



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

CONSULTATION PAPER

DEPARTMENT OF DEBT AND HYBRID SECURITIES

Consultation paper for review of LODR Regulations - measures towards Ease of Doing Business

July 25, 2025



भारतीय प्रतिभूति और विनिमय बोर्ड
Securities and Exchange Board of India

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Comments on the
Consultation paper may be
sent by August 15, 2025

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1. Objective:

1.1. The objective of this consultation paper is to seek comments/ views/ suggestions from the public on the proposal related to the Ease of Doing Business (EoDB) and streamlining compliance requirements for non-convertible securities¹, as follows:

1.1.1. Alignment of the regulatory provisions requiring an issuer of non-convertible security to send hard copy of annual report to the debenture holders, with the related provisions for listed entities having specified securities²; and specifying timelines thereof.

1.2. The detailed proposal related to aforementioned item is mentioned in paragraph 2 of this consultation paper.

¹ In terms of Regulation 2(1)(x) of the SEBI (Issue and Listing of Non-Convertible Securities) regulations, 2021 (NCS Regulations), "non-convertible securities" means debt securities, non-convertible redeemable preference shares, perpetual non-cumulative preference shares, perpetual debt instruments and any other securities as specified by the Board;

² In terms of Regulation 2(1) (eee) of the ICDR Regulations, "specified securities" means equity shares and convertible securities;

2. Proposal regarding alignment of the regulatory provisions requiring an issuer of non-convertible security to send hard copy of annual report to the debenture holders, with the related provisions for equity listed entities; and specifying timelines thereof:

Background:

2.1. Regulation 58(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations'), *inter-alia*, mandates the entities having listed non-convertible securities to send hard copy of Annual Report containing salient features of all the documents prescribed in Section 136 of the Companies Act, 2013, to the debenture holders who have not registered their email address either with the listed entity or with any depository.

2.2. Meanwhile, in case of specified securities, Regulation 36(1)(b) of the LODR Regulations, were recently amended thereby doing away with the requirement of sending physical copies of abridged Annual Report to those shareholders whose email id is not available. Under the revised provisions, a listed entity is required to send a letter to such shareholders indicating the link from which the annual report can be downloaded.

Relevant legal provisions:

2.3. Section 136 of the Companies Act, 2013, provides the following:

“136. Right of member to copies of audited financial statement.

(1) a copy of the financial statements, including consolidated financial statements, if any, auditor's report and every other document required by law to be annexed or attached to the financial statements, which are to be laid before a company in its general meeting, shall be sent to every member of the

company, to every trustee for the debenture-holder of any debentures issued by the company, and to all persons other than such member or trustee, being the person so entitled, not less than twenty-one days before the date of the meeting:

.....”

2.4. Regulation 36(1) of the LODR Regulations, provides the following:

“The listed entity shall send the annual report in the following manner to the shareholders:

(a) Soft copies of full annual report to all those shareholder(s) who have registered their email address(es) either with the listed entity or with any depository;

(b) A letter providing the web-link, including the exact path, where complete details of the Annual Report is available to those shareholder(s) who have not so registered;

(c) Hard copy of full annual report to those shareholders, who request for the same.”

2.5. Regulation 53(2) of the LODR Regulations, provides the following:

“The listed entity shall submit to the stock exchange and the debenture trustee and publish on its website-

(a) a copy of the annual report sent to the shareholders along with the notice of the annual general meeting, not later than the date of commencement of dispatch to its shareholders; and

.....”

2.6. Regulation 58(1) of the LODR Regulations, provides the following:

" The listed entity shall send the following documents:

- (a) Soft copies of the full annual reports to all the holders of non-convertible securities who have registered their email address(es) either with the listed entity or with any depository;*
- (b) Hard copy of statement containing the salient features of all the documents, as specified in Section 136 of Companies Act, 2013 and rules made thereunder to those holders of non-convertible securities who have not so registered;*
- (c) Hard copies of full annual reports to those holders of non-convertible securities, who request for the same."*

2.7. Regulation 62(1) of the LODR Regulations, provides the following:

"The listed entity shall maintain a functional website containing the following information about the listed entity:-

- (a) details of its business;*
 - (aa) composition of the Board;*
 - (b) financial information including:*
 - (i) notice of meeting of the board of directors where financial results shall be discussed;*
 - (ii) financial results, on the conclusion of the meeting of the board of directors where the financial results were approved;*
 - (iii) complete copy of the annual report including balance sheet, profit and loss account, directors report, corporate governance report etc;*
-"*

2.8. Regulation 92(1) of the LODR Regulations, provides the following:

“Upon receipt of relevant intimations, information, filings, reports, statements, documents or any other submissions in terms of these regulations, from the listed entity the recognised stock exchange(s) shall immediately disseminate the same on its website.”

