





SEBI on the Kotak Committee Recommendations

SEBI, in its board meeting held on 28 March 2018, reviewed the recommendations made by the Kotak Committee on Corporate Governance¹. **SEBI's decisions** on the various recommendations of the committee are summarised below;

	Accepted without modification		Accepted with modification		Rejected		Referred to other agencies
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Chapter I- Composition and Role of the Board of Directors

S. No	Agenda	Existing provision	New provision	Committee timeline	SEBI Acceptance
1	Minimum Number of Directors on a Board	Companies Act 2013 (Companies Act) requires a minimum of three directors on the board	A minimum of six directors should be required on the board	As on 1 October 2018	In top 1000 companies by 1 Apr 19; in top 2000 by 1 Apr'20
2	Gender Diversity on the Board	At least one-woman director	At least one independent woman director	As on 1 October 2018	In top 500 companies by 1 Apr 19; in top 1000 by 1 Apr'20
3	Attendance of Directors	Companies Act provides for the automatic vacation of office of director if a director is absent from all meetings of the board of directors held during a 12-month period	If a director does not attend at least half of the total number of board meetings over two financial years on a rolling basis, his/her continuance on the board should be ratified by the shareholders at the next annual general meeting	From 1 April 2018	Accepted
4	Disclosure of Expertise/ Skills of Directors	No specific provision.	Board of directors of every listed entity should be required to list the competencies/expertise that it believes its directors should possess. It should also be required to disclose the list of competencies/ expertise that its board members actually possess	From FY19 AR (detailed disclosures from FY20)	Accepted
5	Approval for Non-executive Directors on Attaining a Certain Age	No specific provision	A provision requiring a special resolution should be inserted for listed entities for the appointment/continuation of non-executive directors on attaining the age of 75 years	From 1 October 2018	Accepted
6	Minimum Number of Board Meetings	At least four meetings	At least five meetings and at least once a year, the board shall specifically discuss strategy, budgets, board evaluation, risk management, ESG (environment, sustainability and governance) and succession planning.	From 1 April 2018	Rejected
7	Updation of Knowledge of the Board Members	No specific provision.	At least once every year, the board of directors should be updated on regulatory and compliance changes	From 1 April 2018	Rejected
8	NED Engagement with the Management	No specific provision.	At least once every year, an interaction should be required between the NEDs and senior management.	From 1 April 2018	Rejected

¹ Amit Tandon, managing director IiAS, was a member of the Kotak committee and participated in the deliberations

Accepted without modification
 Accepted with modification
 Rejected
 Referred to other agencies

S. No	Agenda	Existing provision	New provision	Committee timeline	SEBI Acceptance
9	Quorum for Board Meetings	Companies Act requires a quorum of one-third of the total strength of the board of directors or two directors, whichever is higher, for every board meeting	Quorum for every board meeting of the listed entity should be a minimum of three directors or one-third of the total strength of the board of directors, whichever is higher, including at least one independent director	From 1 October 2018	In top 1000 companies by 1 Apr 19; in top 2000 by 1 Apr'20
10	Separation of the Roles between Non-executive Chairperson and Managing Director/CEO	Discretionary requirement for a listed entity	Listed entities with more than 40% public shareholding should separate the roles of Chairperson and MD/CEO and the Chairperson should be non-executive	From 1 April 2020	Separation in top 100 companies by 1 Apr 19; Chairperson must be non-executive and not be related to the MD/CEO
11	Matrix Reporting Structure	No specific provision.	A confirmation be provided by the board as part of the corporate governance report that they have been responsible for the business and overall affairs of the listed entity in the relevant financial year and that the reporting structures of the listed entity, formal and informal, are consistent with the above	From FY19 AR	Rejected
12	Maximum Number of Directorships	A person shall not serve as an independent director in more than seven listed entities. As a non-independent director, they can serve on a maximum of 10 listed entities.	No person shall hold office as a director, including any alternate directorship, in more than eight listed entities at the same time (of which independent directorships shall not exceed seven), with effect from April 1, 2019 and not more than seven listed entities with effect from April 1, 2020	From 1 April 2019/1 April 2020	Accepted
13	Disclosures on Board Evaluation (action plans)	Manner in which board evaluation has been conducted to be disclosed.	All listed entities may consider the following as a part of their disclosures on board evaluation: a) Observations of board evaluation carried out for the year b) Previous year's observations and actions taken c) Proposed actions based on current year observations."	Guidance to be issued by SEBI	Accepted





