



क्षेत्रीय प्रशिक्षण संस्थान, मुंबई
Regional Training Institute, Mumbai



कॉर्पोरेट अभिशासन और वित्त, वाणिज्यिक लेखापरीक्षा
और इप्सास पर ज्ञान केंद्र

*Knowledge Centre for Corporate Governance and Finance,
Commercial Audit and IPSAS*

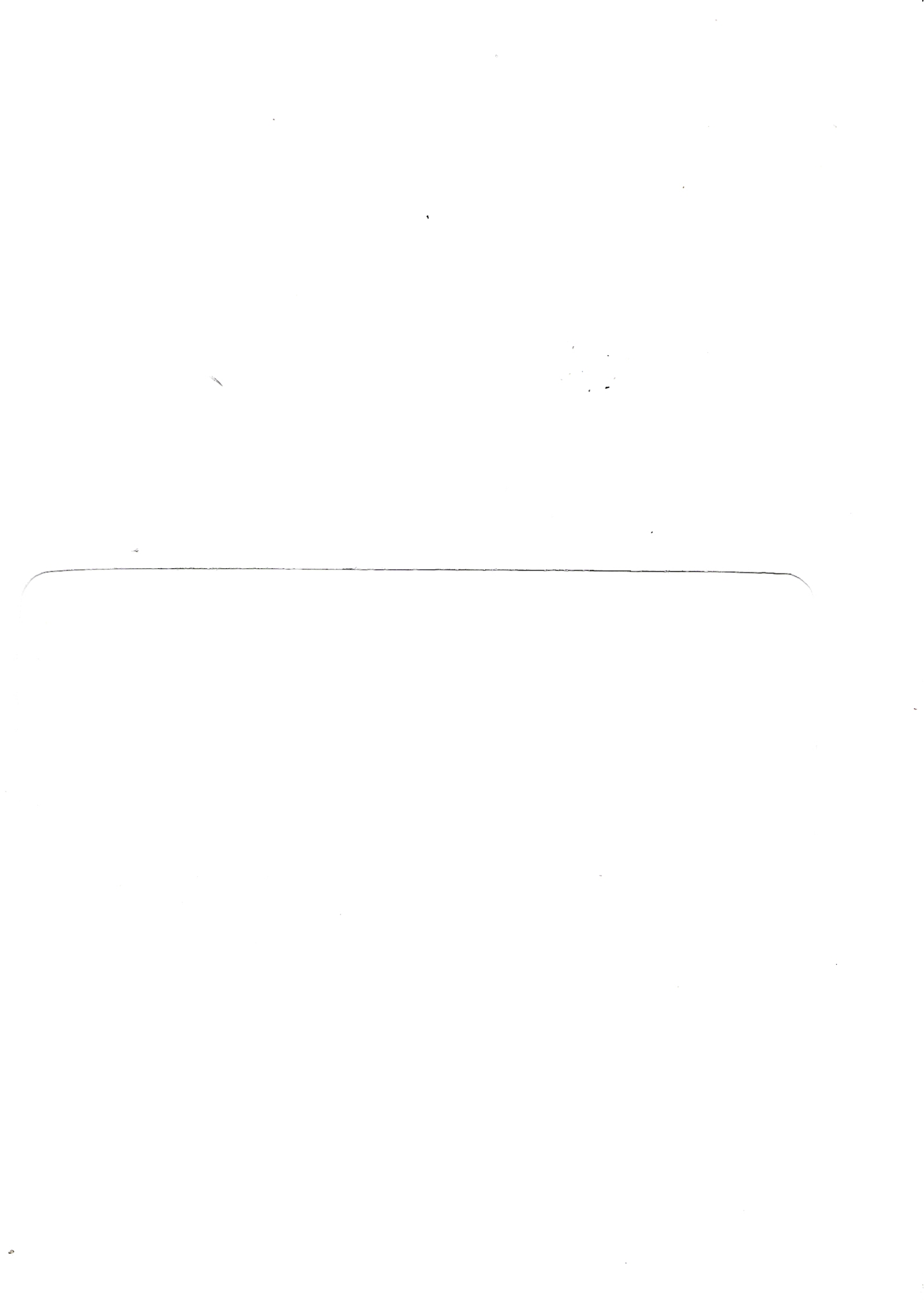
(भारतीय लेखापरीक्षा और लेखा विभाग)
(Indian Audit and Accounts Department)

Case Study on
Audit of Corporate Governance-
Role of Executive Directors

January 2018

Regional Training Institute, Mumbai

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From the Principal Director's desk

Regional Training Institute, Mumbai has been designated as Knowledge Centre for Corporate Governance, Finance, IPSAS and Commercial Audit from April 2015. In pursuit of excellence in our assigned areas of Knowledge Centre activities, we have been bringing out a series of interesting cases in Corporate Governance, Corporate Finance and IPSAS.

