

**Annexure B**

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**ITEM 1: CIRCULAR ISSUED PERTAINING TO SHAREHOLDING  
PATTERN, INVESTOR GRIEVANCE REPORT OF SEBI (LISTING  
OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015**

**1.1 FAQ's - Disclosure of holding of specified securities and holding of specified securities in dematerialized form.<sup>1</sup>**

This is in furtherance to the circular number SEBI/HO/CFD/PoD-1/P/CIR/2022/92 dated June 30, 2022 in relation Disclosure of holding of specified securities and holding of specified securities in dematerialized form.

Please find below mentioned Frequently asked questions (FAQs) on new shareholder categories / subcategories as per the above-mentioned circular.

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

**General FAQs:**

**1. If a shareholder has already been disclosed in Table II (Statement showing shareholding pattern of the Promoter and Promoter Group) and also falls into one of the categories in Table III (Statement showing shareholding pattern of the public shareholder), should they be disclosed again in Table III?**

No. Any shareholder whose shareholding has already been disclosed in Table II should not be disclosed again in Table III. In other words, any shareholder falling under the definition of “promoter” or “promoter group” should not be disclosed in Table III.

**2. If a shareholder is falling under more than one category in Table III, then the same shall be classified under which category?**

Categorization and disclosure of each shareholding category should be carried out in the order prescribed in the format of the shareholding pattern. If a shareholder is falling under more than one category, then the same shall be classified in the category falling first in the order prescribed in the format. Shareholding under any of the categories shall be unique and will not be duplicated under multiple categories.

**3. How do we report sub-categorization of shares under column no. (XV) in Table III in case any shareholder category comprises of multiple sub-categories?**

In case any shareholder category comprises of multiple sub-categories, shareholding (no. of shares) under each sub-category needs to be separately included under the respective sub-categories under column no. (XV). Definitions of new shareholder categories and sub-categories:

**4. What needs to be classified under the category of “Asset Reconstruction companies”?**

Asset Reconstruction Company as per Section 2 (1) (ba) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) needs to be classified under this category.

**5. What needs to be classified under the category of “Sovereign Wealth Funds”?**

A Sovereign Wealth Fund (SWF) is a state-owned investment fund that invests in financial securities like stocks, bonds, real estate, gold, etc. Some SWFs invest a surplus such as Continuation Sheet foreign currency reserves. While some SWFs invest the revenue earned by the state, some other sources include budgeting surplus and bank reserves. Such “Sovereign Wealth Funds” need to be classified under this category. Example of a domestic SWF include National Investment and Infrastructure Fund (NIIF). Example of a foreign SWF include GIC Private Limited, Singapore.

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<sup>1</sup> NSE/CML/2022/31 dated June 30,2022

**6. What needs to be classified under the category of “Foreign Direct Investment”?**

Foreign Direct Investment (FDI) as per Rule 2(r) of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, made under the Foreign Exchange Management Act, 1999, needs to be classified under this category.

**7. What needs to be classified under the categories of “Foreign Portfolio Investors Category I” or “Foreign Portfolio Investors Category II”?**

Foreign Portfolio Investors (FPIs) registered as “Category I foreign portfolio investor” and “Category II foreign portfolio investor” as per Regulation 5 of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 shall be respectively classified under the categories of “Foreign Portfolio Investors Category I” and “Foreign Portfolio Investors Category II”.

**8. What needs to be classified under the category of “Central Government / President of India”?**

This category of shareholders includes those shares that are held by Central Government / President of India.

**9. What needs to be classified under the category of “State Government / Governor”?**

This category of shareholders includes those shares that are held by State Government / Governor.

**10. What needs to be classified under the category of “Shareholding by Companies or Body Corporates where Central / State Government is a promoter”?**

This category of shareholders includes those shares that are held by Companies or Body Corporates where Central Government / President of India or any State Government / Governor is categorized as a promoter.

**11. What needs to be classified under the category of “Associate companies / Subsidiaries”?**

Shareholding by the Company’s associate companies (as per Section 2(6) of the Companies Act, 2013) and the Company’s subsidiaries (as per Section 2(87) of the Companies Act, 2013 and in terms of Section 19 of the Companies Act, 2013) needs to be classified under this category.

**12. What needs to be classified under the category of “Director and their relatives (excluding independent directors and nominee directors)”?**

This category of shareholders includes board of directors of the Company and their relatives. Relatives of directors as per Section 2(77) of the Companies Act, 2013 r/w Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014 needs to be classified under this category. This category of shareholders does not include shareholding by nominee directors or independent directors or their relatives.

**13. What needs to be classified under the category of “Key Managerial Personnel”?**

This category of shareholders includes Key Managerial Personnel (KMP) of the Company as per Section 2(51) of the Companies Act, 2013.

**14. What needs to be classified under the category of “Relatives of promoters (other than ‘Immediate relatives’ of promoters disclosed under ‘Promoter and Promoter Group’ category)”?**

Relatives of promoters as per the definition of relatives under Section 2(77) of the Companies Act, 2013 r/w Rule 4 of the Companies (Specification of definitions details) Rules, 2014 needs to be classified under this category. This category excludes ‘immediate relatives’ of promoters (as per Regulation 2 (1) (pp) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018) already disclosed under ‘Promoter and Promoter Group’ category.

**15. What needs to be classified under the category of “Trusts where any person belonging to ‘Promoter and Promoter group’ category is ‘trustee’, ‘beneficiary’, or ‘author of the trust’”?**

Shareholding of trusts where any person belonging to 'Promoter and Promoter group' category is a ‘trustee’, ‘beneficiary’, or ‘author of the trust’ as defined under the Indian Trusts Act, 1882.

**16. What needs to be classified under the category of “Investor Education and Protection Fund (IEPF)”?**

This category of shareholder includes those shares that are classified under Investor Education and Protection Fund (IEPF) as per sections 124 & 125 of Companies Act, 2013.

**17. What needs to be classified under the category of “Non-Resident Indians (NRIs)”?**

Non-Resident Indian (NRI) as per Rule 2(aj) of the Foreign Exchange Management (Nondebt Instruments) Rules, 2019, made under the Foreign Exchange Management Act, 1999, needs to be classified under this category.

**18. What needs to be classified under the category of “Foreign Nationals”?**

Shareholding held by individuals who are not citizens of India need to be classified under this category.

**19. What needs to be classified under the category of “Foreign Companies”?**

Foreign companies as per Section 2(42) of Companies Act, 2013 needs to be classified under this category.

**20. What needs to be classified under the category of “Bodies Corporate”?**

Bodies Corporate as per Section 2(11) of the Companies Act, 2013 needs to be classified under this category.

**21. What needs to be classified under the sub-category of “Shareholders who are represented by a nominee Director on the board of the Company or have the right to nominate a representative (i.e. Director) on the board of the Listed Entity”?**

This sub-category of shareholders includes those who are represented by a nominee Director on the board of the Listed Entity (excluding directors nominated by small shareholders as per section 151 of Companies Act, 2013) or have the right to nominate a representative (i.e., Director) on the board of the Listed Entity (excluding entitlement of small shareholders as per section 151 of Companies Act, 2013).

**22. What needs to be classified under the sub-category of “Shareholders who have entered into shareholder agreement with the Listed Entity”?**

This sub-category of shareholders includes those who have executed shareholder agreement with the Listed Entity.

**23. What needs to be classified under the sub-category of “Shareholders acting as persons in concert with promoters”?**

This sub-category of shareholders includes those who are deemed to be “persons acting in concert” with promoters as per regulation 2(1)(q)(2) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 or otherwise identified to be acting as persons in concert with promoters in the quarter for which disclosure of shareholding has been made.

## **1.2 Guidance Note on Regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 - Investor Complaints Report<sup>2</sup>**

As per regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall file with the recognized stock exchange(s) on a quarterly basis, within twenty-one days from the end of each quarter, a statement giving the number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed of during the quarter and those remaining unresolved at the end of the quarter.

The listed company receives complaints from different sources such SEBI SCORES, Exchange, hardcopies, or emails to officials handling investor grievances, etc. Over the period Exchange has observed that,

No. of complaint received, resolved, and pending reported by the listed company is not corresponding to the complaints forwarded by Exchange and SEBI SCORES

For example, company 'A Limited' has received 5 complaints through SCORES, 5 complaints from Exchange and 5 complaints are directly received by the Company through email / letter, of which resolved 3 SCORES, 2 Exchange and 5 directly received complaints during the quarter. Hence the total complaints received is 15, resolved are 10 complaints and pending are 5 complaints as on the end of the quarter. However, the no. of complaints disclosed in the quarterly Investor Complaint/s Report submitted to the Exchange is not in line with above.

All investor complaints received by the company from different sources are to be considered while determining the number of complaints to be submitted in the quarterly report. In case of deviation observed, necessary actions may be initiated against the company.

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<sup>2</sup>NSE/CML/2022/33 dated July 07, 2022

### **1.3 FAQ's - Disclosure of holding of specified securities and holding of specified securities in dematerialized form.<sup>3</sup>**

This is in reference to the general guidelines in relation with filing Shareholding Pattern report as per Regulation 31 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. Please find annexed updated frequently asked questions (FAQs) basis past observations on Shareholding Pattern Report. Companies are requested to comply with the requirement of listing regulations and other applicable regulations as amended from time to time.

The FAQ's can be referred only for the guidance purpose.

#### **General FAQs:**

#### **1. How to distinguish a deceased person in shareholding pattern in case Promoter/Promoter Group is Individual?**

In an event of demise of an individual belonging to Promoter or Promoter Group where the shares held by such individual are not transmitted to the legal heir as on the end of the quarter, the company should disclose detailed notes for the same in the shareholding pattern. Upon transmission of the shares to the legal heir(s), the company can exclude names of the Late Promoter/Promoter Group(s) individual from the forthcoming shareholding pattern, while including the name of legal heir the Company should mention detailed note about the transmission of shares. Further, till the time shares are not transmitted to the legal heir, the name(s) of deceased person should be continued to be included in Promoter/Promoter Group(s) while filing shareholding pattern with the Stock Exchange.

#### **2. How to disclose name of Promoter/Promoter Group Company in shareholding pattern which got wound up or dissolved post-merger / amalgamation?**

In an event, the list of Promoter / Promoter Group includes Company which get wound up or dissolved, the Company should mention detailed note(s) while filing shareholding pattern from forthcoming quarter.

#### **3. If a shareholder has already been disclosed in Table II (Statement showing shareholding pattern of the Promoter and Promoter Group) and also falls into one of the categories in Table III (Statement showing shareholding pattern of the public shareholder), should they be disclosed again in Table III?**

No. Any shareholder whose shareholding has already been disclosed in Table II should not be disclosed again in Table III. In other words, any shareholder falling under the definition of "promoter" or "promoter group" should not be disclosed in Table III.

#### **4. If a shareholder is falling under more than one category in Table III, then the same shall be classified under which category?**

Categorization and disclosure of each shareholding category should be carried out in the order prescribed in the format of the shareholding pattern. If a shareholder is falling under more than one category, then the same shall be classified in the category falling first in the order prescribed in the format. Shareholding under any of the categories shall be unique and will not be duplicated under multiple categories.

#### **5. How do we report sub-categorization of shares under column no. (XV) in Table III in case any shareholder category comprises of multiple sub-categories?**

In case any shareholder category comprises of multiple sub-categories, shareholding (no. of shares) under each sub-category needs to be separately included under the respective sub-categories under column no. (XV).

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<sup>3</sup>NSE/CML/2022/57 dated December 14,2022

**6. Can the name of the promoter/promoter group be removed from the Shareholding Pattern during the Quarter in case the Shares are transferred/sold?**

The name of the promoter/promoter group can be removed only after seeking approval of Reclassification from the Exchange. Meanwhile Companies are requested to show the promoters/promoter group with nil shareholding till the approval for Reclassification is granted from Exchange.

**7. In case if the Company doesn't have Significant Beneficiary owner, what details the Company has to give?**

In case if Company doesn't have Significant Beneficiary owner, in declaration sheet the Company's need to select No.

**8. What has to be entered in case of Trust or HUF, i.e., name of the Trustee or Karta?**

The Company can give the name of the Trust or HUF, however in case of Promoter's & Promoter's Group consist of Trust or HUF then Company needs to enter the name of Trustee or Karta respectively in the bracket.

**9. Can we upload the XML file of BSE for Shareholding Pattern?**

Yes, XML file generated from BSE utility file can be uploaded in NEAPS. Further in case of any problem faced while uploading you may email the error on [nsexbrl@nse.co.in](mailto:nsexbrl@nse.co.in).

**ITEM 2: DISCLOSURES UNDER REGULATION 23 ('RPT') &  
34(2)(F) ('BRSR') OF SEBI (LODR) REGULATIONS, 2015**

**2.1 Frequently Asked Questions (FAQs) – Disclosure of Related Party Transactions ('RPT') under regulation 23 of SEBI (LODR) Regulations, 2015<sup>1</sup>**

1. This has reference to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 issued by the Securities and Exchange Board of India (SEBI) titled “Disclosure obligations of listed entities in relation to Related Party Transactions”.
2. Please find annexed the FAQs on aforementioned circular.
3. Companies are requested to comply with the requirement of listing regulations and other applicable regulations as amended from time to time. The FAQs can be referred only for guidance purpose.

**Annexure- FAQs**

**Q1. What does ‘Where a transaction is undertaken between members of the consolidated entity (between the listed entity and its subsidiary or between subsidiaries), it may be reported once’ in point 2 of notes in new SEBI format, mean?**

**Answer:** All related party transactions entered into by the listed entity and its subsidiaries must be reported, however, when transaction is undertaken between the listed entity and its subsidiary or between subsidiaries, the disclosure of that transaction shouldn't be repeated from point of view of each member of the consolidated entity. For e.g., X Ltd is a holding listed company and Y Ltd is a subsidiary of X Ltd. X Ltd sold goods worth Rs. 10 crores to Y Ltd. At the time of reporting RPT disclosures, this transaction must be reported only once, either from the point of view of X Ltd (holding reporting company) as sale of goods or from the point of Y Ltd (subsidiary company) as purchase of goods.

**Q2. From which period is the new format, as prescribed by SEBI in the annexure to circular dated November 22, 2021, applicable for submitting RPT disclosure?**

**Answer:** Listed entities are required to submit the RPT disclosures in the new SEBI format, for reporting period for the half year end commencing from 01 October, 2021 to 31 March, 2022.

**Q3. Are the companies required to provide RPT disclosures for the second half year, on year-to-date basis or on six-months end basis?**

**Answer:** As per the SEBI circular, the disclosure must be on six-month end basis for both, first half and second half year.

**Q4. Whether the definitions/provisions effective from April 01, 2022 apply on transactions for the half year ended commencing from 01 October, 2021 to 31 March, 2022, that are required to be disclosed in new SEBI format?**

**Answer:** No, the definitions/provisions that are specifically mentioned to be effective from April 01, 2022 shall be applicable on transactions undertaken from April 01, 2022 onwards.

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<sup>1</sup> NSE/CML/2022/18 dated April 25, 2022

**Q5. Whether the disclosure must be in standalone or consolidated basis?**

**Answer:** As per the new format of SEBI, the column header is "Details of the party (listed entity /subsidiary) entering into the transaction", therefore, the intent of SEBI is that the companies should disclose all the RPT transactions of itself and its subsidiaries. Therefore, the concept of disclosure on standalone or consolidated basis has been done away with and all the transactions must be disclosed.

**Q6. Is the RPT disclosures required even if there are no related party transactions during the reporting period?**

**Answer:** Yes, as per point 1 of notes in new SEBI format, "...opening and closing balances, including commitments, to be disclosed for existing related party transactions even if there is no new related party transaction during the reporting period".

**Q7. Materiality criteria for brand usage or royalty is defined separately in regulation 23 (1A). Does it mean that even if the threshold in proviso to regulation 23 (1) substituted w.e.f. 01 April, 2022, is exceeded in case of brand usage or royalty, still it shall not be disclosed if threshold in regulation 23 (1A) is not exceeded?**

**Answer:** Yes, transactions involving brand usage or royalty shall only be tested with the materiality threshold provided in regulation 23 (1A) and be disclosed only if the threshold therein is exceeded.

**Q8. Whether banks are also required to submit the RPT disclosures in SEBI's new format?**

**Answer:** Yes, banks are also required to submit the RPT disclosures in SEBI's new format.

**Q9. As per first proviso to definitions in regulation 2 (1) (zc), "acceptance of fixed deposits by banks/Non-Banking Finance Companies at the terms uniformly applicable/offered to all shareholders/public" shall not be a related party transaction, subject to disclosure of the same along with the disclosure of related party transactions every six months to the stock exchange(s), in the format as specified by the Board.**

**Further, as per point 9 of notes in new SEBI format, "Transactions such as acceptance of fixed deposits by banks/NBFCs, undertaken with related parties, at the terms uniformly applicable /offered to all shareholders/ public shall also be reported."**

**For banks/NBFC, whether such disclosure is required in the new SEBI format or as a declaration statement that "acceptance of fixed deposits by the banks/Non-Banking Finance Companies are at the terms uniformly applicable/offered to all shareholders/public"?**

**Answer:** The disclosure is required as a declaration statement that "acceptance of fixed deposits by the banks/Non-Banking Finance Companies are at the terms uniformly applicable/offered to all shareholders/public".

**Q10. As per provision 8 (a) of RBI circular RBI/DBR/2015-16/19 dated March 03, 2016 (updated as on November 11, 2021), Scheduled Commercial Banks shall, at their discretion, allow additional interest of one per cent per annum, over and above the rate of interest mentioned in the schedule of interest rates on savings or a term deposits of bank's staff and their exclusive associations as well as on deposits of Chairman, Chairman & Managing Director, Executive Director or such other Executives appointed for a fixed tenure.**

**How are Scheduled Commercial Banks expected to disclose these deposits, at an additional interest of 1% p.a., to such categories of parties?**

**Answer:** The disclosure is required as a declaration statement that "the scheduled commercial bank, as per RBI circular RBI/DBR/2015-16/19 dated March 03, 2016, has allowed additional interest of one per cent per

annum, over and above the rate of interest mentioned in the schedule of interest rates on savings or a term deposits of bank's staff and their exclusive associations as well as on deposits of Chairman, Chairman & Managing Director, Executive Director or such other Executives appointed for a fixed tenure".

**Q11. When are the companies required to submit the disclosures?**

**Answer:** The listed entity shall make such disclosures every six months within 15 days from the date of publication/declaration of its standalone and consolidated financial results.

Further, a 'high value debt listed entity' shall submit such disclosures along with its standalone financial results for the half year.

The listed entity shall make such disclosures every six months on the date of publication of its standalone and consolidated financial results with effect from April 1, 2023.

**Q12. How is exemption from RPT disclosure under regulation 15 (2) of SEBI regulations interpreted?**

**Answer:** The compliance with the provisions as specified in regulations 23 shall not apply, in respect of listed entity having paid up equity share capital not exceeding rupees ten crore and net worth not exceeding rupees twenty five crore, as on the last day of the previous financial year.

If any of the criteria (paid up equity share capital and net worth) is not satisfied, RPT disclosures shall be mandatory for the company.

