

Latest Amendments under SEBI (LODR) Regulations, 2015



TOPICS COVERED

- ❖ **SEBI (LODR) (Second Amendment) Regulations, 2021.**
- ❖ **SEBI (LODR) (Third Amendment) Regulations, 2021.**
- ❖ **SEBI (LODR) (Fourth Amendment) Regulations, 2021.**
- ❖ **SEBI (LODR) (Fifth Amendment) Regulations, 2021.**
- ❖ **Amendment in provisions of Related Party Transactions (RPTs) under SEBI (LODR) Regulations, 2015 – SEBI (LODR) (Sixth Amendment) Regulations, 2021.**
- ❖ **Disclosure obligations of listed entities in relation to RPTs.**
- ❖ **SEBI (LODR) (Amendment) Regulations, 2022.**

SEBI (LODR) (Second Amendment) Regulations, 2021.

With the introduction of key amendments in SEBI (LODR) Regulations, the market regulator i.e. SEBI has emphasized the need of holistic risk management to improve corporate governance standards of listed companies in India.

SEBI (LODR) (Second Amendment) Regulations, 2021

- SEBI on 5th May 2021 vide its notification has amended certain provisions of LODR Regulations, 2015.
- The said amendment came into effect from 5th May 2021.
- Key highlights of the said amendment are as follows:

SEBI (LODR) (Second Amendment) Regulations, 2021

- Regulation 4(2) (d) (iv) - The listed entity shall formulate an effective *vigil mechanism* whistle blower *policy* enabling stakeholders, to freely communicate their concerns about illegal or unethical practices.
- Regulation 7(3) - Compliance Certificate certifying maintaining physical & electronic transfer facility: The said certificate is required to be submitted with the exchange *within one month from the end of the financial year.* (*earlier the same was required to be complied within 30 days from the end of each half year.*)

SEBI (LODR) (Second Amendment) Regulations, 2021

- Regulation 21 - Risk Management Committee (RMC):
 - 1) Composition of RMC shall be 3 members with majority being members of the board **including one Independent director**.
 - 2) in case of a listed entity having outstanding SR equity shares, at least 2/3rds of the RMC shall comprise independent directors.
- **The committee shall meet twice instead of once in a year.**
- **Quorum for a meeting of RMC - either 2 members or 1/3rd of the members of the committee, whichever is higher, including at least 1 member of the board in attendance.**
- **Gap between the two meetings shall not be more than 180 days.**

SEBI (LODR) (Second Amendment) Regulations, 2021

- The **Board of Directors to define the roles and responsibilities** which shall mandatorily include the performance of functions specified **in Part D of Schedule II.**
- **Top 1000 listed entities**, determined on the basis of market capitalization shall formulate such committee. (earlier it was mandatory for top 500 listed entity).
- Powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, have been delegated to the RMC.

SEBI (LODR) (Second Amendment) Regulations, 2021

- Regulation 22 - Vigil mechanism: The listed entity shall formulate a vigil mechanism /*whistle blower policy* for directors and employees to report genuine concerns.
- *A special resolution in general meeting* is required if a listed entity wants to dispose of shares in its material subsidiary which would result in reduction of its shareholding (either on its own or together with other subsidiaries) *to less than or equal to 50% percent or cease the exercise of control over the subsidiary.*

SEBI (LODR) (Second Amendment) Regulations, 2021

- Regulation 24A - Secretarial Audit and Secretarial Compliance Report.
 - 1) The Secretarial Audit Report shall have the words **Secretarial Compliance Report**.
 - 2) Every listed entity and its material subsidiary shall undertake secretarial audit by a PCS and it should form part of its annual report.
 - 3) **The said report from PCS shall be submitted with 60 days from the end of financial year to the stock exchanges.**