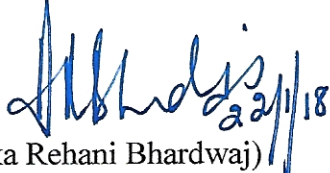
In November 2016 and February 2017, Headquarters conducted workshops for preparation of case-lets on the same pattern as those used by management schools, which would provoke independent thought, initiate discussion and may at least at the outset, lead to numerous open-ended conclusions among participants attending a training programme. It would help in summing up the learning outcomes of the programme and to assess how effective it has been in helping the participants take decisions on cases which may come to their notice during Audit, based on what they have learnt during the training. It would serve as a tool for initiating group activities such as discussion and inculcate a sense of collective participation in the training before arriving at a consensus based on discussion.

The role of the faculty would be that of a detached facilitator, who would try to moderate the discussion to a logical end. Just as the case-let proper would give the participant a glimpse into a real life or probable situation, the teaching notes would give the faculty a glimpse into the kind of discussions that may emerge during the session.

Following the workshops, Headquarters issued a Guidance Note on Developing and Utilising Case studies in November 2017. Subsequent to these workshops and issue of guidance note on preparation of case studies, there was a hiatus in issue of case studies as we were in the process of transition to the new pattern. Now, this case-let brought out by RTI, Mumbai is the first attempt to prepare a case study in the new format envisaged by Headquarters. It is not an analysis of an audit observation. Rather, it is based on a situation, which can be discussed by participants in different ways. The faculty can note the fact that a similar observation has been taken in Report of 2016 - Performance Audit on Government of Goa vide Chapter III- Para 3.2.6.10, albeit on a statutory corporation rather than on a Company. The para is given for reference as part of the case study in the teaching notes.

Being a first time effort, I expect that there would be a lot of views thereon and contributions thereto during peer review. Suggestions, if any, are not only welcome, but are of utmost importance as it would give us a proper direction for improving the case study and in designing more case studies in the future. I am confident that the readers would benefit from the end result.

RTI, Mumbai
22 January 2018


(Alka Rehani Bhardwaj)
Principal Director
RTI, Mumbai

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Case Summary

The case study is in the form of a fictional story, which involves solving a problem – taking a decision as to whether an audit observation can be sustained or not, considering the arguments for or against it, from the point of an Assistant Audit Officer. It involves awareness of both - the law on corporate governance and its principles, the mandate of CAG on these matters, as also on what kind of counter-arguments may arise from an audited entity, whether these are acceptable or not, in the situation explained in the case study.

The story is seen from the eyes of the protagonist, Shri Anand, an Assistant Audit Officer of an office. Shri Kumar, Senior Audit Officer and Smt. Geeta, Company Secretary of audited company are other characters in this case study.

Disclaimer: The case study has been designed as a story taking place during an audit of a PSU and is meant to provide a glimpse of audit of corporate governance. But, the persons, activities and attitudes attributed to them, names, etc. are either fictional or are partly adapted from/ inspired by disparate instances to suit the purpose of appreciation of challenges, which an officer may face in conducting such audits. This is only a guide to be used in training and should not be considered as being on par with audit reports or regulations or manuals or other instructions for audit.

Case Story

Audit of Corporate Governance- Role of Executive Directors

Shri Kumar, Senior Audit Officer was assigned the audit of Secretarial department of a listed State PSU “GCL”. He was asked to assess the level of compliance with Corporate Governance parameters.

He saw that being a listed company, SEBI’s LODR 2015¹ would apply to it. But, as a State PSU, he could not insist on compliance with DPE guidelines² on Corporate Governance. The Companies Act, 2013 and rules thereunder naturally applied to the entity, being a company. As a routine, he started his audit by calling for quarterly returns on Corporate Governance filed with stock exchanges. Being a fair auditor, he felt that his report should give a balanced view of corporate governance practices. Hence, in his introductory para to the report, he wanted to bring out interesting statistics on good and deficient areas of corporate governance practices

¹ Securities and Exchange Board of India’s (Listing Obligations and Disclosure Requirements) Regulations, 2015

² Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India’s Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) of 2010

followed by the Company. This would be revealed by the quarterly returns filed with stock exchange (or in case of Central PSEs, with Ministry concerned as well).

