



For Long term Growth

NSE PRIME

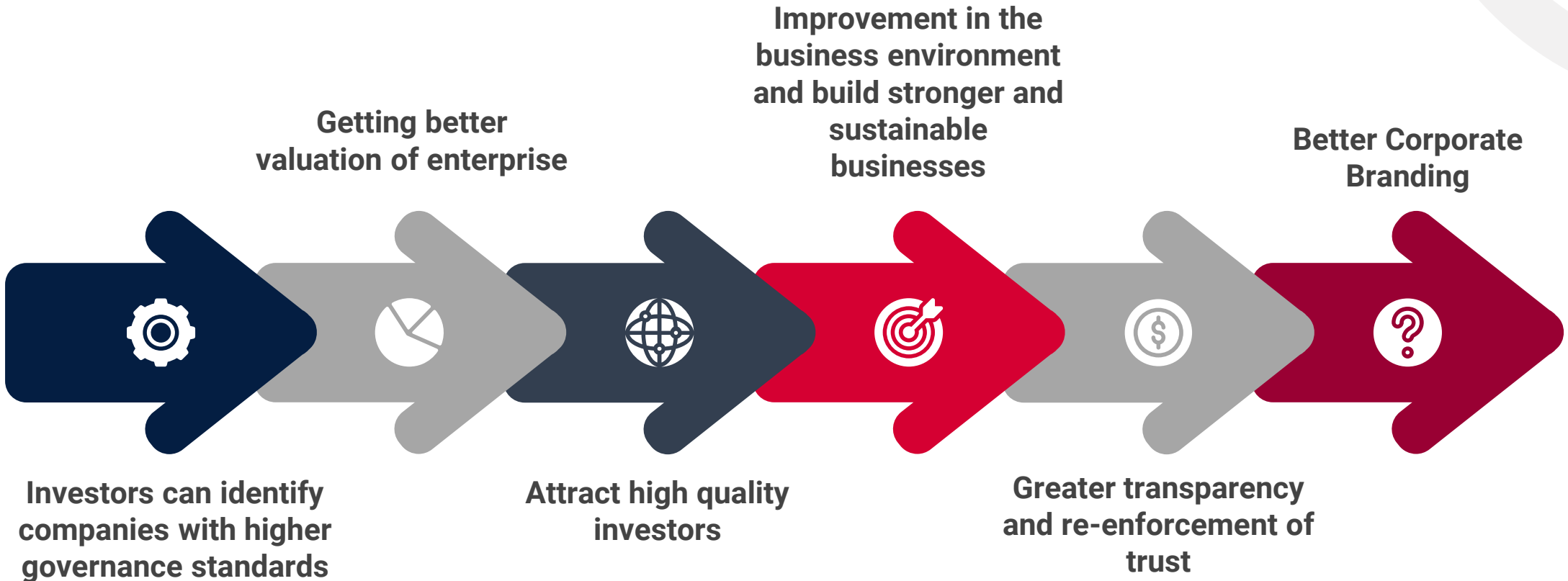
NSE Prime is a Corporate Governance initiative by NSE, to be adopted voluntarily by NSE listed companies.

To come into effect from 01st July 2022.

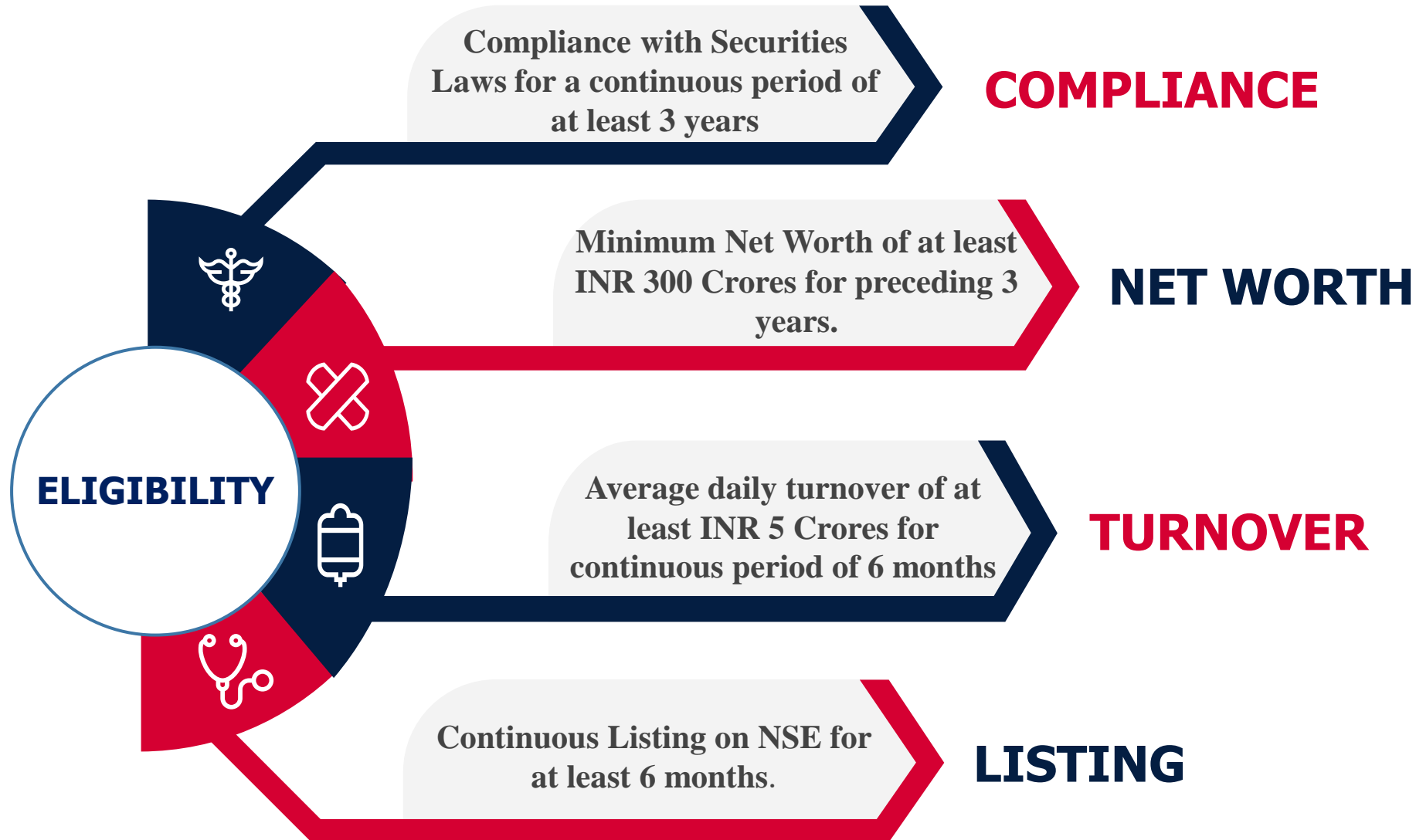
Entry or exit will not effect Company's listing status or segment status.
Companies need to be complaint on entry and continually.



