

Secretarial Audit Policy

Division : **Share Department
(Board & Coordination Division)**
Version : **01/2025**



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पंजाब नेशनल बैंक
शेयर विभाग, बोर्ड और समन्वय प्रभाग, प्रधान कार्यालय
PUNJAB NATIONAL BANK
SHARE DEPARTMENT, BOARD & COORDINATION DIVISION, HEAD OFFICE

Policy Custodian

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Policy Version Control

Sr. No.	Version Number	Version Date	Summary of changes
1	01/2022	27.09.2022	The Policy was formulated pursuant to the direction of the Audit Committee of Board in its meeting held on 29.04.2022 to provide a comprehensive framework for conducting Secretarial Audit of the Bank. The observations/directions of the Audit Committee of the Board in the meeting held on 27.09.2022 were duly incorporated in the Policy.
2	01/2023	28.02.2023	Definition of "Substantial Conflict of Interest" added to provide clarity.
3	02/2023	27.02.2024	In Para 2.8 relating to Reporting System, the SEBI Circular CIR/CFD/CMD1/27/2019 dated February 08, 2019 has been substituted by SEBI 'Master Circular for Compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities' (Ref. No. SEBI/HO/CFD/PoD2/ CIR/P/2023/120) dated 11.07.2023. Further, the format of Annual Secretarial Compliance Report (Annexure-V of the Policy) has been aligned with the revised format prescribed in the aforesaid Master Circular.

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4	01/2025	24.03.2025	<ul style="list-style-type: none"> - Change in Para 1.2 regarding Policy Overview pursuant to SEBI (LODR) (Third Amendment) Regulations, 2024. - Change in Scope and Applicability pursuant to SEBI (LODR) (Third Amendment) Regulations, 2024 read with SEBI Circular dated December, 31, 2024. - Insertion of Definition of 'Peer Reviewed Company Secretary' and 'Secretarial Auditor' in Para 2.3.1 pursuant to SEBI (LODR) (Third Amendment) Regulations, 2024. - Change in Para 2.3.2 regarding Appointment/Re-appointment of Secretarial Auditor <i>inter alia</i> prescribing the Eligibility Criteria, Disqualification of a Secretarial Auditor, tenure of appointment, etc., as prescribed by SEBI pursuant to SEBI (LODR) (Third Amendment) Regulations, 2024. - Change in Para 2.3.4 (ii) w.r.t reporting of serious lapses/negligence in audit responsibilities or conduct issues on the part of Auditor to ICSI with the approval of the Board. - Change in Reporting System relating to issuance of annual secretarial compliance report pursuant to SEBI (LODR) (Third Amendment) Regulations, 2024. - Deletion of Process of Empanelment - Amendment in the format of Declaration to be obtained from Secretarial Auditor.
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Policy Governance

Frequency Of Review	Annual
Last reviewed on	27.02.2024
Approval Path	ACE → ACB → BOARD
Supersedes	Policy dated 27.02.2024

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1. Policy Overview

- 1.1. Our Bank is a body corporate constituted under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970. The Bank is also a *listed entity* and is therefore required to comply with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [*hereinafter referred to as 'SEBI (LODR) Regulations'*] and other Guidelines issued by the Securities Exchange Board of India (SEBI) from time to time, in this regard.
- 1.2. In terms of Regulation 24A(1a) of the SEBI (LODR) Regulations, every listed entity and its material unlisted *subsidiaries* incorporated in India shall undertake a Secretarial Audit by a **Secretarial Auditor who shall be a Peer Reviewed Company Secretary** and shall annex a Secretarial Audit Report in such form as specified with the Annual Report of the listed entity.
- 1.3. The Policy was formulated pursuant to the direction of the Audit Committee of the Board.

2. Policy Details

2.1. Objective:

- 2.1.1. Secretarial Audit is a process to check compliance in respect of provisions of various laws/rules/regulations/standards/procedures applicable to the Bank and adherence to good governance practices with regard to the systems and processes, as may be necessary, for carrying out activities of the Bank, in a lawful manner and maintenance of Minutes and records relating to approvals or decisions of Board/Committees/General Body meetings.
- 2.1.2. The foremost objective of Secretarial Audit is to safeguard the interest of Bank's stakeholders by way of facilitating monitoring of compliances in accordance with the requirements of law. It helps in identifying areas of non-compliances/inadequate compliances, if any.

