

**A MINI BOOKLET
ON
LISTING OBLIGATIONS
AND
DISCLOSURE REQUIREMENTS**

KSR & CO COMPANY SECRETARIES LLP

PRACTISING COMPANY SECRETARIES & TRADE MARK AGENTS

"Assuring Compliances & Solutions – beyond challenge"



Central Office: Coimbatore

Indus Chambers, Ground Floor,
101, Govt. Arts College Road,
Coimbatore – 641 018.
Ph. No. 91.422.2302867, 2302868 & 2305676
Website: www.ksrandco.in
Email: info@ksrandco.in

Branch Office: Chennai

Flat No.1,Ground Floor, Baba Foundation Building,
102, South West Boag Road,
T.Nagar, Chennai – 600017
Ph. No. 91.44.24337620

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LEGENDS

- BSE - Bombay Stock Exchange
- FPO - Follow-on Public Offerings
- ICDR - Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
- IPO - Initial Public Offerings
- ITP - Institutional Trading Platform
- KMP - Key Management Personnel
- LODR - SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- NSE - National Stock Exchange
- SCRA - Securities Contracts and Regulation Act, 1956
- SCRR - Securities contracts Regulations (Rules, 1957
- SEBI - Securities and Exchange Board of India

Introduction

The SEBI issued LODR by a Notification dated 02nd September 2015. As per the Notification, these regulations will come into force from the 90th day from the date of their publication in the official gazette. Thus, it is clear that, effective from 01st December, we are going to have the entire Listing Regulations. However, from 02nd September 2015 itself the regulations 23(4) and 31A will come into force. Therefore, we thought it fit to bring out this mini guide on these new regulations so that it will be useful for ensuring compliances and continue to have the benefit of the Listing of Securities.

Listing and Listing Objectives

Listing

“Listing means admission of securities to dealings on a recognised stock exchange. The securities may be of any public limited company, Central or State Government, quasi governmental and other financial institutions/corporations, municipalities, etc.”

Source: BSE Website

Objectives of Listing

- provide liquidity to securities;
- mobilize savings for economic development;
- protect interest of investors by ensuring full disclosures.

Source: BSE Website

Eligibility Norms for Listing in BSE

The following eligibility criteria have been prescribed for listing of companies on BSE, through IPOs & FPOs:

Minimum Listing Requirements for New Companies

- The minimum post-issue paid-up capital of the applicant company (hereinafter referred to as "the Company") shall be Rs.10 Crores for IPOs & Rs.3 Crore for FPOs; and
- The minimum issue size shall be Rs. 10 Crores; and
- The minimum market capitalization of the Company shall be Rs. 25 Crores (market capitalization shall be calculated by multiplying the post-issue paid-up number of equity shares with the issue price).

Source: BSE Website

Qualifications for listing IPOs are as below:

The paid up equity capital of the applicant shall not be less than ₹10 Crores* and the capitalisation of the applicant's equity shall not be less than ₹25 Crores**

* Explanation 1

For this purpose, the post issue paid up equity capital for which listing is sought shall be taken into account.

** Explanation 2

For this purpose, capitalisation will be the product of the issue price and the post issue number of equity shares. In respect of the requirement of paid-up capital and market capitalisation, the issuers shall be required to include, in the disclaimer clause of the Exchange required to put in the offer document, that in the event of the market

capitalisation (Product of issue price and the post issue number of shares) requirement of the Exchange not being met, the securities would not be listed on the Exchange.

Please note that there are other “Conditions Precedent to Listing” too which have to be met.

Source: NSE WEBSITE

Stock Exchanges

As per Section 2(j) of SCRA “stock exchange” means (a) any body of individuals, whether incorporated or not, constituted before corporatisation and demutualisation under sections 4A and 4B, or (b) a body corporate incorporated under the Companies Act, 1956 (1 of 1956) whether under a scheme of corporatisation and demutualisation or otherwise, for the purpose of assisting, regulating or controlling the business of buying, selling or dealing in securities.

Regulation 2(zk) of LODR states as "stock exchange" means a recognised stock exchange as defined under clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956.

Section 2(f) of SCRA states as “recognised stock exchange” means a stock exchange which is for the time being recognised by the Central Government under Section 4.

Grant of recognition to stock exchanges - Central Government has powers to grant recognition to stock exchanges (Section 4 of the SCRA). However as per SCRR, application for recognition of a stock exchange must be made to SEBI.

At present, BSE and NSE are the two stock exchanges which have country-wide operations.

Main Board and SME Board

“Main Board” means a recognized stock exchange having nationwide trading terminals, other than SME Exchange. [Clause (a) of sub-regulation (1) of Regulation 106N of ICDR]

SME Exchange means a trading platform of a recognised stock exchange having nationwide trading terminals permitted by SEBI to list the specified securities issued in accordance with Chapter XB of ICDR and includes a stock exchange granted recognition for this purpose but does not include Main Board. [Clause (c) of sub-regulation (1) of Regulation 106N of ICDR]

Securities which can be listed

Specified Securities and Designated Securities could be listed.

“Specified Securities” means ‘equity shares’ and ‘convertible securities’ as defined under clause (zj) of sub-regulation (1) of Regulation 2 of ICDR. [Section 2(zl) of LODR]

Shares are of two kinds. Equity Shares with voting rights and with differential voting rights and preference shares. Preference shares –

[Section 43 of Companies Act, 2013] The share capital of a company limited by shares shall be of two kinds, namely:—

- a. equity share capital –
 - i. with voting rights; or
 - ii. with differential rights as to dividend, voting or otherwise in accordance with such rules as may be prescribed; and
- b. preference share capital:

Provided that nothing contained in this Act shall affect the rights of the preference shareholders who are entitled to participate in the proceeds of winding up before the commencement of this Act.

Explanation. - For the purposes of this section, -

- i. “equity share capital”, with reference to any company limited by shares, means all share capital which is not preference share capital;
- ii. “preference share capital”, with reference to any company limited by shares means that part of the issued share capital of the company which carries or would carry a preferential right with respect to—
 - a. payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and
 - b. repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the company;

Regulation 2(h) of LODR states as “Designated Securities” means specified securities, non-convertible debt securities, non-convertible redeemable preference shares,

perpetual debt instrument, perpetual non-cumulative preference shares, Indian depository receipts, securitized debt instruments, units issued by mutual funds and any other securities as may be specified by the Board.

