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Amendments to strengthen securitised debt market

On 5 May 2025, SEBI Issue and Listing of Securitised Debt Instruments and Security Receipts (Amendment) Regulations, 2025, outlines amendments made by Securities Exchange Board of India (SEBI) to the existing regulatory framework, governing the issuance and listing of Securitised Debt Instruments (SDIs) and security receipts (SRs). Following is a summary of the key highlights:

Minimum ticket size: SEBI mandates a minimum investment threshold of INR1 crore for both issuance and transfer of SDIs, applicable to RBI-regulated originators and unregulated entities alike.

Mandatory dematerialisation: All SDIs must be issued and traded exclusively in dematerialised (demat) form, ensuring improved transparency and streamlined traceability.

Originator eligibility and risk retention: Originators must have a minimum of three years of operational track record. To align their interests with those of investors and promote market stability, they are also required to retain a portion of the securitised assets.

Public offer guidelines: Public offerings of SDIs must remain open for a minimum of three

days and no longer than ten days. Furthermore, all related advertisements must adhere to SEBI's regulations governing non-convertible securities, ensuring uniformity and safeguarding investor interests.

Expanded definition of debt: The definition of 'debt' has been broadened to include a wider array of financial assets such as equipment lease receivables, rental income streams, and trade receivables, provided they meet the specified eligibility criteria.

Enhanced disclosure and governance: Special Purpose Distinct Entities (SPDEs) and trustees are now required to submit half yearly reports to SEBI. Additionally, SEBI may specify reporting formats and disclosure requirements to support efficient oversight and enable automated data processing.

Operational restrictions and governance provisions: The amendments introduce stricter norms for liquidity facility providers and place limitations on the use of clean-up call options. Additionally, a reinforced code of conduct for SPDEs and trustees has been implemented to improve transparency and protect investor interests.

These comprehensive amendments are intended to strengthen the regulatory framework governing securitisation in India. They seek to enhance investor protection while aligning domestic practices with globally accepted standards.

[Source: SEBI Notification F. No. SEBI/LAD-NRO/GN/2025/247, Securities and exchange board of India (Issue and Listing of Securitised Debt Instruments And Security Receipts) (Amendment) Regulations, 2025; Dated 5 May 2025]





SEBI proposes streamlining QIP disclosures

On 2 May 2025, SEBI issued a consultation paper proposing the simplification and rationalisation of placement document requirements for Qualified Institutional Placements (QIPs). This initiative is part of SEBI's broader efforts to facilitate capital-raising for listed entities, while ensuring continued transparency and safeguarding investor interests.

Accordingly, SEBI has proposed to eliminate repetitive disclosures and recommends implementing the following changes:

- The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR Regulations) mandate comprehensive disclosures for QIPs to ensure that Qualified Institutional Buyers (QIBs) receive detailed insights into the issuer and the offering. However, this often leads to the creation of lengthy placement documents, with

significant overlap of information already available in the public domain- such as on stock exchange platforms or company websites. To address this, SEBI has proposed rationalising the disclosure requirements by eliminating redundant content and streamlining the documentation process.

- To ensure consistency and eliminate ambiguity, it is proposed to align the glossary used in placement documents with that of Initial Public Offers (IPOs) and Rights Issues, as outlined in Schedule VI.
- While disclosing risk factors, emphasise on material and issue-specific risks in disclosures, avoiding generic or boilerplate risk factors.
- Key financial metrics such as income, profit, Earnings per Share (EPS), and Net Asset

Value (NAV) should be summarised in the placement document, with reference to the audited financial statements filed with the stock exchanges instead of reproducing the full audited financial statements.

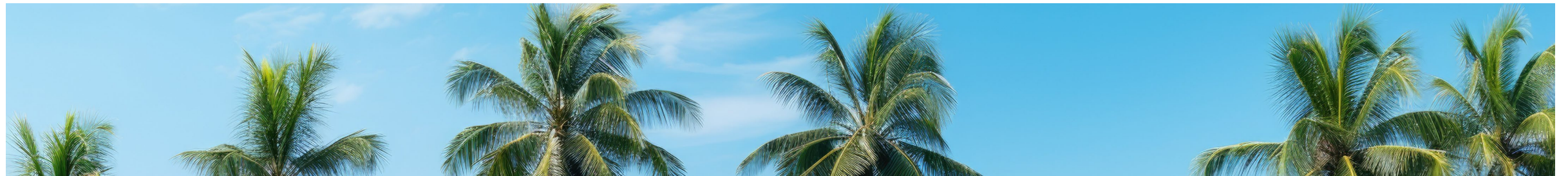
- The management discussion and analysis of financial condition and results of operations to be excluded from the placement document, as it is not a mandatory disclosure for other private placements such as rights issues and preferential allotments.
- Issuers conducting QIPs currently follow IPO disclosure norms under Schedule VI. Including full audited financial statements in the placement document may result in duplication, as these are already filed with the stock exchanges. Instead, a summary of key financial information can be provided, along with references to the audited reports. For QIPs marketed to foreign investors,

