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**SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND
DISCLOSURE REQUIREMENTS) REGULATIONS, 2014**

In exercise of the powers conferred by section 11, sub-section (2) of section 11A and section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) read with section 31 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Securities and Exchange Board of India hereby makes the following Regulations, namely:—

**CHAPTER I
PRELIMINARY**

Short title and commencement

1. (1) These Regulations shall be called the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) Regulations, 2014.
(2) They shall come into force on the date of their publication in the Official Gazette.

Definitions

2. (1) In these Regulations, unless the context otherwise requires:—
- (a) “Act” means the Securities and Exchange Board of India Act, 1992 (15 of 1992);
 - (b) **(Explanation of Clause 49(II)(B)(1) of equity, Clause 32 of equity)** “associate” shall mean a company, which is an “associate” as defined in Accounting Standard (AS) 18, Related Party Disclosures .
 - (c) "Board" means Securities and Exchange Board of India established under section 3 of Securities and Exchange Board of India Act, 1992;
 - (d) “board of directors” or “board of trustees” shall mean the board of directors or board of trustees whichever applicable of the listed entity
 - (e) “Chairman” shall mean chairperson of board of directors of the listed entity;
 - (f) **(Clause 49(IX) of equity)** “chief executive officer” or “Managing Director” or “Manager” shall mean the person so appointed in terms of the Companies Act, 2013
 - (g) **(Clause 49(IX) of equity and also Clause 41 of equity)** “chief financial officer” or “whole time finance director” or “head of finance”, by whatever name called, shall mean the person heading the finance function and discharging that function of the listed entity;
 - (h) “designated securities” for the purpose of these Regulations shall mean:
 - i. ‘Specified Securities’ means Equity Shares and ‘Convertible Securities’ as defined in Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - ii. ‘Non-convertible Debt Securities’ as defined under Regulation 2(1)(e) of Clause of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - iii. ‘Non-convertible Redeemable Preference Shares’, ‘Innovative perpetual debt instrument’ and ‘Perpetual non-cumulative preference share’ as defined under Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013;
 - iv. ‘Indian Depository Receipts’ as defined under Companies Act, 2013;
 - v. ‘Securitized Debt Instruments’ as defined under Securities and Exchange Board of India (Public Offer and Listing of Securitized Debt Instruments) Regulations, 2008;
 - vi. units issued by Mutual Fund’ as defined under Regulation 2(z) of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;

- (i) "Financial year" shall have the same meaning as assigned to it in the Companies Act, 2013;
- (j) "global depository receipts" or "american depository receipts" shall have the same meaning as assigned to "global depository receipts" in the Companies Act, 2013;
- (k) **(Clause 43 of SME)** "half year" shall mean the period of six months commencing on the first day of April or October of a financial year;
- (l) **(Clause 43 of SME)** "half yearly results" shall mean the financial results prepared in accordance with these Regulations in respect of half year;
- (m) **(Clause 32 of equity)** "holding company" shall have the same meaning as defined under Companies Act, 2013;
- (n) "key managerial personnel" shall have the same shall have the same meaning as assigned to it in the Companies Act, 2013;
- (o) "Listed entity" shall mean an entity which has listed on a recognised stock exchange, the designated securities issued by it or designated securities issued under schemes managed by it, and shall include Mutual Funds through its "Asset Management Company", in accordance with the listing agreement entered into between the entity and the Stock Exchanges;
- (p) "Listing Agreement" means an agreement entered into and executed between an entity listed or proposing to list its designated securities and recognised Stock Exchange in accordance with Section 21 of Securities Contracts (Regulations) Act, 1956;
- (q) "Main Board" shall have the same meaning as defined under Chapter XB of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (r) "offer document" shall have the same meaning as assigned to it under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013, Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and Securities and Exchange Board of India (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008, as may be applicable;
- (s) **(Clause 41 of equity)** "quarter" means the period of three months commencing on the first day of April, July, October or January of a financial year;
- (t) **(Clause 41 of equity)** "quarterly results" mean the financial results prepared in accordance with these Regulations in respect of a quarter;
- (u) "recognised stock exchange" shall have the same meaning as assigned to it under section Section 4 of Securities Contracts (Regulation) Act, 1956;
- (v) "schedule" means a schedule annexed to these regulations;
- (w) **(Clause 24g of equity, Clause 8h of IDRM, Clause 26 g of SME, Clause 21c of Debt and Clause 1b of SDI)** "securities laws" shall mean the Securities and Exchange Board of India Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the provisions of the Companies Act, 1956 which are administered by the Board under section 55A thereof and the provisions of the Companies Act, 2013, which are administered by the Board under section 24 thereof, the rules, the regulations, guidelines etc. made under these Acts.

- (x) "small and medium enterprises" or "SME" shall have the same meaning as assigned to it under Chapter XB of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (y) "SME Exchange" shall have the same meaning as defined under Chapter X-B of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (z) **(Clause 32 of equity)** "subsidiary" shall have the same meaning as defined under Companies Act, 2013
- (aa) The expressions "public" and "public shareholding" shall have the same meaning as assigned to it under rule 2(d) and rule 2(e) of Securities Contracts (Regulation) Rules, 1957;
- (bb) The expressions "letter of offer", "preferential issue", "promoter", "promoter group", "public issue", "rights issue" shall have the same meanings as assigned to them under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(2) All other words and expressions used but not defined in these regulations, but defined in the Act or the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

Applicability of the regulations

3. Unless otherwise provided, these regulations shall apply to the listed entity who has listed the following securities on any recognised stock exchange:

- (a) Specified Securities ;
- (b) Non-convertible Debt Securities;
- (c) Non-Convertible Redeemable Preference Shares and Innovative Perpetual Debt Instrument or Perpetual non-cumulative preference share listed by banks;
- (d) Indian Depository Receipts;
- (e) Securitised Debt Instruments; and
- (f) Units issued by Mutual Fund Schemes.

CHAPTER II

PRINCIPLES GOVERNING DISCLOSURES AND OBLIGATIONS OF LISTED ENTITY

4. (1) The Listed entity shall make disclosures and abide by its obligations in accordance with the following principles:

- (a) Information should be prepared and disclosed in accordance with applicable standards of accounting, financial and non-financial disclosure.
- (b) The Listed Entity shall refrain from misrepresentation and ensure that the information provided to Stock Exchanges and investors is not misleading.
- (c) The Listed Entity shall not make any statement, whether oral or written, either about their qualifications or capability to render services or their achievements or in respect of any business or line of its business in any advertisements/mass communication etc., without sufficient basis.

Explanation: For the purpose of this Regulation, "advertisement" shall include notices, brochures, pamphlets, circulars, show cards, catalogues, hoardings, placards, posters, insertions in newspaper, pictures, films, or any other print medium, radio, television programmes through any electronic medium, mass communications, emailers, internet websites including social networking websites, publicity through telephone or mobile etc.;

- (d) The Listed Entity shall provide adequate and timely information to Stock Exchanges and investors.
- (e) The Listed entity shall ensure that all disseminations are adequate, accurate, explicit, timely and presented in a simple language.
- (f) Channels for disseminating information should provide for equal, timely and cost efficient access to relevant information by users
- (g) A Listed Entity shall abide by all the provisions of the relevant Acts including the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992, Securities Contracts (Regulation) Act, 1956, Rules, Regulations, guidelines, circulars issued there under and also such other guidelines as may be issued from time to time by the Government, Reserve Bank of India and the Stock Exchange in this regard and as may be applicable.
- (h) The listed entity shall implement the prescribed disclosures and follow its obligations in letter and spirit taking into consideration the interest of all stakeholders.
- (i) Filings, reports, statements and documents which are event based or are filed periodically should contain relevant information.
- (j) Periodic filings, reports, statements and documents reports should contain information that will enable investors to track the performance of a listed entity over regular intervals of time and should provide sufficient information to enable investors to assess the current status of a listed entity.
- (k) Filings, reports, statements, documents and information should be stored to facilitate public access to the information.
- (l) All investors shall have equal access to disclosures, filings, reports, statements, documents and information.

In addition to the above, a listed entity shall make disclosures and abide by Obligations as specified in these Regulations. In case of any gap or ambiguity between the Principles as detailed above and listing obligations and disclosure requirements in terms of these regulations hereunder or elsewhere, the Principles detailed above shall prevail.

- (2) The Listed entity shall comply with the corporate governance provisions as specified in Regulation 15, 16, 17 & 18 which shall be implemented in a manner so as to achieve the objectives of the principles as mentioned below. In case of any ambiguity, the said provisions shall be interpreted and applied in alignment with the principles.
- (a) **(Clause 49 (I) (A), (B), (C), (D) of Equity) The Rights of Shareholders:** The Listed Entity shall seek to protect and facilitate the exercise of shareholders' rights.
- (i) Shareholders shall have the right to participate in, and to be sufficiently informed on, decisions concerning fundamental corporate changes.
 - (ii) Shareholders shall have the opportunity to participate effectively and vote in general shareholder meetings.
 - (iii) Shareholders shall be informed of the rules, including voting procedures that govern general shareholder meetings.
 - (iv) Shareholders shall have the opportunity to ask questions to the board, to place items on the agenda of general meetings, and to propose resolutions, subject to reasonable limitations.
 - (v) Effective shareholder participation in key Corporate Governance decisions, such as the nomination and election of board members, shall be facilitated.
 - (vi) The exercise of ownership rights by all shareholders, including institutional investors, shall be facilitated.
 - (vii) The Listed Entity shall have an adequate mechanism to address the grievances of the shareholders.
 - (viii) Minority shareholders shall be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and shall have effective means of redress.
- (b) **Timely Information:** The Listed entity shall provide adequate and timely information to shareholders.
- (i) Shareholders shall be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be discussed at the meeting.
 - (ii) Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership shall be disclosed.
 - (iii) All investors shall be able to obtain information about the rights attached to all series and classes of shares before they purchase.
- (c) **Equitable Treatment:** The Listed entity shall ensure equitable treatment of all shareholders, including minority and foreign shareholders.
- (i) All shareholders of the same series of a class shall be treated equally.
 - (ii) Effective shareholder participation in key Corporate Governance decisions, such as the nomination and election of board members, shall be facilitated.
 - (iii) Exercise of voting rights by foreign shareholders shall be facilitated.
 - (iv) The Listed entity shall devise a framework to avoid Insider trading and abusive self-dealing.
 - (v) Processes and procedures for general shareholder meetings shall allow for equitable treatment of all shareholders.
 - (vi) Procedures of Listed entity shall not make it unduly difficult or expensive to cast votes.
- (d) **Role of stakeholders in Corporate Governance:** The Listed entity shall recognise the rights of stakeholders and encourage co-operation between listed entity and the stakeholders.
- (i) The Listed Entity shall respect the rights of stakeholders that are established by law or through mutual agreements .
 - (ii) Stakeholders shall have the opportunity to obtain effective redress for violation of their rights.
 - (iii) The Listed entity shall encourage mechanisms for employee participation.
 - (iv) Stakeholders shall have access to relevant, sufficient and reliable information on a timely and regular basis to enable them to participate in Corporate Governance process.
 - (v) The Listed Entity shall devise an effective whistle blower mechanism enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

- (e) **Disclosure and transparency:** The Listed entity shall ensure timely and accurate disclosure on all material matters including the financial situation, performance, ownership, and governance of the Listed Entity.
- (i) Information shall be prepared and disclosed in accordance with the prescribed standards of accounting, financial and non-financial disclosure.
 - (ii) Channels for disseminating information shall provide for equal, timely and cost efficient access to relevant information by users.
 - (iii) The Listed entity shall maintain minutes of the meeting explicitly recording dissenting opinions, if any.
 - (iv) The Listed entity shall implement the prescribed accounting standards in letter and spirit in the preparation of financial statements taking into consideration the interest of all stakeholders and shall also ensure that the annual audit is conducted by an independent, competent and qualified auditor.
- (f) **Responsibilities of the Board of Directors**
- (i) Disclosure of Information
 - (1) Board of Directors and Key Managerial Personnels shall disclose to the board of directors whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the listed entity.
 - (2) The Board of Directors and Senior Management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision-making.
 - (ii) Key functions of the Board of Directors: The board of directors shall fulfill certain key functions, including:
 - (1) Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
 - (2) Monitoring the effectiveness of the Listed Entity's governance practices and making changes as needed.
 - (3) Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.
 - (4) Aligning key executive and board remuneration with the longer term interests of the Listed Entity and its shareholders.
 - (5) Ensuring a transparent nomination process to the Board of Directors with the diversity of thought, experience, knowledge, perspective and gender in the Board.
 - (6) Monitoring and managing potential conflicts of interest of management, members of Board of Directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
 - (7) Ensuring the integrity of the listed entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
 - (8) Overseeing the process of disclosure and communications.
 - (9) Monitoring and reviewing Board of Directors Evaluation framework.
 - (iii) Other responsibilities
 - (1) The Board of Directors shall provide the strategic guidance to the listed entity, ensure effective monitoring of the management and shall be accountable to the listed entity and the shareholders.
 - (2) The Board of Directors shall set a corporate culture and the values by which executives throughout a group will behave.
 - (3) Members of Board of Directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.
 - (4) The Board of Directors shall encourage continuing directors training to ensure that the Members of Board of Directors are kept up to date.

- (5) Where decisions of Board of Directors may affect different shareholder groups differently, the Board of Directors shall treat all shareholders fairly.
- (6) The Board of Directors shall apply high ethical standards and shall take into account the interests of stakeholders.
- (7) The Board of Directors shall be able to exercise objective independent judgement on corporate affairs.
- (8) The Board of Directors shall consider assigning a sufficient number of non-executive members of Board of Directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
- (9) The Board of Directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the listed entity to excessive risk.
- (10) The Board of Directors shall have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the listed entity 's focus.
- (11) When committees of the board of Directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the board of Directors.
- (12) Members of Board of Directors shall be able to commit themselves effectively to their responsibilities.
- (13) In order to fulfil their responsibilities, members of Board of Directors shall have access to accurate, relevant and timely information.
- (14) The Board of Directors and senior management shall facilitate the Independent Directors to perform their role effectively as a member of Board of Directors and also a member of a committee of Board of Directors.

CHAPTER III

COMMON OBLIGATIONS OF LISTED ENTITY

Obligations of Compliance Officer of Listed Entity

5. **(Clause 52(1)(b) of equity, Clause 54(a)(ii) of SME)** The Compliance Officer of the listed entity shall be responsible for:

- (1) **(Clause 22a of Debt, Clause 4c of SDI)** ensuring conformity with the regulatory provisions applicable to the listed entity in form and spirit and in case of gap or ambiguity, shall liaise with authorities such as the Board, Stock Exchange(s), Depositories etc.
- (2) **(Clause 47a of equity, Clause 22b of Debt, Clause 26a of IDRM, Clause 4b of SDI)** liaising with the authorities such as the Board, Stock Exchange(s), Depositories, Registrar of Companies etc., investors and shareholders with respect to compliance/handling of various clauses, rules, regulations and other directives of such authorities and investor service & complaints related matter.
- (3) **(Clause 28(2) of IDRM, Clause 4a of SDI)** ensuring the correctness, authenticity and comprehensiveness of the information, statements and reports filed by the listed entity under the provisions of these regulations either electronically or in any other manner.
- (4) monitoring the share transfer process wherever applicable and report to the listed entity's board of directors in each meeting.
- (5) **(Clause 47f of equity and Clause 50f of SME, Clause 22d of Debt, Clause 4d of SDI)** monitoring email ID of grievance redressal division as designated by the listed entity for the purpose of registering complaints by investors.
- (6) periodically reviewing the complaints lodged under the SCORES platform or such other electronic platform as mandated under Regulation 11 and report on quarterly basis to the listed entity's board of directors.

Co-operation with Intermediaries Registered with the Board and Stock Exchanges

(Clause 48 of equity and Clause 51 of SME, Clause 8, 9 & 17 of NCRPS, Regulation 23(2) and 23(3) of Debt Regulations, Regulation 37(2) and 37(3) of SDI Regulations, Regulation 20(2) and 20(3) of NCRPS Regulations – Credit Rating)

6. The listed entity, wherever applicable, shall furnish correct and adequate information to the intermediaries registered with the Board such as Credit Rating Agencies, Registrar & Share Transfer Agents, Debenture Trustees and Stock Exchanges within timelines and procedures as prescribed under the Act, Regulations and Circulars issued there under.

Maintenance of books of account and records

7. (1) The listed entity shall have a policy approved by its Board of Directors for preservation of documents classifying them at least in two categories as follows:

- (a) documents whose preservation would be permanent in nature ;
- (b) documents with preservation period of not less than five years after completion of related party transactions.

(2) The Listed entity shall intimate to the Exchange the place where these records are kept and available for audit/inspection.

Filing of Information

8. (1) **(Clause 52(a), 52(c) of Equity and Clause 54(a)(I, 54(a)(iii) of SME, Clause 22c of Debt, Clause 28(3) of IDRM, Clause 23(c) of NCRPS)** The listed entity shall file the reports, statements, documents, filings and any other information to the Stock Exchange(s) on the website or electronic platform or in any other form as specified by the Board or Stock Exchange(s) from time to time.

- (2) **(Clause 52(d) of Equity and Clause 54(a)(iv) of SME)** The listed entity shall put in place such infrastructure as may be required to comply with provisions of sub-regulation (1) above.
- (3) The listed entity shall be responsible for ensuring correctness and authenticity of the information filed and also conformity with applicable laws.
- (4) The information at sub-regulation (1) above shall be submitted with the disclaimer clause as specified in this regard.

Scheme of Arrangement

9. (Clause 24g of equity and Clause 26 g of SME, Clause 21c of Debt, Clause 21c of NCRPS, Clause 8h of IDRM and Clause 1b of SDI) The listed entity shall ensure that any scheme of arrangement /amalgamation /merger /reconstruction /reduction of capital etc. to be presented to any Court or Tribunal does not in any way violate, override or limit the provisions of Securities Laws or the Stock Exchange requirements.

Payment of Dividend/Interest and Redemption or Repayment

- 10.** (1) The listed entity shall use any Reserve Bank of India approved electronic mode of payment facility in manner specified in Schedule I for the following:-
- (a) **(Clause 23b of SME)** Dividends
 - (b) **(Clause 7 and 16 b of Debt, Clause 5 and 14c of NCRPS and Clause 2c of SDI)** Interest
 - (c) **(Clause 7 and 16 b of Debt, Clause 5 and 14c of NCRPS and Clause 2c of SDI)** Redemption or Repayment amounts
- (2) **(Clause 7 and 16 b of Debt and Clause 5 and 14c of NCRPS and Clause 2c of SDI)** Where it is not possible to make payment through electronic mode the listed entity shall issue 'payable-at-par' warrants/ cheques for make payments mentioned in sub-regulation (1) above.

Grievance Redressal Mechanism

- 11.** (1) **(Clause 47f of equity and Clause 50f of SME)** The listed entity shall expeditiously redress complaints of investors.
- (2) The listed entity shall ensure that it is registered with the SCORES platform or such other electronic platform/system of the Board as may be mandated from time to time, in order to handle investor complaints electronically.

Fees and other charges to be deposited with Stock Exchanges

12. (Clause 38 of Equity, Clause 40 of SME, Clause 17 of IDRM, Clause 23 of Debt and Clause 8 of SDI and Clause 24 of NCRPS) The listed entity shall pay/deposit all such fees/charges, as applicable, to the Stock Exchanges, in the manner as specified by the Board and/or Stock Exchanges from time to time.

CHAPTER IV

OBLIGATIONS OF LISTED ENTITY WHICH HAS LISTED ITS SPECIFIED SECURITIES

13. All the provisions of this chapter shall apply to a listed entity which has listed its specified securities on any recognised stock exchange whether on Main Board or on SME Exchange.

14. (1) For the purpose of this chapter , unless the context otherwise requires -

(a) "control" shall have the same meaning as assigned to it under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;

(b) **(Clause 49(II)(B) of equity)** ‘independent director’ shall mean a non-executive director, other than a nominee director of the company:

- i. who, in the opinion of the Board of director, is a person of integrity and possesses relevant expertise and experience;
- ii. who is or was not a promoter of the Listed Entity or its holding, subsidiary or associate company;
- iii. who is not related to promoters or directors in the Listed Entity, its holding, subsidiary or associate company;
- iv. apart from receiving director's remuneration, has or had no pecuniary relationship with the Listed Entity, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- v. none of whose relatives has or had pecuniary relationship or transaction with the Listed Entity, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- vi. who, neither himself nor any of his relatives —
 - (1) holds or has held the position of a key managerial personnel or is or has been employee of the listed entity or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (2) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the Listed entity or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the Listed Entity, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - (3) holds together with his relatives two per cent or more of the total voting power of the listed entity; or
 - (4) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the listed entity, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the listed entity;
 - (5) is a material supplier, service provider or customer or a lessor or lessee of the listed entity;
- vii. who is not less than 21 years of age.

