



**SUPPLEMENT**  
**EXECUTIVE PROGRAMME**  
**(SYLLABUS 2022)**

*for*

*June, 2026 Examination*

*(Containing updates from 1<sup>st</sup> December, 2024 to 30<sup>th</sup>  
November, 2025)*

**Capital Market & Securities Laws**

**GROUP 2, PAPER 5**

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***Students appearing in Examination shall note the following:***

Students appearing in June, 2026 Examination should also update themselves on all the relevant Notifications, Circulars, Clarifications, Orders etc. issued by MCA, SEBI, RBI & Central Government upto November, 2025.

The students are advised to acquaint themselves with the monthly and Regulatory updates published by the Institute.

This supplement is to be read with the CMSL study material (Syllabus 2022) updated up to November, 2024.

## LESSON 1 BASICS OF CAPITAL MARKET

### (1) SEBI (Alternative Investment Funds) (Second Amendment) Regulations, 2025 [Notification No. SEBI/LAD-NRO/GN/2025/265 dated September 08, 2025]

SEBI has notified the SEBI (Alternative Investment Funds) (Second Amendment) Regulations, 2025 which shall come into force on the date of their publication in the Official Gazette. Vide this notification, the following amendments have been made:

- The definition of venture capital fund has been modified. As per the amended definition, the venture capital fund means an Alternative Investment Fund which invests primarily in unlisted securities of start-ups, emerging or early-stage venture capital undertakings mainly involved in new products, new services, technology or intellectual property right based activities or a new business model and shall include a migrated venture capital fund as defined under Chapter III-D. [Regulation 2(1)(z)]

- The provisions relating to Category I Alternative Investment Fund are amended to include angel funds. The amended provisions are stated below:

*“(a) “Category I Alternative Investment Fund” which invests in start-up or early stage ventures or social ventures or SMEs or infrastructure or other sectors or areas which the government or regulators consider as socially or economically desirable and shall include venture capital funds, SME Funds, **angel funds**, social impact funds, infrastructure funds, special situation funds and such other Alternative Investment Funds as may be specified.*

*Alternative Investment Funds which are generally perceived to have positive spillover effects on economy and for which the Board or Government of India or other regulators in India might consider providing incentives or concessions shall be included and such funds which are formed as trusts or companies shall be construed as “venture capital company” or “venture capital fund” as specified under sub-section (23FB) of Section 10 of the Income Tax Act, 1961.” [Regulation 3(4)(a)]*

- The definition of angel fund has been modified. As per the amended definition, the angel fund means a sub-category of Category I- Alternative Investment Fund that raises funds from **accredited investors** and invests in accordance with the provisions of regulations specified by SEBI. [Regulation 19A(1)]

For details: [https://www.sebi.gov.in/legal/regulations/sep-2025/securities-and-exchange-board-of-india-alternative-investment-funds-second-amendment-regulations-2025\\_96533.html](https://www.sebi.gov.in/legal/regulations/sep-2025/securities-and-exchange-board-of-india-alternative-investment-funds-second-amendment-regulations-2025_96533.html)

### (2) SEBI (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2025 [Notification No. SEBI/LAD-NRO/GN/2025/264 dated September 08, 2025]

SEBI has notified the SEBI (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2025 on September 08, 2025. Through this notification a sub-clause has been inserted in the definition of the qualified institutional buyer:

*“accredited investors as defined in clause (ab) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, for the*

*limited purpose of their investment in Angel Funds registered with the Board, under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.”*

For details: [https://www.sebi.gov.in/legal/regulations/sep-2025/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-second-amendment-regulations-2025\\_96524.html](https://www.sebi.gov.in/legal/regulations/sep-2025/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-second-amendment-regulations-2025_96524.html)

**(3) SEBI (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2025 [Notification No. SEBI/LAD-NRO/GN/2025/271 dated October 31, 2025]**

SEBI has notified the SEBI (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2025 on October 31, 2025 which shall come into force on the 30<sup>th</sup> day from the date of their publication in the Official Gazette. Vide this notification, the following amendments have been made in Schedule XIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018:

Accordingly, the allocation to the anchor investors shall be on a discretionary basis, subject to the following:

(I) In case of public issue on the main board, through the book building process:

- (i) minimum of 2 and maximum of 15 such investors shall be permitted for allocation up to two hundred fifty crore rupees, subject to minimum allotment of five crore rupees per such investor;
- (ii) in case of allocation above two hundred fifty crore rupees, a minimum of 5 such investors and a maximum of 15 such investors for allocation up to two hundred fifty crore rupees and an additional 15 such investors for every additional two hundred fifty crore rupees or part thereof, shall be permitted, subject to a minimum allotment of five crore rupees per such investor.

(II) In case of public issue on the SME exchange, through the book building process:

- (i) Maximum of 2 such investors shall be permitted for allocation up to two crore rupees;
- (ii) Minimum of 2 and maximum of 15 such investors shall be permitted for allocation above 2 crore rupees and up to 25 crore rupees, subject to minimum allotment of 1 crore rupees per such investor;
- (iii) In case of allocation above 25 crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to 25 crore rupees and an additional 10 such investors for every additional 25 crore rupees or part thereof, shall be permitted, subject to a minimum allotment of 1 crore rupees per such investor.

Forty per cent of the anchor investor portion, shall be reserved as under-

- 33.33% of the anchor investor portion shall be reserved for domestic mutual funds and
- 6.67% shall be reserved for life insurance companies and pensions funds.

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## LESSON 2 SECONDARY MARKET IN INDIA

### (1) Introduction of Beta version of T+0 rolling settlement cycle on optional basis in addition to the existing T+1 settlement cycle in Equity Cash Markets

**Introduction of T+0 settlement:** SEBI vide Circular No. SEBI/HO/MRD/MRD-PoD-3/P/CIR/2024/20 dated March 21, 2024 issued guidelines for introduction of Beta version of T+0 rolling settlement cycle on optional basis in addition to the existing T+1 settlement cycle in equity cash markets, for a limited set of 25 scrips and with a limited number of brokers. The mechanism was enabled only for non-custodian clients with effect from March 28, 2024 by both National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

#### **Increase in number of eligible scrips for trading under optional T+0 settlement cycle**

Optional T+0 settlement cycle will be made available to top 500 scrips in terms of market capitalization as on December 31, 2024. The scrips shall be made available for trading and settlement starting with scrips at bottom 100 companies out of the aforesaid 500 companies and gradually include the next bottom 100 companies every month till top 500 companies are available for trading in optional T+0 settlement cycle.

The above list of scrips shall be in addition to the existing 25 scrips available for trading and settlement under the Beta version of optional T+0 settlement cycle.

### (2) **Tangible Asset:** Net Tangible Assets should be Rs. 3 Crores in last preceding full financial year (Requirement of Listing at BSE SME Platform).

