

TRANSRAIL LIGHTING LIMITED

POLICY FOR EVALUATION OF THE PERFORMANCE OF THE BOARD OF DIRECTORS

1. Introduction

Transrail Lighting Limited (the “**Company**”) believes in conducting its affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior, in consonance with the Company’s Code of Conduct for Board and Senior Management Personnel.

The honesty, integrity and sound judgement and performance of the Directors and the senior management are key criteria for the success and for building a good reputation of the Company. Each Director and executive in the senior management are expected to comply with the letter and spirit of this Policy for Evaluation of the Performance of the Board of Directors (“**Policy**”). Any actual or potential violation of the Code of Conduct for Board and Senior Management Personnel and this Policy by the Directors would be a matter of serious concern for the Company.

Therefore, the Company has formulated this Policy to comply with various provisions under the Companies Act, 2013 (“**Act**”) and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”) and also the formal annual evaluation made by the Board of its own performance (self-appraisals) and that of its committees and individual directors as mentioned under the clause (p) of sub-section (3) of Section 134 of the Act. The Committee shall evaluate the performance of each of the director as per sub section (2) of Section 178 of the Act and based on the functions of the Independent Directors as indicated under Schedule IV (as per Section 149) annexed to the Act.

2. Definitions

- i. “**Act**” means the Companies Act, 2013, as amended from time to time and the rules made thereunder.
- ii. “**Company**” means Transrail Lighting Limited.
- iii. “**Committee**” shall mean the Nomination and Remuneration Committee of the Board of Directors formed under the provisions of Section 178 of the Act.
- iv. “**Director**” or “**Board**” means the Director or the Board, in relation to the Company, and deemed to include the collective body of the Board of the Company including the Chairman of the Company.
- v. “**Independent Director**” shall mean an Independent Director as defined under Section 2 (47) to be read with Section 149 (5) of the Act.
- vi. “**Listing Regulations**” means Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- vii. “**Policy**” shall mean this Policy for Evaluation of performance of Board of Directors of the Company.

3. Objective

The object of this Policy is to formulate the procedures and prescribe the criteria to evaluate the performance of the entire Board. Further, to adopt best practices to manage the affairs of the Company in a seamless manner and ensure long term value creation for stakeholders by achieving good corporate governance.

TRANSRAIL LIGHTING LIMITED

Corporate & Registered Office :

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Tel: +91 22 61979600 | Fax: +91 22 61979666 | Web: www.transrail.in | CIN: U31506MH2008PLC179012.



4. Various Kinds of Performance Evaluation

- A. **APPRAISAL SYSTEM:** Appraisal of each Director of the Company shall be based on the criteria as mentioned herein below. This appraisal is mandatory and will be done under the provision of the clause (p) of sub section (3) of Section 134 of the Act.
- B.

CRITERIA FOR EVALUATION

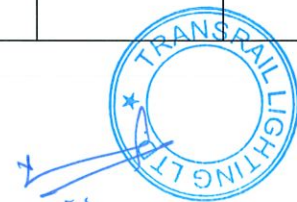
BOARD EVALUATION			
Name of the Evaluator :-			
Sr. No.	Criteria for Evaluation	Satisfactory	Needs Improvement
I BOARD COMPOSITION AND QUALITY			
1	The Board has appropriate expertise and experience to meet the best interests of the company		
2	The Board has appropriate combination of industry knowledge and diversity (gender, experience, background)		
3	All the independent directors are independent in true letter and spirit i.e. whether the independent Director has given declaration of independence and they exercise their own judgement, voice their concerns and act freely from any conflicts of interests		
4	Board members demonstrate highest level of integrity (including maintaining confidentiality and identifying, disclosing and managing conflicts of interests)		
5	The Board members spend sufficient time in understanding the vision, mission of the company and strategic and business plans, financial reporting risks and related internal controls and provides critical oversight on the same		
6	The Board understands the legal requirements and obligations under which they act as a Board; i.e. bylaws, corporate governance manual etc. and discharge their functions accordingly		
7	The Board has set its goals and measures its performance against them on annual basis		
8	The Board understands the line between oversight and management		