SEBI (LODR) (Second Amendment) Regulations, 2021

- Regulation 25 - Obligations with respect to independent directors:
 - 1) Approval of shareholders by way of special resolution is mandatory for the **appointment, re-appointment or removal of an independent director** of a listed entity. ***Effective from 1.1.2022.***
 - 2) Atleast one meeting of Independent Directors **in a financial** year is mandatorily to be convened by the listed entity.(as per Schedule IV of cos Act)

SEBI (LODR) (Second Amendment) Regulations, 2021

- Regulation 27(2) (a) – Filing of Quarterly Corporate Governance (CG) Report: **Timeline for the filing of the quarterly CG report revised to 21 days from the quarter end instead of 15 days from the quarter end.**
- Regulation 29(1) (f) – proposal for declaration of bonus securities(Prior intimation): **Deletion of the words “*where such proposal is communicated to the board of directors of the listed entity as part of the agenda papers*”.**
- Regulation 30(6) - Disclosure w.r.t events specified in sub-para 4 of Para A of Part A of Schedule III shall be made within the timelines specified therein. (earlier the disclosure was required to be made within 30 minutes of the conclusion of the board meeting).

SEBI (LODR) (Second Amendment) Regulations, 2021

- Regulation 34(2) (f) – Annual Report: A business responsibility report (BRR) shall form part of the top 1000 listed entity's annual report upto 2021-22.
- W.e.f. the financial year 2022-23, top 1000 listed entities shall BRR and sustainability report in the format as specified by SEBI.
- Regulation 36(3) in case of appointment of a new non executive director, Documents & Information to shareholders: Shareholding of non-executive directors in the listed entity, including shareholding as a beneficial owner shall be mentioned mandatorily.
- Regulation 37(3) - Draft Scheme of Arrangement & Scheme of Arrangement: No-objection letter instead of Observation letter of the stock exchange(s) shall be placed before the Court or Tribunal at the time of seeking approval of the scheme of arrangement.

SEBI (LODR) (Second Amendment) Regulations, 2021

- Regulation 40(9) – **Certificate from PCS**: The certificate form PCS certifying that all certificates have been issued within thirty days of the date of lodgement for transfer, subdivision etc. is required **to be submitted within 1 month from the end of the financial year**. (Earlier the timeline was 30 days from the end of each of half year). –ease of compliance
- Regulation 43A - Dividend Distribution Policy: **The top 1000 listed entities (earlier top 500 listed entities) shall formulate a dividend distribution policy which shall be disclosed on its website and a web-link shall also be provided in their annual report.**

SEBI (LODR) (Second Amendment) Regulations, 2021

- Regulation 44 – Voting results is required to be submitted within 2 working days of conclusion of the general meeting of the listed entities. (earlier the timeline was 48 hours from the conclusion of such meeting.
- Regulation 46 – Website Disclosure: Schedule of analysts or institutional investors meet and presentations made by the listed entity to analysts or institutional investors shall be hosted on its website within 24 hours.

SEBI (LODR) (Second Amendment) Regulations, 2021

- Regulation 46 - Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means shall be mandatorily to be hosted on its website effective from 1.04.2022.
- Other Disclosures on website:
 - Secretarial Compliance Report,
 - disclosure of the policy for determination of materiality of events or information,
 - contact details of key managerial personnel who are authorized for the purpose of determining materiality of an event or information,
 - statements of deviation(s) or variation(s),
 - dividend distribution policy by listed entities and annual return as provided under section 92 of the Companies Act, 2013 shall be posted on its website.

SEBI (LODR) (Second Amendment) Regulations, 2021

- Regulation 47 - **Advertisements in Newspapers**: Notice of meeting of the board of directors **where financial results shall be discussed not required to be published** in the newspapers anymore.
- Schedule II – Part C - Role of the audit committee and review of information by audit committee: Mandatorily disclosure in CG report forming part of annual report.
- **The audit committee to consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.**

SEBI (LODR) (Second Amendment) Regulations, 2021

- Schedule II – Part D - Role of the risk management committee has been introduced in these amended regulations.
- Schedule III – Part A – Materiality disclosure as per Regulation 30(4):
In case of board meetings being held for more than 1 day, the financial results shall be disclosed within 30 minutes of end of the meeting for the day on which it has been considered.
- Resignation by ID shall be submitted with the exchange within 7 days from the date of resignation.

