

Clause – by – Clause Analysis
of amended
SEBI LODR Regulations,
2015

Gaurav N Pingle,
Practising Co. Secretary, Pune.

Methodology of Presentation

2

- (i) Board of Directors,
- (ii) Independent Directors,
- (iii) Senior Management,
- (iv) Role of Committees:
 - Nomination and Remuneration Committee,
 - Stakeholders Relationship Committee,
 - Audit Committee.
- (v) Related Party Transactions,
- (vi) Shareholders Meeting,
- (vii) Disclosures - Website, MD & A Report & CG Report.

3

Board of Directors

Amendment to SEBI LODR Regulation – BoD

4

Minimum No. of Directors on Board

Gender Diversity – at least 1 independent woman director

Appointment or continuing the directorship of any person as NED who has attained age of 75 years

Quorum for Board Meetings

Separation of Roles of Non-executive Chairperson & MD/CEO

Amendment to SEBI LODR Regulation – BoD

5

Remuneration payable to single NED

Compensation payable to EDs who are Promoters or members of Promoter Group

Maximum Number of Directorships

6

Eligibility criteria for appointment of a person as ID

Amendment to SEBI LODR Regulation – ID

7

Eligibility criteria for appointment of a person as ID

Independent Director means NED, other than a nominee director of the listed entity – *who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director*

Alternate director for ID

Declaration of independence by ID

Amendment to SEBI LODR Regulation – ID

8

D & O Policy

Evaluation of IDs

ID on the BoD of unlisted material subsidiary

Definition of ‘material subsidiary’

Senior Management

Senior Management shall mean officers or personnel of listed entity who are members of its Core Management Team excluding BoD and normally this shall comprise all members of management one level below CEO or MD or WTD or Manager (including CEO or Manager, in case they are not part of the board) and shall specifically include CS & CFO.

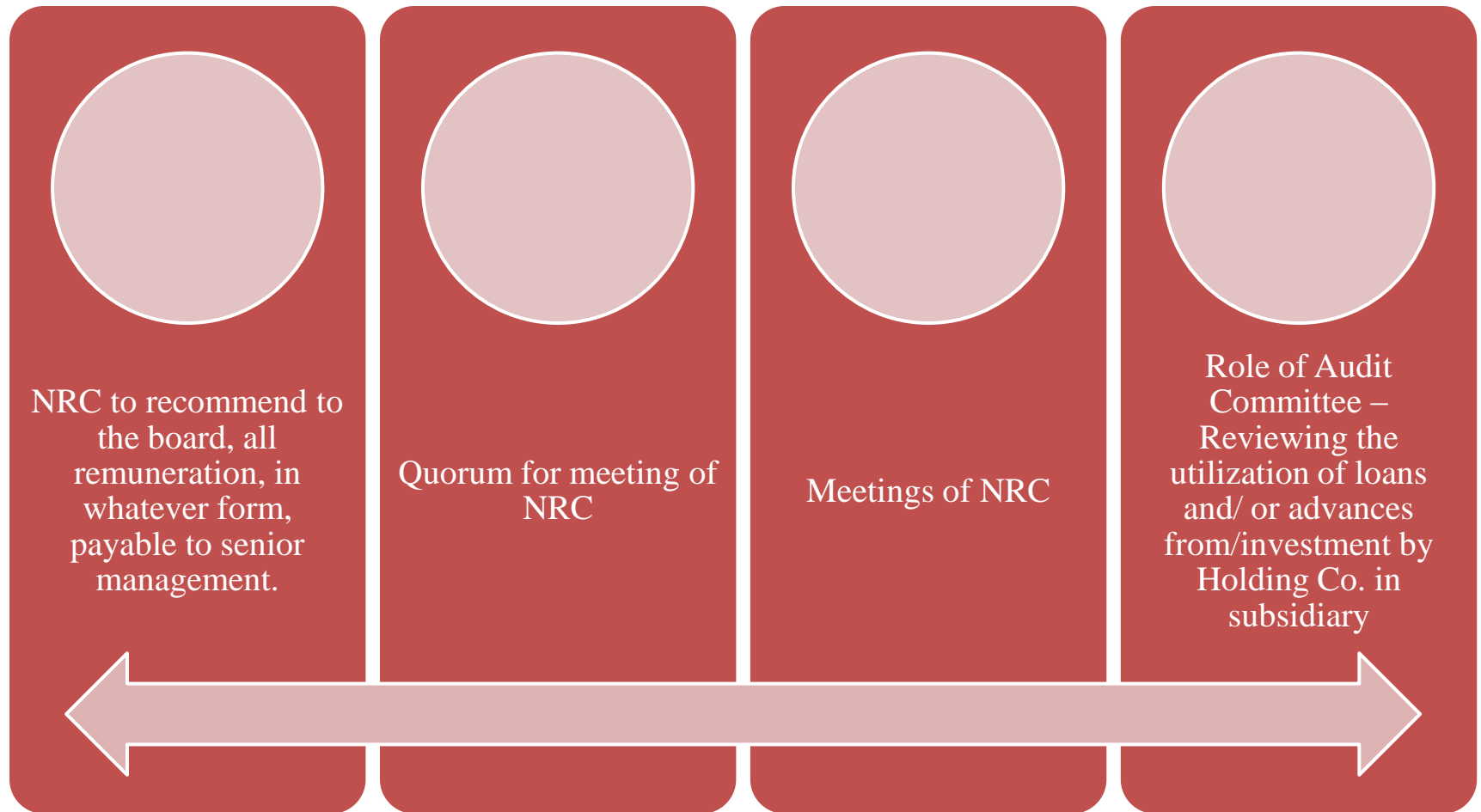
Earlier, EDs, including all functional heads.

