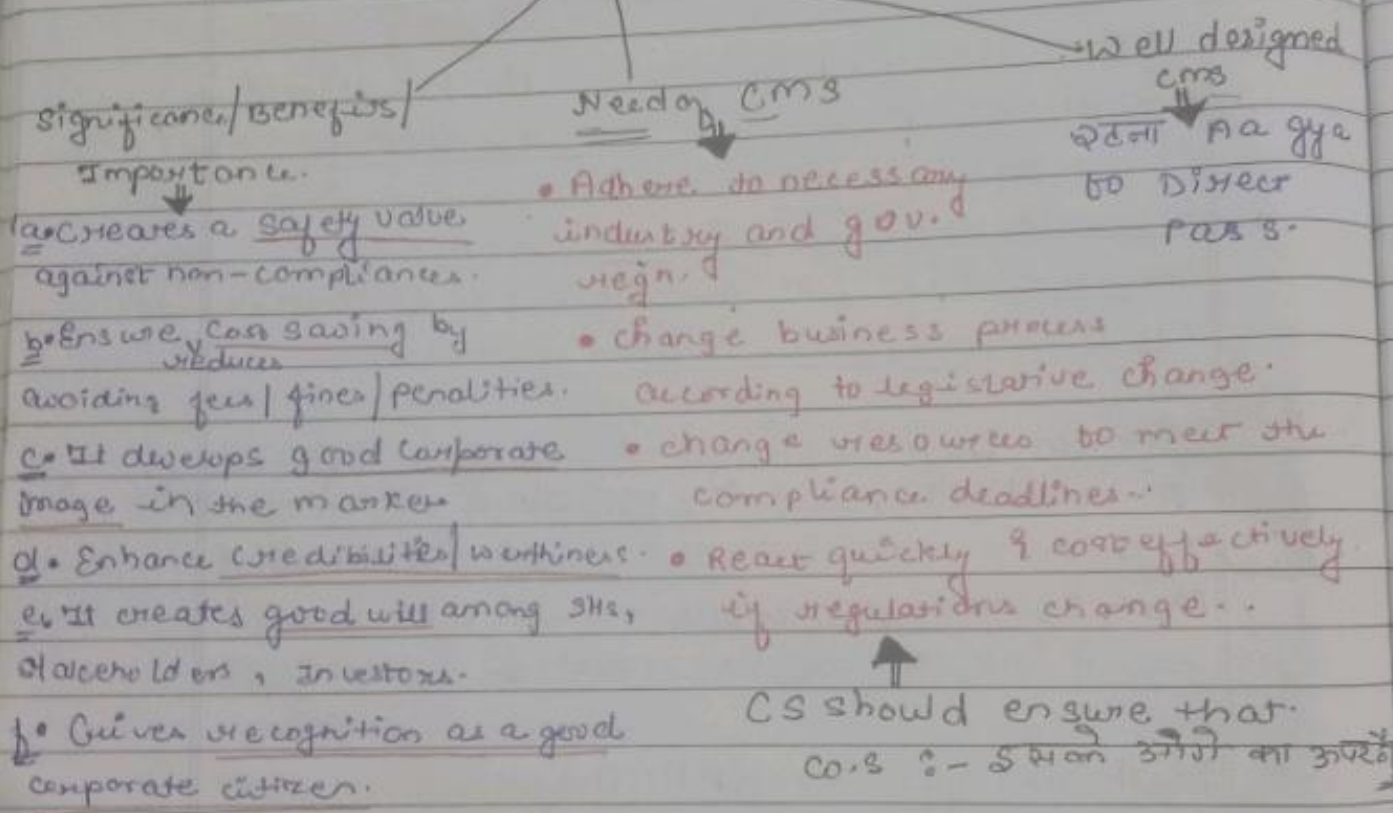


# Chapter-2 Compliances

## Chart of Compliance Mgt. System:



→ To Successfully monitor compliance with regulations an organization has to :-

- A** - Assess - Identify systems that are non-compliant
- R** - ~~Organize~~ Remediate - Quickly adhere to changes as identified.
- O** - Organize - Prioritize remedial action by effort.
- R** - Report - Validate the changes applied & report them.

