

*THE MADRAS CHAMBER OF COMMERCE
AND INDUSTRY*

*COMPANY LAW AND CORPORATE MATTERS
COMMITTEE*

***MONTHLY NEWSLETTER
- AUGUST 2025***

ISSUE NO: 01/2025-26

ISSUED ON 01.09.2025

DO YOU KNOW

STATISTICAL INSIGHTS TILL JULY 2025

Total number of Companies registered in the Country as on 31.07.2025	29,31,144
Total number of Companies that are active as on 31.07.2025	19,21,660
Private limited companies account for 96% of the total active companies	but comprise 39% of the total Paid-up Capital
Public Limited companies account for 4% of the total active companies.	but comprise 61% of the total Paid-up Capital
Closed Companies	9,64,084
Dormant Companies	2,551
Companies under Liquidation	10,457
Companies under the process of Striking off	4,167
Not available for e-filing (NAEF)	8,225

Wadia Group is India's oldest conglomerate founded in 1736.

TCS is widely recognized as the Indian Company with the largest number of Female Employees.

Courtesy: Monthly Information Bulletin – Ministry of Corporate Affairs

CIRCULARS ISSUED BY SEBI DURING THE MONTHS JULY AND AUGUST 2025.

Aug 29, 2025	<i>Extension of timelines and Update of reporting authority for IAs and RAs w.r.t. SEBI Circular for Compliance to Digital Accessibility Circular ‘Rights of Persons with Disabilities Act, 2016 and rules made thereunder- mandatory compliance by all Regulated Entities’ dated July 31, 2025 (Circular No. SEBI/HO/ITD-1/ITD_VIAP/P/CIR/2025/111)</i>
Aug 28, 2025	<i>Technical Clarifications to Cybersecurity and Cyber Resilience Framework (CSCRF) for SEBI regulated Entities (REs)</i>
Aug 26, 2025	<i>Relaxation in the timeline to submit net worth certificate by the Stock Brokers to offer margin trading facility to their clients</i>
Aug 18, 2025	<i>Extension of timeline for implementation of SEBI Circular ‘Margin obligations to be given by way of pledge/Re-pledge in the Depository System’ dated June 03, 2025</i>
Aug 12, 2025	<i>Use of liquid mutual funds and overnight mutual funds for compliance with deposit requirement by Investment Advisers and Research Analysts</i>
Aug 08, 2025	<i>Transaction charges paid to Mutual Fund Distributors</i>
Aug 08, 2025	<i>Review of Framework for conversion of Private Listed InvIT into Public InvIT</i>
Aug 07, 2025	<i>Ease of doing business (EODB) - Policy for joint annual inspection by MII – Information sharing mechanism– action by Lead MII</i>
Aug 05, 2025	<i>Review, Appeal or Waiver of penalty requests emanating out of actions taken by the Member Committee</i>
Jul 31, 2025	<i>Rights of Persons with Disabilities Act, 2016 and rules made thereunder- mandatory compliance by all Regulated Entities</i>
Jul 30, 2025	<i>Extension of timeline for implementation of Phase II & III of Nomination Circular dated January 10, 2025 read with Circular dated February 28, 2025</i>
Jul 29, 2025	<i>Operational Efficiency in Monitoring of Non-Resident Indians (NRIs) Position Limits in Exchange Traded Derivatives Contracts - Ease of Doing Investment</i>
Jul 29, 2025	<i>Extension of timeline for implementation of SEBI Circular SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/0000013 dated February 04, 2025</i>
Jul 29, 2025	<i>Monitoring of Minimum Investment Threshold under Specialized Investment Funds (SIF)</i>
Jul 23, 2025	<i>Frequently Asked Questions (FAQs) related to regulatory provisions for Research Analysts</i>
Jul 02, 2025	<i>Ease of Doing Investment - Special Window for Re-lodgement of Transfer Requests of Physical Shares</i>

REPORTS FOR PUBLIC COMMENTS ISSUED BY SEBI DURING THE MONTH OF AUGUST 2025

Date	Title
Aug 22, 2025	Consultation paper on 'Introduction of Closing Auction Session in the equity cash segment'
Aug 22, 2025	Consultation Paper on Review of Block Deal Framework
Aug 18, 2025	Implementation of Eligibility criteria for Derivatives on Non-Benchmark indices based on SEBI circular dated May 29, 2025
Aug 18, 2025	Consultation Paper on review of requirement of Minimum Public Offer and timelines to comply with Minimum Public Shareholding for issuers in terms of Securities Contracts (Regulation) Rules, 1957
Aug 13, 2025	Consultation Paper on review of SEBI (Stock Brokers) Regulations, 1992
Aug 12, 2025	Consultation Paper on Draft circular on Ease of doing investment - Smooth transmission of securities from Nominee to Legal Heir
Aug 12, 2025	Addendum to Consultation Paper on Review of Regulatory Framework for Registrars to an Issue and Share Transfer Agents – related to fees
Aug 08, 2025	Consultation paper on providing flexibilities to Large Value Funds for Accredited Investors ("LVFs") under SEBI (AIF) Regulations
Aug 08, 2025	Consultation Paper on introduction of "Single Window Automatic & Generalised Access for Trusted Foreign Investors (SWAGAT-FI)" framework for FPIs and FVCIs
Aug 08, 2025	Consultation Paper on proposals to facilitate participation by resident Indians in Foreign Portfolio Investors (FPIs) Click here to provide your comments
Aug 08, 2025	Consultation Paper on introduction of separate type of AIF scheme for only Accredited Investors
Aug 07, 2025	Proposals for Ease of Doing Business for Investment Advisers and Research Analysts
Aug 07, 2025	Consultation Paper on Review of Regulatory Framework for Registrars to an Issue and Share Transfer Agents
Aug 04, 2025	Consultation Paper on Amendments To Provisions Relating To Related Party Transactions Under SEBI (LODR) Regulations, 2015 And Circulars Thereunder
Aug 01, 2025	Modification in the conditions specified for reduction in denomination of debt securities and non-convertible redeemable preference shares (NCRPS)
Aug 01, 2025	Revised Norms for appointment of an independent third-party reviewer/ certifier for green debt security
Aug 01, 2025	Consultation Paper on Amendment to the definition of Strategic Investor for REITs and InvITs .

