

Latest changes in SEBI Listing  
Regulations and other security laws

AHMEDABAD CHAPTER OF ICSI

29<sup>th</sup> May, 2021

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The views expressed are the personal views of the speaker.

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# SEBI Listing Regulations

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- Securities and Exchange Board of India (SEBI) has issued Notification dated 05<sup>th</sup> May, 2021 wherein has amended SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.
- These regulations may be called the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 which has come into force **w.e.f 05<sup>th</sup> May, 2021**. Outcome of the SEBI Board Meeting dated 25<sup>th</sup> March, 2021.

## Brief of the amendments

- Alignment with the provisions of the Companies Act, 2013;
- Alignment with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- Modification in the language to bring in more clarity in interpretation;
- Withdrawal of exemptions to listed entities governed under specific regulations;
- Consolidation of requirement under certain circulars related to Listing Regulations to the principal Regulations;
- Changes in the Risk Management Committee;
- Consolidation of website disclosures under Reg. 46 ;
- Changes in timelines for certain compliances;
- Cosmetic changes including those to ensure gender neutrality.

# SEBI Listing Regulations

## Chapter I – Preliminary – In Regulation 3 – Applicability of the Regulations

Existing Regulation	Amended Regulation
<p>Unless otherwise provided, these regulations shall apply to the listed entity who has listed any of the following designated securities on recognised stock exchange(s):</p> <p>(a) specified securities listed on main board or SME Exchange or <del>institutional trading platform</del>;</p> <p>(b) NCDs, NCRPs .....</p> <p>(c) IDRs .....</p> <p>(d) SDIs .....</p> <p>(da) SR .....</p> <p>(e) MFs .....</p> <p>(f) Others .....</p>	<p><b>(1)</b> Unless otherwise provided, these regulations shall apply to <b>“a”</b> listed entity <b>“which”</b> has listed any of the following designated securities on recognised stock exchange(s):</p> <p><b>(a) specified securities listed on main board or SME Exchange or “innovators growth platform”; Applicability of IGP (with IPO)</b></p> <ul style="list-style-type: none"> <li>• Company with intensive use of technology, information technology, intellectual property, data analytics, bio-technology or nano-technology in their businesses.</li> <li>• At least 25% of the pre-issue capital of the Issuer shall be held by a set of investors (as detailed in Annexure-I) for a period of minimum 2 (two years).</li> </ul>

# SEBI Listing Regulations

## Chapter I – Preliminary – In Regulation 3 – Applicability of the Regulations

Existing Regulation	Amended Regulation ( <i>contd..</i> )
<p>Unless otherwise provided, these regulations shall apply to the listed entity who has listed any of the following designated securities on recognised stock exchange(s):</p> <p>(a) specified securities listed on main board or SME Exchange or <del>institutional trading platform</del>;</p> <p>(b) NCDs, NCRPs .....</p> <p>(c) IDRs .....</p> <p>(d) SDIs .....</p> <p>(da) SR .....</p> <p>(e) MFs .....</p> <p>(f) Others .....</p>	<p><b>(i) The provisions of these regulations which become applicable to listed entities on the basis of market capitalisation criteria <u>shall continue to apply to such entities even if they fall below such thresholds.</u></b></p> <p><b>(ii) paid-up capital and net-worth, shall continue to apply to such entities unless the paid-up capital or net-worth falls and continues to remain below the threshold for a period of three consecutive financial years.</b></p>

# SEBI Listing Regulations

## Chapter II – Principles governing disclosures and obligations of listed entity – Regulation 4 in sub-regulation(2), in clause (d), in sub-clause (iv)

Existing Regulation	Amended Regulation
<p><b>Role of stakeholders in corporate governance</b></p> <p>The listed entity shall devise an effective whistle blower <b>mechanism</b> enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.</p>	<p><b>Role of stakeholders in corporate governance</b></p> <p>The listed entity shall devise an effective <b>"vigil mechanism/"</b> whistle blower <b>"policy"</b> enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.</p>

Schedule V - details of establishment of **vigil mechanism / whistle blower policy**, and affirmation that no personnel has been denied access to the audit committee;

# SEBI Listing Regulations

## Chapter III – Common obligations of listed entities – Regulation 6

Existing Regulation	Amended Regulation
Compliance Officer and his Obligations	Compliance Officer and his <b>"/her"</b> Obligations