Q

→ Scope of Corporate Compliance -  
includes compliances of -

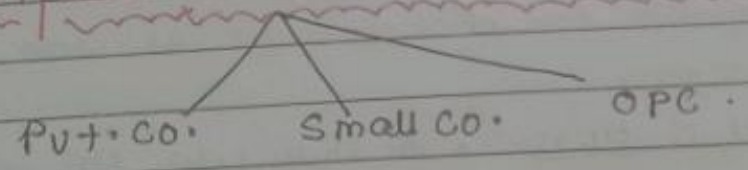
- a. Corporate & Economic Laws.
- b. Securities Law
- c. Fiscal Law
- d. Labour Law.
- e. Commercial Law.
- f. Industry specific Law.
- g. Local Law.
- h. Pollution / Env. related laws.

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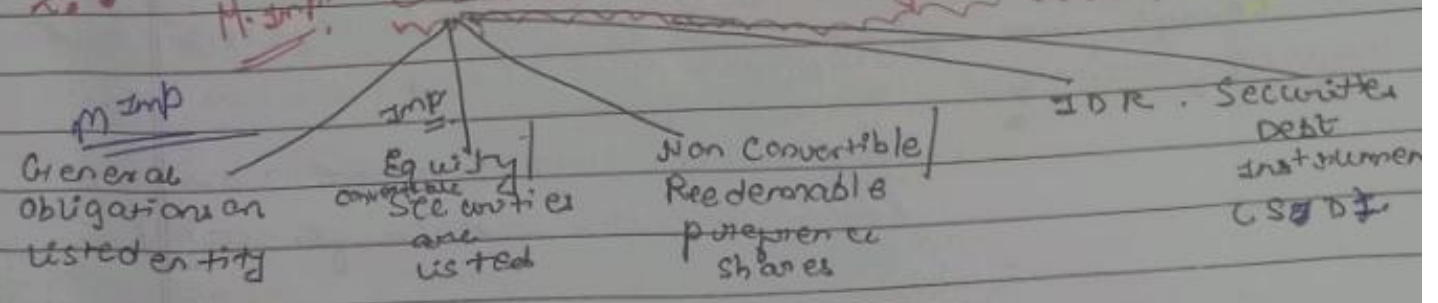
→ Pollution / Env. related Laws -

- a. Air (Prevention & Control of Pollution) Act, 1981
- b. Water ( " " ) Act, 1974
- c. Water ( " " ) cess Act - 1974.
- d. National Green Tribunal Act, 2010.
- e. Public liability insurance Act, 1991.
- f. Env. Protection Act, 1986

1. Compliances Under Co's Act 2013 -



2. SEBI LODR (Regn) 2015 -



9

3. LLP
4. Sec-8 Co.
5. Register.
6. Disclosure on website.
7. Disclosure on Newspaper.

1 (3) Private Co:- Total 9 points.

(a) Board Meeting:- Co. hold min. 4 BM every year & max. gap not more than 120 days. Co. should hold at least 1 BM in every quarter of each calendar year.  
 Conduct as per (35-2)

(b) Notice of BM:- shall be sent to all dir.'s at least 7 days prior of BM.

(c) Notice of AGM:- shall be sent to all the Dir.'s • Auditors • Members • legal representative.  
 Conduct as per (35-2)

(d) Circulation of financial statements:- Co. shall send a copy of the approved FS along with the consolidated FS to all the members of the Co., all trustees for preference holder, etc. at least 21 clear days before the AGM.

(e) Annual Return:- Co. shall file AR in form **MGT-7**

every Co. file its AR within 60 days from the date of holding of AGM.

If AGM is not held within 60 days from the date on which the AGM should have been held.

Then the Co. shall file the statement specifying the reasons for not holding AGM.

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(iii) Every co. will disclose the AR on the website & address of such website has to be provided in Board's Report.

(iv) AR shall be certified by CS in practice in form MGT-8 if the co. is a listed co. or a co. having PUSC.

(v) Appointment of Auditor: An Auditor shall be appointed for 5 years in ACIM.

(vi) The co. shall inform of his appointment <sup>to the registrar</sup> within 15 days of the meeting in which Auditor is appointed.

(vii) The co. shall also file notice of such appointment with the registrar in the form of MGT-1.

(g) Disclosure by dir. of his Interest: If any dir. has any interest in any entities including shareholding shall disclose their interest in the first meeting in the form MGT-1.

(h) Appointment of CS: Pvt. Co. having PUSC of Rs. 10 cr. or more is required to appoint whole time CS.

(i) Register of members: It's mandatory to maintain register of members, debenture holder, securities holder.

