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## Sr.No.1.

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

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

#### A. Salient Features of the circular

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

#### B. Compliance with provisions of LODR

Sr. No.	Regulation	Action by the Exchange post identification of noncompliance
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1	<p><u>Regulation 6(1)</u> Non-compliance with requirement to appoint qualified company secretary as the compliance officer</p>	<p>1. Review of non-compliances will be done within 30 days from end of due date of submission of Reconciliation of share capital audit report and letter will be issued for intimation of fine levied.</p> <p>e.g. For compliance period from April 01, 2020 till June 30, 2020, submission done by company in Reconciliation of share capital audit report for quarter ended June 30, 2020 will be considered and fine will be levied for non-compliance.</p> <p>2. Exchange will monitor it on Quarterly basis i.e. details of compliance officer are already captured in Reconciliation of share capital audit report which is submitted quarterly.</p> <p>3. If compliance officer is not appointed during quarter or compliance officer appointed is not a company secretary, then fine will be levied for number of days of non appointment of compliance officer.</p> <p>4. If company fails to submit Reconciliation of share capital audit report then fine will be levied for entire quarter under this regulation for non appointment of compliance officer.</p>
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Sr. No.	Regulation	Action by the Exchange post identification of noncompliance
		<p>However, if company confirm in writing that it has appointed compliance officer during quarter before issue of review notice by Exchange then fine shall not be levied else fine will be levied for entire quarter.</p>

2	<p><u>Regulation 7(1)</u> Non-compliance with requirement to appoint share transfer agent</p>	<ol style="list-style-type: none"> <li>1. Review of non-compliances will be done within 30 days from end of due date of submission of Reconciliation of share capital audit report and letter will be issued for intimation of fine levied.</li> </ol> <p><u>e.g.</u> For compliance period from April 01, 2020 till June 30, 2020, submission done by company in Reconciliation of share capital audit report for quarter ended June 30, 2020 will be considered and fine will be levied for non-compliance.</p> <ol style="list-style-type: none"> <li>2. Exchange will monitor it on Quarterly basis i.e. details are already captured in Reconciliation of share capital audit report.</li> <li>3. If company has not appointed share transfer agent during quarter, then fine will be levied for number of days of non appointment of share transfer agent.</li> <li>4. If company fails to submit Reconciliation of share capital audit report then fine will be levied for entire quarter under this regulation for non appointment of share transfer agent.</li> </ol> <p>However, if company confirm in writing that it has appointed share transfer agent during quarter before issue of review notice by Exchange then fine shall not be levied else fine will be levied for entire quarter.</p>
3	<p><u>Regulation 13(1)</u> Failure to ensure that adequate steps are taken for expeditious redressal of investor complaints</p>	<ol style="list-style-type: none"> <li>1. The non-compliance shall be monitored on monthly basis as per process laid down in SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/2020/152 dated August 13, 2020.</li> </ol>
4	<p><u>Regulation 13(3)</u> Non-submission of the statement on shareholder complaints within the period prescribed under this regulation or under any circular issued in respect of redressal of investor grievances</p>	<ol style="list-style-type: none"> <li>1. Reg. 13 (3) – non submission of Investor compliant statement within 21 days from the end of each quarter will be treated as non-compliance.</li> </ol> <p>Review of non-compliances will be done within 30 days from the due date of submission of statement on shareholder complaints and letter will be issued for intimation of fine levied.</p>

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

		pertaining to maximum time gap of one hundred and twenty days between any two meetings.
8	<u>Regulation 17(2A)</u> Non-compliance with the requirements pertaining to quorum of Board meetings	<ol style="list-style-type: none"> <li>1. Review will be done within 30 days of due date for submission of Corporate Governance Report.</li> <li>2. Fraction shall be rounded off to the higher number while determining compliance.</li> </ol>
9	<u>Regulation 18(1)</u> Non-compliance with the constitution of audit committee	<ol style="list-style-type: none"> <li>1. Review of non-compliance will be done within 30 days from due date of submission of Corporate Governance Report.</li> <li>2. If company submits Corporate Governance Report within due date and observed as non compliant then fine will be levied for number of days of non-compliance during quarter.</li> <li>3. If company fails to submit corporate governance report then fine will be levied for entire quarter under this regulation. Fine shall not be levied only if company submits corporate governance report ensuring compliance with this regulation before issue of review notice by the Exchange.</li> <li>4. Fraction shall be rounded off to the higher number while determining compliance.</li> </ol>
10	<u>Regulation 19(1)/19(2)</u> Non-compliance with the constitution of	<ol style="list-style-type: none"> <li>1. Review of identified non-compliance will be done within 30 days from due date of submission of Corporate Governance Report.</li> </ol>

