

RECENT AMENDMENTS TO PIT REGULATIONS, 2015

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DEFINITIONS

▶ COMPLIANCE OFFICER

- INCLUDED THE MEANING OF FINANCIALLY LITERATE
 - ABILITY TO READ AND UNDERSTAND BASIC FINANCIAL STATEMENTS

▶ PROPOSED TO BE LISTED

- AN UNLISTED COMPANY:
 - 1. WHICH HAS FILED OFFER DOCUMENT WITH SEBI, STOCK EXCHANGE OR ROC FOR LISTING
 - 2. WHICH WILL GET LISTED PURSUANT TO ANY MERGER OR AMALGAMATION AND HAS FILED A COPY OF SUCH SCHEME OF MERGER OR AMALGAMATION UNDER THE COMPANIES ACT, 2013

DEFINITIONS


- ▶ SECURITIES – AS DEFINED UNDER THE SCRA
 - ONLY EXCEPTION SHALL BE UNITS OF MUTUAL FUNDS
 - COMMODITY DERIVATIVES, UNITS OF AIF ETC ALSO COVERED – TAKING FROM THE INFORMAL GUIDANCES GIVEN
- ▶ TRADING
 - COVERS PLEDING / ACT OF CREATING AN EMBRANCE
 - COVERSESSECURITIES LENDING AND BORROWING COVERED
 - TRADING THROUGH PMS ALSO COVERED

UNPUBLISHED PRICE SENSITIVE INFORMATION

- ▶ DELETED REFERENCE TO LISTING AGREEMENT
- ▶ ANY INFORMATION, RELATING TO A COMPANY OR ITS SECURITIES, DIRECTLY OR INDIRECTLY, THAT IS NOT GENERALLY AVAILABLE WHICH UPON BECOMING GENERALLY AVAILABLE, IS LIKELY TO MATERIALLY AFFECT THE PRICE OF THE SECURITIES AND SHALL, ORDINARILY INCLUDING BUT NOT RESTRICTED TO, INFORMATION RELATING TO THE FOLLOWING: –
 - FINANCIAL RESULTS;
 - DIVIDENDS;
 - CHANGE IN CAPITAL STRUCTURE;
 - MERGERS, DE-MERGERS, ACQUISITIONS, DELISTING, DISPOSALS AND EXPANSION OF BUSINESS AND SUCH OTHER TRANSACTIONS;
 - CHANGES IN KEY MANAGERIAL PERSONNEL
 - *Case Law - Man Industries ; Suzlon Energy*

THE REGULATIONS

- ▶ INSIDER SHALL COMMUNICATE OR SHARE INFORMATION ONLY ON SHARE ONLY “ON NEED TO KNOW” BASIS AS HAS ALSO BEEN EMPHASISED IN “*PIRAMALS IN THE MATTER OF ABBOTT*”
- ▶ NOW INCLUDED A POLICY FOR DETERMINING WHAT IS A LEGITIMATE PURPOSE
- ▶ THIS SHALL DETERMINE WHAT SHALL BE THE LEGITIMATE PURPOSE FOR WHICH UPSI CAN BE SHARED BY AN INSIDER WITH PARTNERS, COLLABORATORS, MERCHANT BANKERS, AUDITORS, SOLICITORS, CONSULTANTS ETC
- ▶ SHALL BE PART OF THE CODE OF FAIR DISCLOSURE AND CONDUCT

- ▶ ANYBODY WITH WHOM INFORMATION IS SHARED ON A LEGITIMATE BASIS SHALL BE TREATED AS AN INSIDER
 - ▶ DUE NOTICE SHALL BE GIVEN TO SUCH A PERSON TO TREAT THAT INFORMATION SO SHARED AS CONFIDENTIAL
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WHEN CAN UPSI BE COMMUNICATED

