

# Corporate reporting insights



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## SEBI LODR fifth amendment regulations

Pursuant to the approval of amendments to the Related Party Transactions (RPT) provisions in its Board meeting on 4 August 2025, Securities and Exchange Board of India (SEBI) has issued the SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025 (Amendment Regulations) and introduced the following key changes:

**1. Expanded definition of related parties:** Regulation 2 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations) excludes certain transactions from being treated as RPTs. Previously, this exclusion applied to retail purchases by a listed entity's directors or employees from the entity or its subsidiary, provided there was no business relationship and terms were uniformly applicable to all. The amendment now substitutes "directors or employees" with "directors, key managerial personnel (KMP), and their relatives" of the listed entity or its subsidiary.

**2. Scale-based thresholds linked to annual consolidated turnover of listed entities:** Before the amendment, any RPT exceeding INR1,000 crore or 10 per cent of a listed entity's annual consolidated turnover (whichever was lower) was considered material and required shareholder approval. SEBI has now adopted a scale-based approach for determining materiality thresholds for RPTs by amending Regulation 23(1) and introducing Schedule XII, as shown below:

Annual consolidated turnover of listed entity	Threshold
Up to INR 20,000 crore	10 per cent of annual consolidated turnover of the listed entity
Between INR 20,001–40,000 crore	INR2,000 crore + 5 per cent of annual consolidated turnover above INR20,000 crore
More than INR 40,000 crore	INR3,000 crore + 2.5 per cent of annual consolidated turnover above INR40,000 crore or INR5,000 crore, whichever is lower





**3. Updated thresholds for Audit Committee approval for RPTs by subsidiaries:** SEBI has harmonised approval requirements for RPTs undertaken by subsidiaries of listed entities by amending Regulation 23(2) as follows:

- **For subsidiaries with audited financials available:**

Any RPT above INR1 crore involving a subsidiary of a listed entity will require prior approval of the listed entity's Audit Committee if:

- The value of such transaction, individually or cumulatively, exceeds the lower of:
  - 10 per cent of the subsidiary's annual standalone turnover, or
  - The listed entity's materiality threshold as per the table above.

- **For subsidiaries without audited financials for at least one year:** Any RPT above INR1 crore involving a subsidiary of a listed entity will require prior approval of the listed entity's Audit Committee if:

- The value of such transaction, individually or cumulatively, exceeds the lower of:
  - 10 per cent of the aggregate value of paid-up share capital and securities premium account of the subsidiary, or
  - The listed entity's materiality threshold as per the table above.

**4. Validity of shareholders' omnibus approvals:** Regulation 23(4) of LODR Regulations has been revised to align with Para (C)11 of Section III of the Master Circular on LODR Regulations. Omnibus RPT approvals granted by shareholders in Annual General Meetings (AGMs) will remain valid until the next AGM or up to 15 months, whichever is earlier. Approvals given in general meetings other than AGMs will be valid for up to one year.

