



**National Stock Exchange
of India Limited
Prime Registration Norms**

21 December 2021 | Mumbai

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CHAPTER I
PRELIMINARY

1. Short title and commencement

1.1 The Norms framed hereunder shall be known as the National Stock Exchange of India Limited Prime Registration Norms, 2021 or the NSE Prime Norms.

1.2 These Norms shall come into effect on 1 July 2022 (the “Effective Date”).

2. Definitions and interpretation

2.1 In these Norms, unless the context otherwise requires:

- (a) “Affiliate” means an Associate, a Holding Company or a Subsidiary Company;
- (b) “Applicant” means an NSE Listed Entity making an application for grant of registration as an NSE Prime Company;
- (c) “Associate” has the meaning assigned to it in clause (b) of sub-regulation (1) of regulation 2 of the LODR Regulations;
- (d) “Audit Committee” means the audit committee of a Company constituted in accordance with sub-section (1) of section 177 of the Companies Act, 2013;
- (e) “Banking Company” has the meaning assigned to it in clause (c) of section 5 of the Banking Regulation Act, 1949;
- (f) “Board of Directors” shall mean the board of directors of an NSE Prime Company;
- (g) “BRSR” means business responsibility and sustainability report as mandated by SEBI;
- (h) “Business Day” means any day which is not (i) a Saturday or Sunday; nor (ii) a day on which banks in Mumbai are closed for ordinary banking business;
- (i) “Capital Adequacy Ratio” shall be calculated in the manner specified by RBI from time to time;
- (j) “Committee” has the meaning assigned to it in clause (g) of sub-regulation (1) of regulation 2 of the LODR Regulations;
- (k) “Company” has the meaning assigned to it in sub-section (20) of section 2 of the Companies Act, 2013;
- (l) “Company Secretary” has the meaning assigned to it in sub-section (24) of section 2 of the Companies Act, 2013;
- (m) “Compliance Officer” has the meaning assigned to it in clause (c) of sub-regulation (1) of Regulation 2 of the Securities and Exchange Board of India (Prohibition of Insider

Trading) Regulations, 2015, and shall be appointed by an NSE Prime Company in accordance with Clause 9.1 below;

- (n) “Control” has the meaning assigned to it in clause (e) sub-regulation (1) of Regulation 2 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (o) “Controlled Company” shall mean an NSE Prime Company that has identified its promoters in filings made with NSE in accordance with the requirements of Securities Laws;
- (p) “Credit Committee” means the credit committee of a Finance Company;
- (q) “Current Ratio” shall be calculated as the proportion of current assets to current liabilities;
- (r) “Debt to EBITDA” shall be calculated as a percentage of net debt to EBITDA;
- (s) “Debt Equity Ratio” shall be calculated as the proportion of total debts to shareholders’ equity;
- (t) “Debt Service Coverage Ratio” shall be calculated as the proportion of net operating income to debt service;
- (u) “Debtors Turnover Ratio” shall be calculated as the proportion of net credit sales to average trade debtors;
- (v) “Director” has the meaning assigned to it in sub-section (34) of section 2 of the Companies Act, 2013;
- (w) “EBITDA” means earnings before interest, tax, depreciation and amortisation;
- (x) “EBITDA Margin” shall be calculated as a percentage of EBITDA to revenue;
- (y) “Effective Date” has the meaning assigned to it in Clause 1.2 above;
- (z) “Exchange” means the capital market trading segment of the stock exchange operated by NSE;
- (aa) “Executive Director” means the Managing Director or Whole-time Director, as the case may be;
- (bb) “Exemption Application” has the meaning ascribed to it in Clause 37.1 of these Norms;
- (cc) “Finance Company” means an NSE Prime Company that is a Banking Company or an NBFC;
- (dd) “Financial Year” has the meaning assigned to it in sub-section (41) of section 2 of the Companies Act, 2013;

- (ee) “Holding Company” has the meaning assigned to it in sub-section (46) of section 2 of the Companies Act, 2013;
- (ff) “ICAI” means the Institute of Chartered Accountants of India;
- (gg) “ICDR Regulations” means the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (hh) “Independent Director” has the meaning assigned to it in sub-section (47) of section 2 of the Companies Act, 2013;
- (ii) “Interest Coverage Ratio” shall be calculated as the proportion of EBIDTA to interest on debt charges;
- (jj) “Investment Committee” means the investment committee of a Finance Company, by whatever name called;
- (kk) “Key Financial Ratios” has the meaning assigned to it in Clause 21.1 below;
- (ll) “Key Managerial Personnel” has the meaning assigned to it in sub-section (51) of section 2 of the Companies Act, 2013;
- (mm) “Listed Entity” has the meaning assigned to it in clause (p) of sub-regulation (1) of regulation 2 of the LODR Regulations;
- (nn) “Listing Agreement” has the meaning assigned to it in clause (q) of sub-regulation (1) of regulation 2 of the LODR Regulations;
- (oo) “LODR Regulations” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (pp) “Main Board” has the meaning assigned to it in clause (ee) of sub-regulation (1) of regulation 2 of the ICDR Regulations;
- (qq) “Managing Director” has the meaning assigned to it in sub-section (54) of section 2 of the Companies Act, 2013;
- (rr) “Material Subsidiary” has the meaning assigned to it in clause (c) of sub-regulation (1) of Regulation 16 of LODR;
- (ss) “Member” has the meaning assigned to it in sub-section (55) of section 2 of the Companies Act, 2013;
- (tt) “National Financial Reporting Authority” means the authority constituted under sub-section (1) of section 132 of the Companies Act, 2013;
- (uu) “NBFC” means a (i) non-banking financial company required to be registered with the Reserve Bank of India in terms of section 45-IA of the Reserve Bank of India Act,

- 1934, or (ii) a housing finance company required to be registered with the National Housing Bank in terms of section 29A of the National Housing Bank Act, 1987;
- (vv) “National Company Law Appellate Tribunal” means the appellate tribunal constituted under section 410 of the Companies Act, 2013;
- (ww) “National Company Law Tribunal” means the tribunal constituted under section 408 of the Companies Act, 2013;
- (xx) “Net Interest Margin” shall be calculated as (interest income less interest expended) divided by average total assets;
- (yy) “Net Profit Margin” shall be calculated as a percentage of net profit to revenue;
- (zz) “Net Worth” has the meaning assigned to it in sub-section (57) of section 2 of the Companies Act, 2013;
- (aaa) “Non-Executive Director” means a Director who is not an Executive Director;
- (bbb) “Non-Material Subsidiary” means a Subsidiary which is not a Material Subsidiary;
- (ccc) “Norms” means these NSE Prime Norms;
- (ddd) “NRC” means the nomination and remuneration committee of a Company constituted in accordance with sub-section (1) of section 178 of the Companies Act, 2013;
- (eee) “NSE” means the National Stock Exchange of India Limited;
- (fff) “NSE Listed Entity” means an entity which has listed the Relevant Securities issued by it on the Main Board of the Exchange in accordance with the Listing Agreement entered into between the entity and NSE;
- (ggg) “NSE Prime Company” means an NSE Listed Entity which has registered itself in accordance with these Norms [and executed the NSE Prime Registration Agreement];
- (hhh) “NSE Prime Registration Agreement” means an agreement entered into between an NSE Listed Entity and NSE pursuant to Chapter II, in the format specified by NSE;
- (iii) “Official Liquidator” has the meaning assigned to it in sub-section (61) of section 2 of the Companies Act, 2013;
- (jjj) “Operating Profit Margin” shall be calculated as a percentage of operating profit to revenue;
- (kkk) “Person” includes any individual, sole proprietorship, partnership, unincorporated association, unincorporated organisation, body corporate, corporation, company, joint venture, trust or other entity or organisation, including a government or political subdivision, or an agency or instrumentality thereof and/or any other legal entity;