2.2. Scope and Applicability:

- 2.2.1. The Policy lays down the framework for conduct of Secretarial Audit, inter alia, including the scope of Audit and the process of **appointment/re-appointment** of the Secretarial Auditor of the Bank who fulfils the eligibility criteria and other conditions as prescribed by SEBI and other applicable regulatory guidelines.

2.3. Policy Contents:

2.3.1. Definitions:

- i. "Bank" means Punjab National Bank.

- ii. “Board” means the Board of Directors of the Bank constituted under Section 9 (3) of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970.
- iii. “ICSI” means the Institute of Company Secretaries of India constituted under an Act of Parliament, the Company Secretaries Act, 1980, to develop and regulate the profession of Company Secretaries in India.
- iv. “Immediate Relatives” means spouse and dependent parents, siblings and children.
- v. **“Peer Reviewed Company Secretary” means a Company Secretary in practice, who is either practicing individually or as a sole proprietor or as a partner of a Peer Reviewed Practice Unit, holding a valid certificate of peer review issued by the Institute of Company Secretaries of India.**
- vi. “SEBI (LODR) Regulations” means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 issued by Securities and Exchange Board of India (SEBI), as amended from time to time.
- vii. **“Secretarial Auditor” means a Company Secretary in Practice or a firm of Company Secretary(ies) in practice appointed to conduct the Secretarial Audit.**
- viii. “Stock Exchanges” means the National Stock Exchange of India Ltd. and BSE Ltd., where the securities of the Bank are listed.

2.3.2. Appointment/Re-appointment of Secretarial Auditor:

- i) In terms of the provisions of **Regulation 24A(1)(b) of SEBI (LODR) Regulations, the Bank shall appoint or re-appoint the Secretarial Auditor on the basis of recommendation of the Board of Directors of the Bank with the approval of its shareholders in its Annual General Meeting.**

ii) Eligibility Criteria

The Board shall consider the following eligibility criteria as prescribed by SEBI, for appointment/re-appointment of Secretarial Auditor:

- a) **A person shall be eligible for appointment as a Secretarial Auditor of the Bank only if such person is a Peer Reviewed Company Secretary and has not incurred any of the disqualifications as specified by SEBI.**

Provided that a firm whereof majority of partners practising in India are qualified for appointment as aforesaid may be appointed by its firm name to be Secretarial Auditor of the Bank.

- b) Where a firm including a limited liability partnership is appointed as Secretarial Auditor of the Bank, only the Partners who are Peer Reviewed Company Secretaries shall be authorised to act and sign on behalf of the firm.
 - c) In addition to the above requirements, the Bank may prescribe such other criteria as it may deem appropriate at the time of inviting applications, without diluting or contravening the applicable regulatory provisions.
- iii) Disqualifications of a Secretarial Auditor as prescribed by SEBI

The following persons shall not be eligible to be appointed or continue as a Secretarial Auditor of the Bank, namely:-

- a) a body corporate other than a limited liability partnership registered under the Limited Liability Partnership Act, 2008;
- b) an officer or employee of the Bank;
- c) a person who is a partner, or who is in the employment, of an officer or employee of the Bank;
- d) a person who, or his relative or partner-
 - 1) is holding security of or interest in the Bank or its subsidiary, or of its associate entity, of face value exceeding one lakh rupees;
 - 2) is indebted to the Bank, or its subsidiary, or its associate entity, exceeding five lakh rupees; or
 - 3) has given a guarantee or provided any security in connection with the indebtedness of any third person to the Bank, or its subsidiary, or its associate entity, exceeding one lakh rupees;
- e) a person or a firm who, whether directly or indirectly, has business relationship with the Bank, or its subsidiary, or its associate entity;

Explanation I - The term “business relationship” as stipulated by SEBI shall be construed as any transaction entered into for a commercial purpose, except -

- commercial transactions which are in the nature of professional services permitted to be rendered by a secretarial auditor or secretarial audit firm under the Companies Act, 2013, Securities and Exchange Board of India Act, 1992, Companies Secretaries Act, 1980, and the Rules or the Regulations made under those Acts;

- commercial transactions which are in the ordinary course of business of the company at arm's length price - like sale of products or services to the secretarial auditor, as customer, in the ordinary course of business, by companies engaged in the business of telecommunications, airlines, hospitals, hotels and such other similar businesses.

