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SEBI UPDATES

1. **The Securities and Exchange Board of India ("SEBI") modifies the Block Deal Framework ("SEBI Block Deal Framework Circular")**

SEBI, *vide* its circular bearing reference number SEBI/HO/MRD/POD-III/CIR/P/2025/134 dated October 8, 2025, modified the existing provisions of the Master Circular for Stock Exchanges and Clearing Corporations that deal with block deal mechanism. The key modifications are as follows:

(a) **Price band for applicable reference price** – Orders placed shall be within ±3% (changed from ±1%) of the applicable reference price in the respective block deal windows.

(b) **Minimum order size** – The minimum order size for execution of trades in block deal windows shall be INR 25 crores (changed from INR 10 crores).

(c) **T+0 settlement cycle** – The Block Deal Framework shall also be applicable for the block deal window under the optional T+0 settlement cycle.

This framework shall come into effect 60 days from the issuance of the circular.

The SEBI Block Deal Framework Circular can be accessed *here*.

2. **SEBI relaxes the Minimum Information requirements for approval of Related Party Transactions ("RPTs") by the Audit Committee and Shareholders ("SEBI Minimum Information for RPTs Circular")**

SEBI, *vide* its circular bearing reference number SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/135 dated October 13, 2025, relaxed various minimum information requirements for RPTs mandated by the Master Circular for compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 by listed entities.

As per the circular, such RPTs which do not exceed 1% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity or INR 10 crores in value, whichever is lower shall henceforth be subject to the minimum information requirements to be provided to Audit Committee and shareholders for approval of Related Party transactions per Annexure 13-A to the SEBI Minimum Information for RPTs Circular. The major requirements under Annexure 13-A are as follows:

(a) Type, material terms, and particulars of the proposed RPT.

(b) Name of the related party and its relationship with the listed entity/subsidiary.

(c) Tenure and value of the proposed transaction.

(d) Percentage of the listed entity's annual consolidated turnover represented by the value of the transaction.

(e) If the transaction relates to any loans or deposits made by the listed entity or its subsidiary, its details.

(f) Justification as to being in the interest of the listed entity.

(g) External reports, if any.

(h) Counterparty's annual consolidated turnover represented by the value of the RPT.

The SEBI Minimum Information for RPTs Circular comes into effect immediately and can be accessed *here*.

3. **SEBI relaxes the timeline for disclosure of allocation methodology by Angel Funds**

SEBI, vide its circular bearing reference number SEBI/HO/AFD/AFD-POD-1/P/CIR/2025/136 dated October 15, 2025, has relaxed the timeline for disclosure of allocation methodology by Angel Funds (as mandated by the SEBI circular dated September 10, 2025) from October 15, 2025 to January 31, 2026.

This circular comes into force with immediate effect and can be accessed *here*.

4. **SEBI allows the transfer of portfolios of clients of Portfolio Management Services ("PMS") business by Portfolio Managers ("SEBI PMS Clients Portfolio Transfer Circular")**

SEBI, *vide* its circular bearing reference number SEBI/HO/IMD/RAC/CIR/P/2025/0000000138 dated October 24, 2025, has decided to allow the transfer of PMS business subject to procuring the prior approval of SEBI and in accordance with the below process:

(a) Transfer from one portfolio manager to another where both hold registration and belong to the same group:

In such situations Portfolio Managers may transfer select investment approach(es) or the entire business. In case the entire PMS business is transferred, the certificate of PMS registration of the transferor shall be surrendered within 45 working days from the date of completion of transfer.

(b) Transfer from one portfolio manager to another not belonging to the same group:

In such situations, only transfer of complete PMS business shall be permitted. A joint application shall be made by both the portfolio managers to SEBI for the approval of the transfer. The transferee shall fulfill all regulatory requirements and take on all rights and liabilities and submit an undertaking to this effect as prescribed in Annexure-I to the SEBI PMS Clients Portfolio Transfer Circular. Following approval, the transferor shall have no more than 2months to complete the transfer, following which it shall surrender its certificate of PMS registration to SEBI. An undertaking to this effect shall be submitted following the format prescribed in Annexure-II to the SEBI PMS Clients Portfolio Transfer Circular.

This circular shall come into force with immediate effect, and can be accessed *here*.

5. **SEBI implements eligibility criteria for derivatives on existing Non-Benchmark Indices ("NBIs") ("SEBI Derivatives on Existing NBIs Circular")**

SEBI, *vide* its circular bearing reference number SEBI/HO/47/15/11(1)2025-MRD-TPD1/I/63/2025 dated October 30, 2025, has notified the implementation for the eligibility criteria for derivative contracts on existing NBIs basis prior public consultation. The highlights of the notification are as follows:

(a) Stock exchanges are to carry out necessary constituent / weight adjustment in existing NBIs to comply with prudential norms previously outlined in Clause 5.7 of the SEBI circular no. SEBI/HO/MRD/TPD-1/P/CIR/2025/79 dated May 29, 2025 (https://www.sebi.gov.in/legal/circulars/may-2025/measures-for-enhancing-trading-convenience-and-strengthening-risk-monitoring-in-equity-derivatives_94293.html).

(b) This may be implemented through constituent / weight adjustment in a single tranche for the two indices BANKEX (BSE-traded derivatives) and FINNIFTY (NSE-traded derivatives), whereas for BANKNIFTY (NSE-traded derivatives) it may be in a phased manner over 4 months, with specific modalities outlined for each tranche in the circular.

(c) The effective date of implementation for such eligibility criteria is up to December 31, 2025 for BANKEX and FINNIFTY, and March 31, 2026 for BANKNIFTY.

This circular can be accessed *here*.

