

**GUIDANCE NOTE
ON
SECRETARIAL AUDIT**

(Release 1.3)



**THE INSTITUTE OF
Company Secretaries of India**
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament

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PREFACE TO THE THIRD EDITION

Secretarial Audit is a mechanism which gives necessary comfort to the management, regulators and the stakeholders, as to the compliance by the company of applicable laws and the existence of proper and adequate systems and processes in the company. Submission of Secretarial Audit Reports for the prescribed companies was mandated with effect from financial year 2014-15 under section 204 of the Companies Act, 2013. Since then, a number of secretarial audit reports have been filed with the Registrar.

Expectations are such that the secretarial auditors should detect the instances of non-compliances and in result facilitate taking corrective-measures. There should be an effective due diligence exercise before the issuance of Secretarial Audit Report. To regulate the quality of such reports and to guide on the same, ICSI had analysed the Secretarial Audit Reports (approximately 3500) relating to financial year 2014-15.

Further to introduce best practice standards to perform Secretarial Audit function under section 204 of the Companies Act 2013, Auditing Standards Board (ASB) of ICSI has been constituted in June, 2016.

To support the members in effectively carrying out the Secretarial Audits and to enrich the Secretarial Audit Reports, this Guidance note has been further revised and updated. The checklists have also been strengthened. The indicative list of the Sector Specific Laws applicable to various industries is also widened to include more industries.

I commend the dedicated efforts put in by CS Banu Dandona, CS Lakshmi Arun, Joint Directors, CS Deepa Khatri, CS Anamika Chaudhary, Deputy Directors and CS Disha Kant, CS Kalpesh Mehta, CA Hema Babbar, Assistant Directors in revising this publication under the guidance of CS Alka Kapoor, Joint Secretary, Directorate of Corporate Laws and Governance, ICSI.

I further appreciate and acknowledge the efforts of CS Vineet K. Chaudhary, Central Council Member and Chairman, Corporate Laws and Governance Committee, ICSI as well as CS Mahesh Athavale, CS Ashok Tyagi, CS Shaileshri Bhaskar, CS V Sreedharan, CS Vijay Sharma, CS Divesh Goyal, Practising Company Secretaries for their inputs and guidance in reviewing the publication.

I also acknowledge the suggestions given by the Members of the Auditing Standards Boards in further strengthening the contents of this publication.

I am confident that the publication will prove to be of immense benefit to companies and professionals.

In any publication, there is always scope for further improvement. I would personally be grateful to users and readers for offering their suggestions/ comments for further refinement.

Place: New Delhi

CS Mamta Binani

Date: 5th August, 2016

President

The Institute of Company Secretaries of India

PREFACE TO THE SECOND EDITION

Governments, financial institutions, banks and companies all have realized that the corporate compliant regime lies not in the adequacy of legislations but in its implementation and compliance. Enactment of various laws is not enough and the desired results cannot be achieved unless their implementation is geared up.

The frauds and scams, which have been detrimental not only to growth of financial market but have been a set back to the economy as a whole, have occurred in the past despite and inspite of having plethora of legislations.

Realising the need to ensure compliance of laws in letter and spirit on continuous basis by an independent professional, the Companies Act, 2013 mandated the carrying out of secretarial audit for bigger companies.

The multiplicity of laws, rules, regulations, etc. has necessitated introduction of a secretarial audit to ensure compliances of laws applicable to a company. This has a two-fold objective:

- (a) Firstly, to protect the interests of all the stakeholders;*
- (b) Secondly, to have effective compliance system and governance process.*

Secretarial Audit is a mechanism which gives necessary comfort to the management, regulators and the stakeholders, as to the compliance by the company of applicable laws and the existence of proper and adequate systems and processes.

The Legislature has entrusted company secretaries in practice with this responsibility of conducting secretarial audit. The powers and duties of auditors is mutatis mutandis applicable to the company secretary in practice conducting secretarial audit.

This Guidance note (Revised edition) highlights the meaning, benefits, process, approach and scope of Secretarial audit, and professional responsibility for incorrect audit report. This guidance note also provides checklists with respect to five mandatory laws as specified in Form MR-3. It also has a chapter on Secretarial standards, board processes and specimen Secretarial Audit Report.

I am confident that this publication will prove to be of immense practical value to professionals while carrying out the secretarial audit.

I commend the dedicated efforts put in by the ICSI team led by CS Alka Kapoor, Joint Secretary and comprising CS Banu Dandona, CS Lakshmi Arun, Deputy Directors, CS Deepa Khatri, Assistant Director, Mr. Chittaranjan Pal, CS Khusbu Mohanty and CS Disha Kant, Assistant Education Officers under the overall guidance of CS Sutanu Sinha, Officiating Secretary & Chief Executive, ICSI and the guidance and leadership of CS Vineet Chaudhary, Central Council Member and Chairman, Corporate Laws and Governance Committee.

I place on record my sincere thanks to; CS Mahesh Athavale, Past President ICSI; CS Pavan Kumar Vijay, Past President, ICSI; CS V Sreedharan, Past Council Member, ICSI; CS Ahalada Rao, Council Member; CS Ashish Garg, Council Member; Mr. V K Aggarwal, Former Principal Director; CS Henry Richard, Retd. Regional Director, South Eastern Region, Ministry of Corporate Affairs and Mr. Vinay Sanduja, Senior Associate, Dua Associates (Advocates & Solicitors) for their valuable inputs.

In any publication, there is always scope for further improvement. I would personally be grateful to users and readers for offering their suggestions/comments for further refinement.

Date : 27-03-2015

CS Atul Mehta

Place: New Delhi

President

The Institute of Company Secretaries of India

PREFACE TO THE FIRST EDITION

The companies are the engines of modern economy. They drive the economy and in the process, they are also socially responsible, since they draw resources from the society for their sustenance. Keeping in tune with the changing global business scenario with complex business operations and investment pattern coupled with increasing class of sophisticated stakeholders, the newly enacted Companies Act, 2013 seeks to 'raise the bar on governance' in a comprehensive form with relevant themes such as investor protection, fraud mitigation, inclusive agenda, reporting framework, corporate social responsibility with self regulation and compliances.

Thus, the new law endeavour to balance the public interests with the private interests - promotes and rewards private initiative while safeguarding the interests of the public, society, economy, environment, etc. It also seeks to balance the limited liability of shareholders with the unlimited liability of the company as well as the interests of the present with that of the future, so as to ensure perpetuity to serve the posterity with higher and higher prosperity through corporate democratic principles. This delicate and complex web of balancing requires a regime of compliance and governance.

2. The secretarial audit is a tool to ensure compliances of all applicable laws to the company and thereby ensures certain vital compliances which are relevant from the perspective of Corporate Governance. This audit has genesis in India in the 21st Report of the Standing Committee on Finance (SCF) submitted in August 2010. The Ministry of Corporate Affairs then submitted to the Committee as under:

"Secretarial Audit gives a necessary comfort to the investors that the affairs of the company are being conducted in accordance with the legal requirements and also protects the companies from the consequences of noncompliance of the provisions of the Companies Act and other important corporate laws. It is, accordingly, felt and suggested that the Bill may provide for requirement of conduct of secretarial audit by at least bigger companies by a company secretary in practice."

Based on this submission, among others, the SCF recommended:

"Keeping in view its significance for ensuring procedural compliance by companies, particularly with regard to various statutory disclosures and to ensure adherence to prescribed secretarial standards, the Committee recommend that Secretarial Audit Report may be required to be attached with financial statements by companies exceeding certain threshold limit of paid up share capital."

In tune with this recommendation, the Ministry proposed to the SCF that it would include a new clause in the Bill as under:

"Every company having a paid up share capital of rupees five crore or more or such other amount as may be prescribed by Central Government from time to time shall annex with its Board's Report made in terms of sub-section (3) of section 120 of the Act, a Secretarial Audit Report given by a company secretary in practice in such form as may be prescribed."

3. Based on this understanding, the section 204 of the Companies Act, 2013 now provides as under:

“Secretarial audit for bigger companies

204. (1) Every listed company and a company belonging to other class of companies as may be prescribed shall annex with its Board’s report made in terms of sub-section (3) of section 134, a secretarial audit report, given by a company secretary in practice, in such forms may be prescribed.”

The Board of Directors of the listed companies and other prescribed companies are required not only to annex the secretarial report to the Board’s report, but also to explain in full any qualification or observation or other remarks made in the Secretarial Audit Report. In exercise of its powers under section 204(1), the Government has notified the format of secretarial audit report in the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

4. Secretarial Audit is basically an audit of compliances of applicable laws as is evident from the format of the report notified in the Rules. Its scope extends to compliances under the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Foreign Exchange (Management) Act, 1999 (to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings), the Securities and Exchange Board of India Act, 1992 and rules and regulations made thereunder and all other laws as may be applicable to the company. This gives the necessary comfort to the Government, Regulators, Board and Key Managerial Personnel of companies, the investors and other stakeholders that the affairs of the company are being conducted in accordance with the legal requirements and also protects the companies from the consequences of non-compliance with the provisions of the Companies Act and other important corporate laws. This also keeps potential fraudsters away from the companies.

5. Keeping the requirement of secretarial audit in the dynamic business environment, the Institute has brought out this guidance note to familiarise the members of the complexities and nuances of secretarial audit and to prepare them to accomplish the task to the utmost satisfaction of all stakeholders. This guidance note provides a step by step approach to secretarial audit and its methods.

6. I place on record my sincere thanks to my colleagues on the Central Council and particularly CS Sanjay Grover, Chairman, Corporate Laws and Governance Committee and CS Anil Murarka, Chairman, Practising Company Secretaries Committee and other members of these Committees for their invaluable contribution for finalizing this guidance note. I also take this opportunity to place on record my sincere thanks to the CS Mahesh A. Athavale, Past President and Practising Company Secretary and CS V. Sreedharan, Past Council Member and Practising Company Secretary, who have worked assiduously in giving the final shape to this guidance note.

7. In any publication of this nature, there would be scope for further refinements I would be personally grateful to the users and readers for offering their suggestions for further improvement.

Place: New Delhi

R. Sridharan

Date: May 3, 2014

President

The Institute of Company Secretaries of India

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Genesis of Secretarial Audit

Today, in India, the Corporate sector is governed by a complex web of laws, rules and regulations. It is essential for a company to abide by plethora of applicable laws, rules, procedures, regulations and the internal regulatory framework.

Under most of the laws, the persons who are responsible for compliance and liable for punishment for non-compliances are directors, the Company Secretary and officers who have been designated to ensure compliances of specific laws and regulations applicable to a company.

Under the Companies Act, 2013, a whole-time director, along with other Key Managerial Personnel and other directors may be treated as 'officers who are in default' and will be liable for penal consequences for non-compliance, while under most of the other laws, persons in charge of and responsible for the conduct of business of the company are held responsible.

Secretarial Audit is a mechanism which gives necessary comfort to the management, regulators and the stakeholders, as to the compliance by the company of applicable laws and the existence of proper and adequate systems and processes in the company.

While pursuing its business activities, the company has to comply with the rules and regulations relating to the Companies Act, Securities laws, FEMA, Industry Specific laws and General laws like Labour Laws, Competition Law and Environmental and Pollution Related laws. Secretarial Audit also covers non-financial aspects of the business having impact on the performance of the company and verifies compliances of applicable laws, regulations and guidelines. Nonetheless, this exercise also mitigates business risk to a great extent. It evaluates the manner in which the affairs of a company are conducted.

Secretarial Audit postulates verification on a test basis of records, books, papers and documents to check compliance with the provisions of various statutes, laws and rules & regulations by a Company Secretary in Practice to ensure compliance of legal and procedural requirements and processes.

Secretarial Audit is, therefore, an independent and objective assurance intended to add value and improve operations of a company. It helps to accomplish the organisation's objectives by

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bringing a systematic, disciplined approach to evaluate and improve effectiveness of risk management, control, and governance processes.

Recommendation by Parliamentary Standing Committee on Finance

Report of Parliamentary Standing Committee on Finance

Twenty- first report of Standing Committee on Finance on the Companies Bill, 2009 in the year 2009-2010 recommended Secretarial Audit in listed and bigger companies. The extracts from the Report are as follows

“Para 7.8: *****Secretarial Audit may also be mandated for bigger companies, including all listed companies; as it inter-alia provides necessary assurance to the investors that the affairs of the Company are being conducted in accordance with the legal requirements;

- Para 10.53: Keeping in view its significance for ensuring procedural compliance by companies, particularly with regard to various statutory disclosures and to ensure adherence to prescribed secretarial standards, the Committee recommend that Secretarial Audit report may be required to be attached with financial statements by companies exceeding certain threshold limit of paid- up share capital.
- Para 13.33: In accordance with the suggestions made by the Committee to include secretarial audit for bigger companies, delineation of functions and role of chief financial officer and company secretary, the Ministry have proposed to include three new sub-clauses 178A, 178B and 178C in clause 178. Clause 178A, which deals with Secretarial Audit is given below:
 - New sub-clause 178A- Provisions to be included in the Bill to mandate Secretarial audit for bigger companies New Clause 178A-
 - (1) Every company having a paid up share capital of rupees five crore or more or such other amount as may be prescribed by Central Government from time to time shall annex with its Board’s Report made in terms of sub-section (3) of section 120 of the Act, a Secretarial Audit Report given by a company secretary in practice in such form as may be prescribed.
 - (2) It shall be the duty of the company to give all assistance and facilities to the company secretary in practice for auditing the secretarial and other records of the company.
 - (3) The Board of Directors, in their Report made in terms of sub-section (3) of section 120 of the Act, shall explain in full any qualification or observation or other remarks made by company secretary in practice in his report under sub-section(1).

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- (4) Where any default is made in complying with the provisions of this section, –
- (a) the company and every officer who is in default shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees;
 - (b) the company secretary in practice who is in default shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees”.

Applicability of Secretarial Audit

Section 204(1) of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 provides that

1. every listed company
2. every public company having a paid-up share capital of fifty crore rupees or more and
3. every public company having a turnover of two hundred fifty crore rupees or more

shall annex with its Board’s Report made in terms of sub-section (3) of section 134, a secretarial audit report, given by a Company Secretary in practice, in such form as may be prescribed.

Ascertainment as to whether the Secretarial Audit is applicable on a particular company or not has to be made by checking below mentioned parameters:

- (i) Status of a Company – Public or private
- (ii) If any securities of the company have been listed
- (iii) Turnover of the company

The term ‘Turnover’ has been defined in section 2(91) as the aggregate value of the realization of amount made from the sale, supply or distribution of goods or on account of services rendered, or both, by the company during a financial year.

The Companies (Amendment) Bill, 2016 substitutes section 2(91) with the following:

“turnover” means the gross amount of revenue recognised in the profit and loss account from the sale, supply, or distribution of goods or on account of services rendered, or both, by a company during a financial year.

In view of considering the turnover/paid up share capital as per latest audited financial statement, as has been provided in section 149 regarding the appointment of women director/ independent director, the thresholds specified in section 204 shall be required to tested through out the year. Therefore the secretarial audit report shall be required to be annexed with the Board report:

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- (i) if any time during the year (in respect of which board report is prepared) any security of the company has remain listed on any recognised stock exchange; or
- (ii) if any time during the year (in respect of which board report is prepared) the company been a public limited company, having turnover of Rs. 250 crores or more or having paid up share capital of Rs. 50 crores or more.

Applicability of Secretarial Audit to a Private Company which is a subsidiary of a Public Company

Section 2(71) of the Companies Act, 2013 defines a “Public Company” as a company which

- (a) is not a private company;
- (b) has a minimum paid-up share capital as may be prescribed.

The proviso to the definition states that “Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles.”

In view of this, it is clear that Secretarial Audit is applicable to a private company which is a subsidiary of a public company, and which falls under the prescribed class of companies.

The companies which are not covered under section 204 may obtain Secretarial Audit Report voluntarily as it provides an independent assurance of the compliances of applicable laws of the company.

The section further provides that Secretarial Audit Report is to be submitted in a format prescribed under the rules. As per sub-rule (2) of rule 9, the format of the Secretarial Audit Report shall be in Form No. MR-3 (**Annexure A**).

Purpose of Secretarial Audit

Secretarial Audit provides an effective mechanism to ensure that compliance of various legislations and regulations including the Companies Act and other corporate and economic laws applicable to the company has been diligently done. This would give necessary comfort to the Management, Regulator, and the stakeholders.

Secretarial Audit helps to detect the instances of non-compliances and facilitates taking corrective-measures.

Secretarial Audit facilitates monitoring compliances with the requirements of law through a formal compliance management programme which can produce positive results to the stakeholders of a company:

- Companies that go the extra mile with their compliance programs lay the foundation for good governance.

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- Companies with an effective compliance management programme have lesser chance of receiving penalties, both monetary and by way of imprisonment.
- Companies that imbibe business and personal ethics and an effective compliance management programme within their work culture often enjoy employee and customer loyalty and public respect for their brand, which can translate into better market capitalization and shareholder returns.
- Recognition for the company as a good corporate citizen.

Benefits of a Secretarial Audit

A Secretarial non compliance, a lawsuit or other legal problem can give rise to catastrophic effects on the continuing viability of the company. The Statute prescribes mandatory Secretarial Audits of certain bigger companies to provide necessary comfort to the Stakeholders. Many companies voluntarily conduct Secretarial Audit to minimize the possibility of legal issues disrupting their companies' progress.

The Secretarial Audit lays the groundwork for the establishment of an ongoing Secretarial and Legal compliances and a prevention program to ensure the company's goals, structure and ongoing operations are consistent with the latest developments in business and the law governing the Corporate Entities.

A comprehensive Secretarial Audit would examine a wide range of issues which may be as mundane as whether or not the company is qualified to do business in various jurisdictions or as complex as an analysis of the company's Board Compliances in order to ensure consistency with current requirement under the Companies Act, 2013. The topics for audit would include choice and structure of the entity; the decisions of the board of directors and documentation (or lack thereof) relating to those decisions; protection of intellectual property; forms and methods of maintaining records, pending and threatened litigation, insurance coverage; listing under securities laws and compliance, and related trade regulations; labour laws, environmental laws; and a review of compliance of all industry specific laws such as laws relating to say, cement sector, fertilizer sector, sugar sector and so on.

Naturally, the extent and complexity of the Secretarial Audit would vary depending on the size and stage of growth of the company, the type of business, such as Trade, Services, Manufacturing, the number of shareholders and employees, the extent to which the company does business in a "regulated industry," and a host of other factors.

A dispensation with such an independent secretarial audit could well lead to significant problems for the company and its stakeholders. The risks of non-compliance with these many laws and regulations include:

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- Failure to keep proper books and records or non compliance with the provisions of corporate laws and securities laws, executing certain unviable or undesirable corporate actions or transactions with related parties or otherwise, without proper authority of the Board of Directors or the General Meeting or the Memorandum of Association, etc., could lead to the ability by third parties to play with the stakeholder's limited liability protection.
- Failure to obtain all proper approvals / permissions / licenses could lead to fines, penalties, and, in some cases, even closure of the business by government or governmental agencies.
- Failure to comply with certain laws and regulations may lead to problems under SEBI, RBI, MCA or others which may jeopardize the very stability of the financial and manufacturing operations.
- Failure to have proper environment law compliance policies which are reviewed periodically could give rise to governmental and civil liability.
- Failure by the directors of the company to keep accurate records and minutes of its decision-making procedures, such as proving that directors are exercising informed judgment, could subject the company and its board to liability to its shareholders and investors.
- Failure to monitor the company's reporting requirements may put the company into default with lenders or investors.

The PCS is hence a watchdog of the Companies compliances and reporting any non compliance before it takes seriously alarming shape. .

Other benefits to the Stake holders are :

(a) *Promoters*

Secretarial Audit assures the promoters of a company that those in-charge of its management are conducting its affairs in accordance with the requirements of laws and the owners stake is not being exposed to unintended risks.

(b) *Non-executive/Independent directors*

Secretarial Audit provides comfort to the Non-executive/Independent Directors that appropriate mechanisms and processes are in place to ensure compliance with laws applicable to the company, thus mitigating any risk from a regulatory or governance perspective.

(c) *Government authorities/regulators*

It also facilitates reducing the burden of the regulators in ensuring compliances and they can take timely actions against the offenders.

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(d) *Investors*

Secretarial Audit helps the investors in taking informed investment decision, as it evaluates the company in terms of compliance and governance norms being followed by the company.

(e) *Other Stakeholders*

It is an effective due diligence exercise for the prospective investors or joint venture partners. Further Financial Institutions, Banks, Creditors and Consumers can measure the law abiding nature of company management.

Secretarial Audit and Company Secretary in Practice

In order to provide guidance to its members who are in practice to adopt a robust and efficient process of Secretarial Audit, the Institute of Company Secretaries of India has issued this guidance note.

Appointment of Secretarial Auditor

In terms of section 204(1), only a member of the Institute of Company Secretaries of India holding certificate of practice (company secretary in practice) can conduct Secretarial Audit and furnish the Secretarial Audit Report to the company.

As per rule 8 of the Companies (Meetings of Board and its powers) Rules, 2014, secretarial auditor is required to be appointed by means of resolution at a duly convened meeting of the Board of Directors of the company.

Time of Appointment

It is advisable that the Secretarial Auditor is appointed at beginning of the financial year as secretarial audit entails checking of compliances on a continuous basis. As a good practice, the Secretarial Auditor should submit a report to the Board at the end of each quarter as to the compliances of the company.

Secretarial Auditing Standards

ICSI has constituted the Auditing Standards Board to formulate secretarial Auditing and Assurance Standards and also to inculcate best auditing and assurance practices amongst the members.

Upon issuance of Secretarial Audit Standards by ICSI, it would become generally accepted procedure relating to the secretarial practices to be followed while conducting audit and performing attestation function by a practicing member. As such member who does not perform his audit in accordance with SAS and fails to disclose material departure therefrom, becomes liable to the disciplinary proceedings of ICSI under clause 9 of Part I of The Second Schedule to

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the Company Secretaries Act, 1980 as amended by the Company Secretaries (Amendment) Act 2011 which specifies that “a company secretary in practice shall be deemed to be guilty of professional misconduct if he fails to invite attention to any material departure from the generally accepted procedures relating to the secretarial practice”.

Cost to the Company

Taking into account the assurance provided and the avoidance of penalties and the consequent saving of the possible liabilities, the cost of Secretarial Audit is far less than the benefits which the directors and the stakeholders would derive from Secretarial Audit.

Notice of Annual General Meeting

Para 1.2.1 of Secretarial Standard on General Meetings requires that the notice in writing of every Meeting shall be given to every Member of the company. Such Notice shall also be given to the Directors and Auditors of the company, to the Secretarial Auditor, to Debenture Trustees, if any, and, wherever applicable or so required, to other specified persons.

Rights and duties of Secretarial Auditor under the Companies Act, 2013

Section 143 of the Companies Act, 2013 deals with powers and duties of Auditors. Sub-section (14) of the section provides that the provisions of this section shall *mutatis mutandis* apply to the Company Secretary in Practice conducting Secretarial Audit under section 204.

Company to provide all necessary information and assistance for conducting secretarial audit

Section 204(2) of the Companies Act, 2013 provides that it is the duty of the company to give all assistance and facilities to the company secretary in practice, for auditing the secretarial and related records of the company.

Approach to Secretarial Audit

The object of the Secretarial Audit is evaluation and form an opinion and to report to the shareholders as to whether, and if so, to what extent, the company has complied with the laws comprising various statutes, rules, regulations, guidelines about the board processes and existence of compliance management system. This requires knowledge of the corporate laws, economic laws, securities laws, FEMA, and other laws specifically applicable to the company, Corporate governance provisions, Secretarial Standards etc. To be able to give an effective report, a Company Secretary in Practice is expected to have the following:

(1) *Knowledge* : While conducting the Audit, the Secretarial Auditor should have the knowledge of exact nature and activities of the company and the laws which are applicable to the company. He should have understanding of existence of compliance system, Board processes & procedures, secretarial standards etc.

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(2) *Team* : He is required to ensure that he has a team of appropriately trained staff, who can support the preparation of the report. Most importantly they should be informed of the basic audit requirements and ethics. Related legislative and administrative updates should be shared and communicated with the team to build and maintain the expertise.

(3) *Documentation & backup* : He is expected to develop a manual & checklists which will help in evaluation process. He is required to keep proper record of documents checked during the course of audit.

(4) *Third party supporting and evidences* : It would always be helpful to check filing made by the company at MCA & other authorities independently. Verification and enquiries can also be made with the other statutory and internal auditors and consultants and Independent Directors of the Company

(5) *Adhering to the timelines* : Schedule set to conduct the audit process should be strictly adhered to in order to gain the confidence of the client and boost the expertise level of the team.

(6) *Honesty and impartiality* : A Company Secretary in Practice has the professional duty to provide an unbiased and objective view. Company Secretary in Practice should be independent from the company being audited.

The Secretarial Auditor is expected to ensure that activities of the client company are in accordance with the applicable procedure and that supporting evidence maintained by the company is genuine.

(7) *Maintaining Audit Diary* : The Audit exercise needs to be planned and executed professionally and verifications done by the team members should be recorded daily. Such maintenance of diary would help in keeping audit trail that would come in handy to ensure the quality of audit.

(8) *Back up papers to be maintained* : The Secretarial Auditor should maintain Audit Diary and back up papers like working papers, supporting documents, observations, management explanations, basis for his conclusions more particularly for qualifications in the report etc. as these will provide the audit evidence for defending himself in any possible allegation of misconduct so also peer review and help in defending himself in case of any enquiry or questions from regulators.

The Secretarial Auditor is expected to ensure that activities of the client company are in accordance with the applicable procedure and that supporting evidence maintained by the company is genuine.

Scope of Secretarial Audit

In terms of Form No.MR-3, the Secretarial auditor needs to examine and report the compliance of the following five specific laws:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

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- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992*;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999**;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

In addition, the form MR-3, point (vi) also refers to 'Other laws as may be applicable specifically to the company.'

It may be noted that the scope of MR- 3 includes 'The Securities and Exchange Board of India (Listing obligations and Disclosures requirements) Regulations, 2015'.

'Other areas' which need to be checked

Secretarial Auditor needs to examine and report on the compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

*The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

**The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2015

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- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable;

Format of Secretarial Audit report also requires reporting on whether –

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors, and Women Director .
- The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with all applicable laws including general rules like labour laws, competition law, Environmental laws, regulations and guidelines.

Secretarial Auditor is required to report and provide details of specific events and actions that occurred during the reporting period having major bearing on the affairs of the company in pursuance of above referred laws/ rules & regulations.

Scope of Secretarial Audit as decided by the council of ICSI:

1. As per ICSI communication dated 22nd December 2014

Consultation meets were held with the Corporates (through Company Secretaries in employment) as well as Company Secretaries in practice, and taking into consideration the views emerging therefore, the Council of the ICSI at its 226th meeting held on November 21, 2014 decided on the Scope of Secretarial Audit includes:

- Reporting on compliance of Five laws as mentioned in form MR-3
 - Companies Act, 2013,
 - Securities Contracts (Regulation) Act, 1956 ('SCRA'),
 - Depositories Act, 1996,
 - Foreign Exchange Management Act, 1999 to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing,

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- Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 as specified in MR-3.
- Reporting on compliance of ‘*Other laws as may be applicable specifically to the company*’ shall mean all the laws which are applicable to specific Company for example for Banks- all laws applicable to Banking Industry; for insurance company- all laws applicable to insurance industry; likewise for a company in petroleum sector- all laws applicable to petroleum industry; similarly for companies in pharmaceutical sector, cement industry etc.
- Examining and reporting whether the adequate systems and processes are in place to monitor and ensure compliance with general laws like labour laws, competition law, environmental laws.

The provisions relating to audit of accounts and financial statement of a company is dealt in the Statutory Audit, and that relating to taxation is dealt in Tax Audit, the Secretarial Auditor may rely on the reports given by statutory auditors or other designated professionals.

Secretarial Auditor is expected to report on the Secretarial Compliance of these laws. A sample checklist is placed at **Annexure-D**

As per communication dated 15th May, 2015

“Secretarial Audit has become applicable to listed companies & all other specified companies, from the financial year 2014-2015.

Based on extensive consultations with the stakeholders, the then Council at its 226th meeting held on November 21, 2014 had laid the scope of Secretarial Audit.

In consonance with the scope in MR-3 it is being re-stated as under:

<i>Examination & Specific Reporting on Compliance under:</i>	<i>Examination & Specific reporting on Compliance of other laws as may be applicable specifically to the company</i>	<i>Further Reporting</i>	<i>Further reporting on</i>
i. Companies Act, 2013 and the Rules made thereunder ii. Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder	– Eg. Banks – all laws applicable to banking Industry – Companies in petroleum sector – all laws applicable to petroleum industry	Whether there are Adequate systems and processes in the company Commensurate with its size & operation to monitor and ensure compliance	a. Board of Directors constitution b. Notices, Agenda and Minutes of Board Meetings etc. c. Board-processes

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<ul style="list-style-type: none"> iii. Depositories Act,1996 and the Regulations & Bye-laws framed thereunder iv. Foreign Exchange Management Act, 1999 and the rules made thereunder to the extent of foreign direct Investment, Overseas Direct Investments and External Commercial Borrowings v. Regulations and Guidelines under the Securities and Exchange Board of India Act, 1992 as enlisted in MR-3 vi. Secretarial Standards (not applicable to Secretarial Audit Report for Financial Year 2014 15) vii. Listing Agreement entered into by the company with Stock Exchange(s) if any 		<p>with applicable laws including general laws like labour laws, competition law, environmental laws.</p>	
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Reporting of Fraud

Secretarial Auditor to report fraud where during the course of his audit he has reason to believe that an offence involving fraud is being committed or has been committed against the Company by its officers/employees. [*Pursuant to the provision of section 143 (12 & 14) read with section 447*].

The Council of the Institute has issued guidelines specifying number of Companies to be audited by a company secretary in practice which will be effective for taking up secretarial audit assignments for the financial year 2015-2016 & onwards.

The Institute has received few suggestions on the number of companies to be audited and based on the suggestions & other inputs, council would deliberate in the forthcoming Meeting."

General Principles/Guidelines while conducting Secretarial Audit

Audit is an intelligent and critical examination of the books and records of business done by an independent qualified person. It is done by process of verification of documents, registers, filings, information systems, procedures and explanations received from the clients.

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Audit scope determines the time involved in audit exercise, depth of auditing, aspects to be covered etc. Audit scope depends on, relevant legal provisions, nature of audit, objectives of audit & terms of engagement. However the terms of engagement cannot, restrict the scope of an audit in relation to matters which are prescribed by legislation.

In the context of Secretarial Audit as contemplated by section 204 of the Companies Act 2013 and the Rules, a very pertinent question which arises for consideration is the extent of detailed verification/ evaluation that has to be resorted to before reporting or giving opinion on compliance of the provisions of various laws as mentioned in form MR 3 and specific laws applicable to the company concerned .

The audit should be organized to cover adequately all aspects of the enterprise as far as they are relevant to the audit objectives. Appropriate verification has to be done with the help of Checklists.

Therefore, certain techniques of sample checking and test checking should be applied before forming a reasonable opinion that the document being certified projects a true and fair view of the state of affairs. There are no specific modalities or stringent test practices applicable for conducting Secretarial Audit. However, the following guiding principles can be adopted while deciding about the extent of checking that is required.

It is a well established principle in any auditing practice that an auditor is not expected to carry out a 100% checking of every piece of paper and information available in the company, in verifying the final facts and figures represented in the end document. In financial audit, for instance, the auditor is not expected to make a thorough scrutiny of each and every invoice raised / voucher created by the company before accepting the sales figure given in the Balance Sheet.

The following are general techniques of auditing :

- A) sample checking
- B) test checking
- C) random checking
- D) trial and error checking

The same techniques may be applied and adopted in secretarial audit. For instance...while verifying the list of past and present shareholders , a company secretary in practice cannot be expected to check every folio of the Register of Members, whose number could run into lakhs. Similarly, the number of share transfers registered in a year could run into thousands. If one is expected to check every transaction in these matters, it could be well almost impossible to meet the statutory time limits for completing the audit assignment.

Therefore, certain techniques of sample checking and test checking should be applied before forming a reasonable opinion that the document being certified projects a true and fair view of

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the state of affairs. There are no specific modalities or stringent test practices applicable for conducting Secretarial Audit.

Guiding principles can be adopted while deciding about the extent of checking that is required based on size of company, nature of industry, number of transactions and other relevant factors. The following guiding principles be adopted while deciding about the extent of checking that is required.

(i) The need for every detailed checking is greatly reduced if there are adequate measures of internal control and checks and balances built into the systems and procedures of the organization. For instance, the procedure for registration of share transfers could be so designed that the mistakes and errors committed at one stage are automatically detected and corrected by another, before the whole process is complete. The system could also provide for automatic cross verification - particularly in cases where the process is computerized.

(ii) The principle of materiality is another important concept. The sample chosen for detailed checking should be representative of the whole, or the 'population', in statistical parlance.

For example, in the case of share transfers, instances of transfer of large blocks of shares could be chosen for detailed scrutiny. Or, the 'busy' period for transfer of shares in the year could be identified and selected for sample checking.

(iii) 'High risk' areas could be identified and subjected to more extensive scrutiny than others. For instance, in the case of shares on which there are restrictions on transfer-statutory or otherwise, a more extensive examination is warranted.

In conclusion, it may be pointed out that a company secretary in practice will do well to remember that the ultimate responsibility of the facts and figures certified will rest with him. While the extent of checking is a matter of personal judgment, he should safeguard himself against any possible charge of negligence in respect of inaccurate or incomplete statements, certified by him. A Company Secretary in Practice is advised to exercise all possible care, reasonable skill & due diligence.

If question arises whether the approach to audit should be full or part or sample basis, then Company Secretary in Practice is advised to always prefer for complete checking if transactions are less and if size of the organization is medium or small. However for bigger organization quality time need to be given throughout the financial year by frequent visits at regular intervals.

Adequate enquiries should be made in respect of matters which are capable of direct verification. Mere getting certification from experts and or Management may defeat the purpose of this audit.

He should obtain sufficient appropriate evidences through the verification of compliances and other substantive procedures to enable him to draw reasonable conclusions to form an opinion.

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Minimum fees to be charged with respect to conduct of Secretarial Audit

There is no minimum fees prescribed by ICSI for conducting Secretarial Audit by Company Secretary in practice. However, it would be in the fitness of things that Company Secretary in practice takes proper call about fees considering the nature & size of the company, type of company and the efforts required to be put in while carrying out Secretarial Audit. It is expected that member should maintain high standard and quality in audit process.

Limits for the issue of Secretarial Audit Reports for financial year 2016-17:

The Council of the Institute at its 235th meeting held on February 11, 2016 reviewed the existing limits for the issue of Secretarial Audit Reports and decided as below:

- 10 Secretarial Audits per partner/ PCS, and
- an additional limit of 5 secretarial audits per partner/PCS in case the unit is peer reviewed.

These limits will be applicable for the Secretarial Audit Reports to be issued for the financial year 2016-17 onwards.

*FAQs on limits of secretarial audit are provided at the website of ICSI.

Process of Secretarial Audit

Secretarial Audit is a process to check compliance with the provisions of all laws applicable specifically to the company and rules/regulations/procedures; adherence to good governance practices with regard to the systems and processes of seeking and obtaining approvals of the Board and/or shareholders, as may be necessary, for the business and other activities of the company, carrying out activities in a lawful manner and the maintenance of minutes and records relating to such approvals or decisions and implementation.

The Secretarial Auditor also expresses an opinion as to whether there exist adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Communication to earlier Incumbent

Whenever a practicing company secretary is appointed as Secretarial Auditor in place of the existing Secretarial Auditor, he/she should communicate the appointment to the earlier incumbent in writing, in view of the provisions of clause (8) of Part I of the First Schedule to the Company Secretaries Act, 1980 and the relevant pronounced judgments.

Acceptance of Appointment

A formal letter for appointment should be issued by the company to the secretarial auditor along with the copy of the board resolution for appointment. The secretarial auditor shall confirm acceptance of appointment in writing.

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Preliminary Discussions/Surveys

It is important to have relevant information about the company. The secretarial auditor is expected to take an overview of the operations of the company and interact with the personnel involved to know about the nature of the business. He may opt for surveys for generating information about the company.

Preliminary Meeting

The preliminary meeting with the senior management and the staff involved in the audit will give a fair idea of what is the business and operations of the company and the manner in which audit activities are to be undertaken. At this stage a time frame of the secretarial audit should be determined and finalized. The secretarial auditor shall discuss the scope and objectives of the audit, gather information on important Board processes, evaluate existing control systems and prepare the audit plan.

Secretarial Standard- 1 i.e. Secretarial Standard on Meetings of Board of Directors also provides the 'list of laws applicable specifically to the company' as one of the illustrative items of business which shall not be passed by circulation and shall be placed before the Board at its Meeting

Finalization of Audit Plan and Briefing the Staff

It is important to work out an audit plan. The plan involves briefing the audit staff as to allotment of work, fieldwork responsibilities and other roles. The audit plan should comprehensively outline the fieldwork and usage of auditing tools. The review of controls helps the auditor determine the areas of highest risk and design tests to be performed in the fieldwork section. It is essential that the audit plan adheres to the timelines. Detailed checklist for each aspect of secretarial audit should be prepared and audit staff should be properly sensitized before commencement of audit.

Testing, Interviews and Analysis

The secretarial auditor may use a variety of tools and technology to gather information about the company's operations. The secretarial auditor should determine whether the controls identified during the preliminary review are operating properly and in the manner described by the Company. Fieldwork typically consists of interviewing the staff of the company whether formally or informally, reviewing procedure manuals, processes, testing and analysing compliance with applicable policies and procedures and laws, rules, regulations and assessing the adequacy of controls. The secretarial auditor may visit place of business operations/ factory, if necessary, to verify authenticity of documents, records and sign boards

This exercise may result in significant findings which the secretarial auditor may bear in mind while preparing the secretarial audit report.

The Act places the secretarial auditor on the same footing as the statutory auditor in terms of powers, duties and responsibilities while conducting the audit. [Section 143(14)(b)]

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Working Papers

Working papers are a vital tool of the audit process. They form the basis for expression of the audit opinion. They connect the management's records and information to the auditor's opinion. They are comprehensive and serve many functions. A sample worksheet is placed at **Annexure 'B'**.

Management Representation Letter

It is essential that the Company Secretary in Practice obtains a management representation letter from the auditee company. The letter may be signed by Company Secretary/Managing Director/ Senior Management who would normally have authority to issue the same. Suggested format of the management representation letter is placed as '**Annexure C**'. The format may be adopted with changes, depending on the circumstances and facts governing each audit. The Secretarial Auditor can use this letter of representation as part of his audit evidence.

A Company Secretary in Practice is advised to exercise all possible care, reasonable skill & due diligence. Adequate enquiries should be made in respect of matters which are capable of direct verification. Mere getting certification from management may defeat the purpose of the audit.

Audit Summary for Discussions

It is recommended that the findings during the course of audit are summarized and presented for initial discussions with the management for their views/ clarifications/ replies.

Submission of Secretarial Audit Report

After considering the clarifications/ replies of the management, the secretarial auditor shall prepare the secretarial audit report in Form No.MR-3. The report is addressed to the members but is to be submitted to the Board. The report shall contain the opinion on the statutory compliances examined by the auditor and shall state whether in his opinion the Company is carrying out / not carrying out due compliances of the applicable provisions of the various laws. The report shall be provided with or without qualifications. The specimen of 'Qualified Secretarial Audit Report' is provided in separate chapter in the Guidance Note.

Signing

The Secretarial Audit Report should be signed by the secretarial auditor who conducted or under whose supervision the secretarial audit was conducted indicating his FCS/ ACS number along with Certificate of Practice Number issued by the Institute of Company Secretaries of India.

In case of PCS firm, the secretarial audit report may be signed by the partner who conducted or under whose supervision the secretarial audit was conducted indicating his FCS/ ACS number along with his Certificate of Practice number. The secretarial audit report cannot be signed by an employee of the PCS firm even if he/she may be a member of the ICSI holding Certificate of Practice number.

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Reporting with Qualification

A qualification, reservation or adverse remarks, if any, should be stated by the Secretarial Auditor at the relevant places in his report in **bold type** or in *italics*. If the Secretarial Auditor is unable to express an opinion on any matter, he should mention that he is unable to express an opinion on that matter and the reasons therefor. If the scope of work required to be performed is restricted on account of restrictions imposed by the company or on account of circumstantial limitations (like certain books or papers being in the custody of another person who is not available or a Government Authority), the Report should indicate such limitations. If such limitations are so material that the Secretarial Auditor is unable to express any opinion, the Secretarial Auditor should state that in the absence of necessary information and records, he is unable to report on compliance(s) relating to such areas by the Company.

Further, the Board of Directors, in its Board's report, shall explain in full any qualification or observation or other remarks made by the Company Secretary in Practice in the Secretarial Audit Report.

Duty to Report Fraud

A very significant duty has been cast on the company secretary in practice under section 143 (12) of the Companies Act, 2013. It provides that if the company secretary in practice, in the course of the performance of his duties as auditor, has reason to believe that an offence of fraud involving the prescribed amount is being or has been committed against the company by officers or employees of the company, he shall immediately report the matter to the Central Government.

Revised section 143(12) read with the Companies (Audit and Auditors) Amendment Rules, 2015 provides that if an auditor of a company in the course of the performance of his duties as auditor, has reason to believe that an offence of fraud which involves or is expected to involve individually an amount of rupees one crore or above, is being or has been committed against the company by its officers, the auditor shall report the matter to the Central Government.

- The auditor shall report the matter to the Central Government as under:-
 - (a) the auditor to report the matter to the Board/ Audit Committee, as the case may be, immediately but not later than 2 days of his knowledge of the fraud, seeking their reply or observations within 45 days;
 - (b) on receipt of such reply, the auditor to forward his report and the reply of the Board/ Audit Committee along with his comments to the Central Government within 15 days from the date of receipt of such reply or observations;
 - (c) in case the auditor fails to get any reply or observations from the Board/ Audit Committee within 45 days, he shall forward his report to the Central Government along with a note containing the details of his report that was earlier forwarded

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to the Board or the Audit Committee for which he has not received any reply or observations;

- (d) the report shall be sent to the Secretary, Ministry of Corporate Affairs in a sealed cover by Registered Post with Acknowledgement Due or by Speed Post followed by an e-mail in confirmation of the same.
- (e) the report shall be in the form of a statement as specified in Form ADT-4.

In case of a fraud involving lesser than rupees one crore, the auditor shall report the matter to Audit Committee or to the Board immediately but not later than 2 days of his knowledge of the fraud and he shall report the matter specifying the following:-

- (a) Nature of Fraud with description;
 - (b) Approximate amount involved; and
 - (c) Parties involved.
- The following details of each of the fraud reported to the Audit Committee or the Board during the year to be disclosed in the Board's Report:-
 - (a) Nature of Fraud with description;
 - (b) Approximate Amount involved;
 - (c) Parties involved, if remedial action not taken; and
 - (d) Remedial actions taken.

In case, company secretary in practice does not comply with the provisions of section 143(12), he shall be punishable with fine which shall not be less than one lakh rupees but which may extend to twenty-five lakh rupees.

Further, sub-section (13) of section 143 provides that no duty shall be regarded as having been contravened by reason of his reporting the matter (fraud) if it is done in good faith.

Procedure for reporting of fraud:

Reporting of frauds by auditor involving amount more than Rs. 1 crore

If an auditor of a company, in the course of the performance of his duties as statutory auditor, has reason to believe that an offence of fraud, which involves or is expected to involve individually an amount of rupees one crore or above, is being or has been committed against the company by its officers or employees, the auditor shall report the matter to the Central Government.

Auditor should report such frauds as soon as possible but not later than 62 days of his knowledge about the frauds:

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STEP-I

REPORT TO BOARD & AUDIT COMMITTEE:

Auditor shall forward his report to the Board of Directors or the Audit Committee, as the case maybe, within 2 days of his knowledge of the fraud, seeking their reply or observations within 45 forty-five days;

STEP-II

Report to government after reply of board:

On receipt of such reply or observations the auditor shall forward his report and the reply or observations of the Board or the Audit Committee along with his comments (on such reply or observations of the Board or the Audit Committee) to the Central Government within 15 fifteen days of receipt of such reply or observations;

STEP-III

Report to government if no reply received

In case the auditor fails to get any reply or observations from the Board or the Audit Committee within the stipulated period of 45(forty-five days), he shall forward his report to the Central Government along with a note containing the details of his report that was earlier forwarded to the Board or the Audit Committee for which he failed to receive any reply or observations within the stipulated time.

Other Points to be kept in mind:

- The report shall be on the letter-head of the auditor containing
 - Postal Address,
 - e-mail address and
 - contact number and
 - signed by the auditor with his seal and shall
 - indicate his Membership Number.
- Report shall be in the form of a statement as specified in Form ADT-4.

Reporting of frauds by auditor involving amount less than Rs. 1 crore

- Sub-rule (3) of revised Rule 13 of the Companies (Audit and Auditors) Rules, 2014 Provides that in case of fraud involving an amount less than Rs. 1 Crore, the auditor shall report the matter of fraud to the Audit Committee or to the Board within 2 days of his knowledge of the fraud.

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- The report should specify the nature of the fraud with description, approximate amount of the fraud and parties involved in the fraud.
- In such case, as per Sub-rule (4), the Board shall disclose in its report (Board's Report) the nature of fraud with description, approximate amount of the fraud, parties involved in the fraud and remedial action taken.
- Name of parties should be disclosed only when the Board or Audit Committee has not taken any remedial action against the fraud.

Fraud detection and reporting requires the Practicing Company Secretary to focus *beyond compliance*. The Delhi High court observed in the matter of *Globe Motors Limited v. Mehta Teja Singh & Company* that although an agreement in which a director was interested could not said to be invalid in view of compliance with the requirements of the Act, yet it is only a formal aspect of compliance with the statutory provisions; the basic question is as to the conduct of the director and whether it satisfies the test considering their fiduciary relationship to the company. Justice Sachar further observed that the directors are expected to display utmost good faith towards the company in their dealings with the company or on behalf of the company; they should not use the company's money or other property or information or other matters in their possession in order to gain any advantage to themselves. Therefore a practicing company secretary should not be satisfied only with compliance during secretarial audit. He needs to look beyond and satisfy himself that the transactions which have taken place during audit period do not contain any fraud element.

Clause (f) of Explanation under section 447 of the Companies Act 2013 defines "Fraud" in relation to affairs of a company or anybody corporate includes any act, omission, concealment of any fact or abuse of position committed by any person or any other person with the connivance in any manner, with intent to deceive, to gain undue advantage from or to injure the interest of the company or its shareholders or its creditors or any other person whether or not there is any wrongful gain or wrongful loss.

A perusal of the definition brings out the following elements of "Fraud":-

- (a) Any *act* committed by any person or any other person with the connivance in any manner with intent *to deceive* the company or shareholders or creditors or any other person whether or not there is any wrongful gain or wrongful loss.
- (b) Any *omission* committed by any person or any other person with the connivance in any manner with intent *to deceive* the company or shareholders or creditors or any other person whether or not there is any wrongful gain or wrongful loss.
- (c) Any *concealment* of any fact committed by any person or any other person with the connivance in any manner with intent *to deceive* the company or shareholders or creditors or any other person whether or not there is any wrongful gain or wrongful loss.

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- (d) Any *abuse of position* committed by any person or any other person with the connivance in any manner with intent *to deceive* the company or shareholders or creditors or any other person whether or not there is any wrongful gain or wrongful loss.
- (e) Any *act* committed by any person or any other person with the connivance in any manner with intent *to gain undue advantage* from the company or shareholders or creditors or any other person.
- (f) Any *act* committed by any person or any other person with the connivance in any manner with intent *to injure the interest* of the company or shareholders or creditors or any other person whether or not there is any wrongful gain or wrongful loss.
- (h) Any *omission* committed by any person or any other person with the connivance in any manner with intent *to gain undue advantage* from the company or shareholders or creditors or any other person.
- (i) Any *omission* committed by any person or any other person with the connivance in any manner with intent *to injure the interest* of the company or shareholders or creditors or any other person whether or not there is any wrongful gain or wrongful loss.
- (j) Any *concealment* of any fact committed by any person or any other person with the connivance in any manner with intent *to gain undue advantage* from the company or shareholders or creditors or any other person.
- (k) Any *concealment* of any fact committed by any person or any other person with the connivance in any manner with intent *to injure the interest* of the company or shareholders or creditors or any other person whether or not there is any wrongful gain or wrongful loss.
- (l) Any *abuse of position* committed by any person or any other person with the connivance in any manner with intent *to gain undue advantage* from the company or shareholders or creditors or any other person.
- (m) Any *abuse of position* committed by any person or any other person with the connivance in any manner with intent *to injure the interest* of the company or shareholders or creditors or any other person whether or not there is any wrongful gain or wrongful loss.

The Practicing Company Secretary has to examine the transactions during the period of audit to identify whether any fraud element is present in the transaction. In the past “Fraud” has been noticed in many cases of scams in the following kinds of transactions:-

- *Related Party Transactions* – In major scams like Satyam scam, Polypack scam etcetera, the genesis of fraud was found in RPT. In the case of Satyam scam, RPT transactions were put through for approval for approximately rupees 14000 crore between satyam computer and maytas properties and maytas infrastructure. In the case of Tyco scam,

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the CEO and MD carried out 88 separate RPT deals with business entities owned by the sons and relatives of the CEO of Tyco. This scam led to the promulgation of the Code of Corporate Governance in UK.

- *Excessive managerial remuneration* – There were many corporate scams like Worldcom, Tyco scam, Global Crossing, Fannie Mae etcetera where KMP drew excessive remuneration from the company. In these scams either the profits were overstated to draw excessive remuneration or remuneration was drawn through wrong entries in books. Though the remuneration paid is within the limits prescribed in schedule V, it is necessary to find out whether fraud element is present.
- *Insider Trading* – In major scams like Enron, Health South, Galleon etcetera, criminal insider trading was found. Share transfers are to be examined to find out whether KMP or employees of the company either bought or sold shares of the company before any critical event. In Enron, KMP sold off their shares just before filing of Chapter 11 application by the company for bankruptcy. In the case of Health South KMP sold off their shares before announcement of loss for the year.
- *Inter Company transactions* – Group company transactions are to be examined carefully to identify fraud elements. Intercompany investments, guarantees, loans and provision of security may be detrimental or injurious to the interest of the lending company, its shareholders and other stakeholders. In the case of HIIH scam, a leading health insurance company, the intercompany transactions indirectly benefitted KMP of the parent company
- *Mergers/demergers/acquisitions* – In many scams relating to acquisitions fraud in the form of asset stripping has taken place as in the case of Phone4U, Penta Media etcetera.
- *IPO frauds* – The problem of vanishing companies has posed major problem to Regulators. These companies diverted IPO funds for purposes other than those stated in the prospectus. Frauds generally take place when funds raised from public by way of IPO or deposits or otherwise or from Banks and Financial Institutions are not utilized for the stated purposes. Therefore during secretarial audit the fund utilization needs to be examined to identify fraud.
- *Ponzy schemes* – There were many scams in this category like Speak Asia, Saradha chits etcetera. During secretarial audit it is necessary to identify whether any principal amount is used to give returns to customers instead of paying returns out of profits

The above mentioned areas are not exhaustive but only some given as examples to guide fraud detection.

Professional Responsibility and Penalty for incorrect Audit Report

Section 448 of Companies Act, 2013 deals with penalty for false statements. The section provides that if in any return, report, certificate, financial statement, prospectus, statement or other

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document required by, or for the purposes of any of the provisions of this Act or the rules made thereunder, any person makes a statement, –

- (a) which is false in any material particulars, knowing it to be false; or
- (b) which omits any material fact, knowing it to be material, he shall be liable under section 447.

Section 447 deals with punishment for fraud which provides that any person who is found to be guilty of fraud, shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud. In case, the fraud in question involves public interest, the term of imprisonment shall not be less than three years.

In view of this, a company secretary in practice will be attracting the penal provisions of section 448, for any false statement in any material particular or omission of any material fact in the Secretarial Audit Report. However, a person will be penalised under section 448 in case he makes a statement, which is false in any material particular, knowing it to be false, or which omits any material fact knowing it to be material.

It is pertinent to note that section 448 applies to “any person”. In view of this, a company secretary in practice, who is an independent professional, will be attracting the penalty, as prescribed in section 448 in case his observations in the secretarial audit report turns out to be false or he omits any material fact, knowing it to be false or material.

Section 204(4) further provides that if company secretary in practice contravenes the provisions of section 204, he shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

Besides, the Company Secretary in Practice shall be liable for professional or other misconduct mentioned in First or Second Schedule or in both the Schedules to the Company Secretaries Act, 1980 and where held guilty, be liable for the following actions:

- (i) where found guilty of professional or other misconduct mentioned in the First Schedule:
 - (a) reprimand;
 - (b) removal of name from the Register of members upto a period of three months;
 - (c) fine which may extend to one lakh rupees.
- (ii) where found guilty of professional or other misconduct mentioned in the Second Schedule:
 - (a) reprimand;
 - (b) removal of name from the Register of members permanently or such period as may be thought fit by the Disciplinary Committee;
 - (c) fine which may extend to five lakh rupees.

GUIDANCE NOTE ON SECRETARIAL AUDIT

Functions of Company Secretary in Employment

Section 205 of the Companies Act, 2013 provides that the functions of company secretary (in employment) shall include the following:

- (a) to report to the Board about compliance with the provisions of this Act, the rules made thereunder and other laws applicable to the company;
- (b) to ensure that the company complies with the applicable secretarial standards; (c) to discharge such other duties as may be prescribed.

Significantly, the section provides for compliance with the provisions of this Act, the rules made thereunder and other laws applicable to the company as a part of the functions of a company secretary.

In addition, the Central Government has prescribed the following additional duties for Company Secretary (in employment) through rules:

- (1) to provide to the directors of the company, collectively and individually, such guidance as they may require, with regard to their duties, responsibilities and powers;
- (2) to facilitate the convening of meetings and attend Board, committee and general meetings and maintain the minutes of these meetings;
- (3) to obtain approvals from the Board, general meeting, the government and such other authorities as required under the provisions of the Act;
- (4) to represent before various regulators, and other authorities under the Act in connection with discharge of various duties under the Act;
- (5) to assist the Board in the conduct of the affairs of the company;
- (6) to assist and advise the Board in ensuring good corporate governance and in complying with the corporate governance requirements and best practices; and
- (7) to discharge such other duties as have been specified under the Act or rules; and
- (8) such other duties as may be assigned by the Board from time to time.

Steps for preparing for Secretarial Audit

A company should prepare itself for secretarial audit by taking the following steps:

1. *Compliance Programme*: It is essential for every company to have a compliance management system in place, that is updated from time to time. The compliance management system covers generally aspects such as its objective, list of applicable laws, compliance risk management framework, establishment of systems and processes for effective compliance, appointment of chief compliance officers, compliance ownership and so on.

SECRETARIAL AUDIT

Evaluating or Recommending a Compliance programme in the course of Secretarial Audit

The Secretarial Auditor should evaluate such aspects in the course of Secretarial Audit that should help him in identifying the gaps, if any, in the compliance management system in terms of policy, procedure, implementation, compliance risk management, compliance structure, training & Communication, monitoring & control. Based on the evaluation of Compliance management system, recommendations may be made to strengthen the same. The company secretary in practice can also recommend for compliance management system if the company does not have one.

A template of Compliance Management System placed at *Annexure E*.

2. *Team* : Compliance with various laws and legal parameters by the company is essential to avoid unwanted litigations. A company may constitute a team of officers responsible for compliances under different laws.
3. *Maintenance of Records* : The entity at all levels should imbibe the practice of maintaining proper records. Concerned employees must be sensitized with the importance of record management system and ensure availability of records for verification.
4. *Preparation of Compliance Chart* : A company may prepare compliance chart under various laws applicable to the company as a checklist. Various charts are readily available but a customized chart suited to the specific requirements of the company may be a better option.
5. *Conduct Compliance Awareness Programmes*: A company may organize compliance awareness programmes at all the organizational levels to sensitize the employees about the requirement and importance of compliance and penalties for non-compliance.

Further section 204 provides that it is the duty of the company to give all assistance and facilities to the company secretary in practice, for conducting the secretarial audit. Hence, it becomes the responsibility of the working directors/company secretary of the company to provide the required information to the Company Secretary in Practice to enable him to conduct the Secretarial Audit in a timely and efficient manner.

Companies Listed on Regional Stock Exchanges

Section 2(52) of the Companies Act, 2013 provides that the term “listed company” means a company which has any of its securities listed on any recognised stock exchange. Further section 2(73) of the Companies Act, 2013 provides that the term “recognised stock exchange” means a recognised stock exchange as defined in clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956. Section 2(f) of the Securities Contract (Regulation) Act, 1956 provides that “recognised stock exchange” means a stock exchange which is for the time being recognised by the Central Government under section 4.

GUIDANCE NOTE ON SECRETARIAL AUDIT

Historically, Central Government/SEBI under section 4(1) of the Securities Contracts (Regulations) Act, 1956, had granted recognition to 25 stock exchanges. SEBI vide circular dated December 29, 2008 formulated an exit policy for stock exchanges which permitted the exchanges to exit from functioning as a stock exchange, which was further revised and implemented vide circular dated May 30, 2012. The Exit Circular states, inter-alia, that the stock exchanges having annual trading turnover on its own platform of less than Rs 1000 Crore can apply to SEBI for voluntary surrender of recognition and exit at any time before the expiry of two years from the date of issuance of the circular, i.e., latest by May 29, 2014, failing which SEBI may proceed with compulsory exit of such stock exchanges. Therefore, all the de-recognised/non-operational stock exchanges voluntarily or compulsorily have to exit from the business of a stock exchange. The companies exclusively listed on the stock exchange seeking exit shall list their securities on any other recognised stock exchange. If such exclusively listed companies fail to obtain listing on any other recognised stock exchange, they will cease to be listed companies and will be moved to the dissemination board by the exiting stock exchange. Such dissemination board would be provided by a Stock Exchange with nationwide trading terminals. The exiting stock exchange as well as an exchange providing dissemination board will give wide publicity about the dissemination board in one leading national daily and one local daily.

The present status of recognised stock exchanges is as follows:

<i>Sr. No.</i>	<i>Name of Stock Exchange</i>	<i>Present Status</i>	<i>Date of Exit order</i>
1.	Hyderabad Stock Exchange Ltd (HySE)	De-recognised	January 25, 2013
2.	Coimbatore Stock Exchange Ltd (CSX)	De-recognised	April 03, 2013
3.	Saurashtra Kutch Stock Exchange Ltd (SKSE)	De-recognised	April 05, 2013
4.	Mangalore Stock Exchange Ltd (MgSE)	De-recognised	March 03, 2014
5.	Inter-Connected Stock Exchange of India Ltd (ISE)	De-recognised	December 08, 2014
6.	Cochin Stock Exchange Ltd (CoSE)	De-recognised	December 23, 2014
7.	Bangalore Stock Exchange Ltd (BgSE)	De-recognised	December 26, 2014
8.	Ludhiana Stock exchange Ltd (LSE)	De-recognised	December 30, 2014
9.	Gauhati Stock Exchange Ltd (GSE)	De-recognised	January 27, 2015
10.	Bhubaneswar Stock Exchange Ltd (BhSE)	De-recognised	February 09, 2015
11.	Madras Stock Exchange Ltd (MSE)	De-recognised	May 14, 2015
12.	Jaipur Stock Exchange Ltd (JSE)	De-recognised	March 23, 2015

SECRETARIAL AUDIT

<i>Sr. No.</i>	<i>Name of Stock Exchange</i>	<i>Present Status</i>	<i>Date of Exit order</i>
13.	Pune Stock Exchange Ltd (PSE)	De-recognised	April 13, 2015
14.	OTC Exchange of India (OTCEI)	De-recognised	March 31, 2015
15.	Madhya Pradesh Stock Exchange Ltd(MPSE)	De-recognised	June 09, 2015
16.	Vadodara Stock Exchange Limited	De-recognised	November 09, 2015
17.	U.P. Stock Exchange Ltd (UPSE)	De-recognised	May 14, 2015
18.	Delhi Stock Exchange Ltd (DSE)	De-recognised	March 15, 2016
19.	Magadh Stock Exchange Limited	De-recognised	Recognition not renewed vide SEBI order dated September 03, 2007
20.	BSE Ltd.	Recognised	
21.	National Stock Exchange of India Ltd.	Recognised	
22.	Metropolitan Stock Exchange of India Ltd.	Recognised (uptil 15.09.2016)	
23.	Calcutta Stock Exchange Ltd.	Recognised	
24.	Ahmedabad Stock Exchange Ltd (ASE)		In process of exit

Status of companies exclusively listed on the stock exchange, whose securities have been moved to the dissemination Board and have not secured listing on any recognised stock exchange: In terms of SEBI circular dated May 30, 2012, such companies shall cease to be a listed Company.

Further the Secretarial Audit is applicable to a private/public company whose any security including debentures is listed at any recognised stock exchange.

The companies which are not covered under section 204 may obtain Secretarial Audit Report voluntarily as it provides an independent assurance of the compliances of applicable laws of the company.

GUIDANCE NOTE ON SECRETARIAL AUDIT

Annexure A

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

..... Limited

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by..... (name of the company).(hereinafter called the company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the (name of the company's) books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by ("the Company") for the financial year ended on, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

SECRETARIAL AUDIT

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) (Mention the other laws as may be applicable specifically to the company)

I/we have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

Note : Please report specific non compliances / observations / audit qualification, reservation or adverse remarks in respect of the above para wise.

I/we further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

GUIDANCE NOTE ON SECRETARIAL AUDIT

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I/we further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Note: Please report specific observations / qualification, reservation or adverse remarks in respect of the Board Structures/system and processes relating to the Audit period.

I/we further report that during the audit period the company has.....

(Give details of specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above)

For example:

- (i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger / amalgamation / reconstruction, etc.
- (v) Foreign technical collaborations.

Place :

Signature:

Date :

*Name of Company Secretary in Practice
/Firm: ACS/FCS No.*

C P No.:

Note : Parawise details of the Audit finding, if necessary, may be placed as annexure to the report.