Regulation 2(t) of LODR states as 'non-convertible debt securities' which is 'debt securities' as defined under regulation 2(1)(e) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

Regulation 2(u) of LODR states as 'non-convertible redeemable preference shares', 'perpetual debt instrument'/'innovative perpetual debt instrument' and 'perpetual non-cumulative preference share' shall have the same meaning as assigned to them in the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013;

Public and Public Shareholding

Regulation 2(x) of LODR states as "public" means public as defined under clause (d) of Rule 2 of the SCRR; SCRR says "public" means persons other than (i) the promoter and promoter group; and (ii) subsidiaries and associates of the company.

Regulation 2(y) of LODR states as "public shareholding" means public shareholding as defined under clause (e) of Rule 2 of the SCRR.

SCRR says "public shareholding" means equity shares of the company held by public and shall exclude shares which are held by custodian against depository receipts issued overseas.

Regulation 2(zg) of LODR states as 'securitised debt instruments' as defined in the Securities and Exchange Board of India (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008;

Minimum Public shareholding

Regulation 38 of LODR states that, the listed entity shall comply with the minimum public shareholding requirements specified in Rule 19(2) and Rule 19A of the SCRR in the manner as specified by the Board from time to time. A proviso under this Regulation states that that the provisions of this regulation shall not apply to entities listed on ITP without making a public issue.

Regulation 19(2)(b)(c) of SCRR states that at least 25% of each class or kind of equity shares or debentures convertible into equity shares issued by the company was offered and allotted to public in terms of an offer document; or (ii) At least 10% of each class or kind of equity shares or debentures convertible into equity shares issued by the company was offered and allotted to public in terms of an offer document if the post issue capital of the company calculated at offer price is more than Rs.4,000 Crores:

Provided that the requirement of post issue capital being more than Rs.4,000 Crores shall not apply to a company whose draft offer document is pending with SEBI on or before the commencement of the Securities Contracts (Regulation) (Amendment) Rules, 2010, if it satisfies the conditions prescribed in clause (b) of sub-rule 2 of Rule 19 of the SCRR as existed prior to the date of such commencement:

Provided further that the company, referred to in sub clause (ii), shall increase its public shareholding to at least 25% within a period of 3 years from the date of listing of the securities, in the manner specified by SEBI.

Regulation 19(2)(b)(c) of SCRR states that Notwithstanding anything contained in clause (b), a public sector company, shall offer and allot at least 10% of each class or kind of equity shares or debentures convertible into equity shares to public in terms of an offer document.

Institutional Trading Platform (SME)

The Union Finance Minister, while presenting the 2015 budget, stated that it is high time for India to introduce an institutional platform to enable listing of small and medium enterprises without the need for making a public issue. Accordingly, SEBI vide its Notification dated 14th August, 2015 amended the ICDR by introducing Chapter XC paving way for listing on ITP.

One of the advantages of ITP is that a company wanting to get listed in this platform has an option but not an obligation to make public issue. Even if the company chooses to make public issue, host of regulations, that would apply to a regular public issue, such as issue opening / closing, underwriting, pricing, minimum public shareholding, book building, restrictions in allocating not more than 25% of the issue proceeds for general corporate purposes, etc, would not apply. Lock-in period for promoters holding has been reduced to six months as against 3 years in main board listing. Though the platform is termed as ITP, non-institutional investors can also invest in companies listed or to be listed on ITP.

Regulation 106Y of ICDR states that:

1. The following entities shall be eligible for listing on the institutional trading platform,-
 - a. an entity which is intensive in the use of technology, information technology, intellectual property, data analytics, bio-technology or nano-technology to provide products, services or business platforms with substantial value addition and at least twenty five per cent of its pre-issue capital is held by qualified institutional buyer(s) as on the date of filing of draft information document or draft offer document with the Board, as the case may be; or
 - b. any other entity in which at least fifty per cent of the pre-issue capital is held by qualified institutional buyers as on the date of filing of draft information document or draft offer document with the Board, as the case may be.
2. No person, individually or collectively with persons acting in concert, shall hold twenty five per cent or more of the post-issue share capital in an entity specified in sub-regulation (1).

Note: there is amendment to Regulation 106Y of ICDR through LODR

Listing Agreement

Section 21 of SCRA requires a listed entity to enter into a Listing Agreement with the recognised stock exchanges where the securities are proposed to be listed. The obligations and disclosure requirements contained in the Listing Agreement have now been moved by SEBI to a regulatory framework for effective compliances and for monitoring of defaults and taking action against persons responsible for defaults.

However the requirement of signing a Listing Agreement has not been totally dispensed with.

Regulation 109 of LODR requires every issuer or the issuing company desirous of listing its securities on a recognised stock exchange to execute a listing agreement with such stock exchange. In the case of existing listed companies, who have already entered into agreement(s) with a recognised stock exchange to list its securities shall execute a fresh listing agreement with such stock exchange within six months of the date of notification of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Note: ICDR says the same thing that SCRA says. ICDR is completely in the control of SEBI; but SCRA is not.

Format of New Listing Agreement prescribed by SEBI – Please see in the **Annexure**.

Applicability of LODR

Regulation 3 of LODR states that unless otherwise provided, these Regulations shall apply to the listed entity who has listed any of the following designated securities on recognised stock exchange(s):

- a. specified securities listed on main board or SME Exchange or institutional trading platform;
- b. non-convertible debt securities, non-convertible redeemable preference shares, perpetual debt instrument, perpetual non-cumulative preference shares;
- c. Indian depository receipts;
- d. securitised debt instruments;
- e. units issued by mutual funds;
- f. any other securities as may be specified by SEBI.

Application for Listing

Regulation 108 of LODR states that every issuer or the issuing company, as the case may be, shall complete the pre-listing formalities within the time lines specified by the Board from time to time. The issuer or the issuing company, as the case may be, shall, make an application for listing, within twenty days from the date of allotment, to one or more recognized stock exchange(s) along with the documents specified by stock exchange(s) from time to time.

Please note that in case of delay in making application for listing beyond twenty days from the date of allotment, the issuer or the issuing company, as the case may be, shall pay penal interest to allottees for each day of delay at the rate of atleast 10% per annum from the expiry of 30 days from date of allotment till the listing of such securities to the allottees.

In the event of non-receipt of listing permission from the stock exchange(s) by the issuer or the issuing company, as the case may be, or withdrawal of Observation Letter issued by the Board, wherever applicable, the securities shall not be eligible for listing and the issuer or the issuing company, as the case may be, shall be liable to refund the subscription monies, if any, to the respective allottees immediately alongwith interest at the rate of 10% per annum from the date of allotment.

