

INDUSTRY STANDARDS ON REGULATION 30 OF SEBI (LODR) REGULATIONS, 2015

In order to facilitate ease of doing business, the Industry Standards Forum (“ISF”) comprising of representatives from three industry associations, viz. ASSOCHAM, CII and FICCI, under the aegis of the Stock Exchanges, have formulated industry standards, in consultation with the Securities and Exchange Board of India (‘SEBI’), for effective implementation of the requirement to disclose material events or information under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”). The said Industry Standards¹ have been notified by SEBI on February 25, 2025 vide Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/25.

The Industry Standards are effective from the date of publication by ISF and the Stock Exchanges, i.e. **February 25, 2025**.

KEY HIGHLIGHTS OF THE STANDARDS:

1. Clarity on computation of value or expected impact in terms of value, while determining the materiality of event(s).
2. The list of sectoral regulators/enforcement authorities relevant for disclosure has been specified. Listed entities shall be required to **amend their Materiality Policy** to include the list of sectoral regulators specified in the Standards.
3. Timeline for filing of outcome of meeting of board of directors in PDF/XBRL Mode.
4. Interpretation of “resignation comes into effect” specified for resignation of key managerial personnel, senior management, etc.
5. Manner of disclosure of any communication from regulatory/statutory/judicial authorities, where such communication bears confidential information – Format has been specified for disclosure. Assessment of whether such communication bears any confidential information shall be the responsibility of the listed entity.
6. Manner of calculating the amount involved in litigation or disputes on cumulative basis is explained.

For details of the notified standards, please refer to our comparative analysis below:

¹ <https://www.assochem.org/uploads/files/ISF%20Reg%2030%20Note.pdf>

EXISTING PROVISIONS	NOTIFIED STANDARD	IMPACT
<p><u>Schedule III – Part A:</u></p> <p><u>Disclosures of Events or Information: Specified Securities –</u></p> <p><u>Para A: Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30)</u></p> <p>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.</p> <p>Explanation (1) -For the purpose of this sub-paragraph, the word 'acquisition' shall mean-</p> <p>(i)acquiring control, whether directly or indirectly; or</p> <p>(ii)acquiring or agreement to acquire shares or voting rights in a company, whether existing or to be incorporated, whether directly or indirectly, such that –</p>	<p><u>Industry Standards No. 1</u></p> <p><u>Applicability of numerical thresholds to certain companies for Para A (1) of Part A of Schedule III:</u></p> <p>1.1. For insurance companies and non-banking financial companies (“NBFC(s)”, including, core investment companies, registered with the Reserve Bank of India (“RBI”), the stipulation in Explanation (1)(ii)(c) to Para A(1) of Part A of Schedule III, should be understood as follows:</p> <p>1.1.1. In case of acquisitions of listed (or to be listed) equity, convertible or debt securities of another entity, a disclosure of an acquisition would be required to be made only if the cost of acquisition or the price at which the listed (or to be listed) equity, convertible or debt securities are acquired exceeds the threshold specified in Regulation 30(4)(i)(c)(2), i.e., two percent of net worth, as per the last audited consolidated financial statements of the investor entity. In such instances, the materiality thresholds specified in Regulation 30(4)(i)(c)(1) and Regulation 30(4)(i)(c)(3) would not be applicable.</p> <p>1.1.2. For any other type of acquisition, each of the prescribed materiality thresholds under Regulation 30(4)(i)(c) would continue to apply to assess whether a disclosure of the acquisition is triggered.</p>	<ul style="list-style-type: none"> • This said standard is only applicable to the Insurance Companies and Non-Banking Financial Companies, including Core Investment Companies. • In the case of acquisitions of listed (or to be listed) equity, convertible or debt securities of another entity, disclosure of an acquisition would be required if the cost of acquisition or the price exceeds the threshold i.e., 2% of net worth, then other materiality thresholds specified in Regulation 30 (4)(i)(c) of the LODR Regulations would not be applicable. • For any other type of acquisition, each of the prescribed materiality thresholds under Regulation 30 (4) (i) (c) of the LODR Regulations would continue.

(a) the listed entity holds shares or voting rights aggregating to twenty per cent or more of the shares or voting rights in the said company.

(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 five 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

Provided that acquisition of shares or voting rights aggregating to five percent or more of the shares or voting rights in an unlisted company and any change in holding from the last disclosure made under this proviso exceeding two per cent of the total shareholding or voting rights in the said unlisted company shall be disclosed on a quarterly basis in the format as may be specified.

