



FAMILIARIZATION PROGRAMME

FOR

INDEPENDENT DIRECTORS

OF ADOR WELDING LIMITED



THE GOVERNING STATUTES OF INDEPENDENT DIRECTORS



- The Companies Act, 2013
- Code for Independent Directors Schedule IV to the Companies Act, 2013
- Listing Agreement : Clause 49
- SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 [effective 01st December 2015]



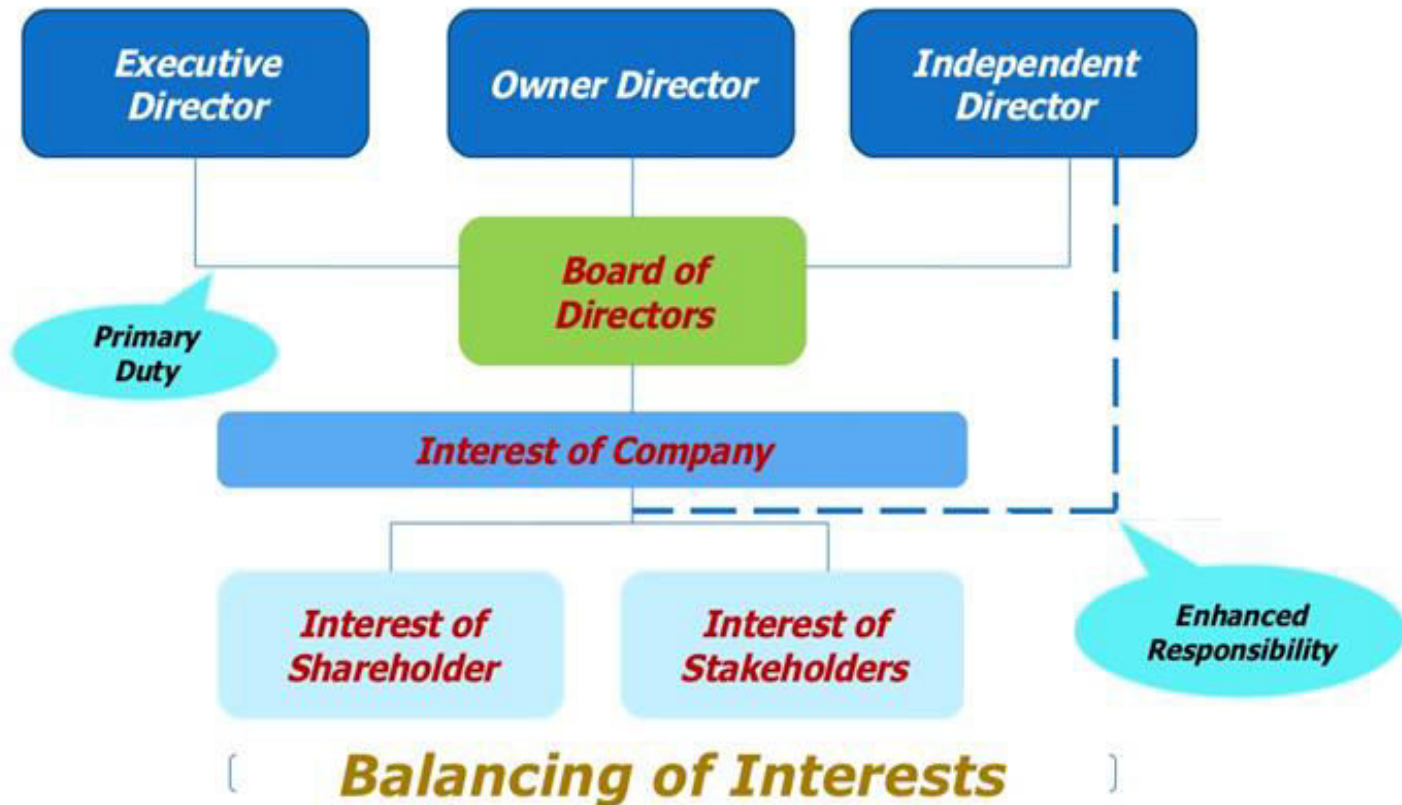
REGULATION 25 (7) (C) OF LISTING REGULATIONS 2015



This Regulation specifically states that Independent Directors must be given training for the following purposes:

- Nature of the industry in which the Company operates
- Business model of the company
- Role, Rights & Responsibilities of Independent Directors
- Any other relevant information

POSITION OF INDEPENDENT DIRECTORS





FAMILIARIZATION OF COMPANY



- ❑ As a pioneer of welding products, AWL has strived since 1951 to service Indian Industry and the global market with the finest range of Welding Consumables and Equipment . It ensures the highest level of customer satisfaction via their "state of the art" manufacturing plants, knowledge based centres of excellence and a comprehensive sales & distribution network. AWL has also made large investments in Project Engineering Business.

AWL is a total Welding solutions provider offering an up-to-date suite of welding and cutting consumables, power sources and accessories besides a full package of soft skills and knowledge development for welding and fabrication excellence.





