



MUTHOOT CAPITAL SERVICES LIMITED

1994 - 2017

23 Years



MUTHOOT PAPPACHAN

1927-2004

FOUNDER CHAIRMAN

*His vision, enterprise,
simplicity and humaneness
Will forever guide us.*

OUR VISIONARIES AND LEADERS



Ninan Mathai Muthoot
Patron Founder
(1873 - 1955)



Muthoot Pappachan
Founder Chairman
(1927 - 2004)



Mr. Thomas John Muthoot
Chairman



Mr. Thomas George Muthoot
Managing Director



Mr. Thomas Muthoot
Director

FAMILIARISATION / DEVELOPEMENT PROGRAMME

An Awareness on Board Evaluation

Familiarization Programme - an Overview

- ❑ As per the provisions of Section 149 & Schedule IV of the Companies Act, 2013, and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of the Company shall meet at least once in a Financial Year, without the presence of Non-Independent Directors and Members of Management.
- ❑ Pursuant to Regulation 25 (7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company to familiarize the Independent Directors with the Company, nature of the industry in which the listed entity operates, business model of the listed entity and roles, responsibilities of Independent Directors in the Company, etc. through various programmes.
- ❑ Such programme aims to provide an insight into the Company to enable the independent Directors to understand its business and operations in depth and contribute significantly to the growth of the Company.

Background of Board Evaluation

- * India has moved recently from a voluntary Board evaluation under Clause 49 of the Listing Agreement (SEBI) and Corporate Governance Voluntary Guidelines of MCA (2009) to a mandatory Board evaluation under Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).
- * The Companies Act, 2013 and SEBI LODR provide for several mandatory provisions for Board Evaluation on who is to be evaluated, who is to evaluate such persons, disclosure requirements, etc.

BOARD EVALUATION MECHANISM

- ❖ Board Evaluation is the most effective way to ensure the Board members to understand their duties and adopt good corporate governance practices.
- ❖ To be effective, boardroom appraisals need to have specific, clearly defined steps and practices and special commitment from the Board.
- ❖ It is the duty of the Board members to understand the steps involved in Board Evaluation and its parameters.

NEED FOR BOARD EVALUATION

- * Improving the performance of Board towards corporate goals and objectives.
- * Assessing the balance of skills, knowledge and experience on the Board.
- * Identifying the areas of concern and areas to be focused for improvement.
- * Identifying and creating awareness about the role of Directors individually and collectively as Board.
- * Building team work among Board members.
- * Effective coordination between Board and Management.
- * Overall growth of the organisation.

EVALUATION MECHANISM OF MCSL

The Company has prescribed the following five criteria for the entire evaluation mechanism:

1. Self Assessment of the **Board** as a whole by each Director.
2. Assessment of the **Chairman of the Board** by each Director.
3. Evaluation of the **Board Committees** by each Director.
4. Assessment of the **Managing Director** by each Director.
5. Assessment of **Non-Executive Directors and Independent Directors** by all Directors other than the Director being evaluated.

Important Steps for Evaluation Process

- To develop a methodology for evaluation. It may be different for different Companies.
- As a good practice, the Company may also develop a policy on Board Evaluation.
- Ideally, evaluation process could commence each year (during last quarter) to evaluate the performance of concerned body or individual.
- It is a good practice that each director is given a copy of the form for assessing the overall performance of the Board / Committees / Directors / Chairperson / Managing Director / Whole Time Director / Executive Director, as the case may be, sufficiently in advance.

Important Steps for Evaluation Process (Contd..)

- The forms which include a set of questions, should have a rating mechanism or subjective questions, which may be analysed by the Nomination & Remuneration Committee.
- Ideally, the Nomination & Remuneration Committee should compile, the feedback and comments in the evaluation forms and appropriately review the same.
- Thereafter the consolidated feedback and comments along with its recommendation be placed before the Board.

Important Parameters of Evaluation

- Board Evaluation should be conducted based on Board Composition & Quality, Board Meetings and Procedures, Board Development, Board Strategy and Risk Management, Board and Management Relations, Competencies of the Members, Board Processes, Cohesiveness and Quality of Participation in Board Meetings, Integrity and robustness of financial and other controls over abusive Related Party Transactions, Succession Planning etc.,
- Chairman of the Board shall be evaluated considering factors includes the ability to Managing Relationships, Leadership, Coordination and Steering Skills etc.,
- The Sub Committees of the Board shall be evaluated based on Functions and Duties, Management Relations, Committee Meetings and Procedures etc.,

Important Parameters of Evaluation (Contd..)

- Managing Director shall be evaluated based on his capability for Leadership, Vision & Commitment, Managerial Ability, Strategy Formulation, Strategy Execution, Financial Planning / Performance, Relationships with the Board, External Relations, Human Resources Management / Relations, Succession, Product / Service Knowledge, Personal Qualities etc.,
- Non-Executive Director and Independent Director shall be evaluated based on the knowledge of the Market, Participation at Board / Committee Meetings, Managing Relationship, Knowledge and Skill, Personal Attributes etc.,

Disclosure Requirements

- * 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 shall be included in the report of Board of Directors placed in the general meeting.
- * The performance evaluation criteria for Independent Directors shall be disclosed in the section on the Corporate Governance of the Annual Report.

Feedback on Evaluation

- ❖ On collation of all the responses on evaluation, the feedback may be provided in one or more of the following ways:
 - a) Orally given by Chairman or any other suitable person to:
 - i. Each Member separately
 - ii. To the entire Board
 - iii. To the Committees
 - b) A written assessment to every member, Board and Committee
- ❖ The active role of the Chairperson is desirable in providing feedback to the members. If members are not comfortable to open individual assessments, provision for confidentiality may be made where possible. For effectiveness of the evaluation, it is essential that the feedback be given honestly and without any bias.

Action Plan

Based on the analysis of the responses, the Board may prepare an action plan on:

- * Areas of improvement including training, skill building, etc. as may be required for Board members
- * List of actions that require detailing:
 - ✓ Nature of actions
 - ✓ Timeline
 - ✓ Person responsible for implementation
 - ✓ Resources required, etc.
- * Review of the actions within a specific time period
- * The action plan may be prepared by the Board in a comprehensive manner. Suggestions under the assessment, individual member feedback, etc. may be taken into account while drafting the action plan.

THANK YOU

**SECRETARIAL DEPT. OF
MCSL**

