A STUDY OF CORPORATE GOVERNANCE FOR SELECT NSE COMPANIES AND CORPORATE VALUATION DURING THE PERIOD OF 2010 TO 2015

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CERTIFICATE OF THE SUPERVISOR

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CHAPTER SCHEME

I. CHAPTER ONE 11
A. INTRODUCTION 11
B. OBJECTIVES 24
II. CHAPTER TWO 28
A. REVIEW OF LITERATURE 28
III. CHAPTER THREE 36
A. RESEARCH METHODOLOGY 36
B. HYPOTHESIS 41
IV. CHAPTER FOUR 44
A. DATA ANALYSIS 44
B. DATA INTERPRETATION 148
V. CHAPTER FIVE 164
A. CONCLUSION, SUGGESTIONS, RECOMMENDATIONS AND SCOPE OF THE STUDY 164
VI. APPENDICES 183
A. BIBLIOGRAPHY 183
B. LIST OF TABLES 185
C. LIST OF FIGURES 187
D. SURVEY QESTIONNAIRE 189
E. CLAUSE 49 OF THE LISTING AGREEMENT 192
F. ABBREVIATIONS 216

B. LIST OF TABLES

Table 1 Synopsis of Clause 49 Requirements 16
Table 2 Data Collected for Small Cap Companies 47
Table 3 Data Collected for Mid Cap Companies 54
Table 4 Data Collected for Large Cap Companies 61
Table 5 Small Cap Companies CG Score and MVBV Ratio 79
Table 6 Small Cap CG Score and Count of Companies 81
Table 7 Small Cap Promoters Holding to MVBV Ratio and Count of Companies 83
Table 8 Small Cap No. of Board Meetings & MV to BV Ratio & Count of Companies. 85
Table 9 Small Cap No. of Directors and MV BV Ratio and Count of Companies 87
Table 10 Small Cap Count of Companies and Non - Executive Chairman 89
Table 11 Small Cap Woman Directors and Count of Companies 91
Table 12 Small Cap Whistle Blower Policy and Count of Companies 93
Table 13 Small Cap Whistle Blower Policy and MV to BV Ratio 94
Table 14 Small Cap Non-Executive Chairman and MV to BV Ratio 95
Table 15 Mid Cap CG Score to MV to BV Ratio 97
Table 16 Mid Cap CG Score and Count of Companies 98
Table 17 Mid Cap Promoters Holding to count of companies & MVBV Ratio 99
Table 18 Mid Cap No. of Board Meetings & MVBV Ratio & count of companies 101
Table 19 Mid Cap No. of Directors & Count of Companies & MVBV Ratio 103
Table 20 Mid Cap Non-Executive Chairman & count of companies 105
Table 21 Mid Cap No. of Women Directors & count of companies 106
Table 22 Mid Cap Whistle Blower Policy & count of companies 108
Table 23 Mid Cap Whistle Blower Policy & MV to BV Ratio 109
Table 24 Mid Cap Non-Executive Chairman & MV BV Ratio 110
Table 25 Large Cap CG Score & MV to BV Ratio 112
Table 26 Large Cap CG Score and Count of Companies 114
Table 27 Large Cap Promoters Holding & Count of companies & MV BV ratio 116
Table 28 Large Cap No of Board meetings to MV BV Ratio & count of companies .. 118
Table 29 Large Cap No of Directors & MV BV Ratio & Count of Companies 120
Table 30 Large Cap Non-Executive Chairman & count of companies 122
Table 31 Large Cap Women Directors & Count of Companies 123
Table 32 Large Cap Whistle Blower Policy & Count of Companies 125
Table 33 Large Cap Whistle Blower Policy & MV BV Ratio 126
Table 34 Large Cap Non-Exec Chairman & MV BV Ratio 127
Table 35 All Cap CG Score & MV BV Ratio 129
Table 36 All Cap CG Score & Count of Companies 131
Table 37 All Cap Promoters Holding & Count of companies & MV BV Ratio 133
Table 38 All Cap No of Board Meetings & count of companies and MV BV Ratio 136
Table 39 All Cap Count of Directors & Count of companies & MV BV Ratio 139

Table 40 All Cap Non-Exec Chairman & Count of Companies 142
Table 41 All Cap Women Directors & Count of Companies 143
Table 42 All Cap Whistle Blower Policy & count of companies 145
Table 43 All Cap Whistle Blower Policy & MV BV Ratio..146
Table 44 All Cap Non-Exec Chairman & MV BV Ratio...147
Table 45 Avg CG Score for Three Categories of Companies 149
Table 46 Survey Question 3 outcome 150
Table 47 CG Score and MV BV Ratio 151
Table 48 Correlation of MV BV Ratio and CG Score 151
Table 49 Survey Question 2 Outcome 152
Table 50 Promoters Holding and MV BV Ratio 153
Table 51 Consolidated two year Correlation between Promoters Holding and MV BV Ratio 153
Table 52 Correlation separately by year between MV BV Ratio and Promoters Holding 153
Table 53 Survey Question 4 Outcome 154
Table 54 MV BV Ratio to Number of Board Meetings...156
Table 55 Survey Question 6 Outcome 157
Table 56 MV BV Ratio to Number of Directors..159
Table 57 Correlation No of Directors to MV BV Ratio two years 160
Table 58 Correlation No of Directors to MV BV Ratio 160
Table 59 CG Score to Type of Company and Count..167
Table 60 Number of Directors and MVBV Ratio and count......................................170
Table 61 No. of Board meetings to Value and Count 172
Table 62 Women Directors to MV BV Ratio and Count...174
Table 63 Whistle Blower policy and MVBV Ratio and count....................................176
Table 64 Non Executive Chairman and MVBV Ratio and count 178

C. LIST OF FIGURES

Figure 1 Small Cap CG Score and MVBVR 79
Figure 2 Small Cap CG Score and Count of Companies 81
Figure 3 Small Cap Promoters Holding and MV to BV Ratio..................................... 83
Figure 4 Small Cap Promoters Holding and Count of Companies 84
Figure 5 Small Cap No. of Board Meeting and Count of Companies 85
Figure 6 Small Cap No. of Board Meeting and MV to BV Ratio 86
Figure 7 Small Cap No. of Directors and Count of Companies 87
Figure 8 Small Cap No. of Directors and MV to BV Ratio 88
Figure 9 Small Cap Number of Companies and Non-Executive Chairman 89
Figure 10 Small Cap Woman Directors and Count of Companies 91
Figure 11 Small Cap Whistle Blower Policy and Count of Companies 93
Figure 12 Small Cap Whistle Blower Policy and MV to BV Ratio 94
Figure 13 Small Cap Non-Executive Chairman and MV to BV Ratio 95
Figure 14 Mid Cap CG Score to MVBV Ratio 97
Figure 15 Mid Cap CG Score and Count of Companies.. 98
Figure 16 Mid Cap Promoters Holding to MVBV Ratio 99
Figure 17 Mid Cap Promoters Holding to count of companies 100
Figure 18 Mid Cap No. of Board Meetings & Count of companies 101
Figure 19 Mid Cap No of Board Meetings & MVBV Ratio 102
Figure 20 Mid Cap No of Directors & count of companies 103
Figure 21 Mid Cap No of Directors & MVBV Ratio 104
Figure 22 Mid Cap Non-Executive Chairman & count of companies 105
Figure 23 Mid Cap No. of Women Directors & count of companies 106
Figure 24 Mid Cap Whistle Blower Policy & count of companies 108
Figure 25 Mid Cap Whistle Blower Policy & MV BV Ratio 109
Figure 26 Mid Cap Non-Executive Chairman & MV BV Ratio 110
Figure 27 Large Cap CG Score and MV to BV ratio 112
Figure 28 Large Cap CG Score & count of companies.. 114
Figure 29 Large Cap Promoters Holding & MV BV ratio 116
Figure 30 Large Cap Promoters holding & count of companies 117
Figure 31 Large Cap No of Board Meetings & Count of companies 118
Figure 32 Large Cap No of Board meeting & MV BV Ratio 119
Figure 33 Large Cap No of Directors & Count of Companies................................... 120
Figure 34 Large Cap No of Directors & MV BV Ratio 121
Figure 35 Large Cap Non-Executive Chairman & count of companies 122
Figure 36 Large Cap Women Directors & Count of Companies 123
Figure 37 Large Cap Whistle Blower Policy & Count of Companies 125
Figure 38 Large Cap Whistle Blower Policy & MV BV Ratio...................................... 126
Figure 39 Large Cap Non-Exec Chairman & MV BV Ratio 127

Figure 40 All Cap CG Score & MV BV Ratio 129
Figure 41 All Cap CG Score & Count of Companies 131
Figure 42 All Cap Promoters Holding & MV BV Ratio 134
Figure 43 All Cap Promoters Holding & count of companies 134
Figure 44 All Cap No of Board meetings & Count of companies 137
Figure 45 All Cap No of Board Meetings & MV BV Ratio 137
Figure 46 All Cap No of Directors & Count of companies 140
Figure 47 All Cap No of Directors & MV BV Ratio 140
Figure 48 All Cap Non-Exec Chairman & Count of Companies 142
Figure 49 All Cap Women Directors & Count of Companies 143
Figure 50 All Cap Whistle Blower Policy & count of companies 145
Figure 51 All Cap Whistle Blower Policy & MV BV Ratio 146
Figure 52 All Cap Non-Exec Chairman & MV BV Ratio 147
Figure 53 Survey Question 3 outcome 150
Figure 54 Survey Question 2 Outcome 152
Figure 55 Survey Question 4 outcome 155
Figure 56 Scatter Chart for MV BV Ratio and Number of Board Meetings 156
Figure 57 Survey Question 6 Outcome 158
Figure 58 Scatter Chart MV BV Ratio to count of directors 159
Figure 59 Survey result No of directors to Value of Companies 161
Figure 60 Survey result Q1 Strength of Indian CG norms 162
Figure 61 Survey result Q7 Vigilance and Whistleblower mechanism 163
Figure 62 Survey result Women Directors and Governance 163

I. CHAPTER ONE

A. INTRODUCTION

1) Historical Context

The Indian business environment witnessed a drastic change in 1991. With the announcement of new industrial policy, a sea of changes took place. There was clear shift from a closed and socialist approach to a more market-oriented approach. With these changes, there was a renewed global and domestic interest in the Indian companies. The overall capital market structure also became more robust. All this led to India adopting best practices from across the world. One prominent change that happened as a result of these events was the focus on governance of public companies in India. Corporate Governance became an important topic in the business community, the investor community and the regulatory world.

The Confederation of Indian Industry (CII) setup a committee under Rahul Bajaj to look into the topic of Corporate Governance. This committee submitted a report which formed basis for the CII Code for Desirable Corporate Governance (CII, 1998). This was followed by recommendations of the Kumarmangalam Birla Committee which was set up by Securities and Exchange Board of India (SEBI). The Birla committee recommendations formed basis of what was called clause 49 (SEBI, 2000) of listing agreement for Corporate Governance.

During the next several years the Corporate Governance measures in India have evolved further because of much larger need of a mechanism as well as due to significant interest that foreign investors started to show in Indian companies. This is also evident from the investments that have been made by foreign investors in India.

The introduction of clause 49 in listing agreement was a very important event in the Indian business context. This was for the first time that topic such as governance was given a very direct focus and was more consciously included in what companies should and should not do.

2) Business Complexity and Agency Problem

Earliest forms of business were generally simple. There was segregation of ownership from management. When businesses grew large different forms of managing it became important. This led to the growth in Company format of businesses entities as opposed or partnerships or proprietorships. With larger business forms like Companies it was clear soon that there will be difference between the ownership and management. While the shareholders own the company the management of its day to day affairs was with the senior management team and which was then responsible to the Board of Directors. The Shareholders could appoint board of directors and it was then the role of the directors to appoint right operational managers to conduct the business of the Company. This is often referred to as the Agency Problem where selected individuals are to act as agent of the owners or shareholders of the companies and are therefore to act in a manner which serves the interest of the final owners.

3) Some Experiences of Corporate Failure

Corporate Governance is got even more focus after there were disclosures of failures at large companies like Enron, WorldCom and Satyam in India that shocked the public. It has become a topic or more importance now in a world that is more financially connected than ever. Impacts of bad governance are disastrous and can not only impact one company but can have a large impact on the industry and the various stakeholders associated with that company. It is all the more imperative to have good governance mechanism if the companies want to remain attractive for investments. Investors naturally prefer those companies more which have a good and clear governance structure.

Good Corporate Governance also is advantageous as it makes the company more attractive for investment. That drives the cost of capital down. Also, better governance would also mean a good image for the company and it leads to better reputation and brand in the market.

4) Importance of good Governance to Economy and Country

From a more national perspective since most of the large businesses are now in the corporate format it is important to have good governance in companies. The GDP and economic health of a nation is now very much linked to the health of its companies. Good governance not only helps in achieving that, but it also helps in instilling a sense of confidence in all the stakeholders like creditors, debtors, employees, shareholders and regulatory agencies. Such confidence is even more important in a current business context where the speed of doing business is drastically increasing. At the same time the complexity of the business has also increase manifold.

Corporate Governance is not an end in itself. It is more a means to and an end where "the end" is to have healthy businesses that operate in the utmost professional, ethical and transparent way to serve the interest of various stakeholders.

5) So, What is Corporate Governance?

The term Corporate Governance (CG) is defined by The Institute of Company Secretaries of India as –

"Corporate Governance is the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders"

As per the N R Narayana Murthy Committee "Corporate governance is the acceptance by management of the inalienable rights of shareholders as the true owners of the corporation and of their own role as trustees on behalf of the shareholders. It is about commitment to values, about ethical business conduct and about making a distinction between personal and corporate funds in the management of a company."

6) Corporate Governance in India a Continuing Journey

The journey of corporate governance started with introduction of clause 49 however it has not stopped there. There were further refinements to this with inputs from various committees like the N R Narayanamurthy Committee (N R Narayanamurthy Committee, 2003) and the Naresh Chandra committee (Naresh Chandra Committee, 2009). The legislation of new Companies Act 2013 further strengthened the setup of governance in India. The last major change was done by SEBI on 17-Apr-2014

The scope of the current study is till Financial year ending 2015, so it does not cover changes beyond June 2015. The New SEBI (LODR) regulation came in effect only in September 2015 and is therefore not covered.

Note that the topic of governance is constantly evolving. SEBI had further issued regulation in the form of - The SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015. This helped to further codify the Corporate Governance related topics in the form of a regulation and therefore give it more important position compared to earlier position where the clause 49 of listing agreement was more applicable only as a result of the agreement signed between the stock exchange and the listing company.

Very recently there were also inputs received by the SEBI from the Uday Kotak Committee on further strengthening of the Corporate Governance practices. Some of the important recommendations of this committee are limiting of chairmanship to non-executive directors and increasing the minimum number of board meetings in a year to five instead of four. The nature of recommendations is definitely more evolutionary rather than doing any revolutionary changes.

7) Different Corporate Governance Models

In terms of type of governance there are two type the Anglo-Saxon model vs the model used in Japan and Germany. The model used in India is more like the one in US and UK where there are disclosures and details mandated and the role of Board of directors is central to the governance process. The model used in Japan and Germany is different because the management is split into one of two levels and the Banks and Large investors play an important part in the governance process.

8) What does the Clause 49 Cover as Mandatory and Recommendatory?

Clause 49 of the listing agreement includes mandatory and recommendatory items for the listed companies to comply with.

The mandatory items include topics like – composition of the board, the way the board operates, the various committees of board with special role of the Audit committee, Certification by the CEO and CFO of the company about compliance with the norms, Certification from auditors about compliance the norms, provisions related to subsidiaries, rules around disclosures and finally a report from the board of directors on corporate governance.

On the side of non-mandatory items include topics like – separate post of chairman and CEO, maintaining office of non-executive chairman, Audit qualifications, constitution of remuneration committee and despatch of half yearly results.

9) OECD Principles of Corporate Governance

Organisation for Economic Cooperation and Development (OECD) is an international body that has set out some global set of principles of Corporate Governance. The norms for Corporate Governance that were laid out by OECD can be broadly classified in these six headings:

1. Whatever governance norms are setup should be such that they are in conformity with local rules and clearly lays out responsibilities of various stakeholders. The norms should help promote efficient and fair markets.
2. The rights of the shareholders should be protected. These are the most important aspect of any Corporate Governance norm. There are certain rights that shareholders should never be denied these include – right to be informed, right

to participate in decision making related to significant or extraordinary transactions.

3. Any Corporate Governance norm should provide for fair treatment of all category of shareholders. Shareholders should have a mechanism to ask for redressal if they have any grievances.
4. Stakeholders should get right level of disclosure and information to be able to participate in the governance process. The governance norms should support performance enhancement mechanisms for participation of all stakeholders.
5. The cornerstone of right governance and corporate democracy is the principle of disclosure and transparency. All information should be prepared, audited and disclosed with high standards of quality and propriety.
6. The Board of directors is central to the company for its direction and functioning. The board has to make sure that all stakeholders are treated fairly. The board members should have access to right information and details to be able to do their job properly.

These key principles of governance were proliferated by OECD to the various member countries. The Corporate Governance norms laid out for Indian listed companies under the clause 49 of listing agreement is very much aligned to the key principles of governance as per OECD.

10) What are the various sub-sections of clause 49?

The New Clause 49 is made up of eleven (11) sub clauses from I to XI. They key topics covered by these sub clauses are as per the table below

Table 1 Synopsis of Clause 49 Requirements

Sub Clause	Sub-Sub Clause	Particulars
I	-	This clause states that implementation has to be with objective of achieving principles. This makes it a more principle based as against a narrow rule based approach. These principles are listed below

Sub Clause	Sub-Sub Clause	Particulars
I	A	The Rights of Shareholder. This covers shareholders rights and their protection. Equitable treatment of all shareholders. Providing adequate and Timely information.
I	B	Role of Stakeholders in CG. This covers the right to redressal. Right of access to information. Encourage employee participation. Whistle blower mechanism.
I	C	Disclosure and Transparency. This covers the need to provide timely and accurate disclosure of all material information to the stakeholders.
I	D	Responsibilities of the Board. This covers the functioning of the board, disclosure of information by directors and the responsibilities of directors.
II		Board of Directors
II	A	Composition of Board. This covers the mix of board members including mandatory number of non-executive, independent and women directors on the board. Where chairman is non-executive at least one third of directors should be Independent else at least half of the directors should be Independent.
II	B.1	Independent Directors. This covers the criterion for determining who can be regarded as independent director
II	B.2	Limit on no. of directorships. A person shall not be independent director in more than 7 listed companies and a whole-time director of one company can be independent director of maximum 3 listed companies.
II	B.3	Maximum tenure of Independent Directors
II	B.4	Formal Letter of appointment of Independent Directors
II	B.5	Performance evaluation of Independent Directors
II	B.6	Separate meetings of the Independent Directors
II	B.7	Training of Independent Directors
II	C	Non-executive Directors compensation and disclosures
II	D	Other Provisions related to Board and Committees

Sub Clause	Sub-Sub Clause	Particulars
II	D.1	The Board should meet at least 4 times in a year with maximum gap of 120 days between two meetings
II	D.2	Restricts number of directorship and number of chairman positions
II	D.3	Board to Periodically review compliance of all laws applicable
II	D.4 & D.5	Timing restriction within which Independent Director has to be appointed in case there is a vacancy
II	D.6	The Board should have a succession plan for board members and senior management
II	E	Code of Conduct. This covers code of conduct for Board members
II	F	Whistle Blower Policy and Vigil Mechanism
III		Audit Committee
III	A	Covers composition of a Qualified and Independent Audit Committee
III	B	Meeting of the Audit Committee
III	C	Covers Power of the Audit Committee
III	D	Role of Audit Committee
III	E	Need for Audit Committee to review Information
IV		Establishing, Operation and Role of Nomination of Remuneration Committee
V		Subsidiary Companies. This covers rules regarding board member presence in subsidiary & it covers rules for major transaction related to subsidiary & policy on material subsidiary
VI		Risk Management. Constitution of Risk Management Committee its role and the responsibility of Board on subject of Risk Management
VII		Related party transaction. This covers the rules regarding, disclosures, approvals and practices related to related party transactions

Sub Clause	Sub-Sub Clause	Particulars
VIII		Disclosures of various nature like – Related party transaction, Accounting treatment, Remuneration of Directors, Management, Shareholders, Resignation of Directors, Formal letter of Appointment, Disclosures in Annual Report, Proceed of public and other issues
IX		CEO/CFO Certification. This requires mandatory certification that the financial statement and cashflow give a true and fair view. There are no illegal or fraudulent transactions. Maintaining internal controls
X		Report on Corporate Governance. There has to be a section on Annual Report to provide insight on Corporate Governance
XI		Compliance. Certificate to be obtained from Auditor and sent to Stock exchange and included in Annual Report

11) Details of Various Governance Norms

The Corporate Governance norms require a proper balance of executive and non-executive directors. The requirement is to have at least one women director on boar and that more than half of the board should be comprised of non-executive directors.

Further there are restrictions regarding number of Independent directors on the board. Where the Chairman is not executive director then at least one third of the board should be comprised of Independent directors. In case where Chairman of the board is also executive then the requirement is even more stringent and in such a case at least half of the board should be comprised of independent directors. There is a more specific proviso to this norm which treats a non-executive promoter chairman at par with executive Chairman and hence forces need of at least fifty percent independent directors.

The term Independent Director has been clearly defined and conditions laid out about who can and cannot be considered as independent director. It is interesting to note that nominee directors are not considered as Independent. Also, a person cannot be appointed as independent director if he/she is less than 21 years of age.

The norms under clause 49 restrict the maximum number of Independent Directorships in listed companies to be seven. In case a person is whole time director in any listed company then such a person cannot be Independent Director in more than three listed companies.

A person can be appointed as Independent Director for a term of up to five consecutive years. Such a person can with special resolution again get a term of further five years. however, after that there must be a three year cool off period. All appointments of Independent Directors must be made by issuing a formal letter and such a letter with detailed profile has to be submitted with the stock exchange within one working day of appointment.

Each company has to form a Nomination Committee and the same committee has to lay down the process for evaluation of performance of Independent Directors. The performance review is to be done by the full Board except the concerned director.

For the Independent Directors to operate more freely, there must be at least one meeting of only the Independent Directors in a year. Such a meeting has to review important aspects like performance of board members, disclosure and information flow and any other related matters. The norms also require a program to be setup by the company so that the Independent Directors can familiarize themselves with the company and its workings.

The Board is expected to meet at least four times in a year with not more than one hundred and twenty days gap between meetings. There are restrictions on directors for the number of committees they can be member of. As per the norms of clause 49 a director can be a member of not more than ten committees and chairman of not more than five such committees across all the companies where he is a director.

The board has to lay out code of conduct for the senior management of the company and also of the board itself. On annual basis the Board and Senior management must affirm that the code has been complied with. The company has to establish also a

Whistleblower policy or a Vigil policy. Such a policy should provide safeguards for people who highlight the risks and wrong actions.

There must be an Audit Committee setup for every company under clause 49 which should comprise of minimum three directors and at least two of those should be independent. The members of audit committee should be financially literate and at least one of them should have accounting or related financial experience. The chairman of audit committee must be an independent director. The chairman of audit committee should be present at the annual general meeting. The Company Secretary of the company should act as secretary of the audit committee. Audit committee is one of the most powerful committees and must meet at least four times in the year.

Nomination and Remuneration committee has to be setup with all non-executive directors. It will be role of the committee to look at the compensation and nomination for directors and senior officials.

There are also specific norms about subsidiary companies. For every material subsidiary company, the holding company has to appoint one independent director as director subsidiary. All related party transactions require utmost disclosure standards and it is mandatory to provide all information on such transaction in a timely and clear manner.

The CEO and CFO have to certify the annual financials at the same time there are various requirements put in place about the disclosures needed to be done by the board about the Corporate Governance activities. Also, the directors report must have certain types of information and disclosures as are mandatorily required. Finally, every company also needs to obtain certificate from a practicing company secretary or the auditors about the conformance to the Corporate Governance norms.

12) Implementation and Adoption of Governance Practices

An implementation of the Corporate Governance in spirit and not just in words will help companies not only to abide by the law but also bring in operational advantage. The conditions like that for independent directors can allow the board to get a variety of thought and inputs. It would help the board get different expert insights when making decisions. Similarly, a well-designed director familiarisation program will help an independent non-executive director provide more productive inputs during his/her tenure.

Adoption and true implementation of a whistle blower or vigilance policy will not only help in curbing and controlling bad practices, but it will make employees partners in the governance process.

Compliance certificate and reporting by board when done in true spirit helps give much more credibility to the governance process it also means that the financials reported by the company are seen as very reliable and true presentation of the business.

High level of disclosure standards and a healthy relationship with the shareholders will ensure that the company can expect rapid and unflinching support from shareholders when there are occasions to take quick decisions.

13) Summary

It is clearly seen that the journey of Corporate Governance in India has been very eventful from input of the various committees like KM Birla committee to Clause 49 of listing agreement and then from revised Clause 49 to SEBI (LODR) regulations. Also, of recent there have been inputs from the Uday Kotak Committee. While the current study restricts to clause 49 amendment issued on 17the April 2014 and it does not cover SEBI (LODR) regulations

With this evolution the level of Governance requirements has also steadily increased and so has the standard of disclosure and governance. Good governance by itself will not ensure commercial success of a company but it will definitely make it more possible to the company to succeed than not. A company which is commercially successful but does not have good standards of governance is in fact at risk of bad management and even runs risk of fraud or failure. Good Corporate Governance is therefore a key enabler for successful companies.

While it is often seen that some of the governance requirements are treated by certain sections as a burden the real advantage lies in being compliant not for just compliance but to really draw value from the process.

For a listed company there are typically two types of values first is the book value of its shares and second is the market value. A company with very high standards of governance will normally be expected to have a higher value for its listed shares. As such for companies with good governance the ratio of market value to book value should be higher. However, it is important to also note that there are other factors like growth and future of industry that also impacts the market value significantly. This topic will be covered in the next section “**Objectives**”

B. OBJECTIVES

1) A View on What is Known

There have been a variety of studies done on Corporate Governance. Many of the studies done in the past were more conceptual and tried to outline the general framework of Corporate Governance. This was relevant and useful earlier since in the Indian context the topic was still very new and in process of adoption. Then there were many of the other studies which were empirical but have tried to look at one or a few aspects of governance at one point in time and tried to compare it to value of firm. There also have been those studies that have looked at evolution of the topic in Indian context but not looked at it from a view of how the adoption of good governance practices are useful directly for the business from view of increase in market value. Those few studies that have ventured in the area are largely restricted to one group of companies without having looked a difference that may be there between Small Capitalisation (Small Cap), Large Capitalisation (Large Cap) and Medium Capitalisation (Mid Cap) companies. Also, there been more point in time studies as against studies that have looked at this aspect form view of positions in two different points in time and therefore the evolution from one to the other.

2) Development of Objectives

The present study was taken with this very objective. The idea being to first look at governance practices of the listed companies in India. To further look at these practices more based on the nature of the company. That will mean to study the governance practices for Small Cap, Mid Cap and Large Cap and do a comparison between these.

The study will also look at the evolution of the governance practices at two points in time – that is from year 2010-11 to year 2014-15. This will give a unique perspective of not only looking at a flat horizontal view across the three market capitalisation segments but also evolution over two different points in time.

It is believed that all activities on good governance practices will finally have impact on the market value of the company. The market value is best represented in the form of the market value of shares of the company. However, in order to do any meaningful comparison, the market value cannot be taken on its own. What is more useful is the ratio of market value to book value of shares. Also, an additional element of the study is to determine if board size and number of Board meeting have an impact on the valuation of the company.

If the general objectives are met and it finally can be demonstrated by this study that good governance leads to better firm value, then such an outcome may be very positive in helping influence adoption of good governance practices. The firm value is mostly computed using Tobin's Q in other studies. However, in the Indian context this measure is not really very suitable. For this purpose, the study will look at the Ratio of Market Value of Shares to Book Value of shares. This will give the extra premium that the market places on the shares over and above what is in the books. In this study this Ratio is used to represent the value of the firm.

The ideal scenario will be one where companies adopt good Corporate Governance practices because they themselves see value in doing this. Given that top objective of the board and senior management is to maximize shareholder value, a proof that positive relationship between good governance and high firm value exists will motivate more companies to right thing on their own.

3) Significance of the Study

In the current context of a very rapidly evolving economy where the world economies are linked to each other and where the companies and corporates are the most important form of business it is very important to look at the topic of Corporate Governance. While looking at this topic it is important to not view is in a very prescriptive way but to look at the topic with a more holistic approach and check what opportunities exist to make this more a "pull effort" then a "push effort". Push effort is one where the regulators and various stakeholders would provide rules or norms to ensure good governance. On the other hand, the pull effort is one where the corporates on their own realise the benefits of good governance and adopt best practices. This may be more real if the research and studies around this subject demonstrates that good governance has a clear positive impact on the company. This positive impact can be in the form of increase in the accessibility to capital, improved image of the organization compared to other organizations or lastly a positive impact on the market value of the firm compared to other organizations that do not adopt good governance practices.

In the last several years while this topic of corporate governance has received lot of attention. The approach has been more on the “push effort” mentioned above rather than on the “pull effort”. This study tries to drive discussion more towards the pull based effort.

The role that corporates play in the growth of a developing economy like India is even more pivotal. The mechanisms of good Corporate Governance are therefore vital for a country like India. Good Governance is more like healthy lifestyle and habits for corporates. Healthy lifestyle and habits makes a human healthy and keeps illness away. Similarly, for corporates good governance can help prevent unhealthy business practices and significantly reduces chances of corporate failure.

Overall this study comes in at the right time as the recommendations of the Kotak committee have just come in and we have seen various reactions from the industry on these recommendations. This may very well be the point of inflection where the businesses move more towards good practices on its own rather than by way of more stricter norms and rules.

4) Summary

In short, the main objective of this study are :-

1. To study corporate governance practices of select large, mid and small capitalization companies in India listed on NSE
2. To analyze the comparative position on large-capitalization, mid-capitalization, small-capitalization companies with reference to specific mandatory and recommendatory guidelines of listing agreement
3. To study the relationship, if any, between company’s corporate governance and its corporate value, for selected companies listed on NSE
4. To study the relationship, if any, between promoters holding and the value of the Company.

5. To study the relationship, if any, between the number of Board meetings held in a year and the Value.
6. To study the relationship, if any, between the company's Board size and the Value.

The first step in working towards achieving the objectives of this study is to undertake a review on what has already been published on done in this field. This is all covered under the next section titled "**Review of Literature**"

II.CHAPTER TWO

A. REVIEW OF LITERATURE

Corporate Governance at the most elementary level means conducting business of the company in such a way that the right level of disclosures is made for benefit of the concerned stakeholders. The affairs are managed with utmost care and without prejudice to any of the stakeholders. The word Governance itself comes from the old Greek root word which means to steer. So, the role of the Board of Directors is to steer the company in means and ways which is for the best interest of the stakeholders.

There have been various studies and reports issued as the subject of Corporate Governance developed over the years. The prominence of this subject started to pick up after the report of Cadbury Committee was issued in the UK and a code of governance was developed.

Corporations or companies are in the eyes of law an entity which is separate from the people that own or manage it. Therefore, it becomes important that the affairs of such corporates are managed in the right way. Over the last century the importance of the corporate form of business has increased manifold and that only enhances a need for good governing mechanism. Shareholders are the owners of a company however the control rests with the Board of Directors and Senior Management team. This separation of ownership from management is of great importance. If not properly managed such a device may be used by unscrupulous people have not individual responsibility while at the same time enjoying all the individual gains.

The next big event in Corporate Governance was the Sarbanes Oxley legislation in the US. This was passed after a series of very serious failures in the US corporates. This legislation put a lot of restriction and disclosure requirements on the Board and Senior Management team.

In India the journey started with the CII code for governance and the most important event was the introduction of clause 49 of the listing agreement. Since then there have been continuous improvements on this subject. The companies act 2013 and the SEBI

(LODR) regulations have further codified and put high importance to the matter of Corporate Governance for listed companies.

There have been various studies undertaken in the Indian context on the subject of Corporate Governance:-

1) Large Shareholder Activism

A study was done about large shareholder activism in India (Sarkar, 2000). While the study did not find any evidence that the institutional investors are active in governance. However, the study did find that concentrated ownership increases firm value. The study suggests that there can be more active interest taken by the financial intuitions and lenders in the governance process. It is often seen that while large part of the equity is held by such investors there is very little contribution from them in the Corporate Governance process. The focus of these institutional investors is only to the extent of the Debt or Equity holding.

This study also very clearly listed out the challenge with use of general metrics like Tobin's Q which may be relevant for developed economics but is not very useful in the Indian context.

This study also suggested that the financial institutions start monitoring the company only once they have a substantial stake. Till such stake is reached they have little participation. The study also noted that beyond a certain level if the promoters holding increases then the firm value increases. The authors opined that this coupled with the view of impact of large investors may mean that the German model may be suited for better governance practices in the Indian context.

2) Outside Directors and Firm Performance

In their study titled Outside Directors, Corporate Governance and Firm Performance: Empirical Evidence from India (Kumar N. a., 2012) (Kumar N. a., 2013)reviewed Indian companies for the year 2008. The Authors classified the board into various types of directors. They referred to the non-executive non-independent directors as "Grey" Directors. Their research of 157 companies revealed that even when the proportion of such Grey Directors has reduced, the independent directors proportion does not have any significant and visible positive impact on the value of the firm. The Authors opined that this study was important in view of looking at how the board should be structured and how the role of the independent director is important and needs greater significance and representation in the board.

The Authors opined that the mechanisms that work well in developed countries may not necessarily work well with developing countries like India. The study found that higher stake of promoters automatically reduces the extent of agency problem and therefore there appears a positive relation between firm value and promoter holding. This appeared to be consistent with the earlier studies done on similar lines.

3) Clause 49 Benchmarking

Neelam Bharadwaj and Batani Raghavendra Rao studied 50 companies from the Nifty index against the requirements of clause 49 (Bharadwaj, January 2014). The study was more to look at the top companies which are part of the NSE NIFTY index. Of these companies a view was taken of all compliance associated with the revised clause 49 of the listing agreement. The Authors found that the mandatory provisions of clause 49 are followed by most of the companies selected. The authors also that a few companies like Bajaj auto, Infosys and Dr. Reddy's go beyond just the mandatory requirements and provide disclosures for more details. In fact, some of the companies were also getting their corporate governance practice rated by an external rating agency like ICRA and CRISIL.

The Authors opined that for general health of economy and also for more specifically the long-term sustainability of corporates it is important that the good corporate governance practices are adopted. This study looked at more the view of what the mandatory requirements were at the time and the level of adoption and compliance of these requirements by the top companies that form part of the prestigious NIFTY index. The authors regard the clause 49 norms and their implementation as a landmark change in the Indian regulatory scenario. The change also helps to address the issues that typically come up due to various corporate governance failures and their impact on the economy and country.

4) Conceptualization of Corporate Governance in Indian Context

In their study Neha Sharma and Surya Prakash Rathi looked at the very concept of Corporate Governance and its relevance in the Indian context (Sharma, May 2014). The study concludes that Corporate Governance is not only important but indispensable in the current business world. The underlying basic concept of corporate governance is to ensure fairness transparency and accountability. The authors list out how the concept of corporate governance got evolved and established in India. They opine that while the law on corporate governance is strong the implementation is not very strong. The authors view the role of the Independent director as the most important one and pivotal in ensuring that the governance norms are really followed in spirit and not only for the sake of compliance. The authors deem it very important that the norms on governance do keep evolving as the business is also evolving very rapidly.

5) Governance and Performance

Palanisamy Saravanan did a study of the Indian Manufacturing firms to look at the Corporate Governance and Company Performance (Savaranan, March 2012). The study covered companies listed on the Bombay Stock Exchange BSE. It tried to analyse the impact of governance on the value of firm. The conclusion was that there exists a clear correlation between the firm value and the board size.

The study also mentions that typically investors who look more for growth are less concerned about the governance practices of the company. On the other hand, investors who want to do more of value investing and are long term in their approach are keener to look at the governance practices of the firm that the invest in. The study also highlights the issue that comes up due to multiple factors that impact the final value of any firm and the issue that it is not possible to be able to clearly bifurcate the impact of various variables that impact the value of firm. With this constraint any study which tries to assess impact of a single variable will have serious limitations. While there are multiple factors that can be considered as part of Corporate Governance only two factors were considered in this study.

6) Corporate Governance and Market Value

The most relevant study was done by Black, Khanna and Subramanian (Black, 2010). The study was conducted for India based on 2006 data. It found that there is a positive relationship between firm value and governance practices. It also found that the relationship was much stronger for the smaller firms than for the larger firms. Their findings suggest that the benefits of good governance on market value varies depending upon the firm and country characteristics. As a part of this study the authors built what they call the Indian Corporate Governance Index.

The Authors opine that most of the firms meet he governance norms associated with the composition of the board of directors. The Chairman of the board most often represents the controlling group and is also at many times an executive member of the board. Most of the firms comply with the Audit Committee requirements. One of the interesting claim of this study is that while compliance helps to build and maintain firm value. Doing over compliance and going out of way to follow more stricter governance norms does not automatically increase the value. So, there is a strong focus and value attached to the mandatory parts of the governance norms under clause 49 as against the non-mandatory ones.

7) Corporate Governance & Capital Structure

A study was conducted by Sathe, Madhuvanti and Gawade, S U (Sathe, Jul 2014) about Corporate Governance and Capital Structure. The Authors did a study of 10 companies in the Pharmaceuticals industry. They found out that there is a negative relationship between proportion of shares held by institutions and leverage of the company. The study also clearly indicated that there is a positive relationship between leverage of a company and the size of promoters holding. So, the conclusion was that promoters would like to continue to have more control and as a result would prefer more debt that leads to higher leverage of the company. There was a very weak relationship between the proportion of independent directors and leverage of the company. The authors of concluded on this research by stating that there is clearly an implication of the corporate governance mechanism on the overall leverage or capital structure decisions of any company.

8) Separation of Chairman & CEO positions

A study was conducted by Sinha, Shiv Nath (Sinha, Sept 2016) to look at the separation of the position of CEO and Chairman and the impact of this on the Corporate Governance. The author highlighted the importance of the difference in roles where the CEO is the senior most executive the Chairman has to be the conscience keeper. The segregation of these two roles helps in the governance process. The author points out that the revamped clause 49 has set in a non-mandatory clause about separation of the COE and Chairman role. After doing study of listed companies on BSE, NASDAQ and FTSE the author concluded that there was no sufficient impact of separation of the CEO and Chairman role on the return on equity ROE of the company. Traditionally most companies have had the CEO and Chairman roles combined. After various scans and issues that have come up over the years most of the regulators now recommend companies to have these two roles separated. Though the fact is that there is no conclusive evidence linking the separation of the positions of the CEO and Chairman to the performance of the company. In India the Clause 49 regulations recommend listed companies to have these two roles separated while not making it mandatory.

A similar study was conducted by Khanna, Gunjan (Khanna G. , March 2017) to look at the financial performance of companies where the roles of CEO and Chairman are joint, or they are separated. The author reviewed over three years the issue of separation of the role of Chairman and CEO. 50 companies from CNX Nifty were selected for the purpose of this study. The author studied position on this topic in other nations. In Canada the Toronto Stock Exchange had adopted a non-mandatory best practice which requires companies to have chairman who is not part of the management team. The position in the UK is also similar with a comply or explain approach. The empirical evidence showed that there is no significant impact of CEO duality with financial performance of the company. The author pointed out that there is a growing trend internationally for separating the offices of the Chairman and the CEO. The author noted that the splitting the CEO and Chairman is not an ultimate solution for the corporate collapses; it is only one of the desirable good corporate governance practice to enhance the prospects of growth for the company in the long run and helps building up of a sustainable business.

9) Role of Informal Institutions in Corporate Governance – BRICS Compared

Corporate Governance for any country or region is not only dependent on the legislation and regulations but also on the various stakeholders. In this context it is important to note that information institutions are as important to the right functioning of corporate governance as are the more formal institutions.

A study on this aspect of informal institutions was done by Saul Estrin and Martha Prevezer (Estrin, 2011). The authors focused on BRIC nations which comprises of Brazil, Russia, India and China. The study conducted by authors specially looked at the two aspects of firm ownership structures and property rights with reference to relationship between firm and external investors. Emerging markets do not have the same features as that of developed markets. There are often large family ownership-based firms on one side on the other there are government owned businesses and finally some which are backed by financial institutions. The authors mention that there are four types of informal institutions – namely – complementary, accommodating, competing and substitutive.

The authors concluded that ownership of BRIC countries was relatively concentrated and therefore not very conducive to good governance. The authors argue that for China and some states of India, substitutive informal institutions, whereby informal institutions substitute for and replace ineffective formal institutions, are critical in creating corporate governance leading to enhanced domestic and foreign investment. In contrast, Russia is characterized by “competing” informal institutions whereby various informal mechanisms of corporate governance associated with corruption and clientelism undermine the functioning of reasonably well set-out formal institutions relating to shareholder rights and relations with investors. Finally, Brazil is characterized by “accommodating” informal institutions which get around the effectively enforced but restrictive formal institutions and reconcile varying objectives that are held between actors in formal and informal institutions whereby. This study is very important as it shows the impact of informal institutions in corporate governance.

10) Summary

With the various studied done and available literature on this topic it is clear that while there have been a few studies there has not been any attempt to look at it over two different time periods also there have also not been studies to compare how the Small Cap companies compare to the Large Cap and Mid Cap companies in this matter.

This study will therefore not only review how the value of a company is impacted by its corporate governance practices it also takes the topic further to see what the differences are between small capitalisation, large capitalisation and medium capitalisation companies listed on the National Stock Exchange.

The study reviews also the impact of some key parameters on the company value and performance.

With the review of literature done the next chapter will focus on **Research Methodology and Hypothesis**.

III. CHAPTER THREE

A. RESEARCH METHODOLOGY

1) Research Methodology

This study being about corporate governance practices of NSE listed companies in India spread across large cap, mid cap and small cap for which the NSE Indices are taken as baseline to select firms under the large cap, mid cap and small cap categories. The mandatory and recommendatory guidelines of Listing Agreement of stock exchange with listed companies is taken benchmark.

NSE is a large and modern technologically enabled stock exchange in India. NSE has there are a large number of companies listed on the NSE. The NSE also publishes various indices to represent the market trends. This study has taken three such indices to help in shortlisting of companies to select. These indices are – NSE Nifty Fifty Index, NSE SmallCap Index and NSE MidCap Index. The final selection was done of the companies that form part of these three main indices. Therefore, this gives a very good and fair representation of the listed entities. The two categories of companies not included are those that are Banks and have additional regulations form other bodies like the Reserve Bank of India and secondly the Government Companies were also excluded purposively from the pool out of which the samples were selected.

NSE Nifty - The CNX Nifty is a well diversified 50 stock index accounting for 23 sectors of the economy. It is used for a variety of purposes such as benchmarking fund portfolios, index-based derivatives and index funds. The CNX Nifty Index represents about 66.17% of the free float market capitalization of the stocks listed on NSE as on March 31, 2015. The base period selected for CNX Nifty index is the close of prices on November 3, 1995, which marks the completion of one year of operations of NSE's Capital Market Segment. The base value of the index has been set at 1000 and a base capital of Rs.2.06 trillion.

NSE SmallCap - The CNX Smallcap Index is designed to reflect the behavior and performance of the small capitalised segment of the financial market. The CNX Smallcap Index comprises of 100 tradable, exchange listed companies. The CNX

Smallcap Index represents about 3.03% of the free float market capitalization of the stocks listed on NSE as on March 31, 2015. The total traded value for the last six months ending March 2015, of all index constituents is approximately 8.50% of the traded value of all stocks on NSE. The index is calculated using free float market capitalization methodology with a base date of January 1, 2004 indexed to a base value of 1000.

NSE MidCap - The medium capitalised segment of the stock market is being increasingly perceived as an attractive investment segment with high growth potential. The primary objective of the CNX Midcap Index is to capture the movement and be a benchmark of the midcap segment of the market. The CNX Midcap Index represents about 13.86% of the free float market capitalization of the stocks listed on NSE as on March 31, 2015. The total traded value for the last six months ending March 2015, of all index constituents is approximately 24.29% of the traded value of all stocks on NSE. The CNX Midcap Index has a base date of Jan 1, 2003 and a base value of 1000.

2) Data Collection

Data collection for the research is done by way of looking at the disclosure on corporate governance that companies provide in their annual reports. All of the data used in the report is picked up from published reports by listed companies. Additionally, published data from Stock Exchange and Government of India and other industry bodies is used to further understand and interpret the data available in annual reports. The annual reports for the financial year ending 2011 and 2015 are the ones taken for this activity. This gives a view of how the evolution has happened over two time periods. In addition data has also been collected from a set of respondents by way of a survey.

3) Nature of Data

The Data for this study is collected from various sources which are in public domain. Here are the key sources of data

1. The information and reports which are hosted by listed companies on their website.

2. Information and reports which is hosted by NSE (National Stock Exchange) on its website and details from its publications

3. Information hosted and published by SEBI and Government of India Ministry of Corporate Affairs

4. Information on existing literature from various databases

5. Data collected from individual respondents by way of a survey

4) Primary Data

The Data for this study is collected from various individual respondents to the survey. The survey is intended to bring out the opinion of the respondents on the topic of corporate governance.

5) Secondary Data

Annual reports published by companies listed on the National Stock Exchange is a key source of information. The Data for this study will be collected from various sources which are in public domain. Data collected from already published reports and studies by SEBI, NSE, GOI, Other regulatory bodies will be secondary data.

6) Quantitative and Qualitative Data

Both quantitative and qualitative data will be collected. While most of the data from SEBI, NSE and Corporate filings will be quantitative data there will be some elements of qualitative data. The use of qualitative data from Company Annual Reports is used to find which companies go beyond the normal governance norms.

7) Sample Size

Only select twenty companies from the NSE will be selected for the study. These will be from the categories or Large Cap, Mid Cap and Small Cap. So overall Sixty companies will be covered for two, time periods. The total cases of annual reports therefore analyzed will be one hundred and twenty. The companies selected will be based on the companies that form part of the various market indices that are published by NSE. The annual reports of companies that are government owned or those like pure banking companies are excluded. This has been done because for government companies the management is very different and the rules of governance norms applicable to purely private enterprise will not apply. Similarly, some companies in Banking sector are bound additionally by rules issued by other regulators like RBI and in such case using them in the sample will not help in getting true view of governance comparable with other companies.

One of the big advantages of collecting data from two different time periods is that it gives view of progression from one period to another. In this study the data is also collected for three categories of companies – the Small Cap companies, the Mid Cap Companies and the Larger Cap companies. This helps in looking at this evolution not only over two time periods but also over size of business. Companies once formed typically grow up and one would normally expect them to be Small Cap when they are initially listed then grow up to become Mid Cap and finally become Large Cap. The comparison across these three categories makes the study more interesting and helps to determine if there are differences in approach in governance across these three categories. If there is a unique trend across these categories, then it would also help in determining how the governance processes will need to change as companies move from one category to the next category.

The data collected for the study is directly from the annual report of the various companies this is the most direct source of information for all the companies selected. This also means that the data is at first level and without pollution or bias that may creep in. The companies selected are from cross section of industry, so this covers all the key sectors of the Indian Economy like – Information Technology, Infrastructure, Telecom, Pharmaceuticals, Retail and Consumer products, Diversified Manufacturing and services. This makes the data represent a good cross section of Indian business.

The data collected from individuals is by way of a survey. This survey was conducted with a total of Sixty individuals. A purposive sampling approach was taken given the nature of the survey. The individuals were selected were either working in corporate sector and would have some background about corporate governance. Most the individuals were also qualified professionals like CA, CS or CMA. The input was taken from these respondents by way of online forms using google forms. The data was downloaded in excel and further analysed. The survey respondents were mostly of them being in Pune or Mumbai. The data was collected in a form of multiple choice questions and the survey questionnaire is included in the appendix.

B. HYPOTHESIS

1) Hypothesis to Be Tested

Aligned to the overall research objectives that have been listed in chapter 1 the below five hypotheses have been developed for this study. These are directly aligned to the overall objectives of the study and would therefore as an outcome provide insight on the impact of Corporate Governance on the companies.

a) Hypothesis 1

There is no significant difference in corporate governance practices of large cap companies, mid cap companies and small cap companies

H_0: There is no significant difference between Average Governance Scores of Small Cap, Mid Cap and Large Cap Companies.

H_1: There is a significant difference between Average Governance Scores of Small Cap, Mid Cap and Large Cap Companies.

Average governance scores will be computed for all three categories of companies and compared with each other to check if there are material differences between them. This will demonstrate if one category is better than other when adopting corporate governance norms.

b) Hypothesis 2

There is no relationship between corporate value of companies and their corporate governance practices.

H_0: There is no significant relationship between Average Governance Scores of Companies and their Market Value to Book Value Ratio.

H_1: There is significant relationship between Average Governance Scores of Companies and their Market Value to Book Value Ratio.

The Ratio of Market Value to Book Value is used to depict the value of the firm. Normally a company with good governance will have a higher market value and this can be discerned by looking at the ratio of Market Value to Book Value. Normally therefore better corporate governance score should also be associated with better book value to market value ratio.

c) Hypothesis 3

There is no relationship between corporate value of companies and the holding of promoters in the company.

H_0: There is no significant relationship between Promoters Holding of Companies and their Market Value to Book Value Ratio.

H_1: There is significant relationship between Promoters Holding of Companies and their Market Value to Book Value Ratio.

The Ratio of Market Value to Book Value is used to represent the value of the firm. For a company where the holding of promoters is high the stake of the promoters and therefore the management is high this should therefore result in higher value. From a view of governance, the agency problem which is at core of corporate governance is less relevant when the promoters have a high stake. For promoters who are more invested themselves the expectation is that they will take decisions more aligned with larger shareholder community.

d) Hypothesis 4

There is no relationship between number of board meetings held and value of the company.

H_0: There is no significant relationship between number of board meetings held and their Market Value to Book Value Ratio.

H_1: There is significant relationship between number of board meetings held and their Market Value to Book Value Ratio.

