



ECONOMIC
LAWS
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An overhead view of a modern office setting. A large, round, white table is partially visible on the right side of the frame. Three white, upholstered office chairs with chrome frames and casters are arranged around the table. The floor is a light-colored, textured surface.

SEBI tightens compliances and disclosures for listed entities: Amends LODR Regulations

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SEBI has notified various amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”) vide the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 (**Amendment Regulations**).

Some of significant changes include:



- Introduction of definition of mainstream media and response to be given by listed entities to clarify news in mainstream media;
- Sale, lease or disposal of an undertaking to require shareholders’ approval by special resolution and “majority of minority” approval;
- Special rights granted to shareholders will now require periodic approval of the shareholders;
- Periodic shareholders’ approval required for continuity of all categories of directors of a listed entity to remove permanent directorship concerns;
- Changes to Regulation 30 of LODR Regulations:
 - Revised criteria specified for determination of materiality of events;
 - Additional conditions to be complied while framing policy for determination of materiality;
 - Timeline for disclosure of material events revised;
 - Material events required to be disclosed to stock exchange have been modified;
 - Listed companies to revisit existing events which may meet materiality criteria and disclose the same within 30 days of enforcement of amendments;
- Disclosure of agreements binding listing entities to be made in the annual report;
- Timelines specified for filling of vacancy in the office of Compliance Officer and KMPs;
- Timeline extended to March 31, 2024 for applicability of provisions to ‘High Value Debt Listed Entity’;

The above changes have been analysed in the table below:

Amendment	Analysis of Amendment/ impact
Introduction of definition of Mainstream Media and response to be given by listed entities	<p>The Amendment Regulations have now introduced a new definition of ‘Mainstream Media’ which will include print and electronic mode of the following:</p> <ul style="list-style-type: none"> ▪ 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 which is defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021 ▪ Newspapers or news channels or news and current affairs content similarly registered or permitted or regulated in the jurisdictions outside India <p>Response to reported events/information to be provided by top 100 listed companies within 24 hours of reporting</p> <p>The top 100 listed entities (with effect from October 1, 2023) and thereafter the top 250 listed entities (with effect from April 1, 2024) shall confirm, deny or clarify any reported 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 in terms of the provisions of this regulation are circulating amongst the investing public, as soon as reasonably possible and not later than 24 hours from the reporting of the event or information.</p> <p>Further, if the listed entity confirms the reported event or information, it shall also provide the current stage of such event or information.</p>

	<p>It has been clarified that the top 100 and 250 listed entities shall be determined on the basis of market capitalization, as at the end of the immediately preceding financial year.</p> <div data-bbox="416 255 1430 510" style="background-color: #1a3d54; color: white; padding: 5px;">  ELP Comments </div> <p><i>This change is to ensure that a proactive approach is taken by the listed entities to clarify news items with respect to themselves. Stock exchanges generally reach out to companies asking them to clarify their stand with respect to news that surface concerning them. Now an obligation is put on certain top companies to clarify the same from their end.</i></p>
<p>Sale, lease or disposal of an undertaking to require shareholders approval by special resolution with “majority of minority” qualifier</p> <p><i>(To come into force from the date of publication in the official gazette)</i></p>	<ul style="list-style-type: none"> ▪ A listed entity carrying out sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking of such entity or where it owns more than one undertaking, of the whole or substantially the whole of any of such undertakings, to - <ul style="list-style-type: none"> (a) Take prior approval of shareholders by way of special resolution: The special resolution shall 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. <p style="margin-left: 40px;">Further no public shareholder shall vote on the resolution if he is a party, directly or indirectly, to such sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking of the listed entity.</p> (b) Disclose the object in notice: Disclose the object of and commercial rationale for carrying out such sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking of the entity, and the use of proceeds arising therefrom, in the statement annexed to the notice to be sent to the shareholders. <p>Explanation: <i>The terms “undertaking” and “substantially the whole of the undertaking” shall have the same meaning as assigned to them under Section 180(1)(a) of the Companies Act, 2013.</i></p> <ul style="list-style-type: none"> ▪ Exemptions: The aforesaid requirement shall not be applicable for sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking by a listed entity to its wholly owned subsidiary whose accounts are consolidated with such listed entity. <p style="margin-left: 20px;">However, prior to such wholly owned subsidiary selling, leasing or otherwise disposing of the whole or substantially the whole of the undertaking received from a listed entity, whether in whole or in part, to any other entity, such listed entity shall comply with the requirements as specified aforesaid.</p> ▪ Further that the listed entity shall comply with the aforesaid requirements and obtain shareholders’ approval before diluting its shareholding below 100% in its wholly owned subsidiary to which the whole or substantially the whole of the undertaking of such listed entity was transferred. <p style="margin-left: 20px;">Explanation: The provisions of this regulation shall not be applicable where sale, lease or otherwise disposal of the whole or substantially the whole of the undertaking of a listed entity is by virtue of a covenant covered under an agreement with a financial institution regulated by or registered with the Reserve Bank of India or with a Debenture Trustee registered with the Board.</p> <p>It has also been clarified that the aforesaid requirements will not be applicable to sale, lease or disposal of undertakings of a listed entity where the notice has already been dispatched to the shareholders of the listed entity.</p> <div data-bbox="416 1890 1430 1973" style="background-color: #1a3d54; color: white; padding: 5px;">  ELP Comments </div>

