
THE REGULATORY ARCHITECTURE OF INDIA'S IPO BOOM: AN IN-DEPTH ANALYSIS OF THE 2025 SEBI ICDR AMENDMENTS

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ABSTRACT

This essay critically examines the regulatory and legal dimensions of India's ongoing IPO surge in light of the SEBI (ICDR) Amendments, 2025. It explores how the revised framework seeks to enhance market transparency, streamline compliance, and safeguard investor interests amid a rapidly expanding capital market. Key changes, ranging from promoter lock-in rules and financial disclosure norms to ESOP treatment and compliance officer qualifications, are analysed for their practical implications on issuers and investors. The essay further evaluates the interplay between the ICDR Regulations, the Companies Act, 2013, and the Securities Contracts (Regulation) Act, 1956, positioning the amendments as part of SEBI's broader effort to modernise India's capital markets while maintaining regulatory rigour and market integrity.

Introduction

India's financial market is currently experiencing a profound and exciting transformation, characterised by what many observers are calling a "Great Indian IPO Rush".¹ The significant rise in public offerings is not merely a temporary phenomenon; it is anticipated to accelerate further through 2025. This trend reflects the strength of India's economic expansion, the continuous growth of its domestic investor base, and a prevailing sense of confidence within the corporate sector. Companies across various industries, including emerging digital enterprises, established manufacturing firms, and a dynamic small and medium-sized enterprise (SME) segment, are increasingly seeking access to public markets as a strategic avenue for capital and growth.² They seek not only essential capital and enhanced liquidity but also greater visibility, public trust, and a strengthened brand presence.³ However, this dynamic and effervescent market environment is far from unregulated; it operates under the meticulous governance of a strong and evolving regulatory framework, primarily overseen by the Securities and Exchange Board of India (SEBI).⁴ Within this intricate context, the SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2025 (hereinafter, "ICDR Amendments 2025"), emerge as a pivotal regulatory intervention, poised to redefine the landscape of public issues and significantly influence the trajectories of both aspiring issuers and eager investors.⁵

This essay examines the multifaceted dimensions of the current surge in initial public offerings (IPOs), with a focused analysis of its underlying drivers, the complex legal framework that supports it, and the significant implications of the ICDR Amendments 2025. It also evaluates the nuanced role of SEBI in maintaining a critical balance between promoting robust capital formation, which is essential for sustained economic growth, and ensuring the protection of investor interests, which is fundamental to market integrity and public trust.⁶ Furthermore, the essay critically assesses the intricate interplay of these amendments with other foundational

¹ IPO rush: 2025 boom to continue as Rs 2.58 lakh crore in offers await market entry; PhonePe, Meesho, Lenskart in line' (*The Times of India*, 23 July 2024) <<https://timesofindia.indiatimes.com/business/india-business/ipo-rush-2025-boom-to-continue-as-rs-2-58-lakh-crore-in-offers-await-market-entry-phonepe-meesho-lenskart-in-line/articleshw/122855855.cms>> accessed 23 July 2025

² 'India's IPO Market to Scale \$2 Trillion by 2025' (*Precize.in*, 17 November 2024) <<https://www.precize.in/blogs/indias-ipo-market-to-scale-2-trillion-by-2025>> accessed 22 June 2025.

³ Ibid.

⁴ Securities and Exchange Board of India Act 1992, s 11.

⁵ JSA Law, 'SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2025: Key Changes and Implications' (*JSA Law*, March 2025) <<https://www.jsalaw.com/newsletters-and-updates/jsa-prism-capital-markets-march-2025/>> accessed 25 June 2025.

⁶ Securities and Exchange Board of India Act 1992, s 11.

statutes, notably the Companies Act, 2013,⁷ and the Securities Contracts (Regulation) Act, 1956 (SCRA),⁸, identifying not only potential synergies that enhance the regulatory framework but also areas that may necessitate further regulatory clarity or interpretation.