- ▶ CAN BE COMMUNICATED WHEN THERE IS AN OPEN OFFER AND THE BOARD FEELS THAT SHARING THIS INFORMATION WILL BE IN THE BEST INTEREST OF THE LISTED ENTITY
- ▶ A PE INVESTMENT OR SUCH OTHER TRANSACTION AND THE UPSI IS DISSEMINATED TWO WORKING DAYS PRIOR TO THE TRANSACTION
- ▶ THE BOARD FEELS THAT SHARING THIS INFORMATION WILL BE IN THE BEST INTEREST OF THE LISTED ENTITY
- ▶ THE PARTIES WILL BE REQUIRED BY THE BOARD OF DIRECTORS TO EXECUTE A CONFIDENTIALITY AGREEMENT

STRUCTURED DATA BASE


- ▶ THE COMPANY UNDER AN OBLIGATION TO MAINTAIN A STRUCTURED DIGITAL DATABASE OF ALL THE PERSONS WITH WHOM UPSI IS SHARED.
- ▶ TO CONTAIN THE NAME AND THE PAN NUMBER OR SUCH OTHER IDENTITY IF THE PERSON DOES NOT HAVE A PAN NUMBER
- ▶ TO BE MAINTAINED WITH ADEQUATE CHECKS AND AUDIT TRAILS SO AS TO AVOID ANY TAMPERING

CANNOT TRADE WHILE IN POSSESSION OF UPSI

- ▶ ANY INSIDER WHO IS IN POSSESSION OF UNPUBLISHED PRICE SENSITIVE INFORMATION CANNOT TRADE IN THE SECURITIES OF THE COMPANY OF A LISTED ENTITY OR A COMPANY WHICH IS PROPOSED TO BE LISTED WHILE BEING IN POSSESSION

EXEMPTIONS TO TRADING WHILE BEING IN POSSESSION OF UPSI

- ▶ MAY DEMONSTRATE HIS INNOCENCE
 - BY SHOWING IT IS AN OFF MARKET INTER-SE TRANSFER OF SECURITIES AMONGST INSIDERS WHO WERE IN POSSESSION OF THE SAME UPSI
 - THE INFORMATION WAS NOT OBTAINED PURSUANT TO AN OPEN OFFER / OTHER DEAL
 - TO REPORT THE OFF MARKET TRANSACTION TO THE COMPANY WITHIN TWO WORKING DAYS AND THE COMPANY TO REPORT THE SAME TO THE EXCHANGE WITHIN TWO TRADING DAYS OF THE RECEIPT OF THE DISCLOSURE

- ▶ AMONGST PERSONS WHO WERE IN POSSESSION OF UPSI WITHOUT BEING IN BREACH OF REGULATION 3(3) OF THE SAST REGULATIONS AND THIS IS THROUGH THE BLOCK DEAL WINDOW OF THE STOCK EXCHANGE AND BOTH PARTIES HAVE MADE AN INFORMED DECISION
 - ▶ IN COMPLIANCE OF A STATUTORY OBLIGATION
 - ▶ ON EXERCISE OF STOCK OPTIONS WHERE THE EXERCISE PRICE OF THE OPTION WAS PRE-DETERMINED
- 

INITIAL DISCLOSURES

- ▶ ALL PROMOTERS, PERSONS BELONGING TO THE **PROMOTER GROUP**, DIRECTORS, KMPs TO DISCLOSE THEIR HOLDINGS
 - TO THE COMPANY
 - WITHIN 30 DAYS OF THE REGULATIONS TAKING EFFECT
- ▶ EVERY PERSON ON BEING APPOINTED AS A DIRECTOR OR A KMP OR BECOMING A PROMOTER OR **PART OF THE PROMOTER GROUP**
 - SHALL DISCLOSE THEIR HOLDINGS TO COMPANY
 - WITHIN SEVEN DAYS OF BECOMING A DIRECTOR, KMP OR A PROMOTER

