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# **Recent Amendments in SEBI Listing Regulations & Important Announcements of SEBI Board Meeting**



## **COMMON OBLIGATIONS OF LISTED ENTITY**



# Regulation 6 : Compliance Officer and his /her Obligations

SEBI has now specifically included the following:

In **whole-time employment** of the Company

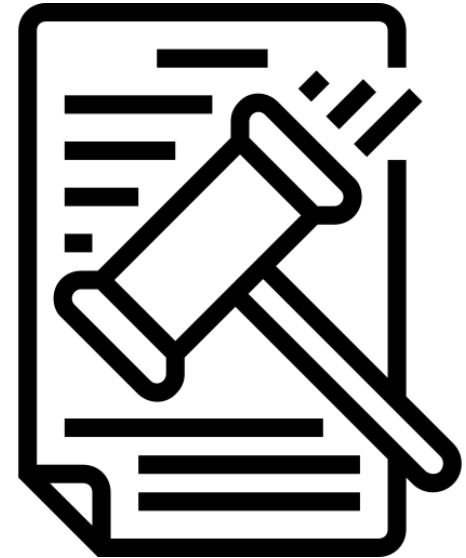
not more than **one level below** the board of directors

designated as a **Key Managerial Personnel**



## **Regulation 6 : Compliance Officer and his /her Obligations**

**Whether it is necessary that CS of listed entity shall be Compliance Officer?**



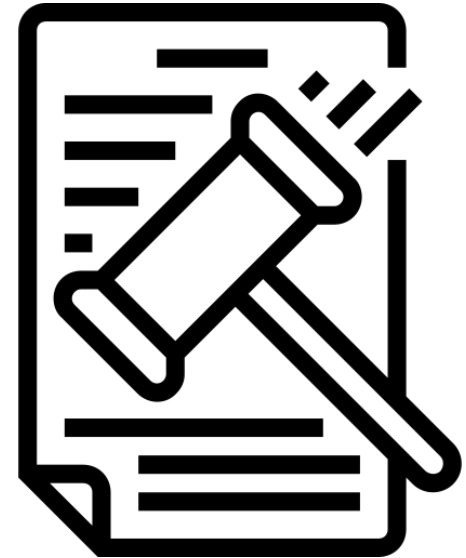
## **Regulation 6 : Compliance Officer and his /her Obligations**

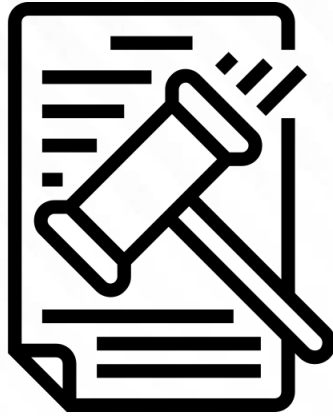
**Whether by virtue of compliance officer being one level below Board, any action is required at the end of listed entity?**



## **Regulation 6 : Compliance Officer and his /her Obligations**

**Whether by being in whole time employment,  
can CS take similar office in its subsidiary?**





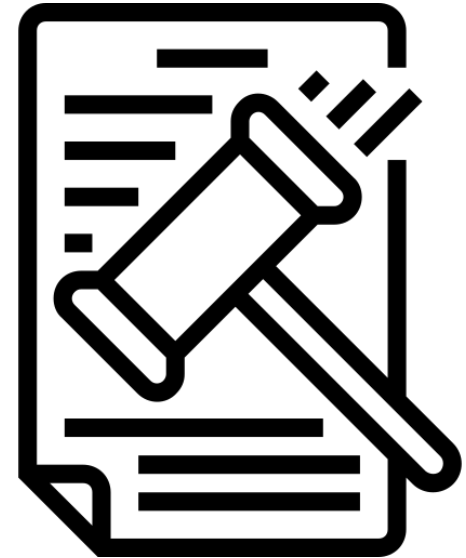
## **OBLIGATIONS OF LISTED ENTITY WHICH HAS LISTED ITS SPECIFIED SECURITIES AND NON- CONVERTIBLE DEBT SECURITIES**



## Regulation 15 : Applicability

The anomaly in second proviso to sub-regulation (2) of regulation (15) in connection with conditions for claiming exemption from CG provisions has been rectified.

