

NDA Update – Amendment by SEBI in Listing Obligations & Disclosure Requirements Regulation (LODR)

SEBI has issued a notification on 17.05.2024 amending the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The salient features of the amendment are tabulated below:

Regulation No.	Subject	Amendment	Applicable with effect from
3(2)	Market capitalisation – method of calculation	<ul style="list-style-type: none"> • Presently certain provisions of LODR Regulations are applicable to certain listed entities based on the market capitalisation as at the end of the immediate previous financial year. • Now the criteria of determination of market capitalization have been prescribed. • The calculation of market capitalisation will be based on the average market capitalisation for a period from 1st July to 31st December, the list thereof with ranking will be prepared by the recognised stock exchanges. • The listing based on market capitalisation, as above, shall become applicable from 1st April of the next year. • Example: The average market capitalisation for a period from 1st July to 31st December 2024 shall apply to a listed entity from 1st April 2025 (F.Y. 2025-26). 	31.12.2024
3(2A) & 3(2B) – New Insertion	Applicability of threshold based on market capitalisation	<ul style="list-style-type: none"> • Once the threshold becomes applicable to an entity based on market capitalisation, it will continue to apply unless the ranking of the entity changes which results in the company coming outside the applicable threshold limit for a period of three consecutive years. 	31.12.2024

NDA Update – Amendment by SEBI in Listing Obligations & Disclosure Requirements Regulation (LODR)

Regulation No.	Subject	Amendment	Applicable with effect from
		<ul style="list-style-type: none"> The entities which remain outside the applicable threshold limit for three consecutive years, as above, the provisions that apply based on market capitalisation shall cease to apply at the end of the financial year following 31st December of the 3rd consecutive year. For listed entities, that follows calendar year (January – December) as the financial year, the provisions shall cease to apply at the end of three months from 31st December of the third consecutive year (i.e. 31st March). 	
15(1A)	Applicability of certain Regulation on “High Value Debt Listed Entities”	<ul style="list-style-type: none"> Presently, provisions of Regulation 16 to 27 are applicable to a ‘high value debt listed entity’ on a ‘comply or explain’ basis until March 31, 2024 and on a mandatory basis thereafter. This time line has been extended by one year. Now, the aforesaid regulations will be applicable to such entities on a “comply or explain” basis till March 31, 2025 and on a mandatory basis thereafter. ‘Comply or explain’ for the purpose this regulation shall mean that the entity shall endeavour to comply with the provisions and achieve full compliance by March 31, 2025. In case the entity is not able to achieve full compliance with the provisions, till such time, it shall explain the reasons for such non-compliance/ partial compliance and the steps initiated to achieve full compliance in the quarterly compliance report filed. 	17.05.2024

NDA Update – Amendment by SEBI in Listing Obligations & Disclosure Requirements Regulation (LODR)

Regulation No.	Subject	Amendment	Applicable with effect from
17	Board of Directors – Removal of certain irrelevant timelines	<ul style="list-style-type: none"> There is no change in the number of independent woman director and minimum number of directors, certain listed entities should have based on threshold limit. Only the earlier timeline of staggered applicability pertaining to earlier years has been removed since the same has now become redundant. Board of directors of the top 1000 listed entities shall have at least one independent woman director. (No change in the threshold limit). The board of directors of the top 2000 listed entities shall comprise of not less than six directors. (No change in the threshold limit). The quorum for every meeting of the board of directors of the top 2000 listed entities shall be one-third of its total strength or three directors, whichever is higher, including at least one independent director, participating physically or by video conferencing or by other audio-visual means. 	31.12.2024
21(3C)	Risk Management Committee (RMC) - Meeting	<ul style="list-style-type: none"> Presently, the provisions relating to RMC are applicable to top 1000 listed entities and high value debt listed entity. Also, the gap between 2 consecutive meeting of RMC should not be more than 180 days. This limit of 180 days is now allowed to be 210 days. Thus, the gap between 2 consecutive meeting of RMC can now be 210 days. There is no change in the threshold. 	17.05.2024

NDA Update – Amendment by SEBI in Listing Obligations & Disclosure Requirements Regulation (LODR)

Regulation No.	Subject	Amendment	Applicable with effect from
25(10)	Directors & Officers Insurance	<ul style="list-style-type: none"> There is no change in the threshold limit (applicable to top 1000 listed entities) relating to applicability of these regulations. Only the timeline of applicability pertaining to earlier year has been removed. 	31.12.2024
26A(1) & (2) New proviso inserted	Vacancies of Key Management Personnel (KMP)	<ul style="list-style-type: none"> Presently, the time limit for filing up vacancy in the post of a KMP is 3 months. The above time limit of 3 months is extended to 6 months in case of entities which is required to obtain approval of regulatory, government or statutory authorities to fill up such vacancy 	17.05.2024
29(1)	Prior Intimation	<ul style="list-style-type: none"> Prior intimation, wherever required to be given under Regulation 29, shall now be “at least 2 working days in advance, excluding the date of intimation and the date of meeting”. The criteria of 5 days or 11 days has now been deleted. 	17.05.2024
30(11)	Disclosure of event or information	<ul style="list-style-type: none"> The amendments, highlighted in red font, are as under: Provided that the top 100 listed entities and thereafter the top 250 listed entities with effect from the date as may be specified by the Board, shall confirm, deny or clarify, “upon the material price movement as may be specified by the stock exchange” any reported event or information in the mainstream media which is not general in nature and which 	17.05.2024

NDA Update – Amendment by SEBI in Listing Obligations & Disclosure Requirements Regulation (LODR)

Regulation No.	Subject	Amendment	Applicable with effect from
		indicates that rumour of an impending specific material event or information in terms of the provisions of this regulation are “is” circulating amongst the investing public, as soon as reasonably possible and “but in any case” not later than twenty four hours from the reporting of the event or information ”trigger of material price movement” :	
30(11A) – New insertion	Disclosure of event or information	<ul style="list-style-type: none"> The promoter, director, key managerial personnel or senior management of a listed entity shall provide adequate, accurate and timely response to queries raised or explanation sought by the listed entity in order to ensure compliance with the requirements under sub-regulation 11 of this regulation and the listed entity shall disseminate the response received from such individual(s) promptly to the stock exchanges. 	17.05.2024

https://www.sebi.gov.in/legal/regulations/may-2024/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-amendment-regulations-2024_83476.html