

COMPLIANCE CERTIFICATE
FOR
LISTING AT SME PLATFORM
OF
STOCK EXCHANGES



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

COMPLIANCE CERTIFICATE

For listing / issue of _____ (Nos.) _____ Equity Shares / Other Securities (please specify) of Rs. ____ each (hereinafter referred to as “the specified securities”) of _____ Ltd., on the _____ Stock Exchange pursuant to the Initial Public Offer (IPO)

To,
The _____ Stock Exchange

Dear Sir(s),

Sub: Listing / Issue of _____ (Nos.) _____ Equity Shares / Other Securities (please specify) of Rs. ____ each (hereinafter referred to as “the specified securities”) of _____ Ltd., on the _____ Stock Exchange pursuant to the Initial Public Offer (IPO) made by the Issuer under Chapter XB of the SEBI (ICDR) Regulations, 2009

I state that this Certificate has been issued in accordance with the Guidance Note issued by the Institute of Company Secretaries of India in this regard.

I / We have examined the records, books and papers (collectively referred to as “the records”) of _____ Limited (the issuer) made available and placed before me / us. In my / our opinion and to the best of my / our information and according to the examinations carried out by me / us and explanations furnished to me / us by the issuer, its officers, agents and other intermediaries involved in the aforesaid Initial Public Offer / Public Issue (hereinafter referred to as “the IPO”), I / we certify the following in respect of the aforesaid IPO, that:

(I) Background of the Issuer

1. The issuer was / was not listed on any stock exchange, at any time in history of the company. (Please mention the details, if the issuer was listed)
2. The promoters, promoter group entities and directors of the issuer are not related / associated with any company that has been compulsorily delisted by Stock Exchange(s) or is suspended from trading on the Stock Exchanges.
3. The issuer is / is not a potentially sick company.

4. No Bank / Financial Institution / Entity has invoked the SARFAESI Act against the issuer or has classified any of the assets of issuer as an NPA.
5. There is no disciplinary action taken, in the past five years, by any stock exchange or regulatory authority i.e. Securities Exchange Board of India (SEBI), Reserve Bank of India (RBI) or Ministry of Corporate Affairs (MCA), against the issuer, its promoters, promoter group entities, persons in control of the issuer, promoting companies, companies promoted by the promoters / promoting company(ies), directors, group companies / subsidiaries, referred to in Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus / Letter of offer (hereinafter referred to as "the offer document"). (Please mention the present status of disciplinary action, if there is any)
6. Prohibitory Orders : There are no prohibitory orders issued by SEBI, Stock Exchanges, Registrar of Companies, Company Law Board or High Court against the issuer, its promoters, promoter group entities, persons in control of the issuer, promoting companies, companies promoted by the promoters / promoting company (ies), directors, group companies / subsidiaries, referred to in the offer document. [**Clause 15 of Listing Agreement**]
7. None of the directors of the issuer are disqualified under section 274(1)(g) of the Companies Act, 1956.
8. None of the promoter / promoter group entities are associated with any company that is sick / potentially sick / against which winding up petition has been filed or winding up order has been passed.
9. There is no non-compliance with regard to the appointment of Managing Director / Whole Time Director of the issuer (Please mention details, in case of any non-compliance)
10. The issuer has / has not made all statutory filings and returns required to be made under Companies Act, 1956 for the last three years within the statutory time period. (Please attach an Annexure mentioning the details of statutory filings for last three years stating the last date of filing and actual date of filing by the issuer)
11. The issuer has / has not maintained the statutory registers under the Companies Act, 1956
12. The issuer has / has not made all disclosures required to be made under Section 297 of Companies Act, 1956 in respect of related party transactions (please mention details, in case of any non-compliance)

(II) Schemes / Petitions filed by the Issuer

1. There are no schemes under the provisions of the Companies Act, 1956, pending with any High Court / National Company Law Tribunal (NCLT) / any other regulatory or statutory authority involving the issuer. (If yes, details thereof)
2. There are no schemes filed in the High Court, in which the issuer is a respondent company. (If yes, details thereof)
3. There is / are no winding up petition filed / orders issued against the issuer. (If yes, details thereof)
4. The issuer has been / has not been referred to BIFR. (If yes, details thereof, including status of reference/ implementation of the BIFR order etc.)
5. The issuer has been / has not been referred to Corporate Debt Restructuring (CDR). (If yes, details thereof including status of reference/ implementation of the CDR etc.)
6. There are no petitions filed or pending in any Court / Company Law Board, for disputes relating to the management of the issuer. (If yes, details thereof)

(III) Status of compliance with Securities Law, Company law etc.

In respect of the IPO, the issuer is in compliance with all the applicable provisions of SEBI Act 1992, SEBI (ICDR) Regulations 2009, Securities Contracts (Regulation) Act, 1956, Depositories Act, 1996, and the Companies Act, 1956 and Rules and Regulations issued under the said laws and related amendments thereto.

(IV) Post Issue Face Value Capital

The issuer is proposing to make an IPO of specified securities in terms of Chapter XB of SEBI (ICDR) Regulations, 2009. The post IPO face value capital of the issuer will be Rs. _____.