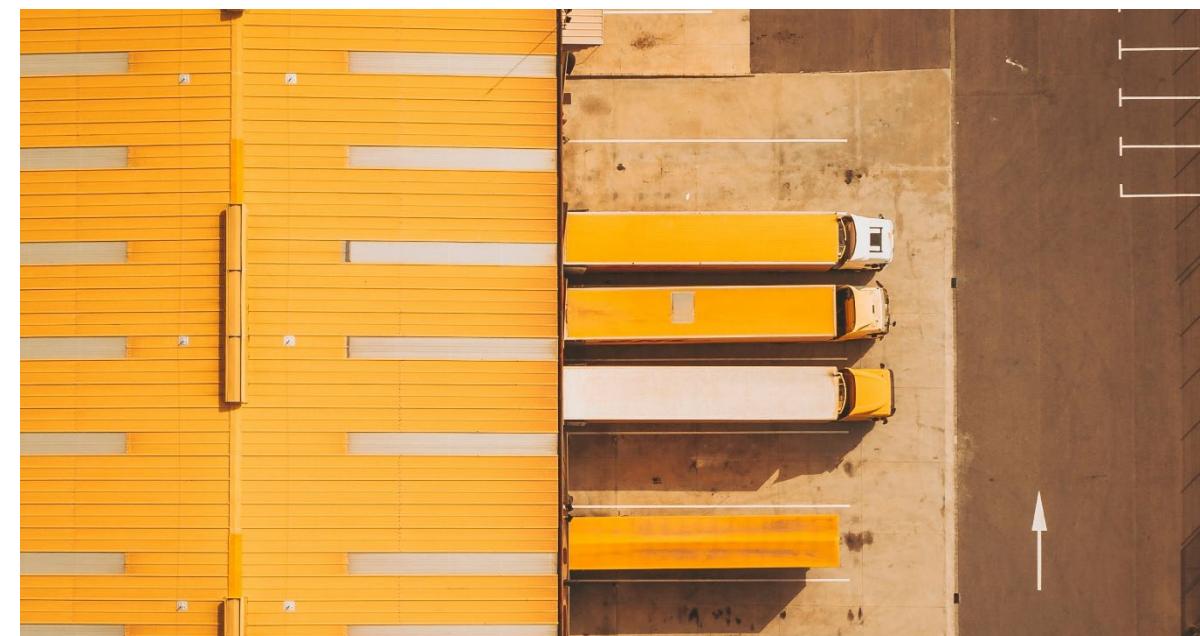
**5. Clarification on applicability of RPT provisions:** Regulation 23(5) now clarifies that exemptions for transactions between a holding company and its wholly owned subsidiaries apply only when the holding company is listed.

**6. Submission of annual report:** Under Regulation 53, the listed entity must submit its annual report to the stock exchange and the debenture trustee and publish it on its website on or before the date of dispatch to shareholders or submission to the Central or State Government, as applicable.

Previously, the report was required to be sent along with the AGM notice and not later than the commencement of dispatch to shareholders.

**7. Documents and information for holders of Non-Convertible Securities (NCS):** Regulation 58 earlier required sending a hard copy of the statement containing salient features of all documents specified under Section 136 of the Companies Act, 2013 (the 2013 Act). The amendment now mandates sending a letter with a web link (including the exact path) to access the complete annual report. At the entity's discretion, this may also include a static Quick Response code (QR Code) for holders of NCS who have not registered their email addresses.

(Source: SEBI Notification No F. No. SEBI/LAD-NRO/GN/2025/273. Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) (Fifth Amendment) Regulations, 2025, dated 18 November 2025)





## REITs reclassified as equity related instruments

SEBI through a notification<sup>1</sup> dated 31 October 2025, amended the SEBI (Mutual Funds) Regulations, 1996 to reclassify Real Estate Investment Trusts (REITs) as equity related instruments, with the objective of enabling greater participation by Mutual Funds and Specialised Investment Funds (SIFs) in REITs.

To operationalise the above amendment, SEBI has subsequently issued a circular dated 28 November 2025 containing the following stipulations:

**Reclassification:** With effect from 1 January 2026, investments by Mutual Funds and SIFs in REITs shall be categorised as equity related instruments. Infrastructure Investment Trusts (InvITs), however, shall continue to be classified as hybrid instruments.

**Grandfathering of existing investments:** Investments in REITs held by debt schemes of mutual funds and investment strategies of SIFs as on 31 December 2025 shall be grandfathered. Asset Management Companies (AMCs) are advised to undertake a gradual divestment of REIT holdings from the portfolios of debt schemes, taking into account prevailing market conditions and the interests of investors.

**Market capitalisation classification:** The Association of Mutual Funds in India (AMFI) shall revise its scrip classification list to incorporate REITs based on their market capitalisation.

**Scheme documentation:** AMCs are required to issue addendums to reflect the above changes in the scheme documents. Such addendums shall not be treated as a change in fundamental attributes.

**Index inclusion:** REITs may be included in equity indices only after 1 July 2026, thereby providing a transition period of six months.

