



HARISH TEXTILE ENGINEERS LIMITED

**POLICY OF
PERFORMANCE EVALUATION OF
BOARDS AND DIRECTORS**

Harish Textile Engineers Limited

CIN: L29119MH2010PLC201521

Registered Office: 2nd Floor, 19 Parsi Panchayat Road, Andheri East. Mumbai-400069, Maharashtra, India.

Tel.:022-28367151/40373000

Email: info@harishtextile.com

www.harishtextile.com



1. DEFINITIONS:

The definitions of some of the key terms used in this Policy are given below.

"Board" means Board of Directors of Harish Textile Engineers Limited.

"Company" means Harish Textile Engineers Limited.

"Committee(s)" means Committees of the Board for the time being in force.

"Employee" means employee of the Company whether employed in India or outside India including employees in the Senior Management Team of the Company.

"Key Managerial Personnel" (KMP) refers to key managerial personnel as defined under the Companies Act, 2013 (the Act) which includes:

(i) Managing Director (MD), or Chief Executive Officer (CEO); or Manager; or Whole Time Director (WTD)

(ii) Chief Financial Officer (CFO);

(iii) Company Secretary (CS); and

(iv) Such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board;

(v) Such other officer as may be prescribed. (Officer includes any director, includes any director, manager or key managerial personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the directors is or are accustomed to act)

"Senior Management/Members" means officers/personnel of the Company who are members of its Core Management Team excluding Board of Directors and

Harish Textile Engineers Limited

CIN: L29119MH2010PLC201521

Registered Office: 2nd Floor, 19 Parsi Panchayat Road, Andheri East. Mumbai-400069, Maharashtra, India.

Tel.:022-28367151/40373000

Email: info@harishtextile.com

www.harishtextile.com



normally this shall comprise of all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) including the functional heads and shall specifically include company secretary and chief financial officer.

2.OBJECTIVE:

This Policy aims to:

- (i) Ensure compliance of the applicable provisions of the Companies Act, 2013 (the Act) and the Listing Agreement entered into with the Stock Exchanges (as amended or re-enacted from time to time) relating to the evaluation of performance of the Directors and the Board.
- (ii) Adopt best practices to manage the affairs of the Company in seamless manner.
- (iii) Achieve good corporate governance as well as sustained long-term value creation for stakeholders.

3.EVALUATION:

- (i) The Nomination and Remuneration Committee (NRC) shall carry out the evaluation of performance of every Director. The evaluation of performance of the Independent Directors (IDs) shall also be carried out by the entire Board of Directors excluding the Director being evaluated. Evaluation performance should be carried out at least once in a year.
- (ii) While evaluating the performance of the Non-Executive Directors (NEDs), the following parameters shall be considered:
 - (a) Attendance at meetings of the Board and Committees thereof,
 - (b) Participation in Board meetings or Committee thereof,

Harish Textile Engineers Limited

CIN: L29119MH2010PLC201521

Registered Office: 2nd Floor, 19 Parsi Panchayat Road, Andheri East. Mumbai-400069, Maharashtra, India.

Tel.:022-28367151/40373000

Email: info@harishtextile.com

www.harishtextile.com



- (c) Contribution to strategic decision making,
 - (d) Review of risk assessment and risk mitigation,
 - (e) Review of financial statements, business performance.
 - (f) Contribution to the enhancement of brand image of the Company.
- iii) While evaluating the performance of the Managing Director and the Whole-time Director, the Nomination and Remuneration Committee shall always consider the appropriate benchmarks set as per industry standards, the performance of the individual and also of the Company.
- iv) Evaluation of performance shall be carried out at least once a year.
- (v) The Company shall provide suitable technical or business related training to the Non-Executive Directors including Independent Directors. Any other need based training shall also be provided.

The evaluation of the Directors and the Board shall be carried out based on the questionnaire and feedback form which forms part as Annexure to this Policy.

Harish Textile Engineers Limited

CIN: L29119MH2010PLC201521

Registered Office: 2nd Floor, 19 Parsi Panchayat Road, Andheri East. Mumbai-400069, Maharashtra, India.

