

Advisory on disclosure of material impact on COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations'/'LODR')

Background

The COVID-19 pandemic and the consequent lockdown restrictions imposed by national governments has impacted businesses not only in India but all over the world. In view of the same, SEBI has granted several relaxations to the listed entities in terms of timelines for filing of various reports/disclosures under LODR Regulations. Listed entities worldwide are encouraged by the regulators to disclose the impact of COVID-19 on their operations. SEBI has also circulated an illustrative list of disclosures to the listed entities in India in its circular **SEBI/HO/CFD/CMD1/CIR/P/2020/84** dated 20th May, 2020.

Observation

Listed entities should endeavour to ensure that all investors have access to timely, adequate and updated information. Towards this end, entities are encouraged to evaluate the impact of the CoVID-19 pandemic on their business, performance and financials, both qualitatively and quantitatively, to the extent possible and disseminate the same. An illustrative list of information that listed entities may consider disclosing, subject to the application of materiality, is given below:

- Impact of the COVID-19 pandemic on the business;
- Ability to maintain operations including the factories/units/office spaces functioning and closed down;
- Schedule, if any, for restarting the operations;
- Steps taken to ensure smooth functioning of operations;
- Estimation of the future impact of CoVID-19 on its operations;
- Details of impact of COVID-19 on listed entity's –
 - o capital and financial resources;
 - o profitability;
 - o liquidity position;
 - o ability to service debt and other financing arrangements;
 - o assets;
 - o internal financial reporting and control;

The detailed circular can readily be accessed at the following link on SEBI's website:

https://www.sebi.gov.in/legal/circulars/may-2020/advisory-on-disclosure-of-material-impact-of-covid-19-pandemic-on-listed-entities-under-sebi-listing-obligations-and-disclosure-requirements-regulations-2015_46688.html

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