

BOARD EVALUATION POLICY

Performance evaluation of Directors and Board as a whole and its committees to be carried out in the last quarter of every financial year.

1. Background:

The Board of Directors (the "Board") of Murudeshwar Ceramics Limited ("MCL/Company") has, basis the recommendation of the Nomination and Remuneration Committee, adopted this board evaluation policy ("Policy") to comply with the various provisions under Regulation 19 and Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") and the Companies Act, 2013 ("Companies Act"). The Policy is based on the SEBI circular dated January 5, 2017 which provides further clarity on the process of board evaluation ("SEBI Guidance Note").

2. Object:

The Policy has been framed with an objective to ensure individual directors of the Company ("Directors") and the Board as a whole, work efficiently and effectively in achieving their functions, for the benefit of the Company and its stakeholders. Accordingly, the Policy provides guidance on evaluation of the performance, on an annual basis, of: (i) individual Directors (including the Chairperson and independent directors of the Company ("Independent Directors")); (ii) the Board as a whole; and (iii) various committees of the Board ("Board Committees").

3. Manner of Evaluation:

Evaluation of Individual Directors

3.1 Performance of individual Directors of the Company (including the Chairperson and Independent Directors) shall be evaluated, on an annual basis, by: (i) the Board as a whole (excluding the Director being evaluated); and (ii) the Nomination and Remuneration Committee.

3.2 In carrying out its evaluation, the Board and/ or the Nomination and Remuneration Committee, shall keep in mind the evaluation parameters set out in: (i) Annexure 1 with respect to all Directors other than the Independent Directors and Chairperson; (ii) Annexure 2 with respect to the Independent Directors; and (iii) Annexure 3 with respect to the Chairperson of the Company.

3.3 While evaluating the performance of individual Directors, the Nomination and Remuneration Committee shall always consider the appropriate benchmarks set as per industry standards, the performance of the individual Director, the performance of the Company and the role of the individual Director within the Company. Further, the Nomination and Remuneration Committee shall determine whether to extend or continue the term of appointment of each Independent Director, on the basis of the report of performance evaluation of Independent Directors.

3.4 In addition, the Independent Directors shall hold a meeting at least once in any given year, without the presence of the non-Independent Directors of the Company, to review the performance of: (i) such non-Independent Directors in accordance with the evaluation parameters set out in Annexure 1; and (ii) the Chairperson of the Company, taking into account the views of executive Directors and non-executive Directors, and the evaluation parameters set out in Annexure 3; . All Independent Directors shall strive to attend such meeting.

Evaluation of the Board

3.5 The Board shall, on an annual basis, evaluate its own performance keeping in mind the evaluation parameters set out in Annexure 4.

3.6 In addition, the Independent Directors, in the meeting referred to in paragraph 3.4 above, without the presence of the non-Independent Directors of the Company, shall (i) review the performance of the Board as a whole in accordance with the evaluation parameters set out in Annexure 4; and (ii) assess the quality, quantity and timelines of flow of information between the management of the Company and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Evaluation of the Board Committees

3.7 The Board shall, on an annual basis, evaluate the performance of each Board Committee as per the evaluation parameters set out in Annexure 5.

3.8 In addition, the Independent Directors, in the meeting referred to in paragraph 3.4 above, without the presence of the non-Independent Directors of the Company, shall (i) review the performance of the Committees as a whole in accordance with the evaluation parameters set out in Annexure 5; and (ii) assess the quality, quantity and timelines of flow of information between the management of the Company and the Board Committees that is necessary for the Board to effectively and reasonably perform its duties.

Criteria for Evaluation

3.9 The criteria for evaluation are laid out in the relevant Annexures. These include quantitative questions along with an option to provide qualitative comments. Each of the questions have the following five options:

Strongly disagree	Disagree	No opinion	Agree	Strongly Agree
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4. FEEDBACK

The Chairman or any person suitably appointed by the Board shall give [written assessment/ oral feedback] to:

- (i) each Director separately;
- (ii) the entire Board; and
- (iii) each Board Committee.

Provided in case the members are not comfortable with open individual assessment, provision for confidentiality may be made where possible.