CONTINUAL DISCLOSURES

- ▶ EVERY PROMOTER, DESIGNATED PERSON, DIRECTOR SHALL DISCLOSE
 - WITHIN 2 TRADING DAYS
 - IF THE VALUE OF TRADED SECURITIES IN ONE TRANSACTION OR A SERIES OF TRANSACTIONS
 - EXCEEDS Rs.10 LACS
 - IN A CALENDAR QUARTER
 - TO THE COMPANY
- ▶ COMPANY TO DISCLOSE
 - WITHIN 2 WORKING DAY OF RECEIPT OF DISCLOSURE
 - OR ON BECOMING AWARE OF SUCH INFORMATION
- ▶ TO MAKE A DISCLOSURE AGAIN WHEN THE LIMIT IS CROSSED FROM THE PREVIOUS DISCLOSURE


MODEL CODE OF CONDUCT

- ▶ TWO MODEL CODES OF CONDUCT SPECIFIED, ONE FOR LISTED ENTITY AND ONE FOR REGISTERED ENTITY
- ▶ THE MINIMUM STANDARDS ARE SET OUT IN SCHEDULE B FOR A LISTED ENTITY
- ▶ THE MINIMUM STANDARDS ARE SET OUT IN SCHEDULE C FOR AN INTERMEDIARY
- ▶ EVEN FIDUCIARIES LIKE AUDITORS, COMPANY SECRETARIES, ADVOCATES ETC TO BE GOVERNED BY A MODEL CODE OF CONDUCT
- ▶ *In the matter of Falcon Tyres Ltd*

- ▶ EMPLOYEES AND DESIGNATED PERSONS SHALL BE GOVERNED BY THE CODE. THE BOARD OF DIRECTORS TO IDENTIFY SUCH PERSONS BASED ON THEIR ROLE, DESIGNATION AND DUTIES – IN THE INFORMAL GUIDANCE OF KIRLOSKAR CHILLERS IT IS HAS BEEN POINTED OUT THAT A PROMOTER MAY BE DESIGNATED AS A DESIGNATED PERSON BY THE BOARD IN CONSULTATION WITH THE COMPLIANCE OFFICER
- ▶ HOWEVER NOW THE CODE TREATS PROMOTERS AS DESIGNATED PERSONS.


- ▶ CAN CLOSE FROM THE END OF THE QUARTER
- ▶ TRADING WINDOW TO OPEN 48 HOURS AFTER THE UPSI BECOMES GENERALLY AVAILABLE TO THE PUBLIC
– *Mr Jayaraman – Non closure of window*
- ▶ TRADING WINDOW APPLICABLE TO AUDITORS, COMPANY SECRETARIES IN PRACTICE, LAWYERS, CONSULTANTS ETC
- ▶ TRADING SUBJECT TO PRE CLEARANCE (Jagran Prasaran – traded without pre clearance)
- ▶ NOT TO TAKE PRECLEARANCE IF IN POSSESSION OF UPSI EVEN WHEN WINDOW IS OPEN
- ▶ COMPLIANCE OFFICER TO MAINTAIN RESTRICTED LIST

- ▶ TO EXECUTE TRADE WITHIN A MAXIMUM OF 7 TRADING DAYS – LESSER DAYS CAN ALSO BE FIXED
- ▶ NO CONTRA TRADE FOR PERIOD OF ATLEAST 6 MONTHS – *Suzlon Energy*
 - SHARES ACQUIRED ON EXERCISE OF ESOPS ARE EXEMPTED
 - BUY BACK OFFERS, RIGHTS ISSUES, BONUS ISSUES, OPEN OFFERS EXEMPTED AS PER FAQ – NOT SPECIFICALLY MENTIONED IN THE MODEL CODE OF CONDUCT
- ▶ IF CONTRAVENED – THE PROFITS TO BE DISGORGED BY COMPANY AND FORWARDED TO SEBI FOR CREDIT TO IPEF
- ▶ COMPANY TO IMPOSE SUCH ACTION AS WAGE FREEZE, SUSPENSIONS, **RECOVERY, CLAWBACK** ETC
- ▶ TO DEVISE SUCH FORMATS AS MAY BE NECESSARY FOR DISCLOSURES

