



20th July, 2021

**ADVISORY FOR ENSURING COMPLIANCE UNDER REG. 39(4) AND
SCHEDULE VI OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE
REQUIREMENTS) REGULATIONS, 2015 WHILE ISSUING SECRETARIAL AUDIT
REPORT**

Dear Professional Colleague,

In terms of the provisions of Section 204 of Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every listed Company and a Company belonging to prescribed class of companies shall annex with its Board's Report, a Secretarial Audit Report, given by a Company Secretary in Practice, in the prescribed Form MR -3.

In terms of Regulation 24A (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("hereinafter referred as SEBI LODR"), every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a Company Secretary in Practice. For this purpose, Secretarial Audit Report is to be given in Form MR-3 prescribed under Section 204 of Companies Act, 2013.

Further, Regulation 39(4) of the SEBI LODR requires a listed entity to comply with the procedural requirements specified in Schedule VI while dealing with securities issued pursuant to the public issue or any other issue or corporate benefits, physical or otherwise, which remain unclaimed and/or are lying in the escrow account, as applicable.

With an intent to further strengthen the effectiveness of the Secretarial Audit Report and protect the interest of investors of unclaimed shares, Company Secretaries in Practice are advised to thoroughly check the compliance with the procedural requirements delegated to share transfer agents by a listed entity in respect of dealings with unclaimed securities under Regulation 39(4) and Schedule VI of SEBI LODR specifically w.r.t Unclaimed/Demat Suspense Account while issuing Secretarial Audit Report to listed entities.

This advisory is issued on the basis of the observations received from Securities and Exchange Board of India.

CS Nagendra D. Rao
President, ICSI

CS Manish Gupta
Council Member &
Chairman, PCS Committee, ICSI