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**SECURITIES AND EXCHANGE BOARD OF INDIA**  
**NOTIFICATION**  
**Mumbai, the 8th July, 2016**

**SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)(SECOND AMENDMENT) REGULATIONS, 2016**

**No. SEBI/ LAD-NRO/GN/2016-17/008** .—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 (42of 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) (Second Amendment)Regulations, 2016.
2. They shall come into force on the date of their publication in the Official Gazette.
3. In the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, after Regulation 43 the following regulation shall be inserted, namely:-

**“Dividend Distribution Policy.**

43A. (1) The top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

(2) The dividend distribution policy shall include the following parameters:

- (a) the circumstances under which the shareholders of the listed entities may or may not expect dividend;
- (b) the financial parameters that shall be considered while declaring dividend;
- (c) internal and external factors that shall be considered for declaration of dividend;
- (d) policy as to how the retained earnings shall be utilized; and
- (e) parameters that shall be adopted with regard to various classes of shares:

Provided that if the listed entity proposes to declare dividend on the basis of parameters in addition to clauses (a) to (e) or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

(3) The listed entities other than top five hundred listed entities based on market capitalization may disclose their dividend distribution policies on a voluntary basis in their annual reports and on their websites.”

**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) (Amendment) Regulations, 2015 vide notification no. SEBI/LAD-NRO/GN/2015-16/27.
  - (b) May 25, 2016 by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016 vide notification no. SEBI/LAD-NRO/GN/ 2016-17/001.