Experience of Corporate Governance Practices in India

Khushboo Gulati, Seema Gupta

Abstract— The current study traces the efforts of the Indian government for strengthening the corporate governance norms in the country and summarizes their recommendations related to the period of the last two and a half decades. They are described in the view to adjust the corporate sector in forming a robust and transparent system to meet the needs of the dynamic environment. The finding indicates that sizable amount of studies have studied the issues related to presence of independent director, appointment of women director, constitution of audit committee, financial literacy of audit members, regulations for disclosure and transparency, etc. in contrast to some other aspects like promoter share, code of conduct and whistleblower policy are hardly been studied by one or two of them. It is also found that stringent norms and penalties alone will not solve the problem. The enforcement of regulations should be in such a way wherein organizations understand their responsibility towards the country as a whole.

Index Terms— Corporate governance, Committees, India, Reforms,

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1 INTRODUCTION

The Corporate Governance (CG) regulations are hardly been implemented effectively in practice, though it came into existence since 1961. The economy of several nations was shaken by the failure of leading business firms such as Enron, Tyco International, Adelphia, and, WorldCom; due to that, American investors had lost their confidence in the security market. This forced them to consider the implementation of good governance practices as one of the requisite in regenerating the confidence and building transparency in the U.S.A. market. *In fact,* it worked as a catalyst for the economic development of the nation and protecting the interest of the investors. As a result, major reforms were initiated by various stock exchanges and regulatory bodies across the countries by constituting several committees such as, Cadbury Committee (1992) of United Kingdom (UK), Organization for Economic Co-operation and Development (OECD) principles of Corporate Governance (1999), and Sarbanes-Oxley act (2002) of U.S.A. These reforms were implemented to create a system of regulations and controls as well as to regain the investor's confidence in the corporate firms. Considering these distressing facts, nations throughout the globe have not only started thinking towards the system of transparency and disclosures but also realize the importance of compliance with good governance norms. India was lagging behind in this respect. However, with the introduction of liberalization and globalization policy at the beginning of the 1990s, India has started moving from a closed economy to an open economy. Foreign investors were encouraged and attracted to infuse investment by creating opportunities for investment. Eventually, India also started realizing the need for CG with the Harshad Mehta's securities scam, uncovered in April 1992. At that time, the paramount concern of the government was to save the Indian economy from such a precarious situation. Therefore, the CG movement was started with the establishment of Securities and Exchange Board of India (SEBI) in 1992 followed by the creation of numerous of committees that initiated their work in the direction for evolving transcendent practices on CG. Later, clause 49 was made mandatory for the listed companies. Yet, corporate wrongdoing led to the revision of clause 49 to resolve the issues that crushed the economies and caused the failure of giant business firms (Sanan N. and Yadav S. 2011).Considering these facts, the objective of this paper is twin folded. First is to enumerate an overview of the CG reforms initiated since inception. Second, to develop a conceptual framework regarding CG practices on select aspects prevalent in India. For this purpose, existing literature has been reviewed to present a generic framework of CG practices. The paper has been organized into five sections. The first section is related to the introduction. A brief review of the literature has been presented in section two. The third section enumerates the CG initiatives initiated by the Indian government during the period of 1992 to 2017. The fourth section describes the relevance of some key components of CG. Lastly, fifth section concludes the paper.

