Compliances for listed company under Co. Act2013

LISTED COMPANY COMPLIANCES

Series30

2 (52) “Listed Company” means a companywhich has any of its securities listed on

any Recognized stock exchange;

23. (1)A Public Company may issue securities—

(c) Through a rights issue or a bonus issue in accordance with the provisions of this Act and in case

of a listed company or a company which intends to get its securities listed also with the provisions of

the Securities and Exchange Board of India Act, 1992 and the rules and regulations made there

under.

Close Register of Members:

Section91

91. (1) A company may close the register of members or the register of debenture holders or the

register of other security holders for any period or periods not exceeding in the aggregate fortyfive

days in each year, but not exceeding thirty days at any one time, subject to giving of previous notice

of at least seven days or such lesser period as may be specified by Securities and Exchange Board

for listed companies or the companies which intend to get their securities listed, in such manner as

may be prescribed.

Annual Return:

Section92

(2) The annual return, filed by a listed company or, by a company having paid up share capital of Rs.

10 crore or more and turnover of Rs. 25 crore or more, shall be certified by a company secretary in

practice in the prescribed form, stating that the annual return discloses the facts correctly and

adequately and that the company has complied with all the provisions of this Act.

Change in Shareholding of Promoters and Top 10 Shareholders:

As per SECTION 93 of the Companies Act, 2013 and Rule 13 of Companies (Management and

Administration) Rules, 2014

Every listed company is required to file a return with Registrar of Companies in eform MGT10

with respect to change of 2% or more (whether in value or volume) in shareholding of Promoters

and Top ten Shareholders of the company within 15 days of such change.

EVOTING:

As per SECTION 108 of the Companies Act, 2013 and the Rule 20 of Companies (Management

and Administration) Rules, 2014

Every listed company or a company having not less than one thousand shareholders, shall provide to

its members facility to exercise their right to vote at general meetings by electronic means.

Further, as per Clause 35B of listing agreement, as amended by SEBI vide its Circular dated April

17, 2014

Every listed company shall provide evoting facility to its shareholders, in respect of all

shareholders' resolutions, to be passed at General Meetings and those shareholders, who do not

have access to evoting facility shall be provided with postal ballot facility.

CONCLUSION:

evotingand postal ballot facility is mandatorily required to be given to the shareholders in respect of

any general meeting resolution.

MAINTENANCE OF RECORDS IN ELECTRONIC FORM

As per Section 120 of the Companies Act, 2013 and Rule 27 & 28 Companies (Management and

Administration) Rules, 2014

Every listed company or a company having not less than one thousand shareholders, debenture

holders and other security holders, shall maintain its records in electronic form which shall be in a

readable format but cannot be tampered after affixing digital signature wherever required as per

provisions of the Companies Act, 2013.

Record means: “Any register, index agreement, memorandum, minutes as any other document

required by the Act or the rules made there under to be kept by a company."

Further a transitional phase of 6 months has been given for converting the existing records into eforms.

The Managing Director, Company Secretary or any other director or officer of the company as the

Board may decide shall be responsible for the maintenance and security of electronic records.

CONCLUSION

All

records of the company are mandatorily required to be maintained in electronic form (readable but

non rewritable).

SOURCE:caclubindia.com

REPORT ON ANNUAL GENERAL MEETING:

SECTION121.

(1) Every listed public company shall prepare in the prescribed manner a report on each annual

general meeting including the confirmation to the effect that the meeting was convened, held and

conducted as per the provisions of this Act and the rules made there under.

(2) The company shall file with the Registrar a copy of the report referred to in subsection (1) within

30 days of the conclusion of the annual general meeting in eform MGT15.

DIRECTOR REPORT:

As per Section 134 of the Companies Act, 2013 and Rule8 (4) of Companies (Accounts) Rules,

2014

Every listed company shall include, in the report by its Board of directors, a statement indicating the

manner in which formal annual evaluation has been made by the Board of its own performance and

that of its committees and individual directors.

(e) the directors, in the case of a listed company, had laid down internal financial controls to be

followed by the company and that such internal financial controls are adequate and were operating

effectively.

