

CIRCULAR

SEBI/HO/MRD/POD-III/CIR/P/2024/127

September 24, 2024

To,

**All Recognized Stock Exchanges
All Recognized Clearing Corporations
All Depositories**

Dear Sir/ Madam,

Sub: Parameters for Performance Evaluation of Market Infrastructure Institutions

1. Regulation 33(6) of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (hereafter referred to as "SECC Regulations, 2018") and Regulation 31(6) of the SEBI (Depositories and Participant Regulations, 2018 (hereafter referred to as "D&P Regulations, 2018") states that every recognised stock exchange, recognised clearing corporation and depository (collectively referred as Market Infrastructure Institutions (MIIs)) shall appoint an independent external agency to evaluate its performance and the performance of its statutory committees within such periodicity and in such a manner as may be specified by the Board.
2. In order to bring consistency and uniformity with respect to evaluations to be done by the external agency, it was felt that basic minimum standards and principles should be developed along with weightages. Accordingly, the matter was discussed at the Industry Standards Forum (ISF) of MIIs where the broad criteria, the weightage for each criterion, sub-parameters under each criterion, etc. were deliberated. For each sub-parameter, sample Key Performance Indicators (KPIs), both quantitative and qualitative in nature, were identified by SEBI in consultation with the ISF.
3. Based on the deliberations at the ISF of MIIs and subsequent internal deliberations, the broad framework with basic minimum criteria for independent external evaluation of performance of MIIs has been approved by the Board in its meeting held on June 27, 2024. The minimum criteria for the independent external evaluation of performance of MIIs and their weightages are as under:

S.N.	Criteria	Weightage
(i)	Resilience in technology and processes of MII, in delivery of its core functions.	40%
(ii)	Investor Education and Protection.	17%
(iii)	Efficient discharge of Regulatory role by MII.	15%
(iv)	Compliance with Regulatory Norms.	10%
(v)	Evaluation of Governance Practices.	8%
(vi)	Adequacy of Resources.	5%
(vii)	Fair access and treatment to all stakeholders and information disclosure.	5%

The above criteria may be subsequently reviewed, depending upon the evolving regulatory and operating context.

4. A broad framework in this regard, developed in consultation with ISF of MIIs is provided at [Annexure-A](#).

5. **Rating Framework**

- 5.1. In order to ensure consistency in the manner of assessment and outcomes across similar MIIs, compare performance of such MIIs and monitor trends over time, a rating framework has been developed which would be assigned after evaluation of the MIIs. The rating would reflect the Independent External Agency's judgment on the performance of the MII in respect of expected outcomes. The rating framework is provided at [Annexure-B](#).

6. **Principles for appointment of Independent External Agency:** The following principles shall be adhered to by the MIIs for selection of an independent external agency:

- 6.1. The Independent External Agency shall be appointed with prior No Objection Certificate (NOC) from SEBI and on such terms and conditions, including fees, timelines, etc. as may be approved by the Governing Board of the MII.
- 6.2. The Independent External Agency shall have requisite domain knowledge, experience and expertise on matters concerning the securities market and the functioning of the MII.

- 6.3. MII shall ensure that there is no conflict of interest in the appointment of the Independent External Agency and the Agency had not been employed/hired by the MII for the evaluation period and till submission of the report.

7. Timelines for External Evaluation

- 7.1. The independent external evaluation shall take place once in three years for each MII. In this regard, the following shall be ensured:
- The first independent external evaluation shall be only for the Financial Year (FY) 2024-2025. The report of the same shall be submitted to the Governing Board of the MII and SEBI by September 30, 2025.
 - The subsequent independent external evaluation(s) shall be for a block of next three FYs and so on. Upon completion, a report in this regard shall be submitted to the Governing Board of the MII and SEBI within 6 months from the end of the 3rd FY to be evaluated.