### (3) **Block deal:** Block deal is execution of large trades through a single transaction without putting either the buyer or seller in a disadvantageous position. The Stock Exchanges may set their trading hours between 08:45 AM to 05:00 PM and for the Block deal mechanism, stock exchanges are permitted to provide a separate trading window(s). The Block Deal Framework will be subject to the following conditions:

- **Session Timings** (a) Morning Block Deal Window: This window shall operate between the trading hours of 08:45 AM to 09:00 AM. (b) Afternoon Block Deal Window: This window shall operate between 02:05 PM to 2:20 PM.
- **Price Range** The orders placed shall be within +3% of the applicable reference price in the respective windows as stated above, subject to surveillance measures and applicable price bands.
- **Order Size** The minimum order size for execution of trades in the block deal windows shall be Rs. 25 Crores. Every trade executed in the block deal windows must result in delivery and shall not be squared off or reversed.
- **Dissemination of information** The stock exchanges shall disseminate the information on block deals such as the name of the scrip, name of the client, quantity of shares bought/sold, traded price, etc. to the general public on the same day, after the market hours.

### (4) **Bulk Deal:** A “bulk” deal constitutes all transactions in a scrip (on an exchange) where the total quantity of shares bought/ sold is more than 0.5% of the number of equity shares of the company listed on the exchange. The quantitative limit of 0.5% can be reached through one or more transactions executed during the day in the normal market segment.

- The disclosure shall be made with respect to all transactions in a scrip where total quantity of shares bought/sold is more than 0.5% of the number of equity shares of the company listed on the stock exchange.
- The brokers shall disclose to the stock exchange the name of the scrip, name of the client, quantity of shares bought/sold and the traded price.
- The disclosure shall be made by the brokers immediately upon execution of the trade.
- The Stock exchanges shall disseminate the aforesaid information on the same day after market hours to the general public.

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## LESSON 4 SECURITIES AND EXCHANGE BOARD OF INDIA

### (1) Securities and Exchange Board of India (Informal Guidance) Scheme, 2025

In the interests of orderly regulation and development of the securities market, the Securities and Exchange Board of India (Informal Guidance) Scheme, 2025 has been issued under sub-section (1) of section 11 of the Securities and Exchange Board of India Act, 1992.

This Scheme shall come into operation with effect from December 1, 2025 and the Securities and Exchange Board of India (Informal Guidance) Scheme, 2003 shall cease to have effect from such date.

The following persons may apply for informal guidance under the Scheme:

- (a) any intermediary registered with the Board;
- (b) any person or entity, by whatever name called, who is appointed to manage the investments of a pooled investment vehicle registered or trustee of such pooled investment vehicle;
- (c) any company whose securities are listed on a recognised stock exchange;
- (d) any company which intends to get any of its securities listed and which has filed either a listing application with any stock exchange or a draft offer document with the Board;
- (e) any acquirer or prospective acquirer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (f) any recognized stock exchange or clearing corporation; and
- (g) any depository registered with the Board.

The informal guidance may be sought for and given in two forms:

**(a) No-action letters:** In a No-action Letter, the Department<sup>1</sup> may indicate that it would or would not recommend any action under any Act, Rules, Regulations, Guidelines, and Circulars or other legal provisions administered by the Board, to the Board if the proposed transaction described in the application is consummated.

**(b) Interpretive letters:** In an Interpretive Letter, the Department may provide an interpretation of a specific provision of any Act, Rules, Regulations, Guidelines, and Circulars or other legal provision being administered by the Board in the context of a proposed transaction in securities or a specific factual situation.

#### **Procedure for filing and processing of an application seeking informal guidance**

The application shall be filed electronically through e-mail, addressed to the nodal coordination cell and it shall clearly indicate that it is being made under this Scheme and also indicate whether the application is for taking a No-action letter or an Interpretive letter. The application is accompanied with a fee of ₹50,000/-. The Department may dispose of the application as early as possible and in any case not later than 60 days after the receipt of the application.

The Department may respond to the applications, except in the following cases:

- i. the applications which are general in nature and those which do not completely and sufficiently describe the factual situation;
- ii. the application which involve hypothetical situations;
- iii. the application in which the applicant has no direct or proximate interest;
- iv. the application where the applicable legal provisions are not cited;
- v. where a No-action or Interpretive letter has already been issued earlier by that or any other Department on a substantially similar question involving substantially similar facts, as that to which the application relates;
- vi. those cases in which an investigation, enquiry or other enforcement action has already been initiated;
- vii. those cases where connected issues are pending before any Tribunal or Court and on issues which are sub-judice; and
- viii. those cases where policy concerns require that the Department does not respond.

Confidentiality of an application may be considered as per the following process:

- (a) the applicant may request for a confidential treatment for a specified period of time not exceeding 90 days from the date of the response from the Department.
- (b) the applicant may, on the grounds of privacy or commercial secrecy, indicate for the Department any specific fact that may be redacted from the informal guidance before uploading it on the SEBI website even after expiry of 90 days from the Department's response.
- (c) if it appears to the Department that the request for confidential treatment as requested for by the applicant in terms of (a) or (b) above should be denied, the applicant shall be informed of the same and may be permitted to withdraw the letter or written communication within 30 days of receipt of the advice, in which case the fee paid by the applicant shall be refunded without deducting the processing fee.
- (d) in case an application has been withdrawn under clause (c), no response shall be given and the letter or written communication shall remain in the office record of the Board but shall not be made available to the public.
- (e) if the letter or written communication is not withdrawn, it shall be made available to the public together with any written response.

The letter issued by a Department under this Scheme should not be construed as a conclusive decision or determination of any question of law or fact by the Board and shall not be binding on the Board. Such a letter shall not be construed as an order of the Board under Section 15T of the Act and shall not be appealable.

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## LESSON 6

### SECURITIES MARKET INTERMEDIARIES

#### (1) SEBI (Investment Advisers) (Second Amendment) Regulations, 2024 [Notification No. SEBI/LAD-NRO/GN/2024/219 dated December 16, 2024]

SEBI has notified the SEBI (Investment Advisers) (Second Amendment) Regulations, 2024 which shall come into force on the date of their publication in the Official Gazette. Vide this notification, the following amendments have been made in the SEBI (Investment Advisers) Regulations, 2013:

- **A new definition of part-time investment adviser is inserted** which means an individual or a firm, who for consideration, is engaged in the business of providing investment advice and is also engaged in any other business activity or employment.
- The **amendment is made in the definition of the investment adviser** which means any person, who for consideration, is engaged in the business of providing investment advice to clients or other persons or group of persons and includes a part-time investment adviser or any person who holds out himself as an investment adviser, by whatever name called.
- The **definition of investment advice is amended** which as per amended definition means advice relating to investing in, purchasing, selling or otherwise dealing in securities and advice on investment portfolio containing securities whether written, oral or through any other means of communication for the benefit of the client and shall include financial planning. Provided that investment advice given through newspaper, magazines, any electronic or broadcasting or telecommunications medium, which is widely available to the public shall not be considered as investment advice for the purpose of these regulations.

Provided further that trading calls shall not be considered as investment advice for purpose of these regulations.

- **The net-worth requirement for the investment adviser is substituted with deposit requirements under regulation 6(e) and regulation 8:**

“Deposit.

8. (1) An investment adviser shall maintain a deposit of such sum, as specified by the Board from time to time.