(Source: SEBI Circular HO/24/13/12(1)2025-IMD-POD-2/I/157/2025 'Subject: Reclassification of Real Estate Investment Trusts (REITs) as equity related instruments for facilitating enhanced participation by Mutual Funds and Specialised Investment Funds (SIFs)', dated 28 November 2025)

1. Gazette notification no. SEBI/LAD-NRO/GN/2025/272 dated 31 October 2025





## RBI master direction on repo transactions, 2025

The Reserve Bank of India (RBI) has issued the Master Direction – Reserve Bank of India (Repurchase Transactions (Repo)) Directions, 2025 (the Master Direction), which came into effect on 11 November 2025, replacing the earlier directions of 2018 along with subsequent amendments. The Master Direction revises the earlier 2018 framework by expanding the range of eligible collateral securities for repo and reverse repo transactions to include municipal debt securities. This inclusion is intended to enhance liquidity in municipal bonds and promote urban infrastructure financing. In addition to this change, the Master Direction reiterates existing provisions regarding eligible participants, permissible securities, tenor (1 day to 1 year), etc. The Master Direction also lists the circulars and directions that are repealed upon its issuance.

(Source: RBI RBI/FMRD/2025-26/142 FMRD.DIRD.04/14.03.038/2025-26, 'Master Direction – Reserve Bank of India (Repurchase Transactions (Repo)) Directions, 2025', dated 11 November 2025)

## Extension of timelines under the FEMA (Export of Goods and Services) Regulations

The RBI issued the Foreign Exchange Management (Export of Goods and Services) (Second Amendment) Regulations, 2025 (Second Amendment Regulations) on 13 November 2025 (Second Amendment Regulations) to amend the Foreign Exchange Management (Export of Goods and Services) Regulations, 2015 (2015 Regulations). The amendments bring about revisions to the timelines for realisation of export proceeds and obligations relating to advance payments. The key amendments are as follows:

**Regulation 9 – time period for realisation of export proceeds:** Under the 2015 Regulations, export proceeds arising from the export of goods, software, or services were required to be realised and repatriated to India within nine months from the date of export. The Second Amendment Regulations have extended this period to fifteen months. Additionally, the RBI continues to have the authority to grant further extensions where a reasonable cause is demonstrated. This amendment is also applicable to exports undertaken by units in Special Economic Zones (SEZs), Status Holder

exporters, Export Oriented Units (EOUs), and units operating in Electronics Hardware Technology Parks (EHTPs), Software Technology Parks (STPs), and Bio-Technology Parks (BTPs), as recognised under the prevailing Foreign Trade Policy.

**Regulation 15 – advance payment against exports:** Under the 2015 Regulations, the shipment of goods against advance payments was required to be completed within one year from the date of receipt of such advance. This time limit has now been extended to three years from the receipt of advance.

The amendments shall be effective from 13 November 2025.

(Source: RBI, Foreign Exchange Department, Notification No. FEMA 23(R)/(7)/2025-RB. 'Foreign Exchange Management (Export of Goods and Services) (Second Amendment) Regulations, 2025', dated 13 November 2025)





## Trade Relief Directions, 2025

The RBI has issued the Reserve Bank of India (Trade Relief Measures) Directions, 2025 (Directions), to assist exporters affected by global trade disruptions by alleviating debt servicing pressures. These Directions are applicable immediately. Key highlights include:

**Applicability:** It applies to Regulated Entities (REs), which include Commercial Banks, Co-operative Banks (Urban, State, Central), Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies), All-India Financial Institutions (AIFIs), and Credit Information Companies (limited scope as only para 16 applies to them).

**Eligibility criteria:** REs shall formulate a policy for implementing the relief measures outlined in these Directions. An RE must ensure that the borrower's business has been impacted by trade disruptions caused by global headwinds. A borrower shall be considered eligible for relief under these Directions if the following conditions are met:

- The borrower is engaged in exports related to any sector specified in the annexure to these Directions.
- The borrower has an outstanding export credit facility from an RE as of 31 August 2025.
- The borrower's account(s) with all REs was/were classified as 'standard' as on 31 August 2025.

**Relief measures:** The following key relief measures have been introduced:

### A. Moratorium/deferment

- **Term loans:** RE may grant a moratorium on payment of all instalments (principal and interest) due between 1 September 2025 and 31 December 2025 (effective period).
- Defer recovery of interest on cash credits/overdrafts during the effective period.
- During the moratorium/deferment period, interest will accrue on a simple interest basis (no compounding).
- The interest accrued during the moratorium/deferment period may be converted into a funded interest term loan, which will be repayable between 31 March 2026 to 30 September 2026.
- REs may recalculate drawing power by reducing margins or reassess working capital limits during the effective period.

