

SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) (SECOND AMENDMENT) REGULATIONS, 2023

Securities and Exchange Board of India (SEBI) has issued notification No. **SEBI/LAD-NRO/GN/2023/131** dated **June 14, 2023**¹ to further amend the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI LODR”**). These regulations may be called the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 (**“Second Amendment Regulation”**).

I. EFFECTIVE DATE:

The amendments made therein are **effective from the Thirtieth (30th) day from their publication in the Official Gazette unless otherwise stated in the said amendments i.e. July 14, 2023.**

However, the amendment in Regulation 3, sub-regulation III, XI, XII and XIV of these second amendment regulation shall come into force on the date of their publication in the official gazette i.e. **from June 15, 2023**. To summarize, following amendments shall be effective from June 15, 2023:

S.No.	Regulation of Second Amendment Regulation	Regulation of SEBI LODR that is amended by Second Amendment Regulation
1	Regulation 3, Sub-regulation III	Regulation 15(1A)
2	Regulation 3, Sub-regulation XI	Regulation 34

¹ <https://egazette.gov.in/WriteReadData/2023/246554.pdf>

3	Regulation 3, Sub-regulation XII	Regulation 37A (newly inserted)
4	Regulation 3, Sub-regulation XIV	Regulation 57

Snapshot of Key Amendments is as under:

- a. Mainstream media is defined and the Companies are now required to confirm or deny the reports in the mainstream media;
- b. Timeline specified for filing up the casual vacancy in the office of Compliance Officer, CFO, CEO / Managing Director / Whole Time Director or other Directors;
- c. For high value debt listed companies, the relaxation of comply or explain basis is extended till March 31, 2024;
- d. Approval of shareholders' is required for the directors who are continuing on the board without the approval of shareholders for last 5 years;
- e. Reporting of Cyber security incident or breaches of loss of data in quarterly Corporate Governance Report;
- f. Introduction of quantitative criteria for determining the materiality of event;
- g. Revision in time lines of disclosure of material events to the stock exchange;
- h. Disclosure of agreements to which the listed entity is not a party which, potentially or whose purpose and effect is to impact the management or control of the listed entity;
- i. Obtain approval of shareholders for special rights granted to shareholders of the listed entity;
- j. Timeline prescribed for disclosure of financial results by newly listed companies after IPO;
- k. Additional disclosure along with Business Responsibility and Sustainability Report with respect to Assurance report;
- l. Obtaining approval of Shareholder's before selling or disposing of the undertaking or before diluting stake from wholly owned subsidiary to whom the undertaking were transferred;
- m. Additional disclosure regarding the resignation / appointment of Senior management in the Company

Detailed comparative analysis of the Second amendment regulation is as under:

[Note: The Actionable as stated in the bulletin are personal views of CACS and should not be considered as opinion. The Company's are requested to consult before taking action according to the same.]

COMPARATIVE VIEW OF MAJOR AMENDMENTS IN LODR VIDE SECOND AMENDMENT REGULATIONS, 2023

S.No	BEFORE AMENDMENT	AFTER AMENDMENT	RATIONAL OF AMENDMENT	ACTIONABLES
1.	<p><u>Regulation 2 (ra):-</u></p> <p><u>Definition of Mainstream Media</u></p> <p>No definition were given earlier.</p>	<p><u>Regulation 2 (ra):-</u></p> <p><u>Definition of Mainstream Media</u></p> <p>“Mainstream media” shall include print or electronic mode of the following:</p> <p>i. Newspapers registered with the Registrar of Newspapers for India;</p> <p>ii. News channels permitted by Ministry of Information and Broadcasting under Government of India;</p> <p>iii. Content published by the publisher of news and current affairs content as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021; and</p> <p>iv. Newspapers or news channels or news and current affairs content similarly registered or permitted or regulated, as the case may be, in jurisdictions outside India.</p>	<p>SEBI has inserted a new definition of Mainstream Media.</p> <p>As per Regulation 30(11) of SEBI LODR, a listed entity may on its own initiative, confirm or deny any reported event or information to stock exchange(s).</p> <p>Verification of reported events or information which may have material effect on the listed entity is essential to avoid establishment of a false market sentiment or impact on the securities of the entity.</p>	<p>This definition is newly inserted and has to read in conjunction with the amended Regulation 30 and 57 of SEBI LODR (defined hereinafter).</p> <p>As per said amendment, top 100 listed entities (w.e.f. October 01, 2023) and top 250 listed entities (w.e.f. April 01, 2024) are now required to confirm, deny or clarify and reported event of information in the mainstream media which is not general in nature, not later than 24 hours from the reporting of the event or information.</p> <p>It is pertinent to note that as per Regulation 3(2) of SEBI LODR, Once the listed entity falls in criteria of top 100 or 250, as the case may be,</p>

				based on market cap based on market cap at the end of the immediate preceding financial year, such listed entities shall continue to comply with such provisions even if their market cap fall below such thresholds.
2.	<p>Regulation 6 (1A):-</p> <p><u>Compliance Officer and his/her Obligation</u></p> <p>No Provision</p>	<p>Regulation 6 (1A):-</p> <p><u>Compliance Officer and his/her Obligation</u></p> <p>Any vacancy in the office of the Compliance Officer shall be filled by the listed entity at the earliest and in any case not later than three months from the date of such vacancy:</p> <p>Provided that the listed entity shall not fill such vacancy by appointing a person in interim capacity, unless such appointment is made in accordance with the laws applicable in case of a fresh appointment to such office and the obligations under such laws are made applicable to such person.</p>	<p>This provision is newly inserted. As per SEBI, considering the gravity of the responsibilities entrusted on the compliance officer of a listed entity, there is a need to specify a reasonable timeline within which a vacancy arising for Compliance Officer should be filled up by the listed entity.</p>	<p>Now, the board of the listed entity has to fill the vacancy in the office of Compliance Officer within three (3) months of such vacancy.</p> <p>Further, such vacancy should not be filled by appointing any person in interim capacity, however, if any Compliance Officer is appointed by the Board under Companies Act, 2013 and / or other applicable laws then he / she can be entrusted with the charge of interim compliance officer.</p> <p><u>Accordingly, the Company should ensure that appropriate</u></p>

