



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.

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