

CRISIL

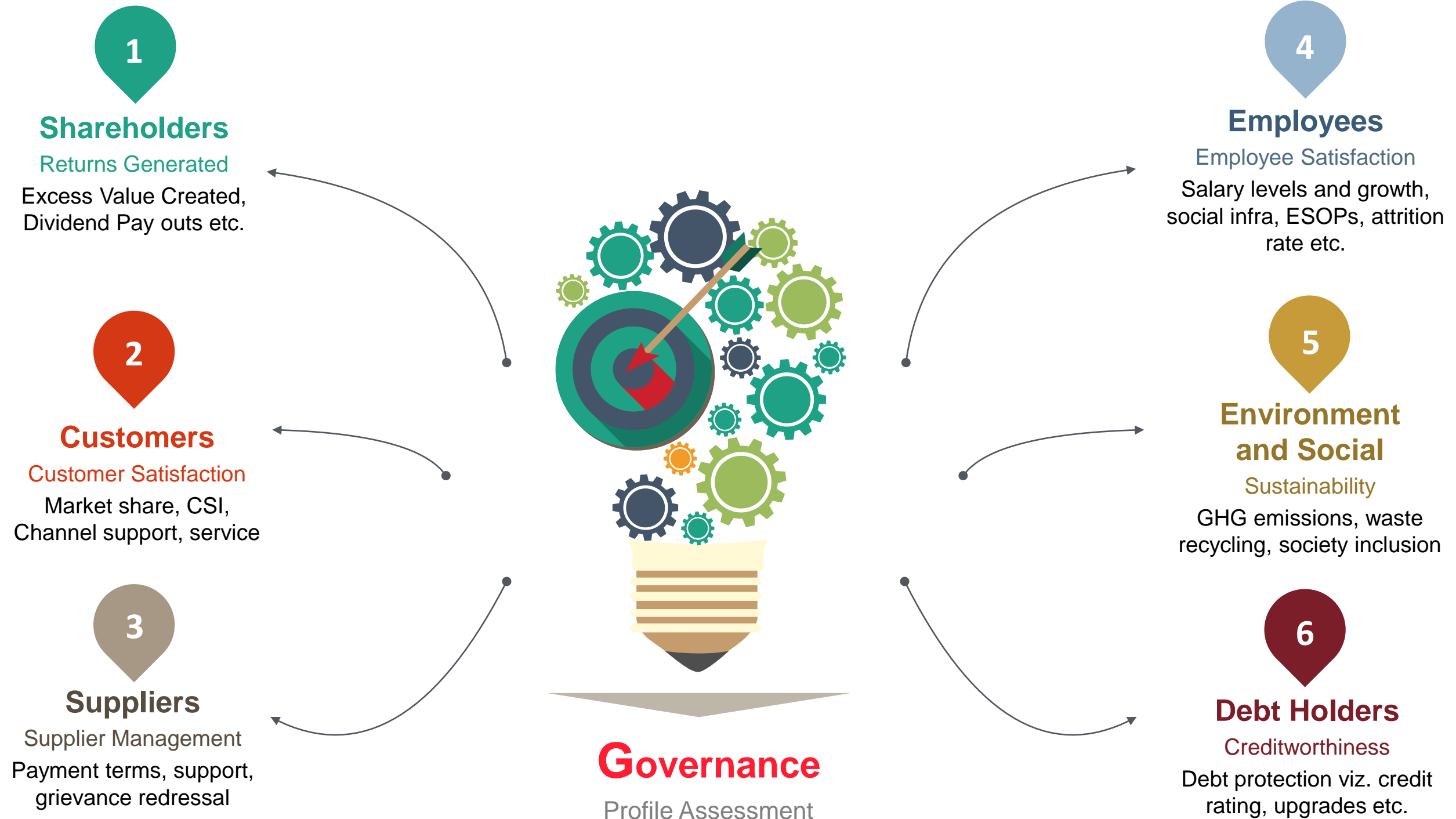
GVC

Governance and Value Creation Grading

CRISIL Research

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Stakeholder satisfaction key to sustainable growth



Importance of GVC for Company and Investors

ENTITIES / CORPORATES



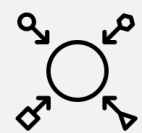
Assess the governance practices to identify loose ends viz. risks and threats, lapses, audit, stakeholder concerns etc. for timely corrective action



Access broader source of capital and improve global and domestic stakeholder (lender, investor, customer) confidence



Benchmarking performance and highlighting strong governance and sustainability practices to aide visibility amongst investors



Reviewing the track record of sustainable and inclusive value creation - balanced distribution of wealth and value amongst investors and stakeholders