Explanation II - The term “directly or indirectly” shall mean, -

- in case of an individual, either himself or through his relative or any other person connected or associated with such individual or through any other entity, whatsoever, in which such individual has significant influence or control, or whose name or trade mark or brand is used by such individual;
 - in case of a firm, either itself or through any of its partners or through its parent, subsidiary or associate entity or through any other entity, whatsoever, in which the firm or any partner of the firm has significant influence or control, or whose name or trade mark or brand is used by the firm or any of its partners.
- f) a person whose relative is a director or is in the employment of the Bank as a director or key managerial personnel;
- g) a person who is in full time employment elsewhere or a person or a partner of a firm holding appointment as its secretarial auditor, if such persons or partner is at the date of such appointment or reappointment holding appointment as secretarial auditor of 15 or more than 15 companies;
- h) a person who has been convicted by a court of an offence involving fraud and a period of ten years has not elapsed from the date of such conviction;
- i) a person who, directly or indirectly, renders any service referred to in Para 2.3.2(viii) of the Policy to the Bank or its subsidiaries.
- iv) The selection of the Secretarial Auditor shall be carried out in accordance with the Bank's Procurement Policy for Goods, Works & Services
- v) Post evaluation of applications by the Competent Authority, the proposal for appointment of Secretarial Auditor shall be placed before the *Board of Directors* of the Bank for recommending the same to the shareholders for their approval in the ensuing Annual General Meeting.

The tenure of Secretarial Auditor shall be as under:-

- a) An individual shall be appointed or re-appointed as Secretarial Auditor for not more than one term of five consecutive years.
- b) A Secretarial Audit firm shall be appointed or re-appointed as Secretarial Auditor for not more than two terms of five consecutive years.

Provided that-

(1) an individual Secretarial Auditor who has completed his or her term under sub-para (a) above shall not be eligible for re-appointment as Secretarial Auditor in the Bank for five years from the completion of his or her term;

(2) a Secretarial Audit firm which has completed its term under sub-para (b) above, shall not be eligible for re-appointment as Secretarial Auditor in the Bank for five years from the completion of such term.

Provided further that as on the date of appointment no Secretarial Audit firm having a common partner or partners to the other Secretarial Audit firm, whose tenure has expired in the Bank immediately preceding the financial year, shall be appointed as Secretarial Auditor of the Bank for a period of five years.

Nothing contained in this SEBI (LODR) Regulations/Bank's Policy shall prejudice the right of the Bank to remove the Secretarial Auditor with the approval of its shareholders in the Annual General Meeting or the right of the Secretarial Auditor to resign from such office of the Bank.

- vi) Prior to the appointment, the Secretarial Auditor shall provide a Declaration in the format as per Annexure-I, to the effect that –
 - a) The individual/firm Proprietor/Partner(s) proposed to be appointed as Secretarial Auditor of the Bank, has not incurred any disqualification in terms of the provisions of Regulation 24A SEBI (LODR) Regulations read with SEBI Circular on 'Implementation of recommendations of the Expert Committee for facilitating ease of doing business for listed entities' [Ref. No. SEBI/HO/CFD/ CFD-PoD-2/CIR/P/2024/185] dated December 31, 2024.
 - b) The individual/firm Proprietor/Partner(s), proposed to be appointed as Secretarial Auditor of the Bank, complies with all the eligibility norms prescribed by the Regulatory Authorities and that the Firm/Partner(s)/Proprietor has not been barred/ blacklisted/penalized by any Scheduled Commercial Bank/ Public Sector Undertaking/ State or Central Government or their Departments / Statutory Authority/ Regulatory Authorities such as IRDA, RBI, SEBI, etc., or The Institute of

Company Secretaries of India, Ministry of Corporate Affairs (MCA),
Registrar of Companies (RoC).

- c) Neither the individual/firm/ any of the Partners or their immediate relatives nor the Firm/ Company in which he/she/they is/are Partner(s)/Director(s) has/ have been declared a wilful defaulter/insolvent.
- d) Any conflict of interest shall be disclosed by the Auditor before accepting the Audit Engagement or as soon as the Auditor becomes aware of the same.

vii) Casual Vacancy of Secretarial Auditor:

- a) Where a person appointed as Secretarial Auditor of the Bank incurs any of the disqualifications as specified by SEBI, after appointment, such person shall vacate the office as Secretarial Auditor and such vacation shall be deemed to be a casual vacancy in the office of the Secretarial Auditor.
- b) The casual vacancy arising out of resignation, death or disqualification of a Secretarial Auditor shall be filled by the Board of Directors of the Bank within a period of 3 (three) months and the Secretarial Auditor so appointed shall hold office till the conclusion of the next annual general meeting.

viii) Services not to be rendered by the Secretarial Auditor:

The Secretarial Auditor shall provide to the Bank only such other services as are approved by the Board of Directors, but which shall not include any services as specified by the SEBI in this behalf.

