

SEBI Eases Compliance for Non-Convertible Debt

The Securities and Exchange Board of India (SEBI) vide its **Circular No. SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2025/83 dated June 05, 2025**, has provided temporary relief to entities with listed non-convertible debt securities from certain compliance requirements. This circular addresses Regulation 58(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations).

Previously, this regulation mandated sending physical copies of financial statements and related documents to holders of non-convertible securities who had not registered their email addresses. The Ministry of Corporate Affairs (MCA) had already extended similar relaxations for sending physical copies of financial statements to shareholders until September 30, 2025. In line with this, SEBI has now aligned its regulations.

Specifically, for the period from October 1, 2024, to June 5, 2025, issuers who complied with the MCA's circular and did not send hard copies of these documents will not face penalties under Regulation 58(1)(b). Furthermore, for the period from June 6, 2025, to September 30, 2025, a similar relaxation is granted.

However, during this latter period, entities must disclose a web link to the statement containing the salient features of all documents, as specified in Section 136 of the Companies Act, 2013, within their advertisement as per Regulation 52(8) of the LODR Regulations. This ensures holders of non-convertible securities can still access the required information electronically.

Link - https://www.sebi.gov.in/legal/circulars/jun-2025/limited-relaxation-from-compliance-with-certain-provisions-of-the-sebi-listing-obligations-and-disclosure-requirements-regulations-2015_94423.html