INVESTORS



Gain deeper understanding of strengths, risks & opportunities basis control, adherence, materiality of disclosures and governance - boosts investor confidence



Ability to differentiate two equally well-performing entities basis governance practices and balanced value creation throughout the stakeholder chain



Stricter Regulatory Compliance - In 2019, SEBI launched 300+ inquiries against companies due to governance lapses. Rising whistle-blower complaints



Relative GVC grades helps investors' evaluate varied set of companies spread across domains and sectors on a common benchmark

Evaluation Framework - Parameter Segmentation



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* Few parameters shall be assessed basis a sectoral peer review from information available in public domain

GVC Grading: Approach and Methodology



Detailed Discussion

with Board members, Sr. Management, Employees, Customers etc. via a structured questionnaire (In-person / VC)

Assessing governance processes, future prospects, constraints, business highlights and lapses (if any)



Committee Review

Final assessment by the internal GVC Grading committee (comprising of senior CRISIL Research personnel)

GVC Grade released through PR in public domain

Post company consent and review of GVC grade, rationale and analysis



Reach Out

Reaching out to the company's team for data collation exercise etc.



Desk Research

Assessing information from public domain – annual reports, financials, sustainability reports, other company disclosures, etc.



Data Analysis

Compilation and evaluation of all client documentation viz. management profile, transcripts and minutes of board meetings, committee papers, supplier terms, etc.



Evaluation

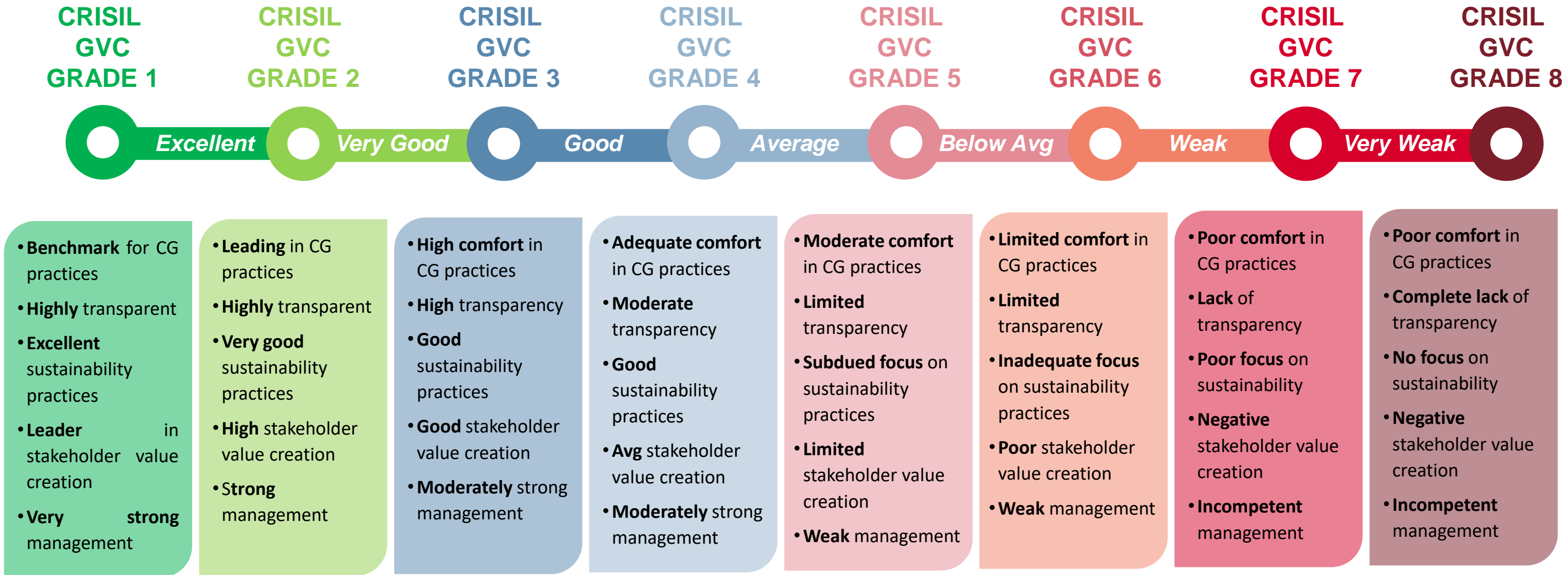
Attribute-wise scoring (with accompanying rationale) basis internal evaluation criteria for GVC

Generation of a final scores and grades - judgemental and qualitative assessment in absence of data