				succession planning is in place at all time.
3.	<p><u>Regulation 15 (1A), second proviso:-</u></p> <p>Provided further that these provisions shall be applicable to a 'high value debt listed entity' on a 'comply or explain' basis until March 31, 2023 and on a mandatory basis thereafter.</p>	<p><u>Regulation 15 (1A), second proviso:-</u></p> <p>Provided further that these provisions shall be applicable to a 'high value debt listed entity' on a 'comply or explain' basis until March 31, 2024 and on a mandatory basis thereafter.</p> <p><i>[Effective date:- June 15, 2023 (i.e. From the date of publication in the official gazette)]</i></p>	<p>SEBI has extended the timeline till March 31, 2024 to achieve full compliance of Regulation 16 to 27 of SEBI LODR by 'High value debt listed entity'.</p> <p>Till March 31, 2024, 'High value debt listed entity' can follow 'Comply or Explain' basis and on mandatory basis thereafter.</p>	<p>Applicability of Chapter IV of SEBI (LODR) to a 'high value debt listed entity' on a 'comply or explain' basis is extended from March 31, 2023 to March 31, 2024 and mandatory thereafter.</p> <p><u>It is pertinent to note that as per Regulation 3(3) of SEBI LODR, the provisions of SEBI LODR which become applicable due to the listed entity being 'High value debt listed entity', then the said provisions shall continue to apply to such listed entities even if it ceases to be 'High value debt listed entity'.</u></p>

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4.	<p><u>Regulation 17 (1D):-</u></p> <p>No Provision</p>	<p><u>Regulation 17 (1D):-</u></p> <p>After Regulation 17(IC), the following sub-regulation 17(ID) shall be inserted:</p> <p>(1D) With effect from April 1, 2024, the continuation of a director serving on the board of directors of a listed entity shall be subject to the approval by the shareholders in a general meeting at least once in every five years from the date of their appointment or reappointment, as the case may be:</p> <p>Provided that the continuation of the director serving on the board of directors of a listed entity as on March 31, 2024, without the approval of the shareholders for the last five years or more shall be subject to the approval of shareholders in the first general meeting to be held after March 31, 2024:</p> <p>Provided further that the requirement specified in this regulation shall not be applicable to the Whole-Time Director, Managing Director, Manager, Independent Director or a Director retiring as per the sub-section (6) of section 152 of the Companies Act, 2013,</p>	<p>This provision is newly inserted. As per SEBI, in the interest of good corporate governance at listed entities, all directors appointed to the board of a listed entity need to go through periodic shareholders' approval process, thereby providing legitimacy to the director to continue to serve on the board. This shall substantially address the concerns around grant of board permanency by listed entities to certain selected persons (mostly promoter-directors or related persons) by invoking the rights conferred on it by the AoA of a company or by virtue of such persons being appointed as directors deliberately making them not liable to 'retirement by rotation'</p>	<p>The continuation of every director on the board of the Company without the approval of the shareholders for the last 5 years or more has to be approved by the shareholders' in the next general meeting held after March 31, 2024. In our view, this provision shall be applicable on non-rotational directors.</p> <p>It is vital to note that this provision shall also be applicable on the Private Limited Companies which are 'High Value Debt Listed Entities' and where the director's are not liable to retire by rotation in terms of Sec. 152 of Companies Act, 2013.</p> <p>Above requirement of obtaining shareholder's approval shall not be</p>

