

PERFORMANCE EVALUATION POLICY

I. Introduction :

In order to establish and follow best practice in board governance, develop transparency in the performance of the management and maintain Corporate Governance in the Company, the Ministry has made it essential to set criteria for evaluating the performance of the Directors including Independent Directors as per the Provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly the Management of the Company has initiated to frame evaluation policy for the Nomination and Remuneration Committee and the Board of Directors.

II. Definitions:

- (i) **“Act”** shall mean the Companies Act, 2013 and rules made thereunder (as amended from time to time);
- (ii) **“Company”** means Anshuni Commercials Limited
- (iii) **“Directors”** or **“Board”** in relation to the Company shall mean and deemed to include the collective body of the Board of Directors of the Company including the Chairperson of the Company. The term Board shall deem to include Committees of the Board for the purpose of this Policy.
- (iv) **Independent Director** means directors appointed by the Company under the provision of sub section 6 of section 149 of the Act, clause 49 of the Listing agreement and other applicable provisions, if any.
- (v) **“Nomination and Remuneration Committee” [‘Committee’]** shall mean the Nomination and Remuneration Committee of the Board of Directors of the Company as constituted under the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) **Non Independent Directors** means directors other than Independent Directors but include executive and non executive directors
- (vii) **“Policy”** shall mean this Directors Performance Evaluation Policy of the Company.
- (viii) **“Regulations”** shall mean provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rules made there under and other applicable provisions if any.

III. Purpose of the Policy:

The Board of Directors (Board) including Nomination and Remuneration Committee of Anshuni Commercials Limited shall follow the following Performance Evaluation Policy in accordance with the provisions of Section 178 of the Companies Act, 2013 (“the Act”), Schedule IV of the Act and such other rules /regulations as may be applicable to the Company.

The Board undertakes that evaluation will occur annually in, or as close as possible to, March in each year in accordance with the herein under mentioned Policy. Each Director is expected to actively participate in open, honest discussion and bring an independent mind to bear on matters before the Board.

Each of the Directors will engage in a review of Performance in accordance with this Policy.

IV. Scope of the Policy:

This policy applies to the Board of Directors of “Anshuni Commercials Limited”

V. Functions:

The Performance Evaluation is designed to:

- (a) Review the pre-determined role of the Board and individual Directors;
- (b) Annually assess how well directors are discharging their responsibilities;
- (c) Annually assess the performance of directors in discharging their responsibilities;
- (d) Regularly evaluate the Directors’ confidence in the integrity of the Company, the quality of the discussions at Board meetings and the degree of their knowledge; and
- (e) Enable Board members, individually and collectively, to develop the key skills required to meet foreseeable requirements with timely preparation, agreed strategies and appropriate development goals.

VI. Manner of evaluation of Directors

The evaluation exercise to be carried out in the following manner:

- i. of Independent Directors by the Board;
- ii. of Non-Independent Directors by all the Independent Directors in separate Meeting held for the purpose;
- iii. of the Board as a whole and its Committees by all the Independent Directors in separate Meeting held for the purpose;
- iv. of the Chairperson of the Company by the Independent Directors in separate Meeting after taking into account the views of the Executive/ Non-Executive Directors;
- v. of the Board by itself.

VII. Implementation of the Policy:

1. Mr. Nitin Mehta, Chairman of the Company is authorised for execution and implementation of this policy and has the authority to revise the policy subject to the approval of the Board.

2. The Authorised Person has the authority to ensure that the Policy is regularly reviewed and updated, and is consistent with the provisions of the Companies Act, 2013 and such other rules / regulations as may be applicable to the Company.

VIII. Process for reviews:

1. Pursuant to provisions of section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, the Nomination and Remuneration Committee shall set criteria for evaluating every director's performance and shall evaluate the performance of each director on the basis of the criteria set.
2. The performance evaluation of Independent directors shall be done by the entire Board of Directors (excluding the director being evaluated) on the basis of the evaluation criteria provided in the Policy;
3. Each Director will be invited to provide written or verbal comments against the criteria specified;
4. The Board as a whole will discuss and analyse its own performance during the year including suggestions for change or improvement, as well as any skills, education or development required over the forthcoming year.

Format for Standardized Performance Rating:

To provide a standard format and rating system for each Performance Evaluation, the following scale will be incorporated into the review:

Rates	Particulars
5 (five)	Exceptional Performance is significant overachievement of expectations.
4 (four)	Above Expectations Performance is often beyond expectations.
3 (three)	Satisfactory Performance consistently fulfils expectations.
2 (two)	Improvement Needed Performance is inconsistent performance, with expectations only partially achieved. Deficiencies should be addressed in the performance appraisal.
1 (one)	Unsatisfactory Performance is the failure to achieve the majority of expectations. Deficiencies should be addressed in the performance appraisal.