9	The Board monitors compliances with corporate governance regulations and guidelines		
10	An effective succession plan of Board is in place		
11	The Board has the proper number of committees as required by legislation and guidelines, with well-defined terms of reference and reporting requirements		
II	BOARD MEETINGS AND PROCEDURES		
1	The Annual Calendar of Board meetings is communicated well in advance and reviewed from time to time		
2	The Board meeting agenda and related background papers are concise and provide information of appropriate quality and detail		
3	The information is received by Board members sufficiently in advance for proper consideration		
4	Adequacy of attendance and participation by the Board members at the Board meetings		
5	Frequency of Board Meetings is adequate		
6	The facility for video conferencing for conducting meetings is robust		
7	Location of Board Meeting		
8	The Board meetings encourage a high quality of discussions and decision making		
9	Openness to ideas and ability to challenge the practices and throwing up new ideas		
10	The amount of time spent on discussions on strategic and general issues is sufficient		
11	How effectively does the Board works collectively as a team in the best interest of the company		
12	The minutes of Board meetings are clear, accurate, consistent, complete and timely		
13	The actions arising from Board meetings are properly followed up and reviewed in subsequent Board meetings		
14	The processes are in place for ensuring that the Board is kept fully informed on all material matters between meetings (including appropriate external information e.g. emerging risks and material regulatory changes)		
15	Adequacy of the separate meetings of independent directors		
16	Appropriateness of secretarial support made available to the Board		
17	The Board members understand the terms and conditions of Directors' & Officers' insurance		



18	All proceedings and resolutions of the Board are recorded accurately, adequately and on a timely basis		
III BOARD DEVELOPMENT			
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		
IV BOARD STRATEGY AND RISK MANAGEMENT			
1	The time spent on issues relating to the strategic direction and not day-to-day management responsibilities		
2	Engaging with management in the strategic planning process, including corporate goals, objectives and overall operating and financial plans to achieve them		
3	The Board has developed a strategic plan / policies and the same would meet the future requirement of the Company		
4	The Board has sufficient understanding of the risk attached with the business structure and the Board uses appropriate risk management framework and whether board reviewed and understood the risks provided in the internal audit report and the management is taken sufficient steps to mitigate the risk		
5	The Board evaluates the strategic plan/ policies periodically to assess the Company's performance; considers new opportunities and responds to unanticipated external developments		
6	The Risk management framework is subject to review		
7	Monitoring the implementation of the long term strategic goals by the Board		
8	The Board Monitors Company's internal controls and compliance with applicable laws and regulations		
9	The Board focuses its attention on long-term policy issues as well as short term administrative matters		
10	The Board discusses thoroughly the annual budget of the Company and its implications before approving it		
11	The Board periodically reviews the actual result of the Company vis-à-vis the plan/ policies devised earlier and suggests corrective measures, if required		



V	BOARD AND MANAGEMENT RELATIONS		
1	The Board sets the overall tone and direction of the Company		
2	The Board has approved comprehensive policies and procedures for smooth conduct of all material activities by Company		
3	The Board has a range of appropriate performance indicators that are used to monitor the performance of management		
4	The Board is well informed on all issues (short and long-term) being faced by the Company		
VI	SUCCESSION PLANNING		
1	The Board has a succession plan for the Chairperson and the Chief Executive Officer / Managing Director		
2	The Board reviews the existing succession plan and if appropriate, make necessary changes by taking into account the current conditions.		
	OVERALL RATING OF THE BOARD PERFORMANCE		

	SUGGESTIONS TO IMPROVE THE BOARD PERFORMANCE:-		
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Signature :-

Date:-

C. EVALUATION OF THE PERFORMANCE

The Committee shall evaluate the performance of each Director as per the Nomination and Remuneration Policy of the Company framed in accordance with the provisions of Section 178 of the Act and based on their functions as mentioned in the Code of Conduct of the Directors and Senior Management Personnel and the criteria for the evaluation of the performance as prescribed in Paragraph 6 of this Policy.

Evaluation of Independent Director shall be carried on by the entire Board which shall include –

- (a) performance of the Directors; and
- (b) fulfilment of the independence criteria as specified in the Listing Regulations and their independence from the management. The Directors who are subject to evaluation shall not be allowed to participate.

Based on the performance evaluation of each and every Director and the Chairman of the Company, the Committee shall provide the ratings based on each criteria and sub-criteria.



D. EFFECTIVENESS OF THE BOARD

Based on the ratings given by the Committee to each Director, the overall effectiveness of the Board shall be measured and accordingly the Board shall decide the appointments, re-appointments and removal of the non-performing Directors of the Company.