The Start of the Rush: Economic Growth Meets Investor Interest

The phenomenon known as the “Great Indian IPO Rush” is not a sudden development, but rather the result of a confluence of powerful macroeconomic factors and market-specific drivers that have collectively fostered a favorable climate for public listings.⁹ India’s remarkable and consistent GDP growth, which has steadfastly remained among the fastest globally, has cultivated an exceptionally fertile ground for corporate expansion, thereby fueling a heightened demand for capital across various sectors. The International Monetary Fund (IMF) projects India’s GDP growth at 6.5% for both fiscal years 2024-25 and 2025-26,¹⁰ while the Reserve Bank of India (RBI) also forecasts a 6.5% growth rate for 2024-25 and 2025-26, underscoring this robust economic trajectory.¹¹ This growth is not merely statistical; it is driven by significant government initiatives, such as the Production Linked Incentive (PLI) schemes designed to boost domestic manufacturing across 14 key sectors, and massive investments in infrastructure, which collectively create a robust ecosystem for businesses to thrive and seek expansion capital.¹² For instance, the Production-Linked Incentive (PLI) schemes have played a pivotal role in drawing both domestic and international investment, enhancing scale and efficiency, and positioning Indian manufacturing as globally competitive.¹³

The ongoing recalibration of global supply chains, often referred to as the “China+1” strategy, has further positioned India as an attractive manufacturing and investment destination, bolstering business confidence and prompting numerous privately held companies to contemplate and pursue public listing.¹⁴ India’s vast domestic market, skilled workforce, and improving infrastructure make it a compelling alternative for companies seeking to diversify

⁷ The Companies Act, 2013 (18 of 2023).

⁸ Securities Contracts (Regulation) Act, 1956 (42 of 1956).

⁹ PwC India, ‘India: The growth story continues - Economic Outlook FY25’ (PwC, March 2025) 3-5.

¹⁰ International Monetary Fund, ‘India: Staff Report for the Article IV Consultation’ (IMF Country Report No. 2025/001, 2 January 2025) 4.

¹¹ Reserve Bank of India, ‘RBI pegs India’s GDP growth at 6.5% for 2025-26’ (*DD News*, 6 June 2025) <<https://ddnews.gov.in/en/rbi-pegs-indias-gdp-growth-at-6-5-for-2025-26/>> accessed 25 June 2025.

¹² Ministry of Finance, *Union Budget 2024-25* (Government of India, 1 February 2024) 8-10.

¹³ Department for Promotion of Industry and Internal Trade (DPIIT), ‘Production Linked Incentive (PLI) Scheme: An Overview’ (Ministry of Commerce and Industry, Government of India, 2024) 3-5.

¹⁴ Aarna Law, ‘The China Plus One Shift and India’s Big Break’ (*Aarna Law*, 28 February 2023) <<https://www.aarnalaw.com/insights/the-china-plus-one-shift-and-indias-big-break>> accessed 29 June 2025.

their supply chains away from over-reliance on a single nation.¹⁵ This shift is not just about large corporations; it extends to the vibrant SME sector, which is increasingly recognising the benefits of public markets for growth and visibility.¹⁶

Quantitative indicators emphatically underscore this burgeoning trend. The year 2024 witnessed a significant surge in India's IPO activity, with 90 companies collectively raising an impressive sum approximating ₹1.60 lakh crore (approximately USD 19.2 billion) through main board IPOs.¹⁷ Projections for 2025 indicate a robust continuation of this momentum, with an anticipated capital mobilisation of ₹2.58 lakh crore (approximately USD 31 billion) from companies that have already received SEBI approval or are awaiting it.¹⁸ The pipeline for 2025 includes a particularly notable surge from the SME segment, with many smaller enterprises seeking to leverage public markets for growth.¹⁹ Industries at the forefront of this wave include quick commerce, electric vehicles, auto-tech, financial technology (fintech), and entities keenly focused on Environmental, Social, and Governance (ESG) principles, collectively reflecting India's evolving economic priorities and its embrace of future-oriented industries.²⁰

Concurrently, the domestic retail investor base has expanded exponentially, a phenomenon driven by increasing financial literacy, the remarkable ease of access facilitated by digital trading platforms, and the undeniable allure of wealth creation opportunities.²¹ Initiatives aimed at improving financial literacy have empowered a broader section of the population to understand capital markets and participate more confidently.²² The widespread adoption of digital trading platforms, offering user-friendly interfaces and low brokerage costs, has democratized access to the stock market, allowing individuals from diverse backgrounds to participate in IPOs with unprecedented ease.²³ The ubiquitous adoption of digital payment systems like Unified Payments Interface (UPI) has further simplified the IPO application

¹⁵ Ibid.

¹⁶ Grant Thornton Bharat, 'Bharat IPO Report - FY23 Q4 Review and FY24 Outlook' (Grant Thornton Bharat, May 2024) 5-7.