<p><u>Regulation 30</u></p> <p><u>Disclosure of events or information.</u></p> <p>Regulation 30(4)(i)(c)</p> <p>(4) (i) The listed entity shall consider the following criteria for determination of materiality of events/ information:</p> <p>(c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:</p> <p>(1) two percent of turnover, as per the last audited consolidated financial statements of the listed entity;</p> <p>(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;</p> <p>(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;</p>	<p><u>Industry Standards No. 2</u></p> <p><u>Interpretation of “value or the expected impact in terms of value” under Regulation 30(4)(i)(c):</u></p> <p>2.1 In computing the “expected impact in terms of value” of an event/information, a listed entity should, where applicable, consider the expected impact in the four ensuing quarters (including the quarter in which the event occurs if the event occurs in the first 60 days of the quarter).</p> <p>Illustration in this regard are provided below:</p> <p>2.1.1. If an event has occurred on May 29, 2023, which is a date in the first 60 days of the quarter, then the computation of the four ensuing quarters for the purposes of assessing the expected impact of the event would include the ongoing quarter beginning April 1, 2023. Accordingly, the period of assessment would be the four quarters beginning April 1, 2023, till March 31, 2024.</p> <p>2.1.2. However, if an event has occurred on June 1, 2023, which is date not in the first 60 days of the quarter, then the computation of four ensuing quarters for the purposes of assessing the expected impact of the event would not include the ongoing quarter. Accordingly, the period of assessment would then be from July 1, 2023 till June 30, 2024.</p> <p>2.2 Disclosure / non-disclosure would typically be in compliance with the regulatory requirements if while undertaking the assessment of the “value” and “expected impact in terms of value”, the listed entity places reliance on the principles for measurement set out under the applicable accounting standards (such as the PPR test formulated basis the principles for measurement set out under Ind AS 37), so</p>	<p>- In cases where all the three parameters i.e. profit/net worth/turnover may not be relevant to an event covered under Para B of Part A of Schedule III of the LODR Regulations, assessment of materiality thresholds shall be done as per Annexure A of Industry Standards.</p> <p>- For computing “expected impact in terms of value” of an event, a listed entity shall consider the expected impact in the four ensuing quarters:</p> <ul style="list-style-type: none"> • If an event occurs within the first 60 days of the quarter, then the computation of four ensuing quarters for assessing expected impact of event will include the ongoing quarter. • If an event has occurred which is not in the first 60 days of the quarter, then the computation of four ensuing quarters for assessing expected impact of event will not include the ongoing quarter. <p>- In assessing the “value” or “expected impact in terms of value”, if the entity focuses on the principles of measurement as per accounting standards, then it shall make disclosure/non-disclosures in compliance with the regulatory requirements to ensure consistency between the disclosures made to Stock Exchange and disclosure made in financial statement.</p> <p>- The listed entity shall make disclosure of an event if the gross amount involved exceeds the</p>
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	<p>as to ensure consistency between the disclosures made to the stock exchanges, and the disclosures made in the financial statements. For instance, if the outcome for a matter (above the materiality threshold) falls within probable or possible category then it may be disclosed, however, if it falls within remote category then disclosure may not be required under Para B(8) of Part A of Schedule III.</p> <p>2.3. Disclosure of an event under Para B of Part A of Schedule III would be required to be made if the gross amount involved in such event exceeds the materiality threshold. However, listed entities may disclose details of indemnity and insurance claims which could mitigate the expected impact, if any, in respect of such event to provide more context while making the disclosure.</p> <p>2.4. In certain instances, all of the three parameters specified under Regulation 30(4)(i)(c) (viz., profit / net worth / turnover) may not be relevant to an event. As such, while assessing whether an event exceeds the materiality thresholds, listed entities should refer to Annexure A for guidance on which of the relevant and appropriate parameter ought to be considered for determination of materiality for different types of events under Para B of Part A of Schedule III.</p>	<p>materiality threshold. The entity may mention details of indemnity and insurance claims in the disclosure to mitigate the expected impact in terms of value.</p> <p>CACS Note: Previously, Regulation 30(4) did not provide clarity on the meaning of “value” or “expected impact in terms of value”, which has now been categorically defined by way of this standard.</p>
<p><u>Schedule III – Part A:</u></p> <p><u>Disclosures of Events or Information: Specified Securities –</u></p> <p><u>Para A: Events which shall be disclosed without any application of the guidelines</u></p>	<p><u>Industry Standards No. 5</u></p> <p><u>Materiality for disclosure under Para A (20) of Part A of Schedule III:</u></p> <p>For disclosure of imposition of fine or penalty under Para A (20) of Part A of Schedule III:</p> <p>Action taken or Order Passed by Sector Regulator /</p>	<ul style="list-style-type: none"> • These standards as outlined in Annexure B provide for a list of sector regulators/ enforcement authorities relevant for disclosure in accordance with Para A (20) of Part A of Schedule III if actions taken or orders passed by sector regulators/ enforcement authorities where quantifiable, exceeds the threshold