- Eg.: i. Paid up equity share capital-Rs. 8 cr; Net worth-Rs. 25.01 cr, RPT disclosures is mandatory  
ii. Paid up equity share capital-Rs. 10.01 cr; Net worth-Rs. 25 cr, RPT disclosures is mandatory  
iii. Paid up equity share capital-Rs. 10 cr; Net worth-Rs. 25 cr, RPT disclosures is non-mandatory

Further, once the RPT regulations become applicable to a listed entity, it shall continue to remain applicable till such time the equity share capital or the net worth of such entity reduces and remains below the specified threshold for a period of three consecutive financial years.

Eg.: RPT disclosures is mandatory for the FY 2021-22 (criteria as on March 31, 2021, paid up capital-Rs. 10 cr, net worth Rs. 25.01 cr).

RPT regulations shall become applicable for the FY 2022-23 even if the specified threshold is reduced (paid up capital Rs. 10 cr and net worth-Rs. 25 cr) and continue to remain applicable for the FYs 2022-23 to 2024-25.

**Q13. As per point 8 of notes in new disclosure format, "PAN will not be displayed on the website of the Stock Exchange(s)". How are the companies required to disclose the RPT in new SEBI format?**

**Answer:** In case companies are filing the RPT disclosures in PDF, PAN details should not be included in such PDF of RPT disclosure. In case companies are filing the RPT disclosures in Exchanges XBRL, PAN details would have to be included as required in the new SEBI format of SEBI. Exchanges will ensure that PAN details are not disseminated on the Exchange website.

Note: Exchanges shall intimate shortly about the release of XBRL in new SEBI format.

**ITEM 3: DISCLOSURES UNDER REGULATION 24A  
OF SEBI (LODR) REGULATIONS, 2015**

**3.1 Additional affirmations by Practicing Company Secretaries (PCS) in Annual Secretarial Compliance Report (ASCR)<sup>1</sup>**

**Annexure A**

1. **Based on various discussions with SEBI, following are the additional affirmations to be provided while submitting ASCR**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Compliance status (Yes/No/NA)</b>	<b>Observations/Remarks by PCS*</b>
1.	<u>Secretarial Standards:</u> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI)		
2.	<u>Adoption and timely updation of the Policies:</u> <ul style="list-style-type: none"> <li>• All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities</li> <li>• All the policies are in conformity with SEBI Regulations and has been reviewed &amp; timely updated as per the regulations/circulars/guidelines issued by SEBI</li> </ul>		
3.	<u>Maintenance and disclosures on Website:</u> <ul style="list-style-type: none"> <li>• The Listed entity is maintaining a functional website</li> <li>• Timely dissemination of the documents/ information under a separate section on the website</li> <li>• Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re-directs to the relevant document(s)/ section of the website</li> </ul>		
4.	<u>Disqualification of Director:</u> None of the Director of the Company are disqualified under Section 164 of Companies Act, 2013		
5.	<u>To examine details related to Subsidiaries of listed entities:</u> (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries		
6.	<u>Preservation of Documents:</u> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.		

<sup>1</sup> NSE/CML/2023/30 dated April 10, 2023

7.	<u>Performance Evaluation:</u> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year as prescribed in SEBI Regulations		
8.	<u>Related Party Transactions:</u> (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit committee		
9.	<u>Disclosure of events or information:</u> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.		
10.	<u>Prohibition of Insider Trading:</u> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015		
11.	<u>Actions taken by SEBI or Stock Exchange(s), if any:</u> No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder		
12.	<u>Additional Non-compliances, if any:</u> No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.		

*\*Observations/Remarks by PCS are mandatory if the Compliance status is provided as 'No' or 'NA'*

## 2. Revised Format of Annual Secretarial Compliance Report:

Additional columns have been inserted in the format of ASCR which is provided below:

(a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below: -

Sr. No.	Compliance Requirement (Regulations/ circulars/guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretary	Management Response	Remarks
					<b>Advisory/ Clarification/Fine/Show Cause Notice/ Warning, etc.</b>					

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Regulation/Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/Remarks of the Practicing Company Secretary	Management Response	Remarks
					<b>Advisory/Clarification/ Fine/Show Cause Notice/ Warning, etc.</b>					

*Kindly note: (1) Table (a) and (c) of the SEBI ASCR format issued vide SEBI circular no. CIR/CFD/CMD1/27/2019 dated February 08, 2019, will be merged.*

*(2) Point (b) of the SEBI ASCR format will be omitted as the same has been included in the additional affirmations*

*(3) Table (d) will be revised and re-numbered to table (b)*

*(4) Columns marked in red are the additional columns inserted*

The Listed entities are advised to bring the provisions of this circular to the notice of all the Company Secretaries in practice.

**The abovementioned circular will be effective from the financial year ended March 31, 2023 onwards.**

**ITEM 4: DISCLOSURE UNDER REGULATION 27(2)  
OF SEBI (LODR) REGULATIONS, 2015**

**4.1 FAQs on the submission of the quarterly Corporate Governance Report<sup>1</sup>**

With reference to all the earlier issued FAQs against the submission of Corporate Governance Report on the NSE Electronic Application Processing System (NEAPS) platform, please find annexed the frequently asked questions (FAQs) for guidance purpose.

All the listed entities are requested to take note and comply accordingly.

**Part- I: Composition of Board of Directors**

**1. What should be mentioned if DIN is not available/applicable to a Director(s)?**

Reply: If DIN is not available/applicable, the Company needs to mention only the dummy DIN (99999999) along with the reason in company remarks.

**2. What should be mentioned if PAN is not available/applicable to a Director(s)?**

Reply: If PAN is not available/applicable, the Company needs to mention only the dummy PAN (ZZZZZ9999Z) along with the reason in company remarks.

**3. Manner of submission of the name of the Director(s) into the Corporate Governance Report.**

Reply: The listed entities must disclose the correct and complete name of the director(s) as per the PAN. Further, in case of any discrepancies has been observed in the name of the director(s) or PAN, the Exchange shall seek a clarification / issue an advisory letter to the Company.

**4. Which category to be selected when Chairperson is related to Promoters or Chairperson of the company is the promoter?**

Reply: In case Chairperson is the Promoter or related to Promoter(s) who is also the Executive Director/Non-Executive Director of the Company, then the Company must select Code C along with Code ED/NED (C, ED/NED) from the checkbox via magnifier.

**5. What category is to be selected when Chairperson is not related to Promoters?**

Reply: In case Chairperson is not related to Promoters and who is also the Executive Director/ Non-Executive Director of the Company, then the Company must select Code C and Code ED/NED (C & ED/NED) from the checkbox via magnifier.

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<sup>1</sup> NSE/CML/2023/31 dated April 10, 2023

**6 What shall be the Initial date of appointment and date of Re-appointment in case of Independent Director and Directors other than Independent Director?**

Reply: **For Independent director**

- An initial date of Appointment shall be after the enactment of Companies Act, 2013 which will be calculated as first term.
- Date of Re-appointment shall be such from when the Second term of appointment as Independent director has been considered.

Example:

Mr. X was on the board as independent director from 2011 and was designated as Independent Director in the year 2014 in accordance with the enactment of Companies Act, 2013 and again re-appointed in the year 2019.

In above case, initial date of appointment will be the first term started from the year 2014 in accordance with the enactment of Companies Act and date of re-appointment for the Second term will start from year 2019.

**For directors other than independent director**

- Initial date of Appointment shall be actual/original date of appointment, inducted into the Board as Director of the company.  
Date of Re-appointment shall be the date from when the director is appointed in the current term.

**7 Is the field for date of re-appointment mandatory? If yes, what shall be the date of re-appointment in case the director is not yet re-appointed i.e., first term is continuing?**

Reply: The field for the date of re-appointment is mandatory for Independent Directors. In case the independent director is yet to be re-appointed i.e., first term is continuing, mention the initial date of appointment in the field for re-appointment.

**8 Is the field Date of Cessation mandatory?**

Reply: The field for the date of cessation is mandatory only when the tenure of director is completed, due to death, resignation or removal of Director.

In case of demise of a director, mention reason of the same in the remark's column.

**9 In what all cases details against the Tenure is to be provided?**

Reply: Tenure of the director is mandatorily required to be provided only for Independent Directors.

**10 What shall be the details in the field of tenure of Director?**

Reply: Tenure to be provided only in the case of Independent Directors. The tenure of the Independent Director (ID) will be calculated till the end of the Quarter i.e. if the Corporate Governance Report is submitted for the Quarter ended March 31, 2023, the tenure shall be calculated from the date of initial appointment till March 31, 2023.

The details under tenure can be provided up to two decimals.

Example: If an ID has completed 14 months and 17 days, the Company can mention 14.17 as his tenure.

**11. The Date of Birth in the Corporate Governance column must be entered for all directors?**

Reply: The Date of Birth are mandatory for Non-Executive Directors and Independent Directors.

**12. When is special resolution required to be passed under Regulation 17(1A)?**

Reply: A Non-Executive Director who has attained the age of seventy-five years shall not be appointed or continue the directorship of any person unless a special resolution is passed to that effect, in that case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

Here please note that:

- In case the age of the already appointed non-executive director is nearing 75 years, the special resolution in terms of regulation 17(1A) as per SEBI LODR Regulations, 2015, shall be passed on or before the date of attaining the age of 75 years by the said director.
- Appointment of a non-executive director into the board of the company, who is already exceeding the age of 75 years, shall be processed once special resolution in terms of regulation 17(1A) as per SEBI LODR Regulations, 2015, is passed.

**13. As per Regulation 26(1) of SEBI (LODR), 2015 whether the membership in Committee is restricted to listed entity only i.e., a director shall not be a member in more than ten committees or act as chairperson of more than five committees?**

Reply: A director shall not be a member in more than ten committees or act as chairperson of more than five committees across all listed entities in which he is a director which shall be determined as follows:

- a. the limit of the committees on which a director may serve in all public limited companies, whether listed or not, shall be included and **all other companies including private limited companies, foreign companies, high value debt listed entities and companies under Section 8 of the Companies Act, 2013 shall be excluded.**
- b. for the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone shall be considered.

*Note: No. of post of Chairperson in Audit/Stakeholder Committee held includes public limited companies whether listed or not.*

**14. In case of any vacancy in the position of any director, due to the reasons beyond the control of the company i.e., due to resignation, death or disqualification/removal is occurred, within how much time should the vacancy be filled to achieve compliance with LODR provisions?**

Reply: The vacancy must be filled within a period of three months. In case compliance has not achieved within the said time given to achieve compliance, actions as prescribed in the prevailing SOP circular shall be initiated against the company.

It also includes Non- Executive Director and Executive Director of the Company.

Note: The words “the immediate next meeting of the board of directors or” appearing after the words

“later than the” and before the words “three months” shall be omitted by the SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021 read with the corrigendum, w.e.f. 1.1.2022.

**15. In case of decimals/fractions, how shall it be treated as compliance?**

Reply: Decimal/Fraction shall be rounded off to the higher number while determining compliance, both for Board as well as Committees.

Example: If in an audit committee there are total 5 members and as per the provisions of SEBI LODR Regulations, 2015, 2/3 shall be Independent. Hence, calculation of Independent comes to 3.33. However, the company shall ensure the rounding off the calculation of Independent to the higher number i.e 4.

The company shall only be treated as compliant when 4 out of total 5 members comprises of Independent.

**16. In case of change in designation of a director and due addition of a director in the Board/Committee, which results into non-compliance of Board/Committee Composition, is there any time available to achieve compliance with LODR provisions?**

Reply: There is no time available, actions as prescribed in the prevailing SOP circular shall be initiated against the company.

**17. Whether the provision of Regulation 17(1C) shall also be applicable to re-appointment of directors?**

Reply: The provisions of regulation 17(1C) shall also be applicable in case of re-appointment of directors including those who are already forming the part of the Board of Directors.

**Part- II: Composition of Committees**

**18. Is it required to give the details of all the Committee Meeting?**

Reply: The Company is required to mandatorily give the details of Audit Committee; Stakeholders Relationship Committee; Nomination and Remuneration Committee and Risk Management Committee, if applicable.

**19. What will be the date of appointment of the Director in case of Committee?**

Reply: Mr. X was on the board as Independent Director from 2011 and was reappointed in 2014. The

Independent Director inducted in the Committee in 2013. The date of appointment in the Committee will be 2013.

**20. If a Director was appointed as a Member of the Committee and later he was appointed as the Chairman of the Committee, what will be the date of appointment?**

Reply: If a director was appointed as a Member of the Committee and later in the reconstitution of the Committee, he/she is appointed as the Chairman of the Committee, the date of appointment will be the date of appointment as the Member of the Committee. However, the company shall mention in the notes section about the change of the Chairperson in the committee (including the date of recategorization of member as Chairperson or vice versa).

**21. Mr. X is the member in Stakeholder Committee and Audit Committee and Chairman in Audit Committee. In how many Committees he will be member and Chairman?**

Reply: In the above case Mr. X will be Member in 2 Committee and Chairman in 1 Committee i.e. the membership count will include the count in which the director is Chairman.

**22. What is considered as term “Year” under the Regulations 21(3A) of Risk Management Committee?**

Reply: Under the Regulations 21(3A) of Risk Management Committee, the term “Year” should be used as “Financial Year” and not “Calendar year”.

**23. What should be included in the category of Composition of Risk Management Committee for a Non-Board Member, if any?**

Reply: Companies should ensure that correct Category i.e the designation of the Non-Board Member in the Company to be provided in the category of the Composition of Risk Management Committee. Wrong category like “Not a director, Member etc.” shall not be mentioned.

**24. How to add/delete a member in Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee as add and delete button is not available while data entry in NEAPS?**

Reply: The name of the member will appear/disappear automatically based on the selection/deselection of the committee’s name into the column named “Membership in committees of the company” in the table for Composition of Board of Directors.

**25. What should be the composition of Audit, Nomination & Remuneration and Stakeholders Relationship Committee?**

Reply: On perusal of the respective regulations from SEBI LODR, 2015, the Committees is to be formed by Board members of the Company.

- Regulation 18 (a), (b), (c) and (d) of SEBI LODR provides for formation of Audit Committee wherein it states that “The audit committee shall have minimum three directors as members”, “At least two-thirds of the members of audit committee shall be independent directors [and in case of a listed entity having outstanding SR equity shares, the audit committee shall only comprise of independent directors]” and “All members of audit committee shall be financially literate and at least one member shall have accounting or related financial management expertise” and the chairperson of the audit committee shall be an independent director.
- Regulation 19 (a), (b) and (c) of SEBI LODR provides for formation of Nomination and Remuneration Committee wherein it states that “the committee shall comprise of at least three directors”, “all directors of the committee shall be non-executive directors” and at least two-thirds of the directors shall be independent directors”.
- Regulation 19 (2) of SEBI LODR provides that the Chairperson of the nomination and remuneration committee shall be an independent director: Provided that the chairperson of the listed entity, whether executive or non-executive, may be appointed as a member of the Nomination and Remuneration Committee and shall not chair such Committee.
- Regulation 20(2) & (2A) of SEBI LODR provides for formation of Stakeholders Relationship Committee wherein it states that the chairperson of the committee shall be a non-executive director and “At least three directors, with at least one being an independent director”, shall be members of the Committee”.

The intent of the all the above-mentioned regulations is to constitute the committee with the Board of Directors as the members of the Committees.

- Regulation 21(2) & (3) of SEBI LODR provides for formation of Risk Management Committee wherein it states that The Risk Management Committee shall have minimum three members with majority of them being members of the board of directors, including at least one independent director and in case of a listed entity having outstanding SR equity shares, at least two thirds of the Risk Management Committee shall comprise independent Directors and The Chairperson of the Risk management committee shall be a member of the board of directors and senior executives of the listed entity may be members of the committee.

The intent of the all the above-mentioned regulations is to constitute the committee with the Majority of Board of Directors as the members of the Committees.

### **Part- III: Meeting of Board of Directors**

#### **26. What is to be mentioned in the table Annexure 1- Meeting of Board of Directors in the field of ‘Total Number of Directors as on date of the meeting’?**

Reply: Under the heading ‘Total Number of Directors as on date of the meeting’ listed entity shall provide Total Number of Directors forming part of the Board as on the date of meeting.

#### **27. Who should be selected as the Chairperson of the Company in case where there is no regular Chairperson in board/committee Meetings?**

Reply: The person who chaired the latest board/committee Meeting should be selected as the Chairperson of the Company.

### **Part- IV: Meeting of Committees**

#### **28. What is to be mentioned in the table Annexure 1- Meeting of Committees**

##### **a. In the field of ‘Total Number of Directors in the Committee as on date of the meeting’**

Reply: Under the heading ‘Total Number of Directors in the Committee as on date of the meeting’ listed entity shall provide total number of directors forming part of Committee **as on the date of meeting.**

##### **b. In the field of ‘Number of Directors present (All directors including Independent Director)’**

Reply: Under the heading ‘Number of Directors present (All directors including Independent Director)’, listed entity shall **provide total number of directors forming part of the committee as on the date of Meeting and were present in the meeting.**

##### **c. In the field of ‘Number of Members attending the Meeting (Other than Board of Directors)’**

Reply: Details in the field of ‘Number of Members attending the Meeting (Other than Board of Directors)’ is required to be provided for Risk Management Committee only.

**For other Committees (i.e Audit committee / Stakeholders relationship committee / Nomination and Remuneration Committee), kindly mention “0”.**

Example.: If the Risk Management Committee of the company ABC Ltd. comprises of 4 members and out of 4 members 3 are Directors i.e., forming the part of the Board of Directors and 1 is a non-Board member, then in the column of “Number of Members attending the Meeting (Other than Board of Directors)” details of non-Board member(s) shall be mentioned i.e., 1.

**d. Do we mention Invitees who are attending Committee Meetings in the field of ‘Number of Members attending the Meeting (Other than Board of Directors)’**

Reply: No, the Company is not required to fill the details of invitees who are attending the Committee Meetings.

**29. Who should be selected as the Chairperson of the Company in case where there is no regular Chairperson in board/committee Meetings?**

Reply: The person who chaired the latest board/committee Meeting should be selected as the Chairperson of the Company.

**Part- V: Others**

**30. Can we upload the XML file of BSE for Corporate Governance?**

Reply: Yes, XML file generated from BSE utility file can be uploaded in NEAPS. Further in case of any problem faced while uploading you may email the error on [nsexbrl@nse.co.in](mailto:nsexbrl@nse.co.in)

**31. Can a revised submission of the Corporate Governance Report be submitted by the company?**

Reply: Yes, a company can revise the record of already submitted Corporate Governance Report. In order to revise the already submitted Corporate Governance Report, the companies are requested to send an email over [nsexbrl@nse.co.in](mailto:nsexbrl@nse.co.in) along with the details of reason for the Revision.

**32. How to resubmit a record which is opened for revision (put on rework) the already submitted record of the Corporate Governance?**

Reply: In order to resubmit the record, undertake the following steps:

- a. Open the record available in the status open for revision on following path in NEAPS:
- b. NEAPS > Reports > Corporate Governance > Quarter Dec 2015 and onwards > All
- c. Click on the button modify
- d. Undertake the necessary changes and save the record by clicking on save
- e. Click on the resubmit button

**33. To which entities disclosure under Annexure IV is applicable?**

Reply: Disclosure under Annexure IV of the format of Compliance report on Corporate Governance by the Listed Entities as per the SEBI Circular SEBI/HO/CFD/CMD- 2/P/CIR/2021/567 dated May 31, 2021, excludes any loan (or other form of debt), guarantee / comfort letter (by whatever name called) or security provided in connection with any loan or any other form of debt;

- a. by a government company to/ for the Government or government company
- b. by the listed entity to/for its subsidiary [and joint-venture company] whose accounts are consolidated with the listed entity.
- c. by a banking company or an insurance company; and
- d. by the listed entity to its employees or directors as a part of the service conditions.

