors and the Senior Managerial Personnel of the Company;
- List of Contact details of the Directors, Senior Managerial Personnel and their personal/ executive assistants;
- Publicity material of the Company that explains the range of products, services and solutions offered by the Company to its clients;
- Note on key clients of the Company and their geographical distribution in terms of the work across and the revenue and
- Note on the budget of the Company for the particular Financial Year.

### **B. Session for Knowledge Transfer**

The Management arranges the presentations /detailed information on the workings of the Company which gives insight of the industry, the current legal scenario, compliance management, risk mitigation as well as the changing role and responsibilities of the Board of Directors of the Company.

The details of the sessions arranged by the Management during the Financial Year 2014-2015 for the Board of Directors provided the following information:

### **Highlights of the newly introduced Companies Act, 2013**

The President of India assented to the Companies Bill on August 29, 2013 and the Bill was being called as the Companies Act, 2013.

Therefore, Shri Ambrish Julka, DGM (Legal) and Company Secretary made a presentation on the newly introduced Companies Act, 2013 and its main provisions related to the Company.

During his presentation, he touchbased on the following important provisions of the Companies Act, 2013:

- Applicability;
- Control & Consolidation;
- Dividend & Depreciation;
- Directors – Woman Director and Independent Directors;
- Directors – Meetings, Duties, Directorships & Report;
- Key Management Personnel;
- Rules on CSR introduced which would require the listed companies above a certain size to contribute 2% of average profit before tax for 3 years towards CSR activities;
- Loans, Guarantees and Investments and
- Audit and Auditors.

The presentation ended with the question and answer session.

- **Presentation on the Directors' Roles and Responsibilities under the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement**

The Management had arranged a session to highlight the provisions with respect to Directors' changing roles and responsibilities under the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement which was effective from October 1, 2014.

Shri Ambrish Julka, DGM (Legal) and Company Secretary made a presentation to the Board of Directors. The highlights of the presentation were as under:

- Verbatim requirements of Directors' Responsibility Statements – with emphasis on the internal financial controls, Class action suit provisions.
- Governance requirements – Audit Committee responsibilities – performance evaluation criteria were discussed.
- Directors' Responsibilities – Vigil Mechanism – A whistle Blower Policy of the Company was Shared and Discussed.
- Overview of changes in accounting and auditors related provisions.

The session ended with question-answer round where the Independent Directors discussed the practical situations and the applicability of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement.

- **The Board of Directors of the Company were informed about the benefits of E-voting mechanism brought in by the revised Clause 35B of the Listing Agreement**

The revised Clause 35B of the Listing Agreement requires all Listed Companies to provide E-voting facility to its shareholders for all the resolutions proposed to be passed at the General Meetings or through Postal Ballot. The sole intention of the said provision is to encourage the active and larger participation of the shareholders.

Accordingly, Shri Ambrish Julka, DGM (Legal) and Company Secretary made a presentation to the Board of Directors in their meeting held on May 18, 2015, explaining them the E-voting mechanism, prior to approval of the AGM Notice.

In the presentation, he also explained the Board that due to this facility the investors' response has grown and there has been active participation in the voting process of proposed resolutions. The Board of Directors was happy to know the awareness among the shareholders and that the Government was implementing / recommending the means to reach the investors through technological advancements.

- **List of Applicable Sections of the Companies Act, 2013 and identification of action items on the Management**

Majority of the provisions of the Companies Act, 2013 became applicable to the Company w.e.f. April 1, 2014.

To help the Board of Directors to understand the action items under the new applicable provisions, Shri Ambrish Julka, DGM (Legal) and Company Secretary had presented to the Board a list of applicable sections under the Companies Act, 2013 and action items thereunder on the Company.

The said list comprised of the following:

- List of applicable sections where immediate action by the Management/ Board is required;
- List of applicable sections where no action is required by the Management/ Board and
- List of non-applicable sections where no action is required by the Management/ Board.

### **Disclosure/Amendment**

- \* Details of such familiarisation programmes shall be disclosed on the Company's website i.e., [www.somanyceramics.com](http://www.somanyceramics.com) and a web link thereto shall also be given on the Annual Report.
- \* Familiarisation programmes will be conducted "as needed" basis during the year.
- \* The right to interpret/amend/modify this Policy rests with the Board of Directors of the Company.