“Provided further that once the above regulations become applicable to a listed entity, they shall continue to remain applicable till such time the ***equity share capital or the net-worth*** of such entity reduces and remains below the specified threshold for a period of three consecutive financial years”

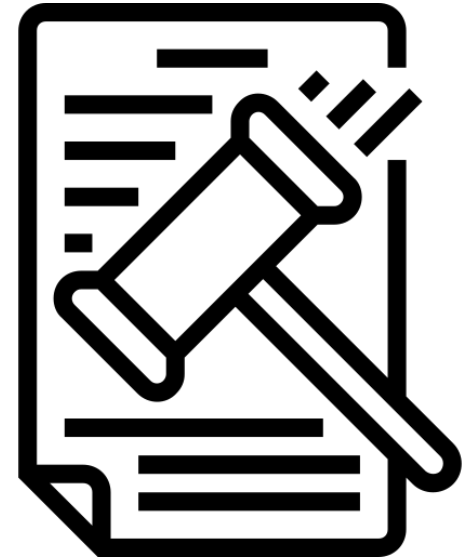




## Regulation 16 : Definition of Material Subsidiary

**The criteria for determining material subsidiary is now based on “turnover” or “net worth”, instead of “income” or “ net worth”.**

Now, 'other income' will not be considered for the purpose of checking the material subsidiary criteria.



## Regulation 24A :Secretarial Audit and Secretarial Compliance Report

**i. Appointment of Secretarial Auditor:** Secretarial Auditor must be peer-reviewed and appointed with shareholders' approval at the AGM.

### ii. Tenure

- Individual Peer- Reviewed shall be eligible for one term of five consecutive years.
- Peer Reviewed PCS firm shall be eligible for 2 consecutive term of five years each.

*However, any association of the individual or the firm as the Secretarial Auditor of the listed entity before March 31, 2025, shall not be considered for the purpose of calculating the tenure.*



## Regulation 24A :Secretarial Audit and Secretarial Compliance Report

**iii. Reappointment Restrictions/ Cooling period:** No reappointment for 5 years post-term. The new firm must have no common partners with the outgoing firm.

**iv. Causal Vacancy:** The board must fill a secretarial auditor vacancy within three months, and the appointee serves until the next AGM.

**Note:** No approval of shareholders is required to fill casual vacancy, which is not in line with substantive provisions



## Regulation 24A :Secretarial Audit and Secretarial Compliance Report

**v. Restriction on other Services:** Secretarial Auditor may provide only board-approved services, excluding SEBI-specified ones. ***Non-audit services need board approval.***

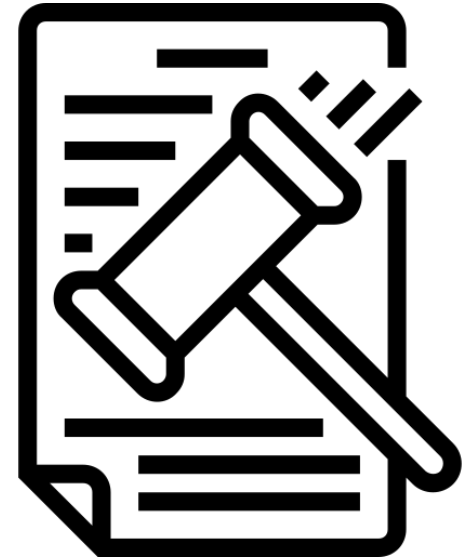
**vi. Eligibility, Qualifications and Disqualifications of Secretarial Auditor:** Only peer-reviewed Company Secretaries or partners may serve and sign as Secretarial Auditors.

**vii. Others:** From April 1, 2025, Secretarial Auditors must meet appointment and re-appointment requirements, and the Compliance Report must be signed by the Secretarial Auditor or a peer-reviewed Company Secretary.