For this purpose, Regulation 110 of LODR requires stock exchange(s) to grant in-principle approval/list the securities or reject the application for in-principle approval /listing by the issuer or issuing company, as the case maybe, within 30 days from the later of the following dates:

- a. the date of receipt of application for in-principle approval/listing from issuer or the issuing company, as the case may be,;
- b. the date of receipt of satisfactory reply from the issuer or the issuing company, as the case may be, in cases where the stock exchange(s) has sought any clarification from them."

LODR – Certain Thoughts and Comments

1. In a way LODR moves obligations under the Listing Agreement to a regulatory framework, No doubt this will improve compliances
2. LODR is not purely a rule based prescriptive regulation. It gives weight to principles. It boldly declares if there is any ambiguity or incongruity between principles and relevant regulations, the principles will prevail.
3. LODR also operates as guidance to promoters, Board of Directors and Key management personnel.
4. LODR has made every person responsible in one way or another.
5. LODR requires the Board of Directors to act on a fully informed basis. LODR requires the Board of Directors to provide equal treatment to all shareholders including minority and foreign shareholder.
6. LODR captures requirements under captive captions organized in a convenient and coherent manner.
7. LODR encompasses listing obligations and disclosure requirements of all types of listed entities for all types listed securities.
8. LODR aligns with the Companies Act, 2013 in several respects.
9. However it is not without flip side too.
10. Companies Act, 2013 through Section 439(2) empowers any person authorized by SEBI to file criminal complaints against offences relating to issue and transfer of securities and non-payment of dividend.
11. However the LODR read in conjunction with SEBI Act and SCRA empowers SEBI to go beyond the same in several respects.
12. A careful and close scrutiny of LODR would show the Regulations seem to have one beyond the powers conferred upon SEBI under Section 31 of SEBI Act as well as Section 31 of SCRA.
13. In fact Section 31 of SCRA empowers SEBI to make regulations consistent with the provisions of SCRA. SCRA only speaks about Listing Agreement
14. Section 21 of SCRA as well as Regulation 109 of ICDR says that it is necessary to sign up with stock exchanges an agreement known as Listing Agreement. With the advent of LODR, SEBI has prescribed a new format for Listing Agreement. The new Listing Agreement requires listed entities to comply with LODR. It is unique to see an agreement imposing an obligation to comply with Regulations, as if Regulations cannot be enforced unilaterally.
15. Both SEBI Act and SCRA states that if both Houses of Parliament agree that the Regulations need not be made, the LODR will not be of any effect.
16. The new Listing Agreement says upon signing of the same, old one will cease to be any effect.
17. Thus there is a potential danger that if both the House of Parliament rejects the Regulations, there be neither the LODR not the existing Listing Agreement.
18. LODR empowers stock exchanges to impose fines, suspend trading, freeze assets for contravention of not only LODR but all “Securities Laws”. The expression

“Securities Laws” includes Companies Act, 2013 too. Therefore there is scope for double jeopardy.

19. LODR contains harsher regulations relating to Related Party Transactions including enlarged definitions for Related Party. Thus there is room for dilution and alignment with the Companies Act, 2013.
20. LODR requires a lot of policies to be framed and followed by a listed entity.
21. LODR comes down heavily on Qualified Audit Reports. Listed Companies have to move ahead and achieve NIL qualification by auditors.
22. Certain disclosures to stock exchanges must be made within 30 minutes of the conclusion of Board Meetings.
23. Certain disclosures have to be made to stock Exchanges within 24 hours of occurrence of event or information.
24. As a whole, LODR make available to stake holders “Loads of Information” and “Details” so as to make them “Responsible”.

Powers, Duties and Responsibilities of Board

Powers

The Board of Directors of a company shall be entitled to exercise all such powers, and to do all such acts and things, as the company is authorised to exercise and do. A proviso under this sub-section says that in exercising such power or doing such act or thing, the Board shall be subject to the provisions contained in that behalf in this Act, or in the memorandum or articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the company in general meeting. Another proviso says that the Board shall not exercise any power or do any act or thing which is directed or required, whether under this Act or by the memorandum or articles of the company or otherwise, to be exercised or done by the company in general meeting. [Section 179(1) of Companies Act, 2013]

No regulation made by the company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. [Section 179(2) of Companies Act, 2013]

Duties

1. Subject to the provisions of the Companies Act, a director of a company shall act in accordance with the articles of the company.
2. A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
3. A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
4. A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
5. A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
6. A director of a company shall not assign his office and any assignment so made shall be void.

[Section 166 of Companies Act, 2013]

Responsibilities

The board of directors of the listed entity shall, inter alia, have the following responsibilities:

- i. Disclosure of information:
 1. Members of board of directors and key managerial personnel shall disclose to the board of directors whether they, directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the listed entity.
 2. The board of directors and senior management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.
- ii. Key functions of the board of directors-
 1. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.
 2. Monitoring the effectiveness of the listed entity's governance practices and making changes as needed.
 3. Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.
 4. Aligning key managerial personnel and remuneration of board of directors with the longer term interests of the listed entity and its shareholders.
 5. Ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors.
 6. Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
 7. Ensuring the integrity of the listed entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

8. Overseeing the process of disclosure and communications.
 9. Monitoring and reviewing board of director's evaluation framework.
- iii. Other responsibilities:
1. The board of directors shall provide strategic guidance to the listed entity, ensure effective monitoring of the management and shall be accountable to the listed entity and the shareholders.
 2. The board of directors shall set a corporate culture and the values by which executives throughout a group shall behave.
 3. Members of the board of directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.
 4. The board of directors shall encourage continuing directors training to ensure that the members of board of directors are kept up to date.
 5. Where decisions of the board of directors may affect different shareholder groups differently, the board of directors shall treat all shareholders fairly.
 6. The board of directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
 7. The board of directors shall exercise objective independent judgement on corporate affairs.
 8. The board of directors shall consider assigning a sufficient number of non-executive members of the board of directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
 9. The board of directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the listed entity to excessive risk.
 10. The board of directors shall have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the listed entity's focus.

11. When committees of the board of directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the board of directors.
12. Members of the board of directors shall be able to commit themselves effectively to their responsibilities.
13. In order to fulfil their responsibilities, members of the board of directors shall have access to accurate, relevant and timely information.
14. The board of directors and senior management shall facilitate the independent directors to perform their role effectively as a member of the board of directors and also a member of a committee of board of directors.

