

Frequently Asked Questions on Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Revised January 2025 Edition)



Corporate Laws & Corporate Governance Committee
The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
New Delhi

Frequently Asked Questions
on
Securities and Exchange Board of India
(Listing Obligations and Disclosure
Requirements) Regulations, 2015
(Revised)



Corporate Laws & Corporate Governance Committee
The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)
New Delhi

© THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

All rights reserved. No part of this publication may be translated, reprinted or reproduced or utilized in any form either in whole or in part or by any electronic, mechanical or other means, including photocopying and recording, or in any information storage and retrieval system, without prior permission in writing from the publisher.

DISCLAIMER:

The views expressed in this book are of the author(s). The Institute of Chartered Accountants of India may not necessarily subscribe to the views expressed by the author(s).

The information cited in this book has been drawn from various sources. While every effort has been made to keep the information cited in this book error free, the Institute or any office of the same does not take the responsibility for any typographical or clerical error which may have crept in while compiling the information provided in this book.

First Edition : February, 2021

Second Edition : January, 2025

Committee : The Corporate Laws & Corporate Governance Committee

E-mail : clcg@icai.in

Website : www.icai.org

ISBN : 978-93-48313-88-1

Price : 100/-

Published by : The Publication Department on behalf of The Corporate Laws & Corporate Governance Committee, The Institute of Chartered Accountants of India, ICAI Bhawan, Post Box No. 7100, Indraprastha Marg, New Delhi-110002

Foreword to the Second Edition

The SEBI (LODR) Regulations, 2015 are designed to enhance transparency, accountability, and governance in the capital markets. The regulations have been continuously amended to reflect the evolving needs of the capital market ecosystem, ensuring that listed entities maintain high standards of corporate governance, financial disclosure and investor protection.

The first edition of the “**Frequently Asked Questions on SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**”, published in February 2021, provided valuable insights into the regulations and served as an essential resource for professionals. Since its release, several substantial amendments and updates have been introduced to the SEBI (LODR) Regulations, 2015, necessitating to revise the said edition of publication.

Revised publication has addressed key amendments to the regulations, providing a comprehensive resource that reflects the latest industry standards. These amendments have significant implications for compliance obligations, disclosure requirements, and governance practices of listed entities, aim to enhance corporate governance, ensure greater transparency, and address the evolving needs of India’s capital markets. Hence this comprehensively updated publication is crucial for navigating the complex landscape of corporate compliance.

I complement **CA. (Dr.) Debashis Mitra**, Chairman, **CA. Sripriya Kumar**, Vice-Chairperson, Corporate Laws & Corporate Governance Committee and all Committee members for their dedication and hard work in bringing out this revised publication.

I am confident that this revised edition will serve as a valuable guide for professionals, companies, and stakeholders, ensuring that they remain well-informed and compliant with the latest developments in corporate governance and regulatory requirements.

17th January, 2025

Delhi

CA. Ranjeet Kumar Agarwal

President, ICAI

Preface to the Second Edition

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have played a pivotal role in ensuring transparency, accountability, and consistency across listed entities in India. With the objective of upgrading and streamlining the listing requirements for various securities on Indian stock exchanges, these Regulations have been frequently updated to address the evolving needs of the capital markets and corporate governance landscape.

It is with great pleasure that the Corporate Laws & Corporate Governance Committee (CL&CGC) of the Institute of Chartered Accountants of India (ICAI) presents the revised edition of the publication “Frequently Asked Questions on SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.” The first edition, released in February 2021, was well-received by professionals. As these regulations continue to evolve, we believe this updated edition will further enhance understanding and ensure greater compliance with the dynamic regulatory framework.

The revised edition builds on the foundation of the first, offering more detailed insights, including the latest amendments and updated procedural guidance. The publication covers all amendments to the SEBI (LODR) Regulations up to 30th December 2024.

The revised publication is structured into two main parts for comprehensive understanding. **Part A**, which provides a detailed explanation of the regulations and schedules, covering key aspects such as corporate governance, disclosures, and related party transactions and **Part B** includes a newly added chapter “Compliance Calendar”, which will assist professionals in tracking key deadlines and ensuring timely compliance with the regulations.

The publication is structured in a user-friendly question-and-answer format, designed to simplify complex regulatory provisions. This edition serves as an invaluable resource for Chartered Accountants, professionals, listed companies, and other stakeholders.

We extend our heartfelt gratitude to CA. Ranjeet Kumar Agarwal, the President of ICAI, and CA. Charanjot Singh Nanda, the Vice President, for their pivotal roles in the conception of this publication. We also wish to thank CA. Patel Kaushikkumar Chandulal, CA. Neelkant Gargya and CA. Gopal Kumar Khetan

and CA. Archana Bhutani, for their valuable contributions during the finalization of this revised edition.

Our sincere appreciation goes to every Committee member and all those involved in the revision process for their suggestions, guidance and continuous support. We thank Ms Nisha Gupta, the Secretary to the Committee, and CL&CGC Team especially Ms. Seema Jangid, CA. Mudita Maheshwari and CA. Swati Singh for their contributions to the preparation of this publication.

The Corporate Laws & Corporate Governance Committee remains committed to providing valuable resources that empower professionals, industry participants, and other stakeholders to navigate the complex landscape of corporate governance and regulatory compliance.

CA. (Dr.) Debashis Mitra

Chairman,
Corporate Laws & Corporate
Governance Committee, ICAI

CA. Sripriya Kumar

Vice-Chairperson,
Corporate Laws & Corporate
Governance Committee, ICAI

Date: 13th January, 2025

Foreword to the First Edition

Way back from 1996 in Indian history, the need for having a strong framework of good corporate governance has been kept on increasing due to the various irregularities occurring worldwide including in India. Following the importance various regulators have made the law so stringent that misuse of law may be minimised and Indian corporate governance can be set as an example of benchmark for the whole world.

One such step in this regard, is the issuance of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. These Regulations have been structured to provide ease of reference by consolidating into one single document across various types of securities listed on the Stock exchanges.

The provisions in Listing Regulations have been aligned with those of the Companies Act, 2013 and it has provided ease for reference as the related provisions have been aligned and provided at a common place.

The regulations start by providing broad principles (in line with IOSCO Principles) for periodic disclosures by listed entities and also have incorporated the principles for corporate governance (in line with OECD principles). These principles underlie specific requirements prescribed in different chapters of the Regulations. These principles would serve to guide the listed entities, in the event of the absence of specific requirements or ambiguity.

Over the years, many amendments and frequent changes have been made in the Regulations and to remain abreast with the developments, the Institute of Chartered Accountants of India (ICAI) through its Corporate Laws & Corporate Governance Committee (CL&CGC) has planned to bring out a publication on “Frequently Asked Questions on SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015” that will provide its members the detailed guidance on recent amendments and understanding of the Regulations.

I appreciate the Corporate Laws & Corporate Governance Committee (CL&CGC) in bringing this publication which is so useful for our members. I extend my sincere appreciation to CA. Chandrashekhar V. Chitale, Chairman, CA. Durgesh Kumar Kabra, Vice-Chairman and other members of

the Corporate Laws & Corporate Governance Committee to bring out this important publication at this point of time.

I am sure that the members and other interested readers would find the publication immensely useful.

Date: 08th February, 2021

CA Atul Kumar Gupta
President, ICAI

Preface to the First Edition

The Securities and Exchange Board of India (SEBI) issued SEBI (Listing Obligations and Disclosure Requirements) Regulations in the year 2015 to have a consolidated listing agreement.

This Listing regulations consolidated and streamlined the provisions of existing listing agreements for different segments of the capital market viz. Equity (including convertibles) issued by entities listed on the Main Board of the Stock Exchanges, Small and Medium Enterprises listed on SME Exchange and Institutional Trading Platform, Non-Convertible Debt Securities, Non- Convertible Redeemable Preference Shares, Indian Depository Receipts, Securitized Debt Instruments and Units issued by Mutual Fund Schemes, to enable transparency and fair disclosures.

To align the clauses of the listing agreement with the Companies act, 2013, necessary changes were brought out in the Regulations.

Frequent changes have been made by SEBI in the Regulations and therefore to facilitate the understanding and interpretation of law under the amended provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, the Corporate Laws & Corporate Governance Committee has decided to bring out a publication: “Frequently Asked Questions on SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015”.

The publication has been designed in a question-and-answer format to assist the members in understanding the intricacies of Regulations.

Our sincere thanks to CA. Atul Kumar Gupta, President ICAI and CA. Nihar Niranjana Jambusaria, Vice-President ICAI for their encouragement and support in bringing out the publication.

We commend the efforts made by the Secretary to the Committee CA Sarika Singhal and her team comprised of Ms Seema Jangid, CA. Deepa Agarwal and CA. Nikita Aggarwal for providing their technical and administrative support.

We sincerely believe that the members of the profession and other stakeholders will find the publication immensely useful.

CA. Chandrashekhar Vasant Chitale

Chairman,
Corporate Laws & Corporate
Governance Committee, ICAI

Date: 05th February, 2021

CA. Durgesh Kumar Kabra

Vice-Chairman,
Corporate Laws & Corporate
Governance Committee, ICAI

Contents

Part A : Regulatory Framework for Listed Entities

Chapter I :	Definitions.....	3
Chapter II :	Principles Governing Disclosures and Obligations of Listed Entity.....	12
Chapter III :	Common Obligations of Listed Entities.....	17
Chapter IV	Obligations of a Listed Entity which has listed its Specified Securities and Non-Convertible Debt Securities	23
Chapter V	Obligations of Listed entity which has listed its Non-Convertible Securities.....	106
Chapter VI	Obligation of Listed Entity which has Listed its Specified Securities and either Non-Convertible Debt Securities or Non-Convertible Redeemable Preference Shares or Both	127
Chapter VIA	Framework for Voluntary Delisting of Non-Convertible Debt Securities or Non-Convertible Redeemable Preference Shares and Obligations of the Listed Entity on such Delisting	129
Chapter VII	Obligations of Listed Entity which has listed its Indian Depository Receipts	138
Chapter VIII	Obligations of Listed Entity which has listed its Securitised Debt Instruments	145
Chapter VIIIA	Obligations of Listed Entity which has listed its Security Receipts	148
Chapter IX	Obligations of Listed Entity which has listed its Mutual Fund Units	150
Chapter IXA	Obligations of Social Enterprises.....	152
Chapter X	Duties and Obligations of the Recognised Stock Exchange(s)	155
Chapter XI	Miscellaneous.....	159

Part B : Compliance Resources

Chapter XII	Compliance Calendar	163
-------------	---------------------------	-----

Glossary

BOD	Board of Director
CEO	Chief Executive Director
CFO	Chief Financial Officer
SEBI	Securities and Exchange Board of India
LODR	Listing Obligation and Disclosure Requirements
SME	Small and Medium Enterprises
Board	Securities and Exchange Board of India
ICDR	Issue of Capital and Disclosure Requirements
KMP	Key Managerial Personnel
ICAI	Institute of Chartered Accountants of India
BRR	Business Responsibility Report
SR	Special Resolution
SR equity shares	Special Right Equity Shares
ROC	Registrar of Companies
NBFC	Non-Banking Financial Companies
RBI	Reserve Bank of India
NAV	Net Asset Value
BRSR	Business Responsibility and Sustainability Reporting

Part A

Regulatory Framework for Listed Entities

Chapter I

Definitions

Q1. What do you mean by “Associate”?

- A1.** As per regulation 2(1)(b) of the SEBI (LODR) Regulations, 2015, an associate shall mean any entity which is an associate under sub-section (6) of section 2 of the Companies Act, 2013 or under the applicable accounting standards. Therefore, if the condition is met under either of the two, then such entity should be classified as an associate company.

Further, the definition of “Associate” shall not be applicable for the units issued by mutual fund which are listed on a recognised stock exchange(s) for which the provisions of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 shall be applicable.

Q2. Whether only a company incorporated under Companies Act can be called as “Listed Entity”?

- A2.** As per regulation 2(1)(p) “Listed entity” means an entity which has listed, on a recognised stock exchange(s), the designated securities issued by it or designated securities issued under schemes managed by it, in accordance with the listing agreement entered into between the entity and the recognised stock exchange(s).

Therefore, as per the definition any entity, whether a company or not, listed on the stock exchange(s) shall be covered under “Listed Entity”.

Q3. Which securities are classified as “Designated Securities”?

- A3.** “Designated securities” are classified under the following:

- specified securities,
- non-convertible debt securities,
- non-convertible redeemable preference shares,
- perpetual debt instrument,
- perpetual non-cumulative preference shares,
- Indian depository receipts,

Frequently Asked Questions on Securities and Exchange Board of India

- securitised debt instruments,
- security receipts,
- units issued by mutual funds,
- ¹zero coupon zero principal instruments and
- any other securities as may be specified by the Securities and Exchange Board of India ('the Board')

Q4. What is meant by "Main Board"?

A4. Main Board means a recognised stock exchange having nationwide trading terminals, other than SME Exchange.

Q5. What is meant by "Mainstream Media"?

A5. ²"Mainstream media" shall include print or electronic mode of the following:

- Newspapers registered with the Registrar of Newspapers for India;
- News channels permitted by Ministry of Information and Broadcasting under Government of India;
- Content published by the publisher of news and current affairs content as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021; and
- Newspapers or news channels or news and current affairs content similarly registered or permitted or regulated, as the case may be, in jurisdictions outside India;

Q6. What all items shall form part of net worth?

A6. "Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account

¹ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2022 w.e.f. 25.07.2022.

² Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 dated 14.06.2023 w.e.f. 15.07.2023.

and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.

Q7. What is meant by Non-Convertible Debt Securities?

A7. ³Non-Convertible Debt Securities means “debt securities” as defined under the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021. As defined in the regulations “Debt Securities” means non-convertible debt securities with a fixed maturity period which create or acknowledge indebtedness and includes debentures, bonds or any other security whether constituting a charge on the assets/ properties or not, but excludes security receipts, securitized debt instruments, money market instruments regulated by the Reserve Bank of India, and bonds issued by the Government or such other bodies as may be specified by the Board.

Q8. What do you mean by “Non-Convertible Redeemable Preference Shares”?

A8. ⁴Non-Convertible Redeemable Preference Shares” means a preference share which is redeemable in accordance with the relevant provisions of the Companies Act, 2013 and does not include a preference share which is convertible into or exchangeable with equity shares of the issuer at a later date, at the option of the holder or not.

Q9. What do you mean by “Non-Convertible Securities”?

A9. ⁵Non-Convertible Securities” means debt securities, non-convertible redeemable preference shares, perpetual non-cumulative preference

³ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

⁴ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

⁵ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

Frequently Asked Questions on Securities and Exchange Board of India

shares, perpetual debt instruments and any other securities as specified by the Board.

Q10. What do you mean by “Perpetual Debt Instrument”?

A10. ⁶Perpetual Debt Instrument means a perpetual debt instrument issued in accordance with the guidelines framed by the Reserve Bank of India.

Q11. What do you mean by “Perpetual Non-Cumulative Preference Shares”?

A11. ⁷Perpetual Non-Cumulative Preference Shares means a perpetual non-cumulative preference shares issued in accordance with the guidelines framed by the Reserve Bank of India.

Q12. Whether a mutual fund will be deemed to be a promoter, in case it holds 20% of the equity share capital of the issuer?

A12. As per the second proviso to the clause (oo) of sub-regulation (1) of regulation 2 of the SEBI (ICDR) Regulations, 2018, mutual fund shall not be deemed to be a promoter merely by virtue of the fact that twenty percent or more of the equity share capital of the issuer is held by such person unless it satisfies other requirements prescribed under the above regulations for being a promoter.

Q13. Who all are considered to be “Related Party” under SEBI (LODR) Regulations, 2015?

A13. The following shall be considered as a “Related Party” under SEBI (LODR) Regulations, 2015-

- (a) Any person or entity forming a part of the promoter or promoter group of the listed entity or
- (b) any person or any entity holding equity shares of ten per cent or more in the listed entity either directly or on a beneficial interest

⁶ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

⁷ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021

basis as provided under section 89 of the Companies Act, 2013, at any time, during the immediately preceding financial year.

In addition to (a) & (b) above, any person or entity covered under sub-section (76) of section 2 of the Companies Act, 2013 or under the applicable accounting standards.

However, this definition is not applicable for the units issued by mutual funds which are listed on a recognised stock exchange(s).

Q14. Whether an entity belonging to the promoter group of the listed entity shall be deemed to be a “related party”?

A14. Yes, the entity belonging to the promoter group of the listed entity, shall be deemed to be a related party.

Q15. What constitutes a “Related Party Transaction” under SEBI (LODR) Regulation, 2015?

A15. ⁸“Related Party Transaction” means a transaction involving a transfer of resources, services or obligations between:

- a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand; or
- a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries,

regardless of whether a price is charged and a “transaction” with a related party shall be construed to include a single transaction or a group of transactions in a contract.

The following shall not be a related party transactions: -

- (a) Issuance of specified securities on a preferential basis, complying with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

⁸ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 dated 09.11.2021 w.e.f. 01.04.2022.

Frequently Asked Questions on Securities and Exchange Board of India

- (b) The following corporate actions which are uniformly offered to all shareholders in proportion to their shareholding:
- ✓ payment of dividend;
 - ✓ subdivision or consolidation of securities;
 - ✓ issuance of securities through rights or bonus issue; and
 - ✓ buy-back of securities
- (c) Acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable to all shareholders/public, subject to its disclosure along with the disclosure of related party transactions every six months to the stock exchange(s) in the format as specified by the Board.
- (d) ⁹Acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time.

For the purpose of clause (c) and (d) above, acceptance of deposits includes payment of interest thereon.

- (e) ¹⁰Retail purchases from any listed entity or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable/offered to all employees and directors.

Provided further that, this definition is not applicable for the units issued by mutual funds which are listed on a recognized stock exchange(s).

Q16. Which securities are known as “specified securities”?

A16. ‘Specified securities’ means ‘equity shares’ and ‘convertible securities’ as defined under clause (eee) of sub-regulation (1) of regulation 2 of

⁹ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

¹⁰ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Q17. To whom does the SEBI (LODR) Regulations, 2015 applies?

A17. Unless otherwise provided, SEBI (LODR) Regulations, 2015 shall be applicable to a listed entity which has listed any of the following designated securities on recognised stock exchange(s):

- specified securities listed on main board or SME Exchange or ¹¹innovators growth platform;
- ¹²non-convertible securities;
- Indian depository receipts;
- securitised debt instruments;
- security receipts;
- units issued by mutual funds;
- any other securities as may be specified by the Board.

Q18. How are listed entities identified for the applicability of provisions under SEBI LODR Regulations, 2015, and what is the timeline for compliance?

A18. ¹³Every recognized stock exchange shall, at the end of the calendar year, i.e., 31st December, prepare a list of entities that have listed their specified securities ranking such entities on the basis of their average market capitalisation from 1st July to 31st December of that calendar year.

The relevant provisions shall then become applicable to a listed entity that is required to comply with such requirements for the first time (or, if applicable, required to comply after any interim period)

¹¹ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 05.05.2021.

¹² Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

¹³ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024 w.e.f. 31.12.2024.

Frequently Asked Questions on Securities and Exchange Board of India

after a period of three months from December 31 (i.e. April 1) or from the beginning of the immediate next financial year, whichever is later.

Provided that the listed entity, which is required to comply for the first time or after a period of cessation, shall put in place systems and processes for compliance with clause (f) of sub-regulation (2) of regulation 34 within a period of three months from December 31 (i.e. on or before April 1) or from the beginning of the immediate next financial year, whichever is later, and further disclose the Business Responsibility and Sustainability Report and/or assurance as per the Business Responsibility and Sustainability Report Core in the Annual Report prepared for the financial year in which systems and processes were required to be put in place in accordance with this proviso.

Q19. What happens if a listed entity's market capitalisation ranking remains the same for subsequent years?

A19. ¹⁴The listed entity shall continue to comply with relevant provisions that were applicable to it based on the market capitalisation of previous year and continue(s) to remain applicable on the basis of its rank in the list prepared by recognized stock exchanges as per clause (a) of sub-regulation 2 of regulation 3.

Q20. When do the provisions of these regulations, based on market capitalisation criteria, continue to apply to a listed entity?

A20. ¹⁵The provisions of these regulations, which become applicable to a listed entity on the basis of criteria of market capitalisation, shall continue to apply to such an entity unless its ranking changes in the list prepared in accordance with sub-regulation (2) of regulation 3 and such change results in the listed entity remaining outside the applicable threshold for a period of three consecutive years.

¹⁴ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024 dated 17.05.2024 w.e.f. 31.12.2024.

¹⁵ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024 dated 17.05.2024 w.e.f. 31.12.2024.

Q21. When do the provisions based on market capitalisation cease to apply to a listed entity?

A21. ¹⁶For such listed entities which remain outside the applicable threshold for a period of three consecutive years in terms of sub-regulation (2A) of regulation 3, the provisions that apply on the basis of criteria of market capitalisation shall cease to apply at the end of the financial year following the 31st December of the third consecutive year.

Provided that for those listed entities that follow January to December as its financial year, the provisions shall cease to apply at the end of three months from 31st December of the third consecutive year (i.e. on 31st March).

Q22. What about the provisions based on the value of outstanding listed debt securities?

A22. The provisions of these regulations which become applicable to listed entities on the basis of the criterion of the value of outstanding listed debt securities shall continue to apply to such entities even if they fall below such thresholds as mentioned in sub-regulation (1A) of regulation 15.

¹⁶ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024 dated 17.05.2024 w.e.f. 31.12.2024.

Chapter II

Principles Governing Disclosures and Obligations of Listed Entity

Q23. What are the principles governing disclosures and obligations of a listed entity?

A23. The listed entity which has listed securities shall make disclosures and abide by its obligations under these regulations, in accordance with the following principles:

- Information shall be prepared and disclosed in accordance with applicable standards of accounting and financial disclosure.
- The listed entity shall implement the prescribed accounting standards in letter and spirit in the preparation of financial statements taking into consideration the interest of all stakeholders and shall also ensure that the annual audit is conducted by an independent, competent and qualified auditor.
- The listed entity shall refrain from misrepresentation and ensure that the information provided to recognised stock exchange(s) and investors is not misleading.
- The listed entity shall provide adequate and timely information to recognised stock exchange(s) and investors.
- The listed entity shall ensure that disseminations made under provisions of these regulations and circulars made thereunder, are adequate, accurate, explicit, timely and presented in a simple language.
- Channels for disseminating information shall provide for equal, timely and cost efficient access to relevant information by investors.
- The listed entity shall abide by all the provisions of the applicable laws including the securities laws and also such other guidelines as may be issued from time to time by the Board and the recognised stock exchange(s) in this regard and as may be applicable.

Principles Governing Disclosures and Obligations of Listed Entity

- The listed entity shall make the specified disclosures and follow its obligations in letter and spirit taking into consideration the interest of all stakeholders.
- Filings, reports, statements, documents and information which are event based or are filed periodically shall contain relevant information.
- Periodic filings, reports, statements, documents and information reports shall contain information that shall enable investors to track the performance of a listed entity over regular intervals of time and shall provide sufficient information to enable investors to assess the current status of a listed entity.

Q24. What are the objectives of the principles, that a listed entity which has listed its specified securities seeks to achieve while complying with the corporate governance provision specified in the Regulations?

A24. The objectives are as follows: -

- Protect and facilitate the exercise of the rights of shareholders.
- Provide adequate and timely information to shareholders.
- Equitable treatment of all shareholders, including minority and foreign shareholders.
- Recognise the rights of its stakeholders and encourage co-operation between listed entity and the stakeholder.
- Timely and accurate disclosure on all material matters.
- Responsibilities of the board of directors.

Q25. What rights are intended to be protected and facilitated for shareholders under the SEBI (LODR), Regulations 2015?

A25. The listed entity shall seek to protect and facilitate the exercise of the following rights of shareholders:

- right to participate in, and to be sufficiently informed of, decisions concerning fundamental corporate changes.
- opportunity to participate effectively and vote in general shareholder meetings.

Frequently Asked Questions on Securities and Exchange Board of India

- being informed of the rules, including voting procedures that govern general shareholder meetings.
- 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.
- effective shareholder participation in key corporate governance decisions, such as the nomination and election of members of board of directors.
- exercise of ownership rights by all shareholders, including institutional investors.
- adequate mechanism to address the grievances of the shareholders.
- 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.

Q26. Elucidate the objective of providing adequate and timely information to shareholders?

A26. The listed entity shall provide adequate and timely information to shareholders, including but not limited to the following:

- sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be discussed at the meeting.
- capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership.
- rights attached to all series and classes of shares, which shall be disclosed to investors before they acquire shares.

Q27. What is the objective that the principle of equitable treatment of all shareholders seeks to achieve?

A27. Listed entity should ensure equitable treatment of all shareholders, including minority and foreign shareholders, in the following manner:

Principles Governing Disclosures and Obligations of Listed Entity

- All shareholders of the same series of a class shall be treated equally.
- Effective shareholder participation in key corporate governance decisions, such as the nomination and election of members of board of directors, shall be facilitated.
- Exercise of voting rights by foreign shareholders shall be facilitated.
- The listed entity shall devise a framework to avoid insider trading and abusive self-dealing.
- Processes and procedures for general shareholder meetings shall allow for equitable treatment of all shareholders.
- Procedures of listed entity shall not make it unduly difficult or expensive to cast votes.

Q28. What is objective about the role of stakeholders in corporate governance that the principle seeks to achieve?

A28. The listed entity shall recognise the rights of its stakeholders and encourage co-operation between listed entity and the stakeholders, in the following manner:

- The listed entity shall respect the rights of stakeholders that are established by law or through mutual agreements.
- Stakeholders shall have the opportunity to obtain effective redress for violation of their rights.
- Stakeholders shall have access to relevant, sufficient and reliable information on a timely and regular basis to enable them to participate in corporate governance process.
- The listed entity shall devise an effective ¹⁷vigil mechanism/ whistle blower ¹⁸policy enabling stakeholders, including

¹⁷ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 05.05.2021.

¹⁸ Substituted for 'mechanism' by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 05.05.2021.

Frequently Asked Questions on Securities and Exchange Board of India

individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices.

Q29. In case of any incongruity between the principles and relevant regulations, which one shall prevail?

A29. In case of any incongruity or ambiguity between the principles and relevant regulations, the principles as specified in Chapter II of the SEBI (LODR) Regulations, 2015 shall prevail.

Chapter III

Common Obligations of Listed Entities

Q30. Who can be appointed as a Compliance officer in a listed entity and whether it is mandatory to appoint him/her?