- **A new clause is inserted under the General Obligations and Responsibilities of the investment adviser:**

“An investment adviser who uses Artificial Intelligence tools, irrespective of the scale and scenario of adoption of such tools, for servicing its clients shall be solely responsible for the security, confidentiality, integrity of the client data, use of any other information or data to arrive at investment advice, investment advice based on output of Artificial Intelligence tools and compliance with any law for the time being in force.”

- **Regulation 20 relating to appointment of compliance officer is amended:**

20(1) A non-individual investment adviser shall appoint either:

(i) a compliance officer; or

(ii) an independent professional who is a member of Institute of Chartered Accountants of India or Institute of Company Secretaries of India or Institute of Cost Accountants of India or member of any other professional body as may be specified by the Board, provided such a professional holds a relevant certification from NISM, as may be specified by the Board;

who shall be responsible for monitoring the compliance by the investment adviser in respect of the requirements of the Act, regulations, notifications, guidelines, instructions issued by the Board.

For details: [https://www.sebi.gov.in/legal/regulations/dec-2024/securities-and-exchange-board-of-india-investment-advisers-second-amendment-regulations-2024\\_89980.html](https://www.sebi.gov.in/legal/regulations/dec-2024/securities-and-exchange-board-of-india-investment-advisers-second-amendment-regulations-2024_89980.html)

**(2) SEBI (Research Analysts) (Third Amendment) Regulations, 2024 [Notification No. SEBI/LAD-NRO/GN/2024/220 dated December 16, 2024]**

SEBI has notified the SEBI (Research Analysts) (Third Amendment) Regulations, 2024 which shall come into force on the date of their publication in the Official Gazette. Vide this notification, the following amendments have been made in the SEBI (Research Analysts) Regulations, 2014:

- **A new definition of part-time research analyst is inserted** which means an individual or a partnership firm who for consideration, is engaged in the business of providing research services and is also engaged in any other business activity or employment.
- **The definition of research analyst is amended** which means a person who, for consideration, is engaged in the business of providing research services and includes a part-time research analyst.
- **A new definition of research services is inserted** which means the following services provided by research analyst:
  1. preparation or publication of the research report or content of the research report; or
  2. providing or issuing research report or research analysis; or
  3. making 'buy/sell/hold' recommendation; or iv. giving price target or stop loss target; or
  4. offering an opinion concerning public offer, or
  5. recommending model portfolio; or
  6. providing trading calls; or
  7. any other service of similar nature or character,  
with respect to securities that are listed or proposed to be listed in a stock exchange, whether or not any such person has the job title of 'research analyst' to the clients or other persons or group of persons or general public.
- **The capital adequacy requirement for the research analyst is substituted with deposit requirements under regulation 6(vi) and regulation 8:**

“Deposit.

  8. (1) A research analyst shall maintain a deposit of such sum as specified by the Board from time to time.
- **New clauses have been inserted under the General Responsibilities of the research analyst:**
  - A research analyst or research entity shall disclose to the client the terms and conditions as may be specified by the Board and take consent of the client on such terms and conditions in such manner as may be specified by the Board.
  - A research analyst or research entity who uses Artificial Intelligence tools, irrespective of the scale and scenario of adoption of such tools, for servicing its clients shall be solely responsible for the security, confidentiality and integrity of the client data, use of any other information or data for research services, research services based on output of Artificial Intelligence tools and compliance with any law for the time being in force.

- Research analyst or research entity engaged in providing model portfolio shall abide by the guidelines issued by the Board from time to time.
- **Regulation 26 relating to appointment of compliance officer is amended:**
  26. (1) A non-individual research analyst or research entity shall appoint either:
    - (i) a compliance officer; or
    - (ii) an independent professional who is a member of Institute of Chartered Accountants of India or Institute of Company Secretaries of India or Institute of Cost Accountants of India or member of any other professional body as may be specified by the Board, provided that such a professional holds a relevant certification from NISM, as specified by the Board who shall be responsible for monitoring the compliance of the provisions of the Act, these regulations and circulars issued by the Board.

For details: [https://www.sebi.gov.in/legal/regulations/dec-2024/securities-and-exchange-board-of-india-research-analysts-third-amendment-regulations-2024\\_89979.html](https://www.sebi.gov.in/legal/regulations/dec-2024/securities-and-exchange-board-of-india-research-analysts-third-amendment-regulations-2024_89979.html)

### **(3) SEBI (Intermediaries) (Amendment) Regulations, 2025 [Notification No. SEBI/LAD-NRO/GN/2025/226 dated February 06, 2025]**

SEBI has notified the SEBI (Intermediaries) (Amendment) Regulations, 2025 which shall come into force on the date of their publication in the Official Gazette. Vide this notification, a new Chapter IIIB has been inserted, namely, Usage of Artificial Intelligence. Under this Chapter the responsibility for the use of artificial intelligence is prescribed as under:

#### **Responsibility for the use of artificial intelligence**

16C. (1) Any person regulated by SEBI who uses artificial intelligence and machine learning tools and techniques, either designed by it or procured from third-party technology service providers, irrespective of the scale and scenario of adoption of such tools for conducting its business and servicing its investors, shall be solely responsible –

- a. for the privacy, security and integrity of investors' and stakeholders' data including data maintained by it in a fiduciary capacity throughout the processes involved;
  - b. for the output arising from the usage of such tools and techniques it relies upon or deals with; and
  - c. for the compliance with applicable laws in force.
- (2) SEBI may, in case of violation of the provisions of sub-regulation (1), take such action as it may deem fit.

For details: [https://www.sebi.gov.in/legal/regulations/feb-2025/securities-and-exchange-board-of-india-intermediaries-amendment-regulations-2025\\_91809.html](https://www.sebi.gov.in/legal/regulations/feb-2025/securities-and-exchange-board-of-india-intermediaries-amendment-regulations-2025_91809.html)

### **(4) SEBI (Custodian) (Amendment) Regulations, 2025 [Notification No. SEBI/LAD-NRO/GN/2025/267 dated September 18, 2025]**

SEBI has notified the SEBI (Custodian) (Amendment) Regulations, 2025 which shall come into force upon the completion of six months from the date of publication of these regulations in the Official Gazette. Vide this notification, the following amendments have been made in the

SEBI (Custodian) Regulations, 1996:

- The **Net worth Requirement** for the Custodian is increased to Rs. 75 crores.
- The custodian is required to meet obligations and discharge responsibilities to ensure appropriate governance structure and processes, appropriate risk management policy and processes, scalable infrastructure and appropriate technical capacity and framework for orderly winding down. [Insertion: Regulation 19B]

For details: [https://www.sebi.gov.in/legal/regulations/sep-2025/securities-and-exchange-board-of-india-custodian-amendment-regulations-2025\\_96820.html](https://www.sebi.gov.in/legal/regulations/sep-2025/securities-and-exchange-board-of-india-custodian-amendment-regulations-2025_96820.html)

## (5) Investor Charter

The following intermediaries are required to ensure compliance with the Investor Charter specified by SEBI from time to time:

1. Stock Broker
2. Merchant Banker
3. Registrar to an Issue and Share Transfer Agent
4. Debenture Trustee
5. Banker to an Issue
6. Custodian
7. Investment Adviser
8. Research Analyst
9. Portfolio Manager

**(6) Internal Audit of Portfolio Managers:** There shall be internal audit by a practicing Company Secretary so as to judge the quality of internal procedures being followed by the Portfolio Manager. The report of the internal audit shall be submitted to the Board of the Portfolio Manager. Portfolio Managers shall exercise due diligence in all their operational activities. Portfolio Managers shall report to SEBI on compliance with the provisions of the above guidelines while submitting the annual reports. The report should reach SEBI within thirty calendar days from the end of the financial year.

