

ch-II Listing obligation and Disclosure Requirements

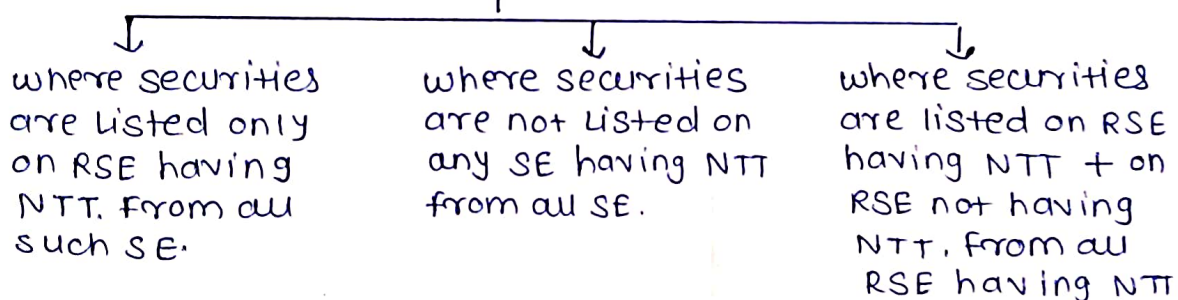
⇒ SEBI (Listing obligation and Disclosure req) Reg. 2015

⇒ Applicability :-

- Indian Depository Receipts.
- Securitized debt instruments
- security receipts.
- Non convertible securities.
- Specified securities listed on Main board or SME or IGP.
- Units issued by mutual Fund.
- any other security specified by SEBI

⇒ The provision of these regulations which become applicable to listed entity on the basis of Market capitalisation

⇒ In-principal approval :-



Designated securities :- means

- specified securities.
- Non-convertible debt security
- Non-convertible redeemable Pref shares.
- Perpetual debt instruments
- Perpetual non-convertible Pref. shares.
- IDR
- securitised debt instruments
- security receipts
- Units issued by MF
- zero coupon, zero principal instrument.

⇒ specified securities - means

- equity shares and convertible securities as defined under clause (eee) of sub Reg. (1) of Reg. 2 of SEBI (ICDR) (ICDR) Reg. 2018

⇒ Listing agreement - means

an agreement that is entered into between a RSE and an entity, on the application of that entity to the RSE, undertaking to comply with conditions for listing of designated securities.

Reg-17 - Corporate Governance

Norms

→ Composition of BOD :-

AS PER LODR

Reg-17.

→ out of total at least 50% to be NED

AS PER CO. ACT

Sec. 149.

→ public - at L 3
Private - 2
OPC - 1

Woman Director

AS PER LODR

Reg-17

→ at least one woman D.

→ Top 1000 Listed Co - at least 1 I. women D.

AS PER CO. ACT

Sec. 149. Pro. I

CO → Paid up cap. ≥ 100 cr.

→ Turnover ≥ 300 cr.
(req. WD)

AS PER LODR Reg 17 →

→ chairman = Non executive D. and Not related to Promoter / D.

$1/3^{\text{rd}} = \text{ID}$

and
SR equity shares are not issued

→ chairman = Executive Director or NED but related to promoter / director or SR equity shares are issued.

$50\% = \text{ID}$

→ Max age NED = 75 years
> 75 years = SR PASS.

→ Board meeting

- 4 meeting in a year.
- max gap = 120 days

→ TOP 1000 Listed entities

- 1 independent women D.

→ TOP 2000 LISTED ENTITIES.

- Min 6 Directors.
- Quorum - $1/3^{\text{rd}}$ of total or 3 ↑ with at least 1 ID

⇒ Liability for listed entity for contravention :-

- Imposition of Fine.
- Suspension of trading.
- Freezing of P/PG holding of sec.
- any other action as may be specified by SEBI.

⇒ Consolidated Approval - (Omnibus approval)

→ Audit committee may grant omnibus approval for Related Party transaction → conditions

→ The approval shall be applicable for the transactions which are repetitive in nature.

→ Audit committee shall satisfy itself regarding the need of omnibus approval and thus such approval is in the interest of listed entity.