6. **SEBI introduces interim arrangements for certification of past performance of Investment Advisers ("IAs") and Research Analysts ("RAs") prior to the operationalization of Past Risk and Return Verification Agency ("PaRRVA") ("SEBI IAs and RAs Past Performance Circular")**

SEBI, *vide* its circular bearing reference number SEBI/HO/38/12/11(1)2025-MIRSD-POD/I/73/2025 dated October 30, 2025, has introduced an interim arrangement for IAs and RAs to communicate past performance data to clients before PaRRVA is operationalized. The highlights of this arrangement are as follows:

(a) **Certification:** IAs and RAs may provide past performance data certified by a member of the ICAI / ICMAI to a client (including prospective clients) only on specific request of such client.

(b) **One-to-one communication:** Such data shall be shared directly with the client and not be made available to the general public.

(c) **PaRRVA enrolment:** IAs and RAs making such communications must enroll with PaRRVA within 3 months of its operationalization, failing which they shall be barred from sharing such data.

(d) **Only prior to PaRRVA:** Such data and communications therein shall be allowed only prior to the implementation of PaRRVA.

(e) **Disclaimer:** A specific disclaimer has been prescribed within the circular which outlines the specific risks involved. It must accompany any communication of past risk and return data.

(f) **Post-PaRRVA measures:** After 2 years from the operationalization of PaRRVA, IAs and RAs will only be allowed to communicate or display PaRRVA verified risk and return metrics, and any past performance data shall then not be allowed.

(g) **Contravention:** Any contravention of the contents of this circular may attract liability for enforcement actions.

This circular can be accessed *here*.

7. **SEBI further extends timeline for mandatory implementation of T+0 settlement cycle-related systems and processes by Qualified Stock Brokers ("QSBs") ("SEBI T+0 Extension for QSBs Circular")**

SEBI, *vide* its circular bearing reference number SEBI/HO/47/11/12(1)2025-MRD-POD3 dated October 30, 2025, has indefinitely extended the timeline for QSBs to operationalize systems and processes in lieu of the T+0 settlement cycle, with further guidance to be given soon. Further, all market infrastructure institutions have been directed to make necessary changes to accommodate systems and processes for the T+0 settlement cycle.

This circular can be accessed *here*.

8. **SEBI enables IAs to provide second opinion to clients on assets under pre-existing distribution arrangements ("SEBI IAs and Assets under Pre-existing Distribution Arrangements Circular")**

SEBI, *vide* its circular bearing reference number SEBI/HO/38/12/11(1)2025-MIRSD-POD/I/71/2025 dated October 30, 2025, has enabled IAs to charge a fee for the portion of Assets Under Advice ("**AUA**") that are under any pre-existing distribution arrangement in case any second opinion is provided by IAs on the same. This was previously barred by Clause 1.(iii)(f) of the Master Circular for Investment Advisers.

The fee shall be limited to 2.5% of such assets' value per annum. Further, IAs must disclose and seek consent from clients (on annual basis) to the effect that apart from costs incurred towards IAs for advisory fees, clients will be incurring costs towards distributor consideration for such assets.

This circular shall come into force immediately, and can be accessed *here*.

OTHER REGULATORY UPDATES

9. **International Financial Services Centres Authority ("IFSCA") notifies the regulatory framework for the Foreign Currency Settlement System**

IFSCA, *vide* its circular bearing reference number IFSCA-FMPP0BR/6/2024-Banking dated October 3, 2025, notified the Bye-Laws, Rules, and Regulations prepared by the CCIL IFSC Limited as the directions governing the operations of the Foreign Currency Settlement System in the IFSC.

The circular can be accessed *here*.

10. **IFSCA notifies Instructions for IFSC Banking Units involved in Foreign Currency Settlement System**

IFSCA, *vide* its circular bearing reference number IFSCA-FMPP0BR/12/2023-Banking dated October 7, 2025, notified various instructions for entities involved in the Foreign Currency Settlement System ("**FCSS**") in the IFSC jurisdiction. Standard Chartered Bank has been entrusted to act as the Settlement Bank for the FCSS. Its features are as follows:

(a) FCSS shall settle transactions undertaken in foreign currencies, starting with United States Dollar.

(b) Payment obligations and settlement among FCSS participants shall be determined in accordance with the gross settlement procedure.

(c) Operating hours of the FCSS shall be 8 AM to 8 PM IST on all business days of the IFSC.

(d) International Banking Units ("**IBUs**") shall be eligible to be members of the FCSS subject to the access criteria laid down in the regulatory framework.

(e) IBUs shall apply to CCIL IFSC Limited for becoming members.

(f) IBUs shall comply with the requirements of the regulatory framework.

The circular can be accessed *here*.

11. **IFSCA notifies the requirements for Public Interest Directors ("PIDs") and Governing Boards of Market Infrastructures Institutions ("MIIs") ("IFSCA Circular on PIDs and Governing Board of MIIs")**

IFSCA, vide its circular bearing reference number IFSCA/CMD-DMIIT/PID-MII/2025-26/001 dated October 13, 2025, notified the requirements for Governing Boards of MIIs relating to appointment of directors and PIDs. The highlights of these requirements are as follows:

(a) **Composition of the Governing Board of MII –**

(i) Shall consist of directors having requisite experience in relevant fields.

(ii) Shall consist at least one PID having requisite experience in each of the following fields:

- Capital markets;
- Finance and accountancy;
- Legal and regulatory practice; and
- Technology.

(b) Appointment of PIDs –

(i) Nomination and Remuneration Committee ("**NRC**") shall identify at least two candidates for each PID vacancy.

(ii) Recommendations shall then be made to the Governing Board, which will then assess the candidates independently.

(iii) Names and profiles of shortlisted candidates shall then be forwarded to the IFSCA for approval.

(iv) In case the IFSCA is not satisfied with the candidates, it may seek out new candidates from the MII or nominate someone directly.

