

Highlights of SEBI ICDR (Amendment) Regulations, 2025

SEBI has amended the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2015 vide notification published in official gazette on March 08, 2025 . All the amendments are effective immediately except the provisions with respect to Rights Issue and consequential amendments, which shall be effective from the April 08, 2025.

It has also been clarified that the Rights issue approved by the Board of Directors prior to April 08, 2025 shall continue to be governed by the pre-amendment regulations. Highlights of the SEBI ICDR Amendments, 2025 are as follows:

1) Key Definitions ✦

- Definition of Associate in clause (e) of Regulation 2 has been amended to read as follows:

“Associate” shall mean a person or any entity which is an associate under sub-section (6) of section 2 of the Companies Act, 2013 or under the applicable accounting standards;”

The definition broadens the scope of Associate as it now includes those which are Associates in terms of accounting standards in addition to the CA, 2013.

- Clause (m) of Regulation 2 has been modified as follows:

“Draft letter of offer” means the draft letter of offer filed with the Stock exchange(s) in relation to a rights issue under these regulation”

Prior to the amendment it was linked to filing of draft letter of offer with the Board.

- Definition of “Financial Year” as defined under the Companies Act, 2013 has been added under the definitions.

2) Applicability of the Regulations – Regulation 3

Regulation 3 has been amended to extend the applicability of ICDR regulations to those Rights Issue by a listed issuer where the aggregate value of the issue is less than 50 Crores.

3) Exceptions to Entities not eligible to make an Initial Public Offer- Regulation 5(2)

A new clause has been inserted after clause (a) in proviso to sub-regulation 2 of Regulation 5 which reads as follows:

“(b) 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.”

Pursuant to the above, issuers with above outstanding SARs shall be eligible to make an IPO.

4) Lock-in of specified securities held by persons other than the promoters- Regulation 17

Proviso to Regulation 17 which excludes certain shares from lock in has been amended to include shares allotted to employees under a stock appreciation right scheme (SAR). Accordingly, lock-in shall not apply on shares allotted under SARs provided the issuer has made full disclosures with respect to the same.

5) Appointment of Lead Managers, Other Intermediaries and Compliance Officer – Regulation 23

Regulation 23 (8) has been rephrased to state that the issuer shall appoint a who is person qualified to be a company secretary as the compliance officer, responsible for monitoring compliances and grievance redressal.

This aligns with the requirement under SEBI LODR for compliance officer to be a qualified company secretary.

6) Draft offer document and offer document to be available to public – Regulation 26

- Regulation 26(1) now requires the listed entities to host the draft offer document filed with the Stock Exchange on specified websites, for public comments for at least 21 days from the date of publication of public announcement under sub-regulation (2) instead of the earlier timeline of at least 21 days from the date of filing the draft offer document.
- Regulation 26(2) which requires public announcement to be made within 2 days of filing draft offer document with stock exchanges has been amended to read as “within two working days”.

7) Reporting of transactions of the promoters and promoter group and other pre-IPO transactions – Regulation 54

A new sub regulation has been inserted requiring the issuer to report any proposed pre-IPO placement as disclosed in the draft offer document to be reported to the stock exchange within 24 hours of such transaction taking place, either in part or entirely.

This is in addition to the existing mandate to report transactions in securities by the promoter and promoter group between the date of filing of the draft offer document or offer document and the date of closure of issue, within 24 hours of such transactions.

8) Opening of the Issue – Regulation 85

Regulation 85 which specifies timelines for opening of rights issue has been amended to state that a rights issue may be opened within such period as the Board may specify from time to time. Prior

to the amendment, opening of rights issue was permitted within 12 months from date of issuance of observations by the Board.

Date: March 28, 2025

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