

**SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**Applicability of Amendments w.e.f 01.01.2022**

**No. SEBI/LAD-NRO/GN/2015-16/013** In exercise of the powers conferred by section 11, sub-section (2) of section 11A and section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) read with section 31 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Securities and Exchange Board of India hereby makes the following Regulations, vide SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021 read with the corrigendum\*

\* **No. SEBI/LAD-NRO/GN/2021/38** –In the notification of Securities and Exchange Board of India No. SEBI/LAD-NRO/GN/2021/35 dated 3rd August, 2021 published in the Gazette of India, Extraordinary, Part III, Section 4, in regulation 2, the words “They shall come into force on the date of their publication in the Official Gazette” shall be read as “They shall come into force on January 1, 2022”.

| S.No. | Regulation  | Provision Relating to / Modification  | Provision before Amendment   | Provision after Amendment   |
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| 1.    | Regulation 16(1)(b)(iv)<br><br>Regulation 16(1)(b)(v) | <b>Independent Director</b><br><br><b>Substitution of the word “two” by the word “three”</b><br><br><b>Substitution in Clause</b> | "independent director" means a non-executive director, other than a nominee director of the listed entity:<br><br>(iv) who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, during the <b>two</b> immediately preceding financial years or during the current financial year;<br><br>(v) none of whose relatives <b>has or had pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding</b> | "independent director" means a non-executive director, other than a nominee director of the listed entity:<br><br>(iv) who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, during the <b>three</b> immediately preceding financial years or during the current financial year;<br><br>(v) none of whose relatives <b>(A) is holding securities of or interest in the listed entity, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value in excess of fifty lakh rupees or two percent of the paid-up capital of the listed entity, its holding, subsidiary or associate company, respectively, or such higher sum</b> |

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|                         |   |   | financial years or during the current financial year;  | as may be specified;  |
|                         |   | <b>New Insertion</b>  |  | (B) is indebted to the listed entity, its holding, subsidiary or associate company or their promoters or directors, in excess of such amount as may be specified during the three immediately preceding financial years or during the current financial year;   |
|                         |   | <b>New Insertion</b>  |  | (C) has given a guarantee or provided any security in connection with the indebtedness of any third person to the listed entity, its holding, subsidiary or associate company or their promoters or directors, for such amount as may be specified during the three immediately preceding financial years or during the current financial year; or  |
|                         |   | <b>New Insertion</b>  |  | (D) has any other pecuniary transaction or relationship with the listed entity, its holding, subsidiary or associate company amounting to two percent or more of its gross turnover or total income:<br>Provided that the pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company or their promoters, or directors in relation to points (A) to (D) above shall not exceed two percent of its gross turnover or total income or fifty lakh rupees or such higher amount as may be specified from time to time, whichever is lower. |
| Regulation 16(1)(b)(vi) | <b>Insertion</b> of the word "Herself"<br><b>Substitution</b> in the clause | (vi) who, neither himself, nor whose relative(s) —<br>(A) holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate company in any of the three financial years immediately preceding the | (vi) who, neither himself / herself nor whose relative(s) —<br>(A) holds or has held the position of a key managerial personnel or is or has been an employee of the listed entity or its holding, subsidiary or associate company | or any company belonging to the   |

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|    |                     |  | financial year in which he is proposed to be appointed.   | <b>promoter group of the listed entity</b> , in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed <b>Provided that in case of a relative, who is an employee other than key managerial personnel, the restriction under this clause shall not apply for his / her employment.</b>           |
| 2. | Regulation 17(1C)   | Board of Directors<br><b>New Insertion</b>   |   | The listed entity shall ensure that <b>approval of shareholders</b> for appointment of a person on the Board of Directors is taken at the <b>next general meeting or within a time period of three months from the date of appointment, whichever is earlier.</b>   |
| 3. | Regulation 18(1)(b) | Audit Committee<br><b>Insertion</b> of the word "At least"   | Two-thirds of the members of audit committee shall be independent directors and in case of a listed entity having outstanding SR equity shares, the audit committee shall only comprise of independent directors  | <b>At least</b> two-thirds of the members of audit committee shall be independent directors and in case of a listed entity having outstanding SR equity shares, the audit committee shall only comprise of independent directors.   |
| 4. | Regulation 19(1)(c) | Nomination and Remuneration Committee<br><br><b>Substitution</b> of the word "fifty percent" by the word "two third" | (1) The board of directors shall constitute the nomination and remuneration committee as follows:<br><br>(c) at least <b>fifty percent</b> of the directors shall be independent directors and in case of a listed entity having outstanding SR equity shares, two thirds of the nomination and remuneration committee shall comprise of independent directors. | (1) The board of directors shall constitute the nomination and remuneration committee as follows:<br><br>(c) at least <b>two third</b> of the directors shall be independent directors and in case of a listed entity having outstanding SR equity shares, two thirds of the nomination and remuneration committee shall comprise of independent directors. |
| 5. | Regulation 23(2)    | Related Party  | All related party transactions  | All related party transactions  |

