



INDEPENDENT DIRECTORS FAMILIARIZATION PROGRAMME

AZAD ENGINEERING LIMITED

(Formerly Azad Engineering Private Limited)

CIN: U74210TG1983PLC004132

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1. Azad Engineering Limited (Formerly known as “Azad Engineering Private Limited”) (the “**Company**”) firmly believes that an efficient familiarization program aids Independent Directors in making decisions at Board / Committee meetings by giving them a better understanding of the Company's operations.
2. In accordance with Regulation 25 (7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), the listed entity shall familiarize the Independent Directors through various programmes about the listed entity, including the following:
 - i. nature of the industry in which the listed entity operates;
 - ii. business model of the listed entity;
 - iii. roles, rights, and responsibilities of Independent Directors; and
 - iv. any other relevant information
3. Further as per Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”), the website of the Company shall also display the details of familiarization programmes imparted to independent directors including the following details:-
 - i. number of programmes attended by independent directors (during the year and on a cumulative basis till date),
 - ii. number of hours spent by independent directors in such programmes (during the year and on a cumulative basis till date), and
 - iii. other relevant details
4. The Company shall through its Executive Directors / Senior Managerial Personnel conduct programs / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.
5. At the time of appointing an Independent Director, a formal letter of appointment/ Code of Conduct is given to him which inter - alia explains the role, function, duties and responsibilities expected from him as a Director of the Company.
6. At the outset, all Independent Directors are provided an overview of;
 - 6.1. Criteria of independence applicable to Independent Directors as per clause 49 of the Listing Agreement on Corporate Governance and Companies Act, 2013;
 - 6.2. Role, functions, Duties, Responsibilities and liabilities of Independent Directors;
 - 6.3. Directors Responsibility Statement forming part of the Boards' Report;
 - 6.4. Vigil Mechanism including Policy formulation, disclosures, and Code of Conduct for Independent Directors

- 6.5. Financial controls, overseeing risk management process, financial management matters, Corporate Social Responsibility (CSR) initiatives adopted by the Company, Stakeholders matters, Board effectiveness, Strategic direction, Competition update, Company's performance update periodically, monthly MIS etc.;
- 6.6. Fraud response plan, Audit Committee approval, review and approval process;
- 6.7. Risk Management Systems & Framework

7. **Board Evaluation Process and Procedures**

- 7.1. The program can essentially have **two broad components** –technical and behavioral.
- 7.2. The **technical component** shall enable the participants to understand the Company's business, strategies, industry dynamics and growth plans and prepare them for an active role in the Company.
- 7.3. The **behavioral component** shall empower the participants to understand board procedures and help them to be effective in board activities.
- 7.4. 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 the 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.

8. **Topics that can be taken in the Familiarization Programme:**

- 8.1. Awareness of Rights and responsibilities of Independent Directors in line with the statutory amendments;
- 8.2. Updating on recent changes in the regulatory framework;
- 8.3. Overview of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015;
- 8.4. To make aware of the Business Model of the Company;
- 8.5. Vigil Mechanism including Policy formulation, disclosures, and Code of Conduct for Independent Directors;
- 8.6. Risk Management Systems & Framework;
- 8.7. Board Evaluation Process and Procedures;
- 8.8. Fraud response plan, Audit Committee approval, review and approval process.