		<p>if the approval of the shareholders for the reappointment or continuation of the aforesaid directors or Manager is otherwise provided for by the provisions of these regulations or the Companies Act, 2013 and has been complied with:</p> <p>Provided further that the requirement specified in this regulation shall not be applicable to the director appointed pursuant to the order of a Court or a Tribunal or to a nominee director of the Government on the board of a listed entity, other than a public sector company, or to a nominee director of a financial sector regulator on the board of a listed entity:</p> <p>Provided further that the requirement specified in this regulation shall not be applicable to a director nominated by a financial institution registered with or regulated by the Reserve Bank of India under a lending arrangement in its normal course of business or nominated by a Debenture Trustee registered with the Board under a subscription agreement for the debentures issued by the listed entity.</p>	<p>and without a defined tenure.</p>	<p>applicable in following cases:</p> <ul style="list-style-type: none"> A. Whole-Time Director B. Managing Director C. Manager D. Independent Director E. Director retiring as per Section 152(6) of Companies Act, 2013 F. Director appointed pursuant to the order of a court or tribunal G. Nominee Director of the Govt. Company on the listed entities which are not Public Sector Companies H. Nominee Director of financial sector regulator I. Director nominated by a financial institution registered with RBI J. Director nominated by Debenture Trustee registered with the SEBI
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5.	<p><u>Regulation 17 (1E):</u></p> <p>No Provision</p>	<p><u>Regulation 17 (1E):</u></p> <p>Any vacancy in the office of a director shall be filled by the listed entity at the earliest and in any case not later than three months from the date such vacancy:</p> <p>Provided that if the listed entity becomes non-compliant with the requirement under sub-regulation (1) of this regulation, due to expiration of the term of office of any director, the resulting vacancy shall be filled by the listed entity not later than the date such office is vacated:</p> <p>Provided further that this sub-regulation shall not apply if the listed entity fulfils the requirements under sub-regulation (1) of this regulation without filling the vacancy.</p>	<p>Before amendment, No timeline has been prescribed under SEBI LODR for filling up vacancies of independent directors arising out of reasons other than resignation and removal, such as death, disqualification, etc. Further, for the vacancies of directors other than independent directors also, there is no time line defined for the vacancy cause by any of the reason such as resignation, removal, death, disqualification etc.</p> <p>To meet the requirement of optimum combination of directors as envisaged under regulation 17(1) of LODR, there is a need to specify a reasonable timeline within which a vacancy arising for any director should be filled.</p>	<p>After July 14 2023, vacancy in the office of Director (whether Independent or Non-Independent) should be filled in by the Board not later than 3 months from the date of such vacancy.</p> <p>Where the Composition of Director is about to falls below the limit as prescribed under SEBI (LODR) regulations upon vacation of any director i.e. due to known reasons such as expiry of tenure or change in designation from Non-executive to Executive then the appointment of new director is to be made by the listed entity before the vacation of such office.</p> <p><u>Accordingly, the Company should ensure that appropriate</u></p>

				<u>succession planning is in place at all time.</u>
6.	<p><u>Regulation 26A:-</u></p> <p>No Provision</p>	<p><u>Regulation 26A:-</u></p> <p>Vacancies in respect of certain Key Managerial Personnel</p> <p>26A. (1) Any vacancy in the office of Chief Executive Officer, Managing Director, Whole Time Director or Manager shall be filled by the listed entity at the earliest and in any case not later than three months from the date of such vacancy:</p> <p>Provided that the listed entity shall not fill such vacancy by appointing a person in interim capacity, unless such appointment is made in accordance with the laws applicable in case of a fresh appointment to such office and the obligations under such laws are made applicable to such person.</p> <p>(2) Any vacancy in the office of the Chief Financial Officer shall be filled by the listed entity at the earliest and in any case not later than three months from the date of such vacancy:</p> <p>Provided that the listed entity shall not fill such vacancy by appointing a person in interim capacity, unless such</p>	<p>This provision is newly inserted. Under LODR, one of the key functions of the board of directors of a listed entity is to oversee succession planning of key managerial personnel. Accordingly, the board of directors of the listed entity should ensure that the vacancies of such personnel are filled up in a timely manner.</p> <p>Although, as per Section 203 of the Companies Act, 2013, vacancy of whole-time key managerial personnel shall be filled up by the company within six months from the date of such vacancy, however, in case listed Company, a stricter timeline was proposed for such appointment.</p>	<p>Any vacancy in the office of Chief Executive Officer, Managing Director, Whole Time Director or Manager should be filled in within 3 months from the date of vacancy in such office.</p> <p>Similarly, vacancy in office of Chief Financial Officer should be filled in within 3 months from the date of vacancy in such office.</p> <p>Further, such vacancy should not be filled by appointing any person in interim capacity, however, if Chief Executive Officer, Managing Director, Whole Time Director or Manager / Chief Financial Officer is appointed by the Board under Companies Act, 2013 then he / she can be entrusted with the</p>

		appointment is made in accordance with the laws applicable in case of a fresh appointment to such office and the obligations under such laws are made applicable to such person.”		charge of interim compliance officer.
7.	<u>Regulation 27(2)(ba):-</u> No Provision	<u>Regulation 27(2)(ba):-</u> <u>Other Corporate Governance Requirement</u> Details of cyber security incidents or breaches or loss of data or documents shall be disclosed along with the report mentioned in clause (a) of sub-regulation (2), as may be specified.	With the advancements in technology and the companies adopting such newer technologies, cyber security incidents or breaches and loss of data / documents have become a major concern. Such incidents may impact the operations and/or performance of the listed entity. Disclosure of such events are necessary for investors to understand the associated risks and impact.	The listed entity is also required to report in its quarterly compliance report on corporate governance, the details of any cyber security incidents or breaches or loss of data or documents. SEBI is yet to prescribe the details which are required to be disclosed relating to cyber security incidents or breaches or loss of data or documents.
8.	<u>Regulation 30(4)(i)(b)</u> <u>Disclosure of events or information</u> The omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;	<u>Regulation 30(4)(i)(b)</u> <u>Disclosure of events or information</u> The omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date; or	Word or is inserted due to insertion of clause (c) before the existing clause under Reg. 30(4)(i).	Not Applicable

