



SEBI LODR 3rd Amendment Regulation, 2024: A Comprehensive Overview

Objective of PPT

This presentation provides a comprehensive overview of the major changes introduced in the SEBI (LODR) 3rd Amendment Regulations, 2024. It covers key updates across various chapters, including filings, corporate governance, board composition, related party transactions, compliance, and shareholder participation, with a focus on enhancing transparency, accountability, and ease of doing business. Additionally, it highlights efforts committee to harmonize the provisions of ICDR and LODR to streamline regulatory processes.

Sequence of Actions

Expert Committee

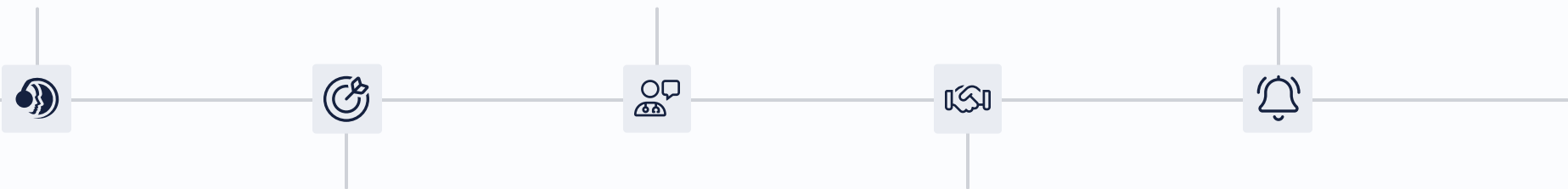
The Securities and Exchange Board of India (‘SEBI’) constituted an expert committee on August 24, 2023, chaired by Shri S. Mohanty. The committee includes representatives from SEBI, BSE & NSE, ICSI & ICAI, corporates, proxy advisers, practicing professionals, and industry experts.

Commentary from the public

Comments and suggestions were invited from the public and various regulated entities.

Official Notification

The notification was issued on December 12, 2024, after receiving and considering all relevant inputs.



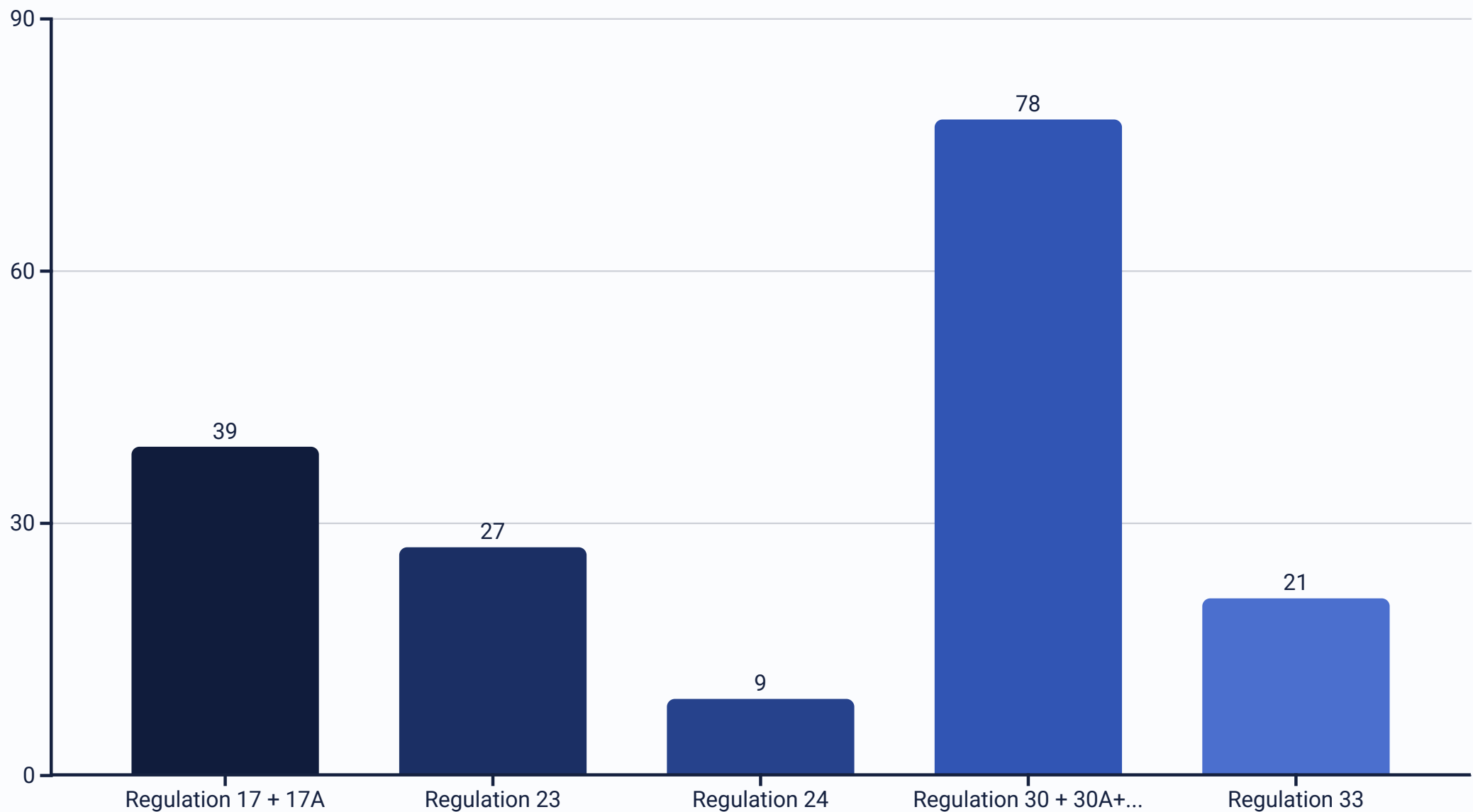
Objective of Committee

The committee's objective is to harmonize the provisions of the ICDR and LODR regulations. It has submitted recommendations through a consultation paper released on June 26, 2024, which was open for public comment until July 17, 2024.

SEBI Board Meeting

The amendment was enacted following the outcome of SEBI's 207th Board Meeting held on September 30, 2024.

EVOLUTION OF FIVE MATERIAL REGULATIONS OF SEBI (LODR) REGULATIONS, 2015 SINCE ITS INCEPTION



Effective Dates of Changes: SEBI (LODR) 3rd Amendment Regulations, 2024

Sr. No.	Events	Effective date of amendment
1.	Applicability of CG norms on SME listed companies	12th December, 2024
2.	Website disclosures	12th December, 2024
3.	Related party transactions	12th December, 2024
4.	Reg. 30 disclosures and Schedule III changes	12th December, 2024
5.	Board, committee, Co. and SMP related changes	12th December, 2024
6.	Integrated filings w.r.t. investor grievance report and corporate governance report	31st December, 2024
7.	Secretarial Auditor & Annual Secretarial Compliance Report	1st April, 2025
8.	High Value Debt Listed Entities	1st April, 2025
9.	Industry Standards on "Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of RPT.	1st July, 2025
10.	Other than all mentioned above	12th December, 2024

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1. Filing & Disclosures - Latest Compliance Guidelines for Listed Entities

1. Integration of periodic filings

Integrated Filing – Governance (30 days from end of quarter)

- Regulation 13(3): Statement of Investor Grievances
- Regulation 27 (2)(a): Corporate Governance Report

Integrated Filing – Financial (45/60 days from end of quarter)

- Regulation 23(9): Disclosure of RPT's
- Regulation 30: Quarterly disclosure of outstanding default on loans
- Regulation 32(1): Statement of Deviation & Variation
- Regulation 33(3): Financial Results
- Regulation 33(3): Statement on Impact of Audit Qualifications

Note For Integrated filing:

NSE Circulars Implementation

As per NSE Circulars (Ref: NSE/CML/2025/02 dated January 2, 2025 & NSE/CML/2025/16 dated April 01, 2025):

- Integrated Filing – Governance is applicable from Q3 FY 24-25 (Dec 2024 quarter).
- First filing due by: February 14, 2025 (within 45 days)
- From Q4 FY 24-25 (Mar 2025 quarter): Filing to be done only in XBRL format within 30 days. No need to submit existing CG & IG XBRLs separately to Stock Exchange

As per NSE Circular Ref. No.: NSE/CML/2025/20 dated April 02, 2025

- New XBRL Utility for Integrated Filing – Financial (Mandatory from April 01, 2025)
 - For Financial Results submission in XBRL only
- PDF Submissions (Still Required):
 - Outcome of Board Meeting (within 30 mins / 3 hrs)
 - XBRL Filing: Same day as PDF upload
- Discontinued (from April 01, 2025):
 - Quick Results (PDF)
 - PDF of Integrated Filing – Financial via Corporate Announcements
 - Old XBRL utilities (FR, RPT, Deviation, Audit Impact).
 - PDF of Deviation Statement

2. Omission of few periodic filings

- Regulation 7(3) – Compliance certificate (CO & RTA) due within 30 days of FY end.
- Regulation 39 (3) – Report of loss of share certificate /duplicate share certificate within 2 days of info
- Regulation 40(9)/(10) – Annual Certification on adhering to timeline for processing requests relating to Physical shares

3. Website Disclosure

The following additional documents/ information to be disclosed on the website of a listed entity:

- Memorandum of Association and Articles of Association;
- Brief profile of board of directors including directorship and full-time positions in body corporates;
- Employee benefits related scheme documents (excl. commercial secrets and such other information that would affect competitive position of the listed entity as approved by the Board of the listed entity);
- Details of analyst/institutional investor meets to be disclosed; post-meeting, upload audio recording, video recording & transcript;

4. Newspaper Advertisements

- Listed entity shall publish a newspaper advertisement within 48 hours of Board Meeting where financial results are approved.
- Detailed newspaper advertisement is now optional.
- A small box ad with QR code & weblink to the full financial results is sufficient compliance.