The Ratio of Market Value to Book Value is used to represent the value of the company. A company that has very few meetings of board may not be effectively using the board capabilities whereas too many meetings may indicate regular issues or problems and therefore lower value. So, there is normally an expectation that average number of meetings should be associated with higher value. While this is generalized there will be years when there is a lot of changes in the business and would need more board meetings. On the other hand, there will be years when the operations of the company are running efficiently and there is less of a need to have many board meetings.

e) Hypothesis 5

There is no relationship between number of board of directors and value of the company.

H_0: There is no significant relationship between number of board of directors and their Market Value to Book Value Ratio.

H_1: There is significant relationship between number of board directors and their Market Value to Book Value Ratio.

The Ratio of Market Value to Book Value is used to represent the value of the company. A company that has less members on its Board is likely to have more complication in getting more value and time from the directors. However, on the other hand a board with very large number of directors is likely to be difficult to manage. It will not be easy to convene and manage meetings. It is normally expected that an average board size would be associated with higher value of company.

Now that the hypotheses have been set the next step is to tabulate and analyse the data. This is taken up in the next chapter "**Data Analysis and Interpretation**".

IV.CHAPTER FOUR

A. DATA ANALYSIS

Under this section, two topics will be covered the first section will cover the tabulation, organization and analysis of data. The second section would cover the interpretation of data and synthesis of outcome.

1) Data Analysis

The data was collected for 20 companies each under the Small Cap, Mid Cap and Large Cap categories of companies.

Additionally, data was collected from Individuals by doing a survey.

2) Nature of Data Collected for Each Company

Following data elements were collected for each of these companies:

1. Total Number of Directors – this was to cover the total count of directors as per the annual report at the end of the period. This gives a view of how many directors were on the board and whether the board was small or large.
2. Executive Directors - this covers the count of Executive or whole-time directors that are on the board of directors of the company.
3. Number of Family Members or Promoters on Board – this is collected to show how many of the board members are promoters or their family members. This gives a view of how closely the company is held.
4. Number of Independent Directors – this is collected to see how many of the directors are independent and how well are the governance norms overserved.
5. Women directors – this is collected to see how many women directors on the board and if the mandatory requirements are met or no.
6. Non-Executive Chairman – Data was collected to check if the Chairman is executive or non-executive.
7. Number of Board Meetings – this is data about how many board meetings here held in the given year.

8. Audit Committee – collected information for each company if there is a duly constituted Audit Committee.
9. Investors Grievance Committee – The grievance committee is a mandatory committee as per the requirements of the governance norms. This is to collect data about existence of such a committee.
10. Remuneration committee – this is to check the existence of remuneration committee.
11. Directors Responsibility Statement – to collect data for checking if there is a director's responsibility statement in the annual report.
12. Auditors certificate on Corporate Governance – data collected to check if there is an auditors certificate on Corporate Governance in the annual report of the company.
13. Auditors have observation – data is collected to check if the auditors have a qualification or even an observation to highlight in their audit report. The general idea being that clean report with no highlights or observations demonstrates one aspect of good governance.
14. Whistle Blower Policy – data was collected to check if the company has adopted a whistle blower policy. The governance norm for the whistle blower policy became mandatory in the revised guidelines. The first data set collected for the year 2010-11 is therefore more recommendatory for this norm.
15. Promoters Holding – this is data collected to find the percentage of promoters holding in the company.
16. Book value per share – the value of per share as per the published accounts
17. Market Value high – this shows the high value for the last month of the year as per data from the stock market
18. Market Value low – this shows the low value for the last month of the year as per data from the stock market
19. Market Value average – this shows the average of the high and the low value for the last month of the year as per data from the stock market
20. Market Value to Book Value Ratio (MVBVR) – this is simple ratio of Average market value to Book value expressed as a percentage. This is the key metric to determine the premium that the company enjoys over and above its book value.
21. For each of these main governance norms a point of 1 for compliance and 0 for non-compliance is given to each company:-

a. Independent directors – a full 1 point if the norms are met else a 0.
b. Woman director – a full 1 point if the norms are met else a 0.
c. Whistle Blower Policy – a full 1 point if the norms are met else a 0
d. Number of Executive directors – a full 1 point if the number of executive directors is less than 33% are met else a 0
e. Number of Board Meetings – a full 1 point if the number of meetings is more than three but less than 9, else a 0

22. CG Score – A score is given for the corporate governance if the five norms are met in 2014-15 then a full 5 score is given. In case of the year 2010-11 the whistle blower policy and Woman director norms are not included. However important to note that quite a few companies did already adhere to these even when these norms were not mandatory.

3) Data Collected for Small Cap Companies

Table 2 Data Collected for Small Cap Companies

Type	Small Cap	Small Cap	Small Cap	Small Cap	Small Cap	Small Cap
Company	Ajanta Pharma	Ajanta Pharma	Alok Ind	Alok Ind	Bajaj Electrical	Bajaj Electrical
Year (Annual Report)	2010-11	2014-15	2010-11	2014-15	2010-11	2014-15
Total No of Directors	8	10	12	11	10	8
Executive Directors	3	4	4	5	3	2
No of Family Board Members	4	5	3	3	3	3
No of Independent Directors	4	5	5	3	6	5
Women Director	1	1	1	2	1	1
Non Exec Chairman	No	Yes	No	No	No	No
No of Board meetings	4	5	4	6	5	6
Audit Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Investors Grievance Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Non Mandatory Remuneration Committee	Yes	Yes	No	Yes	Yes	Yes
Directors Responsibility Statement	Yes	Yes	Yes	Yes	Yes	Yes
Corp Governance Auditors Certificate	Yes	Yes	Yes	Yes	Yes	Yes
Auditors have Observation	No	No	No	No	No	No
Whistle Blower Policy Exists	No	Yes	No	Yes	Yes	Yes
Promoters Holding	67%	74%	28%	38%	65%	63%
Book Value Per share INR	184	89	39	39	62	68
Market Value Average for Closing Month	202	1,236	21	8	238	222
(MVBVR) Market Value to Book Value Ratio	110%	1382%	53%	21%	385%	325%
CG Score (A to E)	3.33	4.00	1.67	3.00	5.00	5.00
(A) Independent directors	1.00	1.00	-	-	1.00	1.00
(B) Women Director	1.00	1.00	1.00	1.00	1.00	1.00
(C) Whistle Blower Policy	-	1.00	-	1.00	1.00	1.00
(D) No of Exec Directors	-	-	-	-	1.00	1.00
(E) No of Board meetings	1.00	1.00	1.00	1.00	1.00	1.00

Type	Small Cap	Small Cap	Small Cap	Small Cap	Small Cap	Small Cap
Company	Bombay Dyeing	Bombay Dyeing	CEAT	CEAT	Cox & Kings	Cox & Kings
Year (Annual Report)	2010-11	2014-15	2010-11	2014-15	2010-11	2014-15
Total No of Directors	14	10	12	13	6	6
Executive Directors	2	1	2	2	1	1
No of Family Board Members	3	3	3	2	2	2
No of Independent Directors	9	7	8	9	3	3
Women Director	1	1	0	1	1	1
Non Exec Chairman	Yes	Yes	Yes	Yes	Yes	Yes
No of Board meetings	7	6	5	7	7	6
Audit Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Investors Grievance Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Non Mandatory Remuneration Committee	Yes	Yes	Yes	Yes	Yes	Yes
Directors Responsibility Statement	Yes	Yes	Yes	Yes	Yes	Yes
Corp Governance Auditors Certificate	Yes	Yes	Yes	Yes	Yes	Yes
Auditors have Observation	No	No	No	No	No	No
Whistle Blower Policy Exists	No	Yes	No	Yes	No	Yes
Promoters Holding	50%	52%	49%	51%	59%	48%
Book Value Per share INR	278	76	190	416	177	154
Market Value Average for Closing Month	353	72	103	788	398	320
(MVBVR) Market Value to Book Value Ratio	127%	95%	54%	189%	225%	208%
CG Score (A to E)	5.00	5.00	5.00	5.00	5.00	5.00
(A) Independent directors	1.00	1.00	1.00	1.00	1.00	1.00
(B) Women Director	1.00	1.00	-	1.00	1.00	1.00
(C) Whistle Blower Policy	-	1.00	-	1.00	-	1.00
(D) No of Exec Directors	1.00	1.00	1.00	1.00	1.00	1.00
(E) No of Board meetings	1.00	1.00	1.00	1.00	1.00	1.00

Type	Small Cap	Small Cap	Small Cap	Small Cap	Small Cap	Small Cap
Company	Deepak Fertilizer	Deepak Fertilizer	eClerx	eClerx	Escorts Ltd	Escorts Ltd
Year (Annual Report)	2010-11	2014-15	2010-11	2014-15	2010-11	2014-15
Total No of Directors	11	11	9	9	6	10
Executive Directors	1	2	1	1	2	3
No of Family Board Members	3	2	2	2	2	3
No of Independent Directors	8	7	7	6	4	5
Women Director	1	1	0	1	0	1
Non Exec Chairman	Yes	No	Yes	Yes	No	No
No of Board meetings	6	6	6	8	4	5
Audit Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Investors Grievance Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Non Mandatory Remuneration Committee	Yes	Yes	Yes	Yes	Yes	Yes
Directors Responsibility Statement	Yes	Yes	Yes	Yes	Yes	Yes
Corp Governance Auditors Certificate	Yes	Yes	Yes	Yes	Yes	Yes
Auditors have Observation	No	No	No	No	Yes	No
Whistle Blower Policy Exists	No	Yes	No	Yes	No	Yes
Promoters Holding	39%	50%	59%	52%	28%	42%
Book Value Per share INR	121	173	81	213	170	147
Market Value Average for Closing Month	154	138	649	1,521	72	135
(MVBVR) Market Value to Book Value Ratio	127%	80%	801%	714%	43%	92%
CG Score (A to E)	5.00	5.00	5.00	5.00	3.33	5.00
(A) Independent directors	1.00	1.00	1.00	1.00	1.00	1.00
(B) Women Director	1.00	1.00	-	1.00	-	1.00
(C) Whistle Blower Policy	-	1.00	-	1.00	-	1.00
(D) No of Exec Directors	1.00	1.00	1.00	1.00	-	1.00
(E) No of Board meetings	1.00	1.00	1.00	1.00	1.00	1.00

Type	Small Cap	Small Cap	Small Cap	Small Cap	Small Cap	Small Cap
Company	First Source	First Source	GMR Infra	GMR Infra	Greaves Cotton	Greaves Cotton
Year (Annual Report)	2010-11	2014-15	2010-11	2014-15	2010-11	2014-15
Total No of Directors	10	11	10	15	6	8
Executive Directors	1	1	2	4	2	2
No of Family Board Members	0	0	4	4	0	0
No of Independent Directors	5	6	6	8	4	5
Women Director	0	1	0	1	0	1
Non Exec Chairman	Yes	Yes	No	No	Yes	Yes
No of Board meetings	6	4	6	10	4	5
Audit Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Investors Grievance Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Non Mandatory Remuneration Committee	Yes	Yes	Yes	Yes	Yes	Yes
Directors Responsibility Statement	Yes	Yes	Yes	Yes	Yes	Yes
Corp Governance Auditors Certificate	Yes	Yes	Yes	Yes	Yes	Yes
Auditors have Observation	No	Yes	Yes	Yes	No	No
Whistle Blower Policy Exists	Yes	Yes	Yes	Yes	No	Yes
Promoters Holding	20%	56%	71%	66%	52%	52%
Book Value Per share INR	33	31	20	14	22	34
Market Value Average for Closing Month	17	30	39	17	90	140
(MVBVR) Market Value to Book Value Ratio	53%	97%	195%	123%	410%	411%
CG Score (A to E)	5.00	5.00	5.00	4.00	3.33	5.00
(A) Independent directors	1.00	1.00	1.00	1.00	1.00	1.00
(B) Women Director	-	1.00	-	1.00	-	1.00
(C) Whistle Blower Policy	1.00	1.00	1.00	1.00	-	1.00
(D) No of Exec Directors	1.00	1.00	1.00	1.00	-	1.00
(E) No of Board meetings	1.00	1.00	1.00	-	1.00	1.00

Type	Small Cap	Small Cap	Small Cap	Small Cap	Small Cap	Small Cap
Company	Gujarat Fluorochem	Gujarat Fluorochem	HDIL	HDIL	Hexaware	Hexaware
Year (Annual Report)	2010-11	2014-15	2010-11	2014-15	2010-11	2014-15
Total No of Directors	11	11	11	8	11	10
Executive Directors	3	3	2	2	1	1
No of Family Board Members	3	3	2	2	2	0
No of Independent Directors	5	5	7	5	6	4
Women Director	0	0	0	1	1	0
Non Exec Chairman	Yes	No	No	No	Yes	Yes
No of Board meetings	4	5	5	4	9	6
Audit Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Investors Grievance Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Non Mandatory Remuneration Committee	No	Yes	Yes	Yes	Yes	Yes
Directors Responsibility Statement	No	Yes	Yes	Yes	Yes	Yes
Corp Governance Auditors Certificate	Yes	Yes	Yes	Yes	Yes	Yes
Auditors have Observation	No	Yes	No	No	No	No
Whistle Blower Policy Exists	No	Yes	No	Yes	No	Yes
Promoters Holding	70%	68%	39%	36%	28%	71%
Book Value Per share INR	159	260	226	254	35	43
Market Value Average for Closing Month	317	734	165	108	80	210
(MVBVR) Market Value to Book Value Ratio	199%	282%	73%	43%	232%	491%
CG Score (A to E)	5.00	3.00	5.00	5.00	5.00	4.00
(A) Independent directors	1.00	-	1.00	1.00	1.00	1.00
(B) Women Director	-	-	-	1.00	1.00	-
(C) Whistle Blower Policy	-	1.00	-	1.00	-	1.00
(D) No of Exec Directors	1.00	1.00	1.00	1.00	1.00	1.00
(E) No of Board meetings	1.00	1.00	1.00	1.00	1.00	1.00

Type	Small Cap	Small Cap	Small Cap	Small Cap	Small Cap	Small Cap
Company	Shree Renuka Sugars	Shree Renuka Sugars	Sintex	Sintex	SRF	SRF
Year (Annual Report)	2010-11	2014-15	2010-11	2014-15	2010-11	2014-15
Total No of Directors	11	10	11	11	10	10
Executive Directors	4	3	5	3	4	4
No of Family Board Members	2	2	4	4	3	3
No of Independent Directors	6	5	6	6	6	6
Women Director	1	1	1	1	0	1
Non Exec Chairman	No	No	No	Yes	No	No
No of Board meetings	7	5	4	5	6	5
Audit Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Investors Grievance Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Non Mandatory Remuneration Committee	Yes	Yes	Yes	Yes	Yes	Yes
Directors Responsibility Statement	Yes	Yes	Yes	Yes	Yes	Yes
Corp Governance Auditors Certificate	Yes	Yes	Yes	Yes	Yes	Yes
Auditors have Observation	No	Yes	Yes	Yes	No	No
Whistle Blower Policy Exists	No	Yes	No	Yes	No	Yes
Promoters Holding	38%	55%	35%	34%	47%	52%
Book Value Per share INR	27	17	87	135	271	418
Market Value Average for Closing Month	35	14	147	123	314	949
(MVBVR) Market Value to Book Value Ratio	133%	86%	169%	91%	116%	227%
CG Score (A to E)	3.33	5.00	3.33	5.00	3.33	4.00
(A) Independent directors	1.00	1.00	1.00	1.00	1.00	1.00
(B) Women Director	1.00	1.00	1.00	1.00	-	1.00
(C) Whistle Blower Policy	-	1.00	-	1.00	-	1.00
(D) No of Exec Directors	-	1.00	-	1.00	-	-
(E) No of Board meetings	1.00	1.00	1.00	1.00	1.00	1.00

Type	Small Cap	Small Cap	Small Cap	Small Cap
Company	Suzlon	Suzlon	TATA Elxsi	TATA Elxsi
Year (Annual Report)	2010-11	2014-15	2010-11	2014-15
Total No of Directors	8	10	6	8
Executive Directors	2	1	1	1
No of Family Board Members	3	3	0	0
No of Independent Directors	5	4	4	4
Women Director	1	2	0	1
Non Exec Chairman	No	No	Yes	Yes
No of Board meetings	5	7	6	7
Audit Committee Exists	Yes	Yes	Yes	Yes
Investors Grievance Committee Exists	Yes	Yes	Yes	Yes
Non Mandatory Remuneration Committee	Yes	Yes	Yes	Yes
Directors Responsibility Statement	Yes	Yes	Yes	Yes
Corp Governance Auditors Certificate	Yes	Yes	Yes	Yes
Auditors have Observation	Yes	Yes	Yes	No
Whistle Blower Policy Exists	No	Yes	Yes	Yes
Promoters Holding	55%	28%	45%	45%
Book Value Per share INR	38	(25)	60	91
Market Value Average for Closing Month	47	28	247	1,430
(MVBVR) Market Value to Book Value Ratio	122%	-114%	415%	1571%
CG Score (A to E)	5.00	4.00	5.00	5.00
(A) Independent directors	1.00	-	1.00	1.00
(B) Women Director	1.00	1.00	-	1.00
(C) Whistle Blower Policy	-	1.00	1.00	1.00
(D) No of Exec Directors	1.00	1.00	1.00	1.00
(E) No of Board meetings	1.00	1.00	1.00	1.00

4) Data Collected for Mid Cap Companies

Table 3 Data Collected for Mid Cap Companies

Type	Mid Cap	Mid Cap	Mid Cap	Mid Cap	Mid Cap	Mid Cap
Company	Aditya Birla Nuvo	Aditya Birla Nuvo	Apollo Hospitals	Apollo Hospitals	Ashok Leyland	Ashok Leyland
Year (Annual Report)	2010-11	2014-15	2010-11	2014-15	2010-11	2014-15
Total No of Directors	14	10	16	13	11	11
Executive Directors	3	2	5	5	2	1
No of Family Board Members	2	2	5	5	1	1
No of Independent Directors	6	5	9	8	5	6
Women Director	2	2	4	4	0	1
Non Exec Chairman	Yes	Yes	No	No	Yes	Yes
No of Board meetings	4	5	8	7	6	6
Audit Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Investors Grievance Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Non Mandatory Remuneration Committee	Yes	Yes	Yes	Yes	Yes	Yes
Directors Responsibility Statement	Yes	Yes	Yes	Yes	Yes	Yes
Corp Governance Auditors Certificate	Yes	Yes	Yes	Yes	Yes	Yes
Auditors have Observation	No	No	No	No	No	No
Whistle Blower Policy Exists	No	Yes	No	Yes	No	Yes
Promoters Holding	51%	57%	33%	34%	51%	50%
Book Value Per share INR	586	989	142	227	30	18
Market Value Average for Closing Month	785	1,683	480	1,400	52	72
(MVBVR) Market Value to Book Value Ratio	134%	170%	338%	616%	175%	398%
CG Score (A to E)	5.00	5.00	5.00	4.00	5.00	5.00
(A) Independent directors	1.00	1.00	1.00	1.00	1.00	1.00
(B) Women Director	1.00	1.00	1.00	1.00	-	1.00
(C) Whistle Blower Policy	-	1.00	-	1.00	-	1.00
(D) No of Exec Directors	1.00	1.00	1.00	-	1.00	1.00
(E) No of Board meetings	1.00	1.00	1.00	1.00	1.00	1.00

Type	Mid Cap	Mid Cap	Mid Cap	Mid Cap	Mid Cap	Mid Cap
Company	Bajaj FinServ	Bajaj FinServ	Bharat Forge	Bharat Forge	Britannia Industries	Britannia Industries
Year (Annual Report)	2010-11	2014-15	2010-11	2014-15	2010-11	2014-15
Total No of Directors	10	9	17	14	13	13
Executive Directors	0	1	7	6	1	1
No of Family Board Members	4	4	3	3	3	3
No of Independent Directors	5	5	9	7	6	8
Women Director	0	1	1	1	1	1
Non Exec Chairman	Yes	Yes	No	No	Yes	Yes
No of Board meetings	4	6	5	4	6	5
Audit Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Investors Grievance Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Non Mandatory Remuneration Committee	Yes	Yes	Yes	Yes	Yes	Yes
Directors Responsibility Statement	Yes	Yes	Yes	Yes	Yes	Yes
Corp Governance Auditors Certificate	Yes	Yes	Yes	Yes	Yes	Yes
Auditors have Observation	No	No	No	No	No	No
Whistle Blower Policy Exists	Yes	Yes	No	Yes	No	Yes
Promoters Holding	51%	58%	42%	47%	51%	51%
Book Value Per share INR	371	960	86	150	38	103
Market Value Average for Closing Month	663	1,443	331	1,267	358	2,153
(MVBVR) Market Value to Book Value Ratio	179%	150%	386%	844%	947%	2090%
CG Score (A to E)	5.00	5.00	3.33	4.00	5.00	5.00
(A) Independent directors	1.00	1.00	1.00	1.00	1.00	1.00
(B) Women Director	-	1.00	1.00	1.00	1.00	1.00
(C) Whistle Blower Policy	1.00	1.00	-	1.00	-	1.00
(D) No of Exec Directors	1.00	1.00	-	-	1.00	1.00
(E) No of Board meetings	1.00	1.00	1.00	1.00	1.00	1.00

Type	Mid Cap	Mid Cap	Mid Cap	Mid Cap	Mid Cap	Mid Cap
Company	Crompton Greaves	Crompton Greaves	Divis Labs	Divis Labs	Eicher Motors	Eicher Motors
Year (Annual Report)	2010-11	2014-15	2010-11	2014-15	2010-11	2014-15
Total No of Directors	10	9	10	8	5	6
Executive Directors	1	1	5	4	1	2
No of Family Board Members	1	1	3	3	1	1
No of Independent Directors	7	5	5	4	3	4
Women Director	1	2	0	1	0	0
Non Exec Chairman	Yes	Yes	No	No	Yes	Yes
No of Board meetings	6	8	4	5	4	4
Audit Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Investors Grievance Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Non Mandatory Remuneration Committee	Yes	Yes	Yes	Yes	Yes	Yes
Directors Responsibility Statement	Yes	Yes	Yes	Yes	Yes	Yes
Corp Governance Auditors Certificate	Yes	Yes	Yes	Yes	Yes	Yes
Auditors have Observation	No	No	No	Yes	No	No
Whistle Blower Policy Exists	Yes	Yes	Yes	Yes	No	No
Promoters Holding	41%	34%	52%	52%	55%	55%
Book Value Per share INR	51	59	138	268	452	807
Market Value Average for Closing Month	264	174	637	1,785	1,199	14,743
(MVBVR) Market Value to Book Value Ratio	518%	295%	462%	665%	265%	1827%
CG Score (A to E)	5.00	5.00	3.33	4.00	5.00	2.00
(A) Independent directors	1.00	1.00	1.00	1.00	1.00	1.00
(B) Women Director	1.00	1.00	-	1.00	-	-
(C) Whistle Blower Policy	1.00	1.00	1.00	1.00	-	-
(D) No of Exec Directors	1.00	1.00	-	-	1.00	-
(E) No of Board meetings	1.00	1.00	1.00	1.00	1.00	1.00

Type	Mid Cap	Mid Cap	Mid Cap	Mid Cap	Mid Cap	Mid Cap
Company	Glenmark Pharma	Glenmark Pharma	Godrej Industries	Godrej Industries	Indiabulls Housing Fin	Indiabulls Housing Fin
Year (Annual Report)	2010-11	2014-15	2010-11	2014-15	2010-11	2014-15
Total No of Directors	10	10	13	12	8	11
Executive Directors	3	3	3	3	2	4
No of Family Board Members	4	3	4	3	0	0
No of Independent Directors	5	7	7	6	4	6
Women Director	1	2	1	1	0	1
Non Exec Chairman	Yes	No	No	No	No	No
No of Board meetings	5	4	4	6	18	9
Audit Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Investors Grievance Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Non Mandatory Remuneration Committee	Yes	Yes	Yes	Yes	Yes	Yes
Directors Responsibility Statement	Yes	Yes	Yes	Yes	Yes	Yes
Corp Governance Auditors Certificate	Yes	Yes	Yes	Yes	Yes	Yes
Auditors have Observation	Yes	No	Yes	Yes	No	No
Whistle Blower Policy Exists	No	Yes	Yes	Yes	Yes	Yes
Promoters Holding	48%	48%	79%	75%	32%	28%
Book Value Per share INR	73	183	34	49	134	187
Market Value Average for Closing Month	280	815	175	345	146	589
(MVBVR) Market Value to Book Value Ratio	383%	447%	509%	700%	110%	316%
CG Score (A to E)	5.00	5.00	5.00	5.00	3.33	4.00
(A) Independent directors	1.00	1.00	1.00	1.00	1.00	1.00
(B) Women Director	1.00	1.00	1.00	1.00	-	1.00
(C) Whistle Blower Policy	-	1.00	1.00	1.00	1.00	1.00
(D) No of Exec Directors	1.00	1.00	1.00	1.00	1.00	-
(E) No of Board meetings	1.00	1.00	1.00	1.00	-	1.00

Type	Mid Cap	Mid Cap	Mid Cap	Mid Cap	Mid Cap	Mid Cap
Company	KPIT Technologies	KPIT Technologies	Marico Industries	Marico Industries	MRF	MRF
Year (Annual Report)	2010-11	2014-15	2010-11	2014-15	2010-11	2014-15
Total No of Directors	12	11	8	9	12	14
Executive Directors	1	3	1	1	4	3
No of Family Board Members	1	1	2	2	5	7
No of Independent Directors	5	6	6	6	6	8
Women Director	2	1	0	1	0	2
Non Exec Chairman	Yes	No	No	Yes	No	No
No of Board meetings	11	6	6	5	5	7
Audit Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Investors Grievance Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Non Mandatory Remuneration Committee	Yes	Yes	Yes	Yes	Yes	Yes
Directors Responsibility Statement	Yes	Yes	Yes	Yes	Yes	Yes
Corp Governance Auditors Certificate	Yes	Yes	Yes	Yes	Yes	Yes
Auditors have Observation	No	No	No	No	No	No
Whistle Blower Policy Exists	Yes	Yes	Yes	Yes	No	Yes
Promoters Holding	27%	22%	63%	60%	27%	27%
Book Value Per share INR	66	55	15	28	5,418	16,020
Market Value Average for Closing Month	165	201	130	381	6,935	35,607
(MVBVR) Market Value to Book Value Ratio	249%	363%	873%	1348%	128%	222%
CG Score (A to E)	3.33	5.00	5.00	5.00	3.33	5.00
(A) Independent directors	1.00	1.00	1.00	1.00	1.00	1.00
(B) Women Director	1.00	1.00	-	1.00	-	1.00
(C) Whistle Blower Policy	1.00	1.00	1.00	1.00	-	1.00
(D) No of Exec Directors	1.00	1.00	1.00	1.00	-	1.00
(E) No of Board meetings	-	1.00	1.00	1.00	1.00	1.00

Type	Mid Cap	Mid Cap	Mid Cap	Mid Cap	Mid Cap	Mid Cap
Company	Pidilite Industries	Pidilite Industries	SKS Microfinance	SKS Microfinance	Thermax	Thermax
Year (Annual Report)	2010-11	2014-15	2010-11	2014-15	2010-11	2014-15
Total No of Directors	14	12	10	9	8	8
Executive Directors	4	5	1	1	1	1
No of Family Board Members	6	4	1	1	3	3
No of Independent Directors	7	7	5	5	4	4
Women Director	0	1	0	1	2	2
Non Exec Chairman	Yes	No	Yes	Yes	Yes	Yes
No of Board meetings	5	9	12	9	5	5
Audit Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Investors Grievance Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Non Mandatory Remuneration Committee	Yes	Yes	Yes	Yes	No	Yes
Directors Responsibility Statement	Yes	Yes	Yes	Yes	Yes	Yes
Corp Governance Auditors Certificate	Yes	Yes	Yes	Yes	Yes	Yes
Auditors have Observation	No	No	Yes	Yes	No	No
Whistle Blower Policy Exists	No	Yes	Yes	Yes	Yes	Yes
Promoters Holding	71%	70%	37%	9%	62%	62%
Book Value Per share INR	23	46	245	83	108	190
Market Value Average for Closing Month	145	601	580	441	596	1,189
(MVBVR) Market Value to Book Value Ratio	643%	1311%	237%	532%	552%	626%
CG Score (A to E)	5.00	4.00	3.33	5.00	5.00	5.00
(A) Independent directors	1.00	1.00	1.00	1.00	1.00	1.00
(B) Women Director	-	1.00	-	1.00	1.00	1.00
(C) Whistle Blower Policy	-	1.00	1.00	1.00	1.00	1.00
(D) No of Exec Directors	1.00	-	1.00	1.00	1.00	1.00
(E) No of Board meetings	1.00	1.00	-	1.00	1.00	1.00

Type	Mid Cap	Mid Cap	Mid Cap	Mid Cap
Company	TVS Motor Co Ltd	TVS Motor Co Ltd	United Phosphorus Ltd	United Phosphorus Ltd
Year (Annual Report)	2010-11	2014-15	2010-11	2014-15
Total No of Directors	7	9	12	12
Executive Directors	1	2	4	3
No of Family Board Members	1	3	4	4
No of Independent Directors	4	5	6	7
Women Director	0	1	2	2
Non Exec Chairman	No	No	No	No
No of Board meetings	4	6	5	4
Audit Committee Exists	Yes	Yes	Yes	Yes
Investors Grievance Committee Exists	Yes	Yes	Yes	Yes
Non Mandatory Remuneration Committee	Yes	Yes	Yes	Yes
Directors Responsibility Statement	Yes	Yes	Yes	Yes
Corp Governance Auditors Certificate	Yes	Yes	Yes	Yes
Auditors have Observation	No	No	Yes	Yes
Whistle Blower Policy Exists	No	Yes	No	Yes
Promoters Holding	59%	57%	27%	30%
Book Value Per share INR	21	34	81	82
Market Value Average for Closing Month	56	264	140	429
(MVBVR) Market Value to Book Value Ratio	270%	769%	174%	522%
CG Score (A to E)	5.00	5.00	3.33	5.00
(A) Independent directors	1.00	1.00	1.00	1.00
(B) Women Director	-	1.00	1.00	1.00
(C) Whistle Blower Policy	-	1.00	-	1.00
(D) No of Exec Directors	1.00	1.00	-	1.00
(E) No of Board meetings	1.00	1.00	1.00	1.00

5) Data Collected for Large Cap Companies

Table 4 Data Collected for Large Cap Companies

Type	Large Cap	Large Cap	Large Cap	Large Cap	Large Cap	Large Cap
Company	ACC	ACC	Bajaj Auto	Bajaj Auto	Bharati Airtel	Bharati Airtel
Year (Annual Report)	2010-11	2014-15	2010-11	2014-15	2010-11	2014-15
Total No of Directors	12	12	16	16	16	13
Executive Directors	1	1	4	3	2	2
No of Family Board Members	0	0	6	6	3	3
No of Independent Directors	6	7	9	9	8	8
Women Director	0	1	1	1	2	3
Non Exec Chairman	Yes	Yes	No	No	No	No
No of Board meetings	5	6	6	8	4	5
Audit Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Investors Grievance Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Non Mandatory Remuneration Committee	Yes	Yes	Yes	Yes	Yes	Yes
Directors Responsibility Statement	Yes	Yes	Yes	Yes	Yes	Yes
Corp Governance Auditors Certificate	Yes	Yes	Yes	Yes	Yes	Yes
Auditors have Observation	No	No	No	No	Yes	Yes
Whistle Blower Policy Exists	Yes	Yes	Yes	Yes	Yes	Yes
Promoters Holding	50%	50%	50%	49%	68%	65%
Book Value Per share INR	385	450	166	383	128	155
Market Value Average for Closing Month	1,157	1,339	1,375	2,095	337	372
(MVBVR) Market Value to Book Value Ratio	301%	298%	828%	546%	263%	240%
CG Score (A to E)	5.00	5.00	5.00	5.00	5.00	5.00
(A) Independent directors	1.00	1.00	1.00	1.00	1.00	1.00
(B) Women Director	-	1.00	1.00	1.00	1.00	1.00
(C) Whistle Blower Policy	1.00	1.00	1.00	1.00	1.00	1.00
(D) No of Exec Directors	1.00	1.00	1.00	1.00	1.00	1.00
(E) No of Board meetings	1.00	1.00	1.00	1.00	1.00	1.00

Type	Large Cap	Large Cap	Large Cap	Large Cap	Large Cap	Large Cap
Company	Cipla	Cipla	Dr Reddys Labs	Dr Reddys Labs	HCL Technologies	HCL Technologies
Year (Annual Report)	2010-11	2014-15	2010-11	2014-15	2010-11	2014-15
Total No of Directors	8	13	10	10	9	9
Executive Directors	3	3	3	2	2	1
No of Family Board Members	2	2	3	2	1	2
No of Independent Directors	5	8	7	8	7	6
Women Director	0	1	1	1	1	2
Non Exec Chairman	No	Yes	No	No	No	No
No of Board meetings	8	8	5	4	4	4
Audit Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Investors Grievance Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Non Mandatory Remuneration Committee	No	Yes	Yes	Yes	Yes	Yes
Directors Responsibility Statement	Yes	Yes	Yes	Yes	Yes	Yes
Corp Governance Auditors Certificate	Yes	Yes	Yes	Yes	Yes	Yes
Auditors have Observation	No	No	No	No	No	No
Whistle Blower Policy Exists	No	Yes	Yes	Yes	Yes	Yes
Promoters Holding	37%	37%	26%	25%	64%	61%
Book Value Per share INR	82	138	238	578	111	172
Market Value Average for Closing Month	309	717	1,584	3,438	479	941
(MVBVR) Market Value to Book Value Ratio	376%	519%	665%	594%	431%	546%
CG Score (A to E)	3.33	5.00	5.00	5.00	5.00	5.00
(A) Independent directors	1.00	1.00	1.00	1.00	1.00	1.00
(B) Women Director	-	1.00	1.00	1.00	1.00	1.00
(C) Whistle Blower Policy	-	1.00	1.00	1.00	1.00	1.00
(D) No of Exec Directors	-	1.00	1.00	1.00	1.00	1.00
(E) No of Board meetings	1.00	1.00	1.00	1.00	1.00	1.00

Type	Large Cap	Large Cap	Large Cap	Large Cap	Large Cap	Large Cap
Company	Hero Motor Corp	Hero Motor Corp	Hindustan Unilever	Hindustan Unilever	Idea Cellular	Idea Cellular
Year (Annual Report)	2010-11	2014-15	2010-11	2014-15	2010-11	2014-15
Total No of Directors	14	12	9	9	13	13
Executive Directors	2	3	4	3	1	1
No of Family Board Members	4	4	0	0	2	2
No of Independent Directors	8	7	4	5	6	7
Women Director	0	1	0	1	2	3
Non Exec Chairman	No	No	Yes	Yes	Yes	Yes
No of Board meetings	5	6	7	8	4	7
Audit Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Investors Grievance Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Non Mandatory Remuneration Committee	Yes	Yes	Yes	Yes	Yes	Yes
Directors Responsibility Statement	Yes	Yes	Yes	Yes	Yes	Yes
Corp Governance Auditors Certificate	Yes	Yes	Yes	Yes	Yes	Yes
Auditors have Observation	No	No	No	No	No	No
Whistle Blower Policy Exists	No	Yes	Yes	Yes	No	Yes
Promoters Holding	52%	35%	53%	67%	46%	42%
Book Value Per share INR	148	328	12	17	37	61
Market Value Average for Closing Month	1,516	2,629	278	915	63	165
(MVBVR) Market Value to Book Value Ratio	1024%	803%	2281%	5314%	168%	272%
CG Score (A to E)	5.00	5.00	3.33	4.00	5.00	5.00
(A) Independent directors	1.00	1.00	1.00	1.00	1.00	1.00
(B) Women Director	-	1.00	-	1.00	1.00	1.00
(C) Whistle Blower Policy	-	1.00	1.00	1.00	-	1.00
(D) No of Exec Directors	1.00	1.00	-	-	1.00	1.00
(E) No of Board meetings	1.00	1.00	1.00	1.00	1.00	1.00

Type	Large Cap	Large Cap	Large Cap	Large Cap	Large Cap	Large Cap
Company	Infosys	Infosys	ITC	ITC	Larsen & Toubro	Larsen & Toubro
Year (Annual Report)	2010-11	2014-15	2010-11	2014-15	2010-11	2014-15
Total No of Directors	14	10	16	16	15	14
Executive Directors	4	2	4	4	6	6
No of Family Board Members	0	0	0	0	0	0
No of Independent Directors	8	8	9	8	9	7
Women Director	0	3	0	1	1	0
Non Exec Chairman	Yes	Yes	No	No	No	No
No of Board meetings	5	9	7	6	13	9
Audit Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Investors Grievance Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Non Mandatory Remuneration Committee	Yes	Yes	Yes	Yes	Yes	Yes
Directors Responsibility Statement	Yes	Yes	Yes	Yes	Yes	Yes
Corp Governance Auditors Certificate	Yes	Yes	Yes	Yes	Yes	Yes
Auditors have Observation	No	No	No	No	No	No
Whistle Blower Policy Exists	Yes	Yes	No	Yes	Yes	Yes
Promoters Holding	16%	13%	0%	0%	0%	0%
Book Value Per share INR	427	444	21	38	411	440
Market Value Average for Closing Month	3,082	2,223	175	337	1,599	1,754
(MVBVR) Market Value to Book Value Ratio	722%	501%	848%	878%	389%	399%
CG Score (A to E)	5.00	5.00	5.00	5.00	1.67	3.00
(A) Independent directors	1.00	1.00	1.00	1.00	1.00	1.00
(B) Women Director	-	1.00	-	1.00	1.00	-
(C) Whistle Blower Policy	1.00	1.00	-	1.00	1.00	1.00
(D) No of Exec Directors	1.00	1.00	1.00	1.00	-	-
(E) No of Board meetings	1.00	1.00	1.00	1.00	-	1.00

Type	Large Cap	Large Cap	Large Cap	Large Cap	Large Cap	Large Cap
Company	Mahindra & Mahindra	Mahindra & Mahindra	Reliance Industries	Reliance Industries	Sun Pharmaceuticals	Sun Pharmaceuticals
Year (Annual Report)	2010-11	2014-15	2010-11	2014-15	2010-11	2014-15
Total No of Directors	12	11	13	13	8	9
Executive Directors	2	2	5	4	4	3
No of Family Board Members	2	1	1	2	2	2
No of Independent Directors	7	8	7	7	4	5
Women Director	0	1	0	1	0	1
Non Exec Chairman	Yes	No	No	No	No	Yes
No of Board meetings	10	5	8	7	5	6
Audit Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Investors Grievance Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Non Mandatory Remuneration Committee	Yes	Yes	Yes	Yes	Yes	Yes
Directors Responsibility Statement	Yes	Yes	Yes	Yes	Yes	Yes
Corp Governance Auditors Certificate	Yes	Yes	Yes	Yes	Yes	Yes
Auditors have Observation	Yes	No	No	No	No	Yes
Whistle Blower Policy Exists	No	Yes	Yes	Yes	No	Yes
Promoters Holding	25%	26%	45%	45%	64%	64%
Book Value Per share INR	233	416	463	742	92	124
Market Value Average for Closing Month	668	1,232	1,010	853	440	992
(MVBVR) Market Value to Book Value Ratio	287%	296%	218%	115%	480%	802%
CG Score (A to E)	3.33	5.00	3.33	5.00	3.33	4.00
(A) Independent directors	1.00	1.00	1.00	1.00	1.00	1.00
(B) Women Director	-	1.00	-	1.00	-	1.00
(C) Whistle Blower Policy	-	1.00	1.00	1.00	-	1.00
(D) No of Exec Directors	1.00	1.00	-	1.00	-	-
(E) No of Board meetings	-	1.00	1.00	1.00	1.00	1.00

Type	Large Cap	Large Cap	Large Cap	Large Cap	Large Cap	Large Cap
Company	TCS	TCS	Tata Motors	Tata Motors	Tata Steel	Tata Steel
Year (Annual Report)	2010-11	2014-15	2010-11	2014-15	2010-11	2014-15
Total No of Directors	12	11	13	10	12	12
Executive Directors	3	2	2	2	0	2
No of Family Board Members	1	0	1	0	1	0
No of Independent Directors	6	6	7	6	6	6
Women Director	1	1	0	1	0	1
Non Exec Chairman	Yes	Yes	Yes	Yes	Yes	Yes
No of Board meetings	7	7	10	10	5	9
Audit Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Investors Grievance Committee Exists	Yes	Yes	Yes	Yes	Yes	Yes
Non Mandatory Remuneration Committee	Yes	Yes	Yes	Yes	Yes	Yes
Directors Responsibility Statement	Yes	Yes	Yes	Yes	Yes	Yes
Corp Governance Auditors Certificate	Yes	Yes	Yes	Yes	Yes	Yes
Auditors have Observation	No	No	No	No	Yes	Yes
Whistle Blower Policy Exists	Yes	Yes	Yes	Yes	Yes	Yes
Promoters Holding	74%	74%	26%	34%	31%	31%
Book Value Per share INR	83	259	315	175	371	323
Market Value Average for Closing Month	1,124	2,657	1,183	555	608	445
(MVBVR) Market Value to Book Value Ratio	1357%	1028%	375%	318%	164%	138%
CG Score (A to E)	5.00	5.00	3.33	4.00	5.00	5.00
(A) Independent directors	1.00	1.00	1.00	1.00	1.00	1.00
(B) Women Director	1.00	1.00	-	1.00	-	1.00
(C) Whistle Blower Policy	1.00	1.00	1.00	1.00	1.00	1.00
(D) No of Exec Directors	1.00	1.00	1.00	1.00	1.00	1.00
(E) No of Board meetings	1.00	1.00	-	-	1.00	1.00

Type	Large Cap	Large Cap	Large Cap	Large Cap
Company	Ultratech Cement	Ultratech Cement	Zee Entertainment	Zee Entertainment
Year (Annual Report)	2010-11	2014-15	2010-11	2014-15
Total No of Directors	12	14	9	8
Executive Directors	1	2	1	2
No of Family Board Members	2	2	1	1
No of Independent Directors	7	7	6	4
Women Director	1	3	1	1
Non Exec Chairman	Yes	Yes	Yes	Yes
No of Board meetings	4	7	9	7
Audit Committee Exists	Yes	Yes	Yes	Yes
Investors Grievance Committee Exists	Yes	Yes	Yes	Yes
Non Mandatory Remuneration Committee	No	Yes	Yes	Yes
Directors Responsibility Statement	Yes	Yes	Yes	Yes
Corp Governance Auditors Certificate	Yes	Yes	Yes	Yes
Auditors have Observation	No	No	No	No
Whistle Blower Policy Exists	No	Yes	Yes	Yes
Promoters Holding	63%	62%	43%	43%
Book Value Per share INR	389	687	32	58
Market Value Average for Closing Month	1,034	3,066	122	351
(MVBVR) Market Value to Book Value Ratio	266%	446%	386%	607%
CG Score (A to E)	5.00	5.00	5.00	5.00
(A) Independent directors	1.00	1.00	1.00	1.00
(B) Women Director	1.00	1.00	1.00	1.00
(C) Whistle Blower Policy	-	1.00	1.00	1.00
(D) No of Exec Directors	1.00	1.00	1.00	1.00
(E) No of Board meetings	1.00	1.00	1.00	1.00

6) Data Collected from Survey

Survey was conducted to get views from individuals about various aspects of corporate governance. Below is the data that was collected for the eight questions that were put in as part of the survey.

