



PERFORMANCE EVALUATION POLICY

INTRODUCTION

The Company conducts its operations under the directions of Board of Directors within the framework laid down by various statutes, more particularly by the Companies Act, 2013, the Articles of Association, Listing Agreement with stock exchanges and Code of Conduct and policies formulated by the Company for its internal execution. The Company's Board of Directors is dedicated to act in good faith; exercise their judgment on an informed basis, in the best interest of the company and its stakeholders. Accordingly, the present policy for performance evaluation is being put into place in accordance with the requirements of section 178 of the Companies Act, 2013 which provides for the a policy to be formulated and recommended to the Board, setting the criteria, based on which the performance of each and every director including the performance of the Board as a whole shall be assessed by the Board of Directors of the Company. Such an evaluation procedure will provide a fine system of checks and balances on the performance of the directors and will ensure that they exercise their powers in a rational manner.

The Act, under clause VIII of Schedule IV, casts an obligation on part of the Board of Directors for evaluating the performance of independent directors. All the Directors on the Board of a company, except the independent director whose performance is being evaluated, will assess the performance of the independent director. Accordingly, a report of performance evaluation of each independent director of the company would be prepared, which would determine whether to extend or continue the term of appointment of the concerned independent director or not.

With an aim to maintain an energized, proactive and effective Board, the Board is committed to a continuing process of recommending and laying down the criteria to evaluate the performance of the entire Board of the Company.

As one of the most important functions of the Board of Directors is to oversee the functioning of Company's top management, this Board Performance Evaluation_process aims to ensure individual directors ("Directors") and the Board of Directors of the Company ("Board") as a whole work efficiently and effectively in achieving their functions. This policy aims at establishing a procedure for conducting periodical evaluation of its own performance and of its committees and individual directors. Hence it is important that every individual Board Member effectively contributes in the Board deliberations.

EFFECTIVENESS OF THE BOARD

The overall effectiveness of the Board shall be measured on the basis of the ratings obtained by each Director and accordingly the Board shall decide the Appointments, Re-appointments and Removal of the non-performing Directors of the Company. For this reason, based on the criteria of evaluation the

remuneration of the Directors and Key Managerial Personnel shall be determined and reviewed from time to time. Board evaluation contributes significantly to improved performance at three levels, Organizational, Board and individual Board member level. Board evaluation sets the standards of performance and improves the culture of collective action by the Board.

RESPONSIBILITY OF BOARD / INDEPENDENT DIRECTORS

It shall be the duty of the Board, who shall be supported by the Management to organize the evaluation process and accordingly conclude the steps required to be taken. The evaluation process will be used constructively as a system to improve the Directors' and committees' effectiveness, to maximize their strength and to tackle their shortcomings.

The Board of Directors shall undertake the following activities on an annual basis:

- I. Review the various strategies of the Company and accordingly set the performance objectives for directors, in consistency with varying nature and requirements of Company's business.
- II. The Board as a whole shall discuss and analyze its own performance during the year together with suggestions for improvement thereon, pursuant to the performance objectives.

In conformity with the requirement of the Act, the performance evaluation of all the Directors shall be done by the entire Board of Directors, excluding the director being evaluated.

Independent Directors are duty bound to evaluate the performance of non - independent directors and board as a whole. The independent directors of the Company shall hold at least one meeting in a year to review the performance of the non- independent directors, performance of chairperson of the Company and board as a whole, taking into account the views of executive directors and non-executive directors.

EVALUATION FACTORS

Mechanism for Performance Evaluation of Directors-(Legal Framework)

In an endeavor to safeguard the interest of public at large, the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 provide for several mandatory provisions on Board Evaluation for listed companies and prescribed class of companies to be reviewed regularly against appropriate measures.