additional financial disclosures may be included to comply with international legal requirements, although such disclosures are not mandated under Schedule VII of the ICDR Regulations.

- Materiality thresholds from schedule VI for IPOs and rights issues may be applied to schedule VII disclosures on legal proceedings to ensure relevance and consistency.

The period for comment on the consultation paper ended on 23 May 2025.

[Source: SEBI Consultation paper on 'Rationalisation of placement document for Qualified Institutions Placement' dated 2 May 2025]





Revised disclosure and compliance framework for InvITs and REITs

To improve transparency, investor protection, and ease of doing business, SEBI issued two circulars on 7 May 2025, revising the disclosure and compliance framework for Infrastructure Investment Trusts (InvITs) and Real Estate Investment Trusts (REITs). These circulars aim to enhance the financial disclosures in offer documents, while also reinforcing continuous compliance and reporting standards. The circulars cover following amendments:

1. Review of disclosures of financial information in offer documents:

SEBI's circulars mandate InvITs and REITs to furnish uniform and detailed financial disclosures in their offer documents. The key provisions include the following:

- **Uniform financial statements:** Presentation of financial statements in a consistent format to enable easy comparison across various InvITs and REITs.
- **Key financial metrics:** Mandatory disclosure of key financial metrics such as

Net Asset Value (NAV), Earnings Before Interest, Taxes, Depreciation, and Amortisation (EBITDA), Debt Service Coverage Ratio (DSCR), and other indicators to provide a clear assessment of financial health.

- **Historical data:** Audited financial statements for the past three years should be disclosed.
 - **Pro forma statements:** Required in instances of recent acquisitions, mergers, or divestments to accurately reflect the updated financial position of the entity.
- ### 2. Continuous disclosures and compliances by InvITs and REITs:

SEBI's circulars reinforce ongoing disclosure and compliance standards to promote greater transparency and protect investor interests. Key provisions include following:

- **Timely financial reporting:** Quarterly and annual financial results must be submitted within prescribed timelines, accompanied by an audit report or a

limited review.

- **Material event reporting:** Key events like asset transactions, changes in credit ratings, or defaults on debt must be disclosed immediately.
- **Related party transactions:** All related party transactions (RPTs) must be disclosed, including details of the involved parties, the nature of the transaction, and its approval status.
- **Corporate governance standards:** Governance related compliance includes mandatory norms on board composition, functioning of audit committees, and other key governance practices.
- **Investor grievance mechanism:** A robust grievance redressal mechanism is mandated, including compulsory registration on SEBI's SCORES platform for effective complaint handling and resolution.

These circulars reflect SEBI's ongoing efforts to strengthen the regulatory framework for InvITs

and REITs, ensuring that investors have access to accurate and timely information for making well-informed decisions.

[Source: SEBI Circular No SEBI/HO/DDHS/DDHS-PoD-2/P/CIR/2025/63 and SEBI/HO/DDHS/DDHS-PoD-2/P/CIR/2025/64 on Review of - (a) disclosure of financial information in offer document / placement memorandum, and (b) continuous disclosures and compliances by Infrastructure Investment Trusts (InvITs) and REITs, dated 7 May 2025]





Proposed new formats for Non-Convertible Securities, Securitised Debt Instruments, and/or Commercial Papers

On 27 March 2025, SEBI issued an amendment to the LODR Regulations, introducing dedicated corporate governance provisions specifically for High Value Debt Listed Entities (HVDLEs). These provisions have been incorporated into Chapter VA of the LODR Regulations, which outlines specific reporting and disclosure requirements for HVDLEs. In this regard, on 21 May 2025, SEBI issued a proposal outlining the formats for disclosure of corporate governance norms by HVDLEs.