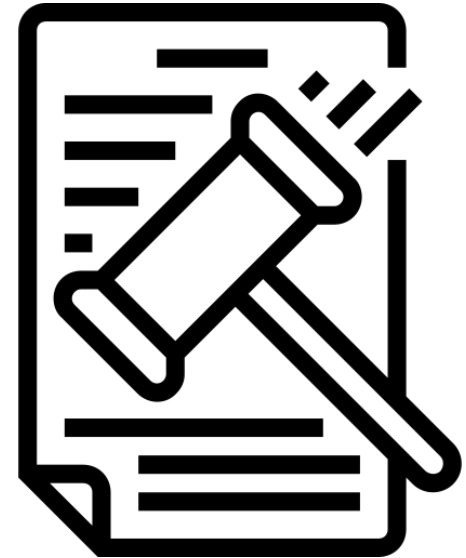
## **Regulation 6 : Compliance Officer and his /her Obligations**

**Whether approval of shareholders of listed entity also required for appointment of Secretarial Auditor of Material Subsidiary?**



## **Regulation 6 : Compliance Officer and his /her Obligations**

**Why no approval of shareholders at AGM in connection with casual vacancy in office of Secretarial Auditor?**



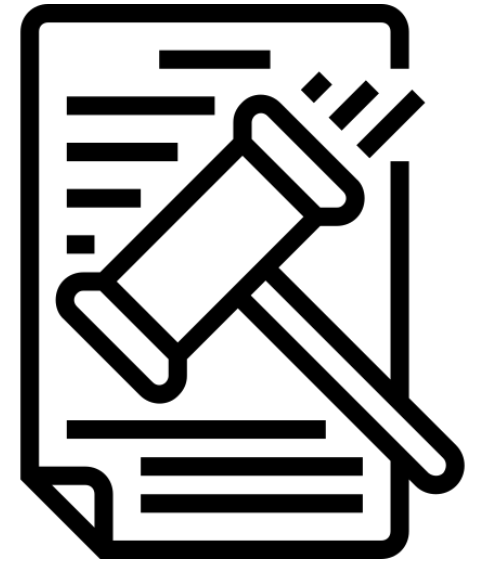
## **Regulation 6 : Compliance Officer and his /her Obligations**

**Whether Secretarial Auditor can be removed at EGM?**



## Regulation 36 :Documents & Information to shareholders

- i. Shareholders without a registered email will receive a letter with a web link to access the Annual Report instead of a hard copy.
- ii. Disclosures in the explanatory statement, required for the statutory auditor's appointment, will now also apply to the secretarial auditor's appointment.







## **RECLASSIFICATION OF PROMOTER**



## Regulation 31A – Conditions for re-classification of any person as promoter / public

### Reclassification – Promoter to Public

Then



Now



## Regulation 31A – Conditions for re-classification of any person as promoter / public

### Reclassification – Public to Promoter



A public shareholder seeking reclassification as a promoter must make an open offer per SEBI (SAST) Regulations, 2011 and disclose this intention in the Letter of Offer.



## Regulation 31A – Conditions for re-classification of any person as promoter / public



### Disclosure of Material Event

- ✓ Filing outcome instead of board meeting minutes.
- ✓ Intimation after submitting NOC or approval application to exchanges.
- ✓ Intimation after shareholders' approval.



## Regulation 31A – Conditions for re-classification of any person as promoter / public

### Reclassification – Pursuant to Resolution Plan or pursuant to an order of a Regulator

- Sub-regulations (3), (4) and (8) of this regulation shall not apply;
- Additional conditions:
  - ✓ Outgoing promoter shall not remain in control of the Company;
  - ✓ ***Disclosure of the resolution plan or order of the Regulator shall be given within 24 hours along disclosing that such outgoing promoter would cease to be part of the promoter / promoter group of the company.***





## Regulation 31A – Conditions for re-classification of any person as promoter / public

### Reclassification – Pursuant to an Open Offer or a Scheme of Arrangement

In case of reclassification pursuant to an Open Offer or a Scheme of Arrangement, the disclosure shall be given within 24 hours of completion of open offer or scheme of arrangement;





## **BOARD GOVERNANCE**



## Regulation 17(1C) – Approval of shareholders

Listed entities must seek shareholder approval for director/manager appointments by the **next general meeting or within 3 months**, excluding time taken for obtaining regulatory approval.

