



GNLU BLOG ON
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EDITORIAL REVIEW

PRIMER ON SEBI (ICDR) AMENDMENT 2025

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Primer on SEBI ICDR Amendments 2025

Executive Summary

1. Introduction

The SEBI (ICDR) (Amendment) Regulations, 2025, introduce significant updates to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. These amendments aim to modernize the regulatory framework, enhance transparency, streamline processes, and strengthen governance for issuers, investors, and intermediaries involved in public offerings and rights issues.

2. Stock Appreciation Rights (SARs)

Reg No	Change
5(2)	Added exception for outstanding SARs exercised into equity shares pre-filing with disclosures.
14	Included SARs in promoters' contribution computation alongside ESOs.
17	Added SARs to lock-in exemptions for pre-issue capital held by non-promoters.
17	Included bonus shares from SARs in lock-in holding period calculation.
56	Added SARs as an exception to further capital issue restrictions.
59E(1)	Allowed outstanding SARs exercised pre-filing with disclosures.
236	Included SARs in promoters' contribution computation.
288(1)	Added SARs to lock-in exemptions for employee-held equity shares and bonus shares.

3. SME IPOs: Eligibility, Oversight, and Flexibility

Reg No	Change
228(e)	Added bar on IPOs with outstanding convertible securities, with exceptions for ESOs and fully converted securities.
229(2)	Clarified eligibility as post-issue face value paid-up capital.
229(4)	Required 1-year existence for issuers converted from proprietorship/partnership/LLP.
229(5)	Mandated 1-year wait post-promoter change for draft offer filing.
229(6)	Required ₹1 crore minimum operating profit in 2/3 previous financial years.
230(1)	Added proviso for bank sanction letter disclosure; limited OFS to 20% of issue size and 50% of selling shareholders' holding; barred loan repayment to promoters from issue proceeds.
230(2)	Reduced general corporate purpose cap from 25% to 15%.
247(1)	Mandated 21-day public comment period for draft offer document on SME exchange websites.
247(2)	Required public announcement within 2 working days of draft filing with SME exchange.
247(3)	Mandated lead managers to file public comments and changes with SME exchange.
262(1)	Lowered monitoring agency threshold from ₹100 crore to ₹50 crore.
262(5)	Required auditor certificate for utilization in smaller issues.

262(6)	Required auditor certificate for working capital exceeding ₹5 crore.
280(2)	Allowed further capital issues without migration if complying with main board LODR rules.
281A	Mandated exit offer for dissenting shareholders on object changes.

4. Changes in Financial Limits and Thresholds

Reg No	Change
3	Removed ₹50 crore threshold for rights issue applicability.
60	Removed ₹50 crore threshold for rights issue reference date compliance.
230(1)	Limited OFS to 20% of issue size and 50% of selling shareholders' pre-issue holding.
262(1)	Reduced monitoring agency threshold from ₹100 crore to ₹50 crore.
268(1)	Increased minimum allottees for SME IPOs from 50 to 200.

5. Compliance and Disclosure Requirements

Reg No	Change
9	Mandated compliance officer to be a qualified company secretary.
23(8)	Same as above for IPO compliance officer.
54	Expanded reporting to include pre-IPO placements within 24 hours.
59C(5)	Clarified public announcement within 2 working days of pre-filing.
70(2)	Specified disclosures in Part B of Schedule VI only.
70(3-4)	Omitted lead manager due diligence and enforcement duties.
70(5)	Shifted responsibility for recent financial data to issuer.
70(6-7)	Removed "abridged letter of offer" from disclosure requirements.
71	Shifted draft letter filing to stock exchanges; simplified lead manager duties.
72(1-3)	Omitted public comment and filing requirements for draft letter.
72(4)	Shifted hosting responsibility to issuer.
209	Expanded reporting to include pre-IPO placements.
219(2)	Mandated compliance officer as company secretary functioning in India.
245(2)	Added disclosures for EPF/ESIC, site visit reports, and lead manager fees.
274	Expanded reporting to include pre-IPO placements.

6. Investor Protection and Transparency Measures

Reg No	Change
15(1)(b)	Clarified price adjustment for corporate actions in promoters' contribution.
29(4)	Mandated price band announcement in Regulation 26(2) newspapers.

43(1-2)	Replaced pre-issue ad with pre-issue and price band ad in same newspapers.
62(3)	Allowed renunciation to disclosed investors by wilful defaulters.
189(4)	Mandated price band announcement in Regulation 187(2) newspapers.
238(b)	Split promoters' excess lock-in: 50% for 2 years, 50% for 1 year.
281A	Mandated exit offer for dissenting shareholders on object changes.

7. Simplification of Processes and Intermediary Roles

Reg No	Change
2(1)(m)	Changed draft letter filing from SEBI to stock exchanges.
60	Shifted draft letter filing to stock exchanges; SEBI filing for info only.
69(1-4)	Omitted lead manager appointment rules; issuers assess intermediaries independently.
70(3-4)	Omitted lead manager due diligence and enforcement roles.
71	Simplified filing process; reduced lead manager duties.
72(5)	Shifted draft letter provision to stock exchanges only.
77(1)	Shifted material availability responsibility to issuer.
81(2)	Omitted lead manager underwriting obligations.

8. Lead Managers

Reg No	Change
69(1-4)	Omitted lead manager appointment rules; issuers assess intermediaries independently.
70(3)	Omitted lead manager due diligence responsibility for disclosure veracity.
70(4)	Omitted lead manager duty to enforce issuer, promoter, and director obligations.
71	Simplified filing process; reduced lead manager duties (e.g., omitted certificate submissions).
72(1-3)	Omitted lead manager responsibility for public comment filing and processing.
72(5)	Removed lead manager role in providing draft letter copies; shifted to stock exchanges.
73(1)	Removed lead manager role in determining issue price and record date.
77(1)	Shifted responsibility for ensuring availability of issue materials from lead managers to issuer.
77(3)	Removed lead manager role in providing letter of offer upon shareholder request.
81(2)	Omitted lead manager minimum underwriting obligations.
247(3)	Mandated lead managers to file public comments and changes with SME exchange.
245(2)	Added disclosure requirement for lead manager fees in offer documents.
246(3)	Required lead managers to annex issuer site visit report to due diligence certificate.

Sr No	SEBI (ICDR) Regulations, 2018		SEBI (ICDR) (Amendment) Regulations, 2025	Remarks
	Reg No	Regulation	Amended Regulation	
1	2 (1) (e)	"associate" means a person which is an associate of the issuer and as defined under the Companies Act, 2013;	"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 amendment expands the definition of "associate" by explicitly referencing Section 2(6) of the Companies Act, 2013, and including entities under accounting standards like Ind AS 28, covering significant influence beyond just legal ownership. Section 2 (6) of Companies Act, 2013: 'associate company', in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.
	2 (1) (m)	"draft letter of offer" means the draft letter of offer filed with the Board in relation to a rights issue under these regulations;	"draft letter of offer" means the draft letter of offer filed with the stock exchange(s) in relation to a rights issue under these regulations;	
	2 (1) (oa)	New Insertion	"(oa) "financial year" shall have the same meaning as assigned to it under sub-section (41) of section 2 of the Companies Act, 2013;"	Section 2 (41) of Companies Act, 2013 "financial year", in relation to any company or body corporate, means the period ending on the 31st day of March every year, and where it has been incorporated on or after the 1st day of January of a year, the period ending on the 31st day of March of the following year, in respect whereof financial statement of the company or body corporate is made up:
2	3	<u>Applicability of the regulations</u> Unless otherwise provided, these regulations shall apply to the following: [...] (b) a rights issue by a listed issuer; where the aggregate value of the issue is [fifty crore] rupees or more;	Applicability of the regulations Unless otherwise provided, these regulations shall apply to the following: [...] (c) a rights issue by a listed issuer; where the aggregate value of the issue is [fifty crore] rupees or more; [...]	The amendment renumbers the clause and removes the specific ₹50 crore threshold for rights issues, broadening the applicability of the regulations to all rights issues regardless of size. This eliminates the monetary limit, ensuring uniform compliance and oversight for all issuers, which simplifies the process, reduces ambiguity, and enhances investor protection by applying consistent standards across all rights issues.

		<p>[...]</p> <p><u>Provided that in case of rights issue of size less than 21[fifty crores] rupees, the issuer shall prepare</u></p>	<p><u>Provided that in case of rights issue of size less than 21[fifty crores] rupees, the issuer shall prepare</u></p>	
3	5 (2)	<p><u>Entities not eligible to make an initial public offer</u></p> <p>(2) An issuer shall not be eligible to make an initial public offer if there are any outstanding convertible securities or any other right which would entitle any person with any option to receive equity shares of the issuer: Provided that the provisions of this sub-regulation shall not apply to:</p> <p>[...]</p> <p><u>(b) fully paid-up outstanding convertible securities which are required to be converted on or before the date of 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</u></p>	<p><u>Entities not eligible to make an initial public offer</u></p> <p>(2) An issuer shall not be eligible to make an initial public offer if there are any outstanding convertible securities or any other right which would entitle any person with any option to receive equity shares of the issuer: Provided that the provisions of this sub-regulation shall not apply to:</p> <p>[...]</p> <p><u>(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.</u></p> <p><u>(c) fully paid-up outstanding convertible securities which are required to be converted on or before the date of 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</u></p>	<p>Introduces a new exception (b) for outstanding stock appreciation rights (SARs) exercised into equity shares before filing the red herring prospectus or prospectus, with mandatory disclosures in the offer documents, while renumbering the old (b) to (c).</p> <p>This allows issuers to proceed with IPOs despite SARs, provided they are fully exercised and disclosed, enhancing flexibility for companies with employee incentive schemes. It ensures transparency for investors by mandating detailed disclosures, balancing issuer eligibility with market accountability.</p>
4	8A	<p><u>Additional conditions for an offer for sale for issues under sub-regulation (2) of regulation 6</u></p> <p><u>(Addition of Explanation)</u></p>	<p>Explanation.- The limits set out in (a) and (b) above shall be calculated with reference to the shareholding as on the date of filing of the draft offer document and shall apply cumulatively to the total number of shares offered for sale to the public and any secondary sale transactions prior</p>	<p>The added explanation clarifies that the shareholding limits for offer-for-sale under clauses (a) and (b) are calculated based on the date of filing the draft offer document and apply cumulatively to both the public offer and prior secondary sales. This ensures a consistent reference point, prevents manipulation of shareholding</p>

			to the issue.”	thresholds, and enhances transparency by accounting for all pre-issue transactions, protecting investors and maintaining regulatory integrity.
5	14	<p><u>Minimum promoters’ contribution</u></p> <p>[...]</p> <p>Explanation:</p> <p>Explanation: For the purpose of this regulation:</p> <p>(l) Promoters’ contribution shall be computed on the basis of the post-issue expanded capital:</p> <p>(a) assuming full proposed conversion of convertible securities into equity shares;</p> <p>(b) assuming exercise of all vested options, where any employee stock options are outstanding at the time of initial public offer in terms of proviso (a) to sub-regulation (2) of regulation 5.</p>	<p><u>Minimum promoters’ contribution</u></p> <p>[...]</p> <p>Explanation:</p> <p>Explanation: For the purpose of this regulation:</p> <p>(l) Promoters’ contribution shall be computed on the basis of the post-issue expanded capital:</p> <p>(a) assuming full proposed conversion of convertible securities into equity shares;</p> <p>(b) assuming exercise of all vested options, where any employee stock options [or Stock Appreciation Rights] are outstanding at the time of initial public offer in terms of proviso (a) to sub-regulation (2) of regulation 5.</p>	<p>The amendment expands the explanation by including "Stock Appreciation Rights" (SARs) alongside employee stock options in computing promoters’ contribution based on post-issue expanded capital, assuming full exercise of vested options or SARs. This aligns with the inclusion of SARs in Regulation 5, ensuring consistency in accounting for all equity-linked instruments. It increases the promoters’ contribution requirement where SARs exist, enhancing investor protection by reflecting a more comprehensive equity base.</p>
6	15 (1) (b)	<p><u>Securities ineligible for minimum promoters’ contribution</u></p> <p>(1) For the computation of minimum promoters’ contribution, the following specified securities shall not be eligible:</p> <p>[...]</p> <p>(b) specified securities acquired by the promoters and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies</p>	<p><u>Securities ineligible for minimum promoters’ contribution</u></p> <p>(1) For the computation of minimum promoters’ contribution, the following specified securities shall not be eligible:</p> <p>[...]</p> <p>(b) specified securities acquired by the promoters and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India 33[or any non-individual public shareholder holding</p>	<p>The added explanation clarifies that the price per share for determining ineligible securities for minimum promoters’ contribution must account for corporate actions like share splits or bonus issues, ensuring a fair and adjusted valuation. This prevents promoters from artificially lowering acquisition prices through such actions within the preceding year, strengthening the integrity of the contribution requirement and protecting investors by ensuring the contribution reflects true economic value.</p>

		<p>registered with Insurance Regulatory and Development Authority of India 33[or any non-individual public shareholder holding at least five per cent. of the post-issue capital or any entity (individual or nonindividual) forming part of promoter group other than the promoter(s)], during the preceding one year at a price lower than the price at which specified securities are being offered to the public in the initial public offer:</p> <p>Provided that nothing contained in this clause shall apply:</p> <p>[...]</p>	<p>at least five per cent. of the post-issue capital or any entity (individual or nonindividual) forming part of promoter group other than the promoter(s)], during the preceding one year at a price lower than the price at which specified securities are being offered to the public in the initial public offer:</p> <p>Provided that nothing contained in this clause shall apply:</p> <p>[...]</p> <p>“Explanation.- For the purpose of this sub-regulation, it is clarified that the price per share for determining securities ineligible for minimum promoters’ contribution, shall be determined, after adjusting the same for corporate actions such as share split, bonus issue, etc. undertaken by the issuer;”</p>	
7	16 (1)	<p>(1) The specified securities held by the promoters shall not be transferable (hereinafter referred to as “lock-in”) for the periods as stipulated hereunder:</p> <p>[...]</p> <p>Explanation: For the purpose of this sub-regulation, “capital expenditure” shall include civil work, miscellaneous fixed assets, purchase of land, building and plant and machinery, etc.</p>	<p>(1) The specified securities held by the promoters shall not be transferable (hereinafter referred to as “lock-in”) for the periods as stipulated hereunder:</p> <p>[...]</p> <p>Explanation: For the purpose of this sub-regulation, “capital expenditure” shall include civil work, miscellaneous fixed assets, purchase of land, building and plant and machinery, etc. and repayment of existing loan(s) that may have been taken for the purpose of such capital expenditure.</p>	<p>The amendment expands the definition of “capital expenditure” in the explanation to include repayment of existing loans taken for such purposes (e.g., civil work, land purchase, plant and machinery). This broadens the scope of permissible uses of locked-in securities, offering promoters flexibility to manage debt linked to capital projects while maintaining the lock-in period’s intent, potentially easing financial pressure without compromising investor protection.</p>
8	17	<p>The entire pre-issue capital held by persons other than the promoters shall be locked-in for a period of [six months] from the date of allotment in the initial public offer:</p> <p>Provided that nothing contained in this regulation shall apply to:</p>	<p>The entire pre-issue capital held by persons other than the promoters shall be locked-in for a period of [six months] from the date of allotment in the initial public offer:</p> <p>Provided that nothing contained in this regulation shall apply to:</p>	<p>The amendment adds “stock appreciation right scheme” to the exemptions from the six-month lock-in for pre-issue capital held by non-promoters, covering equity shares allotted or transferred via such schemes, provided full disclosures are made per Schedule VI. This aligns with the inclusion of SARs elsewhere, ensuring consistency, incentivizing employee participation, and maintaining transparency for investors through mandatory disclosures.</p>

