

SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) (THIRD AMENDMENT) REGULATIONS, 2024 AND SEBI CIRCULAR DATED 31ST DECEMBER, 2024

SUMMARY OF KEY AMENDMENTS AND ACTION TO BE TAKEN BY LISTED ENTITIES

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AMENDMENTS IN DEFINITIONS , RESPONSIBILITY FOR DISCLOSURE OF INFORMATION TO LISTED ENTITY

Reg.	Amendments	Comments
2(1)(K)	Definition of the term 'Half year' is omitted	-
2(1)(zf)	Definition of term 'securities laws' is amended	The definition is amended to cover other delegated legislations (Rules, Regulations and Circulars) in relation with the Acts already provided in the erstwhile definition. The term 'previous company law' is inserted on similar lines provided under the Companies Act, 2013
2(1)(zl)	"SR equity shares means the equity shares of an listed entity having superior rights compared to other equity shares listed by that entity.	
5	Insertion of "The key managerial personnel, directors, promoter, promoter group or any other person dealing with the listed entity shall disclose to the listed entity all information that is relevant and necessary for the listed entity to ensure compliance with the applicable laws."	Previously the onus of compliance is on Listed entity to "ensure that KMP/ Promoter/ Directors/ other persons complied with the regulations. Now, responsibility is added on part of KMP/ Promoters/ Directors/ other person dealing with the listed entity to disclose necessary information.

INCREASED RECOGNITION TO THE ROLE OF COMPLIANCE OFFICER , COMPLIANCE CERTIFICATE UNDER REGULATION 7 DONE AWAY WITH AND INTEGRATED FILING IN EXCHANGES

Regulation	Amendments	Comments
6	Compliance officer shall be in <ul style="list-style-type: none"> • whole-time employment of the listed entity • not more than one level below the Board and • designated as KMP 	The change in organisational hierarchy by placing Compliance Officer one level below the Board, increases autonomy of CO to discharge his obligation by direct reporting to the Board. However it is not clear as to what action the listed entity is required to take in its existing organisation structure, to bring it in line with the Regulation.
7	Submission of Compliance certificate on Share transfer facility is no longer required.	This regulation is effective from 13th December, 2024. The submission of this certificate for FY 2024-25 and onwards is not required.
10	SEBI may enable integrated filing of periodic reports, statements, documents and any other information required to be filed by a listed entity	Compliance made easier with integrated filings. SEBI vide Circular dated 31 st December. 2024 has notified integrated filing for Reg 13, 27,32 & 33 (Quarterly) and 23 (Half-yearly)

CORPORATE GOVERNANCE EXEMPTIONS CLARIFIED, DEFINITIONS OF MATERIAL SUBSIDIARY AND SENIOR MANAGEMENT PERSONNEL

Regulation	Amendments	Comments
15(2)(a)	Corporate Governance regulations (17 to 27) once applicable for listed entities, shall continue to remain applicable till such time the equity share capital AND the net-worth of such entity reduces and remains below the specified threshold for a period of three consecutive financial years	In line with the regulation on applicability of CG Regulations (17 to 27) which stipulates both conditions of equity share capital and net worth to be met, the proviso to the regulation is also amended on same lines that both equity share capital AND the net-worth criteria to be satisfied.
16(1)(c)	Use of words “turnover” instead of “Income” in the definition for Material Subsidiary	Similar to the threshold limits provided under the Companies Act, 2013. Action required: The Listed entity shall amend the policy for determining Material subsidiaries in line with the new definition.
16(1)(d)	The term Senior Management also includes Key Managerial Personnel other than Board of Directors	The definition for senior management is widened to include KMP as well. Action required: Code of Conduct for Directors and Senior management shall be amended.