- (lll) “Prime Committee” has the meaning assigned to it in Clause 30.1 below;
- (mmm) “Promoter” has the meaning assigned to it in clause (oo) of sub-regulation (1) of regulation 2 of the ICDR Regulations;
- (nnn) “Promoter Group” has the meaning assigned to it in clause (pp) of sub-regulation (1) of regulation 2 of the ICDR Regulations;
- (ooo) “Public Shareholding” has the meaning assigned to it in sub-rule (e) of rule 2 of the Securities Contracts (Regulation) Rules, 1957;
- (ppp) “Quarter” has the meaning assigned to it in clause (z) of sub-regulation (1) of regulation 2 of the LODR Regulations;
- (qqq) “RBI” means the Reserve Bank of India;
- (rrr) “Return on Assets” shall be calculated as a percentage of profits after tax to average total assets;
- (sss) “Return on Equity” shall be calculated as calculated as profit after tax / {(total equity + total equity at the end of the previous Quarter) / 2} * 100;
- (ttt) “Relative” has the meaning assigned to it in sub-section (77) of section 2 of the Companies Act, 2013;
- (uuu) “Relevant Securities” means equity shares in the share capital of the NSE Prime Company;
- (vvv) “RMC” means the risk management committee of a Listed Entity constituted in accordance with sub-regulation (1) of regulation 21 of the LODR Regulations;
- (www) “Rupees” or “Rs.” or means Indian Rupees, the lawful currency of the Republic of India;
- (xxx) “SCRA” means the Securities Contracts (Regulation) Act, 1956;
- (yyy) “Securities” has the meaning assigned to it in sub-section (h) of section 2 of the SCRA;
- (zzz) “Securities Laws” has the meaning assigned to it in clause (zf) of sub-regulation (1) of regulation 2 of the LODR Regulations;
- (aaaa) “Serious Fraud Investigation Office” means the office established by the Government of India vide notification F.No .A-35011/2011-admn.III dated 21 July 2015;
- (bbbb) “Senior Management” has the meaning assigned to it in clause (d) of sub-regulation (1) of regulation 16 of the LODR Regulations;

- (cccc) “Significant Shareholders” means all Members of the NSE Prime Company holding at least 1% (one per cent) of the Relevant Securities of such NSE Prime Company, but shall specifically exclude the following:
- (i) Directors of the NSE Prime Company;
 - (ii) Persons belonging to the Promoter Group of the NSE Prime Company; and
 - (iii) any Person, directly or indirectly, Controlling, Controlled by, or under the common Control of, any of the foregoing;
- (dddd) “Special Resolution” has the meaning as assigned to it in section 114 of the Companies Act, 2013;
- (eeee) “SRC” means the stakeholders relationship committee of a Company constituted in accordance with sub-section (5) of section 178 of the Companies Act, 2013;
- (ffff) “Subsidiary” or “Subsidiary Company” has the meaning assigned to it in sub-section (87) of section 2 of the Companies Act, 2013;
- (gggg) “Whole-time Director” has the meaning assigned to it in sub-section (94) of section 2 of the Companies Act, 2013; and
- (hhhh) “Wilful Defaulter” has the meaning assigned to it in paragraph 2.1.3 of the Master Circular No. DBR.No.CID.BC.22/20.16.003/2015-16 dated July 1, 2015 issued by the Reserve Bank of India.

2.2 Interpretation

- (a) All references in these Norms to statutory provisions shall be construed as meaning and including references to:
 - (i) any statutory modification, consolidation or re-enactment for the time being in force or made any time thereafter;
 - (ii) all statutory instruments or orders made pursuant to a statutory provision; and
 - (iii) any statutory provisions of which these statutory provisions are a consolidation, re-enactment or modification.
- (b) Words denoting the singular shall include the plural, and words denoting any gender shall include all genders.
- (c) Headings to chapters, clauses, sub-clauses and paragraphs are for convenience only and shall not form part of the operative provisions of these Norms and shall be ignored in construing the same.
- (d) References to Chapters, Clauses, Sub-clauses, Paragraphs are, unless the context otherwise requires, to chapters, clauses, sub-clauses, paragraphs of these Norms.

- (e) The words “include” and “including” are to be construed without limitation.
- (f) Any reference to holding of securities by any Person will also be deemed to include any joint holding of securities by the Person.

3. Applicability and jurisdiction

- 3.1 These Norms shall be applicable to every NSE Prime Company.
- 3.2 These Norms shall be governed by and construed in accordance with the laws of India and, subject to the provisions of arbitration as set out in Chapter XI hereof, the courts at Mumbai shall have exclusive jurisdiction.

CHAPTER II

APPLICATION TO REGISTER AS AN NSE PRIME COMPANY

4. Eligibility Criteria

- 4.1 For considering the eligibility of the Applicant and grant of certificate to such Applicant, NSE shall take into account all matters which it deems relevant, including but not limited to the following:
 - (a) the Applicant shall have been an NSE Listed Entity for a continuous period of at least 6 (six) months prior to the date of application;
 - (b) the Applicant, along with its Promoters, Promoter Group entities, Directors and Key Managerial Personnel, shall have been in compliance with all applicable Securities Laws for a continuous period of at least 3 (three) years prior to the date of application, which compliance shall be certified by the Applicant’s Company Secretary;
 - (c) where the Applicant has been an NSE Listed Entity for at least 1 (one) year, it shall not have been in the trade-to-trade or graded surveillance measure (GSM) category of NSE for a continuous period of at least 1 (one) year prior to the date of application under these Norms due to non-compliance or surveillance actions;
 - (d) where the Applicant has been an NSE Listed Entity for less than 1 (one) year, it shall not have been in the trade-to-trade or GSM category of NSE from the date of its listing;
 - (e) No proceedings have been admitted under the Insolvency and Bankruptcy Code, 2016 against the applicant, nor shall the Applicant have passed a resolution for voluntary winding up, for the 3 (three) preceding years prior to the date of application;
 - (f) the Applicant shall have a Net Worth of at least ₹ 300,00,00,000 (Rupees three hundred crores) for the three preceding Financial Years prior to the date of application;

- (g) the average daily turnover of the Applicant's equity shares on the cash segment of NSE's Main Board shall have been at least ₹ 5,00,00,000 (Rupees five crores) for a continuous period of 6 (six) months prior to the date of application;
- (h) the Applicant's statutory auditors shall not have issued any adverse, negative and/or qualified opinions or remarks in relation to the Applicant's financial statements that may give rise to questions on the suitability of the Applicant's internal controls, its accounting practices and/or its reliability;
- (i) neither the Applicant, nor any of its Promoters, Promoter Group entities, Directors and/or Key Managerial Personnel, shall have been:
 - (i) convicted of fraud, offences involving moral turpitude or any economic offence;
 - (ii) debarred, restrained or subjected to any disciplinary action by any statutory authority in India or elsewhere; or
 - (iii) categorised as a Wilful Defaulter.
- (j) the Applicant shall have a general reputation for fairness and integrity in all its business transactions.

5. Application process

- 5.1 All applications for registration as an NSE Prime Company shall be made in the format specified by NSE, duly completed and signed by an authorised signatory of the Applicant, and shall be accompanied by the following:
- (a) an NSE Prime Registration Agreement in the format specified as specified by NSE, duly signed by an authorised signatory of the Applicant;
 - (b) a certified true copy of a board resolution of the Applicant in the format specified in by NSE; and
 - (c) the non-refundable application fees as prescribed by NSE from time to time.