Tel.:022-28367151/40373000

Email: info@harishtextile.com

www.harishtextile.com



Annexure to the Performance Evaluation Policy

Harish Textile Engineers Limited - Board Evaluation

Mounting stakeholders' expectations, challenges faced by companies to operate under fluctuating economic conditions, pressures of globalization and increased regulatory requirements have brought the quality of performance of the Boards of Directors under greater scrutiny. Boards have recognized that it would be important for them to continually assess how effectively they are performing their roles against the objectives and the goals they have set for themselves. This growing recognition has resulted in Board evaluations becoming widely established internationally in rules-based as well as in principles-based jurisdictions, as a critical structural tool for assessing Board effectiveness and efficiency. In some jurisdictions, the directors are also evaluated along with the Boards.

Harish Textile Engineers Limited believes in value for its shareholders through ethical processes & integrity. The board plays a very important role in ensuring that the company performance is monitored and timely inputs are given to enhance its performance and set the right direction for profitable growth fully complying with relevant regulation requirements. As a board member request you to rate your experience on the following (1 being lowest and 5 being highest) –

Harish Textile Engineers Limited

CIN: L29119MH2010PLC201521

Registered Office: 19 Parsi Panchayat Road, Andheri East. Mumbai-400069, Maharashtra, India. Tel.:022-28367151/40373000 Email: info@harishtextile.com www.harishtextile.com



Board Responsibility	Question	Rating	Remarks
Strategy	Board effectively provides strategic direction to the company.		
Performance Management	Board provides effective direction on key decisions impacting the performance of the company		
	Board effectively reviews the financial performance of the company and suggests corrective actions		
Execution, Investments and M&A	Board advises on business investments and M&A's to benefit company growth and profitability.		
Organization Health and Talent Management	The Board effectively mentors the senior members of the company besides monitoring the succession plans of senior leaders.		
	Board ensures that the company values are adequately reflected in the way the company is run.		
Risk Management	Board effectively reviews the risk management framework in the company and provides appropriate direction for corrective actions where necessary.		

Harish Textile Engineers Limited

CIN: L29119MH2010PLC201521

Registered Office: 19 Parsi Panchayat Road, Andheri East. Mumbai-400069, Maharashtra, India. Tel.:022-28367151/40373000 Email: info@harishtextile.com www.harishtextile.com



Core Governance & Compliance

Board strives towards adapting best practices in governance while also fully complying with the laws of land.

Support to the Board

The process for setting the board agenda is transparent, realistic to the current needs and meeting material is shared well in time.

The frequency and duration of the board meetings are adequate to ensure a proper discharge of all the responsibilities.

Overall

Overall board meeting is held in open and objective manner where there is adequate opportunity for members to share their views.

Overall Feedback to improve the Board effectiveness further:-

Harish Textile Engineers Limited

CIN: L29119MH2010PLC201521

Registered Office: 19 Parsi Panchayat Road, Andheri East. Mumbai-400069, Maharashtra, India. Tel.:022-28367151/40373000 Email: info@harishtextile.com www.harishtextile.com



Harish Textile Engineers Limited – Board Member Feedback

Harish Textile Engineers Limited (the Company) believes in value for its shareholders through ethical processes & integrity. The board plays a very important role in ensuring that the company performance is monitored and timely inputs are given to enhance its performance and set the right direction for growth. Hence it is important that every individual Board Member effectively contributes in the Board deliberations.

Feedback Recipient's Name: _____

Kindly rate the recipient on the scale of 1 to 5 (1 being least effective and 5 being highly effective) –

Question	Rating	Remarks
Participates in the board meetings actively		
Participates in the board meeting consistently.		
Prepares adequately for the board meetings		
Contributes to strategy and other areas impacting company performance.		
Brings his/her experience and credibility to bear on the critical areas of performance of the organization.		

Harish Textile Engineers Limited

CIN: L29119MH2010PLC201521

Registered Office: 19 Parsi Panchayat Road, Andheri East. Mumbai-400069, Maharashtra, India. Tel.:022-28367151/40373000 Email: info@harishtextile.com www.harishtextile.com



Keeps updated knowledge of his/her area of expertise.		
Communicates in open and constructive manner.		
Gives fair chance to other members to contribute, participates actively in the discussions and is consensus oriented.		
Helps create positive image of the company and helps the company wherever possible.		
Actively contributes toward positive growth of the organization.		
Conducts himself/herself in a manner that is ethical and consistent with the laws of the land.		

Overall Feedback to improve effectiveness further:-

Harish Textile Engineers Limited

CIN: L29119MH2010PLC201521

Registered Office: 19 Parsi Panchayat Road, Andheri East. Mumbai-400069, Maharashtra, India. Tel.:022-28367151/40373000 Email: info@harishtextile.com www.harishtextile.com