



INDIAN EXTRACTIONS LIMITED

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BOARD PERFORMANCE AND EVALUATION POLICY

PERFORMANCE EVALUATION POLICY

Introduction:

The Company conducts its operations under the supervision of the Board of Directors within the framework laid down by various statutes including the Companies Act, 2013, the Articles of Association, Listing Agreement/the SEBI (LODR) Regulations, 2015 with stock exchanges together with the 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 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 Companies Act, 2013 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.

Board Effectiveness:

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 purpose the guidelines are framed which includes various criteria for evaluation of Director and their remuneration and also for review and appraisal of that of Key Managerial Personnel from time to time.

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 for its implementation. 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 and also to add value for the benefits of the Company.

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 its directors, KMP and Management Personnel in accordance with the 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 requirements 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:

The Board of Directors shall consider following parameters for the purpose of evaluating the performance of a particular director:

In respect of each evaluation, various aspects have been considered to assist with the evaluation process in respect of performance of Individual Director and Board itself, and of its committees and, such evaluation factors may vary in accordance with their respective functions, role and responsibilities. .

Evaluation of each Independent Director shall be carried on by the entire Board (except the Director getting evaluated) in the same way as it is done for the Executive Directors of the Company taking note of such Director's effective participation, contribution made in various discussions, suggestions provided to the Board and other such aspects in his functioning as an Independent Director. .

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

Rating Scale

Performance	Rating
Satisfactory	1
Not Satisfactory	0

The Company has chosen to adopt the following broad criteria for the Performance Evaluation Process:

Independent Directors:

Some of the specific issues and questions that should be considered in a performance evaluation of Independent Director, in which the concerned director being evaluated shall includes following points:

Name of Director being assessed: _____

S. No.	Assessment Criteria	Rating	Remarks/Comments
1.	Preparedness and attendance at meetings		
2.	Understanding of Company's operations and business		
3.	Understanding of Financial reporting and various corporate Compliances		
4.	Contribution at Board and other various Meetings		
5.	Quality of inputs and suggestions		
6.	Interpersonal skills		
7.	Integrity		
8.	Responsibilities towards Corporate Governance		
9.	Effectiveness in discharge of their prescribed/delegated role and duties		
10.	Effectiveness of recommendation to Board for decision support		

Non- Independent Directors/ Executive Directors:

Some of the specific issues and questions that should be considered in a performance evaluation of Chairperson/Non-Independent Director / Executive Director by Independent Directors, in which the concerned director being evaluated shall includes following points:

Name of Director being assessed: _____

S. No.	Assessment Criteria	Rating	Remarks/Comments
1.	Attendance and participations in the meetings		
2.	Raising of concerns to the Board		
3.	Safeguard of confidential information		
4.	Rendering independent, unbiased opinion and resolution of issues at meetings		
5.	Initiative in terms of new ideas and planning for the Company		
6.	Safeguarding interest of whistle-blowers under vigil mechanism		

S. No.	Assessment Criteria	Rating	Remarks/Comments
7.	Timely inputs on the minutes of the meetings of the Board and Committee's, if any		

Board of Directors:

Some of the specific issues and questions that should be considered in a performance evaluation of the entire Board by the Independent Directors are set out below:

S. No.	Assessment Criteria	Rating	Remarks/Comments
1.	Composition of Board and its members profile		
2.	Overview of corporate plans ,strategy & business development		
3.	Evaluating performance of Senior Management		
4.	Taking decision objectively and collaboratively		
5.	Stakeholder Management		
6.	Foresight		
7.	Understanding of Financial reporting and various corporate Compliances		
8.	Responsibilities towards Corporate Governance		
9.	The board considers the independent audit plan and provides recommendations.		

Committees of Board:

The Board has constituted the following committees:

1. Audit Committee;
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee, and

For evaluating the performance of each committee, the Board of Directors shall consider the following aspects:

S. No	<u>Audit Committee (for Audit Committee members only)</u>	Rating	Remarks/Comments
1.	Committee meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues		

2.	Timely inputs on the minutes of the meetings		
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S. No.	<u>Nomination and Remuneration Committee (For Nomination and Remuneration Committee members only)</u>	Rating	Remarks/Comments
1.	Committee meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues.		
2.	Timely inputs on the minutes of the meetings		

S. No.	<u>Stakeholders Relationship Committee (For Stakeholders Relationship Committee members only)</u>	Rating	Remarks/Comments
1.	Committee meetings are conducted in a manner that encourages open communication, meaningful participation and timely resolution of issues.		
2.	Timely inputs on the minutes of the meetings		

Key Managerial Personnel and Senior Executives:

For evaluating the performance of Key Managerial Personnel and other Senior Executives, the Board of Directors shall consider the following aspects:

Name of person being assessed: _____

S. No.	Assessment Criteria	Rating	Remarks/Comments
1.	Abidance and behavior in accordance with ethical standards & code of conduct of Company		
2.	Interpersonal and communication skills		
3.	Compliance with policies of the Company, ethics, code of conduct, etc.		
4.	Safeguarding interest of whistle-blowers under vigil mechanism		
5.	Team work attributes		
6.	Safeguard of confidential information		

Review:

The performance evaluation process will be reviewed annually by the “Nomination and Remuneration Committee”.

Subject to the approval of Board of Directors, the Committee may amend the Policy, if required, to ascertain its appropriateness as per the needs of the Company.

Disclosure

The Company will disclose details of its Board Performance Evaluation processes in its Board's Report. The Board's report containing such statement shall indicate the manner in which formal evaluation has been made by the Board of its own performance and that of the committees of the Board and individual directors of the Company.

**BY THE ORDER OF THE BOARD
FOR INDIAN EXTRACTIONS LIMITED**

**SD/-
PRIYAM SHANTILAL JHAVERI
CHAIRMAN & MANAGING DIRECTOR**
