
Australia

ASX Corporate Governance Council – Principles of good corporate governance and best practices recommendations

The Australian Stock Exchange (ASX) Corporate Governance Council (The Council) was formed on August 15, 2002 to develop and deliver an industry-wide, support framework for corporate governance which could provide a practical guide for listed companies, their investors, the wider market and the Australian community. The Council published its First edition - "principles of good corporate governance and best practice recommendations" (First edition) in March 2003. The Council undertook an extensive review of the First edition and issued a revised corporate governance principles and recommendations (Second edition Corporate Governance Guidelines) in August 2007. The corporate governance principles and recommendations of the council are not mandatory, but Australian listed entities must disclose those principles that are not in compliance and the reasons for non-compliance.

The council proposed eight core principles which it believes underlie good corporate governance. We comply substantially with all recommendations made by the council, except the following:

- 1. Recommendation 2.2: The Chair should be an independent director:** The current policy of the Company is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and to separate the board functions of governance and management. The Board consists of 14 members, five of whom are executive or full-time directors, one is non-executive and eight are independent directors. Mr. N. R. Narayana Murthy, who is the non-executive member of the Board, is our Chairman and Chief Mentor. Further, Prof. Marti G. Subrahmanyam has been appointed as the lead independent director.
 - 2. Recommendation 5.1: Ensure compliance with ASX listing rule disclosure requirements:** We are not listed on the Australian Stock Exchange. However, we have established necessary policies and procedures to ensure that announcements are made in a timely manner, are factual, do not omit any material information and are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.
 - 3. Recommendation 7.3: Declaration in relation to the listed entity's financial statements by Chief Executive Officer (CEO) and Chief Financial Officer (CFO) provided in accordance with section 295A of the Corporation Act:** We are not listed on the Australian Stock Exchange and hence this recommendation is not applicable to the company. However, our CEO and CFO provide necessary certifications with respect to the company's financial statements and internal controls. The certification is provided in compliance with the Indian and U.S. regulatory requirements.
-