

## Streamlining of Qualified Institutions Placement disclosures: Key takeaways from the September 2025 amendments to the disclosure requirements

The Securities and Exchange Board of India (“SEBI”), on September 8, 2025, has notified the SEBI (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2025 (“**Amendment Regulations**”). The Amendment Regulations introduce substantive changes to the disclosure framework for Qualified Institutions Placements (“**QIPs**”) under Schedule VII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“**SEBI ICDR Regulations**”). The amendments are aimed at simplifying and streamlining the information included in placement documents for QIP (“**Placement Documents**”). The objective of these amendments are to eliminate the repetitive content and align the QIP disclosures with information already available through periodic filings under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR Regulations**”). The revised approach marks a pivotal shift towards concise, issue-specific disclosures, recognising that Qualified Institutional Buyers (QIBs) are sophisticated investors with access to extensive public information on listed issuers.

The table below provides a comparison of the erstwhile provisions of Schedule VII of the SEBI ICDR Regulations, providing disclosures requirements for Placement Documents, with the updated provisions pursuant to Amendment Regulations with our analysis on their practical implications:

Sr. No.	Earlier provision	Amended provision	Analysis
1.	Glossary of terms/abbreviations	The existing Clause (2) is substituted as follows: <b>(2) Definitions and abbreviations:</b> 1. conventional or general terms; 2. issue related terms; 3. issuer and industry related terms; and 4. abbreviations.	The Clause has been updated to align with the disclosure requirement prescribed under Schedule VI of the SEBI ICDR Regulations for initial public offerings. While most issuers have already been adhering to this disclosure requirement in practice, its formalisation reduces interpretational ambiguity.
2.	Risk factors	The existing Clause (5), is substituted as follows: <b>(5) Risk Factors:</b> Risk factors will be in relation to the following: 1. issue and object of the issue; and	The Amendment Regulations rationalise the disclosure requirements for risk factors, bifurcating them into 2 categories: (a) risks associated with the business and the issuer company, and (b) risks

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		<p>2. risk material to the issuer and its business.</p> <p>In each of the above, where applicable, along with the instances of occurrence of such risk in the past and financial or other impact thereof, if any, on the issuer and its business, the mitigation measures, if any, adopted to reduce or eliminate such risk will be disclosed.</p>	<p>associated with the QIP and its objects.</p> <p>Historically, Placement Documents mirrored the detailed risk disclosures made in IPO offer documents, typically covering; (a) business and operational risks; (b) financial risks; (c) legal and regulatory risks; (d) risks relating to the objects of the offer; (e) other internal risks of the company; and (f) external risk factors.</p> <p>Following this amendment, external risk factors, including generic industry-related risks, may now be excluded from Placement Documents. However, disclosures under the other categories will continue to be required to enable investors to make an informed investment decision.</p> <p>Further, since listed companies are already required to disclose all material business and operational risks along with mitigation measures and past instances in their annual reports, this amendment also serves to align disclosures made in the public domain with those provided in Placement Documents.</p>
3.	<p>Use of proceeds:</p> <ol style="list-style-type: none"> <li>1. purpose of the placement;</li> <li>2. break-up of the cost of the project for which the money is being raised;</li> <li>3. means of financing for the project; and</li> <li>4. proposed deployment status of the proceeds at each stage of the project.</li> </ol>	<p>In Clause (7), in the heading, the words <i>“Use of proceed”</i> will be substituted with the following: <i>“Objects of issue and use of issue proceeds”</i></p>	<p>There are no specific action points arising from this change. Further, the guidance issued under NSE circular NSE/CML/2022/56 dated December 13, 2022, in relation to disclosures on the objects of the issue, will continue to remain applicable.</p>
4.	Capitalisation statement	<p>The existing Clause (8), is substituted with the following Clause:</p> <p><b>(8) Capitalisation statement:</b></p> <ol style="list-style-type: none"> <li>1. Capitalisation statement showing total borrowings, total equity, and the borrowing/</li> </ol>	<p>The Amendment Regulations clarify the requirement for disclosure of a capitalisation statement, which mirrors the IPO disclosure format and, in practice, is already being included in Placement Documents. Accordingly, there</p>

