

**SEBI (LISTING
OBLIGATIONS AND
DISCLOSURE
REQUIREMENTS)
REGULATIONS, 2015**

ANNUAL COMPLIANCES

SYNOPSIS

2

- Total Regulations 103
- Total Schedules 10
- Effective from 1st December, 2015
(entire Regulations)

Classification of Equity Regulations

Category A	Category B	Category C	Category D
Periodically	One time	Event based	While Interpretation
1	9	11	4
2	13	12 / sh I	5
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Classification of NCD Regulations

Category A	Category B	Category C	Category D
Periodically	One time	Event based	while interpretation
49		51	63
50		59	
52		61	
53 / SH V			
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EQUITY COMPLIANCE

SME Exemptions

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- *Shareholding statement shall be submitted on a half yearly basis within twenty one days from the end of each half year.*
- Submit half yearly Financial Results instead of quarterly to the Stock Exchange.
- Requirements of Publication of Financial Results.
- Some of the Regulations relating to Corporate Governance are not applicable.

Applicability

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- Specified securities listed on **Main Board** or **SME Exchange** or **Institutional Trading Platform**;
- Non-convertible debt securities, non-convertible redeemable preference shares, perpetual debt instrument, perpetual non-cumulative preference shares;
- Indian depository receipts
- Securitised debt instruments;
- Units issued by mutual funds;
- Any other securities as may be specified by the Board.

Regulation 7 - RTA

8

- The listed entity shall appoint a share transfer agent or manage the share transfer facility in-house.
- **when the total number of holders of securities of the listed entity exceeds one lakh:** the listed entity shall either register with the Board as a Category II share transfer agent or appoint Registrar to an issue and share transfer agent registered with the Board.
- The listed entity **shall submit a compliance certificate to the exchange within one month of end of each half of the financial year**, certifying compliance with the requirements of in house or RTA relating to share transfer facilities.
- The **compliance certificate should be signed by both the compliance officer of the listed entity and the authorised representative of the share transfer agent**, wherever applicable.
- The listed entity shall **intimate appointment of RTA, to the stock exchange(s) within seven days of entering into the agreement.**
- The agreement shall be placed in the subsequent meeting of the board of directors.

Regulation 13:-

Grievance Redressal Mechanism

9

- ***The listed entity shall ensure that it is registered on the SCORES platform***
- ***The listed entity shall file with the recognised stock exchange(s) on a quarterly basis, within twenty one days from the end of each quarter, a statement giving the status of investor complaints.***
- ***quarterly report as mentioned above shall be placed, on quarterly basis, before the board of directors of the listed entity.***

Reg 15 – Corporate Governance

10

- Applicable to Listed entity **on the main board or on SME Exchange or on institutional trading platform:**
- The **compliance** with the **corporate governance** provisions as specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V **shall not apply**, in respect of following listed entities—
 - ▣ having paid up equity share capital not exceeding **Rs. 10 Crore** and net worth not exceeding **Rs. 25 crore**, as on the last day of the previous financial year:
 - ▣ which has listed its specified securities on the **SME Exchange:**

Exempted provisions of Corporate Governance.

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Regulation	Particulars
17	Board of Directors
18	Audit Committee
19	Nomination and remuneration committee
20	Stakeholders Relationship Committee
21	Risk Management Committee
22	Vigil mechanism.
23	Related party transactions
24	Corporate governance requirements with respect to subsidiary of listed entity
25	Obligations with respect to independent directors
26	Obligations with respect to directors and senior management
27	Other corporate governance requirements

Exempted provisions of Corporate Governance.

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Regulation	Particulars
46(2)(b)	terms and conditions of appointment of independent directors;
46(2)(c)	composition of various committees of board of directors;
46(2)(d)	code of conduct of board of directors and senior management personnel;
46(2)(e)	details of establishment of vigil mechanism/ Whistle Blower policy;
46(2)(f)	criteria of making payments to non-executive directors , if the same has not been disclosed in annual report;
46(2)(g)	policy on dealing with related party transactions;
46(2)(h)	policy for determining 'material' subsidiaries;
46(2)(i)	details of familiarization programmes imparted to independent directors including the following details:- <ol style="list-style-type: none">number of programmes attended by independent directors (during the year and on a cumulative basis till date)number of hours spent by independent directors in such programmes (during the year and on cumulative basis till date), andother relevant details

Exempted provisions of Corporate Governance.