→ O.A. shall specify :-

- Name of Related Party, Nature of transaction, maximum amt of transaction shall be entered into.
- Indicative base price / current contract price / formula for verification in price.
- If the details of Related Party transactions are not available audit committee may grant omnibus approval for such transaction subject to their value not exceeding 1 cr.

→ A.C. shall review quarterly basis details of RPT.

→ omni app. valid for the period not exceeding 1 yr. - fresh approv. after expiry of 1 year.

<u>Audit committee</u>		<u>Nomination & Remunⁿ Committed</u>		<u>Stakeholder Relationship</u>		<u>Risk management Committee</u>
AS PER LODR Reg. 18	AS PER CO. ACT SEC-177	AS PER LODR Reg. 19	AS PER CO. ACT Sec - 178	AS PER LODR Reg - 20	AS PER CO. ACT Sec - 178	AS PER Reg. 21 (LODR)
at least - 3D 2/3 - ID chairman - ID All - Financially Lit. at least one expert in ACC & Finance.	at least - 3D majority - ID chairman - may or may not be ID. majority memb. Financially Lit. incl. chairman.	at least - 3D 2/3 - ID chairman - ID All - NED.	at least - 3D 50% - ID chairman - NED ED All - NED.	at least - 3D at least - 1D chairman - NED	Director as decided by board. + one chairman chairman - NED	at least 3 - members. majority - Directors at least 1 - ID chairman - Director ⇒ Applicable only to P 1000 Listed entities.
<u>Regulation - 18</u>	<u>Regulation - 19</u>	<u>Regulation - 20</u>	<u>Regulation - 21</u>			
⇒ If co. issue → all ID SR eq. shares ⇒ <u>Meetings</u> - 4 meetings in a year Max gap - 120 days. ⇒ <u>Quorum</u> 1/3 rd or 2 ↑ with at least - 2 ID ⇒ <u>ROLE</u> Part c - schedule II	- once in a year 1/3 rd or 2 ↑ with at least - 1 ID Part D - schedule II	once in a year once in a year Part D - schedule II	⇒ If co. issue → 2/3 rd ID SR eq. shares Twice in a year Max gap - 180 days. 1/3 rd or 2 ↑ with at least 1 director Part D - schedule II			

Reg-22 - Vigil Mechanism

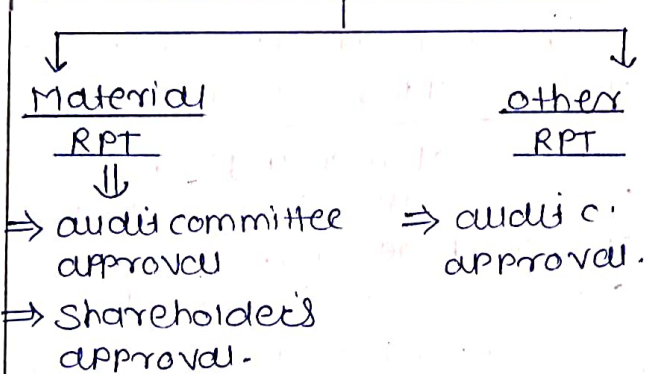
- also known as Whistle Blower Policy.
- For directors and employees to report genuine concern.
- Provide safeguard against victimization.
- In appropriate and exceptional cases provide access to chairman of audit committee.

Reg-23 - Related Party Transaction

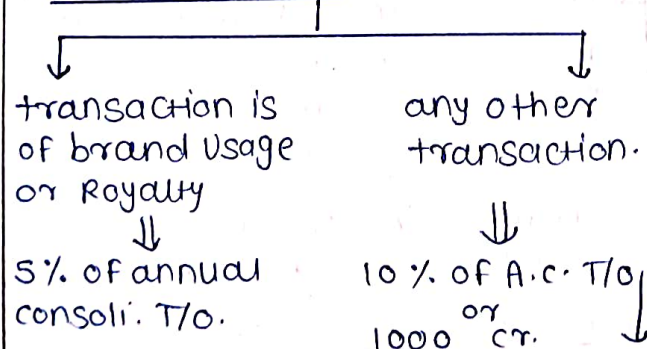
→ What is RPT?