		<p>a) equity shares allotted to employees, whether currently an employee or not, under an employee stock option or <u>employee stock purchase scheme of the issuer prior to the initial public offer</u>, if the issuer has made full disclosures with respect to such options or scheme in accordance with Part A of Schedule VI;</p> <p>b) equity shares held by an employee stock option trust or transferred to the employees by an employee stock option trust pursuant to exercise of options by the employees, whether currently employees or not, in accordance with the employee stock option plan or <u>employee stock purchase scheme</u>.</p> <p>[...]</p>	<p>a) equity shares allotted to employees, whether currently an employee or not, under an employee stock option or <u>employee stock purchase scheme or a stock appreciation right scheme</u> of the issuer prior to the initial public offer, if the issuer has made full disclosures with respect to such options or scheme in accordance with Part A of Schedule VI;</p> <p>b) equity shares held by an employee stock option trust or transferred to the employees by an employee stock option trust pursuant to exercise of options by the employees, whether currently employees or not, in accordance with the employee stock option plan or <u>employee stock purchase scheme or a stock appreciation right scheme</u></p> <p>[...]</p>	
17	<p>Explanation:</p> <p>(i) For the purpose of clause (c), in case such equity shares have resulted pursuant to conversion of fully paid-up compulsorily convertible securities, the holding period of such convertible securities as well as that of resultant equity shares together shall be considered for the purpose of calculation of 54[six months period] and convertible securities shall be deemed to be fully paid-up, if the entire consideration payable thereon has been paid and no further consideration is payable at the time of their conversion.</p> <p>(ii) For the purpose of clause (c), in case such equity shares have resulted pursuant to a</p>	<p>Explanation:</p> <p>(i) For the purpose of clause (c), [...] payable at the time of their conversion.</p> <p>(ii) For the purpose of clause (c), in case such equity shares have resulted pursuant to a bonus issue, then the holding period of such equity shares against which the bonus issue is made as well as holding period of resultant bonus equity shares together shall be considered for the purpose of calculation of six months period, subject to the following:</p> <p>(a) that the bonus shares being issued out of free reserves and share premium existing in the books of account as at the end of the financial year preceding the financial year in which the draft offer document is filed with the Board; and</p>		<p>The amendment adds clause (iii) to include bonus shares from employee stock options, stock purchase schemes, or stock appreciation rights in the six-month holding period calculation under clauses (a) and (b), ensuring consistency with SAR inclusions elsewhere. It reinforces equitable treatment of equity derived from such schemes, enhancing transparency and fairness in lock-in computations.</p>

		<p>bonus issue, then the holding period of such equity shares against which the bonus issue is made as well as holding period of resultant bonus equity shares together shall be considered for the purpose of calculation of six months period, subject to the following:</p> <p>(a) that the bonus shares being issued out of free reserves and share premium existing in the books of account as at the end of the financial year preceding the financial year in which the draft offer document is filed with the Board; and</p> <p>(b) that the bonus shares not being issued by utilisation of revaluation reserves or unrealized profits of the issuer.]’</p>	<p>(b) that the bonus shares not being issued by utilisation of revaluation reserves or unrealized profits of the issuer.</p> <p>(iii) For the purpose of clauses (a) and (b), equity shares shall include any equity shares allotted pursuant to a bonus issue against equity shares allotted pursuant to an employee stock option or employee stock purchase scheme or a stock appreciation right scheme.</p>	
9	23 (8)	The issuer shall appoint a compliance officer who shall be responsible for monitoring the compliance of the securities laws and for redressal of investors’ grievances.	The issuer shall appoint a person qualified to be a company secretary as the compliance officer who shall be responsible for monitoring the compliance of the securities laws and for redressal of investors’ grievances.	The amendment mandates that the compliance officer must be a qualified company secretary, raising the bar for expertise in monitoring securities law compliance and investor grievance redressal. This ensures higher accountability and professionalism, strengthening investor trust and regulatory oversight.
10	26 (1)	The draft offer document filed with the Board shall be made public for comments, if any, for a period of at least twenty one days from the date of filing , by hosting it on the websites of [the issuer,] the Board, stock exchanges where specified securities are proposed to be listed and lead manager(s) associated with the issue.	The draft offer document filed with the Board shall be made public for comments, if any, for a period of at least twenty one days from the date of publication of the public announcement under sub-regulation (2) , by hosting it on the websites of [the issuer,] the Board, stock exchanges where specified securities are proposed to be listed and lead manager(s) associated with the issue.	The amendment shifts the 21-day public comment period for the draft offer document to start from the public announcement date under Regulation 26(2) instead of filing, aligning disclosure timelines and enhancing public access to review, improving transparency and participation.
	26 (2)	The issuer shall, within two days of filing the draft offer document with the Board, make a public announcement in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place	The issuer shall, within two working days of filing the draft offer document with the Board, make a public announcement in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated, disclosing the fact	The amendment specifies “two working days” for the public announcement post-filing (instead of “two days”), adding clarity and ensuring consistency with business schedules, facilitating timely investor awareness and feedback on the draft offer document.

		where the registered office of the issuer is situated, disclosing the fact of filing of the draft offer document with the Board and inviting the public to provide their comments to the Board, the issuer or the lead manager(s) in respect of the disclosures made in the draft offer document.	of filing of the draft offer document with the Board and inviting the public to provide their comments to the Board, the issuer or the lead manager(s) in respect of the disclosures made in the draft offer document.	
11	29 (4)	<u>Price and price band</u> (4) Where the issuer opts not to make the disclosure of the floor price or price band in the red herring prospectus, the issuer shall announce the floor price or the price band at least two working days before the opening of the issue in the same newspapers in which the pre-issue advertisement was released or together with the pre-issue advertisement in the format prescribed under Part A of Schedule X.	(4) The issuer shall announce the floor price or the price band at least two working days before the opening of the issue in the pre-issue and price band advertisement in the format specified under Part A of Schedule X in the same newspapers in which the public announcement under sub-regulation (2) of Regulation 26 was published.	The amendment requires the floor price or price band announcement to align with the Regulation 26(2) public announcement newspapers, streamlining communication channels, reducing redundancy, and ensuring consistent investor outreach in pricing disclosures.
12	43 (1)	(1) Subject to the provisions of the Companies Act, 2013, the issuer shall, after [filing] the red herring prospectus (in case of a book built issue) or prospectus (in case of fixed price issue) with the Registrar of Companies, make a pre-issue advertisement in one English national daily newspaper with wide circulation, Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated	(1) Subject to the provisions of the Companies Act, 2013, the issuer shall, after filing the red herring prospectus (in case of a book built issue) or prospectus (in case of fixed price issue) with the Registrar of Companies, make a pre-issue and price band advertisement in the same newspapers in which the public announcement under sub-regulation (2) of Regulation 26 was published.	The amendment replaces the pre-issue advertisement with a combined "pre-issue and price band advertisement" in the same newspapers as the Regulation 26(2) announcement, consolidating information dissemination, enhancing clarity, and ensuring uniform investor communication.
	43 (2)	The pre-issue advertisement shall be in the format and shall contain the disclosures specified in Part A of Schedule X.	The pre-issue and price band advertisement shall be in the format and shall contain the disclosures specified in Part A of Schedule X.	The amendment renames the "pre-issue advertisement" to "pre-issue and price band advertisement" in Part A of Schedule X, aligning it with earlier changes to consolidate price-related disclosures, enhancing clarity and ensuring uniformity in investor communication.

13	54	<p><u>Reporting of transactions of the promoters and promoter group</u></p> <p>The issuer shall ensure that all transactions in securities by the promoter and promoter group between the date of filing of the draft offer document or offer document, as the case may be, and the date of closure of the issue shall be reported to the stock exchange(s), within twenty four hours of such transactions.</p> <p>[SUBSTITUTED]</p>	<p><u>Reporting of transactions of the promoters and promoter group and other pre-IPO transactions</u></p> <p>54. (1) The issuer shall ensure that all transactions in securities by the promoters and promoter group between the date of filing of the draft offer document or offer document, as the case may be, and the date of closure of the issue shall be reported to the stock exchange(s), within twenty-four hours of such transactions.</p> <p>(2) The issuer shall also ensure that any proposed pre-IPO placement disclosed in the draft offer document shall be reported to the stock exchange(s), within twenty-four hours of such pre-IPO transactions (in part or in entirety).</p>	<p>The amendment expands reporting requirements to include pre-IPO placement transactions disclosed in the draft offer document, alongside promoter and promoter group transactions, with a 24-hour reporting deadline to stock exchanges. This increases transparency, ensures real-time monitoring of significant pre-IPO activities, and strengthens investor confidence.</p>
14	56	<p><u>Restriction on further capital issues</u></p> <p>An issuer shall not make any further issue of specified securities in any manner whether by way of public issue, rights issue, preferential issue, qualified institutions placement, issue of bonus shares or otherwise, except pursuant to an employee stock option scheme, during the period between the date of filing the draft offer document and the listing of the specified securities offered through the offer document or refund of application monies, unless full disclosures regarding the total number of specified securities or amount proposed to be raised from such further issue are made in such draft offer document or offer document, as the case may be.</p>	<p><u>Restriction on further capital issues</u></p> <p>An issuer shall not make any further issue of specified securities in any manner whether by way of public issue, rights issue, preferential issue, qualified institutions placement, issue of bonus shares or otherwise, except pursuant to an employee stock option scheme or a stock appreciation right scheme, during the period between the date of filing the draft offer document and the listing of the specified securities offered through the offer document or refund of application monies, unless full disclosures regarding the total number of specified securities or amount proposed to be raised from such further issue are made in such draft offer document or offer document, as the case may be.</p>	<p>The amendment adds “stock appreciation right scheme” as an exception to the restriction on further capital issues during the IPO process, aligning with its inclusion elsewhere. This provides issuers flexibility for employee incentives while maintaining disclosure requirements, balancing operational needs with investor protection.</p>
15	59C (5)	<p><u>Pre-filing of draft offer document with the Board and Stock Exchanges</u></p> <p>[...]</p>	<p><u>Pre-filing of draft offer document with the Board and Stock Exchanges</u></p> <p>[...]</p>	<p>The amendment clarifies the timeline for the public announcement post-pre-filing as “within two working days” (from “two days”), ensuring consistency with business days and improving procedural clarity for timely investor notification.</p>

		(5) The issuer shall, within two days of pre-filing the draft offer document, make a public announcement in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated, disclosing the fact of filing of pre-filing of the draft offer document without providing any other details in relation to the intended issue:	(5) The issuer shall, within working two days of pre-filing the draft offer document, make a public announcement in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated, disclosing the fact of filing of pre-filing of the draft offer document without providing any other details in relation to the intended issue:	
	59C (9)	(9) The updated draft red herring prospectus-I shall be made public for comments, if any, for a period of at least twenty one days from the date of filing , by hosting it on the websites of [the issuer,] the Board, the stock exchanges where the specified securities are proposed to be listed and that of the lead manager(s) associated with the issue:	(9) The updated draft red herring prospectus-I shall be made public for comments, if any, for a period of at least twenty one days from the date of publication of the public announcement under sub-regulation (10) , by hosting it on the websites of [the issuer,] the Board, the stock exchanges where the specified securities are proposed to be listed and that of the lead manager(s) associated with the issue:	The amendment shifts the 21-day public comment period for the updated draft red herring prospectus-I to start from the public announcement under sub-regulation (10), aligning timelines with disclosure events, enhancing public access, and improving transparency.
	59C (10)	(10) The issuer shall, within two days of filing the updated draft red herring prospectus-I, make a public announcement in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated, disclosing the fact of filing of the updated draft red herring prospectus-I and inviting the public to provide their comments to the Board, the issuer or the lead manager(s) in respect of the disclosures made in the updated draft red herring prospectus-I.	(10) The issuer shall, within two working days of filing the updated draft red herring prospectus-I, make a public announcement in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated, disclosing the fact of filing of the updated draft red herring prospectus-I and inviting the public to provide their comments to the Board, the issuer or the lead manager(s) in respect of the disclosures made in the updated draft red herring prospectus-I.	The amendment specifies “two working days” (from “two days”) for the public announcement after filing the updated draft red herring prospectus-I, adding precision to the timeline and ensuring consistency with business schedules for effective investor engagement.
16	59E (1)	<u>General Conditions</u>	<u>General Conditions</u>	The amendment adds a new clause (ii) allowing outstanding stock appreciation rights (SARs) exercised into equity shares before filing the red herring prospectus

		<p>(1) Notwithstanding anything contained in any other provisions of these regulations, subject to intimation to the Board and the stock exchanges, an issuer opting for initial public offer through pre-filing the draft offer document in terms of the provisions of this Chapter shall, till the Board recommends any changes or issues observations on the pre-filed draft offer document, be permitted the following:</p> <p>[...]</p> <p>Provided further that the following shall be permitted even after the issuance of observations by the Board on the pre-filed draft offer document:</p> <p>(i) Existence of outstanding options granted to employees, whether currently an employee or not, pursuant to an employee stock option scheme in compliance with the Companies Act, 2013, the relevant Guidance Note or accounting standards, if any, issued by the Institute of Chartered Accountants of India or pursuant to the Companies Act, 2013, in this regard;</p> <p><u>(ii) Existence of fully paid-up outstanding convertible securities which are required to be converted on or before the date of 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;</u></p>	<p>(1) Notwithstanding anything contained in any other provisions of these regulations, [...] be permitted the following:</p> <p>[...]</p> <p>Provided further that the following shall be permitted even after the issuance of observations by the Board on the pre-filed draft offer document:</p> <p>(i) Existence of outstanding [...] pursuant to the Companies Act, 2013, in this regard;</p> <p>(ii) 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</p> <p>(iii) Existence of fully paid-up outstanding convertible securities which are required to be converted on or before the date of 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;</p>	<p>or prospectus, with mandatory disclosures, renumbering the old (ii) to (iii). This aligns with SAR inclusions elsewhere, offering flexibility for issuers with employee schemes while ensuring transparency through disclosures.</p>
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17	60	<p><u>Reference date</u></p> <p>Unless otherwise provided in this Chapter, an issuer offering specified securities of aggregate value of [fifty crores] rupees or more, through a rights issue shall satisfy the conditions of this Chapter at the time of filing the draft letter of offer with the Board and also at the time of filing the final letter of offer with the stock exchanges, as the case may be.</p> <p>[Substituted]</p>	<p><u>Reference date</u></p> <p>Unless otherwise provided in this Chapter, an issuer offering specified securities through a rights issue shall satisfy the conditions of this Chapter at the time of filing the draft letter of offer with the stock exchange(s), and at the time of filing the letter of offer with the Board and the stock exchange(s).</p>	<p>The amendment shifts the filing of the draft letter of offer from the Board to stock exchanges and requires compliance with conditions at both the stock exchange(s) and Board filing stages for rights issues, removing the ₹50 crore threshold. This streamlines oversight, enhances exchange responsibility, and ensures uniform applicability, improving efficiency and clarity.</p>
18	61	<p><u>Entities not eligible to make a rights issue</u></p> <p>An issuer shall not be eligible to make a rights issue of specified securities:</p> <p>[...]</p> <p>b) if any of the promoters or directors of the issuer is a promoter or director of any other company which is debarred from accessing the capital market by the Board,</p> <p>c) if any of its promoters or directors is a fugitive economic offender,</p> <p>Explanation: The restrictions under (a) and (b) above will not apply to the 89[persons or entities mentioned therein] who were debarred in the past by the Board and the period of debarment is already over as on the date of filing of the draft letter of offer with the Board.</p>	<p><u>Entities not eligible to make a rights issue</u></p> <p>An issuer shall not be eligible to make a rights issue of specified securities:</p> <p>[...]</p> <p>b) if any of the promoters or directors of the issuer is a promoter or director of any other company which is debarred from accessing the capital market by the Board,</p> <p>c) if any of its promoters or directors is a fugitive economic offender,</p> <p>d) if the equity shares of the issuer are suspended from trading as a disciplinary measure as on the reference date.</p> <p>Explanation: The restrictions under (a) and (b) above will not apply to the 89[persons or entities mentioned therein] who were debarred in the past by the Board and the period of debarment is already over as on the date of filing of the draft letter of offer with the stock exchange(s).</p>	<p>The amendment adds clause (d) barring issuers with equity shares suspended from trading as a disciplinary measure on the reference date, and updates the explanation to reference stock exchange filing. This tightens eligibility, protects investors from risky issuers, and aligns with the shift to exchange-based processes.</p>
19	62 (2A)	<p><u>General conditions</u></p> <p>[...]</p>	<p><u>General conditions</u></p> <p>[...]</p>	<p>The amendment updates terminology from “draft offer document and offer document” to “draft letter of offer and letter of offer” for consistency in rights issue context,</p>

