



**THE INSTITUTE OF
Company Secretaries of India**

भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

MCA/2019

22nd April, 2019

Shri Injeti Srinivas
Secretary
Ministry of Corporate Affairs
Government of India
5th Floor, Shastri Bhawan
Dr. Rajendra Prasad Road
New Delhi - 110 001

21/4/19



Subject: Standardised format of reporting under Rule 9A of Companies (Prospectus and Allotment of Securities) Rules, 2014 - Reg.

Sir,

The Companies (Prospectus and Allotment of Securities) Rules, 2014 were amended by the Companies (Prospectus and Allotment of Securities) Third Amendment Rules, 2018 inserting Rule 9A pertaining to Issue of securities in dematerialised form by unlisted public companies mandating that **"Every unlisted public company shall issue the securities only in dematerialised form; and facilitate dematerialisation of all its existing securities in accordance with provisions of the Depositories Act, 1996 and regulations made there under"**.

Furthermore, pursuant to sub-rule (8) of rule 9A of the abovementioned rules, **"The audit report provided under regulation 55A of the Securities and Exchange Board of India (Depositories and participants) Regulations, 1996 shall be submitted by the unlisted public company on a half-yearly basis to the Registrar under whose jurisdiction the registered office of the company is situated"**.

The Regulation 76 of LODR (erstwhile Regulation 55A(1) of the SEBI (Depositories and Participants) Regulations, 1996) states that **"Every issuer shall submit audit report on a quarterly basis starting from September 30, 2003 to the concerned stock exchanges audited by a qualified chartered accountant or a practicing company secretary, for the purposes of reconciliation of the total issued capital, listed capital and capital held by depositories in dematerialized form, the details of changes in share capital during the quarter and the in-principle approval obtained by the issuer from all stock exchanges where it is listed in respect of such further issued capital"**.

Sir, in light of the recent developments and the practical difficulties facing stakeholders, we would like to make the following submissions:

(A) Format of Audit Report:

Presently, the Audit Report is required to be submitted by the Corporates to the Stock Exchanges with which the company is listed. However, with the Rule 9A being enforced and the said reporting mandate being extended to unlisted public companies, it is imperative that a standardised format is provided amongst stakeholders for the ease and assistance of both the corporates and professionals alike and to support the existing governance structure.

Vision

"To be a global leader in promoting good corporate governance"

Motto

सत्यं वद। धर्मं चर। इष्टकारं कुरु। तृप्तोः भवेदस्युः।

Mission

"To develop high calibre professionals facilitating good corporate governance"



In view of the same, the Institute has developed a draft format viz. **Reconciliation of Securities Capital Audit Report for unlisted companies (placed at Annexure - A)** on the same lines of the existing Format for Reconciliation of Share Capital Audit as prescribed in Regulation 76 of LODR (erstwhile Regulation 55A the SEBI (Depositories and Participants) Regulations, 1996) focusing on the specific features and characteristics of unlisted entities.

(B) Form to be used & Duration for filing the report:

In order to make necessary compliance, some of the Corporate have filed the Reconciliation of Securities Capital Audit Report in e-Form GNL-2, which has been rejected by the Registrar. We request you to advise the Registrar of Companies, not to reject the filings under Rule 9A made in E-Form GNL-2, till the time GNL-2 or an appropriate Form is notified by the Ministry.

Further, Rule 9A filing of the Report prescribes filing of the Report on half- yearly basis with the Registrar, however, the duration (time period after closure of 6 months) within which the same shall be filed has not been specified in the Rules.

In light of the same, it is suggested that the duration for filing the said Report may be specified and it may be mandated that "Every unlisted public company shall file with the Registrar a copy of the **Reconciliation of Securities Capital Audit Report for unlisted companies**, within **thirty** days from the date of closing of the each half year."

As Rule 9A does not prescribe the Form for filing of Reconciliation of Securities Capital Audit Report with the concerned Registrar of Companies by the Corporates. Therefore, it is requested to notify either e-form GNL-2 or any other e- form with which the said Report can be submitted.

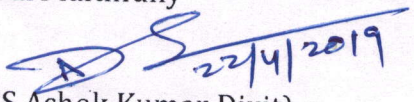
Furthermore, w.e.f October 3, 2018, the SEBI (Depositories and Participants) Regulations, 1996 have been repealed and replaced by SEBI (Depositories and Participants) Regulations, 2018, Rule 9A may be amended accordingly to replace Regulation 55A with Regulation 76.

Sir, the above submissions have been placed before your goodself with the intent of strengthening the existing legal structure pertaining to this area of corporate activity and easing the practical issues of stakeholders.

We shall be happy to provide any further information or clarification that may be desired in this regard.

Thanking you

Yours faithfully


(CS Ashok Kumar Dixit)
Officiating Secretary

Encl.: Annexure A- Format of Reconciliation of Securities Capital Audit Report for unlisted companies

Draft format submitted to MCA

Annexure A

FORMAT FOR RECONCILIATION OF SECURITIES CAPITAL AUDIT REPORT FOR UNLISTED COMPANIES.

To,
The Board of Directors
..... Limited

We have examined the register of members, beneficiary details furnished by the depositories and other records/ documents maintained by _____ Limited (hereinafter referred as "the Company") and its Registrar & Share Transfer Agent _____ Limited, for issuing this certificate in accordance with Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014 read with applicable provisions of the Companies Act, 2013.

In our opinion and to the best of our knowledge and according to the information and explanations furnished to us and based on such verification as considered necessary, we hereby certify that the number of Equity Shares of the Company held with Central Depository Services Limited (CDSL), National Securities Depository Limited (NSDL) and in physical form with respect to the issued / paid up, listed and admitted capital for the half year ended on _____ are as per details given below:

1	For Half year Ended	
2	CIN:	
3	Face Value:	
4	Name of the Company	
5	Registered Office Address	
6	Correspondence Address	
7	Telephone & Fax Nos.	
8	Email address	

9 Whether admitted in the depository (Yes / No) _____

10 Issued Equity Capital

Type of Capital	Number of shares

11 Details of shares held by

	Demat	Physical	Total
Promoters			
Directors			
KMP			

12 Held in dematerialised form in CDSL

13 Held in dematerialised form in NSDL

14 Physical

15 Total No. of shares (12+13+14)

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16 Reasons for difference if any, between (10&15), (11&15):

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17 Details of additional shares issued during the

Particulars***	No. of shares	whether intimated to CDSL	whether intimated to NSDL

*** Rights, Bonus, Preferential Issue, ESOPs, Sweat Equity, Amalgamation, Conversion, Buyback, Capital Reduction
 Forfeiture, Any other (to specify).

18 **Register of Members is updated (Yes / No)** _____
 If not, updated upto which date _____

19 Reference of previous half year with regards to excess dematerialised shares, if any.

20 Has the company resolved the matter mentioned in point no. 19 above in the current half year ? If not, reason why ?
 21 Beyond 21 days with the reasons for delay :

	No. of requests	No. of shares
Total No. of demat requests		
Confirmed within 21 days		
Confirmed after 21 Days		
Pending for more than 21 days		

22 **MD/CEO/Director/Compliance Officer/KMP**
 23 **Name, Address, Tel. & Fax No., Membership no. and CoP No. of the Practicing Company Secretary** _____
 24 **Name, Address, Telephone, Email id and Mobile No. of the Registrar** _____
 25 **Any other information:**

For _____ & Associates
 Company Secretaries

Date: _____
 Place: _____
 CS _____
 Partner / Proprietor
 FCS/ACS _____ ; CoP No.: _____