



भारतीय प्रतिभूति और विनिमय बोर्ड  
Securities and Exchange Board of India

# **CONSULTATION PAPER**

**Recommendations of the Working Group for  
review of SEBI (Listing Obligations and  
Disclosure Requirements) Regulations, 2015:**

Review of framework for monitoring and disclosure  
of utilization of issue proceeds

**October 13, 2026**

## OBJECTIVE

1. The objective of this consultation paper is to seek comments / views / suggestions from the public and other stakeholders on the recommendations of the Working Group (“**Working Group**”) constituted for review of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”).

## BACKGROUND AND CONSTITUTION OF THE WORKING GROUP

2. LODR Regulations, were published in the Gazette of India on September 2, 2015. The objective of bringing LODR Regulations, was to consolidate, streamline, and harmonize the various existing listing agreements into a single, unified framework and strengthen corporate governance, transparency, and protection of the interests of investors.
3. Since 2015, LODR Regulations have been periodically amended, which may have led to various interpretation issues arising out of multiple amendments.
4. Accordingly, the Working Group, chaired by Shri V S Sundaresan, Former Executive Director, SEBI, on the review of LODR Regulations was constituted with an aim to streamline the regulations, simplify the structure and language, remove ambiguities and redundancy, etc.
5. The Working Group has submitted its first report. The report consists of three chapters:
  - 5.1. **Chapter I** of the report deals with recommendations relating to monitoring and disclosure of utilization of issue proceeds;
  - 5.2. **Chapter II** of the report deals with recommendations relating to review of penal provisions and actions by stock exchanges (SEs) for non-compliance with SEBI regulations by listed companies including standard operating procedure (SOP) for action by stock exchange.
  - 5.3. **Chapter III** of the report deals with recommendations relating to clarifications on Related Party Transaction (RPT) Provisions under the LODR Regulations.

6. Subsequently, the first report of the Working group was placed for consideration before the Advisory Committee on Listing Obligations and Disclosures (“**ACLOD**”) of SEBI. The proposals of the Working Group were also deliberated internally by SEBI.
7. The proposals in this Consultation Paper pertain to the Chapter I of the report on review of the framework for monitoring and disclosure of utilization of issue proceeds.

## RECOMMENDATIONS OF THE WORKING GROUP

8. The recommendations of the Working Group in Chapter I recommendations relating to monitoring and disclosure of utilization of issue proceeds, can be accessed at

[https://www.sebi.gov.in/sebi\\_data/commondocs/oct-2026/working\\_group\\_report\\_lodr\\_p.pdf](https://www.sebi.gov.in/sebi_data/commondocs/oct-2026/working_group_report_lodr_p.pdf)

9. The recommendations of the Working Group in Chapter I includes the following:
  - 8.1 Empowering monitoring agency to directly submit its report to Stock Exchanges within prescribed timelines.
  - 8.2 In the event of non-cooperation by listed entity, during the process of monitoring, the report directly submitted by monitoring agency to Stock Exchanges shall be based on best available information and accompanied by "Statement of non-cooperation".
  - 8.3 Levy of fine by stock exchanges, in case of non-cooperation by listed entity reported by monitoring agency.
  - 8.4 In case of termination of agreement before hundred percent utilization of the issue proceeds, both the listed entity and existing monitoring agency to ensure timely submission of monitoring agency report to Stock Exchanges during the transition period.

- 8.5 Harmonization between the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulation, 2018 (“**ICDR Regulations**”) and LODR Regulations with respect to Monitoring and Disclosure of Utilization of issue proceeds, and certain other consequential amendments.
- 8.6 Mandatory appointment of monitoring agency, for all issuances irrespective of the size of the issue (excluding size of offer for sale).
- 8.7 Clarification with respect to monitoring of gross issue proceeds.
- 8.8 Modification(s) in the existing format of report of monitoring agency.
- 8.9 Deletion of sub-regulation (5) of Regulation 262 of the ICDR Regulations and Modification in Regulation 262(6) of the ICDR Regulations.
- 8.10 Alignment of terminologies under Regulation 32 of the LODR Regulations and other consequential amendments.
- 8.11 Regulation 32 of the LODR Regulations to deal with ‘Statement of utilization including variation(s)’, if any and to be made applicable to listed entities which are exempt from appointment of Monitoring Agency under the relevant provisions of the ICDR Regulations.
- 8.12 Insertion of separate Regulation 32A under LODR Regulations, dealing with monitoring agency report related aspects.
- 8.13 Transitory Provisions for implementation of the amended provisions under ICDR Regulations and LODR Regulations.