As per Section 197 of Companies Act, 2013 and Rule 5 of Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014

Every listed company shall disclose in the Board’s report the ratio of the remuneration of each

director to the median remuneration of the employees of the company for the financial year and

various other details like number of permanent employees on the rolls of company, comparison of

the remuneration of the Key Managerial Personnel against the performance of the company etc.

MODE OF SENDING FINANCIAL STATEMENTS

As per Section 136 of the Companies Act, 2013 and Rule 11 of Companies (Accounts) Rules,

2014:

Every listed company may send the financial statements:By Electronic Mode:To such members

whose shareholding is in dematerialized format and whose email Ids are registered with Depository

for communication purposes; where Shareholding is held otherwise than by dematerialized format,

to such members who have positively consented in writing for receiving by electronic mode; and

By dispatch of physical copies through any recognized mode of delivery as specified under section

20 of the Act, in all other cases.

Provided also that a listed company shall also place its financial statements including

Consolidated financial statements, if any, and all other documents required to be attached thereto,

on its website,

which is maintained by or on behalf of the company:

Provided also that every company having a subsidiary or subsidiaries shall,—

(a) place separate audited accounts in respect of each of its subsidiary on its website, if any;

(b) provide a copy of separate audited financial statements in respect of each of its subsidiary, to any

shareholder of the company who asks for it.

(2) A company shall allow every member or trustee of the holder of any debentures issued by the

company to inspect the documents stated under subsection

(1) at its registered office during business hours.

(3) If any default is made in complying with the provisions of this section, the company shall be

liable to a penalty of twentyfive thousand rupees and every officer of the company who is in default

shall be liable to a penalty of five thousand rupees.

INTERNAL AUDITOR

As per Section 138 of the Companies Act, 2013 and the Companies (Accounts)Rules, 2014

Every listed company shall have an internal auditor, who may be a Chartered Accountant, Cost

Accountant or any other Professional (i.e. Company Secretary). The scope, functioning, periodicity

and methodology for conducting the internal audit shall be decided by Audit Committee in

consultation with the internal auditor.

Further a transitional period of 6 months has been given to comply with this provision.

ROTATION OF AUDITORS

As per Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules,

2014

No listed company shall appoint or reappoint—

a) An individual as auditor for more than one term of five Consecutive years; and

b) An audit firm as auditor for more than two terms of five consecutive years Provided that—

I. An individual auditor who has completed his term under clause (a) shall not be eligible for

Reappointment as auditor in the same company for five years from the completion of his term;

II. An audit firm which has completed its term under clause (b), shall not be eligible for

Reappointment as auditor in the same company for five years from the completion of such term:

Further, A transitional period of 3 years has been allowed for the compliance with this provision.

APPOINTMENT OF WOMAN DIRECTOR

As per Section 149(1) of the Companies Act, 2013 and Rule 3 of Companies(Appointment and

Qualification of Directors, Rules 2014

The following class of companies shall appoint at least one woman director Every

listed company;

a) every other public company having –

b) paid–up share capital of one hundred crore rupees or more; or

c) turnover of three hundred crore rupees or more:

Further a transitional period of 1 year has been given to comply with this provision and for a newly

Incorporated Company these requirements get triggered after 6 months.

APPOINTMENT OF INDEPENDENT DIRECTOR

As per Section 149 of the Companies Act, 2013 and Rule 4 of Companies(Appointment and

Qualification of Directors, Rules 2014

The following class of companies shall appoint Independent Directors(

i) every listed company;

(ii) every other public company having (

a) paid–up share capital of ten crore rupees or more; or

(b) turnover of hundred crore rupees or more:

(c) the Public Companies which have, in aggregate, outstanding loans, debentures and deposits,

exceeding fifty crore rupees

Further a transitional period of 1 year has been given to comply with this provision

APPOINTMENT OF SMALL SHAREHOLDER’S DIRECTOR

As per Section 151 and Rule 7(1) of Companies (Appointment and Qualification ofDirectors) Rules,

2014

A listed company, may upon notice of not less than one thousand small shareholders or onetenth

Of the total number of such shareholders, whichever is lower, have a small shareholders’ director

elected by the small shareholders.