5.1 Once responses from all the Directors have been received, a summary of results of the Board evaluation will be placed before the Nomination and Remuneration Committee. Based on the feedback from each member, an average rating for each question will be obtained. All questions with average rating of 4.5 or less have been identified as areas for reflection and action planning. These are not necessarily the problem areas but definitely the areas where processes/ practices can be improved to meet the best governance standards and the Board may devise a plan to address such identified areas ("Action Plan"). While identifying the areas for reflections, proposed actions should be suggested for consideration of the evaluation panel. In some areas, suggestions from the evaluation panel are required to be provided.

5.2 The Action Plan should carry in detail the following:

- (i) The nature of actions, including training and skill building, required to be undertaken to address the identified areas.
- (ii) Timeline within which the actions detailed in the Action Plan shall be completed.

- (iii) Persons responsible for the implementation of the Action Plan.
- (iv) Resources required to achieve the objectives set out in the Action Plan.

5.3 The Board must review the actions set out in the Action Plan within a specific time period.

6. POLICY REVIEW

Subject to the approval of the Board, 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.

7. DISCLOSURE

In accordance with the requirements under the LODR and the Companies Act, disclosure regarding the manner in which the performance evaluation has been done by the Board of its own performance, performance of various Board Committees and individual Directors will be made by the Board in the Board's report. Further, the Board's report containing such statement will be made available for the review of shareholders at the general meeting of the Company. The key features of this Policy will be included in the corporate governance statement contained in the annual report of the Company.

8. Proposed Draft of statement to be incorporated in the Board's Report:

As required under section 178(2) of the Companies Act, 2013 and under Schedule IV to the Companies Act, 2013 on Code of conduct for Independent Directors, a comprehensive exercise for evaluation of the performances of every individual director, also of the Board as a whole and its Committees individually has been carried by your company as per the evaluation criteria formulated by the Nomination and Remuneration Committee and approved by the Board and based on guidelines given in Schedule IV to the Companies Act, 2013 and the guidelines prescribed by the Securities and Exchange Board of India in its circular dated January 5, 2017. Having regard to the industry, size and nature of business your company is engaged in, the evaluation methodology adopted is, in the opinion of the Board, sufficient, appropriate and is found to be serving the purpose.

9. Annexures

- **ANNEXURE A:** Consist of 6 questionnaire sheets related to the Board evaluation;
- **ANNEXURE B:** Consist of 1 questionnaire sheet for the Board Committee evaluation;
- **ANNEXURE C:** Consist of 1 questionnaire sheet for Director Survey form;
- **ANNEXURE D:** Consist of 1 questionnaire sheet for Chairman Assessment
- **ANNEXURE E:** Consist of 1 questionnaire sheet for MD/ED Assessment
- **ANNEXURE F:** Consist of 1 questionnaire for Non-Executive Director and Independent Director evaluation form assessment

ANNEXURE A:
BOARD OF DIRECTORS EVALUATION
1) COMPOSITION AND QUALITY
Name of the Director:
Date:

Sr.No	Particulars	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
1	The Board broad based					
2	The Board members have the appropriate qualifications, skills, experience and knowledge.					
3	The Independent Directors meet all applicable independence requirements.					
4	The Board monitors compliance with corporate governance regulations and guidelines.					
Comments:						

2) UNDERSTANDING BUSINESS INCLUDING RISKS:
Name of the Director:
Date:

Sr.No	Particulars	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
1	Directors have sufficient knowledge of the Company's businesses to enable them to fulfill their duties and obligations.					
2	The Company keeps the Directors sufficiently informed on developments that affect their responsibilities (e.g. changes in company law).					
3	The Company's management and internal control system is periodically updated.					
Comments:						

3) PROCESS AND PROCEDURES

Name of the Director:

Date:

Sr.No	Particulars	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
1	The structure and content of the Board meeting agendas are appropriate.					
2	The Board documents and updates are received in a timely manner.					
3	The Board meetings are conducted effectively, with sufficient time spent on significant or emerging points.					
4	The agenda and related information are circulated in advance of the meetings to allow Board members sufficient time to study and understand the information.					
5	The Board maintains adequate minutes of each meeting.					
6	The Board members come to meetings well prepared and the attendance at the meetings is satisfactory.					
Comments:						

4) OVERSIGHT OF FINANCIAL REPORTING PROCESS INCLUDING INTERNAL CONTROLS AND AUDIT FUNCTIONS

Name of the Director:

Date:

Sr.No	Particulars	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
1	The Board considers the quality and appropriateness of financial accounting and reporting including transparency of disclosures.					
2	The Board reviews the Company's significant accounting policies.					
3	The Board understands the coordination of work between independent and internal auditors and clearly articulates its expectations of each.					
4	The Board appropriately considers the suggestions from the Audit Committee, internal audit reports, management's responses, risk framework and steps toward improvement.					