(c) Reappointment of PIDs –

(i) In case of reappointment of PIDs, the MII shall make an application to that effect to the IFSCA at least 2 months in advance.

(d) Performance review of PIDs –

(i) MIIs shall frame the performance review policy for PIDs, which shall include criteria and calculation methodology for the same and be approved by the Governing Board.

(ii) Comprehensive and objective review shall be undertaken by the Governing Board.

(e) Knowledge upgradation of PIDs –

(i) MIIs are further allowed to organize training programs and shall be required to provide adequate training to all PIDs every year.

The IFSCA Circular on PIDs and Governing Board of MIIs shall come into force with immediate effect and can be accessed *here*.

12. **IFSCA notifies a Framework on Stewardship Code for regulated entities undertaking investment activities in IFSC ("IFSCA Circular on Framework on Stewardship Code")**

IFSCA, *vide* its circular bearing reference number F. No. IFSCA-AIF/132/2024-Capital Markets dated October 23, 2025, has notified the Framework on Stewardship Code for regulated entities under the IFSCA (Fund Management) Regulations, 2025 ("**FM Regulations**"). All Fund Management Entities and Institutional Investors are encouraged to adopt a Stewardship Code.

Regulated entities may either adopt the Stewardship Code as specified under Annexure-A to the IFSCA Circular on Framework on Stewardship Code, or one as specified by:

(a) The financial sector regulator in their home jurisdiction;

(b) SEBI and other Indian financial sector regulators; or,

(c) A statutory professional body such as the Institute of Company Secretaries of India.

The Stewardship Code shall be explicitly communicated to the IFSCA and be displayed on the regulated entity's website. Upon its adoption, regulated entities must ensure due compliance with its reporting requirements and have appropriate review mechanisms in place for its efficacy.

This circular shall come into force with immediate effect, and can be accessed *here*.

CONSULTATION PAPERS

13. SEBI Proposes Simplified Compliance Framework for Stock and Commodity Exchanges

SEBI, *vide* consultation paper dated October 8, 2025, proposed major simplifications to regulatory requirements for stock and commodity derivatives exchanges to promote ease of doing business and reduce compliance costs. Aligned with the Finance Minister's FY 2023-24 budget announcement on regulatory simplification, SEBI sought public feedback on revising key provisions under the Master Circulars for Stock Exchanges and Clearing Corporations (2024) and Commodity Derivatives Segment (2023). The key proposals include:

(a) Discontinuation of the two-digit exchange code, which has become redundant after dematerialization and single registration numbers;

(b) Relaxation in attendance requirements for Public Interest Directors (PIDs), mandating participation in only two meetings annually instead of all; and

(c) Streamlining of PID reporting, removing the need for formal committee reports and limiting SEBI submissions to material issues involving conflicts or significant market impact.

The consultation paper proposes merging and harmonizing circulars across exchanges and clearing corporations into a unified framework. It also proposes to replace all applicable provisions till July 31, 2025 in respect of stock exchanges (including commodity derivatives exchanges). In essence, the initiative reflects SEBI's continued effort to rationalize regulatory processes while upholding governance standards and investor protection.

This paper can be accessed *here*.

14. SEBI Seeks Public Feedback on Proposal to Standardise Mutual Fund Folio Opening Process

SEBI, *vide* consultation paper dated October 23, 2025, proposes to streamline and standardise the procedure for opening new mutual fund folios, ensuring that every folio is fully KYC compliant before any investment or transaction is executed. Under the proposed framework, investors will be able to transact only after their KYC verification is completed and marked compliant in the KYC Registration Agency (KRA) system.

SEBI noted that the current sequential verification process, where AMCs process investments before KRA confirmation, has led to non-compliant folios, causing difficulties for both investors and fund houses. These include transaction failures, delayed redemptions, and unclaimed funds due to incorrect details. To address these issues, SEBI has proposed that the first investment in a new folio be permitted only after KRA verification and that investors be informed at every stage of the KYC process through their registered contact details.

This paper can be accessed *here*.

15. SEBI Proposes Relaxation of India Geo-Tagging Requirement for NRI Digital Re-KYC

SEBI, *vide* a draft circular dated October 23, 2025, has proposed to relax the India geo-tagging requirement for Non-Resident Indian (NRI) clients undergoing digital re-KYC or KYC modification via the Video Client Identification Process (V-CIP). Currently, SEBI's Master Circular on KYC (12th October, 2023) requires intermediaries to capture the client's physical location within India during digital onboarding. The proposed change will allow existing NRI clients to complete their re-KYC/KYC modification remotely, even while located outside India. However, intermediaries must ensure:

(a) The GPS coordinates captured during the process match the country stated in the client's proof of address.

(b) The application includes random action prompts to prevent pre-recorded interactions.

(c) Spoofed IP connections are automatically blocked.

SEBI noted that the proposal follows requests from market participants to simplify compliance for NRIs without compromising security and due diligence.

This paper can be accessed *here*.

16. **SEBI Proposes Revisions to Corporate Governance Framework for High Value Debt Listed Entities (HVDLEs)**

SEBI, *vide* consultation paper dated October 27, 2025, has proposed significant amendments to the Corporate Governance ("**CG**") framework applicable to HVDLEs under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The proposal aims to enhance ease of doing business and align the CG norms for HVDLEs with those applicable to equity-listed entities.

Key proposals include:

(a) Raising the threshold for identification of HVDLEs from the current INR 1,000 crore to INR 5,000 crore, reducing the number of affected entities by nearly 64%. This seeks to ease the compliance burden, especially for NBFCs and similar entities facing disproportionate governance costs.

(b) Terminological alignment, such as substituting "income" with "turnover" in defining material subsidiaries.

(c) Harmonization of governance norms including director appointment procedures, age-related approvals for non-executive directors over 75 years, timelines for filling board and committee vacancies, and exemptions for nominee directors of regulators or courts.