SECRETARIAL AUDIT

Annexure B

SAMPLE WORK SHEET

DETAILS OF CAPITAL STRUCTURE

<i>Particulars</i>	<i>As on 01/04/20...</i>	<i>Add: Increase in Capital (if any)</i>	<i>Less: Reduction in Capital (if any)</i>	<i>Date of passing resolution</i>	<i>Capital as on 31/03/20....</i>
Authorised Capital					
Equity					
Preference					
Unclassified					
Issued Capital					
Subscribed Capital					
Paid-up Capital					
Public Issue			Not Applicable		
Rights Issue			Not Applicable		
Bonus Issue			Not Applicable		
Private Placement/ Preferential Allotment (Other than conversion)			Not Applicable		
Private Placement/ Preferential Allotment (arising out of conversion)			Not Applicable		
Allotment of shares pursuant to ESOP			Not Applicable		
Allotment consequent to Scheme of Arrangement/ Merger/ Amalgamation etc.				Not Applicable	
Buy-back of Shares			Not Applicable		
Reduction of capital			Not Applicable		
Share Forfeited (if any)					

GUIDANCE NOTE ON SECRETARIAL AUDIT

DETAILS OF DIRECTORS & KMP

(EXISTING AND ANY CHANGE MADE BETWEEN 01/04/20.... TO 31/03/20.....)

<i>Name of Director /KMP</i>	<i>DIN & PAN</i>	<i>Residential Address</i>	<i>Date of Appointment/last re-appointment</i>	<i>Designation</i>	<i>Nature (Independent/ Promoter/ Professional/ Executive/ Non-Executive/ Nominee) In case of Nominee, mention whose nominee he/she is</i>	<i>Whether liable to retire by rotation</i>	<i>Number of Shares held in the Company and% of share-holding</i>	<i>Date of Cessation (If any)</i>
1								
2								
3								
4								

DETAILS OF AUDITOR

	AUDITOR			
<i>Type of Auditor</i>	<i>Name of Auditor/ Firm& PAN</i>	<i>Address of the Auditor/Firm</i>	<i>Date of Appointment</i>	<i>Tenure for the appointment Date of Cessation, if any</i>
Statutory Auditor				
Secretarial Auditor				
Cost Auditor				
Joint Auditor				
Branch Auditor				
Internal Auditor				
Others				

SECRETARIAL AUDIT

MINUTES

(a) Board Meeting

<i>Date of Meeting</i>	<i>Gap between the two Board Meetings (Days)</i>	<i>Date of serving the notice and mode</i>	<i>Place of Meeting</i>	<i>Total No. of Directors on the Board on date of meeting</i>	<i>Leave of Absence granted to Director</i>	<i>Total No. of Directors Present</i>	<i>Chairman of the Meeting</i>
1							
2							
3							
4							

(b) Meeting by Circulations

<i>Date of the Meeting</i>	<i>Date of Circulation of Draft Minutes</i>	<i>Last Date on which comments received from Directors</i>	<i>Date of signing of the Minutes</i>	<i>Date on which Minutes entered in the Minutes Book</i>

(c) Annual/Extra Ordinary General Meeting

<i>Date of Meeting</i>	<i>Date of serving the notice</i>	<i>Place of Meeting</i>	<i>Cut-off Date for E-voting</i>	<i>e-Voting Period</i>	<i>Date of submitting Report to ROC under Section 121 of the Act</i>	<i>Date of report submitted to SE</i>	<i>Total No. of Members on Book Closure</i>	<i>No. of Members attended the meeting</i>	<i>No. of Proxy attended the meeting</i>	<i>Chairman of the Meeting</i>

<i>Name of Scrutiniser for e-voting</i>	<i>Name of scrutiniser for poll/ballot</i>	<i>Date of submission of report by Scrutiniser</i>	<i>Date of display of results on the website and notice board</i>

GUIDANCE NOTE ON SECRETARIAL AUDIT

(d) Committee Meeting

Name of Committee : _____

<i>Type of Meeting</i>	<i>Date of Meeting</i>	<i>Date of notice</i>	<i>Place of Meeting</i>	<i>Total No. of members on date of meeting</i>	<i>Leave of Absence Granted</i>	<i>Total No. of members Present</i>	<i>Chairman of the Meeting</i>

DETAILS REGARDING OFFICE OF PLACE OF PROFIT

<i>Name of Employee and PAN</i>	<i>Qualification</i>	<i>Age (as on 01/04/___)</i>	<i>Designation</i>	<i>Date of Appointment</i>	<i>Remuneration as per last salary drawn</i>	<i>Relation on with Director/ Member drawn if any</i>	<i>No. of Shares held</i>	<i>Date of leaving employment</i>	<i>Reasons for leaving</i>

KEY MANAGERIAL PERSONNEL

<i>Name of Person & PAN</i>	<i>Qualification</i>	<i>Age (as on 01/04/___)</i>	<i>Designation</i>	<i>Date of Appointment</i>	<i>Remuneration as per last salary drawn (as per Schedule (V)]</i>	<i>Date of taking approval from Committee/ Board/ Members</i>	<i>Date of filing of MR-1 and SRN</i>	<i>Date of filing of MGT-14 and DIR-12 and SRN</i>	<i>No. of Shares held</i>

CHARGES

<i>Name of Person & PAN</i>	<i>Qualification</i>	<i>Age (as on 01/04/___)</i>	<i>Designation</i>	<i>Date of Appointment</i>	<i>Remuneration as per last salary drawn (as per Schedule (V)]</i>	<i>Date of taking approval from Committee/ Board/ Members</i>	<i>Date of filing of MR-1 and SRN</i>	<i>Date of filing of MGT-14 and DIR-12 and</i>	<i>No. of Shares held</i>

SECRETARIAL AUDIT

<i>Name of Charge Holder</i>	<i>Charge Id</i>	<i>Date of Creation/ Modification</i>	<i>Amount of Charge</i>	<i>Details of Security Provided</i>	<i>Whether any Personal property of Director/ other person involved</i>	<i>Date of Satisfaction if any</i>	<i>Remarks</i>

FINANCIAL STATEMENTS

(a)	Detailed list of Loans and Advances given by the Company between 1st April, _____ to 31st March, _____ and their confirmation letters.	
(b)	Whether there are any relatives of directors/ shareholders to whom Loans and Advances have been given?	
(c)	Complete list of unsecured loan taken by the Company and their terms and conditions and with proper bifurcation between from Directors, Relative of Directors, Members and Body Corporate.	
(d)	Complete list of Sundry Creditors containing the following details:	
(i)	Nature of Balances	
(ii)	Opening Balance and Transactions made	
(e)	Statement of Related Party Transactions as per AS-18 and the Approval of Board/Shareholder for approving the transaction related to RPT.	
(f)	Details of Dividend declared:	
	Particulars	
	Amount Paid	
	Percentage of dividend paid	
	iii. Dividend Tax Paid	
	Date of Payment of Dividend	
	Actual amount claimed by the shareholder	
	Amount transferred to unpaid dividend account	
	Amount transferred to IEPF and SRN of Form I and 5INV	

GUIDANCE NOTE ON SECRETARIAL AUDIT

APPROVALS FROM RESERVE BANK OF INDIA

(a)	Whether company has made any foreign investment or company has received FDI?	
(b)	Whether company has filed annual statement related to Foreign assets and liabilities? If yes, Please mention filling date	
(c)	Whether company is having External Commercial Borrowing/issued FCCB? If yes provide copy of LRN issued by RBI and Form ECB 2.	
(d)	Whether company has made any investment in Abroad/provided guarantee to the Foreign Company? If yes, provide details.	
(e)	Whether any Show cause notice received by the company issued by Director of Enforcement/ RBI under FERA/FEMA/DIPB/other appropriate authority and reply submitted by the company for the said notices.	

PROSPECTUS

	Date of Prospectus	
	Date of Filing of Prospectus with ROC	

DEPOSITS

	Whether any deposits u/s 73 & 74 of CA 2013 have been accepted by the company.	
	If yes, Whether the provisions of the Deposit rules u/s 73 & 74 of CA 2013 have been complied with.	

STATUTORY REGISTERS

(i)	Register for application and allotment of shares	
(ii)	Register for transfer of shares	
(iii)	Register of Director, and Key Managerial Personnel	
(iv)	Register of Members	
(v)	Register of Charges	

SECRETARIAL AUDIT

(vi)	Register of contracts in which directors and KMP are interested	
(vii)	Register of Disclosure of Interest by the Directors	
(viii)	Register for declaration of interest in the shares held by another person who is not a beneficial owner	
(ix)	Register for payment of Dividend	
(x)	Register for unpaid /unclaimed Dividend	
(xi)	Register for Fixed Assets along with the locations of the assets	
(xii)	Register of Investments, Loans, Guarantee and Securities provided by the company	
(xiii)	Common Seal Register	
(xiv)	Register of issue of duplicate share certificates	
(xv)	Register of Debenture-holder	
(xvi)	Register of Employee Stock Options	
(xvii)	Register of buy-back of shares	

GUIDANCE NOTE ON SECRETARIAL AUDIT

Filing of E forms

Forms and Returns filed by the Company pursuant to the provisions of the Companies Act, 2013 read with the Rules/ Regulations made thereunder

Financial Year : 20__ to 20__

<i>Sl. No.</i>	<i>Form No.</i>	<i>Section & Rule Applicable</i>	<i>Particulars of Filing</i>	<i>Date of Filing</i>	<i>Whether filed within the prescribed time</i>	<i>In case of delay, whether prescribed procedure followed and additional fees paid</i>	<i>SRN</i>	<i>Status</i>
1	2	3	4	5	6	7	8	9
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

SECRETARIAL AUDIT

Annexure C

Specimen Management Representation Letter for Secretarial Audit

The following letter is a general guidance. Representation made by management may vary from one entity to another and from one year to another. It should be adopted in the light of individual requirements and circumstances.

[XYZ Limited]

M/s ABC & CO,
Company Secretaries,
ZYZ Road, India

Date:

Dear Sir,

This representation letter is provided in connection with your audit of the Secretarial Records maintained under The Companies Act, 2013 (the Act) and the rules made thereunder; (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') and other applicable laws including labour laws like Factories Act, Payment of Gratuity Act etc for the year ended on 31st March, 20____ Environmental Laws and Competition Laws for the purpose required in it. We the undersigned acknowledge our responsibility for maintaining the Secretarial records referred above and confirm, to the best of our knowledge and belief, the following representations:

Company Law

1. The Company has maintained books of accounts as required under Section 128 of the companies Act, 2013
2. The Company has complied with all the provisions of the Secretarial Standards.
3. The Company has complied with all the provisions of Companies Act, 2013 relating to Statutory Audit/Cost Audit/Internal Audit.
4. No request for transfer or transmission of shares have been received by the company during the year other than as recorded
5. Statutory Registers were kept open for public inspection during working hours on all working days

GUIDANCE NOTE ON SECRETARIAL AUDIT

6. Notice of Board meetings were duly sent to all the directors.
7. Notes and notes to agenda were duly sent to all the directors.
8. No resolutions were passed by way of circulation during the year under review other than.
9. Draft Minutes and final minutes were properly sent to all the directors.
10. Company has not obtained any secured loan from any financial institution/banks other than those mentioned in the register of charges.
11. Notice of annual general meeting has been duly sent to all the members, Directors, Statutory Auditor and Secretarial Auditors.
12. No show cause notice has been received by the company under the Acts referred above or any other laws applicable on the company.
13. We have provided to you all relevant information and have given access to all data and records.
14. There is no pending litigation and claims other than reported in the balance sheet by way of contingent liability.
15. No event other than reported to you specifically has occurred during the year which has a major bearing on the company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above.
16. The views of all the dissenting Directors (if any) on important matters have been captured and recorded in the minute.
17. The venue and time of Board meeting was finalized with the consultation of all board members.
18. _____
19. _____

Securities Laws

1. All Price Sensitive Information was informed to the stock exchanges from time to time
2. All investors complaints directly received by the company are recorded on the same date of receipt.
3. The Company has complied with provision of SEBI (LODR) Regulations, 2015 .
4. _____

SECRETARIAL AUDIT

Specific Applicable Laws

Labour Laws

1. All the premises and establishments have been registered with the appropriate authorities.
2. The Company has not employed any child labour/Bonded labour in any of its establishments.
3. The company is ensuring the compliance of PF/ESI and other social security measures to the contract employees. One of the responsible officers of the company carries out the survey regarding the compliance of this.
4. _____

Environmental Laws

1. The Company is not discharging the contaminated water at the public drains/rivers. The company has efficient water treatment plants at its factory premises (if applicable)
2. The company has been disposing the hazardous waste as per applicable rules

Competition Law

List of other laws generally applicale to the company

We are attaching herewith the list of **laws**

1. Applicable specifically to the company.
2. Other Laws applicable to the company
3. _____
4. _____

[For XYZ Limited]

Date

Director

Director

Place:

GUIDANCE NOTE ON SECRETARIAL AUDIT

Annexure D

Sample Checklist

COMPLIANCE REPORT UNDER INCOME TAX ACT

A. MONTHLY

For the Month of _____

	<i>NATURE OF COMPLIANCE</i>	<i>DUE DATE</i>	<i>DATE OF COMPLAINECE</i>	<i>REMARKS</i>
1.	Payment of TDS : Salaries Director Remuneration / Sitting Fees Contractors Professional Fees Interest/Commission	07 days from the end of the month		
2.				
3.				

B. QUARTERLY

For the Quarter _____

<i>Sl. No.</i>	<i>NATURE OF COMPLIANCE</i>	<i>DUE DATE</i>	<i>DATE OF COMPLAINECE</i>	<i>REMARKS</i>
1.	Payment of Advance Tax Up to 15% Up to 45% Up to 75% Up to 100%			
2.	Filing of Returns of TCS u/s 206C			
3.	Filing of Returns of TDS Salary u/s 192			
4.	Filing of Returns of TDS on Director Remuneration u/s 194J(1)(ba)			

SECRETARIAL AUDIT

5.	Filing of Returns of TDS Interest u/s 194A			
6.	Filing of Returns of TDS Contract u/s 194C			
7.	Filing of Returns of TDS Prof. Fees u/s 194J			
8.	Filing of Returns of TDS Comm. u/s 194I			
9.				

C. Annually

For the Year _____

<i>Sl. No.</i>	<i>NATURE OF COMPLIANCE</i>	<i>DUE DATE</i>	<i>DATE OF COMPLIANCE</i>	<i>REMARKS</i>
1.	Tax Audit u/s 44-AB			
2.	Filing of Returns of Income u/s 139(1)			
3.	Filing of Return on Specified Domestic Transactions			
4.	Filing of Transfer Pricing Report			
5.				

D. STATUS OF PENDING CASES /NOTICES RECEIVED:

<i>DATE OF NOTICE RECEIVED</i>	<i>A.Y.</i>	<i>CONTENTS OF THE NOTICE</i>	<i>AMOUNT OF DEMAND</i>	<i>STATUS OF ACTION TAKEN</i>	<i>REMARKS</i>

Special Remarks:

- 1.
- 2.

GUIDANCE NOTE ON SECRETARIAL AUDIT

COMPLIANCE REPORT UNDER SALES TAX ACT/ VAT ACT

Monthly

For the Month of _____

<i>NATURE OF COMPLIANCE</i>	<i>DUE DATE</i>	<i>DATE OF PAYMENT</i>	<i>AMOUNT PAID</i>	<i>BALANCE IF ANY</i>	<i>REMARKS</i>
Payment of Tax : State (VAT) /C.S.T.					
Entry Tax/ LBT Professional Tax					

B. QUARTERLY

Details of Returns filed during the Quarter _____

<i>Sl. No.</i>	<i>NATURE OF COMPLIANCE</i>	<i>DUE DATE</i>	<i>DATE OF COMPLIANCE</i>	<i>REMARKS</i>
	Returns of State (VAT)			
	Returns of C.S.T.			
	Returns of Entry Tax			
	Returns of Professional Tax			

POSITION OF SALES TAX DUES AS ON / /20

(Rs. in Lacs)

<i>PERIOD</i>	<i>State VAT</i>	<i>C.S.T.</i>	<i>ENTRY TAX</i>	<i>TOTAL</i>	<i>REMARKS</i>

STATUS OF PENDING CASES /NOTICES RECEIVED:

<i>DATE OF NOTICE RECEIVED</i>	<i>A.Y.</i>	<i>CONTENTS OF THE NOTICE</i>	<i>AMOUNT OF DEMAND</i>	<i>STATUS OF ACTION TAKEN</i>	<i>REMARKS</i>

SECRETARIAL AUDIT

COMPLIANCE REPORT UNDER CENTRAL EXCISE ACT

<i>NATURE OF COMPLIANCE</i>	<i>DUE DATE</i>	<i>DATE OF PAYMENT</i>	<i>AMOUNT PAID</i>	<i>BALANCE IF ANY</i>	<i>REMARKS</i>
Filing of RT-12 Return					
ER-1 & ER-6 Payment of Tax	10 th of Every month				

STATUS OF PENDING CASES /NOTICES RECEIVED:

<i>DATE OF NOTICE RECEIVED</i>	<i>A.Y.</i>	<i>CONTENTS OF THE NOTICE</i>	<i>AMOUNT OF DEMAND</i>	<i>STATUS OF ACTION TAKEN</i>	<i>REMARKS</i>

COMPLIANCE REPORT UNDER THE FINANCE ACT, 1994 (SERVICE TAX)

Monthly

<i>NATURE OF COMPLIANCE</i>	<i>DUE DATE</i>	<i>DATE OF FILING</i>	<i>REMARKS</i>
Payment of Service tax : (a) On services rendered (b) On Reverse charge mechanism (b) Director Remuneration / Sitting Fees Contractors	06 days from the end of the month/ 31 st March for the month of March		

Half Yearly Monthly

<i>NATURE OF COMPLIANCE</i>	<i>DUE DATE</i>	<i>DATE OF FILING</i>	<i>REMARKS</i>
Filing of Half Yearly (ST-3) Service Tax Returns	25 days from the end of the half year		
April to September			
October to March			

STATUS OF PENDING CASES /NOTICES RECEIVED:

<i>DATE OF NOTICE RECEIVED</i>	<i>A.Y.</i>	<i>CONTENTS OF THE NOTICE</i>	<i>AMOUNT OF DEMAND</i>	<i>STATUS OF ACTION TAKEN</i>	<i>REMARKS</i>

Prologue:

COMPLIANCE MANAGEMENT SYSTEM

Compliance is a permanent and integral part of business processes that is ongoing and needs continuous tuning in line with the business environment and the applicable regulatory ambit. Compliance Management System should provide processes for

- preventing non-compliances through mechanism such as Compliance risk Management framework, Policies, Processes & Procedures, Training and Communication, Code of Conduct & Ethics programme etc.;
- detecting non-compliances through mechanisms such as effective whistle blowing, compliance controls, compliance audits etc.;
- responding to non-compliance through remedial action, implementation of control tools for non-recurrence of such non-compliance etc.

Through an effective Compliance Management System, the business and its constituents learn about the compliance responsibilities individually and for the organisation as a whole, making them a part of business processes; review operations to ensure responsibilities are carried out and requirements are met; and timely corrective action are taken.

The objective of this template is to help the secretarial auditor in evaluating the critical aspects of compliance management. Check-lists have been provided under each head, along with the intent of the questions. Secretarial Auditor may fine tune the same to company specific depending on the nature of industry, size of organisation and other relevant aspects that impact the compliance management system.

COMPLIANCE MANAGEMENT SYSTEM - TEMPLATE

The Objective

The objective of Compliance Management System is to manage the compliance risk effectively, to promote ethical culture in the organisation, resulting in the maintenance and enhancement of the reputation of the Company. Compliance management through systematic processes helps in achieving compliance of all applicable laws.

The objective of Compliance Management System is -

- To establish and maintain centralised mechanism to ensure compliance with all applicable laws (both Indian and International).
- To establish and maintain effective co-ordination of functional units and the compliance department under the overall supervision of the Board.

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- To incorporate changes in the existing applicable laws or introduction of new laws, into the compliance process in real time manner.
- Effective communication of the changes in the regulatory mandates to the applicable functional and other units in real time manner.
- To provide training on compliance requirements at regular intervals.
- To introduce and implement ethics programmes for Board, Senior Management and other staff members.
- To establish pro-active compliance risk management culture into the organisation.
- To establish effective monitoring and control systems.
- To adopt fair market practices.
- To establish mechanisms to prevent, detect, report and to respond to non-compliances.
- To introduce effective whistle blowing mechanism.
- To establish compliance dashboard.
-
-

The Scope

1. A. Compliance with applicable laws

-
-
-
-

(To be kept updated and amended from time to time)

B. Adherence to Company Specific internal policies and procedures

- Code of Conduct
- Code on prevention of Insider Trading
- Policy on related party transaction
- IT Policy
-

GUIDANCE NOTE ON SECRETARIAL AUDIT

-
- 2. Adherence with Vision and Mission statement of the Company.
- 3. To devise code of conduct for Board, senior management and employees
- 4. Conducting training on compliance, ethics, code of conduct.
- 5. Establishment of Corporate Compliance Committee.
- 6. Appointment of Chief Compliance officer.
- 7. Quarterly compliance Report to be presented to the Board.
- 8. Identification and classification of various compliance risks.
- 9. Organisation of compliance Audit, feed back, remedies.
- 10.
- 11.

Compliance Risk

Compliance risk is the current and prospective risk to earnings or capital arising from violations of, or non-conformance with, laws, rules, regulations, prescribed practices, internal policies, and procedures, or ethical standards. This risk exposes the institution to fines, civil money penalties, payment of damages, and the voiding of contracts. Compliance risk can lead to diminished reputation, reduced expansion potential and an inability to enforce contracts.

The Chief Compliance Officer

The Corporate Compliance Officer (CCO) is the custodian of the Corporate Compliance Plan. The CCO should report on compliance activities that include but are not limited to:

- To establish and review the centralised compliance management system in tune with business environment, strategic decisions of the company and the regulatory amendments.
- To guide and educate the Board on various compliances, regulatory and policy based compliances.
- To devise clear compliance structure
- Liaison between Board, Functional heads and compliance staff.
- To advise the Compliance department regularly and as and when required.
- To devise annual compliance plan.
- To define the role and responsibilities of functional units and disseminate the information.

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- To organise training for the Board and the staff on ethics and compliance.
- To establish and strengthen the Compliance Dashboard.
- Inform the Board and the functional departments about changes in the applicable regulatory landscape and its implications on the organisation.
- To establish processes for effective monitoring and control.
- To present quarterly compliance report before the Board.
-
-
-

Board Level Corporate Compliance Committee

The primary responsibility of the Corporate Compliance Committee is to oversee the company's Corporate Compliance Program with respect to:

- (I) compliance with the laws, rules and regulations applicable to the company;
- (II) Compliance with the Company's Code of Conduct;
- (III) Compliance with Company's policies and procedures;
- (IV) Compliance with established standards;
- (V) Compliance with prevention and detection of fraud, misappropriation etc.;
- (VI) Oversight of the risk management activities of the company and the protection of stakeholders;
- (VII) Making recommendation to revise the compliance management programme.

The Compliance Department

The company should have a dedicated compliance department which should be independent and sufficiently resourced. It should not be entrusted with any business targets. They have to work closely with functional units. The staff of compliance department should have fair knowledge of applicable laws, internal policies etc and should be imparted training at regular intervals. The Chief Compliance Officer shall oversee the activities of Compliance Department.

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The Compliance Dashboard

- The Compliance Dashboard should alert the company in the risk prone areas or non compliances.
- It should display the compliance obligations on the compliance calendar or dashboard
- Before the date of regulatory mandate, and e-mail should be sent to the compliance owner.
- The Compliance owner should send the response once compliance is done.

The compliance dashboard helps in simplifying the compliance obligation, effectively managing the compliance risk, facilitating board oversight, effective co-ordination of functional units.

Compliance System- Checklists

A. Board Oversight

<i>Sl. No.</i>	<i>Question</i>	<i>Yes/No</i>	<i>Intent</i>
1	Does the Board approve compliance report on the applicable Laws ?		The Board should be updated on Compliance with the applicable laws at least every quarter, ensuring compliance by all functional heads and presented by Compliance department/ Chief compliance officer. This helps in effective Board oversight.
2	Does the Board review Compliance Management programme at regular intervals ?		Compliance Management programme has to be revisited at regular intervals in tune with the business environment, regulatory changes etc.
3	Do the members make use of Compliance Dash Board effectively and act upon it when required ?		The Board Members are expected to visit Compliance Dashboard at regular intervals in over-seeing the compliance level in the organisation.
4	Is the Board updated with the applicable laws?		The Board should be updated with the applicable laws at regular intervals that helps the Board in reviewing compliance plan, overseeing compliances, reading compliance dash board etc.

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B. Chief Compliance officer

<i>Sl. No.</i>	<i>Question</i>	<i>Yes/No</i>	<i>Intent</i>
1	Has the Company appointed Chief Compliance Officer ?		Overall Ownership should lie with an exclusive individual who has strong hold on laws, rules and regulations. Appointment of Chief Compliance Officer helps in effective co-ordination of compliances by business units.
2	Has the role of Chief Compliance officer been specifically defined?		As part of Compliance programme, the specific duties of Chief Compliance Officer be defined. This helps in casting the responsibility as well.
3	Is the Chief Compliance Officer an independent person?		Chief Compliance Officer shall be an independent person who should not have any pecuniary interest with the company and should not be associated with any specific business unit.
4	Is the Chief Compliance Officer reporting to Board?		Chief Compliance Officer reporting directly to Board helps in direct and effective communication of compliance aspects with the top management.
5	Does the Compliance Officer participate in major decisions?		The Chief Compliance officer should participate in important strategic and contractual decisions. This helps him in assessing the legal implications of the same on the company.

C. System and Process

<i>Sl. No.</i>	<i>Question</i>	<i>Yes/No</i>	<i>Intent</i>
1	Has the company put in place, a centralised mechanism for tracking and monitoring compliance?		When there are business/functional units at different locations, centralised mechanism of tracking and monitoring compliance helps in effective co-ordination of different business units.

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Question</i>	<i>Yes/No</i>	<i>Intent</i>
2	Has the company put in place the process for development and approval of table of applicable laws, function wise and criticality wise?		The company should have defined process in place for updating the table of applicable laws. For example at every quarter or introduction of new law or amendment to existing law, as the case may be.
3	Does the company have in-built mechanism in place for alerts whenever there is any identification of various laws and its applicability to the organisation, specifically based on the functions ? If so, is the implementation process for the same		The process should provide for change in the regulatory ambit applicable to the company.
4	Has the company paid any penalty for any compliance failure? If so, has the company made gap analysis and taken remedial measures?		The compliance mechanism should provide for no-tolerance to non-compliances. Non-compliances are to be addressed through establishing necessary controls for the same.
5	Has the company appointed designated compliance officials (Compliance owners) at unit level ?		Compliance Owners at unit level helps in ensuring compliance in the respective business units.
6	Has the company co-ordinated the activities of designated compliance official functional heads, Chief Compliance officer and the Board of Directors?		Co-ordination of unit level compliances are essential for ensuring overall compliance.
7	Is the Compliance Management System subject to periodic Audit?		The existing Compliance management should be subject to periodic audit that helps in bringing effective control.

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D. Corporate Compliance Committee

<i>Sl. No.</i>	<i>Question</i>	<i>Yes/No</i>	<i>Intent</i>
1	Has the company constituted corporate compliance committee?		Constituting the Board level Corporate Compliance Committee helps in the effective involvement of the Board in compliance management.
2	Are Functional Heads and Chief Compliance Officer participating in the meetings of Corporate Compliance Committee ?		Participation of Functional Heads and the Chief Compliance Officer in the meeting of Corporate enhances the quality of discussions and decisions.
3	Does the committee meet atleast in every quarter ?		The Committee should meet atleast once in a quarter. This may be in line with assessment

E. Compliance Risk Management

<i>Sl. No.</i>	<i>Question</i>	<i>Yes/No</i>	<i>Intent</i>
1	Is compliance risk a part of ERM ?		Compliance risk should be classified as one of the major risks under ERM.
2	Has the company classified the compliance risk based on criticality (Legislation-wise) ?		Some non- compliances may be cognisable and / or non- compoundable. The company should identify the compliances based on criticality. Compliance risks are to be assessed by Chief Compliance Officer in consultation with functional heads.
3	Are the Compliance Owners aware of financial implications of critical non-compliances ?		The Compliance Owners should be aware of implications of non- compliances.
4	Does the Company undertake Compliance Risk Analysis ?		Compliance risk analysis helps establishing effective compliance controls.

GUIDANCE NOTE ON SECRETARIAL AUDIT

F. Training and Communication

<i>Sl. No.</i>	<i>Question</i>	<i>Yes/No</i>	<i>Intent</i>
1	Has the company imparted training to senior management & employees on compliance programme covering regulatory aspects and the internal policies ?		Regular training helps in understanding the intent, process and consequences of compliances in better manner
2	How does the company communicate with the employees on ethical issues?		Reiterating on ethical issues is essential in any organisation, that would bring overall ethical culture in the organisation.

COMPLIANCES UNDER COMPANIES ACT, 2013

Introduction

Companies are expected to create an environment which ensures the Protection of interest of the stakeholders viz. shareholders, lenders, employees, customers, vendors, service providers, regulators, etc. is paramount.

A company will be failing in its duty and commitment to be a responsible and good corporate citizen, if it does not comply with the provisions of law, as the laws of the land are made with an intention to safeguard the public interest at large.

GENERAL COMPLIANCE REQUIREMENTS

The Companies Act is the key statute, which a Company has to comply in letter and spirit for ensuring the betterment of all stakeholders . As per section 204 of the Companies Act, 2013 (the Act) read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed company and a company belonging to other class of companies as may be prescribed i.e. (a) every public company having a paid-up share capital of fifty crore rupees or more; or (b) every public company having a turnover of two hundred fifty crore rupees or more, are required to annex to its Board's report a Secretarial Audit Report, given by a company secretary in practice. The Secretarial audit report gives thrust on various statutes, systems, processes which provides an assurance to the investors and regulatory authorities on the governance practices of the Company.

The Companies Act, 2013 and rules thereunder is the first legislation covered under the scope of the Secretarial audit. This Chapter provides guidance to the members on checking the compliance of the provisions of this law.

The Secretarial auditor is expected to update on the amendment in the Act and the Rules, which may occur from time to time. The secretarial auditor should inter- alia verify about the Maintenance of statutory registers and records and compliances. The following is a list of documents which a Secretarial auditor is required to inspect:

1. Memorandum and Articles of Association

GUIDANCE NOTE ON SECRETARIAL AUDIT

2. Forms filed with the Registrar of Companies with receipts.
3. Index of Meetings held during the financial year.
4. Minutes of the Board, its Committees and of General meeting.
5. Proof of Circulation of Notice and Agenda of Board meetings, Committee meetings and the General meeting
6. Proof of circulation of Draft Minutes and Final Minutes of meeting of Board and its committees.
7. Attendance Register of Board and committee meetings
8. All statutory registers.
9. Copy of financial statement along with notes to accounts and Auditor Report .
10. Report of Internal Auditor.
11. Notices of annual and event based disclosure of directors' interests.
12. Copies of contracts made between the company and any of the related parties
13. Shareholder List, details of Share Transfers which have taken place during the financial year
14. Copy of Share Transfer Deeds.
15. Instruments creating, modifying or satisfying charges.
16. Forms relating to Disclosures from Directors.
17. Certificate from RTA stating the number of shareholders as on the close of the financial year.
18. Certified true Board Resolution for any type of corporate actions taken by the Company
19. Details of the Holding and Subsidiary Companies
20. Complete details of Shares and Debentures issued during the year.
21. Details of change in shareholding of the promoters and top ten shareholders of the Company under Section 93.
22. Details with respect to maintenance of cost records and appointment of cost auditor.
23. Provide details of appointment of Auditor and Internal auditor.
24. Provide the list of Related Party Transactions.

COMPLIANCES UNDER COMPANIES ACT, 2013

25. Indebtedness Certificate signed by Company Secretary / CFO of the Company.
26. Listing and Trading Approval(s) from Stock Exchanges.
27. Intimation to Stock Exchanges, Confirmation from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for change of the name of the company, change in the face value of equity shares, etc.
28. Change of name of the company, change in the face value of the company, new ISIN No of the Company in respect of the allotment or as a result of any change in capital structure due to any corporate action taken by the Company during the financial year under audit.
29. Corporate Action Forms filed by the Company with Depositories.
30. Equity Shareholding pattern and its break up as at the close of the financial year.
31. Any orders received by the company from the High court/Tribunal or from any other regulatory body.
32. Compliance record under FEMA with respect to FDI,ECB and ODI as applicable.
33. Copies of Shareholders and joint ventures agreement, if any.
34. Copy of Declaration received from Independent Director u/s 149(7).
35. Corporate Social Responsibility (CSR)
36. Directors and Key Managerial Personnel(KMP)
37. Bank Statements relating to transfer of Dividend to Separate bank account, proof of despatch of dividend within 30 days Dividend
38. Advertisement/circular relating to Deposits; Credit rating certificate, deposit insurance, if any
39. Such other documents as required for the purpose of audit.

GUIDANCE NOTE ON SECRETARIAL AUDIT

A Company Secretary in Practice in order to verify the compliances has to verify the secretarial records of the company with the help of the following checklist:-

I. MEMORANDUM AND/OR ARTICLES OF ASSOCIATION

Checklist

A. Alteration of memorandum (Section 13 of the Companies Act)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1.	<p>Check the purpose of Alteration of Memorandum. If the alteration is for :</p> <p>(a) any purpose other than the purpose mentioned under section 61,</p> <p>(b) alteration as required under section 61 of the Companies Act, 2013, requires special resolution under the Articles of Association</p> <p>check whether the company has passed the special resolution and filed Form MGT-14 with the Registrar as per Companies (Management and Administration) Rules, 2014</p>	
2.	The company has altered its name with the approval of Central Government.	
3.	The company has obtained fresh certificate of incorporation from the Registrar in Form No.INC.25 as per Companies (Incorporation) Rules, 2014.	
4.	If the company has shifted the registered office from one state to another state, it is with the approval from the Central government. The application to be filed in form INC 23. Check whether the order of the Central Government is filed with both the states in Form No INC 28 within 30 days from date of receipt of certified copy of order.	
5.	<p>In case company has raised money from public through prospectus and still has any unutilised amount out of the money so raised, a special resolution has been passed through postal ballot by the company to change its objects for which it raised the money through prospectus –</p> <ul style="list-style-type: none"> • the notice contains the details as provided in Rule 32 of the Companies (Incorporation) Rules, 2014 • the details, were published in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated and was placed on the website of the company, indicating therein the justification for such change; • the dissenting shareholders were given an opportunity to exit by the promoters and shareholders having control in accordance with regulations specified by the Securities and Exchange Board. 	

COMPLIANCES UNDER COMPANIES ACT, 2013

B. Alteration of Articles (Section 14 of Companies Act)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1.	The company has passed special resolution with respect to alteration of articles and has filed form MGT 14.	
2.	In case of conversion of a private company into a public company or vice versa, the application was filed in Form No. INC. 27	
3.	A copy of the order of the competent authority approving the alteration has been filed with the Registrar in Form No. INC.27 together with the printed copy of the altered articles within fifteen days of the receipt of the order from the Central Government.	
4.	Provision for entrenchment has been made by an amendment in the Articles, with the consent of all the members in case of a private company /by passing special resolution in case of a public company.	
5.	Every alteration made in the memorandum or articles has been noted in every copy of the memorandum or articles. Articles and the copy of every resolution which has the effect of altering the articles and the copy of every agreement referred to in sub-section (3) of section 117 shall be embodied in or annexed to every copy of the articles issued after passing of the resolution or making of the resolution.	
6.	The company sends on payment of fee, a copy of each of the following documents to a member within seven days of the request being made by him- (i) the memorandum; (ii) the articles; (iii) Every agreement and every resolution referred to in section 117(1) if they have not been embodied in the memorandum and articles.	

Checked by:

Reviewed by:

Date:

Date:

GUIDANCE NOTE ON SECRETARIAL AUDIT

Indicative list of documents to be checked (Alteration of memorandum)

1. Notice convening general meeting with relevant explanatory statement
2. Minutes of General Meeting
3. Annual Return
4. Financial Statement
5. Advertisement for change in objects / shifting of registered office
6. Memorandum of Association
7. Articles of Association
8. INC23, INC24, INC25, INC26, INC28, MGT14 (along with attachments and challans)

Indicative list of documents to be checked (Alteration of Articles)

1. Notice convening general meeting with explanatory statement
2. Minutes of General Meeting
3. Memorandum of Association
4. Articles of Association
5. INC27, MGT14(along with attachments and challans)

II. DISCLOSURES

Checklist

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1.	The address of registered office of Company is displayed at its registered office and all other offices as per section 12;Where the company has changed its name(s) during the last two years, it has affixed along with its name, the former name(s) so changed during the last two years.	
2.	Where the authorised share capital has been displayed in its official publications, the subscribed /paid-up share capital is also displayed as per section 60;	
3.	Company has disclosed its CIN, website address etc. as provided in section 12 in all its official publications	

COMPLIANCES UNDER COMPANIES ACT, 2013

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
4.	Website of company discloses the mandatory information.	
5.	Director Identification Number of each director is mentioned while furnishing any return, information or particulars as are required to be furnished under the Act.	

Checked by:

Reviewed by:

Date:

Date:

Indicative list of documents to be checked :

- Certificate of Incorporation
- Copies of returns or documents filed under the Act
- Website of the company

Website disclosures under the Companies Act, 2013

<i>Section / Rules</i>	<i>Requirement as per Companies Act, 2013</i>
Section 13(8)(i) read with Rule 32(3) of the Companies (Incorporation) Rules, 2014	A company, which has raised money from public through prospectus and still has any unutilised amount out of the money so raised, shall not change its objects for which it raised the money through prospectus unless a special resolution is passed by the company, the details in respect of such resolution, shall also be placed on the website of the company, if any.
Section 73 read with Rule 4(3) of the Companies (Acceptance of Deposits) Rules, 2014	A company intending to invite deposits shall upload a copy of circular issued to members inviting deposits on its website, if any.
Section 91 read with Rule 10 (1) of the Companies (Management and Administration) Rules, 2014	Seven days previous notice of closure of the register of members, debenture holders or other security holders to be uploaded on the website of the company, if any, or any other website as notified by the Central Government.

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Section / Rules</i>	<i>Requirement as per Companies Act, 2013</i>
Section 101 read with Rule 18 (3)(ix) of the Companies (Management and Administration) Rules, 2014	In case notice of general meeting is sent through electronic means, such notice shall be uploaded on the website of the company, if any, or any website as notified by the Central Government.
Section 73 read with Rule 4(3) of the Companies (Acceptance of Deposits) Rules, 2014	A company intending to invite deposits shall upload a copy of circular issued to members inviting deposits on its website, if any.
Section 91 read with Rule 10 (1) of the Companies (Management and Administration) Rules, 2014	Seven days previous notice of closure of the register of members, debenture holders or other security holders to be uploaded on the website of the company, if any, or any other website as notified by the Central Government.
Section 101 read with Rule 18 (3)(ix) of the Companies (Management and Administration) Rules, 2014	In case notice of general meeting is sent through electronic means, such notice shall be uploaded on the website of the company, if any, or any website as notified by the Central Government.
Section 108 read with Rule 20(4) (xvi) of the Companies (Management and Administration) Rules, 2014	In case the voting at general meeting is held through electronic mode, the results declared along with the scrutinizer's report shall be placed on the website of the company, if any, immediately after the result is declared by the Chairman.
Section 110 read with Rule 22 (4) of the Companies (Management and Administration) Rules, 2014	Where any resolution is being passed by postal ballot, notice of postal ballot to be uploaded on the website of the company, if any, and it shall remain on the website till the last date for receipt of the postal ballot from members.

COMPLIANCES UNDER COMPANIES ACT, 2013

<i>Section / Rules</i>	<i>Requirement as per Companies Act, 2013</i>
Section 110 read with Rule 22 (13) of the Companies (Management and Administration) Rules, 2014	Where any resolution is being passed by postal ballot, the result declared along with the scrutinizer's report shall be uploaded on the website of the company, if any.
Section 115 read with (Rule 23 (4) of the Companies (Management and Administration) Rules, 2014	Where for a resolution special notice has been given by a member of the company and it is not possible for the company to send the notice in the same manner as notice of general meeting, then apart from publishing it in the newspaper, notice shall be placed on the website of the company, if any, within seven days before the meeting.
Section 124(2) (Not yet notified)	The company, making any transfer of an amount to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose within 90 days of making any transfer.
Section 135(4)(a) read with rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014	The Company shall disclose contents of CSR Policy in Board's report and also place it on its website, if any.
Section 136(1)	A listed company shall also place its financial statements and all other documents required to be attached thereto, on its website, if any.
Section 136(1) 4th Proviso	Every company having a subsidiary or subsidiaries shall, place separate audited accounts in respect of each of its subsidiary on its website, if any.
Section 177(10)	Details of establishment of vigil mechanism shall be disclosed by the company on its website, if any.
Section 230(3)	Where a meeting is proposed to be called in pursuance of an order of the Tribunal under sub-section (1) of section 230, a notice of such meeting and every detail shall also be placed on the website of the company, if any.

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Section / Rules</i>	<i>Requirement as per Companies Act, 2013</i>
Section 160 read with Rule 13 of the Companies (Appointment and Qualification of Director) Rules, 2014	Place the notice of or intention for the candidature of a person for the office of a director on the website of the company, if any, Seven days before the general meeting.
Section 168 read with Rule 15 of the Companies (Appointment and Qualification of Director) Rules, 2014)	Information about resignation of the Director shall be posted on the website of the company, if any, within 30 days from the date of receipt of notice.
Rule 7(3) of the Companies (Prospectus and Allotment of Securities) Rules, 2014	The notice of special resolution with regard to variation in terms of contract or objects in prospectus shall be placed on the web-site of the company, if any.
Rule 20(3)(b) the Companies (Incorporation) Rules, 2014	The existing company shall, for the purpose of license under section 8, to publish a notice in the newspaper, and shall also be uploaded on the websites as may be notified by the Central Government, within a week from the date of making the application to the Registrar
Rule 22 (1) (b) the Companies (Incorporation) Rules, 2014	Companies registered under section 8 for the purpose of seeking conversion into any other kind shall upload a notice on the website of the company, if any, within a week from the date of making the application to the Regional Director.
Rule 4 (2) the Companies (Acceptance of Deposits) Rules, 2014	Eligible Companies intending to invite deposit shall issue a circular in the form of an advertisement in Form DPT-1 which shall also be placed on the website of the Company.
Schedule IV Code of Independent Directors	The terms and conditions of appointment of independent directors shall be posted on the company's website.

Checked by:

Reviewed by:

Date:

Date:

COMPLIANCES UNDER COMPANIES ACT, 2013

Indicative list of documents to be checked:

- Website of the company
- Copy of documents which are uploaded on website

III. ISSUE OF SHARES AND OTHER SECURITIES

Checklist

Public and Private Company may allot securities as:

1. Rights issue
2. Bonus issue
3. Private placement
4. ESOP

Private Placement U/S 42 (Read with Companies (Prospectus and Allotment of Securities) Rules, 2014

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1.	To ensure that persons to whom offer has been made does not exceed 200 in the aggregate in a financial year for each kind of security. It is to be noted that any offer or invitation made to qualified institutional buyers or to employees of the company under scheme of employees stock option shall not be considered while calculating the limit of two hundred persons.	
2.	No allotment against any previous offer / invitation of any kind of security is pending. Non-banking financial companies and Housing Finance Companies are exempted from these provisions.	
3.	Company has passed special resolution for each offer / invitation (except in case of NCDs, where one resolution in a year for all offers during the year is sufficient).	
4.	Explanatory statement contains justification for price and premium, if any and requirements of section 102, if any.	
5.	Issue of a private placement offer letter was in form PAS-4.	
6.	Requirements of Private placement offer letter: (a) Was accompanied by serially numbered application form	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
	<p>(b) Addressed specifically to the person to whom offer is being made</p> <p>(c) Sent to only such person in writing / electronically</p> <p>(d) Sent within 30 days of recording names in the list</p> <p>(e) No person other than the addressee was allowed to apply through application form</p> <p>(f) Value of offer / invitation per person was not less than Rs. 20,000 of face value of the security.</p>	
6.	Requirements of Private placement offer letter:	
7.	Private placement was offered to such persons whose names are recorded prior to the invitation to subscribe.	
8.	The Company has maintained record of offers in form no. PAS-5.	
9.	Company has filed offer letter with ROC in form no. PAS-3 along with record of offer letters within 30 days of circulation of offer letter.	
10.	Amount against offer to be received only by cheque / demand draft / other banking channels but not by cash – only from the bank account of the subscriber.	
11.	Company to maintain record of the bank account from which payments received. Ensure that payment has been made from the bank account of the person subscribing to such securities.	
12.	In case of joint holders, ensure payment was received from first applicant only	
13.	Allotment was completed within 60 days from date of receipt of application form. If not, application money repaid within 15 days of completion of 60 days. If not repaid, the application money along with interest at 12 percent per annum from expiry of 60th day was paid.	
14.	Board resolution to specifically contain authority for issuance of share certificates to two directors and CS / one authorized person. One of the two directors should be director other than MD / WTD.	
15.	Share application money to be kept in separate bank account and was utilized only for (a) adjustment against allotment or (b) repayment.	

COMPLIANCES UNDER COMPANIES ACT, 2013

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
16.	Company filed Return of allotment in form PAS-3 within 30 days.	
17.	Ensure list of allottees attached with Form PAS-3 is certified by the signatory of the Form PAS-3.	
18.	Share certificates were issued within 2 months of allotment of shares / 6 months of allotment of debentures.	
19.	In case of contravention, money was refunded within 30 days of order imposing the penalty.	
20	Company has made entry in Register of Members Securities holders.	

Checked by:

Reviewed by:

Date:

Date:

Indicative list of documents to be checked :

- Minutes of Board Meeting
- Notice convening general meeting with relevant explanatory statement
- Register of members/securities holders
- Valuation report
- Board resolution authorising person to sign certificate
- Proof of despatch of PAS-4
- PAS-3 (including List of Allottees), PAS-4, PAS-5, MGT-14

PREFERENTIAL ALLOTMENT U/S 62

Applicable to Private and Public Company

Kinds of securities covered:

- equity shares,
- convertible preference share
- fully convertible debentures,
- partly convertible debentures,
- any other security which would be convertible into equity shares at a later date

GUIDANCE NOTE ON SECRETARIAL AUDIT

Whenever a company wants to increase its subscribed capital: It shall allot further shares to:

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
I.	<p>Existing equity shareholders in proportion to the paid up share capital held by them.</p> <p>Procedure to be followed:</p> <p>(a) Letter of offer to be sent to existing equity shareholders as notice by registered post/ speed post / electronic mode at least 3 days before opening of the issue</p> <p>(b) Contents of letter of offer : (1) Specify number of shares offered (2) time limit of minimum 15 and maximum 30 days from date of offer within which the offer if not accepted, would be deemed to have been declined (in case of private company, the period lesser than this shall apply, if 90% of members have given their consent (3) offer to include a right exercisable by person concerned to renounce the shares offered to him in favour of any other person</p> <p>In case 90% of the members of a private company have given their consent in writing or in electronic mode, the period lesser than those specified in said sub clause or sub section shall apply.</p> <p>(c) On expiry of period / renunciation, Board may dispose of the shares in a manner not disadvantageous to the company and the shareholders</p> <p>(d) Ensure that the allotment was made within 60 days from the date of receipt of the share application money to comply with Companies (Acceptance of Deposits) Rules, 2014.</p> <p>In case of any preferential offer made by a company to one or more existing members only, the provisions of sub-rule (1) and proviso to sub-rule (3) of rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 shall not apply. Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 deals with private placement.</p>	
II.	<p>Employees under ESOP Scheme; subject to prior special resolution and the conditions specified in Rule 12 of the Companies (Share Capital and Debenture) Rules, 2014. In case of private limited company, passing of ordinary resolution is sufficient.</p>	
III.	<p>Any persons: (1) subject to prior special resolution; (2) either for cash or for consideration other than cash, (3) if price is determined by valuation report of registered valuer.</p>	

COMPLIANCES UNDER COMPANIES ACT, 2013

This section does not apply where increase in subscribed capital is caused by exercise of option to convert debentures / loan into shares of the company provided terms of issue of debentures / loan have been approved by special resolution before issue of debentures / raising of loan.

Checked by:

Reviewed by:

Date:

Date:

Indicative list of documents to be checked :

- Minutes of Board Meeting
- Copy of notice of offer of shares
- Articles of Association
- Valuation Report
- Intimation to accept / decline the shares offered
- Special / ordinary Resolution to offer of shares to employees under ESOP and minutes thereof
- Scheme of employee stock option
- Special Resolution for offering the shares to any other persons and minutes thereof.
- PAS-3, MGT-14

Checklist for compliances about Employee Stock Option under Companies Act, 2013 and Rules made thereunder

(I) Unlisted public companies

The Companies Act, 2013 lays down the provisions for issue of employee stock option under section 62 (1)(b) and rule 12 of the Companies (Share Capital and Debentures) Rules, 2014. A PCS is required to verify the following:

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1.	Whether the company has passed the special resolution as required under section 62 (1) (b) of the Companies Act, 2013. In case of private company, passing of ordinary resolution is sufficient.	
2.	If passed, check the copy of the special resolution for approving the scheme of ESOP. Ensure that such employees are within the meaning of 'employee' as given in explanation to Rule 12(1) of Companies (Share Capital and Debentures) Rules, 2014.	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
3.	Check whether special resolution has been filed with ROC in Form No. MGT.14 as per Companies (Management and Administration) Rules, 2014.	
4.	Check that the explanatory statement to the notice of the meeting contains the disclosures required to be made under the sub-rule (2) of rule 12 of Companies (Share Capital and Debentures) Rules, 2014.	
5.	Check that the Director's Report contains the disclosures required to be made in such report under sub-rule (9) of the rule 12 of Companies (Share Capital and Debentures) Rules, 2014.	
6.	Verify the Register of Employee Stock Options maintained in Form No. SH.6 of Companies (Share Capital and Debentures) Rules, 2014 and that the register is duly authenticated by the company secretary of the company or by any other person authorized by the Board for the purpose.	
7.	Check that the Independent Directors, if any, are not allotted any Stock options.	

Checked by

Reviewed by:

Date:

Date:

Indicative list of documents to be checked :

- Minutes of Board Meeting / Committee meeting
- Special Resolution approving ESOP alongwith explanatory statement
- Minutes of General meeting
- ESOP Scheme
- Board's Report
- Register of Employee Stock Option (Form SH-6)
- PAS-3, MGT-14

Procedure for issue of shares to any persons other than existing equity shareholders u/s 62 (1) (c) read with Rule 13 of Companies (Share Capital and Debenture) Rules, 2014 (taking into account procedure u/s 42 also) :

COMPLIANCES UNDER COMPANIES ACT, 2013

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1.	Prepare a list of persons (not exceeding 200 in a financial year for each kind of security) to whom offer may be made.	
2.	Ensure that no allotment against any previous offer / invitation of any kind of security is pending.	
3.	Issue to be authroised by AOA.	
4.	Pass special resolution for such issue.	
5.	Explanatory statement to contain justification for price and premium, if any and also other matters as prescribed by the rules.	
6.	Determine issue price by valuation report of registered valuer / independent merchant banker / independent CA having experience of ten years.	
7.	The issue price not to be less than the price determined on the basis of valuation report.	
8.	Only fully paid securities can be issued.	
9.	Issue an offer letter in Form No.PAS-4.	
10.	Requirements of Offer letter: (a) To be accompanied by serially numbered application form (b) Addressed specifically to the person to whom offer is being made (c) Sent to only such person in writing / electronically (d) Within 30 days of recording names in the list (e) No person other than the addressee allowed to apply through application form (f) Value of offer / invitation per person not less than Rs. 20,000 of face value of the security (g) To also comply with requirement of contents of notice about renunciation etc.	
11.	Maintain record of offer letters in Form No. PAS-5.	
12.	File offer letter with ROC along with record of offer letters letters in Form GNL-2 within 30 days of circulation of offer letter.	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
13.	Amount against offer to be received only by cheque / demand draft/ other banking channels but not by cash – only from the bank account of the subscriber.	
14.	Company to maintain record of the bank account from which payments received.	
15.	In case of joint holders, payment was received from first applicant only.	
16.	Allotment was completed within 12 months from date of passing special resolution. If not, another special resolution was passed to complete allotment.	
17.	Where convertible securities are offered, price of resultant shares shall be determined beforehand on basis of valuation report.	
18.	Board resolution to specifically contain authority for issuance of share certificates to 2 directors or by a director and the Company Secretary.	
19.	Share application money was kept in separate bank account and was utilized only for (a) adjustment against allotment or (b) repayment.	
20.	Return of allotment in Form No. PAS-3 within 30 days.	
21.	Ensure list of allottees attached with Form PAS-3 is certified by the signatory of the Form PAS-3.	
22.	Share certificates to be issued within 2 months of allotment of shares/ 6 months of allotment of debentures.	
23.	Entry in Register of Members.	
24.	In case of consideration other than cash, accounting treatment as specified in Rules, was complied.	
25.	In case a charge is required to be created in connection with the issue of the securities, check if the same has been done in accordance with the provisions of the Act and other applicable legal requirements and prescribed returns have been filed.	
26.	In case of listed company, regulations made by SEBI has been complied with (Checklist given in separate chapter of SEBI Regulations)	

Checked by:

Reviewed by:

Date:

Date:

COMPLIANCES UNDER COMPANIES ACT, 2013

Indicative list of documents to be checked :

- Minutes of Board Meeting
- Special Resolution with Explanatory Statement and minutes thereof
- Articles of Association
- Valuation Report
- Copy of offer letter
- Record of Bank account from where payments for subscription have been received
- Board resolution giving authority to sign the share certificates
- Register of members
- Board's Report
- PAS-3 (including list of allottees) PAS-4, PAS-5, SH-6, MGT-14

Checklist : Issue of Capital and Securities

Bonus Issue (Section 63)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1.	Check whether it is authorised by its articles;	
2.	Check bonus share shall not be in lieu of dividend. Whether it has, on the recommendation of the Board, been authorised in the general meeting of the company;	
3.	Whether the company has defaulted in payment of interest or principal in respect of fixed deposits or debt securities issued by it;	
4.	Whether it has defaulted in respect of the payment of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus;	
5.	Whether the partly paid-up shares, if any outstanding on the date of allotment, have been made fully paid-up;	
6.	Whether the bonus is declared only out of (a) Free reserves (b) Securities Premium Account	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
	(c) Capital Redemption Reserve Account and not out of revaluation reserve created out of revaluation of assets.	
7.	Ensure that the company which has once announced the decision of its Board recommending a bonus issue does not subsequently withdraw the same;	
8.	Check whether Return of allotment is filed with the registrar in Form No. PAS.3 within 30 days.	

Checked by:

Reviewed by:

Date:

Date:

Indicative list of documents to be checked :

- Articles of Association
- Minutes of Board Meeting
- Minutes of General meeting
- Register of members
- Auditor's Report
- PAS-3, MGT-14

Checklist: Issue of Sweat Equity Shares (Section 54)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1.	Section 2 (88) defines "sweat equity shares" to mean such equity shares as are issued by a company to its directors or employees at a discount or for consideration, other than cash, for providing their know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called. The expressions "Employee" and "value additions" are also explained in explanation to Rule 8(1).	
2.	In case of Listed Company, ensure that the issue of Sweat Equity Shares is in compliance with the SEBI (Issue of Sweat Equity) Regulations, 2002.	

COMPLIANCES UNDER COMPANIES ACT, 2013

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
	In case of an unlisted Company	
3.	The issue is authorised by a special resolution passed by the company, ensuring that the special resolution authorising the same is valid for making the allotment within a period of not more than twelve months from the date of passing of the special resolution.	
4.	Explanatory statement to be annexed to the notice of the general meeting contains the specified particulars [Rule 8 of the Companies (Share Capital and Debenture) Rules, 2014].	
5.	Not less than one year has, at the date of such issue, elapsed since the date on which the company had commenced business.	
6.	The company has not issued sweat equity shares for more than fifteen percent of the existing paid up equity share capital in a year or shares of the issue value of rupees five crores, whichever is higher. Further it is to be ensured that the issuance of sweat equity shares in the Company has not exceeded twenty five percent, of the paid up equity capital of the Company at any time.	
7.	The Sweat Equity Shares to be issued are valued at a price determined by a registered valuer.	
8.	The Sweat Equity Shares issued are locked in / non transferable for a period of three years from the date of allotment. The fact and the period of lock in, is stamped in bold on such share certificates.	
9.	The amount of Sweat Equity shares issued is included as a part of managerial remuneration while calculating the limits. 10.Details as per Rule 8(13) of Companies (Share Capital and Debentures) Rules, 2014 of the Sweat Equity shares are mentioned in the Director's Report .	
10.	The company is maintaining Register of Sweat Equity Shares in Form No. SH.3	
11.	The Register of Sweat Equity Shares is maintained at the registered office of the company or such other place as the Board may decide.	
12.	The entries in the register are authenticated by the Company Secretary of the company or by any other person authorized by the Board for the purpose.	

Checked by:

Reviewed by:

Date:

Date:

GUIDANCE NOTE ON SECRETARIAL AUDIT

Indicative list of documents to be checked :

- Minutes of Board Meeting
- Special Resolution with Explanatory Statement
- Minutes of General meeting
- Register of members
- Approvals of registration from sectoral regulators such as RBI, SEBI etc.
- Valuation Report
- Board's Report
- INC-21, SH-3
- PAS-3, MGT-14

Checklist : Calls on Shares/Debentures

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1.	call on shares / debentures was made by the Board of directors by means of resolutions passed at the Board meeting in terms of section 179(3);	
2.	call on shares / debentures complied with the stipulations contained in the Articles of Association;	
3.	The Board of directors approved the rate of interest payable on delayed payment of calls in conformity with the provisions contained in the Articles of Association.	

Checked by:

Reviewed by:

Date:

Date:

Indicative list of documents to be checked:

- Minutes of Board meeting
- Articles of Association
- MGT-14
- Bank statement
- Copies of Call letter
- Proof of dispatch of call letters

COMPLIANCES UNDER COMPANIES ACT, 2013

Checklist : Buy-back of Shares / Securities (Section 68)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1.	The offer for buy back is not made within 1 year of closure of preceding offer of buy back.	
2.	The Articles of association authorize buy back of securities. If not, a special resolution for amending the articles of association under section 14 of the Companies Act, 2013 has been passed by the company in general meeting.	
3.	Form No. MGT.14 as per Companies (Management and Administration) Rules, 2014 has been filed with RoC within 30 days of passing the special resolution.	
4.	In case, buy back of securities are upto 10% of total paid up equity capital & free reserves, whether a board resolution was passed authorizing the buy-back.	
5.	A special resolution has been passed in general meeting, authorizing the board to buy-back.(Note: This is not applicable in case the buy- back is ten percent or less of the paid up capital and free reserves of the company)	
6.	The explanatory statement is required to be annexed to the notice of general meeting pursuant to section 102 contains the disclosures mentioned in the rule 17 (1) of the Companies (Share Capital and Debentures) Rules, 2014 in this behalf.[Note: Refer Rule 17(1)]	
7.	After passing of special resolution but before buy-back, the letter of offer has been filed with RoC in Form No. SH.8 with the requisite fee.	
8.	The letter of offer has been dated and signed on behalf of the board by not less than two directors of the company, one of whom shall be the managing director, where there is one.	
9.	The shares or other securities so bought back are extinguished and physically destroyed within seven days of the completion of buy-back.	
10.	The declaration of solvency required pursuant to section 68 (6) of the Companies Act, 2013 has been filed in Form No. SH.9 as per Companies (Share Capital and Debentures) Rules, 2014 with RoC.	
11.	The declaration of solvency has been signed and verified by atleast two directors, one of whom shall be the managing director of the company, if any.	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
12.	The company maintains a register of shares or other securities which have been bought back in Form No. SH. 10 as per Companies (Share Capital and Debentures) Rules, 2014.	
13.	The company has filed a return within 30 days of completion of buy-back in Form No. SH.11 as per Companies (Share Capital and Debentures) Rules, 2014 with RoC and in case of a listed Company with the Securities and Exchange Board of India.	
14.	The certificate of compliance in Form No. SH.15 signed by two directors of the company including the managing director, if any, and verified by Company Secretary in Practice is annexed to the return filed with RoC in Form No. SH.11.	
15	Buy back of any kind of shares or other specified securities has been made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.	
16.	The company has not issued shares of the same kind within a period of 6 months except by way of bonus issue or discharge of subsisting obligation.	
17.	Check whether securities have been physically destroyed within 7 days .	

Checked by:

Reviewed by:

Date:

Date:

Indicative list of documents to be checked :

- Articles of Association
- Minutes of Board meeting
- Minutes of General meeting
- Notice authorising buy-back alongwith explanatory statement
- Letter of offer (SH-8)
- Declaration of Solvency (SH-9)
- Register of shares/ other securities bought back (SH-10)
- Return of Buy-back (SH-11)

COMPLIANCES UNDER COMPANIES ACT, 2013

- Certification of Compliance (SH-15)
- MGT-14
- Relevant register of securities holders

Checklist : Debentures (Section 71)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1.	<p>An issue of secured debentures may be made, provided the date of its redemption does not exceed ten years from the date of issue. A company engaged in the setting up of infrastructure projects may issue secured debentures for a period exceeding ten years but not exceeding thirty years (Rule 18 Companies (Share Capital and Debentures) Rules, 2014.</p> <ul style="list-style-type: none"> • In case of any issue of debentures by a Government company which is fully secured by the guarantee given by the Central Government or one or more State Government or by both, the requirement for creation of charge shall not apply. • In case of any loan taken by a subsidiary company from any bank or financial institution, the charge or mortgage may be created on the properties or assets of the holding company. 	
2.	Company may issue debentures with an option to convert such debentures into shares, either wholly or partly at the time of redemption and shall be approved by a special resolution passed at a general meeting.	
3.	The company has appointed a debenture trustee before the issue of prospectus or letter of offer for subscription of its debentures.	
4.	A trust deed in Form No. SH. 12 or as near thereto as possible has been executed by the company issuing debentures in favour of the debenture trustees within three months of closure of the or offer.	
5.	The company has created a Debenture Redemption Reserve for the purpose of redemption of debentures in accordance with the conditions specified in sub rule (7) of rule 18 of the Companies (Share Capital and Debentures) Rules, 2014.	
6.	In case, any amount received by a company against issue of commercial paper or any other similar instrument issued in accordance with the guidelines or regulations or notification issued by the Reserve Bank of India, Rule 18 shall not apply.	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
7.	In case of any offer of foreign currency convertible bonds or foreign currency bonds issued in accordance with the Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 or regulations or directions issued by the Reserve Bank of India, Rule 18 shall not apply, unless otherwise provided in such Scheme or regulations or directions.	

