भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

प्रेस विज्ञप्ति
PRESS RELEASE

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PR No. 62/2025

SEBI Board Meeting

The 211th meeting of the SEBI Board was held in Mumbai today.

The SEBI Board, inter-alia, approved the following:

1. Amendments to Securities Contracts (Regulation) Rules, 1957 relating to Minimum Public Offer and timelines to comply with Minimum Public Shareholding for issuers with the objective to enhance ease of doing business

1.1. Presently, in terms of Securities Contracts (Regulation) Rules, 1957 ('SCRR') issuers with a post issue market capital ('market cap') above ₹1,00,000 Cr are required to offer to public ₹5,000 Cr and at least 5% of the post issue market cap ('Minimum Public offer' / 'MPO').

1.2. For large issuers, diluting substantial stake through an IPO can pose challenges, as the market may not be able to absorb such a large supply of shares, which in turn may discourage such issuers from pursuing listing in India.

1.3. Regular dilution post listing impacts issuers until MPS requirements are complied with, may lead to price overhang due to the impending equity dilution, thereby adversely affecting the interest of existing public shareholders. Further, under the proposed MPO requirements, issuers are recommended to be permitted to list with a lower initial public float, hence, an extended period is required to allow them to

achieve MPS of 25% in a gradual manner. Extended period for large issues also do not pose risk of low liquidity in large size IPO.

1.4. For large size companies, the revised Minimum Public Offer will still be large enough to provide sufficient stock to the market, including retail investors, and facilitate liquidity.

1.5. Post listing, the Stock Exchanges shall continue to monitor these issuers through their surveillance mechanism and related measures to ensure orderly functioning of trading in shares of such issuers.

1.6. The Board has decided to recommend to the Ministry of Finance the following changes in the SCRR.

Post issue market cap	**Existing Provision**	**Proposed Provision**
MCap ≤ ₹1,600 Cr	Minimum public offer of 25%	Same as existing provision
₹1,600 Cr < MCap ≤ ₹4,000 Cr	Minimum public offer of ₹400 Cr; MPS of 25% to be achieved within 3 years from date of listing	Same as existing provision
₹4,000 Cr < MCap ≤ ₹50,000 Cr	Minimum public offer of 10%; MPS of 25% to be achieved within 3 years from date of listing	Same as existing provision
₹50,000 Cr < MCap ≤ ₹100,000 Cr		Minimum public offer of ₹1,000 Cr and at least 8% of the post issue market cap. MPS of 25% to be achieved within 5 years from date of listing
₹1,00,000 Cr < MCap ≤ ₹5,00,000 Cr	Minimum public offer of ₹5,000 Cr and at least 5% of the post issue market cap; MPS of 10% to be achieved within 2 years	Minimum public offer of ₹6,250 Cr and at least 2.75% of the post issue market cap. In case public shareholding is less than 15% as on the date of listing, MPS of 15% to be

Post issue market cap	Existing Provision	Proposed Provision
	and 25% within 5 years from date of listing	achieved within 5 years and 25% within 10 years from date of listing. In case public shareholding is 15% or above as on the date of listing, MPS of 25% to be achieved within 5 years from date of listing.
MCap > ₹5,00,000 Cr		Minimum public offer of ₹15,000 Cr and at least 1% of the post issue market cap, subject to a minimum dilution of 2.5%. In case public shareholding is less than 15% as on the date of listing, MPS of 15% to be achieved within 5 years and 25% within 10 years from date of listing. In case public shareholding is 15% or above as on the date of listing, MPS of 25% to be achieved within 5 years from date of listing.

1.7. The challenges in undertaking substantial equity dilution within a short timeframe, as faced by new issuers, are equally applicable to listed entities, that are yet to comply with MPS. Extending the proposed timelines to listed entities will ensure consistency and parity in regulatory treatment. Accordingly, the Board has recommended that the proposed extended timelines may also be made applicable to the listed entities that are yet to comply with the MPS, as per the existing timelines applicable to them; and the ones that are non-compliant with the existing MPS requirements and are likely to get more time to achieve MPS upon notification of extended timelines. However, any fines / penalties levied or to be levied by the Stock

Exchanges, may be continued to be paid by the listed entity for the period from the date of non-compliance till the date of notification of the proposed timelines.

1.8. The aforementioned proposals were deliberated in the Primary Markets Advisory Committee and the above proposals recommended by the Board have factored in the feedback received on the public consultation undertaken in August 2025.

2. Amendments to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 with the objective of facilitating Ease of Doing Business and enhancing inclusive participation of institutional investors in the IPO process

2.1. With the deepening of India's capital markets, SEBI has proposed amendments to the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 relating to anchor investor allocations to facilitate participation of long-term investors.