(d) Alignment of related party transaction (RPT) provisions and secretarial audit standards with those applicable to equity-listed entities.

(e) Additional relaxations for entities under the Insolvency and Bankruptcy Code (IBC) and removal of redundant disclosure obligations.

The paper invites public comments on the proposed framework, particularly on the adequacy of the INR 5,000 crore threshold and the alignment measures, reflecting SEBI's continued efforts to promote a more enabling business environment.

This paper can be accessed *here*.

17. **SEBI Proposes Incentives for Select Investor Categories in Debt Public Issues**

SEBI, *vide* consultation paper dated October 27, 2025, has proposed amendments to the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 to broaden retail participation and enhance inclusivity in the corporate bond market.

Key proposals include:

(a) Allowing issuers of debt securities to offer incentives such as higher coupon rates, discounted issue prices, or other financial/non-financial benefits to specific investor categories.

(b) Eligible investor groups include senior citizens, women investors, armed forces personnel, and retail subscribers.

(c) Issuers must disclose incentive details in the offer document and ensure uniform application within each investor category.

The move aims to diversify the investor base, boost retail confidence, and encourage long-term savings, thereby strengthening liquidity and participation in India's corporate bond market. SEBI has invited public comments on the proposal to frame a balanced and transparent regulatory framework.

This paper can be accessed *here*.

18. **SEBI Proposes Comprehensive Review of SEBI (Mutual Funds) Regulations, 1996 ('SEBI MF Regulations').**

SEBI, *vide* consultation paper dated October 28, 2025, proposed a comprehensive overhaul of the SEBI (Mutual Funds) Regulations, 1996 to modernize the regulatory framework, simplify compliance, and enhance transparency in mutual fund operations.

Key proposals include:

(a) Introduction of a new Total Expense Ratio ("**TER**") structure based on asset size and scheme type to balance investor interests with AMC viability.

(b) Establishing consistent valuation norms across asset classes to ensure transparency in NAV computation.

(c) Mandating standardized TER disclosures across factsheets, websites, and scheme documents for better comparability.

(d) Revising eligibility criteria for new mutual fund sponsors and trustees focusing on governance, financial soundness, and fit-and-proper standards.

(e) Revisiting of Regulation 24(b) of the SEBI MF Regulations to enable manage pooled and non-pooled investment vehicles with criteria and restrictions as envisaged under the consultation paper.

The proposals aim to simplify compliance, strengthen governance and valuation transparency, and align India's mutual fund framework with global best practices.

This paper can be accessed *here*.

19. IFSCA Issues Draft Master Circular for Stock Exchanges and Clearing Corporations in IFSC

The International Financial Services Centres Authority "(**IFSCA**"), *vide* consultation paper dated October 1, 2025, has invited public comments on the Draft Master Circular for Stock Exchanges and Clearing Corporations in IFSC, aimed at consolidating and superseding all existing SEBI and IFSCA circulars issued under the IFSCA (Market Infrastructure Institutions) Regulations, 2021. The draft seeks to streamline recognition, governance, and operational requirements for market infrastructure institutions ("**MIIs**") in the GIFT City. Key proposals include:

(a) Permanent or renewable recognition for stock exchanges and clearing corporations, with renewal applications to be filed three months before expiry;

(b) Uniform implementation of security-specific actions across all stock exchanges to ensure market integrity;

(c) Detailed guidelines for market makers and liquidity enhancement schemes with periodic reviews and transparent incentive structures;

(d) Introduction of a Unique Client Code ("**UCC**") based on verified identifiers like LEI or PAN, to be updated monthly;

(e) Clear rules for settlement procedures during holidays to prevent trading cycle disruptions;

(f) Flexible trading hours of up to 23 hours and 30 minutes per day; and

(g) Enhanced surveillance systems for real-time monitoring and detection of market manipulation.

This paper can be accessed *here*.

20. IFSCA Seeks Stakeholder Feedback on Amendments to Credit Restrictions under Banking Handbook

The IFSCA, *vide* consultation paper dated October 16, 2025, has sought public comments on proposed amendments to Module 16 of its Banking Handbook: Conduct of Business Directions. The proposals include:

- Advances to Directors: International Banking Units ("**IBUs**") must implement transparent policies for loans to directors or related parties, ensure no conflicts of interest, adhere to exposure limits, and conduct audits at intervals not exceeding 6 months.

- Credit for Buy-Backs: IBUs may provide loans to companies for buy-back of securities, provided the use of funds is permitted under the company's jurisdictional laws.

The amendments aim to align IFSCA rules with Basel norms and international best practices, enhancing prudential oversight while offering operational flexibility.

This paper can be accessed *here*.

21. **IFSCA Invites Feedback on Changes to IFSCA (Fund Management) Regulations, 2025 ('Fund Management Regulations').**

The IFSCA, *vide* consultation paper dated October 17, 2025, has proposed amendments to the Fund Management Regulations, 2025.

The proposed changes are grouped into three main categories:

- Ease of Doing Business (EoDB): To simplify processes, reduce paperwork, and make compliance easier for fund managers.
- Investor Safeguards: To add stronger protections for investors and promote healthy business practices.
- Clarifications: To remove confusion and make the regulations clearer and easier to follow.

IFSCA has also introduced frameworks for Third-Party Fund Management Services and co-investments through Special Purpose Vehicles ("**SPVs**") to give more flexibility to fund managers.

This paper can be accessed *here*.

22. **IFSCA Seeks Feedback on Blended Finance Framework for Restricted and Venture Capital Schemes**

The IFSCA, *vide* consultation paper dated October 23, 2025, proposed a regulatory framework to enable differential distribution in Restricted Schemes and Venture Capital Schemes (AIFs) operating in GIFT IFSC. The initiative aims to promote blended finance structures that combine public or philanthropic capital with private investment, in line with India's climate and sustainable development goals. The proposal supports the government's vision of positioning GIFT IFSC as a global hub for sustainable finance, as highlighted in the Union Budget 2022–23.