For this purpose, the Nomination and Remuneration Committee of a company has been obligated under Section 178 of the Act to formulate a policy for recommending to the Board of directors of the company, setting the criteria based on which the performance of every Director including the performance of the Board as a whole shall be assessed by the Board of Directors of the Company. Based on such performance evaluation, remuneration of directors, key managerial personnel and employees shall be determined. Such an evaluation procedure will provide a fine system of checks and balances on the performance of the directors and will ensure that they exercise their powers in a rational manner.

The Board of Directors shall pay regards to various parameters for the purpose of evaluating the performance of a particular director. In respect of each of the evaluation factors, various aspects have been provided to assist with the evaluation process in respect of performance of Board itself, and of its

committees and individual Directors as, such evaluation factors may vary in accordance with their respective functions and duties.

POLICY REVIEW

Subject to the approval of the Board of Directors the “Nomination and Remuneration Committee: reserves its rights to review and amend the policy if required to ascertain is appropriate as per the need of the company.

FEEDBACK

Providing feedback to the Individual Directors, the Board and the Committees is crucial for effectiveness of the evaluation process and the role of the Chairperson is central. Further, based on the responses the Board is to prepare a comprehensive action plan for areas of improvement .

DISCLOSURE

Section 134 of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 require that a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual Directors shall be included in the report by Board of Directors , placed in the general meeting. Further , the performance evaluation criteria for Independent Directors shall be disclosed in the section on Corporate Governance of the Annual Report.

Appraisal of each Director of the Company shall be based on the criteria as mentioned herein below.

Rating Scale

Performance	Rating
Unsatisfactory	1
Performance needs improvement	2
Satisfactory	3
Good performance	4
Excellent	5

The Company has chosen to adopt the following Evaluation Tools for the Evaluation Process:

BOARD OF DIRECTORS –
(Evaluation by all the Directors)

		PERFORMANCE OF BOARD AS A WHOLE				
		Score				
		1	2	3	4	5
A.	<u>Structure of the Board</u>					
1	Board as a whole has Directors with a proper mix of competencies, experience & qualifications to conduct its affairs effectively.					
2	There is sufficient diversity in the Board on the parameters like Gender / background / competence / experience.					
3	The process of appointment to the Board of Directors is clear and transparent and includes provisions to consider diversity of thought, experience, knowledge, perspective and gender in the board of directors.					
B.	<u>Meetings of the Board</u>					
4	The Board meets with sufficient regularity and the frequency of meetings is enough for the Board to undertake its duties properly					
5	The logistics for the meeting is being handled properly- venue, format, timing, etc.					
	<u>B1 Agenda</u>					
6	All the information pertaining to the meeting is disseminated to the members timely, frequently, accurately, regularly					
7	The agenda has all relevant information to take decision on the matter					
8	The agenda is up to date, regularly reviewed and involves major substantial decisions & the quality of agenda and Board papers is up to the mark					
9	The outstanding items of previous meetings are followed-up and taken up in subsequent agendas					
10	The time allotted for the every item in the agenda of the meeting is sufficient for adequate discussions on the subject					
11	The Board is able to finish discussion and decision on all agenda items in the meetings					

12	Adequate and timely inputs are taken from the Board members prior to setting of the Agenda for the meeting					
13	The agenda includes adequate information on Committee's activities					
	B2. Discussions & Dissent					
14	The Board discusses every issue comprehensively and depending on the importance of the subject					
15	The environment of the meeting induces free-flowing free flowing discussions, healthy debate and contribution by everyone without any fear or fervour					
16	The discussions generally add value to the decision making					
17	The Board tends towards groupthink and whether critical and dissenting suggestions are welcomed					
18	All members actively participate in the discussions and overall, the Board functions constructively as a team					
19	The minutes are being recorded properly- clearly, completely, accurately and consistently.					
20	The minutes are timely circulated to all the Board members and are approved properly in accordance with set procedures.					
21	Dissenting views, if any, are recorded in the minutes					
22	The Board is adequately informed of material matters in between meetings					
	C. Functions of the Board:					
23	The role and responsibilities of the Board are clearly documented					
24	Significant time of the Board is being devoted to management of current and potential strategic issues					
25	Various scenario planning is used to evaluate strategic risks					
26	The Board overall reviews and guides corporate strategy, major plans of action, risk policy, annual budgets and business plans, sets performance objectives, monitored implementation and corporate performance, and oversees major capital expenditures, acquisitions and divestments.					
27	Adequate time of the Board is being devoted to analyse and examine governance and compliance issues					
28	The Board monitors the effectiveness of its governance practices and makes changes as needed					
29	The Board ensures the integrity of the entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.					
30	The Board oversees the process of disclosure and communications					
31	The Board evaluates and analyses the compliance certificate from the auditors / practicing company secretaries regarding compliance of conditions of corporate governance					

