

Justification for Selecting a Candidate as an Independent Director

1. Background and Regulatory Framework

Under the Companies Act, 2017 and the Companies (Manner & Selection of Independent Directors) Regulations, 2018, listed companies are required to appoint Independent Directors who meet the prescribed criteria of independence, skill, and experience. The appointment must be justified to demonstrate alignment with corporate governance principles, regulatory compliance, and the company's strategic objectives.

2. Selection Process

The candidates were selected from the Independent Directors Data Bank maintained under the Companies (Manner & Selection of Independent Directors) Regulations, 2018. The selection process involved:

1. Reviewing the profiles of eligible candidates in the database.
2. Evaluating candidates based on their qualifications, experience, independence, and suitability for the role.
3. Aligning the selection with the company's business needs, board diversity, and governance standards.

3. Justification for Selection of the Candidate

a) Compliance with Regulatory Requirements

The selected candidates satisfies all regulatory requirements for independent directors, including:

- Meeting the definition of "independent director" under Section 166 of the Companies Act, 2017.
- Being listed in the Independent Directors Data Bank, as required by the 2018 Regulations.
- Not holding any material relationship with the company, its directors, or its Management, ensuring objectivity in decision-making.

b) Qualifications and Experience

The candidates have extensive expertise and experience in the following areas:

- **Industry-Specific Knowledge:** Proven track record in sectors relevant to the Company's operations.
- **Corporate Governance and Compliance:** Demonstrated experience in promoting best practices in corporate governance.
- **Financial and Strategic Acumen:** Strong financial oversight capabilities and strategic insight to enhance board effectiveness.

c) Alignment with the Company's Strategic Needs

- The candidate's skill set complements the existing board composition and fills gaps in expertise (e.g., technology, risk management, sustainability).
- Their independent perspective will enhance board discussions, reduce groupthink, and improve decision-making processes.

d) Diversity and Inclusion

The appointment contributes to the board's diversity in terms of professional background, experience, and perspective, aligning with the principles of the Code of Corporate Governance, Regulations 2019.

e) Director Training and Readiness

The candidates have completed the Director Training Program (DTP) or possesses sufficient prior experience to meet governance and compliance requirements, ensuring readiness to contribute effectively from the outset.

4. Benefits to the Company

- **Enhanced Governance:** The candidate's expertise in corporate governance will strengthen the Board's role in oversight and accountability.
- **Independent Oversight:** Their independence ensures impartiality and fosters trust among stakeholders.
- **Strategic Value Addition:** The candidate's industry knowledge and innovative approach will add value to the Company's strategic planning and risk management.

5. Conclusion

The selected candidates are the most suitable choice for the role of independent directors, meeting all regulatory, governance, and strategic requirements. Their appointment will contribute to the Company's commitment to transparency, accountability, and long-term value creation for shareholders and stakeholders.