- ▶ DESIGNATED PERSON TO DISCLOSE NAME, PERMANENT ACCOUNT NUMBER AND MOBILE NUMBER / PHONE NUMBER OF IMMEDIATE RELATIVES, PERSONS WITH WHOM THEY HAVE MATERIAL FINANCIAL RELATIONSHIP ON AN ANNUAL BASIS OR WHEN THE INFORMATION CHANGES
 - ▶ TO GIVE THE NAMES OF THE EDUCATIONAL INSTITUTIONS FROM WHERE THEY GRADUATED AND THE NAMES OF THEIR PAST EMPLOYERS ON A ONE TIME BASIS
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INSTITUTIONAL MECHANISM FOR PREVENTION OF INSIDER TRADING

- ▶ THE CHIEF EXECUTIVE OFFICER, MANAGING DIRECTOR OR SUCH OTHER ANALOGOUS PERSON OF A LISTED COMPANY, INTERMEDIARY OR FIDUCIARY SHALL PUT IN PLACE ADEQUATE AND EFFECTIVE SYSTEM OF INTERNAL CONTROLS TO INCLUDE
 - ALL EMPLOYEES WHO HAVE ACCESS OF UPSI ARE DESIGNATED AS DESIGNATED PERSONS
 - ALL UPSI SHALL BE IDENTIFIED AND CONFIDENTIALITY OF THE SAME SHALL BE MAINTAINED
 - RESTRICTION SHALL BE PLACED ON COMMUNICATION OR PROCUREMENT OF UPSI

- ▶ LIST OF ALL EMPLOYEES OR PERSONS WITH WHOM UPSI IS BEING SHARED
 - ▶ CONFIDENTIALITY AGREEMENT TO BE ENTERED INTO
 - ▶ EMPLOYEES AND SUCH PERSONS SHALL BE GIVEN NOTICE TO MAINTAIN CONFIDENTIALITY
 - ▶ PERIODIC REVIEW TO ASSESS THE EFFECTIVENESS OF SUCH CONTROLS
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- ▶ AUDIT COMMITTEE TO REVIEW THE COMPLIANCE OF THE PIT REGULATIONS ATLEAST ONCE A YEAR AND WHETHER INTERNAL CONTROLS PROCEDURE IS BEING EFFECTIVELY FOLLOWED
- ▶ LISTED COMPANY TO HAVE A WRITTEN POLICY TO ENQUIRE INTO A LEAKAGE OF UPSI OR SUSPECTED LEAKAGE OF UPSI; APPROVED BY THE BOARD; INITIATE ENQUIRIES AND REPORT TO THE BOARD
- ▶ WHISTLE BLOWER MECHANISM FOR THE EMPLOYEES SO AS TO ENABLE THEM TO REPORT POSSIBLE LEAKAGES
- ▶ IN CASE OF INITIATION OF ENQUIRY ALL THE INTERMEDIARIES AND FIDUCIARIES TO CO-OPERATE

RECENT AMENDMENTS TO THE LODR 2015

DEFINITIONS

- ▶ **DEFINITION OF INDEPENDENT DIRECTOR**
 - SHALL ALSO NOT BELONG TO THE PROMOTER GROUP
 - WHO IS NOT A NON-INDEPENDENT DIRECTOR OF ANOTHER COMPANY ON THE BOARD OF WHICH ANY NON-INDEPENDENT DIRECTOR OF THE LISTED ENTITY IS AN INDEPENDENT DIRECTOR
- ▶ **DEFINITION OF MATERIAL SUBSIDIARY**
 - THAT WHICH CONTRIBUTES TO 10% OF THE CONSOLIDATED TURNOVER
- ▶ **COMPANY SECRETARY AND CFO SHALL BE PART OF THE SENIOR MANAGEMENT**

CORPORATE GOVERNANCE

▶ BOARD OF DIRECTORS

◦ MEETING

- GAP BETWEEN AUDIT COMMITTEE MEETING AND BOARD MEETING??