8. Performance Evaluation Metrics for KMPs including MD

- 8.1. Clause (k) of Part A under Schedule-II of the SECC Regulations, 2018 on Code of Conduct for Stock Exchanges and Clearing Corporations, *inter alia*, state that

“A recognised stock exchange and a recognised clearing corporation shall:

....

(k) Segregate roles and responsibilities of key management personnel within the stock exchange and clearing corporation including

- Clearly mapping legal and regulatory duties to the concerned position*
- Defining delegation of powers to each position*
- Assigning regulatory, risk management and compliance aspects to business and support teams”*

- 8.2. Further Clause u(iv) of Part B under Schedule – II of the SECC Regulations, 2018 on Code of Conduct for Governing Board, *inter alia*, states that

“Governing Board shall

.....

u. endeavour that the stock exchange and clearing corporation put in place key elements related to culture such as

.....

iv. performance management mechanisms which take into account adherence to culture, conduct and behavior related dimensions.”

Similar provisions as stated at paragraphs 8.1 and 8.2 above, also exist for depositories under the D&P Regulations, 2018.

- 8.3. Above provisions require MIIs to clearly define the roles & responsibilities and the Key Performance Indicators (KPIs) of each Key Management Personnel (KMP) and have performance management mechanisms for their evaluation. Further, these KPIs have to inculcate regulatory, risk management and compliance outcomes.
- 8.4. In order to effectively reflect the efforts of the Managing Director (MD) and KMPs towards outcomes of various functions under Verticals 1 (Critical Operations) and Vertical 2 (Regulatory, compliance, risk management and investor grievances), MIIs shall ensure that their internal performance evaluation metrics have allocated sufficient weightage for these outcomes.
- 8.5. The performance evaluation of MD should provide at least 50% weightage towards Verticals 1 and 2 related outcomes.
- 8.6. The performance evaluation of MD and KMPs shall include the minimum criteria as specified for the MIIs at **Annexure-A**. However, for KMPs the criteria and corresponding weightages may be adjusted depending upon the specific roles and responsibilities assigned to such KMPs.
9. **Applicability:** The provisions of this Circular shall come into force from **30th** day of its issuance.
10. The MIIs are directed to:
 - 10.1. take necessary steps and put in place necessary systems for the implementation of the above;
 - 10.2. make necessary amendments to the relevant bye-laws, rules and regulations, wherever applicable, for the implementation of the above; and
 - 10.3. bring the provisions of this circular to the notice of market participants (including investors) and also disseminate the same on their website.
11. This circular is issued in exercise of the powers conferred under Section 11(1) of the Securities and Exchange Board of India Act 1992 read with Regulation

51 of the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018, Section 26(3) of the Depositories Act, 1996 and Regulation 97 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

12. This circular is available on SEBI website at www.sebi.gov.in.

Yours faithfully,

Hruda Ranjan Sahoo
Deputy General Manager
Tel. No. 022-26449586
Email: hrsahoo@sebi.gov.in