5	The Board reviews the audit fees paid to the independent auditors.					
Comments:						

5) ETHICS AND COMPLIANCE

Name of the Director:

Date:

Sr. No	Particulars	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
1	The Board is fully aware of the Company's code of conduct and has a well developed sense of ethics.					
2	The Board members oversee the process and are notified of communications received from governmental and regulatory agencies related to alleged violations or areas of non-compliance.					
3	The Board is fully engaged in Corporate Governance and regularly monitors the Company's performance in these areas and compliance with the Company's code of conduct.					
Comments:						

6) MONITORING ACTIVITIES

Name of the Director:

Date:

Sr. No	Particulars	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
1	An annual performance evaluation of the Board is conducted and any matters that require follow-up are resolved and presented to the Board.					
Comments:						

7) BOARD DEVELOPMENT

Name of the Director:

Date:

Sr. No	Particulars	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
1	Appropriateness of the induction programme given to the new board members.					
2	Timeliness and appropriateness of ongoing development programmes to enhance skills of its members					
3	Appropriate development opportunities are encouraged and communicated well in time					

Comments:

Please rank on a scale of 1 (very poor) to 5 (Excellent) and / or provide remark.

	Outstanding	Exceeds Expectation	Meets Expectation	Needs Improvement	Poor
Overall rating of Board performance					

Please suggest three things that could improve Board's performance:

- a)
- b)
- c)

Name of Director:

Signature:

Date:

ANNEXURE B:
PERFORMANCE OF COMMITTEE (By Board of Directors)
Name of the Director:
Date:

Sr.No	Particulars	Strongly Disagree 1	Disagree 2	Neutral 3	Agree 4	Strongly Agree 5
1	The Committee of the Board are appropriately constituted.					
2	The terms of reference for the committee are appropriate with clear defined roles and responsibilities.					
3	Observing Committees terms of reference					
4	4 The composition of the committee is in compliance with the legal requirement.					
5	The Committee allocates the right amount of time for its discussions.					
6	The reporting by each of the Committees to the Board is sufficient.					
7	The performance of each of the Committees is assessed annually against the set goals of the committee.					
8	Whether the terms of reference are adequate to serve committee's purpose?					
9	The committee regularly reviews its mandate and performance.					
10	Committee takes effective and proactive measures to perform its functions.					
Management Relations						
11	Adequate independence of the Committee is ensured from the Board.					
12	Committee gives effective suggestion and recommendation.					
13	Committee meetings are conducted in a manner that encourages open communication and meaningful participation of its members.					
Committee Meetings and Procedures						
14	Committee meetings have been organized properly and appropriate procedures were followed in this regard?					
15	The frequency of the Committee meetings is adequate.					
16	Committee makes periodically reporting to the Board along with its suggestions and recommendations.					
Comments:						

Please rank on a scale of 1 (very poor) to 5 (Excellent) and / or provide remark.

	Outstanding	Exceeds Expectation	Meets Expectation	Needs Improvement	Poor
Overall rating of Board performance					

Please suggest three things that could improve Committees' performance:

- a)
- b)
- c)

Name of Director:

Signature:

Date:

ANNEXURE C:

PERFORMANCE OF INDIVIDUAL DIRECTORS FOR THE FY 2024-25 (Directors Survey Form)

Note: To be submitted to the Chairman

Name of the Director:

Date:

Sr. No	Particulars	Rank	Remarks, If any
1	I have full knowledge of Company strategy and objective and can monitor performance.		
2	I understand my duties, responsibilities, qualifications, disqualifications and liabilities as a director, as distinct from management.		
3	Knowledge and experience of the Board have been adequately and productively used.		
4	I have made efforts at professional development to enable better fulfillment of my responsibilities.		
5	I come fully prepared for Board / Committee meetings.		
6	I can question / critique proposals with confidence.		
7	I have participated effectively and openly in Board discussions.		
8	I keep stakeholder interest as my touchstone in endorsing decisions.		

