

Amita Desai & Co., Company Secretaries

SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) (SECOND AMENDMENT) REGULATIONS, 2023

On **June 14, 2023**, SEBI **vide Notification** has amended, the SEBI (LODR) Regulation, 2015 vide SEBI (LODR) (Second Amendment) Regulations, 2023.

The Effective Date for all amendments will be 14th July 2023 except amendments in Regulation 15, 34, new Sub Regulation 37A and 57 of SEBI (LODR) 2015, which will be effective from 14th June 2023. The amendments made in LODR are detailed below:

Regulation No	Regulation Name	Original Regulation	Revised Regulation
2	Definition	No changes in earlier regulations. A new clause (ra) is inserted.	A new clause is inserted under Regulation 2 (1) (ra), between (r) and (s) about the definition of Mainstream Media- Mainstream Media to include print or electronic modes of the following: - a) Newspapers registered with the Registrar of Newspapers for India; b) News channels permitted by the Ministry of Information and Broadcasting under the Government of India; c) Content published by the publisher of news and current affairs content as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021; and d) Newspapers or news channels or news and current affairs content similarly registered or permitted or regulated, as the case may be, in jurisdictions outside India.
Comment: A new definition of Mainstream Media is inserted through which the Company announces or communicates about the Disclosure of Events (Refer to Regulation 30) read with Schedule III, Part A, Paragraph A under newly inserted sub-paragraph (18) after Sub-paragraph (17)			

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6	Compliance Officer and his /her regulations	No changes in earlier regulations a new Clause (1A) is inserted.	Any vacancy in the office of the Compliance Officer should be filled at the earliest but <u>not later than 3 months</u> from the date of such vacancy. Provided that the listed entity shall not fill such vacancy by appointing a person in an interim capacity unless such appointment is made in accordance with the laws applicable in case of fresh appointment to such office and the obligation under such laws is made applicable to such person.
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Comment:

The appointment of the Compliance Officer in a listed entity should be filled in three months. However, the Companies Act 2013 provides u/s 203 (4) that the vacancy in KMP should be filled in six months.

This timeline of three months is amended for filling in the vacancy of not just the Compliance Officer but for the Director, CEO & CFO also.

15	Applicability	Few changes in existing sub-regulation (1A) wrt High-value debt listed entity to comply or explain compliance of Regulation 16 to 27	High-value debt listed entity that has listed its non-convertible debt securities & has an outstanding value of listed non-convertible debt securities of Rs.500 crore and above is required to “Comply or Explain” the compliance with Regulations 16 to 27 until <u>March 31, 2024.</u>
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Comments:

The period to comply or explain for High-value debt listed entity for compliance with Regulations 16 to 27 has been extended from March 31, 2023, to March 31, 2024.

17	Board of Directors	No changes in earlier regulation. A new clause (1D) is inserted.	<u>Re-Appointment of Director</u> From April 01, 2024 , the continuation of the Director on the Board of the listed entity shall be subject to the <u>approval of shareholders at least once in 5 years</u> from the date of appointment or reappointment. If any Director is serving for the last 5 years or more, the approval of shareholders is to be taken <u>in the first general meeting held after 31.03.2024.</u>
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			<p><u>MD, Manager, WTD, ID</u> Shareholder's approval for continuation of directors is not applicable to Whole-time Director (WTD), Managing Director, Managers, Independent Director, or Director who <u>retires by rotation</u> if the approval of the shareholder is obtained as per the provisions of the Companies Act, 2013.</p> <p><u>The exception to this regulation:</u></p> <p>(a) The Director appointed pursuant to the Order of a Court or a Tribunal</p> <p>(b) The Director nominated by the Government (other than on the Board of a public sector company)</p> <p>(c) The Director nominated by the Financial sector regulator of the Board of a listed entity</p> <p>(d) The Director nominated by a financial institution (which is registered with or regulated by the RBI) or Director nominated by a Debenture Trustees registered with SEBI.</p> <p><u>Vacancy</u> Any vacancy in the office of a Director shall be filed at the earliest and <u>not later than 3 months</u> from the date of such vacancy.</p> <p><u>Vacancy due to expiry of the Term</u> Any vacancy due to the expiration of the term of office of any Director shall <u>be filled not later than the date of such vacancy</u>, otherwise the same will be considered as non-compliance. These provisions shall not be applicable if the listed entity shall have adequate composition of its Board as per Regulation 17 (1)</p>
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Comment-

This new provision is inserted to ensure that the shareholders should appoint/ re-appoint the Director every five years and the term of any Director should not be perpetual.