Checked by:

Reviewed by:

Date:

Date:

Indicative list of documents to be checked :

- Minutes of Board Meeting
- Notice alongwith explanatory statement
- Minutes of General meeting
- Charge documents
- Prospectus or letter of offer for subscription of debentures
- Written consent from debenture trustee
- Requisition signed by debenture holders for meeting
- Trust deed (SH-12)
- Financial Statement
- MGT-14

Checklist : Issue and redemption of preference shares (section 55)

Issue of Preference shares

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1.	A company is authorized by its articles to issue preference shares.	
2.	The preference shares shall be liable to be redeemed within a period not exceeding twenty years. A company engaged in the setting up and dealing	

COMPLIANCES UNDER COMPANIES ACT, 2013

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
	with or infrastructure projects may issue preference shares for a period exceeding twenty years but not exceeding thirty years, subject to the redemption of a minimum of ten per cent of such preference shares per year from the twenty first year onwards or earlier, on proportionate basis, at the option of the preference shareholders.	
3.	The issue of preference shares has been authorized by passing a special resolution in the general meeting of the company;	
4.	The explanatory statement to be annexed in the notice of general meeting shall provide complete material facts concerned with and relevant to the issue of preference shares including details mentioned in sub-rule (3) of rule 9 of the Companies (Share Capital and Debentures) Rules, 2014.	
5.	The company, at the time of such issue of preference shares has no subsisting default in the redemption of preference shares issued either before or after the commencement of the Act or in payment of dividend due on any preference shares.	
6.	The resolution for issue of preference shares has set out the following matters: (a) priority with respect to payment of dividend or repayment of capital vis-a-vis equity shares; (b) participation in surplus dividend; (c) participation in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid; (d) Payment of dividend on cumulative or non-cumulative basis.(e) Conversion of preference shares into equity shares. (f) Voting rights. (g) Redemption of preference shares.	
7.	All the terms of issue of Preference shares other than those prescribed , such as when the preference dividend shall be due etc are clearly defined	
Redemption of preference shares		
8.	Check whether the redemption is only on the terms on which they were issued or as varied after due approval of the preference shareholders.	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
9.	Check that the redemption is only out of profits or out of proceeds of fresh issue of shares	
10.	Check that the preference shares redeemed were fully paid	
11.	Check the premium paid is as per the provisions of the Act	

Checked by:

Reviewed by:

Date:

Date:

Indicative list of documents to be checked:

- Articles of Association
- Financial statement
- Notice with explanatory statement
- Minutes of General Meeting
- Register of Members
- MGT-14

IV. TRANSFER AND TRANSMISSION OF SHARES AND OTHER SECURITIES AND RELATED MATTERS.

Checklist for Issue of Certificates for Shares and other Securities (Section 46)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1.	The company has allotted shares/debentures and entered the names of allottees in the register of members/debenture holders;(Note: where the register and index of beneficial owners is maintained by a depository it shall be deemed to be corresponding to the register of members)	
2.	The company has issued and delivered share certificates as per section 46 of the Act;	
3.	Whether Board has passed a resolution for the issuance of certificate of any share or shares;	
4.	The company has executed Debenture Trust Deed in case of secured debentures;	

COMPLIANCES UNDER COMPANIES ACT, 2013

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
5.	The company has complied with delivery of certificates within the time limits prescribed under section 56(4).	
6.	Proper stamp duty has been paid.	
7.	The certificates are issued in accordance with the provisions of the Articles of Association.	

Checked by:

Reviewed by:

Date:

Date:

Indicative list of documents to be checked :

- Register of members
- Register of renewed or duplicate shares certificate (SH-2)
- Minutes of Board Meetings
- Letter of Allotment or fractional coupons
- Letter of acceptance or of renunciation

Transfer and Transmission of Shares (Section 56)

Checklist

I. Transfer of Shares

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1.	The requirements contained in the Articles of Association have been complied with;	
2.	The transfer of shares/debentures and the issue of certificates thereof have been made within the time stipulated under section 56 in accordance with the procedures prescribed;	
3.	The company receives instrument of transfer in Form No.SH-4 in respect of physical form of securities.	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
4.	An application has been made in respect of partly paid up shares of the company. If yes, the company has given notice of application in Form No. SH-5 to the transferee and received no objection to the transfer.	
5.	The company has taken indemnity in respect of instrument of transfer that has been lost or not delivered within the prescribed limit.	
6.	Entries in the register of transfers have been made from time to time.	
7.	All transfers have been properly included in the Annual Return.	
	II. Transmission of shares	
8.	The shares have been transmitted to the legal representative of the deceased shareholder in the case of death of a sole shareholder and in the case of joint holdings only to the survivor(s), except where nomination had been received from the shareholder	
9.	Transmission of shares is effected upon the production of death certificate succession certificate or probate or letter of administration or indemnity duly signed by the legal heirs of the deceased or as per procedure stipulated by the Board of directors and/or Articles of Association. In case of partly paid shares, company gives the notice of the application, in such manner as may be prescribed , to the transferee and the transferee gives no objection to the transferor with in 2 week from the receipt of notice.	

Checked by:

Reviewed by:

Date:

Date:

Indicative list of documents to be checked :

- Instrument of transfer (S.H. 4)
- Notice to transferee (S.H. 5)
- Share certificates
- Letter of Allotment of Securities
- Order of Court/ Tribunal/ other authority, if any

COMPLIANCES UNDER COMPANIES ACT, 2013

V. DEPOSITS (Section 73 to 76A)

Checklist

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1.	The Company has not accepted any deposits which are repayable on demand or upon receiving a notice within a period of less than six months or more than 36 months from the date of acceptance or renewal of deposit. If, so accepted, the company has complied with the conditions prescribed in rule 3 of the Companies (Acceptance of Deposits) Rules, 2014.	
2.	The company referred to in section 73(2) has passed a resolution in General Meeting and issued circular to all its members by registered post acknowledgement due or speed post or by electronic mode in Form No. DPT-1, while intending to invite deposits from them.	
3.	The company referred to section 76, being an eligible Company as defined under the Rules, has issued circular in the form of advertisement in Form DPT-1.	
4.	The form of application contains a declaration by the intending depositor to the effect that the deposit is not being made out of any money borrowed by him from any other person.	
5.	Whether the company filed Return of deposits with the Registrar in Form No. DPT-3	
6.	Whether the company referred in section 73(2) has accept or renew any deposit fro its members, if the amount of such deposits together with the amount of other deposits outstanding as on the date of acceptance or renewal of such deposits is in excess of 35 % of the aggregate of the paid up share capital, free reserves and securities premium account of the company.	
7.	Whether a private company who has accepted from its members monies not exceeding 100% of aggregate of the paid up share capital, free reserves and securities premium account has filed the details of monies so accepted to the Registrar.	
8.	Whether every eligible company has obtained atleast once a year, credit rating for deposit accepted by it and a copy of the rating has been sent to the Registrar of Companies along with the return of Deposit in Form DPT-3.	
9.	The company (accepting deposits form members or eligible companies) has entered into a contract for providing deposit insurance as prescribed in Rule 5.	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
10.	The company has provided for security by way of charge as prescribed in Rule 6, where there are secured deposits	
11.	The company has executed deposit trust deed in Form No. DPT-2 at least seven days before issue of circular or advertisement, in case of secured deposits.	
12.	Whether the company has maintained the amount as required under the Deposit Rules, in liquid form.	
13.	Whether the Company has obtained the Credit rating and whether the credit rating is reasonable for acceptance of deposits.	
14.	Whether company, other than a private company, has disclosed in its financial statement, by way of notes, about the money received from the director and every private company has disclosed in its financial statement, by way of notes, about the money received from the directors or relatives of directors.	

Checked by:

Reviewed by:

Date:

Date:

Indicative list of documents to be checked

- Circulars inviting deposits (DPT- 1)
- Newspaper clippings
- Minutes of board meetings
- Contract of deposit insurance
- Instrument creating charge
- Written consent from trustee for depositors
- Deposit trust deed (DPT-2)
- Written requisition calling meeting of depositors
- Application form for deposits
- Receipts of amount received by company

COMPLIANCES UNDER COMPANIES ACT, 2013

- Register of deposits
- Return of deposit (DPT-3)
- Statement regarding deposits (DPT-4)
- Financial statement
- Credit Rating

VI. CHARGES (Section 77 to 87)

Checklist

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1.	The company has registered the particulars of creation or modification of charge with the Registrar within thirty days of its creation or modification or within the extended period after payment of additional fees; [Form No.CHG-1 (for other than Debentures) or Form No.CHG-9 (for debentures including rectification of particulars)].	
2.	The copy of every instrument evidencing any creation or modification of charge required to be filed with the Registrar has been verified as per Rule 3(4) of the Companies (Registration of Charges) Rules, 2014.	
3.	The company has reported satisfaction of charge to the Registrar within the period of thirty days from its payment/ satisfaction in Form No.CHG-4 and obtained certificate of registration of satisfaction of charge in Form CHG-5.	
4.	The notice of appointment or cessation of a receiver of, or of a person to manage, the property, subject to charge, of a company has been filed with ROC in Form No. CHG-6.	
5.	The company has maintained the register of charges in FormNo.CHG -7.	
6.	The application for condonation of delay, if any, has been filed with the Central Government in Form No.CHG-8.	
7.	The order passed by Central Government w.r.t. condonation of delay has been filed with the ROC in Form No.INC-28.	

Checked by:

Reviewed by:

Date:

Date:

GUIDANCE NOTE ON SECRETARIAL AUDIT

Indicative list of documents to be checked

- Minutes of Board Meeting
- Instrument creating / modifying charge (CHG-1 or CHG-9)
- Application for delay (CHG-1)
- Certificate of Registration (CHG-2)
- Certificate of modification (CHG-3)
- Register of charge
- Satisfaction of charge (CHG-4)
- Certificate of registration of satisfaction (CHG -5)
- Notice of appointment/ Cessation of securities (CHG-6)
- Copy of filing of order (INC-28)
- Register of charges (CHG-7)
- Application for Condonation of delay (CHG-8)

VII. MEETINGS OF DIRECTORS/COMMITTEES THEREOF, SHAREHOLDERS AND OTHER STAKEHOLDERS.

[*Note:* Adherence by a company to Secretarial Standards with respect to General and Board meetings specified by the Institute of Company Secretaries of India and approved as such by the Central Government is mandatory, as per the provisions of sub-section (10) of Section 118 of the Companies Act, 2013.

In terms of section 205(1)(6), it is the function of the Company Secretary to ensure that the company complies with the applicable Secretarial Standards. The Company Secretary in Practice, while carrying out secretarial audit must, therefore, examine compliance with the applicable clauses of the Secretarial Standards.

Separate chapter namely 'Secretarial Standards under the Companies Act, 2013' is provided in this Guidance Note.]

COMPLIANCES UNDER COMPANIES ACT, 2013

Checklist : Meetings of directors/committees

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1.	The requisite number of Board meetings as required under section 173 the Act were held during the year. Section 8 companies are given relaxation on number of meetings to be held in a calendar year ;	
2.	Notice of each Board meeting in writing was issued to all the directors directors in accordance with the provisions of sub-section (3) of section 173 of the Companies Act, 2013 ;	
3.	Attendance records are maintained and the requirements of Board meetings regarding quorum, chairman, minutes etc., have been complied with and leave of absence is granted to Directors who have requested for the same ;	
4.	<p>The items required to be transacted only at the meeting of the Board were transacted at the meeting. Following is the list of resolutions which are required to be passed only at the board meeting:</p> <p>a) Resolutions for exercising following powers:</p> <ul style="list-style-type: none"> (i) Make call (ii) Buy back of securities (iii) Issuing securities (iv) Borrowing monies (v) Investing funds (vi) Granting loans/ giving guarantees/providing securities (vii) Approving financial statement and Board's report viii. Diversifying business (ix) Approving amalgamation / merger / reconstruction (x) Taking over of a company /acquiring control in substantial stake in another company. (xi) Making political contributions (xii) Appointing or removing KMP (xiii) Appointing internal auditor (xiv) Appointing secretarial auditor <p>Serial No. (i to x) are as per section</p>	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
	179(3) and Serial No. (xi-xiv) above are as per Companies (Meetings of Board and its Powers) Rules, 2014. In case of section 8 companies, matters referred to in clause (d), (e) and (f) of sub-section (3) of section 179 may be decided by Board by circulation instead of a meeting.	
5.	Form MGT 14 has been filed for every such resolution passed at the Board Meeting. Private companies are not registered to file MGT-14 for resolutions passed at Board Meeting.	
6.	Whenever a director is appointed on the Board , he has given a Disclosure of Interest in Form MBP 1and every time thereafter when there is any change therein.	
7.	Every director has disclosed his interest at the Board meeting where contract or arrangement is considered in which he is directly or indirectly interested and the interested director has abstained from participating or voting at such meeting. In case of private companies, interested directors are allowed to participate in the meeting.	
8.	The notices of disclosure of general interest under section 184 have been received from all the directors in form no. MBP-1 and were, placed before and read at the first Board meeting in each financial year and there after when there is any change therein.	
9.	Entries thereof have been made in the Register of Contracts or arrangements in which Directors are interested in pursuance to section 189 and noted by the Board and such disclosures have been renewed every year and thereafter when there is any change therein.	
10.	If the Board had constituted any committees; whether requirements regarding quorum, chairman, minutes, etc., of committee meetings were duly complied with;	
11.	Resolutions by circulation have been approved in accordance with the provisions of the Act and in cases where it was required by the requisite number of Directors to be taken up at a Board meeting, whether the same has been taken up at a Board meeting;	
12.	The resolutions passed by circulation were put up at the next Board meeting for taking note of the same and has been made part of the minutes;	

COMPLIANCES UNDER COMPANIES ACT, 2013

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
13.	All directors have given a declaration in Form DIR-8 about their not being disqualified to act as a Director at the beginning of each financial year and such declarations have been placed before the Board and taken note of;	
14.	Independent Directors have given declaration about having met the criteria of independence.	
15.	The director has attended atleast one board meeting in a year either in person or through video conferencing.	
16.	Whether the company follows sufficient Board practices to ensure meaningful participation of Board members.	

Checked by:

Reviewed by:

Date:

Date:

Indicative list of documents to be checked :

- Notice of Board Meetings / Committee Meetings.
- Intimation to stock exchanges regarding Meetings of Directors.
- Proof of sending notice of Board Meeting.
- Minutes of Board Meetings/ Committee Meetings.
- Declaration of independence by Independent directors.
- DIR-8, MBP-1, MBP-2, MBP-4

Checklist on Meetings of Board through video conferencing or other audio visual means (Section 173 read with Rule 3 and Rule 4 of the Companies (Meeting of Board and its Powers) Rules, 2014)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	The company has made necessary arrangements to avoid failure of video or audio visual connection	
2	Sufficient security and identification procedures were ensured to safeguard the integrity of the meeting by the Company Secretary/Chairman.	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
3	The Chairman/Company Secretary has taken reasonable care to ensure availability of proper video conferencing or other audio visual equipment or facilities for providing transmission of the communications for effective participation of the directors and other authorised participants at the Board meeting.	
4	Proper arrangements were made to record proceedings and prepare the minutes of the meeting.	
5	Proper arrangement were made for safekeeping and marking the tape recording(s) or other electronic recording as part of the records of the company.	
6	Proper system security and physical security arrangement were made to ensure that no person other than the concerned director(s) is attending or has access to the proceedings of the meeting through video conferencing mode or other audio visual means.	
7	Participants attending the meeting through audio visual means were able to hear and see the other participants clearly during the course of the meeting;	
8	The differently abled director was allowed a person to accompany him at his request and it was ensured that such person maintains confidentiality of the matters discussed at the meeting.	
9	The notice of the meeting was sent to all the directors in accordance with the provisions of sub-section (3) of section 173 of the Companies Act, 2013.	
10	The notice of the meeting contained the information regarding the option available to the directors to participate through video conferencing mode or other audio visual means, where the facility is provided by the company.	
11	The intention of the director intending to participate through video conferencing or audio visual means was received by the Chairperson or the company secretary of the company well in advance.	
12	At the commencement of the meeting, a roll call was taken by the Chairperson when every director participating through video conferencing or other audio visual means stated the following namely:- (a) name;	

COMPLIANCES UNDER COMPANIES ACT, 2013

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
	<p>(b) the location from where he was participating;</p> <p>(c) that he had received the agenda and all the relevant material for the meeting; and</p> <p>(d) that no one other than the concerned director was attending or having access to the proceedings of the meeting at the location mentioned in clause (b).</p>	
13	After the roll call, the Chairperson or the Company Secretary informed the Board the names of persons other than the directors who are present for the said meeting at the request or with the permission of the Chairperson and confirmed that the required quorum was complete.	
14	The required disinterested quorum was present throughout the meeting.	
15	The participating Directors had given their consent for recording of their signature in the statutory registers where such registers are required to be signed by them and it was so recorded in the minutes.	
16	The participating director introduced himself at the time of speaking on any agenda item and in case of any interruption, the director repeated his statement.	
17	In case of an objection on a motion, roll call was made by the Chairperson and vote of each director was recorded only on identification by the director.	
18	At the end of discussion on each agenda item, the Chairperson of the meeting announced the summary of the decision taken on such item along with names of the directors, if any, who dissented from the decision taken by majority. The minutes of the meeting had disclosed the particulars of the directors who attended the meeting through video conferencing or other audio visual means.	
19	The draft minutes of the meeting were circulated among all the directors within fifteen days of the meeting and complete records has been maintained by the company.	
20	Every director who attended the meeting, whether personally or through video conferencing or other audio visual means, has confirmed or given his comments in writing, about the accuracy of recording of the proceedings of	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
	that particular meeting in the draft minutes, within seven days or some reasonable time as decided by the Board, after receipt of the draft minutes failing which his approval shall be presumed.	
22	<p>None of the following matters were dealt with in the meeting held through video conferencing or other audio visual means, -</p> <ol style="list-style-type: none"> 1. the approval of the annual financial statements; 2. the approval of the Board's report; 3. the approval of the prospectus; 4. the Audit Committee Meetings for consideration of financial statement including consolidated financial statement, if any, to be approved by the Board; and 5. the approval of the matter relating to amalgamation, merger, demerger, acquisition and takeover. 	

Checked by:

Reviewed by:

Date:

Date:

Minutes Book of Meetings of Directors/Members (Section 118)

Checklist

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1.	All appointments made at the meeting are included in the minutes.	
2.	Names of the directors who are present at the meeting are recorded in the minutes.	
3.	Names of the directors dissenting from or not concurring were recorded.	
4.	A distinct minute book shall be maintained for each type of meeting.	
5.	The pages of the minutes book have been consecutively numbered.	
6.	The minutes of proceedings of each meeting shall be entered in the books maintained for that purpose along with the date of such entry within thirty days of the conclusion of the meeting.	

COMPLIANCES UNDER COMPANIES ACT, 2013

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
7.	Each page of minutes of proceedings of a meeting of the Board or of a committee thereof is initialled or signed and the last page of the record of proceedings of each meeting is dated and signed by the chairman of the said meeting or the chairman of the next succeeding meeting.	
8.	Each page of minutes of proceedings of a general meeting is initialled or signed and the last page of the record of proceedings of each meeting is dated and signed by the chairman of the same meeting or by a director authorized within the aforesaid period of thirty days.	
9.	The minutes books of general meetings, meeting of creditors, the minutes books of the Board and committee meetings are maintained in the custody of the company secretary or any director duly authorised by the Board. Ensure Resolutions passed by postal ballot are recorded in the minute book of General Meetings.	
10.	In case directors have participated in any Board Meeting by video conference or other audio visual means check, whether company complied with the checklist relating to meetings of Board through video conferencing or other audio visual means.	

Checked by:

Reviewed by:

Date:

Date:

ANNUAL GENERAL MEETING - (Section 96)

Checklist : Notice, Conduct of the meeting and minutes

Annual General Meeting

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	The provisions of section 96 of the Companies Act. 2013 read with the Companies (Management and Administration) Rules, 2014, Listing Agreement, if applicable, etc has been complied with.	
2	The first AGM is held within a period of nine months from the date of closing of the first financial year of the company.	
3	Subsequent AGM was held in each case, within a period of six months from	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
	the date of closing of the financial year. The provisions of Section 91 of the Companies Act read with Companies (Management and Administration) Rules, 2014. Listing Regulations if applicable have been complied with.	
4	The meeting was held within 15 months of the last annual general meeting.	
5	AGM was called during business hours, that is, between 9 a.m. and 6 p.m. on any day that is not a National Holiday.	
6	The AGM was held either at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situate.	
7	Notice convening the meeting specifically mentioned that it was AGM. Whether Attendance Sheet, Proxy Form and Route Map of the Company has been annexed with every copy of the Notice.	
8	Extension for holding the meeting was obtained from the Registrar, where applicable.	
9	In case of requisitioned meeting, provisions of section 100 read with rule 17 of the Companies (Management and Administration) Rules, 2014 were complied with.	
10	Notice of 21 clear days was given for the meeting.	
11	Consent of atleast 95% of the members was obtained for convening the meeting at shorter notice.	
12	Day, Date and hour of the meeting were mentioned in the notice along with the statement of business to be transacted.	
13	Notice was given to Every member/ assignee of insolvent member/ legal representative of the deceased member Auditor Director.	
14	Explanatory statement setting out material facts was attached to the notice in respect of special business as contemplated by section 102.	
15	Appropriate quorum i.e. 2/5/15/30 as the case may be, was present at the meeting.	
16	If meeting was adjourned for want of quorum, section 103(2) was complied with.	

COMPLIANCES UNDER COMPANIES ACT, 2013

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
17	The provisions of the articles as to Chairman were complied with.	
18	None of the proxies represented more than 50 members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights.	
19	Appropriate statement in respect of proxies appeared in the notice.	
20	Instrument of proxy was in the prescribed form.	
21	Inspection of Proxy register was offered to the members within 24hours before the meeting as well as during the meeting.	
22	None of the members was prevented from voting except where company had exercised its right of lien/ calls were due, as provided under the Articles of association of the Company.	
23	Voting through electronic means was carried out in compliance with relevant rules.	
24	Poll was conducted in compliance with section 109.	
25	Postal Ballot was conducted in compliance with the provisions of section 110.	
26	Members' resolution were circulated in compliance with section 111.	
27	Resolution requiring special notice had the backing of members holding atleast 1% of the voting power/holding shares of Rs. 5,00,000. Secretarial Standards with regard to AGM has been complied with.	
28	Report of Annual General Meeting was filed in Form MGT 15 by all the listed public companies within 30 days of the conclusion of AGM.	

Checked by:

Reviewed by:

Date:

Date:

Indicative list of documents to be checked :

- Minutes of Board Meetings.
- Notice of Annual General Meetings.
- Register of members

GUIDANCE NOTE ON SECRETARIAL AUDIT

- Register of Proxies.
- Attendance Register.
- Application for extension of date of holding AGM, if any
- Approval of extension of date to hold AGM from ROC.
- Proof of sending notice.
- Advertisement regarding Book Closure.
- Filings with stock exchange.
- Minutes of AGM & report of AGM.

IX. DIVIDEND (Section 123)

Checklist

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	The amount of dividend, including interim dividend, was deposited in a scheduled bank in a separate account within five days from the date of declaration of such dividend.	
2	The company has paid dividend within 30 days from the date of declaration.	
3	The company has transferred the total amount of dividend which remains unpaid or unclaimed within 30 days from the date of declaration to unpaid dividend account, within seven days from the expiry of the said 30 days.	
4	The company has prepared a statement containing the names and other details to whom the unpaid dividend is to be paid alongwith the amount of unpaid dividend and place the same on the website of the company and also on any other web-site approved by the Central Government for this purpose, within 90 days.	
5	In case of inadequate profits or absence of profits, and the dividend is declared out of reserves, the rate of dividend declared has not exceeded the average at the rates at which dividend was declared by it in the three years immediately preceding that year.	
6	The company has not declared and paid any dividend from reserves other than free reserves as defined in section 2(43).	

COMPLIANCES UNDER COMPANIES ACT, 2013

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
7	Ensure that carried over previous losses and depreciation not provided in previous year(s) are set off against profits of the Company of the current year.	
8	The dividend is paid by the company by cheque or warrant or by any electronic mode.	
9	The company has before declaration of dividend transferred such percentage of profits to reserves as decided.	
10	The company has transferred the amount remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account to the Investor Education and Protection Fund and has filed the Statement of amounts credited to IEPF in Form No. DIV-5.	
11	The company has followed the procedures prescribed in Rule 3 before the dividend is declared out of reserves (as applicable).	

Checked by:

Reviewed by:

Date:

Date:

Indicative list of documents to be checked

- Statement containing names of unpaid dividends
- Website of company
- Statement of transfer of unpaid dividend A/c to IEPF with receipt
- Financial statement
- Minutes of Board Meeting
- Bank account details of scheduled bank
- Details of payment of dividend
- Details of unpaid dividend account

GUIDANCE NOTE ON SECRETARIAL AUDIT

X. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Checklist

[Section 135 read with Companies (Corporate Social Responsibility) Rules, 2014]

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	The company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year has constituted a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director is an independent director.	
2	The Board has approved the CSR Policy including a list of CSR projects or programmes within the purview of schedule VII as well as the monitoring process of such projects or programmes as recommended by CSR Committee.	
3	The Composition of CSR Committee is disclosed in the Board's Report. The CSR activities were under taken as per its stated CSR policy, as projects, programs or activities excluding activities undertaken in pursuance of its normal course of business.	
4	Corporate social Responsibility Committee has recommended the amount of expenditure to be incurred on the activities referred in the Corporate Social Responsibility policy.	
5	The company has instituted a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.	
6	The company has disclosed the contents of the policy in Board's report and at its website, if any. The Board's report includes an annual report on CSR containing prescribed particulars.	
7	In case the company does not spend the specified amount (i.e. at least two percent of the average net profits made during the immediately preceding three financial years), Board's report specifies the reason for not spending.	
8	The company has complied with the procedure specified under rules.	

Checked by:

Reviewed by:

Date:

Date:

COMPLIANCES UNDER COMPANIES ACT, 2013

Indicative list of documents to be checked

- Balance sheet and P&L account
- CSR Policy
- Board Report
- Minutes of Board Meeting
- Minutes of CSR Committee
- Company website, if any.
- Details of expenses towards which amount has been spend under CSR

XI. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

Checklist

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	The number of directors is as per the provisions of section 149 of the Act.	
2	Under Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014), the company has appointed at least onewoman director, if the company falls under any one of the following categories - (i) a listed company; (ii) other public company having - (a) paid-up share capital of one hundred crore rupees or more; or (b) turnover of three hundred crore rupees or more:	
3	The company being a listed company has at least one-third of the total number of directors as independent directors or such higher number as specified in the listing regulations.	
4	If the company falls under the following class or classes of companies, whether the company has at least two directors as independent directors - (i) the Unlisted Public Companies having paid up share capital of ten crore rupees or more; or (ii) the Unlisted Public Companies having turnover of one hundred crore rupees or more; or	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
	(iii) the Unlisted Public Companies which have, in aggregate, outstanding loans, debentures and deposits, exceeding fifty crore rupees:	
5	In case it is a listed company, whether it has any director elected by small shareholders and if so, whether such appointment is in compliance with rule 7 of the Companies (Appointment and Qualification of Directors) Rules, 2014).	
6	Special Resolution has been passed at the time of re-appointment of the Independent Director.	
7	The company is following the provisions for determination of office of directors by retirement by rotation (Section 152).	
8	The company has ensured the eligibility of directors for election to the office of a director, and notice in writing signifying the candidature as a director has been received by the company not less than 14 days before the meeting (Section 160).	
9	The appointment of additional director, alternate and nominee director, filling up of casual vacancies has been done as provided in section 161.	
10	The company has ensured that the appointment of directors is voted individually (Section 162).	
11	The company has received the consent to act as directors (Section 152) in Form DIR.2 which was filed. with the Registrar of Companies as an attachment of Form DIR-12.	
12	None of the directors is disqualified from being appointed as a director (Section 164).	
13	None of the directors has vacated office during the year (Section 167).	
14	The provisions of section 168 were complied with at the time of resignation of director.	
15	Whether the company has maintained a Register of directors and Key managerial personnel and their shareholding and is updated regularly.	
16	None of the directors was removed from the Board, if removed then Section 169 is complied with.	

COMPLIANCES UNDER COMPANIES ACT, 2013

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
17	If the company is either a listed company or any other public company having a paid-up share capital of ten crore rupees or more, if yes, it has appointed whole-time key managerial personnel and filed a return In terms of second proviso of section 196(4) a return in form MR-1 (only for public company) shall be filed within 60 days of such appointment with the registrar whereas an intimation shall be filed information DIR-12 to the Registrar with in 30 days of Appointment A company other than the companies covered above, which has a paid up share capital of five crore rupees or more, has appointed a whole-time company secretary.	
18	Appointment of key managerial personnel is made by a board resolution.	
19	If the company has appointed a managing director, whole-time director or manager, whether it has complied with the provisions of Chapter XIII of the Act read with Schedule V.	
20	Whether the company has complied with section 203 with respect to appointment of a manager or managing director.	
21	Check whether the provisions relating to appointment and remuneration of Managerial Persons are complied under sections 196, 197, 203 and Schedule V.	
22	Ensure that as per section 197, the total managerial remuneration payable by a public company does not exceed 11% of the net profits of the company computed in the manner laid down in Section 198 and where the limit is exceeded, the same is approved in general meeting and approved by the Central Government. It must be noted that if a company has no profits or when its profits are inadequate, the company shall pay no remuneration to its directors, except in accordance with schedule V.	
23	Ensure that the procedural aspects relating to appointment of managing director or whole-time director or manager including the filing of the necessary returns are complied with.	
24	Ensure that every listed company has disclosed in its Board's report as per Rule 5 of the Companies (Appointment & remuneration of Managerial Personnel) Rules, 2014	

Checked by:

Reviewed by:

Date:

Date:

GUIDANCE NOTE ON SECRETARIAL AUDIT

Indicative list of documents to be checked

- Articles of Association
- Minutes papers of Board Meetings
- Notice and minutes of Annual General Meeting, Report of AGM
- Register of directors and KMP
- Board's Report
- DIR-2, DIR-6, DIR-8, DIR-9 (if any), DIR-10 (if any), DIR-11, DIR-12 MGT-14, MR-1 (Only for Managing Director, Whole Time Director or Manager)
- Declaration of independence given by Independent Directors
- Filings with Stock Exchanges
- Balance sheet and P&L account and Board's Report

Checklist : Resignation of director (Section 168)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	The letter of resignation of the director is received by the company.	
2	The Board takes note of the resignation and the Company intimates the Registrar in Form DIR-12 within thirty days from the date of receipt of notice of resignation.	
3	The information about the resignation is posted on the website of the company, if any.	

Checked by:

Reviewed by:

Date:

Date:

Checklist: Retirement of Directors

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	Ensure that not less than two-third of the total number of directors of a public company shall be person whose period of office is liable to determination by retirement of directors by rotation.	

COMPLIANCES UNDER COMPANIES ACT, 2013

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
2	One third of such directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then, the number nearest to one third, retired from office at first annual general meeting and at every subsequent annual general meeting. (Note: in calculating the total number of directors, independent directors should not be included)	
3	The directors retiring by rotation are those who have been longest in office since their last appointment.	
4	Between directors appointed on the same day, the retirement was, in default of and subject to any agreement among themselves, determined by draw of lots.	
5	The company has filled up such vacancy by appointing the retiring director or some other person.	
6	The director has expressed his willingness for his reappointment.	
7	The provisions of the Act, Articles of Association and other applicable rules have been complied with.	

Checked by:

Reviewed by:

Date:

Date:

Indicative list of documents to be checked :

- Articles of Association
- Register of directors and KMP
- Notice and minutes of Annual General Meeting, Report of AGM
- Board's Report

Checklist: Removal of Director (Section 169)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	A special notice as required under sub-section (2) of section 169 was given to the company to remove a director or to appoint somebody in place of a director so removed.	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
2	The special notice was signed by member(s) holding not less than one percent of total voting power or holding shares on which an aggregate sum of more than five lakh rupees has been paid up.	
3	The company has sent forthwith a copy thereof to the director concerned and the director was provided opportunity to be heard on the resolution at the meeting.	
4	The representation, if any, made by concerned director was notified to the members on the request of the director along with the notice of the resolution.	
5	If the copy of the representation was not sent because the same was received too late or because of company's default, it was read out at the meeting.	
6	The director who was removed from office was not reappointed as a director by the Board of directors.	

Checked by:

Reviewed by:

Date:

Date:

Indicative list of documents to be checked :

- Special notice received
- Notice and minutes of Annual General Meeting / EGM, , Report of General Meeting
- Board's Report

XII. LOANS TO DIRECTORS, ETC. AND RELATED PARTY TRANSACTIONS

(Section 185 &188)

Checklist – Loan to Director (Section 185)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
	Loans	
1	The company has not directly or indirectly advanced any loans to its directors or any other person in whom the director is interested or given any guarantee or provided any security in connection with any loan taken by him or such	

COMPLIANCES UNDER COMPANIES ACT, 2013

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
	<p>other person. (other than to its wholly owned subsidiary company). Any other person in whom director is interested means-</p> <p>(a) any director of the lending company, or of a company which is its holding company or any partner or relative of any such director;</p> <p>(b) any firm in which any such director or relative is a partner;</p> <p>(c) any private company of which any such director is a director or member;</p> <p>(d) any body corporate at a general meeting of which not less than twentyfive per cent. of the total voting power may be exercised or controlled by any such director, or by two or more such directors, together; or</p> <p>(e) any body corporate, the Board of directors, managing director or manager, whereof is accustomed to act in accordance with the directions or instructions of the Board, or of any director or directors, of the lending company.</p>	
2	If the loan is advanced to a Managing or Whole Time Director , check whether it is as a part of the conditions of service extended by the company to all its employees or pursuant to any scheme approved by the members by a special resolution.	

Checked by:

Reviewed by:

Date:

Date:

Related Party Transactions (Section 188)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	Check whether the company has prepared a list of related parties as per section 2(76) of the Act and there exists a system to check whether any contracts / arrangements are being entered into with any of those Parties. Also any department wise mechanism is derived to intimate the same to the secretarial department.	
2	If the company is claiming exemption from the applicability of the section on the grounds that the transactions are in the ordinary course of business	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
	and are on arms length basis , check whether the Board has taken an informed decision about the nature of transaction based on criteria given in Rule 15	
3	The company has entered into a contract/ arrangement with any related party through a board resolution at a meeting of the board.	
4	The company has obtained prior approval of the shareholders by a resolution in case of a company having paid up share capital of not less than such amount, or transactions not exceeding such sums as specified in Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014.	
5	Check that no member of the company who is the related party with whom the transaction is being entered into, has voted on such resolution. In case of private companies, related parties are allowed to vote on such related party transactions.	
6	The company has annexed explanatory statement to the notice of the board or general meeting as may be applicable disclosing the details required under rule 15.	
7	Check whether any director or related party is appointed as an office or place of profit in the company, its subsidiary or associate company and complied with the provisions.	
8	Check whether omnibus approval for the related party transactions has been given by the Audit committee and is in accordance with Rule 6A of the Companies (Meeting of Board and its powers) Rules, 2014.	

Checked by:

Reviewed by:

Date:

Date:

Indicative list of documents to be checked :

- Minutes of Board Meetings, and Committee Meetings
- MBP-1, MBP-2, MBP-3 and MBP-4
- Notice and minutes of AGM/EGM
- Balance sheet and Profit & Loss account; Board's Report
- Auditor's Report

COMPLIANCES UNDER COMPANIES ACT, 2013

XIII. LOANS, INVESTMENTS, GUARANTEES AND SECURITIES (SECTION 186)

Checklist

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	The board resolution/ special resolution has been passed with respect to loans investments and guarantees by the company.	
2	The company has not made investment through more than two layers of investment companies.	
3	The company has not defaulted repayment of deposit while granting loans/ giving guarantee/ providing security.	
4	The company has disclosed in the financial statements the full particulars of the loans given investment made or guarantee given or as prescribed under the Act.	
5	The company maintains register containing the required particulars in form MBP-2 at the registered office of the company.	
6	The company has obtained prior approval of the public financial institution, if term loan is subsisting.	
7	Check that no loan is given at a rate of interest lower than the prevailing yield of 1, 3, 5 or 10 year government security closest to the tenor of the loan.	
8	Whether the company has taken a prior approval by means of a special resolution passed at the general meeting, if the loan given or guarantee or security provided exceeds the limits as specified in section 186(2).	
9	Ensure that no loan shall be given at a rate of interest lower than the prevailing market rate of interest.	

Checked by:

Reviewed by:

Date:

Date:

Indicative list of documents to be checked :

- Minutes of Board Meetings
- Notice and minutes of AGM/EGM
- MBP-2, MBP-3, DPT-3, DPT-4
- Register of loans, investments and guarantees

GUIDANCE NOTE ON SECRETARIAL AUDIT

XIV: REGISTERS, FILING OF FORMS, RETURNS AND DOCUMENTS

Checklist

Register of Renewed or Duplicate Share Certificate {Rule 6, Companies (Share Capital and Debentures), Rules, 2014}

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	The renewed share certificate of any share or shares have not been issued unless the certificate in lieu of which it is issued is surrendered to the company.	
2	Where certificates were issued in case of sub-division or consolidated or in replacement of those which are defaced, mutilated, torn or old, decrepit, worn out, or where the pages on the reverse for recording transfers have been duly utilised,, the renewed certificate states on the face of it, that it is "Issued in lieu of share certificate No..... sub-divided/replaced/on consolidation".	
3	Prior/Board consent was obtained before issuance of the duplicate share certificate in lieu of those certificates that are lost or destroyed.	
4	The certificates issued under above stated circumstances state prominently on the face of it that it is "duplicate issued in lieu of share certificate No.....". and the word "duplicate" is stamped or printed prominently on the face of the share certificate.	
5	The entries relating to issuance of renewed/ duplicate certificates are recorded in the Register for Renewed or Duplicate Share Certificate.	
6	In case of unlisted companies, the duplicate share certificates	
7	The register for renewed or duplicate share certificates is maintained in Form No. SH-2 in accordance with Companies (Share Capital and Debentures) Rules, 2014 and is kept at the registered office of the company or at such other place where the Register of Members is kept.	
8	Entries are incorporated simultaneously in the Register of members maintained under section 88.	
9	All entries made in the Register of Renewed and Duplicate Share Certificates shall be authenticated by the company secretary or such other person as may be authorised by the Board for the purposes of sealing and signing the share certificate.	

COMPLIANCES UNDER COMPANIES ACT, 2013

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
10	The register is preserved permanently and kept in the custody of company secretary of the company or any other person authorized by the Board for the purpose.	

Checked by:

Reviewed by:

Date:

Date:

Indicative list of documents to be checked

- Minutes of Board Meetings/Meeting of Committee of Directors
- Register of renewed and duplicate share certificates in Form SH-2
- Register of members

Checklist: Register of sweat equity shares (Section 54) [Rule 8, Companies (Share Capital and Debentures) Rules, 2014]

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	The company has maintained a Register of Sweat Equity Shares in Form No. SH.3 in accordance with Companies (Share Capital and Debentures) Rules, 2014.	
2	The Register of Sweat Equity Shares is maintained at the registered office of the company or such other place as the Board may decide.	
3	Whether the entries have been made forthwith.	
4	The entries in the register are authenticated by the Company Secretary of the company or by any other person authorized by the Board for the purpose.	

Checked by:

Reviewed by:

Date:

Date:

GUIDANCE NOTE ON SECRETARIAL AUDIT

Checklist: Register of Employee Stock Option (Section 62(1)(b)) [Rule 12 of Companies (Share Capital and Debentures) Rules, 2014]

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	The company has maintained a Register of Employee Stock Options in Form No. SH.6 in accordance with Companies (Share Capital and Debentures) Rules, 2014.	
2	The Register of Employee Stock Options has been maintained at the registered office of the company or such other place as the Board may decide.	
3	Whether the entries have been made forthwith.	
4	The entries in the register are authenticated by the company secretary of the company or by any other person authorized by the Board for the purpose.	

Checked by:

Reviewed by:

Date:

Date:

Checklist: Register of shares or other securities bought-back (Section 68)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	The Register of Shares or other securities bought back by the company is maintained in Form No. SH.10 in accordance with Companies (Share Capital and Debentures) Rules, 2014.	
2	The register is maintained at the registered office of the company.	
3	The custody of the register is with company secretary of the company or any other person authorised by the Board in this behalf.	
4	The entries in the register are authenticated by the secretary of the company or by any other person authorized by the Board.	

Checked by:

Reviewed by:

Date:

Date:

COMPLIANCES UNDER COMPANIES ACT, 2013

Checklist: Register of Deposits [Companies (Acceptance of Deposits) Rules, 2014]

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	The company has entered in the register, the entries specified under Rule 14 of these rules.	
2	The company has entered the particulars in the register within seven days from the date of issuance of the receipt, in accordance with the aforesaid rules.	
3	The aforesaid receipt is duly authenticated by a director or secretary of the company or by any other officer authorised by the Board for this purpose.	
4	The register is preserved in good order for a period of not less than eight years from the financial year in which the latest entry is made in the register.	

Checked by:

Reviewed by:

Date:

Date:

Checklist: Register of Charges (Section 85)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	The company has maintained register of charges as per Form CHG.7 in accordance with the Companies (Registration of Charges) Rules, 2014.	
2	The register contains particulars of all the charges registered with the Registrar on any of the property, assets or undertaking of the company.	
3	The register contains the particulars of the property acquired subject to a charge as well as particulars of any modification of a charge and satisfaction of charge.	
4	Entries in the register are authenticated by a director or the secretary of the company or any other person authorised by the Board for the purpose.	
5	The register is maintained at the registered office of the company and is preserved permanently	

Checked by:

Reviewed by:

Date:

Date:

GUIDANCE NOTE ON SECRETARIAL AUDIT

Checklist: Register of Members (Section 88)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	The company having share capital has maintained register of members as per Form No. MGT.1 prescribed under Companies (Management and Administration) Rules, 2014.	
2	The Register contains particulars as mentioned in the aforesaid rules.	
3	The company maintains register of debenture holders or any other security holders as per Form No.MGT.2 prescribed under Companies (Management and Administration) Rules, 2014.	
4	Aforesaid Registers are maintained at the Registered office of the Company.	
5	If the aforesaid registers are maintained at some other place in which more than one-tenth of the total members entered in the register of members reside or some other place within the city, town or village where registered office is situated, whether a special resolution has been passed.	
6	An index of members is maintained by the company, when the number of member is equal to or more than fifty.	
7	Every change is incorporated within seven days of such change.	
8	The entries in the aforesaid registers index included therein are authenticated by the company secretary of the company or by any other person authorised by the Board for the purpose, and the date of the board resolution authorising the same is mentioned therein.	
9	The company has made a note of the declaration received in form MGT. 4 in duplicate, w.r.t. beneficial interest in any shares, in the register of members.	
10	The company has filed form No. MGT.6 with the Registrar within a period of thirty days from the date of receipt of aforesaid declaration.	
11.	In case of Foreign Registers, check whether:The Articles of the company authorises maintenance of the foreign register.	
12	The company has within thirty days from the date of the opening of any foreign register, filed with the Registrar notice of the situation of the office where such register is kept in Form No.MGT.3 in accordance with the Companies (Management and Administration) Rules, 2014.	

COMPLIANCES UNDER COMPANIES ACT, 2013

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
13	Notice of every change is incorporated in the aforesaid register or its discontinuance is filed with registrar within thirty days in Form No. MGT. 3.	
14	The company maintains a duplicate register at its registered office and changes are duly incorporated from time to time.	
15	The entries are authenticated by the company secretary of the company or person authorised by the Board by appending his signature to each entry.	

Checked by:

Reviewed by:

Date:

Date:

Checklist : Minutes Book of Meetings [Section 118 and Rule 25 of the Companies (Management and Administration) Rules, 2014]

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	Minutes book has been maintained in respect of: <ol style="list-style-type: none"> 1. General meetings of the members; 2. Meetings of the creditors. 3. Meetings of the Board; and 4. Meetings of each of the committees of the Board. Resolutions passed by postal ballot are recorded in the minutebook of general meetings. 	
2	The pages of the minutes book have been consecutively numbered.	
3	Each page of minutes of proceedings of a meeting of the Board or of a committee thereof is initialed or signed and the last page of the record of proceedings of each meeting is dated and signed by the chairman of the said meeting or the chairman of the next succeeding meeting.	
4	Each page of minutes of proceedings of a general meeting is initialed or signed and the last page of the record of proceedings of each meeting is dated and signed by the chairman of the same meeting within the aforesaid period of thirty days.	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
5	Each page of the minute books of general meeting in respect of every resolution passed by postal ballot is initialed or signed and the last page dated and signed by the Chairman of the Board within thirty days or in the event of there being no Chairman of the Board or the death or inability of that Chairman within that period, by a director duly authorized by the Board for the purpose.	
6	The minute books of general meetings, and the minutes books of the Board and committee meetings are maintained in the custody of the company secretary or any director duly authorised by the board.	
7	In case of a company other than a company referred to in Chapter XB or Chapter XC of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 having its equity shares listed on a recognised stock exchange or a company having not less than one thousand members, whether the company has provided e-voting facilities to its members to exercise their vote at general meetings and if so, whether Rule 20 of the Companies (Management and Administration) Rules, 2014 has been complied with.	

Checked by:

Reviewed by:

Date:

Date:

Checklist: Register of Directors and Key Managerial Personnel and their Shareholding [Section 170 read with Rule 17 of Companies (Appointment and Qualification of Directors) Rules, 2014]

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	The necessary particulars as prescribed in the rule 17 are incorporated in the register including details of securities held by each of them in the company or its holding, subsidiary, subsidiary of company's holding company or associate companies.	
2	The register is maintained at the registered office of the company.	

Checked by:

Reviewed by:

Date:

Date:

COMPLIANCES UNDER COMPANIES ACT, 2013

Checklist : Register of loans guarantee, security and acquisition made by company (Section 186)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	The company from the date of its incorporation, has maintained a register in Form MBP 2 as per Companies (Meetings of Board and its Powers) Rules, 2014 and enter therein separately, the particulars of loans and guarantees given, securities provided and acquisitions of securities.	
2	authenticated by the company secretary of the company or by any other person authorised by the Board for the purpose.	
3	The register is kept at the registered office of the company.	
4	The register has been preserved since incorporation and is kept in the custody of the company secretary of the company or any other person authorised by the Board for the purpose.	

Checked by:

Reviewed by:

Date:

Date:

Checklist: Register of Investments not held in its own name (Section 187)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	A register of investments not held in the name of the company is maintained as per Form No. MBP 3, in accordance with Companies (Meetings of Board and its Powers) Rules, 2014.	
2	The entries in the register are made chronologically, the particulars of investments in shares or other securities beneficially held by the company but which are not held in its own name are to be entered.	
3	The company has also recorded the reasons for not holding the investments in its own name and the relationship or contract under which the investment is held in the name of any other person.	
4	The company has also recorded when such investments are held in a third party's name for the time being or otherwise.	
5	The register is maintained at the registered office of the company and is preserved permanently.	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
6	The custody of the register is with the company secretary of the company or if there is no company secretary, any director or any other officer authorised by the Board for the purpose.	
7	The entries in the register are authenticated by the company secretary of the company or by any other person authorised by the Board for the purpose.	

Checked by:

Reviewed by:

Date:

Date:

Checklist: Register of contracts with related party and contracts and Bodies etc. in which directors are interested (Section 189)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	The company has maintained one or more registers in Form MBP4 as prescribed under Companies (Meetings of Board and its Powers) Rules, 2014.	
2	The entries are made at once, in chronological order.	
3	The entries in the register(s) are authenticated by the company secretary of the company or by any other person authorised by the Board for the purpose.	
4	The register(s) is kept at the registered office of the company and is preserved permanently and is in the custody of the company secretary of the company or any other person authorised by the Board for the purpose.	
5	The register(s) is placed before the next meeting of the Board and signed by all the directors present at the meeting.	

Checked by:

Reviewed by:

Date:

Date:

COMPLIANCES UNDER COMPANIES ACT, 2013

Checklist: Register of Directors' Attendance (Table F of Schedule I)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	The company has maintained a Register of Directors' Attendance kept for that purpose.	
2	Every director present at any meeting of the Board or of a Committee thereof has signed against his name.	
3	The requirements as specified in the Secretarial Standards have been complied with.	

Checked by:

Reviewed by:

Date:

Date:

Checklist : Other Registers.

These registers are not statutory but statistical in nature and PCS is advised to comment about the maintenance of these registers though he need not qualify his report in case of non-compliance.

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
	Register of Shareholders' Attendance	
1	The company has maintained a register of shareholders' attendance at the general meetings or has kept the attendance slips collected from the members at the meeting.	
	Register of Proxies	
2	The register of proxies containing details of proxies lodged in respect of every general meeting is maintained.	
3	All Proxies received by the company are recorded chronologically in a register kept for that purpose, in pursuance with the Secretarial Standards,	
4	In case any Proxy entered in the register is rejected, the reasons there of have been entered in the remarks column.	
	Register of Transfers	
5	Register of Transfers containing details of transfer of securities and the procedure of transfer meets the statutory requirements pursuant to section 56 read with rule 11 of Companies(Share Capital and Debentures) Rules,2014.	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
6	All transfer of securities held in physical form are in Form.No.SH.4	
	Register of Documents Sealed	
7	The company has maintained a register of documents on which common seal is affixed.	
8	The register contains the following: <ul style="list-style-type: none"> • Number and date of the minutes authorising the use of the seal. • Date of sealing. • Persons in whose presence the seal was affixed. • Document sealed. • Location of document. 	

Checked by:

Reviewed by:

Date:

Date:

Periodical Returns: Checklist – Annual Return (section 92)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	The company has filed annual return within sixty days from the date of holding of the annual general meeting (AGM).	
2	Where no AGM is held in any year, the annual return has been filed within sixty days from the date on which the annual general meeting should have been held together with the statement specifying the reasons for not holding the annual general meeting, if the annual general meeting.	
3	The annual return is prepared in Form No. MGT.7 referred to in Rule 11 of the Companies (Management and Administration) Rules, 2014.	
4	The annual return has been signed by a director and the company secretary.	
5	In case company does not have a company secretary, the annual return has been signed by a director and Company Secretary in practice.	
6	In case of a listed company or a company having paid-up share capital of	

COMPLIANCES UNDER COMPANIES ACT, 2013

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
	ten crore rupees or more or turnover of fifty crore rupees or more, the annual return has been certified by a Company Secretary in practice and the certificate is in Form No. MGT.8 of aforesaid rules.	
7	The extract of the annual return has been attached to the Board's report in Form MGT. 9 (See Rule 12.1).	

Checked by:

Reviewed by:

Date:

Date:

Checklist : Annual Report containing the Financial statements (Section 137)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	The company has filed financial statements duly adopted at the annual general meeting of the company, within thirty days of the date of annual general meeting.	
2	The company has filed the financial statements with the Registrar together with Form AOC-4 as per Rule 12(1) of the Companies (Accounts) Rules, 2014.	
3	Whether the company falls in the class of companies notified by the Central Government from time to time to mandatorily file their financial statement in Extensible Business Reporting Language (XBRL) format, and if yes, whether it has been filed in such manner.	
4	Financial statements even if not adopted by members have been filed within the 30 days from the date of AGM.	
5	After the holding of adjourned AGM, adopted financial statements are filed within 30 days of the date of adjourned AGM.	
6	Where AGM for any year has not been held, the financial statements duly signed along with the statement of facts and reasons for not holding the AGM, have been filed with the Registrar within thirty days of the last date before which the AGM should have been held.	

Checked by:

Reviewed by:

Date:

Date:

GUIDANCE NOTE ON SECRETARIAL AUDIT

Checklist : Secretarial Audit Report (section 204)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	The Secretarial Audit Report in Form No. MR-3. pursuant to section 204 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to the Board's report forming part of the financial statements.	

Checked by:

Reviewed by:

Date:

Date:

Checklist : Report on Annual General Meeting (section 121)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	In case of a listed company, it has filed with the Registrar in Form No. MGT.15 of the Companies (Management and Administration) Rules, 2014 the report on the AGM, within thirty days of the conclusion of the annual general meeting.	
2	The report is duly signed and dated by the Chairman of the meeting or in case of his inability to sign, by any two directors of the company, one of whom shall be the Managing director, if there is one and company secretary of the company.	

Checked by:

Reviewed by:

Date:

Date:

Checklist : Other Important Returns

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	In case company makes any allotment of its securities, it has, within thirty days thereafter, filed with the Registrar a return of allotment in Form PAS-3 as per Companies (Prospectus and Allotment of Securities) Rules, 2014.	
2	A certified list of allottees stating their names, address, occupation, if any, and number of securities allotted to each of the allottees was attached with PAS-3. Certification has been done by the signatory of the Form No. PAS-3.	

COMPLIANCES UNDER COMPANIES ACT, 2013

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
3	If the company has allotted securities as fully or partly paid up for consideration other than cash, whether a copy of the contract, duly stamped, or where the contract is not in writing complete particulars of the contract stamped is attached to the Form PAS-3. In such a case, whether a report of a registered valuer in respect of valuation of the consideration was also attached to PAS-3.	
4	In the case of issue of bonus shares, a copy of the resolution passed in the general meeting authorizing the issue of such shares was attached to the Form PAS-3.	

Checked by:

Reviewed by:

Date:

Date:

Return on Buy-Back of Securities (section 68)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	The buy back of securities has been in accordance with section 68 read with rule 17 of the Companies (Share Capital and Debentures) Rules, 2014.	
2	The buy-back of securities has been authorized by a special resolution passed in general meeting.	
3	The company has filed the Letter of Offer in Form No.SH-8 in accordance with the Companies (Share Capital and Debentures), Rules, 2014, with the Registrar.	
4	The company has filed the Declaration of Solvency in Form No. SH-9 in accordance with the Companies (Share Capital and Debentures), Rules, 2014 with the Registrar along with the Letter of Offer. In case of Listed company, the Letter of Offer has also to be filed with SEBI.	
5	The Declaration of Solvency is signed by two directors, one of whom shall be Managing Director, where there is one and is verified by an affidavit.	
6	The Letter of Offer is dispatched to the security holders not later than twenty days from its date of filing with the Registrar. For this purpose, the proof of dispatch may be verified.	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
7	The company has maintained a Register of Securities bought back in Form No. SH-10 and the entries therein have been authenticated by the Company Secretary or by any other person authorized by the Board.	
8	The company has, after the completion of the buy-back, filed with the Registrar and where it is a listed company, with SEBI, a return on buy-back in Form No. SH-11 as per the Companies (Share Capital and Debentures) Rules, 2014 within 30 days of such completion.	
9	A certificate in Form No. SH.15 signed by two directors of the company including the managing director, if any, certifying that the buy-back of securities has been made in compliance with the provisions of the Act and the rules made thereunder was attached with the return.	
10	If the books and records are maintained in the electronic form, check whether the provisions of Rule 27 of Companies (Management and Administration) Rules, 2014 are complied with	

Checked by:

Reviewed by:

Date:

Date:

Checklist : Notice for alteration of share capital (section 64)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	Articles of Association contain the power to alter share capital.	
2	Company has filed a notice with the registrar within a period of thirty days of such alteration along with altered memorandum.	
3	The notice is in Form No. SH.7 of the Companies (Share Capital and Debentures) Rules, 2014.	
4	The effect of alteration is noted in every copy of the Memeorandum and Articles of Association of the company	

Checked by:

Reviewed by:

Date:

Date:

COMPLIANCES UNDER COMPANIES ACT, 2013

Checklist : Return of changes in shareholding position of Promoters and top 10 Shareholders [Section 93 read with Rule 13 of the Companies(Management and Administration) Rules, 2014]

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	In the case of a Listed Company, the company has filed Form No. MGT.10 with the Registrar with fee with respect to changes relating to either increase or decrease of two percent, or more in the shareholding position of promoters and top ten shareholders of the company in each case, within fifteen days of such change.	

Checked by:

Reviewed by:

Date:

Date:

Checklist : Registration of Resolutions and Agreements (section 117)

Following resolutions are required to be filed with ROC:

(a) Special resolution

The following matters require sanction by special resolution

<i>Section</i>		<i>Particulars</i>
5(4)	Articles	Inclusion of Entrenchment provisions in the articles of association of a public company
12(5)	Registered office of the Company	Change of the registered office outside the local limits of any city, town or village where such office is situated.
13(1) & (8)	Alteration of and memorandum	Alteration of the memorandum of the company to change the objects for which the money has been raised from public through prospectus and still has any unutilized amount out of the money so raised.
14	Alteration of articles	Alteration of any clause of the articles.
27 (1)	Variation in terms of contract or the objects in prospectus	Variation in terms of contract referred to in the prospectus or objects for which prospectus was issued.

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Section</i>		<i>Particulars</i>
41	Global depository receipt	Issuance of depository receipts in any foreign country
48(1)	Variation of shareholders rights	Variation of the rights attached to the shares of any class
54	Issuance of sweat equity shares	Issuance of sweat equity shares of a class of shares already issued
62(1) (b)/(1) (c)/(3), proviso	Further issue of share capital	<p>Issue of further shares to employees under a scheme of employees' stock option.</p> <p>Issue of further shares to any person whether or not those persons include the existing members or employees for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer.</p> <p>For approving the terms of issue of debentures or loan containing an option to convert such debentures or loans into shares.</p>
66	Reduction of share capital	Reduction of share capital subject to the confirmation of the Tribunal
67(3)(b)	Restriction on purchase by company or giving of loans by it for purchase of its shares	Approving any scheme for the purchase of, or subscription for, fully paid up shares in the company or its holding company, if the purchase of, or the subscription for, the shares held by trustees for the benefit of the employees or such shares held by the employee of the company.
68	Power of company to purchase its own securities	Buy back of securities
71	Debentures	Issue of debentures with an option to convert whole or part of the debentures into shares at the time of redemption.
94	Place of keeping and inspection of registers, returns, etc.	To keep registers, returns etc., at any other place than the registered office, where more than one-tenth of the total number of members reside

COMPLIANCES UNDER COMPANIES ACT, 2013

<i>Section</i>		<i>Particulars</i>
140	Removal, of auditors	Removal of the auditor before the expiry of his term after obtaining the previous approval of the Central Government
149(1), proviso/ (10)	Company to have Board of directors	Appointment of more than fifteen directors by a company Re-appointment of an independent director after expiry of a term of five consecutive years.
165(2)	Number of directorships	Specifying number of companies (10/20) in which director of the company may act as director.
180	Restrictions on powers of Board	Certain powers to be exercised by the Board of directors only with the consent of company.
185	Loan to directors, etc.	Approving a scheme pursuant to which any loan may be given to a managing or whole - time director.
186	Loan and investment by company	Giving of any loan or guarantee or providing any security or the acquisition exceeds the limits of sixty per cent. of its paid-up share capital, free reserves and securities premium account or one hundred per cent. of its free reserves and securities premium account, whichever is more.
196	Appointment of managing director, whole time director or manager	Appointing the person as a managing director, whole-time director or manager who has attained the age of 70 years.
319(1)	Power of company liquidator to accept shares, etc., as consideration for sale of property of company.	Authorising Company liquidator of the transferor company to accept shares etc., by way of compensation wholly or in part for sale of property, etc., of the company where the transferor company is proposed to be wound up voluntarily
321	Arrangement when binding on company	To sanction any arrangement entered into between the company which is about to be, or is in the course of being wound up and its creditors.
343	Company liquidator to exercise certain powers subject to sanction	To authorise Company Liquidator to exercise certain powers

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Section</i>		<i>Particulars</i>
347	Disposal of books and papers of company	Directing the manner of disposing of company's books and papers when the affairs of a company have been completely wound up and it is about to be dissolved.
371	Effect of registration under this Part	To adopt table F in schedule I, if required

(b) Resolutions which have been agreed by all the members but which, if not so agreed to, would not have been effective unless passed as special resolutions

(c) Board Resolution/agreement relating to appointment, re-appointment or renewal of the appointment, or variation in the terms of appointment of managing director

(d) Resolution passed by class of members

(e) Members' resolutions authorising the board to exercise powers under section 180(1)(a) &(c)

(f) Resolutions for winding up under section 304

(g) Board resolutions for exercising following powers:

- Make call
- Buy back of securities
- Issuing securities
- Borrowing monies
- Investing funds
- Granting loans/ giving guarantees/providing securities
- Approving financial statement and Board's report
- Diversifying business
- Approving amalgamation/merger/ reconstruction
- Taking over of a company/acquiring control in substantial stake in another company (I-X)
- above as per section 179(3)
- Making political contributions
- Appointing or removing KMP

COMPLIANCES UNDER COMPANIES ACT, 2013

- Appointing internal auditor
- Appointing secretarial auditor

Serial No. (xi-xiv) above as per Companies (Meetings of Board and its Powers) Rules, 2014

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	A copy of every resolution as above or any agreement, together with the explanatory statement under section 102, if any, is filed with the Registrar within thirty days of the passing or making thereof in Form No. MGT.14 as per Companies (Management and Administration) Rules, 2014, along with the fee.	
2	The copy of every resolution which has the effect of altering the articles and the copy of every agreement has been embodied in or annexed to every copy of the articles issued after passing of the resolution or making of the agreement.(Sec 117(1) proviso).	