10. **Additional Recommendations of SEBI:**

Pursuant to discussion with the ACLOD and subsequent internal discussion, additional recommendations/ clarifications are proposed by SEBI in respect of certain recommendations under ‘Chapter I of the report of Working Group pertaining to

monitoring and disclosure of utilization of issue proceeds', as detailed hereunder in

**Table 1:**

**Table:1**

| Para/ Sub-para of the Working Group Report                                                                                                                                                            | Recommendation of the Working Group                                                                                                                                                                                                                                                                                                                   | Final additional proposals of SEBI for public comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| <b>Recommendation 1:</b><br>Empowering monitoring agency to directly submit its report to SEs within prescribed timelines under LODR Regulations<br>(Page no. 9 to 11 of the report of Working Group) | Para 1.2(ii) of the Report states need for review in case of non-cooperation by listed entities during the process of monitoring such as: not providing information to monitoring agency, delay in sharing the required information, information not substantiated with requisite supporting documents, non-payment of fee to monitoring agency, etc. | <ul style="list-style-type: none"> <li>• <i>Non-payment of fee to monitoring agency, shall not be considered as ground for reporting non-cooperation.</i></li> </ul> <p>Monitoring agencies may deal with such scenario, by having suitable clauses in the agreement with the listed entity (Issuer), for payment of entire fee for the monitoring period, in advance, if considered appropriate.</p> <p>In case, where monitoring agency has received entire fee in advance, however, the agreement between the monitoring agency and the listed entity is terminated before 100% utilization of the issue proceeds, the monitoring agency may be required to refund to the listed entity (Issuer), the proportionate amount for the remaining monitoring period. This will</p> |

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|  | <p>Para 1.3.2 read with Para 1.4, <i>inter-alia</i>, recommends that- In the event of non-cooperation by listed entity, during the process of monitoring, the report directly submitted by monitoring agency to SEs shall be based on best available information and accompanied by "Statement of non-cooperation".</p> | <p>discourage instances of non-payment of fees.</p> <ul style="list-style-type: none"> <li>• In case of non-cooperation by listed entity and direct submission of report by monitoring agency to stock exchange(s), it is proposed that as recommended monitoring agency may submit the report to SEs based on best available information. In case of non-cooperation, such report shall be accompanied with statement of non-cooperation. The lack of availability of a complete report for that reporting quarter may still create an information gap for investors, which may also reflect in the monitoring agency reports for the subsequent reporting period.</li> </ul> <p>To address this, <b><i>it is also proposed that in case a listed entity rectifies the non-cooperation status for a reporting period, for which monitoring agency has submitted direct report to the stock exchanges, the monitoring agency shall, within 15 days of receipt of complete information</i></b></p> |
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|                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                           | <p><i>from listed entity, submit a subsequent complete report to the stock exchanges. This Report shall explicitly state that the listed entity has rectified its non-cooperation status for the said reporting period.</i></p> <ul style="list-style-type: none"> <li>• <i>Based on the feedback received from ACLOD, SEBI further proposes that the Stock Exchanges shall ensure that the report of the monitoring agency and, where applicable, the statement of non-cooperation, are prominently displayed on the website of the Stock Exchanges for immediate attention of the investors.</i></li> </ul> |
| <p><b>Recommendation 2:</b> Action against listed entity in case of non-cooperation by listed entity reported by monitoring agency (Page no. 11 to 12 of the report of Working Group)</p> | <p>Para 2.3 read with Para 2.4 recommends that a fine of Rs. 50,000/- per instance reported by monitoring agency in a quarter may be levied by Stock Exchange(s). Subsequent action post levy of fine shall be in accordance with the Standard Operating Procedure laid down in Section VII-A of the Master Circular.</p> | <p>For the sake of clarity and to keep stakeholders informed, stock exchanges have submitted process to be followed (action to be taken) in terms of Standard Operating Procedure (SOP) laid down in Section VII-A of the Master Circular by Exchanges, which is summarized hereunder–</p> <ul style="list-style-type: none"> <li>• Monetary fines (Rs. 50,000 per instance of non-cooperation by listed entity, reported by monitoring agency in a reporting quarter or half year, as</li> </ul>                                                                                                             |

