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INTERNAL CORPORATE GOVERNANCE STRUCTURES AND VOLUNTARY CORPORATE GOVERNANCE DISCLOSURES - A CASE OF INDIA

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Abstract: *This paper attempt to measure the impact of a set of internal governance structures like Chief Executive Officer - Chairman Duality, board size, board composition, board training, gender diversity and whistle blower's policy adopted by the firm on their voluntary corporate governance disclosure practices in a developing country like India. The voluntary corporate governance disclosures made by firms in India are measured by voluntary corporate governance index constructed using handpicked data collected from the annual reports and corporate governance reports of listed companies in India taking Voluntary Guidelines 2009 issued by the Ministry of Corporate Affairs, Government of India as the basis for selection of attributes for index construction.*

Using linear regression models ,we find that CEO Chairman duality, board size, training imparted to directors, whistle blower's policy adopted by the firm positively impact the voluntary disclosure practices adopted by Indian firms. The recent regulation in the country mandating the presence of at least one women director in the board has no impact.

To promote more efficient and effective corporate governance disclosure practices, it is required to understand why and how firms disclose information over and above the mandatory requirements and what internal governance mechanisms contribute to their disclosure practices. This study enriches the understanding of the relation between internal corporate governance structures and voluntary corporate governance disclosure practices of an emerging market like India.

Key words: *Voluntary corporate governance disclosures, board size, CEO Chairman Duality, board independence, gender diversity and whistle blower policy.*

1. INTRODUCTION

Though the mandatory corporate governance guidelines are in place in India since 2002, year 2009 turned out to be a dark year in the area of corporate governance as it witnessed the most infamous corporate fraud. This colossal fraud of Satyam Computers

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Ltd, which is named as "Indian Enron" by 'The Economist' came to light when the chairman of the firm, Ramalinga Raju confessed on 7th January 2009, that the accounts of the company were manipulated to the extent of U.S $1.47 Billion. Satyam Computers Ltd which was awarded the prestigious golden peacock award for excellence in corporate governance was stripped off from the award after the scandal came to light. This case which hit the headlines of the newspapers made it clear that a responsible corporate governance frame work should fundamentally come from the inherent will of the business community. Realizing that corporate governance may go well beyond the realm of legislative framework, Ministry of Corporate Affairs, Government of India laid out Corporate Governance Voluntary Guidelines in 2009, to provide guidance for the firms in India to voluntarily follow a set of good corporate governance practices.

To promote more efficient and effective corporate governance disclosure practices, it is required to understand why and how firms disclose information over and above the mandatory requirements and what internal governance mechanisms contribute to their disclosure practices. According to Healy and Palepu (1995), there are major market incentives to disclose information voluntarily and managers' attitudes to voluntary disclosure change according to the perceived relationship of the costs and benefits involved. Hence, firms driven by varying managerial philosophies and economic considerations, differ in their voluntary corporate governance disclosure practises. Prior literature suggest that better corporate disclosures are associated with lower cost of equity capital (Botosan, 1997), reduction of the cost of debt (Sengupta, 1998), and reduction in the estimation risk or uncertainty regarding the distribution of returns (Richardson and Welker, 2001).

Jensen (1993) suggest that board of directors are at the apex of internal control systems, in charge of advising and monitoring management and has also the responsibility to hire, fire, and compensate the senior management team. Hence, being at the top level of the firm, board of directors play a pivotal role in designing the corporate governance practices to be followed by the firm. Hence we attempt to study this important governance structure i.e. board of directors along with another key driver i.e. whistle blower policy adopted by the firm and their impact on the voluntary disclosure practices adopted by firms.

A plethora of literature is available on mandatory disclosure practices followed by firms in advanced countries. We focus our study on the impact of internal corporate governance structures on the voluntary disclosure practises adopted by firms in an emerging market like India about which very little research is available. Institutional features in India make it an ideal setting for this study. This paper is expected to contribute to the arena of research by expanding the understanding of the contribution of corporate governance structures mainly board structure to voluntary corporate governance disclosures made by the firms.

This paper is organized as follows: next section deal with theoretical framework and literature review, followed by with gaps in literature, chapter 4 with hypothesis development, chapter 5 describe research design and methodology, chapter 6 deal with results followed by conclusions.

