



# The Companies Act 2013

*Enlightening Nation*

## E-newsletter

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### ABOUT THE E-NEWSLETTER

Dear Users,

**Thecompaniesact2013.com** imports yet another innovation for all the valuable users in the form of e-newsletter. This is the first issue of the **October month** comprising contemporary articles, latest notifications, circulars & orders.

The notion is to render all the updates about Company law of the current month in a compiled format and serve a better pavement for easy accessibility to the users.



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#### **INTRODUCTION**

Securities and Exchange Board of India ('SEBI') in terms of power conferred under SEBI Act, 1992 notified Securities and Exchange Board of India (**Listing Obligations and Disclosure Requirements) Regulations, 2015** ('Listing Regulations 2015' herein after termed as LODR) on **2nd September, 2015**, whereby it **tries to align** the **present Listing Agreement** with the **Companies Act, 2013** and they consolidate the scattered requirement under listing agreement for different securities under single piece of regulation.

The Listing Regulations have been **sub-divided into two parts** viz.,

- i. Substantive provisions** incorporated in the **main body** of Regulations;
- ii. Procedural requirements** in the form of **Schedules** to the Regulations.



- A **time span of 90 days** was given to **implement** the said **Listing Regulations**.
- However provisions of **Regulation 23(4) and 31A** of the Regulations have become **applicable with immediate effect**.

#### **APPLICABILITY**

The Listing Regulations 2015 will apply to the following securities on recognized Stock Exchange(s):

- a)** Specified securities listed on Main Board or SME Exchange or Institutional Trading Platform;
- b)** Non-Convertible Debt Securities, Non-Convertible Redeemable Preference Shares, Perpetual Debt Instrument, Perpetual Non-Cumulative Preference Shares;
- c)** Indian Depository Receipts;
- d)** Securitized Debt Instruments;
- e)** Units issued by Mutual Funds; and
- f)** Any other securities as may be specified by SEBI.

## COMPARATIVE STUDY OF LISTING REGULATIONS 2015



### VIS-À-VIS

### EQUITY LISTING AGREEMENT

Provision as per SEBI Listing Regulations, 2015	Grounds of the Regulation	Remarks
<b>Chapter – I (PRELIMINARY)</b>		
Regulation 1 <b><u>Short Title and Commencement</u></b>	Deals about commencement details	-
Regulation 2 <b><u>Definition</u></b>	Contains various definitions	-
Regulation 3 <b><u>Applicability</u></b>	States Applicability of the said Regulations.	-
<b>Chapter – III (COMMON OBLIGATIONS of LISTED ENTITIES)</b>		
Regulation 7 <b><u>Share Transfer Agent</u></b>	Listed entities are required to <b>submit a compliance certificate duly certified by both the Compliance Officer and the authorized representative of Share Transfer Agent</b> to the Stock Exchanges where their specified securities are listed <b><u>within 1 (one) month of end of each half of the financial year.</u></b>	<ol style="list-style-type: none"> <li>1. This regulation is <b><u>Substitution of Clause 47(c).</u></b></li> <li>2. In <b><u>Listing Agreement certificate</u></b> was required to be obtained <b><u>from a PCS</u></b> but as per <b><u>LODR</u></b>, the same is required to be certified <b><u>by the Compliance Officer of the Listed Entity and authorized representative of Share Transfer Agent.</u></b></li> </ol>
Regulation 9 <b><u>Preservation of Documents</u></b>	The listed company is required to <b><u>formulate a policy for preservation of documents</u></b> duly approved by the Board of Directors, classifying them in at least two categories as follows- <ol style="list-style-type: none"> <li>a) <b>Documents</b> whose <b>preservation shall be permanent in nature;</b></li> </ol>	Such <b>Policy</b> is required <b><u>to be updated on the functional website</u></b> of the Company.

	<p>b) Documents with preservation period of not less than eight years after completion of the relevant transactions.</p> <p>Note:- (Maintenance of documents in <b>electronic mode</b> will be deemed to be <b>valid compliance</b> of the aforesaid regulation.)</p>	
<p>Regulation 12 <b><u>Payment of dividend, interest, redemption or repayment.</u></b></p>	<p>1. The listed Company is required to make use of <b><u>E-payment facility</u></b> for making <b>payment</b> of the following:</p> <ul style="list-style-type: none"> <li>• Dividends;</li> <li>• Interest;</li> <li>• Redemption or Repayment Amounts.</li> </ul> <p>2. However <b>if</b> use of e-payment facility is <b>not possible</b> then <b>‘payable-at-par warrants’ or cheques may be issued.</b></p> <p>3. If <b>Dividend</b> amount is <b>Rs 1,500/- or more</b>, the ‘payable-at-par warrants’ or cheques shall be sent by <b>speed post</b></p>	
<p>Regulation 13 <b><u>Grievance Redressal Mechanism</u></b></p>	<p>Every listed company is required to comply with the following:</p> <p>i. To get itself <b>registered</b> on the <b><u>SCORES platform</u></b> or any <b>other similar platform to electronically handle the investor complaints</b> as specified by the Board;</p> <p>ii. To <b>file a Statement within 21 days from the end of the relevant quarter</b> to the stock exchange pertaining to the</p> <ul style="list-style-type: none"> <li>• Status of investors complaints detailing,</li> <li>• No. of Complaint pending at the beginning of quarter,</li> <li>• Received and disposed of during the quarter,</li> <li>• Unresolved at the end of the quarter;</li> </ul> <p>iii. <b>Place the same Statement before the Board of Directors on a</b></p>	<p>This regulation <b>corresponds to Clause 49</b> of the Listing Agreement and there is no change in the provisions.</p>

quarterly basis.