26A	Obligations with respect to certain Key Managerial Personnel	No changes in earlier regulation A new Regulation 26A is inserted	Any vacancy in the office of CEO, MD, WTD, Manager or CFO is to be filled by the listed entity at the earliest and <u>not later than 3 months</u> from the date of such vacancy. 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 fresh appointment to such office and the obligation under such laws is made applicable to such person.
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Comment

The appointment of certain KMPs in a listed entity should be filled in **three months**. However, the Companies Act 2013 provides u/s 203 (4) that the vacancy in KMP should be filled in six months. This timeline of three months is amended for filling in the vacancy of not just KMPs but also the Compliance Officers and Directors.

27	Other Corporate Governance requirements	No changes in earlier regulations. A new clause (ba) is inserted in sub-regulation 27 (2)	The listed entity is to submit to stock exchanges details of <u>cyber security incidents</u> or <u>breaches</u> or <u>loss of data or documents</u> along with the Corporate Governance Report on a quarterly basis within 21 days from the end of the quarter.
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Comment

Banks and Insurance companies are required to report cybercrime, incident reporting, security measures, and standard practice to their respective Regulators governing them. The Government wants to align with global digital and technology practices and hence this has been mandated to the listed entity to report cyber security incidents or breaches, loss of data or documents every quarter to the Stock Exchanges.

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30	Disclosure of events or information	of Regulation 30(4)(i)(c) has been substituted. A new sub-clause (d) and proviso has been inserted in Regulation 30(4)(i)	<p><u>Regulation 30(4)(i)</u> Criteria for determination of materiality:</p> <p><u>Regulation 30(4)(i)(c) has been substituted:</u></p> <p>The omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:</p> <p>(1) 2% of turnover, as per the last audited consolidated financial statements of the listed entity;</p> <p>(2) 2% of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;</p> <p>(3) 5% percent of the average absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity.</p> <p><u>Regulation 30(4)(i)(d) has been inserted:</u></p> <p>If criteria specified in sub-clause (4) (i) are not applicable, an event or information may be treated as material if <u>in the opinion of the board of directors of the listed entity</u>, the event or information is considered material.</p> <p>It has been further provided that any continuing event or information which becomes material in accordance to the notification of this amendment shall be disclosed by the listed entity <u>within 30 days from the date of notification coming into effect.</u></p>
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			<p>The Policy for the determination of materiality <u>shall not dilute</u> any requirements specified under the provisions of these regulations.</p> <p>Policy for determination of materiality shall <u>assist the relevant employees</u> of the listed entity in identifying any potential material event or information and reporting the same to the authorized Key Managerial Personnel, in terms of sub-regulation (5), for determining the materiality of the said event or information and for making the necessary disclosures to the stock exchanges.</p>
<p><u>Comment</u></p> <p>To align with the practice in various jurisdictions, SEBI has provided the <u>quantitative thresholds</u> on a consolidated financial statement basis and not standalone. Further, if the <u>Board forms an opinion</u> that such events are material, there is no need to consider the quantitative criteria.</p> <p>Listed entities will be required to modify the <u>Policy for the determination of materiality</u> as per new criteria. The Policy in no case can dilute the requirements of Listing Regulations. Such policy will <u>assist the KMPs to identify material events</u> or information for reporting.</p>			
30	Disclosure of events or information	Regulation 30(6) has been substituted	<p><u>Timelines to disclose all events or information</u> which are material to the stock exchanges have been reduced stating that the same is to be disclosed as soon as reasonably possible and not later than:</p> <p>(i) 30 minutes from the closure of the meeting of the Board of Directors in which the decision pertaining to the event or information has been taken;</p> <p>(ii) 12 hours from the occurrence of the event or information if the event or information is emanating from within the listed entity;</p> <p>(iii) 24 hours from the occurrence of the event or information if the event or information not emanating from within the listed entity.</p> <p>Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines.</p>

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Comment

The timeline of reporting any material event or information is reduced to protect the interest of the public. In the era of digital & social media companies are required to disseminate the information quickly.