Sr. No.	Regulation	Action by the Exchange post identification of noncompliance
	nomination and remuneration committee	<ol style="list-style-type: none"> <li>2. If company submits Corporate Governance Report within due date and observed as non compliant then fine will be levied for number of days of non-compliance during quarter.</li> <li>3. If company fails to submit corporate governance report then fine will be levied for entire quarter under this regulation. Fine shall not be levied only if company submits corporate governance report ensuring compliance with this regulation before issue of review notice by the Exchange.</li> <li>4. Fraction shall be rounded off to the higher number while determining compliance</li> </ol>

11	<u>Regulation 20(2)/(2A)</u> Non-compliance with the constitution of stakeholder relationship committee	1. Review of non-compliance will be done within 30 days from due date of submission of Corporate Governance Report. 2. If company submits Corporate Governance Report within due date and observed as non-compliant then fine will be levied for number of days of non-compliance during quarter. 3. If company fails to submit corporate governance report then fine will be levied for entire quarter under this regulation. Fine shall not be levied only if company submits corporate governance report ensuring compliance with this regulation before issue of review notice by the Exchange. 4. Fraction shall be rounded off to the higher number while determining compliance.
12	<u>Regulation 21(2)</u> Non-compliance with the constitution of risk management committee	1. Review of identified non-compliance will be done within 30 days from due date of submission of Corporate Governance Report. 2. If company submits Corporate Governance Report within due date and observed as non-compliant then fine will be levied for number of days of non-compliance during quarter. 3. If company fails to submit corporate governance report then fine will be levied for entire quarter under this regulation. Fine shall not be levied only if company submits corporate governance report ensuring compliance with this regulation before issue of review notice by the Exchange. 4. Fraction shall be rounded off to the higher number while determining compliance.
13	<u>Regulation 23(9)</u> Non-compliance with disclosure of related party transactions on consolidated basis	1. Compliance for this regulation will be monitored half yearly w.e.f. April 1, 2020 and first review will be done based on submission for half year ending September 30, 2020. 2. Fine will be charged if company fails to submit disclosure of related party transaction within 30 days from publication of Financial Results for half year.
14	<u>Regulation 24A</u> Non-compliance with submission of secretarial compliance report	1. Review will be done within 30 days from end of due date for submission of secretarial compliance report 2. Compliance for this regulation will be monitored annually (financial year end of the companies will be considered) 3. Fine will be levied for non submission of Secretarial Compliance Report within due date
15	<u>Regulation 27(2)</u> Non-submission of the Corporate governance	1. Review of identified non-compliance will be done within 30 days from due date of submission of Corporate Governance Report

Sr. No.	Regulation	Action by the Exchange post identification of noncompliance
	compliance report within the period provided under this regulation	2. Fine will be levied for non-submission of Corporate Governance Report within due date

16	<u>Regulation 28(1)</u> Non-compliance with obtaining in-principle approval of stock exchange(s) before issuance of securities	1. Review of compliance under this regulation will be done on monthly basis 2. The Exchange will not provide final approval till applicable SOP fine is paid to all Exchanges wherever it is listed and identified as non compliant.
17	<u>Regulation 29(2)/29(3)</u> Delay in furnishing prior intimation about the meeting of the board of directors	1. Exchange shall monitor compliance on monthly basis. 2. Fine will be levied for delay in furnishing prior intimation about the meetings of the board.
18	<u>Regulation 31</u> Non-submission of shareholding pattern within the period prescribed	1. Review of identified non-compliance will be done within 30 days from due date of submission of Shareholding pattern Report 2. Fine will be levied for non-submission of Shareholding pattern within due date
19	<u>Regulation 31A(3)(a)</u> Non-compliance pertaining to delay in submission of reclassification application to stock exchanges	1. Review notice for non-compliance will be issued as and when it is identified 2. Approval for reclassification will be granted only after payment of applicable SOP fine.
20	<u>Regulation 32(1)</u> Non-submission of deviations/ variations in utilization of issue proceeds	1. Companies will be required to submit Statement of deviations/ variations as per Regulation 32 of SEBI (LODR) Regulations 2015 and applicable circular.