**Chapter- IV**  
**(OBLIGATIONS OF LISTED ENTITY WHICH HAS LISTED ITS SPECIFIED SECURITIES)**

Regulation 15 <b><u>Applicability</u></b>	Provisions of <b>Corporate Governance</b> Regulations are <b>not applicable</b> on a) <b>listed entity</b> having <ul style="list-style-type: none"><li>• <b><u>Paid up equity share capital not exceeding rupees ten crore</u></b> and</li><li>• <b><u>Net worth not exceeding rupees twenty five crore,</u></b> as on the last day of the previous financial year.</li></ul> b) listed entity which has <b>listed</b> its specified securities <b><u>on the SME Exchange</u></b>  <b>Note: -Once the regulation becomes applicable to a listed entity at a later date, company shall comply with the requirements within six months from the date on which the provisions became applicable.</b>	-
Regulation 16 <b><u>Definition</u></b>	Defines various terms such as control, <b>independent director, material subsidiary</b> and <b>senior management</b> for the purpose of this chapter.	-
Regulation 17 <b><u>Board of Directors</u></b>	<p style="text-align: center;"><b><u>Composition</u></b></p> The board of directors of the listed entity shall be as follows:  a) an optimum combination of executive and non-executive directors with <ul style="list-style-type: none"><li>• <b><u>at least one woman director and</u></b></li><li>• <b><u>not less than fifty per cent.</u></b> of the board of directors shall comprise <b><u>of non-executive directors;</u></b></li></ul> b) where the <b>chairperson</b> of the board of directors <b><u>is a non-executive director,</u></b> <ul style="list-style-type: none"><li>• <b><u>at least 1/3<sup>rd</sup> of</u></b> the board of directors shall comprise of <b><u>independent directors</u></b> and</li></ul> where the listed entity does <b>not have a</b>	<ol style="list-style-type: none"><li>1. This regulation <b>corresponds to Clause 49II</b> of the Listing Agreement.</li><li>2. The <b>Minimum information</b> which requires to be <b>placed before the Board</b> of Directors is mentioned in <b>Part A of Schedule II</b> (same as Annexure – X of the Listing Agreement).</li><li>3. Now the <b>compliance certificate</b> shall be furnished by the <b>Chief Executive Officer and Chief Financial Officer</b> to the Board of Directors as specified in <b>Part B of</b></li></ol>

	<p><b>regular non-executive chairperson,</b></p> <ul style="list-style-type: none"> <li>• <b><u>at least half of</u></b> the board of directors shall comprise of <b><u>independent directors.</u></b></li> </ul> <p><b>Provided</b> that where the</p> <ul style="list-style-type: none"> <li>• <b>regular non-executive chairperson is a promoter</b> of the listed entity <b><u>or</u></b></li> <li>• <b>is related to any promoter <u>or</u></b></li> <li>• <b>person occupying management positions at the level of board of director <u>or</u></b></li> <li>• <b>at one level below the board of directors,</b></li> </ul> <p><b><u>at least half of the board</u></b> of directors of the listed entity shall <b><u>consist of independent directors.</u></b></p> <p style="text-align: center;"><b><u>Meetings</u></b></p> <p>The board of directors shall meet</p> <ul style="list-style-type: none"> <li>• <b><u>at least four times a year,</u></b> with</li> <li>• <b><u>a maximum time gap of one hundred and twenty days between any two meetings.</u></b></li> </ul>	<p><b><u>Schedule II.</u></b></p> <p>4. No other major changes were made to the Listing Agreement for this purpose.</p>
<p>Regulation 18 <b><u>Audit Committee</u></b></p>	<p style="text-align: center;"><b><u>Composition</u></b></p> <p>listed entity shall constitute a <b>qualified and independent audit committee</b> consisting of</p> <ul style="list-style-type: none"> <li>• <b><u>Minimum three directors as members.</u></b></li> <li>• <b><u>2/3<sup>rd</sup> of the members shall be independent directors.</u></b></li> <li>• All members shall be <b><u>financially literate</u></b> and</li> <li>• <b><u>at least one member shall have accounting or related financial management expertise.</u></b></li> </ul> <p>The <b><u>chairperson</u></b> of committee <b><u>shall be an independent director</u></b> and he <b><u>shall be</u></b></p>	<p>1. This regulation <b><u>corresponds to Clause 49III</u></b> of the Listing Agreement.</p> <p>2. In this regulation, now the Audit Committee should meet at least four times in a year with not more than one hundred and twenty days shall elapse between two meetings <b><u>earlier it was not more than four months shall elapse between two meetings.</u></b></p> <p>3. The Audit Committee <b><u>now at its discretion meets without the presence of any executives</u></b> of the listed entity.</p>

