

The Company Secretary  
All Listed Companies

**Sub: Operational guidelines for monitoring of critical clauses of Equity Listing Agreement**

1. Securities and Exchange Board of India (SEBI) has issued circular no. CIR/MRD/DSA/31/2013 dated September 30, 2013 on 'Amendment to bye-laws of recognized stock exchanges with respect to non-compliance of certain listing conditions and adopting Standard Operating Procedure for suspension and revocation of trading of shares of listed entities for such non compliances.'

Accordingly, the Exchange has amended its bye-laws as informed to all Listed companies vide circular no. NSE/CML/2014/01 dated January 16, 2014 to implement the provisions of the above SEBI circular. The Exchange shall enforce the compliance of these listing conditions and take following actions for non-compliances as per aforementioned SEBI circular:

1. Annexure 1: Fine structure for non-compliance of clauses 31, 35, 41 and / or 49 of the listing agreement.
2. Annexure 2: Shifting of non-compliant listed entity to 'Z' category ('ZB' series) for two or more consecutive defaults in compliance of clauses 31, 35, 41 and / or 49 of the listing agreement.
3. Annexure 3: Suspension of trading in the shares of listed entities for failure to comply with clauses 31, 35, 41 and / or 49 of the listing agreement and / or submission of reconciliation of share capital audit report in case of two or more consecutive defaults in accordance with standard operating procedure (SOP) described in this Annexure.

Revocation of suspension of trading in the shares of listed entities after compliance with clauses 31, 35, 41 and / or 49 of the listing agreement and / or submission of reconciliation of share capital audit report and payment of applicable fine may be in accordance with procedure described in **Annexure 4**.

Further, SEBI has directed that during the process of the suspension of the trading / revocation of trading in the shares of listed entities as provided in the SOP, the Exchange shall intimate the details of the non-compliant entities and its promoter / promoter group to the depositories for freezing / unfreezing the entire shareholding of the promoter / promoter group in such entity.

The Exchange shall also disclose on its website the details of the action taken against the non-compliant listed entities.

2. SEBI has issued circular no. CIR/CFD/POLICYCELL/13/2013 dated November 18, 2013 on "Compliance with the provisions of Equity Listing Agreement by listed companies – Monitoring by Stock Exchanges." Accordingly the Exchange has devised the framework to

identify non-compliance / violation of clauses 35, 36, 41 and 49 of the Listing agreement based on the parameters specified in **Annexure 5** for top 500 listed companies (by market capitalization as on March 31, 2013) mentioned in **Annexure 6** as follows:

- i. If the submissions made by the listed entity under clauses 35, 36, 41 and / or 49 are found to be inadequate and inaccurate or there is any deficiency in the information / clarification provided by the listed entity based on predetermined parameters, the Exchange shall issue notice seeking further information / clarification from the company.
  - ii. The listed company is required to submit the requisite information / clarification within the period not exceeding 5 working days of the above notice.
  - iii. If the reply received from the company is not satisfactory for the submissions required under clauses 35, 41 and 49 then the Exchange shall treat it as non-compliance and proceed with the actions specified in SEBI circular no. CIR/MRD/DSA/31/2013 dated September 30, 2013.
  - iv. For the computation of fine the date of non-compliance shall be deemed to be the date on which the last reply was received from the company on the query raised in the notice issued. However, if the company does not reply to the notice issued by the Exchange, then the deemed date of non-compliance shall be 5<sup>th</sup> working day from the date notice was issued under point 1 above.
3. All the listed companies are requested to note the following w.r.t above operational guidelines:
- For the purpose of submission, if the last day of submission is on a holiday then the next working day shall be considered as the last day of submission.
  - As per clause 31 of the listing agreement the listed companies are required to submit the Annual Report to the Exchange at the time of issue of notice for the Annual General meeting (AGM) where the Report is to be placed. This AGM is required to be held within 6 months from the company's financial year end as per the Companies Act, 1956. As such due date of submission for the purpose of this clause would be AGM date less 21 days.
4. The listed companies are requested to note that the submissions through NEAPS are digitally signed and the same shall be treated as the final submission for Exchange records.

This circular shall be effective with effect from December 2013 quarter onwards.

**For and on behalf of**  
**National Stock Exchange of India Limited**

Rehana D'souza  
Asst. Vice President