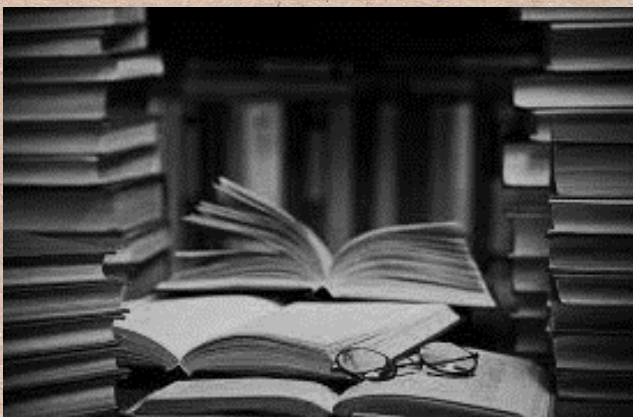


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Sub Judice: "being studied or decided in a law court at the present time"



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SEBI UPDATES

SEBI REVISES FRAMEWORK FOR SOCIAL STOCK EXCHANGE

Securities and Exchange Board of India ("SEBI"), *vide* its circular dated September 19, 2025, has revised its Social Stock Exchange ("SSE") Framework based on recommendations of the SSE Advisory Committee and public feedback. The revised SSE framework has amended the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**ICDR Regulations**") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR Regulations**").

The circular sets out that Not for Profit Organizations ("**NPOs**") seeking registration with SSE in terms of the ICDR Regulations must be registered as a charitable trust, trust, charitable society or a company registered under Section 8 of the Companies Act, 2013 ("**Companies Act**").

The new SSE framework also requires NPOs to make detailed annual disclosures on governance, financial and other general aspects within the time periods more specifically detailed in the circular. Further, social enterprises raising funds using SSE are required to provide duly assessed Annual Impact Report ("**AIR**") to SSE, which shall be assessed by Social Impact Assessors. The deadline for submitting AIR to SSE is October 31 of every year or before the due date of filing the income tax return as prescribed under the Income Tax Act, 1961, whichever is later.

To read the circular [click here](#)



SEBI NOTIFIES THE SEBI (ALTERNATIVE INVESTMENT FUNDS) (SECOND AMENDMENT) REGULATIONS, 2025

SEBI, *vide* its notification dated September 8, 2025, has notified the SEBI (Alternative Investment Funds) (Second Amendment) Regulations, 2025 ("**AIF Amended Regulations**"), thereby amending the SEBI (Alternative Investment Funds) Regulations, 2012 ("**AIF Regulations**"). The AIF Amended Regulations define and establish a framework for co-investment schemes by adding Regulation 17A which lays down the conditions for co-investment by category I and II Alternative Investment Funds ("**AIFs**"). A significant overhaul has also been made to the treatment of angel funds, which are now classified under category I AIFs. The angel funds are now permitted to raise capital exclusively from accredited investors.

In this regard, SEBI, *vide* its circular dated September 9, 2025 ("**Co-investment Circular**"), has laid down the framework for AIFs to make co-investment within the AIF structure under the AIF Regulations. This is in addition to the co-investment currently being facilitated to investors of AIFs through co-investment Portfolio Managers under the SEBI (Portfolio Managers) Regulations, 2020 ("**PMS route**"), with an aim to provide: (a) ease of doing business for AIFs; and (b) to permit category I and category II AIFs to offer co-investment facility to accredited investors by launching a separate co-investment scheme ("**CIV scheme**").

Additionally, SEBI, *vide* its circular dated September 10, 2025 ("**Revised Angel Fund Circular**"), introduces comprehensive overhaul in the regulatory treatment of angel funds, with the objective

of: (a) improving ease of doing business; (b) enhancing risk reduction; and (c) providing operational clarity to angel funds.

The AIF Amended Regulation read with the Co-investment Circular and Revised Angel Fund Circular lays down the following framework:

(a) Conditions for co-investment by category I and II AIFs:

The AIF Amended Regulations have introduced a revised definition of 'co-investment', replacing the earlier "*co-investment means investment made by a Manager or Sponsor or investor of a Category I or II Alternative Investment Fund in unlisted securities of investee companies where such a Category I or Category II Alternative Investment Fund makes investment.*"