(c) **(Clause 49(VII)(B) of equity)** “related party” shall mean a person or entity that is related to the listed entity and parties shall be considered to be related if one party has the ability to control the other party or exercise significant influence over the other party, directly or indirectly, in making financial and/or operating decisions and includes the following:

- i. A person or a close member of that person’s family is related to a company if that person:
 - (1) is a related party under Section 2(76) of the Companies Act, 2013; or
 - (2) has control or joint control or significant influence over the company; or
 - (3) is a key management personnel of the company or of a parent of the company; or
- ii. An entity is related to a company if any of the following conditions applies:

- (1) The entity is a related party under Section 2(76) of the Companies Act, 2013; or
 - (2) The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others); or
 - (3) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); or
 - (4) Both entities are joint ventures of the same third party; or
 - (5) One entity is a joint venture of a third entity and the other entity is an associate of the third entity; or
 - (6) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company; or
 - (7) The entity is controlled or jointly controlled by a person identified in (i); or
 - (8) A person identified in (i)(2) has significant influence over the entity (or of a parent of the entity).
- (d) **(Clause 49(VII)(A) of equity)** “related party transaction” shall mean a transfer of resources, services or obligations between a listed entity and a related party, regardless of whether a price is charged.
- (e) **(Explanation (iii) of Clause 49(II)(B)(1) of equity)** “relative” shall mean “relative” as defined in section 2(77) of the Companies Act, 2013 and rules prescribed there under;
- (f) **(Explanation of Clause 49(II)(E) of equity and Clause 49(VIII)(D)(2) of equity)** “senior management” shall mean personnel of the listed entity who are members of its core management team excluding board of directors and normally, this would comprise all members of management one level below the executive directors, including all functional heads.
- (2) All other words and expressions used in this Chapter but not defined under sub-regulation (1) above shall derive their meaning from Regulation 2 of these Regulations.

Board of Directors

15. (1) The Composition of board of directors of the listed entity shall be as follows:

- (a) **(Clause 49(II)(A)(1) of equity)** board of directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the Board of Directors comprising non-executive directors.
- (b) **(Clause 49(II)(A)(2) of equity)** Where the Chairman of the Board of directors is a non-executive director, at least one-third of the Board of Directors shall comprise independent directors and in case the company does not have a regular non-executive Chairman, at least half of the Board of Directors shall comprise independent directors.

Provided that where the regular non-executive Chairman is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of Board of Director or at one level below the Board of directors, at least half of the Board of directors of the company shall consist of independent directors.

(Clause 49(II)(A)(2) of equity) Explanation: For the purpose of this sub-regulation the expression “related to any promoter” shall have the following meaning:

- (1) If the promoter is a listed entity, its directors other than the independent directors, its employees or its nominees shall be deemed to be related to it;
 - (2) If the promoter is an unlisted entity, its directors, its employees or its nominees shall be deemed to be related to it.
- (c) **(Clause 49(II)(B)(3)(a) of equity)** An independent director shall hold office for a term up to five consecutive years on the Board of Directors of Listed Entity and shall be eligible for reappointment for another term of up to five consecutive years on passing of a special resolution by the company.

Provided that a person who has already served as an independent director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of his present term, for one more term of up to five years only.

Provided further that an independent director, who completes his above mentioned term shall be eligible for appointment as independent director in the company only after the expiration of three years of ceasing to be an independent director in the company.

- (d) **(Clause 49(II)(5)(c)& (d) of equity)** The performance evaluation of independent directors shall be done by the entire Board of Directors (excluding the director being evaluated).

Further on the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

- (e) **(Clause 49(II)(D)(4) of equity)** An independent director who resigns or is removed from the Board of Directors of the Listed entity shall be replaced by a new independent director at the earliest but not later than the immediate next meeting of the Board of Directors or three months from the date of such vacancy, whichever is later.

(Clause 49(II)(D)(5) of equity) Provided that where the Listed Entity fulfils the requirement of independent directors in its Board of Directors even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

- (2) **(Clause 49(II)(D)(1) of equity)** The board of directors shall meet at least four times a year, with a maximum time gap of one hundred and twenty days between any two meetings.
- (3) **(Clause 49(II)(D)(3) of equity)** The board of directors shall periodically review compliance reports of all laws applicable to the listed entity, prepared by the listed entity as well as steps taken by the listed entity to rectify instances of non-compliances.
- (4) **(Clause 49(II)(D)(6) of equity)** The Board of Directors of the Listed Entity shall satisfy itself that plans are in place for orderly succession for appointments to the Board of directors and to senior management.
- (5) **(Clause 49(VIII)(E)(5) of equity)** The board of directors shall delegate the power of share transfer to an officer or a committee or to the registrar and share transfer agents to expedite the process of share transfers and the delegated authority shall attend to share transfer formalities at least once in a fortnight and report to the board of directors of the listed entity in its meetings.
- (6) **(Clause 49(II)(E) of equity)** (a) The board of directors shall lay down a code of conduct for all members of board of directors and senior management of the listed entity.
- (b) The Code of Conduct shall suitably incorporate the duties of Independent Directors as laid down in the Companies Act, 2013.
- (c) An independent director shall be held liable, only in respect of such acts of omission or commission by the listed entity which had occurred with his knowledge, attributable through processes of Board of Directors, and with his consent or connivance or where he had not acted diligently with respect of the provisions contained in these Regulations. the Listing Agreement.
- (7) **(Clause 49(II)(C) of equity)** (a) The board of directors shall fix all fees/compensation, if any paid to non-executive directors, including independent directors and shall require previous approval of shareholders in general meeting.
- (b) The requirement of obtaining prior approval of shareholders in general meeting shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under the Companies Act, 2013 for payment of sitting fees without approval of the Central Government.

(c) The shareholders' resolution mentioned in sub-regulation (b) above shall specify the limits for the maximum number of stock options that can be granted to non-executive directors, in any financial year and in aggregate.

(d) Independent directors shall not be entitled to any stock option.

(8) **(Clause 49(II)(D)(1) of equity)** The listed entity shall provide to board of directors atleast the information as specified in Part A of the Schedule II.

(9) **(Clause 49(IX) of equity)** The Chief Executive Officer and the Chief Financial Officer shall provide the certification to board of directors as specified in Part B of the Schedule II.

(10) (a) The Listed Entity shall provide complete, accurate and consistent information to its Board of Directors through its Agenda Papers.

(b) The Agenda Papers should be circulated to the Board of Directors atleast 5 working days (excluding the date of intimation and date of meeting) before the meeting of Board of Directors.

Provided that with the permission of the Chairman of Board of Directors the Agenda Papers may be circulated later however with reasons for such delay in circulated shall be recorded in writing in the minutes of the meeting of Board of Directors.

(11) **(Clause 49(II)(B)(6) of equity)** (a) The independent directors of the listed entity shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management. All the independent directors of the company shall strive to be present at such meeting.

(b) The independent directors in the meeting shall, inter-alia:

- (i) review the performance of non-independent directors and the Board of Directors as a whole;
- (ii) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (iii) assess the quality, quantity and timeliness of flow of information between the management of the listed entity and the Board of directors that is necessary for the Board of directors to effectively and reasonably perform their duties.

(12) **(Clause 49(VI) of equity)** (a) The listed entity shall lay down procedures to inform members of Board of Directors about risk assessment and minimization procedures.

(b) The Board of directors shall be responsible for framing, implementing and monitoring the risk management plan for the company.

Committees of the Board of Directors

16. (1) The listed entity shall constitute a qualified and independent audit committee giving the terms of reference, subject to the following:

(a) **(Clause 49(III)(A)(1) of equity)** The audit committee shall have minimum three directors as members.

(b) **(Clause 49(III)(A)(1) of equity)** Two-thirds of the members of audit committee shall be independent directors.

(c) **(Clause 49(III)(A)(2) of equity)** All members of audit committee shall be financially literate and at least one member shall have accounting or related financial management expertise.

(Explanation of Clause 49(III)(2) of equity) Explanation (1): "financially literate" shall mean the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.

Explanation (2): A member will be considered to have accounting or related financial management expertise if he or she possesses experience in finance or accounting, or requisite professional

certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

- (d) **(Clause 49(III)(A)(3)& (4) of equity)** The Chairman of the Audit Committee shall be an independent director and he shall be present at Annual General Meeting to answer shareholder queries.
 - (e) **(Clause 49(III)(A)(6) of equity)** The Company Secretary shall act as the secretary to the audit committee.
 - (f) **(Clause 49(III)(A)(5) of equity)** The audit committee at its discretion shall invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the committee, but on occasions it may also meet without the presence of any executives of the listed entity.
 - (g) **(Clause 49(III)(A)(5) of equity)** The finance director, head of internal audit and a representative of the statutory auditor shall be present as invitees for the meetings of the audit committee.
- (2) The listed entity shall conduct the meetings of the audit committee in the following manner:
- (a) **(Clause 49(III)(B) of equity)** The audit committee shall meet at least four times in a year and not more than four months shall elapse between two meetings.
 - (b) **(Clause 49(II)(B) of equity)** The quorum for audit committee meeting shall be either two members or one third of the members of the audit committee whichever is greater, but there should be a minimum of two independent directors present.
- (3) **(Clause 49(III)(C) of equity)** The audit committee shall have powers to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
- (4) **(Clause 49(III)(D)&(E) of equity)** The role of the audit committee and the information to be reviewed by the audit committee shall be as specified in Part C of the Schedule II.
- (5) **(Clause 49(IV) of equity)** (a) The Listed entity shall constitute a nomination and remuneration committee which shall comprise at least three directors, all of whom shall be non-executive directors and at least half shall be independent.
- (b) The Chairman of the nomination and remuneration committee shall be an independent director.
 - (c) The Chairman of the nomination and remuneration committee could be present at the Annual General Meeting, to answer the shareholders' queries, however, it would be up to the Chairman to decide who should answer the queries.
 - (d) The role of the nomination and remuneration committee shall, inter-alia, include the following:
 - (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
 - (ii) **(Clause 49(II)(5)(a) of equity)** Formulation of criteria for evaluation of performance of Independent Directors and the Board of directors;
 - (iii) Devising a policy on Board diversity;
 - (iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
Provided that while identifying persons the committee shall ensure that the persons being identified are fit and proper persons.

Explanation: For the purpose of this sub-regulation, a person shall be deemed 'fit and proper' if:

- (a) such person has a general reputation and record of fairness and integrity, including but not

limited to -

- (i) financial integrity;
 - (ii) good reputation and character; and
 - (iii) honesty and
- (b) such person has not incurred any of the following disqualifications -
- (i) the person has been convicted by a court for any offence involving moral turpitude or any economic offence or any offence against the securities laws;
 - (ii) the person has been declared insolvent and has not been discharged;
 - (iii) an order, restraining, prohibiting or debarring the person from dealing in securities or from accessing the securities market, has been passed by the Board or any other regulatory authority, and a period of three years from the date of the expiry of the period specified in the order has not elapsed;
 - (iv) any other order against the person which has a bearing on the securities market has been passed by the Board or any other regulatory authority, and a period of three years from the date of the order has not elapsed;
 - (v) the person has been found to be of unsound mind by a court of competent jurisdiction and the finding is in force; and
 - (vi) the person is financially not sound.
- (6) **(Clause 49(VIII)(E)(4) of equity)** (a) The Listed entity shall constitute a Stakeholders Relationship Committee to specifically look into the redressal of grievances of shareholders, debenture holders and other security holders under the Chairmanship of a non-executive director and such other members as may be decided by the Board of directors.
- (b) This Committee shall consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.
- (7) **(Clause 49(VI)(C) of equity)** (a) The listed entity shall constitute a Risk Management Committee.
- (b) The Board of Directors shall define the roles and responsibilities of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.

The provisions of sub-regulation (7) shall be applicable to top 100 listed companies by market capitalisation as at the end of the immediate previous financial year.

Other Corporate Governance Requirements

17. (1) **(Clause 49(II)(F) of equity)** (a) The listed entity shall establish a whistle blower policy which shall be a vigil mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
- (b) This mechanism should also provide for adequate safeguards against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.
- (2) **(Clause 49(VII)(C), (D) & (E) of equity)** (a) The listed entity shall formulate a policy on materiality of related party transactions and also on dealing with Related Party Transactions.

Provided that a transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds five percent of the annual turnover or twenty percent of the net worth of the company as per the last audited financial statements of the company, whichever is higher.

- (b) All Related Party Transactions shall require prior approval of the Audit Committee.

- (c) All Material Related Party Transactions shall require approval of the shareholders through special resolution and the related parties shall abstain from voting on such resolutions.
- (d) The provisions of this sub-regulation shall be applicable to all prospective transaction.
- (3) **(Clause 49(II)(B)(7)(a) of equity)** The listed entity provide suitable training to independent directors to familiarize them with the listed entity, their roles, rights, responsibilities in the listed entity, nature of the industry in which the company operates, business model of the company, etc.
- (4) **(Clause 49(X) of equity)** The listed entity at its discretion may comply with requirements as specified in Part D of the Schedule II.
- (5) **(Clause 49(V) of equity)** With respect to Subsidiary Companies the listed entity shall comply with the following requirements:
- (a) At least one independent director on the board of directors of the listed entity shall be a director on the board of directors of a material non listed Indian subsidiary company.
 - (b) The Audit Committee of the listed entity shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.
 - (c) The minutes of the meetings of the board of directors of the unlisted subsidiary company shall be placed at the meeting of the board of directors of the listed entity.
 - (d) The management of subsidiary company shall periodically bring to attention of Board of Directors of listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.
 - (e) The Listed Entity shall formulate a policy for determining ‘material’ subsidiaries and such policy shall be disclosed to Stock Exchanges.
 - (f) A listed entity shall not dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting.
 - (g) Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary shall require prior approval of shareholders by way of special resolution
 - (h) Where a listed entity has a listed subsidiary, which is itself a holding company, the above sub-regulations shall apply to the listed subsidiary insofar as its subsidiaries are concerned.

Explanation(1): For the purpose of this sub-regulation, a subsidiary shall be considered as material if the investment of the company in the subsidiary exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated twenty per cent of the consolidated income of the company during the previous financial year.

Explanation(2): The term “significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the material unlisted subsidiary for the immediately preceding accounting year.

- (6) **(Clause 49 (X)(B) of equity)** (a) The listed entity shall submit a quarterly compliance report signed either by the Compliance Officer or the Chief Executive Officer of the listed entity to the stock exchanges within 15 days from the close of quarter as per the format as specified by the Board from time to time.

- (b) **(Clause 49 (VIII)(A)(1) of equity)** Details of all material transactions with related parties shall be disclosed quarterly along with the compliance report on corporate governance.

18. (1) **(Clause 49(II)(B)(2) of equity)** A person shall not serve as an independent director in more than seven listed entities.

Provided that any person who is serving as a whole time director in any listed entity shall serve as an independent director in not more than three listed entities.

- (2) **(Clause 49(II)(D)(2) of equity)** A director shall not be a member in more than ten committees or act as Chairman of more than five committees across all listed entities in which he is a director which shall be determined as follows:
- (a) the limit of the committees on which a director can serve, all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded;
 - (b) Chairmanship / membership of the Audit Committee and the Stakeholders' Relationship Committee alone shall be considered
- (3) **(Clause 49(II)(D)(2) of equity)** Every director shall inform the listed entity about the committee positions he occupies in other companies and notify changes as and when they take place.
- (4) **(Clause 49(VIII)(E)(2) of equity)** All members of the board of directors and senior management personnel shall affirm compliance with the code of conduct of board of directors and senior management on an annual basis.
- (5) **(Clause 49(VIII)(C)(5) of equity)** Non-executive directors shall disclose their shareholding, held either by them or on a beneficial basis for any other persons in the listed entity in which they are proposed to be appointed as directors, in the notice to the general meeting called for appointment of such director, prior to their appointment.
- (6) **(Clause 49(VIII)(D)(2) of equity)** Senior management shall make disclosures to the board of directors relating to all material financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the listed entity at large.

Explanation: For the purpose of this sub-regulation, conflict of interest implies dealing in shares of listed entity, commercial dealings with bodies, which have shareholding of management and their relatives etc.

In-principle approval from recognized stock exchange(s)

19. **(Clause 24a of equity and Clause 26a of SME)** The listed entity, before issuing securities, shall obtain 'in-principle' approval from recognised stock exchange(s) in the manner as prescribed by Board from time to time.

Provided that this requirement of obtaining in-principle approval shall not be applicable for securities issued in accordance with the scheme of arrangement for which it has already received No-Objection Letter of recognised Stock Exchange under Regulation 24.

Prior Intimations

20. The listed entity shall give prior intimation to Stock Exchange about the meeting of the Board of Directors at which the following is due to be considered:

- (a) **(Clause 41(III) of Equity and Clause 43(III) of SME)** financial results viz. quarterly, half yearly, or annual, as the case may be;
- (b) **Clause 20c of equity and Clause 21b of SME)** proposal for BuyBack of Securities;
- (c) **(Part of Clause 36)** proposal for voluntary delisting by the listed entity from the Stock Exchange(s);
- (d) fund raising by way of further public offer, rights issue, American Depository Receipts/Global Depository Receipts/Foreign Currency Convertible Bonds, qualified institutions placement, preferential issue, Rights Issue or any other method and for determination of issue price;

Further intimation shall also be given in case of any Annual General Meeting/Extraordinary General Meeting/Postal ballot that is proposed to be held for obtaining shareholder approval for further fund raising indicating type of issuance.

- (e) **(Clause 19a of equity, Clause 20a of SME)** declaration/recommendation of Dividend, issue of convertible securities including convertible debentures or of debentures carrying a right to subscribe to equity shares or the passing over of dividend.
- (f) **(Clause 19b of equity, Clause 20b of SME)** the proposal for declaration of bonus where such proposal is communicated to the board of directors of the listed entity as part of the agenda papers.

Provided the issue of declaration of bonus shall not be discussed in the meeting of the board of directors unless a prior intimation about the same is given to the Stock Exchange

- (2) The above intimations shall be given atleast at least 2 working days in advance (excluding the date of the intimation and date of the meeting).

Provided that intimation regarding item at sub-regulation (1)(a) to be discussed at the meeting of Board of Directors shall be given at-least 7 days (excluding the date of the intimation and date of the meeting) in advance and shall also indicate the date of the meeting of Board of Directors.

- (3) The listed entity shall give prior intimation of atleast 21 days to Stock Exchange
 - (a) **(Clause 28 of equity and Clause 29 of SME)** before making any change in the form or nature of any of its securities that are listed on the Stock Exchange or in the rights or privileges of the holders thereof. .
 - (b) **(Clause 21 of equity, Clause 23a of SME)** from which the interest on debentures and bonds, and the redemption amount of redeemable shares or of debentures and bonds will be payable.

Disclosure of Material and Price Sensitive Information

21. (1) The listed entity shall promptly inform to the Stock Exchange of all events and disclosures which are material and which will have bearing on the performance/operations of the listed entity as well as are price sensitive information through electronic or any such mode as may be specified by the Board or stock exchange.

- (2) **(Clause 13, 20a, 20b, 22, 25, 27, 29, 30, 31b,31c,31d, 33, 36, 53 of equity and Clause 15, 21a, 24, 27, 28, 31, 32, 33b, 33c, 33d, 35, 38 of SME)**Without prejudice to the generality of sub-regulation (1), the listed entity shall make the minimum disclosures as per Part A of Schedule III of the specified events.

Holding of specified securities and Shareholding pattern

22. (1) **(Clause 35 of Equity and Clause 37 of SME)**The listed entity shall submit to the Stock Exchange statement showing holding of designated securities and shareholding pattern separately for each class of equity shares/security in format as specified by Board from time to time:

- (a) one day prior to listing of its securities on the stock exchanges
- (b) on quarterly basis, within 21 days from the end of each quarter and
- (c) within 10 days of any capital restructuring of the company resulting in a change exceeding 2% of the total paid-up share capital

Provided that in case of specified securities listed in SME Exchange, the above statements shall be submitted on a half yearly basis only within 21 days from the end of each half year.

- (2) The Listed entity shall ensure that 100% of shareholding of promoter(s) and promoter group and 50% shareholding of non-promoter(s) is in dematerialized form and the same is maintained on a continuous basis and the listed entity shall also comply with circulars or directions issued by the Board in this regard.

Statement of deviations **(Clause 43, 43A of equity and Clause 45,46 of SME)**

- 23.** (1) The listed entity shall furnish to the stock exchange the following statements on quarterly basis:
- (a) A statement indicating material deviations, if any, in the use of proceeds of a public or rights issue of any securities from the objects stated in the offer document.