Some of the key proposed changes are:

- 1. Standardised formats:** Introduction of standardised formats for:
 - Annual secretarial compliance report (Annexure A) must be submitted within 60 days from the end of the financial year.
 - Corporate governance reports to be submitted quarterly, annually, and half-yearly must follow the format prescribed in Annexure B.
 - Disclosure of RPTs (Annexure C).
- 2. Standard format for explanatory statement:** The proposals mandate that

audit committees and debenture trustees review specific information prior to approving RPTs and issuing No-Objection Certificates for such transactions, respectively. Some of the details related RPTs to be provided includes:

- Transaction value, terms, tenure, and justification
 - Source and cost of funds, security, and end-use
 - Shareholders' approval required for material RPTs, with detailed disclosures in explanatory statements.
- 3. Omnibus approvals:** The proposal outlines the information that must be disclosed to shareholders when considering RPTs, along with the validity period of omnibus approvals granted by shareholders, which varies depending on where it was approved:
 - **AGM-approved:** Upto next AGM or 15 months (whichever is earlier).
 - **Other general meetings:** Valid for 1 year
 - 4. Governance and disclosure format:**
 - Annual affirmations must be submitted regarding board composition, committee

structure, and adherence to the LODR Regulations

- Half-yearly disclosures must be made regarding loans, guarantees, and securities provided to promoters, directors, and Key Managerial Personnel (KMPs).

The period for comments on the proposal ended on 30 May 2025.

[Source: [SEBI draft circular on Modification to Chapter VII of the Master Circular for listing obligations and disclosure requirements for Non-Convertible Securities, Securitised Debt Instruments and/ or Commercial Paper; dated 9 May 2025](#)]

FAQs on ICDR Regulations

On 15 May 2025, SEBI issued a set of Frequently Asked Questions (FAQs) pertaining to the ICDR Regulations. This document provides interpretative guidance and is intended to be read in conjunction with SEBI's official regulations and circulars. The FAQs are organised into 13 thematic sections, covering key topics such as various types of capital issues, offer document classifications, eligibility and procedural requirements, pricing mechanisms, book building processes, investor categories, and guidance on interpreting offer documents.

(Source: [SEBI FAQ's on Issue of Capital and Disclosure Requirements, Regulations 2018 \('ICDR Regulations'\)](#), dated 15 May 2025)





MCA issues key amendments to Ind AS 21

The Companies (Indian Accounting Standards) Amendment Rules, 2025, notified by the Ministry of Corporate Affairs (MCA) on 7 May 2025, introduced significant changes to Ind AS 21, The Effects of Changes in Foreign Exchange Rates. These revisions aim to clarify the accounting and disclosure requirements in situations where one currency cannot be exchanged for another.

Some key amendments included therein are:

- 1. Definition of exchangeability:** A currency is considered exchangeable if it can be acquired within a standard administrative timeframe through a market mechanism that establishes enforceable rights and obligations.
- 2. Assessment of exchangeability:** Entities must evaluate whether a currency is exchangeable as of the measurement date and in relation to a specific purpose, such as settling liabilities or translating foreign operations. Additionally, if only an insignificant amount of the other currency can be obtained, the currency is deemed non-exchangeable.

3. Estimating spot exchange rate: When a currency is not exchangeable, entities must estimate the spot exchange rate using either

- An observable rate such as one available for a different purpose or the first rate accessible after exchangeability is restored, or
- An alternative estimation technique

4. Disclosures required: Entities must disclose:

- Nature and financial implications of the currency's lack of exchangeability
- Spot exchange rates used and methods used to estimate them
- Risks associated with the inability to exchange the currency
- Affected transactions, assets, and liabilities.

[Source: Ministry Of Corporate Affairs Notification No G.S.R, 291(E), Companies (Indian Accounting Standards) Amendment Rules, 2025; dated 7 May 2025]

MCA extends timelines for CSR reporting

Rule 12 of the Companies (Accounts) Rules, 2014 requires companies obligated to form a Corporate Social Responsibility (CSR) Committee under Section 135(1) of the Companies Act, 2013 (2013 Act) to disclose their CSR activities through form CSR-2. On 31 December 2024, MCA had extended the deadline for filing Form CSR-2 for the financial year 2023-24 from 31 December 2024 to 31 March 2025 .

