



# **ANONDITA MEDICARE LIMITED**

## **(AML)**

# **BOARD EVALUATION POLICY**



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Regd. off : Flat No. 704, Narmada Block N-6, Sec-D, Pocket-C, Vasant Kunj, New Delhi-110070  
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## BOARD EVALUATION POLICY

### 1. INTRODUCTION

As one of the most important functions of the Board of Directors is to oversee the functioning of the company's performance through its' top management, this policy aims to establish a procedure for conducting a periodical evaluation of Board, its committees and its Director's Performance. This Policy further aims to ensure that the committees to which the Board of Directors has delegated specific responsibilities are performing efficiently in conformity with the prescribed functions and duties. In addition, the Nomination and Remuneration Committee shall carry out the evaluation of the performance of all members of the Board of Directors.

This policy has been framed in compliance with the provisions of Section 134(3)(p), 149, 178 (2), Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 by the Board.

The purposes of the Board Evaluation exercise are enumerated below:

- (a) To enhance performance of the Board in line with Company's business plans;
- (b) Balance of knowledge, skills and experience in the Board;
- (c) To facilitate the identification of the areas of concern and the areas to be focused upon for enhancing the functioning and Improvement of the Board;
- (d) To create awareness about the role of Directors individually, and collectively as a Board;
- (e) Overall growth of the Company.

### 2. OBJECTIVE

The Object of this policy is to formulate the procedures and also to prescribe and lay down the criteria to evaluate the performance of the entire Board of Directors, its Committees and its Individual Directors of the Company.

The Board believes and establishes and will continue to follow "best practices" in Board governance to fulfil its fiduciary obligation to the Company. The Board believes the evaluation will lead to a closer working relationship among Board members, greater efficiency in using the board's time, and increased effectiveness of the Board as a governing body.



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### 3. DEFINITIONS

In this Policy, unless the context otherwise requires-

- 3.1 “Act”** shall mean the Companies Act, 2013.
- 3.2 “Board”** means the Board of the directors of the Company.
- 3.3 “Board Evaluation”** means Evaluation of performance of the Board in accordance with this Policy.
- 3.4 “Board Evaluation Policy”** or **“Policy”** means this Board Evaluation Policy as approved by the Board or Nomination and Remuneration Committee including its amendments and modifications as approved by the Board.
- 3.5 “Company”** means Anondita Medicare Limited.
- 3.6 “Independent Director”** shall mean a director who is qualified to appoint as defined under Section 149(6) and the Director submits his/her declaration u/s 149(7) and is appointed by the Company or Board as Independent Director.
- 3.7 “Listing Regulation”** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulation”).
- 3.8 “Non-Independent Director”** shall mean Director other than Independent Director.
- 3.9 “Nomination and Remuneration Committee”** means Nomination and Remuneration Committee constituted under the applicable provision of the Companies Act, 2013 and regulation of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and approved in the Board meeting of the Company.

### 4. APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013



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As per Section 134 (3) (p) read with Sub-rule (4) of Rule 8 of the Companies (Accounts) Rules, 2014, Every listed company and every other public company having paid-up share capital of twenty five crores or more calculated at the end of the preceding financial year should include in the report by its Board of Directors, 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.

Further, as per Section 178 (2) of the Companies Act, 2013, provides that the Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

Furthermore, as per Schedule IV of the Companies Act, 2013, which prescribes the Code of Conduct for Independent Directors, provides for an evaluation mechanism for the Board and whole time directors which need to be done at a separate meeting of Independent Directors.

Further, performance evaluation of the Independent Directors shall be done by the entire Board, excluding the director being evaluated. This is to be done on an annual basis for determining whether to extend or continue the term of appointment of the independent director.

## 5. RESPONSIBILITY

### ➤ Responsibility of the Board

It is the duty of the Chairperson of the Board, who is supported by the Company Secretary to organize the evaluation process and accordingly carry out the same. The evaluation process is used constructively as a system to improve the director and committees' effectiveness, maximize their strength and tackle their shortcomings.

The evaluation of independent directors shall be done by the entire board of directors except the directors whose performance getting evaluated, which shall include -

- performance of the directors; and
- fulfillment of the independence criteria as specified in these regulations and their independence from the management:

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



- a. The board as a whole discusses and analyzes its own performance during the year together with suggestions for improvements thereon, pursuant to the performance objectives in an annual retreat, held distinctly from the board meetings.
- b. Monitoring and reviewing the board of directors' evaluation framework.
- c. Review performance evaluation reports of various committees along with their suggestions on improving the effectiveness of the committee. Also, the requirements of establishing any new committees shall be reviewed by the Board on an annual basis.
- d. Review the various strategies of the company and accordingly set the performance objectives for the directors.
- e. Ensure that adequate disclosure is made with regard to 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 in the Board's Report.