Thus, for the entities other than above, Applicable shall be selected against “Applicability of disclosure” while providing submission of Disclosure under Annexure IV.

If no transaction(s) is/are accounted by the company till the date of submission of the Corporate Governance Report, then the Disclosure under Annexure IV may be submitted NIL with Details.

**34. What to select against Affirmation of Disclosure under Annexure IV if the company is submitting the same with NIL details?**

Reply: If the company is submitting Disclosure under Annexure IV with NIL details, then the Compliance Status under Affirmations of disclosure in Annexure IV shall be mentioned as “YES” along with company remarks.

**35. What should be the denomination used for providing the details for disclosure under Annexure IV?**

Reply: Denomination used should be in “Rupees” for disclosure under Annexure IV i.e., the amount shall be provided in Rupees and not in any other denomination like Thousands, Lakhs, Crores etc.

*Note - This circular supersedes all the previously issued FAQs to the listed entities with respect to the submission of Corporate Governance Report.*

**ITEM 5: DISCLOSURES UNDER REGULATION 30 OF SEBI  
(LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

**5.1 Compliance and Disclosure Requirements for Listed Companies undergoing Corporate Insolvency Resolution Process (CIRP)<sup>1</sup>**

1. Pursuant to discussions held by the Stock Exchanges and SEBI and as advised, all listed companies are required to adhere to the following with immediate effect:
  - To promptly inform the Stock Exchanges, regarding the events pertaining to the IRP process (where companies are involved) as laid down under the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and all amendments made from time to time and the IBC including all the necessary material disclosures promptly to the exchanges as required under the said regulations.
  - All participants who have acquired confidential information in the course of Insolvency proceedings, shall maintain the confidentiality of such information. Such participants shall include the companies, Resolution professionals (RPs), Committee of Creditors and any other entities who may have access to unpublished price sensitive information (UPSI) as defined in SEBI (PIT) Regulations, 2015.
  - Such participants should continue to ensure there is a strong and robust framework to maintain confidentiality of the unpublished price sensitive information and ensure that persons (including the Resolution professionals (RPs), Committee of Creditors and any other entities who may have access to UPSI as defined in SEBI (PIT) Regulations, 2015 are put through necessary restrictions as required under the provisions of the SEBI (Prohibition of Insider Trading) Regulations 2015.
  - Companies are also required on their own to confirm or deny and clarify any rumors or news regarding IBC proceedings to Stock Exchanges which are not announced by them.
2. If there are any rumors or news relating to the companies (regarding IBC proceedings) which are not announced by the companies to the Stock Exchanges, the Exchanges shall verify rumors or news with such company and disseminate the response received.

**Listed companies are required to take note of the above directions and comply accordingly.**

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<sup>1</sup> NSE/CML/2018/22 dated June 06, 2018

## **5.2 Enforcement of SEBI Orders regarding appointment of Directors by the listed companies<sup>2</sup>**

1. SEBI has issued instructions to the Exchanges vide its Letter dated June 14, 2018 wherein SEBI has referred to enforcement of its Orders debarring entities/individuals from accessing the capital markets and/or restraining from holding position of directors in any listed Company.
2. SEBI has issued certain directions regarding enforcement and monitoring of appointment of restrained persons mentioned in SEBI Orders. Accordingly, Companies are required to ensure compliance with the following:
  - (i). Listed Company and its Nomination Committee while considering a person for appointment as director, the listed company shall check the DIN/PAN details of the person appointed is not debarred from holding the office of director pursuant to any SEBI Order.
  - (ii). The Listed Companies shall, while informing the Exchange through the corporate announcements for appointment of Director, shall ensure w.r.t. appointment of restrained persons as a director is not debarred from holding the office by virtue of any SEBI Order or any other authority.
  - (iii). In case the existing director is restrained from acting as director by virtue of any SEBI Order or any other such authority, the director shall voluntarily resign with immediate effect, failing which the listed entity shall initiate the process of removal of such director in terms of relevant sections of the Companies Act, 2013, and inform the Exchange about the same.

**Listed companies are required to take note of the above directions and comply accordingly.**

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<sup>2</sup> NSE/CML/2018/24 dated June 20, 2018

### **5.3 Misuse of Exchange Platform provided for Corporate Announcements<sup>3</sup>**

1. It has been observed that few companies are using NSE's Electronic Application Processing System (NEAPS) Platform provided by National Stock Exchange of India Limited for purpose other than the disclosures required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. Companies are requested to take abundant precaution while submitting disclosures/announcements to the Exchange. In case of any issue that needs to be brought to the notice of the Exchange or Regulators, the companies are requested to use proper channel and not resort to direct dissemination through online filing platform.
3. As per Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, inter-alia, every listed entity is required to make disclosures of any events or information which in the opinion of the board of directors of the listed company, is material.
4. To facilitate filing of such disclosures by companies, National Stock Exchange of India Limited has provided NEAPS Platform.
5. The Announcement section of NEAPS Platform provided by National Stock Exchange of India Limited is for submitting information required to be disclosed under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
6. Companies are advised to take note of the above and ensure compliance, failing which appropriate action shall be taken.

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<sup>3</sup>NSE/CML/2018/40 dated December 19, 2018

#### **5.4 Disclosure of Default/ Inter Creditor Agreement (ICA)<sup>4</sup>**

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.

1. 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.
2. 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.
3. 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:

- (i) 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.
- (ii) 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.
- (iii) 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 (PIT) Regulations, 2015) are put through necessary restrictions as required under the provisions of the SEBI (Prohibition of Insider Trading) Regulations 2015.
- (iv) 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 above directions and comply accordingly.**

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<sup>4</sup>NSE/CML/2019/20 dated September 24, 2019

## **5.5 Guidance note on communications by Listed Entities<sup>5</sup>**

One of the mediums being used by listed entities to communicate with their stakeholders is the Exchange platform provided in the form of its website. Apart from regulatory filings, entities provide updates on their performance, awards/recognition received worldwide, positioning themselves as a leader, etc. There are also instances wherein Key Managerial Personnel or any other person representing the listed entity is seen disclosing the company's prospects, future plans, etc while being interviewed. While all this may be significant to survive in an ecosystem in which the company operates, stakeholder interest is of paramount importance as well. The company shall ensure that no price-sensitive information is disclosed unless the same has been first disclosed to the stock exchanges.

The below is an indicative list of things that shall be kept in mind by the listed entities while publicizing the company:

- a. The statement made shall be truthful, fair, evidence-based and shall not be manipulative or deceptive or distorted and the listed entity shall not make any statement, promise, or forecast which is untrue or misleading.
- b. The information shall contain clear, concise, and understandable language.
- c. If the listed entity presents any financial data, data for the past three years shall also be included along with particulars relating to sales, gross profit, net profit, share capital, reserves, earnings per share, dividends, debts, and the book values. The companies should also provide a link to the company's website where the details are available and can be verified.
- d. Listed entities shall use simple and easy-to-understand language without using extensive technical, legal terminology, or complex language. The details provided should be adequate and appropriate so that the investors are not distracted with excessive details.
- e. The company should provide information only with respect to publicly reported financial information and not provide any forward-looking statement.
- f. Non-factual and unsubstantiated statements shall not be made.
- g. The company can position itself as a leader, pioneer, expert, or any word indicating it as the best only based on factual data, which is widely available and not based on singlesource, unless such source is a recognized source and has third-party certification. The company shall also indicate the source based on which such claim is being made and the information on such source should be in the public domain and verifiable.
- h. In case of receipt of awards/recognition, disclosure shall include whether the listed entity has any relations with the awarding agency along with the number of participants that were evaluated, recognition of the awarding agency in the field in which award is given, and publicly available information relating to the awarding agency.

While the above is just an indicative list, listed entities shall be guided with the intention of the guidance note to protect the interest of the stakeholders.

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<sup>5</sup>NSE/CML/2021/18 dated June 11, 2021

## 5.6 Guidance Note on Analyst/ Institutional Investors meet<sup>6</sup>

The Securities and Exchange Board of India vide notification dated May 05, 2021 have made various amendments to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”). One of the amendments includes enhanced disclosure requirement w.r.t. point 15 of para A of Part A of Schedule III on LODR Regulations. Many companies have sought clarity on this amendment. Thus, the Exchange in consultation with SEBI is providing clarification on the below points:

- Disclosure of group meetings (including schedule and post meeting disclosures) shall be mandatory, whereas disclosure with respect to one-on-one meetings shall not be mandatory
- All Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, either conducted by listed entity or any other entity shall be disclosed to the recognized stock exchange

Further in order to strengthen the disclosure requirements, Exchanges have been advised to issue the below guidance under SEBI (Prohibition of Insider Trading) Regulations, 2015 to listed entities in the surveillance meeting held between SEBI and Exchanges on June 04, 2021. Kindly note that the below disclosure shall only be applicable in case if Unpublished Price Sensitive Information is shared during the meet:

- SEBI (Prohibition of Insider Trading) Regulations, 2015 provides for fair disclosure of Unpublished Price Sensitive Information (UPSI).
- It has been observed that in cases where the analysts / research personnel / investor meet (attended by persons representing the listed companies, whether one on one or group meet) has not been organised by the listed company, the possibility of the company sharing UPSI during these meetings cannot be ruled out. If any price sensitive information has been shared in such meetings, it will tantamount to ‘selective disclosure’ and create information asymmetry affecting the market integrity, resulting in non-compliance with the extant regulatory framework.
- In order to avoid such information asymmetry, to ensure market integrity and to safeguard the interest of investors, all listed companies shall be required to disclose audio recordings or transcripts of all such information (as mentioned in the previous point) where UPSI is shared, irrespective of whether the meeting was organised by the listed company or by any other entity.
- The above disclosure is mandated in terms of Regulation 8(1) of Chapter IV (i.e. codes of fair disclosure and conduct) read with Schedule A of SEBI (PIT) Regulations, 2015.

Companies are requested to comply with the requirement of the applicable regulations as amended from time to time.

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<sup>6</sup>NSE/CML/2021/24 dated June 29, 2021

## **5.7 Guidance note for Companies undergoing Corporate Insolvency Resolution Process<sup>7</sup>**

1. This has reference to circular No. IP/002/2018 dated January 03, 2018, issued by Insolvency and Bankruptcy Board of India.
2. In this regard, please find guidance note in Annexure 1 below for companies undergoing Corporate Insolvency Resolution Process.

### **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:

- i) *“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.*
- ii) *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.”*
- iii) 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.
- iv) 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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<sup>7</sup>NSE/CML/2021/27 dated July 09, 2021

## **5.8 Guidance note for filing intimations w.r.t. Insolvency and Bankruptcy Code (IBC) / Inter-Creditors Agreement (ICA)<sup>8</sup>**

1. 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”
2. 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.
3. 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.

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

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<sup>8</sup>NSE/CML/2022/27 dated June 07, 2022

## **5.9 Guidance note on disclosures pertaining to analysts / institutional investors meet and best practices<sup>9</sup>**

SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('LODR Regulations') provide for disclosures pertaining to analysts or institutional investors meets or calls under the provisions of point 15 of para A of Part A of Schedule III. In consonance of which the Exchange had issued a guidance note bearing circular number NSE/CML/2021/24 dated June 29, 2021, titled 'Guidance Note on Analyst/Institutional Investors meet' providing further clarification for ease of compliance.

Attached is a guidance note in continuation to the above stated circular to further acquaint the listed companies with the existing regulatory requirement and the industry best practices surrounding the reporting of analysts / institutional investor meet / conference calls made to Exchange to encourage listed companies to proactively disclose all material information that not only help investors in decision making but also helps listed entities in building trust with various stakeholders.

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 used only for benchmarking reporting procedures and for reference purpose.

This is for your information please.

### **Guidance Note**

Listed companies under the LODR Regulations are required to provide disclosures at various stages of an analyst / institutional investor meet / call. Therefore, the below guidance note is divided in stages of disclosures for better understanding.

#### **Prior to the meet / call**

The listed companies are required to submit schedule of analysts or institutional investors meet to the Exchange as per the timelines mentioned under the provisions of LODR Regulations irrespective of it being an earnings call or otherwise. On pursuing best practices followed by top Indian listed company it was understood that the notice of an earnings / open ended call / meet was hosted on company's website and submitted to the Exchange well in advance. Further, the listed companies are recommended to provide the following minimum but not limited to the said details in disclosures of schedule: details pertaining to the meet / call, mode of attending, details pertaining to registrations, disclaimers/note to complete/ease registration/attending the call, details regarding specific platform requirements, if any, inclusions/exclusions of audience/participants if any, such other details as applicable. Adding to the best practice in the industry it is also noticed that the presentation of earnings / open ended meet / call are submitted to the Exchange and uploaded on company's website in advance of such meet / call.

Securities Exchange Board of India (SEBI) vide its amendment dated May 05, 2021, made only the disclosure of the schedule of group meetings / conference calls conducted physically or through digital means mandatory thereby making disclosure of one-to-one meeting voluntary. Also, it is best practice to submit disclosures pertaining to meets / calls / interviews which a listed entity attend to promote transparency and awareness.

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<sup>9</sup>NSE/CML/2022/38 dated July 29, 2022

### **During the meet / call**

Regulations around the analysts / institutional investors meet / call seek disclosure of adequate and timely information to enable investors to track the performance of a listed company. It is noticed that minority shareholders are not privy to the information shared with a select group of investors, thereby creating information asymmetry among different classes of shareholders. In order to avoid such imbalance in the market and promote good corporate governance, the listed companies, under SEBI (Prohibition of Insider Trading) Regulations, 2015 are required to avoid sharing any Unpublished Price Sensitive Information (UPSI) in any meet / call. If any UPSI is shared in any meet / call irrespective of organised by the listed company or attended, one-to-one or group, physical or virtual listed companies shall be required to disclose audio recordings or transcripts of all such information wherein UPSI was shared within the timelines prescribed in applicable Regulations.

In EU/UK province, Market Abuse Regulation (MAR) prevents selective disclosure of material non-public information (MNPI). MAR requires that the companies must not disclose MNPI selectively at the investor meetings. If they do, an immediate announcement would be required but it would still be a breach of the regulations.

On studying disclosures of top listed companies, it was observed that a disclaimer / confirmation is added in the disclosure stating that 'Company will be referring to publicly available documents for discussions during interaction in the meet/call' or 'No unpublished price sensitive information is proposed to be shared during the meeting / call' to create confidence and maintain sanctity of the meet / call. It is recommended that listed companies shall avoid disclosing an UPSI during discussion in any meet / call; if disclosed whether voluntarily / involuntarily, is mandated under regulations to provide a prompt disclosure on occurrence of such instance.

### **Post the meet / call**

LODR Regulations mandates listed companies to submit audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means. The recording and transcript of earnings/quarterly calls are required to be submitted to Exchange irrespective if UPSI is shared in such meets / calls. The mannerism of submitting the same as follows:

(i) the presentation and the audio/video recordings shall be promptly made available on the website and in any case, before the next trading day or within twenty-four hours from the conclusion of such calls, whichever is earlier

For example:

(a) if the meet / call is scheduled on Tuesday, July 05, 2022 at 11:00 AM IST then, the audio/video recordings shall be submitted to Exchange and made available on company's website not later than Wednesday, July 06, 2022 09:00 AM IST.

(b) if the meet / call is scheduled on Friday, July 01, 2022 at 05:00 PM IST then, the audio/video recordings shall be submitted to Exchange and made available on company's website not later than Saturday, July 02, 2022.

(ii) the transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls

For example: if the call was scheduled on Friday, July 01, 2022 then, the transcript of such call shall be submitted to Exchange and made available on company's website not later than Friday, July 08, 2022 before end of the day.

The recordings and transcripts are mandated to enable minority shareholders and genuine institutional investors to make an informed investment decisions and in order to benchmark the said submission the below are few recommendations that listed companies can undertake to improvise the disclosures and record keeping:

- (i) Attachment of the copy of transcript to the corporate announcement submitted to the Exchange.
- (ii) Providing exact web link to the website of the listed company instead of the home page where the document is uploaded.
- (iii) List of management attendees.
- (iv) Recording the dialogues including but not limited to the presentation, the Q&As', any assents / dissents and open points.
- (v) Confirmation that no unpublished price sensitive information was shared/discussed in the meeting / call.
- (vi) Readable pdf to be uploaded.

Further the LODR Regulations seek the listed companies that the presentation and the audio/video recordings shall be hosted on the website of the listed company for a minimum period of five years and thereafter as per the archival policy of the listed entity, as disclosed on its website. However, the recordings shall be maintained until the time of closure of any investigation undertaken on the business of the said meeting / call. Additionally, the transcripts of the meets / calls shall be hosted on the website of the listed company and preserved in permanently as required under the LODR Regulations.

### **5.10 Circular on use of digital signature certificate for announcements submitted by listed companies<sup>10</sup>**

1. In accordance with Regulation 10 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (LODR), all listed companies are required to file the reports, statements, documents, filings and any other information with the recognized Stock Exchange(s) on the electronic platform as specified by the Board or the recognized Stock Exchange(s). Accordingly, the Exchange has provided electronic platform viz. National Stock Exchange Electronic Application Processing System (NEAPS) and the Digital Portal for listed companies to file the above documents. The Exchange has provided unique User Id and Password to listed companies to access the said electronic portals.
2. The aforesaid measure has been received well by the market participants. Considering the advantages of using digital signature certifications for authentication of documents / filings, Stock Exchanges, in consultation with each other and SEBI, have decided to make it mandatory to file announcements under various SEBI Regulations using digital signature certification to the Stock Exchange except for following disclosures/events:
  - Outcome of Board meeting which includes only financial result.
  - Any disclosure in which document(s) issued by entity/ies other than listed company is/are included (For e.g., Auditors certificate, NCLT / other court's order, Credit Rating, etc.);
  - Newspaper advertisement.
  - Any other disclosure(s) as specified by Stock Exchanges from time to time.

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<sup>10</sup>NSE/CML/2022/39 dated August 02, 2022

### **5.11 Guidance note on use of digital signature certificate for announcements submitted by listed companies<sup>11</sup>**

1. Use of digital signature certificate for announcements submitted by listed companies' informed regarding application of digital signature certification for authentication of documents / filings made by listed companies to Stock Exchange(s).
2. Attached is a guidance note in continuation to the above stated circular to provide further clarity surrounding the matter.
3. This guidance note is issued for reference purposes only.

#### **Guidance Note**

The note is presented in a Q&A format for better understanding.

Q: What is the applicability of the NSE Circular?

A: The Circular is applicable to all listed entities on NSE.

Q: Which all filings/ submissions are covered in the NSE Circular

A: Presently, listed companies shall submit all corporate announcements using DSC in compliance with the NSE Circular except for the following mentioned in the Circular:

- Outcome of Board meeting which includes only financial result;
- Any disclosure in which document(s) issued by entity/ies other than listed company is/are included (For e.g., Auditors certificate, NCLT / other court's order, Credit Rating, Resignation letter copy of a director, etc.);
- Newspaper Advertisement; and
- Any other disclosure(s) as specified by Stock Exchanges from time to time

Q: What are the examples of non-admissible signatures under the NSE Circular?

A: Non-admissible signatures include but are not limited to physical signature, image pasted of signature, signature in Sd/- format, copy pasted signature, etc.