OBTAIN CERTIFICATE OF INDEPENDENCE FROM INDEPENDENT DIRECTORS

As per Section 149(7) of the Companies Act, 2013 and theCompanies(Appointment and

Qualification of Directors, Rules 2014

Every independent director shall at the first meeting of the Board in which he participates as a

director and thereafter at the first meeting of the Board in every financial year or whenever there is

any change in the circumstances which may affect his status as an independent director, give a

declaration that he meets the criteria of independence as provided in subsection(*6*).

CONSTITUTION OF AUDIT COMMITTEE

As per Section 177 and Rule 6 of Companies (Meetings of Board and its Powers)Rules, 2014

The following class of companies shall constitute an Audit Committee: (

i) every listed company;

(ii) every other public company having (

a) paid–up share capital of ten crore rupees or more; or

(b) turnover of hundred crore rupees or more:

(c) the Public Companies which have, in aggregate, outstanding loans, debentures and deposits,

exceeding fifty crore rupees

Composition:Minimum 3 directors with majority independent, furtherprovided that majority

including its Chairperson shall be persons with ability to read and understand, the financial

statement.

Transitional phase for Reconstitution: As per Section 177(3), EveryAudit Committee of a

company existing immediately before the commencement of this Act shall, within one year of such

commencement, be reconstituted in accordance with subsection(*2*).

(9) Every listed company or such class or classes of companies, as may be prescribed,shall establish

a vigil mechanism for directors and employees to report genuine concerns insuch manner as may be

prescribed.

CONSTITUTION OF NOMINATION & REMUNERATION COMMITTEE

As per Section 178 of Companies Act, 2013 and Rule 6 of Companies (Companies(Meetings of

Board and its Powers) Rules, 2014

Companies as aforesaid, shall constitute a Nomination & RemunerationCommittee

Composition:Three or more nonexecutive directors out of which notless than onehalf

Be independent directors. The chairperson of the company (whether executive or nonexecutive)

may be appointed as a member of the Nomination and Remuneration Committee but shall not chair

such Committee.

CONSTITUTION OF STAKEHOLDERS RELATIONSHIP COMMITTEE

As per Section 178of Companies Act, 2013

The Board of Directors of a company which consists of more than one thousand shareholders,

debentureholders,depositholders and any other security holders at any time during a financial year

shall constitute a Stakeholders Relationship Committee consisting of a chairperson who shall be a

nonexecutive director and such other members as may be decided by the Board.

APPOINTMENT OF KEY MANAGERIAL PERSONNNEL

As per Section 203 and Rule 8 of Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014

Every listed company and every other public company having a paidup share capital of ten crore

rupees or more shall have wholetime key managerial personnel

SECRETARIAL AUDIT

As per Section 204 of the Companies Act, 2013 and Companies (Appointmentand Remuneration of

Managerial Personnel) Rules, 2014

Every listed Company shall annex with its Board’s report, a secretarial audit report, given by a

company secretary in practice, in form MR3 and the Board shall explain in full in its Board report

any qualification or observation made by the secretarial auditor.

Further, following Companies also have to comply with these provisions:(

a) every public company having a paidup share capital of 50 crore rupees or more; or

(b) every public company having a turnover of 250 crore rupees or more.

OTHER IMPACT AREAS:A.

Notice of Board meeting:

S. No. No. of Members Quorum

1. Upto 1000 5 Members

2. Above 1000 upto 5000 15 Members

Above 5000 30 members

As per Section 173 of the Companies Act, 2013 at least 7 days notice in writing is required to be

given to every director of the company.

B. Quorum for Annual General Meeting

As per Section 103 of the Companies Act, 2013 following shall be the quorum for all

publicCompanies

C.Maximum Number of Directorships

As per Section 165 no person, after the commencement of this Act, shall hold office as a director,

including any alternate directorship, in more than 20 companies at the same time.

Provided that the maximum number of public companies in which a person can be appointed as a

director shall not exceed 10. For this purpose, holding or subsidiaries of private companies shall be

taken as public. Further a company may, by special resolution, specify any lesser number of

companies in which a director of the company may act as directors.

(