Then, as part of his substantive audit, he called for the list and composition of various committees of the Board of Directors of GCL. He called for the attendance records, agenda and minutes of meetings of each of the committees as well. He found that a number of committees of the Board had been constituted. He got a list of persons who had held the post of director during the period of audit, number of committee memberships each one of them have held, number of meetings held by the committee during each year and number attended by each.

He found that the degree of compliance with SEBI norms and Companies Act 2013 were impressive. The “mandatory” committees like Audit Committee, Stakeholders’ Relationship Committee, CSR Committee, Nomination Committee, etc. were constituted and independent directors played a significant role in each of these. Attendance in these committees was good, the proceedings were duly minuted, the concerns of the independent directors and resolution thereof were recorded.

He then turned his attention to the “voluntary”³ committees of the Board. Here, certain doubts came to his mind.

In a Committee constituted for setting the sales- credit, discounts and commissions policy, there were 4 non-executive directors and no executive directors⁴. Meetings of the committee

³ The terms “voluntary” and “mandatory” committee used in this case study are not terms used in legal language. The term “voluntary” is used only to distinguish it from the “mandatory” committees. The term “Mandatory” committee is used in the sense - those committees which various classes of companies are obliged to constitute under the terms of various provisions such as those of the Companies Act, 2013/ rules and other instructions thereunder, SEBI norms, DPE guidelines (where applicable), etc. Some of these are listed out in Annexures - I and II.

⁴ Executive director is a director of the Company who is engaged full time in the day to day working of the Company, also referred to as “Whole-time Director”/ “Official Director”/ “Functional Director”, e.g.: - Director (Finance), Executive Director (Marketing), etc. He may be an employee of the Company. Non-executive director is a part-time or non-official director who does not play an active role in the day-to-day management of the Company, but exercises decision making powers and control through Board Meetings and those committees in which he is a member. He draws sitting fees for attending meetings.

were held from time to time and fully attended, but they were often inconclusive, as decisions were postponed due to lack of data from Marketing and Finance Wings. The credit terms, discounts and commissions for large buyers continued to be discretionary and arbitrarily set by Director (Marketing).

In another **Committee constituted for preparing a purchase manual of the Company**, the executive director in charge of purchases was a member and the other members were non-executive directors. The Committee met on 5 occasions in the year 2016 and the executive director did not attend any of these meetings, though one would expect that he would attend all the meetings.

Shri Kumar saw that these were committees intricately connected with the operations of the Company. But strangely, executive directors did not play an active part in these.

He collected the key documents necessary to sustain his observation and then called on the Company Secretary, Smt. Geeta, to discuss his concerns before putting his findings in writing. She was quite proficient in Companies Act, 2013 and SEBI's LODR 2015.

The discussion was something on these lines.

Shri Kumar: I find that your Company has been quite compliant with corporate governance norms on mandatory committees of the Board. But how is it that your executive directors do not seem to take much interest in the operational committees⁵?

Smt. Geeta: Sir, as far as I understand, the Companies Act, rules thereunder and SEBI's LODR emphasise on the role of independent directors. You might have seen that our Company has

⁵ Operational committee is not a technical term- It is just used in the conversation to denote a committee whose role is intricately connected with the operations of the Company, rather than as a mandatory committee for meeting some legal requirement or a non-mandatory committee set up for non-operational reasons (e.g.: - Employee Welfare Committee).

taken pioneering initiative on the matter of independent directors and constituting mandatory committees and convening their meetings most diligently.

We conducted a secretarial audit⁶ and found that all corporate governance norms have been met. All our practices are as per Secretarial Standards. The committees that you have talked about don't even form part of the Companies Act, rules or regulations. These committees were constituted just as a good practice which we follow, or as a formality. Actual decisions are taken by the Board. Besides, the fact that these committees do not meet in time does not have any monetary implications. I thought CAG auditors comment only if there is some monetary loss.

Shri Kumar thought of how to rebut this assertion. He consulted his AAO, Shri Anand who had accompanied him to the meeting.