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9.	<p><u>Regulation 30(4)(i)</u></p> <p><u>Disclosure of events or information</u></p> <p>The listed entity shall consider the following criteria for determination of materiality of events/ information:</p> <p>(a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or</p> <p>(b) the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;</p> <p>(c) In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of listed entity, the event / information is considered material.</p>	<p><u>Regulation 30(4)(i)(c) & (d)</u></p> <p><u>Disclosure of events or information</u></p> <p>The listed entity shall consider the following criteria for determination of materiality of events/ information:</p> <p>(a); or</p> <p>(b); or</p> <p>(c) The omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:</p> <p>(1) two percent of turnover, as per the last audited consolidated financial statements of the listed entity;</p> <p>(2) two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;</p> <p>(3) five percent of the average of absolute value of profit or loss after tax, as per the last three audited</p>	<p>Existing Regulation 30(4)(i)(c) is substituted with the new provisions. As per SEBI, It is observed that many entities do not disclose such events specified under Para B of Schedule III of LODR on the ground that they are not considered material by them as per their Materiality Policy framed in terms of the criteria prescribed in regulation 30(4) of LODR Regulations.</p> <p>Therefore, in order to make the provision of regulation 30(4) of LODR Regulations more objective and non-discretionary by modifying the clause (i) of this regulation so as to insert therein a quantitative criteria of minimum threshold for disclosure of events</p>	<p>Companies are now required to apply uniform quantitative criteria of minimum threshold as given under Regulation 30(4)(i)(c) of SEBI LODR for purpose of disclosing the event as material.</p> <p>Further, even if the Company has not disclosed any such event as on date of the publication of the Second Amendment Regulations, and that event turns out to be material by applying the defined uniform quantitative criteria of minimum threshold, then the listed companies are required to disclose the same within 30 days from thereof i.e. by July 14, 2023. Therefore, the Companies should keep on listing down the events which have</p>

		<p>consolidated financial statements of the listed entity;</p> <p>(d) In case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the listed entity, the event or information is considered material:</p> <p>Provided that any continuing event or information which becomes material pursuant to notification of these amendment regulations shall be disclosed by the listed entity within thirty days from the date of coming into effect of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.</p>	<p>specified under Para B based on the value or the expected quantitative impact of the event.</p>	<p>become material based on revised threshold.</p> <p>It is also recommended to amend the Materiality Policy of the Company by suitably inserting the provisions of this amendment at earliest possible.</p> <p>Further, the amended policy shall be also published on Company's website.</p>
10.	<p>Regulation 30(4):</p> <p><u>Disclosure of events or information</u></p> <p>(i) The listed entity shall frame a policy for determination of materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website.</p>	<p>Regulation 30(4):</p> <p><u>Disclosure of events or information</u></p> <p>(i) The listed entity shall.....</p> <p>Provided that such a policy for determination of materiality shall not dilute any requirement specified under the provisions of these regulations:</p>	<p>As per SEBI, there can be situation in a listed entity when a certain material event or information may originate at ground level to which the key managerial personnel(s) (KMPs) authorized by the board of directors to determine the materiality of an event or information as per the</p>	<p>Listed entities are required to amend the Policy for Determination of Materiality by suitably inserting the manner so as to assist employees in identifying potential material event or information which shall be escalated and reported to the relevant Key Managerial</p>

		<p>Provided further that such a policy for determination of materiality shall assist the relevant employees of the listed entity in identifying any potential material event or information and reporting the same to the authorized Key Managerial Personnel, in terms of sub-regulation (5), for determining the materiality of the said event or information and for making the necessary disclosures to the stock exchange(s).</p>	<p>Materiality Policy of the entity may not have immediate access to. This may lead to non-disclosure of the event on time even if the said event or information is material. In such a scenario, the Materiality Policy of the listed entity should be framed in a manner so as to assist its employees in easily identifying potential material event or information in an objective manner and reporting it to the relevant key managerial personnel for onward disclosure by the company.</p>	<p>Personnel for determining materiality of the event or information and for making disclosure to stock exchange(s).</p> <p>Further, necessary awareness campaign should also be carried for the employees to inform them about the policy and process of bringing the information in knowledge of KMP of the Company.</p> <p>Also, for better control, the powers, authorities for signing necessary agreements, documents should be given to limited employees who may be from the senior management including KMPs.</p>
11.	<p>Regulation 30(6):</p> <p><u>Disclosure of events or information</u></p> <p>The listed entity shall first disclose to stock exchange(s) of all events, as</p>	<p>Regulation 30(6):</p> <p><u>Disclosure of events or information</u></p> <p>The listed entity shall first disclose to the stock exchange(s) all events or</p>	<p>Regulation 30(6) is substituted with the amended regulation.</p> <p>In present age of digital communication and</p>	<p>Now, the Companies are required to disclose the material events to the stock exchange as per below timelines:</p>