- Ador Welding Ltd. operates its business in the nature of industry called steel.
- The Indian steel industry has entered into a new development stage from 2007-08, riding high on the resurgent economy and rising demand for steel.
- Rapid rise in production has resulted in India becoming the 4th largest producer of crude steel.
- Domestic steel prices are influenced by trends in raw material prices, demand – supply conditions in the market, international price trends among others.
- For ensuring quality of steel several items have been brought under a quality control order issued by the Government.
- Iron & steel are freely importable and exportable.





AWL's **business model** describes the rationale of how an organization creates, delivers, and captures value, in economic, social, cultural or other contexts. The process of the Company's business model construction is part of business strategy. The term business model is used for a broad range of informal and formal descriptions to represent the following:

- core aspects of a business,
- purpose,
- business process,
- target customers,
- offerings,
- strategies,
- infrastructure,
- organizational structures,
- trading practices,
- operational processes and policies.



REGULATION 46(2) (I) OF LISTING REGULATIONS 2015



- Number of Familiarization programmes attended by independent directors during FY 2015-16:- **ONE**
- Number of hours spent by Independent Directors in such programmes (during FY 2015-16:- **ONE HOUR**





ROLE OF INDEPENDENT DIRECTORS



- Independent & impartial judgment
- Watchdog for interest of stakeholders
- Protecting the minorities
- Balancing Conflict of Interests of the Stakeholders
- Encouraging Sustainable Development of the Company
- Integrity of Financial Information, financial controls and risk management
- Objective view in performance evaluation





FUNCTIONS OF INDEPENDENT DIRECTORS



- Upholding ethical standards of integrity and probity
- Assisting the Company in following best corporate governance practices
- Monitoring management 's performance vis-a-vis Goals & objectives
- Determining appropriate levels of remuneration of Executive Directors, KMPs & senior management
- Appointing / recommending removal of Executive Directors, KMPs & senior management;

RIGHTS OF DIRECTORS

[INCLUDING INDEPENDENT DIRECTORS]



Rights can be categorized into collective and individual rights:

COLLECTIVE RIGHTS

- Right to elect a Chairman
- Right to refuse to transfer shares
- Right to appoint a Managing director
- Right to recommend dividend





INDIVIDUAL RIGHTS

- To inspect books of accounts
- To receive notices of Board Meetings
- To be appointed on various Committees
- To inspect the minutes of Board Meetings
- To inspect the minutes of Committee Meetings
- To attend and vote in every Board Meeting
- To demand information on any business matter
- To receive circular resolutions proposed to be passed
- To participate in proceedings and cast vote in favour or against resolutions



DUTIES OF DIRECTORS

[INCLUDING INDEPENDENT DIRECTORS]



- Section 166 of the Companies Act 2013 lists duties of Directors:
 - Act in accordance with Articles of Association of the Company.
 - Act in good faith
 - Promote the objects of the Company in the interest of the Company, the community and the protection of environment.
 - Exercise Independent Judgment
 - Exercise reasonable care, skill and diligence
 - Avoid Conflict of Interests
 - Avoid undue gains.
 - Avoid assigning office

- Other duties are in accordance with:
 - Code of Conduct for Board Members / Board Resolutions / Employment Agreements / Service Agreements / Administrative Policies of the Company



DUTIES & RESPONSIBILITIES OF INDEPENDENT DIRECTORS [UNDER SCHEDULE IV]



- Be updated about the Company & the environment in which it operates
- Seek appropriate clarification & information, where necessary
- Take professional advice & expert opinions, if required
- Follow Company's Code of Conduct & ethics policy and report concerns thereof, if any
- Strive to attend all Board, Committee and General meetings
- Implement vigil mechanism and overview its effective functioning
- Approve related party transactions in the interest of the Company
- Avoid obstructing the functioning of any Board or Committee meeting
- Address concerns to the Board to resolve & seek for recording the same in the minutes of the Board meeting
- Act objectively within authority and in a bona fide manner
- Ascertain the validity, reliability, and quality of information provided to them.
- Non-disclosure of confidential information, unless approved by Board or required by law

LIABILITIES OF DIRECTORS [INCLUDING INDEPENDENT DIRECTORS]



- The Liability arises on account of conduct, act or omission on the part of a person and not merely on account of holding an office or a position in a Company.
- Liable only for such Acts of omission or commission by a Company which had occurred with his / her knowledge, attributable through Board process, and with his consent or connivance or where he had not acted diligently.





SEPARATE MEETING(s) OF INDEPENDENT DIRECTORS



- Independent directors shall hold at least one meeting in a year, without the attendance of Non-independent Directors and members of the management;
- The Administrative or Secretarial help can be sought from the Company Secretary;
- All the independent directors of the company shall strive to be present at such meeting;
- The meeting shall:
 - review the performance of non-independent directors and the Board as a whole;
 - review the performance of the Chairperson, taking into account views of Executive & Non-executive Directors;
 - assess quality, quantity and timeliness of flow of information between the Company management & the Board.





*Thank
you*

A close-up of a fountain pen with a black barrel and gold-colored accents, including the clip and the nib. The pen is positioned diagonally, with the nib pointing towards the bottom right, as if it has just finished writing the "Thank you" message.