<p><u>for materiality as specified in sub-regulation (4) of regulation (30)</u></p> <p>Point 20</p> <p>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:</p> <ol style="list-style-type: none"> suspension; imposition of fine or penalty; settlement of proceedings; debarment; disqualification; closure of operations; sanctions imposed; warning or caution; or any other similar action(s) by whatever name called; <p>along with the following details mentioned in SEBI LODR, 2015 pertaining to the actions(s) taken or orders passed.</p> <p>[Explanation – Imposition of fine or penalty shall be disclosed in the following manner along with the details pertaining to the action(s) taken or orders passed as mentioned in the sub-paragraph:</p> <ol style="list-style-type: none"> disclosure of fine or penalty of rupees one lakh or more imposed by sectoral regulator or 	<p>Enforcement Authority:</p> <p>Action taken or order passed by the sector regulator / enforcement authority of the listed entity would be required to disclosed, if such action or order, where quantifiable, exceeds the threshold specified by SEBI. The listed entity may refer to Annexure B for identifying its sector regulator / enforcement authority.</p> <p>Listed entities may also include other sector regulator/enforcement authorities depending on their business, in their materiality policy.</p> <p>Action taken or Order Passed by all other Regulators / Authorities (Other than Regulators under paragraph above):</p> <p>Action taken or order passed by a regulatory/statutory/enforcement/judicial/quasi-judicial authority would be required to be disclosed only if such action or order, where quantifiable, exceeds the threshold specified by SEBI.</p> <p>Further, imposition of fine or penalty below the quantifiable thresholds mentioned in paragraphs above, should be disclosed by the listed entity on a quarterly basis.</p>	<p>specified by SEBI i.e. Rs. 1 Lakh.</p> <ul style="list-style-type: none"> In addition to annexure, listed entities may include other sector regulators /enforcement authorities relevant to their business within their materiality policy. Also, listed entities shall be required to disclose any actions taken or orders issued by a <i>quasi-judicial authority</i> only if such action or order is quantifiable, i.e. it exceeds the threshold specified in Explanation to Point No. 20, Para A, Part A of Schedule III of the LODR Regulations i.e. Rs. 10 Lakhs. Imposition of fine or penalty below the quantifiable thresholds mentioned above i.e. Rs. 1 Lakh or Rs. 10 Lakh, as the case may be, has to be disclosed on quarterly basis in Integrated Filing (Governance).
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<p>enforcement agency and fine or penalty of rupees ten lakhs or more imposed by other authority or judicial body shall be disclosed within twenty four hours.</p> <p>ii. disclosure of fine or penalty imposed which are lower than the monetary thresholds specified in the clause (i) above on a quarterly basis in the format as may be specified.]</p>		
<p><u>Recommendations of the Expert Committee dated December 31, 2024</u></p> <p><u>Annexure 18, Para B, sub-para 8 of the Master Circular.</u></p> <p>8. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity: The listed entity shall notify the stock exchange(s) upon it or its director or its key management personnel or its senior management or its promoter or its subsidiary becoming party to any litigation, assessment, adjudication, arbitration or dispute in conciliation proceedings or upon institution of any litigation, assessment, adjudication, arbitration or dispute including any adinterim or interim orders passed against or in favour of the listed entity, the outcome of which can reasonably be</p>	<p><u>Industry Standards No. 7</u></p> <p>Interpretation of ‘cumulative basis’ (as referred in Master circular dated November 11, 2024 read with circular dated December 31, 2024 issued by SEBI) for disclosure of pending litigations or disputes under Regulation 30(4) read with Para B(8) of Part A of Schedule III</p> <p>7.1 For litigations or disputes having similar question of law and/or factual matrix such that there is a likelihood of similar outcome of proceedings, the listed entity should disclose such matters, if the aggregate / cumulative amount involved in all such matters cross the materiality threshold. The requirement of aggregation / cumulation will not be applicable only on the account of (i) the opposite party being the same person in more than one matter, or (ii) the litigation involving listed entity and its subsidiaries. It is clarified that the likelihood of similar outcome of proceedings, shall refer to a negative outcome for the listed entity in one proceeding which may lead to similar negative outcomes in the other matters.</p>	<ul style="list-style-type: none"> • Cumulation to be done based on the "likelihood of similar outcome of the proceedings," considering both similar questions of law and/or analogous factual circumstances. • Where more than one matter arise involving the same facts and legal issues and it is expected that if one proceeding is held against the listed company on merit or law, then the others will also be held against the listed entity then all such matters should be cumulated and be disclosed if the cumulative amount involved in all such similar matters crosses the materiality threshold of the listed entity.