- (b) Variations between projected utilisation of funds made by it in its offer document and the actual utilisation of funds . by major category (capital expenditure, sales and marketing, working capital, etc)
 - (c) Variations from object(s) stated in the explanatory statement to the notice for the general meeting for considering preferential issues by major category (capital expenditure, sales and marketing, working capital, etc)
 - (d) These statements shall also be given for warrants issued along with public or rights issue of securities.
- (2) The statements at sub-regulation (1)(b),(c) and(d) shall be continued to be given till such time that funds have been fully utilised or the purpose for which these funds were intended has been achieved.
 - (3) The statements at sub-regulation (1) shall be placed before the Audit Committee and after review by the Audit Committee shall be furnished to the stock exchange.
 - (4) The listed entity shall furnish an explanation for the variation in the Director’s Report Section of Annual Report.
 - (5) Where the listed entity has appointed a monitoring agency to monitor utilisation of proceeds of a public or rights issue, the listed entity shall submit to the Stock Exchange any comments or report received from the Monitoring Agency.
 - (6) **(Clause 49(VIII)(I) of equity)** The listed entity shall prepare an Annual Statement certified by the statutory auditors of the listed entity of funds utilized for purposes other than those stated in the offer document/prospectus/notice and place it before the audit committee subject to the following:
 - (a) The disclosure shall be made only till such time that the full money raised through the issue has been fully spent.
 - (b) Where the listed entity has appointed a monitoring agency to monitor the utilisation of proceeds of a public or rights issue, upon receipt, without any delay.

The audit committee shall make appropriate recommendations to the board of directors to take up steps in this matter.

- (7) For the purpose of this regulation, all requirements pertaining to “quarterly/quarter” in case of issue of specified securities by SME, shall be read as that pertaining to “half yearly/half year”.

Financial Results (Clause 31A, 41 of Equity and Clause 43 of SME)

24. (1) **(Clause 41(I)(b) of Equity and Clause 43(I)(b) of SME)** While preparing financial results, the listed entity shall comply with the following:

- (a) **(Clause 41(I)(a) of Equity and Clause 43(I)(a) of SME)** The financial results shall be prepared on the basis of accrual accounting policy and in accordance with uniform accounting practices adopted for all the periods.
- (b) **(Clause 41(IV)(f) of Equity and Clause 43(IV)(f) of SME)** The quarterly and year to date results shall be prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 (AS 25 – Interim Financial Reporting) or Company (Accounting Standards) Rules, 2006, whichever is applicable.
- (c) **(Clause 41(I)(g) of Equity and Clause 43(I)(h) of SME)** In case the listed entity opts to submit consolidated financial results where it has subsidiaries and it may submit the consolidated financials as per the International Financial Reporting Standards notified by the International Accounting Standards Board.
- (d) **(Clause 41(I)(h) of Equity only)** The listed entity shall ensure that the limited review or audit reports submitted to the stock exchanges on a quarterly/annual basis shall be given only by an auditor who has subjected himself to the peer review process of Institute of Chartered Accountants of India and holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India
- (e) The listed entity shall comply with the disclosure requirements as specified in part A of Schedule IV.

- (2) **(Clause 41(II) of Equity and Clause 43(II) of SME)** The approval and authentication of the financial results shall be done by listed entity in the following manner:
- (a) **(Clause 41(II)(a) of Equity and Clause 43(II)(a) of SME)** The quarterly financial results submitted shall be approved by the board of directors.
Provided further that while placing the financial results before the board of directors, the Chief Executive Officer and Chief Financial Officer of the listed entity, shall certify that the financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading.
 - (b) **(Clause 41(II)(c) of Equity and Clause 43(II)(c) of SME)** The financial results submitted to the stock exchange shall be signed by the Chairperson or Managing director, or a whole time director or in the absence of all of them, it shall be signed by any other director of the listed entity who is duly authorized by the board of directors to sign the financial results.
 - (c) **(Clause 41(II)(d) of Equity and Clause 43(II)(d) of SME)** The limited review report shall be placed before the board of directors, before being submitted to the stock exchange where the variation between un-audited financials and financials amended in accordance with limited review for the same period, exceeds 10%.
 - (d) **(Clause 41(II)(e) of Equity and Clause 43(II)(e) of SME)** The annual audited financial results shall be approved by the board of directors of the listed entity and shall be signed in the manner specified in sub-regulation (2)(b) above.
- (3) The listed entity shall submit the financial results in the following manner:
- (a) **(Clause 41(I)(c) of Equity and Clause 43(I)(c) of SME)** The listed entity has an option either to submit audited or unaudited quarterly and year to date financial results to the stock exchange within forty-five days of end of each quarter (other than the last quarter), subject to the following:
 - (ix) In case the listed entity opts to submit unaudited financial results, they shall be subjected to limited review by the statutory auditors of the listed entity (or in case of public sector undertakings, by any practicing Chartered Accountant) and such limited reviewed results (financial results accompanied by the limited review report) shall be submitted within forty-five days from the end of the quarter.
 - (x) In case the listed entity opts to submit audited financial results, they shall be accompanied by the audit report.
 - (b) **(Clause 41(I)(d) of Equity and Clause 43(I)(d) of SME)** The listed entity shall submit audited financial results for the entire financial year, within sixty days of the end of the financial year.
 - (c) **(Clause 41(I)(d) of Equity and Clause 43(I)(d) of SME)** The listed entity shall also submit the audited financial results in respect of the last quarter along-with the results for the entire financial year, with a note that the figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the current financial year.
Provided that in case of specified securities listed on SME Exchange, audited financial results shall contain a note stating that figures of last half year are the balancing figures between audited figures in respect of the full financial year and previous half year.
 - (d) **(Clause 41(I)(e) of Equity and Clause 43(I)(e) of SME)** If the listed entity has subsidiaries :-
 - (i) it may, in addition to submitting quarterly and year to date stand alone financial results to the stock exchange under sub-regulation (3)(a) above, also submit quarterly and year to date consolidated financial results within forty-five days from the end of the quarter; and
 - (ii) while submitting annual audited financial results prepared on stand-alone basis sub regulation 3(c) above, it shall also submit annual audited consolidated financial results to the stock exchange within sixty days from the end of the financial year.
 - (e) **(Clause 41(I)(ea) of Equity and Clause 43(I)(f) of SME)** The listed entity shall also submit as a part of its audited or unaudited financial results for the half year, by way of a note, a statement of assets and liabilities as at the end of the half-year.
 - (f) **(Clause 41(I)(eaa) of Equity and Clause 43(I)(f) of SME)** When the listed entity opts to submit un-audited financial results for the last quarter of the financial year, it shall, submit a statement of assets and liabilities as at the end of the financial year only along with the audited financial results for the entire financial year, as soon as they are approved by the Board.

- (4) **(Clause 31A of Equity)** The listed entity shall restate its books of accounts on the directions issued by the Board or by any other statutory authority, as per the provisions of the extant regulatory framework.
- (5) The listed entity shall comply with the following in publishing of financial results:
- (a) **(Clause 41(VI)(a) of Equity)** The listed entity shall, within 48 hours of conclusion of the meeting of board of directors at which the financial results were approved, publish a copy of the financial results which were submitted to the stock exchange in at least in one English national daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the listed entity is situated:
- Provided* that where the listed entity has opted to submit audited financial results under sub-regulation 3(a)(ii) above, it shall also publish the qualifications or reservations, if any, expressed by the auditor together with the audited results.
- (b) **(Clause 41(VI)(b) of Equity)** Where the listed entity has submitted consolidated financial results in addition to standalone financial results under sub-regulation 3(d), it shall publish consolidated financial results alongwith the following items on a stand-alone basis, as a foot note:- (a) Turnover (b) Profit before tax (c) Profit after tax in the newspapers, subject to the following:
- (i) It shall intimate the stock exchange in the first quarter of the financial year or within such extended period as may be specified by the Board in this regard and shall not change the same during the financial year;
- (ii) In case the listed entity changes its option in any subsequent year, it shall furnish comparable figures for the previous year in accordance with the option exercised for the current year.
- (iii) It shall give a reference in the newspaper publication, to the places, such as the listed entity's website and stock exchanges' websites, where the standalone results of the listed entity are available".
- (iv) Listed entities that are required to prepare consolidated financial results for the first time at the end of a financial year shall exercise the option mentioned at (b) above in respect of the quarter during the financial year in which they first acquire the subsidiary.
- (c) **(Clause 43(VI) of SME)** The provisions of sub-regulations (5)(a) and (5)(b) above shall not be applicable in case of issue of specified securities by SME.
- (6) The applicable formats of the financial results shall be specified by the Board from time to time.
- (7) For the purpose of this regulation, all requirements pertaining to "quarterly/quarter" in case of issue of specified securities by SME, shall be read as that pertaining to "half yearly/half year". Further the requirement of submitting 'year to date' financial results would not be applicable for SME.

Annual Report (Clause 31a, 32, 49, 55 of Equity, Clause & 33a, 34 of SME)

- 25.** (1) The listed entity shall submit to the Stock Exchange the Annual Report along with form A or form B, as specified in Part A of Schedule V of these Regulations.
- (2) **(Clause 32 of equity and Clause 34a,c,d,f,e,g of SME)** The Annual Report shall contain the following:
- (a) Audited Financial Statements i.e. Balance Sheets, Profit and Loss Accounts etc
- (b) Consolidated Financial Statements audited by its statutory auditors in addition to sub-regulation (a) above;
- (c) Cash Flow Statement prepared in accordance with the Accounting Standard on Cash Flow Statement (AS-3) presented only under the Indirect Method as given in AS-3;
- (d) Directors Report
- (e) Management Discussion and Analysis report - either as a part of Directors Report or addition thereto
- (f) All periodical and special reports.
- (g) **(Clause 55 of equity)** For the top 100 listed companies based on market capitalization, Business Responsibility Report describing the initiatives taken by them from an environmental, social and governance perspective, in the format as specified by the Board from time to time.

Provided that companies other than top 100 listed companies based on market capitalization, may include these Business Responsibility report on a voluntary basis in the format as specified.

- (3) In addition to Sub-Regulation (2) above, the Annual Report shall contain disclosures as specified in Companies Act, 2013 along with other requirements as specified in Part B of Schedule V of these Regulations.
- (4) The Form B submitted in terms of sub-regulation (1) and audit reports accompanying audited annual financial statements submitted in terms of Regulation 24 shall be reviewed by the Stock Exchanges and Qualified Audit Review Committee in manner as specified in Schedule VIII.

Annual Information Memorandum

26. The listed entity shall submit to the Stock Exchange Annual Information Memorandum in the manner as specified by the Board from time to time.

Documents & Information to shareholders

27. (1) The listed entity shall send the following documents to the shareholders:

- (a) **(part of Clause 32 of Equity & Clause 34a of SME)** Soft copies of full annual reports to all those shareholder(s) who have registered their email address(es) for the purpose;
 - (b) Hard copy of statement containing the salient features of all the documents, as prescribed in Section 136 of Companies Act, 2013 and rules made thereunder to those shareholder(s) who have not so registered;
 - (c) Hard copies of full annual reports to those shareholders, who request for the same.
- (2) **(Clause 49(VIII)(E)(1)&(2) of equity)** In case of the appointment of a new director or re-appointment of a director the shareholders must be provided with the following information:
- (a) A brief resume of the director;
 - (b) Nature of his expertise in specific functional areas;
 - (c) Disclosure of relationships between directors inter-se
 - (d) Names of companies in which the person also holds the directorship and the membership of Committees of the board; and
 - (e) Shareholding of non-executive directors

Scheme of Arrangement

28. (1) **(Clause 24f of equity and Clause 26f of SME)** The listed entity desirous of undertaking a scheme of arrangement or involved in a scheme of arrangement shall file the draft scheme proposed to be filed before any Court or Tribunal under Sections 230-234 and Section 66 of Companies Act, 2013, with the stock exchange for Observation Letter or No-objection before filing the any Court or Tribunal in terms of requirements specified by Board from time to time and any other requirement prescribed by stock exchange(s) from time to time.

(2) The listed entity shall not file the draft scheme of arrangement with any Court or Tribunal without obtaining observations or No-objection from the Stock Exchange.

Minimum Public Shareholding

29. **(40A (i)& (ii)of equity and 42 of SME)** The listed entity shall comply with the minimum public shareholding requirements specified in Rule 19(2) and Rule 19A of the Securities Contracts (Regulation) Rules, 1957 in the manner as prescribed by the Board from time to time.

Certificates or Receipts or Letters and Advices and Dealing with Unclaimed Securities

30. (1) The listed entity shall comply with Rule 19(3) of Securities Contract (Regulations) Rules, 1957 in respect of Letter/Advices of Allotment, Acceptance or Rights, transfers, subdivision, consolidation, renewal, exchanges, issuance of duplicates thereof or any other purpose .

(2) **(Clause 3b, 3c, 3e of Equity and 3b,3c, 3e of SME)** The listed entity shall issue certificates or receipts or advices, as applicable, of subdivision, split, consolidation, renewal, exchanges, endorsements,

issuance of duplicates thereof or issuance of new certificates or receipts or advices, as applicable, in cases of loss or old decrepit or worn out certificates or receipts or advices, as applicable within a period of one month from the date of such lodgement

- (3) **(Clause 47d of equity and Clause 50d of SME)** The Listed entity shall furnish information regarding loss of share certificates and issue of the duplicate certificates; to the Stock exchange within 2 days of its getting information
- (4) **(Clause 5A.I & II of equity and 6 of SME)** The listed entity shall comply with all procedural requirements as specified in Schedule VI when dealing with securities issued pursuant to the public issues or any other issue, physical or otherwise which remain unclaimed and/or are lying in the escrow account, as applicable.

Transfer and Transmission of securities

31. (Clause 3c of Equity and Clause 3c of SME) (1) On lodgement of proper documents, the listed entity shall register transfers of its securities in the name of the transferee and issue certificates or receipts or advices, as applicable, of transfers, within a period of one month from the date of such lodgement

(Clause 12b of Equity and Clause 13b of SME) Provided that the listed entity shall not register such a transfer when any statutory prohibition or any attachment or prohibitory order of a competent authority restrains it from transferring the securities out of the name of the transferor;

- (2) **(Clause 12c of Equity and Clause 13c of SME)** The listed entity shall not register transfer of its securities in the name of the transferee when the transferor objects to the transfer provided he serves on the listed entity within thirty days of raising the objection a prohibitory order of a Court of competent jurisdiction.
- (3) **(Clause 34b of equity and Clause 36b of SME)** The listed entity shall not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever;
- (4) **(Clause 12A(3) of equity)** The listed entity shall ensure that transfer of securities is affected within one month of lodgement or communicate to the transferee any valid objection to the transfer within the stipulated time period of fifteen days.
- (5) The listed entity shall ensure that transmission requests for securities held in dematerialized mode and physical mode shall processed in 7 days and 21 days respectively, after receipt of the prescribed documents.
- (6) **(Clause 11c,12b&c,34b, 12A-1,2,3,4 of equity and Clause 12c,13b&c,14,36b of SME)** The listed entity shall comply with all procedural requirements as specified in Schedule VII with respect to transfer and transmission, of securities.
- (7) **(Clause 47c of equity and Clause 50c of SME)** The listed entity shall ensure that the Registrar and Transfer Agent and/or the In-house Share Transfer facility, as the case may be, produces a certificate from a practicing Company Secretary within one month of the end of each half of the financial year, certifying that all certificates have been issued within thirty of the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies.
- (8) **(Clause 47c of equity and Clause 50c of SME)** The listed entity shall ensure that certificate mentioned at sub-clause (7) above shall be filed with the Stock Exchange(s) simultaneously.

Structure of Securities

32. (1) (Clause 34a of equity and Clause 36a of SME) The listed entity shall not exercise a lien on its fully paid shares and that in respect of partly paid shares it will not exercise any lien except in respect of moneys called or payable at a fixed time in respect of such shares

- (2) **(Clause 34d of equity and Clause 36d of SME)** The listed entity shall in case of any amount to be paid in advance of calls on any shares, shall stipulate that such amount may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits.

- (3) **(Clause 34e of equity and Clause 36e of SME)** The listed entity shall not give call of any shares to any person without the sanction of the shareholders in general meeting;
- (4) **(Clause 28A of equity and Clause 30 of SME)** The listed entity shall not issue shares in any manner which may confer on any person, superior rights as to voting or dividend vis-à-vis the rights on equity shares that are already listed.
- (5) **(Clause 23a of Equity and Clause 25a of SME)** The listed entity shall issue or offer in the first instance all shares (including forfeited shares), securities, rights, privileges and benefits to subscribe to pro rata to the equity shareholders of the listed entity unless the shareholders in the general meeting decide otherwise;
- (6) **(Clause 26 of Equity)** Unless the terms of issue otherwise provide, the listed entity will not select any of its listed securities for redemption otherwise than pro-rata or by lot and will promptly furnish to the Stock Exchange(s) any information requested in reference to such redemption.

Record Date

33. (Clause 16,19c of Equity and Clause 18a&b, 20c of SME) (1) The listed entity shall intimate to all the Stock Exchanges where it is listed the record date for purposes of dividend or the issue of right or bonus shares or issue of shares for conversion of debentures or any other convertible security or of shares arising out of rights attached to debentures or any other convertible security or for corporate actions like mergers, de-mergers, splits and bonus shares, where stock derivatives are available on the stock of listed entity or where listed entity's stocks form part of an index on which derivatives are available or for such other purposes as specified by the Stock Exchange.

- (2) **(Clause 16 of Equity)** The listed entity shall give notice in advance of atleast seven working days (excluding the date of intimation and the record date) to Stock Exchanges of record date specifying the purpose of the record date.
- (3) **(Clause 19c of equity and 20c of SME)** The listed entity shall recommend or declare all dividend and/or cash bonuses at least five working days (excluding the date of intimation and the record date) before the record date fixed for the purpose.
Provided the record date for dividend shall be announced by the listed entity only after obtaining all necessary approvals (including shareholder's approval)

Terms of Securities

- 34. (1) (Clause 20A of equity and Clause 22 of SME)** The Listed entity shall declare and disclose the dividend on per share basis only.
- (2) The Listed entity shall round off dividend and interest payment involving fraction of fifty paise and above to the rupee and the fraction of less than fifty paise may be ignored.
 - (3) **(Clause 34c of equity and Clause 36c of SME)** The listed entity shall not forfeit unclaimed dividends before the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases
 - (4) **(Clause 34f of equity and Clause 36f of SME)** The listed entity shall send proxy forms to shareholders and debenture holders in all cases mentioning that a holder may vote either for or against each resolution.

Voting by Shareholders

- 35. (35B of equity and not there in SME)** (1) The listed entity shall provide e-voting facility to its shareholders, in respect of those business, which are transacted through postal ballot in compliance with section 108 and 110 of Companies Act, 2013 and any rules made thereunder.
- (2) The listed entity shall continue to enable those shareholders, who do not have access to e-voting facility, to send their assent or dissent in writing on a postal ballot in accordance with the provisions of the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 notified under Companies Act, 1956 or in compliance with section 108 and 110 of Companies Act, 2013 and any rules made thereunder.

- (3) The listed entity shall utilize the service of any one of the agencies providing e-voting platform, which is in compliance with conditions specified by the Ministry of Corporate Affairs, Government of India, from time to time.
- (4) The listed entity shall mention the internet link of such a e-voting platform in the notice to their shareholders.
- (5) **(Clause 35A of Equity)** The listed entity shall submit to the stock exchange, within 48 hours of conclusion of its General Meeting, details regarding the voting results in the format specified by the Board.

Provided that this Regulations shall be applicable only to for the top 100 listed companies based on market capitalization and shall not be applicable in case of specified securities listed on SME Exchange.

Change in name of the listed entity (Clause 32 of equity & Clause 34i of SME)

36. (1) The listed entity shall seek approval from Stock Exchange in case it decides to change its name and this approval shall be received by the listed entity before filing the request for change of name with the Registrar of Companies.

- (2) The listed entity shall be allowed to change its name subject to submission of an auditor's certificate stating compliance with the following conditions:
 - (a) a time period of at least 1 year has lapsed from the last name change
 - (b)(i) at least 50% of the total revenue in the preceding 1 year period has been accounted for by the new activity suggested by the new name.
 - or
 - (ii) The amount invested in the new activity/project is atleast 50% of the assets of the company.
- (3) The new name along with the old name shall be disclosed through the web sites of the respective stock exchange(s) where the company is listed for a continuous period of one year, from the date of the last name change.

Explanation: For the purpose of this regulation, assets of the company shall mean Fixed Assets + Advances + Works in Progress and the 'Advances' shall include only those extended to contractors and suppliers towards execution of project, specific to new activity as reflected in the new name.