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Regulation	Particulars
Para C of Schedule V	Corporate Governance Report
Para D of Schedule V	Declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management.
Para E of Schedule V	Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed with the directors' report

Reg 17 – Board of Directors

14

- **at least 1 woman director** is required
- **50%** of the board of directors shall comprise of non-executive directors
- where the chairperson of the board of directors is a non-executive director, at least **one-third** of the board of directors shall comprise of independent directors
- where the listed entity does not have a regular non-executive chairperson, at least **half** of the board of directors shall comprise of independent directors:
- *Where regular non-executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of director or at one level below the board of directors, at least half of the board of directors of the listed entity shall consist of independent directors.*

- The board of directors shall **meet at least 4 times** a Calendar year, with a maximum time **gap of 120 days** between any two meetings.

Reg – 18 Audit Committee

16

- The audit committee shall have minimum **3 directors as members**.
- **2/3rd** of the members of audit committee shall be **independent directors**.
- All members of audit committee shall be financially literate and at least **one member shall have accounting or related financial management expertise**.
- The **chairperson** of the audit committee shall be an **independent director** and he shall be **present at AGM** to answer shareholder queries.
- The audit committee shall meet at least **4 times** in a year and not more than **120 days** shall elapse between two meetings.
- The quorum for audit committee meeting shall either be **2 members** or **one third** of the members of the audit committee, whichever is greater, **with at least two independent directors**.

Reg 19 Nomination & Remuneration Committee

17

- the committee shall comprise of at least **3 directors**
- **all** directors of the committee shall be **non-executive directors**; and
- at least **50%** of the directors shall be independent directors.
- The **Chairperson** of the nomination and remuneration committee shall be an **independent director**:

Reg. 20 Stakeholders Relationship Committee

18

- The **chairperson** of this committee shall be a **non-executive director**.
- The board of directors shall decide **other members** of this committee.

Reg. 21 Risk Management Committee

19

- The majority of members of Risk Management Committee shall consist of **members of the board of directors**.
- The Chairperson of the Risk management committee shall be a member of the **board of directors and senior executives** of the listed entity may be members of the committee.
- The provisions of this regulation shall be applicable to **top 100 listed entities**

Reg 22 - Vigil mechanism

20

- The listed entity shall formulate a vigil mechanism for **directors** and **employees** to report genuine concerns.
- The vigil mechanism shall provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.
- ***According to section 177(10) of the Companies Act, 2013, it is mandatory for the Company to disclose the establishment of such mechanism on the website of the company and its Board's Report.***

Reg 23 Related Party Transactions

21

- The listed entity shall **formulate a policy on materiality** of related party transactions and on dealing with related party transactions
- *A transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.*
- All related party transactions shall require **prior approval** of the audit committee.
- All material related party transactions shall require approval of the shareholders through resolution
- the related parties shall **abstain from voting** on such resolutions whether the entity is a related party to the particular transaction or not.

Omnibus approval subject to conditions

22

- Applicable in respect of transactions which are repetitive in nature
- the omnibus approval shall specify:
 - ▣ the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,
 - ▣ the indicative base price / current contracted price and the formula for variation in the price if any; and
 - ▣ such other conditions as the audit committee may deem fit:
- *where the need for related party transaction cannot be foreseen and aforesaid details are not available, audit committee may grant omnibus approval for such transactions subject to their value **not exceeding Rs. 1 crore per transaction.***
- the audit committee shall **review, at least on a quarterly basis**, the details of related party transactions entered into by the listed entity pursuant to each of the omnibus approvals given.
- Such omnibus approvals shall be **valid for a period not exceeding one year**

Exemptions under RPT

23

- transactions entered into **between two government companies;**
- transactions entered into **between a holding company and its wholly owned subsidiary** whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.

