

SHREE REFRIGERATIONS LIMITED

FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS



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PREAMBLE

The enactment of the Companies Act, 2013 (hereinafter referred to as ‘**Act, 2013**’) has introduced several provisions aimed at enhancing corporate governance standards for directors and companies. Further pursuant to Regulation 25(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “**LODR Regulations**”), it is incumbent upon companies to acquaint their Independent Directors with the requisite knowledge through various training programs. These programs are designed to provide Independent Directors with a comprehensive understanding of *inter alia* the nature of the industry in which the company operates, the company's background, the company's business model and their specific roles, and responsibilities.

PURPOSE AND OBJECTIVE

To augment the efficacy of the Board of Directors, it is mandated that training needs be identified and addressed to bolster the skills and competencies of the Independent Directors. The objective of this program is to furnish Independent Directors with essential insights into the Company's business operations and strategic frameworks. Such familiarization initiatives are intended to empower Independent Directors to contribute effectively to the governance and oversight functions of the Company, thereby ensuring robust corporate governance practices in alignment with statutory requirements. Formally therefore Shree Refrigerations Limited (‘**Company**’) has devised this program for Independent Directors(‘**Policy**’).

Regulatory Requirement for Training of Directors or Familiarization Programs

Provisions under the Companies Act, 2013

- **Schedule IV**

Part III of Schedule IV mandates that Independent Directors must regularly undertake induction programs to update and refresh their skills, knowledge, and familiarity with the company. This Schedule further delineates the roles, responsibilities, and duties to be performed by Independent Directors.



- Section 166

Section 166 of the Act prescribes the duties of directors, emphasizing their obligations and responsibilities.

Listing Regulations

Regulation 25(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations)

This regulation requires companies to familiarize Independent Directors with the nature of the industry in which the listed entity operates, the business model of the listed entity, and the roles, rights, and responsibilities of Independent Directors, among other aspects.

While there is no prescribed periodicity under the Act, 2013 regarding the induction or training of directors, it is required that such programs be conducted regularly. Furthermore, pursuant to Regulation 46(2)(i) of the LODR Regulations, companies are obligated to disclose details of these familiarization programs on their websites.

FAMILIARIZATION PROCESS AND PROGRAMS

1. PRE-APPOINTMENT/AT THE TIME OF APPOINTMENT

To ensure a smooth transition and effective integration into the organization, the Company shall conduct the following pre-appointment briefing at the time of appointment of an Independent Director:

- Briefing by Chairman and/or Managing Director:
 - The Independent Director is briefed about the group, the Company, the business and its ethics and governance principles.
 - A general discussion on the business and financials of the Company.
 - Information on the composition of the Board of Directors.
- Overview of Independent Director Governance and Compliance Framework:



- Criteria of independence applicable to Independent Directors as per clause 49 of the Listing Agreement on Corporate Governance and Companies Act, 2013.
- Role, functions, Duties, Responsibilities and liabilities of Independent Directors.
- Directors Responsibility Statement forming part of the Boards' Report.
- Vigil Mechanism including Policy formulation, disclosures, Code of Conduct for Independent Directors.
- 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 on periodic basis, monthly MIS etc.
- Fraud response plan, Audit Committee approval, review and approval process.
- Risk Management Systems & Framework.
- Board Evaluation Process and Procedures.

2. INDUCTION PROCESS FOR NEWLY APPOINTED INDEPENDENT DIRECTORS

For the effective induction of newly appointed Independent Directors, the Company shall conduct the following induction process:

- Presentation by Key Personnel:
 - The Managing Director, Chief Financial Officer, and/or Company Secretary present information about the Company, including its history, business model, industry scenario, financial statements, board processes, and compliance requirements under the Companies Act, 2013, Clause 49 of the Listing Agreement, and other regulatory provisions.
 - The senior management team briefs the Independent Director on their respective functions as directed by the Chairman.
- Documents Provided to the Independent Director:

In order to ensure that Independent Directors are fully informed and equipped to discharge their duties effectively, the Company shall provide them with the following documents:

 - Latest Annual Report and prior reports if requested.



- Memorandum and Articles of Association of the Company.
- Code of Conduct for Directors & Executives.
- Code for Prevention of Insider Trading.
- Whistle Blower Policy.
- Policy on Related Party Transactions & Template of Omnibus Approval by the Audit Committee.
- Policy on Materiality of Related Party Transactions.
- Appointment letter detailing tenure, compliance requirements, roles and functions, duties, remuneration, etc.
- Schedule of Board Meetings for the entire year.
- Any other relevant documents, policies, or procedures as deemed appropriate or requested.

3. SITE VISITS

- To provide Independent Directors with a comprehensive understanding of the Company's operations and enable them to make informed decisions the Company shall organize visits to factory locations.
- The plant head and other team members brief the Independent Director on plant operations and processes, important raw materials, major suppliers and customers, health, safety, and environmental practices.

4. REGULAR UPDATES AT BOARD MEETINGS

To ensure that Independent Directors are well-informed and up-to-date on the Company's performance and activities, the Company shall provide regular updates at Board Meetings through the following mechanisms:

- Presentations by Managing Director.
- Detailed presentations covering key business areas, performance, financial statement analysis, material business developments, and health, safety, and compliance (HSC) updates are made at board meetings.



5. FUNCTIONAL PRESENTATIONS

To provide Independent Directors with a comprehensive understanding of the company's various functions and operations, the Company shall schedule the following presentations by functional heads at Board Meetings:

- Scheduled Presentations by functional heads.
- Business Heads (Textiles, Denim, and Marketing Service Division), Finance, Operations/Production, Human Resources, etc., make detailed presentations to the Board on their respective functions according to a pre-agreed schedule.

6. COMPLIANCE WITH APPLICABLE LAW

To ensure compliance with the applicable laws and maintain transparency, the Company shall provide reports and information statements, details, and requisitioned information to the Independent Directors as required.

7. DISCLOSURE OF POLICY

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.


8. REVIEW OF THE PROGRAM

The Board of Directors of the Company will review this Policy and make revisions as may be required.

For and on behalf of

The Board of Directors

Shree Refrigerations Limited



Mr. Ravalnath Gopinath Shende

Managing Director

DIN No. 02028020



Mrs. Rajashri Ravalnath Shende

Director

DIN No. 02028006

Place: Karad

Date: 8th June 2024

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