### Small Co. :- Total 9 points:

(a) Board Meeting: Co. shall hold at least (1) meeting of Board in each half of a calendar year & the gap b/w 2 meet. shall not be less than 90 days.

(b) Notice of Bm: (same as Pvt. Co.)

(11)

(c) Notice of AGM :- (same as Pvt. Co.)  
 • AGM shall be ~~held~~ ~~in~~ ~~form~~ of

(d) Circulation of FS :- (same as Pvt. Co.)

(e) Annual Return :- <sup>(11)</sup> Small Co. & OPC shall file AR in form of **MGT 7A**.

(i) (Same as Pvt. Co.)

(ii) ( " )

(iii) [Certified ni hoga becos Co. is a small Co.]

(b) Appointment of Auditor :- (same as Pvt. Co.)

(g) Disclosure of Interest by dir. :- (same as Pvt. Co.)

(h) Appointment of CS :- Co. might be appoint CS or might not be appoint CS.

(i) Register of members :- (same as Pvt. Co.)

**OPC :- Total (9) points.**

(a) BM :- (same as Small Co.)

(b) Notice of BM :- (same as ..)

(c) Notice of AGM :- There's no need to hold AGM, becos there is only 1 member.

(d) FS :- (same as small Co.)

(e) Annual Return :- (same as ..) — (i)

( " " ) — (ii)

( " " ) — (iii)

(same as small Co.) — (iv)

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- (1) Appointment of Auditor :- (same as small co.)
- (2) disclosure of Intt. by dir. - ( " )
- (3) Appointment of CS :- ( " )
- (4) Register of members :- ( " )

SEBI LODR (Regn.) 2015 :-

(1) Common obligations to listed entity :-

(7)

(a) Appointment of Share T/F Agent :-

- CO. Can manage share T/F facility.
- But when the no. of ~~stt~~ securities holders exceed one lakh the listed entity shall appoint STA.
- Intimate to SE of such appointment within (7) days.

(21)

(b) Grievance Redressal mechanism :-

- The listed entity shall file with the RSE within (21) days of the end of each quarter, a statement giving :-

- (i) The no. of investor complaints pending at the beginning of the quarter.
- (ii) Those received during the quarter.
- (iii) Disposed off during " "
- (iv) Those remaining ~~un~~ unresolved at the end of the quarter.

(30)

(c) Submission of Compliance certificate - (CC) :-

- A CC is required to be submitted to SE..
- SE certifying that all the activities in relation to both physical & electronic share T/F facility are maintained.
- The Compliance Certificate submitted within (30) days from the end of PY.

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2) Obligations of listed entity which has listed its specified securities - Equity or convertible Securities:

2) (a) Prior intimation to SE About B.M. - Intimation about the meeting in which following matters are to be considered should be give to SE at least 2 Working days in advance:

- B [ (i) Buyback of its securities
- (ii) <sup>consideration of</sup> Bonus issue of securities.
- D [ (iii) Voluntary delisting from the SE.
- (iv) Declaration of dividend
- I (v) Fund raising by the way of :- FPO / Rights issue etc.

3) (b) Prior Intimation to SE About B.M. - Intimation about the meeting in which financial results are to be considered should be given to SE at least 5 WD in advance.

4) (c) Prior Intimation to SE about B.M. - Intimation about the meeting in which following matters are to be considered :-

- (i) Any Alteration in the form or nature of any of its business or securities should be given intimation to SE atleast 11 WD in advance.
- (ii) Any ~~alteration~~ Alterations in the <sup>redemption</sup> redeemable amount of redeemable shares should be given intimation to SE atleast 11 WD in advance.

d) Quarterly Compliance report on corporate governance + Grievance Redressal Mechanism - 2 day

21/1/23

(14)

The listed entity shall submit a ~~Quarterly~~ Quarterly compliance report on CCI within (21) days from the end of each

Quarter.

(e) Annual & Secretarial Compliance Report:- The listed entity shall submit an annual secretarial compliance report to SE in the prescribed format within (60) days from the end of FY.

(f) Quarterly financial results:- The listed entity shall submit quarterly financial results to the SE within (45) days from the end of each quarter.

(g) Annually financial result:- The listed entity shall submit annually financial result to the SE within (60) days from the end of the FY.

(h) Issue of Share Certificates:- If share certificate has been lost ~~or~~ and issue of duplicate certificate it should be intimated to SE within (2) WD in advance.