[Regulation 4(2) of LODR]

Rights of Shareholders

The listed entity shall seek to protect and facilitate the exercise of the following rights of shareholders:

- i. right to participate in, and to be sufficiently informed of, decisions concerning fundamental corporate changes.
- ii. opportunity to participate effectively and vote in general shareholder meetings.
- iii. being informed of the rules, including voting procedures that govern general shareholder meetings.
- iv. opportunity to ask questions to the board of directors, to place items on the agenda of general meetings, and to propose resolutions, subject to reasonable limitations.
- v. Effective shareholder participation in key corporate governance decisions, such as the nomination and election of members of board of directors.
- vi. exercise of ownership rights by all shareholders, including institutional investors.
- vii. adequate mechanism to address the grievances of the shareholders.
- viii. protection of minority shareholders from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and effective means of redress.

[Regulation 4(2)(a) of LODR]

Responsibility of Compliance and Compliance Officer and his responsibilities

The listed entity shall ensure that key managerial personnel, directors, promoters or any other person dealing with the listed entity, complies with responsibilities or obligations, if any, assigned to them under these regulations. [Regulation 5 of LODR]

Compliance Officer and his Obligations.

1. A listed entity shall appoint a qualified company secretary as the compliance officer.
2. The compliance officer of the listed entity shall be responsible for-
 - a. ensuring conformity with the regulatory provisions applicable to the listed entity in letter and spirit.
 - b. co-ordination with and reporting to the Board, recognised stock exchange(s) and depositories with respect to compliance with rules, regulations and other directives of these authorities in manner as specified from time to time.
 - c. ensuring that the correct procedures have been followed that would result in the correctness, authenticity and comprehensiveness of the information, statements and reports filed by the listed entity under these regulations.
 - d. monitoring email address of grievance redressal division as designated by the listed entity for the purpose of registering complaints by investors:

[Regulation 6 of LODR]

Share Transfer Agent

1. The listed entity shall appoint a share transfer agent or manage the share transfer facility in-house:

Provided that, in the case of in-house share transfer facility, as and 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.

2. The listed entity shall ensure that all activities in relation to both physical and electronic share transfer facility are maintained either in house or by Registrar to an issue and share transfer agent registered with the Board.
3. The listed entity shall submit a compliance certificate to the exchange, duly signed by both the compliance officer of the listed entity and the authorized 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).
4. In case of any change or appointment of a new share transfer agent, the listed entity shall enter into a tripartite agreement between the existing share transfer agent, the new share transfer agent and the listed entity, in the manner as specified by the Board from time to time:

Provided that in case the existing share transfer facility is managed in-house, the agreement referred above shall be entered into between the listed entity and the new share transfer agent.

5. The listed entity shall intimate such appointment, referred to in sub-regulation (4), to the stock exchange(s) within seven days of entering into the agreement.
6. The agreement referred to in sub-regulation (4) shall be placed in the subsequent meeting of the board of directors:

Provided that the requirements of this regulation shall not be applicable to the units issued by mutual funds that are listed on recognised stock exchange(s).

[Regulation 7 of LODR]

Applicability of Corporate Governance Provisions

1. The provisions of this chapter shall apply to a listed entity which has listed its specified securities on any recognised stock exchange(s) either on the main board or on SME Exchange or on institutional trading platform:
2. 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 –
 - a. the listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crore, as on the last day of the previous financial year:

Provided that where the provisions of the regulations specified in this regulation becomes applicable to a listed entity at a later date, such listed entity shall comply with the requirements those regulations within six months from the date on which the provisions became applicable to the listed entity.
 - b. the listed entity which has listed its specified securities on the SME Exchange:

Provided that for other listed entities which are not companies, but body corporate or are subject to regulations under other statues, the provisions of corporate governance provisions as specified in regulation 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 apply to the extent that it does not violate their respective statutes and guidelines or directives issued by the relevant authorities.
3. Notwithstanding sub-regulation (2) above, the provisions of Companies Act, 2013 shall continue to apply, wherever applicable

[Regulation 15 of LODR]

Composition of Board of Directors

The composition of board of directors of the listed entity shall be as follows:

- a. board of directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty per cent. of the board of directors shall comprise of non-executive directors;
- b. 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 and 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:

Provided that where the 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.

Explanation.- For the purpose of this clause, the expression "related to any promoter" shall have the following meaning:

- i. if the promoter is a listed entity, its directors other than the independent directors, its employees or its nominees shall be deemed to be related to it;
- ii. if the promoter is an unlisted entity, its directors, its employees or its nominees shall be deemed to be related to it.

[Regulation 17(1) of LODR]

Responsibilities of Board of Directors and KMPs

The minimum information to be placed before the board of directors is specified in Part A of Schedule II. [Regulation 17(7) of LODR]

The chief executive officer and the chief financial officer shall provide the compliance certificate to the board of directors as specified in Part B of Schedule II. [Regulation 17(8) of LODR]

The listed entity shall lay down procedures to inform members of board of directors about risk assessment and minimization procedures. The board of directors shall be responsible for framing, implementing and monitoring the risk management plan for the listed entity. [Regulation 17(9)(a) of LODR]

Performance Evaluation

The performance evaluation of independent directors shall be done by the entire board of directors. A proviso under this regulation says that in above evaluation the directors who are subject to evaluation shall not participate. [Regulation (10) of LODR]

However Section 178(2) of Companies Act, 2013 states that the Nomination and Remuneration Committee shall carry out evaluation of every director's performance.

In Schedule IV to the Companies Act, 2013 containing the code of conduct for Independent Directors, Para VIII states as follows:

1. The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
2. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

Every listed company and every other public company having such paid-up share capital as may be prescribed, must publish a statement in its Board's Report indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors. [Section 134(3)(p) of Companies Act 2013]

Audit Committee

Every listed entity shall constitute a qualified and independent audit committee in accordance with the terms of reference, subject to the following:

- a. The audit committee shall have minimum three directors as members.
- b. Two-thirds 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.

An explanation under this regulation says that for the purpose of this regulation, “financially literate” shall mean the ability to read and understand basic financial statements i.e. balance sheet, profit and loss account, and statement of cash flows.

Another explanation under this regulation says that for the purpose of this regulation, a member shall be considered to have accounting or related financial management expertise if he or she possesses experience in finance or accounting, or requisite professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities.

- c. The chairperson of the audit committee shall be an independent director and he shall be present at Annual general meeting to answer shareholder queries.
- d. The Company Secretary shall act as the secretary to the audit committee.
- e. The audit committee at its discretion shall invite the finance director or head of the finance function, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committee.

A proviso under this regulation clarifies that occasionally the audit committee may meet without the presence of any executives of the listed entity.