32	The Board undertakes a review of the high risk issues impacting the organization regularly					
33	In assessment of risks, whether it is ensured that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the entity to excessive risk					
34	The Board regularly reviews the grievance redressal mechanism of investors, details of grievances received, disposed of and those remaining unresolved					
35	The Board monitors and manages potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions					
36	Sufficient number of non-executive members of the board of directors capable of exercising independent judgement are assigned to tasks where there is a potential for conflict of interest					
37	The decision making process of the Board is adequate to assess creation of stakeholder value					
38	The Board has mechanisms in place to communicate and engage with various stakeholders					
39	The Board acts on a fully informed basis, in good faith, with due diligence and care, with high ethical standards and in the best interest of the entity and the stakeholders					
40	The Board treats shareholders and stakeholders fairly where decisions of the board of directors may affect different shareholder/ stakeholder groups differently					
41	The Board sets a corporate culture and the values by which executives throughout a group shall behave					
42	The Board monitors and reviews the Board evaluation framework					
43	The Board facilitates the independent directors to perform their role effectively as a member of the board of directors and also a member of a committee of board of directors and any criticism by such directors is taken constructively.					
D.	Board and management:					
44	The Board evaluates and monitors management, especially the MD regularly and fairly and provides constructive feedback and strategic guidance					
45	The measures used are broad enough to monitor performance of the management					
46	The management's performance is benchmarked against industry peers					
47	Remuneration of the management is in line with its performance and with industry peers					
48	Remuneration of the Board and the management is aligned with the longer term interests of the entity and its shareholders					

49	The Board selects, compensates, monitors and, when necessary, replaces key managerial personnel based on such evaluation					
50	The Board 'steps back' to assist executive management by challenging the assumptions underlying strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the entity's focus					
51	The level of independence of the management from the Board is adequate					
52	The Board and the management are able to actively access each other and exchange information					
53	Adequate secretarial and logistical support is available for conducting Board meetings					
54	Sufficient funds are made available to the Board for conducting its meeting effectively, seeking expert advice E.g. Legal, accounting, etc					
55	An appropriate and adequate succession plan is in place and is being reviewed and overseen regularly by the Board					
E.	Professional development:					
56	Adequate induction and professional development programmes are made available to new and old directors					
57	Continuing directors training is provided to ensure that the members of board of directors are kept up to date					

Name of Director.....

Signature.....

Date.....

COMMITTEES OF BOARD

(Evaluation by all the Directors)

The Board has constituted the following committees:

1. Audit Committee;
2. Nomination and Remuneration Committee; and
3. Stakeholders Relationship & Share Transfer Committee
4. Corporate Social Responsibility Committee;

AUDIT COMMITTEE

Sl.No	Performance of Audit Committee	Score				
		1	2	3	4	5
1	The mandate, composition and working procedures of committees of the board of directors is clearly defined and disclosed					
2	The Committee has fulfilled its functions as assigned by the Board and laws as may be applicable					
3	The Committee has been structured properly and regular meetings are being held					
4	Adequate independence of the Committee is ensured from the Board					
5	The Committee's recommendations contribute effectively to decisions of the Board					
6	All the information pertaining to the meetings are disseminated to the members timely, frequently, accurately, regularly					
7	The agenda has all relevant information to take decision on the matter					
8	The agenda is up to date, regularly reviewed and involves major substantial decisions & the quality of agenda and agenda papers is up to the mark					