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2 Literature Review

This section of the paper briefly summarizes existing research at national and international level. As far as the relationship between firm performance and CG practices is concerned, some of the authors have found the impact of CG practices on firm survival while others have found no such evidence. In this respect, Eccles et al. (2012) have emphasized the significance of the board of directors and executive Compensation, to ensure sustainable growth of the organization. Kumar (2019) found that CG significantly influence the basic earnings per share of the firm. Further, Claessens and Yurtoglu (2013) have explained that good management practices help in accessing the outside finance and generating wealth. In addition, Kaur and Singh (2018) assert that firm reputation is directly influenced by the larger board size and the presence of institutional investors. Zahra and Pearce (1989) have analyzed that various board attributes such as board size, board composition and the number of non-executive directors (NED) on the board have an indirect effect on the company performance. In addition to this, Sarpal (2015) posits that board independence is dependent on factors like inside ownership, leverage, dividend payout and combined board leadership. On the other hand, Ghosh (2006**)** has reported a positive association between CEO compensation and firm performance. In addition, Giulia Bellante et al. (2018) asserts a strong positive relationship between CEO duality, board size, and financial performance of non-profit organizations. Joecks et al. (2013) indicate that a critical mass of female directors achieves the best performance. Charbel et al. (2016) posit that

outside directors reduce agency cost and improve the performance in the second generation family businesses. Kuo (2017) asserts that educational qualification of directors positively affects the R&D investment in professionally managed firms. On the contrary, Laing and Weir (1999) have found that part-time employment of NEDs and non-availability of sufficient information (while taking key decisions) are the possible reasons for having no positive relationship with firm performance. In continuation of this, Sharma et al. (2009) describes that listed firms have complied with the mandatory CG practices of clause 49. On the other hand, for non-mandatory and corporate responsibility disclosure the results have been quite discontented. Patel and Patel (2012) have mentioned that differences exist in the adherence to CG norms, as companies give importance to market capitalization and the industry to which they belong while following CG norms. Adams and Ferreira (2009); Chen et al. (2016); Jin et al. (2014) find that firms with higher participation of female director have lower leverage, invest less in R&D, achieve lower investment efficiency and make fewer takeover defenses. Literature review exhibits that some of the parameters like the board of directors, executive compensation, board size and number of NEDs on the board, etc. have been used considerably to study the impact of CG on firm performance in India. However, no such study has described the conceptual framework and the reforms undertaken by the government at large since its inception. This paper is a modest attempt to fill this gap.

3 RESEARCH METHODOLOGY

This paper describes the recommendations of major committees undertaken during the period of 1992 to 2017. The existing literature has been reviewed and their experiences ha ve been collaborated in it. The critical analysis of some of the key components of corporate governance practices has also been described in this paper (the details are available in section five).

4 CORPORATE GOVERNANCE IN INDIA

CG has emerged as an important practice in catering the problems related to the failure of corporate machinery and for bringing the economy back on the growth track. The business could not survive in the market without following ethical standards. It is imperative that good governance practices matching the international best practices must be enforced.The foundation for the CG in India is led by the established of SEBI in 1992 with the intent to enhance transparency in corporate dealings. The major initiative is the desirable CG given by CII in 1998. CII states that there should be a single board, 3 NEDs must constitute an audit committee, having active participation and clearly defined responsibilities. Many committees are constituted over the years to cope up with the changing scenario. In this regard, Kumar Managalam Birla Committee, formed in 1999 has suggested various mandatory recommendations: no nominee director, a procedure for risk management and whistleblower policy along with some non- mandatory recommendations.

To further strengthen the CG practices in India, Naresh Chandra Committee is formed in 2002, recommending disclosure of contingent liabilities, CEO/CFO certification, nine years office term for NEDs, ratings of CG and many others. Afterward, to examine the impact of price-related information on companies action; Narayana Murthy Committee in 2003 has been constituted. It studied seven parameters, namely, ease of implementation, transparency, verification, importance, accountability, enforcement and fairness. Wherein, mandatory recommendations emphasize on audit committee responsibilities, enhancing financial disclosure, the disclosure of business risks, nominee director position in the company, the disclosure of NED compensation and stockholder approval thereon. In this direction, J.J. Irani Committee, 2005 addresses some of the issues, such as directors and officers insurance, non-mandatory credit rating by law, simplifying approval requirements, streamlining regulatory framework, mandatory cash flow statement, director responsibility statement, stringent penalties for fraudulent behavior (Please refer Table 1, annexure A for detail).
Insert Table 1 here