	<p><i>Section 180(1)(a) of the Companies Act, 2013, already provides for seeking a special resolution in such transaction. With these changes, listed entities will also need to get “majority of minority” approval from the public shareholders and compliances have been broadened. Hence, the public shareholders will play a greater role in the approval of such transactions.</i></p>
<p>Special rights granted to shareholders will now require periodic approval of the shareholders</p>	<p>Any 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 5 years starting from the date of grant of such special right.</p> <p>Special rights available to shareholders as on the effective date of the Amendment Regulations are required to be approved by shareholders through a special resolution within a period of 5 years from the date of the resolution coming into force of the Amendment Regulation.</p> <p>Exemption: The requirement specified in this regulation shall not be applicable to the special rights made available by a listed entity to a financial institution registered with or regulated by the Reserve Bank of India under a lending arrangement in the normal course of business or to a debenture trustee registered with SEBI under a subscription agreement for the debentures issued by the listed entity, if such financial institution or the debenture trustee becomes a shareholder of the listed entity as a consequence of such lending arrangement or subscription agreement for the debentures.</p> <div data-bbox="416 862 1407 1081" style="border: 1px solid black; padding: 5px;"> <div style="background-color: #2c5e8c; color: white; padding: 2px 5px; display: flex; align-items: center;"> ELP Comments </div> <p><i>Periodic approval from shareholders will ensure that special rights are not taken over a long period of time. It will also be relevant for certain investors when they are negotiating special rights in listed companies to determine the sunset for such rights.</i></p> </div>
<p>Periodic shareholders’ approval required for continuity of all categories of directors of a listed entity</p>	<p>The Amendment Regulations have introduced following measures in relation to continuity of a director on the board of directors of a listed entity:</p> <ul style="list-style-type: none"> ▪ Approval of shareholders required every 5 years for continuation of a director: With effect from April 1, 2024, continuation of a director serving on the board of directors of a listed entity will be subject to the approval by shareholders at least once in every 5 years from the date of appointment or re-appointment in a general meeting. <ul style="list-style-type: none"> – Further, the continuation of the director serving on the board of directors of a listed entity as on March 31, 2024, without the approval of the shareholders for the last 5 years or more will be subject to approval of the shareholders in the first general meeting to be held after March 31, 2024. – Further, the requirement of getting approval from the shareholders in a general meeting will not be applicable to the Whole-Time Director, Managing Director, Manager, Independent Director or a Director retiring as per Section 152(6) of the Companies Act, 2013 where the approval of the shareholders for the reappointment or continuation of the aforesaid directors or Manager is otherwise provided for by the provisions of the LODR Regulations or the Companies Act, 2013 and has been complied with. – This requirement will not be applicable to the director appointed as per the order of a Court/Tribunal or a nominee director of the Government on the board of the listed entity other than a public sector company, or to a nominee director of a financial sector regulator on the board of a listed entity. – The requirement is not applicable to a director 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 is nominated by a Debenture Trustee registered with SEBI under a subscription agreement for the debentures issued by the listed entity.