Q: Whether filing a scanned document/ disclosure be considered as compliance?

A: Listed companies may file scanned documents/ disclosures in compliance (appended to the note also, available on NSE website) wherein listed companies are required to submit all corporate announcements (full set of documents) in machine readable and searchable form. Secondly, such document/ disclosure shall be authenticated using a DSC.

Q: How to confirm if a pdf is machine readable before filing?

A: A machine readable format is when the document/ disclosure is fully searchable. If the documents are scanned then the images of typed, handwritten or printed text shall be converted to machine encoded text (optical character recognition).

Q: Whether listed companies can submit scanned documents/ disclosures post affixing DSC?

A: No, the documents/ disclosures submitted to the Stock Exchange(s) shall be in machine readable format having a detectable DSC.

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<sup>11</sup>NSE/CML/2022/44 dated September 07, 2022

Q: What happens when a listed company submits a disclosure in contravention to the aforementioned NSE Circulars?

A: Disclosure(s) submitted in contravention to the requirements shall be treated as non-compliance and the listed entity shall re-submit the said announcement adhering to the aforementioned requirements on immediate basis.

Appropriate action may follow if the non-compliance is not rectified immediately.

### **5.12 Submission of the Aadhaar numbers in the Announcements/Offer Documents submitted to the Exchange<sup>12</sup>**

1. As per Section 29(4) of the Aadhaar Act, 2016 (as amended in 2019) (hereinafter referred to as the “Aadhaar Act”), no Aadhaar number or demographic information or photograph collected or created under the Aadhaar Act is to be disclosed publicly, except for the purpose specified in the said Aadhaar Act.
2. Further, the Acts and Rules governing the Organization/Institution that mandate the requirement of publishing Aadhaar information, shall be published in masked form.

The Exchange has observed that:

- i). Listed entities are disclosing certain Aadhaar numbers/ Aadhaar cards in their announcements specifically in the cases of newspaper publications where the clipping has other news lines related to Aadhaar number.

In such cases, entities should only disclose the newspaper clipping related to itself and should abstain from submitting the entire page of the newspaper containing other details.

- ii). Entities/Issuers proposing to list any of their securities with the Exchange are disclosing Aadhaar numbers/ Aadhaar related information in the draft offer documents/offer documents submitted to the Exchange.

In this regard, kindly also note that Aadhaar number/ Aadhaar information of the promoters/others as required under the applicable SEBI regulations viz. SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 etc. are to be provided to the Exchange separately and should not be disclosed in the draft offer document/offer document/any other public document.

In view of the above, all listed entities/issuers proposing to list their securities with the Exchange, are hereby advised to strictly adhere to the aforesaid provisions of Aadhaar Act and not disclose Aadhaar number/Aadhaar related information in any disclosure/ announcements/ any other public document made/submitted to the Exchange.

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<sup>12</sup>NSE/CML/2022/60 dated December 19, 2022

### **5.13 FAQ's on filing of announcements in XBRL format on NSE Electronic Application Processing System (NEAPS) platform**<sup>13</sup>

Filing of announcements in XBRL format on NSE Electronic Application Processing System (NEAPS) platform, please find annexed the frequently asked questions (FAQs) for guidance purpose.

#### **ANNEXURE- FAQs**

**1. Whether listed companies need to file PDF submission also along with XBRL submission, if yes, for how long?**

Yes, both PDF and XBRL submission are required. PDF submission will be required for certain period and subsequently submission in XBRL format exclusively will exist and considered. Exchange will be issuing separate circular for intimating the date for the same.

**2. What is the timeline for submitting the disclosure in XBRL format?**

XBRL filing can be submitted within 24 hours from time of submission of PDF disclosure.

**3. From compliance point of view, what will be considered PDF submission or XBRL submission?**

For certain period, PDF submission will be considered for compliance purpose till PDF submission is accepted, subsequently only XBRL submission will be considered.

**4. How to submit disclosure for prior Intimation of Board meeting, which was submitted to Exchange on or before January 28, 2023, and now seeks to add new agenda addition post January 28, 2023?**

Listed Companies will have to submit the disclosure in PDF and XBRL format for the additional agenda item(s).

**5. In case of Outcome of Board Meeting, to which events XBRL submission is applicable?**

XBRL submission for Outcome of Board meeting will be applicable for Dividend, Buyback, Bonus and Voluntary Delisting events.

**6. Whether BSE Limited (BSE) also has same XBRL?**

Yes, NSE & BSE jointly have developed these XBRL's utilities, and the XML file generated can be uploaded at both the Exchanges.

**7. Are the utilities offline utilities / online utilities?**

All 4 XBRL utilities are offline utilities.

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<sup>13</sup> NSE/CML/2023/15 dated February 07, 2023

**8. Can we upload BSE XBRL utility on NSE?**

Yes, XML files generated on BSE can be uploaded on NSE's portal – NEAPS, similarly the XBRL generated on NEAPS can be uploaded on BSE's portal.

**9. Whether resignation of Company Secretary and Compliance Officer will be through change in KMP, Director RTA etc., XBRL?**

Yes, for reporting of multiple designations for one person, add multiple rows and respective designation.

**10. If the intimation was filed for Board Meeting before the circular however the meeting has been rescheduled, then do we have to file XBRL for rescheduled meeting or PDF?**

Yes, along with the PDF the XBRL Utility shall also be filed.

**11. What if we need to file 2 separate intimations under Reg 29 for same meeting date. For eg: First we filed for financial results and then we wish to file for dividend later on. Under the type of disclosure only 3 options were coming: New, Reschedule or cancel.**

In case of any new addition in the agenda of the prior intimation which has been already given, it can be given and submitted as a new disclosure.

**12. What does new or update mean?**

New- denotes that the user listed company seeks to submit is providing a new announcement. Update- denotes that the user is providing an update on an earlier announcement submitted.

**13. Whether personal information contact details (like PAN/email id/phone number) of KMP/Director/Auditor/RTA etc will be disseminated on NSE Website?**

No, personal details will not be disseminated on Exchange's website.

**14. In case if company has issue with the macros in utility sheet are disabled. Where to contact?**

In such cases, Company will have to contact their IT department.

**15. What is the difference between original and revision in 4 XBRL?**

Original- denotes that the user is providing an original announcement Revision- denotes that the user is providing a revision of the earlier announcement submitted.

**16. For resignation of statutory auditor, should both change in management XBRL and resignation of statutory auditor XBRL be filed?**

Yes, for the cases of resignation of Statutory Auditor and Independent Director, firstly the resignation is to be informed and submitted under the general utility and then the specific details of their resignation are to be informed in the respective XBRL utility.

**17. Where to submit the disclosure for prior intimation of Board meeting on NEAPS under PDF and XBRL format?**

Submission of PDF shall be made in Board Meeting module on NEAPS and disclosure in XBRL format shall be uploaded in Common XBRL upload module on NEAPS. NOTE: No PDF submission shall be made under 'Board Meeting Intimation' subject in Announcements module on NEAPS.

**18. In case of any technical issue while filling, where to report to NSE?**

In case of any issue Company can reach out to NSE's Announcement team and also can email on [takeover@nse.co.in](mailto:takeover@nse.co.in).

#### **5.14 FAQ's on filing of announcements in XBRL format on NSE Electronic Application Processing System (NEAPS) platform**<sup>14</sup>

In furtherance to the circular NSE/CML/2023/28 dated March 31, 2023, issued by the Exchange w.r.t Filing of equity announcements under below subjects in XBRL format on NSE Electronic Application Processing System (NEAPS) platform, please find enclosed Frequently Asked Questions (FAQ's) with respect to filing of disclosures available in XBRL format for the guidance purpose.

##### **Disclosure under Regulation 30 of SEBI LODR:**

I. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.

II. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.

III. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.

IV. One time settlement with a bank

V. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions (Inter-Creditors Agreement) - Corporate Debt Restructuring.

VI. Notices of Shareholders Meeting

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<sup>14</sup> NSE/CML/2023/34 dated May 15, 2023

## ANNEXURE- FAQs

### **1. Whether companies are required to file intimations in PDF form along with the XBRL submission in case of subjects for which XBRL filing is available, if yes, time period for filing the same.**

Yes, both PDF and XBRL submission are required. PDF submission along with the XBRL will be required for certain period for which the Exchange will issue separate circular for intimating the effective date post which submission in XBRL format will exist and will be considered.

### **2. What is the timeline for submitting the disclosure in XBRL format?**

XBRL filing shall be submitted within 24 hours of submitting the PDF disclosure.

### **3. Which submission shall be considered from compliance point of view.**

Currently the PDF submission shall be considered for compliance purpose. The Exchanges shall issue a circular intimating the date post which only XBRL submissions shall be treated as compliance.

### **4. What are the subjects covered under the XBRL disclosures?**

**I. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.**

Events covered under the utility named Issuance/Allotment/Alteration/Restriction on transferability of securities- Para A

A. Issuance of Securities- Covers point 2.1 of the Circular dated September 09, 2015, for Continuous Disclosure Requirements for Listed Entities - Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to disclose for the events that are deemed to be material as specified in Para A of Part A of Schedule III of Listing Regulations ('Continuous Disclosure Requirements Circular')

B. Alteration of Capital- Covers below subjects including point 2.2 of the Continuous Disclosure Requirements Circular: o Increase in Authorized Share Capital o Split/consolidation of shares o Conversion of Share Capital o Sub-division of Shares o Cancellation of Share Capital o Alteration of share capital, including calls

C. Action which will result in alteration of the terms or structure of any existing securities: Covers point 2.5 of the Continuous Disclosure Requirements Circular along with any such events which can result in alteration of terms of existing securities.

D. Any restriction on transferability of securities: Covers below subjects including 2.4 of the Continuous Disclosure Requirements Circular.

E. Allotment of Securities: Post Issuance of the securities the allotment of the securities such as Equity, Preference, Convertible, Non-convertible, ESOP/ESPS or Others are covered under this type of event.

In this event for Allotment of Securities, the companies might have queries to the below requirement:

o Date of Board meeting for approval of issuance of security

o Whether any disclosure was made for the issuance of securities as per SEBI LODR and SEBI Circular September 09, 2015

Here, the date on which the Board would have initially approved the issuance of the securities. such as for Right Issue- the date on which Board approve the Right Issue, for ESOP/ESPS- the date on which the Board approved the ESOP/ESPS Plan and accordingly the disclosure requirement for the issuance of securities or the ESOP/ESPS Plan was submitted of the Exchange as per Continuous Disclosure Requirements Circular

**II. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.**

Utility name: Agreements/Contracts/Arrangements/ MOU PARA A

The Utility covers point 5 of the Continuous Disclosure Requirements Circular.

**III. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.**

Utility name: Fraud/Default/Arrest PARA A.

The Utility covers point 6 of the Continuous Disclosure Requirements Circular.

**IV. One time settlement with a bank and Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions (Inter-Creditors Agreement).**

Utility name: One time settlement/ Inter-Creditors Agreement The Utility covers point 10 and 11 of the Continuous Disclosure Requirements Circular.

**V. Corporate Debt Restructuring.**

Utility name: Corporate Debt Restructuring

The Utility covers point 9 of the Continuous Disclosure Requirements Circular.

**VI. Notices of Shareholders Meeting**

Utility name: Notice of Shareholders Meeting

The Utility covers point 12 of the Continuous Disclosure Requirements Circular.

For Event Postal Ballot in the utility, the companies might have queries on the below fields:

- o Number of Shareholders Meeting- This is added as per the Secretarial Standard of ICSI to denote which number of meeting such as for e.g. 01/PB/2022-2023
- o Day: This can be the Day on which Postal Ballot starts
- o Date: This can be the date of which Postal Ballot starts
- o Meeting Commencement Time- This can be the time from which the Postal Ballot voting starts
- o Place- The place mentioned the Postal Ballot Notice post signature on the postal ballot notice which could be the registered office of the Company.
- o End date of Postal Ballot Voting- This can be the end date of the Postal Ballot.
- o Date of Occurrence of Event- The date on which the Notice of shareholders meeting was sent to the shareholders.

**5. Whether BSE Limited (BSE) also has same XBRL?**

Yes, NSE & BSE have jointly developed these XBRL's utilities, and the XML file generated can be uploaded at both the Exchanges.

**6. Are the utilities offline utilities / Online utilities?**

All the XBRL utilities are offline utilities.

**7. Whether the XBRL utilities are common between NSE & BSE, can BSE XBRL utility be uploaded at NSE and vice versa?**

Yes, all the XBRL utilities are common utilities between NSE & BSE and hence XML file generated at BSE can be uploaded at NSE and vice versa.

**8. What does 'New' or 'Update' in Utilities mean?**

'New' denotes that the listed company is submitting a new announcement for the first time as a fresh announcement. 'Update' denotes that the listed company is providing an update on an earlier announcement submitted for the similar subject.

**9. What is the difference between 'Original' and 'Revision' in XBRL under 'Type of Announcement' cell on submission page?**

Listed company shall select 'Original' when it is providing an original announcement. Listed company shall select 'Revision' when it is providing a revision/update of an earlier announcement submitted.

**10. Which subject are overall covered in the XBRL filing for Announcements.**

Sr. No	Events	Utility Name	SEBI LODR/Circular reference	Release date
1	Prior Intimation for Board Meeting	Prior Intimation for Board Meeting	Regulation 29 of SEBI LODR	27-01-2023
2	Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer and Auditor	Change in Directors/ Key Managerial Personnel/ Auditor/ Compliance Officer/ Share Transfer Agent- The general utility Resignation of the Auditor Resignation of Independent director	Regulation 30 of SEBI LODR, Point 7, 8 of the Continuous Disclosure Requirements Circular, para 7A and 7B of para A of Part A of Schedule III of SEBI LODR and other related circulars.	27-01-2023
3	Outcome of Board Meeting for Dividend, Buyback, Bonus and Voluntary Delisting events.	Outcome of Board Meeting	Regulation 30 of SEBI LODR, point 2.1, 2.3 and 4 of the Continuous Disclosure Requirements Circular	27-01-2023
4	Acquisition/Amalgamation/Merger/De-merger/Sale or disposal/Other Restructuring	Acquisition/Amalgamation/ Merger/De-merger/Sale or disposal/Other Restructuring	Regulation 30 of SEBI LODR, point 1 of the Continuous Disclosure Requirements Circular	27-01-2023

5	Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.	Issuance/Allotment/Alteration/Restriction on transferability of securities- Para A	Regulation 30 of SEBI LODR, point 2 of the Continuous Disclosure Requirements Circular	31-03-2023
6	Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s) /treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.	Agreements/Contracts/Arrangements/ MOU PARA A	Regulation 30 of SEBI LODR, point 5 of the Continuous Disclosure Requirements Circular	31-03-2023
7	Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.	Fraud/Default/Arrest PARA A	Regulation 30 of SEBI LODR, point 6 of the Continuous Disclosure Requirements Circular	31-03-2023
8	One time settlement with a bank and Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions (Inter-Creditors Agreement).	One time settlement/ Inter-Creditors Agreement	Regulation 30 of SEBI LODR, point 10 and 11 of the Continuous Disclosure Requirements Circular	31-03-2023
9	Corporate Debt Restructuring	Corporate Debt Restructuring	Regulation 30 of SEBI LODR, point 9 of the Continuous Disclosure Requirements Circular	31-03-2023
10	Notice of Shareholders Meeting	Notice of Shareholders Meeting	Regulation 30 of SEBI LODR, point 12 of the Continuous Disclosure Requirements Circular	31-03-2023

**11. Technical errors related to name and symbol of the Company while uploading:**

Listed companies shall enter the name of the Company and Symbol as displayed on NEAPS module on the uploading page.

**12. In case of any technical issue while filling, where to report to NSE?**

In case of any issue Company can reach out to NSE's Announcement team and also can email on [takeover@nse.co.in](mailto:takeover@nse.co.in)

13. **Where to download the NSE offline utilities from**

NEAPS>Compliance>Common XBRL Upload>Equity Announcement – XBRL>Subject of Announcement>. A hyperlink is provided on the subject of the utility for ease of companies to identify the utility.

Download Offline Excel Utilities	
Subject of Announcement	Last Updated On
<a href="#">Issuance/Allotment/Alteration/Restriction on transferability of securities- Para A</a>	21-MAR-2023

**ITEM 6: CIRCULAR ISSUED PERTAINING TO FINANCIAL RESULTS,  
ANNUAL REPORT AND STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS**

**6.1 Manner of filing financial results as required under regulation 33 of SEBI (LODR) Regulations, 2015<sup>1</sup>**

This has reference to outcome of board meeting, held to consider and approve financial results, filed by companies under regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is to bring to your notice that the Exchange has observed that few companies include shareholders letter, investors presentation in the outcome of board meeting held to consider and approve financial results in which financial results, auditor's report, etc., as required under the aforementioned regulation, were included much after the said letter, presentation.

In this regard, listed entities are requested to note that the PDF of outcome of board meeting held to consider and approve financial results must only include financial results, Auditor's report and other statements as prescribed under Regulation 33, Part A of Schedule IV of the regulation and related circulars.

If the company wishes to disclose any other information such as shareholders letter, investors presentation, it must be done as a separate announcement.

The companies are requested to take note of the aforementioned provisions/advisory and exercise abundant precaution while filing the financial results.

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<sup>1</sup> NSE/CML/2023/20 dated March 15, 2023

## **6.2 Submission of Consolidated Financial Results<sup>2</sup>**

Pursuant to Regulation 33 of SEBI (Listing Obligation and Disclosures Requirements) Regulation, 2015 and the Informal Guidance issued by SEBI on August 02, 2019, it is mandatory for listed companies to file quarterly / year to date consolidated financial results. For this purpose, Companies are required to consolidate the financial statements of Subsidiary and or its Associate companies / Joint ventures as the case may be, with the Standalone results of the listed company.

The Consolidated Financial Results as mentioned above shall be submitted to the Exchange from the quarter ending September 30, 2019 onwards.

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<sup>2</sup> NSE/CML/2019/21 dated September 26,2019

### **6.3 Clarification on Formats for publishing Financial Results<sup>3</sup>**

Securities and Exchange Board of India (SEBI) vide Circular No. CIR/CFD/CMD/15/2015 dated November 30, 2015 and Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016 has prescribed formats for publishing financial results.

Pursuant to the certain amendments in Division I, Division II and Division III of Schedule III to the Companies Act, 2013 made by the Ministry of Corporate Affairs (MCA), vide notification dated October 11, 2018, SEBI has clarified about the applicability of formats for presentation of financial results as under:

1. Listed entities are advised to follow existing formats till the quarter ending December 31, 2018. However, entities desiring to submit financial statements as per the new format prescribed by MCA, may have the option to present in the new format in addition to existing formats prescribed under the Companies Act, 2013.
2. Entities shall follow amended formats, new Schedule III of Companies Act, 2013, for annual financial statement / quarter ending on or after March 31, 2019.

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<sup>3</sup> NSE/CML/2018/32 dated November 22,2018

#### **6.4 Clarification regarding submission of Limited Review Report on Financial Results<sup>4</sup>**

Regulation 33(3)(c)(i) of SEBI (LODR) Regulations, 2015 states that:

“In case the listed entity opts to submit unaudited financial results, they shall be subject to limited review by the statutory auditors of the listed entity and shall be accompanied by the limited review report.”