1. As Shri Anand, would you draft or sustain an audit observation, given the Company's assertion that there has not been any non-compliance on mandatory aspects?
2. Do such observations, if any, form part of our Audit Mandate? How?
3. What is your opinion on the secretarial audit? Were there any deficiencies on the part of the secretarial auditor?
4. What is your opinion on such committees being a mere formality or good practice?
5. What are your views about the Management opinion regarding CAG audit being related to monetary value?

⁶ This is the audit done by a "Company Secretary in practice" under Section 204 of the Companies Act, 2013. It is mandatory in some classes of companies such as listed companies. Just as a cost auditor (CMA) audits cost accounts, a statutory auditor (CA) audits company accounts, a company secretary (CS) is required to audit company secretarial practices and compliances to norms thereof.

Teaching Notes

1. Synopsis

The case study intends to convey the view that audit of corporate governance may not always be restricted to a “tick in the box” approach, but may even extend to corporate governance as an organisational philosophy and what is the entity’s approach to it. The case develops through the mind of the protagonist, who sees diametrically opposite views on the role of CAG audit in such cases, one rule-driven and the other, principle-driven.

2. Teaching Objectives

To give participants a ring-side view of deliberations which could accompany an audit on Corporate Governance.

3. Learning Objectives

1. To get a glimpse of various audit criteria such as Companies Act, SEBI’s LODR 2015, DPE Guidelines, etc. which may be relevant to an auditor of Corporate Governance.
2. To get an idea as to which audit criteria is relevant for which type of Company.
3. To see what could be the audit mandate and scope in such matters.
4. To get an idea of sources of audit evidence and methodology for audit of some aspects of Corporate Governance.
5. To learn from each other through discussion as to how to tackle/ rebut replies/ views of Management on audit observations on Corporate Governance.
6. To see what kind of assessments can be done on the degree of commitment of management towards governance.

4. Training programme in which this case-let can be used

Audit of Corporate Governance, Companies Act, 2013, Commercial Audit

5. Target Audience

Auditors to SAOs of Commercial Audit

6. Protagonist

The protagonist of this story is Shri Anand, AAO, who has to sustain an audit finding on corporate governance.

7. Relevant readings

1. Companies Act and rules thereunder on Corporate Governance- Committees- composition, meetings.
2. Basic concepts regarding Secretarial Standards and Secretarial Audit
3. SEBI's LODR, 2015

8. Teaching Plan and analysis

The participants can be organised into groups of 4-5 members each.

8.1 Case Plan

Reading Time:	0-15 minutes
Introduction and setting up the situation:	15-25 minutes
Discussion of Background:	25-40 minutes
Evaluating the alternatives:	40-55 minutes
Discussion of 'what happened':	55-65 minutes
Case wrap-up takeaways:	<u>65-75 minutes</u>
Total:	<u>75 minutes</u>

8.1.1 Introduction and setting up the situation

Sl. No.	Requirements	Compliance
1.	What is the situation	It is a situation involving the need to decide whether an audit observation is sustainable or not, after noting views of management.
2.	Why is it serious/important?	It will set a precedent for audit on Corporate Governance. It has implications on demarcating scope and mandate of CAG audit.
3.	Who are the stakeholders or parties involved?	The immediately proximate parties involved are the audit party and the Company GCL. Later, it may involve the audit office, State Reports Wing (Commercial Audit Section), HQ, CAG, Management, Department, State Legislature, PUC, the general public and so on, depending on whether the matter is escalated.
4.	Who is the main protagonist	It is Anand, the AAO.
5.	What is the dilemma that he/she is faced with	He has to decide if an audit observation would be tenable, even after discussion of the matter at the highest level, with apparently no legal framework based on which we can point out non-compliance and whether the matter is one within the domain of CAG audit.

8.1.2 Discussion of Background

Sl. No.	Requirements	Compliance
1.	Issues faced by the protagonist, and its causes.	The issue faced by the protagonist is to see if an audit observation can be issued even after the strong defence offered by the Company and in the absence of a clear legal framework or precedent on such matters. The protagonist has to address any perception of over-reach.

