



CIRCULAR

SEBI/HO/CFD/CMD1/CIR/P/2020/79

May 12, 2020

To

All listed entities
All Recognized Stock Exchanges

Madam / Sir,

Subject: Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – Covid-19 pandemic

1. In view of the CoVID-19 pandemic, SEBI had provided relaxations to listed entities, from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ('SEBI LODR' / 'LODR') and circulars issued thereunder vide the following circulars:

- No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020,
- No. SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated March 26, 2020,
- No. SEBI/HO/CFD/CMD1/CIR/P/2020/63 dated April 17, 2020 and
- No. SEBI/HO/CFD/CMD1/CIR/P/2020/71 dated April 23, 2020.

It has been decided to grant the following further relaxations / issue clarifications regarding provisions of the LODR in the face of challenges faced by listed entities due to the COVID-19 pandemic.

A. Relaxations necessitating out of MCA circulars

2. The Ministry of Corporate Affairs (MCA), vide circulars dated April 8, 2020 and April 13, 2020 provided certain relaxations for companies, including conducting Extraordinary General Meeting (EGM) through Video Conferencing (VC) or through other audio-visual means (OAVM) (hereinafter referred to in this circular as '*electronic mode*'). Further, vide circular dated May 5, 2020, MCA also extended these relaxations to AGMs of companies conducted during the calendar year 2020; the circular has also dispensed with the printing and despatch of annual reports to shareholders. Accordingly, the following related provisions of the LODR are relaxed:

i. Requirement of sending physical copies of annual report to shareholders

3. Regulation 36 (1)(b) and (c) of the LODR prescribes that a listed entity shall send a hard copy of the statement containing salient features of all the documents, as prescribed in Section 136 of the Companies Act, 2013 to the shareholders who have not registered their email addresses and hard copies of full annual reports to those shareholders, who request for the same, respectively. Regulation 58 (1)(b) &(c) of the LODR extend similar requirements to entities which have listed their NCDs and NCRPS'.



4. The requirements of Regulations 36 (1)(b) and (c) and Regulation 58 (1)(b) &(c) of the LODR are dispensed with for listed entities who conduct their AGMs during the calendar year 2020 (i.e. till December 31, 2020).

ii. Requirement of proxy for general meetings

5. Regulation 44 (4) of the LODR specifies that the listed entity shall send proxy forms to holders of securities in all cases mentioning that a holder may vote either for or against a resolution.
6. The requirement under regulation 44 (4) of the LODR is dispensed with temporarily, in case of meetings held through electronic mode only. This relaxation is available for listed entities who conduct their AGMs through electronic mode during the calendar year 2020 (i.e. till December 31, 2020).

iii. Requirement of dividend warrants/cheques

7. Regulation 12 of the LODR prescribes issuance of 'payable at par' warrants or cheques in case it is not possible to use electronic modes of payment. Further, in case the amount payable as dividend exceeds Rs.1500/-, the 'payable-at-par' warrants or cheques shall be sent by speed post. The requirements of this regulation will apply upon normalization of postal services. However, in cases where email addresses of shareholders are available, listed entities shall endeavour to obtain their bank account details and use the electronic modes of payment specified in Schedule I of the LODR.

B. Relaxation from publication of advertisements in the newspapers:

8. SEBI, vide circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated March 26, 2020 had exempted publication of advertisements in newspapers, as required under regulation 47, for all events scheduled till May 15, 2020, since some newspapers had stopped their print versions due to CoVID-19 pandemic. Similarly, vide circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/63 dated April 17, 2020, a similar requirement that exists in regulation 52(8) of the LODR Regulations and applies to entities which have listed their NCDs and NCRPS' was also exempted till May 15, 2020.
9. In view of the continuing lockdown and the resultant bottlenecks relating to print versions of newspapers, the aforesaid exemptions from publication of advertisements in newspapers are extended for all events scheduled till June 30, 2020.

C. Relaxation from publishing quarterly consolidated financial results under regulation 33(3)(b) of the LODR for certain categories of listed entities:

10. As per regulation 33(3)(b) of the LODR, in case a listed entity has subsidiaries, the listed entity shall submit quarterly/year-to-date consolidated financial results.



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Securities and Exchange Board of India

11. The Companies (Indian Accounting Standards (Ind-AS)) Rules, 2015 stipulate the adoption and applicability of Ind-AS in a phased manner beginning from the financial year 2016-17. Currently, Ind-AS is applicable to all listed entities with the exception of those in the banking and insurance sectors. RBI and IRDA have not yet notified the date of implementation of Ind-AS for banks and insurance companies, respectively.
12. SEBI has received representations from listed entities that are banks or insurance companies as well as those that have banks and / or insurance companies as subsidiaries, highlighting the challenges in preparing consolidated financial results under regulation 33(3)(b) in view of different accounting standards being followed by companies belonging to same group and the difficulties in restating those financials as per IND-AS due to the prevailing circumstances in view of CoVID-19 pandemic.
13. After considering the representations, the following have been decided:
 - a) Listed entities which are banking and / or insurance companies or having subsidiaries which are banking and / or insurance companies may submit consolidated financial results under regulation 33(3)(b) for the quarter ending June 30, 2020 on a voluntary basis. However, they shall continue to submit the standalone financial results as required under regulation 33(3)(a) of the LODR.
 - b) If such listed entities choose to publish only standalone financial results and not consolidated financial results, they shall give reasons for the same.
14. This Circular shall come into force with immediate effect. The Stock Exchanges are advised to bring the provisions of this circular to the notice of all listed entities and also disseminate on their websites.
15. The Circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act, 1992 read with Regulation 101 of the LODR.
16. This Circular is available at www.sebi.gov.in under the link "Legal→Circulars".

Yours faithfully,

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