

National Stock Exchange of India

Circular

Department: Listing	
Circular Ref. No.: NSE/CML/2022/27	Date: June 07, 2022

The Company Secretary

All Listed Companies

Interim Resolution Professionals (IRP)/ Resolution Professionals (RP)

Subject: Guidance note for filing intimations w.r.t. Insolvency and Bankruptcy Code (IBC) / Inter-Creditors Agreement (ICA)

Dear Sir/ Madam,

This is in furtherance to the below mentioned circulars issued by the Exchange:

1. Exchange Circular No. NSE/CML/2019/20 dated September 24, 2019 issued in relation to Disclosure of Default / Inter Creditor Agreement (ICA)
2. Exchange Circular No. NSE/CML/2021/27 dated July 09, 2021 issued in relation to Guidance note for companies undergoing Corporate Insolvency Resolution Process
3. Exchange Circular No. NSE/SURV/52368 dated May 20, 2022 issued in reference to Surveillance Measures for Securities under IBC/ICA.

All listed entities/Resolution Professionals are required to strictly adhere to filing the disclosures at various stages of Corporate Insolvency Resolution Process (CIRP) in the designated subject provided under the new digital portal of the Exchange only. Below mentioned shall be the path for submission of intimations w.r.t Admission of CIRP, Approval of Resolution Plan by Hon'ble NCLT & Withdrawal of CIRP by Hon'ble NCLT.

- Commencement of CIRP – Intimation shall be submitted under the Digital Portal by following the path: “Login into <https://digitalexchange.nseindia.com> > Compliance > Equity > New Announcement > Category: Corporate Insolvency Resolution Process > Subject Type: CIRP – Commencement”
- Approval of Resolution Plan – Intimation shall be submitted under the Digital Portal by following the path: “Login into <https://digitalexchange.nseindia.com> > Compliance > Equity > New Announcement > Category: Corporate Insolvency Resolution Process > Subject Type: CIRP – Approval of Resolution Plan”

- Withdrawal of CIRP – Intimation shall be submitted under the Digital Portal by following the path: “Login into <https://digitalexchange.nseindia.com> > Compliance > Equity > New Announcement > Category: Corporate Insolvency Resolution Process > Subject Type: CIRP – Revocation / Rejection”

Apart from the above all other intimations w.r.t CIRP (as per the provisions of schedule III Part A of SEBI (LODR) Regulations, 2015) shall also be submitted under the respective tab under the Category “Corporate Insolvency Resolution Process” only.

It shall be pertinent to note that the circular is in furtherance to the guidance note & circulars already issued by the Exchange as mentioned above.

Further, all listed entities shall promptly intimate the Exchange in case of any Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including signing of Inter-Creditors Agreement (ICA) by lenders along with the broad details in accordance with Para A of Schedule III of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. Below mentioned shall be the path for submission of intimations w.r.t Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions.

- Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including Signing of Inter Creditors Agreement (ICA) by lenders– Intimation shall be submitted under the Digital Portal by following the path: “Login into <https://digitalexchange.nseindia.com> > Compliance > Equity > New Announcement > Category : Miscellaneous Disclosure (Event/Periodic) > Subject Type : General Updates” > Description : Inter-Creditor Agreements

Please find annexed the above referred circulars for companies undergoing Corporate Insolvency Resolution Process.

All listed entities are requested to kindly take note of the contents of the circular and ensure compliance of the same.

Yours faithfully,
For National Stock Exchange of India Limited

Lokesh Bhandari
Chief Manager

Encl: as above

National Stock Exchange Of India Limited

Ref No: NSE/CML/2019/20

September 24, 2019

The Company Secretary
All Listed Companies

Dear Sir / Madam,

Subject: Disclosure of Default / Inter Creditor Agreement (ICA)

RBI vide circular dated June 07, 2019 has issued directions regarding early recognition, reporting and time bound resolution of stressed assets. The framework provides for lenders to take a prima facie review of defaulting borrowers within 30 days (Review Period) of default. During this review period, the lenders may decide on a resolution strategy which may include putting in place a resolution plan or alternatively initiate legal proceedings under the Insolvency and Bankruptcy Code.

In cases where Resolution Plan is to be implemented, all lenders shall enter into an Inter-Creditor Agreement (ICA), during the Review Period, to provide for ground rules for finalisation and implementation of the Resolution Plan in respect of borrowers with credit facilities from more than one lender.

As per the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) (LODR) Regulations 2015, the listed entities are required to ensure timely and accurate disclosure on all material matters including the financial situation, performance, ownership, and governance of the listed entity, etc.

It has been observed that the developments related to the Inter-Creditor Agreement (ICA) are likely to have significant impact on the prices of the securities of the listed entities whose assets have been deemed to be 'stressed' on account of default or delay of interest / principal payments. Hence, as per the provisions of SEBI (LODR) Regulations, 2015, the developments such as signing of Inter Creditor Agreement (ICA) by the lenders of the listed company, is **deemed to be 'material'** as it is likely to have significant impact on the ownership and governance of the Company.