2.2. The current cap on permissible anchor allottees under Schedule XIII, though aimed at broad participation, has limited flexibility for FPIs operating multiple funds. Further, the Category I classification for allocations up to ₹10 crore has lost relevance given the larger size of IPOs.

2.3. At present, reservation in the anchor book is available only to domestic mutual funds, excluding other long-term institutional investors such as Life Insurance Companies and Pension Funds.

2.4. To address these gaps and strengthen inclusivity in the anchor investor framework, following amendments to the ICDR Regulations have been amended:

2.4.1. In the discretionary allotment under anchor portion Category I (up to ₹10 crore) and Category II (above ₹10 crore up to ₹250 crore) have been merged into a single category for allocations up to ₹250 crore with minimum number of anchor allottees as 5 and maximum as 15 (minimum allotment 5 crore per investor).

2.4.2. The number of permissible anchor investor allottees for allocations above ₹250 crore has been increased. Thus, a minimum of 5 and a maximum of 15 investors shall be allowed for allocations up to ₹250 crore. For every additional ₹250 crore or part thereof, an additional 15 investors are to be permitted, subject to a minimum allotment of ₹5 crore per investor.

2.4.3. Life Insurance Companies registered with IRDAI and Pension Funds registered with PFRDA have been included in the reserved category of anchor portion, alongside domestic Mutual Funds.

2.4.4. The overall reservation for the anchor portion has been increased from one-third to 40%. Of this, one-third will continue to be reserved for domestic Mutual Funds, while remaining will be reserved for Life Insurance Companies and Pension Funds. In case of undersubscription in the reserved portion for Life Insurance Companies and Pension Funds, the unsubscribed part will be available for allocation to domestic Mutual Funds.

2.4.5. In view of the revised MPO proposal, there is no further proposal to reduce allocation to retail individual investors in IPO exceeding Rs.5000 crore from 35% to 25%. Correspondingly, there is no proposal to increase QIB reservation from 50% to 60%.

2.5. These amendments are expected to broaden anchor investor participation by easing participation for large FPIs operating multiple funds, thus enabling more diversified anchor books and aligning with global best practices. In addition, it will provide structured and consistent participation opportunities to long-term institutional investors such as life insurers and pension funds, thereby enhancing credibility, stability, and quality of the anchor book.

2.6. The aforementioned proposals were earlier deliberated in the Primary Markets Advisory Committee and the above proposals approved have factored in the feedback received on the public consultation undertaken in August 2025.

3. Amendments to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the circulars thereunder with the objective of facilitating Ease of Doing Business relating to Related Party Transactions ("RPT")

3.1. The amendments are aimed to address practical challenges and remove ambiguities and also strike a balance between investor protection and ease of doing business, with respect to the related party transaction (RPT) framework under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations").

3.2. These amendments include the following:

3.2.1. Introduction of scale-based thresholds based on annual consolidated turnover of the listed entity, for determining material RPTs;

3.2.2. Revised thresholds for approval by Audit Committee, for RPTs undertaken by subsidiaries;

3.2.3. Simpler disclosure requirements for smaller RPTs;

3.2.4. Provisions pertaining to validity periods of omnibus approval by shareholders as contained in the Master Circular on LODR, to be incorporating in the LODR;

3.2.5. Clarification with regard to exemption pertaining to retail purchases undertaken by listed entity or its subsidiary with its Directors or Key Managerial Personnel or their relatives; and

3.2.6. Clarification that the term "holding company" always referred to "listed holding company".

3.3. These amendments are as under:

3.3.1. To introduce scale-based threshold considering the annual consolidated turnover of the listed entity as per last audited financial statements, for determining material Related Party Transactions ("RPTs") for approval by shareholders as under:

<table>
<tr><th>Existing Threshold</th><th colspan="2">Revised Scale-based Threshold</th></tr>
<tr><td rowspan="4">Rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.</td><td>Annual Consolidated Turnover of Listed Entity</td><td>Threshold</td></tr>
<tr><td>(I) Up to ₹20,000 Crore</td><td>10% of the annual consolidated turnover of the listed entity</td></tr>
<tr><td>(II) More than ₹20,001 Crore to up to ₹40,000 Crore</td><td>₹2,000 Crore + 5% of the annual consolidated turnover of the listed entity above ₹20,000 Crore</td></tr>
<tr><td>(III) More than ₹40,000 Crore</td><td>₹3,000 Crore + 2.5% of the annual consolidated turnover of the listed entity above ₹40,000 Crore
or
₹5000 Crore, whichever is lower.</td></tr>
</table>

