

SECRETARIAL AUDIT, ANNUAL RETURN AND SEXUAL HARASSMENT DISCLOSURE IN DIRECTORS' REPORT

- U Padma Shenoy
BCom, LLB, FCS

Sec Audit	Applicable Laws	Compliance	General laws	Event Based Laws	Sectoral Laws	Improvements	Documentation
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- ▶ An exercise based on the principle of “prevention is better than cure” - not a fault finding exercise
- ▶ Mechanism to ensure compliance with legal and procedural requirements
- ▶ Compliance risk management tool and governance tool
- ▶ Avoid unwarranted legal actions by law enforcing agencies
- ▶ Applicable to listed companies, large unlisted companies and material subsidiaries of listed entities.
- ▶ Additionally listed entities shall require check by PCS on compliance with all SEBI rules, regulations notifications and circulars and PCS shall submit a report thereon to be submitted to SE within 60 days from end of FY

- ▶ Companies Act
- ▶ SEBI Regulations
- ▶ LODR
- ▶ Secretarial Standards
- ▶ Listing Agreement
- ▶ Industry Specific
- ▶ Employment Laws
- ▶ FEMA

Sec Audit	Areas of Audit	Compliance	General laws	Event Based Laws	Sectoral Laws	Improvem ents	Documentati on
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- ▶ All Statutory Registers
- ▶ Minutes of Meetings
- ▶ Disclosures and Declarations
- ▶ Filings with relevant Authorities
- ▶ Financials
- ▶ Directors' Report

Sec Audit	Areas of Audit	Compliance	General Laws	Event Based Laws	Sectoral Laws	Improvements	Documentation
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- a) Civil Law (Contract, Property and Family laws)
- b) Criminal Law (IPC)
- c) Procedural Laws (CPC and CrPC)
- d) Corporate laws (Company Law and Securities Law)
- e) Taxation laws (Direct and Indirect Tax Laws)
- f) Constitutional and Administrative Laws
- g) Cyber laws
- h) Intellectual Property laws
- i) Labour, Social Security, Safety and Environmental Laws

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- ▶ Intellectual Property Laws
- ▶ Foreign Exchange Laws
- ▶ Certain SEBI Regulations

Sec Audit	Areas of Audit	Compliance	General laws	Event Based Laws	Sectoral Laws	Improvements	Documentation
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- ▶ Manufacturing
- ▶ Trading Companies
- ▶ Service Based
- ▶ Mining Industry

Sec Audit	Areas of Audit	Compliance	General laws	Event Based Laws	Sectoral Laws	Improvements	Documentation
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- ▶ Bad debts write off / provision for Doubtful debts
- ▶ Presentation on Notes to Accounts
- ▶ Appointment of Cost Auditor / Secretarial Auditor
- ▶ Notice to AGM
- ▶ Compliance certificates
- ▶ Status of Investments, Borrowings and guarantees
- ▶ Modification / Opening and closing of Bank accounts
- ▶ Circular resolutions
- ▶ Minutes of Meetings of Committees of Board
- ▶ Enhancements in borrowing limits – related documentation
- ▶ Approval of Policies at Board level - CSR Policy / POSH Policy

Sec Audit	Areas of Audit	Compliance	General laws	Event Based Laws	Sectoral Laws	Improvements	Documentation
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- ▶ Audit committee charter
- ▶ NRC Charter
- ▶ RPTs – renewals
- ▶ Powers of Attorneys
- ▶ Directors' Report
- ▶ Asset disposals
- ▶ Reviewing with the Management, performance of statutory and internal auditors, and adequacy of internal control systems
- ▶ Annual Evaluation of Directors

FORM MGT - 9

- ▶ Confusion about whether MGT 9 is required or not? Section 134 amended but not section 92
- ▶ Companies to give link of web address where Annual return is placed – no need of Extracts of MGT 9?
- ▶ MGT 9 and MGT 7 are not in tandem with each other – too much of duplication – the attempt to synchronise is not successful yet
- ▶ Grey area – form MGT 8 is issued by PCS A but the form MGT 7 can be filed by PCS B – the system may prompt that the PCS issuing MGT 8 only has to certify MGT 7

DISCLOSURE UNDER POSH

- ▶ Section 22 of the POSH Act - The employer shall include in its report the number of cases filed, if any, and their disposal under this Act in the annual report of his organization or where no such report is required to be prepared, intimate such number of cases, if any, to the District Officer
- ▶ Notification dated 31st July 2018 – Companies (Accounts) Rules, 2014; Rule 8 (5)(x) reads “a statement that the company has complied with provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (prevention, Prohibition and Redressal) Act, 2013” . This shall not apply to OPC and small companies

THANK YOU