		<p>(2A) The amount for: (i) general corporate purposes, and (ii) such objects where the issuer company has not identified acquisition or investment target, as mentioned in objects of the issue in the <u>draft offer document and the offer document</u>,</p> <p>shall not exceed thirty five per cent of the amount being raised by the issuer:</p>	<p>(2A) The amount for: (i) general corporate purposes, and (ii) such objects where the issuer company has not identified acquisition or investment target, as mentioned in objects of the issue in the <u>draft letter of offer and the letter of offer</u>,</p> <p>shall not exceed thirty five per cent of the amount being raised by the issuer:</p>	<p>retaining the 35% cap on unspecified objects. This ensures clarity and maintains limits on fund usage flexibility, safeguarding investor interests.</p>
	62 (3)	<p>Where the issuer or any of its promoters or directors is a [wilful defaulter or a fraudulent borrower], the promoters or promoter group of the issuer shall not renounce their rights except to the extent of <u>renunciation within the promoter group</u>.</p>	<p>Where the issuer or any of its promoters or directors is a [wilful defaulter or a fraudulent borrower], the promoters or promoter group of the issuer shall not renounce their rights except to the extent of <u>renunciation within the promoter group or to the specific investor(s) as disclosed by the issuer in terms of these regulations</u></p>	<p>The amendment allows promoters or promoter groups classified as wilful defaulters or fraudulent borrowers to renounce rights to specific disclosed investors beyond the promoter group. This increases flexibility for such issuers while maintaining transparency through disclosure, balancing restrictions with practical options.</p>
20	PART IV	<p><u>PART IV – APPOINTMENT OF LEAD MANAGERS AND OTHER INTERMEDIARIES</u></p>	<p>PART IV – APPOINTMENT OF LEAD MANAGERS AND OTHER INTERMEDIARIES</p>	<p>The amendment omits sub-regulations (1), (2), and (3) on lead manager appointments and substitutes (4) to remove the consultation requirement with lead managers for appointing other intermediaries, requiring issuers to assess intermediary capabilities independently. This simplifies the process, enhances issuer accountability, and aligns with streamlined oversight.</p>
21	69 (1)	<p>(1) The issuer shall appoint one or more merchant bankers, which are registered with the Board, as lead manager(s) to the issue.</p>	<p>Omitted</p>	
	69 (2)	<p>(2) Where the issue is managed by more than one lead manager, the rights, obligations and responsibilities, relating inter alia to disclosures, allotment, refund and underwriting obligations, if any, of each lead manager shall be predetermined and be disclosed in the draft letter offer and the letter of offer as specified in Schedule I:</p>	<p>Omitted</p>	
	69 (3)	<p>(3) At least one lead manager to the issue shall not be an associate (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) of the issuer and if any of the lead manager is an associate of the issuer, it shall disclose itself as an associate of the issuer and its role shall be limited to marketing of the issue.</p>	<p>Omitted</p>	

69 (4)	<p>(4) The issuer shall, in consultation with the lead manager(s), appoint other intermediaries which are registered with the Board after the lead manager(s) have independently assessed the capability of other intermediaries to carry out their obligations.</p> <p><i>[Substituted]</i></p>	<p>(4) The issuer shall appoint intermediaries which are registered with the Board after assessing the capability of intermediaries to carry out their obligations.</p>	
69 (5)	<p>(5) The issuer shall enter into an agreement with the lead manager(s) in the format specified in Schedule II and also enter into agreements with other intermediaries as required under the respective regulations applicable to the intermediary concerned:</p> <p>Provided that such agreements may include such other clauses as the issuer and the intermediaries may deem fit without diminishing or limiting in any way the liabilities and obligations of the lead manager(s), other intermediaries and the issuer under the Act, the Companies Act, 2013 [***], the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder or any statutory modification or statutory enactment thereof:</p>	<p>(5) The issuer shall enter into an agreement with the lead manager(s) in the format specified in Schedule II and also enter into agreements with other intermediaries as required under the respective regulations applicable to the intermediary concerned:</p> <p>Provided that such agreements may include such other clauses as the issuer and the intermediaries may deem fit without diminishing or limiting in any way the liabilities and obligations of the lead manager(s), other intermediaries and the issuer under the Act, the Companies Act, 2013 [***], the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder or any statutory modification or statutory enactment thereof:</p> <p><i>[Omitted]</i></p>	<p>The amendment omits the proviso in sub-regulation (5), retaining the core requirement for agreements with lead managers and intermediaries per Schedule II and applicable laws. This simplifies contractual flexibility without altering statutory liabilities, maintaining issuer and intermediary obligations intact.</p>
69 (7)	<p>(7) The issuer shall appoint a registrar to the issue registered with the Board, which has connectivity with all the depositories:</p> <p>Provided that if the issuer itself is a registrar, it shall not appoint itself as a registrar to the issue;</p> <p>Provided further that a lead manager shall not act as a registrar to the issue in which</p>	<p>(7) The issuer shall appoint a registrar to the issue registered with the Board, which has connectivity with all the depositories:</p> <p>Provided that if the issuer itself is a registrar, it shall not appoint itself as a registrar to the issue;</p> <p>Provided further that a lead manager shall not act as a registrar to the issue in which it is also handling the post-issue responsibilities.</p>	<p>The amendment retains the requirement for appointing a registrar with depository connectivity, with provisos preventing self-appointment by issuer-registrars and lead managers handling post-issue duties from acting as registrars. This ensures independence and operational efficiency, maintaining investor trust and process integrity.</p>

		<u>it is also handling the post-issue responsibilities.</u>		
22	70 (2)	(2) Without prejudice to the generality of sub-regulation (1), the draft letter of offer and letter of offer shall contain disclosures as specified in <u>[Part B or Part B-1] of Schedule VI, as applicable</u>	(2) Without prejudice to the generality of sub-regulation (1), the draft letter of offer and letter of offer shall contain disclosures as specified in <u>Part B of Schedule VI.</u>	The amendment simplifies disclosure requirements by specifying only Part B of Schedule VI, removing references to Part B-1, ensuring uniformity and clarity in rights issue documentation while reducing compliance complexity for issuers.
	70 (3)	The lead manager(s) shall exercise due diligence and satisfy themselves about all aspects of the issue including the veracity and adequacy of disclosure in the draft letter of offer and the letter of offer.	Omitted	The omission of sub-regulation (3) removes the explicit due diligence obligation of lead managers for disclosure veracity in the draft and final letter of offer, potentially shifting this responsibility to issuers or other intermediaries, streamlining lead manager roles.
	70 (4)	The lead manager(s) shall call upon the issuer, its promoters and its directors to fulfil their obligations as disclosed by them in the draft letter of offer and letter of offer and as required in terms of these Regulations.	Omitted	The omission of sub-regulation (4) eliminates the lead manager's duty to enforce obligations of the issuer, promoters, and directors, reducing their oversight role and placing greater accountability on the issuer for compliance with disclosures and regulations.
	70 (5)	The <u>lead manager(s)</u> shall ensure that the information contained in the draft letter of offer and letter of offer and the particulars as per audited financial statements in the letter of offer are not more than six months old from the issue opening date.	The <u>issuer</u> shall ensure that the information contained in the draft letter of offer and letter of offer and the particulars as per audited financial statements in the letter of offer are not more than six months old from the issue opening date.	The amendment transfers the responsibility for ensuring financial data and information in the draft and final letter of offer are not older than six months from lead managers to the issuer, enhancing issuer accountability and aligning with streamlined intermediary roles.
	70 (6)	An issuer shall make disclosures in the draft letter of offer, <u>letter of offer and abridged letter of offer</u> , if the issuer or any of its promoters or directors is a wilful defaulter or a fraudulent borrower.	An issuer shall make disclosures in the draft letter of offer, <u>and letter of offer</u> , if the issuer or any of its promoters or directors is a wilful defaulter or a fraudulent borrower.	Removal of the term "abridged letter of offer"
	70 (7)	In the letter of offer <u>and the abridged letter of offer</u> , the issuer shall disclose the process of credit of rights entitlements in the demat account and renunciation thereof.	In the letter of offer <u>and the abridged letter of offer</u> , the issuer shall disclose the process of credit of rights entitlements in the demat account and renunciation thereof.	
23	71	<u>Filing of the draft letter of offer and letter of offer</u> 1) Prior to making a rights issue, the issuer shall, except in case of a fast track issue, file a	Filing of the draft letter of offer and letter of offer (1) The issuer shall file the draft letter of offer with the stock exchange(s) and shall submit to such stock exchange(s) the following:	The amendment shifts the filing of the draft letter of offer from the Board to stock exchanges for non-fast track rights issues. It removes lead manager obligations for certificates and due diligence (sub-regulations 2, 7), transferring filing duties to issuers (sub-regulations 3, 8),

	<p>draft letter of offer, 100[with the Board], in accordance with Schedule IV, along with fees as specified in Schedule III, with the Board and with the stock exchange(s), through the lead manager(s).</p> <p>Provided that the issuer shall, in case of fast track issue, [file] a letter of offer and pay fees as specified in Schedule III with the Board.</p> <p>(2) The lead manager(s) shall submit the following to the Board along with the draft letter of offer: a) a certificate, confirming that an agreement has been entered into between the issuer and the lead manager(s) and includes content specified in Schedule II; b) a due diligence certificate as per Form A of Schedule V; c) in case of an issue of convertible debt instruments, a due diligence certificate from the debenture trustee as per Form B of Schedule V; d) A certificate confirming compliance of the conditions specified in [Part F] of Schedule VI, if applicable.</p> <p>(3) The issuer shall also file the draft letter of offer with the stock exchange(s) and shall submit to such stock exchange(s), the Permanent Account Number, bank account number and passport number of its promoters where they are individuals, and Permanent Account Number, bank account number, company registration number or equivalent and the address of the Registrar of Companies with which the promoter is registered, where the promoter is a body corporate.</p>	<p>a. the Permanent Account Number, bank account number and passport number of its promoters where they are individuals, and Permanent Account Number, bank account number, company registration number or equivalent, and the address of the Registrar of Companies with which the promoter is registered, where the promoter is a body corporate,</p> <p>b. in case of an issue of convertible debt instruments, a due diligence certificate from the debenture trustee as per Form B of Schedule V.</p> <p>(2) The issuer shall file letter of offer with the stock exchanges/ the designated stock exchange.</p> <p>(3) The issuer shall file a letter of offer with the Board for information and dissemination on Board’s website along with fees specified in Schedule III.</p>	<p>and omits Board observation timelines and update mandates (sub-regulations 4-6). This streamlines the process, reduces lead manager roles, enhances exchange oversight, and simplifies compliance while retaining soft copy submission (sub-regulation 9), balancing efficiency with regulatory control.</p>
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	<p>(4) The Board may specify changes or issue observations, if any, on the draft letter of offer within thirty days from the later of the following dates: (a) the date of receipt of the draft letter of offer, as applicable, under sub-regulation (1); or (b) the date of receipt of satisfactory reply from the lead manager(s), where the Board has sought any clarification or additional information from them; or (c) the date of receipt of clarification or information from any regulator or agency, where the Board has sought any clarification or information from such regulator or agency; or (d) the date of receipt of a copy of in-principle approval letter issued by the stock exchanges.</p> <p>(5) If the Board specifies any changes or issues observations on the draft letter of offer the issuer and lead manager(s) shall carry out such changes in the draft letter of offer and shall submit to the Board an updated draft letter of offer complying with the observations issued by the Board and highlighting all changes made in the draft letter of offer before filing the letter of offer with the stock exchanges.</p> <p>(6) If there are any changes in the draft letter of offer in relation to the matters specified in Schedule XVI, an updated letter of offer or a fresh draft letter of offer, as the case may be, shall be filed with the Board along with fees specified in Schedule III.</p> <p>(7) The lead manager(s) shall submit the following documents to the Board after issuance of observations by the Board or after</p>		
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		<p>expiry of the period stipulated in sub-regulation (4) of regulation 71 if the Board has not issued observations: (a) a statement certifying that all changes, suggestions and observations made by the Board have been incorporated in the letter of offer; (b) a due diligence certificate as per Form C of Schedule V, at the time of submission of the letter of offer with stock exchange(s); (c) a due diligence certificate as per Form D of Schedule V, in the event the issuer has made a disclosure of any material development by issuing a public notice.</p> <p>(8) Copy of the letter of offer shall also be filed with the Board and the stock exchanges through the lead manager simultaneously with filing of the letter of offer with the designated stock exchange.</p> <p>(9) The draft letter of offer and letter of offer shall also be furnished to the Board in a soft copy.</p> <p>[Substituted]</p>		
24	72 (1)	The draft letter of offer filed with the Board shall be made public for comments, if any, for a period of at least twenty one days from the date of filing, by hosting it on the websites of [the issuer,] the Board, stock exchanges where specified securities are proposed to be listed and the lead manager(s) associated with the issue.	Omitted	
	72 (2)	(2) The issuer shall, within two days of filing of the draft letter of offer with the Board, make a public announcement in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide	Omitted	

		circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated, disclosing to the public the fact of filing of the draft letter of offer with the Board and inviting the public to provide their comments to the Board, the issuer or to the lead manager(s) in respect of the disclosures made in the draft letter of offer.		
	72 (3)	The lead manager(s) shall, after expiry of the period stipulated in sub-regulation (1), file with the Board, details of the comments received by them or the issuer from the public, on the draft offer document, during that period and the consequential changes, if any, that are required to be made in the draft offer document.	Omitted	
	72 (4)	The issuer and the lead manager(s) shall ensure that the letters of offer are hosted on the websites as required under these regulations and its contents are the same as the versions as filed with the Board and the stock exchanges, as applicable.	The issuer shall ensure that the draft letter of offer and letter of offer are hosted on the websites as required under these regulations and its contents are the same as the versions as filed with the Board and the stock exchanges, as applicable.	The responsibility for hosting and ensuring consistency of the draft and final offer documents now rests solely with the issuer, streamlining the process but potentially increasing the issuer's compliance burden. The role of lead managers in this process has been removed.
	72 (5)	The lead manager(s) and the stock exchanges shall provide copies of the draft letter of offer to the public as and when requested and may charge a reasonable sum for providing a copy of the same.	The lead manager(s) and the stock exchanges shall provide copies of the draft letter of offer to the public as and when requested and may charge a reasonable sum for providing a copy of the same.	The role of lead managers in providing draft letter of offer copies to the public has been removed, shifting the responsibility entirely to stock exchanges.
25	73 (1)	The issuer shall decide the issue price, in consultation with the lead manager(s) , before determining the record date, which shall be determined in consultation with the designated stock exchange.	The issuer shall decide the issue price, in consultation with the lead manager(s) , before determining the record date, which shall be determined in consultation with the designated stock exchange.	The removal of lead managers' role in determining the issue price and record date reduces their involvement in critical pricing decisions. This may streamline the process but could also limit the issuer's access to expert advice from lead managers, potentially impacting pricing accuracy.
26	74 (3)	<u>Reservations</u> [...]	<u>Reservations</u> [...]	The removal of the provision allowing issuers to make reservations for employees in a rights issue, along with the condition limiting allotment value to ₹2 lakhs (with a cap

