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CIN : U99999MH1989PLC054206



Works : Plot # 31 to 36, 45 to 49/2, 142 (Exp. Area), G.I.D.C. Umbergaon, & Survey No. 102/2 & 102/3, Village - Dehri, District - Valsad, Gujarat - 396171, India.
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BOARD EVALUATION POLICY

[As approved by the Board of Directors on 20th March 2026]

Chandan Steel Limited

CIN: U99999MH1989PLC054206

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BOARD OF DIRECTORS' EVALUATION POLICY

1. INTRODUCTION

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") contain broad provisions on Board Evaluation i.e., evaluation of the performance of: (i) the Board as a whole, (ii) individual directors (including independent directors and Chairperson) and (iii) various Committees of the Board. The provisions also specify responsibilities of various persons / committees for conduct of such evaluation and certain disclosure requirements as a part of the listed entity's corporate governance obligations.

The Board of directors (the "Board") of Chandan Steel Limited ("Company") has, basis the recommendation of the Nomination and Remuneration Committee ('NRC'), adopted this Board of Directors' Evaluation Policy ("Policy") on 20th March 2026 to comply with the various provisions under Regulation 19 read with Schedule II of the SEBI LODR Regulations and the Companies Act, 2013.

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. RATIONALE BEHIND EVALUATION:

Evaluation provides the Board and its Committees with the opportunity to consider how group culture, cohesiveness, composition, leadership, meetings information processes and governance policies influence performance. Board Evaluation helps to identify areas for potential adjustment and provides an opportunity to remind directors of the importance of group dynamics and effective Board and Committee processes in fulfilling their responsibilities.

Board Evaluation contributes significantly to improved performance at three levels- Organizational, Board, and Individual level. It sets the standards of performance and improves the culture of collective action by Board.

3. OBJECTIVE

The purpose of the Board Evaluation Framework is enumerated below:

- i. To ensure corporate governance standards are maintained
- ii. To facilitate the identification of the areas of concern and the areas to be focused upon for enhancing the functioning of the Board.
- iii. To create awareness about the role of Directors individually, and collectively as a Board.
- iv. To steer the Board in direction of achieving the Company's Mission and Vision.

4. STATUTORY/REGULATORY REQUIREMENTS:

The Companies Act, 2013 and SEBI LODR Regulations, 2015 mandates the performance evaluation as applicable to a listed Company. The main terms of provisions is annexed hereto as Annexure A



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5. EVALUATION PROCEDURE:

The evaluation process shall be initiated once at the end of Financial Year. At the Board's discretion, the Company Secretary or any other person designated by the Board, will co-ordinate the Board self-evaluation or an external consultant may be appointed to assist with this process.

As required under SEBI LODR Regulations and Companies Act, the following will be evaluated:

- I. Board as a whole;
- II. Committees of the Board;
- III. Individual Directors and Chairperson (including Chairperson, Independent Directors, Non-independent directors, etc.)

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; and (ii) the Chairperson of the Company, taking into account the views of executive Directors and non-executive Directors. All Independent Directors shall strive to attend such meeting.

Role of the NRC:

- I. NRC shall formulate criteria for evaluation of performance of independent directors and the board of directors.
- II. NRC will carry out evaluation of every director's performance.
- III. NRC will recommend to the Board 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.

6. REVIEW OF THE POLICY:

The Nomination and Remuneration Committee subject to the approval of the Board shall have the right to review and amend this Policy, if required, to ascertain its appropriateness as per the Company's need.

7. DISCLOSURE:

In accordance with the requirement under the Act, disclosure regarding the manner in which the performance evaluation has been done by the Board of Directors of its own performance, performance of various committees of directors and individual directors' performance will be made by the Board of Directors in the Board's Report.



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Annexure A

Main provisions under Companies Act, 2013 with respect to Board Evaluation:

Section 134(3): There shall be attached to statements laid before a company in general meeting, a report by its Board of Directors, which shall include –

(p) in case of a listed company and every other public company having such paid-up share capital as may prescribed, 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.

Section 178(2): 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, recommended to the Board their appointment and removal, and shall carry out evaluation of every director's performance.

Schedule IV: Code for Independent Directors

II. Role and functions:

(2) The Independent Directors shall bring an objective view in the evaluation of the performance of Board and Management.

V. Re-Appointment:

The re-appointment of independent director shall be based on report of performance evaluation.

VII. Separate Meetings:

- (1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management.
- (2) All the independent directors of the company shall strive to be present at such meeting.
- (3) The meeting shall:
 - (a) Review the performance of non-independent directors and the Board as a whole.
 - (b) Review the performance of the Chairman of the company, considering the views of executive directors and non-executive directors.
 - (c) Assess the quality, quantity and timeliness of flow of information between the company, management and the Board that is necessary for the Board to effectively perform their duties.

VII. Evaluation Mechanism:

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Rule 8 (4) of the Companies (Accounts) Rules, 2014

Every listed company and every other public company having paid-up share capital of twenty-five crore (25 crore) or more calculated at the end of the preceding financial year shall 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.