In this regard, the SEBI has clarified as follows:

*‘No specific exemption has been given from the requirement of submitting the limited review report along with the unaudited consolidated financial results in case the unaudited standalone financial results have been accompanied by the limited review report.’*

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<sup>4</sup> NSE/CML/2016/16 dated November 28,2016

**ITEM 7: CIRCULAR ISSUED PERTAINING TO CORPORATE ACTION,  
SEBI (SAST) REGULATIONS, 2011 AND SEBI (PIT) REGULATIONS, 2015**

**7.1 Path of filing of disclosures related to Corporate Action on NEAPS Portal<sup>1</sup>**

Pursuant to Regulation 10 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 all listed entities are required to file all reports, statements, documents, filings, and any other information to the Exchange on the specified electronic platform. The Exchange has designated NEAPS Portal as the specified electronic platform for filings at National Stock Exchange of India Limited.

The listed entities are required to separately intimate fixation of Record Date or Book Closure Dates for any Corporate Action to the Exchange. Please note a separate tab for Corporate Actions is available on the NEAPS Portal (i.e., NEAPS > Compliance > Announcements > Announcements/CA > Intimation Type: Corporate Action). Thus, all intimation regarding Record Date or Book Closure Dates for any Corporate Action is to be filed under this tab.

Please note that non-intimation of Record Date or Book Closure Dates in the Corporate Actions tab on NEAPS portal may result in the Exchange not taking the same on record and listed entities will be responsible for subsequent consequences. It is reiterated that the Exchange will take cognizance of only those disclosures which are filed under relevant path as specified above using NSE's Electronic Application Processing System (NEAPS).

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<sup>1</sup> NSE/CML/2023/22 dated March 21, 2023

## **7.2 FAQ's - System driven disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015<sup>2</sup>**

The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations) were amended and notified vide Gazette Notification No. SEBI/LADNRO/GN/2020/23 dated July 17, 2020. Accordingly, SEBI vide circular no. SEBI/HO/ISD/ISD/CIR/P/2020/168 dated September 09, 2020, decided to implement the System Driven Disclosures (“SDD”) in phased manner.

To begin with, SDD is being implemented for member(s) of promoter group and designated person(s) in addition to the promoter(s) and director(s) of company (hereinafter collectively referred to as entities) under Regulation 7(2) of PIT Regulations. The SDD shall pertain to trading in equity shares and equity derivative instruments. The coverage of SDD maybe subsequently enhanced under Regulation 7(2) of PIT Regulations to include other types of securities.

The following are the FAQs to address the queries regarding System Driven Disclosures (“SDD”):

- Question 1** : **To whom is the SEBI circular no. SEBI/HO/ISD/ISD/CIR/P/2020/168 dated September 9, 2020 applicable?**
- Answer** : SEBI circular is applicable to all companies listed on nationwide stock exchanges viz; NSE, BSE and MSE.
- Question 2** : **Whether information including PAN of Promoter(s) including member(s) of the promoter group, director(s) and designated person(s) is to be provided to both the depository?**
- Answer** : No. In terms of SEBI circular no. SEBI/HO/ISD/ISD/CIR/P/2020/168 dated September 9, 2020, a listed company is required to designate one of the depositories as its designated depository and provide the information including PAN number of Promoter(s) including member(s) of the promoter group, director(s) and designated person(s) as per PIT Regulations. Therefore, information is to be only provided to the designated depository.
- Question 3** : **What is the timeline for reporting changes in information about Promoters, members of the promoter group, director(s), and designated persons of the listed Company to designated depository?**
- Answer** : In case of any subsequent update in the information about Promoters, members of the promoter group, director(s), designated persons, the listed company shall update the information with the designated depository on the same day.
- Question 4** : **Whether PAN and demat accounts details are required to be provided?**
- Answer** : No. PAN is required to be provided in all cases except PAN exempt cases. In case of PAN exempt cases, BO ID details of demat accounts in depositories system should be provided.

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<sup>2</sup> NSE/CML/2021/05 dated January 28, 2021

- Question 5** : **What is PAN exempt case?**
- Answer** : Entities/multilateral agencies which are exempt from paying taxes/filing tax returns in India or investors residing in the State of Sikkim are exempted from the mandatory requirement of PAN these type of entities can be considered under PAN exempt cases.
- Question 6** : **What details are to be provided in case Promoters, members of the promoter group, and designated persons do not have PAN or Demat Account?**
- Answer** : In case of persons/entities who do not have PAN or Demat Account say for example; Foreign Nationals who are directors and designated persons in listed companies and do not have PAN or Demat Account, companies need not provide their details. As and when these persons/entities obtain PAN, the company may provide the details to designated depository.
- Question 7** : **How does the issuer designate a depository?**
- Answer** : Issuer needs to choose any one of the depository as its designated depository in the manner as specified by the depositories.
- Question 8** : **Although the required promoter/ promoter group details were already provided by R&T agent to depositories, is the issuer required to provide such details again to the Designated Depository?**
- Answer** : Yes, Issuers need to upload the latest details once again to their Designated Depository using respective Issuer login.
- Question 9** : **With implementation of system driven disclosures, are manual disclosures as required in regulation 7 of the SEBI (Prohibition of Insider Trading) Regulations, 2015 still required to be submitted by every promoter, member of the promoter group, designated person and director to the listed entity and listed entity in turn with the stock exchanges?**
- Answer** : Yes, the manual disclosures shall continue to be submitted till further intimation in this regard.
- Question 10** : **PAN Details of the Promoter including members of the promoter group is to be shared with depositories, where shall the definition of the promoter group be referred from?**
- Answer** : The definition of promoter and promoter group is available in regulation 2(oo) and 2(pp) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

### **7.3 Standard Operating Process under SEBI (PIT) Regulations, 2015 for ensuring compliance with Structured Digital Database (“SDD”)**

The companies are advised to take a note of the following:

- 1) The listed entities to whom the provisions of Regulation 24A of SEBI (LODR) Regulations, 2015 are applicable, the Secretarial Auditor of those entities shall also specifically confirm compliance with the requirement of SDD by the listed entities in its Annual Secretarial Audit Report. Listed companies are advised to bring to the knowledge of their Secretarial Auditor the above requirement.
- 2) Exchange circular no. NSE/CML/2022/52 dated November 04, 2022 specifies consequences of noncompliance with Reg 3(5) and 3(6) of SEBI (PIT) Regulations, 2015 states as under:

"Under the "Get Quote" page of the Exchange Website of the Listed Entity, wherever listed, would display that the company is non-compliant with SDD, from the next trading day till the Exchanges have satisfactorily verified that the company has completely complied."

It is clarified that in addition to above, the details of the compliance officer will also be displayed on the "Get Quote" page of the Exchange website where the above information is disseminated.

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<sup>3</sup> NSE/CML/2023/10 dated January 25, 2023

**7.4 Reporting of violations under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 relating to the Code of Conduct (CoC)**

SEBI has amended the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (PIT Regulations).

In terms of Clause 13 of Schedule B (in case of listed companies) and Clause 11 of Schedule C (in case of intermediaries and fiduciaries) read with Regulation 9 of the PIT Regulations, the listed companies, intermediaries and fiduciaries shall promptly inform the Stock Exchange(s) where the concerned securities are traded, regarding violations relating to CoC under PIT Regulations in such form and manner as may be specified by the Board from time to time.

Further SEBI vide its Circular Ref No. SEBI/HO/ISD/ISD/CIR/P/2020/135 dated July 23, 2020 has revised the formats for reporting violations of PIT Regulations relating to CoC to Stock Exchanges.

All the concerned are hereby informed that the above disclosure in the format as prescribed by SEBI shall be submitted on the email id pit\_coc@nse.co.in. Kindly note submission shall be made both in PDF and Excel format as mentioned below:

<b>Report by (Name of the listed company/ Intermediary/Fiduciary) for violations related to Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations, 2015</b>		
<b>[For listed companies: Schedule B read with Regulation 9 (1) of SEBI (Prohibition of Insider Trading) Regulations, 2015</b>		
<b>For Intermediaries/ Fiduciaries: Schedule C read with Regulation 9(1) and 9(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015]</b>		
Sr No	Particulars	Details
1	Name of the listed company/ Intermediary/Fiduciary	
2	Please tick appropriate checkbox Reporting in capacity of : <input type="checkbox"/> Listed Company <input type="checkbox"/> Intermediary <input type="checkbox"/> Fiduciary	
3	<b>A. Details of Designated Person (DP)</b> i Name of the DP ii PAN of the DP iii Designation of DP iv Functional Role of DP v Whether DP is Promoter or belongs to Promoter Group	
	<b>B. If Reporting is for immediate relative of DP</b> i. Name of the immediate relative of DP	
	ii. PAN of the immediate relative of DP	
	<b>C. Details of transaction(s)</b> i. Name of the scrip ii. No of shares traded and value (Rs.) (Date- wise)	
	<b>D. In case value of trade(s) is more than Rs.10 lacs in a calendar quarter</b>	

	<p>i. Date of intimation of trade(s) by concerned DP/director/promoter/promoter group to Company under regulation 7 of SEBI (PIT) Regulations, 2015</p> <p>ii. Date of intimation of trade(s) by Company to stock exchanges under regulation 7 of SEBI (PIT) Regulations, 2015</p>	
4	Details of violations observed under Code of Conduct	
5	Action taken by Listed company/ Intermediary/ Fiduciary	
6	Reasons recorded in writing for taking action stated above	
7	Details of the previous instances of violations, if any, since last financial year	
8	<p>If any amount collected for Code of Conduct violation(s)</p> <p>i. Mode of transfer to SEBI - IPEF (Online/Demand Draft)</p> <p>ii. Details of transfer/payment</p> <p><b><u>In case of online:</u></b></p> <p>Name of the transferor</p> <p>Bank Name, branch and Account number</p> <p>UTR/Transaction reference Number</p> <p>Transaction date</p> <p>Transaction Amount (in Rs.)</p> <p><b><u>In case of Demand Draft (DD)</u></b></p> <p>Bank Name and branch</p> <p>DD Number</p> <p>DD date</p> <p>DD amount (in Rs.)</p>	
9	Any other relevant information	

**Date and Place:**

**Name and Signature of Compliance Officer:**

**PAN:**

**Email ID:**

**ITEM 8: DISCLOSURES UNDER LISTING REGULATIONS FOR ISSUERS OF LISTED NON-CONVERTIBLE SECURITIES AND/OR COMMERCIAL PAPER**

**8.1 Guidance Note on Regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Investor Complaints Report<sup>1</sup>**

Pursuant to the Regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the listed entity shall file with the recognized stock exchange(s) on a quarterly basis, within twenty-one days from the end of each quarter, a statement giving the number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed of during the quarter and those remaining unresolved at the end of the quarter.

The listed company receives complaints from different sources such as SEBI SCORES, Exchange, hardcopies, or emails to officials handling investor grievances, etc. Over the period Exchange has observed that, No. of complaint received, resolved, and pending reported by the listed company is not corresponding to the complaints forwarded by Exchange and SEBI SCORES.

For example, company 'A Limited' has received 5 complaints through SCORES, 5 complaints from Exchange and 5 complaints are directly received by the Company through email / letter, out of which 3 SCORES, 2 Exchange and 5 directly received complaints were resolved during the quarter. Hence the total complaints received are 15, resolved are 10 complaints and pending are 5 complaints as on the end of the quarter. However, the no. of complaints disclosed in the quarterly Investor Complaint/s Report submitted to the Exchange is not in line with above.

All investor complaints received by the company from different sources are to be considered while determining the number of complaints to be submitted in the quarterly report. In case of deviation observed, necessary actions may be initiated against the company.

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<sup>1</sup> NSE/CML/2022/12 dated July 08, 2022

## **8.2 Formats specifying disclosure of Corporate Governance by High value debt listed entities<sup>2</sup>**

SEBI (Listing and Obligations and disclosure Requirements), Regulations 2015 (“Listing Regulations”) were amended vide notification dated September 07, 2021, providing for the applicability of Regulations 15 to 27, relating to corporate governance on high value debt listed entities on comply or explain basis until March 31, 2023.

In this regard, the following formats and requirements for disclosures of corporate governance requirements shall be applicable for the purpose of compliance:

- SEBI circular No. CIR/CFD/1/27/2019 dated February 08,2019 on the Annual Secretarial Audit Report and Secretarial Compliance report.
- Annexure 1 of SEBI circular No SEBI/HO/CFD/CMD-2/P/CIR/2021/567 dated May 31,2021 on the quarterly format for reporting on Corporate Governance compliances.
- Part C (disclosures in corporate governance report as part of annual report), D (Declaration by CEO on compliance of the management and directors with the code of conduct) and E (Compliance certificate by auditors or practising Company Secretary of corporate governance compliance) of schedule V of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

The Listed Companies are required to submit the same in pdf form in NEAPS > Compliance > Announcements > Announcements-Debt > Updates.

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<sup>2</sup> NSE/CML/2022/01 dated January 07,2022

### **8.3 Formats specifying disclosure of Corporate Governance by High value debt listed entities<sup>3</sup>**

SEBI (Listing and Obligations and disclosure Requirements), Regulations 2015 (“Listing Regulations”) were amended vide notification dated September 07, 2021, providing for the applicability of Regulations 15 to 27, relating to corporate governance on high value debt listed entities on comply or explain basis until March 31,2023.

In this regard, the following formats and requirements for disclosures of corporate governance requirements shall be applicable for the purpose of compliance:

- SEBI circular No. CIR/CFD/1/27/2019 dated February 08,2019 on the Annual Secretarial Audit Report and Secretarial Compliance report.
- Annexure 1 of SEBI circular No SEBI/HO/CFD/CMD-2/P/CIR/2021/567 dated May 31,2021 on the quarterly format for reporting on Corporate Governance compliances.
- Part C (disclosures in corporate governance report as part of annual report), D (Declaration by CEO on compliance of the management and directors with the code of conduct) and E (Compliance certificate by auditors or practising Company Secretary of corporate governance compliance) of schedule V of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

The Listed Companies are required to submit the same in pdf form in NEAPS > Compliance > Announcements > Announcements-Debt > Updates for the quarter ended September 30, 2021.

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<sup>3</sup> NSE/CML/2021/10 dated September 30,2021

#### **8.4 Guidance note with respect to Regulations 50(3) and 51 (2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.<sup>4</sup>**

Please find the below Guidance Note of the Stock Exchange with respect to the Regulations 50(3) and 51 (2) Schedule III Part B Item 15 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR Regulations).

Issuers are requested to take note of the same and ensure appropriate compliance.

#### **Guidance Note on Regulations 50(3) and Disclosures as specified in item 15 of Part B of Schedule III of Regulation 51 (2) of Listing Regulations**

**Question 1: Is prior intimation required to be given to the Exchange of board / committee meeting wherein any changes in terms of issue or such other matter affecting the rights or interests of holders of non-convertible debt securities or non-convertible redeemable preference shares is proposed to be considered?**

**Answer:** Yes, prior intimation is required to be given in the above case. Regulation 50(3) of SEBI LODR Regulations provides that the listed entity shall intimate to the stock exchange(s), at least 2 working days in advance, excluding the date of the intimation and date of the meeting, regarding the meetings of its board of directors, at which any matter affecting the rights or interests of holders of non-convertible debt securities or non-convertible redeemable preference shares is proposed to be considered.

**Question 2: Does the issuer require to disclose to the Exchange, the outcome of the board / committee meeting wherein any matter as stated above is considered?**

**Answer:** Yes, the outcome of any board / committee meeting wherein any change in terms of issue or any other matter affecting the rights or interests of holders of non-convertible debt securities or non-convertible redeemable preference shares has been considered, is required to be disclosed to the Exchange. As per Regulation 51(2), Schedule III Part B Item 15 of SEBI LODR Regulations, the listed entity shall promptly disclose to the stock exchanges, all the information, report, notices, call letters, circulars, proceedings, etc. concerning non-convertible redeemable preference shares or non-convertible debt securities.

**Question 3: Does the notice call letters, circulars, proceedings, proposal/resolution etc. of the meeting of non- convertible debenture holders/ non- convertible redeemable preference shareholders and/or any proposal/ resolution sent to them directly by the issuer or through its debenture trustee is required to be submitted to the Exchange?**

**Answer:** Yes. In terms of SEBI LODR Regulation 51(2), Schedule III Part B Item 15, issuers are required to promptly disclose to the Exchange, any notices, call letters, circulars, proceedings, proposal/resolution etc. circulated to the debenture holders/ non-convertible redeemable preference shareholders.

**Question 4: Where and how to submit the aforesaid disclosures?**

**Answer:** The disclosures are required to be submitted on NEAPS under the Debt Announcements Module (On the Path: - NEAPS > COMPLIANCE > Announcements > Announcement-Debt) with the subject as “Intimation under Regulation 50(3)” / “Disclosure Under Regulation 51” / “Outcome of Board Meeting”, as the case may be.

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<sup>4</sup>NSE/CML/2021/02 dated April 15, 2021

### **8.5 Clarification pertaining to submission of disclosures along with the financial statements by listed entities for the purpose of compliance with SEBI CP circulars read with SEBI LODR Regulations, 2015.<sup>5</sup>**

The Securities Exchange Board of India has issued a communication to the Exchange with regards to compliance with the SEBI Commercial Papers (CP) circulars read with Regulation 52(4)(d) of SEBI LODR Regulations, 2015. It has been observed that some issuers of Listed CPs had not disclosed their CP obligations in the FY 19-20 financial statements, which was required under the SEBI Commercial Papers (CP) circulars read with Regulation 52(4)(d) of SEBI LODR Regulations, 2015.

In this communication, SEBI has advised that the issuer(s) of the listed CP shall disclose detailed data regarding previous due dates for repayment of principal of CPs/NCDs/NCRPS along with the payments of interest/dividend for NCDs/ NCRPS and whether the same has been paid or not, while submitting half yearly/annual financial statements to the Exchange. The disclosures should be done as per the provisions of Regulation 52(4)(d).

The issuer should disclose information for all outstanding ISINs about previous due date for the payment of interest/ dividend for non-convertible redeemable preference shares/ repayment of principal of non-convertible preference shares /non-convertible debt securities/Commercial Papers and whether the same has been paid or not. Further, if the issuer has paid any amounts in the current reporting period, which was due in the previous reporting periods, the same shall also be disclosed along with the financial results.

CP issuers are advised to ensure strict compliance of the above while submitting their financial results.

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<sup>5</sup> NSE/CML/2020/14 dated September 16, 2020

### **8.6 Enforcement of SEBI Orders regarding appointment of Directors by the listed companies** <sup>6</sup>

SEBI has issued instructions to the Exchanges vide its Letter dated June 14, 2018 wherein SEBI has referred to enforcement of its Orders debarring entities/individuals from accessing the capital markets and/or restraining from holding position of directors in any listed Company.

SEBI has issued certain directions regarding enforcement and monitoring of appointment of restrained persons mentioned in SEBI Orders. Accordingly, Companies are required to ensure compliance with the following:

1. Listed Company and its Nomination Committee while considering a person for appointment as director, the listed company shall check the DIN/PAN details of the person appointed is not debarred from holding the office of director pursuant to any SEBI Order.
2. The Listed Companies shall, while informing the Exchange through the corporate announcements for appointment of Director, shall ensure w.r.t. appointment of restrained persons as a director is not debarred from holding the office by virtue of any SEBI Order or any other authority.
3. In case the existing director is restrained from acting as director by virtue of any SEBI Order or any other such authority, the director shall voluntarily resign with immediate effect, failing which the listed entity shall initiate the process of removal of such director in terms of relevant sections of the Companies Act, 2013, and inform the Exchange about the same.