Checked by:

Reviewed by:

Date:

Date:

Checklist : Return of Appointment of Managerial Personnel (section 196)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1.	The Board has passed a resolution for the appointment of Managerial Personnel, viz. managing director, whole-time director or manager, subject to approval by members at the next general meeting.	
2.	The notice convening the board/general meeting for considering the appointment includes the terms and conditions of such appointment and remuneration payable and other matters, including interest of director(s) in such appointments, if any.	
3.	A return of appointment of a Managing Director, Whole Time Director or Manager, has been filed within sixty days of the appointment, with the Registrar in Form No. MR.1 as per Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 along with such fee as may be specified for this purpose.	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
4.	<p>The provisions of Section 203 of the Act relating to the appointment of Key Managerial Personnel and the Rules thereunder have been complied with i.e.</p> <p>(a) Company was required to have whole time KMP and as such has appointed KMP.</p> <p>(b) Chairperson of the company is not the Managing director or CEO of the company.</p> <p>(c) Chairperson of the company is the Managing director or CEO of the company, but has been authorised by the articles.d) Chairperson of the company is the Managing director or CEO of the company, since company has multiple business.</p> <p>(e) Board Resolution was passed for appointment of company containing terms and conditions of appointment and remuneration.</p> <p>(f) None of the KMPs hold such office in more than one company.</p> <p>(g) KMPs hold a similar position in another company, which is a subsidiary company.h) None of the KMPs is a director in any other company.i) KMPs are directors in other companies with the permission of the Board.</p> <p>(j) KMPs holding such position as on 1st April 2014 in more than one company have chosen to be KMP of only one company within a period of six months.</p> <p>(k) A person is appointed as managing director/ manager in two companies with the unanimous approval of the board for which specific notice was given.</p> <p>(l) Vacancy created in the position of KMP was filled within six months.</p>	

Checked by:

Reviewed by:

Date:

Date:

COMPLIANCES UNDER COMPANIES ACT, 2013

Checklist : Particulars of Appointment of Directors and key managerial personnel (section 170)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	The person to be appointed as director has given his consent to act as director to the company in Form No. DIR-2.	
2	The company has filed Form No. DIR-12 as per Companies (Appointment and Qualification of Directors) Rules, 2014 along with such consent in DIR-2 with the Registrar within thirty days of such appointment.	
3	Check whether the date of obtaining DIN precedes the date of appointment as director.	
4	The company has received the notice of resignation from the director in writing.	
5	The company has filed Form No. DIR-12 as per Companies (Appointment and Qualification of Directors) Rules, 2014 along with notice of resignation within thirty days of such change.	

Checked by:

Reviewed by:

Date:

Date:

Checklist : Return of Deposits (Chapter V)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	Every company referred to in sub-section(2) of section 73 and every eligible company intending to accept deposits has issued a circular or a circular in the form of advertisement respectively in Form DPT-1 and has complied with the requirements of Rule No. 4 of Companies (Acceptance of Deposits) Rules, 2014	
2	Whether the provisions relating to Deposit Insurance have been complied with; (Rule 5)	
3	Whether the company has created security for repayment of deposit and interest; (Rule 6)	
4	Whether the company has appointed Trustees for secured deposit in the manner and Deposit Trust Deed has been executed; (Rule 7)	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
5	Whether the company has maintained liquid assets and created a Deposit Repayment Reserve Account; (Rule 13);	
6	The company has, on or before the 30th day of June, of every year, filed with the Registrar, a return in Form DPT-3. (Rule 16)	
7	Check whether the Form DPT-3 contains the information therein as on the 31st day of March of that year duly audited by the auditor of the company.	

Checked by:

Reviewed by:

Date:

Date:

Checklist : Particulars of Beneficial Interest in Shares (section 89)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	The company has received the declaration from the member/beneficial owner in the prescribed form MGT-4/MGT-5.	
2	Such declaration is noted in the register of members.	
3	The company has filed within 30 days of the receipt of the declaration, a return in Form No.MGT.6 as per Companies (Management and Administration) Rules, 2014 with the Registrar in respect of such declaration with fee.	

Checked by:

Reviewed by:

Date:

Date:

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

A. SECURITIES CONTRACTS (REGULATION) ACT, 1956 AND RULES MADE THEREUNDER

The Securities Contracts (Regulation) Act, 1956 (SCRA) defines various terms in relation to securities and provides the procedure for the stock exchanges to get recognition from Government/ SEBI, procedure for listing of securities of companies and operations of the brokers in relation to purchase and sale of securities on behalf of investors. The Central Government promulgated the Securities Contracts (Regulation) Rules, 1957 (SCRR) for carrying into effect the objects of the SCRA, 1956. A company listed on a stock exchange is required to comply with the provisions of SCRA and SCRR.

Check list for Compliances under Securities Contracts (Regulation) Act, 1956 and the Rules made there under:

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
1.	Check whether the company has issued securities to the public.		
2.	If yes, whether, an application for listing to the stock exchange has been made by the company along with the documents and particulars mentioned in Rule 19(1) of the Securities Contracts (Regulation) Rules, 1957. (Section 17A)		
3.	Whether the conditions of listing agreement/SEBI (LODR) Regulations 2015 have been complied with, on receipt of approval for listing of securities? (Section 21)		
4.	Whether any application for listing of securities has been refused by the stock exchange. [Section 17A(3)]		
5.	If the permission is refused, whether the company has repaid all moneys, if any, received from applicants in		

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
	pursuance of the offer document within a period of eight days? [Section 17A (3)]		
6.	In case the stock exchange refused to list the securities, whether the company has made an appeal to the Central Government or the Securities Appellate Tribunal, as the case may be, within the time limit as prescribed under the Act and Section 40 of the Companies Act, 2013 against such refusal. (Section 22 & 22A)		
7.	What was the outcome of the appeal?		
8.	If listed, the company has complied with Rule 19A of SCRR with respect to continuous listing requirement with the stock exchange.		
	<i>Note:</i> To check this, PCS may check the annual report of the company and the shareholding pattern filed by the company with the stock exchange under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.		
9.	The company has complied with- (i) Rule 19 (1) of SCRR with respect to filing of documents. (ii) 19 (2) (b) of SCRR with respect to minimum public shareholding.		
10.	In case the stock exchange refused to list the securities and reason for refusal has not been furnished by the SE within 15 days but before 1 month, whether the company has made an appeal to the Central Government or the Securities Appellate Tribunal, as the case may be, against such refusal. (Section 22 & 22A)		
11.	In case the stock exchange refused to list the securities and reasons for refusal has been furnished by the Stock Exchange, whether appeal to Securities Appellate Tribunal is made within 15 days of furnishing of the reasons by the Stock Exchange? (Section 22 & 22A)		

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
12.	In case the company is aggrieved by the order of Securities Appellate Tribunal, whether the company has filed an appeal to the Supreme Court within sixty days from the date of communication of the decision or order of the Securities Appellate Tribunal. (Section 22F)		
13.	Whether the company has contravened the provisions of Section 23A to 23H.		
14.	Whether the company has been granted immunity by Central Government. (Section 23 O)		
15.	If yes, whether it has been withdrawn by the Central Government, if it is satisfied that such person had, in the course of the proceedings, not complied with the condition on which the immunity was granted or had given false evidence. (Section 23 O)		

Checked by:

Reviewed by:

Date:

Date:

B. DEPOSITORIES ACT, 1996

Depository means an organisation where the securities of a shareholder are held in the electronic form in the same way as a bank holds money. The Depository holds electronic custody of securities and also arranges for transfer of ownership of securities on the settlement dates.

According to section 2(e) of the Depositories Act, 1996, Depository means a company formed and registered under the Companies Act and which has been granted a certificate of registration under section 12(1A) of the Securities and Exchange Board of India Act, 1992.

Chapter II of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 states that no issuer shall make a public issue or rights issue of specified securities unless it has entered into an agreement with a depository for dematerialization of specified securities already issued or proposed to be issued.

Section 29 of the Companies Act, 2013 also mandates that every company making public offer and such other class or classes of companies as may be prescribed, shall issue the securities only in dematerialized form by complying with the provisions of the Depositories Act, 1996 and the regulations made thereunder.

GUIDANCE NOTE ON SECRETARIAL AUDIT

The section further provides that other companies may convert its securities into dematerialized form or issue securities in physical or dematerialized form.

Rule 9 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 provides that the promoters of every company making a public offer of any convertible securities may hold such securities only in dematerialized form. Also the entire holding of convertible securities of the company by the promoters held in physical form up to the date of the initial public offer shall be converted into dematerialized form before such offer is made and thereafter such promoter shareholding shall be held in dematerialized form only.

Checklist for compliances under Depositories Act, 1996

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
1.	Check the Tripartite agreements entered into by the company with the depository for dematerialisation of securities. (NSDL/CDSL)		
2.	Check that the provisions of section 29 of the Companies Act, 2013 and the rules made thereunder have been complied with.		
3.	Check that the company has complied with clause 55A of SEBI (Depositories and Participants) Regulations, 1996 with respect to the reconciliation of share capital audit. The company shall file the disclosure within 30 days from the end of the quarter. i.e. April 30, July 30, October 30 and January 30 of every year.		
4.	Whether the company has contravened the provisions of Section 19A to 19G.		
5.	Whether the company has been granted immunity by Central Government. (Section 22B)		
6.	If yes, whether it has been withdrawn by the Central Government, if it is satisfied that such person had, in the course of the proceedings, not complied with the condition on which the immunity was granted or had given false evidence. (Section 22B)		
7.	In case the company is aggrieved by the order of Board, may prefer an appeal to the Central Government or the securities		

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
	appellate tribunal, as the case may be within a stipulated time as may be prescribed. (Section 23)		

Note: PCS may check the certified copy of quarterly audit report submitted to the stock exchange by the company with respect to reconciliation.

Checked by:

Reviewed by:

Date:

Date:

C. SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

Takeover of companies whose securities are listed on one or more recognized stock exchanges in India is regulated by the provisions of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The compliances under the regulations include event based/continual disclosures, open offer requirements including public announcement, escrow account, obligations of acquirer/target company/merchant banker, undertaking/authorization, offer price etc.

Checklist for Compliances under SEBI (Substantial Acquisition of shares and Takeovers) Regulations, 2011-For acquirer company

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
1.	The Company has appointed merchant banker registered with SEBI.		
2.	The acquirer has made a public announcement through a merchant banker with respect to substantial acquisition of shares or voting rights and acquisition of control in the target company within the timelines prescribed under regulation 13 for different types of acquisitions such as market purchase/conversions etc. (Note: The PCS may check from the documents of the target company for ensuring compliance with the same)		
3.	To check in the event, the acquirer makes a public		

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
	announcement of an open offer for acquiring shares of a target company in terms of regulations 3, 4 or 5, whether he has delisted the company in accordance with the provisions of the SEBI (Delisting of Equity Shares) Regulations, 2009. (Regulation 5A)		
4.	Where an offer made for delisting is not successful, whether announcement within two working days in respect of such failure in all the newspapers in which the detailed public statement was made. (Regulation 5A)		
5.	Where delisting offer made, whether through the manager to the open offer, within five working days from the date of the announcement of failure of delisting offer, a draft of the letter of offer if filled with board. (Regulation 5A)		
6.	The requirement specified under regulation 5A, with respect to announcements and the timelines have been followed, in case of failure of delisting offer		
7.	The acquirer through its manager to the open offer has sent the public announcement to all the stock exchanges where the shares of the target company are listed within the specified time limit.		
8.	The copy of the public announcement has also been sent to SEBI and the target company at its registered office within one working day of date of the public announcement. (Note: The PCS may check the copy of the documents mentioned in point 7 and 8 available by the merchant banker for verifying the same)		
9.	To check no voluntary offer is made by the acquirer or any person acting in concert with him who has acquired shares of the target company in the preceding fifty-two weeks without attracting the obligation to make a public announcement of an open offer. (Regulation 6)		
10.	Whether the acquirer and persons acting in concert with him, who have made a public announcement of voluntary		

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
	offer to acquire shares of a target company has not acquired any shares of the target company for a period of six months after completion of the open offer except pursuant to another voluntary open offer or competing offer. (Regulation 6)		
11.	Whether open offer for acquiring shares to be made by the acquirer and persons acting in concert with him under regulation 3 and regulation 4 made for at least twenty-six per cent of total shares of the target company, as of tenth working day from the closure of the tendering period. (Regulation 7)		
12.	Whether voluntary offer is made for at least such number of shares as would entitle the holder thereof to exercise an additional ten per cent of the total shares of the target company, and shall not exceed such number of shares as would result in the post-acquisition holding of the acquirer and persons acting in concert with him exceeding the maximum permissible non-public shareholding applicable to such target company. (Regulation 7)		
13.	Where different payment modes are given whether detailed public statement and the letter of offer shall contain justification for such differential pricing. (Regulation 9)		
14.	The acquirer has published detailed public statement not later than five workings days of the public announcement. (Note: The PCS may check the copies of newspaper clipping for ensuring the compliance of the same)		
15.	The acquirer has after publication of detailed public statement in the newspaper, sent a copy of the same to – (i) The SEBI; (ii) All the stock exchanges where the shares of the target company are listed; (iii) The target company at its registered office. (Note : The PCS may check the document provided by merchant banker for verifying the same)		

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
16.	Whether the contents of public announcement is as per Regulation 15.		
17.	Where escrow account is in the form of a bank guarantee, whether such bank guarantee was in favour of the manager to the open offer and was be kept valid throughout the offer period and for an additional period of thirty days after completion of payment of consideration to shareholders. (Regulation 17)		
18.	Escrow account is created not later than two days prior to the date of detailed public statement, as required under regulation 17.		
19.	Within five working days of the detailed public statement the draft letter of offer is to be filed with SEBI. Simultaneously a copy of the same has been sent to the target company.		
20.	The letter of offer shall be dispatched to the shareholders whose names appear in the Register of Members of the Target Co. as on the identified date, not later than seven working days from the receipt of comments from SEBI.		
21.	If no comments received from SEBI then within seven working days from the expiry of the period stipulated in sub-regulation (4) of regulation 16. (Regulation 18)		
22.	Where any revision of the open offer, whether by way of an upward revision in offer price, or of the offer size, the acquirer made corresponding increases to the amount kept in escrow account under regulation 17 prior to such revision. (Regulation 18)		
23.	Whether acquirer and persons acting in concert with him acquired or sell any shares of the target company during the period between three working days prior to the commencement of the tendering period and until the expiry of the tendering period. (Regulation 18)		
24.	Whether tendering period remained open for ten working days. (Regulation 18)		

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<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
25.	The letter of offer has been sent to the custodian of shares underlying depository receipts (in case the company has issued GDRs or ADRs) of the company.		
26.	The offer price and offer size requirements are complied with as per Regulation 8.		
27.	In case of upward revision in offer price, or of the offer size, the acquirer has made announcement about the same in all the newspaper as prescriber under these regulations. (Note : The PCS may check the copy of newspaper clipping for verifying the same)		
28.	The acquirer has informed about such upward revision to SEBI, all the stock exchanges on which the shares of the target company are listed, and the target company at its registered office.		
29.	The acquirer has disclosed during the offer period every acquisition made by the acquirer or persons acting in concert with him of any shares of the target company to each of the stock exchange on which the shares of the target company are listed and to the target company at its registered office within twenty- four hours of such acquisition.		
30.	The acquirer shall issue an advertisement one working day before the commencement of the tendering period, announcing the schedule of activities for the open offer, the status of statutory and other approvals, unfulfilled conditions, if any, and their status, the procedure for tendering acceptances and such other material detail as may be specified in all the newspapers in which the detailed public statement pursuant to the public announcement was made. (Regulation 18)		
31.	The acquirer has sent such post offer advertisement to- (i) all the newspaper in which the detailed public statement pursuant to the public announcement was made		

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<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
	(ii) SEBI; (iii) all the stock exchanges on which the shares of the target company are listed; and (iv) The target company at its registered office.		
32.	Has the acquirer acquired or sold any share of the target company during the period between three working days prior to the commencement of the tendering period and until the expiry of the tendering period. (Regulation 18)		
33.	The acquirer has issued a post offer advertisement within five working days after the offer period giving details including aggregate number of shares tendered, accepted, date of payment of consideration.		
34.	The acquirer has sent such post offer advertisement to-(i) SEBI;(ii) all the stock exchanges on which the shares of the target company are listed; and (iii) The target company at its registered office.		
35.	Where conditional offer is made the acquirer and persons acting in concert with him not acquired, during the offer period, any shares in the target company except under the open offer and any underlying agreement for the sale of shares of the target company pursuant to which the open offer is made. (Regulation 19)		
36.	After payment of consideration to the shareholders, the acquirer has transferred the unclaimed balances, if any, lying at the credit of the special escrow account, to the Investor Protection and Education Fund established under the SEBI (Investor Protection and Education Fund) Regulations, 2009, at the end of seven years from the date of deposit thereof.		
37.	In case of withdrawal of open offer, the acquirer shall through the manager to open offer has made an announcement within two working days in the same newspaper in which public announcement to the open offer		

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	was published providing the grounds and reasons for withdrawal of open offer.		
38.	The acquirer has informed in writing with such announcement to-(i) SEBI;(ii) all the stock exchanges on which the shares of the target company are listed; and (iii) The target company at its registered office.		
39.	Where any competing offer is made, whether such offer is made within fifteen working days of the date of the detailed public statement made by the acquirer. (Regulation 20)		
40.	The open offer for acquiring shares once made shall not be withdrawn except as per the provisions of Regulation 23		
41.	Where acquirer or any person acting in concert is already represented by a director on the board of the target company, such director has not participated in any deliberations of the board of directors of the target company or voted on any matter in relation to the open offer. (Regulation 24)		
42.	In the event it was required to alienate any material assets of the target company or any of its subsidiaries, where the acquirer has not expressed its intention to alienate in the detailed public statement and the letter of offer, it has been debarred from causing such alienation within the period of two years. In case the alienation was made within 2 years, such alienation has been approved by the shareholders by special resolution by way of postal ballot by the shareholders of the target company. (Note: The PCS may check Form No. MGT-14 for verifying the special resolution passed for such alienation)		
43.	Upon receipt of the detailed public statement, the board of directors of the target company shall constitute a committee of independent directors to provide reasoned recommendations on such open offer, and the target company shall publish such recommendations and such committee shall be entitled to seek external professional advice at the expense of the target company. (Regulation 26)		

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<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
44.	Whether during the offer period, unless the approval of shareholders of the target company by way of a special resolution by postal ballot is obtained, the board of directors of either the target company or any of its subsidiaries has not done any of the activity specified in Regulation 26(2)		
45.	The recommendation on open offer made by the committee of independent directors of the target company, has been published in the same newspaper where the public announcement of the open offer was published at least two working days before the commencement of the tendering period.		
46.	The copy of such recommendations published, has been sent to :- (i) SEBI; (ii) all the stock exchanges on which the shares of the target company are listed; and (iii) The target company at its registered office.		
47.	The manager to open offer has submitted the due diligence certificate along with the draft letter of offer filed under regulation 16 to SEBI. (Note: PCS may check the copy of the due diligence certificate)		
48.	The manager to open offer shall file a report with the Board within fifteen working days from the expiry of the tendering period confirming status of completion of various open offer requirement. (Note : PCS may check the copy of the report submitted to SEBI)		
49.	In case of event based disclosures as prescribed under regulation 29(1) and (2), such disclosures have been made to the target company at its registered office and to all the stock exchanges where the shares of the target company are listed within the two working days of the receipt of intimation of allotment of shares, or the acquisition of shares or voting rights in the target company.		

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<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
50.	The continual disclosures as specified in regulation 30(1) and (2), have been made within seven working days from the end of each financial year to every stock exchanges where the shares of the target company are listed and to the target company at its registered office by the promoters.		
51.	The disclosure regarding shares encumbered by promoter or by persons acting in concert with him and also any invocation of such encumbrance or release of such encumbrance shares, have been made to all the stock exchanges where the shares of the target company are listed and to the target company at its registered office within seven working days from the creation or invocation or release of encumbrance, as the case may be. (Note: The PCS may check the copy of the formats submitted to stock exchange and target company)		
52.	The PCS may check the copy of the formats prescribed for various disclosures / Reports for ensuring compliance of SEBI (SAST) Regulations 2011.		

Obligations of Target Company in case of an open offer

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
1.	During the offer period, no person representing the acquirer or any person acting in concert with him is to be appointed as director on the board of directors of the target company, whether as an additional director or in a casual vacancy.		
2.	In the event the acquirer or any person acting in concert is already represented by a director on the board of the target company, such director has not participated in any deliberations of the board of directors of the target company or vote on any matter in relation to the open offer.		
3.	Once a Public Announcement is made, the board of directors of the Target Company has ensured that the business of the		

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Sl. No.	Particulars	Compliance	Remarks
	target company is conducted in the ordinary course. Alienation of material assets, material borrowings, issue of any authorized securities, announcement of a buyback offer etc. is not permitted, unless authorized by shareholders by way of a special resolution by postal ballot.		
4.	The target company has furnished to the acquirer within two working days from the identified date, a list of shareholders and a list of persons whose applications, if any, for registration of transfer of shares, in case of physical shares, are pending with the target company.		
5.	After closure of the open offer, the target company has provided assistance to the acquirer in verification of the shares tendered for acceptance under the open offer, in case of physical shares.		
6.	Upon receipt of the detailed public statement, the board of directors of the target company has constituted a committee of independent directors to provide reasoned recommendations on such open offer, and the target company has published such recommendations and such committee shall be entitled to seek external professional advice at the expense of the target company. The recommendations of the Independent Directors are published in the same newspaper where the Detailed Public Statement is published by the acquirer and are published at least 2 working days before opening of the offer. The recommendation will also be sent to SEBI, Stock Exchanges and the Manager to the offer.		

D. SEBI (Prohibition of Insider Trading) Regulations, 2015

Provisions under Companies Act 2013 on prohibition of insider trading.

Section 195. (1)states that no person including any director or key managerial personnel of a company shall enter into insider trading: However, nothing contained in this sub-section shall apply to any communication required in the ordinary course of business or profession or employment or under any law.

Explanation to this section defines that –

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- (a) “insider trading” means –
- (i) an act of subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell or deal in any securities by any director or key managerial personnel or any other officer of a company either as principal or agent if such director or key managerial personnel or any other officer of the company is reasonably expected to have access to any non-public price sensitive information in respect of securities of company; or
 - (ii) an act of counselling about procuring or communicating directly or indirectly any non-public price-sensitive information to any person;
- (b) “price-sensitive information” means any information which relates, directly or indirectly, to a company and which if published is likely to materially affect the price of securities of the company.

Further section 195 (2) states that if any person contravenes the provisions of this section, he shall be punishable with imprisonment for a term which may extend to five years or with fine which shall not be less than five lakh rupees but which may extend to twenty-five crore rupees or three times the amount of profits made out of insider trading, whichever is higher, or with both.

Powers delegated to SEBI under Companies Act 2013

Section 458. (1) states that the Central Government may, by notification, and subject to such conditions, limitations and restrictions as may be specified therein, delegate any of its powers or functions under this Act other than the power to make rules to such authority or officer as may be specified in the notification:

The powers to enforce the provisions contained in section 194 and section 195 relating to forward dealing and insider trading shall be delegated to Securities and Exchange Board for listed companies or the companies which intend to get their securities listed and in such case, any officer authorised by the Securities and Exchange Board shall have the power to file a complaint in the court of competent jurisdiction.

SEBI (Prohibition of Insider Trading) Regulations, 2015

The Securities and Exchange Board of India (SEBI) formulated the SEBI (Insider Trading) Regulations, 1992 under the powers conferred on it under the SEBI Act, 1992. Besides, SEBI felt the need. To ensure a clear regulatory policy that is not only easily comprehensible but is also comprehensive led to this Committee being set up under the chairmanship of Justice N. K. Sodhi, Former Chief Justice of the High Courts of Kerala and Karnataka and the Former Presiding Officer of the Securities Appellate Tribunal.

GUIDANCE NOTE ON SECRETARIAL AUDIT

SEBI has issued and notified the SEBI (Prohibition of Insider Trading) Regulations, 2015 (Regulations) on 15th January, 2015 based on recommendations of the Justice Sodhi Committee. These Regulations are effective from 15th May, 2015.

To take note that the revised disclosure formats, i.e. Form A to Form D were effective from 16.09.2015 Every listed company has to comply with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992 (PIT) Regulations/SEBI(Prohibition of Insider Trading) 2015 as the case may be read with Section 195 of the Companies Act, 2013.

Checklist for Compliances under SEBI (PIT) Regulations, 2015 (effective from May 15, 2015)

Sl. No.	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
1.	Any action has been initiated by SEBI against the company or any of its promoter, director, Key Managerial Personnel, officer or employee under the PIT regulations in the past or present.		
2.	The company or any of its promoters, director, Key Managerial Personnel, officer or employee has been convicted by SEBI with respect to Insider Trading in the past or present. (Note: Please mention the action taken by SEBI in the audit report as qualification)		
3.	The company has appointed a compliance officer.		
4.	Every listed company, market intermediary and other persons formulating a code of conduct shall identify and designate a compliance officer to administer the code of conduct and other requirements under these regulations. (Regulation 9)		
5.	The Board of Directors of every listed company has formulated a code of practices and procedures for fair disclosure of unpublished price sensitive information as per Schedule A to these regulations. The Code must be hosted on the website of the company and a copy of the same must be sent to the stock exchange.		
6.	The Company has appointed a Chief Investor Relation Officer, who is also a senior officer of the company to deal with dissemination of information and disclosure of		

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	unpublished price sensitive information, as per the principles set out in Schedule A of these regulations.		
7.	The Company has formulated code of conduct to regulate, monitor and report trading by insiders as per Schedule B of these regulations.		
8.	The Company has formulated an internal code of conduct for governing dealing in securities as per the minimum standards set out in Schedule B.		
9.	The Company has published the code of fair disclosure on its website.		
10.	Every such code of practices and procedure relating to unpublished price sensitive information and every document thereto has been promptly intimated to the stock exchange where the securities are listed.		
11.	Whether the trading plan has been formulated in compliance with Regulation 5? If yes, whether necessary compliances have been made.		
12.	Whether the disclosures were taken from the KMPs of the Company and from those relating to trading by such person's immediate relatives, and by any other person for whom such person takes trading decisions. (Regulation 6)		
13.	To check whether the connected person or class of connected persons have made disclosures of holdings and trading in securities of the company in such form and at such frequency as may be determined by the company in order to monitor compliance with these regulations. (Regulation 7)		
14.	Whether every code of practices and procedures for fair disclosure of unpublished price sensitive information and every amendment thereto has been promptly intimated to the stock exchanges where the securities are listed. (Regulation 8)		
15.	Whether any action has been sanctioned by the Board for the violation/ contravention of the provisions these regulations. (Regulation 10)		

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<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
16.	The Compliance officer has reviewed and monitored the trading plans if any, submitted by any insider and approved the trading plan that it has not violated these regulations.		
17.	Whether The Compliance officer has received undertaking or declaration from insider with respect to the trading plan, as the case may be.		
18.	The Compliance officer has notified the trading plan to the stock exchange(s), If any.		
19.	The Company maintains the record of the said disclosures as required for a minimum period of five years.		
20.	The Company has received the initial disclosure from every promoter, Key Managerial Personnel (KMP) and Directors with respect to the securities held by them in Company.		
21.	The Company receives disclosure by every person on appointment as KMP or Director or upon becoming a promoter within seven working days of such appointment or becoming promoter.		
22.	The Company is regular in receiving continual disclosure from the promoter(s), employees and directors with respect to the number of securities acquired or disposed of within two trading days of such transaction, if such transactions exceed Rs.10,00,000 or such other value as may be specified in a calendar quarter.		
23.	The Company has notified the particulars of such trading to the stock exchange(s) within two trading days of receipt of the disclosure or from becoming aware of such information.		
24.	The Company is regular in receiving disclosures of holding & trading of securities of the company by any other connected person or class of connected persons, held or traded by them. The Company has in its discretion require this information & set out the frequency for seeking such information.		
25.	The Compliance officer has provided reports of trading to		

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<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
	the Chairman of Audit Committee, if any or to the Chairman of the Board of Directors as per the frequency stipulated by the Board of Directors.		
26.	The Company follows Chinese wall procedures & processes as per the norms contained in the code of conduct, wherever applicable.		
27.	The Compliance officer determines the timing of closure of the trading window and re-opening of the trading window.		
28.	The Compliance officer has put in place appropriate procedure for pre-clearance of trades for its employees.		
29.	The Designated Person have not entered into any contra trade as per the specified period as mentioned in the code of conduct which shall be not less than six months from the date of trade in securities of the Company.		
30.	The profit arises from the Contra trade, if executed inadvertently or otherwise, has been liable to be disgorged for remittance to SEBI for credit to the Investor Protection and Education Fund administered by the SEBI under the Act.		
31.	Any action taken against persons responsible for non-adherence with respect to formulation of code of conduct.		
32.	Any other prevention mode with respect to insider trading as adopted by the Company.		

Checked by:

Reviewed by:

Date:

Date:

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E. SEBI (ICDR) Regulations, 2009

Checklist

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
GENERAL COMPLIANCES			
1.	<p>The compliances relating to filing of offer documents, appointment of merchant bankers and intermediaries have been complied with. (The draft offer document has to be filed with SEBI at least thirty days prior to registering a prospectus, red herring prospectus or shelf prospectus with ROC or filing the letter offer with the designated Stock Exchange (Regulation 6).</p> <p><i>(Note: The draft offer document has to be made available to the public for at least 21 days from the date of such filing with SEBI. A statement on the comments received from public on draft offer document has to be filed with SEBI. The observations/suggestions of SEBI on draft offer documents have to be carried out while registering of prospectus with ROC. A copy of letter of offer is to be filed with SEBI and with stock exchanges where the securities are proposed to be listed, simultaneously while registering the prospectus with ROC)</i></p>		
2.	<p>The company has submitted the necessary documents as required under Regulation 8 before the opening of the issue, during the issue and after the issue?</p> <p>Whether the Company has submitted at the time of filing draft offer document with the recognised stock exchange where the specified securities are proposed to be listed, submit the Permanent Account Number, bank account number and passport number of its promoters to such stock exchange. (Regulation 8)</p>		
3.	<p>The due diligence reports have been filed with SEBI (pre issue diligence reports/post issue diligence reports)</p>		
4.	<p>The company has complied with the requirements relating to lock in period.</p>		

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5.	Where warrants have been issued along with public issue or rights issue, the tenure of such warrants has not exceeded a period of eighteen months from the date of allotment in public/ rights issue.		
6.	The utilization of proceeds for General Corporate Purposes have not exceeded twenty five per cent of the amounts generated by the issuer.		
7.	<p>All application moneys received has been refunded to the applicants in case of non-receipt of minimum subscription i.e. ninety per cent of the offer within:</p> <ul style="list-style-type: none"> (i) fifteen days of the closure of the issue, in case of a non-underwritten issue; and (ii) seventy days of the closure of the issue, in the case of an underwritten issue where minimum subscription including devolvement obligations paid by the underwriters is not received within sixty days of the closure of the issue. <p>(Note: The PCS may check the refund orders/ certificate of posting for the compliance of the provision)</p>		
8	<p>When the issue size exceeds five hundred crore rupees, the issuer shall make arrangements for the use of proceeds of the issue to be monitored by a public financial institution or by one of the scheduled commercial banks named in the offer document as bankers of the issuer (Regulation 16)</p> <p>(Note: The PCS may check the copy of report of the monitoring agency in schedule IX, which has to be filed on a half yearly basis with SEBI, till the proceeds of the issue are fully utilised.)</p> <p>(Note: the PCS may check the documents from the merchant banker w.r.t. its compliance)</p>		
9	The specified securities are to be allotted and/or application moneys to be refunded within fifteen days from the date of closure of the issue and where securities are not allotted/		

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	<p>application moneys refunded interest undertaken in the offer document has to be paid, in case of delayed payments and the payment has to be done by NEFT / RTGS. (Note: The PCS may check the refund orders / Certificate of posting to ensure compliance of the same.)</p> <p>The pre-issue advertisement is required to be made after registering the red herring prospectus (in case of book built issue) or prospectus (in case of fixed price issue) with Registrar of companies in one English national daily newspaper with wide circulation, Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated in format specified in Part A of schedule XIII.</p> <p>(Note : The PCS may check the copies of the newspaper clippings for compliance of the same.)</p>		
11.	<p>The issuer is required to make an announcement of the floor price or price band along with financial ratios computed for both the upper and lower end of the price band at least 5 working days before the opening bid (in case of IPO) and at least one working day before the opening of the bid (in case of FPO) in all newspapers in which pre-issue advertisement was made. The announcement shall also be sent to the stock exchanges where the securities are proposed to be listed for disclosure on their website.</p> <p>(Note : The PCS may check the copies of the newspaper clippings for compliance of the same.)</p> <p>The issuer must take care that the cap on the price band shall be less than or equal to one hundred and twenty per cent of the floor price and the floor price or the final price shall not be less than the face value of the specified securities. (Regulation 30)</p>		
12.	<p>Receipt of minimum promoters' contribution and allotment of their securities are in accordance with the requirements</p>		

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<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
	of Regulation 32. (Note: the PCS may verify from the copy of the resolution passed by the board of directors of the issuer for allotting specified securities to promoters towards amount received against promoters' contribution, before opening of the issue; and a certificate from a Chartered Accountant, before opening of the issue, certifying that promoters' contribution has been received in accordance with these regulations, which shall also contain the names and addresses of the promoters who have contributed to the promoters' contribution and the amount paid by each of them towards such contribution)		
13.	An issuer making a public issue of specified securities providing for green shoe option for stabilising the post listing price of its specified securities, may do so only after shareholder approval in the General Meeting and satisfying other relevant conditions as specified under Section 45. (Note: The PCS may check copy of resolution passed in the general meeting of shareholders and the agreement in between the issuer and the stabilizing agent.)		
14.	A report on activities under green shoe option stabilizing agent are required to be reported to SEBI on daily basis and during the stabilisation period and a final report to the Board in the format specified in Schedule XII. (Note: the PCS may verify the copies of such report for compliance.)		
15.	Whether the application money received has been utilized in accordance with the section 40 of Companies Act, 2013.		
16.	Whether the disclosures made in the red herring prospectus while making an initial public offer are updated on an annual basis by the issuer and shall be made publicly accessible.		
17.	Check whether the outstanding subscription money is called within twelve months from the date of allotment in the issue and where the applicant has failed to pay the call money within the twelve months, such shares has been forfeited.		

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<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
18.	<p>Whether the issuer has altered the terms (including the terms of issue) of specified securities which and the same may adversely affect the interests of the holders of that specified securities, if so, the consent in writing of the holders of not less than three-fourths of the specified securities of that class or with the sanction of a special resolution passed at a meeting of the holders of the specified securities of that class has been obtained. This is only for holders of Convertible portion of the PCDs. Hence applicable only if an issue of such an instrument has been made.</p> <p><i>(Note: The true copy of the resolution may be checked for compliance of the same.)</i></p>		
19.	<p>The issuer is required to appoint a compliance officer for monitoring the compliance of securities laws and for redressal of investor grievances.</p>		
20.	<p>The lead merchant banker is required to submit post issue reports to SEBI. (Initial report within 3 days from the closure of the issue and final report within 15 days of date of finalisation of basis of allotment.)</p>		
21.	<p>The lead merchant banker is required to submit post issue reports to SEBI. Initial report within 3 days from the closure of the issue as specified in Part B of Schedule XVI and Final report within 15 days of date of finalization of basis of allotment or within fifteen days of refund of money in case of failure of issue as specified in Part D of Schedule XVI.</p>		
22.	<p>The post issue advertisement is issued within ten days from the date of completion of the various activities in at least one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language daily newspaper with wide circulation at the place where registered office of the issuer is situated containing all the details as specified.)</p> <p><i>(Note: The PCS may check the copies of newspaper clippings for compliance of the same.)</i></p>		

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

Sl. No.	Particulars	Compliance	Remarks
23.	The issue of debentures with an option to convert such debentures into shares, wholly or partly, shall be approved by a special resolution passed at a general meeting. (Note: The PCS may check the e-form MGT. 14 filed with ROC for the details of the issue)		
24.	The issuer has created Debenture Redemption Reserve in accordance with section 71 of Companies Act, 2013		
25.	In case of secured debentures, the issuer has created charge on the security. (Note: The PCS may check the e-form CHG.9 for verifying the same.)		
26.	Where the value of non-convertible portion of partly convertible debt instruments exceeds fifty lakhs the same may be rolled over without change in interest rate only when 75% of holders of convertible debentures have approved the rollover through a resolution by postal ballot (Note: The PCS may check MGT. 14 for the compliance of the same.)		
RIGHTS ISSUE			
27.	Certified true copy of the resolution passed by the Board of Directors for issue of securities under proposed rights issue/ approving the proposed rights issue.		
28.	The stock exchange has been informed 2 working days prior to the Board Meeting which proposes to consider a rights issue.		
29.	Certified true copy of the resolution passed by the Shareholders, if any; <ul style="list-style-type: none"> • increase in the authorised share capital required) (special resolution). • for issue of securities under proposed rights issue (Note: The PCS may check the copy of Form No. SH7, MGT14 filed with ROC)		

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<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
30.	<p>A pre-issue advertisement for the rights issue has to be made in accordance with the details specified in the regulation, at least three days before the opening of the issue in at least one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language daily newspaper with wide circulation at the place where registered office of the issuer is situated</p> <p>(Note: The PCS may check the copies of the newspaper clippings for the compliance of the same.)(Note: The PCS may check the E-form MGT.14 filed with ROC for verification.)</p>		
31.	<p>In case the company has issued convertible debt instruments, it is to be ensured whether the issuer company has made reservation of equity shares of the same class in favour of the holders of such instruments proportion to the convertible part thereof, before e opening a rights issue of equity shares. Check whether the equity shares so reserved were issued at the time of conversion of convertible debt instruments on the same terms at which equity shares offered in rights issues were offered.</p> <p>(Note: The true copy of the resolution may be checked for compliance of the same and also the returns filed on allotment of the same to the debenture holders.)</p>		
32.	<p>To check if 7 working days' notice was given for Record Date. To also check if all the directors at a duly convened meeting had approved the Letter of Offer.</p>		
33.	<p>The issuer is in compliance with the conditions for continuous listing of equity shares as specified in the listing agreement with the recognised stock exchange where the equity shares of the issuer are listed.</p>		
34.	<p>The promoters have complied with the SEBI (SAST) Regulations, in case of taking in additional shares.</p>		
35.	<p>Necessary disclosures have been made by the promoters</p>		

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
	under the SEBI (SAST) and SEBI (PIT) Regulations, with Stock Exchanges where the shares are listed /SEBI post the rights issue.		
36.	The company has complied with the provisions of Companies Act 2013 (covered elsewhere in the guidance note).		
BONUS ISSUE			
38.	For the issue of bonus shares following points must be taken into consideration as per section 63 of Companies Act 2013		
	(a) Whether the issuer company is authorised by its articles;		
	(b) The company has on recommendation of the Board, been authorised in the general meeting of the company;		
	(c) it has not defaulted in payment of interest or principal in respect of fixed deposits or debt securities issued by it;		
	(d) it has not defaulted in respect of the payment of statutory dues of the employees, such as, contribution to Provident Fund, gratuity and bonus;		
	(e) the partly paid-up shares, if any outstanding on the date of allotment, are made fully paid-up;		
	(f) The company which has once announced the decision of its Board recommending a bonus issue, shall not subsequently withdraw the same.		
	(g) The bonus shares shall not be issued in lieu of dividend		
39.	A certificate from the Managing director/ Company Secretary that the proposed bonus shares would be ranking pari-passu in all respects including dividend with the existing equity shares of the company should be checked. (Note: This certificate is required as per the stock exchange norms. The certificate requirement is not prescribed under		

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
	SEBI (ICDR) Regulations, 2009 but there is a clause that the The shares issued in the issue shall be pari-passu with the existing shares in all respects including dividends.)		
40.	To confirm that all the existing securities of the company were fully paid-up and listed on the Exchange at the time of the bonus issue.		
41.	To check if the Bonus has been issued only out of free reserves To check if the bonus is issued out of reserves built out of the genuine profits or securities premium collected in cash only and reserves created by revaluation of fixed assets shall not be capitalised for the purpose of issuing bonus shares.		
42.	In case the company has issued convertible instruments, to check if the company has made reservation of equity shares of the same class in favour of the holders of outstanding compulsorily convertible debt instruments if any, in proportion to the convertible part thereof.		
43.	A certified true copy of the acknowledgement of FCGPR form has been submitted by the company to Reserve Bank of India in respect of allotment of bonus shares to foreign entities/shareholders within 30 days of issue of shares.		
44.	Check whether the bonus issue was implemented within two months from the date of the meeting of its board of directors wherein the decision to announce the bonus issue was taken subject to shareholders' approval.		
45.	In case of unlisted company the issuer company shall comply with section 63 of the Companies Act, 2013 which has been discussed earlier.		

PREFERENTIAL ISSUE:

It may be noted that the provisions of this Part shall not apply where the preferential issue of equity shares is made to the consortium of banks and financial institutions pursuant to conversion of their debt, as part of the strategic debt restructuring scheme in accordance with the guidelines specified by the Reserve Bank of India, subject to the following conditions:

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

- (a) conversion price shall be determined in accordance with the guidelines specified by the Reserve Bank of India for strategic debt restructuring scheme, which shall not be less than the face value of the equity shares;
- (b) conversion price shall be certified by two independent qualified valuers, and for this purpose 'valuer' shall have the same meaning as assigned to it under clause (r) of sub regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Sweat Equity) Regulations, 2002;
- (c) equity shares so allotted shall be locked in for a period of one year from the date of trading approval:

Provided that for the purposes of transferring the control, the consortium of banks and financial institutions may transfer their shareholding to an entity before completion of the lock in period subject to continuation of the lock in on such shares for the remaining period with the transferee;
- (d) applicable provisions of Companies Act, 2013 are complied with, including the requirement of special resolution.
- (e) The provisions of this Chapter shall not apply when any other secured lenders opt to join the strategic debt restructuring scheme in accordance with the guidelines specified by the Reserve Bank of India and convert their debt into equity share in accordance with sub regulation (5).

Checklist

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
1.	The listed issuer may make a preferential issue only when special resolution has been passed by the shareholders of the company. (<i>Note: The PCS may check copy of e-form MGT 14 filed with the ROC.</i>)		
2.	Check whether the additional disclosures as specified in the regulations were also made in the explanatory statement of the notice for the general meeting proposed for passing special resolution.		
3.	To prepared a private placement offer letter in Form No. PAS 4 in Form GNL 4in accordance with the Companies Act, 2013 and the same has been addressed to the proposed investors / allottees.		

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<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
4.	To maintain a register of all the persons, to whom the preferential offer is going to be made in accordance with Form No. PAS 5 of the Companies Act, 2013.		
5.	Check whether the Allotment pursuant to the special resolution in case of preferential issue has been completed within a period of fifteen days from the date of passing of such resolution or the receipt of approval from the stock exchange, whichever is later.		
6.	<p>Where allotment is :</p> <p>(I) for consideration other than cash check the following documents</p> <ul style="list-style-type: none"> • Certified copy of valuation report • Certified copy of Shareholders Agreements. • Certified copy of approval letters from FIPB and RBI if applicable. <p>(II) pursuant to CDR Scheme/ Order of High Court/ BIFR check the following document</p> <ul style="list-style-type: none"> • Certified copy of relevant scheme/ order <p>(III) pursuant to conversion of loan of financial institutions check the following document:</p> <ul style="list-style-type: none"> • Certified copy of the Loan Agreement executed by the company. <p>Check if the consideration is paid in cash, it was received from the respective allottee's bank account.</p>		
7.	To check if the allottees have made necessary disclosures under Regulation 29(1)/29(2) of the SEBI (SAST) Regulations, 2011 and Regulation 7 of the SEBI (PIT) Regulations, 2015 within the stipulated time to the stock exchanges. To check if the preferential allotment attracts the provisions of the SEBI (SAST) Regulations with regard to the obligation to make an open offer.		

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<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
8.	To check if the number of allottees pursuant to one resolution does not exceed 50 and that the total numbers of allottees in preferential allotments in a financial year do not exceed 200.		
9.	Check the copy of the confirmation submitted by the Managing Director/ Company Secretary of the issuer company w.r.t. compliance with the regulations.		
QUALIFIED INSTITUTIONAL PLACEMENT			
1.	Check the copy of special resolution approving the qualified institutional placement passed by its shareholders and Form MGT 14 filed with ROC. To check if the resolution specifically mentions that the allotment is Qualified Institutional Placement.		
2.	Check that the minimum number of allottees for each placement of eligible securities made under qualified institutional placement is not less than: <ul style="list-style-type: none"> • two, where the issue size is less than or equal to two hundred and fifty crore rupees; • five, where the issue size is greater than two hundred and fifty crore rupees: 		
3.	Check the copy of special resolution for allotment with respect to completion of allotment within a period of twelve months from the date of passing of the resolution.		
4.	Check whether the issuer company has complied with Regulation 31 of the SEBI (LODR) Regulations, 2015 with regard to filing of shareholding pattern.		
5.	To check if the Information Memorandum has been privately circulated duly numbered to the prospective investors.		
6.	To check if return of allotment has been filed within the stipulated time with the ROC.		
7.	Check whether the placement document shall be serially numbered and copies shall be circulated only to select investors. (Regulation 84)		

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Sl. No.	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
8.	Whether the qualified institutional placement has been made at a price not less than the average of the weekly high and low of the closing prices of the equity shares of same class quoted on the Stock exchange within two weeks preceding the relevant date. (Regulation 85)		
9.	The aggregate of the proposed qualified institutions placement and all previous qualified institutions placements made by the issuer in the same financial year shall not exceed five times the networth of the issuer as per the audited balance sheet of the previous financial year. (Regulation 89)		

F. Issue of Securities through Employee Stock Options

Compliance by an Unlisted Company

- A unlisted Company issuing securities to employees under employee stock option scheme has to comply with the provisions of Section 62(1)(b) read with Rule 12 of Companies(Share Capital and Debentures) Rules 2014.

Compliance listed Company

- A listed Company has to comply with Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the provisions of the Listing Regulations, read the provisions of Section 62(1)(b) of the Companies Act, 2013 and rule 12 of Companies(Share Capital and Debentures) Rules 2014.

Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (these regulations)

The Securities Exchange Board of India (SEBI) on 28 October 2014 has notified new Regulations called Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 which have replaced the erstwhile ESOP guidelines. The New Regulations are effective from the date of notification of these regulations.

Repeal and Exceptions

- (1) Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are hereby repealed.
- (2) Notwithstanding such repeal, –
 - (a) prohibition on acquiring securities from the secondary market as provided in

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

SEBI circular CIR/CFD/POLICYCELL/3/2014 dated June 27, 2014 shall continue till the existing schemes are aligned with these regulations;

- (b) all listed companies having existing schemes to which these regulations apply are required to comply with these regulations in their entirety within one year of the same coming into effect, subject to the following exceptions:
 - (i) trusts holding shares, for the purposes of implementing employee benefits schemes of the company, beyond the permissible limits as provided under these regulations, shall have a period of five years to bring down its holding in shares to such limits;
 - (ii) trusts holding shares, for the purposes of implementing GEBS or RBS, which exceed ten per cent. of the total value of the total assets of the trust(s) as provided under these regulations, shall have a period of five years to bring down its holding in shares to such limits;
 - (iii) for the purposes of sub-regulation (9) of regulation 3 and ensuring compliance with the requirement of maintaining adequate public shareholding, those trusts holding shares of the company which are shown either as 'promoter' or 'public' shareholding, shall be permitted to continue to be shown them as such for a further period of only three years;
 - (iv) trustees of a trust may continue to vote in respect of shares held by such trust for a period of three years, commencing from 28th of October, 2014.

Applicability of these regulations

The provisions of these regulations shall apply to any company whose shares are listed on a recognised stock exchange in India, and has a scheme:

- (i) for direct or indirect benefit of employees; and
- (ii) involving dealing in or subscribing to or purchasing securities of the company, directly or indirectly; and
- (iii) satisfying, directly or indirectly, any one of the following conditions:
 - (a) the scheme is set up by the company or any other company in its group;
 - (b) the scheme is funded or guaranteed by the company or any other company in its group;
 - (c) the scheme is controlled or managed by the company or any other company in its group.

Types of schemes covered under these regulations

The provisions of these regulations shall apply to following, -

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- (i) employee stock option schemes;
- (ii) employee stock purchase schemes;
- (iii) stock appreciation rights schemes;
- (iv) general employee benefits schemes; and
- (v) retirement benefit schemes.

Treatment of Preferential allotment to employees

- Nothing in these regulations shall apply to shares issued to employees in compliance with the provisions pertaining to preferential allotment as specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- The provisions pertaining to preferential allotment as specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 shall not be applicable in case of a company issuing new shares in pursuance and compliance of these regulations.

Section 62(1) (b) of the Companies Act, 2013, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the listing agreement are applicable for listed companies while private and unlisted public companies are required to follow the articles of association, the Companies Act, 2013 and the rules made thereunder.

Checklist for compliances under Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Companies Act 2013

For listed companies

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
1.	Whether the company has used the direct route or through irrevocable trust route for issue of Employees share Based Benefit Schemes, including ESOPs?		
2.	Whether the implementation through trust was decided upfront at the time of taking approval of the shareholders for setting up of the schemes.		
3.	In case the scheme involves secondary acquisition or gift or both, whether the scheme is mandatorily implemented through trust.		

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
4.	Whether a director, KMP, promoter, holding/subsidiary/ associate companies, any relative of director/KMP/ promoter, any person beneficially holder ten per cent or more of the paid up capital of the company is not appointed as trustee.		
5.	Whether approval of shareholders is obtained authorising the trust to implement the scheme.		
6.	Whether the trust deals only in delivery based transactions and not in derivatives.		
7.	Whether secondary acquisition in a financial year by a trust does not exceed two per cent of the paid up capital as at the end of the previous financial year.		
8.	Whether the total number of shares under secondary acquisition held by the trust is within the prescribed limits.		
9.	Whether the trust holds shares acquired through secondary acquisition for a minimum period of six months, subject to exceptions.		
10.	Whether the off market transfers by the trust has been made only under circumstances specified in these regulations.		
11.	Whether the trust sells shares in the secondary market only under the circumstances specified under these regulations.		
12.	Whether the company has constituted compensation committee for administration of the scheme.		
13.	Whether the employee is eligible to participate in the scheme. I.e. the employees are permanent employees of the company or its subsidiary or holding company either in India or abroad. Independent Directors and Promoters shall not be allowed to participate in the schemes.		
14.	Whether the scheme is approved by the shareholders through special resolution.		
15.	Check whether the explanatory statement to the special		

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<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
	resolution complies with Rule 12 of the Companies (share Capital and Debentures) Rules, 2014.		
16.	Check whether other procedural aspects as prescribed under Rule 12 of Companies (share Capital and Debentures) Rules 2014.		
17.	Whether the specified disclosures as prescribed under Rule 12 of Companies (Share Capital and Debentures) Rules 2014 has been made in the Board's Report.		
18.	Whether the company has complied with prescribed norms for varying the terms of the schemes.		
19.	Whether unlisted companies going for IPO, complies with the provisions prescribed with regard to Pre-IPO scheme.		
20.	Whether the board of directors place auditor's certificate, certifying compliance under these regulations, before the shareholders in annual general meeting		
21.	Whether the trust deed specifies the minimum provisions as specified in the circular dated 16.06.2015. (Regulation 3)		
22.	Whether the trust has made disclosures and complied with the other requirements applicable to insiders or promoters under the SEBI (Prohibition of Insider Trading) Regulations, 1992 or any modification or re-enactment thereto. (Regulation 3)		
23.	Whether the composition of the Compensation Committee is as specified in the regulations. (Regulation 5)		
24.	Whether the terms and conditions of the scheme, as formulated by the compensation committee in context of the regulation 5(3) includes the provisions as specified by the Board. (Regulation 5)		
25.	Whether the explanatory statement has the contents as specified in the circular dated 16.06.2015. (Regulation 6)		
26.	Whether the notice for passing special resolution for variation		

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
	of terms of the schemes discloses full details of the variation, the rationale therefore, and the details of the employees who are beneficiaries of such variation. (Regulation 7)		
27.	Whether the company has undergone repricing of the options, SAR or shares. (Regulation 7)		
28.	In case of winding up of the schemes being implemented by a company through trust, whether the excess monies or shares remaining with the trust after meeting all the obligations, if any, has been utilised for repayment of loan or by way of distribution to employees as recommended by the compensation committee (Regulation 8)		
29.	Option, SAR or any other benefit granted to an employee under the regulations shall not be transferable to any person. (Regulation 9)		
30.	Whether any person other than the employee to whom the option, SAR or other benefit is granted is entitled to the benefit arising out of such option, SAR, benefit etc. (Regulation 9) (Note: In case of ESOS or SAR, under cashless exercise, the company may itself fund or permit the empaneled stock brokers to fund the payment of exercise price which shall be adjusted against the sale proceeds of some or all the shares, subject to the provisions of the applicable law or regulations.)		
31.	Whether the option, SAR, or any other benefit granted to the employee has been pledged, hypothecated, mortgaged or otherwise alienated in any other manner. (Regulation 9)		
32.	Whether any event of death of an employee has occurred? (Regulation 9)(Note: In the event of death of the employee while in employment, all the options, SAR or any other benefit granted to him under a scheme till such date shall vest in the legal heirs or nominees of the deceased employee.		
33.	Whether any employee suffers a permanent incapacity while in employment? (Regulation 9)		

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Sl. No.	Particulars	Compliance	Remarks
	(Note: In case the employee suffers a permanent incapacity while in employment, all the options, SAR or any other benefit granted to him under a scheme as on the date of permanent incapacitation, shall vest in him on that day.)		
34.	Whether any new issue of shares is made under any scheme? (Regulation 10)		
	If yes, whether the shares so issued have be listed immediately in any recognised stock exchange where the existing shares are listed, subject to the following conditions: (Regulation 10) (a) Scheme is in compliance with these regulations (b) A statement as specified by SEBI in this regard, is filed and the company hasobtained an in-principle approval from the stock exchanges		
35.	Whether the information required in the statement to be filed with Stock Exchange(s) is as per the circular CIR/CFD/POLICY CELL/2/2015 dated 16.06.2016. (Regulation 10) When an exercise is made, whether the company has notified the concerned stockexchange as per the statement as specified by SEBI in this regard. (Regulation 10)		
36.	Whether the shares arising after the initial public offering (“IPO”) of an unlisted company, out of options or SAR granted under any scheme prior to its IPO to the employees has been listed immediately upon exercise in all the recognised stock exchanges where the shares of the company are listed subject to compliance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and where applicable, regulation 12(1). (Regulation 11)		
37.	Whether the company has appointed a registered merchant banker for the implementation of schemes in accordance with clause (b) of regulation 10. (Regulation 12)		
38.	In case the company has passed a resolution for the schemes		

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
	under these regulations, whether the board of directors, at each annual general meeting have placed before the shareholders a certificate from the auditors of the company that the scheme(s) has been implemented in accordance with these regulations and in accordance with the resolution of the company in the general meeting. (Regulation 13)		
39.	In addition to the information that a company is required to disclose, in relation to employee benefits under the Companies Act, 2013, whether the board of directors of such a company have disclosed the details of the scheme(s) being implemented, as specified by SEBI in this regard. (Regulation 14)		

Compliance with respect to specific schemes

Employee Stock Option Scheme

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1.	Whether the minimum vesting period is one year from the date of grant of options	
2.	Whether the disclosures specified have been made to prospective option grantees	
3.	Whether employee does not receive dividend or vote till the exercise of option	
4.	Whether the disclosure document is with reference to the circular dated 16.06.2015. (Regulation 16)	
5.	Whether the company has specified the lock-in period for the shares issued pursuant to exercise of option. (Regulation 18)	

Employee Stock Purchase Scheme

1.	Whether shares issued under ESPS is locked in for a minimum period of one year from the date of allotment	
2.	Whether ESPS forming part of public issue are issued at the same price as in the public issue?	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Remarks</i>
3.	Whether ESPS scheme contains the details of the manner in which the scheme will be implemented and operated	

Stock Appreciation Rights Scheme(SARS)

1.	Whether SARS contains the details of the manner of implementation	
2.	Whether specified disclosures has been made to the prospective SAR grantees	
3.	Whether the disclosure document is with reference to the circular dated 16.06.2015. (Regulation 23)	
4.	Whether the minimum vesting period is of one year from the date of grant of SAR. (Regulation 24)	
5.	Whether the employee has the right to receive dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of SAR granted to him. (Regulation 25)	

General Employee Benefits Scheme(GEBS)

1.	Whether GEBS contains the details of the maner of implementation	
2.	Whether, the shares of the company or shares of its listed holding company does not exceed ten per cent of the book value or market value or fair value of the total assets of the scheme, whichever is lower, as appearing in its latest balance sheet for the purposes of GEBS, at any point of time.	

RETIREMENT BENEFIT SCHEME (RBS)

Whether the retirement benefit scheme contains the details of the benefits under the scheme and the manner in which the scheme shall be implemented and operated.

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
1.	Whether the shares of the company or a share of its listed holding company does not exceed ten per cent of the book value or market value or fair value of the total assets of the scheme, whichever is lower, as appearing in its latest balance sheet for the purposes of RBS at any point of time?		

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
2.	Form No. PAS. 3 as per Companies (Prospectus and Allotment of Securities) Rules, 2014, Form No. SH.7 as per Companies (Share Capital and Debentures) Rules, 2014 and Form No. MGT.14 as per Companies (Management and Administration) Rules, 2014, as applicable, has been filed with ROC.		
3.	Check if listing approval by stock exchange(s) was granted for shares arising after IPO out of options granted under a scheme prior to the IPO, upon exercise subject to compliance with SEBI (ICDR) Regulations, 2009.		
4.	Check the copy of the in principle approval granted by the stock exchange under Regulation 28 of the SEBI (LODR) Regulations / Clause 24(a) of the listing agreement.		
5.	Check compliance with Relevant clauses of listing agreement / Listing Regulations.		

Checked by:

Reviewed by:

Date:

Date:

G. SEBI (Issue and Listing of Debt Securities) Regulations, 2008

These regulations are applicable to:

- (a) public issue of debt securities and
- (b) listing of debt securities issued through public issue or on private placement basis on a recognized stock exchange.

“Debt securities” means non-convertible debt securities which create or acknowledge indebtedness, and include debentures, bonds and such other securities of a body corporate or any statutory body constituted by virtue of a legislation, whether constituting a charge on the assets of the body corporate or not, but excludes bonds issued by Government or such other bodies as may be specified by SEBI, security receipts and securitized debt instruments. For issue of convertible debt securities, SEBI (ICDR) Regulations, 2009 are applicable.

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IA. Checklist for compliances under SEBI (Issue and Listing of Debt Securities) Regulations, 2008

For Non-Convertible Debt securities

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
1.	There is no restraining, prohibiting or debarring order against the company or any of its promoters by SEBI or any other regulatory authority. <i>(Note: PCS may mention the details of the order, if any, in the audit report as a qualification).</i>		
2.	The company has appointed one or more merchant bankers in case of a public issue and a debenture trustee registered with SEBI.		
3.	The company has obtained credit rating from at least one rating agency registered with SEBI and disclosed in offer document. <i>(Note: The PCS may check the copy of the credit rating certificate for verifying the same)</i>		
4.	The company has obtained in-principle approval from the recognized stock exchange to list its non-convertible debt securities.		
5.	The company has entered into a tripartite agreement with the RTA and both the depositories. <i>(Note: The PCS may check the agreement for verifying the same.)</i>		
6.	The Debenture Trust Deed has been executed in Form No. SH.12 as per Companies (Share Capital and Debentures) Rules, 2014, by the company in favour of the debenture trustees within sixty days of allotment of debentures.		
7.	Debenture Redemption Reserve has been created as provided in sub-rule (7) of Rule 18 of Companies (Share Capital and Debentures) Rules, 2014.		
8.	The final offer document has been filled with the Registrar of Companies, SEBI and designated stock exchange.		

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
9.	Whether the issuer filing a shelf prospectus, has filed a copy of an information memorandum with the recognized stock exchanges and the Board, immediately on filing the same with the Registrar. (Regulation 6A)		
10.	The information memorandum has contained the disclosures as specified in Companies Act, 1956 or Companies Act, 2013, whichever is applicable and rules made there under and has also included disclosures regarding summary term sheet, material updations including revisions in ratings, if any along with the rating rationale and financial ratios specified in Schedule I of SEBI (Issue and Listing of Debt Securities) indicating the pre and post issue change.		
11.	In case the 75% of minimum subscription of the base issue size has not been received by the company, the entire money has been refunded within 12 days from the date of the closure of the issue.		
	(Note: The PCS may check from the statement of escrow account which is opened for the purpose of debt issue)		
12.	In case there has been a delay in the aforesaid refund, the company has returned the subscription amount along with interest at the rate of 15% per annum for the delayed period.		
13.	The company has retained the over subscription money up to the maximum of 100% of Base issue size or any lower limit as specified in the offer document.		
14.	If the company has filed shelf prospectus, then it has retained over subscription up to the rated size, as specified in their shelf prospectus. (It is to be noted that certain entities are required to file shelf prospectus as specified in Regulation 6A)		
15.	The company has created a charge or security, if any, in respect of secured debt securities has been disclosed in the offer document along with its implication e-form CHG-9 has been filed with the ROC regarding creation of charge on the debt securities.		