30	Disclosure of events or information	In Regulation 30 sub-regulation 11 proviso has been inserted In Regulation 30 sub-regulation 13 has been inserted.	<u>Regulation 30(11):</u> Listed entity may on its own initiative <u>confirm or deny</u> any reported event or information to stock exchanges. <u>Proviso has been added:</u> Top 100 listed entities (effective from October 01, 2023 , and Top 250 listed entities (effective from April 1, 2024) based on market capitalization shall <u>confirm, deny or clarify</u> any reported event or information in the <u>mainstream media</u> which is not general in nature and which indicates rumours of an impending specific material event or information as soon as reasonably possible and not later than 24 hours from the reporting of the event or information. Further, if the listed entity confirms the reported events or information it has to provide the <u>current stage</u> of such event or information. <u>Regulation 30(13) has been inserted</u> An event or information required to be disclosed by the listed entity as per the provisions of this regulation, in accordance with receipt of communication from any <u>regulatory, statutory, or enforcement of judicial authority</u> , the listed entity shall disclose such information unless prohibited by such authority.
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Comment

The current regulation 30 (11) gives an option to the listed entity to respond to the Stock Exchanges by either confirming or denying any event or information.

However, SEBI found that in the digital era, the listed entities should be proactive and protect the interest of the public and investors and hence mandated to confirm or deny rumours of any events

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or information in the **mainstream media not later than 24 hours** from the reporting of events or information. To start with, the SEBI has mandated the **top 100 listed entities** (on the basis of market capitalization) to comply with this regulation.

These provisions will lead the top 100 Companies to track the rumours and respond in 24 hours' time to avoid any non-compliance. The listed entity may find it difficult to respond on any event or information if the same is premature.

30A	Disclosure requirements for certain types of agreements binding listed entities	A new regulation 30A has been inserted	<u>Disclosure requirements for certain types of agreements binding listed entities</u> (1) All the Shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, and employees of a listed entity or of its holding, subsidiary, and associate company who are parties to the agreements specified in Schedule III, Part A Paragraph A Clause 5A shall inform all agreements entered where the listed entity is not a party <u>within 2 working days</u> of entering or signing the agreement. The listed entity to disclose to the <u>stock exchange</u> all such subsisting agreements as on the date of notification to which the listed entity is not a party and disclose it on its <u>website</u> within the timeline specified by SEBI. (2) Listed entity to disclose the number of agreements that subsist as of the date of the notification and their salient features including a <u>link</u> where complete details are available of such agreements in the <u>Annual Report for FY 2022-23 or FY 2023-24.</u>
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Comment

This amendment is a step in the right direction, such **disclosure is required for transparency** and corporate governance. **Non-disclosure of material information** creates information asymmetry and results in significant market reaction when it is known to the public at large at a later stage. Promoters or controlling shareholders were entering into the agreement, which imposed certain restrictions on the company which is not in the interest of the Company. Hence, this amendment is welcome. As per the fundamental right of any person or entity, no person or an entity can create any liability or obligation on a third party without its explicit consent.

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In Schedule III, Part A, Paragraph A, Clause 5A has been inserted which reads that such events need to be **disclosed by the listed entity in 2 working days** to the Stock Exchange and disclose it on its website.

(5A) Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either **directly or indirectly or potentially or whose purpose and effect** is to, impact the **management or control of the listed entity** or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, **whether or not the listed entity is a party to such agreements.**

Provided that such agreements entered into by a listed entity in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or they are required to be disclosed in terms of any other provisions of these regulations.

Explanation: For the purpose of this clause, the term “directly or indirectly” includes agreements creating obligation on the parties to such agreements to ensure that the listed entity shall or shall not act in a particular manner.