Sl. No.	Requirements	Compliance
2.	Stepping back a little, what, if anything, could have been done to avert the crisis?	As far as audit is concerned, being a prospective observation involving professional judgement of the Auditor, no specific guidelines can be set in this regard. As far as the Company is concerned, an assessment of performance of the executive members of the Board could have been carried out by independent directors and through Board Report. Ministry could consider writing APARs of government servants appointed on the Board, if any, based on their attendance in board and committee meetings, among other steps. Any number of recommendations could result, based on discussion among participants, without the benefit of hindsight.
3.	What were some of the deeper issues that resulted in this situation?	Some of the deeper issues that could have resulted in this situation are: (i) Lethargy or lackadaisical attitude, recalcitrance, delusion of absolute power or lack of commitment on the part of executive directors. (ii) Intention of some directors to sustain arbitrariness and discretion in decision-making rather than law or policy-based consistent and fair decision-making.

8.1.3 Evaluating the alternatives

Sl. No.	Requirements	Compliance
1.	What are the decision maker's available options	He could opine that the matter does not require any compliance with law and hence, need not be projected. Or, he can opine that a propriety aspect is involved. Or, he can suggest the existence of other audit criteria like evaluation of directors by independent directors, board report and so on and that the spirit behind such disclosures/ discussions must be to enforce discipline and dedication on the part of directors.
2.	How should he/she evaluate amongst these options i.e., what are the important criteria?	The existence of audit criteria like evaluation of directors by independent directors, board report and norms of propriety and philosophy of governance would help him in evaluating these options.
3.	What plan of action could be recommended	There could be numerous recommendations for and against the issue of audit observation, discussion on what criteria can be adopted or cited. Some of these are given in the notes to discussion questions.

8.1.4 Enhanced learning in the process

Sl. No.	Requirements	Compliance
1.	By evaluating the situation, the course of action, and the consequences, students can develop the tacit knowledge that their peers gained from experience	This is the purpose of the case study. It will help them go through the same phases of decision-making which audit parties would go through in the field.

Sl. No.	Requirements	Compliance
2.	Students can be encouraged to relate personal experiences to the situations encountered by protagonists in the case scenarios	This will come up as part of the discussion on questions.
3.	Learn that trade-offs are a part of real life decision making	There are multiple views. Management views too need to be taken into account. These will temper the observation, if any. Naturally, all this will arise from trade-offs and a single opinion will not prevail.
4.	Emphasise the importance of the underlying assumptions when comparing options	The assumptions could be on existence or non-existence of mandate, existence or non-existence of relevant criteria and so on.

8.1.5 What happened

Sl. No.	Requirements	Compliance
1.	Discussion of the actual course of events after the point at which the case ends	The guidance note requires that in case of audit paras or audit observations taken up for preparation of case study, the conclusion should not be made known to the participants or included in the material being circulated to the participants. The issue is discussed as a hypothetical one. Hence, only the development that an observation was issued and that it was placed before the Board and accepted as a good practice is indicated in the “What happened” segment.
2.	Give students a sense of closure	The “What happened” segment would give a sense of closure.
3.	May not always have information of the actual outcome (that is the nature of cases)	In the instant case, the trainer would have actual information of the actual outcome and the knowledge that a report has been approved with similar observation. But participants would be given a sense of closure only as a narration of the end of this story, without relating it to any audit observation.

8.1.6 Case Wrap-up and takeaways

Sl. No.	Requirements	Compliance
1.	Summarise the case discussion	A summing up section is included below.
2.	Closing it does not require you to give any correct answers or solution to the case	This is taken into account.

Sl. No.	Requirements	Compliance
3.	Link it back to the teaching and learning objectives.	Summing up links to the teaching and learning objectives.

9. Takeaways on possible responses

Q.1 As Shri Anand, would you draft or sustain an audit observation, given the Company's assertion that there has been no non-compliance on mandatory aspects?

Q. 2 Do such observations, if any, form part of our Audit Mandate? How?

While reading and discussing this case study, participants may discuss or share their experience and knowledge in audit. Some may discuss about composition of mandatory committees like audit committees and stakeholders' committees. We may have to highlight the contrast that here it is the committees needing **executive directors** which are found wanting. On questions 1 and 2, there may be differing views like we should stick to audit criteria and not question such matters. There may be an alternative view that being compliance audit, we are well within our rights to raise propriety matters. Someone may question sincerity or commitment of executive directors, who are often on the payroll of the PSU or appointed by Administrative Ministry/ Department. They may be shirking their work and burdening non-executive/ independent directors to take up much greater roles and responsibilities than expected of them. As a result, non-executive directors lose objectivity arising from increased familiarity with the executive work. Someone may point out that there are numerous disclosures relating to attendance of directors in committee meetings, including scope for discussion thereof in meetings of independent directors and reporting in Board Report. Instead of merely statistical record and routine discussions, these could be taken up, highlighted and projected as a breach of principles of governance.