[Regulation 18(1) of LODR]

Role of the Audit Committee and Review of Information by Audit Committee

- A. The role of the audit committee shall include the following:
1. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 2. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
 3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
 4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report;
 5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
 6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
 7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 8. approval or any subsequent modification of transactions of the listed entity with related parties;
 9. scrutiny of inter-corporate loans and investments;

10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

B. The audit committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses; and
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

[See Regulation 18(3)] read with Part C of Schedule II of LODR]

Nomination and Remuneration Committee and its Role

1. The board of directors shall constitute the nomination and remuneration committee as follows:
 - a. the committee shall comprise of at least three directors;
 - b. all directors of the committee shall be non-executive directors; and
 - c. at least fifty percent of the directors shall be independent directors.
2. The Chairperson of the nomination and remuneration committee shall be an independent director. A proviso under this regulation says that the chairperson of the listed entity, whether executive or non-executive, may be appointed as a member of the Nomination and Remuneration Committee and shall not chair such Committee.
3. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.
4. The role of the nomination and remuneration committee shall be as specified as in Part D of the Schedule II.

Role of Nomination and Remuneration Committee

A. Role of committee shall, inter-alia, include the following:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. devising a policy on diversity of board of directors;
4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
5. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

[See Regulation 19(4) and 20(4) read with Part D of Schedule II of LODR]

Stakeholders Relationship Committee

The listed entity shall constitute a Stakeholders Relationship Committee to specifically look into the mechanism of redressal of grievances of shareholders, debenture holders and other security holders.

The chairperson of this committee shall be a non-executive director.

The board of directors shall decide other members of this committee.

The role of the Stakeholders Relationship Committee shall be as specified as in Part D of the Schedule II.

Role of Stakeholders Relationship Committee

The Committee shall consider and resolve the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

[Regulation 20 read with Part D of the Schedule II of LODR]

Risk Management Committee

1. The board of directors shall constitute a Risk Management Committee.
2. The majority of members of Risk Management Committee shall consist of members of the board of directors.
3. 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.
4. The board of directors shall define the role and responsibility of the Risk Management Committee and may delegate monitoring and reviewing of the risk management plan to the committee and such other functions as it may deem fit.
5. The provisions of this regulation shall be applicable to top 100 listed entities, determined on the basis of market capitalisation, as at the end of the immediate previous financial year.

[Regulation 21 of LODR]

Vigil Mechanism

1. The listed entity shall formulate a vigil mechanism for directors and employees to report genuine concerns.
2. 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.

[Regulation 21 of LODR]

Related Party Transactions

Regulation 23 of LODR states that

1. The listed entity shall formulate a policy on materiality of related party transactions and on dealing with related party transactions:

Explanation.- 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.

2. All related party transactions shall require prior approval of the audit committee.

[Note: Section 177 of the Companies Act, 2013 requires Audit Committee to approve all RPTs and any modifications thereto uninfluenced by anything stated in Section 188 of the Companies Act, 2013. Under the Companies Act, 2013, nothing has been said about grant of omnibus approvals by Audit Committee]

3. Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the listed entity subject to the following conditions, namely-
 - a. the audit committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions of the listed entity and such approval shall be applicable in respect of transactions which are repetitive in nature;
 - b. the audit committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the listed entity;
 - c. the omnibus approval shall specify:
 - i. the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into,
 - ii. the indicative base price / current contracted price and the formula for variation in the price if any; and
 - iii. such other conditions as the audit committee may deem fit:

Provided that 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 rupees one crore per transaction.

- d. 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.
 - e. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year:
- 4. All material related party transactions shall require approval of the shareholders through resolution and the related parties shall abstain from voting on such resolutions whether the entity is a related party to the particular transaction or not. Clause 49 of the existing Listing Agreement that is getting phased out stated that the resolution should be a special resolution.
 - 5. For the purpose of this regulation, all entities falling under the definition of related parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

[Note: Under the Companies Act, 2013, this requirement is not there in this fashion. If an RPT is on arms length basis as well as in the ordinary course of business (both questions of facts), no approval is contemplated at any level under the Companies Act, 2013. However RPTs which do not meet either or both the above prescriptions exceeding a threshold prescribed under the Rules issued under Section 188 of the Companies Act, 2013 would require approval by shareholders. Only those related parties who are parties to the contract getting approval who also happen to be shareholders are disentitled to vote and the resolution required is only an ordinary resolution under the Companies Act, 2013]
 - 6. The provisions of this regulation shall be applicable to all prospective transactions.
 - 7. All existing material related party contracts or arrangements entered into prior to the date of notification of these regulations and which may continue beyond such date shall be placed for approval of the shareholders in the first General Meeting subsequent to notification of these regulations.

Disclosures in Annual Report on RPT

The annual report shall contain the following additional disclosures:

1. The listed entity shall make disclosures in compliance with the Accounting Standard on "Related Party Disclosures".
2. The disclosure requirements shall be as follows:

Sr. No.	In the accounts of	Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.
1.	Holding Company	<ul style="list-style-type: none"> • Loans and advances in the nature of loans to subsidiaries by name and amount. • Loans and advances in the nature of loans to associates by name and amount. • Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.
2	Subsidiary	Same disclosures as applicable to the parent company in the accounts of subsidiary company
3	Holding Company	Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.

For the purpose of above disclosures directors' interest shall have the same meaning as given in Section 184 of Companies Act, 2013.

Note: The above disclosures shall be applicable to all listed entities except for listed banks.

Subsidiaries, Material Subsidiaries and All

“Material Subsidiary” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. An explanation says that the listed entity shall formulate a policy for determining ‘material’ subsidiary. [Regulation 16(1)(c) of LODR]

1. 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.
2. The audit committee of the listed entity shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
3. 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.
4. The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary. An explanation under this regulation says that for the purpose of this regulation, the term “significant transaction or arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted material subsidiary for the immediately preceding accounting year.
5. 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 fifty percent 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.
6. Selling, disposing and leasing of assets amounting to more than twenty percent 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.
7. Where a listed entity has a listed subsidiary, which is itself a holding company, the provisions of this regulation shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

[Regulation 24 of LODR]

Disclosure of Events or Information

1. Every listed entity shall make disclosures of any events or information which, in the opinion of the board of directors of the listed company, is material.
2. Events specified in Para A of Part A of Schedule III are deemed to be material events and listed entity shall make disclosure of such events.
3. The listed entity shall make disclosure of events specified in Para B of Part A of Schedule III, based on application of the guidelines for materiality, as specified in sub-regulation (4).
4.
 - i. The listed entity shall consider the following criteria for determination of materiality of events/ information:
 - a. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
 - b. the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;
 - c. In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of listed entity, the event / information is considered material.
 - ii. The listed entity shall frame a policy for determination of materiality, based on criteria specified in this sub-regulation, duly approved by its board of directors, which shall be disclosed on its website.
5. The board of directors of the listed entity shall authorize one or more Key Managerial Personnel for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under this regulation and the contact details of such personnel shall be also disclosed to the stock exchange(s) and as well as on the listed entity's website.
6. The listed entity shall first disclose to stock exchange(s) of all events, as specified in Part A of Schedule III, or information as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information:

Provided that in case the disclosure is made after twenty four hours of occurrence of the event or information, the listed entity shall, along with such disclosures provide explanation for delay. A proviso under this regulation says that the disclosure with respect to events specified in sub-para 4 of Para A of

Part A of Schedule III shall be made within thirty minutes of the conclusion of the board meeting.

