



## SECRETARIAL AUDIT

### SCOPE AND SECTORWISE INDICATIVE LIST OF 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 the Scope of Secretarial Audit as under:

- 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,
  - Securities and Exchange Board of India Act, 1992.
- 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 adequate systems and processes are in place to monitor and ensure compliance with general laws like labour laws, competition law, and environmental laws.
- In case of financial laws like tax laws and Customs Act etc., Secretarial Auditor may rely on the Reports given by statutory auditor or other designated professionals.
- Reporting on compliance of Secretarial Standards issued by The Institute of Company Secretaries of India, the Listing Agreement and other requirements mentioned in MR-3.

### **Other laws as may be specifically applicable to the company (point (vi) as per MR-3)\***

For the benefit of members, the Institute is developing a list of various laws specifically applicable to companies in different sectors. An indicative list of sector specific central laws in respect of some of the sectors is placed below for reference. The lists applicable to other sectors shall also be uploaded shortly.



**\*Disclaimer:**

The Institute with a view to facilitate the members to conduct Secretarial Audit has compiled list of specific laws applicable to various sectors, from different sources. The list is indicative only and not exhaustive.

It may so happen that some of the sector specific laws do not figure in this list. Members are advised to use their own professional judgement and resources in identifying other sector specific Laws/ Rules/ Regulations/ Guidelines/ Orders/ Amendments/ Standards/Policies, as well as State Laws, while conducting Secretarial Audit.

Due care has been taken in the preparation of the list. The Institute shall not be responsible for any loss or damage resulting from any action taken on the basis of these lists. Professional Judgement is advised.

### **INDICATIVE SECTOR WISE LIST**

#### **1. PHARMACEUTICAL INDUSTRY**

- Pharmacy Act, 1948
- Drugs and Cosmetics Act, 1940
- Homoeopathy Central Council Act, 1973
- Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
- Narcotic Drugs and Psychotropic Substances Act, 1985
- Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974
- Petroleum Act 1934
- Poisons Act 1919
- Food Safety And Standards Act, 2006
- Insecticides Act 1968
- Biological Diversity Act, 2002
- The Indian Copyright Act, 1957
- The Patents Act, 1970
- The Trade Marks Act, 1999
- Indian Boilers Act, 1923

#### **2. COMPUTER PROGRAMMING, CONSULTANCY AND RELATED SERVICES**

- The Information Technology Act, 2000
- The Special Economic Zone Act, 2005
- Policy relating to Software Technology Parks of India and its regulations
- The Export and Import Policy of India
- The Indian Copyright Act, 1957
- The Patents Act, 1970
- The Trade Marks Act, 1999



### 3. GAS INDUSTRY

- Petroleum and Minerals Pipelines (Acquisition of Right of User Inland) Act, 1962
- Explosives Act, 1884
- The Oilfield ( Regulation & Development) Act , 1948
- Petroleum and Natural Gas Regulatory Board Act, 2006
- The Petroleum Act, 1934
- The Oil Industry( Development) Act 1974
- The Mines Act, 1952
- Indian Boilers Act, 1923

### 4. OIL & PETROLEUM SECTOR

- Petroleum and Minerals Pipelines (Acquisition of Right of User Inland) Act, 1962
- Explosives Act, 1884
- The Oilfield ( Regulation & Development) Act , 1948
- Petroleum and Natural Gas Regulatory Board Act, 2006
- The Petroleum Act, 1934
- The Oil Industry( Development) Act 1974
- The Mines Act, 1952
- Mines and Minerals (Regulations and Development) Act, 1957
- The Territorial Waters, Continental Shelf, Exclusive Economic Zone And Other Maritime Zones Act, 1976
- Indian Boilers Act, 1923
- Merchant Shipping Act, 1983
- Offshore Areas Minerals (Development and Regulation) Act, 2002

### 5. POWER

- The Electricity Act, 2003
- National Tariff Policy
- Essential Commodities Act, 1955
- Explosives Act, 1884
- Indian Boilers Act, 1923
- Mines Act, 1952 (wherever applicable)
- Mines and Mineral (Regulation and Development) Act, 1957 (wherever applicable)

### 6. SUGAR INDUSTRY

- Sugar Cess Act, 1982
- Levy Sugar Price Equalisation Fund Act, 1976
- Food Safety And Standards Act, 2006
- Essential Commodities Act,1955
- Sugar Development Fund Act, 1982
- Export (Quality Control and Inspection) Act, 1963



- Agricultural and Processed Food Products Export Act, 1986
- Indian Boilers Act, 1923

## 7. TOBACCO INDUSTRY

- Tobacco Board Act, 1975
- Tobacco Cess Act, 1975
- Beedi and Cigar Workers (Conditions of Employment) Act, 1966 as amended in 1993
- Beedi Workers Welfare Cess Act, 1976
- Beedi Workers Welfare Fund Act, 1976
- Cigarettes and Other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003 (COPTA)