

National Stock Exchange Of India Limited

Ref No: NSE/CML/2021/22

June 25, 2021

To,
The Company Secretary & Compliance Officer / Promoter (s)
All Listed Entities
(To all listed entities who have not paid Annual Listing Fees)

Dear Sir / Madam,

Sub: Action(s) to be initiated against listed companies for non-payment of outstanding Annual Listing Fees (“ALF”)

All listed entities are requested to take a note that as per the directions of Securities Exchange Board of India (SEBI) regarding Standard Operating Procedure (SOP) on actions for non-payment of Annual Listing Fees (ALF), following actions shall be taken if a listed entity fails to pay the outstanding ALF (hereinafter referred to as “defaulting entities”), in the manner mentioned below:

Stage1: Reminders to defaulting entities

The Exchange will send reminder letter to the defaulting entity during the period of six months from the date of issuance of the invoice for ALF.

Stage 2: Issue of notices and no approval for further listing of securities

Upon expiry of the six months, a notice will be issued to the defaulting entity giving it time to pay the ALF within 15 days from the date of issuance of such notice.

In case, the listed entity fails to pay the outstanding ALF within 15 days from the date of issuance of the notice by the Exchange, no approval for further listing of securities would be given to the defaulting listed entity.

Stage 3: Freezing of shareholding of promoter(s) of defaulting entities

If the defaulting entity fails to pay the ALF within time stipulated period as per the notice stated above, a notice will be issued to the promoter(s) of such defaulting entities based on the information available with the Exchange upon expiry of the period indicated in the notice, to ensure compliance with the requirement(s) thereof and pay ALF within 30 days from the date of such notice.

In such a situation, the concerned promoter(s) of the defaulting entities may make a representation to the Exchange by addressing an email to listingsop@nse.in within the stipulated time period. Please note that representations addressed to the Exchange through any other mode or at any other email address or after the expiry of stipulated period shall not be considered as valid representation and the Exchange shall proceed with action as contemplated in this circular.

In case, the ALF is not paid to the Exchange within 30 days from date of the said notice, Exchange shall intimate depositories regarding freezing of the demat account(s) of the promoter(s) of such defaulting entities based on the latest available shareholding pattern and disclosure differentiating promoter(s) and promoter group, submitted by the defaulting entity to the Exchange.

Stage 4: Suspension with limited trading

If the defaulting entity still fails to pay the ALF even after 3 months from the action of freezing of promoter(s) demat accounts, a notice shall be issued to the entities to pay the outstanding ALF within 30 days of the date of the intimation, failing which the securities of such entities shall be suspended from trading. Simultaneously, a 30-day notice will also be issued to the market regarding suspension of trading in the shares of the said listed entity.

In case, the defaulting entity fails to pay the ALF within 30 days from the date of aforesaid notice issued to the defaulting entities, the trading in the securities of the defaulting entities shall be suspended by the Exchange.

After initiation of suspension against defaulting entities, trading in the shares of said entities shall be allowed on 'trade to trade basis' on the first trading day of every week, till the time of payment of ALF by such defaulting entities.

However, on the payment of ALF by the defaulting entities, the weekly trading shall be discontinued, and all the aforementioned punitive actions taken by stock exchanges in this regard shall be reversed and the concerned stock exchange(s) shall give a public notice in this regard. It may be noted that if securities of the defaulting entities are suspended by the Exchange for various other reasons including non-payment of ALF, then the action(s) including suspension initiated for such other reasons shall continue to prevail. Kindly note that the above actions against defaulting entities on account of non-payment of ALF shall be in conjunction with any other action(s) imposed by the Exchanges from time to time.

In case the defaulting entities are commonly listed i.e., on more than one stock exchange, actions such as no approval for listing of securities, freezing of demat accounts of promoter(s) of such defaulting entities, suspension in the trading of securities and reversal of these actions shall be done in coordination with the other stock exchanges where the defaulting entity is listed.

NOTE: The measures listed above, would not apply to the following:

- Public Sector Undertakings (PSUs) (also applicable to promoter(s) of PSUs for freezing of their demat accounts)
- Companies that have only Debt/Infrastructure Investment Trust (InvITs) / Real estate investment trusts (REITs)/ Mutual Funds listed with the Exchange.
- Where specific exemption is granted from compliance with the requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015/moratorium on enforcement proceedings / entities under liquidation has been provided for under any Act, Court / Tribunal Orders.

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It may also be noted that for computation of the total outstanding ALF, Tax Deducted at Source (TDS) would be excluded.

The actions under the SOP shall be taken for non-payment of ALF from the Financial Year 2020-21 onwards.

This circular is in furtherance and supersession of the earlier circulars dated June 11, 2019 and November 6, 2020 issued by the Exchange.

For and on behalf of
National Stock Exchange of India Limited

Ravi Shekhar Rai
Manager