3.3.2. Threshold for prior approval of audit committee of listed entity for RPTs (above rupees one crore), whether entered into individually or taken together with previous transactions during a financial year, undertaken by subsidiaries has

been revised in order to remove ambiguity, where RPTs undertaken by subsidiary being classified as material RPT and therefore requires approval of shareholders of the listed entity, but does not require approval of audit committee of the listed entity. The revised threshold for prior approval of audit committee of listed entity are as under:

3.3.2.1. For subsidiary having audited financial statements: ten percent of the annual standalone turnover of the subsidiary as per the last audited financial statements of the subsidiary or the scale-based threshold for material RPT of listed entity, whichever is lower.

3.3.2.2. For subsidiaries not having audited financial statements for a period of at least one year: ten per cent of the aggregate value of paid-up share capital and securities premium account of the subsidiary; or the scale-based threshold for material related party transactions of listed entity, whichever is lower.

3.3.3. SEBI to issue a Circular for specifying minimum information to be provided to the Audit Committee and shareholders for the approval of RPT, which does not exceed 1% of annual consolidated turnover of the listed entity or Rs. 10 Crore, whichever is lower, whether individually or taken together with previous transactions during a financial year (including transaction(s) which are approved by way of ratification). This will provide relaxation to these RPTs, from the RPT Industry Standards as mentioned in the SEBI Circular dated June 26, 2025.

3.3.4. As per Regulation 23(3) of LODR, the Audit Committee may grant omnibus approval for RPTs. Provisions with respect to validity of omnibus approval for RPTs, granted by the shareholders, as provided in Para (C)11 of Section III of the SEBI Master Circular on LODR, are to be incorporated under Regulation 23(4) of the LODR, in order to keep requirements relating to omnibus approval at one place.

3.3.5. Proviso (e) of Regulation 2(1)(zc) of the LODR, to be amended to provide that exemption under the said proviso shall be applicable to retail purchases from any listed entity or its subsidiary by its directors or key managerial personnel or their relatives, without establishing a business relationship, at the terms which are uniformly applicable/offered to employees as well as abovementioned persons.

3.3.6. To bring clarity, it is proposed to insert an explanation to Regulation 23(5) of LODR, by clarifying that the term "holding company" used in clause (b) of Regulation 23(5) of LODR refers to and shall be deemed to have always referred to "listed holding company".

3.4. These amendments are expected to facilitate Ease of Doing Business relating to Related Party Transactions ("RPT") provisions under LODR, without compromising investors protection.

3.5. The proposals were earlier deliberated in Advisory Committee on Listing Obligations and Disclosures (ACLOD), pursuant to which public consultation was undertaken by SEBI through a consultation paper dated August 04, 2025. The recommendations of ACLOD and feedback on the consultation paper have been considered in these proposals.

4. Amendments to SEBI (Foreign Portfolio Investors) Regulations, 2019 to facilitate ease of doing business for Foreign Portfolio Investors (FPIs) based in International Financial Services Centres (IFSCs)

4.1. With the objective of enhancing the ease of doing business for Foreign Portfolio Investors (FPIs) operating from IFSCs, the SEBI Board has approved the following:

4.1.1. Registration of Retail Schemes as FPIs - Currently, Alternative Investment Funds in IFSCs with a resident Indian sponsor or manager are permitted to register as

FPIs. Expanding this framework, the Board has now approved a proposal to also allow retail schemes in IFSCs with a resident Indian sponsor or manager, to register as FPIs.

4.1.2. Alignment of Contribution Limits with IFSCA Regulations - Hitherto, the limits on sponsor contribution by resident Indian non-individuals in funds set up in IFSC, as specified by SEBI and IFSCA, were at variance, leading to the risk of non-compliance by such entities. To address this, the Board approved a proposal to amend SEBI FPI Regulations 2019, so that such sponsor contributions shall now be subject to a maximum of 10% of corpus of the Fund (or AUM, in case of retail schemes).

4.2. Operationalization of Investment by Indian Mutual Funds in Overseas MFs/UTs - SEBI, via its circular dated November 4, 2024, permitted Indian mutual fund schemes to invest in overseas Mutual Funds or Unit Trusts (MFs/UTs) that have exposure to Indian securities, subject to specified conditions. In order to operationalise this framework, the Board approved amendments to the FPI Regulations 2019, so that overseas MFs/UTs registering as FPIs shall now be permitted to include Indian mutual funds as constituents, subject to the conditions of the aforementioned circular.