***Exceptions apply to appointments by regulators, courts, or tribunals.***





## Regulation 17(IE) : Vacancy in the office of director

Vacancies in Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, and Risk Management Committees must be filled by the end of a director's tenure or within 3 months, if cessation occurs for other reasons.

***No extensions allowed for appointments requiring regulatory or government approval.***





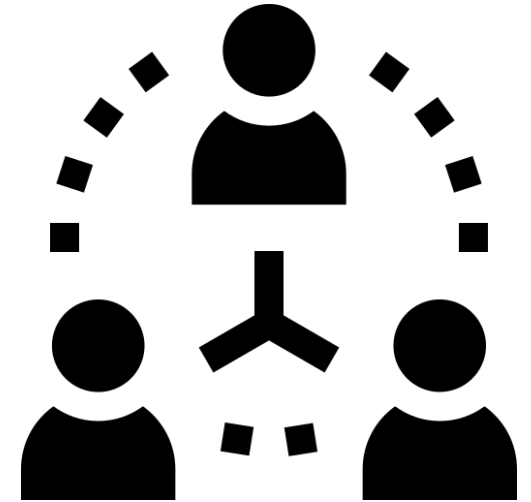
## **FRAMEWORK FOR RELATED PARTY TRANSACTIONS**



## Regulation 2(ZC) – Definition of related party transaction

Following new transactions have been included in the list of exempted transactions

- Acceptance of current and savings account deposits by banks in compliance with regulations.
- Retail purchases by directors or employees from the listed entity or its subsidiary, under uniform terms.
- Corporate actions offered to all shareholders in proportion to their holdings are now exempt, including those by subsidiaries or associates of the listed entity (previously, only the listed entity was exempt).



## Regulation 23 :Related party transaction

### **Exemption from Audit Committee Approval:**

Remuneration and sitting fees paid to directors, KMPs, or senior management (excluding promoters and promoter group) are exempt from Audit Committee approval if not material, with no half-yearly stock exchange disclosure required.

### **Ratification of Related Party Transactions (RPT):**

Independent Audit Committee members can ratify RPTs under Rs. 1 crore and not material within 3 months or by the next meeting. Ratification details must be disclosed, and non-ratification invalidates the transaction.



## Regulation 23 :Related party transaction

**Omnibus Approval:** The Audit Committee's omnibus approval now covers subsidiary transactions, and these transactions must be reviewed these quarterly.

**Exempted Transactions:** Transactions between two public sector companies and those involving statutory payments with the government are now exempt from Regulation 23.

The Securities Contracts (Regulation) Rules, 1957 defines 'public sector company' more broadly, including bodies established by Acts of Parliament or State Legislatures.





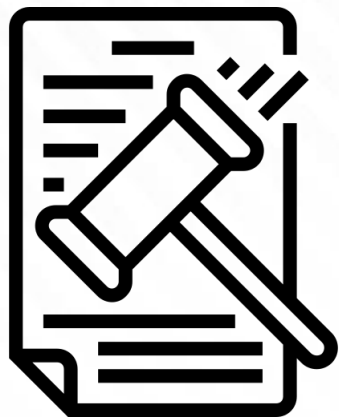
## **OTHER CORPORATE GOVERNANCE REQUIREMENTS DISCRETIONARY REQUIREMENTS**



# Regulation 27 : Discretionary Compliances

<b>Listed entities ranked 1001-2000</b>	At least one-woman independent director on the board
<b>Top 2000 entities</b>	Independent directors should hold at least 2 meetings per financial year without non-independent directors or management, with all independent directors attending.
<b>Entities ranked 1001-2000</b>	May form a risk management committee as per Regulation 21





## **DISCLOSURE OF EVENTS OR INFORMATION**





## **Regulation 30(6): Timeline for Disclosure of events or information to SE**

The timeline for disclosing board meeting outcomes is as follows:

- If the meeting ends after trading hours but more than 3 hours before the next trading day, disclosure must be made within 3 hours.
- For multi-day meetings, financial results must be disclosed within 30 minutes or 3 hours after each meeting day.