¹⁷ 'IPO rush: 2025 boom to continue as Rs 2.58 lakh crore in offers await market entry; PhonePe, Meesho, Lenskart in line' (n 1).

¹⁸ Ibid.

¹⁹ Ibid.

²⁰ Grant Thornton Bharat, 'Grant Thornton Bharat IPO Report - H1 2024' (Grant Thornton Bharat, July 2024) 4-6.

²¹ Swati Prasad, Ravi Kiran and Rakesh Kumar Sharma, 'Influence of financial literacy on retail investors' decisions in relation to return, risk and market analysis' (2021) 26(2) *International Journal of Finance & Economics* 2548.

²² Ibid.

²³ Athul Kuriakose and Sajoy Pb, 'Digital Transformation in the Stockbroking Industry and its Role in Strong Retail Investor Participation in the Indian Stock Market' (2022) 57 *The Management Accountant Journal* 50.

process, making it accessible to a wider demographic by enabling seamless and instant payments.²⁴ This deepened pool of domestic liquidity has significantly reduced the market's reliance on foreign institutional investors, thereby imbuing public offerings with greater stability and resilience against global economic fluctuations.²⁵ However, this very surge also underscores the imperative for robust regulatory oversight, essential for effectively managing associated risks and preserving the integrity and fairness of the market for all participants.²⁶

SEBI's Role: Guiding Public Issues in a Complex Market

SEBI, as the preeminent regulator of the Indian securities market, assumes a pivotal role in upholding market fairness, efficiency, and transparency.²⁷ Its core mandate, meticulously enshrined within Section 11 of the Securities and Exchange Board of India Act, 1992, is unequivocally "to protect the interests of investors in securities and to promote the development of, and to regulate, the securities market and for matters connected therewith or incidental thereto".²⁸ This dual objective guides all of SEBI's actions, ensuring that while capital formation is encouraged, it does not come at the cost of investor trust or market integrity.

The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR Regulations), serve as the foundational bedrock for governing all public issues and the subsequent listing of securities.²⁹ These regulations prescribe a comprehensive set of stringent norms encompassing disclosures, eligibility criteria for companies seeking to list, pricing mechanisms for shares, allocation methodologies for distributing shares to investors, and detailed post-listing compliance requirements.³⁰ The primary aim of these comprehensive regulatory provisions is to guarantee that investors receive accurate, sufficient, and timely information on a consistent basis, enabling them to make informed investment decisions grounded in a clear assessment of the company's potential and associated risks.³¹ SEBI's periodic amendments to the ICDR Regulations represent carefully considered responses to the continuously changing market environment, accelerating technological developments, and the

²⁴ 'How To Apply For IPO Using UPI: A Simple Guide' (*HDFC Sky*, 27 June 2024) <<https://hdfcsky.com/knowledge-base/how-to-apply-for-ipo-using-upi>> accessed 29 June 2025.

²⁵ 'IPO rush: 2025 boom to continue as Rs 2.58 lakh crore in offers await market entry; PhonePe, Meesho, Lenskart in line' (n 1).

²⁷ Securities and Exchange Board of India Act 1992.

²⁸ Securities and Exchange Board of India Act 1992

²⁹ Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

³⁰ *Ibid*, Preamble.

³¹ Securities and Exchange Board of India, 'Annual Report 2023-24' (SEBI, 2024) 12-14.

emergence of new risks. These revisions reflect a proactive and adaptive approach to regulatory oversight. Far from being arbitrary, they are informed by thorough consultations with market participants and a comprehensive analysis of prevailing trends and potential vulnerabilities.

The ICDR Amendments, 2025: Improving the Rules

Notified on March 8, 2025, the ICDR Amendments 2025 mark SEBI's most recent and deliberate effort to refine the regulatory framework governing public issuances.³² These amendments are not designed to be revolutionary in their overarching scope but rather constitute a series of targeted, surgical enhancements primarily aimed at augmenting transparency, streamlining procedural aspects, and harmonizing various regulatory provisions across the board.³³ Among the key modifications introduced, several stand out for their potential impact on both issuers and investors:

Firstly, a significant clarification pertains to Stock Appreciation Rights (SARs) and Employee Stock Option Plans (ESOPs). The 2025 amendments now explicitly clarify that SARs may legitimately remain outstanding until the actual filing of the Red Herring Prospectus (RHP).³⁴ This is a crucial change, as prior to these amendments, the treatment of SARs during IPOs was often a grey area, posing challenges for companies, especially startups. This provision grants greater operational flexibility to companies, particularly those in the technology and startup sectors, enabling them to structure their employee incentive schemes more effectively, which are vital for attracting and retaining top talent in a competitive market without immediate dilution of equity.