A30. It is mandatory to appoint a qualified company secretary as the Compliance Officer in a listed entity. ¹⁹The Compliance Officer shall be an officer, who is in whole time employment of the listed entity, not more than one level below the board of directors and shall be designated as a Key Managerial Personnel.

Q31. What should a listed entity do in the event of a vacancy in the position of Compliance Officer?

A31. ²⁰The vacancy in the office of Compliance Officer is required to be filled at the earliest but not later than 3 months from the date of vacancy.

The entity should not fill such vacancy by appointing a person in interim capacity, unless such appointment is made in accordance with the laws applicable in case of a fresh appointment to such office and the obligations under such laws are made applicable to such person.

Q32. What happens if the vacancy in the office of the Compliance Officer occurs in a listed entity that has an approved resolution plan under Section 31 of the Insolvency Code?

A32. ²¹Any vacancy in the office of the Compliance Officer of the listed entity in respect of which a resolution plan under section 31 of the Insolvency Code has been approved, shall be filled within a period of three months of such approval. In the interim, the listed entity shall

¹⁹ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

²⁰ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 dated 14.06.2023 w.e.f. 15.07.2023.

²¹ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

Frequently Asked Questions on Securities and Exchange Board of India

have not less than one full-time Key Managerial Personnel (KMP) managing the day-to-day affairs of the entity.

Q33. What are the responsibilities that are casted upon the compliance officer of the listed entity?

A33. The compliance officer of the listed entity shall be responsible for:-

- ensuring conformity with the regulatory provisions applicable to the listed entity in letter and spirit.
- 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.
- 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.
- monitoring email address of grievance redressal division as designated by the listed entity for the purpose of registering complaints by investors.

However, the requirements are not applicable in the case of units issued by mutual funds which are listed on recognised stock exchange(s) but shall be governed by the provisions of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996

Q34. Is it necessary to appoint a share transfer agent by listed entity?

A34. The listed entity shall appoint a share transfer agent or manage the share transfer facility in-house. However, 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.

Q35. Who shall maintain the share transfer facility of the listed entity?

A35. The share transfer facility of the listed entity should be maintained either in house or by Registrar to an issue and share transfer agent registered with the Board (Sub-regulation (2) of Regulation 7).

Q36. What are the legal formalities that are required to be followed, in case of any change or appointment of a new share transfer agent?

A36. The legal formalities in case of any change or appointment of a new share transfer agent are as follows:

- 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. However, in case the existing share transfer facility is managed in-house, the agreement shall be entered into between the listed entity and the new share transfer agent.
- The listed entity shall intimate such appointment, to the stock exchange(s) within seven days of entering into the agreement.
- The agreement referred to in point (i) above, shall be placed in the subsequent meeting of the board of directors.

The requirements are not applicable to the units issued by mutual funds that are listed on recognised stock exchange(s).

Q37. What is the period for preservation of documents?

A37. The listed entity shall preserve the documents after classifying them in at least two categories which is approved by its board of directors, such as:

- Documents whose preservation shall be permanent in nature.
- Documents with preservation period of not less than eight years after completion of the relevant transactions.

The listed entity may keep documents in electronic mode.

Q38. What are the conditions to be followed by the listed entity under any scheme of arrangement?

Frequently Asked Questions on Securities and Exchange Board of India

A38. The listed entity shall ensure that any scheme of arrangement /amalgamation /merger /reconstruction /reduction of capital etc. to be presented to any Court or Tribunal does not in any way violate, override or limit the provisions of securities laws or requirements of the stock exchange(s). However, the regulation shall not be applicable for the units issued by Mutual Fund which are listed on a recognised stock exchange(s).

Q39. Can the listed entity use any of the electronic modes of payment facility?

A39. The listed entity shall 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:

- dividends;
- interest;
- redemption or repayment amounts

Further, if 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.

Q40. Regulation 12 of the SEBI (LODR) Regulations, 2015 mandates for the payment of dividend/ interest/ redemption or repayment amount to be made through electronic mode only. What shall be done under the circumstances where electronic payment of dividend is not possible?

A40. Where it is not possible to use electronic mode of payment for paying the amount of dividend, the listed entity shall issue 'payable-at-par' warrants/ cheques for making payments.

Q41. What is stated in Schedule I, "Terms of Securities" for Regulation 12?

A41. The listed entity shall use the facility of electronic clearing services or real time gross settlement or national electronic funds transfer as follows:-

- the listed entity either directly or through the depositories or through their Registrar to an Issue and/or Share Transfer

Agent, shall use electronic clearing services (local, regional or national), direct credit, real time gross settlement, national electronic funds transfer etc for making payment of dividend/interest on securities issued/ redemption or repayment amount.

- the listed entity or Share Transfer Agent shall maintain bank details of their investors as follows –
 - a) for investors holding securities in dematerialized mode, by seeking the same from the depositories.
 - b) for investors holding securities in physical mode, by updating bank details of the investors at their end.
- In cases where either the bank details such as Magnetic Ink Character Recognition, Indian Financial System Code, etc. that are required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by the bank, listed entity or share transfer agent shall issue 'payable-at-par' warrants/ cheques for making payments. Provided that the listed entity shall mandatorily print the bank account details of the investors on such payment instruments and in cases where the bank details of investors are not available, the listed entity shall mandatorily print the address of the investor on such payment instructions.

Q42. What are the obligations of a listed entity regarding investor grievances?

A42. The entity shall be registered on the SCORES platform or any other electronic platform or system of the Board as mandated from time to time to handle investor complaints electronically, in the manner specified by the Board.

Q43. How often does a listed entity need to report on investor complaints to the stock exchange?

Frequently Asked Questions on Securities and Exchange Board of India

A43. ²²The listed entity shall file with the recognised stock exchange(s) on a quarterly basis a statement detailing the redressal of investor grievances in such form and within the timelines as may be specified by the Board.

Q44. Is the quarterly statement on investor complaints required to be presented to anyone?

A44. The statement shall be presented to the board of directors of the listed entity on quarterly basis.

²² Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 dated 12.12.2024 w.e.f. 31.12.2024.

Chapter IV

Obligations of a Listed Entity which has listed its Specified Securities and Non-Convertible Debt Securities

Q45. Whether the provisions of Chapter IV of SEBI (LODR) Regulations, 2015 are also applicable to listed entity which has listed its specified securities on SME Exchange?

A45. Yes, the provisions of Chapter IV of the SEBI (LODR) Regulations, 2015 are applicable to all 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 ²³innovators Growth Platform.

Q46. Are there any specific provisions for listed entities with non-convertible debt securities?

A46. ²⁴The provisions of regulations 15 to 27 of Chapter IV of the SEBI (LODR) Regulations, 2015 shall apply to a listed entity which has listed its non-convertible debt securities and has an outstanding value of listed non-convertible debt securities of five hundred crore rupees or more (referred to as 'high value debt listed entities').

Q47. If a listed entity with non-convertible debt securities crosses the five hundred crore rupees threshold during the year, is it required to comply with Regulations 15-27?

A47. ²⁵If an entity that has listed its non-convertible debt securities and reaches the five hundred crore rupees threshold during the year, it

²³ Substituted for "institutional trading platform" by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 05.05.2021.

²⁴ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

²⁵ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

Frequently Asked Questions on Securities and Exchange Board of India

shall comply with these regulations within six months from the date if reaches that threshold.

Q48. Do the Regulations 15-27 apply on a mandatory basis to high value debt listed entities?

A48. ²⁶Until March 31, 2025, these provisions apply to high value debt listed entities on a 'comply or explain' basis and on a mandatory basis thereafter. 'Comply or explain' requires the entity to strive for full compliance with the provisions by March 31, 2025. If full compliance is not achieved by then, the entity shall explain the reasons for any non-compliance or partial compliance and the steps initiated toward achieving full compliance in their quarterly compliance report filed under clause (a), sub-regulation (2) of regulation 27.

Q49. Do the governance norms specified under SEBI regulations apply to Infrastructure Investment Trusts and Real Estate Investment Trusts?

A49. ²⁷For Infrastructure Investment Trusts and Real Estate Investment Trusts registered under SEBI regulations, the governance norms specified under their specific regulations i.e. Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, and Securities and Exchange Board of India (Real Estate Investment Trust) Regulations, 2014 respectively, shall prevail over the provisions specified in these regulations.

Q50. When does the Corporate Governance Provisions are not applicable to a listed entity, and what happens if these provisions become applicable later on? Are there any exceptions for entities undergoing insolvency resolution?

A50. The provisions listed in regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 26A, 27, and clauses (b) to (i) and (t) of sub-regulation

²⁶ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024 w.e.f. 17.5.2024 for the words and symbol "March 31, 2024".

²⁷ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2023 w.e.f. 01.04.2023.

Obligations of a Listed Entity which has listed its Specified Securities...

(2) of regulation 46, as well as paragraphs C, D, and E of Schedule V, shall not apply to:

- A 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.
- A Listed entity whose specified securities are listed on the SME Exchange.

If these provisions become applicable to a listed entity at a later date, the entity shall ensure compliance within six months from the date they become applicable. Further, once the corporate governance provisions as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V; become applicable to a listed entity, they shall continue to remain applicable till such time the equity share capital and the net worth of such entity reduces and remains below the specified threshold for a period of three consecutive financial years.

During the corporate insolvency resolution process under the Insolvency Code, regulations 17, 18, 19, 20, and 21 do not apply to listed entities or high value debt listed entities.²⁸ However, such listed entity shall ensure compliance with regulation 17 to 21 within a period of three months of approval of resolution plan under section 31 of the Insolvency Code.

Further, the roles and responsibilities specified for boards and committees under these regulations are to be fulfilled by the interim resolution professional or resolution professional, as per the provisions of the Insolvency Code.

Q51. Whether the definition of Independent Director under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 is one and the same?

²⁸ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

Frequently Asked Questions on Securities and Exchange Board of India

A51. No, there are differences in the definition of an Independent Director under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Some key additional specific requirements for independence under the SEBI Regulations include:

- He neither is nor was, the member of the promoter group of the listed entity.
- He shall neither himself, nor whose relative(s) shall be a material supplier, service provider or customer or a lessor or lessee of the listed entity.
- He shall not be less than 21 years of age.
- And he shall not be non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.

The definition of an Independent Director under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as follows:

“Independent Director” means a non-executive director, other than a nominee director of the listed entity:

- (i) who, in the opinion of the board of directors, is a person of integrity and possesses relevant expertise and experience;
- (ii) who is or was not a promoter of the listed entity or its holding, subsidiary or associate company or member of the promoter group of the listed entity
- (iii) who is not related to promoters or directors in the listed entity, its holding, subsidiary or associate company;
- (iv) who, apart from receiving director's remuneration, has or had no material pecuniary relationship with the listed entity, its holding, subsidiary or associate company, or their promoters, or directors, during the three immediately preceding financial years or during the current financial year;

Obligations of a Listed Entity which has listed its Specified Securities...

- (v) none of whose relatives ; —
 - a) is holding securities of or interest in the listed entity, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year of face value in excess of fifty lakh rupees or two percent of the paid-up capital of the listed entity, its holding, subsidiary or associate company, respectively, or such higher sum as may be specified;
 - b) is indebted to the listed entity, its holding, subsidiary or associate company or their promoters or directors, in excess of such amount as may be specified during the three immediately preceding financial years or during the current financial year;
 - c) has given a guarantee or provided any security in connection with the indebtedness of any third person to the listed entity, its holding, subsidiary or associate company or their promoters or directors, for such amount as may be specified during the three immediately preceding financial years or during the current financial year; or
 - d) has any other pecuniary transaction or relationship with the listed entity, its holding, subsidiary or associate company amounting to two percent or more of its gross turnover or total income:

Provided that the pecuniary relationship or transaction with the listed entity, its holding, subsidiary or associate company or their promoters, or directors in relation to points (A) to (D) above shall not exceed two percent of its gross turnover or total income or fifty lakh rupees or such higher amount as may be specified from time to time, whichever is lower.

- (vi) who, neither himself /herself, nor whose relative(s) —
 - A. holds or has held the position of a key managerial personnel or is or has been an employee of the listed

Frequently Asked Questions on Securities and Exchange Board of India

entity or its holding, subsidiary or associate company or any company belonging to the promoter group of the listed entity, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

²⁹Provided that in case of a relative, who is an employee other than key managerial personnel, the restriction under this clause shall not apply for his / her employment.

- B. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —
 - 1) a firm of auditors or company secretaries in practice or cost auditors of the listed entity or its holding, subsidiary or associate company; or
 - 2) any legal or a consulting firm that has or had any transaction with the listed entity, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
- C. holds together with his relatives two per cent or more of the total voting power of the listed entity; or
- D. is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts or corpus from the listed entity, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the listed entity;
- E. is a material supplier, service provider or customer or a lessor or lessee of the listed entity;

²⁹ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021 w.e.f. 01.01.2022.

Obligations of a Listed Entity which has listed its Specified Securities...

- (vii) who is not less than 21 years of age.
- (viii) who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director:

Explanation: In case of a 'high value debt listed entity':

- a) which is a body corporate, mandated to constitute its board of directors in a specific manner in accordance with the law under which it is established, the non- executive directors on its board shall be treated as independent directors;
- b) which is a Trust, mandated to constitute its 'board of trustees' in accordance with the law under which it is established, the non-employee trustees on its board shall be treated as independent directors.

Q52. While appointing an Independent Director whether the listed company shall follow the requirements under the Companies Act, 2013 or the Regulations?

A52. The listed company shall follow the provisions of Chapter IV of SEBI (LODR) Regulations, 2015 which has listed its specified securities on any recognised stock exchange(s) either on the main board or on SME Exchange or on Innovators Growth Platform in addition to requirements of the provisions of the Companies Act, 2013.

Q53. Who all are included in "Senior Management" under Chapter IV of SEBI (LODR) Regulations, 2015?

A53. ³⁰"Senior Management" shall mean officers and personnel of the listed entity who are members of its core management team, excluding the board of directors and shall also comprise all the members of the management one level below the chief executive officer/ managing director/ whole time director/ manager (including chief executive officer/ manager, in case they are not part of the board of directors) and shall specifically include the functional heads, by whatever name

³⁰ Substituted by the SEBI (Listing Obligation and Disclosure Requirements) (Amendment) (Regulations), 2023 w.e.f. 17.01.2023.

Frequently Asked Questions on Securities and Exchange Board of India

called and the persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity.

Q54. What is the required composition of board of directors for a listed entity, and are there specific requirements for appointing a women director?

A54. The 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. Additionally, for the top 1000 listed entities shall have at least one independent women director. Moreover, if the listed entity has outstanding SR equity shares, at least half of the board of directors shall comprise of independent directors.

Q55. What happens if a non-executive director is the chairperson of the board of directors?

A55. Where the chairperson of the board of directors is a non-executive director then 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.

However, if 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.

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.

Obligations of a Listed Entity which has listed its Specified Securities...

Q56. Under what all circumstances the Board of Directors shall comprise of at least half of the BOD as independent directors?

A56. As per Regulation 17, the BOD of a listed entity shall comprise of at least half of the BOD as independent directors under the following circumstances:

- Where the chairperson of the BOD of a listed entity is not a regular non-executive chairperson.
- 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.
- Where the listed entity has outstanding SR equity shares.

Q57. What is the minimum number of directors that are required in a listed company?

A57. The listed company, which is a public company, shall have Board of Director consisting of at least three individuals as directors as prescribed under Companies Act, 2013.

However, as per Regulation 17, the board of directors of the top 2000 listed entities shall comprise of not less than six directors.

Q58. What is the age limit for non-executive directors?

A58. No person above the age of 75 years can be appointed or continue as a non-executive director unless a special resolution is passed, with the explanatory statement justifying such an appointment. ³¹However, the listed entity shall ensure compliance with this sub-regulation at the time of appointment or re-appointment or any time prior to the non-executive director attaining the age of seventy-five years.

Q59. What is the requirement regarding shareholder approval for appointment or re-appointment of a person on the Board of

³¹ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

Directors or as a manager in a listed entity? Are there any exceptions to this requirement for public sector companies?

- A59.** As per Regulation ³²17(1C), the listed entity shall ensure that approval of shareholders for appointment or reappointment of a person on the board of directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

However, if such appointment or re-appointment of a person to the board of directors or as a manager is subject to approval of regulatory, government or statutory authorities, then the time taken to receive such approvals shall be excluded.

Further, public sector company shall ensure that the approval of the shareholders for appointment or re-appointment of a person on the board of directors or as a Manager is taken at the next general meeting.

However, the requirements specified in this clause shall not be applicable to appointment or re-appointment of a person nominated by a financial sector regulator, Court or Tribunal to the board of the listed entity.

- Q60. What happens if shareholders have previously rejected the appointment or re-appointment of a person at a general meeting?**

- A60.** ³³The appointment or a re-appointment of a person, including as a managing director or a whole-time director or a manager, who was earlier rejected by the shareholders at a general meeting, shall be done only with the prior approval of the shareholders.

Moreover, the statement referred to under sub-section (1) of section 102 of the Companies Act, 2013, annexed to the notice to the shareholders, for considering the appointment or re-appointment of such a person earlier rejected by the shareholders shall contain a

³² Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

³³ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

Obligations of a Listed Entity which has listed its Specified Securities...

detailed explanation and justification by the Nomination and Remuneration Committee and the board of directors for recommending such a person for appointment or re-appointment.

Q61. What is the requirement regarding the continuation of directors on the board of directors of a listed entity effective from April 1, 2024 and what if a director serving as of March 31, 2024, has not received shareholder approval for the last five years or more?

A61. ³⁴The continuation of a director serving on the board of directors of a listed entity shall be subject to the approval by the shareholders in a general meeting at least once in every five years from the date of their appointment or reappointment.

The continuation of such a director without the approval of shareholders for the last five years or more shall require approval of the shareholders in the first general meeting to be held after March 31, 2024.

Q62. Are there any exceptions to the requirement mentioned above regarding shareholder approval for directors continuation on the board?

A62. ³⁵Yes, there are certain exceptions:

- ✓ The requirement specified in Regulation 17(1D) shall not be applicable to Whole-Time Directors, Managing Directors, Managers, Independent Directors, or a Directors retiring as per sub-section (6) of section 152 of the Companies Act, 2013, if the approval of the shareholders for the reappointment or continuation of the aforesaid directors or Manager is otherwise provided for by the provisions of these regulations or the Companies Act, 2013 and has been complied with.

³⁴ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 dated 14.06.2023 w.e.f. 15.07.2023.

³⁵ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 dated 14.06.2023 w.e.f. 15.07.2023.

Frequently Asked Questions on Securities and Exchange Board of India

- ✓ The requirement specified in Regulation 17(1D) shall not be applicable to the director appointed pursuant to the order of a Court or a Tribunal or to a nominee director of the Government on the board of a listed entity (excluding public sector company) or to a nominee director of a financial sector regulator on the board of a listed entity.
- ✓ The requirement specified in Regulation 17(1D) shall not be applicable to directors nominated by a financial institution registered with or regulated by the Reserve Bank of India under a lending arrangement in its normal course of business or nominated by a Debenture Trustee registered with the Board under a subscription agreement for the debentures issued by the listed entity.

Q63. What is the requirement regarding filling vacancies in the office of the director in a listed entity?

A63. ³⁶Any vacancy in the office of the director shall be filled by the listed entity at the earliest and in any case not later than three months from the date of such vacancy.

³⁷However, if the vacancy in the office of a director results in non-compliance with the provisions of sub-regulation (1) of regulation 18, sub-regulation (1) or (2) of regulation 19, sub-regulation (2) or (2A) of regulation 20 or sub-regulation (2) or (3) of regulation 21, the listed entity shall ensure compliance at the earliest and in any case not later than three months from the date of such vacancy.

Provided further that if the listed entity becomes non-compliant with the requirement of the composition of the Board, sub-regulation (1) of regulation 18, sub-regulation (1) or (2) of regulation 19, sub-regulation (2) or (2A) of regulation 20 or sub-regulation (2) or (3) of regulation 21, due to expiration of the term of office of any director, the resulting

³⁶ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 dated 14.06.2023 w.e.f. 15.07.2023.

³⁷ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

Obligations of a Listed Entity which has listed its Specified Securities...

vacancy shall be filled by the listed entity not later than the date such office is vacated.

Provided further that this shall not apply if the listed entity fulfils the requirement of composition of the Board, sub-regulation (1) of regulation 18, sub-regulation (1) and (2) of regulation 19, sub-regulation (2) and (2A) of regulation 20 and sub-regulation (2) and (3) of regulation 21 without filling the vacancy.

Q64. How often must the board of directors hold meetings for listed entities, and what is the quorum requirement for board meetings of the top 2000 listed entities?

A64. The board of directors shall meet at least four times a financial year, with a maximum time gap of 120 days between any two consecutive meetings.

Further, the quorum for every meeting of the board of directors of the top 2000 listed entities shall be one-third of its total strength or three directors, whichever is higher, including at least one independent director.

The participation of the directors by video conferencing or by other audio-visual means shall also be counted for the purposes of such quorum.

Q65. Does fees or compensation paid to non-executive directors, requires approval?

A65. Yes, as per Regulation 17(6), the fees or compensation paid to non-executive directors, including independent directors, shall require approval of shareholders in general meeting.

However, the requirement of obtaining approval of shareholders in general meeting shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under the Companies Act, 2013 for payment of sitting fees without approval of the Central Government.

Frequently Asked Questions on Securities and Exchange Board of India

The approval of shareholders by special resolution shall be obtained every ³⁸financial year if the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration for shareholder consideration.

Q66. Whether non-executive directors are entitled to stock options?

A66. A non-executive director other than an independent director is entitled to stock options. The maximum number of stock options that may be granted to non-executive directors, in any financial year and in aggregate shall be specified in the approval of shareholders in general meeting.

Q67. What is the provision w.r.t shareholder's approval on fees or compensation payable to the executive directors who are promoter or members of the promoter group?

A67. The fees or compensation payable to executive directors who are promoters or members of the promoter group, shall be subject to the approval of the shareholders by special resolution in general meeting, if

- the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 % of the net profits of the listed entity, whichever is higher; or
- where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 % of the net profits of the listed entity.

The approval of the shareholders under this provision shall be valid only till the expiry of the term of such director.

For the purposes of this clause, net profits shall be calculated as per section 198 of the Companies Act, 2013.

Q68. What shall be the content of the compliance certificate which is required to be furnished by the CEO and CFO to the BOD

³⁸ The word "Financial" was inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 dated 12.12.2024.

Obligations of a Listed Entity which has listed its Specified Securities...

pursuant to the regulation 17(8) of SEBI (LODR) Regulations, 2015?

- A68.** Part B of Schedule II requires the following compliance certificate to be furnished by CEO and CFO to the Board:
- A. They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
 - 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 2) 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.
 - B. 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.
 - C. 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.
 - D. They have indicated to the auditors and the Audit committee
 - 1) significant changes in internal control over financial reporting during the year;
 - 2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

Frequently Asked Questions on Securities and Exchange Board of India

- 3) 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.

Q69. What is the scope prescribed under SEBI (LODR) Regulations, 2015 for evaluation of Independent Director?

A69. The evaluation of Independent Director is conducted by the entire board of directors which shall include:

- Performance of the directors; and
- Fulfilment of the independence criteria as specified in these regulations and their independence from the management.

Further, during the evaluation process, the directors who are subject to evaluation shall not participate.

Q70. What are the broad responsibilities of Board of Directors of a listed entity?

A70. The broad responsibilities of Board of Directors of a listed entity include the following as a minimum:

- The board of directors shall periodically review compliance reports pertaining to all laws applicable to the listed entity, prepared by the listed entity as well as steps taken by the listed entity to rectify instances of non-compliances.
- The board of directors of the listed entity shall satisfy itself that plans are in place for orderly succession for appointment to the board of directors and senior management.
- The board of directors shall lay down a code of conduct for all members of board of directors and senior management of the listed entity. The code of conduct shall suitably incorporate the duties of independent directors as laid down in the Companies Act, 2013
- The board of directors shall recommend all fees or compensation, if any, paid to non-executive directors, including

Obligations of a Listed Entity which has listed its Specified Securities...

independent directors and shall require approval of shareholders in general meeting.

- The board of directors shall be responsible for framing, implementing and monitoring the risk management plan for the listed entity.
- Each item of special business to be transacted at a general meeting shall also set forth clearly the recommendation of the board to the shareholders along with the rationale on each of the specific items.

Q71. What is the maximum number of directorships that can be held by a director of a listed entity?

A71. The maximum number of directorships, including any alternate directorships, that can be held by a director is as follows:

- a person shall not be a director in more than seven listed entities;
- a person shall not serve as an independent director in more than seven listed entities.
- any person who is serving as a whole-time director / managing director in any listed entity shall not serve as an independent director in more than three listed entities.

The count for the number of listed entities on which a person is a director / independent director shall be only for those whose equity shares are listed on a stock exchange.

Q72. What are the various types of committees that are required to be formed under LODR Regulations?

A72. The various types of committees that are required to be formed under LODR Regulations are as follows:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Risk Management Committee

Frequently Asked Questions on Securities and Exchange Board of India

Q73. What shall be the composition of Audit Committee under the Regulations?

A73. Every listed entity shall constitute a qualified and independent audit committee which shall have:

- Minimum three directors as members.
- At least two-thirds of the members of the audit committee shall be independent directors and in case of a listed entity having outstanding SR equity shares, the audit committee shall only comprise of independent directors.
- All members of audit committee shall be financially literate and at least one member shall have accounting or related financial management expertise.
- The chairperson of the audit committee shall be an independent director.
- The Company Secretary shall act as the secretary to the audit committee.
- 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 invited to the meetings of the committee at the discretion of the Audit Committee.

Q74. Whether it is mandatory for the chairman of the Audit Committee to be present at Annual General Meeting of the Listed Entity?

A74. Yes, the Chairman of the Audit Committee shall be present at Annual General Meeting of the listed entity to answer shareholder queries.

Q75. What is the timeline for meetings of audit committee of a listed entity?

A75. The audit committee shall meet at least four times in a financial year, with a maximum time gap of one hundred and twenty days between any two consecutive meetings.

Q76. Whether quorum of an audit committee of a listed entity can be confirmed without the presence of independent director?

A76. As per the Regulation 18(2) of SEBI (LODR) Regulations, 2015, the quorum for audit committee meeting shall either be two members or

Obligations of a Listed Entity which has listed its Specified Securities...

one third of the members of the audit committee, whichever is greater, with at least two independent directors.

