

Secretarial Audit

Shailashri Bhaskar

Practising Company Secretary

Secretarial Audit

- **Mandated by the Companies Act**
- **Format as per MR3**
- **Coverage**
 - **Applicability of specific laws – how to ensure compliance**
- **Adequate Internal Controls**
 - **How to ensure – Compliance Officer's Role**
- **Checklist approach**
 - **Will ticking the boxes do**
- **Frequency**
 - **At the end of the year**
 - **Throughout the year**

Secretarial Audit

- **To begin where**
 - Annual Reports
 - Unaudited quarterly results
 - Newspaper reports
 - Minutes
 - Internal audit reports
 - website
- **Special situations**
 - Frauds
 - Fund raising
 - Dormant subsidiaries / group companies

Annual Secretarial Compliance Report

- **Genesis**
 - Report of the NSE
- **What is to be checked**
 - Compliance of the SEBI Act, SCRA and SCRR, Depositories Act
 - SEBI (ICDR) Regulations, 2018
 - SEBI (LODR) Regulations, 2015
 - SEBI (PIT) Regulations, 2015
 - SEBI (SAST) Regulations, 2011
 - SEBI (Buy-back of securities) Regulations, 2018
 - SEBI (Share Based Employee Benefits) Regulations, 2021
 - SEBI (Issue and listing of Debt Securities) Regulations, 2021

ASCR

- **Requires confirmation of**
 - **Secretarial standards**
 - **Adoption of policies**
 - **Disclosures on the website**
 - **Disqualifications of any director – under Section 164 of the Companies Act, 2013**

ASCR

- **Disclosures pertaining to subsidiaries**
- **Preservation of documents**
- **Performance evaluation of the directors**
- **Related Party Transactions**
- **Compliance of the PIT Regulations**

ASCR

- **Disclosures under Regulation 30 of the LODR**
- **Fines / any action taken by the stock exchanges under the Standard Operating Procedure**
- **Any other non - compliances**

- **Recent amendments to the LODR**
 - All casual vacancies to CS; CFO: KMP to be filled within 3 months
 - No interim appointments
- **Cyber security instances / breaches to be reported in the CG Report**
- **Materiality – defined under Part B**
- **Many instances added / tweaked under Regulation 30 disclosure**
- **Timing of disclosure has been tweaked**

Conclusion

- Discussion with management
- Finalisation of the report
- Alignment of the ASCR with the MR3

Thank You