Accepted without modification
 Accepted with modification
 Rejected
 Referred to other agencies

Chapter II- The Institution of Independent Directors

S.No	Agenda	Existing provision	New provision	Committee timeline	SEBI Acceptance
1	Minimum Number of Independent Directors	Depends on chairperson classification	At least half of the board of directors shall comprise of independent directors (i) with effect from April 1, 2019, for the top 500 listed entities, determined on the basis of market capitalization, as at the end of the immediate previous financial year; and (ii) with effect from April 1, 2020, for all listed entities.	From 1 April 2019/1 April 2020	Rejected
2A	Eligibility criteria for Independent Directors (exclusion of promoters)	No specific provision.	Members of the promoter group cannot be considered independent	From 1 April 2018	Accepted
2B	Eligibility criteria for Independent Directors (Board interlock)	No specific provision.	A non-independent director of a company on the board of which any non-independent director of the listed entity is an independent director, cannot be an independent director on the board of the listed entity	From 1 April 2018	Accepted
2C	Independence disclosures	No specific provision.	Independence should be confirmed in the corporate governance report, and at the first meeting of the board in every financial year. Further, fulfilment of independence criteria to be evaluated as part of board evaluation	From 1 April 2018	Accepted
3	Minimum Compensation to Independent Directors	No provision on minimum compensation.	The minimum total remuneration for an ID per year shall be Rs. 5 lakhs for top 500 companies by market capitalisation (subject to approvals as required under Companies Act) - with additional requirements on minimum sitting fees. In case of inadequacy of profits, the minimum requirement of Rs. 5 lakhs shall not apply.	From 1 April 2018	Rejected
4	Disclosures on Resignation of Independent Directors	Companies Act provides that a director who is resigning before the expiry of his term shall give detailed reasons to the registrar of companies	Should be required to disclose detailed reasons for resignation of IDs (as provided by such IDs) simultaneously with intimation of their resignation to the stock exchanges as well as subsequently as part of the corporate governance report. As part of such disclosure, the listed entity should include a confirmation as received from the director that there are no other material reasons other than those set out therein.	From 1 April 2018	Disclosure to be provided within 7 days of resignation; format to be specified
5	Directors and Officers Insurance for Independent Directors	The Companies Act provides that the letter of appointment of IDs shall specify the provision for Directors and Officers (D&O) insurance, if any.	Initially be mandatory for top 500 companies by market capitalization, to undertake D&O insurance for its IDs, with effect from October 1, 2018. The board of directors of the listed entity to determine the quantum and type of risks covered under such insurance	From 1 October 2018	Accepted
6	Induction and Training of Independent Directors	Companies Act provides general clauses pertaining to training, induction, etc. of directors	<ul style="list-style-type: none"> A formal induction should be mandatory for every new ID appointed to the board; and A formal training, whether external/internal, especially with respect to governance aspects, should be required for every ID once every five years, the onus of which shall be on the director 	From 1 April 2018	Rejected

Accepted without modification
 Accepted with modification
 Rejected
 Referred to other agencies

S.No	Agenda	Existing provision	New provision	Committee timeline	SEBI Acceptance
7	Alternate Directors for Independent Directors	The Companies Act permits alternate directors for all directors including IDs. It also states that no person shall be appointed as an alternate director for an ID unless he is qualified to be appointed as an ID.	No person shall be appointed as an alternate director for an independent director of a listed entity with effect from April 1, 2018	From 1 April 2018	Accepted
8	Lead Independent Director in Companies with Non-independent Chairperson	No specific provision.	All listed entities where the Chairperson is not independent to designate an ID as the Lead ID; the Lead ID should be a member of NRC	From 1 October 2018	Rejected
9	Exclusive Meeting of Independent Directors	Require at least one meeting of the IDs in a year without the presence of other directors	Such meetings may be held more than once at the discretion of the IDs		Rejected
10	Casual Vacancy of Office of Independent Director	Vacancy shall be filled but not later than the immediate next meeting of the board of directors or three months from the date of such vacancy, whichever is later	Any appointment to fill casual vacancy of office of any IDs should also be approved by the shareholders at the next general meeting	From 1 April 2018	Rejected

	Accepted without modification		Accepted with modification		Rejected		Referred to other agencies
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Chapter III- Board Committees