Therefore, presence of at least two independent directors in an audit committee meeting is mandatory.

Q77. What is the role of the audit committee of a listed entity?

A77. The role of the audit committee is stated in Part C of Schedule II and some of the key responsibilities included therein are as follows:

- 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;
- recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- reviewing, with the management, the quarterly financial statements, the annual financial statements and auditor's report thereon before submission to the board for approval.
- reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- approval or any subsequent modification of transactions of the listed entity with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the listed entity, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control system;
- to review the functioning of the whistle blower mechanism; etc.
- reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary

Frequently Asked Questions on Securities and Exchange Board of India

exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

- ³⁹consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

Q78. Which information is mandatorily required to be reviewed by audit committee of a listed entity?

A78. The audit committee of a listed entity shall mandatorily review the following information:

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

³⁹ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 05.05.2021.

Obligations of a Listed Entity which has listed its Specified Securities...

Q79. Who shall be the members of the nomination and remuneration committee?

A79. The Board of Directors shall constitute the nomination and remuneration committee as follows:

- the committee shall comprise of at least three directors;
- all directors of the committee shall be non-executive directors; and
- at least two-thirds of the directors shall be independent directors;
- the Chairperson of the nomination and remuneration committee shall be an independent director.

Q80. Whether the chairperson of the listed entity who is a non-executive director can be nominated as the chairperson of the nomination and remuneration committee in the same listed entity?

A80. No, because as per sub-regulation 2 of regulation 19, the chairperson of listed entity, whether executive or non-executive, may be appointed as a member of the Nomination and Remuneration Committee but shall not chair such Committee. Further the chairperson shall be an independent director.

Q81. What is the quorum for a meeting of the nomination and remuneration committee?

A81. The quorum is either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.

Q82. How many minimum numbers of meetings of nomination and remuneration committee shall be conducted in a year?

A82. The nomination and remuneration committee shall meet at least once in a financial year.

Frequently Asked Questions on Securities and Exchange Board of India

Q83. What is the role and purpose of formation of nomination and remuneration committee?

A83. Role of the nomination and remuneration committee shall, inter-alia, include the following:

- 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;
- ⁴⁰For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - ✓ use the services of an external agencies, if required;
 - ✓ consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - ✓ consider the time commitments of the candidates.
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- 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.

⁴⁰ Inserted by SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021 w.e.f. 03.08.2021.

Obligations of a Listed Entity which has listed its Specified Securities...

- 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.
- recommend to the board, all remuneration, in whatever form, payable to senior management.

Q84. What shall be the composition of the Stakeholders Relationship Committee?

A84. The listed entity shall constitute a Stakeholders Relationship Committee to specifically look into various aspects of interest of shareholders, debenture holders and other security holders, and it shall be composed of at least three directors as members of the committee, with at least one being an independent director and in case of a listed entity having outstanding SR equity shares, at least two thirds of the members of the committee shall comprise of independent directors. The stakeholder's relationship committee shall meet at least once in a financial year.

Q85. Is the Chairperson of the Stakeholders Relationship Committee required to be present during annual general meetings?

A85. The chairperson of the Stakeholders Relationship Committee, who shall be a non-executive director, be present at the annual general meetings to answer queries of the security holders.

Q86. What roles shall be performed by Stakeholders Relationship Committee?

A86. The role of the committee shall inter-alia include the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.

Frequently Asked Questions on Securities and Exchange Board of India

- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Q87. State the constitution of Risk Management Committee?

A87. The board of directors shall constitute a Risk Management Committee. ⁴¹The Risk Management Committee shall have minimum three members with majority of them being members of the board of directors, including at least one independent director and in case of a listed entity having outstanding SR equity shares, at least two thirds of the Risk Management Committee shall comprise independent directors. The chairman 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.

Q88. How many minimum numbers of meetings of Risk Management Committee shall be conducted in a year?

A88. The Risk Management Committee shall meet at least ⁴²twice in a financial year.

Q89. What are the quorum requirements and meeting frequency obligations for the Risk Management Committee under SEBI (LODR) regulations?

A89. ⁴³The quorum for a meeting of the Risk Management Committee shall be either two members or one third of the members of the committee, whichever is higher, including at least one member of the board of

⁴¹ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 05.05.2021.

⁴² Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 05.05.2021.

⁴³ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 05.05.2021.

Obligations of a Listed Entity which has listed its Specified Securities...

directors in attendance. Additionally, the committee shall ensure that not more than two hundred and ten days ⁴⁴(210 days) shall elapse between any two consecutive meetings on a continuous basis.

Q90. Whether the provision w.r.t risk management committee shall be applicable to every listed entity?

A90. ⁴⁵The provisions regarding risk management committee, as contained in Regulation 21 shall be applicable to:

- (i) the top 1000 listed entities; and,
- (ii) a “high value debt listed entity” as defined in the Regulations.

Q91. Who has the authority to define the roles and responsibility of the Risk Management Committee, and what are the key roles and responsibilities of the committee?

A91. 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, however, such function shall specifically cover cyber security. ⁴⁶Additionally, the role of the committee shall, inter alia, include the following:

- 1) To formulate a detailed risk management policy which shall include:
 - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

⁴⁴ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024 w.e.f. 17.05.2024.

⁴⁵ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

⁴⁶ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 05.05.2021.

Frequently Asked Questions on Securities and Exchange Board of India

- Measures for risk mitigation including systems and processes for internal control of identified risks.
 - Business continuity plan
- 2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
 - 3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
 - 4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
 - 5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
 - 6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

Q92. Why is “vigil mechanism” formulated?

A92. Vigil mechanism/⁴⁷whistle blower policy has been formulated by the listed entity for directors and employees to report genuine concerns. The vigil mechanism shall provide for adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism and provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.

⁴⁷ The word “whistle blower policy” was inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 05.05.2021.

Obligations of a Listed Entity which has listed its Specified Securities...

Q93. How is it ensured that there are adequate safeguards against the victimization of director(s) or employee(s) in a listed entity?

A93. To ensure that there are adequate safeguards against the victimization of director(s) or employee(s) in a listed entity, the listed entity shall formulate a vigil mechanism/whistle blower policy for directors and employees to report genuine concerns.

Further, it shall also provide for direct access to the chairperson of the audit committee in appropriate or exceptional cases.

Q94. When shall a transaction with the related party be considered as 'material'?

A94. ⁴⁸A 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 rupees one thousand crore or ten percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

Further, with effect from July 01, 2019, transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed five percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.

Q95. What aspects should be covered in the policy w.r.t to related party transactions framed by listed entity?

A95. The listed entity shall formulate a policy covering the following aspects:

- materiality of related party transactions,
- dealing with related party transactions

⁴⁸ Substituted by the SEBI (Listing Obligation and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 dated 09.11.2021 w.e.f. 01.04.2022.

Frequently Asked Questions on Securities and Exchange Board of India

including clear threshold limits duly approved by the board of directors and such policy shall be reviewed by the board of directors at least once in every three years and updated accordingly.

Q96. What are the provisions relating to approval of related party transactions?

A96. Under Regulation 23 of SEBI (LODR) regulations, 2015 related party transactions ⁴⁹and subsequent material modifications must comply with specific requirements:

- All related party transactions and subsequent material modifications shall require prior approval of the audit committee of the listed entity.
- ⁵⁰Only those independent directors who are members of the audit committee can approve related party transactions.
- The audit committee shall define “material modifications” and disclose them as part of the policy (see FAQ 95 above) on related party transactions.
- A related party transaction where a subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the specified threshold is presently met:
 - if the value of such transaction whether entered individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.
- Prior approval of the audit committee of the listed entity shall not be required for a related party transaction to which the listed subsidiary is a party but the listed entity is not a party, if

⁴⁹ The words “and subsequent material modifications” was inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 dated 09.11.2021 w.e.f. 01.04.2022.

⁵⁰ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021 dated 03.08.2021 w.e.f. 01.01.2022.

Obligations of a Listed Entity which has listed its Specified Securities...

regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.

- For related party transactions involving unlisted subsidiaries of a listed subsidiary, prior approval of the audit committee of the listed subsidiary shall suffice.
- ⁵¹remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of sub-regulation (1) of regulation 23.
- ⁵²The members of the audit committee, who are independent directors, may ratify related party transactions within three months from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions:
 - ✓ the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year shall not exceed rupees one crore;
 - ✓ the transaction is not material in terms of the provisions of sub-regulation (1) of regulation 23;
 - ✓ rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;
 - ✓ the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of regulation 23;

⁵¹ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024

⁵² Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024

Frequently Asked Questions on Securities and Exchange Board of India

- ✓ any other condition as specified by the audit committee:

However, failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

Q97. Can there be an omnibus approval of related party transactions?

A97. The audit committee may grant omnibus approval for related party transactions proposed to be entered into by the listed entity or its subsidiary subject to the following conditions:

- the audit committee shall lay down the criteria for granting the omnibus approval in line with the policy on related party transactions and such approval shall be applicable in respect of transactions which are repetitive in nature;
- 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;
- the omnibus approval shall specify the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into, the indicative base price / current contracted price and the formula for variation in the price if any; and such other conditions as the audit committee may deem fit;

However, 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.

- The audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity, of the listed entity or its subsidiary pursuant to each of the omnibus approvals given.

Obligations of a Listed Entity which has listed its Specified Securities...

- Omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

Q98. What are the requirements for approval of material related party transactions by shareholders?

A98. All material related party transactions ⁵³and subsequent material modifications, as defined by the audit committee, shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

However, prior approval of the shareholders of a listed entity shall not be required for a related party transaction to which the listed subsidiary is a party, but the listed entity is not a party:

- if regulation 23 and sub-regulation (2) of regulation 15 of these regulations are applicable to such listed subsidiary.
- in respect of a resolution plan approved under section 31 of the Insolvency Code, subject to the event being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

For related party transactions of unlisted subsidiaries of a listed subsidiary as referred above, the prior approval of the shareholders of the listed subsidiary shall suffice.

Q99. To whom does the provision relating to prior approval of audit committee, omnibus approval and shareholder's approval on related party transactions does not apply?

A99. The provision relating to prior approval of audit committee, omnibus approval and shareholder's approval on related party transactions does not apply to:

⁵³ The words "and subsequent material modifications, as defined by the audit committee" was inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 dated 09.11.2021 w.e.f. 01.04.2022.

Frequently Asked Questions on Securities and Exchange Board of India

- transactions entered into between two public sector companies,
- transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- ⁵⁴transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
- ⁵⁵transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand.
- ⁵⁶transactions entered into between a public sector company on one hand and the Central Government or any State Government or any combination thereof on the other hand.

Q100. What is the disclosure requirement in relation to related party transactions?

A100. ⁵⁷The listed entity shall submit to the stock exchanges disclosures of related party transactions in the format as specified by the Board from time to time and publish these disclosures on its website. However, “high value debt listed entity” shall submit such disclosures along with its standalone financial results for the half year. Further, w.e.f. April 1, 2023, the listed entity shall make disclosures of related party

⁵⁴ Inserted by SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 dated 09.11.2021 w.e.f. 01.04.2022.

⁵⁵ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

⁵⁶ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

⁵⁷ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 dated 09.11.2021 w.e.f. 01.04.2022.

Obligations of a Listed Entity which has listed its Specified Securities...

transactions every six months on the date of publication of its standalone and consolidated financial results.

⁵⁸However, the remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require disclosure under this sub-regulation provided that the same is not material in terms of the provisions of sub-regulation (1) of regulation 23.

Q101. Whether the corporate governance requirement relating to appointment of at least one independent director of the listed entity on the board of the directors of its unlisted material subsidiary is applicable to only those subsidiaries which are incorporated in India?

A101. Regulation 24 of SEBI (LODR) Regulations, 2015 clearly prescribes that whether the unlisted material subsidiary is incorporated in India or not, the requirement with respect to appointment of at least one independent director of listed entity shall also serve on the board of the directors of an unlisted material subsidiary.

And for the purpose of this requirement “material subsidiary” shall mean a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Q102. What are the provisions relating to corporate governance requirements with respect to unlisted subsidiary of listed entity in addition to appointment of its independent director to the Board of such subsidiary?

A102. The corporate governance requirements with respect to unlisted subsidiary of listed entity are as follows:

⁵⁸ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

Frequently Asked Questions on Securities and Exchange Board of India

- The audit committee of the listed entity shall review the financial statements, in particular, the investments made by the unlisted subsidiary.
- 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.
- 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.

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 subsidiary for the immediately preceding accounting year.

Q103. Are there any restrictions for a listed entity for disposing of its shares in its material subsidiary?

A103. 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 or equal to 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 or under a resolution plan duly approved by Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the approval of the resolution plan.

Q104. Where a listed entity has a listed subsidiary, which is itself a holding company, then upto what extent provisions of regulation 24 shall apply?

A104. 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.

Q105. What is the requirement for secretarial audit for listed entities and their material unlisted subsidiaries in India?

Obligations of a Listed Entity which has listed its Specified Securities...

A105. ⁵⁹Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report in such form as specified, with the annual report of the listed entity.

Q106. What is the eligibility requirement for a Secretarial Auditor to be appointed in a listed entity?

A106. A person shall be eligible for appointment as a Secretarial Auditor of the listed entity only if such person is a Peer Reviewed Company Secretary and has not incurred any of the disqualifications as specified by the Board:

Where a firm including a limited liability partnership is appointed as Secretarial Auditor of the listed entity, only the partners who are Peer Reviewed Company Secretaries shall be authorised to act and sign on behalf of the firm.

Q107. What is the maximum term for which an individual can be appointed as the Secretarial Auditor of a listed entity?

A107. An individual can be appointed as the Secretarial Auditor of a listed entity for not more than one term of five consecutive years. After completing the term of five years, the individual shall not be eligible for re-appointment as Secretarial Auditor in the same listed entity.

Q108. What is the maximum tenure for a Secretarial Audit firm as Secretarial Auditor in a listed entity?

A108. A Secretarial Audit firm can be appointed as Secretarial Auditor for not more than two terms of five consecutive years. After completing its tenure, the Secretarial Audit firm shall not be eligible for re-appointment as Secretarial Auditor in the same listed entity.

Q109. What restriction applies to the appointment of a Secretarial Audit firm with common partners to the other Secretarial Audit firm, whose tenure has expired?

⁵⁹ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

Frequently Asked Questions on Securities and Exchange Board of India

A109. As on the date of appointment no Secretarial Audit firm having a common partner or partners to the other Secretarial Audit firm, whose tenure has expired in the listed entity immediately preceding the financial year, shall be appointed as Secretarial Auditor of the same listed entity for a period of five years.

Q110. What happens if a Secretarial Auditor incurs disqualifications after being appointed?

A110. Where a person appointed as Secretarial Auditor of the listed entity incurs any of the disqualifications as specified by the Board, after appointment, such person shall vacate the office as Secretarial Auditor and such vacation shall be deemed to be a casual vacancy in the office of the Secretarial Auditor.

Q111. What is the procedure if a casual vacancy arises due to the resignation, death, or disqualification of a Secretarial Auditor before the completion of their term?

A111. The casual vacancy arising out of resignation, death or disqualification of a Secretarial Auditor shall be filled by the board of directors of the listed entity within a period of three months and the secretarial auditor so appointed shall hold office till the conclusion of the next annual general meeting.

Q112. Can a listed entity remove its Secretarial Auditor before the completion of the term, and does the Secretarial Auditor have the right to resign from the office?

A112. Yes, nothing in the regulations prevents the rights of the listed entity to remove Secretarial Auditor with the approval of its shareholders in its Annual General Meeting or the right of the Secretarial Auditor to resign from such office of the listed entity.

Q113. What services can a Secretarial Auditor provide to a listed entity, and what are the compliance requirements from April 1, 2025?

A113. A Secretarial Auditor appointed under these regulations shall provide to the listed entity only such other services as are approved by the board of directors, but which shall not include any services as specified by the Board in this behalf.

Obligations of a Listed Entity which has listed its Specified Securities...

Additionally, starting from April 1, 2025, every listed entity shall ensure compliance with the provisions related to the appointment, re-appointment, or continuation of the Secretarial Auditor, as mentioned in sub-regulations (1), (1A), and (1B) of Regulation 24A. It is important to note that any association of the individual or firm as the Secretarial Auditor of the listed entity before March 31, 2025, shall not be considered for the purpose of calculating the tenure for reappointment under clause (b) of sub-regulation (1) of Regulation 24A.

Q114. When does a listed entity need to submit a secretarial compliance report to stock exchange?

A114. ⁶⁰A listed entity is required to submit a secretarial compliance report in the specified format to the stock exchanges within sixty days from the end of each financial year.

⁶¹However, the listed entity shall ensure that with effect from April 1, 2025, the Secretarial Compliance Report submitted to the stock exchange(s) on annual basis is signed only by the Secretarial Auditor or by a Peer Reviewed Company Secretary who satisfies the conditions mentioned in sub-regulations (1A) and (1B) of regulation 24A.

Q115. Can a person act as an alternate director for an Independent Director of a listed entity?

A115. With effect from 1st October 2018, no person shall be appointed or continue as an alternate director for an independent director of a listed entity.

Q116. What is the maximum tenure of independent directors of listed entities?

A116. The maximum tenure of independent directors shall be in accordance with the Companies Act, 2013 and rules made thereunder.

⁶⁰ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 05.05.2021.

⁶¹ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

Frequently Asked Questions on Securities and Exchange Board of India

Q117. What is the requirement for the appointment, re-appointment, or removal of an independent director in a listed entity?

A117. ⁶²The appointment, re-appointment, or removal of an independent director of a listed entity, shall be subject to the approval of shareholders by way of special resolution.

Q118. What happens if a special resolution for the appointment of an independent director fails to get the required majority of votes?

A118. ⁶³Where a special resolution for the appointment of an independent director fails to get the requisite majority of votes but the votes cast in favour of the resolution exceed the votes cast against the resolution and the votes cast by the public shareholders in favour of the resolution exceed the votes cast against the resolution, then the appointment of such an independent director shall be deemed to have been made under sub-regulation (2A).

Q119. Under what circumstances can an independent director appointed under the first proviso of Regulation 25(2A) be removed?

A119. ⁶⁴Such an independent director shall be removed only if the votes cast in favour of the resolution proposing the removal exceed the votes cast against the resolution and the votes cast by the public shareholders in favour of the resolution exceed the votes cast against the resolution.

Q120. How many minimum numbers of meetings shall be held in a year by the independent directors of the listed entity and what specific responsibilities do independent directors have during these meetings as mentioned in Regulation 25(3) of the relevant regulations?

⁶² Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021 dated 03.08.2021 w.e.f. 01.01.2022.

⁶³ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022 w.e.f. 14.11.2022.

⁶⁴ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022 w.e.f. 14.11.2022.

Obligations of a Listed Entity which has listed its Specified Securities...

A120. The independent directors of the listed entity shall hold at least one meeting in a financial year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.

Further, the Independent Directors in the meeting shall, inter alia-

- review the performance of non-independent directors and the board of directors as a whole;
- review the performance of the chairperson of the listed entity, taking into account the views of executive directors and non-executive directors;
- access the quality, quantity and timeliness of flow of information between the management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

Q121. Is there any provision relating to declaration of independence by an independent director of a listed entity?

A121. Yes, the provision of regulation 25(8) deals with the same and states that every independent director shall, at the first meeting of the board in which he participates as a director and thereafter at the first meeting of the board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, submit a declaration that he meets the criteria of independence as provided in clause (b) of sub-regulation (1) of regulation 16 and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.

Q122. Is there any requirements for Directors and Officers insurance (D & O insurance) to be undertaken by the listed entities?

Frequently Asked Questions on Securities and Exchange Board of India

A122. The top ⁶⁵1000 listed entities based on market capitalization and all high value debt listed entities shall undertake Directors and Officers insurance (D & O insurance) for all their independent directors of such quantum and risks as may be determined by its Board of Directors.

Q123. Can an independent director who resigns from a listed entity be appointed as an executive or whole-time director immediately after resignation?

A123. ⁶⁶According to the regulation, no, independent director, who resigns from a listed entity, shall be appointed as an executive/whole time director on the board of the listed entity, its holding, subsidiary or associate company or on the board of a company belonging to its promoter group, unless a period of one year has elapsed from the date of resignation as an independent director.

Q124. What is the maximum limit of committees in which a director of a listed entity may serve?

A124. A director shall not be a member in more than ten committees or act as chairperson of more than five committees across all listed entities in which he/she is a director which shall be determined as follows:

- the limit of the committees on which a director may serve in all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies, ⁶⁷high value debt listed entities and companies under Section 8 of the Companies Act, 2013 shall be excluded,

⁶⁵ The word "1000" was substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021 dated 03.08.2021 w.e.f. 01.01.2022.

⁶⁶ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021 dated 03.08.2021 w.e.f. 01.01.2022.

⁶⁷ The words "high value debt listed entities" was inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

Obligations of a Listed Entity which has listed its Specified Securities...

- for the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders Relationship Committee alone shall be considered.

Q125. Is it necessary for the director to inform the listed entity in which he/she is a director about his/her position in other listed entities?

A125. Yes, every director shall inform the listed entity about the committee positions that he or she occupies in other listed entities and notify changes as and when they take place.

Q126. Whether an agreement entered into by an employee of the listed entity for himself or on behalf of any other person, with any shareholder with regard to compensation or profit sharing in connection with dealings in the securities of such listed entity, be considered as valid?

A126. As per the Regulation 26(6), no employee including key managerial personnel or director or promoter of a listed entity shall enter into any agreement for himself/herself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of such listed entity, unless prior approval for the same has been obtained from the Board of Directors as well as public shareholders by way of an ordinary resolution. However, all interested persons involved in the transaction covered under the agreement shall abstain from voting in the general meeting.

Q127. What is the timeline for filling vacancies in Key Managerial positions like CEO, Managing Director, Whole-time Director, Manager within a listed entity? Are there any exceptions to the three-month timeline for filling these vacancies?

A127. ⁶⁸Any vacancy in the office of Chief Executive Officer, Managing Director, Whole-time Director or Manager shall be filled by the listed

⁶⁸ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 dated 14.06.2023 w.e.f. 15.07.2023.

Frequently Asked Questions on Securities and Exchange Board of India

entity at the earliest and in any case not later than three months from the date of such vacancy.

⁶⁹Further, where the listed entity is required to obtain approval of regulatory, government or statutory authorities to fill up such vacancies, then the vacancies shall be filled up by the listed entity at the earliest and in any case not later than six months from the date of such vacancy.

However, the listed entity shall not fill such vacancy by appointing a person in interim capacity, unless such appointment is made in accordance with the laws applicable in case of a fresh appointment to such office and the obligations under such laws are made applicable to such person.

⁷⁰Any vacancy in the office of Chief Executive Officer, Managing Director, Whole Time Director or Manager of such listed entity in respect of which a resolution plan under section 31 of the Insolvency Code has been approved, shall be filled within a period of three months of such approval:

Provided that, in the interim, such listed entity shall have not less than one full-time key managerial personnel managing its day-to-day affairs.

Q128. What is the timeline for filling vacancy in the office of Chief Financial Officer within a listed entity? Are there any exceptions to the three-month timeline for filling the vacancy?

A128. ⁷¹Any vacancy in the office of Chief Financial Officer shall be filled by the listed entity at the earliest and in any case not later than three months from the date of such vacancy.

⁶⁹ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024 w.e.f. 17.05.2024.

⁷⁰ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

⁷¹ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 dated 14.06.2023 w.e.f. 15.07.2023.

Obligations of a Listed Entity which has listed its Specified Securities...

⁷²Further, where the listed entity is required to obtain approval of regulatory, government or statutory authorities to fill up such vacancy, then the vacancy shall be filled up by the listed entity at the earliest and in any case not later than six months from the date of such vacancy.

Moreover, the listed entity shall not fill such vacancy by appointing a person in interim capacity, unless such appointment is made in accordance with the laws applicable in case of a fresh appointment to such office and the obligations under such laws are made applicable to such person.

⁷³Any vacancy in the office of Chief Financial Officer of such listed entity in respect of which a resolution plan under section 31 of the Insolvency Code has been approved, shall be filled within a period of three months of such approval:

Provided that, in the interim, such listed entity shall have not less than one full-time key managerial personnel managing its day-to-day affairs.

Q129. What is the prescribed timeline for submission of quarterly compliance report on corporate governance by the listed entity to the stock exchange(s)?

A129. ⁷⁴The listed entity shall submit, to the recognised stock exchange(s), a quarterly compliance report on corporate governance in the format and within the timelines, as may be specified by the Board from time to time.

⁷² Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024 w.e.f. 17.05.2024.

⁷³ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

⁷⁴ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 dated 12.12.2024 w.e.f. 31.12.2024.

Frequently Asked Questions on Securities and Exchange Board of India

⁷⁵Furthermore, details of cyber security incidents or breaches or loss of data or documents shall be disclosed, along with the compliance report.

Q130. What are the various agenda of board meetings for which prior intimations has to be given to stock exchange by the listed entity?

A130. The listed entity shall give prior intimation of at least two working days in advance, excluding the date of the intimation and date of the meeting, to stock exchange about the meeting of the board of directors in which any of the following proposals is due to be considered:

- financial results viz. quarterly, half yearly, or annual, as the case may be;
- proposal for buyback of securities;
- proposal for voluntary delisting by the listed entity from the stock exchange(s);
- fund raising by way of issue of securities (excluding security receipts, securitized debt instruments or money market instruments regulated by the Reserve Bank of India), through further public offer, rights issue, American Depository Receipts/Global Depository Receipts/Foreign Currency Convertible Bonds, qualified institutions placement, debt issue, preferential issue or any other method and for determination of issue price:

Provided that intimation shall also be given in case of any annual general meeting or extraordinary general meeting or postal ballot that is proposed to be held for obtaining shareholder approval for further fund raising indicating type of issuance.

⁷⁵ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 dated 14.06.2023 w.e.f. 15.07.2023.

Obligations of a Listed Entity which has listed its Specified Securities...

⁷⁶Provided further that intimation for determination of issue price in a qualified institutions placement is not required if such placement is done in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

- declaration/ recommendation of dividend, issue of convertible securities including convertible debentures or of debentures carrying a right to subscribe to equity shares or the passing over of dividend.
- the proposal for declaration of bonus securities.
- ⁷⁷any alteration in the form or nature of any of its securities that are listed on the stock exchange or in the rights or privileges of the holders thereof;
- ⁷⁸any alteration in the date on which, the interest on debentures or bonds, or the redemption amount of redeemable shares or of debentures or bonds, shall be payable.
- The intimation shall mention the date of such meeting of board of directors.