	<ul style="list-style-type: none"> ▪ <u>Vacancy in the office of director to be filled within 3 months:</u> Any vacancy in the office of director shall be filled by the listed entity at the earliest but not later than 3 months from the date of such vacancy. <ul style="list-style-type: none"> – In case the listed entity becomes non-compliant with the requirement of maintaining the required board composition in terms of Regulation 17(1) of the LODR Regulations due to expiration of the term of office of the director, the resulting vacancy shall be filled by the listed entity not later than the date such office is vacated. <p>The above regulation will not apply in cases where the listed entity fulfils the required board composition under Regulation 17(1) without filling the vacancy.</p> <div style="background-color: #1a3d54; color: white; padding: 5px;">  ELP Comments </div> <div style="background-color: #e6f2ff; padding: 5px;"> <p><i>The change is set to dilute the board permanency of directors, and will allow the shareholders to decide the continuity of directors on board depending upon their performance.</i></p> </div>
<p>Revised criteria specified for determination of materiality of events under Regulation 30</p>	<ul style="list-style-type: none"> ▪ The Amendment Regulations have prescribed materiality thresholds for determination of materiality of events to be observed by listed entities, to include the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following: <ul style="list-style-type: none"> – 2% of turnover, as per the last audited consolidated financial statements of the listed entity; – 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 of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity. ▪ Further in the event the criteria specified in sub-clauses (a), (b) and (c) of Regulation 30(4)(i) are not applicable, the event or information is treated as material if the event or information is considered material as per the opinion of the board of directors of the listed entity. However, any continuing event or information which becomes material pursuant to notification of the Amendment Regulations, such event or information must be disclosed by the listed entity within a period of 30 days from the date of coming into effect of the Amendment Regulations. <div style="background-color: #1a3d54; color: white; padding: 5px;">  ELP Comments </div> <div style="background-color: #e6f2ff; padding: 5px;"> <p><i>With these changes, clarity has been introduced for factors to be taken into consideration for determining materiality. Listed entities will need to review any continuing event or information which becomes material pursuant to notification of the Amendment Regulations, as such event or information is required to be disclosed by the listed entity within a period of 30 days from the date of coming into effect of the Amendment Regulations.</i></p> </div>
<p>Additional conditions to be complied while framing policy for determination of materiality</p>	<ul style="list-style-type: none"> ▪ The policy for determination of materiality must not dilute any requirements as may be specified under the LODR Regulations; ▪ The 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).

<p>Timeline for disclosure of Material Events revised</p>	<p>The listed entity to first disclose to stock exchanges all events and information which are material in terms of Regulation 30 as soon as reasonably possible and in any case not later than the following timelines:</p> <ul style="list-style-type: none"> ▪ 30 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; ▪ 12 hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity; ▪ 24 four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity: <p>Further, disclosures with respect to events for which timelines have been specified in Part A of Schedule III shall be made within those timelines.</p> <p>Further, in case the disclosure is made after the timeline specified under the regulation, the listed entity is required to provide an explanation for the delay along with the disclosure.</p>
<p>Disclosure of communication of any event or information received from authority</p>	<p>In case an event or information is required to be disclosed by the listed entity in terms of the provisions of Regulation 30, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the listed entity shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.</p>
<p>Disclosure of agreements binding listing entities to be made in the annual report.</p>	<p>The Amendment Regulations have introduced disclosure requirements to address issues arising from certain types of agreements that bind listed entities.</p> <p>In this regard, a new regulation 30A has been inserted by the Amendment Regulations, whereby all 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, who are parties to the agreements specified in clause 5A of para A of part A of schedule III to these regulations, shall inform the listed entity about the agreement to which such a listed entity is not a party, within 2 working days of entering into such agreements or signing an agreement to enter into such agreements.</p> <p>Further, for the agreements that subsist as on the date of notification of clause 5A to para A of part A of schedule III, the parties to the agreements shall inform the listed entity, about the agreement to which such a listed entity is not a party and the listed entity shall in turn disclose all such subsisting agreements to the stock exchanges and on its website within the timelines as specified by SEBI.</p> <p>Further, the listed entity shall disclose the number of agreements that subsist as on the date of notification of clause 5A to para A of part A of schedule III, their salient features, including the link to the webpage where the complete details of such agreements are available, in the Annual Report for the financial year 2022-23 or for the financial year 2023-24.</p>
<p>Timelines specified for filling of vacancy in the office of Compliance Officer</p>	<p>The Amendment Regulations provides that any vacancy in the office of Compliance Officer must be filled by the listed entity at the earliest but not later than 3 months from the date of vacancy.</p> <p>Further, the listed entity shall not fill such vacancy by appointing a person in interim capacity, unless the appointment is made in accordance with the applicable laws in case of a fresh appointment to the office and the obligations under the law is made applicable to such person.</p>
<p>Disclosure by top 100 listed entities in annual report relating to business responsibility report</p>	<ul style="list-style-type: none"> ▪ Top 1000 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 SEBI from time to time.