- Related parties under LODR shall mean the same as given under 2(76) of Companies Act, 2013.
- Transaction of listed entity with its related parties has to go through special approval

→ Related Party Transaction



→ Material RPT



→ Deemed to be Related party

- any person / entity - forming a part of P/PG
- any person / entity - holding 10% or more eq. shares.

⇒ What is related party transaction?

→ Listed entity or its subsidiary --- transn ---> Related p. or its subsidiary

→ Listed entity or its subsidiary --- transn ---> any person

Resulting Benefit of Related Parties of Listed entities.

⇒ are there any RPT exempted?

- Between Govt. Co.
- Holding co and its WOS
- Betⁿ 2 WOS of common holding co.

Reg-24 - Corporate Governance requirement related to Subsidiary

St-1 ⇒ Identify the material subsidiary (20% rwe)
[material subsidiary shall mean a subsidiary whose income or NW [LE + sub.] 20% or more]

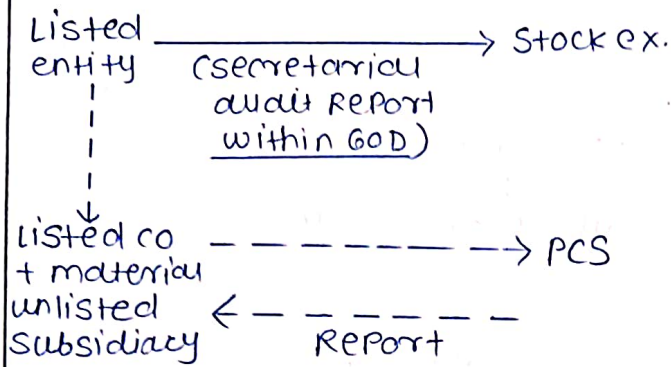
→ appoint 1D of Listed entity (LE) as a director of such material subsidiary.

St-2 ⇒ all unlisted subsidiary co. should submit their F.S. to audit committee to review

St-3 ⇒ The minutes of the meeting of BOD of unlisted sub co. shall be placed at the meeting of BOD of Listed entity.

St-4 ⇒ Unlisted subsidiary co. to submit periodically the significant transaction (10%)

Reg-24A - Secretarial audit :-



⇒ corporate Governance norms related to ID

→ Hold at least 1 meeting in a FY. without presence of Non-ID and members. all ID should be present in the meeting.

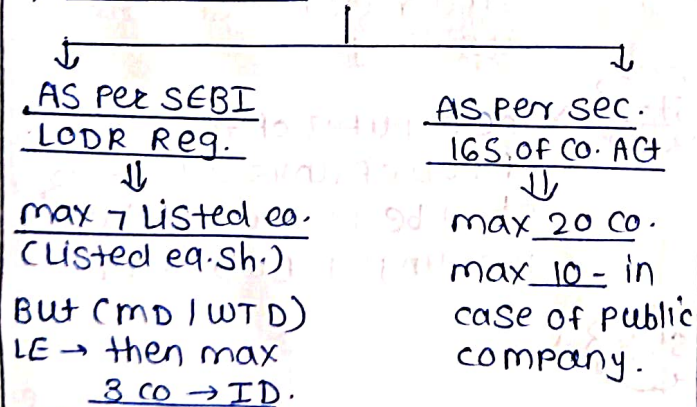
→ ID → who is resign / removed from BOD shall be replaced by new ID.



immediately next Bm or 3 m. from vacancy whichever is later.

→ submit declaration - he meet the criteria of independence. [DIR-8]

⇒ Directorship.



⇒ committee membership - LODR

→ max 10 committee - member.

→ max 5 committee - chairman

↳ Limit - to all public co. are considered

Limit - only audit c.
Stakeholder
R.C.

⇒ prior intimation to SE about Board meeting. [Reg-29]

→ at least (5) days in advance -

- Financial report - quarterly, Half yearly and yearly.

→ at least (2) days in advance -

- Proposed Buy back securities.
- Proposed voluntary delisting.
- Fund raised by way of FPO / RI / ADR / GDR / debt issue.
- declaration / recommendation of dividend.
- Declaration of Bonus.