7. The listed entity shall, with respect to disclosures referred to in this regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
8. The listed entity shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under this regulation , and such disclosures shall be hosted on the website of the listed entity for a minimum period of five years and thereafter as per the archival policy of the listed entity, as disclosed on its website.
9. The listed entity shall disclose all events or information with respect to subsidiaries which are material for the listed entity.
10. The listed entity shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information. A proviso under this regulation says the stock exchange(s) shall disseminate information and clarification as soon as reasonably practicable.
11. The listed entity may on its own initiative also, confirm or deny any reported event or information to stock exchange(s).
12. In case where an event occurs or an information is available with the listed entity, which has not been indicated in Para A or B of Part A of Schedule III, but which may have material effect on it, the listed entity is required to make adequate disclosures in regard thereof.

[Regulation 30 of LODR]

Financial Results

1. While preparing financial results, the listed entity shall comply with the following:
 - a. The financial results shall be prepared on the basis of accrual accounting policy and shall be in accordance with uniform accounting practices adopted for all the periods.
 - b. The quarterly and year to date results shall be prepared in accordance with the recognition and measurement principles laid down in Accounting Standard 25 or Indian Accounting Standard 31 (AS 25/ Ind AS 34 – Interim Financial Reporting), as applicable, specified in Section 133 of the Companies Act, 2013 read with relevant rules framed thereunder or as specified by the Institute of Chartered Accountants of India, whichever is applicable.
 - c. The standalone financial results and consolidated financial results shall be prepared as per Generally Accepted Accounting Principles in India:

Provided that in addition to the above, the listed entity may also submit the financial results, as per the International Financial Reporting Standards notified by the International Accounting Standards Board.

- d. The listed entity shall ensure that the limited review or audit reports submitted to the stock exchange(s) on a quarterly or annual basis are to be given only by an auditor who has subjected himself to the peer review process of Institute of Chartered Accountants of India and holds a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.
 - e. The listed entity shall make the disclosures specified in Part A of Schedule IV.
2. The approval and authentication of the financial results shall be done by listed entity in the following manner:
 - a. The quarterly financial results submitted shall be approved by the board of directors:

Provided that while placing the financial results before the board of directors, the 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.

- b. The financial results submitted to the stock exchange shall be signed by the chairperson or managing director, or a whole time director or in the absence of all of them; it shall be signed by any other director of the listed entity who is duly authorized by the board of directors to sign the financial results.
 - c. The limited review report shall be placed before the board of directors, at its meeting which approves the financial results, before being submitted to the stock exchange(s).
 - d. The annual audited financial results shall be approved by the board of directors of the listed entity and shall be signed in the manner specified in clause (b) of sub-regulation (2).
3. The listed entity shall submit the financial results in the following manner:
- a. The listed entity shall submit quarterly and year-to-date standalone financial results to the stock exchange within forty-five days of end of each quarter, other than the last quarter.
 - b. In case the listed entity has subsidiaries, in addition to the requirement at clause (a) of sub-regulation (3), the listed entity may also submit quarterly/year-to-date consolidated financial results subject to following:
 - i. the listed entity shall intimate to the stock exchange, whether or not listed entity opts to additionally submit quarterly/year-to-date consolidated financial results in the first quarter of the financial year and this option shall not be changed during the financial year.

Provided that this option shall also be applicable to listed entity that is required to prepare consolidated financial results for the first time at the end of a financial year in respect of the quarter during the financial year in which the listed entity first acquires the subsidiary.

 - ii. in case the listed entity changes its option in any subsequent year, it shall furnish comparable figures for the previous year in accordance with the option exercised for the current financial year.
 - c. The quarterly and year-to-date financial results may be either audited or unaudited subject to the following:
 - i. In case the listed entity opts to submit unaudited financial results, they shall be subject to limited review by the statutory auditors of the listed entity and shall be accompanied by the limited review report.

Provided that in case of public sector undertakings this limited review may be undertaken by any practicing Chartered Accountant.

- ii. In case the listed entity opts to submit audited financial results, they shall be accompanied by the audit report.
- d. The listed entity shall submit audited standalone financial results for the financial year, within sixty days from the end of the financial year along with the audit report and either Form A (for audit report with unmodified opinion) or Form B (for audit report with modified opinion):

Provided that if the listed entity has subsidiaries, it shall, while submitting annual audited standalone financial results also submit annual audited consolidated financial results along with the audit report and either Form A (for audit report with unmodified opinion) or Form B (for audit report with modified opinion).

- e. The listed entity shall also submit the audited financial results in respect of the last quarter along-with the results for the entire financial year, with a note stating that the figures of last quarter are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter of the current financial year.

The listed entity shall also submit as part of its standalone or consolidated financial results for the half year, by way of a note, a statement of assets and liabilities as at the end of the half-year.

- f. The applicable formats of the financial results and Form A (for audit report with unmodified opinion) & Form B (for audit report with modified opinion) shall be in the manner as specified by the Board from time to time.
4. For the purpose of this regulation, any reference to “quarterly/quarter” in case of listed entity which has listed their specified securities on SME Exchange shall be respectively read as “half yearly/half year” and the requirement of submitting ‘year-to-date’ financial results shall not be applicable for a listed entity which has listed their specified securities on SME Exchange.
 5. The Form B and the accompanying annual audit report submitted in terms of clause (d) of sub-regulation (3) shall be reviewed by the stock exchange(s) and Qualified Audit Report Review Committee in manner as specified in Schedule VIII.
 6. The listed entity shall on the direction issued by the Board, carry out the necessary steps, for rectification of modified opinion and/or submission of revised pro-forma financial results, in the manner specified in Schedule VIII.

