

BALAJI SPECIALITY CHEMICALS LIMITED

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

BALAJI SPECIALITY CHEMICALS LIMITED

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BACKGROUND

The role of Independent Directors has been of paramount importance to the corporate world, its investors, stakeholders, regulators as these directors are required to uphold ethical standards of integrity and exercise independent judgement to assist in implementing the 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 familiarize independent directors with the Company, its operations, management, and regulatory framework governing the organization.

Regulation 25(7) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended (“SEBI LODR Regulations”) along with the relevant provisions of the Schedule IV of the Companies Act, 2013, inter-alia stipulates that 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 about the entity, including the following:

- nature of the industry in which the entity operates;
- business model of the entity;
- roles, rights, responsibilities of Independent Directors; and
- any other relevant information.

PURPOSE AND OBJECTIVE OF THE POLICY

The program formulated with the objective of making the Independent Directors of the Company accustomed to their roles and responsibilities is divided into various modules with emphasis on :

- a) Roles, Rights and Responsibilities - Board dynamics & functions
- b) Strategy, Operations and functions of the Company

The programme is also designed to update the Independent Directors on a continuing basis on any significant changes therein so that they are in a position to take well-informed and timely decisions.

This programme aims to provide the Independent Directors insights into the Company to enable them to understand the Company’s business and operations so that they are able to play a meaningful role in the overall governance process of the Company.

FAMILIARIZATION PROGRAMME

a. Letter of Appointment

All the Independent Directors of the Company are made aware of their roles and responsibilities at the time of appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.

b. Formal Introduction

Each newly appointed Independent Director is taken through a formal induction program on the Company's operations, marketing, finance, and other important aspects. A Directors' kit containing information about the Company, Memorandum and Articles of Association, Annual Reports for previous 3 years etc. is also handed over to the new Independent Director. The Directors are also explained in detail the compliances required at their end under the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant regulations. Updates on relevant statutory changes and landmark judicial pronouncements encompassing important laws are regularly circulated to the Directors.

c. Familiarization with Operations

Each independent director has complete access to any information relating to the Company. Independent Directors have the freedom to interact with the Company's management. They are given all the documents sought by them for enabling a good understanding of the Company, its various operations, and the industry segments of which it is a part. Apart from this, they are also entitled to independent interactions with the Statutory Auditors, the Internal Auditors, and external advisors, if any, appointed from time to time. Presentations/ updation on operations are made to the Board informing about business performance, operations, working capital management, changes in the senior management, compliances, subsidiary information, etc.

d. Familiarization with Regulatory Requirements

Periodical regulatory updates impacting the business which helps the director familiarize himself with the Company, its business, and the regulatory framework in which the Company operates is circulated and discussed.

e. Discussion with Auditors

The independent directors are entitled to have independent interactions with the statutory auditors and the internal auditors appointed from time to time. They meet during board and committee meetings where the independent directors discuss matters pertaining to the Company's affairs and then put forth their combined views to the board of directors of the Company

DISCLOSURE

Pursuant to Regulation 46(2) of the SEBI LODR Regulations, the Familiarization Programme imparted to the Independent Directors shall be uploaded on the Company's website for public information and a web link thereto shall be provided in the Corporate Governance Report section of the Annual Report of the Company.

REVIEW OF THE PROGRAM

The Board may from time to time review the Familiarization Policy and may revise the same as and when required to adopt the best practices in the industry.