Q.3 What is your opinion on the secretarial audit? Were there any deficiencies on the part of the secretarial auditor?

On secretarial audit, some participants may discuss that the audit is required for listed companies and that it confines itself to provisions of Companies Act and SEBI regulations, other Acts, rules and regulations only. Some may feel that they have been found wanting. An accommodating view would be that it is beyond the scope of Secretarial Audit to comment on

such matters, but being a propriety matter, it is well within the scope of CAG's audit mandate. As regards the committee on purchase manual, the non-attendance by Director (Purchases) is not in accordance with SS-1, Para 3.5 which requires that presence of all the members of any Committee constituted by the Board is necessary to form the Quorum for Meetings of such Committee unless otherwise stipulated in the Act or any other law or the Articles or by the Board. Thus, it is not only a propriety, but also a regularity aspect.

Q.4 What is your opinion on such committees being a mere formality or good practice?

On the matter regarding best practice, there may be some discussion on the lines that it is evident that having committed themselves to a good practice, they should adhere to it in letter and spirit. There may be some discussion on the Board being the ultimate power as per the Companies Act, for taking decisions and the relative inconsequence of committees not being active in this regard. On the matter of being a formality, one could say that a Board level committee is a senior body and cannot be dismissed as a formality. One can argue that while constituting such committees itself their power, roles, mandate and responsibilities would have been set and performance against such norms should be watched. If no such norms are set, deficiency in this regard is to be commented upon.

Q.5 What are your views about the Management opinion regarding CAG audit being related to monetary value?

On monetary value, there may be some discussion like the money value can be quantified by the money value of decisions taken in the meetings, value of purchases, value of discounts, commission and interest on credit period exceeding an average limit, etc. Some may feel that being propriety and governance aspect, it is an indicator of high risk and low degree of internal control since management philosophy seems to encourage indifference or lack of faithfulness to purpose. In other words, audit observations on corporate governance may not indicate monetary value at all, as it reflects more on the 'tone at the top' in the Company's Management. But this has a direct effect on the long-term earning/ financial prospects, as these may be marred by the reputation risks of the Company.

It is within CAG audit scope, due to the above implication and also since it concerns itself with regularity and propriety aspects of operations of a Government Company, with emphasis on adherence to applicable laws, norms and reasonable expectations of stakeholders.

10. Summing Up

We can say that the participants would have got a ring-side view of:

- deliberations which could accompany an audit on Corporate Governance,
- various audit criteria such as Companies Act, SEBI's LODR 2015, DPE Guidelines, etc. which may be relevant to an auditor of Corporate Governance, depending on type of company audited,
- the audit mandate and scope in such matters,
- sources of audit evidence and methodology

and would have learnt from each other through discussion as to how to tackle/ rebut replies/ views of Management on audit observations on Corporate Governance.

Participants would have seen what kind of assessments can be done on the degree of commitment of management towards governance.

While summing up, we can mention that CAG has powers to exercise its mandate on non-financial matters such as governance as well, in the same pattern Chartered Accountants do so in their audits of companies. Our scope of audit can extend to propriety aspects and not merely a tick in the box approach. Our audits are faithful to the purpose, rather than a rigid or one-sided interpretation of rules.

Such observations can form part of performance audit, compliance audit or financial audit (on corporate governance/ internal control parameters).

It may be necessary for high level officers from the Administrative Department concerned to attend meetings of companies in their role as directors in some cases. So, observations on governance may extend even to activities of the government proper and not merely to corporates.

Non-compliance may invite audit scrutiny. We can give our views on our expansive mandate for propriety audit, our broad scope of audit beyond those done by statutory secretarial auditors and implications of governance on risk and internal control aspects, rather than on money value. We can also bring out the expectations on trustworthiness of public sector corporate management.

11. What happened

We can say that an observation was issued, it was placed before the Board and it was accepted as a good practice.

Actually, it is based on a printed para in Report of 2016 - Performance Audit on Government of Goa - Chapter III- Para 3.2.6.10. It is given on the next page. But it must not be circulated to participants.

