



**SEBI (Listing Obligations &
Disclosure Requirements)
Regulations, 2015**

- SEBI notified SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Sep 02, 2015 became effective from Dec 1, 2015.
- The Regulation have been structured by consolidating into one single document across various types of securities listed on SE.
 - Equity Share listed on Main Board
 - SME Companies listed on SME & SME –ITP Trading Platform
 - NCDs, NCRPS, Indian Depository Receipts, Securitized Debt Instruments and units issued by Mutual Fund Schemes
- Regulations Contains 11 Chapters and 10 Schedules.
- Chapters on Principles(Disclosures and C.G), General Obligations, Exchange Responsibility.
- Shortened version of Listing Agreement required to be executed within 6 months from notification.

STATUTORY BASIS

➤ With the LODR Regulations, the listing agreement gets its own statutory backing -

Prior to this, the LA was merely an agreement between the exchange and the company.

Reference to listing conditions was there in sec 23E of the SCRA.

➤ The present regulations are made in pursuance of statutory powers under SEBI Act and SCRA -

Sec 11A (2) provides SEBI power to prescribe conditions of listing

Hence, provisions of sec 15HB of SEBI Act are applicable

Principles to be followed by listed entity having its specified securities listed

- Reg 4 (2) pertains to specified securities only
- Compliance with corporate governance provisions to achieve the principles of –
 - Rights of shareholders
 - Timely information
 - Equitable treatment of shareholders
 - Role of stakeholders in corporate governance
 - Disclosure and transparency
 - Responsibilities of the board of directors

OLD LISTING AGREEMENT	NEW LISTING REGULATION	CHANGES
<p>3(c) Transfer or transmission of securities and issue certificates within 15 days from the date of such receipt of request for transfer.</p>	<p>40(3) Transfer of securities and issue certificates within 15 days from the date of such receipt of request for transfer. <i>Provided that the listed entity shall ensure that transmission requests are processed for securities held in dematerialized mode and physical mode within 7 days and 21 one days respectively, after receipt of the specified documents.</i></p>	<p>Completion of transmission process has been clearly spelt out w.r.t physical as well as securities held in demat mode.</p>

20(a)&(c)

Intimate to the SE within *15 minutes of the closure of the BM*: (a) all dividends and/or cash bonuses recommended or declared or the decision to pass any dividend or interest payment and date on which dividend shall be paid/dispatched;
(c) The decision on Buyback of Securities.

Schedule III, Part A, Para A (4)(a)&(c)

Disclose to the SE, *within 30 minutes of the closure of the BM*:
(a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
(c) the decision on buyback of securities.

Timeline increased to 30 minutes from existing 15 minutes for disclosing the decision taken at B.M.

22(a)to(c)

Intimate to the SE within 15 minutes of the closure of the BM: (a) short particulars of any increase of capital whether by issue of bonus shares through capitalization, or by way of right shares to be offered to the shareholders or debenture holders, or in any other way; (b) short particulars of the reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to; (c) short particulars of any other alterations of capital, including calls.

Schedule III, Part A, Para A (4)(e)to(g)

Disclose to the SE, within 30 minutes of the closure of the BM:

- (e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/ dispatched;
- (f) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
- (g) short particulars of any other alterations of capital, including calls.

Disclosure to be given within 30 minutes of the BM.

<p>30</p> <p>Promptly notify the SE</p> <p>(a) of any change in the Company's directorate by death, resignation, removal or otherwise;</p> <p>(b) of any change of Managing Director, Managing Agents or Secretaries and Treasurers;</p> <p>(c) of any change of Auditors appointed to audit the books and accounts of the Company.</p>	<p>Schedule III, Part A, Para A (7)</p> <p>Disclose to the SE change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer within 24 hours.</p>	<p>Time limit of 24 hrs to inform S.E on any change in KMPs, Auditors & Compliance Officer.</p>
<p>31(a)</p> <p>Forward to the SE promptly and without application six copies of the Statutory and Directors' Annual Reports along with Form A or Form B, as applicable, Balance Sheets and Profit and Loss Accounts and of all periodical and special reports as soon as they are issued and one copy each to all the recognised stock exchanges in India.</p>	<p>34(1)</p> <p>Submit the annual report to the SE <i>within 21 working days</i> of it being approved and adopted in the AGM as per the provisions of the Companies Act, 2013.</p>	<p>* Prior dispatch of 6 copies of Annual Report of AGM done away with, now 6 copies needs to be sent only after approval and adoption in AGM i.e within 21 days of conclusion of AGM.</p>

