

# BF INVESTMENT

## Policy on Board Diversity of BF Investment Limited

### PURPOSE

The Policy on Board Diversity ("Policy") sets out the approach to diversity on the board of Directors ("the board") of BF Investment Limited ("the Company").

### OBJECTIVE

The Company recognises and embraces the importance of a diverse Board and believes that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will ensure that the Company retains its competitive advantage.

The Diversity in the Board is increasingly recognised by the government, stock exchanges, companies, shareholders and other stakeholders as an essential component of good corporate governance that ultimately contributes to the achievement of its strategic and commercial objectives and sustainability.

The ultimate objective is to have a board that offers a broad range of perspectives that are directly relevant to the business and organisational needs.

Considering the above, following parameters has been identified for having a diverse board of the Company :

#### 1. Optimum Composition

- a) The Board shall have an optimum combination of executive and Non-executive Directors and not less than fifty per o the Board of Directors shall comprises of non-executive Directors.
- b) The Board shall consist of –
  - (i) At least half of Independent Director where the Chairman of the Board is Executive; or
  - (ii) At least one-third of Independent Director where the Chairman of the Board is Non-Executive.
- c) The Company shall have at least one woman Director on the Board to ensure there is no gender inequality the Board.

#### 2. Functional Diversity

- a) Appointment of Directors to the Board of the Company shall be based on the specific needs and business of the Company. Appointments shall be done based on the qualification, knowledge, experience and skill sets of

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**KALYANI**  
GROUP COMPANY

**CIN:L65993PN2009PLC134021**

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the proposed appointee which is relevant to the business of the Company.

- b) Knowledge of and experience in domain areas such as engineering, banking and finance, marketing, human resource, investment banking, legal, risk, management etc. shall be duly considered while making appointments to the Board level.
- c) While appointing Independent Directors, care shall be taken as to that independence of the proposed appointee in accordance with the Act and the listing agreement.
- d) Directorships in other companies may also be taken into account while determining the candidature of a person.

### **3. Stakeholder Diversity**

- a) The Company may also have Director 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 agency.
- b) Subject to the provisions of Section 151 of the Companies Act, 2013 read with the relevant rules made thereunder, the Company may, upto notice of not less than one thousand small shareholders or one-tenth of the total number of such shareholders, whichever is lower, have a small shareholders' Director elected by the Small Shareholders.

### **ROLE OF NOMINATION AND REMUNERATION COMMITTEE**

The Nominations and Remuneration Committee shall be responsible for :

The Nominations and Remuneration Committee ('NRC') of the Company shall review assess Board composition on behalf of the Board and shall recommend to the Board, the appointment of new Directors based on the criterion laid down in this Policy.

In reviewing Board composition, 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 duties and responsibilities effectively.

### **REVIEW OF POLICY**

The NRC will review the Policy from time-to-time, which will include an assessment of effectiveness of the Policy.

The NRC will discuss any revisions that may be required and recommend any such revision to the Board for approval.

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This policy has been reviewed by the NRC and approved by the Board at their respective meetings held on March 31, 2015 and has been made effective on and after October 1, 2014.

For **BF INVESTMENT LIMITED**

Sd/-  
**A.B. KALYANI**  
DIRECTOR

Date : March 31, 2015  
Place : Pune

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## **Familiarisation Programme for Independent Directors of BF Investment Limited**

### **Preamble**

Clause 49(II)(B)(7) Listing Agreement, requires listed companies to familiarise the Independent Directors with the Company their roles, rights, responsibilities in the Company, nature of the Industry in which the Company operates, business model of the Company etc., through various programmes.

### **Induction Programme**

All the Independent Directors are aware and further updated about their roles, rights, Responsibilities in the Company. A Directors' kit containing Memorandum and Articles of Association, latest Annual Report code of conduct applicable to Directors and employees of the Company and Code for Prevention of Insider Trading is handed over the new Director. In case the Independent Director is also inducted on Audit Committee, he is also handed the Terms of reference of Audit Committee and Whistle Blower Policy.

The appointment letter issued to Independent Directors enter alia sets out the expectation of the Board from the appoint Director, their fiduciary duties and responsibilities that come with the appointment as the Director of the Company, along with the details of remuneration and performance review process.

### **Ongoing Familiarisation Programmes**

The Board meetings of the Company are held at the Registered Office of the Company wherein a presentation is made by business head of the Company in order to enables the Directors to better understand the Business and operations of the Company.

Presentations are made at the Board and Board Committee Meetings, on Business and performance updates of the Company, risks involved, financial parameters, working capital management, litigations, compliance and fund flows. The Presentations at Board meetings include update on major developments in legal & regulatory areas, likes Company Act, Listing Agreement, and various Tax and financial reporting changes.

Each Independent Director of the Company has complete access to information relating to the Company likes policies, Board Presentations and Financials at all times. Independent Directors have the freedom to interact to the Company's management. They are given all the documents Sought by them for enabling a good understanding of the Company, its various operations. Further, Independent Directors meet for a separate meeting of Independent Directors without the presence of the Company's Management Personal to discuss matters pertaining to the Company's affairs and put fourth their combined views to the Chairman.

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