Amendment to Existing Policies

Following policies need to be amended by this regulation

1. Policy on Material Subsidiary

To amend the definition of material subsidiary by replacing the word "income" with word "turnover"

2. Materiality Policy

- Change in timeline for outcome of Board Meeting & other matters
- To add provisions relating to litigation or dispute
- Clarification on fraud by SMP only if it relates to listed entity
- Change of thresholds for acquisition of the Company(ies)

3. Material Related Party Transaction Policy

- List of exemptions to be added in a transaction where Audit Committee approval is **not required** for payment of **remuneration or sitting fees** to Directors, KMPs, or Senior Management (excluding promoter group), **if the transaction is not material**.
- Provision of ratification to be added
- Omnibus approval for Listed Entity/ subsidiary required to be added

4. Archival Policy

Policy to include provisions for storing analyst meet recordings (audio/video) for 2 years & transcripts for 5 years on the website of the Listed Entity.

5. Code for board and senior management & NRC Policy

Change in the definition of Senior Management

2. Relaxations from certain compliance requirements for companies coming out of the IBC Framework

The following relaxations are provided to listed entities coming out of the corporate insolvency resolution process (CIRP), in respect of which a resolution plan under Section 31 of the Insolvency Code has been approved, in order to provide them time to ensure compliance with the LODR Regulations:

Regulation 6 (1B)

Vacancy of Compliance Officer Post-Resolution Plan Approval

- Fill Vacancy: Within 3 months of resolution plan approval
- Interim Requirement: Ensure at least one full-time Key Managerial Personnel (KMP) manages daily operations during the interim period

Regulation 33

Extended time for Disclosure of Financial Results for quarter in which Resolution plan is approved-

- Quarterly Results: Additional 45 days for disclosure
- Annual Results: Additional 60 days for disclosure.

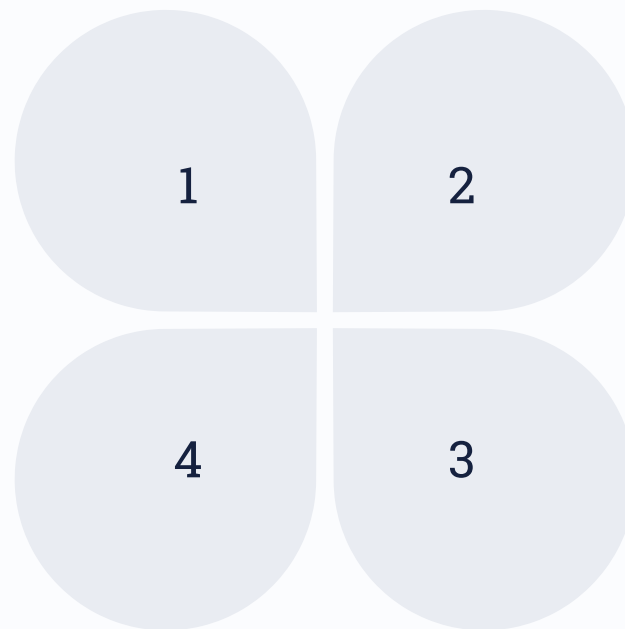
Regulation 17 to 21

Corporate Governance Regulations partially not applicable to the Listed Entities under CIRP:

- Regulations 17 to 21: Not applicable during CIRP; need to comply with regulation within 3 months from date of approval of resolution plan.
- Regulations 22 to 27: Remain applicable during CIRP

Regulation 26A (3)

- Any vacancy in the office of CEO, MD, WTD or Manager or CFO of the Listed Entity must be filled within 3 months of approval of the resolution plan
- Interim Requirement: During the interim period at least one full-time Key Managerial Personnel (KMP) must manage day-to-day affairs of the Listed Entity.



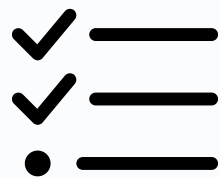
3. Exemptions for SME

SME listed Entity ?

SME-listed entities refer to Listed Entities which has listed its specified securities on the SME Exchange in India and having:

a) **Paid-up equity share capital** not exceeding ₹ 10 crore, and

b) **Net worth** not exceeding ₹ 25 crore



Regulation 15(2): Applicability of Corporate Governance norms

Provisions under Regulations 17 to 27 & 46 (2) (b) to (i) and (t) and Schedule V para C & D are **not applicable** to listed entities on the SME platform.

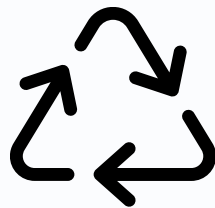
(This is a clarification, especially regarding compliance with the newly added Regulations 17A, 24A, and 26A.)



Regulation 26A: Management Appointments

Appointment of CEO, MD, WTD or Manager or CFO:

The requirement to fill vacancies **within 3 months** as per **Regulation 26A** is **not applicable** to entities listed on the SME platform.



Regulation 23: Related Party Transactions- Applicable to SME-Listed Entities :

(Ref SEBI Circular No SEBI/LAD-NRO/GN/2025/239 dated March 27, 2025)

1. W.e.f. April 1, 2025: Regulation 23 applies to SME-listed entities with:

a) Paid-up equity share capital exceeding ₹ 10 crore, or

b) Net worth exceeding ₹ 25 crore

2. Compliance Timeline:

If thresholds are crossed after April 1, 2025, ensure compliance within **6 months**.

3. Continued Applicability:

Once applicable, Regulation 23 remains in effect until both equity share capital and net worth fall below specified thresholds for **3 consecutive financial years**.

4. Materiality Threshold for Related Party Transactions (RPTs):

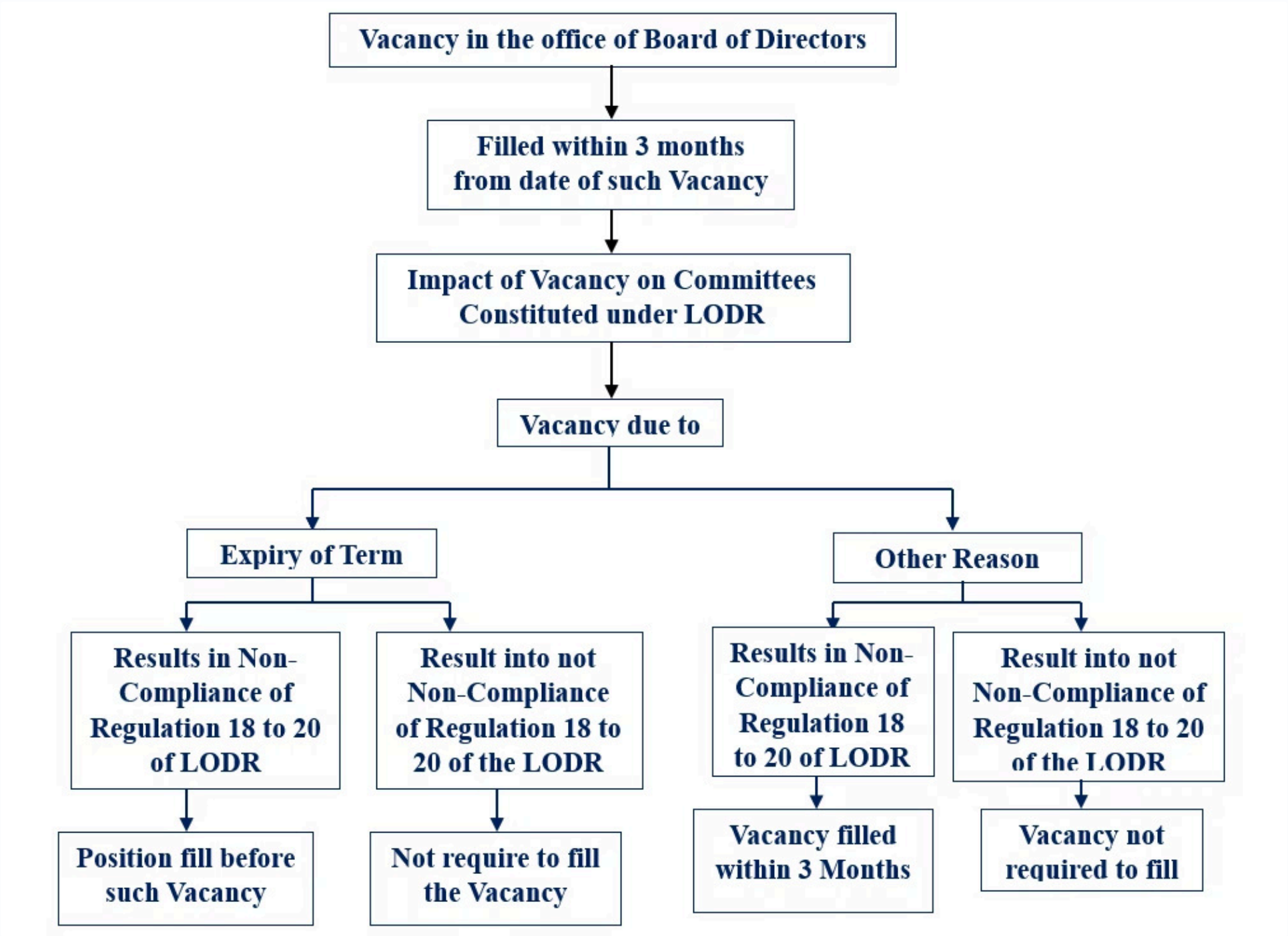
For SME-listed entities, a transaction with a related party is considered **material** if it exceeds ₹50 crore or **10% of the annual consolidated turnover** of the listed entity as per the last audited financial statements, whichever is **lower**.