**(7) Compliance audit of an investment adviser:** Yearly audit from a member of the Institute of Company Secretaries of India (ICSI) within 6 months from the end of each financial year. in order to check the whether Requirements of Regulation 19 of the SEBI (Investment Advisers) Regulations, 2013 are complied with respects to the records to be maintained.

**(8) Annual audit of Research analyst or research entity:** Yearly audit in order to check the whether Requirements of SEBI (Research Analysts) Regulations, 2014 are complied with respects to the records to be maintained. A research analyst or research entity shall maintain on record an annual certificate from a member of ICSI confirming compliance with client level segregation requirements. Such annual certificate shall form part of the compliance audit.

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**LESSON 7**  
**INTERNATIONAL FINANCIAL SERVICES CENTRES AUTHORITY (IFSCA)**

**(1) International Financial Services Centres Authority (Listing) (Amendment) Regulations, 2025 [October 13, 2025]**

IFSCA vide gazette notification dated October 16, 2025, has issued the IFSCA (Listing) (Amendment) Regulations, 2025 which amends the IFSCA (Listing) Regulations 2024. The key highlights are as under:

- **Disclosures in Offer Document:** Regulation 16(8) stated that the financial information provided in the offer document shall not be older than 135 days, which has now been substituted to 180 days.
- **Allotment:** Regulation 25(2) stated that the issuer and lead manager(s) shall ensure that the specified securities are allotted, and the payments and refunds are completed within 5 working days from the date of closing of the issue, which has now been amended to 8 working days.
- **Application and Allotment:** Regulations 52(3) and Regulation 65 stated that the issuer and lead manager(s) shall ensure that the specified securities are allotted, and the payments and refunds are completed within 5 working days from the date of closing of the issue, which has now been amended to 8 working days.
- **Financial statements:** Regulation 96(2) and Regulation 107(2) have been substituted with **‘the listed entity shall disclose its financial statements for first half of the financial year to the recognised stock exchange(s) immediately after the approval of its board of directors, but in any event not later than 45 days after the end of first half year’**. Prior to the amendment, the listed entity was required to disclose the financial statements for each of the first three quarters of its financial year to the recognised stock exchange(s) immediately after the approval of its board of directors, but in any event not later than 45 days after the end of each quarter.

For details:

[https://ifsc.gov.in/CommonDirect/GetFileView?id=47a297ad49aae8fa365313a91157a70&fileName=IFSCA\\_Listing\\_Amendment\\_Regulations\\_2025\\_20251017\\_0533.pdf&TitleName=Legal](https://ifsc.gov.in/CommonDirect/GetFileView?id=47a297ad49aae8fa365313a91157a70&fileName=IFSCA_Listing_Amendment_Regulations_2025_20251017_0533.pdf&TitleName=Legal)

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## LESSON 8 ISSUE OF CAPITAL & DISCLOSURE REQUIREMENTS

### (1) SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2025 [Notification No. SEBI/LAD-NRO/GN/2025/233 dated March 03, 2025]

SEBI has notified the SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2025 on March 03, 2025 which shall come into force on the date of their publication in the Official Gazette. Provided that the provisions of these regulations with respect to the Rights Issue by a listed issuer shall come into force on the 31st day from the date of their publication in the Official Gazette and shall be applicable to Rights Issues that are approved by the Board of Directors of the issuer after coming into force of these regulations. Provided further that the Rights Issues that were approved by the Board of Directors of the issuer before coming into force of these regulations shall be continued to be governed by the pre-amended provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Vide this notification, the following amendments have been made in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018:

- **Applicability of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 [Regulation 3]**
  - The amendment has been made in regulation 3(b) which *inter alia* stipulates that the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 will apply to a rights issue by a listed issuer. The words “*where the aggregate value of the issue is fifty crore rupees or more*” have been omitted.
  - The first proviso to regulation 3 has been omitted stating that “*in case of rights issue of size less than fifty crores rupees, the issuer shall prepare the letter of offer in accordance with requirements as specified in these regulations and file the same with the Board for information and dissemination on the Board’s website*”.
  
- **Non applicability of Regulation 5 (2) – For Outstanding Convertibles Securities**

As per regulation 5(2), an issuer shall not be eligible to make an initial public offer if there are any outstanding convertible securities or any other right which would entitle any person with any option to receive equity shares of the issuer.

A clause is inserted in proviso to regulation 5(2) which states that the provisions of regulation 5(2) shall not apply to outstanding stock appreciation rights granted to employees pursuant to a stock appreciation right scheme, which are fully exercised for equity shares prior to the filing of the red herring prospectus (in case of book-built issues) or the prospectus (in case of fixed price issues), as the case may be, disclosures regarding such stock appreciation rights and the scheme and the total number of equity shares resulting from the exercise of such rights are made in the draft offer document and offer document.
  
- The issuer shall appoint a **person qualified to be a company secretary as the compliance officer** who shall be responsible for monitoring the compliance of the securities laws and for redressal of investors’ grievances. [Amendment: Regulation 23(8) and 121(8) relating to Appointment of Compliance Officer]
  
- The draft offer document filed with SEBI shall be made public for comments, if any, for a period

of at least twenty one days from the date of **publication of the public announcement**, by hosting it on the websites of the issuer, the Board, stock exchanges where specified securities are proposed to be listed and lead manager(s) associated with the issue. [Amendment: Regulation 26(1) and 124(1)]

- **Pre-issue advertisement:** The issuer shall, after filing the red herring prospectus (in case of a book built issue) or prospectus (in case of fixed price issue) with the Registrar of Companies, make a pre-issue and price band advertisement in the same newspapers in which the public announcement was published. [Amendment: Regulation 43(1) and 139(1)]
- **Eligibility Requirements for Rights Issue:** An issuer offering specified securities through a rights issue shall satisfy the conditions of Chapter III at the time of filing the draft letter of offer with the stock exchange(s), and at the time of filing the letter of offer with the Board and the stock exchange(s). [Amendment: Regulation 60]

Vide this amendment, Rights Issues of issue size less than 50 crore rupees, have been brought under the purview of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

- An issuer shall not be eligible to make a rights issue if the equity shares of the issuer are suspended from trading as a disciplinary measure as on the reference date. [Insertion: Regulation 61(d)]
- In regulation 62(2A) relating to General conditions for Rights Issues, the words “draft offer document and the offer document”, wherever they appear, have been substituted with the words “draft letter of offer and the letter of offer”.

SEBI, vide this amendment, has discontinued the current requirement of filing Draft Offer Document with SEBI for issuance of its observation, instead it will be filed with Stock Exchanges for its in-principle approval, as the entity is already a listed entity.

