

## **POLICY ON BOARD DIVERSITY**

### **1. PURPOSE**

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Nomination & Remuneration Committee of the Board (NRC) shall devise a Policy on `Board Diversity'. This Policy on Board Diversity (the "Policy") sets out the Company's approach to ensuring adequate diversity in its Board of Directors (the "Board") and is devised in consultation with the Nomination and Remuneration Committee (the "Committee") of the Board.

### **2. OBJECTIVES OF THE POLICY**

The Objectives of the Policy include:

- Diversity and Inclusion initiatives based on sound business principles and objectives.
- To help the Company build a Board that can draw upon a wide range of perspectives, expertise, knowledge and experience.
- To bridge the gap in Board composition for achieving optimum and balanced Board with a wide range of attributes.
- To encourage healthy and open discussion and promote independence of judgement in Board and Committee deliberations'
- To take a more holistic and multidimensional view of Business complexities and navigate the complex and dynamic issues the Company faces.

### **3. EFFECTIVE DATE:**

This policy was approved by the Board of Directors at its meeting held on January 14, 2016 and the same was applicable to the Company from the date of its listing with BSE Ltd. (BSE) and National Stock Exchange of India (NSE) i.e. with effect from May 16, 2016

This policy was subsequently revised by the Board of Directors at its meeting held on February 02, 2019 and the same shall be effective with effect from April 01, 2019.

BSE and NSE are hereinafter together referred to as "the stock exchanges".

#### **4. POLICY STATEMENT**

The Company recognizes and embraces the benefits of having a diverse Board of Directors and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage in the complex business that it operates. It is recognized that a Board composed of appropriately qualified people with broad range of experience relevant to the business of the Company is important to achieve effective corporate governance and sustained commercial success of the Company.

A diverse Board will enhance the quality of decisions making and ensure better business performance. Encourage diversity of perspectives thereby enhance creativity and innovation.

A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. Board diversity is justified as a key to better corporate governance. It's rightly said that. *"The best boards are composed of individuals with different skills, knowledge, information, power, and time to contribute."*

The Company maintains that Board appointments should be based on merit that complements and expands the skills, experience and expertise of the Board as a whole taking into account knowledge, professional experience and qualifications, gender, age, cultural and educational background, and any other factors that the Board might consider relevant and applicable from time-to-time for it to function effectively. The ultimate objective is to have a board that offers a broad range of perspectives that are directly relevant to the business and organizational needs.

In the process of attaining a diverse Board based on the aforementioned criteria, the following criteria needs to be assessed:

##### **(1) Optimum Composition**

The Board of directors of the Company shall have an optimum combination of Executive and Non-Executive Directors with at least one Woman Director and not less than fifty per cent of the board of directors shall comprise of non-executive directors. The composition

of the Board shall be in compliance with the requirements of the Articles of Association of the Company, the Companies Act, 2013, Rules made thereunder and Listing Regulations as amended from time to time.

Where the chairperson of the board of directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors:

Provided that where the regular non-executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of director or at one level below the board of directors, at least half of the board of directors of the listed entity shall consist of independent directors.

No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person

**(2) Functional Diversity:**

- (a) Appointment of directors to the Board of the Company should be based on the specific needs and business of the Company. Appointments should be done based on the qualification, knowledge, experience and skill of the proposed appointee which is relevant to the business of the Company.
- (b) Knowledge of and experience in domain areas such as NBFC industry, banking and finance, corporate, investment banking, legal, risk, management, etc., should be duly considered while making appointments to the Board level.
- (c) While appointing independent director, care should be taken as to the independence of the proposed appointee.
- (d) Directorships in other companies may also be taken into account while determining the candidature of a person.

**(3) Stakeholder diversity:**

- (a) The Company may also have directors on its Board representing the interest of any financial institution or any other person in accordance with the provisions of its articles of association and/or any agreement between the Company and the nominating agency.

(b) Subject to the provisions of section 151 read with relevant rules made thereunder, the Company may, upon notice of not less than one thousand small shareholders or one-tenth of the total number of such shareholders, whichever is lower, have a small shareholders' director elected by the small shareholders.

## **5. ROLE OF NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee ('NRC') of the Company shall review and assess Board composition on behalf of the Board and shall recommend to the Board, the appointment of new directors based on their qualification, positive attributes and independence.

In reviewing Board composition, NRC will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.

## **6. REVIEW OF THE POLICY**

The NRC will review the policy from time to time and make recommendations on any required changes to Board for consideration and approval.

## **7. DISCLOSURE OF THIS POLICY**

This policy will be posted on the Company's website. The necessary disclosure about the policy will also be made as per requirements of SEBI (LODR) Regulations, 2015 and the Companies Act 2013.

## **8. SCOPE AND LIMITATION**

In the event of any conflict between the provisions of this Policy and the Listing Regulations/Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Regulations/Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.