**MASTER CIRCULARS ISSUED BY SEBI DURING THE MONTHS JULY AND AUGUST
2025**

Date	TITLE
<i>Aug 13, 2025</i>	<u><i>Master Circular for Debenture Trustees (DTs)</i></u>
<i>Jul 16, 2025</i>	<u><i>Master Circular for Portfolio Managers</i></u>
<i>Jul 11, 2025</i>	<u><i>Master Circular for Infrastructure Investment Trusts (InvITs)</i></u>
<i>Jul 11, 2025</i>	<u><i>Master Circular for Real Estate Investment Trusts (REITs)</i></u>
<i>Jul 11, 2025</i>	<u><i>Master Circular for listing obligations and disclosure requirements for Non-convertible Securities, Securitized Debt Instruments and/ or Commercial Paper</i></u>
<i>Jul 11, 2025</i>	<u><i>Master Circular for Credit Rating Agencies (CRAs)</i></u>
<i>Jul 11, 2025</i>	<u><i>Master Circular for ESG Rating Providers (ERPs)</i></u>

SECURITIES AND EXCHANGE BOARD OF INDIA

NOTIFICATION

Mumbai, the 13th February, 2025

SECURITIES AND EXCHANGE BOARD OF INDIA (PROCEDURE FOR MAKING, AMENDING AND REVIEWING OF REGULATIONS) REGULATIONS, 2025

A regulation for specifying the process of regulation making and for mandating the public consultation and engagement of stakeholders in the interest of transparency and for matters incidental or connected therewith.

F. No. SEBI/LAD-NRO/GN/2025/229 – In exercise of the powers conferred by section 31 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) and section 25 of the Depositories Act, 1996 (22 of 1996), the Board hereby makes the following regulations, namely, -

CHAPTER I

PRELIMINARY

1. Short title and commencement

(1) These regulations may be called the Securities and Exchange Board of India (Procedure for making, amending and reviewing of Regulations) Regulations, 2025.

(2) These regulations shall come into force on the date of their publication in the Official Gazette.

2. Definitions

(1) In these regulations, unless the context otherwise requires, -

(a) “Act” means the Securities and Exchange Board of India Act, 1992 (15 of 1992);

(b) “Board” means the Securities and Exchange Board of India established under sub-section (1) of section 3 of the Act;

(c) “public comments” means the feedback, suggestions or objections received on any proposal of the Board, from any person including investors, issuers, persons regulated by the Board, organizations, regulatory authorities and public interest groups, engaged directly or indirectly in the Indian securities market;

(d) “regulations” means the “regulations” framed by the Board in exercise of the powers conferred under the Act, the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996), the Companies Act, 2013 (18 of 2013) or under any enactment conferring powers and specific functions on the Board and shall also include amendment(s) made to an existing regulations.

(2) Words and expressions used but not defined in these regulations, but defined in the Act, the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996), the Companies Act, 2013 (18 of 2013), or in the rules and regulations made thereunder, shall have the respective meanings assigned to them in such enactments or any amendments or re-enactments thereof, as the case may be.

CHAPTER II

FRAMING OF REGULATIONS

3. Framing of regulations

The Board may make regulations as are necessary to carry out the purposes of the Act, the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Depositories Act, 1996 (22 of 1996), the Companies Act, 2013 (18 of 2013), or any other enactment that confers specific powers and functions on the Board.

4. Public Consultation

(1) For the purpose of making regulations, the concerned Department(s) of the Board shall publish the following on its official website to seek public comments: -

(a) the proposal(s) containing the suggested changes to the policy, which shall include the draft of the proposed regulations;

(b) the statutory provision enabling the proposed regulations;

(c) a statement of the regulatory intent and objectives of the proposed regulations; and (d) the manner, process and timelines for receiving public comments.

(2) A minimum of 21 calendar days shall ordinarily be provided for receiving public comments.

(3) On receipt of public comments, the rationale for rejection, if any, of comments shall be published by the concerned Department(s) on the official website of the Board.

5. Approval of Regulations

(1) The proposed regulations and the related agenda paper shall be considered by the Board in terms of the Securities and Exchange Board of India (Procedure for Board Meetings) Regulations, 2001.

(2) If the agenda paper has been prepared pursuant to a public consultation, it shall include a systematic compilation of comments received or a summary of such comments, and the remarks thereon of the concerned Department(s) of the Board.

6. Regulations in case of exigency

Where the Board is of the opinion that it is expedient in the interest of the investors and the regulation and Development of the securities market that the adherence to the public consultation process would defeat the purpose of the proposed regulation, the Chairperson may dispense with the process of public consultation or reduce the time period for receiving public comments:

Provided that the information in respect of matters where public consultation has been dispensed with or where the time period for public consultation has been reduced, shall be placed before the Board.

CHAPTER III

AMENDMENT AND REVIEW OF REGULATIONS

7. Amendment of Regulations

Subject to the provisions of regulations 6 and 9, an amendment to the existing regulations shall follow the same procedure as specified in Chapter II.

8. Review of Regulations

The concerned Department(s) of the Board shall periodically review the regulations that are in force keeping in view:-

- (a) their stated objectives;*
- (b) experience gained through surveillance, supervision and enforcement actions;*
- (c) the relevant orders passed by courts or tribunals;*
- (d) global best practices, if applicable;*
- (e) the relevance and needs of a changed environment, if any;*
- (f) the scope for reducing redundancies and promoting ease of doing business; and*
- (g) any other factor as deemed relevant by the Board.*

CHAPTER IV

MISCELLANEOUS

9. Non-applicability on certain matters

(1) Notwithstanding anything contained in these regulations, the provisions of these regulations shall not be applicable

to –

(a) the internal organizational matters of the Board, including those governing the conduct of its meetings, administration and service conditions of its officers and employees;

(b) regulations that only relate to procedural requirements or that which in the opinion of the Chairperson do not result in any substantive policy changes;

(c) any amendment to these regulations; and

(d) proposals for which public comments have already been sought or received or to those regulations which are approved by the Board but not yet notified, prior to the coming into force of these regulations.

(2) The Board shall be informed of matters where the procedure laid down in these regulations is not made applicable in terms of sub-regulation (1).

10. Savings

(1) Regulations which are in force as on the date of coming into force of these regulations shall remain valid unless amended, repealed or substituted.

(2) No regulations framed by the Board or any action taken under the said regulations shall be invalid merely by reason of non-adherence to the procedure specified in these regulations.

