ANNEXURE-1  Questionnaire

Dear Sir/Madam

I wish to inform you that I am carrying on my Doctorate of Philosophy (Ph.D) on the topic entitled “Corporate Governance Disclosure Practices of Indian Corporates in Domestic & Global Perspective” under the supervision of Prof. Pravin Saxena, Department of Accountancy and Law, Faculty of Commerce, Dayalbagh Educational Institute, Dayalbagh, Agra.

In this connection, may I take this opportunity and request you to spare some of your valuable time to fill up the questionnaire and provide useful information related to the practice of corporate governance in your company which will be of immense help and worthy for making the analysis and findings for the said research work.

I assure you, that, the information provided by you will be kept confidential and would be strictly used for the academic research purpose only.

Thanking you

Encl: Questionnaire.

From
Smriti Sharma
Research Scholar
smriti.sharma077@gmail.com

Respondent’s Profile

1. Name- MR.
2. Age- …
3. Designation- …
4. Company Name- …
5. Total Experience- year
6. Educational Qualification- …
7. Length of service at present post:

SIGNATURE:
For the purpose of carrying out the analysis the questionnaire has been based on the specific areas of Corporate Governance viz.

SECTION A: BOARD OF DIRECTORS
SECTION B: AUDIT COMMITTEE
SECTION C: SUBSIDIARY COMPANIES
SECTION D: DISCLOSURES

SECTION A: BOARD OF DIRECTORS

(1) Composition of Board

i. Is the Chairman of the Board a Non-Executive Director? (Pl. tick)

Yes ☐ No ☐

a. If Chairman is Non-Executive Director, then please provide the following detail:

(i) Does 1/3 or more of the Board consist of Independent director? (Pl. tick)

Yes ☐ No ☐

b. If Chairman is Executive Director, then please provide the following detail:

(i) Does 1/3 of the Board consist of Independent Director? (Pl. tick)

Yes ☐ No ☐

(2) Non-Executive Director’s Compensation and Disclosures

3. Who fixes all fees/ compensation, if any paid to Non-Executive Directors including Independent Directors? (Pls. tick)

Auditor ☐ Chairman ☐ Board of Directors ☐
CEO ☐ ; if other then please specify… ☐
(3) **Other Provisions as to Board and Committees**

(i). How many times did the Board meet during the financial year? (Pls. tick)
- Less than 4 times
- Equal to 4 times
- 5-8 times
- 9 or more times

(ii) In how many committees a Director is appointed as member? (Pls. tick)
- 1-3 Committees
- 3-5 Committees
- 5-8 Committees
- Above 8 committees

(iii) In how many committees a Director acts as Chairman across all companies in which he is a Director? (Pls. tick)
- 1-3
- 3-6
- 6-9
- 10 or more than 10

(iv) Does the Board periodically review compliance reports of all laws applicable to the company? (Pl. tick)
- Yes
- No

(4) **Code of Conduct**

(i) Who frames code of conduct for Board members and senior management? (Pls. tick)
- Auditor
- Board of Directors
- CEO

(ii) Does the code of conduct appear on the website of the company? (Pl. tick)
- Yes
- No
SECTION B: AUDIT COMMITTEE

(I) Qualified and Independent Audit Committee

(i) How many directors are as members in an Audit Committee? 

(ii) How many members of the Audit Committee are Independent Directors? (Pl. tick)

Less than 2/3 

2/3 

More than 2/3 

(iii) Is the Chairman of the Audit Committee an Independent Director? (Pls. tick)

Yes 

No 

(iv) Does the Chairman of the Audit Committee attend the Annual General Meetings? (Pl. tick)

Yes 

No 

(v) What is the minimum number of Independent Directors that are present in the Audit Committee Meetings? (Pls. tick)

1-3 

4-6 

above 6 

SECTION C: SUBSIDIARY COMPANIES

(i) Does your company have a non-listed Indian Subsidiary Company? (Pl. tick)

Yes 

No 

(ii) Are the minutes of the Board meetings of the unlisted subsidiary company placed at the board meetings of the listed holding company? (Pl. tick)

Yes 

No
SECTION D: DISCLOSURES

A.  **Basis of Related Party Transactions**

(i)   Is a statement in summary form of transactions with related parties in the ordinary course of business placed periodically before the Audit Committee? (Pl. tick)

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<th>Yes</th>
<th>No</th>
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(iii)  Are details of ‘material individual transactions’ with related parties or others, which are not on an arm’s length basis placed before the audit committee, together with Management’s justification for the same? (Pl. tick)

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<th>Yes</th>
<th>No</th>
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B.  **Disclosure of Accounting Treatment**

(i)   While preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed? (Pl. tick)

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C.  **Board Disclosures-Risks Management**

(i)   Does the company lay down procedures to inform Board members about the risks assessment and minimization procedures?  (Pl. tick)

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<th>Yes</th>
<th>No</th>
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D. Proceeds from Public issues, Right issues, preferential issues, etc.

(i) Are public issues, right issues, preference issues etc. disclosed in the Audit Committee? (Pl. tick)

Yes □ □ Yes □ □

SECTION E: Remuneration of Directors

(i) Does the company disclose all pecuniary relationship or transactions of the non-executive directors in its annual report? (Pl. tick)

Fully □ □ Partially □ □ None □ □

(ii) Which of the following disclosures on the remuneration of directors are made in the section on the corporate governance of the Annual Report? (Pl. tick)

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

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

(c) Service contracts, notice periods, 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. □ □

(iii) Does the company publish its criteria of making payments to non-executive directors in its annual report? (Pl. tick)

Yes □ □ No □ □

SECTION F: Management

(i) Does the management present ‘Management Discussion and Analysis Report’ in its annual report? (Pl. tick)

Yes □ □ No □ □
(ii) Which of the following matters are discussed by The Management and Discussion Report? (Pls. tick)

(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.