Website

37. (1) **(Clause 54 of equity and 34b, 54 of SME)** The listed entity shall maintain a functional website containing the basic information about the listed entity.

- (2) **(Clause 54 of equity and Clause 34b of SME)** The listed entity shall disseminate the following information on its website:
 - (a) details of its business,
 - (b) financial information including complete copy of the Annual Report including Balance Sheet, Profit and Loss Account, Directors report, Corporate Governance Report etc
 - (c) **(Clause 49(VIII)(D)(3) of equity)** code of conduct of board of directors and senior management personnel, where applicable
 - (d) shareholding pattern,
 - (e) **(Clause 53 of equity)** details of agreements entered into with the media companies and/or their associates, etc.
 - (f) contact information of the designated officials of the company who are responsible for assisting and handling investor grievances ,
 - (g) **(Clause 47f of equity)** the email ID for grievance redressal and other relevant details
 - (h) **(Clause 49(VIII)(C) of equity)** Criteria of making payments to non-executive directors (if not disclosed in Annual Report)
 - (i) **(Clause 49 (VIII)(H)(2) of equity)** Details of establishment of vigil mechanism (Whistle Blower policy)
 - (j) **(Clause 49(VIII)(A)(2) of equity)** Policy on dealing with Related Party Transactions

- (3) **(54 of equity and 34b and 54 of SME)** The listed entity shall ensure that the contents of the said website are correct and updated at any given point of time.
- (4) The listed entity shall display the following information on its website simultaneously with the submission of the same to the Stock Exchange:
 - (a) **(Clause 41(III) of Equity and 43(III) of SME)** Notice of meeting of the board of directors where financial results would be discussed
 - (b) **(Clause 43(VI) of SME)** Financial results, on conclusion of the meeting of the board of directors where the financial results were approved.
 - (c) **(Clause 49(VIII)(E)(3) of equity)** Presentations made by the listed entity to analysts or institutional investors
 - (d) **(Clause 49(VIII)(F)(1) of equity)** Letter of resignation of directors along with the detailed reasons of resignation provided by the director, not later than one working day from the date of receipt of letter of resignation;
 - (e) **(Clause 49(VIII)(G) of equity)** Letter of appointment of independent director along-with the detailed profile not later than one working day from the date of such appointment;
 - (f) New Name and the Old name of the listed entity for a continuous period of one year, from the date of the last name change.

Advertisements in Newspapers

38. (1) The listed entity shall publish the following information in the newspaper
 - (a) **(Clause 41(III) of Equity and 43(III) of SME)** notice of meeting of the board of directors where financial results would be discussed
 - (b) **(Clause 41 of equity and 43 of equity)** Financial results in manner as specified in Regulation 24(5)
 - (c) **(Clause 43 and 43A of equity)** Statements of deviation as specified in Regulation 23(1) on quarterly basis, after review by Audit Committee and its explanation in Directors Report in Annual Report.
 - (d) **(Clause 34g of Equity, 36g of SME)** Notices given to shareholders by advertisement
- (2) The listed entity shall publish the above information in the newspaper simultaneously with the submission of the same to the Stock Exchange.
- (3) The information at sub-regulation (1) shall be issued in at least one national English daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the listed entity is situated.

Provided that the requirements of this regulation shall not be applicable in case of specified securities listed on SME Exchange.

Employee Stock Option/Purchase Scheme

39. **(35C of Equity, not there in SME)** The listed entity shall ensure that all employee benefit schemes shall comply with the guidelines/circulars/Regulations governing the issuance of Employee Stock Option Scheme or Employee Stock Purchase Schemes, as issued by the Board from time to time.

Accounting Standards

40. **(50 of equity and 53 of SME)** The listed entity shall comply with all the applicable and notified Accounting Standards issued from time to time.

CHAPTER V
OBLIGATIONS OF LISTED ENTITY WHICH HAS LISTED ITS NON-CONVERTIBLE DEBT SECURITIES OR NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES OR BOTH

41. (1) **(Clause 1 of debt and Clause 1 of NCRPS)** The provisions of this chapter shall apply only to listed entity which has listed its 'Non-convertible Debt Securities' or 'Non-Convertible Redeemable Preference Shares' on a recognised stock exchange in accordance with Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 or Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 respectively.

(2) The provisions of this chapter shall also be applicable for innovative "perpetual debt instrument" and "perpetual non-cumulative preference share" listed by banks.

Explanation: "Bank" includes any bank included in the Second Schedule to the Reserve Bank of India Act, 1934;

Explanation(1): For the purpose of this chapter, if the listed entity has listed their non-convertible redeemable preference shares,:

(1) The reference to "interest" may read as dividend;

(2) The provisions concerning debenture trustees and security creation (or asset cover or charge on assets) shall not be applicable for "non-convertible redeemable preference shares"

For the purpose of this chapter, unless the context otherwise requires "related party" "related party disclosures" "related party transactions" shall have the same meaning as contained in the Accounting Standard 18.

Intimation to Stock Exchange

42. (1) **(Clause 21 of Equity, Clause 23a of SME)** The listed entity shall give prior intimation to the stock exchange at least twenty-one days of the date on and from which the interest on debentures and bonds, and redemption amount of redeemable shares or of debentures and bonds will be payable.

(2) **(Clause 21a of Debt and Clause 21a of NCRPS)** The listed entity shall intimate to the Stock Exchange, of its intention to raise funds through new non convertible debt securities or non-convertible redeemable preference shares either through a public issue or on private placement basis, prior to issuing such securities;

Disclosure of Material and Price Sensitive Information (Clause 8,19 of Debt and Clause 16 of NCRPS)

43. (1) The listed entity shall inform first to the Stock Exchange of all events, disclosures, information which are material and which will have bearing on the performance/operations of the listed entity as well as price sensitive information as well as any action that would affect payment of interest or dividend of non-convertible preference shares or redemption on non convertible debt securities or redeemable preference shares in such manner, form and intervals, as prescribed or specified by the Board from time to time.

(2) Without prejudice to the generality of sub-regulation(1), the listed entity who has issued or is issuing non convertible debt securities shall make the minimum disclosures as specified in Part B of Schedule III.

Financial Results

44. **(Clause 4,6,27, 29 of Debt and Clause 2,4,29 & 30 of NCRPS)**(1)The Listed entity shall prepare and submit un-audited or audited financial results on a half yearly basis in the format as specified by the Board within 45 days from the end of the half year to the Stock exchange.

(2) **(Clause 29 of Debt and Clause 29 of NCRPS)** The listed entity shall comply with following requirements with respect to preparation, approval, authentication and publishing of Half-yearly Financial Results :

- (g) Un-audited financial results shall be accompanied by limited review report prepared by the statutory auditors of the company or in case of public sector undertakings, by any practicing Chartered Accountant, in the format as specified by the Board.

However if the listed entity intimates in advance to the Stock Exchange/s that it would publish/ furnish to the Stock exchanges its annual audited results within 60 days from the end of the financial year, un-audited financial results for the last half year accompanied by limited review report by the auditors need not be published/ furnished to Stock exchanges.

- (h) Half-yearly results should have been taken on record by the board of directors and signed by the Managing Director / Executive Director.
- (i) The audited results for the year shall be published/ furnished to the Stock exchanges in the same format as is applicable for half-yearly financial results.
- (j) If the listed entity opts to submit un-audited financial results for the last half year accompanied by limited review report by the auditors, it shall also submit audited financial results for the entire financial year, as soon as they are approved by the board of directors
- (k) Qualifications in Audit Reports that have a bearing on the interest payment/ dividend payment pertaining to non-convertible redeemable debentures/ redemption or principal repayment capacity of the company shall be appropriately and adequately addressed by the board of directors while publishing the accounts for the said period.
- (3) (**Clause 4,6,27 of Debt and Clause 2, 4, 30 of NCRPS**) The Listed entity shall submit to Stock Exchanges a half-yearly/annual communication, counter signed by debenture trustee, along with the half yearly financial results, containing following information:
- (a) credit rating and change in credit rating (if any);
 - (b) asset cover available, in case of non convertible debt securities;
 - (c) debt-equity ratio;
 - (d) previous due date for the payment of interest/ dividend for non-convertible redeemable preference shares/ repayment of principal of non-convertible preference shares /non convertible debt securities and whether the same has been paid or not; and
 - (e) next due date for the payment of interest/ dividend of non-convertible preference shares /principal along with the amount of interest/ dividend of non-convertible preference shares payable and the redemption amount
 - (f) debt service coverage ratio;
 - (g) interest service coverage ratio.
 - (h) Outstanding Redeemable Preference Shares (quantity and value)
 - (i) Capital Redemption Reserve/Debenture redemption reserve
 - (j) Net worth
 - (k) Net Profit After Tax
 - (l) Earnings Per Share

Provided that the requirement of disclosures of debt service coverage ratio, asset cover and interest service coverage ratio shall not be applicable for Bank or Non Banking Financial Companies registered with Reserve Bank of India.

Provided further that requirement of this regulation shall not be applicable in case of unsecured debt instruments issued by regulated financial sector entities eligible for meeting capital requirements as specified by respective regulators.

Explanation: For the purpose of this regulation, Net worth means the aggregate of the paid up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account.

- (4) **(Clause 19A of Debt and Clause 19 of NCRPS)** The listed entity shall furnish to the stock exchange on a half yearly basis along with the half yearly financial results, a statement indicating material deviations, if any, in the use of proceeds of issue of non convertible debt securities and non-convertible redeemable preference shares from the objects stated in the offer document.
- (5) **(Clause 19A of Debt and Clause 19 of NCRPS)** The Listed entity shall, within 2 calendar days of the conclusion of the meeting of the board of directors, publish the financial results and statement referred to in sub-regulation (4) in at least one English national daily newspaper circulating in the whole or substantially the whole of India.

Annual Report (Clause 15 and 28 of Debt and Clause 13 of NCRPS)

45. (1) The Annual Report of the listed entity shall contain disclosures as specified in Companies Act, 2013 along with the following :

- (a) Audited Financial Statements i.e. Balance Sheets, Profit and Loss Accounts etc
- (b) Cash Flow Statement prepared in accordance with the Accounting Standard on Cash Flow Statement (AS-3) presented only under the Indirect Method as given in AS-3;
- (c) Auditors Report
- (d) Directors Report
- (e) All periodical and special reports.
- (f) **(Clause 2A of Debt)** Name of the debenture trustees with full contact details in their annual report
- (g) Related Party Disclosures as specified in para A of Part B of Schedule V.

Asset Cover

46. **(Clause 5 and 16a of Debt)** In respect of its listed Non-convertible Debt securities, the listed entity shall maintain 100% asset cover sufficient to discharge the principal amount at all times for the Non-convertible Debt securities issued and shall disclose to the stock exchange in quarterly, half-yearly, year to date and annual financial statements, as applicable, the extent and nature of security created and maintained.

Credit Rating

47. (1) **(Regulation 23 (2) of ILDS Regulations and Clause 8,9 & 17 of NCRPS and Regulation 20(2) of NCRPS Regulations)** Every rating obtained by the listed entity with respect to non-convertible debt securities shall be periodically reviewed, preferably once a year, by the registered credit rating agency.

Documents and Intimation to Debenture Trustee

48. (1) **(Clause 2 and 13 of Debt)** The Listed entity shall forward the following to the debenture trustee promptly:

- (a) a copy of the Annual Report at the same time as they are issued;
- (b) a copy of certificate from the listed entity's auditors along with (a) above in respect of utilisation of funds during the implementation period of the project
Provided that in the case of debentures issued for financing working capital the same may be submitted at the end of each accounting year.
- (c) a copy of all notices, resolutions and circulars relating to :
 - i. new issue of non convertible debt securities at the same time as they are sent to shareholders/ holders of non convertible debt securities;
 - ii. the meetings of holders of Non-convertible debt security at the same time as they are sent to the holders of non convertible debt securities or advertised in the media including proceedings of the meetings;
- (d) intimations regarding :
 - i. any revision in the rating.
 - ii. **(Clause 8 of Debt)** any default in timely payment of interest or redemption or both in respect of the non convertible debt securities
 - iii. failure to create charge on the assets
- (e) a half-yearly certificate regarding maintenance of 100% asset cover in respect of listed non convertible debt securities, by either a practicing company secretary or a practicing chartered accountant, along with the half yearly financial results.

Provided that submission of such half yearly certificates is not applicable in cases where a listed entity is a Bank or NBFC registered with RBI or where bonds are secured by a Government

guarantee.”

- (2) **(Clause 3 and 14 of Debt)** The Listed entity shall forward to the debenture trustee any such information sought and provide access to relevant books of accounts as required by the debenture trustee.
- (3) The listed entity may, subject to the consent of the debenture trustee, send the information stipulated in sub-regulation (1) in electronic form/fax.

Other submissions to Stock Exchanges

49. (1) The listed entity shall submit a certificate to the stock exchange within 2 days of the interest or principal or both becoming due that it has made timely payment of interests or principal obligations or both in respect of the non convertible debt securities.
- (2) The listed entity shall provide an undertaking to the Stock Exchanges on annual basis stating that all documents and intimations required to be submitted to Debenture Trustees in terms of Trust Deed and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 have been complied with.
- (3) The listed entity shall forward to the Stock Exchange any other information in manner and format as specified by the Board from time to time.

Documents & Information to holders of Non convertible debt securities and non-convertible preference shares

50. (1) The listed entity shall send the following documents:
 - (a) **(Clause 13 of NCRPS)** Soft copies of full annual reports to all the holders of non convertible preference share who have registered their email address(es) for the purpose;
 - (b) Hard copy of statement containing the salient features of all the documents, as prescribed in Section 136 of Companies Act, 2013 and rules made thereunder to those holders of non convertible preference share who have not so registered;
 - (c) **(Clause 15 of Debt)** Hard copies of full annual reports to those holders of non convertible debt securities and non convertible preference share , who request for the same.
 - (d) **(Clause 6 and Clause 27a of Debt)** send to holders of non convertible debt securities and non convertible preference share a half yearly communication as specified in Regulation 44(3).
 - (e) **(Clause 10 and 18 of NCRPS)** forward all the information, report, notices, call letters, circulars, proceedings, etc concerning Non-Convertible Redeemable Preference shares or non convertible debt securities to the holders of Non-Convertible Redeemable Preference shares and non convertible debt securities respectively.
- (2) **(Clause 27a of Debt and Clause 28 of NCRPS)** The listed entity shall send the notice of all meetings of holders of non convertible debt securities and holders of non-convertible preference shares specifically stating that the provisions for appointment of proxy as mentioned in section 105 of the Companies Act, 2013, shall be applicable for such meeting.
- (3) **(Clause 34f of Equity)** The Listed entity shall send proxy forms to holders of non convertible debt securities and non-convertible preference shares shall be worded in such manner that holders of may vote either for or against each resolution.

Structure of Non convertible debt securities and Non Convertible Redeemable Preference Shares (Clause 21d of Debt and Clause 21d of NCRPS)

51. (1) Listed entity shall not make material modification without prior approval of the Exchanges where the non convertible debt securities or non-convertible redeemable preference shares , as applicable, are listed to :
 - (a) **(Clause 21d of Debt)** the structure of the debenture in terms of coupon, conversion, redemption, or otherwise.

- (b) **(Clause 21d of NCRPS)** the structure of the non-convertible redeemable preference shares in terms of dividend of non-convertible preference shares payable, conversion, redemption, or otherwise.
- (2) The approval of the exchange referred to in sub-regulation (1) above shall be made only after :
- (a) approval of the board of directors and the debenture trustee in case of non-convertible debt securities and
 - (b) **(Clause 21d of NCRPS)** after complying with the provisions of Companies Act, 2013 including approval of the consent of requisite majority of holders of that class of securities.

Record date

52. (Clause 20 of Debt and Clause 20 of NCRPS) (1) The Listed entity shall fix a record date for purposes of payment of interest, dividend pertaining to non convertible redeemable preference shares, and payment of redemption or repayment amount or for such other purposes as the Stock exchange as specified by the Stock Exchange.

(2) The listed entity shall give notice in advance of atleast seven working days (excluding the date of intimation and the record date) to Stock Exchanges of the record date may agree to or require and to give to the Stock exchange specifying the purpose of the record date.

Terms of Non convertible debt securities and Non Convertible Redeemable Preference Shares (Clause 9,17,12a,12b of Debt)

53. (Clause 14b of NCRPS) (1) The listed entity shall ensure timely interest/ dividend of non-convertible preference shares/ redemption payment.

Provided that the listed entity shall take approval of the debenture trustee before any distribution of dividend wherein it has defaulted in payment of interest on debt securities or redemption thereof or in creation of security as per the terms of the issue of debt securities.

- (2) **(Clause 12a of debt and Clause 12a of NCRPS)** The listed entity shall not forfeit unclaimed interest/dividend and such unclaimed interest/dividend shall be transferred to the 'Investor Education and Protection Fund' set up as per section 125 of the Companies Act, 2013;
- (3) **(Clause 12b of debt, 12 b of NCRPS and Clause 26 of Equity)** Unless the terms of issue provide otherwise, the listed entity shall not select any of its listed securities for redemption otherwise than pro rata basis or by lot and shall promptly furnish to Exchange

Website

54. (1) The listed entity shall maintain a functional website containing the following information about the listed entity:-

- (a) details of its business,
- (b) financial information including complete copy of the Annual Report including Balance Sheet, Profit and Loss Account, Directors report etc
- (c) contact information of the designated officials of the company who are responsible for assisting and handling investor grievances
- (d) **(Clause 22d of Debt and Clause 23d of NCRPS)** email ID for grievance redressal and other relevant details
- (e) **(Clause 2A of Debt)** name of the debenture trustees with full contact
- (f) **(Clause 10 and 18 of NCRPS)** the information, report, notices, call letters, circulars, proceedings, etc concerning Non-Convertible Redeemable Preference shares or non convertible debt securities
- (g) **(Regulation 23(4) of Debt Regulation and 20(4) of NCRPS Regulations)** shall disseminate all information and reports including compliance reports filed by the listed entity with respect to non-convertible debt securities.
- (h) **(Regulation 23(6) of Debt Regulation)** The information with respect to following events:
 - i. default by issuer to pay interest on non-convertible debt securities or redemption amount;
 - ii. failure to create a charge on the assets;
 - iii. revision of rating assigned to the non convertible debt securities.

(2) The listed entity shall ensure that the contents of the said website are correct and updated at any given point of time.

CHAPTER VI
OBLIGATIONS OF LISTED ENTITY WHICH HAS LISTED ITS SPECIFIED SECURITIES
AND EITHER NON-CONVERTIBLE DEBT SECURITIES OR NON-CONVERTIBLE
REDEEMABLE PREFERENCE SHARES OR BOTH

55. (1) Entity which has listed its 'specified securities' and 'Non-convertible Debt Securities' or 'Non-Convertible Redeemable Preference Shares' or both on a any recognised stock exchange, the listed entity shall be bound by the provisions in Chapter IV of these Regulations.

(2) The listed entity shall additionally comply with the following regulations in Chapter V:

- (a) Regulation 42(2)
- (b) Regulation 43
- (c) Regulation 44(3)
- (d) Regulation 46
- (e) Regulation 48
- (f) Regulation 49
- (g) Regulation 50
- (h) Regulation 51
- (i) Regulation 52
- (j) Regulation 53
- (k) Regulation 54

Provided that the listed entity which has submitted any information to the Exchange in compliance with the disclosure requirements under Chapter II of these regulations, need not re-submit any such information under the provisions of this Regulation without prejudice to any power conferred on the Board or the Exchange or any other authority under any law to seek any such information from the listed entity.

56. (1) **(Clause 11 of Debt and 11 of NCRPS)** In the event specified securities of the listed entity are delisted from the Exchange, the listed entity shall comply with all the provisions in Chapter III of these Regulations.

(2) In the event that Non-convertible Debt Securities and Non-Convertible Redeemable Preference Shares' of the listed entity do not remain listed on the Exchange, the listed entity shall comply with all the provisions in Chapter II of these Regulations.

CHAPTER VII
OBLIGATIONS OF LISTED ENTITY WHICH HAS LISTED ITS INDIAN DEPOSITORY RECEIPTS

57. The provisions of this chapter shall apply to listed entity whose securities market regulators are signatories to the Multilateral Memorandum of Understanding of International Organization of Securities Commission issuing 'Indian Depository Receipts' as defined under Companies (Issue of Indian Depository Receipts) Rules, 2004.

58. (1) For the purpose of this chapter, unless the context otherwise requires -
- (a) "IDR Holder" shall mean holder of Indian Depository Receipts.
 - (b) "Deposit Agreement" shall mean an agreement between the listed entity and the domestic depository
 - (c) "Home Country" or "country of origin" shall mean the country or parent country where the listed entity is incorporated and listed.
 - (d) "Security holder" shall mean holder of the security or equity shares of the listed entity in the home country.
- (2) All other words and expressions used in this Chapter but not defined under sub-regulation (1) shall derive their meaning from regulation 2 of these regulations.

