

**SEBI (Listing Obligations And Disclosure
Requirements) (Second Amendment) Regulations, 2023**

Notification dt 14 June 2023

Amita Desai & Co., Company Secretaries, Mumbai

Implementation Schedule of Amendment to Listing Regulations

From 14 June 2023

Regulations 15 (HVD),
Regulation 34 (Annual Report – BRSR),
Regulation 37A (Sale of undertaking) &
Regulation 57 (Intimation for re-payment/ redemption of NCD)

From 14 July 2023

Rest of the Regulations

Major Amendments vide June 14, 2023

1. New Inclusive definition of Multi Media covering the number of Newspapers, News Channels in or outside the jurisdiction of India
2. Timeline for filling the vacancy of Compliance Officer & KMP is reduced to 3 months
3. Extension of Timeline till March 31, 2024, for compliance for High-Value Debt listed entity
4. No permanency of Board seat, appointment or re-appointment of every director in five years
5. Quarterly Reporting of Cyber Security incidents with Corporate Governance Report
6. Quantitative threshold value for disclosures under Regulation 30
7. Addition of a new Regulation 30A for disclosure of certain agreements in which the listed entity is not a party
8. Reduction in the timeline for disclosure (30 Minutes, 12 Hours & 24 Hours)

Major Amendments vide June 14, 2023

9. Market Rumours to confirm, deny or clarify – Phased out with top 150 listed entities first
10. Approval of shareholders every 5 years for any Special Rights to Shareholders
11. Disclosure of 1st quarterly results by the newly listed entity
12. Obtaining assurance of BRSR Core for the listed entity and its value chain
13. Prior approval of members for any sale, lease, or disposal of an Undertaking
14. Disclosure of analyst or institutional investors meet at least 2 working days in advance
15. Submit in one working day a Certificate on the status of repayment or redemption of non –convertible securities
16. Acquisition includes whole or substantially whole undertaking/ sale of a stake in an associate company

Major Amendments vide June 14, 2023

17. Disclosure of analyst or institutional investors meet at least 2 working days in advance
18. Submit in one working day a Certificate on the status of repayment or redemption of non-convertible securities
19. Acquisition includes whole or substantially whole undertaking/ sale of a stake in an associate company
20. Disclosure of fraud or defaults (no threshold limit) or arrest in India or abroad
21. Disclosure of resignation with reasons extended from Auditors and Independent Directors to all Directors, Key Managerial Persons, and Senior Management
22. Disclosure if Managing Director or CEO is indisposed or unavailable to perform his roles and responsibilities for 45 days in a rolling period of 90 days

Major Amendments vide June 14, 2023

22. Disclosure of Announcements or Communication made by Directors, Promoters or KMP through social media intermediaries or mainstream media
23. Disclosure in case of any actions initiated or orders passed
24. Disclosure in case of voluntary revision of Financial Statements or Board Report
25. Disclosure of delay or default in the payment of fines, penalties, or dues
26. Corporate Governance Report (CG Report) to cover details of senior management and certain types of agreement

Regulation 2 – New Definition of Mainstream Media



shall include print or electronic mode of the following



Newspapers



News channels



Content published by the publisher of news and current affairs



Newspapers or news channels or news and current affairs
Content similarly



Registered with the Registrar of Newspaper for India



Permitted by the Ministry of Information and Broadcasting under GoI



defined under the IT (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021



registered or permitted or regulated outside India

Regulation 2 – New Definition of Mainstream Media



OFFICE OF REGISTRAR OF NEWSPAPERS FOR INDIA

There are a **total of 146,045** registered publications (Newspapers & Periodicals) as per the Press Release by the Office of Registrar of Newspapers for India for FY 2021-22



As per the Annual Report of 2021-22 of the Ministry of Information & Broadcasting there are **total 898 channels** permitted by the Ministry in India



Regulation – New provisions 6 (1A) & 26A

Vacancy in the Office of Compliance Officer (includes CS) & KMP (CEO, MD, WTD, Manger, and CFO)

should be filled
not later than 3 months
from the date of such vacancy

Provided such appointment
shall not be made in an Interim
capacity unless made in
accordance with law

Regulation 15-- Extension of Applicability of Regulation 16 to 27 to High Value Debt Listed Entities

High-value Debt listed entity

This Amendment shall be effective from June 14, 2023

- has listed its non-convertible debt securities
- has an outstanding value of listed non-convertible debt securities of Rs.500 crore and above
- required to “Comply or Explain” the compliance with Regulations 16 to 27 mandatorily until March 31, 2023.

This period has been now extended to March 31, 2024

* w.e.f June 14, 2023



New Regulation 17 (1D & 1E)-- Non- Permanency of Directors

Continuation of Director

From **April 01, 2024**, the continuation of the Director serving on the Board of the listed entity shall be subject to the *approval of shareholders in a general meeting at least once in 5 years* from the date of *appointment or re-appointment, as the case may be* .

If as on **March 31, 2024**, any Director who is serving on the Board, without the approval of shareholders, for the last 5 years or more, he can continue only after *the approval of shareholders taken in the first general meeting held after March 31, 2024*.

New Regulation 17 (1D & 1E)-- Non- Permanency of Directors

Exemptions

1. For the appointment of WTD, MD, Managers, Independent Director, or Director retiring by rotation *if the approval of the shareholder for the re-appointment or continuation is obtained* as per the provisions of the Companies Act, 2013.
2. The Director appointed pursuant to the *Order of a Court or a Tribunal or Nominee Director of the Government* (other than on the Board of a public sector company) or *nominee Director of a financial sector regulator*.
3. The Director *nominated by a financial institution* (which is registered with or regulated by the RBI) or *nominated by a Debenture Trustee* registered with SEBI.

New Regulation 17 (1D & 1E)-- Non- Permanency of Directors

➤ Vacancy in the office of a Director

To be filed **at the earliest** and **not later than 3 months** from the date of such vacancy.