On 19 May 2025, the MCA notified the Companies (Accounts) Amendment Rules, 2025, amending Rule 12 of the Companies (Accounts) Rules, 2014 to extend this timeline from 31 March 2025 to 30 June 2025.

(Source: MCA notification G.S.R. 317(E),, dated 19 May 2025)



1. Vide MCA notification no G.S.R. 794(E), dated 31 December 2024.



Amendments to rules under Companies Act, 2013

On 30 May 2025, the MCA issued a series of important amendments to various rules under the 2013 Act, through multiple notifications. These changes are aimed at enhancing digital compliance, streamlining reporting formats, and strengthening statutory disclosures. The key amendments are:

1. Companies (Cost Records and Audit) Amendment Rules, 2025

This amendment introduces revised formats for reporting cost audit related information:

- **Form CRA-2:** Used for intimating the appointment of a cost auditor. The updated form now includes additional fields such as
 - Type of appointment (fresh or reappointment),
 - Confirmation of auditor's consent,
 - Declarations regarding compliance with applicable provisions.
- **Form CRA-4:** Used for filing the cost audit report. The revised version now requires:
 - Identification of the lead cost auditor in cases where multiple auditors are appointed,

- Disclosure of GNL-1 request details in situations involving AGM extensions.

2. Companies (Audit and Auditors) Amendment Rules, 2025

These rules introduced several important changes to strengthen audit-related compliance and reporting:

- **Mandatory electronic filing of fraud reports:** Reports of fraud committed by company officers or employees, previously submitted in physical form via Form ADT-4, must now be filed electronically, enhancing efficiency and traceability.
- **Updated form formats:** Revised versions of the following forms have been introduced to align with digital compliance standards:
 - Form ADT-1: Notice to the Registrar regarding the appointment of an auditor.
 - Form ADT-2: Application for removal of auditor(s) from office before the end of their term.
 - Form ADT-3: Notice of resignation submitted by the auditor.
 - Form ADT-4: Report of fraud submitted to the Central Government.

3. Companies (Accounts) Second Amendment Rules, 2025

These rules mandate electronic filing for several financial and disclosure-related forms:

- **e-Form AOC-1:** Statement presenting key financial details of subsidiaries, associate companies, or joint ventures.
- **e-Form AOC-2:** Disclosure of contracts or arrangements entered into with related parties.
- **e-Form AOC-4 / AOC-4 CFS:** Filing of standalone and consolidated financial statements.
- **e-Form AOC-4 NBFC (Ind AS) / AOC-4 CFS NBFC (Ind AS):** Filing of standalone and consolidated financials specifically for NBFCs under Ind AS.
- **e-Form CSR-2:** CSR report for companies covered under Section 135(1) of the 2013 Act.

In addition to filing the relevant financial statement forms such as AOC-4, AOC-4 CFS, AOC-4 XBRL, AOC-4 NBFC (Ind AS), or AOC-4 CFS NBFC (Ind AS), companies must also file extract of Board Report, extract of auditor's

report (Standalone) and extract of auditor's report (Consolidated), if applicable. Companies are now required to submit machine-readable extracts of the following documents, where applicable:

- The Board's Report
- The Auditor's Report (Standalone)
- The Auditor's Report (Consolidated)

These extracts must be filed in a structured e-Form format to facilitate enhanced regulatory analysis. Additionally, companies must continue to attach a digitally signed PDF copy of the complete financial statements, including the full Board's Report, Auditor's Report, and other supporting documents - particularly in the case of XBRL filings.

Furthermore, companies are required to give a declaration in their Board's Report regarding compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (PoSH Act). These rules now require companies to additionally include in their Board's Report:

2. General intimation letter (GNL)- 1 is used to seek approval for AGM extension.



Amendments to rules under Companies Act, 2013 (cont..)

- The total number of sexual harassment complaints received during the financial year
- The number of complaints resolved within the year
- The number of cases pending for over 90 days (as per PoSH Act)
- A statement of compliance with the Maternity Benefit Act, 1961.

4. Companies (Management and Administration) Amendment Rules, 2025

The MCA has issued revised formats for following forms to improve clarity and compliance in annual reporting:

- **Form MGT-7:** Annual return for companies other than One Person Companies (OPCs) and small companies.
- **Form MGT-7A:** Abridged annual return specifically designed for OPCs and small companies.
- **Form MGT-15:** Report on the proceedings of the Annual General Meeting (AGM).