4. Regulation 17 & 17A: Board of Directors & Maximum No. of Directorship

- 1
- Regulation 17(1A) : Shareholder's Approval for Appointment/Continuation of Non-Executive Directors Aged 75 + by way of Special Resolution
- Shareholder approval by special resolution is required at a general meeting for the continuation of a Non-Executive Director if the director has attained or will attain the age of 75 years during their tenure & in this case Explanatory Statement annexed to the notice shall indicate the justification of such appointment .
 - Such approval must be obtained before the director reaches the age of 75, in compliance with Regulation 17(1A) of the SEBI (LODR) Regulations, 2015.

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- Regulation 17(1C) : Shareholders' Approval for Director/Manager Appointment:
- Shareholder approval must be obtained for the appointment or re-appointment of a person as director or manager at the next general meeting or within 3 months (excluding time taken for any regulatory & statutory approval), whichever is earlier.
 - For Public Sector Companies, approval must be taken at the next general meeting, regardless of the timeline.
 - Exemption also applies to appointments nominated by financial regulators, courts, or tribunals.
 - If a candidate for MD/WTD/Manager was previously rejected by shareholders, re-appointment requires prior shareholder approval & in such case the notice to shareholders must include a detailed justification by the Nomination & Remuneration Committee and the Board.

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- Regulation 17(1E) : Vacancy in office of the BOD

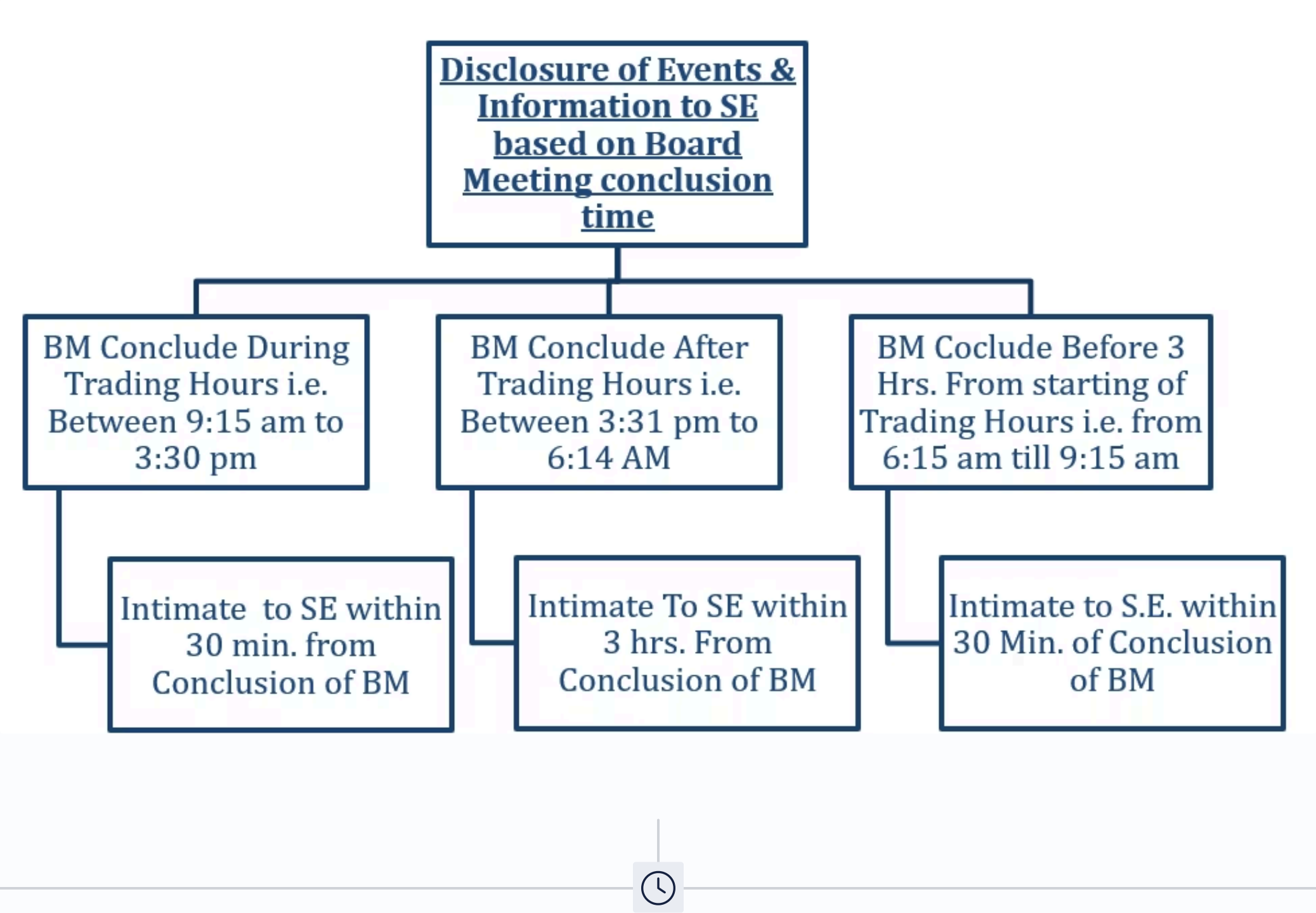


Note that, three-month timeline applies for filling vacancies at the Board level, any vacancy arising at the Committee level due to the expiration of a member's term must be filled on an immediate basis before such vacancy occur. However, if the vacancy arises due to any other reason, it shall be filled within a period of three months.

-
- Regulation 17 (6)(ca) :
- Approval by way of a Special Resolution is required every financial year if the annual remuneration payable to a single Non-Executive Director ≥ 50% of the total annual remuneration payable to all Non-Executive Directors of the listed entity.

5. Regulation 30: Timeline for various disclosures

A. Timeline for Disclosure of Board Meeting Outcome depend upon Board Meeting conclusion time



Here is the Example for better understanding:

Time of Conclusion of Board Meeting	Time of Disclosure to Stock Exchange on or before	Applicable Timeline
9:30 AM	10:00 AM	Within 30 minutes
3:30 PM	4:00 PM	Within 30 minutes
3:45 PM	6:45 PM	Within 3 hours
6:14 AM	9:14 AM	Within 3 hours
6:15 AM	6:45 AM	Within 30 minutes

Note: Normal trading hours refer to the period during which Recognized Stock Exchanges (RSEs) are open for trading for all investors – i.e., from 9:15 AM to 3:30 PM.

B. Non-tax litigation claims against listed entity

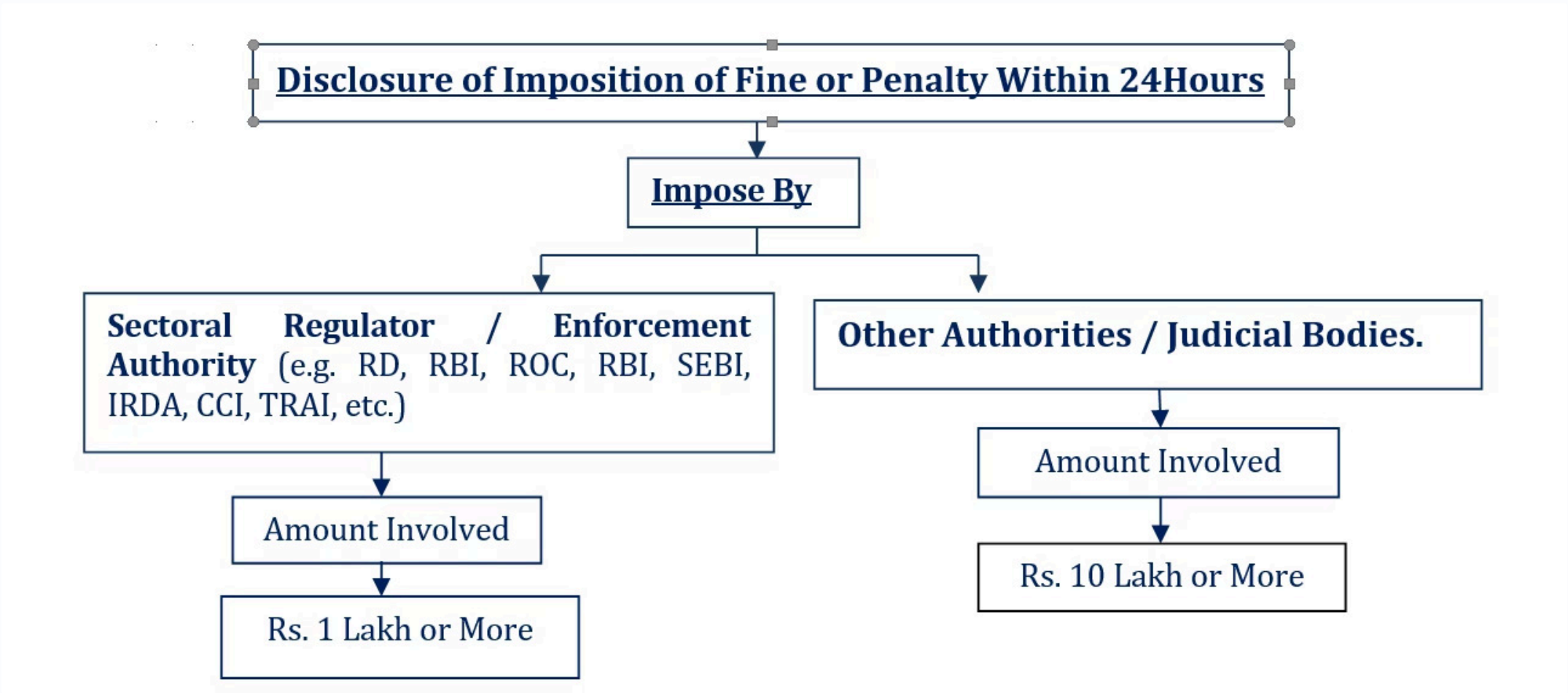
Timeline for Disclosure of Non Tax Litigation:

For claims made against the listed entity (excluding tax-related matters), disclosure to stock exchanges must occur within 72 hours of receipt of notice, provided the information is maintained in the structured digital database as per SEBI (Prohibition of Insider Trading) Regulations, 2015.