	<p>specified in Part A of Schedule III, or information as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information: Provided that in case the disclosure is made after twenty four hours of occurrence of the event or information, the listed entity shall, along with such disclosures provide explanation for delay:</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 the timelines specified therein.</p>	<p>information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than the following:</p> <p>(i) thirty minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;</p> <p>(ii) twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;</p> <p>(iii) twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity:</p> <p>Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines:</p> <p>Provided further that in case the disclosure is made after the timelines specified under this regulation, the listed entity shall, along with such disclosure provide the explanation for the delay.</p>	<p>widespread usage of social media, information permeates very fast. Hence, there is a need for ensuring quicker disclosure of material events or information by listed entities.</p> <p>In order to address the regulatory concerns, it is proposed that for the material events or information which emanate from the listed entity, the timeline for disclosure by the entity shall be reduced from twenty-four hours to twelve hours.</p> <p>Additionally, in case of those events or information which emanate from a decision taken in a meeting of board of directors, the disclosure shall be made within 30 minutes from the closure of such meeting.</p> <p>In case of those events for which specific timelines</p>	<p>a. Within 30 minutes from the closure of the board meeting in which the decision w.r.t event or information which is material in nature in terms of Regulation or as per board.</p> <p>b. Within 12 hours from the occurrence of the material event or information emanating within the listed entity.</p> <p>c. Within 24 hours from the occurrence of the material event or information not emanating within the listed entity.</p> <p>d. With prescribed timelines as specified in Part A of Schedule III of LODR.</p> <p>Any delay in disclosing the material event / information should be</p>
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			have already been provided under Part A of Schedule III of LODR, disclosure of those events would be required to be done as per the said specified timelines.	backed with the explanation for the delay.
12.	<p>Regulation 30(11)</p> <p><u>Disclosure of events or information</u></p> <p>The listed entity may on its own initiative also, confirm or deny any reported event or information to stock exchange(s).</p>	<p>Regulation 30(11)</p> <p><u>Disclosure of events or information</u></p> <p>The listed entity may on its own initiative also, confirm or deny any reported event or information to stock exchange(s):</p> <p>Provided that the top 100 listed entities (with effect from October 1, 2023) and thereafter the top 250 listed entities (with effect from April 1, 2024) shall confirm, deny or clarify any reported event or information in the mainstream media which is not general in nature and which indicates that rumours of an impending specific material event or information in terms of the provisions of this regulation are circulating amongst the investing public, as soon as reasonably possible and not later than twenty four hours from the reporting of the event or information:</p> <p>Provided further that if the listed entity confirms the reported event or</p>	<p>Proviso has been added to Regulation 30(11) of LODR.</p> <p>In the recent years, a growing influence is being noticed of not just print media, but also television and digital media. In order to stay contemporary, companies need to keep pace and ensure verification of such rumours.</p> <p>Hence, in addition to the general provision of confirm or deny and reported event / information, a specific provision has been added thereby mandating verification of such material events or information.</p>	<p>As per said amendment, top 100 listed entities (w.e.f. October 01, 2023) and top 250 listed entities (w.e.f. April 01, 2024) are now required to confirm, deny or clarify and reported event of information in the mainstream media which is not general in nature, not later than 24 hours from the reporting of the event or information.</p> <p>It is pertinent to note that as per Regulation 3(2) of SEBI LODR, Once the listed entity falls in criteria of top 100 or 250, as the case may be, based on market cap based on market cap at the end of the immediate preceding financial</p>

		<p>information, it shall also provide the current stage of such event or information.</p> <p>Explanation – The top 100 and 250 listed entities shall be determined on the basis of market capitalization, as at the end of the immediately preceding financial year.</p>		<p>year, such listed entities shall continue to comply with such provisions even if their market cap fall below such thresholds.</p> <p>The listed companies should also ensure the compliance of Structured Digital Database (“SDD”) by making suitable entries in the SDD System because if the Company confirms the news, then the above compliance would also trigger.</p>
13.	<p>Regulation 30(13)</p> <p><u>Disclosure of events or information</u></p> <p>No provision</p>	<p>Regulation 30(13)</p> <p><u>Disclosure of events or information</u></p> <p>In case an event or information is required to be disclosed by the listed entity in terms of the provisions of this regulation, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the listed entity shall disclose such communication, along with the event or information, unless disclosure</p>	<p>In view of SEBI, disclosures under regulation 30 of LODR Regulations are made by listed entities pursuant to receipt of a communication (notice, order, direction, etc.) from any regulatory, statutory, enforcement or judicial authority. As a best practice, many listed entities also disclose a copy of the said</p>	<p>Listed companies are now required to disclose the material event / information pursuant to receipt of communication from any regulatory, statutory, enforcement or judicial authority (“authority”) and shall also disclose the copy of communication unless prohibited by such authority.</p>

		of such communication is prohibited by such authority.	communication or its web link, if available. However, some companies use their discretion to their advantage and do not disclose such communication(s). Hence, for those companies such material information may not be available to the investors.	
14.	<p>Regulation 30A</p> <p><u>Disclosure requirements for certain types of agreements binding listed entities</u></p> <p>No provision</p>	<p>Regulation 30A read with clause 5A of para a of part a of schedule III of LODR</p> <p><u>Disclosure requirements for certain types of agreements binding listed entities</u></p> <p>Reg. 30A:</p> <p>(1) All the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of a listed entity or of its holding, subsidiary and associate company, who are parties to the agreements specified in clause 5A of para A of part A of schedule III to these regulations, shall inform the listed entity about the agreement to which such a listed entity is not a party, within two</p>	<p>In order to cover disclosure of any agreement whose purpose and effect is to impacts the management or control of a listed entity or imposes any restriction or creates any liability on a listed entity, the amendment is done by introducing Regulation 30A and Clause 5A of para a of part A of Schedule III of LODR.</p>	<p>Regulation 30A and Clause 5A of para a of part a of schedule III of LODR are newly inserted.</p> <p><u>Obligations on shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees (“Parties”)</u></p> <p>Obligation of disclosing the agreements (including amendment or alteration or rescission thereto) whose purpose and effect is to impacts</p>