▶ WOMAN DIRECTOR

- ATLEAST ONE WOMAN INDEPENDENT DIRECTOR BY 01.04.2019 FOR TOP 500 COMPANIES
- ATLEAST ONE WOMAN INDEPENDENT DIRECTOR 01.04.2020 FOR TOP 1000 COMPANIES

▶ NUMBER OF DIRECTORS

- TOP 1000 COMPANIES MUST HAVE ATLEAST 6 DIRECTORS BY 01.04.2019
- TOP 2000 COMPANIES MUST HAVE ATLEAST 6 DIRECTORS BY 01.04.2020

▶ COMPOSITION OF THE BOARD

- NO DIRECTOR TO BE APPOINTED AS A NON EXECUTIVE DIRECTOR AFTER ATTAINING THE AGE OF 75 EXCEPT WITH THE APPROVAL OF THE SHAREHOLDERS BY WAY OF A SPECIAL RESOLUTION,
- EXPLANATORY STATEMENT TO JUSTIFY THE APPOINTMENT OF SUCH A PERSON

▶ CHAIRMAN


- WITH EFFECT FROM 01.04.2020 FOR TOP 500 COMPANIES
 - CHAIRMAN MUST BE NON EXECUTIVE
 - MUST NOT BE RELATED AS “RELATIVE” AS DEFINED UNDER THE COMPANIES ACT, 2013 TO THE MANAGING DIRECTOR OR THE CEO


▶ QUORUM FOR BOARD MEETINGS

- FOR TOP 500 COMPANIES BY 01.04.2019
- FOR TOP 1000 COMPANIES BY 01.04.2020
 - 1 / 3RD OF THE STRENGTH OF THE BOARD OR
 - 3 MEMBERS
 - WHICHEVER IS HIGHER
 - ONE OF THEM MUST BE AN INDEPENDENT DIRECTOR
 - ATTENDANCE BY VIDEO CONFERENCING / AUDIO-VISUAL MEANS IS COUNTED

▶ REMUNERATION TO NON EXECUTIVE DIRECTORS

- ANY PAYMENT TO AN NON EXECUTIVE DIRECTOR BY WAY OF FEES / COMPENSATION REQUIRES APPROVAL OF THE SHAREHOLDERS IN A GENERAL MEETING
- APPROVAL BY WAY OF A SPECIAL RESOLUTION EVERY YEAR IN CASE THE PAYMENT TO ANY SINGLE NON EXECUTIVE DIRECTOR IS MORE THAN 50% OF THE TOTAL COMPENSATION PAID TO ALL THE NON EXECUTIVE DIRECTORS

- ▶ REMUNERATION TO EXECUTIVE DIRECTORS
 - FOR FEES OR COMPENSATION PAYABLE TO EXECUTIVE DIRECTORS WHO ARE PART OF THE PROMOTER / PROMOTER GROUP
 - SPECIAL RESOLUTION BY SHAREHOLDERS IN A GENERAL MEETING
 - THE ANNUAL REMUNERATION PAYABLE TO SUCH EXECUTIVE DIRECTOR EXCEEDS RS. 5 CRORE OR 2.5 PER CENT OF THE NET PROFITS OF THE LISTED ENTITY, WHICHEVER IS HIGHER; OR
 - WHERE THERE IS MORE THAN ONE SUCH DIRECTOR, THE AGGREGATE ANNUAL REMUNERATION TO SUCH DIRECTORS EXCEEDS 5 PER CENT OF THE NET PROFITS OF THE LISTED ENTITY
 - RESOLUTION SHALL BE VALID FOR THE ENTIRE TERM OF APPOINTMENT
- 

- ▶ **PERFORMANCE EVALUATION OF THE INDEPENDENT DIRECTORS**
 - **BY THE ENTIRE BOARD**
 - **THE INDEPENDENT DIRECTOR SHALL NOT PARTICIPATE**
 - **SHALL BE ON HIS / HER PERFORMANCE**
 - **FULFILLMENT OF THE CRITERIA OF INDEPENDENCE AS PER THE REGULATIONS AND INDEPENDENCE FROM THE MANAGEMENT**
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▶ NUMBER OF DIRECTORSHIPS