Timeline for Disclosure of Tax Litigations

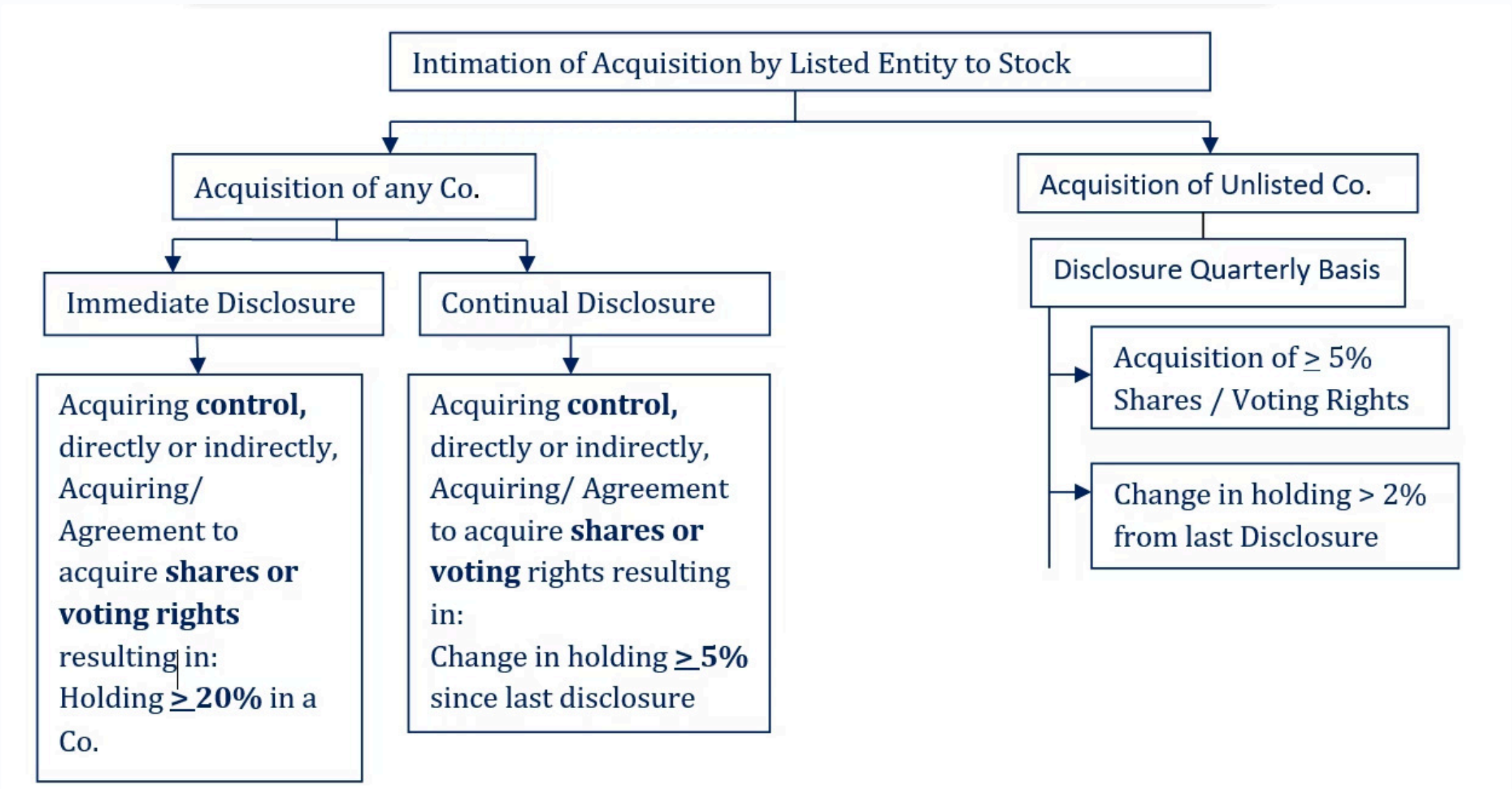
- Tax litigations or disputes should be disclosed based on the application of materiality criteria
- New tax litigations or disputes must be disclosed within 24 hours of receipt of notice
- Quarterly updates on ongoing tax litigations or disputes are required to be reported in Integrated Filing - Governance

C. Disclosure of Imposition of Penalty



Other than above threshold: Disclose quarterly basis in Integrated Filing – Governance

6. Disclosure of acquisition of shares or voting rights



Event	Trigger / Threshold	Disclosure Requirement
Acquisition	- Acquiring control, directly or indirectly - Acquiring/agreement to acquire shares or voting rights resulting in: - Holding $\geq 20\%$ in a company - Change in holding $> 5\%$ since last disclosure - Cost exceeds threshold under Reg. 30(4)(i)(c)	Disclosure under Reg. 30 - Within 12 hours
Acquisition in unlisted company	- Acquisition of $\geq 5\%$ shares/voting rights Change in holding $> 2\%$ from last disclosure	Disclose quarterly in Integrated Filing – Governance
Scheme of Arrangement	Amalgamation, Merger, Demerger, or Restructuring	
Sale/Disposal of Subsidiary / Stake in Associate	Company ceases to be WOS/Subsidiary/Associate - Sale exceeds threshold under Reg. 30(4)(i)(c)	
Sale/Disposal of Unit/Division/Undertaking	Includes whole or substantially whole of the undertaking [As per Section 180 of Companies Act, 2013]	

7. Regulation 31A: Reclassification of Promoters to Public – Major Change in Process

Now Listed Entity, required to get NOC from the S.E, before going to the Shareholders approval for request of promoter to get categorized as public.



Earlier Process

Shareholder approval was sought before obtaining stock exchange NOC



Current Process

Listed entity must first obtain NOC from the SE before seeking shareholder approval



Aim of Regulator

- To enhance transparency and accountability in promoter reclassification
- Ensures the proposal is regulator-vetted and compliant before involving shareholders

8. Regulation 42 & 60: Record Date (RD) or Date of Closure of Transfer Book

Provision	Equity – Record Date Intimation	Notice period to stock exchange(s)	Debt – Record Date Intimation	Notice period to stock exchange(s)
Regulation Reference	Regulation 42 of SEBI (LODR) Regulations, 2015		Regulation 60 of SEBI (LODR) Regulations, 2015	
Events requiring record date	<div><div>o Dividend declaration</div><div>o Bonus/Rights issue</div><div>o Conversion of debentures</div><div>o Shares from convertible securities</div><div>o Mergers, demergers, splits, etc.</div><div>Other purposes as specified by stock exchange(s)</div></div>	<div><div>Now: At least 3 working days in advance (excluding date of intimation and record date)</div><div>Earlier: 7 working days</div></div>	<div><div>For payments related to:</div><div>o Interest</div><div>o Dividend</div><div>Redemption of NCDs/NCRPS</div><div>Or other purposes as specified by stock exchanges</div></div>	<div><div>Now: At least 3 working days in advance (excluding date of intimation and record date)</div><div>Earlier: 7 working days</div></div>
Under Reg. 37	For schemes of arrangement	<div><div>Now: At least 7 working days in advance (excluding date of intimation and record date)</div><div>Earlier: Applied to "rights issues"</div></div>	Not specifically mentioned	-
Time gap between two record dates	Recode Date	<div><div>Now: Minimum 5 working days between two record dates</div><div>Earlier: 30 days</div></div>	No specific restriction	-
Closure of transfer books (Physical shares)	Transfer Book Closure	<div><div>Now: <i>Omitted</i> ❌</div><div>Earlier:<div><div>❌ Closure of transfer books allowed in place of record date for physical securities.</div><div>❌ Minimum 30 days between two book closures.</div></div></div></div>	Not applicable	-
Advance declaration of Cash bonuses before record date		<div><div>Now: ❌ <i>Omitted</i></div><div>Earlier: Cash bonuses were to be declared at least 5 working days before record date.</div><div>Analysis:<div><div>o Earlier: Cash bonuses had to be declared at least 5 working days before the record date.</div><div>o Now: This requirement is omitted. The record date can be the same day as shareholder approval received, however intimation is given at least 3 working days in advance (excluding date of intimation and record date).</div></div></div><div>Impact: It provide greater flexibility and faster execution of corporate actions.</div></div>	Not applicable	-

Crux:

- Time gap between intimation and actual Record Date (RD) reduced to 3 working days from 7 working days.

