



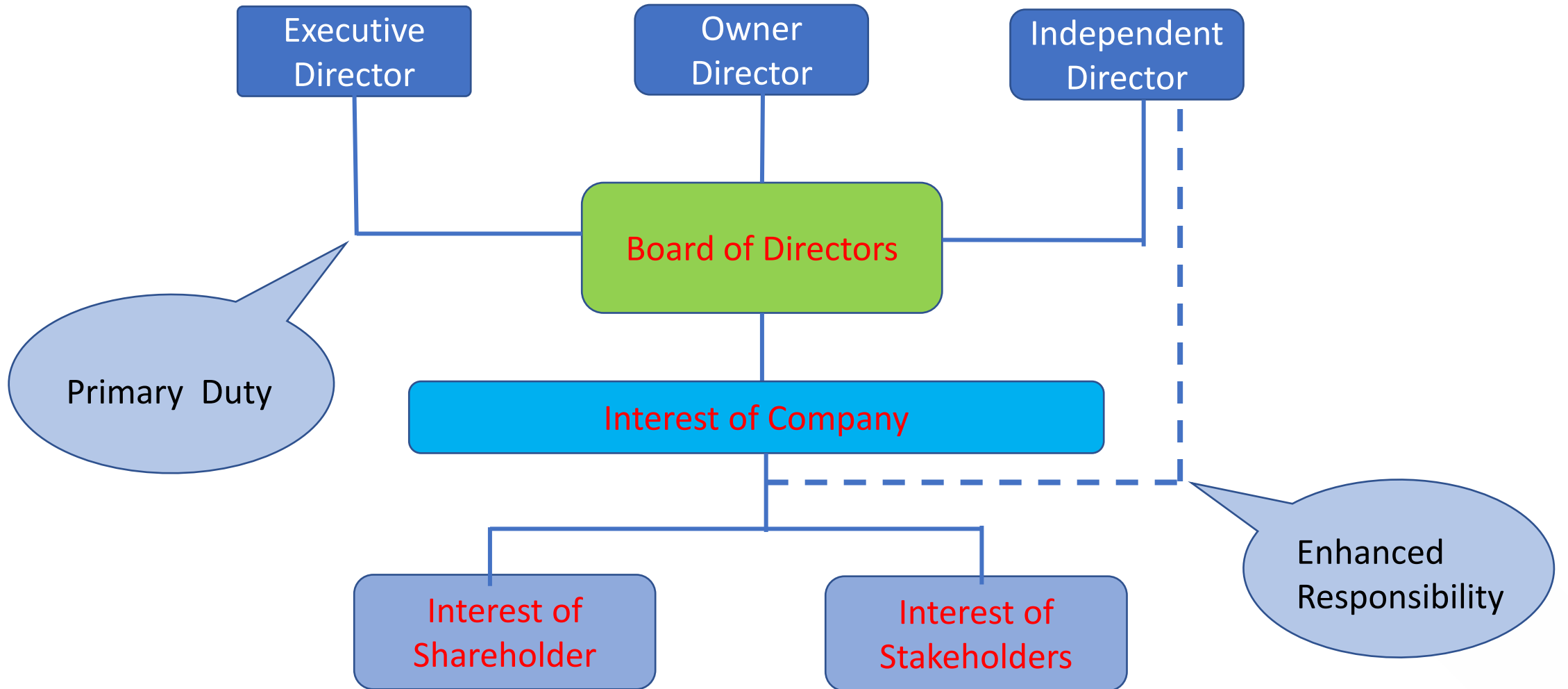
FAMILIARIZATION PROGRAMME  
FOR INDEPENDENT DIRECTORS OF  
ADOR WELDING LIMITED

# THE GOVERNING STATUTES OF INDEPENDENT DIRECTORS

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- The Companies Act, 2013
- Code for Independent Directors (Schedule IV to the Companies Act, 2013)
- SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (LODR Regulation, 2015)

# POSITION OF ALL DIRECTORS



**Balancing of Interests**

# FAMILIARIZATION OF COMPANY

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As a pioneer in manufacturing of welding products, AWL has strived since 1951 to service Indian Industry and the global market with the finest range of Welding Consumables and Equipment . It ensures the highest level of customer satisfaction via their "state of art" manufacturing plants, knowledge based centres of excellence and a comprehensive sales & distribution network. AWL has also made large investments in Flares & Process Equipment Business.

AWL is a total Welding solutions provider, offering an up-to-date suite of welding & cutting products, power sources and accessories, besides a full package of soft skills and knowledge development for welding and fabrication excellence.



# NATURE OF INDUSTRY

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- Ador Welding Ltd. operates its business in the of industry called “steel”.
- The Indian steel industry has entered into a new development stage FY from 2007-08, riding high on the resurgent economy and rising demand for steel.
- Rapid rise in production has resulted in India becoming the 2<sup>nd</sup> largest producer of crude steel.
- Domestic steel prices are influenced by trends in raw material prices, demand – supply conditions in the market, international price trends, among others.
- For ensuring quality of steel, several items have been brought under a quality control order, issued by the Government.
- Iron & steel is easily importable and exportable



# NATURE OF INDUSTRY

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AWL's business model describes the rationale of how an organization creates, delivers, and captures value, in economic, social, cultural or other contexts.