21	<u>Regulation 33</u> Non-submission of the financial results within the period prescribed under this regulation	<p>1. Review of identified non-compliance will be done within 30 days from due date of submission of financial results.</p> <p>2. Fine will be levied for below mentioned cases -</p> <ul style="list-style-type: none"> <li>i. If the company submits unaudited results or results that are not reviewed by the auditor for quarter-end.</li> <li>ii. If the company submits unaudited annual financial results or financials with the limited review for year-end.</li> <li>iii. If any of the below-mentioned documents are not submitted: <ul style="list-style-type: none"> <li>a) Statement of assets and liabilities</li> <li>b) Profit &amp; Loss accounts and</li> <li>c) Cash flow (based on applicability)</li> </ul> </li> <li>iv. In case the company has Subsidiary/Joint venture/Associate and does not submit consolidated results.</li> <li>v. If the Company does not submit the Limited Review Report or Audit Report, whichever is applicable for non submission of Financial Results within due date.</li> </ul>
Sr. No.	Regulation	Action by the Exchange post identification of noncompliance
		vi. If the Company does not submit the Statement on Impact of Audit Qualifications (for audit report with modified opinion)
22	<u>Regulation 34</u> Non-submission of the Annual Report within the period prescribed under this regulation	1. Fine will be levied for non-submission/delayed submission of Annual Report within due date
23	<u>Regulation 42(2)/42(3)/42(4)/42(5)</u> Delay in/ non-disclosure of record date/ dividend declaration or noncompliance with ensuring the prescribed time gap between two record dates/ book closure dates	<p>1. Fine will be levied for non-compliance with provisions mentioned under this circular</p> <p>2. Review of identified non-compliance will be done on monthly basis.</p>

24	<u>Regulation 43A</u> Non-disclosure of Dividend Distribution Policy in the Annual Report and on the websites of the entity	1. For verification of disclosure on website companies will be required to provide web link along with Dividend Distribution Policy in Annual Report to Stock Exchanges.
25	<u>Regulation 44(3)</u> Non-submission of the voting results within the period provided under this regulation	1. Fine will be levied for non-submission of voting results within due date for AGM, EGM, postal Ballot and court conveyed meeting. 2. Review of identified non-compliance will be done on monthly basis.
26	<u>Regulation 44(5)</u> Non-convening of annual general meeting within a period of five months from the close of financial year	1. Compliance will be monitored yearly.
27	<u>Regulation 45(3)</u> Non-obtaining approval of stock exchange(s) before filing request for change of name with Registrar of Companies	1. Review will be done on monthly basis. 2. The Exchange will not provide final approval till applicable SOP fine is paid.
28	<u>Regulation 46</u> Non-compliance with norms pertaining to functional website	As per circular.

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

C. Points to be noted:

1. As per para 9 of said circular, the present circular is in supersession of the circular dated May 3, 2018. Further as per SEBI circular dated March 26, 2020 ref no. SEBI/HO/CFD/CMD1/CIR/P/2020/48 the circular dated January 22, 2020 shall come into force with effect from compliance periods ending on or after June 30, 2020. Therefore, June 30, 2020 is the 1st quarter for monitoring of non-compliant companies as per provisions of circular dated January 22, 2020.