9	The outstanding items of previous meetings are followed-up and taken up in subsequent agendas					
10	The time allotted for the every item in the agenda of the meeting is sufficient for adequate discussions on the subject					
11	The Committee is able to finish discussion and decision on all agenda items in the meetings					
12	Adequate and timely inputs are taken from the committee members prior to setting of the Agenda for the meeting					
13	The Committee discusses every issue comprehensively and depending on the importance of the subject					
14	The environment of the meeting induces free-flowing free flowing discussions, healthy debate and contribution by everyone without any fear or fervour					
15	The discussions generally add value to the decision making					
16	The Committee tends towards groupthink and whether critical and dissenting suggestions are welcomed					
17	All members actively participate in the discussions and overall, the committee functions constructively as a team					
18	The minutes are being recorded properly- clearly, completely, accurately and consistently.					
19	The minutes are timely circulated to all the Committee members and are approved properly in accordance with set procedures.					
20	Dissenting views, if any, are recorded in the minutes					
21	The Committee is adequately informed of material matters in between meetings					

Name of Director.....

Signature.....

Date.....

CSR COMMITTEE

SI.No	Performance of CSR Committee	Score				
		1	2	3	4	5
1	The mandate, composition and working procedures of committees of the Board of Directors is clearly defined and disclosed					

2	The Committee has fulfilled its functions as assigned by the Board and laws as may be applicable					
3	The Committee has been structured properly and regular meetings are being held					
4	Adequate independence of the Committee is ensured from the Board					
5	The Committee's recommendations contribute effectively to decisions of the Board					
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20	Dissenting views, if any, are recorded in the minutes					
21	The Committee is adequately informed of material matters in between meetings					

Name of Director.....

Signature.....

Date.....

NOMINATION AND REMUNERATION COMMITTEE

Sl.No	Performance of Nomination and Remuneration Committee	Score				
		1	2	3	4	5
1	The mandate, composition and working procedures of committees of the Board of Directors is clearly defined and disclosed					
2	The Committee has fulfilled its functions as assigned by the Board and laws as may be applicable					
3	The Committee has been structured properly and regular meetings are being held					
4	Adequate independence of the Committee is ensured from the Board					
5	The Committee's recommendations contribute effectively to decisions of the Board					
6	All the information pertaining to the meetings are disseminated to the members timely, frequently, accurately, regularly					
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16	The Committee tends towards groupthink and whether critical and dissenting suggestions are welcomed					
17	All members actively participate in the discussions and overall, the committee functions constructively as a team					
18	The minutes are being recorded properly- clearly, completely, accurately and consistently.					
19	The minutes are timely circulated to all the Committee members and are approved properly in accordance with set procedures.					
20	Dissenting views, if any, are recorded in the minutes					
21	The Committee is adequately informed of material matters in between meetings					

Name of Director.....

Signature.....

Date.....

STAKEHOLDER RELAIONSHIP & SHARE TRANSFER COMMITTEE

Sl.No	Performance of Stakeholder Relationship and share transfer Committee	Score				
		1	2	3	4	5
1	The mandate, composition and working procedures of committees of the Board of Directors is clearly defined and disclosed					
2	The Committee has fulfilled its functions as assigned by the Board and laws as may be applicable					
3	The Committee has been structured properly and regular meetings are being held					
4	Adequate independence of the Committee is ensured from the Board					
5	The Committee's recommendations contribute effectively to decisions of the Board					
6	All the information pertaining to the meetings are disseminated to the members timely, frequently, accurately, regularly					
7	The agenda has all relevant information to take decision on the matter					
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13	The Committee discusses every issue comprehensively and depending on the importance of the subject					

14	The environment of the meeting induces free-flowing free flowing discussions, healthy debate and contribution by everyone without any fear or fervour					
15	The discussions generally add value to the decision making					
16	The Committee tends towards groupthink and whether critical and dissenting suggestions are welcomed					
17	All members actively participate in the discussions and overall, the committee functions constructively as a team					
18	The minutes are being recorded properly- clearly, completely, accurately and consistently.					
19	The minutes are timely circulated to all the Committee members and are approved properly in accordance with set procedures.					
20	Dissenting views, if any, are recorded in the minutes					
21	The Committee is adequately informed of material matters in between meetings					

Name of Director.....