31B	Special rights to shareholders	A new regulation 31B has been inserted	<p><u>Special rights to shareholders</u></p> <p>Any Special right granted to the shareholders of the listed entity shall be subject to the <u>approval of shareholders</u> in a general meeting by way of <u>special resolution once in 5 years</u> from the date of grant of such special right.</p> <p>Special rights available to the shareholders of a listed entity as of the date of this regulation shall be subject to the approval by shareholders by way of a <u>special resolution within a period of 5 years from the date of the regulation.</u></p> <p><u>Exemption</u></p> <p>A special resolution is <u>not required</u> if such special rights are made available by a listed entity to a <u>financial institution</u> registered with or regulated by the RBI or to a <u>debenture trustee</u> registered with the SEBI, if such financial institution or debenture trustee becomes a shareholder of the listed entity as a consequence of lending or subscription agreement</p>
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Comment

Any special rights available to one set of shareholders (like the right to appoint a director or affirmative vote for important matters) require approval of other shareholders once in 5 years by way of Special Resolution. The exception is carved out from obtaining shareholder's approval if such special rights are available to the lending Financial Institution or Debenture Trustees if they are shareholders as a consequence of lending or subscription agreement

33	Financial results	A new regulation 33(3)(j) has been inserted.	<u>Financial Results</u> Newly listed entities are to submit its financial results for the quarter or financial year immediately succeeding the period for which the financial statements have been disclosed in the offer document for the IPO, in accordance with the <u>prescribed timeline specified</u> for submissions of quarterly/ annual financial results <u>or within 21 days</u> from listing <u>whichever is later.</u>
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Comment

At present, listed companies are required to submit financial results within 45 days from the end of each quarter. In cases when the **company gets listed close to the timeline** prescribed for submission of financial results, it would be required to announce the first financial results within a **very short period of time, post-listing.**

Since the financial results are price-sensitive information, such disclosures immediately post-listing may have a large **impact on the company's share price** even before the price of its scrip has stabilized post-listing, hence SEBI has provided such a timeline that is as specified 45 days from the end of the quarter or 21 days from the listing, **whichever is later.**

34	Annual Report.	Regulation 34(2)(f) has been substituted	<u>Annual Report</u> Annual Report of top 1000 listed entities on market capitalization: (a) To contain <u>Business Responsibility and Sustainability Report (BRSR)</u> on the Environmental, Social, and Governance disclosures. (b) To obtain <u>assurance of the BRSR Core</u> (c) To disclose and obtain assurance as per <u>BRSR Core for their value chain</u> also as specified by SEBI. Annual Report of Remaining listed entity and SME Listed entity may voluntarily disclose BRSR or obtain assurance on BRSR Core for their value chain, as the case may be.
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Comment

BRSR reporting was mandated by SEBI in 2021. ESG Reporting framework is changing globally and to keep the information relevant, **SEBI may prescribe the format of disclosures** by the listed entities.

SEBI has plans to introduce an assurance-driven reporting regime, based on key ESG attributes. So far, ESG Ratings were assigned based on self-reported data, without any third-party assurance of such data. Since investors are placing increased reliance on these ratings for making investment decisions, it is imperative that these **ratings are reliable**. In this context, **SEBI shall specify Key Performance Indicators (KPIs) for BRSR Core**.

For a number of companies, significant ESG footprints such as use of natural resources, employment practices, emissions & wastages may be found in their supply chain. Investors are increasingly seeking **ESG disclosures for the supply chain**, so as to get a complete picture of the ESG risks and impact associated with the products & services provided by the Company. However, due to the complexities involved in ESG disclosures and considering the supply chain partner may be small firms or entities, SEBI will gradually introduce disclosures of BRSR Core for the supply chain. SEBI shall specify the “value chain” for the listed entities.