MATTER FOR CONCERN

WHO IS RESPONSIBLE?

As per the National Judicial Data Grid: Pending cases:

Civil Cases

1,10,38,013

Criminal Cases

3,63,02,316

Total Cases

4,73,40,329

Pre-Litigation / Pre-Trial

12,87,738

NOTIFICATIONS ISSUED BY MINISTRY OF CORPORATE AFFAIRS IN THE MONTHS OF JULY AND AUGUST 2025

MINISTRY OF CORPORATE AFFAIRS NOTIFICATION New Delhi, the 27th June, 2025 G.S.R. 426(E).—

In exercise of the powers conferred by sub-section (9) of section 12 and sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Incorporation) Rules, 2014, namely:-

1. (1) These rules may be called the Companies (Incorporation) Amendment Rules, 2025. (2) They shall come into force on the 14th day of July, 2025.

2. In the Companies (Incorporation) Rules, 2014, for Form INC-22A, the following e-Form shall be substituted, namely:-

(Readers please see the rules for the form INC 22A in the revised format)

MINISTRY OF CORPORATE AFFAIRS NOTIFICATION New Delhi, the 7th July, 2025. G.S.R. 452(E).—

In exercise of the powers conferred by section 135 and sub-sections (1) and (2) of section 469 of the Companies Act, 2013 (18 of 2013), the Central Government hereby makes the following rules further to amend the Companies (Corporate Social Responsibility Policy) Rules, 2014, namely:-

1. Short title and commencement. —

(1) These rules may be called the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2025.

(3) They shall come into force with effect from the **14th day of July, 2025**.

2. In the Companies (Corporate Social Responsibility Policy) Rules, 2014, for e-form No. CSR-1, the following e-form shall be substituted, namely:—

(Readers please see the rules for the form CSR-1 in the revised format)

MINISTRY OF CORPORATE AFFAIRS NOTIFICATION New Delhi, the 13th August, 2025 G.S.R. 549(E).—In exercise of the powers conferred by section 133 read with section 469 of the Companies Act, 2013 (18 of 2013), the Central Government, in consultation with the National Financial Reporting Authority, hereby makes the following rules further to amend the Companies (Indian Accounting Standards) Rules, 2015, namely:-

1. Short title and commencement. - (1) These rules may be called the Companies (Indian Accounting Standards) Second Amendment Rules, 2025.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. In the Companies (Indian Accounting Standards) Rules, 2015, in the “Annexure”, under the heading “B. Indian Accounting Standards (Ind AS)”, -

(A) in “Indian Accounting Standard (Ind AS) 101”, in Appendix 1, —

(a) in paragraph 7, for item (v), the following shall be substituted, namely:—

“(v) Paragraphs D31AA-D31AL includes the transitional provisions of IFRS 11 Joint Arrangements. Accordingly, paragraph D31 of IFRS 1 has not been included.”;

(b) in paragraph 8, in sub-paragraph (c), for item (2), the following shall be substituted, namely:—

“(2) Paragraph D9AA has been added to provide for transitional relief to first-time adopter lessor while applying Ind AS 116, Leases. D9AA provides an entity to use the transition date facts and circumstances for lease arrangements which includes both land and building elements to assess the classification of each element as finance or an operating lease at the transition date to Ind ASs.”;

(c) in paragraph 12, item (vii) shall be omitted;

(B) (C) in “Indian Accounting Standard (Ind AS) 107”, —

(i) after paragraph 44II, the following paragraph shall be inserted, namely:—

“44JJ Supplier Finance Arrangements, which also amended Ind AS 7, amended paragraph B11F. An entity shall apply that amendment when it applies the amendments to Ind AS 7.”;

(ii) in Appendix B, in paragraph B11F, for items (h) and (i), the following items shall be substituted, namely:—

“(h) has instruments that allow the entity to choose whether it settles its financial liabilities by delivering cash (or another financial asset) or

(i) by delivering its own shares; has instruments that are subject to master netting agreements; or

(j) has accessed, or has access to, facilities under supplier finance arrangements (as described in paragraph 44G of Ind AS 7) that provide the entity with extended payment terms or the entity’s suppliers with early payment terms.”;

(C) in “Indian Accounting Standard (Ind AS) 108”, in Appendix 1, in paragraph 1, for the letters and figures “IFRS 108”, the letters and figure “IFRS 8” shall be substituted;

(D) in “Indian Accounting Standard (Ind AS) 109”, in Appendix 1, for paragraph 3, the following shall be substituted, namely: —

“3 Paragraphs 7.1.1 to 7.1.3 of IFRS 9 related to effective date have not been included in Ind AS 109 as these paragraphs are not relevant in Indian context. However, in order to maintain consistency with paragraph numbers of IFRS 9, these paragraph numbers are retained in Ind AS 109.”;

(E) in “Indian Accounting Standard (Ind AS) 115”, in Appendix D, in Information note 2, in the table, —

(i) for letters and figures “Ind AS 17”, the letters and figures “Ind AS 116” shall be substituted;

(ii) for letters and figures “Ind AS 18”, the letters and figures “Ind AS 115” shall be substituted;

(iii) for the words and letter “This Appendix A”, the words and letter “This Appendix D” shall be substituted;

(F) in “Indian Accounting Standard (Ind AS) 1”, —

(i) in paragraph 60, for the word and figures “paragraphs 66–76”, the word, figures and letter “paragraphs 66–76B” shall be substituted;

(ii) in paragraph 69, for item (d), the following item shall be substituted, namely: —

“(d) it does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.”;

(iii) before paragraph 70, the following heading shall be inserted, namely: —

“Normal operating cycle (paragraph 69(a))”;

(iv) before paragraph 71, the following heading shall be inserted, namely: —

“Held primarily for the purpose of trading (paragraph 69(b)) or due to be settled within twelve months (paragraph 69(c))”;

(v) in paragraph 71, for the words and figures “paragraphs 74 and 75”, the words, figures and letter “paragraphs 72A-75” shall be substituted;

(vi) after paragraph 72, the following heading and paragraphs shall be inserted, namely: —

“Right to defer settlement for at least twelve months (paragraph 69(d))

72A An entity’s right to defer settlement of a liability for at least twelve months after the reporting period must have substance and, as illustrated in paragraphs 72B–73 and 75, must exist at the end of the reporting period.