2. Since the new circular is effective for compliance period ending on after June 30, 2020, the companies which are non-compliant prior to this period and continue to be non-compliant post June 30, 2020 shall trigger fines and subsequent actions as per SEBI SOP circular dated January 22, 2020.
3. Fines would be imposed even during suspension period for non-compliance of regulation 13(1).
4. For the purpose of computation of fine, date of submission (as per respective regulation of LODR) would also be included.
5. As per point no. 2 of said circular, the present circular in supersession of the said circulars dated May 03, 2018. Therefore, June 30, 2020 will be 1<sup>st</sup> quarter for monitoring of noncompliant companies under SEBI Circular dated January 22, 2020. For deriving consecutive noncompliance for the first time under the SEBI circular January 22, 2020, March 31, 2020 quarter will be considered as first instance of non-compliance.
6. Since the new circular is effective for compliance period ending on or after June 30, 2020, the companies which are non-compliant prior to this period and continue to be non-compliant post March 31, 2020 shall trigger fines and subsequent actions as per SEBI circular dated January 22, 2020
7. The review for the submission status of Annual Report (Regulation 34) for the period ended March 2020, will be done as per provisions of SEBI circular dated January 22, 2020.
8. For submission and levy of fine, if the last day of submission and/or next day of submission for levying fine on the non-compliant Company is on a holiday (including Saturday) then the next working day shall be considered as the last day of submission and start of levying of fine. The same would be applicable at the time of review, day of transfer to Z group, issuing reminder to promoters before freezing, giving intimation for freezing of promoter holding and suspension date. (Non-working day benefit).
9. Freezing of promoter holdings will be done based on the PAN provided by companies while filing latest Shareholding Pattern Report. Exchanges will do freezing of promoter holding wherever the bifurcation of promoter and promoter group is available (Exchanges made it mandatory to disclose category of promoter or promoter

group from June 2020 quarter) else freezing of entire promoter and promoter group will be done as per latest available information.

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

\*\*\*\*\*End of document\*\*\*\*\*

## Sr.No.2

### Norms for Revocation of Suspension

#### Instructions to the Company in addition to Revocation application

- Obtain login and password to the BSE's Online portal (Listing Centre) by sending an email from the from the company to [bsehelp@bseindia.com](mailto:bsehelp@bseindia.com) and/or call on 022-61363155.
- The company would be required to upload the required compliances in the required format through the Listing Centre. On receiving the uploaded details the Exchange officials would after verification advise the company on pending compliances as per Exchange records
- It is reiterated that effective from December 1, 2015, as per Regulation 10 of the Listing Regulations 2015, all filings are to be made on the electronic platform as specified by the Exchange. Accordingly, filings that are not made with the Exchange through the Listing Centre are liable to be considered as non-submission, thereby resulting into non-compliance with the Listing Regulations.

#### Verification of compliances:

The companies are required to comply with extant revocation norms and provisions of the SEBI (listing obligations and disclosure requirements) Regulations, 2015 which inter-alia include the following inter-alia include the following :

Sr.No.	Particulars	Remarks
1	Compliance wrt capital issued and listed capital	No difference between issued and listed capital. (if such a difference exists then the listing formalities for the said capital should be completed and listing approval obtained prior to submission of revocation application).
2	Execution of new Uniform Listing Agreement as per Reg.109(1) of Listing Regulations, 2015	Execution of new Uniform Listing Agreement as per Reg.109(1) of Listing Regulations, 2015 (Format Enclosed as Annexure III). Listing

		Agreement to be executed on stamp paper of Rs.100. A person who is duly authorized by the Board of Directors to sign the Listing Agreement can sign the Listing Agreement(LA). A certified true copy of the Board Resolution authorizing the said person to sign the LA is required to be submitted along with the Listing Agreement
3	Number of Quarters for which compliance to be done by companies	Four consecutive previous quarters
4	Regulations to be verified for compliance	Regulations inter alia includes followings: Regulation 42 -Book Closure / Record Date Regulation 34 - Annual Report Regulation 31 - Shareholding Pattern Regulation 33 - Quarterly Results Regulation 38 – Minimum Public Holding Regulation 46(2)(j) – Email address for grievance redressal Regulation 6 - Appointment of Compliance Officer. Regulation 7 – share Transfer Agent Regulation 7 (3) – Compliance Certificate certifying maintaining physical & electronic transfer facility Regulation 13 (3) - Statement of Investor complaints Regulation 14 – Listing Fees & Other charges Regulation 40 (9 - Certificate from Practicing Company Secretary Regulation 27(2) - Corporate Governance/ In case of non-applicability of Regulation 27(2) of LODR,