5. SEPARATE MEETING FOR EVALUATION OF PERFORMANCE OF BOARD MEMBERS

Evaluation of the executive Directors shall be carried out by entire Board except the executive Director being evaluated. The meeting for the purpose of evaluation of performance of Board members shall be held at least once in a year and the Company shall disclose the criteria laid down by the Committee for performance evaluation on its web site for the reference and also in the annual report of the Company.

6. CRITERIA FOR EVALUATION OF PERFORMANCE

The Committee has laid down the criteria for evaluation of performance of executive Directors, Independent Directors, Chairman and the Board

1. Attendance and contribution at Board and Committee meetings.
2. His / her stature, appropriate mix of expertise, skills, behaviour, experience, leadership qualities, sense of sobriety and understanding of business, strategic direction to align company's value and standards.
3. His / her knowledge of finance, accounts, legal, investment, marketing, foreign exchange / hedging, internal controls, risk management, assessment and mitigation, business operations, processes and corporate governance.
4. His / her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
5. Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
6. Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.
7. Recognize the role which he / she is expected to play, internal board relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.
8. His / her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
9. Quality of decision making on source of raw material / procurement of roughs, export marketing, understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.
10. His / her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
11. His / her contribution to enhance overall brand image of the Company.



EVALUATION OF THE BOARD CHAIRPERSON (MR. DIGAMBAR BAGDE)			
Name of the Evaluator:-			
Sr. No.	Criteria for evaluation	Satisfactory	Needs Improvement
I	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		
II	LEADERSHIP		
1	The Chairperson is an effective leader		
2	The Chairperson promotes effective participation of all Board members in the decision making process		
3	The Chairperson promotes the positive image of the Company		
4	The Chairperson promotes continuing training and development of Directors		
	OVERALL RATING OF THE BOARD CHAIRPERSON'S PERFORMANCE		

SUGGESTIONS TO IMPROVE THE BOARD CHAIRPERSON'S PERFORMANCE:-	
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Signature:-



Date:-



EVALUATION OF BOARD COMMITTEE			
Name of the Evaluator:-			
Name of the Committee being evaluated:- Audit Committee			
Sr. No.	Criteria for evaluation	Satisfactory	Needs Improvement
I	FORMATION AND DUTIES		
1	The Committee of the Board is appropriately constituted		
2	The terms of reference for the committee is appropriate with clear defined roles and responsibilities		
3	The composition of the committee is in compliance with the legal requirement		
4	The amount of responsibility delegated by the Board to the committees is appropriate		
5	The reporting by the Committee to the Board is timely and sufficient		
6	The performance of the Committee is assessed annually against the set goals of the committee		
7	Terms of reference are adequate to serve committee's purpose		
8	The committee regularly reviews its mandate and performance		
9	Committee takes effective and proactive measures to perform its functions		
II	MANAGEMENT RELATIONS		
1	Committee gives effective suggestion and recommendation		
2	Committee meetings are conducted in a manner that encourages open communication and meaningful participation of its member		
III	COMMITTEE MEETINGS AND PROCEDURES		
1	Committee meetings were organized properly and appropriate procedures were followed in this regard		
2	The frequency of the Committee meetings is adequate		
3	Committee makes periodically reporting to the Board along with its suggestions and recommendations		



OVERALL RATING OF THE COMMITTEE PERFORMANCE		
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SUGGESTIONS TO IMPROVE THE COMMITTEE PERFORMANCE:-		
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Signature:-

Date:-

EVALUATION OF BOARD COMMITTEES			
Name of the Evaluator:-			
Name of the Committee being evaluated:- Corporate Social Responsibility Committee			
Sr. No.	Criteria for evaluation	Satisfactory	Needs Improvement
I	FORMATION AND DUTIES		
1	The Committee of the Board is appropriately constituted		
2	The terms of reference for the committee is appropriate with clear defined roles and responsibilities		
3	The composition of the committee is in compliance with the legal requirement		
4	The amount of responsibility delegated by the Board to the committees is appropriate		
5	The reporting by the Committee to the Board is timely and sufficient		
6	The performance of the Committee is assessed annually against the set goals of the committee		
7	Terms of reference are adequate to serve committee's purpose		
8	The committee regularly reviews its mandate and performance		
9	Committee takes effective and proactive measures to perform its functions		
II	MANAGEMENT RELATIONS		
1	Committee gives effective suggestion and recommendation		