Under the proposed framework, fund managers would be allowed to design differentiated distribution mechanisms to attract a broader investor base, including institutional, impact, and philanthropic investors, while ensuring transparency and investor protection through prescribed safeguards.

This paper can be accessed *here*.

23. **IFSCA Proposes Framework for Dematerialisation of Securities issued by IFSC Entities**

The IFSCA, *vide* consultation paper dated October 27, 2025, has proposed a regulatory framework mandating dematerialization of securities issued by entities operating within the IFSC jurisdiction. The move aims to promote regulatory consistency, transparency, and operational efficiency in securities issuance and trading within IFSC.

Key highlights include:

- Mandatory dematerialization of all securities issued by IFSC entities through depositories registered with IFSCA, instead of domestic Indian depositories.

- Entities must obtain International Securities Identification Numbers ("**ISINs**") from an IFSCA-registered depository.

- Migration of existing dematerialized securities with domestic depositories to IFSC depositories by March 31, 2026.

- IFSC depositories are required to ensure seamless transition, adequate disclosures, and procedural support for issuers and investors.

- A compliance report confirming migration must be submitted to IFSCA by April 30, 2026.

This paper can be accessed *here*.

ORDERS AND GUIDANCES

24. **SEBI penalizes DGS Capital Management for Non-Compliance with Portfolio Manager Regulations**

SEBI, *vide* order dated October 3, 2025, imposed a penalty of INR 3 lakh on DGS Capital Management Pvt Ltd, a registered portfolio manager, for violation of the SEBI (Portfolio Managers) Regulations, 2020. An examination of the company's operations between January 2023 and December 2024 revealed lapses in maintaining the mandatory networth of INR 5 crore , delayed submission of key compliance reports, and failure of the principal officer to obtain the required NISM certification within the stipulated timeline.

Despite repeated SEBI reminders, DGS met the net worth requirement only after an interim order in February 2025 and submitted delayed compliance documents thereafter. While the company eventually restored compliance and regularized its operations, SEBI held that the violations persisted for over two years and warranted punitive action to uphold regulatory discipline and protect investor interests.

This order can be accessed *here*.

25. **SEBI suspends First Overseas Capital's Merchant Banker Licence for Two Months**

SEBI, *vide* order dated October 3, 2025, suspended the merchant banker registration of First Overseas Capital Ltd (FOCL) for two months over violations of net worth requirements under the SEBI (Merchant Bankers) Regulations, 1992. An inspection covering FY19-21 revealed that FOCL's net worth had fallen below the mandatory INR 5 crore threshold, recording INR 3.39 crore in FY18-19, INR 1.91 crore in FY19-20, and INR 2.31 crore in FY20-21, yet the firm continued underwriting issues worth nearly INR 90 crore. SEBI rejected FOCL's defences that the shortfall was due to the pandemic and that earlier proceedings barred further action, clarifying that the violations pertained to a different period. While the designated authority recommended a six-month suspension, SEBI took a lenient stance by limiting it to two months, stressing that maintaining capital adequacy is a fundamental obligation of merchant bankers to safeguard market integrity and investor confidence.

This order can be accessed *here*.

26. **SEBI fines Scient Capital INR 6 Lakh and Restricts Onboarding of New Clients**

SEBI, *vide* order dated October 6, 2025, imposed a penalty of INR 6 lakh on Scient Capital Pvt Ltd, a registered portfolio manager, for multiple violations under the SEBI (Portfolio Managers) Regulations, 2020 and related circulars. The regulator also barred the firm from onboarding new clients or accepting additional funds or securities from existing ones until it restores its minimum net worth and provides a peer-reviewed CA certificate.

An examination revealed that Scient Capital failed to maintain the mandated INR 5 crore net worth, reporting only INR 4.26 crore for FY22-23 and INR 3.46 crore for FY23-24, and falsely declared compliance in its filings. The firm's principal officer had also failed to obtain the required NISM-Series XXI-B certification and later resigned, leaving the company without a certified officer. SEBI observed that the firm continued to violate critical financial and certification norms despite partial compliance, emphasizing that capital adequacy is essential to ensure only financially sound entities manage investor funds and uphold market integrity.

This order can be accessed *here*.

27. **SEBI bars Shrimoney Research Analyst Proprietor from Taking New Clients for One Month**

SEBI, *vide* order dated October 6, 2025, prohibited Punit Kumar, Proprietor of Shrimoney - Research Analyst (Reg. No. INH000008844), from onboarding new clients for one month for violations of the SEBI (Research Analysts) Regulations, 2014 ("**RA Regulations**") and PFUTP Regulations, 2003. An inspection covering April 2022 to February 2024 revealed misleading communications assuring profits to clients and failure to include mandatory disclosures and maintain rationale in research reports. SEBI found that an employee's WhatsApp messages promising profits constituted inducement and breach of the Code of Conduct under Regulation 24(2) of the RA Regulations and the PFUTP norms, though two other alleged instances were not upheld.

The regulator also held that the Noticee's buy/sell recommendations qualified as "research reports" under Regulation 2(1)(w) of the RA Regulations, requiring disclosures and record-keeping under Regulations 19 and 25, which were not complied with. Considering an earlier penalty of INR 10 lakh for the same violations as a mitigating factor but noting persistent disclosure lapses despite prior warnings, SEBI imposed a temporary prohibition on accepting new clients to reinforce investor protection.

This order can be accessed *here*.