72B An entity’s right to defer settlement of a liability arising from a loan arrangement for at least twelve months after the reporting period may be subject to the entity complying with conditions specified in that loan arrangement (hereafter referred to as ‘covenants’). For the purposes of applying paragraph 69(d), such covenants:

(a) affect whether that right exists at the end of the reporting period—as illustrated in paragraphs 74–75—if an entity is required to comply with the covenant on or before the end of the reporting period. Such a covenant affects whether the right exists at the end of the reporting period even if compliance with the covenant is assessed only after the reporting period (for example, a covenant based on the entity’s balance sheet at the end of the reporting period but assessed for compliance only after the reporting period);

(b) do not affect whether that right exists at the end of the reporting period if an entity is required to comply with the covenant only after the reporting period (for example, a covenant based on the entity’s balance sheet six months after the end of the reporting period).”;

(vii) for paragraphs 73 and 74, the following paragraphs shall be substituted, namely:

“73 If an entity has the right, at the end of the reporting period, to roll over an obligation for at least twelve months after the reporting period under an existing loan facility, it classifies the obligation as noncurrent, even if it would otherwise be due within a shorter period. If the entity has no such right, the entity does not consider the potential to refinance the obligation and classifies the obligation as current.

74 Where there is a breach of a material covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. However, in such circumstances, the entity shall disclose information as per paragraphs 18 and 19 of Ind AS 107 for each breach.”;

(viii) in paragraph 75, for the words “However, an entity classifies the”, the words “An entity classifies the” shall be substituted;

(ix) after paragraph 75, the following paragraph shall be inserted, namely: —

“75A Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. If a liability meets the criteria in paragraph 69 for classification as non-current, it is classified as non-current even if management intends or expects the entity to settle the liability within twelve months after the reporting period, or even if the entity settles the liability between the end of the reporting period and the date the financial statements are approved for issue. However, in either of those circumstances, the entity may need to disclose information about the timing of settlement to enable users of its financial statements to understand the impact of the liability on the entity’s balance sheet (see paragraph 17(c)).”;

(x) after paragraph 76, the following heading and paragraphs shall be inserted, namely: —

“Settlement (paragraphs 69(a), 69(c) and 69(d))

76A For the purpose of classifying a liability as current or non-current, settlement refers to a transfer to the counterparty that results in the extinguishment of the liability. The transfer could be of: (a) cash or other economic resources—for example, goods or services; or (b) the entity’s own equity instruments, unless paragraph 76B applies.

76B Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments do not affect its classification as current or noncurrent if, applying Ind AS 32 Financial Instruments: Presentation, the entity classifies the option as an equity instrument, recognising it separately from the liability as an equity component of a compound financial instrument.

76ZA In applying paragraphs 69–75, an entity might classify liabilities arising from loan arrangements as non-current when the entity’s right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period (see paragraph 72B(b)). In such situations, the entity shall disclose information in the notes that enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period, including:

(a) information about the covenants (including the nature of the covenants and when the entity is required to comply with them) and the carrying amount of related liabilities.

(b) facts and circumstances, if any, that indicate the entity may have difficulty complying with the covenants—for example, the entity having acted during or after the reporting period to avoid or mitigate a potential breach. Such facts and circumstances could also include the fact that the entity would not have complied with the covenants if they were to be assessed for compliance based on the entity's circumstances at the end of the reporting period.”;

(xi) for paragraph 139U, the following paragraph shall be substituted, namely: —

“139U Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants, amended paragraphs 60, 69, 71, 73, 74 and 75 and added paragraphs 72A, 72B, 75A, 76A, 76B and 76ZA. An entity shall apply those amendments for annual reporting periods beginning on or after the 1st April 2025 retrospectively in accordance with Ind AS 8. However, for annual reporting periods beginning on or after the 1st April 2026, an entity shall follow following paragraphs 74, 75, 75A and 76 retrospectively in accordance with Ind AS 8.

74 When an entity breaches a covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. An entity classifies the liability as current because, at the end of the reporting period, it does not have the right to defer its settlement for at least twelve months after that date.

75 However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least twelve months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.

75A Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. If a liability meets the criteria in paragraph 69 for classification as non-current, it is classified as non-current even if management intends or expects the entity to settle the liability within twelve months after the reporting period, or even if the entity settles the liability between the end of the reporting period and the date the financial statements are approved for issue. However, in either of those circumstances, the entity may need to disclose information about the timing of settlement to enable users of its financial statements to understand the impact of the liability on the entity's balance sheet (see paragraphs 17(c) and 76(d)).

76 If the following events occur between the end of the reporting period and the date the financial statements are approved for issue, those events are disclosed as non-adjusting events in accordance with Ind AS 10, Events after the Reporting Period:

- (a) refinancing on a long-term basis of a liability classified as current (see paragraph 72);
- (b) rectification of a breach of a long-term loan arrangement classified as current (see paragraph 74);
- (c) the granting by the lender of a period of grace to rectify a breach of a long-term loan arrangement classified as current (see paragraph 75); and (d) settlement of a liability classified as non-current (see paragraph 75A).”;

(xii) after paragraph 139V, the following shall be inserted, namely: — “139W [Refer Appendix 1].”;

(xiii) in Appendix 1, —

(a) for paragraph 9, the following shall be substituted, namely: —

“9 Paragraph 74 has been modified to clarify that long-term loan arrangement need not be classified as current on account of breach of a material covenant, for which the lender has agreed to waive before the approval of financial statements for issue. Consequent to this, disclosure has been added and paragraph 76 has been deleted.”;

(b) for paragraph 11, the following shall be substituted, namely: —

“11 Amendments to IAS 1 have been issued in two parts - Classification of Liabilities as Current or Non-current issued in January 2020, and Non-current Liabilities with Covenants issued in October 2022. Accordingly, transition and effective date related provisions have been given separately in paragraphs 139U and 139W, respectively. Since combined amendments to Ind AS 1 have been issued corresponding to aforesaid two amendments to IAS 1, transition and effective date related provisions relevant in Indian context have been included in paragraph 139U only. However, in order to maintain consistency with paragraph numbers of IAS 1, the paragraph number 139W is retained in Ind AS 1.”;

G) in “Indian Accounting Standard (Ind AS) 7”, —

(i) after paragraph 44E, the following paragraphs shall be inserted, namely: —

“Supplier finance arrangements

44F An entity shall disclose information about its supplier finance arrangements (as described in paragraph 44G) that enables users of financial statements to assess the effects of those arrangements on the entity’s liabilities and cash flows and on the entity’s exposure to liquidity risk.

