



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CIRCULAR

CIR/CFD/DIL/1/2014

March 25, 2014

**To
All Stock Exchanges**

Dear Sir/Madam,

Sub: Format for Auditors' Certificate required under Clause 24(i) of the Equity Listing Agreement

1. This is with reference to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 and SEBI Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013 on the requirements for the Stock Exchanges and Listed Companies in respect to the Schemes of Arrangement.
2. Clause 24(f) of the Listing Agreement requires a company to file with the Stock Exchange(s), for approval, any scheme/petition proposed to be filed before any Court or Tribunal under sections 391, 394 and 101 of the Companies Act, 1956, at least one month before it is presented to the Court or Tribunal.
3. Clause 24(i) of the Listing Agreement requires that the company, while filing for approval of any draft Scheme of amalgamation / merger / reconstruction, etc. with the stock exchange under Clause 24(f), shall also file an auditors' certificate to the effect that the accounting treatment contained in the scheme is in compliance with all the Accounting Standards specified by the Central Government in Section 211(3C) of the Companies Act, 1956. It has been observed that the Auditors' Certificate filed by the companies are in different format and there is no standardisation.
4. In view of the above, it has been decided to prescribe a standard format for Auditors' Certificate and the same is placed at Annexure A, which shall be followed by the companies.
5. This circular is applicable for all draft/ final scheme/ petition filed with the Stock Exchange(s) on or after the date of this Circular.
6. This circular is issued in exercise of the powers conferred under Section 11 read with Section 11A of the Securities and Exchange Board of India Act, 1992.



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7. This circular is available on SEBI website at www.sebi.gov.in under the category “*Legal Framework*”.

Yours faithfully,

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Annexure A

Format for Auditor's Certificate required under Clause 24(i) of Equity Listing Agreement

To,

The Board of Directors,

.....
(Name and address of the Company)

We, the statutory auditors of (name of the Company), (hereinafter referred to as "the Company"), have examined the proposed accounting treatment specified in clause (specify clause number) of the Draft Scheme of (specify the type of Scheme) between (names of the companies involved) in terms of the provisions of section(s) (specify the relevant section(s)) of the Companies Act, 1956/ Companies Act, 2013 with reference to its compliance with the applicable Accounting Standards notified under the Companies Act, 1956/ Companies Act, 2013 and Other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the Draft Scheme complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in the aforesaid scheme is in



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compliance with Clause 24(i) of the Listing Agreement and all the applicable Accounting Standards notified by the Central Government under the Companies Act, 1956/ Companies Act, 2013 and/or the accounting treatment in respect of
(specify the financial statement item(s)) as prescribed by
(name of the regulator) vide its Notification (details of the Notification) which prevail over the accounting treatment for the same as prescribed under the aforesaid Accounting Standards¹, except the following:

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This Certificate is issued at the request of the(name of the Company) pursuant to the requirements of clause 24(i) of the Listing Agreement for onward submission to the (name of the Stock Exchange(s)). This Certificate should not be used for any other purpose without our prior written consent.

For

.....
(name of the Firm)
Chartered Accountants
Firm Registration No.:

Signature
(Name of the member)
Designation²:
Membership Number:
Place:
Date:

¹ Where applicable.

² Partner or proprietor, as may be applicable.