## Regulation 7, in sub-regulation (3)

Existing Regulation	Amended Regulation
<p><b>Share Transfer Agent</b>            The listed entity shall submit a compliance certificate to the exchange, duly signed by both the compliance officer of the listed entity and the authorised representative of the share transfer agent, wherever applicable, <b>within one month of end of each half of the financial year</b>, certifying compliance with the requirements of sub-regulation (2) – Share transfer activities in house or RTA</p>	<p><b>Share Transfer Agent</b>            The listed entity shall submit a compliance certificate to the exchange, duly signed by both the compliance officer of the listed entity and the authorised representative of the share transfer agent, wherever applicable, <b>within "thirty days from the end of the financial year</b>, certifying compliance with the requirements of sub-regulation (2).</p>



# SEBI Listing Regulations

## Chapter IV – Obligations of listed entity which has listed its specified securities Regulation 15.

Existing Regulation	Amended Regulation
<p><b>Applicability</b></p> <p>The provisions of this chapter shall apply to a listed entity which has listed its specified securities on any recognized stock exchange(s) either on the main board or on SME Exchange or on institutional trading platform.</p> <p><del>Provided that where the provisions of the regulations specified in this regulation becomes applicable to a listed entity at a later date, such listed entity shall comply with the requirements those regulations within six months from the date on which the provisions became applicable to the listed entity.</del></p>	<p><b>Applicability</b></p> <p>The provisions of this chapter shall apply to a listed entity which has listed its specified securities on any recognized stock exchange(s) either on the main board or on SME Exchange or on <b>“innovators Growth Platform”</b>.</p>

# SEBI Listing Regulations

## Chapter IV – Obligations of listed entity which has listed its specified securities

Existing Regulation	Amended Regulation
<p>Regulation 16 – definitions                      Regulation 17 – Board of Directors                      Regulation 18 – Audit Committee                      Regulation 19 – NRC                      Regulation 20 – SRC                      Regulation 21 – Risk Management Committee                      Regulation 22 – Vigil Mechanism                      Regulation 23 – RPT                      Regulation 24 – Subsidiaries                      Regulation 24A – Secretarial Audit                      Regulation 25 – Independent Directors                      Regulation 26 – Senior Management obligations                      Regulation 27 – Other CG requirements                      Regulation 46 - Website</p>	<p><b>Provided that where the provisions of regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V become applicable to a listed entity at a <u>later date</u>, it shall ensure compliance with the same within six months from such date.</b></p> <p><b>Provided further that once the above regulations become applicable to a listed entity, they shall continue to remain applicable till such time the equity share capital or the networth of such entity reduces and <u>remains below the specified threshold for a period of three consecutive financial years.</u></b></p>

# SEBI Listing Regulations

## Chapter IV – In Regulation 18, in sub-regulation (1), in clause (d)

Existing Regulation	Amended Regulation
<p><b>Audit Committee</b></p> <p>The chairperson of the audit committee shall be an independent director and <b>he</b> shall be present at Annual general meeting to answer shareholder queries.</p>	<p><b>Audit Committee</b></p> <p>The chairperson of the audit committee shall be an independent director and <b>he/she</b> shall be present at Annual general meeting to answer shareholder queries.</p>

Role of the Audit Committee - In Schedule II, in Part C, in Paragraph A, after clause (21), the following **new clause** shall be inserted, namely, -

- consider and comment on rationale, **cost-benefits** and **impact** of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

# SEBI Listing Regulations

## Chapter IV – In Regulation 21 – Risk Management Committee

Topic	Erstwhile provisions	Amended provisions
Applicability of RMC	On top 500 listed entities (Based on market capitalization)	On top 1000 listed entities based on market capitalization
Composition	<ul style="list-style-type: none"> <li>▪ Members of Board of Directors</li> <li>▪ Senior executives of listed entity</li> <li>▪ 2/3rds IDs in case of SR Equity Shares</li> </ul>	<ul style="list-style-type: none"> <li>• Minimum 3 members</li> <li>• Majority being members of board of directors</li> <li>• <b>Atleast 1 Independent Director (ID)</b></li> <li>• 2/3rds IDs in case of SR Equity Shares</li> </ul>
Minimum no. of meetings	One	Two