	<p><b><u>present at Annual general meeting</u></b> to answer shareholder queries.</p> <p>The Company Secretary shall act as the secretary to the committee.</p> <p>The audit <b><u>committee at its discretion</u></b> shall <b><u>invite the finance director or head of the finance function, head of internal audit and a representative of the statutory auditor and any other such executives</u></b> to be present at the meetings of the committee:</p> <p><b><u>Provided that</u></b> occasionally the audit committee <b><u>may meet without the presence of any executives</u></b> of the listed entity.</p> <p style="text-align: center;"><b><u>Meetings</u></b></p> <p>1. The Audit Committee shall</p> <ul style="list-style-type: none"> <li>• <b><u>Meet at least four times in a year</u></b> and</li> <li>• <b><u>not more than one hundred and twenty days shall elapse between two meetings.</u></b></li> </ul> <p>2. <b><u>Quorum</u></b> shall either be</p> <ul style="list-style-type: none"> <li>• <b><u>two</u></b> members or</li> <li>• <b><u>1/3<sup>rd</sup> of the members of the audit committee, whichever is greater,</u></b> with <b><u>at least two independent directors.</u></b></li> </ul> <p>The <b><u>role</u></b> of the audit committee and the <b><u>information to be reviewed</u></b> by the audit committee shall be as specified in <b><u>Part C of Schedule II.</u></b></p>	<p>4. Unlike Listing Agreement, <b><u>now the power of the Audit Committee</u></b> in the Listing Regulations 2015 was <b><u>not specified</u></b> and</p> <p>5. <b><u>Role of the Audit Committee and review of information by the Audit Committee</u></b> was <b><u>mentioned in Part C of Schedule II</u></b> which is in similar line with <b><u>Clause 49III (D) and (E) of the Listing Agreement.</u></b></p>
<p style="text-align: center;"><b><u>Regulation 19 Nomination and remuneration committee</u></b></p>	<p style="text-align: center;"><b><u>Composition</u></b></p> <p>The board of directors shall constitute the nomination and remuneration committee consisting of :-</p> <ul style="list-style-type: none"> <li>• <b><u>at least three directors</u></b></li> <li>• <b><u>all directors</u></b> of the committee</li> </ul>	<p>1. This regulation <b><u>corresponds to Clause 49IV of the Listing Agreement</u></b> and</p> <p>2. <b><u>No major changes were made</u></b> to the Listing Agreement for this purpose.</p>

	<p><b><u>shall be non-executive directors;</u></b> and</p> <ul style="list-style-type: none"> <li>• <b><u>at least fifty percent</u></b> of the directors <b><u>shall be independent directors</u></b></li> </ul> <p>The <b><u>Chairperson</u></b> of the nomination and remuneration committee <b><u>shall be an independent director</u></b></p> <p>The <b><u>Chairperson</u></b> of the nomination and remuneration committee <b><u>may be present at the annual general meeting,</u></b> to answer the shareholders' queries; However, <b><u>it shall be up to the chairperson to decide who shall answer the queries.</u></b></p> <p>The <b><u>role</u></b> of the nomination and remuneration <b><u>committee</u></b> shall be as specified as in <b><u>Part D of the Schedule II.</u></b></p>	
<p>Regulation 20 <b><u>Stakeholders Relationship Committee</u></b></p>	<ul style="list-style-type: none"> <li>• The listed entity shall constitute a Stakeholders Relationship Committee to specifically <b><u>look into the mechanism of redressal of grievances of shareholders, debenture holders and other security holders.</u></b></li> <li>• <b><u>Chairperson</u></b> of this committee <b><u>shall be a non-executive director.</u></b></li> <li>• <b><u>Role</u></b> of the Stakeholders Relationship Committee shall be as <b><u>specified as in Part D of the Schedule II.</u></b></li> </ul>	<ol style="list-style-type: none"> <li>1. This regulation <b><u>corresponds to Clause 49VIII E (4)</u></b> of the Listing Agreement and</li> <li>2. <b><u>No major changes</u></b> were made to the Listing Agreement for this purpose.</li> </ol>
<p>Regulation 21 <b><u>Risk Management Committee</u></b></p>	<ul style="list-style-type: none"> <li>• The <b><u>majority of members</u></b> of Risk Management Committee shall <b><u>consist of members of the board of directors.</u></b></li> <li>• The <b><u>Chairperson</u></b> of the Risk management committee shall <b><u>be a member</u></b> of the board of directors <b><u>and senior executives</u></b> of the listed entity may be members of the committee.</li> <li>• The <b><u>provisions of this regulation</u></b> shall be <b><u>applicable to top 100 listed entities, determined on the basis of market capitalization,</u></b> as at the <b><u>end</u></b></li> </ul>	<ol style="list-style-type: none"> <li>1. This regulation <b><u>corresponds to Clause 49VI of the Listing Agreement</u></b> and will <b><u>specifically apply</u></b> to the <b><u>Top 100 Listed Entities, determined on the basis of market capitalization,</u></b> as at the end of the immediate previous financial year.</li> <li>2. <b><u>Earlier</u></b> under Listing Agreement, the <b><u>company should lay down the procedures to inform Board members about the</u></b></li> </ol>



	<b><u>of the immediate previous financial year.</u></b>	<p>risk assessment and minimization procedures and the Board was responsible for framing, implementing and monitoring the risk management plan for the company.</p> <p>3. No other changes were made to the Listing Agreement for this purpose.</p>
Regulation 22 <b><u>Vigil mechanism</u></b>	<ul style="list-style-type: none"> <li>The listed entity shall <b><u>formulate</u></b> a vigil mechanism <b><u>for directors and employees</u></b> to <b><u>report genuine concerns.</u></b></li> <li>The vigil mechanism shall provide for <b><u>adequate safeguards against victimization of director(s) or employee(s) or any other person who avail the mechanism</u></b> and also <b><u>provide for direct access to the chairperson of the audit committee</u></b> in appropriate or exceptional cases.</li> </ul>	This regulation <b><u>corresponds to Clause 49IIF of the Listing Agreement</u></b> and No other changes were made to the Listing Agreement for this purpose.
Regulation 23 <b><u>Related Party Transactions</u></b>	<p>The listed Entity shall:-</p> <p><b><u>Formulate a Policy on material related party transactions</u></b> and dealing with related parties.</p> <p><b><u>Seek approval from shareholders in General Meeting</u></b> by passing an <b><u>ordinary resolution</u></b> for approving material related party transactions subject to the stipulation that <b><u>such related parties shall be abstained</u></b> from voting on such resolution.</p>	<p>1. This regulation <b><u>corresponds to Clause 49VI of the Listing Agreement.</u></b></p> <p>2. The <b><u>definition of related party</u></b> in Listing Regulations 2015, <b><u>continues to define related party as of Companies Act, 2013 and Accounting Standard – 18.</u></b></p> <p>3. Now as per regulation 23(8), all the existing material related party contracts or arrangements entered into prior to the date of notification of these regulations and which may continue beyond such date <b><u>shall be placed for approval of the shareholders in the first General Meeting subsequent to notification of these regulations.</u></b></p>