➤ Vacancy due to expiry of the Term of a Director

To be filled **not later than the date of such vacancy** otherwise the same will be considered as non-compliance **unless the listed entity has an adequate composition** of its Board as per Regulation 17 (1)

New Regulation 27 (2) (ba)--Quarterly disclosure of Cyber Security incidents and breaches



cyber security
incidents

OR

breaches

OR

loss of data
or
documents

Quarterly -- along with the Corporate Governance Report on a quarterly basis within 21 days from the end of the quarter.

Regulation 30(4) (c)- Materiality Disclosure of events and information

Quantitative threshold

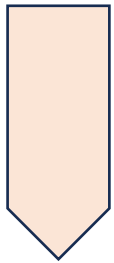
Criteria for determination of materiality of events or information

Any information or event likely to result in **alteration of event or information available publicly**

or

likely to result in **a significant market reaction if the same is known at a later date**

Such event or information, whose value or the expected impact in terms of value, **exceeds the lower of the following**



2% of turnover,
as per the last
audited **consolidated**
financial statements;



2% 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;



5% of the average absolute value
of profit or loss after tax, as per
the last 3 audited **consolidated**
financial statements.

Regulation 30(4)- Materiality Disclosure – No Quantitative threshold but the Board may opine

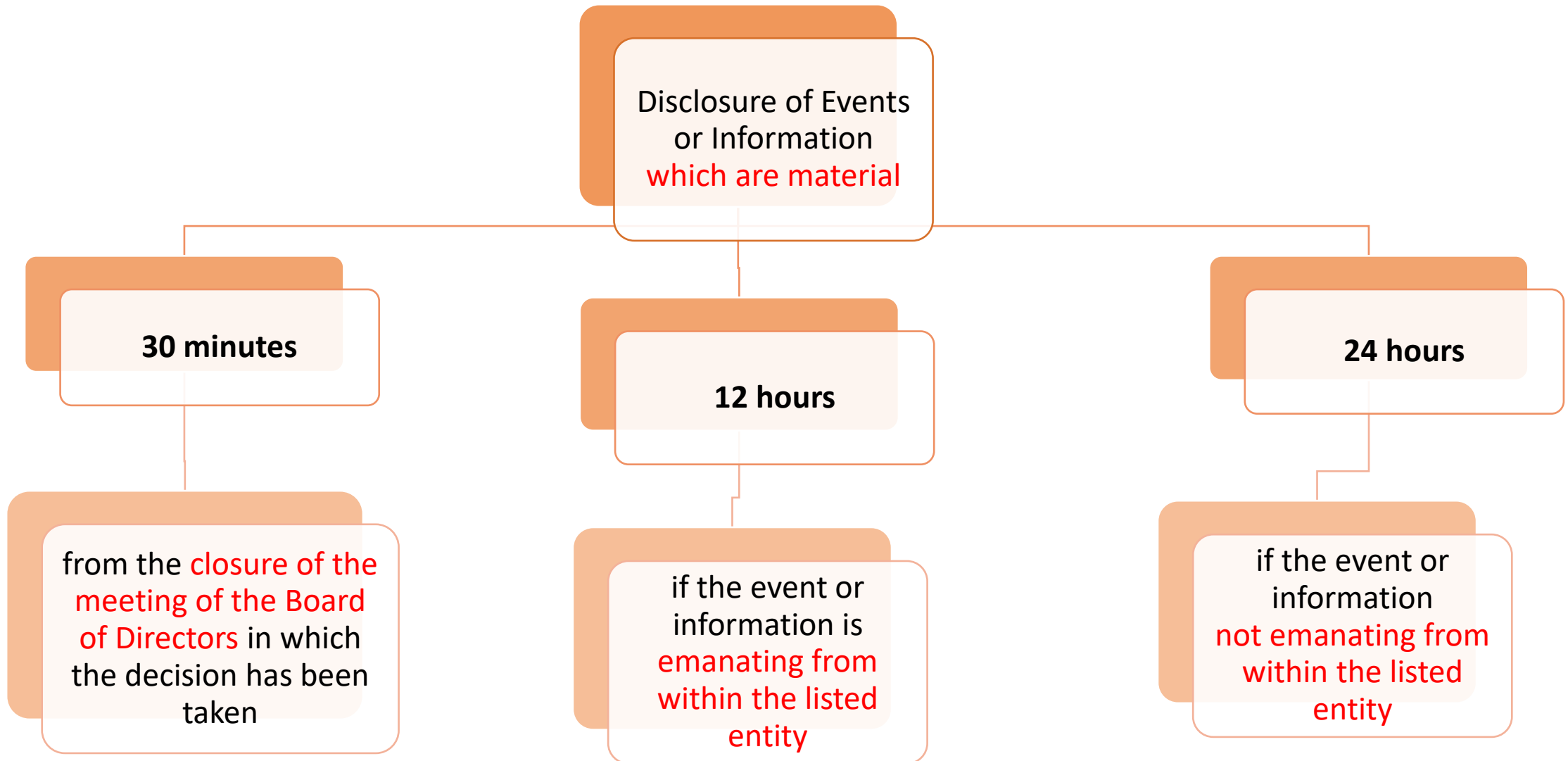
- In case where the criteria specified in the previous slide which is quantifiable in value is not applicable, an **event or information may be treated as being material** if, in the **opinion of the Board of Directors** of the listed entity, the event or information is considered material.
- Provided that **any continuing event or information** which **becomes material** pursuant to the notification of 14th June 2023 **shall be disclosed by the listed entity within 30 days** from 14th June 2023

Regulation 30(4)- Materiality Disclosure – Quantitative threshold

There is no mandatory requirement for the amendment to the Materiality Policy, however,

- Existing Policy shall not dilute the new requirements of disclosures
- Existing Policy must assist the relevant employees in identifying any potential material event or information and reporting it to the KMP for making necessary disclosure to the stock exchange.