6. Procedure for grant of registration as an NSE Prime Company

- 6.1 Subsequent to an application made under the provisions of Clause 5 above, NSE may require the Applicant to furnish further information or clarifications, regarding matters that NSE deems relevant for registration as an NSE Prime Company, or which may otherwise be considered necessary by NSE to dispose of the application.
- 6.2 The Applicant shall furnish such information and clarification to the satisfaction of NSE, within the time specified in this regard by NSE.
- 6.3 NSE may reject any application for registration as an NSE Prime Company, for reasons to be recorded by NSE in writing, in the event that:

- (a) the Applicant does not conform to the eligibility requirements set out herein;
 - (b) the application is not complete in all respects and/or does not conform to the requirements set out herein, including where the information contained therein is deemed insufficient, unsatisfactory or non-conclusive;
 - (c) the application does not contain such additional information as may be required by NSE;
 - (d) the information provided in the application is incorrect, false and/or misleading in any manner; and/or
 - (e) in the considered opinion of NSE, the Applicant ought to be denied registration in order to protect the interests of investors or the integrity and/or reputation of the NSE Prime group.
- 6.4 Before rejecting an application for registration as an NSE Prime Company, the Applicant shall be given an opportunity in writing to make good the deficiencies within the time specified by NSE for the purpose;
- Provided that* where an application is rejected for containing incorrect, false and/or misleading information, no such opportunity may be given.
- 6.5 On being satisfied that the Applicant is eligible and, subject to such Applicant executing the NSE Prime Registration Agreement, NSE shall register the Applicant as an NSE Prime Company.
- 6.6 In the event that an application has been rejected by NSE after having given the Applicant an opportunity to make good the deficiencies in accordance with Clause 6.4 above, the Applicant shall be automatically ineligible from making an application to register as an NSE Prime Company for a period of 6 (six) months from the date of such rejection.

CHAPTER III

PRINCIPLES GOVERNING DISCLOSURES AND OBLIGATIONS OF AN NSE PRIME COMPANY

7. Principles governing disclosures and obligations

- 7.1 Every NSE Prime Company shall make disclosures and abide by its obligations under these Norms and the NSE Prime Registration Agreement in accordance with the following principles:
- (i) the NSE Prime Company shall make the specified disclosures and follow its obligations under these Norms and the NSE Prime Registration Agreement in letter and spirit;

- (ii) filings, reports, statements, documents and information which are event based or are filed periodically shall contain relevant information;
- (iii) information shall be prepared and disclosed in accordance with applicable standards of accounting and financial disclosure and, in the case of Clause 25, the applicable standards of sustainability disclosure specified therein;
- (iv) prescribed accounting standards shall be implemented in letter and spirit in the preparation of financial information;
- (v) the NSE Prime Company shall refrain from making any misrepresentation and ensure that the information provided to NSE is not incorrect, false and/or misleading;
- (vi) the NSE Prime Company shall provide adequate and timely information to NSE;
- (vii) the NSE Prime Company shall ensure that disseminations made under provisions of these Norms and the NSE Prime Registration Agreement are adequate, accurate, explicit, timely and presented in simple language; and
- (viii) the NSE Prime Company shall abide by all provisions of applicable laws, including Securities Laws in general and the LODR Regulations in particular, as also such other rules, regulations, circulars or guidelines as may be issued from time to time by NSE as may be applicable. The obligations of the NSE Prime Company contained in these Norms and the NSE Prime Registration Agreement shall be in addition to the aforesaid provisions of applicable laws.

CHAPTER IV

GENERAL OBLIGATIONS OF AN NSE PRIME COMPANY

8. General obligation of compliance

- 8.1 Every NSE Prime Company shall ensure that each of its Promoters, Promoter Group entities, Directors and Key Managerial Personnel complies with the responsibilities or obligations, if any, assigned to them under these Norms and the NSE Prime Registration Agreement.

9. Compliance officer and their obligations

- 9.1 Every NSE Prime Company shall appoint a qualified company secretary who is a member of the Institute of Company Secretaries of India as the Compliance Officer with respect to these Norms and the NSE Prime Registration Agreement.
- 9.2 The Compliance Officer of the NSE Prime Company shall be responsible for:
- (a) ensuring conformity with these Norms and the NSE Prime Registration Agreement by the NSE Prime Company in letter and spirit;

- (b) co-ordination with, and reporting to, NSE with respect to compliance with these Norms, and the NSE Prime Registration Agreement in the manner specified from time to time; and
- (c) ensuring that correct procedures have been followed such that all information, statements and reports filed by the NSE Prime Company under these Norms and the NSE Prime Registration Agreement are adequate, accurate, explicit, timely and presented in simple language.

10. Filing of information

- 10.1 Every NSE Prime Company shall file all reports, statements, documents, filings and other information required under these Norms and the NSE Prime Registration Agreement on the electronic platform as specified by NSE from time to time, and also publish copies of the same on a clearly marked section of such NSE Prime Company's official website.
- 10.2 NSE may publish on its website copies of any reports, statements, documents, filings and other information provided by an NSE Prime Company in accordance with these Norms and the NSE Prime Registration Agreement.
- 10.3 Every NSE Prime Company shall put in place such infrastructure as may be required for compliance with Clause 10.1 above.

11. Annual fees and manner of payment

- 11.1 Every NSE Prime Company shall be required to pay to NSE the annual monitoring fees and other applicable payments as specified by NSE from time to time.

CHAPTER V

SPECIFIC OBLIGATIONS OF AN NSE PRIME COMPANY

12. Minimum Public Shareholding

- 12.1 Every NSE Prime Company shall maintain Public Shareholding of at least 40% (forty per cent).

13. Board of Directors

- 13.1 The composition of the Board of Directors shall be as follows:
 - (a) the Board of Directors shall consist of a minimum of 8 (eight) Directors and a maximum of 15 (fifteen) Directors;
 - (b) the chairperson of the Board of Directors shall be a Non-Executive Director;

- (c) the chairperson of the Board of Directors shall not be a Relative of the Managing Director or Chief Executive Officer of the NSE Prime Company;
- (d) where the Public Shareholding is in excess of 50% (fifty per cent), more than half of the Board of Directors shall comprise Independent Directors; and in case of any fractions, the same shall be rounded to the higher number;
- (e) where the Public Shareholding is 50 % (fifty per cent) or less, at least half of the Board of Directors shall comprise Independent Directors; and in case of any fractions, the same shall be rounded to the higher number;
- (f) with effect from 1 July 2025, at least two Directors shall be women, with at least one such woman Director also being an Independent Director.

13.2 The quorum for meetings of the Board of Directors shall be at least half of the total strength of the Board of Directors, and shall include at least half of the Independent Directors who are members of the Board of Directors;

Provided that, in relation to a meeting of the Board of Directors called at shorter notice in accordance with clause (3) of Section 173 of the Companies Act 2013, to transact urgent business, in case of absence of at least half of the total number of Independent Directors from such a meeting of the Board of Directors, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least 2 (two) of the Independent Directors who are members of the Board of Directors;

Provided further that, in case of any fractions, the same shall be rounded to the higher number.

13.3 An NSE Prime Company shall provide that, if the office of any Director appointed by such NSE Prime Company is vacated prior to the expiry of the term of office in the normal course, the resulting casual vacancy may be filled by the Board of Directors at a meeting of the Board, subject to the conditions stipulated in these Norms and the NSE Prime Registration Agreement, and the person so appointed shall hold office only up to the date up to which the director in whose place he/she is appointed would have held office if it had not been vacated or the date of the next general meeting of the NSE Prime Company, whichever is earlier.

