**🔍 Secretarial Audit**

**Ensuring Corporate Compliance with Confidence**

In today’s dynamic business environment, mere profitability is not enough—**compliance and good governance** are equally critical to building a sustainable and reputable business. **Secretarial Audit** is a powerful tool that helps companies evaluate their legal and procedural compliance status. It’s not just a statutory requirement under the Companies Act, 2013, but a smart business practice that safeguards your brand, investors’ trust, and legal standing.

Whether you're a growing enterprise or an established corporation, our Secretarial Audit services provide **transparent insights, risk mitigation**, and assurance of **compliance with corporate laws and regulations.**

**✅ What is Secretarial Audit?**

Secretarial Audit is an **independent verification** conducted by a Practicing Company Secretary to ensure that the company complies with the provisions of various corporate laws, particularly the **Companies Act, 2013**, and other applicable rules and regulations.

It involves a comprehensive review of:

* Company law compliance
* Maintenance of statutory registers and records
* Filing of necessary forms and returns
* Board processes and secretarial standards
* Legal provisions related to SEBI, FEMA, Listing Regulations (for listed companies)

**🧾 Applicability of Secretarial Audit**

As per **Section 204 of the Companies Act, 2013**, Secretarial Audit is **mandatory** for:

* Every **listed company**
* Every **public company** having:
  1. Paid-up share capital of ₹50 crore or more, or
  2. Turnover of ₹250 crore or more

🔹 **Note:** Voluntary Secretarial Audits can also be conducted by private companies to improve compliance health and corporate governance practices.

**📘 Key Benefits to Clients**

* **Avoid Penalties**: Early identification of non-compliance reduces regulatory risk.
* **Build Investor Trust**: Enhances the company’s credibility and corporate image
* **Operational Clarity**: Helps streamline secretarial and legal documentation.
* **Regulatory Confidence**: Assures the Board and regulators of healthy governance practices.
* **Strategic Decision-making**: Aids management in making informed decisions.

**📂 Scope of Our Secretarial Audit Services**

We offer end-to-end assistance covering:

* Review of minutes, registers, and resolutions
* Filing status of ROC returns and forms
* Compliance with SEBI and Listing Obligations (for listed entities)
* Applicability of other laws like FEMA, Labour laws, etc.
* Drafting and maintaining statutory documents
* Final Secretarial Audit Report in Form MR-3

**📊 Levels / Types of Secretarial Audit (Based on Client Need)**

|  |  |  |
| --- | --- | --- |
| **Type** | **Best Suited For** | **Purpose** |
| **Mandatory Audit (Sec. 204)** | Listed & large public companies | Legal requirement |
| **Voluntary Audit** | Private companies, Startups | Strengthen internal controls |
| **Compliance Health Check** | SMEs, new ventures, or companies post-merger | Evaluate and improve governance systems |
| **Event-Based Audit** | During M&A, IPO, or internal restructuring | Ensures transparency in major decisions |

**📜 Legal Framework & Statutory Reference**

* **Section 204 of the Companies Act, 2013** mandates Secretarial Audit for prescribed companies.
* The audit must be conducted by a **Practicing Company Secretary (PCS)**.
* The final report is to be submitted in **Form MR-3** and annexed with the **Board’s Report**.

**📅 Frequency of Secretarial Audit**

* **Annually** – Secretarial Audit is typically conducted for every financial year.
* Should be completed **before the Board's Report is finalized** for inclusion in the Annual Report.

**🛡️ Key Areas Covered in Secretarial Audit**

* **Companies Act, 2013**
* **SEBI Regulations** (LODR, Takeover Code, Insider Trading, etc.)
* **Depositories Act, 1996**
* **FEMA, 1999 and RBI Guidelines**
* **Labour Laws** (if applicable)
* **Environmental Laws** (based on industry type)
* **Industry-specific regulations** (like IRDAI, TRAI, etc.)
* **Maintenance of statutory registers & records**
* **Verification of meetings: Board, Committees, General Meetings**
* **Examination of e-forms and ROC filings**

**⚠️ Consequences of Non-Compliance**

Failure to conduct a Secretarial Audit (if applicable) or filing an incorrect audit report can result in:

* **Penalties for the Company and Officers in Default**
* **Legal scrutiny** from MCA or SEBI
* **Disqualification of directors** in severe cases
* **Negative impression among investors or during due diligence**

**🧑‍💼 Who Should Avail Secretarial Audit Services?**

Even if not mandatory, Secretarial Audit is **highly beneficial** for:

* **Private companies** planning to raise funds or go public
* **Startups** preparing for investor due diligence
* **Companies** undergoing mergers or restructuring
* **Businesses** aiming for better governance practices
* **Foreign subsidiaries** operating in India

**📈 How We Deliver Secretarial Audit:**

* **Initial Consultation & Scope Discussion**
* **Collection & Review of Documents**
* **Detailed Compliance Check**
* **Internal Findings Report (optional)**
* **Final Secretarial Audit Report in MR-3 format**
* **Suggestions for rectification or preventive action**

**📌 Required Documents Checklist (Basic)**

* MOA & AOA of the company
* Statutory Registers (Register of Members, Directors, Charges, etc.)
* Minutes of Board Meetings, Committee Meetings, and General Meetings
* Financial Statements and Annual Reports
* ROC filing details (MGT-7, AOC-4, etc.)
* Shareholding pattern
* Compliance certificates (as applicable)

**📝 Value-Added Services Alongside Secretarial Audit**

* **Compliance Health Check Report**
* **Legal Due Diligence**
* **Corporate Governance Report**
* **Drafting notices, resolutions, and minutes**
* **Assistance in rectification of non-compliance**