Hence the following directions are being issued in consultation with SEBI and will be applicable to all listed entities with immediate effect:

1. Listed entities shall promptly disclose to the Exchange regarding the 'material' developments pertaining to default and/or Inter Creditor Agreement (ICA), in terms of Regulation 30(1) and 30(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and all amendments and circulars issued thereunder.
2. All participants, who have acquired confidential information in the course of developments pertaining to default and/or ICA, shall maintain the confidentiality of such information, until the same is publicly disclosed to Exchange. Such participants shall include the companies, lenders and any other entities who may have access to unpublished price sensitive information (UPSI) as defined in SEBI (PIT) Regulations, 2015.
3. Such participants shall continue to ensure that a strong and robust framework to maintain confidentiality of the unpublished price sensitive information and ensure that persons (including the lenders and any other entities who may have access to UPSI as defined in SEBI

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(PIT) Regulations, 2015) are put through necessary restrictions as required under the provisions of the SEBI (Prohibition of Insider Trading) Regulations 2015.

4. Companies shall on their own promptly confirm or deny (as the case may be) and clarify to stock exchanges regarding any rumours or news on developments pertaining to default and/or Inter Creditor Agreement (ICA).

Listed Companies are required to take note of the same and comply accordingly.

Yours faithfully,
For National Stock Exchange of India Limited

Harmeet Singh
Manager



National Stock Exchange Of India Limited

Ref No: NSE/CML/2021/27

July 09, 2021

The Company Secretary

All Listed Companies

Subject: Guidance note for companies undergoing Corporate Insolvency Resolution Process

Dear Sir/Madam,

This has reference to circular No. IP/002/2018 dated January 03, 2018, issued by Insolvency and Bankruptcy Board of India.

In this regard, please find guidance note in **Annexure 1** below for companies undergoing Corporate Insolvency Resolution Process.

Companies are requested to comply with the requirement of listing regulations and other applicable regulations as amended from time to time. The guidance note can be referred only for assistance.

Yours faithfully,
For National Stock Exchange of India Limited

Lokesh Bhandari
Chief Manager

Annexure 1**Guidance note for companies undergoing Corporate Insolvency Resolution Process**

Circular No. IP/002/2018 dated January 3, 2018, issued by Insolvency and Bankruptcy Board of India, provides as under:

“It is hereby directed that while acting as an Interim Resolution Professional, a Resolution Professional, or a Liquidator for a corporate person under the Code, an insolvency professional shall exercise reasonable care and diligence and take all necessary steps to ensure that the corporate person undergoing any process under the Code complies with the applicable laws.”

It is clarified that if a corporate person during any of the aforesaid processes under the Code suffers any loss, including penalty, if any, on account of non-compliance of any provision of the applicable laws, such loss shall not form part of insolvency resolution process cost or liquidation process cost under the Code. It is also clarified that the insolvency professional will be responsible for the non-compliance of the provisions of the applicable laws if it is on account of his conduct.”

Accordingly, the insolvency professional is required to ensure that the company complies with the applicable laws, including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018.

SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“LODR Regulations”) was amended in the year 2018 vide SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2018 and point 16 was inserted in Para A of Part A of Schedule III of LODR Regulations w.e.f. May 31, 2018 which mandated disclosures at various stages by companies undergoing Corporate Insolvency Resolution Process (“CIRP”). This was further amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2021 which enhanced the disclosure requirement w.e.f. January 08, 2021.

LODR Regulations contain the list of events that are required to be disclosed in relation to CIRP. Further in consultation with SEBI, the following disclosures shall also be submitted to the Exchange in addition to those already prescribed under the LODR Regulations:

- Prior intimation of at least two working days intimating about the date of hearing where NCLT would be considering the Resolution Plan.
- Disclosure of the approval of resolution plan to be made to the Exchange on oral pronouncement or otherwise of the Order on immediate basis and not later than 30 minutes.
- The Resolution Professional shall inform through the Exchange platform any impact on the existing holders / investors of listed securities on areas such as status of listing, the value of holding of existing holders, write off/ cancellation/ extinguishment of existing equity shares/ preference shares/ debentures, etc. without any payment to such holders, where applicable.

- Companies/Resolution Professionals are advised to be guided by the provisions of the LODR Regulations and advised to maintain the confidentiality of the resolution plan until details are not submitted on the Exchange Platform.

*******End of Document*******

National Stock Exchange of India Circular

Department: SURVEILLANCE	
Download Ref No: NSE/SURV/ 52368	Date: May 20, 2022
Circular Ref. No: 320/2022	

To All NSE Members

Sub: Surveillance Measure for securities under IBC/ICA - Update

This is in partial modification of the Exchange notice NSE/SURV/37979 dated June 08,2018 and NSE/SURV/42218 dated September 24, 2019, regarding securities under IBC /ICA.