(ii) Does the senior management make disclosures to the board relating to all material financial and commercial transactions? (Pl. tick)

Yes □ □ No □ □

SECTION G: Shareholders

(i) In case of the appointment of a new director or re-appointment of a director which of the following information is provided by the shareholders? (Pls. tick)

a. A brief resume of the director
b. Nature of his expertise in specific functional area
c. Name of the company in which the person also holds the directorship and the membership of committee of the Board,
d. Shareholding of non-executive directors as stated in clause 49(IV) (E) (V).

(ii) (a) Where are the quarterly results of the company reported? (Pls. tick)

Website □ □ Magazines □ □ Any Other Source □ □

if yes, please specify... □ □
(iii) (a) Does the ‘Shareholders/Investor’s Grievances Committee’ specifically look into the redressal of shareholders and investor’s complaints? (Pl. tick)

Yes [ ] No [ ]

(b) What are the various types of grievances redressed? (Pls. tick)

- Transfer of share [ ]
- Non-receipt of balance sheet [ ]
- Non-receipt of declared dividends [ ]
- Any other [ ]

If yes, please specify. [ ]

(iv) To whom does the Board of the Company delegate the power of share transfer? (Pl. tick)

- An officer [ ]
- A committee [ ]
- The registrar [ ]
- Share transfer agent [ ]
- Any other [ ]
- If yes, please specify… [ ]
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<tr>
<th>Company Code</th>
<th>Company Name</th>
<th>Corporate Governance Disclosure Score</th>
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**PROVISIONS AS STATED BY SEBI**

(A) Composition of Board

i. The Board of directors of the company shall have an optimum combination of executive and non-executive directors with not less than fifty percent of the board of directors comprising of non-executive directors.

ii. Where the Chairman of the Board is a non-executive director, at least one-third of the Board should comprise of independent directors and in case he is an executive director, at least half of the Board should comprise of independent directors.

(B) 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 board shall meet at least four times a year, with a maximum time gap of four months between any two meetings.

ii. A director shall not be a member in more than 10 committees or act as Chairman of more than five committees across all companies in which he is a director.

iii. 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.

i. 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.
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:

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

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

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

(B) Meeting of Audit Committee

- *The provision regarding meeting of audit committee of clause 49 states:*

  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 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.

(D) Role of Audit Committee

- *Provisions as stated by SEBI in reference to role of audit committee.*

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. Recommending to the Board, the appointment, re-appointment and, if required, there placement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

(E) Review of information by Audit Committee

- *Provision related to review of information by audit committee are given in the following manner:*

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;

(A) Basis of related party transactions

i. A statement in summary form of transactions with related parties in the ordinary course of business shall be placed periodically before the audit committee.

ii. Details of material individual transactions with related parties which are not in the normal course of business shall be placed before the audit committee.

iii. Details of material individual transactions with related parties or others, which are not on an arm’s length basis should be placed before the audit committee, together with Management’s justification for the same.
(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) Board Disclosures – Risk management

The company shall lay down procedures to inform Board members about the risk assessment and minimization procedures. These procedures shall be periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

(D) Proceeds from public issues, rights issues, preferential issues etc.

When money is raised through an issue (public issues, rights issues, preferential issues etc.), it shall disclose to the Audit Committee, 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. 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.

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

ii. Further 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.

iii. 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.

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:

1. Industry structure and developments.

2. Opportunities and Threats.


4. Outlook

5. Risks and concerns.

6. Internal control systems and their adequacy.

7. Discussion on financial performance with respect to operational performance.
8. Material developments in Human Resources / Industrial relations front, including number of people employed.

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). 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.

ii. 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.

iii. A board committee under the chairmanship of a non-executive director shall be formed to specifically look into the redressal of shareholder and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. This Committee shall be designated as 'Shareholders/Investors Grievance Committee'.

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:

i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

ii. 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.
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<th>S.NO.</th>
<th>ITEMS</th>
<th>LABEL</th>
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<tr>
<td>1.</td>
<td>No. of material non-listed co.</td>
<td>DRSC</td>
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<td>2.</td>
<td>Review of financial statements by the audit comm.</td>
<td>DRSC</td>
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<td>3.</td>
<td>Minutes of board meetings placed before audit comm.</td>
<td>DRSC</td>
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<td>4.</td>
<td>Basis of related party transaction</td>
<td>DRRPD</td>
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<td>5.</td>
<td>Statement in summary form of transaction placed before audit comm.</td>
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<td>6.</td>
<td>Details of material individual trans. Not in normal course of business placed before audit comm.</td>
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<td>Proceeds from public issues, right issues and preferential issues</td>
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<td>Dis. To the audit comm. about the use/application of fund in case of money raised through issues.</td>
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<td>Stock option details</td>
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<td>Disc. Of criteria of making payment to non-executive directors</td>
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<td>Disc. Of no. of shares and convertible instruments held by non-executive directors in the annual report</td>
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<td>29.</td>
<td>Content of this report</td>
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<td>A brief resume of the director</td>
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