		<p>working days of entering into such agreements or signing an agreement to enter into such agreements:</p> <p>Provided that for the agreements that subsist as on the date of notification of clause 5A to para A of part A of schedule III, the parties to the agreements shall inform the listed entity, about the agreement to which such a listed entity is not a party and the listed entity shall in turn disclose all such subsisting agreements to the Stock Exchanges and on its website within the timelines as specified by the Board.</p> <p><u>Clause 5A of para A or part A of Schedule III of LODR</u></p> <p>“(5A) Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to</p>		<p>the management or control of a listed entity or imposes any restriction or creates any liability on a listed entity have been casted upon parties of a listed entity or of its holding, subsidiary and associate.</p> <p><u>Timeline</u></p> <p>Such agreements are required to be disclosed to the Company within 2 working days of entering into such agreement or signing an agreement to enter into such agreement.</p> <p>Further, if any such agreement is subsisting as on July 14, 2023, then the parties are required to inform about all such agreement to the listed company and listed company shall in turn disclose the same to stock exchange and also on its website.</p>
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		<p>the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements:</p> <p>Provided that such agreements entered into by a listed entity in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or they are required to be disclosed in terms of any other provisions of these regulations.</p> <p>Explanation: For the purpose of this clause, the term “directly or indirectly” includes agreements creating obligation on the parties to such agreements to ensure that listed entity shall or shall not act in a particular manner.”</p>		<p><u>Obligation of listed company</u></p> <p>a. Disclosure of such agreements to stock exchange and also on its website within time as may be specified by SEBI.</p> <p>b. All the agreement as may be disclosed to the listed entity, the listed entity is required to disclose <u>the following in its annual report for FY 2022-23 or for FY 2023-24:</u></p> <p>(i) Number of agreements</p> <p>(ii) Salient features of the agreement</p> <p>(iii) Link of webpage where the complete details of such agreements are available</p>
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S.No	BEFORE AMENDMENT	AFTER AMENDMENT	RATIONAL OF AMENDMENT	ACTIONABLES
15.	<p>Regulation 31B</p> <p><u>Special rights to shareholders</u></p> <p>No Provision</p>	<p>Regulation 31B</p> <p><u>Special rights to shareholders</u></p> <p>Any special right granted to the shareholders of a listed entity shall be subject to the approval by the shareholders in a general meeting by way of a special resolution once in every five years starting from the date of grant of such special right:</p> <p>Provided that the special rights available to the shareholders of a listed entity as on the date of coming into force of this regulation shall be subject to the approval by shareholders by way of a special resolution within a period of five years from the date of coming into force of this regulation:</p> <p>Provided further that the requirement specified in this regulation shall not be applicable to the special rights made available by a listed entity to a financial institution registered with or regulated by the Reserve Bank of India under a lending arrangement in the normal course of business or to a debenture trustee registered with the Board under</p>	<p>In view of SEBI, to attract investments in a company prior to listing, special rights are offered by the company to its pre-IPO investors and the promoters. These special rights are included in the SHAs executed between the company and the pre-IPO investors / promoters. The range of these special rights varies across companies and depends on the specific requirement of the investor(s). Some of the common types of special rights are Nomination Rights, Veto Rights / Affirmative voting, Information Rights, Anti-Dilution Rights, Right of First Refusal, Tag Along Rights, Divestment Rights, etc.</p> <p>Therefore, if any shareholder enjoys special rights and privileges, the</p>	<p>All existing special rights granted to the shareholders as on July 14, 2023 are required to be approved by shareholders by way of special resolutions within a period of 5 years.</p> <p>From the date of grant of such special rights, any special right granted to the shareholders of the listed entity shall be subject to approval by the shareholders by way of special resolution in general meeting every 5 years from the date of grant of such special rights.</p> <p>It may be noted that the term Special right is not particularly defined by SEBI as of now.</p>

		a subscription agreement for the debentures issued by the listed entity, if such financial institution or the debenture trustee becomes a shareholder of the listed entity as a consequence of such lending arrangement or subscription agreement for the debentures.	same should have been agreed upon by all the other shareholders of a company	
16.	Regulation 33(3)(j) No provision	Regulation 33(3)(j) <u>Financial result</u> The listed entity shall, subsequent to the listing, submit its financial results for the quarter or the financial year immediately succeeding the period for which the financial statements have been disclosed in the offer document for the initial public offer, in accordance with the timeline specified in clause (a) or clause (d) of this sub-regulation, as the case may be, or within 21 days from the date of its listing, whichever is later.	In view of SEBI, In cases when companies get listed close to the timeline prescribed for submission of financial results, they would be required to announce the first financial results within a very short period of time post listing. Since the financial results are price sensitive information, such disclosures immediately post listing may have large impact on the company's share price even before the price of its scrip has stabilized post listing. Therefore, it was proposed to provide adequate time to newly-listed entities to disclose their first	Newly listed companies are now required to submit the financial results for the quarter or the financial year immediately succeeding the period for which the financial statements have been disclosed in the offer document for the initial public offer. For example, in case of listing on March 01, 2023, as per the requirement under ICDR Regulations, the issuer would have disclosed in its offer documents the financial results till the period ended September 30, 2022. Hence, post its listing, it would be required to disclose the financial results for the

			financial results post listing.	<p>succeeding period, i.e., quarter ended December 31, 2022, within 21 days from the date of listing, i.e. by March 22, 2023.</p> <p>The annual financial results for the financial year ended March 31, 2023 would be required to be disclosed as per the timeline specified in the LODR Regulations, i.e., by May 30, 2023.</p>
17.	<p>Regulation 34(2)(f):</p> <p><u>Annual Report</u></p> <p>For the top one thousand listed entities based on market capitalization, a business responsibility report describing the initiatives taken by the listed entity from an environmental, social and governance perspective, in the format as specified by the Board from time to time</p> <p>Provided that the requirement of submitting a business responsibility report shall be discontinued after the financial year 2021-22 and thereafter, with effect from the financial year 2022-23, the top one thousand listed entities</p>	<p>Regulation 34(2)(f):</p> <p><u>Annual Report</u></p> <p>For the top one thousand listed entities based on market capitalization, a Business Responsibility and Sustainability Report ('BRSR') on the environmental, social and governance disclosures, in the format as may be specified by the Board from time to time:</p> <p>Provided that the assurance of the Business Responsibility and Sustainability Report Core shall be obtained, with effect from and in the manner as may be specified by the Board from time to time:</p>	Amendment in BRSR.	<p>Effective from June 15, 2023</p> <p>In addition to the Business Responsibility and Sustainability Report on the environmental, social and governance disclosures, the applicable listed entity shall also obtain the following:</p> <p>A. Obtain assurance of Business Responsibility and Sustainability Report Core in the</p>