### B. Extension of export credit tenor

- **Credit period enhancement:** An RE may allow an extended credit period of up to 450 days for pre-shipment and post-shipment export credit disbursed until 31 March 2026.
- **Liquidation of packing credit facility:** For packing credit facilities availed by exporters on or before 31 August 2025, where goods could not be dispatched, an RE may permit liquidation of such facilities from any legitimate alternate sources, including domestic sale proceeds of such goods or substitution of contract with proceeds from another export order.

### C. Asset classification and provisioning:

- The moratorium period/deferment, wherever granted, shall be excluded by the RE when calculating the number of days past-due for asset classification purposes.
- Granting moratorium/deferment of instalments and recalculating the 'drawing power' in line with these Directions shall not be considered an event of restructuring. Therefore, such a measure alone shall not lead to asset classification downgrade.
- After the moratorium/deferment period ends, asset classification shall follow the extant Income Recognition, Asset Classification and Provisioning (IRACP) norms applicable to the respective RE.
- For eligible standard accounts that were in default as of 31 August 2025 and received relief under these Directions, REs must create a general provision of at least 5 per cent of the outstanding by 31 December 2025.
- The above general provision may be adjusted against specific provisioning for slippages<sup>2</sup> from these borrower accounts. Any remaining general provisions at the end of FY 2025-26 must either be written back or adjusted against provisions for all other borrower accounts by 30 June 2026

### D. Disclosure and reporting:

REs shall maintain MIS on reliefs granted to borrowers and submit fortnightly reports on RBI's DAKSH platform. Additionally, REs must report to Credit Information Companies (CIC) without adversely impacting the borrower's credit history.

(Source: RBI/2025-26/96 DOR.STR.REC.60/21.04.048/2025-26, 'Reserve Bank of India (Trade Relief Measures) Directions, 2025', dated 14 November 2025)

2. A slippage occurs when a bank's loan becomes a non-performing asset (NPA) within a given period. Essentially, it represents the deterioration in asset quality.



## MCA clarifies scope of 'business of financing industrial enterprises' under section 186

The Ministry of Corporate Affairs (MCA) has issued the Companies (Meetings of Board and its Powers) Amendment Rules, 2025 (the Amendment Rules) to amend Rule 11(2) of the Companies (Meetings of Board and its Powers) Rules, 2014 (the 2014 Rules). Section 186(11)(a) of the Companies Act, 2013 provides exceptions to the applicability of section 186 provisions for certain classes of companies. One such exception pertains to companies established with the objective of and engaged in the business of financing industrial enterprises. Previously, the 2014 Rules did not clearly define what constitutes 'business of financing industrial enterprises'. The Amendment Rules now clarify that the term includes:

- For NBFCs registered with the RBI – the business of providing loans or guarantees/security for due repayment of any loan availed in the ordinary course of business; and
- For finance companies registered with the International Financial Services Centers Authority (IFSCA) – activities specified under Regulation 5(1)(ii)(a) or (e) of the IFSCA Finance Company Regulations, 2021, in its ordinary course of business.

This amendment provides clarity and expands the scope of permissible financial activities under the 2013 Act and is effective from 3 November 2025.

(Source: MCA, Notification No. G.S.R. 811(E), dated 3 November 2025)

## NFRA's audit practice toolkit

The National Financial Reporting Authority (NFRA) has begun issuing an audit practice toolkit to assist small and medium practitioners involved in audits. As part of this initiative, NFRA released the Audit-Practice Toolkit on Audit Strategy Memorandum-Sample Document (the NFRA Audit Practice Toolkit) on 3 November 2025. This audit practice toolkit is introduced to guide auditors on a key aspect of the audit process - creating and documenting an audit strategy that aligns with the auditee's risk profile. The toolkit serves as an illustrative template designed to be scalable and adaptable for companies of different sizes and across various industry sectors. It outlines the audit

planning process, including engagement scope, risk assessment, materiality determination, internal control evaluation, involvement of specialists, and coordination with component auditors. NFRA has clarified that this toolkit is purely illustrative and is not an official policy or standard and does not replace legal or professional obligations under applicable laws and regulations.