		Regulations, 2015, please provide non-applicability certificate as on date on letterhead of the Company Reconciliation of Share Capital Audit Report Regulation 46 - Company should have its own functional and accessible website Appointment of Woman Director
5	Other points to be verified	No outstanding exchange dues No pending Investor Complaints No complaints pending in SCORES No SEBI order debaring company or promoters No difference in issued and listed capital. (if so same has to get listed) No Adverse comment on the website watchoutinvestors.com should not be a vanishing company as per data available on the MCA website
6	Signing with the depositories	Company should have signed with at least one depository. Provided that where the company has not signed with either/ both the depositories, it shall submit a letter from the relevant depository rejecting admission of the security in the depository
7	Payment of Fees	Payment of applicable revocation fees of the exchange as under : <ul style="list-style-type: none"> <li>• 1. Annual listing fees</li> <li>• 2. Revocation Processing fees of Rs. 200000/- plus applicable GST. (to be submitted along with application seeking in principle approval for revocation and valid for a period of one year)</li> </ul>

		<ul style="list-style-type: none"> <li>3. Re-instatement fees plus applicable GST, payable after receipt of in principle approval for revocation and prior to approval for resumption of trading (Please REFER NOTES)</li> </ul>
8	Lock-in of entire promoters shareholding	The entire promoter holding as per the information provided in the latest Shareholding Pattern submitted by the company, should be under lock-in for a period of 3 months from the date of commencement of trading, post resumption of trading as per SEBI circular dated May 03, 2018 regarding SOP. (Please specify the date up to which the shares have been locked in and submit the necessary certificates from CDSL / NSDL / RTA)
9	Information Memorandum	Information Memorandum as provided for abridged prospectus as provided in Part E of Schedule VI of SEBI (ICDR) Regulations, 2018 to the extent applicable, as certified by the Company Secretary/ MD of the Company to be submitted for dissemination on the Exchange website at the time of revocation
10	Additional requirement for companies already suspended prior to implementation of SOP.	In terms of SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 03, 2018, the Exchange shall, 7 days prior to revocation of suspension of trading in shares of the company, issue a notice informing the market participants about the proposed revocation. After revocation of suspension, the trading of shares shall be permitted only on 'Trade for Trade' basis (in



		"T" group at BSE, "BE" series at NSE) for a period of three months from the date of revocation and after this period of three months, trading in the shares of the company shall be shifted back to the normal trading category (after verification of the criteria of % of public and promoter holding in demat mode), after giving prior notice of 7 days
11	Conduct of Site Visit at the registered office of the company	The site visit report would be collated to include details of business activity carried out by the company, resources (includes employee details), assets available, etc. In case the company is undergoing restructuring or yet to resume operations, a Business Plan would be required to be submitted detailing with timelines the proposed plan for commencement of operations
12	Change in number and holding of Promoters and Promoters Group	As per provisions of the SEBI general order No. 1 of 2015 dated July 20, 2015, " <b>clause 3(b) there should not be any transfer of shares by promoter/ promoter group and directors from the date of the order till three months after the date of revocation of suspension.</b> ".  <b>Companies seeking revocation of suspension are advised to comply with above requirement</b>

## Checklist for Revocation of Suspension

### **Note :**

### **The Method of Calculation of Reinstatement Fee (Effective from January 01, 2022):**

by putting in place a flat fee structure as follows:

Period of suspension	Reinstatement fees (Rs.)
Less than and equal to 1 year	5 lakh
1 year above and upto 2 years	10 lakh
2 year above and upto 3 years	15 lakh
3 year above and upto 4 years	20 lakh
4 year above and upto 5 years	25 lakh
5 year above and upto 6 years	30 lakh
6 year above and upto 7 years	35 lakh
7 year above	40 lakh

### **Note:**

- For the companies in respect of which reference has been made to or which under the BIFR reference, a relief is granted to the extent of 50% of the reinstatement fees for the period starting from the date of reference to the BIFR till the date the company has come out of BIFR reference
- For the companies which are in the process of voluntary winding up or compulsorily winding up and the Exchange has suspended trading based on court order, if such companies do not want to go for winding up but want to go for activation/ revocation after complying with filings under Listing Agreement, the maximum cap of reinstatement fees would be Rs. 5 lakhs plus taxes.
- It may be noted that the companies seeking revocation of suspension (on account of non-payment of Annual listing fees) shall be required to pay the reinstatement fees as per the above schedule along with applicable Annual Listing Fees.

