

NOTICE

Date: 19/06/2020

To

All the Listed Companies

It is hereby informed to the listed companies that CSE has notified SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated January 22, 2020 in that circular SEBI has specified uniform approach in the matter of levy of fines for non-compliance of certain provisions of the listing regulation, the manner of suspension of securities of a listed entity and the manner of freezing the holding of promoters and promoters group of a non-compliant listed entities.

All Listed Entities are advised to ensure compliance with SEBI LODR 2015 and amendment thereof. Any clarification on the circular may be taken from the CFO of the Exchange by giving a mail in the mail id pdutta@cse-india.com

The following are the points to be noted by the listed companies for compliance:

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 or after June 30, 2020, the listed entities which are non-compliant and suspended prior to this period and continue to be non-compliant post June 30, 2020 shall trigger fines only if company fail to ensure that adequate steps are taken for expeditious redressal of investor complaints under regulation 13(1) of SEBI (LODR 2015) for suspended non-compliant listed entities. Subsequent actions for suspended non-compliant listed entities will be taken against the promoter and promoters group like freezing of Demat accounts of the promoters and/or promoter group based on the available information 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 1st quarter for monitoring of non-compliant 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, issuing reminder to promoters or promoters group or the company where the promoters group are not available due to non-submission of the company 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 to CSE or from Ministry of Corporate Affair (MCA).

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 suspension. If company complies with both quarters on or before cut-off date, then action for suspension will be withdrawn.

13. The Exchanges would continue to apply the policy for exemption of fines in relation to waiver of fines which is approved by the ROC or the Board of the Exchange. The Exchange will consider waiver/reduction of penalty levied under SEBI SOP Circular dated January 22, 2020. In case company applies for waiver of penalty under SOP circular for genuine reasons like natural calamity (act of god, seizure/capture of books/computer etc. by regulatory/statutory authorities, impossibility of compliances with proper documentary evidence, courts/regulatory directions that resulted or prevented or exempted the disclosure required to be made or fines required to be paid, material events occurring that are beyond control of the company). The application of waiver of fines will be decided by the exchange regulatory oversight committee.

14. 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.

15. 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 three months from date of filing application. In case company fails to complete the process within three months then process for delisting of securities of such company/s will be initiated.

P Dutta

CFO