

Regulatory framework for Specialized Investment Funds – February 27, 2025

The Securities and Exchange Board of India (SEBI) introduced a regulatory framework for Specialized Investment Funds (SIFs), effective April 1, 2025, to provide sophisticated investment avenues for high-net-worth individuals. Asset Management Companies with a minimum three-year track record and at least INR 10,00,00,00,000/- (One thousand crores) in assets under management, or those employing a Chief Investment Officer with over ten years of experience managing at least INR 50,00,00,00,000/- (Five thousand crores) in assets under management, are eligible to offer SIFs. These funds require a minimum investment of INR 1,00,00,000/- (One crore) per investor and can adopt various strategies, including equity long-short, debt long-short, and sectoral long-short positions. SIFs may be structured as open-ended or closed-ended schemes, with closed-ended funds mandated to list on exchanges to facilitate investor exits. Derivative exposure is capped at 25% of the fund's net assets to manage risk. SEBI emphasizes that SIFs must maintain distinct branding from traditional mutual funds to prevent investor confusion.

To access the framework, [click here](#).

Industry Standards on Key Performance Indicators Disclosures in the Draft Offer Document and Offer Document – February 28, 2025

SEBI issued a circular introducing Industry Standards for the Disclosure of Key Performance Indicators (KPIs) in Draft Offer Documents and Final Offer Documents, effective April 1, 2025. Formulated by the Industry Standards Forum, comprising of Associated Chambers of Commerce and Industry of India, Confederation of Indian Industry, and Federation of Indian Chambers of Commerce & Industry, these standards aim to enhance transparency and consistency in financial disclosures with better understanding and accountability of investors in financial disclosures. KPIs must be approved by the issuer's Audit certified by statutory auditors or qualified Chartered Accountants/Cost Accountants. These certifications should be included in the list of material documents for inspection. Disclosed KPIs should align with restated financial information and provide historical context on their use in performance tracking. Any significant business changes affecting KPIs comparisons must be explained. The "Basis for Issue Price" section must disclose all KPIs shared with investors in the past three years and confirmed by the Audit Committee. Issuers may include additional material KPIs relevant to issue price determination and provide cross-references to other sections of the offer document. Comparisons with listed Indian or global peers must be included wherever available. Post-listing, companies must continue disclosing these KPIs at least annually until the later of one year after listing or full utilization of issue proceeds. Any changes in KPIs during this period must be explained and certified.

To access the circular, [click here](#).

Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2025 – March 4, 2025

SEBI implemented the SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2025, to enhance transparency, streamline fundraising, and strengthen investor protection. Key amendments mandate detailed financial and risk disclosures for public issues, ensuring investors have comprehensive data for informed decisions. Eligibility criteria for initial public offerings have been tightened, requiring a minimum track record of profitability and net worth to promote strong listings. To expedite fundraising, procedural requirements for rights issues and preferential allotments have been simplified, reducing timelines. Stricter norms for related-party transactions and enhanced disclosures of promoter holdings and pledges aim to improve corporate governance and protect minority shareholders.

To access the regulation, [click here](#).

Faster Rights Issue with a Flexibility of Allotment to Specific Investor(s) – March 11, 2025

SEBI issued a circular introducing significant reforms to expedite and streamline the rights issue process for listed companies, effective from April 7, 2025. The revised framework mandates that rights issues be completed within 23 working days from the date of the issuer's Board approval, a substantial reduction from the previous average of 317 days. The subscription period for rights issues is now set to remain open for a minimum of 7 days and a maximum of 30 days. To enhance efficiency, stock exchanges and depositories are tasked with developing an automated system for validating application bids within six months from the circular's applicability date. In a move to simplify compliance, companies are no longer required to file a Draft Letter of Offer with SEBI for observations; instead, they must file it with the stock exchanges to obtain in-principle approval. The circular also provides issuers with the flexibility to allot shares to specific investors, allowing promoters to renounce their rights and entitlements in favor of particular investors and permitting the issuer to allocate under-subscribed portions to chosen investors, provided appropriate disclosures are made through advertisements. Additionally, SEBI has mandated the appointment of a monitoring agency to oversee the use of proceeds from all types of rights issues of equity shares, irrespective of the issue size.

To access the circular, [click here](#).

Consultation Paper on certain Amendments to SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 – March 20, 2025

SEBI released a consultation paper proposing amendments to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, and the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SBEB Regulations). The proposed changes aim to enhance transparency, streamline processes, and align regulatory frameworks with current market practices. Key proposals include revising disclosure norms for public issues to provide investors with more comprehensive information, thereby facilitating informed decision-making. Additionally, the amendments seek to refine the eligibility criteria for companies planning initial public offerings, ensuring that only entities meeting specific financial and governance standards can access public funds. The consultation paper also suggests modifications to the provisions governing employee stock options and sweat equity shares under the SBEB Regulations, intending to offer greater flexibility to companies in structuring employee benefit schemes while safeguarding shareholder interests.

To access the consultation paper, [click here](#).