2. THEORETICAL FRAMEWORK AND LITERATURE REVIEW

This section of the paper provides an outline of theoretical frame work, regulatory changes that have taken place in recent times in the area of corporate governance in India and literature review.

2.1. Agency theory

Adam Smith, who first studied the separation of ownership and management, took the opinion that joint-stock companies could never flourish as managers have no incentive to look after the interests of shareholders. Later literature also proved that in firms where the ownership is widely held, managerial actions are not directed towards to maximising shareholder returns, Pratt and Zeckhauser (1985). Managers will not act to maximise the returns to shareholders unless appropriate governance structures are in place in the large corporation to safeguard the interests of shareholders, Jensen and Meckling (1976). Hence there arises the need for corporate governance. To reduce this asymmetry of information, firms might find it beneficial to disclose more information than it is required by law to outsiders, by way of voluntary corporate governance disclosures.

2.2. Voluntary Corporate governance guidelines in India

The rationale of introducing mandatory disclosure regulations is to ensure equal access to basic information, Lev (1992). The corporate governance regulations in India, especially clause 49 of the listing agreement of Securities Exchange Board of India (SEBI) are derived from Sarbanes Oxley Act of United States (U.S). In India we find ownership concentrated in the hands of the group of promoters in contrast to widely dispersed ownership in U.S, hence the corporate governance challenge in India is to discipline the dominant shareholder and protecting the minority shareholders where as in U.S with widely dispersed ownership the challenge is to discipline the erring management, who cease to protect the interests of shareholders. As this uniqueness of the corporate governance challenge in India is not addressed by the regulation i.e clause 49, voluntary corporate governance disclosures assumed importance.

After Satyam Fiasco, recognizing the inherent limitations in enforcing corporate governance disclosures through legislative or regulatory means, Ministry of Corporate Affairs (MCA) came up with Corporate Governance Voluntary Guidelines in 2009 to guide to Indian firms to follow good governance practices to gain the confidence of investors. The important recommendations of voluntary guidelines pertain to the areas of Board of Directors, separation of Offices of Chairman & Chief Executive Officer, audit committee, risk management committee, remuneration committee, secretarial audit and institution of mechanism for Whistle Blowing. We followed these guidelines and created a checklist consisting of 28 items to construct voluntary corporate governance index .

2.3. Literature review

Voluntary corporate governance disclosures are the corporate governance disclosures made by firms over and above the requirement of regulations. The incentive for the firms to disclose information voluntarily can be to reduce the cost of equity capital Botosan, (1997) and cost of debt capital Sengupta, (1998) there by resulting in the reduction of overall cost of capital. Voluntary disclosure and its determinants have been identified as an important research area in financial reporting since the 1970s. Both external and internal governance structures influence corporate governance disclosure practices adopted by the firms. Meek *et al.* (1995) studied the factors influencing voluntary disclosures from the annual reports of multinational corporations of U.S, United Kingdom and Continental Europe and concluded that company size, country/religion, listing status and industry are the important factors influencing voluntary disclosures.

Board of directors is an important part of the governance structure of large business corporations Fama and Jensen, (1983a). The board of directors is one of a number of internal governance mechanisms that are intended to ensure that the interests of shareholders and managers are closely aligned, and to discipline or remove ineffective management teams Barnhart *et al*. (1994).

Arcay M.R.B (2005) studied the relationships among corporate characteristics, the governance structure, and disclosure policy of Spanish firms and found that the proportion of independent directors on the board, the appointment of an audit committee, and directors' shareholdings and stock option plans, are positively related to voluntary disclosures. Huafang, Xiao, and Yuan Jianguo. (2007) studied the impact of ownership structure and board composition on voluntary disclosures of a sample of Chinese listed companies using OLS regression model and found that the proportion of independent directors in the board positively affect disclosures and CEO duality negatively affect disclosure. Bokaro *et al.* (2006) on the other hand studied the influence of corporate governance attributes on voluntary disclosure practices of Kenyan firms and found that the proportion of non-executive directors on the board is significantly negatively associated with the extent of voluntary disclosure and found no significant association of board leadership structure, liquidity, profitability and type of external audit on the voluntary disclosure practices adopted by Kenyan firms.

Since board of directors is an important internal corporate governance mechanism which can influence the disclosure practices adopted by the firm, we focus our study on this important mechanism along with whistle blower's policy adopted by the firm and their impact on the voluntary corporate governance disclosure practices. While studying board of directors, we consider different aspects of board structure like board size, training, leadership (CEO Chairman Duality), proportion of independent directors and woman directors in the board.