Q131. What are the various categories related to disclosure of material events or information by a listed entity?

A131. The various categories related to disclosure of material events or information by a listed entity are as follows:

- disclosures of any events or information which are material in the opinion of the board of directors of the listed company,
- disclosures of events which are specified in Para A of Part A of Schedule III and are deemed to be material events,

⁷⁶ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024 w.e.f. 17.05.2024.

⁷⁷ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024 w.e.f. 17.05.2024.

⁷⁸ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2024 w.e.f. 17.05.2024.

Frequently Asked Questions on Securities and Exchange Board of India

- disclosures of events which are specified in Para B of Part A of Schedule III, based on application of guidelines for materiality as specified in sub regulation 4 of regulation 30.

Q132. What are the criteria for determination of materiality of events or information that is to be disclosed by the listed entity?

A132. The listed entity shall consider the following criteria for determination of materiality of events/ information:

- the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- 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; or
- ⁷⁹the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
 - two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;
 - five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity;
- ⁸⁰In case where the criteria specified above are not applicable, an event or information may be treated as being material if in

⁷⁹ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 dated 14.06.2023 w.e.f. 15.07.2023.

⁸⁰ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 dated 14.06.2023 w.e.f. 15.07.2023.

Obligations of a Listed Entity which has listed its Specified Securities...

the opinion of the board of directors of the listed entity, the event / information is considered material.

Q133. What obligation does a listed entity have regarding the determination of materiality of events or information?

A133. The listed entity shall frame a policy for determination of materiality, based on criteria specified in sub-regulation 4 of regulation 30, duly approved by its board of directors, which shall be disclosed on its website.⁸¹ However, such a policy for determination of materiality shall not dilute any requirement specified under the provisions of these regulations:

Furthermore, such a policy for determination of materiality shall assist the relevant employees of the listed entity in identifying any potential material event or information and reporting the same to the authorized Key Managerial Personnel, in terms of sub-regulation (5), for determining the materiality of the said event or information and for making the necessary disclosures to the stock exchange(s).

The listed entity shall disclose all events or information with respect to subsidiaries which are material for the listed entity.

Q134. What responsibility does the board of directors of a listed entity have regarding the determination of materiality and disclosures to stock exchanges?

A134. 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 regulation 30 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.

Q135. Within what period of time, the events specified in Part A of the Schedule III shall be disclosed to stock exchange(s)?

⁸¹ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 dated 14.06.2023 w.e.f. 15.07.2023.

Frequently Asked Questions on Securities and Exchange Board of India

A135. ⁸²The listed entity shall disclose to the stock exchange(s) all events or information which are material in terms of the provisions of regulation 30 as soon as reasonably possible and in any case not later than the following:

- thirty minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken:

⁸³However, in case the meeting of the board of directors closes after ⁸⁴normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day, the listed entity shall disclose the decision pertaining to the event or information, within three hours from the closure of the board meeting:

⁸⁵Moreover, in case the meeting of the board of directors is being held for more than one day, the financial results shall be disclosed within thirty minutes or three hours, as applicable, from closure of such meeting for the day on which it has been considered.

- Twelve-hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;
- twenty-four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity:

⁸² Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 dated 14.06.2023 w.e.f. 15.07.2023.

⁸³ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

⁸⁴ Normal trading hours shall mean time period for which the recognized stock exchanges are open for trading for all investors.

⁸⁵ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

Obligations of a Listed Entity which has listed its Specified Securities...

⁸⁶Provided that if all the relevant information, in respect of claims which are made against the listed entity under any litigation or dispute, other than tax litigation or dispute, in terms of sub-paragraph 8 of paragraph B of Part A of Schedule III, is maintained in the structured digital database of the listed entity in terms of provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the disclosure with respect to such claims shall be made to the stock exchange(s) within seventy-two hours of receipt of the notice by the listed entity:

Nonetheless, disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines. Provided further that in case the disclosure is made after the timelines specified under this regulation, the listed entity shall, along with such disclosure provide the explanation for the delay.

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.

Q136. In case a fraud is committed by a KMP in a listed entity, whether the disclosure of this event to the stock exchange shall be subject to any guidelines of materiality or without applying any guidelines of materiality as specified in sub-regulation (4) of regulation (30)?

A136. ⁸⁷Any fraud/ defaults by a listed entity, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the listed entity whether occurred within India or abroad shall be disclosed to the stock exchange without applying any guidelines of materiality as specified in sub-regulation (4) of regulation (30), since this event is covered specifically under Para A of Part A of Schedule

⁸⁶ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

⁸⁷ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 dated 14.06.2023 w.e.f. 15.7.2023.

Frequently Asked Questions on Securities and Exchange Board of India

III which specifies events which shall be disclosed to the stock exchange without materiality guidelines.

Q137. Whether reasons for resignation of independent director are required to be disclosed to the stock exchange by the listed entity?

A137. Para A of Part A of Schedule III, specifically states that in case of resignation of an independent director of the listed entity, the following disclosures shall be made to the stock exchanges by the listed entities, within seven days from the date of resignation:

- (i) ⁸⁸The letter of resignation along with detailed reasons for the resignation as given by the said director.
 - Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees.
- (ii) Along with the detailed reasons (see (i) above), confirmation by the independent director that there is no other material reasons other than those provided.
- (iii) The confirmation as provided by the independent director above shall also be disclosed by the listed entities to the stock exchanges along with the disclosures as specified in sub-clause (i) and (ii) above.

Q138. Is there any retention period for events or information which has been disclosed to stock exchange(s) under regulation 30 and hosted on the website of the listed entity?

A138. Yes, the listed entity shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under regulation 30, 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.

⁸⁸ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021 read with the corrigendum, w.e.f. 1.1.2022.

Q139. What is the regulatory requirement for top listed entities regarding reported events or information in the mainstream media?

A139. ⁸⁹The top 100 listed entities and thereafter the top 250 listed entities ⁹⁰with effect from the date specified by the Board, shall confirm, deny, or clarify upon the material price movement as may be specified by the stock exchanges, any reported event or information in the mainstream media which is not general in nature and which indicates that rumour of an impending specific event or information is circulating amongst the investing public, as soon as reasonably possible but in any case not later than twenty four hours from the trigger of material price movement.

Further, if the listed entity confirms the reported event or information, it shall also provide the current stage of such event or information.

Q140. Whether the listed entity is obligated to make disclosures in respect of event/ information which has occurred and may have a material effect, but which has not been indicated in Para A or B of Part A of Schedule III?

A140. Yes, the listed entity is required to make adequate disclosures, 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.

Q141. What are the various timelines prescribed for the submission of statement showing holding of securities and shareholding pattern to the stock exchange(s)?

A141. The various timelines prescribed for the submission of statement showing holding of securities and shareholding pattern to the stock exchange(s) are as follows:

⁸⁹ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 dated 14.06.2023 w.e.f. 15.07.2023.

⁹⁰ The words “with effect from the date specified by the Board” was inserted by the SEBI (Listing Obligations and Disclosures Requirement) (Fifth Amendment) Regulations, 2023 w.e.f. 01.10.2023

Frequently Asked Questions on Securities and Exchange Board of India

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

However, in case of listed entities which have listed their specified securities on SME Exchange, the above statements shall be submitted on a half yearly basis within twenty-one days from the end of each half year.

Q142. Whether any promoter or member of the promoter group can hold shares in physical form?

A142. No, as per regulation 31(2), the listed entity shall ensure that hundred percent of shareholding of promoter(s) and promoter group is in dematerialized form and the same is maintained on a continuous basis in the manner as specified by the Board.

Q143. What does the term “promoter(s) seeking re-classification” mean?

A143. Promoter(s) seeking re-classification” shall mean all such promoters/ persons belonging to the promoter group seeking re-classification of status as public.

Q144. What are the procedures which are required to be followed to re-classify status of a promoter/ person belonging to promoter group to public?

A144. Re-classification of status of a promoter, including promoter group, shall be subject to the following conditions:

⁹¹Fulfilment of the following requirements:

⁹¹ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

Obligations of a Listed Entity which has listed its Specified Securities...

- (i) the promoter(s) seeking reclassification shall make a request for reclassification to the listed entity along with a rationale for the request and a description as to how the conditions specified in clause (b) of this sub-regulation (3) are satisfied;
- (ii) the board of directors of the listed entity shall analyze such request which is compliant with the conditions specified in clause (b) of sub-regulation (3) and provide their views in the immediate next board meeting or within two months from the date of receipt of the request from its promoter(s), whichever is earlier;
- (iii) the listed entity shall submit an application seeking no-objection of the recognized stock exchange for such reclassification request along with the views of the board of directors within five days of consideration of the request by the board of directors;
- (iv) the recognized stock exchange shall decide on such application(s) within a period of thirty days, excluding the time taken, if any, by the listed entity to respond to queries of stock exchanges, from the date of receipt of the application:

However, in case of entities that are listed on more than one recognized stock exchange, the concerned stock exchanges shall jointly decide on the application.

- (v) the listed entity shall place the reclassification request before the shareholders in a general meeting for approval, within sixty days of receipt of no-objection letter from the recognized stock exchange, along with the views of the board of directors on the request and the no-objection letter received from the recognized stock exchanges;
- (vi) the request of the promoter(s) seeking reclassification shall be approved in the general meeting by an ordinary resolution in which the promoter(s) seeking reclassification and the persons related to him/her/it shall not vote to approve such reclassification request:

Frequently Asked Questions on Securities and Exchange Board of India

However, the provisions of this sub-clause shall not apply in cases:

- a) where the promoter(s) seeking reclassification and persons related to the promoter(s) seeking reclassification, together, do not hold more than one percent of the total voting rights in the listed entity;
 - b) where reclassification is pursuant to a divorce.
- (vii) the listed entity shall notify the stock exchanges within five days of obtaining shareholder approval and effect the reclassification:

However, listed entity shall seek approval of the recognized stock exchange for effecting reclassification if there are changes in the facts and circumstances of the case after receipt of no-objection from the recognized stock exchanges.”

Q145. What are the conditions that need to be satisfied before making an application for re-classification of status of a promoter/ person belonging to promoter group to public?

A145. The promoter(s) seeking re-classification and persons related to the promoter(s) seeking re-classification shall ensure that it does not:

- together, hold more than ten percent of the total voting rights in the listed entity;
- exercise control over the affairs of the listed entity directly or indirectly;
- have any special rights with respect to the listed entity through formal or informal arrangements including through any shareholder agreements;
- be represented on the board of directors (including not having a nominee director) of the listed entity;
- act as a key managerial personnel in the listed entity;
- be a ‘wilful defaulter’ as per the Reserve Bank of India Guidelines;
- be a fugitive economic offender.

Obligations of a Listed Entity which has listed its Specified Securities...

Q146. What are the conditions that the promoter(s) seeking re-classification, subsequent to re-classification as public, shall comply with?

A146. The promoter(s) seeking re-classification, subsequent to re-classification as public, shall comply with the following conditions:

- He/she shall continue to comply with conditions mentioned at sub-clauses (i), (ii) and (iii) of clause (b) of sub-regulation 3 (as specified above in first three bullets of FAQ 145) at all times from the date of such re-classification failing which, he/she shall automatically be reclassified as promoter/ persons belonging to promoter group, as applicable;
- He/she shall comply with conditions mentioned at sub-clauses (iv) and (v) of clause (b) of sub-regulation 3 (as specified above in fourth and fifth bullet of FAQ 145) for a period of not less than three years from the date of such re-classification failing which, he/she shall automatically be reclassified as promoter/ persons belonging to promoter group, as applicable.

Q147. Under what category the person will be classified who is recipient of shares upon transmission, succession, inheritance and gift of shares held by a promoter/ person belonging to the promoter group?

A147. In case of transmission, succession, inheritance and gift of shares held by a promoter/ person belonging to the promoter group, immediately on such event, the recipient of such shares shall be classified as a promoter/ person belonging to the promoter group, as applicable.

Q148. What are the events that need to be disclosed to the stock exchange w.r.t events relating to promoter(s) seeking re-classification?

A148. The following events shall deemed to be material events and shall be disclosed by the listed entity to the stock exchanges as soon as reasonably possible and not later than twenty four hours from the occurrence of the event:

Frequently Asked Questions on Securities and Exchange Board of India

- receipt of request for re-classification by the listed entity from the promoter(s) seeking re-classification;
- outcome of the board meeting considering such request which would include the views of the board on the request;
- submission of application seeking no-objection or approval of the recognized stock exchanges for re-classification of status as public by the listed entity to the stock exchanges;
- decision of the stock exchanges on such application as communicated to the listed entity;
- ⁹²approval of shareholders on the request of the promoters seeking reclassification as public within the timelines specified in sub-regulation (3) of regulation 44.

Q149. What requirement does a listed entity need to meet regarding special rights granted to shareholders?

A149. ⁹³Any special right granted to the shareholders of a listed entity shall be subject to the approval by the shareholders in a general meeting by way of a special resolution once in every five years starting from the date of grant of such special right. However, the special rights available to the shareholders of a listed entity shall be subject to the approval by shareholders by way of special resolution within a period of five years from the date of coming into force of regulation 31B.

Q150. Which statements must a listed entity submit to the stock exchange on a quarterly basis for public issue, rights issue, preferential issue, etc.?

A150. A listed entity shall submit to the stock exchange the following statement(s) on a quarterly basis for public issue, rights issue, preferential issue etc: -

⁹² Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 dated 12.12.2024.

⁹³ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 dated 14.06.2023 w.e.f. 15.07.2023.

Obligations of a Listed Entity which has listed its Specified Securities...

- indicating deviations, if any, in the use of proceeds from the objects stated in the offer document or explanatory statement to the notice for the general meeting, as applicable;
- indicating category wise variation (capital expenditure, sales and marketing, working capital etc.) between projected utilisation of funds made by it in its offer document or explanatory statement to the notice for the general meeting, as applicable and the actual utilisation of funds.

Q151. How long does the quarterly statement of deviation in use of proceeds from the objects stated in the offer document shall be continued to be filed to the stock exchange?

A151. The quarterly statement(s) of deviations or variations shall be continued to be given till such time the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved.

Q152. Whether the annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice shall be certified by the statutory auditor of the listed entity?

A152. Yes, the annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, shall be certified by the statutory auditors of the listed entity, and shall be placed before the audit committee till such time the full money raised through the issue has been fully utilized.

Q153. What are the reporting requirements for a listed entity that has appointed a monitoring agency to oversee the utilization of proceeds from a ⁹⁴public issue or rights issue or preferential issue or qualified institutions placement?

A153. The listed entity shall fulfill two key reporting obligations:

⁹⁴ The words "public issue or rights issue or preferential issue or qualified institutions placement" was substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022 w.e.f. 14.11.2022.

Frequently Asked Questions on Securities and Exchange Board of India

- **Submission to Stock Exchange:** The listed entity shall submit to the stock exchange(s) any comments or report received from the monitoring agency ⁹⁵within forty-five days from the end of each quarter.
- **Audit Committee Review:** The monitoring report from the agency shall be placed before the audit committee of the listed entity on a ⁹⁶quarterly basis, promptly upon its receipt.

Q154. What disclosure requirement does a listed entity have regarding the utilization of funds raised through preferential allotment or qualified institutions placement?

A154. Where an entity has raised funds through preferential allotment or qualified institutions placement, the listed entity shall disclose every year, the utilization of such funds during that year in its Annual Report until such funds are fully utilized.

Q155. What disclosures are required to be made while preparing the financial statements in case the auditor has expressed any modified opinion in respect of audited financial results?

A155. As per the requirements of part A of schedule IV, if the auditor has expressed any modified opinion(s) in respect of audited financial results, the listed entity shall disclose such modified opinion(s) and cumulative impact of the same on profit or loss, net worth, total assets, turnover/total income, earning per share, total expenditure, total liabilities or any other financial item(s) which may be impacted due to modified opinion(s), while publishing or submitting such results. The management of the listed entity has the option to explain its views on the audit qualifications and the same shall be included in the Statement on Impact of Audit Qualifications (for audit report with modified opinion).

⁹⁵ The words “within forty-five days from the end of each quarter” was inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 05.05.2021.

⁹⁶ The words “quarterly basis” was substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2022 w.e.f. 24.01.2022.

Obligations of a Listed Entity which has listed its Specified Securities...

With respect to audit qualifications where the impact of the qualification is not quantifiable, the management shall mandatorily make an estimate which the auditor shall review and report accordingly.

However, the management may be permitted to not provide estimate on matters like going concerns or sub-judice matters; in which case, the management shall provide the reasons, and the auditor shall review the same and report accordingly.

Q156. How shall the financial statements be prepared and submitted to the stock exchange in case the listed entity had not commenced commercial production or commercial operations during the reportable period?

A156. If the listed entity had not commenced commercial production or commercial operations during the reportable period, the listed entity shall disclose the following details instead of submitting financial results:

- details of amount raised i.e. proceeds of any issue of shares or debentures made by the listed entity;
- the portions thereof which is utilized and that remaining unutilized;
- the details of investment made pending utilisation;
- brief description of the project which is pending completion;
- status of the project and
- expected date of commencement of commercial production or commercial operations:

However, the details mentioned above shall be approved by the board of directors based on certification by the CEO and CFO.

Q157. How does a listed entity undertake the approval and authentication of financial results?

A157. The approval and authentication of the financial results shall be done by the listed entity in the following manner:

Frequently Asked Questions on Securities and Exchange Board of India

- The quarterly financial results submitted shall be approved by the board of directors.

However, 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.

- 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.
- 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).
- 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).

Q158. What is the period for filing financial results of a listed entity with the stock exchange?

A158. The listed entity shall submit the financial results in the following manner:

- Quarterly and year-to-date standalone financial results shall be submitted to the stock exchange within forty-five days of end of each quarter, other than the last quarter.

⁹⁷However, the listed entity in respect of which a resolution plan under section 31 of the Insolvency Code has been approved, shall disclose its financial results within ninety days from the end of the quarter in which such resolution plan was

⁹⁷ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

Obligations of a Listed Entity which has listed its Specified Securities...

approved, except in case such resolution plan has been approved in the last quarter of a financial year.

- In case the listed entity has subsidiaries, in addition to the above requirement, the listed entity shall submit quarterly/year-to-date consolidated financial results.
- The quarterly and year-to-date financial results may be either audited or unaudited subject to the following:
 - 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. However, in case of public sector undertakings this limited review may be undertaken by any practicing Chartered Accountant.
 - In case the listed entity opts to submit audited financial results, shall be accompanied by the audit report.
- Annual audited standalone financial results for the financial year shall be submitted within sixty days from the end of the financial year along with the audit report and Statement on Impact of Audit Qualifications (applicable only for audit report with modified opinion).

⁹⁸However, a listed entity in respect of which a resolution plan under section 31 of the Insolvency Code has been approved during the last quarter of a financial year, shall disclose its annual audited financial results within 120 days from the end of such financial year:

Further, if such 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 Statement on Impact of Audit

⁹⁸ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

Frequently Asked Questions on Securities and Exchange Board of India

Qualifications applicable only for audit report with modified opinion.

However, in case of audit reports with unmodified opinion(s), the listed entity shall furnish a declaration to that effect to the Stock Exchange(s) while publishing the annual audited financial results.

- The audited or limited reviewed financial results for the last quarter shall be submitted along with the results of 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.
- The listed entity shall also submit as part of its standalone and consolidated financial results for the half year, by way of a note, statement of cash flows for the half-year.
- The listed entity shall ensure that, for the purposes of quarterly consolidated financial results, at least eighty percent of each of the consolidated revenue, assets and profits, respectively, shall have been subject to audit or in case of unaudited results, subjected to limited review.
- The listed entity shall disclose, in the results for the last quarter in the financial year, by way of a note, the aggregate effect of material adjustments made in the results of that quarter which pertain to earlier periods.

Q159. What are the requirements for a listed entity regarding the submission of financial results following its initial public offer (IPO)?

Obligations of a Listed Entity which has listed its Specified Securities...

A159. ⁹⁹The listed entity shall, subsequent to the listing, submit its financial results for the quarter or the financial year immediately succeeding the period for which the financial statements have been disclosed in the offer document for the initial public offer, in accordance with the timeline specified in clause (a) or clause (d) of regulation 33, or within 21 days from the date of its listing, whichever is later.”

Q160. What is the provision w.r.t submission of financial statements by the entity which has listed its specified securities on SME Exchange?

A160. The provisions w.r.t submission of financial statements, as applicable to entity which has listed its specified securities on main board, shall also apply to the entities which has listed its specified securities on SME Exchange, subject to the modification that 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.

Q161. How much percentage of the quarterly consolidated financial results shall be at least subject to limited review or audit?

A161. The listed entity shall ensure that, for the purposes of quarterly consolidated financial results, at least eighty percent of each of the consolidated revenue, assets and profits, respectively, shall have been subject to audit or in case of unaudited results, subjected to limited review.

Q162. Which entities are required to prepare a Business Responsibility and Sustainability Report (BRSR)?

A162. The top one thousand listed entities based on market capitalization are required to prepare a Business Responsibility and Sustainability Report (BRSR) that includes disclosures on environmental, social, and

⁹⁹ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 dated 14.06.2023 w.e.f. 15.07.2023.

Frequently Asked Questions on Securities and Exchange Board of India

governance (ESG) aspects in the format as may be specified by the Board from time to time.

The listed entities shall also make disclosures and obtain assurance as per the Business Responsibility and Sustainability Report Core for their value chain, with effect from and in the manner as may be specified by the Board from time to time:

The remaining listed entities, including the entities which have listed their specified securities on the SME Exchange, may voluntarily disclose the Business Responsibility and Sustainability Report or may voluntarily obtain the assurance of the Business Responsibility and Sustainability Report Core, for themselves or for their value chain, as the case may be.

Q163. Is a listed entity required to submit its annual report to the stock exchange and publish it on its website?

A163. Yes, the listed entity shall submit to the stock exchange and publish on its website-

- a copy of the annual report sent to the shareholders along with the notice of the annual general meeting on or before the commencement of dispatch to its shareholders;
- in the event of any changes to the annual report, the revised copy along with the details of and explanation for the changes shall be sent not later than 48 hours after the annual general meeting.

Q164. What shall be the content of the annual report of a listed entity?

A164. The annual report of a listed entity shall contain the following documents/ information/ disclosures:

- audited financial statements i.e. balance sheets, profit and loss accounts etc and Statement on Impact of Audit Qualifications as stipulated in regulation 33(3)(d), if applicable
- consolidated financial statements audited by its statutory auditors;
- cash flow statement presented only under the indirect method
- directors report;

Obligations of a Listed Entity which has listed its Specified Securities...

- management discussion and analysis report - either as a part of directors report or addition thereto;
- ¹⁰⁰for the top one thousand listed entities based on market capitalization, a Business Responsibility and Sustainability Report on the environmental, social and governance disclosures, in the format as may be specified by the Board from time to time;

However, the listed entities shall also make disclosures and obtain assurance as per the Business Responsibility and Sustainability Report Core for their value chain, with effect from and in the manner as may be specified by the Board from time to time:

Provided further that the remaining listed entities, including the entities which have listed their specified securities on the SME Exchange, may voluntarily disclose the Business Responsibility and Sustainability Report or may voluntarily obtain the assurance of the Business Responsibility and Sustainability Report Core, for themselves or for their value chain, as the case may be.

- Any other disclosures specified in companies Act, 2013 along with other requirements as specified in Schedule V of the regulations.

Q165. How does a listed entity send the annual report to its shareholders?

A165. The listed entity shall send the annual report in the following manner to the shareholders:

- Soft copies of full annual report to all those shareholder(s) who have registered their email address(es) either with the listed entity or with any depository ;

¹⁰⁰ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 dated 14.06.2023 w.e.f. 15.07.2023.

Frequently Asked Questions on Securities and Exchange Board of India

- A letter providing the web-link, including the exact path, where complete details of the Annual Report is available to those shareholder(s) who have not so registered;
- Hard copy of full annual report to those shareholders, who request for the same.

Q166. What information must be provided to shareholders in case of the appointment of a new director or re-appointment of a director?

A166. In case of the appointment of a new director or re-appointment of a director, shareholders must be provided with the following information:

- a brief resume of the director;
- nature of expertise in specific functional areas;
- disclosure of relationships between directors inter-se;
- names of listed entities in which the person also holds the directorship and the membership of Committees of the board along with listed entities from which the person has resigned in the past three years; and
- shareholding of non-executive directors in the listed entity, including shareholding as a beneficial owner.
- ¹⁰¹In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements.

Q167. In which format should the disclosures made by the listed entity to the stock exchange and its website be provided?

A167. The disclosures made by the listed entity:

- to the stock exchanges, shall be in XBRL format in accordance with the guidelines specified by the stock exchanges from time to time; and

¹⁰¹ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021 dated 03.08.2021 w.e.f. 1.1.2022.

Obligations of a Listed Entity which has listed its Specified Securities...

- to the stock exchanges and on its website shall be in a format that allows users to find relevant information easily through a searching tool,

However, the requirement to make disclosures in searchable formats shall not apply in case there is a statutory requirement to make such disclosures in formats which may not be searchable, such as copies of scanned documents.

Q168. Whether any approval from stock exchange is required before seeking an approval of scheme of arrangement before the court or tribunal?

A168. Yes, before filing any scheme of arrangement with any Court or Tribunal under sections 391-394 and 101 of the Companies Act, 1956 or under Sections 230-234 and Section 66 of Companies Act, 2013, the listed entity shall obtain No-objection letter from the stock exchange by filing the draft scheme of arrangement before it.

And the listed entity shall place the No-objection letter of the stock exchange(s) before the Court or Tribunal at the time of seeking approval of the scheme of arrangement.

The 'No-objection letter' of stock exchange(s) shall be valid till six months from the date of issuance, within which the draft scheme of arrangement shall be submitted to the Court or Tribunal.

Q169. Whether the regulation 37 dealing with Draft Scheme of Arrangement & Scheme of Arrangement is applicable to the merger of a wholly owned subsidiary with its holding company or writing off accumulated losses against share capital or reserves?

A169. No, Regulation 37 does not apply to draft schemes that:

- a) solely provide for merger of a wholly owned subsidiary with its holding company; or
- b) solely provide for writing off the accumulated losses against the share capital of the listed entity applied uniformly across all shareholders on a pro rata basis or against the reserves of the listed entity:

Frequently Asked Questions on Securities and Exchange Board of India

However, such draft schemes shall be filed with the stock exchanges for the purpose of disclosures.

