



**CIRCULAR**

CIR/MRD/DP/ 30 /2010

September 06, 2010

To  
All Stock Exchanges and Depositories

Dear Sir/Madam,

**Sub: Clarification on submission of Audit report under Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996**

Please refer to regulation 55A of the SEBI (Depositories and Participants) Regulations, 1996, the Circular No. D&CC/FITTC/CIR-16/2002 dated December 31, 2002 and the Circular No. SEBI/MRD/Policy/Cir-13/2004 dated March 3, 2004.

2. The aforementioned regulation and circulars necessitate every issuer to submit audit report on a quarterly basis to the stock exchanges audited by a qualified chartered accountant or a practicing company secretary, for the purpose of reconciliation of share capital held in depositories and in physical form with the issued / listed capital.
3. SEBI has received representations for changing the term 'Secretarial Audit' as it encompasses a wider area pertaining to examination of corporate and secretarial records of the company and cannot be restricted to merely audit for reconciliation of share capital.
4. Upon examination, it has been decided to modify the terminology 'Secretarial Audit' as mentioned in the circular No. D&CC/FITTC/Cir-16/2002 dated December 31, 2002 to 'Reconciliation of Share Capital Audit'. SEBI Circular No. D&CC/FITTC/Cir-16/2002 dated December 31, 2002 stands amended to the extent as above.



5. The Stock Exchanges are advised to:
  - 5.1. make necessary amendments, if required, to the relevant bye-laws/rules and regulations/circulars for the implementation of the above decision immediately.
  - 5.2. bring the provisions of this circular to the notice of the Issuers of the Exchange and also to disseminate the same on the website.
6. The Depositories are advised to:
  - 6.1 make necessary amendments, if required, to the relevant bye-laws/rules and regulations/circulars for the implementation of the above decision immediately.
  - 6.2 bring the provisions of this circular to the notice of the Registrar and Share Transfer Agents and also to disseminate the same on the website.
7. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 read with Section 19 of the Depositories Act, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

This circular is available on SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in).

Yours faithfully,

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