expected to have an impact. In case the amount involved in ongoing litigations or disputes become material on a **cumulative basis**, then the same shall also be required to be disclosed to the stock exchange(s).

Explanation - Tax litigations or disputes, including demand notices, penalties, etc., shall be disclosed under sub-para 8 of Para B based on application of criteria for materiality in the following manner:

- (i) Disclosure of new tax litigations or disputes within twenty-four hours from the receipt of notice by the listed entity.
- (ii) Quarterly updates on ongoing tax litigations or disputes in the format as may be specified.
- (iii) Tax litigations or disputes, the outcomes of which are likely to have a high correlation, should be cumulated for determining materiality.

7.2 For instance, in case of tax matters, the tax authorities may initiate different proceedings against a listed entity for different financial years or in different states, around the same set of facts and legal issues. If it is expected that if one proceeding is held against the entity on merit or law, then the others will also be held against the listed entity, then all such matters should be cumulated. However, matters involving the tax authorities (as common opposite party) with different facts and outcome of which are not inter-related, should not be cumulated. Similarly, matters initiated by or against the listed entity and its subsidiary against or by a common opposite party, with different facts and outcome of which are not inter-related, should not be cumulated.

For ex. The Company is spending the amount on a particular type of activity during its course of business and claiming it as expenses in its books for last 4-5 years. At time of assessment, the Income tax department disallows the said particular type of spending for a particular year on merit or law, and the Company is aware that similar order against the Company would also be passed for the remaining assessment years, then the Company has to cumulate the disallowed expenditure amount for each year and disclose the same to stock exchange if it cumulative amount of such disallowance turns out to breaching the materiality threshold on cumulative basis.

- It is also clarified that, Cumulation will not be done on the basis where:
 - i. same opposite party is involved in different matters
 - ii. litigation involves listed entity and its subsidiaries

<p><u>Schedule III – Part A:</u></p> <p><u>Disclosures of Events or Information: Specified Securities –</u></p> <p><u>Para A: Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30)</u></p> <p><u>Para A (20) of Part A of Schedule III</u></p> <p>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:</p> <ol style="list-style-type: none"> a) suspension; b) imposition of fine or penalty; c) settlement of proceedings; d) debarment; e) disqualification; f) closure of operations; g) sanctions imposed; h) warning or caution; or i) any other similar action(s) by whatever name called; <p><u>Para B(8) of Part A of Schedule III</u></p> <p>Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an</p>	<p><u>Industry Standards No. 8</u></p> <p><u>Disclosure of show cause notices under: (i) Para A (20) of Part A of the Schedule III and (ii) Para B (8) of Part A of Schedule III</u></p> <p>Receipt of a show cause notice would not trigger a disclosure requirement under Para A (20) of Part A of the Schedule III. However, receipt of a show cause notice from any regulatory, statutory, enforcement authority would come under Para B (8) of Part A of the Schedule III, and require disclosure upon application of the guidelines for materiality, as specified in Regulation 30(4)</p>	<ul style="list-style-type: none"> • Receipt of a Show Cause Notice (SCN) is not required to be disclosed under Para A (20) of Part A of Schedule III. • If a SCN is received from any regulatory, statutory, or enforcement authority, it must be disclosed under Para B (8) based on the application of materiality thresholds specified in Regulation 30(4) of LODR read with Annexure A of Industry Standard. • If the SCN does not meet the criteria for materiality, there is no obligation to disclose it to the Stock Exchange.
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<p>impact on the listed entity.</p>		
<p><u>Part A of Schedule III of LODR</u> Para A(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 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 respective details as per LODR pertaining to the actions(s) initiated, taken or orders passed.</p> <p>Para A(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</p>	<p><u>Industry Standard No. 6:</u> <u>Disclosure relating to other persons under Para A(19) and (20) of Part A of Schedule III.</u></p> <p>6.1: Listed entity while considering whether a matter involving directors, key managerial personnel, senior management, promoter or subsidiary requires disclosure can restrict themselves to disclosing such matters which are “in relation to the listed entity” and have an impact on operations, financial position or reputation of the listed entity.</p>	<p>The listed entity is <i>required</i> to disclose only the action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body involving directors, key managerial personnel, senior management, promoter or subsidiary:</p> <ul style="list-style-type: none"> • which are related to the listed entity; and • which have impact on operations, financial position or reputation of the listed entity.