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
16.	<p>In case of rollover of debt securities, it has been approved by the holder of the debt securities by a passing a special resolution and e- form MGT – 14 has been filed with ROC for such purpose.</p> <p>Whether prior notice of 21 days was given containing the disclosure regarding the credit rating so obtained?</p>		
17.	In case the holders of the debt securities have not given their positive consent to the roll over, the company has redeemed the debt securities of all the debt securities holders.		
18.	The Company has obtained final listing and trading approval from the stock exchanges where it proposes to list its securities.		
19.	The company has passed resolution by the Board of Directors for allotment of securities specifically making a mention of total number of securities allotted / allocated by it.		
20.	Allotment is completed within 12 days of the closure of the issue and Form No. PAS 3 regarding allotment of debentures as per Companies (Prospectus and Allotment of Securities) Rules, 2014 is filed with the ROC within 30 days of allotment.		
21.	Letter from Registrars and lead manager confirming dispatch of share / debenture / warrant certificates, allotment advice, refund orders, underwriting commission, uploading of electronic credit of Securities, uploading of ECS/NEFT/ RTGS credits and brokerage warrants.		
22.	<p>Certificate from the Registrar reconciling the total securities allotted with the total securities credited with the depositories, and securities that have failed to be credited.</p> <p>[Note: The PCS may check the copy of the basis of allotment.]</p> <p>In case credit rating has been obtained from more than one agencies, whether all the ratings, including the unaccepted ratings have been disclosed in the offer document. (Regulation 4)</p>		

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
23.	Whether debt securities have been issued for providing loan to or acquisition of shares of any person who is part of the same group or who is under the same management. (Regulation 4)		
24.	Whether any default has been made in payment of interest on debt securities or redemption thereof or in creation of security as per the terms of the issue of debt securities. (Regulation 16)		
25.	If dividend has been paid, whether prior approval of debenture trustee has been obtained. (Regulation 16)		
26.	Whether the offer document contains all the material disclosures which are necessary for the subscribers of the debt securities to take an informed investment decision. (Regulation 5)		
27.	Whether the draft offer document has been filed through the lead merchant banker. (Regulation 6)		
28.	Whether the lead merchant banker, prior to filing of the offer document with the Registrar of Companies has, furnish to the Board a due diligence certificate as per Schedule II of the regulations. (Regulation 6)		
29.	Whether the issuer has made an advertisement in an national daily with wide circulation, on or before the issue opening date? (Regulation 8)		
30.	Whether the advertisement along with other things contains the disclosures as per Schedule IV and is in compliance with other requirements of Regulation 8?		
31.	Whether the debt securities have been redeemed in terms of the offer document. (Regulation 18)		
32.	Where any right to recall or redeem prior to maturity is reserved or provided whether provisions of Regulation 17A are complied.		
33.	Where any security is created in respect of secured debt		

GUIDANCE NOTE ON SECRETARIAL AUDIT

Sl. No.	Particulars	Compliance	Remarks
	securities, whether it is disclosed in the offer document along with its implications. (Regulation 17)		
34.	Whether issue proceeds were kept in an escrow account until the documents for creation of security as stated in the offer document, are executed. (Regulation 17)		
35.	Where issuer debt securities to the public through the on-line system of the designated stock exchange have complied with the relevant applicable requirements specified by the Board. (Regulation 10)		
36.	Whether every application form issued by the issuer is accompanied by a copy of the abridged prospectus. (Regulation 9)		

Checked by:

Reviewed by:

Date:

Date:

Note:

When an issuer making public issue of debt securities may recall such securities prior to maturity date at his option (call) or provide such right of redemption prior to maturity date (put) to all the investors or only to retail investors, at their option, subject conditions specified in Regulation 17A.

When an issuer carries out consolidation and re-issuance of its debt securities, the conditions specified in regulation 20A has been complied with.

An issuer making a private placement of debt securities and seeking listing thereof on a recognised stock exchange may file a Shelf Disclosure Document containing disclosures as provided in Schedule I. In such a case conditions specified in Regulation 21 A has been complied with.

IIA. Checklist for issuance of Non Convertible Debentures on private placement basis under SEBI (Issue and Listing of Debt Securities) Regulations, 2008

“Private placement” means any offer of securities or invitation to subscribe securities to a select group of persons by a company (other than by way of public offer) through issue of a private placement offer letter and which satisfies the conditions specified in section 42 of the Companies Act, 2013.

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

A company issuing NCDs on private placement basis has to comply with Section 42 and Rule 14 of the companies (Prospectus and Allotment of securities) Rules, 2014 and RBI guidelines issued for NBFCs, in addition to SEBI (Issue and Listing of Debt Securities) Regulations, 2008. The companies Act, 2013 provisions are being covered elsewhere.

Checklist

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
1.	The company has passed a resolution for issuance of NCDs in its board meeting. (Note: The PCS may check the copy of the resolution passed.)		
2.	The company has appointed a debenture trustee and Registrar and share Transfer Agents.		
3.	The company has executed tripartite agreement with the RTA and both the Depositories for issuance of NCDS in the demat form.		
4.	The company has obtained One- time registration for online complaint redressal system-SCORES with SEBI.		
5.	The company has obtained credit rating from at least one credit rating agency registered with SEBI.		
6.	In case of revision in rating, during periodical review by the credit rating agency, the same has been intimated to the stock exchanges where the debt securities are listed, the investors and the perspective investors.		
7.	The company has obtained final listing approval from the Stock Exchange to list its Debt securities.		
8.	The company has made disclosures in a disclosure document as specified as scheduled I of these regulations and the same has been disclosed on the website of the Stock Exchange where such securities are proposed to be listed.		
9.	The relevant documents have been submitted to the trustee for security creation.		
10.	A press release has been issued for disclosing the information to the investors and the general public in case of any of the		

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
	<p>following events by the Debenture Trustee:</p> <ul style="list-style-type: none"> (a) default by issuers to pay interest on debt securities or redemption amount; (b) failure to create a charge on the assets ; (c) revision of rating assigned to the debt securities; <p>(Note : The PCS may check the copy of the press release)</p>		
11.	The information as required under point 10 above has also been placed on the websites, of the debenture trustee, the company and the stock exchanges.		
12.	The company, the debenture trustee and stock exchange has disseminated all the information and reports on debt securities including compliance reports filed by the issuers and the debenture trustee regarding the debt securities to the investor and the general public by placing them on their websites.		
13.	<p>The company has filed the following e- forms with the Registrar of Companies:</p> <ul style="list-style-type: none"> (i) MGT-14 with respect to the Board resolution passed for issuance of NCDs on private placement basis. (ii) PAS -3 for allotment of debentures (iii) PAS – 4 with respect to private placement offer letter (iv) PAS-5 with respect to complete record of placement offer. (v) CAG-9 with respect to creation & charge on security, if any. 		
14.	<p>The company has complied with part B of the debt listing agreement.</p> <p>(Note: The PCS may check the copy of information memorandum filed with the stock exchange for complete verification of each particular information and default, if any, made by the company.</p>		

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

H. SEBI (Registrar to an Issue and Share Transfer Agents) Regulations, 1993

All the work related to share registry in terms of both physical and electronic is maintained at a single point i.e. either in-house by the company or by a SEBI registered R & T Agent. The registrars and share transfer agents (RSTA) are required to:

- maintain records of all the shares dematerialized, rematerialized and details of all securities declared to be eligible for dematerialization in the depositories and ensure that dematerialization of shares shall be confirmed/created only after an in-principle approval of the stock exchange/s where the shares are listed and the admission of the said share with the depositories have been granted.

Checklist for compliances under SEBI (Registrar to an Issue and Share Transfer Agents) Regulations, 1993

Sl. No.	Particulars	Compliance	Remarks
1.	The company has appointed an RTA in accordance with SEBI regulations. Or is handling the share Transfer in-house. In case the number of shareholders are more than 1,00,000 in number the in house facility has registered itself as a Share Transfer Agent with SEBI		

Checked by:

Reviewed by:

Date:

Date:

I. SEBI (Delisting of Equity Shares) Regulations, 2009

Delisting of securities means permanent removal of securities of a listed company from a stock exchange. Delisting can be voluntary or compulsory. In voluntary delisting, a listed company decides on its own to permanently remove its securities from a stock exchange by complying with SEBI (Delisting of Equity Shares) Regulations, 2009. Compulsory delisting refers to permanent removal of securities of a listed company from a stock exchange as a penalizing measure at the behest of the stock exchange for not making submission / compliance with various requirements set out in the listing agreement within the time frame prescribed.

Voluntary Delisting can be again of two types (a) with exit opportunity- In this case the equity shares would not be listed on any recognized stock exchange having nationwide trading terminals after the proposed delisting (b) where no exit opportunity is required- In this case the equity shares would remain listed on any recognized stock exchange which has nationwide trading terminals after the proposed delisting. In this regard, a PCS has to first check whether the company has used the exit opportunity method or no exit opportunity method under

GUIDANCE NOTE ON SECRETARIAL AUDIT

voluntary delisting. A company desirous of delisting its securities has to comply with the SEBI (Delisting of Equity Shares) Regulations, 2009.

The Regulations shall not apply to securities listed without making public issue on the institutional trading platform of recognised stock exchanges.

Note : PCS may visit the website of stock exchanges, for example, NSE and BSE to check whether a company has been delisted or not. The stock exchange maintains a separate section where the name of the companies which are delisted from their stock exchange, is displayed.

Checklist for compliances under SEBI (Delisting of Equity Shares) Regulations, 2009

Sl. No.	Particulars	Compliance	Remarks
I.	Compulsory delisting		
1.	(i) Check the reasons for which action has been taken by the recognized stock exchange for compulsory delisting. (ii) In case there is compulsory delisting, the company/ whole time directors/ its promoters/ companies which are promoted by any of them has not accessed the securities market directly or indirectly or sought listing for any equity shares for a period of 10 years from the date of such delisting.		
II	Voluntary delisting - where no exit opportunity is required		
2.	Submission of the resolution approving the delisting scheme as passed by the Board of Directors of the Company, in compliance with Regulation 7(1) (a) to stock exchange.		
3.	The company has given public notice of proposed delisting in at least one English national daily and one Hindi national daily with wide circulation and one regional newspaper of the region where the concerned recognised stock exchange is located. (<i>Note</i> : The PCS may check the copies of newspaper clippings)		
4.	The public notice contains: (i) the name of the recognized stock exchanges from which the equity shares of the company are		

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
	intended to be delisted. (ii) The reasons for such delisting. (iii) The fact of continuation of listing of equity shares on recognized stock exchanges having nationwide trading terminals.		
5.	An application has been made to the concerned recognized stock exchange for delisting of its equity shares.		
6.	The application has been disposed of within a period not exceeding 30 days from the date of receipt of completed application.		
7.	The company has disclosed the fact of delisting in the first annual report of the company prepared after such delisting.		
8.	Check the conditions for delisting.		
III.	Voluntary delisting - where exit opportunity is given		
8A.	The application for delisting of equity shares was made to the concerned stock exchange.		
9.	Certified copy of the resolution passed by the Board of Directors approving(Prior approval) the delisting scheme is in compliance with Regulation 8 (1) (a), and has been submitted to stock exchange. Before granting prior approval the board of directors have complied with conditions relating to disclosures, appointment of merchant banker's etc. specified in regulation 8.		
10.	The company has intimated the Stock exchange regarding the outcome of the Board Meeting.		
10A	The company has appointed merchant bankers subject to conditions as specified.		
11.	Prior approval of members has been obtained by postal ballot for the delisting process with at least two third majorities.		

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
12.	Prior approval of members has been obtained by postal ballot for the delisting process only if the votes cast by public shareholders in favour of the proposal amount to at least two times the number of votes cast by public shareholders against it.		
13.	Submission of application to stock exchange for in- principle approval for delisting of equity shares along with the copy of the audit report as required under regulation 55A of SEBI (Depositories and Participants) Regulations, 2009.		
14.	The in-principle approval for delisting has been received from the stock exchange. (The application shall be disposed off by the stock exchange within a period not exceeding five working days from the date of receipt of application)		
15.	A public announcement has been made in one English national daily with wide circulation, one Hindi national daily with wide circulation and one regional language newspaper of the region regarding the delisting proposal, either by promoter company or acquirer, within one working day from the date of receipt of principal approval.		
16.	The company has disclosed all the material information in the public announcement including the information specified in Schedule I of the Regulations. (Note: Refer Schedule I)		
17.	The public announcement is signed and dated by the promoters who are making the delisting offer. Where the promoter is a company, the public announcement has been dated and signed on behalf of the Board of directors of the company by its manager or secretary, if any, and by not less than two directors of the company, one of whom shall be a managing director where there is one.		
18.	The company has complied with the conditions relating to letter of offer, bidding requirements etc. as specified in regulation 12 and 13 respectively.		

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
19.	Before making the public announcement the provisions related to escrow account contained in regulation 11 have been complied with.		
20.	The public announcement was made within five working days of the closure of the offer regarding: <ul style="list-style-type: none"> (i) Success of the offer under regulation 17. (ii) Failure of the offer under regulation 19. (iii) Rejection under regulation 16 of the final price discovered under Schedule II by the promoters. 		
21.	Regulation 20 regarding payment of consideration on success of the offer and return of equity shares have been complied with.		
22.	The final application has been made to the concerned stock exchange(s) for delisting of equity shares.		
23.	Check the order of the recognized stock exchange granted to the company for delisting.		
24.	In case the number of the paid up capital is not exceeding Rs.10 crores and the net worth is not exceeding Rs.25 crores, whether the company has followed the procedure for small companies.		
25.	In the procedure for small companies is followed, whether the company has written to the public shareholders and 90% of them have agreed to delist the company or remain shareholders of a delisted entity.		
26.	Whether the promoter has provided an exit opportunity, accepted the price and paid the consideration.		
27.	Whether application has been made for final approval for the delisting within 1 year of the resolution.		
28.	The company has complied with the conditions relating to offer price as specified in regulation 15 respectively		

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
29.	The company has complied with the conditions relating to Minimum number of equity shares to be acquired as specified in regulation 17 respectively.		
30.	Check whether the payment of consideration for shares accepted under sub-regulation (1) of regulation 21 made out of the balance amount lying in the escrow account.		
31.	If a company delist its equity shares from all the recognized stock exchanges where they are listed or from the only recognized stock exchange where they are listed check whether all public shareholders holding equity shares of the class which are sought to be delisted are given an exit opportunity in accordance with Chapter IV		

Checked by:

Reviewed by:

Date:

Date:

SEBI (Buyback of Securities) Regulations, 1998

Buy-back of shares means the purchase by the company of its own shares. Buyback of equity shares is an important mode of capital restructuring. It is a corporate financial strategy which involves capital restructuring and prevalent globally with the underlying objectives of increasing earnings per share, averting hostile takeovers, improving returns to the stakeholders and realigning the capital structure. Buy Back of securities can be by listed companies and private and unlisted public companies.

Buy-back of securities by a listed company

Buy-back of Securities by listed Companies is governed by SEBI (Buy-back of Securities) Regulations, 1998, the Companies Act, 2013 and the rules made thereunder. A listed company may buy-back its shares or other specified securities by any one of the following methods: –

- (a) from the existing security-holders on a proportionate basis through the tender offer; (b) from the open market through –
 - (i) book-building process,
 - (ii) stock exchange; (c) from odd-lot holders.

Provided that no offer of buy-back for fifteen per cent or more of the paid up capital and free reserves of the company shall be made from the open market.

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

Buy-back of Securities by a private and unlisted public company

Buy-back of its own securities by a private and unlisted public company is governed by the Companies Act, 2013 and the rules made thereunder. MCA has notified rules under the Companies Act, 2013. For buy-back of securities, provisions of Chapter IV of Companies Act, 2013 consisting of Sections 68, 69 and 70 and Rule 17 of Companies (Share Capital and Debentures) Rules, 2014 will be applicable.

Checklist for compliance requirement under SEBI (Buyback of Securities) Regulations, 1998 and the Companies Act, 2013

Buyback of Securities by a listed company

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
1.	The method used for buy-back of securities is in compliance with regulation 4.		
2.	The buy-back of securities is authorized by the articles of association and if not, they were amended and special resolution passed for the amendment is filed with the stock exchange and ROC.		
3.	Company has filed Form No.MGT.14 as per Companies (Management and Administration) Rules, 2014 with the Roc in respect of the special resolution or Board Resolution.		
4.	In case of buy-back where the first proviso of Section 68(2) (b) of Companies Act, 2013 is applicable, board resolution has been passed approving the buy-back and the resolution has been filed with the stock exchange and SEBI.		
5.	The company has filed a letter of offer in Form No. SH.8 as per Companies (Share Capital and Debentures) Rules, 2014 with fee with ROC before the buy-back of securities. Further, such letter of offer has been dated and signed on behalf of the Board of Directors of the company, by not less than two directors, one of whom shall be the managing director, where there is one. Whether Form SH 9 has been filed for the declaration of Insolvency.		
6.	The explanatory statement has been annexed to the notice		

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
	of the general meeting pursuant to section 102 of the Companies Act, 2013 and contains the disclosures as specified in Part A of Schedule II of these regulations.		
	<i>(Note: Refer Part A of Schedule II)</i>		
7.	The public announcement contains all the material disclosures required under Schedule II of these regulations. Further, the announcement has been made in at least one English national daily, one Hindi national daily and a regional language daily all with wide circulation at the place where the registered office of the company is situated within 2 Working days of passing of special resolution.		
8.	In case of buy-back through stock exchanges, the public announcement contains details of the brokers and stock exchanges through which the buy-back of shares or other specified securities would be made. The acquirer or promoter has facilitated tendering of shares by the shareholders and settlement of the same through the stock exchange mechanism specified by SEBI.		
9.	In case of buy-back through book building process, the public announcement contains the detailed methodology of the book-building process, the manner of acceptance, the format of acceptance to be sent by the security-holders pursuant to the public announcement and the details of bidding centres.		
10.	The soft copy of public announcement has been filed with SEBI through the merchant banker. (Note: The company shall within five working days of the public announcement filed with the Board a draft-letter of offer along with soft copy, containing disclosures as specified in Schedule III through a merchant banker who is not associated with the company.)		
11.	Buy-back has been made on a stock exchange having nation-wide trading terminals.		
12.	In case of buy-back through book building process, the book-		

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
	building process has been made through an electronically linked transparent facility.		
13.	The company has filed with SEBI the declaration of solvency under these regulations pursuant to Section 68 (6) of the Companies Act, 2013 and with ROC in Form No. SH.9 as per Companies (Share Capital and Debentures) Rules, 2014.		
14.	The declaration of solvency is signed and verified by at least two directors, one of whom is the managing director of the company, if any.		
15.	The company maintains a record or register of security certificates which have been cancelled and destroyed in Form No. SH10 as per Companies (Share Capital and Debentures) Rules, 2014.		
16.	The company has opened an escrow account and special account as required under these Regulations.		
17.	The certificate that the securities bought back have been extinguished within seven days of the last date of completion of buy-back is duly certified and verified by- <ul style="list-style-type: none"> (i) the registrar and where there is no registrar, by the merchant banker; (ii) two directors of the company one of whom shall be a managing director where there is one; (iii) the statutory auditor of the company. 		
18.	The certificate of extinguishment has been filed with SEBI and the stock exchange on a monthly basis by the seventh day of the month succeeding the month in which the securities certificates are extinguished and destroyed.		
19.	The company has filed with SEBI, a return containing such particulars relating to buy-back of securities within 30 days of completion of buy-back and with the ROC in Form No. SH.11 as per Companies (Share Capital and Debentures) Rules, 2014.		

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
20.	Return filed with ROC in Form No. SH.11 include certificate of compliance in Form No. SH.15 signed by two directors of the company including the managing director, if any, certifying that buy-back of securities has been made in compliance with the provisions of the Act and the rules made there under.		
21.	Whether any buy back offer has been made within one year of the closure of previous buyback offer? (Section 68)		
22.	Whether shares were fully paid up at the time of buy back? (Section 68)		
23.	Whether the debt equity ratio was in excess of 2:1 after the completion of buyback? (section 68)		
24.	Where a company completes a buy-back of its shares or other specified securities under this section, it shall not make a further issue of the same kind of shares or other securities including allotment of new shares under clause (a) of sub-section (1) of section 62 or other specified securities within a period of six months except by way of a bonus issue or in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into equity shares.		
25.	Where a company purchases its own shares out of free reserves or securities premium account, whether a sum equal to the nominal value of the shares so purchased has been transferred to the capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet.		
26.	A company, authorized by a resolution passed by the Board of Directors at its meeting to buy back its shares or other specified securities under section 68 of the Companies Act, 2013 shall file a copy of the resolution, with the Board and the stock exchanges, where the shares or other specified securities of the company are listed, within two working days of the date of the passing of the resolution.		

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
27.	A copy of the resolution passed at the general meeting under Section 68 of the Companies Act, 2013 shall be filed with the Board and the stock exchanges where the 19[shares or other specified securities] of the company are listed, within seven days from the date of passing of the resolution.		

Checked by:

Reviewed by:

Date:

Date:

K. SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

A. GENERAL COMPLIANCES OF LISTED ENTITIES

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
1.	Listed Entity has appointed a qualified Company Secretary as Compliance Officer.		
2.	Listed Entity has either <ul style="list-style-type: none"> - appointed a share transfer agent or - manage the share transfer facility in-house Where facility is managed in-house and total number of shareholders exceeds one lakh then check that listed entity has recourse to any of the following two options: <ul style="list-style-type: none"> - Register itself with the Board as Category II share transfer agent - Appoint Registrar to the issue and share transfer agent registered with the Board 		
3.	Check that compliance certificate has been submitted to the exchange by the listed entity, duly signed by both the compliance officer and the authorized representative of the share transfer agent, within one month of the end of each half financial year (half financial year implies 1 st April to 30 th Sep and 1 st Oct to 31 st Mar) certifying compliance with the regulations w.r.to share transfer.		

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
4.	Check the information submitted to credit rating agencies, share transfer agents, debenture trustees etc. are correct and adequate and promptly on request.		
5.	Check that the entity has a proper policy for preservation of documents with respect to their preservation is at least in two categories, permanent and not less than 8 years.		
6.	Check the existence of proper infrastructure for filing of various reports, statements to SEBI or exchange(s) electronically by the listed entity.		
7.	Check the payments w.r.to dividend, interest, redemption or repayment is made by any of the electronic mode approved by RBI such as ECS, NECS, NEFT, RTGS etc. Where it is not possible to use electronic mode of payment, 'payable-at-par' warrants or cheques may be issued, also check when the amount payable is more than Rs. 1500, such warrants or cheques shall be issued only by speed post.		
8.	Check that the listed entity is registered on SCORES platform or such other electronic platform as shall be mandated from time to time in order to handle investor complaints electronically in the manner specified by the SEBI.		
9.	Check that the listed entity has filed a quarterly statement with the recognized stock exchange giving details w.r.to investor complaints received, disposed of, pending etc. within that quarter. To check if the status of the investor complaints are place before each board meeting.		
10.	Check whether all the Fees and other charges to be paid to the recognized stock exchanges are duly paid.		
11.	To formulate archival policy. The listed entity shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this regulation, and such disclosures shall be hosted on the website of the listed entity for a minimum period of five years and thereafter as per the archival policy of the listed entity, as disclosed on its website.		

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
12.	To frame a policy for determination of materiality of events, based on criteria specified in regulation 30(4)(i), duly approved by its board of directors, which shall be disclosed on its website.		
13.	To check whether all the items to be placed before the Board were placed in appropriate time and schedule.		
B. CORPORATE GOVERNANCE COMPLIANCES FOR ENTITIES WHICH HAS LISTED ITS SPECIFIED SECURITIES			
14.	Check if Regulation 17 to -27 are applicable to the company. They shall not apply, in respect of the listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crore, as on the last day of the previous financial year:		
15.	Check the composition of board of directors shall comprise of : <ul style="list-style-type: none"> - At least one woman director - At least 1/2 of the Board is independent in the board, where the chairperson is not a non-executive chairperson - At least 1/3 of the Board is independent , where the chairperson is a non-executive chairperson if the chairperson is non-executive but is a promoter is related to the promoter, the Board comprises of at least 1/2/ of independent directors 		
16.	Check that at least 4 board meetings held during the financial year, with a maximum time gap of 120days between any 2 meetings. Check whether the Board is reviewing compliance reports pertaining to all laws applicable to the listed entity as well as the steps taken for rectification of instances of non-compliance. Check whether Board is satisfied that the succession plans are in place		

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
17.	Check that the boards of directors have laid down a code of conduct for all members of board of directors and senior management of listed entity that suitably incorporates the duties of independent directors as laid down in the Companies Act, 2013. The confirmation to the Code of Conduct from all the directors is taken in the first Board Meeting of the Year		
18.	Check that the compensation paid to non-executive directors including independent directors other than sitting fees is approved by shareholders in the general meeting.		
19.	Check that independent directors are not entitled to any stock option.		
20.	Check that in the performance evaluation of independent directors, directors who are subject to evaluation shall not participate.		
21.	<p>Check the constitution of qualified and Independent Audit Committee and following requirements :</p> <ul style="list-style-type: none"> - Chairperson of the audit committee is an independent director - Chairperson was present at AGM to answer shareholders queries - Company secretary shall act as the company secretary to the audit committee - Audit committee meets at least 4 times in a year with a maximum time gap of 120 days between any 2 meetings. Check if Quorum is present at the Audit Committee meetings 		
22.	<p>Check the constitution of Nomination & Remuneration committee and following points :</p> <ul style="list-style-type: none"> - Chairperson of the committee is an independent director 		

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
	<ul style="list-style-type: none"> - Chairperson was present at AGM to answer shareholders queries - Role of the committee complies with Part D of the Schedule II 		
23.	<p>Check the constitution of Stakeholder Relationship committee and following points :</p> <ul style="list-style-type: none"> - Committee specifically looks into the mechanism of redressal of grievances of shareholders, debenture holders and other security holders - Chairperson of this committee is a non- executive director - Role of the committee complies with Part D of the Schedule II 		
24.	<p>Check the constitution of Risk Management committee by the top 100 listed entities.</p> <p>Note: Top 100 listed entities are determined on the basis of market capitalization, as at the end of the previous financial year.</p>		
25.	<p>Check the listed entity has formulated a vigil mechanism to provide adequate safeguard against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.</p>		
26.	<p>Check that the listed entity has formulated a policy on materiality of related party transactions and dealing with related party transactions (RPTs)</p>		
27.	<p>All RPTs have taken prior approval of audit committee, committee may grant omnibus approval on certain conditions.</p>		
28.	<p>All material RPTs have taken prior approval of shareholders through resolution, and all the related parties irrespective of</p>		

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
	whether they are a party to the transaction have abstained from voting on such resolutions.		
29.	All existing related party contracts entered into prior to the date of notification of these regulations and which continue beyond such date were placed for approval of the shareholders in the first AGM subsequent to notification of these regulations.		
30.	<p>Corporate Governance requirements w.r.to subsidiary of listed entity:</p> <ul style="list-style-type: none"> - at least one independent director on the BOD of listed entity is the director on the BOD of any unlisted material subsidiary, incorporated in India - minutes of the meeting of BOD of unlisted subsidiary placed at the meeting of the BOD of the listed entity - management of unlisted subsidiary periodically give a statement of significant transactions to the BOD of listed entity - listed entity has not made any divestment in the material subsidiary without passing a special resolution in its General Meeting except under a case where it is made under a scheme of arrangement duly approved by a Court/Tribunal selling, disposing and leasing of assets amounting to more than 20 % of the assets of material subsidiary on an aggregate basis during a financial year if done, is after taking prior approval of shareholders by way of special resolution unless where it is made under a scheme of arrangement duly approved by a Court/Tribunal 		
31.	<p>Obligation w.r.to Independent Directors - Check the following :</p> <ul style="list-style-type: none"> - Independent Director is not serving in this capacity in more than 7 listed entities 		

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
	<ul style="list-style-type: none"> - A person who is a whole time director in any listed entity is not is not serving as independent director in more than 3 listed entities - At least one meeting of independent directors is held in a year without the presence of non-independent directors and members of management - Independent director who resigns or is removed from board of the listed entity is replaced by a new independent director not later than the immediate next meeting of the board of directors or 3 months from the date of such vacancy whichever is earlier. 		
32.	<p>Obligation w.r.to Directors and senior management - Check the following :</p> <p>Every director shall inform the listed entity about the committee positions he or she occupies in other listed entities and notify changes as and when they take place.</p>		
33.	<p>Check that Listed entity has submitted a quarterly compliance report on corporate governance to the recognized stock exchange within 15 days from close of quarter, a yearly compliance within 15 days of the end of the financial year and a half yearly report within 15 days of the end of the half year.</p> <ul style="list-style-type: none"> - To lay down procedures to inform members of board of directors about risk assessment and minimization procedures. - To formulate a vigil mechanism for directors and employees to report genuine concerns. The vigil mechanism shall provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism. - The audit committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions of the listed entity and such approval shall be applicable in respect of transactions which are repetitive in nature. 		

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
	– To formulate familiarization programmes for independent directors which shall include nature of the industry in which the listed entity operates, business model of the listed entity, roles, rights, responsibilities of independent directors and any other relevant information.		
C. OTHER COMPLIANCES FOR ENTITIES WHICH HAS LISTED ITS SPECIFIED SECURITIES			
34.	Check that listed entity has before issuing securities, obtained ‘in-principle’ approval from recognized stock exchange(s) in the manner provided in the Regulations.		
35.	<p>Check that listed entity has given prior intimation (at least 2 working days prior excluding the date of intimation and the date of the meeting) to the stock exchanges where the specified securities are listed about the meeting of the board of directors in which any of the following proposals are considered:</p> <ul style="list-style-type: none"> – Financial results – Buy back of shares – Voluntary delisting from the stock exchange – Fund raising and for determination of issue price – Declaration/recommendation of dividend – Passing over of dividend – Issue of convertible securities – Issue of debentures carrying a right to subscribe to equity shares Declaration of bonus securities, where it is a part of agenda of the BOD meeting 		
36.	<p>Check that the listed entity makes a disclosure of following events and information :</p> <ul style="list-style-type: none"> – All events which are deemed to be material as specified in Part A of schedule III of these Regulations 		

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
	All other events or information which, in the opinion of the board of directors are material		
37.	<p>Check that the listed entity has submitted to stock exchange(s) a statement showing holding of Specified Securities and shareholding pattern for each class of securities. Following timelines are required to be followed for submission of the statement by the listed entity :</p> <ul style="list-style-type: none"> - 1 day prior to listing of its securities on the stock exchange(s) - Within 21 days from end of each quarter or half year in case of entity listed on SME exchange <p>Within 10 days of any capital restructuring of the listed entity resulting in a change exceeding 2 % of total paid-up share capital</p>		
38.	Check that 100% shareholding of promoter(s) and promote group is in dematerialized form. To check if 50% of the public shareholding is in demat form. If not whether necessary efforts are being made to dematerialise the securities		
39.	Check that listed entity comply with circulars or directions issued by SEBI from time to time w.r.to maintenance of shareholding in dematerialized form.		
40.	In the shareholding pattern appearing on the website of the stock exchange where specifies securities of the entity are listed, all entities falling under promoter and promoter group are disclosed separately as per the formats specified by SEBI. (all folios shall be clubbed as one)In case of transmission/ succession/inheritance, the inheritor shall be classified as promoter.		
41.	Where an entity becomes professionally managed and does not have any identifiable promoter, the existing promoters may be re-classified as public shareholders subject to approval of shareholders in a general meeting.		

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
	<i>Note:</i> Criteria for considering an entity as professionally managed is given in point (6) of Clause 31A of the guidelines.		
42.	Re-classification of promoter as public shareholder is disclosed as a material event to the stock exchange. Such classification is subject to the conditions as mentioned in point (7) of Clause 31A of the guidelines.		
43.	Re-classification of a public shareholder as promoter, requires an open offer to be made in accordance with the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.		
44.	<p>Listed entity is required to submit to the stock exchange the following statements on quarterly/half yearly basis for public issue, right issue, preferential issue etc.</p> <ul style="list-style-type: none"> – Statement indicating deviations, if any in the use of proceeds from the objects stated in the offer document or explanatory statement to the notice of general meeting – Statement indicating category wise variation (capital expenditure, sales and marketing, working capital etc.) between projected utilization of funds made by it in offer document and the actual utilization of funds. – These statements shall be continued to be given till the time the issue proceeds are fully utilized or the purpose for which these proceeds were raised has been achieved. – These statements shall be placed before the audit committee for review and after that submitted to the stock exchange(s) <p><i>Note:</i> In case of entity is listed on SME exchange, quarterly submission is replaced by half yearly submission.</p>		
45.	Listed entity is required to furnish explanation for the variation specified in above point, in the director’s report in the annual report.		

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
46.	Listed entity is required to prepare an annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, certified by the statutory auditor of the listed entity, and place it before the audit committee till such time the full money raised through the issue has been fully utilized.		
47.	Where the listed entity has appointed a monitoring agency to monitor the utilization of proceeds of a public or right issue, the monitoring report of such agency shall be placed before the audit committee on an annual basis, promptly on its receipt. Entity shall also submit the report to the stock exchange(s).		
48.	Financial results of the listed entity to be prepared on the basis of accrual accounting policy and in accordance with uniform accounting practices and GAAP.		
49.	Limited review or audit reports submitted to the stock exchange(s) on quarterly or annual basis are to be given only by an auditor who has subjected himself to the peer review process of ICAI and holds a valid certificate issued by the Peer Review Board of the ICAI.		
50.	Check submission of Annual Report to the stock exchange within 21 working days of its approval and adoption in AGM.		
51.	Submission of Annual Information Memorandum to the stock exchange.		
52.	Annual Report is sent to the holders of the securities not less than 21 days before the AGM.		
53.	Certificate from PCS is w.r.to share transfer certificates: to certify that all certificates have been issued within thirty days of lodging for the transfer. Check that the certificate from PCS is obtained within 30 days of end of each half year and same is filed to the stock exchange(s) within 30 days of the end of the half year.		

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
54.	Check that listed entity has provided the facility of remote e-voting facility to its shareholders, in respect of shareholders resolutions.		
55.	Check that entity has submitted to the stock exchange, details of voting results within 48 hours of its general meeting.		
56.	Check the website of the entity to ensure that it disseminates important information and policies on its website. To also check if the website contains all the disclosures mentioned and that it is updated.		
57.	Check that Financial Results of the entity are published in newspaper (in English national daily newspaper and in vernacular language newspaper) within 48 hours of conclusion of the board meeting at which it was approved.		
58.	Check whether minimum public shareholding requirements are complied with		
D. COMPLIANCES FOR ENTITIES WHICH HAS LISTED ITS NON CONVERTIBLE DEBT SECURITIES OR NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES			
59.	<p>Listed entity has to make following intimations to the stock exchange(s) :</p> <ul style="list-style-type: none"> - About the date on or from which the interest on debentures and bonds, and redemption amount of redeemable shares, debentures and bonds shall be payable, at least 11 working days before such date. - About its intention to raise funds through new non-convertible debt securities/ preference shares About the BOD meeting in which recommendation of issue of non-convertible debt securities/ preference shares or any matter affecting rights of such security holders are proposed to be considered, at least 2 working days in advance 		
60.	Check whether entity has promptly informed the stock exchange(s) of all price sensitive information before providing the same to any third party.		

CAPITAL MARKET RELATED LAWS/RULES/REGULATIONS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
61.	Check submission of half yearly financial results with stock exchange(s).		
62.	Check the half –yearly certificate regarding maintenance of 100% asset cover for listed non-convertible debt securities, issued by PCS.		
63.	Check that proxy forms are sent to holders of non-convertible debt securities / preference shares and such forms are worded in such a manner that holders of these securities may vote either for or against each resolution.		
64.	Whether the entity has transferred any unclaimed interest/ dividend to the ‘Investor Education and Protection Fund’ set up as per section- 125 of the Companies Act,2013		
65.	Maintenance of a functional website by the listed entity.		
E. COMPLIANCES FOR ENTITIES WHICH HAS LISTED ITS SECURITISED DEBT INSTRUMENTS			
66.	Check the Credit Rating Certificates obtained by listed entity with respect to securitized debt instruments and same has been periodically reviewed by the credit rating agency.		
67.	Whether email address of grievance redressal division is prominently displayed on entity’s website.		
68.	Whether entity provide loan level information and credit rating information to the Investors periodically.		
69.	Whether the payment w.r.t. interest and redemption are made in time.		
70.	Whether any unclaimed interest and principal, remaining as such for a period of 7 years are transferred to Investor Protection and Education Fund.		
F. COMPLIANCES FOR ENTITIES WHICH HAS LISTED ITS MUTUAL FUND UNITS			
71.	Check the following information maintained by the entity : – Daily Net Asset Value (NAV)		

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
	<ul style="list-style-type: none"> - Monthly Portfolio - Half yearly Portfolio Same is intimated to the recognized stock exchange(s). 		
72.	Check the ratings of the scheme whose units are listed on stock exchange(s).		
73.	Check if there is any prohibition order restraining the listed entity from transferring units registered in the name of unit holders and whether it is intimated to the stock exchange(s).		

Checked by:

Reviewed by:

Date:

Date:

FOREIGN DIRECT INVESTMENT

The Reserve Bank of India (RBI) has issued Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations 2000 (the Regulations) which inter alia provides for the issue or acquisition of shares / convertible debentures and preference shares, manner of receipt of funds, pricing guidelines and reporting of the investments to the Reserve Bank.

Foreign Direct Investment (FDI) in India is undertaken in accordance with the FDI Policy which is formulated and announced by the Government of India. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India issues a “Consolidated FDI Policy each year elaborating the policy and the process in respect of FDI in India, that incorporates the amendments made to the regulations. Reserve Bank of India also compiles all the circulars issued, through a master circular and master direction on foreign investment. The latest circular issued and updated upto April 13, 2016 is available at www.rbi.org.in.

Under the Foreign Direct Investments (FDI) Scheme, investments can be made in shares, mandatorily and fully convertible debentures and mandatorily and fully convertible preference shares of an Indian company by non-residents through two routes.

Automatic Route : Under the Automatic Route, the foreign investor or the Indian company does not require any approval from the Reserve Bank or Government of India for the investment.

Government Approval Route : Under the Government Route, the foreign investor or the Indian company should obtain prior approval of the Government of India (Foreign Investment Promotion Board (FIPB), Department of Economic Affairs (DEA), Ministry of Finance or Department of Industrial Policy & Promotion, as the case may be) for the investment.

Prohibited activities/ sector as provided under FDI Policy

1. Lottery business including Government/ private lottery, online lotteries, etc.
2. Gambling and betting including casinos, etc.
3. Chit funds
4. Nidhi company
5. Trading in TDRs

GUIDANCE NOTE ON SECRETARIAL AUDIT

6. Real estate business or construction of farm houses

It is clarified that “real estate business” means dealing in land and immovable property with a view to earning profit or earning income therefrom and does not include development of townships, construction of residential / commercial premises, roads or bridges, educational institutions, recreational facilities, city and regional level infrastructure, townships

7. Manufacturing of cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitute

8. Activities/ sectors not open to private sector investment, e.g., Atomic Energy and Railway Transport (other than permitted activities). Foreign technology collaboration in any form including licensing for franchise, trademark, brand name, management contract is also prohibited for Lottery Business and Gambling and Betting activities.

Type of instruments

- i) Indian companies can issue equity shares, fully and mandatorily convertible debentures, fully and mandatorily convertible preference shares and warrants subject to the pricing guidelines / valuation norms and reporting requirements amongst other requirements as prescribed under FEMA Regulations.
- ii) Prior to December 30, 2013, issue of other types of preference shares such as non-convertible, optionally convertible or partially convertible, were to be in accordance with the guidelines applicable for External Commercial Borrowings (ECBs). On and from December 30, 2013 it has been decided that optionality clauses may henceforth be allowed in equity shares and compulsorily and mandatorily convertible preference shares/ debentures to be issued to a person resident outside India under the Foreign Direct Investment (FDI) Scheme. The optionality clause will oblige the buy-back of securities from the investor at the price prevailing/ value determined at the time of exercise of the optionality so as to enable the investor to exit without any assured return. The provision of optionality clause shall be subject to the following conditions:
 - (a) There is a minimum lock-in period of one year or a minimum lock-in period as prescribed under FDI Regulations, whichever is higher (e.g. defence sector where the lock-in period of three years has been prescribed). The lock-in period shall be effective from the date of allotment of such shares or convertible debentures or as prescribed for defence sector, etc.
 - (b) After the lock-in period, as applicable above, the non-resident investor exercising option/ right shall be eligible to exit without any assured return, as under:
 - (i) In case of a listed company, the non-resident investor shall be eligible to exit at the market price prevailing at the recognised stock exchanges;

FOREIGN DIRECT INVESTMENT

- (ii) In case of unlisted company, the non-resident investor shall be eligible to exit from the investment in equity shares of the investee company at a price as per any internationally accepted pricing methodology on arm's length basis, duly certified by a Chartered Accountant or a SEBI registered Merchant Banker.

The guiding principle would be that the non-resident investor is not guaranteed any assured exit price at the time of making such investment/agreements and shall exit at the fair price computed as above at the time of exit, subject to lock-in period requirement, as applicable.

REPORTING OF FDI INFLOW AND REPORTING OF ISSUE OF ELIGIBLE INSTRUMENTS ONLINE THROUGH DIGITALLY SIGNING

With a view to promoting the ease of reporting of transactions under foreign direct investment, the Reserve Bank of India, under the aegis of the e-Biz project (Secure one-stop-shop for all investment and business related information and services 24X7 on a single portal) of the Government of India has enabled the filing of the following returns with the Reserve Bank of India viz. Advance Remittance Form (ARF) - used by the companies to report the foreign direct investment (FDI) inflow to RBI; FCGPR Form - which a company submits to RBI for reporting the issue of eligible instruments to the overseas investor against the above mentioned FDI inflow and the FCTRS Form which is submitted to RBI for transfer of securities between resident and person outside India.

The design of the reporting platform enables the customer to login into the e-Biz portal, download the reporting forms (ARF, FCGPR and FCTRS), complete and then upload the same onto the portal using their digitally signed certificates. The Authorised Dealer Banks (ADs) will be required to download the completed forms, verify the contents from the available documents, if necessary by calling for additional information from the customer and then upload the same for RBI to process and allot the Unique Identification Number (UIN).

The following documents should be submitted along with the ARF:

- (a) copy/ies of the FIRC/s (Foreign Inward Remittance Certificate evidencing the receipt of the remittance)
- (b) Know Your Customer (KYC) report on the non-resident investor from the overseas bank remitting the amount in the mentioned form

ARF would be acknowledged by the Regional Office concerned, which will allot a Unique Identification Number (UIN) for the amount reported.

Steps involved

Step 1: Visit eBiz site

Step 2: Register as a New Member

GUIDANCE NOTE ON SECRETARIAL AUDIT

Step 3: Register Organization

Step 4: Download Form

Step 5: Fill the e-form

Step 6: Upload and Submit Form

Step 7: Make payment

Step 8: Check status (with e-biz with application number generated).

Vide Circular No. 40 dt. February 01, 2016 issued by R.B.I. the physical filing of forms ARF, FC-GPR and FC-TRS stands discontinued beginning February 08, 2016 and forms submitted in online mode only through e-Biz portal will be accepted.

Checklist on Foreign Direct Investment under Automatic Route

<i>Sl.No.</i>	<i>Particulars</i>	<i>Remarks</i>
1.	Check the eligibility of the person investing in FDI.	
2.	Check whether the total FDI is with in the sectoral cap and not under prohibited sectors.	
3	Check whether the company has complied with pricing guidelines for FDI while issuing fresh shares to persons resident outside India.	
4	Check whether consideration received for FDI is as per the permitted modes of payment.	
5	Ensure that any rights/bonus issue has not resulted in FDI exceeding sectoral cap.	
6	Check whether the Company has issued shares under ESOP scheme to persons resident outside India. If so check whether the face value of shares under ESOP scheme does not exceed 5%ofthepaidup capital of the company.Check whether the shares are allotted to citizens of Bangladesh with prior approval of FIPB. Ensure that no shares are allotted to Citizens of Pakistan.	
7	Check whether the Company has converted ECBs into equity shares? If so whether the conditions stipulated are fulfilled. (Whether partial conversion or full conversion)	

FOREIGN DIRECT INVESTMENT

<i>Sl.No.</i>	<i>Particulars</i>	<i>Remarks</i>
8	Check whether the Company issued equity shares against import of capital goods/machinery, equipment etc. If so whether conditions stipulated in this regard is complied.	
9	Check whether the company has complied with issue of shares if any against pre-operative/pre-incorporation expenses.	
10	Check whether the company has issued shares under ADR/GDR. If so whether conditions stipulated are fulfilled.	
11	Check whether the FDI does not exceed sectoral cap as a result of issue of shares under the scheme of merger.	
12	Check whether the guidelines are followed while calculating total foreign investment.	
13	Check whether there is any change in FDI due to transfer of shares from Resident to non resident or non resident to resident.	
14	Check whether the company has informed about the inflow of funds within 30 days from the date of receipt.	
15	Check whether the equity instruments are issued within 180 days of receipt of funds.	
16	Check whether the company issuing shares under automatic route has reported the issue of shares (including shares issued under ESOP) in form FC-GPR within 30 days from the date of issue of shares. Also check whether a certificate from PCS is attached for compliance.	
17	Check whether the reporting for FDI for transfer of shares is made in Form FC-TRS. Check if other guidelines regarding transfer of shares, namely, valuation guidelines, sectoral caps are being complied with. Check if Form FCTRS has been filed within 60 days of remittance.	
18	Check whether the reporting of conversion of ECB into equity in form ECB-2 along with FC-GPR.	
19	Check whether the company has reported the issue of ADR/GDR in prescribed form.	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl.No.</i>	<i>Particulars</i>	<i>Remarks</i>
20	Check whether the issue/ transfer of sponsored/ unsponsored depository receipts as per DR Scheme 2014 in Form DRR within 30 days of close of the issue/ program has been made.	
21	Check if the Company has received Unique Identification Number for each inward remittance received.	
22	Check if the Company has received Foreign Direct Investment (FDI) Registration Number against form FCGPR filed.	
23	Check, that shares issued to FII's under FDI scheme and portfolio investment scheme and the amount received from them are reported separately (Post-issue pattern of shareholding) so that the details could be suitably reconciled for statistical / monitoring purposes.	
24	Check whether the approval of the Government is conveyed through Foreign Investment Promotion Board (FIPB) for investment by swap of shares which is a prerequisite. (it may be noted that in cases of investment by way of swap of shares, irrespective of the amount, valuation of the shares will have to be made by a Merchant Banker registered with SEBI or an Investment Banker outside India registered with the appropriate regulatory authority in the host country.)	
25	Check if Annual Return on Foreign Liabilities & Assets is filed every year on or before 15th July. The return is to be filed even if in a particular year, there is no fresh inflow or out flow of funds.	

Checked By

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Dated

FOREIGN DIRECT INVESTMENT

Checklist for Foreign Direct Investment under Approval Route

<i>Sl.No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	Check whether prior approval of Foreign Investment Promotion Board is obtained for FDI which are in excess of sectoral cap.	
2	Check whether the shares issued to person who is a citizen of Bangladesh or an entity incorporated in Bangladesh/ Pakistan under the FDI Scheme is with the prior approval of the FIPB. And is subject to the prohibitions applicable, with respect to citizens of Pakistan or entity incorporated in Pakistan.	
3	Check whether the conversion of import payables/ pre incorporation expenses/ share swap is treated as consideration for issue of shares with the approval of FIPB.	
4	Check whether the FDI in an on SME has exceeded 24% of paid up capital or sectoral cap whichever is lower, if such non SME has industrial licence for products reserved for SMEs? If so whether prior approval of FIPB was obtained?	
5	Check whether there is any transfer of shares from resident to non resident which requires FIPB approval.	
6	Check whether the Issue of shares to a non-resident against shares swap i.e., in lieu for the consideration which has been paid for shares acquired in the overseas company, can be done with the approval of FIPB.	
7	Check whether the company has complied with reporting requirements for issue of shares under approval route. (Reporting requirements same as automatic route.) Also check other points from Automatic Route checklist which may be applicable, i.e., Filing of Annual Return on Foreign Liabilities & Assets etc.	

Checked By

Reviewed By

Dated

Dated

GUIDANCE NOTE ON SECRETARIAL AUDIT

Issue of equity shares under Approval Route

Issue of equity shares under the FDI policy is allowed under the Government route for the following:

- (I) Import of capital goods/ machinery/ equipment (excluding second-hand machinery), subject to compliance with the following conditions:
 - (a) Any import of capital goods/ machinery etc., made by a resident in India, has to be in accordance with the Export/Import Policy issued by Government of India/ as defined by DGFT/FEMA provisions relating to imports.
 - (b) The application clearly indicating the beneficial ownership and identity of the Importer Company as well as overseas entity.
 - (c) Applications complete in all respects, for conversions of import payables for capital goods into FDI being made within 180 days from the date of shipment of goods.
- (II) pre-operative/ pre-incorporation expenses (including payments of rent etc.), subject to compliance with the following conditions:
 - (a) Submission of FIRC for remittance of funds by the overseas promoters for the expenditure incurred.
 - (b) Verification and certification of the pre-incorporation/ pre-operative expenses by the statutory auditor.
 - (c) Payments should be made by the foreign investor to the company directly or through the bank account opened by the foreign investor as provided under FEMA Regulations.
 - (d) The applications, complete in all respects, for capitalization being made within the period of 180 days from the date of incorporation of the company.

Cases which do not require Fresh Approval of FIPB

Companies may not require fresh prior approval of the Government i.e. Minister-in-charge of FIPB/CCEA for bringing in additional foreign investment into the same entity, in the following cases:

- (i) Entities the activities of which had earlier required prior approval of subsequently such activities/sectors have been placed under automatic route;
- (ii) Entities the activities of which had sectoral caps earlier and which had, accordingly, earlier obtained prior approval of FIPB/CCFI/CCEA for their initial foreign investment but subsequently such caps were removed/increased and the activities placed under the

FOREIGN DIRECT INVESTMENT

automatic route; provided that such additional investment along with the initial/original investment does not exceed the sectoral caps; and

- (iii) Additional foreign investment into the same entity where prior approval of FIPB/CCFI/CCEA had been obtained earlier for the initial/original foreign investment due to requirements of Press Note 18/1998 or Press Note 1 of 2005 and prior approval of the Government under the FDI policy is not required for any other reason/purpose.
- (iv) Additional foreign investment into the same entity within an approved foreign equity percentage/or into a wholly owned subsidiary.

Establishment of Branch Office (BO)/ Liaison Office (LO)/ Project Office (PO) in India by foreign entities - procedural guidelines

The provisions relating to establishment of Branch Office/Liaison Office/Project Office in India by foreign entities is contained in the Foreign Exchange Management (Establishment in India of a branch office or a liaison office or a project office or any other place of business) Regulations, 2016 dated March 31, 2016. Members are also advised to refer to the salient features contained in A.P. (DIR Series) Circular No.69 [(1)/22(R)] May 12, 2016.

Checklist for establishment of branch/liaison/project office in India

<i>Sl.No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	Check whether the establishment of branch/liaison/project office results in RBI route or Government Route? (it may be noted that where principal business of the foreign entity falls under sectors where 100% FDI is permissible under automatic route, then it is through RBI route, otherwise it is through approval route.	
2	In case the Non Resident entity is having place of business in India (Branch Office (BO)/Liaison Office (LO)/ Project Office (PO). Check if the Company has filed application in Form FNC (along with Letter of Comfort, where applicable) and obtained the approval of the designated AD Category I Bank.	
3	Check if the Office is established within a period of six months from date of approval or such other period(not exceeding 6 months) as may be approved by the designated AD Category I Bank and intimation of such establishment is given to designated AD Category I Bank	
4	Check if Report has been filed with DGP within 7 days of establishment of the office.	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl.No.</i>	<i>Particulars</i>	<i>Remarks</i>
5	Check if Annual Activity Certificate (AAC) as at end of March 31 each year has been filed along with audited financial statements before September 30 with DGIT & designated AD Category -I bank. Also check if report to DGP is part of such Annual Activity Certificate. (<i>Note:</i> PO to submit to AAC only to designated AD Category -I bank; LO/BO to both)	
6	In case of closure of LO/BO/PO and for remittance of winding up proceeds, whether request for closure has been filed with designated AD Category -I bank.	
7	Whether the BO/LO has obtained Pan on setting up their office and reported the same in the AAC?	
8	Check if Company is carrying any activity which would be deemed to be having a Place of Business in India as per provisions of Companies Act, 2013 and if compliance under both CA, 2013 & FEMA has been done.	

DIRECT INVESTMENT BY RESIDENTS IN JOINT VENTURE/ WHOLLY OWNED SUBSIDIARY

ABROAD

Overseas investments in Joint Ventures (JV) and Wholly Owned Subsidiaries (WOS) have been recognised as important avenues for promoting global business by Indian entrepreneurs. Joint Ventures are perceived as a medium of economic and business co-operation between India and other countries. Transfer of technology and skill, sharing of results of R&D, access to wider global market, promotion of brand image, generation of employment and utilisation of raw materials available in India and in the host country are other significant benefits arising out of such overseas investments. They are also important drivers of foreign trade through increased exports of plant and machinery and goods and services from India and also a source of foreign exchange earnings by way of dividend earnings, royalty, technical know-how fee and other entitlements on such investments.

Section 6 of the Foreign Exchange Management Act, 1999 provides powers to the Reserve Bank to specify, in consultation with the Government of India the classes of permissible capital account transactions and limits up to which foreign exchange is admissible for such transactions. Section 6(3) of the aforesaid Act provides powers to the Reserve Bank to prohibit, restrict or regulate various transactions referred to in the sub-clauses of that sub-section, by making Regulations.

Accordingly Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004 vide Notification No. FEMA.120/RB-2004 dated July 7, 2004 was notified which seeks to regulate acquisition and transfer of a foreign security by a person resident in India i.e. investment by Indian entities in overseas joint ventures and wholly owned subsidiaries as also investment by a person resident in India in shares and securities issued outside India.

Method of Funding

1. Investment in an overseas JV / WOS may be funded out of one or more of the following sources:
 - i. drawal of foreign exchange from an AD bank in India;
 - ii. capitalisation of exports;

GUIDANCE NOTE ON SECRETARIAL AUDIT

- iii. swap of shares [valuation as mentioned in para B.1 (e)];
- iv. proceeds of External Commercial Borrowings (ECBs) / Foreign Currency Convertible Bonds (FCCBs);
- v. in exchange of ADRs/GDRs issued in accordance with the Scheme for issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, and the guidelines issued thereunder from time to time by the Government of India;
- vi. balances held in EEFC account of the Indian party and
- vii. proceeds of foreign currency funds raised through ADR / GDR issues.

In respect of (vi) and (vii) above, the limit of financial commitment vis-à-vis the net worth will not apply. However, all investments made in the financial sector will be subject to compliance with Regulation 7 of the Notification, irrespective of the method of funding.

General Permission

2. General permission has been granted to persons resident in India for purchase / acquisition of securities in the following manner:

- (i) out of funds held in RFC account;
- (ii) as bonus shares on existing holding of foreign currency shares; and
- (iii) when not permanently resident in India, out of their foreign currency resources outside India

General permission is also available to sell the shares so purchased/acquired.

Overseas Investment can be made under two routes viz. Automatic Route and Approval Route

Prohibitions

Indian parties are prohibited from making investment in a foreign entity engaged in real estate (meaning buying and selling of real estate or trading in Transferable Development Rights (TDRs) but does not include development of townships, construction of residential/commercial premises, roads or bridges) or banking business, without the prior approval of the Reserve Bank.

An overseas entity, having direct or indirect equity participation by an Indian party, shall not offer financial products linked to Indian Rupee (e.g. non-deliverable trades involving foreign currency, rupee exchange rates, stock indices linked to Indian market, etc.) without the specific approval of the Reserve Bank. Any incidence of such product facilitation would be treated as a contravention of the extant FEMA regulations and would consequently attract action under the relevant provisions of FEMA, 1999.

DIRECT INVESTMENT BY RESIDENTS IN JOINT VENTURE/WHOLLY OWNED SUBSIDIARY

A master Direction on Overseas Direct Investment was issued by RBI on January 01, 2016, which is available at www.rbi.org.in.

Check list – Direct Investment outside India– Automatic Route

<i>Sl.No.</i>	<i>Particulars</i>	<i>Remarks</i>
1.	<p>Check whether the investment (total financial commitment) in overseas Joint Ventures/Wholly Owned Subsidiaries (WOS) does not exceed 400% of the net worth as on the date of last audited Balance Sheet of Indian Party Also, ensure that prior approval of the Reserve Bank is obtained for any financial commitment exceeding USD1 (one) billion (or its equivalent) in a financial year, even when the total FC of the Indian Party is within the eligible limit under the automatic route (i.e., within 400% of the net worth as per the last audited balance sheet) It may be noted that the total financial commitment of the Indian party in all the Joint Ventures/Wholly Owned Subsidiaries shall comprise of the following:</p> <ol style="list-style-type: none"> a. 100% of the amount of equity shares; b. 100% of the amount of compulsorily convertible preference shares (CCPS) ; c. 100% of the amount of other preference shares; d. 100% of the amount of loan; e. 100% of the amount of guarantee (other than performance guarantee) issued by the Indian party; f. 100% of the amount of bank guarantee issued by a resident bank on behalf of JV or WOS of the Indian party provided the bank guarantee is backed by a counter guarantee / collateral by the Indian party; g. 50% of the amount of performance guarantee issued by the Indian party provided that if the outflow on account of invocation of performance guarantee results in the breach of the limit of the financial commitment in force, prior permission of the Reserve Bank is to be obtained before executing remittance beyond the limit prescribed for the financial commitment. 	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl.No.</i>	<i>Particulars</i>	<i>Remarks</i>
2.	Check whether the Indian entity has extended loan or guarantee if any only to overseas JV/WOS in which it has equity participation? If not, whether the proposal for the same has been considered by the R.B.I. on approval basis?	
3.	Ensure that the Indian party is not in RBI's Exporters caution list/list of defaulters Circulated by R.B.I/CIBIL/any other approved Credit Information Agency.	
4.	Ensure that all transactions relating to JV/WOS is routed through one branch of an authorised dealer bank to be designated by Indian Party. Also check that subsequent remittances are made only after receipt of Unique Identification Number for the first remittance.	
5.	In case of partial/full acquisition of an existing foreign company, where investment is more than USD5 million, the valuation of shares was made by SEBI registered Category I Merchant Banker/Investment Banker/Merchant Banker outside India registered with the appropriate regulatory authority in a host country ; and in other cases by a chartered accountant/Certified Public Accountant	
6.	Ensure that shares acquired in any in exchange of ADRs/ GDRs fulfils the criteria specified.	
7.	Ensure that investment if any, in Nepal is made only in Indian Rupees. Investment in Pakistan cannot be made under Automatic Route.	
8.	Check, in cases of investment by way of swap of shares, irrespective of the amount, valuation of the shares has been made by a Category I Merchant Banker registered with SEBI or an Investment Banker outside India registered with the	
9.	Ensure that the reporting of ODI is made inform ODI within 30 days from the date of transaction.	
10.	Check whether the issue of guarantee by an Indian Party to step down subsidiary of JV/WOS is within the extant financial limit of the Indian party and the company has reported the same in Form ODI to RBI through the designated AD Category -1 bank concerned. Also such Guarantees should not be open ended.	

DIRECT INVESTMENT BY RESIDENTS IN JOINT VENTURE/WHOLLY OWNED SUBSIDIARY

<i>Sl.No.</i>	<i>Particulars</i>	<i>Remarks</i>
11.	Ensure that the funding of ODI is as per the norms prescribed.	
12.	Ensure that the capitalisation of exports and other dues is as per the conditions stipulated. Capitalization of export proceeds remaining unrealized beyond the prescribed period of realization will require prior approval of R.B.I.	
13.	Ensure that an additional condition for financial services sector is fulfilled, if applicable.	
14.	Check whether the transfer of shares by resident to another resident or non-resident as the case may be is subject to the prescribed conditions.	
15.	Check whether the obligation of Indian party is fulfilled such as reporting of remittances, Annual Performance Report.	

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Check list-Direct Investment outside India – Approval Route

<i>Sl.No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	Check whether prior approval of Reserve Bank of India is obtained in all cases which are not covered under the automatic route. For this purpose, application together with necessary documents should be submitted in Form ODI through their Authorised Dealer Category– I banks. (It may be noted that RBI has revised ODI form and has facilitated online reporting also).	
2.	<p>Check whether –</p> <ul style="list-style-type: none"> An Indian Party creates charge, by way of pledge, on the shares of Joint Venture (JV) or Wholly Owned Subsidiary (WOS) or Step Down Subsidiary (SDS) outside India as a security in favour of an Authorized Dealer or a public financial institution in India or an overseas lender, for availing of fund based or non-fund based facility for itself (i.e. the Indian party) or for its JV/WOS/ SDS whose shares have been pledged, or for any other JV/ WOS/ SDS of the Indian party subject to the terms and conditions prescribed. 	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl.No.</i>	<i>Particulars</i>	
	<ul style="list-style-type: none"> • An Indian party creates charge (by way of mortgage, pledge, hypothecation or otherwise) on its assets [including the assets of its group company, sister concern or associate company in India, promoter and/ or director] in favour of an overseas lender as security for availing of the fund based and/or non-fund based facility for its Joint Venture (JV) or Wholly Owned Subsidiary (WOS) or Step Down Subsidiary (SDS) outside India subject to the terms and conditions prescribed. 	
	An Indian party creates charge (by way of mortgage, pledge, hypothecation or otherwise) on the assets of its overseas JV or WOS in favour of an AD Bank in Indian as security for availing of the fund based and/or non-fund based facility for its JV or WOS or SDS outside India subject to the terms and conditions prescribed.	
3	Whether approval of RBI is obtained for issuance of corporate guarantee on behalf of second generation or subsequent level step down operating subsidiaries.	
4	<p>Check whether the investment by Indian Mutual funds registered with SEBI is as per the norms It may be noted that Indian Mutual Funds registered with SEBI are permitted to invest within an overall cap of USD7 billion in :</p> <ul style="list-style-type: none"> (i) ADRs/ GDRs of the Indian and foreign companies ; (ii) equity of overseas companies listed on recognised stock exchanges overseas ; (iii) initial and follow on public offerings for listing at recognized stock exchanges overseas ; (iv) foreign debt securities in the countries with fully convertible currencies, short-term as well as long-term debt instruments with rating not below investment grade by accredited/ registered credit agencies ; (v) money market instruments rated not below investment grade ; (vi) Repos in the form of investment, where the counter party is rated not below investment grade. There repos should not, however, involve any borrowing of funds by mutual funds ; (vii) government securities where the countries are rated not below investment grade ; 	

DIRECT INVESTMENT BY RESIDENTS IN JOINT VENTURE/WHOLLY OWNED SUBSIDIARY

<i>Sl.No.</i>	<i>Particulars</i>	
	<p>(viii) derivatives trade don recognized stock exchanges overseas only for hedging and portfolio balancing with underlying as securities ;</p> <p>(ix) short-term deposits with banks overseas where the issuer is rated not below investment grade; and</p> <p>(x) units/securities issued by overseas Mutual Funds or Unit Trusts registered with overseas regulators and investing in (a) aforesaid securities, (b) Real Estate Investment Trusts (REITS) listed on recognized stock Exchanges overseas, or (c) unlisted overseas securities (not exceeding 10 percent of their net assets).</p>	
5	<p>Check whether Domestic Venture Capital Funds/ Alternative Investment Funds registered with SEBI invest in equity and equity linked instruments of off-shore Venture Capital Undertakings, subject to an overall limit of USD 500 million. It may be noted that new reporting format has been specified in this regard.</p>	
6	<p>Check whether the reporting compliances are made with respect to purchase/re purchase of shares under ESOP.</p>	
7	<p>Check whether any post investment changes after the allotment of UIN has been intimated to RBI.</p>	
8	<p>Check whether FIPB approval is obtained if the investment is by share swaps. It may be noted that in the case of investment by way of share swap, AD Category-I banks are additionally required to submit to the Reserve Bank the details of transactions such as number of shares received / allotted, premium paid / received, brokerage paid/received, etc., and also confirmation to the effect that the inward leg of transaction has been approved by FIPB and the valuation has been done as per the laid-down procedure and that the overseas company's shares are issued/transferred in the name of the Indian investing company. AD Category-I bank may also obtain an undertaking from the applicants to the effect that future sale/transfer of shares so acquired by Non-Residents in the Indian company shall be in accordance with the prescribed regulations.</p>	

GUIDANCE NOTE ON SECRETARIAL AUDIT

General Obligations of Indian Party:

1. To remit funds from one branch of the AD for the particular Overseas Direct Investment;
2. To file Form ODI within 30 days of remittance;
3. Obtain Unique Identification Number (UIN) from RBI;
4. Receive share certificates or any other document as an evidence of investment within 6 months from the date of remittance or such further date as the RBI may permit;
5. Each inward remittance to be supported by Foreign Inward Remittance Certificate to be issued by AD-Bank;
6. To furnish the aforesaid Share Certificate to AD-Bank;
7. Repatriate to India, all dues receivable from the foreign entity, like dividend, royalty, technical fees etc. within 60 days of its falling due, or such further date as the RBI may permit;
8. Submit the APR on or before 30th June based on the latest audited financials of JV/WOS;
9. Annual Return on Foreign Liabilities and Assets (FLA) needs to be filed on or before 15th July every year

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Note: ODI compliances by unincorporated entities have not been covered above.