3. GAPS IN LITERATURE

Most of the available research in the area of corporate governance structures and disclosures focussed on developed economies and very little research is available on developing countries. Since countries differ in their regulatory and economic environments, size, and maturity of their capital markets generalizing the findings may lead to incorrect inferences. Secondly, the disclosure practices that were mostly studied are mandatory disclosures and scant literature is available about voluntary disclosures. This paper aims to fill in the gap by making a study on the corporate governance structures and their impact on the voluntary governance disclosure practices adopted by firms in a developing economy like India.

4. HYPOTHESIS DEVELOPMENT

CEO (Chief executive officer) Chairman Duality is often cited as one of the reasons of major corporate failures like Enron and WorldCom. Forker (1992) argues that a dominant personality in both roles poses a threat to monitoring quality and is detrimental to the quality of disclosure .From an agency point of view, separating the roles of CEO Chairman decreases the power of the CEO thereby increases the power of the board to exercise oversight, Muth and Donaldson, (1998); Palmon and Wald, (2002); Kiel and Nicholson, (2003). Gull F. A *et al.* (2004) studied the associations between CEO, proportion of expert outside directors on the board and voluntary corporate disclosures of 385 Hong Kong companies using regression analyses and found that that CEO duality is associated with lower levels of voluntary corporate disclosures. But Cheng, E. C. *et al.* (2006) argues that CEO duality is not associated with voluntary disclosure.

Stating that it is desirable to prevent unrestrained decision making power with a single individual, there should be a clear demarcation of the roles and responsibilities of Chairman of the Board and that of the Managing Director/Chie Executive Officer (CEO) Corporate Governance Voluntary Guidelines 2009 prescribed separation of the offices of Chief Executive Officer (CEO) and Chairman.

Hence to test whether CEO Chairman Duality impact firm level voluntary corporate governance disclosures, we set our first hypothesis as follows:

H1: CEO Chairman Duality positively impact voluntary corporate governance disclosures

The size of the board is not prescribed by regulation it is determined by firm specific factors.

Previous research suggests a negative association between board size and earnings management, and hence large board size leads to higher disclosure quality Barako *et al.*, (2006). Firms with large board size are likely to make more voluntary disclosures and hence we formulate the following hypothesis hypotheses

H2: Board size positively impact voluntary corporate governance disclosures.

Outside directors who are less aligned to management may be more inclined to encourage firms to disclose more information to outside investors.Having a higher proportion of outside non-executive directors on the board would result in better monitoring of the activities by the board and limit managerial opportunism Fama and Jensen, (1983). Prior research showed a positive association between the proportion of independent directors to the total number of directors and corporate governance disclosures. Adams and Hossain (1998) found a positive association between voluntary disclosure and the proportion of independent directors on the board. Chen and Jaggi (2000) reported a significant positive association between the proportion of independent directors and comprehensiveness of financial disclosure in Hong Kong companies. Cheng, E. C. *et al.* (2006) found that firms with a higher proportion of independent directors on the board are associated with higher levels of voluntary disclosures.

But Ho and Wong (2001) and Haniffa and Cooke (2002) did not find any relationship between the proportion of independent directors and the extent of voluntary disclosures. On the other hand, Eng and Mark (2003) found a negative relationship between number of outside directors and the level of voluntary disclosures of firms.

To test the impact of the proportion of independent directors in the board on voluntary governance disclosures, we formulate the following hypothesis:

H3: The higher the proportion of independent directors the higher is the level of voluntary governance disclosures.

Public limited companies are mandated to have minimum one woman director in the board in India from 2015. Female board directors are more diligent monitors and demand more audit efforts than male directors Adams and Ferreira, (2009). In addition, female directors bring different perspectives and experiences into the boardroom, which help improve the quality of board decisions and enhance the legitimacy of firm practices Hillman *et al.*, (2007).

Gender-diverse boards could also partially offset weak corporate governance Gul *et al.*, (2011). Better corporate governance can be achieved by having women on the board, and subsequently, this may translate to competitive advantage Bernardi *et al* (2006).

Hence we formulate the hypothesis

H4: Women directors in the board positively impact voluntary corporate governance disclosures.