		<p>4. <b><u>Now the ordinary resolution</u></b> will suffice the purpose of approval from shareholders <b><u>instead of special resolution in Listing Agreement.</u></b></p> <p>5. <b><u>Still the related parties are abstaining from voting on such resolutions</u></b> whether they are related party to that particular transaction or not. This point differs with Section 188 of the Companies Act, 2013 whereby the Ministry of Corporate Affairs clarified vide General Circular No. 30/2014 dated 17.07.2014, only the related party in the context of the contract or arrangement were abstained from voting.</p>
<p>Regulation 24 <b><u>Corporate governance requirements with respect to subsidiary of listed entity</u></b></p>	<ul style="list-style-type: none"> <li>• <b><u>At least one independent director</u></b> on the board of directors of the listed entity shall be a <b><u>director on the board of directors of an unlisted material subsidiary, incorporated in India.</u></b></li> <li>• The <b><u>audit committee</u></b> of the listed entity shall <b><u>also review the financial statements,</u></b> in particular, the <b><u>investments made by the unlisted subsidiary.</u></b></li> <li>• The <b><u>minutes of the meetings of the board</u></b> of directors <b><u>of the unlisted subsidiary</u></b> shall be placed at the meeting of the board of directors of the listed entity.</li> <li>• The <b><u>management of the unlisted subsidiary</u></b> shall <b><u>periodically bring</u></b> to the <b><u>notice of the board of directors of the listed entity,</u></b> a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.</li> <li>• <b>Note:-</b> The term <b><u>“significant</u></b></li> </ul>	<p>This regulation <b><u>corresponds to Clause 49V of the Listing</u></b> and No other changes were made to the Listing Agreement for this purpose.</p>

	<p><b><u>transaction or arrangement</u></b>” shall mean <b>any individual transaction or arrangement that exceeds</b> or is likely to exceed <b><u>ten percent of the total revenues or total expenses or total assets or total liabilities</u></b>, as the case may be, of the unlisted material subsidiary <b>for the immediately preceding accounting year.</b></p> <ul style="list-style-type: none"> <li>• <b>A listed entity shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding</b> (either on its own or together with other subsidiaries) <b>to less than fifty percent or cease the exercise of control over the subsidiary without passing a special resolution</b> in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.</li> <li>• <b>Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis</b> during a financial year shall require <b>prior approval of shareholders</b> by way of <b>special resolution</b>, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.</li> <li>• 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</li> </ul>	
<p>Regulation 25 <b><u>Obligations with respect to independent directors</u></b></p>	<ul style="list-style-type: none"> <li>• A person shall <b>not serve as an independent director in more than seven listed entities</b></li> <li>• <b>Provided that any person who is serving as a whole time director in any listed entity shall serve as an independent director in not more than three listed entities.</b></li> <li>• The <b>maximum tenure</b> of independent</li> </ul>	<ol style="list-style-type: none"> <li>1. This regulation corresponds to <b><u>Clause 49IIB</u></b> of the Listing Agreement.</li> <li>2. In this regulation, <b><u>the requirement of issuance of formal letter of appointment to Independent Directors was dispensed</u></b> with, but in terms of <b><u>Schedule IV</u></b> of</li> </ol>

	<p>directors shall be in accordance with the Companies Act, 2013 and rules made thereunder,</p> <ul style="list-style-type: none"> <li>The <b>independent directors</b> of the listed entity shall <b>hold at least one meeting in a year, without the presence of non-independent directors and members of the management</b> and all the independent directors shall strive to be present at such meeting.</li> </ul>	<p>the <b>Companies Act, 2013</b>, the company has to appoint independent directors and the appointment should be formalised through a letter of appointment.</p>
<p>Regulation 26 <b><u>Obligations with respect to directors and senior management</u></b></p>	<p>A <b><u>director shall not be a member in more than ten committees</u></b> or <b><u>act as chairperson of more than five committees across all listed entities in which he is a director</u></b></p>	<p>This regulation corresponds to <b><u>Clause 49IID and E</u></b> of the Listing Agreement and it is same as Listing Agreement.</p>
<p>Regulation 27 <b><u>Other corporate governance requirements</u></b></p>	<ul style="list-style-type: none"> <li>The listed entity <b><u>may</u></b>, at its discretion, <b><u>comply with</u></b> requirements as specified in <b><u>Part E of Schedule II</u></b>.</li> <li>The listed entity shall <b><u>submit a quarterly compliance report on corporate governance</u></b> in the format as specified by the Board from time to time to the recognised stock exchange(s) <b><u>within fifteen days from close of the quarter</u></b>.</li> <li><b><u>Details of all material transactions with related parties shall be disclosed along with the report</u></b> mentioned in clause (a) of sub-regulation (2).</li> <li>The report mentioned in clause (a) of sub-regulation (2) shall <b><u>be signed either by the compliance officer or the chief executive officer</u></b> of the listed entity.</li> </ul>	<ol style="list-style-type: none"> <li>This regulation corresponds to <b><u>Clause 49X</u></b> of the Listing Agreement, whereby the listed entity may comply with other non – mandatory requirements as mentioned in Part E of Schedule II.</li> <li><b><u>Now</u></b> the listed entity is required to provide the <b><u>details of all material transactions with related parties along with the quarterly compliance report on corporate governance</u></b> as per format specified by SEBI <b><u>within fifteen days from the close of the quarter</u></b>.</li> </ol>
<p>Regulation 28 <b><u>In-principle approval of recognized Stock Exchange(s)</u></b></p>	<p>The Listed company, <b><u>prior to issuance of securities</u></b> is needed to <b><u>obtain an In Principle approval</u></b></p> <p>This requirement is not applicable for the <b><u>securities issued pursuant to Scheme</u></b></p>	<p>This regulation corresponds to <b><u>Clause 24(a)</u></b> of Listing Agreement.</p>