➤ **Responsibility of the Nomination & Remuneration Committee**

It evaluates the performance of Individual Directors of the Company as per its terms and the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee shall, inter-alia :-

- a. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- b. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description;
- c. evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director;
- d. formulation of criteria for evaluation of performance of independent directors and the board of directors;



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- e. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

➤ **Responsibility of the Independent Directors**

Independent Directors are duty-bound to evaluate the performance of Non-Independent Directors and the Board as a whole and bring an objective view in the evaluation of the performance of the Board and management. The independent directors of the Company hold at least one meeting in a year to review the performance of non-independent directors, the performance of the chairperson of the Company and the Board as a whole, taking into account the views of non-independent Directors.

The independent directors at their separate meetings shall:

- Review the performance of non-independent directors and the Board as a whole;
- Review the performance of the Chairperson of the company, taking into account the views of non-independent Directors;
- Assess the quality, quantity and timeliness of the flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- Evaluation of Independent Directors shall be carried on by the entire Board of Directors of the Company except the Director getting evaluated and the re-appointment or continuing the term of appointment of independent directors shall be on the basis of the report of performance evaluation.

## 6. PERFORMANCE EVALUATION CRITERIA

➤ **BOARD**

The Board shall carry out the annual evaluation process of its own performance as envisaged in the Companies Act, 2013 and the individual Directors (excluding the Director being evaluated). The criteria to evaluate encompasses three broad factors namely i) contribution; ii) counselling; and iii) controlling.

The Board performance evaluation shall:-

- Review the role of the Board and the individual Directors;
- Assess the Board's effectiveness – both the Board as a whole and individual Director's contribution to general discussions, business proposals and governance



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practices;

- c. Evaluate the quality of the discussions at Board meetings, the adequacy of the reports and information they receive, and the level of interpersonal cohesion amongst the Board members;
- d. Evaluate its effectiveness in the use of time, opportunity to adequately assess the management performance, keeping abreast of developments in the business and regulatory environment, frequency and duration of the meetings;
- e. Factor the suggestions received from Directors for change/improvisation;
- f. Assess the duties are discharged in accordance with the provisions of the Act.

➤ **CHAIRPERSON**

The performance of the Chairperson be evaluated, amongst other things, on the basis of leadership, qualities, strategic thinking, decision making, business acumen, contribution to resolution of divergent views, time commitment, interaction with management, relationships and communications with the Stakeholders.

➤ **EXECUTIVE DIRECTORS INCLUDING MANAGING DIRECTOR, WHOLE-TIME DIRECTOR AND MANAGER**

The performance of Executive Directors shall be first reviewed by the Chairman and recommendations be made to the Nomination and Remuneration Committee. Some of the parameters for evaluation that can be considered are:

- a. To assess the overall contribution to the performance of the Company in terms of the tasks handled;
- b. Leadership qualities;
- c. Conduct Meetings, in the absence of the Chairman, if the need arises;
- d. Contributions to Strategic Plans;
- e. Decision-making abilities, relationship with stakeholders.

➤ **NON-EXECUTIVE DIRECTORS**

The performance of the Non-Executive Director is evaluated, amongst other things, on the basis of strategic thinking, business acumen, teamwork, contribution to the resolution of divergent views, proactive participation, and time commitment. The performance of the Individual Director will also be assessed in handling the conflict of interest/situation if any.

➤ **INDEPENDENT DIRECTORS**



The performance evaluation of Independent Director's shall be done by the entire Board of Directors, excluding the director being evaluated.

Independent directors have key roles to perform namely in the areas of governance, guiding in strategic formulation, ensuring statutory compliances and other key matters which could be of importance to the Company. Some of the performance indicators on which the Independent Directors may be evaluated are:-

- a. Contributing and monitoring of Corporate Governance practices;
- b. Attendance at Board, Committee Meetings of the Company etc.;
- c. Making aware of international best practices for improvement;
- d. Active participation in strategic planning;
- e. Commitment to the fulfilment of duties and fiduciary responsibilities as enshrined in various statutes and charters of committees;
- f. Not allowing any extraneous consideration that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- g. Refraining from any action that would lead to loss of his independence;
- h. Maintain confidentiality of information provided, unless such disclosure is expressly required by law.

## 7. MECHANISM AND APPROACH

The process will be initiated each financial year by the Chairperson of the Board. At the Board's discretion, the Company Secretary or any other person designated by the Board will coordinate the Board self-evaluation or an external consultant may be appointed to assist with this process.

## 8. POLICY REVIEW

Subject to the approval of the Board of Directors, the Nomination and Remuneration Committee reserves its right to review and amend this policy, if required to ascertain its appropriateness as per the needs of the company. The policy may be amended by passing a resolution at a meeting of the Nomination and Remuneration Committee and subsequently, approved by the Board on its meeting.



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**9. DISCLOSURES**

In accordance with the requirement under the Companies Act, 2013, disclosures regarding the manner in which the performance evaluation is done by the Board of Directors of its own performance, the performance of various committees of the directors and individual directors' performance is made by the Board of Directors in the Board's Report, Further, the Board's Report containing such statement are made available for the review of shareholders at the general meeting of the Company.

The Policy has been made available on Company's official website and the key features of this Policy have also been in the Annual Report of the Company.



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