Relaxations provided by Ministry of Corporate Affairs (MCA):

2.9. The Ministry of Corporate Affairs (MCA), vide circulars dated April 8, 2020 and April 13, 2020, provided certain relaxations for companies, including conducting Extraordinary General Meeting (EGM) through Video Conferencing (VC) or through other audio-visual means (OAVM) (hereinafter referred to in this circular as ‘electronic mode’), subject to fulfillment of certain requirements.

2.10. Thereafter, vide circular dated May 5, 2020, MCA extended these relaxations to Annual General Meetings (AGMs) of companies conducted during the calendar year 2020; the circular also relaxed the requirement relating to dispatch of physical copies of the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith) to the shareholders and debenture holders.

2.11. Subsequently, MCA vide circulars dated January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022, December 28, 2022, September 25, 2023 and September 19, 2024, extended the timelines for such relaxation, the latest being till September 30, 2025.

Relaxations provided by SEBI:

2.12. In view of the relaxations provided by MCA, circulars were issued by SEBI, from time to time, *inter-alia*, extending the relaxations to the entities having listed specified securities and to the entities having listed non-convertible

securities, from sending a hard copy of the statement containing salient features of all the documents as prescribed in Section 136 of the Companies Act, 2013, to the shareholders and the debenture holders, who have not registered their email addresses and hard copies, as required under Regulations 36(1)(b) and 58(1)(b) of the LODR Regulations, respectively.

2.13. The latest circular issued by SEBI in this regard, being:

2.13.1. Circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024, for entities that have listed their specified securities; and

2.13.2. Circular no. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/83 dated June 05, 2025, for entities that have listed their non-convertible securities.

Amendment to LODR Regulations w.r.t. listed specified securities:

2.14. The 'Expert Committee' appointed for facilitating ease of doing business and harmonization of the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR Regulations) and the LODR Regulations, *inter-alia*, recommended the following:

2.14.1. Instead of sending abridged annual report to those shareholders whose email address is not available, listed entities may be permitted to send a letter intimating the web link, including the exact path, from which he/she can access full soft copy of the annual report. This would minimize the usage of paper and would also facilitate 'Go green' and sustainability initiatives of a listed entity.

2.14.2. The timeline for dispatch of Annual Reports specified in regulation 36(2) of the LODR may be omitted.

2.15. In view of the above, a proposal was placed before the Board in its meeting dated September 30, 2024, and pursuant to its approval, the following amendments were made to the LODR Regulations which were notified on December 13, 2024:

2.15.1. Amendment to Regulation 36(1)(b) of the LODR Regulations, to replace requirement of sending hard copy of financials with letter containing web link; and

2.15.2. As the timelines for dispatch of documents to shareholders before an AGM is already specified in the Companies Act, 2013, the erstwhile Regulation 36(2) of the LODR Regulations (i.e. the listed entity shall send annual report referred to in Regulation 36(1) of the LODR Regulations, to the holders of securities, not less than twenty-one days before the annual general meeting), was deleted.

Earlier public consultation for limited time relaxation from sending physical copies of financials:

2.16. Prior to issuance of circular dated June 05, 2025 (as mentioned at paragraph 2.14.2. above), the draft circular was published on the SEBI website, for public comments. The comments received from the public, are, *inter-alia*, summarized below:

2.16.1. Relaxation from sending physical copy of financials will lead to saving of cost and prevent wastage of paper;

2.16.2. This would lead to regulatory consistency and ease of doing business;

2.16.3. Align the requirements of sending hard copies of annual reports with the requirements of Regulation 36(1)(b) of the LODR Regulations;

2.16.4. The issuers may be permitted to share the financials through whatsapp or SMS;

3. Proposal for public comments along with the rationale thereof:

Proposal 1: Relaxing the requirement of sending hard copy of financials/ Annual report – Regulation 58(1)(b) of the LODR Regulations

3.1. In order to assist ease of doing business, reduce costs and enhance efficiency of operations and to align the requirements for entities having listed non-convertible securities with that for entities with listed specified securities, it is proposed to amend Regulation 58(1)(b) of the LODR Regulations, and substitute with the following:

“A letter providing the Quick Response Code and the web-link, including the exact path, where complete details of the Annual Report is available, to those debenture holder(s) who have not registered their email id.”

3.2. The provision of Quick Response (QR) code is proposed to be incorporated to facilitate ease of access for the debenture holders.

