

SEBI tightens disclosure norms on loan defaults

PTI Mumbai Updated on November 20, 2019 Published on November 20, 2019
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Markets regulator SEBI on Wednesday approved stricter disclosure norms for listed companies on loan defaults, and revised its regulations for portfolio managers as well as for rights issue of shares.

SEBI extended the Business Responsibility Report (BRR) requirement to top 1,000 companies, from 500 currently.

In case of default in repayment of principle or interest on loans beyond 30 days, listed companies will have to disclose “fact of such a default” within 24 hours, the regulator said after its board meeting here.

In another decision taken at the meeting, SEBI would revise the norms for issuance of shares on right basis to existing shareholders. The timeline would be reduced from 55 days currently to 31 days. Besides, the watchdog would amend the norms for portfolio managers wherein net worth and minimum investment requirements would be raised for such entities.

About the new disclosure requirements on loan defaults, SEBI Chairman Ajay Tyagi said the objective is to “get more openness to help investors”.