Training the directors enhance the efficiency and effectiveness of the board. Not much literature is available regarding the training of directors and the level of corporate voluntary governance disclosures. However Corporate Governance Voluntary Guidelines 2009 recommended Training of Directors stating that

a) The companies should ensure that directors are inducted through a suitable familiarization process covering, inter-alia, their roles, responsibilities and liabilities. Efforts should be made to ensure that every director has the ability to understand basic financial statements and information and related documents/papers. There should be a statement to this effect by the Board in the Annual Report. b] Besides this, the Board should also adopt suitable methods to enrich the skills of directors from time to time.

Hence we formulate the hypothesis

H5: Training imparted to board of directors positively impact voluntary corporate governance disclosures.

It is well recognized that whistle blowing policy is adopted to assure ethical conduct of firms and hence various statutory rules and regulations were formed across the world. MCA's guidelines took a revolutionary step in this direction and called upon the firms to ensure the institution of a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the company's code of conduct or ethics policy. In order to provide safeguards against victimization of employees who avail of the mechanism allowed direct access to the Chairperson of the Audit Committee.

Holder-Webb, Jeffrey Cohen, Leda Nath and, David Wood, (2008), found variability in the presentation and reporting format choices for many elements of the governance structure. And smaller firms offered fewer disclosures pertaining to independence, board selection procedures, and oversight of management (including whistle blowing procedures).

Hence we formulate the hypothesis

H6: Whistle blower's policy adopted in the organization positively impact corporate governance disclosures

5. RESEARCH DESIGN AND METHODOLOGY

5.1. Variables

Table-1 summarizes the definition and measurement of all the variables used in this paper

Following Black (2014), we construct country specific voluntary corporate governance Index by considering all the parameters given in Voluntary Corporate Governance Guidelines issued by MCA . The main parameters include board of directors, audit committee, shareholder's committee, shareholders information, compliance certification; code of conduct, whistle blower's policy etc. details of which are given in Annexture-1. Each parameter consists of unequal number of sub parameters. In total there are 28 sub parameters. To overcome the problem of subjectivity in giving weightage, we have given equal weightage to all the sub

Table 1

Variable	*Definition*	*Measurement*
Dependant variable		
G SCORE percent	Voluntary Corporate governance score	
Independent variables		
TRAINING	Training imparted to board	
WOMEN /TOTAL	Proportion of woman directors	Proportion of woman directors to total number of irectors
IND/TOTAL percent	Proportion of independent directors	Proportion of independent directors to total number of directors
BOARD SIZE	Board Size	Total number of directors in the board
CEO CHAIRMAN	CEO Chairman	CEO Chairman duality
WHISTLE BLOWER	Whistle blower policy	Institutionalization of Whistle blower policy
Control variables		
log assets	Log of assets	Natural Log of total assets taken as proxy for size
ROA	Return on assets	Return on assets taken as proxy for profitability
LEV	Leverage	Ratio of total debt to total assetsex
Intensity	Export Intensity	Ratio of net exports to sales

parameters there by giving weightage to the parameters as prescribed by MCA Voluntary Guidelines 2009 to make our CG index sensitive to the local institutional arrangements. A dichotomous procedure is followed and given a score of 1 is awarded to the company if the company has disclosed and a score of 0 given if it has not disclosed that particular sub parameter.

Indexes are calculated using the formulae followed by Bhuiyan and Biswas (2007) which is stated below.

Corporate governance Index=Company Score*100/ maximum possible score Consistent with the previous literature, we have taken log of the assets of the firm as a proxy for the size of the company. ROA as a proxy for profitably. Further, we have taken leverage of the firm and export intensity as control variables.

5.2. Sample selection and data sources

The sample consists of eighty four firms listed in the two main stock exchanges Bombay stock exchange (BSE) and National stock exchange (NSE) in India. As Indian government is emphasising on 'make in India' policy, manufacturing sector is of interest in India and hence we have selected the firms in manufacturing sector in India. The data for index construction is collected from the annual and corporate governance reports of the firms and other firm specific data is collected from Centre for Monitoring Indian Economy Pvt Ltd (CMIE) Prowess data base and director's data from the data base Directors database .The period of study is 2013 to 2014.

6. ANALYSIS AND RESULTS

We apply linear regression model to examine the relationship between voluntary disclosures and other explanatory variables.

The following model is estimated.