		<p>(3) Subject to other applicable provision of these regulations, the issuer may make reservation for its employees along with rights issue subject to the condition that the value of allotment to any employee shall not exceed two lakhs rupees.</p> <p>Provided that in the event of under-subscription in the employee reservation portion, the unsubscribed portion may be allotted on a proportionate basis, for a value in excess of two lakhs rupees, subject to the total allotment to an employee not exceeding five lakhs rupees.</p>	<p>(3) Subject to other applicable provision of these regulations, the issuer may make reservation for its employees along with rights issue subject to the condition that the value of allotment to any employee shall not exceed two lakhs rupees.</p> <p>Provided that in the event of under-subscription in the employee reservation portion, the unsubscribed portion may be allotted on a proportionate basis, for a value in excess of two lakhs rupees, subject to the total allotment to an employee not exceeding five lakhs rupees.</p> <p>[Omitted]</p>	<p>of ₹5 lakhs in case of under-subscription), eliminates a key incentive for employee participation in equity offerings. This change may reduce employee engagement and alignment with the company's growth, as they lose the opportunity to acquire shares at potentially favorable terms. It also simplifies the rights issue process by removing the need to manage employee reservations.</p>
27	75	<p><u>Abridged letter of offer</u></p> <p>(1) The abridged letter of offer shall contain the disclosures as specified by the Board in Part F of Schedule VI and shall not contain any matter extraneous to the contents of the letter of offer.</p> <p>(2) Every application form distributed by the issuer or any other person in relation to the issue shall be accompanied by a copy of the abridged letter of offer.</p>	<p><u>Letter of offer</u></p> <p>(1) The abridged letter of offer shall contain the disclosures as specified by the Board in Part F of Schedule VI and shall not contain any matter extraneous to the contents of the letter of offer.</p> <p>[Omitted]</p> <p>(2) Every application form distributed by the issuer or any other person in relation to the issue shall be accompanied by a copy of the abridged letter of offer.</p>	<p>The removal of the term "abridged" from the title and provisions of the letter of offer suggests a shift towards a more comprehensive disclosure approach. This may imply that the letter of offer will now contain detailed information, reducing the need for a separate abridged version. However, this could increase the complexity of the document for retail investors.</p>
28	77 (1)	<p><u>Availability of letter of offer and other issue materials</u></p> <p>The lead manager(s) shall ensure availability of the letter of offer and other issue material including application forms with stock exchanges, registrar to issue, registrar and share transfer agents, depository participants, stock brokers, underwriters, bankers to the issue, investors' associations and self certified</p>	<p><u>Availability of letter of offer and other issue materials</u></p> <p>The issuer shall ensure availability of the letter of offer and other issue material including application forms with stock exchanges, registrar to issue, registrar and share transfer agents, depository participants, stock brokers, underwriters, bankers to the issue, investors' associations and self certified syndicate banks before the opening of the issue.</p>	<p>The omission of the requirement for lead managers to ensure the availability of the letter of offer and other issue materials shifts the responsibility entirely to the issuer. This change may streamline accountability but could also increase the compliance burden on issuers, as they now have to manage the distribution process independently.</p>

		syndicate banks before the opening of the issue.		
	77 (2)	The abridged letter of offer, along with application form, shall be despatched through registered post or speed post or by courier service or by electronic transmission to all the existing shareholders at least three days before the date of opening of the issue.	The abridged letter of offer, along with application form, shall be despatched through registered post or speed post or by courier service or by electronic transmission to all the existing shareholders at least three days before the date of opening of the issue.	The removal of the term "abridged" from the dispatch requirement for the letter of offer and application form indicates a move towards providing full-length documents to shareholders. This enhances transparency but may also lead to information overload for investors who rely on concise summaries.
	77 (3)	The letter of offer shall also be provided by the issuer or lead manager(s) to any existing shareholder who makes a request in this regard.	The letter of offer shall also be provided by the issuer or lead manager(s) to any existing shareholder who makes a request in this regard.	The removal of the lead manager's role in providing the letter of offer to existing shareholders upon request places the entire responsibility on the issuer.
29	77B	New Regulation	<p>Allotment to Specific Investors</p> <p>77B. (1) For the purpose of this chapter, specific investor would mean any investor who is eligible to participate in rights issue of the issuer and –</p> <ul style="list-style-type: none"> (a) whose name has been disclosed by the issuer in terms of sub-clause (i) of clause (f) of sub-regulation (1) of regulation 84 of these regulations; (b) whose name has been disclosed by the issuer in terms of sub-clause (ii) of clause (f) of sub-regulation (1) of regulation 84 of these regulations. <p>(2) The application by the specific investor(s) in terms of clause (a) shall be made on the first day of issue opening before 11 A.M. and the issuer shall disclose to the stock exchange(s) whether such specific investor(s) have made the application or not, for dissemination on the first day of issue opening by 11:30 A.M.</p>	The introduction of Regulation 77B introduces a new category of "specific investors" for rights issues, with strict timelines for application submission and disclosure. This ensures transparency and timely information dissemination but may create operational challenges for issuers and investors in adhering to the tight deadlines. The prohibition on withdrawal of applications by specific investors adds rigidity to the process, reducing flexibility for these investors.

			<p>(3) No withdrawal of the application(s) shall be permitted when the application by the specific investor(s) is received in terms of clause (a).</p> <p>(4) The application in terms of clause (b) shall be made by the specific investor(s) along with the application money before the finalisation of basis of allotment.”</p>	
30	81 (2)	(2) In case of every underwritten issue, the lead manager(s) shall undertake minimum underwriting obligations as specified in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.	[Omitted]	The omission of the requirement for lead managers to undertake minimum underwriting obligations in underwritten issues reduces their role and liability in the issuance process. This may lower the cost of underwriting for issuers but could also reduce investor confidence, as lead managers' underwriting provided a safety net for under-subscribed issues.
31	82 (1)	If the issue size exceeds one hundred crore rupees, the issuer shall make arrangements for the use of proceeds of the issue to be monitored by a credit rating agency registered with the Board:	The issuer shall make arrangements for the use of proceeds of the issue to be monitored by a credit rating agency registered with the Board:	The removal of the ₹100 crore threshold for monitoring the use of proceeds by a credit rating agency means all issuers, regardless of size, must now comply. This enhances transparency and accountability in the use of funds but increases compliance costs for smaller issuers.
32	84 (1) (a)	<u>Issue-related advertisements</u> [...] a) the date of completion of despatch of abridged letter of offer and the application form;	<u>Issue-related advertisements</u> [...] a) the date of completion of despatch of abridged letter of offer and the application form;	The removal of the term "abridged" from issue-related advertisements and despatch requirements aligns with the broader trend of moving away from summarized documents. This ensures investors receive full disclosures but may lead to information overload for retail investors.
	84 (1) (c)	a statement that if the shareholders entitled to receive the rights entitlements have neither received the original application forms nor are in a position to obtain the form; they may make an application through the form available on the website of Registrar, stock exchanges or lead managers or in writing on a plain paper to subscribe to the Rights Issue along with a format specifying therein the necessary particulars such as name, address, ratio of rights issue, issue price, number of	a statement that if the shareholders entitled to receive the rights entitlements have neither received the original application forms nor are in a position to obtain the form; they may make an application through the form available on the website of Registrar, stock exchanges or lead managers or in writing on a plain paper to subscribe to the Rights Issue along with a format specifying therein the necessary particulars such as name, address, ratio of rights issue, issue price, number of equity shares entitled and applied for, additional shares if	The removal of lead managers from the list of entities where shareholders can obtain application forms simplifies the process by centralizing access through registrars and stock exchanges.

		equity shares held, ledger folio numbers, depository participant ID, client ID, number of equity shares entitled and applied for, additional shares if any, and the amount to be blocked with SCSB along with the application	any, and the amount to be blocked with SCSB along with the application	
	84 (1) (f)	New Regulation	<p>(f) details of the specific investor(s):</p> <p>(i) name of the specific investor(s) (i.e. renouncers), name of the promoter(s)/promoter group (i.e. renouncer) and number of rights entitlements renounced, where the promoter(s)/promoter group is renouncing their rights entitlements in terms of sub-regulation (3) of regulation 62 and clause (b) of sub-regulation (1) of regulation 86 of these Regulations;</p> <p>(ii) name of the specific investor(s), where the issuer intends to allot any undersubscribed portion of rights issue in terms of clause (d) of sub-regulation (2) of regulation 90 of these regulations.</p>	The introduction of Regulation 84(1)(f) mandates detailed disclosure of specific investors, including renouncers and renounees, enhancing transparency in rights issues. This ensures that shareholders are informed about the participation of promoters and specific investors, reducing information asymmetry.
	84 (3)	<p>An announcement regarding closure of issue shall be made only after the lead manager(s) is satisfied that at least ninety per cent. of the offer through letter of offer has been subscribed and a certificate has been obtained to that effect from the registrar to the issue:</p> <p>Provided that such an announcement shall not be made before the date on which the issue is to be closed except for issue closing advertisement made in the format prescribed in these regulations.</p>	<p>An announcement regarding closure of issue shall be made only after the issuer is satisfied that at least ninety per cent. of the offer through letter of offer has been subscribed and a certificate has been obtained to that effect from the registrar to the issue:</p> <p>Provided that such an announcement shall not be made before the date on which the issue is to be closed except for issue closing advertisement made in the format prescribed in these regulations.</p>	The shift of responsibility for announcing the closure of an issue from lead managers to the issuer streamlines accountability but may reduce the oversight provided by lead managers. This change could impact the credibility of the subscription certification process, as issuers now self-certify the 90% subscription threshold.
33	85	<p><u>Opening of the issue</u></p> <p>Subject to the compliance with the provisions of the Companies Act, 2013, a rights issue may be opened within twelve months from the</p>	<p><u>Opening of the issue</u></p> <p>Subject to the compliance with the provisions of the Companies Act, 2013, a rights issue may be opened within such period as may be specified by the Board from time to time</p>	The substitution of the fixed 12-month period for opening a rights issue with a Board-specified timeframe introduces flexibility. This allows SEBI to adapt timelines based on market conditions but may create uncertainty for issuers planning their issue schedules.

		<p>date of issuance of the observations by the Board under regulation 71.</p> <p>Provided that in case of a fast track issue, the issue shall open within twelve months from the record date</p> <p>[Substituted]</p>		
34	86 (1)	<p><u>Minimum subscription</u> The minimum subscription to be received in the issue shall be at least ninety per cent. of the offer through the offer document. Provided that minimum subscription criteria shall not be applicable to an issuer if:</p> <p>(a) the object of the issue involves financing other than financing of capital expenditure for a project; and</p> <p>(b) the promoters and the promoter group of the issuer undertake to subscribe fully to their portion of rights entitlement and do not renounce their rights except to the extent of renunciation within the promoter group.</p>	<p><u>Minimum subscription</u> The minimum subscription to be received in the issue shall be at least ninety per cent. of the offer through the offer document. Provided that minimum subscription criteria shall not be applicable to an issuer if:</p> <p>(c) the object of the issue involves financing other than financing of capital expenditure for a project; and</p> <p>the promoters and the promoter group of the issuer undertake to subscribe fully to their portion of rights entitlement and do not renounce their rights except to the extent of renunciation within the promoter group or to the specific investor(s) as disclosed by the issuer in terms of these regulations</p>	<p>The amendment to the minimum subscription criteria, allowing renunciation to specific investors disclosed by the issuer, provides more flexibility to promoters while maintaining the 90% subscription requirement. This change balances promoter commitments with the need to attract specific investors, potentially improving issue success rates.</p>
35	87	<p><u>Period of subscription</u> The rights issue shall be kept open for subscription for a minimum period of [seven days] and for a maximum period of thirty days [and no withdrawal of application shall be permitted after the issue closing date].</p>	<p><u>Period of subscription</u> The rights issue shall be kept open for subscription such period as may be specified by the Board from time to time and no withdrawal of application shall be permitted after the issue closing date].</p>	<p>The replacement of the fixed 7-30 day subscription period with a Board-specified timeframe offers SEBI the ability to adjust timelines based on market dynamics. This flexibility can help optimize issue periods but may lead to unpredictability for issuers and investors.</p>
36	90 (2) (d)	<p>- New Regulation</p>	<p>(2) Allotment shall be made in the following manner: [...]</p>	<p>The introduction of Regulation 90(2)(d) allows allotment to specific investors in case of under-subscription, provided they are disclosed before the issue opens. This</p>

			(d) Allotment to any specific investor(s) disclosed by the issuer in terms of these regulations before opening of the issue, provided that there is an under-subscribed portion after making full allotment as per clauses (a), (b) and (c).	ensures that under-subscribed portions are allocated efficiently, but it may raise concerns about preferential treatment of specific investors over retail shareholders.
	90 (3)	The authorised employees of the designated stock exchange along with the lead manager(s) and registrars to the issue shall ensure that the basis of allotment is finalised in a fair and proper manner as may be prescribed by the Board.	The authorised employees of the designated stock exchange along with the lead manager(s) and registrars to the issue shall ensure that the basis of allotment is finalised in a fair and proper manner as may be prescribed by the Board.	The removal of lead managers from the process of finalizing the basis of allotment shifts the responsibility entirely to the designated stock exchange and registrars. This reduces the oversight role of lead managers.
37	91 (1)	The issuer and lead manager(s) shall ensure that the specified securities are allotted and/or application monies are refunded or unblocked within such period as may be specified by the Board.	The issuer and lead manager(s) shall ensure that the specified securities are allotted and/or application monies are refunded or unblocked within such period as may be specified by the Board.	The removal of lead managers from ensuring timely allotment, refunds, or unblocking of application monies places the entire responsibility on the issuer.
	91 (2)	The lead manager(s) shall ensure that the allotment, credit of dematerialised securities, refunding or unblocking of application monies, as may be applicable, are done electronically	The issuer shall ensure that the allotment, credit of dematerialised securities, refunding or unblocking of application monies, as may be applicable, are done electronically	The shift of responsibility for ensuring electronic allotment, credit of dematerialized securities, and refunds from lead managers to the issuer streamlines the process but increases the issuer's compliance burden. This change may lead to operational challenges for issuers unfamiliar with these processes.
	91 (3)	Where the specified securities are not allotted and/or application monies are not refunded or unblocked within the period stipulated in sub-regulation (1) above, the issuer shall undertake to pay interest at the rate of fifteen per cent. per annum to the shareholders within such time as disclosed in the draft letter of offer and the letter of offer and the lead manager(s) shall ensure the same.	Where the specified securities are not allotted and/or application monies are not refunded or unblocked within the period stipulated in sub-regulation (1) above, the issuer shall undertake to pay interest at the rate of fifteen per cent. per annum to the shareholders within such time as disclosed in the draft letter of offer and the letter of offer and the lead manager(s) shall ensure the same.	The removal of lead managers from ensuring the payment of interest for delays in allotment or refunds reduces their oversight role.
38	92 (1)	The lead manager(s) shall ensure that an advertisement giving details relating to subscription, basis of allotment, number, value and percentage of all applications including ASBA, number, value and percentage of successful allottees for all	The issuer shall ensure that an advertisement giving details relating to subscription, basis of allotment, number, value and percentage of all applications including ASBA, number, value and percentage of successful allottees for all applications including ASBA, date of completion of despatch of refund orders, as applicable, or instructions to	The transfer of responsibility for issuing post-allotment advertisements from lead managers to the issuer ensures direct accountability but may reduce the quality and timeliness of disclosures. Lead managers traditionally played a key role in ensuring accurate and timely

		applications including ASBA, date of completion of despatch of refund orders, as applicable, or instructions to self-certified syndicate banks by the Registrar, date of despatch of certificates or date of credit of specified securities, as applicable, and date of filing of listing application, etc. is released within ten days from the date of completion of the various activities in at least one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language daily newspaper with wide circulation at the place where registered office of the issuer is situated	self-certified syndicate banks by the Registrar, date of despatch of certificates or date of credit of specified securities, as applicable, and date of filing of listing application, etc. is released within ten days from the date of completion of the various activities in at least one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language daily newspaper with wide circulation at the place where registered office of the issuer is situated	dissemination of post-issue details, which may now be compromised.
39	93	Post-issue responsibilities of the lead manager(s)	Post-issue responsibilities of the lead manager(s)	
	93 (1)	The responsibility of the lead manager(s) shall continue until completion of the issue process and for any issue related matter thereafter.	[Omitted]	
	93 (2)	The lead manager(s) shall regularly monitor redressal of investor grievances arising from any issue related activities.	The designated stock exchange shall regularly monitor redressal of investor grievances arising from any issue related activities.	The transfer of responsibility for monitoring investor grievances from lead managers to the designated stock exchange centralizes the process.
	93 (3)	The lead manager(s) shall continue to be responsible for post-issue activities till the applicants have received [***], credit to their demat account or refund of application monies and [***] listing or trading permission is obtained.	The issuer shall continue to be responsible for post-issue activities till the applicants have received [***], credit to their demat account or refund of application monies and [***] listing or trading permission is obtained.	The shift of post-issue responsibility from lead managers to the issuer ensures direct accountability but may increase the issuer's operational burden. Issuers may lack the expertise or systems to manage post-issue activities.
	93 (4)	The lead manager(s) shall be responsible for and co-ordinate with the registrars to the issue and with various intermediaries at regular intervals after the closure of the issue to monitor the flow of applications from [***] self-certified syndicate banks, processing of the applications including application form for ASBA and other matters till the basis of	The issuer shall be responsible for and co-ordinate with the registrars to the issue and with various intermediaries at regular intervals after the closure of the issue to monitor the flow of applications from [***] self-certified syndicate banks, processing of the applications including application form for ASBA and other matters till the basis of allotment is finalised [***] credit of the specified securities to the dematerialised accounts of the allottees, as applicable and	The transfer of coordination responsibilities with registrars and intermediaries from lead managers to the issuer simplifies the chain of accountability but may reduce efficiency.