44G Supplier finance arrangements are characterised by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, suppliers are paid. These arrangements provide the entity with extended payment terms, or the entity’s suppliers with early payment terms, compared to the related invoice payment due date. Supplier finance arrangements are often referred to as supply chain finance, payables finance or reverse factoring arrangements. Arrangements that are solely credit enhancements for the entity (for example, financial guarantees including letters of credit used as guarantees) or instruments used by the entity to settle directly with a supplier the amounts owed (for example, credit cards) are not supplier finance arrangements.

44H To meet the objectives in paragraph 44F, an entity shall disclose in aggregate for its supplier finance arrangements:

(a) the terms and conditions of the arrangements (for example, extended payment terms and security or guarantees provided). However, an entity shall disclose separately the terms and conditions of arrangements that have dissimilar terms and conditions.

(b) as at the beginning and end of the reporting period:

(i) the carrying amounts, and associated line items presented in the entity's balance sheet, of the financial liabilities that are part of a supplier finance arrangement.

(ii) the carrying amounts, and associated line items, of the financial liabilities disclosed under (i) for which suppliers have already received payment from the finance providers. (iii) the range of payment due dates (for example, 30–40 days after the invoice date) for both the financial liabilities disclosed under (i) and comparable trade payables that are not part of a supplier finance arrangement. Comparable trade payables are, for example, trade payables of the entity within the same line of business or jurisdiction as the financial liabilities disclosed under (i). If ranges of payment due dates are wide, an entity shall disclose explanatory information about those ranges or disclose additional ranges (for example, stratified ranges).

(c) the type and effect of non-cash changes in the carrying amounts of the financial liabilities disclosed under (b)(i). Examples of non-cash changes include the effect of business combinations, exchange differences or other transactions that do not require the use of cash or cash equivalents (see paragraph 43).";

(ii) before paragraph 53, the heading shall be substituted, namely: — "Effective date and transition";

(iii) after paragraph 61, the following paragraphs shall be inserted, namely: —

"62 Supplier Finance Arrangements added paragraphs 44F–44H. An entity shall apply those amendments for annual reporting periods beginning on or after the 1st April 2025.

63 In applying Supplier Finance Arrangements, an entity is not required to disclose:

(a) comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments.

(b) the information otherwise required by paragraph 44H(b)(ii)–(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments.

(c) the information otherwise required by paragraphs 44F–44H for any interim period presented within the annual reporting period in which the entity first applies those amendments.";

(H) in "Indian Accounting Standard (Ind AS) 10", —

(i) in paragraph 3, — "(a) in the closing paragraph, for the word "provision", the word "covenant" shall be substituted; (b) closing paragraph shall be omitted for annual reporting periods beginning on or after the 1st April 2026.";

(ii) after paragraph 23C, the following paragraph shall be inserted namely: — "23CA Classification of Liabilities as Current or Non-current and Noncurrent Liabilities with Covenants (Amendments to Ind AS 1), amended paragraph 3 for annual accounting periods beginning on or after the 1st April 2026.";

(ii) In Appendix 1, in paragraph 2, for the word "provision", the word "covenant" shall be substituted.; in "Indian Accounting Standard (Ind AS) 12", —

(i) after paragraph 4, the following paragraph shall be inserted, namely: —

“4A This Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes described in those rules. Such tax law, and the income taxes arising from it, are hereafter referred to as ‘Pillar Two legislation’ and ‘Pillar Two income taxes’. As an exception to the requirements in this Standard, an entity shall neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.”;

(ii) after paragraph 88, the following paragraphs shall be inserted, namely: —

“International tax reform—Pillar Two model rules

88A An entity shall disclose that it has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes (see paragraph 4A).

88B An entity shall disclose separately its current tax expense (income) related to Pillar Two income taxes.

88C In periods in which Pillar Two legislation is enacted or substantively enacted but not yet in effect, an entity shall disclose known or reasonably estimable information that helps users of financial statements understand the entity’s exposure to Pillar Two income taxes arising from that legislation.

88D To meet the disclosure objective in paragraph 88C, an entity shall disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period. This information does not have to reflect all the specific requirements of the Pillar Two legislation and can be provided in the form of an indicative range. To the extent information is not known or reasonably estimable, an entity shall instead disclose a statement to that effect and disclose information about the entity’s progress in assessing its exposure.

Examples illustrating paragraphs 88C–88D

Examples of information an entity could disclose to meet the objective and requirements in paragraphs 88C–88D include:

- (a) qualitative information such as information about how an entity is affected by Pillar Two legislation and the main jurisdictions in which exposures to Pillar Two income taxes might exist; and
- (b) quantitative information such as: (i) an indication of the proportion of an entity’s profits that might be subject to Pillar Two income taxes and the average effective tax rate applicable to those profits; or (ii) an indication of how the entity’s average effective tax rate would have changed if Pillar Two legislation had been in effect.

(iii) After paragraph 98L, the following paragraph shall be inserted, namely: —

“98M International Tax Reform—Pillar Two Model Rules, added paragraphs 4A and 88A–88D. An entity shall:

- (a) apply paragraphs 4A and 88A immediately upon the issue of these amendments and retrospectively in accordance with Ind AS 8; and

(b) apply paragraphs 88B–88D for annual reporting periods beginning on or after 1 April 2025. An entity is not required to disclose the information required by these paragraphs for any interim period ending on or before 31 March 2026.”;

(J) in “Indian Accounting Standard (Ind AS) 28”, in Appendix 1, for paragraph 6, the following shall be substituted, namely: —

“6. Paragraph 45J of IAS 28 has not been included as it refers to amendments due to issuance of IFRS 17, Insurance Contracts, for which corresponding Ind AS is under formulation. Paragraph 45J of IAS 28 related to temporary exemption from IFRS 9 in accordance with erstwhile IFRS 4, Insurance Contracts, has not been included in Ind AS 28 since the said exemption was not given under erstwhile Ind AS 104. However, in order to maintain consistency with paragraph numbers of IAS 28, the paragraph numbers are retained in Ind AS 28.”;

(K) in “Indian Accounting Standard (Ind AS) 32”, in Appendix A, before paragraph AG36, for the heading, the heading “Treasury Shares (paragraphs 33-34)” shall be substituted.