5. Companies (Registration Offices and Fees) Amendment Rules, 2025

The amendment introduces a revised format

for **Form GNL-1**, which is used to file applications with the Registrar of Companies when no specific e-form is prescribed under the 2013 Act. The updated form now requires companies to furnish additional information, including the period of default, reasons for the default, and other relevant details, thereby enhancing the transparency and completeness of such filings.

6. Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Amendment Rules, 2025

The amendment introduces updated filing requirements under Rule 3 of the Companies (Filing of Documents and Forms in Extensible Business Reporting Language) Rules, 2014. A newly inserted sub-rule (1A) mandates that companies filing their financial statements in XBRL format must also attach a digitally signed PDF copy of the authenticated financial statements. This includes the Board's Report, Auditor's Report, and other relevant documents as specified under Section 134 of the 2013 Act.

Effective from 14 July 2025, these amendments collectively reflect the MCA's ongoing commitment to digitisation, greater

transparency, and strengthened regulatory compliance across corporate filings and disclosures.

(Source: (1) MCA notification G.S.R. 361(E). dated 30 May 2025; (2) G.S.R. 359(E)., dated 30 May 2025; (3) G.S.R. 357(E). dated 30 May 2025; (4) G.S.R. 358(E). dated 30 May 2025; (6) G.S.R. 360(E). dated 30 May 2025; G.S.R. 371(E)., dated 30 May 2025)





IFRS foundation issues its 12th compilation of agenda decisions

The International Financial Reporting Standard (IFRS) Foundation has published the 12th Compilation of Agenda Decisions issued by the IFRS Interpretations Committee, covering the period from November 2024 to April 2025.

This compilation presents four agenda decisions:

- Guarantees provided for the obligations of other entities
- Revenue recognition from tuition fees under IFRS 15, *Revenue from Contracts with Customers*

- Classification of cash flows related to variation margin calls on 'Collateralised-to-Market' contracts under IAS 7, *Statement of Cash Flows*
- Recognition of climate-related intangible assets in accordance with IAS 38, *Intangible Assets*.

[Source: [ifrs.org>>news and events>> "Compilation of Agenda Decisions – Volume 12 published", dated 7 May 25\]](https://www.ifrs.org/news-and-events/2025/05/25/compilation-of-agenda-decisions-volume-12)

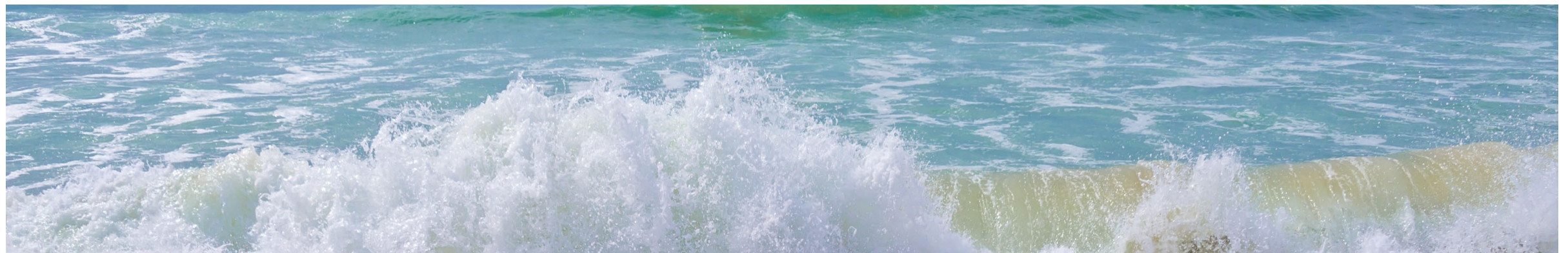
ISAE 3410 withdrawn by IAASB following the introduction of ISSA 5000

The International Accounting Standards Board (IAASB) has formally approved the withdrawal of International Standard on Assurance Engagements (ISAE) 3410, Assurance Engagements on Greenhouse Gas Statements. This move follows the 2024 approval of International Standard on Sustainability Assurance (ISSA) 5000, General Requirements for Sustainability Assurance Engagements.

ISSA 5000 is a comprehensive standard that governs assurance engagements for all types of sustainability-related information, including

greenhouse gas emissions, regardless of the reporting format. It becomes effective for reporting periods beginning on or after 15 December 2026, or as at specific date on or after 15 December 2026. Consequently, ISAE 3410 will be withdrawn as of the effective date of ISSA 5000.