In terms of SEBI Circular dated December 31, 2024, the Secretarial Auditor, shall not provide any of the following services (whether such services are rendered directly or indirectly) to the Bank, or its subsidiaries, namely:

- a) internal audit;
- b) design and implementation of any compliance management system, information system, policy framework, systems or processes for compliance;
- c) investment advisory services;
- d) investment banking services;
- e) rendering of outsourced compliance management, record keeping & maintenance services;
- f) Management services; and
- g) any other kind of services as may be specified by SEBI from time to time

Explanation: - The term “directly or indirectly” shall include rendering of services by the secretarial auditor-

- **in case of secretarial auditor being an individual, either himself or through his relative or any other person connected or associated with such individual or through any other entity, whatsoever, in which such individual has significant influence or control, or whose name or trade mark or brand is used by such individual;**
- **in case of secretarial auditor being a firm, either itself or through any of its partners or through its parent, subsidiary or associate entity or through any other entity, whatsoever, in which the firm or any partner of the firm has significant influence or control, or whose name or trade mark or brand is used by the firm or any of its partners.**

2.3.3. Scope of Audit:

- i. The Secretarial Auditor shall discuss the scope and objectives of the audit, gather information on Board processes, evaluate existing compliance mechanism and prepare the audit plan.
- ii. The Secretarial Auditor shall cross-verify the filings made by the Bank with SEBI, Stock Exchanges & other Authorities, independently. Verification of record and enquiries can also be made in case of tax laws, FEMA Guidelines, etc., with other Auditors such as Internal Auditors, Statutory Central Auditors (SCAs), etc.
- iii. The Secretarial Auditor shall issue the Reports as detailed under Para 2.8 of the Policy.
- iv. In addition to the examination as necessitated as per the format of the report(s) as stipulated under Para 2.8, the Secretarial Auditor shall also examine and report the compliance of the following laws/regulations as may be specifically applicable to the Bank, viz.:
 - a. Guidelines, Regulations issued by SEBI as applicable to Capital Market Intermediaries, Merchant Bankers, Bankers to an Issue, Debenture Trustees.
 - b. The Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970;
 - c. The Nationalized Banks (Management and Miscellaneous Provisions) Scheme, 1970;
 - d. Punjab National Bank (Shares & Meeting) Regulations, 2000
 - e. Reserve Bank of India Act, 1934 and Master Directions, Notifications and Guidelines issued by RBI from time to time.
 - f. The Banking Regulation Act, 1949.
 - g. Payment and Settlement Systems Act, 2007

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- h. Any other Law/Guidelines/Directives issued by Government of India applicable to the Bank.
- v. Further, the Secretarial Auditor shall examine and report on the compliance with the applicable clauses of the following:
 - a. Secretarial Standards issued by ICSI, if applicable;
 - b. The Listing Agreements entered into by the Bank with the Stock Exchange(s).
- vi. The Secretarial Auditor shall also report on whether:
 - a. The Board of Directors of the Bank is duly constituted in accordance with the Laws/Regulations applicable to the Bank.
 - b. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the applicable Laws/Regulations.
 - c. Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in accordance with the applicable guidelines, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
 - d. Majority decision is carried through, while the dissenting members' views are captured and recorded as part of the Minutes.
 - e. There are adequate systems and processes in the Bank commensurate with the size and operations of the Bank to monitor and ensure compliance with all applicable Laws and Regulations.
 - f. Whether there are any qualifications with regard to the compliance of the applicable laws and if any penalties have been levied on the Bank by the Regulators.
- vii. Secretarial Auditor shall also report and provide details of specific events and actions that occurred during the reporting period having major bearing on the affairs of the Bank in pursuance of above referred laws/rules & regulations such as capital raised during the year through public/right/preferential issue, private placement, etc.