Keeping in view the recommendations of these committees, Clause 49 was introduced on 1 January 2006. With mandatory recommendations pointing that directorships position to be restricted to 10 committees, disclosure of accounting treatment, report on corporate governance whereas non-mandatory requirements include setting up of the remuneration committee and whistleblower policy. To further strengthen the CG framework, Institute of Company Secretary of India (ICSI) in 2010 recommended for the constitution of remuneration and nomination committee, whistleblower policy and investor relation cell (in listed companies), standard structure of annual report, rotation of audit partner once in every 3 years and (audit firm once every 6 years), disclosure of handling material conflict of interest by institutional directors, as mandatory norms. In 2012, Adi Godrej Committee proposed the guiding principles of CG; on that basis SEBI has submitted a proposal, emphasizing appointment of ID by minority shareholders, treatment of nominee director as non-ID, ID to disclose reasons of their resignation, separating CEO duality, enhanced disclosure of remuneration policies, stakeholder relationship committee, mandatory E-voting for all resolutions, approval from shareholders for divestment of major subsidiaries, enforcement for non-compliance of CG norms. Finally, all these efforts led to the enforcement of Company Act, 2013 in place of Company Act, 1956 by enforcing a new section on maintenance and inspection of documents in online form, disclosure of annual reports on website, holding of board meetings through video conferencing, constitution of a corporate social responsibility committee, women director, prohibiting directors and Key Managerial Personals (KMPs) from divulging secret price related information, secretarial audit for bigger companies etc. To incorporate the necessary changes in Clause 49, SEBI has issued revised Clause 49 in the year 2014, has given emphasis largely on a succession plan for the board, disclosure about remuneration policy and evaluation criteria, compulsory electronic voting for all shareholders resolution, report on CG compliance. Likewise, in order to ensure the transparency in the working of firms, SEBI introduced Listing Obligations and Disclosures Requirement (LODR) in 2015 which states grievance redressal mechanism, disclosure of information affecting the stock prices and performance of the entity, disclosure of the material events, compliance certificate (National Foundation for Corporate Governance report – 2017). Recently, Kotak Committee has given recommendations in October 2017 to enhance the standards of CG of listed entities, such as,

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restricting the directorship positions to eight, Five meetings of audit committee, E-voting till midnight on the day of the general meeting, certificate from a company secretary(Please refer Table 2, annexure B for detail).
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5 KEY COMPONENTS OF CORPORATE GOVERNANCE PRACTICES

This section focuses on some of the key components that influence firm performance.

5.1 Composition of board

The board consists of executive and NEDs elected by the stockholders of the firm; they are conferred with the responsibility to manage the company affairs (Weir and Laing, 1999); the former is the full -time employee and the later are not powerful enough to control the actions of CEO (Daily and Dalton, 1993). It is, therefore, necessary to have a monitoring system to control the actions of the CEO as well as executive directors. On the other hand for effective management of a company, expert's persons with requisite knowledge and skills are also required. NEDs are also known as senior outside directors of the company, treated as an expert and selected from within or outside the country. Since the enactment of Companies Act, 2013 appointment of women director has also been continuously recommended by various committees. Therefore, the role of women director is also ascribed as an important aspect. Women director- Companies Act, 2013 prescribes the appointment of woman director before 31st March 2015 by non-listed companies having: paid-up share capital of Rs.100 Cr. or more or turnover of Rs.300 Cr. or more; Kotak Committee in 2017 has asserted that at least one woman as an ID to be appointed on the board. Smith et al.(2006) state that the presence of female members will form a better image of the firm and improves the firm's performance. Kumar (2016) found a positive increase in women as ID on the boards of Indian companies. Therefore, Kotak Committee (2017) has recommended that from April 1, 2019 board shall comprise of at least six directors with one woman as an ID, and for the top 500 listed entities, at least half of the board shall comprise of IDs, at the end of the immediately preceding financial year. The studies highlighting the importance of the board of directors have shown mixed results. Dare (1998) argues that NEDs provide unbiased judgments in areas such as pay rewards, executive director appointments, and dismissals. Luan (2017) asserts that a family firm generally appoints an insider as CEO. Manna et al. (2016) found that board size and foreign promoters have a positive impact on firm performance. Two US studies, Yermack (1996) as well as Bhagat and Black (1999) have found a negative relationship between the proportion of outside directors and corporate performance. The contribution of board members towards the development of business could not be undermined. Therefore, there should be a judicious mix of executive and non-executive directors based on skills and expertise, irrespective of gender and other bases.