<p><i>(To come into force from the date of publication in the official gazette)</i></p>	<ul style="list-style-type: none"> ▪ The assurance of the Business Responsibility and Sustainability Report Core shall be obtained, with effect from and in the manner as may be specified by SEBI 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 SEBI 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. <p>Explanation:</p> <p>(i) market capitalization to be calculated as on the 31st day of March of every financial year;</p> <p>(ii) Business Responsibility and Sustainability Report Core shall comprise of such key performance indicators as may be specified by the Board from time to time;</p> <p>(iii) “value chain” for the listed entities shall be specified by SEBI from time to time.”</p>
<p>Vacancy in the office of Key Managerial Personnel to be filled within 3 months</p>	<p>Any vacancy in the office of Chief Executive Officer, Managing Director, Whole Time Director, Manager or Chief Financial Officer to be filled by the listed entity at the earliest but not later than 3 months from the date of such vacancy.</p> <p>Further, the listed entity shall not fill such vacancy by appointing a person in interim capacity, unless the appointment is made in accordance with the applicable laws in case of a fresh appointment to the office and the obligations under the law is made applicable to such person.</p>
<p>Quarterly disclosure of details of cyber security incidents or breaches or loss of data or documents</p>	<p>The Amendment Regulations requires details of cyber security incidents or breaches or loss of data or documents to be disclosed along with the quarterly compliance report on corporate governance submitted by listed entities to the stock exchanges at the end of each quarter.</p>
<p>Intimation to Stock Exchange on status of payment of interest or dividend to be done in the manner specified by SEBI</p> <p><i>(To come into force from the date of publication in the official gazette)</i></p>	<p>Listed entities are required 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 1 working day of it becoming due, in the manner and format as specified by SEBI from time to time.</p>
<p>Extension of timeline to March 31, 2024 for applicability of provisions to ‘High Value Debt Listed Entity’</p> <p><i>(To come into force from the date of publication in the official gazette)</i></p>	<p>Regulations 15 of the LODR Regulations, <i>inter alia</i>, provides that the provisions of Regulation 16 to Regulation 27 of the LODR Regulations 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 INR 500 Crores and above and that these provisions will apply to a ‘high value debt listed entity’ on a ‘comply or explain’ basis until March 31, 2023 and thereafter on a mandatory basis.</p> <p>The Amendment Regulations have now extended this timeline from March 31, 2023 to March 31, 2024</p>

Material events required to be disclosed to stock exchange under Regulation 30 modified

▪ **The following events/information have been modified in Paragraph A of Part A of Schedule III of the LODR Regulations, which are deemed to be material events and required to be disclosed to the stock exchanges under Regulation 30:**

Regulation	Previous Regulation	Revised Regulation
Sub-paragraph 1 of Paragraph A of Part A of Schedule III	<p>Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation / merger / demerger / restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or any other restructuring.</p> <p>Explanation (1).- For the purpose of this sub-para, the word 'acquisition' shall mean,</p> <p>(i)acquiring control, whether directly or indirectly; or</p> <p>(ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that -</p> <p>(a)the listed entity holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;</p> <p>(b) there has been a change in holding from the last disclosure made under sub - clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.</p>	<p>Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation, merger, demerger or restructuring), sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the listed entity, sale of stake in associate company of the listed entity or any other restructuring.</p> <p>Explanation (1) - For the purpose of this sub-paragraph, the word 'acquisition' shall mean-</p> <p>(i) acquiring control, whether directly or indirectly; or</p> <p>(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 –</p> <p>(a) the listed entity holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company; or</p> <p>(b) there has been a change in holding from the last disclosure made under subclause (a) of clause (ii) of the Explanation to this sub-paragraph and such change exceeds two per cent of the total shareholding or voting rights in the said company; or</p> <p>(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.</p> <p>Explanation (2) - For the purpose of this sub-paragraph, "sale or disposal of subsidiary"</p>