(i) Annual Report:- The Annual Report which contains Airt's report, audited financial statement etc. it shall be submitted to SE within (21) days of being approved and adopted in AGM.

(j) Record date:- Notice <sup>to SE for</sup> of record date & specify the purpose of record date, it should be given to SE at least (7) WD ~~before~~ before the record date.

15

6 points

3 Obligations of listed entity which has Listed Iss  
Non-convertible Debt Securities or NR Redeemable  
Preference shares or Both :-

अगर Debt फंड में है तो Interest देना होता है।  
Debt फंड में है तो SE को बताना।  
Bm फंड में है तो SE को बताना।  
Interest फंड में है तो SE को बताना।

- अगर Debt फंड में है तो SE को बताना।
- Bm फंड में है तो SE को बताना।
- Interest फंड में है तो SE को बताना।

(a) Intimation to raise fund :- Intimation to raise fund through new non-convertible debt should be intimated to SE prior to the meeting of BOD.

(b) Intimation to Bm :- listed entity shall give intimation to SE about the Bm at least (2) WD before the meeting. Following matters is to be considered :-

- (i) Issue of non-convertible debt securities.
- (ii) Any other matter which affecting the rights of holders of NCDs.

(c) Interest Due :- The listed entity shall give intimation to SE at least before (1) WD regarding Interest due.

(d) Half-Yearly financial result :- The listed entity shall submit audited or unaudited financial result to SE on half-yearly basis within (45) days from the end of FY.

(e) Annual financial results :- (same as above) on Annually Basis within (60) days from the end of FY.

24/9/23

(4)

(b) Record date: (Same as previous)

#### (4) Obligation of listed entity which has listed its IDR:

(a) Financial results: The listed entity shall submit financial results to the SE within such time as per the listing requirements of the home country.

(b) Annual report: (Same as above).

(c) Corporate governance: The listed entity shall submit an analysis of corporate governance that are applicable in its home country. <sup>provisions to SE</sup>

(d) IDR holding pattern & shareholding details: The listed entity shall submit an IDR holding pattern to SE on a quarterly basis within 15 days from the end of each quarter.

(e) Record date: Same as above. <sup>BS change</sup> 7 days <sup>अपना है!</sup> (4) days <sup>अपना है!</sup> of submit.

#### (5) Obligation of listed entity which has listed its SDI:

(a) Record date: (Same as above) 7 days <sup>अपना है!</sup>

(b) Annual report: (Same as previous) - (21 days).

(c) Financial Info: Financial statements are required to be submitted to the SE within 7 WD from the end of the month.

(d) Intimation: The meeting of board of trustees (or) any other matter which affecting the rights of holder of SDI are required to be intimated to SE at least 7 working days before the meeting.

26/9/23.

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(e) Issue New Securities :- Intention to issue new SBI either through a public issue or a private placement Basis should be communicated to SE prior to the issue.

L2P :-

Compliance of L2P :-

As per the provision of section 33 of L2P Act 2008 contribution to the capital by each partner shall be done as per the subscriber sheet which is filed by the co. with the ROC. at the time of its incorporation.

If the partner contributes <sup>in</sup> excess of the obligation at the time of L2P incorporation, then there are 3 ways to treat the excess amo. :-

1. The L2P shall refund excess amo. to the partner as soon as possible.
2. The excess amo. shall be treated as a loan from the partner.
3. File form 3 & increase the total contribution of the firm. within 30 days of its receipt.

a) Contribution :- The contribution of each partner shall be disclosed in the Accounts of L2P along with the nature of contribution & amount.

b) Books of Accounts :- The L2P shall maintain Books of Accounts for each year of its existence on cash basis or accrual basis.

c) Particulars of Books of A/c - The Books of A/c of LLP shall contain the following :-

- (i) All sums of money received & expenditure took place.
- (ii) a record of the assets & liabilities.
- (iii) Statement of cost of goods purchased & cost of goods sold.

d) Statement of A/c of Solvency - Every LLP shall file Statement of A/c of Solvency in form 8 with the ROC.

e) Annual Return - Every LLP shall file Annual Return to the Registrar in 60 days from the end of FY in form 11.

f) Auditing of Accounts - The A/c of following LLP shall be require to gets its A/c's audited :

- Whose T/O in ANY FY Exceeds 40 lakh INR.
- Whose contribution Exceeds 25 lakh INR.

g) Appointment - A CA in Practice shall be qualified for appointment as an auditor of a LLP.

h) Presentation of Books - M. Imp.