Annexure-A: Broad Framework for evaluation of MIIs by External Agency

Criteria	Sub-Parameter	Nature of Parameters	Sample KPIs	Rating Metric Scale	Rating Metric Weightage (A)	Metric Rating by Evaluator (B)	Metric Score (A*B)	Sub-Parameter score (C)	Sub-Parameter Weightage (D)	Final Score	Rationale for assigning the rating by the Evaluator	Observations
I. Resilience in technology and processes of MII, in delivery of its core functions (40%)	(I) Operational and process resilience (20%)	Quantitative Parameters (50%)	Timely resolution of high-risk observations from findings of SEBI System Audit	Pending beyond implementation date: 1) No pendency - 4 2) Pendency - 1	50%		0	0	20%	0		
			Technology resilience index score	If the technology resilience Index Score is: 1) >90% - 4 2) 80 - 90% - 3 3) 70 - 80% - 2 4) <70% - 1	50%		0					
		Qualitative Parameters (50%)	Alignment of enterprise related goals with Information Technology goals.	The rating score shall be based on the judgement of the evaluator	40%		0					
			Maintenance of excess capacity and review of capacity planning.		30%		0					
			Development of technology resources for internal consumption		30%		0					
		(II) Cyber Security (20%)	Quantitative Parameters (50%)	Timely resolution of high-risk observations from Cyber Security Audit, SEBI Cyber Security and Cyber Resilience Audit.	Pending beyond implementation date: 1) No pendency - 4 2) Pendency - 1	40%					0	0
	Cyber capability index score (including Framework for Cloud Services, Cyber Security Maturity Matrix, etc.)			If the cyber security Index Score is: 1) >90% - 4 2) 80 - 90% - 3 3) 70 - 80% - 2 4) <70% - 1	40%		0					
	High-risk observations from Cyber Security Audit			If number of observations are 1) No observation = 4 2) Observations reduced each year and no observations repeated = 3 3) Observations either reduced or increased, but observations repeated =2 4) Observations increased and observations repeated =1	20%		0					
	Qualitative Parameters (50%)		Reviewed and updated framework relating to IT and Cyber Security.	The rating score shall be based on the judgement of the evaluator	30%		0					
			Measures taken post a glitch/outage etc.		30%		0					
			Criteria adopted by MII to determine various threshold limits.		10%		0					
			Efficacy of monitoring mechanism to prevent breach.		20%		0					
			Parameters were used to ascertain consistency and reliability of the latency results.		10%		0					
	(III) Resilience of surveillance and supervisory mechanisms (20%)		Quantitative Parameters (50%)	Improvement/maintaining Surveillance Index score	If the surveillance Index Score is: 1) >90% - 4 2) 80 - 90% - 3 3) 70 - 80% - 2 4) <70% - 1	30%		0				
		Instances of non-compliances detected and action taken for the same.		Instances of non-compliance and action taken: None - 4 First Instance - 3 Second Instance - 2 Three or more instances - 1	20%		0					
SEBI inspection report of Surveillance and Inspection functions of Market Participant		Enforcement action - 1 No enforcement action - 4		30%		0						

Annexure-A: Broad Framework for evaluation of MIIs by External Agency

Criteria	Sub-Parameter	Nature of Parameters	Sample KPIs	Rating Metric Scale	Rating Metric Weightage (A)	Metric Rating by Evaluator (B)	Metric Score (A*B)	Sub-Parameter score (C)	Sub-Parameter Weightage (D)	Final Score	Rationale for assigning the rating by the Evaluator	Observations				
			Algorithmic trades related	Instances of infra malfunction: 1) no. of failures 0 - 4 2) no. of failures 1-3 - 3 3) no. of failures 3-5 - 3 4) no. of failures>5 - 1	10%		0	0	20%	0						
			New cases identified by SEBI but not by MII	1) no. of unique cases >10 - 1 2) no. of unique cases between 5-10 - 2 3) no. of unique cases between 1-5 - 3 4) no. of unique cases 0 - 4	10%		0									
		Qualitative Parameters (50%)	Comprehensiveness of surveillance system.	The rating score shall be based on the judgement of the evaluator	40%		0									
			Methodology to assess redundancy of its IT infra, algos, softwares, platforms, etc.		30%		0									
			Quality of personnel handling surveillance.		20%		0									
			Review of robustness of mechanism to collate information on adverse incidences/ transactions, and incorporated learnings to improve its systems and processes.		10%		0									
		(IV) Resilience of internal risk management framework (20%)	Quantitative Parameters (50%)	Review of the Implementation of Risk Management policy and framework by the SCOT/RMC – Half yearly.	Comprehensiveness of review: 1. Cover all risk areas - 4 2. Partial cover - 1	100%					0	0	20%	0		
			Qualitative Parameters (50%)	Robust business continuity plan (BCP) that addresses events which may pose significant risk of disrupting its operations, temporarily or permanently should be in place.	The rating score shall be based on the judgement of the evaluator	30%					0					
	comprehensiveness of review of coverage based on the past incidence/ breaches and in live environment.			20%			0									
	Mechanism in place (including alerts) to identify potential failure of IT and Cyber security systems.			30%			0									
	Observations on the BCP/DR site usages for live transactions.	20%		0												
	(V) Resilience of & oversight over any outsourced functions (20%)	Quantitative Parameters (50%)	Existence of policy to appoint outsources vendors	1. If Yes and a). No breach in service level agreement - 4 b). Breach observed but no impact on market activities - 3 c). Breach observed and market impacted - 1 2. No - 1	100%		0	0	20%	0						
Qualitative Parameters (50%)		Annual Review of the Outsourcing Policy	The rating score shall be based on the judgement of the evaluator	40%		0										
		Comments on the measures taken by the MII on the gaps identified through the Audit of outsourced agencies/vendors, their activities, operations, systems, process, etc.		20%		0										
Parameters considered for formulating outsourcing policy	40%		0													