# SEBI Listing Regulations

## Chapter IV – In Regulation 21 – Risk Management Committee

Topic	Erstwhile provisions	Amended provisions
<b>Quorum</b>	Not specified	<ul style="list-style-type: none"><li>• 2 or 1/3rds of total members of RMC, whichever is higher</li><li>• Including atleast 1 member of Board.</li></ul>
<b>Maximum gap between two meetings</b>	Not specified	Not more than 180 days gap between two consecutive meetings

# SEBI Listing Regulations

## Chapter IV – In Regulation 21 – Risk Management Committee

Topic	Erstwhile provisions	Amended provisions
<b>Roles and responsibilities</b>	The board of directors were to define the role and responsibility and delegate monitoring and reviewing of the <b>risk management plan</b> and such other functions, including cyber security.	As provided under Part D of Schedule II, that inter alia includes: <ul style="list-style-type: none"><li data-bbox="1163 711 2053 824">• <b>Formulating of detailed risk management policy which shall include</b></li><li data-bbox="1163 873 2053 922">• Oversee implementation of the same;</li><li data-bbox="1163 971 2053 1149">• Monitor and evaluate risks basis appropriate methodology, processes and systems.</li><li data-bbox="1163 1198 2053 1360">• Appointment, removal and terms of remuneration of Chief Risk Officer, if any.</li></ul>

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in Part D, after Paragraph B, a new Paragraph shall be inserted, namely, -  
—C. Risk Management Committee

The **role of the committee** shall, *inter alia*, include the following:

(1) To formulate a detailed risk management policy which shall include:

- a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
- b. Measures for risk mitigation including systems and processes for internal control of identified risks.
- c. Business continuity plan.

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- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.



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## Chapter IV – In Regulation 21 – Risk Management Committee

Topic	Erstwhile provisions	Amended provisions
<b>Power to seek Information</b>	No such power. The same was only available with Audit Committee under Reg. 18 (2) (c).	RMC has powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

### **Schedule V – Annual Report —New (5A) Risk management committee:**

- (a) brief description of terms of reference;
- (b) composition, name of members and chairperson;
- (c) meetings and attendance during the year;||

### **Actions –**

- Changes in the constitution of RMC / Constitution of RMC in case of first-time applicability;
- Modification or formulation of the Risk Management Policy as per the Amendment Regulations;

# SEBI Listing Regulations

## Practical challenges -

### Risk Management Committee

- Wide range of applicability to top 1000 companies instead of 500. SME companies may find it difficult to comply. Criteria of market capitalization ? All other committees are based on paid up / turnover / net worth criteria.
- Short time-frame for reconstitution of the Committee & amendment of terms of reference. Implied time-line of 30<sup>th</sup> June for implementation.
- Formulation of detailed Risk Management Policy. Require Board Approval.
- Scope enhanced to include ESG related risks,
- Onus is on risk management committee to co-ordinate its activities with other committees, in instances where there is any overlap with activities.
  - Is it sub-committee of any other board level committees like Audit Committee ?
  - Which committee's recommendation will be final in case of differences ?
- Certain additional scope coincides with Audit Committee.

# SEBI Listing Regulations

## Chapter IV – In Regulation 22

Existing Regulation	Amended Regulation
<p><b>Vigil mechanism</b></p> <p>(1) The listed entity shall formulate a vigil mechanism for directors and employees to report genuine concerns.</p>	<p><b>Vigil mechanism</b></p> <p>(1) The listed entity shall formulate a vigil mechanism”/ <b>whistle blower policy</b>” for directors and employees to report genuine concerns.</p>

# SEBI Listing Regulations

## Chapter IV – In Regulation 24

Existing Regulation	Amended Regulation
<p><b>Corporate governance requirements with respect to subsidiary of listed entity</b></p> <p>A listed entity shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) <b>to less than fifty percent or cease</b> the exercise of control over the subsidiary without passing a special resolution in its General Meeting.</p>	<p><b>Corporate governance requirements with respect to subsidiary of listed entity</b></p> <p>A listed entity shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than <b>"or equal to"</b> fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting.</p>

“material subsidiary” shall mean a subsidiary, whose income or net worth exceeds <sup>19</sup>[ten] percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. 19. w.e.f. 1<sup>st</sup> April, 2019.