GScore= Where

GScore=Voluntary corporate governance score

Board training=Dummy variable for training imparted to board of directors, coded as 1for training imparted and 0 otherwise.

Woman directors=Proportion of woman directors to the total directors in the board

Independent directors=proportion of independent directors to total directors in the board

CEO Chairman=Dummy variable coded as 1if duality does not exist and 0 otherwise

Board size=Total number of directors in the board

Whistle blower=Dummy variable coded as 1 if whistle blowers policy is institutionalized and 0 otherwise

Log assets=Natural log of total assets

Leverage=Leverage of the firm calculated as total debt/total assets

ROA=Return on assets calculated as profit after tax/total assets

Ex intensity=Export intensity calculated as net export sales/total sales

6.1. Descriptive statistics

The descriptive statistics are all the variables under consideration are given in table 2.The average Voluntary corporate governance index (Gov index) in the sample firms is 34.98 percent with a maximum of 71.43 percent and a minimum of 7.14percent and with a standard deviation of 14.49.This indicates that the firms are widely distributed with regard to voluntary corporate governance disclosures. The mean proportion of independent directors is 50.01 having a maximum value of 82 and minimum value of .61 with a standard deviation of 16.11.The maximum board size of the firms considered is 32 and minimum 5 with a mean of 16.39 and a standard deviation of 6.33

Table 2
Descriptive Statistics of the variables of the study

	Minimum	*Maximum*	*Mean*	*Std. Deviation*
Gov Index	7.14	71.43	34.98	14.49
Board training	0.00	1.00	0.14	0.35
Proportion of woman directors	0.00	4.00	1.11	0.80
Proportion of independent directors	0.61	82.00	50.01	16.11
Board size	5.00	32.00	16.39	6.33
CEO Chairman duality	0.00	1.00	0.50	0.50
Whistle blower policy	0.00	1.00	0.41	0.50
log assets	6.79	15.12	9.63	1.77
ROA	-0.25	0.31	0.06	0.08
Leverage	0.00	0.82	0.22	0.20
Export intensity	-0.80	0.73	0.03	0.25

6.2. Results

Table 3 presents the results of Pearson correlation coefficients of the variables. The results show a positive correlation between training, board size, whistle blowers policy and log of assets with voluntary corporate governance score ($p<.01$, two tailed test). We also find a positive correlation between CEO Chairman duality and voluntary governance score ($p<.05$,two tailed test).The results further expose that board size is positively correlated to ROA ($p<.01$,two tailed test).

The results from multiple regression analysis are presented in table 4.Two separate determinants of firm size log sales and log assets as well as two different measures of performance ROA and Tobin Q were used. Each surrogate to represent size and profitability was used only once in the model. This led to the creation of four regression equations, whose results are presented in table 4.

The regression result shows that board training, whistle blowers policy adopted by the firm and board size is positively significant at 1percent level. At the same time CEO Chairman Duality is positively significant at 10 percent level in models 1 and 3 where ROA is considered as a measure of performance and is positive but not significant in models 2 and 4 where Tobin Q is considered as a measure of performance. These results indicate that voluntary corporate governance disclosures are significantly related to accounting performance but not market valuation.

The first model with a combination of ROA and log of assets as measures of performance and size along with other variables has adjusted R Square of .43 ,F value of 6.86 significant at 0.00 level and Durbin Watson is 2.19.For the second model we have taken Tobin Q and log of assets as measures of performance and size along with other variables has adjusted R Square of .49 ,F value of 6.66 significant at 0.00 level and Durbin Watson is 2.12.Similarly we find significant results when ROA and Tobin Q are used as performance indicators and log of assets as proxy for firm size. In the unreported analysis we calculated VIF (Variance inflation factor) which in all cases is less the 2 indicating that there is no multi collinearity problem for the current regression analysis.