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<sup>6</sup> NSE/CML/2018/02 dated June 20, 2018

**ITEM 9: CIRCULAR ISSUED PERTAINING TO  
STANDARD OPERATING PROCEDURE AND WAIVER**

**9.1 Policy for exemption of fines levied as per the provisions of SEBI SOP Circular - Debt**

**Reasons for Waiver / Reduction of Penalty levied under SEBI SOP circular.**

For considering a company's case for waiver of penalty, the company would be required to disclose to the Exchange, the events that prevent / impact filing of compliances as mentioned in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, either immediately or as soon as practically possible. Further, a case for waiver or reduction of fine shall be considered only where the applicant company has fully complied with all its compliances under the Listing Regulations, other applicable regulations and circulars issued thereunder.

The events referred to below, shall be disclosed along with the relevant supporting documents evidencing the same, including the impact assessment of the event, duly certified by the Company Secretary or the Compliance Officer. In case of impact on filing of Financials, the same shall be certified by the Statutory Auditor of the company.

Non-disclosure of the events preventing / impacting filing of compliances in a timely manner may result in rejection of request for waiver / reduction of fine.

The indicative list of events that may be considered by the Exchange for granting waiver or reduction of fine levied under SOP for compliance with Listing Regulations are mentioned below along with criteria to be considered:

**1. Natural calamity (Act of GOD)**

In the event of Natural calamity, the following will be considered while approving such request:

- a. Whether the event had occurred during the period under review or during the period of filing the compliances.
- b. Where did the event occur and how it impacted the requisite disclosure from being made in time bound manner.
- c. Event is notified to the Exchange as soon as possible, along with periodic updates.
- d. In order to claim the waiver/reduction of penalty, company will have to adequately demonstrate that the said Natural Calamity resulted in the company not being able to comply with the applicable Regulations.

**2. Seizure / Capture of books / computers etc., by regulatory / statutory authorities**

On account of seizure of documents / computer hardware / software, etc., as the case may be, by regulatory or statutory authorities:

1. The event should have been intimated as a material event at the time of seizure / capture along with the relevant documentation evidencing the same, including the impact assessment of the event duly certified by the Company Secretary or the Compliance Officer e.g. seizure report / panchnama.
2. The seizure / capture should have occurred during the periods under review or during the period of filing the compliances

### **3. Impossibility of Compliance:**

In case of any non-compliance arising out of inability of company to comply on account of any of the following reasons:

- a) make any appointment to the Board of Directors / of KMPs due to pending approval for appointment of Directors / KMP etc., from the Government (Ministry)/ Regulator/ Any Statutory Authority.
- b) any steps taken by Government (Ministry)/ Regulator/ Court /Tribunal/ Any Statutory Authority, resulting in the non-compliance relating to Board composition e.g., appointment of a nominee director by relevant authorities, leading to the prevailing compliance becoming a non-compliance.
- c) casual vacancy caused on account of resignation/ removal/ death/ disappearance of directors or KMPs/Statutory Auditor.

### **4. Court / Regulatory directions that resulted or prevented or exempted the disclosure required to be made or fines required to be paid.**

This would include companies which have obtained BIFR/NCLT order exempting the companies from paying fines or Companies where the Order of Appointment of Provisional / Official Liquidator has been issued.

### **5. Material events occurring that are beyond the control of the company**

Accidental reasons, including those mentioned in the Listing Regulations, e.g. strikes, lockouts and other reasons. The event shall be disclosed to the Exchange as per Regulation 51 of Listing Regulations. The event should have been intimated as a material event either immediately or as soon as practically possible but not later than 24 hours from the date of occurrence of the event or receipt of information along with the relevant documentation evidencing the same, including the impact assessment of the event duly certified by the Company Secretary or the Compliance Officer.

Further as a general principle, waiver or exemption may be considered even for quarters in which the event has not occurred, but the impact of the event as mentioned prevents the company from complying with the disclosures required under the Listing Regulations.

### **PRE-CONDITIONS FOR ACCEPTING APPLICATIONS FOR FULL / PARTIAL WAIVER OF FINES**

1. The above list of events may be revised from time to time by the Exchanges after joint consultation and disseminated on the Exchange websites. The Exchanges may jointly consider any event which is not mentioned in the above list that deserves full or partial exemption / waiver based on reasons recorded in writing. However, the governing principle while considering such exemption / reduction in penalty, shall be that the non-compliance has occurred due to circumstances which were beyond the control of the Company and the Company has demonstrated that it has taken sufficient steps at the earliest to rectify the non-compliance and the Company has made disclosure of such event to the Exchange at the earliest.
2. Companies should file their application in the prescribed mode as mentioned in the notice of levy of penalty, requesting for waiver of fines along with specific reasons for claiming the same, within 15 days from the date of Exchange communication intimating about levy of fines, failing which such application shall be liable for rejection.
3. Further the happening of any event listed above does not automatically confer any right or entitlement to waiver of fine and request for waiver/ reduction in penalty shall be considered only upon the company applying for the waiver with full underlying facts and evidences and after ascertaining the facts in the matter. It may be noted that the decision of the Exchange shall be final and repeated applications for waivers that are

declined earlier, would not be entertained, unless there are any mitigating fresh facts. The Exchange reserves the right to accede to or deny the request for waiver/reduction in penalty, for reasons to be recorded in writing.

4. An illustrative list of scenarios which cannot be considered to fall within the ambit of “events” entailing waiver or reduction of fine is given below

- i. Company has applied for waiver of fine without specifying any reason for the delayed compliance.
- ii. Company has been unable to find suitable candidate for Compliance Officer/Director (s) due to ongoing financial position of company, or lack of operations or is a loss- making company.
- iii. Company has been unable to file disclosure due to non-receipt of data from RTA/Depository.
- iv. Non-compliance / Delay in compliance due to non-availability/resignation of compliance officer, beyond the prescribed time available under law.
- v. Company is under process of Corporate Debt Restructuring, declared as NPA by lenders, etc.

Applications for waiver of fines will be considered **only after the applicant company has first complied with the compliance for which it is seeking full / partial waiver of fines,** as required under the Listing Regulation. Till the time the waiver request is decided by the Exchange, further actions such as non-allowance of securities issuance and further listings, etc. prescribed under the SEBI SOP Circular dated November 13, 2020 / December 29, 2021 (as applicable) may be kept on hold **only for those companies whose requests for waivers fall under the Criteria (1) to (5) given above.**

## **9.2 Policy for exemption of fines levied as per the provisions of SEBI SOP Circular - Equity**

### **Reasons for Waiver / Reduction of Penalty levied under SEBI SOP circular.**

For considering a company's case for waiver of penalty, the company would be required to disclose to the Exchange, the events that prevent / impact filing of compliances as mentioned in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, either immediately or as soon as practically possible. Further, a case for waiver or reduction of fine shall be considered only where the applicant company has fully complied with all its compliances under the Listing Regulations, other applicable regulations and circulars issued thereunder.

The events referred to below, shall be disclosed along with the relevant supporting documents evidencing the same, including the impact assessment of the event, duly certified by the Company Secretary or the Compliance Officer. In case of impact on filing of Financials, the same shall be certified by the Statutory Auditor of the company.

Non-disclosure of the events preventing / impacting filing of compliances in a timely manner may result in rejection of request for waiver / reduction of fine.

The indicative list of events that may be considered by the Exchange for granting waiver or reduction of fine levied under SOP for compliance with Listing Regulations are mentioned below along with criteria to be considered:

#### **1. Natural calamity (Act of GOD)**

In the event of Natural calamity, the following will be considered while approving such request:

- a. Whether the event had occurred during the period under review or during the period of filing the compliances.
- b. Where did the event occur and how it impacted the requisite disclosure from being made in a time bound manner.
- c. Event is notified to the Exchange as soon as possible, along with periodic updates.
- d. In order to claim the waiver/reduction of penalty, company will have to adequately demonstrate that the said Natural Calamity resulted in the company not being able to comply with the applicable Regulations.

#### **2. Seizure / Capture of books / computers etc., by regulatory / statutory authorities**

On account of seizure of documents / computer hardware / software, etc., as the case may be, by regulatory or statutory authorities:

- a. The event should have been intimated as a material event at the time of seizure / capture along with the relevant documentation evidencing the same, including the impact assessment of the event duly certified by the Company Secretary or the Compliance Officer e.g., seizure report / panchnama.
- b. The seizure / capture should have occurred during the periods under review or during the period of filing the compliances.

#### **3. Impossibility of Compliance**

In case of any non-compliance arising out of inability of company to comply on account of any of the following reasons:

- a) make any appointment to the Board of Directors / of KMPs due to pending approval for appointment of Directors / KMP etc., from the Government (Ministry)/ Regulator/ Any Statutory Authority.
- b) any steps taken by Government (Ministry)/ Regulator/ Court /Tribunal/ Any Statutory Authority, resulting in the non-compliance relating to Board composition e.g. appointment of a nominee director by relevant authorities, leading to the prevailing compliance becoming a non-compliance
- c) casual vacancy caused on account of resignation/ removal/ death/ disappearance of directors or KMPs in such cases, the company has to provide evidence that it has taken adequate steps to remedy the non-compliance within the stipulated time. Such evidence shall, inter alia, include proof of communication sent to the approving

authority seeking approval for the appointment / receipt of communication from the authorities appointing a nominee director that resulted in existing compliance becoming non-compliance. In case of the former, such communication should have been sent by the company to the relevant authority, prior to the last due date of compliance. In case of extended delays, companies shall have to submit proof of follow-up communications as well. Lastly, in case of this carve-out the Exchanges may jointly (where listed at more than one Exchange) decide to withdraw fines levied earlier also.

#### **4. Court / Regulatory directions that resulted or prevented or exempted the disclosure required to be made or fines required to be paid.**

This would include companies which have obtained BIFR/NCLT order exempting the companies from paying fines or Companies where the Order of Appointment of Provisional / Official Liquidator has been issued.

#### **5. Material events occurring that are beyond the control of the company**

Accidental reasons, including those mentioned in the Listing Regulations, e.g. strikes, lockouts and other reasons. The event shall be disclosed to the Exchange as per Regulation 30 of Listing Regulations. The event should have been intimated as a material event either immediately or as soon as practically possible along with the relevant documentation evidencing the same, including the impact assessment of the event duly certified by the Company Secretary or the Compliance Officer.

Further as a general principle, waiver or exemption may be considered even for quarters in which the event has not occurred, but the impact of the event as mentioned prevents the company from complying with the disclosures required under the Listing Regulations.

#### **PRE-CONDITIONS FOR ACCEPTING APPLICATIONS FOR FULL / PARTIAL WAIVER OF FINES**

1. The above list of events may be revised from time to time by the Exchanges after joint consultation and disseminated on the Exchange websites. The Exchanges may jointly consider any event which is not mentioned in the above list that deserves full or partial exemption / waiver based on reasons recorded in writing. However, the governing principle while considering such exemption / reduction in penalty, shall be that the non-compliance has occurred due to circumstances which were beyond the control of the Company and the Company has demonstrated that it has taken sufficient steps at the earliest to rectify the non-compliance and the Company has made disclosure of such event to the Exchange at the earliest.

2. Companies should file their application in the prescribed mode as mentioned in the notice of levy of penalty, requesting for waiver of fines along with specific reasons for claiming the same, within 15 days from the date of Exchange communication intimating about levy of fines, failing which such application shall be liable for rejection.

3. Further the happening of any event listed above does not automatically confer any right or entitlement to waiver of fine and request for waiver/ reduction in penalty shall be considered only upon the company applying for the waiver with full underlying facts and evidences and after ascertaining the facts in the matter. It may be noted that the decision of the Exchange shall be final and repeated applications for waivers that are declined earlier, would not be entertained, unless there are any mitigating fresh facts. The Exchange reserves the right to accede to or deny the request for waiver/ reduction in penalty, for reasons to be recorded in writing.

4. An illustrative list of scenarios which cannot be considered to fall within the ambit of “events” entailing waiver or reduction of fine is given below:

- i. Company has applied for waiver of fine without specifying any reason for the delayed compliance.
- ii. Company has been unable to find suitable candidate for compliance officer/Director due to ongoing financial position of company, or lack of operations or is a loss-making company.
- iii. Company has been unable to file disclosure due to non-receipt of data from RTA/Depository.
- iv. Non-compliance / Delay in compliance due to non-availability of compliance officer/resignation of compliance officer or directors or KMPs, beyond the prescribed time available under law.
- v. Company is under process of Corporate Debt Restructuring, declared as NPA by lenders, etc.

Applications for waiver of fines will be considered **only after the applicant company has first complied with the compliance for which it is seeking full / partial waiver of fines**, as required under the Listing Regulation. Till the time the waiver request is decided by the Exchange, further penal actions such as freezing of promoter’s holdings, shifting to Z category and suspension of trading in securities may be kept on hold **only for those companies whose requests for waivers fall under the Criteria 1 to 5 given above.**

### **9.3 Processing of waiver applications by the Exchanges in case of commonly listed entities - Equity**

#### **Background**

SEBI vide SOP Circular ref. no. SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated January 22, 2020 (erstwhile circular ref. no. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 03, 2018) directed the Exchanges to put in place a framework to monitor submissions made by listed entities and initiate actions such as levy of penalties, moving of security to 'Z' category, freezing of promoter holdings and suspension of trading in securities of non-compliant listed entities.

Further, SEBI vide its abovementioned SOP Circular has directed the Exchanges that they may deviate from the actions prescribed in SOP Circulars, if found necessary, only after recording reasons in writing.

In view of the above, the Exchanges have jointly formulated a "Policy for Exemption of Fines" and the same was noted by SEBI on January 22, 2020. The Exchanges have also constituted Internal Committees for reviewing the requests received for waiver of SOP fines.

As per the abovementioned "Policy for exemption of fines" the non-compliant companies are required to file an application for waiver of fine only on achieving compliance with provisions of Listing regulation/s.

#### **Procedure**

The Exchanges in consultation with SEBI have agreed upon the following procedure for allocating the listed companies:

- The Exchanges shall segregate the commonly listed companies amongst themselves. The process shall be done in such a way that approximately equal number of companies are allocated to each Exchange.

After completion of six months, the group of companies will be exchanged between both the Exchanges for the next six months.

**Note:** - Commonly listed companies here mean companies which are listed and are also non-compliant at both Exchanges. Commonly listed companies will not include companies-

- a) which are non-compliant at only one Exchange e.g., if ABC Limited is listed on both the Exchanges, falls under the group which is to be handled by NSE but observed to be non-compliant at BSE only, the same shall be disposed of by BSE only.
  - b) whose compliance at the other exchange is later than the Exchange in whose bucket the company falls for that period. E.g., if ABC Limited is listed on both the Exchanges, falls under the group which is to be handled by BSE but has delayed compliance at both the Exchanges, but delay is greater at NSE or non-compliance continues at NSE, the same shall be disposed of by NSE only and BSE will not consider the exemption application. This will ensure that compliance is met at both the Exchanges and the Exchange where there is a larger delay will be able to consider the justification for the delay.
- The companies shall be segregated based on the date of application. i.e. all applications received during a 6-month period will be considered by one exchange.
  - Companies making an application seeking waiver of fines, along with applicable processing fees, should have cleared their earlier dues, including fines and fees, to all the Exchanges where it is listed, prior to making an application. Companies shall also make detailed submission seeking waiver of SOP Fines considering the extant Policy for Exemption of Fines and shall indicate whether it intends to seek personal hearing before the concerned Committee.
  - Companies are advised to submit all the supporting documents along with the application and shall desist from filing response or supporting documents/information on a piece meal basis.

- The decision taken by one Exchange on waiver requests will be applicable to the same waiver requests received by other Exchanges to maintain the uniformity in decision at both Exchanges.
- Second time waiver (Review) requests received from companies will be placed before the committee of the Exchange which had handled the request for the first time, irrespective of the date of receipt of applications.

For example: The waiver application by ABC Limited was handled by BSE Limited (other Exchange) when the company was falling under group allocated to BSE Limited. If ABC Limited files a review application against the rejection order filed by BSE Limited after the completion of the 6-month period of interchanging the companies between the Exchanges, the same shall continue to be handled by BSE Limited only.

Though the company may fall under the group which is to be handled by other Exchange (NSE), the second application of review will be placed at BSE (the Exchange which had handled the initial application of the Company).

- Newly listed companies shall be added to the segregation every quarter.

The above procedure shall be effective for applications seeking waiver of SOP fines, submitted to the exchanges on or after April 1, 2022.

#### **Personal Hearing:**

Personal hearing, if sought by the companies, will be conducted only by the Exchange which is handling (disposing) the waiver requests for that Company/Group for that period.

#### **Processing Fees**

Exchanges shall levy processing fees for considering the waiver requests on the following basis

- 1) Fees shall be levied on companies which apply for waiver.
- 2) Waiver processing fees shall be Rs. 10,000 per application. Companies may submit a single application for multiple requests for waiver pertaining to different regulations/ period.  
It may be noted that the application for waiver is to be submitted at all the exchanges where the fines have been levied. However, processing fees are to be submitted only to the designated exchange.

The Companies are advised to pay waiver processing fees in the same account where they pay Annual Listing Fees. Please refer Unique Account Code used for paying Annual Listing fees to the Exchange.

- 3) In case the Company is not satisfied with the decision of the Exchange and intends to apply for review, the fees applicable for such review shall be Rs. 20,000 per application.
- 4) In the event that the waiver request is accepted fully, the Exchange shall refund the processing fees charged. In case of Partial waiver of the fines, processing fees of Rs. 5000 shall be refunded and balance fees may either be refunded / adjusted against outstanding fines.
- 5) No processing fees shall be charged if the fine amount for which waiver is requested is less than Rs. 5000.
- 6) Time limit for filing of waiver/ review request shall be 3 months from the date of compliance by the Company. If any Company wishes to apply for waiver beyond this timeline, the same shall only be admitted by the Exchange if it can demonstrate circumstances to the satisfaction of the Exchange.