APPOINTMENT OF DIRECTORS AND COMMITTEE COMPOSITION

Reg	Amendments	Comments
17(1A)	Listed entity shall obtain approval of shareholders at the time of appointment or re-appointment or any time prior to the non-executive director attaining the age of seventy- five years.	Prior approval before attaining age of 75 years clarified
17(1C)	<ul style="list-style-type: none"> Relaxation in time limits for those appointments where any approval of regulatory, government or statutory authorities Appointment or re-appointment of a person nominated by a financial sector regulator, Court or Tribunal to the board of the listed entity does not require approval of shareholders 	Time taken to receive the approval is excluded while computing the period of 3 months.
17(1E)	The Committee Composition criteria (Audit/ NRC/ SRC/ RMC) is also included for filling up vacancies before the expiry of term of Directors	To ensure that the Board and Committee composition of the listed entity is complied at all times.
PART E of Schedule II	<ul style="list-style-type: none"> Mandatory requirement of Women Independent Director to top 2000 listed entities Two meetings of Independent Directors shall be applicable to top 2000 listed entities 	Further, 1001 to 2000 market cap entities may voluntarily constitute Risk management committees

NUMBER OF MEETINGS TO BE HELD IN A “FINANCIAL YEAR”,

Regulation	Amendments	Comments
17(2), 18(2)(a), 19(3A), 20(3A), 21(3A)	<ul style="list-style-type: none"> ▪ The Board of Directors must meet at least 4 times a Financial year, with not more than 120 days gap between two consecutive meetings; ▪ the Audit Committee must meet at least 4 times a Financial year with the same gap; ▪ the NRC, SRC, and RMC must meet at least once, once, and twice a Financial year, respectively. 	The words ‘financial year’ is added to ensure clarity over number of meetings to be held either in calendar year or financial year

REGULATION 23 – RELATED PARTY TRANSACTIONS

Reg.	Amendments	Comments
2(1)(zc)	Uniform corporate action (Dividends, Consolidation of Securities, buy-back, issuance of securities by way of rights issue or a Bonus.) of “ Listed entity ” is exempt from Related party transaction. The word “Listed Entity” is omitted now.	This may benefit unlisted subsidiaries of Listed entity issuing corporate action to shareholders. Previously only corporate actions of listed entity was exempt.
2(1)(zd)	<p>Acceptance of deposits by banks: This refers to banks accepting current and savings account deposits and paying interest on them, in line with the guidelines set by the Reserve Bank of India (RBI) or any other central bank in the relevant jurisdiction.</p> <p>Retail purchases from a listed entity: This means that directors or employees of a listed company or its subsidiary can buy goods or services from the company without needing a business relationship, as long as the same terms are offered to all employees and directors</p>	-
23(2)(e)	Remuneration and sitting fees paid shall not require approval of audit committee provided that the same is not material in nature	Disclosure of this also not required in the half yearly RPT Report.

REGULATION 23 – RELATED PARTY TRANSACTIONS

Regulation	Amendments	Comments
23(2)(f)	<p>The independent directors who are members of audit committee may ratify the RPT within 3 months from the date of transaction or in the next following meeting (whichever is earlier) subject to following conditions:-</p> <ul style="list-style-type: none"> • Value shall not exceed Rs. 1 Crore. • The transaction must not be material • rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification • Details of ratification • Any other condition as specified 	<p>Post transaction ratification of RPT subject to conditions.</p> <p>Details of ratification of RPTs are required to be disclosed along with the half-yearly disclosures of RPTs. Accordingly, the value of ratified RPTs shall be disclosed in the format specified for disclosure of RPTs as part of the Integrated Filing (Financial).</p>

REGULATION 23 – RELATED PARTY TRANSACTIONS

Regulation	Amendments	Comments
23(3), 23(3)(d)	<ul style="list-style-type: none"> Grant omnibus approval proposed to be entered by the listed entity or its subsidiary. The audit committee shall review on quarterly basis the details of related party transactions entered into by listed entity or its subsidiary 	<p>Inclusion of subsidiary of a listed entity for grant of omnibus approval and quarterly review of details of related party transactions entered by subsidiary.</p> <p>Action Required: The RPT Policy of the listed entity shall be amended in line with the Regulations</p>
23(5)	Substituted words to Transactions entered between two “public sector companies” instead of “government companies”	RPT rationalized for Government and PSU Entities
23(5)(c)	Insertion of new clause “transactions which are in the nature of payment of statutory dues, statutory fees or statutory charges entered into between an entity on one hand and the Central Government or any State Government or any combination thereof on the other hand”	

