

## Procedure for Appointment of Company Secretary (CS) and Compliance Officer

### Step-1: Convening Nomination and Remuneration Committee (NRC) Meeting:

Hold a Nomination and Remuneration Committee Meeting and recommend the remuneration, after the assessment of background of the candidate to Board of Directors.

**Ref: Section 173 read with SS-1 and Reg. 19 of LODR, Reg. 2015**

### Step-2: Issue notice of Board Meeting:

A Notice for convening BoD meeting shall be issued to all directors and invitee(s), if any, by the Company.

**Ref: Section 173 & 174 read with SS-1**

### Step-3: Intimation of Closure of Trading Window: [Pdf mode]

The Company is required to intimate the Stock Exchange(s) regarding the closure of trading window.

**Ref: Reg 9 read with Schedule B of PIT Regulations 2015**

### Step-4: Intimation of Closure of Trading Window: [XBRL mode]

The Company has to submit XBRL utility file, with Stock Exchange(s), within 24 hours from submission in pdf mode.

**BSE Circular dated 08.12.2023:-** <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20231208-34>

**NSE Circular dated 08.12.2023:-** <https://searchives.nseindia.com/web/sites/default/files/inline-files/NSE%20Circular-%20Filing%20of%20Announcements%20pertaining%20to%20Loss%20and%20Duplicate%20Share%20Certificate%2C%20Trading%20Window%2C%20CIRP%20in%20XBRL%20format%20on%20NEAPS%201.pdf>

**Step-5: Entry in SDD maintained with Designated Depository (NSDL/CDSL):**

The Company is required to update the details including closing and opening date of trading window in SDD system maintained with Designated Depository.

**Ref: Reg 3(5) & (6) of PIT Regulations read with Stock Exchanges circulars**

**BSE Master Circular dated 30.06.2023:-** <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20230630-12>

**NSE Circular dated 05.07.2023:-** [https://nsearchives.nseindia.com/web/sites/default/files/inlinefiles/NSE\\_CIRCULAR\\_05072023\\_EQUITY.zip](https://nsearchives.nseindia.com/web/sites/default/files/inlinefiles/NSE_CIRCULAR_05072023_EQUITY.zip)

**Step-6: Hold a Board Meeting:**

The Company will hold BoD Meeting and approve the appointment of Company Secretary & Compliance Officer.

**Ref: Sec. 173, 174 & rules made under Companies Act, 2013 read with Reg. 6 of SEBI LODR, Reg. 2015.**

**Step-7: Submission of Outcome of BoD Meeting: [Pdf Mode]**

The Company has to submit the outcome of Board Meeting with the Stock Exchange(s), within 30 minutes from conclusion of Board Meeting.

**Ref: Reg. 30 read with Stock Exchanges circulars**

**BSE Master Circular dated 30.06.2023:-** <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20230630-12>

**NSE Circular dated 05.07.2023:-** [https://nsearchives.nseindia.com/web/sites/default/files/inlinefiles/NSE\\_CIRCULAR\\_05072023\\_EQUITY.zip](https://nsearchives.nseindia.com/web/sites/default/files/inlinefiles/NSE_CIRCULAR_05072023_EQUITY.zip)

**Step-08: Submission of disclosure regarding appointment of CS (Change in KMP): [XBRL mode]**

The Company has to submit XBRL utility file, with Stock Exchange(s), within 24 hours from submission in pdf mode.

**Ref: Reg. 30 read with Stock Exchanges circulars**

**BSE Master Circular dated 30.06.2023:-** <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20230630-12>

**NSE Circular dated 05.07.2023:-** [https://nsearchives.nseindia.com/web/sites/default/files/inlinefiles/NSE\\_CIRCULAR\\_05072023\\_EQUITY.zip](https://nsearchives.nseindia.com/web/sites/default/files/inlinefiles/NSE_CIRCULAR_05072023_EQUITY.zip)

**Step-09: Authorization for determining Materiality of Event/Information and filing disclosures : [However, any KMP may be authorised]**

The Company has to authorize CS for determining materiality of Event/Information and filing disclosures to stock exchange(s) under regulation 30.

**Ref: Section 117 read with Rule 24 of the Companies (Management and Administration) Rules, 2014**

**Step-10: Website Updation**

The Company has to disclose the name and contact details of authorised person under regulation 30, on its website.

**Ref: Reg. 46(3) of LODR, 2015**

**Step-11: Generation of eCSIN : [However it may be generated at the time of giving consent letter/acceptance letter]**

The eCSIN shall be generated not later than 30 days from date of appointment and the eCSIN shall be attached to e-form DIR-12.