2.3.4. Professional Responsibilities of the Secretarial Auditor:

- i. The Secretarial Auditor shall be strictly guided by the relevant professional standards in discharge of his/her audit responsibilities with highest diligence. He/she shall as far as applicable adhere to the guidelines issued by the ICSI in this regard.
- ii. Any serious lapses/negligence in audit responsibilities or conduct issues on the part of the Auditor or any other matter considered as relevant shall be reported to ICSI within two (2) months of issuance of Secretarial Audit Report, with the approval/ recommendation of the **Board**.

- iii. The Secretarial Auditor shall be liable for any professional or other misconduct stipulated under the Company Secretaries Act, 1980 read with the relevant provisions of the Companies Act, 2013.
- iv. Further, the Secretarial Auditor shall adhere to the ICSI's Guidance Note on Secretarial Audit and the Auditing Standards on Secretarial Audit (CSAS-1, to CSAS-4) and all other relevant guidelines as prescribed by ICSI, from time to time.

2.3.5. Responsibilities of the Management:

It shall be the duty of the Bank to give all assistance and facilities to the Secretarial Auditor for auditing the secretarial and other related records of the Bank. In case of any concern with the Management of the Bank such as non-availability of information/non-cooperation by the Management, which may hamper the audit process, the Secretarial Auditor may approach the Audit Committee of the Board of the Bank.

2.4. Authority for approving Operational Guidelines:

The Policy does not contain any Operational Guidelines. As such, this clause is not applicable.

2.5. Disclosure of the Policy:

The Policy and any amendment thereto will be published on the Bank's website www.pnbindia.in.

2.6. Ownership of the Policy:

The Share Department (Board & Coordination Division) shall be responsible for formulating/reviewing/ periodic updation of the Policy.

2.7. Validity and Review of the Policy:

- i. The Policy shall remain valid for a period of twelve months from the date of approval by the Board. In case of any regulatory change/amendment during the validity of the Policy, the same shall be construed to form part of the Policy till such changes are incorporated therein.
- ii. Further, the Audit Committee of Executives (ACE) shall be authorised to:
 - (a) incorporate any changes necessitated in the Policy for the interim period up to the next review, due to regulatory pronouncements made during the validity period of the Policy; and

- (b) extend the validity of the Policy for a further period of three months and the Board will be informed of such extension subsequently at the time of annual review.

2.8. Reporting System:

- 2.8.1. **Secretarial Audit Report:** SEBI vide its 'Master Circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities' (Ref. No.: SEBI/HO/CFD/PoD2/CIR/P/0155) dated November 11, 2024 stipulates that the format of the Secretarial Audit Report of listed entities and their unlisted material subsidiaries to be issued by Practicing Company Secretaries shall be in Form No. MR-3 as specified in Section 204 of the Companies Act, 2013 read with rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the purpose of compliance with Regulation 24A(1) of SEBI (LODR) Regulations.
- 2.8.2. Accordingly, the Secretarial Auditor shall examine and report the compliance of the laws/regulations, as mentioned in Form No. MR-3 (Format enclosed as Annexure-II), *to the extent applicable to the Bank*, after considering the clarifications/replies of the Management, if any.
- 2.8.3. **Secretarial Compliance Report:** SEBI vide its 'Master Circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities' (Ref. No.: SEBI/HO/CFD/PoD2/CIR/P/0155) dated November 11, 2024' read with Regulation 24A(2) of SEBI (LODR) Regulations mandated every listed entity to submit a Secretarial Compliance Report, to Stock Exchanges, within sixty days from end of each financial year. The Report is based on the verification of compliance of all applicable SEBI Regulations and circulars/guidelines issued thereunder and is required to be issued by PCS in the format specified in the said Circular.
- 2.8.4. The format of the Secretarial Compliance Report (Annexure-III) shall be as prescribed in the aforesaid SEBI Master Circular (Annexure-III) as amended.
- 2.8.5. Pursuant to SEBI (LODR) Regulations, **with effect from April 1, 2025, the Secretarial Compliance Report submitted to the stock exchange(s) on annual basis is to be signed only by the Secretarial Auditor or by a Peer Reviewed Company Secretary who satisfies the conditions mentioned in sub-regulations (1A) and (1B) of Regulation 24 A of SEBI (LODR) Regulations.**

Accordingly, the Secretarial Auditor shall also issue the Annual Secretarial Compliance Report to the Bank for the relevant financial year.