14. Audit Committee

14.1 The composition of the Audit Committee of every NSE Prime Company shall be as follows:

- (a) the chairperson of the Board of Directors shall not be eligible to be the chairperson of the Audit Committee;
- (b) At least three-fourth of the members of the Audit Committee shall be Independent Directors.

14.2 The meetings of the Audit Committee of every NSE Prime Company shall be conducted in the following manner:

- (a) at least one Audit Committee meeting in a year shall be specifically dedicated to deal with issues other than financial accounts; and
 - (b) the quorum for Audit Committee meetings shall be at least half of the total strength of the Audit Committee. In case of any fractions, the same shall be rounded to the higher number.
- 14.3 In the event that the internal audit functions of an NSE Prime Company are carried out internally, such NSE Prime Company shall identify and appoint one of its employees as the person in-charge of internal audit, who shall have a direct reporting line to the Audit Committee, with a dotted reporting line to the Managing Director of the NSE Prime Company for administrative matters only.
- 14.4 In no circumstances shall the person in-charge of internal audit be dismissed or suspended or removed without the consent of the Audit Committee.

15. Nomination and Remuneration Committee

- 15.1 The composition of the NRC of every NSE Prime Company shall be such that it has at least one-woman member.
- 15.2 The quorum for meetings of the NRC of every NSE Prime Company shall be at least half of the total strength of the NRC and shall include at least half of the Independent Directors who are members of the NRC. In case of any fractions, the same shall be rounded to the higher number.

16. Stakeholders Relationship Committee

- 16.1 The chairperson of the SRC of every NSE Prime Company shall be an Independent Director.
- 16.2 The SRC shall hold a meeting between 45 (forty-five) to 60 (sixty) days prior to the date of the annual general meeting of the NSE Prime Company, at which meeting the Significant Shareholders or their nominees shall be entitled to participate and communicate their concerns and suggestions to the SRC.

The SRC may, at its option, invite such members of the Senior Management of the NSE Prime Company to attend such meeting as it deems fit. A transcript of the proceedings of such meeting shall be published by the NSE Prime Company on its official website promptly and, in any event, within 7 (seven) days of the meeting. The SRC shall raise all the concerns and suggestions communicated to it at such meeting to the Board of Directors prior to the annual general meeting of the NSE Prime Company.

- 16.3 The quorum for SRC meetings of every NSE Prime Company shall be at least half of the total strength of the SRC and shall include at least half of the Independent Directors who are members of the SRC. In case of any fractions, the same shall be rounded to the higher number.

17. Independent Directors Committee

- 17.1 Every NSE Prime Company shall constitute a Committee of Independent Directors consisting solely of its Independent Directors.
- 17.2 The chairperson of the Committee of Independent Directors shall be elected from among the members thereof.
- 17.3 The Committee of Independent Directors shall meet at least once in a half year, preferably on the same day as the meeting of the Board of Directors. Non-Independent Directors and Senior Management shall not be present at such meetings.
- 17.4 The chairperson of the Committee of Independent Directors shall communicate the concerns and suggestions of the Committee of Independent Directors to the Board of Directors at the next meeting thereof either verbally or in writing.

18. Risk Management Committee

- 18.1 The composition of the RMC of every NSE Prime Company shall be as follows:
- (a) the chairperson of the RMC shall be an Independent Director;
 - (b) the chairperson of the Board of Directors shall not be eligible to be a member of the RMC; and
 - (c) any member of a Management Committee/ Executive Committee/Credit Committee/Investment Committee shall not be a member of RMC.
- 18.2 The quorum for meetings of the RMC of every NSE Prime Company shall be at least half of the total strength of the RMC and shall include at least half of the Independent Directors who are members of the RMC. In case of any fractions, the same shall be rounded to the higher number.

19. Finance Companies

- 19.1 Where an NSE Prime Company is a Finance Company:
- (a) a member of the Credit Committee or Investment Committee shall not be eligible to be the chairperson of the Board;
 - (b) the chairperson of the Audit Committee shall not be a member of either the Credit Committee or the Investment Committee; and
 - (c) the chief risk officer, by whatever name called, shall not be a member of either the Credit Committee or the Investment Committee.

20. Obligations with respect to Directors

20.1 The Board of Directors shall, within 24 (twenty-four) hours of nominating a Director, disclose the reasons for such nomination, particularly in relation to how the skill-set of the proposed Director shall (a) complement the overall skillsets of the Board of Directors and (b) advance the NSE Prime Company's overall objectives, by uploading such information on its website and by intimating the same to all Exchanges where the Company is listed, as an announcement.

20.2 Every NSE Prime Company shall ensure that:

- (a) it shall not appoint or reappoint as Director any person who is then serving as a Director in more than 4 (four) public limited companies, whether incorporated in India or elsewhere, that are not Affiliates of such NSE Prime Company; and
- (b) with effect from 1 July 2028, a Director of an NSE Prime Company shall not serve as a Director at the same time in more than 5 (five) public limited companies, whether incorporated in India or elsewhere, that are not Affiliates of such Prime Company.

20.3 Every NSE Prime Company shall ensure that:

- (a) it shall not appoint or reappoint as Executive Director:
 - (i) any person who is then serving as an Executive Director of any other company, whether incorporated in India or elsewhere;
 - (ii) any person who is then serving as a Director in more than 1 (one) other public limited company, whether incorporated in India or elsewhere, that is not an Affiliate of such NSE Prime Company.
- (b) with effect from 1 July 2028, an Executive Director of an NSE Prime Company shall not serve as:
 - (i) an Executive Director of any other company, whether incorporated in India or elsewhere; and
 - (ii) a Director in more than 1 (one) other public limited company, whether incorporated in India or elsewhere that is not an Affiliate of such NSE Prime Company.

20.4 Every NSE Prime Company shall ensure that:

- (a) it shall not appoint or reappoint as Director:
 - (i) any person who is then serving as a member of more than 10 (ten) Committees across all public limited companies, whether incorporated in India or elsewhere, in which he/she is a Director; and/or

- (ii) any person who is then acting as chairperson of more than 5 (five) Committees across all public limited companies, whether incorporated in India or elsewhere, in which he/she is a Director.
- (b) with effect from 1 July 2028, a Director of an NSE Prime Company shall not serve as member of more than 10 (ten) Committees or act as chairperson of more than 5 (five) Committees across all public limited companies, whether incorporated in India or elsewhere, in which he/she is a Director.

Provided that, for the purpose of determination of the aforesaid limits, chairpersonship and membership of the Audit Committee, NRC, SRC and RMC alone shall be considered.

20.5 Every NSE Prime Company shall ensure that:

- (a) it shall not appoint or reappoint as Independent Director any person who has held such office in that NSE Prime Company for an aggregate period of more than 10 (ten) years.
- (b) with effect from 1 July 2028, no Independent Director of that NSE Prime Company shall have held such office for an aggregate period of more than 10 (ten) years.

20.6 A Director of an NSE Prime Company must disclose in the form and manner specified by NSE from time to time: (a) all connections (including as a trustee or beneficiary) to any trust or similar association or body that is an Affiliate of either the NSE Prime Company and/or any of the Promoter(s) of the NSE Prime Company; as well as (b) his/her roles, remuneration, non-monetary rewards and tenure therein.