			<p><i>and “sale of stake in associate company” shall include-</i></p> <p><i>(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</i></p> <p><i>(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.</i></p> <p><i>Explanation (3)- For the purpose of this sub-paragraph, “undertaking” and “substantially the whole of the undertaking” shall have the same meaning as given under section 180 of the Companies Act, 2013.”</i></p>
		-	<p><i>Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements:</i></p> <p><i>Provided that such agreements entered into by a listed entity in the normal course of</i></p>

			<p><i>business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or they are required to be disclosed in terms of any other provisions of these regulations.</i></p> <p><i>Explanation: For the purpose of this clause, the term “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.</i></p>
	<p>Sub-paragraph 6 of Paragraph A of Part A of Schedule III</p>	<p><i>Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter</i></p>	<p><i>Fraud or 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:</i></p> <p><i>For the purpose of this sub-paragraph:</i></p> <p><i>(i) ‘Fraud’ shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.</i></p> <p><i>(ii) ‘Default’ shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.</i></p> <p><i>Explanation 1- In case of revolving facilities like cash credit, an entity would be considered to be in ‘default’ if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days.</i></p> <p><i>Explanation 2- Default by a promoter, director, key</i></p>


		<i>managerial personnel, senior management, subsidiary shall mean default which has or may have an impact on the listed entity.”</i>
Sub-paragraph 7 of Paragraph A of Part A of Schedule III	<i>Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer</i>	<i>Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer</i>
	-	<i>In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the listed entities within seven days from the date that such resignation comes into effect</i>
	-	<i>In case the Managing Director or Chief Executive Officer of the listed entity was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).</i>
Sub-paragraph 11 of Paragraph A of Part A of Schedule III	<i>Reference to BIFR and winding-up petition filed by any party / creditors</i>	<i>Reference to BIFR and winding-up petition filed by any party / creditors</i>
Sub-paragraph 15 of Paragraph A of Part A of Schedule III	<i>(a) Schedule of analysts or institutional investors meet and presentations made by the listed entity to analysts or institutional investors.</i>	<i>(a) 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) and presentations</i>

		<p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>	<p><i>made by the listed entity to analysts or institutional investors.</i></p>
		-	<p><i>Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a listed entity, in relation to any event or information which is material for the listed entity in terms of regulation 30 of these regulations and is not already made available in the public domain by the listed entity.</i></p> <p><i>Explanation – “social media intermediaries” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.</i></p>
		-	<p><i>Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:</i></p> <p><i>(a) search or seizure; or</i></p> <p><i>(b) re-opening of accounts under section 130 of the Companies Act, 2013; or</i></p> <p><i>(c) investigation under the provisions of Chapter XIV of the Companies Act, 2013;</i></p> <p><i>along with the following details pertaining to the actions(s)</i></p>

			<p><i>initiated, taken or orders passed:</i></p> <p><i>i. name of the authority;</i></p> <p><i>ii. nature and details of the action(s) taken, initiated or order(s) passed;</i></p> <p><i>iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;</i></p> <p><i>iv. details of the violation(s)/contravention(s) committed or alleged to be committed;</i></p> <p><i>v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.</i></p>
		-	<p><i>Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:</i></p> <p><i>(a) suspension;</i></p> <p><i>(b) imposition of fine or penalty;</i></p> <p><i>(c) settlement of proceedings;</i></p> <p><i>(d) debarment;</i></p> <p><i>(e) disqualification;</i></p> <p><i>(f) closure of operations;</i></p> <p><i>(g) sanctions imposed;</i></p> <p><i>(h) warning or caution; or</i></p> <p><i>(i) any other similar action(s) by whatever name called;</i></p> <p><i>along with the following details pertaining to the actions(s) initiated, taken or orders passed:</i></p>

			<p><i>i. name of the authority;</i></p> <p><i>ii. nature and details of the action(s) taken, initiated or order(s) passed;</i></p> <p><i>iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;</i></p> <p><i>iv. details of the violation(s)/ contravention(s) committed or alleged to be committed;</i></p> <p><i>v. impact on financial, operation or other activities of the listed entity,</i></p> <p><i>quantifiable in monetary terms to the extent possible.</i></p>
		-	<p><i>Voluntary revision of financial statements or the report of the board of directors of the listed entity under section 131 of the Companies Act, 2013.</i></p>
		-	<p><i>Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:</i></p> <p><i>(a) suspension;</i></p> <p><i>(b) imposition of fine or penalty;</i></p> <p><i>(c) settlement of proceedings;</i></p> <p><i>(d) debarment;</i></p> <p><i>(e) disqualification;</i></p> <p><i>(f) closure of operations;</i></p> <p><i>(g) sanctions imposed;</i></p> <p><i>(h) warning or caution; or</i></p> <p><i>(i) any other similar action(s) by whatever name called;</i></p> <p><i>along with the following details pertaining to the actions(s)</i></p>