For litigation or disputes (excluding tax-related), relevant information in a structured digital database must be disclosed to the stock exchange within 72 hours of receiving notice.



## Regulation 30(6): Timeline for Disclosure of events or information to SE

S. No.	Time of closure of board meeting (on a trading day)	Timeline for disclosure of event decided in the board meeting
1.	4:00 AM	7:00 AM (within 3 hours)
2.	5:00 AM	8:00 AM (within 3 hours)
3.	6:00 AM	9:00 AM (within 3 hours)
4.	6:15 AM	6:45 AM (within 30 min.)
5.	7:15 AM	7:45 AM (within 30 min.)
6.	8:15 AM	8:45 AM (within 30 min.)
7.	9:15 AM	9:45 AM (within 30 min.)
8.	12:00 PM	12:30 PM (within 30 min.)
9.	3:30 PM	4:00 PM (within 30 min.)
10.	3:45 PM	6:45 PM (within 3 hours)
11.	6:00 PM	9:00 PM (within 3 hours)
12.	12:00 AM	3:00 AM (within 3 hours)

## **Schedule III Part A: Disclosures in connection with Acquisition**

- The acquisition threshold for shares or voting rights is increased from 5% to 20%.
- Any change in holding of 5% or more must be reported, replacing the previous 2% requirement.
- Quarterly disclosures are now required for acquisitions or changes in unlisted company shares, with 5% for acquisition and 2% for subsequent changes.



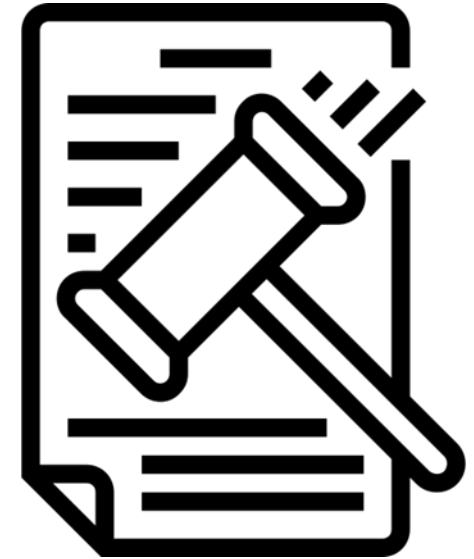
## **Para A, Part A Schedule III: Disclosures in connection with Fraud**

Fraud by senior management, other than who is promoter, director or key managerial personnel, shall be required to be disclosed only if it is in relation to the listed entity.



## Para A, Part A Schedule III – Disclosures of penalties

- Fines of ₹1 lakh or more by **sectoral regulators** or enforcement **agency** and ₹10 lakh or more by **other authorities** must be disclosed within 24 hours.
- Fines below these thresholds must be disclosed on a quarterly basis in the format to be specified by SEBI.





## WEBSITE DISCLOSURES



## Regulation 46: Website Disclosures

**The following documents must be displayed on the website:**

- MOA & AOA;
- Brief profile of the board of directors, including directorships and full-time positions;
- Employee Benefit Scheme Documents (excluding commercial secrets or competitive information).



The listed entity may redact parts of the ESOP scheme with Board approval.

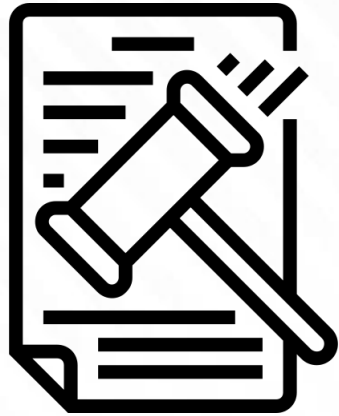
## Regulation 46: Website Disclosures

### Timelines for disclosing audio, video recordings, and transcripts have been updated:

- Audio recordings of calls must be available within 24 hours or by the next trading day.
- Video recordings must be uploaded within 48 hours.
- Transcripts must be available within 5 working days and submitted to stock exchanges.
- **Hosting periods:** 2 years for audio/video recordings and 5 years for transcripts.
- Listed entities may share webpage links to stock exchanges instead of uploading documents.