S. No	Agenda	Existing provision	New provision	Committee timeline	SEBI Acceptance
1	Minimum Number of Committee Meetings	SEBI LODR Regulations require at least four meetings of the Audit Committee every year	The minimum number of Audit Committee (AC) meetings be increased to five every year. In addition, the Committee recommends all other mandatory board committees necessarily meet at least once in a year.	From 1 April 2018	Four meetings for AC; one meeting for every other committee
2	Role of Audit Committee (scrutiny of transactions with subsidiary)	No specific provision.	The audit committee should be required to scrutinize the end utilization of funds where the total amount of loans/advances/ investment from the holding company to the subsidiary exceeds Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower.	From 1 April 2018	Accepted
3	Composition of Nomination and Remuneration Committee	Nomination and Remuneration Committee (NRC) is required to have only half of its members as IDs	NRC is required to have at least two thirds of its members as IDs	From 1 April 2019	Rejected
4	Role of Nomination and Remuneration Committee	Role of the NRC includes identifying persons who may be appointed in senior management in accordance with the criteria laid down and recommending to the board of directors their appointment and removal.	Scope of senior management has been expanded. Also, NRC should approve all remuneration, in whatever form, payable to senior management, subject to delegation of such authority to the Committee by the board of directors	From 1 April 2018	Accepted
5	Composition and Role of Stakeholders Relationship Committee (SRC)	Role of the SRC shall be to consider and resolve the grievances of the security holders of the listed entity	Recommends a significant increase in its scope and responsibilities to include actively engaging and communicating with the major shareholders of the company/Group it represents, including obtaining proactive input on strategy. Further, the Committee recommends that there be at least three directors as members of the SRC, with at least one being an ID. Further, the Committee recommends that the Chairperson of the SRC be present in the annual general meeting to answer queries of the security holders.	From 1 April 2018	Composition norms accepted; but not required to engage with institutional investors
6	Quorum for Committee meetings	SEBI LODR Regulations specifies quorum requirement for meetings of the Audit committee but not for other committees	For meetings of each such committee of the board, the composition of which statutorily requires at least one ID, the presence of at least one ID may be made mandatory for attaining quorum for such meetings (apart from the audit committee where the quorum requirement remains unchanged).	From 1 April 2018	Accepted for NRC; not accepted for SRC
7	Applicability and Role of Risk Management Committee	SEBI LODR Regulations require the constitution of a risk management committee by the top 100 listed entities. The role of the risk management committee is not specified in the SEBI LODR Regulations.	Extend the requirement of a Risk Management Committee to the top 500 listed entities by market capitalization as against current applicability to top 100 listed entities. In addition, the Committee recommends that, in view of increasing relevance of cyber security and related risks, the role of risk management committee specifically cover this aspect.	From 1 April 2018	Accepted
8	Membership and Chairpersonship Limit	Currently, in determining the maximum number of committees in which a director can be a member (max 10)/Chairperson (max 5) of, SEBI LODR Regulations considers only the Audit Committee and Stakeholders Relationship Committee	In determining the maximum number of committees in which a director can be a member/Chairperson of, NRC should also be included and thereby treated at par with Audit Committee and Stakeholders Relationship Committee	From 1 April 2018	Rejected



Accepted without
modification



Accepted with
modification



Rejected







Referred to other
agencies

S. No	Agenda	Existing provision	New provision	Committee timeline	SEBI Acceptance
9	Information Technology Committee	No specific provision.	Listed entities may constitute an information technology committee which, in addition to the risk management committee, will focus on digital and other technological aspects.	Discretionary requirement	Rejected

Accepted without modification
 Accepted with modification
 Rejected
 Referred to other agencies