Respondent No	Q1 - Do you believe that corporate governance norms in India are sufficiently strong?	Q2. Do you agree with the comment that - "For any Public company better corporate governance means better company value"? Please answer on scale of 1 to 5	Q3. Do you agree with the statement that - "Corporate Governance Norms and practices are equally important for companies of all sizes - Small Cap, Mid Cap and Large Cap"?
1	Yes	3 - Not sure	3 - Equally important for all companies of all sizes
2	Yes	5 - Strongly Agree	1 - More important for Large Cap companies
3	Yes	5 - Strongly Agree	3 - Equally important for all companies of all sizes
4	No	5 - Strongly Agree	3 - Equally important for all companies of all sizes
5	No	4 - Somewhat Agree	3 - Equally important for all companies of all sizes
6	Yes	4 - Somewhat Agree	1 - More important for Large Cap companies
7	Yes	5 - Strongly Agree	3 - Equally important for all companies of all sizes
8	No	5 - Strongly Agree	3 - Equally important for all companies of all sizes
9	No	5 - Strongly Agree	3 - Equally important for all companies of all sizes
10	Yes	5 - Strongly Agree	3 - Equally important for all companies of all sizes
11	No	5 - Strongly Agree	2 - More important for Small and Mid Cap Companies
12	No	3 - Not sure	3 - Equally important for all companies of all sizes
13	No	4 - Somewhat Agree	3 - Equally important for all companies of all sizes
14	No	4 - Somewhat Agree	3 - Equally important for all companies of all sizes
15	No	4 - Somewhat Agree	3 - Equally important for all companies of all sizes
16	Yes	4 - Somewhat Agree	3 - Equally important for all companies of all sizes
17	No	4 - Somewhat Agree	3 - Equally important for all companies of all sizes
18	No	5 - Strongly Agree	3 - Equally important for all companies of all sizes
19	No	5 - Strongly Agree	3 - Equally important for all companies of all sizes
20	Yes	4 - Somewhat Agree	3 - Equally important for all companies of all sizes

Respondent No	Q1 - Do you believe that corporate governance norms in India are sufficiently strong?	Q2. Do you agree with the comment that - "For any Public company better corporate governance means better company value"? Please answer on scale of 1 to 5	Q3. Do you agree with the statement that - "Corporate Governance Norms and practices are equally important for companies of all sizes - Small Cap, Mid Cap and Large Cap"?
21	No	5 - Strongly Agree	3 - Equally important for all companies of all sizes
22	Yes	5 - Strongly Agree	3 - Equally important for all companies of all sizes
23	No	5 - Strongly Agree	3 - Equally important for all companies of all sizes
24	No	4 - Somewhat Agree	3 - Equally important for all companies of all sizes
25	No	5 - Strongly Agree	3 - Equally important for all companies of all sizes
26	No	3 - Not sure	2 - More important for Small and Mid Cap Companies
27	No	1 - Strongly Disagree	3 - Equally important for all companies of all sizes
28	Yes	5 - Strongly Agree	1 - More important for Large Cap companies
29	No	1 - Strongly Disagree	1 - More important for Large Cap companies
30	No	5 - Strongly Agree	3 - Equally important for all companies of all sizes
31	Yes	5 - Strongly Agree	3 - Equally important for all companies of all sizes
32	No	5 - Strongly Agree	1 - More important for Large Cap companies
33	No	5 - Strongly Agree	3 - Equally important for all companies of all sizes
34	No	5 - Strongly Agree	1 - More important for Large Cap companies
35	No	4 - Somewhat Agree	3 - Equally important for all companies of all sizes
36	Yes	5 - Strongly Agree	1 - More important for Large Cap companies
37	Yes	5 - Strongly Agree	3 - Equally important for all companies of all sizes
38	No	2 - Somewhat Disagree	3 - Equally important for all companies of all sizes
39	No	4 - Somewhat Agree	1 - More important for Large Cap companies
40	Yes	4 - Somewhat Agree	3 - Equally important for all companies of all sizes
41	No	4 - Somewhat Agree	3 - Equally important for all companies of all sizes
42	No	5 - Strongly Agree	3 - Equally important for all companies of all sizes
43	No	3 - Not sure	3 - Equally important for all companies of all sizes
44	No	4 - Somewhat Agree	3 - Equally important for all companies of all sizes
45	No	4 - Somewhat Agree	3 - Equally important for all companies of all sizes
46	No	4 - Somewhat Agree	3 - Equally important for all companies of all sizes
47	No	5 - Strongly Agree	3 - Equally important for all companies of all sizes
48	No	4 - Somewhat Agree	3 - Equally important for all companies of all sizes
49	Yes	5 - Strongly Agree	3 - Equally important for all companies of all sizes
50	No	4 - Somewhat Agree	3 - Equally important for all companies of all sizes
51	No	4 - Somewhat Agree	3 - Equally important for all companies of all sizes
52	No	5 - Strongly Agree	3 - Equally important for all companies of all sizes
53	Yes	5 - Strongly Agree	1 - More important for Large Cap companies
54	Yes	4 - Somewhat Agree	3 - Equally important for all companies of all sizes
55	No	5 - Strongly Agree	3 - Equally important for all companies of all sizes
56	Yes	5 - Strongly Agree	3 - Equally important for all companies of all sizes
57	No	4 - Somewhat Agree	3 - Equally important for all companies of all sizes
58	Yes	4 - Somewhat Agree	3 - Equally important for all companies of all sizes
59	Yes	4 - Somewhat Agree	3 - Equally important for all companies of all sizes
60	Yes	5 - Strongly Agree	3 - Equally important for all companies of all sizes

Respondent No	Q4. Promoters Holding (share of promoters holding in total equity of company) has direct impact on company value. Do you consider that higher promoter holding is associated with higher relative value of company and vice-versa?	Q5. Board of Directors are key to the governance of company. Do you think that higher number of Directors on the board will be associated with higher firm value?
1	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
2	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
3	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
4	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
5	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
6	Yes - higher promoter holding is associated with higher company value	No - No higher number of directors may not be associated with higher value
7	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
8	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
9	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
10	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
11	Yes - higher promoter holding is associated with higher company value	No - No higher number of directors may not be associated with higher value
12	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
13	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
14	Yes - higher promoter holding is associated with higher company value	No - No higher number of directors may not be associated with higher value
15	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
16	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
17	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
18	Yes - higher promoter holding is associated with higher company value	No - No higher number of directors may not be associated with higher value
19	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
20	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
21	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
22	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
23	Yes - higher promoter holding is associated with higher company value	No - No higher number of directors may not be associated with higher value
24	Yes - higher promoter holding is associated with higher company value	No - No higher number of directors may not be associated with higher value
25	Yes - higher promoter holding is associated with higher company value	No - No higher number of directors may not be associated with higher value
26	Yes - higher promoter holding is associated with higher company value	Yes - Higher number of directors is associated with higher value
27	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
28	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
29	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
30	Yes - higher promoter holding is associated with higher company value	No - No higher number of directors may not be associated with higher value

Respondent No	Q4. Promoters Holding (share of promoters holding in total equity of company) has direct impact on company value. Do you consider that higher promoter holding is associated with higher relative value of company and vice-versa?	Q5. Board of Directors are key to the governance of company. Do you think that higher number of Directors on the board will be associated with higher firm value?
31	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
32	No - higher promoter holding is not associated with higher company value	Yes - Higher number of directors is associated with higher value
33	Yes - higher promoter holding is associated with higher company value	No - No higher number of directors may not be associated with higher value
34	Yes - higher promoter holding is associated with higher company value	No - No higher number of directors may not be associated with higher value
35	Yes - higher promoter holding is associated with higher company value	No - No higher number of directors may not be associated with higher value
36	Yes - higher promoter holding is associated with higher company value	No - No higher number of directors may not be associated with higher value
37	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
38	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
39	Yes - higher promoter holding is associated with higher company value	No - No higher number of directors may not be associated with higher value
40	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
41	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
42	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
43	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
44	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
45	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
46	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
47	Yes - higher promoter holding is associated with higher company value	No - No higher number of directors may not be associated with higher value
48	Yes - higher promoter holding is associated with higher company value	No - No higher number of directors may not be associated with higher value
49	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
50	Yes - higher promoter holding is associated with higher company value	Yes - Higher number of directors is associated with higher value
51	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
52	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
53	Yes - higher promoter holding is associated with higher company value	No - No higher number of directors may not be associated with higher value
54	Yes - higher promoter holding is associated with higher company value	No - No higher number of directors may not be associated with higher value
55	Yes - higher promoter holding is associated with higher company value	Yes - Higher number of directors is associated with higher value
56	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
57	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
58	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value
59	No - higher promoter holding is not associated with higher company value	Yes - Higher number of directors is associated with higher value
60	No - higher promoter holding is not associated with higher company value	No - No higher number of directors may not be associated with higher value

Respondent No	Q6. Board of Directors meet regularly to manage the company. The law requires minimum 4 meetings of the board of directors in a year. Do think that more board meetings will mean higher value of the company?
1	No - No more number of board meetings may not be associated with higher value
2	Yes - More number of board meetings is associated with higher value
3	Yes - More number of board meetings is associated with higher value
4	No - No more number of board meetings may not be associated with higher value
5	No - No more number of board meetings may not be associated with higher value
6	Yes - More number of board meetings is associated with higher value
7	No - No more number of board meetings may not be associated with higher value
8	No - No more number of board meetings may not be associated with higher value
9	Yes - More number of board meetings is associated with higher value
10	Yes - More number of board meetings is associated with higher value
11	No - No more number of board meetings may not be associated with higher value
12	Yes - More number of board meetings is associated with higher value
13	No - No more number of board meetings may not be associated with higher value
14	No - No more number of board meetings may not be associated with higher value
15	No - No more number of board meetings may not be associated with higher value
16	No - No more number of board meetings may not be associated with higher value
17	No - No more number of board meetings may not be associated with higher value
18	No - No more number of board meetings may not be associated with higher value
19	Yes - More number of board meetings is associated with higher value
20	Yes - More number of board meetings is associated with higher value
21	No - No more number of board meetings may not be associated with higher value
22	No - No more number of board meetings may not be associated with higher value
23	Yes - More number of board meetings is associated with higher value
24	Yes - More number of board meetings is associated with higher value
25	No - No more number of board meetings may not be associated with higher value
26	No - No more number of board meetings may not be associated with higher value
27	No - No more number of board meetings may not be associated with higher value
28	Yes - More number of board meetings is associated with higher value
29	No - No more number of board meetings may not be associated with higher value
30	Yes - More number of board meetings is associated with higher value

Respondent No	Q6. Board of Directors meet regularly to manage the company. The law requires minimum 4 meetings of the board of directors in a year. Do think that more board meetings will mean higher value of the company?
31	Yes - More number of board meetings is associated with higher value
32	Yes - More number of board meetings is associated with higher value
33	No - No more number of board meetings may not be associated with higher value
34	Yes - More number of board meetings is associated with higher value
35	No - No more number of board meetings may not be associated with higher value
36	No - No more number of board meetings may not be associated with higher value
37	No - No more number of board meetings may not be associated with higher value
38	No - No more number of board meetings may not be associated with higher value
39	Yes - More number of board meetings is associated with higher value
40	No - No more number of board meetings may not be associated with higher value
41	Yes - More number of board meetings is associated with higher value
42	No - No more number of board meetings may not be associated with higher value
43	No - No more number of board meetings may not be associated with higher value
44	No - No more number of board meetings may not be associated with higher value
45	No - No more number of board meetings may not be associated with higher value
46	Yes - More number of board meetings is associated with higher value
47	No - No more number of board meetings may not be associated with higher value
48	No - No more number of board meetings may not be associated with higher value
49	Yes - More number of board meetings is associated with higher value
50	Yes - More number of board meetings is associated with higher value
51	No - No more number of board meetings may not be associated with higher value
52	No - No more number of board meetings may not be associated with higher value
53	No - No more number of board meetings may not be associated with higher value
54	No - No more number of board meetings may not be associated with higher value
55	No - No more number of board meetings may not be associated with higher value
56	Yes - More number of board meetings is associated with higher value
57	No - No more number of board meetings may not be associated with higher value
58	Yes - More number of board meetings is associated with higher value
59	Yes - More number of board meetings is associated with higher value
60	No - No more number of board meetings may not be associated with higher value

Respondent No	Q7. Do you think having a Vigilance or Whistleblower mechanism is a hallmark of good governance?	Q8. The Corporate Governance norms require having woman director on the board. Do you think having a woman director helps governance or just improves board diversity?
1	Yes	No - it only helps improve board diversity
2	Yes	No - it only helps improve board diversity
3	Yes	No - it only helps improve board diversity
4	Yes	No - it only helps improve board diversity
5	No	No - it only helps improve board diversity
6	No	Yes - it helps improve governance
7	Yes	Yes - it helps improve governance
8	Yes	No - it only helps improve board diversity
9	Yes	No - it only helps improve board diversity
10	No	Yes - it helps improve governance
11	Yes	Yes - it helps improve governance
12	Yes	Yes - it helps improve governance
13	Yes	No - it only helps improve board diversity
14	Yes	No - it only helps improve board diversity
15	Yes	No - it only helps improve board diversity
16	Yes	No - it only helps improve board diversity
17	Yes	No - it only helps improve board diversity
18	Yes	No - it only helps improve board diversity
19	Yes	No - it only helps improve board diversity
20	Yes	No - it only helps improve board diversity
21	Yes	Yes - it helps improve governance
22	Yes	No - it only helps improve board diversity
23	Yes	Yes - it helps improve governance
24	Yes	No - it only helps improve board diversity
25	Yes	No - it only helps improve board diversity
26	Yes	Yes - it helps improve governance
27	Yes	Yes - it helps improve governance
28	Yes	No - it only helps improve board diversity
29	Yes	No - it only helps improve board diversity
30	Yes	Yes - it helps improve governance

Respondent No	Q7. Do you think having a Vigilance or Whistleblower mechanism is a hallmark of good governance?	Q8. The Corporate Governance norms require having woman director on the board. Do you think having a woman director helps governance or just improves board diversity?
31	Yes	No - it only helps improve board diversity
32	Yes	No - it only helps improve board diversity
33	Yes	No - it only helps improve board diversity
34	Yes	No - it only helps improve board diversity
35	Yes	Yes - it helps improve governance
36	Yes	Yes - it helps improve governance
37	Yes	No - it only helps improve board diversity
38	Yes	No - it only helps improve board diversity
39	Yes	No - it only helps improve board diversity
40	Yes	No - it only helps improve board diversity
41	Yes	Yes - it helps improve governance
42	Yes	Yes - it helps improve governance
43	Yes	No - it only helps improve board diversity
44	No	Yes - it helps improve governance
45	Yes	No - it only helps improve board diversity
46	Yes	No - it only helps improve board diversity
47	Yes	Yes - it helps improve governance
48	Yes	No - it only helps improve board diversity
49	Yes	Yes - it helps improve governance
50	Yes	Yes - it helps improve governance
51	Yes	No - it only helps improve board diversity
52	Yes	Yes - it helps improve governance
53	Yes	No - it only helps improve board diversity
54	Yes	No - it only helps improve board diversity
55	Yes	No - it only helps improve board diversity
56	Yes	Yes - it helps improve governance
57	Yes	No - it only helps improve board diversity
58	Yes	Yes - it helps improve governance
59	Yes	Yes - it helps improve governance
60	Yes	Yes - it helps improve governance

a) Survey Findings

The outcome of the survey when tabulated for the all the questions is listed below. Total number of survey participants were 60.

Question 1

Q1 - Do you believe that corporate governance norms in India are sufficiently strong?	Total
No	39
Yes	21
Grand Total	60

Question 2

Q2. Do you agree with the comment that - "For any Public company better corporate governance means better company value"?	Total
1 - Strongly Disagree	2
2 - Somewhat Disagree	1
3 - Not sure	4
4 - Somewhat Agree	23
5 - Strongly Agree	30
Grand Total	60

Question 3

Q3. Do you agree with the statement that - "Corporate Governance Norms and practices are equally important for companies of all sizes - Small Cap, Mid Cap and Large Cap"?	Total
1 - More important for Large Cap companies	9
2 - More important for Small and Mid Cap Companies	2
3 - Equally important for all companies of all sizes	49
Grand Total	60

Question 4

Q4. Promoters Holding (share of promoters holding in total equity of company) has direct impact on company value. Do you consider that higher promoter holding is associated with higher relative value of company and vice-versa?	Total
No - higher promoter holding is not associated with higher company value	40
Yes - higher promoter holding is associated with higher company value	20
Grand Total	60

Question 5

Q5. Board of Directors are key to the governance of company. Do you think that higher number of Directors on the board will be associated with higher firm value?	Total
No - No higher number of directors may not be associated with higher value	55
Yes - Higher number of directors is associated with higher value	5
Grand Total	60

Question 6

Q6. Board of Directors meet regularly to manage the company. The law requires minimum 4 meetings of the board of directors in a year. Do think that more board meetings will mean higher value of the company?	Total
No - No more number of board meetings may not be associated with higher value	37
Yes - More number of board meetings is associated with higher value	23
Grand Total	60

Question 7

Q7. Do you think having a Vigilance or Whistleblower mechanism is a hallmark of good governance?	Total
No	4
Yes	56
Grand Total	60

Question 8

Q8. The Corporate Governance norms require having woman director on the board. Do you think having a woman director helps governance or just improves board diversity?	Total
No - it only helps improve board diversity	37
Yes - it helps improve governance	23
Grand Total	60

7) Small Cap Companies Data Analysis

Small cap companies were selected based on the companies covered under the NSE small cap index. Typically, small cap companies would be the ones which have relatively recently got listed on stock exchange. Over a period of time such companies will grow up to become mid cap or even large cap. It is interesting to therefore see how these companies comply to governance norms.

For small cap companies the following observations are made based on the data collected.

a) CG Score and MVBV Ratio

A tabulation is done for the small cap companies with the Corporate governance score in the two periods and the ratio of Market Value to Book Value (MVBVR).

Table 5 Small Cap Companies CG Score and MVBV Ratio

Small Cap	Average of MV To BV Ratio	
CG Score	2010-11	2014-15
1.7	53.47%	0.00%
3.0	0.00%	151.55%
3.3	163.36%	0.00%
4.0	0.00%	421.87%
5.0	231.44%	307.83%
Grand Total	202.12%	320.71%

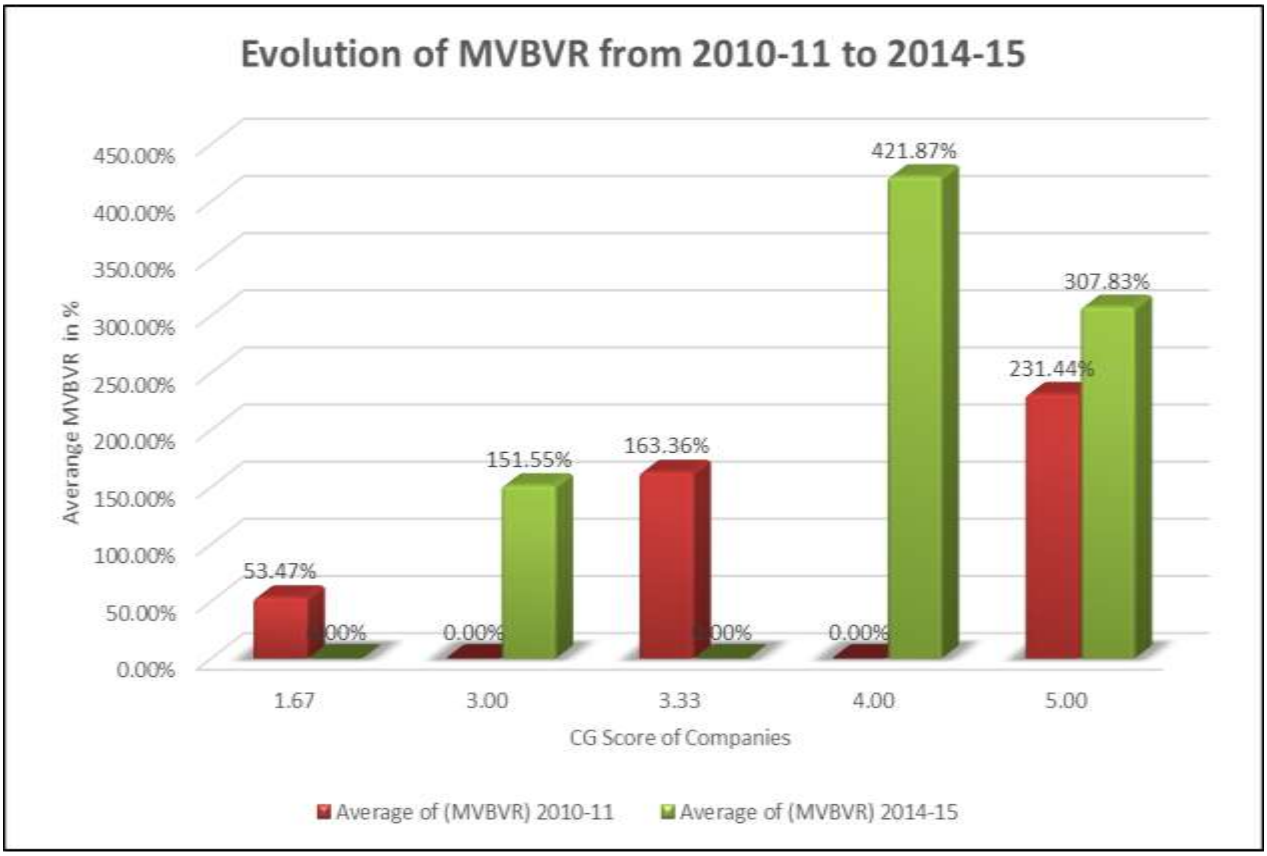


Figure 1 Small Cap CG Score and MVBVR

- Clearly the table and the chart show that from 2010-11 to 2014-15 period there is an increase in the Market Value to Book Value Ratio.
- While in 2010-11 the ratio was 202.12% it became 320.71%for the year 2014-15.
- The chart also shows that for the companies that had a higher CG Score the Market Value to Book Value Ratio was also higher.
- It shows a positive relationship between the corporate governance score and the market value to book value ratio

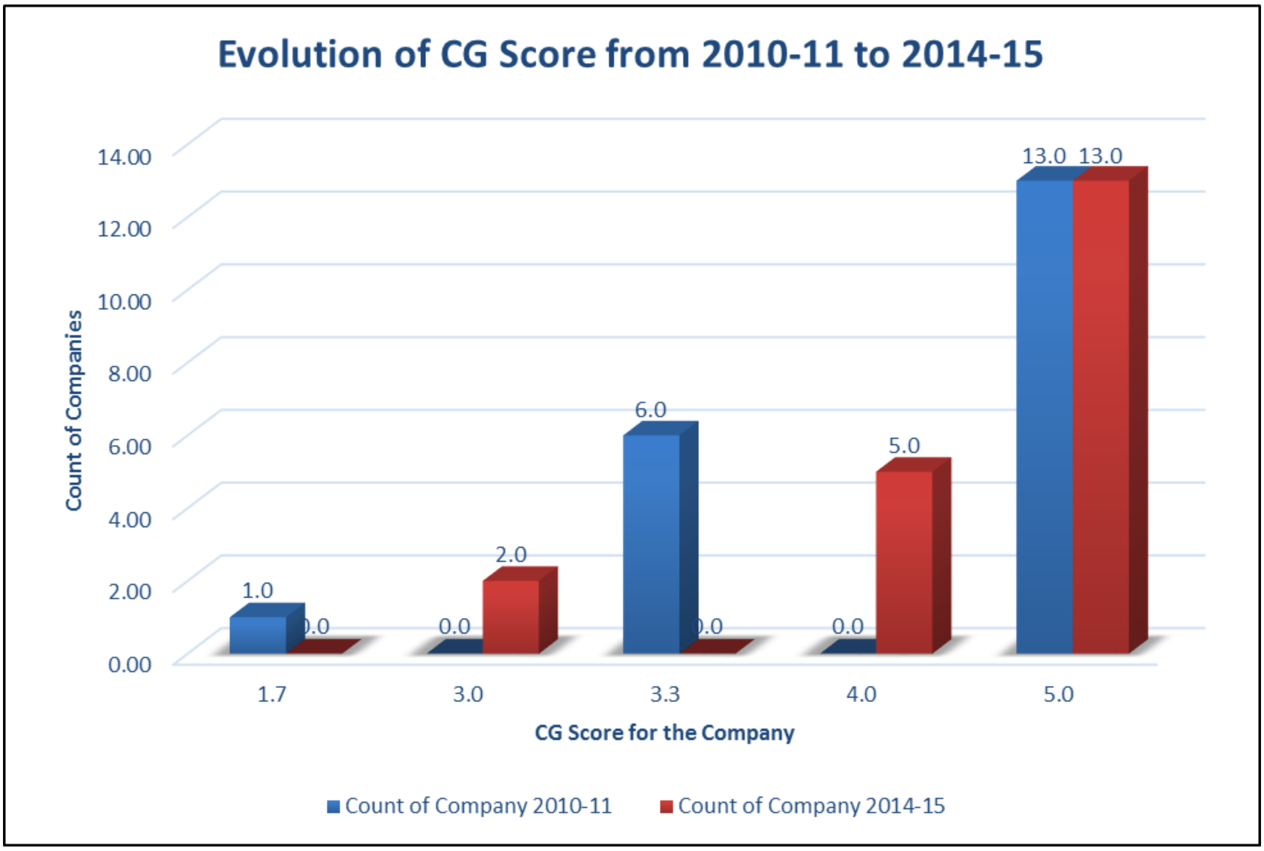
b) CG Score and Count of Companies

A tabulation is done for the small cap companies with the Corporate governance score in the two periods and the Count of Companies.

Table 6 Small Cap CG Score and Count of Companies

Small Cap	Count of Companies	
CG Score	2010-11	2014-15
1.7	1	0
3.0	0	2
3.3	6	0
4.0	0	5
5.0	13	13
Grand Total	20	20

Figure 2 Small Cap CG Score and Count of Companies



- The table and the chart show that from 2010-11 to 2014-15 period there is an increase in the CG Score of the companies. More companies are moving towards better score from one period to another

c) Promoter's Holding & MV BV Ratio & Count of Companies

A tabulation is done for the small cap companies with the Promoter's Holding & the Average of Market Value to Book Value Ratio & Count of Companies.

Table 7 Small Cap Promoters Holding to MVBV Ratio and Count of Companies

Small Cap	Count of Companies		Average of MV to BV Ratio	
Promoters Holding	2010-11	2014-15	2010-11	2014-15
10%-20%	1	0	52.67%	0.00%
20%-30%	3	1	109.39%	-113.62%
30%-40%	4	3	125.64%	51.56%
40%-50%	4	4	177.88%	487.74%
50%-60%	4	7	389.62%	259.89%
60%-70%	2	3	247.21%	243.31%
70%-80%	2	2	197.26%	936.53%
Grand Total	20	20	202.12%	320.71%

Figure 3 Small Cap Promoters Holding and MV to BV Ratio

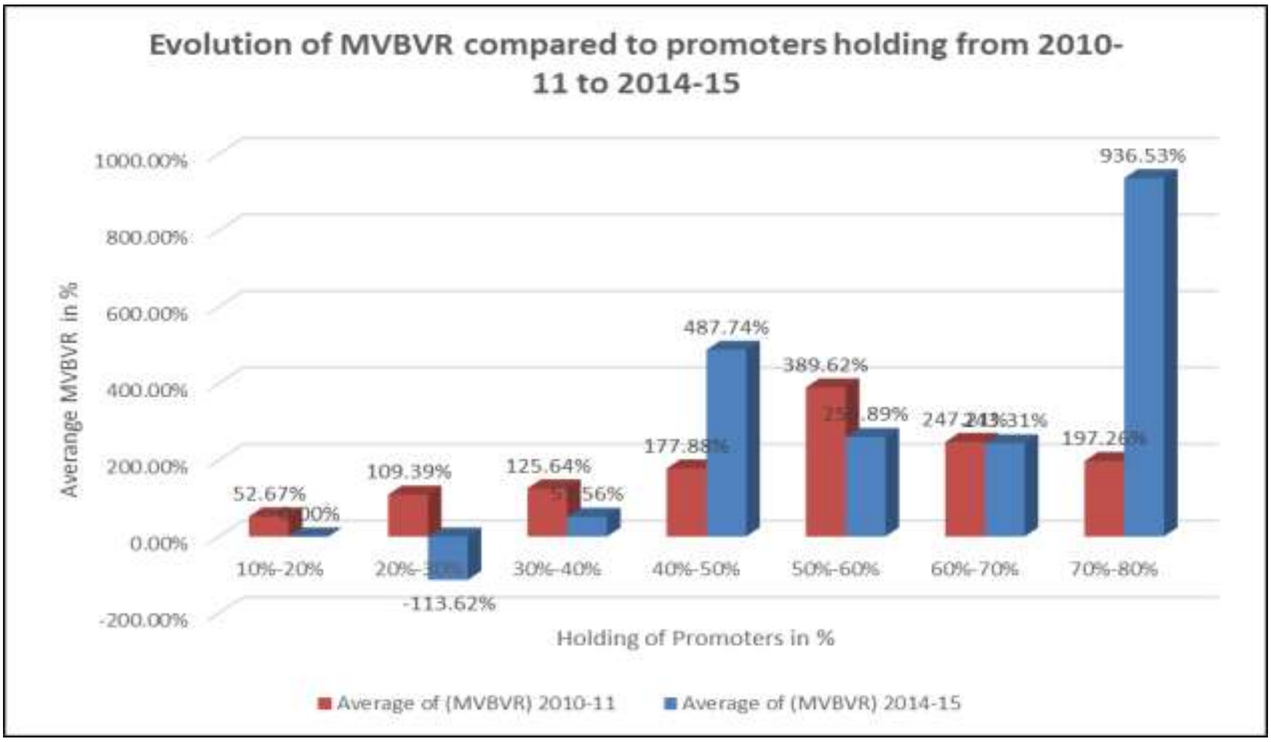
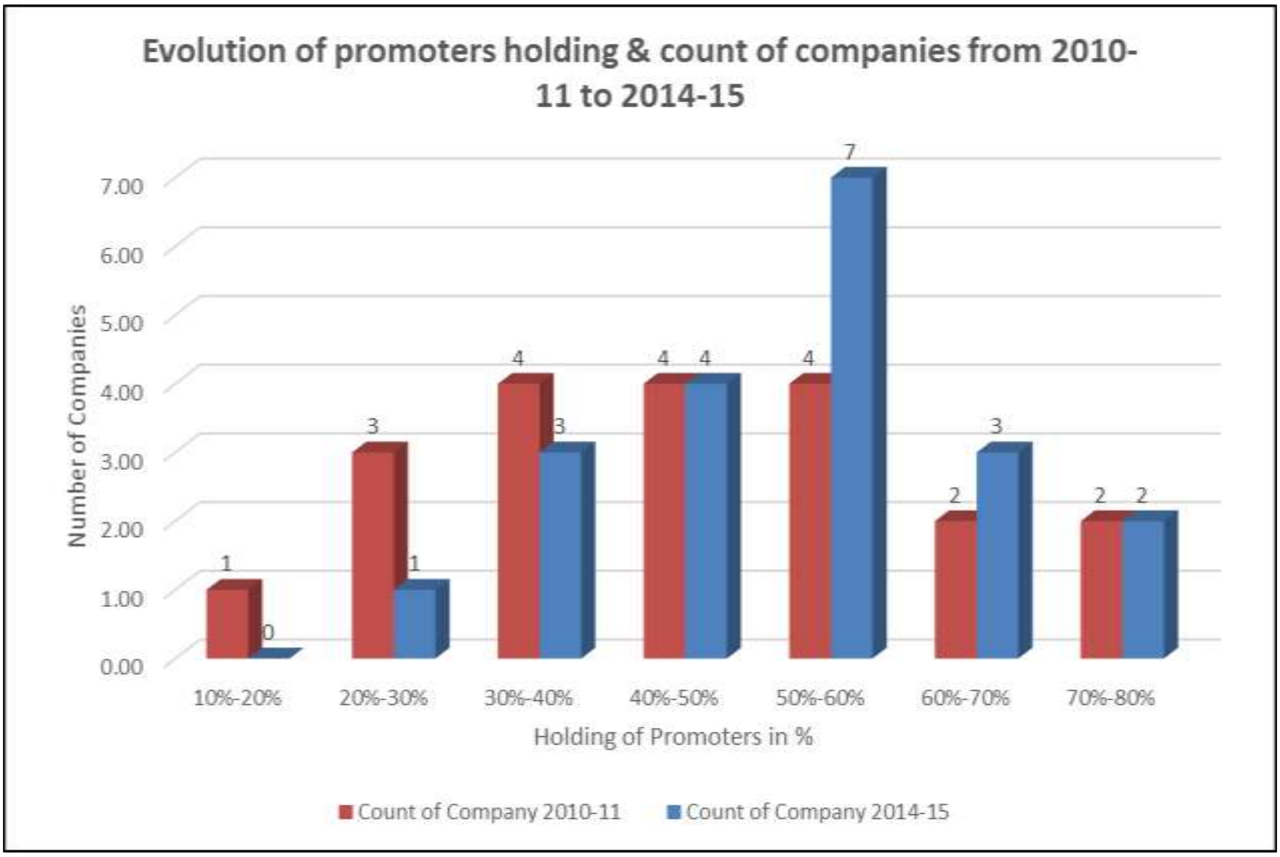


Figure 4 Small Cap Promoters Holding and Count of Companies



- The table and the chart show that from 2010-11 to 2014-15 period there is an increase in Promoter's holding in the companies. What is also noticeable is the fact that the Market value to Book Value Ratio also increases as there is an increase in the promoters' holding. There is a positive correlation between the promoters holding and Market Value to Book Value Ratio.
- There is also a clear trend that for increase in promoters holding is also associated with higher Market Value to Book Value ratio within the same year.
- It may also be true that increase in the market value to Book Value Ratio encourages the promoters to increase their holdings.
- In the year 2014-15 more than 60% of the companies selected had promoters holding of more than 50%. Whereas the same in 2010-11 was only 40%.

d) Number of Board Meetings & Count of Companies & MV to BV ratio

A tabulation done for the small cap companies with the Number of Board Meetings & the Average of Market Value to Book Value Ratio & Count of Companies.

Table 8 Small Cap No. of Board Meetings & MV to BV Ratio & Count of Companies

Small Cap	Count of Companies		Average of MV to BV Ratio	
No. of Board Meetings	2010-11	2014-15	2010-11	2014-15
4.0	6	2	163.97%	69.80%
5.0	4	7	158.58%	367.46%
6.0	6	6	284.44%	203.15%
7.0	3	3	161.81%	548.93%
8.0	0	1	0.00%	713.95%
9.0	1	0	232.18%	0.00%
10.0	0	1	0.00%	122.75%
Grand Total	20	20	202.12%	320.71%

Figure 5 Small Cap No. of Board Meeting and Count of Companies

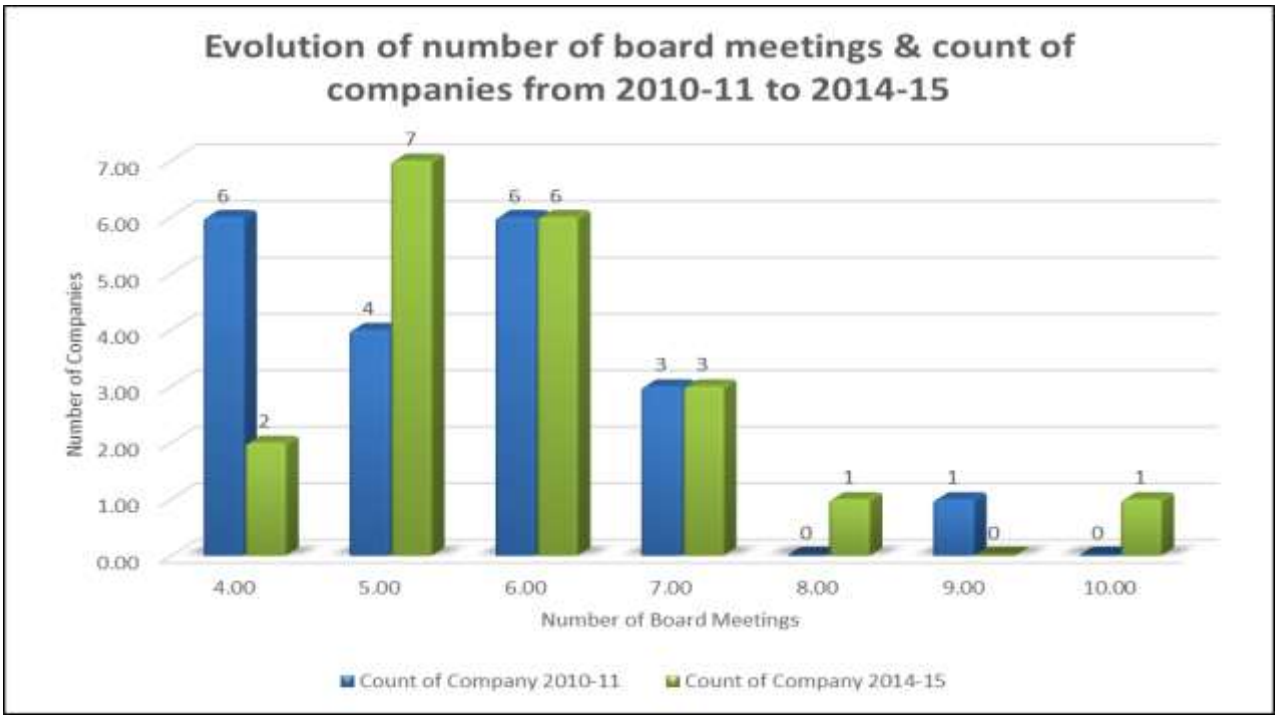
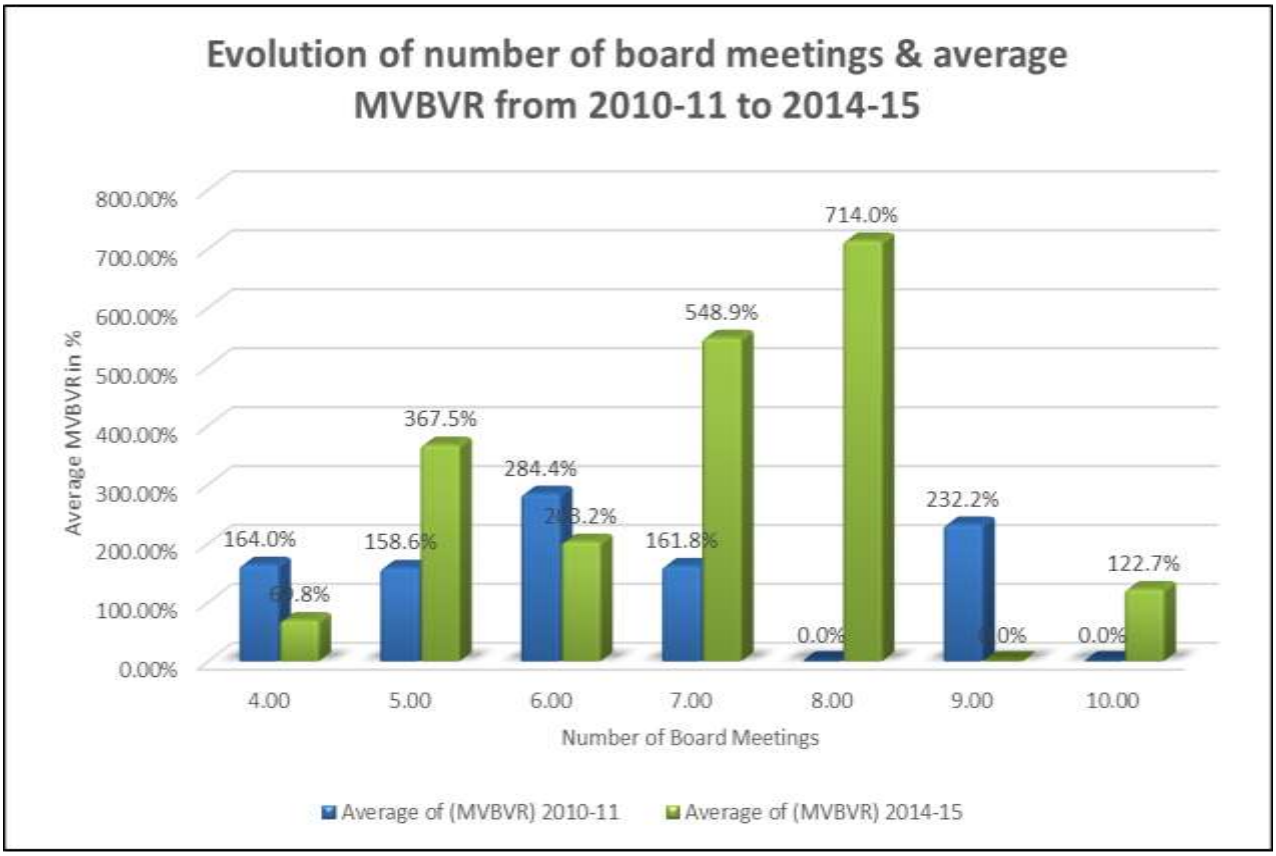


Figure 6 Small Cap No. of Board Meeting and MV to BV Ratio



- In the year 2010-11 80% of the companies had between 4 to 6 Board meetings in a year. However, in 2014-15 80% of the companies had between 5 to 7 meetings of the Board in a year.
- This shows a movement towards more meeting as the governance norms got stricter.
- The Market Value to Book Value Ratio of companies was lower when they had either too many or too few meetings of the Board.
- Somewhere between 5, 6 and 7 is the Ideal number of meetings for a year. These are the cases where the ratio of Market Value to Book Value is the highest.
- The requirement of clause 49 are to have at least 4 meetings in a year. It is evident that companies need to organize more meeting of the board than just 4 because of the business needs or due to the complexity of business and availability of the directors.

e) Number of Directors & Count of Companies & MV to BV ratio

A tabulation done for the small cap companies with the Number of Directors on Board & the Average of Market Value to Book Value Ratio & Count of Companies.

Table 9 Small Cap No. of Directors and MV BV Ratio and Count of Companies

Small Cap	Count of Companies		Average of MV to BV Ratio	
Total No. of Directors	2010-11	2014-15	2010-11	2014-15
6.0	4	1	273.20%	208.05%
8.0	2	4	115.84%	587.51%
9.0	1	1	800.68%	713.95%
10.0	4	7	187.19%	322.71%
11.0	6	5	155.66%	114.24%
12.0	2	0	53.81%	5.00%
13.0	0	1	0.00%	189.33%
14.0	1	0	126.87%	0.00%
15.0	0	1	0.00%	122.75%
Grand Total	20	20	202.12%	320.71%

Figure 7 Small Cap No. of Directors and Count of Companies

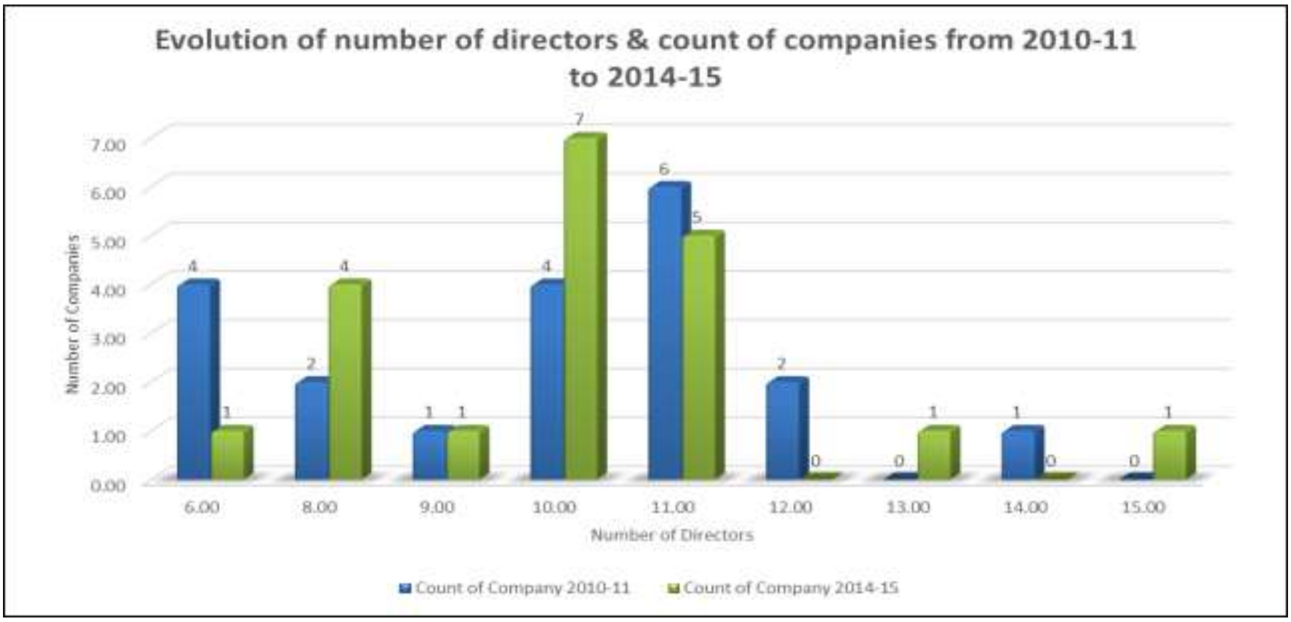
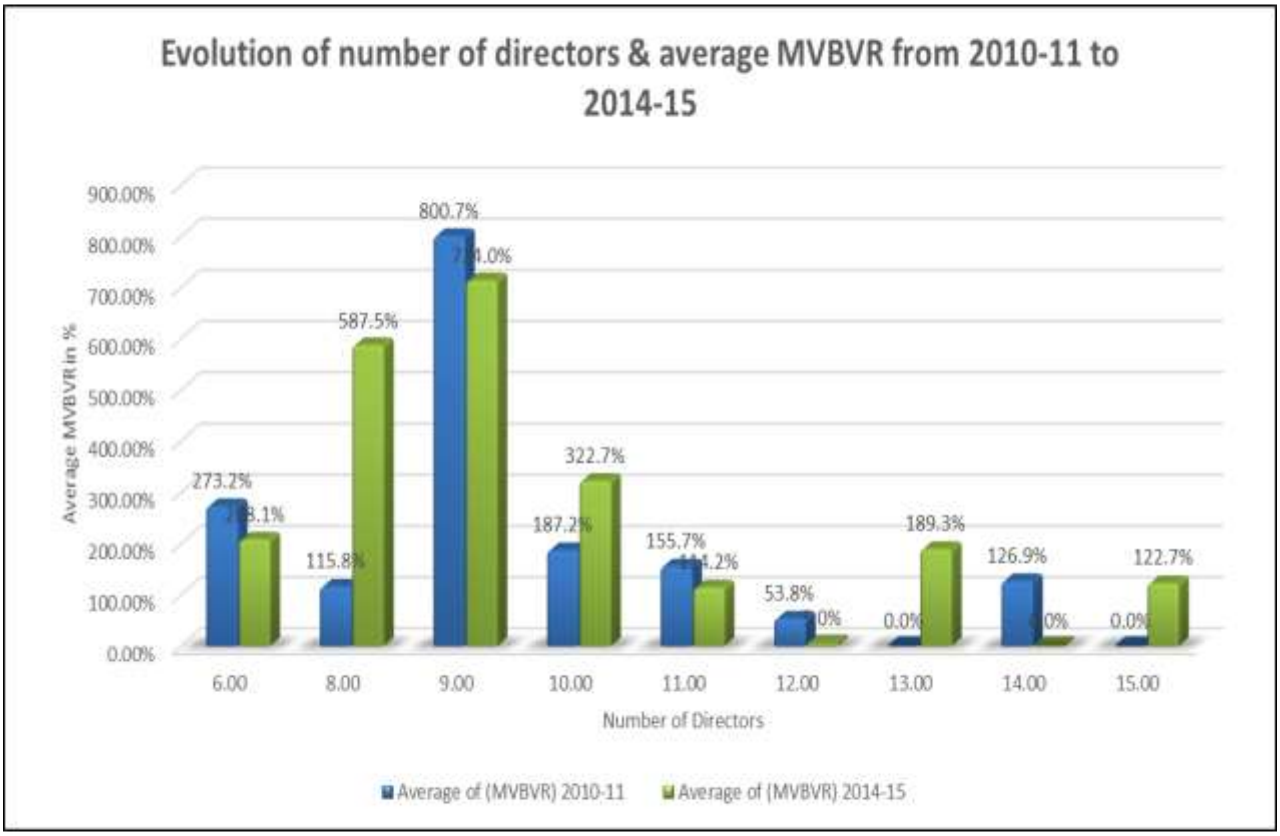


Figure 8 Small Cap No. of Directors and MV to BV Ratio



- In the year 2010-11 there were only 13 companies with 8 to 11 directors. This increased to 17 companies in the year 2014-15.
- This shows a movement towards more number of directors in the band of 8 to 11.
- The Market Value to Book Value Ratio of companies was lower when they had either too many or too few Directors on the Board.
- The Market Value to Book Value Ratio is highest for the cases where the number of directors is either 9 or 8. This may represent optimal board size for a small cap company.

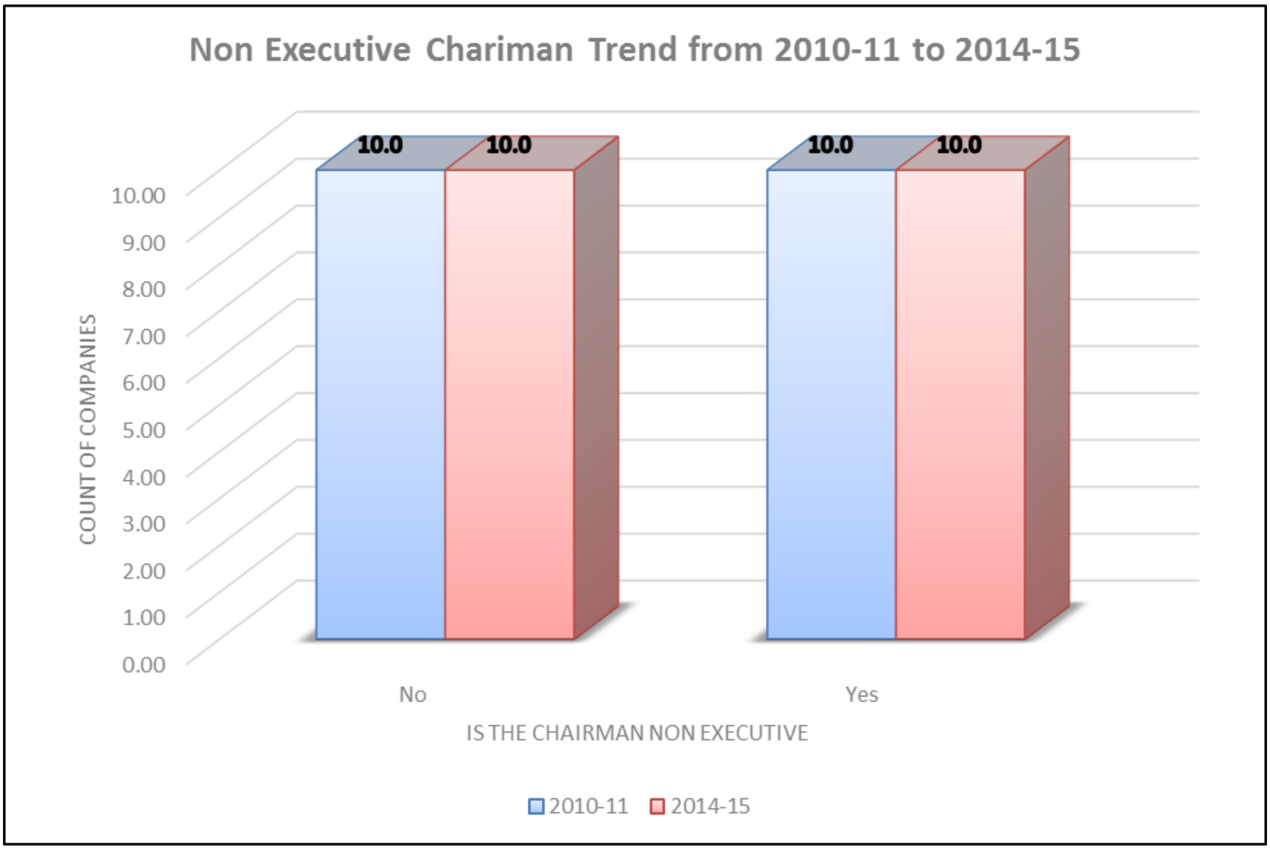
f) Non-Executive Chairman and Count of Companies

A tabulation done for the small cap companies with Non-Executive Chairman on Board and Count of Companies.

Table 10 Small Cap Count of Companies and Non - Executive Chairman

Small Cap	Count of Companies	
Non-Executive Chairman	2010-11	2014-15
No	10	10
Yes	10	10
Grand Total	20	20

Figure 9 Small Cap Number of Companies and Non-Executive Chairman



- In the year 2010-11 and 2014-15 both there were 10 companies each where there as an Executive Chairman and 10 Companies with Non-Executive Chairman.
- Given that there has been a clear positive evolution of the Market Value to Book Value Ratio from 2010-11 to 2014-15 it can mean that the nature of chairman does not impact the MV to BV Ratio.

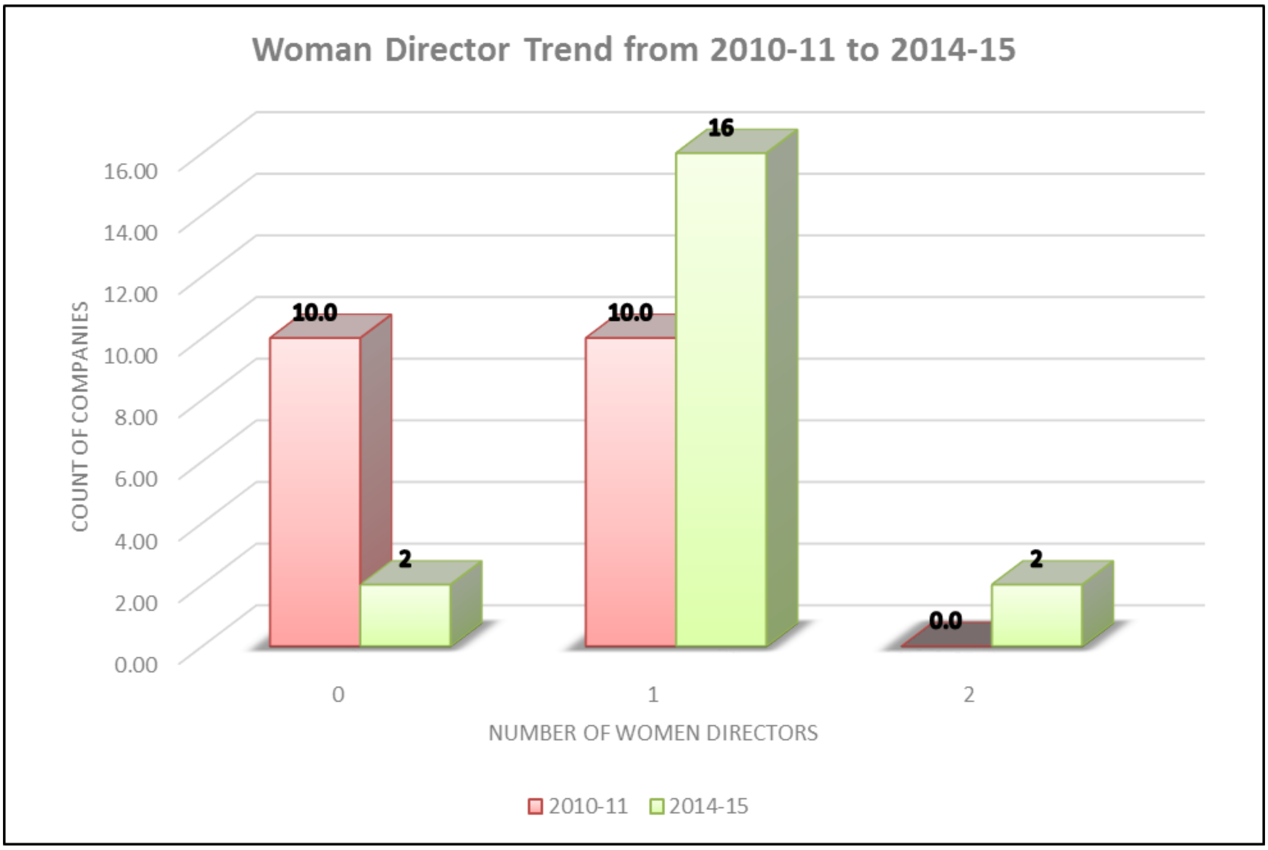
g) Woman Directors on the Board & Count of Companies

A tabulation done for the small cap companies with Woman Directors on Board and Count of Companies.