21. Financial health related disclosures

21.1 Every NSE Prime Company that is not a Finance Company shall disclose, in the form and manner specified by NSE from time to time, the following key financial ratios (“**Key Financial Ratios**”) on an annual basis within 60 (sixty) days of the close of each Financial Year:

- (a) Debtors Turnover Ratio;
- (b) Interest Coverage Ratio;
- (c) Current Ratio;
- (d) Debt Equity Ratio;
- (e) Debt Service Coverage Ratio;
- (f) Operating Profit Margin;
- (g) Net Profit Margin;
- (h) EBITDA Margin; and

- (i) Debt to EBITDA.
- 21.2 Where there is a change of 25% (twenty-five per cent) or more in the calculation of any Key Financial Ratios from the previous Financial Year, the NSE Prime Company shall provide a detailed explanation of the reasons for such deviation in the form and manner specified by NSE from time to time.
- 21.3 Every NSE Prime Company that is not a Finance Company shall additionally disclose, in the form and manner specified by NSE from time to time, the following parameters within 60 (sixty) days of the close of each Quarter in respect of the current reporting Quarter as well as the previous four Quarters:
- (a) total credit extended (including to subsidiaries) that have been restructured to total credit outstanding;
 - (b) total credit received (including from subsidiaries) that have been restructured to total debt outstanding;
 - (c) Outstanding figure for (i) all loans received from Finance Companies and different banks along with figures for loans that have been classified as non-performing by the lender (ii) interest or principal overdue by at least 7 (seven) days; and
 - (d) all inter-corporate deposits (i) made, as well as all loans and credit extended in any form, to Affiliates during the current reporting Quarter (ii) outstanding figures for all inter-corporate deposits made, as well as credit in any form extended to Affiliates;
- 21.4 Every NSE Prime Company that is a Finance Company shall disclose, in the form and manner specified by NSE from time to time, the following financial parameters in relation to itself and, where it has subsidiaries, on a consolidated level, within 60 (sixty) days of the close of each Quarter in respect of the current reporting Quarter as well as the previous four Quarters:
- (a) total loans restructured at the end of the Quarter;
 - (b) total non-performing loans at the end of the Quarter;
 - (c) the ratio of gross non-performing loans to gross loans at the end of the Quarter;
 - (d) the ratio of net non-performing loans to net loans at the end of the Quarter;
 - (e) the ratio of restructured loans to gross loans at the end of the Quarter;
 - (f) Capital Adequacy Ratio at the end of the Quarter;
 - (g) Return on Assets;
 - (h) Return on Equity;
 - (i) Net Interest Margin;

- (j) an asset-liability management profile in line with disclosures mandated by respective regulators under applicable law;
- (k) industry-wise exposure in line with disclosures requirements of respective regulators; and
- (l) Earnings at Risk, as prescribed under disclosure requirements of respective regulators.

22. Financial results

22.1 Every NSE Prime Company shall ensure that, for the purposes of quarterly consolidated financial results, 100% (one hundred per cent) of each of the consolidated revenues, assets and profits (excluding those of the Non-Material Subsidiaries) shall have been subject to audit or, in the case of unaudited results, shall have been subjected to a limited review;

Provided that such Non-Material Subsidiaries that have been excluded do not individually or in the aggregate exceed 5% (five per cent) of either the consolidated revenues, assets or profits of the NSE Prime Company.

22.2 Every NSE Prime Company shall disclose the following within 60 (sixty) days of the close of each Quarter:

- (a) its cash flow statement in such form and manner as may be prescribed by ICAI from time to time; and
- (b) cash flow statements for all its material subsidiaries.

22.3 Audit qualifications

- (a) Annual financial results: the statutory auditor's report on the annual standalone and consolidated financial results / statements of an NSE Prime Company shall not express a modified opinion due to non-compliance with the applicable accounting standards. Where any such modification as aforesaid is made to the statutory auditor's report, the NSE Prime Company shall ensure that necessary rectifications be undertaken in following Financial Year.
- (b) Quarterly financial results: where the statutory auditor has issued a report with modifications in respect of the limited review or audit carried out on the NSE Prime Company's standalone and consolidated quarterly financial results / statements, the NSE Prime Company shall ensure that necessary rectifications be undertaken in the immediately following Quarter.

22.4 Every NSE Prime Company shall ensure that the internal controls for financial reporting under these Norms shall apply to all its global operations, as well as those of its Subsidiary Companies, wherever such global operations exist.

23. Obligations with respect to statutory auditors

- 23.1 The Audit Committee of an NSE Prime Company shall, independent of Senior Management, develop a policy stating the selection criteria for the appointment of statutory auditors, and all prospective statutory auditors of the NSE Prime Company shall be assessed in accordance with such stated criteria. Every NSE Prime Company shall disclose on its official website its policy for the appointment of statutory auditors.
- 23.2 The offering of any non-audit related services by the statutory auditor of an NSE Prime Company, and all entities that are part of the network firm / network entity of which such auditor is a member, shall require the prior approval of the Audit Committee of the NSE Prime Company.
- 23.3 An NSE Prime Company shall not appoint any individual (or firm having a partner or secretarial auditor) against whom any order or case relating to fraud or misfeasance, or misappropriation of funds is pending with the National Financial Reporting Authority, the Serious Fraud Investigation Office, the National Company Law Tribunal, the National Company Law Appellate Tribunal and/or the courts of law.
- 23.4 An NSE Prime Company shall not appoint the following persons to a financial reporting oversight role:
- (a) a current or former partner of any firm that has been appointed as the statutory auditors of the NSE Prime Company; or
 - (b) a current or former member of the audit engagement team performing a statutory audit of the NSE Prime Company on behalf of any firm appointed for such purpose;

each such prohibition extending for a period of 3 (three) years from the date of termination of the last engagement of the relevant firm as statutory auditors of the NSE Prime Company;

Provided that an NSE Prime Company may appoint the aforesaid persons to positions other than financial reporting oversight roles in the event that it discloses such appointments in its next annual report.

- 23.5 Every NSE Prime Company shall specify in the terms of engagement with its statutory auditors that neither the statutory auditor nor any of its Affiliates shall appoint any of the Directors or employees of the NSE Prime Company who are in financial reporting oversight roles to any position, such prohibition extending for a period of 3 (three) years from the date of termination of the last engagement of the relevant firm as statutory auditors of the NSE Prime Company.

24. Disclosures on official website and in annual report

- 24.1 Every NSE Prime Company shall disclose on its official website, for itself as well as its Material Subsidiaries, details of all bonds, debentures, and other financial instruments issued, along with any deposits mobilised from the public, in the preceding five Financial Years, including any credit ratings received in connection thereto.

24.2 Every NSE Prime Company shall disclose on its official website the number of meetings held by its Board of Directors as well as its committees in the current as well as previous year, along with details regarding the time and place of each such meeting and the attendance of each of the members thereof.

24.3 Every NSE Prime Company shall disclose on its official website:

- (a) the existence of succession plans for its Directors and Senior Management, which shall have been approved, and be subject to an annual review, by its Board of Directors; and
- (b) a statement of how many Director and Key Managerial Personnel and Senior Management positions are vacant, along with the duration for each such vacancy.

24.4 Every NSE Prime Company shall disclose on its official website details of remuneration paid to all Whole-time Directors and Senior Management, which details shall include:

- (a) annual fixed remuneration;
- (b) contributions to provident fund, gratuity, superannuation, pension and other retirement benefits;
- (c) annual variable remuneration and bonuses, including any signing-up, joining or retention bonus;
- (d) accommodation, vehicle and other fringe benefits in terms of actual cost to the NSE Prime Company (if these are owned by the NSE Prime Company, the annual market value thereof);
- (e) terms of any employee stock option plans (including the vesting schedule thereof) and other stock-based incentives along with their valuation (as well as the discount, if any, to the fair market value);
- (f) any clawback or malus provisions, including how they may apply; and
- (g) any monetary severance or other separation arrangements.

24.5 In the event that the Promoter of an NSE Prime Company controls other Companies, the names of such Companies shall be disclosed on an annual basis in such NSE Prime Company's annual report or on its official website.

