

Guidance Note on SEBI Circular reference no. SEBI/HO/DDHS/DDHS/CIR/P/2020/231 dated November 13, 2020 regarding non-compliance with provisions related to continuous disclosures

A. Activities and its timeline to be followed

Sr. no.	Particulars	Time in days
1	Fine to start from next working day of the due date of respective regulation as per SOP Circular. E.g. If due date is on Friday then levying of fine will start from Monday. (Next Working day)	Due date + 1 working day
2	Review period is 30 days from due date of each regulation	Due date + 30 calendar days
3	Review letter to be issued on 30 +1 day to non-complied/delay complied Companies, to comply and pay fine within 15 clear days of issue of letter. Advice companies to place before the Board of Directors of the company regarding non-compliance identified and subsequent actions shall be taken by the Exchange.	Due date +31 calendar days
4	Reminder notice to be issued on 16 th day after completion of 15 days of review letter, to comply and pay fine within 10 clear days of issue of notice.	Review letter+16 calendar days
5	Intimation to Electronic Book Provider regarding failure of compliance of such	Reminder Notice + 11 calendar days

B. Compliance with provisions of LODR

Sr. No.	Regulation	Details of Action by the Exchange post identification of non-compliance	ISIN Level	Fine payable
1	Regulation 6(1) Non-compliance with requirement to appoint qualified company secretary as the compliance officer	1. Review of non-compliances will be done between 30 days to 60 days from end of each Quarter. Companies will have to submit Quarterly details within 30 days from end of each quarter and a letter will be issued for intimation of fine levied. e.g. For compliance period from April 01, 2020 till June 30, 2020, submission done by company for quarter ended June 30, 2020 will be considered and fine will be levied for non-compliance. Companies Act Ref Section 203 (4) of CA 2013 – If the office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.	No	Fine payable as per SEBI circular no. SEBI/HO/CFD/CMD /CIR/ P/2020/12 dated January 22, 2020 as amended from time to time

Sr. No.	Regulation	Details of Action by the Exchange post identification of non-compliance	ISIN Level	Fine payable
		<p>2. Exchange will monitor this regulation on Quarterly basis i.e. details of compliance officer which is submitted quarterly.</p> <p>3. If compliance officer is not appointed during quarter or compliance officer appointed is not a qualified 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 the details then fine will be levied for entire quarter under this regulation for non-appointment of compliance officer. However, if company confirms in the reports that it has appointed compliance officer during quarter, fine shall be levied for the period of non-compliance during the quarter.</p> <p>5. If the company has Equities as well as NCD / NCRPS listed, fines will be levied only once.</p>		
2	<p><u>Regulation 7(1)</u> Non-compliance with requirement to appoint share transfer agent</p>	<p>1. Review of non-compliances will be done between 30 days to 60 days from end of each Quarter. Companies will have to submit Quarterly details within 30 days from end of each quarter and a letter will be issued for intimation of fine levied. e.g. For compliance period from April 01, 2020 till June 30, 2020, submission done by company for quarter ended June 30, 2020 will be considered and fine will be levied for non-compliance.</p> <p>2. Exchange will monitor this Regulation on Quarterly basis.</p> <p>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.</p> <p>4. If company fails to submit the details then fine will be levied for entire quarter under this regulation for non-appointment of share transfer agent. However, if company confirm in its reports that it has appointed share transfer agent during quarter, fine shall be levied for the</p>	No	Fine payable as per SEBI circular no. SEBI/HO/CFD/CMD /CIR/ P/2020/12 dated January 22, 2020 as amended from time to time

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		<p>period of non-compliance during the quarter.</p> <p>If the company has Equities as well as NCD / NCRPS listed, fines will be levied only once.</p>		
3	<p>Regulation 13(1) Failure to ensure that adequate steps are taken for expeditious redressal of investor complaints</p>	<p>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.</p>	No	As per process laid down in SEBI circular no. SEBI/HO/OIAE/IGRD/CIR/P/2020/152 dated August 13, 2020.
4	<p>Regulation 13(3) 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>	<p>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.</p> <p>2. Review of non-compliances will be done within 30 days from the due date of submission of statement on NCD/NCRPS holder complaints and letter will be issued for intimation of fine levied.</p> <p>3. Fine shall be levied against the issuer for non-submission or delayed submission for any of its listed securities.</p> <p>4. If the company has Equities as well as NCD / NCRPS listed, fines will be levied only once.</p>	No	Fine payable as per SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 as amended from time to time
5	<p>Regulation 50 (1)/50(3) Delay in furnishing prior intimation with respect to date of payment of interest / redemption amount or intimation regarding board meeting effecting the rights or interest of holders of NCDs/NCRPS.</p>	<p>1. Review of non-compliance will be done on a Monthly basis in the subsequent month from due date of submission of Regulation 50(1) and 50(3).</p> <p>2. <u>Intimation to be given excluding the date of Intimation and due date of payment if interest/Redemption (there should be clear 11 working days gap in between)</u></p> <p>3. Company shall submit the details as per the Regulation 50(1), even if the same is provided in the offer document/term sheet, If company fails to submits Regulation 50(1) within due date and observed as non-compliant then fine will be levied per instance per ISIN.</p>	Yes for 50(1)	Rs. 1,000 per ISIN

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		<p>4. If interest and redemption both are due on same day, then it will be considered as one instance</p> <p>5. Fine shall not be levied on commonly listed companies (Equity and Debt) for Regulation 50(1) as per chapter VI of SEBI LODR – SEBI Regulation 63(2)(a) does not specify to submit Regulation 50(1) for commonly listed companies.</p> <p>6. Company shall submit the details as per Regulation 50(1) in case of Early Redemption (partial/full) / Buyback, Call/Put option or any other such instances, fine shall be levied if there is short fall in submission as per the provisions of Regulation 50(1).</p> <p>7. As per provisions of Regulation 50(3), If Company fails to submit the Board of Directors /committee meeting details at least 2 working days in advance excluding the date of intimation and the date of meeting regarding meeting of its directors/ committee for recommendation or declaration of issue of NCD/NCRPS or any other matter affecting the rights or interest of NCD/NCRPS holders is proposed to be considered fine shall be levied for delayed/non-submission of meeting.</p> <p>For the purpose of compliance with Regulation 50(3) intimation for the meeting of committee of the board which has been empowered/ delegated the powers to approve the issuance of NCD's/NCRPS shall also be considered on par with the Board meeting.</p>		

Sr. No.	Regulation	Details of Action by the Exchange post identification of non-compliance	ISIN Level	Fine payable
6	<p><u>Regulation 52(1)</u> Non-submission of the financial results within the period prescribed under this regulation</p>	<ol style="list-style-type: none"> 1. Review of identified non-compliance will be done within 30 days from due date of submission of financial results. 2. Regulation 52(1) shall be applicable for Exclusively NCD/NCRPS listed entities 3. Fine shall be levied for below mentioned cases – <ol style="list-style-type: none"> i. If company does not submit the Half yearly/Yearly Financial results ii. If any of the below-mentioned documents are not submitted: <ol style="list-style-type: none"> a) Profit & Loss accounts b) Limited Review / Auditors Report. C) If the Company does not submit the Statement on Impact of Audit Qualifications (for audit report with modified opinion) 4. For the Half year end, the due date of submission would be 45 days from end of half year. 5. For financial year end, if the company intimates in advance for submission of audited results and submits unaudited results within 45 days fine shall be levied after 60 days till the company submits audited results <p>Further for the financial year end, if the company does not intimate in advance for submission of Audited Results and submits audited results within 60 days, it shall be treated as non-compliance and penalty shall be levied from 46th day till the company submits unaudited results</p> <ol style="list-style-type: none"> 6. Review for the Annual filing would be carried out 30 days after the 60 days filing deadline, i.e. along with the review Equity results filings. 7. The company will be considered as compliant with Regulation 52(1) only if the Profit and Loss accounts, Limited Review/Audit Report and Statement on Impact of Audit Qualifications (for audit report with modified opinion) are submitted within the prescribed due date for submission. 	No	Rs. 5,000 per day

Sr. No.	Regulation	Details of Action by the Exchange post identification of non-compliance	ISIN Level	Fine payable
7	<p><u>Regulation 52(4) / 52(6)</u> Non-disclosure of line items prescribed under Regulation 52(4) along with the half yearly / annual financial results or nondisclosure of items pertaining to NCRPS as notes to financials prescribed under Regulation 52(6).</p>	<p>1. Review of identified non-compliance will be done within 30 days from due date of submission of financial results.</p> <p>2 Penalty shall not be levied on the following:</p> <p>a) For non- submission of details of Debt service coverage ratio, asset cover, interest service coverage ratio are not applicable for Banks and non banking financial companies registered with the Reserve Bank of India.</p> <p>b) Unsecured debt instruments issued by regulated financial sector entities eligible for meeting capital requirements (the above points of a) will not be applicable)</p> <p>3 Fine shall be levied for non-compliance of 52(4)/52(6) of Rs. 1000/ per day per instance if company fails to submit the details</p> <p>4 Fine shall be levied on per day per instance till the submissions are made for e.g. if company fails to submit 4-line items out of 12 line items fine shall be levied per day till the balance 4 line items are submitted.</p> <p>5 If commonly listed company has not submitted the details as per Regulation 52(4)/52(6) fine shall be levied</p> <p>6 Asset cover shall be applicable on Secured/Unsecured NCD/NCRPS Debt service coverage ratio, asset cover and interest service coverage ratio is not applicable for Banks, or non-banking financial companies registered with the Reserve Bank of India or issued by regulated financial sector entities eligible for meeting capital requirements as specified by respective regulators.</p> <p>7 If the issue has NCD and NCRPS listed and if the company has not submitted Regulation 52(4) and 52(6) so penalty shall be levied Regulation wise separately</p>	No	Rs. 1,000 per day

Sr. No.	Regulation	Details of Action by the Exchange post identification of non-compliance	ISIN Level	Fine payable
8	Regulation 52(5) Non-submission of a Certificate signed by the Debenture Trustee taking note of the contents prescribed under regulation 52(4).	<ol style="list-style-type: none"> 1. Review of identified non-compliance will be done within 30 days from due date of submission of financial results. 2. Fine shall be levied after the 7 working days from the submission of Financial Results (days to be calculated from the submission of financial results date) 3. If commonly listed entity has not submitted the details as per Regulation 52(5) then fine shall be levied for the same 	No	Rs. 1,000 per day
9	Regulation 52(7) Non-submission of deviations/ variations in utilization of issue proceeds	<ol style="list-style-type: none"> 1. Companies will be required to provide undertaking along with financial results for any deviation/variation in utilisation proceeds. 	No	Rs. 1,000 per day
10	Regulation 54 (2) Non-disclosure of extent and nature of security created and maintained with respect to secured listed NCDs in the financial statements	<ol style="list-style-type: none"> 1. Review of identified non-compliance will be done within 30 days from due date of submission of financial results. 2. Asset cover to be made on Secured/ NCD's by all entities like Banks/NBFC etc.- declaration to be given along with the financial results 	No	Rs.1,000 per day
11	Regulation 57(1) Non-disclosure of information related to payment obligations	<ol style="list-style-type: none"> 1. Review shall be done within 30 days from the end of each month 2. If company fails to intimate within 2 calendar days from the payment becoming due for Interest/ Redemption fine shall be levied. 3. If company fails to intimate with in 2 calendar days from the date of buyback fine shall be levied. 4. If Company fails to intimate the default status of Interest/Redemption as per the SEBI circular dated 23-Jun-2020 within 1 working day then fine shall be levied 5. If company submits the disclosure of information related to payment obligation after the date as prescribed in LODR/SEBI Circular dated 23-Jun-2020, fine shall be 	Yes	Rs. 1,000 per day per ISIN

Sr. No.	Regulation	Details of Action by the Exchange post identification of non-compliance	ISIN Level	Fine payable
		levied for the number of days by which the information has been delayed.		
12	<p><u>Regulation 59 (1)</u> Failure to obtain prior approval of stock exchange for any structural change in terms of NCDs/ NCRPS.</p>	<p>1. Review shall be done within 30 days from the end of each month</p> <p>2. Fine shall be levied on the following:</p> <p>i. If the company makes material modification without prior approval of the stock exchange for non-convertible debt securities or non-convertible redeemable preference shares to:</p> <p>(a) the structure of the debenture in terms of coupon, conversion, redemption, or otherwise.</p> <p>(b) the structure of the non-convertible redeemable preference shares in terms of dividend of non-convertible preference shares payable, conversion, redemption or otherwise</p> <p>3 Fine shall be levied per instance per offer document wise</p> <p>4 If the issuer issues more than one ISIN in the same offer document and later carries out changes in the offer document without prior approval, will be considered as ISIN wise instance and penalty shall be levied ISIN wise</p> <p>5 If company makes change at the same time in tenure and change in rate of interest in single ISIN will it be considered as 1 instance</p> <p>6 If company wants to make early redemption/buyback/scheme (full/partial) etc by taking 59 approval and need to provide the details as per Regulation 50(1), 60(2) also, penalty shall be levied if there is shortfall in the submission of Regulation 50(1) and 60(2)</p>	No	Rs. 50,000 per instance
13	<p><u>Regulation 60 (2)</u> Delay in submission of the notice of record date</p>	<p>1. Review shall be done within 30 days from the end of each month</p> <p>2. Fine shall be levied on the following: If company fails to submit the details or delays the submission.</p> <p>3. Company shall submit the details as per Regulation 60(2) in case of Early</p>	Yes	Rs. 10,000 per ISIN

Sr. No.	Regulation	Details of Action by the Exchange post identification of non-compliance	ISIN Level	Fine payable
		Redemption (partial/full) / Buyback, Call/Put option. fine shall be levied if there is short fall in submission of Regulation 50(1)		
14	<u>Regulation 62</u> Non-compliance with norms pertaining to functional website	1. Review will be done similar to that being done for equity	No	Advisory/warning letter per instance of noncompliance per item Rs. 10,000 per instance for every additional advisory/ warning letter exceeding the four advisory/ warning letters in a financial year
15	<u>Commercial Paper - Non-submission of financial results</u> within the prescribed period	<ol style="list-style-type: none"> 1. Review of identified non-compliance will be done within 30 days from due date of submission of financial results. 2. Shall be applicable for Exclusively CP listed companies 3. Fine shall be levied for below mentioned cases – 4. If company does not submit the Half yearly/Yearly Financial results 5. If any of the below-mentioned documents are not submitted: <ol style="list-style-type: none"> 6. a) Profit & Loss accounts b) Limited Review / Auditors Report c) “If the Company does not submit the Statement on Impact of Audit Qualifications (for audit report with modified opinion)” 7. For Financial year end, if the company submits unaudited results within 45 days or submits audited results within 60 days, fine will not be levied 8. Fine shall be levied for the financial results to be submitted on Half yearly and yearly basis only and not on Quarterly financial results 9. If the all ISIN’s of an issuer matures before the due date of financial results the issuer shall is not required to file the financial 	No	Rs. 5,000 per day

Sr. No.	Regulation	Details of Action by the Exchange post identification of non-compliance	ISIN Level	Fine payable
		<p>results, if the issuer has defaulted in the final payment the issuer has to comply with the regulations.</p> <p>10. 52(2)(a) shall be applicable for CP listed companies</p> <p>11. For financial year end, if the company intimates in advance for submission of audited results and submits unaudited results within 45 days fine shall, be levied from 61th day till the company submits audited results</p> <p>Further for the financial year end If the company does not intimate in advance for submission of Audited Results and submits audited results within 60 days shall be treated as non-compliance and penalty shall be levied from 46th day till the company submits unaudited results</p> <p>12. Review for the Annual filing would be carried out 30 days after the 60 days filing deadline, i.e. along with the review Equity results filings.</p> <p>13. The company will be considered as compliant with Regulation 52(1) only if both the Profit and Loss accounts and Limited Review/Audit Report are submitted within the prescribed due date for submission</p>		
16	<p><u>Commercial Paper - Non-disclosure of line items prescribed under Regulation 52(4) of SEBI LODR</u> Regulations along with the half yearly / annual financial results</p>	<p>1. Review of identified non-compliance will be done within 30 days from due date of submission of financial results.</p> <p>2. Following line items to be submitted on Half Yearly/Yearly basis. Fine shall be levied for below mentioned cases –</p> <p>(a) credit rating and change in credit rating (if any);</p> <p>(b) asset cover</p> <p>(c) debt-equity ratio;</p> <p>(d) previous due date for the payment of principal of CP and whether the same has been paid or not; and,</p> <p>(e) next due date for the payment of principal of CP</p>	No	Rs. 1,000 per day

Sr. No.	Regulation	Details of Action by the Exchange post identification of non-compliance	ISIN Level	Fine payable
		(f)debt service coverage ratio; (g)interest service coverage ratio; (h)outstanding redeemable preference shares (quantity and value); whether this is applicable (i)capital redemption reserve/debenture redemption reserve; whether this is applicable (j)net worth; (k)net profit after tax; (l)earnings per share 3. Fine shall be levied on per day till all the applicable submissions are made.		
17	<u>Commercial Paper</u> - Non - submission of certificate regarding fulfilment of <u>payment obligations</u>	1. Review shall be done within 30 days from the end of each month 2. If company fails to intimate within 2 calendar days from the payment becoming due for Redemption/Buyback, fine shall be levied. 3. If Company fails to intimate the default status of CP fine shall be levied with in 2 calendar days from the due date 4. If company submits the payment obligation after the date as prescribed in SEBI Circular dated 22-Oct-2019, fine shall be levied for that number of days. 5. Intimation to be given with 2 calendar days	Yes	Rs. 1,000 per day per ISIN

Points to be noted:

1. ISIN level penalty shall be levied for Non-compliance of applicable regulations on ISIN which are matured/redeemed.
2. In case where all ISIN's are matured/redeemed penalty shall not be levied, only if the company has defaulted the payment of interest/maturity penalty shall be levied as per the applicable clauses.
3. Once intimation provided to Electronic Book Provider informing non-compliance, then compliance will be informed only if entity is compliant with all applicable provisions mentioned in the circular along with payment of fine.
4. SEBI(LODR) Regulations, 2015 are not applicable to Maharaja Bonds.
5. Fine shall be levied on non-submissions of Regulation of chapter III, V, VI of SEBI (LODR) Regulations, 2015/Commercial Paper circular after the issue of Guidance note to the market.