Table 11 Small Cap Woman Directors and Count of Companies

Small Cap	Count of Companies	
Number of Women Directors on Board	2010-11	2014-15
0.0	10	2
1.0	10	16
2.0	0	2
Grand Total	20	20

Figure 10 Small Cap Woman Directors and Count of Companies



- In the year 2010-11 there were only 10 companies with Woman Directors on their Board. In the year 2014-15 there were 18 companies with Woman Directors on their Board.
- This increase is directly linked to the fact that here was a change the governance norms and it was mandatory in 2014-15 to appoint woman director on board.

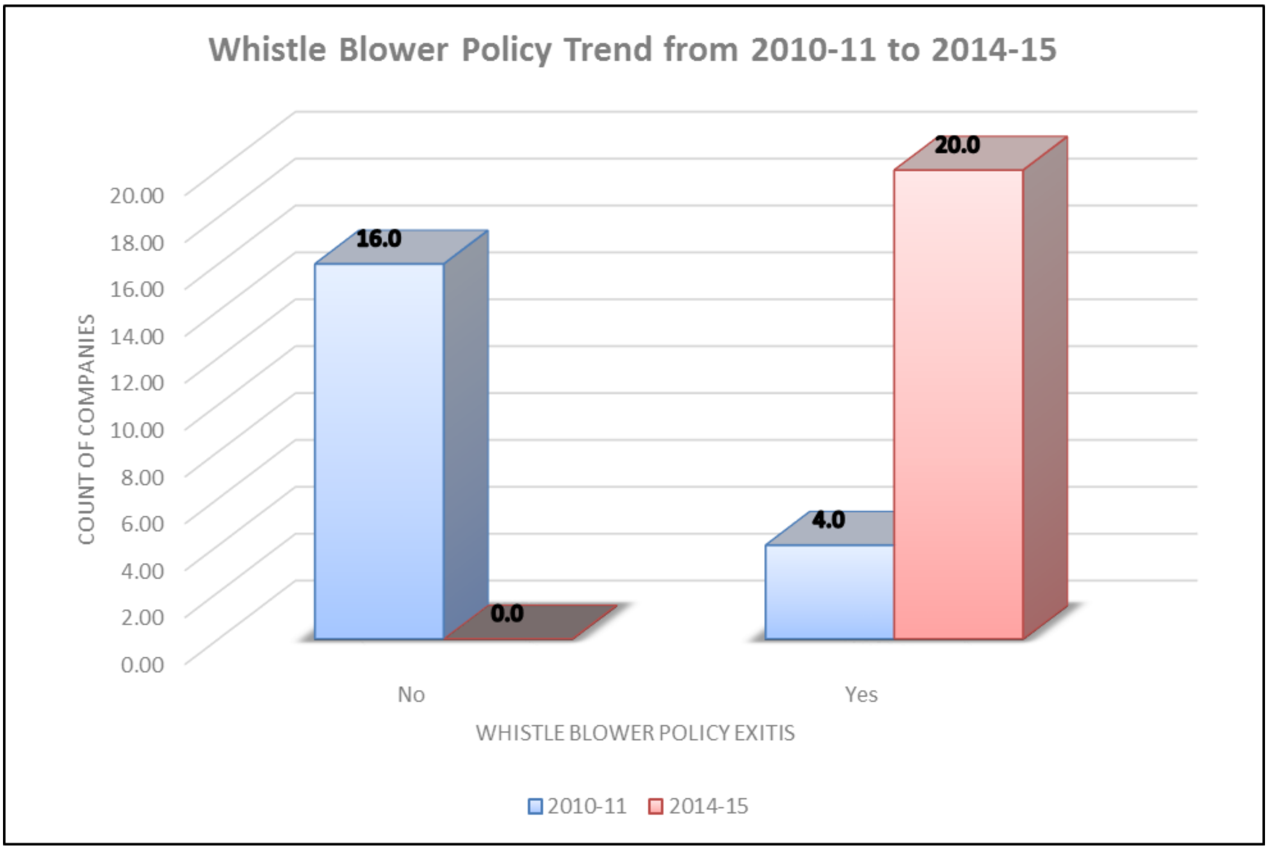
h) Whistle Blower Policy and Count of Companies

A tabulation done for the small cap companies with Whistle Blower Policy and Count of Companies

Table 12 Small Cap Whistle Blower Policy and Count of Companies

Small Cap	Count of Companies	
Whistle Blower Policy Exists	2010-11	2014-15
No	16	0
Yes	4	20
Grand Total	20	20

Figure 11 Small Cap Whistle Blower Policy and Count of Companies



- In the year 2010-11 there were only 4 companies with a formal whistle blower or vigilance policy. In the year 2014-15 there were all 20 companies with formal Policy as this became mandatory part of Clause 49 requirements.

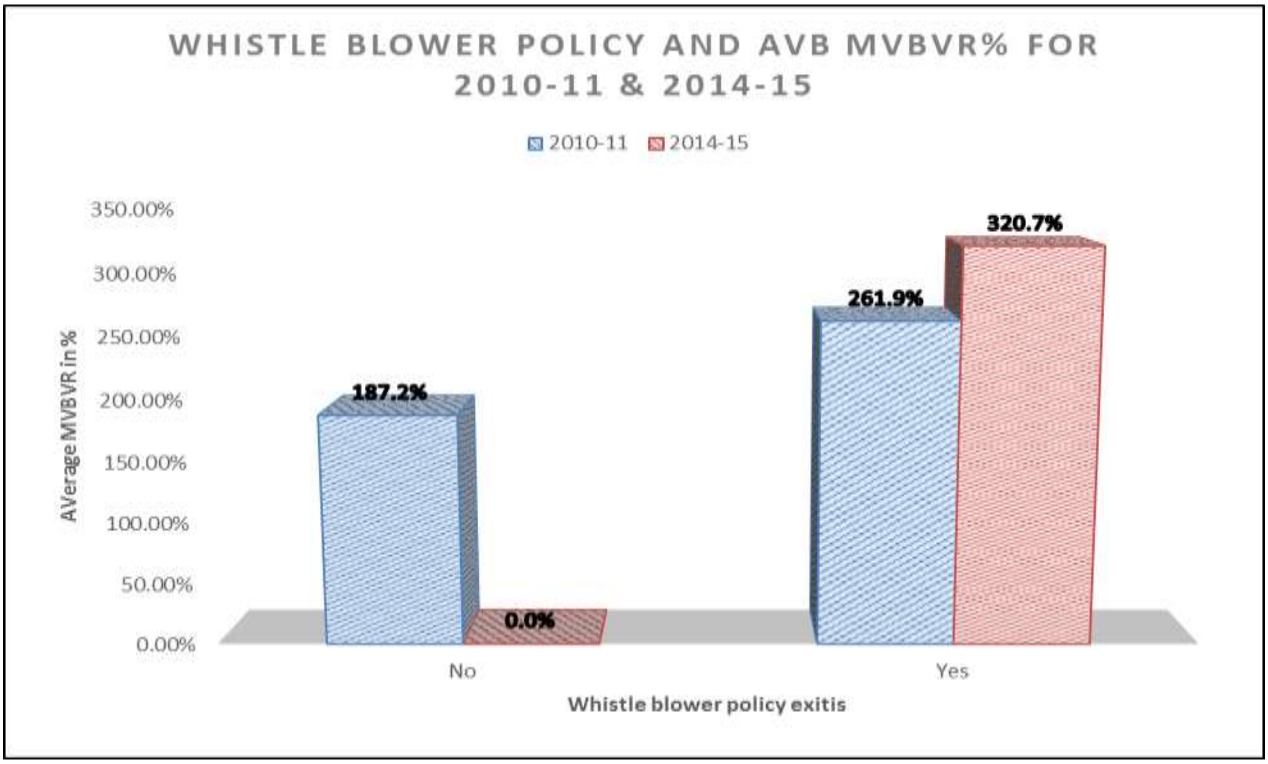
i) Whistle Blower Policy and MV to BV Ratio

A tabulation done for the small cap companies with Whistle Blower Policy and Market Value to Book Value Ratio

Table 13 Small Cap Whistle Blower Policy and MV to BV Ratio

Small Cap	Avg of MV to BV Ratio	
Whistle Blower Policy Exists	2010-11	2014-15
No	187.18%	0.00%
Yes	261.89%	320.71%
Grand Total	202.12%	320.71%

Figure 12 Small Cap Whistle Blower Policy and MV to BV Ratio



- In the year 2010-11 there were only 4 companies with a formal whistle blower or vigilance policy. For these companies the MV to BV ratio was 261.9% as against only 187.2% for the 16 other companies which did not have a policy.

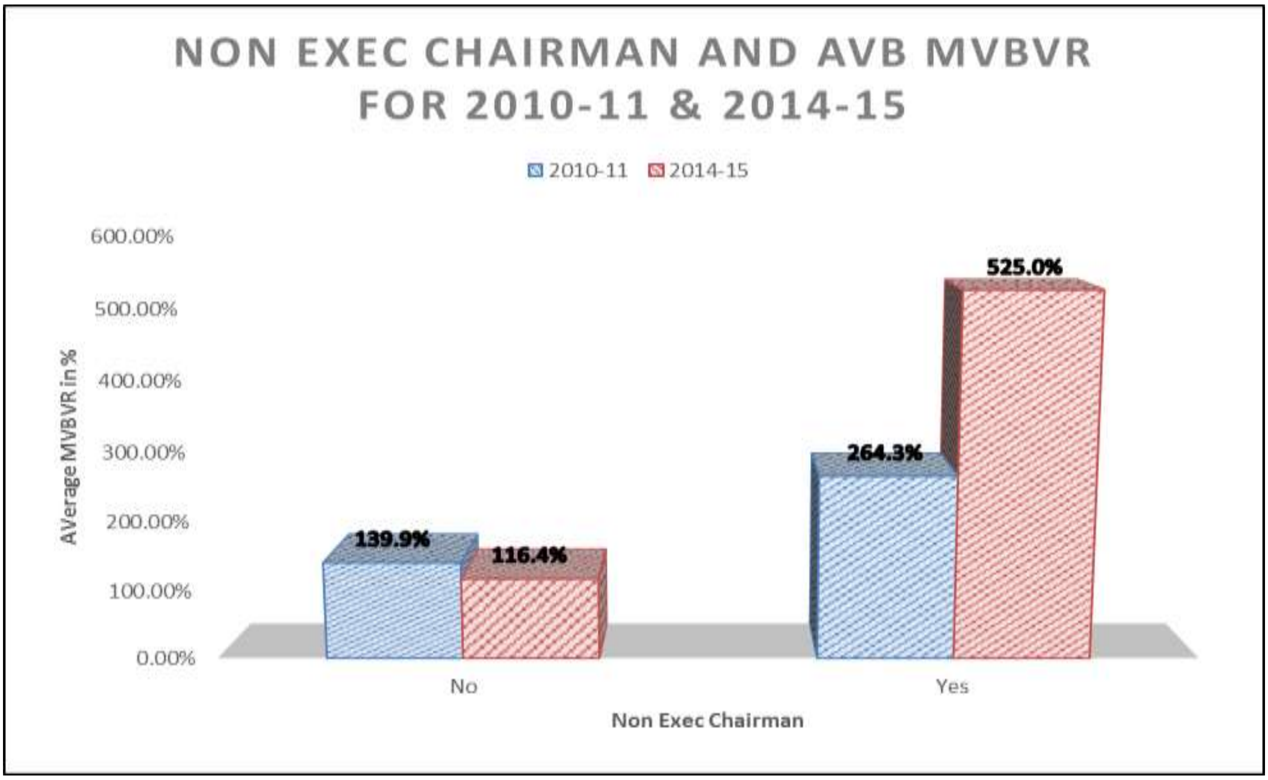
j) Non-Executive Chairman and MV to BV Ratio

A tabulation done for the small cap companies with Non-Executive Chairman and Market Value to Book Value Ratio

Table 14 Small Cap Non-Executive Chairman and MV to BV Ratio

Small Cap	Avg of MV to BV Ratio	
Non - Executive Chairman	2010-11	2014-15
No	139.89%	116.44%
Yes	264.35%	524.99%
Grand Total	202.12%	320.71%

Figure 13 Small Cap Non-Executive Chairman and MV to BV Ratio



- In the year 2010-11 and also in the year 2014-15 the Companies which had a Non-Executive Chairman their Ratio of Market Value to Book Value was much higher than for the companies which had Executive Chairman.

8) Mid Cap Companies Data Analysis

Mid cap companies were selected based on the companies covered under the NSE Mid cap index. Typically, Mid cap companies would be the ones which have probably earlier got listed as small cap and then grown up or may have directly got listed as Mid Cap companies. It is interesting to therefore see how these companies comply to governance norms.

For Mid cap companies the following observations are made based on the data collected.

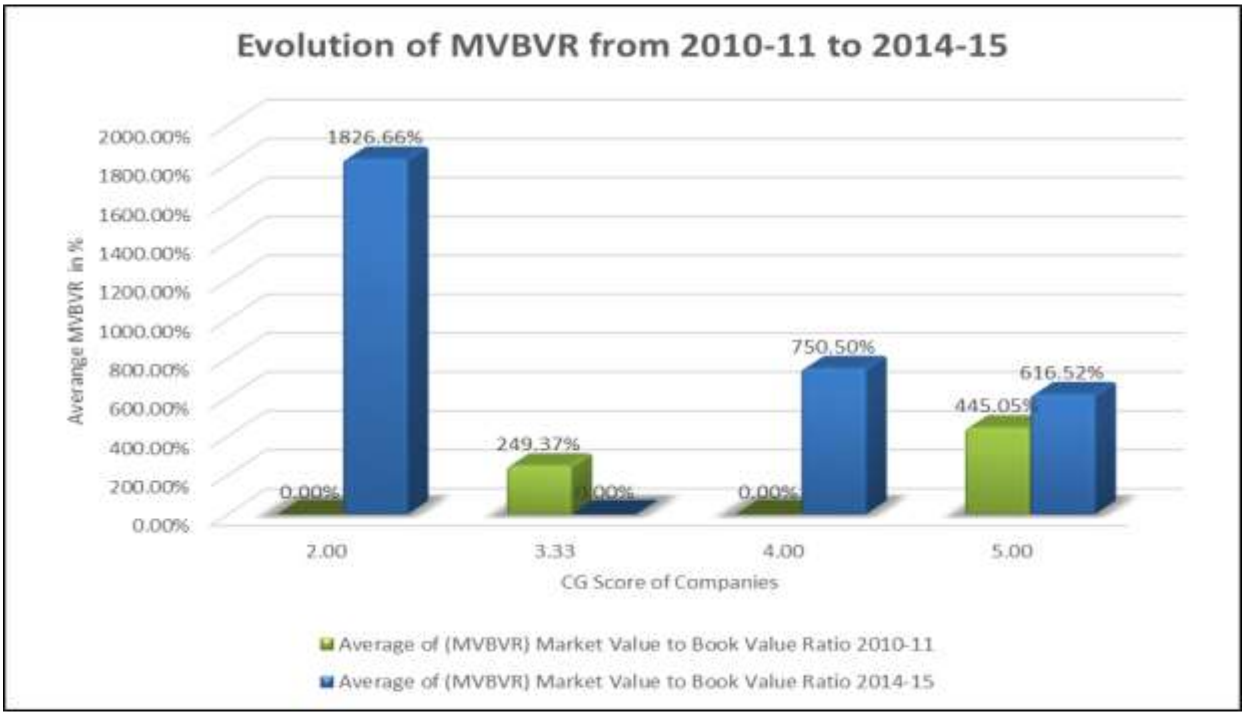
a) CG Score and MVBV Ratio

A tabulation is done for the Mid Cap companies with the Corporate governance score in the two periods and the ratio of Market Value to Book Value (MVBVR).

Table 15 Mid Cap CG Score to MV to BV Ratio

Mid Cap	Average of MV to BV Ratio	
CG Score	2010-11	2014-15
2.0	0.00%	1826.66%
3.3	249.37%	0.00%
4.0	0.00%	750.50%
5.0	445.05%	616.52%
Grand Total	376.56%	710.52%

Figure 14 Mid Cap CG Score to MVBV Ratio



- Clearly the table and the chart show that from 2010-11 to 2014-15 period there is an increase in the Market Value to Book Value Ratio.

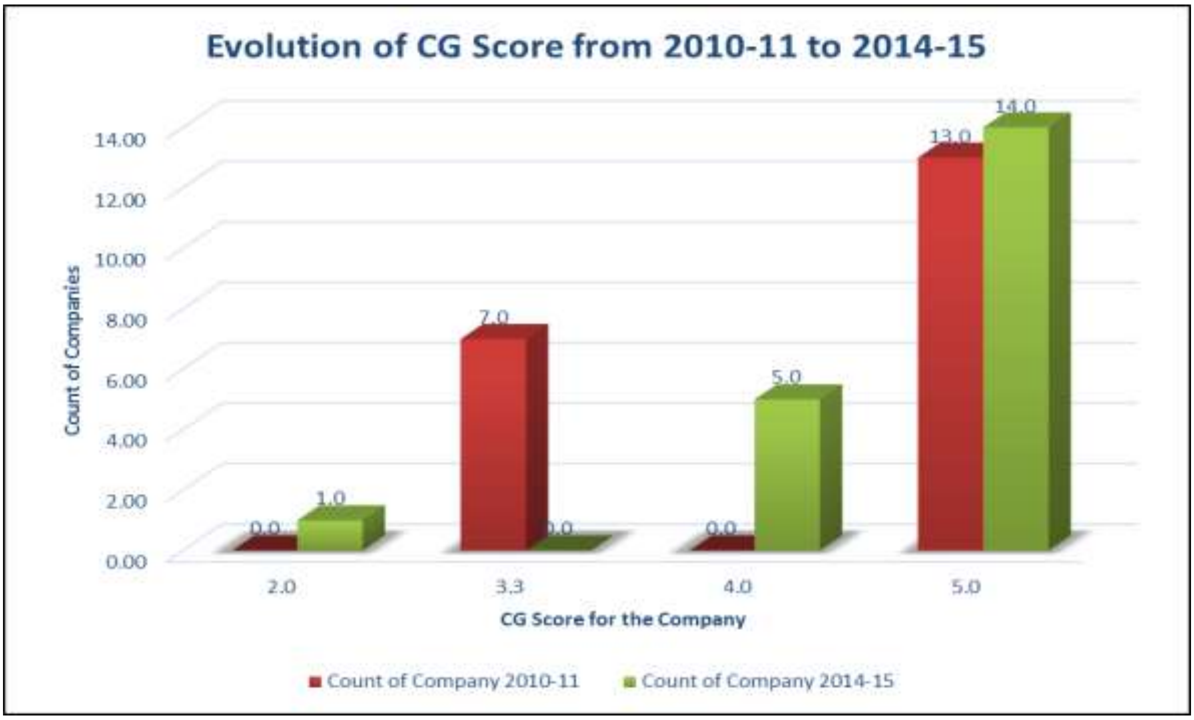
b) CG Score and Count of Companies

A tabulation is done for the Mid cap companies with the Corporate governance score in the two periods and the Count of Companies.

Table 16 Mid Cap CG Score and Count of Companies

Mid Cap	Count of Companies	
CG Score	2010-11	2014-15
2.0	0.00	1.00
3.3	7.00	0.00
4.0	0.00	5.00
5.0	13.00	14.00
Grand Total	20.00	20.00

Figure 15 Mid Cap CG Score and Count of Companies



- The table and the chart show that from 2010-11 to 2014-15 period there is an increase in the CG Score of the companies.

c) Promoter's Holding & MV BV Ratio & Count of Companies

A tabulation is done for the Mid cap companies with the Promoter's Holding & the Average of Market Value to Book Value Ratio & Count of Companies.

Table 17 Mid Cap Promoters Holding to count of companies & MVBV Ratio

Mid Cap	Count of Companies		Average of MV to BV Ratio	
Promoters Holding	2010-11	2014-15	2010-11	2014-15
0%-10%	0	1	0.00%	531.68%
20%-30%	3	4	183.58%	355.78%
30%-40%	3	2	228.09%	455.62%
40%-50%	3	2	429.13%	645.26%
50%-60%	7	8	347.44%	927.15%
60%-70%	2	2	712.49%	968.53%
70%-80%	2	1	575.88%	699.60%
Grand Total	20	20	376.56%	710.52%

Figure 16 Mid Cap Promoters Holding to MVBV Ratio

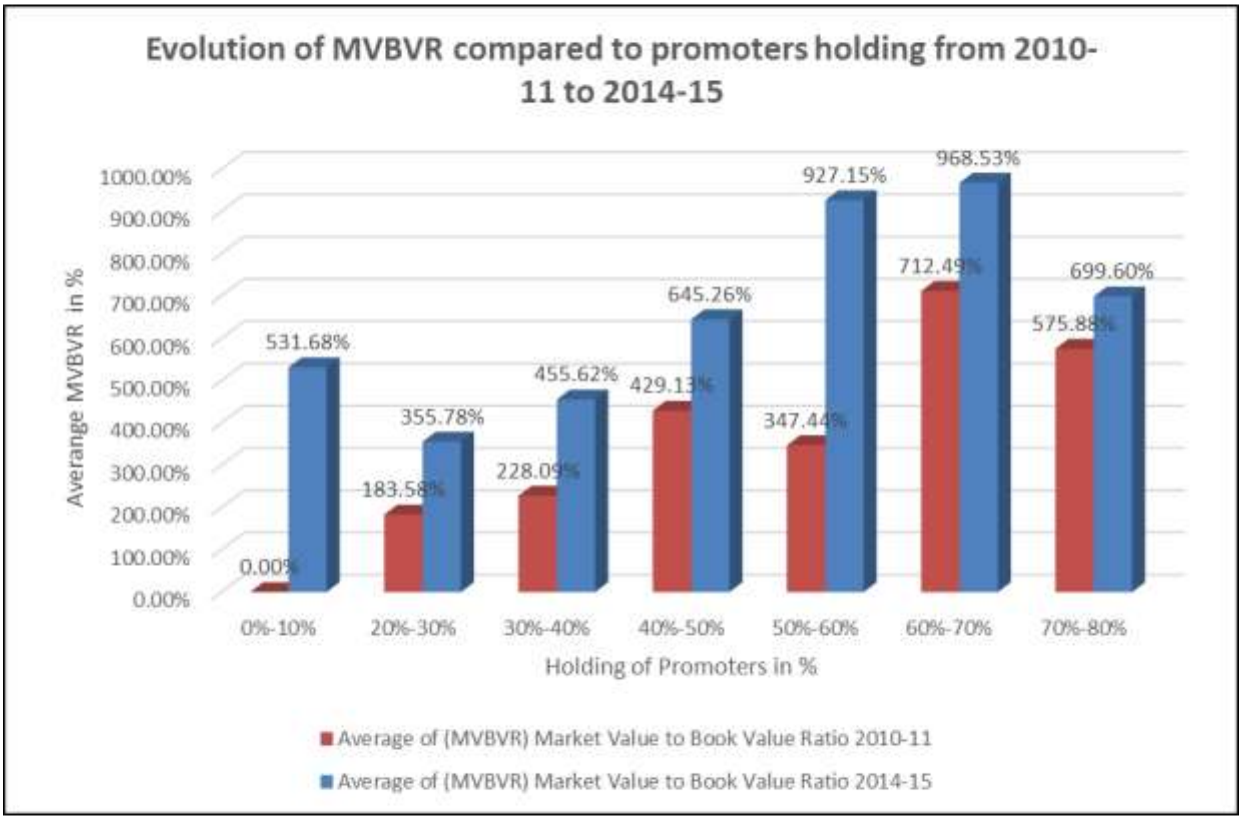
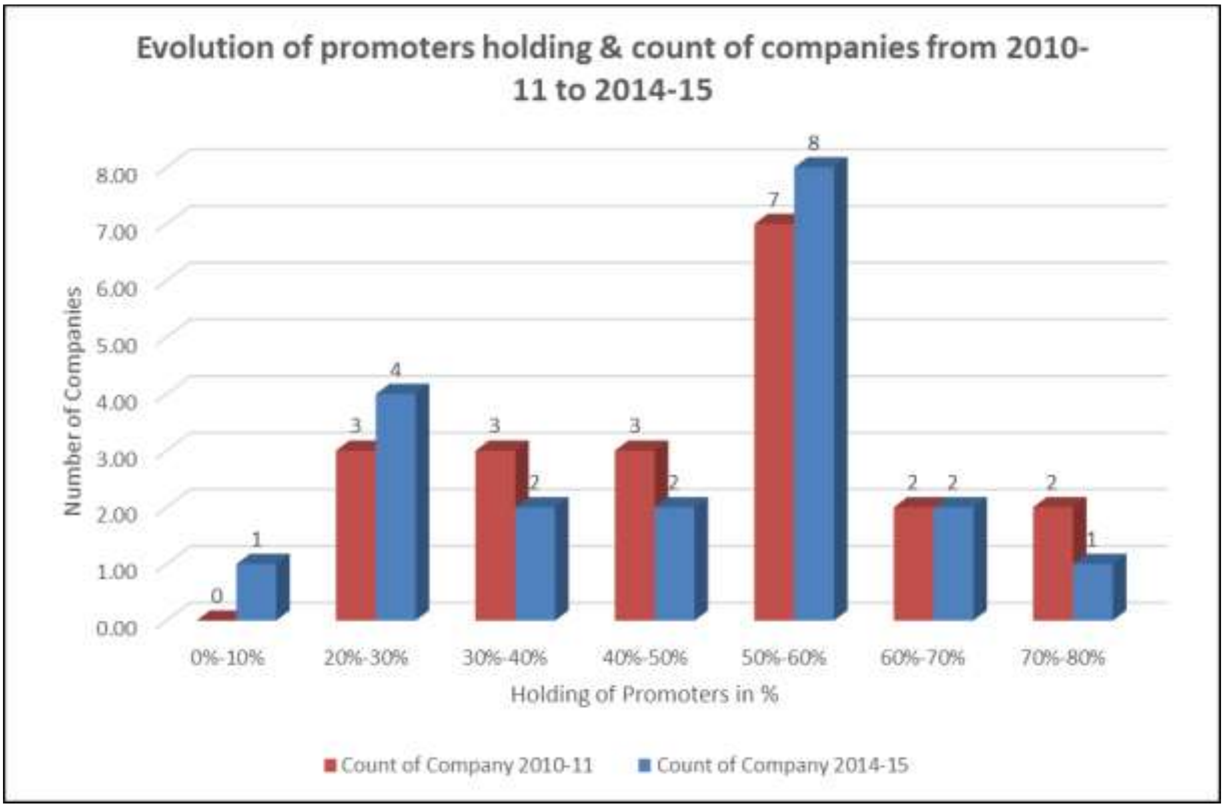


Figure 17 Mid Cap Promoters Holding to count of companies



- The table and the chart show that from 2010-11 to 2014-15 period there is no material change Promoter's holding in the companies. What is also noticeable is the fact that the Market value to Book Value Ratio increases even when the holdings are not increasing
- There is also a clear trend that for increase in promoters holding is also associated with higher Market Value to Book Value ratio within the same year.
- It may also be true that increase in the market value to Book Value Ratio encourages the promoters to increase their holdings.
- In the year 2014-15 about 65% of the companies selected had promoters holding of more than 50%. Whereas the same in 2010-11 was only 70%.

d) Number of Board Meetings & Count of Companies & MV to BV ratio

A tabulation done for the Mid cap companies with the Number of Board Meetings & the Average of Market Value to Book Value Ratio & Count of Companies.

Table 18 Mid Cap No. of Board Meetings & MVBV Ratio & count of companies

Mid Cap	Count of Companies		Average of MV to BV Ratio	
No. of Board Meetings	2010-11	2014-15	2010-11	2014-15
4.0	6	4	303.12%	909.82%
5.0	6	5	377.56%	979.79%
6.0	4	5	628.44%	475.92%
7.0	0	2	0.00%	419.18%
8.0	1	1	337.80%	295.14%
9.0	0	3	0.00%	719.68%
11.0	1	0	249.09%	0.00%
12.0	1	0	236.78%	0.00%
18.0	1	0	109.68%	0.00%
Grand Total	20	20	376.56%	710.52%

Figure 18 Mid Cap No. of Board Meetings & Count of companies

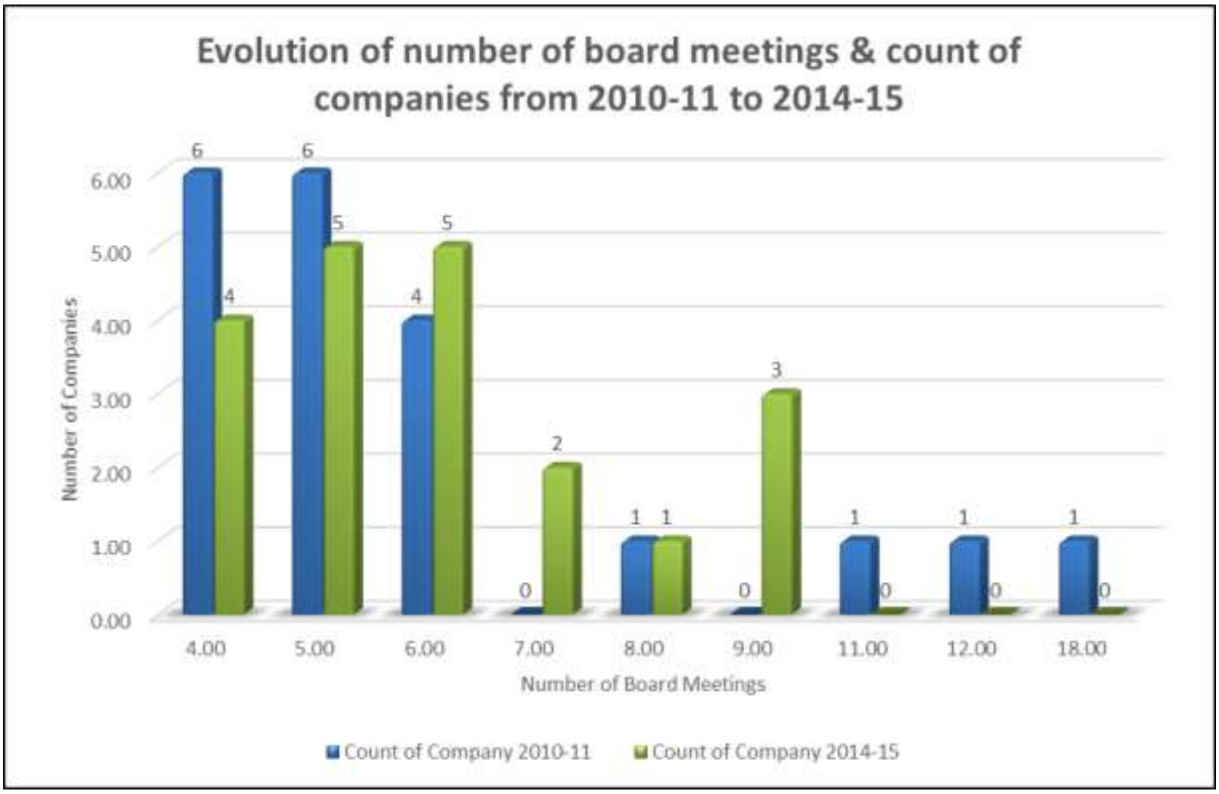
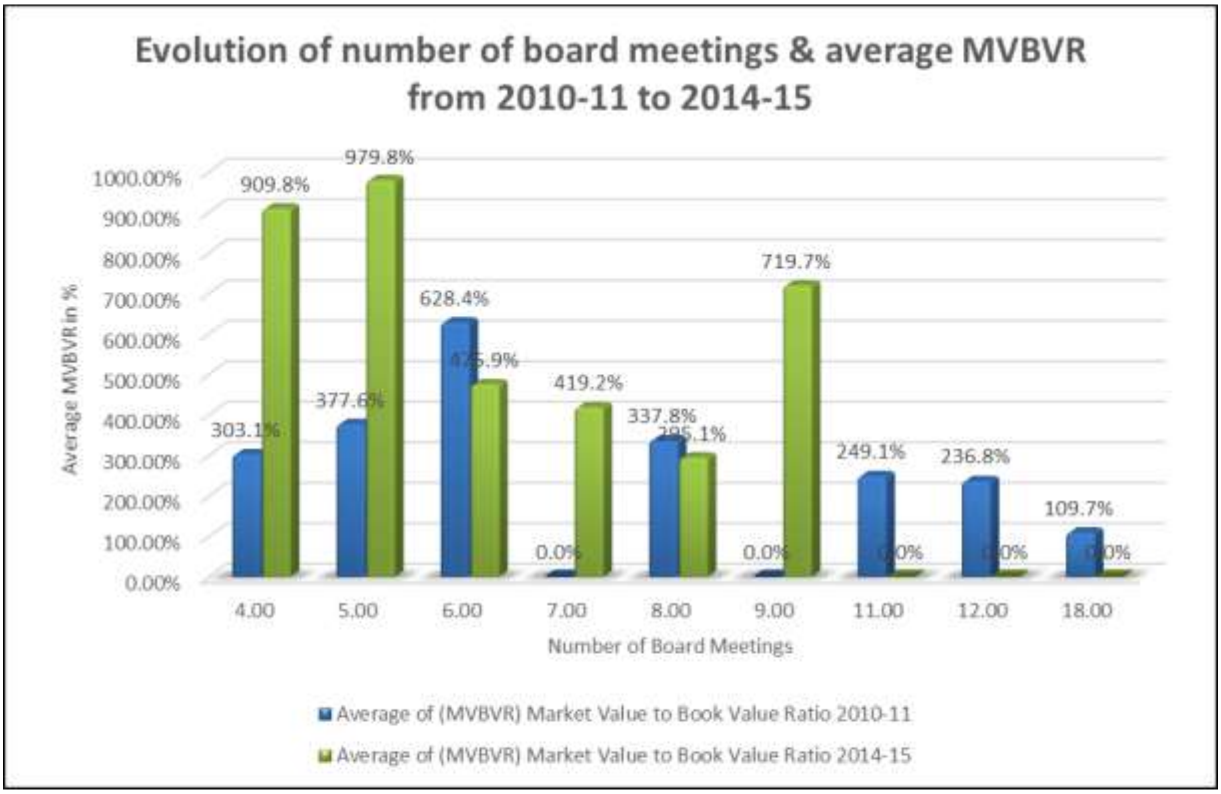


Figure 19 Mid Cap No of Board Meetings & MVBV Ratio



- In the year 2010-11 80% of the companies had between 4 to 6 Board meetings in a year. However, in 2014-15 80% of the companies had between 4 to 7 meetings of the Board in a year.
- This shows a movement towards more meeting as the governance norms got stricter.
- The Market Value to Book Value Ratio of companies was lower when they had either too many or too few meetings of the Board.
- Somewhere between 4, 5 and 6 is the Ideal number of meetings for a year. These are the cases where the ratio of Market Value to Book Value is the highest.
- The requirement of clause 49 are to have at least 4 meetings in a year. It is evident that companies need to organize more meeting of the board than just 4 because of the business needs or due to the complexity of business and availability of the directors.

e) Number of Directors & Count of Companies & MV to BV ratio

A tabulation done for the Mid cap companies with the Number of Directors on Board & the Average of Market Value to Book Value Ratio & Count of Companies.

Table 19 Mid Cap No. of Directors & Count of Companies & MVBV Ratio

Mid Cap	Count of Companies		Average of MV to BV Ratio	
Total No. of Directors	2010-11	2014-15	2010-11	2014-15
5.0	1	0	265.25%	0.00%
6.0	0	1	0.00%	1826.66%
7.0	1	0	269.82%	0.00%
8.0	3	2	511.55%	645.46%
9.0	0	5	0.00%	618.93%
10.0	5	2	355.70%	308.43%
11.0	1	3	175.23%	358.75%
12.0	3	3	183.58%	844.36%
13.0	2	2	727.97%	1352.93%
14.0	2	2	388.40%	533.05%
16.0	1	0	337.80%	0.00%
17.0	1	0	386.46%	0.00%
Grand Total	20	20	376.56%	710.52%

Figure 20 Mid Cap No of Directors & count of companies

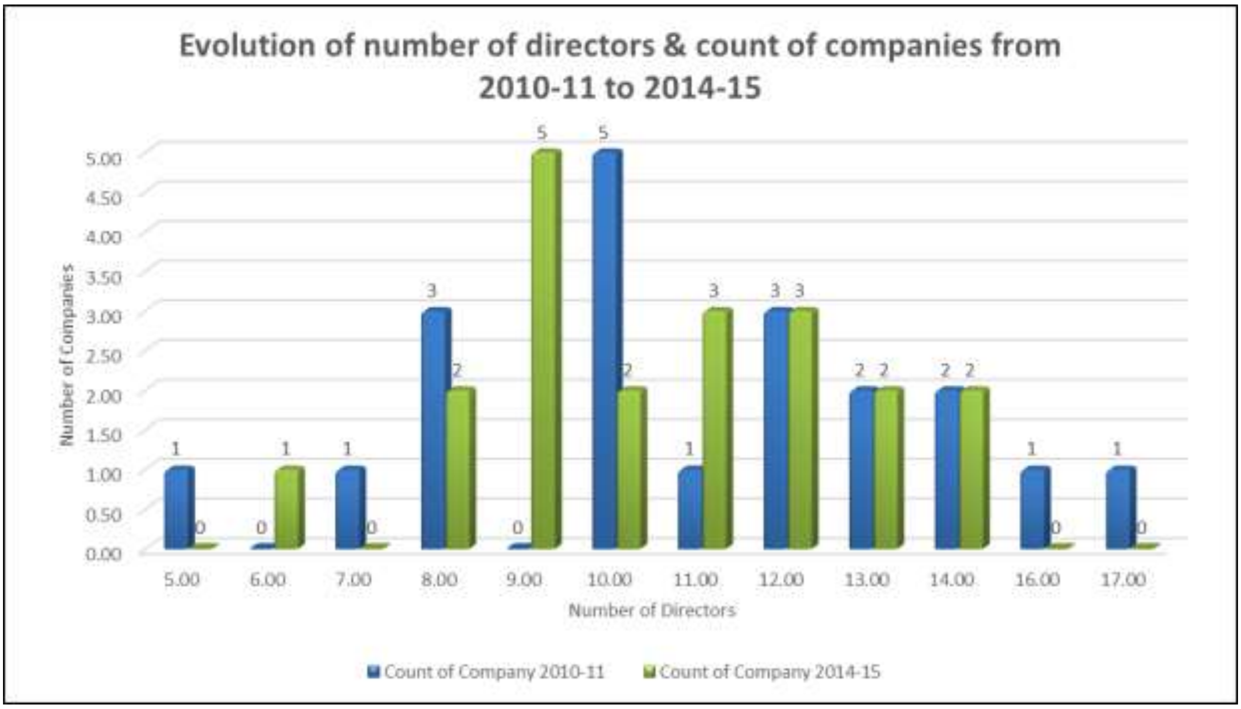
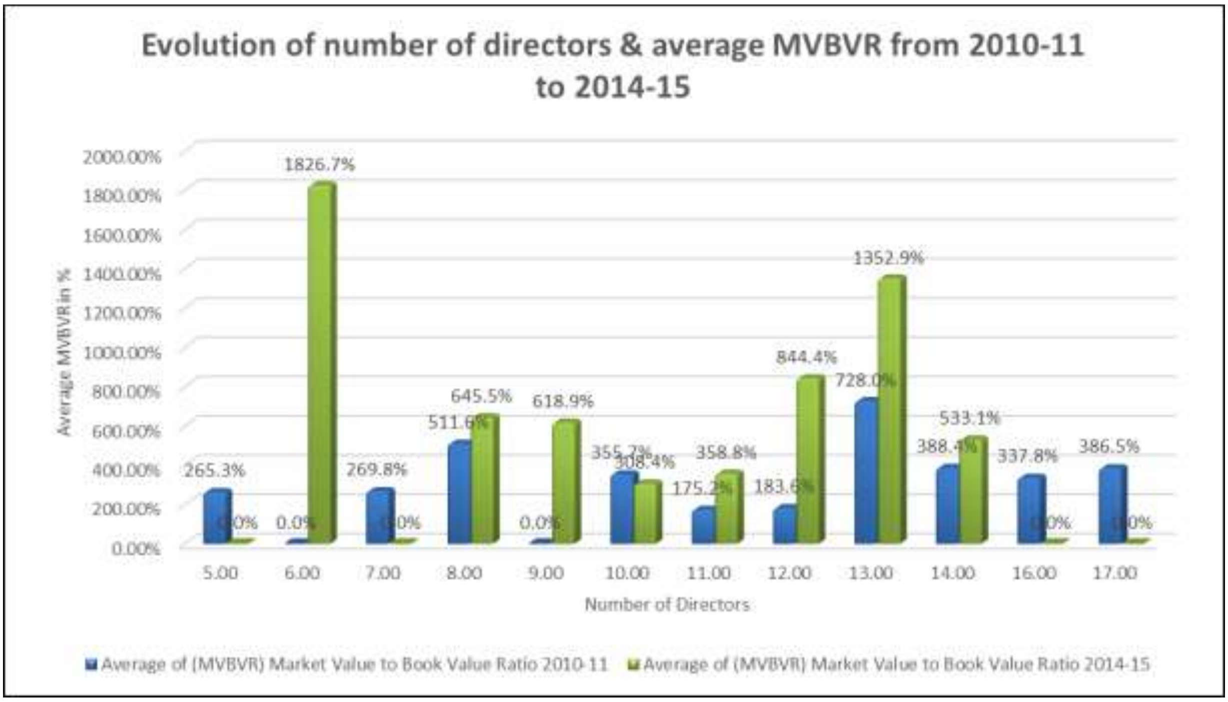


Figure 21 Mid Cap No of Directors & MVBV Ratio



- In the year 2010-11 there were only 9 companies with 8 to 11 directors. This increased to 12 companies in the year 2014-15.
- This shows a movement towards more number of directors in the band of 8 to 11.
- The Market Value to Book Value Ratio of companies was lower when they had either too many or too few Directors on the Board.
- The Market Value to Book Value Ratio is highest for the cases where the number of directors is either 12 or 13. This may represent optimal board size for a Mid cap company.

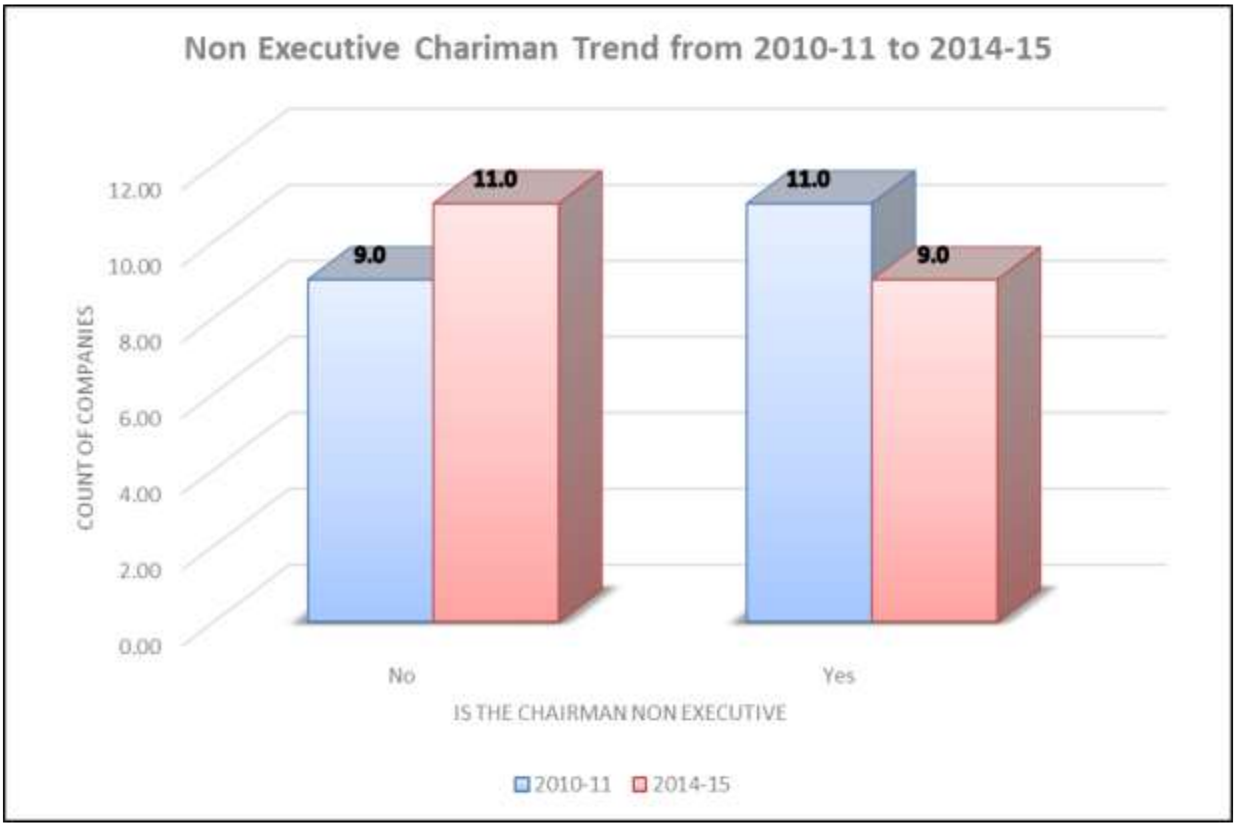
f) Non-Executive Chairman and Count of Companies

A tabulation done for the Mid cap companies with Non-Executive Chairman on Board and Count of Companies.

Table 20 Mid Cap Non-Executive Chairman & count of companies

Mid Cap	Count of Companies	
Non-Executive Chairman	2010-11	2014-15
No	9	11
Yes	11	9
Grand Total	20	20

Figure 22 Mid Cap Non-Executive Chairman & count of companies



- In the year 2010-11 there were 11 companies with Non-Executive chairman this number went down to 9 for year 2014-15.
- Given that there has been a clear positive evolution of the Market Value to Book Value Ratio from 2010-11 to 2014-15 it can mean that the nature of chairman does not impact the MV to BV Ratio.

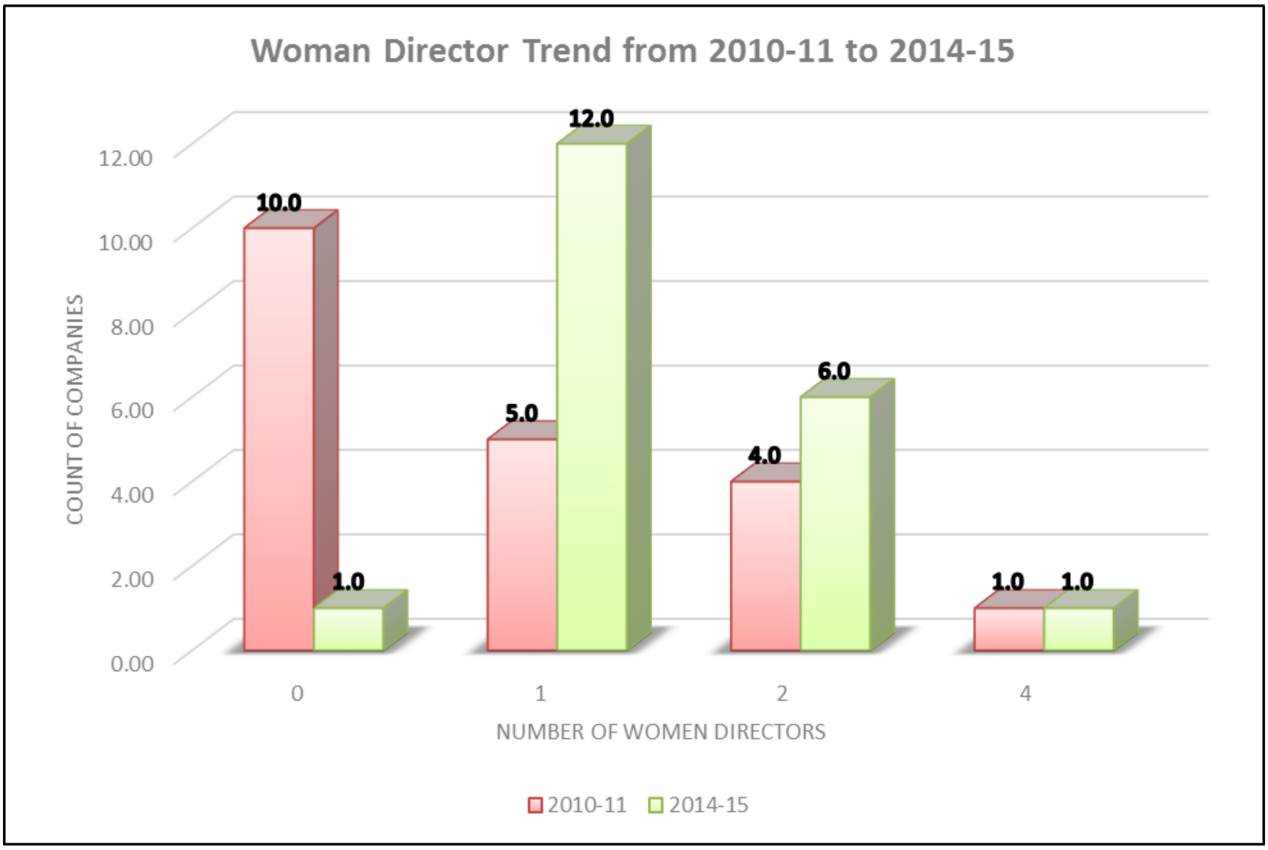
g) Woman Directors on the Board & Count of Companies

A tabulation done for the Mid cap companies with Woman Directors on Board and Count of Companies.

