

**ADITYA ULTRA STEEL LIMITED**

**BOARD DIVERSITY POLICY**

Under section 178(3) of the Companies Act, 2013 read with Regulation 19(4) and Part D of Schedule II, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Approved by**

Nomination and Remuneration Committee and Board of Directors

**ADITYA ULTRA STEEL LIMITED**

**CIN: U27100GJ2011PLC066552**

**Registered Office:**

R.S. No.48P1 to 48P5,

8-A N.H, BHALGAM, RAJKOT,

WANKANER, GUJARAT – 363621.

## **POLICY ON DIVERSITY OF BOARD OF DIRECTORS**

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### **1. PURPOSE**

As per the requirements under section 178(3) of the Act read with Regulations 19(4) and Part D of Schedule II, of the SEBI LODR Regulations and such other applicable regulatory provisions, the Nomination and Remuneration committee of ADITYA ULTRA STEEL LIMITED (“**ADITYA**” or “**Company**”) is required to devise a policy for having diversity on the board of directors of the Company (the “**Board**”). The Policy on Diversity of Board of Directors (the “**Policy**”) sets out a framework to achieve adequate diversity on the Board.

### **2. INTRODUCTION**

2.1. Board diversity is vital to handle various factors such as globalization of business, rapid deployment of technology, greater social responsibility, ever rising emphasis on corporate governance, enhanced need for risk management, etc. so as to facilitate effective management of the business of the Company and to keep pace with changing dynamics of the business environment.

2.2. Board diversity is the breadth of perspective, not the mere inclusion of various diverse traits that will benefit the organization. ADITYA believes that a diverse Board will enhance the quality of decision made by the Board by utilizing different skills, qualification, experience, knowledge, etc. of the Board necessary for achieving sustainable and balance development.

### **3. SCOPE OF APPLICATION**

The Policy applies only to the members of the Board and not employees of the Company.

### **4. EFFECTIVE DATE**

The Policy shall be effective from the date of approval by the Board, unless specified otherwise.

### **5. POLICY STATEMENT**

5.1. The Act (*as defined below*) read with the SEBI LODR Regulations, require the Board and the NRC to formulate the criteria for determining qualifications, positive attributes and independence of directors.

The Company believes that a diverse Board will contribute to the achievements of its strategic and commercial objectives, including to make corporate governance more effective, enhance quality and responsible decision-making capability, ensure sustainable development, enhance the reputation of the Company and to enhance the reputation of the Company.

5.2. In the process of attaining a diverse Board based on the aforementioned norms, the following should also be assessed:

- a. The total number of directors shall be in accordance with the Articles of Association.
- b. The Board shall have an optimum combination of executive and non- executive directors

and not less than 50% of the Board will consist of the non- executive directors and shall have at least one-woman director on the Board subject to the applicable laws.

- c. When the chairperson of the Board is a non-executive director, at least one third of the Board shall comprise of Independent Directors and when the Company does not have a regular non-executive chairperson, or when the regular non-executive chairperson is a promoter or related to any promoter or person occupying management position at the Board level or at one level below the Board, at least half of the Board shall comprise of Independent Directors.

For the purpose of this clause, the expression “related to any promoter” shall mean its directors other than the Independent Directors, its employees or its nominees shall be deemed to be related to it;

- d. While appointing the Independent Directors, care should be taken as to independence of the proposed appointee.
- e. Directorships in other Companies may also be taken in account while determining the candidature of a person.
- f. The overall composition of the Board should comply with the provisions of the Articles of Association, the Act, the SEBI LODR Regulations and the statutory, regulatory and contractual obligations of ADITYA.
- g. For the purpose of the Policy, “**Independent Director**” means an Independent Director as defined in Regulation 16 (b) of the SEBI LODR Regulations.

## 6. **DEFINITIONS**

“**Act**” means the Companies Act, 2013 (or the Companies Act, 1956 to the extent applicable) and Rules made thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended.

“**Board**” means Board of Directors of the Company.

“**Director**” means a director appointed to the Board of the Company.

“**SEBI LODR Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified by The Securities and Exchange Board of India, as amended, from time to time.

“**Nomination and Remuneration Committee**” or “**NRC**” means a Committee of Directors constituted under the requirements of Section 178 of Companies Act, 2013, read with rules made thereunder.

“**Rules**” means the rules made under the Act, as amended.

“**SEBI**” means the Securities and Exchange Board of India.

*The words and expressions used and not defined in this Policy on Diversity of Board of Directors shall have the meaning ascribed to them in the SEBI LODR Regulations, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Depositories Act, 1996, as amended, or the Act and rules and regulations made thereunder.*

## 7. **STAKEHOLDER DIVERSITY**

Subject to the provisions of Section 151 of the Companies Act, the Company may, upon notice of not less than 1,000 shareholders or one-tenth of the total number of such shareholders, whichever is lower, have a small shareholders’ director elected by the small shareholders.

## 8. **MEASURABLE OBJECTIVES**

NRC will discuss and agree annually all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption. At any given time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

## 9. **MONITORING AND REPORTING**

The Policy, as described herein and as applicable, shall also be disclosed in ADITYA's annual report. The Policy shall also be disclosed on the website of ADITYA for public information.

## 10. **DISCLOSURE OF THE POLICY**

10.1. The 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 and the Act.

10.2. A summary of the Policy together with the measurable objectives set for implementing this Policy, and the progress made towards achieving those objectives will be disclosed in the Corporate Governance Report annually.

## 11. **REVIEW OF THE POLICY**

NRC will review the Policy annually, which will include an assessment of the effectiveness of the Policy, discuss any changes with the Board and ensure that the revisions to the Policy are approved by the Board. In reviewing Board composition, the 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.

## 12. **INTERPRETATION**

Any words used in this Policy but not defined herein shall have the same meaning ascribed to it in the Articles of Association of the Company and /or the Act or Rules made thereunder. In case of any dispute or difference upon the meaning/interpretation of any word or provision in this Policy, the same shall be referred to NRC and the decision of NRC in such a case shall be final.

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Certified To Be True//  
For Aditya Ultra Steel Limited

Varun Manojkumar Jain  
Non-Executive Director  
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