Annexure-A: Broad Framework for evaluation of MIIs by External Agency

Criteria	Sub-Parameter	Nature of Parameters	Sample KPIs	Rating Metric Scale	Rating Metric Weightage (A)	Metric Rating by Evaluator (B)	Metric Score (A*B)	Sub-Parameter score (C)	Sub-Parameter Weightage (D)	Final Score	Rationale for assigning the rating by the Evaluator	Observations				
2. Investor Education and Protection (17%)	(i)Investor Protection (70%)	Quantitative Parameters (50%)	Review of the IPF corpus as per regulatory guidelines and enhancement of the same, if found to be inadequate.	1) Reviewed half-yearly and enhanced the limit, if found inadequate - 4 2) Not reviewed half-yearly - 1	25%		0	0	70%	0						
			Review of IPF claim limits as per regulatory guidelines and progressively increase the amount of compensation available against a single claim from an investor	1) Reviewed once in three year and enhanced compensation amount against single claim - 4 2) Not reviewed - 1	25%		0									
			Meeting the Turn around Time (ToT) for response and closure of grievance	1) Timely resolution of > 95% Complaints - 4 2) Timely resolution of 85% to 95 % of Complaints - 3 3) Timely resolution of 75 % to 85 % Complaints - 2 4) Time Resolution of <75% Complaints - 1	25%		0									
			Compliance to SEBI mandated target of Investor Awareness programs	1) Target met > 95% - 4 2) Target met between 85% to 95% - 3 3) Target met between 80 % to 85% - 2 4) Target met <80% - 1	25%		0									
		Qualitative Parameters (50%)	Efficacy of investor grievance redressal mechanism	The rating score shall be based on the judgement of the evaluator		20%					0					
			assessment of measures taken by MII to reduce complaints			40%					0					
			Adequacy of resources (in terms of manpower) for investor grievances function			20%					0					
			Effectiveness of Investor Education awareness initiatives, from the perspective of reach to investors			20%					0					
		(ii) Cost Effectiveness (30%)	Qualitative Parameters (50%)	Existence of Policies and procedures for Procurement.	Yes- 4 No - 1	20%					0	0	30%	0		
				Cost effectiveness - Capex/Opex - New & Recurring Purchases (without any compromise on quality)	Difference between lowest quote received from all vendors and negotiated cost 1) Greater than 20% - 4 2) >10% and <20% - 3 3) >5% and <10% - 2 4) Less than 5% - 1	20%					0					
	Budget vs Actual Spends for the FY			1) Budget not breached - 4 2) Budge breached less than 5% - 3 3) Budget breached more than 5% but less than 10% -2 4) Budget breached by more than 10% - 1	30%		0									
	Review of fees and charges of the MII			1) Reviewed once a year - 4 2) Reviewed more than one time in the last three years - 3 3) Reviewed once in three years - 2 4) Not reviewed in the last three years - 1	30%		0									
	Qualitative Parameters (50%)		Comments of governing board on goals of MII concerning cost efficiency and product pricing.	The rating score shall be based on the judgement of the evaluator		10%		0								
			Extent of automation of systems, processes and controls, and its impact in achieving cost efficiency/ reducing product cost.			30%		0								
		Reasonability of fees levied for products/ services.		20%		0										

