

Review of - (a) Disclosure of Financial Information in the Offer Document, and (b) Continuous Disclosures and Compliances by Real Estate Investment Trusts – May 7, 2025

Securities and Exchange Board of India (SEBI) issued a circular revising Chapters 3 and 4 of its Master Circular for Real Estate Investment Trusts (REITs), focusing on the disclosure of financial information in offer documents and continuous disclosures post-listing. These revisions, effective immediately except for certain provisions applicable from April 1, 2025, aim to enhance transparency and align REITs' disclosure practices with SEBI's Issue of Capital and Disclosure Requirements and Listing Obligations and Disclosure Requirements Regulations. REITs are now mandated to disclose audited financial statements for the last three financial years and any applicable stub period in their offer documents. If the latest audited financials are older than six months from the filing date, additional stub period financials must be provided. For initial offers, audited combined financial statements are required, regardless of the REIT's operational tenure. In cases of recent acquisitions or divestments, certified pro forma financial statements covering at least the last completed financial year and any stub period must be disclosed. Additional disclosures, including project-wise operating cash flows, contingent liabilities, and commitments as of the latest financials, are now mandatory and subject to audit by peer-reviewed auditors approved under REIT regulations. Continuous compliance requirements have been tightened: REITs must submit quarterly and year-to-date financial results within 45 days of quarter-end, with annual financial results due within 60 days of the financial year-end. The final quarter results must reconcile the full-year audited figures with those reported up to the third quarter. The disclosure of unit holding patterns has been made more rigorous, requiring reports to be submitted one day before listing, quarterly within 21 days, and within 10 days of any capital restructuring that results in a change exceeding two percent of the total outstanding units. The circular also mandates the disclosure of the net borrowing ratio and certain financial ratios for REITs with outstanding borrowings. These changes stem from recommendations by a Working Group under the Hybrid Securities and Advisory Committee.

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

Review of - (a) Disclosure of Financial Information in Offer Document/Placement Memorandum, and (b) Continuous Disclosures and Compliances by Infrastructure Investment Trusts – May 7, 2025

SEBI issued a circular, revising the disclosure and compliance framework for Infrastructure Investment Trusts (InvITs). These amendments, effective immediately for offer documents and applicable from April 1, 2025, for continuous disclosures, aim to enhance transparency and align InvITs' reporting standards with broader regulatory practices. InvITs are now mandated to include audited financial statements for the last three financial years and any applicable stub periods in their offer documents. If the latest audited financials are older than six months from the filing date, additional stub period financials must be provided. For entities with less than three years of existence, disclosures must cover the entire period of existence and the stub period. Initial offers require audited combined financial statements, while follow-on offers necessitate consolidated statements. These financials must be prepared under Indian Accounting Standards (Ind AS) and audited by peer-reviewed auditors approved under InvIT regulations. Additional disclosures include project-wise operating cash flows, contingent liabilities, commitments, and related party transactions, all subject to audit. InvITs must also disclose projections of revenues and operating cash flows for the next three years, including underlying assumptions. A Management Discussion and Analysis by the Investment Manager, comparing the most recent financial information with the previous two years, is required. Furthermore, a statement regarding the sufficiency of working capital for at least 12 months from the listing date must be included; if insufficient, the Investment Manager must outline plans to meet additional requirements. Post-listing, InvITs are obligated to submit quarterly and year-to-date financial results within 45 days of quarter-end, except for the final quarter, which must reconcile full-year audited figures with those reported up to the third quarter and be submitted within 60 days of the financial year-end. Unit holding patterns must be reported one day before listing, quarterly within 21 days, and within 10 days of any capital restructuring exceeding a 2% change in total outstanding units. These

revisions, based on recommendations from a Working Group under the Hybrid Securities and Advisory Committee and inputs from the Bharat InVITs Association.

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

Investments by Foreign Portfolio Investors in Corporate Debt Securities through the General Route – Relaxations – May 8, 2025

The Reserve Bank of India (RBI) issued a notification announcing the withdrawal of the short-term investment limit and the concentration limit for Foreign Portfolio Investors (FPIs) investing in corporate debt securities through the General Route. Previously, under paragraphs 4.4(iii) and 4.4(v) of the Master Direction on Non-resident Investment in Debt Instruments dated January 7, 2025, FPIs were subject to a short-term investment cap—limiting investments in securities with residual maturity of less than one year to 30% of their total corporate bond portfolio—and a concentration limit—restricting exposure to a single corporate group to 20% of their corporate bond portfolio. These constraints were designed to mitigate risks associated with short-term capital flows and overexposure to specific corporate entities. However, upon review, the RBI determined that removing these restrictions would enhance the ease of investment for FPIs, thereby fostering greater participation in India's corporate debt market. The relaxation aims to attract more stable and long-term foreign investments, aligning with the broader objective of deepening the domestic debt market. The directions came into immediate effect and were issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999. Authorised Dealer Category-I banks have been advised to inform their constituents about these changes.