[Regulation 33 of LODR]

Review of Audited Results by Stock Exchanges

A. REVIEW BY STOCK EXCHANGE(S)

The stock exchange(s) shall adopt the following procedure for reviewing the Form B and accompanying annual audit reports submitted in terms of clause (d) of sub-regulation (3) of regulation 33 and clause (a) of sub-regulation (3) of 52:

1. Stock exchange(s) shall carry out preliminary scrutiny of reports accompanied by Form B including seeking necessary explanation from the listed entity concerned and consider the same based on materiality of the modified opinion(s).
2. The parameters for ascertaining the materiality of modified opinion(s) shall be the impact of these modified opinions on the profit and loss and financial position of the listed entity.
3. For the purpose of uniformity, stock exchange(s) shall consult one another for deciding the criteria for preliminary scrutiny.
4. Further, stock exchange(s) shall also consult one another for distributing the work in case shares of the listed entity concerned are listed on more than one stock exchange(s).
5. Upon examining the audit reports based on the above parameters, stock exchange(s) shall refer those cases, which, in their opinion, need further examination, to the Board.
6. Stock exchange(s) shall display the list of listed entities which have filed their audit reports along with Form B.

[See Regulations 33(6) and 33(7), 52(3)(b) and 52(3)(c) and 95 read with Schedule VIII]

Posting Information in the Website

1. The listed entity shall maintain a functional website containing the basic information about the listed entity.
2. 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;
 - 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;
 - m. shareholding pattern;
 - 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. items in sub-regulation (1) of regulation 47.
 - a. The listed entity shall ensure that the contents of the website are correct.
 - b. 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.

[Regulation 46 of LODR]

Information to be placed before board**PART A: MINIMUM INFORMATION TO BE PLACED BEFORE BOARD OF DIRECTORS**

- A. Annual operating plans and budgets and any updates.
- B. Capital budgets and any updates.
- C. Quarterly results for the listed entity and its operating divisions or business segments.
- D. Minutes of meetings of audit committee and other committees of the board of directors.
- E. The information on recruitment and remuneration of senior officers just below the level of board of directors, including appointment or removal of Chief Financial Officer and the Company Secretary.
- F. Show cause, demand, prosecution notices and penalty notices, which are materially important.
- G. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- H. Any material default in financial obligations to and by the listed entity, or substantial non-payment for goods sold by the listed entity.
- I. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the listed entity or taken an adverse view regarding another enterprise that may have negative implications on the listed entity.
- J. Details of any joint venture or collaboration agreement.
- K. Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- L. Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations front like signing of wage agreement, implementation of Voluntary Retirement Scheme etc.
- M. Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business.
- N. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
- O. Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.

[See Regulation 17(7) read with SCHEDULE II on CORPORATE GOVERNANCE]

Compliance Certificate

The following compliance certificate shall be furnished by chief executive officer and chief financial officer:

- A. They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
- B. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- C. these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- D. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct
- E. They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- F. They have indicated to the auditors and the Audit committee
- G. significant changes in internal control over financial reporting during the year;
- H. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- I. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

[See Regulation 17(8) read with PART B: COMPLIANCE CERTIFICATE]

Policies

Under LODR, a listed entity has frame several policies as follows:

- Accounting Policy
- Whistle Blower Policy
- Vigil Mechanism
- Code of Conduct for Board and Senior Management To Deal with RPTs
- Criteria for Determining Remuneration to Non Executive Directors
- Criteria for Determining Material Subsidiaries
- Criteria for Determining Materiality of RPTS
- Criteria for Determining Materiality of Events and Information
- Remuneration and Diversity of Board Composition
- Criteria for nominating candidates to Board and Senior Management Positions
- Criteria for Grant of Omnibus Approval by Audit Committee for RPT
- Criteria for Evaluation of Performance of Independent Directors
- Framework for Avoiding Insider Trading
- Policy for Preservation of Documents
- Archival Policy
- Risk Policy
- Board Evaluation Framework

Compliance Calendar for Listed Entities of Specified Securities under LODR

Quarterly Compliance

S. No.	Regulation Reference	Date by which to be filed
1.	13(3) – Statement Grievance Redressal Mechanism	21st July, 21 st October, 21 st January and 21st April
2.	27(2)(a) –Corporate Governance Report	15th July, 15th October, 15th January and 15th April
3.	31(1))(b) – Shareholding Pattern	21st July, 21 st October, 21 st January and 21st April
4.	32(1) – Statement of deviation or variation	21st July, 21 st October, 21st January and 21st April
5.	33(3)(a) – Financial Results	14th August, 14 th November and 14 th February

Half Yearly Compliance

S. No.	Regulation Reference	Date by which to be filed
1.	7(3) – Compliance Certificate to the Exchange	31st October and 30thApril
2.	40(10) – Compliance Certificate w.r.t Transfer or transmission or transposition of securities within 30 days	31st October and 30thApril

Annual Compliance

S. No.	Regulation Reference	Date by which to be filed
1.	14 – Listing Fees	30th April
2.	33(3)(d) – Financial Results	30th May
3.	34(1) – Annual Report	Within 21 working days from AG

Event Based Compliance

S. No.	Regulation Reference	Date by which to be filed
1.	7(5) – Intimation of appointment of Share Transfer Agent	Within 7 days of Agreement with RTA
2.	28(1) – In-principle Approval	Prior to issuance of Security
3.	29(1)(a) – Prior Intimations of Board Meeting for financial Result	At least 5 clear days in advance
4.	29(1)(b), 29(1) (c), 29(1)(d), 29(1) (e) and 29(1) (f) – Prior Intimations of Board Meeting for Buyback, Voluntary delisting etc	At least 2 clear working days in advance
5.	29(3) – Prior Intimations of Board Meeting for alteration in nature of securities	At least 11 clear working days in advance
6.	30(6) – Disclosure of Price Sensitive Information	Not later than twenty four hours as per Part A of Schedule III
7.	30(6) – Disclosure of Disclosure of Price Sensitive Information	Within 30 minutes as per Part A of Schedule III
8.	31(1)(a) – Shareholding Pattern prior to listing of securities	One day prior to listing of securities
9.	31(1)(c) – Shareholding Pattern in case of capital restructuring	Within 10 days of any change in capital structure exceeding 2%
10.	37(2) – Draft Scheme of Arrangement	Prior approval before filing with Court
11.	42(2) – Record date or Date of closure of transfer books	At least 7 clear working days in advance
12.	42(3) – Record date for declaring dividend and / or cash bonus	At least 5 clear working days in advance
13.	44(3)-Voting results by shareholders	Within 48 Hours
14.	45(3) – Change in name of listed entity	Prior approval

Liability and Fines

1. The listed entity or any other person thereof who contravenes any of the provisions of these regulations, shall, in addition to liability for action in terms of the securities laws, be liable for the following actions by the respective stock exchange(s), in the manner specified in circulars or guidelines issued by the Board:
 - a. imposition of fines;
 - b. suspension of trading;
 - c. freezing of promoter/promoter group holding of designated securities, as may be applicable, in coordination with depositories.
 - d. any other action as may be specified by the Board from time to time

Please note freezing does not transfer any property right of the promoter or other person against whom the order has been issued. Freezing just bars such a person from dealing with the assets frozen. Addition to assets does not get barred. It is intended to ensure that when ultimately a decision or order is made, such assets will make it possible to realize the penalty or costs imposed upon such a person by any vide decision or order.