- Where the issuer or any of its promoters or directors is a wilful defaulter or a fraudulent borrower, the promoters or promoter group of the issuer shall not renounce their rights except to the extent of renunciation within the promoter group **or to the specific investor(s) as disclosed by the issuer in terms of these regulations**. [Amendment: Regulation 62(3)]
- If there are any outstanding convertible securities or any other right which would entitle any person with any option to receive equity shares of the issuer:

Provided that the provisions of this clause shall not apply to:

- i. outstanding options granted to employees, whether currently an employee or not, pursuant to an employee stock option scheme in compliance with the Companies Act, 2013, the relevant Guidance Note or accounting standards, if any, issued by the Institute of Chartered Accountants of India or pursuant to the Companies Act, 2013, in this regard;
  - ii. fully paid-up outstanding convertible securities which are required to be converted on or before the date of filing of the red herring prospectus (in case of book-built issues) or the prospectus (in case of fixed price issues), as the case may be. [Insertion: New Clause (e) to Regulation 228]
- The amount for general corporate purposes, as mentioned in objects of the issue in the draft offer document and the offer document shall not exceed 15% of the amount being raised by the issuer or Rs. 10 crore, whichever is less. [Amendment: 230(2)]
  - The lead manager(s) shall submit a due-diligence certificate to SME Exchange. [Amendment: 246(3)]

- Minimum application size in IPO shall be above Rs. 2 lakhs and 2 lots per application. [Amendment: 267(2)]
- The issuer shall not make an allotment pursuant to a public issue if the number of allottees in an initial public offer is less than two hundred. [Amendment: 268(1)]

For details: [https://www.sebi.gov.in/legal/regulations/mar-2025/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-amendment-regulations-2025\\_92539.html](https://www.sebi.gov.in/legal/regulations/mar-2025/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-amendment-regulations-2025_92539.html)

**(2) SEBI (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2025 [Notification No. SEBI/LAD-NRO/GN/2025/264 dated September 08, 2025]**

SEBI has notified the SEBI (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2025 on September 08, 2025 and made the following amendments in the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018:

- **General Conditions for IPO**

Regulation 7(1)(c) has been substituted with the following:

*“An issuer making an initial public offer must ensure that all its specified securities are in the dematerialised form prior to the filing of the draft offer document held by –*

- (i) the promoters,*
- (ii) the promoter group,*
- (iii) the selling shareholder(s),*
- (iv) the directors,*
- (v) the key managerial personnel,*
- (vi) the senior management,*
- (vii) qualified institutional buyer(s),*
- (viii) employees,*
- (ix) shareholders holding SR equity shares,*
- (x) entities regulated by Financial Sector Regulators,*
- (xi) any other categories of shareholders as maybe specified by SEBI from time to time.”*

- **Additional conditions for an offer for sale**

In regulation 8, in the third proviso, the existing clause b) has been substituted with the following clause, namely, -

*“b) if the equity shares or equity shares arising out of conversion of fully paid-up compulsorily convertible securities are offered for sale where such equity shares or fully paid-up compulsorily convertible securities were acquired pursuant to any scheme approved by a High Court or approved by a Tribunal or the Central Government under sections 230 to 234 of the Companies Act, 2013, as applicable, in lieu of business and invested capital, which had been in existence for a period of more than one year prior to approval of such scheme;”.*

- **General conditions for IPO by SME**

Regulation 230(1)(d) has been substituted with the following:

*“An issuer making an initial public offer by Small and Medium Enterprises must ensure that all its specified securities are in the dematerialised form prior to the filing of the draft offer document held by –*

- (i) the promoters,*
- (ii) the promoter group,*
- (iii) the selling shareholder(s),*
- (iv) the directors,*
- (v) the key managerial personnel,*
- (vi) the senior management,*
- (vii) qualified institutional buyer(s),*
- (viii) employees,*
- (ix) shareholders holding SR equity Shares,*
- (x) entities regulated by Financial Sector Regulators,*
- (xi) any other categories of shareholders as maybe specified by SEBI from time to time.”*

- The Social Enterprise shall target underserved or less privileged population segments or regions recording lower performance in the development priorities of the Central or State Governments, or such other target segments as may be specified by the Board from time to time. [Amendment: 292E(2)(b)]
- A Not for Profit Organization shall mandatorily seek registration with a Social Stock Exchange before it raises funds through a Social Stock Exchange. Provided that a Not for Profit Organization may register on a Social Stock Exchange and not raise funds through it for a maximum period of two years from the date of registration or such duration as may be specified by SEBI. [Amendment: 292F]

For details: [https://www.sebi.gov.in/legal/regulations/sep-2025/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-second-amendment-regulations-2025\\_96524.html](https://www.sebi.gov.in/legal/regulations/sep-2025/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-second-amendment-regulations-2025_96524.html)

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**LESSON 9**  
**SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY**

**(1) SEBI (Share Based Employee Benefits and Sweat Equity) (Amendment) Regulations, 2025**  
**[Notification No. SEBI/LAD-NRO/GN/2025/262 dated September 08, 2025]**

SEBI has notified the SEBI (Share Based Employee Benefits and Sweat Equity) (Amendment) Regulations, 2025 which shall come into force on the date of their publication in the Official Gazette. Vide this Notification, a new regulation 9A has been inserted:

***“9A. Employee identified as promoter or part of the promoter group in the draft offer document.***  
*An employee who is identified as a “promoter” or part of the “promoter group” in the draft offer document filed by a company with the Board in relation to an initial public offering, and who was granted options, stock appreciation rights or any other benefit under any scheme at least one year prior to filing of the draft offer document, shall be eligible to continue to hold and/or exercise such options, SAR or any other benefit, in accordance with its terms and subject to compliance with these regulations and other applicable laws.”*

For details: [https://www.sebi.gov.in/legal/regulations/sep-2025/securities-and-exchange-board-of-india-share-based-employee-benefits-and-sweat-equity-amendment-regulations-2025\\_96476.html](https://www.sebi.gov.in/legal/regulations/sep-2025/securities-and-exchange-board-of-india-share-based-employee-benefits-and-sweat-equity-amendment-regulations-2025_96476.html)

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**LESSON 10**  
**ISSUE AND LISTING OF NON-CONVERTIBLE**  
**SECURITIES**

**(1) SEBI (Issue and Listing of Non-Convertible Securities) (Third Amendment) Regulations, 2024 [Notification No. SEBI/LAD-NRO/GN/2024/217 dated December 11, 2024]**

SEBI has notified the SEBI (Issue and Listing of Non-Convertible Securities) (Third Amendment) Regulations, 2024 which shall come into force on the date of their publication in the Official Gazette. Vide this notification, the following amendments have been made in the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021:

- A new definition of **Environment, Social and Governance Debt Securities** (“ESG Debt Securities) is inserted which means green debt securities, social bonds, sustainability bonds, sustainability-linked bonds, or any other type of bonds, by whatever name called, that are issued in accordance with such international frameworks as adapted or adjusted to suit Indian requirements that are specified by the Board from time to time, and any other securities as specified by the Board.
- An issuer desirous of issuing and listing of Environment, Social and Governance Debt Securities shall comply with such conditions as may be specified by SEBI. [Insertion: Regulation 12A]
- Regulation 26 pertaining to issuance of green debt securities is omitted.