Diagnostic Study -

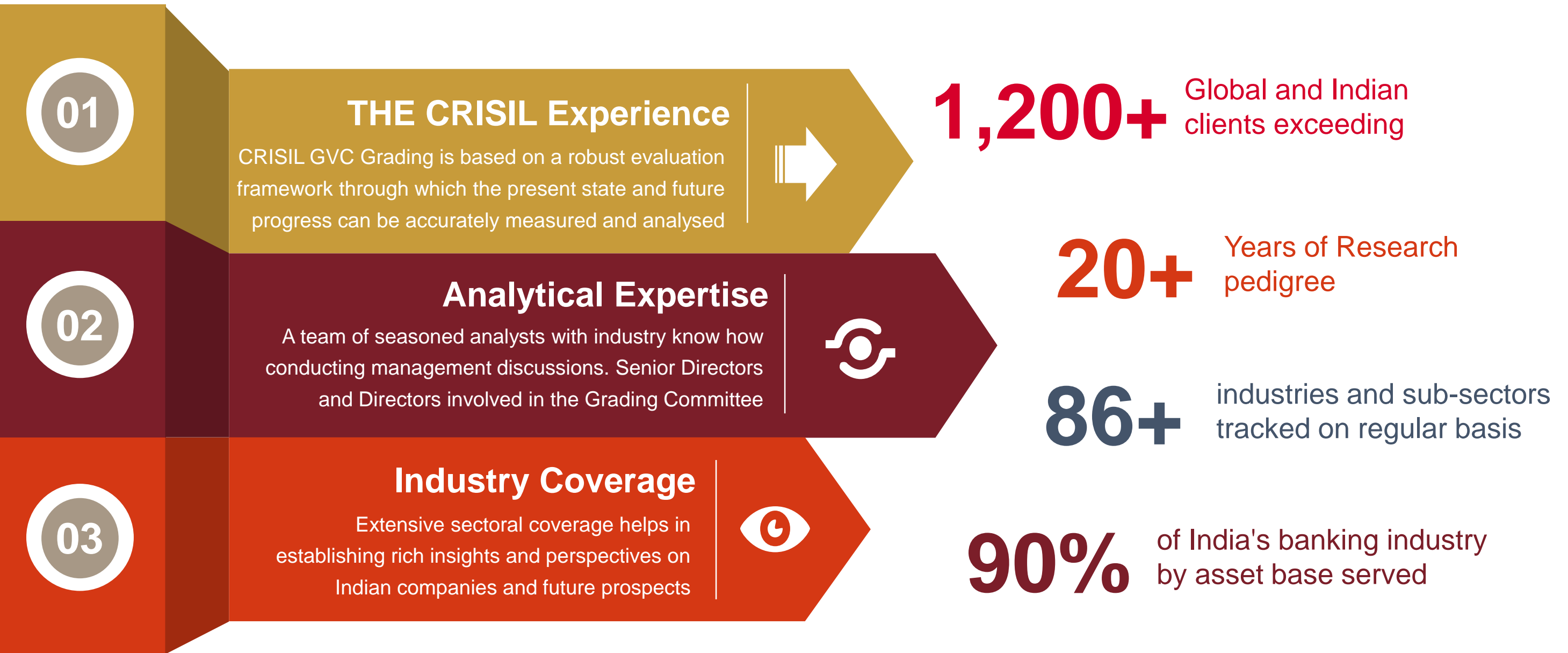
1. GVC review report with action plan / recommendations
2. Preliminary GVC grade Allocation – can be released in public domain post company consent

Grading Scale



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GVC Grading: The CRISIL Advantage



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About CRISIL Research

CRISIL Research is India's largest independent integrated research house. We provide insights, opinion and analysis on the Indian economy, industry, capital markets and companies. We also conduct training programs to financial sector professionals on a wide array of technical issues. We are India's most credible provider of economy and industry research. Our industry research covers 86 sectors and is known for its rich insights and perspectives. Our analysis is supported by inputs from our large network sources, including industry experts, industry associations and trade channels. We play a key role in India's fixed income markets. We are the largest provider of valuation of fixed income securities to the mutual fund, insurance and banking industries in the country. We are also the sole provider of debt and hybrid indices to India's mutual fund and life insurance industries. We pioneered independent equity research in India, and are today the country's largest independent equity research house. Our defining trait is the ability to convert information and data into expert judgments and forecasts with complete objectivity. We leverage our deep understanding of the macro-economy and our extensive sector coverage to provide unique insights on micro-macro and cross-sectoral linkages. Our talent pool comprises economists, sector experts, company analysts and information management specialists

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