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		<p>equity ratios before and after the issue is made will be incorporated. It will be prepared on the basis of the Consolidated Financial Statement for the latest financial year or when applicable at the end of the stub period. In case of any change in the share capital since the date as of which the financial information has been disclosed in the placement document, a note explaining the nature of the change will be given.</p> <p><b>2. Capital structure:</b></p> <p>a) Authorised, issued and subscribed capital, after suitable incorporation of the outstanding convertible securities (number of securities, description and aggregate nominal value);</p> <p>b) paid-up capital:</p> <p>i) before the issue;</p> <p>ii) after the issue;</p> <p>iii) after conversion of convertible instruments (if applicable); and</p> <p>iv) share premium account (before and after the offer).</p>	<p>are no specific action points arising from this clarification.</p> <p>Further, while the Amendment Regulations now require disclosure only of the authorised and subscribed capital in Placement Documents, the obligation to provide the share capital build-up since incorporation continues under Sections 42 and 62 of the Companies Act, 2013 read with Form PAS-4.</p> <p>Although the amendment simplifies the disclosure requirement relating to capital structure, a further alignment with Form PAS-4 may be necessary to fully achieve the objective of simplification and streamlining of Placement Documents.</p>
5.	Selected financial and other information	The existing Clause (10) is omitted	
6.	The audited consolidated or unconsolidated financial statements, as applicable prepared in accordance with applicable accounting standards for the last 3 financial years. The issuer company may voluntarily provide proforma financial statements for acquisitions or divestments, for such financial periods as determined by the issuer company, provided such proforma financial statements are prepared in accordance with any guidance note, standard or assurance engagement or guideline issued by the Institute of Chartered Accountants of India ("ICAI") from time to time and certified by the statutory auditor or chartered accountants, who hold a valid certificate issued by	<p>The existing Clause (11), is renumbered as Clause (10), and substituted with the following Clause:</p> <p><b>(10) Financial information of the issuer:</b></p> <p>A summary of the financial position of the company as in 3 audited balance sheets immediately preceding the QIP offer including the following items:</p> <ol style="list-style-type: none"> <li>1. total income from operations;</li> <li>2. net profit/loss before tax and extraordinary items;</li> <li>3. net profit/loss after tax and extraordinary items;</li> <li>4. equity share capital;</li> <li>5. reserves and surplus;</li> <li>6. net worth;</li> </ol>	<p>The Amendment Regulations have eased disclosure norms for QIPs by doing away with the requirement to include 3 years of consolidated financial statements and the latest quarterly results filed with stock exchanges. Instead, issuers are now only required to present a summary of key balance sheet, profit and loss and cash flow line items for the last 3 audited financial years. The intent is to cut down repetitive disclosures for listed companies that are already subject to detailed, periodic reporting under the SEBI LODR Regulations.</p> <p>It is pertinent to note that quarterly financial results</p>

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	<p>the Peer Review Board of the ICAI. The issuer may also voluntarily include financial statements of the business or subsidiary acquired or divested, provided that such financial statements are certified by the auditor (of the business or subsidiary acquired or divested) or chartered accountants, who hold a valid certificate issued by the Peer Review Board of the ICAI. In addition, the latest reviewed financials (mentioned below) disclosed to the stock exchange:</p> <ol style="list-style-type: none"> <li>1. report of statutory auditor's on the financial statements included in the preliminary placement document/placement document;</li> <li>2. balance sheets;</li> <li>3. statements of income;</li> <li>4. schedules to accounts;</li> <li>5. statements of changes in stockholders' equity;</li> <li>6. statements of cash flows;</li> <li>7. statement of accounting policies; and</li> <li>8. notes to financial statements including the statement relating to subsidiary companies (in case of unconsolidated financial statements).</li> </ol>	<ol style="list-style-type: none"> <li>7. basic earnings per share;</li> <li>8. diluted earnings per share;</li> <li>9. return on net worth;</li> <li>10. net asset value per share; and</li> <li>11. cash flow statements.</li> </ol>	<p>disclosed to stock exchanges are usually limitedly reviewed financials and not audited. Pursuant to this amendment, only the financial line items of the last 3 fiscals are required to be disclosed in the Placement Documents. However, in practice, to enable investors to form a well-informed opinion, financial and operational non-GAAP (Generally Accepted Accounting Principles) measures, along with reconciliation with GAAP measures, may be required to be included for the stub period in the Placement Documents.</p> <p>Therefore, while interim results (whether quarterly stock exchange filings or condensed consolidated financial statements under Ind-AS 34) are no longer mandatory, issuers could still choose to include them. This helps bridge the time gap between the last audited financials and the QIP launch, while also giving investors comfort through more current performance metrics.</p>
7.	Management's discussion and analysis of financial condition and results of operations	The existing Clause (12) is omitted	<p>The omitted Clause, which previously provided a narrative explanation of financial performance and key business drivers, has been removed from Placement Documents. It is pertinent to note that a detailed analysis of the issuer's financial and operational performance is disclosed in the annual reports, quarterly earning calls, and investor presentation. Accordingly, deletion of requirement to included MD&amp;A section in the Placement Document will further simplify and streamline the disclosures in the Placement Documents.</p>

