

**KALYANI INVESTMENT COMPANY LIMITED**  
**POLICY ON BOARD DIVERSITY**  
**(Revised w.e.f. 1st April, 2019)**

**PURPOSE**

The Policy on Board Diversity ("**Policy**") sets out the approach to diversity on the Board of Directors ("**the Board**") of Kalyani Investment Company Limited ("**the Company**").

Capitalized terms used in this Policy but not defined shall have the same meaning as assigned to such terms in the Companies Act, 2013.

This Policy has been formulated in terms of provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations"), as amended.

**OBJECTIVE**

The Company recognizes and embraces the importance of a diverse Board and believes that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will ensure that the Company retains its competitive advantage.

The Diversity in the Board is increasingly recognized by the government, stock exchanges, companies, shareholders and other stakeholders as an essential component of good corporate governance that ultimately contributes to the achievement of its strategic and commercial objectives and sustainability.

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.

Considering the above, following parameters has been identified for having a diverse board of the Company:

**1. Optimum Composition**

- a) The Board shall have an optimum combination of executive and non-executive Directors with at least one women Director and not less than fifty per cent of the Board of Directors shall comprises of non-executive Directors.

Provided that the Board of Directors shall have at least one independent women Director by April 1, 2020.

- b) The Board shall consist of-

- (i) At least half of Independent Directors where the Company does not have a regular Non-Executive Chairman; or
- (ii) At least one-third of Independent Directors where the Chairman of the Board is Non-Executive Director.

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

- c) With effect from April 1, 2019, the Board of Directors shall comprise of not less than 6 (six) Directors.

## **2. Functional Diversity**

- a) Appointment of Directors to the Board of the Company shall be based on the specific needs and business of the Company. Appointments shall be done based on the qualification, knowledge, experience and skill sets of the proposed appointee which is relevant to the business of the Company.
- b) Knowledge of and experience in domain areas such as engineering, banking and finance, marketing, human resource, investment banking, legal, risk, management, administration, research, corporate governance etc. shall be duly considered while making appointments to the Board level.
- c) While appointing Independent Directors, care shall be taken as to that independence of the proposed appointee is in accordance with the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- 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 of the Companies Act, 2013 read with the 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.

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

The Nominations and Remuneration Committee shall be responsible for :

The Nomination and Remuneration Committee ('NRC') of the Company shall review, assess Board composition on behalf of the Board and shall recommend to the Board, the appointment of new Directors based on the criterion laid down in this Policy.

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 duties and responsibilities effectively.

## **REVIEW OF POLICY**

The NRC will review the Policy from time-to-time, which will include an assessment of effectiveness of the Policy.

The NRC will discuss any revisions that may be required and recommend any such revision to the Board for approval.

This policy has been reviewed by the NRC and approved by the Board at their respective meetings held on February 8, 2019 and has been made effective from April 1, 2019.

For Kalyani Investment Company Limited

Amit B. Kalyani  
Chairman

Pune  
April 1, 2019

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