Please rank on a scale of 1 (very poor) to 5 (Excellent) and / or provide remark.

	Outstanding	Exceeds Expectation	Meets Expectation	Needs Improvement	Poor
Overall rating of Board performance					

Name of Director:

Signature:

Date:

ANNEXURE D:

CHAIRPERSON ASSESSMENT
(By each Board member)

Name of the Director:
Date:

Sr. No	Particulars	Rank	Remarks, If any
Managing Relationships			
1	The Chairperson actively manages shareholder, board, management and employee relationships and interests		
2	The Chairperson meets with potential providers of equity and debt capital, if required.		
3	The Chairperson manages meetings effectively and promotes a sense of participation in all the Board meetings.		
Leadership			
4	The Chairperson is an effective leader.		
5	The Chairperson promotes effective participation of all Board members in the decision making process.		
6	The Chairperson promotes the positive image of the Company		
7	The Chairperson promotes continuing training and development of directors.		

Please rank on a scale of 1 (very poor) to 5 (Excellent) and / or provide remark.

	Outstanding	Exceeds Expectation	Meets Expectation	Needs Improvement	Poor
Overall rating of Board performance					

Name of Director:
Signature:
Date:

ANNEXURE E:

MANAGING DIRECTOR / EXECUTIVE DIRECTOR ASSESSMENT FORM (By all the Board members)
(By each Board member)

Name of the Director:
Date:

Sr. No	Particulars	Rank	Remarks, If any
Leadership			
1	The MD / ED has shown clear vision in correctly anticipating business trends, opportunities, and priorities affecting the Company's prosperity and operations.		
2	The MD / ED has clearly translated his/her vision and strategy into feasible business or operational plans to achieve strategic success for the Company.		
3	The MD/ ED has accurately communicated his/her concept, vision, mission, strategies, goals, and directions for the Company to stakeholders.		
4	The MD / ED has motivated and encouraged high employee morale and loyalty to the organization, and facilitated team-building and cohesiveness among the Company's employees to achieve the Company's vision.		
5	The MD / ED has been an initiator, setting high working standards and pursuing goals with a high level of personal drive and energy.		
Strategy Formulation			
6	The MD / ED has developed clear mission statements, policies, and strategic plans that harmoniously balance the needs of shareholders, clients, employees, and other stakeholders.		
7	The MD/ED has accurately identified and analyzed problems and issues confronting the Company.		
8	The MD/ED has accurately determined and assessed key success factors for formulating the Company's strategy.		
9	The MD/ED has ensured that board members, senior management and other employees had participated in the formulation of strategic plans so that they had the ownership of the plans.		
Strategy execution			
13	The MD/ED has established an effective organization structure, ensuring that there is management focus on key		

	functions necessary for the organization to align with its mission.		
14	The MD/ED has organized and delegated work accurately, and has performed his or her functions within his/her scope of responsibility		
15	The MD/ED has consistently made sound decisions and made timely adjustments in strategies, if required.		
16	The MD/ED has timely and effectively executed strategies on priorities and with measures set by the Board.		
17	The MD/ED has accurately supervised performance monitoring and performance control to ensure accountability at all levels of the organization.		
18	The MD/ED has ensured that the company's operations complied with requirements from all pertinent laws and regulations .		
Financial planning / performance			
19	The MD/ED has possessed a good understanding of the company's financial measures relevant to its business and financial situation.		
20	The MD/ED has exercised good judgment in managing the financial affairs and budgets of the organization.		
21	The MD/ED has effectively monitored and evaluated financial planning, budget and administrative operations.		
Relationships with the Board			
22	The MD/ED has built strong working relationships with Board members and has worked closely and cooperatively with the board in developing the mission, and short, medium and long-term strategic plans.		
23	The MD/ED has demonstrated a sound knowledge of Board governance procedures and has consistently followed them.		
24	The MD/ED has presented information to the board on items requiring Board opinions and decisions in a professional manner, with recommendations based on thorough study and sound principles.		
25	The MD/ED has been available to individual Board members whenever necessary, as well as supported the board in its governance duties by providing necessary resources and other facilities.		
External Relations			