<p>name called; along with respective details as per LODR pertaining to the actions(s) taken or orders passed.</p>		
<p><u>Regulation 30</u></p> <p><u>Disclosure of events or information.</u></p> <p><u>Regulation 30(6) of LODR:</u></p> <p>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 timelines prescribed under Regulation 30(6) of LODR.</p> <p>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 timelines prescribed under Regulation 30(6) of LODR.</p>	<p><u>Industry Standard No. 10:</u></p> <p><u>Compliance of timelines for disclosure under Regulation 30(6)</u></p> <p>10.1: Appropriate systems should be implemented by the listed entity for prompt internal reporting of events and training sessions at regular intervals may be conducted by listed entities in order to ensure awareness within the system of the requirement under Regulation 30 of the LODR Regulations. The timelines stipulated in this Regulation for making disclosures to the stock exchanges would begin once an officer of the listed entity has become aware of the occurrence of an event / information, through credible and verifiable channels of communication. For the purpose of this paragraph 10, the term ‘officer’ shall have the same meaning ascribed to it under section 2(59) of the Companies Act, 2013.</p>	<ul style="list-style-type: none"> • The timeline for making disclosure to Stock Exchange has been defined which would begin once an officer of the listed entity has become aware of the occurrence of an event / information, through credible and verifiable channels of communication. <p><i>As per Section 2(59) of Companies Act, 2013, "officer" includes any director, manager or key managerial personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the directors is or are accustomed to act;</i></p> <ul style="list-style-type: none"> • As per our understanding, Chief Financial Officer, Company Secretary or Compliance Officer of the Company or any other Key Managerial Personnel, designated for assessment of materiality of event(s), will be considered as Officer of the listed entity. • As the working hours have not been mentioned in the Standard, thus, as per our view, even if the officer becomes aware on Saturday/Sunday/non-working day regarding the occurrence

		<p>of event, the same is to be disclosed accordingly within the prescribed timelines.</p> <ul style="list-style-type: none"> • The listed entity shall follow the following practices to comply with the timelines of disclosure: <ul style="list-style-type: none"> - Appropriate systems should be implemented by the listed entity for prompt internal reporting of events - training sessions at regular intervals may be conducted • If there is any delay w.r.t. disclosure, justified reasons shall be given for delay as per the Standard.
<p><u>Regulation 30(6) of LODR read with Master circular dated November 11, 2024 read with circular dated December 31, 2024 issued by SEBI:</u></p> <p>In case the event or information emanates from a decision taken in a meeting of board of directors, the same shall be disclosed within 30 minutes or 3 hours, as applicable as per Regulation 30(6), from the closure of such meeting as against the timeline indicated in the Master circular dated November 11, 2024 and December 31, 2024.</p>	<p><u>Industry Standard No. 11:</u></p> <p><u>Disclosure of events or information which emanate from a decision taken in a meeting of board of directors under Regulation 30(6) read with Master circular dated November 11, 2024 read with circular dated December 31, 2024 issued by SEBI.</u></p> <p>11.1: The timelines specified for disclosure of events or information which emanate from a decision taken in a meeting of board of directors, shall be applicable for making the disclosure in portable document format (.pdf). The listed entities may make the disclosure in Extensible Business Reporting Language (XBRL) format within 24 hours from the conclusion of the meeting of the board of directors.</p>	<ul style="list-style-type: none"> • Disclosures in PDF format by the listed entity within 30 minutes or 3 hours, as applicable, from the closure of board meeting will be treated as Compliance; • The listed entity is given relaxation in case of making disclosure in XBRL format i.e. the listed entity can make disclosure in XBRL format within 24 hours from the conclusion of the board meeting.