→ at least (11) days in advance

- alteration in form or nature of Non-convertible Security.
- alteration in the date of int / dividend redemption or payment of Non-convertible Security.
- any matter affecting the rights of Shareholder's of Non-con sec.

→ outcome of meetings of BOD Disclose within 30 min of the closure of meeting.

- any cancellⁿ of dividend.
- The decision on Buy back of securities.
- The decision with respect to Fund raising Proposal.
- Financial results
- Decision on Voluntary delisting
- increase in cap. by issue of Bonus share through capitalⁿ

⇒ common obligⁿ of listed entity

- shall appoint qualified CS as compliance officer.
- shall appoint STA to manage transfer facility in house
- co-operation with intermediaries Registered with SEBI
- Fees and other charges to be paid to SEBI RSE

⇒ Exceptions :-

- Corporate governance provisions shall not apply in respect of following
 - A Listed entity having
 - Paid up capital max - 10 cr.
 - Net worth max - 25 cr. as on the date of PFY.
 - The listed entity - listed on SME
 - provision specified in Reg. 17 shall not applicable during insolvency Resolⁿ process.

Top 100 Listed entity - AGM within 5m From cl. F.Y. one way Live Podcast

Top 500 Listed entity - chairperson - NED not related to DICEO.

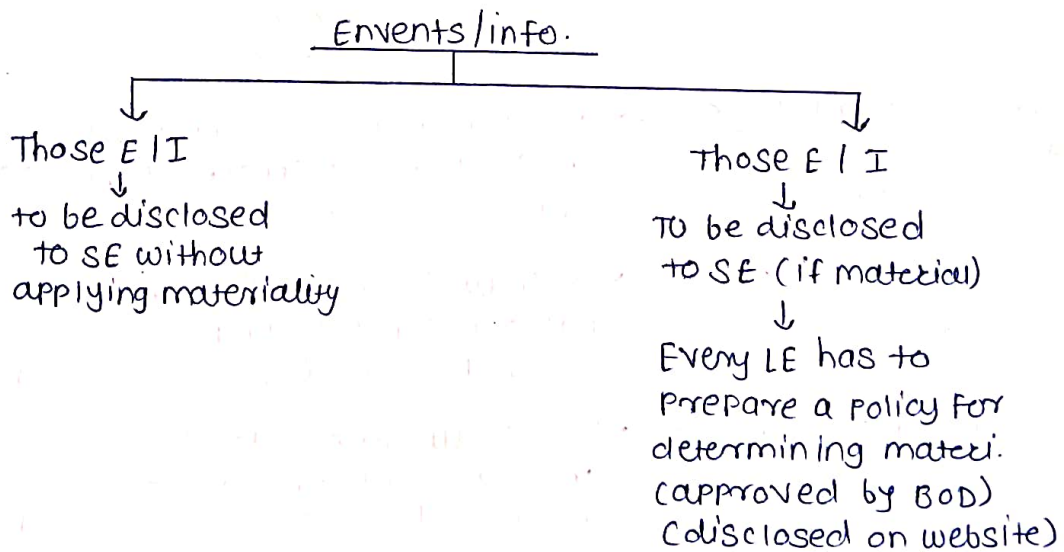
Top 1000 Listed entity - at least 1 I.WD
- Risk management committee shall be applicable
- Dividend distribution Policy shall be formulate.

⇒ Policies :-

- Preservation of doc. Policy - Reg 19
- Determination of material subsid.
- code of conduct - Reg. 17.
- Vigil Mechanism - Reg. 22
- Policy for RPT / mat. RPT - Reg. 23
- Policy for determination of materiality for event / info - Reg. 30
- Dividend distribution Policy. Reg-43A - (only top 1000 LE)
- Risk management policy.
- Board diversity Policy.

Top 2000 Listed entities - at least 6 directors quorum - 1/3 or 3 ↑, at least 1 ID.