Table 21 Mid Cap No. of Women Directors & count of companies

Mid Cap	Count of Companies	
Number of Women Directors on Board	2010-11	2014-15
0.0	10	1
1.0	5	12
2.0	4	6
4.0	1	1
Grand Total	20	20

Figure 23 Mid Cap No. of Women Directors & count of companies



- In the year 2010-11 there were only 10 companies with Woman Directors on their Board. In the year 2014-15 there were 19 companies with Woman Directors on their Board.

- This increase is directly linked to the fact that here was a change the governance norms and it was mandatory in 2014-15 to appoint woman director on board. This may or may not represent a voluntary improvement in governance practices.

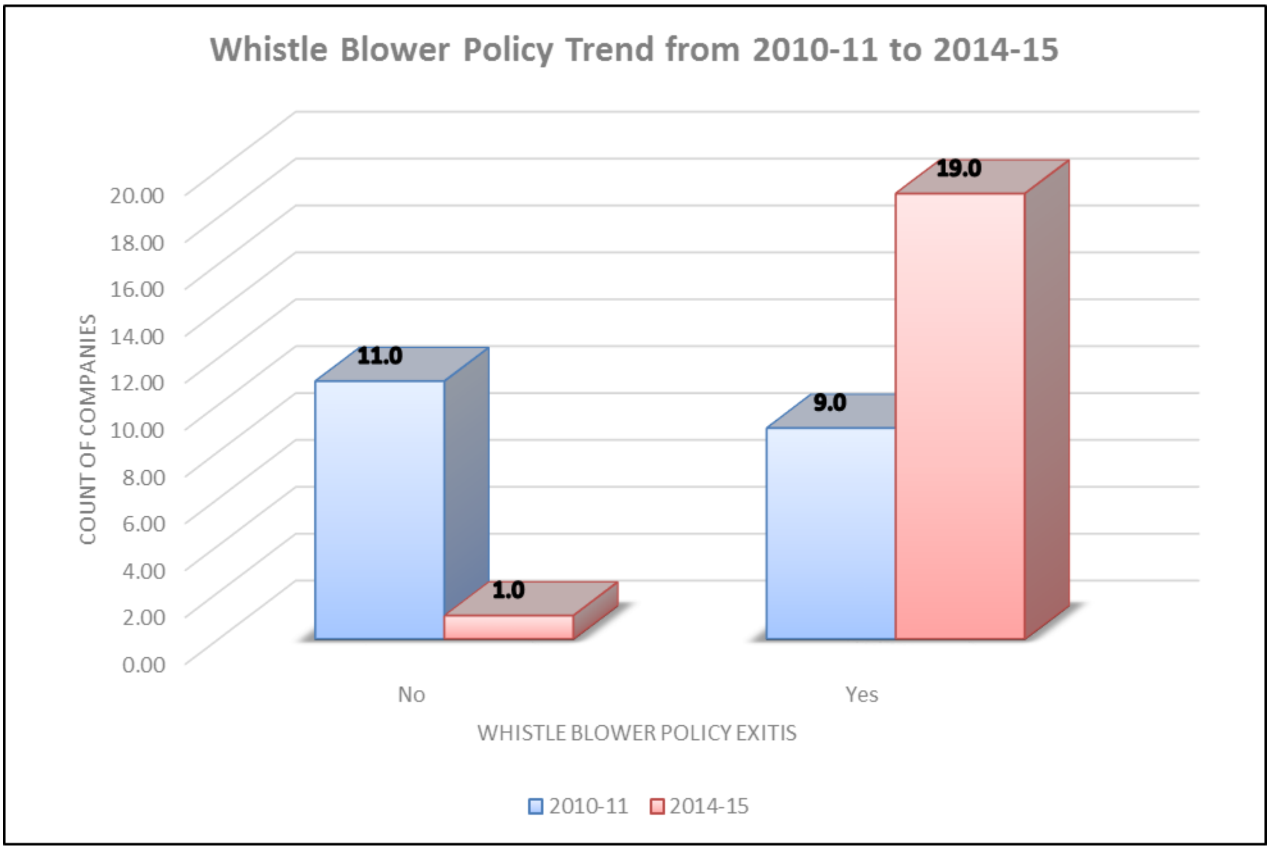
h) Whistle Blower Policy and Count of Companies

A tabulation done for the Mid cap companies with Whistle Blower Policy and Count of Companies

Table 22 Mid Cap Whistle Blower Policy & count of companies

Mid Cap	Count of Companies	
Whistle Blower Policy Exists	2010-11	2014-15
No	11	1
Yes	9	19
Grand Total	20	20

Figure 24 Mid Cap Whistle Blower Policy & count of companies



- In the year 2010-11 there were only 9 companies with a formal whistle blower or vigilance policy. In the year 2014-15 there were 19 companies with formal Policy as this became mandatory part of Clause 49 requirements.

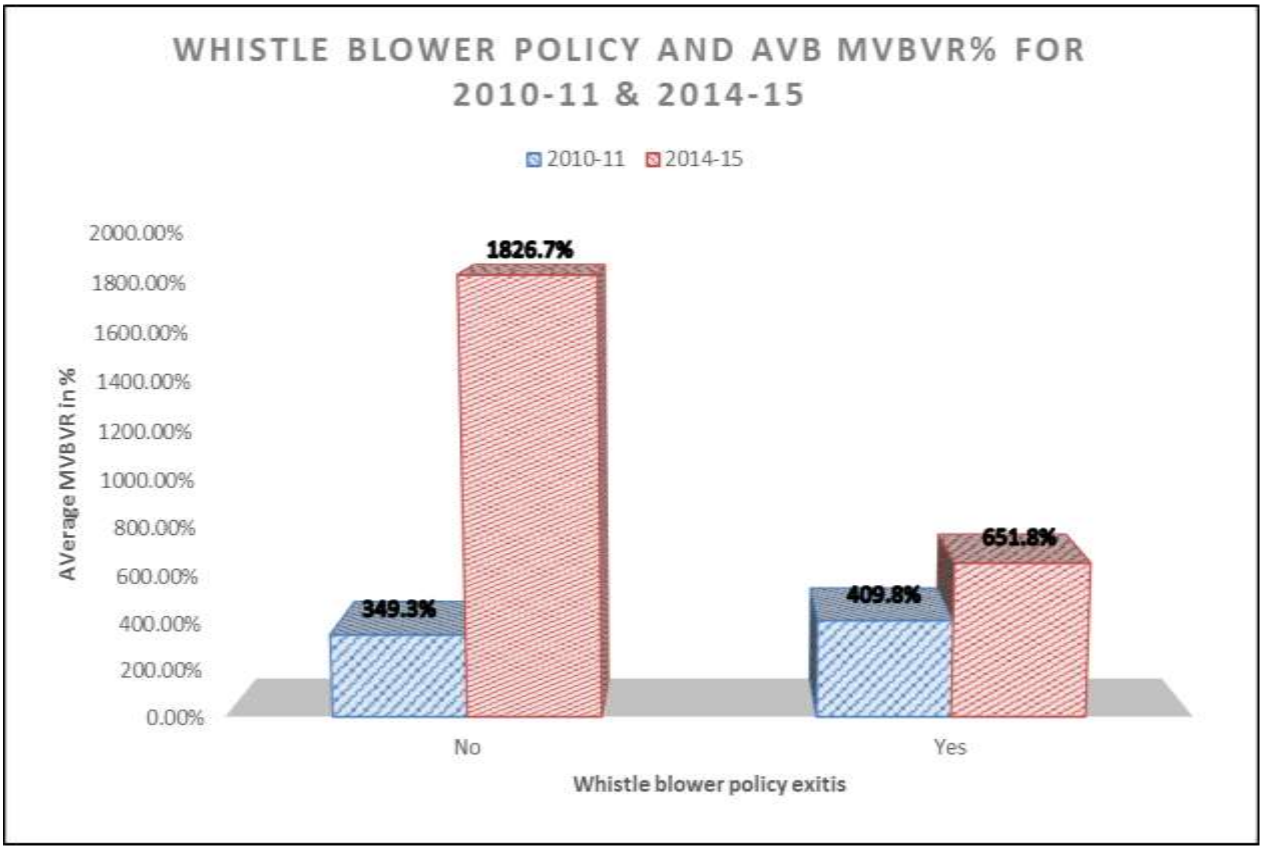
i) Whistle Blower Policy and MV to BV Ratio

A tabulation done for the Mid cap companies with Whistle Blower Policy and Market Value to Book Value Ratio

Table 23 Mid Cap Whistle Blower Policy & MV to BV Ratio

Mid Cap	Avg of MV to BV Ratio	
Whistle Blower Policy Exists	2010-11	2014-15
No	349.33%	1826.66%
Yes	409.84%	651.78%
Grand Total	376.56%	710.52%

Figure 25 Mid Cap Whistle Blower Policy & MV BV Ratio



- In the year 2010-11 there were only 9 companies with a formal whistle blower or vigilance policy. For these companies the MV to BV ratio was 409.8% as against only 349.3% for the 11 other companies which did not have a policy.

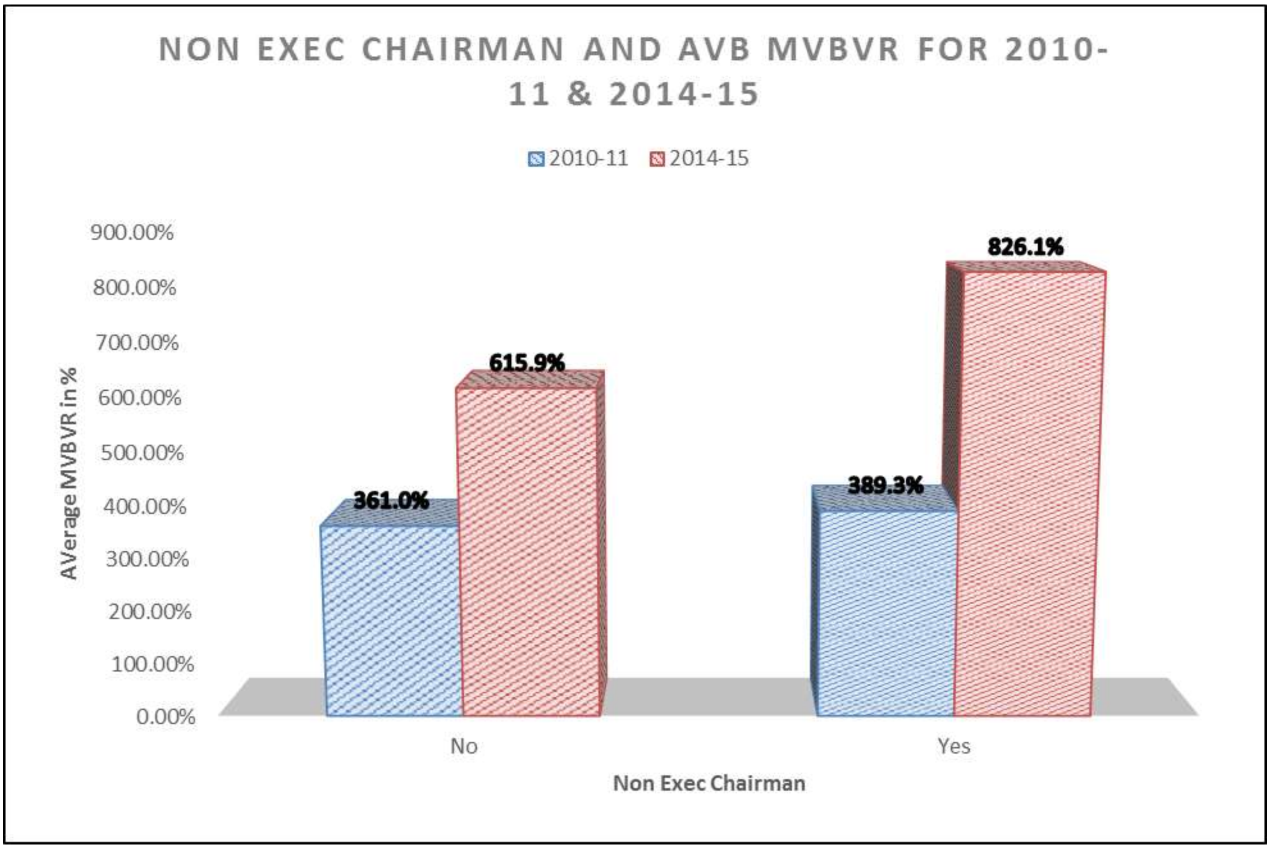
j) Non-Executive Chairman and MV to BV Ratio

A tabulation done for the Mid cap companies with Non-Executive Chairman and Market Value to Book Value Ratio

Table 24 Mid Cap Non-Executive Chairman & MV BV Ratio

Mid Cap	Avg of MV to BV Ratio	
Non-Executive Chairman	2010-11	2014-15
No	361.05%	615.94%
Yes	389.25%	826.11%
Grand Total	376.56%	710.52%

Figure 26 Mid Cap Non-Executive Chairman & MV BV Ratio



- In the year 2010-11 and also in the year 2014-15 the Companies which had a Non-Executive Chairman their Ratio of Market Value to Book Value was much higher than for the companies which had Executive Chairman.

9) Large Cap Companies Data Analysis

Large cap companies were selected based on the companies covered under the NSE NIFTY index. Typically, large cap companies would be the ones which have probably earlier got listed as small cap and then grown up or may have got listed as Mid Cap companies and grown up to be large cap companies. It is interesting to therefore see how these companies comply to governance norms.

For Large cap companies the following observations are made based on the data collected.

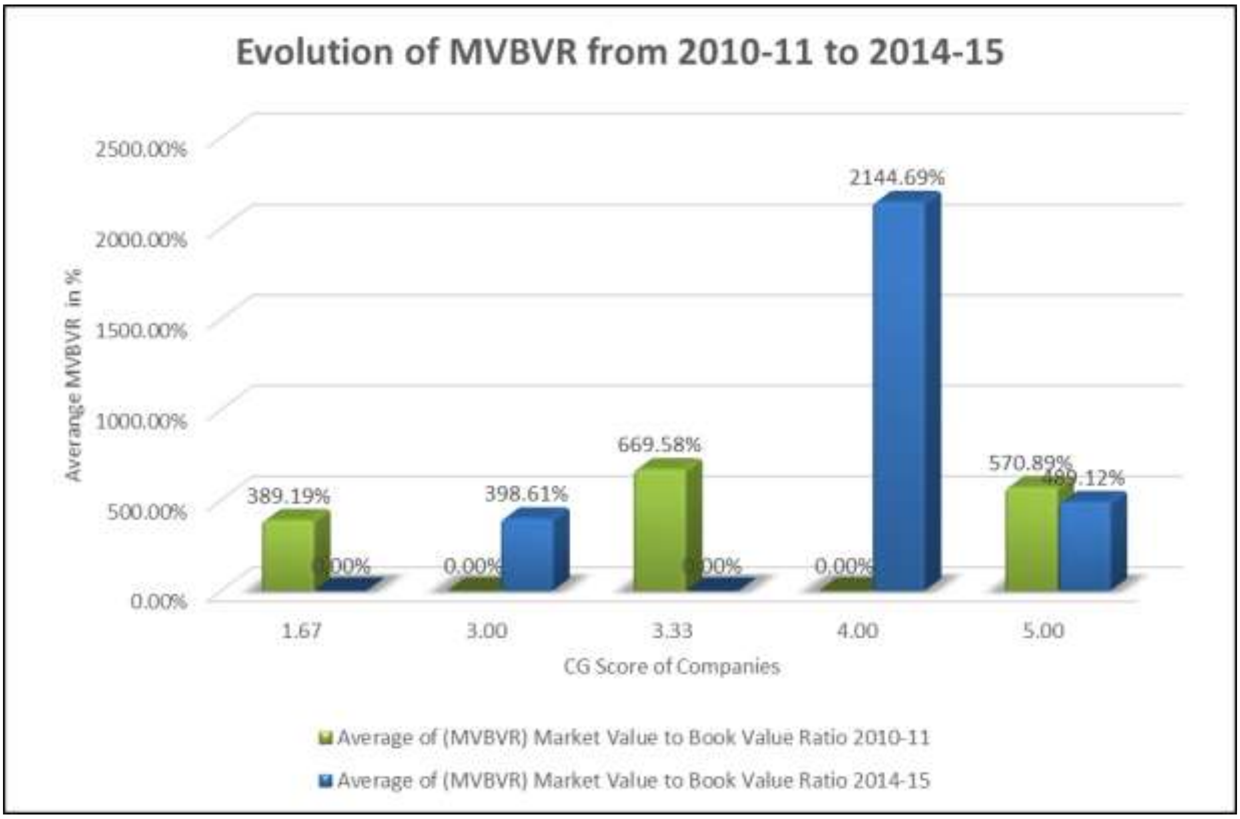
a) CG Score and MVBV Ratio

A tabulation is done for the Large cap companies with the Corporate governance score in the two periods and the ratio of Market Value to Book Value (MVBVR).

Table 25 Large Cap CG Score & MV to BV Ratio

Large Cap	Average of MV to BV Ratio	
CG Score	2010-11	2014-15
1.7	389.19%	0.00%
3.0	0.00%	398.61%
3.3	669.58%	0.00%
4.0	0.00%	2144.69%
5.0	570.89%	489.12%
Grand Total	591.41%	732.93%

Figure 27 Large Cap CG Score and MV to BV ratio



- Clearly the table and the chart show that from 2010-11 to 2014-15 period there is an increase in the Market Value to Book Value Ratio.
- While in 2010-11 the ratio was 591.41% it became 732.93%for the year 2014-15.
- The chart also shows that for the companies that had a higher CG Score the Market Value to Book Value Ratio was also higher.
- It shows a positive relationship between the corporate governance score and the market value to book value ratio

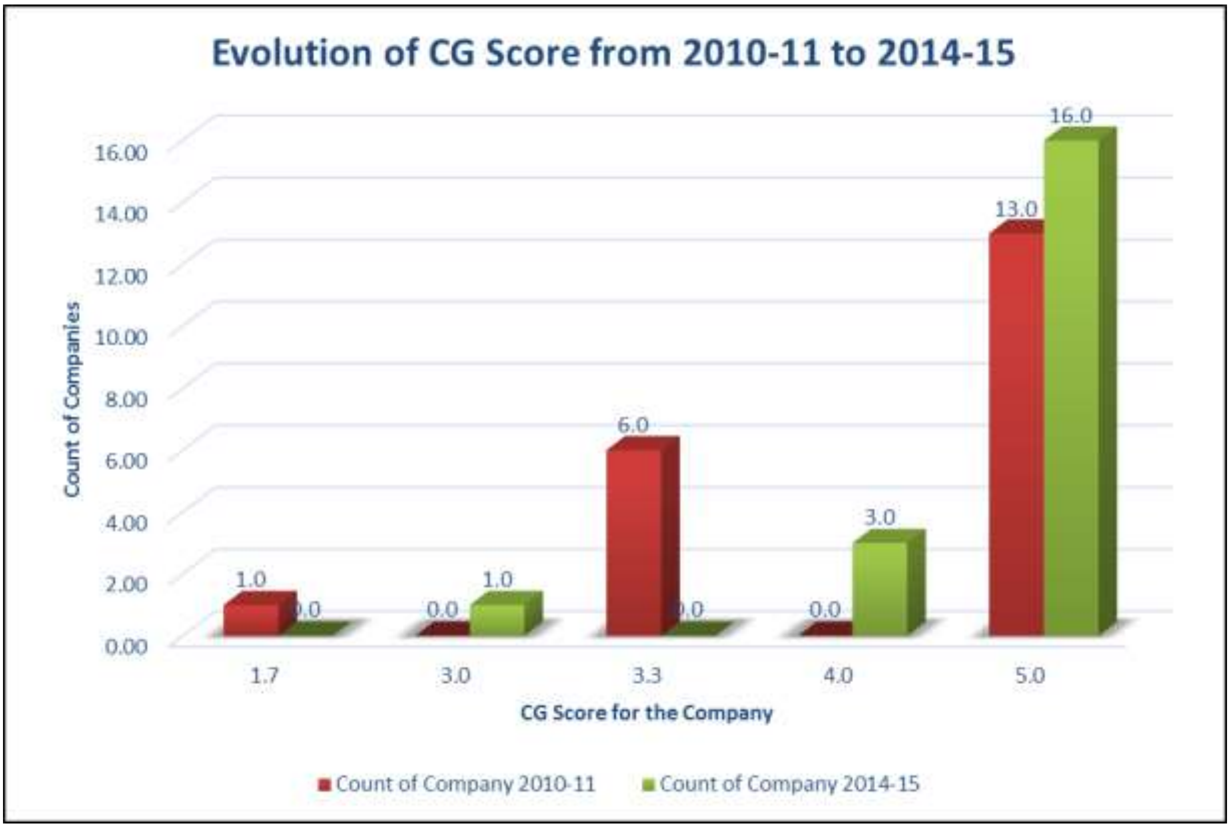
b) CG Score and Count of Companies

A tabulation is done for the Large cap companies with the Corporate governance score in the two periods and the Count of Companies.

Table 26 Large Cap CG Score and Count of Companies

Large Cap	Count of Companies	
CG Score	2010-11	2014-15
1.7	1.00	0.00
3.0	0.00	1.00
3.3	6.00	0.00
4.0	0.00	3.00
5.0	13.00	16.00
Grand Total	20.00	20.00

Figure 28 Large Cap CG Score & count of companies



- The table and the chart show that from 2010-11 to 2014-15 period there is an increase in the CG Score of the companies. More companies are moving towards better score from one period to another

c) Promoter's Holding & MV BV Ratio & Count of Companies

A tabulation is done for the large cap companies with the Promoter's Holding & the Average of Market Value to Book Value Ratio & Count of Companies.

Table 27 Large Cap Promoters Holding & Count of companies & MV BV ratio

Large Cap	Count of Companies		Average of MV to BV Ratio	
Promoters Holding	2010-11	2014-15	2010-11	2014-15
0%-10%	2	2	618.53%	638.15%
10%-20%	1	1	722.19%	500.71%
20%-30%	3	2	442.44%	445.14%
30%-40%	2	4	269.75%	444.34%
40%-50%	4	4	399.96%	385.03%
50%-60%	3	1	1201.99%	297.62%
60%-70%	4	5	359.93%	1469.73%
70%-80%	1	1	1356.59%	1027.65%
Grand Total	20	20	591.41%	732.93%

Figure 29 Large Cap Promoters Holding & MV BV ratio

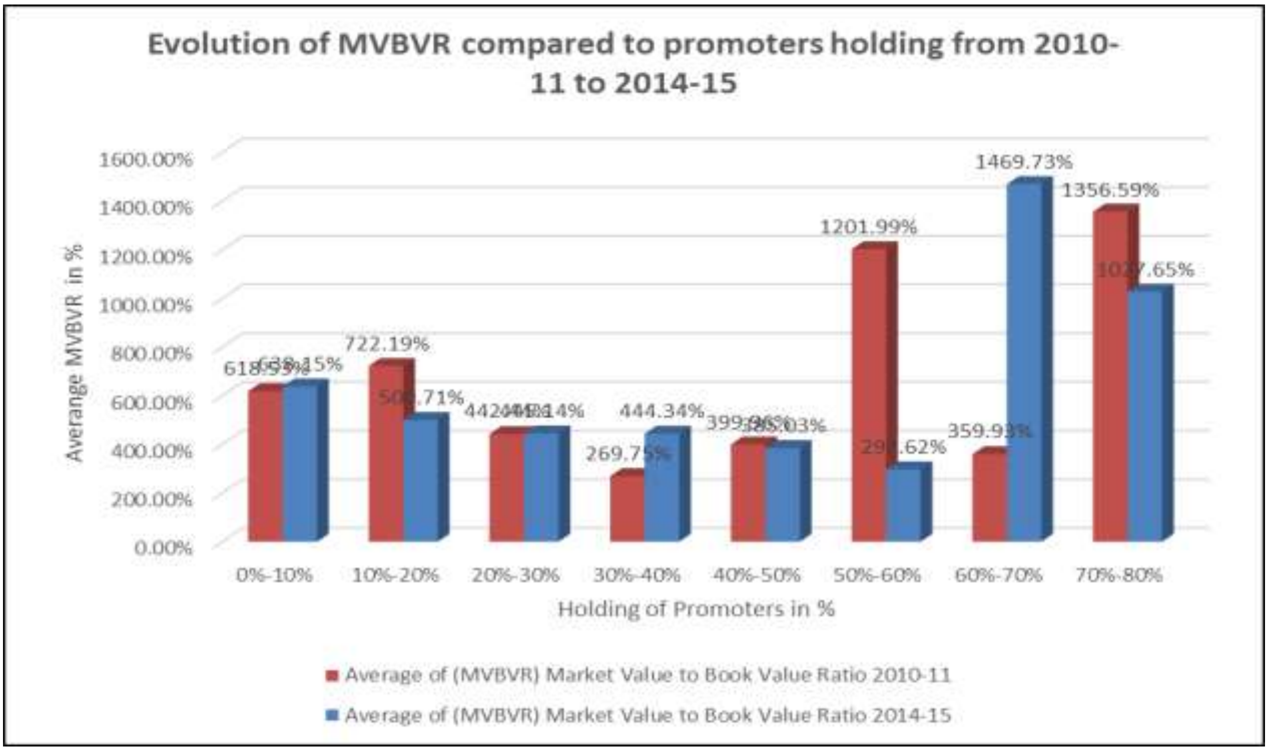
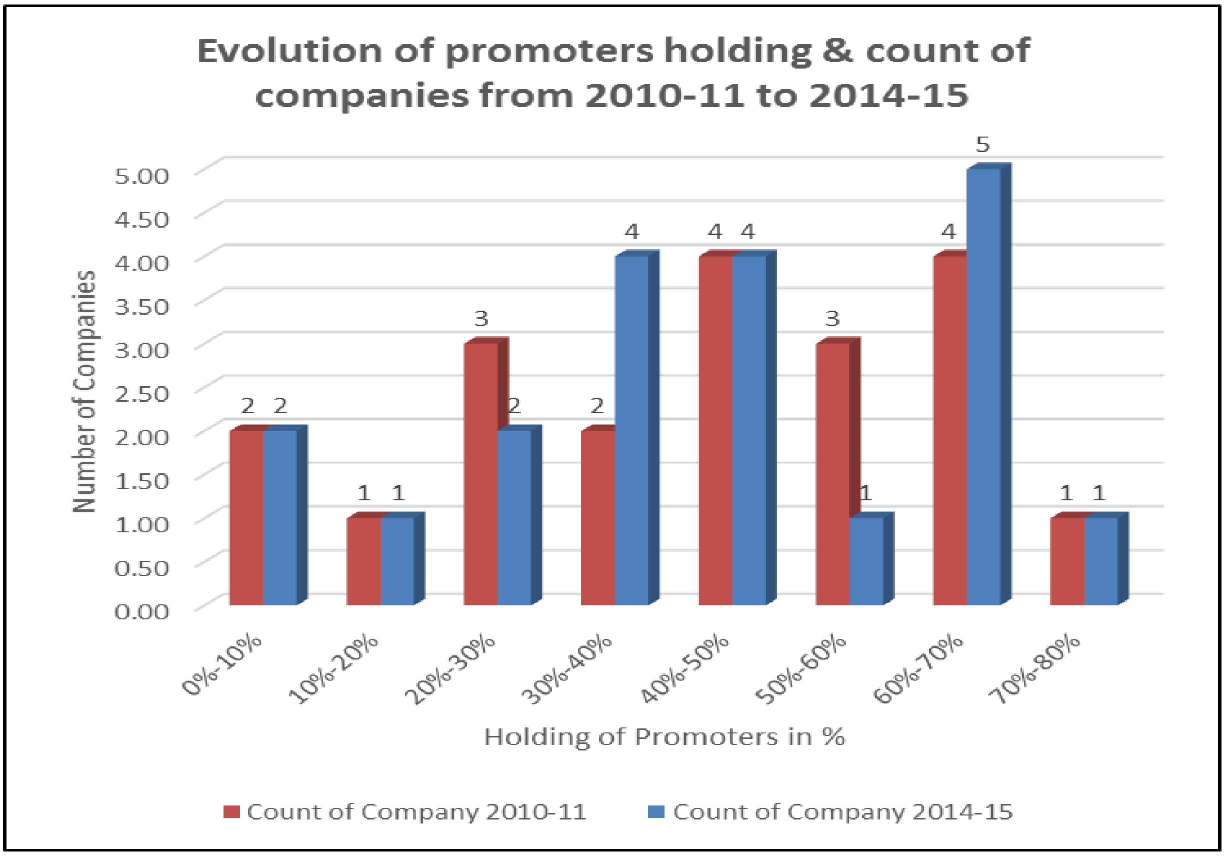


Figure 30 Large Cap Promoters holding & count of companies



- The table and the chart show that from 2010-11 to 2014-15 period there is a slight increase in Promoter's holding in the companies. What is also noticeable is the fact that the Market value to Book Value Ratio also increases.
- There is also no clear trend that for increase in promoters holding is associated with higher Market Value to Book Value ratio within the same year.

d) Number of Board Meetings & Count of Companies & MV to BV ratio

A tabulation done for the Large cap companies with the Number of Board Meetings & the Average of Market Value to Book Value Ratio & Count of Companies.

Table 28 Large Cap No of Board meetings to MV BV Ratio & count of companies

Large Cap	Count of Companies		Average of MV to BV Ratio	
No. of Board Meetings	2010-11	2014-15	2010-11	2014-15
4.0	4	2	281.75%	570.18%
5.0	6	2	559.37%	267.86%
6.0	1	4	827.88%	694.99%
7.0	3	5	1495.18%	493.56%
8.0	2	3	296.80%	2126.65%
9.0	1	3	386.31%	345.75%
10.0	2	1	331.20%	317.59%
13.0	1	0	389.19%	0.00%
Grand Total	20	20	591.41%	732.93%

Figure 31 Large Cap No of Board Meetings & Count of companies

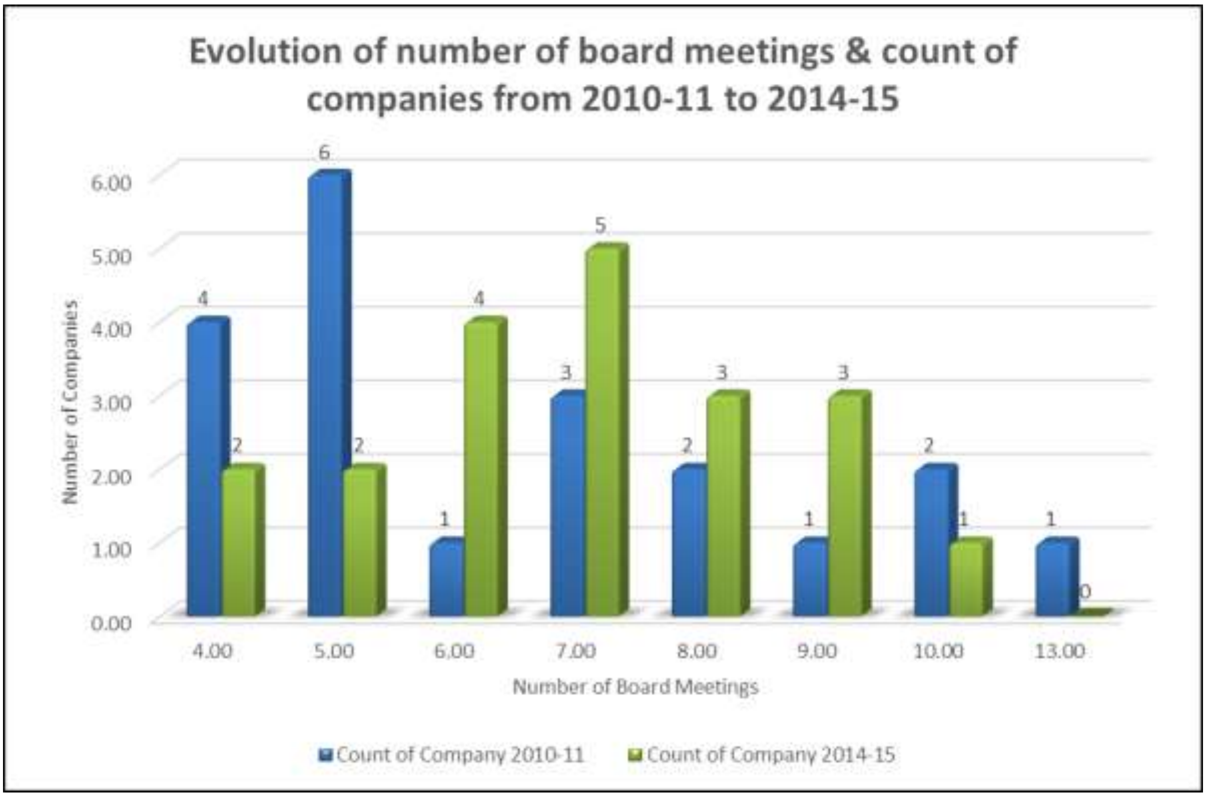
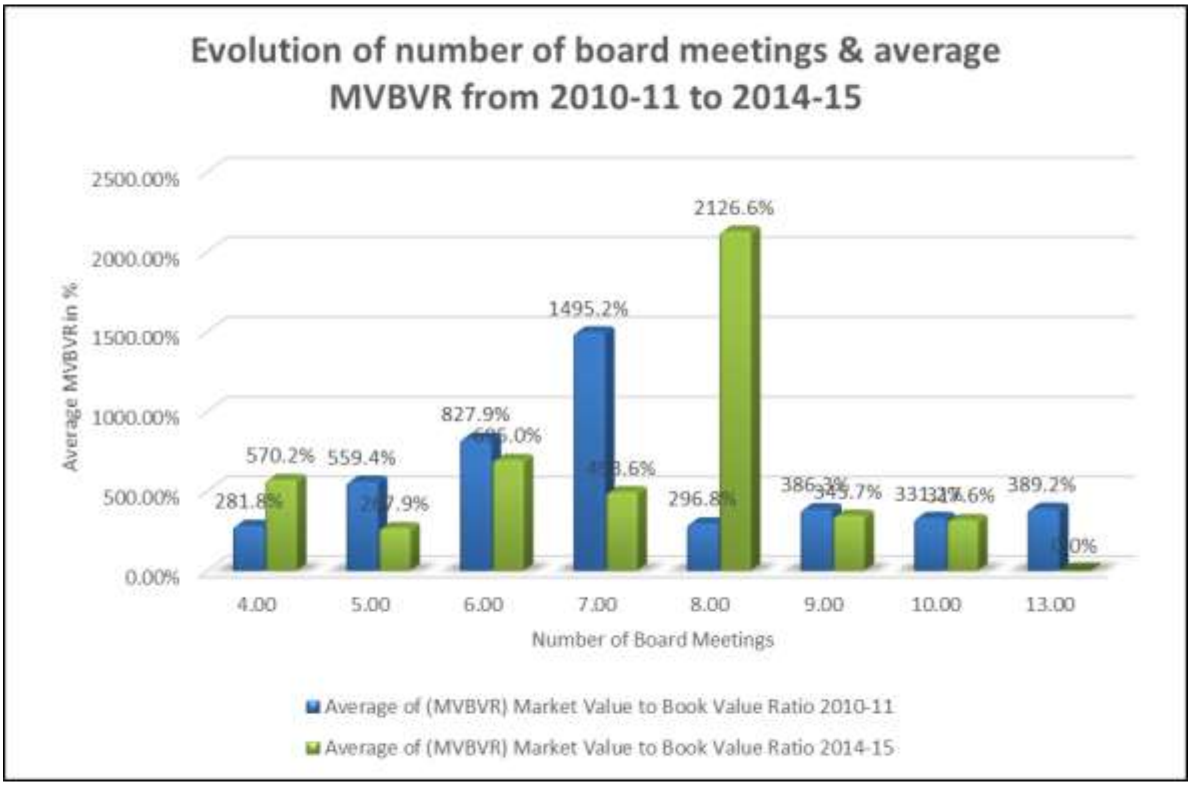


Figure 32 Large Cap No of Board meeting & MV BV Ratio



- In the year 2010-11 70% of the companies had between 4 to 7 Board meetings in a year. However, in 2014-15 75 of the companies had between 6 to 9 meetings of the Board in a year.
- This shows a movement towards more meeting as the governance norms got stricter.
- The Market Value to Book Value Ratio of companies was lower when they had either too many or too few meetings of the Board.
- Somewhere between 6, 7 and 8 is the Ideal number of meetings for a year. These are the cases where the ratio of Market Value to Book Value is the highest.
- The requirement of clause 49 are to have at least 4 meetings in a year. It is evident that companies need to organize more meeting of the board than just 4 because of the business needs or due to the complexity of business and availability of the directors.

e) Number of Directors & Count of Companies & MV to BV ratio

A tabulation done for the Large cap companies with the Number of Directors on Board & the Average of Market Value to Book Value Ratio & Count of Companies.

Table 29 Large Cap No of Directors & MV BV Ratio & Count of Companies

Large Cap	Count of Companies		Average of MV to BV Ratio	
Total No. of Directors	2010-11	2014-15	2010-11	2014-15
8.0	2	1	428.03%	607.22%
9.0	3	3	1032.73%	2220.80%
10.0	1	3	664.93%	470.91%
11.0	0	2	0.00%	661.74%
12.0	5	3	474.78%	412.73%
13.0	3	4	253.61%	286.42%
14.0	2	2	873.27%	422.48%
15.0	1	0	389.19%	0.00%
16.0	3	2	646.16%	711.99%
Grand Total	20	20	591.41%	732.93%

Figure 33 Large Cap No of Directors & Count of Companies

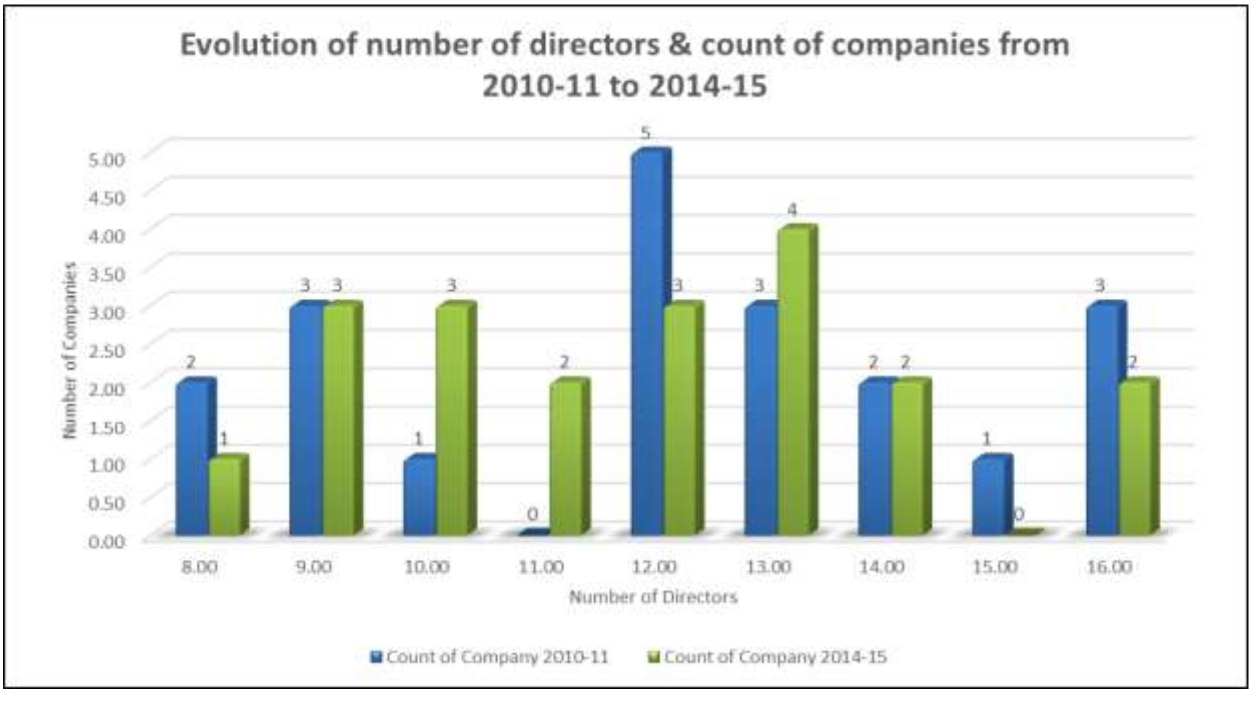
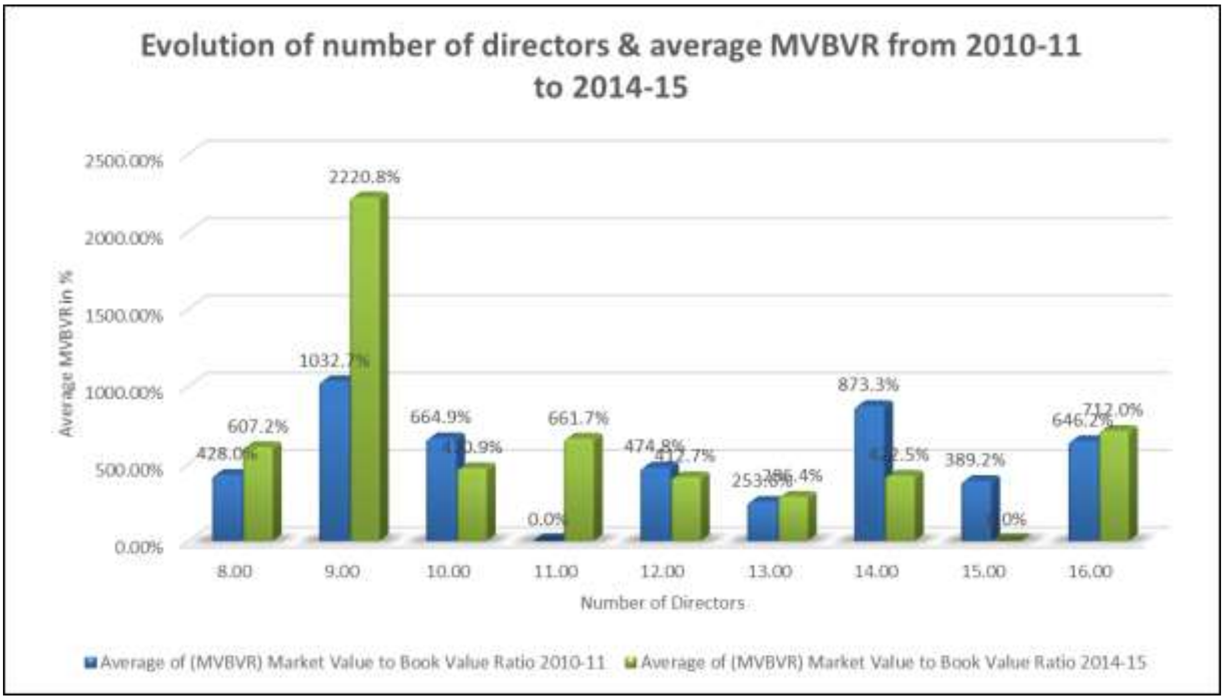


Figure 34 Large Cap No of Directors & MV BV Ratio



- In the year 2010-11 there were 14 companies with 11 to 16 directors. This decreased to 13 companies in the year 2014-15.
- This shows no significant change in count of directors.
- The Market Value to Book Value Ratio of companies was lower when they had either too many or too few Directors on the Board.
- The Market Value to Book Value Ratio is highest for the cases where the number of directors is 9. This may represent optimal board size for a Large cap company.

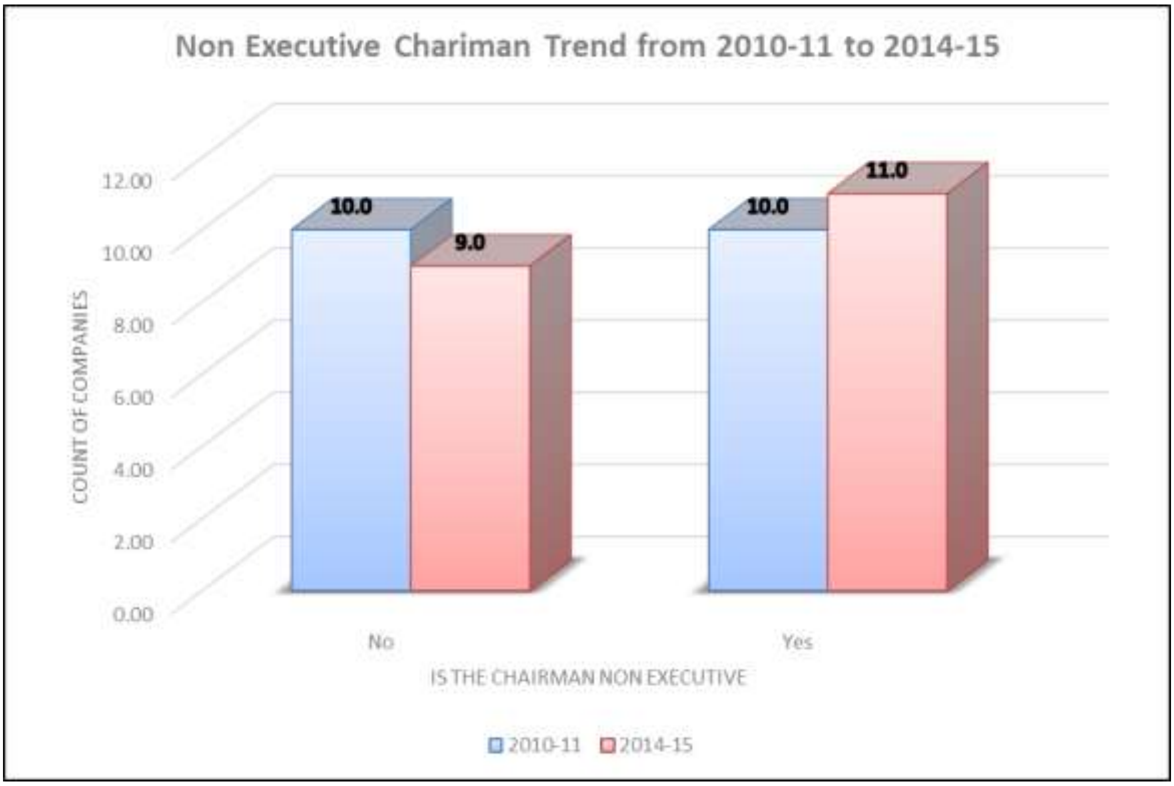
f) Non-Executive Chairman and Count of Companies

A tabulation done for the Large cap companies with Non-Executive Chairman on Board and Count of Companies.

Table 30 Large Cap Non-Executive Chairman & count of companies

Large Cap	Count of Companies	
Non-Executive Chairman	2010-11	2014-15
No	10	9
Yes	10	11
Grand Total	20	20

Figure 35 Large Cap Non-Executive Chairman & count of companies



- In the year 2010-11 there were 10 companies with Non-Executive chairman this number went down to 11 for year 2014-15.
- Given that there has been a clear positive evolution of the Market Value to Book Value Ratio from 2010-11 to 2014-15 it can mean that the nature of chairman does not impact the MV to BV Ratio.

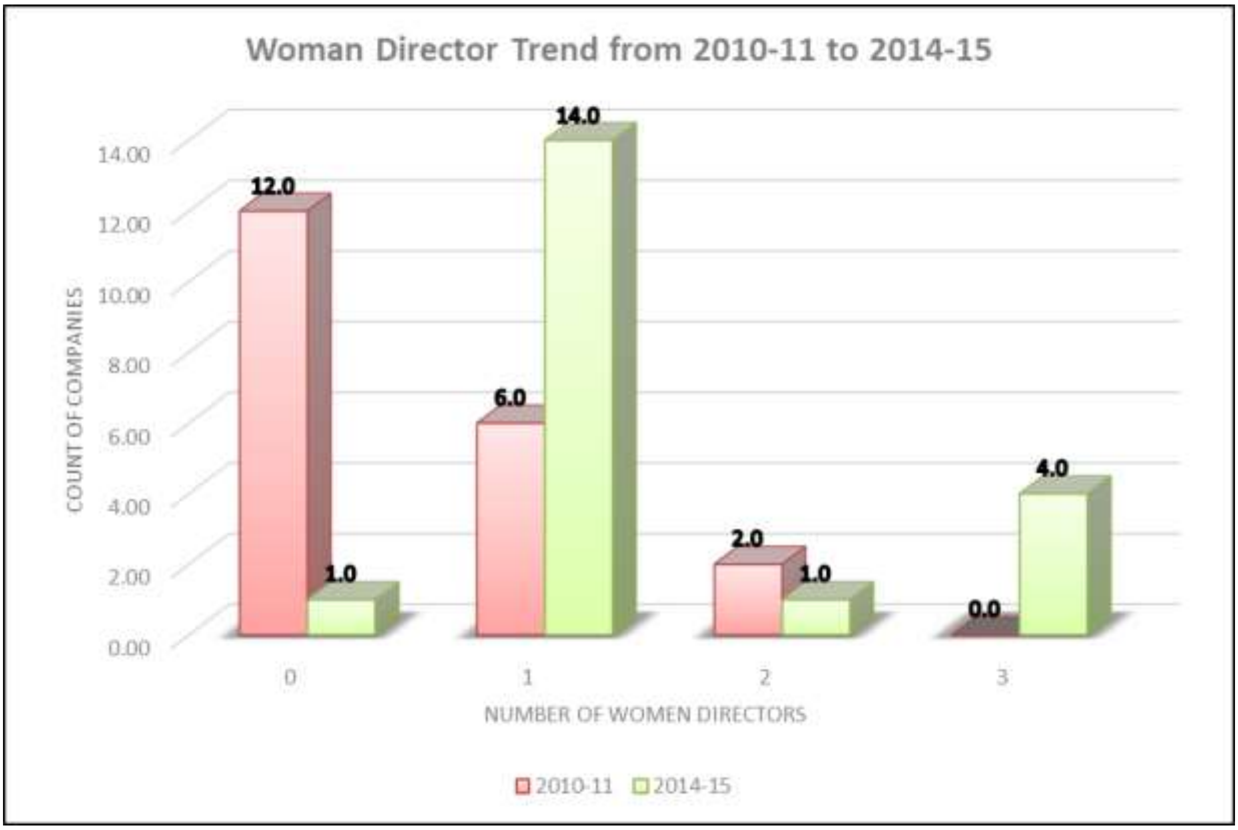
g) Woman Directors on the Board & Count of Companies

A tabulation done for the Large cap companies with Woman Directors on Board and Count of Companies.