Secondly, a crucial amendment addresses promoter lock-in periods and the definition of "capital expenditure." The regulations now explicitly clarify that the repayment of loans specifically availed for capital expenditure will be unequivocally included within the ambit of capital expenditure for the purpose of computing the promoter lock-in period.³⁵ This particular change extends the promoter lock-in period for such instances to a mandatory three years. The rationale behind this is to reinforce the commitment of promoters to the long-term financial

³² Cyril Amarchand Mangaldas, 'SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2025' (Cyril Amarchand Mangaldas, 10 March 2025) <<https://www.cyrilshroff.com/wp-content/uploads/2025/03/Client-Alert-SEBI-ICDR-Amendments.pdf>> accessed 30 June 2025.

³³ JSA Law (n 5).

³⁴ Cyril Amarchand Mangaldas (n 32).

³⁵ Ibid.

health and sustainable growth of the company, simultaneously discouraging speculative or short-term listing objectives driven primarily by the immediate need for debt repayment from IPO proceeds.³⁶

Thirdly, to significantly enhance transparency, the amendments now permit the voluntary inclusion of proforma financial information specifically relating to acquisitions or divestments, even if these transactions fall below the existing materiality thresholds previously stipulated.³⁷ This is a proactive disclosure mechanism that empowers investors to gain a far more comprehensive understanding of the issuer's financial performance and future prospects, especially in cases where a company has undergone significant structural changes through mergers or acquisitions.

Fourthly, regarding loan utilisation certification, the 2025 amendments introduce a degree of flexibility by now permitting this certification to be furnished by a peer-reviewed Chartered Accountant in certain specified cases, whereas previously it was solely the statutory auditor's domain.³⁸ While this aims to streamline compliance processes and potentially reduce costs for issuers, SEBI has carefully ensured that the requisite level of independent oversight and accountability is maintained through the peer-review mechanism.

Fifth, the amendments provide clarity that disclosures for long-term working capital requirements should be strictly based on audited standalone financial statements.³⁹ This promotes greater consistency and reliability in financial disclosures, which is particularly crucial for companies with intricate corporate structures or numerous subsidiaries, as it helps avoid potential misunderstandings arising from consolidated financial data.

Sixth, the public announcement timeline for the Draft Red Herring Prospectus (DRHP) has been refined. The amendments now specify that the public announcement regarding the filing of a DRHP must be made within two working days.⁴⁰ This change, though seemingly minor, holds significant practical value by accounting for non-business days, thereby making compliance more feasible for issuers and their intermediaries while minimizing avoidable delays.

³⁶ JSA Law (n 5).

³⁷ Ibid.

³⁸ Cyril Amarchand Mangaldas (n 32).

³⁹ JSA Law (n 5).

⁴⁰ Cyril Amarchand Mangaldas (n 32).

Seventh, the scope of disclosures concerning pre-IPO placement transactions has been notably expanded, ushering in greater transparency regarding the pricing and allocation of shares prior to the public offering.⁴¹ This measure is essential, as pre-IPO placements have the potential to give rise to information asymmetry or arbitrage opportunities. Its underlying objective is to preempt such concerns and to promote equitable treatment across all investor categories, thereby supporting a more fair and transparent market environment.

Eighth, aligning with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations), the ICDR Amendments 2025 now explicitly mandate that the compliance officer for public issues must possess the requisite qualifications of a Company Secretary.⁴² This standardization strengthens the corporate governance framework applicable to both listed entities and those in the process of listing, by mandating the involvement of a qualified professional to oversee regulatory compliance from the initial stages.

Finally, the amendments introduce revised formats and requirements for reporting transactions involving promoters and the promoter group.⁴³ The objective of this enhanced oversight is to deter potential market manipulation, insider trading, or any undue gains by key stakeholders, while ensuring that all material transactions are disclosed to the public in a transparent and comprehensive manner.