37A	Sale, lease, or disposal of an undertaking outside scheme of arrangement	A new regulation 37A has been inserted	<p>Sale, lease, or disposal of an undertaking outside Scheme of Arrangement.</p> <p>(A) It has been provided that a listed entity carrying out the sale, lease, or otherwise disposal of the whole or substantially the whole of the undertaking of such entity or where it owns more than one undertaking, of the whole or substantially the whole of the undertaking, it shall require <u>prior approval of shareholders by way of special resolution</u>. It shall require to disclose the <u>object of and commercial rationale and use of proceeds</u> arising therefrom in the statement annexed to the notice to be sent to the shareholders.</p> <p>Such Special Resolution is required to be acted upon only if the votes cast <u>by public shareholders in favour exceed the votes cast by such public shareholders against the resolution</u>. No public shareholder shall vote on such resolution, if he is a party, directly or indirectly in such transaction of sale, lease or otherwise disposal of the</p>
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			<p>whole or substantially the whole of the undertaking</p> <p>B. An <u>exemption is granted</u> from the provisions of this Regulation, for the transaction of sale, lease, or disposal of the whole or substantially the whole of undertaking by a listed entity to its <u>Wholly Owned Subsidiary (WoS)</u>, whose accounts are consolidated with such entity.</p> <p>Further, if WoS, sale, lease, or disposal of the whole or substantially the whole of the undertaking, (whether in whole or part), <u>which it has received from a listed entity to any other entity</u>, then in such case the listed entity is required to take <u>prior approval of shareholders by way of Special Resolution</u>, (approved by public shareholders who are not directly or indirectly a party to such transaction).</p> <p>Further, in case the listed entity wants to <u>dilute its shareholdings below 100% in its WoS to which it has transferred the whole or substantially the whole of the undertaking</u>, the listed entity is required to take <u>prior approval of shareholders by way of Special Resolution</u>, (approved by public shareholders who are not directly or indirectly a party to such transaction)</p> <p>This Regulation is <u>exempted</u> if such transaction is by virtue of a covenant covered under an agreement with a <u>Financial Institution</u> regulated by or registered with the Reserve Bank of India or pursuant to a covenant with <u>Debenture Trustees</u> registered with SEBI.</p>
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Comment

This amendment will plug the loophole that may be used by the listed entities by transferring the whole or substantially the whole of the undertaking to its Wholly Owned Subsidiary (WoS) and then diluting their shareholdings in WoS without attracting the provisions of Section 180 (1) (a) of the Companies Act, 2013. This will be restricted as the same requires prior approval of the shareholders by way of special resolution (by public shareholders who are not party directly or indirectly to such transaction).

46	Website	Regulation 46(2)(o) has been substituted	<p><u>Website</u></p> <p>The listed entities are required to disseminate the information under a separate section on their website.</p> <p>The listed entity is required to disseminate the information at least 2 working days in advance (excluding the date of intimation and meet) for the schedule of analysts' or institutional investors' meet and presentations made by the listed entity to the analyst or institutional investors.</p>
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Comment

The advance intimation for any schedule of analysts' or institutional investors' meet by the listed entity will give the opportunity to the public for getting the information and it reduces the dissemination of information asymmetrically.

57	Intimations to the stock exchange	Regulation 57 has been substituted	<p><u>Intimation to Stock Exchange</u></p> <p>The listed entity shall submit a certificate to the stock exchange regarding the status <u>of payment of interest or dividend or repayment or redemption of the principal of non-convertible securities</u>, within One (1) working day of it becoming due, in the manner and format as specified by the SEBI from time to time.</p>
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Comment

There was no requirement to submit the certificate for repayment or redemption of the principal. Now the same has been mandated. In case of early repayment or redemption before the due date, the listed entity is to submit the certificate.