Table 31 Large Cap Women Directors & Count of Companies

Large Cap	Count of Companies	
Number of Women Directors on Board	2010-11	2014-15
0.0	12	1
1.0	6	14
2.0	2	1
3.0	0	4
Grand Total	20	20

Figure 36 Large Cap Women Directors & Count of Companies



- In the year 2010-11 there were only 8 companies with Woman Directors on their Board. In the year 2014-15 there were 19 companies with Woman Directors on their Board.

- This increase is directly linked to the fact that here was a change the governance norms and it was mandatory in 2014-15 to appoint woman director on board. This may or may not represent a voluntary improvement in governance practices.

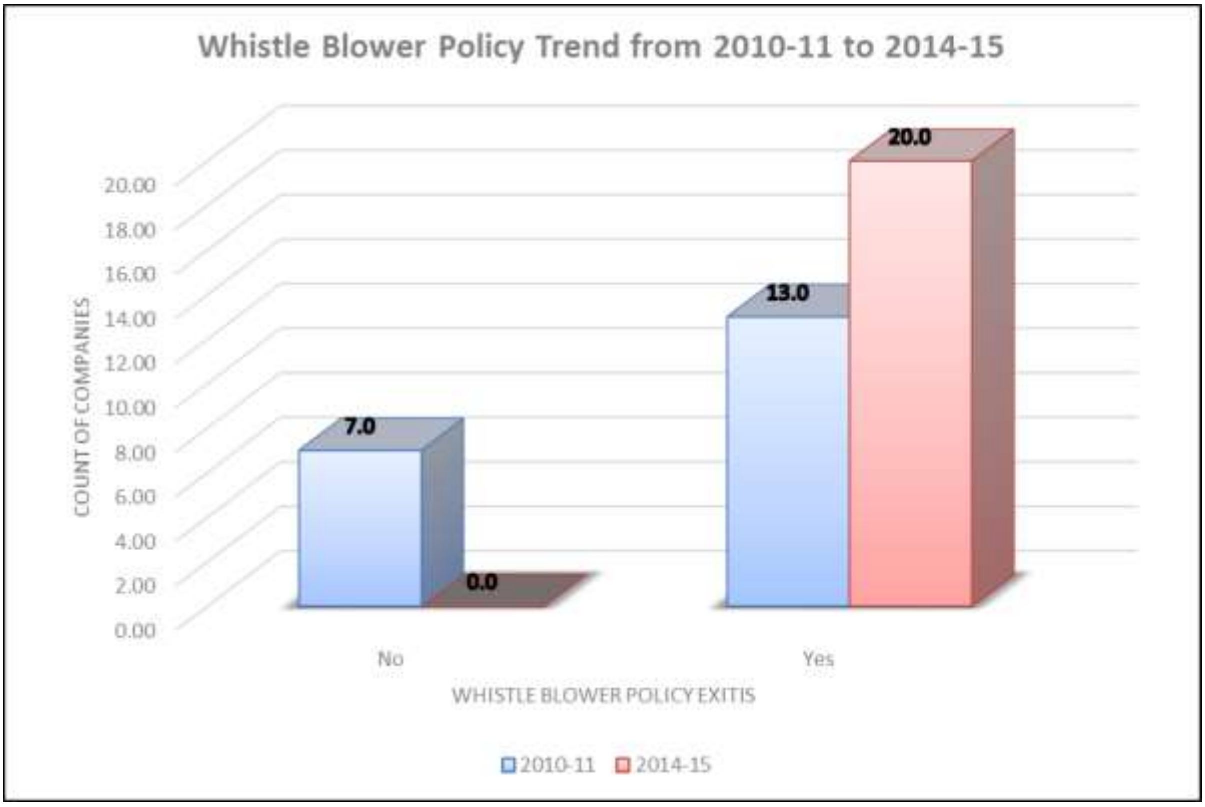
h) Whistle Blower Policy and Count of Companies

A tabulation done for the Large cap companies with Whistle Blower Policy and Count of Companies

Table 32 Large Cap Whistle Blower Policy & Count of Companies

Large Cap	Count of Companies	
Whistle Blower Policy Exists	2010-11	2014-15
No	7	0
Yes	13	20
Grand Total	20	20

Figure 37 Large Cap Whistle Blower Policy & Count of Companies



- In the year 2010-11 there were only 13 companies with a formal whistle blower or vigilance policy. In the year 2014-15 there were 20 companies with formal Policy as this became mandatory part of Clause 49 requirements.

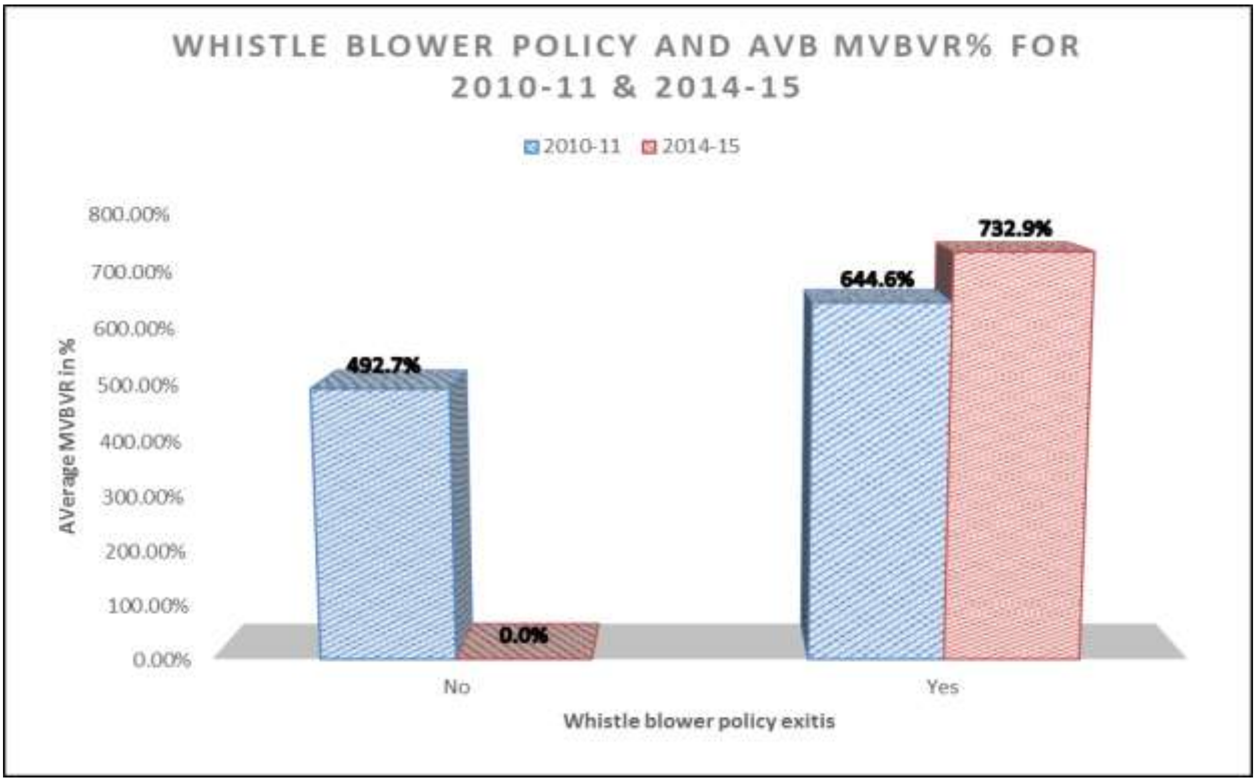
i) Whistle Blower Policy and MV to BV Ratio

A tabulation done for the Large cap companies with Whistle Blower Policy and Market Value to Book Value Ratio

Table 33 Large Cap Whistle Blower Policy & MV BV Ratio

Large Cap	Avg of MV to BV Ratio	
Whistle Blower Policy Exists	2010-11	2014-15
No	492.71%	0.00%
Yes	644.55%	732.93%
Grand Total	591.41%	732.93%

Figure 38 Large Cap Whistle Blower Policy & MV BV Ratio



- In the year 2010-11 there were only 13 companies with a formal whistle blower or vigilance policy. For these companies the MV to BV ratio was 644.6% as against only 492.7% for the 7 other companies which did not have a policy.

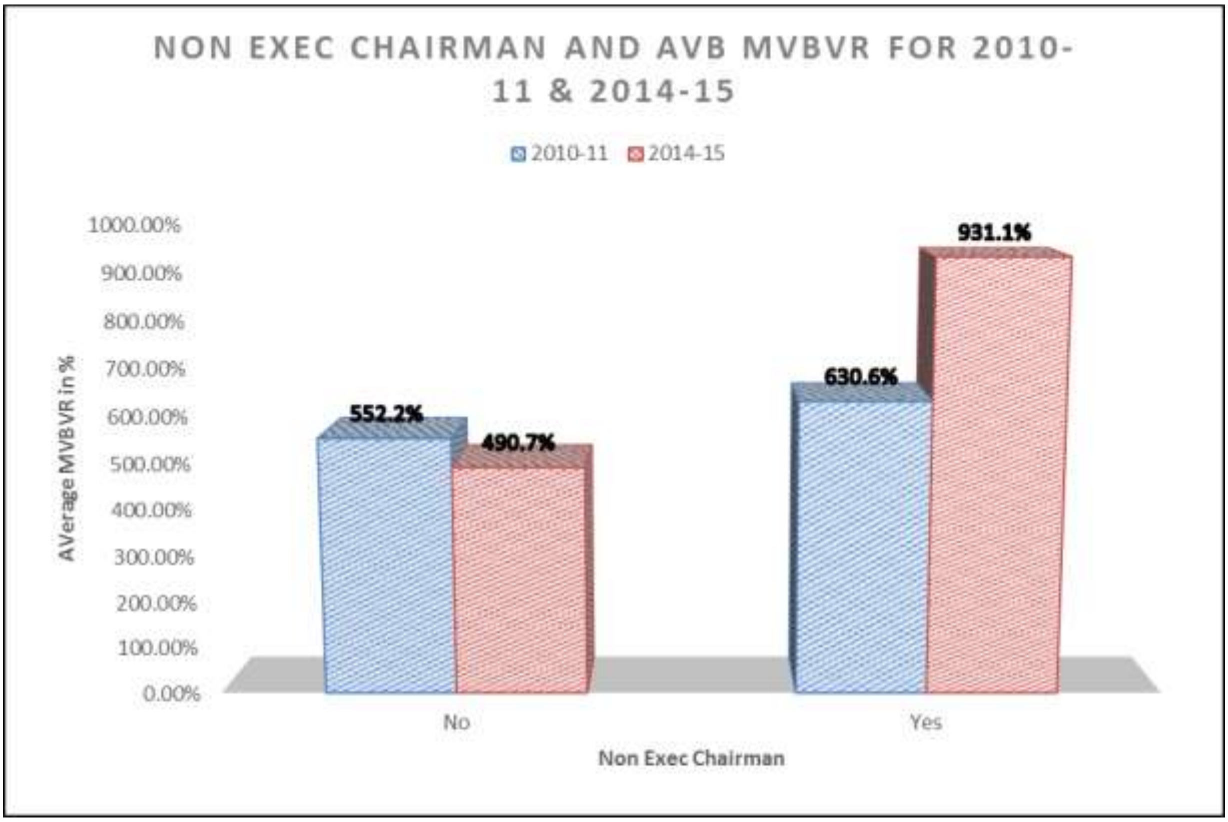
j) Non-Executive Chairman and MV to BV Ratio

A tabulation done for the Large cap companies with Non-Executive Chairman and Market Value to Book Value Ratio

Table 34 Large Cap Non-Exec Chairman & MV BV Ratio

Large Cap	Avg of MV to BV Ratio	
Non-Executive Chairman	2010-11	2014-15
No	552.18%	490.69%
Yes	630.64%	931.13%
Grand Total	591.41%	732.93%

Figure 39 Large Cap Non-Exec Chairman & MV BV Ratio



- In the year 2010-11 and also in the year 2014-15 the Companies which had a Non-Executive Chairman their Ratio of Market Value to Book Value was much higher than for the companies which had Executive Chairman.

10) Consolidated All Cap Companies Data Analysis

While the Small Cap, Mid Cap and Large Cap companies may individually have different trend. To get an overall view it is important to look at the governance practices for these categories combined. All cap therefore covers all the three categories.

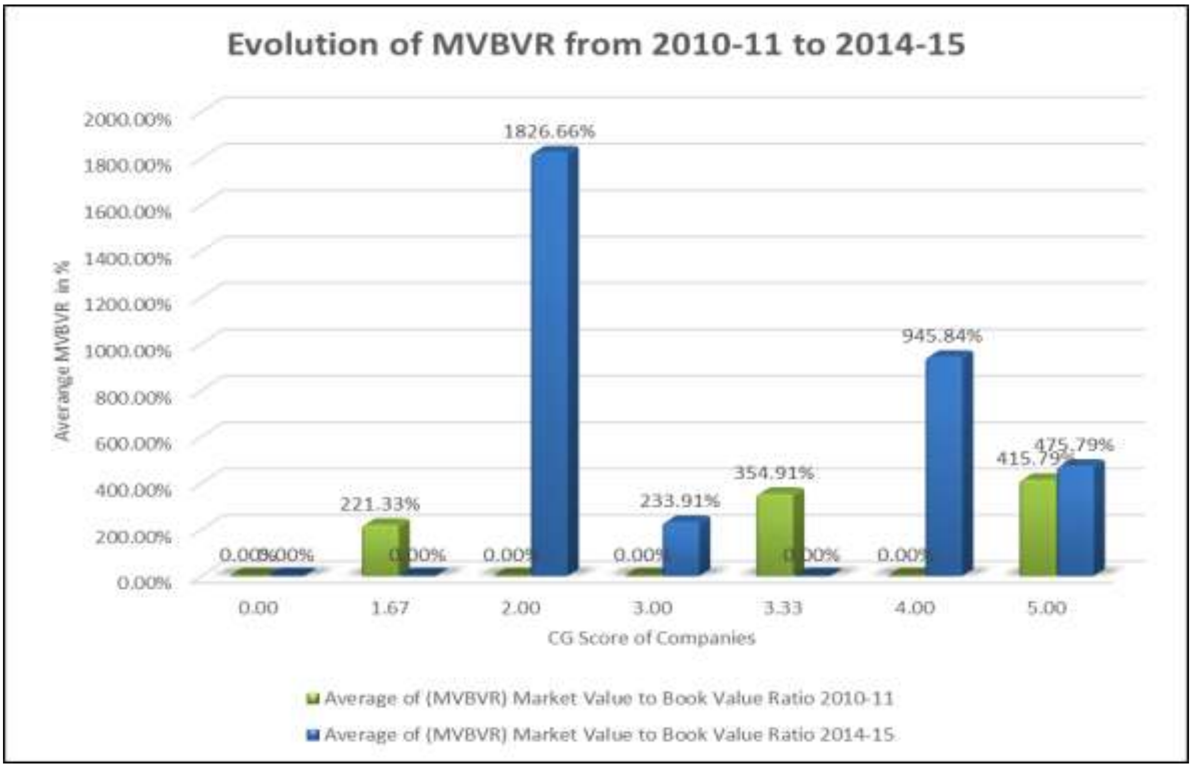
a) CG Score and MVBV Ratio

A tabulation is done for the All cap companies with the Corporate governance score in the two periods and the ratio of Market Value to Book Value (MVBVR).

Table 35 All Cap CG Score & MV BV Ratio

(All)	Average of MV to BV Ratio	
CG Score	2010-11	2014-15
0.0	0.00%	0.00%
1.7	221.33%	0.00%
2.0	0.00%	1826.66%
3.0	0.00%	233.91%
3.3	354.91%	0.00%
4.0	0.00%	945.84%
5.0	415.79%	475.79%
Grand Total	390.03%	588.06%

Figure 40 All Cap CG Score & MV BV Ratio



- Clearly the table and the chart show that from 2010-11 to 2014-15 period there is an increase in the Market Value to Book Value Ratio.
- While in 2010-11 the ratio was 390.03% it became 588.06%for the year 2014-15.
- The chart also shows that for the companies that had a higher CG Score the Market Value to Book Value Ratio was also higher.
- It shows a positive relationship between the corporate governance score and the market value to book value ratio

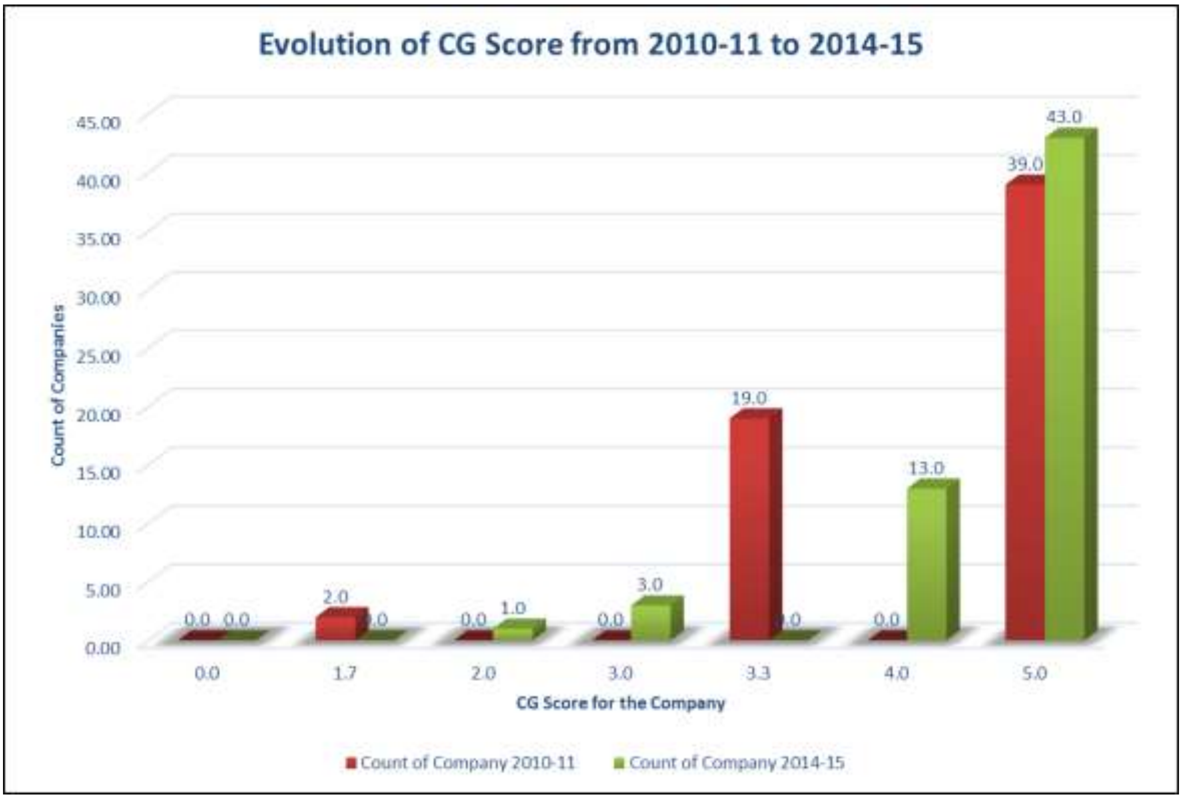
b) CG Score and Count of Companies

A tabulation is done for the All cap companies with the Corporate governance score in the two periods and the Count of Companies.

Table 36 All Cap CG Score & Count of Companies

(All)	Count of Companies	
CG Score	2010-11	2014-15
0.0	0.00	0.00
1.7	2.00	0.00
2.0	0.00	1.00
3.0	0.00	3.00
3.3	19.00	0.00
4.0	0.00	13.00
5.0	39.00	43.00
Grand Total	60.00	60.00

Figure 41 All Cap CG Score & Count of Companies



- The table and the chart show that from 2010-11 to 2014-15 period there is an increase in the CG Score of the companies. More companies are moving towards better score from one period to another

c) Promoter's Holding & MV BV Ratio & Count of Companies

A tabulation is done for the All cap companies with the Promoter's Holding & the Average of Market Value to Book Value Ratio & Count of Companies.

Table 37 All Cap Promoters Holding & Count of companies & MV BV Ratio

(All)	Count of Companies		Average of MV to BV Ratio	
Promoters Holding	2010-11	2014-15	2010-11	2014-15
0%-10%	2	3	618.53%	602.66%
10%-20%	2	1	387.43%	500.71%
20%-30%	9	7	245.14%	314.25%
30%-40%	9	9	191.82%	315.92%
40%-50%	11	10	327.16%	478.16%
50%-60%	14	16	542.61%	595.88%
60%-70%	8	10	419.89%	1001.56%
70%-80%	5	4	580.57%	900.08%
Grand Total	60	60	390.03%	588.06%

Figure 42 All Cap Promoters Holding & MV BV Ratio

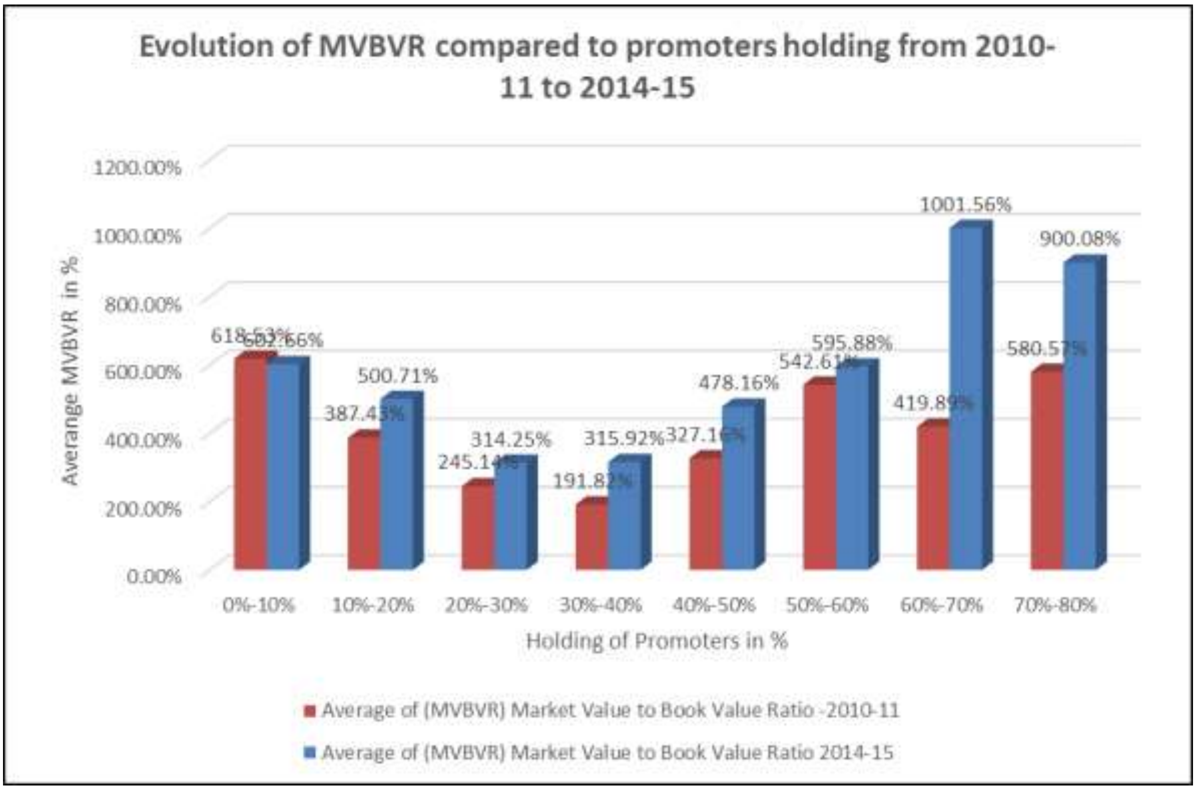
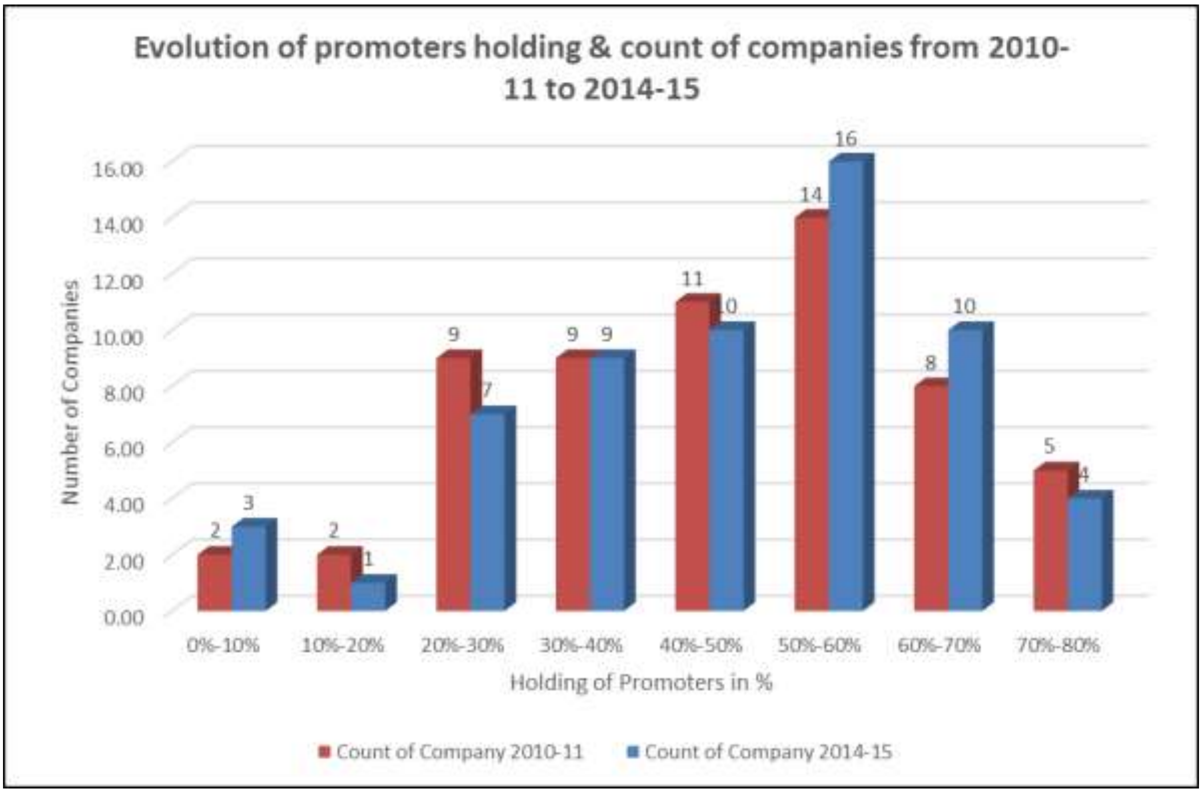


Figure 43 All Cap Promoters Holding & count of companies



- The table and the chart show that from 2010-11 to 2014-15 period there is a slight increase in Promoter's holding in the companies. What is also noticeable is the fact that the Market value to Book Value Ratio also increases.
- There is also no clear trend that for increase in promoters holding is associated with higher Market Value to Book Value ratio within the same year.

d) Number of Board Meetings & Count of Companies & MV to BV ratio

A tabulation done for the All cap companies with the Number of Board Meetings & the Average of Market Value to Book Value Ratio & Count of Companies.

Table 38 All Cap No of Board Meetings & count of companies and MV BV Ratio

(All)	Count of Companies		Average of MV to BV Ratio	
No. of Board Meetings	2010-11	2014-15	2010-11	2014-15
4.0	16	8	245.60%	614.91%
5.0	16	14	390.99%	571.92%
6.0	11	15	458.94%	425.23%
7.0	6	10	828.50%	495.30%
8.0	3	5	310.47%	1477.81%
9.0	2	6	309.24%	532.71%
10.0	2	2	331.20%	220.17%
11.0	1	0	249.09%	0.00%
12.0	1	0	236.78%	0.00%
13.0	1	0	389.19%	0.00%
18.0	1	0	109.68%	0.00%
Grand Total	60	60	390.03%	588.06%

Figure 44 All Cap No of Board meetings & Count of companies

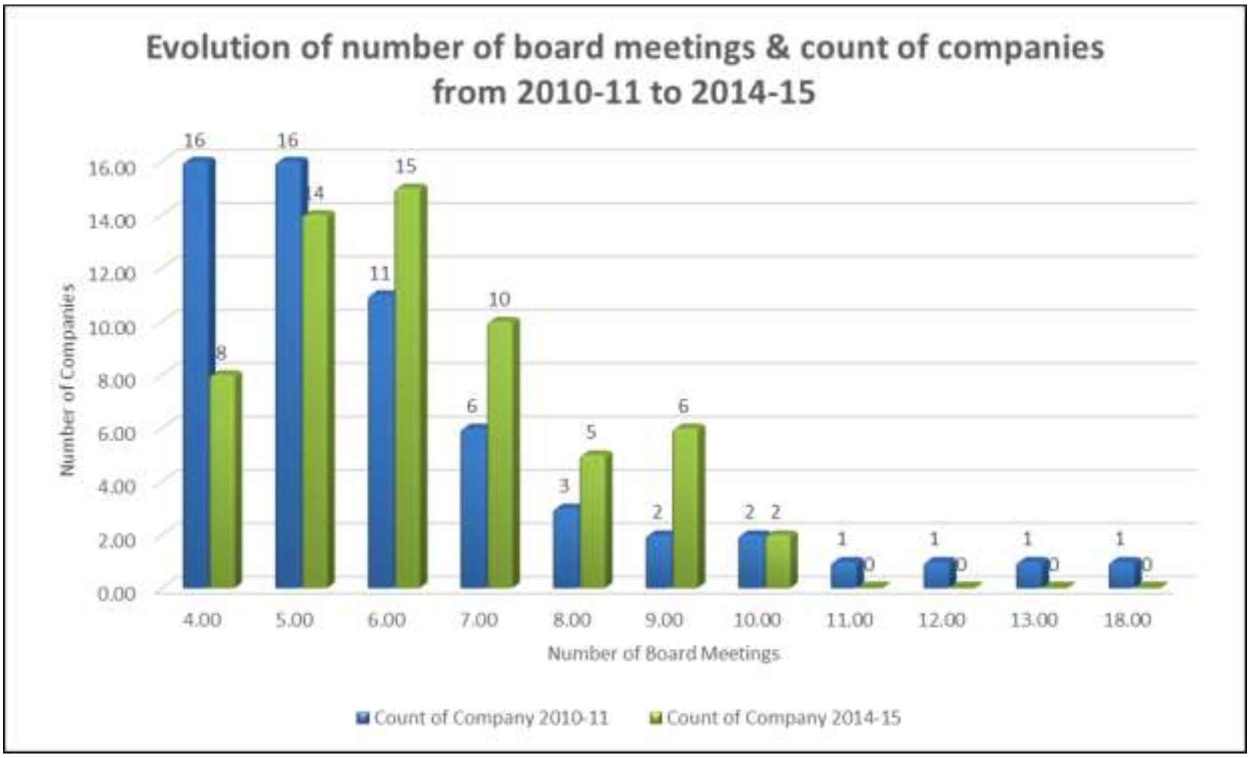
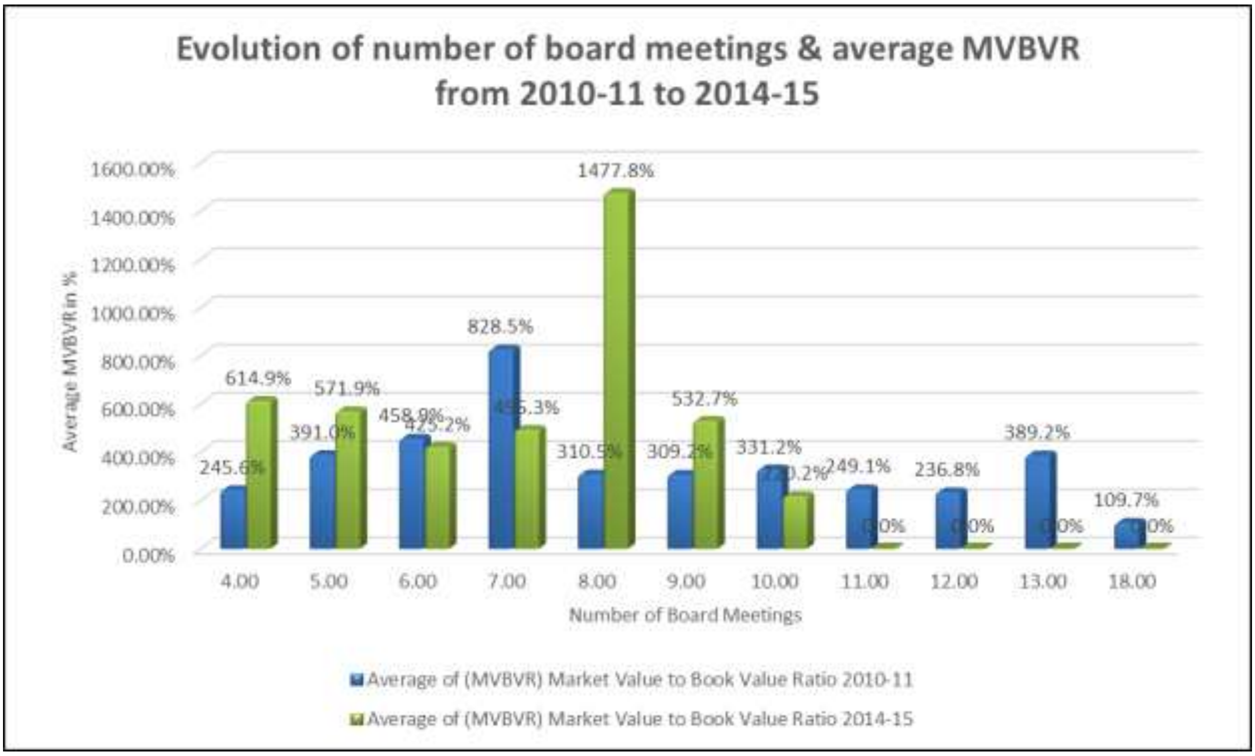


Figure 45 All Cap No of Board Meetings & MV BV Ratio



- In the year 2010-11 49 of 60 companies had between 4 to 7 Board meetings in a year. However, in 2014-15 50 of 60 companies had between 5 to 9 meetings of the Board in a year.
- This shows a movement towards more meeting as the governance norms got stricter.
- The Market Value to Book Value Ratio of companies was lower when they had either too many or too few meetings of the Board.
- Somewhere between 6, 7 and 8 is the Ideal number of meetings for a year. These are the cases where the ratio of Market Value to Book Value is the highest.
- The requirement of clause 49 are to have at least 4 meetings in a year. It is evident that companies need to organize more meeting of the board than just 4 because of the business needs or due to the complexity of business and availability of the directors.

e) Number of Directors & Count of Companies & MV to BV ratio

A tabulation done for the All cap companies with the Number of Directors on Board & the Average of Market Value to Book Value Ratio & Count of Companies.

Table 39 All Cap Count of Directors & Count of companies & MV BV Ratio

(All)	Count of Companies		Average of MV to BV Ratio	
Total No. of Directors	2010-11	2014-15	2010-11	2014-15
5.0	1	0	265.25%	0.00%
6.0	4	2	273.20%	1017.36%
7.0	1	0	269.82%	0.00%
8.0	7	7	374.63%	606.88%
9.0	4	9	974.72%	1163.45%
10.0	10	12	319.22%	357.38%
11.0	7	10	158.46%	297.09%
12.0	10	6	303.23%	628.54%
13.0	5	7	443.36%	577.27%
14.0	5	4	530.04%	477.77%
15.0	1	1	389.19%	122.75%
16.0	4	2	569.07%	711.99%
17.0	1	0	386.46%	0.00%
Grand Total	60	60	390.03%	588.06%

Figure 46 All Cap No of Directors & Count of companies

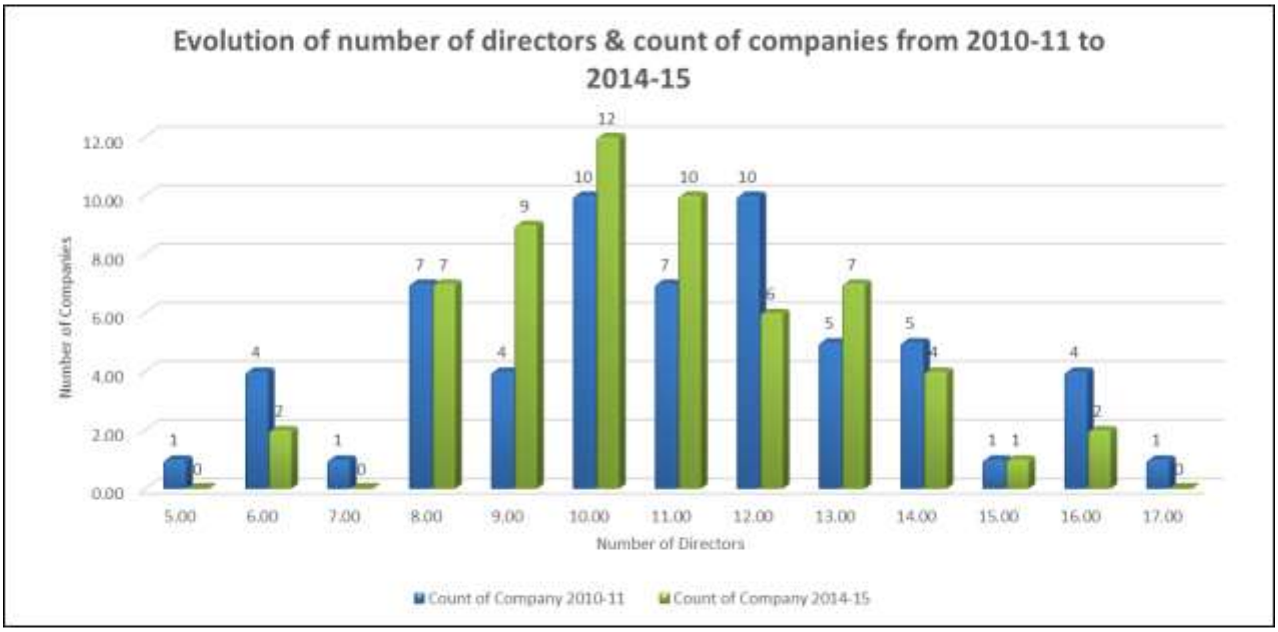
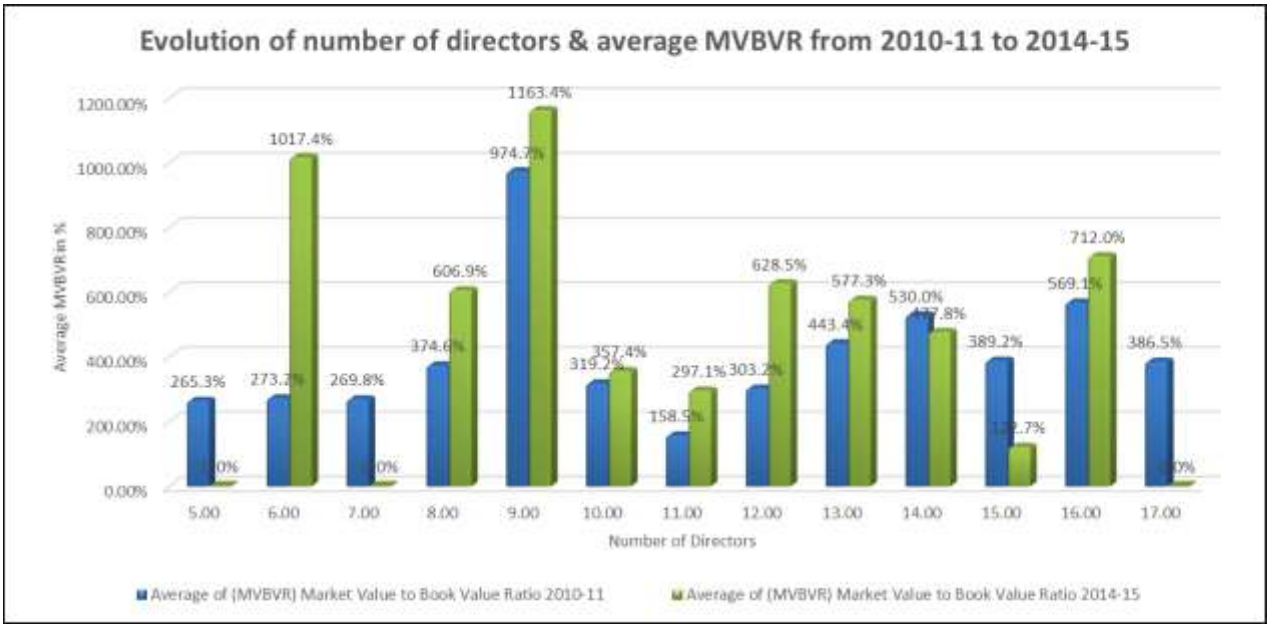


Figure 47 All Cap No of Directors & MV BV Ratio



- In the year 2010-11 there were only 25 companies with 5 to 10 directors. This increased to 30 companies in the year 2014-15.
- There is a clustering of companies in the 9 to 12 band for number of directors

- The Market Value to Book Value Ratio of companies was lower when they had either too many or too few Directors on the Board.
- The Market Value to Book Value Ratio is highest for the cases where the number of directors is either 9 or 10. This may represent optimal board size for All cap companies.

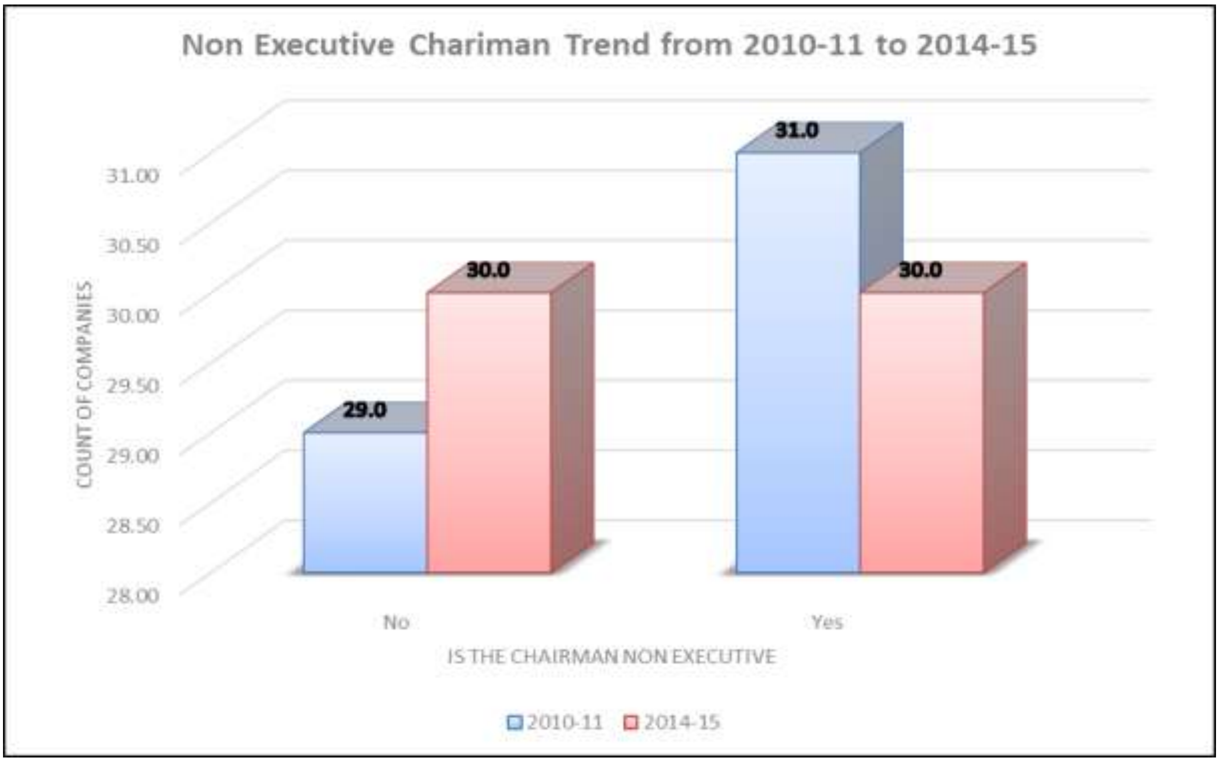
f) Non-Executive Chairman and Count of Companies

A tabulation done for the All cap companies with Non-Executive Chairman on Board and Count of Companies.

Table 40 All Cap Non-Exec Chairman & Count of Companies

(All)	Count of Companies	
Non - Executive Chairman	2010-11	2014-15
No	29	30
Yes	31	30
Grand Total	60	60

Figure 48 All Cap Non-Exec Chairman & Count of Companies



- In the year 2010-11 there were 31 companies with Non-Executive chairman this number went down to 30 for year 2014-15.
- Given that there has been a clear positive evolution of the Market Value to Book Value Ratio from 2010-11 to 2014-15 it can mean that the nature of chairman does not impact the MV to BV Ratio.

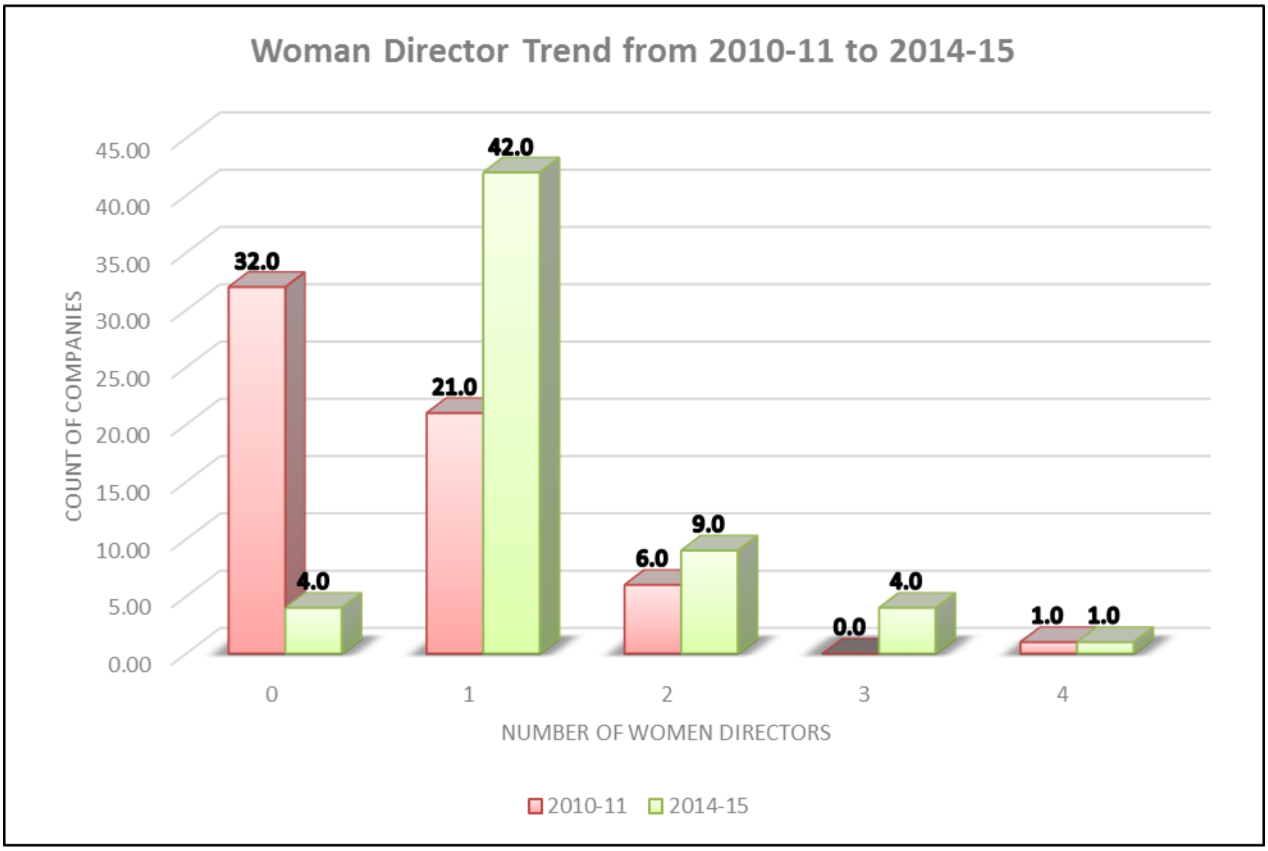
g) Woman Directors on the Board & Count of Companies

A tabulation done for the All cap companies with Woman Directors on Board and Count of Companies.

Table 41 All Cap Women Directors & Count of Companies

(All)	Count of Companies	
Number of Women Directors on Board	2010-11	2014-15
0.0	32	4
1.0	21	42
2.0	6	9
3.0	0	4
4.0	1	1
Grand Total	60	60

Figure 49 All Cap Women Directors & Count of Companies



- In the year 2010-11 there were only 28 companies with Woman Directors on their Board. In the year 2014-15 there were 56 companies with Woman Directors on their Board.
- This increase is directly linked to the fact that here was a change the governance norms and it was mandatory in 2014-15 to appoint woman director on board. This may or may not represent a voluntary improvement in governance practices.