28. **SEBI penalises Gogia Capital Services for Circular Trading and Market Manipulation**

SEBI, *vide* order dated October 6, 2025, in the matter of Gogia Capital Services Limited ("**GCSL**"), held the company and three of its directors liable for manipulating its own share prices on the Bombay Stock Exchange during April-May 2019 through circular and reversal trades. The investigation revealed 1,264 trades over 16 trading days, constituting over 70% of GCSL's turnover. The trades were executed at pre-determined prices with no genuine change in beneficial ownership, creating artificial volumes and misleading price signals in violation of the SEBI PFUTP Regulations, 2003. SEBI found that the trades were executed under the direct supervision of directors, serving no commercial purpose other than market deception. The regulator directed GCSL to pay a INR 45 lakh fine and disgorge INR 12.8 lakh with interest, imposed INR 10 lakh penalties on each director, issued a cease-and-desist order, and barred the three directors from associating with any SEBI-registered intermediary for two years, emphasizing SEBI's zero-tolerance approach to price manipulation and circular trading.

This order can be accessed *here*.

29. **SEBI acts against Stockholding Service Limited for misuse of Client Securities and Funds**

SEBI, *vide* order dated October 7, 2025, issued regulatory censure against Stockholding Services Limited (formerly SHCIL Services Limited), a SEBI-registered stockbroker, guilty of multiple regulatory violations following a joint inspection conducted between November 2022 and December 2022 for the period April 2021 to October 2022. The inspection and subsequent enquiry revealed non-compliance with several SEBI and stock exchange circulars, including failures in client fund settlement and retention statements, reconciliation of client securities, incorrect margin reporting and submissions, wrongful passing of penalties to clients, incomplete KYC records, inaccurate reporting to exchanges, and lapses in cybersecurity compliance. SEBI noted that as a wholly owned subsidiary of Stockholding Corporation of India Limited, a public sector entity with a large client base, the Noticee bore a higher duty of regulatory diligence, which it failed to uphold, thereby compromising investor protection and market integrity.

This order can be accessed *here*.

30. **SEBI orders Sungold Capital CMD to Sell Excess Shares; Family Members Barred from Markets**

SEBI, *vide* order dated October 8, 2025, directed Rajiv R. Kotia, Chairman and Managing Director of Sungold Capital Ltd. (SCL), to sell 1.54% of his excess shareholding in the company, beyond the 15% ownership threshold, and deposit the proceeds into SEBI's Investor Protection and Education Fund (IPEF) within three months, while also barring his family members from the securities market for three months. The order stems from long-pending violations of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as the Kotia family had acquired shares in 2007 without making the mandatory open offer under Regulations 10 and 11.

Following earlier SEBI and SAT proceedings and a Supreme Court remand, SEBI re-evaluated the case and directed the sale of excess shares, drawing on precedents such as Vas Infrastructure Ltd, Electrotherm India Ltd, and Kaycee Industries Ltd, in view of the 18-year delay, thereby balancing enforcement with fairness while upholding market integrity and investor protection.

This order can be accessed *here*.

31. **SEBI bars Citrus Check Inns and Directors until INR 3,036 Crore is Refunded**

SEBI, *vide* order dated October 9, 2025, has prohibited Citrus Check Inns Ltd and its four directors from accessing the securities market until they refund INR 3,036 crore collected from 15.22 lakh investors through unregistered collective investment schemes (CIS). The company, a rebranded version of Royal Twinkle Star Club, promised high returns through "holiday plans" but operated a Ponzi-like structure using over 12.5 lakh agents. Despite earlier interim orders and prolonged litigation involving SAT and the Supreme Court, SEBI has now confirmed that Citrus Check Inns violated Section 12(1B) of the SEBI Act and CIS Regulations.

This order can be accessed *here*.

32. **SEBI imposes INR 6 Lakh Penalty on M/s Alliance Research and Proprietor for Regulatory Violations**

SEBI, *vide* order dated October 10, 2025, has levied a penalty of INR 6 lakh on M/s Alliance Research and its proprietor Mudassir Hasan for multiple breaches of the SEBI (Investment Advisers) Regulations, 2013 and related laws. The inspection revealed that the firm provided investment advice without registration, made false declarations during registration, failed to maintain proper KYC and risk profiling records, promised assured returns to clients, and neglected to inform SEBI about a change in its registered office. SEBI also found that the adviser did not conduct mandatory compliance audits and accepted payments through prohibited channels. The regulator held that such conduct demonstrated a lack of integrity and disregard for regulatory discipline, warranting a monetary penalty to ensure greater accountability and ethical compliance in the securities advisory business.

This order can be accessed *here*.

33. **SEBI imposes INR 3 Lakh Penalty on 5Paisa Capital and Directors for Violations in Online Bond Platform Operations**

SEBI, *vide* interim order dated October 13, 2025, has fined 5Paisa Capital Ltd, along with its CFO Gourav Munjal and former MD & CEO Narayan Gangadhar, INR 3 lakh for lapses in its Online Bond Platform Provider (OBPP) operations. The regulator found that the firm failed to execute agreements with third-party sellers, bypassed recognized trading platforms, maintained incomplete deal records, and made misleading bond promotions such as "Ultra Safe Bonds" and "Bonds for Senior Citizens." SEBI also noted the absence of an appropriate risk management framework and safeguards against conflicts of interest. While the accused claimed limited involvement, SEBI held them accountable as "officers in default" for lack of due supervision, concluding that the violations were substantive and warranted a penalty under Section 15HB of the SEBI Act.

This order can be accessed *here*.

34. **SEBI imposes an Interim Restraint on Nirman Agri Genetics Ltd and Promoter**

SEBI, *vide* interim order dated October 14, 2025, restrained Nirman Agri Genetics Ltd (NAGL) and its promoter-MD Pranav Kailas Bagal from accessing the securities market and proceeding with any corporate actions, citing prima facie findings of large-scale misuse and diversion of IPO proceeds. The company, which raised INR 20.30 crore through its March 2023 IPO, was found to have diverted about INR 18.89 crore (93% of funds) to fictitious or related entities, many of which were non-existent or operated with forged licenses. Further, Mr. Bagal offloaded a significant portion of his shareholding while allegedly misstating financials. SEBI observed serious governance lapses and potential violations of the SEBI Act, 1992 and PFUTP Regulations, 2003, and imposed interim restrictions pending completion of investigation into FOCL-managed IPOs.

