



A. K. LABH & Co.

Company Secretaries

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**Consequential changes on compliance to the provisions of the
Securities and Exchange Board of India
(Listing Obligations and Disclosure Requirements) Regulations, 2015
("Listing Regulations")**

Securities and Exchange Board of India ("SEBI") vide SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025 dated 18.11.2025 and as published on 19.11.2025 stipulated certain changes in the Listing Regulations. Most of these new provisions became effective from 19.11.2025 itself whereas few clauses of the said new amendments shall be effective from 18.12.2025. An analysis on salient features of such major changes are as follows :

for LISTED ENTITY WHICH HAS LISTED ITS SPECIFIED SECURITIES AND NON-CONVERTIBLE DEBT SECURITIES

Srl. No.	Regulation / Effective date	Nature of Amendment	Amendments / Observations
1	Clause (e) of 2(1)(zc) (18.12.2025)	Modification	<p><u>Related Party Transactions - Retail Purchases :</u></p> <p>At present, the following transactions are not treated as Related Party Transactions:</p> <p><i>“Retail purchases from any listed entity or its subsidiary by <u>its directors or its employees</u>, without establishing a business relationship and at the terms which are uniformly applicable/offered to all <u>employees and directors</u>.”</i></p> <p>Now, the base of such exemption has been expanded as the words “<u>its directors or its employees</u>” mentioned hereinabove have been replaced with “<u>the directors or key managerial personnel of the listed entity or its subsidiary, and relatives of such directors or key managerial personnel</u>” and the words “<u>employees and directors</u>” mentioned hereinabove have been replaced with “<u>employees, directors, key managerial personnel and relatives of directors or key managerial personnel</u>” .</p>



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			Accordingly, the exemption shall be applicable not only to the directors but also to their relatives as well as to the KMPs and relatives of KMPs too. However, the exemption available to all employees earlier shall not be there anymore.
2	First Proviso & Second Proviso to 12 & Clause (3) of Schedule I (19.11.2025)	Deletion	<p><u>Payment of Dividend or Interest or Redemption or Repayment :</u></p> <p>Electronic mode of payment facility approved by the Reserve Bank of India is required to be used by the listed entities for payment of the following :</p> <p>(a) dividends; (b) interest; (c) redemption or repayment amounts.</p> <p>However, where it is not possible to use electronic mode of payment, ‘payable-at-par’ warrants or cheques is required to be issued. Furthermore, where the amount payable as dividend exceeds one thousand and five hundred rupees, the ‘payable-at-par’ warrants or cheques is required to be sent by speed post.</p> <p>Now, it is mandated to use electronic mode of payment facility only and requirement for dispatch of warrants or cheques, irrespective of any amount, have been dispensed with.</p> <p>Accordingly, related clause (3) of Schedule I to the Listing Regulations has also been deleted.</p>
3	23(1) (18.12.2025)	Modification	<p><u>Related Party Transactions – Material Threshold :</u></p> <p>At present, a transaction with a Related Party is considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹ 1,000 Crore or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.</p>



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			<p>Now, the aforesaid threshold has been modified and a transaction with a Related Party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds the following :</p> <table border="1"> <thead> <tr> <th>Consolidated Turnover of Listed Entity</th> <th>Threshold</th> </tr> </thead> <tbody> <tr> <td>(I) Up to ₹ 20,000 Crore</td> <td>10% of the annual consolidated turnover of the listed entity</td> </tr> <tr> <td>(II) More than ₹ 20,000 Crore to upto ₹ 40,000 Crore</td> <td>₹ 2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹ 20,000 Crore</td> </tr> <tr> <td>(III) More than ₹ 40,000 Crore</td> <td>₹ 3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹ 40,000 Crore or ₹ 5,000 Crore, whichever is lower.</td> </tr> </tbody> </table> <p>Accordingly, Schedule XII stipulating the aforesaid criteria has been inserted in the Listing Regulations.</p>	Consolidated Turnover of Listed Entity	Threshold	(I) Up to ₹ 20,000 Crore	10% of the annual consolidated turnover of the listed entity	(II) More than ₹ 20,000 Crore to upto ₹ 40,000 Crore	₹ 2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹ 20,000 Crore	(III) More than ₹ 40,000 Crore	₹ 3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹ 40,000 Crore or ₹ 5,000 Crore, whichever is lower.
Consolidated Turnover of Listed Entity	Threshold										
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(III) More than ₹ 40,000 Crore	₹ 3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹ 40,000 Crore or ₹ 5,000 Crore, whichever is lower.										
4	23(2) (18.12.2025)	Modification	<p><u>Related Party Transactions – Listed entity not a party :</u></p> <p>At present, a Related Party Transaction to which the subsidiary of a listed entity is a party but the listed entity is not a party, requires prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual standalone turnover, as per the last audited financial statements of the subsidiary.</p> <p>Now, a Related Party Transaction above ₹ 1 Crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of a listed entity is a party but the listed entity is not a party, shall require prior approval of the audit committee of the</p>								