- NOT MORE THAN 8 LISTED COMPANIES WITH EFFECT FROM 01.04.2019
- NOT MORE THAN 7 LISTED COMPANIES WITH EFFECT FROM 01.04.2020
- IF A WHOLE TIME DIRECTOR / MANAGING DIRECTOR OF ANY LISTED ENTITY
 - CANNOT BE AN INDEPENDENT DIRECTOR ON MORE THAN 3 LISTED ENTITIES

▶ **NOMINATION AND REMUNERATION COMMITTEE**

- QUORUM SPECIFIED – 1 / 3RD OR 2 WHICH EVER IS HIGHER AND ONE OF THEM SHALL BE AN INDEPENDENT DIRECTOR
- SHALL MEET ATLEAST ONCE A YEAR

▶ **STAKEHOLDERS RELATIONSHIP COMMITTEE**

- ONE MEMBER SHALL BE AN INDEPENDENT DIRECTOR
- THE CHAIRPERSON SHALL BE PRESENT AT THE AGM
- SHALL MEET ATLEAST ONCE A YEAR

RELATED PARTY TRANSACTIONS

- ▶ WHO IS A RELATED PARTY
 - AS PER SECTION 2(76) OF THE COMPANIES ACT, 2013
 - OR RELEVANT ACCOUNTING STANDARDS
 - ANY PERSON BELONG TO THE PROMOTER OR PROMOTER GROUP HOLDING MORE THAN 20% OF THE SHAREHOLDING OF THE LISTED ENTITY
- ▶ WHAT IS A RELATED PARTY TRANSACTION

- ▶ BOARD TO FORMULATE A POLICY ON MATERIALITY OF RELATED PARTY TRANSACTIONS, TO SPECIFY AND APPROVE THE THRESHOLD LIMITS AND TO REVIEW THE POLICY ONCE EVERY 3 YEARS
- ▶ TRANSACTION INVOLVING PAYMENT MADE TO A RELATED PARTY FOR THE USAGE OF BRAND OR ROYALTY SHALL BE CONSIDERED MATERIAL IF THE TRANSACTION(S) TO BE ENTERED INTO INDIVIDUALLY OR TAKEN TOGETHER WITH PREVIOUS TRANSACTIONS DURING A FINANCIAL YEAR, EXCEED TWO PERCENT OF THE ANNUAL CONSOLIDATED TURNOVER OF THE LISTED ENTITY AS PER THE LAST AUDITED FINANCIAL STATEMENTS OF THE LISTED ENTITY.

- ▶ MATERIAL RELATED PARTY TRANSACTIONS
 - TO BE APPROVED BY THE SHAREHOLDERS IN A GENERAL MEETING
 - ORDINARY RESOLUTION
 - RELATED PARTIES SHALL NOT VOTE TO APPROVE THE RESOLUTION
- ▶ THE ABOVE PROVISIONS NOT APPLICABLE TO A TRANSACTION BETWEEN A WHOLLY OWNED SUBSIDIARY AND ITS HOLDING COMPANY
- ▶ TO SUBMIT WITHIN 30 DAYS FROM THE DATE OF PUBLICATION OF ITS STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE HALF YEAR,
 - DISCLOSURES OF RELATED PARTY TRANSACTIONS ON A CONSOLIDATED BASIS IN THE FORMAT SPECIFIED IN THE RELEVANT ACCOUNTING STANDARDS FOR ANNUAL RESULTS
 - TO THE STOCK EXCHANGES AND PUBLISH IT ON ITS WEBSITE
 - APPLICABLE FROM HALF YEAR ENDED MARCH 31, 2019

WITH REFERENCE TO SUBSIDIARIES

- ▶ ONE INDEPENDENT DIRECTOR OF THE HOLDING COMPANY TO BE ON THE BOARD OF THE UNLISTED MATERIAL SUBSIDIARY, WHETHER IN INDIA OR ABROAD. FOR THIS PURPOSE, MATERIAL SUBSIDIARY MEANS WHOSE INCOME OR NETWORTH EXCEEDS 20% OF THE CONSOLIDATED INCOME OR NETWORTH

