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**Company Secretary**

**Anil Kumar Dubey**

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M & A ASSOCIATES  
PCS & RV (SFA), IP, LL.B

**"Compliance is not just a box to check, but a core aspect of responsible business practice"**

# SEBI-LODR- 3<sup>rd</sup> Amendment, 2024

Insertion

# Related Party Transaction

Sub-clause (e) in the First proviso to Clause (zc) in Sub-regulation (1) of Regulation 2.

13.12.2024

“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.

# Related Party Transaction

Clause (e) in  
the second  
proviso to  
Sub-  
regulation  
(2) of  
Regulation  
23

13.12.2024

Remuneration and **sitting fees** paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material.

# Ratification of Related Party Transaction

Clause (f) in the second proviso to Sub-regulation (2) of Regulation 23

13.12.2024

Now, the members of the audit committee, who are independent directors, may ratify related party transactions **within three months** from the date of the transaction or in the immediate next meeting of the audit committee, whichever is earlier, subject to the following conditions :

(i) the value of the ratified transaction(s) with a related party, whether entered into individually or taken together, during a financial year **shall not exceed rupees one crore;**

# Ratification of Related Party Transaction-cont.

<p><b>Clause (f) in the second proviso to Sub-regulation (2) of Regulation 23</b></p> <p><b>13.12.2024</b></p>	<p>(ii) the transaction is not material;</p> <p>(iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;</p> <p>(iv) the details of ratification shall be disclosed along with the half yearly disclosures of related party transactions to the Stock Exchanges;</p> <p>(v) any other condition as specified by the audit committee.</p>
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# Ratification of Related Party Transaction-cont.

Clause (f) in the second proviso to Sub-regulation (2) of Regulation 23

13.12.2024

However, failure to seek ratification of the audit committee shall render the transaction voidable at the option of the audit committee and if the transaction is with a related party to any director, or is authorised by any other director, the director(s) concerned shall indemnify the listed entity against any loss incurred by it.

# Ratification of Related Party Transaction

Regulation  
23(5)

13.12.2024

Now, the following related party transactions shall also **stand exempted** from the requirement of requisite approvals :

- i) transactions entered into between **two public sector companies**;
- ii) 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;

# SR Equity Shares

Clause (z1a) in Sub-  
regulation

(1) Of Regulation 2

13.12.2024

“SR Equity Shares” means the Equity Shares of a listed entity having superior voting rights compared to all other equity shares issued by that listed entity

# Compliance Officer

Proviso to Sub-  
regulation  
(1) Of  
Regulation  
6

13.12.2024

Now, it has been further clarified that the Compliance Officer shall be an officer, who is in whole time employment of the listed entity, not more than one level below the Board of Directors and shall be designed as a Key Managerial Personnel.

# Compliance Officer

Proviso to Sub-  
regulation of  
Regulation 6

13.12.2024

Now, it has been further clarified that the Compliance officer shall be an officer, who is in whole time employment of the listed entity, not more than one level below the Board of Directors and shall be designed as a Key Managerial Personnel.

# CEO, MD etc.

Regulation  
26A

13.12.2024

Any vacancy in the office of Chief Executive Officer, Managing Director, Whole Time Director or Manager or Chief Financial Officer of such listed entity **in respect of which a Resolution Plan under Section 31** of the Insolvency Code has been approved, shall be filled within a period of three months of such approval. However, in the interim, such listed entity shall have not less than one full-time key managerial personnel managing its day-to-day affairs.

# Disclosure

Regulation 30

13.12.2024

- i. **30 Minutes-** Material Information from the closure of the BM
- ii. **3 hours-** In case the meeting of the board of directors closes after normal trading hours of that day
- iii. **72 hours-** if all the relevant information, in respect of claims which are made against the listed entity under any litigation or dispute, other than tax litigation or dispute, is maintained in the SDD.

# Compliance Officer in case of IBC

**Regulation  
6(1B)**

**13.12.2024**

Now, any vacancy in the office of the Compliance Officer of such listed entity in respect of which a Resolution Plan under Section 31 of the Insolvency Code has been approved, is required to be filled within a period of three months of such approval. However, in the interim, such listed entity shall have not less than one full-time key managerial personnel managing its day-to-day affairs.

# Appointment of NED

Proviso to Sub-  
regulation  
(1) Of  
Regulation 17

13.12.2024

No listed entity can appoint a person or continue the directorship of any person as a non-executive director who has attained the age of **seventy five years** unless a special resolution is passed to that effect.