General Obligations of Listed Entity

59. (1) **(Clause 35 of IDRM)** All correspondences filed with the stock exchanges and those sent to the IDR Holders shall be in English.

(2) **(Clause 31 of IDRM)** The listed entity shall comply, at all times, with the rules/regulations/laws of the country of origin.

(3) **(Clause 33 of IDRM)** The listed entity shall undertake that the competent Courts, Tribunals and regulatory authorities in India shall have jurisdiction in the event of any dispute, either with the stock exchange or any investor, concerning the India Depository Receipt offered or subscribed or bought in India.

Disclosure of Material events and Price sensitive information

(Clauses 2, 3,6, 9, 10, 11,12b,12c,12e, 15, 32, 39, 41 of IDRM)

60. (1) The listed entity shall inform first to the Stock Exchange of all events, disclosures which are material and which will have bearing on the performance/operations of the listed entity as well as price sensitive information in such manner, form and intervals, as prescribed or specified by the Board from time to time.

(2) Without prejudice to the generality of sub-regulation(1), the listed entity shall make the minimum disclosures as specified in Part C of Schedule III.

Indian Depository Receipt holding pattern & Shareholding Details

61. **(Clause 14 of IDRM)** (1) The listed entity shall file with the stock exchange the Indian Depository Receipt holding pattern on a quarterly basis within 15 days of end of the quarter in the format specified by the Board from time to time.

(2) The listed entity shall file the following details with Stock Exchange as is required to be filed in compliance with the disclosure requirements of the listing authority/stock exchange in its home country or any other jurisdiction where the securities of the listed entity are listed:

(a) **(Clause 14 of IDRM)** Shareholding Pattern

(b) **(Clause 8g of IDRM)** Pre and post arrangement share holding pattern and Capital Structure in case of any corporate restructuring like mergers / amalgamations and any other schemes

Periodical Financial Results (Clause 37 of IDRM)

62. (1) The listed entity shall file periodical financial results with the stock exchange in such manner and within such time and as to the extent that it is required to file as per the listing requirements of home country.

- (2) The listed entity shall comply with the requirements with respect to preparation and disclosures in financial results as specified in part B of Schedule IV.

Annual Report

63. (1) **(Clause 12 and Clause 36(a) of IDRM)** The listed entity shall submit to Stock Exchange an Annual Report at the same time as it is disclosed to the security holders in its home country or in other jurisdictions where such securities are listed.

- (2) **(Clause 36(a) of IDRM)** The Annual Report shall contain the following:
- board of director's Report
 - Balance Sheet
 - Profit and Loss Account
 - Auditor's Report
 - Any such other report which is required to be sent to security holders annually
- (3) **(Clause 36(a) of IDRM)** The listed entity shall comply with the requirements with respect to preparation and disclosures in financial results in annual report as specified in part B of Schedule IV.

Corporate Governance (Clause 27 of IDRM)

64. (1) The listed entity shall comply with the Corporate Governance provisions as applicable in its home country and other jurisdictions in which its equity shares are listed.

- (2) The listed entity shall submit to Stock Exchange a comparative analysis of the corporate governance provisions that are applicable in its home country and in the other jurisdictions in which its equity shares are listed along with the compliance of the same vis-à-vis the corporate governance requirements applicable under Regulations 15 to 18 of these Regulations, to Indian listed entities.

Documents & Information to IDR Holder

65. The Listed entity shall disclose/send the following to IDR Holders at the same time and to the extent that it discloses to security holders in its home country or in other jurisdictions where its securities are listed:

- (Clause 36(a) of IDRM)** Soft Copies of the Annual Report to all the IDR holders who have registered their email address(es) for the purpose
- (Clause 36(a) of IDRM)** Hard Copy of the Annual Report to those IDR holders who request for the same either through domestic depository or Compliance Officer
- (Clause 8g of IDRM)** the pre and post arrangement capital structure and share holding pattern in case of any corporate restructuring like mergers / amalgamations and other schemes

Equitable Treatment to IDR Holders

66. (1) **(Clause 1b of IDRM)** The listed entity shall ensure that if its equity shares or other securities representing equity shares are also listed on the stock exchanges in countries other than its home country, it shall ensure that IDR Holders are treated in a manner equitable with security holder in home country.

- (2) **(Clause 1a of IDRM)** The listed entity shall ensure that for all corporate actions, except those which are not permitted by Indian laws, it will treat IDR holders in a manner equitable with security holder in home country.
- (3) **(Clause 38a of IDRM)** In case of take-over or delisting or buy-back of its equity shares, the listed entity shall, while following the laws applicable in its home country, give equitable treatment to IDR holders vis-à-vis security holder in home country.
- (4) **(Clause 34 of IDRM)** The listed entity shall ensure protection of interests of IDR holders particularly with respect to all corporate benefits permissible under Indian laws and the laws of its home country and shall address all investor grievances adequately.

Advertisements in Newspapers

67. (1) The listed entity shall publish the following information in the newspaper :

- (Clause 37 of IDRM)** periodical financial results required to be disclosed
- (Clause 13e of IDRM)** Notices given to its IDR Holders by advertisement

- (2) The information at sub-regulation (1) shall be issued in at one English national daily newspaper circulating in the whole or substantially the whole of India and in one Hindi national daily newspaper in India.

Terms of Indian Depository Receipts

68. (1) **(Clause 5 of IDRM)** The listed entity shall pay the dividend as per the timeframe applicable in its home country or other jurisdictions where its securities are listed, whichever is earlier, so as to reach the IDR Holders on or before the date fixed for payment of dividend to holders of its equity share or other securities.
- (2) **(Clause 13b of IDRM)** The listed entity shall not forfeit unclaimed dividends before the claim becomes barred by law in the home country of the listed entity, as may be applicable, and that such forfeiture, when effected, will be annulled in appropriate cases.

Structure of Indian Depository Receipts

69. (1) **(Clause 29 of IDRM)** The listed entity shall ensure that the underlying shares of IDRs should rank pari-passu with the existing shares of the same class and the fact of having different classes of shares based on different criteria, if any, should be disclosed by the listed entity in the annual report.
- (2) **(Clause 13a of IDRM)** The listed entity shall not exercise a lien on the fully paid underlying shares, against which the IDRs are issued, and that in respect of partly paid underlying shares, against which the IDRs are issued and shall also not exercise any lien except in respect of moneys called or payable at a fixed time in respect of such underlying shares.
- (3) **(Clause 13c of IDRM)** The listed entity, subject to the requirements under the laws and regulations of its home country, if any amount be paid up in advance of calls on any underlying shares against which the IDRs are issued, shall stipulate that such amount may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits.

Record Date

70. **(Clause 7a of IDRM)** (1) The listed entity, where it is required so to do in its home country or other jurisdictions where its securities may be listed, shall fix the record date for the purpose of payment of dividends or distribution of any other corporate benefits to IDR Holders in consultation with the stock exchange.
- (2) **(Clause 4 of IDRM)** The listed entity shall give notice in advance of atleast seven working days (excluding the date of intimation and the record date) Stock Exchanges of record date specifying the purpose of the record date. .

Voting (Clause 13d of IDRM)

71. The listed entity shall, either directly or through an agent, send out proxy forms to IDR Holders in all cases, such proxy forms being so worded that a security holders may vote either for or against each resolution and voting rights of the IDR Holders will be exercised in accordance with the deposit agreement.

Delisting of Indian Depository Receipt

72. (1) **(Clause 38b, 38c of IDRM)** The listed entity shall, if it decides to delist Indian Depository Receipts, give fair and reasonable treatment to IDR holders.
- (2) The listed entity shall comply with such norms and conditions for delisting Indian Depository Receipts as specified by the Board or Stock Exchange in this regard.
- (3) The listed entity shall, in case underlying equity shares are delisted, shall delist and cancel the Indian Depository Receipts.

CHAPTER VIII
OBLIGATIONS OF LISTED ENTITY WHICH HAS LISTED ITS SECURITISED DEBT
INSTRUMENTS

73. (1) The provisions of this chapter shall apply to Special Purpose Distinct Entity issuing securitised debt instruments and trustees of Special Purpose Distinct Entity shall ensure compliance with each of the provisions of these regulations.

(2) The expressions "asset pool", "clean up call option", "credit enhancement", "debt or receivables", "investor", "liquidity provider", "obligor", "originator", "regulated activity", "scheme", "securitization", "securitized debt instrument", "servicer", "special purpose distinct entity", "sponsor" and "trustee" shall have the same meaning as assigned to them under Securities and Exchange Board of India (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008;

(3) All other words and expression used in this Chapter but not defined under sub-regulation (1) shall derive their meaning from regulation 2 of these regulations

Intimation and filings with Stock Exchanges

74. (1) **(Clause 1a of SDI)** The listed entity shall intimate to the Stock exchange, of its intention to issue new securitized debt instruments either through a public issue or on private placement basis (if it proposes to list such privately placed debt securities on the Stock exchange) prior to issuing such securities.

(2) **(Clause 15, 16 of SDI)** The listed entity shall furnish such statements, reports or information including financial information pertaining to Schemes to Stock Exchange within 7 days from the end of the month/ actual payment date, either by itself or through the servicer, on a monthly basis in the format as specified by the Board from time to time.

Provided that where periodicity of the receivables is not monthly, reporting shall be made for such relevant periods.

(3) **(Clause 14 of SDI)** The listed entity shall provide the Stock exchange, either by itself or through the servicer, loan level information, without disclosing particulars of individual borrowers, in manner specified by Stock Exchange.

Disclosure of Material and Price sensitive information

75. **(Clause 13 of SDI)** (1) The listed entity shall inform first to the Stock Exchange of all events, disclosures which are material and which will have bearing on the performance/operations of the listed entity as well as price sensitive information in such manner, form and intervals, as prescribed or specified by the Board from time to time.

(2) Without prejudice to the generality of sub-regulation(1), the listed entity shall make the minimum disclosures as specified in Part D of Schedule III.

Information to Investors

76. (1) **(Clause 14 of SDI)** The listed entity shall provide either by itself or through the servicer, loan level information without disclosing particulars of individual borrower.

(2) Revision in rating as a result of credit rating done periodically in terms of Securities And Exchange Board of India (Public offer and Listing of Securitised Debt Instruments) Regulation, 2008.

(3) **(Clause 14 of SDI)** The information at sub-regulation (1) and (2) above, may be sent to investor in electronic form/fax if so consented by the investor.

(4) The listed entity shall display the email ID of the grievance redressal division and other relevant details prominently on its website and in the various materials / pamphlets/ advertisement campaigns initiated by it for creating investor awareness

Terms of Securitized Debt Instrument

77. (1) **(Clause 1c of SDI)** The listed entity shall ensure that no material modification shall be made to the structure of the securitized debt instruments in terms of coupon, conversion, redemption, or otherwise without prior approval of the Stock exchanges where the securitized debt instruments are listed and the listed entity shall make an application to the stock exchange only after the approval by Trustees.
- (2) **(Clause 2a of SDI)** The listed entity shall ensure timely interest/ redemption payment.
- (3) **(Clause 2b of SDI)** The listed entity that where credit enhancement has been provided for, make credit enhancement available for listed securitized debt instruments at all times.
- (4) **(Clause 3a of SDI)** The listed entity shall not forfeit unclaimed interest and principal and such unclaimed interest and principal shall be, after a period of seven years, transferred to the Securities and Exchange Board of India (Investor Protection and Education Fund) set up as per Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009.
- (5) **(Clause 3b of SDI)** Unless the terms of issue provide otherwise, the listed entity shall not select any of its listed securitized debt instruments for redemption otherwise than on pro rata basis or by lot and shall promptly furnish to the Stock exchange the details thereof.
- (6) **(Clause 19 of SDI)** The listed entity shall remain listed till the maturity or redemption of securitised debt instruments or till the same are delisted as per the procedure laid down by the Board and the Exchange.

Provided the above provision shall not restrict the right of the Exchange to delist, suspend or remove the said securities at any time and for any reason which the Exchange considers proper in accordance with the applicable legal provisions.

Record date

78. (1) **(Clause 10 of SDI)** The Listed entity shall fix a record date payment of interest and payment of redemption or repayment amount or or for such other purposes as the Stock exchange as specified by the Stock Exchange.
- (2) The listed entity shall give notice in advance of atleast seven working days (excluding the date of intimation and the record date) to Stock Exchanges of the record date may agree to or require and to give to the Stock exchange specifying the purpose of the record date.

CHAPTER IX
OBLIGATIONS OF LISTED ENTITY WHICH HAS LISTED ITS MUTUAL FUND UNITS

79. The provisions of this chapter shall apply to the mutual fund scheme whose units are listed on the Stock Exchange and the listed entity.

80. (1) The expressions "Asset Management Company", "Exchange Traded Funds", "Fundamental attribute", "Net Asset Value" , "Scheme" , "Unit" and "Unit Holder" shall have the same meaning as assigned to them under Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;

(2) All other words and expression used in this Chapter but not defined under sub-regulation (1) shall derive their meaning from regulation 2 of these regulations

81. Notwithstanding anything contained in this chapter, the provision of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and directions issued there under shall apply on the listed entity and to the schemes whose units are listed on the Stock Exchange.

In-principle approval from recognized stock exchange(s)

82. The listed entity, which intends to list units of a scheme on the recognized Stock Exchange(s), shall obtain 'in-principle' approval from recognised stock exchange(s) in the manner as prescribed by Stock Exchange(s) from time to time.

Submission of Documents

83. (1) The Listed entity shall intimate to the stock exchange the information relating to Daily Net Asset Value, Monthly Portfolio, Half Yearly Portfolio of those schemes whose units are listed on the Stock Exchange in the format as specified under Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and directions issued there under.

(2) The Listed entity shall intimate to the stock exchange in the manner specified by Stock Exchanges of:

- (a) movement in unit capital of those schemes whose units are listed on the Stock Exchange;
- (b) rating of the scheme whose units are listed on the Stock Exchange and any changes in the rating thereof (wherever applicable);
- (c) imposition of penalties and material litigations against the listed entity and Mutual Fund;
- (d) any prohibitory orders restraining the listed entity from transferring units registered in the name of the unit holders.

Dissemination on the website of Stock Exchange

84. The listed entity shall submit such information and documents, that are required to be disseminated on the listed entity's website in terms of Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and directions issued there under, to the Stock Exchange for dissemination.

CHAPTER X
POWERS, DUTIES AND OBLIGATIONS OF THE STOCK EXCHANGE

Dissemination

85. (1) Upon receipt of relevant intimations, information, filings, reports, statements, documents or any other submissions in terms of these Regulations, from the listed entity the Stock Exchange shall immediately disseminate the same on its website for dissemination

(2) The disseminations by Stock Exchanges as mentioned in sub-regulation (1) above, shall be made in organised, user friendly and easily referable manner including by providing hyperlinks for easy accessibility.

Transferability

86. The Stock Exchange shall freeze/ unfreeze, lock-in/ release the lock-in on the shareholding in the listed entity or on any of holders of listed securities in accordance with the applicable laws, instructions or directions of the Board or any competent court.

Draft Scheme & Scheme of Arrangement

87. (1) **(Clause 24f of Equity and Clause 26f of SME)** The designated stock exchange shall forward to the Board, the draft scheme submitted by the listed entity desirous of undertaking a scheme of arrangement or involved in a scheme of arrangement under Sections 230-234 and 66 of Companies Act 2013, in terms of Regulation 9 of these Regulations along with the documents as prescribed/specified by the Board.

Form B accompanying Annual Report

88. (1) The Stock Exchange(s) shall examine the Form B accompanying the Annual Report along with audit reports accompanying audited annual financial statements submitted by listed entity in terms of Regulation 19.

(2) The Stock Exchange shall follow the procedure as specified under Schedule VIII of these Regulations for scrutinising the audit reports accompanying audited annual financial statements submitted by listed entity.

Grievance Redressal

89. The Stock Exchange shall redress/facilitate redressal of complaints of holders of listed securities from time to time. **(Clause 47f of equity and Clause 50f of SME)**

Monitoring of Compliance/Non Compliance & Adequacy/ Accuracy of the disclosures

90. (1) The Stock Exchange shall monitor the compliance/non compliance of the listed entity with the requirements of these Regulations in terms of Circulars and Guidelines issued there under.

(2) The Stock Exchanges shall also monitor adequacy and accuracy of the disclosures made by listed entity with the requirements of these Regulations in terms of Circulars and Guidelines issued there under.

(3) The Stock Exchange shall submit a report to the Board in manner specified by the Board on compliance and non-compliance with these Regulations and on adequacy and accuracy of the disclosures in terms of Circulars and Guidelines issued there under.

(4) The Stock Exchanges shall put in place appropriate framework including adequate manpower and such infrastructure as may be required to comply with provisions of sub-regulations (1), (2) & (3) above.

Power of Stock Exchange in case of non-compliance

91. (1)The Stock exchange shall, in case of non- compliance with provisions of these Regulations, initiate appropriate action against the listed entity including levying of fines, suspension, freezing of promoter shareholding etc. as specified by the Board through Circulars or Guidelines issued in this regard from time to time.

(2) The Stock Exchange shall revoke suspension, unfreeze promoter shareholding etc. of the listed entity in the manner as directed by the Board from time to time.

Power to make bye-laws

92. The Stock Exchange, subject to prior approval of the Board, shall make bye-laws with regard to listing of securities and matters incidental thereto.

CHAPTER XI INSPECTION AND DISCIPLINARY PROCEEDINGS

Power to call for information

93. The Board may call for information from the listed entity or Stock Exchange or any other person associated with the listed entity.

Inspection by the Board.

94. (1) The Board may *suo motu* or upon information received by it, appoint one or more persons to undertake the inspection of the books of account, records and documents of the listed entity as governed under these regulations, for any of the purposes specified in sub-regulation (2).

(2) The purposes referred to in sub-regulation (1) may be as follows, namely:-

- (a) to verify whether the provisions of the Act, Companies Act, 1956, Securities Contracts (Regulation) Act, 1956, Depositories Act, 1996, the rules and regulations made thereunder in respect of listing and continuous listing requirement have been complied with;
- (b) to verify whether requirement in respect of listing and continuous disclosure requirements in these regulations have been complied with;
- (c) to inquire into the complaints received from holders of listed securities or any other persons on any matter of issue and transfer of securities, listing of securities or disclosure requirements governed under these regulations;
- (d) to inquire into affairs of the listed entity in the interest of investor protection or the integrity of the market governed under these regulations;
- (e) to inquire whether any direction issued by the Board has been complied with.

Notice before inspection

95. (1) Before undertaking an inspection under regulation 92, the Board shall give a reasonable notice to the listed entity or other person.

(2) Notwithstanding anything contained in sub-regulation (1), where the Board is satisfied that in the interest of the investors no such notice should be given, it may by an order in writing direct that the inspection of the affairs of the listed entity or other person be taken up without such notice.

(3) During the course of inspection the listed entity and other persons shall be bound to discharge its obligations as provided under regulation 94.

Obligations of listed entity on inspection

96. (1) It shall be the duty of every promoter, director, officer, employee, servicer, Compliance officer or any other agent of the listed entity who is being inspected to produce to the inspecting authority such books of accounts and other documents in his custody or control and furnish him with such statements and information relating to regulated activities of the listed entity as he may require within the specified time.

(2) The persons mentioned in sub-regulation (1) shall allow the inspecting authority to have a reasonable access to the premises occupied by listed entity or by any other person, on its behalf and also extend reasonable facility for examining any books, records, documents, computer systems and computer data in the possession of the listed entity or any such other person and also provide copies of documents or other material which in the opinion of the inspecting authority are relevant for the purposes of the inspection.

(3) The inspecting authority shall in the course of inspection, be entitled to examine or record statements of any promoter, principal officer, director, partner and employee of the listed entity or the other person whose records or other documents are being inspected.

(4) It shall be the duty of every promoter, director, partner, officer, employee, servicer or other agent of the listed entity or the other person whose records or other documents are being inspected to give to the

inspecting authority all assistance in connection with the inspection which the listed entity may reasonably be expected to give.

Submission of report to the Board

- 97.** (1) The inspecting authority shall, as soon as may be possible, submit an inspection report to the Board.
- (2) On submission of the inspection report, the Board may take such action thereon as it may deem fit and appropriate.