Q170. Which listed entities are exempt from complying with the requirements of minimum public shareholding as specified in regulation 38?

A170. Entities listed on Innovators Growth Platform without making a public issue, are not required to comply with the minimum public shareholding requirements as specified in regulation 38.

Q171. What is the timeline within which the listed entity shall issue the certificates w.r.t subdivision of shares?

A171. The listed entity shall effect issuance of letter of confirmation or receipts or advices, as applicable, of subdivision, split, consolidation, renewal, exchanges, endorsements, issuance of duplicates thereof or letter of confirmation or receipts or advices, as applicable, in cases of loss or old decrepit or worn out certificates or receipts or advices, in dematerialised form within a period of thirty days from the date of such lodgement.

Q172. What procedures shall be followed by the listed entity; in case it has not received any response to the reminders sent to the allottee for the unclaimed shares?

A172. Schedule VI prescribes the manner of dealing with unclaimed shares. The listed entity shall comply with the following procedures in a situation where it has sent at least three reminders to the allottee of shares and still is in non-receipt of response to reminders:

- For shares in demat form, the unclaimed shares shall be credited to a demat suspense account with one of the Depository Participants, opened by the listed entity for this purpose.
- For shares in physical form, the listed entity shall transfer all the shares into one folio in the name of “Unclaimed Suspense Account” and shall dematerialise the shares held in the Unclaimed Suspense Account with one of the Depository Participants.

Obligations of a Listed Entity which has listed its Specified Securities...

- The listed entity shall maintain details of shareholding of each individual allottee whose shares are credited to such demat suspense account or unclaimed suspense account, as applicable.
- The demat suspense account or unclaimed suspense account, as applicable shall be held by the listed entity purely on behalf of the allottees who are entitled to the shares and the shares held in such suspense account shall not be transferred in any manner whatsoever except for the purpose of allotting the shares to the allottee as and when he/she approaches the listed entity.

Provided that all such shares, in respect of which unpaid or unclaimed dividend has been transferred under Section 124 (5) of the Companies Act, 2013, shall also be transferred by the listed entity in accordance with Section 124 (6) of the Companies Act, 2013 and rules made thereunder.

Q173. Whether an allottee of shares, whose shares has been transferred to the unclaimed suspense account by the listed entity upon non receipt of response to the reminders sent, can claim his entitlement of shares?

A173. Yes, as per schedule VI, the allottee of shares can claim his entitlement of shares and the listed entity shall after proper verification of the identity of the allottee shall either credit the shares lying in the Unclaimed Suspense Account or demat suspense account, as applicable, to the demat account of the allottee to the extent of the allottee's entitlement.

Q174. What are the compliance requirements specified for effecting transfer of securities by a listed entity?

A174. The listed entity shall comply with the requirements as specified in regulation 40, unless specified otherwise in provisions of securities laws or the Companies Act, 2013 and rules made thereunder.

Q175. Under what conditions will requests for effecting transfer of securities not be processed?

Frequently Asked Questions on Securities and Exchange Board of India

A175. ¹⁰²Requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. The transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.

Q176. Whether PAN is required for registration of transfer of Securities?

A176. Yes, for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the listed entity for registration of transfer of securities.

Where PAN card is not available i.e. in case of residents of Sikkim, the requirement of PAN Card may be substituted with Identity proof.

In case of mismatch in PAN card details as well as difference in maiden name and current name, in case of married women, of the holder(s) of securities, the listed entity may collect the PAN card as submitted by the transferee(s) or transferor(s) as the case maybe. Provided that this shall be subject to the listed entity verifying the veracity of the claim of such transferee(s) or transferor(s) by collecting sufficient documentary evidence in support of the identity of the transferee(s) or transferor(s).

Q177. Whether a listed entity can issue shares with inferior rights as to dividend vis-à-vis the rights on equity shares that are already listed?

A177. Regulation 41(3) specifically states that the listed entity shall not issue shares in any manner that may confer on any person; superior or inferior rights as to dividend vis-à-vis the rights on equity shares that are already listed or inferior voting rights vis-à-vis the rights on equity shares that are already listed.

However, it clearly specifies that a listed entity having SR equity shares issued to its promoters/ founders, may issue SR equity shares to its SR shareholders only through a bonus, split or rights issue in accordance with the provisions of the Securities and Exchange Board

¹⁰² Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2022 w.e.f. 24.01.2022.

Obligations of a Listed Entity which has listed its Specified Securities...

of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the Companies Act, 2013.

Q178. In what respects SR equity shares are different from the ordinary equity shares?

A178. The SR equity shares shall be treated at par with the ordinary equity shares in every respect, including dividends, except in the case of voting on resolutions.

Q179. Whether the SR shareholders of a listed entity (whose equity shares are listed on a recognised stock exchange) can hold shareholding of 25% through SR shares and 50% through ordinary equity shares?

A179. As per regulation 41A(2), the total voting rights of SR shareholders (including ordinary shares) in the issuer upon listing, pursuant to an initial public offer, shall not at any point of time exceed seventy four per cent.

The SR shareholder cannot hold shareholding of 25% through SR shares and 50% through ordinary equity shares as specified in the question above since it would breach the combined limit.

Q180. What are the situations under which the voting rights of the SR shareholders shall be treated as similar to ordinary shares?

A180. The SR equity shares shall be treated as ordinary equity shares in terms of voting rights (i.e. one SR share shall only have one vote) in the following circumstances -

- appointment or removal of independent directors and/or auditor;
- where a promoter is willingly transferring control to another entity;
- related party transactions in terms of these regulations involving an SR shareholder;
- voluntary winding up of the listed entity;

Frequently Asked Questions on Securities and Exchange Board of India

- changes to the Articles of Association or Memorandum of Association of the listed entity, except any change affecting the SR equity share;
- initiation of a voluntary resolution process under the Insolvency Code;
- utilization of funds for purposes other than business;
- substantial value transaction based on materiality threshold as specified under these regulations;
- passing of special resolution in respect of delisting or buy-back of shares; and
- other circumstances or subject matter as may be specified by the Board, from time to time.

Q181. What are the circumstances under which the SR equity shares shall be converted into equity shares having voting rights same as that of ordinary shares?

A181. The SR equity shares shall be converted into equity shares having voting rights same as that of ordinary shares on the fifth anniversary of listing of ordinary shares of the listed entity. However, the SR equity shares may be valid for upto an additional five years, after a resolution to that effect has been passed, where the SR shareholders have not been permitted to vote. Further, the SR shareholders may convert their SR equity shares into ordinary equity shares at any time prior to the period as stated above.

Moreover, the SR equity shares shall be compulsorily converted into equity shares having voting rights same as that of ordinary shares on the occurrence of any of the following events -

- demise of the promoter(s) or founder holding such shares;
- SR shareholder resigns from the executive position in the listed entity;
- merger or acquisition of the listed entity having SR shareholder/s, where the control would no longer remain with the SR shareholder/s;

Obligations of a Listed Entity which has listed its Specified Securities...

- SR equity shares are sold by an SR shareholder who continues to hold such shares after the lock-in period but prior to the lapse of validity of such SR equity shares.

Q182. What are the purposes for which a listed entity is required to intimate the record date?

A182. The listed entity shall intimate the record date for the following events to all the stock exchange(s) where it is listed or where stock derivatives are available on the stock of the listed entity or where listed entity's stock form part of an index on which derivatives are available:

- declaration of dividend;
- issue of right or bonus shares;
- issue of shares for conversion of debentures or any other convertible security;
- shares arising out of rights attached to debentures or any other convertible security;
- corporate actions like mergers, de-mergers, splits, etc;
- such other purposes as may be specified by the stock exchange(s).

Q183. What is the timeframe within which the record date shall be intimated to the stock exchange by the listed entity?

A183. The listed entity shall give notice in advance of at least ¹⁰³three working days (excluding the date of intimation and the record date) to stock exchange(s) of record date specifying the purpose of the record date.

However, in case of corporate actions through schemes of arrangement covered under regulation 37, the listed entity shall give

¹⁰³ The word "three" was substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

Frequently Asked Questions on Securities and Exchange Board of India

notice in advance of at least ¹⁰⁴seven working days (excluding the date of intimation and the record date).

Q184. What is the requirement regarding the time gap between record dates for listed entities?

A184. The listed entity shall ensure a minimum time gap of at least five working days between two record dates.

Q185. What are the requirements for listed entities regarding dividend declarations and disclosures and the forfeiture of unclaimed dividends?

A185. The listed entity shall declare and disclose the dividend on per share basis only. Additionally, the listed entity shall not forfeit unclaimed dividends before the claim becomes barred by law and such forfeiture, if effected, shall be annulled in appropriate cases.

Q186. Whether all the listed entities are obliged to disclose their dividend distribution policy in their annual report?

A186. The top thousand listed entities based on market capitalization shall formulate a dividend distribution policy which shall be disclosed on the website of the listed entity and a web-link shall also be provided in their annual reports.

¹⁰⁵The listed entities other than those specified above may disclose their dividend distribution policies on a voluntary basis on their websites and provide a web-link in their annual reports.

Q187. What parameters shall be covered in the dividend distribution policy?

A187. The dividend distribution policy shall include the following parameters:

- a) the circumstances under which the shareholders of the listed entities may or may not expect dividend;

¹⁰⁴ The word “seven” was substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

¹⁰⁵ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 05.05.2021.

Obligations of a Listed Entity which has listed its Specified Securities...

- b) the financial parameters that shall be considered while declaring dividend;
- c) internal and external factors that shall be considered for declaration of dividend;
- d) policy as to how the retained earnings shall be utilized; and
- e) parameters that shall be adopted with regard to various classes of shares:

Additionally, if the listed entity proposes to declare dividend on the basis of parameters in addition to clauses (a) to (e) or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

Q188. Whether it is mandatory for the listed entity to provide the facility of remote e-voting to its shareholders?

A188. Yes, the listed entity shall provide the facility of remote e-voting to its shareholders, in respect of all shareholders resolutions.

Q189. What is the timeline within which the voting results of the general meeting of shareholders shall be submitted to the stock exchange?

A189. The listed entity shall submit to the stock exchange, within ¹⁰⁶two working days of conclusion of its General Meeting, details regarding the voting results in the format specified by the Board.

Q190. What are the requirements for a listed entity regarding proxy forms sent to holders of securities?

A190. The listed entity shall send proxy forms to holders of securities in all cases mentioning that a holder may vote either for or against each resolution.

¹⁰⁶ The words "two working days" was substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 05.05.2021.

Frequently Asked Questions on Securities and Exchange Board of India

¹⁰⁷However, the requirement to send proxy forms shall not be applicable to general meetings held only through electronic mode.

Q191. What are the special provisions that are applicable to the top 100 listed entities w.r.t shareholder's meetings?

A191. The special provisions that are applicable to the top 100 listed entities w.r.t shareholder's meetings are as follows:

- The top 100 listed entities by market capitalization, shall hold their annual general meetings within a period of five months from the date of closing of the financial year.
- The top 100 listed entities shall provide one-way live webcast of the proceedings of the annual general meetings.

Q192. Whether a listed entity is allowed to change its name?

A192. Yes, the listed entity is allowed to change its name subject to compliance with the following conditions:

- A time period of at least one year has elapsed from the last name change;
- At least fifty percent of the total revenue in the preceding one year period has been accounted for by the new activity suggested by the new name; or
- The amount invested in the new activity/project is at least fifty percent of the assets of the listed entity.

Provided, if any listed entity has changed its activities which are not reflected in its name, it shall change its name in line with its activities within a period of six months from the change of activities in compliance of provisions as applicable to change of name prescribed under Companies Act, 2013.

Q193. What are the various approvals that are required for change of name of listed entity?

¹⁰⁷ Inserted by the SEBI (Listing Obligation and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

Obligations of a Listed Entity which has listed its Specified Securities...

A193. Following approvals are required for change of name of listed entity:

- On satisfaction of conditions prescribed for change of name of listed entity (as specified above in FAQ 192), the listed entity shall file an application for name availability with ROC.
- ¹⁰⁸Upon compliance with the conditions for change of name laid down in Companies Act, 2013 and rules made thereunder, the listed entity, in the explanatory statement to the notice seeking shareholders approval for change in name, shall include a certificate from a practicing chartered accountant stating compliance with conditions provided for change of name in regulation 45(1).

Q194. What information shall be disseminated by the listed entity on its website?

A194. The listed entity shall maintain a functional website containing the basic information about the listed entity.

The following information shall be disseminated by the listed entity under a separate section on its website:

- details of its business;
- ¹⁰⁹Memorandum of Association and Articles of Association;
- ¹¹⁰Brief profile of board of directors including directorship and full-time positions in body corporates;
- terms and conditions of appointment of independent directors;
- composition of various committees of board of directors;
- code of conduct of board of directors and senior management personnel;

¹⁰⁸ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 05.05.2021.

¹⁰⁹ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

¹¹⁰ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

Frequently Asked Questions on Securities and Exchange Board of India

- details of establishment of vigil mechanism/ Whistle Blower policy;
- criteria of making payments to non-executive directors, if the same has not been disclosed in annual report;
- policy on dealing with related party transactions;
- policy for determining 'material' subsidiaries;
- details of familiarization programmes imparted to independent directors including the following details:-
 - number of programmes attended by independent directors (during the year and on a cumulative basis till date),
 - number of hours spent by independent directors in such programmes (during the year and on cumulative basis till date), and
 - other relevant details
- the email address for grievance redressal and other relevant details;
- contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances;
- financial information including:
 - notice of meeting of the board of directors where financial results shall be discussed;
 - financial results, on conclusion of the meeting of the board of directors where the financial results were approved;
 - complete copy of the annual report including balance sheet, profit and loss account, directors report, corporate governance report etc;
- shareholding pattern;
- details of agreements entered into with the media companies and/or their associates, etc;

Obligations of a Listed Entity which has listed its Specified Securities...

- Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of the intimation and the date of the meet).
- ¹¹¹Presentations prepared by the listed entity for analysts or institutional investors meet, post earnings or quarterly calls prior to beginning of such events.
- ¹¹²Audio recordings, video recordings, if any, and transcripts of post earnings or quarterly calls, by whatever name called, conducted physically or through digital means, in the following manner:
 - The audio recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier;
 - the video recordings, if any, shall be made available on the website within forty-eight hours from the conclusion of such calls;
 - the transcripts of such calls shall be made available on the website along with simultaneous submission to recognized stock exchanges within five working days of the conclusion of such calls:

Provided that—

- ✓ The information under sub-clause (i) and (ii) of this clause shall be hosted on the website of the listed entity for a minimum period of two years and thereafter as per the preservation policy of the listed entity in terms of clause (b) of regulation 9.

¹¹¹ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

¹¹² Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

Frequently Asked Questions on Securities and Exchange Board of India

✓ The information under sub-clause (iii) of this clause shall be hosted on the website of the listed entity for a minimum period of five years and preserved in accordance with clause (b) of regulation 9.

- 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;
- items in sub-regulation (1) of regulation 47
- all credit ratings obtained by the entity for all its outstanding instruments, updated immediately as and when there is any revision in any of the ratings.
- separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year, uploaded at least 21 days prior to the date of the annual general meeting which has been called to inter alia consider accounts of that financial year.

¹¹³Additionally, a listed entity, which has a subsidiary incorporated outside India—

- where such subsidiary is statutorily required to prepare consolidated financial statement under any law of the country of its incorporation, the requirement of this proviso shall be met if consolidated financial statement of such subsidiary is placed on the website of the listed entity;
- where such subsidiary is not required to get its financial statement audited under any law of the country of its incorporation and which does not get such financial statement audited, the holding Indian listed entity may place such unaudited financial statement on its website and where such financial statement is in a language

¹¹³ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 05.05.2021.

Obligations of a Listed Entity which has listed its Specified Securities...

other than English, a translated copy of the financial statement in English shall also be placed on the website.

- ¹¹⁴secretarial compliance report as per sub-regulation (2) of regulation 24A;
- ¹¹⁵disclosure of the policy for determination of materiality of events or information required under clause (ii), sub-regulation (4) of regulation 30;
- ¹¹⁶disclosure of contact details of key managerial personnel who are authorized for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) as required under sub-regulation (5) of regulation 30;
- ¹¹⁷disclosures under sub-regulation (8) of regulation 30;
- ¹¹⁸statements of deviation(s) or variation(s) as specified in regulation 32;
- ¹¹⁹dividend distribution policy by listed entities based on market capitalisation as specified in sub-regulation (1) of regulation 43A;
- ¹²⁰annual return as provided under section 92 of the Companies Act, 2013 and the rules made thereunder.

¹¹⁴ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 05.05.2021.

¹¹⁵ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 05.05.2021.

¹¹⁶ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 05.05.2021.

¹¹⁷ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 05.05.2021.

¹¹⁸ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 05.05.2021.

¹¹⁹ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 05.05.2021.

¹²⁰ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021 w.e.f. 05.05.2021.

Frequently Asked Questions on Securities and Exchange Board of India

- ¹²¹Employee Benefit Scheme Documents, excluding commercial secrets and such other information that would affect competitive position of the listed entity, framed in terms of the provisions of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021:

Provided that redaction of information under clause (za) above from the Employee Benefit Scheme document shall be approved by the board of directors of the listed entity and shall be in compliance with guidelines as may be specified by the Board:

Provided that for the purpose of compliance with this sub-regulation, the listed entity may provide the exact link to the webpage of each of the recognized stock exchanges where such information has already been made available by the listed entity.

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.

Q195. What are the requirements for a listed entity regarding the publication of its financial results after the approval by the board of directors?

A195. ¹²²The listed entity shall publish an advertisement in the newspaper, within forty-eight hours of conclusion of the meeting of board of directors at which the financial results were approved, containing a Quick Response code and the details of the webpage where complete financial results of the listed entity, as specified in regulation 33, along-with the modified opinion(s) or reservation(s), if any, expressed by the auditor, is accessible to the investors.

Additionally, the listed entity may, at its discretion, choose to publish the financial results in terms of regulation 33 along-with the modified

¹²¹ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

¹²² Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

Obligations of a Listed Entity which has listed its Specified Securities...

opinion(s) or reservation(s), if any, expressed by the auditor in the newspaper as per the format specified within 48 hours of conclusion of the meeting of the board of directors at which the financial results were approved.

Q196. Whether it will be suffice, if the listed entity publishes the information as stated in regulation 47(1) in only an English language national daily newspaper circulating in the whole or substantially the whole of India?

A196. The information at regulation 47(1) shall be published in at least one English language national daily newspaper circulating in the whole or substantially the whole of India & in one daily newspaper published in the language of the region, where the registered office of the listed entity is situated.

Therefore, publishing the information in only an English daily newspaper will not be sufficient.

However, the requirements of this regulation shall not be applicable in case of listed entities which have listed their specified securities on SME Exchange.

Chapter V

Obligations of Listed entity which has listed its Non-Convertible Securities¹²³

Q197. Which entities are subject to the provisions mentioned in chapter V of SEBI (LODR) Regulations, 2015?

A197. ¹²⁴The provisions of chapter V shall apply only to a listed entity which has listed its non-convertible securities on a recognized stock exchange in accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

Q198. When does the stock exchange need to be intimated regarding board meetings?

A198. ¹²⁵The listed entity shall give prior intimation to the stock exchange of at least two working days in advance, excluding the date of the intimation and the date of the meeting of the board of directors, about the Board meeting in which any of the following proposals is to be considered:

- an alteration in the form or nature of non-convertible securities that are listed on the stock exchange or in the rights or privileges of the holders thereof;
- an alteration in the date of the interest/ dividend/ redemption payment of non-convertible securities;
- financial results viz. quarterly or annual, as the case may be;

¹²³ For the purpose of this chapter, if the listed entity has listed its non-convertible redeemable preference shares, perpetual non-cumulative preference shares or instruments of nature similar to perpetual non-cumulative preference shares, the reference to “interest” in this chapter shall be read as “dividend.”

¹²⁴ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

¹²⁵ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

Obligations of Listed Entity which has listed its Non-Convertible Securities

- fund raising by way of issuance of non-convertible securities; or
- any matter affecting the rights or interests of holders of non-convertible securities.

Q199. When does the stock exchange need to be intimated regarding general meetings and meetings of non-convertible securities holders?

A199. ¹²⁶The listed entity shall intimate the stock exchange not later than the date of commencement of dispatch of notices in the following cases:

- any annual general meeting or extraordinary general meeting that is proposed to be held for obtaining shareholder approval for the proposals of:
 - ✓ Financial results, whether quarterly or annual.
 - ✓ Fund raising by way of issuance of non-convertible securities.
- any meeting of the holders of non-convertible securities in relation to the proposal affecting the rights and interests of holders of non-convertible securities.

¹²⁷The disclosures to the stock exchanges shall be made by a listed entity in XBRL format in accordance with the guidelines specified by the stock exchanges from time to time.

Q200. What is the provision w.r.t disclosure of information having bearing on performance/operation of listed entity and/or price sensitive information?

A200. The listed entity shall promptly inform the stock exchange(s) of all information having bearing on the performance/operation of the listed entity, price sensitive information or any action that shall affect payment of interest or dividend or redemption of non-convertible securities.

¹²⁶ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

¹²⁷ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

Frequently Asked Questions on Securities and Exchange Board of India

¹²⁸The expression 'promptly inform', shall imply that the stock exchange shall be informed as soon as reasonably possible but not later than twenty-four hours from the date of occurrence of the event or receipt of information. In case the disclosure is made after twenty-four hours of the date of occurrence of the event or receipt of information, the listed entity shall, along with such disclosures provide an explanation for the delay.

Without prejudice to the generality of the above, the listed entity who has listed non-convertible securities shall make disclosures as specified in Part B of Schedule III

Q201. What disclosure requirement does a listed entity have regarding events or information disclosed to the stock exchange?

A201. ¹²⁹The listed entity shall disclose on its website, all such events or information which have been disclosed to the stock exchange(s) under regulation 51 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.

Q202. What are the requirements for a listed entity regarding submission of quarterly financial results to recognized stock exchange?

A202. ¹³⁰The listed entity shall prepare and submit to the recognized stock exchange un-audited or audited quarterly and year-to-date standalone financial results on a quarterly basis in the format as specified by the Board within forty-five days from the end of each quarter, except for the last quarter of the financial year.

¹²⁸ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

¹²⁹ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

¹³⁰ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

Obligations of Listed Entity which has listed its Non-Convertible Securities

¹³¹Provided that, for the last quarter of the financial year, the listed entity shall submit un-audited or audited quarterly and year to date standalone financial results within sixty days from the end of the quarter to the recognized stock exchange(s).

Provided further that in case of entities which have listed their debt securities, a copy of the financial results submitted to stock exchanges shall also be provided to Debenture Trustees on the same day.

Q203. What are the requirements for approval, authentication and publication of annual and ¹³²quarterly financial result by the listed entities?

A203. The following requirements needs to be fulfilled:

- ¹³³Un-audited financial results on quarterly basis shall be accompanied by limited review report prepared by the statutory auditors of the listed entity, in the format as specified by the Board. Provided that in case of issuers whose accounts are audited by the Comptroller and Auditor General of India, the report shall be provided by any practising Chartered Accountant.
- ¹³⁴The quarterly financial results submitted shall be approved by the board of directors.
- ¹³⁵The 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

¹³¹ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022 w.e.f. 14.11.2022.

¹³² Substituted for "half-yearly" by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

¹³³ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

¹³⁴ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

¹³⁵ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024.

Frequently Asked Questions on Securities and Exchange Board of India

by any other director of the listed entity who is duly authorized by the board of directors to sign the financial results.

- The audited results for the year shall be submitted to the recognised stock exchange(s) in the same format as is applicable for quarterly financial results.
- ¹³⁶The annual audited standalone and consolidated financial results for the year shall be submitted to the stock exchange(s) within sixty days from the end of the financial year along with the audit report.

¹³⁷Provided that, the issuers, which are required to be audited by the Comptroller and Auditor General of India, shall submit:

- ✓ Un-audited financial results along with the limited review report issued by the Comptroller and Auditor General of India or an auditor appointed by the Comptroller and Auditor General of India or a Practising Chartered Accountant, to the stock exchange(s), within sixty days from the end of the financial year; and
- ✓ the financial results, audited by the Comptroller and Auditor General of India, to the stock exchange(s), within nine months from the end of the financial year.
- Modified opinion(s) in audit reports/limited review reports that have a bearing on the interest payment/ dividend payment pertaining to non-convertible securities / redemption or principal repayment capacity of the listed entity shall be appropriately and adequately addressed by the board of directors while publishing the accounts for the said period.

Further, the listed entity shall submit a statement of assets and liabilities and statement of cash flows as at the end of every half year, by way of a note, along with the financial results.

¹³⁶ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

¹³⁷ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022 w.e.f. 14.11.2022.

Obligations of Listed Entity which has listed its Non-Convertible Securities

Q204. What additional disclosures are required while submitting quarterly/ annual financial results?

A204. ¹³⁸The listed entity, while submitting quarterly/ annual financial results, shall disclose the following line items along with the financial results:

- debt-equity ratio;
- debt service coverage ratio;
- interest service coverage ratio;
- outstanding redeemable preference shares (quantity and value);
- capital redemption reserve/debenture redemption reserve;
- net worth;
- net profit after tax;
- earnings per share;
- current ratio;
- long term debt to working capital;
- bad debts to Account receivable ratio;
- current liability ratio;
- total debts to total assets;
- debtors turnover;
- inventory turnover;
- operating margin percent;
- net profit margin percent:

Provided that, if the information mentioned above is not applicable to the listed entity, it shall disclose such other ratio/equivalent financial information required to be maintained under applicable laws. Additional disclosures are required where the listed entity has listed its non-convertible redeemable preference shares.

¹³⁸ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022 w.e.f. 14.11.2022.

Frequently Asked Questions on Securities and Exchange Board of India

Q205. Apart from disclosures mentioned in FAQ 204, what are the additional disclosures required where the listed entity has listed its non-convertible redeemable preference shares?

A205. The listed entity which has listed its non-convertible redeemable preference shares shall make the following additional disclosures as notes to financials:

- free reserve as on the end of half year;
- securities premium account balance (if redemption of redeemable preference share is to be done at a premium, such premium may be appropriated from securities premium account);

Provided that such disclosure on securities premium account balance may be provided only in the year in which non-convertible redeemable preference shares are due for redemption;

- track record of dividend payment on non-convertible redeemable preference shares: Provided that in case the dividend has been deferred at any time, then the actual date of payment shall be disclosed;
- breach of any covenants under the terms of the non-convertible redeemable preference shares;

Provided that, in case a listed entity is planning a fresh issuance of shares whose end use is servicing of the non-convertible redeemable preference shares (whether dividend or principle redemption), then the same shall be disclosed whenever the listed entity decided on such issuances.