Reg. – 24 CG with respect to subsidiary of Listed Company

24

- *“material subsidiary” shall mean a subsidiary, whose **income** exceeds **20%** of the consolidated income or **net worth** exceeds **20%** of the consolidated net worth of the listed entity and its subsidiaries in the immediately preceding accounting year.*
- At least **one independent director** on the board of directors of the listed entity shall be a director on the board of directors of an **unlisted material subsidiary**, incorporated in India.
- **The minutes of the meetings of the board of directors of the unlisted subsidiary shall be placed at the meeting of the board of directors** of the listed entity.
- A listed entity shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing **a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.**
- Selling, disposing and leasing of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year shall require **prior approval of shareholders by way of special resolution**, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

Reg. 25 Obligations with respect to independent directors

25

- A person shall **not serve** as an independent director in more than **7 listed entities**
- Any person who is serving as a whole time director in any listed entity **shall serve as an independent director in not more than three listed entities.**
- The **independent directors of the listed entity shall hold at least one meeting** in a year
- An **independent director who resigns or is removed, be replaced by a new independent director next meeting of the board of directors or 3 months** from the date of such vacancy, whichever is later

Reg. 26 – Directors & Senior Management

26

- A director shall **not be a member** in more than **10 committees** or act as **chairperson** of more than **5 committees** across all listed entities.
- In above calculations, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone shall be considered

Reg 27 Compliances of CG

27

- submit a quarterly compliance report on corporate governance to the recognised stock exchange(s) within 15 days from close of the quarter.
- Details of all material transactions with related parties shall be disclosed along with the above report.

Reg 29 – Intimation of Board Meetings to Stock Exchanges

28

- **At least two working days in advance** intimation.
 - proposal for buyback
 - voluntary delisting
 - fund raising
 - Declaration/recommendation of dividend
 - the proposal for declaration of bonus securities
(if declared in the Agenda item)

- **At least five days in advance** intimation
 - financial results

- **at least eleven working days in advance** intimation.
 - *any alteration in the form or nature of any of its securities*
 - any alteration in the date on which, the interest or the redemption amount on debentures or bonds, etc is payable.*

Reg 31 – Shareholding Pattern

29

- *Submit to the stock exchange(s) a statement showing holding of securities and shareholding pattern separately*
 - ***one day prior to listing***
 - ***on a quarterly basis, within twenty one days from the end of each quarter***
 - ***within ten days of any capital restructuring of the listed entity resulting in a change exceeding two per-cent of the total paid-up share capital:***

Reg -31 100% Demat

30

The listed entity shall ***ensure that 100% of shareholding of promoter(s) and promoter group is in dematerialized form*** and the same is maintained on a continuous basis in the manner as specified by the Board.

Reg – 33 Financial Result

31

- **Chief Executive Officer and Chief Financial Officer** of the listed entity shall **certify that the financial results do not contain any false or misleading statement or figures and do not omit any material fact** which may make the statements or **figures contained therein misleading**
- **Financial Result Signed by**
 - Chairperson **or** Managing director **or** Whole time director **or**
 - **Absence of all of them; signed by any other director** of the listed entity who is **duly authorized by the board of directors** to sign the financial results.

Reg 34 – Annual Report

32

- The listed entity shall ***submit the annual report to the stock exchange within twenty one working days of it being approved and adopted in the annual general meeting*** as per the provisions of the Companies Act, 2013.
- *For the top five hundred listed entities to submit **business responsibility report***
- Annual Information Memorandum to submit to the SEs. [Reg – 35]

Reg – 36 Annual Report to Shareholders

33

- Soft copies of full annual report
- Hard copy of statement containing the salient features
- Hard copies of full annual reports

The listed entity shall send annual report referred to in sub regulation (1), to the holders of securities, not less than twenty one days before the annual general meeting.

Reg -40 Transfer/Transmission of Securities.

34

- Issue Certificate within a period of fifteen days from the date of such receipt of request for transfer.
- transmission requests are processed for securities held in dematerialized mode within seven days
- transmission requests are processed for securities in physical mode within twenty one days after receipt of the specified documents:
- In case the listed entity has not effected transfer of securities within fifteen days or where the listed entity has failed to communicate to the transferee(s) any valid objection to the transfer, within the stipulated time period of fifteen days, the listed entity shall compensate the aggrieved party for the opportunity losses caused during the period of the delay:
- The listed entity shall ensure that the share transfer agent and/or the in-house share transfer facility, as the case may be, produces a certificate from a practicing company secretary within one month of the end of each half of the financial year, certifying that all certificates have been issued within thirty days of the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies.