5. Proposals to give regulatory fillip to Accredited Investors to AIFs to facilitate ease of doing business

5.1. To enhance ease of doing business for Alternative Investment Funds (AIFs), the Board approved the following proposals:

5.1.1. Introduction of a separate category of AIF schemes, limited exclusively to Accredited Investors only (AI-only schemes), and offering the scheme specific regulatory flexibilities in terms of less compliance around investor protection.

5.1.2. Extension of additional relaxations and operational flexibilities to Large Value Funds (LVFs) for accredited investors.

5.1.3. Provision for existing eligible AIF schemes to opt into AI-only or LVF classification, thereby availing associated benefits, subject to conditions prescribed by SEBI.

5.2. Rationale for Using Accreditation as a Measure of Investor Sophistication - The Board noted that AIFs are intended for sophisticated risk-aware investors, and the current reliance on a minimum commitment threshold as a proxy for investor sophistication may be inadequate. In contrast, accreditation status, based on an independently validated framework using objective parameters and investor acknowledgement, offers a more robust and reliable measure of an investor's ability to understand and bear investment risks.

5.3. Glide Path for Transition to Accreditation-Based Eligibility - Recognizing that an immediate shift to accreditation-based eligibility could disrupt the existing AIF ecosystem, the Board approved a glide path approach:

5.3.1. AIF schemes may continue onboarding investors based on the existing minimum commitment threshold.

5.3.2. Concurrently, a new category of AI-only schemes will be introduced.

5.3.3. To promote the adoption of accreditation, additional flexibilities will be granted to AI-only schemes, encouraging their proliferation within the ecosystem. Some key relaxations for AI-only schemes include exemption from pari-passu treatment to investors, and extension of tenure up to 5 years (as opposed to 2 for regular schemes).

5.3.4. AI-only schemes will not have any cap on the number of investors. In regular AIF schemes, the extant limit of 1,000 investors will apply only in respect of non-AIs.

5.4. Flexibilities for LVFs - LVFs, being AI-only schemes by definition, can avail all the regulatory flexibilities extended to AI-only schemes. Given that LVF investors are accredited and contribute significantly larger investments, the Board approved further relaxations specific to LVFs, including exemptions from requirements such as the Standard Template for Private Placement Memorandum (PPM) and PPM audits.

5.5. Reduction in Minimum Investment Threshold for LVFs –

5.5.1. The Board also approved the reduction of minimum investment threshold for LVFs from INR 70 crore to INR 25 crore. This is expected to attract substantial risk capital under a lighter regulatory regime, facilitating greater capital formation.

5.6. SEBI had issued consultation papers on August 8, 2025, seeking public feedback on the above. The proposals received broad public support. SEBI has incorporated relevant suggestions and recommendations from its Alternative Investment Policy Advisory Committee (AIPAC) during the consultation process.

5.7. These initiatives align with SEBI's long-term vision of ensuring that sophisticated investors with necessary risk appetite and understanding, efficiently fund good quality capital raising by entrepreneurs and risk-takers.

6. Proposal to introduce the "Single Window Automatic and Generalised Access for Trusted Foreign Investors (SWAGAT-FI)" framework for FPIs and FVCIs

6.1. The Board approved the introduction of the Single Window Automatic & Generalised Access for Trusted Foreign Investors (SWAGAT-FI) framework for FPIs and Foreign Venture Capital Investors (FVCIs) with the following objectives:

6.1.1. Facilitate easier investment access for objectively identified and verifiably low-risk foreign investors.

6.1.2. Enable a unified registration process across multiple investment routes for these entities.

6.1.3. Minimize repeated compliance requirements and documentation for such investors.

6.2. Purpose and Benefits - The SWAGAT-FI framework aims to unify, streamline, and standardize access for select categories of foreign investors who meet specified eligibility criteria. This initiative seeks to reduce regulatory complexity, simplify compliance, and enhance India's global competitiveness as an investor-friendly destination.

6.3. Eligible Categories of SWAGAT-FIs - Foreign investors eligible for identification as SWAGAT-FIs include:

6.3.1. Government and Government-related investors, such as central banks, sovereign wealth funds (SWFs), international or multilateral organizations/agencies, and entities controlled or at least 75% owned (directly or indirectly) by such entities.

6.3.2. Appropriately regulated Public Retail Funds (PRFs) with diversified investors and investments, managed independently and regulated by their home jurisdiction, including:

6.3.2.1. Mutual funds and unit trusts open to retail investors, operating as blind pools with diversified investments and independent investment managers.