SEBI (LODR) (Second Amendment) Regulations, 2021

- Schedule V – Part C - Corporate Governance Report: **Details of Stakeholders relationship committee and Risk management committee shall form part of CG report.**
- **Disclosure with respect to Remuneration of directors shall form part of CG report of the listed entity.**

SEBI (LODR) (Third Amendment) Regulations, 2021.

The amendments brought in by the Notification aim at strengthening the corporate governance framework by bringing in more transparency in the selection, appointment, and resignation of Independent Directors.

AMENDMENTS IN THE PROVISIONS RELATED TO INDEPENDENTS DIRECTORS

Independent Directors



- On 29 June 2021, SEBI, in its board meeting approved some of proposals pertaining to IDs mentioned in the consultation paper. SEBI has notified the amendments vide notification dated 3 August 2021 and the same is effective from 1st January 2022
- The amendments mainly pertain to the following areas:
 - Eligibility of IDs
 - Appointment, reappointment and resignation of IDs
 - Committees of the board
 - Related party transactions
 - Directors and Officers insurance (D&O insurance) for IDs
- These amendments will be applicable to all listed companies (however, requirement to procure D&O insurance for IDs is applicable to top 1,000 listed companies) **effective 1 January 2022.**

SEBI (LODR) (Third Amendment) Regulations, 2021

Key amendments are as follows:

- 1) Definition of Independent Director”
- a) Regulation 16(1)(b)(iv) has been amended to increase the period within which the Independent Director should not have any pecuniary relationship with the company from 2 years to 3 years



SEBI (LODR) (Third Amendment) Regulations, 2021

- b) The amended Regulation 16(1)(b)(v) has **clarified the nature of pecuniary relationship** to include the following, with respect to the listed entity, its holding, subsidiary, or associate company:
- a) holding securities of or interest during the 3 immediately preceding financial years or during the current financial **year holding shares of face value in excess of Rs. 50,000 or 2% (two percent) of the paid-up capital** or such higher sum as may be specified;
 - b) indebtedness, in excess of such amount as may be specified during the 3 immediately preceding financial years or during the current financial year;
 - c) provision of a guarantee or security in connection with the indebtedness of any third person, for such amount as may be specified during the 3 (three) immediately preceding financial years or during the current financial year; or
 - d) any other pecuniary transaction or relationship, amounting to 2% or more of its gross turnover or total income.

SEBI (LODR) (Third Amendment) Regulations, 2021

c) The amended Regulation 16(1)(b)(vi) has relaxed the restrictions placed on the appointment of an employee's relative other than a relative of a KMP in respect of the cooling period applicable to his proposed employment as an Independent Director.

2) Regularization of Director: Insertion of this new sub-clause (1)(C) under Regulation 17 will now require listed entities appointing Directors during the year to regularize the appointment of such Director within 3 (three) months from the date of appointment of such Director, vide an EGM, if the AGM of such company is beyond such period.

3) Composition of Audit Committee: The amended Regulation 18(1)(b) has clarified that at least 2/3rd of the Audit Committee members shall be Independent Directors.

SEBI (LODR) (Third Amendment) Regulations, 2021

4) Composition of NRC: The amended Regulation 19(1)(c) has modified the composition of NRC to include 2/3rd of its members as Independent Directors, for all listed entities.

5) Related Party Transactions: Insertion of this new proviso under Regulation 23 will ensure that all RPTs are only approved by the Independent Directors forming a part of the Audit Committee.

6) Appointment, Removal and Re-appointment of Independent Directors - Insertion of this new sub clause (2A) under Regulation 25 will now require listed entities to pass a special resolution before appointing, re-appointing, or removing any Independent Directors.