Now, to avoid any ambiguity in this regard, it is clarified that the listed entity shall ensure this compliance at the time of appointment or reappointment or any time **prior** to the non-executive director attaining the age of **seventy- five years**.

# Disposing Assets of UMS

Regulation  
24(1)

13.12.2024

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 requires prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal, or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.- TWO WOS.

# Financial Results

Regulation  
33  
13.12.2024

the listed entity in respect of which a **Resolution Plan under Section 31** of the Insolvency Code has been approved, shall 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 and **within 120 days** from the end of such financial year if the said plan is approved during the last quarter of a financial year.

# Corporate Governance- Discretionary Requirements

Part- E of  
Schedule-II

13.12.2024

The listed entities ranked from 1001 to 2000 as per the list prepared by recognized stock exchanges in terms of sub-regulation (2) of regulation 3 shall endeavour to have **at least one woman independent director** on its board of directors.

# Corporate Governance- Discretionary Requirements-Cont.

**Part- E of  
Schedule-II**

**13.12.2024**

**The independent directors of top 2000 listed entities as per market capitalization shall endeavour to hold at least two meetings in a financial year, without the presence of non- independent directors and members of the management and all the independent directors shall endeavour to be present at such meetings.**

# Corporate Governance- Discretionary Requirements-Cont.

Part- E of  
Schedule-II

13.12.2024

Listed entities ranked from 1001 to 2000 in the list prepared by recognized stock exchanges in terms of sub-regulation (2) of regulation 3 may constitute a **risk management committee** with the composition, roles and responsibilities specified in Regulation 21.

# SEBI-LODR- 3<sup>rd</sup> Amendment, 2024

Modification/Replacement

# Quarterly Statement of Investors' Grievances

**Regulation  
13(3)**

**31.12.2024**

Now, in place of the existing **certificate**, a **statement** detailing the redressal of investor grievances in such form and within the timelines as may be specified by the Board will be required to be filed on a quarterly basis.

# Exemption from Corporate Governance

## Regulation 15(2)

31.12.2024

Now, it has been clarified that the Corporate Governance provisions will not be applicable to a Company **only if both the criteria** in terms of paid-up equity share capital not exceeding rupees ten crore **AND** net worth not exceeding rupees twenty five crore, as on the last day of the previous financial year are fulfilled.

# Exemption from Corporate Governance-Cont.

## Regulation 15(2)

31.12.2024

Further, once applicable, the listed company is required to ensure compliance with the same **within six months** from such date.

Furthermore, such listed entity in respect of which a Resolution Plan under Section 31 of IBC has been approved, the corporate governance provisions are required to be complied within a period of three months of the approval of the Resolution Plan.

# Material Subsidiary

**Regulation  
16(1)(c)**

**31.12.2024**

Now, the “Material subsidiary” shall mean a subsidiary, whose Turnover **[instead of income]** or net worth exceeds ten percent of the consolidated Turnover **[instead of income]** or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year

# Senior Management

**Regulation 16(1)(d)**  
**31.12.2024**

Apart from CS & CFO, **excluding the BOD**, but comprising of all the members of the management one level below the CEO or MD or WTD, or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and also specifically including the functional heads by whatever name called; but all the persons identified and designated as key managerial personnel, by the listed entity, shall also be part of the Senior Management.

# Omnibus Approval

## **Regulation 23(3)**

**31.12.2024**

In terms of the existing provisions, audit committee may grant omnibus approval for Related Party Transactions proposed to be entered into by the listed entity with its Related Parties.

Now, audit committee may grant omnibus approval for Related Party Transactions proposed to be entered into by its subsidiary(ies) too. However, in that case, the audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity as well as by its subsidiary(ies) pursuant to each of the omnibus approvals given.

# CG Requirements with Respect to UMS

## Regulation 24(1)

31.12.2024

For the applicability of the provisions of Corporate Governance to the Subsidiary(ies), the term “material subsidiary” shall mean a subsidiary, whose Turnover [instead of Income] or net worth exceeds twenty percent of the consolidated Turnover [instead of Income] or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

# Secretarial Audit

## Regulation 24A

1.04.2025

The appointment of the Secretarial Auditor will be made for a term not exceeding five consecutive years in case of individual Secretarial Auditor and not more than two terms of five consecutive years in case of appointment/reappointment of a Secretarial Audit Firm and all such appointment/reappointments will be subject to approval of the shareholders of the Company in the Annual General Meeting of the Company.