For details:

1. [https://www.sebi.gov.in/legal/regulations/dec-2024/securities-and-exchange-board-of-india-issue-and-listing-of-non-convertible-securities-third-amendment-regulations-2024\\_89762.html](https://www.sebi.gov.in/legal/regulations/dec-2024/securities-and-exchange-board-of-india-issue-and-listing-of-non-convertible-securities-third-amendment-regulations-2024_89762.html)
2. [https://www.sebi.gov.in/legal/circulars/jun-2025/framework-for-environment-social-and-governance-esg-debt-securities-other-than-green-debt-securities-\\_94424.html](https://www.sebi.gov.in/legal/circulars/jun-2025/framework-for-environment-social-and-governance-esg-debt-securities-other-than-green-debt-securities-_94424.html)

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## LESSON 11

### LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS

#### **(1) SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 [Notification No. SEBI/LAD-NRO/GN/2024/218 dated December 12, 2024]**

SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 which shall come into force on the date of their publication in the Official Gazette. Provided that sub-regulations VI and XX of regulation 3 of these regulations shall come into force with effect from December 31, 2024.

Vide this notification, the following amendments have been made in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- Regulation 2(1) clause (k) defining the term Half Year is omitted.
- In regulation 2(1)(zc), defining the term related party transaction, in the first proviso, new sub clauses (d) and (e) have been inserted:
  - “(d) acceptance of current account deposits and saving account deposits by banks in compliance with the directions issued by the Reserve Bank of India or any other central bank in the relevant jurisdiction from time to time:  
Explanation: For the purpose of clauses (c) and (d) above, acceptance of deposits includes payment of interest thereon.
  - (e) 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.”
- In terms of regulation 6(1), a listed entity shall appoint a qualified company secretary as the compliance officer. After the existing regulation 6(1) the following new proviso is inserted: “Provided 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 designated as a Key Managerial Personnel.”
- Further, in terms of regulation 6(1A), any vacancy in the office of the Compliance Officer shall be filled by the listed entity at the earliest and in any case not later than three months from the date of such vacancy. After the regulation 6(1A) and the proviso thereto, the following new-sub-regulation is inserted, namely, -
  - “(1B) 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, shall be filled within a period of three months of such approval. Provided that, in the interim, such listed entity shall have not less than one full-time key managerial personnel managing its day-to-day affairs.”
- Regulation 7(3) has been omitted relating to submission of 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 certifying compliance with the requirements of share transfer facility in accordance with regulation 7(2).
- Regulation 10(1A) is inserted specifying that the Board may enable integrated filing of periodic reports, statements, documents and any other information required to be filed by a

listed entity under the Act or the regulations made thereunder in the format and within the timelines as may be specified.

- Regulation 13(3) is substituted stating that the listed entity shall file with the recognised stock exchange(s) on a quarterly basis a statement detailing the redressal of investor grievances in such form and within the timelines (30 days) as may be specified by SEBI.
- Once the corporate governance provisions become applicable to a listed entity, they shall continue to remain applicable till such time the equity share capital and the networth of such entity reduces and remains below the specified threshold for a period of three consecutive financial years. [Amendment in Proviso to Regulation 15(2)]
- The amendment is made in regulation 16(1)(c) in the definition of material subsidiary. The word “income” wherever appearing is substituted by the word “turnover”.
- A proviso to regulation 17(1A) is inserted stating that the listed entity shall ensure compliance with this sub-regulation at the time of appointment or re-appointment or any time prior to the non-executive director attaining the age of seventy- five years.
- The existing regulation 17(1C) and the provisos thereto has been substituted and same is reproduced below:  
17(C)(a) The listed entity shall ensure that approval of shareholders for appointment or reappointment of a person on the board of directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.  
Provided that if such appointment or re-appointment of a person to the board of directors or as a manager is subject to approval of regulatory, government or statutory authorities, then the time taken to receive such approvals shall be excluded for the purposes of this clause.  
Provided further that a public sector company shall ensure that the approval of the shareholders for appointment or re-appointment of a person on the board of directors or as a Manager is taken at the next general meeting.
- The following new proviso is inserted to regulation 17(1E):  
If the vacancy in the office of a director results in non-compliance with the provisions of sub-regulation (1) of regulation 18, sub-regulation (1) or (2) of regulation 19, sub-regulation (2) or (2A) of regulation 20 or sub-regulation (2) or (3) of regulation 21, the listed entity shall ensure compliance at the earliest and in any case not later than three months from the date of such vacancy.
- The following Amendments have been made in regulation 23 relating to Related Party Transactions:
  - Regulation 23(2) lays down that all related party transactions and subsequent material modifications shall require prior approval of the audit committee of the listed entity. In the second proviso, after clause (d) and the Explanation thereto, the following new clauses and the proviso have been inserted:  
“(e) 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 in terms of the provisions of sub-regulation (1) of this regulation.  
(f) 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;

(ii) the transaction is not material in terms of the provisions of sub-regulation (1) of this regulation;

(iii) rationale for inability to seek prior approval for the transaction shall be placed before the audit committee at the time of seeking ratification;

(iv) the details of ratification shall be disclosed along with the disclosures of related party transactions in terms of the provisions of sub-regulation (9) of this regulation;

(v) any other condition as specified by the audit committee:

Provided that 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.”

- Audit committee may grant omnibus approval for related party transactions proposed to be entered into by the listed entity **or its subsidiary** subject to the conditions mentioned in the regulations. The audit committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity **or its subsidiary** pursuant to each of the omnibus approvals given. [Amendment: 23(3) and 23(3)(d)]
- The amendments are made in Regulation 23(5), the same is reproduced below:  
The provisions of regulations 23(2), 23(3) and 23(4) shall not be applicable in the following cases:
  - transactions entered into between two public sector companies;
  - transactions entered into between a holding company and its wholly owned subsidiary whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
  - transactions entered into between two wholly-owned subsidiaries of the listed holding company, whose accounts are consolidated with such holding company and placed before the shareholders at the general meeting for approval.
  - **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.**
  - **transactions entered into between a public sector company on one hand and the Central Government or any State Government or any combination thereof on the other hand.**
- In regulation 24A, stipulating the provisions for Secretarial Audit and Secretarial Compliance Report, the existing sub-regulation (1) is substituted with the following sub-regulation, namely,-  
“(1) (a) Every listed entity and its material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and shall annex a Secretarial Audit Report in such form as specified, with the annual report of the listed entity.

Explanation:

(i) “Secretarial Auditor” means a Company Secretary in Practice or a firm of Company Secretary(ies) in practice appointed to conduct the Secretarial Audit.

(ii) “Peer Reviewed Company Secretary” means a Company Secretary in practice, who is either practicing individually or as a sole proprietor or as a partner of a Peer Reviewed Practice Unit, holding a valid certificate of peer review issued by the Institute of Company Secretaries of India.