- (i) Co-investments by investors of category I or II AIFs are allowed only through 2 routes: either via a CIV scheme registered under the AIF Regulations or through a PMS route.
- (ii) Prior to offering any co-investment opportunity, the AIF manager shall file a shelf placement memorandum with SEBI by paying a filing fee of INR 1 lakh through a merchant banker, in the format prescribed in the Annexure of the Co-investment Circular. This memorandum shall include the principal terms of the co-investment, governance structure and applicable regulatory framework.
- (iii) For each co-investment opportunity, a separate CIV scheme shall be launched. Each CIV scheme is required to invest in only 1 investee company, cannot invest in units of other AIFs, and shall maintain distinct bank and demat accounts. Additionally, the assets of each CIV scheme shall be ring-fenced to ensure clear separation from other schemes.
- (iv) Only accredited investors of category I or II AIFs are eligible to invest in a CIV scheme. An investor who is excused, excluded, or has defaulted in contributing to an AIF scheme's investment in an investee company shall not be allowed to co-invest in that investee company.
- (v) Investors in CIV schemes are subject to a limit where their total co-investment in an investee company across all CIV schemes cannot exceed 3 times their commitment in the AIF scheme's investment in that company. However, this limit does not apply to certain exempted investors including multilateral or bilateral development financial institutions, state industrial development corporations, and government-owned or controlled entities such as sovereign wealth funds and central banks.
- (vi) Investors in a CIV scheme shall have pro-rata rights to both the investments made and the distribution of proceeds based on their contributions. However, a portion of the returns, such as carried interest or additional returns, may be allocated to the sponsor or manager of the AIF, or employees or directors, or partners of the manager of the AIF as an exception.

- (vii) The timing of exit from the co-investment in an investee company shall be identical to the exit of the AIF scheme from the investment in the investee company.
 - (viii) The terms of co-investment in an investee company by the manager or sponsor, or co-investor or CIV scheme shall not be more favourable than the terms of investment by the AIF.
 - (ix) The manager shall ensure that the CIV scheme does not make any investment that would: (A) result in its investors indirectly acquiring or holding an interest or exposure in an investee company that they are not permitted to acquire or hold directly; (B) trigger additional regulatory disclosure requirements had the investors invested directly, or (C) where the investee company is not eligible to receive investments directly from such investors.
 - (x) CIV schemes are prohibited from borrowing funds or engaging in any kind of leverage, either directly or indirectly.
 - (xi) Expenses related to the co-investment shall be shared proportionately between the AIF scheme and the CIV scheme in line with their respective investment ratios.
- (b) Revised regulatory framework for angel funds:
- (i) All existing angel funds shall be considered to be registered as category I AIF – Angel Funds, instead of being a sub-category under category I AIF – Venture Capital Funds.
 - (ii) Angel funds are permitted to raise capital exclusively from accredited investors through the issuance of units, without any minimum investment requirement, in the manner as may be specified by SEBI from time to time.
 - (iii) Angel funds are required to invest directly in the investee companies and are not permitted to launch co-investment schemes or any other schemes aimed at soliciting investments. Their investment focus shall remain on startups that are not promoted or sponsored by corporate groups with a turnover exceeding INR 300 crores. Each investment made by an angel fund shall include participation from at least 2 accredited investors. The primary focus of an angel funds is on startups, but they may make additional or follow-on investments in non-startup entities, provided they meet conditions specified by SEBI. The total investment by an angel fund in a single investee company shall not be less than INR 10 lakh and shall not exceed INR 25 crores.
 - (iv) Follow-on investments by angel funds are permitted only under specific conditions. These are allowed only if the post-issue shareholding of the fund in the investee company does not exceed its pre-issue shareholding. The total investment in an investee company including follow-on investments, shall not exceed INR 25 crores. Contributions towards follow-on investments can be accepted only from the original contributors on a pro-rata basis. If any portion of the rights remains unused, it may be offered to the remaining existing investors within the fund.

- (v) Angel fund investments are generally subject to a standard lock-in period of 1 year. However, this lock-in is reduced to 6 months in cases where the investment is sold to a third party, excluding transactions such as buy-backs or promoter buyouts. The applicability and enforcement of the lock-in period are also subject to the provisions in the articles of association of the investee company.
- (vi) Angel fund investors are entitled to pro-rata rights in both investments and returns. However, exceptions to this principle are permitted in cases where there are carried interest or profit-sharing arrangements agreed upon between an investor and the fund manager or sponsor.
- (vii) Angel funds are permitted to make overseas investments, provided they comply with applicable guidelines issued by the Reserve Bank of India ("RBI") and SEBI. The limit for overseas investments is capped at 25% of the fund's total investments, calculated at cost, as on the date of the application seeking approval for such investment.
- (viii) Sponsors and managers of angel funds are required to maintain a continuing interest in the fund amounting to at least 0.5% of the amount invested or INR 50,000, whichever is higher. All investment opportunities shall be transparently disclosed to all investors in the fund, and investments can only be made from those investors who explicitly approve each deal. Additionally, any investments involving related parties or existing portfolio companies shall be fully disclosed to investors at the time of seeking their approval.
- (ix) Filing of the term sheet with SEBI is no longer mandatory for angel funds; however, the fund shall be required to maintain the term sheet internally. Additionally, for each investment made, the fund shall include and maintain a detailed list of investors along with their respective contributions.

