



ACQUISORY

Your Growth, Our Business

BULLETIN – MARCH 2025



SEBI

Faster rights Issue with a flexibility of allotment to specific investor(s)

- ❑ The new framework for Rights Issue has been introduced, SEBI (Issue of Capital and Disclosure Requirements) (Amendments) Regulations, 2025.
- ❑ In terms of the amended Regulation 85 of SEBI (ICDR) Regulations, it is being specified that Rights issue shall be completed within 23 working days from the date of Board of Directors of the Issuer approving the Rights Issue.
- ❑ SEBI has also prescribed revised timelines for completion of the various activities involved in Rights Issue process from the date of Board of Directors of the Issuer approving the Rights Issue till the date of closure of Rights Issue.

SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2025

SEBI has issued SEBI (Prohibition of Insider Trading) Regulations, 2025. As per the amendment Regulations, 2025, following information are included in Regulation 2(1) (n) of SEBI (Prohibition of Insider Trading) Regulations, 2015 (unpublished price sensitive information)

- ❑ Change in rating(s), other than ESG rating(s);
- ❑ Fund raising proposed to be undertaken
- ❑ Agreements, by whatever name called, which may impact on 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.

SEBI amends Securities Contracts Regulations, 2025

- ❑ The amendment introduces Regulation 38B to the Securities Contracts (Regulations) (Stock Exchanges and clearing Corporations) Regulations, 2018.
- ❑ The new provision allows recognized stock exchanges, with SEBI's approval, to carry out the verification of past risk-return metrics.
- ❑ This function aligns with Regulation 12A(2) of the SEBI (Credit Rating Agencies) Regulations, 1999, and will be subject to conditions specified by SEBI.
- ❑ The amendment follows several previous modifications to the 2018 regulations, ensuring updated regulatory oversight for stock exchanges and clearing corporations.

SEBI (Intermediaries)(Second Amendment) Regulations, 2025

- ❑ The key changes involves the insertion of Chapter III, which mandates the verification of past risk and return metrics for Investment Advisers, Research Analysts, and Algorithmic Trading Providers empaneled with recognized stock exchanges.
- ❑ Under the new provisions these entities can make claims regarding returns or performance only if verified by a SEBI recognized credit rating agency acting as a Past Risk and Return Verification Agency.
- ❑ The amendment specifies that claims must be presented in a manner prescribed by SEBI.
- ❑ In case of non-compliance, SEBI retains the authority to take disciplinary action under Chapter V of the regulations.

SEBI extends timelines for Related Party Transactions Rules

- ❑ SEBI has extended the implementation date for the Industry standards on "Minimum information to be provided for review of the audit committee and shareholders for approval of a related party transaction" from April 1, 2025 to July 1, 2025.
- ❑ The Industry Standards Forum (ISF), comprising representatives from ASSOCHAM, CII and FICCI, has been directed to incorporate stakeholder suggestions and release a revised version of the standards in a time bound manner.

SEBI revises shareholding Disclosure Formats in dematerialized form

Key modifications include

- ❑ Updates to the table format as provided in the circular w.r.t. shareholding Pattern, requiring listed entities to disclose details of Non – Disclosure Undertakings (NDUs), other encumbrances, and total pledged shares.
- ❑ Outstanding convertible securities now explicitly include Employee Stock Option Plans (ESOPs).
- ❑ A new column has been added to capture the total number of shares on a fully diluted basis, including warrants, ESOPs and convertible securities.
- ❑ The revised disclosure formats will be applicable from the quarter ending June 30, 2025.

SEBI Board Meeting Highlights – Key decisions

The following decisions were taken-

- ❑ The Board approved raising the threshold for FPI additional disclosures from INR 25,000 crore to INR 50,000 crore equity AUM, aligning with increased market trading volumes.
- ❑ Category II AIFs were permitted to count investments in listed debt securities rated ‘A’ or below as equivalent to unlisted securities, easing compliance requirements.
- ❑ Governance of Market Infrastructure Institutions (MIIs) was strengthened, with changes to the appointment process for Public Interest Directors (PIDs) and Key Management Personnel (KMPs).
- ❑ The cooling – off period rules for PIDs transitioning between MIIs were clarified, and new appointment protocols for critical KMP roles were introduced.
- ❑ Investment Advisers (IAs) and Research Analysts (RAs) can now charge fees in advance for upto one year, addressing industry concerns over prior limits.
- ❑ Proposal to amend regulations for Merchant Bankers, Debenture Trustees, and Custodians were deferred for further review.
- ❑ A High level Committee was constituted to review and enhance conflict of interest provisions, disclosures and related governance matters for SEBI members and officials, with recommendations expected within three months.

SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2025

- ❑ SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2025, with the insertion of new chapter VA – Corporate Governance Norms for a Listed Entity which has listed its Non-Convertible Debt Securities.
- ❑ This Chapter shall apply to a listed Entity which only has non-convertible debt securities listed, with an outstanding value of Rupees One thousand Crore and above and does not have any listed specified securities.

Amendment to Master Circular for Real Estate Investment Trust (REITs) and Infrastructure Investment Trusts (InvITs)

- ❑ SEBI has amended the Master Circular(s) for Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) dated May 15, 2024 by reviewing the lock-in provisions for preferential issue of units for REITs/InvITs.
- ❑ Further, SEBI has also reviewed the Guidelines for follow-on offer by publicly offered REITs and InvITs.
- ❑ In order to promote ease of doing business and based on industry representations and recommendations from the Hybrid Securities Advisory Committee (HySAC), the lock-in period for units allotted to sponsors and sponsor groups shall be now aligned with initial offer regulations, with 15% locked-in for three years and the remaining units for one year.
- ❑ Inter-se transfer of locked-in units within sponsor groups is permitted, provided the lock-in period continues for the transferee. It is further provided that units allotted in excess of twenty five percent of the total unit capital of the InvIT shall be locked in for one year from the date of trading approval.

For details:

https://www.sebi.gov.in/web/?file=https://www.sebi.gov.in/sebi_data/attachdocs/mar2025/1743163818274.PDF#page=1&zoom=page-width,-15,842
https://www.sebi.gov.in/web/?file=https://www.sebi.gov.in/sebi_data/attachdocs/mar2025/1743163946660.PDF#page=1&zoom=page-width,-15,842

IFSCA

Guidelines on Cyber Security and Cyber Resilience for Regulated Entities in IFSCs

- ❑ IFSCA has issued guidelines on cyber security and cyber resilience for regulated entities within the IFSCs, emphasizing the importance of maintaining robust defense mechanisms to secure financial systems and preserve trust in the jurisdiction.
- ❑ The implementation of these guidelines shall be undertaken in accordance with the principle of proportionality, after taking into due consideration the scale and complexity of operations, the nature of the activity the entity is engaged in, its interconnectedness with the financial eco system and the corresponding cyber risks the entity is exposed to.
- ❑ The key components of the Guidelines are categorised into Governance; Cyber Security and Cyber Resilience framework; Third Party risk management; Communication & awareness and Audit.

IFSCA Authority Meeting

The Authority, inter alia approved the following-

- ❑ The IFSCA (Capital Market Intermediaries) Regulations, 2025: This will replace the extant IFSCA (Capital Market Intermediaries), 2021.

- ❑ IFSCA (KYC Registration Agency) Regulations, 2025: To register and regulate the KRAs in IFSC.
- ❑ Transition to IFSCA (Fund Management) Regulations, 2025: The authority approved the proposal towards one-time opportunity to extend the validity of the private placement memoranda whose validity has expired subject to certain conditions and a clarification towards the filing of the updated private placement memorandum consequent to the changes in the regulations.

IFSCA releases FAQ Booklet related to SEZ Compliances for IFSC Units

- ❑ IFSCA has released a Special Economic Zone (SEZ) Compliance FAQ Booklet, as a measure to ensure better understanding of the provisions of SEZ Act/Rules, minimize the compliance burden and increase the overall regulatory clarity in GIFT-IFSC.
- ❑ The Booklet has been designed to give comprehensive information and guidance regarding SEZ provisions covering the whole life cycle of a Unit in GIFT-IFSC, right from application for an SEZ LOA till the Exit of the unit.

OTHERS

MSME Classification Limits Revised from April 1, 2025

- ❑ The MSME has amended the classification criteria for MSMEs under the MSME Development Act, 2006. Effective from April 1, 2025, the revised limits increase the investment and turnover thresholds for micro, small and medium enterprises.
- ❑ For micro enterprises, the investment limit has been raised from INR 1 Crore to INR 2.5 Crore, and the turnover limit from INR 5 Crore to INR 10 Crore.
- ❑ Small enterprises now have an investment threshold of INR 25 Crore (previously INR 10 Crore) and a turnover limit of INR 100 Crore (previously INR 50 Crore).
- ❑ For medium enterprises, the investment limit increases from INR 50 Crores to INR 125 Crores, and the turnover limit from INR 250 Crore to INR 500 Crore.

Extension of FCRA Certificate Validity till June 30, 2025

- ❑ Entities whose certificates were extended till March 31, 2025, under an earlier notice and have their validity extended until June 30, 2025, or the disposal of their renewal application, whichever comes earlier.
- ❑ Entities whose five-year validity expires between April 1, 2025 and June 30, 2025, and have applied or will apply for renewal before expiry, will have their certificates extended until June 30, 2025 or the renewed decision, whichever is earlier.
- ❑ Associations are cautioned that if their renewal applications are refused, their certificates will expire on the date of refusal, making them eligible to receive or utilize foreign contributions.