26	The MD/ED has served as an effective Company's representative in communicating with all stakeholders.		
27	The MD/ED has encouraged corporate social responsibility and community involvement in promoting a positive image of Company		
28	The MD/ED has assured that the Company maintains positive relationships in the community and cultivates good working relationships with community groups and organizations.		
Human Resources Management/Relations			
29	The MD/ED has created and maintained an organizational culture and climate which attracts, keeps and motivates staff to carry out the Company's mission, strategic directions and organizational goals.		
30	The MD/ED effectively monitors procedures and practices pertaining to human resources, including appraisal process and rewarding systems for management and employees.		
31	The MD/ED has ensured that the company has good internal communication and treated all personnel fairly, without favoritism or discrimination.		
Succession			
32	The MD/ED has effectively reviewed the Company's succession plan, and, if appropriate, made necessary changes by taking into account conditions that are external or internal to the Company.		
33	The MD/ED has put in place the processes and programs required to create a pipeline of future leadership.		
Product/Service Knowledge			
34	The MD/ED has demonstrated a thorough knowledge and understanding about key aspects of the Company's products and services.		
35	The MD/ED has demonstrated a thorough knowledge and understanding of Company management and operations.		
36	The MD/ED has a good understanding of the company's business model and allocation of its resources, as well as business and industry environment.		
37	The MD/ED has regularly demonstrated creativity and initiative in creating new products and services.		
Personal Qualities			

38	The MD/ED has attained an image that reflects positively on the company, as well as demonstrated a personality, outlook, and attitude that wins trust and support from all stakeholders.		
39	The MD/ED has exercised good judgment in dealing with sensitive issues between people and between groups.		
40	The MD/ED has shown skills at analyzing and addressing problems, challenges and conflicts, and has been comfortable with ambiguity and complexity		
41	The MD/ED has maintained a high standard of ethics and integrity, as well as a healthy balance of time management and priorities in both work-related and personal matters.		

Please rank on a scale of 1 (very poor) to 5 (Excellent) and / or provide remark.

	Outstanding	Exceeds Expectation	Meets Expectation	Needs Improvement	Poor
Overall rating of Board performance					

Name of Director:

Signature:

Date:

ANNEXURE F:
NON-EXECUTIVE DIRECTOR AND INDEPENDENT DIRECTOR EVALUATION FORM

(PEER REVIEW- by Directors other than director being evaluated)

Sr. No	Particulars	Rank	Remarks, If any
Participation at Board/ Committee Meetings			
1	Director comes well prepared and informed for the Board / committee meeting(s).		
2	Director demonstrates a willingness to devote time and effort to understand the Company and its business and a readiness to participate in events outside the meeting room, such as site visits?		
3	Director has ability to remain focused at a governance level in Board/ Committee meetings.		
4	Director's contributions at Board / Committee meetings are of high quality and innovative.		
5	Director's proactively contributes in to development of strategy and to risk management of the Company.		
Managing Relationship			
6	Director's performance and behaviour promotes mutual trust and respect within the Board / Committee.		
7	Director is effective and successful in managing relationships with fellow Board members and senior management ?		
8	Director understands governance, regulatory, financial, fiduciary and ethical requirements of the Board / Committee.		
9	Director actively and successfully refreshes his/ her knowledge and skills and up to date with the latest developments in areas such as corporate governance framework, financial reporting and the industry and market conditions.		
10	Director is able to present his/ her views convincingly yet diplomatically.		
11	Director listens and takes on Board the views of other members of Board.		
Personal Attributes			

12	Director has maintained high standard of ethics and integrity		
13	Director upholds ethical standards of integrity and probity.		
14	Director exercises objective independent judgment in the best interest of Company.		
15	Director has effectively assisted the Company in implementing best corporate governance practice and then monitors the same.		
16	Director helps in bringing independent judgment during board deliberations on strategy, performance, risk management etc.		
17	. Director keeps himself/ herself well informed about the Company and external environment in which it operates.		
18	Director acts within his authority and assists in protecting the legitimate interest of the Company, Shareholder and employees.		
19	Director maintains high level of confidentiality.		
20	Director adheres to the applicable code of conduct for independent directors.		
Comment:			

Please rank on a scale of 1 (very poor) to 5 (Excellent) and / or provide remark.

	Outstanding	Exceeds Expectation	Meets Expectation	Needs Improvement	Poor
Overall rating of Board performance					

Name of Director:

Signature:

Date: