

CONSULTATION PAPER ON ASPECTS RELATING TO SECRETARIAL COMPLIANCE REPORT, APPOINTMENT OF AUDITORS AND RELATED PARTY TRANSACTIONS OF A LISTED ENTITY

1. Objective

1.1. This consultation paper seeks views / comments / suggestions from public on proposals relating to the following:

- 1.1.1. Strengthening the secretarial compliance report of a listed entity.
- 1.1.2. Specifying eligibility criteria for appointment of statutory auditor of a listed entity.
- 1.1.3. Disclosures to the Audit Committee, Board of Directors and shareholders at the time of appointment / re-appointment of statutory auditor and secretarial auditor of a listed entity.
- 1.1.4. Facilitating ease of implementation with respect to approval of Related Party Transactions (**RPT**) undertaken by subsidiaries of a listed entity.
- 1.1.5. Clarifications pertaining to applicability of RPT provisions.

The proposals in this Consultation Paper are based on the recommendations of the Advisory Committee on Listing Obligations and Disclosures (**ACLOD**) of SEBI and subsequent internal discussions. The proposals would require amendments to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**" or "**LODR**") and circulars issued thereunder, and to the provisions of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SBES Regulations**").

2. Strengthening the secretarial compliance report of a listed entity

2.1. Background

2.1.1. Regulation 24A(2) of the LODR Regulations requires every listed entity to submit a secretarial compliance report to Stock Exchanges within 60 days from the end of each financial year. Section IV-A of SEBI Master Circular dated November 11, 2024 on compliance with LODR Regulations *inter-alia* deals with the format of secretarial compliance report.

2.2. Need for review

2.2.1. In a disclosure-based regime, secretarial audit and secretarial compliance report serve as a post-facto audit / review of listed entities' compliance with applicable laws, especially securities laws. The concept of secretarial compliance, which focuses on review of compliance with securities laws, was introduced by SEBI vide circular dated February 8, 2019 along with a reporting format.

2.2.2. Subsequently, a '*Study Group on Strengthening of Secretarial Compliance Report*' ("**Study Group**") was constituted by SEBI in 2021 for strengthening the secretarial compliance report of listed entities. The Study Group submitted its report to SEBI in March 2022 *inter-alia* suggesting changes to the format of Annual Secretarial Compliance Report (**ASCR**). The Stock Exchanges, in

consultation with SEBI, had carried out some modifications to the format of ASCR in 2023.

- 2.2.3. Given the regulatory developments during last 2 years, there is a need to further review and revise the existing format of secretarial compliance report for better enforcement of compliance with securities laws and to identify non-compliance, if any, through the annual review carried out by the Practicing Company Secretary (PCS). The format needs to include a specific confirmation on listed entity's compliance with substantial provisions of securities laws in light of the regulatory developments in the last 2 years.

2.3. Proposal and rationale

- 2.3.1. It is proposed to revise the existing format of ASCR with a view to obtain explicit confirmation from PCS on compliance with specific provisions of securities laws. The revised format of ASCR is placed at [Annexure 1](#).
- 2.3.2. In order to strengthen secretarial compliance at listed entities, certain amendments are proposed to the LODR Regulations and SBEBS Regulations and circulars issued thereunder. The details of the proposed amendments along with rationale is given at [Annexure 2](#).

2.4. Public comments

- 2.4.1. Public comments / suggestions are invited on the following:

Proposal 1: Do you agree with the revised format of Annual Secretarial Compliance Report as proposed in Annexure 1 of this Consultation Paper?

Proposal 2: Should the Annual Secretarial Compliance Report be disclosed as part of the Annual Report of a listed entity?

Proposal 3: Should the requirement to obtain separate certificates on compliance with corporate governance and disqualification status of directors, as required under schedule V of the LODR Regulations, be exempt if Annual Secretarial Compliance Report is annexed to the Annual Report?

Proposal 4: Should the requirement to place a certificate from secretarial auditor in the general meeting on compliance with SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as required under regulations 13, 26, 27 and 36, for schemes implemented by the listed entity be exempt if Annual Secretarial Compliance Report is annexed to the Annual Report?

Proposal 5: Do you agree with the proposal to amend regulation 48 of the LODR Regulations to require listed entities to comply with applicable secretarial standards?

Proposal 6: Do you agree with the proposal to include change or resignation of a secretarial auditor as a deemed material event under schedule III of the LODR Regulations?

Proposal 7: Do you agree with the proposal to mandate disclosures on total fees paid and change of secretarial auditor, if any, during the financial year in the Annual Report of the listed entity?

3. Specifying eligibility criteria for appointment of statutory auditor of a listed entity

3.1. Background

- 3.1.1. Regulation 36(5) of LODR Regulations *inter-alia* specify requirements for disclosures as part of the explanatory statement to the notice being sent to shareholders for an annual general meeting, where the statutory auditor(s) is/are proposed to be appointed / re-appointed.
- 3.1.2. Rule 3(1) of the Companies (Audit and Auditors) Rules, 2014 specifies that audit committee, and in its absence, board of directors, shall take into consideration the qualifications and experience of the individual or the firm proposed to be considered for appointment as auditor and whether such qualifications and experience are commensurate with the size and requirements of the company.

3.2. Need for review

- 3.2.1. The statutory auditor plays a crucial role in ensuring the accuracy and reliability of a company's financial statements, enhancing stakeholder trust, and promoting the stability of the company.
- 3.2.2. In case of listed entities, the role of statutory auditor is amplified since public funds are involved. With the increase in the size of the entity, the role and responsibility of the statutory auditor increases due to greater operational complexity and large amount of ledger entries and transactions. In recent times, allegations have surfaced that financials of some large listed entities have been audited by individuals / firms having no or little experience.
- 3.2.3. While there is no provision in the LODR Regulations regarding the size, qualification or experience of the statutory auditor, Companies (Audit and Auditors) Rules, 2014 requires that audit committee / board of directors should consider that the qualifications and experience of the auditor are commensurate with the size and requirements of the company.

3.3. Proposal and rationale

- 3.3.1. A provision similar to that specified in Rule 3(1) of the Companies (Audit and Auditors) Rules, 2014 may be incorporated in the LODR Regulations. This would enable monitoring and enforcement of such requirement by SEBI and stock exchanges, and also enhance stakeholder confidence on the financials of the listed entity. Further, audit committee may also be required to consider

whether the qualifications and years of experience of the signing partner(s) of the firm appointed as statutory auditor are commensurate with the size and requirements of the listed entity.

3.3.2. The LODR Regulations are proposed to be amended by insertion of suitable provisions in Schedule II, Part C on 'Role of the Audit Committee and Review of information by Audit Committee' as given at [Annexure 3](#).

3.4. Public comments:

3.4.1. Public comments are invited on the following:

Proposal 8: *Should a provision similar to that specified in Rule 3(1) of the Companies (Audit and Auditors) Rules, 2014 be incorporated in the LODR Regulations?*

Proposal 9: *Should audit committee be required to consider whether the qualifications and years of experience of the signing partner(s) of the firm appointed as statutory auditor are commensurate with the size and requirements of the listed entity?*

4. **Disclosures to the Audit Committee, Board of Directors and shareholders at the time of appointment / re-appointment of statutory auditor and secretarial auditor of a listed entity**

4.1. Background

4.1.1. Regulation 36(5) of LODR Regulations specify requirements for disclosures as part of the explanatory statement to the notice being sent to shareholders for an annual general meeting, where the statutory auditor(s) / secretarial auditor(s) is/are proposed to be appointed / re-appointed.

4.1.2. The disclosures include proposed fees payable to statutory auditors / secretarial auditor(s) along with terms of appointment, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with rationale for change. Further, basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor(s) / secretarial auditor(s) proposed to be appointed are to be disclosed to shareholders.

4.2. Need for review

4.2.1. While the regulations require some minimum disclosures to shareholders at the time of considering appointment / re-appointment, there is no standardized format for disclosure of such information to shareholders. Further, there is no specific requirement in the LODR Regulations for disclosure of minimum information to the Audit Committee / Board of Directors at the time of considering appointment / re-appointment of statutory auditor and secretarial auditor.

4.3. Proposal and rationale

4.3.1. It is proposed to amend regulation 36(5) of the LODR Regulations to mandate disclosure of relevant information to the Audit Committee and / or Board of Directors, shareholders at the time of appointment / re-appointment of statutory and secretarial auditors of the listed entity. The proposed amendments to regulation 36(5) is captured in [Annexure 3](#) of this Consultation Paper.

4.3.2. It is also proposed to prescribe the format for disclosure of minimum information to the Audit Committee and / or Board of Directors, shareholders of the listed entity at the time of considering appointment or re-appointment of statutory or secretarial auditors of the listed entity. The proposed format is placed as [Annexure 4](#).

4.4. Public comments

4.4.1. Public comments / suggestions are invited on the following:

Proposal 10: Do you agree with the proposal to mandate disclosure of minimum information to the Audit Committee, Board of Directors and shareholders at the time of appointment or re-appointment of Statutory Auditors and Secretarial Auditors of the listed entity?

Proposal 11: Do you agree with the proposed format for disclosure of minimum information, as specified in Annexure 4 (Part A) of this Consultation Paper, at the time of appointment or re-appointment of Statutory Auditors of the listed entity?

Proposal 12: Do you agree with the proposed format for disclosure of minimum information, as specified in Annexure 4 (Part B) of this Consultation Paper, at the time of appointment or re-appointment of Secretarial Auditors of the listed entity?

5. **Facilitating ease of implementation with respect to approval of RPTs undertaken by subsidiaries of a listed entity**

5.1. Background:

5.1.1. As per second proviso to Regulation 23(2) of LODR, a related party transaction to which a subsidiary of a listed entity is a party but the listed entity is not a party shall require approval of audit committee of the listed entity if the amount of such transaction taken together with previous transactions during a financial year exceed 10% of the standalone turnover of the subsidiary, as per the last audit financial statements of the subsidiary.

5.1.2. The threshold for material RPTs which require approval of shareholders of the listed entity on Main Board is Rs. 1000 crore or 10% of the consolidated turnover of the listed entity, whichever is lower, as per Regulation 23(1) of LODR. In case of entities which have listed their specified securities on the

Small and Medium Enterprises (SME) Exchange (“**SME listed entities**”), the SEBI Board in its meeting dated December 18, 2024 has decided that the materiality threshold for RPTs shall be Rs. 50 crore or 10% of the consolidated turnover of the listed entity¹.

5.2. Need for review:

5.2.1. Issue (i): There may be instances where a transaction undertaken by the subsidiary of the listed entity exceeds the threshold for material RPTs requiring shareholder approval but does not exceed 10% of the standalone turnover of the subsidiary, thus not requiring audit committee approval. For example, consolidated turnover of a listed entity on Main Board is Rs. 20,000 crore and standalone turnover of a subsidiary of the listed entity is Rs. 12,000 crore. A transaction amounting to Rs. 1100 crore undertaken by the subsidiary is more than the material RPT threshold viz. Rs. 1000 crore (i.e. lower of Rs. 1000 crore and 10% of consolidated turnover of the listed entity viz. Rs. 2000 crore). Hence, it would require shareholder approval. However, the transaction amount is lower than 10% of standalone turnover of the listed entity viz. Rs. 1200 crore. Hence, it would not require approval by audit committee.

5.2.2. Issue (ii): The threshold limit for approval by audit committee is based on standalone turnover of the subsidiary of the previous financial year. In case of subsidiaries which do not have a financial track record, i.e., published financial statements for at least one year, such a threshold limit in terms of turnover cannot be determined. As per the sample data analyzed for turnover and net worth of 316 subsidiaries of listed entities, 10% of standalone turnover, the existing threshold, is equivalent to 17.21% of standalone net worth on an average.

5.3. Proposal and rationale:

5.3.1. Proposal (i): In case of RPTs undertaken by a subsidiary of a listed entity, a monetary threshold may be specified in addition to the existing percentage-based threshold of 10% of standalone turnover of the subsidiary for approval of RPTs by audit committee of the listed entity. A monetary threshold of Rs. 1000 crore may be specified for subsidiaries of listed entities on Main Board and a monetary threshold of Rs. 50 crore may be specified for subsidiaries of SME listed entities. Further, lower of the two thresholds, monetary threshold and percentage-based threshold, may be considered for approval of RPTs by the audit committee of the listed entity. This would harmonize the existing threshold under Regulation 23(2) of LODR with the materiality threshold under Regulation 23(1) of LODR. This proposal shall be applicable to subsidiaries which have financial track record.

5.3.2. Proposal (ii): In case of subsidiaries which do not have financial track record, i.e., published financial statements for at least one year, the percentage-based threshold may be specified as 10% of standalone net worth of the subsidiary, as certified by a practicing chartered accountant not more than 3 months prior

¹ Amendments to LODR Regulations shall be notified at a later date.

to the date of seeking approval, instead of 10% of standalone turnover. Further, the monetary threshold limit of Rs. 1000 crore or Rs. 50 crore as proposed in para 5.3.1 above may also be applicable in such cases and lower of the two thresholds, monetary threshold and percentage-based threshold, may be considered for approval of RPTs by the audit committee of the listed entity. This will maintain consistency in the thresholds for subsidiaries which have and the subsidiaries which don't have financial track record. It may also be clarified that in case of negative net worth, share capital plus securities premium may be considered instead of 10% of net worth.

5.3.3. The proposed amendments to Regulation 23(2) of LODR are placed at [Annexure 3](#).

5.4. Public comments:

5.4.1. Public comments are invited on the following:

Proposal 13: *In case of related party transactions (RPTs) undertaken by a subsidiary of a listed entity and where the subsidiary has published financial statements for at least one year, whether a monetary threshold should be specified as proposed in para 5.3.1 of this Consultation Paper in addition to the existing percentage-based threshold of 10% of standalone turnover of the subsidiary for approval of the RPTs by audit committee of the listed entity?*

Proposal 14: *In case of related party transactions (RPTs) undertaken by a subsidiary of a listed entity and where the subsidiary does not have published financial statements for at least one year, whether the monetary threshold and percentage-based threshold as proposed in para 5.3.2 of this Consultation Paper should be specified for approval of the RPTs by audit committee of the listed entity?*

6. Clarifications pertaining to applicability of RPT provisions

6.1. Background:

6.1.1. Issue (i): The definition of 'related party transaction' under Regulation 2(1)(zc) of LODR includes transaction between a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand. SEBI has received representation seeking clarity on the definition of related party applicable to the subsidiaries of listed entities for compliance with the RPT norms under LODR.

6.1.2. Issue (ii): Regulation 23(5) of LODR specifies RPTs which are exempted from approval requirements. The said regulation was amended in November, 2021 by insertion of clause (c) which exempted transactions between two wholly-owned subsidiaries of the 'listed' holding company since RPTs by subsidiaries was brought into the ambit of approval requirements under LODR. This has

created ambiguity whether the exemption under clause (b) of Regulation 23(5) of LODR, which refers to transaction between holding company and its wholly owned subsidiary, is applicable to only listed holding company or unlisted holding company as well.

6.2. Proposal and rationale:

6.2.1. Proposal (i): The definition of 'related party transaction' under Regulation 2(1)(zc) of LODR has to be read in conjunction with the definition of 'related party' under Regulation 2(1)(zb) of LODR. Hence, the related parties of subsidiaries shall be identified as per Regulation 2(1)(zb) of LODR in order to ensure compliance with RPT requirements under LODR. An explanation to this effect may be added in Regulation 2(1)(zc) of LODR.

6.2.2. Proposal (ii): The exemptions from RPT approval requirements under clauses (b) and (c) of Regulation 23(5) of LODR are applicable when the accounts of the subsidiary(ies) are consolidated with the listed holding company and placed before the shareholders of the listed entity at the general meeting for approval. Hence, the exemption from RPT approval requirements is applicable when the transaction is between the listed holding company and its wholly owned subsidiary and the accounts of the wholly owned subsidiary are consolidated with the listed holding company. The above may be clarified in Regulation 23(5) of LODR by inserting the word 'listed' in reference to holding company in clause (b).

6.2.3. The proposed amendments to Regulation 2(1)(zc) and Regulation 23(5) of LODR are placed at [Annexure 3](#).

6.3. Public comments:

6.3.1. Public comments are invited on the following:

Proposal 15: *Whether a clarification should be added in the LODR Regulations that related parties of subsidiaries have to be identified as per the definition of 'related party' given in Regulation 2(1)(zb) of LODR Regulations?*

Proposal 16: *Whether the word 'listed' should be inserted in reference to holding company under clause (b) of Regulation 23(5) of LODR Regulations to clarify that the exemption from RPT approval requirements are applicable to transactions between a listed holding company and its wholly owned subsidiary?*

7. Public Comments

7.1. In order to take into consideration, the views of various stakeholders, public comments are invited on **Proposals 1 to 16** mentioned at **paragraphs 2.4, 3.4, 4.4, 5.4 and 6.3 above**.

7.2. The comments or suggestions, along with rationale, may be submitted latest by **February 28, 2025** through the following link: [link to provide comments online](#).

7.3. In case of any technical issue in submitting your comments through web based public comments form, you may send your comments through e-mail to consultationcfid@sebi.gov.in with the subject “CONSULTATION PAPER ON ASPECTS RELATING TO SECRETARIAL COMPLIANCE REPORT, APPOINTMENT OF AUDITORS AND RELATED PARTY TRANSACTIONS OF A LISTED ENTITY”.

Revised format of Secretarial Compliance Report

(On the letter head of the Practicing Company Secretary)

Secretarial compliance report of [●] [Name of the listed entity] ("*listed entity*") for the financial year ended _____ ("*review period*")

1. *I/We have conducted the review in accordance with the Guidelines issued by the Institute of Company Secretaries of India ("ICSI"), namely [.] for the purpose of providing Annual Secretarial Compliance Report (ASCR) of the listed entity as required under regulation 24A(2) of the LODR Regulations and circulars issued thereunder and my / our observations are given below.*
2. *For the purpose of this review / certification, I/We..... have examined*
 - (a) *all the documents and records made available to us and explanation provided by the listed entity, its officers, agents and authorized representatives,*
 - (b) *the filings/ submissions made by the listed entity with the stock exchanges,*
 - (c) *website of the listed entity, and*
 - (d) *any other document(s)/ filing(s), as ~~may be~~ considered relevant.*

for the Review Period in respect of compliance with the:

a. Provisions of the:

- (i) Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- (ii) Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the SEBI;
- (iii) *Depositories Act, 1996 ("Depositories Act"), regulations made thereunder, circulars, guidelines issued thereunder by SEBI.*

b. Following Regulations, along with the circulars/ guidelines issued thereunder:-

- (iii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [*LODR Regulations*];
- (iv) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 [*ICDR Regulations*];
- (v) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 [*Takeover Regulations*];
- (vi) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 [*Buyback Regulations*];
- (vii) Securities and Exchange Board of India (Share Based Employee Benefits *and Sweat Equity*) Regulations, 2021 [*SBEBS Regulations*];
- (viii) Securities and Exchange Board of India (Issue and Listing of *Non-Convertible Securities*) Regulations, 2021 [*ILNCS Regulations*];
- (ix) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 [*PIT Regulations*];

(x) (other SEBI regulations as applicable) and circulars/ guidelines issued thereunder;

(Note: The aforesaid list of Acts / Regulations / circulars / guidelines is only illustrative. The list of all SEBI Regulations, circulars / guidelines, as may be relevant and applicable to the listed entity for the review period, shall be added.)

hereinafter collectively referred to as "SEBI Regulations"

3. Based on the above examination, I/We hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the SEBI Regulations ~~and circulars/ guidelines issued thereunder~~, except in respect of matters specified at para 3(b) below. I/we hereby report that, during the review period the compliance status of the listed entity with the following requirements:

Sl. No.	Particulars	Compliance Status (Yes / No / NA)	Observations / Remarks by the PCS*
1.	<p><u>Corporate Governance</u></p> <p>The information/ confirmations given by the listed entity in the quarterly, half yearly and annual Integrated Filing (Governance) submitted to stock exchange(s) under Regulation 10(1A) of LODR Regulations and applicable circulars issued thereunder are correct and have been submitted within the timeline prescribed under the LODR Regulations.</p>		
2.	<p><u>Board of Directors and Committees</u></p> <p>a) The overall composition of the board of directors and committees, changes in composition of board and committees during the financial year, maximum directorships and memberships in committees for directors are in line with and within the limits specified under the applicable SEBI Regulations.</p> <p>b) The terms of reference of the committees (Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee), as applicable to the listed entity, are in compliance with the requirements as stipulated under applicable SEBI Regulations.</p> <p>c) These committees have dealt with all the matters covered in their terms of reference at the relevant applicable frequency.</p> <p>d) Information required to be placed before the board of directors and each of these committees under applicable SEBI Regulations have been complied with.</p>		

Sl. No.	Particulars	Compliance Status (Yes / No / NA)	Observations / Remarks by the PCS*
3.	<p><u>Directors and KMPs</u></p> <p>a) The appointment/ re-appointment of directors/ KMPs / senior management and approval of remuneration payable to them were in compliance with the LODR Regulations and all requisite intimations were given to the stock exchanges, in the explanatory statement and in Board's Report, wherever applicable.</p> <p>b) All members of board of directors and senior management personnel have affirmed compliance with the code of conduct as required under regulation 26(3) of LODR Regulations.</p> <p>c) None of the directors on the board of the listed entity have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority.</p> <p>d) None of the KMPs are debarred by SEBI from being associated as a KMP with any listed entity.</p>		
4.	<p><u>Subsidiaries related</u></p> <p>The listed entity has complied with the LODR Regulations with respect to:</p> <p>i. identification of material subsidiaries</p> <p>ii. compliance requirements with respect to subsidiaries, including material subsidiaries.</p>		
5.	<p><u>Related Party Transactions</u></p> <p>a) All reported related party transactions have prior approval of the Audit Committee. If not, the Audit Committee has ratified such RPTs in compliance with regulation 23(2)(f) of the LODR Regulations.</p> <p>b) All material RPTs have been approved by shareholders of the listed entity.</p>		
6.	<p><u>Material events / information</u></p> <p>a) The listed entity has disclosed material events / information as required under regulation 30 read with para A and para B of Part A of Schedule III of the LODR Regulations and applicable circulars issued thereunder.</p> <p>b) The listed entity has disclosed certain types of agreements binding listed entities, if applicable, as required under regulation 30A of LODR Regulations</p>		

Sl. No.	Particulars	Compliance Status (Yes / No / NA)	Observations / Remarks by the PCS*
	<p>and applicable circulars issued thereunder.</p> <p>c) The listed entity has systems and processes for verification of market rumours as required under regulation 30(11) of the LODR Regulations and applicable circulars issued thereunder.</p>		
7.	<p><u>Annual Report</u></p> <p>The listed entity has made disclosures in the Annual Report as required under the LODR Regulations.</p>		
8.	<p><u>Website disclosures</u></p> <p>The listed entity has maintained a functional website disseminating the documents/ information under a separate section as prescribed under the LODR Regulations.</p>		
9.	<p><u>Adoption and timely updation of the Policies:</u></p> <p>a) The following policies applicable to the listed entity in terms of SEBI Regulations are adopted with the approval of board of directors of the listed entities:</p> <ul style="list-style-type: none"> • • <p>b) All the policies are in conformity with the applicable SEBI Regulations and have been reviewed & timely updated as per the applicable SEBI Regulations.</p>		
10.	<p><u>Compliance related</u></p> <p>The listed entity has complied with applicable Secretarial Standards as notified under section 118(10) of Companies Act, 2013.</p>		
11.	<p><u>Fund raising</u></p> <p>Fund raising by the listed entity during the financial year through issuance of securities is in compliance with applicable provisions of ICDR Regulations.</p>		
12.	<p><u>Insider Trading</u></p> <p>The listed entity has complied with applicable provisions of the PIT regulations with respect to the following requirements:</p> <ol style="list-style-type: none"> i. Structured Digital Database (SDD). ii. Code of Conduct iii. Reporting of non-compliance by designated persons to Stock Exchanges. 		
13.	<p><u>SBEBS Regulations</u></p> <p>The listed entity is in compliance with applicable provisions of the SBEBS Regulations for the schemes</p>		

Sl. No.	Particulars	Compliance Status (Yes / No / NA)	Observations / Remarks by the PCS*
	implemented during the financial year.		
14.	<u>Takeover Regulations</u> The listed entity has not been subject to substantial acquisition of shares or takeover by an acquirer requiring open offer to the shareholders as required under Takeover Regulations during the financial year (or) Open offer for acquisition of shares of the listed entity under the applicable provisions of Takeover Regulations was made during the financial year.		

* Observations / Remarks by PCS is mandatory if the compliance status provided above is No / NA.

(b) The following non-compliance with SEBI Regulations ~~and circulars / guidelines issued thereunder~~ were observed:-

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No / guidelines (including specific clause)	Deviations	Action Taken by	Type of Action	Details of stated Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary, if any	Management Response, if any
					Any one of the actions as specified in para 20 of part A of Schedule III of LODR Regulations				

No additional non-compliance ~~has been~~ observed for any of the SEBI regulations/~~circular/ guidance note etc.~~ except as reported above.

(c) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations/ Remarks of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the financial year ended (the financial years are to be mentioned)	Compliance Requirement (Regulations/circulars/ guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity

(Note:

1. Provide the list of all the observations in the report for the previous financial year along with the actions taken by the listed entity on those observations.

2. Add the list of all observations in the reports pertaining to the periods prior to the previous **financial** year in case the entity has not taken sufficient steps to address the concerns raised/ observations.

E.g. In the report for the **financial** year ended 31stMar, 2025, the PCS shall provide a list of:

- all the observations in the report for the **financial** year ended 31st Mar, 2024 along with the actions taken by the listed entity on those observations.
- the observations in the reports pertaining to the **financial** year ended 31st Mar, 2023 and earlier, in case the entity has not taken sufficient steps to address the concerns raised/ observations in those reports.)

4. Assumptions & limitation of scope and review:

- a) Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
- b) Our responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
- c) We have not verified the correctness and appropriateness of financial records and books of account of the listed entity.
- d) This report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the LODR Regulations and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

Place:

Signature:

Date:

Name of the Practicing Company Secretary:.....

ACS/ FCS No.:.....

C P No.:.....

UDIN:.....

Peer Review Number:....

Proposed amendments to the LODR Regulations and other SEBI Regulations

Current Provision in the LODR	Proposed Changes	Rationale for the proposed changes
1. Disclosure of ASCR in the Annual Report of listed entities		
<p>Regulation 34: Annual Report</p> <p>(2) The annual report shall contain the following:</p> <p>a) audited financial statements i.e. balance sheets, profit and loss accounts etc ,and Statement on Impact of Audit Qualifications as stipulated in regulation 33(3)(d), if applicable;</p> <p>b) consolidated financial statements audited by its statutory auditors;</p> <p>c) cash flow statement presented only under the indirect method as prescribed in Accounting Standard-3 or Indian Accounting Standard 7, as applicable, specified in Section 133 of the Companies Act, 2013 read with relevant rules framed thereunder or as specified by the Institute of Chartered Accountants of India, whichever is applicable;</p> <p>d) directors report;</p> <p>e) management discussion and analysis report - either as a part of directors report or addition thereto;</p> <p>f) for the top one thousand listed entities based on market capitalization, a Business Responsibility and Sustainability Report on the environmental, social and governance disclosures, in the format as may be specified by the Board from time to time</p> <p>.....</p>	<p>Regulation 34: Annual Report</p> <p>(2) The annual report shall contain the following:</p> <p>a) audited financial statements i.e. balance sheets, profit and loss accounts etc ,and Statement on Impact of Audit Qualifications as stipulated in regulation 33(3)(d), if applicable;</p> <p>b) consolidated financial statements audited by its statutory auditors;</p> <p>c) cash flow statement presented only under the indirect method as prescribed in Accounting Standard-3 or Indian Accounting Standard 7, as applicable, specified in Section 133 of the Companies Act, 2013 read with relevant rules framed thereunder or as specified by the Institute of Chartered Accountants of India, whichever is applicable;</p> <p>d) directors report;</p> <p>e) management discussion and analysis report - either as a part of directors report or addition thereto;</p> <p>f) for the top one thousand listed entities based on market capitalization, a Business Responsibility and Sustainability Report on the environmental, social and governance disclosures, in the format as may be specified by the Board from time to time</p> <p>.....</p> <p>g) Secretarial Audit Report and Secretarial Compliance Report as per regulation 24A of these regulations.</p>	<ul style="list-style-type: none"> • While secretarial audit report has to be annexed to the Annual Report of the listed entity (as per regulation 24A(1) of the LODR), there is no specific requirement to annex the ASCR. • ASCR is more relevant to shareholders of a listed entity as it highlights listed entities' compliance with securities laws and is more granular than the secretarial audit report. • Therefore, it is proposed to mandate disclosure of ASCR in the Annual Report of listed entities, in addition to disclosure of secretarial audit report.
2. Compliance with applicable secretarial standards.		
<p>48. Accounting Standards</p> <p>The listed entity shall comply with all the applicable and notified Accounting Standards from time to time.</p>	<p>48. Accounting Standards and Secretarial Standards</p> <p>The listed entity shall comply with all the applicable and notified Accounting Standards and Secretarial Standards referred in Section 118(10) of the</p>	<p>ASCR requires confirmation on compliance with applicable secretarial standards. Therefore, it is proposed to modify regulation 48 of the LODR Regulations to mandate compliance with both accounting standards and secretarial standards.</p>

Current Provision in the LODR	Proposed Changes	Rationale for the proposed changes
	Companies Act, 2013 from time to time.	
3. Change or resignation of statutory and secretarial auditors to be deemed material events		
Schedule III – Part A – Disclosures of events or information: Specified Securities		
A. Events which shall be disclosed <u>without any</u> application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):		
<p>(7) Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.</p> <p>(7A) In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the auditor.</p>	<p>(7) Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Statutory Auditor, Secretarial Auditor and Compliance Officer.</p> <p>(7A) In case of resignation of the statutory auditor or secretarial auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the listed entities to the stock exchanges as soon as possible but not later than twenty four hours of receipt of such reasons from the statutory auditor or secretarial auditor, as the case may be.</p>	To include events relating to secretarial auditor i.e., change and resignation, as deemed material events under schedule III.
4. Disclosures about fees and resignation or removal about secretarial auditor in the Annual Report		
Schedule V – Annual Report		
C. Corporate Governance Report:		
<p>(10) Other disclosures: (k) total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part</p>	<p>(10) Other disclosures: (k) total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor or secretarial auditor and all entities in the network firm/network entity of which the statutory auditor is a part (ka) total fees paid by the listed entity and its subsidiaries, on a consolidated basis to the secretarial auditor and all entities in the network firm/network entity of which the secretarial auditor is a part ... (o) disclosure about resignation or removal of statutory auditor or secretarial auditor before the end of tenure and reasons thereof.</p>	To make the annual disclosure requirements with respect to fee paid and any change of statutory auditor during the financial year applicable to secretarial auditors as well.
5. Removal of duplication in certifications between ASCR and requirements in other SEBI Regulations		
<p>a. Certificate on compliance with corporate governance as required under para E of schedule V of the LODR Regulations</p> <p>b. Certification on directors not being disqualified from being appointed or continue on the board of companies as required under sub-para 10(i) of Para C of schedule V of the LODR</p> <p>c. Certifications required under regulations 13, 26, 27 and 36 of the SBEBS Regulations.</p>		

Current Provision in the LODR	Proposed Changes	Rationale for the proposed changes
<p><u>Schedule V, Para E of LODR Regulations</u></p> <p>E. Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors' report.</p>	<p><u>Schedule V, Para E of LODR Regulations</u></p> <p>E. Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors' report-:</p> <p>Provided that the requirement specified above shall not be applicable to such listed entities which annex the secretarial compliance report, submitted to Stock Exchanges in terms of sub-regulation (2) of regulation 24A of these regulations, to the Annual Report.</p>	<p>The certifications required under these regulations are covered in the revised format of ASCR. Therefore, the requirement shall not be applicable to such listed entities that annex the ASCR issued in terms of regulation 24A(2) of the LODR to the Annual Report.</p>
<p><u>Schedule V of LODR, Para C point 10(i)</u></p> <p>(i) a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.</p>	<p><u>Schedule V of LODR, Para C point 10(i)</u></p> <p>(i) a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority-:</p> <p>Provided that the requirement specified above shall not be applicable to such listed entities which annex the secretarial compliance report, submitted to Stock Exchanges in terms of sub-regulation (2) of regulation 24A of these regulations, to the Annual Report.</p>	
<p><u>Regulation 13 of SBEBS Regulations</u></p> <p>In the case of every company which has passed a resolution for the scheme(s) under these regulations, the Board of Directors shall at each annual general meeting place before the shareholders a certificate from the secretarial 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.</p>	<p><u>Regulation 13 of SBEBS Regulations</u></p> <p>In the case of every company which has passed a resolution for the scheme(s) under these regulations, the Board of Directors shall at each annual general meeting place before the shareholders a certificate from the secretarial 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-:</p>	

Current Provision in the LODR	Proposed Changes	Rationale for the proposed changes
	<p>Provided that the requirement specified above shall not be applicable to such listed entities which annex the secretarial compliance report, submitted to Stock Exchanges in terms of sub-regulation (2) of regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, to the Annual Report.</p>	
<p><u>Regulation 26 of SBEBS Regulations</u></p> <p><u>PART D: GENERAL EMPLOYEE BENEFITS SCHEME (GEBS)</u></p> <p>26. Administration and implementation.</p> <p>(1) Subject to the provisions of these regulations, GEBS shall contain the details of the scheme and the manner in which the scheme shall be implemented and operated.</p> <p>(2) The shares of the company or shares of its listed holding company shall 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 (whether audited or limited reviewed) for the purposes of GEBS.</p> <p>(3) The secretarial auditor of the company shall certify compliance with sub-regulation (2) at the time of adoption of such balance sheet by the company.</p>	<p><u>Regulation 26 of SBEBS Regulations</u></p> <p><u>PART D: GENERAL EMPLOYEE BENEFITS SCHEME (GEBS)</u></p> <p>26. Administration and implementation.</p> <p>(1) Subject to the provisions of these regulations, GEBS shall contain the details of the scheme and the manner in which the scheme shall be implemented and operated.</p> <p>(2) The shares of the company or shares of its listed holding company shall 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 (whether audited or limited reviewed) for the purposes of GEBS.</p> <p>(3) The secretarial auditor of the company shall certify compliance with sub-regulation (2) at the time of adoption of such balance sheet by the company-:</p> <p>Provided that the requirement specified above shall not be applicable to such listed entities which annex the secretarial compliance report, submitted to Stock Exchanges in terms of sub-regulation (2) of regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, to the Annual Report.</p>	
<p><u>Regulation 27 of SBEBS Regulations</u></p>	<p><u>Regulation 27 of SBEBS Regulations</u></p>	

Current Provision in the LODR	Proposed Changes	Rationale for the proposed changes
<p align="center"><u>PART E: RETIREMENT BENEFIT SCHEME (RBS)</u></p> <p>27.Administration and implementation.</p> <p>(1) Retirement benefit scheme may be implemented by a company subject to compliance with these regulations and provisions of any other law in force in relation to retirement benefits.</p> <p>(2)The retirement benefit scheme shall contain the details of the benefits under the scheme and the manner in which the scheme shall be implemented and operated.</p> <p>(3)The shares of the company or shares of its listed holding company shall 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 (whether audited or limited reviewed) for the purposes of RBS.</p> <p>(4)The secretarial auditor of the company shall certify compliance with sub-regulation (3) at the time of adoption of such balance sheet by the company.</p>	<p align="center"><u>PART E: RETIREMENT BENEFIT SCHEME (RBS)</u></p> <p>27.Administration and implementation.</p> <p>(1) Retirement benefit scheme may be implemented by a company subject to compliance with these regulations and provisions of any other law in force in relation to retirement benefits.</p> <p>(2)The retirement benefit scheme shall contain the details of the benefits under the scheme and the manner in which the scheme shall be implemented and operated.</p> <p>(3)The shares of the company or shares of its listed holding company shall 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 (whether audited or limited reviewed) for the purposes of RBS.</p> <p>(4)The secretarial auditor of the company shall certify compliance with sub-regulation (3) at the time of adoption of such balance sheet by the company:-</p> <p>Provided that the requirement specified above shall not be applicable to such listed entities which annex the secretarial compliance report, submitted to Stock Exchanges in terms of sub-regulation (2) of regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, to the Annual Report.</p>	
<p align="center"><u>Regulation 36 of SBEBS Regulations</u></p> <p>Placing of auditor's certificate before annual general meeting. In the general meeting subsequent to the issue of sweat equity shares, the Board of Directors shall place before the shareholders, a certificate from the secretarial auditor of the company that the issue of sweat equity shares has been made in accordance with these</p>	<p align="center"><u>Regulation 36 of SBEBS Regulations</u></p> <p>Placing of auditor's certificate before annual general meeting. In the general meeting subsequent to the issue of sweat equity shares, the Board of Directors shall place before the shareholders, a certificate from the secretarial auditor of the company that the issue of sweat</p>	