2.8.6. The Secretarial Audit Report along with the Annual Secretarial Compliance Report shall be furnished to the Bank within 30 days from the end of the financial year for placing before the Audit Committee of the Board and the Board of Directors.

2.8.7. The Reports shall contain the opinion on the statutory compliances examined by the Auditor and shall state whether in his/her opinion the Bank has complied with the applicable provisions of the various laws. The Reports shall be signed by the Individual/Partner/Proprietor who conducted or under whose supervision the Secretarial Audit was conducted, in accordance with the provisions of SEBI (LODR) Regulations

2.8.8. The Secretarial Audit Report shall form part of the Annual Report of the Bank for the financial year and the Annual Secretarial Compliance Report shall be submitted to the Stock Exchanges within sixty days from the end of each Financial Year.

2.9. Authority to allow deviations

The Board of Directors of the Bank shall be the Competent Authority to allow any deviation (other than regulatory guidelines) from this Policy.

Appendix

A. Glossary: N.A.

B. List of References

- i. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 last amended as on December 12, 2024.
- ii. **SEBI 'Master Circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities' [Ref. No.: SEBI/HO/CFD/PoD2/CIR/P/0155] dated November 11, 2024.**
- iii. **SEBI Circular on 'Implementation of recommendations of the Expert Committee for facilitating ease of doing business for listed entities' [Ref. No. SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185] dated December 31, 2024.**
- iv. Form No. MR-3 as specified in Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended.

Annexure-I

[Refer Para 2.3.2.vi of the Policy]

Declaration

I, _____, Practicing Company
Secretary/Proprietor/Partner of M/s _____ situated at
_____ (complete address) hereby declare that

- I/firm/Partner(s)/ Proprietor proposed to be appointed as Secretarial Auditor of the Bank, has not incurred any disqualification in terms of the provisions of Regulation 24A SEBI (LODR) Regulations read with SEBI Circular on 'Implementation of recommendations of the Expert Committee for facilitating ease of doing business for listed entities' [Ref. No. SEBI/HO/CFD/ CFD-PoD-2/CIR/P/2024/ 185] dated December 31, 2024.
- The individual/firm Proprietor/Partner(s), proposed to be appointed as Secretarial Auditor of the Bank, complies with all the eligibility norms prescribed by the Regulatory Authorities and that the Firm/Partner(s)/Proprietor has not been barred/ blacklisted/penalized by any Scheduled Commercial Bank/ Public Sector Undertaking/ State or Central Government or their Departments / Statutory Authority/ Regulatory Authorities such as IRDA, RBI, SEBI, etc., or The Institute of Company Secretaries of India, Ministry of Corporate Affairs (MCA), Registrar of Companies (RoC).
- Neither the individual/firm/ any of the Partners or their immediate relatives nor the Firm/ Company in which he/she/they is/are Partner(s)/Director(s) has/ have been declared a wilful defaulter/insolvent.
- Any conflict of interest shall be disclosed by the Auditor before accepting the Audit Engagement or as soon as the Auditor becomes aware of the same.

Date:

Signature of the Proprietor/Partner

Place:

Seal of the Proprietary Concern/Partnership Firm

Note: The above declaration must be furnished on the letter head of the PCS/PCS Firm.

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED

To,
The Members,

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by..... (name of the entity). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the (name of the entity) books, papers, minute books, forms and returns filed and other records maintained by the entity and also the information provided by the entity, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the entity has, during the audit period covering the financial year ended on _____, _____ complied with the statutory provisions listed hereunder and also that the entity has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by for the financial year ended on __, _____ according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and

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SHARE DEPARTMENT, BOARD & COORDINATION DIVISION, HEAD OFFICE

Exchange Board of India Act, 1992 ('SEBI Act'): -

- a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - e. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - f. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - i. The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- vi) (Mention the other laws as may be applicable specifically to the entity)

I/we have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the entity with Stock Exchange(s), if applicable;

During the period under review the entity has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above subject to the following observations:

.....

Note: Please report specific non compliances/observations/audit qualification, reservation or adverse remarks in respect of the above para wise.

I/we further report that

The Board of Directors of the entity is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I/we further report that there are adequate systems and processes in the entity commensurate with the size and operations of the entity to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Note: Please report specific observations / qualification, reservation or adverse remarks in respect of the Board Structures/system and processes relating to the Audit period.