The term business model is used for a broad range of informal and formal descriptions to represent the following:

- core aspects of a business,
- purpose,
- business process,
- target customers,
- offerings,
- strategies,
- infrastructure,
- organizational structures,
- trading practices,
- operational processes and policies.

# REGULATION 46(2)(I) OF LODR REGULATIONS, 2015

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- Number of Familiarization programmes attended by independent directors during FY 2015-16 till date (cumulative basis) :- **TEN**
- Number of hours spent by Independent Directors in such programmes during FY 2015-16 till date (cumulative basis):- **NINETEEN HOUR**

# ROLE & FUNCTIONS OF INDEPENDENT DIRECTORS

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Independent Directors are responsible for ensuring better governance by actively involving in various committees set up by the Company. The Independent Directors are required to perform the following important roles:

- a. help in bringing an independent judgment on the Board's deliberations, especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- b. bring an objective view in the evaluation of the performance of the Board & Management;
- c. scrutinise the performance of Management, in meeting agreed goals & objectives and monitor the reporting of performance;



## ROLE & FUNCTIONS OF INDEPENDENT DIRECTORS continue...

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- d. satisfy themselves on the integrity of financial information and that financial controls & the systems of risk management are robust and defensible;
- e. safeguard the interests of all stakeholders, particularly the minority shareholders;
- f. balance the conflicting interest of the stakeholders;
- g. determine appropriate levels of remuneration of executive directors, key managerial personnel & senior management and have a prime role in appointing & wherever necessary recommend removal of executive directors, key managerial personnel and senior management;
- h. moderate and arbitrate in the interest of the Company, as a whole, in situations of conflict between management and shareholder's interest.

# RIGHTS OF DIRECTORS

## [INCLUDING INDEPENDENT DIRECTORS]

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Rights can be categorized into collective and individual rights:

### COLLECTIVE RIGHTS

- Right to elect a Chairman
- Right to refuse to transfer shares
- Right to appoint a Managing director
- Right to appoint a Director
- Right to recommend dividend

# RIGHTS OF DIRECTORS [INCLUDING INDEPENDENT DIRECTORS]

## CONTINUE...

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### INDIVIDUAL RIGHTS

- To inspect books of accounts
- To receive notices of the Board Meetings
- To / Can get appointed on various Committees
- To inspect the minutes of the Board Meetings
- To inspect the minutes of the Committee Meetings
- To attend and vote in every Board Meeting
- To demand information, on any business matter
- To receive circular resolutions, proposed to be passed
- To participate in proceedings and cast vote in favour or against resolutions

# DUTIES OF DIRECTORS

## [INCLUDING INDEPENDENT DIRECTORS]

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- Section 166 of the Companies Act 2013 lists duties of Directors:
  - Act in accordance with Articles of Association of the Company.
  - Act in good faith - Promote the objects of the Company in the interest of the Company, the community and the protection of environment.
  - Exercise Independent Judgment
  - Exercise reasonable care, skill and diligence
  - Avoid Conflict of Interests
  - Avoid undue gains.
  - Avoid assigning office
  
- Other duties are in accordance with:
  - Code of Conduct for Board Members / Board Resolutions / Employment Agreements / Administrative Policies of the Company

# DUTIES & RESPONSIBILITIES OF INDEPENDENT DIRECTORS [UNDER SCHEDULE IV]

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- a. undertake appropriate induction and regularly update & refresh their skills, knowledge & familiarity with the Company;
- b. 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;
- c. strive to attend all meetings of the Board of Directors and of the Board Committees, of which he / she is a member;
- d. participate constructively and actively in the committees of the Board, in which they are chairpersons or members;
- e. strive to attend the general meetings of the Company;

- f. 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;
- g. keep themselves well informed about the Company and the external environment, in which it operates;
- h. not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i. 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;

- j. ascertain and ensure that the Company has an adequate and functional vigil mechanism and shall also ensure that the interests of a person, who uses such mechanism are not prejudicially affected on account of such use;
- k. report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- l. act within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- m. 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 / under the law.

# LIABILITIES OF DIRECTORS

## [INCLUDING INDEPENDENT DIRECTORS]

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- The Liability arises on account of conduct, act or omission on the part of a person and not merely on account of holding an office or a position in a Company.
- Liable only for such Acts of omission or commission by a Company, which had occurred with his / her knowledge, attributable through Board process, and with his / her consent or connivance or where he / she had not acted diligently.



# SEPARATE MEETING(S) OF INDEPENDENT DIRECTORS

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- Independent Directors shall hold at least one meeting in a year, without the attendance of Non-independent Directors and members of the Management;
- The Administrative or Secretarial help can be sought from the Company Secretary;
- All the Independent Directors of the Company shall strive to be present at such meeting;
- The meeting shall:
  - review the performance of non-independent directors and the Board as a whole;
  - review the performance of the Chairperson, taking into account views of Executive & Non-executive Directors;
  - assess quality, quantity and timeliness of flow of information between the Company management & the Board.



peace of mind™

Thank you