[Source: [www.iaasb.org >> news and events>> IAASB Announces Withdrawal of ISAE 3410 for Assurance Engagements on Greenhouse Gas Statements, dated 8 May 2025\]](https://www.iaasb.org/news-and-events/2025/05/08/iaasb-announces-withdrawal-of-isae-3410-for-assurance-engagements-on-greenhouse-gas-statements)





IFRS foundation and IAASB publishes revised guidance on going concern

The IFRS Foundation on 13 May 2025, published an updated version of its educational material to support the consistent application of IFRS Accounting Standards in assessing going concern. Originally released in 2021, the revised edition incorporates recent developments, including:

- The issuance of IFRS 18: Presentation and Disclosure in Financial Statements by the IASB,
- The removal of outdated references, and
- The addition of references to ISA 570 (Revised 2024) Going Concern, approved by the IAASB in December 2024.

The IAASB issued a new Frequently Asked Questions (FAQ) document on 14 May 2025, to support stakeholders in implementing the revised International Standard on Auditing (ISA) 570 (Revised 2024) Going Concern. This FAQ addresses key questions related to the updated auditor reporting requirements, particularly within the sections titled Going Concern or Material Uncertainty Related to Going Concern. The FAQ also includes an illustrative example of an auditor's report, demonstrating how an auditor might describe their evaluation of

management's going concern assessment. The guidance becomes effective for audits of financial statements for periods beginning on or after 15 December 2026.

(Source: [IFRS.org>>news and events>> IFRS Foundation updates going concern educational material to reflect latest developments, dated 13 May 2025](https://www.ifrs.org/news-and-events/2025/05/13/ifrs-foundation-updates-going-concern-educational-material-to-reflect-latest-developments/); [IAASB.org>>news and events>> New FAQ on Going Concern Now Available from IAASB, dated 14 May 2025](https://www.iaasb.org/news-and-events/2025/05/14/new-faq-on-going-concern-now-available-from-iaasb/))

Updated ITR-U Form released with extended deadline for filing

The Ministry of Finance, through a notification dated 19 May 2025, has introduced the Income-tax (Nineteenth Amendment) Rules, 2025, revising the Income-tax Rules, 1962. A key highlight of this amendment is the introduction of an updated Form ITR-U, used for filing revised returns under Section 139(8A) of the Income-tax Act, 1961.

The revised ITR-U form enables taxpayers to correct errors or omissions in previously filed returns with certain exceptions. Further, the

filing window has also been extended to 48 months from the end of the relevant assessment year compared to erstwhile period of 24 months. New graded tax rates apply for delayed filings basis year in which it is filed.

Effective date for these changes is 19 May 2025.

(Source: Ministry of Finance, Central Board of Direct Taxes, Notification no 49/2025, G.S.R. 322(E), dated 19 May 2025)





Draft framework for India's climate finance taxonomy

To strengthen its climate action agenda, the Government of India has released a draft framework for India's climate finance taxonomy. Announced as part of the Union Budget 2024–25, this initiative is designed to direct financial resources toward climate adaptation and mitigation efforts. It supports India's long-term vision of becoming a developed nation by 2047 (Viksit Bharat) and achieving Net Zero emissions by 2070.

Key highlights of the draft climate finance taxonomy:

- **Objective:** The taxonomy encompasses activities related to climate mitigation, adaptation, and transition, with a particular focus on hard-to-abate sectors such as steel and cement.
- **Covered sectors:** The framework includes a wide range of sectors critical to India's climate goals like power and energy, mobility and transport, buildings and construction, agriculture and food systems, water security, iron, steel, and cement industries.
- **Approach:** The taxonomy adopts a hybrid model, integrating both qualitative principles and quantitative thresholds. It will be

implemented through a phased rollout, with provisions for regular updates to reflect evolving climate and financial priorities.

This taxonomy is set to become a foundational element of India's sustainable finance landscape, helping to align capital flows with the country's climate objectives and developmental aspirations. The period for comments on the draft framework ended on 25 June 2025.

[Source: The department of Economic Affairs: Press Communique, 'India Climate Finance Taxonomy', dated 07 May 2025]





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Feedback/queries can be sent to in-fmcontact-us@bsraffiliates.com

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