24.6 Every NSE Prime Company must publish on its official website a list of all the policies that it considers are significant, the frequency at which each such policy is subject to evaluation or review, and the date on which each such policy was last evaluated or reviewed.

25. Business responsibility and sustainability disclosures

25.1 Every NSE Prime Company shall make business responsibility and sustainability disclosures in the form of a BRSR in such form and manner as may be prescribed by SEBI from time to time, it being clarified that both the essential indicators as well as the leadership indicators

shall be reported by the NSE Prime Company on a mandatory basis. These BRSR disclosures shall be made as a part of the annual report as well as published on the NSE Prime Company's official website, in the form and manner specified by NSE from time to time. The BRSR disclosures shall include what the NSE Prime Company considers to be sustainability issues relevant and potentially material to its business.

- 25.2 An NSE Prime Company preparing and disclosing sustainability reports based on internationally accepted reporting frameworks (such as Global Reporting Initiative, Sustainability Accounting Standards Board, Task Force on Climate-Related Financial Disclosures or integrated reporting) shall be required to cross-reference the disclosures made under such framework to the disclosures made under the BRSR in terms of Clause 25.1 above.
- 25.3 Every NSE Prime Company shall obtain a limited external assurance on the sustainability reports prepared in accordance with the Clauses 25.1 and 25.2 above for every Financial Year beginning FY 2023-24.
- 25.4 Every NSE Prime Company shall endeavour to publish a rolling 3-year roadmap setting out its action plan for enhancing the following:
- (a) overall ESG performance; and
 - (b) gender balance at the Board, Senior Management and overall Company level.

26. Rights of shareholders

- 26.1 Every NSE Prime Company shall ensure that from the date on which it executes the Prime Registration Agreement:
- (a) It will not issue any equity shares with differential voting rights or other special rights except in accordance with Regulations prescribed by SEBI.
 - (b) all shareholders' resolutions of every NSE Prime Company shall specify a time period following which such resolution shall automatically expire, it being clarified that in no instance shall the time period so specified exceed 3 (three) years from the date of passing of such resolution.
 - (c) the NSE Prime Company will not make any preferential issues of warrants to any of its Promoter(s) and/or any member of the Promoter Group.

27. Legal and other disclosures

- 27.1 Every NSE Prime Company shall disclose in its annual report, in such form and manner as NSE may from time to time prescribe, a summary of all outstanding material litigations, including non-payment of statutory dues, overdue to banks and financial institutions, defaults against banks and financial institutions, contingent liabilities not provided for, the details of proceedings relating to matters where, Company, Promoter, Directors or any Key Managerial persons have been found guilty for economic offences or civil offences, all actions by statutory / regulatory authorities, including overseas regulators / regulatory authorities as

well as awards by sectoral ombudsmen and consumer courts, pertaining to the NSE Prime Company, its Material Subsidiaries and/or any of their respective Promoters, Whole-time Directors and Key Managerial Personnel, along with the nature of the litigation and the quantum of funds involved.

- 27.2 Every NSE Prime Company shall, in such form and manner as NSE may from time to time prescribe, (a) disclose within 3 (three) Business Days any financial indebtedness of the NSE Prime Company which is not paid when due, and (b) disclose within 7 (seven) Business Days any default or event of default (however described) which occurs under or in relation to any financial indebtedness of the NSE Prime Company.

28. Other corporate governance requirements

- 28.1 Every NSE Prime Company shall submit to NSE, within 45 (forty-five) days of the close of each Quarter, a compliance / secretarial audit report certifying its adherence to these Norms as well as the NSE Prime Registration Agreement, in case of any breach, the same shall be accompanied with Management Comments on the same. NSE shall publish a copy of the aforesaid quarterly reports on its official website.
- 28.2 Every NSE Prime Company shall submit to NSE, within 60 (sixty) days of the close of each Financial Year, a compliance / secretarial audit report certifying its adherence to these Norms as well as the NSE Prime Registration Agreement in case of any breach, the same shall be accompanied with Management Comments on the same. NSE shall publish a copy of the aforesaid reports on its official website.
- 28.3 The reports mentioned in Clauses 28.1 and 28.2 above shall be in such format as may be specified by NSE from time to time and shall be authorised by the Compliance Officer or Managing Director of the NSE Prime Company.
- 28.4 Every NSE Prime Company shall publish on its official website the information required to be disclosed in terms of Clauses 28.1 and 28.2 above.
- 28.5 In the event that a higher or stricter standard is prescribed by applicable law than that prescribed under these Norms, a failure by the NSE Prime Company to adhere to such higher or stricter standard shall be deemed to be a breach of these Norms.

CHAPTER VI

CORPORATE REORGANISATION

29. Merger, Amalgamation, Division etc

- 29.1 Every NSE Prime Company shall ensure that any scheme of arrangement to be presented to the National Company Law Tribunal does not in any way violate, override or limit the provisions of Securities Laws or any of the requirements under these Norms and/or the NSE Prime Registration Agreement.

- 29.2 In the event that a Company, including an NSE Listed Entity or an NSE Prime Company, merges into or amalgamates with an NSE Prime Company, the resultant NSE Prime Company shall forthwith intimate NSE, within a period of 7 (seven) days from the effective date of the scheme of merger, and such intimation shall be accompanied by a certificate from the Compliance Officer of the resultant NSE Prime Company certifying that the NSE Prime Company continues to be in compliance with the obligations arising out of these Norms and the NSE Prime Registration Agreement.
- 29.3 In the event that an NSE Prime Company merges into an NSE Listed Entity that is not an NSE Prime Company, the resultant Company shall be excluded from the NSE Prime group. The resultant NSE Listed Entity may, however, make an application to NSE seeking registration as an NSE Prime Company in accordance with the provisions of Chapter II of these Norms.
- 29.4 In the event that a division and/or demerger of an NSE Prime Company is proposed, where the NSE Prime Company is the transferor Company, the transferee Company may make an application to NSE seeking registration as an NSE Prime Company in accordance with the provisions of Chapter II of these Norms.

CHAPTER VII

NSE STANDING COMMITTEE ON PRIME REGISTRATION

30. Establishment of Prime Committee

- 30.1 With effect from the Effective Date, NSE shall establish for the purposes of these Norms a standing committee by the name of the NSE Standing Committee on Prime Registration (the “Prime Committee”).

31. Membership and management of Prime Committee

- 31.1 The external members referred to in Clause 31.2 below shall be persons of ability, integrity and standing who have shown capacity in dealing with problems relating to securities market or have special knowledge or experience of law, finance, economics, accountancy, administration or in any other discipline which, in the opinion of NSE, shall be useful to the Prime Committee.

- 31.2 The Prime Committee shall consist of the following members, namely:

Ex officio members

- (a) the General Counsel of NSE;
- (b) the Company Secretary of NSE;
- (c) the Chief Risk Officer of NSE; and

External members

- (d) three other members who are not officers or employees of NSE and/or any of its Affiliates.