**Ref: Section 117 read with Rule 24 of the Companies (Management and Administration) Rules, 2014**

**Step-12: Filing of e-form MGT-14: [Pdf mode]**

The Company has to file e form MGT-14 (Resolution pursuant to section 179), with Registrar of Companies (ROC), within 30 days of passing the resolution in BoD Meeting.

**Ref: Section 117 read with Rule 24 of the Companies (Management and Administration) Rules, 2014**

**Step-13: Filing of e-form DIR-12 regarding appointment of CS: [Pdf mode]**

The Company has to file e-form DIR-12 for appointment of CS, with Registrar of Companies (ROC) within 30 days of appointment in BoD Meeting.

**Ref: Section 179 & 203 read with Rule 24 of the Companies (Management and Administration) Rules, 2014**

## Provisions regarding appointment, remuneration etc. of Company Secretary (CS) & Compliance officer

### Governing Provisions:

1. Companies Act, 2013 and rules made thereunder **(CA, 2013)**
2. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(SEBI LODR, 2015)**
3. SEBI (Prohibition of Insider Trading) Regulations, 2015 **(PIT Reg, 2015 or Insider Regulations)**
4. Secretarial Standards 1 & 2 **(SS-1 and SS-2)**
5. SEBI, NSE and BSE Circulars **(Circulars)**
6. MCA Notifications **(Notification)**

Sr. No.	Basis of Difference	Companies Act, 2013	SEBI LODR, Reg. 2015
1.	<b>Definition</b>	<p><b>Sec. 2(19): Company Secretary" or "Secretary"</b>                      "Company secretary" or "Secretary" means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under this Act;</p> <p><b>Sec. 2(51): Key Managerial Personnel</b>                      "Key Managerial Personnel", in relation to a company, means—</p> <ol style="list-style-type: none"> <li>(i) the Chief Executive Officer or the Managing Director or the Manager;</li> <li>(ii) the company secretary;</li> <li>(iii) the whole-time director;</li> <li>(iv) the Chief Financial Officer;</li> </ol>	<p><b>Reg.6. (1): Compliance Officer</b>                      A listed entity shall appoint a qualified company secretary as the compliance officer.</p> <p><b>Regulation 2(1) (o): Key Managerial Personnel</b>                      "Key Managerial Personnel" means key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013;</p>

		<p>(v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board; and</p> <p>(vi) such other officer as may be prescribed.</p> <p><b>Explanation to Section 178: Senior Management</b></p> <p>The expression “senior management” means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.</p>	<p><b>Reg. 16(1) (d): Senior Management</b></p> <p>“Senior Management” shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and <b>shall specifically include the functional heads, by whatever name called and the Company Secretary</b> and the Chief Financial Officer.</p>
2.	<b>Provisions regarding appointment</b>	<p><b>1. Sec. 178(2): Nomination and Remuneration Committee</b></p> <p>The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and <b>who may be appointed in senior management</b> in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.</p> <p><b>2. Sec. 203(1): Appointment of Key Managerial Personnel</b></p> <p>Every company belonging to such class or classes of companies <b>as may be prescribed</b> shall have the following whole-time key managerial personnel,—</p>	<p><b>1. Recommendation of Nomination &amp; Remuneration Committee:</b></p> <p><b>Reg. 19(4) read with Part D Para A of the Schedule II:-</b></p> <p>(4) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.</p>

		<p>(i) Managing director, or Chief Executive Officer or Manager and in their absence, a whole-time director;</p> <p>(ii) <b>Company secretary</b>; and</p> <p>(iii) Chief Financial Officer:</p> <p>Provided that an individual shall not be appointed or reappointed as the chairperson of the company, in pursuance of the articles of the company, as well as the managing director or Chief Executive Officer of the company at the same time after the date of commencement of this Act unless,—</p> <p>(a) the articles of such a company provide otherwise; or</p> <p>(b) the company does not carry multiple businesses:</p> <p>Provided further that nothing contained in the first proviso shall apply to such class of companies engaged in multiple businesses and which has appointed one or more Chief Executive Officers for each such business as may be notified by the Central Government.</p> <p><b>Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:</b></p> <p><b>Every listed company and every other public company having a paid-up share capital of ten crore rupees or more shall have whole-time key managerial personnel.</b></p>	
3.	<b>Remuneration</b>	<p><b>Sec. 178(4): Nomination and Remuneration Committee</b></p> <p>The Nomination and Remuneration Committee shall, while formulating the policy under sub-section (3) ensure that—</p> <p>(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;</p>	<p><b>Reg. 19(4) read with Part D Para A(6) of the Schedule II:-</b></p> <p>Recommend to the board, all remuneration, in whatever form, payable to senior management.</p>