# SEBI Listing Regulations

## Chapter IV – In Regulation 24A

Existing Regulation	Amended Regulation
<p data-bbox="44 561 422 602"><b>Secretarial Audit</b></p> <p data-bbox="44 675 1031 1057"><del>Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified with effect from the year ended March 31, 2019.</del></p>	<p data-bbox="1064 561 1797 662"><b>Secretarial Audit and Secretarial Compliance Report</b></p> <p data-bbox="1064 732 2060 1117"><b>(1) Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report given by a company secretary in practice, in such form as specified, with the annual report of the listed entity.</b></p> <p data-bbox="1064 1130 2060 1344"><b>(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.<sup>1</sup></b></p>

# SEBI Listing Regulations

## Chapter IV – In Regulation 25

Existing Regulation	Amended Regulation
<p><b>Obligations with respect to independent directors</b></p> <p>(3) The independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.</p>	<p><b>Obligations with respect to independent directors</b></p> <p>(3) The independent directors of the listed entity shall hold at least one meeting in a <b>“financial”</b> year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.</p>

As per amendment to the Schedule IV (code for IDs) of the Companies Act, .

# SEBI Listing Regulations

## Chapter IV – In Regulation 26

Existing Regulation	Amended Regulation
<p>Obligations with respect to employees including senior management, key managerial persons, directors and promoters.</p> <p><del>(4) Non-executive directors shall disclose their shareholding, held either by them or on a beneficial basis for any other persons in the listed entity in which they are proposed to be appointed as directors, in the notice to the general meeting called for appointment of such director.</del></p>	<p>Obligations with respect to employees including senior management, key managerial persons, directors and promoters.</p> <p><b>(4) Sub-regulation (4) omitted.</b></p> <p>Regulation 36 –</p> <p>in sub-regulation (3), in clause (e), the words <u>shareholding of non-executive directors in the listed entity, including shareholding as a beneficial owner</u> shall be inserted after <u>the</u> word —directors.</p>

# SEBI Listing Regulations

## Chapter IV – In Regulation 27, in sub-regulation (2), in clause (a)

Existing Regulation	Amended Regulation
<p><b>Other corporate governance requirements</b></p> <p>The listed entity shall submit a quarterly compliance report on corporate governance in the format as specified by the Board from time to time to the recognised stock exchange(s) within <b>fifteen days</b> from close of the quarter</p>	<p><b>Other corporate governance requirements</b></p> <p>The listed entity shall submit a quarterly compliance report on corporate governance in the format as specified by the Board from time to time to the recognised stock exchange(s) within <b>“twenty one”</b> days from “the end of each” of the quarter</p>



# SEBI Listing Regulations

## Chapter IV – In Regulation 29, in sub-regulation (1), in clause (f)

Existing Regulation	Amended Regulation
<p><b>Prior Intimations</b></p> <p><del>the proposal for declaration of bonus securities where such proposal is communicated to the board of directors of the listed entity as part of the agenda papers .</del></p>	<p><b>Prior Intimations</b></p> <p>the proposal for declaration of bonus securities.</p>

# SEBI Listing Regulations

## Chapter IV – In Regulation 30, in sub-regulation (6)

Existing Regulation	Amended Regulation
<p><b>Disclosure of events or information</b></p> <p>Provided further that disclosure with respect to events specified in sub-para 4 of Para A of Part A of Schedule III shall be made within thirty minutes of the conclusion of the board meeting.</p>	<p><b>Disclosure of events or information</b></p> <p>Provided further that disclosure with respect to events specified in sub-para 4 (outcome of the Board Meeting) of Para A of Part A of Schedule III shall be made within <b>“the timelines specified therein. (i.e. within 30 minutes of the conclusion of the board meeting – dividend / buyback / fund raising / financial results etc)”</b>.</p> <p><b>In Schedule III,</b></p> <p>—Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting <sup>26</sup> for the day on which it has been considered.</p>

# SEBI Listing Regulations

## Chapter IV – In Regulation 31A

### Reclassification of promoter/ promoter group entities – Regulation 31 A

Only promoters holding minimum voting rights under 10% can file for such an application, as per the procedure laid down. This was further simplified by setting up a four-stage application process:

- 1.Promoter shall file an application to the listed entity for reclassification;
- 2.The company shall place the request of the promoter before its Board of Directors;
- 3.Final approval shall be granted by the shareholders;
- 4.The listed entity shall then make an application to the stock exchanges.