### Sr.No.3

## SOP FOR DELISTING OF EQUITY SHARES

### A. Voluntary Delisting Process

#### 1. INTRODUCTION

- a) Section 21A of the Securities Contracts (Regulation) Act, 1956 provides for the delisting of securities. Section 21A provides that a recognized stock exchange may delist the securities after recording the reasons, therefore, from any recognized stock exchange on any of the ground or grounds as may be prescribed under this Act
- b) The grounds for delisting the securities of a Company have been provided under Rule 21 of the Securities Contracts (Regulation) Rules, 1957.
- c) Chapter III of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, provides for the delisting of securities from the recognized stock exchanges.

#### 2. TIMELINES FOR DISPOSAL OF APPLICATION OF DELISTING

- a) Application for voluntary delisting made by the Company, where no exit opportunity is required

The application made by the Company, *where no exit opportunity is required*, shall be disposed off within a period of not exceeding thirty working days from the date of receipt of such application that is complete in all respects in terms of Regulation 6 (3) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.

- b) Application for voluntary delisting made by the Company, *where exit opportunity is required:-*

- i. The initial application seeking in-principle approval made by the Company shall be disposed off within a period not exceeding fifteen working days from the date of receipt of such application that is complete in all respects in terms of Regulation 12(3) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.

- ii. The final application for delisting made by the Company shall be disposed of within fifteen working days from the date of receipt of such application that is complete in all respects in terms of Regulation 25(3)

of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021.

- c) Applications for delisting of companies pursuant to the order of Tribunals/Courts (by operation of law)

On receipt of an intimation about the commencement of the CIRP, the Exchange

shall submit its claim in the manner as provided under the IBC Rules.

Further, BSE is filing the claims as advised. Where Tribunal has not admitted any claims of the Exchange, the same shall be processed without placing the matter before the waiver committee. In case if there is no specific order, the Companies shall be required to seek a waiver from the Exchange.

Unless *otherwise* specified by the directions of Hon'ble Tribunal/Courts, the applications/cases for delisting by operation of law shall be disposed off within a period of fifteen days from the date of receipt of an application for delisting complete in all respects and subject to clearance of all applicable dues of SEBI/Stock Exchanges.

- d) Applications for delisting in case of small companies, companies listed on innovators growth platform after making an initial public offer and subsidiary company pursuant to a scheme of arrangement wants to get its equity shares delisted.

The application for delisting made by the Company shall be disposed off within twenty-one working days from the date of receipt of such application that is complete in all respects.

### 3. STAGE-WISE TIMELINES FOR DISPOSAL OF APPLICATION\*\*\*

Sr. No.	Particulars	Timeline for processing application of Companies other than CIRP referred.	Timeline for processing application of Companies referred to CIRP
	<i>Stage I – Receipt and Scrutiny of application</i>		
1	Receipt of Application	T – Day	T - Day
2	Raising NOC from internal teams	T + 1 Day	T - Day
3	Receipt of NOC from the internal team	T + 4 Day	T + 2 Day
	<i>Stage II – Pending Requirements from Company</i>		
1	Raising pending requirements from Company	T + 4 Day	T + 2 Day
2	Receipt of pending requirement from Company	T + 10 Day*	T + 6 Day**
	<i>Stage III – Internal Approval</i>		
1	Seeking internal approval for delisting	T + 11 Day	T + 8 Days
2	Final disposal of application	T + 13 Day	T + 10 Days

# Day shall be defined as working days of the Stock Exchanges

\*\* Assuming the Company submits pending requirements within 6 days

\*\* Assuming the Company submits pending requirements within 10 days

\$ Exchange will have 5 clear working days from submission of complete documentation by the company for seeking approvals. Further, the above mentioned timelines shall be subject to timelines as provided in Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021

#### 4. DETAILS OF DOCUMENTS TO BE SUBMITTED ALONG WITH APPLICATION

The details of documents to be submitted along with the application are attached with this note as below:

- a) For processing application, in case a company wants to get its equity shares delisted from one national-level stock exchange, but it would continue to remain listed on other national-level stock exchange(s), is attached as Annexure 1.
- b) For processing application in case the Company wants to get its equity shares delisted from all stock exchanges, and the equity shares of such

Company would not remain listed on any of the recognized stock exchange having nationwide trading terminals:

- i. In-principle approval for delisting is attached as Annexure 2.
  - ii. The final application for delisting is attached as Annexure 3.
- c) For processing application in case a company is admitted under Corporate Insolvency Resolution Plan and is delisted pursuant to Hon'ble NCLT's order is attached as Annexure 4.
- d) For processing application in case of small companies is attached as Annexure 5 and 5A.
- e) For processing application in case of companies listed on innovators growth platform after making an initial public offer is attached as Annexure 6.
- f) For processing application of subsidiary company pursuant to a scheme of arrangement is attached as Annexure 7.