Annexure-A: Broad Framework for evaluation of MIIs by External Agency

Criteria	Sub-Parameter	Nature of Parameters	Sample KPIs	Rating Metric Scale	Rating Metric Weightage (A)	Metric Rating by Evaluator (B)	Metric Score (A*B)	Sub-Parameter score (C)	Sub-Parameter Weightage (D)	Final Score	Rationale for assigning the rating by the Evaluator	Observations
			Robust mechanism for design of products and services to reduce compliance costs of market participants, and overall costs and risks.		30%		0					
			Impact assessment of increase in operation cost/ product cost on securities market.		10%		0					
3. Efficient discharge of regulatory role by MIIs (15%)	(i) Robust mechanism to identify potential violations (30%)	Quantitative Factors (50%)	Timely completion of Inspections - Both Onsite and Offsite Inspections	1) If 100% inspections are completed within the prescribed time lines - 4 2) if 90% to 99% inspections are completed and disposed within the prescribed time lines - 3 3) If 80% to 89% inspections are completed are disposed within the prescribed time lines -2 4) If below 80% inspections are completed are disposed within the prescribed time lines -1	50%		0	0	30%	0		
			Development of various alerts for supervision of its members/participants	1) Alerts on various areas of supervision developed and deployed - 4 2) Only few alerts have been developed & deployed and alerts on other areas of supervision are under development - 3 3) No alerts deployed but alerts on various areas of supervision are under development - 2 4) Alert development is not yet initiated -1	50%		0					
		Qualitative Factors (50%)	Adoption and efficacy of technology by MIIs for supervisory role	The rating score shall be based on the judgement of the evaluator	50%		0					
			Efficacy of mechanism to share alerts/information etc. with SEBI		50%		0					
	(ii) Addressing non-compliances by members/ participants, which are identified by SEBI and/or by MIIs (30%)	Quantitative Factors (50%)	Ensuring prompt addressal of non-compliances by members/participants, which are identified by SEBI and/or by MIIs	Compliance by Members/ Participants: 1) If 100% of the observations are complied within the prescribed time lines - 4 2) If 90% to 99% e of the observations are complied within the prescribed time lines - 3 3) If 80% to 90% of the observations are complied within the prescribed time lines) - 2 4) If below 80% of the observations are complied within the prescribed time lines - 1	50%			0	30%	0		
			Timely enforcement of disciplinary actions against members/participants based on investigation/inspection report.	1) If actions in 100% of the reports are completed within the prescribed time lines - 4 2) If actions in 90% to 99% of the reports are completed within the prescribed time lines - 3 3) If actions in 80% to 90% of the reports are completed within the prescribed time lines - 2 4) If actions completed are below 80% within the prescribed time lines - 1	50%							
Qualitative Factors (50%)		Biasness observed, if any, while applying penalty to members/ participants	The rating score shall be based on the judgement of the evaluator	50%								