		<p>(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and</p> <p>(c) <b>remuneration to directors, key managerial personnel and senior management</b> involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:</p>	
4.	<b>Filling up of casual Vacancy</b>	<p><b>Section 203(4): Vacancy of Key Managerial Personnel</b></p> <p>If the office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board <b>within a period of six months from the date of such vacancy.</b></p>	<p><b>Reg.6(1A): Vacancy of Compliance Officer</b></p> <p>Any vacancy in the office of the Compliance Officer shall be filled by the listed entity at the earliest and in any case <b>not later than three months from the date of such vacancy:</b></p> <p>Provided that the listed entity shall not fill such vacancy by appointing a person in interim capacity, unless such appointment is made in accordance with the laws applicable in case of a fresh appointment to such office and the obligations under such laws are made applicable to such person.</p>
5.	<b>Role/Functions</b>	<p><b>Sec. 205 read with rule 10 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:</b></p> <p>a) to report to the Board about compliance with the provisions of this Act, the rules made thereunder and other laws applicable to the company;</p> <p>b) to ensure that the company complies with the applicable secretarial standards;</p> <p>c) to discharge such other duties <b>as may be prescribed.</b></p> <p><b>The duties of Company Secretary shall also discharge, the following duties, namely:-</b></p> <p>1) to provide to the directors of the company, collectively and individually, such guidance as they may require, with regard to their duties, responsibilities and powers;</p>	<p><b>Reg. 6(2): Compliance Officer and his /her Obligations</b></p> <p>The compliance officer of the listed entity shall be responsible for-</p> <p>a) ensuring conformity with the regulatory provisions applicable to the listed entity in letter and spirit.</p> <p>b) co-ordination with and reporting to the Board, recognised stock exchange(s) and depositories with respect to compliance with rules, regulations and other directives of these authorities in manner as specified from time to time.</p> <p>c) ensuring that the correct procedures have been followed that would result in the correctness, authenticity and comprehensiveness of the information, statements and reports filed by the listed entity under these regulations.</p>



		<ol style="list-style-type: none"> <li>2) to facilitate the convening of meetings and attend Board, committee and general meetings and maintain the minutes of these meetings;</li> <li>3) to obtain approvals from the Board, general meeting, the government and such other authorities as required under the provisions of the Act;</li> <li>4) to represent before various regulators, and other authorities under the Act in connection with discharge of various duties under the Act;</li> <li>5) to assist the Board in the conduct of the affairs of the company;</li> <li>6) to assist and advise the Board in ensuring good corporate governance and in complying with the corporate governance requirements and best practices; and</li> <li>7) to discharge such other duties as have been specified under the Act or rules; and</li> <li>8) such other duties as may be assigned by the Board from time to time.</li> </ol>	d) monitoring email address of grievance redressal division as designated by the listed entity for the purpose of registering complaints by investors:
6.	<b>Register / Entry in System to be maintained</b>	<p><b>Section 189: Register of Contracts or Arrangements in Which Directors are interested</b></p> <p>Every director or key managerial personnel shall, within a period of thirty days of his appointment, or relinquishment of his office, as the case may be, disclose to the company the particulars specified in sub-section (1) of section 184 relating to his concern or interest in the other associations which are required to be included in the register under that sub-section or such other information relating to himself <b>as may be prescribed.</b></p>	<p><b>Reg. 3(5) &amp; (6) of PIT Reg 2015: Structured Digital Database</b></p> <p>The board of directors or head(s) of the organization of every person required to handle unpublished price sensitive information shall ensure that a structured digital database is maintained containing the nature of unpublished price sensitive information and the names of such persons who have shared the information and also the names of such persons with whom information is shared under this regulation along with the Permanent Account Number or any other identifier authorized by law where Permanent Account Number is not available. Such database shall not be outsourced and shall be maintained internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database.</p>



**Rule 16 of the Companies (Meetings of Board and its Powers) Rules, 2014:**

Every company shall maintain one or more registers in Form MBP 4, and shall enter therein the particulars of-

- (a) Company or companies or bodies corporate, firms or other association of individuals, in which any director has any concern or interest, as mentioned under sub-section (1) of section 184:

Provided that the particulars of the company or companies or bodies corporate in which a director himself together with any other director holds two percent. or less of the paid-up share capital would not be required to be entered in the register;

- (b) contracts or arrangements with a body corporate or firm or other entity as mentioned under sub-section (2) of section 184, in which any director is, directly or indirectly, concerned or interested; and
- (c) Contracts or arrangements with a related party with respect to transactions to which section 188 applies.

**Sec. 170: Register of Directors and key Managerial Personnel and their Shareholding**

Every company shall keep at its registered office a register containing such particulars of its directors and key managerial personnel as **may be prescribed**, which shall include the details of securities held by each of them in the company or its holding, subsidiary, subsidiary of company's holding company or associate companies.

