



## **INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED**

**CIN: L74899DL1999GOI101707**

**Registered /Corporate Office:** 11th Floor, B-148, Statesman House Barakhamba Road New Delhi, 110001, India

Website: [www.irctc.com](http://www.irctc.com) | Email ID: info@irctc.com | Telephone: 011 – 23311263-64 Fax: 011-23311259

---

### **POLICY ON DIVERSITY OF BOARD OF DIRECTORS**

---

#### **1. PURPOSE**

As per the requirements under section 178(3) of the Companies Act, 2013 read with Regulation 19(4) and Part D of Schedule II of the Securities and Exchange Board of India (Listing: Obligations and Disclosure Requirements) Regulations, 2015 as amended [the SEBI (LODR) Regulations] and such other applicable regulatory provisions, the Nomination and Remuneration committee (the "NRC") of IRCTC Limited ("IRCTC or Company") is required to devise a policy for having diversity on the board of directors of the Company (the "Board"). The Policy on Diversity of Board of Directors ("the Policy") sets out a framework to achieve adequate diversity on the Board.

#### **2. INTRODUCTION**

Board diversity is vital to handle various factors such as globalization of business, rapid deployment of technology, greater social responsibility, ever rising emphasis on corporate governance, enhanced need for risk management etc. so as to facilitate effective management of the business of IRCTC and to keep pace with changing dynamics of the business environment.

Board diversity is the breadth of prospective not the mere inclusion of various diverse traits that will benefit the organization. IRCTC believes that a diverse Board will enhance the quality of decision made by the Board by utilizing the different skills, qualification, experience, knowledge, etc. of the Board necessary for achieving sustainable and balance development.

#### **3. SCOPE OF APPLICATION**

The Policy applies only to the members of the Board and not employees of the Company.

#### **4. EFFECTIVE DATE**

The Policy shall be effective from the date of approval by the Board unless specified otherwise.

## **5. POLICY STATEMENT**

- a) The Companies Act, 2013 as amended and the rules made there under ("the Companies Act") read with the SEBI LODR Regulations require the Board and the NRC to formulate the criteria for determining qualifications positive attributes and independence of directors.
- b) The Company presently has its registered office in New Delhi, India. Its Regional and Branch offices are located within India. Hence, it recognizes and embraces the benefits of having a diverse Board and seeks increasing diversity at the Board level as an essential element in maintaining competitive advantage. It is recognized that the Board shall compose of appropriate qualified people with a broad range of experience relevant to the business is important to the effective corporate governance and sustained commercial success of IRCTC.
- c) A truly diverse Board will include and make good use of differences in skills and industry experience, background and other distinctions between directors.
- d) As per the Articles of Association, IRCTC being a Government of India ("GOI") enterprise, all Board appointments are made by the President of India on the basis of merits such as the individual candidate's skills, experience, independence and specialization in one or more areas, and candidate will be considered against the objective criteria, with due regards for the benefits of diversity on Board as well as the candidate's contribution to the operation of IRCTC which the Board as a whole requires in order to be effective.
- e) Once appointed by the GOI, the appointments are taken on record by the Board. The GOI normally takes into account, includes and makes good use of diversity in the skills, qualifications, age, profession and industry, experience and expertise, irrespective of race, caste, creed, religion, disability, gender and culture.
- f) In the process of attaining a diverse Board based on the aforementioned norms, the following should also be assessed:
  - i. The total number of directors shall be in accordance with the Articles of Association.
  - ii. The Board shall have an optimum number of executive and non-executive directors and not less than 50% of the Board will consist of the non- executive directors and shall have at least one woman director on the Board subject to the applicable laws.

- iii. When the chairperson of the Board is a non-executive director, at least one-third of the Board shall comprise of Independent Directors and when the Company does not have a regular non-executive chairperson, or when the regular non-executive chairperson is a promoter or related to any promoter or person occupying management position at the Board level or at one level below the Board, at least half of the Board shall comprise of Independent Directors.

For the purpose of this clause, the expression "related to any promoter" shall mean its directors other than the Independent Directors, its employees or its nominees shall be deemed to be related to it.

- iv. While appointing the Independent Directors, care should be taken as to independence of the proposed appointee.
  - v. Directorships in other Companies may also be taken in account while determining the candidature of a person.
  - vi. The overall composition of the Board should comply with the provisions of the Articles of Association, the Companies Act, the SEBI LODR Regulations and the statutory, regulatory and contractual obligations of IRCTC.
- g) For the purpose of the Policy, "Independent Director" means an Independent Director as defined in Regulation 16 (b) of the SEBI LODR Regulations.

## **6. MEASURABLE OBJECTIVES**

- a) NRC will discuss and agree annually all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption. At any given time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

## **7. MONITORING AND REPORTING**

- a) The Policy, as described herein and as applicable, shall also be disclosed in IRCTC annual report. The Policy shall also be disclosed on the website of IRCTC for public information.

## **8. DISCLOSURE OF THE POLICY**

- a) This Policy will be posted on the Company's website. The necessary disclosure about the Policy will also be made as per requirements of the SEBI LODR Regulations and the Companies Act.

## **9. REVIEW OF THE POLICY**

- a) NRC will review the Policy annually, which will include an assessment of the effectiveness of the Policy, discuss any changes with the Board and ensure that the revisions to the Policy are approved by the Board. In reviewing Board composition, the 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 its duties and responsibilities effectively.

## **10. INTERPRETATION**

- a) Any words used in this Policy but not defined herein shall have the same meaning ascribed to it in the Articles of Association of the Company and /or the Companies Act, 2013 or Rules made thereunder. In case of any dispute or difference upon the meaning/interpretation of any word or provision in this Policy, the same shall be referred to NRC and the decision of NRC in such a case shall be final.

\*\*\*\*\*