

**UNIFORM CARVE OUTS FOR SOP FINES LEVIED AS PER THE PROVISIONS  
OF SEBI SOP CIRCULAR**

**Allowable reasons for Waiver / Reduction of Penalty levied under SOP for Compliance  
with Listing Agreement/Listing Regulations**

As a general principle, for considering a company's case for waiver of penalty, the company would be required to disclose to the Exchange, the event that prevents / impacts filing of compliances either immediately or as soon as practically possible. Further, a case for waiver or reduction shall be considered only where the applicant company has fully complied with all its pending compliances under the Listing Agreement/Listing Regulations and applicable regulations.

The events referred to below, shall be disclosed along with the relevant supportings / documentation evidencing the same, including the impact assessment of the event duly certified by the Company Secretary or the Compliance Officer. In case of impact on filing of Financials, the same shall be certified by the Statutory Auditor of the company.

Non-disclosure of the events in a timely manner may result in rejection of waiver / reduction request.

The indicative list of events that should be considered while recommending waiver or reduction of Penalty levied under SOP for compliance with Listing Agreement/Listing Regulations are as follows.

**1. Natural calamity (Act of GOD)**

In the above case the following needs to be considered while approving:

1. Whether the event had occurred during the period under review or during the period of filing the compliances
2. Where did the event occur and how it impacted the requisite disclosure from being made in a time bound manner
3. Event is notified to the Exchange as soon as possible, along with periodic updates.

**2. Seizure / Capture of books / computers etc., by regulatory / statutory authorities**

On account of seizure of documents / computer hardware / software, etc., as the case may be, by regulatory or statutory authorities,

1. The event should have been intimated as a material event at the time of seizure / capture along with the relevant documentation evidencing the same, including the impact assessment of the event duly certified by the Company Secretary or the Compliance Officer e.g. seizure report / panchnama.
2. The seizure / capture should have occurred during the periods/quarters under review.

**3. Board unable to approve compliances**

This may be due to non-availability of requisite number of directors which is resulting from

1. A vacancy created on account of demise/ incapacitation/ disqualification/ resignation of directors.

2. Position not filled as approval pending from Regulator / Ministry or any authority whose approval is necessary for filling up the position.
3. Each such event is promptly informed to the Exchange and updates being provided on regular basis along with its impact on the requisite disclosure from being made.

These situations may have arisen earlier than the period under review.

**4. Court / Regulatory directions that resulted or prevented or exempted the disclosure required to be made or fines required to be paid.**

Would include companies which have obtained BIFR/NCLT order exempting the companies from paying fines. Companies where the Order of Appointment of Provisional / Official Liquidator has been issued

**5. Accidental damage**

Accidental reasons, including those mentioned in the Listing Agreement/Listing Regulations clauses, e.g. strikes, lockouts and other reasons. These are categorized as material events and must mandatorily be disclosed to the Exchange. In this case too, the event should have been intimated as a material event at the time of seizure / capture along with the relevant documentation evidencing the same, including the impact assessment of the event duly certified by the Company Secretary or the Compliance Officer.

Further as a general principle, waiver or exemption may be considered for quarters in which the event has not occurred but the impact of the event prevents the company from complying with the disclosures required under the Listing Agreement/Listing Regulations.

**Note:**

This carveout policy stands valid for considering waiver of fine applications received from companies on or before January 21, 2020.

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