Role of Committees

- ❖ Nomination and Remuneration Committee,
- ❖ Stakeholders Relationship Committee,
- ❖ Audit Committee.

NRC & Audit Committee

11



Stakeholders Relationship Committee (SRC)

12

Listed entity shall constitute SRC to specifically look into various aspects of interest (*earlier, the mechanism of redressal of grievances*) of shareholders, debenture holders & other security holders;

At least 3 directors, with at least one being ID, shall be members of SRC;

Chairperson of SRC shall be present at AGM to answer queries of the security holders,

SRC shall meet at least once in a year.

Earlier, BoD directors shall decide other members of the Committee - deleted

Role of Stakeholders Relationship Committee

13

Resolving grievances of security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

Review of measures taken for effective exercise of voting rights by shareholders.

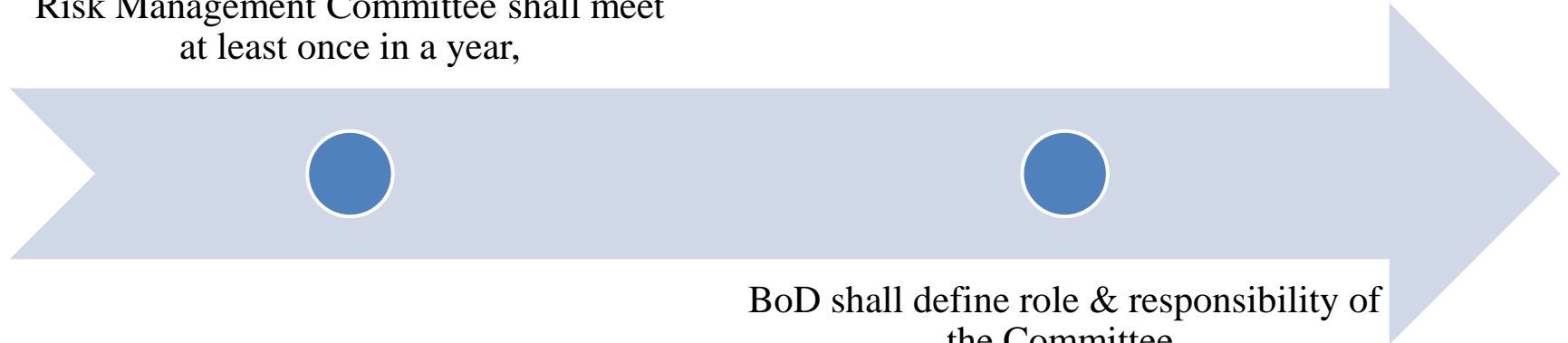
Review of adherence to service standards adopted by the listed entity in respect of various services being rendered by R&TA.

Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Risk Management Committee

14

Risk Management Committee shall meet
at least once in a year,



BoD shall define role & responsibility of
the Committee.

It may delegate monitoring and
reviewing of the risk management plan
to the Committee and such function shall
specifically cover cyber security.

15

Related Party Transactions

Related Party Transactions

16

Definition of 'Related Party'

Policy on materiality of RPTs: Listed entity shall formulate a policy on materiality of related party transactions and on dealing with related party transactions *including clear threshold limits duly approved by the board of directors and such policy shall be reviewed by the board of directors at least once every three years and updated accordingly.*

Royalty Payment: Transaction involving payments made to related party w.r.t. brand usage or royalty shall be considered material if transaction(s) to be entered into individually or taken together with previous transactions during FY, exceed 2% of annual consolidated turnover of the listed entity as per the last audited financial statements of listed entity.