<p>based on market capitalization shall submit a business responsibility and sustainability report in the format as specified by the Board from time to time:</p> <p>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:</p> <p>Provided further that the remaining listed entities including the entities which have listed their specified securities on the SME Exchange, may voluntarily submit such reports.</p> <p>Explanation: For the purpose of this clause, market capitalization shall be calculated as on the 31st day of March of every financial year.</p>	<p>Provided further that the listed entities shall also make disclosures and obtain assurance as per the Business Responsibility and Sustainability Report Core for their value chain, with effect from and in the manner as may be specified by the Board from time to time:</p> <p>Provided further that the remaining listed entities, including the entities which have listed their specified securities on the SME Exchange, may voluntarily disclose the Business Responsibility and Sustainability Report or may voluntarily obtain the assurance of the Business Responsibility and Sustainability Report Core, for themselves or for their value chain, as the case may be.</p> <p>Explanation-1: For the purpose of this clause:</p> <p>(i) market capitalization shall be calculated as on the 31st day of March of every financial year;</p> <p>(ii) Business Responsibility and Sustainability Report Core shall comprise of such key performance indicators as may be specified by the Board from time to time;</p>		<p>format as may be prescribed by SEBI</p> <p>B. Obtain assurance as per the Business Responsibility and Sustainability Report Core for their value chain.</p> <p>It is pertinent to note that as per Regulation 3(2) of SEBI LODR, Once the listed entity falls in criteria of top 1000 listed based on market cap based on market cap at the end of the immediate preceding financial year, such listed entities shall continue to comply with such provisions even if their market cap fall below such thresholds.</p>
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		(iii) "value chain" for the listed entities shall be specified by the Board from time to time."		
18.	Regulation 37 A(1): No Provision	Regulation 37 A(1): Sale, lease or disposal of an undertaking outside Scheme of Arrangement: A listed entity carrying out sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking of such entity or where it owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, shall - (a) take prior approval of shareholders by way of special resolution; (b) disclose the object of and commercial rationale for carrying out such sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking of the entity, and the use of proceeds arising therefrom, in the statement annexed to the notice to be sent to the shareholders: Provided that such a special resolution shall be acted upon only if the votes cast by the public	Presently there is no explicit framework for protecting the interest of minority shareholders which in effect results in sale of the business undertaking without taking such shareholders into confidence. It is pertinent to note that approval of shareholders' u/s 180 of CA, 2013 is already in place, however, as per the Scheme of Arrangement contemplated under SEBI LODR, approval of 'Majority of Minority' is required for the approval of the Scheme which involves the transfer of undertaking under such scheme. In order to strengthen the extant framework of slump sale executed to safeguard the interest of minority shareholders and	Effective from June 15, 2023 , the listed entities are required to ensure the following additional requirements at time of seeking the shareholder's approval u/s 180 of CA, 2013 by way of special resolution: A. Disclose the object of and commercial rationale for carrying out such sale, lease or otherwise disposal of undertaking in the Notice of General meeting B. Proposed use of proceed arising out of sale, lease or otherwise disposal of undertaking in the Notice of General meeting