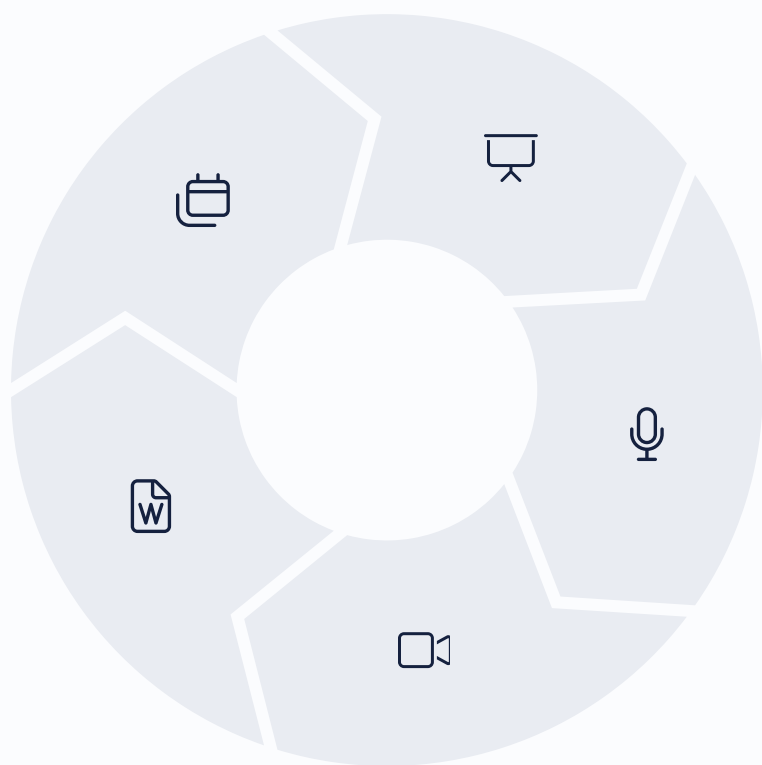
Exception : Still 7 working days for corporate actions via Schemes of Arrangement under Regulation 37.
- Minimum gap between two Record Dates is now 5 working days (earlier 30 days).
- Minimum gap between two book closures – provision omitted.
- Requirement for cash bonus to be declared 5 working days before RD – omitted.

9. Regulation 46: Updated timeline for Disclosure of analyst / investors meet

Schedule of Analyst / Institutional Investors meet

Now: Disclose at least 2 Working Days advance notice (Excl. date of intimation & meet)

Earlier. Schedule and presentations were to be disclosed **simultaneously** with submission to stock exchanges.



Transcripts

Now: Upload on website & submit to exchange within 5 Working Days

Earlier. Same timeline.

Hosting Requirement:

Now:

- Audio & video recordings to be hosted for minimum 2 years
- Transcripts to be hosted for minimum 5 years

Earlier :

- Schedule of Analyst/Investor Meets and Presentations for Meets / Earnings Calls shall be hosted on the website for a minimum of 2 years, and thereafter retained as per the entity9s archival policy.
- Transcripts of Earnings/Quarterly Calls shall be hosted on the website for a minimum of 5 years, and thereafter preserved in accordance with Regulation 9(a).

Presentations prepared for the meet, post earnings/quarterly calls

Now: Disclose prior to start such events

Earlier. Not specified earlier as a separate sub-clause.

Disclosed with submission to stock exchanges.

Audio Recordings of post earnings/quarterly calls

Now: Upload on website

→within 24 hrs or

→ before next trading day

whichever is earlier

Earlier : Required to be made available **simultaneously** with submission to exchanges.

Promptly made available on the website and in any case,

→ within twenty-four hours from the conclusion of such calls

or

→ before the next trading day

whichever is earlier.

Video Recordings

Now: Upload on website within 48 hrs. of the call

Earlier. No distinct timeline – grouped with audio recordings earlier.

10. Secretarial Auditor



Applicability

- Listed entities*
- Material unlisted subsidiaries incorporated in India
- Unlisted companies regulated by Market Infrastructure Institutions (MIs)

*Note – The above provisions are not applicable to companies listed on the SME Platform of stock exchanges, as such entities are exempt from Corporate Governance requirements under Regulations 16 to 27 of the SEBI (LODR) Regulations, 2015



Eligibility

Only a Peer Reviewed Company Secretary (PRCS) or a firm of PRCS is eligible to be appointed as Secretarial Auditor.



Tenure

On the basis of recommendation of board of directors, a listed entity shall appoint or re-appoint:

Individual Practicing Company Secretary (PCS):

1 term of 5 consecutive years with 5 years cooling period after completion of 1st term

Secretarial Audit Firm:

2 terms of 5 consecutive years each with 5 years cooling period after completion of 2 consecutive terms

Approval Required: Appointment, re-appointment, or removal to be done with shareholders' approval in the AGM, based on recommendation of the Board

Auditor Appointment Disclosures in AGM Notice: Regulation 36(5) of LODR now includes both Statutory Auditor and Secretarial Auditor

Effective Date: April 1, 2025 - Mandatory compliance with Regulation 24A for all new or continuing appointments of Secretarial Auditors

Secretarial Compliance Report: To be signed **only by the Secretarial Auditor or a PRCS** satisfying the eligibility criteria

Casual Vacancy: To be filled by the **Board within 3 months** of occurrence; appointee shall hold office till **conclusion of next AGM**

Note: For material unlisted subsidiaries incorporated in India, only the provision relating to the applicability of a Peer Reviewed Secretarial Auditor is applicable. All the other provisions - including those relating to eligibility criteria, tenure, appointment and removal procedures, AGM disclosures, compliance reporting, and filling of casual vacancies are not applicable to Material unlisted subsidiaries incorporated in India.

Disqualification of Secretarial Auditor

Disqualification & Prohibited Services for Secretarial Auditor

Beyond the standard disqualifications such as being an employee or officer of the listed entity, holding significant securities or interests, having close relatives in key positions, or having been convicted of fraud, the Secretarial Auditor is also restricted from providing certain services that could impair their independence. This ensures no conflict of interest or compromise in objectivity.

A Secretarial Auditor shall **not provide**, directly or indirectly, the following services to the listed entity or its holding or subsidiary entities:



Note: It is important to note that **Regulation 24(1A)** of the SEBI (LODR) Regulations, 2015, relating to the **disqualification of the Secretarial Auditor**, is **applicable only to listed entities and not to material unlisted subsidiaries incorporated in India**.

However, a **clarification from the regulator is required** on whether such **disqualification provisions** should also be **extended to material unlisted subsidiaries incorporated in India**.

FAQs on Corporate Governance and Secretarial Auditor

1 — Q. Corporate Governance norms not applicable on the Companies listed on SME exchange?

If, Corporate Governance provisions is not applicable than regulation 24A is also not applicable but, they have to comply with provisions of Companies Act, 2013.

However, it is necessary to clarify if appointment of secretarial auditor is for a period of 5 year or 1Year.

2 — Q. Whether a PCS who has been appointed as the Secretarial Auditor for the company can also act as the Scrutinizer for the same General Meeting?

According to a straightforward interpretation of the relevant regulations, there doesn't seem to be a specific clause that forbids a practicing company secretary (PCS) who has been appointed as the secretarial auditor also serving as the scrutinizer for the same general meeting.

However, in order to prevent conflicts of interest and to guarantee transparency in the voting processes, it is recommended that the person appointed as scrutinizer is other than secretarial auditor to be appointed in said meeting from the standpoint of sound corporate governance.



11. RPT & Material Subsidiary

A. Exempted Related Party Transactions

Following will also not to be considered as related party transaction thereby exempting it from approvals and disclosures under LODR:

Corporate Actions

Corporate actions (such as dividends, rights issues, bonus issues, share splits, and buy-backs) by subsidiaries of a listed entity and corporate actions received by the listed entity or its subsidiaries which are uniformly applicable / offered to all shareholders in proportion to their shareholding.

Bank Deposits

Acceptance of current account deposits or saving account deposits by banks and payment of interest thereon in compliance with the directions issued by RBI from time to time.

Retail Purchases

Retail purchases from any listed entity or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable / offered to all employees and directors.