DISCLAIMER: The above compilation on Regulation 24A of LODR is for better understanding and ease of doing the compliance. The above write up does not constitute or purport to be an advice or opinion in any manner. The information provided is not intended to create any client relationship and is not for advertising or soliciting. B RAVI & ASSOCIATES do not intend in any manner to solicit work through this. The objective is only to share information based on the author's understanding on the subject. B RAVI & ASSOCIATES is not responsible for any error or mistake or omission in this write up or for any action taken or not taken based on the contents of this write up. It is advisable to refer the legislation and the Notifications issued by Regulatory authorities before taking any decision or action. Any error may please be brought to our notice. Email: bravics@gmail.com

TO KNOW– ONE OR MORE LODR REGULATIONS – PER MONTH

* SECRETARIAL AUDIT AND SECRETARIAL COMPLIANCE REPORT:

The concept of Secretarial Audit provisions was inserted with effect from 01.04.2019 and Secretarial Compliance Report came in to force from 05.05.2021.

Regulation 24A deals with Secretarial Audit and Secretarial Compliance Report:

Regulation 24A comprises of 5 sub-regulations. Sub regulations 1A, 1B and 1C and proviso to sub-regulation 2 were added with effect from 13.12.2024. Sub Regulation 1 was amended with effect from 13.12.2024.

24A. (1) (a) Every **listed entity** and its **material unlisted subsidiaries incorporated in India** shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report in such form as specified, with the annual report of the listed entity.

- a) It is mandatory that every listed entity shall undertake Secretarial Audit.
- b) It is also mandatory that every material unlisted subsidiaries of the listed entity incorporated in India shall undertake a Secretarial Audit.
- c) The Audit shall be done by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary.
- d) The Secretarial Audit report shall be in the form prescribed. SEBI vide its Circular CIR/CFD/CMD1/27/2019 dated February 08,2019, has prescribed that the listed entity and its unlisted material subsidiaries shall use the same Form No. MR-3 as required under Companies Act, 2013 and the rules made thereunder for the purpose of compliance with Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well. Thus the format in which the report should be given is MR 3.
- e) The Secretarial Audit Report in MR 3 format shall be annexed with the annual report of the listed entity.

Explanation:

(i) "Secretarial Auditor" means a Company Secretary in Practice or a firm of Company Secretary(ies) in practice appointed to conduct the Secretarial Audit.

(ii) "Peer Reviewed Company Secretary" means a Company Secretary in practice, who is either practicing individually or as a sole proprietor or as a partner of a Peer Reviewed Practice Unit, holding a valid certificate of peer review issued by the Institute of Company Secretaries of India.

The above two explanations were added with effect from 13.12.2024 to explain the terms used under Reg.24A (1)(a)

(b) On the basis of recommendation of board of directors, a listed entity shall appoint or reappoint:

(i) An individual as Secretarial Auditor for not more than one term of five consecutive years;

or

(ii) A Secretarial Audit firm as Secretarial Auditor for not more than two terms of five consecutive years, with the approval of its shareholders in its Annual General Meeting.

- a) Appointment or reappointment of Secretarial Auditor by a **Listed entity** requires the recommendation of the Board of directors of the listed entity and with the approval of the shareholders in its Annual General Meeting.
- b) As the shareholders' approval is not preceded by type of resolutions to be passed, approval of the shareholders by an **Ordinary resolution would be sufficient.**
- c) If an individual is to be appointed as Secretarial auditor, then he cannot be appointed for more than one term of five consecutive years.
- d) If a Secretarial Audit firm is to be appointed as Secretarial Auditor, then the firm cannot be appointed for more than two terms of 5 consecutive years.
- e) As per the FAQ issued by SEBI dated 23.04.2025 the tenure of appointment of Secretarial Auditor cannot be for a period less than five years.

Provided that-

(i) an individual Secretarial Auditor who has completed his or her term under sub-clause (i) of this clause shall not be eligible for re-appointment as Secretarial Auditor in the same entity for five years from the completion of his or her term;

(ii) a Secretarial Audit firm which has completed its term under sub-clause (ii) of this clause, shall not be eligible for re-appointment as Secretarial Auditor in the same entity for five years from the completion of such term.

- a) An individual who was appointed as Secretarial auditor for the term of initial 5 years as per Reg.24A(b)(i) he is eligible for reappointment as Secretarial Auditor in the same entity only after the expiry of 5 years from the completion of the first term.
- b) Where a Secretarial Audit firm completed his two terms of 5 consecutive years as per Reg.24A(b)(ii) the firm is eligible for reappointment as Secretarial Auditor in the same entity only after the expiry of 5 years from the completion of the two terms.

Provided further that as on the date of appointment no Secretarial Audit firm having a common partner or partners to the other Secretarial Audit firm, whose tenure has expired in the listed entity immediately preceding the financial year, shall be appointed as Secretarial Auditor of the same listed entity for a period of five years.

Where an audit firm appointed as Secretarial Auditor in a listed entity and its tenure has expired, then another Secretarial audit firm in which one of the partner is a partner in the erstwhile audit firm whose tenure has expired cannot be appointed for a period of 5 years.

Provided further that, nothing contained in these regulations shall prejudice the right of the entity to remove Secretarial Auditor with the approval of its shareholders in its Annual General Meeting or the right of the Secretarial Auditor to resign from such office of the listed entity

- a) Listed entity has the right to remove Secretarial auditor with the approval of its shareholders in its Annual General Meeting.*
- b) The Secretarial Auditor also has the right to resign from the office of Secretarial Auditor of a listed entity*

(c) The casual vacancy arising out of resignation, death or disqualification of a Secretarial Auditor shall be filled by the board of directors of the listed entity within a period of three months and the secretarial auditor so appointed shall hold office till the conclusion of the next annual general meeting.