Related Party Transactions

17

Voting on RPTs

Disclosure of RPT – Listed entity shall submit within 30 days from the date of publication of its standalone and consolidated financial results for the half year, disclosures of RPTs on a consolidated basis, in prescribed format and publish the same on its website.

Secretarial Audit

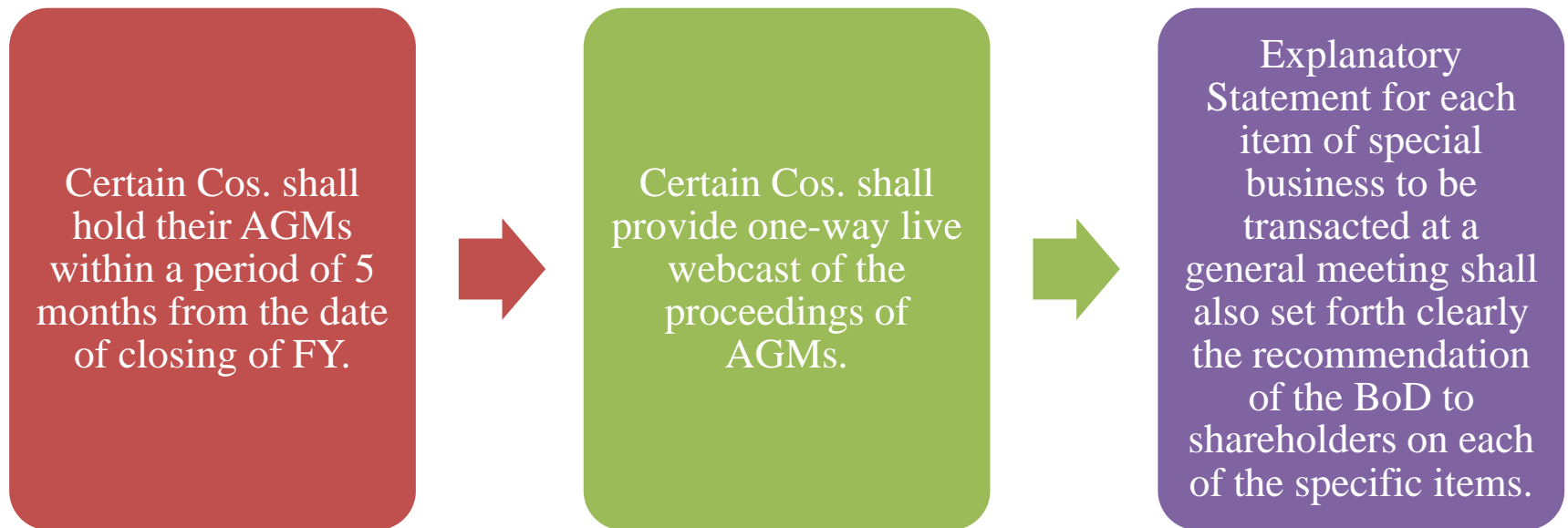
Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit and shall annex with its annual report, a Secretarial Audit Report, given by a Company Secretary in practice, in such form as may be specified w.e.f. the year ended March 31, 2019.

19

Shareholders Meeting

Shareholders Meeting & Disclosures

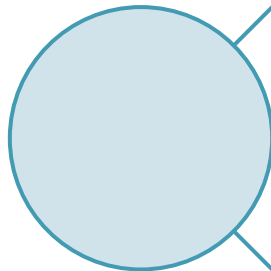
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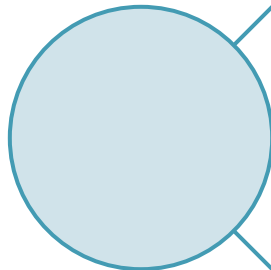
Disclosures – Website, MD & A Report & CG Report

Annual Report disclosures & SE reporting

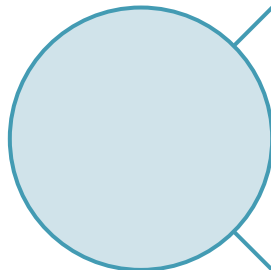
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Listed entity shall send Annual Report in soft copies to all shareholder(s) who have registered their email ids - either with listed entity or with any Depository



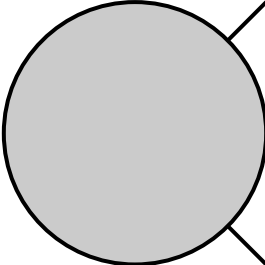
Disclosures made by listed entity to Stock Exchanges shall be in XBRL format



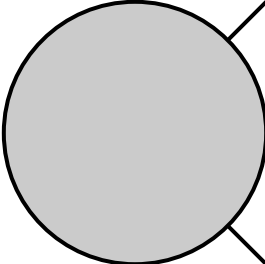
Disclosures made by the listed entity to the stock exchanges and on its website, shall be in a format that allows users to find relevant information easily through a searching tool

Disclosures on Website of Co.