		allotment is finalised [***] credit of the specified securities to the dematerialised accounts of the allottees, as applicable and unblocking of ASBA accounts/ despatch of refund orders are completed and securities are listed, as applicable.	unblocking of ASBA accounts/ despatch of refund orders are completed and securities are listed, as applicable.	
	93 (5)	Any act of omission or commission on the part of any of the intermediaries noticed by the lead manager(s) shall be duly reported by them to the Board.	Any act of omission or commission on the part of any of the intermediaries noticed by the designated stock exchange shall be duly reported by them to the Board.	The replacement of lead managers with the designated stock exchange for reporting intermediary omissions or commissions to SEBI centralizes oversight.
	93 (6)	In case there is a devolvement on underwriters, the lead manager(s) shall ensure that the notice for devolvement containing the obligation of the underwriters is issued within ten days from the date of closure of the issue	In case there is a devolvement on underwriters, the designated stock exchange shall ensure that the notice for devolvement containing the obligation of the underwriters is issued within ten days from the date of closure of the issue	The shift of responsibility for issuing devolvement notices to underwriters from lead managers to the designated stock exchange ensures centralized oversight but may reduce the timeliness and effectiveness of such notices, as lead managers were more directly involved in underwriting processes.
	93 (7)	In case of undersubscribed issues that are underwritten, the lead manager(s) shall furnish information to the Board in respect of underwriters who have failed to meet their underwriting devolvement in the format specified in Schedule XVIII.	In case of undersubscribed issues that are underwritten, the designated stock exchange shall furnish information to the Board in respect of underwriters who have failed to meet their underwriting devolvement in the format specified in Schedule XVIII.	The transfer of responsibility for reporting underwriter failures in undersubscribed issues from lead managers to the designated stock exchange centralizes reporting.
40	94 (1)	The lead manager(s) shall confirm to the bankers to the issue by way of copies of listing and trading approvals that all formalities in connection with the issue have been completed and that the banker is free to release the money to the issuer or release the money for refund in case of failure of the issue	The issuer shall confirm to the bankers to the issue by way of copies of listing and trading approvals that all formalities in connection with the issue have been completed and that the banker is free to release the money to the issuer or release the money for refund in case of failure of the issue	The shift of responsibility for confirming listing and trading approvals to bankers from lead managers to the issuer ensures direct accountability.
	94 (3)	The lead manager(s) shall ensure that the monies received in respect of the rights issue are released to the issuer in compliance with the provisions of sub-section (3) of section 40 of the Companies Act, 2013, as applicable	The issuer shall ensure that the monies received in respect of the rights issue are released to the issuer in compliance with the provisions of sub-section (3) of section 40 of the Companies Act, 2013, as applicable.	The transfer of responsibility for ensuring compliance with Section 40(3) of the Companies Act, 2013, from lead managers to the issuer simplifies the chain of accountability.
41	95	<u>Reporting of transactions of the promoters and promoter group</u>	<u>Reporting of transactions of the promoters and promoter group and other pre-issue transactions</u>	The expansion of Regulation 95 to include reporting of pre-issue transactions, in addition to promoter and promoter group transactions, enhances transparency. This

		The issuer shall ensure that all transactions in securities by the promoters and promoter group between the date of filing of the draft letter of offer or letter of offer, as the case may be, and the date of closure of the issue shall be reported to the stock exchanges where the specified securities of the issuer are to be listed, within twenty four hours of such transactions. <i>(Substituted)</i>	95. (1) The issuer shall ensure that all transactions in securities by the promoters and promoter group between the date of filing of draft letter of offer or letter of offer, as the case may be, and the date of closure of the issue shall be reported to the stock exchange(s), within twenty-four hours of such transactions. (2) The issuer shall also ensure that any proposed pre-issue placement disclosed in the draft letter of offer shall be reported to the stock exchange(s), within twenty-four hours of such pre-issue transactions (in part or in entirety).	ensures that all material transactions are disclosed promptly, reducing information asymmetry and improving market integrity.
42	96	The lead manager(s) shall submit post-issue reports as follows:	The issuer shall submit post-issue reports as follows:	The transfer of responsibility for submitting post-issue reports from lead managers to the issuer centralizes accountability.
43	97	<u>Restriction on further capital issues</u> An issuer shall not make any further issue of specified securities in any manner whether by way of public issue, rights issue, preferential issue, qualified institutions placement, issue of bonus shares or otherwise, except pursuant to an employee stock option scheme:	<u>Restriction on further capital issues</u> An issuer shall not make any further issue of specified securities in any manner whether by way of public issue, rights issue, preferential issue, qualified institutions placement, issue of bonus shares or otherwise, except pursuant to an employee stock option scheme or a stock appreciation right scheme :	The inclusion of stock appreciation right schemes (SARs) in the exceptions to the restriction on further capital issues provides issuers with additional flexibility in structuring employee incentives. This aligns the regulation with evolving market practices and broadens the scope of permissible capital issues.
	97 (a)	in case of a fast track issue, during the period between the date of filing the letter of offer with the stock exchanges where the securities are proposed to be listed and the listing of the specified securities offered through the letter of offer or refund of application monies; or	[Omitted]	The omission of the specific provision for fast-track issues, which previously outlined the period between filing the letter of offer and listing or refund, removes clarity on the timeline for such issues.
	97 (b)	in case of other issues, during the period between the date of filing the draft letter of offer with the Board and the listing of the specified securities offered through the letter of offer or refund of application monies;	in case of other issues, during the period between the date of filing the draft letter of offer with the stock exchange(s) and the listing of the specified securities offered through the letter of offer or refund of application monies;	The change in the filing process for non-fast-track issues, shifting from filing the draft letter of offer with the Board to filing with the stock exchange(s), decentralizes the process. This may streamline the filing process but could lead to inconsistencies in oversight, as stock exchanges may have varying levels of scrutiny compared to the Board.
44	99	PART IX: FAST TRACK RIGHTS ISSUE- Eligibility Conditions	[Omitted]	The omission of eligibility and issue conditions for fast-track rights issues removes the structured framework that

45	100	PART IX: FAST TRACK RIGHTS ISSUE - Issue Conditions	[Omitted]	previously governed such issues. This may lead to ambiguity in the requirements for fast-track issues, potentially reducing their efficiency and attractiveness to issuers.
46	113	<p><u>Minimum promoters' contribution</u></p> <p>113. (1) The promoters shall contribute in the public issue as follows:</p> <p>[...]</p> <p>Explanation:</p> <p>(l) For the purpose of this regulation, promoters' contribution shall be computed on the basis of the post-issue expanded capital:</p> <p>[...]</p> <p>(b) assuming exercise of all vested options, where any employee stock options are outstanding at the time of further public offer.</p>	<p><u>Minimum promoters' contribution</u></p> <p>113. (1) The promoters shall contribute in the public issue as follows:</p> <p>[...]</p> <p>Explanation:</p> <p>(l) For the purpose of this regulation, promoters' contribution shall be computed on the basis of the post-issue expanded capital:</p> <p>[...]</p> <p>(b) assuming exercise of all vested options, where any employee stock options or stock appreciation rights are outstanding at the time of further public offer.</p>	The inclusion of stock appreciation rights (SARs) in the computation of promoters' contribution ensures that all vested equity-linked instruments are considered. This aligns the regulation with modern compensation structures and ensures a more accurate calculation of promoters' stake in the post-issue capital.
47	115	<p><u>Lock-in of specified securities held by the promoters</u></p> <p>[...]</p> <p>Explanation: For the purpose of this regulation, "capital expenditure" shall include civil work, miscellaneous fixed assets, purchase of land, building and plant and machinery, etc.</p>	<p><u>Lock-in of specified securities held by the promoters</u></p> <p>[...]</p> <p>Explanation: For the purpose of this regulation, "capital expenditure" shall include civil work, miscellaneous fixed assets, purchase of land, building and plant and machinery, etc. and repayment of existing loan(s) that may have been taken for the purpose of such capital expenditure.</p>	The expansion of the definition of "capital expenditure" to include repayment of loans taken for such expenditure clarifies the scope of lock-in requirements. This ensures that funds raised for capital expenditure are used as intended, enhancing transparency and accountability in the use of issue proceeds.
48	121 (8)	The issuer shall appoint a compliance officer who shall be responsible for monitoring the compliance of the securities laws and for redressal of investors' grievances	The issuer shall appoint a person qualified to be a company secretary as the compliance officer who shall be responsible for monitoring the compliance of the securities laws and for redressal of investors' grievances	The requirement for the compliance officer to be a qualified company secretary raises the bar for compliance oversight. This ensures that the compliance officer has the necessary expertise to monitor securities laws and address

				investor grievances effectively, improving regulatory adherence.
49	124 (1)	The draft offer document filed with the Board shall be made public for comments, if any, for a period of at least twenty one days from the date of filing , by hosting it on the websites of [the issuer,] the Board, stock exchanges where specified securities are proposed to be listed and lead manager(s) associated with the issue.	The draft offer document filed with the Board shall be made public for comments, if any, for a period of at least twenty one days from the date of publication of the public announcement under sub-regulation (2) , by hosting it on the websites of [the issuer,] the Board, stock exchanges where specified securities are proposed to be listed and lead manager(s) associated with the issue.	The change in the timeline for making the draft offer document public, linking it to the publication of the public announcement, ensures better synchronization of disclosures.
	124 (2)	(2) The issuer shall, within two days of filing the draft offer document with the Board, make a public announcement in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated, disclosing to the public the fact of filing of the draft offer document with the Board and inviting the public to provide their comments to the Board, the issuer or the lead manager(s) in respect of the disclosures made in the draft offer document	(2) The issuer shall, within working two days of filing the draft offer document with the Board, make a public announcement in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated, disclosing to the public the fact of filing of the draft offer document with the Board and inviting the public to provide their comments to the Board, the issuer or the lead manager(s) in respect of the disclosures made in the draft offer document	The clarification of "working two days" for making the public announcement after filing the draft offer document removes ambiguity and ensures timely disclosure. This enhances transparency and provides a clear timeline for issuers to follow.
50	127 (4)	(4) Where the issuer opts not to make the disclosure of the floor price or price band in the red herring prospectus, the issuer shall announce the floor price or the price band at least one working day before the opening of the bid in the same newspapers in which the pre-issue advertisement was released or together with the pre-issue advertisement in the format prescribed under Part A of Schedule X. (Substituted)	(4) The issuer shall announce the floor price or the price band at least two working days before the opening of the bid in the pre-issue and price band advertisement in the format specified under Part A of Schedule X in the same newspapers in which the public announcement under sub-regulation (2) of Regulation 124 was published."	The extension of the timeline for announcing the floor price or price band from one to two working days before the bid opening provides more time for investors to evaluate the pricing.

51	139 (1)	<p><u>Issue-related advertisements</u></p> <p>(1) Subject to the provisions of the Companies Act, 2013, the issuer shall, after 173[filing] the red herring prospectus (in case of a book built issue) or prospectus (in case of fixed price issue) with the Registrar of Companies, make a pre-issue advertisement in one English national daily newspaper with wide circulation, Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated.</p> <p>(Substituted)</p>	<p><u>Issue-related advertisements</u></p> <p>(1) Subject to the provisions of the Companies Act, 2013, the issuer shall, after filing the red herring prospectus (in case of a book built issue) or prospectus (in case of fixed price issue) with the Registrar of Companies, make a pre-issue and price band advertisement in the same newspapers in which the public announcement under sub-regulation (2) of Regulation 124 was published.</p>	<p>The substitution of the pre-issue advertisement requirement with a combined pre-issue and price band advertisement ensures that all critical information, including the price band, is disclosed simultaneously. This enhances transparency and provides investors with a comprehensive view of the issue upfront. Additionally, the requirement to publish in the same newspapers as the public announcement ensures consistency in communication and reduces the risk of fragmented or incomplete disclosures.</p>
	139 (2)	<p>The pre-issue advertisement shall be in the format and shall contain the disclosures specified in Part A of Schedule X.</p>	<p>The pre-issue and price band advertisement shall be in the format and shall contain the disclosures specified in Part A of Schedule X.</p>	<p>The substitution of the pre-issue advertisement requirement with a combined pre-issue and price band advertisement ensures that all critical information, including the price band, is disclosed simultaneously. This enhances transparency and provides investors with a comprehensive view of the issue upfront.</p>
	139 (2)	<p>Provided that the disclosures in relation to price band or floor price and financial ratios contained therein shall be applicable only where the issuer opts to announce the price band or floor price along with the pre-issue advertisement pursuant to sub-regulation (4) of regulation 127.</p>	<p>[Omitted]</p>	<p>The omission of the proviso related to disclosures of price band or floor price and financial ratios simplifies the advertisement requirements. This reduces complexity but may limit the flexibility issuers previously had in deciding when to disclose pricing information.</p>
52	150	<p><u>Reporting of transactions by the promoters and promoter group</u></p> <p>The issuer shall ensure that all transactions in securities by the promoters and promoter group between the date of filing of the draft offer document or offer document, as the case may be, and the date of closure of the issue</p>	<p><u>Reporting of transactions by the promoters and promoter group and other pre-offer transactions</u></p> <p>150. (1) The issuer shall ensure that all transactions in securities by the promoters and promoter group between the date of filing of the draft offer document or offer document, as the case may be, and the date of closure of the issue shall be reported to the stock exchange(s), within twenty-four hours of such transactions.</p>	<p>The expansion of Regulation 150 to include reporting of pre-offer transactions, in addition to promoter and promoter group transactions, ensures greater transparency. This helps in monitoring any potential market manipulation or insider trading activities during the critical pre-offer period.</p>

		shall be reported to the stock exchanges, within twenty four hours of such transactions. (Substituted)	(2) The issuer shall also ensure that any proposed pre-offer placement disclosed in the draft offer document shall be reported to the stock exchange(s), within twenty-four hours of such pre-offer transactions (in part or in entirety)."	
53	152	<u>Restriction on further capital issues</u> An issuer shall not make any further issue of specified securities in any manner whether by way of public issue, rights issue, preferential issue, qualified institutions placement, issue of bonus shares or otherwise, except pursuant to an employee stock option scheme:	<u>Restriction on further capital issues</u> An issuer shall not make any further issue of specified securities in any manner whether by way of public issue, rights issue, preferential issue, qualified institutions placement, issue of bonus shares or otherwise, except pursuant to an employee stock option scheme or a stock appreciation right scheme:	The inclusion of stock appreciation right schemes (SARs) in the exceptions to the restriction on further capital issues provides issuers with additional flexibility in structuring employee incentives.
54	184 (7)	The issuer shall appoint a compliance officer who shall be responsible for monitoring the compliance of the securities laws and for redressal of investors' grievances.	The issuer shall appoint a person qualified to be a company secretary as the compliance officer who shall be responsible for monitoring the compliance of the securities laws and for redressal of investors' grievances.	The requirement for the compliance officer to be a qualified company secretary raises the bar for compliance oversight. This ensures that the compliance officer has the necessary expertise to monitor securities laws and address investor grievances effectively, improving regulatory adherence.
55	187 (1)	<u>Draft offer document and offer document to be available to the public</u> The draft offer document filed with the Board shall be made public for comments, if any, for a period of at least twenty one days from the date of filing by hosting it on the websites of [the issuer,] the Board, stock exchanges where specified securities are proposed to be listed and lead manager(s) associated with the issue	<u>Draft offer document and offer document to be available to the public</u> The draft offer document filed with the Board shall be made public for comments, if any, for a period of at least twenty one days from the date of publication of the public announcement under sub-regulation (2) , by hosting it on the websites of [the issuer,] the Board, stock exchanges where specified securities are proposed to be listed and lead manager(s) associated with the issue	The change in the timeline for making the draft offer document public, linking it to the publication of the public announcement, ensures better synchronization of disclosure
56	189 (4)	(4) Where the issuer opts not to make the disclosure of the floor price or price band in the red herring prospectus, the issuer shall announce the floor price or the price band at least two working days before the opening of the issue in the same newspapers in which the pre-issue advertisement was released or together with the pre-issue advertisement in	(4) The issuer shall announce the floor price or the price band at least two working days before the opening of the issue in the pre-issue and price band advertisement in the format specified under Part A of Schedule X in the same newspapers in which the public announcement under sub-regulation (2) of Regulation 187 was published	The extension of the timeline for announcing the floor price or price band to at least two working days before the issue opening provides more time for investors to evaluate the pricing