Regulation 30(6) –Substituted --Timeline for Disclosure of events or information to the stock exchange



Regulation 30(6) --Timeline for Disclosure of events or information to the stock exchanges

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.**

13th July 2023- SEBI Circular- which has detailed the timelines for every disclosure

SEBI | Disclosure of material events / information by listed entities under Regulations 30 and 30A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

If the disclosure is delayed then the timelines specified, the listed entity to submit **the explanation for the delay**

Regulation 30 (11)– Altered --Market Rumours



Effective from **October 1, 2023**, the **top 100** listed entities and from **April 1, 2024**, the **top 250** listed entities, based on market capitalization as on the end of the preceding FY, are mandated to **confirm, deny, or clarify** as soon as **reasonably possible** and **not later than 24 hours** of reporting any event or information in the mainstream media, which is **not general in nature** and which indicates that rumours of an impending specific material event or information are circulating amongst the investing public.

If the listed entity **confirms** the reported events or information, then it has to provide the **current stage** of such event or information

Regulation 30 (13)– Newly inserted- Disclosure of events or information

Event or Information to be disclosed

Receipt of communication from Regulatory, Statutory, Enforcement or Judicial authority

If it's Material

If it's specified
in Para A of
Part A of
Schedule III

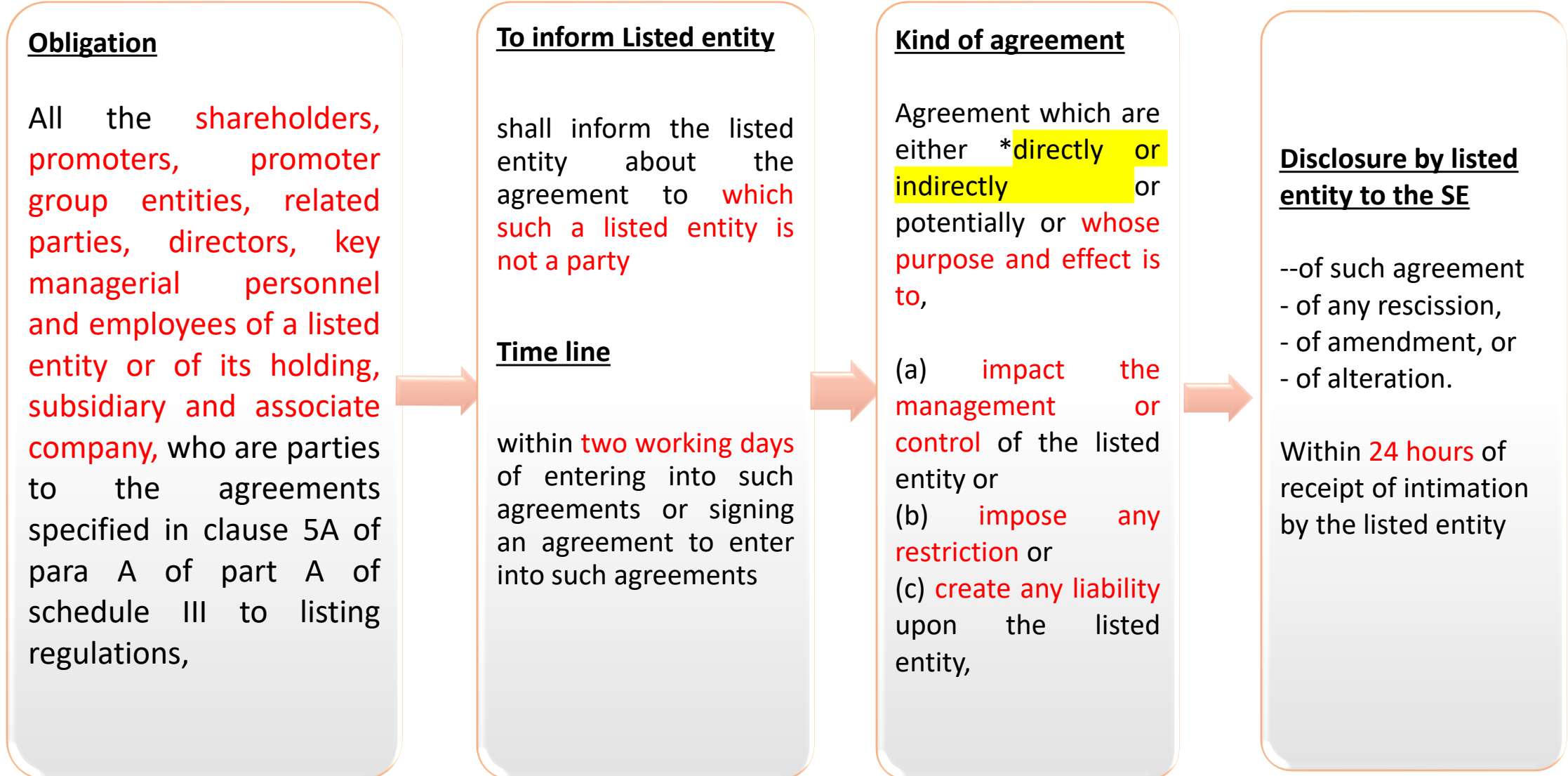
If it's material
as per
Guidelines of
Materiality

If the Board
opine that it's
Material

Disclosure by Sapphire Foods Limited

<https://www.bseindia.com/xml-data/corpfiling/AttachHis/1feee528-836f-473c-b4a7-efc0db88f5b7.pdf>

Regulation 30A– Newly inserted--Disclosure requirements for certain types of agreements



"directly or indirectly" includes agreements creating obligation on the parties to such agreements to ensure that listed entity shall or shall not act in a particular manner.