EXTERNAL COMMERCIAL BORROWING

External Commercial Borrowings (ECB): ECBs are commercial loans raised by eligible resident entities from recognised non-resident entities and should conform to parameters such as minimum maturity, permitted and non-permitted end-uses, maximum all-in-cost ceiling, etc. The parameters apply in totality and not on a standalone basis. The framework for raising loans through ECB comprises the following three tracks.

Track 1:

Medium term foreign currency denominated ECB with Minimum average maturity of 3/5 years.

Track 2:

Long term foreign currency denominated ECB with minimum average maturity of 10 years

Track 3:

Indian Rupees denominated ECB with minimum average maturity of 3/5 years.

Form of ECBs: The ECB Framework enables permitted resident entities to borrow from recognised non-resident entities in the following forms.

- Loans including bank loans
- Securitised instruments(floating rate notes and fixed rate bonds, non-convertible, optionally convertible or partially convertible preference shares/debentures)
- Buyers' credit
- Suppliers' credit
- Foreign Currency Convertible Bonds(FCCBs)
- Financial Lease and
- Foreign Currency Exchangeable Bonds(FCEBs)

However, ECB framework is not applicable in respect to the investment in non-convertible debentures in India by Registered Foreign Portfolio Investors.

While the first six forms of borrowing, mentioned above, can be raised both under the automatic

GUIDANCE NOTE ON SECRETARIAL AUDIT

and approval routes, FCEBs can be issued only under the approval route with minimum maturity of 5 years.

ECB can be accessed under two routes, viz.,

- (i) Automatic Route and
- (ii) Approval Route.

ECB for investment in real sector-industrial sector, infrastructure sector and specified service sectors in India as indicated under para I (A) (i) (a) are under the Automatic Route, i.e. do not require Reserve Bank / Government of India approval. In case of doubt as regards eligibility to access the Automatic Route, applicants may take recourse to the Approval Route. It is clarified that eligibility for an ECB in respect of eligible borrowers, recognised lenders, end-uses, etc. have to be read in conjunction and not in isolation.

The master direction on External Commercial Borrowings and Trade Credits was issued and updated upto March 30, 2016 which is available at www.rbi.org.

Checklist on External Commercial Borrowing

- Automatic Route

<i>S. No.</i>	<i>Particulars</i>	<i>Remarks</i>
1	Check the Eligibility of borrower; whether the borrower obtained Loan Registration Number from R.B.I. by submitting form 83 (certified by CS/CA) in duplicate to RBI through AD Category 1 Bank.	
2	Ensure that the recognized lender/investor falls within the track as applicable to the company.	
3	Check the individual limits of ECB that can be raised by eligible entities under the automatic route per financial year for all the three tracks and whether they are within the eligible limit under automatic route	
4	Check the framework of raising loans in all three tracks prescribed by RBI.	
5	Check whether the ECB is – <ul style="list-style-type: none"> • For companies in infrastructure and manufacturing sectors, Non-Banking Financial Companies- Infrastructure Finance Companies (NBFC-IFCs), NBFCs- Asset Finance Companies (NBFC-AFCs), Holding Companies and Core Investment Companies upto USD 750 million or 	

EXTERNAL COMMERCIAL BORROWING

<i>S. No.</i>	<i>Particulars</i>	<i>Remarks</i>
	<p>equivalent. Holding companies and CICs to use ECB proceeds only for on-lending to Infrastructure SPVs.</p> <ul style="list-style-type: none"> • For companies in software development sector- up to USD 200 million or equivalent For entities engaged in micro finance activities- upto USD 100 million or equivalent. • For remaining entities: upto 500 million or equivalent. 	
6	<p>Check the ratio of ECB liability and foreign equity. For ECB raised under the automatic route, the ECB liability of the borrower (including all outstanding ECBs and the proposed one) towards the foreign equity holder should not be more than four times of the equity contributed by the latter. Even under approval route , the ratio should not be more than 7:1. This ratio will not be applicable if total of all ECBs raised by an entity is upto USD 5 million or equivalent.</p>	
7	<p>Check whether ECB exposure has been hedged 100% at all times and approval of risk management policy at board level has been obtained. Immovable property cannot be acquired by overseas lender / security trustee.</p>	
8	<p>Check whether the company has complied with requirements relating to charge /pledging of shares etc.</p>	
9	<p>Check whether on conversion of ECBs into equity, FC-GPR has been filed and in case of conversion into equity in phases, whether ECB2 has been filed in phases. Guidelines for conversion fair value to be followed. Moreover, foreign equity holding after conversion should be within applicable sectoral cap.</p>	
10	<p>Check the amount of raising loans as trade credits. Under automatic route ADs are permitted to approve trade credit for import of non-capital and capital goods up to USD 20 million or equivalent per import transaction. For proposal above USD 20 million or equivalent, the proposal is considered under by RBI under Approval Route.</p>	
11	<p>Check the permitted end use requirements</p>	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>S. No.</i>	<i>Particulars</i>	<i>Remarks</i>
12	Check ECB proceeds parked overseas is invested in the permitted liquid assets.	
13	Check if ECB has been drawn down only after receipt of Loan Registration Number from the Reserve Bank of India.	
14	For reporting of actual ECB transactions and for permitted changes in ECB parameters, check if ECB-2 Return is filed every month on or before 7th of the succeeding month till such time that ECB subsists.	

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Application for Approval Route

For approval route cases, the borrowers may approach the RBI with an application in prescribed format Form ECB for examination through their AD Category I bank. Such cases shall be considered keeping in view the overall guidelines, macroeconomic situation and merits of the specific proposals by an Empowered Committee set up by RBI. The Empowered Committee will have external as well as internal members. Entities desirous to raise ECB under the automatic route may approach an AD Category I bank with their proposal along with duly filled in Form 83.

ECBs for the following purposes will be considered only under the approval route:

- a. Import of second hand goods as per the Director General of Foreign Trade (DGFT) guidelines;
- b. On-lending by Exim Bank.
- c. Proposals which are beyond the individual limits permitted under the Automatic route.

The framework of raising loans under the three different tracks is to be checked, to ensure whether the ECB is under Automatic Route or Approval Route.

SECRETARIAL STANDARDS

Introduction

The Institute of Company Secretaries of India (ICSI), recognising the need for integration, harmonisation and standardisation of diverse secretarial practices, has constituted the Secretarial Standards Board (SSB) with the objective of formulating Secretarial Standards.

The Secretarial Standards Board (SSB) formulates Secretarial Standards taking into consideration the applicable laws, business environment and the prevalent best secretarial practices. Secretarial Standards are developed:

- in a transparent manner;
- after extensive deliberations, analysis, research; and
- after taking views of corporates, regulators and the public at large.

The SSB comprises representatives of major Industry Associations viz., FICCI, CII and ASSOCHAM, representatives of regulatory authorities, such as the Ministry of Corporate Affairs, Securities & Exchange Board of India, Reserve Bank of India, Bombay Stock Exchange, National Stock Exchange of India Ltd. and the sister professional bodies viz. the Institute of Chartered Accountants of India and the Institute of Cost Accountants of India and eminent members of the Institute of Company Secretaries of India in employment and in practice.

Applicability and Scope of Secretarial Standards

Section 118(10) of the Companies Act, 2013 requires every company to observe the secretarial standards with respect to Board and General Meetings specified by the Institute of Company Secretaries of India (ICSI) and approved as such by the Central Government.

Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) are applicable to all companies w.e.f. 1st July, 2015 (except One Person Company where there is one director and class or classes of companies which are exempted through any notification of the Central Government). The Company Secretary in employment as well as in practice are entrusted to ensure the compliance of applicable Secretarial Standards.

GUIDANCE NOTE ON SECRETARIAL AUDIT

Secretarial Standards are in conformity with the provisions of the applicable laws. However, if, due to subsequent changes in the law, a particular Standard or any part thereof becomes inconsistent with such law, the provisions of the said law shall prevail.

The Secretarial Standards do not seek to substitute or supplant any existing laws or the rules and regulations framed thereunder but, in fact, seek to supplement such laws, rules and regulations.

Need and benefits of Secretarial Standards

Companies follow diverse secretarial practices evolved over a period of time through varied usages and as a response to differing business cultures. Therefore, a need was felt to integrate, consolidate, harmonise and standardise all the prevalent diverse secretarial practices, so as to ensure that uniform practices are followed by the companies throughout the country.

By following the Secretarial Standards in true letter and spirit, companies will be able to ensure adoption of uniform, consistent and best secretarial practices. Such uniformity of best practices, consistently applied, will result in furthering the shareholders democracy by laying down principles for better corporate disclosures thus adding value to the general endeavor to strive for good corporate governance.

The Secretarial Standards have been introduced under the legal umbrella of Companies Act, 2013 which is first of its kind in the world. It is a great recognition to the profession of Company Secretaries and the ICSI, as the Company Secretaries in employment as well as in practice are entrusted to ensure the compliance of the applicable Secretarial Standards.

While the basic principles for Board and General Meetings are articulated under the Companies Act, 2013, the Secretarial Standards act as extended tone of those principles by giving clarity and standardising the diverse practices. Secretarial Standards plays indispensable role in enhancing the corporate culture and governance across the organisations.

In the Secretarial Standards, standard practices are articulated and comprehensively available at one place, adherence to same by the corporates is greatly eased, the stakeholders are clear of what they should expect and what their rights are. The Secretarial Standards facilitates ease of doing business, improved governance, confidence building in minds of investors, improved compliance level, ultimately leading to flow of capital in India and achieving the government's objective of make in India.

Incidentally, many a litigations are on account of non-following of proper procedures and non-availability of proper records, improper maintenance/ manipulation and tampering of Minutes, agenda papers, etc. The Standards addresses all these issues.

SECRETARIAL STANDARDS

Compliance Checklist

Since, the Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) are now mandatory as prescribed under Section 118(10) of the Companies Act, 2013, it is necessary to ensure the effective compliance of Secretarial Standards by the members of the profession and accordingly, the respective checklist on SS-1 and SS-2 has been placed here for the reference.

CHECKLIST

Secretarial Standard on Meetings of the Board of Directors (SS-1)

Sl. No.	Particulars	Compliance	Remarks
Convening a Meeting			
1.	The Meeting has been convened by the authorised person in accordance with the Standards.		
2.	The original/adjourned Meetings were held on a day other than the National Holiday.		
3.	Notice of the Meeting (original/adjourned) was given in writing to all directors at least 7 days before the meeting through one of the stipulated modes in accordance with the Standards or in accordance with such longer period as provided in the Articles of the Company.		
4.	The notice specified the serial number, day, date, time and full address of the venue of the Meeting.		
5.	The notice contains all necessary information to enable the Directors to avail the facility of participation through Electronic Mode, if made available by the Company.		
6.	Agenda and Notes on Agenda for the Meeting had given to all directors at least 7 days before the meeting through one of the stipulated modes in accordance with the Standards or in accordance with such longer period as provided in the Articles of the Company.		
7.	In case of a Meeting called at shorter notice/sending agenda in respect of Unpublished Price Sensitive information at shorter notice, whether due procedure as per the Standard was followed		

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
8.	In case of any supplementary item which had not been included in the Agenda are taken up at the meeting in accordance with the standards.		
<i>Frequency of the Meeting</i>			
9.	In case of a newly incorporated company, the 1 st Meeting of the Board was held within 30 days of incorporation.		
10.	The specified numbers of meetings were held in a year (calendar year) and the gaps between two consecutive meetings did not exceed the specified period.		
11.	Meetings of the Committees were held as stipulated by the Board or as prescribed by any law or authority.		
12.	Meeting of the Independent Directors was held in accordance with the standards.		
<i>Quorum</i>			
13.	The requisite quorum of dis-interested directors was present throughout the meeting of the Board/Committees and no business was transacted when the required Quorum in accordance with the standards was not present.		
14.	The directors participated through electronic mode in a meeting were counted for the quorum except in case of restricted items of business as specified under the law.		
15.	The Board was properly constituted at the time of meeting and no business was transacted if the number of directors reduced below the Quorum fixed by the Articles /Act, except those permissible under the Act.		
<i>Attendance at the Meetings</i>			
16.	The Attendance Registers for the Board and Committee Meetings were duly maintained in accordance with the Standards and kept in the custody of the Company Secretary or any other person authorised by the Board.		
17.	The attendance registers are preserved for a period of at least eight financial years and destruction thereof, if any, during the year was made with the approval of the Board.		

SECRETARIAL STANDARDS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
18.	Leave of absence was granted to a Director as per the Standard, if requested for.		
<i>Chairman</i>			
19.	The Chairman of the Company or any other director duly elected as Chairman of the Board and conducted the Meetings of the Board.		
20.	If Chairman was not present at a meeting, the directors present elected one of themselves to chair and conduct the meeting in accordance with the Standards.		
21.	In case of committees, the Chairman of the committee as appointed by the Board or duly elected by the committee members, conducted the Meetings of the Committee.		
22.	If Chairman of the committee was not present at a meeting, the members of the committee elected one of themselves to chair and conduct the meeting in accordance with the Standards.		
<i>Passing of Resolutions by Circulation</i>			
<i>Authority</i>			
23.	The decision/approval of competent authority is obtained before a particular business by means of a resolution by circulation had been circulated in accordance with the standards.		
24.	The items required to be transacted only at a meeting of the Board had not been passed by way of resolution by circulation.		
25.	Where requisite number of Directors requested the matter to be taken up at a Board Meeting, the matter was placed for consideration at a meeting of the Board.		
<i>Procedure</i>			
26.	The draft of the resolution proposed to be passed by circulation alongwith necessary papers including explanatory note had been circulated to all the directors of the company through the specified modes of delivery.		

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
27.	The explanatory note indicated the last date by which the Directors had to respond with their assent/dissent and manner thereof.		
<i>Approval</i>			
28.	The resolution, if approved by the requisite majority had been taken on record in accordance with the standards.		
<i>Recording</i>			
29.	The resolutions passed by circulation had been noted at the next Board meeting and the text thereof with dissent or abstention, if any, were recorded in the minutes of such Meeting including the fact that the Interested Director, if any did not vote on the resolution.		
<i>Minutes</i>			
30.	The Minutes of the Board/Committee Meetings were entered within 30 days of the conclusion of the Meeting.		
31.	The Minutes of the Board/Committee Meetings were signed by the Chairperson of that meeting or the next meeting.		
<i>Maintenance</i>			
32.	<i>Check whether:</i>		
	<ul style="list-style-type: none"> • Minutes are recorded in the books maintained for that purpose. • Distinct Minutes book are maintained in respect of Board and Committee Meeting. • Minutes maintained in electronic form, if any, with Time stamp. • The pages of the Minutes book are consecutively numbered. 		
33.	Minutes are not pasted or attached to Minutes Book, altered or tempered with in any manner.		
34.	Minutes if maintained in loose-leaf form are bound periodically in accordance with the standards.		

SECRETARIAL STANDARDS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
35.	The Minutes Books are kept at the Registered Office of the company or at a place approved by the Board.		
<i>Contents</i>			
36.	Check whether:		
	<ul style="list-style-type: none"> • Minutes stated the number and type of the Meeting, name of the company, day, date, venue and time of commencement and conclusion of the meeting. • Minutes record the names of the Directors present physically or through electronic mode, the Company Secretary in attendance at the Meeting and invitees, if any. • Minutes contain a record of all appointments made at the Meeting • Minutes includes other specific contents in accordance with the Standards. 		
37.	Minutes mention the brief background of all proposals and summarise the deliberations thereof. In case of major decisions, the rationale thereof was also mentioned.		
38.	Minutes recorded the fact that a resolution was passed pursuant to the casting vote (if any) of Chairman of the Meeting.		
<i>Recording</i>			
39.	The documents, reports or notes placed before the Board and referred to in the minutes were suitably identified by initialing in accordance with the Standards.		
40.	Where a decision is superseded or modified subsequently by the Board, the Minutes contains a reference to such earlier resolution/decision.		
41.	Minutes of the preceding Meeting were noted at the next Meeting of the Board held immediately following the date of entry of such minutes in the Minutes Book.		

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
<i>Finalisation and Entry in Minutes Books</i>			
42.	The draft minutes were circulated to all directors/ Committee members within 15 days from the date of conclusion of the meeting in accordance with the standards.		
43.	The Minutes were finalised and entered in the Minutes Books within 30 days from the date of conclusion of the original/adjourned meeting.		
44.	Alteration in the Minutes, if any, was made with the express approval of the Board at its subsequent Meeting in accordance with the standards.		
<i>Signing and dating</i>			
45.	Minutes are initialled, dated and signed by the Chairman in accordance with the Standards.		
46.	A certified copy of the signed Minutes was circulated to all Directors within fifteen days after these are signed by the Chairman.		
<i>Inspection & Extracts</i>			
47.	The inspection and Extract of Minutes were provided in accordance with the Standards.		
<i>Preservation of Minutes and other Records</i>			
48.	Minutes of all Meetings are preserved permanently in physical/electronic form and kept in the custody of Company Secretary/ authorised person in accordance with the Standards.		
49.	Office copies of Notices, Agenda, Notes on Agenda and other related papers are preserved in good order in physical or electronic form in accordance with the standards.		
50.	Minutes of all Meetings of the transferor company as handed over to the transferee company, if any, are duly preserved permanently.		

SECRETARIAL STANDARDS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
51.	Office copies of Notices, Agenda, Notes on Agenda and other related papers of the transferor company, as handed over to the transferee company, if any, are duly preserved in accordance with the Standards.		
52.	The requisite approval of the Board/Central Government is obtained, wherever necessary to destroy any document in accordance with the Standards.		
53.	The disclosure as required in the standards has been made in the Annual Report and Annual Return of the Company.		

Checklist

Secretarial Standard on General Meetings (SS-2)

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
<i>Convening a General Meeting</i>			
1.	The General Meetings during the year has been convened by or under the authority of the Board, between 9 am to 6 pm on a day other than National Holiday, in accordance with the standards.		
2.	The requisitioned meeting, if any, called by the Board of Directors/requisitionists was in accordance with the Standards.		
3.	The Notice alongwith accompanying documents were given in writing to all Members, Directors, Auditors, Secretarial Auditors, Debenture Trustees and to other persons entitled to receive notice through one of the specified modes at least 21 clear days in advance of the meeting.		
4.	Proof of despatch of the notice and accompanying document is retained by the company.		
5.	The notice clearly specified the day, date, time and full address of the venue of the Meeting including the route map and prominent land mark wherever required besides clearly specifying the nature of the Meeting and the business to be transacted thereat.		

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
6.	The Notice with route map/prominent landmark was also hosted on the website of the company, if any.		
7.	The Notice was accompanied by attendance slip and a Proxy form with clear instructions for filling, stamping, signing and/or depositing the Proxy form.		
8.	The notice provided all necessary information to enable the Members to access facility of e-voting in accordance with the standards.		
9.	In all cases relating to the appointment or re-appointment and/or fixation of remuneration of Directors the details in accordance with the standards has been provided in the Explanatory statement.		
10.	The nature of the concern or interest (financial or otherwise), if any, of the prescribed persons, in any item of business or in a proposed Resolution, was disclosed in the explanatory statement.		
11.	In case of Meetings held at shorter notice due procedure as per the Standard was followed.		
12.	No items of business other than those specified in the Notice and those specifically permitted under law were taken up for consideration at the Meeting.		
13.	A Meeting convened upon due Notice had not been postponed or cancelled, except for reasons beyond the control of the Board. In such case, check whether it had been duly reconvened.		
14.	No business was transacted at a Meeting, if the Notice was not given in accordance with the Standards.		
<i>Frequency of the Meeting</i>			
15.	The Annual General Meeting was held during the year in accordance with the requirement of the Act and Standard.		
16.	Extra-Ordinary General Meeting or a postal ballot, if any, transacted the items of business other than ordinary business and those of an urgent nature.		

SECRETARIAL STANDARDS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
<i>Quorum</i>			
17.	The requisite quorum was present throughout the meeting in accordance with the standards.		
<i>Presence of Directors and Auditors</i>			
18.	All the directors of the company had attended the General Meetings of the company. If any Director was unable to attend the Meeting, the reasons thereof were explained by the Chairman at the Meeting.		
19.	The Auditors, unless exempted by the company, attended the General Meetings of the company either by themselves or through their authorised representative.		
20.	The Secretarial Auditor, unless exempted by the company, attended the Annual General Meeting, either by himself or through his authorised representative.		
<i>Chairman</i>			
21.	Meetings was conducted either by Chairman of the Board or any other director so designated or any other elected Chairman in accordance with the Articles of Company or the Standards, as the case may be.		
22.	The objective and implications of the Resolutions were explained by the Chairman before the same put to vote at the meeting.		
23.	In case of a public company, the Chairman entrusted the conduct of the proceedings in respect of an item in which he was concerned or interested to any Dis-Interested Director/Member and resumed the Chair after that item of business has been transacted at the meeting.		
<i>Proxies</i>			
24.	Requirements of the Standards relating to Notice of Right to Appoint Proxies, Form of Proxy, Stamping of Proxies, Execution of Proxies, Proxies in Blank and Incomplete Proxies, Deposit, Revocation, Inspection and Record of Proxies have been duly complied with.		

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
<i>Voting</i>			
25.	Every Resolution at a meeting was duly proposed by a member and seconded by another member.		
26.	In case of a company having its equity shares listed (other than the exempted companies) the e-voting facility was provided to its members to exercise their voting rights and also every Resolution was put to vote through a ballot process at the Meeting.		
27.	Every Resolution except those placed for voting through remote e-voting, in the first instance was put to vote on a show of hands, unless a poll was validly demanded.		
28.	Voting at the meeting was in accordance with the law and Standards.		
<i>Conduct of Voting by Electronic Means</i>			
29.	Company provided e-voting facility to its Members in compliance with applicable provisions.		
30.	The Board appointed an agency to provide electronic platform for e-voting.		
31.	The Board appointed scrutinizer(s), who was not an officer or employee of the company for the e-voting /ballot process.		
32.	The Report of the Scrutinizer was submitted to the Chairman or any other authorised person for this purpose.		
33.	The requirements of Standards w.r.t. conduct of e-voting, declaration /publishing of results, custody of Scrutinizer's Report & related papers had been duly complied with.		
<i>Conduct of Poll</i>			
34.	The demand /conduct of poll, if any, at the meeting was in accordance with the law and Standards.		
35.	In case of a poll not taken forthwith, the Chairperson had announced the date, venue and time of taking the poll to enable Members to have adequate and convenient opportunity to exercise their vote.		

SECRETARIAL STANDARDS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
36.	Each Resolution put to vote by poll was put to vote separately.		
37.	The Chairperson appointed such number of scrutinizers, as necessary in accordance with the standard to ensure scrutiny of votes cast on a poll in a fair and transparent manner.		
38.	The requirements of Standards w.r.t. declaration / publishing of results had been duly complied with.		
<i>Withdrawal of Resolutions</i>			
39.	No Resolution was withdrawn w.r.t. items of business likely to affect market price of the securities of the company or proposed for consideration through e-voting.		
<i>Rescinding of Resolutions</i>			
40.	No Resolution passed at a Meeting has been rescinded otherwise than by a Resolution passed at a subsequent Meeting.		
<i>Modifications to Resolutions</i>			
41.	No material modification to text of the Resolution, as set out in the notice, was made at the meeting which alters the substance of the Resolution.		
	No modification was made to any Resolution which has already been put to vote by Remote e-voting before the Meeting.		
<i>Reading of Reports</i>			
42.	The qualifications, observations or comments on the financial statements or matters which have any adverse effect on the functioning of the company, if any, mentioned in the Auditor's Report / Secretarial Audit Report were read at the Annual General Meeting alongwith explanations / comments given by the Board of Directors in their report to such qualifications/observation and comments of the Auditors/Secretarial Auditors.		

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
43.	No gifts, coupons or cash in lieu of gifts was distributed to any member at or in connection with the meeting.		
<i>Adjournment of Meetings</i>			
44.	The adjournment of meetings was in accordance with the Standards.		
45.	Notice of the adjourned Meeting was given in accordance with the provisions contained in the Standard.		
46.	Quorum requirements were fulfilled in adjourned meeting.		
47.	Only the unfinished business of the original Meeting was taken up at an adjourned Meeting.		
<i>Passing of Resolutions by Postal Ballot</i>			
48.	Passing of Resolution by Postal Ballot, if any, was in accordance with the Standard.		
49.	The Board appointed scrutinizer and appointed an agency for the remote e-voting in case of postal ballot.		
50.	The Report of the Scrutinizer was submitted to the Chairman/other authorised person for this purpose.		
51.	The requirements of Standards w.r.t. Notice of Postal Ballot, Declaration/publishing of results, custody of Scrutinizer's Report & related papers, rescinding/modification of resolutions had been duly complied with.		
<i>Minutes</i>			
52.	Minutes of the General Meetings were entered in the minutes book and signed within 30 days of conclusion of the Meeting. The date of entry of minutes in the books was recorded by the Company Secretary.		
53.	Check whether:		
	<ul style="list-style-type: none"> • Minutes are recorded in books maintained for that purpose. • Distinct Minutes book are maintained in respect of Meeting of members, creditors etc. 		

SECRETARIAL STANDARDS

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
	<ul style="list-style-type: none"> • Minutes maintained in electronic form, if any, with Timestamp. • The pages of the Minutes book are consecutively numbered. 		
54.	Minutes are not pasted or attached to Minutes Book, altered or tempered with in any manner.		
55.	Minutes if maintained in loose-leaf form are bound periodically in accordance with the standards.		
56.	The Minutes Books are kept at the Registered Office of the company or at a place approved by the Board.		
<i>Contents and recording of Minutes</i>			
57.	Check whether:		
	<ul style="list-style-type: none"> • Minutes stated at the beginning the name of Meeting, name of the company, day, date, venue and time of commencement and conclusion of the meeting. • Minutes recorded the names of the Directors and Company Secretary present at the Meeting in alphabetical order or in any other logical manner, starting with the name of the person in the Chair. • Minutes included the other specific contents, wherever applicable, in accordance with the Standards. 		
58.	The summary/brief report on e-voting or postal ballot including the summary of scrutinizers report in respect of resolutions passed through e-voting/postal ballot has been recorded in the minutes book.		
59.	Each item of business taken up at the Meeting was numbered to enable ease of reference or cross reference.		
<i>Signing and dating</i>			
60.	Minutes are initialled, dated and signed in accordance with the Standards.		

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>Sl. No.</i>	<i>Particulars</i>	<i>Compliance</i>	<i>Remarks</i>
<i>Inspection & Extracts of Minutes</i>			
61.	The requirements of the Standards in respect of inspection of Minutes and providing extracts thereof were duly complied with.		
<i>Preservation of Minutes and other Records</i>			
62.	Minutes of all meetings are preserved permanently in physical or in electronic form with Timestamp in the custody of company secretary or any director duly authorised by the Board.		
63.	Minutes of all Meetings of the transferor company as handed over to the transferee company, if any, are preserved permanently.		
64.	Office copies of Notices, scrutiniser's report and other related papers are preserved in good order in physical or electronic form in accordance with the standards.		
65.	Office copies of Notices, scrutiniser's report and related papers of the transferor company, as handed over to the transferee company, are preserved in accordance with the standards.		
66.	The requisite approval of the Board/Central Government is obtained, wherever necessary to destroy any document in accordance with the Standards.		
<i>Report of the Annual General Meeting</i>			
67.	In case of listed public company, a report of the Annual General Meeting, including a confirmation that the meeting was convened, held and conducted as per the provisions of the Act was prepared in the prescribed form and filed with the Registrar of Companies within 30 days of the conclusion of the AGM.		
<i>Disclosure</i>			
68.	The Annual Return of the Company disclosed the date of Annual General Meeting held during the financial year.		

GENERAL LAWS

Scope of Secretarial Audit

In terms of Form No.MR-3, the Secretarial auditor needs to examine and report the compliance of the following five specific laws:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992*;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999**;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

* The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

** The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

GUIDANCE NOTE ON SECRETARIAL AUDIT

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

In addition, the form MR-3, point (vi) also refers to 'Other laws as may be applicable specifically to the company.'

'Other areas' which need to be checked

Secretarial Auditor needs to examine and report on the compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable;

It may be noted that the scope of MR- 3 includes 'The Securities and Exchange Board of India (Listing obligations and Disclosures requirements) Regulations, 2015'.

Secretarial Auditor shall also report on whether –

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors, and Women Director .
- The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with all applicable laws including general rules like labour laws, competition law, Environmental laws, regulations and guidelines.
- Secretarial Auditor is required to report and provide details of specific events and actions that occurred during the reporting period having major bearing on the affairs of the company in pursuance of above referred laws/ rules & regulations.

GENERAL LAWS

Scope of Secretarial Audit as decided by the Council of ICSI (specific reference to other laws as may be applicable specifically to the company):

Consultation meets were held with the Corporates (through Company Secretaries in employment) as well as Company Secretaries in practice, and taking into consideration the views emerging therefore, the Council of the ICSI at its 226th meeting held on November 21, 2014 decided on the Scope of Secretarial Audit includes:

- ❖ Reporting on compliance of Five laws as mentioned in form MR-3
 - Companies Act, 2013,
 - Securities Contracts (Regulation) Act, 1956 ('SCRA'),
 - Depositories Act, 1996,
 - Foreign Exchange Management Act, 1999 to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing,
 - Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 as specified in MR-3.
 - Reporting on compliance of 'Other laws as may be applicable specifically to the company' shall mean all the laws which are applicable to specific Company for example for Banks- all laws applicable to Banking Industry; for insurance company-all laws applicable to insurance industry; likewise for a company in petroleum sector- all laws applicable to petroleum industry; similarly for companies in pharmaceutical sector, cement industry etc.
 - Examining and reporting whether the adequate systems and processes are in place to monitor and ensure compliance with general laws like labour laws, competition law, environmental laws.

SCOPE OF SECRETARIAL AUDIT FOR GENERAL LAWS

Accordingly, the Secretarial Auditor should verify and report that Adequate system and processes are in place to monitor and ensure compliance with general laws like labour laws, competition law, environmental laws

Some of the General Laws are detailed herein below:

1. Labour Laws:

The prosperity of any economy largely depends on industry. There can be no labour without activity of industrial nature. The industrial law covers a spectrum of activities like manufacturing, trading, transporting, exporting, importing, storing, polishing, packaging etc. It also covers conditions of labour including wages, deductions against Provident Fund, ESI, employment of

GUIDANCE NOTE ON SECRETARIAL AUDIT

contractual labour etc. Labour laws focus its attention more on work aspects and the consequent remuneration whereas industrial law aims at the origin, growth and regulation of industries, employing specified number of workers including women and children. Labour legislations are aimed at achieving congenial relationship between employer and workmen.

Two basic features of labour legislations are:

- (i) It aims at the establishment of amicable relationship between a worker and employer.
- (ii) It emphasizes that both management and labour belong to a single family and should endeavour to improve the standard of living of the workers, giving room for labour harmony.

The relationship between labour and management is based on mutual adjustment of interests and goals. It depends on economic, social and psychological satisfaction of the parties. Higher the satisfaction, healthier the relationship.

The Directive Principles of State Policy under Article 38 of our Constitution require the State to bestow social security on all. The entire labour legislation originates from the Directive Principles of the State Policy. Legislations providing *inter-alia* minimum wages, safeguarding prompt payment of wages without deductions, ensuring benefit during period of sickness, assuring legitimate share in the profit of the management, preventing exploitation of the workers and above all promoting better relations by joint participation of the workers in the management were all formulated with a view to improving the standard of living of the workers.

Need for Labour Laws Compliance

Business enterprises employing personnel, both in the executive cadre as also those categorized as workers in the context of labour laws are required to be fully aware of these laws. Further, considering the number and complexity of the labour laws, there is a need for monitoring compliance of such laws on a regular basis.

Scope of Labour Laws Compliance

Labour laws compliance is a unique concept and differs from other compliance/audits in the country. Focus of all other audits is on financial implications on company/business entity, with little consideration of human values. In terms of decision of ICSI Council on the scope of Secretarial Audit, it includes examining and reporting on whether the adequate systems and processes are in place to monitor and ensure compliance with general laws like labour laws, competition law, environmental laws etc.

Benefits of Labour Laws Compliance

The compliance of labour laws would benefit employees in terms of increased social security, lower absenteeism and congenial atmosphere. It helps to detect non-compliance of various labour laws applicable to an organization and to take corrective measures. The employer would

GENERAL LAWS

gain in terms of lower penalty, higher productivity and increased belongingness. Directors of companies will be relieved of penalties and prosecutions. At the same time the compliance mechanism would help the Government in ensuring that the workers have not been deprived of benefits to which they are entitled, thus providing a net for social security.

To ensure existence of adequate systems and processes in the company, indicative list of Central legislations together with the compliance requirements is presented in this chapter. In addition, there may also be Local State Labour laws which are applicable to company.

Sl. No. Name of the Act

1. Factories Act, 1948
2. Industrial Disputes Act, 1947
3. The Payment of Wages Act, 1936
4. The Minimum Wages Act, 1948
5. Employees' State Insurance Act, 1948
6. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
7. The Payment of Bonus Act, 1965
8. The Payment of Gratuity Act, 1972
9. The Contract Labour (Regulation & Abolition) Act, 1970
10. The Maternity Benefit Act, 1961
11. The Child Labour (Prohibition & Regulation) Act, 1986
12. The Industrial Employment (Standing Order) Act, 1946
13. The Employees' Compensation Act, 1923
14. The Apprentices Act, 1961
15. Equal Remuneration Act, 1976
16. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959

2. Competition Law

Competition/ Anti-trust issues in India are governed by the Competition Act, 2002 ("the Act"). Amongst other things, the Act provides a general legal framework prohibiting anti-competitive agreements, abuse of dominant position and regulating certain combinations.

To implement the Act, the Competition Commission of India ("CCI") has been established. In

GUIDANCE NOTE ON SECRETARIAL AUDIT

addition, the Act also gives the CCI the responsibility of undertaking competition advocacy. Under the Act, CCI has also been explicitly empowered to exercise jurisdiction in relation to acts taking place outside India but having an effect on competition in India. The Act also provides for establishment of the Competition Appellate Tribunal (“COMPAT”) to hear and dispose of appeals against directions, decisions and orders passed by the CCI and to adjudicate on claims for compensation in certain cases. Further, the Act, provides for appeal against any decision or order of the COMPAT to the Supreme Court of India.

Applicability

The Act, not only applies to the private and public sector but also includes entrepreneur associations and Government departments (except activities relating to the sovereign functions of the Government and those relating to atomic energy, currency, defence and space). Further, the Act applies not only to activities in India, but also to activities outside of India that affect competition within India. Hence, all businesses (large and small) are covered by the Act.

Competition Law Compliance

It is important to note that the Act operates on a “self-assessment” basis, meaning that businesses must determine for themselves whether its agreement, conduct, M&A transaction will be lawful or could breach the provisions of the Act particularly in view of the fact that there are no block exemptions, market share based test to evaluate anti-competitive conduct as prevalent in other matured jurisdictions such as European Union. In this context, it is for businesses to carry out self assessment of their business practices and take steps to ensure that their practices, business contracts and dealings etc. comply with the provisions of the Act.

Anti Competitive Agreements

Following general checklist may be followed while carrying out assessment of agreements including horizontal and vertical agreements such as tie-in arrangements, exclusive supply agreement, exclusive distribution agreement, refusal to deal, resale price maintenance from competition law compliance perspective:

- Determine whether enterprise or association of enterprises or person or association of persons have entered into any agreement in respect of production, supply, distribution, storage, acquisition or control of goods or provision of services.
- Determine what are pro-competitive effects and anti-competitive effects produced by the restriction imposed in the agreement in terms of section 19 (3) of the Act i.e. factors to be considered for determining appreciable adverse effect on competition.
- Assess whether the pro-competitive effects outweigh the anti-competitive effects.

Abuse of Dominance

GENERAL LAWS

While carrying out assessment of abuse of dominant position the following points should also be considered to from competition law compliance perspective:

- whether enterprise or group is dominant in a relevant market. In other words, first determine relevant market in terms of section 19 (6) and (7) of the Act and
- whether the enterprise or group is in dominant position in the defined relevant market in terms of section 19 (4) read with Explanation (a) to section 4 of the Act.
- Once it is established that an enterprise or group is dominant in defined relevant market, it must be ensured that the conduct/act of such enterprise or group does not fall under any abuse of the type specified under section 4(2) (a) to (e) of the Act as the same will be considered as abuse of dominant position.

Regulation of Combinations

On March 4, 2016, the Central Government issued notifications pertaining to the statutory thresholds for the purposes of “combinations” under Section 5 of the Competition Act, 2002 (“Act”).

1. ***Increase in thresholds:*** Pursuant to Notification No.S.O.675(E) dated March 4, 2016, the value of assets and the value of turnover has been enhanced by 100% for the purposes of Section 5 of the Act. Accordingly, the revised thresholds for notification to the Competition Commission of India (“Commission”) are:

THRESHOLDS FOR FILING NOTICE

		<i>Assets</i>			<i>Turnover</i>
Enterprise Level	India	>2000 INR crore			>6000 INR crore
	Worldwide with India leg	>USD 1 bn With at least >1000 INR crore in India	OR	>USD 3 bn With at least >3000 INR crore in India	
OR					
Group Level	India	>8000 INR crore			>24000 INR crore
	Worldwide with India leg	>USD 4 bn With at least >1000 INR crore in India			>USD 12 bn With at least >3000 INR crore in India

GUIDANCE NOTE ON SECRETARIAL AUDIT

2. **Increase in thresholds of De Minimis Exemption:** Pursuant to Notification No.S.O.674(E) dated March 4, 2016, acquisitions where enterprises whose control, shares, voting rights or assets are being acquired have assets of not more than Rs.350 crore in India or turnover of not more than Rs.1000 crore in India, are exempt from Section 5 of the Act for a period of 5 years. Accordingly, the revised thresholds for availing of the *De Minimis* exemption for acquisitions are:

THRESHOLDS FOR AVAILING OF DE MINIMIS EXEMPTION FOR ACQUISITIONS

	<i>Assets</i>		<i>Turnover</i>	
Target Enterprise	In India	≤350 INR crore	OR	≤1000 INR crore

3. **Definition of Group:** As per Notification No.S.O.673(E) dated March 4, 2016, the exemption to the “group” exercising less than fifty per cent of voting rights in other enterprise from the provisions of Section 5 of the Act under Notification No.S.O.481(E) dated March 4, 2011, has been continued for a further period of 5 years.

3. Environmental Laws:

India’s economic development propelled by rapid industrial growth and urbanization is causing severe environmental problems that have local, regional and global significance. Recognising the need for regulating the factors which are affecting environment, Government of India has established an environmental legal and institutional system to meet these challenges within the overall framework of India’s development agenda and international principles and norms.

Legal Framework

India has an elaborate legal framework with number of laws relating to environmental protection. Key national laws include the following:

- Water (Prevention and Control of Pollution) Act, 1974;
- Water (Prevention and Control of Pollution) Cess Act, 1977;
- Air (Prevention and Control of Pollution) Act, 1981;
- Environment (Protection) Act, 1986;
- The Public Liability Insurance Act, 1991;
- The Biodiversity Act, 2002;
- The National Green Tribunal Act, 2010;

GENERAL LAWS

- Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
- Plastic Waste Management Rules, 2016 ;
- *Bio- Medical Waste Management Rules, 2016* - These rules shall apply to all persons who generate, collect, receive, store, transport, treat, dispose, or handle bio medical waste in any form including hospitals, nursing homes, clinics, dispensaries, veterinary institutions, animal houses, pathological laboratories, blood banks, ayush hospitals, clinical establishments, research or educational institutions, health camps, medical or surgical camps, vaccination camps, blood donation camps, first aid rooms of schools, forensic laboratories and research labs.
- *Construction and Demolition Waste Management Rules, 2016* - The rules shall apply to every waste resulting from construction, re-modeling, repair and demolition of any civil structure of individual or organisation or authority who generates construction and demolition waste such as building materials, debris, rubble.
- *E-waste Management Rules, 2016* - These rules shall come into force from 1st October, 2016 and shall apply to every manufacturer, producer, consumer, bulk consumer, collection centres, dealers, e-retailer, refurbisher, dismantler and recycler involved in manufacture, sale, transfer, purchase, collection, storage and processing of e-waste or electrical and electronic equipment listed in Schedule I, including their components, consumables, parts and spares which make the product operational but shall not apply to -
 - (a) used lead acid batteries as covered under the Batteries (Management and Handling) Rules, 2001 made under the Act;
 - (b) micro enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006); and
 - (c) radio-active wastes as covered under the provisions of the Atomic Energy Act, 1962 (33 of 1962) and rules made there under.

INDUSTRY SPECIFIC LAWS

(Including General Laws)

Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, provides that every listed company and every prescribed company shall annex with its Board's Report, a Secretarial Audit Report, given by a Company Secretary in Practice, in Form MR- 3.

The Council at its 226th meeting held on November 21, 2014 after deliberating on the views that emerged from consultation meets and taking into consideration the views of members of Corporate Laws and Governance Committee, decided that the Scope of Secretarial Audit includes:

- Reporting on compliance of five laws as mentioned in form MR-3
 - Companies Act, 2013 and the rules made thereunder;
 - Securities Contracts (Regulation) Act, 1956 ('SCRA'), and the rules made thereunder;
 - Depositories Act, 1996, and the rules made thereunder;
 - Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
 1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 2. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 3. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 4. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 5. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

INDUSTRY SPECIFIC LAWS

6. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 7. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 8. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- Reporting on compliance of secretarial standards issued by the Institute of Company Secretaries of India;
 - Reporting on Compliance with the Listing Agreement;
- Note:* SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has replaced the erstwhile Listing Agreement.
- Reporting on compliance of 'Other laws as may be applicable specifically to the company' which shall include all the laws which are applicable to specific industry for example for Banks- all laws applicable to Banking Industry; for insurance company-all laws applicable to insurance industry; likewise for a company in petroleum sector- all laws applicable to petroleum industry; similarly for companies in pharmaceutical sector, cement industry etc.;
 - Examining and reporting whether the adequate systems and processes are in place to monitor and ensure compliance with general laws like labour laws, competition law, environmental laws;
 - Examining and reporting specific observations/qualification, reservation or adverse remarks in respect of the Board Structures/system and processes relating to the Audit period;
 - In case of financial laws like tax laws and Customs Act etc., Secretarial Auditor may rely on the Reports given by statutory auditors or other designated professionals.

Other laws as may be specifically applicable to the company (*point (vi) as per MR-3*)*

For the benefit of members, the Institute has developed a list of various laws specifically applicable to companies in different sectors. An indicative list of sector specific Acts/Rules in respect of some of the sectors is placed below for reference.

GUIDANCE NOTE ON SECRETARIAL AUDIT

List of applicable laws to be placed before Board

The Secretarial Standard on Meetings of Board of Directors (SS-1) requires that the list of laws applicable to the company be placed as an item of agenda at the first meeting of the Board in each financial year.

*Disclaimer:

The above illustrative list of Sector Specific Laws aims to facilitate the conduct of the Secretarial Audit by the Members of the ICSI. The list is indicative and not exhaustive. The ICSI has made reasonable efforts to ensure that the information provided in the list is accurate but does not guarantee its validity, or suitability for the purpose. While conducting the Secretarial Audit, the Members of the ICSI are advised to apply their own professional judgement in identifying need based Sector Specific Laws/ Rules/ Regulations/ Guidelines/ Orders/ Amendments/ Standards/Policies as applicable on case to case basis. Under no circumstances whatsoever, the ICSI shall be responsible for any loss, claim, liability, damage(s) resulting from the use, omission or inability to use the information provided in the said list.

INDICATIVE SECTOR WISE LIST	
General Manufacturing Laws	
ACT/RULES	
A.	Corporate Laws
A.1	Companies Act
A.2	Securities Laws
A.3	Patent & Information Technology Laws
1	THE Patents Act 1970 & Patent Rules 2003
2	Trade Marks Act, 1999
3	Trade Marks Rules, 2001
4	Information Technology Act 2000 ; Information Technology (Amendment) Act 2008 & Rules for the Information Technology Act 2000
5	Designs Act, 2000
6	Designs Rules, 2001
B.	Foreign Exchange Laws
B.1	Customs laws

INDUSTRY SPECIFIC LAWS

7	Foreign Exchange Management Act, 1999 (2000 extension of 1999)
8	The Foreign Contribution (Regulation) Act, 2010
9	Foreign Contribution (Regulation) Rules, 2011
10	Compounding of Contraventions under FEMA, 1999
11	Direct Investment by Residents in Joint Venture (JV) / Wholly Owned Subsidiary (WOS) Abroad under FEMA, 1999
12	Export of Goods and Services under FEMA, 1999
13	External Commercial Borrowings and Trade Credits of FEMA, 1999
14	Foreign Exchange Management Acquisition and transfer of immovable property in India Regulations 2000
15	Foreign Investment in India under FEMA, 1999
16	Import of Goods and Services under FEMA, 1999
17	Risk Management and Inter-Bank Dealings of FEMA, 1999
18	Forward Contract (Regulation) Act, 1952
19	Forward Contract (Regulation) Rules, 1954
C.	Safety, Environment & Health Laws
C.1	Environment Laws
20	Hazardous and Other Wastes (Management and Trans boundary Movement) Rules, 2016
21	The Water (Prevention and Control of Pollution) Act 1974
22	The Water (Prevention and Control of Pollution) Rules, 1975
23	The Water (Prevention and Control of Pollution) Cess Act, 1977 & the Water (Prevention and Control of Pollution) Cess Rules, 1978
24	The Air (Prevention and Control of Pollution) Act, 1981
25	The Air (Prevention and Control of Pollution) Rules, 1982
26	The Environment (Protection) Act, 1986
27	The Environment (Protection) Rules, 1986
28	The Batteries (Management and Handling) Rules, 2001

GUIDANCE NOTE ON SECRETARIAL AUDIT

29	E-Waste (Management) Rules 2016 applicable from 1st October, 2016)
30	Bio-Medical Waste Management Rules, 2016
31	The Noise Pollution (Regulation and Control) Rules, 2000
32	The Ozone Depleting Substances (Regulation & Control) Rules, 2000.
C.2	State Environment Laws
33	Air (Prevention and Control of Pollution) (Union Territories) Rules, 1983
34	The Delhi Degradable Plastic Bag (Manufacture, Sale & Usages) and Garbage (Control) Act, 2000
35	Environmental Impact Assessment Notification-2006
36	The Harayana Air (Prevention And Control of Pollutions) Rules, 1983
37	The Jammu and Kashmir Forest Act, 1987
38	Punjab Water Prevention and Control of Pollution Rules, 1977
39	Punjab Air {Prevention and Control of Pollution] Rules, 1983
40	The Uttar Pradesh Air (Prevention and Control of Pollution) Rules, 1983
41	Air (Prevention and Control of Pollution) Assam Rules, 1991
42	Assam Air {Prevention and Control of Pollution] Rules, 1983
43	Bihar Water (Prevention and Control of Pollution) Rules, 1986
44	Bihar Air {Prevention and Control of Pollution] Rules, 1983
45	Manipur Water Prevention and Control of Pollution Rules, 1991
46	Meghalaya Air (Prevention and Control of Pollution) Rules, 1988
47	The Meghalaya Water (Prevention and Control) Rules, 1996
48	Mizoram Water (Prevention and Control of Pollution) Rules, 2001
49	Orissa Air (Prevention and Control of Pollution) Rules, 1983
50	Orissa Water {Prevention and Control of Pollution] Rules, 1983
51	Air (Prevention and Control of Pollution) Chhattisgarh Rules, 1983
52	The Water (Prevention and Control of Pollution) Chhattisgarh Rules, 1975
53	Madhya Pradesh Water (Prevention and Control of Pollution) Rules, 1975

INDUSTRY SPECIFIC LAWS

54	Air (Prevention and Control of Pollution) Madhya Pradesh Rules, 1983
55	Maharashtra Air (Prevention and Control of Pollution) Rules, 1983
56	Rajasthan Air (Prevention and Control of Pollution) Rules, 1983
57	Rajasthan water (Prevention and control of pollution) Rules,1975
58	Goa Water (Prevention and Control of Pollution) Appeal Rules,. 1989
59	Andra Pradesh Air (Prevention and Control of Pollution) Rules, 1982
60	Andra Pradesh Water (Prevention and Control of Pollution) Rules, 1976
61	Andhra Pradesh Water Tax Act, 1988
62	Andhra Pradesh Water Tax Rules, 1990
63	The Bangalore Water Supply and Sewerage Act, 1964
64	Karnataka Air [Prevention and Control of Pollution] Rules, 1983
65	Karnataka State Board for the prevention and Control of Water Pollution (Procedure for Transaction of Business) and the Water (Prevention and Control of Pollution) Rules, 1976
66	Kerala Air (Prevention and Control of Pollution) Rules, 1984
67	The Kerala Water (Prevention and Control of Pollution). Appellate Authority Rules, 1977
68	Tamil Nadu Air (Prevention and Control of Pollution) Rules, 1983
69	The Tamil Nadu Water (Prevention and Control of Pollution) Rules, 1983.
C.3	Safety Laws
70	The Static & Mobile Pressure Vessels Rules - 1981
71	The Gas Cylinder Rules - 2004
72	The Petroleum Act, 1934 & Rules
73	The Indian Electricity Act, 2003
74	The Public Liability Insurance Act, 1991
75	The Insecticides Act 1968.
76	The Control of Major Accident Hazard Rules 2003
77	Explosives Act 1884 & the Explosives Rules, 2008

GUIDANCE NOTE ON SECRETARIAL AUDIT

78	Manufacture, Storage, Import of Hazardous chemicals rules, 1989
79	The Electricity Rules, 2005
80	Carriage by Road Act 2007 & Rules 2011
81	Motor Vehicles Act 1988
82	The Central Motor Vehicle Rules, 1989
83	Energy Conservation Act, 2001
D.	Factories, Labour and S&E Laws
D.1	Labour Laws
84	The Payment of Wages Act, 1936
85	The Payment of Wages Rules, 1937
86	The Maternity Benefit Act, 1961
87	The Equal Remuneration Act, 1976
88	Payment of Gratuity Act 1972 & Rules
89	Employment Exchanges (Compulsory Notification Of Vacancies) Act, 1959
90	Protection of Women against Sexual Harassment at Workplace Act & Rules
91	The Payment Of Bonus Act, 1965
92	The Trade Unions Act 1926
93	The Industrial Employment (Standing Orders) Act 1946
94	The Industrial Employment (Standing Orders) Rules, 1946
95	The Industrial Disputes Act, 1947
96	The Minimum Wages Act, 1948
97	The Minimum Wages (Central) Rules, 1950
98	The Payment of Bonus Act, 1965
99	The Payment of Bonus Rules, 1975
100	The Motor Transport Workers Act, 1961
101	The Contract Labour (Regulation & Abolition) Act, 1970
102	The Contract Labour Regulation Rules 1971

INDUSTRY SPECIFIC LAWS

103	The Bonded Labour System (Abolition) Act, 1976
104	The Child Labour (Prohibition & Regulation) Act, 1986 & Rules 1988
105	The Children (Pledging of Labour) Act, 1933
106	The Workmen's Compensation Act, 1923 & Rules
107	The Indian Boilers Act, 1923
108	The Inter-State Migrant Workmen (Regulation Of Employment And Conditions Of Service) Act, 1979
109	The Factories Act, 1948
D.2	Employees Provident Fund Laws
110	Employees' State Insurance Act, 1948
111	Employees' State Insurance (Central) Rules, 1950
112	Employees' State Insurance (General) Regulations, 1950
113	Employees Provident Fund and Miscellaneous Provisions Act, 1952
114	Employees' Provident Fund Scheme 1952
115	The Employee's Deposit Linked Insurance Scheme, 1976
116	Employee's Pension Scheme, 1995
D.3	Apprentice Act & Rule
117	Apprentices Act, 1961
118	Apprenticeship Rules, 1991
D.4	State Labour Laws
119	Delhi Maternity Benefit Rules, 1971
120	Delhi Fire Prevention And Fire Safety Act, 1986
121	Delhi Contract Labour (Regulation and Abolition) Rules, 1970
122	Delhi Inter-State Migrant Workman (Regulation of Employment and Conditions of Service) Rules, 1982
123	Delhi Minimum Wages Rules, 1950
124	The Delhi Factories Rules, 1950
125	The Haryana Maternity Benefit Rules, 1967

GUIDANCE NOTE ON SECRETARIAL AUDIT

126	The Haryana Payment of Gratuity Rules, 1972
127	The Punjab Factory Rules, 1952 As Applicable In The State Of Haryana
128	The Haryana Maternity Benefit Rules, 1967
129	Haryana Inter-State Migrant Workmen (Regulation Of Employment And Conditions Of Service) Rules, 1981
130	The Punjab Labour Welfare Fund Act, 1965 (Haryana Amendment Act, 2007, 2012) & Rules, 1966
131	Himachal Pradesh Industrial Establishments (National And Festival Holidays and Casual And Sick Leave) Act 1969
132	Himachal Pradesh Industrial Establishments (National & Festival Holidays, Casual & Sick Leave) Rules, 1970
133	The Jammu and Kashmir Industrial Establishments (National and Festival) Holidays Act, 1974
134	Jammu and Kashmir Industrial Establishments (National and Festival) Holidays Rules, 1977
135	The Jammu and Kashmir Employees' Provident Funds and Miscellaneous Provisions Act, 1961
136	Punjab Industrial Establishment (National And Festival Holidays And Casual And Sick Leave) Act 1965
137	Punjab Industrial Establishments (National and Festival Holidays and Casual and Sick Leave) Rules, 1966
138	Punjab Child Labour (Prohibition and Regulation) Rules, 1997
139	Punjab Contract Labour Regulation and Abolition Rules 1973
140	Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) (Punjab) Rules, 1983
141	Punjab Maternity Benefit Rules, 1967
142	Payment of Gratuity (Punjab) Rules, 1973
143	Punjab Labour Welfare Fund Act, 1965
144	Industrial Employment (Standing Orders) Punjab Rules, 1978
145	Payment of Bonus Rules, 1975

INDUSTRY SPECIFIC LAWS

146	Punjab Factory Rules, 1952
147	Punjab Payment of wages Rules 1937
148	Uttar Pradesh Industrial Employment Model Standing Orders, 1991
149	Uttar Pradesh Factories Rules, 1950
150	Uttar Pradesh Private Security Agencies Rules, 2009
151	Uttar Pradesh Industrial Establishments (Nationals Holidays) Act, 1961
152	The Uttar Pradesh Industrial Establishments (National Holidays) Rules, 1965
153	Uttar Pradesh Contract Labour (Regulation and Abolition) Rules, 1975
154	Uttar Pradesh Factories (Control of Industrial Major Accident Hazardous) Rules, 2001
155	Uttar pradesh Maternity Benefit Rules 1983
156	Uttar pradesh Labour Welfare Act 1965
157	Uttar pradesh Labour Welfare Rules 1972
158	Uttar pradesh Minimum Wages Rules 1952
159	Employment and Conditions Service) Arunachal Pradesh Rules, 1983
160	Assam Factories Rules, 1950
161	The Assam Major Accident Hazards Control Rules, 1992
162	Payment of Gratuity (Assam) Rules, 1972
163	Payment of Wages Rules, 1937- Assam
164	Industrial Employment (Standing Orders) Rules, 1947- Assam
165	Contract labour Rules Assam
166	Maternity Benefit Rules, 1965- Assam
167	The Assam Industrial Disputes Rules 1958
168	The Assam Industrial Disputes Assam Amendment) Act, 1962
169	The Assam Industrial Establishment (Conferment of Permanent Status to Workmen) Act. 1985
170	The Assam Industrial Establishment (Conferment of Permanent Status to Workmen) Rules. 1995

GUIDANCE NOTE ON SECRETARIAL AUDIT

171	The Assam Major Accident Hazards Control Rules, 1992
172	The Bihar Contract Labour (Regulation and Abolition) Rules, 1972
173	Bihar Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Rules, 1980
174	Bihar Maternity Benefit Rules, 1964
175	Bihar Minimum Wages Rules, 1951
176	Payment of Gratuity (Bihar) Rules, 1972
177	Bihar Payment of Wages Rules, 1937
178	Bihar Child Labour (Prohibition and Regulation) Rules, 1995
179	Bihar Factories Rules, 1950
180	Bihar Industrial Establishments (National and Festival Holidays and Casual Leave) Act, 1979
181	Industrial Establishments (National and Festival Holidays and. Casual Leave) (Bihar) Rules, 1979
182	Meghalaya Payment Of Gratuity Rules, 1977
183	The Meghalaya Trade Unions Regulations
184	The Inter – State Migrant Workmen (Regulations Of Employment And Conditions Of Service And The Meghalaya Rules
185	The Meghalaya Maternity Benefit Rules
186	The Contract Labour (Regulation And Aboliton) Meghalaya Rules
187	The Meghalaya Plantations Labour Rules
188	Mizoram Minimum Wages Rules, 1992
189	The Mizoram Trade Union Regulation 1992
190	Mizoram Payment of Wages Rules, 1992
191	Mizoram Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Rules, 2005
192	Mizoram Contract Labour (Regulation and Abolition) Rules, 2004
193	Mizoram Workmen’s Compensation Rules, 2009
194	Mizoram Child Labour Rules, 2010
195	The Nagaland Industrial Disputes Rules, 1979

INDUSTRY SPECIFIC LAWS

196	Nagaland Payment of Wages Rules, 1980
197	Nagaland Minimum Wages Rules, 1980
198	Nagaland Payment of Gratuity Rules, 1978
199	Nagaland Trade Union Regulation, 1980
200	Nagaland Industrial Employment (Standing Orders) Rules, 1978
201	Nagaland Worker's Compensation Rules
202	Nagaland Child Labour (Prohibition & Regulation) Rules
203	Nagaland Maternity Benefit Rules
204	Orissa Industrial Establishments (National And Festival) Holidays Act, 1969
205	Orissa Industrial Establishments (National and Festival) Holidays Rules, 1972
206	Orissa Labour Welfare Fund Act, 1996
207	Orissa Contract Labour (Regulation and Abolition) Rules, 1975
208	Orissa Industrial Employment (Standing Orders) Rules, 1946
209	Orissa Maternity Benefit Rules, 1965
210	Orissa Minimum Wages Rules, 1954
211	Orissa Payment of Gratuity Rules, 1974
212	Orissa Private Security Agencies Rules, 2009
213	Orissa Factories Rules, 1950
214	Orissa Factories (Control of Major Accident Hazard) Rules, 2001
215	Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Orissa Rules, 1980
216	Orissa Child Labour (Prohibition and Regulation) Rules, 1994
217	Sikkim Inter-State Migrant Workmen(Regulation of Employment and conditions of Service) Rules, 1983
218	Child Labour (Prohibition and Regulation) Sikkim Rules, 1994
219	Sikkim Payment of Gratuity Rules, 2002
220	The Sikkim Minimum Wages Rules,2005
221	The Sikkim Payment of Wages Rules,1992

GUIDANCE NOTE ON SECRETARIAL AUDIT

222	Sikkim Workmen's Compensation Rules'1986
223	Tripura Dangerous Machine (Regulation) Rules, 2007
224	The Tripura Payment of Wages Rules, 1952
225	The Tripura Payment of Gratuity Rules,1972
226	Tripura Factories Rules, 2007
227	The Tripura minimum wages rules 1952
228	Tripura Inter- State Migrant Workmen (RE&CS) Rules, 1980
229	The West Bengal Minimum Wages Rules, 1951
230	West Bengal Labour Welfare Fund Act, 1974
231	The West Bengal Minimum Wages Rules, 1951
232	West Bengal Factories Rules, 1958
233	West Bengal Payment of Wages Rules, 1958
234	West Bengal Inter-State Migrant Workmen (Regulation of Employment & Condition of Services) Rules, 1981
235	West Bengal Child Labour (Prohibition & Regulation) Rules, 1995
236	Maternity Benefit Rules, 1955- West Bengal
237	Payment of Gratuity Rules, 1973- West Bengal
238	Payment Of wages Rules, 1958- West Bengal
239	The West Bengal Payment of Subsistence Allowance Act, 1969
240	The West Bengal Workmen's House-rent Allowance Act, 1974
241	The West Bengal Workmen's House-rent Allowance Rules, 1975
242	Gujarat Payment of Wages Rules, 1963
243	Gujarat Minimum Wages, Rules, 1961
244	Gujarat Factories Rules, 1963.
245	The Inter state Migrant Workers (Gujarat) Rules 1981
246	The Payment Of Gratuity Gujarat Rules 1973
247	Gujarat Maternity Benefit Act, 1929