REGULATION 24A – APPOINTMENT OF SECRETARIAL AUDITOR

Reg.	Amendments
24A(1)(a)	Secretarial Audit by Secretarial Auditor who shall be a Peer Reviewed Company Secretary
24A(1)(b)	<ul style="list-style-type: none"> • On the basis of recommendation of Board, listed entity shall appoint Secretarial Auditor with approval of shareholders at AGM • Tenure of Secretarial Auditor <ol style="list-style-type: none"> i. an individual as Secretarial Auditor for not more than one term of five consecutive years; or ii. a Secretarial Audit firm as Secretarial Auditor for not more than two terms of five consecutive years, • Individual and Secretarial Audit firm- Cooling-off Period of Five Years from completion of respective terms (Listed entity may remove Secretarial Auditor with approval of shareholders at Annual General Meeting. • In case of Casual vacancy, it shall be filled by the Board of Directors within a period of three months and the secretarial auditor so appointed shall hold office till the conclusion of the next annual general meeting.
24(1A)	Eligibility, Qualification and Disqualifications of Secretarial Auditor
24 (1B)	Secretarial Auditor not to render certain services

REGULATION 24A – APPOINTMENT OF SECRETARIAL AUDITOR

Comments

- With effect from 01st April, 2025, the listed entity shall comply with appointment/ re-appointment/ continuation of Secretarial Auditor as per this regulation
- Recognition to Peer reviewed Company Secretaries for appointment as Secretarial Auditors
- Cooling-off period for firms with Common Partners. For Eg. X and Y Partnership firms having common partners. X tenure as Secretarial Auditor has expired. Firm Y also cannot be appointed in the listed for a term of 5 years.

REGULATION 24A – APPOINTMENT OF SECRETARIAL AUDITOR – CONTINUATION OF EXISTING SECRETARIAL AUDITORS

Comments

- Any individual or the firm as the Secretarial Auditor of the listed entity **before 31st March, 2025 shall not be considered** for the purpose of calculating the tenure limits (5 Years/ 10 Years as the case may be)

- For Example:

S & Co., Company Secretaries (Firm) has been the Secretarial Auditor of the listed entity for the financial year 2024-25.

The Listed entity may appoint S & Co., as Secretarial Auditor at the AGM to be held in 2025, as tenure of **S & Co. before 31st March, 2025 shall not be counted** towards the limit specified in the regulations. S & Co. is **eligible to be appointed** for two terms of five years each.

REGULATION 24A – SERVICES NOT TO BE RENDERED,

Comments

- The services not to be rendered by Secretarial Auditor is notified by SEBI in its Circular dated 31.12.2024. This is included on similar lines with Section 144 of the Companies Act, 2013 for Statutory auditors.

The Secretarial auditor appointed under the LODR regulations, shall not provide any of the following services (whether such services are rendered directly or indirectly) to the listed entity, or its holding entity or subsidiary entity:

- Internal audit;
- Design and implementation of any compliance management system, or system process of compliances, information system, policy framework;
- investment advisory services;
- investment banking services;
- rendering of outsourced compliance management, record keeping & maintenance services;
- Management services
- any other kind of services as may be specified from time to time