<p>31(d) Forward to the SE promptly and without application copy of the proceedings at all Annual and Extraordinary General Meetings of the Company.</p>	<p>Schedule III, Part A, Para A (13) Disclose to the SE Proceedings of Annual and extraordinary general meetings within 24 hours.</p>	<p>Proceedings of AGM & EGM to be informed to SE within 24hours of conclusion.</p>
<p>41(I)(f) The financial results shall be submitted to the SE within 15 minutes of conclusion of the meeting of the Board in which they were approved.</p>	<p>Schedule III, Part A, Para A (4)(h) Disclose to the SE, within 30 minutes of the closure of BM, held to consider the financial results.</p>	<p>Disclosure to be given within 30 minutes of the BM. As against 15 minutes prevalent in erstwhile AGM.</p>

<p>41(III)(a) Give prior intimation to SE of the date and purpose of meetings of the Board or Committee in which the financial results will be considered at least 7 clear calendar days prior to the meeting (excluding the date of the intimation and date of the meeting).</p>	<p>29(1)(a) & proviso to 29(2) Give prior intimation to SE about the BM in which financial results viz. quarterly, half yearly, or annual, as the case may be, is due to be considered at <i>least 5 days in advance</i> (excluding the date of the intimation and date of the meeting).</p>	<p>5 days notice is required instead of 7 days.</p>
<p>41(III)(b) Publish notice in newspaper simultaneoously with the submission of the same to the SE.</p>	<p>47(1)(a) Publish notice in newspaper simultaneoously with the submission of the same to the SE.</p>	<p>Means atleast 5 days before the board meeting instead of 7 days.</p>

47(c)

Ensure that the RTA and/or the In-house Share Transfer facility, as the case may be, produces a certificate from a PCS within 1 month of the end of each half of the financial year, certifying that all certificates have been issued within 15 days of the date of lodgment for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies and a copy of the same shall be made available to the SE within 24 hours of the receipt of the certificate by the Company.

40(9)&(10)

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 1 month of the end of each half of the financial year, certifying that all certificates have been issued *within 30 days of the date of lodgement* for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies and ensure that *certificate be filed with the SE simultaneously*.

*** Time limit for submission of the certificate increased from 15 to 30 days Earlier certificate was to be filed within 24 hours of its receipt, now it is to be filed immediately .**

49(IX)

The CEO or the MD or manager or in their absence, a WTD appointed in terms of Companies Act, 2013 and the CFO shall provide the compliance certificate to the BoDs.

17(8)

The CEO and the CFO shall provide the compliance certificate to the BoDs.

“MD or manager or in their absence, a WTD” has been deleted.

Important New Features of the Regulation

REGULATION	PARTICULARS
6	Company require to appoint Qualified CS as company secretary, responsible for ensuring compliance with applicable laws, monitoring grievance redressal. (Obligation has been defined)
7	Submit a compliance certificate to the exchange, duly signed by both the compliance officer of the listed entity and the authorised representative of the share transfer agent, wherever applicable, within one month of end of each half of the financial year, certifying compliance with the requirements of sub- regulation (2).
9	<p>Have a policy for preservation of documents, approved by its board of directors, classifying them in at least two categories as follows-</p> <ul style="list-style-type: none"> a) documents whose preservation shall be permanent in nature; b) documents with preservation period of not less than eight years after completion of the relevant transactions: <p>Provided that the listed entity may keep documents specified in clauses (a) and (b) in electronic mode</p>
10	Company shall make the fillings on electronic platform as specified by SE & sufficient infrastructure has to be in place for the same.
13	Mandatory SCORES registration and quarterly submission of Investor complaint status report within 21 days of end of quarter to SE, said statement to be placed before BOD . File with the SE on a quarterly basis, within 21 days from the end of each quarter, a statement giving the number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed of during the quarter and those remaining unresolved at the end of the quarter.

