

ADVANCED ENZYME TECHNOLOGIES LIMITED
[CIN: L24200MH1989PLC051018]

**POLICY FOR DETERMINING MATERIAL EVENTS
& INFORMATION**

Objective

In terms of regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors (the “Board”) of Advanced Enzyme Technologies Limited (the “Company”) has first adopted the Policy at its meeting held on January 13, 2016, for determination of material events and information so that such event and information can be promptly disclosed to the stock exchanges, as per the prescribed regulations. The Policy was then reviewed & revised (in substitution of the existing policy) in its Board meeting held on February 09, 2019. The revised Policy is effective from February 09, 2019.

1. Policy and Principles for determining materiality of events/Information

- A. The Key Managerial Person(s) authorised by the Board herein shall determine the materiality of any event or information, classify it as a Material event or Information and for the purpose of making disclosure to the stock exchanges. Any two of Mr. Mukund Kabra (Whole-time Director), Mr. Beni P Rauka (Chief Financial Officer) and Mr. Sanjay Basantani (Company Secretary) be & hereby jointly authorised to determine the materiality of any event or information and/or classify it as a Material event or information. Any one is authorised to make the disclosure of said Material event or information to the stock exchanges.
- B. All the events and information stated under Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as may be amended from time to time) are deemed to be material.
- C. Besides such deemed Material events, the Company shall consider the following criteria for determination of materiality of events/ information:
- (a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
 - (b) the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;
 - * (c) in case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if it has an impact of amount equivalent to 10% or more of the total revenue of the Company or 10% or more of the Net worth of the Company, whichever is lower as per the last audited consolidated financial statements.

Provided that:

- a. any confidential information which if disclosed is likely to put at risk the business interest of the Company; or
- b. any event or information arising out of it in the normal course of business.

shall not be disclosed even though it fulfills the criteria of materiality.

**Footnote: The aforesaid criteria for determination of materiality of events/information as mentioned in clause 1 (C) above including the list provided in Annexure to this Policy is amended as per SEBI Notification dated June 14, 2023 and shall be read in accordance with the said amendment effective from July 14, 2023 (pursuant to clause 1(E) of this policy).*

The Company to that extent may make qualified disclosures to the Stock Exchanges.

D. In some cases, to ascertain materiality, thresholds as prescribed in clause 2.C of this policy, cannot be applied, in such cases, the Key Managerial Person(s) authorised by the Board herein shall frame their opinion on a case to case basis, based on specific facts and circumstances relating to the information/event and while doing so, it may consider, among other factors, the following factors:

- (i) Whether there would any direct or indirect impact on the reputation of the Company; or
- (ii) Whether non-disclosure can lead to creation of false market in the securities of the Company; or
- (iii) Whether there would be a significant impact on the operations or performance of the Company.

Provided that:

- a. any confidential information which if disclosed is likely to put at risk the business interest of the Company; or
- b. any event or information arising out of it in the normal course of business;

shall not be disclosed. The Company to that extent may make qualified disclosure to the stock exchanges.

[An illustrative list of Material Event and Information described in clause 2.B and 2.C of this policy is annexed, which shall be deemed amended to the extent of any amendment, from time to time in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)]

E. In any circumstance where the terms of this policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, then provisions of such law, rule, regulation or standard shall take precedence over the Policy and the provisions of the Policy shall be deemed to be modified to that extent.

2. Dissemination

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this Policy and any amendment thereto shall be posted on the website of the Company. Also the contact details of such personnel shall be disclosed to the stock exchanges where the shares of the Company are listed as well as the Website of the Company.

Annexure

Indicative List of Events to be disclosed under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which shall be deemed amended to the extent of any amendment, from time to time in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)

A. Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30) and Clause B of the Policy:

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the Company or any other restructuring.

Explanation - For the purpose of this sub-para, the word 'acquisition' shall mean -

- (i) acquiring control, whether directly or indirectly; or,
 - (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -
 - (a) the Company holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
 - (b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.
2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.
 3. Revision in Rating(s).
 4. Outcome of Meetings of the board of directors: The Company shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:
 - a. dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched
 - b. any cancellation of dividend with reasons thereof;
 - c. the decision on buyback of securities;
 - d. the decision with respect to fund raising proposed to be undertaken
 - e. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;

- f. 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;
 - g. short particulars of any other alterations of capital, including calls;
 - h. financial results;
 - i. decision on voluntary delisting by the Company from stock exchange(s).
5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the Company), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
 6. Fraud/defaults by promoter or key managerial personnel or by Company or arrest of key managerial personnel or promoter.
 7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
 8. Appointment or discontinuation of share transfer agent.
 9. Corporate debt restructuring.
 10. One time settlement with a bank.
 11. Reference to BIFR and winding-up petition filed by any party / creditors.
 12. Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the Company.
 13. Proceedings of Annual and extraordinary general meetings of the Company.
 14. Amendments to memorandum and articles of association of Company, in brief.
 15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors;
- B. Events which shall be disclosed upon application of the guidelines for materiality as per Clause 'C' of the Policy:**
1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
 2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal).
 3. Capacity addition or product launch.

4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
5. Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.
6. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
7. Effect(s) arising out of change in the regulatory framework applicable to the Company.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of Company.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

- कक) 7 सितम्बर, 2021 को भारतीय प्रतिभूति और विनियम बोर्ड [सूचीबद्धता (लिस्टिंग) बाध्यताएँ और प्रकटीकरण अपेक्षाएँ] (पाँचवाँ संशोधन) विनियम, 2021, अधिसूचना सं. सेबी/एलएडी-एनआरओ/जीएन/2021/47, द्वारा
- खख) 9 नवम्बर, 2021 को भारतीय प्रतिभूति और विनियम बोर्ड [सूचीबद्धता (लिस्टिंग) बाध्यताएँ और प्रकटीकरण अपेक्षाएँ] (छठा संशोधन) विनियम, 2021, अधिसूचना सं. सेबी/एलएडी-एनआरओ/जीएन/2021/55, द्वारा
- गग) 24 जनवरी, 2022 को भारतीय प्रतिभूति और विनियम बोर्ड [सूचीबद्धता (लिस्टिंग) बाध्यताएँ और प्रकटीकरण अपेक्षाएँ] (संशोधन) विनियम, 2022, अधिसूचना सं. सेबी/एल.ए.डी.-एन.आर.ओ./जी.एन./2022/66, द्वारा
- घघ) 22 मार्च, 2022 को भारतीय प्रतिभूति और विनियम बोर्ड [सूचीबद्धता (लिस्टिंग) बाध्यताएँ और प्रकटीकरण अपेक्षाएँ] (दूसरा संशोधन) विनियम, 2022, अधिसूचना सं. सेबी/एल.ए.डी.-एन.आर.ओ./जी.एन./2022/76, द्वारा
- डड) 11 अप्रैल, 2022 को भारतीय प्रतिभूति और विनियम बोर्ड [सूचीबद्धता (लिस्टिंग) बाध्यताएँ और प्रकटीकरण अपेक्षाएँ] (तीसरा संशोधन) विनियम, 2022, अधिसूचना सं. सेबी/एल.ए.डी.-एन.आर.ओ./जी.एन./2022/79, द्वारा
- चच) 25 अप्रैल, 2022 को भारतीय प्रतिभूति और विनियम बोर्ड [सूचीबद्धता (लिस्टिंग) बाध्यताएँ और प्रकटीकरण अपेक्षाएँ] (चौथा संशोधन) विनियम, 2022, अधिसूचना सं. सेबी/एल.ए.डी.-एन.आर.ओ./जी.एन./2022/80, द्वारा
- छछ) 25 जुलाई, 2022 को भारतीय प्रतिभूति और विनियम बोर्ड [सूचीबद्धता (लिस्टिंग) बाध्यताएँ और प्रकटीकरण अपेक्षाएँ] (पाँचवाँ संशोधन) विनियम, 2022, अधिसूचना सं. सेबी/एल.ए.डी.-एन.आर.ओ./जी.एन./2022/88, द्वारा
- जज) 14 नवम्बर, 2022 को भारतीय प्रतिभूति और विनियम बोर्ड [सूचीबद्धता (लिस्टिंग) बाध्यताएँ और प्रकटीकरण अपेक्षाएँ] (छठा संशोधन) विनियम, 2022, अधिसूचना सं. सेबी/एल.ए.डी.-एन.आर.ओ./जी.एन./2022/103, द्वारा
- झझ) 5 दिसम्बर, 2022 को भारतीय प्रतिभूति और विनियम बोर्ड [सूचीबद्धता (लिस्टिंग) बाध्यताएँ और प्रकटीकरण अपेक्षाएँ] (सातवाँ संशोधन) विनियम, 2022, अधिसूचना सं. सेबी/एल.ए.डी.-एन.आर.ओ./जी.एन./2022/109, द्वारा
- ञञ) 17 जनवरी, 2023 को भारतीय प्रतिभूति और विनियम बोर्ड [सूचीबद्धता (लिस्टिंग) बाध्यताएँ और प्रकटीकरण अपेक्षाएँ] (संशोधन) विनियम, 2023, अधिसूचना सं. सेबी/एल.ए.डी.-एन.आर.ओ./जी.एन./2023/117, द्वारा
- टट) 7 फरवरी, 2023 को भारतीय प्रतिभूति और विनियम बोर्ड (फीस का भुगतान और भुगतान का माध्यम) (संशोधन) विनियम, 2023, अधिसूचना सं. सेबी/एल.ए.डी.-एन.आर.ओ./जी.एन./2023/121, द्वारा

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SECURITIES AND EXCHANGE BOARD OF INDIA

NOTIFICATION

Mumbai, the 14th June, 2023

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

No. SEBI/LAD-NRO/GN/2023/131.—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 Board hereby makes the following regulations to further amend the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, namely:-

1. These regulations may be called the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.
2. They shall come into force on the thirtieth day from the date of their publication in the Official Gazette:

Provided that the amendment in regulation 3, sub-regulations III, XI, XII and XIV of these amendment regulations shall come into force on the date of their publication in the Official Gazette:

Provided further that the amendment in regulation 3, sub-regulation XII of these amendment regulations shall not be applicable to such sale, lease or disposal of undertakings of a listed entity where the notice has already been dispatched to the shareholders of the listed entity:

Provided further that the amendment in regulation 3, sub-regulation X of these amendment regulations shall be applicable to the issuers whose public issues open on or after these regulations come into effect.

3. In the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 –

I. in regulation 2, in sub-regulation (1), after clause (r) and before clause (s), following clause shall be inserted, namely,-

“(ra) “mainstream media” shall include print or electronic mode of the following:

- i. Newspapers registered with the Registrar of Newspapers for India;
- ii. News channels permitted by Ministry of Information and Broadcasting under Government of India;
- iii. Content published by the publisher of news and current affairs content as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021; and
- iv. Newspapers or news channels or news and current affairs content similarly registered or permitted or regulated, as the case may be, in jurisdictions outside India;”

II. in regulation 6, after sub-regulation (1), the following sub-regulation shall be inserted, namely,-

“(1A) Any vacancy in the office of the Compliance Officer shall be filled by the listed entity at the earliest and in any case not later than three months from the date of such vacancy:

Provided that the listed entity shall not fill such vacancy by appointing a person in interim capacity, unless such appointment is made in accordance with the laws applicable in case of a fresh appointment to such office and the obligations under such laws are made applicable to such person.”

III. in regulation 15, in sub-regulation (1A),

- i. in second proviso, the words and symbols “March 31, 2023” shall be substituted by “March 31, 2024”;
- ii. in Explanation (3), the words and symbols “March 31, 2023” shall be substituted by “March 31, 2024”.

IV. in regulation 17, after sub regulation (1C), the following sub-regulations shall be inserted, namely,-

“(1D) With effect from April 1, 2024, the continuation of a director serving on the board of directors of a listed entity shall be subject to the approval by the shareholders in a general meeting at least once in every five years from the date of their appointment or reappointment, as the case may be:

Provided that the continuation of the director serving on the board of directors of a listed entity as on March 31, 2024, without the approval of the shareholders for the last five years or more shall be subject to the approval of shareholders in the first general meeting to be held after March 31, 2024:

Provided further that the requirement specified in this regulation shall not be applicable to the Whole-Time Director, Managing Director, Manager, Independent Director or a Director retiring as per the sub-section (6) of section 152 of the Companies Act, 2013, if the approval of the shareholders for the reappointment or continuation of the aforesaid directors or Manager is otherwise provided for by the provisions of these regulations or the Companies Act, 2013 and has been complied with:

Provided further that the requirement specified in this regulation shall not be applicable to the director appointed pursuant to the order of a Court or a Tribunal or to a nominee director of the Government on the board of a listed entity, other than a public sector company, or to a nominee director of a financial sector regulator on the board of a listed entity:

Provided further that the requirement specified in this regulation shall not be applicable to a director nominated by a financial institution registered with or regulated by the Reserve Bank of India under a lending arrangement in its normal course of business or nominated by a Debenture Trustee registered with the Board under a subscription agreement for the debentures issued by the listed entity.

(1E) Any vacancy in the office of a director shall be filled by the listed entity at the earliest and in any case not later than three months from the date such vacancy:

Provided that if the listed entity becomes non-compliant with the requirement under sub-regulation (1) of this regulation, due to expiration of the term of office of any director, the resulting vacancy shall be filled by the listed entity not later than the date such office is vacated:

Provided further that this sub-regulation shall not apply if the listed entity fulfils the requirement under sub-regulation (1) of this regulation without filling the vacancy.”

V. after regulation 26, the following regulation shall be inserted, namely,-

“Vacancies in respect of certain Key Managerial Personnel

26A. (1) Any vacancy in the office of Chief Executive Officer, Managing Director, Whole Time Director or Manager shall be filled by the listed entity at the earliest and in any case not later than three months from the date of such vacancy:

Provided that the listed entity shall not fill such vacancy by appointing a person in interim capacity, unless such appointment is made in accordance with the laws applicable in case of a fresh appointment to such office and the obligations under such laws are made applicable to such person.

(2) Any vacancy in the office of the Chief Financial Officer shall be filled by the listed entity at the earliest and in any case not later than three months from the date of such vacancy:

Provided that the listed entity shall not fill such vacancy by appointing a person in interim capacity, unless such appointment is made in accordance with the laws applicable in case of a fresh appointment to such office and the obligations under such laws are made applicable to such person.”

VI. in regulation 27, in sub-regulation (2), after clause (b), the following clause shall be inserted, namely,-

“(ba) Details of cyber security incidents or breaches or loss of data or documents shall be disclosed along with the report mentioned in clause (a) of sub-regulation (2), as may be specified.”

VII. in regulation 30-

i. in sub-regulation (4),

a) in clause (i), in sub-clause (b), after the words and symbol “later date;” the word “or” shall be inserted;

b) in clause (i), sub-clause (c) shall be substituted with the following sub-clause, namely-

“(c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:

(1) two percent of turnover, as per the last audited consolidated financial statements of the listed entity;

(2) two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;

(3) five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity;”

c) in clause (i), after sub-clause (c) the following sub-clause and the proviso shall be inserted, namely,-

“(d) In case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the listed entity, the event or information is considered material:

Provided that any continuing event or information which becomes material pursuant to notification of these amendment regulations shall be disclosed by the listed entity within thirty days from the date of coming into effect of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.”

d) after clause (ii), the following provisos shall be inserted, namely-

“Provided that such a policy for determination of materiality shall not dilute any requirement specified under the provisions of these regulations:

Provided further that such a policy for determination of materiality shall assist the relevant employees of the listed entity in identifying any potential material event or information and reporting the same to the authorized Key Managerial Personnel, in terms of sub-regulation (5), for determining the materiality of the said event or information and for making the necessary disclosures to the stock exchange(s).”

- ii. sub-regulation (6) and the provisos thereunder shall be substituted by the following sub-regulation and provisos, namely,-

“(6) The listed entity shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than the following:

- (i) thirty minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;
- (ii) twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;
- (iii) twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity:

Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines:

Provided further that in case the disclosure is made after the timelines specified under this regulation, the listed entity shall, along with such disclosure provide the explanation for the delay.”

- iii. in sub-regulation (11),

- a) after the words and symbols “stock exchange(s)” the symbol “.”, shall be replaced with the symbol “:.”;
- b) after sub-regulation (11), the following provisos and the Explanation shall be inserted, namely,-

“Provided that the top 100 listed entities (with effect from October 1, 2023) and thereafter the top 250 listed entities (with effect from April 1, 2024) shall confirm, deny or clarify any reported event or information in the mainstream media which is not general in nature and which indicates that rumours of an impending specific material event or information in terms of the provisions of this regulation are circulating amongst the investing public, as soon as reasonably possible and not later than twenty four hours from the reporting of the event or information:

Provided further that if the listed entity confirms the reported event or information, it shall also provide the current stage of such event or information.

Explanation – The top 100 and 250 listed entities shall be determined on the basis of market capitalization, as at the end of the immediately preceding financial year.”

- iv. after sub-regulation (12), the following sub-regulation shall be inserted, namely-

“(13) In case an event or information is required to be disclosed by the listed entity in terms of the provisions of this regulation, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the listed entity shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.”

- VIII. after regulation 30, the following regulation shall be inserted, namely,-

“Disclosure requirements for certain types of agreements binding listed entities: 30A.

(1) All the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of a listed entity or of its holding, subsidiary and associate company, who are parties to the agreements specified in clause 5A of para A of part A of schedule III to these regulations, shall inform the listed entity about the agreement to which such a listed entity is not a

party, within two working days of entering into such agreements or signing an agreement to enter into such agreements:

Provided that for the agreements that subsist as on the date of notification of clause 5A to para A of part A of schedule III, the parties to the agreements shall inform the listed entity, about the agreement to which such a listed entity is not a party and the listed entity shall in turn disclose all such subsisting agreements to the Stock Exchanges and on its website within the timelines as specified by the Board.

(2) The listed entity shall disclose the number of agreements that subsist as on the date of notification of clause 5A to para A of part A of schedule III, their salient features, including the link to the webpage where the complete details of such agreements are available, in the Annual Report for the financial year 2022-23 or for the financial year 2023-24.”

IX. after regulation 31A, the following regulation shall be inserted, namely,-

“Special rights to shareholders:

31B (1) Any special right granted to the shareholders of a listed entity shall be subject to the approval by the shareholders in a general meeting by way of a special resolution once in every five years starting from the date of grant of such special right:

Provided that the special rights available to the shareholders of a listed entity as on the date of coming into force of this regulation shall be subject to the approval by shareholders by way of a special resolution within a period of five years from the date of coming into force of this regulation:

Provided further that the requirement specified in this regulation shall not be applicable to the special rights made available by a listed entity to a financial institution registered with or regulated by the Reserve Bank of India under a lending arrangement in the normal course of business or to a debenture trustee registered with the Board under a subscription agreement for the debentures issued by the listed entity, if such financial institution or the debenture trustee becomes a shareholder of the listed entity as a consequence of such lending arrangement or subscription agreement for the debentures.”

X. in regulation 33, in sub-regulation (3), after clause (i), the following clause shall be inserted namely,-

“(j) The listed entity shall, subsequent to the listing, submit its financial results for the quarter or the financial year immediately succeeding the period for which the financial statements have been disclosed in the offer document for the initial public offer, in accordance with the timeline specified in clause (a) or clause (d) of this sub-regulation, as the case may be, or within 21 days from the date of its listing, whichever is later.”

XI. in regulation 34, in sub-regulation (2), clause (f) shall be substituted with the following clause, namely,-

“(f) for the top one thousand listed entities based on market capitalization, a Business Responsibility and Sustainability Report on the environmental, social and governance disclosures, in the format as may be specified by the Board from time to time:

Provided that the assurance of the Business Responsibility and Sustainability Report Core shall be obtained, with effect from and in the manner as may be specified by the Board from time to time:

Provided further that the listed entities shall also make disclosures and obtain assurance as per the Business Responsibility and Sustainability Report Core for their value chain, with effect from and in the manner as may be specified by the Board from time to time:

Provided further that the remaining listed entities, including the entities which have listed their specified securities on the SME Exchange, may voluntarily disclose the Business Responsibility and Sustainability Report or may voluntarily obtain the assurance of the Business Responsibility and Sustainability Report Core, for themselves or for their value chain, as the case may be.

Explanation-1: For the purpose of this clause:

- (i) market capitalization shall be calculated as on the 31st day of March of every financial year;
- (ii) Business Responsibility and Sustainability Report Core shall comprise of such key performance indicators as may be specified by the Board from time to time;
- (iii) “value chain” for the listed entities shall be specified by the Board from time to time.”

XII. after regulation 37, the following regulation shall be inserted, namely,-

“37A. Sale, lease or disposal of an undertaking outside Scheme of Arrangement

- (1) A listed entity carrying out sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking of such entity or where it owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, shall -

(a) take prior approval of shareholders by way of special resolution;

(b) disclose the object of and commercial rationale for carrying out such sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking of the entity, and the use of proceeds arising therefrom, in the statement annexed to the notice to be sent to the shareholders:

Provided that such a special resolution shall be acted upon only if the votes cast by the public shareholders in favour of the resolution exceed the votes cast by such public shareholders against the resolution:

Provided further that no public shareholder shall vote on the resolution if he is a party, directly or indirectly, to such sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking of the listed entity.

Explanation. —For the purposes of this regulation, the terms “undertaking” and “substantially the whole of the undertaking” shall have the same meaning as assigned to them under clause (a) of sub-section (1) of section 180 of the Companies Act, 2013.

- (2) The requirement as specified in sub-regulation (1) shall not be applicable for sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking by a listed entity to its wholly owned subsidiary whose accounts are consolidated with such listed entity:

Provided that prior to such wholly owned subsidiary selling, leasing or otherwise disposing of the whole or substantially the whole of the undertaking received from a listed entity, whether in whole or in part, to any other entity, such listed entity shall comply with the requirements specified in sub-regulation (1):

Provided further that the listed entity shall comply with the requirements specified in sub-regulation (1) before diluting its shareholding below hundred percent in its wholly owned subsidiary to which the whole or substantially the whole of the undertaking of such listed entity was transferred.

Explanation: The provisions of this regulation shall not be applicable where sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking of a listed entity is by virtue of a covenant covered under an agreement with a financial institution regulated by or registered with the Reserve Bank of India or with a Debenture Trustee registered with the Board.”

- XIII. in regulation 46, in sub-regulation (2), in clause (o), after the words “investors meet” and before the words “and presentations”; the words and symbols “at least two working days in advance (excluding the date of the intimation and the date of the meet)” shall be inserted.

- XIV. regulation 57 shall be substituted with the following, namely, -

“Intimation to stock exchanges

57. The listed entity shall submit a certificate to the stock exchange regarding status of payment of interest or dividend or repayment or redemption of principal of non-convertible securities, within one working day of it becoming due, in the manner and format as specified by the Board from time to time.”

- XV. in Schedule III, in part A-

- i. in paragraph A,

- a) sub-paragraph 1 shall be substituted with the following sub-paragraph, namely-

“Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation, merger, demerger or restructuring), sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the listed entity, sale of stake in associate company of the listed entity or any other restructuring.

Explanation (1) - For the purpose of this sub-paragraph, the word 'acquisition' shall mean-

- (i) acquiring control, whether directly or indirectly; or

- (ii) acquiring or agreement to acquire shares or voting rights in a company, whether existing or to be incorporated, whether directly or indirectly, such that -

- (a) the listed entity holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company; or
- (b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-paragraph and such change exceeds two per cent of the total shareholding or voting rights in the said company; or
- (c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.

Explanation (2) - For the purpose of this sub-paragraph, “sale or disposal of subsidiary” and “sale of stake in associate company” shall include-

- (i) an agreement to sell or sale of shares or voting rights in a company such that the company ceases to be a wholly owned subsidiary, a subsidiary or an associate company of the listed entity; or
- (ii) an agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the amount of the sale exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.

Explanation (3)- For the purpose of this sub-paragraph, “undertaking” and “substantially the whole of the undertaking” shall have the same meaning as given under section 180 of the Companies Act, 2013.”

- b) in sub-paragraph (3), before the words and symbols “Revision in Rating(s)”, the words and symbols “New Rating(s) or” shall be inserted;
- c) after sub-paragraph (5), the following sub-paragraph shall be inserted, namely-

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

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

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

- d) sub-paragraph (6) shall be substituted with the following sub-paragraph, namely-

“(6) Fraud or defaults by a listed entity, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the listed entity, whether occurred within India or abroad:

For the purpose of this sub-paragraph:

- (i) ‘Fraud’ shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.
- (ii) ‘Default’ shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.

Explanation 1- In case of revolving facilities like cash credit, an entity would be considered to be in ‘default’ if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days.

Explanation 2- Default by a promoter, director, key managerial personnel, senior management, subsidiary shall mean default which has or may have an impact on the listed entity.”

- e) in sub-paragraph (7), after the words and symbols “Company Secretary etc.),” the words and symbol “senior management,” shall be inserted;
- f) after sub-paragraph (7B), the following sub-paragraphs shall be inserted, namely-
 - “(7C) In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the listed entities within seven days from the date that such resignation comes into effect.
 - (7D) In case the Managing Director or Chief Executive Officer of the listed entity was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).”
- g) in sub-paragraph (11), the words “reference to BIFR and” shall be omitted;
- h) in sub-paragraph (15), in item (a), after the words “investors meet” and before the words “and presentations”, the words and symbols “at least two working days in advance (excluding the date of the intimation and the date of the meet)” shall be inserted;
- i) after sub-paragraph (17), the following sub-paragraphs shall be inserted, namely-

“(18) Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a listed entity, in relation to any event or information which is material for the listed entity in terms of regulation 30 of these regulations and is not already made available in the public domain by the listed entity.

Explanation – “social media intermediaries” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.

- (19) Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:
 - (a) search or seizure; or
 - (b) re-opening of accounts under section 130 of the Companies Act, 2013; or
 - (c) investigation under the provisions of Chapter XIV of the Companies Act, 2013;

along with the following details pertaining to the actions(s) initiated, taken or orders passed:

- i. name of the authority;
 - ii. nature and details of the action(s) taken, initiated or order(s) passed;
 - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
 - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
 - v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.
- (20) Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:

- (a) suspension;
- (b) imposition of fine or penalty;
- (c) settlement of proceedings;
- (d) debarment;
- (e) disqualification;
- (f) closure of operations;
- (g) sanctions imposed;
- (h) warning or caution; or
- (i) any other similar action(s) by whatever name called;

along with the following details pertaining to the actions(s) initiated, taken or orders passed:

- i. name of the authority;
- ii. nature and details of the action(s) taken, initiated or order(s) passed;
- iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
- iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
- v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.

(21) Voluntary revision of financial statements or the report of the board of directors of the listed entity under section 131 of the Companies Act, 2013.”

ii. in paragraph B,

- a) sub-paragraph 2 shall be substituted with the following sub-paragraph, namely,-
 - “2. Any of the following events pertaining to the listed entity:
 - (a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or
 - (b) adoption of new line(s) of business; or
 - (c) closure of operation of any unit, division or subsidiary (in entirety or in piecemeal).”
- b) in sub-paragraph 5, the words and symbols “(as a borrower)” shall be omitted;
- c) sub-paragraph 8 shall be substituted with the following sub-paragraph, namely,-
 - “8. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity.”
- d) sub-paragraph 9 shall be substituted with the following sub-paragraph, namely,-
 - “9. Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity.”
- e) in sub-paragraph 11, after the words “a surety” and before the words “for any”, the words and symbols “, by whatever named called,” shall be inserted;
- f) after sub-paragraph 12, the following sub-paragraph shall be inserted, namely,-
 - “13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.”

XVI. in Schedule V,

- i. in paragraph C, after sub-paragraph 5A, the following sub-paragraph shall be inserted, namely,-
 - “5B. Senior management:

Particulars of senior management including the changes therein since the close of the previous financial year.”

- ii. after paragraph F, the following paragraph shall be inserted, namely,-

“G. Disclosure of certain types of agreements binding listed entities

(1) Information disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations.”

BABITHA RAYUDU, Executive Director

[ADVT.-III/4/Exty./192/2023-24]

Footnotes:

1. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were published in the Gazette of India on 2nd September 2015 vide No. SEBI/LAD-NRO/GN/2015-16/013.
2. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, were subsequently amended on:
 - a) December 22, 2015 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015 vide notification no. SEBI/LAD-NRO/GN/2015-16/27.
 - b) May 25, 2016 by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016 vide notification No. SEBI/LAD-NRO/GN/ 2016-17/001.
 - c) July 8, 2016 by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016 vide notification No. SEBI/ LAD-NRO/GN/2016-17/008.
 - d) January 4, 2017 by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2016 vide notification No. SEBI/ LAD-NRO/GN/2016-17/025.
 - e) February 15, 2017 by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2017 vide notification No. SEBI/LAD/NRO/GN/2016-17/029.
 - f) March 6, 2017 by the Securities and Exchange Board of India (Payment of Fees and Mode of Payment) (Amendment) Regulations, 2017 vide Notification No. LAD-NRO/GN/2016- 17/037 read with March 29, 2017 by Securities and Exchange Board of India (Payment of Fees and Mode of Payment) (Amendment) Regulations, 2017 vide notification No. SEBI/LAD/NRO/GN/2016-17/38.
 - g) May 9, 2018 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 vide notification No. SEBI/LAD-NRO/GN/2018/10.
 - h) May 30, 2018 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2018 vide notification No. SEBI/LAD-NRO/GN/2018/13.
 - i) June 1, 2018 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018 vide notification no. SEBI/LAD-NRO/GN/2018/21.
 - j) June 8, 2018 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018 vide notification No. SEBI/LAD-NRO/GN/2018/24.
 - k) September 6, 2018 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2018 vide notification No. SEBI/LAD-NRO/GN/2018/30.
 - l) November 16, 2018 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2018 vide notification No. SEBI/LAD-NRO/GN/2018/47.

- m) March 29, 2019 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2019 vide notification no. SEBI/LAD-NRO/GN/2019/07.
- n) May 7, 2019 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2019, vide notification No. SEBI/ LAD-NRO/GN/2019/12.
- o) June 27, 2019 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2019, vide notification No. SEBI/ LAD-NRO/GN/2019/22.
- p) July 29, 2019 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2019, vide notification No. SEBI/ LAD-NRO/GN/2019/28.
- q) December 26, 2019 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2019, vide notification No. SEBI/ LAD-NRO/GN/2019/45.
- r) January 10, 2020 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2020, vide notification No. SEBI/ LAD-NRO/GN/2020/02.
- s) April 17, 2020 by the Securities and Exchange Board of India (Regulatory Sandbox) (Amendment) Regulations, 2020 vide No. SEBI/LAD-NRO/GN/2020/10.
- t) August 5, 2020 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2020, vide notification No. SEBI/ LAD-NRO/GN/2020/25.
- u) October 8, 2020 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2020, vide notification No. SEBI/ LAD-NRO/GN/2020/33.
- v) January 8, 2021 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2021, vide notification No. SEBI/ LAD-NRO/GN/2021/02.
- w) May 5, 2021 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, vide notification No. SEBI/ LAD-NRO/GN/2021/22.
- x) August 3, 2021 by the Securities and Exchange Board of India (Regulatory Sandbox) (Amendment) Regulations, 2021 vide notification no. No. SEBI/LAD-NRO/GN/2021/30.
- y) August 3, 2021 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021, vide notification no. SEBI/ LAD-NRO/GN/2021/35.
- z) August 13, 2021 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2021, vide notification No. SEBI/ LAD-NRO/GN/2021/42.
- aa) September 7, 2021 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021, vide notification No. SEBI/ LAD-NRO/GN/2021/47.
- bb) November 9, 2021 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, vide notification No. SEBI/ LAD-NRO/GN/2021/55.
- cc) January 24, 2022 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2022, vide notification No. SEBI/LAD-NRO/GN/2022/66.
- dd) March 22, 2022 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2022, vide notification No. SEBI/LAD-NRO/GN/2022/76.
- ee) April 11, 2022 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2022, vide notification No. SEBI/LAD-NRO/GN/2022/79.

- ff) April 25, 2022 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2022 vide notification No. SEBI/LAD-NRO/GN/2022/80.
- gg) July 25, 2022 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2022 vide notification No. SEBI/LAD-NRO/GN/2022/88.
- hh) November 14, 2022 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022 vide notification No. SEBI/LAD-NRO/GN/2022/103.
- ii) December 05, 2022 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Seventh Amendment) Regulations, 2022 vide notification No. SEBI/LAD-NRO/GN/2022/109.
- jj) January 17, 2023 by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2023 vide notification No. SEBI/LAD-NRO/GN/2023/117.
- kk) February 7, 2023 by the Securities and Exchange Board of India (Payment of Fees and Mode of Payment) (Amendment) Regulations, 2023 vide notification No. SEBI/LAD-NRO/GN/2023/121.