6.3.2.2. Insurance companies investing proprietary funds without segregated portfolios.

6.3.2.3. Pension funds regulated in their home jurisdictions.

6.4. Registration and Eligibility - Eligible FPI applicants may opt for SWAGAT-FI identification at the time of initial registration. Existing FPIs meeting eligibility criteria

may also convert to SWAGAT-FI status. SEBI will publish jurisdiction-wise lists of eligible fund structures based on a trust-but-verify approach aligned with the exemptions under the Additional Disclosure Framework dated August 24, 2023.

6.5. Relaxations for SWAGAT-FIs - SWAGAT-FIs will be entitled to the following relaxations:

6.5.1. Option to register as FVCI without additional documentation, if already registered or applying as FPIs.

6.5.2. Exemption from the FVCI Regulation requiring at least 66% investment in eligible unlisted assets.

6.5.3. Registration validity, KYC review, and fee payment (USD 2,500) to be applicable for a 10-year block instead of the standard 3-year cycle.

6.5.4. Exemption from the 50% aggregate contribution cap applicable to Non-Resident Indians, Overseas Citizens of India, and Resident Indian individuals in FPIs.

6.5.5. Option to use a single demat account for holding all securities acquired as FPI, FVCI, or foreign investor units, with systems in place to ensure proper tagging and identification across channels.

6.6. Implementation Timeline - Given the necessary system and process modifications, a six-month timeframe has been provided for the full implementation of the SWAGAT-FI framework.

7. Launch of 'India Market Access' Website for FPIs

7.1. The Board noted the launch of a new website titled **'India Market Access'** (www.indiamarketaccess.in), developed as a dedicated platform for current and prospective FPIs.

7.2. During SEBI's interactions and roadshows with global investors, FPIs highlighted difficulties in navigating India's regulatory landscape, citing the challenge of

accessing information spread across different regulations and institutions. The lack of a centralized platform often made compliance processes difficult to comprehend.

7.3. To address a long-standing demand for a streamlined and consolidated source of regulatory and procedural information, a single-window digital platform- 'India Market Access'- has been developed. This portal serves as a 360° digital gateway to facilitate seamless entry and ongoing compliance for foreign investors in India's securities markets.

7.4. The website is a unified initiative by India's Market Infrastructure Institutions (MIIs) - National Stock Exchange, Bombay Stock Exchange, Indian Clearing Corporation Ltd., NSE Clearing Ltd., Central Depository Services (India) Ltd. and National Securities Depository Ltd. This effort has been undertaken with the guidance of SEBI.

7.5. The website offers comprehensive, user-friendly resources, including:

7.5.1. Step-by-step guidance for new FPI registration via the Common Application Form (CAF)
7.5.2. Advisory on required documentation for accessing Indian markets as an FPI
7.5.3. Applicable SEBI and RBI regulations for FPIs
7.5.4. Guidelines on taxation and repatriation procedures
7.5.5. Information on roles and responsibilities of key market participants in the FPI ecosystem.

8. Facilitating enhanced participation of Mutual Funds in Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs)

8.1. The Board approved the amendments to SEBI (Mutual Funds) Regulations, 1996 for inter- alia re-classifying REITs as "equity" and retaining the "hybrid" classification for

the InvITs, for the purpose of investments by Mutual Funds and Specialized Investment Funds.

8.2. The re-classification was proposed, inter-alia considering the characteristics of REITs i.e., being more inclined towards equity, relatively more liquid, and to ensure alignment with global practices. InvITs, on the other hand being products primarily privately placed with more stable cash flows and having lesser liquidity, the hybrid classification was proposed to be retained.

8.3. Pursuant to the re-classification of REITs, investment by Mutual Funds shall be considered within the investment allocation limit for equity instruments and also make them eligible for inclusion in equity indices, thereby enabling enhanced investment by Mutual Fund schemes in REITs. Further, as a result of equity classification of REITs, the existing investment limit applicable for both REITs and InvITs would now be exclusively available for InvITs, thereby facilitating growth in this segment also.

8.4. The aforementioned proposals were prepared factoring in feedback received in public consultation in April 2025, and detailed deliberations with MFAC, concerned industry associations and stakeholders.