		the format prescribed under Part A of Schedule X. <i>(Substituted)</i>		
57	200 (1)	The issuer may release advertisements for issue opening and issue closing, which shall be in the formats specified in Parts B and C of Schedule X.	The issuer may release advertisements for issue opening and issue closing, which shall be in the formats specified in Parts B and C of Schedule X in the same newspapers in which the public announcement under sub regulation (2) of Regulation 187 was published	The requirement for issue opening and closing advertisements to be published in the same newspapers as the public announcement ensures consistency in communication. This enhances transparency and ensures that investors receive all critical information through a unified channel.
58	209	<u>Reporting of transactions by the promoters and promoter group</u> 209. (1) The issuer shall ensure that transactions in securities by the promoters and promoter group during the period between the date of filing of the draft offer document or offer document, as the case may be, and the date of closure of the issue shall be reported to the stock exchange(s) within twenty four hours of such transactions. <i>(Substituted)</i>	<u>Reporting of transactions by the promoters and promoter group and other pre-IPO transactions</u> 209. (1) The issuer shall ensure that all transactions in securities by the promoters and promoter group during the period between the date of filing of the draft offer document or offer document, as the case may be, and the date of closure of the issue shall be reported to the stock exchange(s), within twenty-four hours of such transactions. (2) The issuer shall also ensure that any proposed pre-IPO placement disclosed in the draft offer document shall be reported to the stock exchange(s), within twenty-four hours of such pre-IPO transactions (in part or in entirety)."	The expansion of Regulation 209 to include reporting of pre-IPO transactions, in addition to promoter and promoter group transactions, ensures greater transparency. This helps in monitoring any potential market manipulation or insider trading activities during the critical pre-IPO period.
59	219 (2)	The issuer shall ensure that the compliance officer, in charge of ensuring compliance with the obligations under this Chapter, functions from within the territorial limits of India. <i>(Substituted)</i>	The issuer shall also appoint a person qualified to be a company secretary as the compliance officer who shall ensure compliance with the obligations under this Chapter, and shall function from within the territorial limits of India.	The explicit requirement for the compliance officer to be a qualified company secretary and to function within India strengthens compliance oversight. This ensures that the compliance officer has the necessary expertise and is accessible for regulatory purposes, improving adherence to securities laws.
60	228(d)	Entities not eligible to make an initial public offer (d) if any of its promoters or directors is a fugitive economic offender.	Entities not eligible to make an initial public offer (d) if any of its promoters or directors is a fugitive economic offender.	No change in regulation.

		Explanation: The restrictions under clauses (a) and (b) shall not apply to the persons or entities mentioned therein, who were debarred in the past by the Board and the period of debarment is already over as on the date of filing of the draft offer document with the SME Exchange.	Explanation: The restrictions under clauses (a) and (b) shall not apply to the persons or entities mentioned therein, who were debarred in the past by the Board and the period of debarment is already over as on the date of filing of the draft offer document with the SME Exchange.	
	228(e)	- New insertion -	(e) if there are any outstanding convertible securities or any other right which would entitle any person with any option to receive equity shares of the issuer: Provided that the provisions of this clause shall not apply to: (i) outstanding options granted to employees, whether currently an employee or not, pursuant to an employee stock option scheme in compliance with the Companies Act, 2013, the relevant Guidance Note or accounting standards, if any, issued by the Institute of Chartered Accountants of India or pursuant to the Companies Act, 2013, in this regard; (ii) fully paid-up outstanding convertible securities which are required to be converted on or before the date of 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.	The insertion of clause (e) restricts entities with outstanding convertible securities or rights that could dilute equity shares, ensuring transparency in capital structure. However, exceptions for employee stock options and fully paid-up convertible securities that are converted before filing the offer document provide flexibility for issuers while protecting investor interests.
61	229(2)	Eligibility requirements for an initial public offer (2) An issuer, whose post issue face value capital is more than ten crore rupees and upto twenty five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.	Eligibility requirements for an initial public offer (2) An issuer, whose post issue face-value paid-up capital is more than ten crore rupees and upto twenty five crore rupees, may also issue specified securities in accordance with provisions of this Chapter.	The change from "face value capital" to "face value paid-up capital" in Regulation 229(2) clarifies the eligibility criteria for IPOs, ensuring that only issuers with actual paid-up capital within the specified range can proceed. This reduces ambiguity and strengthens regulatory oversight.
	229(4)	- New insertion -	(4) In case of an issuer, which had been a proprietorship or a partnership firm or a limited liability partnership before conversion to a company or body corporate, such issuer may make an initial public offer only if the issuer company	The new insertion in Regulation 229(4) mandates that issuers converted from proprietorship, partnership, or LLP must exist as a company for at least one financial year before filing a draft offer document. This ensures that such

			<p>has been in existence for at least one full financial year before filing of draft offer document:</p> <p>Provided that the restated financial statements of the issuer company prepared post conversion shall be in accordance with Schedule III of the Companies Act, 2013.</p>	<p>entities have a track record as a corporate entity, enhancing credibility and investor protection.</p>
	229(5)	- New insertion -	<p>(5) In cases where there is a complete change of promoter of the issuer or there are new promoter(s) of the issuer who have acquired more than fifty per cent of the shareholding of the issuer, the issuer shall file draft offer document only after a period of one year from the date of such final change(s).</p>	<p>The new insertion in Regulation 229(5) requires a one-year cooling-off period for issuers with a complete change of promoters or new promoters holding over 50% shareholding. This prevents abrupt changes in ownership from influencing IPO filings, ensuring stability and transparency.</p>
	229(6)	- New insertion -	<p>(6) An issuer may make an initial public offer, only if the issuer had minimum operating profits (earnings before interest, depreciation and tax) of ₹1 crore from operations for at least two out of the three previous financial years.</p>	<p>The new insertion in Regulation 229(6) mandates that issuers must have minimum operating profits of ₹1 crore in at least two out of the last three financial years. This ensures that only financially stable entities access public markets, reducing risks for investors and improving the quality of IPOs.</p>
62	230(1)	<p>General Conditions</p> <p>(1) An issuer making an initial public offer shall ensure that:</p> <p>(a) it has made an application to one or more SME exchanges for listing of its specified securities on such SME exchange(s) and has chosen one of them as the designated stock exchange, in terms of Schedule XIX;</p> <p>(b) it has entered into an agreement with a depository for dematerialisation of its specified securities already issued and proposed to be issued;</p> <p>(c) all its existing partly paid-up equity shares have either been fully paid-up or forfeited;</p> <p>(d) all specified securities held by the promoters are in the dematerialised form;</p>	<p>General Conditions</p> <p>(1) An issuer making an initial public offer shall ensure that:</p> <p>(a) it has made an application to one or more SME exchanges for listing of its specified securities on such SME exchange(s) and has chosen one of them as the designated stock exchange, in terms of Schedule XIX;</p> <p>(b) it has entered into an agreement with a depository for dematerialisation of its specified securities already issued and proposed to be issued;</p> <p>(c) all its existing partly paid-up equity shares have either been fully paid-up or forfeited;</p> <p>(d) all specified securities held by the promoters are in the dematerialised form;</p> <p>(e) it has made firm arrangements of finance through verifiable means towards seventy five per cent. of the stated means of finance for the project proposed to be funded from the issue proceeds, excluding the amount to</p>	<p>Analysis</p> <p>The addition of a proviso in Regulation 230(1)(e) clarifies that if firm arrangements for project financing involve banks or financial institutions, the sanction letters must be disclosed in the draft and final offer documents. This enhances transparency and ensures that investors are informed about the financial backing of the project.</p> <p>The insertion of clauses (f), (g), and (h) in Regulation 230(1) introduces new restrictions: (f) limits the offer for sale by selling shareholders to 20% of the total issue size, (g) restricts the sale to 50% of the selling shareholders' pre-issue shareholding, and (h) prohibits the use of issue proceeds for repaying loans from promoters or related parties. These changes protect minority shareholders and ensure that issue proceeds are used for legitimate business purposes.</p>

		<p>(e) it has made firm arrangements of finance through verifiable means towards seventy five per cent. of the stated means of finance for the project proposed to be funded from the issue proceeds, excluding the amount to be raised through the proposed public offer or through existing identifiable internal accruals.</p> <p>Explanation: “project” means the object for which monies are proposed to be raised to cover the objects of the issue</p>	<p>be raised through the proposed public offer or through existing identifiable internal accruals-;</p> <p>Provided that if there is a requirement of firm arrangement and the project is partially funded by the bank(s) / financial institution(s), the details regarding sanction letter(s) from the bank(s)/ financial institution(s) shall be disclosed in the draft offer document and offer document.</p> <p>Explanation: “project” means the object for which monies are proposed to be raised to cover the objects of the issue</p> <p>(f) the size of offer for sale by selling shareholders shall not exceed twenty per cent of the total issue size;</p> <p>(g) the shares being offered for sale by selling shareholders shall not exceed fifty per cent of such selling shareholders’ pre-issue shareholding on a fully diluted basis;</p> <p>(h) its objects of the issue should not consist of repayment of loan taken from promoter, promoter group or any related party, from the issue proceeds, directly or indirectly.</p>	<p>The retention of the 25% cap on the amount raised for general corporate purposes in Regulation 230(2) ensures that the majority of funds are allocated to specific projects or objectives, reducing the risk of misuse of issue proceeds and enhancing investor confidence.</p>
	230(2)	<p>The amount for general corporate purposes, as mentioned in objects of the issue in the draft offer document and the offer document shall not exceed twenty five per cent. of the amount being raised by the issuer.</p>	<p>The amount for general corporate purposes, as mentioned in objects of the issue in the draft offer document and the offer document shall not exceed fifteen per cent. of the amount being raised by the issuer.</p>	<p>The reduction of the cap on the amount raised for general corporate purposes from 25% to 15% in Regulation 230(2) ensures that a larger portion of the issue proceeds is allocated to specific projects or objectives. This reduces the risk of misuse of funds for vague purposes and enhances investor confidence by ensuring greater transparency and accountability in the use of issue proceeds.</p>
63	236 [Explanation I (b)]	<p>Minimum promoters’ contribution</p> <p>Explanation: For the purpose of this regulation: (I) Promoters’ contribution shall be computed on the basis of the post-issue expanded capital: (a) assuming full proposed conversion of convertible securities into equity shares;</p>	<p>Minimum promoters’ contribution</p> <p>Explanation: For the purpose of this regulation: (I) Promoters’ contribution shall be computed on the basis of the post-issue expanded capital: (a) assuming full proposed conversion of convertible securities into equity shares; (b) assuming exercise of all vested options, where any employee stock options or stock appreciation rights are outstanding at the time of initial public offer.</p>	<p>The inclusion of stock appreciation rights (SARs) in the computation of promoters' contribution in Regulation 236 ensures that all vested equity-linked instruments are considered. This aligns the regulation with modern compensation structures and ensures a more accurate calculation of promoters' stake in the post-issue capital.</p>

		(b) assuming exercise of all vested options, where any employee stock options are outstanding at the time of initial public offer.		
64	237(1)(b)	<p>Securities ineligible for minimum promoters' contribution</p> <p>b) specified securities acquired by the promoters and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of 169 India 287[or any non-individual public shareholder holding at least five per cent. of the post issue capital or any entity (individual or non-individual) forming part of promoter group other than the promoter(s)], during the preceding one year at a price lower than the price at which specified securities are being offered to the public in the initial public offer:</p> <p>Provided that nothing contained in this clause shall apply: [...]</p> <p>(iv) to equity shares arising from the conversion or exchange of fully paid-up compulsorily convertible securities, including depository receipts, that have been held by the promoters and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India or any non individual public shareholder holding at least five per cent. of the post-issue capital or any</p>	<p>Securities ineligible for minimum promoters' contribution</p> <p>b) specified securities acquired by the promoters and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of 169 India 287[or any non-individual public shareholder holding at least five per cent. of the post issue capital or any entity (individual or non-individual) forming part of promoter group other than the promoter(s)], during the preceding one year at a price lower than the price at which specified securities are being offered to the public in the initial public offer:</p> <p>Provided that nothing contained in this clause shall apply: [...]</p> <p>(iv) to equity shares arising from the conversion or exchange of fully paid-up compulsorily convertible securities, including depository receipts, that have been held by the promoters and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India or any non individual public shareholder holding at least five per cent. of the post-issue capital or any entity (individual or non-individual) forming part of promoter group other than the promoter(s), as applicable, for a period of at least one year prior to the filing of the draft offer document and such fully paid-up compulsorily convertible securities are converted or exchanged into equity shares prior to the filing of the offer document (i.e., red herring prospectus in case of a</p>	<p>The addition of an explanation in Regulation 237(1)(b) clarifies that the price per share for determining ineligible securities for promoters' contribution must be adjusted for corporate actions like share splits or bonus issues. This ensures fairness and accuracy in calculating the price, preventing any distortion due to corporate actions. The retention of the exemption for fully paid-up compulsorily convertible securities held for at least one year ensures that such securities are not unfairly excluded from promoters' contribution, provided full disclosures are made in the draft offer document.</p>

		entity (individual or non-individual) forming part of promoter group other than the promoter(s), as applicable, for a period of at least one year prior to the filing of the draft offer document and such fully paid-up compulsorily convertible securities are converted or exchanged into equity shares prior to the filing of the offer document (i.e., red herring prospectus in case of a book built issue and prospectus in case of a fixed price issue), provided that full disclosures of the terms of conversion or exchange are made in such draft offer document;	book built issue and prospectus in case of a fixed price issue), provided that full disclosures of the terms of conversion or exchange are made in such draft offer document;	
65	238(b)	<p>Lock-in of specified securities held by the promoters</p> <p>b) promoters' holding in excess of minimum promoters' contribution shall be locked-in for a period of one year from the date of allotment in the initial public offer</p>	<p>Lock-in of specified securities held by the promoters</p> <p>b) promoters' holding in excess of minimum promoters' contribution shall be locked-in for a period of one year from the date of allotment in the initial public offer as follows:</p> <p>(i) fifty percent. of promoters' holding in excess of minimum promoters' contribution shall be locked in for a period of two years from the date of allotment in the initial public offer; and</p> <p>(ii) remaining fifty percent. of promoters' holding in excess of minimum promoters' contribution shall be locked in for a period of one year from the date of allotment in the initial public offer.</p>	The amendment to the lock-in requirements for promoters' holdings in excess of the minimum promoters' contribution introduces a staggered lock-in period. Fifty percent of such holdings will now be locked in for two years, and the remaining fifty percent for one year. This change aims to ensure longer-term commitment from promoters, reducing the risk of sudden sell-offs post-listing and enhancing market stability.
66	239	<p>Lock-in of specified securities held by persons other than the promoters</p> <p>The entire pre-issue capital held by persons other than the promoters shall be locked-in for a period of one year from the date of allotment in the initial public offer:</p>	<p>Lock-in of specified securities held by persons other than the promoters</p> <p>The entire pre-issue capital held by persons other than the promoters shall be locked-in for a period of one year from the date of allotment in the initial public offer:</p>	The inclusion of stock appreciation right schemes (SARs) in the exemptions for employee-held equity shares aligns the regulation with modern compensation structures. This ensures that equity shares allotted under SARs are treated similarly to those under employee stock option or purchase schemes, providing consistency and clarity in lock-in provisions.