	<p><b><u>of Arrangement under Sections 230 – 234 and Section 66 of Companies Act, 2013</u></b> for which the listed entity has already obtained No Objection Letter from recognised stock exchange(s) under regulation 37.</p>	
<p>Regulation 29 <b><u>Prior Intimations</u></b></p>	<p>The listed company shall give prior intimation to Stock Exchange about the Board Meeting held, from time to time, in the following manner:</p> <ul style="list-style-type: none"> <li>• <b>For Financial Results:</b>  <b><u>At least 5 days advance notice</u></b> (excluding the date of intimation and date of meeting) before consideration of Financial Results of the company.</li> <li>• <b>For Corporate Actions:</b>  <b><u>At least 2 working days advance notice</u></b> (excluding the date of intimation and date of meeting) for considering the proposals related to buyback of securities, voluntary delisting, fund raising including determination of issue price.</li> <li>• <b>For alteration in the date of payment of interest or nomenclature of the specified securities:</b>  <b><u>At least 11 working days’ advance notice</u></b> for considering the proposals pertaining</li> </ul>	<ol style="list-style-type: none"> <li>1. The listed entity should <b><u>intimate to the Stock Exchange(s) at least five days in advance</u></b> excluding the date of the intimation and date of meeting (<b><u>earlier it was seven days in Listing Agreement</u></b>) of the Board Meeting <b><u>for consideration of financial results viz. quarterly, half yearly or annual.</u></b></li> <li>2. <b><u>Now eleven days of advance intimation</u></b> (excluding the date of the intimation and date of meeting) to the Stock Exchange(s) is required <b><u>instead of twenty one days in Listing Agreement for consideration of 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</u></b> thereof and 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.</li> <li>3. New additional business(es) disclosure pertaining to which prior intimation of Board Meeting is required to be forwarded to the Stock Exchanges</li> </ol>
<p>Regulation 30 <b><u>Disclosure of events or</u></b></p>	<p>The main highlights of the Regulation are outlined as follows:</p>	<ol style="list-style-type: none"> <li>1. This regulation <b><u>corresponds to Clause 36</u></b></li> </ol>

**information**

- i. The responsibility is cast on the Board of listed entities, to authorize one or more KMPs for the purpose of determining materiality of an event or information and making disclosures to the stock exchange.
- ii. The details of above stated authorized KMPs is required to be disclosed to the Stock Exchange(s) as well as on the Company's website.
- iii. Every Listed Company is required to update material developments on a regular basis pertaining to the disclosures made till the event is resolved/closed and host the said events along with all updated information on its website at least for a period of 5 years.
- iv. Post 5 years, the requirement of disclosure of such events is as per the archival policy of the Listed Company.
- v. All events or information of material subsidiaries are to The provisions of this Regulation have removed all the ambiguities of Clause 36 of the erstwhile Listing Agreement and addition of provisions related to explanation for delay in disclosure would surely bring more transparency in the business affairs of the Company. Further, SEBI vide its Circular dated September 09, 2015 clearly prescribed the information needed to be disclosed pertaining to material transactions as prescribed in Regulation 30 of LODR. This circular brings in more clarity of what to disclose and will ensure uniformity in disclosures made by listed entities and shall come into force after 90 days from the date of issuance of LODR Regulations.
- vi. Material event/ information are needed to be disclosed as per the following timeline:
  - Within 24 hours from the occurrence of the events as

**of the Listing Agreement.**

**Now the listed entity should inform the Stock Exchange(s) of all events or information as mentioned in Part A of Schedule III, as soon as reasonably possible but not later than 24 hours from the occurrence of an event or information.**

3. **In case, the disclosure is made after 24 hours, then the listed entity should provide explanation for the delay in intimation. This **time limit was not there in Listing Agreement.****
4. The events or information which will be disclosed to the Stock Exchange(s) under this regulation, should be hosted on the website of the listed entity for a minimum period of five year and thereafter as per archival policy of the listed entity.
5. This means that now the listed entity will be required to frame a policy on website disclosure and archival of such disclosure. Some of the items as specified in Part A of Schedule III like dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched, any cancellation of dividend with reasons thereof, the decision on buyback of securities, the decision with respect to fund raising