SECRETARIAL AUDIT

- ▶ EVERY LISTED ENTITY AND ITS MATERIAL SUBSIDIARIES INCORPORATED IN INDIA MUST UNDERTAKE A SECRETARIAL AUDIT
 - FOR THE YEAR ENDED MARCH 31, 2019
 - IN SUCH FORM AS MAY BE SPECIFIED
 - NEW FORMAT SPECIFIED – CALLED AS ANNUAL SECRETARIAL COMPLIANCE REPORT

INDEPENDENT DIRECTORS

- ▶ NO ALTERNATE DIRECTOR FOR AN INDEPENDENT DIRECTOR
- ▶ CONFIRM HIS STATUS OF INDEPENDENCE IN THE FIRST MEETING OF THE BOARD OF DIRECTORS
- ▶ THE BOARD SHALL TAKE ON RECORD THE ASSESSMENT AFTER CHECKING THE VERACITY OF THE SAME
- ▶ MUST TAKE A DIRECTORS AND OFFICERS INSURANCE FOR ALL THE INDEPENDENT DIRECTORS WITH EFFECT FROM OCTOBER 01, 2018 – FOR THE TOP 500 COMPANIES
- ▶ FAMILIARISATION PROGRAMME
- ▶ MEETING OF THE INDEPENDENT DIRECTORS

AMENDMENTS TO REGULATION 30

- ▶ RESIGNATION OF AUDITOR
 - DETAILED REASONS FOR RESIGNATION OF AUDITOR, AS GIVEN BY THE SAID AUDITOR, SHALL BE DISCLOSED BY THE LISTED ENTITIES TO THE STOCK EXCHANGES AS SOON AS POSSIBLE BUT NOT LATER THAN TWENTY FOUR HOURS OF RECEIPT OF SUCH REASONS FROM THE AUDITOR.
- ▶ RESIGNATION OF INDEPENDENT DIRECTOR
 - DETAILED REASONS FOR THE RESIGNATION OF INDEPENDENT DIRECTORS AS GIVEN BY THE SAID DIRECTOR SHALL BE DISCLOSED BY THE LISTED ENTITIES TO THE STOCK EXCHANGES.
 - THE INDEPENDENT DIRECTOR SHALL, ALONG WITH THE DETAILED REASONS, ALSO PROVIDE A CONFIRMATION THAT THERE IS NO OTHER MATERIAL REASONS OTHER THAN THOSE PROVIDED
 - *TO BE GIVEN WITHIN 7 DAYS OF RESIGNATION*

STATEMENT OF VARIATION AND DEVIATION

- ▶ TO BE GIVEN ON A QUARTERLY BASIS WHEN THERE IS ANY ISSUANCE OF SECURITIES BY WAY OF PUBLIC ISSUE, RIGHTS, PREFERENTIAL, QIP, ETC
 - THE FUNDS ARE USED UP
 - TO BE PLACED BEFORE THE AUDIT COMMITTEE
 - TO SEEK EXPLANATION FOR ANY VARIATION
- ▶ ON AN ANNUAL BASIS FOR PREFERENTIAL ISSUE AND QIP
 - TO INCLUDE THE DETAILS OF UTILISATION OF FUNDS IN THE ANNUAL REPORT

FINANCIAL RESULTS

- ▶ REQUIRED TO SUBMIT CASH FLOW STATEMENT FOR THE HALF YEAR ALONG WITH THE STATEMENT OF ASSETS AND LIABILITIES
- ▶ FOR THE PURPOSES OF QUARTERLY CONSOLIDATED FINANCIAL RESULTS, AT LEAST EIGHTY PERCENT OF EACH OF THE CONSOLIDATED REVENUE, ASSETS AND PROFITS, RESPECTIVELY, SHALL HAVE BEEN SUBJECT TO AUDIT OR IN CASE OF UNAUDITED RESULTS, SUBJECTED TO LIMITED REVIEW.
- ▶ OPTION TO SUBMIT EITHER STANDALONE OR CONSOLIDATED HAS BEEN REMOVED.
- ▶ STATUTORY AUDITOR SHALL UNDERTAKE A LIMITED REVIEW OF THE AUDIT OF ALL THE ENTITIES/ COMPANIES WHOSE ACCOUNTS ARE TO BE CONSOLIDATED WITH THE LISTED ENTITY AS PER AS21 IN ACCORDANCE WITH GUIDELINES ISSUED BY SEBI ON THIS MATTER