			<p><i>initiated, taken or orders passed:</i></p> <p><i>i. name of the authority;</i></p> <p><i>ii. nature and details of the action(s) taken, initiated or order(s) passed;</i></p> <p><i>iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;</i></p> <p><i>iv. details of the violation(s)/contravention(s) committed or alleged to be committed;</i></p> <p><i>v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.</i></p>										
	<p>▪ The following events/information have been modified in <u>Paragraph B</u> of Part A of Schedule III of the LODR Regulations, which are to be disclosed to the stock exchanges under Regulation 30 upon application of the guidelines of materiality:</p>												
	<table border="1"> <thead> <tr> <th>Regulation</th> <th>Previous Regulation</th> <th>Revised Regulation</th> </tr> </thead> <tbody> <tr> <td>Sub-paragraph 2 of Paragraph B of Part A of Schedule III</td> <td><i>Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal)</i></td> <td><i>Any of the following events pertaining to the listed entity:</i> <i>(a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or</i> <i>(b) adoption of new line(s) of business; or</i> <i>(c) closure of operation of any unit, division or subsidiary (in entirety or in piecemeal)</i></td> </tr> <tr> <td>Sub-paragraph 5 of Paragraph B of Part A of Schedule III</td> <td><i>Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.</i></td> <td><i>Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.</i></td> </tr> <tr> <td>Sub-paragraph 8 of Paragraph B of Part A of Schedule III</td> <td><i>Litigation(s) / dispute(s) / regulatory action(s) with impact</i></td> <td><i>Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity</i></td> </tr> </tbody> </table>	Regulation	Previous Regulation	Revised Regulation	Sub-paragraph 2 of Paragraph B of Part A of Schedule III	<i>Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal)</i>	<i>Any of the following events pertaining to the listed entity:</i> <i>(a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or</i> <i>(b) adoption of new line(s) of business; or</i> <i>(c) closure of operation of any unit, division or subsidiary (in entirety or in piecemeal)</i>	Sub-paragraph 5 of Paragraph B of Part A of Schedule III	<i>Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.</i>	<i>Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.</i>	Sub-paragraph 8 of Paragraph B of Part A of Schedule III	<i>Litigation(s) / dispute(s) / regulatory action(s) with impact</i>	<i>Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity</i>
Regulation	Previous Regulation	Revised Regulation											
Sub-paragraph 2 of Paragraph B of Part A of Schedule III	<i>Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or piecemeal)</i>	<i>Any of the following events pertaining to the listed entity:</i> <i>(a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or</i> <i>(b) adoption of new line(s) of business; or</i> <i>(c) closure of operation of any unit, division or subsidiary (in entirety or in piecemeal)</i>											
Sub-paragraph 5 of Paragraph B of Part A of Schedule III	<i>Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.</i>	<i>Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.</i>											
Sub-paragraph 8 of Paragraph B of Part A of Schedule III	<i>Litigation(s) / dispute(s) / regulatory action(s) with impact</i>	<i>Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity</i>											

	Sub-paragraph 9 of Paragraph B of Part A of Schedule III	<i>Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity</i>	<i>Frauds or defaults by directors (other than key managerial personnel) or employees of the listed entity which has or may have an impact on the listed entity</i>
	-	-	<i>Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority</i>
 ELP Comments			
<i>With these changes, set of events for which disclosures are required to be made have been expanded with timelines also incorporated therein.</i>			
Disclosures in annual report to include particulars of senior management	<ul style="list-style-type: none"> ▪ Particulars of senior management including the changes therein since the close of the previous financial year has been added in Schedule V (<i>Annual report</i>) of the LODR Regulations. ▪ Information relating to agreements disclosed under newly inserted sub-paragraph 5A of Paragraph A of Part A of Schedule III to be provided in annual report. 		

The aforesaid amendment has been introduced *vide* the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 dated June 14, 2022, ([available here](#)) and shall come into force on the thirtieth day from the date of their publication in the official gazette, except for certain amendments as mentioned above.

We trust you will find this an interesting read. For any queries or comments on this update, please feel free to contact us at insights@elp-in.com or write to our authors:

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