<p>Part A of Schedule III of LODR Para A(7C):</p> <p>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.</p> <p>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.</p>	<p>Industry Standard No. 14:</p> <p><u>Disclosure for resignation of key managerial personnel, senior management, etc. under Para A(7C) of Part A of Schedule III</u></p> <p>14.1: In cases of key managerial personnel, senior management, compliance officer and non independent directors of a listed entity, the phrase “resignation comes into effect” as used in Para A(7C) shall mean the last date of the concerned person in the listed entity, and the timelines for disclosure as per ParaA(7C) shall be calculated accordingly. For instance, <i>if Ms. X is a key managerial personnel in a listed entity, who submits her resignation letter on January 1, 2024, the management of the listed entity accepts the resignation on January 31, 2024 and her last date in the listed entity is February 28, 2024, the listed entity will be required to make the disclosure of her resignation on or prior to February 29, 2024 (i.e. within 24 hours of such resignation coming into effect) as per Para A(7C). The listed entity would also be required to provide the copy of her resignation letter dated January 1, 2024 on or prior to March 6, 2024 (i.e. within seven days from the date that such resignation comes into effect), along with detailed reasons for the resignation.</i></p> <p>14.2: When disclosing a copy of the resignation letter of the key managerial personnel, senior management, compliance officer or director, other than an independent director, to stock exchanges, the listed entity may redact portions from such resignation letter, other than the detailed reasons for resignation.</p>	<ul style="list-style-type: none"> • Earlier, there was some ambiguity regarding the disclosure to be made to the stock exchange w.r.t. resignation of key managerial personnel, senior management, etc. Now, it has been clarified that the listed entity has to make the disclosures in the following manner: <ul style="list-style-type: none"> i. Firstly, disclosure w.r.t. resignation within 24 hours of such resignation coming into effect ii. Secondly, copy of resignation letter to be intimated to Stock exchange within seven days from the effective date of resignation, along with detailed reasons of resignation. <p>For instance,</p> <ul style="list-style-type: none"> a. Ms. X is a key managerial personnel in a listed entity, submits her resignation letter on January 1, 2024. b. Management of the listed entity accepts the resignation on January 31, 2024 and her last date in the listed entity is February 28, 2024. c. The listed entity will be required to make the disclosure of her resignation on or prior to February 29, 2024 (i.e. within 24 hours of such resignation coming into effect) as per Para A(7C).
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		<p>d. The listed entity would also be required to provide the copy of her resignation letter dated January 1, 2024 on or prior to March 6, 2024 (i.e. within seven days from the date that such resignation comes into effect), along with detailed reasons for the resignation.</p> <ul style="list-style-type: none"> The listed entity, while giving intimation to respective stock exchanges, may hide the sensitive information <i>except the detailed reasons for resignation</i> from the resignation letter of the key managerial personnel, senior management, compliance officer and non-independent director.
<p><u>Schedule III – Part A:</u></p> <p><u>Disclosures of Events or Information: Specified Securities –</u></p> <p><u>Para A: Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30)</u></p> <p><u>Point No(s) 19 & 20:</u></p> <p>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</p>	<p><u>Industry Standards No. 9</u></p> <p>Disclosure of confidential litigation / dispute / order / action initiated or taken:</p> <p>Listed entities while evaluating the expected impact (and subsequently, the disclosure requirement) of pending litigation / dispute / order / action initiated or taken may also consider whether the same is confidential in nature under any applicable law and/or requirement/ direction of any regulatory, statutory, judicial or quasi-judicial authority, or any tribunal.</p> <p><u>Industry Standards No. 12</u></p> <p>Disclosure of communication from regulatory, statutory, enforcement or judicial authority under Regulation</p>	<ul style="list-style-type: none"> Listed entities shall now be required to ascertain confidentiality: <ul style="list-style-type: none"> Under any applicable law, or, requirement / direction of any regulatory, statutory, judicial or quasi-judicial authority, or any tribunal. The determination of whether the communication bears any confidential/proprietary information has to be carried out by the authorized KMPs. In case of deemed material events, covered under Point No(s) 19 and 20 in Part A, Para A of Schedule III of the