Chapter IV- Enhanced Monitoring of Group Entities

S.No	Agenda	Existing provision	New provision	Committee timeline	SEBI Acceptance
1A	Obligation on the Board of the Listed Entity with respect to Subsidiaries	Threshold for determining material subsidiary as 20% of the consolidated income or net-worth	The definition of the term “material subsidiary” should be revised to mean a subsidiary, whose income or net worth exceeds 10% (from the current 20%) of the consolidated income or net worth. Further, all significant transactions pertaining to non-material subsidiaries to also come under the purview of the board of the listed company.	From 1 April 2018	Accepted
1B	Obligation on the Board of the Listed Entity with respect to Subsidiaries	SEBI LODR Regulations require that at least one ID on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, incorporated in India	The requirement for ID to be extended to unlisted foreign material subsidiaries as well. For this, material subsidiary will continue to be defined as a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth	From 1 April 2018	Accepted
2	Group Governance Unit/ Committee and Policy	No specific provision.	<p>In order to improve monitoring of group entities, it is recommended that where a listed entity has a large number of unlisted subsidiaries:</p> <p>1) The listed entity may monitor their governance through a dedicated group governance unit or Governance Committee comprising the members of the board of the listed entity.</p> <p>2) A strong and effective group governance policy may be established by the entity.</p> <p>3) However, the decision of setting up of such a unit/committee and having such a group governance policy may be left to the board of the listed entity.</p>	Guidance to be provided by SEBI	Accepted
3	Secretarial Audit	Companies Act requires a secretarial audit for listed companies and unlisted companies above a certain threshold	Every listed entity and its material unlisted subsidiaries incorporated in India to undertake secretarial audit and annex with its annual report, a secretarial audit report	From 1 April 2018	Accepted

	Accepted without modification		Accepted with modification		Rejected		Referred to other agencies
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Chapter V- Promoters/Controlling Shareholders and Related Party Transactions

S.No	Agenda	Existing provision	New provision	Committee timeline	SEBI Acceptance
1	Sharing of Information with Controlling Promoters/ Shareholders with Nominee Directors	No specific provision	<ul style="list-style-type: none"> •Promoters/ significant shareholders to enter into 'Access to Information' Agreement with the company •Entering into or terminating the Agreement be disclosed as a material event under SEBI LODR •Communication made under the Agreement treated as communication for legitimate purpose under SEBI (Prohibition of Insider Trading) Regulations. 	From 1 April 2018	Rejected
2	Re-classification of Promoters /Classification of Entities as Professionally Managed	Under SEBI LODR: <ul style="list-style-type: none"> •Only shareholder approval required •All shareholders can vote •Promoters/ Promoter group/ PAC to not hold more than 1% of paid-up equity capital •Re-classified promoter/relative can hold KMP position for 3 years from date of approval 	<ul style="list-style-type: none"> •Board approval required •Promoter/ promoter group/ PAC to abstain from voting at general meeting •Promoters/ Promoter group/ PAC to not hold more than 10% of paid-up equity capital •Promoters/ relatives cannot be on Board/management or appoint Nominees •New provision for re-classification of 'specific promoter' in line with existing regulations 	With immediate effect	A complete revamp of this provision is being examined under LODR
3	Disclosure of Related Party Transactions	Companies Act and SEBI LODR require disclosure in Board's Report and shareholder approval when certain thresholds are exceeded	<ul style="list-style-type: none"> •Disclosure of RPT on half-yearly basis (within 30 days of publishing financial results) •Annual Report to disclose transactions with promoter/promoter group holding 10% or more •Definition of Related Party to include promoter/promoter group with shareholding of 20% or more •Penalties to be levied for non-compliance 	From 1 April 2018	Accepted
4	Approval of Related Party Transactions	Under SEBI LODR related parties abstain from voting on Related Party Transactions	Related parties may abstain or vote against Related Party Transactions but not allowed to vote in favour	With immediate effect	Accepted
5	Royalty and Brand Payments to Related Parties	No specific provision	Materiality threshold set at 5% of annual turnover for royalty and brand payments	From 1 April 2018	Materiality threshold at 2% of consolidated turnover instead of 5%
6	Remuneration to Executive Promoter Directors	Companies Act prescribes threshold - 5% of net profits to any one Executive Director (Promoter / non-promoter) or 10% in aggregate where there is more than one Executive Director	Shareholder approval required when annual remuneration to a director exceeds Rs. 5 crore or 2.5% net profits (higher of the two) or aggregate remuneration exceeds 5% of net profits where there is more than one director	FY starting Apr 1, 2018	Accepted

Accepted without modification
 Accepted with modification
 Rejected
 Referred to other agencies

S.No	Agenda	Existing provision	New provision	Committee timeline	SEBI Acceptance
7	Remuneration of Non-Executive Directors	Companies Act threshold - 1% of the net profits in case there is a managing director or whole-time director or manager and 3% in other cases. SEBI LODR requires the Board to recommend such payments	Shareholder approval to be obtained every year in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors	From 1 April 2018	Accepted
8	Materiality Policy	Listed companies need to formulate a policy on materiality of RPT	Policy to clearly state the materiality threshold and be reviewed and updated once in every 3 years	From 1 April 2018	Accepted