This order can be accessed *here*.

35. **SEBI imposes INR 5 Lakh Penalty on Nimisha Hemani for Manipulative Trades in Illiquid Stock Options at BSE**

SEBI, *vide* order dated October 14, 2025, investigated large-scale reversal trades executed in the BSE's illiquid stock options segment during the period April 2014 to September 2015. Upon investigation, Nimisha Hemani was found to have entered into such reversal trades, contributing to the creation of a false and misleading appearance of trading activity. SEBI held that her actions violated Regulations 3(a), (b), (c), (d), 4(1), and 4(2)(a) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003. After considering the evidence on record and the submissions made, SEBI concluded that the violations were established and accordingly imposed a monetary penalty of INR 5 lakh on Nimisha Hemani.

This order can be accessed *here*.

36. **SEBI bars 8 Individuals for INR 173 Crore Insider Trading in IEX Shares Linked to CERC Official**

SEBI, *vide* ex parte interim order dated October 15, 2025, unearthed a INR 173 crore insider trading scheme linked to trading in Indian Energy Exchange Ltd (IEX) shares, involving Yogeita S Mehra, Chief of the Economics Division at CERC, and seven others. SEBI found that Ms. Mehra leaked confidential CERC documents on market coupling to Bhoovan Singh and his associates, who used the unpublished price-sensitive information (UPSI) to take large short positions in IEX put options just before the CERC order of 23 July 2025, which caused a 29.58% fall in IEX shares. The accused collectively made INR 173.14 crore in profits, part of which was routed to connected entities like Jai Singh & Co and GNA Energy Pvt Ltd.

Observing deliberate misuse of UPSI and fund transfers to conceal gains, SEBI barred all eight individuals from the securities market and directed them to deposit the ill-gotten profits in interest-bearing fixed deposits under SEBI's lien, citing violations of the SEBI Act, 1992 and Prohibition of Insider Trading Regulations, 2015.

This order can be accessed *here*.

37. **SEBI imposes INR 5 Lakh Penalty on Chinmay P Vora for Manipulative Trades in Illiquid Stock Options on BSE**

SEBI, *vide* order dated October 16, 2025, has imposed a penalty of INR 5 lakh on Chinmay P Vora for engaging in non-genuine reversal trades in the illiquid stock options segment of BSE during the investigation period from April 1, 2014, to September 30, 2015. The regulator's investigation revealed large-scale reversal trades that created artificial volumes and misleading appearances of market activity. Vora was found to have executed such trades lacking genuine trading intent, thereby violating Regulations 3(a), (b), (c), (d), 4(1), and 4(2)(a) of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003. Considering the evidence and submissions, SEBI imposed the penalty under Section 15HA of the SEBI Act.

This order can be accessed *here*.

38. **SEBI penalises First Overseas Capital for Serious Regulatory Violations**

SEBI, *vide* order dated October 23, 2025, imposed a INR 20 lakh penalty on First Overseas Capital Ltd ("**FOCL**") and barred it from accessing the securities market for two years for persistent violations of the SEBI (Merchant Bankers) Regulations, 1992. Inspections in 2022 and 2024 revealed that FOCL failed to maintain the minimum net worth of INE 5 crore, diverted INR 7 crore from preference share proceeds into real estate ventures, accepted public deposits, and submitted false information to SEBI. The company also exceeded underwriting limits, delayed filings, and lacked required NISM certifications. FOCL's repeated misrepresentations and disregard for regulations reflected willful non-compliance, undermining investor confidence and market integrity. This follows SEBI's earlier October 2024 order restraining FOCL from taking new lead manager mandates.

This order can be accessed *here*.

39. **SEBI suspends Podium Market Research for Three Months**

SEBI, *vide* order dated October 23, 2025, suspended the registration of Podium Market Research, Proprietor Suman Kumar, for three months for violating the Investment Advisers Regulations, 2013 and PFUTP Regulations, 2003. The firm was found to have failed to maintain client confidentiality and collected GST without registration during FY 2018-19 and 2019-20. Though the enquiry officer recommended cancellation of registration, SEBI noted that the lapses were not fraudulent and that GST registration had since been obtained. Relying on the principle of proportionality, as upheld by the SAT in *Brickwork Ratings India Pvt. Ltd. v. SEBI*, SEBI held that cancellation would be disproportionate to the violations and instead imposed a three-month suspension of registration.

This order can be accessed *here*.

40. **SEBI orders Lifeinspire Knowledge Solutions and Directors to Refund INR 1.83 Crore, Imposes INR 35 Lakh Penalty and 2-Year Market Ban**

SEBI, *vide* an order dated October 30, 2025, directed Lifeinspire Knowledge Solutions Pvt. Ltd. (LKSPL) and its directors, Ahammed Ali and Mohammed Ali, to refund INR 1.83 crore collected from investors for unregistered investment advisory activities. The regulator also imposed a monetary penalty of INR 35 lakh and barred the company and its directors from the securities market for two years. The SEBI investigation revealed that LKSPL, operating through its website *bankniftyoption.in* and Telegram channels, offered investment advisory services and trading tips without registration, violating Section 12(1) of the SEBI Act, 1992 and Regulation 3(1) of the Investment Advisers Regulations, 2013. Both directors were held personally liable as they were the sole shareholders and controlling minds of the company. The order underscores SEBI's strict stance against unregistered advisory activities and fraudulent investor inducement practices, reaffirming its commitment to maintaining market integrity and investor confidence.

This order can be accessed *here*.