	<p>specified in Part - A of Schedule III of the said regulations.</p> <ul style="list-style-type: none"> <li>▪ Within 30 minutes of the conclusion of the Board Meeting regarding events specified in sub-para 4 of Part A of Schedule III of the said regulations.</li> </ul> <p>vii. Any delay in filing disclosures beyond the timeframe of 24 hours shall be accompanied by an explanation for delay.</p>	<p>proposed to be undertaken, increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispensed, reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to, short particulars of any other alterations of capital, including calls, financial results and decision on voluntary delisting by the listed entity from Stock Exchange(s) required to intimate within thirty minutes of the closure of the meeting instead of fifteen minutes as per Listing Agreement.</p>
<p>Regulation 31 <b><u>Holding of specified securities and shareholding pattern</u></b></p>	<ul style="list-style-type: none"> <li>• The listed entity shall <b><u>submit</u></b> to the stock exchange(s) <b><u>a statement showing holding of securities and shareholding pattern separately for each class of securities within 21 days from the end of respective quarter.</u></b></li> <li>• If the entity <b><u>is listed on SME Exchange</u></b>, the above statement is to <b><u>be filed on a half yearly basis within 21 days from the end of each half year.</u></b></li> </ul>	<p>This regulation corresponds to <b><u>Clause 35 of the Listing Agreement</u></b> and No other changes were made to the Listing Agreement for this purpose.</p>
<p>Regulation 31 A <b><u>Disclosure of Class of shareholders and Conditions for Reclassification.</u></b></p>	<p>The Stock Exchange may allow for reclassification upon receipt of a request from the listed company or the concerned shareholder, along with requisite evidence. The reclassification will be allowed.</p>	<p>To resolve the ambiguities as to re classification, SEBI has inserted <b><u>new regulation</u></b> to place a regulatory framework for <b><u>re-classification of promoters in listed companies</u></b></p>

Regulation 32: **Statement of deviation(s) or variation(s)**

- a. The listed entity shall **submit** to the stock exchange the following statement(s) **on a quarterly basis for public issue, rights issue, preferential issue** etc. , -
- (a) indicating deviations, if any, in the use of proceeds from the objects stated;
- (b) indicating category wise variation between projected utilisation of funds and the actual utilisation of funds.
- b. The above statement is required to be reviewed by the Audit Committee prior to its submission and to be given till the issue proceeds have been fully utilised or the purpose for which these proceeds were raised, has been achieved ;
- c. The variation is required to be furnished in the Directors Report as well on an annual basis;
- d. If the listed company has appointed any monitory agency then the report/comments of such agency is required to be submitted In case of SME listed entities, the said Deviations statement is required to be furnished on semiannual basis

1. This regulation corresponds to **Clause 43 and 43A** of the Listing Agreement.
2. The regulation has dropped the word 'material' deviation, which was there in Listing Agreement and the explanation for deviations under regulation 32(1) is to be provided in the Directors' report.

Regulation 33  
**Financial Result**

The listed company shall submit to the stock exchange the following:

- a. Audited or unaudited quarterly and year-to-date standalone financial results to the stock exchange within 45 days from the end of relevant quarter.
- b. In case the listed company has subsidiaries, then it may submit also quarterly/ year to-date consolidated financial results of its subsidiary.
- c. Audited standalone financial results along with the audit report for the financial year, within 60 days from the relevant financial

- a. This regulation corresponds to **Clause 41** of the Listing Agreement.
- b. As per this regulation, **now irrespective of whether the subsidiary of the listed entity is listed or not, they need to submit Form A (for audit report with unmodified opinion) or Form B (for audit report with modified opinion) alongwith Form A or Form B with audit report for standalone financial results for the financial year, within sixty days from the end of**



year.

- d. In respect of companies listed on SME Exchange, the quarterly results needed to be submitted on a half yearly basis and 'year-to-date' financial results are not required to be filed to the stock exchanges.

**the financial year.**

- c. In case of submission of Form B (for audit report with modified opinion), the audit report will be review by Qualified Audit Report Review Committee who will analyze the case as referred by the Stock Exchange(s).
- d. After analyzing the modified opinion(s) in audit reports, the Review Committee may recommend rectification of such modified opinion in the subsequent financial year in case the impact of modified opinion is not significant. But if the Review Committee is of the view that the modified opinion is significant and the explanation given by the listed entity concerned in Form B is unsatisfactory, the case may be referred to the Financial Reporting Review Board of Institute of Chartered Accountants of India, for their opinion. The listed entity now required to state time of conclusion of Board Meeting in the minutes, and the listed entity has to submit the financial results within 30 minutes from the conclusion of the Board Meeting. In the Listing Agreement, the variation of 10% was served as an ideal tool to assess the accuracy of unaudited financial results, which was left out in this regulation. The SEBI is yet to publish the formats for the financial results for the purpose of this regulation