CHAPTER XII
PROCEDURE FOR ACTION IN CASE OF DEFAULT

Liability for contravention of the Act, rules or the regulations

98. (1) The listed entity or any other person thereof who contravenes any of the provisions of these Regulations, shall be liable for any one or more of the following actions:

- (a) Fines as specified under provisions of these regulations and circulars or guidelines made there under;
- (b) Monetary Penalty under chapter VIA of the Act or Section 23(E) of Securities Contract Regulation Act, 1956 (SCRA) read with Section 23(I) of SCRA, for failure to comply with provisions of these regulations;
- (c) Inquiry under Section 11B of the Act or Section 12A of SCRA
- (d) Prosecution under section 24 of the Act and/or under Section 23(2) of SCRA read with section 26 and 24 of SCRA.
- (e) Suspension and/or delisting as specified under provisions of these regulations and circulars or guidelines made there under.

Directions by the Board

99. Without prejudice to exercise of its powers under the provisions of the Act or the SCRA Securities and Exchange Board of India Act, 1992 and rules and regulations made hereunder, the Board may either suo motu or on receipt of information or during pendency of any inspection, inquiry or investigation or on completion thereof, in the interest of public or trade or investors or the securities market, issue such directions as it deems fit, including but not limited to any or all of the following:

- (a) directing the persons concerned not to access the securities market or not to deal in securities for a particular period for a specified period
- (b) directing the person concerned to sell or divest the securities
- (c) directing the listed entity concerned to refrain from accessing the capital market
- (d) directing the listed entity concerned to sell or divest the securities
- (e) directing the Stock Exchange concerned not to permit trading in securities
- (f) directing the Stock Exchange concerned to suspend trading in securities
- (g) directing the listed entity or depository not to give effect transfer or directing further freeze of transfer of securities.
- (h) directing the Stock Exchange to revoke the suspension of trading in securities,
- (i) directing the listed entity to pay the penalty imposed by the adjudicating officer'
- (j) direction under Section 11 B of the Act or 12 A of Securities Contracts (Regulation) Act, 1956 to the listed entity and/or Stock Exchange as may be deemed appropriate
- (k) any other direction which the Board may deem fit and proper in the circumstance of the case.

Provided that before issuing any direction the Board may give a reasonable opportunity of being heard to the person or listed entity concerned.

Provided further that if any interim direction is required to be issued, the Board may give post decisional hearing to such person or listed entity.

Failure to pay fine

100. If listed entity fails to pay any fine imposed on it within such period as prescribed from time to time by the Stock Exchange after a notice in writing has been served on it, the Stock Exchange may initiate action including suspension of trading of securities and freezing of promoter holdings on the directions of the Board

Appeal

101. A person aggrieved by an order of the Board or Adjudicating Officer under the Act, the Securities and Exchange Board of India Act, 1992 (15 of 1992) or these regulations may prefer an appeal to the Securities Appellate Tribunal in accordance with section 23L of the Act read with the Securities Contracts (Regulation) (Appeal to Securities Appellate Tribunal) Rules, 2000, or section 15T of the Securities and Exchange Board of India Act, 1992 (15 of 1992) read with the Securities Appellate Tribunal (Procedure) Rules, 2000.

CHAPTER XIII MISCELLANEOUS

Delegation

102. The powers exercisable by the Board under these regulations shall also be exercisable by any officer of the Board to whom such powers are delegated by the Board under the provisions of the Act.

Power of the Board to issue general order or circular or guidelines or guidance notes

103. (1) The Board, to remove any difficulties in the application or interpretation of these regulations or issue clarifications in respect of listed securities, may by a general or special orders or circulars or guidelines or guidance notes specify any conditions or requirement in this regard.

- (2) In particular, and without prejudice to the generality of the foregoing power and provisions of these regulations, such orders or circulars or guidance notes or guidelines may provide for all or any of the following matters, namely:
- (a) Procedural aspects including intimation to be given, documents to be submitted etc.;
 - (b) Disclosure requirements;
 - (c) Listing condition
- (3) If any special order is proposed to be issued to any particular listed entity or any other person on a specific issue, no such order shall be issued unless an opportunity to represent is given to the person affected by such order.

Power to relax strict enforcement of the regulations

104. (1) The Board in the interest of investors and securities market and for the development of the securities market, relax the strict enforcement of any requirement of these regulations, if the Board is satisfied that the listed entity is unable to comply with the provisions of these Regulations / Circulars/ Guidance Notes/Guidelines/Special or General Order issued thereunder, if it is,

- (a) **(Clause 18 of SDI)** on account of provisions of Act(s), Rule(s), Regulation(s) under which the listed entity is formed or governed; or
- (b) **(Clause 18 of SDI)** to avoid undue hardship to investors; or
- (c) on account of any disclosure requirement not being relevant for a particular class of industry or listed entity; or
- (d) on account of the requirement being technical in nature; or
- (e) on account of non-compliance caused due to factors beyond the control of the listed entity.

Repeal and Savings.

105. (1) On and from the commencement of these regulations, the equity listing agreement, listing agreement for Small and Medium Enterprises, listing agreement for Indian Depository Receipts, listing agreement for Non-convertible Debt Securities, listing agreement for Securitised Debt Instruments and listing agreement for Non Convertible Redeemable Preference Shares shall stand rescinded.

(2) Notwithstanding such rescission:

- (a) Listing agreement as specified by Stock Exchange(s) duly signed by the listed entity and the Stock Exchange would need to be executed;
- (b) anything done or any action taken or purported to have been done or taken including any enquiry or investigation commenced or show cause notice issued in respect of the said Listing Agreements rescinded in terms of sub-regulation (1) of this regulation shall be deemed to have been done or taken under the corresponding provisions of these regulations.

SCHEDULES
SCHEDULE I – TERMS OF SECURITIES
[See Regulation 10(1)]

- A. The listed entity shall use the facility of Electronic Clearing Services or Real Time Gross Settlement or National Electronic Funds Transfer in the following manner:-
- (1) The listed entity either directly or through their Registrar to an Issue and Share Transfer Agent, shall use such as Electronic Clearing Services Electronic Clearing Services [Local ECS / Regional ECS/ National ECS], Direct Credit, Real Time Gross Settlement, National Electronic Funds Transfer etc for making payments.
 - (2) Listed Entity (or their Registrar to an Issue and Share Transfer Agent) shall maintain requisite bank details of their investors in the following manner -
 - (a) For investors holding securities in dematerialized mode, listed entity or their Registrar to an Issue and Share Transfer Agent shall seek relevant bank details from the depositories.
 - (b) For investors that hold securities in physical mode, listed entity or their Registrar to an Issue and Share Transfer Agent shall maintain updated bank details of the investors at its end.
 - (3) In cases where either the bank details such as Magnetic Ink Character Recognition, Indian Financial System Code, etc. that are required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by the bank, listed entity or their Registrar to an Issue and Share Transfer Agent shall issue 'payable-at-par' warrants/ cheques for making payments.

Provided that the listed entity shall mandatorily print the bank account details of the investors on such payment instruments.

SCHEDULE II: CORPORATE GOVERNANCE

(Clause 49 of Equity and Clause 52 of SME)

SCHEDULE II: CORPORATE GOVERNANCE: PART A: MINIMUM INFORMATION TO BE PLACED BEFORE BOARD OF DIRECTORS

(49 ANNEXURE X of equity)

[see Regulation 15(8)]

- A. Annual operating plans and budgets and any updates.
- B. Capital budgets and any updates.
- C. Quarterly results for the company and its operating divisions or business segments.
- D. Minutes of meetings of audit committee and other committees of the board of directors.
- E. The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- F. Show cause, demand, prosecution notices and penalty notices, which are materially important.
- G. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- H. Any material default in financial obligations to and by the company, or substantial nonpayment for goods sold by the company.
- I. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company.
- J. Details of any joint venture or collaboration agreement.
- K. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- L. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- M. Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business.
- N. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- O. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

SCHEDULE II: CORPORATE GOVERNANCE: PART B: CERTIFICATION BY CEO/CFO

(Clause 49(IX) of equity)

[see Regulation 15(9)]

- A. They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in

compliance with existing accounting standards, applicable laws and regulations.

- B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. They have indicated to the auditors and the Audit committee
 - (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

**SCHEDULE II: CORPORATE GOVERNANCE: PART C: ROLE OF THE AUDIT COMMITTEE
AND REVIEW OF INFORMATION BY AUDIT COMMITTEE**

(Clause 49(III)(D)& (E) of equity)

[see Regulation 16(4)]

- A. The role of the audit committee shall include the following:
 - (1) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
 - (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
 - (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - (b) Changes, if any, in accounting policies and practices and reasons for the same
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management
 - (d) Significant adjustments made in the financial statements arising out of audit findings
 - (e) Compliance with listing and other legal requirements relating to financial statements
 - (f) Disclosure of any related party transactions
 - (g) Qualifications in the draft audit report
 - (5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 - (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - (7) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
 - (8) Approval or any subsequent modification of transactions of the company with related parties;
 - (9) Scrutiny of inter-corporate loans and investments;
 - (10) Valuation of undertakings or assets of the company, wherever it is necessary;
 - (11) Evaluation of internal financial controls and risk management systems;
 - (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage

and frequency of internal audit;

- (14) Discussion with internal auditors of any significant findings and follow up there on;
- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the Whistle Blower mechanism;
- (19) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

B. The Audit Committee shall mandatorily review the following information:

- (1) Management discussion and analysis of financial condition and results of operations;
- (2) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- (3) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- (4) Internal audit reports relating to internal control weaknesses; and
- (5) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- (6) **(Clause 49(VIII)(I) of equity)** Statement of Deviations:
 - (a) Quarterly statement of Deviation(s) including report of monitoring agency (if any) furnished to Stock Exchanges in terms of Regulation 23(1).
 - (b) Annual Statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 23(6).

SCHEDULE II: CORPORATE GOVERNANCE: PART D: DISCRETIONARY REQUIREMENTS

(Clause 49 (X) of Equity)

[See Regulation 17(4)]

A. The Board

The Board - A non-executive Chairman may be entitled to maintain a Chairman's office at the company's expense and also allowed reimbursement of expenses incurred in performance of his duties.

B. Shareholder Rights

A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders.

C. Audit qualifications

Company may move towards a regime of unqualified financial statements.

D. Separate posts of Chairman and CEO

The company may appoint separate persons to the post of Chairman and Managing Director/CEO.

E. Reporting of Internal Auditor

The Internal auditor may report directly to the Audit Committee.

SCHEDULE III –MINIMUM DISCLOSURES OF MATERIAL AND PRICE SENSITIVE INFORMATION

SCHEDULE III: PART A: MINIMUM DISCLOSURES OF MATERIAL AND PRICE SENSITIVE INFORMATION: SPECIFIED SECURITIES
[see Regulation 21(2)]

(Clause 36 of equity and Clause 38 of SME)

- A. The listed entity shall keep the Stock exchange informed of events such as strikes, lock-outs, closure on account of power cuts, etc. both at the time of occurrence of the event and subsequently after the cessation of the event in order to enable the shareholders and the public to appraise the position of the Listed entity and to avoid the establishment of a false market in its securities.
- B. In addition, the Listed Entity shall furnish to the Stock exchange on request such information concerning the Listed entity as the Stock exchange may reasonably require.
- C. The Listed entity shall also immediately promptly notify/inform the Stock exchange of all the events, which will have bearing on the performance/operations of the listed entity as well as price sensitive information. The material events may be events such as:
- (1) **(Clause 29 of Equity) Change in the general character or nature of business** brought about by:
 - a. Listed entity entering into or proposing to enter into any arrangement for technical, manufacturing, marketing or financial tie-up;
 - b. Listed entity, selling or disposing of or agreeing to sell or dispose of any unit or division or by the Listed entity;
 - c. enlarging, restricting or closing the operations of any unit or division or proposing to enlarge, restrict or close the operations of any unit or division or otherwise.
 - (2) **Disruption of operations** of any one or more units of the Listed entity due to natural calamity like earthquake, flood or fire and the following shall be disclosed:
 - a. details of the damage caused to the unit thereby;
 - b. whether the loss/damage has been covered by insurance;
 - c. an estimate of the loss in revenue or production arising therefrom;
 - d. steps taken to restore normalcy.
 - (3) **Commencement of Commercial Production or the commencement of commercial operations of any unit/division** where revenue from the unit/division for a full year of production or operations is estimated to be not less than ten per cent of the revenues of the Listed entity for the year .
 - (4) **Developments with respect to pricing of or in realisation on its goods or services** (which are subject to price or distribution control/restriction by the Government or other statutory authorities, whether by way of quota, fixed rate of return, or otherwise) arising out of modification or change in Government's or other authority's policies provided the change can reasonably be expected to have a material impact on its present or future operations or its profitability.
 - (5) **Developments with respect to any dispute in conciliation proceedings, litigation, assessment, adjudication or arbitration** to which it is a party or the outcome of which can reasonably be expected to have a material impact on its present or future operations or its profitability or financials.
 - (6) **The details of any rating or revision in rating** assigned to any debt or equity instrument of the Listed entity or to any fixed deposit programme or to any scheme or proposal of the Listed entity involving mobilisation of funds whether in India or abroad provided the rating so assigned has been quoted, referred to, reported, relied upon or otherwise used by or on behalf of the Listed entity.
 - (7) **Outcome of meetings of the board of directors:** The meeting of board of directors of listed entity held to consider or decide the following, within 15 minutes of the closure of the meeting through electronic or any such mode as may be specified by the Board and/or stock exchange :

- (a) **Dividend:** *(Clause 20a, provisio of equity and Clause 21a of SME)* all dividends and/or cash bonuses recommended or declared or the decision to pass any dividend. Provided that such an intimation made to stock exchanges shall also contain the date on which dividend shall be paid/dispatched;
- (b) *(Clause 20c of equity and Clause 21b of SME)* the decision on Buyback of Securities;
- (c) Fund raising by way of Further Public Issue, American Depository Receipts / Global Depository Receipts/Foreign Currency Convertible Bonds, Qualified Institutional Placement, Preferential Issue, Rights Issue or any other method and for determination of issue price;
- (d) *(Clause 22a of equity and Clause 24a of SME)* short particulars of any increase of capital whether by issue of bonus shares through capitalization, or by way of right shares to be offered to the shareholders or debenture holders, wherever applicable, or in any other way; Provided that an intimation made to stock exchanges shall also contain the date on which such bonus shares would be credited/dispatched;
- (e) *(Clause 22b of equity and 24b of SME)* short particulars of the reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
- (f) *(Clause 22c of equity and Clause 24c of SME)* short particulars of any other alterations of capital, including calls;
- (g) *(Clause 20b of equity, not there in SME)* the total turnover, gross profit/loss, provision for depreciation, tax provisions and net profits for the year (with comparison with the previous year) and the amounts appropriated from reserves, capital profits, accumulated profits of past years or other special source to provide wholly or partly for the dividend, even if this calls for qualification that such information is provisional or subject to audit;
- (h) *(Clause 41(I)f of Equity and Clause 43(VI) of SME)* financial results as approved by board of directors required to be submitted in terms of Regulation 24;
- (i) *(Part of Clause 36)* decision on voluntary delisting by the company from the Stock Exchange(s);
- (j) *(Clause 22d of equity and Clause 24d of SME)* any other information necessary to enable the holders of the listed securities of the Listed entity to appraise its position of the listed entity and to avoid the establishment of a false market in such listed securities;

Provided that the intimation of outcome of meeting of the board of directors shall also contain the time of commencement and conclusion of the meeting.

- (8) *(Clause 31d of equity and Clause 33d of SME)* Proceedings of all Annual and Extraordinary General Meetings of the Company;
- (9) *(Clause 31b of equity and Clause 33b of SME)* Notices, call letters, resolutions and circulars sent to its shareholders debenture holders or creditors or any class of them or advertised in the media with respect to:
 - (a) *(Clause 31b of equity and Clause 33b of SME)* Issue of new capital;
 - (b) *(Clause 33 of equity and Clause 35 of SME)* Amendments to Memorandum and Articles of Association of Listed Entity.
 - (c) *(Clause 31c of equity and Clause 33c of SME)* Any other the notices, call letters or any other circulars including notices of meetings convened under Sections 230-234 and Section 66 of Companies Act, 2013 .
- (10) *(Clause 27& 25 of equity and Clause 28 & 27 of SME)* The following with respect to **structure of securities**:
 - (a) of any action which will result in the redemption, cancellation or retirement in whole or in part of any securities listed on the Stock Exchange;
 - (b) of the intention to make a drawing of such securities, intimating at the same time the date of the drawing and the period of the closing of the Transfer Books (or the date of striking of the balance) for the drawing;
 - (c) of the amount of security outstanding after any drawing has been made;

- (d) significant change in the structure and terms of securities including Foreign Currency Convertible Bonds such as change in issue price of FCCB in terms of US Dollar, any default in payment of interest and principal with respect to FCCB;
 - (e) In case of preferential issue of convertible instrument, whether the instruments are converted into equity shares or the same are lapsed on completion of the tenure of the instruments;
 - (f) **(Clause 25 of Equity and Clause 27 of SME)** in the event of the Listed entity granting any options to purchase any shares of the Listed entity, of the number of shares covered by such options, of the terms thereof and of the time within which they may be exercised and of any subsequent changes or cancellation or exercise of such options;
 - (g) **(Clause 13 of equity and Clause 15 of SME)** of any attachment or prohibitory orders restraining the listed entity from transferring securities out of the names of the registered holders and furnish to the Stock Exchange particulars of the number of securities so affected, the distinctive numbers of such securities and the names of the registered holders thereof.
- (11) **(Clause 53 of equity, not there in SME)** The following disclosures immediately upon entering into agreements with media companies and/or their associates:-
- (a) regarding the shareholding (if any) of such media companies/associates in the listed entity;
 - (b) regarding any other back to back treaties/contracts/agreements/MoUs or similar instruments entered into by the listed entity with media companies and/or their associates, if applicable, for the purpose of advertising, publicity, etc;
 - (c) Any other disclosures related to such agreements, viz., details of nominee of the media companies on the board of directors of the listed entity, any management control or potential conflict of interest arising out of such agreements, etc;
 - (d) The details at sub-clause (a) to (c) above shall also be simultaneously disseminated on the website of the listed entity.
- (12) **(Clause 30a, b, c of equity and Clause 32a, b, c of SME)**
- (a) Any change of Managing Director, Managing Agents or Secretaries and Treasurers;
 - (b) Any change of auditors appointed to audit the books and accounts of the Listed entity;
 - (c) Any change of listed entity's directorate by death, resignation, removal or otherwise;
 - (d) **(Clause 49(VIII)(F)(2) of equity)** Letter of resignation of directors along with the detailed reasons of resignation for dissemination on website of Stock Exchange, not later than one working day from the date of receipt of letter of resignation;
 - (e) **(Clause 49(VIII)(G) of equity)** Letter of appointment of independent director along-with the detailed profile not later than one working day from the date of such appointment;
 - (f) Change in the compliance officer or company secretary;
 - (g) **(Clause 49(VIII)(E)(2) of equity)** Disclosure of relationships between directors inter-se in the notice of appointment of a director, and any related filings.
- (13) Any other information having bearing on the operation/performance of the listed entity as well as price sensitive information, which includes but not restricted to:
- (a) Issue of any class of securities;
 - (b) Acquisition, merger, de-merger, amalgamation, restructuring, scheme of arrangement, spin off or selling divisions of the listed entity, etc;
 - (c) Change in market lot of the listed entity's shares, sub-division of equity shares of listed entity;
 - (d) Voluntary delisting by the listed entity from the stock exchange(s);
 - (e) Forfeiture of shares;
 - (f) Any action, which will result in alteration in, the terms regarding redemption/cancellation/retirement in whole or in part of any securities issued by the listed entity;
 - (g) Information regarding opening, closing of status of American Depository Receipts, Global Depository Receipts, or any other class of securities to be issued abroad;
 - (h) **(Clause 49(VIII)(E)(3) of equity)** Presentations on financial results made by the listed entity to analysts or institutional investors;
 - (i) Cancellation of dividend/rights/bonus, etc.