RELAXATION IN INTIMATION OF OUTCOME OF BOARD MEETING

Reg.	Amendments	Comments
25(6)	The regulation regarding the filling of vacancies for Independent Directors who have resigned or been removed has been omitted .	As this is now covered under Regulation 17(1E).
27(2)(a)	The quarterly Corporate Governance compliance report must be submitted to the stock exchange within 30 days from the end of the quarter (New Format for Disclosure notified – Circular dated 31.12.2024)	Integrated Filing applicable from Quarter ended December 31, 2024 onwards
30(6)(i),	<p>Insertion of regulation in relation to disclosure of Outcome Board of meeting</p> <ul style="list-style-type: none"> If the board meeting ends after normal trading hours but more than three hours before the next trading day's opening, the company must disclose the decision within three hours of the meeting's closure. If the board meeting lasts more than one day, the financial results must be disclosed within 30 minutes or three hours, depending on the timing, after the meeting ends for the day when the results are considered. 	<p>Rationalized filing outcome of Board meeting in connection with market hours.</p> <p>Normal trading hours shall mean time period for which the recognized stock exchanges are open for trading for all investors (9.15 AM to 3.30 PM)</p>

DISCLOSURES UNDER REGULATION 30 AND SCHEDULE III

	Amendments	Comments
30(6)(iii)	If the listed entity keeps information about claims against it (except tax-related claims) in a structured digital database as required by SEBI's Insider Trading regulations, the entity must disclose these claims to the stock exchange within 72 hours of receiving the notice.	New Insertion for disclosure
Schedule III	<ul style="list-style-type: none"> • The terms 'acquisition' shall mean: <ul style="list-style-type: none"> • (a) the listed entity holds shares or voting rights aggregating to twenty per cent or more of the shares or voting rights in the said company; or (b) change in holding from the last disclosure made under sub-clause (a) of clause (ii) of such change exceeds five per cent of the total shareholding or voting rights in the said company; • Disclosure required for Acquisition of “to be incorporated” companies is provided. 	<p>Increase in limit to 20%</p> <p>Acquisition of shares or voting rights by listed entities in an unlisted company, aggregating to 5% or any subsequent change in holding exceeding 2%, shall be disclosed quarterly as part of Integrated Filing (Governance).</p>

DISCLOSURES UNDER REGULATION 30 AND SCHEDULE III

	Amendments	Comments
Schedule III	<p>Tax litigations or disputes, including demand notices, penalties, etc., shall be disclosed under sub-para 8 of Para B based on application of criteria for materiality in the following manner:</p> <ul style="list-style-type: none"> (i) Disclosure of new tax litigations or disputes within twenty-four hours from the receipt of notice by the listed entity. (ii) Quarterly updates on ongoing tax litigations or disputes in the format as may be specified. (Integrated Filing (Governance)) (iii) Tax litigations or disputes, the outcomes of which are likely to have a high correlation, should be cumulated for determining materiality 	The manner of disclosure of tax litigation or dispute based on application of materiality criteria.
Clause 20 – Para A Part A of Schedule III	Imposition of fine or penalty which are lower than the monetary thresholds specified under Para A(20) of Part A of Schedule III of LODR shall be disclosed quarterly as part of Integrated Filing (Governance).	

RECLASSIFICATION OF PROMOTERS

Regulation	Amendments
31A (3)	<p>Changes in conditions of Re-classification of Promoters</p> <ul style="list-style-type: none"> • Time limit for Board of Directors to analyze reclassification request is now 2 months or immediate board meeting • No-objection application to be submitted to stock exchanges within 5 days. • 30-day time-limit for Stock exchange to provide NOC • Shareholders approval to be obtained within 60 days of NOC • Stock exchange shall be intimated within 5 days of approval of shareholders.

ANNUAL REPORT COMPLIANCES AND NOC FOR SCHEME OF ARRANGEMENT

Reg	Amendments	Comments
34(1)(a)	Use of words “on or before” instead of “not later than” for dispatching of Annual Report to the shareholders.	-
36(1)(b)	For Shareholders who are not Registered, the company must send a letter providing the web-link of the exact path of the Annual Report.	Instead of Hard copy of statement containing the salient features of the Annual Report, a letter with web-link of Annual Report to be sent.
36(5)	Notice for Appointment or Re-appointment of Secretarial Auditor shall contain an Explanatory Statement same as that of Statutory Auditor.	As the appointment of Secretarial Auditor is now approved by Shareholders
Schedule V	Stock code, Market price, Performance comparison with Index are omitted from disclosure in Corp Gov. Report	With effect from Annual Report for FY 2024-25 these are not mandatory to be provided
37	No-objection letter from stock exchanges is not required for merger of WOS with its holding company & scheme of arrangements which involves writing off the accumulated losses against the share capital or the reserves of the listed entity:	-