9. Facilitating enhanced investor protection and financial inclusion in the Mutual Fund space

9.1. With a view to enhance investor protection and promote financial inclusion while ensuring a more transparent and sustainable incentive structure for Mutual Fund distributors, the Board, inter alia, approved the following proposals:

9.1.1. Reduction of maximum permissible exit load from 5% to 3%;

9.1.2. Revision of incentive structure for distributors for new inflows to mutual fund industry from B-30 cities (Beyond top 30 cities);

9.1.3. Introduction of an incentive structure for distributors for on-boarding new women investors

9.2. The present regulatory framework for Mutual Funds (MFs) permits mutual fund schemes to charge a maximum exit load of 5%, which gets credited back to the scheme. However, Mutual Funds generally charge exit loads in the range of 1% to 2%. Hence, reducing the maximum exit load would align the regulatory requirement with the prevailing industry practice. Setting the maximum cap at 3% was found appropriate so as to strike a better balance between investor protection and flexibility for schemes having exposure to less liquid securities.

9.3. Regarding the incentive to the distributors for inflows from B-30 cities, it has been decided to revise the incentive structure and provide incentive to distributors only for investment/inflows from new individual investors (new PAN) from B-30 cities. The incentive will be provided to the distributor for new investor at the industry level and such incentive shall be capped at 1% of the first application amount (in case of lumpsum investment) or total investment during the first year (in case of SIP) subject to a maximum of INR 2000/-.

9.4. Considering the scope of gender inclusion in the Mutual Fund space, it was decided to incentivize distributors to create awareness and promote financial inclusion among women investors. Additional commission shall be paid to distributors for investment/inflows from new women individual investors (new PAN) at the industry level. The computation and payment of such commission shall be on the same lines as for B-30 incentive.

9.5. The aforementioned proposals were placed before the Mutual Fund Advisory Committee in January 2023. Thereafter, a consultation paper was issued in May 2023 for public comments. Further, in order to ensure alignment with the view of the industry, the proposals were also discussed with industry stakeholders in July 2025 and based on the feedback from the industry the above proposals were finalized and placed before the Board for consideration.

10. Measures for Ease of Doing Business for entities having listed non-convertible securities - Review of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

10.1. The Board considered and approved the proposal of amending the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to provide that, entities having listed non-convertible securities can send a letter providing the web-link to access the annual report to those holder(s) of non-convertible securities who have not registered their email id. The entity may at its discretion include a static Quick Response Code in the letter to access the annual report. This will relax the requirement of sending hard copy of annual report and thereby reduce costs, enhance efficiency of operations and align the requirements for entities having listed non-convertible securities with that for entities with listed specified securities.

10.2. Further, Board approved that timelines may be specified for entities having listed non-convertible securities, for sending the annual report to the holders of non-convertible securities, stock exchange and debenture trustee, as per provisions of Companies Act, 2013 or the provisions of the statute/ Act of Parliament under which such entity is constituted. Currently, under Section 136 of the Companies Act, 2013, notices and other documents must be sent at least 21 days before the Annual General Meeting (AGM).

10.3. The said proposal was also placed for public comments and for consideration of the advisory committee (Corporate Bonds and Securitization Advisory Committee) members. They were in agreement that such measures shall facilitate ease of doing business for issuers of non-convertible securities.

11. Expanding the scope of "Strategic Investor" for Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs) to facilitate wider investor participation

11.1. The Board considered and approved the proposal of amending SEBI (Infrastructure Investment Trusts) Regulations, 2014 and to SEBI (Real Estate Investment Trusts)

Regulations, 2014 to widen the investor base for applying under the Strategic Investor category in a public issue of units of the InvIT / REIT. This will promote ease of doing business by enabling InvITs / REITs to attract capital from more investors under the Strategic Investor category.

11.2. The concept of Strategic Investor was introduced in the InvIT Regulations / REIT Regulations to enable the InvIT / REIT to have strategic investors in the issue, prior to making an offer of units to instil confidence in the public issue. Prior to the amendment, many regulated institutional investors like public financial institutions, insurance funds, provident funds, pension funds, etc. who make investments in units of InvITs and REITs were unable to participate as Strategic Investor.

11.3. Post amendment, Strategic Investor will additionally include the following entities:

11.3.1. All Qualified Institutional Buyers which, inter-alia, include public financial institutions; provident funds and PFRDA registered pension funds with minimum corpus of Rs. 25 crores, alternative investment fund, state industrial development corporation, etc;

11.3.2. Family trust and intermediaries registered with board with a net worth of more than Rs. 500 crores; and

11.3.3. Middle layer, Upper layer & Top layer Non-Banking Finance Companies registered with the Reserve Bank of India.

11.4. The above proposal to the Board was made after public consultation undertaken vide consultation paper issued on August 01, 2025, and based on the recommendations of the Hybrid Securities Advisory Committee of SEBI and public feedback.