INDUSTRY SPECIFIC LAWS

248	Gujarat Maternity Benefit Rules, 1964
249	The Contract Labour(Regulation and Abolition) (Gujarat) Rules, 1972
250	The Child Labour (Prohibition & Regulation) Act,1986 & Gujarat Rules 1994
251	Industrial Disputes Gujarat Rules 1966
252	Gujarat Labour Welfare Fund Act, 1953
253	Labour Welfare Fund (Gujarat) Rules, 1962
254	Madhya Pradesh Industrial Employment (Standing Orders) Act, 1961
255	Madhya Pradesh Shram Kalyan Nidhi Adhiniyam, 1982
256	Madhya Pradesh Shram Kalyan Nidhi Rules, 1984
257	Madhya Pradesh Factories Rules, 1962
258	Madhya Pradesh Workmen's Compensation Rules, 1962
259	Madhya Pradesh Child Labour (Prohibition and Regulation) Rules, 1993
260	Contract Labour (Regulation and Abolition) (Madhya Pradesh) Rules, 1973
261	Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Madhya Pradesh, Rules, 1981
262	Madhya Pradesh Maternity Benefit Rules, 1965
263	Minimum Wages (Madhya Pradesh) Rules, 1958
264	Payment of Gratuity (Madhya Pradesh) Rules, 1973
265	Madhya Pradesh Payment of Wages Rules, 1962
266	The Maharashtra Private Security Guards
267	The Maharashtra Maternity Benefit Rules, 1965
268	Maharashtra Minimum Wages Rules, 1963
269	The Maharashtra Contract Labour (R & A) Rules, 1971
270	Bombay Industrial Employment (Standing Orders) Rules, 1959
271	The Bombay Labour Welfare Fund Act 1953
272	Maharashtra Factories Rules, 1963
273	The Maharashtra Workmens Minimum House Rent

GUIDANCE NOTE ON SECRETARIAL AUDIT

274	Maharashtra Minimum Wages Rules, 1963
275	The Maharashtra Mathadi, Hamal and Other Manual Workers (Regulation of Employment and Welfare) Act, 1969 & The Goods Transport Unprotected Workers (Regulation of Employment and Welfare) Scheme, 1971
276	The Maharashtra Recognition of Trade Unions & Prevention of Unfair Labour Practices Act, 1971 & Rules 1975
278	Rajasthan Employment of Children Rules, 1959
279	Rajasthan Factories Rules, 1951
280	The Rajasthan Maternity Benefit Rules, 1967
281	Rajasthan Maternity Benefit Act, 1953
282	The Rajasthan Maternity Benefit Rules, 1954
283	Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Rules, 1981
284	Rajasthan Industrial Employment (Standing Orders) Rules, 1963
285	Rajasthan Payment of Wages Rules, 1961
286	Rajasthan Contract Labour (Regulation and Abolition) Rule, 1971
287	Rajasthan Minimum Wages Rules, 1959
288	The Goa, Daman & Diu Factories Rules, 1985
289	The Goa, Daman & Diu Boiler Rules, 1983
290	The Goa, Daman & Diu Boiler Operation Engineer's Rules, 1983
291	The Goa Control of Industrial Major Accident Hazard Rules, 1993
292	Goa, Daman and 'Diu Minimum Wages Rules, 1975
293	The Goa, Daman and Diu Labour Welfare Fund Act, 1986
294	The Goa Daman and Diu Maternity Benefits Rules 1967
295	The Goa Children's Act, 2003 and Rules
296	Dadra and Nagar Haveli Trade Unions Regulations, 1986
297	The Dadra and Nagar Haveli Workmen's Compensation Rules, 1977
298	The Dadra and Nagar Haveli Payment of Wages Rules, 1977

INDUSTRY SPECIFIC LAWS

299	The Contract Labour (Regulation & Abolition) Dadra and Nagar Haveli Rules, 1976
300	The Payment of Gratuity (Dadra and Nagar Haveli) Rules, 1985
301	Dadra and Nagar Haveli Minimum Wages Rules, 1970
302	The Inter-State Migrant Workmen (Regulation of Employment & Conditions of Service) Dadra and Nagar Haveli Rules, 1985
303	Andhra Pradesh Factories And Establishments (National, Festival And Other Holidays) Act, 1974
304	Andhra Pradesh Factories and Establishments (National, Festival And Other Holidays) Rules, 1974
305	Andhra Pradesh Labour Welfare Fund Act, 1987
306	Andhra Pradesh Labour Welfare Fund Rules, 1988
307	Andhra Pradesh Contract Labour (Regulation and Abolition) Rules, 1971
308	Andhra Pradesh Industrial Employment (Standing Orders) Rules, 1953
309	Andhra Pradesh Maternity Benefit Rules, 1966
310	The Andhra Pradesh Minimum Wages Rules, 1960
311	Andhra Pradesh Inter State Migrant Workmen (Regulation of Employment and Condition of Service) Rules
312	Andhra Pradesh Compulsory Gratuity Insurance Rules, 2011
313	A. P. Factories Rules, 1950
314	Karnataka Minimum Wages Rules, 1958
315	The Karnataka Payment of Wages Rules 1963
316	The Karnataka Maternity Benefit Rules 1963.
317	The Payment of Gratuity (Karnataka) Rules, 1973
318	Karnataka Private Security Agencies Rules, 2008
319	The Karnataka Factories Rules 1969
320	The Major Accident Hazard Control (Karnataka) Rules 1994
321	The Karnataka Industrial Establishments (National and Festival Holidays) Act, 1963

GUIDANCE NOTE ON SECRETARIAL AUDIT

322	The Karnataka Labour Welfare Fund Act, 1965 & Rules
323	The Contract Labour (Regulation and Abolition) (Karnataka) Rules, 1974
324	The Child Labour (Prohibition and Regulation) (Karnataka) Rules, 1998
325	The Industrial Employment (Standing Orders) (Karnataka) Rules, 1961
326	The Karnataka Workmen's Compensation Rules, 1966
327	The Karnataka Boilers Rules, 1982
328	Kerala Industrial Establishments (National And Festival Holidays) Act, 1958
329	Kerala Industrial Establishments (National & Festival Holidays) Rules, 1959
330	Kerala Labour Welfare Fund Act, 1975
331	Kerala Labour Welfare Fund Rules, 1977
332	Kerala Child Labour (Prohibition And Regulation) Rules, 1993
333	Kerala Contract Labour (Regulation and Abolition) Rules, 1974
334	Kerala Factories Rules, 1957
335	The Control of Major Industrial Accident Hazard (Kerala) Rules, 1993
336	Kerala Industrial Employees' Payment of Gratuity Rules, 1970
337	Kerala Inter-State Migrant Workmen (Regulation of Employment & Conditions of Service) Rules, 1983
338	Kerala Industrial Employment (Standing Orders) Rules, 1958
339	Kerala Minimum Wages Rules, 1958
340	Payment Of Bonus Rules, 1975
341	Kerala Workmen's Compensation Rules, 1958
342	Kerala Headload Workers Act, 1978 & Kerala Headload Workers Rules, 1981 & The Kerala Headload Workers (Regulation of Employment and Welfare) Scheme, 1983
343	Tamil Nadu Labour Welfare Fund Act, 1972
344	Tamil Nadu Labour Welfare Fund Rules, 1973
345	Tamil Nadu Factories Rules, 1950
346	The Tamilnadu Industrial Establishments (National and Festival Holidays) Act, 1958 and Rules

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347	Tamil Nadu Contract Labour (Regulation and Abolition) Rules, 1975
348	Tamil Nadu Payment of Gratuity Rules, 1973
349	Tamil Nadu Industrial Disputes Rules, 1958
350	Tamil Nadu Maternity Benefit Rules, 1967
351	Tamil Nadu payment of wages Rules, 1937
352	The Tamil Nadu Industrial Establishments (Conferment Of Permanent Status To Workmen) Act, 1981
353	The Tamil Nadu Payment of Subsistence Allowance Act & Rules, 1981
E.	Other Laws
E.1	Weights & Measures laws
354	Legal Metrology Act, 2009
355	The Legal Metrology (General) Rules, 2011
356	Legal Metrology (Packaged Commodities) Rules, 2011
E.2	State Weights & Measures laws
357	Mizoram Weight And Measures Act, 1976
358	The Nagaland Weights and Measures (Enforcement) Act, 1968
359	Maharashtra Legal Metrology (Enforcement) Rules, 2011
360	West Bengal Standards Of Weights And Measures (Enforcement) Act, 1958
E.3	Warehousing Laws
361	Warehousing (Development and Regulation) Act, 2007
E.4	State Warehousing Laws
362	Orissa Warehouse Act, 1956
363	The Punjab Warehouses Act, 1957
367	The Punjab Warehousing Rules, 1958
368	The Himachal Pradesh Warehouses Act, 1976
369	Uttar Pradesh Warehouse Act, 1958
370	Uttar Pradesh Godam Niyamavali, 1972

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371	The West Bengal Warehouses Act, 1963
372	West Bengal State Warehousing Corporation Rules 1974
373	Gujarat Warehouses Act, 2006
374	The Madhya Pradesh State Warehousing Corporation Rules, 1958
375	Bombay Warehouses Act, 1959
376	The Rajasthan Warehouses Act, 1958
377	Andhra Pradesh (Andhra Area) Warehouses Act, 1951
378	Karnataka Warehouses Act, 1961
379	The Kerala Warehouses Act, 1960
380	The Kerala Distillery and Warehouse Rules
381	The Tamil Nadu Warehouses Act, 1951
E.4	State Other Laws
382	The Bombay Lifts Act, 1939 & The Bombay Lifts Rules, 1958
383	Karnataka Lifts Act, 1974
384	Haryana Lifts And Escalators Act, 2008
385	Gujarat Lifts And Escalators Act, 2000
386	Bombay Electricity Duty Act, 1958 & Rules 1962
387	The Maharashtra Fire Prevention and Life Safety Measures Act, 2006 & The Maharashtra Fire Prevention and Life Safety Measures Rules, 2009
388	The Jammu And Kashmir Electricity (Duty) Act, 1963
389	The Madhya Pradesh Electricity Duty Act, 1949
390	The Andhra Pradesh Electricity Duty Act, 1939
391	Kerala Electricity Duty Act, 1963
392	Kerala Electricity Duty Rules, 1963
393	The Punjab Electricity (Duty) Act, 1958
394	The Himachal Pradesh Electricity (Duty) Act, 1975
395	The Uttar Pradesh Electricity (Duty) Act, 1952

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396	Uttar Pradesh Electricity (Duty) Rules, 1952
397	The Assam Electricity Duty Act, 1964
398	The Assam Electricity Duty Rules, 1964
399	Madhya Pradesh Electricity Duty Act, 1949
400	Orissa Electricity (Duty) Act, 1961
401	Orissa Electricity (Duty) Rules, 1961
402	Bihar Electricity Duty Act, 1948
403	Bihar Electricity Duty Rules, 1949
404	Rajasthan Electricity (Duty) Act, 1962
405	Rajasthan Electricity (Duty) Rules, 1970
406	The Delhi Fire Prevention and Fire Safety Act, 1986 and The Delhi Fire Prevention and Fire Safety Rules, 1987
407	The Andhra Pradesh Fire Service Act, 1999
408	The Gujarat Fire Prevention and Life Safety Measures Act, 2013 and The Gujarat Fire Prevention and Life Safety Measures Rules, 2014
409	The Haryana Fire Service Act, 2009
410	The Karnataka Fire Force Act, 1964
411	The Punjab Fire Prevention and Fire Safety Act 2004 and The Punjab Fire Prevention and Fire Safety Rules 2004
412	The West Bengal Fire Services Act, 1950 and The West Bengal Fire Services (Fire Licence) Rules, 2004
413	The Tamil Nadu Fire Service Act, 1985
	GENERAL SERVICE INDUSTRY
	ACT/RULES
A.	Corporate Laws
A.1	Companies Act
A.2	Securities Laws
A.3	Patent & Information Technology Laws
1	The Patents Act 1970 & Patent Rules 2003

GUIDANCE NOTE ON SECRETARIAL AUDIT

2	Trade Marks Act, 1999
3	Trade Marks Rules, 2001
4	Information Technology Act 2000 ; Information Technology (Amendment) Act 2008 & Rules for the Information Technology Act 2000
B.	Foreign Exchange Laws
B.1	Customs laws
5	Foreign Exchange Management Act, 1999 (2000 extension of 1999)
6	The Foreign Contribution (Regulation) Act, 2010
7	Foreign Contribution (Regulation) Rules, 2011
8	Compounding of Contraventions under FEMA, 1999
9	Direct Investment by Residents in Joint Venture (JV) / Wholly Owned Subsidiary (WOS) Abroad under FEMA,1999
10	Export of Goods and Services under FEMA,1999
11	External Commercial Borrowings and Trade Credits of FEMA, 1999
12	Foreign Exchange Management Acquisition and transfer of immovable property in India Regulations 2000
13	Foreign Investment in India under FEMA,1999
14	Import of Goods and Services under FEMA,1999
15	Risk Management and Inter-Bank Dealings of FEMA, 1999
C.	Safety, Environment & Health Laws
C.1	Environment Laws
16	E-Waste (Management and Handling) Rules, 2011 (E-Waste (Management) Rules 2016 applicable from 1st October, 2016)
D.	Factories, Labour and S&E Laws
D.1	Labour Laws
17	The Payment of Wages Act, 1936
18	The Payment of Wages Rules, 1937
19	The Maternity Benefit Act, 1961

INDUSTRY SPECIFIC LAWS

20	The Equal Remuneration Act, 1976
21	Payment of Gratuity Act 1972 & Rules
22	Employment Exchanges (Compulsory Notification Of Vacancies) Act 1959
23	Protection of Women against Sexual Harassment at Workplace Act & Rules
24	The Payment Of Bonus Act, 1965
25	The Minimum Wages Act, 1948
26	The Minimum Wages (Central) Rules, 1950
27	The Payment of Bonus Act, 1965
28	The Payment of Bonus Rules, 1975
29	The Contract Labour (Regulation & Abolition) Act, 1970
30	The Contract Labour Regulation Rules 1971
31	The Child Labour (Prohibition & Regulation) Act, 1986 & Rules 1988
D.2	Employees Provident Fund Laws
32	Employees' State Insurance Act, 1948
33	Employees' State Insurance (Central) Rules, 1950
34	Employees' State Insurance (General) Regulations, 1950
35	Employees Provident Fund and Miscellaneous Provisions Act, 1952
36	Employees' Provident Fund Scheme 1952
37	The Employee's Deposit Linked Insurance Scheme, 1976
38	Employee's Pension Scheme, 1995
D.3	State Labour Laws
39	Delhi Maternity Benefit Rules, 1971
40	Delhi Contract Labour (Regulation and Abolition) Rules, 1970
41	Delhi Minimum Wages Rules, 1950
42	The Haryana Payment of Gratuity Rules, 1972
43	The Haryana Maternity Benefit Rules, 1967
44	The Punjab Labour Welfare Fund Act, 1965 (Haryana Amendment Act, 2007, 2012) & Rules, 1966

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45	The Jammu and Kashmir Employees' Provident Funds and Miscellaneous Provisions Act, 1961
46	Punjab Child Labour (Prohibition and Regulation) Rules, 1997
47	Punjab Contract Labour Regulation and Abolition Rules 1973
48	Punjab Maternity Benefit Rules, 1967
49	Payment of Gratuity (Punjab) Rules, 1973
50	Punjab Labour Welfare Fund Act, 1965
51	Payment of Bonus Rules, 1975
52	Punjab Payment of wages Rules 1937
53	Uttar Pradesh Contract Labour (Regulation and Abolition) Rules, 1975
54	Uttar pradesh Maternity Benefit Rules 1983
55	Uttar pradesh Labour Welfare Act 1965
56	Uttar pradesh Labour Welfare Rules 1972
57	Uttar pradesh Minimum Wages Rules 1952
58	Payment of Gratuity (Assam) Rules, 1972
59	Payment of Wages Rules, 1937- Assam
60	Contract labour Rules Assam
61	Maternity Benefit Rules, 1965- Assam
62	The Bihar Contract Labour (Regulation and Abolition) Rules, 1972
63	Bihar Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Rules, 1980
64	Bihar Maternity Benefit Rules, 1964
65	Bihar Minimum Wages Rules, 1951
66	Payment of Gratuity (Bihar) Rules, 1972
67	Bihar Payment of Wages Rules, 1937
68	Bihar Child Labour (Prohibition and Regulation) Rules, 1995
69	Meghalaya Payment Of Gratuity Rules. 1977

INDUSTRY SPECIFIC LAWS

70	The Meghalaya Trade Unions Regulations
71	The Inter – State Migrant Workmen (Regulations Of Employment And Conditions Of Service And The Meghalaya Rules
72	The Meghalaya Maternity Benefit Rules
73	The Contract Labour (Regulation And Aboliton) Meghalaya Rules
74	The Meghalaya Plantations Labour Rules
75	Mizoram Minimum Wages Rules, 1992
76	Mizoram Payment of Wages Rules, 1992
77	Mizoram Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Rules, 2005
78	Mizoram Contract Labour (Regulation and Abolition) Rules, 2004
79	Mizoram Workmen’s Compensation Rules, 2009
80	Mizoram Child Labour Rules, 2010
81	Nagaland Payment of Wages Rules, 1980
82	Nagaland Minimum Wages Rules, 1980
83	Nagaland Payment of Gratuity Rules, 1978
84	Nagaland Child Labour (Prohibition & Regulation) Rules
85	Nagaland Maternity Benefit Rules
86	Orissa Labour Welfare Fund Act, 1996
87	Orissa Contract Labour (Regulation and Abolition) Rules, 1975
88	Orissa Industrial Employment (Standing Orders) Rules, 1946
89	Orissa Maternity Benefit Rules, 1965
90	Orissa Minimum Wages Rules, 1954
91	Orissa Payment of Gratuity Rules, 1974
92	Orissa Private Security Agencies Rules, 2009
93	Orissa Child Labour (Prohibition and Regulation) Rules, 1994
94	Child Labour (Prohobition and Regulation) Sikkim Rules, 1994

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95	Sikkim Payment of Gratuity Rules, 2002
96	The Sikkim Minimum Wages Rules, 2005
97	The Sikkim Payment of Wages Rules, 1992
98	Sikkim Workmen's Compensation Rules, 1986
99	The Tripura Payment of Wages Rules, 1952
100	The Tripura Payment of Gratuity Rules, 1972
101	The Tripura minimum wages rules 1952
102	The West Bengal Minimum Wages Rules, 1951
103	West Bengal Labour Welfare Fund Act, 1974
104	The West Bengal Minimum Wages Rules, 1951
105	West Bengal Payment of Wages Rules, 1958
106	West Bengal Child Labour (Prohibition & Regulation) Rules, 1995
107	Maternity Benefit Rules, 1955- West Bengal
108	Payment of Gratuity Rules, 1973- West Bengal
109	Payment Of wages Rules, 1958- West Bengal
110	Gujarat Payment of Wages Rules, 1963
111	Gujarat Minimum Wages, Rules, 1961
112	The Payment Of Gratuity Gujarat Rules 1973
113	Gujarat Maternity Benefit Act, 1929
114	Gujarat Maternity Benefit Rules, 1964
115	The Contract Labour (Regulation and Abolition) (Gujarat) Rules, 1972
116	The Child Labour (Prohibition & Regulation) Act, 1986 & Gujarat Rules 1994
117	Gujarat Labour Welfare Fund Act, 1953
118	Labour Welfare Fund (Gujarat) Rules, 1962
119	Madhya Pradesh Shram Kalyan Nidhi Adhiniyam, 1982
120	Madhya Pradesh Shram Kalyan Nidhi Rules, 1984
121	Madhya Pradesh Workmen's Compensation Rules, 1962

INDUSTRY SPECIFIC LAWS

122	Madhya Pradesh Child Labour (Prohibition and Regulation) Rules, 1993
123	Contract Labour (Regulation and Abolition) (Madhya Pradesh) Rules, 1973
124	Madhya Pradesh Maternity Benefit Rules, 1965
125	Minimum Wages (Madhya Pradesh) Rules, 1958
126	Payment of Gratuity (Madhya Pradesh) Rules, 1973
127	Madhya Pradesh Payment of Wages Rules, 1962
128	The Maharashtra Private Security Guards
129	The Maharashtra Maternity Benefit Rules, 1965
130	Maharashtra Minimum Wages Rules, 1963
131	The Maharashtra Contract Labour (R & A) Rules, 1971
132	Bombay Industrial Employment (Standing Orders) Rules, 1959
133	The Bombay Labour Welfare Fund Act 1953
134	Maharashtra Minimum Wages Rules, 1963
135	Rajasthan Employment of Children Rules, 1959
136	The Rajasthan Maternity Benefit Rules, 1967
137	Rajasthan Maternity Benefit Act, 1953
138	The Rajasthan Maternity Benefit Rules, 1954
139	Rajasthan Payment of Wages Rules, 1961
140	Rajasthan Contract Labour (Regulation and Abolition) Rule, 1971
141	Rajasthan Minimum Wages Rules, 1959
142	Goa, Daman and 'Diu Minimum Wages Rules, 1975
143	The Goa, Daman and Diu Labour Welfare Fund Act, 1986
144	The Goa Daman and Diu Maternity Benefits Rules 1967
145	The Goa Children's Act, 2003 and Rules
146	The Dadra and Nagar Haveli Payment of Wages Rules, 1977
147	The Contract Labour (Regulation & Abolition) Dadra and Nagar Haveli Rules, 1976

GUIDANCE NOTE ON SECRETARIAL AUDIT

148	The Payment of Gratuity (Dadra and Nagar Haveli) Rules, 1985
149	Dadra and Nagar Haveli Minimum Wages Rules, 1970
150	Andhra Pradesh Labour Welfare Fund Act, 1987
151	Andhra Pradesh Labour Welfare Fund Rules, 1988
152	Andhra Pradesh Contract Labour (Regulation and Abolition) Rules, 1971
153	Andhra Pradesh Industrial Employment (Standing Orders) Rules, 1953
154	Andhra Pradesh Maternity Benefit Rules, 1966
155	The Andhra Pradesh Minimum Wages Rules, 1960
156	Andhra Pradesh Inter State Migrant Workmen (Regulation of Employment and Condition of Service) Rules
157	Andhra Pradesh Compulsory Gratuity Insurance Rules, 2011
158	Karnataka Minimum Wages Rules, 1958
159	The Karnataka Payment of Wages Rules 1963
160	The Karnataka Maternity Benefit Rules 1963.
161	The Payment of Gratuity (Karnataka) Rules, 1973
162	Karnataka Private Security Agencies Rules, 2008
163	The Karnataka Labour Welfare Fund Act, 1965 & Rules
164	The Contract Labour (Regulation and Abolition) (Karnataka) Rules, 1974
165	The Child Labour (Prohibition and Regulation) (Karnataka) Rules, 1998
166	The Karnataka Workmen's Compensation Rules, 1966
167	Kerala Labour Welfare Fund Act, 1975
168	Kerala Labour Welfare Fund Rules, 1977
169	Kerala Child Labour (Prohibition And Regulation) Rules, 1993
170	Kerala Contract Labour (Regulation and Abolition) Rules, 1974
171	Kerala Factories Rules, 1957
172	Kerala Industrial Employees' Payment of Gratuity Rules, 1970
173	Kerala Minimum Wages Rules, 1958

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174	Payment Of Bonus Rules, 1975
175	Kerala Workmen's Compensation Rules, 1958
176	Tamil Nadu Labour Welfare Fund Act, 1972
177	Tamil Nadu Labour Welfare Fund Rules, 1973
178	Tamil Nadu Contract Labour (Regulation and Abolition) Rules, 1975
179	Tamil Nadu Payment of Gratuity Rules, 1973
180	Tamil Nadu Industrial Disputes Rules, 1958
181	Tamil Nadu Maternity Benefit Rules, 1967
182	Tamil Nadu payment of wages Rules, 1937
183	The Tamil Nadu Payment of Subsistence Allowance Act & Rules, 1981
D.2	Shops & Establishment
184	Delhi Shops and Establishments Act, 1954
185	Delhi Shops and Establishments Rules, 1954
186	Himachal Pradesh Shops and Commercial establishment Act, 1969
187	The Jammu And Kashmir Shops And Establishments Act, 1966
188	Jammu and Kashmir Shops and Establishments Rules, 1968
189	Punjab Shops And Commercial Establishments Act 1958
190	Punjab Shops and Commercial Establishments Rules, 1958
191	Uttar Pradesh Dookan Aur Vanijya Adhishthan Adhinyam, 1962
192	Uttar Pradesh Dookan Aur Vanijya Adhishthan Niyamavali, 1963
193	Assam Shops and Establishments Act, 1971
194	Assam Shops and Establishments Rules, 1976
195	The Bihar Shops And Establishments Act, 1953
196	Bihar Shops and Establishments Rules, 1955
197	Jharkhand Shop & Establishment Act 1953
198	Manipur Shops and Establishment Act, 1972
199	Meghalaya Shops and. Establishment Act, 2003

GUIDANCE NOTE ON SECRETARIAL AUDIT

200	Meghalaya Shops and. Establishment Rules, 2005
201	Mizoram Shop & Establishment Act, 2010
202	Mizoram Shop & Establishment Rules, 2011
203	The Nagaland Shops and Establishments Act 1982
204	Orissa Shops And Commercial Establishments Act, 1956
205	The Orissa Shops and Commercial Establishments Rules, 1958
206	West Bengal Shops & Establishment Act, 1963
207	The West Bengal Shops And Establishments Rules, 1964
208	Gujarat Shops And Establishments Act, 1948
209	Madhya Pradesh Shops And Establishments Act, 1958
210	Madhya Pradesh Shops and Establishments Rules, 1959
211	Bombay Shops And Establishments Act, 1948
212	The Maharashtra Shops and Establishments Rules, 1961
213	Rajasthan Shops And Commercial Establishments Act, 1958
214	The Rajasthan Shops and Commercial Establishment Rules, 1959
215	Goa, Daman and Diu Shops and Establishments Act, 1973
216	Goa, Daman and Diu Shops and Establishments Rules 1975
217	Goa, Daman & Diu Shops & Establishments Act, 1973 as extended to the U.T. of Dadra and Nagar Haveli
218	The Dadra and Nagar Haveli Shops and Establishments Rules, 2000
219	Andhra Pradesh Shops & Establishments Act, 1988
220	Andhra Pradesh Shops and Establishments Rules, 1990
221	Karnataka Shops and Commercial Establishments Act, 1961
222	The Karnataka Shops and Commercial Establishments Rules, 1963
223	The Kerala Shops And Commercial Establishments Act, 1960
224	Kerala Shops and Commercial Establishments Rules, 1961
225	Tamil Nadu Shops And Establishments Act, 1947

INDUSTRY SPECIFIC LAWS

226	Tamil Nadu Shops And Stablishments Rules, 1948
227	Andaman and Nicobar Islands Shops and Establishments Regulation 2004
E.	Other Laws
E.1	State Other Laws
228	Bombay Electricity Duty Act, 1958 & Rules 1962
229	The Jammu And Kashmir Electricity (Duty) Act, 1963
230	The Madhya Pradesh Electricity Duty Act, 1949
231	The Andhra Pradesh Electricity Duty Act, 1939
232	Kerala Electricity Duty Act, 1963
233	Kerala Electricity Duty Rules, 1963
234	The Punjab Electricity (Duty) Act, 1958
235	The Himachal Pradesh Electricity (Duty) Act, 1975
236	The Uttar Pradesh Electricity (Duty) Act, 1952
237	Uttar Pradesh Electricity (Duty) Rules, 1952
238	The Assam Electricity Duty Act, 1964
239	The Assam Electricity Duty Rules, 1964
240	Madhya Pradesh Electricity Duty Act, 1949
241	Orissa Electricity (Duty) Act, 1961
242	Orissa Electricity (Duty) Rules, 1961
243	Bihar Electricity Duty Act, 1948
244	Bihar Electricity Duty Rules, 1949
245	The Maharashtra Fire Prevention and Life Safety Measures Act, 2006 & The Maharashtra Fire Prevention and Life Safety Measures Rules, 2009
246	The Delhi Fire Prevention and Fire Safety Act, 1986 and The Delhi Fire Prevention and Fire Safety Rules, 1987
247	The Andhra Pradesh Fire Service Act,1999
248	The Gujarat Fire Prevention and Life Safety Measures Act, 2013 and The Gujarat Fire Prevention and Life Safety Measures Rules, 2014

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249	The Haryana Fire Service Act, 2009
250	The Karnataka Fire Force Act, 1964
251	The Punjab Fire Prevention and Fire Safety Act 2004 and The Punjab Fire Prevention and Fire Safety Rules 2004
252	The West Bengal Fire Services Act, 1950 and The West Bengal Fire Services (Fire Licence) Rules, 2004
253	The Tamil Nadu Fire Service Act, 1985
ACT/RULES	
A.1	Agriculture Laws
1	Agricultural grading and marking act 1937
2	General Grading and Marking Rules, 1988.
3	Organic Agricultural Produce Grading and Marking (Amendment) Rules, 2011
4	Disaster Management Act 2005
5	Disaster Management Rules
6	Guidelines for manufacture and sale of Customized Fertilizer under Clause 20'B' of Fertiliser(Control) Order.1985
7	The Fertiliser (Control) Order 1985
8	Fertiliser Control (Amendment) Order, 2013.
9	Insecticides Act, 1968
10	Insecticides Rules, 1971
11	The Dangerous Machines (Regulation)Act 1983
12	The Dangerous Machines (Regulation)Rules 2007
13	Destructive Insects and Pests Act, 1914
14	Destructive Insects and Pests (Amendment and Validation) Act, 1992
15	Seeds Act 1966
16	The Seeds (Amendment) Act, 1972
17	Seeds Rules, 1968.
18	Seeds(Amendment) Rules, 1973

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19	Seeds(Amendment) Rules, 1974
20	Seeds(Amendment) Rules, 1981
21	Seeds (Control) Order, 1983
22	Seeds (Control) Amendment Order, 2006
23	New Policy On Seed Development, 1988
24	Revision Of New Policy On Seed Development, 1988
25	Protection of Plant Varieties & Farmers' Rights Act, 2001
26	Agricultural Pests Act 36 Of 1983 And Amendments
A.2	State Agriculture Laws
27	Delhi Agricultural Produce Marketing (Regulation) Act 1998
28	Delhi Agricultural Produce Marketing (Regulation) (General) Rules, 1978
29	Delhi Agricultural Produce Marketing (Regulation) (General) (Amendment) Rules, 1985
30	The Haryana Agricultural Credit Operations and miscellaneous Provisions (Banks) Act, 1973
31	Jammu and Kashmir State Agricultural Produce Marketing (Regulation) Act, 1997
32	Jammu and Kashmir Agrarian Reforms Act, 1976
33	Agriculturist's Relief Act, 1983.
34	Plant Disease and Pests Act 1973
35	Punjab Agricultural Produce Markets Act, 1961.
36	Punjab Agricultural Produce Markets Act-Amendments
37	The Punjab Agricultural Indebtedness (Relief) Act, 1975
38	The East Punjab Agricultural Pests, Diseases and Noxious Weeds Act, 1949
39	The East Punjab Improved Seeds and Seedlings Act, 1949
40	The Punjab Cotton Ginning and Pressing Factories Act, 1953
41	The East Punjab Cotton Statistics Act, 1948
42	The Uttar Pradesh Krishi Utpadan Mandi Adhiniyam, 1964

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43	The Uttar Pradesh Agricultural Diseases And Pests Act, 1954
44	Arunachal Pradesh Agricultural Produce Marketing (Regulation) (Amendment) Act, 2006.
45	Assam Agricultural Produce Market Act, 1972 And Amendments
46	Assam State Agricultural Produce Markets (General) Rules, 1975
47	Assam Agricultural Pests And Diseases Act, 1950
48	Assam Agricultural and Diseases Rules, 1951
49	The Assam State Agriculture Policy,
50	The Bihar Agricultural Produce Markets (Validation) Act, 1982 And Amendments
51	The Bihar Prevention And Control Of Agricultural Pests, Diseases And Noxious Weeds Act, 1953
52	Bihar Irrigation Act, 1997
53	Bihar Agriculture Produce Market (Repealing) Act, 2006
54	The Jharkhand Agricultural Produce Markets Act, 2000
55	Jharkhand Agricultural Produce Markets Rules, 2000
56	The Meghalaya Agricultural Produce Market Act, 1980
57	The Meghalaya Agricultural Produce Market Rules 1982
58	The Mizoram Organic Farming Act, 2004
59	Mizoram State Agricultural Produce Marketing (Marketing and Regulation) Act, 2008.
60	The Mizoram State Agricultural Produce Marketing (Development And Regulation) Rules, 2010
61	The Nagaland Agricultural Produce Marketing (Regulation) Act, 1985
62	Orissa Agricultural Produce Markets Act, 1956
63	The Orissa Agricultural Produce Markets (Amendment) Act, 2005
64	The Orissa Agriculture Act, 1951
65	The Orissa Agriculture(Amendment) Act, 1952, 1953, 1956
66	West Bengal Agricultural Produce Marketing (Regulation) Act, 1972
67	West Bengal Utilisation Of Land For Production Of Food Crops Act, 1969

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68	Gujarat Agricultural Produce Markets Act, 1963 & Amendments
69	The Madhya Bharat Agricultural Debtor's Relief Act, 1956
70	The Madhya Pradesh Ceiling on Agricultural Holdings Act, 1960
71	Maharashtra Agricultural Pests And Diseases Act 1947
72	Maharashtra Agricultural Pests And Diseases (Amendment) Act, 2014
73	Maharashtra Agricultural Produce Marketing (Regulation) Act, 1963 And Amendments
74	Bombay Agricultural Pests and Diseases (Maharashtra) Rules, 1963
75	Rajasthan Agricultural Produce Markets (Validating Provisions) Act, 1966
76	Rajasthan Agricultural Produce Markets Act 1961 And Amendments
77	Rajasthan Farmers' Participation In Management Of Irrigation Systems Act, 2000
78	Rajasthan Agriculture Produce Markets rules and amendment
79	The Goa, Daman and Diu Plant Diseases and Pests Act, 1976
80	The Goa Agricultural Produce Marketing (Development and Regulation) Act, 2007 and Rules, 2010
81	Andhra Pradesh (Agricultural Produce And Livestock) Markets Act, 1966 And Amendments
82	The Andhra Pradesh (Andhra Area) Agriculturists Relief Act, 1938 And Amendments
83	Andhra Pradesh Agricultural Pests And Diseases Act, 1919 And Amendments
84	Andhra Pradesh Aquaculture Seed (Quality Control) Act, 2006
85	Andhra Pradesh Ceiling On Agricultural Holdings Act, 1961
86	Andhra Pradesh Commercial Crops (Assessment) Act, 1957
87	Andhra Pradesh Agricultural Produce (Development and Warehousing) Corporation Rules, 1957
88	Andhra Pradesh (Agricultural Produce and Livestock) Market Rules, 1969
89	Rules Under The A.P. (A. A.) Agriculturists Relief Act, 1938
90	Andhra Pradesh Land Reforms (Ceiling on Agricultural Holdings) Rules, 1974
91	Rules Under Andhra Pradesh Pests and Diseases Act, 1919
92	Andhra Pradesh (Telangana Area) Agricultural Market Act, 1339

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93	Andhra Pradesh (Telangana Area) Improved Seeds And Seedlings Act, 1951
94	The Andhra Pradesh (Telangana Area) Agricultural Debtors Relief Act, 1956
95	The Validation of Alienations and Transfers of Agricultural Lands Rules, 1964
96	Andhra Pradesh (Telangana Area) Declaration of Substantial Holdings Rules, 1954
97	The Andhra Pradesh (Telangana Area) Tenancy and Agricultural Lands Rules, 1950
98	The Andhra Pradesh (Telangana Area) Assumption Of Management Or Acquisition Of Surplus Land Rules, 1955
99	Andhra Pradesh (Telangana Area) Tenancy Records (Correction) Rules, 1956
100	Andhra Pradesh (Telangana Area) Tenancy and Agricultural Land Rules, 1950
101	Andhra Pradesh (Telangana Area) Tenancy and Agricultural Lands Rules of 1951
102	Karnataka Agricultural Pests And Diseases Act, 1968
103	The Karnataka Agricultural Produce Marketing (Regulation) Act, 1966 And Amendments
104	Kerala Agrarian Relations Act, 1960
105	The Kerala Plant Diseases And Pests Act, 1972
106	The Tamil Nadu Agricultural Produce Marketing (Regulation) Amendment Act, 2014
107	The Tamil Nadu Farmers' Management Of Irrigation Systems Act 2000
108	The Andaman & Nicobar Islands Plant Diseases and Pest Regulation, 1969 (3 of 1969)
ACT/RULES	
A.1	Automobile Laws
1	Motor Vehicles Act 1988
2	The Central Motor Vehicle Rules, 1989
A.2	State Automobile Laws
3	The Haryana Motor Vehicles rules, 1993
4	The Tamil Nadu Motor Vehicles Rules, 1989

INDUSTRY SPECIFIC LAWS

	Please note that these Industry specific laws should be clubbed with General Manufacturing Laws.
	ACT/RULES
A.1	Auto Components Laws
1	The Motor Vehicles Rules, 1989 (Amendment in the year 2005) for Auto Components Industry
2	Safety standards by Automotive Industry Standard Committee & Bureau of Indian Standards etc.
	Please note that these Industry specific laws should be clubbed with General Manufacturing Laws.
	ACT/RULES
A.1	Aviation
1	Aircraft Act 1934
2	Aircraft Rules 1937
3	Aircraft public health rules 1954
4	Unlawful seizure against safety of civil aviation 1982
5	Anti-hijacking Act 1982
6	Anti-hijacking (Amendment) Act 1994
7	Air corporations (transfer of undertakings and Repeal) Act 1994
8	The Suppression of unlawful acts against safety of civil aviation Act 1982
9	The Suppression of unlawful acts against safety of civil aviation Rules 1994
10	Aircraft security Rules 2011
11	Tokyo convention Act 1975
12	The Aircraft (Carriage of Dangerous Goods) Rules, 2003
13	The Air Corporations Act, 1953
14	The Airports Authority of India Act, 1994
15	The Airports Authority of India (Amendment) Act, 2003
16	The Carriage by Air Act (Amended) 2009

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	Please note that these Industry specific laws should be clubbed with General Manufacturing Laws.
	ACT/RULES
A.1	Banking Laws
1	Reserve Bank of India Act, 1934
2	The Banking Regulation (Companies) Rules, 1949
3	Prevention of Money Laundering Act, 2002
4	Negotiable Instrument Act, 1881
5	The Bankers' Books Evidence Act, 1891
6	The Banking Companies (Legal Practitioners' Clients' Accounts) Act, 1949
7	The Banking Regulation Act, 1949
8	The State Financial Corporations Act, 1951
9	The Deposit Insurance and Credit Guarantee Corporation Act, 1961
10	The Deposit Insurance and Credit Guarantee Corporation General regulations 1961
11	The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970
12	RBI- Banking regulations
13	Banking (Co-operative Societies) Rules, 1966
14	Gujarat Co-Op Societies Act, 1961
15	Prevention on Money Laundering Act, 2002
16	Recovery of Debts Due to Banks and Financial institutions Act, 1993 (DRT Act)
17	The Industrial Finance Corporation of India Act, 1948
18	The State Bank of India Act, 1955
19	The State Bank of India (Subsidiary Banks) Act, 1959
20	The Subsidiary Banks General Regulation, 1959
21	The National Bank for Agriculture and Rural Development Act, 1981
22	The Export-Import Bank of India Act, 1981

INDUSTRY SPECIFIC LAWS

A.2	State Banking Laws
23	Haryana Co-operative Societies Act 1984
24	Himachal Pradesh Co-operative Societies Act, 1968
25	The Jammu and Kashmir Banker's Book Evidence Act, 1920
26	Jammu and Kashmir Co-operative Societies Act. 1989.
27	Jammu And Kashmir Co-Operative Societies (Amendment) Act, 2010
28	Jammu And Kashmir Co-Operative Societies (Amendment And Validation) Act, 2000'
29	Jammu and Kashmir Grameen Bank Service (Amendment) Regulations, 2013
30	The Punjab Co-Operative Societies Act, 1961 And Amendments
31	Banking Companies (Liquidation) Punjab and Delhi Rules, 1957
32	Punjab Co-operative Societies Rules, 1963
33	Assam Co-Operative Societies Act, 1949 And Amds
34	The Assam Co-operative Societies (Amendment) Rules, 1975
35	Assam Co-operative Agriculture and Rural Development Bank Act, 1960
36	Assam Co-operative Agricultural and Rural Development Bank, Rules, 1961
37	Assam Co-operative Societies Rules, 1952
38	The Assam State Financial Corporations Act, 1951
39	Bihar Cooperative Societies Rules, 1959 and amendments
40	Bihar Cooperative Societies Act
41	The Meghalaya Co-operative Societies Rules (Assam Rules, 1953 as adapted by Meghalaya)
42	The Mizoram Cooperative Societies Act, 2006
43	The State Financial Corporation (Extension to Nagaland) Act, 2002
44	The Orissa Co-Operative Societies Act, 1962 And Amendments
45	Orissa Co-Operative Societies Rules, 1965
46	West Bengal Co-Operative Societies, Act, 1983

GUIDANCE NOTE ON SECRETARIAL AUDIT

47	West Bengal Co-Operative Societies, Act, 2006
48	Gujarat Co-Operative Societies Act, 1961 & Amendments
49	Madhya Pradesh Co-Operative Societies Act, 1960 And Amendments
50	Madhya Pradesh Co-operative Societies Rules, 1962
51	Maharashtra Co-Operative Societies Act, 1960 And Amendments
52	The Banking Regulation (Co-operative Societies) Rule, 1966
53	Rajasthan Co-Operative Societies Act, 1965 And Amendments
54	Rajasthan Financial Corporation General Regulations, 1956
55	Rajasthan Financial Corporation (Issue of Bonds) Regulations, 1961
56	Rajasthan Financial Corporation (Voting Rights) Rules, 1956
57	The Goa Co-operative Societies Act, 2001
58	The Goa Co-operative Societies Rules, 2003
59	The Goa (Extension of the Bankers' Books Evidence Act) Act, 1988
60	Andhra Pradesh (Andhra Area) Co-Operative Societies Act, 1932 And Amendments
61	Karnataka Co-operative Societies Act, 1959 and Karnataka Co-operative Societies Rules, 1960
62	Kerala Co-Operative Societies Act, 1969 And Amendments
63	The Tamil Nadu Co-Operative Societies Act, 1983 And Rules And Amendments
64	The Andaman & Nicobar Islands Co-operative Societies Regulation, 1973.
65	The Andaman & Nicobar Islands Co-operative Societies Rules, 1974
	Please note that these Industry specific laws should be clubbed with General Service Industry Laws.
	ACT/RULES
A.1	Biotechnology Laws
1	Rules for the manufacture, Use/Import/Export and storage of hazardous micro organisms/Genetically engineered organisms or cell, 1989
2	Revised recombinant DNA safety guidelines

INDUSTRY SPECIFIC LAWS

3	Guidelines for research in transgenic plants and guidelines for toxicity and allergenicity evaluation of transgenic seeds, plants and plant parts, 1998
4	The plants, Fruits and Seeds (Regulation of import in India) Order 1989 issued under the destructive Insects and Pests Act, 1914
5	Guidelines for generating Preclinical and Clinical data for DNA Therapeutics, 1999
6	National Seed policy 2002
7	Seeds Act, 1966
8	EXIM Policy Pertaining to Biotechnology
9	Environment Protection Act, 1986 pertaining to Biotechnology
10	Foreign Exchange Management Act, 1999 pertaining to Biotechnology
11	Protection of Plant Varieties and Farmers' Rights Act, 2001.
	Please note that these Industry specific laws should be clubbed with General Manufacturing Laws.
	ACT/RULES
A.1	Cement Laws
1	Cement Control Order, 1967
2	Cement Cess Rule, 1993
3	Cement(Quality Control) Order 1995
4	Cement(Quality Control) Order 2003
5	Bureau of Indian Standards Rules, 1987
A.2	State Cement Laws
6	The Delhi Cement (Licensing and Control) Order, 1982
7	East Punjab Cement Control Act, 1948
8	The UP Cement Control Order, 1973
9	Assam Cement Control Act, 1953
10	The Mizoram Cement (Quality Control) Order, 2003
11	The Orissa Cement Control Order, 1973

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12	Orissa Cement (Quality Control) Order, 1987
13	The West Bengal Cement Control Act, 1948
14	The Madhya Pradesh Cement Apmishran Nivaran Niyam, 1984
15	The Madhya Pradesh Cement Apmishran Nivaran Niyam, 1984
16	Rajasthan Cement Control Order, 1973
17	Rajasthan Cement (Licensing and Control) Order, 1974
18	The Kerala Cement Distribution (Licensing and Regulation) Order, 1974
	Please note that these Industry specific laws should be clubbed with General Manufacturing Laws.
	ACT/RULES
A.1	Chemical Laws
1	Manufacture, Storage, Import of Hazardous Chemicals Rules, 1989
	Please note that these Industry specific laws should be clubbed with General Manufacturing Laws.
	ACT/RULES
A.1	Construction Laws
1	Building And Other Construction Workers (Regulation Of Employment and Conditions Of Service) Act, 1996
2	The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Central Rules, 1998
3	The Building And Other Construction Workers' Welfare Cess Act, 1996
4	Building and Other Construction Workers Welfare Cess Rules, 1998
A.2	State Construction Laws
5	Delhi Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2002
6	Haryana Building and Other Construction Workers (Regulation of. Employment and Conditions of Service) Rules, 2005
7	The Himachal Pradesh Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2008

INDUSTRY SPECIFIC LAWS

8	Punjab Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2008
9	Uttar Pradesh Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2009
10	Uttaranchal Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2005
11	Arunachal Pradesh Building and other Construction Workers (Regulation of Employment and Condition of Service) Rules, 2006
12	The Bihar Building and other Construction Workers (Regulation of Employment and conditions of Service) Rules, 2005
13	The Building And Other Construction Workers' (Regulation Of Employment And Coumnous Of Service) Jharkhand Rules, 2006
14	Meghalaya Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2008
15	Meghalaya Building and Other Construction Workers (Regulation of Employment and Conditions of Service) (Amendment) Rules, 2011
16	Nagaland Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2010
17	The Orissa Building and Others Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2002
18	Sikkim Building and Others Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2010
19	West Bengal Building & Other Construction Workers. Rules, 2004
20	The Chhattisgarh Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2008
21	Gujarat Building and Other Construction Workers (Regulation of Employment and Condition of Service) Rules, 2003
22	Madhya Pradesh Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rule, 2002
23	Maharashtra Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2007
24	Rajasthan Building and Other Construction Workers Rules 2009

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25	Goa Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Rules, 2008
26	The Goa Land Development and Building Construction Regulations, 2010
27	The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Dadra and Nagar Haveli Rules, 2003
28	The Andhra Pradesh Building and other Construction Workers' (Regulation of Employment and Conditions of Service) Rules, 1999.
29	Karnataka Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2007
30	The Building and Other Construction Workers (RE&CS) Kerala Rules. 1998
31	The Kerala Building & Other. Construction Workers' Welfare Cess Rules
32	Tamil Nadu Building And Construction Workers (Conditions Of Employment And Miscellaneous Provisions) Act, 1984
33	The Tamil Nadu Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2006.
	Please note that these Industry specific laws should be clubbed with General Service Industry Laws.
	ACT/RULES
A.1	FMCG - Fabric Care, Baby Care & OTC products
1	Indian Standard Textiles — Care Labelling Code Using Symbols — Specification
2	Infant Milk Substitutes, Feeding Bottles and Infant Foods(Regulation of Production, Supply and Distribution)Act, 1992
3	Infant Milk Substitutes, Feeding Bottles and Infant Foods(Regulation of Production, Supply and Distribution) Rules, 1993:
A.2	State FMCG Laws
4	Infant Milk Substitutes, Feeding Bottles and Infant Foods (Regulation of Production, Supply and Distribution) Rules, 1993
5	Bihar and Orissa Dangerous Drugs Rules, 1934
6	Bihar Consumer Protection Rules, 1987 and amendments
7	Madhya Pradesh Pharmacy (Preparation of First Register) Rules, 1973

INDUSTRY SPECIFIC LAWS

	Please note that these Industry specific laws should be clubbed with General Manufacturing Laws.
	ACT/RULES
A.1	Education and Training
1	The Central Educational Institutions (Reservation in Admission) Act, 2006
2	The University Grants Commission Act, 1956
3	The National Commission for Minority Educational Institutions Act, 2004
4	The National Commission for Minority Educational Institutions (Amendment) Act, 2010
5	The Central Universities Act, 2009
6	The School of Planning and Architecture Act, 2014
7	The All India Council for Technical Education Act, 1987
8	The Institutes of Technology Act, 1961
9	National Institutes of Technology Act, 2007
10	The National Institutes of Technology (Amendment) Act, 2012
11	The Institutes of Technology (Amendment) Act, 2012
12	The Architects Act, 1972
13	Draft Indian Institutes of Information Technology (IIIT) Bill, 2010
14	National Institutes of Technology, Science Education and Research (Amendment Act), 2014
15	Indira Gandhi National Open University Act, 1985
16	UGC (Mandatory Assessment and Accreditation of Higher Education Institutions) Regulation 2012
17	All India Council for Technical Education Regulations for Entry and Operations (Grant of Approvals for Technical Institutions) Regulations, 2011
18	University grants commission (Institutions deemed to be Universities) Regulation, 2010
19	University Grants Commission (Establishment of and Maintenance of Standards in Private Universities) Regulation, 2003
20	Central Board of Secondary Education Affiliation Bye-laws

GUIDANCE NOTE ON SECRETARIAL AUDIT

A.2	State Education and Training
21	Delhi School Education Act 1973
22	Delhi School Education Rules 1973
23	Delhi Professional Colleges or Institutions (Prohibition of Capitation Fee, Regulation of Admission, Fixation of Non-Exploitative Fee and Other Measures to Ensure Equity and Excellence) Rules, 2007
24	Board Of Technical Education: Rules
25	Delhi Right of Children to Free and Compulsory Education Rules, 2011
26	The Haryana Board of School Education Act, 1969
27	Haryana School Education Act, 1995.
28	Haryana School Education Rules, 2003
29	State Board of Technical Education Act 2002
30	Jammu and Kashmir State Board of Technical Education Rules, 2003
31	Jammu and Kashmir School Education Act, 2002
32	Jammu and Kashmir School Education Rules, 2010
33	Punjab School Education Board Act, 1969 and amendments
34	Punjab School Education Board (Senior Secondary Examination) Regulations, 1988
35	Punjab School Education Board (Submission of Books and their Approval) Regulations, 1979
36	Punjab School Education Board (Senior Secondary Examination) Regulations, 1988
37	Punjab School Education Board (Recognition of Examinations of other Universities, Boards and Bodies) Regulations, 1979
38	Punjab Education Development Act, 1998 And Amendments
39	The Punjab Primary Education Act, 1960 And Amendments
40	Punjab Private Health Sciences Educational Institutions (Regulation Of Admission, Fixation Of Fee And Making Of Reservation) Act, 2006 And Amendments
41	The Punjab Technical University Act, 1996 And Amendments

INDUSTRY SPECIFIC LAWS

42	Punjabi University (Amendment) Act, 1976, 1983,2003
43	Admission to courses of Instruction for Degrees in Education in Affiliated/ Associated Colleges of State Universities 1980
44	Uttar Pradesh State Universities (Regulation of Admission to Course of Instruction for Degree in Education in Affiliated, Associated and Constituent Colleges) (Ninth Amendment) Order, 2010
45	The Uttar Pradesh Basic Education Act, 1972
46	Uttar Pradesh Education Laws Act And Amendments
47	Uttar Pradesh State Council Of Higher Education Act, 1995 And Amendments
48	Uttar Pradesh State Universities Act, 1973 And Amendments
49	Assam Basic Education (Amendment) Act, 1958.
50	Assam Basic Education Act
51	Assam Elementary Education Act, 1968 And Amendments
52	Assam Private Universities Act, 2007
53	Assam Secondary Education Act, 1961 And Amendments
54	Assam Secondary Education (Provincialisation) Act, 1977
55	Assam Secondary Education (Middle English Schools And High Schools) (Provincialisation) Rules, 1979
56	The Assam Education Department Rules And Orders
57	Guwahati University Act 1947
58	The Assam Higher Secondary Act 1984
59	The Assam Elementary Education (Provincialisation) Rules, 1977
60	Bihar Agricultural University Act, 2010 And Amendments
61	The Bihar And Orissa Primary Education Act, 1919
62	Bihar Private Universities Act, 2013
63	Bihar Primary Education Rules, 1959
64	Bihar Para Medical And Para Dental Educational Rule, 2005
65	The Jhakkhand State Universities (Amendment) Act, 2007

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66	The Jharkhand State Agricultural University Act, 2000
67	The Jharkhand State Unaided Educational Institution (Grant) Amendment Act, 2007
68	The Jharkhand State Universities (Amendment) Act, 2006 And 2008
69	Jharkhand Education Tribunal Act, 2005
70	Jharkhand Education Tribunal Rules, 2006
71	The Meghalaya Board Of School Education Act, 1973 And Amendments
72	The Meghalaya Education, Research And Training Service Rules, 2012.
73	The Mizoram Board Of School Education (Second Amendment) Act, 2008
74	Mizoram Board Of School Education Act 1975
75	The Mizoram Education Act, 2003
76	The Nagaland Board Of School Education Act, 1973
77	The Orissa Basic Education Act, 1951
78	The Orissa Secondary Education Act, 1952 And Amendment Act 1956 And 1961
79	The Orissa Basic Education (Amendment) Act, 1955
80	Orissa Education Act, 1969
81	The Orissa Higher Secondary Education Act, 1982
82	Tripura Board Of Secondary Education Act, 1973
83	Tripura Educational Institution (Prevention Of Ragging) Act, 1990
84	The West Bengal Board Of Secondary Education Act, 1963
85	West Bengal Council Of Higher Secondary Education Act, 1975
86	The West Bengal Primary Education Act, 1973
87	West Bengal Right Of Children To Free And Compulsory Education Rules, 2012.
88	Chhattisgarh Maharishi University Of Management And Technology Act, 200
89	Chhattisgarh Primary Education Act, 1961
90	Chhattisgarh Private Universities (Establishment And Operation) Act, 2005
91	Chhattisgarh Vishwavidyalaya (Sanshodhan) Adhiniyam, 2013

INDUSTRY SPECIFIC LAWS

92	Chhattisgarh Private Universities (Establishment And Operation) Rules, 2005
93	Chhattisgarh Right Of Children To Free And Compulsory Education Rules, 2010
94	Gujarat Agricultural University Act, 2004
95	Madhya Pradesh Madhyastham Adhikaran Adhinyam 1983
96	Madhya Pradesh Madhyastham Adhikaran Niyam, 1984
97	Madhya Pradesh Madhyamik Shiksha (Vishesh Upbandh) Niyam, 1969
98	Madhya Pradesh Madhyamik Shiksha (Vishesh Upbandh) Adhinyam, 1969
99	Madhya Pradesh Prathamik Middle School Tatha Madhyamik Shiksha Pushtakon Sambandhi Vyavastha) Adhinyam 1973
100	Madhya Pradesh Prathamik, Middle School Tatha Madhyamik Shiksha (Pathya Pustakon Sambandhi Vyavastha) Niyam, 1974
101	Madhya Pradesh Jan Shiksha Niyam, 2003
102	Madhya Pradesh Jan Shiksha Adhinyam, 2002
103	Right Of Children To Free And Compulsory Education Rules, 2011
104	Central Board Of Studies Rules, 1986
105	Madhya Pradesh Secondary Education Act 1965
106	Maharashtra Self-Financed Schools (Establishment And Regulation) Act, 2012
107	Maharashtra Educational Institutions (Prohibition Of Capitation Fee) Act, 1987
108	Maharashtra Educational Institutions (Regulation Of Collection Of Fee) Act, 2011
109	Maharashtra Right Of Children To Free And Compulsory Education (Amendment) Rules, 201
110	Maharashtra Agricultural Universities (Krishi Vidyapeeths) Act, 1983 And Amendments
111	Maharashtra Education (Cess) Act And Amendments
112	Maharashtra Educational Institutions (Management) Act, 1976
113	Maharashtra National Law University Act, 2014
114	Maharashtra Primary Education Act, 1947
115	Maharashtra Secondary Education Boards Act, 1965

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116	Maharashtra Self-Financed Schools (Establishment And Regulation) Act, 2012 And Amendments
117	Maharashtra State Board Of Technical Education Act, 1997 And Amendments
118	Maharashtra Universities Act 1994 And Amendments
119	Maharashtra University Of Health Sciences Act, 1998 And Amendments
120	Bombay Secondary School Certificate Examination Act 1948
121	Rajasthan Agricultural University Udaipur Act, 2000
122	Rajasthan Agriculture University, Bikaner Act, 1987
123	Rajasthan Schools (Regulation Of Collection Of Fee) Act, 2013
124	Rajasthan Secondary Education Act, 1999 And Amendments
125	First Statutes Of The University Of Udaipur, Udaipur
126	The Goa University Act, 1984
127	The Goa, Daman And Diu School Education Act & Rules, 1984
128	The Goa, Daman And Diu Secondary And Higher Secondary Education Board Act, 1975
129	The Goa Compulsory Elementary Education Act, 1995
130	Andhra Pradesh (Andhra Area) Elementary Education Act, 1920 And Amendments
131	Andhra Pradesh Education Act, 1982
132	Andhra Pradesh Educational Institutions (Requisitioning And Acquisition) Act, 1956
133	Andhra Pradesh Educational Institutions (Regulations Of Admission And Prohibition Of Capitation Fee) Act, 1983
134	Andhra Pradesh Universities Act, 1991 And Amendments
135	Andhra Pradesh State Council Of Higher Education Act, 1988
136	Andhra Pradesh Compulsory Primary Education, Rules, 1982
137	The Andhra Pradesh Educational Institutions (Establishment, Recognition, Administration And Control Of Institutions Of Higher Education) Rules, 1987
138	The Andhra Pradesh Education Institutions (Establishment, Administration And Control Of Private Schools) Rules, 1986

INDUSTRY SPECIFIC LAWS

139	Andhra Pradesh Educational Institutions (Establishment, Recognition, Administration And Control Of Schools Under Private Managements) Rules, 1993
140	The Andhra Pradesh Minority Educational Institutions (Establishment, Recognition & Regulation) Rules, 1988
141	State Board Of Technical Education And Training, Andhra Pradesh (Establishment, Organisation And Jurisdiction) Rules, 1988
142	The Andhra Pradesh Unaided Private Polytechnics, (Establishment, Management And Admissions) Rules, 1992
143	The Andhra Pradesh Unaided Private Medical And Dental Colleges (Establishment, Management And Admission) Rules, 1992
144	The Andhra Pradesh Unaided Private Engineering Colleges (Establishment, Management And Admission) Rules, 1992
145	Andhra Pradesh State Council For School Education (Constitution, Administration And Functions) Rules, 1989
146	Andhra Pradesh (Regulation Of Admission Of Students Into Medial Colleges/ Government Dental College) Rules, 1985
147	Andhra Pradesh Regulation Of Admission To The M.D.S. Course In The Government Dental College And Hospital, Hyderabad, Rules, 1985
148	The Andhra Pradesh Regulation Of Admission To Super Specialities In The Medical Colleges Rules, 1983
149	Andhra Pradesh Admission Of Students Into Engineering Colleges Rules, 1985
150	Andhra Pradesh Admission Into M.Sc., (Nursing) Course Rules, 1985
151	Andhra Pradesh Admission To The Multipurpose Health Workers (Male) Training Course Rules, 1987
152	Andhra Pradesh Admission Of Students Into Colleges Of Education Rules, 1985
153	Andhra Pradesh Admission To Post Graduate Courses In The Ayurvedic Medical Colleges Rule, 1985
154	Andhra Pradesh Educational Institutions (Admission Of Students Into Colleges Of Physical Education Rules), 1986
155	Andhra Pradesh Educational Institutions (Admission Of Students Into Teacher Training Institutions) Rules, 1986

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156	Andhra Pradesh Regulation Of Admission Of Candidates Into Polytechnics And State-Wide Institution Rules, 1988
157	Karnataka Educational Institutions (Classification, Regulation And Prescription Of Curricula) Rules, 1995 And Amendments
158	Karnataka Education Act, 1983
159	Kannada University Act, 1991
160	Karnataka Secondary Education Examination Board Act, 1966 And Amendments
161	The Karnataka State Universities Act, 2000 And Amendments
162	Karnataka Universities Of Agricultural Sciences Act, 1963
163	Karnataka State Law University Act, 2009
164	Karnataka Professional Educational Institutions (Regulation Of Admission And Fixation Of Fee) (Special Provisions) Act, 2006 And 2007
165	Karnataka Professional Educational Institutions (Regulation Of Admission And Determination Of Fee) Act, 2006
166	Karnataka Educational Institutions (Recognition Of Primary And Secondary Schools) Rules, 1999
167	Karnataka Educational Institutions (Registration And Recognition Of Commerce Institute) Rules, 1999
168	Karnataka Pre-University Education (Academic, Registration, Administration And Grant-In-Aid Etc.) Rules, 2006
169	Karnataka Pre-University Education (Academic, Registration, Administration And Grant-In-Aid Etc.) Rules, 2006
170	Karnataka Pre-University Education (Academic, Registration, Administration And Grant-In-Aid Etc.) Rules, 2006
171	Kerala Agricultural University Act And Amendments
172	Kerala Education Act, 1958 And Amendments
173	The Kerala University Act, 1974 And Amendments
174	Kerala University Of Fisheries And Ocean Studies Act, 2010
175	Kerala University Of Health Sciences Act, 2010
176	Kerala Education Rules, 1959 And Amendments
177	Kerala Education Rules 2008