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			<p>listed entity if the value of such transaction, exceeds the lower of the following :</p> <ul style="list-style-type: none">(i) 10% of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary; or(ii) the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations
5	23(2) (18.12.2025)	Substitution	<p><u>Related Party Transactions – Listed entity not a party :</u></p> <p>In terms of the new provisions, in the event of a Related Party transaction above ₹ 1 Crore, whether entered into individually or taken together with previous transactions during a financial year, to which the subsidiary of a listed entity is a party but the listed entity is not a party <u>and such subsidiary does not have audited financial statements for a period of at least one year</u>, prior approval of the audit committee of the listed entity shall be obtained if the value of such transaction exceeds the lower of the following:</p> <ul style="list-style-type: none">(i) 10% of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or(ii) the threshold for material related party transactions of listed entity as specified in Schedule XII of these regulations <p>However, the aggregate value of paid-up share capital and securities premium account of the subsidiary shall be taken as on a date, not older than three months prior to the date of seeking approval of the audit committee.</p>
6	23(4) (18.12.2025)	Insertion	<p><u>Validity of the approval for Material Related Party Transactions :</u></p> <p>Clarifications have been provided regarding validity of the Shareholders' approval for material Related Party transactions as follows :</p>



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			<ol style="list-style-type: none"> 1. <u>Approval taken in AGM</u> : shall be valid till the date of the next AGM held within the timelines prescribed under Section 96 of the Companies Act, 2013 or rules, notifications, or circulars issued thereunder from time to time. 2. <u>Approval taken in EGM</u> : shall be valid till one year from the date of such approval.
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for LISTED ENTITY WHICH HAS LISTED ITS NON-CONVERTIBLE SECURITIES

Srl. No.	Regulation / Effective date	Nature of Amendment	Amendments / Observations
1	53(1) (19.11.2025)	Modification	<p><u>Annual Report</u> :</p> <p>Now, the Annual Report of the listed entity shall also contain the disclosures as specified in the statute(s) under which such listed entity is constituted apart from that as specified under the provisions of Companies Act, 2013 and other items as mentioned vide sub-regulation (1) of Regulation 53 of the Listing Regulations.</p>
2	53(2) (19.11.2025)	Substitution	<p><u>Submission of Annual Report</u> :</p> <p>In terms of the amended regulation, now the listed entity is required to submit a copy of the annual report, on or before the date of dispatch of the same to its shareholders or the date of submission to the Central Government or the State Government, whichever is earlier, to the stock exchange and the debenture trustee and publish on its website.</p>
3	58(1)(b) (19.11.2025)	Modification	<p><u>Dispatch of Annual Report</u> :</p> <p>The requirement to send hard copy of statement containing the salient features of all the documents, as specified in Section 136 of Companies Act, 2013 and rules made thereunder to those holders of non-convertible securities who have not so registered, has been dispensed with.</p>



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			<p>Instead, a letter providing the web-link including the exact path where complete details of the Annual Report is available, which may at the option of the listed entity, also include a static Quick Response Code, to those holder(s) of non-convertible securities that have not registered their respective email Addresses, is required to be sent.</p>
4	58(1A) (19.11.2025)	Insertion	<p><u>Time-line for dispatch of Annual Report :</u></p> <p>Now, the listed entity shall send the Annual Report to the holders of non-convertible securities within the timelines specified in Section 136 of Companies Act, 2013 and rules made thereunder or the provisions of the statute under which such listed entity is constituted, whichever is earlier.</p> <p>However, in the absence of any timeline in the statute, the documents shall be sent on or before the date of dispatch of the same to its shareholders or the date of submission to the Central Government or the State Government, as the case may be.</p>

20.11.2025

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Disclaimer : *The above note/analysis has been prepared by our research team for guidance purpose only. For authentication of data/information provided, please refer the respective acts, rules, regulations and respective laws. For any further query in the matter, you may contact us at aklabhcs@gmail.com or aklabh@aklabh.com Please visit at www.aklabh.com to know more about us and our services. ##*