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|    |                   | Transactions<br><b>Insertion</b> of<br>Proviso   | shall require prior approval of the audit committee   | shall require prior approval of the audit committee <b>Provided that only those members of the audit committee, who are independent directors, shall approve related party transactions.</b>   |
| 6. | Regulation 25(2A) | <b>New Insertion</b>   |   | <b>The appointment, re-appointment or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of a special resolution</b>   |
| 7. | Regulation 25(6)  | <b>Omission</b> of the words “the immediate next meeting of the board of directors” and “whichever is later”   | An independent director who resigns or is removed from the board of directors of the listed entity shall be replaced by a new independent director by listed entity at the earliest but not later than <b>the immediate next meeting of the board of directors or three months from the date of such vacancy whichever is later.</b>                                  | An independent director who resigns or is removed from the board of directors of the listed entity shall be replaced by a new independent director by listed entity at the earliest but not later than <b>three months from the date of such vacancy.</b>  |
| 8. | Regulation 25(10) | Obligations with respect to independent directors<br><br><b>Substitution</b> of the words “October 1, 2018” and 500 with “January 1, 2022” and “1000” respectively | With effect from <b>October 1, 2018</b> , the top <b>500</b> listed entities by market capitalization calculated as on March 31 of the preceding financial year, <b>shall undertake Directors and Officers insurance (‘D and O insurance’)</b> for all their independent directors of such quantum and for such risks as may be determined by its board of directors. | With effect from <b>January 1, 2022</b> the top <b>1000</b> listed entities by market capitalization calculated as on March 31 of the preceding financial year, <b>shall undertake Directors and Officers insurance (‘D and O insurance’)</b> for all their independent directors of such quantum and for such risks as may be determined by its board of directors. |
| 9. | Regulation 25(11) | Obligations with respect to independent directors<br><br><b>New Insertion</b>  |   | No independent director, who resigns from a listed entity, shall be appointed as an executive / whole time director on the board of the listed entity, its holding, subsidiary or associate company or on the board of a company belonging to its promoter group, unless a period of one year has elapsed from the date of   |

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|     |                           |   |  | resignation as an independent director.   |
| 10. | Regulation 36(3)          | Documents & Information to shareholders in Annual Information Memorandum<br><br><b>Insertion</b> after the word "Board"<br><br><b>New Insertion</b> | In case of the appointment of a new director or re-appointment of a director the shareholders must be provided with the following information<br><br>(d) names of listed entities in which the person also holds the directorship and the membership of Committees of the board. | In case of the appointment of a new director or re-appointment of a director the shareholders must be provided with the following information<br><br>(d) names of listed entities in which the person also holds the directorship and the membership of Committees of the board <b>along with listed entities from which the person has resigned in the past three years</b><br><br><b>(f) In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements</b>  |
| 11. | Schedule II Part D Para A | Role of Nomination and Remuneration Committee<br><br><b>New Insertion</b>   |  | <b>(1A) For every appointment of an independent director, the Nomination and Remuneration Committee 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:</b><br><b>a. use the services of an external agencies, if required;</b><br><b>b. consider candidates from a wide range of backgrounds, having due regard to diversity; and</b><br><b>c. consider the time commitments of the candidates.</b> |

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| 12. | Schedule III<br>Part A<br>Para A<br>Clause (7B) | <p>Events which shall be disclosed without any application of the guidelines for materiality as specified in sub-regulation (4) of regulation (30)</p> <p><b>Insertion</b> of the words “The letter of resignation along with” and <b>omission</b> of the words “shall be disclosed by the listed entities to the stock exchanges.”</p> <p><b>New Insertion</b></p> <p><b>Substitution</b> of the words “detailed reasons” with “disclosures” and “sub-clause (i)” with “sub-clause (i) and (ii) above”</p> | <p>Resignation of independent director including reasons for resignation:<br/>In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:</p> <p>i. Detailed reasons for the resignation <b>of independent directors</b> as given by the said director <b>shall be disclosed by the listed entities to the stock exchanges.</b></p> <p>ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.</p> <p>iii. The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the <b>detailed reasons</b> as specified in <b>sub-clause (i).</b></p> | <p>Resignation of independent director including reasons for resignation:<br/>In case of resignation of an independent director of the listed entity, within seven days from the date of resignation, the following disclosures shall be made to the stock exchanges by the listed entities:</p> <p>i. <b>The letter of resignation along with</b> detailed reasons for the resignation as given by the said director.</p> <p><b>(ia). Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.</b></p> <p>ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.</p> <p>iii. The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the <b>disclosures</b> as specified in <b>sub-clause (i) and (ii) above.</b></p> |
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