(V) Filing of Draft Prospectus / Draft Red Herring Prospectus

The issuer has filed the Draft Prospectus / Draft Red Herring Prospectus with SME Exchange / Exchange with SME Platform (Please specify name of the exchange) in respect of the IPO through the SEBI registered merchant banker(s). **[Regulation 106 O (1) of Chapter XB]**

(VI) Due Diligence

The merchant banker/s to the IPO of the issuer has / have submitted the due diligence certificate in the prescribed format as required under Chapter XB of SEBI (ICDR) Regulations, 2009 to the Stock Exchange(s) and SEBI. **[Regulation 106 O (2) of Chapter XB]**

(VII) Capital Structure of the Issuer including Pledge of Shares

1. There are no regulatory orders restraining the issuer from altering its capital structure.
2. The issuer has complied with all the requirements of the Companies Act, 1956 and other acts relating to the current outstanding nominal capital.
3. The issuer has not issued any shares with superior rights as to voting or dividend or has not issued warrants or convertible instruments that would give rise to shares with superior rights as to voting or dividend.
4. There are no outstanding convertible instruments (including warrants) issued by the issuer.
5. _____ (Nos.) specified securities of the issuer held by the promoters / promoter group of the issuer (amounting to _____% of promoters / promoter group shareholding) are pledged; the details whereof has been correctly disclosed in the offer document.
6. There are no restrictive clauses in the Articles of Association of the issuer in respect of specified securities. (Please mention if there are restrictive clauses in the AOA)
7. The issuer has established connectivity with the Depositories directly or through Registrars and Share Transfer Agents and as on date, _____ % of total specified securities are in dematerialised form and _____ % of total specified securities are in physical form.
8. Entire holding of specified securities by the promoters / promoter group is in dematerialised form OR The promoters / promoter group have taken adequate steps to convert their holding into dematerialised form (Please mention the expected timeline for conversion to dematerialised holdings)

(VIII) Payment of Deposits, Statutory dues etc.

There are no defaults in payment of dues to the banks and financial institutions, towards Employees' Provident Fund, towards Payment of Deposits under 58A, 58AA of the Companies Act, 1956 and/or any other statutory dues.

(IX) Appointment of Compliance Officer

The issuer has appointed company secretary as a Compliance Officer for monitoring the share transfer process and liaising with the authorities such as SEBI, Stock Exchanges, ROC etc. **[Clause 50 of Listing Agreement]**

(X) Maintenance of website

The issuer has its website with the domain name _____ / has taken adequate steps for launch of its website at least one month before the opening of the IPO. (Please attach the print-out of the website's home page) **[Clause 33(a) and 34(b) of Listing Agreement]**

(XI) Compliance with Corporate governance

The status / level of compliance with all the mandatory provisions of Clause 52 of the Listing Agreement relating to Corporate Governance, as on date is as under:

- (i) Board Composition (Please confirm Compliance)
- (ii) Non Executive Directors including Independent Directors
- (iii) Board Committees (Please confirm Compliance)
- (iv) Information to be placed before the Board
- (v) Code of Conduct
- (vi) Audit Committee – Constitution, Role
- (vii) Details of related party transactions

(XII) Risk management

The issuer has laid down procedures for risk assessment and process for initiating adequate steps to inform Board members about the identified risks. **[Clause 52(IV) (C) of Listing Agreement]**

(XIII) Accounting standards

There is / is no qualification, reservation or adverse remarks / comments by the statutory auditors in the annual reports of the issuer in last five years regarding non-compliance of the accounting standards issued by ICAI from time to time. (Please mention the qualification, reservation or adverse remarks/comments, if any)
[Clause 53 of Listing Agreement]

Signature:

Place :

Name of Company Secretary:

Date :

C.P. No. :

Note: The qualification, reservation or adverse remarks, if any, may be stated at the relevant places.

List of Documents / Records Referred For Confirming Compliance (Illustrative)

Company Statutory Documents

1. Memorandum and Articles of Association
2. Minutes of Board Meeting(s)
3. Minutes of Board Committee Meeting(s)
4. Circular Resolution(s) of the Board / Committee
5. Notice(s) of General Meeting(s)
6. Minutes of the General Meeting(s)
7. E-form 23, E-form 5 filed with ROC challan evidencing payment of fees and approval status of form
8. Form 32 for appointment of Company Secretary
9. Stamped Copy of E-form 5 evidencing payment of state stamp duty

Offer Related Documents

10. Draft Red Herring Prospectus (DRHP) / Red Herring Prospectus (RHP) / Prospectus (Offer Documents)
11. Due Diligence Certificate from Merchant Bankers
12. Consent letters from Directors
13. Power of Attorney issued by the Director(s) for signing offer documents, if any
14. Appointment letters to and consent letters from all the intermediaries like Underwriters, Stock Brokers, Merchant Bankers and Monitoring Agency
15. Memorandum of Understanding entered into between the issuer and intermediaries
16. Tripartite agreement between the issuer, its Registrar to Issue (RTA) and Depositories (NSDL and CDSL)
17. MOU with RTA
18. Issue related advertisement issued by the issuer

Payment of Fees

19. Acknowledgement of Annual Listing Fees and Listing Application Processing Fees payment
20. Agreement with Stock Exchanges for the use of trading terminals and acknowledgement for payment of fees for the same
21. Acknowledgement of Custody Fees paid to NSDL and CDSL

Others

22. RBI Approval Letters
23. FIPB Approval Letters
24. Letter of Intent SIA Registration
25. Loan Agreements / Term Sheets
26. Shareholders Agreement
27. Bank Comfort Letter