

CLARIFICATION ON FIXING THE RECORD DATE UNDER REGULATION 42 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

I. BACKGROUND:

Securities and Exchange Board of India (SEBI) through SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 dated December 12, 2024 amended the Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”) with respect to record date.

The amendment in provisions related to record date are as under:

- a. Time period of advance notice of at least **7 working days** (excluding the date of intimation and the record date) to the stock exchange(s) is reduced to **3 working days**.
- b. Time gap of **30 days** between two record dates is reduced to **5 working days**.
- c. Requirement of announcing the dates of closure of transfer books in place of record date for the securities held in physical form is omitted.
- d. Requirement of declaring the dividend and/or cash bonuses at least 5 working days (excluding the date of intimation and record date) before the record date fixed the purpose is also omitted. (Reg. 42(3) of LODR Regulations)

Now, BSE¹ and NSE² (“Stock Exchanges”) has now issued a circular on February 07, 2025 clarifying on fixing the record date u/r 42 of LODR Regulation.

II. KEY HIGHLIGHTS OF THE CIRCULAR:

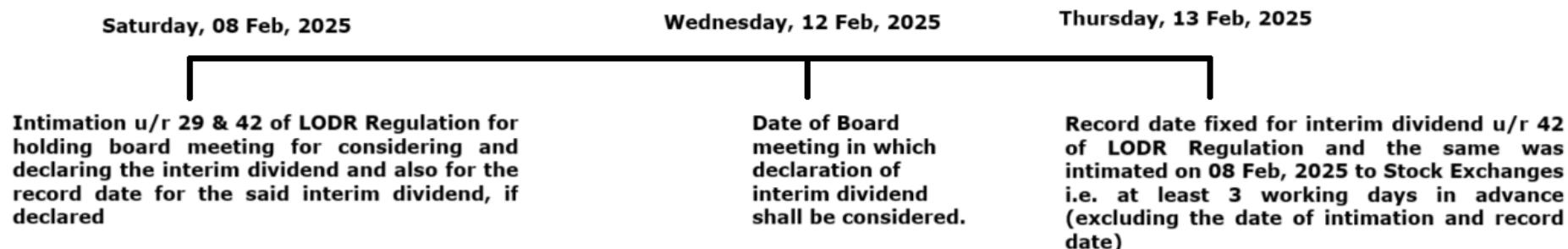
It is clarified that listed entities shall ensure a minimum gap of at least three working days between the date of board/shareholders’ approval, as applicable to the specific corporate action mentioned in Regulation 42(1), and the Record Date fixed for such purpose. The minimum gap shall be exclusive of the date of board/shareholder's approval and the actual record date.

Further, as per latest amendment, sub-regulation 5 of Regulation 42 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 has been omitted. Hence the listed entities are not required to announce dates of closure of their transfer books for any purpose

III. CACS VIEW:

1. As per amended provision of Regulation 42 of LODR Regulations, the listed entity shall give notice in advance of at least 3 working days (excluding the date of intimation and the record date).

Illustration as per existing provision of Regulation 42 of LODR:



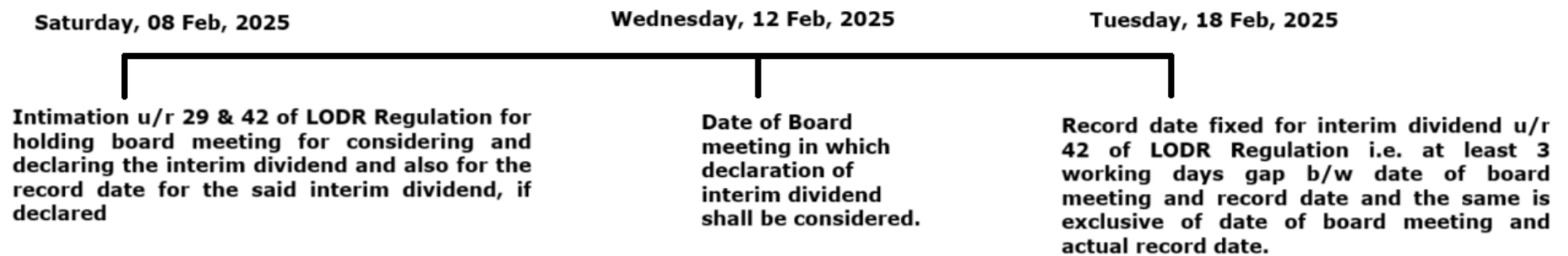
¹ <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20250207-33>

² https://nsearchives.nseindia.com/web/sites/default/files/inline-files/NSE_Circular_07022025.pdf

In view of amended Regulation 42 of LODR Regulation, the above intimation is in line with applicable provisions, However, now the stock exchanges vide their circular dated 07 February, 2025 (referred above) has clarified that **“listed entities shall ensure a minimum gap of at least three working days between the date of board/shareholders’ approval, as applicable to the specific corporate action mentioned in Regulation 42 (1), and the Record Date fixed for such purpose. The minimum gap shall be exclusive of the date of board/shareholder's approval and the actual record date.”**

2. Therefore, now onwards, there should be at least a gap of 3 working days between the date of board meeting and record date fixed for the corporate action.

Illustration as per existing provision of Regulation 42 of LODR read with circular issued by Stock exchanges dated 07 February, 2025:



Hence, the listed entities are required to comply with the stock exchanges clarification w.r.t. record date.

Suggestions may be sent to rupesh@cacsindia.com

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