Provided that

- (i) at least one of the external members shall be financially literate, as further set out in Explanation (1) to clause (c) of sub-regulation (1) of regulation 18 of the LODR Regulations; and
 - (ii) at least one of the external members shall be an advocate in good standing registered with the Bar Council of India for at least 20 (twenty) years.
- 31.3 The quorum of meeting of Prime Committee shall be three members of which at least two shall be external members.
- 31.4 One of the external members present for the meeting shall act as the Chair.
- 31.5 The chair of the Prime Committee shall have powers of general superintendence and direction over the affairs of the Prime Committee and may also exercise all powers and do all acts and things which may be exercised or done by the Prime Committee.
- 31.6 The term of office of the members referred to in Clause 31.2 shall be as prescribed by NSE from time to time.
- 31.7 The Prime Committee shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings (including quorum at such meetings) as may be prescribed by NSE from time to time.
- 31.8 All questions which come up before any meeting of the Prime Committee shall be decided by a majority votes of the members present and voting and, in the event of an equality of votes, the chair shall have a second or casting vote.
- 31.9 Any member, who is a director of a company and who as such director has any direct or indirect pecuniary interest in any matter coming up for consideration at a meeting of the Prime Committee, shall, as soon as possible after relevant circumstances have come to his/her knowledge, disclose the nature of his/her interest at such meeting and such disclosure shall be recorded in the proceedings of the Prime Committee, and the member shall not take any part in any deliberation or decision of the Prime Committee with respect to that matter.
- 31.10 No act or proceeding of the Board shall be invalid merely by reason of
- (a) any vacancy in, or any defect in the constitution of, the Prime Committee;
 - (b) any defect in the appointment of a person acting as a member of the Prime Committee; or

- (c) any irregularity in the procedure of the Prime Committee not affecting the merits of the case.

31.11 The Prime Committee may take assistance of such other persons, including officers and employees of NSE, as it considers necessary for the efficient discharge of its functions under these Norms.

CHAPTER VIII

EXCLUSION FROM THE NSE PRIME GROUP

32. Breach of Norms

32.1 In the event that NSE is of the view that an NSE Prime Company and/or any of its Promoters, Promoter Group entities, Directors or Key Managerial Personnel, as the case may be, has breached any of the obligations contained in these Norms and/or the NSE Prime Registration Agreement, NSE shall seek an explanation / clarification from the NSE Prime Company alleged to have committed such breach in accordance with the Standard Operating Procedure (SOP) to be published by NSE.

33. Exclusion from the NSE Prime group

33.1 The Prime Committee may exclude, with effect from such time as it may determine, an NSE Prime Company from the NSE Prime group, upon the occurrence of any of the following events:

- (a) the breach referred to in Clause 32 above has not been cured within the period specified in the SOP;
- (b) the NSE Prime Company, its Promoters, Promoter Group entities, fail to comply with all applicable Securities Laws;
- (c) the NSE Prime Company ceases to have a Net Worth of at least ₹ 300,00,00,000 (Rupees three hundred crores) for any three consecutive Financial Years;
- (d) the average daily turnover of the NSE Prime Company's equity shares on the cash segment of NSE's Main Board is less than ₹ 5,00,00,000 (Rupees five crores) for any continuous period of 12 (twelve) months;
- (e) the NSE Prime Company's statutory auditors issue any adverse, negative and/or qualified opinions or remarks in relation to the NSE Prime Company's financial statements that may give rise to questions on the suitability of the NSE Prime Company's internal controls, its accounting practices and/or its reliability;
- (f) the NSE Prime Company or any of its Promoters and/or Promoter Group entities is:
 - (i) convicted of fraud, offences involving moral turpitude or any economic offence;

- (ii) debarred, restrained or subjected to any disciplinary action by any statutory authority in India or elsewhere; or
 - (iii) categorised as a Wilful Defaulter.
 - (g) the Prime Committee is satisfied that there are special circumstances that preclude normal regular dealings in the Relevant Securities of the NSE Prime Company on the Main Board of the Exchange;
 - (h) the Relevant Securities of the NSE Prime Company have been suspended from, or are no longer admitted to, trading on the Main Board of the Exchange on account of non-compliance with applicable laws; and/or
 - (i) proceedings have been admitted under Insolvency and Bankruptcy Code against the NSE Prime Company or the NSE Prime Company has passed a resolution for voluntary winding up in accordance with applicable law.
- 33.2 In the event that an NSE Prime Company is removed from the NSE Prime group, no application for registration of such an entity, including its successor entities, as an NSE Prime Company under Chapter II of these Norms shall be considered by NSE for a period of 5 (five) years from the date of such removal.

34. Power to condone

- 34.1 In the event that the Prime Committee is satisfied that any non-compliant NSE Prime Company and/or any of its Promoters, Promoter Group entities, Directors or Key Managerial Personnel, as the case may be, has made a voluntary, timely, full and true disclosure in respect of any non-compliance with these Norms and/or the NSE Prime Registration Agreement, and such disclosure has been made prior to any action having been initiated by NSE, the Prime Committee may either fully or partially condone such non-compliance.
- 34.2 All such disclosures in terms of Clause 34.1 above shall be made by the NSE Prime Company and/or any of its Promoters, Promoter Group entities, Directors or Key Managerial Personnel, as the case may be, in the form & manner as may be required by NSE and shall be supplemented by all relevant information, documents and evidence as necessary.
- 34.3 Without prejudice to Clause 34.1 above, the Prime Committee may subject a person making such disclosure to further restrictions or conditions, as it may deem fit, after considering the facts and circumstances of the case.
- 34.4 The discretion of the Prime Committee under this Clause 34 shall be exercised having due regard to:
- (a) the stage at which the applicant comes forward with the disclosure;
 - (b) the information which is already in possession of NSE; and
 - (c) the entire facts and circumstances of the case.

35. Voluntary exit from the NSE Prime group

- 35.1 NSE shall permit an NSE Prime Company to voluntarily exit from the NSE Prime group upon a prior written request having been made to this effect by such NSE Prime Company disclosing the reason for which the NSE Prime Company is seeking such voluntary exit from the NSE Prime group.
- 35.2 A written request under Clause 35.1 seeking voluntary exit from the NSE Prime group shall be filed along with the following particulars/documents:
- (a) application duly signed by the Compliance Officer of the NSE Prime Company;
 - (b) a certified true copy of a resolution of the Board of Directors in the format specified by NSE;
 - (c) a certified true copy of a Resolution by the shareholders of the NSE Prime Company, passed through postal ballot, with the consent of a 2/3rd majority of the shareholders;
 - (d) an undertaking from the NSE Prime Company, authorized on its behalf by its Compliance Officer, stating that:
 - (i) the NSE Prime Company has complied with all requirements and has discharged all obligations arising out of these Norms and the NSE Prime Registration Agreement until the day on which such written request is made; and
 - (ii) the NSE Prime Company shall comply with all requirements and shall discharge all obligations arising out of these Norms and the NSE Prime Registration Agreement, until the day on which NSE excludes the NSE Prime Company from the NSE Prime group in terms of Clause 35.3;
- 35.3 Upon receipt of the above, and provided it is satisfied that all the requirements under this Clause 35 have been fulfilled, NSE shall allow the exit of the NSE Prime Company from the NSE Prime group by publishing on its official website the fact of the exit of the NSE Prime Company along with the reasons disclosed by the NSE Prime Company for seeking such exit.
- 35.4 In the event that an NSE Prime Company voluntarily exits from the NSE Prime group, no application for registration of such an entity, including its successor entities, as an NSE Prime Company under Chapter II of these Norms shall be considered by NSE for a period of 2 (two) years from the date of such voluntary exit.

36. General

- 36.1 NSE may publish on its official website (a) information in relation to the violation by an NSE Prime Company of any Securities Law, these Norms and/or the Prime Registration Agreement, (b) any disclosures made by an NSE Prime Company, including analyses

thereof, and (c) copies of any communications issued by NSE under these Norms to an NSE Prime Company and/or any of its Promoters, Promoter Group entities, Directors or Key Managerial Personnel, as the case may be, along with any replies thereto.