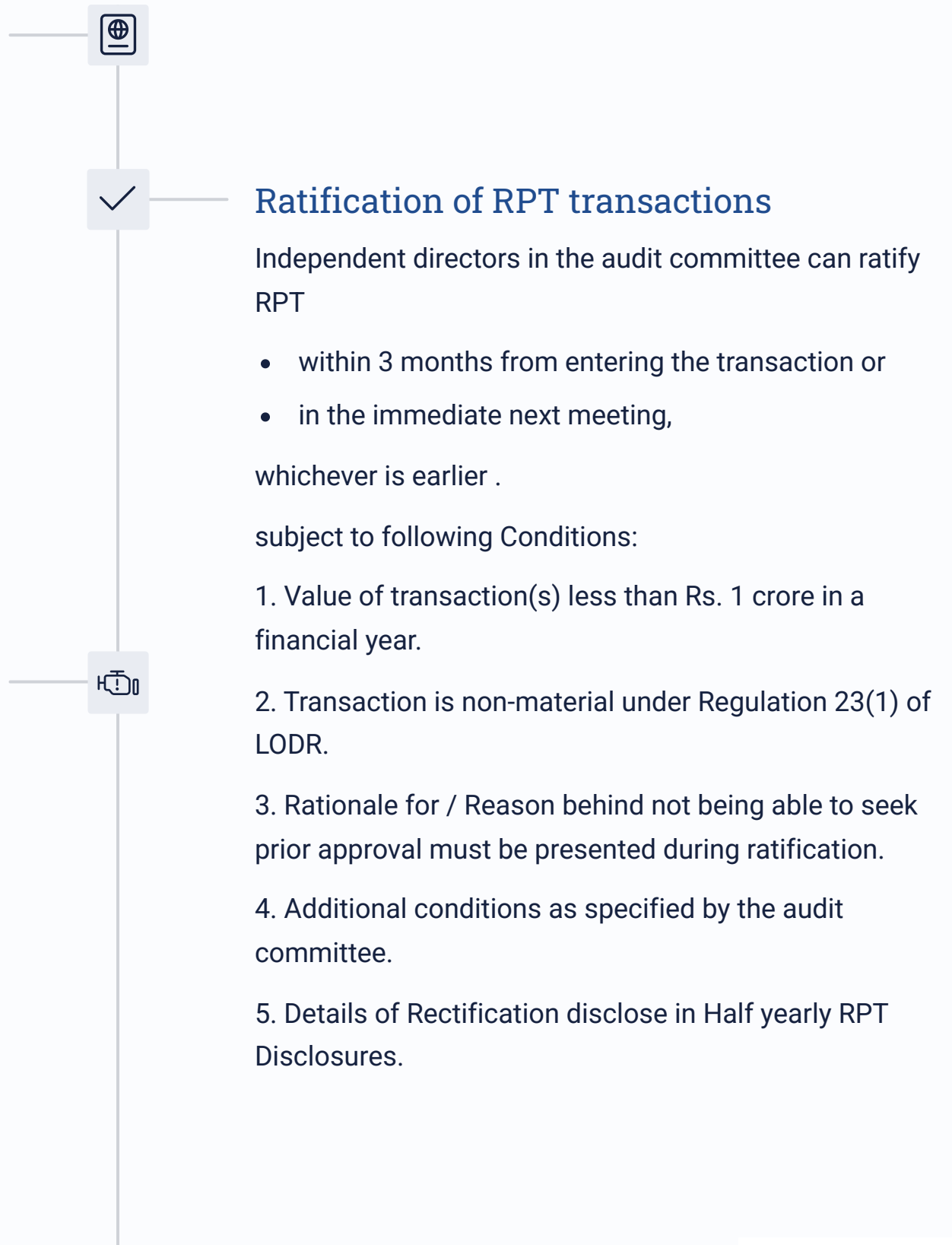
B. Audit Committee Approval for RPTs

Exemption from Audit Committee Approval

Remuneration and sitting fees paid to directors, key managerial personnel, or senior management (excluding promoters/promoter group) is now exempt from prior approval of Audit Committee only if the transaction is not a material transaction under Regulation 23(1) of LODR.

Consequences of Non-ratification

Failure to ratify renders the transaction in concern voidable at the discretion of the Board of Directors of the Company. Director(s) involved would have to indemnify the listed entity against any loss if the related party is linked to them.



C. Omnibus Approval & Shareholder Exemptions

Omnibus Approval for Subsidiary Transactions

- **Omnibus approval** for related party transactions at the **subsidiary level** can be granted **by the Audit Committee of the listed entity**, in line with the entity's RPT policy.
- The **Audit Committee** must:
 - Define clear **criteria** for such approvals.
 - **Monitor** subsidiary-level RPTs on a **quarterly basis**.
- Such approval is valid for **1 year** and requires **renewal thereafter**.

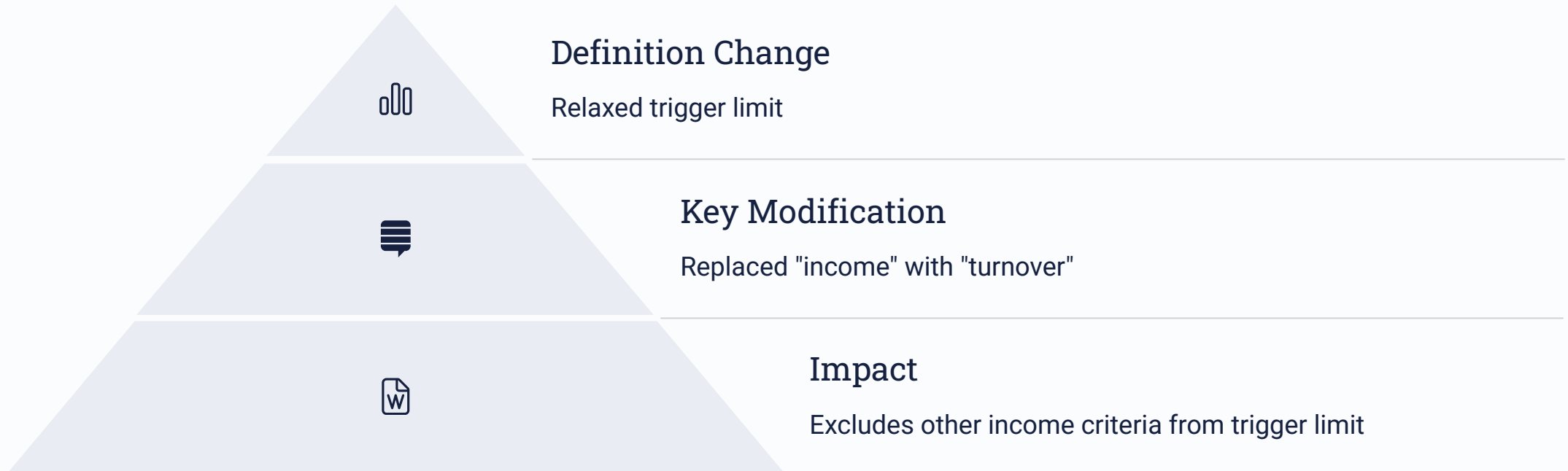
Exemption from Shareholder Approval

The following transactions would not require members approval even if it cross materiality threshold:

- **Payment of statutory dues, fees or charges** to the Central or State Government
- Transactions between **two public sector companies** (including government companies)
- Transactions between a **public sector company and the Central or State Government** (or any combination)

D. Material Subsidiary Definition

The trigger limit of Material Subsidiary has been relaxed by replacing the word income with the turnover, thereby excluding the other income criteria from the trigger limit. The Company needs to alter the policy of Material Subsidiary to give effect to this definition.





E. RPT Standards

Industry Standards on “Minimum information to be provided for Review of the Audit Committee and Shareholders for Approval of Related Party Transaction (RPT)”



Effective Date

These Standards shall be effective from 1st July, 2025 as per circular dated, March 21, 2025.



Objective

To standardize the format for "Minimum information to be provided to the Audit Committee and the shareholders, wherever required, for review and approval of a Related Party Transaction (RPT)".



Implementation

The information provided in the standardized format shall be incorporated into the agenda of the Audit Committee meeting. The comments of the Audit Committee, where applicable, shall be recorded in the minutes of the meeting.



Material RPTs

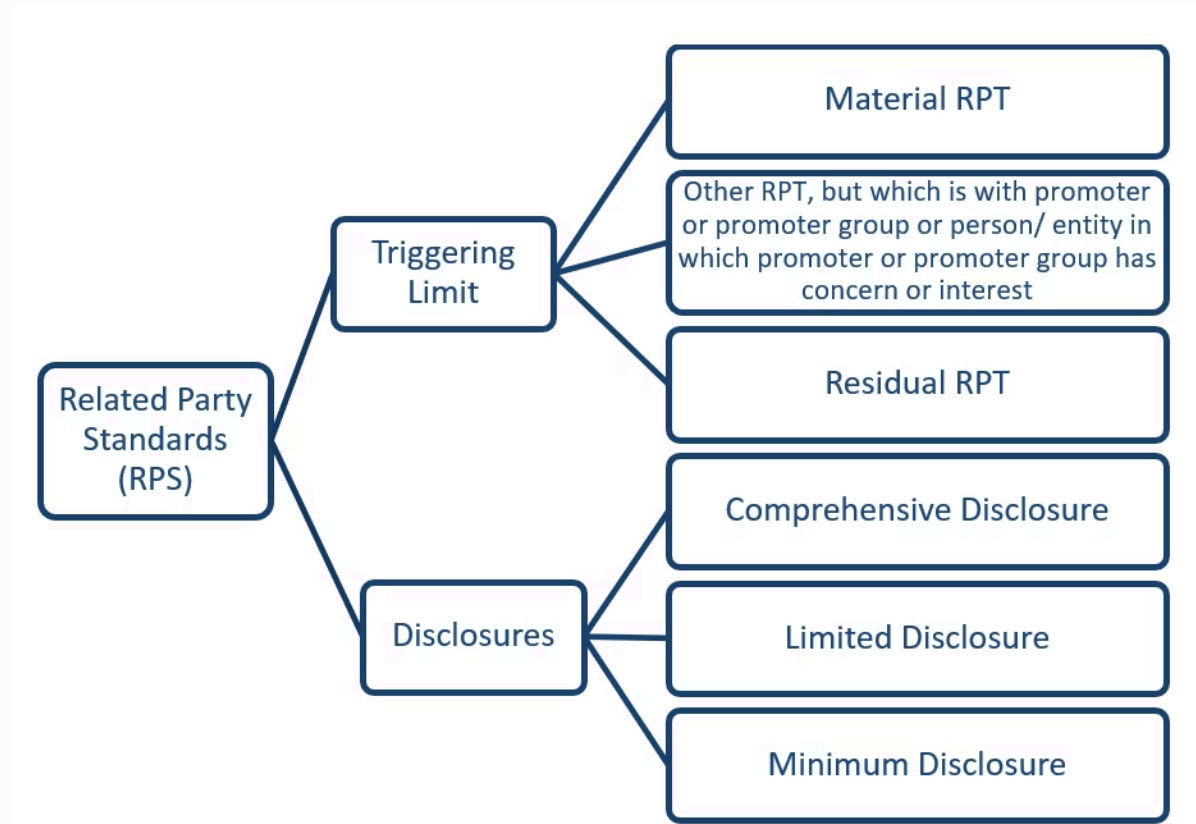
For material RPTs, the information as prescribed in these Standards shall be included in the Explanatory Statement to the Notice sent to shareholders.