Chapter III PSUs and Government Commercial & Trading Activities

3.2.6.10 Corporate Governance

The Corporation is a body corporate with perpetual succession and consist of 12 Directors comprising Secretary (Industries), Secretary (Finance), Chief Electrical Engineer (CEE), Director of Industries, President of Goa Chamber of Commerce and Industries, President of Small Scale Industries Association, Architect/Environment Expert, an expert in Industry/Commerce, three experts in field of Biotech/Pharma/Agriculture and Managing Director. One of the above Directors is nominated as Chairman of the Corporation. The responsibility of good governance vests with the Board, and it has the primary duty of ensuring that principles of Corporate Governance expected by the stake holders are scrupulously and voluntarily complied with and the stake holders' interests are safeguarded. For this purpose, active participation of nominated Government officers in the Board to present the perspective of the State is essential.

The Government ensures its role and responsibility in achieving the objectives of the Corporation through the official Directors representing the Government on the Board. The Government directors, however, did not attend most of the meetings and were granted leave of absence. Their continued absence indicated lack of active participation of Government. The absence of official Directors was 85 *per cent* in respect of Finance Secretary (22 out of 26 meetings), 81 *per cent* in respect of CEE (21 out of 26 meetings), 38 *per cent* with regard to Industries Secretary (10 out of 26 meetings) and 15 *per cent* in respect of Director of Industries (four out of 26 meetings). Moreover, none of these official Directors nominated any officer as their representative to attend the Board meetings as prescribed in the Government notification of June 2009.

The composition of the sub-committees formed to advise the Board on matters related to plot allottees were not balanced to represent official and non-official Directors as illustrated below:

Table 3.2.11: Composition of sub-committees

Committee	Members	Ratio of official/non-official Directors
Sub-committee for action against defaulting allottees of TFC report	Managing Director, Chairman, GCCI President, GSIA and two Directors	1:4
Committee for framing the policy on open space, towers, kiosk <i>etc.</i>	Three Directors	No official director
Committee for studying the Regulations and amendments thereof	Four Directors	No official director

The practice of pursuance of action on decisions taken in the Board meetings had been discontinued since 2012 without any reasons on record.

The management noted the observations and assured to place before the Board for deliberation.

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Annexure-I

Committees required as per Companies Act, 2013 for various types of companies

Type of Company	Audit Committee	Nomination and Remuneration Committee	Corporate Social Responsibility Committee	Stakeholder Relationship Committee
One Person Company	Not Required	Not Required	Not expected to arise, considering low threshold amount of its operations.	Not expected to arise, considering number of security-holders.
Private	Not Required	Not Required		Not expected to arise, considering number of security-holders.
Public Unlisted	As per last audited financial statement Paid-up Capital >= Rs.10 crore/ Turnover >= Rs.100 crore/ Outstanding deposits/ loans, etc. >= Rs.50 crore		Net worth >= Rs.500 crore/ Turnover >= Rs.1000 crore/ Net Profit >= Rs.5 crore during any financial year	> 1000 Security-holders at any time during a financial year
Listed	Required.			

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Annexure-II

Composition and role of Committees

Committees under Companies Act			
Board of Directors			
Committee	Composition	Frequency of meetings	Role/Purpose/ powers/ duties
Audit Committee (AC)	>=3 Directors, majority independent, majority including chairperson financially literate	Not fixed	Roles specified on Related Party Transactions, accounts, audit and internal controls, associated with Vigil (Whistle-blower) mechanism, Deviations from AC recommendations to be reported to members.
Nomination and Remuneration Committee	Company Chairperson+>=3 non-executive directors, majority independent	Not fixed	To identify criteria for selection of directors, Key Managerial Personnel and employees, to recommend remuneration policy. May not be much relevant for government companies, except for remuneration matters as given in DPE guidelines.
Independent Directors (sub-set of Board)	As per criteria of independence	Separate meeting at least once p.a.	To ensure interests of all stake-holders and to exercise control over other directors for this purpose.
CSR Committee	3 Directors, at least one independent or where no independent director/ private company with 2 directors, such directors.	Not fixed	To prepare and recommend CSR policy, recommend amount and monitoring CSR activities.
Stakeholders Relationship Committee	Board shall appoint a non-executive chairman and other members	Not fixed	Grievance Redressal
Voluntary/ Corporate Governance related Committees	Various	As required	e.g.: - Risk Management Committee Investment Committee
Special Purpose Committees	Various	As required	Committee of Creditors (for sick companies) Winding up committee (for winding up) Sale committee (for winding up) Advisory committee (for winding up)

Each would have their meetings, agenda and minutes, scrutiny of which is a challenge as well as an opportunity for audit!

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