# SEBI Listing Regulations

## Chapter IV – In Regulation 31A

### Reclassification of promoter/ promoter group entities – Regulation 31 A

- SEBI has eased the procedure of reclassification of Promoters.
- The time gap between the date of board meeting and shareholders meeting for consideration of reclassification request, **to a minimum of one month and a maximum of three months from the existing requirement of minimum period of three months and maximum six months.**
- The requirement of obtaining shareholders approval in the in the general meeting by an ordinary resolution in which the promoter(s) seeking reclassification and the persons related to him/her/it have not voted to approve such reclassification request shall not apply in cases:
  - a. where the promoter(s) seeking reclassification and persons related to the promoter(s) seeking reclassification, together, **do not hold more than one percent of the total voting rights in the listed entity subject to not in control;**<sup>28</sup>

# SEBI Listing Regulations

## Chapter IV – In Regulation 31A

### Reclassification of promoter/ promoter group entities – Regulation 31 A

- The provisions of sub-regulations (3), (4) and clauses (a) and (b) of sub-regulation (8) of this regulation shall not apply if reclassification of promoter(s) is as per the **resolution plan approved under section 31 of the Insolvency Code** or pursuant to an order of a Regulator under any law subject to the condition that such promoter(s) seeking reclassification shall not remain in control of the listed entity.
- Approval from the board and shareholders in case of **open offer** under SEBI Takeover Regulations and **scheme of arrangement**. This exemption shall be subject to the outgoing promoter's intent of reclassification being disclosed in the letter of offer or scheme of arrangement alongwith fulfilling other requirements such as not being in control, not represented on the Board, etc.

# SEBI Listing Regulations

## Practical challenges -

### Reclassification of promoter group entities

- Threshold limit not increased from 10% to 15% as proposed in the consulting paper to accommodate those promoters who are no longer in day-to-day control of the Company and wish to opt out without decreasing their shareholding.
- Position of promoters having lost control shareholding control / voting power due to pledge invocation by lenders but still have Board seat / KMP is not clear.
  - YES Bank, Zee Enterprises and Mindtree[2], wherein the companies were left remediless against promoters who had lost control and were still classified under the promoter tag.

# SEBI Listing Regulations

## Chapter IV – In Regulation 32

Existing Regulation	Amended Regulation
<p data-bbox="44 651 936 695"><b>Statement of deviation(s) or variation(s)</b></p> <p data-bbox="44 764 1035 1092">Where the listed entity has appointed a monitoring agency to monitor utilisation of proceeds of a public or rights issue, the listed entity shall submit to the stock exchange(s) any comments or report received from the monitoring agency.</p>	<p data-bbox="1064 651 1957 695"><b>Statement of deviation(s) or variation(s)</b></p> <p data-bbox="1064 764 2058 1149">Where the listed entity has appointed a monitoring agency to monitor utilisation of proceeds of a public or rights issue, the listed entity shall submit to the stock exchange(s) any comments or report received from the monitoring agency <b>“within forty five days from the end of each quarter.”</b></p>

# SEBI Listing Regulations

## Chapter IV – In Regulation 33

Existing Regulation	Amended Regulation
<p data-bbox="44 651 415 695"><b>Financial results</b></p> <p data-bbox="44 764 1035 1094"><del>The Statement on Impact of Audit Qualifications (for audit report with modified opinion) and the accompanying annual audit report submitted in terms of clause (d) of sub-regulation (3) shall be reviewed by the stock exchange(s)</del></p> <p data-bbox="44 1164 978 1263"><del>in regulation 52, in sub-regulation (3), clause (b) shall be omitted.</del></p>	<p data-bbox="1064 651 1436 695"><b>Financial results</b></p> <p data-bbox="1064 764 1797 808">Sub-regulation (6) shall be omitted.</p> <p data-bbox="1064 878 2060 1094">Sub-regulation 3(d) – obligation on the part of the Company to submit the statement on impact of Audit Qualifications (for audit report with modified opinion)</p>



# SEBI Listing Regulations

## Chapter IV – In Regulation 34

### **Annual Report - Business Responsibility and Sustainability Reporting (BRSR) by listed entities – Regulation 34(2)(f)**

- The BRSR shall be applicable to the top 1000 listed entities (earlier 500 listed entities) (by market capitalization), for reporting on a voluntary basis for Financial Year 2021-22 and on a mandatory basis from Financial Year 2022–23.
- With effect from the financial year 2022–23, the top one thousand listed entities based on market capitalization shall submit a business responsibility and sustainability report in the format as specified by the Board from time to time:
- Provided further that even during the financial year 2021–22, the top one thousand listed entities may voluntarily submit a business responsibility and sustainability report in place of the mandatory business responsibility report:

# SEBI Listing Regulations

## Practical challenges -

### **Annual Report - Business Responsibility and Sustainability Reporting (BRSR) by listed entities – Regulation 34(2)(f)**

- The BRSR shall be applicable to the top 1000 listed entities (earlier 500 listed entities) (by market capitalization), for reporting on a voluntary basis for Financial Year 2021-22 and on a mandatory basis from Financial Year 2022–23.
- Sustainability reporting requires compliances of Global Reporting Initiatives (GRI) and specialized function requiring techno-commercial expertise.
- Reporting has been directly made compulsory for Top 1000 companies instead of Top 500 companies for BRR reporting.
- SMEs and companies having not wide range of operations may find it difficult to report sustainability based on formats provided.
- Relevant for international fund raising programs – overseas bonds issues.

# SEBI Listing Regulations

## Chapter IV – In Regulation 40(9)

Existing Regulation	Amended Regulation
<p data-bbox="42 613 1035 711"><b>Transfer or transmission or transposition of securities</b></p> <p data-bbox="42 784 1035 1331">The listed entity shall ensure that the share transfer agent and/or the in-house share transfer facility, as the case may be, produces a certificate from a practicing company secretary within <del>one month of the end of each half of the financial year,</del> certifying that all certificates have been issued within thirty days of the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies.</p>	<p data-bbox="1064 613 2053 711"><b>Transfer or transmission or transposition of securities</b></p> <p data-bbox="1064 784 2058 1331">The listed entity shall ensure that the share transfer agent and/or the inhouse share transfer facility, as the case may be, produces a certificate from a practicing company secretary within <b>“thirty days from” the end of the financial year,</b> certifying that all certificates have been issued within thirty days of the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies. 35</p>

# SEBI Listing Regulations

## Chapter IV – In Regulation 43A

Existing Regulation	Amended Regulation
<p data-bbox="44 558 674 607"><b>Dividend Distribution Policy</b></p> <p data-bbox="44 672 1035 997">(1) The <b>top five hundred</b> listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.</p>	<p data-bbox="1066 558 1696 607"><b>Dividend Distribution Policy</b></p> <p data-bbox="1066 672 2060 1062">(1) The top <b>1000 listed entities</b> based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed “on the website of the listed entity and a <b>web-link</b> shall also be provided in their annual reports.”</p> <p data-bbox="1066 1094 2060 1367">The listed entities other than those specified at sub-regulation (1) of this regulation may disclose their dividend distribution policies on a voluntary basis on their websites and provide a <b>web-link</b> in their annual reports.</p>

# SEBI Listing Regulations

## Chapter IV – In Regulation 44

Existing Regulation	Amended Regulation
<p data-bbox="44 591 865 634"><b>Meetings of shareholders and voting</b></p> <p data-bbox="44 704 1033 976">The listed entity shall submit to the stock exchange, <b>within forty eight hours</b> of conclusion of its General Meeting, details regarding the voting results in the format specified by the Board.</p>	<p data-bbox="1066 591 1885 634"><b>Meetings of shareholders and voting</b></p> <p data-bbox="1066 704 2053 976">The listed entity shall submit to the stock exchange, within <b>“two working days”</b> of conclusion of its General Meeting, details regarding the voting results in the format specified by the Board.</p>

# SEBI Listing Regulations

## Chapter IV – In Regulation 45, in sub-regulation (3)

Existing Regulation	Amended Regulation
<p><b>Change in name of the listed entity</b></p> <p>3) On receipt of confirmation regarding name availability from Registrar of Companies, before filing the request for change of name with the Registrar of Companies in terms of provision laid down in Companies Act, 2013 and rules made thereunder, <del>the listed entity shall seek approval from Stock Exchange by</del> submitting a certificate from chartered accountant stating compliance with conditions</p>	<p><b>Change in name of the listed entity</b></p> <p>The requirement to seek stock exchange approval for change of name of a Listed Entity is dispensed with.</p> <p>Upon compliance with the conditions for change of name laid down in Companies Act, 2013 and rules made thereunder, the listed entity, in the explanatory statement to the notice seeking shareholders' approval for change in name, <b>shall include a certificate from a practicing chartered accountant stating compliance with conditions provided in sub-regulation (1).</b></p>