IX. Criteria for Evaluation:

1. The Nomination and Remuneration Committee will evaluate the Performance of Directors of the Company individually by providing the rates as mentioned above against each of the criteria set out in **Annexure A**.
2. The Nomination and Remuneration Committee will evaluate the Performance of the Board of Directors of the Company individually by providing the rates as mentioned above against each of the criteria set out in **Annexure B**.
3. The Board of Director shall evaluate the Performance of Independent Directors excluding the director being evaluated by providing the rates mentioned above against each of the criteria set out in **Annexure C**.

A. Techniques for Evaluation:

The final performance score will be determined by aggregating the Rates given by the Evaluating Directors.

B. Review of policy:

This policy will be reviewed annually by the Board or more frequently if changes to legal or regulatory requirements dictate.

C. Outcomes of reviews:

All reviews are to include open discussion by the Board of the results of the evaluations and to decide any changes which are required to be made by the Board to address any lack of performance.

If particular concerns arise from the evaluation in relation to any individual Director, the Chairperson will meet with that Director, to discuss the concerns and any actions to be taken as a result. If the concerns relate to the Chairperson, then the Chairperson will discuss the matter as appropriate with the Board.

D. Regular feedback:

Directors will also be encouraged to provide feedback on a regular basis on the conduct of Board meetings and other business, and the preparation for them, in order to assist in the continual improvement of the way the Board carries out its role at a 'micro' level.

ANNEXURE A: EVALUATION OF EACH DIRECTOR BY NOMINATION AND REMUNERATION COMMITTEE

Sr. No.	Particulars	Rating	Remarks
1.	Participation in deliberations and bringing relevant experience to the board table at its various meetings		
2.	Specific contributions made during the year under review and if such contributions have made a positive effect on the Governance of the Company		
3.	The Directors have not achieved or attempted to achieve any undue gain or advantage either to themselves or to their relatives, partners, or associates		
4.	Fulfilment of expectations of the Board as set out in their letter of appointment		
5.	Steps taken by them in reporting of any unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy if observed		
6.	Assistance and Cooperation provided to co-directors		
7.	The Directors have acted in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.		
8.	Carrying out the assigned tasks and in a timely and efficient manner		
9.	Performance in times of crisis		
10.	Good and healthy personal Relationship with colleagues and other appropriate executives		

**ANNEXURE B: EVALUATION OF THE BOARD AS WHOLE BY NOMINATION
AND REMUNERATION COMMITTEE**

Sr. No.	Particulars	Rating	Remarks
1	Composition of Board in compliance with the provisions of the Act		
2	Size of Board is commensurate with the work required to be carried out by it		
3	Roles of Board members is clearly defined and understood by them		
4	Steps taken by the Board to maintain the integrity of financial information and that financial controls and the systems of risk management are robust and defensible		
5	The documents of the Board's Governance Framework, (including the Bylaws, Board Directives, Ethics Framework, Code of Conduct, Strategic Plan, Policies and Procedures, etc.) are clearly delineated and continue to be relevant.		
6	Board members demonstrate sufficient commitment to the Company's mission and values.		
7	The processes for the selection of Board members, assignment of committee members and appointment of corporate officers are just and fair		

ANNEXURE C: EVALUATION OF INDEPENDENT DIRECTORS BY THE BOARD

Sr. No.	Particulars	Rating	Remarks
1.	Prior preparation and detailed study of the matters to be discussed at the meetings of Board and members		
2.	Participation in deliberations and bringing relevant experience to the board table at its various meetings		
3.	Devotion of sufficient time and attention to his responsibilities		
4.	Awareness of Company's Code of Conduct or ethics policy and its compliance in true spirit		
5.	Proper assistance is provided by them in protecting the legitimate interest of the Company, Shareholder and Employees		
6.	Contribution made by them in important decisions making, in planning the strategies formulated by the management for progress of the Company and promoting the objects of the Company for the benefit of the Company's stakeholders		
7.	Assistance provided by them to the Board of Directors in implementing the best Corporate Governance Practices		
8.	Abidance with the fiduciary duties and the accompanying liabilities that had come by reason of their appointment		
9.	Attendance and/or assistance provided in organizing special events on behalf of the Board		
10.	Specific contributions made during the year under review and if such contributions have made a positive effect on the Governance of the Company		