<p>Regulation 34 <b><u>Annual report</u></b></p>	<p>1. The listed company is required to <b><u>submit the Annual Report</u></b> to the Stock Exchange <b><u>within 21 working days</u></b> of it being <b><u>approved and adopted in the Annual General Meeting.</u></b></p> <p>2. The disclosures as sought in the Regulation are needed to be incorporated in the Annual Report.</p>	<p>Now the listed entity required to send the Annual Report to the Stock Exchange(s) within twenty one working days of its adoption by the members at the Annual General Meeting <b><u>unlike in Listing Agreement, where the Annual Report has to disseminate to the Stock Exchange(s) as soon as they are issued.</u></b></p>
<p>Regulation 35 <b><u>Annual Information Memorandum</u></b></p>	<p><b>The annual Information Memorandum</b> is needed to be submitted by the listed entities to the stock exchange, in the manner as may be specified by SEBI from time to time</p>	<p>-</p>
<p>Regulation 36 <b><u>Documents &amp; Information to shareholders</u></b></p>	<p>The listed company is required to submit its Annual Report to the shareholders in the following manner:</p> <p>For <b>shareholders, who have their ids registered with the Company, <u>soft copy of the full Annual Report;</u></b></p> <p>For the <b>ones who don't have their Ids registered, <u>hard copy of the statement containing salient features,</u></b></p> <p>in terms of Sec 136 of Companies Act 2013 Hard copies of full Annual reports, to the shareholders who request for the same.</p>	<p>This regulation <b>corresponds to <u>Clause 32 of the Listing Agreement</u></b> and it is in similar line with Listing Agreement</p>
<p>Regulation 37 <b><u>Draft Scheme of Arrangement</u></b></p>	<p>Any listed company desirous of undertaking a Scheme of Arrangement shall prior to filing it with High Court/ Tribunal, file the same with the Stock Exchanges and obtain a NOC/ Observation Letter from the Exchange(s).</p> <p>The Observation Letter or No objection Letter granted by the stock exchange prior to presenting scheme before the Court or the Tribunal will be valid for the period of 6 months from the date of its issuance</p>	<p>This <b>regulation corresponds to <u>Clause 24 of the Listing Agreement</u></b> and it is in similar line with Listing Agreement</p>
<p>Regulation 38 <b><u>Minimum Public Shareholding</u></b></p>	<p>All <b><u>listed companies</u></b> have to <b><u>comply with Minimum Public Shareholding norms,</u></b> as laid down in Rule 19(2) and 19A of SCRR, in the manner specified by SEBI from time to time.</p>	<p>This regulation <b>corresponds to <u>Clause 40A of the Listing Agreement</u></b> and it is in similar line with Listing Agreement.</p>
<p>Regulation 39 <b><u>Issuance of Certificates or</u></b></p>	<p>(1) The listed company would be required to issue certificates or receipts or advices pursuant to subdivision, split,</p>	<p>The whole procedural requirements for dealing with securities issued pursuant to</p>

**Receipts/Letters/Advices for securities and dealing with 36 unclaimed securities**

consolidation, renewal, exchanges, endorsements, issuance of duplicates thereof or new certificates or receipts or advices, as applicable, in cases of loss or old decrepit or worn out certificates or receipts or advices, as applicable within a period of thirty days from the date of such lodgment.

the public issue or any other issues which remain unclaimed or are lying in the escrow account, is specified in the Schedule VI of the Listing Regulations 2015.

(2) The listed company is required to **submit the information regarding loss of share certificate and issue of the duplicate certificate,** to the stock exchange **within two days of its getting information.**

**Regulation 40 Transfer or transmission or transposition of securities**

- a. The Board** of Directors of a listed company may **delegate the power of transfer of securities to**
- o a committee or
  - o to compliance officer or
  - o to the registrar to an issue and/or
  - o share transfer agent
- b.** The delegated authority is required to review the formalities relating to transfer of securities at least once on a fortnightly basis and shall report to the Board on transfer of securities in each meeting.
- c.** The listed company shall not affect the transfer in securities if the transferor serves prohibitory order of a competent court within 60 working of raising the objection.

This regulation **corresponds to Clause 6, 7, 8, 9, 10 and 11 of the Listing Agreement** and it is in similar line with Listing Agreement.

**Regulation 41 Other provisions relating to securities**

- i. The listed entity shall not exercise a lien on its fully paid shares and that in respect of partly paid shares it shall not exercise any lien except in respect of moneys called or payable at a fixed time in respect of such shares.
- ii. The listed entity shall, in case of any amount to be paid in advance of calls on any shares stipulate that such amount may carry interest but shall not in respect thereof confer a right to dividend or to participate in profits.
- iii. The listed entity shall not issue shares in any manner which may confer on any person, superior rights as to voting or dividend vis-à-vis the rights on

This regulation **corresponds to Clause 23,26 and 34 of Listing Agreement.**

	<p>equity shares that are already listed.</p> <p>iv. The listed entity shall, issue or offer in the first instance all shares (including forfeited shares), securities, rights, privileges and benefits to subscribe pro rata basis , to the equity shareholders of the listed entity, unless the shareholders in the general meeting decide otherwise.</p> <p>v. Unless the terms of issue otherwise provide, the listed entity shall not select any of its listed securities for redemption otherwise than on pro-rata basis or by lot.</p>	
<p>Regulation 42 <b><u>Record Date or Date of closure of transfer books</u></b></p>	<ul style="list-style-type: none"> <li>• The listed entity is required to intimate the record date/ book closure date to all the concerned Stock Exchanges at least 7 working days (excluding the date of intimation and the record date) before the record date/ closure of transfer books.</li> <li>• The listed entity is required to declare dividend/ cash bonuses at least 5 working days (excluding the date of intimation and the record date) before the record date fixed for that purpose.</li> <li>• There must be gap of minimum 30 days between two record dates or two transfer book closure dates</li> </ul>	<p>This regulation <b>corresponds to <u>Clause 16</u> of the Listing Agreement</b> and it is in similar line with Listing Agreement</p>
<p>Regulation 43 <b><u>Dividends</u></b></p>	<ul style="list-style-type: none"> <li>• The listed entity shall declare and disclose the dividend on per share basis only.</li> <li>• 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.</li> </ul>	<p>This regulation <b>corresponds to <u>Clause 20A</u> of the Listing Agreement</b> and it is in similar line with Listing Agreement.</p>
<p>Regulation 44 <b><u>Voting by shareholders</u></b></p>	<ul style="list-style-type: none"> <li>• The listed entity shall provide the facility of remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.</li> <li>• The e-voting facility to be provided to shareholders in terms of sub-regulation (1), shall be provided in compliance with the conditions specified under the Companies (Management and</li> </ul>	<p>This regulation <b>corresponds to <u>Clause 35B</u> of the Listing Agreement</b> and it is in similar line with Listing Agreement.</p>