INDUSTRY SPECIFIC LAWS

178	Tamil Nadu Schools (Regulation Of Collection Of Fee) Act, 2009
179	Tamil Nadu Educational Institutions (Prohibition Of Collection Of Capitation Fee) Act, 1992
180	The Tamil Nadu Physical Education And Sports University Act, 2004 And Amendments
181	Tamil Nadu State Council For Higher Education Act, 1992
182	Tamil Nadu State Council For Technical Education Act, 2010
183	The Tamil Nadu Regulation Of Admission In Professional Courses Act, 2006
184	Tamil Nadu University Laws (Second Amendment) Act, 2010 And Other Amendments
185	Tamil Nadu Recognised Private Schools (Regulation) Act, 1973
186	Tamil Nadu Recognised Private Schools (Regulation) Rules, 1974
187	Tamil Nadu Elementary Education Act, 1920 (Repeated In 1998)
188	Tamil Nadu Compulsory Elementary Education Act, 1994
189	Tamil Nadu Education Rules, 1892
190	The Andaman & Nicobar Islands (Primary Education) Regulation, 1959 (3 Of 1959)
	Please note that these Industry specific laws should be clubbed with General Service Industry Laws.
	ACT/RULES
A.1	Financial Services Laws
1	National Housing Bank Act, 1987
2	Housing Finance Companies (NHB) Directions, 2010 (As modified upto 1st July, 2013),
3	Housing Finance Company Issuance of Non-Convertible Debentures on Private Placements (NHB) Directions, 2014
4	RBI notifications related to NBFC
5	Master Circular – Housing Finance
6	Circulars related to NBFC

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7	The Unit Trust of India Act, 1963
8	The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
A.2	Mutual Fund Laws
	Securities and Exchange Board of India (Mutual Funds) Regulations 1996 and Amendments
	Please note that these Industry specific laws should be clubbed with General Service Industry Laws.
	ACT/RULES
A.1	Food Industry General & Specific
1	Essential Commodities Act, 1955 (In Relation To Food)
2	Export Quality Control And Inspection Act, 1963
3	National Food Security Act, 2013
4	Food Safety & Standard Act 2006
5	Food Safety And Standards Rules, 2011
6	Food Safety And Standards (Packaging And Labelling) Regulations, 2011
7	Food Safety And Standards (Licensing And Registration Of Food Businesses) Regulations, 2011
8	Food Safety And Standards (Prohibition And Restrictions On Sales) Regulations 2011
9	Food Safety And Standards (Food Products Standards And Food Additives) Regulations, 2011
10	Food Safety And Standards (Contaminants, Toxins And Residues) Regulations, 2011
11	The Meat Food Products Order, 1973
12	Meat And Meat Product Order, 1992 (Mmpo)
13	Indian Fisheries Act 1897 And Amendments
14	The Fruit Products Order, 1955
15	Fruit Products(1st Amendment) Order, 2006

INDUSTRY SPECIFIC LAWS

16	Vegetables Product Order, 1967 (Vpo)
17	The Vegetable Oil Products (Control) Order, 1947
18	The Edible Oils Packaging (Regulation) Order, 1998
19	The Solvent Extracted Oil, De Oiled Meal, And Edible Flour (Control) Order, 1967
20	The Milk And Milk Products Order, 1992
A.2	State Food Laws
21	Delhi Prevention Of Food Adulteration Rules, 1956
22	Haryana Commodities Price Marking And Display Order, 1975.
23	Haryana Prevention Of Hoarding And Maintenance Of Quality Order, 1977.
24	Haryana Rice Procurement (Levy) Order, 1985.
25	Haryana Standards Of Weights And Measures (Enforcement) Rules, 1995
26	Haryana Public Distribution System (Licensing And Control) Order, 2002.
27	Haryana Public Distribution System (Licensing & Control) Amendment Order, 2003.
28	Liquefied Petroleum Gas (Regulation Of Supply And Distribution) Order, 2000.
29	Prevention Of Food Adulteration (Haryana Validation) Act, 1992.
30	Prevention Of Food Adulteration (Punjab) Rules, 2004
31	The Punjab Cold Storage Order, 1979
32	The Punjab Salt (Distribution And Price) Control Order, 1957
33	The Wheat Roller Flour Mills (Licensing And Control) Order, 1957
34	The Punjab Light Diesel Oil And Kerosene Oil Dealers Licensing Order, 1970
35	The Punjab Hoarding And Profiteering Prevention Order, 1971
36	The Punjab Commodities Price Marking And Display Order, 1972
37	The Punjab Control Of Bricks Supplies Order, 1998
38	The Punjab Scheduled Articles (Price Control) Order, 1973
39	The Punjab Rice Procurement Levy Order, 1982
40	The Punjab Paddy Export And Import Control Order, 1982

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41	The Punjab Registration Of Tea Dealers Licensing Order, 1984
42	The Consumer Protection (Punjab) Rules, 1987
43	The Consumer Welfare Fund Rules, 1992
44	The Punjab Trade Articles (Licensing And Control) Order, 1992
45	The Uttar Pradesh Food And Civil Supplies (Weights And Measures) Service Rules, 1981.”
46	Uttar Pradesh Fisheries (Development And Control) Rules, 1954
47	Uttar Pradesh Fisheries Act, 1948
48	The Assam Food Grains (Licensing And Control) Order,1962
49	The Assam Pure Food Act, 1932
50	Assam Fishery Rules, 1953
51	The Assam Gur Dealers Licensing Order 1963
52	The Assam Foodstufs (Distribution) Control Order, 1958
53	The Assam Paddy & Rice Procurement Order 1995
54	Pulses, Edible, Oils Seeds (Storage Control Order) 1977
55	The Assam Foodgrains (Licensing & Control) Order,1961 And Amendments
56	The Assam Foodstufs (Distribution) Control Order, 1958
57	The Asam Foodstuffs (Prohibition Of Withholding Fom Sale) Control Order 1969
58	The Assam Food (Restrictions On Service Of Meals By Catering Establishments) Order 1966
59	Bihar Rice & Paddy Procurement (Levy) Order, 2009
60	Bihar Food Security Act
61	The Bihar Essential Articles (Display Of Prices And Stocks) Order, 1977
62	The Bihar Foodstuffs (Display Of Prices By Catering Establishments) Order, 1977
63	Bihar Motor Spirit And High Speed Diesel Oil Dealers’ Licensing Order, 1966
65	Bihar Trade Articles (Licenses Unification) Order, 1984
66	The Meghalaya Consumer Protection Rules 1989 With Amendment 1994-2003

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67	Mizoram Fisheries Act, 2005
68	Mizoram Food-Staffs (Display Of Prices By Catering Establishments) Order, 1982
69	Mizoram (Price Fixation Of Essential Commodities) Order, 1977
70	The Nagaland Fisheries Act, 1980
71	The Orissa Prevention Of Adulteration And Control Of Sale Of Food Act, 1938
72	The Orissa Prevention Of Adulteration And Control Of Sale Of Food (Amendment) Act, 1950
74	Orissa Weights And Measures (Enforcement) Act, 1958
75	The Orissa Declaration Of Stocks And Prices Of Essential Commodities Order, 1973
76	The Orissa Foodgrains Dealers Licensing Order, 1964
77	The Orissa Imported Edible Oil (Prohibition Of Unauthorised Sale) Order, 1989
78	The Orissa Khandasari And Gur Dealers Licensing Order, 1963
79	Orissa Public Distribution System (Control) Order, 2008
80	Orissa Rice-Bran (Distribution And Price. Control) Order, 1990
81	Orissa Specified Foodstuffs (Licensing And Storage Control) Order, 2008
82	Orissa Tea (Registration Of Dealers And Declaration Of Stocks) Order, 1984
83	Tripura Consumer Protection(7th Amd) Rules 2010
84	Tripura Food Stuff Dealers Licensing (2nd Amd) Rules 2013
85	West Bengal Fisheries (Requisition And Acquisition) Act, 1965
86	The West Bengal Marine Fishing Regulation Act, 1993
87	West Bengal Inland Fisheries Act, 1984 And Amendments
88	Chhattisgarh Food Security Act, 2012 And Amendment
89	Chhattisgarh Rice Procurement (Levy) Order, 2007
90	Chhattisgarh Rice Procurement (Levy) Order, 2005
91	Gujarat Fisheries Act, 2003
92	The Madhya Pradesh Drugs (Control) Act, 1949

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93	The Madhya Pradesh Fisheries Act, 1948
94	Madhya Pradesh Public Distribution System (Control) Order, 2015
95	Madhya Pradesh Riverine Fisheries Rules, 1972
96	Madhya Pradesh Prevention Of Food Adulteration Rules, 1962
97	Maharashtra Fisheries Act, 1960
98	Maharashtra Fruits Nurseries And Sale Of Fruit Plants (Regulation) Act, 1969
99	Maharashtra Live-Stock Improvement Act And (Amendment) Act, 2013
100	Maharashtra Marine Fishing Regulation Act, 1981
101	Bombay Rationing Area Scheduled Commodities (Regulation Of Distribution) Order, 1986
102	Maharashtra Catering Establishments (Display And Marking Of Prices) Order, 1977
103	Maharashtra Foodgrains Rationing (Second) Order, 1966
105	The Maharashtra Scheduled Commodities (Regulation Of Distribution) Order, 1975
106	Gur Control Order, 1994
107	Milk And Milk Product (Third Amendment) Order, 1993
108	Pulses, Edible Oilseeds And Edible Oils (Storage Control) (Amendment) Order, 1991
109	Rajasthan Food Stuffs (Display Of Prices By Catering Establishments) Order, 1982
110	Rajasthan Foodgrains And Other Essential Articles (Regulation Of Distribution) Order, 1976
111	Rajasthan Rice Procurement (Levy) Order, 1985
112	Rajasthan Rice Procurement (Levy) Order, 1982
113	Rajasthan Roller Mills Wheat Products (Ex-Mill & Retail Prices Control) Order, 1976
114	Rajasthan Trade Articles (Licensing And Control) Order, 1980
115	Rajasthan Hatching Eggs And Day-Old-Chicks (Regulation Of Production, Supply And Sale) Order, 1992

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116	Rajasthan Imported Food Stuffs (Regulation Of Distribution And Prohibition Of Unauthorised Sale) Order, 1986
117	Rajasthan Milk (Export Control) Order, 1989
118	Rajasthan Milk (Export Control) Order, 1988
119	Rajasthan Milk (Export Control) Order, 1987
120	Rajasthan Milk (Export Control) Order, 1984
121	Rajasthan Wheat (Export Control) Order, 1981
122	Rajasthan Prevention Of Conversion Of Milk Into Mawa Order, 1987
123	Rajasthan Prevention Of Conversion Of Milk Into Mawa Order, 1985
124	Rajasthan Fisheries Act, 1953
125	Rajasthan Fisheries Rules, 1958
126	The Edible Oils Packaging (Regulation) Order 1998
127	Goa Prevention Of Food Adulteration (Amendment) Rules 1988
128	Goa Prevention Of Food Adulteration Rules 1982
129	The Goa Oil Palm (Regulation Of Production And Processing) Act, 1998
130	The Goa Marine Fishing Regulation (Relaxation Of Time Limit For Registration Of Vessels) Act, 2002
131	The Goa Marine Fishing Regulation (Relaxation Of Time Limit For Registration Of Vessels) Act, 1993
132	The Goa, Daman And Diu Marine Fishing Regulation Act, 1980 And Rules, 1982
133	The Indian Fisheries (Goa, Daman & Diu Amendment) Act, 1970
134	The Goa Fruit And Ornamental Plant Nurseries (Regulation) Act, 1995
135	Andhra Pradesh Weights And Measures (Enforcement) Act, 1958
136	Andhra Pradesh Marine Fishing (Regulation) Act, 1994
137	Andhra Pradesh Marine Fishing (Regulation) Rules, 1995
138	Andhra Pradesh Weights And Measures (Enforcement) Rules, 1958
139	Seeds Rules, 1968
140	Andhra Pradesh Prevention Of Food Adulteration Rules, 1957

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141	Karnataka Marine Fishing (Regulation) Act, 1986.
142	Mustard Seeds And Rape Seeds (Oil Seed) Grading And Marking Rules, 2012
143	Karnataka Essential Commodities (Public Distribution System) Control Order, 1992
144	The Karnataka Prevention Of Unauthorised Possession Of Ration Cards Order, 1977
145	The Karnataka Essential Commodities Licensing Order, 1986
146	The Karnataka Essential Commodities (Maintenance Of Accounts, Display Of Prices And Stocks) Order, 1981
147	The Karnataka Rice Milling Regulation And Rice And Paddy Procurement (Levy) Order, 1999
148	Kerala Edible Oil Seeds, Edible Oils, Vanaspati And Baby Food Dealer's Licensing Order, 1975
149	Kerala Essential Commodities (Maintenance Of Accounts And Display Of Prices And Stocks) Order, 1980
150	Kerala Essential Commodities (Maintenance Of Accounts And Display Of Prices And Stocks) Order, 1977
151	Kerala Food Grains Dealers' Licensing Order, 1967
152	Kerala Food-Stuffs (Display Of Prices By Catering Establishments) Order, 1977
153	Kerala Kerosene Control Order, 1968
154	Kerala Khandsari/Gur Dealers Licensing Order, 1963
155	Kerala Motor Spirit And High Speed Diesel Oil (Maintenance And Regulation Of Supplies) Order, 1979
156	Kerala Paddy And Rice (Declaration And Requisition Of Stocks) Order, 1966
157	Kerala Petroleum Products Dealer's Licensing Order, 1981
158	Kerala Pulses Dealer's Licensing Second Order, 1972
159	Kerala Rationing (Amendment) Order, 2011
160	Kerala Rice And Paddy (Procurement By Levy) Order, 1966
161	Kerala Roller Flour Mills Wheat And Wheat Products Stock Limits, Order, 1993

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163	Kerala Tapioca (Requisitioning Of Stocks) Order, 1968
164	Kerala Tapioca (Manufacture And Export Control) Order, 1966
165	Kerala Tea (Registration Of Dealers And Declaration Of Stocks) Order, 1983
166	Kerala Marine Fishing Regulation Act, 1980 And Kerala Marine Fishing Regulation Rules, 1980
167	Madras (Tamil Nadu) Prevention Of Food Adulteration Rules, 1961
168	Act A & N Marine Fishing Rules & Regulation 2004
169	Pbmc Bye Laws For Grant Of License For Sale Of Food
170	The Andaman & Nicobar Islands (Fisheries) Regulation, 2003.
171	The Andaman & Nicobar Islands (Fisheries) Rules, 2003
B.1	Tea Acts
172	The Tea Act 1953
173	The Tea Rules, 1954
174	The Investigation of Tea Undertaking / Tea Units (Procedure) Rules 1981
175	Tea (Distribution & Export) Control Order 2005
176	Tea Waste Control Order 1959
177	Tea (Marketing) Control Order 2003
178	Tea Warehouse Licensing Order 1989
179	Tea Board Subsidies- Need Exact Details
180	Indian Forest Act 1927
181	Plantations Labour Act, 1951
182	The Geographical Indications Of Goods (Registration & Protection) Bill, 1999
B.2	State Tea Acts
183	Assam Tea Plantations Provident, Pension, & Deposit Linked Insurance Fund Scheme Act 1955 & Scheme, 1968 & 1984
184	The Assam Plantations Labour Rules, 1956, Plantations Labour (Amendment) Act, 1981, 2001, And 2006
185	The West Bengal Plantation Labour Rules, 1956

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186	Assam Tea Plantations Provident Fund And Pension Fund And Deposit Linked Insurance Fund Scheme (Amendment) Act, 2005
C.1	Tobacco Laws
187	Tobacco Board Act, 1975
188	Tobacco Board Rules
189	Tobacco Cess Act, 1975
190	Beedi And Cigar Workers (Conditions Of Employment) Act, 1966 As Amended In 1993
191	Beedi Workers Welfare Cess Act, 1976
192	Beedi Workers Welfare Fund Act, 1976
193	Beedi Workers Welfare Fund Rules 1978
194	Cigarettes And Other Tobacco Products (Prohibition Of Advertisement And Regulation Of Trade And Commerce, Production, Supply And Distribution) Act, 2003 (Copta)
195	Prohibition Of Smoking In Public Places Rules, 2008
196	Cigarettes Act (Regulation Of Production, Supply And Distribution), 1975
C.2	State Tobacco Laws
197	The Delhi Prohibition Of Smoking And Non-Smokers' Health Protection Act, 1996
198	The Assam Prohibition Of Smoking And Non-Smokers' Health Protection Bill, 1999
199	The Meghalaya Prohibition Of Smoking And Non-Smokers' Health Protection Act, 1998
200	The Sikkim Prohibition Of Smoking And Non-Smokers' Health Protection Bill, 1997
201	The Jammu And Kashmir Prohibition Of Smoking And Non-Smokers' Healthprotection In Public Service Vehicles Bill,1997
202	The West Bengal Prohibition Of Smokingand Spitting And Protection Of Health Of Non-Smokers And Minors Bill, 2001
203	The Goa Prohibition Of Smoking And Spitting Act, 1997
204	The Himachal Pradesh Prohibition Of Smoking And Non-Smokers Health Protection Bill, 1997

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D.1	Sugar Laws & Regulations
205	Levy Sugar Price Equalisation Fund Act
206	Jute Packaging Materials Act,1987
207	The Jute Packaging Materials (Compulsory Use In Packing Commodities) Rules, 1987
208	Sugar Undertakings (Taking Over Of Management) Act 1978
209	Sugar Development Fund Act, 1982
210	Sugar Cess Act, 1982 & Rules
211	Sugarcane (Control)Order-1966
212	Sugarcane (Control) Amendment Order 2006
213	Levy Sugar Supply (Control) Order 1979
214	Sugar (Packing And Marking) Order 1970
215	The Sugar (Regulation Of Production) Act. 1961 & Rules
216	The Molasses Control (Regulation Of Fund For Erection Of Storage Facilities) Order, 1976 (Central)
217	The Molasses Control Order, 1961 (Central)
D.2	State Sugar Laws & Regulations
218	The Punjab Sugarcane (Regulation Of Purchase And Supply) Act, 1953
219	Bihar Sugarcane (Distribution And Movement Control) Order, 1966
220	The Orissa Sugarcane Cess Act, 1959
221	The Maharashtra Levy Sugar (Regulation Of Distribution) Order, 1981
222	Kerala Sugar Dealer's Licensing Order, 1967
223	Uttar Pradesh Sugarcane (Regulation Of Supply And Purchase) Act, 1953
224	Uttar Pradesh Sugarcane Supply And Purchase Order, 1954
	Please note that these Industry specific laws should be clubbed with General Manufacturing Laws.

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	ACT/RULES
A.1	Gems & jewellery Laws
1	Foreign Trade Policy 2009-2014- norms for Jems & Jewellery
2	Gems & Jewellery Export Promotion Council - Notification
A.2	SEZ Laws
3	The Special Economic Zones Act, 2005
4	The Special Economic Zones Rules, 2006
5	SEZ Notification related to Income tax Act, Service tax, sales tax and customs & excise
A.3	State SEZ Laws
6	Gujarat SEZ Act, 2004
7	Haryana SEZ Act, 2006
8	Madhya Pradesh SEZ Act, 2003
9	West Bengal Special Economic Zone Act, 2003,
10	Tamil Nadu Acquisition of Land for Industrial Purposes Act,2005
11	Punjab Special Economic Zones Act, 2009
12	Gujarat SEZ Authority Rule, 2007
	Please note that these Industry specific laws should be clubbed with General Manufacturing & Service Industry Laws.
	ACT/RULES
A.1	Healthcare Laws
1	The Nursing Homes Registration Regulations, 1934
2	Regulations May Be Called The Indian Medical Council (Professional Conduct, Etiquette And Ethics) Regulations, 2002
3	The Dentists (Code Of Ethics) Regulations, 1976
4	Indian Medical Council Act
5	The Atomic Energy Act, 1962
6	Atomic Energy (Radiation Protection) Rules, 2004

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7	Atomic Energy (Safe Disposal Of Radioactive Wastes) Rules, 1987
8	Aicte Rules Of Physiotherapy Rules
9	The Pharmacy Act, 1948
10	The Narcotic Drugs And Psychotropic Substances Act, 1985
11	Pre-Conception & Pre-Natal Diagnostic Techniques Act, 1994
12	The Medical Termination Of Pregnancy Act, 1971
13	Medical Termination Of Pregnancy Rules, 2003
14	The Transplantation Of Human Organs Act, 1994
15	Transplantation Of Human Organs Rules, 1995
16	Births, Deaths And Marriages Registration Act, 1886
17	Breeding Of And Experiments On Animals (Control And Supervision) Rules, 1998
18	Ear Drums And Ear Bones (Authority For Use For Therapeutic Purposes) Act, 1982
19	Radiation Protection Rules, 1971
20	The Vaccination Act, 1880
A.2	State Medical Laws
21	Bombay Nursing Homes Registration Act, 1949
22	Maharashtra Birth And Death Registration Rules 2000
23	Maharashtra Kidney Transplantation Act, 1982
	Please note that these Industry specific laws should be clubbed with General Service Industry Laws.
	ACT/RULES
A.1	Insurance Laws
1	The Insurance Act, 1938
2	The Life Insurance Corporation Act, 1956
3	Marine Insurance Act, 1963
4	General Insurance Business (Nationalization) Act, 1972

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5	Insurance Regulatory and Development Authority (IRDA) Act, 1999
6	IRDA (Member of Insurance Advisory Committee) Regulations, 2000
7	IRDA (Appointment of Insurance Advisory Committee) Regulations, 2000
8	IRDA (The Insurance Advisory Committee) (Meeting) Regulations, 2000
9	IRDA (Appointed Actuary) Regulations, 2000
10	IRDA (Actuarial Report and Abstract) Regulations, 2000
11	IRDA (Licensing of Insurance Agents) Regulations, 2000
12	IRDA (Assets, Liabilities and Solvency Margin of Insurers) Regulations, 2000
13	IRDA (General Insurance-Reinsurance) Regulations, 2000
14	IRDA (Registration of Indian Insurance Companies) Regulations, 2000
15	IRDA (Insurance Advertisements and Disclosure) Regulations, 2000
16	IRDA (Meetings) Regulations, 2000 12)IRDA (Investment) Regulations, 2000
17	IRDA (Conditions of Service of Officers and other Employees) Regulations, 2000
18	IRDA (Insurance Surveyors and Loss Assessors (Licensing, Professional Requirements and Code of Conduct)) Regulations, 2000
19	IRDA (Life Insurance - Reinsurance) Regulations, 2000
20	IRDA (Third Party Administrators - Health Services) Regulations, 2001
21	IRDA (Re-Insurance Advisory Committee) Regulations, 2001
22	IRDA (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002
23	IRDA (Protection of Policyholders' Interests) Regulations, 2002
24	IRDA (Insurance Brokers) Regulations, 2002
25	IRDA (Obligations of Insurers to Rural and Social Sectors) Regulations, 2002
26	IRDA (Licensing of Corporate Agents) Regulations, 2002
27	IRDA (Manner of Receipt of Premium) Regulations, 2002
28	IRDA (Distribution of Surplus) Regulations, 2002
29	IRDA (Qualification of Actuary) Regulations, 2004

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30	IRDA (Micro-Insurance) Regulations, 2005
31	IRDA (Maternity Leave) Regulations, 2005
32	IRDA (Reinsurance Cessions) Notification
33	IRDA (Sharing of Database for Distribution of Insurance Products) Regulations, 2010
34	IRDA (Treatment of Discontinued Linked Insurance Policies) Regulations, 2010
35	IRDA (Scheme for Amalgamation and Transfer of General Insurance Business) Regulations 2011
36	IRDA (Issuance of Capital by Life Insurance Companies) Regulations, 2011
37	Guidelines on Insurance repositories and electronic issuance of insurance policies (IRDA/ ADMN/ GDL/ GLD/ 080/ 04/ 2011)
38	Guidelines on Outsourcing of Activities by Insurance Companies (IRDA/ Life/ CIR/ GLD/ 013/ 02/ 2011)
39	Corporate Governance Guidelines for insurance companies. (IRDA/ F&A/ CIR/ 025/ 2009-10)
40	Grievance Redressal Guidelines (3/ CA/ GRV/ YPB/ 10-11)
41	Public Disclosures by Insurers (IRDA/ F&I/ CIR/ F&A/ 012/ 01/ 2010)
42	Guidelines on Periodic disclosures
43	Guidelines on licensing of corporate agents. (IRDA/ CAGTS/ CIR/ LCE/ 039/ 03/ 2010)
44	Guidelines for opening of representative/ liaison offices overseas by an Indian Insurance company registered with the IRDA. (IRDA/ 34/ For Office/ 08-09)
45	Anti Money Laundering (AML) guidelines. (30/ IRDA/ AML/ CIR/ AUG-09)
46	Guidelines on Advertisement, Promotion & Publicity of Insurance Companies and insurance intermediaries. (007/ IRDA/ CIR/ ADV/ MAY-07)
47	Guidelines on determination of required solvency margin under General Insurance Business. (39/ IRDA/ ACTL/ RSM- NL/ 2005-06)
48	Guidelines on File and Use Requirements for General Insurance Product (021/ IRDA/ F&U/ SEP-06)
49	Guidelines on Insurance and Reinsurance of General Insurance Risks. (020/ NL/ IRDA/ 06)

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50	Guidelines on Health plus Life Combi Products'. (IRDA/ LIFE / GDL / MISC / 087/ 12 / 2009)
51	Guidelines for Unit Linked Life Insurance Products. (032/IRDA/ Actl/Dec-2005)
52	Guidelines on Group Insurance Policies. (015/IRDA/Life/Circular/GI Guidelines/ 2005)
53	Guidelines on estimation of IBNR claims provision under General Insurance Business. (11/IRDA/ ACTL/IBNR/2005-06)
54	Guidelines for Marine Hull Insurance and Insurance of War risk Insurance of Marine Hulls.
55	The Insurance Laws (Amendment) Bill, 2015
	Please note that these Industry specific laws should be clubbed with General Service Industry Laws.
	ACT/RULES
A.1	IT & ITes Laws
1	Information Technology Act 2000 ; Information Technology (Amendment) Act 2008 & Rules for the Information Technology Act 2000
2	Guidelines/ Notifications under Information Technology Act.
	Please note that these Industry specific laws should be clubbed with General Service Industry Laws.
	ACT/RULES
A.1	Media Laws
1	The Press And Registration Of Books Act, 1867
2	The Registration Of Newspaper (Central) Rules, 1956.
3	Working Journalists And Other Newspaper Employees (Condition Of Service) And Miscellaneous Provisions Act, 1955
4	The Working Journalists (Conditions Of Service) And Miscellaneous Provisions Rules, 1957
5	The Working Journalists (Fixation Of Rates Of Wages) Act, 1958
6	The Newspaper (Price And Page) Act, 1956
7	The Delivery Of Books 'And Newspapers' (Public Libraries) Act, 1954

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8	The Delivery Of Books (Public Libraries) Rules, 1955.
9	The Drugs And Magic Remedies (Objectionable Advertisements) Act, 1954
10	The Drugs And Magic Remedies (Objectionable Advertisements) Rules, 1955
11	The Young Persons (Harmful Publications) Act, 1956
12	The Dramatic Performances Act, 1876 (Relevant Provisions)
13	The Cinematograph Act, 1952
14	The Cinematograph (Certification) Rules, 1983
15	Drug And Cosmetics Act 1940
16	Drugs (Price Control) Order 1995
17	The Indecent Representation Of Women (Prohibition) Act 1986
18	Indecent Representation Of Women (Prohibition) Rules, 1987
19	The Prasar Bharati (Broadcasting Corporation Of India) Act, 1990
	Please note that these Industry specific laws should be clubbed with General Service Industry Laws.
	ACT/RULES
A.1	Mines Laws
1	The Mines Act, 1952
2	The Mines Rules, 1955
3	The Mica Mines Labour Welfare Fund Act, 1946
4	Fatal Accidents Act 1855
5	Coal Mines (Conservation And Safety) Act, 1952
6	Coal Mines Regulations, 1957 (24-Oct-57)
7	Mines And Minerals (Development And Regulation) Act, 1957
8	Mineral Concession Rules, 1960
9	Forest (Conservation) Act, 1980
10	Forest (Conservation) Rules, 1981
A.2	State Laws

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11	Orissa Minor Minerals Concession Rules, 2004
12	West Bengal Factories And Mines (Control Of Dismantling) Act, 1948
13	Madhya Pradesh Minor Mineral Rules, 1996
14	Madhya Pradesh Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules,2006
15	The Kerala Minor Mineral Concession Rules , 1967
16	Andhra Pradesh Minor Mineral Concession Rules, 1966
17	Delhi Minor Minerals Rules, 1969
18	Gujarat Mineral (Prevention Illegal mining, Transportation and Storage)Rules,2005
19	Gujarat Minor Mineral Concession Rules GMMCR 2010
20	Karnataka Minor Mineral Concession Rules, 1994
21	Bombay Minor Mineral Extraction Rules, 1955
22	Tamilnadu Minor Mineral Concession Rules, 1959
23	Uttar Pradesh Minor Minerals (Concession) Rules, 1963
	Please note that these Industry specific laws should be clubbed with General Manufacturing Laws.
	ACT/RULES
A.1	Oil & Gas Laws
1	Petroleum and Natural Gas (Safety in Offshore Operations) Rules, 2008
2	The Petroleum Act, 1934
3	Petroleum Rules 1976
4	The Petroleum Amendment Act, 2011
5	The Oilfields (Regulation And Development) Act, 1948
6	The Petroleum Mineral Pipelines (Acquisition of Right of user in Land) Act, 1962
7	The Oil Industry (Development) Act, 1974
8	The Petroleum And Natural Gas Rules, 1959
9	The Petroleum & Natural Gas Amendment Rules, 2002

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10	The Petroleum & Natural Gas Amendment Rules, 2009
11	The Petroleum & Natural Gas Regulatory Board Act, 2006
12	Oil Fields (Regulation and Development) Act, 1948
	Please note that these Industry specific laws should be clubbed with General Manufacturing Laws.
	ACT/RULES
A.1	Pharmaceuticals Laws
1	The Drugs and Cosmetics Act, 1940 & amendment 2008
2	The Drugs And Cosmetics Rules, 1945
3	The Pharmacy Act, 1948
4	The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
5	Drugs (Magic Remedies) Objectionable Advertisement Rules, 1955
6	The Narcotic Drugs and Psychotropic Substances Act, 1985
7	The Medicinal and Toilet Preparations (Excise Duties) Act, 1956
8	The Drugs (Prices Control) Order 1995 (under the Essential Commodities Act)
9	Essential Commodities Act, 1955 (in relation to Drugs)
10	The Clinical Establishments (Registration and Regulation) ACT, 2010
11	The Clinical Establishments (Registration and Regulation) Rules, 2010
12	Biological Diversity Act 2002
13	Biological Diversity Rules, 2004
14	Drug Policy 2002
15	Plant Quarantine Order
16	National Pharmaceutical Policy 2012
17	Drugs (Prices Control) Order, 2013
18	Protection of Plant Varieties and Farmers' Rights Act, 2001.
A.2	State Pharmaceuticals & Biological & Biotechnology Laws
19	Arunachal Pradesh, Clinical Establishments (Registration and Regulation) Rules, 2011
20	Bihar Clinical Establishment (Registration & Regulation) Rules, 2013

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21	Meghalaya Biological Diversity Rules, 2010
22	Mizoram Clinical & Health Establishment (Regulation) Act, 2007
23	Gujarat Drugs (Control) Act, 1959
24	Rajasthan Dangerous Drugs Rules, 1961
25	The Biological Diversity Rules, 2004
26	Kerala Biological Diversity Rules, 2007
	Please note that these Industry specific laws should be clubbed with General Manufacturing Laws.
	ACT/RULES
A.1	Marine Laws
1	The Coasting Vessels Act, 1838
2	The Merchant Shipping Act, 1958
3	The Seamen's Provident Fund Act
4	The Seamen's Provident Fund Scheme, 1966.
5	The Multimodal Transportation Of Goods Act, 1993
6	Merchant Shipping (Form Of Certificate Of Insurance For Civil Liability For Oil Pollution Damage) Rules, 1985.
7	Merchant Shipping (Control Of Pollution By Noxious Liquid Substances In Bulk) Rules, 2010
8	The Indian Ports Act 1908
9	Merchant Shipping (Civil Liability For Oil Pollution Damage) Rules, 2008
10	Merchant Shipping (Prevention Of Pollution By Harmful Substances Carried By Sea In Packaged Form) Rules, 2010
11	Merchant Shipping (Prevention Of Pollution By Sewage From Ships) Rules, 2010
12	Merchant Shipping (Regulation Of Entry Of Ships Into Ports, Anchorages And Offshore Facilities) Rules, 2012
13	Merchant Shipping (Recruitment And Placement Of Seafarers) Rules, 2005
14	The Merchant Shipping (Apprenticeship To Sea Service) Rules, 1960
15	Merchant Shipping (Carriage Of Cargo) Rules, 1995
16	Merchant Shipping. (Carriage Of Medical Officer) Rule, 1961

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17	Merchant Shipping Cargo Ship Construction & Survey Rules, 1991
18	Merchant Shipping (Distress And Safety Radio Communication) Rules, 1995
19	Merchant Shipping (Crew Accommodation) Rules, 1960
20	Merchant Shipping (Levy Of Oil Pollution Cess) Rules 1988
21	The Inland Vessels Act, 1917
22	Merchant Shipping (Life Saving Appliances) Rules, 1995
23	Merchant Shipping (Management For The Safe Operation Of Ships) Rules, 2000
24	The Indian Carriage Of Goods By Sea Act, 1925
25	Merchant Shipping (Medicines, Medical Stores And Appliances) Rules, 1994
26	Merchant Shipping (Life Saving Appliances) Rules, 1991
27	Merchant Shipping (Seamens Levy Of Fees) Rules, 1974
28	Merchant Shipping (Registration Of Indian Ships) Rules, 1960
29	Merchant Shipping (Prevention Of Collisions At Sea) Rule, 1975
30	Merchant Shipping (Sailing Vessels) Rules, 1997
31	The Seamen (Supply Of Articles For Personal Use) Rules, 1966
32	Merchant Shipping (Wrecks And Salvage) Rules, 1974
A.2	International Conventions
33	International Convention For The Safety Of Life At Sea (Solas), 1974
34	International Convention For The Prevention Of Pollution From Ships, 1973
35	Convention On The International Regulations For Preventing Collisions At Sea, 1972
36	Convention On Facilitation Of International Maritime Traffic, 1965
37	International Convention On Maritime Search And Rescue, 1979
38	International Convention On Load Lines, 1966
39	International Convention Relating To Intervention On The High Seas In Cases Of Oil Pollution Casualties (Intervention), 1969
40	The Convention On The Prevention Of Marine Pollution By Dumping Of Wastes And Other Matter, 1972
41	International Convention On Oil Pollution Preparedness, Response And Co-Operation, 1990

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42	International Convention For The Control And Management Of Ships' Ballast Water And Sediments, 2004
43	International Convention On Civil Liability For Oil Pollution Damage, 1992
44	International Convention On The Control Of Harmful Anti-Fouling Systems On Ships, 2001
45	International Convention On Civil Liability For Bunker Oil Pollution Damage, 2001
46	International Convention On Liability And Compensation For Damage In Connection With The Carriage Of Hazardous And Noxious Substances By Sea, 2010
47	International Convention On Salvage, 1989
48	International Convention For Safe Containers (Csc), 1972
49	International Conference On Tonnage Measurement Of Ships, 1969
	Please note that these Industry specific laws should be clubbed with General Manufacturing Laws.
	ACT/RULES
A.1	Electricity Laws
1	Electricity Act, 2003 & The Electricity Rules, 2005
2	Indian Electricity Rules 1956
3	Energy Conservation Act, 2011
4	The Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006
5	Central Electricity Authority (Safety requirements for construction, operation and maintenance of electrical plants and electric lines) Regulations 2011
6	Central Electricity Authority (Technical Standards for Construction of Electrical Plants and Electric Lines) Regulations 2010
7	Central Electricity Authority (Measures relating to Safety and Electricity Supply) Regulations, 2010
8	State Specific Electricity Duty Acts
9	Indian Standard Code of Practice for Electrical Wiring Installations
10	Indian Electricity Grid Code
11	Regulations imposed by various state specific electricity regulatory commissions

INDUSTRY SPECIFIC LAWS

	Please note that these Industry specific laws should be clubbed with General Manufacturing Laws.
	ACT/RULES
A.1	Railways Laws
1	The Railways Act, 1989 & Railways (Amendment) Act, 2008
2	The Railway Companies (Emergency Provisions) Act, 1951
3	The Railway Protection Force Act, 1957
4	The Railways (Employment of Members of the Armed Forces) Act, 1965
5	Metro Railways and Construction Act, 1978
	Please note that these Industry specific laws should be clubbed with General Manufacturing Laws.
	ACT/RULES
A.1	Real Estate Laws
1	The Indian Contract Act, 1872
2	The Transfer of Property Act, 1882
3	The Indian Registration Act, 1908
4	The Specific Relief Act, 1963.
5	The Land Acquisition Act, 1894
6	The Indian Stamps Act, 1899
7	The Co-operative Societies Act, 1912
8	Building And Other Construction Workers (Regulation Of Employment and Conditions Of Service) Act, 1996
9	The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Central Rules, 1998
10	The Building And Other Construction Workers' Welfare Cess Act, 1996
11	Building and Other Construction Workers Welfare Cess Rules, 1998
12	Real Estate Regulation and Development Act, 2016
A.2	State Real Estate Laws
14	Delhi Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2002

GUIDANCE NOTE ON SECRETARIAL AUDIT

15	Haryana Building and Other Construction Workers (Regulation of. Employment and Conditions of Service) Rules, 2005
16	The Himachal Pradesh Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2008
17	Punjab Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2008
18	Uttar Pradesh Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2009
19	Uttaranchal Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2005
20	Arunachal Pradesh Building and other Construction Workers (Regulation of Employment and Condition of Service) Rules, 2006
21	The Assam Land Revenue and Rent (Surcharge) Act,1970 & Rules, 1972
22	The Assam Land And Revenue Regulation, 1886
23	The Bihar Building and other Construction Workers (Regulation of Employment and conditions of Service) Rules, 2005
24	The Building And Other Construction Workers' (Regulation Of Employment And Coumnous Of Service) Jharkhand Rules, 2006
25	Meghalaya Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2008
26	Meghalaya Building and Other Construction Workers (Regulation of Employment and Conditions of Service) (Amendment) Rules, 2011
27	Indian Stamp (Meghalaya Amendment) Act, 1972, 1973, 1980, 1981, 1993, 2009
28	Indian Stamp (Meghalaya Second Amendment) Act, 1972
29	Indian Stamp (Mizoram Amendment) Act, 1973, 1996
30	Mizo District (Land And Revenue) Act, 1956
31	Mizo District Land And Revenue (Amendment) Act, 1976
32	Nagaland Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2010
33	The Orissa Building and Others Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2002
34	Sikkim Building and Others Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2010

INDUSTRY SPECIFIC LAWS

35	West Bengal Building & Other Construction Workers. Rules, 2004
36	The Chhattisgarh Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2008
37	Gujarat Building and Other Construction Workers (Regulation of Employment and Condition of Service) Rules, 2003
38	Gujarat Land Requisition Act, 1948
39	Madhya Pradesh Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rule, 2002
40	Maharashtra Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2007
41	Maharashtra Stamp Act & Amendments
42	Maharashtra Land Revenue Code, 1966
43	Rajasthan Building and Other Construction Workers Rules 2009
44	Goa Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Rules, 2008
45	The Goa Land Development and Building Construction Regulations, 2010
46	The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Dadra and Nagar Haveli Rules, 2003
47	The Andhra Pradesh Building and other Construction Workers' (Regulation of Employment and Conditions of Service) Rules, 1999.
48	Karnataka Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2007
49	The Building and Other Construction Workers (RE&CS) Kerala Rules. 1998
50	The Kerala Building & Other. Construction Workers' Welfare Cess Rules
51	Tamil Nadu Building And Construction Workers (Conditions Of Employment And Miscellaneous Provisions) Act, 1984
52	The Tamil Nadu Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2006.
53	Delhi Development Act, 1957
	Please note that these Industry specific laws should be clubbed with General Service Industry Laws.

GUIDANCE NOTE ON SECRETARIAL AUDIT

ACT/RULES	
A.1	Rubber Industry Laws
1	The Rubber Act, 1947
2	The Rubber Rules, 1955
	Please note that these Industry specific laws should be clubbed with General Manufacturing Laws.
ACT/RULES	
A.1	Telecom Laws
1	Indian Telegraph Act 1885
2	Indian Telegraph Rules 1951
3	The Indian Wireless Telegraphy Act, 1933
4	Indian Wireless Telegraph rules, 1973.
5	Telecom Regulatory Authority of India (TRAI) Act 1997
6	The International Telecommunication Cable Landing Stations Access Facilitation Charges And Co-Location Charges Regulations, 2012
7	The Standards Of Quality Of Service For Wireless Data Services Regulations, 2012
8	Communication Convergence Act, 2001
9	TRAI - Telecommunications Infrastructure Policy, April 12, 2011
10	DOT, Advisory Guidelines for State Governments for issue of clearance for installation of Mobile Tower
	Please note that these Industry specific laws should be clubbed with General Service Industry Laws.
ACT/RULES	
A.1	Textile Laws
1	National Textile Policy, 2000
2	Central Silk Board Act, 1948
3	The Textiles Committee Act, 1963
4	The Handlooms Act, 1985
5	Cotton Control Order, 1986
6	The Textile Undertakings Act, 1995

INDUSTRY SPECIFIC LAWS

7	Cotton Control (Amendment) Orders, 1987
8	Cotton Control (Amendment) Orders, 1994
9	Indian Standard specification for Cotton Bales
10	Textiles (Development and Regulation) Order, 2001
11	The Jute Companies (Nationalisation) Act, 1980
12	The Jute Packaging Materials (Compulsory Use) Act, 1987
13	Jute Manufactures Development Act,1983
14	Jute Manufacturers Cess Act, 1983
ACT/RULES	
A.1	Tourism and Hospitality
1	Hotel Insurance Policies
2	Guidelines for scheme of market development assistance for Promotion of Domestic Tourism
3	National tourism Policy, 2002
	Please note that these Industry specific laws should be clubbed with General Service Industry Laws.
ACT/RULES	
A.1	Transportation
1	Carriage by Road Act 2007 & Rules 2011
2	Motor Vehicles Act 1988
3	The Central Motor Vehicle Rules, 1989
4	The Motor Transport Workers Act, 1961
	Please note that these Industry specific laws should be clubbed with General Service Industry Laws.

BOARD PROCESSES

Introduction

Directors, collectively called Board of Directors, in fulfilling the fiduciary objectives need to ensure that the company adheres to transparent, ethical and responsible governance of the company. It is, therefore, important that the Board processes of the company are robust.

They can be broadly divided into two parts namely:-

1. *Part A – Board Structure*
2. *Part B – Board Systems and Procedures*

PART A – BOARD STRUCTURE

The expression covers various attributes and dimensions of boards ranging from size and diversity to balancing of various interests and independence. The Board structure can further be divided as under:

A.1 Size and Composition of Board

<i>S.No.</i>	<i>Contents</i>	<i>Remarks</i>
1	Check that the minimum number of directors in a private company is 2 and public company is 3	
2	Check that the maximum limit of number of directors is restricted to fifteen, In case the company has exceeded the maximum limit has it passed special resolution for the same and has filed form MGT-14 with ROC within 30 days from the passing of special resolution. (In case of a government company provisions relating to maximum number of directors does not apply).	
3	In case the company is a listed public company check for optimum combination of executive and non-executive directors, whether the Board of Directors comprise of not less than fifty percent non- executive directors (NEDs) and atleast one woman director	

BOARD PROCESSES

<i>S.No.</i>	<i>Contents</i>	<i>Remarks</i>
4	<p>In case the company falls under following category, check that the company has appointed at least one woman director –</p> <ul style="list-style-type: none"> (i) every listed company; (ii) every other public company having – <ul style="list-style-type: none"> (a) paid-up share capital of one hundred crore rupees or more; or (b) turnover of three hundred crore rupees or more 	
5	<p>In case the company is a listed public company check :Where the Chairman of the Board is a NED, at least one-third of the Board comprises of independent directors.Where the company does not have a regular non-executive Chairman, at least half of the Board comprises of independent directors.Where the regular non-executive Chairman is a promoter of the company or is related to any promoter or person occupying management positions is at the Board level or at one level below the Board, at least one-half of the Board of the company consists of independent directors.</p>	
7	<p>In case the company falls under following category check if company has appointed at least two directors as independent directors:</p> <ul style="list-style-type: none"> (i) the Public Companies having paid up share capital of ten crore rupees or more; or (ii) the Public Companies having turnover of one hundred crore rupees or more; or (iii) the Public Companies which have, in aggregate, outstanding loans, debentures and deposits, exceeding fifty crore rupees: (iv) in case a company covered under the relevant rule is required to appoint a higher number of independent directors due to composition of its audit committee, such higher number of independent directors shall be applicable to it. 	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>S.No.</i>	<i>Contents</i>	<i>Remarks</i>
8	Ensure that all the independent directors meet the qualifying criteria, for the purpose check the declaration given by every independent director to the board.	
9	Check the formal letter of appointment given to independent directors and the terms and conditions of appointment are available on company's website as per Companies Act, 2013. An independent director shall not be entitled to any stock option and may receive remuneration by way of fee, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members. As per SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ensure that all fees or compensation, if any, paid to non-executive directors, including independent directors has to be recommended by the Board of Directors and has been approved by the shareholders in general meeting. The approval shall specify the limits for the maximum number of stock options that may be granted to non-executive directors, in any financial year and in aggregate. Independent Directors shall not be entitled to any stock option Where the sitting fees payable to the non-executive directors exceeds the limit prescribed under the Companies Act, 2013 check that prior approval of shareholders in general meeting has been obtained.	
10	In case of a listed company check if small shareholders have demanded that their representative should be elected to the Board upon notice of not less than one thousand small shareholders or one-tenth of the total number of such shareholders, whichever is lower, at least 14 days before the meeting. If yes ensure small shareholder is elected as a director by small shareholders.	
11	Check the declaration of his independence where such director is treated as independent director that he satisfies the criteria of independent director.	
12	Check that such director representing small shareholders is not subjected to retirement by rotation and he is not holding such position in more than two companies. Check whether	

BOARD PROCESSES

<i>S.No.</i>	<i>Contents</i>	<i>Remarks</i>
	the second company in which he was appointed is not in conflict or competition with the business of first company. Check that the person is not appointed as such for a period exceeding three consecutive years.	
13	Check that at least one director of the company has stayed in India for a total period of not less than 182 days in previous calendar year.	
BOARD SYSTEMS AND PROCEDURE		
14	Check that the company held its first meeting in 30 days of incorporation and a minimum number of four meetings of its Board of Directors during the year in such a manner that there was gap of not more than one hundred and twenty days between two consecutive meetings of the Board.	
15	Check that the notice in writing was sent to every director at his address registered with the company either by hand delivery or by post or by electronic means at least seven days prior to the meeting. In case meeting of the Board was called by giving not less than seven days' notice ensure that at least one independent director, if any, was present at the meeting. In case of absence of independent directors from such a meeting of the Board, check that decisions taken at such a meeting were circulated to all the directors and are ratified by at least one independent director, if any.	
16	If the company provides audio-visual facility, check that the notice of the meeting informs that the directors regarding the option available to them to participate through video conferencing mode or other audio visual means, and also provide information on all the necessary information to enable the directors to participate through video conferencing mode or other audio visual means.	
17	Check that following matters were not dealt through video conferencing or other audio visual means in board meeting: (i) the approval of the annual financial statements; (ii) the approval of the Board's report;	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>S.No.</i>	<i>Contents</i>	<i>Remarks</i>
	<p>(iii) the approval of the prospectus;</p> <p>(iv) the Audit Committee Meetings for consideration of financial statement including consolidated financial statement, if any, to be approved by the Board under section 134(1); and</p> <p>(v) the approval of the matter relating to amalgamation, merger, demerger, acquisition and takeover.</p>	
18	Check that the quorum for a meeting of the Board of Directors of a company was present i.e. one third of its total strength or two directors, whichever is higher, and the participation of the directors by video conferencing or by other audio visual means was also counted for the purpose of quorum.	
19	Check that the independent directors of the company had at least one meeting in a year, without the attendance of non-independent directors and members of management.	
20	Check that in separate meeting of independent directors they reviewed the performance of non-independent directors and the Board as a whole and reviewed the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors and to assess, the quality, quantity and timeliness of flow of information between the company management and the Board members that is necessary for the Board to effectively and reasonably perform their duties.	
21	Check that every listed company and every other public company having a paid up share capital of twenty five crore rupees or more calculated at the end of the preceding financial year has in its Board's report made a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors	
22	Check that every director discloses his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals, by giving a notice in writing in Form MBP 1, at the first	

BOARD PROCESSES

<i>S.No.</i>	<i>Contents</i>	<i>Remarks</i>
	meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made. Check whether form MGT-14 is filed within 30 days of passing of board resolution in respect of such disclosure.	
23	Ensure that interested director did not participate when such contract or arrangement was taken up for discussion and was not counted for the quorum for the same.	
24	Check that all material transactions with related parties have been disclosed quarterly along with the compliance report on corporate governance.	
25	Check that the company has formulated a policy on materiality of Related Party Transaction and also on dealing with Related Party Transactions and the same is disclosed on its website and also in the Annual Report. (Ensure that in case of government companies there are certain relaxations in certain cases)	
26	In case of listed company check that the all Related Party Transactions had prior approval of the Audit Committee. Ensure that all the related party transactions proposed to be entered into by the company, are in accordance with the omnibus approval given by the Audit committee, for a period not exceeding one year..	
27	All Related Party Transactions covered under rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 have been approved by the shareholders through resolution. In case of a listed company ensure that the the related parties have not voted on material related party transaction whether the entity is a related party to the particular transaction or not. (This shall not apply to transactions between in case of wholly owned subsidiary and holding company and between two government companies.) Check whether the company has filed form MGT-14 with ROC within 30 days of passing special resolution. Also check whether the company has recorded related party transactions in the register maintained in MBP-4.	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>S.No.</i>	<i>Contents</i>	<i>Remarks</i>
28	Check the Board periodically ensures that the systems and processes in the company are adequately commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines and that such systems and processes are operating effectively.	
29	Check that the board of directors has laid a code of conduct for all members of board of directors and senior management of the listed entity.	
30	Check that the Board periodically reviews compliance reports of all laws applicable to the company, prepared by the company as well as steps taken by the company to rectify instances of non-compliances.	
31	Check that the Board of the company satisfies itself that plans are in place for orderly succession for appointments to the Board and to senior management. The Nomination and Remuneration committee is responsible to identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.	
32	Check that the minutes of board/ committee meetings are properly maintained in accordance with the Act.	
BOARD COMMITTEES		
33	Ensure that a director is not a member in more than ten committees or act as Chairman of more than five committees across all companies except private companies, foreign companies and section 8 companies, in which he is a director.	
34	Check where the company falls under any of the following categories: (i) a listed company; (ii) all public companies with a paid up capital of ten crore rupees or more on the date of last audited Financial Statements;	

BOARD PROCESSES

<i>S.No.</i>	<i>Contents</i>	<i>Remarks</i>
	<p>(iii) all public companies having turnover of one hundred crore rupees or more on the date of last audited Financial Statements;</p> <p>(iv) all public companies, having in aggregate, outstanding loans or borrowings or debentures or deposits exceeding fifty crore rupees or more on the date of last audited Financial Statements. If yes, check that the Board of directors have constituted an Audit Committee and a Nomination and Remuneration Committee of the Board.</p>	
35	Check that the audit committee consists of a minimum of three directors with a majority of independent directors. In case of listed company Two-third of the total number of members of audit committee shall be independent directors. Ensure that the board's report discloses the composition of an audit committee.	
36	Check that the majority of members of Audit Committee including its Chairperson are persons with ability to read and understand, the financial statement. In case of listed company all members of audit committee shall be financially literate and at least one member shall have accounting or related financial management expertise.	
37	In case of listed company, check whether the Chairman of the Audit Committee is an independent director and that the Chairman of the Audit Committee was present at Annual General Meeting to answer the queries of shareholder/s.	
38	Check that the Audit Committee of the company if any, in consultation with the Internal Auditor, has formulated the scope, functioning, periodicity and methodology for conducting the internal audit. Check whether the Audit Committee has authority to investigate into points covered under Section 177(4) of the Companies Act, 2013 and power to seek professional advice from external sources.	
39	<p>Check whether the company falls under any one of the following categories :</p> <p>(i) a listed company;</p>	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>S.No.</i>	<i>Contents</i>	<i>Remarks</i>
	<p>(ii) a company which accepts deposits from the public;</p> <p>(iii) a company which has borrowed money from banks and public financial institutions in excess of fifty crore rupees.If yes, check that the company has constituted vigil mechanism for their directors and employees to report their genuine concerns or grievances.</p>	
40	Check that the terms of reference (in addition to other items) of audit committee ensures overseeing the vigil mechanism of the company.	
41	In case of listed companies, check whether the details relating to Related party transactions entered into by the company pursuant to each omnibus approval has been placed before the audit committee at least on quarterly basis	
42	In case of listed company check that the Audit Committee has met at least four times in a year and not more than four months have elapsed between two meetings.	
43	In case of listed company check that the quorum of audit committee was maintained in all meetings i.e. either two members. or one third of the members of the audit committee whichever is greater, but there should be a minimum of two independent members present.	
44	Check that any recommendation of the audit committee which is not accepted by the Board is disclosed in the Board's report	
45	Check that the Nomination and Remuneration Committee consists of at least three or more non-executive directors out of which not less than one-half are independent directors.	
46	Check whether the Chairman or a member of the nomination and remuneration committee was present at the Annual General Meeting, to answer the shareholders' queries.	
47	Check whether the board's report gives disclosure of the remuneration policy relating to the remuneration of the directors, key managerial personnel and other employees and the evaluation criteria of independent directors. Check	

BOARD PROCESSES

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	whether the ratio of remuneration of each director to median employee's remuneration, percentage increase in remuneration of KMPs and median employees, in financial year, number of employees on role, relation between average increase in remuneration vis-a-vis performance, key parameters of variable components in remuneration, and such other important details are disclosed in the board's report. Check whether the remuneration to KMPs is as per the remuneration policy framed by the company	
48	Check that where a company consists of more than one thousand shareholders, debenture-holders, deposit-holders and any other security holders at any time during a financial year has constituted a Stakeholders Relationship Committee consisting of a chairperson who shall be a non-executive director and such other members as may be decided by the Board.	
49	Check whether the Chairman or a member of the Stakeholders Relationship Committee was present at the Annual General Meeting, to answer the shareholders' queries.	
50	Check whether the company has taken D & O Insurance for managing director, independent director, whole-time director, manager, Chief Executive Officer, Chief Financial Officer or Company Secretary.	
51	Check that every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year has constituted a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director is an independent director.	
52	Check that the board's report discloses the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year.	
53	Check that the Corporate Social Responsibility Policy for the Company was approved by the board of directors and the	

GUIDANCE NOTE ON SECRETARIAL AUDIT

<i>S.No.</i>	<i>Contents</i>	<i>Remarks</i>
	contents of such Policy are disclosed in its report and also place it on the company's website.	
54	Check that the composition of the committee is also disclosed in the Board's Report.	
55	Check that the company has disclosed reasons for not spending the amount for CSR in its Board's report, if so.	
56	Check that in case of listed company that it has constituted a Risk Management Committee. Ensure that the majority of committee members are board members and the chairman is also a board member, senior executives may also be members of this committee.	
57	Check that the company has laid down procedures to inform Board members about the risk assessment and minimization procedures.	
58	Check that the Board has framed, implemented and monitored the risk management plan for the company.	
59	Ensure that a statement is made w.r.t. risk management policy in Board's report.	
60	Check that the Code of Conduct for the Board of Directors and the senior management is disclosed on the website of the company.	
61	Check the annual report for the details of familiarization programmes for the Independent Directors shall be disclosed on the company's website and a web link thereto shall also be given in the Annual Report.	
62	Check that every company observes secretarial standards with respect to conduct of Board meetings. (SS-1)	

Checked By

Reviewed By

Dated

Dated

SPECIMEN OF QUALIFIED SECRETARIAL AUDIT REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST March, 20_____

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members, XYZ Limited

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by XYZ Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my/our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31st March, 20__ complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/We have examined the books, papers, minute books, forms and returns filed and other records maintained by XYZ Limited for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

GUIDANCE NOTE ON SECRETARIAL AUDIT

- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (vi) and other applicable laws like in case of a pharmaceutical Company, the Pharmacy Act, 1948; Drugs and Cosmetics Act, 1940; Homeopathy Central Council Act, 1973, etc.

I/We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with _____ Stock Exchange.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

1. In respect of issue of further shares, company did not pass a special resolution before allotting shares to persons other than existing members. This is a non-compliance of section 62 of the Companies Act, 2013.
2. Where as in terms of the provisions of Section 149(4) & 149(5) of the Companies Act, 2013 read with rule 4 of the Companies (Appointment And Qualification Of Directors)

SPECIMEN OF QUALIFIED SECRETARIAL AUDIT REPORT

Rules, 2014 and listing agreement, the Company was required to appoint Independent Directors on the Board of the Company the Company could not comply with the same.

3. Where as in terms of the provisions of Section 149(1) of the Companies Act, 2013 read with rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Company was required to appoint at least one Women Director on the Board of the Company latest by 31st March, 2015, the Company could not comply with the same.
4. Whereas in terms of the provisions of Section 177(1) of the Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and Its Powers) Rules, 2014, the Company was required to constitute an Audit Committee of the Board, the Company could not comply with the same.
5. Whereas in terms of the provisions of Section 178(1) of the Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and Its Powers) Rules, 2014 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was required to constitute a Nomination & Remuneration Committee of the Board, the Company could not comply with the same.
6. Whereas in terms of the provisions of Section 203 of the Companies Act, 2013, the Company was required to have certain Key Managerial Personnel (KMP). The Company has not appointed a Company Secretary in terms of the provisions of Section 204 of the Companies Act, 2013.
7. Whereas in terms of the provisions of Section 203 of the Companies Act, 2013, the Company was required to have certain Key Managerial Personnel (KMP). The Company has not appointed a Chief Financial Officer (CFO) in terms of the provisions of Section 204 of the Companies Act, 2013.
8. The Company has not filed/ filed with delay following forms/returns required to be submitted with the Registrar of Companies.
9. Whereas in terms of the provisions of section 138 of the Companies Act, 2013 the Company has not appointed Internal Auditor during the year.
10. Whereas in terms of the Regulation- 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding delayed submission of financial result for the year ended 31st March,____ , the quarter ended _____and the quarter ended_____. Company has also received notices of penalty in this regard from the Stock Exchanges .
11. Whereas in terms of the Regulation 24 (1) of the SEBI (Listing Obligations and Disclosure

GUIDANCE NOTE ON SECRETARIAL AUDIT

Requirements) Regulations, 2015, to the extent of appointment of Independent Director on the Board of Material non-listed Indian Subsidiary is not complied with.

12. The reporting Compliances with respect to the Foreign Exchange Management Act, 1999 (“FEMA Act”) and the Rules and Regulations made thereunder to the extent of issue of GDR and compliances pursuant to Paragraph 4(3) of Schedule 1 of Notification No. FEMA 20/2000-RB dated 03rd May 2000 is not complied in regular quarters and all the quarter reports submitted to the RBI at the last quarter of the Financial Year.
13. The Overseas Direct Investment Compliances in terms of section 6 of the Foreign Exchange Management Act, 1999, (42 of 1999) read with Notification No. FEMA.120/RB-2004 dated July 7, 2004, (GSR 757 (E) dated November 19, 2004), viz. Foreign Exchange Management (Transfer or Issue of Any Foreign Security) (Amendment) Regulations, 2004, as amended from time to time, however the same is not complied and it’s a continued non-compliance since FY 2010-11.
14. The compliances (Overseas Direct Investment Compliances) in terms of provisions of the Foreign Exchange Management Act, 1999, (42 of 1999) read with Notification No. FEMA.120/RB-2004 dated July 7, 2004, (GSR 757 (E) dated November 19, 2004), viz. Foreign Exchange Management (Transfer or Issue of Any Foreign Security) (Amendment) Regulations, 2004, as amended from time to time is not complied.
15. In respect of a acceptance of deposits, company is in the process of taking Insurance policy.
16. The Company has not filed charge created on its property for obtaining guarantees from its bankers. The Bankers themselves can also file charge and 300 days time is given for filing with late payment fees. If it falls under this category, then it is deemed compliance. Even after 300 days if a condonation of delay application is made, it would be deemed compliance of process until conditions is denied. Only when denied it will be reported as non- compliance.
17. The Company has got two factory premises where registration under the Factories Act is yet to be done. If in the system, application of registration surfaces, then there is adequate system in place.
18.
19.
20.

SPECIMEN OF QUALIFIED SECRETARIAL AUDIT REPORT

I/we further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act except that Form DIR 12 was filed after 30 days from the date of resignation of Mr. X as Director. Where this form is filed with late fees, this should be reported as compliance by reference of payment of additional fees.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except in one case where notice was not given to Mr. Y in respect of a meeting held on ..., and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I/we further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines however the compliance reports were not submitted to the Board in time and a delay of about six month was observed in informing the non compliance in respect of Compliances under Payment of Bonus Act, Employees Provident Fund Act.

We further report that during the audit period the company has signed the technical collaboration agreement with UVW Limited but the precise impact of such collaboration can not be reasonably estimated for the time being. Company has received show cause notice from the collector for non payment of stamp duty in respect of transfer of immovable property. Company has filed its reply however there is a contingency that company may have to pay a sum of Rs. 50 lacs by way of penalty.

Place:

Signature:

Date :

Name of Company Secretary in practice / Firm :

ACS/FCS No.

C P No.:

This report is to be read with our letter of even date which is annexed as **Annexure 1** and forms an integral part of this report.

GUIDANCE NOTE ON SECRETARIAL AUDIT

'Annexure -1'

To,
The Members
XYZ Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Date:

Place:

Signature:

(Name)

Practising Company Secretary

Membership No.

Certificate of Practice No.