



CIRCULAR

CIR/CFD/DIL/57/2017

June 15, 2017

To

All Listed entities who have listed their equity and convertibles
All the Recognised Stock Exchanges

Dear Sir / Madam,

Sub: Non-compliance with certain provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“ICDR Regulations”)

1. Regulations 111A and 111B of ICDR Regulations inter alia specify liability of a listed entity or any other person for contravention and actions which can be taken by the respective stock exchange and the revocation of such actions, in the manner specified by SEBI.
2. Stock exchanges shall impose fines on the companies for non-compliance with certain provisions of ICDR Regulations as under:

Regulation	Violation	Fine
95(1)	Delay in completion of bonus issue.	₹ 20,000 per day of non-compliance till the date of compliance. If non-compliance continues for more than 15 days, additional fine of 0.01 % of paid up capital of the entity or ₹ 1 crore, whichever is less. Paid-up capital for this purpose shall be the paid up capital as on first day of the financial year in which the non-compliance occurs.
75	Companies not allotting the shares on conversion of convertible securities within 18 months.	Same as above.
108(2)	Issuer not approaching the exchange for listing of equity shares within 20 days from date of allotment.	Same as above.

3. The amount of fine realized as per the above structure shall be credited to the "Investor Protection Fund" of the concerned recognized stock exchange.
4. The recognized stock exchanges shall disseminate on their website the names of non-compliant listed entities that are liable to pay fine for non-compliance, the amount of fine imposed, details of fines received, etc.



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5. The recognized stock exchange shall issue notice to the non-compliant listed entity to pay fine within 15 days from the date of the notice.
6. If any non-compliant listed entity fails to pay the fine, the recognized stock exchange may initiate appropriate enforcement action, including prosecution.
7. In consultation with the stock exchanges, it is further clarified with respect to bonus issue delays:
 - a) For the purpose of a bonus issue to be considered as '*implemented*' under Regulation 95(1) of ICDR Regulations, the date of commencement of trading shall be considered.
 - b) The recognized stock exchange shall grant approvals to the bonus shares allotted to persons other than the promoter(s) in the interest of the investors, subject to compliance with other requirements.
 - c) The approvals for the promoters' bonus shares may be granted by the Stock Exchange after payment of the requisite fine by the company.
8. The Stock Exchanges are advised to bring the provisions of this circular to the notice of listed entities and also to disseminate the same on its website.
9. This circular is issued under regulations 111A, 111B and 112 of ICDR Regulations.
10. This circular is available on SEBI website at www.sebi.gov.in under the categories "Legal Framework/Circulars".

Yours faithfully,

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