The core objectives driving these amendments are clearly defined: to foster an ecosystem that is strongly supportive of capital formation through the careful relaxation of select procedural requirements, to substantially elevate transparency and disclosure standards in the interest of investor protection, and to ensure precise alignment of the ICDR Regulations with other prevailing regulatory frameworks, notably the LODR Regulations and the Companies Act, 2013.⁴⁴

The Interplay of Statutes: ICDR, Companies Act, and SCRA

The regulatory landscape governing public issues in India is a meticulously layered construct, with the ICDR Regulations functioning as a detailed operational manual nested within the

⁴¹ Ibid.

⁴² JSA Law (n 5).

⁴³ Cyril Amarchand Mangaldas (n 32).

⁴⁴ JSA Law (n 5).

broader legislative architecture established by the Companies Act, 2013, and the Securities Contracts (Regulation) Act, 1956 (SCRA).⁴⁵ Understanding this intricate interplay is absolutely crucial for a holistic appreciation of IPO compliance, as these laws work in concert to create a robust and comprehensive legal framework.

The Companies Act, 2013, serves as the fundamental statute governing the incorporation, management, and dissolution of companies throughout India.⁴⁶ Its provisions directly exert influence on public issues, particularly through Chapter III, which specifically addresses “Prospectus and Allotment of Securities”.⁴⁷ While Section 26 of the Companies Act mandates the essential contents of a prospectus, including comprehensive financial information and other material particulars, the ICDR Regulations, particularly Schedule VI, provide granular details on the precise format, specific line items, and exhaustive disclosures required in both the Draft Red Herring Prospectus (DRHP) and the Red Herring Prospectus (RHP).⁴⁸ The ICDR Amendments 2025, by permitting the voluntary inclusion of proforma financial information for acquisitions/divestments and by clarifying disclosures for long-term working capital, implicitly complement and significantly enhance the Companies Act’s overarching objective of ensuring comprehensive disclosure to prospective investors.⁴⁹ This ensures that the spirit of ‘materiality’ under the Companies Act is given practical, detailed effect by SEBI’s regulations.

Implications and Challenges for Stakeholders

The ICDR Amendments 2025, coupled with the ongoing vibrancy of the IPO rush, present a nuanced landscape of both significant opportunities and considerable challenges for the diverse array of market participants.

For *Issuers*, those companies actively seeking public listing, the amendments bring forth distinct opportunities. The clarity provided regarding SARs being active until RHP filing offers much-needed flexibility, particularly benefiting technology startups that heavily rely on employee stock options to attract and retain top talent, thereby aligning regulatory norms with contemporary employee incentive structures.⁵⁰ Critically, the increased transparency mandated

⁴⁵ ‘Regulatory Framework for Securities Market in India’ (*Taxmann*, 17 November 2022) <<https://www.taxmann.com/budget-2023/10000000000022731/regulatory-framework-for-securities-market-in-india.aspx>> accessed 1 July 2025.

⁴⁶ Companies Act 2013, Preamble.

⁴⁷ Companies Act 2013, Ch III.

⁴⁸ Companies Act 2013, s 26; SEBI (ICDR) Regulations 2018, Sch VI.

⁴⁹ JSA Law (n 5).

⁵⁰ Cyril Amarchand Mangaldas (n 32).

by more detailed disclosures has the potential to significantly bolster investor confidence, which in turn could lead to more favorable valuations and highly successful subscriptions.⁵¹

However, issuers also face notable challenges. The enhanced disclosure requirements, particularly concerning promoter loan repayments for capital spending and the expanded details required for pre-IPO placements, inevitably translate into a greater burden of scrutiny and a more extensive due diligence process.⁵² This, in turn, often results in increased compliance costs and demands a greater commitment of time from issuers, requiring them to invest more in legal and financial advisory services.⁵³ The extended three-year lock-in period for promoters whose capital expenditure loans are repaid from IPO money means a longer commitment, which might put off those looking for quick exits or immediate liquidity, thereby changing the profile of companies seeking to list.

For *Investors*, encompassing both retail and institutional participants, the amendments primarily offer enhanced opportunities. The core objective of these regulatory changes is to furnish investors with a clearer and more comprehensive understanding of the issuer's financial health, its corporate governance practices, and the intricacies of promoter dealings.⁵⁴ The availability of voluntary financial data, detailed promoter transaction reports, and clearer capital spending disclosures all help investors make smarter choices by reducing information asymmetry.⁵⁵ Stricter rules pertaining to promoter lock-in and responsibility, along with closer checks on pre-IPO placements, are meticulously designed to safeguard investor interests from potential unfair practices or early exits by key stakeholders, thereby fostering greater trust in the market.

