

Market regulator SEBI has published the SEBI (LODR) (second amendments) vide notification No. **SEBI/LAD-NRO/GN/2021/22** on **5 May 2021**. We explore these **key amendments for risk management** and what actions are required by listed entities to comply with the revised SEBI (LODR) 2021.

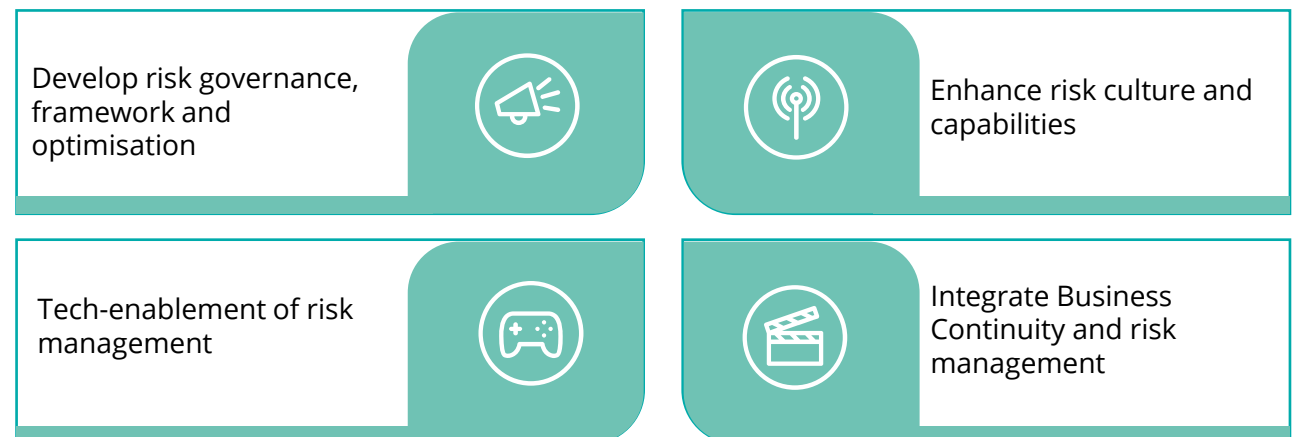
New amendments in SEBI (LODR) regulations in reference to risk management

	Applicability for formation of Risk Management Committee (RMC)	Applicable to Top 1000 listed entities
	Constitution of RMC	<ul style="list-style-type: none"> Minimum three members, with majority being board members At least one independent director
	Number of meetings and quorum	<ul style="list-style-type: none"> RMC should meet at least twice in a year Two members or one-third of total committee members, whichever is higher, including one independent director
	Maximum gap between meetings	Not more than 180 days between two consecutive meetings
	Roles and responsibilities of RMC	Formulate and monitor the implementation of risk management policy with enhanced risk domains and business continuity plans , review the policy once in two years , inform the board about its recommendation and actions, ensure robust processes and methodology exist for risk management
	Powers of RMC to seek information	RMC has powers to seek information from any employee, legal or other professional advice and secure attendance of outsiders with relevant expertise, if required
	Disclosure in annual report about RMC	Listed companies to disclose the following about RMC in the annual report: <ol style="list-style-type: none"> Brief description of terms of reference Composition, name of members and chairperson Meetings and attendance during the year

Key actionable points for top 1,000 listed companies to comply with amendments



How we can support you during your journey towards risk transformation



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