

BALAJI SPECIALITY CHEMICALS LIMITED

POLICY ON BOARD DIVERSITY

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PREAMBLE

The policy on Diversity of Board of Directors ("**Policy**") has been devised by the Nomination and Remuneration Committee ("**Committee**") of Balaji Speciality Chemicals Limited, in line with Regulation 19 (4) read with Part D of the Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR Regulations**") and the relevant provisions of the Companies Act, 2013. The Policy applies to the composition of the Board only and does not apply to diversity in relation to the employees of the Company. The policy charts the path as paved by the NRC 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 outlines the Company's intent to have an optimal mix of Board members from different backgrounds, to leverage their expertise and opinions on important aspects and enable long-term sustainable growth of the Company.

DEFINITIONS

In this Policy unless the context otherwise requires,

"Act" means the Companies Act, 2013 or the Securities and Exchange Board of India Act, 1992 or any statutory modification or re-enactment thereof and includes any Rules and Regulations framed thereunder, as the case may be in respect to the reference made in the provisions under this Policy;

"Board of Directors" or "Board" means the collective body of the Directors of the Company;

"Company" means Balaji Speciality Chemicals Limited;

"Independent Directors" shall mean an Independent Director as per the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (as revised from time to time).

"Nomination and Remuneration Committee (NRC)" of the Company means the committee as constituted or reconstituted by the Board, in accordance with the Section 178 of the Companies Act, 2013 ("the Act") and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

OBJECTIVE

An effective Board, through its expert members with diverse skill sets and backgrounds, helps the Company achieve its vision and mission through:

- i. Enhancing the decision-making process, thereby enabling optimum utilization of time and facilitating structured outcomes
- ii. Effectively channelizing the inputs and opinions of the Board members, to arrive at viable solutions for the business challenges and setting strategic outcomes.

- iii. Enabling self-development for Board members in terms of gaining from varied skill sets, with the aid of shared expertise of members.
- iv. Ensuring compliance of the highest standards of Ethics and Corporate Governance.

POLICY OVERVIEW

The Company aims to enhance the effectiveness of the Board by diversifying its composition so that the Company gets the benefit out of such diversity in better and improved decision making, which will provide better corporate governance.

The composition of the Board shall ensure representation from:

- i. Individuals having varied skills / expertise / competencies for the effective functioning of the Board and Company.
- ii. Individuals having requisite qualifications, tenure, experience & age.
- iii. Appropriate mix of cultural, geographical and gender diversity.
- iv. Appropriate mix of independent and non-independent directors in accordance with the Companies Act, 2013 and SEBI LODR Regulations.

POLICY REVIEW

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

DISCLOSURES

The necessary disclosure about the Policy, if any, will also be made as per requirements of SEBI LODR Regulations and the Companies Act 2013.

The Company shall provide sufficient information about this Policy to its shareholders, and provide information regarding the composition of the Board, the areas of expertise of each director and their qualification / characteristics etc. The Policy shall be made available on the website of the Company.