# Secretarial Audit-Cont.

## Regulation 24A

1.04.2025

A Secretarial Auditor shall provide to the listed entity only such other services as are approved by the Board of Directors of the Company.

There will be a cooling period of five years.

Peer Review is mandatory.

## Obligations with respect to employees including senior management, key managerial personnel, directors and promoters

### **Regulation 26(6)**

**13.12.2024**

No employee including key managerial personnel or director or promoter of a listed entity may enter into any agreement for himself /herself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of such listed entity, unless prior approval for the same has been obtained from the Board of Directors as well as public shareholders by way of an ordinary resolution

# Quarterly Certificate on Corporate Governance

**Regulation 27**

**31.12.2024**

New reporting format with the stipulated time line will be specified in due course and will be applicable from the quarter ending December, 2024 onwards.

# Documents & Information to shareholders

## **Regulation 36(1)**

**13.12.2024**

Now, instead of sending hard copy of statement containing the salient features of all the documents, as prescribed in Section 136 of Companies Act, 2013 or rules made thereunder, the listed entity may send a letter providing the web-link including the exact path, where complete details of the Annual Report is available to those shareholder(s) who have not so registered.

# Documents & Information to shareholders- Cont.

## Regulation 36(1)

13.12.2024

Now, the notice being sent to shareholders for an annual general meeting, where the Secretarial Auditor is proposed to be appointed/re-appointed shall include the disclosure regarding the **proposed fee** (including material change) along with terms of the appointment and credential of the proposed Secretarial Auditor as a part of the explanatory statement.

# Record Date / Closure of Transfer Books

## Regulation 42

13.12.2024

The listed entity shall give notice in advance of at least three [instead of 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 except Scheme of Arrangement.

# Record Date / Closure of Transfer Books- Cont.

## Regulation 42

13.12.2024

The time gap between two record dates have been reduced from thirty days to five working days.

# Website

## Regulation 46 13.12.2024

The listed entity shall disseminate the following additional information under a separate section on its website :

- i. MOA & AOA
- ii. Brief Profile of Directors.
- iii. Presentation to analyst meet, post earnings, quarterly calls etc.
- iv. Audio recordings (24 hrs) , video recordings (48 hrs), if any, and transcripts (5 working days) of post earnings or quarterly calls, by whatever name called, conducted physically or through digital means.

# Newspaper Advertisement

## Regulation 47

13.12.2024

The Listed entity publish an advertisement in the newspaper, within forty eight hours of conclusion of the meeting of board of directors at which the financial results were approved, containing a Quick Response code and the details of the webpage where complete financial results of the listed entity, as specified in Regulation 33, along-with the modified opinion(s) or reservation(s), if any, expressed by the auditor, is accessible to the investors.

# Securities Law

**Regulation  
2(i)(zf)**

**13.12.2024**

Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board has been added in the term “Securities Laws”.

# SEBI-LODR- 3<sup>rd</sup> Amendment, 2024

Deletion

# SEBI-LODR- 3<sup>rd</sup> Amendment, 2024

Deletion of the term “ Half Year”- Reg. 2(1)(k)

# Annual Compliance Certificate from STA

## Regulation 7(3)

13.12.2024

~~In terms of Regulation 7(3), every listed entity is required to submit a Compliance Certificate to the Exchange, duly signed by both the Compliance Officer of the listed entity and the authorised representative of the Share Transfer Agent, wherever applicable, within thirty days from the end of the financial year, certifying that all activities in relation to share transfer facility are maintained either in house or by Registrar to an issue and share transfer agent registered with the Board.~~

# Loss of Share Certificate / Issue of Duplicate Certificates

Regulation 39(3)

13.12.2024

~~Now, the listed entities are not required to submit information regarding loss of share certificates and issue of the duplicate certificates, to the stock exchange after getting the information for such~~

# Loss of Share Certificate / Issue of Duplicate Certificates

Regulation 39(3)

13.12.2024

~~Now, the listed entities are not required to submit information regarding loss of share certificates and issue of the duplicate certificates, to the stock exchange after getting the information for such~~

# Transfer or Transmission or Transposition of Securities

**Regulation 40**

**13.12.2024**

~~Certificate from PCS has been dispenses with~~

# SEBI Report for Public Comments

**14.01.2025**

Mandating issuance of new securities pursuant to consolidation/split of face value of securities and scheme of arrangements, only in **dematerialized** form

# THANK YOU



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