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			This omission is consistent with SEBI's move towards simplified, no-duplicative disclosures, on the basis that QIBs already have access to such information through periodic filings under the SEBI LODR Regulations.
8.	Industry description	The existing Clauses (13) and (14) is renumbered as Clause (11), and substituted with the following Clause:	Pursuant to the Amendment Regulations, SEBI has clarified that Placement Documents are now required to include only a summary of the business and industry in which the company operates.
9.	Business description	<p><b>(11) Business and Industry description:</b></p> <p>A summary of the primary business of the issuer and the industry in which it operates.</p>	<p>This change eases the disclosure burden on issuers, who were earlier required to provide detailed descriptions of their business information that is, in any case, already available in the public domain, including annual reports.</p> <p>However, as part of the QIP process, issuers typically continue to obtain a third-party industry report. These reports serve multiple purposes: (a) providing peer comparisons; (b) framing positioning statements for the issuer; and (c) outlining industry outlook. They also remain an important basis for discussions with investors, and issuers may still rely on them for disclosures in the Placement Documents.</p>
10.	Board of directors and senior management	<p>The existing Clause (16) is renumbered as Clause (13), and substituted with the following Clause:</p> <p><b>(13) Board of directors and senior management:</b></p> <p>Name, date of birth, age, director identification number, address, occupation and date of expiration of the current term of office of manager, managing director and other directors (including nominee directors and whole-time directors).</p>	Pursuant to the Amendment Regulations, SEBI has clarified that only limited details of directors and senior management are required to be disclosed, and there is no mandatory requirement to provide detailed profiles such as their work experience, educational qualifications, or similar information.
11.	Legal proceedings to be disclosed in accordance with the materiality	The existing Clause (19) is renumbered as Clause (16), and	Pursuant to the Amendment Regulations, the disclosure approach for legal proceedings

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	policy framed under the SEBI LODR Regulations	<p>substituted with the following Clause:</p> <p><b>(16) Outstanding litigation and legal proceedings:</b></p> <ol style="list-style-type: none"> <li>1. summary of outstanding litigation and legal proceedings in a tabular format along with the amount involved, wherever quantifiable for the pending matters which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of the issuer;</li> <li>2. pending matters as mentioned below: <ol style="list-style-type: none"> <li>a) involving criminal liability on the part of the issuer;</li> <li>b) material violations of the statutory regulations by the issuer; and</li> <li>c) economic offences where proceedings have been initiated against the issuer; and</li> </ol> </li> <li>3. for the purpose of determining materiality, the threshold will be lower of the threshold criteria mentioned below: <ol style="list-style-type: none"> <li>a) as per the policy of materiality defined by the board of directors of the issuer and disclosed in the placement document; and</li> <li>b) litigation where the value or expected impact in terms of value, exceeds the lower of the following: <ol style="list-style-type: none"> <li>i) 2% of the turnover, as per the last audited consolidated financial statements of the issuer;</li> <li>ii) 2% of the net worth, as per the last audited consolidated financial statements of the issuer, except in case the arithmetic value of</li> </ol> </li> </ol> </li> </ol>	<p>in Placement Documents has been streamlined as follows:</p> <ol style="list-style-type: none"> <li>1. all criminal, regulatory, statutory violations and economic offences involving the issuer entity are required to be disclosed;</li> <li>2. tax or civil matters involving the issuer entity are to be disclosed only in a summary form (typically the number of cases and the aggregate amount involved is included);</li> <li>3. Disclosure of criminal, civil, regulatory, statutory violations and economic offences involving directors, promoters, or subsidiaries is no longer mandatory (though these were previously included in Placement Documents).</li> <li>4. In addition, a summary table must be included for all legal proceedings which, if decided adversely, would materially and adversely impact the operations or financial position of the issuer. This would include all such legal matters which have been disclosed by the issuer to stock exchanges under Regulation 30 of the SEBI LODR Regulations.</li> </ol> <p>While these amendments truncate disclosure of legal proceedings in Placement Documents, it is important to note that disclosure requirements under Form PAS-4 continue to apply. Accordingly, any litigation or legal action pending or instituted within the 3 years preceding the QIP by any Ministry, Department of the Government, or statutory authority against any promoter of the issuer company must still be included in the Placement Documents.</p>

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		<p>the net worth is negative; or</p> <p>iii) 5% of the average of absolute value of profit or loss after tax, as per the last 3 audited consolidated financial statements of the issuer.</p>	
12.	-	<p>After the Clause (20) so renumbered, the following new clause (21) is inserted:</p> <p>(21) The issuer may include additional details in the placement document wherever it may deem fit.</p>	<p>The intent behind the revised disclosure requirements under Schedule VII is to streamline the QIP document, offering qualified institutional buyers a more concise and focused overview, given that they are regarded as sophisticated investors.</p> <p>At the same time, the Amendment Regulations preserve flexibility by allowing issuers to include any additional disclosures they consider necessary.</p>

## Conclusion

Listed entities are subject to stringent and continual disclosure requirements pursuant to the SEBI regulations. The Amendment Regulations eliminates duplication of such information in the Placement Documents, allowing issuer entities to access capital markets in an efficient time-bound manner. Listed entities raising funds from QIPs are also subject to disclosure requirements under the Companies Act, 2013 (including form PAS-4), which may also require amendment to align with the intent and rationale of the Amendment Regulations.

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The firm provides complete support to its clients - from the stage of being summoned/ providing information to the investigating authority, up to the stage of final appeal before the Supreme Court. The team assists in strategy and advises clients keeping in mind the operational/ practical aspects of the clients' business and regulatory requirements. Having previously represented SEBI and stock exchange before different fora, members of the securities litigation team bring a unique perspective to the mandates given by the clients.

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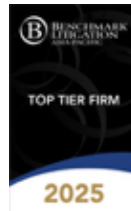
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