

# **Familiarisation Programme for New Directors**

(Version 03)

Owner: Secretarial & Compliance Department

Review Frequency: At least once in three financial years

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**Document Control**

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## 1. Purpose of the Policy:

In terms of Regulation 25(7) and 46(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company should conduct the Familiarization Programme for Independent Directors/Public Interest Directors (PIDs) about their roles, rights, responsibilities in the Company, the nature of the industry in which the Company operates, business model of the Company, etc., through various initiatives. However, the Company extends the same for all the new Directors including the Independent Directors/Public Interest Directors along with other Executive and Non-Executive Directors.

Further, Clause VI of Part C of the Second Schedule of the SEBI (Depositories and Participants) Regulations, 2018, mandates ***“the Depository shall provide at least seven days of training to all directors each year”***.

In view of the above, the Company has designed a Familiarisation programme for all its Directors to build an understanding of the Company, its businesses and revenue sources, the securities & capital markets and regulatory environment in which the Company operates, its new initiatives and projects, role and responsibilities of the Directors etc.

## 2. Background:

The provision of an appropriate induction programme for new Directors is a major contributor to the maintenance of high corporate governance standards for the Company. The Company Secretary of the Company is responsible for ensuring that such induction programmes are provided to Directors while joining. The respective department heads may provide brief details/presentations regarding the various functions of the Company. The Directors may also request management to provide a detailed understanding of any specific project, activity, or process of CDSL. The management may provide such information and training either at the meeting of the Board of Directors or otherwise.

## 3. Induction:

The induction process is designed to:

- build an understanding of CDSL, its businesses and revenue sources, its competition and the securities & capital markets and regulatory environment in which it operates;
- to apprise Directors about proposed new initiatives and projects;
- provide an appreciation of the role and responsibilities of the Director;
- fully equip Directors to perform their role on the Board effectively;
- develop understanding of Company's people and its key stakeholder relationships; and
- provide the Financial calendar of meetings and trainings.

This includes the provision of a Directors' Induction manual containing:

- General information on the Company's structure,
- Key Policies of the Company,
- Organizational Chart of the Company

- Latest Annual Report of the Company
- Role and Responsibility of the Directors.
- Relevant Codes
- List of applicable regulatory provisions, if any
- Publicity material of the Company that explains the range of products, services and solutions offered by the Company to its clients

New Directors appointed on the Governing Board will be given briefing about their legal and regulatory responsibilities as Directors from time to time.

Further, the new Directors appointed on the Governing Board will be provided with the appointment letter stating the brief terms and conditions of appointment along various relevant codes/policies.

#### **4. Training:**

The Company Secretary shall keep the Governing Board briefed on legal and regulatory developments relevant to the Company and the Directors. The Managing Director and CEO and Company Secretary shall ensure that the programme to familiarise all the new Directors including the Independent Directors/Public Interest Directors along with other Executive and Non-Executive Directors with the business is maintained over time and kept relevant to the needs of the individual involved and the Governing Board as a whole.

Based on the yearly performance evaluation of the Governing Board and the individual Directors, the Company Secretary may arrange training and development programs as and when deemed necessary in consultation with the Managing Director and CEO.

In addition to the extensive induction provided as part of the familiarization programme, the newly appointed Directors are also taken through various business and functional sessions in the Board meetings including the Board meetings to discuss strategy.

The Company believes that the Governing Board should be continuously empowered with the knowledge of latest developments affecting the Company and the industry as a whole. Apart from the periodic presentations on Company's business strategies, new project initiatives and risks involved, presentations are also made on topics covering the depository and market infrastructure industry. Updates on relevant statutory changes and judicial pronouncements around important industry related laws are regularly circulated to the Directors. Each Director of the Company has complete access to any Company's information and freedom to interact with the senior management.

Apart from this, the mandated training program as per Clause VI of Part C of the Second Schedule of the SEBI (Depositories and Participants) Regulations, 2018, shall also be provided for a period of at least seven days of training to all Directors each year.

The above mentioned training shall be conducted either online or offline and shall be related to ongoing development in capital markets and regulatory space, major developments in other developed economies in related areas, overview of development of various RegTech and SuperTech, etc.

**5. Review/Amendments to the Policy:**

This Policy shall be subject to review at least once in three financial years. Any change/amendments to this Policy shall be approved by the Governing Board of the Company. In case there are any regulatory changes requiring modifications to the Policy, the Policy shall be amended accordingly. However, the amended regulatory requirements will supersede the existing Policy till the time Policy is suitably amended.

**6. Disclosure of the Policy:**

A copy of the policy shall be uploaded on the website of the Company and a web link thereto shall be given in the Annual Report.