As per the joint Surveillance meeting of Exchanges and SEBI held on May 20, 2022, the revised criteria for the above frameworks is attached as **Annexure**.

All other extant conditions and requirements under IBC/ICA frameworks shall continue to apply.

Market participants may note that the above framework shall be in conjunction with all other prevailing surveillance measures being imposed by the Exchanges from time to time.

Further, it may also be noted that the shortlisting of securities under aforesaid framework is purely on account of market Surveillance and it should not be construed as an adverse action against the concerned company / entity.

The aforesaid revised framework shall be effective from May 23, 2022

For National Stock Exchange of India Limited

Binoy Yohannan
Chief Manager
Surveillance

Telephone No	Email id
+91-22-26598129 / 26598166	surveillance@nse.co.in

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Annexure

1. Surveillance framework for companies under ICA

	Shortlisting Criteria	Surveillance Action
ICA Stage I	1. Close-to-Close Price Variation greater than 25% in 5 Trading days OR 2. Close-to-Close Price Variation greater than 50% in 15 Trading days OR 3. Close-to-Close Price Variation greater than 100% in 30 Trading days OR 4. Close-to-Close Price Variation greater than 200% in 3 Months Review of the securities for inclusion under ICA Stage I shall be on Daily basis.	<ul style="list-style-type: none"> (100% Margin) + (±5% Price Band) w.e.f. T+2 days. Scrips to be reviewed for exit from stage I or movement to Stage II on last trading day of the month post elapsing of minimum 1 month in ICA Stage I.
ICA Stage II	Scrips to be reviewed for inclusion under ICA Stage II on last trading day of the month post elapsing of minimum 1 month in ICA Stage I <u>Shortlisting Criteria</u> 1. Close-to-Close Price Variation greater than 25% in 5 Trading days OR 2. Close-to-Close Price Variation greater than 50% in 15 Trading days OR 3. Close-to-Close Price Variation greater than 100% in 30 Trading days OR	<u>Surveillance Actions</u> <ul style="list-style-type: none"> (100% Margin) + (Gross settlement) + (±5% Price Band) w.e.f. T+2 days Scrips to be reviewed for movement to Stage I on last trading day of the month post elapsing of minimum 1 month in ICA Stage II

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	Shortlisting Criteria	Surveillance Action
	4. Close-to-Close Price Variation greater than 200% in 3 Months	

2. Surveillance framework for companies under IBC

	Shortlisting Criteria	Surveillance Action
	Receipt of corporate announcement / disclosure from the company	<ul style="list-style-type: none"> (Gross settlement) + (price band of $\pm 5\%$) + (100% margin) w.e.f. T+2 day. For minimum period of 3 years from recommencement of trading post IBC, until non promoter holding is $\geq 25\%$
IBC Stage I	<ul style="list-style-type: none"> Close-to-Close Price Variation greater than 25% in 5 Trading days OR Close-to-Close Price Variation greater than 50% in 15 Trading days OR Close-to-Close Price Variation greater than 100% in 30 Trading days OR Close-to-Close Price Variation greater than 200% in 3 Months <p>Review of the securities for inclusion under IBC Stage I shall be on Daily basis.</p>	<ul style="list-style-type: none"> (Gross settlement) + ($\pm 5\%$ price band) + (100% margin) w.e.f. T+2 basis ASD (100% Trade Value) to be deposited by Buyer, retained for period as applicable to GSM scrips. Once a week trading <p>Scrips to be reviewed for exit from stage I or movement to Stage II on last trading day of the month post elapsing of minimum 1 month in IBC Stage I.</p>
IBC Stage II	<ul style="list-style-type: none"> Close-to-Close Price Variation greater than 25% in 5 Trading days OR 	<ul style="list-style-type: none"> (Gross settlement) + ($\pm 5\%$ price band) + (100% margin) ASD (100% Trade Value) to be deposited by Buyer, retained for

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	Shortlisting Criteria	Surveillance Action
	<ul style="list-style-type: none">• Close-to-Close Price Variation greater than 50% in 15 Trading days OR <ul style="list-style-type: none">• Close-to-Close Price Variation greater than 100% in 30 Trading days OR <ul style="list-style-type: none">• Close-to-Close Price Variation greater than 200% in 3 Months <p>Review of the securities for inclusion under IBC Stage II shall be on Monthly basis.</p>	<p>a period as applicable to GSM scrips.</p> <ul style="list-style-type: none">• Once a week trading.• No upward movement permitted. <p>Scripts to be reviewed for movement to Stage I on last trading day of the month post elapsing of minimum 1 month in IBC Stage II.</p>