Q206. What reporting obligations does a listed entity have regarding the utilization of proceeds from non-convertible securities in relation to its quarterly financial results?

Obligations of Listed Entity which has listed its Non-Convertible Securities

A206. The listed entity has the following reporting obligations:

- ¹³⁹**Statement of utilization of Issue Proceeds:** The listed entity shall submit to the stock exchange(s), along with the quarterly financial results, a statement indicating the utilisation of the issue proceeds of non-convertible securities, in such format as may be specified by the Board, till such proceeds of issue have been fully utilised or the purpose for which the proceeds were raised has been achieved.
- ¹⁴⁰**Disclosure of Material Deviations:** The listed entity shall submit to the stock exchange(s), along with the quarterly financial results, a statement disclosing material deviation(s) (if any) in the use of issue proceeds of non-convertible securities from the objects of the issue, in such format as may be specified by the Board, till such proceeds have been fully utilised or the purpose for which the proceeds were raised has been achieved.

Q207. Whether the financial statements are required to be published in a daily national newspaper?

A207. Yes, the listed entity shall, within two ¹⁴¹working days of the conclusion of the meeting of the board of directors, publish the financial results and the line items referred to in sub-regulation (4), in at least one English national daily newspaper circulating in the whole or substantially the whole of India. ¹⁴²However, if the listed entity has submitted both standalone and consolidated financial results, to the stock exchange(s), it shall publish consolidated financial results along with the line items referred to in sub-regulation (4), in the newspaper.

¹³⁹ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022 w.e.f. 14.11.2022.

¹⁴⁰ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022 w.e.f. 14.11.2022.

¹⁴¹ Substituted for calendar by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

¹⁴² Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022 w.e.f. 14.11.2022.

Frequently Asked Questions on Securities and Exchange Board of India

Q208. Are there any alternative methods for publishing financial results?

A208. ¹⁴³Yes, the listed entities may publish only a window advertisement in the newspapers that refers a Quick Response (QR) Code and the link of the website of the listed entity and the stock exchange(s) where such financial results are available and capable of being accessed by the investors.

Q209. What conditions apply to using the window advertisement option?

A209. ¹⁴⁴The following conditions shall apply to the use of the window advertisement option:

- For non-convertible securities outstanding as on the date of notification of this proviso, the listed entity has obtained the prior approval from the debenture trustee;
- In case of any issuances after the date of notification of this proviso, the listed entity shall either make a disclosure in the offer document regarding the window advertisement in the newspapers or obtain prior approval from the debenture trustee.

Q210. What are the disclosures required for annual report of a listed entity?

A210. The annual report of the listed entity shall contain disclosures as specified in Companies Act, 2013 along with the following: -

- Audited financial statements i.e. balance sheets, profit and loss accounts etc and Statement on Impact of Audit Qualifications as stipulated in regulation 52(3)(a), if applicable;
- Cash flow statement presented only under the indirect method as prescribed in Accounting Standard-3/ Indian Accounting

¹⁴³ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2024 w.e.f. 08.07.2024.

¹⁴⁴ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2024 w.e.f. 08.07.2024.

Obligations of Listed Entity which has listed its Non-Convertible Securities

Standard 7, mandated under Section 133 of the Companies Act, 2013 read with relevant rules framed thereunder or by the Institute of Chartered Accountants of India, whichever is applicable;

- Auditors report;
- Directors report;
- Name of the debenture trustees with full contact details;
- Related party disclosures as specified in Para A of Schedule V.

Q211. What are the requirements in the Regulations for submission of annual report and any subsequent changes?

A211. ¹⁴⁵The listed entity shall submit to the stock exchange and the debenture trustee and publish on its website: -

- a copy of the annual report sent to the shareholders along with the notice of the annual general meeting, not later than the date of commencement of dispatch to its shareholders; and
- in the event of any changes to the annual report, the revised copy along with the details and explanation for the changes, not later than 48 hours after the annual general meeting.

Q212. What is the minimum security cover prescribed for listed non-convertible debt securities?

A212. In respect of its secured listed non-convertible debt securities, the listed entity shall maintain hundred per cent security cover or higher security cover as per the terms of offer document/ Information Memorandum and/or Debenture Trust Deed, sufficient to discharge the principal amount and the interest thereon at all times for the non-convertible debt securities issued.

The listed entity shall disclose to the stock exchange in quarterly, half-yearly, year-to-date and annual financial statements, as applicable,

¹⁴⁵ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

Frequently Asked Questions on Securities and Exchange Board of India

the extent and nature of security created and maintained with respect to its secured listed non-convertible debt securities.

The listed entity shall disclose the security cover available in case of non-convertible debt securities along with its financial results in the format as specified by the Board.

Q213. Within what interval of time should the credit rating obtained with respect to non-convertible securities be reviewed?

A213. Each rating obtained by the listed entity with respect to non-convertible securities shall be reviewed at least once a year by a credit rating agency registered by the Board.

Q214. What are the documents that need to be forwarded to the Debenture Trustee?

A214. The listed entity shall forward the following to the debenture trustee promptly: -

- a copy of the annual report at the same time as it is issued along with a copy of certificate from the listed entity's auditors in respect of utilisation of funds during the implementation period of the project for which the funds have been raised.

However, in the case of debentures or preference shares issued for financing working capital or general corporate purposes or for capital raising purposes the copy of the auditor's certificate may be submitted at the end of each financial year till the funds have been fully utilised or the purpose for which these funds were intended has been achieved.

- a copy of all notices, resolutions and circulars relating to-
 - (i) new issue of non-convertible debt securities at the same time as they are sent to shareholders/ holders of non-convertible debt securities;
 - (ii) the meetings of holders of non-convertible debt securities at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings;

Obligations of Listed Entity which has listed its Non-Convertible Securities

- intimations regarding :
 - (i) any revision in the rating;
 - (ii) any default in timely payment of interest or redemption or both in respect of the non-convertible debt securities;
 - (iii) failure to create charge on the assets
 - (iv) all covenants of the issue (including side letters, accelerated payment clause, etc)
- a half-yearly certificate regarding maintenance of hundred percent security cover or higher security cover as per the terms of Offer Document/ Information Memorandum and/or Debenture Trust Deed, including compliance with all the covenants, in respect of listed non-convertible debt securities, by the statutory auditor, along with financial results, in the manner and format as specified by the Board.

Provided that submission of this certificate is not applicable where bonds are secured by a government guarantee.

- ¹⁴⁶The listed entity shall disclose to the Debenture Trustee at the same time as it has intimated to the stock exchange, all material events and/or information as disclosed under regulation 51 of these regulations in so far as it relates to the interest, principal, issue and terms of non-convertible debt securities, rating, creation of charge on the assets, notices, resolutions and meetings of holders of non-convertible debt securities.
- The listed entity shall forward to the debenture trustee any such information sought and provide access to relevant books of accounts as required by the debenture trustee.

Q215. Whether the documents and intimations which are required to be forwarded to the debenture trustee pursuant to the provisions of regulation 56 be sent in electronic form?

¹⁴⁶ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 dated 07.09.2021.

Frequently Asked Questions on Securities and Exchange Board of India

A215. Yes, the listed entity may, subject to the consent of debenture trustee, send the information stipulated in sub-regulation (1) of regulation 56 in electronic form/fax.

Q216. Is there any certification requirement relating to status of payment of non-convertible securities?

A216. ¹⁴⁷The listed entity shall submit a certificate to the stock exchange regarding status of payment of interest or dividend or repayment or redemption of principal of non-convertible securities, within one working day of it becoming due, in the manner and format as specified by the Board from time to time.

Q217. Which documents should a listed entity send to the holders of non-convertible securities?

A217. The listed entity shall send the following documents:

- ¹⁴⁸Soft copies of the full annual reports to all the holders of non-convertible securities who have registered their email address(es) either with the listed entity or with any depository;
- Hard copy of statement containing the salient features of all the documents, as specified in Section 136 of Companies Act, 2013 and rules made thereunder to those holders of non-convertible securities who have not so registered;
- Hard copies of full annual reports to those holders of non-convertible securities, who request for the same.

Q218. Whether a listed entity is obliged to send a hard copy of the full annual report to the holder of non-convertible securities, where it has already sent the soft copy of full annual report to the aforesaid holder?

A218. As per Regulation 58(1)(c), if the holder(s) of the non-convertible securities, request for the hard copy of the full annual report, then the listed entity is obligated to deliver the same.

¹⁴⁷ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 dated 14.06.2023 w.e.f. 15.07.2023.

¹⁴⁸ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2021 w.e.f. 13.08.2021.

Obligations of Listed Entity which has listed its Non-Convertible Securities

Q219. What restrictions apply for making a material modification to non-convertible debt securities or non-convertible redeemable preference shares issued by a listed entity?

A219. The listed entity shall not make material modification without prior approval of the stock exchange(s) where the non-convertible debt securities or non-convertible redeemable preference shares are listed, to:

- the structure of the non-convertible debt securities in terms of coupon, redemption, or otherwise.
- the structure of the non-convertible redeemable preference shares in terms of dividend, redemption, or otherwise.

Q220. What are pre-requisites for the stock exchange before approving a modification as referred to in FAQ 219 above?

A220. The approval should be given by the stock exchange only after:

- approval of the board of directors and the debenture trustee and
- ¹⁴⁹obtaining consent in writing of the holders of not less than three-fourths, by value of holders of that class of securities. For this purpose, the listed entity shall provide the facility of remote e-voting to facilitate such consent.

Q221. What requirements need to be complied with by a listed entity which has listed its non-convertible securities for a draft scheme/scheme of arrangement under sections 230-234 and section 66 of the Companies Act, 2013?

A221. ¹⁵⁰As per Regulation 59A, the following requirements need to be complied with:

1. Without prejudice to the provisions of regulation 11, the listed entity that has listed non-convertible debt securities or non-

¹⁴⁹ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021

¹⁵⁰ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022 w.e.f. 14.11.2022.

Frequently Asked Questions on Securities and Exchange Board of India

convertible redeemable preference shares, intends to undertake a scheme of arrangement or is involved in a scheme of arrangement under sections 230-234 and section 66 of the Companies Act, 2013, shall file the draft scheme of arrangement with the stock exchange(s), along with a non-refundable fee as specified in Schedule XI, for obtaining the No-objection letter, before filing of such scheme with the National Company Law Tribunal, in terms of the requirements specified by the Board or stock exchange(s) from time to time.

2. The listed entity shall not file any scheme of arrangement under sections 230-234 and section 66 of the Companies Act, 2013, with the National Company Law Tribunal unless it has obtained a No-objection letter from the stock exchange(s).
3. The listed entity shall place the No-objection letter of the stock exchange(s) before the National Company Law Tribunal at the time of seeking approval for the scheme of arrangement in the manner as may be specified by the Board from time to time. However, the validity of the No-objection letter of the stock exchange(s) shall be six months from the date of issuance, within which the draft scheme of arrangement shall be filed by the listed entity with the National Company Law Tribunal.
4. Upon sanction of the Scheme by the National Company Law Tribunal, the listed entity shall submit such documents, to the stock exchange(s), as may be specified by the Board and/ or stock exchange(s) from time to time.
5. The listed entity shall ensure compliance with such other requirements as may be specified by the Board from time to time.
6. The requirements as specified under this regulation and under regulation 94A of these regulations shall not apply to a restructuring proposal approved as part of a resolution plan by the National Company Law Tribunal under section 31 of the Insolvency Code, subject to the details being disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

Obligations of Listed Entity which has listed its Non-Convertible Securities

Q222. What is the requirement for a listed entity when fixing a record date as per Regulation 23(7) of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021?

A222. ¹⁵¹The listed entity is required to fix a record date in accordance with sub-regulation (7) of Regulation 23 of the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021.

The listed entity shall give notice in advance of at least three working days (excluding the date of intimation and the record date) to the recognised stock exchange(s) of the record date or of as many days as the stock exchange(s) may agree to or require specifying the purpose of the record date.

Q223. Whether the listed entity can declare or distribute any dividend wherein it has defaulted in payment of interest on debt securities or redemption thereof or in creation of security as per the terms of the issue of debt securities?

A223. The listed entity shall ensure timely payment of interest or dividend of non-convertible debt securities and/or non-convertible redeemable preference shares or redemption payment. The listed entity shall not declare or distribute any dividend wherein it has defaulted in payment of interest on debt securities or redemption thereof or in creation of security as per the terms of the issue of debt securities.

Q224. How does an entity with listed non-convertible securities deal with unclaimed interest, dividend, or redemption amounts for listed entities?

A224. ¹⁵²The following requirements should be considered:

1. The listed entity shall not forfeit unclaimed interest, dividend, or redemption amount.

¹⁵¹ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 w.e.f. 12.12.2024

¹⁵² Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

Frequently Asked Questions on Securities and Exchange Board of India

2. Where the interest/dividend/redemption amount has not been claimed within thirty days from the due date, a listed entity shall within seven days, transfer the amount to an escrow account to be opened by the listed entity in any scheduled bank. However, the interest/ dividend/ redemption amount that is unclaimed and outstanding for a period of less than seven years as on the date of notification of regulation 61A(2) shall be transferred to the escrow account within thirty days, where it shall remain for the intervening period up to seven years.
3. Any amount transferred to the escrow account that remains unclaimed for seven years shall be transferred to the 'Investor Education and Protection Fund' constituted in terms of section 125 of the Companies Act, 2013. ¹⁵³However, for listed entities which do not fall within the definition of "company" under the Companies Act, 2013 and the Rules made thereunder, any amount in the escrow account that remains unclaimed for seven years shall be transferred to the Investor Protection and Education Fund created by the Board in terms of section 11 of the Act. ¹⁵⁴Further the amount transferred to the Investor Protection and Education fund shall not bear any interest.
4. ¹⁵⁵The unclaimed amount of a person that has been transferred to the Investor Protection and Education Fund in terms of this regulation, may be claimed in such manner as may be specified by the Board.

Q225. What information should be available on the website of the entity with listed non-convertible securities?

A225. The entity with non-convertible securities shall maintain a functional website containing the following information about the listed entity:

¹⁵³ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022 w.e.f. 14.11.2022.

¹⁵⁴ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2023 w.e.f. 20.10.2023.

¹⁵⁵ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2023 w.e.f. 20.10.2023.

Obligations of Listed Entity which has listed its Non-Convertible Securities

- details of its business;
- ¹⁵⁶composition of the Board;
- ¹⁵⁷financial information including:
 - notice of meeting of the board of directors where financial results shall be discussed;
 - financial results, on the conclusion of the meeting of the board of directors where the financial results were approved;
 - complete copy of the annual report including balance sheet, profit and loss account, directors report, corporate governance report etc
- contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances;
- email address for grievance redressal and other relevant details;
- name of the debenture trustees with full contact details;
- the information, report, notices, call letters, circulars, proceedings, etc. concerning non-convertible redeemable preference shares or non-convertible debt securities;
- all information and reports including compliance reports filed by the listed entity;
- information with respect to the following:
 - default by issuer to pay interest or redemption amount;
 - failure to create a charge on the assets;

¹⁵⁶ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

¹⁵⁷ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

Frequently Asked Questions on Securities and Exchange Board of India

- ¹⁵⁸all credit ratings obtained by the entity for all its listed non-convertible securities, updated immediately upon any revision in the ratings;
- ¹⁵⁹statements of deviation(s) or variation(s) as specified in sub-regulation (7) and sub-regulation (7A) of regulation 52 of these regulations;
- ¹⁶⁰annual return as provided under section 92 of the Companies Act, 2013 and the rules made thereunder.

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.

Q226. What additional disclosures are required on the website for listed entities to whom regulations 15 to 27 apply?

A226. ¹⁶¹The listed entities to whom regulations 15 to regulation 27 are applicable shall also make the following additional disclosures on their website:

- composition of the various committees of the board of directors;
- terms and conditions of appointment of independent directors;
- code of conduct of the board of directors and senior management personnel;
- details of establishment of vigil mechanism/ whistle blower policy;
- criteria of making payments to non-executive directors, if the same has not been disclosed in the annual report;

¹⁵⁸ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

¹⁵⁹ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

¹⁶⁰ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

¹⁶¹ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

Obligations of Listed Entity which has listed its Non-Convertible Securities

- secretarial compliance report as per sub-regulation (2) of regulation 24A;
- policy on dealing with related party transactions;
- policy for determining 'material' subsidiaries;
- details of familiarization programmes imparted to independent directors including the following details:-
 - number of programmes attended by the independent directors (during the year and on a cumulative basis till date),
 - number of hours spent by the independent directors in such programmes (during the year and on cumulative basis till date), and
 - other relevant details.

Q227. In case an entity has listed non-convertible debt securities, is it required to necessarily list all subsequent non-convertible debt securities issued by it?

A227. ¹⁶²A listed entity, whose non-convertible debt securities are listed shall list all non-convertible debt securities, proposed to be issued on or after January 1, 2024, on the stock exchange(s).

Further, if subsequent issues of unlisted non-convertible debt securities made on or before December 31, 2023, are outstanding on the said date, the listed entity may list such securities, on the stock exchange(s).

Furthermore, a listed entity that proposes to list the non-convertible debt securities on the stock exchange(s) on or after January 1, 2024, shall list all outstanding unlisted non-convertible debt securities previously issued on or after January 1, 2024, on the stock exchange(s) within three months from the date of the listing of the non-convertible debt securities proposed to be listed.

¹⁶² Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2023 w.e.f. 20.09.2023.

Frequently Asked Questions on Securities and Exchange Board of India

However, notwithstanding anything contained in regulation 62A, no listed entity shall be required to list the following securities:

- (i) Bonds issued under section 54EC of the Income Tax Act, 1961;
- (ii) Non-convertible debt securities issued pursuant to an agreement entered into between the listed entity of such securities and multilateral institutions;
- (iii) Non-convertible debt securities issued pursuant to an order of any court or Tribunal or regulatory requirement as stipulated by a financial sector regulator namely, the Board, Reserve Bank of India, Insurance Regulatory and Development Authority of India or the Pension Fund and Regulatory Development Authority.

The securities issued by the listed entity under (ii) and (iii) above shall be locked in and held till maturity by the investors and shall be unencumbered.

Chapter VI

Obligation of Listed Entity which has Listed its Specified Securities and either Non-Convertible Debt Securities or Non-Convertible Redeemable Preference Shares or Both

Q228. Which of the provisions shall be applicable in case of entities which has listed its specified securities and non-convertible securities?

A228. ¹⁶³The list of provisions which shall be applicable in case entities which has listed its specified securities and non-convertible securities are as follows:

- They shall be bound by the provisions in Chapter IV of the SEBI (LODR) Regulations, 2015.
- The listed entity shall additionally comply with the following regulations in Chapter V:
 - regulation 50
 - regulation 51
 - regulation 52(3), (4), (6) and (7);
 - ¹⁶⁴regulations 53 to 62

Q229. Whether a listed entity which has submitted any information to the stock exchange(s) in compliance with the disclosure requirements under Chapter IV of the regulations, need to re-

¹⁶³ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

¹⁶⁴ Substituted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. 07.09.2021.

Frequently Asked Questions on Securities and Exchange Board of India

submit any such information under the provisions of Chapter V of these regulations?

- A229.** No, a listed entity which has submitted any information to the stock exchange in compliance with the disclosure requirements under Chapter IV of the regulations, need not re-submit any such information under the provisions of Chapter V of the regulations as stated in FAQ 228.

Chapter VIA

Framework for Voluntary Delisting of Non-Convertible Debt Securities or Non- Convertible Redeemable Preference Shares and Obligations of the Listed Entity on such Delisting¹⁶⁵

Q230. When is an entity not required to apply the framework in Chapter-VIA regarding voluntary delisting of non-convertible debt securities or non-convertible redeemable preference shares from stock exchanges?

A230. The provisions of Chapter-VIA are applicable to voluntary delisting of all listed non-convertible debt securities or non-convertible redeemable preference shares from all or any of the stock exchanges where such securities or shares are listed, except in the following cases:

- a listed entity that has outstanding listed non-convertible debt securities or non-convertible redeemable preference shares issued by way of a public issue; or
- a listed entity has more than two-hundred securities holders excluding qualified institutional buyers in any International Securities Identification Number relating to listed non-convertible debt securities or non-convertible redeemable preference shares;
- non-convertible debt securities or non-convertible redeemable preference shares have been delisted by the stock exchanges as a consequence of any penalty or action initiated against the

¹⁶⁵ The whole chapter was inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2023 w.e.f. 23.08.2023.

Frequently Asked Questions on Securities and Exchange Board of India

listed entity or on any grounds as specified under rule 21 of the Securities Contracts (Regulation) Rules, 1957;

- non-convertible debt securities or non-convertible redeemable preference shares have been delisted by the stock exchanges pursuant to redemption of such securities or shares;
- non-convertible debt securities or non-convertible redeemable preference shares have been delisted pursuant to a resolution plan as per Section 31 of the Insolvency Code.

The provisions of regulation 59 of the regulations (relating to material modification) shall not be applicable to the voluntary delisting of non-convertible debt securities or non-convertible redeemable preference shares under this Chapter.

Q231. If delisting of non-convertible debt securities or non-convertible redeemable preference shares is required pursuant to a resolution plan under the Insolvency Code, does the listed entity need to inform the stock exchange?

A231. In case of delisting pursuant to a resolution plan as per the provisions of the Insolvency Code, the details of delisting shall be disclosed to the stock exchanges where such securities or shares are listed within one working day of the approval of the resolution plan under the Insolvency Code.

Q232. What is the requirement for seeking in-principle approval for delisting non-convertible debt securities or non-convertible redeemable preference shares from a stock exchange?

A232. The listed entity shall make an application to the relevant stock exchange(s) for seeking in-principle approval for the proposed delisting of non-convertible debt securities or non-convertible redeemable preference shares in the form specified by such stock exchange, not later than fifteen working days from the date of passing of the board resolution to that effect or of receipt of any other statutory or regulatory approval, whichever is later.

Q233. What is the timeline for processing an application for in-principle approval to delist non-convertible debt securities or non-convertible redeemable preference shares from a stock

**Framework for Voluntary Delisting of Non-Convertible Debt Securities
or Non-Convertible Redeemable Preference Shares and Obligations of
the Listed Entity on such Delisting**

exchange, and what factors does the exchange consider when granting this approval?

A233. The relevant stock exchange(s) shall dispose of the application seeking in-principle approval for the delisting of non-convertible debt securities or non-convertible redeemable preference shares within a period not exceeding fifteen working days from the date of receipt of such application, provided that the application is complete in all respects.

Further, the stock exchange takes into account all relevant matters, including the following, while granting the in-principle approval:

- necessary approvals of the board of directors in respect of the delisting proposal;
- due resolution of all investor grievances by the listed entity;
- due payment of all listing fees or fines or penalties to the stock exchange;
- compliance with all provisions of these regulations;
- pendency of any litigation or action against the listed entity pertaining to its activities in the securities market;
- non-payment of any penalty imposed by the Board or the existence of any restrictions or limitations imposed by the Board upon the listed entity.

Q234. Is the listed entity required to obtain any approval from holders of non-convertible debt securities or non-convertible redeemable preference shares after receiving in-principle approval from the stock exchange(s)?

A234. The listed entity shall ensure that the process of obtaining necessary approval from all holders of non-convertible debt securities or non-convertible redeemable preference shares commences within three working days of the grant of in-principle approval by the stock exchange(s).

Frequently Asked Questions on Securities and Exchange Board of India

Q235. What information must a listed entity disclose on its website and to the stock exchanges upon receiving in-principle approval for delisting non-convertible debt securities or non-convertible redeemable preference shares?

A235. In addition to the information disclosed to the stock exchanges as per regulation 51, the following information shall be disclosed by the listed entity on its website as well as to the stock exchanges, within two working days from the date of receipt of in-principle approval from the stock exchanges for delisting of non-convertible debt securities or non-convertible redeemable preference shares:

- the name(s) of the stock exchange(s) from which the non-convertible debt securities or non-convertible redeemable preference shares are sought to be delisted together with the details of all such securities or shares that are sought to be delisted;
- the cut-off date specified for determining the list of holders of non-convertible debt securities or non-convertible redeemable preference shares to whom notice for approving the delisting proposal is mandated to be sent;
- the objects and reasons for delisting of non-convertible debt securities or non-convertible redeemable preference shares;
- the proposed time table from the cut-off date as specified in clause (b) till the date of making final application to the stock exchanges for delisting of non-convertible debt securities or non-convertible redeemable preference shares;
- a disclaimer specifying the following:
 - “Once the said securities are delisted:
 - the delisted non-convertible debt securities/ non-convertible redeemable preference shares shall cease to be under the purview of the Act and the rules and regulations prescribed thereunder; and
 - the holders of such non-convertible debt securities/ non-convertible redeemable preference shares shall not

Framework for Voluntary Delisting of Non-Convertible Debt Securities or Non-Convertible Redeemable Preference Shares and Obligations of the Listed Entity on such Delisting

have any recourse to the investor grievance mechanism for any reason including change/ removal of the debenture trustee or in case of default, such as dispute resolution mechanism, grievance redress mechanism (SCORES), etc. under the Act and the rules and regulations made thereunder.”;

- a statement by the board of directors of the listed entity confirming that all material information which is required to be disclosed under the provisions of these regulations has been disclosed to the stock exchange;
- a statement from the debenture trustee on the adequacy of security cover in case of secured non-convertible debt securities;
- an undertaking that the issuer has not paid or shall not pay any incentive to any investor, directly or indirectly, in connection with delisting under this Chapter;
- disclosure of non-convertible debt securities or non-convertible redeemable preference shares held by the related parties or by any person on behalf of the issuer or its related parties and an undertaking that such persons shall not vote on the proposal;
- an undertaking that the issuer has not entered or shall not enter into any arrangement with any investor or with persons referred to in clause (i) above, by way of side letters or otherwise which leads to the discrimination amongst the investors;
- a statement by the board of directors of the listed entity certifying that: –
 - the entity is in compliance with the applicable provisions of securities laws; and
 - the delisting, in their opinion (with detailed explanation), is in the interest of the holders of the non-convertible

Frequently Asked Questions on Securities and Exchange Board of India

debt securities or non-convertible redeemable preference shares;

- name and contact details of the compliance officer of the listed entity.