<p>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;</p> <p>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:</p> <p>(a) suspension;</p> <p>(b) imposition of fine or penalty;</p> <p>(c) settlement of proceedings;</p> <p>(d) debarment;</p> <p>(e) disqualification;</p> <p>(f) closure of operations;</p> <p>(g) sanctions imposed;</p> <p>(h) warning or caution; or</p> <p>(i) any other similar action(s) by whatever name called;</p>	<p>30(13):</p> <p>12.1. The listed entities, while disclosing material information which is disclosable under Regulation 30 with respect to such communication, shall not be required to disclose confidential and sensitive information, including proprietary information.</p> <p>A summary of key elements of such communication (furnished in the prescribed format as set out in Annexure C) shall constitute sufficient compliance under Regulation 30(13).</p> <p>12.2. To the extent the listed entities make disclosures of all relevant information as per the prescribed format under this requirement, they shall not be required to provide a copy of the communication from regulatory, statutory, enforcement or judicial authority.</p>	<p>LODR Regulations – Materiality not to be determined, and,</p> <p>In case of an event covered under Point No. 8 in Part A, Para B of Schedule III of the LODR Regulations – Materiality to be determined.</p> <ul style="list-style-type: none"> • In cases where the communication contains any confidential or proprietary information, a summary of key information is required to be disclosed as per Annexure – C of the notified Industry standards. • Listed entities shall not be required to upload the receipt of communication if any confidential /sensitive / proprietary information is contained within the copy of communication.
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Schedule III – Part A:**Disclosures of Events or Information:
Specified Securities –****Para B: Events which shall be
disclosed upon application of the
guidelines for materiality referred sub-
regulation (4) of regulation (30)****Point No. 8:**

8. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity.

**Regulation 30
Disclosure of events or information.****Regulation 30 (13)**

(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.

<p><u>Schedule III – Part A:</u></p> <p><u>Disclosures of Events or Information: Specified Securities –</u></p> <p><u>Para A: Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30):</u></p> <p>(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:</p> <p>(i) ‘Fraud’ shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.</p> <p>(ii) ‘Default’ shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.</p> <p>Explanation 1- In case of revolving</p>	<p>Industry Standards No. 13</p> <p>Disclosure of fraud or default under Regulation 30 read with Para A (6) of Part A of Schedule III:</p> <p>13.1 In instances where the fraud relates to the listed company, the timelines stipulated in this Regulation for making disclosures to the stock exchanges would begin:</p> <p>(i) once a prima facie assessment of fraud having occurred is completed, or</p> <p>(ii) upon the expiry of 4 weeks from the time when the listed company becomes aware of the alleged fraud, whichever is earlier.</p> <p>Further, the listed entities will be required to make final disclosure once the investigation is fully concluded.</p> <p>13.2 In instances where the allegation of fraud does not involve the listed company or is not in relation to the affairs of such listed entity, but pertains to its promoter, director, key managerial personnel, senior management or subsidiary, the obligation of the listed company to make a disclosure shall trigger once an officer of that listed company has become aware of the occurrence of fraud, through credible and verifiable channels of communication in relation to the relevant parties.</p> <p>Industry Standards No. 16</p> <p>Disclosure of frauds or defaults by employees of the listed entity under Regulation 30(4) read with Para B(9) of Part A of Schedule III:</p>	<ul style="list-style-type: none"> • In cases of allegation(s) of fraud relating to the listed entity, the event shall be deemed material. • Any allegation of fraud against the listed entity shall require conduct of a prima facie assessment to establish the occurrence of fraud. • The disclosure timeline in case of fraud relating to the listed entity, shall be earlier of the following: <ol style="list-style-type: none"> a. Within 24 hours from the prima facie assessment of fraud having occurred is completed; or b. Upon the expiry of 4 weeks from the time when the listed company becomes aware of alleged fraud. • In cases where the allegation of fraud relates to the promoters, director, KMPs, Senior Management or subsidiary of the listed entity, the listed entity shall make a disclosure only if the officer of such entity has become aware of the occurrence of fraud through credible and verifiable channels of communication. • In cases where the allegation of
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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.

Explanation 3 – Fraud by senior management, other than who is promoter, director or key managerial personnel, shall be required to be disclosed only if it is in relation to the listed entity.

Schedule III – Part A:

**Disclosures of Events or Information:
Specified Securities –**

Para B:

**Events which shall be disclosed upon
application of the guidelines for
materiality referred sub-regulation (4)
of regulation (30):**

9. Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity.

16.1. The listed entities may consider the definition of 'fraud' and 'default' as provided Para A (6) of Part A of Schedule III for the purposes of this provision.

16.2. For the purposes of timing and stage of disclosure, please refer to paragraph 13 above.

fraud relates to the employees of the listed entity, such an event shall be covered under Para B of Part A of Schedule III, which shall require the determination of materiality.

