

THE GAZETTE OF INDIA

EXTRAORDINARY

PART – III – SECTION 4

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SECURITIES AND EXCHANGE BOARD OF INDIA

NOTIFICATION

Mumbai, the25thMay, 2016

SECURITIES AND EXCHANGE BOARD OF INDIA

(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)

(AMENDMENT) REGULATIONS, 2016

No.SEBI/ LAD-NRO/GN/2016-17/001.—In exercise of the powers conferred by section 11, sub section (2) of section 11A and section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992) read with section 31 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), the Securities and Exchange Board of India hereby makes the following regulations to further amend the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, namely:-

1. These regulations may be called the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016.
2. They shall come into force on the 1st day of April, 2016.
3. In the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,
 - I. in regulation 33,
 - i. in sub regulation (3), in clause (d),—
 - a) after the words “listed entity shall submit” and before the words “audited standalone financial results”, the word “annual” shall be inserted;
 - b) for the words and symbols “either Form A (for audit report with unmodified opinion) or Form B(”, the words and symbols “Statement on Impact of Audit Qualifications (applicable only” shall be substituted;

- c) in the proviso, for the words and symbols “either Form A (for audit report with unmodified opinion) or Form B (”, the words and symbols “Statement on Impact of Audit Qualifications (applicable only)” shall be substituted;
 - d) in the proviso, for the symbol “.”, the symbol “:” shall be substituted;
 - e) after the proviso, the following new proviso shall be inserted, namely, “Provided further that, in case of audit reports with unmodified opinion(s), the listed entity shall furnish a declaration to that effect to the Stock Exchange(s) while publishing the annual audited financial results.”;
 - ii. in sub regulation (4),
 - a) for the words and symbols “Form A (for audit report with unmodified opinion) & Form B (for audit report with modified opinion)”, the words and symbols “Statement on Impact of Audit Qualifications (for audit report with modified opinion)” shall be substituted;
 - b) the words “from time to time” shall be deleted;
 - iii. in sub regulation (6),
 - a) for the words “Form B”, the words and symbols “Statement on Impact of Audit Qualifications(for audit report with modified opinion)” shall be substituted;
 - b) the words and symbols “and Qualified Audit Report Review Committee in manner as specified in Schedule VIII” shall be deleted;
 - iv. sub regulation (7) shall be deleted;
- II. in regulation 34, in sub regulation (2) in clause (a), for the symbol “;” the words and symbols “, and Statement on Impact of Audit Qualifications as stipulated in regulation 33(3)(d), if applicable;” shall be substituted;
- III. in regulation 52,
 - i. in sub regulation (3), in clause (a),
 - a) for the words and symbols “either Form A for audit report with unmodified opinion, or Form B”, the words and symbols “Statement on Impact of Audit Qualifications(applicable only)” shall be substituted;
 - b) after the words and symbol “for audit report with modified opinion”, the symbol “)” shall be inserted;
 - c) for the symbol “.”, the symbol “:” shall be substituted;
 - d) after the clause (a), the following proviso shall be inserted, namely, “Provided that, in case of audit reports with unmodified opinion, the listed entity shall furnish a declaration to that effect to the Stock Exchange(s) while publishing the annual audited financial results.”;
 - ii. in sub regulation (3), in clause (b),
 - a) for the words “Form B”, the words and symbols “Statement on Impact of Audit Qualifications(for audit report with modified opinion)” shall be substituted;

- b) the words and symbols “and the Qualified Audit Report Review Committee in the manner as specified in Schedule VIII” shall be deleted;
 - iii. in sub regulation (3), clause (c) shall be deleted;
 - iv. in sub regulation (3), in clause (d),
 - a) for the word “formats”, the word “format” shall be substituted;
 - b) for the words “Form A and Form B”, the words and symbols “Statement on Impact of Audit Qualifications (for audit report with modified opinion)” shall be substituted;
 - c) after the words “shall be” and before the words “specified by the Board”, the words “in the manner as” shall be inserted
 - d) the words “from time to time” shall be deleted;
- IV. in regulation 53, in clause (a), for the symbol “;” the words and symbols “, and Statement on Impact of Audit Qualifications as stipulated in regulation 52(3)(a), if applicable;” shall be substituted;
- V. regulation 95 shall be substituted with the following:
 “Statement on Impact of Audit Qualifications accompanying Annual Audit Report.

 95. The recognised stock exchange(s) shall review the Statement on Impact of Audit Qualifications and the accompanying annual audit report submitted in terms of clause (d) of sub-regulation (3) of regulation 33 and clause (a) of sub-regulation (3) of regulation 52.”
- VI. In Schedule IV, in Part A, in clause B,
 - a) after the words and symbols “expressed any modified opinion(s)” and before the words “in respect of audited financial results”, the words and symbols “or other reservation(s)” shall be deleted;
 - b) after the words and symbol “earning per share” and before the words and symbols “or any other financial item(s)”, the words and symbols “,total expenditure, total liabilities” shall be inserted;
 - c) after the words and symbols “such modified opinion(s)” and before the words “and cumulative impact”, the words and symbols “or other reservation(s)” shall be deleted;
 - d) after the words and symbols “due to modified opinion(s)” and before the words and symbol “,while publishing or submitting such results”, the words and symbols “or other reservation(s)” shall be deleted;
 - e) after clause B, the following new provisions shall be inserted, namely-
 “BA. If the auditor has expressed any modified opinion(s), the management of the listed entity has the option to explain its views on the audit qualifications and the same shall be included in the Statement on Impact of Audit Qualifications (for audit report with modified opinion).”

BB. With respect to audit qualifications where the impact of the qualification is not quantifiable:

- i. The management shall make an estimate and the auditor shall review the same and report accordingly; or
- ii. If the management is unable to make an estimate, it shall provide the reasons and the auditor shall review the same and report accordingly. The above shall be included in the statement on impact of audit qualifications (for audit report with modified opinion).”;

VII. Schedule VIII shall be deleted.

U.K. SINHA

CHAIRMAN

SECURITIES AND EXCHANGE BOARD OF INDIA

Footnote:

1. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were published in the Gazette of India on 2nd September 2015 vide No. SEBI/LAD-NRO/GN/2015-16/013.
2. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, were subsequently amended on:
 - (a) December 22, 2015 by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide notification no. SEBI/LAD-NRO/GN/2015-16/27.