F. RPT Applicability Matrix

Types Of Transaction	Threshold	Approvals Required	Disclosure Requirements
Material RPT (MRPT)	<p>If the transaction(s) individually or taken together with previous transactions during a financial year, exceeds lower of the following:</p> <ul style="list-style-type: none">Rupees 1000 Crore ,orTen percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity.	Audit Committee + Shareholders	CD, (For both BS & P&L Items)
	<p>In case of a listed entity which has listed its specified securities on the SME Exchange, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds the lower of the following:</p> <ul style="list-style-type: none">Rupees 50 croreorTen per cent. of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity	Audit Committee + Shareholders	CD, (For both BS & P&L Items)
Other RPT, but which is with promoter or promoter group or person/ entity in which promoter or promoter group has concern or interest (PRPT)	<p>If the transaction with RP exceeds the Lower of the following:</p> <ul style="list-style-type: none">2% of turnover, as per the last audited consolidated financial statements of the listed entity;2% of net worth, as per the last audited consolidated financial statements of the listed entity;5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity.	Audit Committee	CD, (For both BS & P&L Items)
	<p>If the transaction with RP does not exceeds the Lower of the above mentioned Limit, i.e 2-2-5.</p>	Audit Committee	CD, However in case of P&L Items LD is required.
Residual RPT (RRPT)	<p>Transaction(s) with a related party during a financial year exceeding Rs. 1 crore.</p>	Audit Committee	LD
	<p>Transaction(s) with a related party during a financial year is less than Rs. 1 crore.</p>	Audit Committee	MD

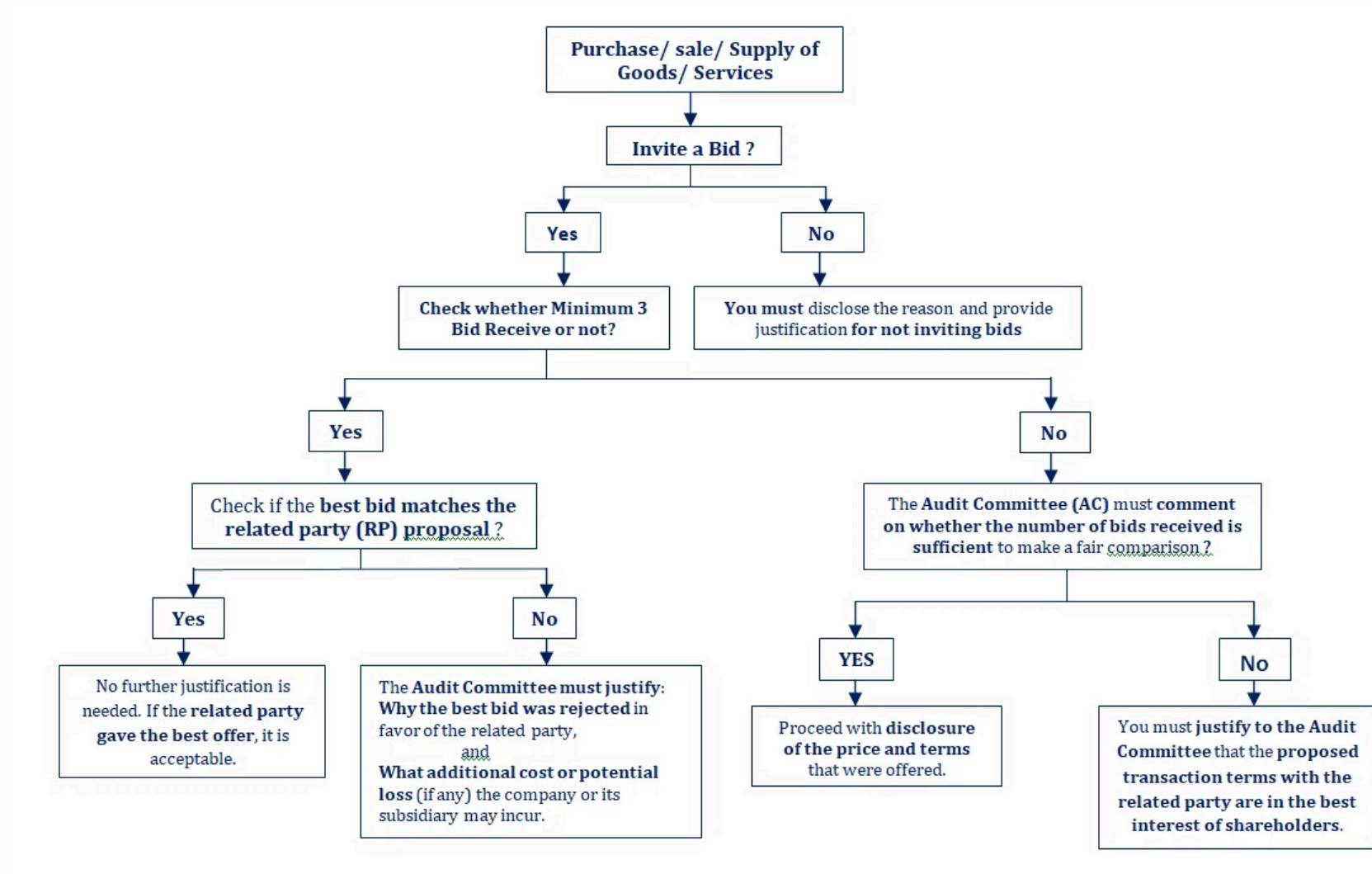
Note:

Crux:



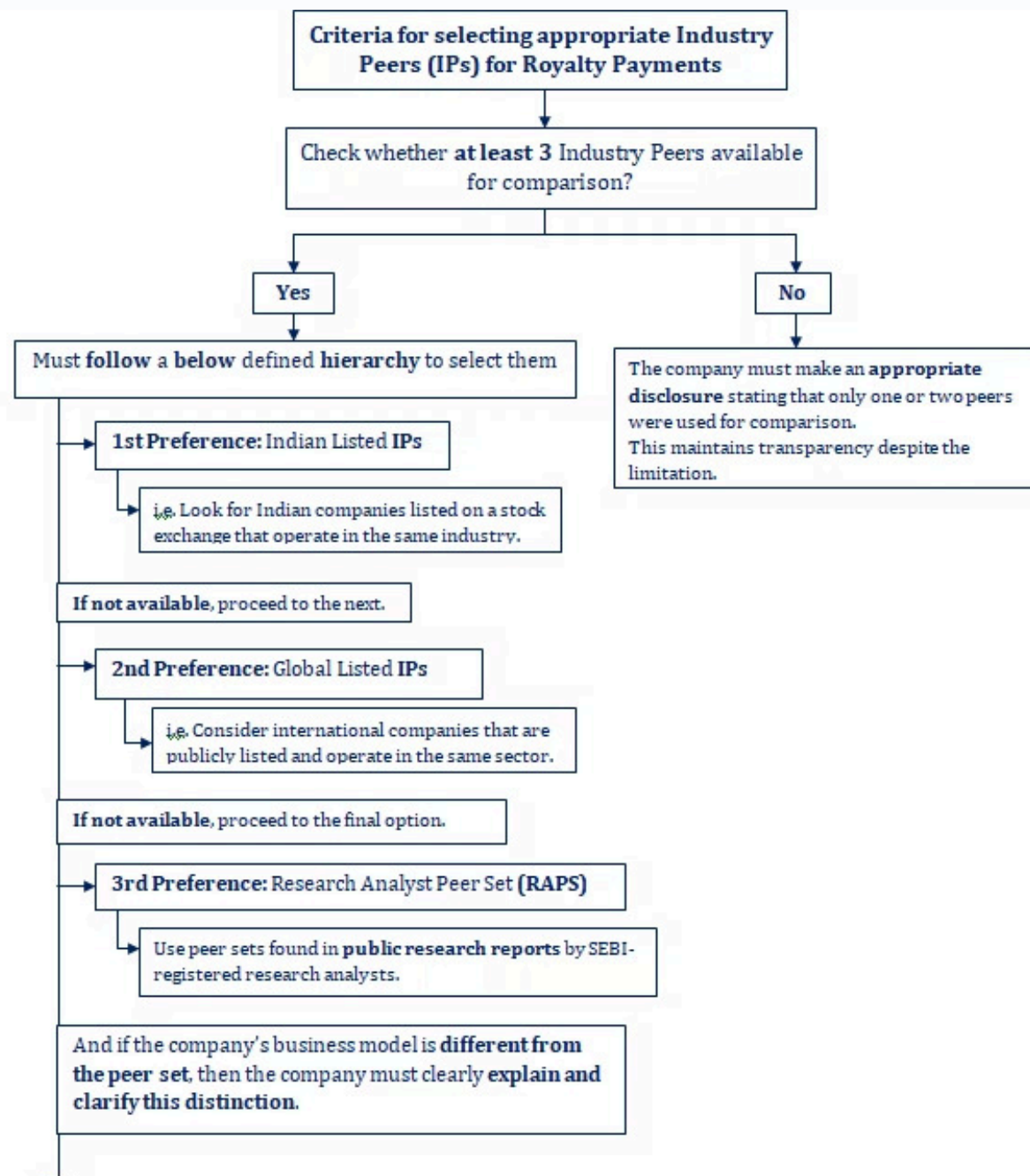
Details relating to Bids in case of Sale, Purchase or Supply of Goods or Services or any other similar business transaction

This flowchart outlines a **decision-making process** followed by a company when obtaining **bids for the purchase, sale, or supply of goods or services**. It is particularly relevant in the context of **Related Party Transactions (RPTs)**, where ensuring **transparency, fair evaluation**, and protecting the **interests of shareholders** is critical.