To read the AIF Amended Regulations [click here](#), to read the Co-investment Circular [click here](#) & to read the Revised Angel Fund Circular [click here](#) 

SEBI INTRODUCES AMENDMENTS TO INVIT REGULATIONS AND REIT REGULATIONS

SEBI, *vide* its notification dated September 1, 2025, has notified the SEBI (Infrastructure Investment Trusts) (Third Amendment) Regulations, 2025 ("**InvIT Amendment Regulations**") and the SEBI (Real Estate Investment Trusts) (Second Amendment) Regulations, 2025 ("**REIT Amendment Regulations**"), thereby amending the SEBI (Infrastructure Investment Trusts) Regulations, 2014 ("**InvIT Regulations**") and the SEBI (Real Estate Investment Trusts) Regulations, 2014 ("**REIT Regulations**"), respectively.

The key amendments include:

- (a) The definition of 'public' has been widened to mean any person other than: (i) the related party of the Infrastructure Investment Trusts ("**InvIT**")/ Real Estate Investment Trust ("**REIT**"),

its sponsor, or manager; or (ii) any other person as may be specified by SEBI. However, any person specified above, who is also a qualified institutional buyer in an offer, shall be considered as 'public'. It is also clarified that the sponsor, sponsor group, and manager of the InvIT/ REIT shall not be considered as public.

- (b) The minimum investment limit for privately placed InvITs has been reduced from INR 1 crore to INR 25 lakhs per investor. Further, the previous threshold of minimum investment of INR 25 crores for InvITs investing or proposing to invest not less than 80% of the value of the InvIT assets, in completed and revenue generating assets has been removed, making the INR 25 lakhs floor applicable uniformly.
- (c) The manager shall submit a report to the board of directors/governing board (*in case of InvIT*) or the trustee (*in case of REIT*) on the activity and performance of the InvIT/REIT, at least once every quarter, within such time as may be specified by SEBI for submission of quarterly financial results. Previously, a 30-day timeline from the end of every quarter was provided for such submission.
- (d) If the consolidated borrowings and deferred payments of an InvIT exceeds 49%, a quarterly valuation of the assets of InvIT shall be conducted by the valuer as at the end of the quarters ending June, September and December for incorporating any key changes from the previous quarter and such quarterly valuation report shall be submitted by the manager to the designated stock exchange(s) along with the quarterly financial results of the corresponding quarter. However, the InvIT shall not be required to submit the quarterly valuation report for the quarter ending on September 30th if such InvIT has submitted half yearly valuation as at the end of half year ending September 30th. In case of a REIT, half yearly valuation of the REIT assets shall be conducted by the valuer as at the end of the half-year ending on September 30th and such report shall be submitted by the manager along with the quarterly financial results for the quarter ending September 30th.
- (e) Under the InvIT Regulations/ REIT Regulations, 100% of the cash flows received by the holdco from underlying special purpose vehicles (SPVs) shall be distributed to the InvIT/REIT. However, the InvIT Amendment Regulations/ REIT Amendment Regulations state that if the net distributable cash flow generated by the holdco on its own is negative; the holdco may adjust it against the cash flows received from its underlying SPVs provided that it makes appropriate disclosures in this regard to the unitholders in such form and manner as may be specified by SEBI.
- (f) The manager of publicly offered InvIT shall submit a half yearly report to the designated stock exchange along with the quarterly financial results for the quarter ending September 30th. Further, the InvIT with consolidated borrowings and deferred payments above 49%, shall submit a quarterly report to the designated stock exchange(s) along with the quarterly financial statements for the quarters ending June, September, and December.

SEBI INTRODUCES SPECIAL PROVISIONS FOR DELISTING OF CERTAIN PUBLIC SECTOR UNDERTAKINGS

SEBI, *vide* its notification dated September 1, 2025, has notified the SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2025, thereby amending the SEBI (Delisting of Equity Shares) Regulations, 2021 ("**Delisting Regulations**") by inserting Part F (*Special provisions for delisting of public sector undertakings*) under Chapter VI of the Delisting Regulations.