		<p>Provided that nothing contained in this regulation shall apply to:</p> <p>a) equity shares allotted to employees, whether currently an employee or not, under an employee stock option or employee stock purchase scheme of the issuer prior to the initial public offer, if the issuer has made full disclosures with respect to such options or scheme in accordance with Part A of Schedule VI;</p> <p>b) equity shares held by an employee stock option trust or transferred to the employees by an employee stock option trust pursuant to exercise of options by the employees, whether currently employees or not, in accordance with the employee stock option plan or employee stock purchase scheme. Provided that the equity shares allotted to the employees shall be subject to the provisions of lock-in as specified under the 293[Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021].</p> <p>c) equity shares held by a venture capital fund or alternative investment fund of category I or Category II or a foreign venture capital investor: Provided that such equity shares shall be locked in for a period of at least one year from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.</p>	<p>Provided that nothing contained in this regulation shall apply to:</p> <p>a) equity shares allotted to employees, whether currently an employee or not, under an employee stock option or employee stock purchase scheme or a stock appreciation right scheme of the issuer prior to the initial public offer, if the issuer has made full disclosures with respect to such options or scheme in accordance with Part A of Schedule VI;</p> <p>b) equity shares held by an employee stock option trust or transferred to the employees by an employee stock option trust pursuant to exercise of options by the employees, whether currently employees or not, in accordance with the employee stock option plan or employee stock purchase scheme or a stock appreciation right scheme. Provided that the equity shares allotted to the employees shall be subject to the provisions of lock-in as specified under the 293[Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021].</p> <p>c) equity shares held by a venture capital fund or alternative investment fund of category I or Category II or a foreign venture capital investor: Provided that such equity shares shall be locked in for a period of at least one year from the date of purchase by the venture capital fund or alternative investment fund or foreign venture capital investor.</p> <p>Explanation I: For the purpose of clause (c), in case such equity shares have resulted pursuant to conversion of fully paid-up compulsorily convertible securities, the holding period of such convertible securities as well as that of resultant equity shares together shall be considered for the purpose of calculation of one year period and convertible</p>	<p>The insertion of Explanation II clarifies that equity shares issued as bonus shares against shares allotted under employee stock option, purchase, or SAR schemes are also exempt from lock-in requirements. This ensures that employees retain the benefits of their equity-linked incentives, even in the case of corporate actions like bonus issues.</p>
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		<p>Explanation: For the purpose of clause (c), in case such equity shares have resulted pursuant to conversion of fully paid-up compulsorily convertible securities, the holding period of such convertible securities as well as that of resultant equity shares together shall be considered for the purpose of calculation of one year period and convertible securities shall be deemed to be fully paid-up, if the entire consideration payable thereon has been paid and no further consideration is payable at the time of their conversion.</p> <p>[Explanation II inserted]</p>	<p>securities shall be deemed to be fully paid-up, if the entire consideration payable thereon has been paid and no further consideration is payable at the time of their conversion.</p> <p>Explanation II. For the purpose of clauses (a) and (b), equity shares shall include any equity shares allotted pursuant to a bonus issue against equity shares allotted pursuant to an employee stock option or employee stock purchase scheme or a stock appreciation right scheme.</p>	
67	244(8)	(8) The issuer shall appoint a compliance officer who shall be responsible for monitoring the compliance of the securities laws and for redressal of investors' grievances.	(8) The issuer shall appoint a person qualified to be a company secretary as the compliance officer who shall be responsible for monitoring the compliance of the securities laws and for redressal of investors' grievances.	The requirement for the compliance officer to be a qualified company secretary in Regulation 244(8) raises the bar for compliance oversight. This ensures that the compliance officer has the necessary expertise to monitor securities laws and address investor grievances effectively, improving regulatory adherence and investor confidence.
68	245(2)	<p>Disclosures in the draft offer document and offer document</p> <p>(2) Without prejudice to the generality of sub-regulation (1), the offer document shall contain:</p> <p>a) disclosures specified in the Companies Act, 2013; and</p> <p>b) disclosures specified in Part A of Schedule VI.</p>	<p>Disclosures in the draft offer document and offer document</p> <p>(2) Without prejudice to the generality of sub-regulation (1), the offer document shall contain:</p> <p>a) disclosures specified in the Companies Act, 2013; and</p> <p>b) disclosures specified in Part A of Schedule VI.</p> <p>c) disclosures pertaining to details of Employees' Provident Fund and Employees State Insurance Corporation; such as number of employees registered, amount paid, etc.;</p> <p>d) site visit report of issuer prepared by the lead manager(s) shall be made available as a material document for inspection; and</p> <p>e) fees of lead manager(s) in any form/ name /purpose.</p>	The addition of new disclosure requirements in Regulation 245(2), including details of Employees' Provident Fund and Employees State Insurance Corporation, the site visit report prepared by lead managers, and fees of lead managers, enhances transparency. These disclosures provide investors with a more comprehensive view of the issuer's operations, financial commitments, and the role of intermediaries, improving the quality of information available for decision-making.

69	246(3)	<p>Filing of the offer document</p> <p>(3) The lead manager(s) shall submit a due-diligence certificate as per Form A of Schedule V including additional confirmations as provided in Form G of Schedule V along with the offer document to the Board.</p>	<p>Filing of the offer document</p> <p>(3) The lead manager(s) shall submit a due-diligence certificate as per Form A of Schedule V including additional confirmations as provided in Form G of Schedule V along with the offer document to the Board.</p> <p>(3) The lead manager(s) shall submit a due-diligence certificate as per Form A of Schedule V to which the site visit report of the issuer prepared by the lead manager(s) shall also be annexed, including additional confirmations as provided in Form G of Schedule V along with the draft offer document to the SME Exchange(s), where the specified securities are proposed to be listed.</p>	<p>The amendment to Regulation 246(3) mandates that the site visit report prepared by lead managers be annexed to the due-diligence certificate and submitted to the SME Exchange(s). This ensures that the findings of the site visit are formally documented and reviewed, enhancing the credibility of the due-diligence process and providing additional assurance to regulators and investors.</p>
70	247 (heading)	Offer document to be made available to public	<p>Draft offer document and Offer document to be made available to public</p>	<p>The change in the heading of Regulation 247 from "Offer document to be made available to public" to "Draft offer document and Offer document to be made available to public" clarifies that both draft and final offer documents must be accessible to the public. This ensures consistency in disclosure practices and improves transparency throughout the IPO process.</p>
	247(1)	- New insertion -	<p>(1) The draft offer document filed with the SME exchange shall be made public for comments, if any, for a period of at least twenty one days from the date of filing, by hosting it on the websites of the issuer, SME exchange where specified securities are proposed to be listed and lead manager associated with the issue.</p>	<p>The new insertion requiring the draft offer document to be made public for at least 21 days on the websites of the issuer, SME exchange, and lead manager ensures greater transparency and allows stakeholders to review and comment on the disclosures. This enhances the quality of the offer document and fosters investor confidence.</p>
	247(2)	- New insertion -	<p>(2) The issuer shall, within two working days of filing the draft offer document with the SME Exchange, make a public announcement in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated, disclosing the fact of filing of the draft offer document with</p>	<p>The requirement for the issuer to make a public announcement within two working days of filing the draft offer document with the SME exchange ensures timely disclosure of the filing. This improves market awareness and provides an opportunity for the public to participate in the review process by submitting comments.</p>

			the SME exchange and inviting the public to provide their comments to the SME exchange, the issuer or the lead manager(s) in respect of the disclosures made in the draft offer document.	
	247(3)	- New insertion -	(3) The lead manager(s) shall, after expiry of the period stipulated in sub-regulation (1), file with the SME exchange, details of the comments received by them or the issuer from the public, on the draft offer document, during that period and the consequential changes, if any, that are required to be made in the draft offer document.	The mandate for lead managers to file details of public comments and consequential changes with the SME exchange after the 21-day review period ensures that stakeholder feedback is formally documented and addressed. This strengthens the accountability of issuers and lead managers, ensuring that the final offer document reflects necessary revisions and improvements.
	247(4)	(1) The issuer and the lead manager(s) shall ensure that the offer documents are hosted on the websites as required under these regulations and its contents are the same as the versions as filed with the Registrar of Companies, Board and the SME exchange(s). [Section 247(1) of existing regulation renumbered to sub-regulation (4)]	(4) (4) The issuer and the lead manager(s) shall ensure that the offer documents are hosted on the websites as required under these regulations and its contents are the same as the versions as filed with the Registrar of Companies, Board and the SME exchange(s).	
	247(5)	(2) The lead manager(s) and the SME exchange(s) shall provide copies of the offer document to the public as and when requested and may charge a reasonable sum for providing a copy of the same. [Section 247(2) of existing regulation renumbered to sub-regulation (4)]	(5) (2)-The lead manager(s) and the SME exchange(s) shall provide copies of the offer document to the public as and when requested and may charge a reasonable sum for providing a copy of the same.	
71	250(4)	Price and price band (4) Where the issuer opts not to make the disclosure of the floor price or price band in the red herring prospectus, the issuer shall announce the floor price or the price band at least two working days before the opening of the issue in the newspapers in which the pre-	Price and price band (4) Where the issuer opts not to make the disclosure of the floor price or price band in the red herring prospectus, the issuer shall announce the floor price or the price band at least two working days before the opening of the issue in the newspapers in which the pre-issue advertisement was released or together with	The amendment to Regulation 250(4) clarifies that the floor price or price band must be announced in a pre-issue and price band advertisement in specified newspapers at least two working days before the issue opening. This ensures uniformity in disclosure practices and provides investors with sufficient time to evaluate the pricing.

		issue advertisement was released or together with the pre-issue advertisement in the format prescribed under Part A of Schedule X.	the pre-issue advertisement in the format prescribed under Part A of Schedule X. (4) The issuer shall announce the floor price or the price band at least two working days before the opening of the issue in the pre-issue and price band advertisement in the format specified under Part A of Schedule X in one English national daily newspaper with wide circulation, Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated	
72	251(1)	<p>Differential pricing</p> <p>(1) The issuer may offer its specified securities at different prices, subject to the following:</p> <p>a) retail individual investors or retail individual shareholders[or employees entitled for reservation made under regulation 254 may be offered specified securities at a price not lower than by more than ten per cent. of the price at which net offer is made to other categories of applicants, excluding anchor investors.</p> <p>b) the differential pricing and the price at which net offer is proposed to be made to other categories of applicants shall be within the range such that the minimum application lot size shall remain uniform for all the applicants.</p> <p>c) in case of a book built issue, the price of the specified securities offered to the anchor investors shall not be lower than the price offered to other applicants.</p>	<p>Differential pricing</p> <p>(1) The issuer may offer its specified securities at different prices, subject to the following:</p> <p>a) retail individual investors individual investors who applies for minimum application size or retail individual shareholders[or employees entitled for reservation made under regulation 254 may be offered specified securities at a price not lower than by more than ten per cent. of the price at which net offer is made to other categories of applicants, excluding anchor investors.</p> <p>b) the differential pricing and the price at which net offer is proposed to be made to other categories of applicants shall be within the range such that the minimum application lot size shall remain uniform for all the applicants.</p> <p>c) in case of a book built issue, the price of the specified securities offered to the anchor investors shall not be lower than the price offered to other applicants.</p>	The modification in Regulation 251(1)(a) specifies that differential pricing for retail individual investors applies to those who apply for the minimum application size. This ensures clarity and fairness in pricing, preventing misuse of differential pricing for larger applications while maintaining the 10% discount limit for eligible retail investors. The retention of uniform minimum application lot size and anchor investor pricing provisions ensures consistency and fairness in the allocation process.
73	253(1)	Allocation in the net offer	Allocation in the net offer	The amendment to Regulation 253(1)(a) specifies that the 35% allocation to retail individual investors applies only to those who apply for the minimum application size. This

	<p>(1)The allocation in the net offer category shall be as follows: a) not less than thirty five per cent. to retail individual investors; b) not less than fifteen per cent. to non-institutional investors; c) not more than fifty per cent. to qualified institutional buyers, five per cent. of which shall be allocated to mutual funds: Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in any other category: Provided further that in addition to five per cent. allocation available in terms of clause (c), mutual funds shall be eligible for allocation under the balance available for qualified institutional buyers.</p>	<p>(1) The allocation in the net offer category shall be as follows: a) not less than thirty five per cent. to retail individual investors who applies for minimum application size; b) not less than fifteen per cent. to non-institutional investors; c) not more than fifty per cent. to qualified institutional buyers, five per cent. of which shall be allocated to mutual funds: Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in any other category: Provided further that in addition to five per cent. allocation available in terms of clause (c), mutual funds shall be eligible for allocation under the balance available for qualified institutional buyers.</p>	<p>ensures that the allocation benefits small retail investors, promoting wider participation and inclusivity in the IPO process.</p>
<p>253(2)</p>	<p>(2) In an issue made other than through the book building process, the allocation in the net offer category shall be made as follows: (a) minimum fifty per cent. to retail individual investors; and (b) remaining to: (i) individual applicants other than retail individual investors; and (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for; Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category. Explanation. - For the purpose of sub-regulation (2), if the retail individual investor</p>	<p>“(2) In an issue made through book building process, the allocation in the non-institutional investors’ category shall be as follows: (a) one third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs; (b) two third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹10 lakhs: Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of non-institutional investors.”</p>	<p>The insertion of Regulation 253(2) introduces a sub-categorization within the non-institutional investors' category for book-built issues. One-third of the allocation is reserved for applicants with application sizes between two lots and ₹10 lakhs, while two-thirds are reserved for applicants with application sizes above ₹10 lakhs. This ensures a more equitable distribution among non-institutional investors.</p>

		category is entitled to more than fifty per cent. of the issue size on a proportionate basis, the retail individual investors shall be allocated that higher percentage.		
	253(3)	[Section 253(2) of existing regulation renumbered to sub-regulation (3)] [new insertion in Section 253(2) of the amended regulation]	(2) (3) In an issue made other than through the book building process, the allocation in the net offer category shall be made as follows: (a) minimum fifty per cent. to retail individual investors who applies for minimum application size ; and (b) remaining to: (i) individual applicants other than retail individual investors who applies for more than minimum application size ; and (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for; Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category. Explanation. - For the purpose of sub-regulation (2) (3), if the retail individual investor category category of individual investors who applies for minimum application size is entitled to more than fifty per cent. of the issue size on a proportionate basis, the retail such individual investors shall be allocated that higher percentage.	The amendment to Regulation 253(3) clarifies that the 50% allocation to retail individual investors in non-book-built issues applies only to those who apply for the minimum application size. This ensures that smaller retail investors are prioritized, aligning with the objective of promoting retail participation.
74	262(1)	Monitoring agency (1) If the issue size, excluding the size of offer for sale by selling shareholders, exceeds one hundred crore rupees , the issuer shall make arrangements for the use of proceeds of the issue to be monitored by a 306[credit rating agency registered with the Board:]	Monitoring agency (1) If the issue size, excluding the size of offer for sale by selling shareholders, exceeds one hundred crore rupees ₹50 crores , the issuer shall make arrangements for the use of proceeds of the issue to be monitored by a 306[credit rating agency registered with the Board:]	The reduction in the threshold for appointing a monitoring agency from ₹100 crore to ₹50 crore in Regulation 262(1) ensures greater oversight of the use of issue proceeds for smaller issuers. This enhances transparency and accountability, protecting investor interests by ensuring that funds are used as intended.

