

# POLICY FOR BOARD DIVERSITY FOR KAY JAY FORGINGS LIMITED

CIN: U74899DL1983PLC029298

Registered Office: A-8, Maya Puri Industrial Area Phase-1, New Delhi- 110 064 Delhi, India.

## **POLICY FOR BOARD DIVERSITY**

### **1. INTRODUCTION**

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This Policy on Board Diversity (the “Policy”) for the Board of Directors (the “Board”) of Kay Jay Forgings Limited (the “Company”) has been formulated by the Nomination and Remuneration Committee (“NRC”) in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing 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.

Accordingly, the Board of the Company has adopted this Policy on August 18, 2025.

### **2. PURPOSE**

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The Policy is framed to address the importance of a diverse Board in harnessing the unique and individual skills and experiences of various members of the Board in such a way that it collectively benefits the business and the Company as a whole. The basic essence of the Policy is to provide a framework for leveraging on the diverse knowledge and expertise of the Board, which can offer its valuable guidance to the management consistent with the Company’s business perspective.

### **3. APPLICABILITY**

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As per Regulation 19 (4) read with Part D of the Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “**SEBI LODR Regulations**”), the Nomination and Remuneration committee of the board of directors (“NRC”) of the Company has to devise the Policy on Board Diversity. In compliance with the SEBI LODR Regulations, the Company has formulated this Board Diversity Policy 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. The Policy applies to the composition of the Board only and does not apply to diversity in relation to the employees of the Company.

### **4. POLICY STATEMENT**

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The Company aims to enhance the effectiveness of the Board by diversifying its composition and to obtain the benefit out of such diversity in better and improved decision making. In order to ensure that the Company’s boardroom has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, the Company shall consider a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

The Company believes that a diverse Board will contribute to the achievement of its strategic and commercial objectives, including, but not limited to:

- a. drive business results;
- b. make corporate governance more effective;
- c. enhance quality and responsible decision making capability;
- d. ensure sustainable development; and
- e. enhance the reputation of the Company.

The Policy shall conform to the following two principles for achieving diversity on the Board:

- a. Decisions pertaining to recruitment, promotion and remuneration of the directors will be based on their performance and competence; and
- b. For embracing diversity and being inclusive, best practices to ensure fairness and equality shall be adopted and there shall be zero tolerance for unlawful discrimination and harassment of any sort whatsoever.

In order to ensure a balanced composition of Executive, Non-Executive and Independent Directors on the Board, the Company shall consider candidates from a wide variety of backgrounds, without discrimination, and based on the following factors:

- a. Gender: The Company shall not discriminate on the basis of gender in the matter of appointment of directors on the Board. The Company encourages the appointment of women at senior executive levels to achieve a balanced representation on the Board. As per section 149 (1) of the Companies Act, 2013 (the “**Companies Act**”) and regulation 17 of the SEBI Listing Regulations, the Company shall at all times have at least one woman director on the Board. Any intermittent vacancy of a woman director shall be filled-up by the Board at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later.
- b. Ethnicity: The Company shall promote having a boardroom comprising of people from various ethnic backgrounds so that the directors may efficiently contribute their thorough knowledge, sources, and understanding for the benefit of the Company’s business.
- c. Educational qualification: The Board should have a mix of members with different educational qualifications, knowledge and with adequate experience in finance, accounting, economics, legal and regulatory matters, corporate governance, operations of the company’s businesses and other disciplines related to the Company’s businesses.

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

#### **A. Optimum Composition**

- a. The Board shall have an optimum combination of Executive and Non-Executive Directors and not less than fifty percent of the Board of Directors shall comprise of Non-Executive Directors in accordance with requirements of the Companies Act, SEBI LODR Regulations and other statutory, regulatory and contractual obligations of the Company

- b. 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).
- c. At least half of the Board of the Company shall consist of Independent Directors where the regular Non-Executive Chairperson is a promoter or is related to any promoter or person occupying management positions at the level of the Board or at one level below the Board as required under Regulation 17 of the Listing Regulations.
- d. The Board shall comprise of not less than six directors as required under Regulation 17 of the Listing Regulations.
- e. The Company shall not appoint a person or continue the directorship of any person as 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.
- f. The Board of Directors shall meet for a minimum of four times every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board.

#### **B. 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 a domain area such as Information Technology, Banking and Finance, Corporate, Investment Banking, Legal, Risk, Management, HR, Technical domain Expertise etc. should be duly considered while making appointments to the Board Level. Taking this into account, appointment of female members to the Board is also to add value of a more diverse Board.
- c. While appointing Independent Directors, care should be taken as to the independence of the proposed appointee.
- d. Directorship in other companies may also be taken into account while determining the candidature of a person.

#### **C. 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 institution.

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- b. Subject to the provisions of section 151 of the Companies Act, read with relevant rules made thereunder, the Company may, upon notice of not less than one thousand small shareholder or one-tenth of the total number of shareholders, which is lower, appoint a small shareholders' director elected by small shareholders.

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

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The NRC, *inter alia*, is responsible for reviewing and assessing the appropriate mix of diversity, skills, experience and expertise required for the composition of the Board as well as for identifying and recommending appropriately qualified candidature(s), to hold directorship in the Company and assessing the extent to which the required skills are represented on the Board.

The size of the Board in terms of number of members and composition with respect to Executive, Non-Executive and Independent Directors, shall be reviewed by the Board in accordance with the Company's Articles of Association, the Companies Act. 2013, SEBI Listing Regulations and any other applicable laws, rules and regulations.

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

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The NRC shall review the Policy from time to time, to ensure the effectiveness of the Policy. The NRC shall discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval.

## **7. DISCLOSURE OF THE POLICY**

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The necessary disclosure, if any, about the Policy will also be made as per the requirements of SEBI Listing Regulations and other applicable laws.

Date: August 18, 2025

Place: Ludhiana

*Note: Approved in the meeting dated August 18, 2025.*

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