5.2 Disclosure and transparency

In today's globalized world when economies are integrated with each other. It is indeed the need of the hour to have such disclosure to ensure the transparent working of the corporate. Since transparency and fair dealings are the two main pillars that aid the firms in achieving their goals. Therefore several committees have framed diverse aspects of disclosure practices to enhance firm performance.
Naresh Chandra Committee (2002) has recommended for a clear description of each and every material contingent liability; accompanied by the auditor's comments. So that investors and shareholders could obtain a clear view of contingent liabilities as these could adversely affect the company's future financial condition.
J.J. Irani Committee (2005) has given parameters such as disclosure of routine information on a periodic basis, standards for accounting, audit and non- financial disclosure and also about a regime of stringent penalties for defaulting on disclosure. SEBI guidelines 2014 also cover aspects, such as the disclosure of information about the resignation of directors in the annual report.
Sharma et al. (2009) found that the disclosure of non-mandatory recommendations and the extent of corporate responsibility outcome are quite disappointing. Khanna (2016) finds that the disclosure norms as per clause 49 of the listing agreement have a positive impact on corporate performance. Bandari and Arora (2016) posits that transparency improves the investor perceptions about the firm, leading to higher performance.
Disclosure of material information to all the stakeholders is necessary for creating an environment of trust and understanding. Also, it helps in building a strong investor and customer base for the company.

5.3 Whistleblower policy

Whistleblower policy empowers the employees and gives adequate rights and protection to fearlessly report misdeeds of the company. Central Coordination and Monitoring Committee, Adi Godrej Committee and SEBI Guidelines 2014 have recommended for the compulsory adoption of whistleblower mechanism in all firms.
Clause 49 states for establishing a mechanism whereby employees can reveal issues related to unethical behavior, actual or suspected fraud and violation of the company's ethical policies. Whistleblowers should be provided with adequate safeguards against victimization and should be provided direct access to the chairman of the audit committee in exceptional cases.
Kumar Managalam Birla Committee says that the employment policies shall contain provisions for protecting whistleblowers from unfair termination and other detrimental employment practices. The CG report should state that whistleblowers have been provided adequate protection and they have not denied any personal access to the audit committee. Because they can uncover the misdeeds of the firm before something bad happens for the stakeholders. They serve as a watchdog for the protection of investors rights.

5.4 CEO Compensation

A representative agency theory infers that generally, the goals adopted by management and the shareholders are not similar. Compensation is a CG mechanism to encourage management to run a firm in the interest of shareholders. Lee et al. (2008) has enumerated two types of CEO-compensation, i.e. incentive compensation and total fixed compensation; incentive compensation is the sum total of bonus, long-term incentives awards, restricted stock awards, and the stock option grants. While total fixed compensation includes base salary, annual bonus, and incentive compensation. The study

reveals that the founder CEO is associated with smaller incentive compared professionals CEOs.
Firth et al. (2007) finds a link between cash compensation and firm performance. Further, Bauer et al. (2008) revealed that remuneration has a significant impact on stock performance in Japan. Gill and Kohli (2018) found that investors regard CG and human capital as important determinants of executive compensation. On the other hand executive consider ownership and leverage as vital factors for the compensation decision. Makhdoom et al. (2016) found that CEO compensation has an inverse relationship with firm performance.