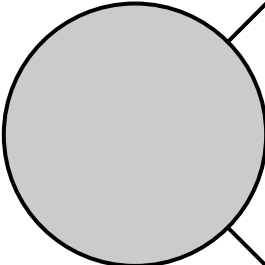
23



Listed entity shall disseminate certain information under a separate section on its website




All credit ratings obtained by the entity for all its outstanding instruments, updated immediately as and when there is any revision in any of the ratings.



Separate audited financial statements of each subsidiary of the listed entity in respect of a relevant FY, uploaded at least 21 days prior to the date of AM which has been called to inter-alia consider accounts of that FY.

Disclosures

24



Where Listed Entity has raised funds through preferential allotment or QIP, it shall disclose every year – Utilization of such funds during that year in its Annual Report until such funds are fully utilized.

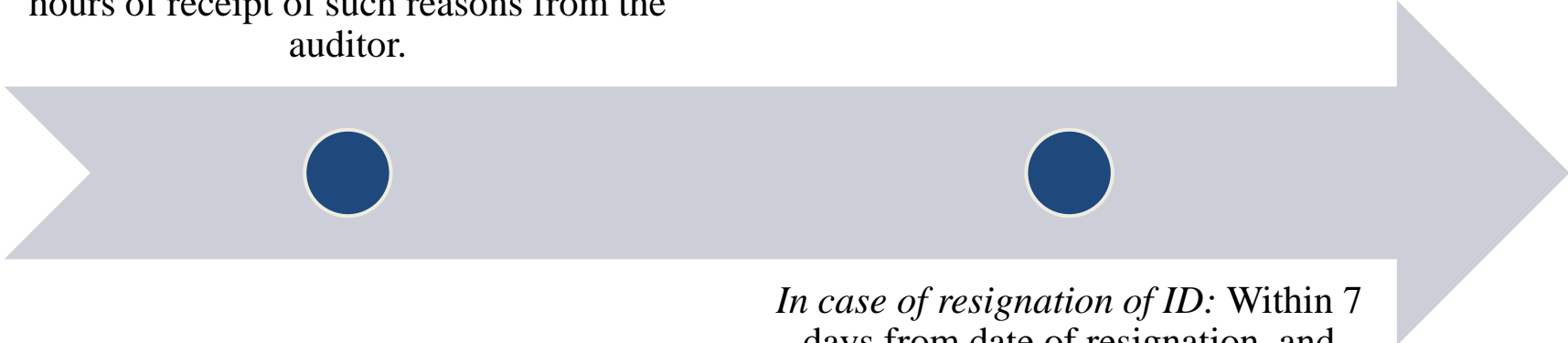
Listed Entity shall also submit Quarterly / Year-to-date Consolidated Financial Results

Listed Entity shall submit to SE and publish on its website – Copy of Annual Report sent to the shareholders along with the notice of AGM not later than the day of commencement of dispatch to its shareholders

SE Reporting – without any application of guidelines for materiality

25

In case of resignation of Auditor:
Detailed reasons for resignation of auditor, as given by Auditor, shall be disclosed by the listed entities to SEs as soon as possible but not later than 24 hours of receipt of such reasons from the auditor.



In case of resignation of ID: Within 7 days from date of resignation, and prescribed disclosures shall be made to stock exchanges by listed entities

Disclosure in Financial Results

26

W.r.t. Audit qualifications where impact of qualification is not quantifiable:

- a) Management shall mandatorily make an estimate which the Auditor shall review & report accordingly,
- b) Management may be permitted to not provide estimate on matters like going concerns or sub-judice matters; in which case, the management shall provide the reasons and the auditor shall review the same and report accordingly.

Corporate Governance Report

(General shareholder information)

27

Confirmation that in the opinion of BoD, the IDs fulfill the conditions specified in SEBI LODR Reg. and are independent of the management.

Detailed reasons for the resignation of an ID who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided.

List of all Credit Ratings obtained by the entity along with any revisions thereto during the relevant FY, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.

Corporate Governance Report (other disclosures)

28

Details of utilization of funds raised through preferential allotment/QIP

Certificate from Practising CS that none of the directors on the board of the Co. have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI / MCA or any such statutory authority

Where the BoD had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant FY, the same to be disclosed along with reasons thereof

Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

29

Q & A Session

Thank you for your active participation & patience !! 😊

**Next session on Companies (Amendment) Act, 2017
(After a break)**

(E): gp@csgauravpingle.com

(W): www.csgauravpingle.com

(M): +91 9975565713