Accepted without modification
 Accepted with modification
 Rejected
 Referred to other agencies

Chapter VI - Disclosures and Transparency

S.No	Agenda	Existing provision	New provision	Committee timeline	SEBI Acceptance
1	Submission of Annual Reports	Soft copies of the Annual Report be sent to shareholders whose email ID is registered with the company and submitted to stock exchanges within 21 days after the Annual General Meeting (AGM)	Copy of the annual report to be published on stock exchange and company website simultaneously when dispatched to shareholders and a revised copy to be published within 48 hours of the AGM, in case of amendments. Registering email addresses and mobile numbers of shareholders to be made compulsory.	From 1 April 2018	Accepted
2	Disclosures pertaining to Holders of Depository Receipts	No specific provision	Company to obtain details of holders of Global Depository Receipts on a monthly basis and disclose shareholding pattern of holders holding more than 1% of total company shareholding.	From 1 April 2018	Rejected
3	Disclosures pertaining to Credit Rating	Revision in credit ratings for different instruments to be disclosed	All credit ratings obtained for different instruments to be listed on the website and updated in case of revisions. Same to be disclosed in the Corporate Governance Report.	From 1 April 2018	Accepted
4	Searchable Formats of Disclosures	No specific provision	All disclosures to be made to stock exchanges in XBRL format and on company website in searchable format	From 1 April 2018	Accepted
5	Harmonization of Disclosures	No specific provision	Harmonise disclosure formats across stock exchanges and Ministry of Corporate Affairs (MCA) and devise a common filing platform	By 1 April 2018	Harmonization accepted; but common filing platform and harmonization between MCA and stock exchange formats needs to be examined separately
6	Disclosures pertaining to Analyst/Institutional Investor meets	Schedule of investor/analyst meets disclosed on stock exchange and company website	Disclosure of schedule of investor/analyst meetings not required	With immediate effect	Rejected
7	Disclosures of Key Changes in Financial Indicators	Companies Act requires a general disclosure under the Management Discussion and Analysis section	Details of material changes (25% or more than previous FY) in key financial indicators and any change in Return on Net Worth with detailed explanations to be disclosed under the Management Discussion and Analysis section	From 1 April 2018	Accepted
8	Utilisation of Proceeds of Preferential Issue and Qualified Institutional Placement	SEBI (ICDR) Regulations require periodic disclosures on utilization of issue proceeds in case of public issues	Corporate Governance Report to include disclosures on utilization of issue proceeds in case of preferential issues and qualified institutional placement	From 1 April 2018	Accepted
9	Disclosures in Valuation Reports in Schemes of Arrangement	No specific provision	Overall improvement in standards of information in the valuation reports including disclosure on assets, liabilities & turnover of entities involved	N.A	Accepted
10	Disclosures pertaining to Directors	Notice of appointment to disclose number of directorships/ membership of committees in other listed companies	Corporate Governance Report to include disclosures on number of directorships (including category) / membership of committees of directors in other listed companies	From 1 April 2018	Accepted





Accepted without modification
 Accepted with modification
 Rejected
 Referred to other agencies

S.No	Agenda	Existing provision	New provision	Committee timeline	SEBI Acceptance
11	Disclosures pertaining to Disqualification of Directors	Companies Act requires an annual confirmation from directors in Form DIR-8	Corporate Governance Report to include a certificate from the Company Secretary that none of the directors have been disqualified under the provisions of law	From 1 April 2018	Accepted
12	Disclosures on Website	Companies to have a functional website and maintain required information	Disclosures required under SEBI LODR to be published under a separate section on company website	From 1 April 2018	Accepted
13	Disclosures of Subsidiary Accounts	Companies Act requires financial statements of subsidiaries to be placed on company website	Financial statements of subsidiaries to be placed on company website at least 21 days before the AGM	From 1 April 2018	Accepted
14	Disclosures on Long-term and Medium-term Strategy	No specific provision	Company to disclose its medium- and long-term strategy based on a time frame determined by its Board under Management Discussion and Analysis section	From 1 April 2018	Accepted
15	Prior Intimation of Board Meeting to discuss Bonus Issue	Prior intimation of board meeting for issue of bonus shares required only when it is on the agenda of the board meeting	Prior intimation required irrespective of it being on the meeting agenda	From 1 April 2018	Accepted
16	Views of Committees Not Accepted by the Board of Directors	Companies Act requires disclosures regarding recommendations made by Audit Committee not considered by Board	Cases where recommendations of any Board committee were not considered by the Board to be disclosed in Corporate Governance Report along with reasons for not accepting the same	From 1 April 2018	Accepted
17	Commodity Risk Disclosures	Disclosure of commodity price risk and commodity hedging activities required under the corporate governance section	A detailed reporting format along with the periodicity of the disclosures to be outlined for disclosures in Annual Report	N.A	Accepted