12	<p>Use any of the electronic mode of payment facility approved by the Reserve Bank of India, in the manner specified in Schedule I, for the payment of the following:</p> <p>(a) dividends;</p> <p>(b) interest;</p> <p>(c) redemption or repayment amounts:</p> <p>Provided that where it is not possible to use electronic mode of payment, 'payable-at-par' warrants or cheques may be issued:</p> <p>Provided further that where the amount payable as dividend exceeds one thousand and five hundred rupees, the 'payable-at-par' warrants or cheques shall be sent by speed post.</p>
16	<p>Material Subsidiary definition includes all subsidiary which are material (done away with the concept of material unlisted Indian subsidiary)</p>
28	<p>In-principle Approval not required for allotment of shares pursuant to scheme where company has obtained NOC from the Exchange for scheme of arrangement.</p>
35	<p>Submit to the SE an Annual Information Memorandum in the manner specified by the Board from time to time.</p>
42	<p>Annual Book closure requirement is done away with. Company has to fix the RD (BC is optional). 5 working days gap between BM and RD.</p>
45	<p>Name Change:</p> <ul style="list-style-type: none"> ➤Mandatory name change (within 6 months) is case company change its activities which is not reflected in its name. ➤Prior approval of SE is mandatory before making application to ROC.

46(2)

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;
- (i) details of familiarization programmes imparted to independent directors including the following details:-
 - (i) number of programmes attended by independent directors (during the year and on a cumulative basis till date),
 - (ii) number of hours spent by independent directors in such programmes (during the year and on cumulative basis till date), and
 - (iii) other relevant details
- (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;
- (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;

	<p>(m) shareholding pattern;</p> <p>(n) details of agreements entered into with the media companies and/or their associates, etc;</p> <p>(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> <p>(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;</p> <p>(q) items in sub-regulation (1) of regulation 47, viz.,</p> <p>(i) notice of BM where financial results shall be discussed;</p> <p>(ii) financial results;</p> <p>(iii) statements of deviation(s) or variation(s);</p> <p>(iv) notices given to shareholders by advertisement.</p>
46(3)(b)	Update any change in the content of its website within two working days from the date of such change in content.

❖ Any copies which are sent to Stock Exchange should displayed on Website

POLICY FORMULATION

As per listing obligation and Disclosure Requirements following policy needs to be formulated and disclosed on its website, by an listed entity.

- Preservation of Documents- Regulation 9.
- Policy on criteria on determining material events – Regulation 30(4).
- Archive policy (Disclosure of events of information) - Regulation 30(8).
- Risk Management Policy.

BUSINESS RESPONSIBILITY INFORMATION

- Adoption of responsible business practices in the interest of the social set –up and the environment are as vital as their financial and operational performance.
- Ministry of Corporate Affairs, Government of India, in July 2011, came out with the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business'.
- As per clause (f) of sub regulation (2) of regulation 34 of Listing Regulations, the annual report shall contain a business responsibility report describing the initiatives taken by the listed entity from an environmental, social and governance perspective.

ANNEXURE I

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company
- Name of the Company
- Registered Address
- Website
- E-mail Id
- Financial Year reported
- Sector(s) that the Company is engaged in (industrial activity code-wise)
- List three key products/services that the Company manufactures/provides (as in balance sheet)

- Total number of locations where business activity is undertaken by the Company
 - (a) Number of International Locations (Provide details of major 5)
 - (b) Number of National Locations
- Markets served by the Company Local/State/National/International

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital (INR)
- Total Turnover (INR)
- Total profit after taxes (INR)
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies.
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company.
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. DIN Number

2. Name

3. Designation

(b) Details of the BR head

No.	Particulars	Details
1.	DIN Number (if applicable)	
2.	Name	
3.	Designation	
4.	Telephone number	
5.	e-mail id	

BUSINESS RESPONSIBILITY INFORMATION

A. DETAILS OF COMPLIANCE

SR. NO.	QUESTIONS
1.	Has the policy being formulated in consultation with the relevant stakeholders?
2.	Does the policy conform to any national / international standards? If yes, specify? (50 words)
3.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?
4.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?
5.	Indicate the link for the policy to be viewed online?
6.	Has the policy been formally communicated to all relevant internal and external stakeholders?
7.	Does the company have in-house structure to implement the policy/ policies.

COMMON
QUESTION
STRUCTURE
FOR ALL
NINE
PRINCIPLES

8.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?
9.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?