# SEBI Listing Regulations

## Chapter IV – In Regulation 46 – website disclosures

Existing Regulation	Amended Regulation
<p><b>Website</b></p> <p>2)(o) schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange</p>	<p><b>Website</b></p> <p>2)(o) Schedule of analysts or institutional investors meet and presentations made by the listed entity to analysts or institutional investors.</p> <p><b>Explanation: For the purpose of this clause meet' shall mean group meetings or group conference calls conducted physically or through digital means.</b></p>

# SEBI Listing Regulations

## Chapter IV – In Regulation 46 – website disclosures

New clauses inserted in sub-regulation (2). The listed entity shall disseminate the following information [under a separate section on its website]:

(oa) **Audio or video recordings** and **transcripts** of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner:

the presentation and the audio/video recordings	shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours.
the transcripts of such calls	within five working days

The requirement for disclosure(s) of audio/video recordings and transcript shall be voluntary with effect from April 01, 2021 and mandatory with effect from April 01, 2022.

Further some additional disclosures like Secretarial Compliance Report, Policy on Materiality, Dividend Policy, Annual Return etc. shall be hosted on website.



# SEBI Listing Regulations

## Chapter IV – In Regulation 46 – website disclosures

### Website disclosures (new clauses / proviso) -

- Foreign subsidiaries - consolidated financial statements / unaudited / English version of the financial statements as per laws of the host country.
- Secretarial compliance report
- statements of deviation(s) or variation(s) as specified in regulation 32 of these regulations;
- disclosure of contact details of key managerial personnel who are authorized for the purpose of determining materiality of an event.
- Dividend distribution policy
- Annual return as provided under section 92 of the Companies Act, 2013 and the rules made thereunder.

# SEBI Listing Regulations

## Chapter IV – In Regulation 47 – Publication of Newspaper Advertisements

Existing Regulation	Amended Regulation
<p data-bbox="44 589 989 638"><b>Publication of Newspaper Advertisements</b></p> <p data-bbox="44 703 1035 800"><del>a) notice of meeting of the board of directors where financial results shall be discussed</del></p> <p data-bbox="44 873 1035 1144"><del>c) statements of deviation(s) or variation(s) as specified in sub-regulation (1) of regulation 32 on quarterly basis, after review by audit committee and its explanation in directors report in annual report;</del></p>	<p data-bbox="1064 589 2007 638"><b>Publication of Newspaper Advertisements</b></p> <p data-bbox="1064 703 2053 1031">The requirement to publish Newspaper advertisements for the notice to <b>Board Meetings where financial results</b> are to be discussed and for quarterly statement on deviation or variation in use of funds is <b>dispensed with</b>.</p>

# SEBI Listing Regulations

## Chapter X – In Regulation 94 – Draft Scheme of Arrangement & Scheme of Arrangement.

Existing Regulation	Amended Regulation
<p data-bbox="44 641 590 690"><b>Scheme of Arrangement</b></p> <p data-bbox="44 781 422 829">Sub-regulation (2)</p> <p data-bbox="44 894 1035 1279">The stock exchange(s) shall submit to the Board its <b>Objection Letter</b> or No-Objection Letter on the draft scheme of arrangement after inter-alia ascertaining whether the draft scheme of arrangement is in compliance with securities laws within thirty days of receipt of draft scheme of arrangement.</p>	<p data-bbox="1066 641 1612 690"><b>Scheme of Arrangement</b></p> <p data-bbox="1066 755 2051 1307">in sub-regulation (2), the words —<b>Objection Letter</b> orll shall be <b>omitted</b>. ii. in sub-regulation (3), the words —Observation Letter orll, wherever it appears, shall be omitted. iii. in sub-regulation (3), in the proviso, the words and symbols —‘Observation Letter’ orll shall be omitted. iv. in sub-regulation (4), the words —observations orll and the words —as the case may bell shall be omitted.</p>