41. **SEBI Imposes INR 5 Lakh Penalty on Middleton Goods Pvt. Ltd. for Manipulative Trades in Illiquid Stock Options**

SEBI, *vide* order dated October 30, 2025, has imposed a monetary penalty of INR 5 lakh on Middleton Goods Pvt. Ltd. for engaging in non-genuine and manipulative reversal trades in the illiquid stock options segment of the BSE during April 2014-September 2015. SEBI's investigation revealed that the company's trades created a false and misleading appearance of market activity, thereby generating artificial volumes. The entity was found in violation of Regulations 3(a)-(d), 4(1), and 4(2)(a) of the Prohibition of Fraudulent and Unfair Trade Practices (PFUTP) Regulations, 2003. Despite being offered opportunities under SEBI's settlement schemes and hearings, the company failed to justify its actions. Exercising powers under Section 15-I of the SEBI Act, 1992, the Adjudicating Officer concluded that the penalty was commensurate with the gravity of violations and essential to uphold market integrity.

This order can be accessed *here*.

42. **SEBI Imposes INR 5 Lakh Penalty on Shyam Sunder Vyas HUF for Manipulative Reversal Trades in BSE's Stock Options Segment**

SEBI, *vide* order dated October 30, 2025, has levied a INR 5 lakh penalty on Shyam Sunder Vyas HUF for executing non-genuine reversal trades in the illiquid stock options segment of the BSE during April 2014-September 2015. SEBI's investigation found that over 81% of trades during this period involved artificial reversal of buy and sell positions, creating false market volumes without genuine trading intent. SEBI held him liable for violating Regulations 3(a)-(d), 4(1), and 4(2)(a) of the PFUTP Regulations, 2003, and imposed the penalty under Section 15HA of the SEBI Act, 1992, deeming it appropriate to uphold market integrity.

This order can be accessed *here*.

43. **SEBI Restrains Gretex Corporate Services for 21 Days over Due Diligence and Capital Adequacy Lapses**

SEBI, *vide* order dated October 30, 2025, has barred Gretex Corporate Services Ltd from taking on any new merchant banking assignments for 21 days after finding violations in due diligence and capital adequacy norms. SEBI's inspection, covering April 2021 to January 2023, revealed non-compliance with Regulations 7 and 13 of the SEBI (Merchant Bankers) Regulations, 1992. Gretex failed to maintain the mandatory net worth of INR 5 crore during FY19-20 and was found negligent while managing the SME IPO of Jayant Infratech Ltd, specifically, not verifying disclosures regarding a property under construction and inconsistencies in loan documentation. SEBI dismissed the company's claims of procedural lapses, emphasizing that the due diligence failures were substantive and compromised investor protection. Consequently, SEBI imposed a 21-day restraint on taking up any new assignment or contract or launching a new scheme.

This order can be accessed *here*.

GLOBAL DEVELOPMENTS

44. SFC Streamlines Documentary Requirements for Secondary Offerings by Authorised REITs

The Securities and Futures Commission (SFC) has issued a new circular, effective 13 October 2025, announcing simplified documentary requirements for secondary offerings by SFC-authorised Real Estate Investment Trusts (REITs).

The initiative aims to align REIT regulatory standards more closely with those of listed companies under the Hong Kong Stock Exchange Listing Rules. Under the new approach, REITs seeking SFC authorization for their secondary offering documents can follow the same content standards applicable to listed companies, with appropriate modifications.

Certain disclosure obligations under the Code on Real Estate Investment Trusts will remain in force. However, the revised framework allows offering documents to focus primarily on offer-related information and present concise details about the REIT, improving time-to-market efficiency and supporting fundraising activities for portfolio growth.

The SFC has also updated its FAQs on Real Estate Investment Trusts to provide additional practical guidance on these streamlined requirements. REIT managers are encouraged to contact their respective case officers for any clarifications.

The circular can be accessed *here*.

45. SFC Launches Consultation on Major Reforms to Unit Trust and Mutual Fund Code

The Securities and Futures Commission (SFC) has issued a Consultation Paper (October 2025) proposing key amendments to the Code on Unit Trusts and Mutual Funds (UT Code) to align with international standards and enhance Hong Kong's competitiveness as a global fund hub.

The proposals include introducing the Value-at-Risk (VaR) approach for derivative use, updating liquidity risk management standards, and strengthening money market fund (MMF) requirements through mandatory anti-dilution tools and clearer criteria for high-quality instruments.

The SFC also plans to allow retail investor access to private market assets under strict safeguards and streamline operational requirements for management companies, feeder funds, and complex products.

The consultation paper can be accessed *here*.

46. FCA issues Consultation Paper on 'Progressive Fund Tokenisation

The Financial Conduct Authority ("**FCA**") in its Consultation Paper CP25/28 on Progressive Fund Tokenisation released in October 2025 ("**Consultation Paper**") has issued various proposals to tokenise authorized funds and guidance notes for streamlining conventional and tokenised authorized funds.

Tokenisation is a manner of representing assets and their ownership through a distributed ledger technology, which in turn a digital system that records details of all transactions in multiple locations in real time, as opposed to a central database. The new changes proposed to be introduced are intended to improve the registration process of unitholders, which would also allow persons other than the fund manager/investment manager (such as distributors) to make/request changes to the register if there is any change (example, transfer of units between unitholders). The FCA has also proposed an optional new "Direct-to-Fund" (**D2F**) dealing model allowing investors to transact directly with the fund or its depositary, aimed at simplifying processes and aligning with tokenised fund structures. A three-phase roadmap has been outlined, viz., Phase 1 covers tokenisation of fund units and registers; Phase 2 extends to tokenised underlying assets; and Phase 3 envisages tokenised cashflows and on-chain settlement using digital cash or stablecoins.

The Consultation Paper may be accessed *here*.