	Accepted without modification		Accepted with modification		Rejected		Referred to other agencies
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Chapter VII - Accounting and Audit related issues

S.No	Agenda	Existing provision	New provision	Committee timeline	SEBI Acceptance
1	Audit Qualifications	Management is required to quantify impact of any qualification in the Audit Report or make an estimate / provide reasons for not making an estimate, as the case may be	Management to mandatorily make an estimate where they are unable to quantify the impact of Audit qualification (except for going concern and sub-judice matters)	From 1 April 2018	Accepted
2	Independent External Opinion by Auditors	No specific provision	Auditor to have the right to seek independent external opinion in case of conflicting views with company management	From 1 April 2018	Rejected
3	Group Audits	No specific provision	Alignment with International Standards on Auditing (ISA) governed by the requirements of ISA 600; holding company auditor to be responsible for audit opinion of all material unlisted subsidiaries	N.A	Instead of full audit, the auditor will do limited review of all entities whose accounts are to be consolidated
4	Periodic Financial Disclosures	Quarterly financial results to be submitted within 45 days of end of each quarter and Consolidated results submitted on annual basis	<ul style="list-style-type: none"> •Consolidated financial results to be submitted on quarterly basis •Cash-flow statement to be provided on half-yearly basis •Accounts totalling at least 80% of each of the consolidated revenue, assets and profits to undergo limited review/audit on quarterly basis •Material adjustments made in the results of the last quarter given as a note in the financial results 	From 1 April 2018	Accepted w.e.f 1 Apr 2019
5	Internal Financial Controls (for group companies)	ICAI guidance requires reporting of internal financial controls only for operations of Indian group companies	Internal Financial Controls reporting requirements to be made applicable to the entire operations of the group including foreign operations	N.A	Referred to ICAI/NFRA
6	Disclosure of Reasons of Resignation of Auditors	Intimation to stock exchange in case of change in auditor	Detailed reasons for resignation of auditor to be provided	From 1 April 2018	Accepted
7	Disclosures on Audit and Non-audit Services Rendered by the Auditor	No specific provision	Total fees for all services paid by the company and its subsidiaries to the statutory auditor and all entities in the network firm/ network entity of which the auditor is a part to be disclosed	From 1 April 2018	Accepted
8	Audit Quality Indicators	No specific provision	Corresponding guidelines to be issued by ICAI	N.A	Referred to ICAI/NFRA
9	Disclosures of Credentials and Audit Fee of Auditors	Companies Act requires audit fees to be decided at general meeting or any other manner as provided in the notice	Notice for auditor appointment should include an explanatory note regarding details of the fees proposed, basis of recommendation for appointment and the details / credentials of the statutory auditor	From 1 April 2018	Accepted
10	IND-AS Adoption	Time extension provided for banks, NBFCs and Insurance companies	Implementation by banks, NBFCs and Insurance companies simultaneously with listed companies	N.A	Referred to MCA/IRDA/PFRDA
11A	Strengthening Monitoring, Oversight and Enforcement by SEBI	No specific provision	Alignment with the former requirement of review by the Qualified Audit report Review Committee (QARC)	N.A	Rejected





	Accepted without modification		Accepted with modification		Rejected		Referred to other agencies
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S.No	Agenda	Existing provision	New provision	Committee timeline	SEBI Acceptance
11B	Powers of SEBI with Respect to Auditors and Other Statutory Third-Party Fiduciaries for Listed Entities	No specific provision	Extend the powers of SEBI to act against auditors and third-party fiduciaries with statutory duties, subject to appropriate safeguards	N.A	Accepted, regulations to be formulated to clarify powers of SEBI over such fiduciaries
12	Strengthening Role of ICAI	Companies Act provides for monetary penalties on auditors	Amendments suggested to ICAI Act - imposing enhanced penalties, increased disclosure of action taken, separate enforcement team for listed companies, review of proxy advisory reports	N.A	Referred to ICAI/NFRA
13	Strengthening the Independent Functioning of QRB	No specific provision	Alignment with the provisions laid down by the International Forum of Independent Audit Regulators (IFIAR)	N.A	Referred to ICAI/NFRA