2	Committee meetings are conducted in a manner that encourages open communication and meaningful participation of its member		
III	COMMITTEE MEETINGS AND PROCEDURES		
1	Committee meetings were organized properly and appropriate procedures were followed in this regard		
2	The frequency of the Committee meetings is adequate		
3	Committee makes periodically reporting to the Board along with its suggestions and recommendations		
	OVERALL RATING OF THE COMMITTEE PERFORMANCE		

	SUGGESTIONS TO IMPROVE THE COMMITTEE PERFORMACE:-
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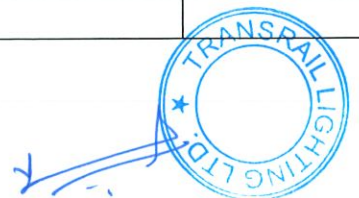
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Date:-



EVALUATION OF BOARD COMMITTEES			
Name of the Evaluator:-			
Name of the Committee being evaluated:- Nomination & Remuneration Committee			
Sr. No.	Criteria for evaluation	Satisfactory	Needs Improvement
I	FORMATION AND DUTIES		
1	The Committee of the Board is appropriately constituted		
2	The terms of reference for the committee is appropriate with clear defined roles and responsibilities		
3	The composition of the committee is in compliance with the legal requirement		
4	The amount of responsibility delegated by the Board to the committees is appropriate		
5	The reporting by the Committee to the Board is timely and sufficient		
6	The performance of the Committee is assessed annually against the set goals of the committee		
7	Terms of reference are adequate to serve committee's purpose		
8	The committee regularly reviews its mandate and performance		
9	Committee takes effective and proactive measures to perform its functions		
II	MANAGEMENT RELATIONS		
1	Committee gives effective suggestion and recommendation		
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III	COMMITTEE MEETINGS AND PROCEDURES		
1	Committee meetings were organized properly and appropriate procedures were followed in this regard		
2	The frequency of the Committee meetings is adequate		
3	Committee makes periodically reporting to the Board along with its suggestions and recommendations		



OVERALL RATING OF THE COMMITTEE PERFORMANCE		
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SUGGESTIONS TO IMPROVE THE COMMITTEE PERFORMANCE:-		
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Signature:- 

Date:-

EVALUATION OF THE INDEPENDENT DIRECTOR			
Name of the Evaluator:-			
Name of the Independent Director (ID) being evaluated:-			
Sr. No.	Criteria for evaluation	Satisfactory	Needs Improvement
1	Director upholds ethical standards of integrity and probity		
2	Director exercises objective independent judgment in the best interest of the Company		
3	Director has effectively assisted the Company in implementing best corporate governance practice		
4	Director helps in bringing independent judgment during Board deliberations on strategy, performance, risk management etc.		
5	Director keeps himself/ herself well informed about the Company and external environment in which it operates		
6	Director acts within his authority and assists in protecting the legitimate interest of the Company, Shareholder and employees		
7	Director maintains high level of confidentiality		
8	Director adheres to the applicable code of conduct for Independent Directors		
OVERALL RATING OF THE ID PERFORMANCE			

SUGGESTIONS TO IMPROVE THE ID PERFORMANCE:-
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Signature: -

Date:-

EVALUATION OF THE MANAGING DIRECTOR/ EXECUTIVE DIRECTOR			
Name of the Evaluator:-			
Name of the Managing Director/ Executive Director being evaluated:-			
Sr. No.	Criteria for evaluation	Satisfactory	Needs Improvement
I	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 vision and strategy into feasible business or operational plans to achieve strategic success for the Company		
3	The MD/ ED has accurately communicated his 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 is open to constructive suggestions, and exercised effective leadership for the organization		



6	The MD / ED has been an initiator, setting high working standards and pursuing goals with a high level of personal drive and energy		
II	STRATEGY FORMULATION		
1	The MD / ED has developed clear mission statements, policies, and strategic plans that harmoniously balance the needs of shareholders, clients, employees, and other stakeholders		
2	The MD/ED has accurately identified and analysed problems and issues confronting the Company		
3	The MD/ED has accurately determined and assessed key success factors for formulating the Company's strategy		
4	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		
5	The MD/ED has assured that company's resources and budgets are aligned to the implementation of the organization's strategic plan		
6	The MD/ED has established processes that did the monitoring and controlling works, thus ensuring that the effectiveness of organizational performance, including risk management, was achieved		
III	STRATEGY EXECUTION		
1	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		
2	The MD/ED has organized and delegated work accurately, and has performed his or her functions within his/her scope of responsibility		
3	The MD/ED has consistently made sound decisions and made timely adjustments in strategies as per requirements		
4	The MD/ED has timely and effectively executed strategies on priorities and with measures set by the Board		