SEBI (LODR) (Third Amendment) Regulations, 2021

7) Appointment of a new Independent Director, pursuant to Resignation of an existing Independent Director: **Regulation 25 (6)** has been amended to state that **in case of resignation by or removal of an Independent Director, he/she shall be replaced by a new Independent Director within 3 months from the date of such vacancy.**

Pursuant to the insertion of sub-clause (11A) under Regulation 25, any Independent Director who has resigned cannot be appointed as a whole-time director or an executive director unless a period of 1 year has expired.

8) Director and Officers' Insurance: Regulation 25(10) has been amended to extend the requirement of undertaking Directors and Officers insurance, **for all Independent Directors by market capitalization, to the top 1000 listed companies, which was earlier top 500 listed companies.**

SEBI (LODR) (Third Amendment) Regulations, 2021

9) Information to Shareholder and Disclosures: The amendments brought under the Notification, in particular to **Regulation 36, Schedule II and Schedule III** requires the listed entities to provide additional information to shareholders such as skills and capabilities of Independent Directors, entities in which such Director has interest, etc. while considering their appointment.

At the time of resignation of an Independent Director, the listed entity is required to disclose to the stock exchanges, letter of resignation of the Independent Director along with

- (i) detailed reasons of resignation as provided by him; and
- (ii) names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.

SEBI (LODR) (Third Amendment) Regulations, 2021

10) Role of NRC: For every appointment of an independent director, **the NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation**, prepare a description of the role and capabilities required of an independent director.

The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
- b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
- c. consider the time commitments of the candidates

SEBI (LODR) (Third Amendment) Regulations, 2021

11) Schedule III Part A - The letter of resignation along with detailed reasons for the resignation of independent directors] as given by the said director shall be disclosed by the listed entities to the stock exchanges.

Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any is also required to be mentioned in such disclosure.

SEBI (LODR) (Fourth Amendment) Regulations, 2021.

SEBI has amended the provisions of SEBI (LODR) Regulations, 2015 pertaining to issuers who have listed Non-Convertible Debt Securities, Non-Convertible Redeemable Preference Shares, Perpetual Debt Instruments and/or Perpetual Non-Cumulative Preference Shares.

SEBI (LODR) (Fourth Amendment) Regulations, 2021

SEBI vide its notification dated 13th August 2021 has amended certain provisions of SEBI (LODR) Regulations, 2015. The key highlights of the amended regulation regulations are as follows:

- 1) Regulation 52(4) - Disclosure in financial results: By the amended regulation the company **need not disclose** credit rating, asset cover, previous and next due date for the payment.
- 2) Regulation 57- Other submissions to stock exchange: The **heading** of the regulation is **changed** by inclusion of the word **"intimation"**.
- 3) Regulation 57(2) - Undertaking to the stock exchange: By the amended regulation there is **no requirement to submit the undertaking** with the stock exchange stating that the entity has submitted all the documents and intimation required to Debenture trustee annually.

SEBI (LODR) (Fourth Amendment) Regulations, 2021

- 4) Regulation 58 - Documents and information to holders of NCDs: Documents and information to holders of NCDs and NCPS - the words "debt" and "non-convertible preference shares" shall be omitted.
- 5) 58(1)(a) - Soft copies of full Annual Reports: Previously it was required to send soft copies of Annual Report only to non convertible preference share holders whereas by the amended regulation it should be sent to all the non-convertible securities holders.
- 6) 58(1)(b) - Hard copy of statement containing the salient features of annual report and copies of annual reports: In said amended regulations, it should be sent to all the securities holders.

SEBI (LODR) (Fourth Amendment) Regulations, 2021

7) Regulation 58(1)(d)- Half yearly communication: Previously **Half-yearly disclosure about Financial results and certificate signed by debenture trustee** that it has taken note of the contents was mandatory to send to the holders of non-convertible debt securities and non-convertible preference shares whereas by the amended regulation, it is **not required to do so**.