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

(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, with the approval of its shareholders in its Annual General Meeting:

Provided that-

(i) an individual Secretarial Auditor who has completed his or her term under sub-clause (i) of this clause shall not be eligible for re-appointment as Secretarial Auditor in the same entity for five years from the completion of his or her term;

(ii) a Secretarial Audit firm which has completed its term under sub-clause (ii) of this clause, shall not be eligible for re-appointment as Secretarial Auditor in the same entity for five years from the completion of such term:

Provided further that as on the date of appointment no Secretarial Audit firm having a common partner or partners to the other Secretarial Audit firm, whose tenure has expired in the listed entity immediately preceding the financial year, shall be appointed as Secretarial Auditor of the same listed entity for a period of five years:

Provided further that, nothing contained in these regulations shall prejudice the right of the entity to remove Secretarial Auditor with the approval of its shareholders in its Annual General Meeting or the right of the Secretarial Auditor to resign from such office of the listed entity.

(c) The casual vacancy arising out of resignation, death or disqualification of a Secretarial Auditor shall be filled by the board of directors of the listed entity within a period of three months and the secretarial auditor so appointed shall hold office till the conclusion of the next annual general meeting.”

- Regulation 25(6) and the proviso thereto, under the heading “Obligations with respect to Independent Directors” has been omitted stating that “*An independent director who resigns or is removed from the board of directors of the listed entity shall be replaced by a new independent director by listed entity at the earliest but not later than three months from the date of such vacancy. Provided that where the listed entity fulfils the requirement of independent directors in its board of directors without filling the vacancy created by such resignation or removal, the requirement of replacement by a new independent director shall not apply.*”
- The amendment is made in regulation 27(2)(a) relating to corporate governance requirements, the same is reproduce below:  
27(2)(a) The listed entity shall submit, to the recognised stock exchange(s), a quarterly

compliance report on corporate governance in the format and within the timelines (30 days), as may be specified by the Board from time to time. The report mentioned in clause (a) of sub-regulation (2) shall be signed either by the compliance officer or the chief executive officer of the listed entity.

- Regulation 27(2)(b) has been omitted. Prior to the omission, the clause read as under-  
“(b) *Details of all material transactions with related parties shall be disclosed along with the report mentioned in clause (a) of sub-regulation (2).*”
- In case the meeting of the board of directors closes after normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day, the listed entity shall disclose the decision pertaining to the event or information, within three hours from the closure of the board meeting. Provided further that in case the meeting of the board of directors is being held for more than one day, the financial results shall be disclosed within thirty minutes or three hours, as applicable, from closure of such meeting for the day on which it has been considered. [Insertion: Proviso to regulation 30(6)(i)]
- 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, in terms of sub-paragraph 8 of paragraph B of Part A of Schedule III, is maintained in the structured digital database of the listed entity in terms of provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the disclosure with respect to such claims shall be made to the stock exchange(s) within seventy-two hours of receipt of the notice by the listed entity. [Insertion: Proviso to regulation 30(6)(iii)]
- The listed entity shall submit to the stock exchange and publish on its website a copy of the annual report sent to the shareholders along with the notice of the annual general meeting **on or before the** commencement of dispatch to its shareholders. [Amendment: Regulation 34(1)(a)]
- The amendments are made in regulation 42 sub regulation (2), (3), (4) and (5) relating to Record Date or Date of closure of transfer books. The same are reproduced below:

The listed entity shall give notice in advance of atleast three 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. Provided that in the case of corporate actions through schemes of arrangement covered under regulation 37, the listed entity shall give notice in advance of atleast three working days (excluding the date of intimation and the record date). The listed entity shall ensure the time gap of at least five working days between two record dates.

- **Advertisement in Newspapers:** The listed entity shall 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. [Amendment: Regulation 47(1)]

For details: [https://www.sebi.gov.in/legal/regulations/dec-2024/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-third-amendment-regulations-2024\\_89956.html](https://www.sebi.gov.in/legal/regulations/dec-2024/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-third-amendment-regulations-2024_89956.html)

**(2) SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2025 [Notification No. SEBI/LAD-NRO/GN/2025/244 dated April 29, 2025]**

SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2025 which shall come into force on the date of their publication in the Official Gazette.

Regulation 13(2) stipulates that the listed entity shall ensure that it is registered on the SCORES platform or such other electronic platform or system of the Board as shall be mandated from time to time, in order to handle investor complaints electronically in the manner specified by SEBI. Vide this notification, a proviso to regulation 13(2) is inserted stating that in case of securitised debt instrument, SCORES registration may be taken at Trustee level for all special purpose distinct entities, they are trustee of.

For details: [https://www.sebi.gov.in/legal/regulations/may-2025/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-second-amendment-regulations-2025\\_93783.html](https://www.sebi.gov.in/legal/regulations/may-2025/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-second-amendment-regulations-2025_93783.html)

**(3) SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025 [Notification No. SEBI/LAD-NRO/GN/2025/273 dated November 18, 2025]**

SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025 which shall come into force on the date of their publication in the Official Gazette. Vide this notification, following has been made:

1. Amendment is made in the definition of the Related Party Transactions in regulation 2(1)(zc), in the first proviso, in clause (e), providing that retail purchases from any listed entity or its subsidiary by **the directors or key managerial personnel of the listed entity or its subsidiary, and relatives of such directors or key managerial personnel**, without establishing a business relationship and at the terms which are uniformly applicable/offered to all **employees, directors, key managerial personnel and relatives of directors or key managerial personnel**, shall not be a related party transaction.
2. In regulation 12 relating to *payment of dividend or interest or redemption or repayment*, the existing first proviso and second proviso have been omitted stating:  
*“Provided that where it is not possible to use electronic mode of payment, ‘payable-at-par’ warrants or cheques may be issued: Provided further that where the amount payable as dividend exceeds one thousand and five hundred rupees, the ‘payable-at-par’ warrants or cheques shall be sent by speed post.”*
3. The amendments have been made in Regulation 23 of the SEBI (LODR) Regulations:
  - SEBI has introduced scale-based thresholds based on annual consolidated turnover of the listed entity, for determining material related party transactions (RPTs).  
It is provided that 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 thresholds specified in Schedule XII of SEBI (LODR) Regulations**. [Amendment: Proviso 23(1)]
  - Schedule XII on Related Party Transactions has been inserted:

## Schedule XII: Related Party Transactions

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:

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 ₹5000 Crores, whichever is lower.

For the purpose of computing the thresholds stated above, the annual consolidated turnover of the listed entity shall be determined based on the last audited financial statements of the listed entity.

- The omnibus approval granted by the shareholders for material related party transactions in an annual general meeting shall be valid till the date of the next annual general meeting held within the timelines prescribed under Section 96 of the Companies Act, 2013 or rules, notifications, or circulars issued thereunder from time to time:

Provided further that in case of omnibus approvals for material related party transactions, granted by shareholders in general meetings other than annual general meeting, the validity of such omnibus approvals shall not exceed one year from the date of such approval. [Insertion of third and fourth Proviso to regulation 23(4)]

For details: [https://www.sebi.gov.in/legal/regulations/nov-2025/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-fifth-amendment-regulations-2025\\_97840.html](https://www.sebi.gov.in/legal/regulations/nov-2025/securities-and-exchange-board-of-india-listing-obligations-and-disclosure-requirements-fifth-amendment-regulations-2025_97840.html)

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## LESSON 13 PROHIBITION OF INSIDER TRADING

### (1) SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2024 [Notification No. SEBI/LAD-NRO/GN/2024/215 dated December 04, 2024]

SEBI has notified the SEBI (Prohibition of Insider Trading) (Third Amendment) Regulations, 2024 which shall come into force on the date of their publication in the Official Gazette.