The special provisions for delisting of public sector undertakings are as follows:

- (a) Applicability: The provisions of the Delisting Regulations will apply *mutatis mutandis* to delisting of public sector undertakings ("**PSUs**"), other than banks, non-banking financial companies and insurance companies, subject to certain additional conditions mentioned in point (b) below;
- (b) Additional conditions for delisting: PSUs may delist their equity shares from all the recognised stock exchanges where they are listed subject to: (i) the aggregate shareholding of the acquirer along with other PSUs equals to or exceeds 90% of the total issued shares of that class; (ii) delisting is approved by the shareholders by special resolution passed through postal ballot or e-voting and explanatory statement to the notice of such resolution contains full material facts in relation to such delisting; (iii) delisting is undertaken through the fixed price process; (iv) the floor price of the equity shares proposed to be delisted should meet the minimum pricing criteria as specified in the Delisting Regulations; (v) the delisting price shall be at least 15% higher than the floor price determined as per the minimum pricing criteria;
- (c) Voluntary strike-off post delisting: where a PSU whose equity shares have been delisted as per Part F of the Delisting Regulations undertakes voluntary strike-off under the applicable laws, and if such strike-off is effected after 1 year from the date of delisting but not later than 30 days from the expiry of such 1 year period, then such strike-off will be subject to the fulfilment of certain conditions such as: (i) the amount due to the remaining public shareholders who have not tendered their shares in the delisting process shall be transferred to specified account of the designated stock exchange, which shall hold such amount for a period of 7 years during which period the investors may claim the amount payable to them from the designated stock exchange; (ii) after completion of the 7 years period, such amount should be transferred to the Investor Education and Protection Fund established under the Companies Act, failing which the said amount should be transferred to SEBI's Investor Protection and Education Fund; and (iii) the investor may claim this payable amount from the designated stock exchange, which may claim reimbursement from the Investor Education and Protection Fund or Investor Protection and Education Fund, as the case may be, in accordance with the procedures specified by SEBI.

This notification will be applicable to the delisting offers where initial public announcement for the delisting has not been made.

SEBI RELAXES STOCK OPTIONS ELIGIBILITY PROVISIONS FOR EMPLOYEES IDENTIFIED AS PROMOTER IN THE DRAFT PROSPECTUS DURING IPO

SEBI, *vide* its notification dated September 8, 2025, has notified the SEBI (Share Based Employee Benefits and Sweat Equity) (Amendment) Regulations, 2025, thereby amending the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("**SEBI SBEB & SE Regulations**") by adding a new Regulation 9A to the SEBI SBEB & SE Regulations.

As per the new Regulation 9A, an employee who is identified as a promoter or part of the promoter group in the draft offer document filed by a company with SEBI in relation to an initial public offering ("**IPO**") and who was granted options, stock appreciation rights ("**SAR**") or any other benefit under any scheme at least 1 year prior to filing of the draft offer document, shall be eligible to continue to hold and/or exercise such options, SAR or any other benefit, in accordance with the terms and subject to compliance with the SEBI SBEB & SE Regulations and other applicable laws.

Under the SEBI SBEB & SE Regulations, a person who is a promoter or forming part of promoter group is not eligible for options, SAR or any other benefit. The amendment is intended to primarily benefit those employees who were founders of IPO bound startups and later on identified as promoter or forming part of promoter group during the IPO stage in the draft prospectus as they will be entitled to hold/exercise such benefits post listing of the company subject to compliance with the provisions of the aforesaid Regulation.

To read the notification [click here](#)



SEBI NOTIFIES THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) (SECOND AMENDMENT) REGULATIONS, 2025

SEBI, *vide* its notification dated September 8, 2025, has notified the SEBI (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2025 ("**ICDR Amendment Regulations**"), thereby amending the ICDR Regulations. The key amendments include:

- (a) The mandatory requirement for dematerialization of securities prior to filing of the offer document previously applicable only to promoters is now expanded to include promoter group, selling shareholder(s), directors, key managerial personnel, senior management, qualified institutional buyer(s), employees, shareholders holding superior rights equity shares, entities regulated by financial sector regulators, and any other categories of shareholders as maybe specified by SEBI from time to time.
- (b) Revisions in the definition of NPOs in relation SSE framework as discussed hereinabove under the article titled "*SEBI Revises Framework for Social Stock Exchange*". A new time-bound condition for NPOs has been prescribed that, within 2 years from the date of registration or such duration as may be specified by SEBI, the NPOs shall have at least 1 listed project for which funds have been raised through the SSE, failing which it shall cease to be registered.

Further, SEBI has also incorporated a provision for residual power to specify the target segments for social enterprise from time to time. The requirement of social enterprise shall have at least 67% of its activities, qualifying as eligible activities to the target population, is now applicable only in cases of 'for profit' social enterprises.