8) Regulation 61 (1) - Payment of interest or dividend: It was required to ensure by the listed entity that the **payment of interest or dividend** of non-convertible redeemable preference shares is done on a timely basis, by the amended regulations, the listed entity **must also** ensure that the payment of interest or dividend of **non-convertible debt securities** is also done on a timely basis.

SEBI (LODR) (Fifth Amendment) Regulations, 2021.

SEBI has introduced new rules, compliances, and corporate governance norms for the listed entities which have their debt securities and have an outstanding value of such debt securities of Rs. 500 crores and above.

The existing regulations has been amended to give effect to these norms, rules, and compliances. SEBI (LODR) (Fifth Amendment) Regulations, 2021 would apply to 'high value debt listed entity' on a 'comply or explain' basis until March 31, 2023. After March 31, 2023, it would be applicable on a mandatory basis.

SEBI (LODR) (Fifth Amendment) Regulations, 2021

SEBI vide its notification dated 7th September 2021 has amended certain provisions of SEBI (LODR) Regulations, 2015. The key highlights of the amended regulation regulations are as follows:

- SEBI has now introduced new rules, compliances, and corporate governance norms for the listed entities which **have their debt securities and have an outstanding value of such debt securities of Rs. 500 crores and above.**
- A new regulation 61A has also been added where a listed entity cannot forfeit unclaimed interest, dividend, or redemption amount. If the interest, dividend, or redemption amount has not been claimed for 30 days from the date on which it became due, the entity must first transfer the unclaimed amount to an escrow account within 7 days from the expiry of 30 days.

SEBI (LODR) (Fifth Amendment) Regulations, 2021

- Any amount in the escrow account will be transferred to the IEPF if it has not been claimed for a period of seven years. **SEBI has also directed that any unclaimed amount for a period of 7 years from the date of notification of this subsection, which is September 7th, 2021 will be transferred to an escrow account within 30 days.**



SEBI (LODR) (Fifth Amendment) Regulations, 2021

- The provisions of Regulation 21 related to the RMC shall now be applicable to 'a high-value debt listed entity' along with the top 1000 listed entities.
- A high value listed entity' also needs to disclose RPTs along with its financial results for half a year. With respect to Independent Directors, Directors and Officers Insurance (D and O insurance) shall be done for all the independent directors.



SEBI (LODR) (Fifth Amendment) Regulations, 2021

- The risk and sum assured would be determined by the Board of Directors. 'A high value listed entity' shall be excluded for the determination of the number in which a director can be a member or chairperson of a committee.
- The regulation regarding intimation to stock exchange has now been changed to listed entities giving prior information to stock exchange at least 2 days prior in which proposals regarding any alternation in form or nature of listed NCS, the rights of the holder, or the date of any payment of non-convertible securities, financial results or any other matter affecting the rights or interest of holders of NCDs.

SEBI (LODR) (Fifth Amendment) Regulations, 2021

- The outcomes of the meeting in which financial results and decisions regarding the raising of funds proposed to be taken by way of non-convertible securities have to be intimated to stock exchange(s) within 30 minutes after the meeting is closed.
- A listed entity must maintain a hundred percent for higher asset cover for its listed non-convertible debt securities and disclose the asset cover available along with its financial results.
- The intimation to the stock exchange regarding interest, dividend, or principal becoming due for non-convertible debentures has now been reduced to one day.

SEBI (LODR) (Sixth Amendment) Regulations, 2021.

SEBI has amended provisions relating to Related Party Transactions (RPT) under the SEBI (LODR) Regulations, 2015. For this purpose, SEBI has notified SEBI LODR (Sixth Amendment) Regulations 2021 vide its notification dated 9th November 2021.

SEBI has also issued a Circular on dated 22nd November 2021 to prescribe the information to be placed before the audit committee and shareholders for approval of RPTs. Certain amendments shall come into force from 1st April, 2022 and remaining from 1st April, 2023.