	Accepted without modification		Accepted with modification		Rejected		Referred to other agencies
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Chapter VIII- Investor Participation in Meetings of Listed Entities

S.No	Agenda	Existing provision	New provision	Committee timeline	SEBI Acceptance
1	Timeline for Annual General Meetings	Companies Act requires AGM to be held within 6 months from closure of the financial year	For top 100 companies (based on market capitalisation) AGM to be held within 5 months from closure of the financial year	From 1 April 2018	After FY19; i.e by 31 Aug 19
2	E-voting and Webcast of Proceedings of the Meeting	<ul style="list-style-type: none"> •Remote e-voting compulsory for listed companies •Under Companies Act e-voting is kept open till 5 pm on day preceding AGM 	<ul style="list-style-type: none"> •Live one-way webcasts of all shareholder meetings (AGMs, EGMS, NCMs) for top 100 companies (based on market capitalisation) •E-voting portal to be kept open up to 11.59 pm on meeting date 	From 1 April 2018	Webcast recommendation accepted for AGMs only; w.e.f FY19 AGM E-voting recommendation not accepted
3	Stewardship Code	No specific provision	In line with framework devised by SEBI; common stewardship code to be devised for the entire financial sector	N.A	Accepted
4	Treasury Stock	Companies Act specifically prohibits the creation of treasury stock	No voting rights attached to treasury stock shall be exercisable after 3 years	From 1 April 2021	Referred to MCA
5	Resolutions sent to Shareholders without Board's Recommendation	No specific provision	Resolutions should be recommended by Board or carry Board's deliberations where not recommended	From 1 April 2018	Board should clearly indicate its recommendation for any resolution

	Accepted without modification		Accepted with modification		Rejected		Referred to other agencies
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Chapter IX - Governance Aspects of Public Sector Enterprises (PSEs)

S.No	Agenda	Existing provision	New provision	Committee timeline	SEBI Acceptance
1	PSEs to be treated at par on governance standards	-	The listed PSEs to fully comply with the provisions of SEBI LODR Regulations	-	Accepted
2	Harmonize legislation to bring it in line with LODR	-	Harmonize legislation to bring it in line with LODR	-	Accepted
3	Transparent mandate	-	Establish a transparent mandate for PSEs and disclose its obligations and objectives	-	Referred to Govt
4	Independence of PSEs	-	Ensure independence of PSEs from the administrative ministry	-	Referred to Govt
5	Consolidate government holding in PSEs	-	Consolidate government stake in listed PSEs under holding entity structure by 1 April 2020; the holding company will have an independent board and diversified skill set	From 1 April 2020	Referred to Govt
6	Enforcement	-	The compliance of PSEs with listing regulations to be strictly enforced	-	Accepted
7	Review of PSE structure	-	Government should examine issues concerning ownership structure, removal of conflicts, creating a more autonomous environment for PSEs; to enhance the value of these national assets	-	Referred to Govt

Accepted without modification
 Accepted with modification
 Rejected
 Referred to other agencies

Chapter X – Leniency Mechanism

S.No	Agenda	Existing provision	New provision	Committee timeline	SEBI Acceptance
1	Empower SEBI to grant leniency	-	While SEBI has a consent mechanism for violations, it does not have leniency mechanisms to protect whistle-blowers. SEBI must therefore be adequately empowered to grant leniency.	-	Referred to Govt

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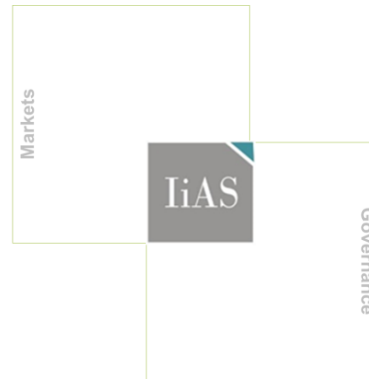
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