I/we further report that during the audit period the entity has
(Give details of specific events / actions having a major bearing on the entity's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., referred to above).

For example:

- i) Public/Right/Preferential issue of shares / debentures/sweat equity, etc.
- ii) Redemption / buy-back of securities
- iii) Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013
- iv) Merger / amalgamation / reconstruction, etc.
- v) Foreign technical collaborations

Place:

Signature:

Date:

Name of Company Secretary in Practice / Firm: ACS/FCS No.

C P No.:

Notes: Para-wise details of the Audit finding, if necessary, may be placed as annexure to the report.

Format for the Annual Secretarial Compliance Report

(On the letter head of the Practicing Company Secretary)

**Secretarial Compliance Report of [●] [Name of the listed entity]
for the year ended _____**

I/We..... have examined:

- (a) all the documents and records made available to us and explanation provided by [●] [Name of the listed entity] (“the listed entity”),
- (b) the filings/submissions made by the listed entity to the stock exchanges,
- (c) website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended [●] (“Review Period”) in respect of compliance with the provisions of:

- (a) the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder;
and
- (b) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include: -

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- a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- e. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- f. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- g. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- h. (other Regulations as applicable)

and circulars/guidelines issued thereunder;

(Note: The aforesaid list of Regulations is only illustrative. The list of all SEBI Regulations, as may be relevant and applicable to the listed entity for the review period, shall be added.

and based on the above examination, I/We hereby report that, during the Review Period:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder, except in respect of matters specified below: -

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
					Advisory/Clarification Fine/Show Cause Notice/Warning, etc.					

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(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations/ Remarks of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended (the years are to be mentioned)	Compliance Requirement (Regulations/ circulars/guidelines including specific clause)	Details of violation/ deviations and actions taken/ penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the actions taken by the listed entity

(Note:

1. Provide the list of all the observations in the report for the previous year along with the actions taken by the listed entity on those observations.
2. Add the list of all observations in the reports pertaining to the periods prior to the previous year in case the entity has not taken sufficient steps to address the concerns raised/ observations.
E.g. In the report for the year ended 31st Mar, 2023, the PCS shall provide a list of:
 - all the observations in the report for the year ended 31st Mar, 2022 along with the actions taken by the listed entity on those observations.
 - the observations in the reports pertaining to the year ended 31st Mar, 2022 and earlier, in case the entity has not taken sufficient steps to address the concerns raised/ observations in those reports.)

(c) I/we hereby report that, during the review period the compliance status of the listed entity with the following requirements:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/ Remarks by PCS*
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI).		

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2.	<u>Adoption and timely updation of the Policies:</u> <ul style="list-style-type: none"> ▪ All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities ▪ All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI. 		
3.	<u>Maintenance and disclosures on Website:</u> <ul style="list-style-type: none"> ▪ The Listed entity is maintaining a functional website ▪ Timely dissemination of the documents/ information under a separate section on the website ▪ Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website 		
4.	<u>Disqualification of Director:</u> None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013		
5.	<u>Details related to Subsidiaries of listed entities:</u> <ul style="list-style-type: none"> a) Identification of material subsidiary companies b) Requirements with respect to disclosure of material as well as other subsidiaries 		

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6.	<p><u>Preservation of Documents:</u></p> <p>The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under the LODR Regulations.</p>		
7.	<p><u>Performance Evaluation:</u></p> <p>The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations.</p>		
8.	<p><u>Related Party Transactions:</u></p> <p>a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions.</p> <p>b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee.</p>		
9.	<p><u>Disclosure of events or information:</u></p> <p>The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of the LODR Regulations within the time limits prescribed thereunder.</p>		

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10.	<p><u>Prohibition of Insider Trading:</u></p> <p>The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.</p>		
11.	<p><u>Actions taken by SEBI or Stock Exchange(s), if any:</u></p> <p>No actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder (or)</p> <p>The actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges are specified in the last column.</p>		
12.	<p><u>Resignation of statutory auditors from the listed entity or its material subsidiaries</u></p> <p>In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.</p>		

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13.	<u>No additional non-compliances observed:</u> No additional non-compliance observed for any of the SEBI regulation/circular/guidance note, etc., except as reported above.		
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**Observations/Remarks by PCS are mandatory if the Compliance status is provided as 'No' or 'NA'*

Place:

Signature:

Date:

Name of the Practicing Company Secretary:

ACS/FCS

C P No.