

AVANSE FINANCIAL SERVICES LIMITED

**FAMILIARIZATION PROGRAMMES FOR INDEPENDENT
DIRECTORS**

Version 1.0

Version Control

Version	Date of Adoption	Change reference	Owner	Approving Authority

“If at any point a conflict of interpretation/information between this Programmes and any Regulations, Rules, Guidelines, Notification, Clarifications, Circulars, Master Circulars/ Directions by SEBI arise then interpretation of such Regulations, Rules, Guidelines, Notification, Clarifications, Circulars issued by SEBI shall prevail.

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Familiarization Programmes for Independent Directors

Objective of the Programme

In accordance with the requirements under the Companies Act, 2013, read with the rules thereunder, as amended (the “Companies Act”) read with Regulation 25(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”) the Company is required to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and other relevant information etc., through various programmes.

In order to enable the Independent Directors to fulfil their responsibilities effectively and efficiently, a familiarization programme (“Programme”) has been put in place by the Company and which may be conducted from time to time with an aim to assist them to understand the Company’s business in depth and its operations, business strategies, management structure, risk management framework, regulatory environment in which the Company operates, among other things.

Familiarization Process

The Company has over the years, been familiarizing the Independent Directors, on regular basis, with detailed presentations on the Company’s operations and business plans, the nature of industry in which the Company operates. In addition to this, the Company also schedules additional dedicated meetings at which specific aspects of the Company’s business plans and future outlook are reviewed and discussed.

The Familiarization Programme adopted by the Company comprises two segments –

1. Familiarization upon induction of new Independent Directors

- At the time of joining, an appointment letter shall be issued to the Independent Directors, which broadly outlines their statutory role and duties as an Independent Director.
- The Company conducts an introductory familiarization programme when an Independent Director joins the Board of the Company, which includes briefing on corporate profile, business operations of the Company, meeting with other directors on the Board, key managerial persons and the senior management of the Company.
- The newly appointed Independent Director shall be provided with a copy of the following documents of the Company:
 - a. Company's Code of Conduct for directors;
 - b. Annual reports of last three years;
 - c. Latest investor presentation;
 - d. Composition of the Board of Directors and various Board Committees (including terms of reference/charters);
 - e. Organizational chart and a brief profile of all the directors and the key managerial personnel;
 - f. Board engagement framework.

2. Ongoing Familiarization Programme

- The Company shall on regular basis conduct the following familiarization programmes for the Independent Directors:
 - a) At the various Board/Committees meetings during the year, the senior management will present the critical matters which, *inter alia*, include details of the non-banking finance industry, performance of the Company, plans, strategies and budgets, investments, funds flows, HR policies and such other information as may be required by them;

- b) Apart from regular Board and Committee meetings, the Company to conduct separate meetings to brief the Independent Directors on capability expansion programme and discussion on detailed operational aspects of the business of the Company. There could be additional meetings or sessions on demand on specific topics.
- c) Update on fund raising programme and liquidity position of the Company;
- d) Efficiency of internal controls, risk management system, strategy followed and new initiatives taken with regard to risk management;
- e) Update on impact of new regulatory guidelines and developments, digitalization initiatives, IT strategy and cybersecurity, Audit policy & processes, Customer grievance management system of the Corporation and industry benchmarking;
- f) Regular interactions to be held between statutory and internal auditors and independent Directors.

Review and disclosure of the Programme

The Company may periodically review this Programme and make suitable revisions, as may be deemed necessary, from time to time. The following details of such programme shall be uploaded on the website of the Company and a web-link thereto shall be given in the Annual Report:

- (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 cumulative basis till date), and
- (iii) other relevant details.