(Source: NFRA, Audit-Practice Toolkits Audit Strategy Memorandum-Sample Document, dated 3 November 2025)

## Government of India implements four new Labour Codes, replacing existing laws

The Government of India has announced the implementation of four new Labour Codes (the Codes) with effect from 21 November 2025, which are as follows:

- The Code on Wages, 2019
- The Industrial Relations Code, 2020
- The Code on Social Security, 2020
- The Occupational Safety, Health & Working Conditions (OSH) Code

The Codes consolidate 29 existing central labour laws into four comprehensive labour codes. These Codes are intended to simplify compliance for employers, modernise workplace norms, enhance worker protection, and enable nationwide portability of entitlements across the economy. The government plans to involve the public and stakeholders in framing the corresponding rules, regulations, schemes, etc., under the Codes. The press release by the Ministry of Labour and Employment stated that during the transition, the relevant provisions of the existing labour acts and their respective rules, regulations, notifications, standards, schemes, etc., will continue to remain in force.

(Source: Press release by Ministry of Labour and Employment, 'Government Announces Implementation of Four Labour Codes to Simplify and Streamline Labour Laws', dated 21 November 2025)



## Transfer pricing tolerance range for AY 2025–26

The Department of Revenue, Ministry of Finance, has issued a notification under section 92C of the Income-tax Act stating the tolerance range for transfer pricing adjustments for Assessment Year (AY) 2025-26. The notification states that if the difference between the arm's length price and the actual transaction price does not exceed 1 per cent for wholesale trading transactions and 3 per cent for all other cases, the actual price will be considered to be at arm's length. Therefore, the tolerance range remains unchanged compared to previous years. This notification also defines wholesale trading as trading in goods where the purchase cost of finished goods is at least 80 per cent of the total cost of such trading activities and the average monthly closing inventory is 10 per cent or less of sales. The notification is applicable retrospectively and confirms that no adverse impact will result from this retrospective effect.

(Source: Ministry of Finance (Department of Revenue) Income Tax Notification No S.O. 5053(E), dated 6 November 2025)

## Patents (Amendment) Rules, 2025

The Ministry of Commerce and Industry has notified the Patents (Amendment) Rules, 2025 (Amendment Rules) with effect from 25 November 2025, introducing substantial amendments to the Patents Rules, 2003 (Rules). These amendments are intended to streamline the adjudication of penalties and the appellate framework under the Patents Act, 1970. They seek to clarify enforcement and appeal procedures, thereby reducing uncertainty and enhancing procedural efficiency.

As the Rules did not previously contain a formal framework governing adjudication of penalties and appeals, a new Chapter XIV A titled *Adjudication of Penalties and Appeals* has been inserted, establishing a detailed mechanism for addressing contraventions. The key aspects introduced are as follows:

**Adjudicating authority:** The Rules earlier did not provide for a designated adjudicating officer. The Amendment Rules now define the terms 'adjudicating officer' and 'Appellate Authority', and clearly set out their respective roles and responsibilities.

**Complaints:** The Rules did not prescribe any electronic filing mechanism or standard forms for lodging complaints. The Amendment Rules now mandate that complaints relating to contraventions under Sections 120, 122, and 123 be filed electronically in Form 32.

**Inquiry process:** The Amendment Rules specify defined timelines for issuance of notices, completion of inquiries, and uploading of orders on the official website.

**Appeals:** The Amendment Rules lay down a structured framework, including prescribed forms and timelines, for filing appeals against orders of the adjudicating officer, as well as timelines for the appellate authority to conclude proceedings.

**Communication, timelines and penalty orders:** While the erstwhile rules predominantly relied on physical modes of communication, the amended Rules provide for communication exclusively through electronic means. They also require all orders to be digitally signed and made available online and stipulate that penalty amounts shall be credited to the Consolidated Fund of India.

(Source: Ministry of Commerce and Industry, (Department for Promotion of Industry and Internal Trade), Notification G.S.R. 865(E), dated 25 November 2025)



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