- (c) Schedule VII of ICDR Regulations, which specifies the disclosure required to be made in the placement document, has been revised to include detailed disclosures, *inter alia*, under the heads of risk factors with mitigation measures, use of proceeds along with objects of issue, capitalization statement with capital structure, financial information of the issuer, business and industry description, board of directors and senior management, outstanding litigation and legal.
- (d) Extended the relaxation from the mandatory 1-year holding requirement by sellers prior to filing of the draft offer document to include equity shares arising on conversion of fully paid-up compulsorily convertible securities. Earlier, such relaxation was available only to equity shares offered for sale that were acquired pursuant to an approved scheme under Sections 230 to 234 of the Companies Act, in lieu of business and invested capital that had been in existence for more than 1 year prior to the approval of the scheme.
- (e) Expanded the list of entities whose holdings may be considered as part of the promoter's contribution, where specified securities were acquired pursuant to a scheme approved under Sections 230 to 234 of the Companies Act, in lieu of business and invested capital that had been in existence for more than 1 year prior to the approval of such scheme. In addition to promoters, the eligible entities now include AIFs, foreign venture capital investors, scheduled commercial banks or public financial institutions or insurance companies registered with the Insurance Regulatory and Development Authority of India (IRDAI) or any non-individual public shareholder holding at least 5% of the post-issue capital or any entity (*individual or non-individual*) forming part of promoter group other than the promoter(s), as applicable.

To read the ICDR Amendment Regulations [click here](#)



SEBI NOTIFIES THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) (THIRD AMENDMENT) REGULATIONS, 2025

SEBI, *vide* its notification dated September 8, 2025, has notified the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2025 ("**LODR Amendment Regulations**"), thereby amending the LODR Regulations.

The key amendments include:

- (a) Listed entities must issue securities pursuant to any scheme of arrangement or any subdivision, split or consolidation of securities only in the dematerialised form. Further, the listed entity is also obligated to open a separate demat account for such securities of investors not having a demat account.

- (b) Disclosures by an NPO under Regulation 91C have been revised to include detailed annual disclosures on: (i) financial aspects by October 31st of each year or before the due date of filing income tax return as prescribed under the provisions of the Income Tax Act, 1961, whichever is later, or within such other period as may be specified by SEBI; and (i) non-financial aspects within a period of 60 days from the end of the financial year or within such other period as may be specified by SEBI.
- (c) The annual impact report required to be submitted by a social enterprise registered with or raising funds through the SSE or a stock exchange shall cover at least 67% of the program expenditure incurred in the previous financial year.
- (d) A social enterprise registered on the SSE, but not having raised funds through the SSE, is required to disclose a self-certified annual impact report. Further, NPOs registered on the SSE must, within 2 years of registration or such other duration as may be specified by SEBI, have at least 1 listed project for which funds have been raised through the SSE, failing which it shall cease to be registered.

To read the LODR Amendment Regulations [click here](#)



KEY HIGHLIGHTS OF THE 211TH SEBI BOARD MEETING

SEBI, at its board meeting held on September 12, 2025, has, *inter alia*, approved some crucial proposals/ decisions as specified in its press release no. 62/2025 ("**Press Release**"). The following are the key highlights:

- (a) Approved recommendations to ease minimum public shareholding ("**MPS**") timelines for large issuers and listed companies to address the challenges in undertaking substantial equity dilution within a short timeframe to achieve the prescribed MPS and extending similar timelines to existing listed entities not in compliance.
- (b) Approved amendments to ICDR Regulations for broader, more flexible anchor investor participation in initial public offers. These changes merge investor categories, raise the overall anchor reservation from one-third to 40%, increase the maximum number of permissible anchor investor allottees, and specifically include life insurance companies and pension funds alongside domestic mutual funds for reserved anchor quotas.
- (c) Approved scale-based materiality thresholds for related party transactions ("**RPT**") approvals, disclosures for smaller RPTs are simplified, while thresholds for approval by the audit committee for RPTs undertaken by subsidiaries are revised.
- (d) Approved proposal to allow retail schemes in the International Financial Services Centres ("**IFSCs**") with a resident Indian sponsor or manager, to register as foreign portfolio investors and alignment of sponsor contribution limits with the International Financial Services Centres Authority ("**IFSCA**") for retail schemes at 10% of corpus/ assets under management.