Current Provision in the LODR	Proposed Changes	Rationale for the proposed changes
<p>regulations and in accordance with the resolution passed by the company authorizing the issue of such sweat equity shares.</p>	<p>equity shares has been made in accordance with these regulations and in accordance with the resolution passed by the company authorizing the issue of such sweat equity shares.</p> <p>Provided that the requirement specified above shall not be applicable to such listed entities which annex the secretarial compliance report, submitted to Stock Exchanges in terms of sub-regulation (2) of regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, to the Annual Report.</p>	
<p>6. Adherence to the Guidance Note issued by ICSI on Secretarial Audit and ASCR</p> <p>Changes to SEBI Master Circular dated November 11, 2024 on compliance with LODR Regulations - Section IV-A: Annual secretarial audit report and annual secretarial compliance report for listed entities and their material subsidiaries</p>		
<p>(5) The PCS shall be guided by the instructions issued by the Board from time to time and the guidance issued by ICSI in this regard and undertake certifications in accordance with the regulations and this circular in letter and in spirit.</p>	<p>(5) The PCS shall be guided by adhere to the instructions issued by the Board from time to time and the guidance note issued by ICSI in this regard and undertake certifications in accordance with the regulations, and this and this circular(s) and the guidance note in letter and in spirit.</p>	<p>To make it mandatory for PCS to adhere to the guidance note issued by ICSI for secretarial audit report and secretarial compliance report.</p>

Proposed Amendments to LODR Regulations

Existing provisions	Suggested changes
<p>2(1)(zc) “related party transaction” means a transaction involving a transfer of resources, services or obligations between:</p> <p>(i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or</p> <p>(ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023; regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract:</p> <p>...</p>	<p>2(1)(zc) “related party transaction” means a transaction involving a transfer of resources, services or obligations between:</p> <p>(i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or</p> <p>(ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, with effect from April 1, 2023; regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract:</p> <p>Explanation: related party of subsidiary shall be identified as per clause (zb) of this sub-regulation.</p> <p>...</p>
<p>23(2) All related party transactions and subsequent material modifications shall require prior approval of the audit committee of the listed entity:</p> <p>Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions.</p> <p>Provided further that:</p> <p>(a) the audit committee of a listed entity shall define “material modifications” and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transactions;</p> <p>(b) a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the listed entity;</p> <p>(c) with effect from April 1, 2023, a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds</p>	<p>23(2) All related party transactions and subsequent material modifications shall require prior approval of the audit committee of the listed entity:</p> <p>Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions.</p> <p>Provided further that:</p> <p>(a) the audit committee of a listed entity shall define “material modifications” and disclose it as part of the policy on materiality of related party transactions and on dealing with related party transactions;</p> <p>(b) a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds ten per cent of the annual consolidated turnover, as per the last audited financial statements of the listed entity;</p> <p>(c) with effect from April 1, 2023, a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds</p>

ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary;

(d) prior approval of the audit committee of the listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in (d) above, the prior approval of the audit committee of the listed subsidiary shall suffice.

~~ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary;~~

~~(b) a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual standalone turnover, as per the last financial statements of the subsidiary, whichever is lower:~~

~~Provided that a related party transaction to which the subsidiary of a listed entity which has listed its specified securities on the SME Exchange is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds rupees fifty crore or ten per cent of the annual standalone turnover, as per the last financial statements of the subsidiary, whichever is lower;~~

~~(c) notwithstanding the above, a related party transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party and the subsidiary does not have a financial track record, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the standalone net worth of the subsidiary, as certified by a practicing chartered accountant not more than 3 months prior to the date of seeking approval, whichever is lower:~~

~~Provided that a related party transaction to which the subsidiary of a listed entity which has listed its specified securities on the SME Exchange is a party but the listed entity is not a party and the subsidiary does not have a financial track record, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds rupees fifty crore or ten per cent of the standalone net worth of the subsidiary, as certified by a practicing chartered accountant not more than 3~~

	<p>months prior to the date of seeking approval, whichever is lower;</p> <p>Explanation 1: Financial track record shall mean published financial statements for at least one year.</p> <p>Explanation 2: In case net worth is negative, share capital plus share premium, as certified by a practicing chartered accountant not more than 3 months prior to the date of seeking approval, shall be considered instead of net worth.</p> <p>(d) prior approval of the audit committee of the listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary. Explanation: For related party transactions of unlisted subsidiaries of a listed subsidiary as referred to in (d) above, the prior approval of the audit committee of the listed subsidiary shall suffice.</p>
<p>23(5) The provisions of sub-regulations (2), (3) and (4) shall not be applicable in the following cases:</p> <p>(a) transactions entered into between two government companies;</p> <p>(b) transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.</p> <p>(c) transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.</p> <p>...</p>	<p>23(5) The provisions of sub-regulations (2), (3) and (4) shall not be applicable in the following cases:</p> <p>(a) transactions entered into between two government companies;</p> <p>(b) transactions entered into between a listed holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.</p> <p>(c) transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.</p> <p>...</p>
<p>36(5) The notice being sent to shareholders for an annual general meeting, where the statutory auditor(s) or Secretarial Auditor is/are proposed to be appointed/re-appointed shall include the following disclosures as a part of the explanatory statement to the notice:</p> <p>(a) Proposed fees payable to the statutory auditor(s) or Secretarial Auditor along with terms of appointment and in case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change;</p>	<p>36(5) The notice being sent to shareholders for an annual general meeting, where the statutory auditor(s) or Secretarial Auditor is/are proposed to be appointed/re-appointed shall include the following disclosures as a part of the explanatory statement to the notice:</p> <p>(a) Proposed fees payable to the statutory auditor(s) or Secretarial Auditor along with terms of appointment and in case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change;</p>

<p>(b) Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor(s) or Secretarial Auditor proposed to be appointed.</p>	<p>(b) Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor(s) or Secretarial Auditor proposed to be appointed.</p> <p>The notice being sent to shareholders for the general meeting where the statutory auditor(s) or secretarial auditor(s) is/are proposed to be appointed/re-appointed shall include disclosures as specified by the Board from time to time:</p> <p>Provided that the listed entity shall also place all relevant information, as specified by the Board from time to time, for consideration of the Audit Committee and / or the Board of Directors at the time of considering appointment / re-appointment of the statutory auditor(s) or secretarial auditor(s).</p>
<p>SCHEDULE II: CORPORATE GOVERNANCE</p> <p>Part C: ROLE OF THE AUDIT COMMITTEE AND REVIEW OF INFORMATION BY AUDIT COMMITTEE</p> <p>A. The role of the audit committee shall include the following:</p> <p>(1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;</p> <p>(2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;</p> <p>...</p>	<p>SCHEDULE II: CORPORATE GOVERNANCE</p> <p>Part C: ROLE OF THE AUDIT COMMITTEE AND REVIEW OF INFORMATION BY AUDIT COMMITTEE</p> <p>A. The role of the audit committee shall include the following:</p> <p>(1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;</p> <p>(2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;</p> <p>(2A) taking into consideration the qualifications and years of experience of the individual or the firm proposed to be considered for appointment as statutory auditor and whether such qualifications and experience are commensurate with the size and requirements of the listed entity;</p> <p>(2B) taking into consideration whether the qualifications and years of experience of the signing partner(s) of the firm appointed as statutory auditor are commensurate with the size and requirements of the listed entity;</p> <p>...</p>

**PART A – MINIMUM INFORMATION TO BE DISCLOSED TO THE AUDIT COMMITTEE,
BOARD OF DIRECTORS AND SHAREHOLDERS FOR APPOINTMENT / RE-
APPOINTMENT OF STATUTORY AUDITORS**

[Serial No. I, II, III and IV below to be provided only to the Audit Committee and the Board of Directors; Serial No. V to be provided to the shareholders.]