- 36.2 NSE may, from time to time, seek such additional information and/or clarifications from an NSE Prime Company as it deems fit in relation to the disclosures made by such NSE Prime Company in terms of these Norms and/or the NSE Prime Registration Agreement. NSE may, at its sole discretion, publish a copy of the information and/or clarification sought, along with the responses thereto, on its official website.
- 36.3 In the event that no reply is received by NSE within the time period specified in a notice referred to in Clause 36.1 above, NSE shall forthwith issue a public notice of such non-compliance on its website.
- 36.4 In the event that NSE excludes an NSE Prime Company from the NSE Prime group, NSE shall forthwith issue a public notice on its website disclosing the actions taken by it.
- 36.5 While arriving at any determination as to the compliance of an NSE Prime Company and/or any of its Promoters, Promoter Group entities, Directors or Key Managerial Personnel, as the case may be, with these Norms and/or the NSE Prime Registration Agreement, NSE shall be guided by principles of natural justice and shall not take any coercive action without (a) according such aggrieved party a reasonable opportunity of being heard, and (b) passing reasoned orders.
- 36.6 Any decision of NSE with respect to the stipulations of this Clause 36 shall be final and binding on the NSE Prime Company.

CHAPTER IX

POWER TO GRANT EXEMPTION

37. Power to grant exemption from compliance and enforcement

- 37.1 Notwithstanding anything contained in these Norms, the Prime Committee may, for reasons recorded in writing, upon an application made by one or more NSE Prime Company on behalf of themselves or their industry, grant exemption from compliance of any of the obligations under these Norms or the NSE Prime Agreement, subject to such conditions as the Prime Committee deems fit to impose in the interests of investors in securities of the NSE Prime group.

38. Procedure for seeking exemption

- 38.1 For seeking exemption under the provisions of this Chapter, the NSE Prime Company shall file an application (the “Exemption Application”) with NSE in the format as specified by NSE from time to time, giving details of the grounds on which the exemption is being sought, and shall include:

- (a) the facts and grounds, both quantitative and qualitative, as applicable, on which the Exemption Application is based;
- (b) the timeframe within which the exemption will cease to apply;
- (c) the plan for ensuring full compliance within the requested timeframe, prior to the cessation of the exemption;
- (d) any history of prior filings of Exemption Applications.

38.2 The Prime Committee may, after affording the NSE Prime Company a reasonable opportunity of being heard and after considering all the relevant facts and circumstances, pass a reasoned order either allowing or rejecting the Exemption Application.

38.3 The Prime Committee shall, *inter alia*, take into account the following factors when considering an Exemption Application:

- (a) the nature of the relevant obligation;
- (b) any history of prior non-compliance with Securities Laws, these Norms and/or the Prime Registration Agreement;
- (c) any mitigating circumstances, including efforts undertaken to ensure full compliance;
- (d) the timing of the Exemption Application;
- (e) where appropriate, any implications on liquidity and pricing of the Relevant Securities;
- (f) any effect on (i) investors in the NSE Prime Company, (ii) investors in the NSE Prime group, and (iii) market participants; and
- (g) any effect on the reputation of NSE in general and the NSE Prime group in particular.

39. Default

39.1 In the event that the NSE Prime Company does not comply with any of the conditions imposed upon it by the Prime Committee while granting the exemption under Clause 38.2 above, or if it is observed by NSE that there has been any misstatement by the NSE Prime Company in its Exemption Application, NSE may take any action under Chapter VIII of these Norms.

CHAPTER X
MISCELLANEOUS

40. Limitation of liability of NSE

- 40.1 The grant of a certificate of registration by NSE to an entity seeking registration as an NSE Prime Company shall not be construed, in any way whatsoever, to be an endorsement, inducement and/or recommendation by NSE and/or its shareholders, directors, committee members, officers, employees, representatives or advisors to any potential investor to invest in the securities of the NSE Prime Company.
- 40.2 NSE and/or its shareholders, directors, committee members, officers, employees, representatives or advisors shall not be required to independently verify the veracity of filings, reports, statements, documents and/or information provided to it in terms of these Norms and/or the NSE Prime Registration Agreement.
- 40.3 NSE and/or its shareholders, directors, committee members, officers, employees, representatives or advisors shall not be responsible and/or liable in any manner whatsoever for any acts of commission and/or omission undertaken pursuant to any filings, reports, statements, documents and/or information provided to NSE in terms of these Norms and/or the NSE Prime Registration Agreement.
- 40.4 NSE and/or its shareholders, directors, committee members, officers, employees, representatives or advisors shall not be responsible and/or liable in any manner whatsoever for any false, inaccurate, misleading and/or incomplete filings, reports, statements, documents and/or information provided by an NSE Prime Company, and/or any of its Promoters, Promoter Group entities, Directors and/or Key Managerial Personnel.
- 40.5 The onus of providing adequate, accurate and relevant information, as required under these Norms, free from any misrepresentation, whether wilful or otherwise, shall vest with the relevant NSE Prime Company at all times. NSE and/or its shareholders, directors, committee members, officers, employees, representatives or advisors shall not be responsible and/or liable in any manner whatsoever to any person for the adequacy and/or accuracy of any of the disclosures made, or any misrepresentation therein, whether wilful or otherwise, by an NSE Prime Company.
- 40.6 NSE has neither cleared, approved nor ratified any of the acts of commission and/or omission of any NSE Prime Company or its Promoters, Promoter Group entities, Directors and/or Key Managerial Personnel with respect to the discharge of any of their respective obligations under these Norms and/or the NSE Prime Registration Agreement.

41. Review and amendment

- 41.1 NSE shall undertake a periodic comprehensive review of these Norms and the NSE Prime Registration Agreement after a period of 4 (four) years from the Effective Date, or after such period as it deems fit in the interest of investors in securities of the NSE Prime group.

- 41.2 NSE may amend any of these Norms or the NSE Prime Registration Agreement, including pursuant to market and/or regulatory development, at any time by issuance of a public notice on its website, copies of which shall be sent to every NSE Prime Company.
- 41.3 Any comprehensive review and/or amendment in accordance with this Clause shall be made by NSE after having made reasonable efforts to consult with such relevant stakeholders as may be identified by NSE for such purpose. It is, however, clarified that NSE's decision in respect of all such reviews and amendments shall be final and binding;

Provided that such amended provision of the Norms shall be applicable to then registered NSE Prime Companies only 6 (six) months after publication thereof.

42. Power of NSE to issue clarifications

- 42.1 In order to remove any difficulties in the application or interpretation of these Norms, NSE may from time to time issue clarifications through guidance notes after recording reasons in writing.

CHAPTER XI **ARBITRATION**

43. Reference to arbitration

- 43.1 All claims, differences or disputes between an Applicant / NSE Prime Company and the NSE arising out of or in relation to these Norms or the NSE Prime Registration Agreement or with reference to anything incidental thereto or in pursuance thereof or relating to their validity, construction, interpretation, fulfilment of the rights, obligations and liabilities of such an Applicant / NSE Prime Company and/or NSE that have not been resolved within a period of 45 (forty-five) days from the date of a written notice raising such claim, difference or dispute, shall be submitted to arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996.
- 43.2 The Applicant / NSE Prime Company and NSE shall jointly appoint a sole arbitrator.

44. Arbitration procedure

- 44.1 The place of arbitration shall be Mumbai.
- 44.2 The arbitration proceedings shall be conducted in the English language.
- 44.3 Section 29-B of the Arbitration and Conciliation Act, 1996 shall govern the arbitration proceedings.
- 44.4 The arbitrator's award shall be substantiated in writing.

44.5 The arbitrator shall also decide on the costs of the arbitration proceedings.

45. Binding nature of arbitration

45.1 The arbitration award shall be binding, subject to applicable laws, and shall be enforceable in any competent court of law.

46. Limitation period for arbitration

46.1 The limitation period for filing an arbitration application shall be governed by the law of limitation as set out in the Limitation Act, 1963.