**Rule 17 of Companies (Appointment and Qualifications of Directors) Rules, 2014.**

The board of directors or head(s) of the organization of every person required to handle unpublished price sensitive information shall ensure that the structured digital database is preserved for a period of not less than eight years after completion of the relevant transactions and in the event of receipt of any information from the Board regarding any investigation or enforcement proceedings, the relevant information in the structured digital database shall be preserved till the completion of such proceedings.

**NSE and BSE Circulars:**

*The listed entities are advised to take a note that the listed entities to whom the provisions of Regulation 24A of SEBI(LODR) Regulations, 2015 are not applicable, are required to continue to submit SDD Compliance certificate on quarterly basis, within 21 days from end of each quarter.*

7.	<b>Disclosure(s) required</b>	1. Consent including eCSIN ( <b>Recommendatory</b> ) 2. Disclosure of Interest/Concern ( <b>No specified format, however generally use the form MBP-1</b> ) 3. List of deemed Relatives [ <b>Annually</b> ]	1. Form- A ( <b>Initially</b> ) [Reg 7 (1) (b) & reg. 6(2) of PIT Reg. 2015] 2. Disclosure by Designated Person- Reg. 9 read with Sch. B of PIT Reg. 2015[ <b>Annually</b> ] 3. Code of Conduct -Reg 26(3) of LODR. 2015. [ <b>Annually</b> ] 4. Disclosures of all material, financial and commercial transactions ( <b>Event based</b> )
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### Notes:

- In case of **Government Company** - Section 170 shall not apply to Government Company in which the entire share capital is held by the Central Government, or by any State Government or Governments or by the Central Government or by one or more State Governments. - **Notification dated 5th June, 2015.**
- In case of **Specified IFSC Public and Private Companies** in Sub-section (2) of section 170 for the words "thirty days" at both places read as "sixty days". - **Notification Dated 4th January 2017.**
- In case of **Section 8 Company** - Section 170 shall not apply. - **Notification dated 5th June, 2015.**
- In case of **Government Companies**: Provisions in Sub-section (2) (3) & (4) of section 178 shall not apply except with regard to appointment of 'senior management' and other employees". - **Notification Dated 5th June, 2015.**
- In case of **Specified IFSC Public Companies** - Section 178 shall not apply. - **Notification dated 4th January 2017.**
- In case of **Government Companies**: **after sub-section (4) of Section 203, the following sub-section shall be inserted, namely :-**  
**(4A) The provisions of sub-sections (1), (2), (3) and (4) of this section shall not apply to a managing director or Chief Executive Officer or manager and in their absence, a whole-time director of the Government Company."** - **Notification dated 5th June, 2015.**
- **Reg. 26(5):** Senior management shall make disclosures to the board of directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the listed entity at large.  
**Explanation.** - For the purpose of this sub-regulation, conflict of interest relates to dealing in the shares of listed entity, commercial dealings with bodies, which have shareholding of management and their relatives etc.
- **Reg. 17(7) read with Sch. II:** The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.

- **Reporting to Stock Exchange(s): Reg. 30 read with sub para 6 of para A of part A of Sch. III**

Fraud or defaults by a listed entity, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the listed entity, whether occurred within India or abroad:

**For the purpose of this sub-paragraph:**

(i) 'Fraud' shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

(ii) 'Default' shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.

**Explanation 1-** In case of revolving facilities like cash credit, an entity would be considered to be in 'default' if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days.

**Explanation 2-** Default by a promoter, director, key managerial personnel, senior management, subsidiary shall mean default which has or may have an impact on the listed entity.

**Reg. 30(6) read with Sch. III (part A) para A(sub para 7C):**

In case of **resignation of key managerial personnel, senior management, Compliance Officer** or director other than an independent director; the letter of **resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer** or director shall be disclosed to the stock exchanges by the listed entities **within seven days from the date that such resignation comes into effect.**

**Definition of Compliance Officer under PIT, Reg. 2015 [Reg. 2(1)(c)]**

"Compliance Officer" means any senior officer, designated so and reporting to the board of directors or head of the organization in case board is not there, who is financially literate and is capable of appreciating requirements for legal and regulatory compliance under these regulations and who shall be responsible for compliance of policies, procedures, maintenance of records, monitoring adherence to the rules for the preservation of unpublished price sensitive information, monitoring of trades and the implementation of the codes specified in these regulations under the overall supervision of the board of directors of the listed company or the head of an organization, as the case may be.

**Explanation –** For the purpose of this regulation, "financially literate" shall mean a person who has the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows;

**Thank you so much for your support & sharing is caring always...**  
***Shree Radhe Krishna...***

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