Sl. No.	Information to be provided	Details
I	Basic Details	
a)	Name of the individual / Firm ² proposed to be appointed as the Statutory Auditor	
b)	Legal Structure	
c)	(i) Firm Registration No. and date of registration (ii) For individual and sole proprietor concern, age, qualification and ICAI membership number to be provided.	
d)	Address of the proposed Statutory Auditor	
e)	Details of branches (number, location (city/town))	
f)	Website of the proposed Statutory Auditor	
g)	In case the proposed Statutory Auditor is a partnership firm/LLP, number of partners along with names and the ICAI membership numbers of the Signing Partner(s), Quality Review Partner, Assurance Lead and Managing Partner or its equivalent.	
h)	Total no. of permanent staff of the proposed Statutory Auditor	
i)	Other members of network, alliances and/or collaborations in India and outside India (with name of respective countries) of the proposed Statutory Auditor	
II	Experience related and past associations	
a)	Number of years of experience of the individual / Firm proposed to be appointed as Statutory Auditor in auditing companies or other body corporates.	
b)	Names of other listed entities (equity / debt) being audited by the proposed Statutory Auditor.	

² Firm includes a proprietorship concern, partnership firm and LLP.

Sl. No.	Information to be provided	Details
c)	Names of the group companies (holding, subsidiary, associate, joint ventures) of the listed entity currently being audited by the proposed Statutory Auditor.	
d)	Past association (name and number of years to be disclosed) of the proposed Statutory Auditor with, <ul style="list-style-type: none"> i. Promoter / Promoter Group during the last 3 years ii. Group companies (holding, subsidiary, associate, joint ventures) of the listed entity during the last 3 years 	
e)	Scores and Level of the proposed Statutory Auditor as per the latest Audit Quality Maturity Model (AQMM) and link to the ICAI website where the same is hosted.	
f)	Age, qualifications and audit experience (in number of years) of the Signing Partner(s), Quality Review Partner and Assurance Lead, Managing Partner or its equivalent, if any, of the proposed Statutory Auditor.	
g)	Other audit engagements of the Signing Partner(s) of the proposed Statutory Auditor.	
III	Compliance related	
a)	Whether the individual / Firm proposed to be appointed as the Statutory Auditor holds a valid peer review certificate? If yes, mention the date of expiry of the Peer Review Certificate.	
b)	Whether the individual / Firm has submitted a certificate as required under rule 4(1) of Companies (Audit & Auditors) Rules, 2014?	
c)	Details of orders passed against the proposed Statutory Auditor by ICAI/NFRA/SEBI/MCA/any other competent authority / Court, both in India or outside India, in past 5 years.	
d)	Details of pending proceedings relating to professional matters of conduct against the proposed Statutory Auditor with ICAI/NFRA/SEBI/MCA/any other competent authority / Court, both in India or outside India.	
e)	Whether the proposed Statutory Auditor has rendered any services as prohibited under section 144 of Companies Act, 2013 directly or indirectly to the listed entity or its holding company or subsidiary or any associate? If yes, then provide details and actions, if any taken against the individual / Firm.	
IV	Fee Related	
a)	<ul style="list-style-type: none"> i. Proposed fees payable to the individual / Firm as <ul style="list-style-type: none"> • auditor, • for taxation matters, 	

Sl. No.	Information to be provided	Details
	<ul style="list-style-type: none"> • for company law matters, • for other services (pl. specify), • for reimbursement of expenses ii. Total Fees paid to previous/outgoing auditor iii. Rationale for material change in the audit fees proposed to be paid the proposed statutory auditor as compared to the previous / outgoing auditor; iv. Disclosure of % of non-audit fees, paid/payable to the proposed statutory auditor or/and its associate concerns, over audit fees paid/payable to the said auditor. v. Total remuneration/fees, etc. received by the proposed Statutory Auditor from the company or group companies (holding, subsidiary, associate, joint ventures) in the last financial year along with details.	
V	Information to be disclosed to the shareholders	
a)	Name of the individual / Firm proposed to be appointed as the Statutory Auditor?	
b)	Whether the Audit Committee and the Board of Directors have recommended appointment of the individual / Firm as the Statutory Auditor of the listed entity?	
c)	Whether the Statutory Auditor and the Signing Partner(s) of the Firm have qualifications and years of experience commensurate with the size and requirements of the listed entity?	
d)	The following information as disclosed to the Audit Committee and Board of Directors: <ul style="list-style-type: none"> i. Website of the proposed Statutory Auditor; ii. Number of years of experience of the individual / Firm proposed to be appointed as Statutory Auditor in auditing companies or other body corporates; iii. Names of other listed entities (equity / debt) being audited by the proposed Statutory Auditor; iv. Details of orders passed against the proposed Statutory Auditor by ICAI/NFRA/SEBI/MCA/any other competent authority / Court, both in India or outside India, in past 5 years. v. Whether the proposed statutory auditor has rendered any services as prohibited under section 144 of Companies Act, 2013 directly or indirectly to the listed entity or its holding company or subsidiary or any associate? If yes, then provide details and actions, if any taken against the individual / Firm, and 	

Sl. No.	Information to be provided	Details
	<p>vi. Fee related</p> <ul style="list-style-type: none"> ○ Proposed fees payable to the individual / Firm as <ul style="list-style-type: none"> ▪ auditor, ▪ for taxation matters, ▪ for company law matters, ▪ for other services (pl. specify), ▪ for reimbursement of expenses ○ Total Fees paid to previous/outgoing auditor ○ Rationale for material change in the audit fees proposed to be paid the proposed statutory auditor as compared to the previous / outgoing auditor; ○ Disclosure of % of non-audit fees, paid/payable to the proposed statutory auditor or/and its associate concerns, over audit fees paid/payable to the said auditor. ○ Total remuneration/fees, etc. received by the proposed Statutory Auditor from the company or group companies (holding, subsidiary, associate, joint ventures) in the last financial year along with details. 	
e)	<p>Past association (name and number of years to be disclosed) of the proposed Statutory Auditor with:</p> <p>(i) Promoter / Promoter Group during the last 3 years</p> <p>(ii) Group companies (holding, subsidiary, associate, joint ventures) of the listed entity during the last 3 years.</p> <p>Provided that the details mentioned above shall be disclosed only if the past association in any of the 3 years has resulted in the following:</p> <ul style="list-style-type: none"> i. <u>For partnership firm / LLP:</u> Total income received by the firm from entities mentioned at (i) and (ii) above during that particular financial year exceeded 10% of the gross turnover of the firm at the end of the immediate preceding financial year of appointment / reappointment. ii. <u>For individual / sole proprietorship concern:</u> Total income received by the individual / sole proprietorship concern from entities mentioned at (i) and (ii) above during that particular financial year exceeded 10% of the total annual income of the individual / proprietor for 	

Sl. No.	Information to be provided	Details
	the immediate previous financial year of appointment / reappointment.	
f)	Terms of appointment as approved by the Audit Committee and the Board of Directors	
g)	Rationale of the Audit Committee and the Board of Directors for recommending the individual / Firm with past orders, if applicable, against them for appointment as Statutory Auditor.	

PART B – MINIMUM INFORMATION TO BE DISCLOSED TO THE BOARD OF DIRECTORS AND SHAREHOLDERS FOR APPOINTMENT / RE-APPOINTMENT OF SECRETARIAL AUDITORS

[Serial No. I, II, III and IV below to be provided only to the Board of Directors; Serial No. V to be provided to the shareholders.]