As per Regulation 64C(2), all the events in respect of the proposal of delisting for non-convertible debt securities or non-convertible redeemable preference shares beginning with the placing of the agenda for delisting before the board of directors till the delisting is completed, shall be disclosed as material information to the stock exchanges as per regulation 51 of the regulations.

Q236. What are the requirements regarding the notice of delisting for holders of non-convertible debt securities or non-convertible redeemable preference shares?

A236. The listed entity shall send the notice of delisting to the holders of non-convertible debt securities or non-convertible redeemable preference shares, not later than three working days from the date of receipt of in-principle approval from the stock exchanges.

The notice of delisting shall contain all the disclosures specified in regulation 64C of these regulations along with the in-principle approval received from the stock exchange(s) and such other disclosures as may be necessary for the holders of non-convertible debt securities or non-convertible redeemable preference shares to take an informed decision.

The notice of delisting shall also contain the provision of e-voting for the holders of the non-convertible debt securities or non-convertible redeemable preference shares.

Q237. What are the timelines and requirements for obtaining approvals in the delisting process of non-convertible debt securities or non-convertible redeemable preference shares?

A237. The listed entity shall obtain approval from all the holders of non-convertible debt securities or non-convertible redeemable preference shares within fifteen working days from the date of the notice of delisting. Additionally, in case of delisting of non-convertible debt securities, the listed entity shall obtain the No-Objection Letter from the debenture trustee.

**Framework for Voluntary Delisting of Non-Convertible Debt Securities
or Non-Convertible Redeemable Preference Shares and Obligations of
the Listed Entity on such Delisting**

Q238. Under what circumstances will a delisting proposal be considered unsuccessful for non-convertible debt securities or non-convertible redeemable preference shares?

A238. The delisting proposal for non-convertible debt securities or non-convertible redeemable preference shares shall be deemed unsuccessful under any of the following circumstances:

- non-receipt of in-principle approval from any of the stock exchanges; or
- non-receipt of requisite approval from the holders of non-convertible debt securities or non-convertible redeemable preference shares; or
- non-receipt of No-Objection Letter from the debenture trustee in case of proposal for delisting of non-convertible debt securities.

Further, in case of failure of the delisting proposal, the listed entity shall intimate the same to the stock exchanges within one working day from the date of event of failure as specified in regulation 64F (1).

Q239. What are the steps involved in the final application process for delisting of non-convertible debt securities or non-convertible redeemable preference shares from a stock exchange?

A239. The following steps involved in the delisting process of non-convertible debt securities or non-convertible redeemable preference shares:

- Within five working days from the date of obtaining the requisite approval from the holders of non-convertible debt securities or non-convertible redeemable preference shares as per regulation 64E, the listed entity shall submit the final application for delisting to the stock exchange in the form specified by such stock exchange.
- The final application for delisting shall be disposed of by the stock exchange within fifteen working days from the date of receipt of such application that is complete in all respects.

Frequently Asked Questions on Securities and Exchange Board of India

- Upon disposal of the final application for delisting by the stock exchange, the non-convertible debt securities or non-convertible redeemable preference shares of the listed entity, shall be delisted from the stock exchange.

Q240. If the entity is listed on multiple stock exchanges, can it choose from which exchanges to delist its non-convertible debt securities or non-convertible redeemable preference shares?

A240. Where the non-convertible debt securities or non-convertible redeemable preference shares are listed on more than one stock exchanges, the listed entity may choose to delist such securities or shares from all stock exchanges except one such stock exchange having nationwide trading terminals.

Reference should also be made to Regulation 64H (2) for the actions to be taken by the listed entity. (Refer FAQ 241 below)

Further, the application for delisting filed shall be disposed of by the stock exchange within a period not exceeding thirty working days from the date of receipt of such application that is complete in all respects.

Q241. What actions need to be taken by the listed entity for delisting its non-convertible debt securities or non-convertible redeemable preference shares from some of the stock exchanges as per sub-regulation (1) of Regulation 64H?

A241. If the listed entity proposes to delist its non-convertible debt securities or non-convertible redeemable preference shares as per sub-regulation (1), the provisions of regulations 64B to 64G of these regulations shall not be applicable and the listed entity shall:

- obtain the prior approval of its board of directors for such delisting;
- make an application to the stock exchange for delisting its non-convertible debt securities or non-convertible redeemable preference shares;
- disclose the fact of delisting from the stock exchanges on its website;
- obtain No-Objection Letter from the Debenture Trustee in case of proposed delisting of non-convertible debt securities;

**Framework for Voluntary Delisting of Non-Convertible Debt Securities
or Non-Convertible Redeemable Preference Shares and Obligations of
the Listed Entity on such Delisting**

- disclose the fact of delisting, the reasons for such delisting and the fact of continuation of listing of non-convertible debt securities or non-convertible redeemable preference shares on the stock exchange having nationwide trading terminals, on its website.

Chapter VII

Obligations of Listed Entity which has listed its Indian Depository Receipts

Q242. What is Indian Depository Receipts (IDR)?

A242. IDR means “Indian Depository Receipts” as defined under Rule 13 of the Companies (Registration of Foreign Companies) Rules, 2014. The term “Indian Depository Receipt” means any instrument in the form of a depository receipt created by a Domestic Depository in India and authorized by a company incorporated outside India making an issue of such depository receipts.

Q243. What is a “Depository Agreement”?

A243. “Depository Agreement” means an agreement between the listed entity and the domestic depository.

Q244. Who is defined as “Security Holder” under this chapter?

A244. Security holder” shall mean holder of the security or equity shares of the listed entity in the home country.

Q245. Do the correspondences filed with the stock exchange(s) and those sent to the IDR Holders need to be in any specific language?

A245. All the correspondences which are filed with the stock exchange(s) and those sent to the IDR Holders shall be in English.

Q246. Who shall have the jurisdiction in the event of any dispute, between the listed entity either with the stock exchange or any investor, concerning the India Depository Receipts offered or subscribed or bought in India?

A246. The competent Courts, Tribunals and regulatory authorities in India shall have jurisdiction in the event of any dispute, either with the stock exchange or any investor, concerning the India Depository Receipts offered or subscribed or bought in India.

Obligations of Listed Entity which has listed its Indian Depository Receipts

¹⁶⁶All claims, differences, or disputes between the listed entity and its investors arising out of or in relation to the activities of the listed entity in the securities market shall be submitted to a dispute resolution mechanism that includes mediation and/or conciliation and/or arbitration, in accordance with the procedure specified by the Board.

Q247. What all events and information need to be disclosed by the listed entity which has listed its IDR to the stock exchange(s)?

A247. All events which are material, all information which is price sensitive and/or have bearing on performance/operation of the listed entity shall be promptly informed to the stock exchange(s) by the listed entity.

The listed entity shall make the disclosures as specified in Part C of Schedule III to the stock exchange.

Q248. Whether stock exchange is required to be intimated about the change in compliance officer or auditor of the listed entity which has listed its IDR?

A248. Yes, as per the list of matters specified in Part C of Schedule III, such a listed entity shall promptly inform to the stock exchange any change in compliance officer/ auditors/ managing director/ board of directors/ the registrar to an issue and/or share transfer agent, domestic depository or the overseas custodian bank.

Q249. What are the reporting obligations of a listed entity concerning Indian Depository Receipts (IDRs), and what additional details listed entity should disclose to the stock exchange regarding its securities based on compliance requirements in various jurisdiction?

A249. The listed entity shall file with the stock exchange the Indian Depository Receipt holding pattern on a quarterly basis within fifteen days from the end of each quarter in the format specified by the Board.

¹⁶⁶ Substituted by the SEBI (Alternative Dispute Resolution Mechanism) (Amendment) Regulations, 2023 w.e.f. 04.07.2023.

Frequently Asked Questions on Securities and Exchange Board of India

The listed entity shall file the following details with the stock exchange as is required to be filed in compliance with the disclosure requirements of the listing authority or stock exchange in its home country or any other jurisdiction where the securities of the listed entity are listed:

- Shareholding Pattern;
- Pre and post arrangement share holding pattern and Capital Structure in case of any corporate restructuring like mergers / amalgamations.

Q250. Is there any provision with respect to preparation and disclosures of financial results of the listed entity which has listed its IDR, and what is the periodicity for such disclosures?

A250. Yes, the regulation 70 deals with the same and states that:

- the listed entity shall file periodical financial results with the stock exchange in such manner and within such time and to the extent that it is required to file as per the listing requirements of the home country.
- the listed entity shall comply with the requirements with respect to preparation and disclosures in financial results as specified in Part B of Schedule IV.

Financial results for such listed entities may be given on annual, half yearly and/or quarterly basis, as required under the requirements of the home country.

Q251. Whether it is mandatory for the listed entity which has listed its IDR to prepare and disclose the financial results in accordance with Indian GAAP?

A251. Part B of Schedule IV specifies that such a listed entity may prepare and disclose its financial results in accordance with Indian GAAP or International Financial Reporting Standards IFRS or US GAAP.

In case the listed entity prepares and discloses the financial results as per US GAAP, a reconciliation statement vis-a-vis Indian GAAP and summary of significant differences between the Indian GAAP and US GAAP has to be annexed.

Obligations of Listed Entity which has listed its Indian Depository Receipts

If financial results are prepared in accordance with IFRS, then listed entity shall annex only the summary of significant differences between the Indian GAAP and IFRS.

Q252. Who shall conduct the audit or limited review of the financials of the listed entity which has listed its IDR?

A252. In case the listed entity prepares and discloses the financial results as per Indian GAAP, the listed entity shall ensure that the annual, half yearly and/or quarterly results, as required under the laws, rules or regulations of home country, shall be audited or subject to limited review by a Chartered Accountant.

Also, in case the listed entity prepares and discloses the financial results as per US GAAP or IFRS, the listed entity shall ensure that the annual, half yearly and/or quarterly results, as required under the laws, rules or regulations of home country shall be audited or subject to limited review by professional accountant or certified public accountant.

Q253. In what currency shall the financial information of the listed entity (whose IDR are listed) be disclosed to the stock exchange?

A253. The listed entity whose IDR are listed shall make disclosures of its financial information in its functional currency/ reporting currency/ national currency and the reporting currency shall be restricted to Sterling Pound/ Euro/ Yen/ US Dollar.

The listed entity shall also provide convenient translation into Indian Rupees of the latest year's/ periods statements (as the case may be) of consolidated profit and losses, assets and liabilities and cash flows, at the closing rate of exchange, as at the date on which the financial information is presented.

Q254. When shall the periodical financial results and annual report be submitted to the stock exchange by a listed entity which has listed its IDR?

A254. The listed entity shall file periodical financial results with the stock exchange in such manner and within such time and to the extent that it is required to file as per the listing requirements of the home country.

Frequently Asked Questions on Securities and Exchange Board of India

Further, it shall submit to stock exchange an annual report at the same time as it is disclosed to the security holder in its home country or in other jurisdictions where such securities are listed.

Q255. What should be included in the annual report of the listed entity which has listed its IDR?

A255. The annual report of the listed entity which has listed its IDR shall contain the following:

- Report of board of directors;
- Balance Sheet;
- Profit and Loss Account;
- Auditors Report;
- All periodical and special reports(if applicable);
- Any such other report which is required to be sent to security holders annually.

Q256. What are the documents and information that a listed entity is required to forward to its IDR Holders?

A256. The listed entity shall disclose/send the following documents to IDR Holders, at the same time and to the extent that it discloses to security holders in its home country or in other jurisdictions where its securities are listed:

- Soft copies of the annual report to all the IDR holders who have registered their email address(es) for the purpose;
- Hard copy of the annual report to those IDR holders who request for the same either through domestic depository or Compliance Officer;
- the pre and post arrangement capital structure and share holding pattern in case of any corporate restructuring like mergers / amalgamations and other schemes.

Q257. In which newspaper the listed entity is required to publish the periodical financial results and notices given to its IDR Holders?

A257. The listed entity is required to publish the periodical financial results and notices given to its IDR Holders in at least one English national

Obligations of Listed Entity which has listed its Indian Depository Receipts

daily newspaper circulating in the whole or substantially the whole of India and in one Hindi national daily newspaper in India.

Q258. What is the provision w.r.t timeframe within which the dividend shall be paid to the IDR holder?

A258. The dividend shall be paid as per the timeframe applicable in the home country of the listed entity or other jurisdictions where its securities are listed, whichever is earlier, so as to reach the IDR Holders on or before the date fixed for payment of dividend to holders of its equity share or other securities.

Q259. Whether a listed entity is empowered to forfeit unclaimed dividends on the IDRs?

A259. The listed entity shall not forfeit unclaimed dividends before the claim becomes barred by law in the home country of the listed entity, as may be applicable, and that such forfeiture, when effected, shall be annulled in appropriate cases.

Q260. What should be the structure of the underlying shares of IDRs?

A260. The underlying shares of IDRs shall rank pari-passu with the existing shares of the same class and the fact of having different classes of shares based on different criteria, if any, shall be disclosed by the listed entity in the annual report.

The listed entity shall not exercise a lien on the fully paid underlying shares, against which the IDRs are issued, and that in respect of the partly paid underlying shares, against which the IDRs are issued and shall also not exercise any lien except in respect of moneys called or payable at a fixed time in respect of such underlying shares.

The listed entity, subject to the requirements under the laws and regulations of its home country, if any amount to be paid up in advance of calls on any underlying shares against which the IDRs are issued, shall stipulate that such amount may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits.

Q261. Whether the listed entity is mandatorily required to fix the record date for the purpose of payment of dividends or distribution of any other corporate benefits to IDR Holders?

Frequently Asked Questions on Securities and Exchange Board of India

A261. Where the listed entity is required so to do in its home country or other jurisdictions where its securities may be listed, shall fix the record date for the purpose of payment of dividends or distribution of any other corporate benefits to IDR Holders.

Further, it shall give notice in advance of at least four working days to the recognised stock exchange(s) of record date specifying the purpose of the record date.

Q262. How does a listed entity obtain voting by IDR Holders in shareholder resolutions?

A262. The listed entity ensures that proxy forms are sent to IDR Holders either directly or through an agent in all cases mentioning that a security holder may vote either for or against each resolution.

Q263. What are the circumstances under which Indian Depository Receipts can be delisted?

A263. The IDR can be delisted under the following circumstances

- **Voluntarily-** if the listed entity decides to delist IDR, it can make an application for delisting the same. Further, the listed entity shall provide fair and reasonable treatment to IDR holders.
- **Mandatorily-** in case underlying equity shares are delisted, the listed entity shall delist and cancel the IDR.

The listed entity shall comply with such norms and conditions for delisting Indian Depository Receipts as specified by the Board or stock exchange in this regard.

Chapter VIII

Obligations of Listed Entity which has listed its Securitised Debt Instruments

Q264. To whom does the provision of the chapter “obligations of listed entity which has listed its securitised debt” applies?

A264. The provisions of this chapter shall apply to Special Purpose Distinct Entity issuing securitised debt instruments and trustees of Special Purpose Distinct Entity shall ensure compliance with each of the provisions of these regulations.

Q265. The expressions such as “asset pool”, “clean up call option” etc. which are used in this chapter shall derive its meaning from which of the regulations?

A265. The expressions "asset pool", "clean up call option", "credit enhancement", "debt or receivables", "investor", "liquidity provider", "obligor", "originator", "regulated activity", "scheme", "securitization", "securitized debt instrument", "servicer", "special purpose distinct entity", "sponsor" and "trustee" shall have the same meaning as assigned to them under Securities and Exchange Board of India (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008.

Q266. Is a listed entity required to notify the stock exchange of its intention to issue new securitized debt instruments?

A266. The listed entity shall intimate the Stock exchange, of its intention to issue new securitized debt instruments either through a public issue or on private placement basis (if it proposes to list such privately placed debt securities on the Stock exchange) prior to issuing such securities. The listed entity is required to intimate the stock exchange(s) at least two working days in advance (excluding the date of intimation and meeting) of any board meeting where the recommendation or declaration of issue of securitized debt instruments, or any other matter affecting the rights or interests of holders, is to be considered.

Frequently Asked Questions on Securities and Exchange Board of India

Q267. What are the filing requirements for a listed entity to the stock exchange with regard to securitized debt instruments?

A267. The listed entity shall submit such statements, reports or information including financial information pertaining to Schemes to stock exchange within seven days from the end of the month or actual payment date, either by itself or through the servicer, on a monthly basis in the format as specified by the Board from time to time. Further, where periodicity of the receivables is not monthly, reporting shall be made for the relevant periods.

The listed entity shall also provide the stock exchange, either by itself or through the servicer, loan level information, without disclosing particulars of individual borrowers, in manner specified by stock exchange.

Q268. What are the requirements regarding the ratings of securitized debt instruments obtained by a listed entity?

A268. Every rating obtained by the listed entity with respect to securitized debt instruments shall be periodically reviewed, typically once a year, by a credit rating agency registered by the Board.

Further, any revision in ratings shall be disseminated by the stock exchange(s).

Q269. What information is required to be provided to the Investors of securitised debt instruments by the listed entity?

A269. The listed entity shall provide either by itself or through the servicer, loan level information without disclosing particulars of individual borrower to its investors and it shall also provide information regarding revision in rating as a result of credit rating done periodically in terms of regulation 84 to its investors. Additionally, it shall display the email address of the grievance redressal division and other relevant details prominently on its website and in the various materials/ pamphlets/ advertisement campaigns initiated by it for creating investor awareness.

Q270. Can any material modification be made by the listed entity to the structure of the securitized debt instruments in terms of coupon, conversion, redemption, or otherwise?

Obligations of Listed Entity which has listed its Securitised Debt Receipts

A270. No material modification shall be made to the structure of the securitized debt instruments in terms of coupon, conversion, redemption, or otherwise without prior approval of the recognised stock exchange(s) where the securitized debt instruments are listed and the listed entity shall make an application to the recognised stock exchange(s) only after the approval by Trustees.

Q271. Can the listed entity forfeit unclaimed interest and principal on the securitised debt instrument?

A271. The listed entity shall not forfeit unclaimed interest, and principal and such unclaimed interest and principal shall be, after a period of seven years, transferred to the Investor Protection and Education Fund established under the Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009.

Q272. What is the timeframe within which the notice for record date for payment of interest and payment of redemption or repayment amount on the securitised debt instrument shall be given to stock exchange?

A272. The listed entity shall give notice in advance of at least seven working days (excluding the date of intimation and the record date) to the recognised stock exchange(s) of the record date or of as many days as the Stock Exchange may agree to or require specifying the purpose of the record date.

Chapter VIIIA

Obligations of Listed Entity which has listed its Security Receipts

Q273. What should the listed entity which has listed its security receipts do in a situation where it did not disclose an event or information, as specified in Part E of Schedule III, within twenty-four hours of occurrence of the event or information to the stock exchange?

A273. The listed entity shall first disclose to stock exchange(s) of all events or information, as specified in Part E of Schedule III, as soon as reasonably possible but not later than twenty-four hours from occurrence of the event or information. In case, where the disclosure of events or information, as specified in Part E of Schedule III, is made after twenty-four hours of occurrence of the event or information, the listed entity shall, along with such disclosures provide explanation for the delay.

Q274. What information is required to be disclosed on the website of the listed entity which has listed its security receipts?

A274. The listed entity is required to disclose on its website or on the website of the sponsor all such events or information which has been disclosed to stock exchange(s), 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.

Q275. What is the periodicity for conducting valuation of security receipts that are listed on the stock exchange?

A275. An issuer whose security receipts are listed on a stock exchange shall ensure that the listed security receipts are valued at the end of each quarter i.e. as on March 31, June 30, September 30 and December 31 of every year.

Q276. Who is eligible to conduct the valuation of the listed security receipts as referred to in FAQ 275?

Obligations of Listed Entity which has listed its Security Receipts

A276. The valuation of the listed security receipts shall be conducted by an independent valuer.

Q277. How is the net asset value (NAV) of security receipts calculated?

A277. The net asset value should be calculated on the basis of independent valuation as referred to in the preceding question and should be declared by the asset reconstruction company within fifteen days of the end of the quarter.

Q278. Whether the issuer of security receipts is required to adhere to RBI guidelines for obtaining credit ratings and declaring NAV, alongside disclosing NAV based on an independent valuer's assessment?

A278. Yes, the issuer shall also comply with the extant Reserve Bank of India requirement of obtaining credit rating of security receipts at half yearly interval and declaration of the net asset value thereafter and/or any other requirement as prescribed by the Reserve Bank of India from time to time.

However, in those two quarters in a year, where both external valuation and credit rating are required, issuer shall disclose lower of the two calculated Net Asset Value.

Q279. Whether security receipts which are listed on recognised stock exchange are freely transferable to anyone?

A279. Any security receipt issued would be transferable only in favour of qualified buyers in terms of Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

Q280. Whether the 'date of intimation' is required to be included while calculating the timeline for submission of notice of record date to the stock exchange by listed entities which have listed its security receipts?

A280. The listed entity shall give notice in advance of at least seven working days of the record date or of as many days as the stock exchange may agree to or require specifying the purpose of the record date. The date of intimation and the record date shall be excluded while calculating the period of seven working days.

Chapter IX

Obligations of Listed Entity which has listed its Mutual Fund Units

Q281. To whom does the provision of chapter IX of the SEBI (LODR) Regulations, 2015 applies?

A281. The provisions of this chapter shall apply to the asset management company managing the mutual fund scheme whose units are listed on the recognised stock exchange(s).

Notwithstanding anything contained in this chapter, the provisions of the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and directions issued thereunder shall apply on the listed entity and to the schemes whose units are listed on the recognised stock exchange(s).

Q282. What are the various documents and information that are required to be submitted by the listed entity which has listed its mutual fund, to the stock exchange?

A282. The various documents and information that are required to be submitted by the listed entity which has listed its mutual fund, to the stock exchange (and in the manner, if any, specified by it) are as follows:

- The information relating to daily Net Asset Value, monthly portfolio, half yearly portfolio of those schemes whose units are listed on the recognised stock exchange(s) in the format as specified under Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and directions issued there under.
- movement in unit capital of those schemes whose units are listed on the recognised stock exchange(s)
- rating of the scheme whose units are listed on the recognised stock exchange(s) and any changes in the rating thereof (wherever applicable);

Obligations of Listed Entity which has listed its Mutual Fund units

- imposition of penalties and material litigations against the listed entity and Mutual Fund;
- any prohibitory orders restraining the listed entity from transferring units registered in the name of the unit holders.

Chapter IXA

Obligations of Social Enterprises¹⁶⁷

Q283. Which entities are covered by the requirements of this chapter?

A283. The provisions of chapter IX-A apply to:

- For Profit Social Enterprises whose designated securities are listed on the applicable segment of the Stock Exchange(s).
- Not for Profit Organizations that is registered on the Social Stock Exchange(s).

Q284. What are the annual disclosure requirements for a Not-for-Profit Organization registered on the Social Stock Exchange(s) to be made to the stock exchange, and when must these disclosures be submitted?

A284. A Not for Profit Organization registered on the Social Stock Exchange(s), including those whose designated securities are listed, shall be required to make annual disclosures to the Social Stock Exchange on matters specified by the Board, within 60 days from the end of the financial year or within such period as may be specified by the Board.

In addition, the Social Stock Exchange(s) may specify matters that shall be disclosed by the Not-for-Profit Organization on an annual basis.

Q285. Which events needs to be reported to the Social Stock Exchange(s) or the Stock Exchange(s) by a Listed Social Enterprise?

A285. The Social Enterprise shall disclose any event that could materially impact its planned achievement of outputs or outcomes. This

¹⁶⁷ The whole chapter was inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2022 w.e.f. 25.07.2022.

disclosure should be made to the relevant Stock Exchange(s) as soon as reasonably possible, but not later than seven days from the occurrence of the event, or within such period as specified by the Board and shall comprise details of the event including the potential impact of the event and the steps being taken by the Social Enterprise to address the same.

The Social Enterprise shall also provide updates on a regular basis along with relevant explanations till the time the concerned event remains material.

Q286. What is the requirement for a Social Enterprise registered with or having raised funds through a Social Stock Exchange or Stock Exchange?

A286. A Social Enterprise, which is either registered with or has raised funds through a Social Stock Exchange or a Stock Exchange, shall be required to submit an annual impact report to the Social Stock Exchange or the Stock Exchange in the format specified by the Board from time to time. The annual impact report shall be ¹⁶⁸assessed by a Social Impact Assessment Firm employing Social Impact Assessor(s).

Q287. What are the reporting requirements for a listed Not for Profit Organization regarding the utilization of funds raised?

A287. A listed Not for Profit Organization shall submit to the Social Stock Exchange(s) the following statement in respect of utilisation of the funds raised, on a quarterly basis:-

- category-wise amount of monies raised;
- category-wise amount of monies utilised;
- balance amount remaining unutilised.

¹⁶⁸ The words “assessed by a Social Impact Assessment Firm employing Social Impact Assessor(s)” was substituted by the SEBI (LODR) (Seventh Amendment) Regulations, 2023 w.e.f. 21.12.2023.

Frequently Asked Questions on Securities and Exchange Board of India

The statements shall be given till the time the issue proceeds have been fully utilised or the purpose for which they were raised, has been achieved.

Q288. What should be done with the unutilized amount according to the regulations?

A288. The unutilized amount shall be kept in a separate bank account and should not be co-mingled with other funds of the organization.

Chapter X

Duties and Obligations of the Recognised Stock Exchange(s)

Q289. What happens when the recognized stock exchange receives relevant intimations, information, filings, reports, statements, documents, or any other submissions from a listed entity?

A289. The recognized stock exchange(s) shall immediately disseminate the received information on its website.

Q290. What is the procedure for a stock exchange regarding a draft Scheme of Arrangement ¹⁶⁹in case of entities that have listed their specified securities?

A290. The process for a stock exchange regarding a draft scheme of arrangement in case of entities that have listed their specified securities:

- The designated stock exchange, upon receipt of draft schemes of arrangement and the documents prescribed by the Board, as per sub-regulation (1) of regulation 37, shall forward the same to the Board, in the manner prescribed by the Board.
- The stock exchange(s) shall submit to the Board its No-Objection Letter on the draft scheme of arrangement, after inter-alia ascertaining whether the draft scheme of arrangement is in compliance with securities laws within thirty days of receipt of draft scheme of arrangement or within seven days of date receipt of satisfactory reply on clarifications from the listed entity and/or opinion from independent chartered accountant if any, sought by stock exchange(s), as applicable.

¹⁶⁹ The words “in case of entities that have listed their specified securities” was inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022 w.e.f. 14.11.2022.