- (e) Approved a separate category for AIF schemes only for accredited investors with relaxed compliance ("**AI-only Scheme**"), a lower minimum investment for large value funds, and a "glide path" approach for existing funds to adopt the AI-Only Scheme.
- (f) Approved the single window automatic and generalised access for trusted foreign investors framework (SWAGAT-FI) for select categories of foreign investors who meet specified eligibility, enabling unified registration and eased compliance.
- (g) Noted launch of the centralized website titled [India Market Access](#) to streamline foreign portfolio investors to facilitate seamless entry and ongoing compliance.
- (h) Approved the amendments to the SEBI (Mutual Funds) Regulations, 1996 for reclassification of REITs as 'equity' for investments by mutual funds and specialized investment funds, enabling greater participation and eligibility for equity indices while keeping InvITs as hybrid.
- (i) To promote financial inclusion, approved reducing max exit load to 3% from earlier 5%, restructuring incentives for mutual fund distributors toward new investors beyond the top 30 cities and women.
- (j) Approved amendments to the LODR Regulations, allowing listed entities having listed non-convertible securities to send annual report web-links and QR codes to holders without registered e-mails, reducing costs and aligning with equity norms. Further set annual report timelines in accordance with the Companies Act.
- (k) Approved amendments to the InvIT Regulations and the REIT Regulations to attract capital from more investors under the strategic investor category, by way of expansion of eligible strategic investors to a wider list of qualified institutional buyers, large family trusts and intermediaries, and certain non-banking finance companies.
- (l) Approved phased establishment of SEBI local offices in state capitals and major cities to improve connectivity with investors and issuers, grievance redressal, and market oversight
- (m) Approved activity-based regulations for registrars to an issue and share transfer agents ("**RTA**"), focusing on listed company services, doing away with RTA categories, net worth and fee restructuring, and strengthening internal controls and definitions.
- (n) Approved simplified, rationalized compliance for investment advisers ("**IAs**") and research analysts, expanded eligibility, relaxed documentation, permitted second opinions, and eased the timelines for the compulsory corporatization process for IAs.
- (o) Approved the appointment of 2 executive directors in market infrastructure institutions to oversee critical operations and regulatory compliance, enhancing governance and operational leadership. Clearer roles and responsibilities are defined for key managerial personnel to ensure accountability and efficient functioning.

RBI & IFSC UPDATES

IFSCA EXTENDS DEADLINE FOR APPOINTMENT OF PRINCIPAL OFFICER AND COMPLIANCE OFFICER AND COMPLIANCE WITH REVISED NET WORTH REQUIREMENTS

IFSCA, *vide* its circulars dated September 4, 2025 and September 12, 2025, has extended the deadline for implementing revised norms for principal officer and compliance officer and for compliance with revised minimum net worth requirements, respectively. The existing capital market intermediaries operating in the IFSC (*as on the date of the IFSCA (Capital Market Intermediaries) Regulations, 2025, coming into force*) were required to meet the revised requirements for appointment of principal officer and compliance officer on or before October 1, 2025. Further, where a capital market intermediary was required to infuse capital to comply with the revised minimum net worth requirements specified in the IFSCA (Capital Market Intermediaries) Regulations, 2025, such intermediary had to ensure compliance with such requirements by October 1, 2025.

Pursuant to representations received from market participants, IFSCA has extended the deadline for: (a) implementation of educational qualification requirements, experience requirements, appointment/ designation of principal officer for multiple registrations; and (b) compliance with revised minimum net worth requirements for all capital market intermediaries till December 31, 2025. The said extension has been granted to ensure continuity in operations and promote ease of doing business.

To read the circular on extension of deadline for implementing revised norms for principal officer/ compliance officer [click here](#) & to read the circular on extension of deadline for compliance with revised minimum net worth requirements [click here](#) 

IFSCA NOTIFIES FEE STRUCTURE FOR THIRD-PARTY FUND MANAGEMENT SERVICES

IFSCA, *vide* its circular dated September 8, 2025, has notified the fee structure for fund management entities ("**FMEs**") desirous of offering third-party fund management services to third-party fund managers ("**TPFM**") in IFSC.

(a) Authorisation related fees:

Registered FME (*Non-Retail*) and Registered FME (*Retail*) (*hereinafter referred to as the "Registered FMEs"*) shall pay USD 2500 as the application fee along with their application to IFSCA for obtaining the authorisation with respect to the third-party fund management services in IFSC, and USD 7500 as the authorisation fee, to be paid prior to the grant of such authorisation by IFSCA.

(b) Recurring Fee – Conditional:

A Registered FME authorised to provide third-party fund management services shall pay the conditional recurring fee to IFSCA on an annual basis of USD 2000 for each TPFM to whom it

provides the third-party fund management services. Such fees are applicable for each financial year after the year in which the FME enters into a contract with such TPFM and shall be payable in the first month of each financial year, i.e., in April.

(c) Activity-based fee and other fees:

The activity-based fee and all the other applicable regulatory fees shall be governed by the provisions of the circular titled '*Fee structure for the entities undertaking or intending to undertake permissible activities in IFSC or seeking guidance under the Informal Guidance Scheme*' dated April 8, 2025, as may be amended or clarified from time to time.

