

DISCLOSURE OF REASONS FOR DELAY IN SUBMISSION OF FINANCIAL RESULTS BY LISTED ENTITIES¹

1. Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), inter-alia, specifies timelines for submission of financial results by listed entities. Accordingly, the quarterly and annual financial results are to be submitted by listed entities to stock exchanges within forty-five/sixty days from the end of the quarter/financial year. It is expected that the listed entities shall adhere to the aforesaid timelines for submission of financial results.
2. In case of non-compliance of various provisions of the Listing Regulations including non-submission/delayed submission of financial results, SEBI has prescribed a standard operating procedure (providing for levy of penalties, freezing of promoter shareholding, suspension of trading, etc.) through certain circulars, the latest being the circular dated May 3, 2018. Such penalties, freezing of promoter shareholding, etc. act as deterrents for listed entities to delay disclosure of their financial results.
3. Nevertheless, wherever there were delays in submission of financial results by certain listed entities to the stock exchanges in the past, while the fact of delay was intimated by the listed entity, the reasons for the same were not disclosed / were not brought out clearly. In such cases, the investors were often left unaware as to the reasons for such delays which may have had an impact on their investment decision. Hence, a need for disclosure by listed entities of reasons for delay in submission of financial results arises.
4. Accordingly, if any listed entity does not submit its financial results in accordance with the timelines specified in Regulation 33 of Listing Regulations, the listed entity shall disclose detailed reasons for such delay to the stock exchanges within one working day of the due date of submission for the results as required under Regulation 33. However, if the decision to delay the results was taken by the listed entity prior to the due date, the listed entity shall disclose detailed reasons for such delay to the stock exchanges within one working day of such decision.
5. The Stock Exchanges are advised to bring the provisions of this circular to notice of the listed entities and also to disseminate it on their websites.
6. This circular shall come into force with immediate effect.
7. The circular is issued in exercise of the powers conferred under sections 11 and 11A of the Securities and Exchange Board of India Act, 1992 read with regulations 33 and 101 of the Listing Regulations.
8. The circular is available on SEBI website at www.sebi.gov.in under the category 'Legal - Circulars'.

¹ Available at: https://www.sebi.gov.in/legal/circulars/nov-2018/disclosure-of-reasons-for-delay-in-submission-of-financial-results-by-listed-entities_41040.html

PRIME MINISTER LAUNCHES EASE OF DOING BUSINESS GRAND CHALLENGE²

The Prime Minister of India launched a Grand Challenge on resolving seven identified Ease of Doing Business problems with the use of cutting edge technologies. The objective of this Challenge is to tap the potential of young Indians, start-ups and other private enterprises to provide solutions to complex problems using current technology.

The Prime Minister, Shri Narendra Modi, at a programme organized at his residence, interacted with select CEOs from Indian & foreign companies. The Prime Minister apprised CEOs of the efforts being made by the Government to ensure that India consistently improves its business environment. The Prime Minister reiterated his resolve to make India one of the easiest places to conduct business in the world. He congratulated all government officials from the reforming Ministries and Departments as well as states & municipal corporations for their achievements in the last 4 years and exhorted them to work towards reforms with greater zeal and energy.

Mr. Hartwig Schafer, Vice President, South Asia of the World Bank Group, also addressed the gathering and appreciated the enormity of India's achievement. He also stressed that it gets tougher to improve ranks as a country moves higher up in the ranking and expressed his belief that India will continue to maintain the momentum it has gained over the last four years in its efforts in improving Ease of Doing Business.

In the World Bank's Doing Business Report (DBR, 2019) released on 31st October 2018 India has recorded a jump of 23 positions against its rank of 100 in 2017 to be placed at 77th rank among 190 countries assessed by the World Bank. As a result of continued efforts by the Government, India has improved its rank by 53 positions in the last two years and 65 positions in the last four years [2014-18].

Finance Minister, Arun Jaitley, Minister of Commerce & Industry and Civil Aviation, Suresh Prabhu, Environment Minister, Harsh vardhan and Housing & Urban Affairs Minister, Hardeep Singh Puri were also present on this occasion.

Team ICSI

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² Available at: <http://pib.nic.in/PressReleaseDetail.aspx?PRID=1553242>