SHREE DIGVIJAY CEMENT COMPANY LIMITED

BOARD DIVERSITY POLICY

1. PREFACE

Shree Digvijay Cement Company Limited (the "**Company**"), is committed to high standards of corporate governance and promotes diversity in the form of different castes, religions, ethnicities and genders. The Company recognizes and embraces the benefits of having a diversified Board composed of qualified people with a broad range of relevant experience having due regard to factors such as gender, age, cultural background etc. Diversity of knowledge, thought and experience on the Board can help lead to improved problem-solving, ability to take advantage of emerging opportunities, fosters innovation and creativity, avoidance of groupthink and enhances overall effectiveness of the Board.

Recently, the requirements relating to composition of a company's Board have been changed by various new legislations. The Companies Act, 2013 and the rules made thereunder, which became effective from 1st April, 2014 include the requirements of optimum combination of executive and independent directors, compulsory woman director, criteria for directors' independence, appointment, performance evaluation and the policy for directors' remuneration.

To align with the provisions of the Companies Act, 2013, the provisions of the Listing Agreement were also amended effective from 1st October, 2014. The revised Listing Agreement also contains certain provisions, which are either more stringent or are in addition to the provisions in the Companies Act, 2013. One such additional requirement for listed companies prescribed under Listing Agreement is based on the recommendation of the Primary Market Advisory Committee ('PMAC') in respect for diversified Board. In this context, Clause 49 I (D) provides for ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board. Further, the Nomination & Remuneration Committee (the "**Committee**") of a company is mandated to devise a policy on Board Diversity. Accordingly the Company proposes the following Board Diversity Policy.

2. Purpose

2.1 The Board Diversity Policy (the "**Policy**") of the Company aims to set out the approach to achieve / promote diversity on the Board of Directors of the Company (the "**Board**") in accordance with applicable provisions of the Companies Act, 2013 and rules made thereunder (the "**Act**") and Listing Agreement including any subsequent amendment/modification thereof.

2.2 The Policy shall be effective from 1st October, 2015.

3. Scope

This policy shall be applicable to nomination, appointment and re-appointment of the Directors of the Company where authority, delegated or otherwise, to make decisions in relation to such nomination, appointment and re-appointment is with the Board of the Company, subject to shareholders' approval, wherever required, as per applicable laws.

4. Policy Statement

4.1 The Company believes that diversity will enable robust decision making by the Board and will enhance the overall performance of the Company.

4.2 Diversity shall be in the form of following aspects in respect to this Policy:

- Skills, experience and knowledge
- Gender, ethnicity, age and cultural background
- Any other distinguishing qualities of the members of the Board

4.3 All Board nominations/appointments / re-appointments will be based on merit and other criteria as applicable, having due regard to aspects of diversity for determining the optimum composition of the Board.

4.4 In order to promote the specific objective of gender diversity - a vital asset to the business, there must be at least one woman Board member.

5. Monitoring & Reporting

5.1 The Committee will report to the Board on the initiatives undertaken by the Company in relation to Board Diversity.

5.3 The Committee will report annually, in the Corporate Governance Report the composition of the Board with respect to Board Diversity.

6. Review of the Policy

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

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