Reg 42 – Record date

35

- **Intimate the record date to all the stock exchange(s)**
 - declaration of dividend
 - issue of right or bonus shares
 - issue of shares for conversion of debentures or any other convertible security
 - shares arising out of rights attached to debentures or any other convertible security.
 - corporate actions like mergers etc.
- **notice in advance of atleast seven working days to SEs specifying the purpose of record date.**
- The listed entity shall ***recommend or declare all dividend and/or cash bonuses at least five working days*** (excluding the date of intimation and the record date) ***before the record date fixed for the purpose.***

Reg 44 – Voting by Shareholders

36

- *Provide the facility of remote e-voting in respect of all shareholders resolutions.*
- Submit to the stock exchange, within forty eight hours of conclusion of its General Meeting, details regarding the voting results.

Reg 46 - Website

37

- The listed entity shall disseminate the following information on its website:
 - (a) *details of its business;*
 - (b) *terms and conditions of appointment of independent directors;*
 - (c) *composition of various committees of board of directors;*
 - (d) *code of conduct of board of directors and senior management personnel;*
 - (e) *details of establishment of vigil mechanism/ Whistle Blower policy;*
 - (f) *criteria of making payments to non-executive directors, if the same has not been disclosed in annual report;*
 - (g) *policy on dealing with related party transactions;*
 - (h) *policy for determining 'material' subsidiaries;*

Reg 46 - Website

38

- (i) details of familiarization programmes imparted to independent directors
 - (i) number of programmes attended by independent directors
 - (ii) number of hours spent by independent directors in such programmes (during the year and on cumulative basis till date), and
 - (j) *the email address for grievance redressal and other relevant details;*
 - (k) *contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances;*

Reg 46 - Website

39

- (l) *financial information* including:
 - (i) *notice of meeting* of the board of directors where financial results shall be discussed;
 - (ii) *financial results*, on conclusion of the meeting of the board of directors where the financial results were approved;
 - (iii) *complete copy of the annual report* including balance sheet, profit and loss account, directors report, corporate governance report etc;
 - (m) *shareholding pattern*;

Reg 46 - Website

40

- (n) *details of agreements entered into with the media companies and/or their associates, etc;*
- (o) *schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange;*
- (p) *new name and the old name of the listed entity for a continuous period of one year, from the date of the last name change;*
- (q) Advertisements in Newspapers

Reg 46 - Website

41

The listed entity shall ***update any change in the content of its website within two working days*** from the date of such change in content.

Reg – 47 – Advertisement in Newspapers

42

Publish following events as Advertisement in *at least one English language national daily newspaper and in one daily newspaper published in the language of the region, where the registered office of the listed entity is situated:*

- 1 Notice of meeting
- 2 Financial results
- 3 Statements of deviation(s) or variation(s)
- 4 Notices given to shareholders by advertisement

NCD COMPLIANCE

Reg – 50 – Intimation to SEs

44

- prior intimation to the stock exchange(s) at least eleven working days before the date on and from which the interest on debentures shall be payable
- The listed entity shall intimate to the stock exchange(s), at least two working days in advance regarding the meeting of its board of directors, at which the recommendation or declaration of issue of non convertible debt securities or any other matter affecting the rights or interests of holders of non convertible debt securities or non convertible redeemable preference shares is proposed to be considered.

Reg 52- Financial Results

45

- The listed entity shall prepare and submit un-audited or audited financial results on a half yearly basis within forty five days from the end of the half year to the recognised stock exchange(s).
- Un-audited financial results shall be accompanied by limited review report prepared by the statutory auditors of the listed entity
- if the listed entity intimates in advance to the stock exchange(s) that it shall submit to the stock exchange(s) its annual audited results within sixty days from the end of the financial year, un-audited financial results for the last half year accompanied by limited review report by the auditors need not be submitted to stock exchange(s).
- If the listed entity opts to submit un-audited financial results for the last half year accompanied by limited review report by the auditors, it shall also submit audited financial results for the entire financial year, as soon as they are approved by the board of directors.
- Form a and b is applicbale

Reg 52- Financial Results

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Disclosures in Financial Results