Regulation 30A– Newly inserted--Disclosure requirements for certain types of agreements

Subsisting Agreement to which listed entity is not a party



The parties to the subsisting agreements --to inform the listed entity -----July 31, 2023

The listed entity to disclose it to the stock exchange(s) & on its website---August 14, 2023

Regulation 30A– Newly inserted--Disclosure requirements for certain types of agreements

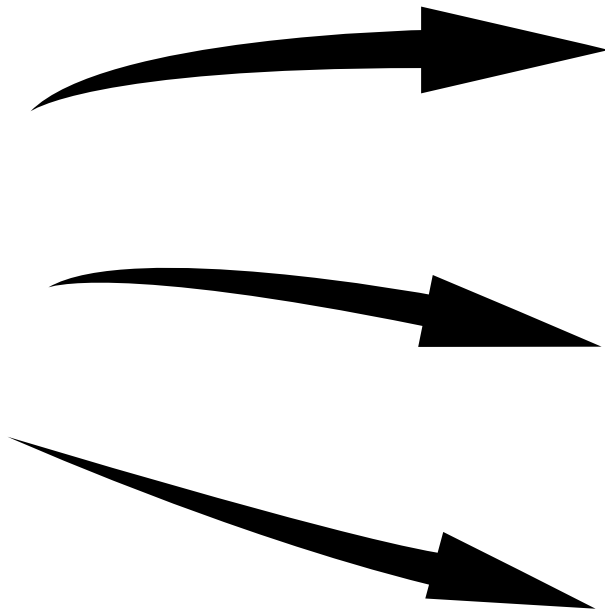
All Subsisting Agreements whether the listed entity is a party or not

The listed entity to disclose in its **Annual Report for FY 2022-23 or FY 2023-24**

the number of agreements that subsist as on 14 June 2023 & **their salient features.**

a link to the webpage where complete details are available of such agreements

Regulation 34 (2) (f)—Annual Report--Business Responsibility and Sustainability Report



To contain **Business Responsibility and Sustainability Report (BRSR)** on the Environmental, Social, and Governance disclosures, as per format prescribed by SEBI

To obtain **assurance of the BRSR Core as may be specified by SEBI with KPIs**

To disclose and obtain assurance as per **BRSR Core for their value chain** as specified by SEBI.

* w.e.f June 14, 2023

Annual Report of the **remaining listed entity** and **SME Listed entity** may **voluntarily** disclose BRSR or obtain assurance on BRSR Core for their value chain, as the case may be.

Regulation 31B—Newly inserted--Special rights to shareholders

Any **Special Right granted** to the shareholders shall be subject to the

- approval of shareholders by way of **special resolution**

once in 5 years from the date of grant of such special right

Any **Special Right available** to the shareholders as of the date of this regulation shall be subject to the

- approval of shareholders by way of **special resolution**

within a period of 5 years from the date of the regulation.

Exemption: For special rights which are made available to a **Financial Institution** registered with or regulated by the RBI or to a **Debenture Trustee** registered with the SEBI, if they become a shareholder as a consequence of a lending or subscription agreement

Regulation 33-(3) (j) – Newly inserted Disclosure of Financial Results by a Newly Listed Entity

Newly listed entities are to submit its financial results for the **quarter or financial year** immediately succeeding the period for which the financial statements have been **disclosed in the offer document for the IPO**

in accordance with the prescribed timeline specified for submissions of ***quarterly results (45 days)/ Annual financial results (60 days) or within 21 days** from the date of listing, **whichever is later.**


*For SME-listed entity the same will be half yearly

Regulation 37A- Newly inserted Sale/ Lease/Disposal of an Undertaking Outside Scheme of Arrangement

* w.e.f June 14, 2023




APPROVED



Prior approval of shareholders by way of
Special Resolution

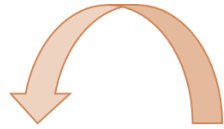
Explanatory Statement to disclose the purpose,
commercial rationale & use of proceeds



Such resolution to be acted upon only if the votes cast by the public shareholders in favour of the resolution exceed the votes cast by such public shareholders against the resolution and
no public Shareholder to vote if he is a party, directly or indirectly to such transaction.

Regulation 37A- Newly inserted Sale/ Lease/Disposal of an Undertaking Outside Scheme of Arrangement

* w.e.f June 14, 2023



NOT APPLICABLE



If the same is to **Wholly-Owned Subsidiary** whose accounts are consolidated and unless such WoS sale/leases/ dispose of it **to a THIRD PARTY.**

In case WoS sells to any THIRD PARTY, the listed entity to take prior approval of shareholders

- Transaction is by virtue of covenants under **agreement with Financial Institutions** Regulated or Registered with RBI
- Or
- transaction is with **Debenture Trustees** registered with SEBI.

Regulation 37A- Newly inserted Sale/ Lease/Disposal of an Undertaking Outside Scheme of Arrangement