COMMON QUESTION STRUCTURE FOR ALL 9 PRINCIPLES

B. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

1.	The company has not understood the Principles
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles
3.	The company does not have financial or manpower resources available for the task
4.	It is planned to be done within next 6 months
5.	It is planned to be done within the next 1 year
6.	Any other reason (please specify)

COMMON QUESTION STRUCTURE FOR ALL NINE PRINCIPLES

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 : ETHICS, TRANSPARENCY & ACCOUNTABILITY.

1. Policy relating to

- ethics
- bribery
- corruption

2. Number of stakeholder complaints received & Satisfaction of the complaints.

Principle 2 :

GOODS & SERVICES WHICH ARE SAFE & SUSTAINABLE.

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
- Details in respect of resource use (energy, water, raw material etc.) per unit of product.
- Procedures in place for sustainable sourcing.
- any steps to procure goods and services from local & small producers, including communities surrounding their place of work.
- A mechanism to recycle products and waste.

Principle 3: PROMOTE THE WELLBEING OF ALL EMPLOYEES.

- Total number of employees.
- Total number of employees hired on
 - Temporary
 - Contractual
 - Casual
- Number of permanent women employees.
- Number of permanent employees with disabilities
- Do you have an employee association that is recognized by management.
- Percentage of your permanent employees is members of this recognized employee association
- Number of complaints relating to
 - child labour
 - forced labour
 - involuntary labour
 - sexual harassment

➤ Percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a) Permanent Employees

(b) Permanent Women Employees

(c) Casual/Temporary/Contractual Employees

(d) Employees with Disabilities

Principle 4:

RESPECT THE INTEREST & BE RESPONSIVE TOWARDS ALL STAKEHOLDERS.

➤ Has the company mapped its internal and external stakeholders

➤ Has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Principle 5:

RESPECT & PROMOTE HUMAN RIGHTS.

- Policy of the company on human rights

Principle 6:

RESPECT, PROTECT & MAKE EFFORTS TO RESTORE THE ENVIRONMENT.

Does the company have strategies relating to :

- Global environmental issues
- Potential environmental risks
- Project related to Clean Development Mechanism
- Clean technology
- Energy efficiency
- Emissions generated
- Number of show cause notices

Principle 7:

INFLUENCING PUBLIC & REGULATORY POLICY IN RESPONSIBLE MANNER.

- Is your company a member of any trade and chamber or association .
- Have you advocated/lobbied through above associations for the advancement or improvement of public good.

Principle 8:

SUPPORT INCLUSIVE GRPWITH & EQUITABLE DEVELOPMENT.

- Programmes through in-house team/NGO.
- Impact assessment
- Company's direct contribution to community development projects

Principle 9:

PROVIDE VALUE TO THEIR CUSTOMERS IN A RESPONSIBLE MANNER.

- Percentage of customer complaints/consumer cases are pending.
- Display product information on the product label.
- Case filed against the company regarding unfair trade practices, irresponsible advertising, etc.
- Carry out any consumer survey/ consumer satisfaction trends.

❖ **THE QUESTIONS STATED ABOVE ARE THE MINIMUM DISCLOSURE UNDER EACH PRICIPLES WHICH THE COMPANY SHOULD COMPLY.**

Implication of LA turning into LR

- Listing Agreement is like terms of listing
- Non-compliance attract only penalty as per SOP circular dated September 30, 2013 and exchange bye-laws.
- Listing Regulation is a subordinated legislation and therefore has statutory force. SEBI may exercise its power given in SEBI Act, 1992 such as:
 - Sec. 11 B – Power to issue directions.
 - Sec. 11 C – Power to Investigation.
 - Sec. 11D – Power to cease and desist proceedings.
 - Sec. 15A - Penalty for failure to furnish information, return, etc.
 - Sec. 15C - Penalty for failure to redress investors' grievances
 - Sec. 15 HB - Penalty for contravention where no separate penalty has been provided. Sec.
 - 15I - Power to adjudicate.

- Effectively, even not resolving investor complaint can attract adjudication and penalty as stated above.
- Electronic filing to Stock Exchange is now mandatory and a statutory requirement.

Thanks

*Ragini Chokshi &
Associates,
Company
Secretaries.*