SCHEDULE III: PART B: MINIMUM DISCLOSURES OF MATERIAL AND PRICE SENSITIVE INFORMATION: NON-CONVERTIBLE DEBT SECURITIES & NON-CONVERTIBLE REDEEMABLE PREFERENCE SHARES
[see Regulation 43(2)]

- A. The listed entity shall keep the Stock Exchange(s) informed of events which will have bearing on the performance/operations of the listed entity as well as price sensitive information in order to enable the shareholders and the public to appraise the position of the Listed entity and to avoid the establishment of a false market in its securities.
- B. The Listed entity shall also immediately promptly notify/inform the Stock Exchange(s) of all the events, which will have bearing on the performance/operations of the listed entity as well as price sensitive information. The material events may be events such as:
- (1) **(Clause 8, 19f of Debt and Clause 6, 16f of NCRPS)** expected default in timely payment of interests/preference dividend or redemption or repayment amount or both in respect of the Non-convertible Debt securities and Non-Convertible Redeemable Preference Shares and also default in creation of security for debentures as soon as the same becomes apparent;
 - (2) **(Clause 19a of Debt and Clause 16a of NCRPS)** any attachment or prohibitory orders restraining the Listed entity from transferring Non-convertible Debt securities or Non-Convertible Redeemable Preference Shares from the account of the registered holders and furnish to the Stock Exchange(s) particulars of the numbers of securities so affected and the names of the registered holders and their demat account details;
 - (3) **(Clause 19b of Debt and Clause 16b of NCRPS)** any action which will result in the redemption, conversion, cancellation, retirement in whole or in part of any Non-convertible Debt securities or reduction, redemption, cancellation, retirement in whole or in part of any Non-Convertible Redeemable Preference Shares;
 - (4) **(Clause 19c of Debt and Clause 16b of NCRPS)** any action that would effect adversely payment of interest on Non-convertible Debt securities or payment of dividend on Non-Convertible Redeemable Preference Shares :
 - a. **(Regulation 23(6) of Debt Regulation)** default by issuer to pay interest on non-convertible debt securities or redemption amount;
 - b. failure to create a charge on the assets;
 - (5) **(Clause 19d of Debt and Clause 16d of NCRPS)** any change in the form or nature of any of its Non-convertible Debt securities or Non-Convertible Redeemable Preference Shares that that are listed on the Stock Exchange(s) or in the rights or privileges of the holders thereof and make an application for listing of the said securities as changed, if the Stock Exchange(s) so require;
 - (6) **(Clause 19e of Debt and Clause 16e of NCRPS)** any other change that would affect the rights and obligations of the holders of Non-convertible Debt securities/NCPRS;
 - (7) **(Clause 19g of Debt and Clause 16g of NCRPS)** any other information not in the public domain necessary to enable the holders of the listed securities to clarify its position and to avoid the creation of a false market in such listed securities;
 - (8) **(Clause 19i of Debt and Clause 16i of NCRPS)** any changes in the General Character or nature of business / activities, disruption of operation due to natural calamity, revision in ratings and commencement of commercial production / commercial operations;
 - (9) **(Clause 19j of Debt and Clause 16j of NCRPS)** any events such as strikes and lock outs. which have a bearing on the interest payment/ dividend payment / principal repayment capacity;

- (10) **(Clause 19k of Debt)** details of any letter or comments made by debenture trustees regarding payment/non-payment of interest on due dates, payment/non-payment of principal on the due dates or any other matter concerning the security, Listed entity and /or the assets along with its comments thereon, if any;
- (11) **(Clause 19l of Debt and Clause 16k of NCRPS)** delay/ default in Payment of Interest or Dividend / Principal Amount /redemption for a period of more than three months from the due date;
- (12) **(Clause 19m of Debt)** failure to create charge on the assets within the stipulated time period;
- (13) Any instance(s) of default/delay in timely repayment of interests or principal obligations or both in respect of the debt securities including, any proposal for re-scheduling or postponement of the repayment programmes of the dues/debts of the listed entity with any investor(s)/lender(s).
Explanation: For the purpose of this sub-clause, 'Default' would mean Non-payment of interest or principal amount in full on the pre-agreed date and shall be recognized at the first instance of delay in servicing of any interest or principal on debt.
- (14) Any major change in composition of its board of directors, which may amount to change in control as defined in Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (15) **(Regulation 23 (2) of ILDS Regulations)** Any revision in the rating;
- (16) The listed entity shall intimate to the Stock Exchange(s) promptly on the date of the meeting of its board of directors through electronic or any such mode as may be specified by the Board and/or Stock Exchange(s) of :
 - (a) **(Clause 19h of Debt and Clause 16 h of NCRPS)** at which the recommendation or declaration of issue of non convertible debt securities or any other matter affecting the rights or interests of holders of non convertible debt securities /non convertible redeemable preference shareholder is proposed to be taken up, at least two days in advance;
 - (b) **(Clause 20a of Equity)** the decision to pass any interest payment;
 - (c) **(Clause 22a of Equity)** short particulars of any increase of capital whether by issue of bonus shares through capitalization, or by way of right shares to be offered to the shareholders or debenture holders, or in any other way;
- (17) **(Clause 10 of NCRPS)** The listed entity shall forward a copy of all the information, report, notices, call letters, circulars, proceedings, etc concerning Non-Convertible Redeemable Preference shares or non convertible debt securities to the Stock Exchange(s);
- (18) **(Clause 19n of Debt and Clause 16l of NCRPS)** any other information having bearing on the operation/performance of the Listed entity as well as price sensitive information.

SCHEDULE III: PART C: MINIMUM DISCLOSURES OF MATERIAL AND PRICE SENSITIVE INFORMATION: INDIAN DEPOSITORY RECEIPTS

[see Regulation 60(2)]

- A. The listed entity shall keep the Stock Exchange(s) informed of events which will have bearing on the performance/operations of the listed entity as well as price sensitive information.
- B. If the disclosure(s) are also required to be made to the listing authority or any other authority in its home country or other jurisdiction, the listed entity shall disclose the same to the Stock Exchange(s) simultaneously while intimating to such authority
- C. The Listed entity shall also immediately promptly notify/inform the Stock Exchange(s) of all the events, which will have bearing on the performance/operations of the listed entity as well as price sensitive information at the same time when it notifies to listing authority or any other authority in its home country or other jurisdictions where its securities may be listed. The material events may be events such as:
- (1) **(Clause 32 of IDRM)** Any action /investigations initiated by any regulatory/statutory authority and the purpose for which it was initiated.
 - (2) **(Clause 41 of IDRM)** Any attachment or prohibitory orders restraining the Company from transferring securities out of the names of the registered holders and furnish to the Stock Exchange(s) particulars of the registered holders thereof.
 - (3) The listed entity shall intimate to the Stock Exchange(s) after the meeting of its board of directors has been held to consider or decide the following, at the same time and to the extent it intimates the same to the listing authority/any other Stock Exchange(s) in its home country or other jurisdictions where its securities may be listed:
 - (a) **(Clause 3 of IDRM)** all dividends and/or cash bonuses recommended or declared or the decision to pass any dividend or cash bonus;
 - (b) **(Clause 3 of IDRM)** the total turnover, gross profit/loss, provision for depreciation, tax provisions and net profits for the year (with comparison with the previous year) and the amounts appropriated from reserves, capital profits, accumulated profits of past years or other special source to provide wholly or partly for any dividend, even if this calls for qualification that such information is provisional or subject to audit;
 - (c) **(Clause 2 of IDRM)** at which matters such as the recommendation or declaration of dividend or rights issue or issue of convertible debentures or of debentures carrying a right to subscribe to equity shares or the passing over of the dividend and any decision on buy back of equity shares of the listed entity, are due to be considered;
 - (4) **(Clause 11 of IDRM)** Change in
 - (a) in the listed entity's board of directors by death, resignation, removal or otherwise;
 - (b) Managing Director;
 - (c) Auditors appointed to audit the books and accounts of the listed entity;
 - (d) the Compliance Officer ;
 - (e) in the registrar, domestic depository or the overseas custodian bank;
 - (5) Structure of Securities:
 - (a) **(Clause 10 of IDRM)** Any change in the rights attaching to any class of equity shares into which the Indian Depository Receipts are exchangeable;
 - (b) **(Clause 6 of IDRM)** short particulars of any increase of capital whether by issue of bonus shares through capitalization, or by rights issue of equity shares, or in any other manner;
 - (c) **(Clause 6 of IDRM)** short particulars of the reissues of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe thereto;
 - (d) **(Clause 6 of IDRM)** short particulars of any other alterations of capital, including calls;

- (e) **(Clause 9 of IDRM)** In the event of the listed entity granting any options to purchase any Indian Depository Receipts of the listed entity, the listed entity shall promptly notify the Stock Exchange(s):
 - (i) of the number of Indian Depository Receipts covered by such options, of the terms thereof and of the time within which they may be exercised;
 - (ii) of any subsequent changes or cancellation or exercise of such options;
- (6) Notices, resolutions, circulars, call letters or any other circulars etc. issued or advertised anywhere with respect to:
 - (a) **(Clause 12 of IDRM)** proceedings at all Annual and Extraordinary General Meetings of the listed entity, at the same time and as to the extent that it discloses to holders of securities in its home country or in other jurisdictions including notices of meetings and proceedings of meeting;
 - (b) **(Clause 12 of IDRM)** amendments to its constitutional documents as soon as they shall have been approved by the listed entity in general meeting;
 - (c) **(Clause 12 of IDRM)** compliance with requirements in home country or in other jurisdictions where such securities are listed;
 - (d) **(Clause 12 of IDRM)** the listed entity in connection with any merger, amalgamation, re-construction, reduction of capital, scheme or arrangement involving the listed entity including meetings of equity shareholders, IDR Holders or any class of them and proceedings at all such meetings;
- (7) **(Clause 6 of IDRM)** Any other information necessary to enable the IDR Holders to appraise the listed entity's position and to avoid the establishment of a false market in IDRs;
- D. **(Clause 15 of IDRM)** The listed entity shall, apart from complying with all specific requirements as above, intimate the Stock Exchange(s) immediately of events such as strikes, lock outs, closure on account of power cuts, etc. and other events which will have a material bearing on the performance / operations of the listed entity as well as price sensitive information both at the time of occurrence of the event and subsequently after the cessation of the event at the same time and as to the extent that it discloses to holders of securities in its home country or in other jurisdictions where such securities are listed in order to enable the IDR Holders and the public to appraise the position of the listed entity and to avoid the establishment of a false market in its IDRs;
- E. **(Clause 39 of IDRM)** The listed entity shall disclose to the Stock Exchange(s), any information which is disclosed to any other overseas Stock Exchange(s) or made public in any other overseas securities market, on which its securities may be listed or quoted, simultaneously with such disclosure or publication, or as soon thereafter as may be reasonably practicable;
- F. **(Clause 15 of IDRM)** The above information should be made public immediately by the Stock Exchange(s) in electronic or any other mode as specified by the board and/or Stock Exchange(s);
- G. **(Clause 15 of IDRM)** The listed entity shall furnish to the Stock Exchange(s) on request such information concerning the listed entity as the Stock Exchange(s) may reasonably require;

SCHEDULE III: PART D: MINIMUM DISCLOSURES OF MATERIAL AND PRICE SENSITIVE INFORMATION: SECURITISED DEBT INSTRUMENT

[see Regulation 75(2)]

- A. The listed entity shall keep the Stock Exchange(s) informed of events which will have bearing on the performance/operations of the listed entity as well as price sensitive information in order to enable the shareholders and the public to appraise the position of the Listed entity and to avoid the establishment of a false market in its securities.
- B. The Listed entity shall also immediately promptly notify/inform the Stock Exchange(s) of all the events, which will have bearing on the performance/operations of the listed entity as well as price sensitive information. The material events may be events such as:
- (1) **(Clause 13a of SDI)** Any attachment or prohibitory orders restraining the listed entity from transferring securitized debt instruments from the account of the registered holders and furnish to the Stock Exchange(s) particulars of the numbers of securitized debt instruments so affected and the names of the registered holders and their demat account details;
 - (2) **(Clause 13h of SDI)** The listed entity shall notify to the Stock Exchange(s) at least two days in advance about date of the meetings of its Trustees at which the recommendation or declaration of issue of securitized debt instruments or any other matter affecting the rights or interests of holders of securitized debt instruments is proposed to be taken up;
 - (3) **(Clause 13b of SDI)** Any action which will result in the redemption, conversion, cancellation, retirement in whole or in part of any securitized debt instruments;
 - (4) **(Clause 13c of SDI)** Any action that would affect adversely payment of interest on securitized debt instruments;
 - (5) **(Clause 13d of SDI)** Any change in the form or nature of any of its securitized debt instruments that are listed on the Stock Exchange(s) or in the rights or privileges of the holders thereof and make an application for listing of the said securities as changed, if the Stock Exchange(s) so requires;
 - (6) **(Clause 13e of SDI)** Any other change that would affect the rights and obligations of the holders of securitized debt instruments;
 - (7) **(Clause 13f of SDI)** Expected default in timely payment of interest or redemption or repayment amount or both in respect of the securitized debt instruments listed on the Stock Exchange(s) as soon as the same becomes apparent;
 - (8) **(Clause 13g of SDI)** Any other information not in the public domain necessary to enable the holders of the listed securitized debt instruments to clarify its position and to avoid the creation of a false market in such listed securities;
 - (9) **(Clause 13i of SDI)** Changes in the General Character or nature of business / activities, disruption of operation due to natural calamity, , etc;
 - (10) **(Clause 13i of SDI)** Revision in rating as a result of credit rating done periodically;
 - (11) **(Clause 13j of SDI)** Delay/ default in Payment of Interest / Principal Amount to the investors for a period of more than three months from the due date; and
 - (12) **(Clause 13k of SDI)** Any other information having bearing on the operation/performance of the listed entity as well as price sensitive information.

SCHEDULE IV
SCHEDULE IV: PART A: DISCLOSURES IN FINANCIAL RESULTS
[see Regulation 24(1)(e)]

The listed entity shall comply with the following disclosure requirements while preparing the financial results:-

- A. **(Clause 41(IV)(i) of Equity and Clause 43(IV)(i) of SME)** Changes in accounting policies, if any, shall be disclosed in accordance with Accounting Standard 5 (AS 5 – Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies) / Company (Accounting Standards) Rules, 2006, whichever is applicable.
- B. **(Clause 41(IV)(a) of Equity and Clause 43(IV)(a) of SME)** (1) Where there is a variation between the unaudited quarterly or year to date financial results and the results amended in accordance with the limited review for the same period, and –
- (i) the variation in net profit or net loss after tax is in excess of 10% or Rs.10 lakhs, whichever is higher; or
 - (ii) the variation in exceptional or extraordinary items is in excess of 10% or Rs.10 lakhs, whichever is higher -

(2) The listed entity shall submit to the Stock Exchange(s) an explanation of the reasons for variations approved by the board of directors, while submitting the limited review report

Provided that in case of results for the last quarter, the above shall apply in respect of variation, if any, between the year to date figures contained in the unaudited results and the figures contained in the annual audited results.

- C. **(Clause 41(IV)(b) of Equity and Clause 43(IV)(b) of SME)** If the auditor has expressed any qualification or other reservation in respect of audited financial results submitted or published under this clause, the listed entity shall disclose such qualification or other reservation and impact of the same on the profit or loss, while publishing or submitting such results.
- D. **(Clause 41(IV)(c) of Equity and Clause 43(IV)(c) of SME)** If the auditor has expressed any qualification or other reservation in his audit report or limited review report in respect of the financial results of any previous financial year or quarter which has an impact on the profit or loss of the reportable period, the listed entity shall include as a note to the financial results –
- (i) how the qualification or other reservation has been resolved; or
 - (ii) if it has not been resolved, the reason therefore and the steps which the listed entity intends to take in the matter.
- E. **(Clause 41(IV)(d), part of Clause 32 of Equity and Clause 43(IV)(d) & 34h of SME)** **Change in Name:** If the listed entity has changed its name suggesting any new line of business, it shall disclose the net sales or income, expenditure and net profit or loss after tax figures pertaining to the said new line of business separately in the financial results and shall continue to make such disclosures for the three years succeeding the date of change in name.

Provided that tax expense shall be allocated between the said new line of business and other business of the listed entity in the ratio of the respective figures of net profit before tax, subject to any exemption, deduction or concession available under the tax laws.

- F. **(Clause 41(IV)(e) of Equity and Clause 43(IV)(e) of SME)** If the listed entity had not commenced commercial production or commercial operations during the reportable period, the listed entity shall, instead of submitting financial results, disclose the following details:
- (i) details of amount raised i.e. proceeds of any issue of shares or debentures made by the listed entity;
 - (ii) the portions thereof which is utilized and that remaining unutilized;
 - (iii) the details of investment made pending utilisation ;

- (iv) brief description of the project which is pending completion;
- (v) status of the project and
- (vi) expected date of commencement of commercial production or commercial operations.

Provided that the details mentioned above, shall be approved by the board of directors based on certification by the chief executive officer and chief financial officer.

- G. **(Clause 41(IV)(g) of Equity and Clause 43(IV)(g) of SME)** All items of income and expenditure arising out of transactions of exceptional nature shall be disclosed.
- H. **(Clause 41(IV)(h) of Equity and Clause 43(IV)(h) of SME)** Extraordinary items, if any, shall be disclosed in accordance with Accounting Standard 5 (AS 5 – Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies) / Company (Accounting Standards) Rules, 2006, whichever is applicable.
- I. **(Clause 41(IV)(j) of Equity and Clause 43(IV)(j) of SME)** Listed entity, whose revenues are subject to material seasonal variations, shall disclose the seasonal nature of their activities and the listed entity may supplement their financial results with information for the 12 months period ending on the last day of the quarter for the current and preceding years on a rolling basis.
- J. **(Clause 41(IV)(k) of Equity and Clause 43(IV)(k) of SME)** The listed entity shall disclose any event or transaction which occurred during or before the quarter that is material to an understanding of the results for the quarter including but not limited to completion of expansion and diversification programmes, strikes and lock-outs, change in management, change in capital structure and the listed entity shall also disclose similar material events or transactions that take place subsequent to the end of the quarter.
- K. **(Clause 41(IV)(l) of Equity and Clause 43(IV)(l) of SME)** The listed entity shall disclose the following in respect of dividends paid or recommended for the year, including interim dividends :
 - (i) amount of dividend distributed or proposed for distribution per share; the amounts in respect of different classes of shares shall be distinguished and the nominal values of shares shall also be indicated;
 - (ii) where dividend is paid or proposed to be paid pro-rata for shares allotted during the year, the date of allotment and number of shares allotted, pro-rata amount of dividend per share and the aggregate amount of dividend paid or proposed to be paid on pro-rata basis.
- L. **(Clause 41(IV)(m) of Equity and Clause 43(IV)(m) of SME)** The listed entity shall disclose the effect on the financial results of material changes in the composition of the listed entity, if any, including but not limited to business combinations, acquisitions or disposal of subsidiaries and long term investments, any other form of restructuring and discontinuance of operations.
- M. **(Clause 41(IV)(n) of Equity and Clause 43(IV)(n) of SME)** The listed entity shall disclose the number of investor complaints pending at the beginning of the quarter, those received and disposed of during the quarter and those remaining unresolved at the end of the quarter.

SCHEDULE IV: PART B: PREPARATION AND DISCLOSURES IN FINANCIAL RESULTS OF LISTED ENTITY WHICH HAS LISTED ITS INDIAN DEPOSITORY RECEIPTS

[see Regulation 62(2) and 63(3)]

(Clause 36 & 37 of IDRM)

The listed entity shall comply with the following requirements while preparing the financial results:-

A. Periodicity of Disclosure of Financial Results

- (1) Financial results may be given on annual, half yearly and/or quarterly basis, as required under the requirements of the home country.

B. Accounting Principle to be used in preparation and disclosure of financial Results:

- (1) The listed entity may prepare and disclose its financial results in accordance with Indian GAAP or International Financial Reporting Standards IFRS or US GAAP
- (2) In case the listed entity prepares and discloses the financial results as per US GAAP, a reconciliation statement vis-a-vis Indian GAAP and summary of significant differences between the Indian GAAP and US GAAP has to be annexed.
- (3) If financial results are prepared in accordance with IFRS, then listed entity shall annex only the summary of significant differences between the Indian GAAP and IFRS.
- (4) If the listed entity is shifting from IFRS to US GAAP or vice versa then the accounts relating to the previous period shall be properly restated for comparison;
- (5) The Accounting / Reporting Standard followed for any interim results should be consistent with that of the Annual results.
- (6) The financial results so submitted shall be based on the same set of accounting policies as those followed in the previous year provided that in case, there are changes in the accounting policies, the results of previous year shall be restated as per the present accounting policies, to make it comparable with current year results;

C. Auditing/Limited Review

- (1) In case the listed entity prepares and discloses the financial results as per Indian GAAP, the listed entity shall ensure that the annual, half yearly and/or quarterly results, as required under the home country regulations, shall be audited or subject to limited review by a Chartered Accountant in accordance with Auditing and Assurance Standards. ,
- (2) In case the listed entity prepares and discloses the financial results as per US GAAP or IFRS, the listed entity shall ensure that the annual, half yearly and/or quarterly results, as required under the home country regulations shall be audited or subject to limited review by professional accountant or certified public accountant in accordance with the International Standards on Auditing. The auditor's report shall also be prepared in accordance with the International Standards on Auditing.

D. Disclosures

- (1) The listed entity shall disclose the audit qualifications along with the financial results in addition to the explanatory statement as to how audit qualifications in respect of the audited accounts of the previous accounting year have been addressed in the financial results;
- (2) Format
 - (a) The listed entity shall ensure that, if Indian GAAP is followed in preparation of the financial results the format of the disclosure of financial results shall be as prescribed by the Board.