* w.e.f June 14, 2023

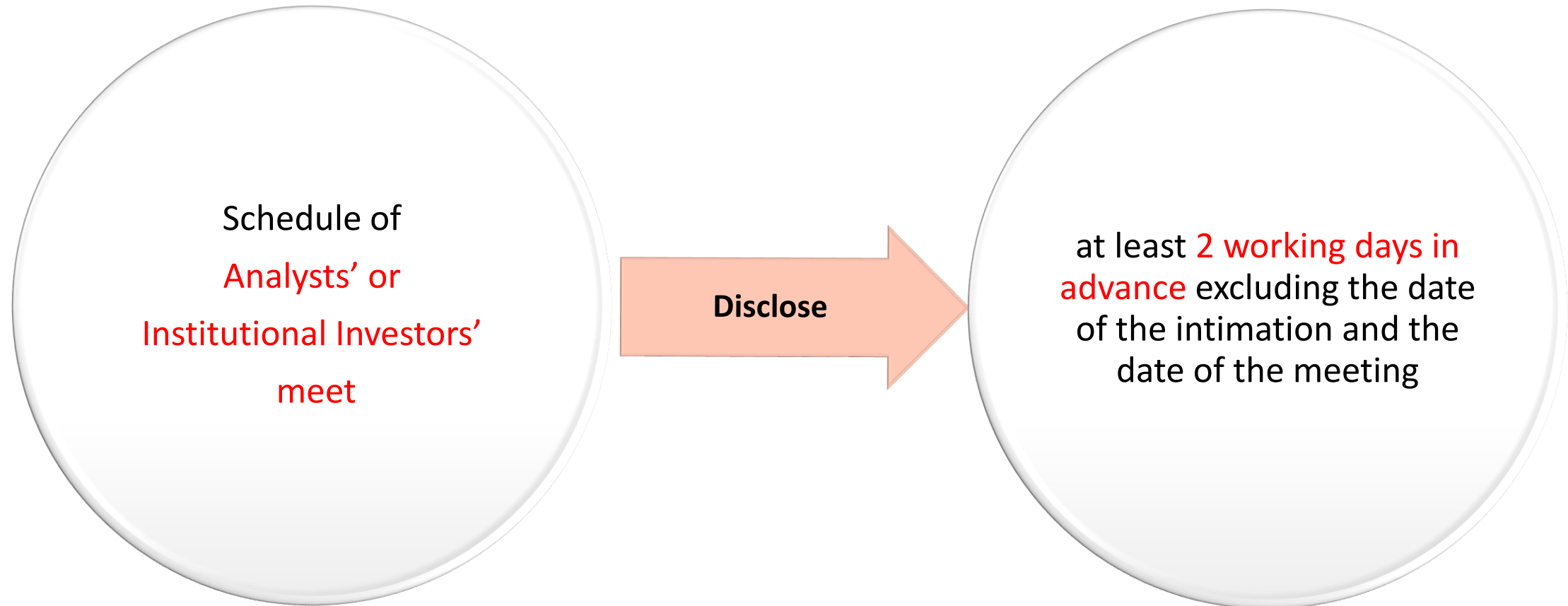
For diluting any share from such WoS

Prior approval of shareholders by way of
Special Resolution

Explanatory Statement to disclose the purpose,
commercial rationale & use of proceeds

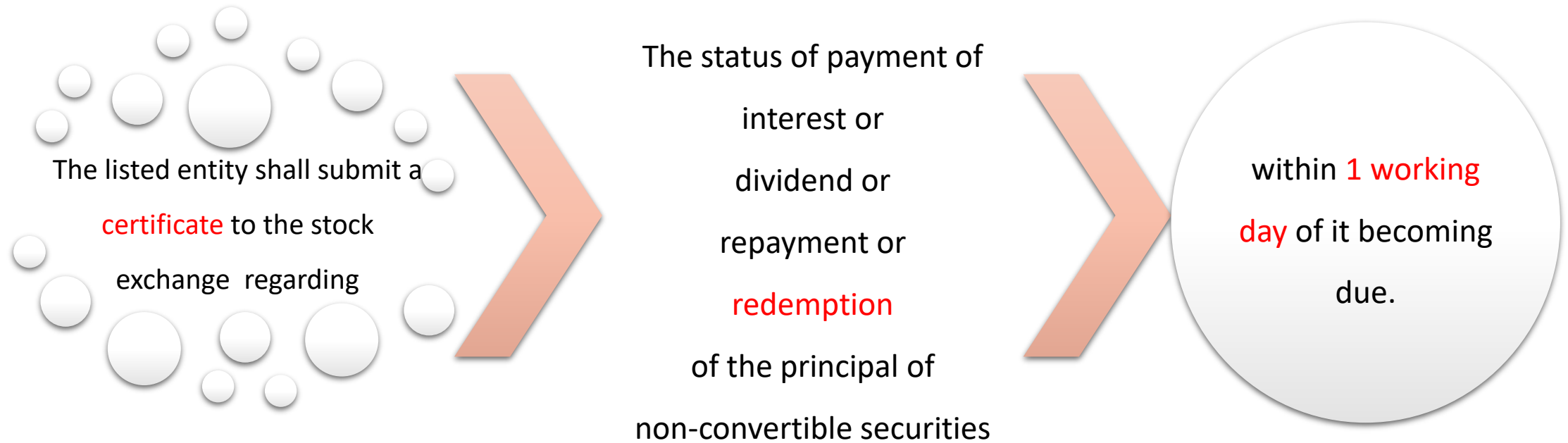
Such resolution to be acted upon only if the votes cast by the public shareholders in favour of the resolution exceed the votes cast by such public shareholders against the resolution and
no public Shareholder to vote if he is a party, directly or indirectly to such transaction.

Regulation 46 read with Part A Para A Sub Para (15) of Schedule III
Timeline for Disclosure of Schedule of Analysts or institutional investors meet



Regulation 57 – Substituted-- Intimations to the stock exchange

* w.e.f June 14, 2023



**Schedule III- Part A- Para –A- Sub-Para (1)-
Events which shall be disclosed without any application of the guidelines for materiality**

Acquisition (including an agreement to acquire),

Scheme of Arrangement
(amalgamation, merger,
demerger or restructuring)

sale or disposal of any units,
divisions, **whole or substantially
the whole of undertaking** or
subsidiary of the listed entity

**sale of a stake in the associate
company of the listed entity** or

any other restructuring,

The timeline for the disclosure of the following shall be **within 12 hours** from the occurrence of the event or **within 30 minutes** from the closure of the Board meeting:

**Schedule III- Part A- Para –A- Sub-Para (1)-
Events which shall be disclosed without any application of the guidelines for materiality**

The new threshold for acquisition

Explanation (1) - 'acquisition' shall mean-

- i. acquiring control, whether directly or indirectly; or
- ii. acquiring or agreement to acquire shares or voting rights in a company, **whether existing or to be incorporated**, whether directly or indirectly, such that –
 - a. The listed entity holds shares or voting rights aggregating to 5% or more of the shares or voting rights in the said company; or
 - b. There has been a change in holding exceeding 2% of the total shareholding or voting rights in the said company; or
 - c. The cost of acquisition or the price at which the shares are acquired **exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of Regulation 30. (2%of Consoliadtad Turnover, 2% of Consolidated Net worth, or 5% of consolidated average absolute no of profit or loss, whichever is lower)**

**Schedule III- Part A- Para –A- Sub-Para (1)-
Events which shall be disclosed without any application of the guidelines for materiality**

Two more Explanations are added

Explanation (2) – “sale or disposal of the subsidiary” and “sale of stake in the associate company” shall include-

- i. an agreement to sell or sale of shares or voting rights in a company such that the company **ceases to be** a wholly owned subsidiary, a subsidiary, or an associate company of the listed entity;

or
- ii. an agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the amount of the sale **exceeds the threshold specified in subclause (c) of clause (i) of sub-regulation (4) of regulation 30.**

Explanation (3)- “undertaking” and “substantially the whole of the undertaking” shall have the same meaning as given under section 180 of the Companies Act, 2013.