Annexure-A: Broad Framework for evaluation of MIIs by External Agency

Criteria	Sub-Parameter	Nature of Parameters	Sample KPIs	Rating Metric Scale	Rating Metric Weightage (A)	Metric Rating by Evaluator (B)	Metric Score (A*B)	Sub-Parameter score (C)	Sub-Parameter Weightage (D)	Final Score	Rationale for assigning the rating by the Evaluator	Observations
		Qualitative Factors (50%)	Commentary on how the MII has dealt with lapses observed.	The rating score shall be based on the judgement of the evaluator	50%			0	50%	0		
			Parameters on the basis of which the MII monitors and assess the compliance standards.		50%							
5. Evaluation of Governance Practices (8%)	(i) Efficacy of the Governing Board in discharging its fiduciary obligation to ensure the appropriate functioning of the MII as a public infrastructure service provider for securities market. (80%)	Quantitative Factors (50%)	Interventions by Directors during Board meetings are appropriately recorded	1) All interventions recorded - 4 2) Interventions of all Directors not recorded - 1	15%			80%				
			Finalisation of the minutes of the meeting within the prescribed timelines as per the Regulatory requirements	1) Within timelines - 4 2) Delay beyond the timelines - 1	10%							
			Tracking and implementation of ATR emanating from governing board meetings	% of action points implemented: 1) 100% implemented - 4 2) Any action point not implemented - 1	10%							
				Pending beyond implementation date: 1) No pendency - 4 2) Pending for 0-3 months - 3 3) Pending for 3-6 months - 2 3) Pending for >6 months - 1	10%							
			Regular/timely review of Compliance with TOR of Statutory committees	1) All points of TOR covered - 4 2) Any exclusion of TOR points - 1	10%							
			Adherence of Code of Conduct by the MIIs, Governing Board and Directors as per SECC Regulations, 2018	1) 100% compliance - 4 2) Less than 100% - 1	15%							
			Regular Review of the risks impacting the MII	Regular review of risks: 1) All risks covered for review - 4 2) All risks are not covered for review -1	15%							
			No of whistle blower (WB) Complaints received against Board/senior management, MII and KMPs as a whole and its investigation/resolution summary	1)If 100% WB compliants are disposed off within the prescribed time lines - 4 2) If 90% to 99% WB compliants are disposed off within the prescribed time lines -3 3) If 80% to 90% WB compliants are disposed off within the prescribed time lines -2 4) If below 80% WB compliants are disposed off within the prescribed time lines -1	15%							
		Qualitative Factors (50%)	Efficacy of the Board in discharging its fiduciary obligation for the MII as an infrastructure service provider relating to securities market	The rating score shall be based on the judgement of the evaluator	10%							
			Execution of responsibility by the Board members related to Statutory Committees		10%							
			Criteria adopted for board performance evaluation		10%							
			methodology adopted to assess if the skills, expertise and experience of directors are adequate to fulfil their fiduciary obligations		10%							
	Efficiency of management of conflict of interest by the board	10%										

Annexure-A: Broad Framework for evaluation of MIIs by External Agency

Criteria	Sub-Parameter	Nature of Parameters	Sample KPIs	Rating Metric Scale	Rating Metric Weightage (A)	Metric Rating by Evaluator (B)	Metric Score (A*B)	Sub-Parameter score (C)	Sub-Parameter Weightage (D)	Final Score	Rationale for assigning the rating by the Evaluator	Observations
			methodology adopted by the MII to enable the Governing Board to review correctness of the financial performance and the adequacy of internal controls relating to financial reporting		10%							
			Comprehensiveness of mandatory PID meetings		10%							
			Comprehensiveness of whistle blower policy/ Vigil Mechanism and its implementation. Review of the same on periodic basis.		10%							
			Controls and processes to ensure that Directors, IEPs, MD, KMPs follow the Code of Conduct strictly.		10%							
			Accountability for acts of omission and commission or sharing of confidential and sensitive information to third parties. - Policies in place. - Ability to fix accountability - Analysis of accountability fixed during the evaluation period.		10%							
	(ii) Efficacy of the Governing Board in promoting a culture which encourages proactive, meaningful and constructive deliberations on current and future issues concerning the MII or the securities market. (20%)	Qualitative Factors (100%)	Governance practices and integrity issues concerning the MII	The rating score shall be based on the judgement of the evaluator	40%			20%				
			Whether MII has adopted any Integrity pact and whether the vendors are bound by the same?		30%							
			Anti-bribery and Anti-corruption (ABAC) policy, if any. And review of the same on periodic basis.		30%							
6.Adequacy of resources allocated for performing functions under Vertical 1 and 2 (5%)	(i) Adequacy of resources allocated for performing functions under Vertical 1 and 2	Quantitative Factors (50%)	Mechanism to assess adequacy of financial and human resources for functions under vertical 1 and 2.	1) Yes - 4 2) No - 1	30%			50%				
			Review of Allocation of adequate resources (human, technological, financial, etc.) for functions under Vertical 1 & 2.	1) Higher allocation of resources to Vertical 1 & 2 separately over vertical 3 - 4 2) Allocation of resources either to vertical 1 or to vertical 2 is lesser than vertical 3 - 1	40%							
			Performance evaluation of the Managing Director gives fair amount of weightage (at least 50%) for functions under Vertical 1 & 2	1) Yes - 4 2) No - 1	30%							
		Qualitative Factors (50%)	Is the resource allocation for Verticals 1 & 2 adequate?	The rating score shall be based on the judgement of the evaluator	30%							