Related Party Transactions under SEBI (LODR) Regulations 2015



LAUNCH OF WORKING GROUPS

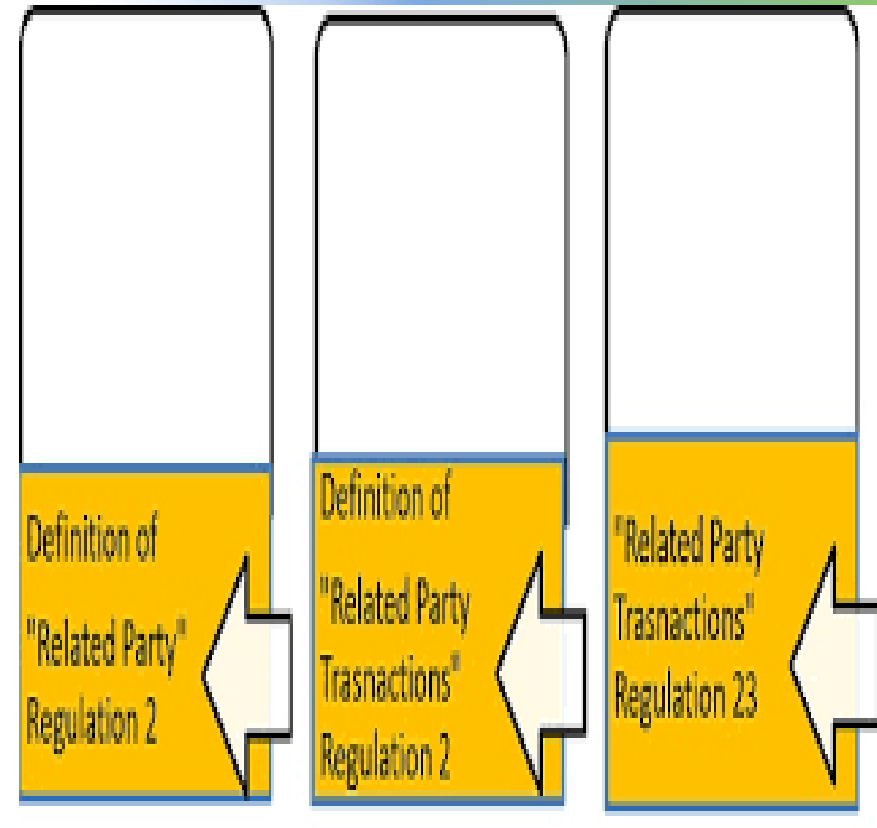


SEBI had set up a Working Group on Related Party Transactions in November 2019. The Working Group looked at the current requirements pertaining to related parties and RPTs by listed entities and made its recommendations in January 2020 for improving the following:

- Transparency
- Investor access to quality information
- Approval process of RPT by listed entities
- Enforcement mechanism

To achieve the above objectives, the SEBI LODR Regulations has been amended, interalia, in respect of following:

- Definition of “related party” (RP) and “related party transactions” (RPT)
- Change in monetary limits for classification of material RPTs
- Disclosure requirements for RPT
- Process to be followed by Audit Committee for approval of RPTs



SEBI amends LODR norms; widens the definition of related party transaction



SEBI (LODR) (Sixth Amendment) Regulations, 2021

Key amendments:-

1) Amendment in definition of related party (Regulation 2(z) (b):-

Old provision	New provisions
If any person or entity belonging to the promoter or promoter group of a listed entity AND holding 20% or more in listed entity is considered as 'deemed to be a related party'.	Related party means: a) any person or entity forming a part of the promoter or promoter group of the listed entity; OR b) any person or any entity, holding equity shares: (i) of 20% or more w.e.f. 01.04.2022; (ii) of 10% or more, w.e.f. 01.04.2023.