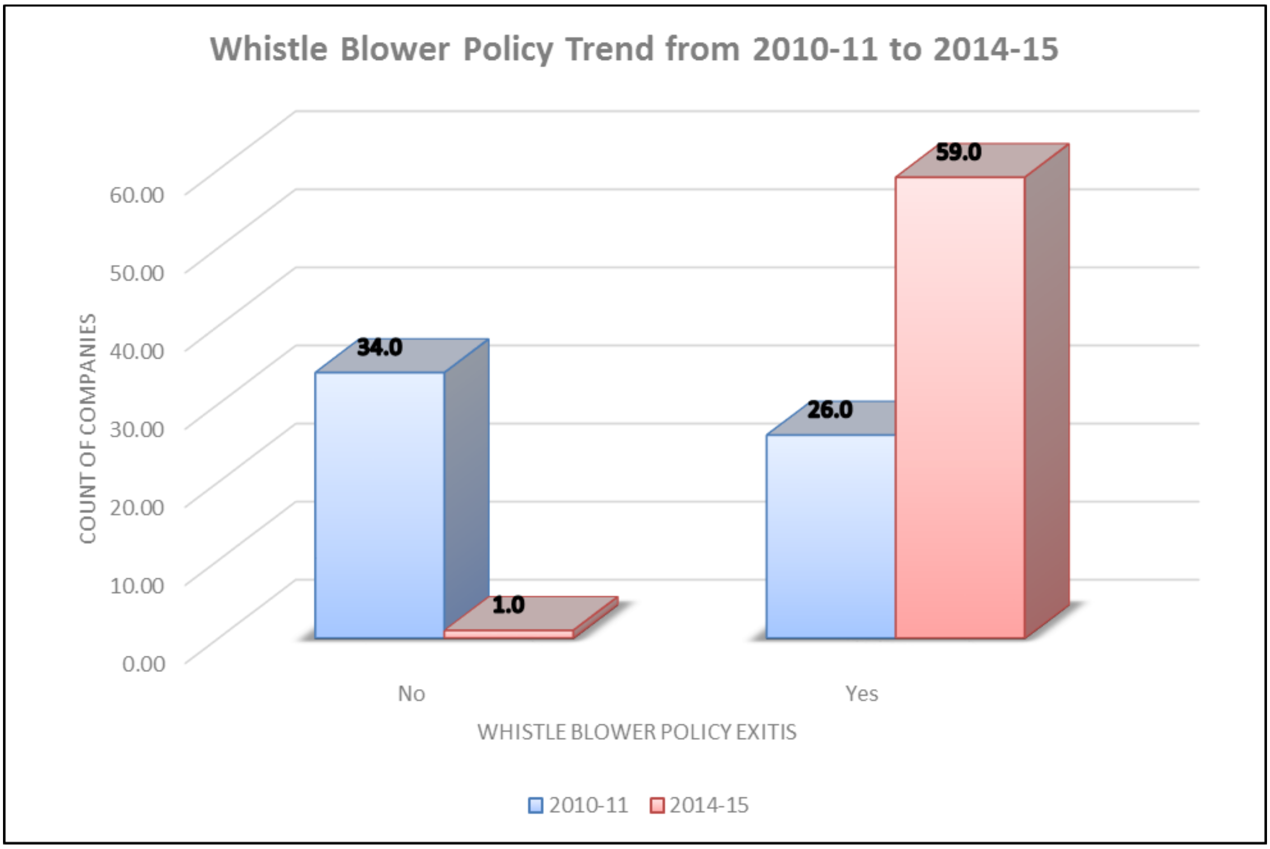
h) Whistle Blower Policy and Count of Companies

A tabulation done for the All cap companies with Whistle Blower Policy and Count of Companies

Table 42 All Cap Whistle Blower Policy & count of companies

(All)	Count of Companies	
Whistle Blower Policy Exists	2010-11	2014-15
No	34	1
Yes	26	59
Grand Total	60	60

Figure 50 All Cap Whistle Blower Policy & count of companies



- In the year 2010-11 there were only 26 companies with a formal whistle blower or vigilance policy. In the year 2014-15 there were 59 companies with formal Policy as this became mandatory part of Clause 49 requirements.

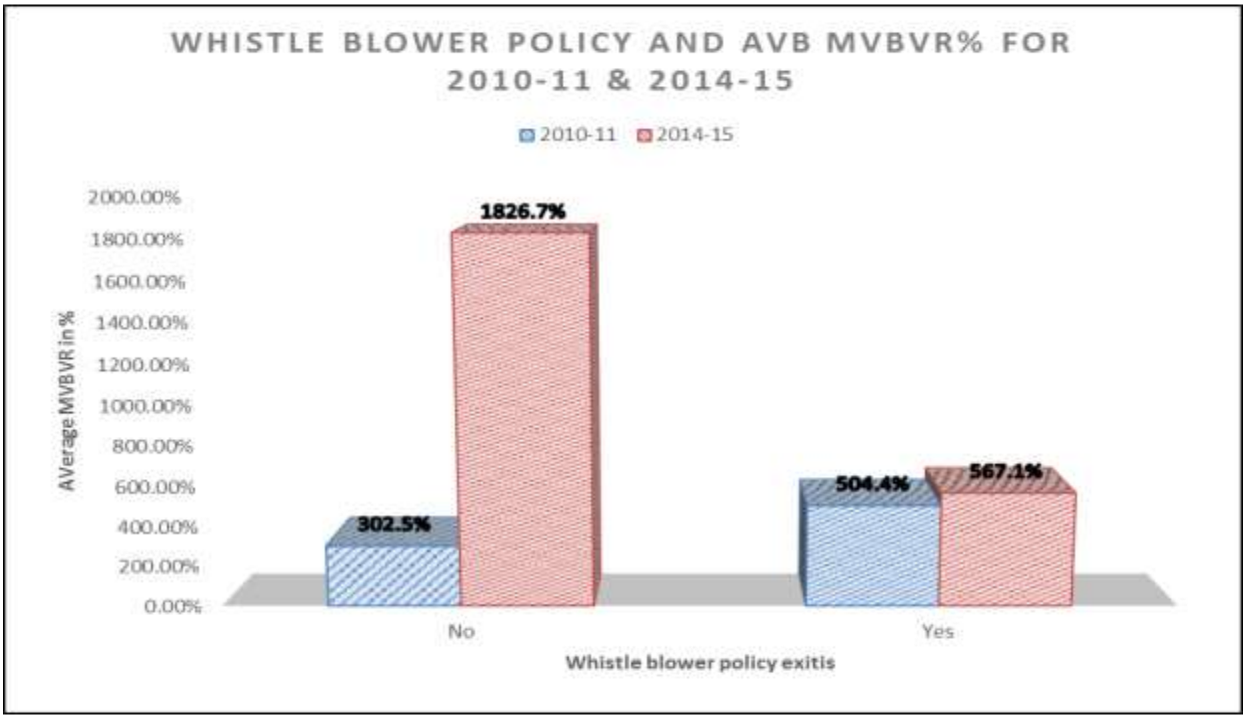
i) Whistle Blower Policy and MV to BV Ratio

A tabulation done for the All cap companies with Whistle Blower Policy and Market Value to Book Value Ratio

Table 43 All Cap Whistle Blower Policy & MV BV Ratio

(All)	Avg of MV to BV Ratio	
Whistle Blower Policy Exists	2010-11	2014-15
No	302.54%	1826.66%
Yes	504.44%	567.06%
Grand Total	390.03%	588.06%

Figure 51 All Cap Whistle Blower Policy & MV BV Ratio



- In the year 2010-11 there were only 26 companies with a formal whistle blower or vigilance policy. For these companies the MV to BV ratio was 504.4% as against only 302.5% for the other companies which did not have a policy.

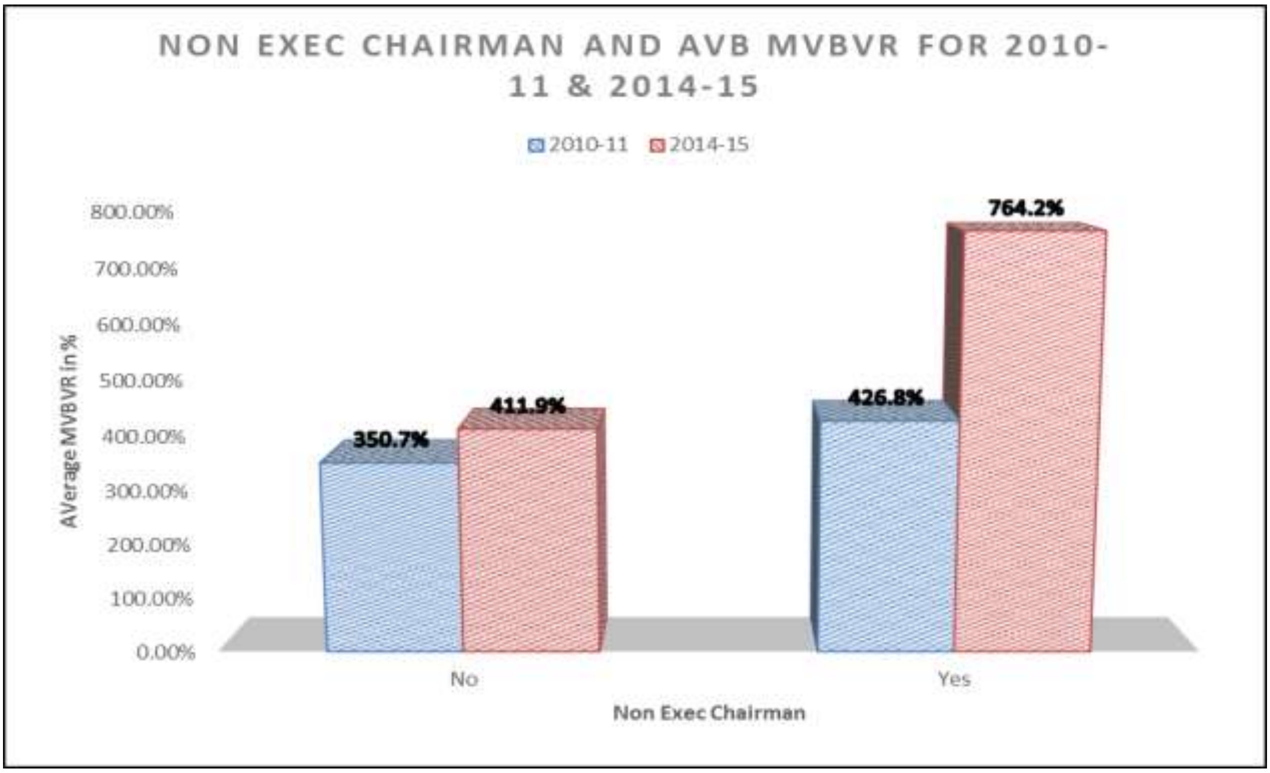
j) Non-Executive Chairman and MV to BV Ratio

A tabulation done for the All cap companies with Non-Executive Chairman and Market Value to Book Value Ratio

Table 44 All Cap Non-Exec Chairman & MV BV Ratio

(All)	Avg of MV to BV Ratio	
Non - Executive Chairman	2010-11	2014-15
No	350.69%	411.87%
Yes	426.83%	764.24%
Grand Total	390.03%	588.06%

Figure 52 All Cap Non-Exec Chairman & MV BV Ratio



- In the year 2010-11 and also in the year 2014-15 the Companies which had a Non-Executive Chairman their Ratio of Market Value to Book Value was much higher than for the companies which had Executive Chairman.

B. DATA INTERPRETATION

Now that we have the data tabulated and analysed based on the three categories of companies the next step is to review it in light of the hypothesis that have been set and looking at what can be interpreted out of the data analysis already done.

This will become basis so looking at whether the various hypothesis can be accepted or not and what insight can be gleaned from the various analysis and tabulation of the data for the sixty companies under study.

1) Data Analysis for Hypothesis 1

The first Hypothesis was that there is no significant difference between corporate governance practices of Large cap, Small Cap and Mid Cap companies. In the section above the details have already been tabulated for average governance scores for all these categories. This is the gist of the finding:

Table 45 Avg CG Score for Three Categories of Companies

	2014-15	
	Avg CG Score	CG Score% of Total
Large Cap	4.75	102.52%
Mid Cap	4.60	99.28%
Small Cap	4.55	98.20%
Grand Total	4.63	100.00%

Average governance scores show that there is material difference between the three categories of companies. From the year 2010-11 to 2014-15 there have been improvements in governance norms and there have also been more stricter rules.

The data for 2014-15 clearly demonstrates that while all the companies score more than 4 points out of 5 points on the CG Score. There are differences in the three categories. The small cap companies are at 98% level of the total sixty companies selected. The mid cap companies have a score which is around 99% whereas the large cap companies have much better CG Scores.

As such the null hypothesis is rejected and the alternative hypothesis is accepted that there is a difference in the Governance for Large, Mid and Small Cap companies.

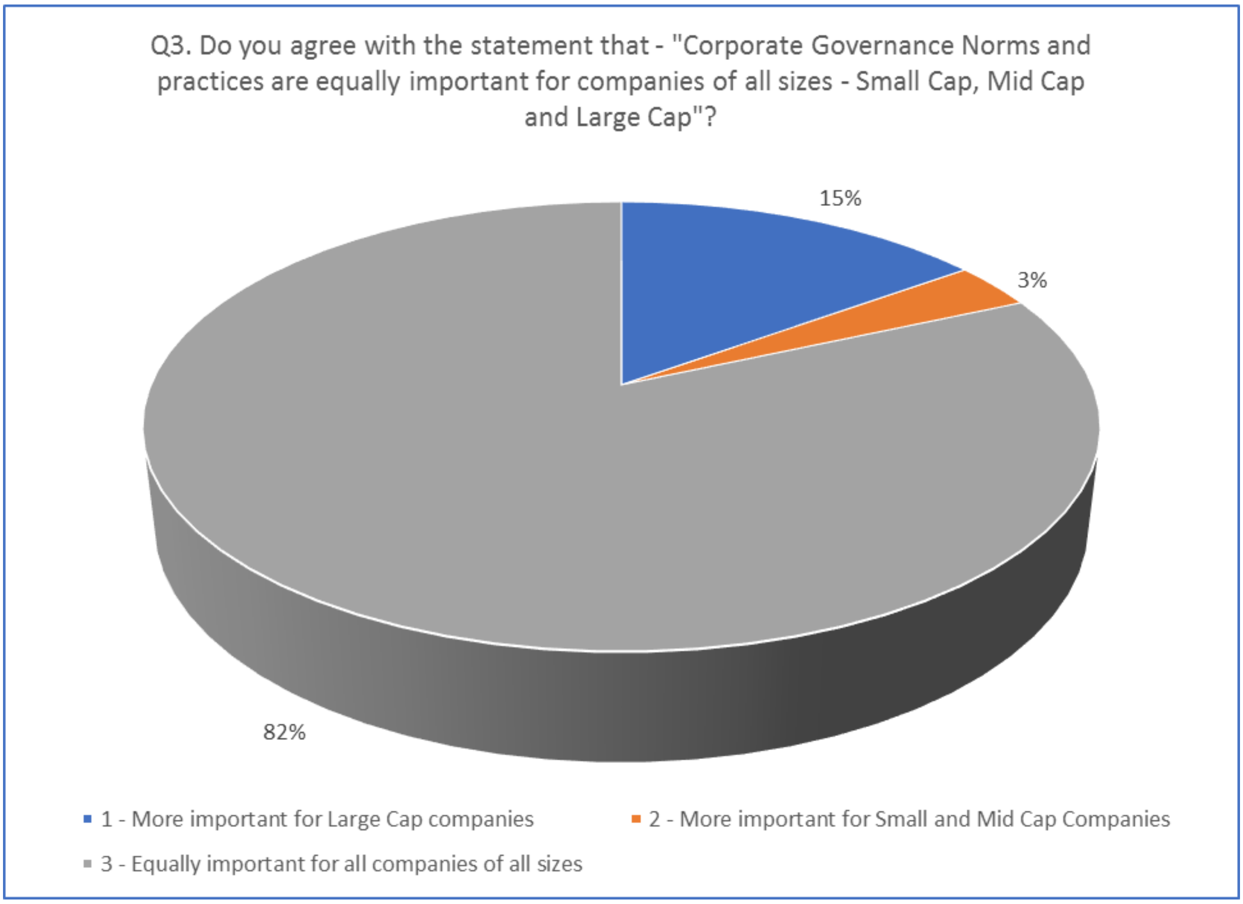
This may be attributable to the maturity of the organization which also comes with its market position and size. Large cap companies due to their market position and size are better at compliance with CG Norms and so have better governance.

It is interesting also in reference to this hypothesis to see what is the outcome of survey that was conducted. The participants of survey were asked if they agree with the statement that "Corporate Governance Norms and practices are equally important for companies of all sizes - Small Cap, Mid Cap and Large Cap". Of the total 60 participants 9 opined that the governance norms and practices are more important for the Large Cap companies. Only two opined that it was important for the mid and small cap companies whereas 49 of them had a view that it was important for all type of companies.

Table 46 Survey Question 3 outcome

Q3. Do you agree with the statement that - "Corporate Governance Norms and practices are equally important for companies of all sizes - Small Cap, Mid Cap and Large Cap"?	Total
1 - More important for Large Cap companies	9
2 - More important for Small and Mid Cap Companies	2
3 - Equally important for all companies of all sizes	49
Grand Total	60

Figure 53 Survey Question 3 outcome



2) Data Analysis for Hypothesis 2

The Second Hypothesis was that there is no relationship between corporate governance practices and Corporate value of companies represented by MV to BV Ratio. In the section above the details have already been tabulated for average governance scores and MV to BV ratio. Below is the gist of the finding:

Table 47 CG Score and MV BV Ratio

	2010-11		2014-15	
CG Score	MV BV Ratio	Count of Co.s	MV BV Ratio	Count of Co.s
1-2	221.33%	2	0.00%	0
3-4	354.91%	19	233.91%	3
4-5	415.79%	39	606.69%	57
Grand Total	390.03%	60	588.06%	60

It is clearly visible that higher score of CG is associated with better MV BV ratio.

Looking at the data for two years with a view from a view of correlation we get the following details.

Table 48 Correlation of MV BV Ratio and CG Score

Correlation		
	MVBV Ratio	*CG Score*
MVBV Ratio	1.0000	
CG Score	0.0051	1.0000

Clearly while the correlation is existing it is very weak but positive in nature so normally an increase or improvement in CG Score will have positive impact on MV to BV ratio. Given multitude of factors that impact the MV to BV ratio it would useful in future studies to do analysis with more data and at more points in time.

We therefore accept the null hypothesis that there is no significant relationship between Average Governance Scores of Companies and their Market Value to Book Value Ratio.

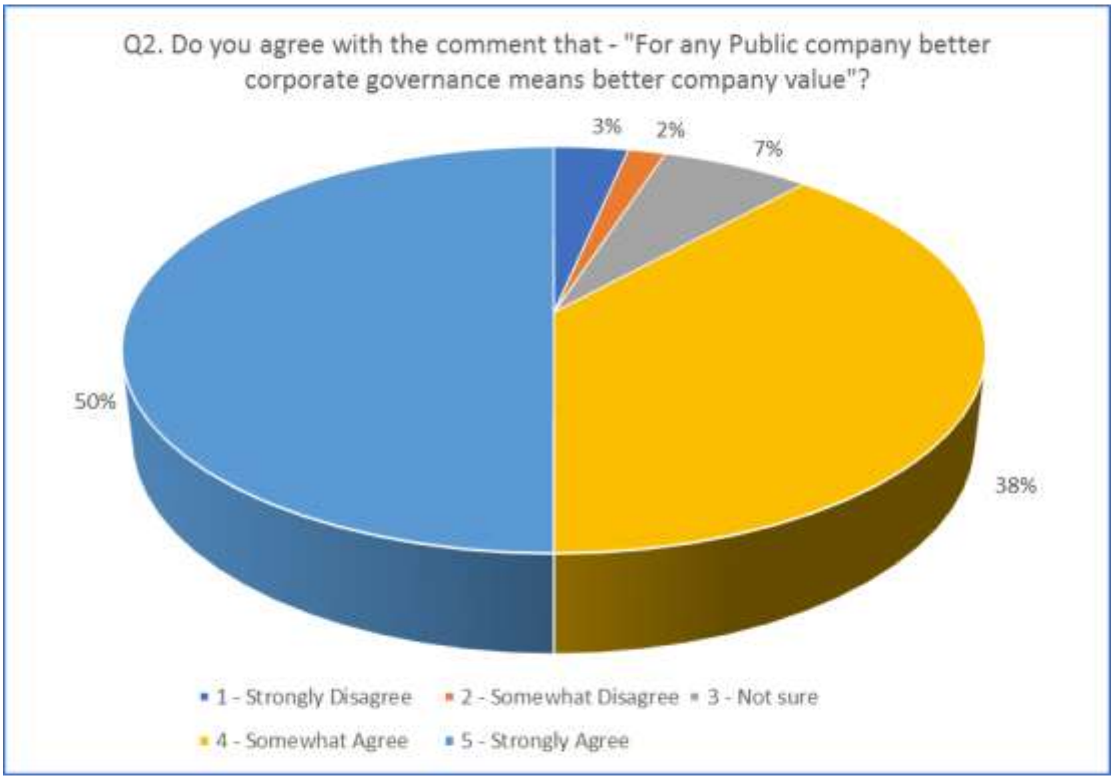
While the first table supports the alternative hypothesis, the correlation is very weak. This may be since higher compliance level helps with better market perception and therefore a higher market value. However, there are a variety of factors that affect the market value of a firm and that can influence the MV BV Ratio as well.

The survey conducted also had a question about the Governance and Corporate Value. The Question as was Do you agree with the comment that - "For any Public company better corporate governance means better company value"? Of the 60 participants 2 strongly disagreed with the comment, 1 somewhat disagreed and 4 were not sure. Interestingly there were 23 participants who somewhat agreed, and 30 participants strongly agreed. Clearly shows that while a very firm statistical relationship may not get established the larger opinion is that the two factors are related.

Table 49 Survey Question 2 Outcome

Q2. Do you agree with the comment that - "For any Public company better corporate governance means better company value"?	Total
1 - Strongly Disagree	2
2 - Somewhat Disagree	1
3 - Not sure	4
4 - Somewhat Agree	23
5 - Strongly Agree	30
Grand Total	60

Figure 54 Survey Question 2 Outcome



3) Data Analysis for Hypothesis 3

The Third Hypothesis was that there is no significant relationship between Promoters Holding and Corporate value of companies measured by MV to BV Ratio. In the section above the details have already been tabulated for promotors holding of companies. This is the gist of the finding:

Table 50 Promoters Holding and MV BV Ratio

	2010-11		2014-15	
Promoters Holding %	Avg MV to BV Ratio	Count of Company	Avg MV to BV Ratio	Count of Company
0%-20%	502.98%	4	577.17%	4
20%-40%	218.48%	18	315.19%	16
40%-60%	447.81%	25	550.60%	26
60%-80%	481.69%	13	972.57%	14
Grand Total	390.03%	60	588.06%	60

The table above clearly shows that as the holding of promoters increases the MV to BV ratio also increases. This is because the agency effect is less in force when the promoters holding is high. This is visible for both the years for which the study is done.

Also, it is interesting to note that there are some professionally manged companies where the promoters holding is very small but the MV to BV ratio is very high.

Table 51 Consolidated two year Correlation between Promoters Holding and MV BV Ratio

Total Correlation	Promoters Holding	MV BV Ratio
Promoters Holding	1.0000	
MV BV Ratio	0.2066	1.0000

Taking the full data for two periods the correlation factor between the promoter holding and MV BV Ratio is a clear positive and at 0.20. This is noticeable enough specially given the fact that MV to BV ratio by its nature can be impacted by multiple factors.

Table 52 Correlation separately by year between MV BV Ratio and Promoters Holding

2010-11 Correlation	Promoters Holding	MV BV Ratio
Promoters Holding	1.0000	
MV BV Ratio	0.1655	1.0000
2014-15 Correlation	Promoters Holding	MV BV Ratio
Promoters Holding	1.0000	
MV BV Ratio	0.2411	1.0000

When the Correlation is looked at separately for the two periods we see that there is a clear increase in the correlation as the time progressed and the governance norms became stronger. So, if anything good governance makes sense and drives value for all type of companies.

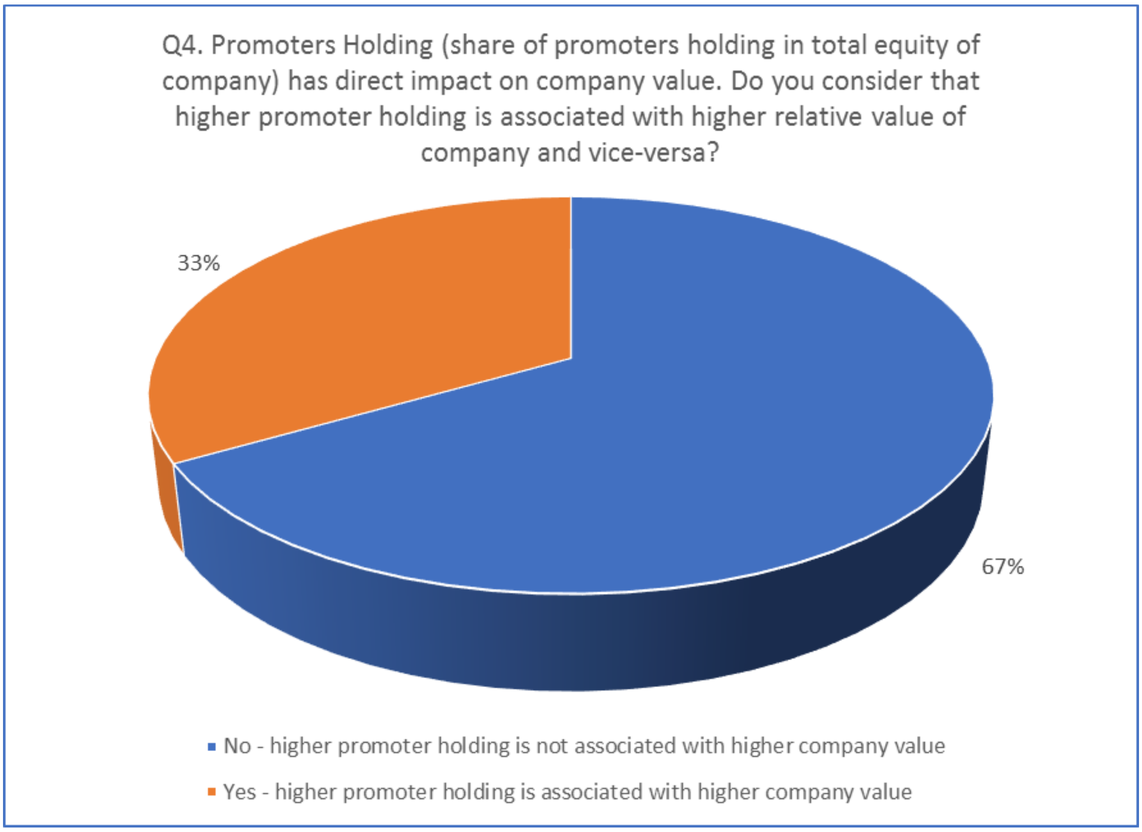
We therefore reject the null hypothesis and accept the alternative hypothesis that there is significant relationship between the Promoter's holding and MV to BV Ratio for companies.

As a part of the survey opinion of the participants was sought on this topic. The question posed in the survey was - Q4. Promoters Holding (share of promoters holding in total equity of company) has direct impact on company value. Do you consider that higher promoter holding is associated with higher relative value of company and vice-versa? Of the 60 participants 40 opined that high promoters holding is not associated with higher company value. 20 participants had the contrary view that there is in fact as positive association between corporate value and promoters holding. This is interesting because the view that we get from the data and testing of hypothesis is contrary to the popular opinion. This may be a case of where facts are more different from the normal perception that people have about holding of promoters and its impact on the value of the firm.

Table 53 Survey Question 4 Outcome

Q4. Promoters Holding (share of promoters holding in total equity of company) has direct impact on company value. Do you consider that higher promoter holding is associated with higher relative value of company and vice-versa?	Total
No - higher promoter holding is not associated with higher company value	40
Yes - higher promoter holding is associated with higher company value	20
Grand Total	60

Figure 55 Survey Question 4 outcome



4) Data Analysis for Hypothesis 4

The Fourth Hypothesis was that there is no significant relationship between number of board meetings and Corporate value companies. In the section above the details have already been tabulated for number of board meeting and MV BV ratio. This is the gist of the finding:

Figure 56 Scatter Chart for MV BV Ratio and Number of Board Meetings

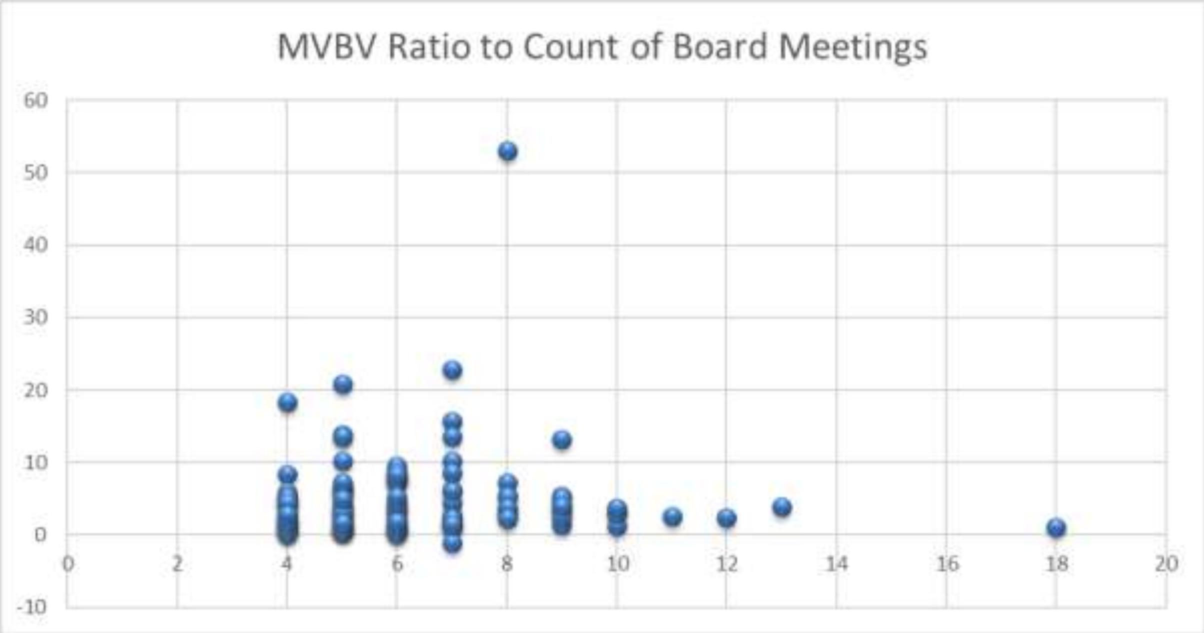


Table 54 MV BV Ratio to Number of Board Meetings

	2010-11		2014-15	
No of Board meetings	Avg MV BV Ratio	Count of Company	Avg MV BV Ratio	Count of Company
4-5	318.30%	32	587.55%	22
6-7	589.37%	17	453.26%	25
8-9	309.98%	5	962.30%	11
10-11	303.83%	3	220.17%	2
12-13	312.99%	2	0.00%	0
16-18	109.68%	1	0.00%	0
Grand Total	390.03%	60	588.06%	60

As is evident from the scatter chart and from the table above the most high value of MV to BV Ratio is for companies where the number of board meetings is between 5 and 7. So while the minimum number of meetings is stipulated to be 4 it makes sense for companies to have more board meetings. However, beyond 7 there is a clear declining trend. Beyond that level increase in number of meetings of board actually shows lower value. The coefficient of correlation between number of directors and MB to BV ratio is -0.0546 which negative correlation even if relatively weak. The scatter plot gives a better analysis.

We therefore reject the null hypothesis and accept the alternative hypothesis that there is a relationship between number of board meetings and value of the company represented by MV to BV ratio.

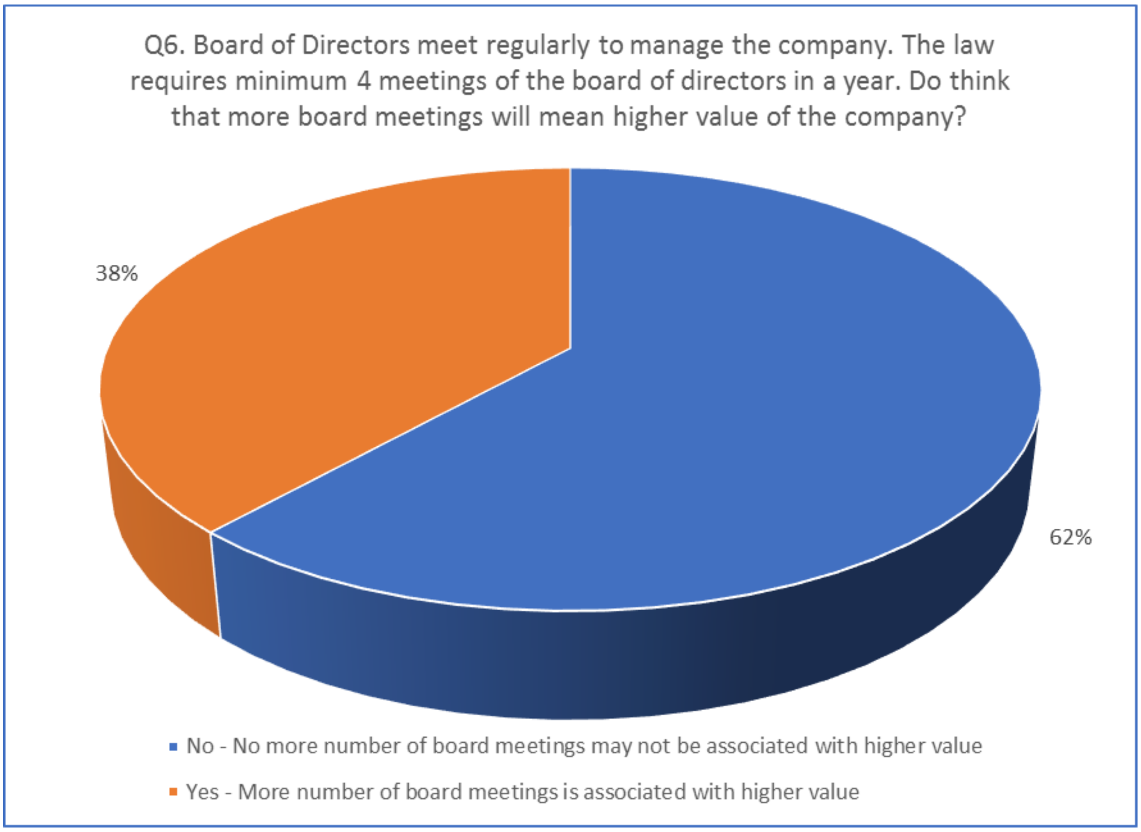
This may be because a company having various operational or strategic issues may need more Board meetings to get input from the directors and normally a company which has issues will also have a lower MV to BV Ratio.

The view of the participants of the Survey also opined in favour or not too many meetings. Majority of the participants did not associate higher value with more number of meetings of the board. At least 4 meetings per year are anyway mandated so the minimum number of meeting is set by rules it is more a question on how many more meetings are needed per year for the company to function efficiently.

Table 55 Survey Question 6 Outcome

Q6. Board of Directors meet regularly to manage the company. The law requires minimum 4 meetings of the board of directors in a year. Do think that more board meetings will mean higher value of the company?	Total
No - No more number of board meetings may not be associated with higher value	37
Yes - More number of board meetings is associated with higher value	23
Grand Total	60

Figure 57 Survey Question 6 Outcome



5) Data Analysis for Hypothesis 5

The Fifth Hypothesis was that there is no relationship between number of board of directors and value of companies represented by MV to BV Ratio. In the section above the details have already been tabulated for Number of Directors and MV to BV ratio. Below is the gist of the finding:

Table 56 MV BV Ratio to Number of Directors

Total No of Directors	2010-11 Avg MVBVR	2010-11 Count of Comp	2014-15 Avg MVBVR	2014-15 Count of Comp	Total Avg MVBVR	Total Count of Comp
5	265.25%	1	0.00%	0	265.25%	1
6	273.20%	4	1017.36%	2	521.25%	6
7	269.82%	1	0.00%	0	269.82%	1
8	374.63%	7	606.88%	7	490.75%	14
9	974.72%	4	1163.45%	9	1105.38%	13
10	319.22%	10	357.38%	12	340.03%	22
11	158.46%	7	297.09%	10	240.01%	17
12	303.23%	10	628.54%	6	425.22%	16
13	443.36%	5	577.27%	7	521.47%	12
14	530.04%	5	477.77%	4	506.81%	9
15	389.19%	1	122.75%	1	255.97%	2
16	569.07%	4	711.99%	2	616.71%	6
17	386.46%	1	0.00%	0	386.46%	1
Grand Total	390.03%	60	588.06%	60	489.04%	120

Figure 58 Scatter Chart MV BV Ratio to count of directors

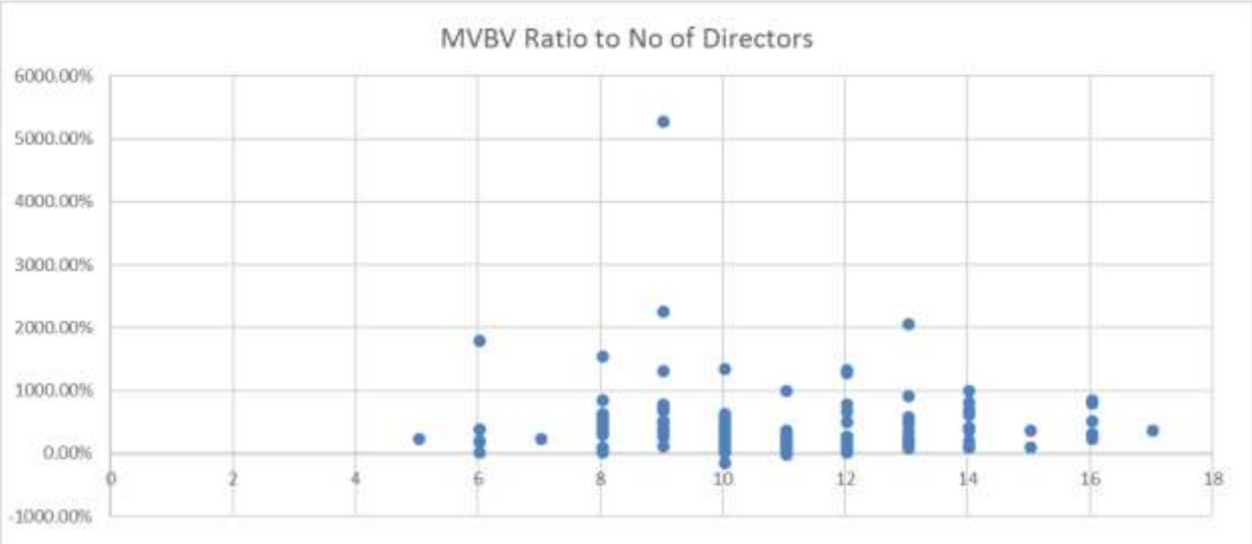


Table 57 Correlation No of Directors to MV BV Ratio two years

2 year correlation	*Total No of Directors*	*MVBV Ratio*
Total No of Directors	1	
(MVBVR) Market Value to Book Value Ratio	-0.054606391	1

Table 58 Correlation No of Directors to MV BV Ratio

2014-15 Correlation	*Total No of Directors*	*MVBV Ratio*
Total No of Directors	1	
(MVBVR) Market Value to Book Value Ratio	-0.140444715	1

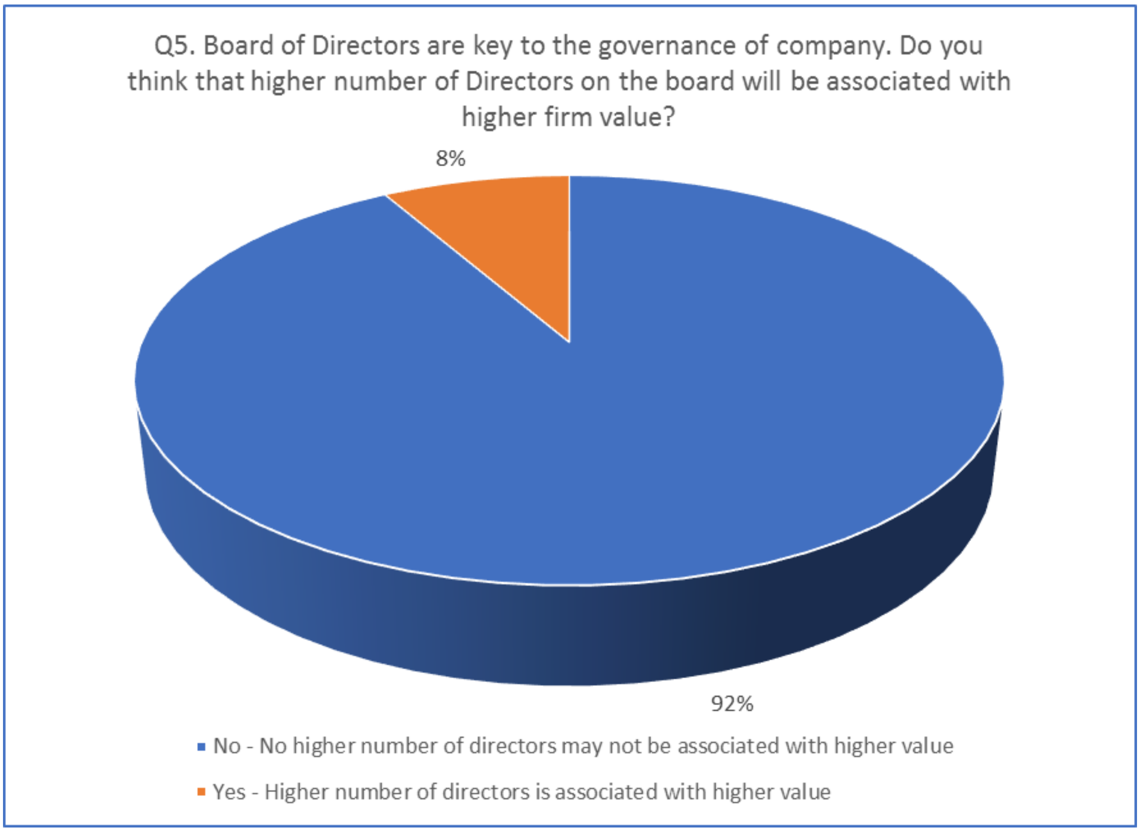
2010-11 Correlation	*Total No of Directors*	*MVBV Ratio*
Total No of Directors	1	
(MVBVR) Market Value to Book Value Ratio	0.085039902	1

It is clearly visible that there is a very weak relationship between the number of directors and MV to BV Ratio of companies. This is further visible both from the Scatter

We therefore accept the null hypothesis that there is no significant relationship between Number of Directors and the Market Value to Book Value Ratio of Companies.

At this stage it is also important to see the result of the survey question. The question posed during the survey was – "Board of Directors are key to the governance of company. Do you think that higher number of Directors on the board will be associated with higher firm value?". Of the total 60 participants 55 opined that Higher number of directors may not be associated with higher value. While 5 participants to the survey opined that higher number of directors may be associated with higher value of the company. So, for this particular hypothesis the statistical results and the view of participants from the survey is very well aligned.

Figure 59 Survey result No of directors to Value of Companies

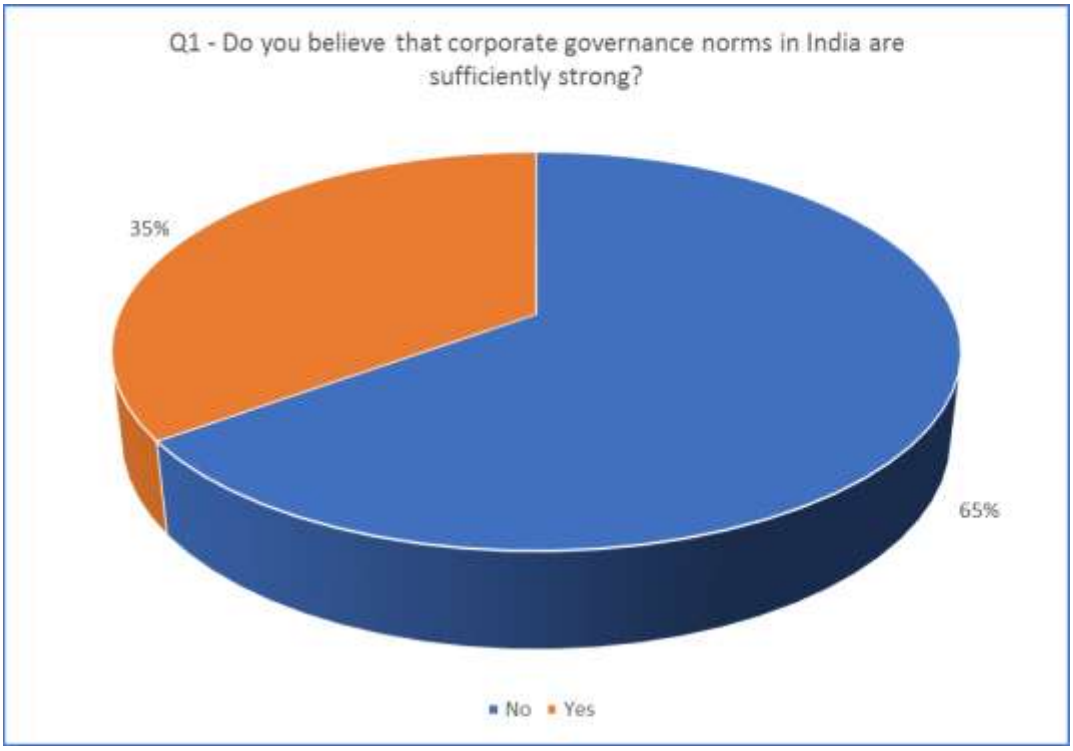


6) Data Analysis for Other Survey Questions

From the survey questions 2, 3, 4, 5, 6 have been already analyzed with hypothesis section above. Below is the analysis for the other remaining questions.

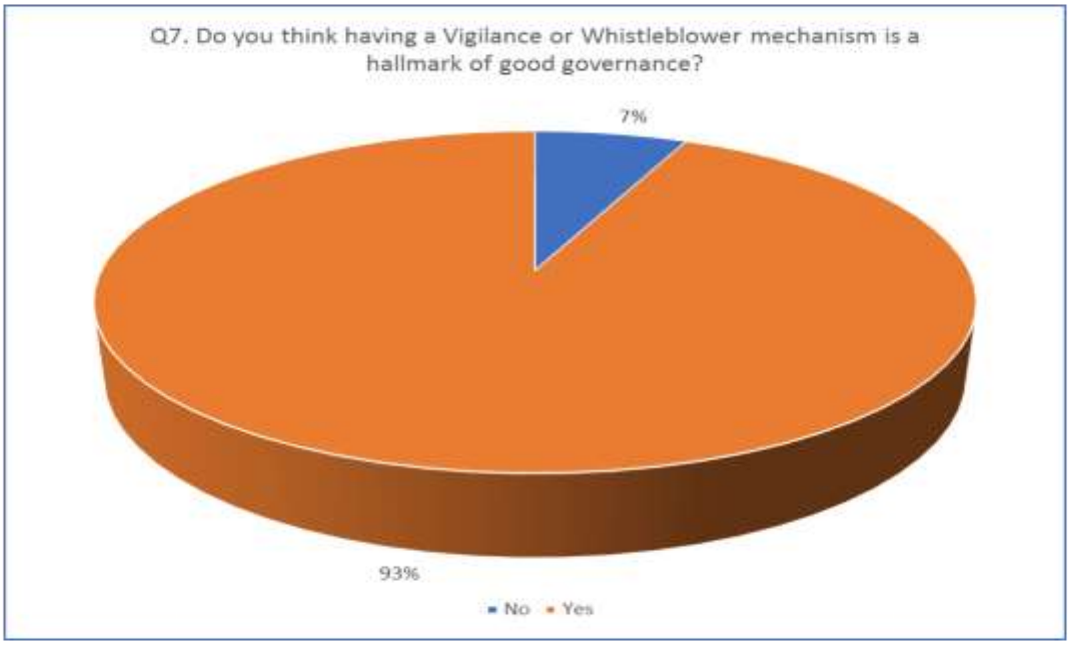
The first question is to get feel for a general high-level opinion of the survey participants about the Corporate Governance Norms in India. Of the 60 participants 39 opined that the governance norms in India are not sufficiently strong while other 21 were of the view that the governance norms are sufficiently strong.

Figure 60 Survey result Q1 Strength of Indian CG norms



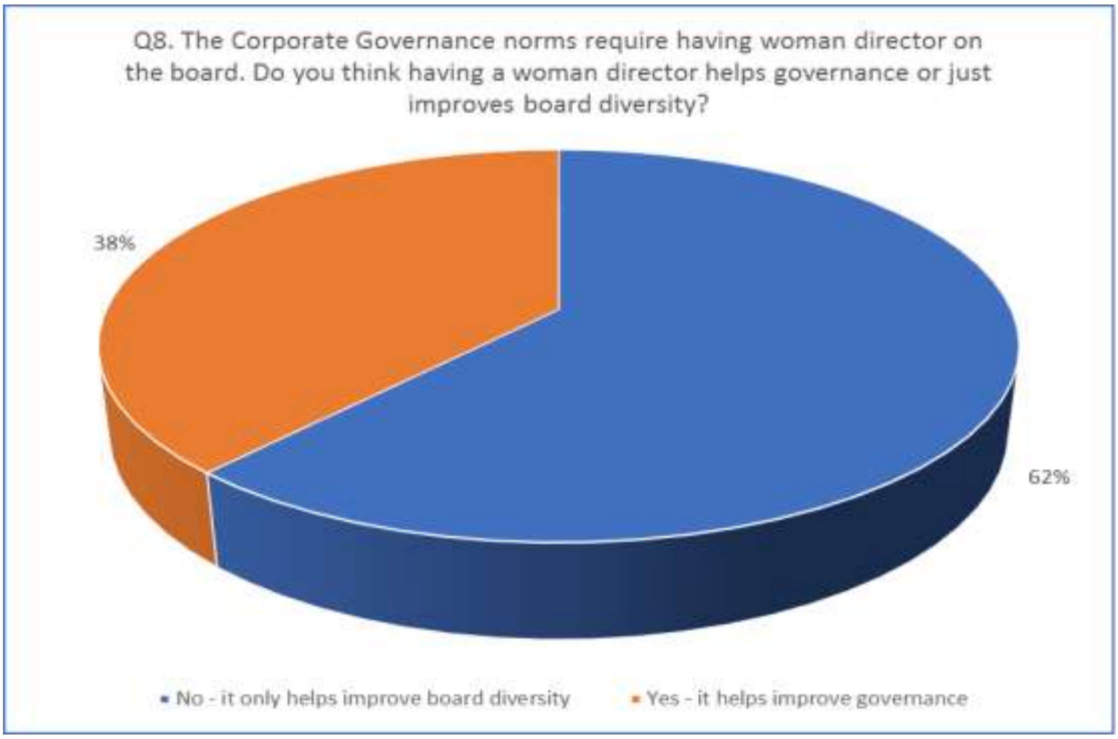
The Question 7 on survey was about vigilance or whistle blower mechanism. Of the total 60 participants only 4 opined negatively and the remaining 56 believed whistle blower mechanism is hallmark of good governance.