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|  |  | <p>applicable) shall be levied by stock exchanges.</p> <ul style="list-style-type: none"> <li>• Stock Exchange(s) shall review compliance and issue notices to non-compliant listed entities within 30 days from the due date for submission of monitoring agency report in terms of LODR Regulations.</li> <li>• In case, where a monitoring agency does not submit a subsequent complete report for specified reporting period stating rectification of non-cooperation status of listed entity and/or the listed entity fails to pay the prescribed fine within 15 days from the date of notice to listed entities, the stock exchanges shall upon expiry of aforesaid period of 15 days, issue notice(s) to the promoters of non-compliant listed entity.</li> <li>• Upon expiry of period of 10 days from notice to promoter(s), if the non-cooperation status is not rectified and monitoring agency does not submit the subsequent complete report to stock exchanges for the specified reporting quarter and/or non-</li> </ul> |
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|                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                | compliant listed entity fails to pay fine levied, stock exchanges shall intimate to depositories to initiate freezing of demat accounts of the promoter(s) as per the SOP framework.                                                                                                                                                                                                                                                                                    |
| <b>Recommendation 3:</b><br>Termination of monitoring agency agreement before hundred percent of the proceeds of the issue have been utilized<br>(Page no. 12 of the report of Working Group) | Para 3.3, read with Para 3.4, recommends in case of termination of agreement between listed entity and monitoring agency before hundred percent utilization of the issue proceeds, both the listed entity and existing monitoring agency shall ensure timely submission of quarterly Monitoring Agency Report to stock exchanges during the transition period. | <i>Recommendation of the Working Group is proposed to be accepted. It is further proposed that in the event of non-cooperation reported by a MA for one or more reporting quarter(s), the listed entity shall neither terminate its agreement with the existing monitoring agency nor appoint a new monitoring agency, until it rectifies the non-cooperation status and enables existing monitoring agency to submit a complete report for that reporting quarter.</i> |
| <b>Recommendation 4:</b><br>Harmonization between the provisions of ICDR Regulations and LODR Regulations<br>(Page no. 12 to 15 of the report of Working Group)                               | Para 4.1 read with 4.2, it is inter-alia proposed to delete timelines for submission of monitoring agency report from ICDR Regulations and the same may be brought out under LODR Regulations.                                                                                                                                                                 | <i>Recommendation of the Working Group is proposed to be accepted. To align with said recommendation and avoid any inconsistency, it is further proposed that in addition to amendments under ICDR Regulations suggested by Working Group (placed as Annexure II of the Report) the words “on a quarterly basis” may be omitted from the following</i>                                                                                                                  |

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|  |  | <p><i>Regulations under the ICDR Regulations dealing with monitoring agency:</i></p> <ul style="list-style-type: none"> <li>• <i>Regulation 41(2)-IPO on Main Board,</i></li> <li>• <i>Regulation 82(2)- Rights Issue,</i></li> <li>• <i>Regulation 137(2)-Further Public Offer,</i></li> <li>• <i>Regulation 162A(2)- Preferential Issue,</i></li> <li>• <i>Regulation 173A(2)- Qualified Institutional Placement,</i></li> <li>• <i>Regulation 262(2)-IPO by SMEs.</i></li> </ul> |
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## PUBLIC COMMENTS

- Public comments are invited on the recommendations of the Working Group. The comments or suggestions, along with rationale, may be submitted latest by **November 03, 2026** through the following link:  
<https://www.sebi.gov.in/sebiweb/publiccommentv2/PublicCommentAction.do?doPublicComments=yes>
- In case of any technical issue in submitting your comments through web based public comments form, you may send your comments through e-mail to [consultationcfd@sebi.gov.in](mailto:consultationcfd@sebi.gov.in) with the subject "*Recommendations of the Working Group for review of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: Review of framework for monitoring and disclosure of utilization of issue proceeds.*"