

**SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS
AND DISCLOSURE REQUIREMENTS) (SECOND AMENDMENT)
REGULATIONS, 2021**

GENERAL

- The Term “Institutional Trading Platform” shall be substituted with the words – Innovators Growth Platform.
- The term “Whistle Blower Mechanism” shall be replaced with “Vigil Mechanism/Whistle Blower Policy”

REGULATION 7 - SHARE TRANSFER AGENT

- Compliance Certificate shall be submitted within thirty days from the end of the financial year.

**REGULATION 15 - APPLICABILITY OF OBLIGATIONS OF LISTED ENTITY
WHICH HAS LISTED ITS SPECIFIED SECURITIES**

- The new proviso to Sub-Regulation 2 says that LODR shall remain applicable to an entity until equity share capital or the net-worth of such entity reduces and remains below the specified threshold for a period of three consecutive financial years.

REGULATION 21 - RISK MANAGEMENT COMMITTEE

- The Risk Management Committee (RMC) shall comprise of at least 3 directors from Board of Directors including at least 1 independent director.
However in case of listed companies having SR equity shares, at least 2/3rd of the RMC shall comprise independent directors. They shall meet twice a year.
- The quorum for a meeting of the Risk Management Committee shall be either two members or one third of the members of the committee, whichever is higher, including at least one member of the board of directors in attendance.

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- The meetings of the risk management committee shall be conducted in such a manner that on a continuous basis not more than one hundred and eighty days shall elapse between any two consecutive meetings
- The provisions shall apply to top 1000 listed entities
- The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

REGULATION 24 - CORPORATE GOVERNANCE REQUIREMENTS WITH RESPECT TO SUBSIDIARY OF LISTED ENTITY

- Listed Entity shall not dispose of its shareholding in its subsidiary to less than or equal to 50% without passing special resolution in General Meeting.

REGULATION 24A - SECRETARIAL AUDIT

- Every listed entity and its material unlisted subsidiaries shall annex its Secretarial Audit Report with Annual Report and it shall submit a secretarial compliance report to stock exchanges within sixty days from end of each financial year.

REGULATION 25 - OBLIGATIONS WITH RESPECT TO INDEPENDENT DIRECTORS

- The independent directors of the listed entity shall hold at least one meeting in a financial year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.

REGULATION 27 - OTHER CORPORATE GOVERNANCE REQUIREMENTS

- The listed entity shall submit a quarterly compliance report on corporate governance to the recognised stock exchange(s) within twenty one days from end of the each quarter.

REGULATION 30 - DISCLOSURE OF EVENTS OR INFORMATION

- The 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.

**REGULATION 31A - DISCLOSURE OF CLASS OF SHAREHOLDERS AND
CONDITIONS FOR RECLASSIFICATION**

- The reclassification request by promoters shall be duly analysed by Board in the immediately next board meeting or within three months from the date of receipt of the request from its promoter(s), whichever is earlier and then same shall be placed before shareholders in general meeting.
However there shall be a gap of minimum 1 month and maximum 3 months between board meeting and shareholder meeting.
- The request of reclassification shall be approved by ordinary resolution and related persons have not voted for the same.
This provision shall not apply if promoter & related person together hold less than 1% of the total voting rights in the listed entity and also if reclassification is pursuant to a divorce
- The provisions of sub-regulations (3), (4) and clauses (a) and (b) of sub-regulation (8) of this regulation shall not apply if reclassification of promoter is as per the resolution plan approved under section 31 of the Insolvency Code or pursuant to an order of a Regulator under any law subject to the condition that such promoter(s) seeking reclassification shall not remain in control of the listed entity
- In case of reclassification pursuant to an open offer or a scheme of arrangement, the provisions of (3)(a) (8)(a) & (8)(b) of this regulation shall not apply if the intent of the erstwhile promoter(s) to reclassify has been disclosed in the letter of offer or scheme of arrangement:
Provided that the provisions of clause (3)(c)(i) of this regulation shall not apply in case of reclassification pursuant to an open offer

REGULATION 32 - STATEMENT OF DEVIATION(S) OR VARIATION(S)

- The listed entity shall submit any comments or report received from the monitoring agency to Stock Exchange within 45 days from the end of each quarter, if listed entity has appointed a monitoring agency to monitor utilisation of proceeds of a public or rights issue.

REGULATION 34 - ANNUAL REPORT

- Top 1000 Listed Entities to submit business responsibility report until FY 2021-22, post which they shall submit business responsibility and sustainability report (BRSR) from FY 2022-23.
However companies may voluntarily submit such (BRSR) for FY 2021-22 too and companies other than top 1000 ones may also voluntarily submit the same.

REGULATION 37 - DRAFT SCHEME OF ARRANGEMENT & SCHEME OF ARRANGEMENT

- The need of "Observation Letter" has been done away with.

REGULATION 40 - TRANSFER OR TRANSMISSION OR TRANSPOSITION OF SECURITIES

- The listed entity shall ensure that the share transfer agent and/or the in-house share transfer facility, produces a certificate from a practicing company secretary within 30 days from the end of the financial year, certifying that all certificates have been issued within thirty days of the date of lodgement for transfer, subdivision, consolidation, renewal, exchange or endorsement of calls/allotment monies

REGULATION 43A - DIVIDEND DISTRIBUTION POLICY

- The Dividend Distribution Policy shall be applicable to top 1000 listed companies and same shall be disclosed by them on the website of the listed entity and a web-link shall also be provided in their annual reports
- Companies other than mentioned above may voluntarily disclose the same on the website of the listed entity and a web-link shall also be provided in their annual reports

REGULATION 46 - WEBSITE

- Listed Entities shall disclose audio/video recordings and transcript of post earnings/quarterly calls on its website for a period of minimum period of five years and thereafter as per the archival policy of the listed entity.

However the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or

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within twenty-four hours from the conclusion of such calls, whichever is earlier and the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls.

- It shall be effective voluntarily from 01/04/2021 and mandatory from 01/04/2022.

- Every listed entity shall upload separate audited financial statements of each subsidiary on its website.
However in case a subsidiary incorporated outside India, the need to upload such shall be fulfilled if subsidiary is required to prepare consolidated financial statement under any law of the country of its incorporation and such consolidated financial statement of such subsidiary is placed on the website of the listed entity.

If such subsidiary is not required to get the financials audited, listed entity shall place unaudited financials on its website in English.

- It shall also disclose:
 - ✓ Secretarial compliance report
 - ✓ 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
 - ✓ Regulation 30 (8) disclosures
 - ✓ Statements of deviation(s) or variation(s)
 - ✓ Dividend distribution policy
 - ✓ Annual return

