



NOTICES

Notice No.	20220715-31	Notice Date	15 Jul 2022
Category	Circulars Listed Companies	Segment	Equity
Subject	Frequently asked questions (FAQs) on Audit, Nomination & Remuneration and Stakeholders Relationship Committee		

Content

Dear Sir\Madam,

Please find below Frequently asked questions (FAQs) on Audit, Nomination & Remuneration and Stakeholders Relationship Committee while submitting Corporate Governance XBRL utility at Exchange.

Q. What should be the composition of Audit, Nomination & Remuneration and Stakeholders Relationship Committee?

Answer: On perusal of the respective regulations from SEBI LODR, 2015, the Committees is to be formed by Board members of the Company.

- Regulation 18 (a), (b) and (c) of SEBI LODR provides for formation of Audit Committee wherein it states that “The audit committee shall have minimum three directors as members”, “At least two-thirds of the members of audit committee shall be independent directors [and in case of a listed entity having outstanding SR equity shares, the audit committee shall only comprise of independent directors]” and “All members of audit committee shall be financially literate and at least one member shall have accounting or related financial management expertise”.
- Regulation 19 (a), (b) and (c) of SEBI LODR provides for formation of Nomination and Remuneration Committee wherein it states that “the committee shall comprise of at least three directors”, “all directors of the committee shall be non-executive directors” and at least two-thirds of the directors shall be independent directors”.
- Regulation 20 (2A) of SEBI LODR provides for formation of Stakeholders Relationship Committee wherein it states that “At least three directors, with at least one being an independent director”, shall be members of the Committee”. The intent of the regulation is to constitute the committee with board members as the members of the Committee.

The intent of the all the above-mentioned regulations is to constitute the committee with the Board of Directors as the members of the Committees.

In case member(s) forming the part of the committee is not a Board Member(s), it will be deemed that the composition of the above-mentioned committees i.e. **Audit, Nomination & Remuneration and Stakeholders Relationship Committee** is not in compliance with the provisions of LODR and accordingly the actions as per SOP circular dated Jan 22, 2020 shall be initiated from the date of admission of non-Board Member(s) into the committee.

All Listed companies are requested to take note and comply accordingly.

Ashok Kumar Singh
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