Schedule III Part A Paragraph A	Disclosures of Events or Information: Specified Securities	<p><u>Events which shall be disclosed without any application of the guidelines for materiality:</u></p> <p>Sub-paragraph 1 has been substituted</p>	<p><u>Events which shall be disclosed without any application of the guidelines for materiality:</u></p> <p>Acquisition (including an agreement to acquire), Scheme of Arrangement (amalgamation, merger, demerger or restructuring) , or sale or disposal of any units, divisions, whole or substantially the whole of undertaking or subsidiary of the listed entity or sale of a stake in the associate</p>
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			<p>company of the listed entity or any other restructuring,</p> <p><u>Explanation 1</u></p> <p>The word “acquisition” shall mean-</p> <p>(i) acquiring control, whether directly or indirectly; or</p> <p>(ii) acquiring or agreement to acquire shares or voting rights in a company, whether existing or to be incorporated, whether directly or indirectly, such that -</p> <p>(a) the listed entity holds shares or voting rights aggregating <u>to 5% or more</u> of the shares or voting rights in the said company; or</p> <p>(b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this subparagraph and such <u>change exceeds 2%</u> of the total shareholding or voting rights in the said company; or</p> <p>(c) the <u>cost of acquisition or the price at which the shares are acquired</u> exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.</p> <p>[Quantitative threshold inserted newly vide this Amendment that is 2% of Turnover as per audited CFS, 2% of Net Worth Turnover as per audited CFS or 5% of the average of the absolute value of profit or loss after tax as per last 3 audited CFS]</p> <p><u>Explanation 2</u></p> <p>For the purpose of this subparagraph, “<u>sale or disposal of the subsidiary</u>” and “<u>sale of stake in the associate company</u>” shall include-</p> <p>i. an agreement to sell or sale of shares or voting rights in a company such that the company <u>ceases to be</u> a wholly owned subsidiary, a subsidiary or an associate company of the listed entity; or</p> <p>ii. an agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the <u>amount of the sale</u></p>
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			<p><u>exceeds the threshold specified in subclause (c) of clause (i) of sub-regulation (4) of regulation 30.</u></p> <p><u>Explanation (3)-</u> For the purpose of this subparagraph, “<u>undertaking</u>” and “<u>substantially the whole of the undertaking</u>” shall have the same meaning as given under section 180 of the Companies Act, 2013</p>
Schedule III Part A Paragraph A	Disclosures of Events or Information: Specified Securities	Subparagraph 3 has been substituted	New Rating(s) or Revision in Rating(s).
Schedule III Part A Paragraph A	Disclosures of Events or Information: Specified Securities	Subparagraph 5A has been inserted.	<p>Agreements entered into by the <u>shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party,</u> solely or jointly, which, either directly or indirectly or potentially or <u>whose purpose and effect is to,</u> impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements.</p> <p>Provided that such agreements entered into by a listed entity in the <u>normal course of business shall not be required to be disclosed</u> unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or they are required to be disclosed in terms of any other provisions of these regulations.</p> <p><u>Explanation:</u> For the purpose of this clause, the term “<u>directly or indirectly</u>” includes agreements</p>

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			creating obligation on the parties to such agreements to ensure that listed entity shall or shall not act in a particular manner.
Schedule III Part A Paragraph A	Disclosures of Events or Information: Specified Securities	Subparagraph 6 has been substituted.	<p>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.</p> <p>Definition of Fraud and Default is given along with Explanation 1 and 2.</p> <p>For the purpose of this sub-paragraph:</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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</p>
Schedule III Part A Paragraph A	Disclosures of Events or Information: Specified Securities	Subparagraph 7 has been substituted.	Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management , Auditor and Compliance Officer.

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Schedule III Part A Paragraph A	Disclosures of Events or Information: Specified Securities	Subparagraph 7C has been inserted	In case of <u>resignation</u> of key managerial personnel, senior management, Compliance Officer or Director other than an Independent Director, the letter of resignation along with detailed reasons for such resignation shall be <u>disclosed to the stock exchanges</u> by the listed entities within <u>seven days</u> from the date that such resignation comes into effect.
Schedule III Part A Paragraph A	Disclosures of Events or Information: Specified Securities	Subparagraph 7D has been inserted	In case the <u>Managing Director or Chief Executive Officer</u> of the listed entity was <u>indisposed or unavailable</u> to fulfil the requirements of the role in a regular manner for more than <u>45 days in any rolling period of 90 days</u> , the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).
Schedule III Part A Paragraph A	Disclosures of Events or Information: Specified Securities	Subparagraph 15 in item (a) time line has been inserted	Schedule of analysts or institutional investors meet <u>at least two working days</u> in advance (excluding the date of the intimation and the date of the meet) and presentations made by the listed entity to analysts or institutional investors. Explanation: For the purpose of this clause "meet" shall mean group meetings or group conference calls conducted physically or through digital means.
Schedule III Part A Paragraph A	Disclosures of Events or Information: Specified Securities	Subparagraph 18 has been inserted	Announcement or communication through <u>social media intermediaries or mainstream media</u> by directors, promoters, key managerial personnel or senior management of a listed entity, in relation to any <u>event or information which is material</u> for the listed entity in terms of regulation 30 of these regulations and is not already made available in the public domain by the listed entity. Explanation – " <u>social media intermediaries</u> " shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.