## **SCHEDULE OF ANALYSTS INSTITUTIONAL INVESTORS MEET**



## **Part A Schedule III - Timelines for submission of presentations**

Presentations for post-earnings or quarterly calls must now be disclosed to stock exchanges before the event, instead of within 24 hours or by the next trading day.





## POST RESOLUTION PLAN OBLIGATIONS



## Compliance for Listed Entities Undergoing CIRP or Post-Resolution Plan Approval

- Vacancy in office of Compliance Officer must be filled within 3 months of approval of resolution plan, with a full-time KMP managing interim affairs in the intermittent period.
- Entities undergoing CIRP must comply with Regulations 17-21 within 3 months of resolution plan approval.
- CEO, MD, WTD, Manager, or CFO vacancies must be filled within 3 months of approval of resolution plan.



## Compliance for Listed Entities Undergoing CIRP or Post-Resolution Plan Approval

- Quarterly Financial results must be disclosed within 90 days of the quarter, if resolution plan has been approved
- Where resolution plan has been approved during the last quarter, then the annual results shall be disclosed within 120 days, of the end of the financial year.





## **OTHER AMENDMENTS**



## Removal of Certain Compliance Requirements Related to Share Transfer and Certificates

- i. The requirement of submission of a compliance certificate in connection with share transfer facility to the exchange within thirty days from the end of the financial year has been removed.
- ii. The requirement of submitting intimation of loss of share certificate and issue of duplicate share certificate, to the stock exchanges has been removed.
- iii. The requirement of submitting a compliance certificate from PCS certifying that all certificates have been issued within thirty days of the date of lodgment for transfer has been removed.



## Regulation 5: General obligation of compliance

An obligation has been cast on the key managerial personnel, directors, promoter, promoter group or any other person dealing with the listed entity to disclose to the listed entity all information that is relevant and necessary for the listed entity to ensure compliance with the applicable laws





## Regulation 10 :Filing of Information

In line with an earlier amendment providing for integrated filing, a provision for enabling integrated filing of periodic reports, statements, documents, and any other information in the format and within the timelines as may be specified by SEBI has been introduced.



## Investor Grievance and CG Report

In line with amendment related to integrated filings, format and timelines of reporting will be provided by SEBI.



## Regulation 16 –Definition of Senior Management

All persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity shall be treated as part of the senior management.



## **Regulation 17(1A) : Appointment of Non-Executive Director**

Proviso has been inserted requiring the listed entity to ensure compliance of passing a special resolution at the time of appointment or re-appointment or any time prior to the non-executive director attaining the age of seventy-five years. While the provisions of Regulation 17(1A) were self-explanatory, but it appears that on account of some recent SAT judgement, SEBI has further clarified this provision by inserting the afore mentioned proviso.



## **Regulation 24 – CG requirements with respect to subsidiary of listed entity**

Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall not require prior approval of shareholders by way of special resolution if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the listed entity.



## Regulation 42 – Record Date or Date of closure of transfer books

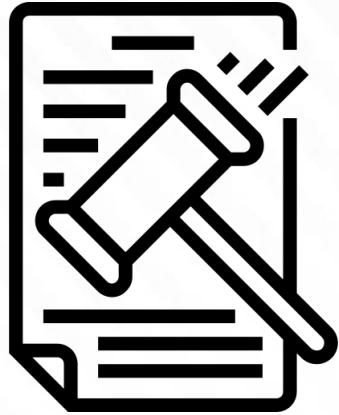
- i. A listed entity shall give notice in advance of at least three working days (excluding the date of intimation and the record date) instead of seven, to stock exchange(s) of record date specifying the purpose of the record date.
- ii. In case of corporate actions through schemes of arrangement covered under regulation 37, a listed entity shall give notice in advance of at least seven working days (excluding the date of intimation and the record date) , to stock exchange(s) of record date specifying the purpose of the record date
- iii. The provision relating to a time gap of at least five working days between recommendation/ declaration of dividend and the record date has been deleted.