SUBMISSION OF THE ANNUAL REPORT – REGULATION 34

- ▶ TO SUBMIT A COPY OF THE ANNUAL REPORT ON THE DAY THE COMPANY BEGINS TO DESPATCH THE SAME TO ITS SHAREHOLDERS
 - TO THE STOCK EXCHANGE
 - PUBLISH ON ITS WEBSITE
- ▶ IN CASE OF ANY REVISION / CHANGE, REVISED COPY WITHIN 48 HOURS OF THE AGM
- ▶ APPLICABLE FOR THE ANNUAL REPORT FOR THE YEAR ENDED MARCH 31, 2019


APPOINTMENT OF STATUTORY AUDITOR

- ▶ EXPLANATORY STATEMENT TO CONTAIN
 - PROPOSED FEES PAYABLE TO THE STATUTORY AUDITOR(S) ALONG WITH TERMS OF APPOINTMENT AND IN CASE OF A NEW AUDITOR, ANY MATERIAL CHANGE IN THE FEE PAYABLE TO SUCH AUDITOR FROM THAT PAID TO THE OUTGOING AUDITOR ALONG WITH THE RATIONALE FOR SUCH CHANGE;
 - BASIS OF RECOMMENDATION FOR APPOINTMENT INCLUDING THE DETAILS IN RELATION TO AND CREDENTIALS OF THE STATUTORY AUDITOR(S) PROPOSED TO BE APPOINTED.

WEB SITE

- ▶ INCLUDE ALL DETAILS UNDER A SEPARATE SECTION
- ▶ CREDIT RATINGS
- ▶ SEPARATE AUDITED FINANCIAL STATEMENTS OF EACH SUBSIDIARY OF THE LISTED ENTITY IN RESPECT OF A RELEVANT FINANCIAL YEAR, UPLOADED AT LEAST 21 DAYS PRIOR TO THE DATE OF THE ANNUAL GENERAL MEETING WHICH HAS BEEN CALLED TO INTER ALIA CONSIDER ACCOUNTS OF THAT FINANCIAL YEAR
 - *Informal guidance in the matter of HCL Technologies*

TRANSFER AND TRANSMISSION OF SHARES

- ▶ NO TRANSFER OF SHARES IN PHYSICAL FORM WITH EFFECT FROM APRIL 01, 2019
 - ▶ TRANSFERS ONLY IF THE SHARES ARE HELD WITH A DEPOSITORY
 - ▶ TRANSMISSION PERMITTED
- 

OTHER AMENDMENTS

- ▶ TOP 100 COMPANIES BY MARKET CAP
 - TO HOLD GENERAL MEETING WITHIN 5 MONTHS OF THE END OF THE FINANCIAL YEAR
- ▶ WEBSITE TO INCLUDE THE REVISION TO THE CREDIT RATING AND FINANCIALS OF SUBSIDIARIES
- ▶ THE ROLE OF THE STAKEHOLDERS' RELATIONSHIP COMMITTEE HAS BEEN SUBSTANTIALLY CHANGED. MORE RESPONSIBILITY HAS BEEN GIVEN.

- ▶ A CERTIFICATE FROM A COMPANY SECRETARY IN PRACTICE THAT NONE OF THE DIRECTORS ON THE BOARD OF THE COMPANY HAVE BEEN DEBARRED OR DISQUALIFIED FROM BEING APPOINTED OR CONTINUING AS DIRECTORS OF COMPANIES BY THE BOARD/MINISTRY OF CORPORATE AFFAIRS OR ANY SUCH STATUTORY AUTHORITY

▶ THANK YOU