2. The manner of revocation of actions specified in clauses (b) and (c) of sub-regulation (1), shall be as specified in circulars or guidelines issued by the Board.

[Regulation 98 of LODR]

The expression "Securities Laws" has defined to mean the SEBI Act, SCRA, the Depositories Act, 1996, the Companies Act 1956 / 2013 and the rules, regulations, circulars, or guidelines made thereunder.

Failure to pay fine.

If listed entity fails to pay any fine imposed on it within such period as specified from time to time, by the recognised stock exchange(s), after a notice in writing has been served on it, the stock exchange may initiate action. [Regulation 99 of LODR]



CIRCULAR

CIR/CFD/CMD/6/2015

October 13, 2015

To

All Listed Entities
All the Recognised Stock Exchanges

Dear Sir/Madam,

Sub: Format of uniform Listing Agreement

1. The requirement of executing a listing agreement with the Stock Exchange is specified under different regulations related with initial issuance of capital, the details of which are as under:

Type of Securities	Regulation	Regulation No.
Specified Securities (Equity & Convertible Securities on Main Board or SME or ITP) or Indian Depository Receipts	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR")	Regulation 109
Non-Convertible Debt Securities	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ("ILDS")	Regulation 19A
Non-Convertible Redeemable Preference Shares	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 ("NCRPS")	Regulation 16A
Securitized Debt Instruments	Securities and Exchange Board of India (Public Offer and Listing of Securitized Debt Instruments) Regulations, 2008 ("SDI")	Regulation 35A
Mutual Funds	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 ("MF")	Regulation 31B

2. In order to give effect to the requirements of Regulations mentioned at para 1 above, a simplified listing agreement which is uniform across all types of securities/listed entities is being specified under **Annexure I**.
3. A listed entity which has previously entered into agreement(s) with a recognised Stock Exchange(s) to list its securities shall execute a fresh listing agreement with such



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

Stock Exchange within six months of the date of notification of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) i.e. September 2, 2015.

Notwithstanding such novation, any action taken or purported to have been done or taken by the Stock Exchanges or SEBI, any enquiry or investigation commenced or showcause notice issued in respect of the existing listing agreement shall be deemed to have been done or taken under the corresponding provisions of the Listing Regulations in force.

4. This circular is issued in exercise of the powers conferred under sections 11(1) and 11A of the Securities and Exchange Board of India Act 1992.
5. This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework" and "Issues and listing", "Mutual Funds", "Corporate Debt Market" "Continuous Disclosure Requirements".

Yours faithfully,

Harini Balaji
General Manager
+91-22-26449372
harinib@sebi.gov.in



LISTING AGREEMENT

This Agreement is made on this day of by a Company / any other entity duly formed and registered under the relevant Indian Act / statutory enactment of appropriate jurisdiction, including overseas jurisdiction, wherever applicable, and having its registered office at (hereinafter called “the Issuer”) with the (Name of the Stock Exchange) (hereinafter called “the Exchange”).

WHEREAS:-

- a. It is a requirement of the Exchange that the Issuer shall submit a listing agreement duly executed along with an application for admission and continued admission of the securities to dealings on the Exchange.
- b. *The Issuer is desirous of continuing the listing of its securities on the Exchange.

or

The issuer is desirous of listing its securities as mentioned in the application and made part hereof.

- c. The Issuer is desirous of executing this Agreement in compliance with the aforesaid requirement of the Exchange.

NOW THEREFORE in consideration of the aforesaid, the Issuer hereby covenants and agrees with the Exchange as follows:

1. That the Issuer shall comply with the extant provisions of all the applicable statutory enactments governing the issuance, listing and continued listing of securities.
2. That without prejudice to the above clause, the Issuer hereby covenants and agrees that it shall comply with the following:-
 - i. the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and other applicable regulations /guidelines/circulars as may be issued by SEBI from time to time.
 - ii. the relevant byelaws / regulations / circulars / notices / guidelines as may be issued by the Exchange from time to time.
 - iii. such other directions, requirements and conditions as may be imposed by SEBI / Exchange from time to time.
3. That it shall pay listing and such other fees / fines as may be specified / levied by the Exchange from time to time within the prescribed period.



4. That it shall keep intimated the Exchange about change in any information/ details of the issuer.
5. The admission and continued admission of the securities to dealings on the Exchange is subject to the discretion of the Exchange and subject to the powers of the Exchange to prohibit, suspend or withdraw the listing of the securities on the Exchange.
6. That the board of directors or a committee duly authorized by the board of directors of the issuer has passed a resolution for initial listing of the securities on the Exchange at its meeting held on the day of 20.....(not applicable in cases where the securities are already listed on the Exchange).
7. Both parties agree that earlier listing agreement stands rescinded and novation carried out in accordance with respective regulations (viz. ICDR, ILDS, NCRPS, etc.) shall not affect any right already accrued or liability incurred by either party nor effect any enquiry or investigation or any other action undertaken by the Exchange or SEBI.

This Agreement is duly executed on the day, month and year first mentioned above by the authorized signatories duly authorized by the board of directors or committee thereof in their meeting held on (date).

SIGNED AND DELIVERED by the within named)
..... (Name of the Issuer))

Through its Authorised Signatories)

Name(s):)
Designation(s):)

SIGNED by the authorized signatory of Stock Exchange)

Name:)
Designation:)

**Note: Stock Exchange may strike off whichever is not applicable.*



Information about the Company and Securities

Name of Issuer:			
CIN No.			
Registered office Address			
Corporate office Address			
Telephone No.		Fax No.	
Website address		e-mail id	

Name of the Company Secretary/ Compliance officer			
Telephone no.		Fax No.	
e-mail id			

Securities applied for listing <i>(Please tick (√) the appropriate boxes)</i>	Specified securities (Main Board)	
	Specified securities (SME Exchange)	
	Specified securities (Institutional Trading Platform)	
	Non-convertible debt securities	
	Non-convertible redeemable preference shares	
	Perpetual debt instrument	
	Perpetual non-cumulative preference shares	
	Indian depository receipts	
	Securitized debt instruments	
	Units issued by Mutual Funds	
Others (Please specify)		