	<p>Administration) Rules, 2014, or amendments made thereto.</p> <ul style="list-style-type: none"> <li>• The listed entity shall submit to the stock exchange, within forty eight hours of conclusion of its General Meeting, details regarding the voting results in the format specified by the Board.</li> <li>• 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.</li> </ul>	
<p>Regulation 45 <b><u>Change in name of the listed entity</u></b></p>	<ol style="list-style-type: none"> <li>1. The listed company desirous to <b>change its name</b> is required to <b>file an application for change in name with ROC</b> subject to the compliance with the following conditions: <ol style="list-style-type: none"> <li>i. One year must have been elapsed from its last name change.</li> <li>ii. At least 50% of the total revenue in the preceding one year has been generated from the activity suggested by the new name.</li> <li>iii. The amount invested in the new activity must be at least 50% of the assets of the company.</li> </ol> </li> <li>2. The line of business undertaken by the company must be in line with its name. However, if there is any deviation between the same, then the company is required to comply with the relevant provisions of the Companies Act, 2013 for change in name, within 6 months from the date of change in line of business.</li> <li>3. The listed company shall file an application for name availability with ROCs upon satisfying the conditions laid down in Para (1) above.</li> <li>4. After receipt of confirmation regarding name availability from the ROC, the</li> </ol>	<p>This regulation corresponds to <b>Clause 32 of the Listing Agreement</b> and</p>

	<p>listed company is also required to obtain the approval from the concerned stock exchange for the change in name prior to filing the request for change of name to ROC.</p>	
<p>Regulation 46 <b><u>Website</u></b></p>	<p><b>1.</b> The listed entity shall disseminate the following information on its website:</p> <ul style="list-style-type: none"> <li>a) details of its business;</li> <li>b) terms and conditions of appointment of independent directors;</li> <li>c) composition of various committees of board of directors;</li> <li>d) code of conduct of board of directors and senior management personnel;</li> <li>e) details of establishment of vigil mechanism/ Whistle Blower policy;</li> <li>f) criteria of making payments to non-executive directors , if the same has not been disclosed in annual report;</li> <li>g) policy on dealing with related party transactions;</li> <li>h) policy for determining ‘material’ subsidiaries;</li> <li>i) details of familiarization programmes imparted to independent directors including the following details:- <ul style="list-style-type: none"> <li>i. number of programmes attended by independent directors (during the year and on a cumulative basis till date),</li> <li>ii. number of hours spent by independent directors in such programmes (during the year and on cumulative basis till date), and</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>1.</b> Now the regulations also requires to <b>disclose the composition of various committees of Board of Directors, contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances and notice of meeting of the Board of Directors where financial results shall be discussed</b></li> <li><b>2.</b> Earlier <b>listing agreement</b> was <b>silent regarding updation of contents on the website</b> of the company</li> </ul>

iii. other relevant details

- j) the email address for grievance redressal and other relevant details;
- k) contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances;
- l) financial information including:
  - i. notice of meeting of the board of directors where financial results shall be discussed;
  - ii. financial results, on conclusion of the meeting of the board of directors where the financial results were approved;
  - iii. complete copy of the annual report including balance sheet, profit and loss account, directors report, corporate governance report etc;
- m) shareholding pattern;
- n) details of agreements entered into with the media companies and/or their associates, etc;
- o) schedule of analyst or institutional investor meet and presentations made 41 by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange;
- p) new name and the old name of the listed entity for a continuous period of one year, from the date of the last name change;
- q) items in sub-regulation (1) of regulation 47 .

2. The listed company is required to **update** any **change in the content** of its website **within 2 working days from the date of such change in the content.**

<p>Regulation 47 <b><u>Advertisements in Newspapers</u></b></p>	<p>1. The listed entity shall publish the following information in atleast 1 English newspaper, circulating in whole or substantially whole of India and in 1 daily newspaper in the vernacular language, where the registered office of the company is situated: :</p> <ul style="list-style-type: none"> <li>a. Notice of meeting of the Board of Directors where financial results would be considered;</li> <li>b. Financial results along with the opinion(s) or reservation(s), if any, expressed by the Auditor within 48 hours of conclusion of the meeting of Board of Directors;</li> <li>c. Statements of deviations/ variations</li> <li>d. Notices given to shareholders by advertisement</li> </ul> <p>2. The above provisions are not applicable on the entities listed on SME Exchange.</p>	<p>Same as listing agreement</p>
<p>Regulation 48 <b><u>Accounting Standards</u></b></p>	<ul style="list-style-type: none"> <li>• The listed entity shall <b><u>comply with all the applicable and notified Accounting 42 Standards</u></b> from time to time.</li> </ul>	<p>-</p>

## CIRCULAR

### A. GENERAL CIRCULAR NO.14/2015

#### **Subject: - Relaxation of. Additional fees and extension of last date of filing of AOC-4, AOC-4 XBRL and MGT-7 E Forms under the Companies Act,2013**

In continuation of this Ministry's General Circular No.10/2015 dated 13.07.2015, keeping in view the request received from various stakeholders, it has been decided to relax the additional fee payable on forms AOC-4 and AOC-4 XBRL upto 30th November, 2015. The additional fee requirement for MGT-7 E-Form is also relaxed for all such forms filed till 30th November, 2015, wherever additional fee is applicable.



### **IMPACT OF ABOVE MENTIONED CIRCULAR:**

Form AOC-4, AOC-4 XBRL and MGT-7 can now be filed till 30th November, 2015 without paying any additional fees.

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