**Schedule III- Part A- Para –A- Sub-Para (5A)-
Events that shall be disclosed without any application of the guidelines for materiality**

Obligation

All the Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of a listed entity or of its holding, subsidiary and associate company, among themselves or with the listed entity or 3rd party, either solely or jointly

Kind of agreement

Which either *directly or indirectly or potentially or whose purpose and effect is to,

- (a) impact the management or control of the listed entity or
- (b) impose any restrictions or
- (c) create any liability upon the listed entity,

Disclosure to SE

--of such agreement whether or not the listed entity is a party to such agreements

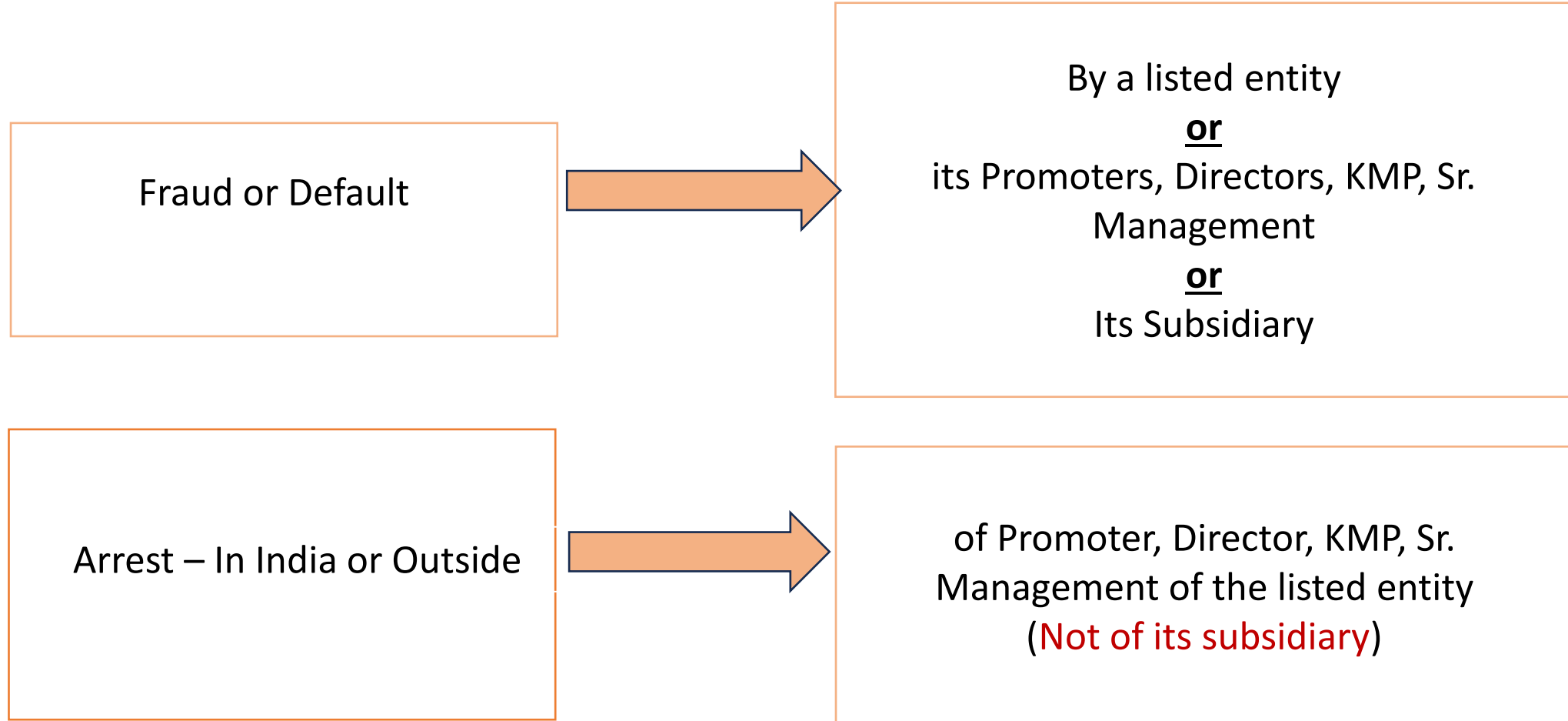
- of any rescission,
- of amendment, or
- of alteration.

Exception

Agreements in the normal course of business or if they are required to be disclosed in terms of any other provisions of listing regulation

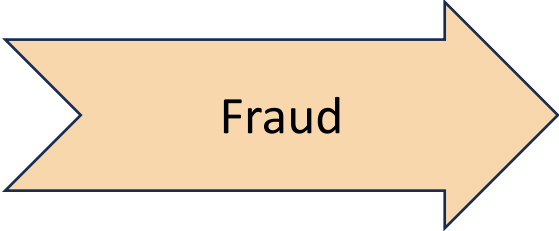
"directly or indirectly" includes agreements creating obligation on the parties to such agreements to ensure that listed entity shall or shall not act in a particular manner.

Schedule III- Part A- Para –A- Sub-Para (6)--Disclosure of Fraud and Defaults



The following shall be disclosed **within 24 hours** of the occurrence of the event or information:

Schedule III- Part A- Para –A- Sub-Para (6)--Disclosure of Fraud and Defaults



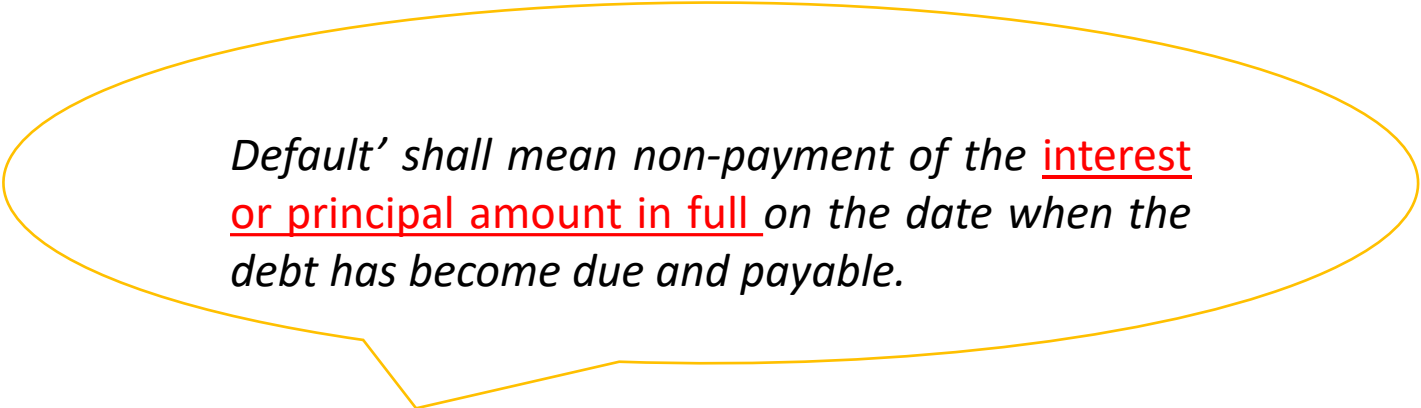
Fraud



Fraud shall include fraud as defined under Regulation 2(1)(c) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.



Default



Default' shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.

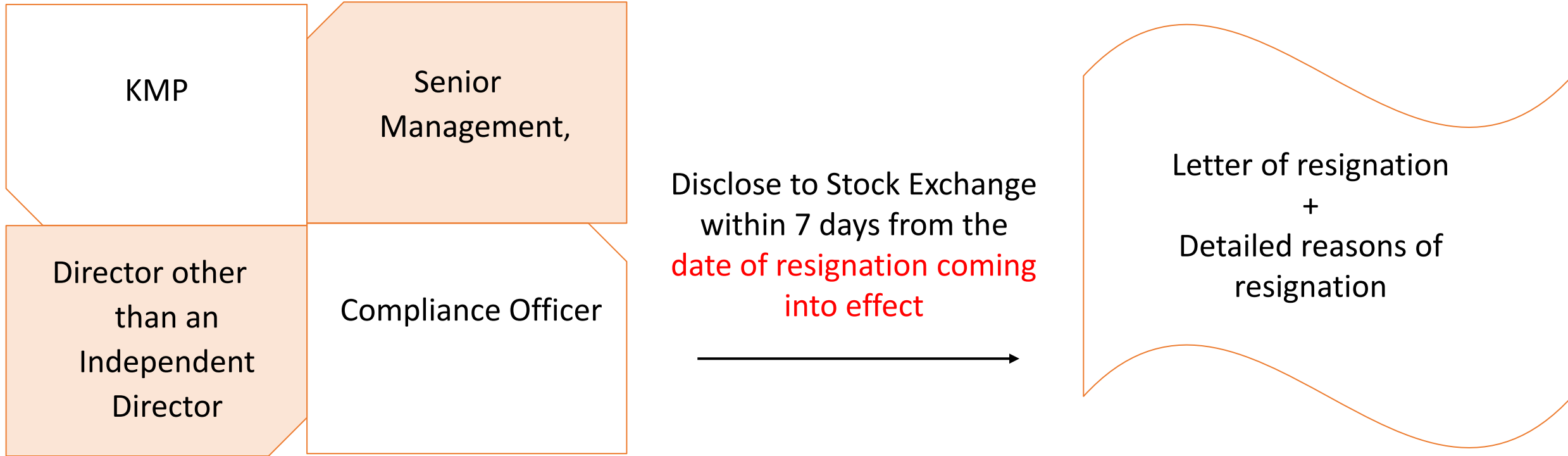
Schedule III- Part A- Para –A- Sub-Para (6)--Disclosure of Fraud and Defaults



Explanation 1- In the case of revolving facilities like cash credit, an entity would be considered to be in 'default' if the outstanding balance remains continuously for more than 30 days in excess of the sanctioned limit or drawing power, whichever is lower.

Explanation 2- Default by a promoter, director, key managerial personnel, senior management, or subsidiary shall mean default which has or may have an impact on the listed entity.

Schedule III Part A Para A- Sub-Para (7C)- Newly inserted- Disclosure of Resignation



Schedule III Part A Para A Sub-Para- (7D)- Newly inserted Disclosure of non-availability of MD or CEO

If MD or CEO was
indisposed or
unavailable to fulfill
the requirements of
the role in a regular
manner

for more than
45 days in any rolling
period of 90 days,

Such non-availability
with the reasons to
be disclosed to the
stock exchange

within 12 hours
of the occurrence of
the event

Schedule III- Part A- Para –A- Sub-Para (18) –Newly inserted Disclosure of Announcement or Communication through social media



New Sub-Para (18) is inserted

Announcement or communication through social media intermediaries or mainstream media by directors, promoters, KMP or senior management of a listed entity, in relation to **any event or information which is material for the listed entity** and which is not already made available in the public domain to be disclosed by the listed entity to Stock Exchange **in 24 hours**

“social media intermediaries” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.

Schedule III- Part A- Para –A- Sub-Para (19)—Newly inserted Disclosure in case of any Action initiated or Order Passed

By following Authorities

regulatory,

statutory,

enforcement
authority or

judicial body

Against the listed entity & following persons

its directors,

KMP,

senior
management,

promoter, or

subsidiary

In respect of the followings

search or seizure

re-opening of
accounts

Investigation
under CA 2013

Disclosures under Part A Para A of Schedule III

within **24 hours**
of occurrence of
event or
information

**Schedule III- Part A- Para –A- Sub-Para (20) – Newly inserted
Disclosure in case of any Action taken or Orders passed**

**By the following
authorities**

- regulatory,
- statutory,
- enforcement authority
- judicial body

**against the listed
entity or**

- its directors,
- KMP,
- senior management,
- promoter, or
- subsidiary

**In respect of the
following**

- a) Suspension,
- b) Imposition of fine or penalty
- c) Settlement of proceedings
- d) Debarment
- e) Disqualification
- f) Closure of operations
- g) Sanctions imposed
- h) Warning or caution
- i) Any other similar action

**Disclosures under
Part A Para A of
Schedule III**

within **24 hours**
of the
occurrence of
the event or
information

Schedule III Part A Para A- Sub-Para (21)-Newly inserted Disclosure in case of voluntary revision of Financial Statements or Board Report

Voluntary revision
of
financial statements
or
the Board Report

Shall be disclosed **within 12 hours** from the occurrence of the event or information or **within 30 minutes** if the decision is taken in the Board Meeting.