3.3. It is also pertinent to note that the financials of the issuer are already in public domain viz. website of the issuer and the stock exchanges where the securities are listed (in terms of Regulations 53(2), 62(1)(b) and 92(1) of the LODR Regulations).

Proposal 2: Specifying timelines for issuers having listed non-convertible securities regarding requirements of Regulation 58(1) of the LODR Regulations

3.4. Unlike entities having listed specified securities, there are issuers having listed non-convertible securities which are not constituted under the Companies Act, 2013, and hence, the timelines specified under the Companies Act, 2013, with respect to sending of copy of financials to the debenture holders are not applicable upon them. Therefore, there is a need to specify timelines within which the issuer is required to comply with the said requirements.

3.5. Accordingly, to provide a timeline for the issuer, the following are proposed:

3.5.1. For listed entities which are companies, the timelines specified under the Companies Act, 2013, shall be applicable.

3.5.2. For listed entities which are constituted under some other Act or statute, relevant provisions of their parent Act or statute, shall be applicable. In the absence of any such provision, a timeline of 21 days may be specified, in line with the provisions of the Companies Act, 2013, for the sake of parity.

3.6. The corresponding amendment proposed in the LODR Regulations, is inclusion of Regulation 58(1A), as follows:

“58. (1A) The listed entity shall send the documents referred to in sub-regulation (1), within the timelines specified in Section 136 of Companies Act, 2013 and rules made thereunder, or such other Act, under which it is constituted.

Provided that if the Act under which the listed entity is constituted does not specify any timeline in this regard, then the listed entity shall send the documents not less than twenty-one days before the date of the annual general meeting.”

4. Public comments being sought on:

4.1. Kindly provide your comments for the below items along with supporting rationale:

4.1.1. Whether the requirement of sending hard copy of statement containing the salient features of all the documents, as specified under regulation 58(1)(b) of the LODR Regulations, should be replaced with letter containing web link and quick response code to access the same, as suggested in Proposal 1 above?

4.1.2. Whether timelines need to be specified, for issuers of non-convertible securities, relating to requirements of Regulation 58(1) of the LODR Regulations, as suggested in Proposal 2 above?

4.2. Considering the implications of the aforementioned matters on the market participants, public comments are invited on the above proposals. The comments/ suggestions should be submitted through the following mode latest by, August 15, 2025:-

4.2.1. Online web-based form (preferable): The comments may be submitted through the following link:

<https://www.sebi.gov.in/sebiweb/publiccommentv2/PublicCommentAction.do?doPublicComments=yes>

4.2.2. The instructions to submit comments online on the consultation paper are as under:

a. Before initiating the process, please read the instructions given on top left of the web form as "Instructions".

- b. Select the consultation paper you want to comment upon from the dropdown under the tab – “Consultation Paper” after entering the requisite information in the form.*
- c. All fields in the form are mandatory;*
- d. Email Id and phone number cannot be used more than once for providing comments on a particular consultation paper.*
- e. If you represent any organization other than the types mentioned under dropdown in “Organization Type”, please select “Others” and mention the type, which suits you best. Similarly, if you do not represent any organization, you may select “Others” and mention “Not Applicable” in the text box.*
- f. There will be a dropdown of Proposals in the form. Please select the proposals one- by-one and for each of the proposal, please record your level of agreement with the selected proposal. Please note that submission of agreement level is mandatory.*
- g. If you want to provide your comments for the selected proposal, please select “Yes” from the dropdown under “Do you want to comment on the proposal” and use the text boxes provided for the same.*
- h. After recording your response to the proposal, click on “Submit” button. System will save your response to the selected proposal and prompt you to record your response for the next proposal. Please follow this procedure for all the proposals given in the dropdown.*
- i. If you do not want to react on any proposal, please select that proposal from the dropdown and click on “Skip this proposal” and move to the next proposal.*

j. *After recording your response to all the proposals, you may see your draft response to all of proposals by clicking on “Check your response before submitting” just before submitting response to the last proposal in the dropdown. A pdf copy of the response can also be downloaded from the link given in right bottom of the web page.*

k. *The final comments shall be submitted only after recording your response on all of the proposals in the consultation paper*

4.2.3. In case of any technical issue in submitting comments through web based public comments form, you may contact the following through email with a subject: *"Issue in submitting comments on Consultation Paper for review of LODR Regulations - measures towards Ease of Doing Business"*:

a. Mr. Rohit Dubey, GM (rohitd@sebi.gov.in);

b. Ms. Divya Hamirbasia, AGM (divyah@sebi.gov.in)

Issued on: July 25, 2025