		Provided that nothing contained in this clause shall apply to an issue of specified securities made by a bank or public financial institution or an insurance company.	Provided that nothing contained in this clause shall apply to an issue of specified securities made by a bank or public financial institution or an insurance company.	
	262(5)	- New insertion -	(5) In an issue where the issuer is not required to appoint a monitoring agency under this regulation, the issuer shall submit a certificate of the statutory auditor for utilization of money raised through the public issue (excluding offer for sale by selling shareholders) to SME exchange(s) while filing the quarterly financial results, till the issue proceeds are fully utilized.	The insertion of Regulation 262(5) mandates issuers not required to appoint a monitoring agency to submit a statutory auditor's certificate for the utilization of issue proceeds to SME exchange(s) while filing quarterly financial results. This ensures transparency and accountability in the use of funds, even for smaller issuers.
	262(6)	- New insertion -	(6) In an issue where working capital is one of the objects of the issue and the amount raised for the said object exceeds five crore rupees, the issuer shall submit a certificate of the statutory auditor to SME exchange(s) while filing the quarterly financial results, for use of funds as working capital in the same format as disclosed in the offer document, till the proceeds raised for the said object are fully utilized.	The insertion of Regulation 262(6) requires issuers raising funds for working capital exceeding ₹5 crore to submit a statutory auditor's certificate for the use of such funds in the same format as disclosed in the offer document. This ensures that working capital funds are used as intended, enhancing investor confidence.
75	264(1)	<p>Issue-related advertisements</p> <p>(1) Subject to the provisions of the Companies Act, 2013, the issuer shall, after 309[filing] the prospectus with the Registrar of Companies, make a pre-issue advertisement in one English national daily newspaper with wide circulation, Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated.</p>	<p>Issue-related advertisements</p> <p>(1) Subject to the provisions of the Companies Act, 2013, the issuer shall, after 309[filing] the prospectus with the Registrar of Companies, make a pre-issue advertisement in one English national daily newspaper with wide circulation, Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated.</p> <p>(1) Subject to the provisions of the Companies Act, 2013, the issuer shall, after filing the prospectus with the Registrar of Companies, make a pre-issue and price band advertisement in the same newspapers in which the public announcement under sub regulation (4) of Regulation 250 was published."</p>	The amendment to Regulation 264(1) replaces the pre-issue advertisement requirement with a combined pre-issue and price band advertisement, to be published in the same newspapers as the public announcement. This ensures consistency in communication and provides investors with comprehensive information upfront.

	264(2)	<p>(2) The pre-issue advertisement shall be in the format and shall contain the disclosures specified in Part A of Schedule X.</p> <p>Provided that the disclosures in relation to price band or floor price and financial ratios contained therein shall only be applicable where the issuer opts to announce the price band or floor price along with the pre-issue advertisement pursuant to sub-regulation (4) of regulation 250.</p>	<p>(2) The pre-issue and price band advertisement shall be in the format and shall contain the disclosures specified in Part A of Schedule X.</p> <p>Provided that the disclosures in relation to price band or floor price and financial ratios contained therein shall only be applicable where the issuer opts to announce the price band or floor price along with the pre-issue advertisement pursuant to sub-regulation (4) of regulation 250.</p>	
76	267 (2)	<p>Application and minimum application value</p> <p>(2) The minimum application size shall be one lakh rupees per application.</p>	<p>Application and minimum application value</p> <p>(2) The minimum application size shall be one lakh rupees two lots per application: : "Provided that the minimum application size shall be above ₹2 lakhs."</p>	<p>The amendment to Regulation 267(2) changes the minimum application size to two lots, with a proviso that the minimum application size must be above ₹2 lakhs. This ensures that retail investors participate meaningfully while maintaining accessibility for smaller investors.</p>
	262 (3)	<p>(3) The issuer shall invite applications in multiples of the minimum application amount, an illustration whereof is given in Part B of Schedule XIV.</p>	<p>(3) The issuer shall invite applications in multiples of the minimum application amount, an illustration whereof is given in Part B of Schedule XIV lot size.</p>	
77	268 (1)	<p>Allotment procedure and basis of allotment</p> <p>(1) The issuer shall not make an allotment pursuant to a public issue if the number of allottees in an initial public offer is less than fifty.</p>	<p>Allotment procedure and basis of allotment</p> <p>(1) The issuer shall not make an allotment pursuant to a public issue if the number of allottees in an initial public offer is less than fifty two hundred.</p>	<p>The increase in the minimum number of allottees from 50 to 200 in Regulation 268(1) ensures broader distribution of shares, reducing the risk of concentration and promoting wider investor participation.</p>
	268(3)	<p>(3) The allotment of specified securities to applicants other than retail individual investors and anchor investors shall be on proportionate basis within the specified investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size</p>	<p>(3) The allotment of specified securities to applicants other than retail individual investors who applies for minimum application size, non-institutional investors and anchor investors shall be on proportionate basis within the specified investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed in the offer document:</p>	<p>The amendment to Regulation 268(3) clarifies that proportionate allotment applies to applicants other than retail individual investors (applying for the minimum application size), non-institutional investors, and anchor investors. This ensures fairness in allotment while maintaining the ₹2 lakh cap for certain reserved categories.</p>

		as determined and disclosed in the offer document: Provided that the value of specified securities allotted to any person, except in case of employees, in pursuance of reservation made under clause (a) of sub-regulation (1) or clause (a) of sub regulation (2) of regulation 254, shall not exceed two lakhs rupees.	Provided that the value of specified securities allotted to any person, except in case of employees, in pursuance of reservation made under clause (a) of sub-regulation (1) or clause (a) of sub regulation (2) of regulation 254, shall not exceed two lakhs rupees.	
		- New insertion -	“(3A) Subject to the availability of shares in non-institutional investors’ category, the allotment of specified securities to each non-institutional investor shall not be less than the minimum application size in non-institutional investor category, and the remaining shares, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of these regulations.”	The insertion of Regulation 268(3A) ensures that non-institutional investors receive at least the minimum application size in their category, with any remaining shares allotted proportionately. This promotes fairness and transparency in the allotment process for non-institutional investors.
	268(4)	(4) The authorised employees of the stock exchange, along with the lead manager(s) and registrars to the issue, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the allotment procedure as specified in Part A of Schedule XIV.	(4) The authorised employees of the stock exchange, along with the lead manager(s) and registrars to the issue, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the allotment procedure as specified in Part A Parts A and A2 of Schedule XIV.	
78	274	Reporting of transactions of the promoters and promoter group The issuer shall ensure that all transactions in securities by the promoters and promoter group between the date of filing of the draft offer document or offer document, as the case may be, and the date of closure of the issue shall be reported to the stock exchanges, within twenty-four hours of such transactions. [section substituted]	“Reporting of transactions of the promoters and promoter group and other pre-IPO transactions 274. (1) The issuer shall ensure that all transactions in securities by the promoter and promoter group between the date of filing of the draft offer document or offer document, as the case may be, and the date of closure of the issue shall be reported to the stock exchange(s), within twenty-four hours of such transactions. (2) The issuer shall also ensure that any proposed pre-IPO placement disclosed in the draft offer document shall be reported to the stock exchange(s), within twenty-four hours of such pre-IPO transactions (in part or in entirety).”	The substitution of Regulation 274 to include reporting of pre-IPO transactions ensures greater transparency. Issuers must now report any pre-IPO placements disclosed in the draft offer document within 24 hours, reducing information asymmetry and improving market integrity.

79	276	<p>Migration to the SME exchange</p> <p>A listed issuer whose post-issue face value capital is less than twenty five crore rupees may migrate its specified securities to SME exchange if its shareholders approve such migration by passing a special resolution through postal ballot to this effect and if such issuer fulfils the eligibility criteria for listing laid down by the SME exchange: Provided that the special resolution shall be acted upon if and only if the votes cast by shareholders other than promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.</p>	<p>Migration to the SME exchange</p> <p>A listed issuer whose post-issue face value paid-up capital is less than twenty five crore rupees may migrate its specified securities to SME exchange if its shareholders approve such migration by passing a special resolution through postal ballot to this effect and if such issuer fulfils the eligibility criteria for listing laid down by the SME exchange: Provided that the special resolution shall be acted upon if and only if the votes cast by shareholders other than promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.</p>	<p>The change from "face value capital" to "face value paid-up capital" in Regulation 276 clarifies the eligibility criteria for migration to the SME exchange. This ensures that only issuers with actual paid-up capital below ₹25 crore can migrate, reducing ambiguity and strengthening regulatory oversight.</p>
80	277	<p>Migration to the main board</p> <p>An issuer, whose specified securities are listed on a SME Exchange and whose post-issue face value capital is more than ten crore rupees and up to twenty five crore rupees, may migrate its specified securities to the main board of the stock exchanges if its shareholders approve such a 188 migration by passing a special resolution through postal ballot to this effect and if such issuer fulfils the eligibility criteria for listing laid down by the Main Board:</p> <p>Provided that the special resolution shall be acted upon if and only if the votes cast by shareholders other than promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders</p>	<p>Migration to the main board</p> <p>An issuer, whose specified securities are listed on a SME Exchange and whose post-issue face value paid-up capital is more than ten crore rupees and up to twenty five crore rupees, may migrate its specified securities to the main board of the stock exchanges if its shareholders approve such a 188 migration by passing a special resolution through postal ballot to this effect and if such issuer fulfils the eligibility criteria for listing laid down by the Main Board:</p> <p>Provided that the special resolution shall be acted upon if and only if the votes cast by shareholders other than promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.</p>	<p>The amendment to Regulation 277, replacing "face value capital" with "face value paid-up capital," ensures clarity in the eligibility criteria for migration to the main board. This ensures that only issuers with actual paid-up capital between ₹10 crore and ₹25 crore can migrate, maintaining consistency and transparency in the migration process.</p>

		other than promoter shareholders against the proposal.		
81	278	<p>Restriction on further capital issues</p> <p>An issuer shall not make any further issue of specified securities in any manner whether by way of public issue, rights issue, preferential issue, qualified institutions placement, issue of bonus shares or otherwise, except pursuant to an employee stock option scheme, during the period between the date of filing the draft offer document and the listing of the specified securities offered through the offer document or refund of application monies unless full disclosures regarding the total number of specified securities or amount proposed to be raised from such further issue are made in such draft offer document or offer document, as the case may be.</p>	<p>Restriction on further capital issues</p> <p>An issuer shall not make any further issue of specified securities in any manner whether by way of public issue, rights issue, preferential issue, qualified institutions placement, issue of bonus shares or otherwise, except pursuant to an employee stock option scheme or a stock appreciation right scheme, during the period between the date of filing the draft offer document and the listing of the specified securities offered through the offer document or refund of application monies unless full disclosures regarding the total number of specified securities or amount proposed to be raised from such further issue are made in such draft offer document or offer document, as the case may be.</p>	<p>The inclusion of stock appreciation right schemes (SARs) in the exceptions to the restriction on further capital issues in Regulation 278 aligns the regulation with modern compensation structures. This ensures that issuers can use SARs as part of employee incentive schemes without violating the restriction, providing flexibility while maintaining transparency.</p>
82	280(2)	<p>Alteration of rights of holders of specified securities</p> <p>(2) Where the post-issue face value capital of an issuer listed on a SME exchange is likely to increase beyond twenty five crore rupees by virtue of any further issue of capital by the issuer by way of rights issue, preferential issue, bonus issue, etc. the issuer shall migrate its specified securities listed on a SME exchange to the Main Board and seek listing of the specified securities proposed to be issued on the Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board:</p> <p>Provided that no further issue of capital by the issuer shall be made unless –</p>	<p>Alteration of rights of holders of specified securities</p> <p>(2) Where the post-issue face value paid-up capital of an issuer listed on a SME exchange is likely to increase beyond twenty five crore rupees by virtue of any further issue of capital by the issuer by way of rights issue, preferential issue, bonus issue, etc. the issuer shall migrate its specified securities listed on a SME exchange to the Main Board and seek listing of the specified securities proposed to be issued on the Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board:</p> <p>Provided that no further issue of capital by the issuer shall be made unless –</p> <p>a) the shareholders of the issuer have approved the migration by passing a special resolution through postal ballot wherein the votes cast by shareholders other than</p>	<p>The amendment to Regulation 280(2) replaces "face value capital" with "face value paid-up capital," ensuring clarity in the eligibility criteria for migration to the main board. The insertion of a proviso allows issuers to undertake further capital issues without migrating from the SME exchange to the main board, provided they comply with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This reduces the compliance burden for issuers while ensuring adherence to main board listing standards.</p>

		<p>a) the shareholders of the issuer have approved the migration by passing a special resolution through postal ballot wherein the votes cast by shareholders other than promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal;</p> <p>b) the issuer has obtained an in-principle approval from the Main Board for listing of its entire specified securities on it.</p>	<p>promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal;</p> <p>b) the issuer has obtained an in-principle approval from the Main Board for listing of its entire specified securities on it.</p> <p>“Provided further that where the post-issue paid-up capital pursuant to further issue of capital including by way of rights issue, preferential issue, bonus issue, is likely to increase beyond ₹25 crores, the issuer may undertake further issuance of capital without migration from SME exchange to the main board, subject to the issuer undertaking to comply with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to companies listed on the main board of the stock exchange(s).”</p>	
83	281A	- New insertion -	<p>“Post-listing exit opportunity for dissenting shareholders</p> <p>281A. The promoters or shareholders in control of an issuer shall provide an exit offer to dissenting shareholders as provided for in the Companies Act, 2013 in case of change in objects or variation in the terms of contract related to objects referred to in the offer document as per the conditions and in the manner provided in Schedule XX:</p> <p>Provided that the exit offer shall not apply where there are neither any identifiable promoters nor any shareholders in control of the issuer.”</p>	The insertion of Regulation 281A mandates promoters or controlling shareholders to provide an exit offer to dissenting shareholders in case of a change in objects or variation in the terms of contract related to objects mentioned in the offer document. This ensures that dissenting shareholders are protected and have an opportunity to exit the investment if they disagree with significant changes, enhancing investor confidence and corporate governance.
84	288(1) proviso A	Lock-in	<p>Lock-in</p> <p>a) equity shares allotted to employees, whether currently an employee or not, under an employee stock option or employee stock purchase scheme of the issuer prior to the initial public offer, if the issuer has made full</p> <p>a) equity shares allotted to employees, whether currently an employee or not, under an employee stock option or employee stock purchase scheme or a stock appreciation right scheme of the issuer prior to the initial public offer, if the issuer has made full disclosures with respect to such</p>	The inclusion of stock appreciation right schemes (SARs) in the lock-in exemption for employee-held equity shares in Regulation 288(1)(a) aligns the regulation with modern compensation structures. This ensures that equity shares allotted under SARs are treated similarly to those under employee stock option or purchase schemes, providing consistency and clarity in lock-in provisions.

		disclosures with respect to such options or scheme in accordance with Part A of Schedule VI;	options or scheme in accordance with Part A of Schedule VI;	
288(1) proviso B	<p>b) equity shares held by an employee stock option trust or transferred to the employees by an employee stock option trust pursuant to exercise of options by the employees, whether currently employees or not, in accordance with the employee stock option plan or employee stock purchase scheme.</p> <p>Provided that the equity shares allotted to the employees shall be subject to the provisions of lock-in as specified under the 342[Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021].</p> <p>[...]</p> <p>Explanation: For the purpose of clause (c) and (d), in case such equity shares have resulted pursuant to conversion of fully paid-up compulsorily convertible securities, the holding period of such convertible securities as well as that of resultant equity shares together shall be considered for the purpose of calculation of one year period and the convertible securities shall be deemed to be fully paid-up, if the entire consideration payable thereon has been paid at the time of their conversion.</p> <p>[explanation II was inserted]</p>	<p>b) equity shares held by an employee stock option trust or transferred to the employees by an employee stock option trust pursuant to exercise of options by the employees, whether currently employees or not, in accordance with the employee stock option plan or employee stock purchase scheme or a stock appreciation right scheme.</p> <p>Provided that the equity shares allotted to the employees shall be subject to the provisions of lock-in as specified under the 342[Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021].</p> <p>[...]</p> <p>Explanation I: For the purpose of clause (c) and (d), in case such equity shares have resulted pursuant to conversion of fully paid-up compulsorily convertible securities, the holding period of such convertible securities as well as that of resultant equity shares together shall be considered for the purpose of calculation of one year period and the convertible securities shall be deemed to be fully paid-up, if the entire consideration payable thereon has been paid at the time of their conversion.</p> <p>Explanation II. For the purpose of clauses (a) and (b), equity shares shall include any equity shares allotted pursuant to a bonus issue against equity shares allotted pursuant to an employee stock option or employee stock purchase scheme or a stock appreciation right scheme.</p>	<p>The inclusion of stock appreciation right schemes (SARs) in Regulation 288(1)(b) ensures that equity shares held or transferred by an employee stock option trust under SARs are treated similarly to those under employee stock option or purchase schemes. This aligns the regulation with modern compensation structures and ensures consistency in lock-in provisions for employee-held shares.</p> <p>The insertion of Explanation II clarifies that equity shares issued as bonus shares against shares allotted under employee stock option, purchase, or SAR schemes are also exempt from lock-in requirements. This ensures that employees retain the benefits of their equity-linked incentives, even in the case of corporate actions like bonus issues, enhancing the attractiveness of such schemes.</p>	