5.5 Board committee
For carrying out the diverse functions within a company, various committees are formed. Some of them are underlying as,
Audit Committee- companies should set up an AC consisting of 3 members (all non- executives) as per CII code. Further Companies Act (2013) and LODR (2015) have stated that it shall consist of a minimum of three directors with ID forming a majority. The chairman must be an ID and he must be present at the annual general meeting to provide any clarification on matters relating to the audit. Internal auditors must report directly to the committee (Adi Godrej Committee).
He is empowered to investigate and mandatorily review the following information; (1) management discussion and analysis of financial condition and results of operations; (2) statement of related party transactions (3) management letters issued by the statutory auditors; (4) the appointment, removal and terms of remuneration of the chief internal auditor; (5) quarterly statement of deviation(s) including report of monitoring agency and statement of deviations (LODR 2015).
Stakeholders Relationship Committee- Companies with shareholder/debenture holder base of a thousand or more should be required to constitute a Stakeholders Relationship Committee to monitor the redressal of their grievances. It should be chaired by a NEDs as per J.J. Irani Committee. The board will decide the other members (LODR 2015). At least three directors, with at least one ID, shall be the members.
Committee shall play the following roles : (1) Resolving grievance; (2) Proactively communicate and engage with stockholders, institutional shareholders (3) Reviewing measures taken for exercise of voting rights, reducing the portion of unclaimed dividends and ensuring timely availability of dividend warrants/annual reports/statutory notices by the shareholders (4) Adherence to the service standards practiced for services rendered by the registrar & share transfer agent as per Kotak Committee.

Nomination and Remuneration Committee- - Public listed company, or any company accepting deposits should form a Remuneration Committee. LODR (2015) states that the committee must comprise of at least 3 NEDs. Wherein, a minimum 50% of them must be IDs. In addition, Kotak Committee (2017) suggests that it should comprise of senior management. The committee is entitled to perform functions such as: formulation of the criteria for qualifications, attributes and independence of the director as well as policy for the remuneration of the directors, KMP and other employees;(2) evaluation criteria for IDs and the board of directors;(3) policy on diversity of board; 4) identifying qualified persons who may be appointed to become directors (LODR 2015). Lee et al. (2012) indicated that performance is affected negatively by the existence of the remuneration committee and positively by the nomination committee. Hung (2018) finds that the auditors should work diligently when the number of related party transactions is more and client product portfolio is diversified.
In order perform diverse functions in the firm, various committees are formed. In addition, to the above-mentioned ones, investor protection committee, risk management committee, and corporate social responsibility committees are also constituted.

5.6 Independent director
ID/NED except from receiving remuneration as director, does not have any monetary relationships with the company, promoters, senior management, holding company, subsidiaries, and associated companies; NED should not be an executive of the company in the preceding three financial years; should not be associated with internal audit firm, legal firm(s) and consulting firm(s) that have a monetary relationship with the firm; should not be a supplier, service provider or customer of the company; and is not permitted to hold two percent or more of voting shares (Kumar Managalam Birla Committee). In Addition, Kotak Committee (2017) defined that ID as a NED, apart from a nominee director, is an honorable person with relevant knowledge and experience. ID should not be entitled to any stock option and their performance evaluation is to be performed by the entire board. Once in a year, a meeting without the participation of non-IDs and members of management shall be conducted. Studies have shown a mixed response in relation to the importance of IDs on the board.
Beasley (1996) reveals that firms with no scandals have a higher ratio of IDs than the firms which have been caught manipulating financial reports. Abdullah (2004) cites that IDs add to the diversity of skills and expertise of the directors. On the other hand, Lal et al. (2009) opine that the proportion of IDs is negatively related to firm performance and excessive board autonomy reduces profitability. Josephine et al. (2015) concluded that an increase in the IDs on the board leads to a decrease in performance.
Independent directors provide their specialized knowledge and skills for solving the problems of a business concern. In order to seek an unbiased opinion from them, it is recommended that there must be an adequate number of IDs on the board.