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<p>Schedule III Part A Paragraph A</p>	<p>Disclosures of Events or Information: Specified Securities</p>	<p>Subparagraph 19 has been inserted</p>	<p><u>Actions initiated or passed by a regulatory, statutory, enforcement authority, or judicial body against the listed entity or its directors, KMP, senior management, promoter, or subsidiary</u> in relation to:</p> <ul style="list-style-type: none"> -search or seizure -re-opening of accounts -investigation. <p>Details to be disclosed pertaining to actions initiated, taken or order passed:</p> <ol style="list-style-type: none"> i. name of authority; ii. nature and details of the actions taken, initiated or orders passed; iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority; iv. details of violations/contraventions committed or alleged to be committed; v. impact on the financial, operation, or other activities of the listed entity, quantifiable in monetary terms to the extent possible.
<p>Schedule III Part A Paragraph A</p>	<p>Disclosures of Events or Information: Specified Securities</p>	<p>Subparagraph 20 has been inserted</p>	<p><u>Actions initiated or passed by a regulatory, statutory, enforcement authority, or judicial body against the listed entity or its directors, KMP, senior management, promoter, or subsidiary in relation</u> to:</p> <ol style="list-style-type: none"> (a)suspension; (b) imposition of fine or penalty; (c) settlement of proceedings; (d) debarment; (e) disqualification; (f) closure of operations; (g) sanctions imposed; (h) warning or caution; or (i) any other similar actions. <p><u>Along with the following details</u> to be disclosed pertaining to actions initiated, taken or order passed: -</p> <ol style="list-style-type: none"> i.name of authority; ii. nature and details of the actions taken, initiated or orders passed; iii. date of receipt of direction or order, including any ad-interim or interim orders, or

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			any other communication from the authority; iv. details of violations/contraventions committed or alleged to be committed; v. impact on the financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.
Schedule III Part A Paragraph A	Disclosures of Events or Information: Specified Securities	Subparagraph 21 has been inserted	Voluntary <u>revision of financial statements</u> or the report of the Board of Directors of the listed entity under section 131 of the Companies Act, 2013.
Schedule III Part A Paragraph B	Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30)	Subparagraph 2 has been substituted.	Any of the following events pertaining to the listed entity: a) arrangements for strategic, technical, manufacturing, or marketing <u>tie-up</u> ; or b) adoption of <u>new line(s) of business</u> ; or c) <u>closure</u> of operation of any unit, division or subsidiary (in entirety or in piecemeal).
Schedule III Part A Paragraph B	Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30)	Subparagraph 5 one word has been omitted.	Agreements (viz. loan agreement(s) (as a borrower)) or any other agreement(s) which are binding and not in the normal course of business and revisions or amendments or terminations thereof.
Schedule III Part A Paragraph B	Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4)	Subparagraph 8 has been substituted	Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity.

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	of regulation (30)		
Schedule III Part A Paragraph B	Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30)	Subparagraph 9 has been substituted	Frauds or defaults by employees of the listed entity <u>which has or may have an impact on the listed entity</u>
Schedule III Part A Paragraph B	Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30)	Subparagraph 13 has been inserted.	<u>Delay or default in the payment of fines, penalties, dues, etc.</u> to any regulatory, statutory, enforcement or judicial authority
Schedule V Paragraph C	Annual Report	Schedule V Paragraph C sub-paragraph 5B has been inserted	<u>Corporate Governance Report (CG Report)</u> In CG Report particulars of <u>Senior Management</u> including the changes therein since the close of the previous financial year to be disclosed.
Schedule V Paragraph G	Annual Report	Schedule V Paragraph G has been inserted.	<u>Disclosure of certain types of Agreements binding listed entities</u> Information disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations.

Disclaimer-This Article is only for academic purposes and is neither intended to solicit business nor to be considered professional advice or opinion

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