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

Consultation Paper on the Use of Liquid Mutual Funds for Compliance with Deposit Requirement by Investment Advisers and Research Analysts – May 9, 2025

SEBI released a consultation paper proposing that Investment Advisers (IAs) and Research Analysts (RAs) be permitted to use units of liquid mutual funds, in addition to fixed deposits, to meet their deposit requirements under SEBI (Investment Advisers) Regulations, 2013, and SEBI (Research Analysts) Regulations, 2014. This initiative was prompted by multiple representations from IAs and RAs highlighting operational difficulties associated with opening Fixed Deposit (FD) accounts and securing lien acknowledgments from banks. Issues reported included inconsistencies in FD procedures across bank branches, delays in issuance of required documentation, variations in interest payout options, and a general lack of awareness among banking staff regarding SEBI's lien requirements. To address these hurdles, SEBI has proposed that liquid mutual fund units—either held in statement of account form or in dematerialized form at the discretion of the IA or RA—may be provided, with a lien marked in favor of the respective Administration and Supervisory Body (ASB) for a minimum duration of one year. For valuation purposes, the eligible deposit amount shall be the net value of mutual fund units after deducting a haircut determined by ASB and any applicable exit load. This value shall be reviewed annually in line with prevailing guidelines. If the market value of the units falls below the prescribed deposit threshold, or if the deposit requirement increases due to a rise in the number of clients, the IA or RA must top up the shortfall by lien-marking additional units accordingly.

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

Draft Circular on Modification to Chapter VII of the Master Circular for Listing Obligations and Disclosure Requirements for Non-Convertible Securities, Securitized Debt Instruments and/or Commercial Paper – May 9, 2025

SEBI issued a draft circular modifying Chapter VII of the Master Circular under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations), aligning it with Chapter VA introduced via the March 27, 2025, amendment, specifically for High Value Debt Listed Entities (HVDLEs). The modifications prescribe formats for disclosures relating to corporate governance, mandating secretarial compliance reports, periodic compliance reports, and detailed disclosures on Related Party Transactions (RPTs). Regulation 62 M(2) requires HVDLEs to submit an annual secretarial compliance report, prepared by a practicing company secretary, covering regulatory compliance, deviations, regulatory actions, and remediation steps. Regulation 62Q mandates periodic compliance reports on corporate governance, submitted within 21 days from the period end, detailing material RPTs. Regulation 62K(9) requires half-yearly RPT disclosures in formats specified by SEBI. Detailed information for RPT

approval must be placed before the audit committee, debenture trustee, and shareholders, including transaction nature, material terms, related parties, tenure, valuation, interest rates, security, fund utilization, and justification of the transaction's alignment with the entity's interests. Shareholder notices must contain an explanatory statement summarizing audit committee disclosures and transaction justifications, enabling informed decision-making. A quarterly compliance report must confirm whether the audit committee, debenture trustee, and shareholder approvals were obtained for material RPTs and whether omnibus RPTs were reviewed. A distinct format is introduced for RPT disclosures involving loans, inter-corporate deposits, advances, or investments, to be disclosed upon transaction execution. Existing RPTs must include opening and closing balances even without new transactions. Formats for quarterly and annual corporate governance reports are also prescribed, covering compliance status under Regulation 62, including board compositions, policies, codes, disclosures, contact details, and financial information. A half-yearly disclosure format is prescribed for loans, guarantees, comfort letters, and securities.

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

Consultation Paper on Proposal to Facilitate Relaxation in Regulatory Compliances for FPI Applicants Investing only in Indian Government Bonds – May 13, 2025

SEBI released a consultation paper proposing regulatory relaxations for FPIs investing exclusively in Indian Government Bonds (IGBs) under the Voluntary Retention Route (VRR) and Fully Accessible Route (FAR). Aimed at enhancing ease of doing business and adopting a risk-based regulatory approach, SEBI suggests exempting such FPIs—termed IGB-FPIs—from furnishing investor group details, as concerns about indirect control or voting rights through FPIs are irrelevant in the context of sovereign debt investments. The paper also proposes aligning the Know Your Client (KYC) review periodicity for IGB-FPIs with RBI norms, adjusting the frequency to every 2, 8, or 10 years for high, medium, and low-risk clients, respectively, instead of the current 1- or 3-year intervals. Additionally, SEBI recommends permitting Non-Resident Indians, Overseas Citizens of India, and Resident Indians to contribute to the corpus of IGB-FPIs and to hold control positions, recognizing that such participation does not pose risks associated with equity investments. To facilitate operational flexibility, SEBI outlines a transition mechanism allowing regular FPIs to convert to IGB-FPIs by divesting non-IGB holdings and closing associated accounts, and vice versa, subject to compliance with applicable requirements. Furthermore, the consultation paper suggests extending the timeline for reporting material changes by IGB-FPIs to 30 days, providing additional time for documentation and compliance. Stakeholders are invited to submit comments on the proposals by June 3, 2025, through SEBI's official portal.