- a) The term casual vacancy is not defined. But drawing inference from Reg.24A (1A)*
- (c) Where a person appointed as Secretarial Auditor of the listed entity incurs any of the disqualifications as specified by the Board, after appointment, such person shall vacate the office as Secretarial Auditor and **such vacation shall be deemed to be a casual vacancy in the office of the Secretarial Auditor.***
- b) However, as per 24A(1)(c) it appears that when a vacancy in the office of Secretarial auditor arises out of resignation, death or disqualification, the resulting vacancy is a Casual Vacancy.***
- c) The casual vacancy shall be filled by the Board of directors of the listed entity within a period of 3 months.*
- d) The Secretarial Auditor so appointed in the vacancy shall hold office till the conclusion of the next Annual general meeting.*

(1A) Eligibility, Qualifications and Disqualifications of Secretarial Auditor:

(a) A person shall be eligible for appointment as a Secretarial Auditor of the listed entity only if such person is a Peer Reviewed Company Secretary and has not incurred any of the disqualifications as specified by the Board:

- a) Eligibility to be appointed as Secretarial Auditor:*
 - (i) Such person should be a Peer Reviewed Company Secretary.*
 - (ii) such person has not incurred any of the disqualifications as specified by the Board.*
- b) Board" means the Securities and Exchange Board of India established under section 3 of the Act.*

Provided that a firm whereof majority of partners practicing in India are qualified for appointment as aforesaid may be appointed by its firm name to be Secretarial Auditor of the listed entity.

*If majority of the partners of the firm practicing in India are qualified for appointment as Secretarial Auditor, then the firm can be appointed as Secretarial Auditor in **Firm name**.*

(b) Where a firm including a limited liability partnership is appointed as Secretarial Auditor of the listed entity, only the partners who are Peer Reviewed Company Secretaries shall be authorized to act and sign on behalf of the firm.

Where a firm is appointed as Secretarial Auditor or a Limited liability partnership is appointed as Secretarial auditor, the partners who are peer reviewed company secretaries shall be authorized to act and sign on behalf of the firm.

(c) Where a person appointed as Secretarial Auditor of the listed entity incurs any of the disqualifications as specified by the Board, after appointment, such person shall vacate the office as Secretarial Auditor and such vacation shall be deemed to be a casual vacancy in the office of the Secretarial Auditor.

*After the appointment of Secretarial auditor, if the person so appointed incurs any of the disqualifications specified by the Board, he shall vacate the office as Secretarial Auditor.
The vacancy arising out of such vacation shall be deemed to be a Casual vacancy in the office of the Secretarial Auditor.*

(1B) Secretarial Auditor not to render certain services:

A Secretarial Auditor appointed under these regulations shall provide to the listed entity only such other services as are approved by the board of directors, but which shall not include any services as specified by the Board in this behalf.

*a) Only those services as are approved by the board of directors of the listed entity shall be rendered by a Secretarial Auditor appointed under these regulations to the listed entity.
b) However, those services shall not include any services as specified by the Board in this behalf.*

(1C) With effect from April 1, 2025,

Every listed entity shall ensure compliance with sub-regulation (1), (1A) and (1B) for appointment, re-appointment or continuation of the Secretarial Auditor of the listed entity:

Regulation 24A (1), (1A and 1(B) were amended/inserted with effect from 13.12.2024 but they will be enforced with reference to appointment, re-appointment or continuation of the Secretarial auditor of the listed entity only with effect from 01.04.2025.

Provided that any association of the individual or the firm as the Secretarial Auditor of the listed entity before March 31, 2025 shall not be considered for the purpose of calculating the tenure under clause (b) of sub-regulation (1).

For the purpose of calculating the tenure of five years per term or two terms as the case may be under Regulation 24A (b)(1) the tenure of holding the office of Secretarial auditor by any association of the individual or the firm as the Secretarial Auditor of the listed entity before March 31, 2025 shall not be considered.

(2) Every listed entity shall submit a secretarial compliance report in such form as specified, to stock exchanges, within sixty days from end of each financial year.

- a) Effective 05.05.2021 it is mandatory for every listed entity to submit a report in the form prescribed to Stock Exchange.*
- b) The report is titled as “**Secretarial Compliance Report**”.*
- c) The report shall be submitted within sixty days from the end of each financial year.*

Provided that the listed entity shall ensure that with effect from April 1, 2025, the Secretarial Compliance Report submitted to the stock exchange(s) on annual basis is signed only by the Secretarial Auditor or by a Peer Reviewed Company Secretary who satisfies the conditions mentioned in sub-regulations (1A) and (1B) of this regulation.

- a) With effect from 01.04.2025, every listed entity shall ensure that the Secretarial Compliance Report submitted to the stock exchange(s) on annual basis is signed only by the Secretarial Auditor.*
- b) The proviso also facilitates that the Secretarial Compliance Report to be submitted to the stock exchange(s) on annual basis can be signed by a Peer Reviewed Company Secretary who satisfies the conditions mentioned in Regulation 24A (1A) and (1B).*

GENERAL POINTS TO NOTE:

1. The term “material subsidiary” shall mean a subsidiary, whose **turnover** or net worth exceeds twenty percent of the consolidated **turnover** or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. (The term turnover was substituted in the place of “Income” with effect from 13.12.2024.)

2. DISQUALIFICATIONS FOR A SECRETARIAL AUDITOR:

SEBI VIDE ITS CIRCULAR SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 December 31, 2024 UNDER ANNEXURE II PROVIDES AS FOLLOWS:

*For the purpose of Regulation 24A(1A) of the LODR Regulations, the **following persons shall not be eligible to be appointed / continue as a Secretarial Auditor of the listed entity**, namely: —*

- a) a body corporate other than a limited liability partnership registered under the Limited Liability Partnership Act, 2008;*
- b) an officer or employee of the listed entity;*
- c) a person who is a partner, or who is in the employment, of an officer or employee of the listed entity;*

d) a person who, or his relative or partner—

i. is holding security of or interest in the listed entity or its subsidiary, or of its holding or associate entity or a subsidiary of such holding entity to which the listed entity is also a subsidiary, of face value exceeding one lakh rupees;

ii. is indebted to the listed entity, or its subsidiary, or its holding or associate entity or a subsidiary of such holding entity to which the listed entity is also a subsidiary, in excess of five lakh rupees; or

iii. has given a guarantee or provided any security in connection with the indebtedness of any third person to the listed entity, or its subsidiary, or its holding or associate entity or a subsidiary of such holding entity to which the listed entity is also a subsidiary, in excess of one lakh rupees;

e) a person or a firm who, whether directly or indirectly, has business relationship with the listed entity, or its subsidiary, or its holding or associate entity or subsidiary of such holding entity;

Explanation I — *For the purposes of this clause, the term “business relationship” shall be construed as any transaction entered into for a commercial purpose, except -*

i. commercial transactions which are in the nature of professional services permitted to be rendered by a secretarial auditor or secretarial audit firm under the Companies Act, 2013, Securities and Exchange Board of India Act, 1992, Companies Secretaries Act, 1980, and the rules or the regulations made under those Acts;

ii. commercial transactions which are in the ordinary course of business of the company at arm’s length price - like sale of products or services to the secretarial auditor, as customer, in the ordinary course of business, by companies engaged in the business of telecommunications, airlines, hospitals, hotels and such other similar businesses.