12. Improving regulatory outreach and regulatory response of SEBI by establishing adequate physical local presence at various State Capitals / Cities in India

12.1. In light of increasing investor population and evolving investor demographic across the breadth of the country, the Board deliberated on enhancing SEBI’s presence and decided to establish Local Offices at State Capitals and other major cities in a phased

and graded manner. In the first Phase, the major Cities where SEBI intends to establish local offices are Chandigarh, Jaipur, Lucknow, Guwahati, Bhubaneswar, Vijayawada, Hyderabad and Bengaluru. Other states and major cities would be considered in subsequent phases.

12.2. Currently, Investor Service Centers (ISCs) established by Stock Exchanges at various locations across India provide services to handle investor grievances as well as undertake investor awareness activities. These activities are augmented by SEBI through digital presence of its officers. However, there is a need for deeper, next-level engagement for comprehensive developmental and regulatory support on the ground.

12.3. The proposed setting up of local offices would enable SEBI to enhance its connect with investors, intermediaries and issuers, particularly SMEs, Start-ups, REITs, Non-profits (for listing on Social Stock Exchanges) etc., apart from improving its ability to monitor unregulated activities and gathering market intelligence at the local level.

12.4. Presently, apart from its Head Office at Mumbai, SEBI has regional offices operating out of Ahmedabad, New Delhi, Kolkata and Chennai and a local office at Indore.

13. Review of Regulatory Framework for Registrars to an Issue and Share Transfer Agents

13.1. The Board approved the proposal for review of regulatory framework for Registrars to an Issue and Share Transfer Agents (“RTAs”) and introduction of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 in place of SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993. In this regard, the Board also approved consequential amendments to certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

13.2. Major changes to the regulatory framework include the following:

13.2.1. Introduction of activity-based regulations for RTAs- Considering that only listed and proposed to be listed companies fall under the regulatory purview of SEBI, it has been decided to introduce activity based regulations for RTAs, wherein

only the services provided by RTAs to listed companies will fall under SEBI's regulatory purview. RTAs who wish to provide services to both listed and unlisted companies and continue to be registered with SEBI, may provide services to unlisted companies through a Separate Business Unit (SBU) with a disclaimer that this is not a SEBI regulated activity.

13.2.2. (a) Doing away with categorization of RTAs, (b) Introduction of common definition for RTAs in place of existing separate definition for Registrars to an Issue as well as Share Transfer Agents and (c) Net-worth requirement for RTAs (d) Revision in fee structure for RTAs- Due to decrease in functions undertaken by RTAs over years, it has been decided to remove the categorization of RTAs as the services provided by a Category-II RTA may as well be provided by a Category-I RTA. In view of the same, it has also been decided to introduce common definition for RTAs, revised net worth and fee structure for RTAs.

13.2.3. Inclusion of securities premium for the purpose of computation of net-worth of RTAs (Ease of Doing Business)- In line with the definition of net worth as per the Companies Act, 2013, and to align the definition of net worth for RTAs with the same, it has been decided that securities premium shall be considered part of net worth for RTAs.

13.2.4. Introduction of institutional mechanism for RTAs - RTAs shall have institutional mechanism encompassing senior management oversight, robust surveillance systems, escalation & reporting mechanisms and whistle blower policy aimed at preventing and detecting fraud.

13.3. The proposed changes are expected to bring in regulatory changes commensurate with the continually evolving nature of the business of RTAs.

13.4. The above proposals were deliberated in the Intermediary Advisory Committee and consultation was carried out with stakeholders and public. The said proposals have factored in the feedback received in the public consultation undertaken in August 2025.

14. Proposals for Ease of Doing Business (EoDB) for Investment Advisers and Research Analysts

14.1. The Board approved the proposal for amendments to the Securities and Exchange Board of India (Investment Advisers) Regulations, 2013 and Securities and Exchange Board of India (Research Analysts) Regulations, 2014 and issuance of circular(s) thereunder for simplifying, easing and rationalizing the compliance requirements for Investment Advisers ('IAs') and Research Analysts ('RAs') and facilitating the development of the profession of investment advisory and research services.

14.2. Major changes to the regulatory framework include the following:

14.2.1. Permitting IAs and RAs to provide past performance to clients- IAs and RAs may provide past performance data in a template to be decided in consultation with the industry standard forum and which has been certified by a member of ICAI/ICMAI to clients (including prospective clients), seeking such data, in one-to-one communication only. This relaxation is provided only for a period of two years from the date of operationalization of Past Risk and Return Verification Agency (PaRRVA).

14.2.2. Allowing IAs to provide second opinion to clients on pre-distributed assets- IAs may provide second opinion to clients on assets under pre-distribution arrangement and charge Asset Under Advice (AUA) based fee on such assets within the specified limit of 2.5% of asset value per annum. IAs shall disclose to client about incidence of dual charges i.e. advisory fee and cost towards distributor's commission on such assets and shall seek annual consent from client for providing second opinion and charging such fees.