Annexure-A: Broad Framework for evaluation of MIIs by External Agency

Criteria	Sub-Parameter	Nature of Parameters	Sample KPIs	Rating Metric Scale	Rating Metric Weightage (A)	Metric Rating by Evaluator (B)	Metric Score (A*B)	Sub-Parameter score (C)	Sub-Parameter Weightage (D)	Final Score	Rationale for assigning the rating by the Evaluator	Observations	
			Whether the performance of any of the functions under Verticals 1 & 2 are affected due to inadequate resource allocation?		40%				50%				
			Review of parameters adopted and analysis done by the MII for ascertaining adequacy of human, technological and financial resources		30%								
7. Fair access & treatment to all stakeholders and information disclosure (5%)	Non-discriminatory access to services and information for market participants	Quantitative Factors (50%)	Audit/ Assessment of information sharing with market participants (such as Co-location mechanism in case of stock exchanges) to ensure fair and equitable access	No Observation - 4 Obsrvation(s) - 1	30%				50%				
			Timely Dissemination of all required information.	100% compliance- 4 Non compliance - 1	20%								
			Compliance with fair and equal access of information to all CC.	Meeting latency SLA as per InterOp agreement Yes/No - - Yes - 4 - No - 1	25%								
			Fair and equal charges to all CCs	Charges as per InterOp agreement Yes/No - - Yes - 4 - No - 1	25%								
		Qualitative Factors (50%)	Comments on feedback from participants on the fairness and openness of the services/ access and whether their inputs were factored while determining risk related participation requirements.	The rating score shall be based on the judgement of the evaluator		30%				50%			
			Areas that may lead to unfair and inequitable access to certain stakeholders.			40%							
			Efficiency of various steps taken by the MII to ensure fair and equitable access to various stakeholders.		30%								

Annexure-B: Rating Framework

Sample Rating Score	Scale/ Level of Governance	Assessment criteria					MII Overall final Rating Score
		Level of Compliance	Level of Comprehensiveness	Degree of improvement/maintenance of score	Timelines/TAT and comprehensiveness	Number of non-compliances, replies submitted, and corrective actions taken	
4	Substantially Observed	<p>MII substantially observes the criterion. Any identified gaps and shortcomings are not issues of concern and are minor or are self identified and appropriately mitigated by the MII, and therefore manageable.</p> <p>The MII is governing well.</p>					3.51 to 4.00
3	Broadly Observed	<p>The MII broadly observes the criterion. One or more issues of concern have been identified, which the MII is encouraged to address and follow up to better manage its risks or improve operations.</p> <p>The MII should pursue further improvements in a defined and time-bound manner.</p>					2.01 to 3.50
2	Partly Observed	<p>The MII partly observes the criterion. One or more issues of concern have been identified, which will become serious if not addressed in a timely manner.</p> <p>Intervention is desirable by senior management by undertaking structural reforms, to address the issues.</p>					0.51 to 2.00
1	Not Observed	<p>The MII does not observe the principle. One or more issues of concern have been identified that warrant intervention.</p> <p>Intervention is desirable by Governing Board to address the issues.</p>					0.00 to 0.50