**9.4 Guidance Note on SEBI Circular reference no. SEBI/HO/DDHS/DDHS/CIR/P/2020/231 dated November 13, 2020, regarding non-compliance with provisions related to continuous disclosures.**

**A. Activities and its timeline to be followed.**

Sr. No.	Particulars	Time in days
1	Fine to start from next working day of the due date of respective regulation as per SOP Circular. E.g., If due date is on Friday, then levying of fine will start from Monday. (Next Working day)	Due date + 1 working day
2	Review period is 30 days from due date of each regulation	Due date + 30 calendar days
3	Review letter to be issued on 30+1 day to non-complied/delay complied Companies, to comply and pay fine within 15 clear days of issue of letter. Advice companies to place before the Board of Directors of the company regarding non-compliance identified and subsequent actions shall be taken by the Exchange.	Due date + 31 calendar days
4	Reminder notice to be issued on 16 <sup>th</sup> day after completion of 15 days of review letter, to comply and pay fine within 10 clear days of issue of notice.	Review letter + 16 calendar days
5	Intimation to Electronic Book Provider regarding failure of compliance of such	Reminder Notice + 11 calendar days

**B. Compliance with provisions of LODR**

Sr. No.	Regulation	Details of Action by the Exchange post identification of non-compliance	ISIN Level	Fine payable
1	<b>Regulation 6(1)</b> Non-compliance with requirement to appoint qualified company secretary as the compliance officer	1. Review of non-compliances will be done between 30 days to 60 days from end of each Quarter. Companies will have to submit Quarterly details within 30 days from end of each quarter and a letter will be issued for intimation of fine levied. <b>e.g.</b> For compliance period from April 01, 2020 till June 30, 2020, submission done by company for quarter ended June 30, 2020 will be considered and fine will be levied for non-compliance. Companies Act Ref Section 203 (4) of CA 2013 – If the office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.	No	Fine payable as per SEBI circular no. SEBI/HO/CFD/CM D /CIR/ P/2020/12 dated January 22, 2020 as amended from time to time

Sr. No.	Regulation	Details of Action by the Exchange post identification of non-compliance	ISIN Level	Fine payable
		<p>2. Exchange will monitor this regulation on Quarterly basis i.e. details of compliance officer which is submitted quarterly.</p> <p>3. If compliance officer is not appointed during quarter or compliance officer appointed is not a qualified company secretary, then fine will be levied for number of days of non-appointment of compliance officer.</p> <p>4. If company fails to submit the details, then fine will be levied for entire quarter under this regulation for non-appointment of compliance officer. However, if company confirms in the reports that it has appointed compliance officer during quarter, fine shall be levied for the period of non-compliance during the quarter.</p> <p>5. If the company has Equities as well as NCD/NCRPS listed, fines will be levied only once.</p>		
2	<p><b><u>Regulation 7(1)</u></b> Non-compliance with requirement to appoint share transfer agent</p>	<p>1. Review of non-compliances will be done between 30 days to 60 days from end of each Quarter. Companies will have to submit Quarterly details within 30 days from end of each quarter and a letter will be issued for intimation of fine levied. <b>e.g.</b> For compliance period from April 01, 2020 till June 30, 2020, submission done by company for quarter ended June 30, 2020 will be considered and fine will be levied for non-compliance.</p> <p>2. Exchange will monitor this Regulation on Quarterly basis.</p> <p>3. If company has not appointed share transfer agent during quarter, then fine will be levied for number of days of non- appointment of share transfer agent.</p> <p>4. If company fails to submit the details, then fine will be levied for entire quarter under this regulation for non-appointment of share transfer agent. However, if company confirm in its reports that it has appointed share transfer agent during quarter, fine shall be levied for the period of non-compliance during the quarter. If the company has Equities as well as NCD/NCRPS listed, fines will be levied only once.</p>	No	<p>Fine payable as per SEBI circular no. SEBI/HO/CFD/CMD /CIR/ P/2020/12 dated January 22, 2020 as amended from time to time</p>

Sr. No.	Regulation	Details of Action by the Exchange post identification of non-compliance	ISIN Level	Fine payable
3	<b><u>Regulation 13(1)</u></b> Failure to ensure that adequate steps are taken for expeditious redressal of investor complaints	1. The non-compliance shall be monitored on monthly basis as per process laid down in SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/ 2020/152 dated August 13, 2020.	No	As per process laid down in SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/2020/152 dated August 13, 2020.
4	<b><u>Regulation 13(3)</u></b> Non-submission of the statement on shareholder complaints within the period prescribed under this regulation or under any circular issued in respect of redressal of investor grievances	1. Reg. 13 (3) – non submission of Investor compliant statement within 21 days from the end of each quarter will be treated as non-compliance.  2. Review of non-compliances will be done within 30 days from the due date of submission of statement on NCD/NCRPS holder complaints and letter will be issued for intimation of fine levied.  3. Fine shall be levied against the issuer for non-submission or delayed submission for any of its listed securities.  4. If the company has Equities as well as NCD/NCRPS listed, fines will be levied only once.	No	Fine payable as per SEBI circular no. SEBI/HO/CFD/CM D/CIR/P/2020/12 dated January 22, 2020 as amended from time to time
5	<b><u>Regulation 50 (1)/ 50(3)</u></b> Delay in furnishing prior intimation with respect to date of payment of interest / redemption amount or intimation regarding board meeting effecting the rights or interest of holders of NCDs/NCRPS.	1. Review of non-compliance will be done on a Monthly basis in the subsequent month from due date of submission of Regulation 50(1) and 50(3).  2. <u>Intimation to be given excluding the date of Intimation and due date of payment if interest/Redemption (there should be clear 11 working days gap in between)</u>  3. Company shall submit the details as per the Regulation 50(1), even if the same is provided in the offer document/term sheet, If company fails to submits Regulation 50(1) within due date and observed as non-compliant then fine will be levied per instance per ISIN.  4. If interest and redemption both are due on same day, then it will be considered as one instance.	Yes for 50(1)	Rs. 1,000 per ISIN

Sr. No.	Regulation	Details of Action by the Exchange post identification of non-compliance	ISIN Level	Fine payable
		<p>5. Fine shall not be levied on commonly listed companies (Equity and Debt) for Regulation 50(1) as per chapter VI of SEBI LODR – SEBI Regulation 63(2)(a) does not specify to submit Regulation 50(1) for commonly listed companies.</p> <p>6. Company shall submit the details as per Regulation 50(1) in case of Early Redemption (partial/full) / Buyback, Call/Put option or any other such instances, fine shall be levied if there is short fall in submission as per the provisions of Regulation 50(1).</p> <p>7. As per provisions of Regulation 50(3), If Company fails to submit the Board of Directors /committee meeting details at least 2 working days in advance excluding the date of intimation and the date of meeting regarding meeting of its directors/ committee for recommendation or declaration of issue of NCD/NCRPS or any other matter affecting the rights or interest of NCD/NCRPS holders is proposed to be considered fine shall be levied for delayed/non-submission of meeting.</p> <p>For the purpose of compliance with Regulation 50(3) intimation for the meeting of committee of the board which has been empowered/ delegated the powers to approve the issuance of NCD's/NCRPS shall also be considered on par with the Board meeting.</p>		

Sr. No.	Regulation	Details of Action by the Exchange post identification of non-compliance	ISIN Level	Fine payable
6	<p><b><u>Regulation 52(1)</u></b> Non-submission of the financial results within the period prescribed under this regulation</p>	<p>1. Review of identified non-compliance will be done within 30 days from due date of submission of financial results.</p> <p>2. Regulation 52(1) shall be applicable for Exclusively NCD/NCRPS listed entities.</p> <p>3. Fine shall be levied for below mentioned cases—</p> <ul style="list-style-type: none"> <li>i. If company does not submit the Half yearly/Yearly Financial results</li> <li>ii. If any of the below-mentioned documents are not submitted: <ul style="list-style-type: none"> <li>a) Profit &amp; Loss accounts</li> <li>b) Limited Review / Auditors Report.</li> <li>C) If the Company does not submit the Statement on Impact of Audit Qualifications (for audit report with modified opinion)</li> </ul> </li> </ul> <p>4. For the Half year end, the due date of submission would be 45 days from end of half year.</p> <p>5. For financial year end, if the company intimates in advance for submission of audited results and submits unaudited results within 45 days fine shall be levied after 60 days till the company submits audited results.</p> <p>Further for the financial year end, if the company does not intimate in advance for submission of Audited Results and submits audited results within 60 days, it shall be treated as non-compliance and penalty shall be levied from 46th day till the company submits unaudited results.</p> <p>6. Review for the Annual filing would be carried out 30 days after the 60 days filing deadline, i.e. along with the review Equity results filings.</p> <p>7. The company will be considered as compliant with Regulation 52(1) only if the Profit and Loss accounts, Limited Review/Audit Report and Statement on Impact of Audit Qualifications (for audit report with modified opinion) are submitted within the prescribed due date for submission.</p>	No	Rs. 5,000 per day

Sr. No.	Regulation	Details of Action by the Exchange post identification of non-compliance	ISIN Level	Fine payable
7	<p><b><u>Regulation 52(4) / 52(6)</u></b>            Non-disclosure of line items prescribed under Regulation 52(4) along with the half yearly / annual financial results or nondisclosure of items pertaining to NCRPS as notes to financials prescribed under Regulation 52(6).</p>	<p>1. Review of identified non-compliance will be done within 30 days from due date of submission of financial results.</p> <p>2. Penalty shall not be levied on the following:</p> <p>a) For non- submission of details of Debt service coverage ratio, asset cover, interest service coverage ratio are not applicable for Banks and non-banking financial companies registered with the Reserve Bank of India.</p> <p>b) Unsecured debt instruments issued by regulated financial sector entities eligible for meeting capital requirements (the above points of a) will not be applicable)</p> <p>3. Fine shall be levied for non-compliance of 52(4)/52(6) of Rs. 1000/ per day per instance if company fails to submit the details</p> <p>4. Fine shall be levied on per day per instance till the submissions are made for e.g. if company fails to submit 4-line items out of 12 line items fine shall be levied per day till the balance 4 line items are submitted.</p> <p>5. If commonly listed company has not submitted the details as per Regulation 52(4)/52(6) fine shall be levied</p> <p>6. asset cover shall be applicable on Secured/Unsecured NCD/NCRPS            Debt service coverage ratio, asset cover and interest service coverage ratio is not applicable for Banks, or non-banking financial companies registered with the Reserve Bank of India or issued by regulated financial sector entities eligible for meeting capital requirements as specified by respective regulators.</p> <p>If the issue has NCD and NCRPS listed and if the company has not submitted Regulation 52(4) and 52(6) so penalty shall be levied Regulation wise separately</p>	No	Rs. 1,000 per day
8	<p><b><u>Regulation 52(5)</u></b> Non-submission of a Certificate signed by the Debenture Trustee taking note of the contents prescribed under regulation 52(4).</p>	<p>1. Review of identified non-compliance will be done within 30 days from due date of submission of financial results.</p> <p>2. Fine shall be levied after the 7 working days from the submission of Financial Results (days to be calculated from the submission of financial results date)</p> <p>3. If commonly listed entity has not submitted the details as per Regulation 52(5) then fine shall be levied for the same</p>	No	Rs. 1,000 per day

Sr. No.	Regulation	Details of Action by the Exchange post identification of non-compliance	ISIN Level	Fine payable
9	<b>Regulation 52(7)</b> Non-submission of deviations/ variations in utilization of issue proceeds	1. Companies will be required to provide undertaking along with financial results for any deviation/variation in utilisation proceeds.	No	Rs. 1,000 per day
10	<b>Regulation 54 (2)</b> Non-disclosure of extent and nature of security created and maintained with respect to secured listed NCDs in the financial statements	<ol style="list-style-type: none"> <li>1. Review of identified non-compliance will be done within 30 days from due date of submission of financial results.</li> <li>2. Asset cover to be made on Secured/ NCD's by all entities like Banks/NBFC etc.- declaration to be given along with the financial results</li> </ol>	No	Rs.1,000 per day
11	<b>Regulation 57(1)</b> Non-disclosure of information related to payment obligations	<ol style="list-style-type: none"> <li>1. Review shall be done within 30 days from the end of each month.</li> <li>2. If company fails to intimate within 2 calendar days from the payment becoming due for Interest/ Redemption fine shall be levied.</li> <li>3. If company fails to intimate within 2 calendar days from the date of buyback fine shall be levied.</li> <li>4. If Company fails to intimate the default status of Interest/Redemption as per the SEBI circular dated 23-Jun-2020 within 1 working day then fine shall be levied</li> <li>5. If company submits the disclosure of information related to payment obligation after the date as prescribed in LODR/ SEBI Circular dated 23-Jun-2020, fine shall be levied for the number of days by which the information has been delayed.</li> </ol>	Yes	Rs. 1,000 per day per ISIN

Sr. No	Regulation	Details of Action by the Exchange post identification of non-compliance	ISIN Level	Fine payable
12	<p><b>Regulation 59 (1)</b> Failure to obtain prior approval of stock exchange for any structural change in terms of NCDs/ NCRPS.</p>	<ol style="list-style-type: none"> <li>1. Review shall be done within 30 days from the end of each month.</li> <li>2. Fine shall be levied on the following:               <ol style="list-style-type: none"> <li>i. If the company makes material modification without prior approval of the stock exchange for non-convertible debt securities or non-convertible redeemable preference shares to:                   <ol style="list-style-type: none"> <li>(a) the structure of the debenture in terms of coupon, conversion, redemption, or otherwise.</li> <li>(b) the structure of the non-convertible redeemable preference shares in terms of dividend of non-convertible preference shares payable, conversion, redemption or otherwise.</li> </ol> </li> </ol> </li> <li>3. Fine shall be levied per instance per offer document wise.</li> <li>4. If the issuer issues more than one ISIN in the same offer document and later carries out changes in the offer document without prior approval, will be considered as ISIN wise instance and penalty shall be levied ISIN wise.</li> <li>5. If company makes change at the same time in tenure and change in rate of interest in single ISIN, will it be considered as 1 instance.</li> </ol> <p>If company wants to make early redemption/buyback/scheme (full/partial) etc by taking 59 approval and need to provide the details as per Regulation 50(1), 60(2) also, penalty shall be levied if there is shortfall in the submission of Regulation 50(1) and 60(2)</p>	No	Rs. 50,000 per instance
13	<p><b>Regulation 60 (2)</b> Delay in submission of the notice of record date</p>	<ol style="list-style-type: none"> <li>1. Review shall be done within 30 days from the end of each month.</li> <li>2. Fine shall be levied on the following:               <p>If company fails to submit the details or delays the submission.</p> </li> <li>3. Company shall submit the details as per Regulation 60(2) in case of Early Redemption (partial/full) / Buyback, Call/Put option. fine shall be levied if there is short fall in submission of Regulation 50(1)</li> </ol>	Yes	Rs. 10,000 per ISIN

Sr. No.	Regulation	Details of Action by the Exchange post identification of non-compliance	ISIN Level	Fine payable
14	<b><u>Regulation 62</u></b> Non-compliance with norms pertaining to functional website	1. Review will be done similar to that being done for equity	No	Advisory/ warning letter per instance of non-compliance per item Rs. 10,000 per instance for every additional advisory/ warning letter exceeding the four advisory/ warning letters in a financial year
15	<b><u>Commercial Paper</u></b> - <b><u>Non-submission of financial results</u></b> within the prescribed period	1. Review of identified non-compliance will be done within 30 days from due date of submission of financial results. 2. Shall be applicable for Exclusively CP listed companies. 3. Fine shall be levied for below mentioned cases 4. If company does not submit the Half yearly/Yearly Financial results 5. If any of the below-mentioned documents are not submitted: 6. a) Profit & Loss accounts b) Limited Review / Auditors Report c) “If the Company does not submit the Statement on Impact of Audit Qualifications (for audit report with modified opinion)” 7. For Financial year end, if the company submits unaudited results within 45 days or submits audited results within 60 days, fine will not be levied. 8. Fine shall be levied for the financial results to be submitted on Half yearly and yearly basis only and not on Quarterly financial results. 9. If all ISIN’s of an issuer matures before the due date of financial results the issuer shall is not required to file the financial results, if the issuer has defaulted in the final payment the issuer has to comply with the regulations.	No	Rs. 5,000 per day

		<p>10. 52(2)(a) shall be applicable for CP listed companies.</p> <p>Further for the financial year end If the company does not intimate in advance for submission of Audited Results and submits audited results within 60 days shall be treated as non-compliance and penalty shall be levied from 46th day till the company submits unaudited results.</p> <p>11. Review for the Annual filing would be carried out 30 days after the 60 days filing deadline, i.e. along with the review Equity results filings.</p> <p>12. The company will be considered as compliant with Regulation 52(1) only if both the Profit and Loss accounts and Limited Review/Audit Report are submitted within the prescribed due date for submission</p>		
16	<p><b><u>Commercial Paper - Non-disclosure of line items prescribed under Regulation 52(4) of SEBI LODR</u></b> Regulations along with the half yearly / annual financial results</p>	<p>1. Review of identified non-compliance will be done within 30 days from due date of submission of financial results.</p> <p>2. Following line items to be submitted on Half Yearly/Yearly basis. Fine shall be levied for below mentioned cases –</p> <p>(a) credit rating and change in credit rating (if any);  (b) asset cover  (c)debt-equity ratio;  (d) previous due date for the payment of principal of CP and whether the same has been paid or not; and,  (e) next due date for the payment of principal of CP  (f)debt service coverage ratio;  (g)interest service coverage ratio;  (h) outstanding redeemable preference shares (quantity and value); whether this is applicable  (i) capital redemption reserve/debenture redemption reserve; whether this is applicable  (j) net worth;  (k) net profit after tax;  (l) earnings per share</p> <p>3. Fine shall be levied on per day till all the applicable submissions are made.</p>	No	Rs. 1,000 per day

Sr. No.	Regulation	Details of Action by the Exchange post identification of non-compliance	ISIN Level	Fine payable
17	<b><u>Commercial Paper</u></b> - Non - submission of certificate regarding fulfilment of <b><u>payment obligations</u></b>	1. Review shall be done within 30 days from the end of each month 2. If company fails to intimate within 2 calendar days from the payment becoming due for Redemption/Buyback, fine shall be levied. 3. If Company fails to intimate the default status of CP fine shall be levied within 2 calendar days from the due date 4. If company submits the payment obligation after the date as prescribed in SEBI Circular dated 22-Oct-2019, fine shall be levied for that number of days. 5. Intimation to be given with 2 calendar days	Yes	Rs. 1,000 per day per ISIN

**Points to be noted:**

1. ISIN level penalty shall be levied for Non-compliance of applicable regulations on ISIN which are matured/redeemed.
2. In case where all ISIN's are matured/redeemed penalty shall not be levied, only if the company has defaulted the payment of interest/maturity penalty shall be levied as per the applicable clauses.
3. Once intimation provided to Electronic Book Provider informing non-compliance, then compliance will be informed only if entity is compliant with all applicable provisions mentioned in the circular along with payment of fine.
4. SEBI(LODR) Regulations, 2015 are not applicable to Maharaja Bonds.
5. Fine shall be levied on non-submissions of Regulation of chapter III, V, VI of SEBI (LODR) Regulations, 2015/Commercial Paper circular after the issue of Guidance note to the market.

**9.5 Guidance Note on SEBI circular dated January 22, 2020 regarding non-compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) and the Standard Operating Procedure (SOP) for suspension and revocation of trading of specified securities**

SEBI vide circular dated January 22, 2020 (ref no. SEBI/HO/CFD/CMD/CIR/P/2020/12) have specified uniform approach in the matter of levy of fines for non-compliance with certain provisions of the Listing Regulations, the manner of suspension of trading of securities of a listed entity and the manner of freezing the holdings of the promoter of a non-compliant listed entity.

**A. Salient Features of the circular**

- Shall come into force effective from compliance periods ending on or after June 30, 2020.
- Fine applicable to total 28 regulations viz; 6(1), 7(1), 13(1), 13(3), 17(1), 17(1A), 17(2), 17(2A), 18(1), 19(1)/19(2), 20(2)/(2A), 21(2), 23(9), 24A, 27(2), 28(1), 29(2)/29(3), 31, 31A(3)(a), 32(1), 33, 34, 42(2)/42(3)/42(4)/42(5), 43(A), 44(3), 44(5), 45(3), 46.
- Penal action prescribed for freezing of entire holding of promoters on non-submission/non- payment of fine at FIRST INSTANCE of non-compliance.
- SHIFTING OF TRADING IN SECURITIES TO Z CATEGORY AND SUSPENSION OF TRADING: For non-compliance of the 7 regulations for 2 consecutive quarters, trading in securities of the company will be shifted to Z category and then subsequently get suspended.
- After suspension, if company fails to comply within 6 months from the date of suspension, the Exchange shall initiate the process of COMPULSORY DELISTING against such company.