Figure 61 Survey result Q7 Vigilance and Whistleblower mechanism



Question 8 of the survey was related to women directors on the board. Of the 60 participants 37 participants believed mandatory women director's clause only helps to build up boardroom diversity it does not directly improve the governance. While 23 participants had a contrary view.

Figure 62 Survey result Women Directors and Governance



V.CHAPTER FIVE

A. CONCLUSION, SUGGESTIONS, RECOMMENDATIONS AND SCOPE OF THE STUDY

1) Conclusion

On completion of all the analysis and hypothesis testing the following conclusions are drawn from this study on the various aspects of corporate governance.

a) Importance

In the current business environment, the importance of Corporate Governance cannot be over emphasised. The result of the survey is very clear where the participants are keen on what the governance levels are within the country. Of the total survey participants 65% were of the view that the governance norms in India are not sufficiently strong and more needs to be done on this front. Corporate Governance will continue to become more and more important as the business growth happens and corporate form of entity becomes more and more used by the businesses.

There is a lot of linkage of Indian business with other countries this results in the fact that there are stakeholders for companies across boundaries. A good governance model and approach becomes much more important in such a setup with multiple stakeholders. Corporate governance is now not a new way of working but with the regulatory requirement it will be the only way of working for companies listed in India. This means that not only those which have a large shareholder base will be impacted but all companies which have any sort of equity or debt instrument listed on stock exchange will have to comply with the governance norms.

The N R Narayanamurthy report (N R Narayanamurthy Committee, 2003) also highlights the importance of Corporate Governance by stating that – "The corporations need to recognise that their growth requires the cooperation of all the stakeholders; and such cooperation is enhanced by the corporation adhering to the best corporate governance practices."

While it is good to have right governance practices it is also important to note that lack of good governance does not only impact the image of the company, but it also mean sub optimal use of a country's resources and also a risk of destruction of value due to mismanagement.

There have been more than enough examples in history of how value of destroyed due to lack of good governance – Satyam, WorldCom and Enron are examples in this regard.

The conclusion is that the Corporate Governance is important to various stakeholders and that its important if anything is increasing due to more and more economic activity. In such a background it is important to study this topic in detail and continuously review the impact of the best practices that are being adopted across the world.

b) General Perception

The general perception is that good governance is of vital importance. The reports of various committees formed and of various authors confirms this view. The Regulators like SEBI are also trying to bring in the best practices to Indian Corporate world.

The recent press coverage about Tata Group during exit of Cyrus Mistry and that of Infosys during exit of Vishal Sikka are clear examples of how much the press and public look forward to best practices.

While sixty five percent of the survey participants felt the governance, norms are not strong enough there were 35% who were very supportive of what is already in place in India as far as Corporate Governance Norms are concerned. One of the other questions of the survey was – "For any Public Company better corporate governance means better company value" – 50% of the participants strongly agreed to this statement. While 38% were also agreed and only 12% were either not sure or did not agree. So, we see that the general perception is that Corporate Governance is important and more now then ever earlier. There is a impact of good governance on value of company. A well governed company is expected to have more value than a company that does not have good governance processes. A well governed company will not only have better value but it will also enjoy better market reputation and as such should find it easier to operate in various businesses, work well with may stakeholders and finally be able to generate more value for its shareholders.

Good governance is not a substitute for good business practices and profitability and growth. Good governance is more complimentary to good business practices and growth and profitability. In the long run in fact good governance makes business sense.

c) Corporate Governance across Small Cap, Mid Cap and Large Cap Companies

When doing the study one of the expectation was that for the small cap companies which may be more recently listed the governance score will not be good but that for established large cap companies it will be better.

Table 59 CG Score to Type of Company and Count

CG Score	Large Cap	Mid Cap	Small Cap	Grand Total
1.7	1	0	1	2
3.0	1	0	2	3
3.3	6	7	6	19
4.0	3	6	5	14
5.0	29	27	26	82
Grand Total	40	40	40	120

As can bel seen from the table above there are more large cap companies that have a full five score compared to mid cap or small caps which are slightly lower. The mid cap and small cap have more count at score of 4 which means they are doing progress for improving their score.

The opinion of the of the participants of survey where 82% opined that the governance norms and practices for all type of companies is equally important. This is a bit contrary to the data from the analysis of annual reports.

The conclusion is that clearly there is an evolution when a company scales up from small cap to mid cap to large cap. The larger companies have more focus from the markets on their governance practices and therefore they manage it better or conversely such companies have resources in place to be able to comply with all the governance norms.

It is important for all companies irrespective of their size and capitalization to focus seriously on the governance when they are listed.

d) Corporate Governance and Market Value

From the hypothesis testing and specially table 48 and table 49 above it is concluded that higher market value not necessarily associated with higher CG score. However, the survey suggests that the general perception is that better governance will lead to more value of the company.

This disconnect may be due to various factors like the situation of the economy overall. Any exceptional happenings within the year and changes in legislations.

The conclusion is that general belief is that better governance leads to better market value of the firm and specially the ratio of market value to book value. However, with the current study we have not been able to prove this statistically. As such this can be picked up as a topic for future research.

e) Promoters Holding and impact on Value and Governance

The opinion of survey participants was that higher promoter holding is not associated with higher company value. In fact, people believe that higher promoter stake may not be good for general governance and would lead to issues and therefore the value of the company should be lower. This is however not correct, and it is also statistically proved above that higher promoter holding is associated with higher value.

The finding is very important in this case because of the unique nature. When the promoter holding is high the promoters are very engaged in the activity of the company and therefore they have sufficient stake in the outcome of company results. This means that the agency problem is significantly reduced in this case because the promoters are exercising larger control. This makes the decision and control process faster. Which in turn leads to better value of the company.

The conclusion is that if the promoters are acting generally with no oblique motive then the value of the company will increase with increase in promoters holding.

Higher holding of promoters may lead to lesser distance between the “ownership” and the “management” which makes the entire governance need less relevant and value higher.

f) Size of the Board

The statistical data proved with the hypothesis 5 that there is no significant relationship between number of board of directors on the board and the value of the company. The result of the survey was also supportive of this outcome with 92% of participants feeling that more directors does not lead to more value of the company.

The board is the main managing body of any company. The board is appointed by the shareholders body and may also have lenders and employee representative. The board of directors oversee the functioning of the key executive team starting with the CEO or Managing Director and all the senior executives.

The board is therefore the most important element of the governance activity. A strong board can help in driving the right type of governance that will then help in generating more value for the company.

Table 60 Number of Directors and MVBV Ratio and count

	Large Cap	Large Cap	Mid Cap	Mid Cap	Small Cap	Small Cap	Total	Total
Total No of Directors	Count of Comp	Avg MVBV Ratio	Count of Comp	Avg MVBV Ratio	Count of Comp	Avg MVBV Ratio	Count of Comp	Avg MVBV Ratio
5-7	0	0.00%	3	787.25%	5	260.17%	8	457.82%
8-10	13	1023.20%	17	489.15%	19	373.90%	49	586.15%
11-13	17	402.48%	14	606.94%	14	128.72%	45	380.92%
14-17	10	634.32%	6	427.86%	2	124.81%	18	508.89%
Grand Total	40	662.17%	40	543.54%	40	261.42%	120	489.04%

Note from the table above that clearly within the categories of companies there is a difference. The large cap companies have larger board sizes than that for mid caps and the small cap companies have the smallest boards. This makes business sense as the size of business would automatically lead to larger boards for large cap companies.

Large cap companies will have large boards but at times a very large board may become even an issue if it becomes difficult to operate quickly and efficiently and it is not always possible to access the board at short notice if business needs.

The key conclusion here is that the board size is not correlated to the market value of the company. The size of the company however does impact the board size and larger boards are needed when the company where as small cap companies require relatively smaller board of directors to operate.

g) Frequency of Board Meeting

The companies regulations in India requires companies to have at least one meeting of the Board of Directors each quarter and as such at least four meetings of the board in a year. It is not uncommon for the companies however to have more meetings of the board as per the need of the business. Naturally a company with lot of significant changes or churn like merger and acquisition etc will have more reasons to hold more board meetings. While a stable and well performing company may not have need to hold too many board meetings.

While testing hypothesis 4 it is already proved that the value of company increases to some extent with increase in number of meetings of board beyond the mandatory four meetings. However, there was also a proof that more increase in number of directors beyond 7 starts to show a declining trend in value. This was not fully affirmed by the survey result where 62% participants opined that higher number of meetings do not mean higher value of the company.

Table 61 No. of Board meetings to Value and Count

	Large Cap	Large Cap	Mid Cap	Mid Cap	Small Cap	Small Cap
No of Board meetings	Count of Comp	Avg MVBVR	Count of Comp	Avg MVBVR	Count of Comp	Avg MVBVR
3-4	6	377.90%	10	545.80%	8	140.43%
5-6	13	576.91%	20	602.88%	23	266.61%
7-8	13	1071.30%	4	367.83%	7	406.60%
9-10	7	343.36%	3	719.68%	2	177.46%
11-12	0	0.00%	2	242.94%	0	0.00%
13-14	1	389.19%	0	0.00%	0	0.00%
17-18	0	0.00%	1	109.68%	0	0.00%
Grand Total	40	662.17%	40	543.54%	40	261.42%

From the above table it is clear that all the three categories of companies have more or less same trend where the value first increases on increase in number of meetings but then starts to drop down.

The conclusion is that too few or too many meetings of the board may not help provide the right steer to the executive leadership of the company so there may be some level of number of meetings that will generate maximum value for the company.

h) Women Directors on Board

Having a diverse board can be very useful because that will mean different perspective and views will come out from the board members and that would help overall the right governance of the company.

In India as in other parts of the world the representation of women on board has been historically low. While the developed economies are progressing fast on this matter the Indian companies were not doing much. This changed with the rules around women director on the board as part of the Corporate Governance norms.

The norms require companies to have at least one woman member on the board of directors. After this norm came in effect many companies have taken the right steps to manage the right board combination. Some companies are only trying to meet the norm in letter and not in spirit of the law.

Table 62 Women Directors to MV BV Ratio and Count

Women Director	Count of Comp	Avg MVBVR
0	35	450.70%
1	64	566.00%
2	15	284.95%
3	4	364.66%
4	2	476.95%
Grand Total	120	489.04%

From the table above it is clear that having at least one woman director on board helps have a better value than those without any women directors. The result of the survey are slightly contradictory where 62% of the participants opined that having woman directors on board may not impact value of the company and will only help increase diversity.

While this is still early time to assess the impact created by women directors on companies. A study three to five years later will give a good indication of the impact. Such a change is important for a country like India where a lot needs to be done for providing right opportunities to women in the corporate world.

The conclusion is that having woman member on board of directors not only increases the diversity of the board but brings about better value for the company and therefore it is in the interest of the companies to support and adopt this best practice

i) Whistle Blower or Vigilance Mechanism

The concept of Whistle Blower has become very important in current times. With organisations becoming very large and complex it is often not only difficult but nearly impossible to get view in all the transactions that happen in it. The internal control processes are important as a preventive mechanism. There however is also need for other mechanisms to highlight and address any issues and whistle blower is such a mechanism. Under this mechanism the company and specially the board sets up processes so that any individual who has knowledge of some wrong doing and inappropriate transactions can bring those to the notice of the right people without the fear of being persecuted.

A Whistle blower is given access and means to raise red flags or concerns about events or transactions and these are then reviewed by the board or its nominee. Indian companies are adopting is best practice in governance across the board. While these norms are relatively recent some companies had such a mechanism in place already under some other name like vigilance mechanism etc.

When asked from the participants of the survey about whistle blower mechanism 93% of the participants opined that such a mechanism is hallmark of good governance practice. The fact that this is being very well accepted in Indian corporates is very encouraging.

Table 63 Whistle Blower policy and MVBV Ratio and count

	Large Cap	Large Cap	Mid Cap	Mid Cap	Small Cap	Small Cap	Total Count of Comp	Total Avg MVBVR
Whistle Blower Policy Exists	Count of Comp	Avg MVBVR	Count of Comp	Avg MVBVR	Count of Comp	Avg MVBVR		
No	7	492.71%	11	349.33%	16	187.18%	34	302.54%
Yes	33	698.12%	29	617.21%	24	310.91%	86	562.78%
Grand Total	40	662.17%	40	543.54%	40	261.42%	120	489.04%

From the table above, we can clearly see that the MVBV ratio of companies with a whistle blower policy is higher than that of those companies that do not have such a policy in place. Importantly this is true for all type of companies be it small cap, mid cap or large cap companies. It is also clear that the large cap companies are faster to adopt this practice than mid or small cap companies.

The conclusion is that Whistle Blower mechanism is one of the most important good governance mechanism. It provides reassurance that right things are being done and at the same time it is not difficult to implement. It is hallmark of good governance.

j) Non-Executive Chairman

The composition of board of directors is very important as this impacts directly the governance and control of the company. As per the corporate governance norms the board can have a chairman who is executive or non-executive. In case of executive chairman, the board composition has to be stronger to ensure good governance. In fact, having a non-executive chairman is a very confidence boosting measure that any company can provide to its investors.

Table 64 Non Executive Chairman and MVBV Ratio and count

	Large Cap	Large Cap	Mid Cap	Mid Cap	Small Cap	Small Cap	Total Count of Comp	Total Avg MVBVR
Non Exec Chairman	Count of Comp	Avg MVBVR	Count of Comp	Avg MVBVR	Count of Comp	Avg MVBVR		
No	19	523.05%	20	501.24%	20	128.16%	59	381.80%
Yes	21	788.04%	20	585.84%	20	394.67%	61	592.77%
Grand Total	40	662.17%	40	543.54%	40	261.42%	120	489.04%

From the above table we can se that for all type of companies be it small cap, mid cap or large cap the MV BV ratio is higher when there is a non-executive chairman. The appointment of a non-executive chairman adds the necessary objectivity and independence to the process of the Board.

This is a good practice that is already gaining popularity in developed economies and is now getting the necessary attention in India.

The conclusion is that having a non-executive chairman is a clear sign of evolved governance mechanism it also highlights that the board is focussed and independent in its review of the activities of the executive leadership team.

2) Suggestions and Recommendations

Based on the various findings from this study a few suggestions are drawn for various stakeholders

a) For Companies

For the companies the important recommendation and suggestions are –

1. Good Corporate Governance is also good business sense and companies with better governance command a better market perception and value. It is recommended to adopt best governance practices.
2. Good Corporate Governance leads to better stakeholder engagement for a long term success of the company. It is recommended that adopting good corporate governance practices is looked at as a long term investment and not a mere compliance.
3. It is important to not only comply with the norms in letter but also in spirit. It is suggested that such compliance in spirit will help bring the best returns to the company.

b) For Regulators and Legislators

For Regulators and Legislators, the suggestions and recommendations are –

1. Good Governance norms should be simple to understand and clear in purpose. It is recommended that a principle-based approach is better than a rule based approach. A rule-based approach is very prescriptive whereas principle-based approach brings out the essence of the regulation and leads to best practices for the companies.
2. The cost of compliance and mechanism to check compliance should be reasonable. It is suggested that the cost for compliance should be reasonable that helps more companies adopt the norms. A comply or explain process is better than a very elaborate returns, filing and audit type of approach.

c) For Investors and Other Stakeholders

For Investors and Other stakeholders, the suggestions are –

1. It is suggested that investors and stakeholders look at the extent to which the good governance practices are followed by the companies.
2. It is recommended that at appropriate forums like annual general meetings and other interaction opportunities the investors bring up topic of governance if there are any concerns.
3. It is suggested that the investors and other stakeholders look not only at the growth and profitability for the current period but also focus on the governance practices which have high impact on the long term success of the company.

3) Scope of the Study

This study was taken with information of sixty companies over two different years. The sixty companies comprised of twenty companies each from the large cap, mid cap and small cap categories. This ensured a good coverage of the listed companies. In terms of survey participants there were in total sixty participants who provided inputs to the questionnaire. Therefore, the scope of this study was restricted to sixty companies which were listed on NSE.

Corporate Governance is an evolving subject and therefore there are opportunities for future studies that cover more time periods. It is also possible to have studies which cover a more larger size of survey participants. That would not only provide more information but also views from larger participant pool.

The changes in governance norms will continue as the business, regulations and legislation evolves. This makes Corporate Governance a very important area for future studies that can be done with larger scope and reach.

Such studies while on one side will help understand the impact of governance norms or changes in norms on the business it will also help on the other side to setup better norms and regulations. For the corporates such studies help them focus their expenses and investment on governance in the more important and useful aspects. There is a cost or expense of having good governance and getting maximum value for that will be possible when corporates are able to use these studies in a more practical manner.

The scope of current study was restricted to India it may be useful in future to do studies which cut across countries and see how the value is impacted by governance or how size of the companies matters or not for the governance process. The one challenge with such studies is the difference in the local regulations for companies in different countries. Also, the level of maturity of the corporations varies when one looks from one country or region to other.

Recent years there has been a lot of backlash on the globalisation concept. However, it is already very clear the globalisation is there to stay and indeed expand. There are more and more companies which have large stakeholder populations across countries. With such an evolution the importance of good corporate governance continues to be important area of focus. This will act as an enabler for the various stakeholders to have faith and confidence in the governance mechanism of companies.

VI.APPENDICES

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D. SURVEY QESTIONNAIRE

Below is the full text of the Survey Questionnaire:

Corporate Governance Survey

Background

As a part of my academics I have undertaken a research study on the topic of Corporate Governance. Corporate Governance is the system of rules, practices and processes by which a company is directed and controlled.

Your inputs are requested to the below 8 simple questions. This is being organized as a part of this survey to gauge the opinion of people on this subject.

The purpose of this activity is purely academic and is being organized by a Research Scholar who is doing a research in the field of corporate governance.

Here are some external links about this Corporate Governance.

https://en.wikipedia.org/wiki/Corporate_governance

https://www.investopedia.com/terms/c/corporategovernance.asp

https://www.investopedia.com/terms/c/corporategovernance.asp

Thanks in advance for inputs

Niranjan Pendse

Research Scholar

Tilak Maharashtra Vidyapeeth Pune

Questions

Q1 - Do you believe that corporate governance norms in India are sufficiently strong?

1 Yes

2 No

Q2. Do you agree with the comment that - "For any Public company better corporate governance means better company value"? Please answer on scale of 1 to 5 where 1 is Strongly Disagree, 2 is Somewhat Disagree, 3 is Not Sure, 4 is Somewhat Agree, 5 is Strongly Agree.

1 - Strongly Disagree

2 - Somewhat Disagree

3 - Not sure

4 - Somewhat Agree

5 - Strongly Agree

Q3. Do you agree with the statement that - "Corporate Governance Norms and practices are equally important for companies of all sizes - Small Cap, Mid Cap and Large Cap"?

1 - More important for Large Cap companies

2 - More important for Small and Mid Cap Companies

3 - Equally important for all companies of all sizes

Q4. Promoters Holding (share of promoters holding in total equity of company) has direct impact on company value. Do you consider that higher promoter holding is associated with higher relative value of company and vice-versa?

1 Yes - higher promoter holding is associated with higher company value

2 No - higher promoter holding is not associated with higher company value

Q5. Board of Directors are key to the governance of company. Do you think that higher number of Directors on the board will be associated with higher firm value?

1 Yes - Higher number of directors is associated with higher value

2 No - No higher number of directors may not be associated with higher value

Q6. Board of Directors meet regularly to manage the company. The law requires minimum 4 meetings of the board of directors in a year. Do think that more board meetings will mean higher value of the company?

1 Yes - More number of board meetings is associated with higher value

2 No - No more number of board meetings may not be associated with higher value

Q7. Do you think having a Vigilance or Whistleblower mechanism is a hallmark of good governance?

1 Yes

2 No

Q8. The Corporate Governance norms require having woman director on the board. Do you think having a woman director helps governance or just improves board diversity?

1 Yes - it helps improve governance

2 No - it only helps improve board diversity

E. CLAUSE 49 OF THE LISTING AGREEMENT

Below is the full text of the new clause 49 as issued by SEBI circular on 17th April 2014

CIRCULAR
CIR/CFD/POLICY CELL/2/2014 April 17, 2014
To
All Recognised Stock Exchanges
Dear Sir(s)/Madam(s),
Sub: Corporate Governance in listed entities - Amendments to Clauses 35B and 49 of the Equity Listing Agreement
1. Please refer to master circular No. SEBI/CFD/DIL/CG/2004/12/10 dated October 29, 2004 on Clause 49 of the Equity Listing Agreement.

2. The Companies Act, 2013 was enacted on August 30, 2013 which provides for a major overhaul in the Corporate Governance norms for all companies. The rules pertaining to Corporate Governance were notified on March 27, 2014. The requirements under the Companies Act, 2013 and the rules notified there under would be applicable for every company or a class of companies (both listed and unlisted) as may be provided therein. It has been decided to review the provisions of the Listing Agreement in this regard with the objectives to align with the provisions of the Companies Act, 2013, adopt best practices on corporate governance and to make the corporate governance framework more effective.

3. The full text of the revised Clause 35B of the Equity Listing Agreement is given in **Part-A** of the circular. The full text of the revised Clause 49 of the Equity Listing Agreement is given in **Part-B** of the circular.

4. **Applicability**

4.1 The revised Clause 49 would be applicable to all listed companies with effect from October 01, 2014. However, the provisions of Clause 49(VI)(C) as given in Part-B shall be applicable to top 100 listed companies by market capitalisation as at the end of the immediate previous financial year.

4.2 The provisions of Clause 49(VII) as given in Part-B shall be applicable to all prospective transactions. All existing material related party contracts or arrangements as on the date of this circular which are likely to continue beyond March 31, 2015 shall be placed for approval of the shareholders in the first General Meeting subsequent to October 01, 2014. However, a company may choose to get such contracts approved by the shareholders even before October 01, 2014.

4.3 For other listed entities which are not companies, but body corporate or are subject to regulations under other statutes (e.g. banks, financial institutions, insurance companies etc.), the Clause 49 will apply to the extent that it does not violate their respective statutes and guidelines or directives issued by the relevant regulatory authorities. The Clause 49 is not applicable to Mutual Funds.

4.4 The revised Clause 35B would be applicable to all listed companies and the modalities would be governed by the provisions of Companies (Management and Administration) Rules, 2014. Circular No. CIR/CFD/DIL/6/2012 dated July 13, 2012 stands amended to that extent.

5. The monitoring cell formed by the Stock Exchanges in terms of Circular No. CIR/CFD/POLICYCELL/13/2013 dated November 18, 2013 shall also monitor the compliance with the provisions of the revised Clause 49 on corporate governance for all listed companies. The cell shall ascertain the adequacy and accuracy of disclosures in the quarterly compliance reports received from the companies and shall submit a consolidated compliance report to SEBI within 60 days from the end of each quarter.

6. The above listing conditions are specified in exercise of the powers conferred under Section 11 read with Section 11A of the Securities and Exchange Board of India Act, 1992. The said listing conditions should form part of the existing Equity Listing Agreement of the Stock Exchange.

7. All Stock Exchanges are advised to ensure compliance with this circular and carry out the amendments to their Listing Agreement as per Part-A and Part-B of this circular.

8. This master circular will supersede all other earlier circulars issued by SEBI on Clauses 35B and 49 of the Equity Listing Agreement.

9. This circular is available on SEBI website at www.sebi.gov.in under the categories “Legal Framework” and “Issues and Listing”.

Yours faithfully,
Amit Tandon
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Enclosures:
Part-A: Clause 35B of the Equity Listing Agreement
Part-B: Clause 49 of the Equity Listing Agreement

Part-A
Clause 35B
35B. (i) The issuer agrees to provide e-voting facility to its shareholders, in respect of all shareholders' resolutions, to be passed at General Meetings or through postal ballot. Such e-voting facility shall be kept open for such period specified under the Companies (Management and Administration) Rules, 2014 for shareholders to send their assent or dissent.
(ii) Issuer shall continue to enable those shareholders, who do not have access to e-voting facility, to send their assent or dissent in writing on a postal ballot as per the provisions of the Companies (Management and Administration) Rules, 2014 or amendments made thereto.
(iii) Issuer shall utilize the service of any one of the agencies providing e-voting platform, which is in compliance with conditions specified by the Ministry of Corporate Affairs, Government of India, from time to time.
(iv) Issuer shall mention the Internet link of such e-voting platform in the notice to their shareholders

Part-B
49. Corporate Governance
I. The company agrees to comply with the provisions of Clause 49 which shall be implemented in a manner so as to achieve the objectives of the principles as mentioned below. In case of any ambiguity, the said provisions shall be interpreted and applied in alignment with the principles.

A. The Rights of Shareholders

1. The company should seek to protect and facilitate the exercise of shareholders' rights.

a. Shareholders should have the right to participate in, and to be sufficiently informed on, decisions concerning fundamental corporate changes.

b. Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings.

c. Shareholders should be informed of the rules, including voting procedures that govern general shareholder meetings.

d. Shareholders should have the opportunity to ask questions to the board, to place items on the agenda of general meetings, and to propose resolutions, subject to reasonable limitations.

e. Effective shareholder participation in key Corporate Governance decisions, such as the nomination and election of board members, should be facilitated.

f. The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated.

g. The Company should have an adequate mechanism to address the grievances of the shareholders.

h. Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress.

2. The company should provide adequate and timely information to shareholders.
a. Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be discussed at the meeting.

b. Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.

c. All investors should be able to obtain information about the rights attached to all series and classes of shares before they purchase.

3. The company should ensure equitable treatment of all shareholders, including minority and foreign shareholders.

a. All shareholders of the same series of a class should be treated equally.

b. Effective shareholder participation in key Corporate Governance decisions, such as the nomination and election of board members, should be facilitated.

c. Exercise of voting rights by foreign shareholders should be facilitated.

d. The company should devise a framework to avoid Insider trading and abusive self-dealing.

e. Processes and procedures for general shareholder meetings should allow for equitable treatment of all shareholders.

f. Company procedures should not make it unduly difficult or expensive to cast votes.

B. Role of stakeholders in Corporate Governance

1. The company should recognise the rights of stakeholders and encourage co-operation between company and the stakeholders.

a. The rights of stakeholders that are established by law or through mutual agreements are to be respected.
b. Stakeholders should have the opportunity to obtain effective redress for violation of their rights.

c. Company should encourage mechanisms for employee participation.

d. Stakeholders should have access to relevant, sufficient and reliable information on a timely and regular basis to enable them to participate in Corporate Governance process.

e. The company should devise an effective whistle blower mechanism enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

C. Disclosure and transparency

1. The company should ensure timely and accurate disclosure on all material matters including the financial situation, performance, ownership, and governance of the company.

a. Information should be prepared and disclosed in accordance with the prescribed standards of accounting, financial and non-financial disclosure.

b. Channels for disseminating information should provide for equal, timely and cost efficient access to relevant information by users.

c. The company should maintain minutes of the meeting explicitly recording dissenting opinions, if any.

d. The company should implement the prescribed accounting standards in letter and spirit in the preparation of financial statements taking into consideration the interest of all stakeholders and should also ensure that the annual audit is conducted by an independent, competent and qualified auditor.

D. Responsibilities of the Board

1. Disclosure of Information

a. Members of the Board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.

b. The Board and top management should conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision-making.

2. Key functions of the Board

The board should fulfill certain key functions, including:
a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.

b. Monitoring the effectiveness of the company's governance practices and making changes as needed.

c. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.

d. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.

e. Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.

f. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.

g. Ensuring the integrity of the company’s accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

h. Overseeing the process of disclosure and communications.

i. Monitoring and reviewing Board Evaluation framework.

3. Other responsibilities

a. The Board should provide the strategic guidance to the company, ensure effective monitoring of the management and should be accountable to the company and the shareholders.

b. The Board should set a corporate culture and the values by which executives throughout a group will behave.

c. Board members should act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and the shareholders.

d. The Board should encourage continuing directors training to ensure that the Board members are kept up to date.

e. Where Board decisions may affect different shareholder groups differently, the Board should treat all shareholders fairly.

f. The Board should apply high ethical standards. It should take into account the interests of stakeholders.

g. The Board should be able to exercise objective independent judgement on corporate affairs.

h. Boards should consider assigning a sufficient number of non-executive Board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest.

i. The Board should ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the company to excessive risk.

j. The Board should have ability to ‘step back’ to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the company's focus.

k. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.

l. Board members should be able to commit themselves effectively to their responsibilities.

m. In order to fulfil their responsibilities, board members should have access to accurate, relevant and timely information.

n. The Board and senior management should facilitate the Independent Directors to perform their role effectively as a Board member and also a member of a committee.

II. Board of Directors

A. Composition of Board

1. The Board of Directors of the company shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the Board of Directors comprising non-executive directors.

2. Where the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise independent directors and in case the company does not have a regular non-executive Chairman, at least half of the Board should comprise independent directors.

Provided that where the regular non-executive Chairman is a promoter of the company or is related to any promoter or person occupying management positions at the Board level or at one level below the Board, at least one-half of the Board of the company shall consist of independent directors.
Explanation: For the purpose of the expression “related to any promoter” referred to in sub-clause (2):
i. If the promoter is a listed entity, its directors other than the independent directors, its employees or its nominees shall be deemed to be related to it;

ii. If the promoter is an unlisted entity, its directors, its employees or its nominees shall be deemed to be related to it.”

B. Independent Directors

1. For the purpose of the clause A, the expression ‘independent director’ shall mean a non-executive director, other than a nominee director of the company:

a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;

(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
c. apart from receiving director's remuneration, has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

e. who, neither himself nor any of his relatives —

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
A firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
B any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

(iii) holds together with his relatives two per cent or more of the total voting power of the company; or
(iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
(v) is a material supplier, service provider or customer or a lessor or lessee of the company;
f. who is not less than 21 years of age.

Explanation
For the purposes of the sub-clause (1):
i. "Associate" shall mean a company which is an “associate” as defined in Accounting Standard (AS) 23, “Accounting for Investments in Associates in Consolidated Financial Statements”, issued by the Institute of Chartered Accountants of India.

ii. “Key Managerial Personnel" shall mean “Key Managerial Personnel” as defined in section 2(51) of the Companies Act, 2013.

iii. “Relative” shall mean “relative” as defined in section 2(77) of the Companies Act, 2013 and rules prescribed there under.

2. Limit on number of directorships

a. A person shall not serve as an independent director in more than seven listed companies.

b. Further, any person who is serving as a whole time director in any listed company shall serve as an independent director in not more than three listed companies.

3. Maximum tenure of Independent Directors

a. An independent director shall hold office for a term up to five consecutive years on the Board of a company and shall be eligible for reappointment for another term of up to five consecutive years on passing of a special resolution by the company.

Provided that a person who has already served as an independent director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of his present term, for one more term of up to five years only.
Provided further that an independent director, who completes his above mentioned term shall be eligible for appointment as independent director in the company only after the expiration of three years of ceasing to be an independent director in the company.

4. Formal letter of appointment to Independent Directors

a. The company shall issue a formal letter of appointment to independent directors in the manner as provided in the Companies Act, 2013.

b. The letter of appointment along with the detailed profile of independent director shall be disclosed on the websites of the company and the Stock Exchanges not later than one working day from the date of such appointment.

5. Performance evaluation of Independent Directors

a. The Nomination Committee shall lay down the evaluation criteria for performance evaluation of independent directors.

b. The company shall disclose the criteria for performance evaluation, as laid down by the Nomination Committee, in its Annual Report.

c. The performance evaluation of independent directors shall be done by the entire Board of Directors (excluding the director being evaluated).

d. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

6. Separate meetings of the Independent Directors

a. 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. All the independent directors of the company shall strive to be present at such meeting.

b. The independent directors in the meeting shall, *inter-alia:*

i. review the performance of non-independent directors and the Board as a whole;

ii. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;

iii. 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 and reasonably perform their duties.

7. Training of Independent Directors

a. The company shall provide suitable training to independent directors to familiarize them with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc.

b. The details of such training imparted shall be disclosed in the Annual Report.

C. Non-executive Directors' compensation and disclosures

All fees / compensation, if any paid to non-executive directors, including independent directors, shall be fixed by the Board of Directors and shall require previous approval of shareholders in general meeting. The shareholders' resolution shall specify the limits for the maximum number of stock options that can be granted to non-executive directors, in any financial year and in aggregate. Provided that the requirement of obtaining prior approval of shareholders in general meeting shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under the Companies Act, 2013 for payment of sitting fees without approval of the Central Government.
Provided further that independent directors shall not be entitled to any stock option.

D. Other provisions as to Board and Committees

1. The Board shall meet at least four times a year, with a maximum time gap of one hundred and twenty days between any two meetings. The minimum information to be made available to the Board is given in **Annexure - X to the Listing Agreement.**

2. A director shall not be a member in more than ten committees or act as Chairman of more than five committees across all companies in which he is a director. Furthermore, every director shall inform the company about the

committee positions he occupies in other companies and notify changes as and when they take place.

Explanation:
i. For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded.

ii. For the purpose of reckoning the limit under this sub-clause, Chairmanship / membership of the Audit Committee and the Stakeholders' Relationship Committee alone shall be considered.

3. The Board shall periodically review compliance reports of all laws applicable to the company, prepared by the company as well as steps taken by the company to rectify instances of non-compliances.

4. An independent director who resigns or is removed from the Board of the Company shall be replaced by a new independent director at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later.

5. Provided that where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

6. The Board of the company shall satisfy itself that plans are in place for orderly succession for appointments to the Board and to senior management.

E. Code of Conduct

1. The Board shall lay down a code of conduct for all Board members and senior management of the company. The code of conduct shall be posted on the website of the company.

2. All Board members and senior management personnel shall affirm compliance with the code on an annual basis. The Annual Report of the company shall contain a declaration to this effect signed by the CEO.

3. The Code of Conduct shall suitably incorporate the duties of Independent Directors as laid down in the Companies Act, 2013.

4. An independent director shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently with respect of the provisions contained in the Listing Agreement.

Explanation: For this purpose, the term “senior management” shall mean personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the executive directors, including all functional heads.

F. Whistle Blower Policy

1. The company shall establish a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.

2. This mechanism should also provide for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

3. The details of establishment of such mechanism shall be disclosed by the company on its website and in the Board's report.

III. Audit Committee

A. Qualified and Independent Audit Committee

A qualified and independent audit committee shall be set up, giving the terms of reference subject to the following:

1. The audit committee shall have minimum three directors as members. Two-thirds of the members of audit committee shall be independent directors.

2. All members of audit committee shall be financially literate and at least one member shall have accounting or related financial management expertise.

Explanation (i): The term "financially literate" means the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.

Explanation (ii): A member will be considered to have accounting or related financial management expertise if he or she possesses experience in finance or accounting, or requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

3. The Chairman of the Audit Committee shall be an independent director;

4. The Chairman of the Audit Committee shall be present at Annual General Meeting to answer shareholder queries;

5. The Audit Committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the company. The finance director, head of internal audit and a representative of the statutory auditor may be present as invitees for the meetings of the audit committee;

6. The Company Secretary shall act as the secretary to the committee.

B. Meeting of Audit Committee

The Audit Committee should meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there should be a minimum of two independent members present.

C. Powers of Audit Committee

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference.

2. To seek information from any employee.

3. To obtain outside legal or other professional advice.

4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

D. Role of Audit Committee

The role of the Audit Committee shall include the following:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

b. Changes, if any, in accounting policies and practices and reasons for the same

c. Major accounting entries involving estimates based on the exercise of judgment by management

d. Significant adjustments made in the financial statements arising out of audit findings

e. Compliance with listing and other legal requirements relating to financial statements

f. Disclosure of any related party transactions

g. Qualifications in the draft audit report

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To review the functioning of the Whistle Blower mechanism;

19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Explanation (i): The term "related party transactions" shall have the same meaning as provided in Clause 49(VII) of the Listing Agreement.

E. Review of information by Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;

2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

3. Management letters / letters of internal control weaknesses issued by the statutory auditors;

4. Internal audit reports relating to internal control weaknesses; and

5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

IV. Nomination and Remuneration Committee

A. The company shall set up a nomination and remuneration committee which shall comprise at least three directors, all of whom shall be non-executive directors and at least half shall be independent. Chairman of the committee shall be an independent director.

B. The role of the committee shall, *inter-alia*, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

2. Formulation of criteria for evaluation of Independent Directors and the Board;

3. Devising a policy on Board diversity;

4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

C. The Chairman of the nomination and remuneration committee could be present at the Annual General Meeting, to answer the shareholders' queries. However, it would be up to the Chairman to decide who should answer the queries.

V. Subsidiary Companies

A. At least one independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of a material non-listed Indian subsidiary company.

B. The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.

C. The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the listed holding company. The management should periodically bring to the attention of the Board of Directors of the listed holding company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.

D. The company shall formulate a policy for determining ‘material’ subsidiaries and such policy shall be disclosed to Stock Exchanges and in the Annual Report.

E. For the purpose of this clause, a subsidiary shall be considered as material if the investment of the company in the subsidiary exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated twenty per cent of the consolidated income of the company during the previous financial year.

F. No company shall dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting.

G. Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary shall require prior approval of shareholders by way of special resolution

Explanation (i): The term “material non-listed Indian subsidiary” shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.
Explanation (ii): The term “significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the material unlisted subsidiary for the immediately preceding accounting year.
Explanation (iii): Where a listed holding company has a listed subsidiary which is itself a holding company, the above provisions shall apply to the listed subsidiary insofar as its subsidiaries are concerned.

VI. Risk Management

A. The company shall lay down procedures to inform Board members about the risk assessment and minimization procedures.

B. The Board shall be responsible for framing, implementing and monitoring the risk management plan for the company.

C. The company shall also constitute a Risk Management Committee. The Board shall define the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.

VII. Related Party Transactions

A. A related party transaction is a transfer of resources, services or obligations between a company and a related party, regardless of whether a price is charged.

B. A ‘related party' is a person or entity that is related to the company. Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making financial and/or operating decisions and includes the following:

1. A person or a close member of that person’s family is related to a company if that person:
a. is a related party under Section 2(76) of the Companies Act, 2013;or
b. has control or joint control or significant influence over the company; or
c. is a key management personnel of the company or of a parent of the company; or

2. An entity is related to a company if any of the following conditions applies:

a. The entity is a related party under Section 2(76) of the Companies Act, 2013; or

b. The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others); or

c. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); or

d. Both entities are joint ventures of the same third party; or

e. One entity is a joint venture of a third entity and the other entity is an associate of the third entity; or

f. The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company; or

g. The entity is controlled or jointly controlled by a person identified in (1).

h. A person identified in (1)(b) has significant influence over the entity (or of a parent of the entity); or

Explanation: For the purpose of Clause 49(V) and Clause VII(B), the term “control” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

C. The company shall formulate a policy on materiality of related party transactions and also on dealing with Related Party Transactions.

Provided that a transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds five percent of the annual turnover or twenty percent of the net worth of the company as per the last audited financial statements of the company, whichever is higher.
D. All Related Party Transactions shall require prior approval of the Audit Committee.

E. All material Related Party Transactions shall require approval of the shareholders through special resolution and the related parties shall abstain from voting on such resolutions.

VIII. Disclosures

A. Related Party Transactions

1. Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.

2. The company shall disclose the policy on dealing with Related Party Transactions on its website and also in the Annual Report.

B. Disclosure of Accounting Treatment

Where in the preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed, the fact shall be disclosed in the financial statements, together with the management's explanation as to why it believes such alternative treatment is more representative of the true and fair view of the underlying business transaction in the Corporate Governance Report.

C. Remuneration of Directors

1. All pecuniary relationship or transactions of the non-executive directors vis-à-vis the company shall be disclosed in the Annual Report.

2. In addition to the disclosures required under the Companies Act, 2013, the following disclosures on the remuneration of directors shall be made in the section on the corporate governance of the Annual Report:

a. All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc.

b. Details of fixed component and performance linked incentives, along with the performance criteria.

c. Service contracts, notice period, severance fees.

d. Stock option details, if any - and whether issued at a discount as well as the period over which accrued and over which exercisable.

3. The company shall publish its criteria of making payments to non-executive directors in its annual report. Alternatively, this may be put up on the company's website and reference drawn thereto in the annual report.

4. The company shall disclose the number of shares and convertible instruments held by non-executive directors in the annual report.

5. Non-executive directors shall be required to disclose their shareholding (both own or held by / for other persons on a beneficial basis) in the listed company in which they are proposed to be appointed as directors, prior to their appointment. These details should be disclosed in the notice to the general meeting called for appointment of such director

D. Management

1. As part of the directors' report or as an addition thereto, a Management Discussion and Analysis report should form part of the Annual Report to the shareholders. This Management Discussion & Analysis should include discussion on the following matters within the limits set by the company's competitive position:
a. Industry structure and developments.
b. Opportunities and Threats.
c. Segment–wise or product-wise performance.
d. Outlook
e. Risks and concerns.
f. Internal control systems and their adequacy.
g. Discussion on financial performance with respect to operational performance.
h. Material developments in Human Resources / Industrial Relations front, including number of people employed.

2. Senior management shall make disclosures to the board relating to all material financial and commercial transactions, where they have personal interest, that may have a potential conflict with the interest of the company at large (for e.g. dealing in company shares, commercial dealings with bodies, which have shareholding of management and their relatives etc.)

Explanation: For this purpose, the term "senior management" shall mean personnel of the company who are members of its core management team excluding the Board of Directors). This would also include all members of management one level below the executive directors including all functional heads.
3. The Code of Conduct for the Board of Directors and the senior management shall be disclosed on the website of the company.

E. Shareholders

1. In case of the appointment of a new director or re-appointment of a director the shareholders must be provided with the following information:

a. A brief resume of the director;

b. Nature of his expertise in specific functional areas;

c. Names of companies in which the person also holds the directorship and the membership of Committees of the Board; and

d. Shareholding of non-executive directors as stated in Clause 49 (IV) (E) (v) above

2. Disclosure of relationships between directors inter-se shall be made in the Annual Report, notice of appointment of a director, prospectus and letter of offer for issuances and any related filings made to the stock exchanges where the company is listed.

3. Quarterly results and presentations made by the company to analysts shall be put on company's web-site, or shall be sent in such a form so as to enable the stock exchange on which the company is listed to put it on its own web-site.

4. A committee under the Chairmanship of a non-executive director and such other members as may be decided by the Board of the company shall be formed to specifically look into the redressal of grievances of shareholders, debenture holders and other security holders. This Committee shall be designated as 'Stakeholders Relationship Committee' and shall consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.

5. To expedite the process of share transfers, the Board of the company shall delegate the power of share transfer to an officer or a committee or to the registrar and share transfer agents. The delegated authority shall attend to share transfer formalities at least once in a fortnight.

F. Disclosure of resignation of directors

1. The company shall disclose the letter of resignation along with the detailed reasons of resignation provided by the director of the company on its website not later than one working day from the date of receipt of the letter of resignation.

2. The company shall also forward a copy of the letter of resignation along with the detailed reasons of resignation to the stock exchanges not later than one working day from the date of receipt of resignation for dissemination through its website.

G. Disclosure of formal letter of appointment

1. The letter of appointment of the independent director along with the detailed profile shall be disclosed on the websites of the company and the Stock Exchanges not later than one working day from the date of such appointment.

H. Disclosures in Annual report

1. The details of training imparted to Independent Directors shall be disclosed in the Annual Report.

2. The details of establishment of vigil mechanism shall be disclosed by the company on its website and in the Board's report.

3. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

I. Proceeds from public issues, rights issue, preferential issues, etc.

When money is raised through an issue (public issues, rights issues, preferential issues etc.), the company shall disclose the uses / applications of funds by major category (capital expenditure, sales and marketing, working capital, etc), on a quarterly basis as a part of their quarterly declaration of financial results to the Audit Committee. Further, on an annual basis, the company shall prepare a statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and place it before the audit committee. Such disclosure shall be made only till such time that the full money raised through the issue has been fully spent. This statement shall be certified by the statutory auditors of the company. Furthermore, where the company has appointed a monitoring agency to monitor the utilisation of proceeds of a public or rights issue, it shall place before the Audit Committee the monitoring report of such agency, upon receipt, without any delay. The audit committee shall make appropriate recommendations to the Board to take up steps in this matter.

IX. CEO/CFO certification

The CEO, i.e. the Managing Director or Manager appointed in terms of the Companies Act, 1956 and the CFO i.e. the whole-time Finance Director or any other person heading the finance function discharging that function shall certify to the Board that:

A. They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief :

1. these statements do not contain any materially untrue statement or omit any aterial fact or contain statements that might be misleading; 2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.

C. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

D. They have indicated to the auditors and the Audit committee:

1. significant changes in internal control over financial reporting during the year;

2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

3. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

X. Report on Corporate Governance

A. There shall be a separate section on Corporate Governance in the Annual Reports of company, with a detailed compliance report on Corporate Governance. Non-compliance of any mandatory requirement of this clause with reasons thereof and the extent to which the non-mandatory requirements have been adopted should be specifically highlighted. The suggested list of items to be included in this report is given in **Annexure - XII to the Listing Agreement** and list of non-mandatory requirements is given in **Annexure - XIII to the Listing Agreement.**

B. The companies shall submit a quarterly compliance report to the stock exchanges within 15 days from the close of quarter as per the format given in **Annexure - XI to the Listing Agreement**. The report shall be signed either by the Compliance Officer or the Chief Executive Officer of the company.

XI. Compliance

A. The company shall obtain a certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance as stipulated in this clause and annex the certificate with the directors' report, which is sent annually to all the shareholders of the company. The same certificate shall also be sent to the Stock Exchanges along with the annual report filed by the company.

B. The non-mandatory requirements given in **Annexure - XIII to the Listing Agreement** may be implemented as per the discretion of the company. However, the disclosures of the compliance with mandatory requirements and adoption (and compliance) / non-adoption of the non-mandatory requirements shall be made in the section on corporate governance of the Annual Report.

Annexure - X to the Listing Agreement
Information to be placed before Board of Directors
1. Annual operating plans and budgets and any updates.

2. Capital budgets and any updates.

3. Quarterly results for the company and its operating divisions or business segments.

4. Minutes of meetings of audit committee and other committees of the board.

5. The information on recruitment and remuneration of senior officers just below the board level, including appointment or removal of Chief Financial Officer and the Company Secretary.

6. Show cause, demand, prosecution notices and penalty notices which are materially important.

7. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.

8. Any material default in financial obligations to and by the company, or substantial nonpayment for goods sold by the company.

9. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.

10. Details of any joint venture or collaboration agreement.

11. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.

12. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.

13. Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.

14. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

15. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

Annexure - XI to the Listing Agreement
Format of Quarterly Compliance Report on Corporate Governance
Name of the Company:

Quarter ending on: Particulars	**Clause of Listing agreement**	**Compliance Status Yes/No**	**Remarks**
II. Board of Directors		49 (II)	
(A) Composition of Board		49 (IIA)	
(B) Independent Directors		49 (IIB)	
(C) Non-executive Directors' compensation & disclosures		49 (IIC)	
(D) Other provisions as to Board and Committees		49 (IID)	
(E) Code of Conduct		49 (IIE)	
(F) Whistle Blower Policy		49 (IIF)	
III. Audit Committee		49 (III)	
(A) Qualified & Independent Audit Committee		49 (IIIA)	
(B) Meeting of Audit Committee		49 (IIIB)	
(C) Powers of Audit Committee		49 (IIIC)	
(D) Role of Audit Committee		49 (IIID)	
(E) Review of Information by Audit Committee		49 (IIIE)	
IV. Nomination and Remuneration Committee		49 (IV)	
V. Subsidiary Companies		49 (V)	
VI. Risk Management		49 (VI)	
VII. Related Party Transactions		49 (VII)	
VIII. Disclosures		49 (VIII)	
(A) Related party transactions		49 (VIIIA)	
(B) Disclosure of Accounting Treatment		49 (VIIIB)	
(C) Remuneration of Directors		49 (VIII C)	
(D) Management		49 (VIII D)	
(E) Shareholders		49 (VIII E)	
(F) Disclosure of resignation of directors		49 (VIII F)	
(G) Disclosure of formal letter of appointment		49 (VIII G)	
(H) Disclosures in the Annual report		49 (VIII H)	
(I) Proceeds from public issues, rights		49 (VIII I)	

F. ABBREVIATIONS

1. CG – Corporate Governance
2. SEBI – Securities and Exchange Board of India
3. GOI – Government of India
4. Clause 49 – Clause 49 of the Listing Agreement between the listing company and the Stock Exchange
5. Board – Board of Directors of a Company
6. OECD – Organisation for Economic Cooperation and Development
7. CEO – Chief Executive Officer
8. CFO – Chief Financial Officer
9. CS – Company Secretary
10. LODR – Listing Obligation and Disclosure Requirements
11. Mid Cap – Companies that form part of Medium Capitalisation group
12. Small Cap – Companies that form part of the Small Capitalisation group
13. Large Cap – Companies that form part of the Large Capitalisation group
14. NIFTY – Index of the National Stock Exchange
15. MV – Market Value of Shares – This is based on Market value per share of Company
16. BV – Book Value of Shares – This is the value of per share as per published financials of the company
17. MVBVR – Ratio of Market Value to Book Value of shares. This gives a view of what is the extra value or premium that a company has in the market over its Book Value.