Critical Views and Future Directions

While the ICDR Amendments 2025 are mostly seen as positive and pragmatic interventions,

⁵¹ Cyril Amarchand Mangaldas, 'SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2025' (*Cyril Amarchand Mangaldas*, 10 March 2025) <<https://www.cyrilshroff.com/wp-content/uploads/2025/03/Client-Alert-SEBI-ICDR-Amendments.pdf>> accessed 1 July 2025.

⁵² Khaitan & Co, 'Union Budget 2024-25: Key Takeaways for Capital Markets' (Khaitan & Co, February 2024) 5-7.

⁵³ Amrita Surendran and Divya Singh, 'SEBI ICDR Amendments 2025: An Overview Of Key Changes To Framework Of Issuance Of Securities' (*Mondaq*, 24 April 2025) <<https://www.mondaq.com/india/shareholders/1626916/sebi-icdr-amendments-2025-an-overview-of-key-changes-to-framework-of-issuance-of-securities>> accessed 1 July 2025.

⁵⁴ Cyril Amarchand Mangaldas (n 32).

⁵⁵ JSA Law (n 5).

some critical views and ongoing discussions persist within the market and regulatory circles.

One fundamental tension lies in the perpetual balancing act between making it “ease of doing business” and the paramount objective of investor protection, a tightrope walk SEBI consistently undertakes.⁵⁶ Some critics contend that while amendments like the flexible SARs provision aim to simplify processes, the extended promoter lock-ins and more disclosure burdens might still create difficulties for certain companies, especially new startups with limited funds and less experience in navigating complex regulations. The ultimate effectiveness of these amendments in genuinely streamlining the IPO process while simultaneously maintaining robust safeguards remains a subject of ongoing evaluation and debate, as market participants continue to adapt.

Another persistent grey area concerns the boundaries of pre-IPO communication and publicity. With the pervasive rise of digital marketing channels and the burgeoning influence of “finfluencers,” distinguishing between legitimate market awareness campaigns and impermissible pre-marketing or indirect promotion becomes increasingly challenging.⁵⁷ While the ICDR Regulations explicitly prohibit certain forms of publicity prior to the issue opening, particularly those that could be construed as soliciting offers, market participants frequently seek clearer, more exhaustive guidelines to avoid ambiguities and to ensure a truly level playing ground for all, preventing unfair advantages or market distortion.⁵⁸

Legal commentaries have highlighted an ongoing debate regarding the classification of founders as promoters and the broader implications of ESOPs.⁵⁹ Questions are raised as to whether current regulations adequately address scenarios where founders might derive substantial benefits without a corresponding long-term commitment often associated with traditional promoters, especially in new-age technology companies where the ‘founder’

⁵⁶ SEBI Act 1992, s 11.

⁵⁷ Securities and Exchange Board of India, ‘Consultation Paper on Regulation of Financial Influencers (Finfluencers)’ (SEBI/HO/MRD/MRD-POD-2/P/CIR/2023/120, 22 August 2023) 3-5.

⁵⁸ Securities and Exchange Board of India, *Circular: Issue of Capital and Disclosure Requirements (ICDR) Regulations, 2018 -Amendments pertaining to Publicity for Public Issues* (SEBI/HO/CFD/DIL1/CIR/P/2022/165, 12 December 2022) <https://www.sebi.gov.in/legal/circulars/dec-2022/circular-issue-of-capital-and-disclosure-requirements-icdr-regulations-2018-amendments-pertaining-to-publicity-for-public-issues_65422.html>accessed 3 July 2025.

⁵⁹ Cyril Amarchand Mangaldas, ‘SEBI revisits regulations on Promoter, Promoter Group, Group Companies’ (Cyril Amarchand Mangaldas, 13 June 2024) <<https://www.cyrilshroff.com/publication/sebi-revisits-regulations-on-promoter-promoter-group-group-companies/>>accessed 6 July 2025.

identity often transcends traditional ‘promoter’ definitions.⁶⁰ While the 2025 amendments specifically address SARs, the wider discussion surrounding promoter definitions and incentives continues to evolve, reflecting the changing nature of corporate ownership and control in new-age companies and the need for regulations to keep pace with these evolving business models.