- The following amendments have been made in regulation 2(1)(d) defining the term **Connected Person**:
  - Sub-clause (i) has been substituted with the following:

“(i) any person who is or has been, during the six months prior to the concerned act, associated with a company, in any capacity, directly or indirectly, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holds any position including a professional or business relationship, whether temporary or permanent, with the company, that allows such a person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.”
  - The word “immediate” appearing in point no. (a) and (j) to regulation 2(1)(d)(ii) is omitted.
  - The following points are inserted in regulation 2(1)(d)(ii):

“(k). a firm or its partner or its employee in which a connected person specified in sub-clause (i) of clause (d) is also a partner; or  
(l). a person sharing household or residence with a connected person specified in sub-clause (i) of clause (d);”
- The definition of “**relative**” is inserted which shall mean the following:
  - (i) spouse of the person;
  - (ii) parent of the person and parent of its spouse;
  - (iii) sibling of the person and sibling of its spouse;
  - (iv) child of the person and child of its spouse;
  - (v) spouse of the person listed at sub-clause (iii); and
  - (vi) spouse of the person listed at sub-clause (iv)

For details: [https://www.sebi.gov.in/legal/regulations/dec-2024/securities-and-exchange-board-of-india-prohibition-of-insider-trading-third-amendment-regulations-2024\\_89481.html](https://www.sebi.gov.in/legal/regulations/dec-2024/securities-and-exchange-board-of-india-prohibition-of-insider-trading-third-amendment-regulations-2024_89481.html)

### (2) SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2025 [Notification F. No. SEBI/LAD-NRO/GN/2025/235 dated March 11, 2025]

SEBI has notified the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2025 which shall come into force on the ninetieth day from the date of their publication in the Official Gazette.

1. According to the notification, following information *inter alia* are to be included in the definition of unpublished price sensitive information in regulation 2(1)(n) of the SEBI (Prohibition of Insider

Trading) Regulations, 2015:

- mergers, de-mergers, acquisitions, delistings, disposals and expansion of business, **award or termination of order/contracts not in the normal course of business** and such other transactions;
  - changes in key managerial personnel, **other than due to superannuation or end of term, and resignation of a Statutory Auditor or Secretarial Auditor;**
  - change in rating(s), other than ESG rating(s);
  - fund raising proposed to be undertaken;
  - agreements, by whatever name called, which may impact the management or control of the company;
  - fraud or defaults by the company, its promoter, director, key managerial personnel, or subsidiary or arrest of key managerial personnel, promoter or director of the company, whether occurred within India or abroad;
  - resolution plan/ restructuring or one time settlement in relation to loans/borrowings from banks/financial institutions;
  - admission of winding up petition filed by any party /creditors and admission of application by the Tribunal filed by the corporate applicant or financial creditors for initiation of corporate insolvency resolution process against the company as a corporate debtor, approval of resolution plan or rejection thereof under the Insolvency and Bankruptcy Code, 2016;
  - initiation of forensic audit, by whatever name called, by the company or any other entity for detecting misstatement in financials, misappropriation/ siphoning or diversion of funds and receipt of final forensic audit report;
  - action(s) initiated or orders passed within India or abroad, by any regulatory, statutory, enforcement authority or judicial body against the company or its directors, key managerial personnel, promoter or subsidiary, in relation to the company;
  - outcome of any litigation(s) or dispute(s) which may have an impact on the company;
  - giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party, by the company not in the normal course of business;
  - granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
2. Entry of information, not emanating from within the organisation, in structured digital database may be done not later than 2 calendar days from the receipt of such information. [Insertion: Proviso to regulation 3(5)]

For details: [https://www.sebi.gov.in/legal/regulations/mar-2025/securities-and-exchange-board-of-india-prohibition-of-insider-trading-amendment-regulations-2025\\_92645.html](https://www.sebi.gov.in/legal/regulations/mar-2025/securities-and-exchange-board-of-india-prohibition-of-insider-trading-amendment-regulations-2025_92645.html)

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## **LESSON 17**

### **MUTUAL FUNDS**

#### **(1) SEBI (Mutual Funds) (Amendment) Regulations, 2025 [Notification No. SEBI/LAD-NRO/GN/2025/230 dated February 14, 2025]**

SEBI has notified the SEBI (Mutual Funds) (Amendment) Regulations, 2025 which shall come into force with effect from April 1, 2025. Vide this notification, the following amendments have been made in the SEBI (Mutual Funds) Regulations, 1996:

- In regulation 25, relating to Asset management company and its obligations, the following clauses have been inserted:
  - The asset management company shall invest a percentage of the remuneration of such employees as specified by the Board in units of mutual fund schemes based on the designation or roles of the designated employees in the manner as may be specified by the Board.
  - The asset management company shall conduct stress testing for such schemes as specified by the Board and disclose the results of the stress testing in the form and manner, as may be specified by the Board.

For details: [https://www.sebi.gov.in/legal/regulations/feb-2025/securities-and-exchange-board-of-india-mutual-funds-amendment-regulations-2025\\_92004.html](https://www.sebi.gov.in/legal/regulations/feb-2025/securities-and-exchange-board-of-india-mutual-funds-amendment-regulations-2025_92004.html)

#### **(2) SEBI (Mutual Funds) (Second Amendment) Regulations, 2025 [Notification No. SEBI/LAD-NRO/GN/2025/272 dated October 31, 2025]**

SEBI has notified the SEBI (Mutual Funds) (Second Amendment) Regulations, 2025 which shall come into force with effect from April 1, 2025. Vide this notification, the following amendments have been made in the SEBI (Mutual Funds) Regulations, 1996:

##### **• Pricing of Units**

The price at which the units may be subscribed or sold and the price at which such units may at any time be repurchased by the mutual fund shall be made available to the investors in the manner specified by the SEBI. The assets management company shall provide the methodology of calculating the sale and repurchase price of units in the manner specified by the SEBI. While determining the prices of the units, the mutual fund shall ensure that the repurchase price is not lower than **97%** of the Net Asset Value.

##### **• Under the heading restriction on investment by Mutual Funds the following clauses have been amended:**

- Mutual fund shall not own more than 10% of company's paid-up capital carrying voting rights or 10% of units of REITs issued by a single issuer, as the case may be.
- No mutual fund shall invest more than 10% of its NAV in the equity shares or equity related instruments of any entity.

For details: [https://www.sebi.gov.in/legal/regulations/nov-2025/securities-and-exchange-board-of-india-mutual-funds-second-amendment-regulations-2025\\_97594.html](https://www.sebi.gov.in/legal/regulations/nov-2025/securities-and-exchange-board-of-india-mutual-funds-second-amendment-regulations-2025_97594.html)

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