#### 5. DETAILS OF FEES APPLICABLE /TO BE PAID WITH DELISTING APPLICATIONS\*:

(Amt. in Rs.)

Sr.No.	Type of Delisting	Fees charged by BSE
1	Delisting equity shares from one national-level stock exchange, but it would continue to remain listed on other national-level stock exchange(s) – No Exit Opportunity	12,50,000 (plus applicable taxes)
2	Delisting equity shares from all national-level stock exchange – Exit Opportunity i. In-principle approval for delisting. ii. The final application for delisting.	12,50,000 (plus applicable taxes)
3	Delisting equity shares in case of small companies	12,50,000 (plus applicable taxes)
4	Delisting equity shares in case of companies listed on innovators growth platform after making an initial public offer	12,50,000 (plus applicable taxes)
5	Delisting equity shares by the subsidiary company pursuant to a scheme of arrangement	12,50,000 (plus applicable taxes)
6	Delisting equity shares in case a company is admitted under Corporate Insolvency Resolution Plan has been approved by Hon'ble NCLT	12,50,000 (plus applicable taxes)

*\*Shall be subject to revision by the Stock Exchanges from time to time*

#### 6. GRIEVANCES:

- a) Receipt of Complaints

Any grievances with respect to the application filed for delisting shall be raised at the following email address:

[delisting@bseindia.com](mailto:delisting@bseindia.com)

b) Disposal of the complaints

All complaints shall be resolved within seven working days from the date of lodging of the complaint.

## B. Compulsory Delisting Process

- i. Advisory providing pending compliances is issued to companies suspended under the provisions of SEBI SOP circular within 3 weeks from the date of suspension.
- ii. On the expiry of 4 months from the date of suspension, an advisory is sent to the suspended companies regarding provisions of compulsory delisting if the Company continues to remain suspended for a period of 6 months.
- iii. Companies proposed to be compulsorily delisted are identified from the list of suspended companies, which are suspended for more than 6 months. (The reason for suspension of trading may be on account of non-compliance of the SEBI (LODR) Regulation, 2015, or initiation of Liquidation proceedings against the Company.)
- iv. Show Cause Notice (SCN) is issued to Company that did not complete revocation formalities within one month after the lapse of six months.
- v. Company to be given an opportunity of 15 working days from the date of issue of SCN to provide their response to the SCN.
- vi. SCN is issued through email and hard copy on a best effort basis. If the address is different on the MCA website, the hard copy is sent to both addresses.
- vii. Also, emails are sent to the promoters of the Company enclosing the SCN at their available and last known email address, informing them of the consequences of delisting.
- viii. Initial Public Notice is issued to the market one month after the lapse of 15 working days and after evaluating compliances and considering representations. The Initial Public Notice grants a time of 15 working days for making representations. Also, the Companies where the SCNs are returned undelivered will be identified as such in the IPN.
- ix. The agenda is prepared for the Delisting Committee meeting after incorporating the responses received from the companies.

- x. A personal hearing is provided to the Company if the Company is not before NCLT, NCLAT, or under the IBC/ Liquidation process, or if RP/ Liquidator is appointed, etc. xi. A Committee Meeting is held on the pre-decided date. xii. Post the final hearing in the matter, the order of the Committee is prepared. xiii. Approval on the order/minutes is received from the Committee members.
- xiv. In case the Company to be delisted is confirmed from the MCA website, to be not under Liquidation, the following process is followed: -
  - a. Empaneled valuer is appointed to determine the fair value of the Company's equity shares.
  - b. The fair value of the Company is to be incorporated in the final public notice.
- xv. The fair value determined by the valuer appointed by one exchange shall be adopted by other Exchanges where the Company is listed.
- xvi. Final Public Notice is issued intimating the delisting of equity shares of Companies along with the fair value determined by the valuer. The date of delisting shall be when the final public notice is published in the newspaper.
- xvii. A detailed order is issued to the Companies informing the decision of the Committee. xviii. A Circular is issued to the market informing delisting of the Companies.
- xix. Depositories are instructed to freeze the promoters/ promoter group holding till an exit opportunity is provided to the shareholders, where the Fair Value is positive.
- xx. SEBI, ROC, Liquidator, and other Stock Exchanges are informed regarding the Companies that are being delisted. xxi. Companies are moved to the Dissemination Board except for the Companies that are under Liquidation.
- xxii. All Public notices and Orders will be disseminated on the Exchange website.
- xxiii. Notwithstanding the representation that is made by the Company and the consideration of the same by the Committee or any orders for Tribunals/Courts, the Exchanges shall endeavor to make the decision on compulsory delisting within 9 months from the initiation of the compulsory delisting process.