5	The MD/ED has accurately supervised performance monitoring and performance control to ensure accountability at all levels of the organization		
6	The MD/ED has ensured that the company's operations complied with requirements from all pertinent laws and regulations		
IV	FINANCIAL PLANNING/ PERFORMANCE		
1	The MD/ED has possessed a good understanding of the company's financial measures relevant to its business and financial situation		
2	The MD/ED has exercised good judgment in managing the financial affairs and budgets of the organization		
3	The MD/ED has effectively monitored and evaluated financial planning, budget and administrative operations		
V	RELATIONSHIP WITH THE BOARD		
1	The MD/ED has built strong working relationships with the Board members and has worked closely and co-operatively with the Board in developing the mission, and short, medium and long-term strategic plans		
2	The MD/ED has demonstrated a sound knowledge of Board governance procedures and has consistently followed them		
3	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		
4	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		
VI	EXTERNAL RELATIONS		
1	The MD/ED has served as an effective Company's representative in communicating with all stakeholders		
2	The MD/ED has encouraged corporate social responsibility and community involvement in promoting a positive image of Company		



3	The MD/ED has assured that the Company maintains positive relationships in the community and cultivates good working relationships with community groups and organizations		
VII	HUMAN RESOURCE MANAGEMENT/ RELATIONS		
1	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		
2	The MD/ED effectively monitors procedures and practices pertaining to human resources, including appraisal process and rewarding systems for management and employees		
3	The MD/ED has ensured that the company has good internal communication and treated all personnel fairly, without favouritism or discrimination		
VIII	SUCCESSION		
1	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		
2	The MD/ED has put in place the processes and programs required to create a pipeline of future leadership		
IX	PRODUCT/ SERVICE KNOWLEDGE		
1	The MD/ED has demonstrated a thorough knowledge and understanding about key aspects of the Company's products and service		
2	The MD/ED has demonstrated a thorough knowledge and understanding of Company management and operations		
3	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		
4	The MD/ED has regularly demonstrated creativity and initiative in creating new products and services		
X	PERSONAL QUALITIES		



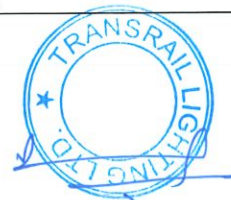
1	The MD/ED has attained an image that reflects positively on the company, as well as demonstrated a personality, outlook, and attitude that wins trust and support from all stakeholders		
2	The MD/ED has exercised good judgment in dealing with sensitive issues between people and between groups		
3	The MD/ED has shown skills at analysing and addressing problems, challenges and conflicts, and has been comfortable with ambiguity and complexity		
4	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		
	OVERALL RATING OF THE MD/ ED PERFORMANCE		

	SUGGESTIONS TO IMPROVE THE MD/ED PERFORMANCE:-
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Signature:-

Date:-

	EVALUATION OF NON-EXECUTIVE DIRECTOR		
	Name of the Evaluator:-		
	Name of the Non- Executive Director (NED) being evaluated:-		
Sr. No.	Criteria for evaluation	Satisfactory	Needs Improvement
I	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 proactively contributes in developing strategies and risk management of the Company		
II	MANAGING RELATIONSHIP		
1	Director's performance and behaviour promotes mutual trust and respect within the Board / Committee		
2	Director is effective and successful in managing relationships with fellow Board members and senior management		
III	KNOWLEGDE AND SKILL		
1	Director understands governance, regulatory, financial, fiduciary and ethical requirements of the Board /Committee		
2	Director actively and successfully refreshes his/ her knowledge and skills and is up to date with the latest developments in areas such as corporate governance framework, financial reporting and the industry and market conditions		
3	Director is able to present his/ her views convincingly yet diplomatically		
4	Director listens and considers the views of other members of the Board		
IV	PERSONAL ATTRIBUTES		
1	Director has maintained high standard of ethics and integrity		
	OVERALL RATING OF THE NED PERFORMANCE		



SUGGESTIONS TO IMPROVE THE NED PERFORMACE:-	
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Signature:-

Date:-

A blue ink signature is written over a circular blue stamp. The stamp contains the text "TRANSRAIL LIGHTING LTD" around its perimeter and a small star symbol in the center.