5.7 PROMOTER SHARES
The promoter has been defined as a person(s) having overall control of the company and has his/her name in the prospectus. The promoter group consists of 1) the promoter 2) their spouse, parents, siblings, or child. Promoter(s) should not hold more than ten percent paid-up equity capital including the holding of convertibles/outstanding warrants/depository Receipts. They are not entitled to any special right by any formal or informal arrangements. They shall not be on the board or in management or have a nominee director. All entities falling under them shall be disclosed separately in the shareholding pattern. Their shareholding shall be in the dematerialized form (LODR 2015). Re-classification may be permitted when a new promoter replaces the previous one. On the other hand with the shareholders' approval, existing promoters may be re-classified as public shareholders where

the firm is professionally managed and does not have any identifiable promoter. Any public shareholder is required to make an open offer if he seeks to re-classify itself as a promoter (LODR 2015). Promoters are bound to disclose their holdings with the company and also the other material transactions that can affect the rights of other shareholders. As they influence the working of the management in their interest.

6. CONCLUSION

The study summarizes the initiatives of committees have such as Narayana Murthy Committee, Kumar Mangalam Birla Committee, and Kotak Committee, etc. constituted for building a strong corporate governance mechanism. Though, the committees formed before the financial crisis of 2007-08 build the foundation for effective governance in the country. But, their recommendations were more voluntary in nature. The consequences of this crisis led to the realization that the strict norms and policies should be implemented. Therefore, robust attempts were made to change the old age system of governance (Companies' Act 1957) with the new system (Companies' Act 2013) based on the principle of accountability, transparency, equality and investor protection. The new act is also being amended time and again with the introduction of LODR, 2015 and Kotak Committee 2017 for meeting the diverse requirements and for further strengthening the pillars of the governance structure. The history of governance norms highlights the numerous attempts of government and intellectuals to bring a fair and transparent system in place. However, the real problem is associated with the enforcement of these norms**.** It is noteworthy to state that these efforts have brought improvement in the governance mechanism and has placed the Indian companies on an international platform. However, to curb the future frauds and scams, the enforcement of regulations should be in such a way wherein organizations should seriously consider the norms in their dealings and should do their duty with integrity and ethical practices. It is necessary that both the government and organizations should walk hand in hand for creating a prosperous future for the country. A need for this system was felt because CG is not only the backbone of a strong economy but also works as a catalyst in the industrial progress of a country. Moreover, in the absence of efficient and good governance, no nation can progress in its totality**.**

Future Research- An empirical work on key parameters can be conducted. The studies can also summarize the changes that took place in other countries in this respect and can suggest what more can be done for improving the governance practices in India.

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Appendices

Appendix A

TABLE 1: Recommendations of committees formed before the enactment of Clause 49 for the period 1998 to 2005.

