



FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS OF COMMERCIAL ENGINEERS & BODY BUILDERS CO LIMITED LIMITED

1. Preamble:

The Clause 49(II)(B)(7) of the Listing Agreement (effective from October 1, 2014) with the Stock Exchanges stipulates that:

- a) The Company shall 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, etc., through various programmes.
- b) The details of such familiarization programmes shall be disclosed on the Company's website and a web link thereto shall be given in the Annual Report.

2. Purpose

The Program aims to provide insights into the Company to enable the Independent Directors to understand its business in depth and contribute significantly to the Company.

3. Administration:

The Familiarization programme for Independent Directors will be administered and monitored by Nomination and Remuneration Committee.

4. Familiarization module for Independent Directors:

The module will be on the following lines and will be restructured as and when necessary.

a.Objective: The Company will follow a structured orientation programme for the Independent Directors to understand and get updated on the business and operations of the Company on a continuous basis

b. Familiarization Process:

- i. 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;
- ii. 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, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time;

- iii. the programs / presentations shall also familiarize the Independent Directors with their roles, rights and responsibilities;
- iv. The Company may circulate news and articles related to the industry on a regular basis and may provide specific regulatory updates from time to time; and
- v. The Company may conduct an introductory familiarization program / presentation, when a new Independent Director comes on the Board of the Company.
- vi. The independent director is also taken for a market visit and visit to factory. In addition to the above, in case the director is interested in meeting any specific department or function or getting any further detail, the same is also arranged.

3. Disclosure of the 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.

4. Review of the Program

The Board will review this Program and make revisions as may be required.

1. Role, duties and responsibilities

- A. As member of the Board Directors will be collectively responsible for meeting the objectives of the Board which include:
- Requirements under the Act,
 - Accountability under the Director's Responsibility Statement,
 - Overseeing the maintenance of high ethical standards and Overseeing the Company's contribution to enhancing the quality of life of communities,
 - Protecting and enhancing brand value of the Company.
- B. Directors shall abide by the 'Code For Independent Directors' as outlined in Schedule IV under section 149(8) of the Act and duties of directors as provided in the Act (including Section 166).
- C. Directors shall also be responsible for providing guidance on the areas of their expertise.

SCHEDULE IV [See section 149(8)] CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An independent director shall:

- i. uphold ethical standards of integrity and probity;
- ii. act objectively and constructively while exercising his duties;
- iii. exercise his responsibilities in a bona fide manner in the interest of the company;
- iv. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- v. not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- vi. not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- vii. refrain from any action that would lead to loss of his independence;

- viii. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- ix. assist the company in implementing the best corporate governance practices.

II. **Role and functions:** The independent directors shall:

- i. help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- ii. bring an objective view in the evaluation of the performance of board and management;
- iii. scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- iv. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- v. safeguard the interests of all stakeholders, particularly the minority shareholders;
- vi. balance the conflicting interest of the stakeholders;
- vii. determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- viii. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest

III. **Duties :** The independent directors shall—

- i. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- ii. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- iii. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- iv. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- v. strive to attend the general meetings of the company;
- vi. where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- vii. keep themselves well informed about the company and the external environment in which it operates;
- viii. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

- ix. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- x. ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- xi. report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- xii. acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- xiii. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

DETAILS OF THE PROGRAMME CONDUCTED:

- I. Date: 25th March 2015
- II. Present: All the Independent Directors namely;
 - Anil Gopal Joshi
 - Prakash Yashwant Gurav
 - Prabhakar Ramchandra Dalal
 - M. V. Rajarao
- III. Programme Co-Ordinator: Deepak Tiwary(Chief Executive Officer)
- IV. Details of the Programme conducted- A comprehensive programme was conducted 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, etc.

