

POLICY ON BOARD DIVERSITY

BACKGROUND

This policy on Board Diversity (the “Policy”) for the Board of Directors (the “Board”) of Ashoka Buildcon Limited (the “Company”) has been formulated by the Board in accordance with the SEBI LODR Regulations, to assure that the Board is fully diversified and comprises of an ideal combination of executive and non-executive directors, including independent directors, with diverse backgrounds.

OBJECTIVE

The objective of this policy is to recognize the benefits of having a diverse Board which optimises a balance of skills, experience, expertise and diversity of views appropriate to the requirements of the business of the Company.

SCOPE

The Policy applies to the composition and diversity of the Board only and does not apply to diversity in relation to the senior management employees of the Company.

POLICY STATEMENT

The Company recognizes and believes that a diverse Board will enhance the quality of the decisions made by the Board by utilizing different skills, genders, qualifications, professional experiences, knowledge, background and other special qualities etc. of the members of the Board, necessary for better business results, achieving advantage, effective corporate governance, and sustainable and balanced growth.

The Company also maintains that Board appointments should be based on merits like skills, experience and expertise of a person which helps the Board as a whole by taking into account different / various qualities of a person that the Board might consider relevant to function effectively and efficiently.

The composition of the Board shall be in accordance with the Articles of Association of the Company, the Companies Act, 2013, LODR Regulations as well as other statutory, regulatory and contractual obligations of the Company.

In the process of having a diverse Board based on the aforementioned criteria, the following norms need to be assessed:

I. Optimum composition

- a) The Board shall have an optimum combination of Executive and Non-executive Directors;
- b) As per the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 at least half of the Board should comprise of Independent Directors (where the Chairman of the Board is Executive) or at least one-third of the Board should comprise of Independent Directors (where the Chairman of the Board is Non-executive); and
- c) The Company shall continue to maintain gender equality on the Board.

Further, the Company shall maintain the composition of Board as per the provisions of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”), as amended thereof from time to time.

II. Functional diversity

- a) Appointment of Directors to the Board of the Company should be based on specific needs and business of the Company. Appointment 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 and experience in domain areas such as Finance, Legal, Risk Management, Information technology, Industry specific and general management etc., should be duly considered while making appointments to the Board level.
- c) While appointing Independent Directors, 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.

ROLE OF NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (“NRC”), inter alia, is responsible for reviewing and assessing the composition of the Board as well as for identifying and recommending appropriately qualified candidate(s), to hold Directorship in the Company, to the Board of Directors where and if need be.

REVIEW AND/OR AMENDMENTS TO THE POLICY

The Board may review this Policy from time to time for effective execution of this Policy. The Nomination and Remuneration Committee/Board reserves the right to amend this Policy from time to time based on changing requirements as prescribed by SEBI/Stock Exchange(s) or any other appropriate Regulatory / Statutory Authority/ies.

DISCLOSURE OF THE POLICY

The Company shall disclose this Policy on its website. The necessary disclosure, if any, about the policy will also be made as per the requirements of SEBI LODR and the Companies Act 2013.

This Policy is approved by Board of Directors of the Company on February 05, 2021.