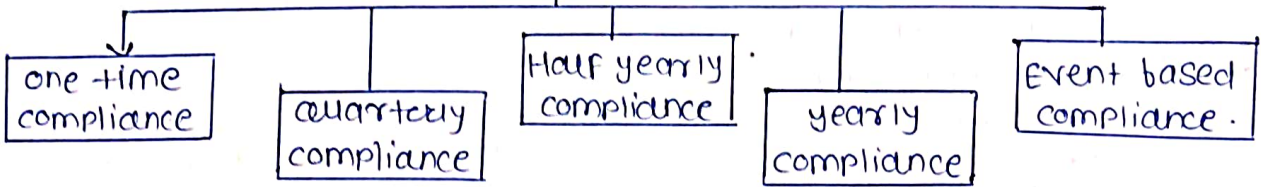
⇒ Reg-30 Disclosure of Events or information



⇒ kmp shall inform these E / info. to SE and the name of such kmp also be published on website.

⇒

compliances under SEBI (LoDR) Reg.



A) <u>one-time compliance</u> :-	<u>particulars.</u>	<u>Time Limit</u>
	<ul style="list-style-type: none"> → appoint a company secretary as a compliance officer. → appoint a share transfer agent or manage the share transfer facility in house. → If the total no. of shareholder of securities of LE > 1 Lakh LE shall register with SEBI as category II STA → Listed entity shall have a policy for preservation of documents 	-
B) <u>quarterly compliance</u>		
⇒ <u>Investor's complaint statement</u> (21 days)	→ Giving the number of compl. pending at the beginning of the quarter, those received during the quarter & those remaining unresolved at the end of the quarter.	<u>within 21 days</u> from the end of quarter.
⇒ <u>quarterly compliance Report</u> (21 days)	→ on corporate Governance in the format specified by SEBI.	<u>within 21 days</u> from the end of Q.
⇒ <u>share holding pattern</u> (21 days)	→ LE shall submit a shareholding Pattern separately for each class of securities	<u>within 21 days</u> from the end of Q.
⇒ <u>Monitoring Agency Report</u> (45 days)	→ M.A. ^{LE} shall submit to the SE any comment or report received from M.A.	<u>within 45 days</u> from the end of Q.
⇒ <u>Financial Results.</u> (45 days)	→ LE shall submit quarterly & year to date standalone FR to SE	<u>within 45 D.</u> from end of Q
⇒ <u>Advt. in Newspaper</u> (48 hrs)	→ F.R. along with modified opinion expressed by auditor	within 48 hrs of conclusion of Bm - FR approved.

<p>⇒ <u>Statement of deviation and variation.</u></p>	<p>→ LE shall submit to SE a statement of deviation and variation.</p>	<p>Quarterly Basis till the issue Proceeds have been fully Utilised.</p>
<p>c] <u>Half yearly compliances</u></p> <p>⇒ <u>Related Party Disclosure</u></p> <p>⇒ <u>Statement of Assets and Liabilities / cashflow</u></p>	<p>→ LE shall submit to the SE disclosures of RPT</p> <p>→ LE shall also submit as a part of its consolidated Financial Results for the</p>	<p>LE is required to Publish the same on its website.</p> <p>Half yearly.</p>
<p>d] <u>Yearly compliances.</u></p> <p>⇒ <u>compliance certificate (30 days)</u></p> <p>⇒ <u>Annual Listing fees. (30 days)</u></p> <p>⇒ <u>certificate. (30 days)</u></p> <p>⇒ <u>Annual Financial Result (60 days)</u></p> <p>⇒ <u>Annual Report (48 hrs)</u></p> <p>⇒ <u>changes to Annual Report (21 days)</u> 48</p> <p>⇒ <u>Annual Reports to sec. holders (21 days)</u></p>	<p>→ LE shall submit to SE a compliance certificate duly signed by both the compliance officer and authorised representative of STA.</p> <p>→ LE shall pay all such fees, charges as applicable to the RSE</p> <p>→ LE shall ensure the STA produces a certificate from practising CS certifying that all certificates have been issued within 30 days - trf, subdivision, consolidatⁿ, renewal, exchange.</p> <p>→ LE shall submit annual audited F.R. with audit report and statement impact of audit auditifiⁿ</p> <p>→ LE shall publish on its website the annual report along with notice of AGM → SE</p> <p>→ entity shall send report to holder of securities.</p> <p>→ LE shall send Annual report to the holder of securities</p>	<p><u>within 30 D.</u> from the end of the F.Y.</p> <p><u>within 30 D.</u> From the end OF the FY</p> <p><u>within 30 D</u> from the end of the F.Y.</p> <p><u>within 60 D</u> from the end OF F.Y.</p> <p>→ Not later than day of commencement of dispatch to its sh. holder.</p> <p>→ Not later than 48 hrs after AGM.</p> <p>Not later than 21 days before AGM.</p>

