

Arohan Financial Services Limited

POLICY ON FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

Version 5.0



Prepared by : Legal and Compliance
Approved by : The Board
Date of Approval : February 10, 2021
Date of Approval : February 11, 2022
Date of Approval : May 12, 2023
Date of Approval : February 14, 2024
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The Board	February 10, 2021	V.1.0
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1. Preamble:

The role of Independent Directors has been of paramount importance to the Corporate world, its investors (particularly minority investors), stakeholders, regulators as these directors are required to uphold ethical standards of integrity and probity, exercise independent judgement and assist in implementing best corporate governance practices, while fulfilling the strict criteria of being independent of the management and the Company. Hence, it becomes imperative on the part of the Company to adequately familiarise independent directors with the Company, its operations, management and regulatory framework governing the organisation.

In terms of Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations, 2015), which has become applicable to High Value Debt Listed Entities pursuant to SEBI LODR Fifth Amendment dated September 07, 2021, the Company is required to conduct Familiarisation Programme for Independent Directors (IDs) to familiarise them about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and any other relevant information through various initiatives.

Further, Schedule IV of the Companies Act, 2013 also mandates that Independent Directors shall undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company.

2.Purpose & Objective

The Board of Directors of the Company are encouraged to take up/participate in various training sessions to ensure that the Independent Directors are kept updated.

The objective of the Program is as follows:

- a) To adopt a structured programme for orientation and training of Independent Directors at the time of their joining so as to enable them to

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understand the Company, its operations, business, industry and environment in which it's functions.

- b) To update the Independent Directors on a continuous basis on any significant regulatory changes that may affect the interest of the Independent Director.

3. Familiarisation Program

The Familiarisation Program adopted by the Company can be segregated into 2 (two) categories as follows:

i. Familiarisation upon induction of new Independent Directors:

- a. The Company will provide an induction kit to a new independent director which shall include the following details but not limited to:
 - Formal letter of appointment as Director of the Company incorporating the roles, duties, and responsibilities, performance evaluation process, remuneration and obligation on disclosures;
 - Memorandum and Articles of Association of the Company;
 - Mission, Vision and Core Values of the Company;
 - Annual Reports of last 3 (three) consecutive years;
 - Criteria of Independence as applicable to Independent Directors as per Regulation 16 of the SEBI (LODR) Regulations, 2015 and Section 149 of the Companies Act, 2013;
 - Code of Conduct for Board of Directors and Senior Management;
 - Code of Conduct for Prohibition of Insider Trading;
 - Copy of all the other applicable codes and policies formulated and adopted by the Company;
 - Note on Directors' roles, functions, duties, responsibilities and liabilities under the Companies Act, 2013 and SEBI LODR Regulations;
 - Organizational Chart of the Company and the profile of all the Directors and the Senior Managerial Personnel of the Company;
 - Board evaluation and procedures.
- b. An orientation on the corporate profile, various products and functions of the Company shall be provided to the Independent Directors.
- c. The newly appointed Independent Director shall also be introduced to certain

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key members of the senior management of the Company.

- d. A detailed briefing on the roles and responsibilities of Independent Directors shall also be provided.

ii. Familiarisation Program on Ongoing Basis

- The Company through its Executive Directors/Key Managerial Personnel will periodically conduct programmes/presentations to familiarise the Independent Directors with the strategy, operations of various businesses and processes of the Company;
- Such presentations/programmes shall include updates on risk management, company’s policies, performance of the various business units, quarterly performance report which includes information on business performance, operations, financial parameters, litigations, compliances, and information related to its group Company;
- Such programs/presentations 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, operations, investor relations, markets, organization structure, finance, human resources, technology and risk management and such other areas as may arise from time to time;
- The Company shall circulate news and articles related to the industry on a regular basis and also provide regulatory updates from time to time; and
- Site visits to the Company’s branch office plant/ business locations shall be arranged.

Apart from Independent Directors, Non-Executive Directors are also eligible to attend the familiarisation programmes.

The Company Secretary also regularly apprises the Board about their roles, rights and responsibilities in the Company from time to time as per the requirements of the SEBI LODR Regulations, the Companies Act, 2013 read with the Rules and Schedules thereunder and Non-Banking Financial Company – Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 were circulated to the Board of Directors as an integral part of the Board agenda for review and noting of the Board.

- A presentation was also made to the Board of Directors on “Board Evaluation” which inter alia covered the legal requirements, global best practices, evaluation framework and criteria and evaluation outcomes.

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iii. Other Initiatives

- **Committee Nomination:** Independent Directors are members in various Board Committees and their participation leads to a high quality of debate with healthy discussions and strategic guidance.
- **Committee meeting minutes:** Gist of the minutes of various Committee meetings along with the minutes are circulated to all the directors for better understanding of the business.
- **Presentation by Internal/Statutory Auditors in Audit Committee meetings:** At every Audit Committee meeting of the Company, the Internal/Statutory Auditor makes presentation on important audit related matters and special areas of emphasis.
- **Training sessions:** The Company in its every Board meeting allocates considerable amount of time for agenda item titled “Regulatory presentation” wherein, a brief presentation highlighting SEBI & Other Regulatory Updates, Surveillance Related Matters and Investor Services related Matters is presented to the Board

4. Disclosure of the Policy

In terms of Regulation 62(1A)(i) of the SEBI LODR Regulations, the details of familiarization programmes imparted to Independent Directors including the following details needs to be hosted on the Website of the Company:-

- (i) number of programmes attended by the independent directors (during the year and on a cumulative basis till date);
- (ii) number of hours spent by the independent directors in such programmes during the year and on cumulative basis till date and
- (iii) other relevant details.

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.

5. Review of the Program

The Board of Directors shall review this Program annually and make suitable revisions as deemed necessary.

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Format for disclosure:

DISCLOSURE UNDER REGULATION 25 AND 62(IA)(i) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

SUMMARY OF FAMILIARIZATION PROGRAMMES IMPARTED TO INDEPENDENT DIRECTORS

Number of programmes attended by independent directors - During the year - On a cumulative basis	
Number of hours spent by independent directors in such programmes - During the year	

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