(i) Records to be preserved permanently -

- Incorporation document
- Notice of Situation of Registered office.
- Notice of other address of any LLP at which documents to be served.
- Info. with regard to Limited Liability Permanent Partnership Agreement.

(ii) Records to be preserved for 21 years - All papers registers, refund order & etc. to be preserved for 21 years.

Imp (ii)

Records to be preserved for 5 years:-

- Copies of govt. orders.
- Copies of returns furnished to gov.
- Papers relate to legal proceedings from the date of disposal of case.
- All Correspondences including - : scrutiny of A/c, annual returns & prosecutions etc.

(iv)

Records to be preserved for 3 years:- All other Books papers & records or any other payment of fees, etc

(v)

Records of foreign LLP:- Registered document of foreign LLP which cease to have any place of business in India shall be destroyed after expiry of 3 years from the date such LLP cease to have any place of business in India...

## Sec. 8 Co. :-

### Compliances :-

- a) Bm :- BoD are required to hold only 1 Bm in every 6 months.
- b) Gm :- 14 clear days notice is sufficient for a Gm.

c) Minutes of meeting :- Co. are not required to form minutes of Gm @ Bm unless AOA provided.

(d)

No. of dirs :- Provisions related to max. no. of dir. & permissions of SHs for having dir. beyond 15 is not applicable to sec-8 co.

27/7/23.

(29)

(e) Independent dir. :- Provisions u/s 149 & 150 of Co's Act 2013 doesn't apply to sec. 8 co.

(f) Copy of FS :- member can obtain copy of Financial statements 14 clear days before the AGM.

(g) NRC & SRC :- sec 8 co. are no required to form such committees.

(h) Min. PUSC :- The requirement of min. PUSC is not apply to sec 8 co's.

## → Disclosures to be made At Website of the Co. :-

→ It's not mandatory for a pvt. co. to maintain a website.

(1) Annual Return :- every co. shall disclose the AR on the website & address of the website which is mentioned in the Board's Report.

(2) Record date :- Notice of Record date shall be published on the website within 7 WD.

(3) Disclosures About CSR Policy :- The board of every co. shall contents of the CSR in its report & also publish on website of the co.

(4) Notice of AGM :- The notice of the AGM of the co.

27/9/23

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(12)

placed on the website of the Co. & on the website a  
may be notified by C.A.

- (5) Circular for inviting deposits from the public - Every  
Co. inviting deposits from the public shall upload  
a copy of the circular on the website.

## Disclosures In Newspapers

- (1) Record date - (Same as previous)
- (2) Change in RO from the jurisdiction of one Registrar to  
another within the same state - Publish a notice atleast  
once in a daily newspaper published in English & in  
the vernacular language of that district.
- (3) Acceptance of Deposit - For Acceptance of deposit; Form  
DPT-1 may be published in English language in an  
Eng. newspaper & in vernacular language in a vernacular  
newspaper.
- (4) Voting through E-means - A Co. shall publish a public  
notice by way of an advertisement at least once in a  
vernacular newspaper & in English newspaper.
- (5) Resolution requiring special notice - Where after receiving  
special notice, a notice can't be sent to the members  
not published in English language in Eng. newspaper & in

27/9/23.

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vernacular language in a vernacular newspaper...

## Registers, Returns, Book & Other Records to be kept by Co.s:-

- a) Register of Members - MGT-1
- b) Register of debenture holder & other security holder - MGT-2
- c) Annual Return - MGT-7
- d) Annual Return for Small Co. & OPC - MGT-7A
- e) Certification of Annual Return - MGT-8
- f) Proxy - MGT-11
- g) Notice of Interest by dir. - MBP-1
- h) Register of Loans, Guarantee & Security - MBP-2
- i) Register of Investment not held in its own name by the Co. - MBP-3
- j) Register of Contracts or arrangements with related party - MBP-4.
- k) Register of Renewed & Duplicate Share Certificate - SH-2
- l) Register of sweat & equity shares - SH-3
- m) Register of EE's stock option - SH-6
- n) Register of shares (or) other securities bought back - SH-10
- o) Register of charges - CHG-7
- p) Register of significant Beneficial owner - BEN-3
- q) Maintenance of complete record of pvt. placement offers - PAS-5.