**B. Compliance with provisions of LODR**

Sr. No.	Regulation	Action by the Exchange post identification of noncompliance
1	<p><b><u>Regulation 6(1)</u></b> Non-compliance with requirement to appoint qualified company secretary as the compliance officer</p>	<p>1. Review of non-compliances will be done within 30 days from end of due date of submission of Reconciliation of share capital audit report and letter will be issued for intimation of fine levied.</p> <p><b>e.g.</b> For compliance period from April 01, 2020 till June 30, 2020, submission done by company in Reconciliation of share capital audit report for quarter ended June 30, 2020 will be considered and fine will be levied for non-compliance.</p> <p>2. Exchange will monitor it on Quarterly basis i.e. details of compliance officer are already captured in Reconciliation of share capital audit report which is submitted quarterly.</p>

		<p>3. If compliance officer is not appointed during quarter or compliance officer appointed is not a company secretary, then fine will be levied for number of days of non-appointment of compliance officer.</p> <p>4. If company fails to submit Reconciliation of share capital audit report then fine will be levied for entire quarter under this regulation for non-appointment of compliance officer.</p> <p>However, if company confirm in writing that it has appointed compliance officer during quarter before issue of review notice by Exchange then fine shall not be levied else fine will be levied for entire quarter.</p>
2	<p><b><u>Regulation 7(1)</u></b> Non-compliance with requirement to appoint share transfer agent</p>	<p>1. Review of non-compliances will be done within 30 days from end of due date of submission of Reconciliation of share capital audit report and letter will be issued for intimation of fine levied.</p> <p><b>e.g.</b> For compliance period from April 01, 2020 till June 30, 2020, submission done by company in Reconciliation of share capital audit report for quarter ended June 30, 2020 will be considered and fine will be levied for non-compliance.</p> <p>2. Exchange will monitor it on Quarterly basis i.e. details are already captured in Reconciliation of share capital audit report.</p> <p>3. If company has not appointed share transfer agent during quarter, then fine will be levied for number of days of non-appointment of share transfer agent.</p> <p>4. If company fails to submit Reconciliation of share capital audit report, then fine will be levied for entire quarter under this regulation for non-appointment of share transfer agent. However, if company confirm in writing that it has appointed share transfer agent during quarter before issue of review notice by Exchange then fine shall not be levied else fine will be levied for entire quarter.</p>
3	<p><b><u>Regulation 13(1)</u></b> Failure to ensure that adequate steps are taken for expeditious redressal of investor complaints</p>	<p>1. The non-compliance shall be monitored on monthly basis as per process laid down in SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/2020/152 dated August 13, 2020.</p>
4	<p><b><u>Regulation 13(3)</u></b> Non-submission of the statement on shareholder complaints within the period prescribed under this regulation or under any circular issued in respect of redressal of investor grievances</p>	<p>1. Reg. 13 (3) – non submission of Investor compliant statement within 21 days from the end of each quarter will be treated as non-compliance.</p> <p>Review of non-compliances will be done within 30 days from the due date of submission of statement on shareholder complaints and letter will be issued for intimation of fine levied.</p>

Sr. No.	Regulation	Action by the Exchange post identification of noncompliance
5	<p><b><u>Regulation 17(1)</u></b> Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman director</p>	<ol style="list-style-type: none"> <li>1. Review of non-compliance will be done within 30 days from due date of submission of Corporate Governance Report.</li> <li>2. If company submits Corporate Governance Report within due date and observed as non-compliant then fine will be levied for number of days of non-compliance during the quarter.</li> <li>3. If company fails to submit corporate governance report then fine will be levied for entire quarter under this regulation. Fine shall not be levied only if company submits corporate governance report ensuring compliance with this regulation before issue of review notice by the Exchange.</li> <li>4. Fraction shall be rounded off to the higher number while determining compliance.</li> <li>5. Fine shall be levied only one time for the multiple non-compliance within the same regulation.</li> </ol>
6	<p><b><u>Regulation 17(1A)</u></b> Non-compliance with the requirements pertaining to appointment or continuation of non-executive director who has attained the age of seventy five years</p>	<p>Review of non-compliance will be done within 30 days from due date of submission of Corporate Governance Report. Fine will be levied if the special resolution for appointment of non-executive director is not passed or age of the director/date of birth and the reason for appointment of the non-executive director is not mentioned in the explanatory statement to the notice. In case the age of the non-executive director is nearing 75 years, the special resolution shall be passed before or before the date of attaining age of 75 years by the said director.</p>
7	<p><b><u>Regulation 17(2)</u></b> Non-compliance with the requirements pertaining to the number of Board meetings</p>	<p>Review of non-compliance will be done within 30 days from due date of submission of corporate governance report for last quarter of the financial year. Fine will be levied on annual basis for non-compliance with provisions pertaining to conducting Board meetings at least four times a year and on quarterly basis for the provisions pertaining to maximum time gap of one hundred and twenty days between any two meetings.</p>
8	<p><b><u>Regulation 17(2A)</u></b> Non-compliance with the requirements pertaining to quorum of Board meetings</p>	<p>Review will be done within 30 days of due date for submission of Corporate Governance Report. Fraction shall be rounded off to the higher number while determining compliance.</p>
9	<p><b><u>Regulation 18(1)</u></b> Non-compliance with the constitution of audit committee</p>	<p>Review of non-compliance will be done within 30 days from due date of submission of Corporate Governance Report. If company submits Corporate Governance Report within due date and observed as non-compliant then fine will be levied for number of days of non-compliance during quarter. If company fails to submit corporate governance report then fine will be levied for entire quarter under this regulation. Fine shall not be levied only if company submits corporate governance report ensuring compliance with this regulation before issue of review notice by the Exchange. Fraction shall be rounded off to the higher number while determining compliance.</p>

10	<p><b><u>Regulation 19(1)/ 19(2)</u></b> Non-compliance with the constitution of nomination and remuneration committee</p>	<ol style="list-style-type: none"> <li>1. Review of identified non-compliance will be done within 30 days from due date of submission of Corporate Governance Report.</li> <li>2. If company submits Corporate Governance Report within due date and observed as non-compliant then fine will be levied for number of days of non-compliance during quarter.</li> <li>3. If company fails to submit corporate governance report then fine will be levied for entire quarter under this regulation. Fine shall not be levied only if company submits corporate governance report ensuring compliance with this regulation before issue of review notice by the Exchange.</li> <li>4. Fraction shall be rounded off to the higher number while determining compliance</li> </ol>
11	<p><b><u>Regulation 20(2)/(2A)</u></b> Non-compliance with the constitution of stakeholder relationship committee</p>	<ol style="list-style-type: none"> <li>1. Review of non-compliance will be done within 30 days from due date of submission of Corporate Governance Report.</li> <li>2. If company submits Corporate Governance Report within due date and observed as non-compliant then fine will be levied for number of days of non-compliance during quarter.</li> <li>3. If company fails to submit corporate governance report then fine will be levied for entire quarter under this regulation. Fine shall not be levied only if company submits corporate governance report ensuring compliance with this regulation before issue of review notice by the Exchange.</li> <li>4. Fraction shall be rounded off to the higher number while determining compliance.</li> </ol>
12	<p><b><u>Regulation 20(2)/(2A)</u></b> Non-compliance with the constitution of stakeholder relationship committee</p>	<ol style="list-style-type: none"> <li>1. Review of non-compliance will be done within 30 days from due date of submission of Corporate Governance Report.</li> <li>2. If company submits Corporate Governance Report within due date and observed as non-compliant then fine will be levied for number of days of non-compliance during quarter.</li> <li>3. If company fails to submit corporate governance report then fine will be levied for entire quarter under this regulation. Fine shall not be levied only if company submits corporate governance report ensuring compliance with this regulation before issue of review notice by the Exchange.</li> <li>4. Fraction shall be rounded off to the higher number while determining compliance.</li> </ol>
13	<p><b><u>Regulation 21(2)</u></b> Non-compliance with the constitution of risk management committee</p>	<ol style="list-style-type: none"> <li>1. Review of identified non-compliance will be done within 30 days from due date of submission of Corporate Governance Report.</li> <li>2. If company submits Corporate Governance Report within due date and observed as non-compliant then fine will be levied for number of days of non-compliance during quarter.</li> <li>3. If company fails to submit corporate governance report then fine will be levied for entire quarter under this regulation. Fine shall not be levied only if company submits corporate governance report ensuring compliance with this regulation before issue of review notice by the Exchange.</li> <li>4. Fraction shall be rounded off to the higher number while determining compliance.</li> </ol>

14	<b>Regulation 23(9)</b> Non-compliance with disclosure of related party transactions	<ol style="list-style-type: none"> <li>1. Compliance for this regulation will be monitored half yearly w.e.f. April 1, 2020, and first review will be done based on submission for half year ending September 30, 2020.</li> <li>2. Fine will be charged if company fails to submit disclosure of related party transaction within the period prescribed under this regulation.</li> </ol>
15	<b>Regulation 24A</b> Non-compliance with submission of secretarial compliance report	<ol style="list-style-type: none"> <li>1. Review will be done within 30 days from end of due date for submission of secretarial compliance report.</li> <li>2. Compliance for this regulation will be monitored annually (financial year end of the companies will be considered)</li> <li>3. Fine will be levied for non-submission of Secretarial Compliance Report within due date</li> </ol>
16	<b>Regulation 27(2)</b> Non-submission of the corporate governance compliance report within the period provided under this regulation	<ol style="list-style-type: none"> <li>1. Review of identified non-compliance will be done within 30 days from due date of submission of Corporate Governance Report</li> <li>2. Fine will be levied for non-submission of Corporate Governance Report within due date</li> </ol>
17	<b>Regulation 28(1)</b> Non-compliance with obtaining in-principle approval of stock exchange(s) before issuance of securities	<ol style="list-style-type: none"> <li>1. Review of compliance under this regulation will be done on monthly basis</li> <li>2. The Exchange will not provide final approval till applicable SOP fine is paid to all Exchanges wherever it is listed and identified as non-compliant.</li> </ol>
18	<b>Regulation 29(2)/29(3)</b> Delay in furnishing prior intimation about the meeting of the board of directors	<ol style="list-style-type: none"> <li>1. Exchange shall monitor compliance on monthly basis.</li> <li>2. Fine will be levied for delay in furnishing prior intimation about the meetings of the board.</li> </ol>
19	<b>Regulation 31</b> Non-submission of shareholding pattern within the period prescribed	<ol style="list-style-type: none"> <li>1. Review of identified non-compliance will be done within 30 days from due date of submission of Shareholding pattern Report</li> <li>2. Fine will be levied for non-submission of Shareholding pattern within due date</li> </ol>
20	<b>Regulation 31A(3)(a)</b> Non-compliance pertaining to delay in submission of reclassification application to stock exchanges	<ol style="list-style-type: none"> <li>1. Review notice for non-compliance will be issued as and when it is identified.</li> <li>2. Approval for reclassification will be granted only after payment of applicable SOP fine.</li> </ol>
21	<b>Regulation 32(1)</b> Non-submission of deviations/ variations in utilization of issue proceeds	<ol style="list-style-type: none"> <li>1. Companies will be required to submit Statement of deviations/ variations as per Regulation 32 of SEBI (LODR) Regulations 2015 and applicable circular.</li> </ol>

22	<p><b>Regulation 33</b> Non-submission of the financial results within the period prescribed under this regulation</p>	<ol style="list-style-type: none"> <li>1. Review of identified non-compliance will be done within 30 days from due date of submission of financial results.</li> <li>2. Fine will be levied for below mentioned cases -             <ol style="list-style-type: none"> <li>i. If the company submits unaudited results or results that are not reviewed by the auditor for quarter-end.</li> <li>ii. If the company submits unaudited annual financial results or financials with the limited review for year-end.</li> <li>iii. If any of the below-mentioned documents are not submitted:                 <ol style="list-style-type: none"> <li>a) Statement of assets and liabilities</li> <li>b) Profit &amp; Loss accounts and</li> <li>c) Cash flow (based on applicability)</li> </ol> </li> <li>iv. In case the company has Subsidiary/Joint venture/Associate and does not submit consolidated results.</li> <li>v. If the Company does not submit the Limited Review Report or Audit Report, whichever is applicable for non-submission of Financial Results within due date.</li> <li>vi. If the Company does not submit the Statement on Impact of Audit Qualifications (for audit report with modified opinion)</li> </ol> </li> </ol>
23	<p><b>Regulation 34</b> Non-submission of the Annual Report within the period prescribed under this regulation</p>	<ol style="list-style-type: none"> <li>1. Fine will be levied for non-submission/delayed submission of Annual Report within due date</li> </ol>
24	<p><b>Regulation 42(2)/42(3)/42(4)/42(5)</b> Delay in/ non-disclosure of record date/ dividend declaration or non-compliance with ensuring the prescribed time gap between two record dates/ book closure dates</p>	<ol style="list-style-type: none"> <li>1. Fine will be levied for non-compliance with provisions mentioned under this circular</li> <li>2. Review of identified non-compliance will be done on monthly basis.</li> </ol>
25	<p><b>Regulation 43A</b> Non-disclosure of Dividend Distribution Policy in the Annual Report and on the websites of the entity</p>	<ol style="list-style-type: none"> <li>1. For verification of disclosure on website companies will be required to provide web link along with Dividend Distribution Policy in Annual Report to Stock Exchanges.</li> </ol>
26	<p><b>Regulation 44(3)</b> Non-submission of the voting results within the period provided under this regulation</p>	<ol style="list-style-type: none"> <li>1. Fine will be levied for non-submission of voting results within due date for AGM, EGM, postal Ballot and court conveyed meeting.</li> <li>2. Review of identified non-compliance will be done on monthly basis.</li> </ol>
27	<p><b>Regulation 44(5)</b> Non-convening of annual general meeting within a period of five months from the close of financial year</p>	<ol style="list-style-type: none"> <li>1. Compliance will be monitored yearly.</li> </ol>

28	<b>Regulation 45(3)</b> Non-obtaining approval of stock exchange(s) before filing request for change of name with Registrar of Companies	1. Review will be done on monthly basis. 2. The Exchange will not provide final approval till applicable SOP fine is paid.
29	<b>Regulation 46</b> Non-compliance with norms pertaining to functional website	As per circular.

\*All Listed entities are advised to ensure compliance with SEBI (LODR), 2015 and amendments thereof.

### C. **Points to be noted:**

1. As per para 9 of said circular, the present circular is in supersession of the circular dated May 3, 2018. Further as per SEBI circular dated March 26, 2020 ref no. SEBI/HO/CFD/CMD1/CIR/P/2020/48 the circular dated January 22, 2020 shall come into force with effect from compliance periods ending on or after June 30, 2020. Therefore, June 30, 2020 is the 1st quarter for monitoring of non-compliant companies as per provisions of circular dated January 22, 2020.
2. Since the new circular is effective for compliance period ending on after June 30, 2020, the companies which are non-compliant prior to this period and continue to be non-compliant post June 30, 2020 shall trigger fines and subsequent actions as per SEBI SOP circular dated January 22, 2020.
3. Fines would be imposed even during suspension period for non-compliance of regulation 13(1).
4. For the purpose of computation of fine, date of submission (as per respective regulation of LODR) would also be included.
5. As per point no. 2 of said circular, the present circular in supersession of the said circulars dated May 03, 2018. Therefore, June 30, 2020 will be 1<sup>st</sup> quarter for monitoring of non-compliant companies under SEBI Circular dated January 22, 2020. For deriving consecutive non-compliance for the first time under the SEBI circular January 22, 2020, March 31, 2020 quarter will be considered as first instance of non-compliance.
6. Since the new circular is effective for compliance period ending on or after June 30, 2020, the companies which are non-compliant prior to this period and continue to be non-compliant post March 31, 2020 shall trigger fines and subsequent actions as per SEBI circular dated January 22, 2020
7. The review for the submission status of Annual Report (Regulation 34) for the period ended March 2020, will be done as per provisions of SEBI circular dated January 22, 2020.
8. For submission and levy of fine, if the last day of submission and/or next day of submission for levying fine on the non-compliant Company is on a holiday (including Saturday) then the next working day shall be considered as the last day of submission and start of levying of fine. The same would be applicable at the time of review, day of transfer to Z group, issuing reminder to promoters before freezing, giving intimation for freezing of promoter holding and suspension date. (*Non-working day benefit*).
9. Freezing of promoter holdings will be done based on the PAN provided by companies while filing latest Shareholding Pattern Report. Exchanges will do freezing of promoter holding wherever the bifurcation of promoter and promoter group is available (Exchanges made it mandatory to disclose category of promoter or promoter group from June 2020 quarter) else freezing of entire promoter and promoter group will be done as per latest available information.
10. Action of freezing will not be kept on hold if company is applying for waiver second time after rejection of first waiver application by Exchange.

11. Unfreezing will be done once company complies and pays fine for all regulations for which freezing is triggered/already done.
12. If company is not compliant for both quarters, then name of the company will be included in notice for movement to Z / suspension. If company complies with both quarters on or before cut-off date, then action for movement to Z/ suspension will be withdrawn.
13. The trading in securities of the company will be moved out of Z Category as and when company complies with observed consecutive quarters.
14. The Exchanges would continue to apply the jointly decided policy for exemption of fines in relation to waiver of fines which was duly taken on record by SEBI. The companies are requested to refer policy for exemption of fines published on Exchange website.
15. Compulsory delisting process shall be initiated within 6 months from the actual date of suspension, and not from 6 months from the date of completion of weekly trading facility which is given for six months after the date of actual date of suspension.
16. In case company applies for revocation of suspension, then company is required to provide all documents as per Exchange requirement along with pending Exchange dues within a month from date of filling application. In case company fails to complete the process with a month then process for delisting of securities of such company will be initiated.

### **9.6 Advisory under Regulation 46 and 62 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015<sup>1</sup>**

This is with reference to Regulation 46 and Regulation 62 of Securities and Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulation, 2015 (“Listing Regulation”), the listed entities are required to maintain a functional website containing basic information about the Company.

As per the direction by SEBI, all the listed entities are requested to disseminate certain requirements mentioned in sub-regulation 2 of Regulation 46 and sub- regulation 1 of Regulation 62 of Listing Regulation for equity and debt listed entities, respectively, under a separate section on its website.

It has been observed that the requisite disclosures under the aforesaid regulations have been majorly done by the listed entities, but at times, it is cumbersome to locate these disclosures as same are not located in one place along with proper indexing. It has also been observed that the listed entities do not disclose the last amended date of policies uploaded on the website.

In view of the above, the listed entities are advised to:

- a. Disseminate all disclosures, specified under Regulation 46 and Regulation 62 of Listing Regulations, under a separate section as mentioned below:
  - i. **Home>Investors>Disclosures under Regulation 46 of the LODR> and details of requirements mentioned in sub-regulation 2 of Regulation 46 of Listing Regulation.**
  - ii. **Home>Investors>Disclosures under Regulation 62 of the LODR> and details of requirements mentioned in sub-regulation 1 of Regulation 62 of Listing Regulation.**
- b. Website needs to be updated with effective date or last amended date of the policies uploaded on the website.

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<sup>1</sup> NSE/CML/2022/32 dated July 04, 2022