Schedule III Part A Para B – Sub Para (2)- Substituted– Just to align the provisions Disclosure of Events

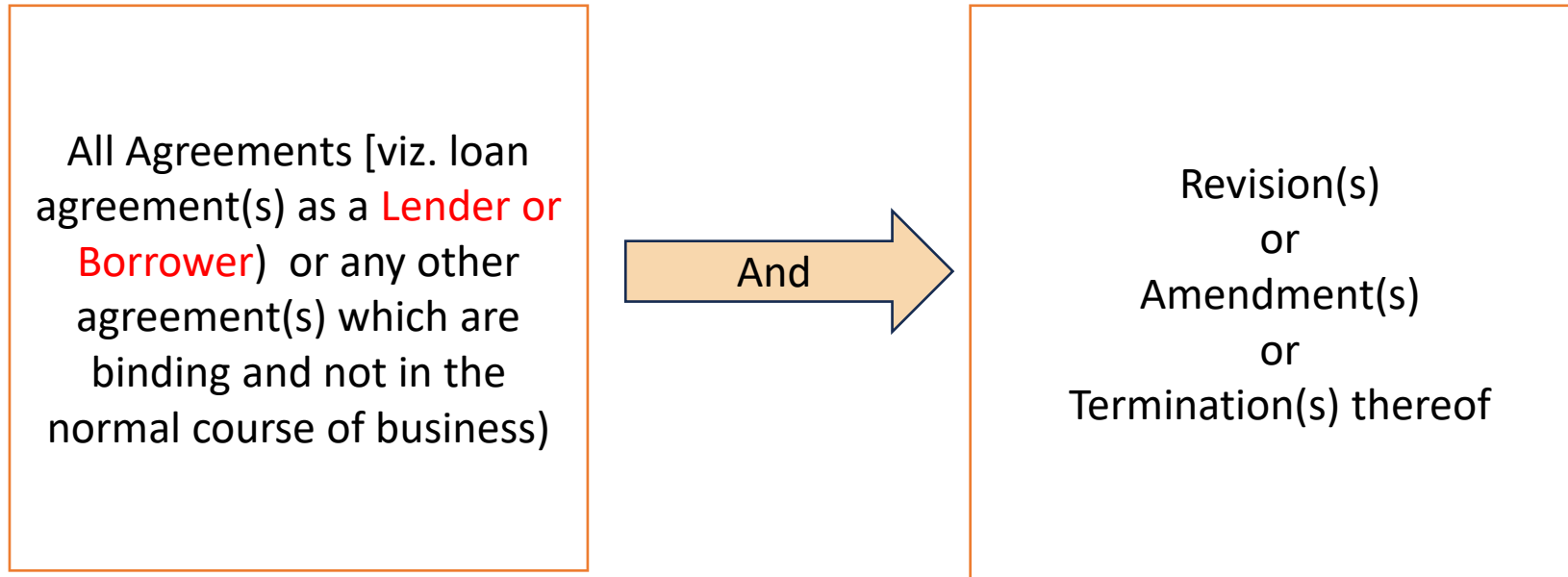
Arrangements for strategic, technical, manufacturing, or marketing tie-up; or

Adoption of new line(s) of business; or

closure of operation of any unit, division, or **subsidiary** (entirety or piecemeal)

Disclosure to the Stock Exchange within **12 hours** from the occurrence of an event or within **30 minutes** if the decision is taken in Board Meeting

Schedule III Part A Para B Sub Para (5)- Amendment--Agreements



Disclose to Stock Exchange **within 12 hours** / **within 30 minutes** if the decision is taken in the Board Meeting where the listed entity is a party or **24 hours** if the listed entity is not a party

**Schedule III Part A Para B Sub Para (8) –Substituted
Disclosure of Pending Litigations of the listed entity**

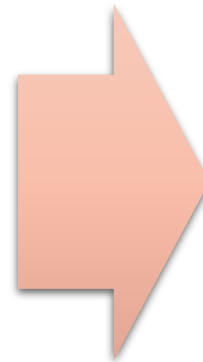
Pendency of any litigation(s)
or dispute(s) or the outcome
thereof which **may have an
impact on the listed entity.**



Disclose to Stock Exchange
within 24 hours from the
occurrence of events or
information

Schedule III Part A Para B Sub Para (9) - Substituted Disclosure of Fraud or Defaults by Employees

Frauds or Defaults by employees of the listed entity which has or **may have an impact on the listed entity.**



Disclose to Stock Exchange within **24 hours** from the occurrence of events or information

Schedule III Part A Para B Sub Para (13) – Newly inserted Disclosure of Delay or Default in Payment of Fines, Penalties, Dues, etc.



**Schedule V Annual Report
Para C Sub-Para (5B)- Newly inserted
Corporate Governance Report**



Schedule V Annual Report

Para G Newly inserted- Disclosure of Agreements

The Annual Report shall have **details of the number of *agreements** that subsist as on 14 June 2023 & their salient features including the **link to the webpage** where complete details of such agreements are available. This should be in the Annual Report for FY 2022-23 or FY 2023-24

Clause 5A of Para A Part A of Schedule III

****Agreements** (any revisions, amendments, or terminations) entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of a listed entity or of its holding, subsidiary, and associate company, among themselves or with the listed entity or 3rd party, either solely or jointly which either *directly or indirectly or potentially or whose purpose and effect is to,*

(a) impact the management or control of the listed entity or

(b) impose any restrictions or

(c) create any liability upon the listed entity,

directly or indirectly” includes agreements creating an obligation on the parties to such agreements to ensure that the listed entity shall or shall not act in a particular manner.



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Company Secretaries

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