		<p>shareholders in favour of the resolution exceed the votes cast by such public shareholders against the resolution:</p> <p>Provided further that no public shareholder shall vote on the resolution if he is a party, directly or indirectly, to such sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking of the listed entity.</p> <p>Explanation. —For the purposes of this regulation, the terms “undertaking” and “substantially the whole of the undertaking” shall have the same meaning as assigned to them under clause (a) of subsection (1) of section 180 of the Companies Act, 2013</p> <p><u>Regulation 37 A(2):</u></p> <p>The requirement as specified in sub-regulation (1) shall not be applicable for sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking by a listed entity to its wholly owned subsidiary whose accounts are consolidated with such listed entity:</p> <p>Provided that prior to such wholly owned subsidiary selling, leasing or otherwise disposing of the whole or substantially the whole of the</p>	<p>to align with the requirement, the requirement of “Majority of Minority” Shareholder’s approval is being introduced.</p>	<p>C. Special resolution shall be acted upon only if the votes cast by the public shareholders in favour the resolution exceed the votes cast by such public shareholders against the resolution</p> <p>D. No public shareholder shall vote on the resolution if he is a party, directly or indirectly, to undertaking’s sale, lease or dispose off. For ensuing this, the Company should take undertaking from the concerned party.</p> <p><u>TRANSACTION OF SALE, LEASE OF DISPOSE OFF WITH WHOLLY OWNED SUBSIDIARY (‘WoS’)</u></p>
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		<p>undertaking received from a listed entity, whether in whole or in part, to any other entity, such listed entity shall comply with the requirements specified in sub-regulation (1):</p> <p>Provided further that the listed entity shall comply with the requirements specified in sub-regulation (1) before diluting its shareholding below hundred percent in its wholly owned subsidiary to which the whole or substantially the whole of the undertaking of such listed entity was transferred.</p> <p>Explanation: The provisions of this regulation shall not be applicable where sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking of a listed entity is by virtue of a covenant covered under an agreement with a financial institution regulated by or registered with the Reserve Bank of India or with a Debenture Trustee registered with the Board</p>		<p>If the listed entity transfers by way of sale, lease or otherwise dispose off the undertaking to its wholly owned subsidiary whose accounts are consolidated with such listed entity, then the approval u/r 37(A)(1) of LODR is not required, however, in following cases, the approval u/r 37(A)(1) of LODR would require to be obtained by the listed entity:</p> <p>A. When such WoS would sale, lease or otherwise dispose off the undertaking received from alisted entity;</p> <p>B. Before diluting its shareholder below 100% in WoS to which the undertaking was transferred.</p>
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				<p><u>EXCEPTION:</u></p> <p>Regulation 37A shall not be applicable in case the transfer of undertaking by virtue of a covenant covered under an agreement with a financial institution regulated by or registered with the Reserve Bank of India or with a Debenture Trustee registered with the SEBI.</p> <p>Further, Regulation 37A shall not be applicable to such sale, lease or disposal of undertaking of listed entity where the notice has already been issued.</p> <p>In our view, the Companies would also required to obtained the approval of shareholders before diluting the stake in wholly owned subsidiary to whom the listed entity had earlier transferred the undertaking before the</p>
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				provision coming into effect.
19.	<p>Regulation 46(2)(o)</p> <p><u>Website</u></p> <p>Schedule of analysts or institutional investors meet and presentations made by the listed entity to analysts or institutional investors.</p> <p>Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means</p>	<p>Regulation 46(2)(o)</p> <p><u>Website</u></p> <p>Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of the intimation and the date of the meet) and presentations made by the listed entity to analysts or institutional investors.</p> <p>Explanation: For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means</p>	<p>In view of SEBI, no timeline has been specified for making such disclosures which creates ambiguity and also does not provide enough time to the investors to register or attend such meets. Hence, it is proposed to specify that the schedule of such meets should be disclosed at least two working days in advance (excluding the date of the intimation and the date of the meet).</p>	<p>Earlier there were no timelines defined for the purpose of disseminating the Schedule of analysts or institutional investors meeting and presentations made by the listed entity to analysts or institutional investors.</p> <p>Now, listed entities are required to disseminate the same on its website within given timelines as per the amended regulation.</p>
20.	<p>Regulation 57</p> <p><u>Intimations other submissions to stock exchange(s):</u></p> <p>(1) The listed entity shall submit a certificate to the stock exchange within one working day of the interest or dividend or principal becoming due regarding status of payment in case of non-convertible securities.</p>	<p>Regulation 57</p> <p><u>Intimations other submissions to stock exchange(s):</u></p> <p>The listed entity shall submit a certificate to the stock exchange regarding status of payment of interest or dividend or repayment or redemption of principal of non-convertible securities, within one working day of it</p>	<p>Earlier, applicable listed entities were required to inform the SEBI about the details of the interest/dividend/principal obligations before the beginning of next quarter and were also required to confirm about the payment status of same.</p>	<p>Now, applicable listed entities are required to submit certificate regarding status of payment of interest or dividend or repayment or redemption of principal of non-convertible securities, within one working day of it becoming due.</p>

	<p>(3) The listed entity shall forward to the stock exchange any other information in the manner and format as specified by the Board from time to time</p> <p>(4) The listed entity shall within five working days prior to the beginning of the quarter provide details for all the non-convertible securities for which interest/dividend/principal obligations shall be payable during the quarter.</p> <p>(5) The listed entity shall within seven working days from the end of the quarter provide:</p> <p>(a) a certificate confirming the payment of interest/dividend/principal obligations for non-convertible securities which were due in that quarter; and</p> <p>(b) the details of all unpaid interest/dividend/principal Obligations in relation to nonconvertible securities at the end of the quarter</p>	<p>becoming due, in the manner and format as specified by the Board from time to time.</p>	<p>Also, listed entity were required to submit a certificate confirming the payment of interest/dividend/principal of unpaid interest/dividend/principal.</p> <p>Due to repetitiveness of the information being submitted, the SEBI has amended the provision and eased the compliance.</p>	<p>Format of reporting will be prescribed by SEBI.</p>
21.	<p>Schedule V – in paragraph C, after sub-paragraph 5A</p> <p>No Provision</p>	<p>Schedule V – in paragraph C, after sub-paragraph 5A</p> <p>“5B. Senior management:</p>	<p>Enhancement of disclosure.</p>	<p>Now, the listed entities are required to disclosure in the Corporate Governance Report the particulars of</p>

		Particulars of senior management including the changes therein since the close of the previous financial year.”		senior management including the changes.
22.	<p>Schedule V – Paragraph-G</p> <p>No Provision</p>	<p>Schedule V – Paragraph-G</p> <p>Disclosure of certain types of agreements binding listed entities</p> <p>(1) Information disclosed under clause 5A of paragraph A of Part A of Schedule III of these regulations.</p>	This is to be read with Regulation 30A as inserted vide subjected amended Regulation.	Listed entity is required to disclose the agreements entered into by the shareholder, promoter, promoter group entities, related parties, directors, KMPs, employees of listed entity or of its holding, subsidiary or associate company among themselves or with listed entity or with third party (as defined under amended Schedule III of LODR, clause 5A of paragraph A of Part A) in the Corporate Governance Report for FY 2022-23, if not approved till June 15, 2023.

Apart from above referred amendments, the Schedule III of SEBI LODR, 2015 have also been amended requiring the companies to make necessary disclosures of material event / information. Please refer the amended Schedule III for details.

Suggestions may be sent to rupesh@cacsindia.com

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