To read the circular [click here](#)



IFSCA AMENDS THE REGULATORY FRAMEWORK FOR GLOBAL ACCESS IN IFSC

IFSCA, *vide* its circular dated September 12, 2025, has amended the regulatory framework for global access in IFSC, which framework was first set out in its circular titled 'Regulatory Framework for Global Access in the IFSC' ("IFSC Global Access Circular") dated August 12, 2025 (*covered in earlier edition of [Legalaxy](#)*).

Clauses 27, 36 and 37 of the IFSC Global Access Circular stipulates requirements relating to maintaining bank accounts in the IFSC for the purpose of global access business activities. Pursuant to representations from market participants for permitting services offered by payment service providers (PSPs) for facilitating movement of funds for global access activities in the IFSC, IFSCA has decided that the global access providers and the introducing brokers in IFSC will have the option to either open bank account(s) with an IFSC banking unit licensed by IFSCA or open account(s) with a PSP authorised under the IFSCA (Payment Services) Regulations, 2024 for payments/ movement of funds referred to in Clauses 27, 36 and 37 of the IFSC Global Access Circular, so far as it relates to global access business activities.

To read the circular [click here](#)



IFSCA CLARIFIES ON LISTING OF CONVERTIBLE DEBT SECURITIES ON RECOGNISED STOCK EXCHANGES IN IFSC

IFSCA, *vide* its circular dated September 18, 2025, has issued clarifications on listing of convertible debt securities on recognised stock exchanges in IFSC.

IFSCA has clarified that the procedure, manner, and conditions specified for the listing of debt securities in the IFSCA (Listing) Regulations, 2024 shall *mutatis mutandis* apply to convertible debt securities which are in the nature of foreign currency convertible bonds or similar instruments, until their conversion, for the purpose of listing on recognised stock exchanges in IFSC. The offer document or information memorandum shall prominently disclose, as part of the disclosure of details of the debt securities, the listing status of the equity shares being issued upon conversion of such convertible debt securities.

To read the circular [click here](#)



CORPORATE UPDATES

MCA NOTIFIES THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) AMENDMENT RULES, 2025

Ministry Of Corporate Affairs ("MCA"), *vide* its notification dated September 4, 2025, has notified the Companies (Compromises, Arrangements and Amalgamations) Amendment Rules, 2025 ("CAA Amendment Rules") amended the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("CAA Rules"). The CAA Amendment Rules have introduced revised procedural requirements aimed at enhancing transparency and compliance for schemes of compromise, arrangements and amalgamations. Form CAA-9 must also be sent to sectoral regulators (*RBI, SEBI, IRDAI, PFRDA*) and stock exchanges for listed companies.

The key provisions of the CAA Amendment Rules include:

- (a) The CAA Amendment Rules prescribed that the notice of a proposed scheme under Section 233(1)(a) of the Companies Act shall be issued in Form No. CAA.9. The notice must be sent to the Registrar, Official Liquidator, and all persons likely to be affected by the scheme, including sectoral regulators and stock exchanges for listed companies, inviting objections or suggestions.
- (b) The CAA Amendment Rules has expanded the list of eligible Companies for Fast-Track Merger (*Section 233 of the Companies Act*) to include unlisted companies ($\leq$ INR 200 crores *no default*) – requires auditor certificate (*Form CAA-10A*), holding and subsidiary (*listed/unlisted, except where transferor is listed*), subsidiaries of same holding company (*transferor not listed*), foreign holding company with Indian wholly owned subsidiary.
- (c) The CAA Amendment Rules also mandated filing of declarations of solvency in Form No. CAA.10, notifications of scheme approvals in Form No. CAA.11 and confirmations in Form No. CAA.12, accompanied by auditor's certifications, statements of assets and liabilities and consent of members and creditors.
- (d) The CAA Amendment Rules filing of approved scheme must be done within 15 days after meetings, in Form No. CAA.11 as attachment to Form No. RD.1, along with registered valuer's report and statement on handling regulator's/stock exchange's suggestions or objections.

To read the CAA Amendment Rules [click here](#)



LABOUR UPDATES

GOVERNMENT OF TELANGANA EASES NORMS FOR SMALL SHOPS AND ESTABLISHMENTS

Government of Telangana, *vide* its order dated September 24, 2025, has exempted all shops and establishments employing up to 10 employees from the applicability of the provisions of the Telangana Shops and Establishments Act, 1988 and corresponding rules made thereunder. However, certain key provisions will still continue to apply including those related to registration, renewal, suspension and appeal of registration (*Sections 3–6*); working hours, holidays, rest intervals and overtime wages (*Sections 9, 11, 12, 16–19, 24, 30–31, 37–38*); and employee service conditions such as termination, compensation, wage claims and related appeals (*Sections 47–56*).