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

Draft Revised Directions on Investment by Regulated Entities in Alternative Investment Funds – May 19, 2025

RBI issued the Draft RBI (Investment in AIF) Directions, 2025, proposing a revised regulatory framework governing investments by Regulated Entities (REs) in AIFs, intended to replace the circulars dated December 19, 2023, and March 27, 2024, to take effect prospectively from a notified effective date. The revisions aim to reinforce financial discipline and address evergreening concerns where REs indirectly refinance their borrower exposures via AIF investments. The draft directions mandate that REs incorporate controls in their internal policies ensuring regulatory compliance and evergreen-testing of AIF investments. A single RE cannot contribute more than 10% of a scheme's corpus, and all REs together cannot exceed 15%. Where an RE contributes over 5% to an AIF scheme, and the AIF has downstream investments (excluding equity) in the RE's debtor company, a 100% provision must be made against the RE's proportionate exposure to that debtor through the AIF. Contributions of up to 5% are exempted from this provision. If the RE's investment is via subordinated units under a Priority Distribution Model, the entire investment must be deducted equally from Tier-1 and Tier-2 capital, regardless of downstream exposure. Investments through intermediaries such as mutual funds or funds of funds are excluded from the scope. Strategic AIFs, as may be notified later by the RBI in consultation with the Government, may be exempt from limits and provisioning norms. Outstanding investments or drawdowns from commitments before the effective date will remain governed by previous circulars. The directions impact commercial banks, cooperative banks, All-India Financial Institutions, and NBFCs (including HFCs), along with AIFs receiving funds from these REs and underlying debtor companies.

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

Companies (Accounts) Amendment Rules 2025 – May 19, 2025

The Ministry of Corporate Affairs notified the Companies (Accounts) Amendment Rules, 2025, exercising powers under sections 128(1) and (3), 129(3), 133, 134, 135(4), 136(1), 137, 138 read with section 469 of the Companies Act, 2013. The amendment modifies Rule 12, sub-rule (1B), fourth proviso of the Companies (Accounts) Rules, 2014, by extending the timeline for filing Form CSR-2 (report on Corporate Social Responsibility activities) for the financial year 2024-25. Instead of the earlier deadline of March 31, 2025, companies are now permitted to file the form on or before June 30, 2025. This extension allows companies additional time to comply with CSR reporting requirements without facing regulatory lapses. The amendment takes immediate effect from the date of its publication in the Official Gazette.

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

Framework to Facilitate Co-Investment by Venture Capital Scheme and Restricted Scheme at GIFT IFSC – May 21, 2025

The International Financial Services Centres Authority (IFSCA) introduced a framework under the IFSCA (Fund Management) Regulations, 2025, to facilitate co-investment by Venture Capital Schemes (VCS) and Restricted Schemes through Special Schemes at GIFT IFSC, allowing Fund Management Entities (FMEs) to structure co-investment vehicles either within IFSC or offshore. This framework enables FMEs, such as ABF IFSC LLP, already managing a VCS like InVenture, to establish Special Schemes, such as GreenImpact SPV LLP, for single-portfolio investments (e.g., in ZenoTech Pvt Ltd). Under this structure, existing investors, such as Global, may co-invest without taking exposure to the entire fund. The SPV must be structured under Indian law, classified under the same category (Category I AIF), have a minimum 25% capital contribution from the existing scheme, and share the same tenure. The co-investment process requires disclosure via a prescribed term sheet and declaration-cum-undertaking within 45 days of investment, prior notification to all investors in the existing scheme, and adherence to leverage norms as per the placement memorandum. FMEs retain full control over SPV decisions; activities of the SPV may be consolidated with those of the existing scheme for reporting, and KYC duplication is avoided for existing investors. The framework addresses previous regulatory gaps that hindered deal-specific co-investment structures, enhances flexibility and alignment with global practices, and promotes GIFT IFSC as a globally competitive fund management centre.

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

Reporting on FIRMS portal – Issuance of Partly Paid Units by Investment Vehicles – May 23, 2025

RBI issued a circular addressing the reporting requirements for the issuance of partly paid units by investment vehicles to persons resident outside India. This directive follows the amendments introduced by the Central Government through the Foreign Exchange Management (Non-debt Instruments) (Second Amendment) Rules, 2024, dated March 14, 2024, which permit investment vehicles to issue partly paid units to non-residents. In accordance with Regulation 4(10) of the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019, investment vehicles are mandated to file Form InVI within 30 days from the date of issuance of units. However, to facilitate compliance, the RBI has allowed investment vehicles to report issuances of partly paid units made prior to May 23, 2025, within 180 days from this date, without incurring any late submission fees. For issuances occurring on or after May 23, 2025, the standard 30-day reporting timeline remains applicable. These directions are effective immediately and are issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999.

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



NEW DELHI

30, Nizamuddin East
New Delhi – 110 013
Tel: + 91 11 4719 4400 | Fax: + 91 11 4050 6977
E-mail: delhi@dmd.law

MUMBAI

121, Maker Chambers – IV, Nariman Point
Mumbai – 400 021
Tel: + 91 22 4356 5555 | Fax: + 91 22 4356 5550
E-mail: mumbai@dmd.law

www.dmd.law

Please feel free to address any questions or requests for advice to: dmdadvocates@dmd.law

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