Signature.....

Date.....

CHAIRMAN

(Evaluation by all the Directors)

Sl.No	EVALUATION OF CHAIRMAN	Score				
		1	2	3	4	5
1	The chairman has the professional qualification & experience especially that relevant to the entity					
2	The Chairman fares across different competencies for effective functioning of the Board and the Company					
3	The Chairman has sufficient understanding and knowledge of the Company and the sector in which it operates					
4	The Chairman understands and fulfills the functions as assigned to him by the Board and the law					
5	The Chairman is able to function as an effective team- member					
6	The Chairman actively takes initiative with respect to various areas					
7	The Chairman is available for meetings of the Board and attends the meeting regularly and timely, without delay					
8	The Chairman is adequately committed to the Board and the entity					
9	The Chairman contributes effectively to the entity and in the Board meetings					
10	The Chairman demonstrates highest level of integrity					
11	The Chairman is independent from the entity and the other Directors and there if no conflict of interest					
12	The Chairman exercises his own judgement and voices opinion freely					
13	The Chairman displays efficient leadership, is open-minded, decisive, courteous, displays professionalism, able to coordinate the discussion, etc. and is overall able to steer the meeting effectively					
14	The Chairman is impartial in conducting discussions, seeking views and dealing with dissent, etc					
15	The Chairman is sufficiently committed to the Board and its meetings					
16	The Chairman is able to keep shareholders' interest in mind during discussions and decisions					

Name of Director.....

Signature.....

Date.....

INDEPENDENT DIRECTOR(Evaluation by Directors other than the Director being evaluated)

Sl.No	Evaluation of Independent Director	Score				
		1	2	3	4	5
1	The Director has the professional qualification and prior experience relevant to the entity.					
2	The Director fares across different competencies for effective functioning of the Board and the Company					
3	The Director has sufficient understanding and knowledge of the Company and the sector in which it operates					
4	The Director understands and fulfills the functions as assigned to him by the Board and the law					
5	The Director is able to function as an effective team-member					
6	The Director actively takes initiative with respect to various areas					
7	The Director is available for meetings of the Board and attends the meeting regularly and timely, without delay					
8	The Director is adequately committed to the Board and the entity					
9	The Director contributed effectively to the entity and in the Board meetings					
10	The Director demonstrates highest level of integrity					
11	The Director is independent from the entity and the other directors and there if no conflict of interest					
12	The Director exercises his own judgement and voices opinion freely					

Name of Director.....

Signature.....

Date.....

NON EXECUTIVE DIRECTOR(*Evaluation by Directors other than the Director being evaluated*)

Sl.No	Evaluation of Non-Executive Director	Score				
		1	2	3	4	5
1	The Director has the qualification & experience especially that relevant to the entity.					
2	The Director fares across different competencies for effective functioning of the Board and the Company					
3	The Director has sufficient understanding and knowledge of the Company and the sector in which it operates					
4	The Director understands and fulfills the functions as assigned to him by the Board and the law					
5	The Director is able to function as an effective team- member					
6	The Director actively takes initiative with respect to various areas					
7	The Director is available for meetings of the Board and attends the meeting regularly and timely, without delay					
8	The Director is adequately committed to the Board and the entity					
9	The Director contributes effectively to the entity and in the Board meetings					
10	The Director demonstrates highest level of integrity					

Name of Director.....

Signature.....

Date.....