Table 3
Pearson Correlation analysis results

	GSCRE percent	*TRAINING*	*WOMEN / TOTAL*	*IND/ TOTAL percent*	*BOARD SIZE*	*CEO CHAIRMAN*	*WHISTLE BLOWER*	*log assets*	*ROA*	*LEV*	*ex Intensity*
G SCORE percent	1										
TRAINING	.425**	1									
WOMEN/TOTAL	0.117	-0.058	1								
IND/TOTALpercent	-0.098	-0.006	0.103	1							
BOARD SIZE	.385**	-0.025	.267*	-0.155	1						
CEO CHAIRMAN	.261*	0	-0.052	-0.218	0.149	1					
WHISTLE BLOWER	.523**	.408**	-0.028	-0.141	0.157	0.05	1				
log assets	.313**	0.042	.231*	0.054	.426**	0.17	0.202	1			
ROA	0.111	-0.017	-0.069	-0.209	-0.033	0.05	0.031	0	1		
LEV	-0.017	0.065	0.039	0.186	0.059	-0.1	0.063	0.118	-.651**	1	
ex Intensity	0.124	0.001	-0.059	0.056	0.099	-0.04	0.164	0.032	0.096	-0.04	1

** Correlation is significant at .01 level(2.tailed) and
* Correlation is significant at .05 level(2.tailed)

Table 4
Multiple regression results

	1	*2*	*3*	*4*
Constant	7.33	10.26	8.02	10.22
	0.84	1.21	0.90	1.16
LEV	4.09	-4.35	4.40	-3.77
	0.49	-0.62	0.53	-0.55
ex Intensity	0.36	0.45	0.53	0.82
	0.06	0.08	0.09	0.14
TRAINING	14.25***	13.75***	14.33***	13.86***
	3.61	3.39	3.64	3.43
WHISTLE BLOWER	9.55***	9.94***	9.55***	9.9***
	3.29	3.37	3.28	3.35
CEO CHAIRMAN	4.79*	4.27	4.78*	4.15
	1.82	1.59	1.80	1.52
BOARD SIZE	.67***	.65***	.68***	***.65****
	2.88	***2.77***	***2.93***	***2.79***
IND/TOTALpercent	0.03	0.02	0.03	0.02
	0.37	0.21	0.41	0.27
WOMEN /TOTAL	1.29	1.12	1.32	1.13
	0.77	0.66	0.79	0.67
ROA	23.81		23.75	
	1.21		1.20	
TobinQ		-0.38		-0.39
		-0.67		-0.67
log assets	0.37	0.65		
	0.42	0.71		
Log of sales			0.25	0.63
			0.28	0.66
R-Square	0.5	0.49	0.51	0.49
Adj R-square	0.43	0.42	0.43	0.42
F-Value	6.86	6.66	6.84	6.64
DurbinWatson	2.19	2.12	2.19	2.11

*, ** and *** significant at 10 percent, 5 percent and 1percent respectively.

7. SUMMARY AND CONCLUSIONS

There is a great variation in the corporate governance practices followed by firms in manufacturing sector in India. Regression analysis indicates that orientation and training imparted to the board of directors from will result in greater disclosures. Further whistle blower policy adopted will induce the firm to make better disclosures to reduce the asymmetry of information and avoid potential problem Larger board size positively affect the voluntary disclosures.

The study provides empirical evidence to policy makers and regulators of for implementing governance requirements in the direction of imparting training to board of directors and adoption of whistle blowers policy.

Annexture-1
Attributes for the construction of Voluntary Corporate Governance Index

Sl no	*Main Attribute*	*Sub Attributes*
1	Appointment of directors	Formal letters of appointment
2	CEO Chairman duality	Separation of Offices of Chairman & Chief Executive Officer
3	Nomination Committee	Existence of nomination committee
4		Majority members are independent directors
5		Chairman of nomination committee is an independent director
6		Guidelines being followed by the Nomination Committee
7	Ceiling on the number of directorships	Maximum seven directorships
8	Tenure of independent director	Maximum six years in the company
9		Maximum three times
10		Maximum seven companies
11	Remuneration Committee	Three members out of which at least one independent director
12		Remuneration Policy laid down
13		Performance linked incentive schemes with fixed and variable components
14		Independent directors not paid stock options or % of profits
15	Responsibilities of board	Training imparted to Directors
16		Directors provided with necessary information and material
17		Performance evaluation of the directors
18		Board to place Systems to ensure Compliance with Laws
19	Risk Management	Risk management framework
20	Audit Committee	Chairman Independent Director
21		All members financially literate
22		Powers of audit committee
23		Appointment of external auditor
24		Monitor and Approval to related party transactions
25		Obtain certificate of independence from auditor
26		Rotation of audit partners-3yrs rotation of firm-5yrs
27	secretarial audit	secretarial audit by professional boards comments on secretarial audit
28	Whistle blowers policy	Institutional mechanism in place

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