## **Regulation 42 – Record Date or Date of closure of transfer books**

- i. Time gap between two record dates shall now be not less than five working days instead of thirty days.
- ii. Provision relating to the announcement of the closure of its transfer books in place of the record date, in case of physical securities has been deleted, since physical transfer is no more allowed.





# **Important Decisions of SEBI Board Meeting dated 18<sup>th</sup> December 2024**





## Ease of Doing Business with respect to BRSR

To ease the process of ESG disclosures and assurance under BRSR for listed entities and their value chain partners, the Board approved the following changes:

- Deferring ESG disclosures for the value chain to FY 2025-26 (previously FY 2024-25), and assurance to FY 2026-27 (previously FY 2025-26).
- Making ESG disclosures for the value chain voluntary, replacing the “comply-and-explain” requirement.
- Limiting the scope of the value chain to the top partners (2% or more of the entity’s purchases and sales by value) and allowing disclosure of up to 75% of purchases and sales.



## Ease of Doing Business with respect to BRSR

- **Voluntary reporting** of previous year's data in the first year of ESG disclosures for the value chain.
- Introducing a **leadership indicator** in Principle 6 of BRSR for reporting **Green Credits** generated or procured by the entity and its top-10 value chain partners.
- Replacing “assurance” with “assessment or assurance” in SEBI regulations. **Assessment** will be a third-party evaluation based on standards developed by the Industry Standards Forum (ISF), applicable from FY 2024-25 and FY 2026-27 onwards.



# Review of SME Framework



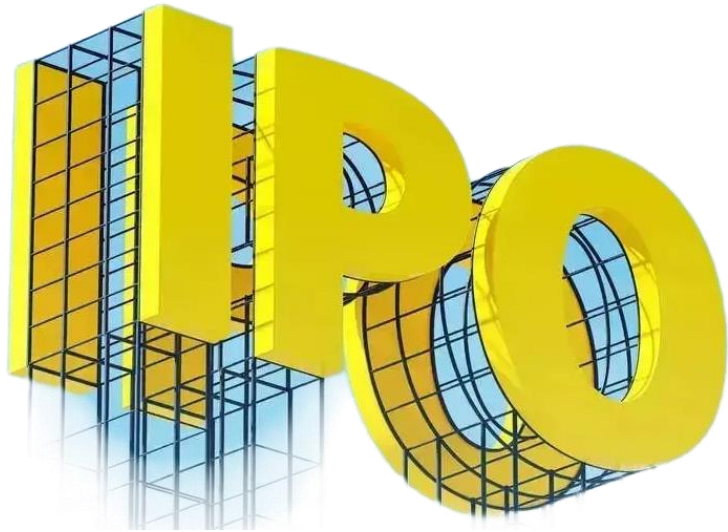
SMEs can only make an IPO if they have an operating profit of ₹1 crore for 2 out of the last 3 financial years when filing the Draft Red Herring Prospectus (DRHP).

Offer for Sale (OFS) by selling shareholders in SME IPOs is limited to 20% of the total issue size, with shareholders selling no more than 50% of their holdings.

Promoters' holdings exceeding the minimum promoter contribution (MPC) will be released in phases: 50% after 1 year and the remaining 50% after 2 years.

Allocation methodology for Non-Institutional Investors (NIIs) in SME IPOs will align with that of mainboard IPOs.

# Review of SME Framework



General Corporate Purpose (GCP) in SME IPOs is capped at 15% of the issue amount or ₹10 crore, whichever is lower.

SME IPOs cannot use proceeds for repaying loans to promoters, promoter groups, or related parties.

DRHPs must be available for 21 days for public comment, with a newspaper announcement and QR code.

Further issues by SMEs are allowed without migrating to the Main Board, provided they comply with SEBI (LODR) regulations for Main Board companies.

Related Party Transaction (RPT) norms for Main Board-listed entities will apply to SME-listed entities, with the materiality threshold set at 10% of annual turnover or ₹50 crore, whichever is lower.

# THANK YOU