

CIRCULAR

HO/49/(17)2026-CFD-POD2//8965/2026

April 8, 2026

To,

All recognised Stock Exchanges

All Depositories

All registered Merchant Bankers

Madam / Sir,

Subject: Ease of doing business - mechanism for lock-in of pledged shares under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018

1. SEBI vide notification dated March 21, 2026 has amended the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations"), to *inter-alia*, provide that specified securities on which lock-in cannot be created, may be recorded as "non-transferable" by Depositories for the duration of the applicable lock-in period.
2. To operationalise this, the Depositories have issued the framework to be followed by issuers including, *inter-alia*, incorporation of suitable provisions in the Articles of Association, issuance of necessary intimations to the concerned lenders / pledgees, and suitable disclosures in the offer documents.
3. The Depositories have made necessary changes to their systems and processes.
4. Accordingly, Stock Exchanges, Depositories, Merchant Bankers and issuers shall ensure compliance with the mechanism for lock-in of pledged shares.
5. This Circular is issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 and Section 26(3) of the Depositories Act, 1996 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

6. This Circular is available at www.sebi.gov.in under the link “Legal→Circulars”.

Yours faithfully,

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