Looking ahead, the future trajectory of IPO regulation will undoubtedly involve a greater integration of technology. SEBI has consistently demonstrated a willingness to embrace technological advancements, evidenced by its adoption of T+1 settlement cycles and various digital processes for market operations.⁶¹ There is growing and increasingly relevant discussion around leveraging Artificial Intelligence (AI) and Machine Learning (ML) for real-time monitoring of disclosures, identifying subtle patterns of non-compliance, and significantly enhancing the overall efficiency of the regulatory oversight mechanism.⁶² SEBI has initiated consultation papers exploring the use of AI/ML in securities markets, indicating a proactive approach to harnessing technology for market integrity and surveillance.⁶³

Finally, as global capital markets increasingly gravitate towards Environmental, Social, and Governance (ESG) factors, SEBI is highly likely to introduce more comprehensive ESG-related disclosure requirements for companies embarking on IPOs.⁶⁴ While not explicitly detailed in the 2025 amendments, SEBI has already mandated Business Responsibility and Sustainability Reporting (BRSR Core) for the top 1000 listed entities by market capitalisation, indicating a strong regulatory push towards ESG transparency.⁶⁵ The burgeoning investor appetite for ESG-compliant companies strongly suggests that future ICDR amendments might formalise these disclosure norms for companies seeking to list, thereby influencing how companies approach their public listings and integrate sustainability into their core business

⁶⁰ Nishith Desai Associates, ‘India - Corporate Governance: An Overview’ (Nishith Desai Associates, August 2023)

<https://www.nishithdesai.com/fileadmin/user_upload/pdfs/Research_Papers/India_Corporate_Governance_An_Overview.pdf> accessed 6 July 2025.

⁶¹ Securities and Exchange Board of India, *Press Release: T+1 Settlement Cycle for Equity Market* (PR No. 13/2023, 27 January 2023) <https://www.sebi.gov.in/media/press-releases/jan-2023/t-1-settlement-cycle-for-equity-market_67651.html> accessed 6 July 2025.

⁶² SEBI Consultation Paper, ‘Use of Artificial Intelligence/Machine Learning in the Indian Securities Market’ (24 October 2023) 5.

⁶³ *Ibid.*

⁶⁴ Deloitte, ‘ESG Regulations in India: An Overview’ (Deloitte Touche Tohmatsu India LLP, March 2024) 4-6.

⁶⁵ Securities and Exchange Board of India, *Circular: Business Responsibility and Sustainability Reporting (BRSR) Core* (SEBI/HO/CFD/PoD2/CIR/P/2023/161, 22 September 2023) <https://www.sebi.gov.in/legal/circulars/sep-2023/business-responsibility-and-sustainability-reporting-brsr-core_75846.html> accessed 9 July 2025.

models from an early stage.⁶⁶

Conclusion

India's capital markets stand at the cusp of a transformative era, propelled by an unprecedented wave of IPOs and a strategic recalibration of regulatory priorities. The SEBI (ICDR) Amendments, 2025, are not revolutionary by design, but their impact is anything but ordinary. These reforms tighten the screws where it matters: enhancing disclosure standards, boosting transparency, and demanding greater accountability in promoter behaviour, employee incentives, and financial reporting. They do not seek to upend the market; they aim to fine-tune it, ensuring that regulation keeps pace with innovation rather than playing catch-up.

At the heart of this regulatory shift lies SEBI's enduring balancing act, stimulating capital formation while safeguarding investor interests. It is a tightrope walk, but one that reflects the regulator's increasing finesse as India's capital markets expand in depth, diversity, and ambition. The seamless interplay between the ICDR framework, the Companies Act, and the SCRA further attests to a regulatory environment that is growing more integrated and intelligent.

Of course, clarity in regulation also brings complexity in compliance. For first-time issuers and high-growth startups, the burden of disclosure may feel less like a checklist and more like a crash course in the realities of corporate responsibility. Yet, this is a necessary rite of passage in a market aspiring to global best practices.

Ultimately, these reforms are not just about keeping pace; they are about setting the pace. If carried forward with continued regulatory foresight, technological integration, and ESG consciousness, India's capital markets may not only weather the IPO storm but harness it to become a global benchmark of transparency, trust, and long-term value creation.

⁶⁶ 'Securities and Exchange Board of India, 'Annual Report 2023-24' (SEBI, 2024) 45-48.