- (b) In case if Indian GAAP is not followed, the format of such disclosure shall be as per the disclosure requirements of the listed entity in the home country where the listed entity is listed.
- (3) The listed entity shall make disclosures of its financial information in its functional currency/reporting currency/national currency and the reporting currency shall be restricted to Sterling Pound/Euro/Yen/US Dollar.
- (4) The Listed entity shall provide convenient translation into Indian Rupees of the latest year's/periods statements (as the case may be) of consolidated profit and losses, assets and liabilities and cash flows, at the closing rate of exchange, as at the date on which the financial information is presented.
- (5) The listed entity shall provide convenient translations in English and other notes such that the IDR Holders are able to understand such financial statements.

SCHEDULE V: PART A: FORMS TO BE SUBMITTED ALONG WITH ANNUAL REPORT

[see Regulation 25(1)]

(Clause 31a,32,49, 55 of equity and Clause 33a of SME)

- A. **Form A** shall be submitted by the listed entity in case where there are no audit qualification. The proforma for Form A is as under:

1.	Name of the company	XYZ Ltd.
2.	Annual financial statements for the year ended	31 st March
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Whether appeared first time...../ repetitive...../ since how long period

- B. **Form B** shall be submitted by the listed entity in case where there are audit qualification. The proforma for Form B is as under

1.	Name of the company	XYZ Ltd.
2.	Annual financial statements for the year ended	31 st March
3.	Type of Audit qualification	Qualified Subject to/ Except for.....
4.	Frequency of qualification	Whether appeared first time...../ repetitive...../ since how long period
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	May give gist of qualifications/headings (Refer page numbers in the annual report) and management's response
	Additional comments from the board /audit committee chair:	This may relate to nature of the qualification including materiality, agreement/disagreement on the qualification, steps taken to resolve the qualification, etc.

- C. Form A & Form B shall be signed by the
- Chief Executive Officer / Managing Director,
 - Chief Financial Officer
 - Auditor and
 - Chairman of the Audit Committee.
- D. The information submitted as per these forms shall also draw attention to relevant notes in the annual financial statements, management's response to qualifications in the Directors' report and comments of the board of directors and Chairman of the Audit Committee.

SCHEDULE V: ANNUAL REPORT: PART B: ANNUAL REPORT - SPECIFIED SECURITIES

[see Regulation 25(3) and 45(1)(g)]

(Clause 31a, 32,49, 55 of equity and Clause 33a of SME)

The Annual Report shall contain the following additional disclosures:

A. (Clause 32 of equity and Clause 34e&g of SME) Related Party Disclosure:

(1)The listed entity shall make disclosures in compliance with the Accounting Standard on “Related Party Disclosures” in its Annual Report.

(2)The disclosure requirements in the Annual Report shall be as follows:

Sr. no.	In the accounts of	Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.
1	Holding Company	<ul style="list-style-type: none">Loans and advances in the nature of loans to subsidiaries by name and amount.Loans and advances in the nature of loans to associates by name and amount.Loans and advances in the nature of loans where there is (I) no repayment schedule or repayment beyond seven years or (II) no interest or interest below section 186 of Companies Act, 2013 by name and amountloans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.
2	Subsidiary	Same disclosures as applicable to the parent company in the accounts of subsidiary company.
3	Holding Company	Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.

For the purpose of above disclosures directors interest shall have the same meaning as given in 184 of Companies Act, 2013.

(3)Disclosure of loans /advances and investments in its own shares by the listed companies, their subsidiaries, associates etc. This provision shall however not be applicable in case of issuance of specified securities by SME.

(4)The above disclosures shall be applicable to all listed companies except for listed banks.

B. (Clause 49(VIII)(D)(1) of equity) Management Discussion and Analysis:

(1)This section shall include discussion on the following matters within the limits set by the listed entity’s competitive position:

- (a) Industry structure and developments.
- (b) Opportunities and Threats.
- (c) Segment–wise or product-wise performance.
- (d) Outlook
- (e) Risks and concerns.
- (f) Internal control systems and their adequacy.
- (g) Discussion on financial performance with respect to operational performance.
- (h) Material developments in Human Resources / Industrial Relations front, including number of people employed.

(2)**(Clause 49(VIII)(B)of equity) Disclosure of Accounting Treatment:**

Where in the preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed, the fact shall be disclosed in the financial statements, together with the management’s explanation as to why it believes such alternative treatment is more representative of the true and fair view of the underlying business transaction.

C. **(Clause 49(X)(A) of equity) Corporate Governance Report:** The following disclosures shall be made in the section on the corporate governance of the Annual Report

(1) A brief statement on company's philosophy on code of governance.

(2) Board of Directors:

- (a) Composition and category of directors (e.g promoter, executive, non-executive, independent non-executive, nominee director - institution represented and whether as lender or as equity investor).
- (b) Attendance of each director at the meeting of the board of directors and the last Annual General Meeting.
- (c) Number of other board of directors or board committees in which he/she is a member or Chairperson.
- (d) Number of meetings of the board of directors held and dates on which held.
- (e) **(Clause 49(VIII)(E)(2) of equity)** Disclosure of relationships between directors inter-se
- (f) **(Clause 49(VIII)(C)(4) of equity)** Number of shares and convertible instruments held by non-executive directors
- (g) **(Clause 49(II)(B)(7)(b) & 49(VIII)(H)(1) of equity)** Details of training imparted to Independent Directors.

(3) Audit Committee:

- (a) Brief description of terms of reference
- (b) Composition, name of members and Chairperson
- (c) Meetings and attendance during the year

(4) Nomination and Remuneration Committee:

- (a) Brief description of terms of reference
- (b) Composition, name of members and Chairperson
- (c) Attendance during the year
- (d) **(Clause 49(VIII)(H)(3) of equity)** Remuneration policy
- (e) **(Clause 49(II)(5)(b), 49(IV)(C), & 49(VIII)(H)(3) of equity)** Performance Evaluation criteria for independent directors.

(5) **(Clause 49(VIII)(C) of equity) Remuneration of Directors:**

- (a) All pecuniary relationship or transactions of the non-executive directors vis-à-vis the company shall be disclosed in the Annual Report.
- (b) Criteria of making payments to non-executive directors. Alternatively, this may be disseminated on the listed entity's website and reference drawn thereto in the annual report.
- (c) Disclosures with respect to remuneration:
In addition to Disclosures required under the Companies Act, 2013, the following disclosures shall be made:
 - (i) All elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc.
 - (ii) Details of fixed component and performance linked incentives, along with the performance criteria.
 - (iii) Service contracts, notice period, severance fees.
 - (iv) Stock option details, if any - and whether issued at a discount as well as the period over which accrued and over which exercisable.

(6) Stakeholders' Grievance Committee:

- (a) Name of non-executive director heading the committee
- (b) Name and designation of compliance officer
- (c) Number of shareholders' complaints received so far
- (d) Number not solved to the satisfaction of shareholders
- (e) Number of pending complaints

(7) General Body meetings:

- (a) Location and time, where last three Annual General Meetings held.
 - (b) Whether any special resolutions passed in the previous three Annual General Meetings
 - (c) Whether any special resolution passed last year through postal ballot – details of voting pattern
 - (d) Person who conducted the postal ballot exercise
 - (e) Whether any special resolution is proposed to be conducted through postal ballot
 - (f) Procedure for postal ballot
- (8) Means of communication
- (a) Quarterly results
 - (b) Newspapers wherein results normally published
 - (c) Any website, where displayed
 - (d) Whether it also displays official news releases; and
 - (e) The presentations made to institutional investors or to the analysts.
- (9) General Shareholder information
- (a) Annual General Meeting : Date, time and venue
 - (b) Financial year
 - (c) Dividend Payment Date
 - (d) **(Clause of SME, not in equity)** The name and address of each Stock Exchange(s) at which the Listed entity's securities are listed and a confirmation about payment of Annual Listing Fee to each of such Stock Exchange(s).
 - (e) **(Clause 34f of SME, not in equity)** In case the securities are suspended from trading, the Directors Report should explain the reason thereof.
 - (f) Stock Code
 - (g) Market Price Data: High, Low during each month in last financial year
 - (h) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.
 - (i) Registrar and Transfer Agents
 - (j) Share Transfer System
 - (k) Distribution of shareholding
 - (l) Dematerialization of shares and liquidity
 - (m) Outstanding Global Depository Receipts/American Depository Receipts/Warrants or any Convertible instruments, conversion date and likely impact on equity
 - (n) Plant Locations
 - (o) Address for correspondence
- (10) Other Disclosures:
- (a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of company at large.
 - (b) Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years.
 - (c) **(Clause 49(II)(F)(3) & Annexure XII (7) (iii) to clause 49(X)(A) of equity)** Details of establishment of vigil mechanism (Whistle Blower policy) and affirmation that no personnel has been denied access to the audit committee.
 - (d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause.
 - (e) **(Clause 49(V)(D) of equity)** Policy for determining 'material' subsidiaries.
 - (f) **(Clause 49(VIII)(A)(2) of equity)** Policy on dealing with Related Party Transactions
- (11) **(Clause 49(X)(A) of equity)** Non-compliance of any requirement of Corporate Governance Report in sub-clauses (2) to (10) above with reasons thereof shall be disclosed.
- (12) **(Clause 49(X)(A) & 49(XI)(B) of equity)** The Corporate Governance Report shall also disclose the extent to which the discretionary requirements as specified in Part D of Schedule II have been adopted.

- (13) ***(Clause 49(X)(A) of equity)*** The disclosures of the compliance with corporate governance requirements specified in Regulation 15, 16, 17 and 18 shall be made in the section on corporate governance of the Annual Report.
- D. ***(Clause 49(II)(E)(2) of equity)*** Declaration signed by the Chief Executive Officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management.
- E. ***(Clause 49(XI)(A) of equity)*** Compliance Certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors' report.

SCHEDULE VI: MANNER OF DEALING WITH UNCLAIMED SHARES

[See Regulation 30(4)]

- A. **(Clause 5AI(a)& 5AII(a) of Equity)** The registrar to the issue shall send at least three reminders at the address for seeking correct particulars. For shares in physical form, reminders should be sent to the address given in the application form as well as last available address as per company's/registrar's record. For shares in demat form, reminders should be sent to the address captured in depository's database.
- B. **(Clause 5AI(a)& 5AII(a)&(b))** If no response is received, for shares in demat form, the unclaimed shares shall be credited to a demat suspense account with one of the Depository Participants, opened by the listed entity for this purpose. For shares in physical form, the listed entity shall transfer all the shares into one folio in the name of "Unclaimed Suspense Account" and shall dematerialise the shares held in the Unclaimed Suspense Account with one of the Depository Participants.
- C. **(Clause 5AI(b)& 5AII(c))** Any corporate benefits in terms of securities accruing on such shares viz. bonus shares, split etc., shall also be credited to such demat suspense account or unclaimed suspense account, as applicable.
- D. **(Clause 5AI(c)& 5AII(f))** The listed entity shall maintain details of shareholding of each individual allottee whose shares are credited to such demat suspense account or unclaimed suspense account, as applicable.
- E. **(Clause 5AI(d)& 5AII(g))** As and when the allottee approaches the listed entity, the listed entity shall, after proper verification of the identity of the allottee either credit the shares lying in the Unclaimed Suspense Account or demat suspense account, as applicable, to the demat account of the allottee to the extent of the allottee's entitlement, or deliver the physical certificates after re-materialising the same, depending on what has been opted for by the allottee.

Provided that the rematerialising of the physical certificates shall be done only in case where the shares were originally issued in physical form.

- F. **(Clause 5AI(e)& 5AII(e))** The demat suspense account or unclaimed suspense account, as applicable shall be held by the listed entity purely on behalf of the allottees who are entitled for the shares and the shares held in such suspense account shall not be credited in any manner whatsoever except for the purpose of allotting the shares to the allottee as and when he/she approaches the listed entity.
- G. **(Clause 5AI(f)& 5AII(d))** The voting rights on such shares shall remain frozen till the rightful owner claims the shares.
- H. **(Clause 5AI(g)& 5AII(h))** The listed entity shall disclose the following details in its Annual Report, as long as there are shares in the demat suspense account or unclaimed suspense account, as applicable :
- (1) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;
 - (2) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;
 - (3) Number of shareholders to whom shares were transferred from suspense account during the year;
 - (4) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;
 - (5) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares

SCHEDULE VII : TRANSFER & TRANSMISSION OF SECURITIES
[See Regulation 31(6)]

A. TRANSFER OF SECURITIES

- (1) **(Clause 12A-1&2&3 of equity & Clause 14 of SME)** In case of minor differences in the signature of the transferor(s), the listed entity shall follow the following procedure:
- (a) The listed entity shall promptly send to the first transferor an intimation of the aforesaid defect in the documents and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the listed entity within thirty days of receipt of the listed entity's letter, then the securities will be transferred;
 - (b) if the objection from the transferor with supporting documents is not received within thirty days, the listed entity shall transfer the securities provided the listed entity does not suspect fraud or forgery in the matter.
 - (c) When the signature of transferor(s) is attested by a the prescribed authority under the provisions Companies Act, 2013 or rules made there under, as applicable, then the listed entity shall not refuse to transfer the securities on the ground of signature difference unless it has reason to believe that a forgery or fraud is involved.
- (2) **(Clause 12A-3&4 of equity and Clause 14 of SME)** (a) In respect of transfer of shares/debentures where the listed entity has not affected transfer of shares within thirty days or where the listed entity has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of thirty days, the listed entity shall compensate the aggrieved party for the opportunity losses caused during the period of the delay.
- (b) During the intervening period on account of delay in transfer as mentioned in sub-clause (a) above, the listed entity shall provide all benefits (i.e. bonus shares, rights shares, dividend), which accrued, to the investor in terms of provisions of section 126 of Companies Act, 2013, and section 27 of the Securities Contracts (Regulations) Act, 1956.
 - (c) In case of any claim, difference or dispute under the sub-clause(a) above the same may be referred to and decided by arbitration as provided in the Bye-Laws and Regulations of the Stock Exchange(s) and shall comply with the arbitration award.
- (3) **(Clause 11c of equity and Clause 12 of SME) Requirement of PAN:** For registering the transfer of securities in physical form,
- (a) for securities market transactions and off-market/private transactions, the listed entity shall ensure that Transferees(s) furnish copy of their PAN card to the listed entity/RTA's for registration of transfer of shares in the following cases:-
 - i. Deletion of name of the deceased shareholder(s), where the shares are held in the name of two or more shareholders.
 - ii. Transmission of shares to the legal heir(s), where deceased shareholder was the sole holder of shares.
 - iii. Transposition of shares – when there is a change in the order of names in which physical shares are held jointly in the names of two or more shareholders.

In case of mismatch in PAN card details as well as difference in maiden name and current name (in case of married women) of the investors , the RTAs can collect the PAN card as submitted by the transferee(s). However, this would be subject to the RTAs verifying the veracity of the claim of such transferee(s) by collecting sufficient documentary evidence in support of the identity of the transferee(s)

B. TRANSMISSION OF SECURITIES

- (1) In case of transmission of securities in dematerialized mode, where the securities are held in a single name without a nominee, the threshold limit is Rs.5,00,000 (Rupees Five lakh only) per beneficiary owner account, for the purpose of following simplified documentation, as already prescribed by the depositories vide bye-laws / operating instructions.

- (2) In case of transmission of securities held in physical mode:
- (a) where the securities are held in single name with a nominee, STAs/issuer companies shall follow the standardized documentary requirement as below:
 - (i) Duly signed transmission request form by the nominee.
 - (ii) Original or Copy of death certificate duly attested by a Notary Public or by a Gazetted Officer.
 - (iii) Self attested copy of PAN card of the nominee. If copy of PAN card is not available same may be substituted with ID proof in case of residents of Sikkim after collecting address proof.
 - (b) where the securities are held in single name without a nominee, the Share and Transfer Agents/listed entity shall follow, in the normal course, the additional documents as below:
 - (i) Affidavit made on appropriate non judicial stamp paper – to the effect of identification and claim of legal ownership to the securities
 - (ii) For value of securities upto Rs. 2,00,000 (Rupees Two lakh only) per listed entity as on date of application, one or more of the following documents:
 - 1. No objection certificate from all legal heir(s) who do not object to such transmission (or) copy of Family Settlement Deed duly notarized or attested by a Gazetted Officer and executed by all the legal heirs of the deceased holder.
 - 2. Indemnity made on appropriate non judicial stamp paper – indemnifying the STA/Issuer Company.
 - (iii) For value of securities more than Rs. 2,00,000 (Rupees Two lakh only) per issuer company as on date of application
 - 3. Succession certificate (or) Probate of will (or) Letter of Administration (or) Court decree.
 - (iv) The listed entity however, at their discretion, may enhance the value of such securities.

SCHEDULE VIII- PROCEDURE FOR SCRUTINISING FORM B ACCOMPANYING ANNUAL REPORT

[see Regulation 25(4)]

- A. The scrutiny of all audit reports filed as per Form B shall be carried out twice a year based on the reports received up to half year ending on June and December of every year and for this purpose, the following timelines are prescribed:

Activity	To be completed by
Filing of annual audit reports by the listed entity	As per the Regulations
Preliminary scrutiny of the reports received during the half year (Jan - Jun and Jul -Dec each year) by Stock Exchange(s) and referring applicable cases to the Board	One month from the end of half year ending on June and December each year.
Review of the cases by Qualified Audit Review Committee' (QARC)	One month from the date of receipt of report from the Stock Exchange(s).
Referring applicable cases to Financial Reporting Review Board of Institute of Chartered Accountants of India (ICAI-FRRB)	Fifteen days from the date of decision of the QARC
Receipt of reply from ICAI-FRRB	One month from the date of referral by QARC
Communication of decision on the case to the listed entity concerned and the Stock Exchange(s). This also includes reports received directly from ICAI-FRRB with a recommendation of restatement.	Fifteen days from the date of receipt of reply from ICAI-FRRB
Publication of restated financial results by the listed entity concerned.	Within two months from the date of letter of communication to the concerned entity.

B. REVIEW BY STOCK EXCHANGE(S)

The Stock Exchange(s) shall adopt the following procedure to process the audit reports accompanying audited annual financial statements submitted by listed entity along with Form B:

- (1) Stock Exchange(s) shall carry out preliminary scrutiny of reports accompanied by Form B including seeking necessary explanation from the listed entity concerned and consider the same based on materiality of the qualifications.
- (2) The parameters for ascertaining the materiality of audit qualifications shall be, the impact of these qualifications on the profit and loss, financial position and corporate governance of the listed entity.
- (3) For the purpose of uniformity, Stock Exchange(s) shall consult one other for deciding the criteria for preliminary scrutiny.
- (4) Further, Stock Exchange(s) shall also consult one other for distributing the work in case shares of the listed company concerned are listed on more than one Stock Exchange(s).
- (5) Upon examining the audit reports based on the above parameters, Stock Exchange(s) shall refer those cases, which, in their opinion, need further examination, to the Board.
- (6) Stock Exchange(s) shall display the list of companies which have filed their audit reports along with Form B.

C. REVIEW BY QUALIFIED AUDIT REVIEW COMMITTEE (QARC)

- (1) 'Qualified Audit Review Committee' (QARC) would be constituted by the Board constituting representatives from Institute of Chartered Accountants of India (ICAI), Stock Exchange(s), etc.

- (2) The QARC shall review the cases received from the Stock Exchange(s) and guide the Board in processing the qualified annual audit reports referred to by the Stock Exchange(s).
- (3) After analyzing the qualifications in audit reports, QARC shall make following recommendations:
- (a) If, prima facie, QARC is of the view that an audit qualification is not significant, it may suggest steps for rectification of such qualification;
 - (b) If, prima facie, QARC is of the view that an audit qualification is significant and the explanation given by the listed company concerned / its Audit Committee is unsatisfactory, the case may be referred to the Financial Reporting Review Board of Institute of Chartered Accountants of India (ICAI-FRRB) for their opinion on whether the qualification is justified or requires restatement of the books of accounts of the listed company;
 - (i) If ICAI-FRRB opines that an audit qualification is justified, the Board may ask the listed entity concerned to restate its books of accounts in compliance with the statutory requirements and inform its shareholders about the same by making an announcement to the Stock Exchange(s).
 - (ii) If ICAI-FRRB is of the view that an audit qualification is not justified, ICAI may ask the statutory auditor of the listed entity concerned to provide necessary clarifications and may take appropriate action
 - (c) If an audit qualification is not quantifiable, QARC may suggest rectification of the same within a stipulated period.
- D. The board may also direct the listed entity concerned to reflect the effect of these restatement adjustments in the annual report of the subsequent financial year.
- E. The Board may, at any stage, in the interest of investors, take necessary action as it deems fit, including mandating restatement of books of accounts.