

## Major Updates for Listed Companies

1. **On 08.06.2018 SEBI issued the SEBI (Listing Obligation and Disclosure Requirement) 4<sup>th</sup>**

**amendment Regulations,2015 it shall come into force on 05.12.2018 The implication is as under:-**

SEBI (LODR) 4<sup>th</sup> amendment Regulation inserted proviso to Regulation 40(1) as “Provided that, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository.”

So that no transfer shall take effect in physical mode after 05.12.2018. Therefore, all the shareholders of the listed companies are required to dematerialized their shares which are in physical mode before 05.12.2018.

**National Stock Exchange(NSE) issued circular on 09.07.2018**, pursuant to Regulation 40 of SEBI (LODR) Regulation, accordingly all the Listed Companies are hereby directed to carry out the following actions:

1. To take special efforts through their RTAs **to send letter** under Registered/Speed post to the holders of physical certificates appraising them about the amendment and sensitise them about the impact of the regulation on the transfer of shares held by them in physical form w.e.f December 5, 2018.
2. RTAs may also be advised to send **two reminders**, preferably at a gap of 30 days, to such shareholders who continue to hold their shares in physical form, advising them to get the same dematerialized
3. Listed Companies shall prominently **place information on their website** intimating the investors about the proposed change and provide appropriate guidance on how to dematerialize their shares.
4. Listed companies should ensure that the signature cards of all the holders of physical securities are handed over to its RTA at the earliest.

**Further, the BSE has also directed the above vide its Circular LIST/COMP/15/2018-19 dated 05.07.2018 with following additional condition:**

All listed companies are requested to take note of above and comply accordingly. Companies may also report compliance with these requirements by end September 2018 to the Exchange, in a specified format that will be sent out shortly.

**The Securities and Exchange Board of India has issued circular on Strengthening the Guidelines and Raising Industry Standards for Registrars to an Issue (RTA), Issuer Companies, Depositories and Banker to an Issue and clarified that the timeline for sending the initial letter (PAN and Bank details of all securities holders holding securities in physical form) by Registered/ Speed Post to physical shareholders has been extended to 30<sup>th</sup> September, 2018 to enable Companies to send the initial letter along with Annual Reports/ notice of AGM. Further, subsequently, two reminders may be sent by other modes including ordinary post/ courier.**

2.	<p><b>BSE circular LIST/COMP/14/2018-19 dated 20.06.2018</b> issued directions to listed companies relating to Enforcement of SEBI Orders regarding appointment of Directors by listed companies, highlights of that circular is as follows:</p> <ul style="list-style-type: none"> <li>A. Listed company and NRC shall verifying while considering a person for appointment as director, <b>that the said person is not debarred</b> from holding the office of director pursuant to any SEBI order.</li> <li>B. In corporate announcements for appointment of Director, Company <b>affirm that director is not debarred from holding office</b> by virtue of any SEBI order or any other such authority. Non-inclusion of such fact will be regarded as inadequate submission and the same would be subject to action as deemed fit under Regulation 30 of the LODR.</li> <li>C. In case an existing director is restrained from acting as a director by virtue of any SEBI order or any other such authority, the <b>director shall voluntarily resign with immediate effect</b>, failing which the listed entity shall initiate the process of removal of such director in terms of relevant sections of the Companies Act, 2013, and inform the Exchange about the same.</li> </ul>
3.	<p><b>NSE vide circular 40/2018 dated 05.07.2018</b>, made it mandatory for each and every Director and KMPs to upload copy of PAN under directors module and if there is any changes in such details, the same has to be updated within 7 days of changes.</p> <p>All companies are required to comply with this provision latest by July 31, 2018 to avoid penal actions.</p>