Industry Peer Comparison for Payment of Royalty

This flowchart outlines the **criteria for selecting appropriate Industry Peers (IPs)** when comparing royalty payments made by a company. It ensures that such comparisons are made fairly and transparently, based on credible peer groups.



Purpose of this Process:

- To ensure **objective, fair, and consistent** comparison of royalty payments.
- To follow a **structured and credible approach** to peer benchmarking.
- To maintain **transparency and accountability**, especially when few peers are available.

12.Miscellaneous Regulatory Updates

1

Reg 24(6) - Exception for Wholly-Owned Subsidiaries

Prior shareholder approval (special resolution) is NOT required if the sale, disposal, or lease of assets is between two wholly-owned subsidiaries of the same listed entity.

2

Reg 34 - Annual Report Submission - Then vs. Now

Earlier Provision: The listed entity had to **submit the Annual Report** to the stock exchange **not later than** the day of commencement of dispatch to shareholders.

Now: The listed entity must submit the **Annual Report** to the stock exchange **on or before** the commencement of dispatch to shareholders.

3

Reg 37 - NOC not required from Stock Exchange

No objection is not required from Stock Exchange for mergers of wholly owned subsidiaries with holding companies or merger for writing off accumulated losses. However, such draft schemes must be filed with the recognized stock exchange for disclosure purposes.

4

Reg 36 - Documents & Information to shareholders

To improve the accessibility of Annual Reports for shareholders, a letter to be sent to such shareholders providing the web-link, including the exact path, where complete details of the Annual Report is available

5

Reg 3(2) - Applicability Based on Market Capitalization (Old vs. New)

Market cap applicability is now based on average market cap from July 1 to Dec 31, with provisions continuing to apply unless the entity remains outside the threshold for 3 consecutive years.

Key Aspect	Old Provision	New Provision
Basis of Applicability	The provisions of these regulations which become applicable to listed entities on the basis of market capitalisation criteria shall continue to apply to such entities even if they fall below such thresholds.	Based on average market cap from July 1 to Dec 31 ; list prepared by recognized stock exchanges on Dec 31 provisions shall continue to apply unless the entity remains outside the threshold for 3 consecutive years based on rankings
Authority for List Preparation	Not specifically mentioned	Recognized stock exchanges to prepare the list annually based on average market capitalisation
Compliance Start Date	Not clearly specified	Compliance must be in place under Reg. 34(2)(f) within a period of three months from December 31 (i.e. on or before April 1) April 1 or start of the next financial year, whichever is later
BRSR Disclosure	No specific requirement or timeline	BRSR and/or assurance must be disclosed in the Annual Report of the FY in which systems were required to be implemented

Unlisted Material Subsidiary & Listed Entity – Potential Loophole in Regulation 23 of SEBI LODR – RPT Provisions

"Do Jisam, Ek Jaan"

Background & Concern:

We wish to draw the regulator’s attention to a **potential gap** in the current regulatory framework – specifically, the **non-requirement of shareholder approval** for **material related party transactions (RPTs)** involving a **material unlisted subsidiary** of a listed entity.

Applicable Exemptions under SEBI LODR & Companies Act, 2013:

Several provisions currently **exempt transactions** between a listed entity and its **wholly owned subsidiaries**, including:

1. **Transfer of resources** (e.g., goods, services, assets) from the listed entity to its wholly owned subsidiary.
2. **Loans and investments** made by the holding company to its wholly owned subsidiary.
3. Exemptions under Section 185/186 of the Companies Act, 2013.

Key Governance Gap Identified:

Even when the financials of a **material unlisted subsidiary** are consolidated with its listed parent entity, and any **material RPT** may indirectly affect the shareholders of the listed company, **shareholder approval is not mandated** for such RPTs under current SEBI LODR norms.

Implication:

- **When the financial statements** of a **material unlisted subsidiary** are **consolidated** with those of the **listed entity**, any **impact** on the **subsidiary’s balance sheet** directly affects the listed company’s **financials**, thereby making it **necessary** for **shareholders** of the listed entity to have **visibility** and **approval rights** over **material related party transactions** undertaken by such subsidiaries.
- This potentially **weakens shareholder oversight** over significant RPTs routed through unlisted material subsidiaries.
- There is **reduced transparency and accountability**, especially when large-value transactions are executed without direct shareholder scrutiny.

Our Interpretation & Conclusion:

Based on our analysis of **Regulation 23 of SEBI LODR**, this appears to be a **loophole** that merits regulatory review.

We acknowledge this is **our interpretation**, and we welcome any clarifications or guidance from the regulator to ensure **accurate compliance and consistent governance practices**.

Want to go beyond the highlights?


This **document** highlights the key developments in SEBI’s LODR framework from December 2024 to May, 2025.

For professionals seeking detailed insights, we’ve curated all the relevant amendments, circulars, and master circulars below from December, 2024 to May, 2025.

Access the official documents directly through these links—your one-stop source for regulatory depth.[h](#)

1

LODR

 www.sebi.gov.in

[SEBI | Securities and Exchange Board of India \(Listing Obligations and Disclosure Requirements\) Regulations, 2...](#)

Securities and Exchange Board of India is made for protect the interests of investors in securities and to promote the development of, and to regulate the securities market and for matters connected therewith or incidental thereto

2

Master Circular LODR

 www.sebi.gov.in

[SEBI | Master circular for compliance with the provisions of the Securities and Exchange Board of India \(Listing ...](#)

Securities and Exchange Board of India is made for protect the interests of investors in securities and to promote the development of, and to regulate the securities market and for matters connected therewith or incidental thereto

3

Integrated Filing

- <https://nsearchives.nseindia.com/web/sites/default/files/inline-files/Circular%20for%20implementation%20of%20the%20recommendations%20of%20the%20Expert%20Committee%20-%20Final%28Revised%29%20-%2004.02.2025.pdf>
- <https://nsearchives.nseindia.com/web/sites/default/files/inline-files/NSE%20Circular%20facilitating%20ease%20of%20doing%20business%20for%20listed%20entities-%20Integrated%20Filing.pdf>
- <https://nsearchives.nseindia.com/web/sites/default/files/inline-files/NSE%20Circular-%20Implementation%20of%20XBRL%20for%20disclosure%20of%20Integrated%20Filing-%20Governance.pdf>
- https://nsearchives.nseindia.com/web/sites/default/files/inline-files/CML_API_Integrated%20filing%20for%20governance.pdf
- https://nsearchives.nseindia.com/web/sites/default/files/inline-files/NSE_Circular_Integrated%20Filing%20Governance.pdf
- https://nsearchives.nseindia.com/web/sites/default/files/inline-files/NSE_Circular_02042025_0.pdf

4

Industry Standards - RPT

- <https://nsearchives.nseindia.com/web/sites/default/files/inline-files/SEBI%20Cicular%20ISF%20RPT.pdf>
- <https://nsearchives.nseindia.com/web/sites/default/files/inline-files/CML66697.pdf.pdf>
- https://nsearchives.nseindia.com/web/sites/default/files/inline-files/NSECircular_15032025%202.pdf
- <https://nsearchives.nseindia.com/web/sites/default/files/inline-files/1742554609393.pdf>
- <https://nsearchives.nseindia.com/web/sites/default/files/inline-files/NSE%20Circular%2021032025.pdf>

5

Industry Standards- Regulation 30

- <https://nsearchives.nseindia.com/web/sites/default/files/inline-files/1740483434491.pdf>
- <https://nsearchives.nseindia.com/web/sites/default/files/inline-files/NSE%20Circular%2025022025.pdf>

[h](#)

6

SME RPT Circular



PDF-файл



7

FAQs on SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

- https://nsearchives.nseindia.com/web/sites/default/files/inline-files/SEBI%20_FAQs_23042025.pdf
- https://nsearchives.nseindia.com/web/sites/default/files/inline-files/NSE_Circular_23042025.pdf

8

FAQ ICSI



PDF file

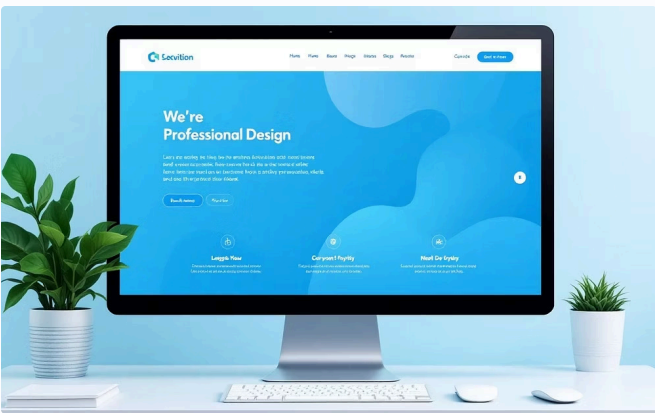


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Thank You