SEBI (LODR) (Sixth Amendment) Regulations, 2021

2) Broader Definition Of 'RPT' (Regulation 2(z) (c):-

Old provision	New provisions
<p>Any transaction of transfer of resources, services or obligation between a listed entity and a related party of the listed entity is a RPT.</p>	<p>Change in definition - any transaction of transfer of resources, services or obligation between:</p> <ul style="list-style-type: none"><li data-bbox="1072 782 2206 939">(a) Listed entity or any of its subsidiaries , with any related party of the listed entity or any of the subsidiaries and<li data-bbox="1072 976 2206 1302">(a) Effective from 01.04.2023, listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries.

SEBI (LODR) (Sixth Amendment) Regulations, 2021

3) Transaction not considered as Related Party Transactions (RPTs):-

Old provision	New provisions
-	<ul style="list-style-type: none">• Issue of specified securities on preferential basis under the SEBI (ICDR) Regulations, 2018;• Corporate actions which are uniformly applicable/offered to all the shareholders in proportion to their shareholding:<ul style="list-style-type: none">➤ Payment of dividend➤ Subdivision consolidation of securities➤ Rights issue/ bonus issue➤ Buy back of securities▪ Acceptance of FDs by banks/ NBFCs at the terms uniformly applicable/ offered to all shareholders, subject to disclosure of such acceptance, and disclosure of RPT in every 6 months to the Stock Exchange.

SEBI (LODR) (Sixth Amendment) Regulations, 2021

4) Amendment in Regulation 23 – Material RPT:-

Old provision	New provisions
Any transaction was considered as material during a financial year, if it exceeds 10% of the annual consolidated turnover of the listed entity as per the last audited financial statement of the listed entity.	As per the amendment regulations, transactions exceeding Rs. 1,000 crore 10% of consolidated annual turnover of the entity, whichever is lower will be considered as a material RPT.

SEBI (LODR) (Sixth Amendment) Regulations, 2021

5) Increased scope of Audit Committee approvals for RPTs:-

Old provision	New provisions
-	<ul style="list-style-type: none"><li data-bbox="573 592 2153 792">• The Audit Committee of a listed entity shall define “material modifications” and disclose it as part of the policy on materiality of RPTs and on dealing with RPTs.<li data-bbox="573 821 2153 942">• Audit Committee is required to approve RPT where subsidiary company is involved, and the listed company is not.<li data-bbox="573 971 2153 1170">• If the value of transaction, or multiple transactions taken together in a financial year exceeds 10% of the annual consolidated turnover, as per the last audited financials of the listed company AC approval is required<li data-bbox="573 1199 2153 1320">• This threshold is set to change to 10% of the standalone turnover of the listed company from 1 April 2023.

SEBI (LODR) (Sixth Amendment) Regulations, 2021

6) Exception to the approvals by Audit Committee:-

Old provision	New provisions
-	<p>With respect to the transaction between a listed subsidiary and RPT, or between two subsidiaries of listed companies whose books are consolidated, or whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.</p> <p><i>the requirement to review statement of significant RPTs (as defined by the audit committee), submitted by management has been dispensed with.</i></p>

SEBI (LODR) (Sixth Amendment) Regulations, 2021

7) Shareholders approvals for Material RPTs [Regulation 23(4)]:-

Old provision	New provisions
All materials RPT will require approval of shareholders of the listed entity.	All materials RPTs and subsequent material modifications basis threshold as defined by the Audit Committee, will now require prior approval of shareholders except where the transaction(s) is being entered into between a listed subsidiary and a related party and provisions of Regulation 23 and 15(2) are applicable on the listed subsidiary.