# SEBI Listing Regulations

## Chapter X – In Regulation 94 – Draft Scheme of Arrangement & Scheme of Arrangement.

Existing Regulation	Amended Regulation
<p><b>Scheme of Arrangement</b></p> <p>Sub-regulation (3) - The stock exchange(s), shall issue <b>Observation Letter</b> or No-objection letter to the listed entity within seven days of receipt of comments from the Board, after suitably incorporating such comments in the Observation Letter or No-objection letter:</p> <p>Provided that the validity of the <b>'Observation Letter'</b> or No-objection letter of stock exchanges shall be six months from the date of issuance.</p>	<p><b>Scheme of Arrangement</b></p> <p>in sub-regulation (2), the words —<b>Objection Letter</b> orll shall be <b>omitted</b>. ii. in sub-regulation (3), the words —Observation Letter orll, wherever it appears, shall be omitted. iii. in sub-regulation (3), in the proviso, the words and symbols —'Observation Letter' orll shall be omitted. iv. in sub-regulation (4), the words —observations orll and the words —as the case may bell shall be omitted.</p> <p style="text-align: right;">44</p>

# SEBI Listing Regulations

## Chapter X – In Regulation 94 – Draft Scheme of Arrangement & Scheme of Arrangement.

Existing Regulation	Amended Regulation
<p><b>Scheme of Arrangement</b></p> <p>Sub-regulation (4) - The stock exchange(s) shall bring the <b>observations or objections, as the case may be,</b> to the notice of Court or Tribunal at the time of approval of the scheme of arrangement.</p>	<p><b>Scheme of Arrangement</b></p> <p>in sub-regulation (2), the words —<b>Objection Letter</b> orll shall be <b>omitted.</b></p> <p>ii. in sub-regulation (3), the words —<b>Observation Letter</b> orll, wherever it appears, shall be omitted.</p> <p>iii. in sub-regulation (3), in the proviso, the words and symbols —‘<b>Observation Letter</b>’ orll shall be omitted.</p> <p>iv. in sub-regulation (4), the words —<b>observations</b> orll and the words —<b>as the case may bell</b> shall be omitted.</p>

## SEBI SAST Amendment Regulations

- Securities and Exchange Board of India (Board) has issued a Notification dated 5<sup>th</sup> May, 2021 has further amended the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- In regulation 1, sub-regulation (3), the words “Institutional Trading Platform” replaced with Innovators Growth Platform”.
- In regulation 3 (Open Offer), after the existing sub-regulation (4) - new sub-regulation shall be inserted, (5) For the purpose of this regulation, any reference to **“twenty-five per cent”** in case of listed entity which has listed its specified securities on Innovators Growth Platform shall be read as **“forty-nine percent”**.

## SEBI (PIT) Amendment Regulations

- The Securities and Exchange Board of India (SEBI) has issued a Notification dated 26<sup>th</sup> April, 2021 to amend the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 {PIT Regulations}.
- In regulation 7, in sub-regulation (1), clause (a) shall **be omitted** –  
  
Every promoter, key managerial personnel and director of every company whose securities are listed on any recognized stock exchange shall disclose his holding of securities of the company as on the date of these regulations taking effect, to the company **within thirty days of these regulations taking effect.**
- SEBI Circular dated 09.02.2021 revised the formats of revised Form B, C & D prescribed under Regulation 7 of SEBI (Prohibition of Insider Trading) Regulations, 2015. The revision was necessitated due to amendments to the PIT Regulations effecting the inclusion of member of the promoter group, and designated person in place of employee, in Regulation 7 of PIT<sub>47</sub> Regulations.

## SEBI (ICDR) Regulations

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- SEBI, in its agenda of Board Meeting dated 16<sup>th</sup> December, 2020 to discuss amendment in ICDR Regulations[1] proposed to do away with the Minimum Promoters' Contribution (MPC) and lock-in requirements for a listed company making an Follow on Public Offer (FPO), where shares are listed for past three years, without linking it to its dividend paying capacity.
- The rationale for the proposed amendment was that an issuer raising funds through an FPO, is already a listed company and has fulfilled the obligation of MPC at the IPO stage. Further, all the information/ disclosures about the issuer is available in the public domain and the investors willing to subscribe in the FPO have sufficient knowledge to take an informed decision.
- Thus, SEBI vide notification dated 8<sup>th</sup> January, 2021 issued SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2021 ("Amendment Regulations").



## Conclusion

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- The Amendment Regulations are very crucial and significant in nature. While on one hand, certain provisions are aligned with the Companies Act, 2013, whereas on the other hand, overriding powers have been given to LODR Regulations which will require the listed entities formed under special statute to comply with the LODR Regulations in entirety.
- Uniformity in timelines and relaxation in certain disclosure requirements will encourage ease of doing business, and the coverage of certain provisions extended to listed entities based on market capitalisation will have a remarkable impact on the corporate governance of listed entities.

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**THANK YOU**