To read the order [click here](#)



MoSDE NOTIFIES THE APPRENTICESHIP (AMENDMENT) RULES, 2025

Ministry of Skill Development and Entrepreneurship ("MoSDE"), *vide* its notification dated September 3, 2025, has notified the Apprenticeship (Amendment) Rules, 2025 ("**Apprenticeship Amendment Rules**"). The Amendment Rules, 2025 amends the Apprenticeship Rules, 1992 ("**Apprenticeship Rules**").

The following are the key highlights of the Apprenticeship Amendment Rules are as follows:

- (a) Definitions: The Apprenticeship Amendment Rules has introduced the key terms such as degree apprenticeship, institution, regional centre, contractual staff, and person with benchmark disability.
- (b) Eligibility and Conditions: To be eligible, the candidates shall possess the educational qualifications outlined in Schedule IA of the Apprenticeship Rules. Additionally, degree apprentices are not permitted to be engaged after completing their final examinations unless prior approval has been obtained from the Apprenticeship Adviser ("**AA**").
- (c) Reservation for Persons with Benchmark Disabilities: Employers shall be required to reserve apprenticeship training positions for persons with benchmark disabilities. In the event that these reserved positions remain unfilled, they may be allocated to physically fit candidates in accordance with the provisions of Schedule II of the Apprenticeship Rules. The appropriate government shall issue orders from time to time, defining the trades or fields that are suitable for engagement under this category.
- (d) Employer Obligations: Employers now shall be required to ensure that blended, virtual, or online training methods used for apprenticeships conform to the approved syllabus. Training of apprentices shall take place between 8:00 AM and 6:00 PM, unless specific approval has been granted for alternative hours. Apprentices who are majors (*legally adult*) may be

deployed to client locations, both within the country and internationally, provided that mandatory additional compensation is given and appropriate safeguards are implemented to ensure their safety and well-being.

- (e) Revision of Minimum Stipend: The Apprenticeship Amendment Rules provides the minimum monthly stipend for apprentices falling under different prescribed categories. Additionally for apprentices deployed to client locations within India, they shall receive at least double the stipend; for overseas deployments, even higher compensation and full logistical support shall be mandatory.
- (f) Revised Contractual Provisions: For degree apprentices, the apprenticeship contract shall specify the educational institution and shall be registered on the apprenticeship portal. Employers shall also be required to maintain quarterly records and submit reports in Form Apprenticeship 3 to the concerned Deputy Regional Central AA.
- (g) New Provisions on Re-training and Limits: There shall be a mandatory 1-year gap between 2 apprenticeships, except when the previous termination was due to the employer's fault. Women shall be exempted from the 3-month waiting period in cases of voluntary termination. An individual may undertake a maximum of 2 apprenticeships, but not in the same trade. The Central Government's stipend support is applicable only for the first apprenticeship.
- (h) Apprentice Strength: Establishments shall be required to engage apprentices within the range of 2.5% to 15% of their total workforce, including contractual staff. A minimum of 5% of these apprenticeship positions shall be reserved for freshers and candidates holding skill certificates.
- (i) Institutions Responsibility: Institutions involved in degree apprenticeships are responsible for facilitating apprenticeship contracts, ensuring compliance with the apprenticeship portal, and conducting monitoring and evaluation in line with AICTE or UGC norms. They shall also coordinate with the AA to support effective implementation.

To read the Apprenticeship Amendment Rules [click here](#)



THE APPRENTICES ACT, 1961 EXPANDED TO COVER ALMOST ALL SECTORS

MoSDE, vide its notification dated September 3, 2025, has specified the groups of industries to which the provisions of the Apprentices Act, 1961 shall apply. This notification has been issued in the supersession of the notification of the Ministry of Labour, Directorate General of Employment and Training dated June 30, 1999.

The following are the key highlights of the said notification:

- (a) Wide scope across all sectors: The notification presents an extensive table, aligning industries with the National Industrial Classification, 2008. It covers almost all sectors of the Indian economy, categorized into total 21 sections starting from A to U. These include traditional sectors like agriculture, mining, and manufacturing, and modern service sectors such as IT, telecommunications, education, health, and finance.
- (b) Inclusive of emerging and service sectors: A notable shift in this update is the inclusion of service-based and emerging industries. Categories like information and communication, financial services, professional and scientific services, arts and entertainment, and even household services are now covered.
- (c) Standardization: The section, division, and group codes are based on the National Industrial Classification of All Economic Activities, 2008, as adopted by the Government of India.

To read the notification [click here](#)



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