AVTAR STEEL LIMITED

POLICY TO PROMOTE DIVERSITY ON THE BOARD OF DIRECTORS

1. TITLE

1.1. This policy shall be called the 'Policy to promote diversity on the Board of Directors' or 'Board Diversity Policy'.

2. OBJECTIVE

2.1. Avtar Steel Limited (the "**Company**") is committed to deal with all stakeholders with full transparency and fairness, ensuring adherence to all laws and regulations and achieving highest standards of corporate governance.

2.2. Pursuant to Regulation 19(4) read with Part D Paragraph (A) of the Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), the nomination and remuneration committee of the board of directors of a listed entity is required to devise a policy on diversity of board of directors. In compliance with the SEBI Listing Regulations, the Company has formulated the policy on diversity of board of directors.

3. DEFINITION

3.1. For the purpose of this Board Diversity Policy the following terms shall have the meanings assigned to them hereunder:

a) "**Board**" means the board of directors of the Company;

b) "**Board Diversity Policy**" means this policy, as amended from time to time;

c) "**Committee**" means the Nomination and Remuneration Committee of the Board;

d) "**Companies Act**" means the Companies Act, 2013, read with the rules thereunder, as amended;

e) "**Director**" means a member of the Board; and

f) "**Company**" means Avtar Steel Limited.

3.2. Words and expressions used and not defined in this Board Diversity Policy shall have the meaning ascribed to them in the SEBI Listing Regulations, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Depositories Act, 1996, as amended, or the Companies Act, 2013 and rules and regulations made thereunder.

4. BOARD DIVERSITY

4.1. The Nomination and Remuneration Committee along with the Board of Directors of Company shall ensure that the Board shall have an optimum combination of executive, non-executive and independent directors in accordance with

requirements of the Companies Act, SEBI Listing Regulations and other statutory, regulatory and contractual obligations of the Company.

4.2. The Company recognises the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. The Company believes that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, race and gender, which will ensure that the Company retains its competitive advantage. The Company further believes that a diverse Board will contribute towards driving business results, make corporate governance more effective, enhance quality and responsible decision making capability, ensure sustainable development and enhance the reputation of the Company.

4.3. The Committee shall review the profile of the prospective candidates for appointment as director on the Board taking in consideration knowledge, experience, financial literacy / expertise, global market awareness and other relevant factors as may be considered appropriate and the Board shall be so formulated with mix of members to maintain high level of ethical standards. The Committee shall also take into consideration the provisions of the Companies Act, SEBI Listing Regulations and other statutory, regulatory and contractual obligations of the Company.

5. AMENDMENTS

5.1. The Committee may modify and/or amend the Board Diversity Policy at any time subject to the provisions of the SEBI Listing Regulations and the Companies Act and rules framed thereunder and any other applicable law.

6. MEASURABLE OBJECTIVE

a) The NRC will largely rely on the regulatory provisions of the Act, and the Regulations/ Guidelines as applicable on the Company and review the measurable objectives for achieving diversity against these provisions and recommend the same to the Board for adoption. At any given point of time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly. The committee must ensure that selection process is formal and thorough, transparent and non-discriminatory.

7. MONITORING AND REPORTING

The NRC will review the Policy periodically, which will include an assessment of the effectiveness of the Policy. The NRC will discuss any revision that may be required and recommend the same to the Board for approval.

The Company should 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 necessary disclosures about the policy and other details should be made as per the requirements of the Listing Agreement and Companies Act, 2013 (as amended). The policy shall be made available on the website of the Company.