

CIRCULAR

CIR/CFD/CMD/1/2015

April 08, 2015

**The Managing Director/Executive Director,
All recognised Stock Exchanges.**

Dear Sir/Madam,

Subject: Fine structure for non-compliance with the requirement of Clause 49(II)(A)(1) of Listing Agreement

1. SEBI, vide Circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014, amended the provisions of Clause 49 of Listing Agreement relating to Corporate Governance, mandating, inter-alia, that the Board of Directors of listed entities shall have an optimum combination of executive and non-executive directors with at least one woman director. Further, vide Circular No. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014, the timeline to comply with the aforesaid requirement was extended to March 31, 2015.
2. SEBI vide Circular No. CIR/MRD/DSA/31/2013 dated September 30, 2013 has prescribed the uniform fine structure for non-compliance with certain provisions of Listing Agreement including Clause 49. The Stock Exchanges have amended their bye laws to the effect that issuer shall be liable to pay fine(s) as prescribed by Stock Exchanges and/or SEBI for non-compliance with the provisions of Listing Agreement etc. In continuation to the aforesaid circular, the Stock Exchanges are advised to impose the following fine on listed entities for non-compliance with the requirement of Clause 49(II)(A)(1) of Listing Agreement:

| Compliance Status | Fine Structure |
|-----------------------------------------------------------------------|--------------------------------------------------------------------------------|
| Listed entities complying between April 1, 2015 and June 30, 2015 | ₹ 50,000/- |
| Listed entities complying between July 1, 2015 and September 30, 2015 | ₹50,000 + ₹1000/- per day w.e.f. July 1, 2015 till the date of compliance |
| Listed entities complying on or after October 1, 2015 | ₹1,42,000/- + ₹5000/- per day from October 1, 2015 till the date of compliance |

3. For any non-compliance beyond September 30, 2015, SEBI may take any other action, against the non-compliant entities, their promoters and/or directors or issue such directions in accordance with law, as considered appropriate.
4. This circular is issued in exercise of the powers conferred under sections 11(1) and 11A (2) of the Securities and Exchange Board of India Act 1992, read with section 10 of the Securities Contracts (Regulation) Act, 1956 in the interest of trade and public interest and for the protection of the interests of investors in securities and to promote the development of, and to regulate the securities market and shall come into effect immediately.
5. This Circular is also available on SEBI website at www.sebi.gov.in.

Yours faithfully,

Harini Balaji
Deputy General Manager
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