

BROAD PARAMETERS FOR EVALUATION

I. Chairman's Statement / Director's Report

- Content & comprehensiveness of coverage of matters
- Explanation in case of emphasis of matter paragraph there in auditor's report
- Information relating to and impact of post balance sheet events
- Statement on vision and mission of the organization
- Statement relating to corporate ethics, values and risk management.
- Presentation of any other information relevant and useful from stakeholders' perspective in the specific context of the Company's business.
- Comprehensiveness of Director's Responsibility Statement as required by relevant provision of applicable law.
- Consistency of information included in Chairman's Statement/Directors' Report with underlying financial statements.

II. Management Discussion and Analysis

1. *Operating Performance*

- Overview of the state of affairs of the Company.
- General review of performance of the company as a whole and its divisions in the backdrop of the given socio-economic and geo-political environment of business, nature of its activities, peculiar problems facing the industry, in general, and the Company's activities, in particular.
- Performance of various products and/or segments of the Company during the period under review, future plans and prospects, with emphasis on sustainability management.
- Performance of various group companies together with future plans, prospects, business risks and risk mitigation measures.
- Description of external oversight of various functions like systems audit by an external specialist and other measures taken to enhance credibility of systems for internal controls and financial reporting.
- Information as regards Company's contribution to national exchequer and to the economy of the country as a whole.
- Comprehensiveness of content in general.

2. Enterprise Risk Management

Description of various risks faced by various businesses of the Company as a whole and steps taken to prioritise, mitigate and monitor identified risks.

3. Human Resource Development

Description of the Company's policy relating to human resource engagement, training and development, including information on measures taken by the Company to meet its obligations and responsibilities towards employees in particular, measures relating to working environment, career progression, health, hygiene, safety, personal development and so on.

4. Corporate Social Responsibility

Information regarding the policy of the Company relating to corporate social responsibility and how it has been applied in practice including contribution to community development projects e.g. medical and health care facilities, educational institutions, availability of clean drinking water, sanitation facilities, conservation and development of environment and ecology, skill development and formation of self-help groups etc.

5. Environment – Green Movement

Measures taken by the Company towards environment protection, sustainable development and growth of the business as well as 4Ps bottom line reporting. 4Ps include Product, Profit, Planet, People.

III. Corporate Governance Report

- Comprehensiveness and clarity of content of the corporate governance report.
- Information as to non compliances of mandatory requirements of the concerned Statutes and Regulators and whether there are appropriate explanations for such non compliances.
- Clarity of description of role and responsibilities of various governance committees like Audit Committee, Nominations Committee, Remuneration Committee, etc.
- Adequacy of governance measures and policies adopted by the Company in the context of its size and stature of the entity and as well as adequacy of diversity in terms of gender, qualifications and professional experience of executive and non executive directors.
- Detailed description of systems and procedures followed for Corporate Governance and availability and contents of Compliance Certificate issued by Statutory Auditors and

others mandated by the law.

IV. Dissemination of financial information

- Availability of information on website and ease of viewing
- Steps taken to disseminate sensitive information in Company's own website, Stock Exchanges, etc.

V. Quarterly results

- The content of quarterly results, in particular, the clarity and comprehensiveness of the notes explaining financial results and variations, if any, over quarters or between audited and unaudited results.
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VI. Technical Content – Financial Statements

Technical contents are to be judged for both separate financial statements and consolidated financial statements, where presented.

- Compliance with Accounting Standards and other requirements as per the Companies Act and/or other applicable statutes.
- Compliance with requirements of concerned regulators e.g. Circulars issued by the RBI in case of banks, those of the SEBI in case of listed companies, in preparation and presentation of financial statements.
- Compliance with Guidance Notes and other authoritative literature issued by the ICAI and any other applicable institutional framework.
- Comprehensiveness, adequacy, quality and content of disclosures required under the relevant Accounting Standards, Revised Schedule VI to the Companies Act, 1956, concerned Regulators, Guidance Notes issued by ICAI, etc
- Clarity adequacy and disclosures of accounting policies.
- Information relating to subsidiaries with clear distinction of those within India and outside India and comprehensiveness of information in relation to financials of subsidiaries as applicable/required by law. Information relating to associates within and outside of India, as well as adequacy of the same with clarity of information provided
- Adequacy of explanation and quantification in situations where there is no specific standard to deal with a particular item

VII. General – Overall look and feel of the annual report

- Colour scheme adopted and whether the same is enhancing readability or affects readability by a layman, e.g. a general shareholder.

- Layout of the annual report clearly distinguishing between various segments of the report.
- Format adopted for presenting consolidated financial statements and stand alone financial statements such that there is clear distinction between the two e.g. by adoption of different colour schemes or markings, etc.
- Quality of the paper, printing and overall aesthetics of presentation.
- Readability of the report – type of font, size, etc.
- Usefulness and relevance of information provided in the report keeping in view whether there is any over crowding of unnecessary and irrelevant information is provided.
- Presentation and analysis of information through graphs, charts, tables, etc.
- Nature of details provided in terms of unit of measurement, rounding off criteria adopted, etc and whether they are easily noticeable and whether there is consistency of adoption of the same throughout the annual report.
- Adequacy of cross referencing of schedules and various segments of the annual report.

VIII. Statement of Value Added and its Distribution – Value Added by the Enterprise

- Contribution to Government as taxes and other levies.
- Distribution to Shareholders as dividend
- Payments to employees as remuneration
- Retention by the Enterprise

IX. Ratio Analysis with description of formulae, and Explanatory Statements by Management with brief comparative analysis of performance of the entity.

- Gross Profit Ratio
- EBIDTA
- PE Ratio
- Debt Equity Ratio
- Return on Capital Employed

X. Additional Disclosures

- Any other information or measure like integrated reporting