Explanation II — *For the purpose of this clause, the term “directly or indirectly” shall mean, —*

i. in case of an individual, either himself or through his relative or any other person connected or associated with such individual or through any other entity, whatsoever, in which such individual has significant influence or control, or whose name or trade mark or brand is used by such individual;

ii. in case of a firm, either itself or through any of its partners or through its parent, subsidiary or associate entity or through any other entity, whatsoever, in which the firm or any partner of the firm has significant influence or control, or whose name or trade mark or brand is used by the firm or any of its partners.

f) a person whose relative is a director or is in the employment of the listed entity as a director or key managerial personnel;

g) a person who is in full time employment elsewhere or a person or a partner of a firm holding appointment as its secretarial auditor, if such persons or partner is at the date of such appointment or reappointment holding appointment as secretarial auditor of 15 or more than 15 companies;

h) a person who has been convicted by a court of an offence involving fraud and a period of ten years has not elapsed from the date of such conviction;

i) a person who, directly or indirectly, renders any service prohibited under sub regulation (1B) of regulation 24A to the listed entity or its holding or its subsidiary entities.

3. SERVICES NOT TO BE RENDERED BY THE SECRETARIAL AUDITOR

SEBI VIDE ITS CIRCULAR SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185 December 31, 2024 UNDER ANNEXURE III PROVIDES AS FOLLOWS:

For the purpose of Regulation 24A(1B) of the LODR Regulations, a secretarial auditor appointed under the LODR regulations, shall not provide any of the following services (whether such services are rendered directly or indirectly) to the listed entity, or its holding entity or subsidiary entity, namely:

- i. *internal audit;*
- ii. *design and implementation of any compliance management system, information system, policy framework, systems or processes for compliance;*
- iii. *investment advisory services;*
- iv. *investment banking services;*
- v. *rendering of outsourced compliance management, record keeping & maintenance services;*
- vi. *management services; and*
- vii. *any other kind of services as may be specified from time to time.*

Explanation:- The term “directly or indirectly” shall include rendering of services by the secretarial auditor, —

i. in case of secretarial auditor being an individual, either himself or through his relative or any other person connected or associated with such individual or through any other entity, whatsoever, in which such individual has significant influence or control, or whose name or trade mark or brand is used by such individual;

ii. in case of secretarial auditor being a firm, either itself or through any of its partners or through its parent, subsidiary or associate entity or through any other entity, whatsoever, in which the firm or any partner of the firm has significant influence or control, or whose name or trade mark or brand is used by the firm or any of its partners.

4. DISCLOSURES UNDER REGULATION 24A OF SEBI (LODR) REGULATIONS, 2015 – NSE Circular:

Additional affirmations by Practicing Company Secretaries (PCS) in Annual Secretarial Compliance Report (ASCR) With reference to our Circular no. NSE/CML/ 2023/21 dated March 16, 2023, regarding additional affirmations by PCS in ASCR, wherein point no. 1 is being replaced with the below mentioned point:

Sr. No.	Particulars	Compliance status (Yes/No/NA)	Observations/ Remarks by PCS*
1.	Secretarial Standards: Observations/ Remarks by PCS* The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)		
<i>Rest all the details forming part of the said circular no. NSE/CML/2023/21 dated March 16, 2023, remains unchanged and the revised format is attached as Annexure A. Further, kindly note that currently the listed entities are submitting the ASCR in both PDF and XBRL mode. Since, the XBRL mode of submission is under development hence, provisionally the ASCR to be submitted in PDF format via Announcement over the path NEAPS > Compliance > Announcements > Announcements/ Corporate Actions Later, the listed entities shall also be mandatorily required to submit the ASCR in XBRL mode as well.</i>			

No.	Particulars	Compliance status (Yes/No/NA)	Observations/ Remarks by PCS*
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)		
2.	Adoption and timely updation of the Policies: • All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI		
3.	Maintenance and disclosures on Website: • The Listed entity is maintaining a functional website • Timely dissemination of the documents/ information under a separate section on the website • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/ section of the website		
4.	Disqualification of Director: None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013		
5.	To examine details related to Subsidiaries of listed entities: (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries		
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.		
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations		
8.	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the audit committee.		
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder		
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015		
11.	Actions taken by SEBI or Stock Exchange(s), if any: No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder		
12.	Additional Non-compliances, if any: No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.		

**Observations/Remarks by PCS are mandatory if the Compliance status is provided as 'No' or 'NA'*

Revised Format of Annual Secretarial Compliance Report:

Additional columns have been inserted in the format of ASCR which is provided below:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretary	Management Response	Remarks
					Advisory/ Clarification/ Fine/ Show Cause Notice/ Warning, etc					

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretary	Management Response	Remarks
					Advisory/ Clarification/ Fine/ Show Cause Notice/ Warning, etc					

Kindly note: (1) Table (a) and (c) of the SEBI ASCR format issued vide SEBI circular no. CIR/CFD/CMD1/27/2019 dated February 08, 2019, will be merged.

(2) Point (b) of the SEBI ASCR format will be omitted as the same has been included in the additional affirmations

(3) Table (d) will be revised and re-numbered to table (b) (4) Columns marked in red are the additional columns inserted

5. The listed entities to whom the provisions of Regulation 24A of SEBI (LODR) Regulations, 2015 are applicable, the Secretarial Auditor of those entities shall also specifically confirm compliance with the requirement of SDD by the listed entities in its Annual Secretarial Audit Report.

***COMPILED BY: CS DR B RAVI, MANAGING PARTNER, B RAVI & ASSOCIATES**

Members who are interested in contributing Article to the newsletter may please send the same to bravics@gmail.com on or before 20th of the month to be published in that month newsletter.

SHARING KNOWLEDGE IS ADDING VALUE

CS DR B RAVI
CHAIRMAN
COMPANY LAW AND CORPORATE MATTERS COMMITTEE