- (a) credit rating and change in credit rating (if any);
- (b) asset cover available, in case of non convertible debt securities;
- (c) debt-equity ratio;
- (d) previous due date for the payment of interest/ dividend for non-convertible redeemable preference shares/ repayment of principal of non-convertible preference shares /non convertible debt securities and whether the same has been paid or not; and,
- (e) next due date for the payment of interest/ dividend of non-convertible preference shares /principal along with the amount of interest/ dividend of non-convertible preference shares payable and the redemption amount;
- (f) debt service coverage ratio;
- (g) interest service coverage ratio;
- (h) outstanding redeemable preference shares (quantity and value);
- (i) capital redemption reserve/debenture redemption reserve;
- (j) net worth;
- (k) net profit after tax;
- (l) earnings per share:

While submitting the information required as above , the listed entity shall submit to stock exchange(s), a certificate signed by debenture trustee that it has taken note of the contents.

Reg 52- Financial Results

The listed entity shall, within two calendar days of the conclusion of the meeting of the board of directors, publish the financial results and statement referred, in at least one English national daily newspaper circulating in the whole or substantially the whole of India.

53 – Annual report

48

Contents of the Annual report

- (a) audited financial statements i.e. balance sheets, profit and loss accounts etc;
- (b) cash flow statement
- (c) auditors report;(d) directors report;
- (e) name of the debenture trustees with full contact details ;
- (f) related party disclosures as specified in Para A of Schedule V.

Reg 54 – Asset Cover

49

- The listed entity shall disclose to the stock exchange in quarterly, half-yearly, year-to-date and annual financial statements, as applicable, the extent and nature of security created and maintained with respect to its secured listed non-convertible debt securities.

Reg 55 – Credit Rating

50

- Each rating obtained by the listed entity with respect to non-convertible debt securities shall be reviewed at least once a year by a credit rating agency registered by the Board.

Reg 56 – Intimation to Debenture Trustees

51

Forward to Debenture Trustees

- a copy of the annual report
- a copy of all notices, resolutions and circulars relating to relating to NCD
- any revision in the rating;
- Defaults in payment of interest or redemption
- failure to create charge on the assets;
- a half-yearly certificate regarding maintenance of hundred percent. asset cover in respect of listed non convertible debt securities, by PCS along with the half yearly financial results

Reg 57 – Other Submission to SEs

- The listed entity shall submit a certificate to the stock exchange within two days of the interest or principal or both becoming due that it has made timely payment of interests or principal obligations or both in respect of the non convertible debt securities.
- The listed entity shall provide an undertaking to the stock exchange(s) on annual basis stating that all documents and intimations required to be submitted to Debenture Trustees in terms of Trust Deed and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 have been complied with.

Reg 58 – intimation to Debt Holders

53

- ❑ Soft copies of full annual reports
- ❑ Hard copy of statement containing the salient features of all the documents, as specified in Section 136 of Companies Act, 2013
- ❑ Hard copies of full annual reports, who request for the same.
- ❑ Half yearly communication
- ❑ notice of all meetings of holders of non convertible debt securities
- ❑ The listed entity shall send proxy forms to holders of non convertible debt securities

Reg 60 – Record Date

54

- Record date for the purpose of
 - Payment of interest
 - Payment of Redemption Amount

- The listed entity shall give notice in advance of at least seven working days (excluding the date of intimation and the record date) to the recognised stock exchange(s) of the record date.

Reg – 61 Transfer of NCD

55

- The listed entity shall comply with requirements as specified in regulation 40 for transfer of securities including procedural requirements specified in Schedule VII.

Reg – 62 Contents of Website

56

- (a) details of its business;
- (b) financial information including complete copy of the annual report including balance sheet, profit and loss account, directors report etc;
- (c) contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances;
- d) email address for grievance redressal and other relevant details;
- (e) name of the debenture trustees with full contact details;
- (f) the information, report, notices, call letters, circulars, proceedings, etc concerning non-convertible redeemable preference shares or non convertible debt securities;
- (g) all information and reports including compliance reports filed by the listed entity;
- (h) information with respect to the following events:
 - (i) default by issuer to pay interest on or redemption amount;
 - (ii) failure to create a charge on the assets;
 - (iii) revision of rating assigned to the non convertible debt securities:(2) The listed entity may also issue a press release with respect to the events specified in sub-regulation (1).

Thank You



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