Frequently Asked Questions on Securities and Exchange Board of India

- The stock exchange(s), shall issue No-objection letter to the listed entity within seven days of receipt of comments from the Board, after suitably incorporating such comments in the Observation Letter or No-objection letter:

Provided that the validity of the No-objection letter of stock exchanges shall be six months from the date of issuance.

- The stock exchange(s) shall bring the objections, to the notice of Court or Tribunal at the time of approval of the scheme of arrangement.
- Upon sanction of the Scheme by the Court or Tribunal, the designated stock exchange shall forward its recommendations to the Board on the documents submitted by the listed entity in terms of sub-regulation (5) of regulation 37.

Q291. What is the procedure for a stock exchange regarding a draft Scheme of Arrangement in case of entities that have listed their non-convertible debt securities or non-convertible redeemable preference shares?

A291. ¹⁷⁰The process for a stock exchange regarding a draft scheme of arrangement in case of entities that have listed their non-convertible debt securities or non-convertible redeemable preference shares:

- Upon receipt of the draft schemes of arrangement and the documents under sub- regulation (1) of regulation 59A, the designated stock exchange shall forward the same to the Board, in such manner as may be specified by the Board.
- The stock exchange(s) shall submit to the Board its No-Objection Letter on the draft scheme of arrangement, after ascertaining whether the draft scheme of arrangement is in compliance with securities laws, within the timelines as may be specified by the Board from time to time.

¹⁷⁰ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2022 w.e.f. 14.11.2022.

Duties and Obligations of the Recognised Stock Exchange(s)

- The stock exchange(s), shall issue No-objection letter to the listed entity in the manner and within the timelines, as may be specified by the Board from time to time:

Provided that the validity of the No-objection letter of stock exchanges shall be six months from the date of issuance.

- The stock exchange(s) shall bring the objections to the notice of National Company Law Tribunal at the time of approval of the scheme of arrangement by the National Company Law Tribunal.
- Upon sanction of the Scheme by the National Company Law Tribunal, the stock exchange shall forward its recommendations to the Board on the documents submitted by the listed entity in terms of sub-regulation (4) of regulation 59A.

Q292. What is the responsibility of the recognised stock exchange(s) regarding the Statement on Impact of Audit Qualifications and the accompanying annual audit report as per the regulations?

A292. The recognised stock exchange(s) shall review the Statement on Impact of Audit Qualifications and the accompanying annual audit report submitted in terms of clause (d) of sub-regulation (3) of regulation 33 and clause (a) of sub-regulation (3) of regulation 52.

Q293. What are the responsibilities of the recognised stock exchange(s) according to the regulations concerning monitoring and reporting on listed entities?

A293. Responsibilities of the recognized stock exchange are as follows: -

- The recognised stock exchange(s) shall monitor compliance by the listed entity with provisions of these regulations.
- The recognised stock exchange(s) shall also monitor adequacy/ accuracy of the disclosures made by listed entity with respect to provisions of these regulations.
- The recognised stock exchange(s) shall submit a report to the Board, with respect to the obligations specified in sub-regulations (1) and (2), in the manner specified by the Board.

Frequently Asked Questions on Securities and Exchange Board of India

- The recognised stock exchange(s) shall put in place appropriate framework including adequate manpower and such infrastructure as may be required to comply with the provisions of this regulation.

Chapter XI

Miscellaneous

Q294. What actions a listed entity or any other person face from the respective stock exchange(s) for contravening provisions of these regulations?

A294. 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:

- imposition of fines;
- suspension of trading;
- freezing of promoter/promoter group holding of designated securities, as may be applicable, in coordination with depositories.
- any other action as may be specified by the Board from time to time.

Q295. What happens if a listed entity fails to pay fines imposed by a recognized stock exchange?

A295. 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.

Q296. Under what circumstances can the Securities and Exchange Board of India (SEBI) exempt persons from regulatory provisions related to securities markets?

A296. The Board may, exempt any person or class of persons from the operation of all or any of the provisions of these regulations for a period as may be specified but not exceeding twelve months. This exemption is specifically intended to foster for furthering innovation in technological aspects relating to testing new products, processes,

Frequently Asked Questions on Securities and Exchange Board of India

services, business models, etc. in live environment of regulatory sandbox in the securities markets.

Q297. Under what circumstances can the Securities and Exchange Board of India (SEBI) relax enforcement of requirements in its regulations?

A297. The Board may in the interest of investors and securities market and for the development of the securities market, relax the strict enforcement of any requirement of these regulations, if the Board is satisfied that:

- any provision of Act(s), Rule(s), regulation(s) under which the listed entity is established or is governed by, is required to be given precedence to; or
- the requirement may cause undue hardship to investors; or
- the disclosure requirement is not relevant for a particular industry or class of listed entities; or
- the requirement is technical in nature; or
- the non-compliance is caused due to factors affecting a class of entities but being beyond the control of the entities.

¹⁷¹The Board may after due consideration of the interest of the investors and the securities market and for the development of the securities market, relax the strict enforcement of any of the requirements of these regulations, if an application is made by the Central Government in relation to its strategic disinvestment in a listed entity.

Q298. What are the procedural requirements for seeking relaxation from SEBI's regulations?

A298. SEBI may relax enforcement of its regulations under specific conditions related to strategic disinvestment by the Central Government in a listed entity. These conditions include:

¹⁷¹ Inserted by the SEBI (Listing Obligations and Disclosure Requirements) (Seventh Amendment) Regulations, 2022 w.e.f. 05.12.2022.

- An application must be submitted to SEBI detailing the grounds and specifics for which relaxation is sought.
- The application shall be accompanied by a non-refundable fee of rupees one lakh payable through NEFT/ RTGS/ IMPS or any other mode allowed by Reserve Bank of India or by way of a demand draft in favour of the Board payable in Mumbai.

Part B

Compliance Resources

Chapter XII

Compliance Calendar¹⁷²

I. Compliance Calendar - Regulations Applicable to All Listed Entities

(Assuming a 12 month financial year of April-March)

Time Based: Quarterly

S. No.	Regulation Reference	Compliances	Period Covered	Timelines
1.	Regulation 13(3) Grievance Redressal Mechanism	The listed entity shall file with the recognised stock exchange(s) on a quarterly basis a statement detailing the redressal of investor grievances in such form and within the timelines as may be specified by the Board.	Apr-June July-Sep Oct-Dec Jan-Mar	Quarterly (within the timelines specified by the Board)

¹⁷² This is based on SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as available on SEBI website (updated till 12th December 2024) and readers should consider the subsequent changes, if any). The tables provided offer a detailed list of compliance timelines prescribed under the SEBI (LODR) Regulations, 2015, pertaining to filings of significant nature. For additional compliance requirements related to filing timelines, please refer to **Part A: Regulatory Framework for Listed Entities** in the publication.

II. Compliance Calendar for Listed Entities for Specified Securities

Time Based: Quarterly

S. No.	Regulation Reference	Compliances	Period Covered	Due date (being the last date of the given timeline)
1.	Regulation 27(2)(a) – Corporate Governance Report	The listed entity shall submit, to the recognised stock exchange(s), a quarterly compliance report on corporate governance in the format and within the timelines, as may be specified by the Board from time to time.	Apr-June July-Sept Oct-Dec Jan-Mar	Quarterly (within the timelines, as may be specified by the Board from time to time)
2.	Regulation 31(1)(b)- Shareholding Pattern	The listed entity shall submit to the stock exchange(s) a statement showing holding of securities and shareholding pattern separately for each class of securities, in the format specified by the Board from time to time on a	Apr-June July-Sept Oct-Dec Jan-Mar	Q1- 21 st July Q2- 21 st Oct Q3- 21 st Jan Q4- 21 st Apr

Frequently Asked Questions on Securities and Exchange Board of India

		quarterly basis, within twenty-one days from the end of each quarter. For listed entities which have listed their specified securities on SME Exchange – see calendar below for half-yearly requirements. Also, see “event based” calendar below for Regulation 31.		
3.	Regulation 33(3)(a)/(b)/(c)/(d) - Financial Results along with Limited review report/Auditor's report	The listed entity shall submit quarterly and year-to-date standalone financial results and consolidated financial results (if it has subsidiaries) to the stock exchange within forty-five days of end of each quarter, other than the last quarter. The quarterly and year-to-date financial results may be either audited or subject to limited review	Apr-June July-Sept Oct-Dec Jan-Mar	Q1- 14th Aug Q2- 14th Nov Q3- 14th Feb Q4- 30th May

		and should be accompanied by the audit report or limited review report (as the case may be): The listed entity shall submit annual audited standalone financial results and consolidated financial results (if it has subsidiaries) for the financial year, within sixty days from the end of the financial year along with the audit report and Statement on Impact of Audit Qualifications (applicable only for audit report with modified opinion):		
--	--	--	--	--

Time Based: Half-Yearly

S. No.	Regulation Reference	Compliances	Period Covered	Due date (being the last date of the given timeline)
1.	Regulation 23(9) –	The listed entity shall submit to the	Apr-Sept Oct-Mar	Every six months on

Frequently Asked Questions on Securities and Exchange Board of India

	Disclosure of Related Party Transactions	stock exchanges disclosures on related party transactions in the format as specified by the Board from time to time and publish the same on its website every six months on the date of publication of its standalone and consolidated financial results.		the date of publication of its standalone and consolidated financial results.
2.	Regulation 31(1) - Statement showing holding of specified securities and shareholding pattern	In case of listed entities which have listed their specified securities on SME Exchange, the entity shall submit to the stock exchange(s) a statement showing holding of securities and shareholding pattern separately for each class of securities on a half-yearly basis within twenty-one days from the end of each half year. For entities listed on exchange other	Apr-Sept Oct-Mar	Q1- 21 st Oct Q2- 21 st Apr

Compliance Calendar

		than SME Exchange – see quarterly calendar above. Also see 'event based' calendar below for Regulation 31.		
--	--	--	--	--

Time Based: Annual

S. No.	Regulation Reference	Compliances	Period Covered	Due date (being the last date of the given timeline)
1.	Regulation 24A(2) - Secretarial Compliance Report	Every listed entity shall submit a secretarial compliance report in such form as specified, to stock exchanges, within sixty days from end of each financial year.	Apr-Mar	30 th May
2.	Regulation 34(1) – Annual Report	The listed entity shall submit to the stock exchange and publish on its website a copy of the annual report sent to the shareholders along with the notice of the annual general		on or before the commencement of dispatch to its shareholders

Frequently Asked Questions on Securities and Exchange Board of India

		meeting on or before the commencement of dispatch to its shareholders.		
--	--	--	--	--

Event Based

S. No.	Regulation Reference	Compliances	Timelines
1.	Regulation 7(5) – Intimation of appointment of Share Transfer Agent	The listed entity shall intimate change or appointment of new share transfer agent, to the stock exchange(s) within seven days of entering into the tripartite agreement between the existing share transfer agent, the new share transfer agent and the listed entity.	Within 7 days of agreement
2.	Regulation 28 (1) - Issuance of security	The listed entity, before issuing securities, shall obtain an “in-principle” approval from recognised stock exchange before issuing security.	Before issuing securities
3.	Regulation 29 (1) – Prior Intimations of Board Meeting	The listed entity shall give prior intimation of at least two working days in advance, excluding the date of the intimation and date of the meeting, to stock exchange about the meeting of the board of directors in which any of the following proposals is due	At least two working days in advance, excluding the date of intimation and the date of meeting.

		to be considered: (a) financial results viz. quarterly, half yearly, or annual, as the case may be; (b) proposal for buyback of securities; (c) proposal for voluntary delisting by the listed entity from the stock exchange(s); (d) fund raising by way of issue of securities (excluding security receipts, securitized debt instruments or money market instruments regulated by the Reserve Bank of India), through further public offer, rights issue, American Depository Receipts/ Global Depository Receipts/ Foreign Currency Convertible Bonds, qualified institutions placement, debt issue, preferential issue or any other method and for determination of issue price: Provided that intimation shall also be given in case of any annual	
--	--	--	--

Frequently Asked Questions on Securities and Exchange Board of India

		general meeting or extraordinary general meeting or postal ballot that is proposed to be held for obtaining shareholder approval for further fund-raising indicating type of issuance. Provided further that intimation for determination of issue price in a qualified institutions placement is not required if such placement is done in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. (e) declaration/ recommendation of dividend, issue of convertible securities including convertible debentures or of debentures carrying a right to subscribe to equity shares or the passing over of dividend. (f) the proposal for declaration of bonus	
--	--	---	--

		securities; (g) any alteration in the form or nature of any of its securities that are listed on the stock exchange or in the rights or privileges of the holders thereof; (h) any alteration in the date on which, the interest on debentures or bonds, or the redemption amount of redeemable shares or of debentures or bonds, shall be payable. The above referred intimation shall mention the date of such meeting of board of directors.	
4.	Regulation 30 (6) – Disclosure of events or information	The listed entity shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this regulation as soon as reasonably possible and in any case not later than the following: (i) thirty minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;	The listed entity shall disclose to the stock exchange(s) all material events or information in accordance with the following timelines: (i) Within thirty minutes from the closure of the meeting of the board of directors (if within normal

Frequently Asked Questions on Securities and Exchange Board of India

		Provided that in case the meeting of the board of directors closes after normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day, the listed entity shall disclose the decision pertaining to the event or information, within three hours from the closure of the board meeting: Provided further that in case the meeting of the board of directors is being held for more than one day, the financial results shall be disclosed within thirty minutes or three hours, as applicable, from closure of such meeting for the day on which it has been considered. (ii) twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity; (iii) twenty-four hours from the occurrence of the	trading hours) (ii) 3 hours from the closure of the board meeting (if meeting ends after trading hours but more than 3 hours before next trading day) (iii) 30 minutes or 3 hours from the closure of the meeting (if meeting is being held more than one day) (iv) Within twelve hours from the occurrence of the material event or information in case the event or information is emanating from within the listed entity. (v) within twenty-four hours
--	--	---	--

		event or information, in case the event or information is not emanating from within the listed entity. Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines: (See below)	from the occurrence of the material event or information in case the event or information is not emanating from within the listed entity.
5.	Regulation 31(1)(a) – Listing of securities	The listed entity shall submit to the stock exchange(s) a statement showing holding of securities and shareholding pattern separately for each class of securities, in the format specified by the Board from time to time within one day prior to listing of its securities on the stock exchange(s). Also see quarterly and half - yearly calendar above for Regulation 31.	One day prior to listing of securities
6.	Regulation 31(1)(c) – Capital restructuring	The listed entity shall submit to the stock exchange(s) a statement showing holding of securities and shareholding pattern separately for each class of securities, in the	Within 10 days of any change in capital restructuring exceeding 2%.

Frequently Asked Questions on Securities and Exchange Board of India

		format specified by the Board from time to time within ten days of any capital restructuring of the listed entity resulting in a change exceeding two per cent of the total paid-up share capital. Also see quarterly and half - yearly calendar above for Regulation 31.	
7.	Regulation 37(2) – Draft Scheme of arrangement	The listed entity shall not file any scheme of arrangement under sections 391-394 and 101 of the Companies Act, 1956 or under Sections 230-234 and Section 66 of Companies Act, 2013, whichever applicable, with any Court or Tribunal unless it has obtained the No-objection letter from the stock exchange.	Before filing the scheme with any Court or Tribunal, obtained No-objection letter from the stock exchange.
8.	Regulation 42(2) – Record Date for dividend, bonus, right issue, etc.	The listed entity shall intimate the record date for the following events to all the stock exchange(s) where it is listed or where stock derivatives are available on the stock of the listed entity or where listed entity's stock form part of an index on which derivatives are available: (a) declaration of dividend; (b) issue of right or bonus	Notice in advance of at least three working days (excluding the date of intimation and the record date) to stock exchange(s) of record date specifying the purpose of the record date.

		shares; (c) issue of shares for conversion of debentures or any other convertible security; (d) shares arising out of rights attached to debentures or any other convertible security (e) corporate actions like mergers, de-mergers, splits, etc; (f) such other purposes as may be specified by the stock exchange(s). The listed entity shall give notice in advance of at least three working days (excluding the date of intimation and the record date) to stock exchange(s) of record date specifying the purpose of the record date: Provided that in case of corporate actions through schemes of arrangement covered under regulation 37, the listed entity shall give notice in advance of at least seven working days (excluding the date of intimation and the record date).	In the case of corporate actions through schemes of arrangement covered under regulation 37 – Notice in advance of at least seven working days (excluding the date of intimation and the record date).
--	--	--	--

Frequently Asked Questions on Securities and Exchange Board of India

9.	Regulation 44(3) – Shareholding voting Results	The listed entity shall submit to the stock exchange, within two working days of conclusion of its General Meeting, details regarding the voting results in the format specified.	Within two working days of conclusion of meeting.
10.	Regulation 46 – Website	The listed entity shall maintain a functional website containing the basic information about the listed entity. 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.	Disclose all information on the website and update any change within 2 days from the date of such change.

III. Compliance Calendar for Listed Entity which has listed its Non-Convertible Securities

S. No.	Regulation Reference	Compliances	Timelines
1.	Regulation 50(1) – Intimation to Stock Exchange about Board Meetings	The listed entity shall give prior intimation to the stock exchange of at least two working days in advance, excluding the date of the intimation and the date of the meeting of the board of directors, about the Board meeting in which any of the following proposals is to be considered:	At least two working days in advance, excluding the date of the intimation and the date of the meeting of the board of directors.

		(a) an alteration in the form or nature of non-convertible securities that are listed on the stock exchange or in the rights or privileges of the holders thereof; (b) an alteration in the date of the interest/ dividend/ redemption payment of non-convertible securities; (c) financial results viz. quarterly or annual, as the case may be; (d) fund raising by way of issuance of non-convertible securities; or (e) any matter affecting the rights or interests of holders of non-convertible securities.	
2.	Regulation 50(2) – Meeting of shareholders or holders of non-convertible securities	The listed entity shall intimate the stock exchange not later than the date of commencement of dispatch of notices, in case of: (a) any annual general meeting or extraordinary general meeting that is proposed to be held for obtaining shareholder approval for the proposals at clauses (c)	Not later than the date of commencement of dispatch of notices.

Frequently Asked Questions on Securities and Exchange Board of India

		and (d) under sub-regulation (1) of Regulation 50*; (b) any meeting of the holders of non-convertible securities in relation to the proposal at clause (e) of sub-regulation (1) of Regulation 50. *See S. No. 1 above	
3.	Regulation 51 – Disclosure of information having bearing on performance/op eration of listed entity and/or price sensitive information	The listed entity shall promptly inform the stock exchange(s) of all information having bearing on the performance/operation of the listed entity, price sensitive information or any action that shall affect payment of interest or dividend or redemption of non-convertible securities.	Intimation must be given as soon as reasonably possible but not later than twenty-four hours from the date of occurrence of the event or receipt of information.
4.	Regulation 52(1) – Financial Results	The listed entity shall prepare and submit un-audited or audited quarterly and year to date standalone financial results on a quarterly basis in the format as specified by the Board within forty- five days from the end of the quarter, other than last quarter, to the recognised stock exchange(s). Provided that for the last	Apr-Jun: 14th Aug Jul-Sep: 14th Nov Oct-Dec:14th Feb Jan-Mar:30th May

		quarter of the financial year, the listed entity shall submit un-audited or audited quarterly and year to date standalone financial results within sixty days from the end of the quarter to the recognised stock exchange(s). Provided further that in case of entities which have listed their debt securities, a copy of the financial results submitted to stock exchanges shall also be provided to Debenture Trustees on the same day.	
5.	Regulation 57 – Certificate regarding status of payment of interest or dividend or principle of non-convertible securities.	The listed entity shall submit a certificate to the stock exchange regarding status of payment of interest or dividend or repayment or redemption of principal of non-convertible securities, within one working day of it becoming due, in the manner and format as specified by the Board from time to time.	Within one working day of the interest or principal or both becoming due.
6.	Regulation 60(2) –Record Date	The listed entity shall give notice in advance of at least three working days (excluding the date of intimation and the record date) to the recognised stock exchange(s) of the	At least three working days excluding the date of intimation and the record date.

Frequently Asked Questions on Securities and Exchange Board of India

		record date* or of as many days as the stock exchange(s) may agree to or require specifying the purpose of the record date.	
--	--	---	--

IV. Compliance Calendar for Listed Entity which has listed its Indian Depository Receipts

S. No.	Regulation Reference	Compliances	Timelines
1.	Regulation 69(1) – Filing of IDR holding pattern	The listed entity which has listed its Indian Depository Receipts (IDRs) shall file with the stock exchange the IDR holding pattern on a quarterly basis within fifteen days of end of the quarter in the format specified by the Board.	Within 15 days of the end of the quarter
2.	Regulation 70(1) - Filing of periodical financial results	The listed entity which has listed its IDRs shall file periodical financial results with the stock exchange in such manner and within such time and to the extent that it is required to file as per the listing requirements of the home country. The listed entity shall comply with the requirements with respect to preparation and disclosures in financial results as specified in Part B of Schedule IV.	As per home country listing requirements

3.	Regulation 71(1) - Filing of Annual Report	The listed entity shall submit to stock exchange an annual report at the same time as it is disclosed to the security holder in its home country or in other jurisdictions where such securities are listed.	Simultaneous with home country filing
4.	Regulation 78(2) - Notification of record date	The listed entity shall give notice in advance of at least four working days to the recognised stock exchange(s) of record date (for the purpose of payment of dividends or distribution of any other corporate benefits to IDR Holders) specifying the purpose of the record date.	At least 4 working days in advance

V. Compliance Calendar for Listed Entity which has listed its Securitised Debt Instruments

S. No.	Regulation Reference	Compliances	Timelines
1.	Regulation 82(1) – Issuance of new securitized debt instruments	The listed entity shall intimate the Stock exchange, of its intention to issue new securitized debt instruments either through a public issue or on private placement basis (if it proposes to list such privately placed debt securities on the Stock exchange) prior to issuing such securities.	Prior to issue of securities

Frequently Asked Questions on Securities and Exchange Board of India

2.	Regulation 82(2) – Issuance of new securitized debt instruments/rights or interests of such instruments	The listed entity shall intimate to the stock exchange(s), at least two working days in advance, excluding the date of the intimation and date of the meeting, regarding the meeting of its board of trustees, at which the recommendation or declaration of issue of securitized debt instruments or any other matter affecting the rights or interests of holders of securitized debt instruments is proposed to be considered.	At least two working days in advance, excluding the date of the intimation and the date of meeting.
3.	Regulation 82(3) – Submission of statements, reports or information including financial information pertaining to Schemes to stock exchange	The listed entity shall submit such statements, reports or information including financial information pertaining to Schemes to stock exchange within seven days from the end of the month/ actual payment date, either by itself or through the servicer, on a monthly basis in the format as specified by the Board from time to time. Provided that where periodicity of the receivables is not monthly, reporting shall be made for the relevant periods.	Within seven days from the end of the month /actual payment date.

4.	Regulation 82(4) – Loan level information	The listed entity shall provide the stock exchange, either by itself or through the servicer, loan level information, without disclosing particulars of individual borrowers, in manner specified by stock exchange.	Not specified
5.	Regulation 83(1) – Disclosure of information having bearing on performance/operation of listed entity and/or price sensitive information	The listed entity shall promptly inform the stock exchange(s) of all information having bearing on the performance /operation of the listed entity and price sensitive information.	Information must be given as soon as practically possible and without any delay and before providing the same to any third party.
6.	Regulation 86(5) – Redemption of Securitised Debt Instruments	Promptly submit the details of redemption of securitized debt instruments to the recognised stock exchange(s).	Promptly
7.	Regulation 87(2) – Record Date	The listed entity shall give notice in advance of at least seven working days (excluding the date of intimation and the record date) to the recognised stock exchange(s) of the record date* or of as many days as the Stock Exchange may agree to or	At least seven working days excluding the date of intimation and the record date.

Frequently Asked Questions on Securities and Exchange Board of India

		require specifying the purpose of the record date. *For payment of interest and payment of redemption or repayment amount or for such other purposes as specified by the recognised stock exchange(s).	
--	--	---	--

VI. Compliance Calendar for Listed Entity which has listed its Security Receipts

S. No.	Regulation Reference	Compliances	Timelines
1.	Regulation 87B (1) - Intimations and Disclosure of events or information to Stock Exchanges	The listed entity shall first disclose to stock exchange(s) of all events or information, as specified in Part E of Schedule III, as soon as reasonably possible but not later than twenty-four hours from occurrence of the event or information.	As soon as reasonably possible but within 24 hours of occurrence of the event or information

VII. Compliance Calendar for Social Enterprises and Not-for-Profit Organizations (NPOs) Listed on the Social Stock Exchange(s)

S. No.	Regulation Reference	Compliances	Timelines
1.	Regulation 91C (1) - Disclosures by a Not-for-Profit Organization	A Not for Profit Organization (NPO) registered on the Social Stock Exchange(s), including a NPO whose designated securities are	Within 60 days from the end of the financial year or as specified by the Board.

		listed on the Social Stock Exchange(s), shall be required to make annual disclosures to the Social Stock Exchange(s) on matters specified by the Board, within 60 days from the end of the financial year or within such period as may be specified by the Board.	
2.	Regulation 91C (2) - Disclosures by a Not-for-Profit Organization	In addition to the disclosures referred in sub-regulation (1) of 91(C), the Social Stock Exchange(s) may specify matters that shall be disclosed by the NPO on an annual basis.	As specified by the Social Stock Exchange(s).
3.	Regulation 91D (3)/(4)/(5) - Disclosures of Material Events	Social Enterprise must disclose any event that may have a material impact on the planned achievement of outputs or outcomes. The disclosure shall comprise details of the event including the potential impact of the event and the steps being taken by the Social Enterprise to address the same. The Social Enterprise shall provide updates on a regular basis along with relevant explanations till the time the concerned	As soon as reasonably possible but not later than 7 days from the occurrence of the event or within such period as may be specified by the Board. Updates to be provided on a regular basis.

Frequently Asked Questions on Securities and Exchange Board of India

		event remains material.	
4.	Regulation 91F (1) - Statement of Fund Utilization	A listed Not for Profit Organisation must submit a quarterly statement regarding utilization of funds raised: - Category-wise amount of monies raised, - Category-wise amount of monies utilized, and - Balance amount remaining unutilized.	Quarterly, until funds are fully utilized or the purpose for which they were raised, has been achieved.

ISBN: 978-93-48313-88-1



www.icaai.org