<p>Reg. 30 (4)</p> <p>(i) The listed entity shall consider the following criteria for determination of materiality of events/ information</p> <p>(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</p> <p>(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;</p> <p>(c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:</p> <p>(1) two percent of turnover, as per the last audited consolidated financial statements of the listed entity;</p> <p>(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;</p> <p>(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;</p>	<p>Industry Standards No. 17</p> <p><u>Disclosure of guarantees and indemnity under Regulation 30(4) read with Para B(11) of Part A of Schedule III:</u></p> <p>1. Listed entities may exclude indemnity/guarantee/surety, by whatever name called, provided for their wholly owned subsidiaries which are consolidated in their financials from the scope of third-party indemnity/ guarantee/ surety. However, listed entities would be required to disclose such indemnity/ guarantee/ surety pertaining to their wholly-owned subsidiary, if the concerned entity ceases to be a wholly owned subsidiary of the listed entity.</p> <p>2. The disclosure requirement shall not extend to contractual performance guarantees given by listed entities, involved in business activities where such performance guarantees are required to be furnished in the normal course of business. However, disclosure should be made upon invocation of such performance guarantees.</p> <p>3. Additionally, guarantees, indemnity or surety bonds given by listed banking companies and surety insurance provided insurance companies in the normal course of their business, will not trigger a disclosure requirement. However, disclosure would be required upon invocation of such guarantees, indemnity or surety bonds.</p> <p>4. Further, all material indemnity/ guarantee/ surety pertaining to their wholly-owned subsidiary would be required to be disclosed by the listed entity in cases where such indemnity/ guarantee/ surety is invoked.</p>	<ul style="list-style-type: none"> • SEBI has exempted Wholly owned subsidiaries (WOS) of the listed entity from the purview of the word “third party”. Now, the listed entity is not required to provide any intimation to the Stock Exchange(s) w.r.t indemnity/guarantee/surety provided for their WOS. • In case the concerned entity ceases to be a wholly owned subsidiary of the listed entity or where such indemnity/ guarantee/ surety is invoked, the listed entity has to intimate the Stock Exchange(s) regarding the same. • Indemnity/guarantee/ surety provided by the listed Banking Co./Insurance Co, in ordinary course of business would also not attract the requirement of the intimation. However, intimation would be required upon invocation of such guarantees, indemnity or surety.
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<p>(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:</p> <p><u>Para B(11) of Part A of Schedule III</u></p> <p>Giving of guarantees or indemnity or becoming a surety, by whatever named called for any third party.</p>		
<p><u>Para A (18) of Part A of Schedule III</u></p> <p>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.</p>	<p>Industry Standards No. 18</p> <p><u>Disclosure of announcement/ communication through social media intermediaries or mainstream media under Regulation 30(4) read with Para A (18) of Part A of Schedule III:</u></p> <p>In case of any premature announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a listed entity, while making the requisite disclosure under this provision, the listed entity shall be required to issue necessary clarification in respect to such announcement / communication.</p>	<ul style="list-style-type: none"> • Clarification is required to be given in case of any premature announcement or communication. • However, it's advisable to the management of the Company to be careful, cautious and not to give such premature announcements or communications via social media platforms such as Instagram, Facebook or LinkedIn etc. or through any mainstream media.

<p><u>Para A (15a) of Part A of Schedule III</u></p> <p>15 (a) (i) Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of the intimation and the date of the meet);</p> <p>(ii) Presentations prepared by the listed entity for analysts or institutional investors meet, post earnings or quarterly calls shall be disclosed to the recognized stock exchanges prior to beginning of such events.</p> <p>Explanation: For the purpose of this clause ‘meet’ shall mean group meetings or group conference calls conducted physically or through digital means.</p> <p>Explanation II: Disclosure of names in the schedule of analysts or institutional investors meet shall be optional for the listed entity.</p>	<p>Industry Standards No. 19</p> <p>Disclosure of schedule of analysts or institutional investors meet at least two working days in advance under Para A(15(a)) of Part A of Schedule III</p> <p>For analysts or institutional investors meet which are scheduled by the listed entities at short notice for urgent matters, the requirement of providing at least two working days’ notice in advance may be dispensed with. In such a case, the schedule of meetings should simultaneously be submitted to the stock exchanges along with the explanation for the short notice. Further, the meeting shall not be preceded or succeeded by any one-to-one meetings.</p>	<ul style="list-style-type: none"> • Requirement of giving at least two working days in advance (excluding the date of the intimation and the date of the meet) for Analysts or institutional investors meet which are scheduled by the listed entities at short notice for urgent matters is dispensed with, subject to following conditions that: <ul style="list-style-type: none"> A. The schedule of meetings should simultaneously be submitted to the stock exchanges along with the explanation for the short notice. B. The Analysts or institutional investors meet shall not be preceded or succeeded by any one-to-one meetings
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Suggestions may be sent to rupesh@cacsindia.com

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