LOSS OF SHARE CERTIFICATE/ DUPLICATE SHARE CERTIFICATE , COMPLIANCE CERTIFICATE ON TRANSFER/ TRANSMISSION AND RECORD DATES

Regulation	Amendments	Comments
39	The listed entity is not required to submit information regarding loss of share certificates and issue of the duplicate certificates, to the stock exchanges.	This is effective from 12 th December, 2024 and the intimation of this stock exchange is no longer required.
40(2),(3),(6), (8),(9) and (10)	Regulation in relation to Transfer or Transmission or Transposition of securities has been Omitted	The Listed entity is not required file the annual certificate from Company Secretary in practice for the year 2024-25 and onwards.
42(2),(4)	<ul style="list-style-type: none"> The notice specifying the purpose of Record date shall be given at least three days in advance (excluding the date of intimation and the record date) There must be at least a gap of five working days in between two record dates. 	-
44	Proxy form is not required to be sent for AGM held only through electronic mode.	

CHANGES IN WEBSITE AND NEWSPAPER DISCLOSURES

Reg.	Amendments
46(2) (aa) & (ab)	(aa) MOA & AOA (ab) Brief Profile of board of directors including Directorship and full-time positions in body corporate.
46(2)(oa)	<ul style="list-style-type: none"> • The video recordings, if any, shall be made available on the website within forty-eight hours from the conclusion of such calls; (if Video recording is available) • The information relating to audio and presentation to be hosted on the website for a minimum of two years and further according to archival policy. • the audio/video recordings shall be promptly whichever made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, earlier; • The information relating to transcripts of the meeting to be hosted on the website for a minimum of Five years and further according to archival policy.
46(2)(za)	An employee benefit scheme is to be formulated excluding commercial secrets and such other information that would impact the pricing of the listed entity.

CHANGES IN WEBSITE AND NEWSPAPER DISCLOSURES

Reg.	Amendments
47	Newspaper Advertisement relating to financial results may contain only quick response code (QR Code) and the details of webpage where it has been disclosed. The detailed financial results may be published at the option of listed entity, as per the format prescribed by SEBI.
Comments	The Listed entities shall host the above information immediately.

AMENDMENTS IN CHAPTER V – NON-CONVERTIBLE SECURITIES

Regulation	Amendments	Comments
50(4)	For Board meeting, Intimation to stock exchange must be made in XBRL format.	XBRL Intimation is additionally required
52(ba)	Financial results must be signed by chairperson or managing director, or a whole-time director or in the absence by any other director authorized.	-

DISCLOSURES TO BE MADE IN RESPECT TO COMPANIES UNDER CORPORATE INSOLVENCY RESOLUTIONS PROCESS UNDER THE INSOLVENCY AND BANKRUPTCY CODE , 2016

Regulation	Amendments
6(1B)	Vacancy in the office of Compliance Officer to be filled up within a period of 3 months. In the interim the listed entity shall have not less than one full-time key managerial personnel managing its day-to-day affairs.
26A(3)	Any vacancy in the office of Chief Executive Officer, Managing Director, Whole Time Director or Manager or Chief Financial Officer to be filled up within a period of 3 months. In the interim, such listed entity shall have not less than one full-time key managerial personnel managing its day-to-day affairs
33(3)(a)	The listed entity must disclose its financial results within ninety days from the end of the quarter in which such resolution plan was approved, except in case such resolution plan has been approved in the last quarter of a financial year.
33(3)(d)	The listed entity shall disclose its annual audited financial results within 120 days from the end of such financial year.

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THANK YOU!

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