CII Code (1998)	Kumar Managalam Birla Committee (1999)	Task force on corporate excellence(2000)	RBI consultative group of directors of banks/ financial institutions (2002)	The Naresh Chandra Committee (2002)	The Narayana Murthy Committee (2003)	J.J. Irani Committee (2005)
1)Single board. 2) NEDs[1] on board. 3) 10 directorships. 4)NoDirector be reappointed if he does not attend half of the meetings. 5) Set up AC[2] 6) Compliance certificate signed by CEO/CFO. 7)Disclose the Credit rating.	Mandatory 1) AC[2] to review the information. 2) Financial literacy of the AC [2]members 3) Procedure for risk management. 4) Code of conduct for members. 5) No nominee directors. 6) NEDs compensation to be fixed by the board. 10) ID[3] 11) WBP. Non-mandatory 1)Unqualified financial statements. 2) Training of board members. 3)Evaluation of board performance.	1) Presentation of independence criteria and minimization of interest - conflict. 2) Fixed board and committee membership. 3)Transparent accounting and reporting. 4) Setting an independent , autonomous centre for corporate excellence.	1)Responsibilities of board. 2)Responsibilities of independent and NEDs. 3) Routine information to be provided to the board. 5) Minutes of the meetings.	1) Disclosure of contingent liabilities. 2) Exempt NEDs and ID from criminal and civil liabilities under certain circumstances. 3) Removal of ID. 4) Disgorgement of profits. 5) Term of office of NED.(not exceeding 9 years) 6) governance ratings.	Mandatory 1) Strengthening the responsibilities of AC*. 2) Improving the quality of financial disclosure. 3) Disclose business risks. 4) Disclosure of NEDs compensation and Shareholder approval thereon. Non-mandatory 1) Moving to a regime where corporate financial statements are not qualified.	1) Age limit of 70 years for public companies directors. 2)15 directorships 3) Sitting fees to NEDs 4) Shareholder remuneration committee. 5) Directors should not use information for their own profit. 6) Transactions with directors interest should be regulated through shareholder. 7) Credible and transparent system and processes. 8) Investor protection. 9) Investor grievance redressal. 10) Access to capital. 11) Consolidation of holding -subsidiary accounts. 12) Comprehensive manner of investigation 13) Private professionals as inspectors. 14) Review of Insolvency.

Note: 1) Audit Committee(AC) 2) Independent Directors(ID).

Appendix B

TABLE 2: Recommendations of Committees formed after enactment of Clause -49 for the period 2006 to 2017.

Clause-49(2006)	ICSI recommendations (2010)	Adi Godrej Committee(2012)	Companies Act(2013)	SEBI Guidelines (2014)	LODR(2015)	Kotak Committee(2017)
1) AC*. 2) NEDs compensation and disclosure. 3) 50 % NEDs. 4)10 directorships and 5committees memberships. 5) Statement of related party transactions. 6) Disclose uses of funds.	1) Define responsibilities of the chairman &MD. 2) RNC[4] 3) 6 years term for ID. 4) Induction training to directors. 5) Secretarial audit. 6) WBP[5]. 7)Corporate compliance committee for PLCs (paid up capital of above rs 5 core). 8) Directorships (7). 9) Rotation of Audit partner. 10) Promoters shares in electronic form.	1) ID appointed by minority shareholders. 2) Cumulative voting for appointment of ID. 3) Treating nominee director as non- ID. 4) ID to disclose reasons of their resignation. 5) Removal of CEO -duality. 6) Succession planning. 7) Direct reporting of internal auditors to AC* 8) Enforcement for non- compliance of corporate governance norms.	1) Transparency. 2) CSR. 3) Appointment of auditors. 4) AC*structure and function. 5) Prohibition of insider trading of securities. 6) Appointment of KMPs . 7) Defined functions of company secretary. 8) Conditions for appointment of a managing or WTD.	1) Woman director. 2) Appointment letter to IDs. 3) Separate meeting &training of ID. 4) Succession plan. 5) Disclose remuneration policy and evaluation criteria. 6) Electronic voting. 7) Risk management. 8) CG Report.	1) 50% or more NEDs. 2) ID as AC Chairperson. 3) Grievance redressal mechanism. 4) SRC[6]. 5) RNC. 6) Vigil mechanism. 7) Statement of deviations. 8)credit rating 9) Disclose material information. 10) Information to be placed before BOD. 11) Compliance certificate.	1) minimum 6 directors. 2) one woman as IDs 3) 8directorship. 3)disclose credit ratings with revisions . 4) Promoters holding 20% or more of shareholding to be treated a related party. 5) ID means a NED other than nominee director. 6)material subsidiary" means subsidiary, with net worth <10% of consolidated income. 8) Special resolution for appointing a person as NED who has attained the age of 75 years. 9) Disclose reason for the resignation of audit firm. 10) No special right for promoter.

Note: 4) Nomination &Remuneration Committee (RNC), 5) Whistle Blower Policy (WBP), 6)Stakeholder Relationship Committee (SRC).