Sl. No.	Information to be provided	Details
I	Basic Details	
a)	Name of the individual / Firm ³ proposed to be appointed as the Secretarial Auditor	
b)	Legal Structure	
c)	(i) Firm Registration No. and date of registration (ii) For individual and sole proprietor concern, age, qualification and ICSI membership number to be provided.	
d)	Address of the proposed Secretarial Auditor	
e)	Details of branches (number, location (city/town))	
f)	Website of the proposed Secretarial Auditor	
g)	In case the proposed Secretarial Auditor is a partnership firm/LLP, number of partners along with names and the ICSI membership numbers of the Signing Partner(s), Quality Review Partner, Assurance Lead and Managing Partner or its equivalent.	
h)	Total no. of permanent staff of the proposed Secretarial Auditor	

³ Firm includes a proprietorship concern, partnership firm and LLP.

Sl. No.	Information to be provided	Details
i)	Other members of network, alliances and/or collaborations in India and outside India (with name of respective countries) of the proposed Secretarial Auditor	
II	Experience related and past associations	
a)	Number of years of experience of the individual / Firm proposed to be appointed as Secretarial Auditor: <ul style="list-style-type: none"> <li data-bbox="339 573 632 607">i. <u>For an individual:</u> <ul style="list-style-type: none"> <li data-bbox="451 618 831 651">a. As a Company Secretary <li data-bbox="451 663 967 696">b. As a Practising Company Secretary <li data-bbox="451 707 815 741">c. As a Secretarial Auditor <li data-bbox="339 752 552 786">ii. <u>For a Firm:</u> <ul style="list-style-type: none"> <li data-bbox="451 797 1110 864">a. in carrying out Secretarial Audit of companies or other body corporates <li data-bbox="451 875 1110 920">b. in providing other services (compliance, filings etc.) to companies or other body corporates 	
b)	Names of other listed entities (equity / debt) for which the individual / Firm is the Secretarial Auditor.	
c)	Names of the group companies (holding, subsidiary, associate, joint ventures) of the listed entity for which the individual / Firm is the Secretarial Auditor.	
d)	Past association (name and number of years to be disclosed) of the proposed Secretarial Auditor with <ul style="list-style-type: none"> <li data-bbox="308 1223 991 1256">(i) Promoter / Promoter Group during the last 3 years <li data-bbox="308 1267 1110 1335">(ii) Group companies (holding, subsidiary, associate, joint ventures) of the listed entity during the last 3 years 	
e)	Age, qualifications of the Signing Partner(s) and Managing Partner or its equivalent, if any, of the proposed Secretarial Auditor along with experience (in number of years) of such individuals with respect to the following: <ul style="list-style-type: none"> <li data-bbox="339 1514 727 1547">i. As a Company Secretary <li data-bbox="339 1559 863 1592">ii. As a Practising Company Secretary <li data-bbox="339 1603 711 1637">iii. As a Secretarial Auditor 	
f)	Other audit engagements of the Signing Partner(s) of the proposed Secretarial Auditor.	
III	Compliance related	
a)	Whether the individual / Firm proposed to be appointed as the Secretarial Auditor holds a valid peer review certificate? If yes, mention the date of expiry of the Peer Review Certificate.	
b)	Whether the individual / Firm proposed to be appointed as Secretarial Auditor satisfies the conditions mentioned in regulation 24A of the LODR Regulations and SEBI Circular dated [.]	

Sl. No.	Information to be provided	Details
c)	Details of orders passed against the proposed Secretarial Auditor by ICSI/SEBI/MCA/any other competent authority / Court, both in India or outside India, in past 5 years.	
d)	Details of pending proceedings relating to professional matters of conduct against the proposed Secretarial Auditor with ICSI/SEBI/MCA/any other competent authority / Court, both in India or outside India.	
e)	Whether proposed Secretarial Auditor has rendered any services as prohibited under SEBI Circular dated [.] directly or indirectly to the listed entity or its holding company or subsidiary or any associate? If yes, then provide details and actions, if any taken against the individual / Firm.	
IV	Fee Related	
a)	<ul style="list-style-type: none"> i. Proposed fees payable to the individual / Firm as <ul style="list-style-type: none"> • auditor, • for other services (pl. specify), • for reimbursement of expenses ii. Total Fees paid to previous/outgoing auditor iii. Rationale for material change in the audit fees proposed to be paid the proposed secretarial auditor as compared to the previous / outgoing auditor; iv. Disclosure of % of non-audit fees, paid/payable to the proposed Secretarial Auditor or/and its associate concerns, over audit fees paid/payable to the said auditor. v. Total remuneration/fees, etc. received by the proposed Secretarial Auditor from the company or group companies (holding, subsidiary, associate, joint ventures) in the last financial year along with details. 	
V	Information to be disclosed to the shareholders	
a)	Name of the individual / Firm proposed to be appointed as the Secretarial Auditor?	
b)	Whether the Board of Directors have recommended appointment of the individual / Firm as the Secretarial Auditor of the listed entity?	
c)	<p>The following information as disclosed to the Board of Directors:</p> <ul style="list-style-type: none"> i. Website of the proposed Secretarial Auditor; ii. Number of years of experience of the individual / Firm proposed to be appointed as Secretarial Auditor: <ul style="list-style-type: none"> o <u>For an individual:</u> 	

Sl. No.	Information to be provided	Details
	<ul style="list-style-type: none"> ▪ As a Company Secretary ▪ As a Practising Company Secretary ▪ As a Secretarial Auditor ○ <u>For a Firm:</u> <ul style="list-style-type: none"> ▪ in carrying out Secretarial Audit of companies or other body corporates ▪ in providing other services (compliance, filings etc.) to companies or other body corporates; iii. Names of other listed entities (equity / debt) for which the individual / Firm is the Secretarial Auditor. iv. Details of orders passed against the proposed Secretarial Auditor by ICSI/SEBI/MCA/any other competent authority / Court, both in India or outside India, in past 5 years. v. Whether proposed Secretarial Auditor has rendered any services as prohibited under SEBI Circular dated [.] directly or indirectly to the listed entity or its holding company or subsidiary or any associate? If yes, then provide details and actions, if any taken against the individual / Firm, and vi. Fee related <ul style="list-style-type: none"> a. Proposed fees payable to the individual / Firm as <ul style="list-style-type: none"> ○ auditor, ○ for other services (pl. specify), ○ for reimbursement of expenses b. Total Fees paid to previous/outgoing auditor c. Rationale for material change in the audit fees proposed to be paid the proposed secretarial auditor as compared to the previous / outgoing auditor; d. Disclosure of % of non-audit fees, paid/payable to the proposed Secretarial Auditor or/and its associate concerns, over audit fees paid/payable to the said auditor. e. Total remuneration/fees, etc. received by the proposed Secretarial Auditor from the company or group companies (holding, subsidiary, associate, joint ventures) in the last financial year along with details. 	
d)	<p>Past association (name and number of years to be disclosed) of the proposed Secretarial Auditor with:</p> <p>(i) Promoter / Promoter Group during the last 3 years</p>	

Sl. No.	Information to be provided	Details
	<p>(ii) Group companies (holding, subsidiary, associate, joint ventures) of the listed entity during the last 3 years.</p> <p>Provided that the details mentioned above shall be disclosed only if the past association in any of the 3 years has resulted in one of the following:</p> <p>iii. <u>For partnership firm / LLP</u>: Total income received by the firm from entities mentioned at (i) and (ii) above during that particular financial year exceeded 10% of the gross turnover of the firm at the end of the immediate preceding financial year of appointment / reappointment.</p> <p>iv. <u>For individual / sole proprietorship concern</u>: Total income received by the individual / sole proprietorship concern from entities mentioned at (i) and (ii) above during that particular financial year exceeded 10% of the total annual income of the individual / proprietor for the immediate previous financial year of appointment / reappointment.</p>	
e)	Terms of appointment as approved by the Board of Directors	
f)	Rationale of the Board of Directors for recommending the individual / Firm with past orders, if applicable, against them for appointment as Secretarial Auditor.	