\* Consequences of compulsory delisting

1. Where a company has been compulsorily delisted under this Chapter, the company, its whole-time directors, person(s) responsible for ensuring compliance with the securities laws, its promoters and the companies which are promoted by any of them shall not directly or indirectly access the securities market or seek listing of any equity shares or act as an intermediary in the securities market for a period of ten years from the date of such delisting.
2. In case of a company whose fair value is positive -
  - a) such a company and the depositories shall not effect transfer, by way of sale, pledge, etc., of any of the equity shares held by the promoters / promoter group and the corporate benefits like dividend, rights, bonus shares, split, etc. shall be frozen for all the equity shares held by the



promoters/ promoter group, till the promoters of such company provide an exit option to the public shareholders in compliance with sub-regulation (4) of regulation 33 of these regulations, as certified by the relevant recognized stock exchange;

- b) the promoters, whole-time directors and person(s) responsible for ensuring compliance with the securities laws, of the compulsorily delisted company shall also not be eligible to become directors of any listed company till the exit option as mentioned in clause (a) is provided.

## Sr.No.4

### Processing of waiver applications by the Exchanges in case of commonly listed entities

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

Further, SEBI in its above-mentioned Circulars directed the Exchanges that they may deviate from the actions prescribed in SOP Circulars, if found necessary, only after recording reasons in writing.

In view of the above, the Exchanges constituted Internal Committees for reviewing the requests received for waiver of SOP fines based on the extant norms. In order to achieve the objectives of streamlining the process of disposal of waiver requests, expediting the disposals and maintaining uniformity of action/decision involving commonly listed companies, the Exchanges in consultation with SEBI have agreed that waiver applications received from commonly listed entities shall be segregated so that only one of the Exchanges will process the application and the decision shall be binding on all other Exchanges which have levied penalties on the Companies for the same non-compliance. It has also been agreed that a nominal processing fee shall be charged by the Exchange tasked with the disposal of the waiver application.

The details of the said policy on procedural aspects including the applicable processing fees, shall be effective for applications seeking waiver of SOP fines, submitted to the exchanges on or after April 1, 2022, is provided at Annexure I – “Processing of waiver applications by the Exchanges in case of commonly listed entities”.

While filing an application for waiver request as per this circular, the Company is also advised to refer to the Policy for Exemption of Fines which provides basis for seeking waiver of SOP fines. In order to assist the companies, an illustrative list of scenarios which may lead to rejection of waiver requests has been put together and be read together with the Policy for Exemption of Fines. The same is provided at Annexure II – “Illustrative list of scenarios for rejection of waiver requests”.

The process as mentioned herein including manner of the allocation of companies between the Exchanges as applicable for the period April 01, 2022, to September 30, 2022, are provided as Annexure III – Indicative List of Companies.

It may be noted that the aforesaid mechanism for processing will be applicable only to the companies that are listed on more than one Exchange. In case of Exclusively listed companies, i.e., companies listed on only one Exchange, the waiver shall be processed by the Exchange where the company is listed. However, the process followed for such waiver shall be as according to the Annexure I – “Processing of waiver applications by the Exchanges in case of commonly listed entities”.

All listed companies are directed to take note of the same and ensure compliance.

In case of any clarification, you may contact the following:  
bse.soplodr@bseindia.com

Annexure I, II and III will be provided in below mentioned weblink:

<https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20220331-52>

The circular shall be effective from April 01, 2022.  
March 31, 2022