E] Event Based compliance

- The Listed entity shall intimate the appointment of STA → SE
 - Holding of specified securities
 - shareholding pattern.
 - Disclosure of material event in case of capital restructuring reclassification of any person as promoter / public.
 - scheme of arrangement.
 - Issue of certificate.
 - Information relating loss of securities.
 - Registering the transfer of securities.
 - Transmission request
 - Record date / Book closure.
 - Maintenance of website
- within 7 days of agreement with RTA.
 - one day prior to listing of sec.
 - within 10 days of any capital restructuring. (exceeding 2% of C&P PUSC)
 - within 24 hrs from the occurrence of the event.
 - Prior approval before filing with court or tribunal.
 - within 30 days from the date of lodgement.
 - within 2 days of getting information
 - within 15 days from the date of such receipt of req. for transfer
 - within 7, after receipt of specified documents.
 - Right issue - 3 WD in advance (ex. date of intimationRd)
 - other - 7 WD in advance (excl. date of intimRd and record date)
 - within 2 WD from the date of change in content

⇒ compliance under SEBI (LODR) Regulations for the Listed entity which has Listed its Non-convertible Securities.

Title	Intimation to SE	Time Limit
<p>→ <u>Intimation to SE.</u> <u>Reg. 50(1)</u></p>	<p>→ LE shall give prior intimation to SE about BM in which following Proposa is to be considered.</p> <ul style="list-style-type: none"> → <u>alteration in the form or nature of Non-convt. Sec.</u> → <u>alteration in the date of the int / dividend / redempn</u> <u>Payment of non-convt. Sec.</u> → <u>Financial results</u> → Fund raised by way of issuance of <u>non convt. Sec.</u> → any matter affecting the rights or int of holders. 	<p>at least 2 WD in advance excluding the date of the intimation & date of the meeting of BoD</p>
<p>→ <u>Intimation to SE</u> <u>Reg. 50(2)</u></p>	<p>→ Any AGM or extraordinary AGM is Proposed to be held for obtaining sh.hol. approval for the Proposa in relation to F.R</p> <p>any meeting of the holders</p> <ul style="list-style-type: none"> → of non-convertible sec. in relation to any matter affecting the rights / int. of holders of Non-con. sec 	<p>Not later than the date of commencement of dispatch of Notice.</p>
<p>→ <u>Quarterly Financial results.</u> <u>Reg. 52(1)</u></p>	<p>→ LE shall prepare & submit unaudited or audited quarterly and year to date FR. on quarterly basis.</p>	<p>within 45 days from the end of quarter. other than last quarter</p>
<p>→ <u>copy of FR to deb. trustee 52(1)</u></p>	<p>→ LE which have listed their debt securities → copy of FR submitted to SE shall be provided to deb. trustee.</p>	<p>on the same day on which info is submitted to SE</p>
<p>→ <u>Annual FR.</u> <u>Reg. 52(2)</u></p>	<p>→ LE shall prepare and submit annual audited Standalone consolidated F.R.</p>	<p>within 60 days from the end of F.Y.</p>

→ <u>Disclosure of sec. cover. Reg 54(2)</u>	→ LE shall disclose to the SE the extent and nature of security and nature of sec. created & maintained.	quarterly, half yearly, year to date.
→ <u>credit rating</u>	→ each rating shall be reviewed by a credit rating agency reg. by SEBI.	at least once a year.
→ <u>certificate.</u>	→ LE shall submit a certificate to the SE regarding status of payment.	within 1 wd of the int or divid or principal becoming due