

REGULATORY UPDATE

SEBI (ICDR) Amendment – Abridged Prospectus Framework

SEBI (Issue of Capital and Disclosure Requirements) Regulations

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Overview

SEBI has introduced important changes to the offer document framework under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, aimed at simplifying disclosures and enhancing investor accessibility in public issues.

- The concept of the Summary Offer Document has been discontinued
- A Draft Abridged Prospectus (DAP) must now be filed along with the Draft Red Herring Prospectus (DRHP)
- An Abridged Prospectus must be filed along with the Prospectus, with revised disclosure requirements under Schedule VI

Revised Framework – Why This is a Strong Step for Investors

This reform marks a significant shift towards investor-centric disclosures in the IPO process. The revised framework will:

KEY BENEFITS

- Present key IPO information in a standardised and structured format across all public issues
- Enable investors to quickly understand the company's business model, financials and risks
- Improve comparability between IPOs, helping investors evaluate opportunities more effectively
- Ensure early visibility of key disclosures at the DRHP stage itself
- Reduce information overload and duplication across multiple offer documents
- Promote clarity, consistency and ease of navigation in IPO disclosures
- Help retail investors focus on material information instead of lengthy documentation
- Encourage better due diligence and informed participation in capital markets
- Strengthen transparency and disclosure discipline among issuers
- Support SEBI's broader objective of ease of doing business and investor protection

DAP Benefits

- One can now read a 5-page summary of a tech startup's business model and risks while it is still under SEBI review, allowing you weeks to research the industry before you have to commit funds.
- If a company claims to be an "AI-driven ecosystem," the DAP forces them to state specifically what they sell, who their top 5 customers are, and where they make their money in a tabular format.
- An investor can instantly see if the promoter has a pending criminal case or if 80% of the company's revenue comes from a single client, right at the start of the IPO process.

Direct Digital Access via QR Codes

- **Modernizations:** All application forms and advertisements must now feature a QR Code.
- **The Improvement:** This removes reliance on physical copies or hunting for PDF links on stock exchange websites

Conclusion

Overall, the amendment makes IPO disclosures more concise, accessible and meaningful — a clear step forward in empowering investors and strengthening confidence in the primary market.

BOTTOM LINE

The SEBI (ICDR) Amendment is a well-considered reform that places investor protection and transparency at the centre of the IPO disclosure process. By standardizing the abridged prospectus, ensuring its availability from the DRHP stage, and eliminating redundant documents, SEBI has taken a meaningful step in building a more informed and confident retail investor base in India's primary markets.