SEBI (LODR) (Sixth Amendment) Regulations, 2021

8) Insertion of new clause in Regulation 23(5) (c):-

Old provision	New provisions
-	Transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

SEBI (LODR) (Sixth Amendment) Regulations, 2021

9) Enhanced disclosure of information related to RPTs Regulation 23(9):-

Old provision	New provisions
<p>Half yearly RPT disclosure is required to be submitted within 30 days from the date of publication of its standalone and consolidated financial results and also place on the company's website.</p>	<ul style="list-style-type: none">• Listed entity which has listed their NCDs shall make disclosures in compliance with the Accounting Standard on "Related Party Disclosures."• Half yearly RPT disclosure is required to be submitted to the stock exchanges within 15 days from the date of publication of financial results,• Simultaneously with the financials results w.e.f. 01.04.2023.

SEBI (LODR) (Sixth Amendment) Regulations, 2021

10) Amendment in Schedule V Para C (10) – Other Disclosure in CG Report forming part of Annual report:-

Old provision	New provisions
-	All listed entities except listed banks shall disclose details of loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount, by the listed entity and its subsidiaries, in their CG report forming part of annual report.

Disclosure obligations of listed entities in relation to RPTs

- a) Type, material terms and particulars of the proposed transaction;
- b) Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest;
- c) Tenure and Value of the proposed transaction;
- d) The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction.



Disclosure obligations of listed entities in relation to RPTs

- e) If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary. Justification as to why the RPT is in the interest of the listed entity;
- f) Copy of the valuation or other external party report, if any such report has been relied upon;
- g) Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis.

SEBI has also prescribed format for reporting of RPTs disclosures to Stock Exchanges every 6 months.

SEBI (LODR) (Amendment) Regulations, 2022.

The SEBI has notified SEBI (LODR) (Amendment) Regulations, 2022 vide its notification dated 24th January 2022.

The amendments has been made to Regulations 17, 32, 39, 40, and Schedule VI.

As per amendment norms, appointment or a re-appointment of a person in the Board of directors, who was earlier rejected by the shareholders at a general meeting, shall be done only with the prior approval of the shareholders. Monitoring reports by the listed entity shall be placed before the audit committee quarterly which earlier was on annual basis.

SEBI (LODR) (Amendment) Regulations, 2022

The key amendments of LODR Amendment Regulations, 2022 are as follows:

- 1) Appointment of Manager [Reg. 17(1C)]: Appointment of Manager would require shareholders' approval and it has to be obtained at the next general meeting or within 3 months from the date of appointment, whichever is earlier.
- 2) Re/Appointment of MD/WTD/Manager, once rejected by shareholders [Reg. 17(1C)]: Re/appointment of MD/WTD/Manager, once rejected by shareholders, shall be done only by prior approval of shareholders, which means approval of board together with shareholders approval would be considered as a valid process before their appointment.

SEBI (LODR) (Amendment) Regulations, 2022

- 3) Explanatory Statement: Any re/appointment under point no. 2 above should be supported with an explanatory statement should contain detailed explanation and justification of NRC and Board for recommending re/appointment.
- 4) Regulation 32(7): Statement of deviation(s) or variation(s): The statement of monitoring agency should be placed on quarterly basis instead of annual before the audit committee when the listed entity has appointed a monitoring agency to monitor the utilisation of proceeds of a public or rights issue. Sub-division, split, consolidation, renewal, exchange of share certificates should be done only in dematerialized form.
- 5) Transfer or transmission or transposition of securities (Regulation 40): The transfer and Transmission of securities to be done in dematerialized form.

SEBI (LODR) (Amendment) Regulations, 2022

- 3) Explanatory Statement: Any re/appointment under point no. 2 above should be supported with an explanatory statement should contain detailed explanation and justification of NRC and Board for recommending re/appointment.
- 4) Regulation 32(7): Statement of deviation(s) or variation(s): The statement of monitoring agency should be placed on quarterly basis instead of annual before the audit committee when the listed entity has appointed a monitoring agency to monitor the utilisation of proceeds of a public or rights issue. Sub-division, split, consolidation, renewal, exchange of share certificates should be done only in dematerialized form.
- 5) Transfer or transmission or transposition of securities (Regulation 40): The transfer and Transmission of securities to be done in dematerialized form.



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TO ALL OUR
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