Disclosure of Holding of Specified Securities in Dematerialized Form – March 20, 2025

SEBI issued a circular, mandating that all listed companies must ensure that the entire holding of their specified securities is maintained in dematerialized form. This directive aims to enhance transparency, improve efficiency in the securities market, and mitigate risks associated with physical securities. Listed entities are required to facilitate the dematerialization of all their specified securities and ensure that any new issuance or corporate action involving these securities is conducted exclusively in dematerialized form. Additionally, companies must provide disclosures regarding the status of dematerialization in their quarterly shareholding patterns submitted to the stock exchanges.

To access the circular, [click here](#).

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2025 – March 28, 2025

SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2025, which come into effect on April 1, 2025. A key component of the amendment is Chapter VA (Regulations 62B to 62Q), which establishes corporate governance norms for certain listed entities, now termed "High Value Debt Listed Entities" (HVDLEs). These are entities that either have only non-convertible debt securities listed, possess outstanding listed debt securities valued at INR-10,00,00,00,000/- (One thousand crore) or more as of March 31, 2025, or do not have any listed specified securities, such as equity shares. The regulations apply based on the outstanding debt as of March 31, 2025, and will remain in effect for three consecutive financial years, even if the outstanding debt later falls below the INR- 10,00,00,00,000/- (One thousand crore) threshold. The purpose of these amendments is to enhance corporate governance in

entities with substantial debt listings, promoting transparency and protecting investor interests. The regulations impose specific requirements on the board of directors, such as ensuring a balance between executive and non-executive directors, with at least 50% non-executive and one-woman director, and the mandatory evaluation of independent directors annually. Additionally, various committees must be formed, including an audit committee with at least three directors, a nomination and remuneration committee, a stakeholders relationship committee, and a risk management committee, each with specific composition and meeting requirements. Other provisions include establishing a whistleblower policy, setting up related party transaction policies, ensuring the presence of independent directors on material subsidiary boards, and requiring periodic secretarial audits and compliance reports. HVDLEs must also comply with stricter rules regarding independent directors, including no alternate directors and mandatory Directors and Officers insurance. Furthermore, the regulations require companies to address employee obligations, such as committee membership limits and management conflict disclosures. These measures will have a significant impact on investors, stakeholders, and regulatory bodies by fostering transparency, improving governance standards, and increasing accountability.

To access the regulation, [click here](#).

Mandatory Use of Baanknet (formerly eBKray) Auction Platform for Liquidation – March 28, 2025

The Insolvency and Bankruptcy Board of India (IBBI) issued a circular mandating that all Insolvency Professionals (IPs) handling liquidation processes must exclusively use the Baanknet auction platform (formerly eBKray) for conducting asset sales during liquidation, effective from April 1, 2025. This directive builds upon a previous circular dated January 10, 2025, which required the listing of all unsold assets in ongoing liquidation cases to be completed by March 31, 2025. The impetus for this mandate stems from the IBBI's objective to streamline and standardize the auction process, enhancing transparency and efficiency in asset liquidation. By centralizing auctions on the Baanknet platform, the IBBI aims to mitigate discrepancies and ensure a uniform procedure across all liquidation cases. Key directives include: (i) IPs must use Baanknet for auctions where the notice is issued on or after April 1, 2025; (ii) auction notices must specify that prospective bidders submit necessary documents, including a declaration of eligibility under Section 29A of the Insolvency and Bankruptcy Code, through the platform; (iii) bidders are required to deposit the Earnest Money Deposit (EMD) via Baanknet; and (iv) notices must state that EMD will be forfeited if a bidder is found ineligible. This move eliminates the prior requirement for liquidators to conduct due diligence on prospective bidders before auctions, as per the IBBI (Liquidation Process) (Amendment) Regulations, 2025, dated January 29, 2025. The transition to Baanknet significantly impacts IPs, who must adapt to the platform's protocols, and prospective bidders, who are now responsible for self-certifying their eligibility and adhering to the new submission and EMD procedures.

To access the circular, [click here](#).

Disclosure of Information Relating to Carry Forward of Losses in Information Memorandum Liquidation – March 17, 2025

IBBI issued a circular mandating enhanced disclosures regarding carry forward of losses in the Information Memorandum (IM) prepared during Corporate Insolvency Resolution Processes (CIRPs). This directive follows an amendment to Regulation 36 of the CIRP Regulations, 2016, and arises from observations that many IPs inadequately disclosed such financial details. To address this, the circular instructs all IPs to include a dedicated section in the IM explicitly outlining the quantum of carry forward losses under the Income Tax Act, 1961, a detailed breakdown by specific heads, relevant time limits for utilization, and a clear statement if no such losses exist. The intention behind this move is to provide potential resolution applicants with a transparent and complete view of the corporate debtor's financial standing, particularly the tax benefits associated with accumulated losses. This will enable bidders to design more viable and informed resolution plans. The circular is issued under the powers granted by Section 196 of the Insolvency and Bankruptcy Code, 2016, and is binding on all registered IPs, IP Entities, and Agencies.

To access the circular, [click here](#).



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