

## Capital Markets Hotline

September 11, 2009

### SEBI REPLACES IPO GUIDELINES WITH ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS REGULATIONS

Ever since the initial disclosure and investor protection guidelines were issued in 1992 and then updated in 2000, the Securities and Exchange Board of India ("SEBI") has made endeavors to ensure that the guidelines cater to the needs of a developing and sophisticated market and are aligned with international practices. With the SEBI (Disclosure and Investor Protection) Guidelines, 2000 ("DIP Guidelines") having become voluminous due to the major changes, a re-drafting of the regulations pertaining to the issuance of capital and disclosure requirements was thought necessary. This has led to the enactment of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations"), which replaces the DIP Guidelines in entirety.

A regulation can be said to have greater sanctity given the fact that under Section 31 of the SEBI Act, 1992 (the "Act") every regulation made by the SEBI is required to be laid before each House of Parliament for its approval and comments, a procedure not required to issue guidelines. Consequently, violation of the ICDR Regulations now subjects all violators to any or all penalties that the Act prescribes including the cease and desist proceedings, criminal and monetary penalties. This change makes it more onerous for a company issuing capital and its promoters, who not being 'intermediaries' were not targets of criminal or monetary penalties under the DIP Guidelines.

For a smooth transition, Regulation 111 of the ICDR Regulations provides that an offer document filed under the DIP Guidelines and pending before SEBI and observations made in respect of any offer document or draft filed under the DIP Guidelines shall be deemed to have been filed or made under the corresponding provision of the ICDR Regulations

For a summary of the key provisions of the ICDR Regulations, and the implications of the same, if any, in comparison with the DIP Guidelines, as well as the consequential changes made to other legislations pursuant to the promulgation of the ICDR Regulations [please click here](#).

- Capital Markets Group

### DISCLAIMER

The contents of this hotline should not be construed as legal opinion. View detailed disclaimer.

This Hotline provides general information existing at the time of preparation. The Hotline is intended as a news update and Nishith Desai Associates neither assumes nor accepts any responsibility for any loss arising to any person acting or refraining from acting as a result of any material contained in this Hotline. It is recommended that professional advice be taken based on the specific facts and circumstances. This Hotline does not substitute the need to refer to the original pronouncements.

This is not a Spam mail. You have received this mail because you have either requested for it or someone must have suggested your name. Since India has no anti-spamming law, we refer to the US directive, which states that a mail cannot be considered Spam if it contains the sender's contact information, which this mail does. In case this mail doesn't concern you, please unsubscribe from mailing list.

## Research Papers

### Medical Device Industry in India

April 28, 2025

### Clinical Trials and Biomedical Research in India

April 22, 2025

### Structuring Platform Investments in India For Foreign Investors

March 31, 2025

## Research Articles

### 2025 Watchlist: Life Sciences Sector India

April 04, 2025

### Re-Evaluating Press Note 3 Of 2020: Should India's Land Borders Still Define Foreign Investment Boundaries?

February 04, 2025

### INDIA 2025: The Emerging Powerhouse for Private Equity and M&A Deals

January 15, 2025

## Audio

### CCI's Deal Value Test

February 22, 2025

### Securities Market Regulator's Continued Quest Against "Unfiltered" Financial Advice

December 18, 2024

### Digital Lending - Part 1 - What's New with NBFC P2Ps

November 19, 2024

## NDA Connect

Connect with us at events, conferences and seminars.

## NDA Hotline

[Click here to view Hotline archives.](#)

## Video

Vyapak Desai speaking on the danger of deepfakes | Legally Speaking with Tarun Nangia | NewsX

April 01, 2025

**Vaibhav Parikh, Partner, Nishith  
Desai Associate on Tech, M&A, and  
Ease of Doing Business**

March 19, 2025

**SIAC 2025 Rules: Key changes &  
Implications**

February 18, 2025