



भारतीयप्रतिभूतिऔरविनिमयबोर्ड
Securities and Exchange Board of India

CIRCULAR

CIR/CFD/CMD/93/2017

August 4, 2017

To

All Listed entities

All Recognised Stock Exchanges

Dear Sir / Madam,

Sub: Disclosures by listed entities of defaults on payment of interest/ repayment of principal amount on loans from banks / financial institutions, debt securities, etc.

1. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") currently require disclosure of material events / information by listed entities to stock exchanges. Specific disclosures are required under the SEBI LODR Regulations in certain matters such as delay / default in payment of interest / principal on debt securities, including listed Non-Convertible Debentures, listed Non-Convertible Redeemable Preference Shares, Foreign Currency Convertible Bonds (FCCBs) etc. Similar disclosures are presently not stipulated with respect to loans from banks and financial institutions.
2. Corporates in India are even today primarily reliant on loans from the banking sector. Many banks are presently under considerable stress on account of large loans to the corporate sector turning into stressed assets / Non performing Assets (NPAs). Some companies have also been taken up for initiation of insolvency and bankruptcy proceedings.
3. In order to address this critical gap in the availability of information to investors, listed entities shall comply with the requirements of this circular.

A. **Applicability:**

- i. The circular shall be applicable to all listed entities which have listed any of the following: specified securities (*equity and convertible securities*), non-convertible debt securities and non-convertible and redeemable preference shares.
- ii. The disclosures shall be made to the stock exchanges when the entity has defaulted in payment of interest / instalment obligations on debt securities (*including commercial paper*), Medium Term Notes (MTNs), Foreign Currency Convertible Bonds (FCCBs), loans from banks and financial institutions, External Commercial Borrowings (ECBs) etc.
- iii. 'Default' for the purpose of this circular shall mean non-payment of interest or principal amount in full on the pre-agreed date.



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B. Timing of disclosures:

The entities shall make disclosures within one working day from the date of default at the first instance of default in the format specified in Clause C1 below.

C. List of disclosures:

C1. The following details shall be disclosed by listed entities at the first instance of default:

a. For Debt securities (including Commercial Paper),/MTNs, FCCBs etc.:

Sr.No	Type of disclosure	Details
1.	Name of the Listed entity	
2.	Date of making the disclosure	
3.	Nature of obligation / Type of instrument (Listed debt securities, MTNs, FCCBs etc. with ISIN as applicable)	
4.	Number of investors in the security as on date of default	
5.	Date of default	
6.	Details of the obligation (tenure, coupon, secured/unsecured etc.)	
7.	Current default amount (Amount in Rs.crore) <i>(Please provide the break up of instalment and interest)</i>	
8.	Gross Principal amount on which the default above has occurred (in Rs. crore):	
9.	Total amount of securities issued (in Rs.crore)	
10.	Any other details	

b. For Loans from banks and financial institutions, including ECBs:

Sr.No	Type of disclosure	Details
1.	Name of the Listed entity	
2.	Date of making the disclosure	
3.	Nature of obligation (E.g. Term loan, ECB etc.)	
4.	Name of the Lender(s)	
5.	Date of default	
6.	Current default amount (Amount in Rs.crore) <i>(Please provide the break up of instalment and interest)</i>	
7.	Gross Principal amount on which the default above has occurred (in Rs.crore):	
8.	Details of the obligation (tenure, coupon rate, secured / unsecured etc.)	
9.	Total amount of borrowings from Banks / financial institutions	
10.	Any other details	



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C2. The following details shall be disclosed by listed entities if there is any outstanding amount under default as on the last date of any quarter within 7 days from the end of such quarter:

Nature of obligation	Total amount outstanding as on date (In Rs. crore)	Of the total amount outstanding, cumulative amount of default as on date (In Rs. crore)
Debt securities (including Commercial Paper, MTNs etc.) and FCCBs		
Loans from banks, and financial institutions, including ECBs		

4. Listed entities entity shall also separately provide information pertaining to defaults to the concerned Credit Rating Agencies in a timely manner and as may be specified by SEBI from time to time.
5. This circular shall come into effect with effect from October 1, 2017. This is to enable listed companies to put appropriate systems in place for prompt submission of disclosures as stipulated in this circular.
6. Stock Exchanges are advised to bring the provisions of this circular to the notice of listed entities and to disseminate the same on their websites.
7. This circular is issued under Regulation 101 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
8. This circular is available on the SEBI website at www.sebi.gov.in under the category “*Legal Framework/Circulars*”.

Yours faithfully,

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