14.2.3. Easing the compulsory corporatization process for IAs- The timelines for individual IA to convert into non-individual IA upon reaching the specified threshold has been extended. Further, during the transitioning period, IAs may add new clients and receive additional fee from clients beyond the threshold of rupees three crores.

14.2.4. Relaxation in education criteria for IAs and RAs- A graduate in any stream shall be

eligible to register as IA/RA. Such applicant shall need to obtain specified certifications from NISM.

14.2.5. Relaxing the requirement of furnishing of proof of address - There shall be no requirement to furnish proof of address while seeking registration as IA/RA. However, the applicants shall continue to disclose address and furnish proof of identity.

14.2.6. Relaxing the requirement of furnishing of CIBIL report, Net worth/ Asset Liability statement, infrastructure details - An applicant shall not be required to submit CIBIL report (as that can be verified by SEBI), Net worth/Asset Liability statement, infrastructure details for seeking registration as IA/RA. They shall continue to provide relevant declarations.

14.3. The proposed changes are expected to ensure ease of entry for willing and qualified persons in the registered IA/RA space, support the development of the profession and simplify the compliance for registered IAs/RAs.

14.4. Consultation was carried out with stakeholders and public on the above proposals in August 2025. The feedback received in the public consultation has been factored in.

15. Review of provisions relating to strengthening Governance of Market Infrastructure Institutions (MIIs) in order to instil a culture that prioritizes regulatory and operational excellence in public interest at both the Governing Board and operating levels of MIIs

15.1. In order to instil a culture that prioritizes regulatory and operational excellence in public interest at both the Governing Board and operating levels of MIIs, SEBI Board approved the following:

15.1.1. Appointment of two EDs of appropriate stature and independence as Heads of Vertical 1 and Vertical 2 who would also serve on the Governing Board of the MII,

15.1.2. Defining roles and responsibilities of MD, EDs, and Specific KMPs (CTO, and CISO),

15.1.3. Norms for directorships of MDs and the proposed EDs of an MII in other companies.

15.2. To ensure orderly functioning and development of the securities market, it is crucial that MIIs give priority to, and are seen to give priority to, public interest (represented by Vertical 1 - Critical Operations, and Vertical 2 - Regulatory, Compliance, Risk Management, and Investor Grievances, of the MII) over commercial interests and business development (Vertical 3). The Board approved the following:

15.2.1. Appointment of Two Executive Directors (EDs) to the Governing Board:

15.2.1.1. Mandating the appointment of two EDs, each heading "Vertical 1: Critical Operations" and "Vertical 2: Regulatory, Compliance, Risk Management, and Investor Grievances," as Key Management Personnel (KMPs) and will serve on the MII's Governing Board.

15.2.1.2. Such appointments will also strengthen the succession planning within MIIs.

15.2.1.3. While the EDs will report to the MD of the MII, the NRC of the Governing Board shall take inputs from the MD and the appropriate committee of the Governing Board in finalizing the appraisal of the EDs.

15.2.1.4. The process of appointment or removal of the EDs will mirror the extant process for the MD.

15.2.2. Defining Roles and Responsibilities: Clearly outlining the broad roles and responsibilities of the Managing Director (MD), the proposed EDs, and specific KMPs such as the Chief Technology Officer (CTO) and Chief Information Security Officer (CISO) and

15.2.3. Norms on Directorships: Establishing clear norms for the directorships of MDs and the proposed EDs of an MII in other companies.

15.3. Strengthening of governance of MIIs is imperative in the wake of exponential growth of securities markets in the recent years. Currently, there is significant gap in terms of stature and standing between the MD and the KMPs of Verticals 1 and 2 of the

MII. Further, the overall roles and responsibilities of the MD and the specific KMPs are not currently prescribed under the regulations and there are no norms regarding the directorships of MD (and the proposed additional EDs) in companies other than subsidiaries. Given the vital role MIIs play as first-line regulators and public utilities in the cause of capital formation, the abovementioned measures shall ensure that MIIs accord highest priority to public interest, technology and operations, and risk and compliance, over commercial considerations.

15.4. It may be recalled that a consultation paper on 'Provisions relating to Strengthening Governance of Market Infrastructure Institutions (MIIs)', was issued on June 24, 2025. The decisions have been taken after taking due consideration of the public comments received and deliberations in the Secondary Market Advisory Committee of SEBI.

Mumbai
September 12, 2025