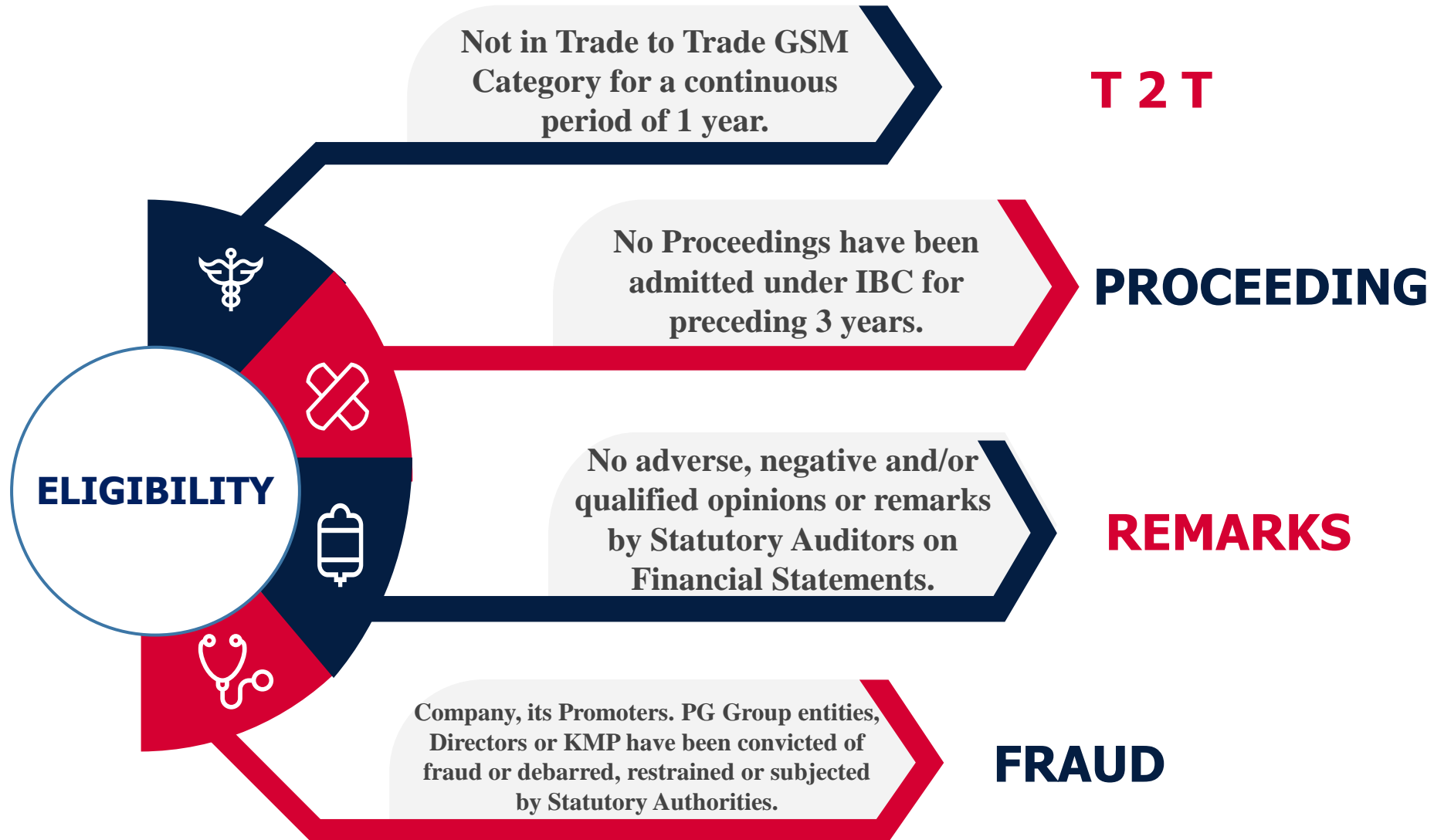
BENEFITS



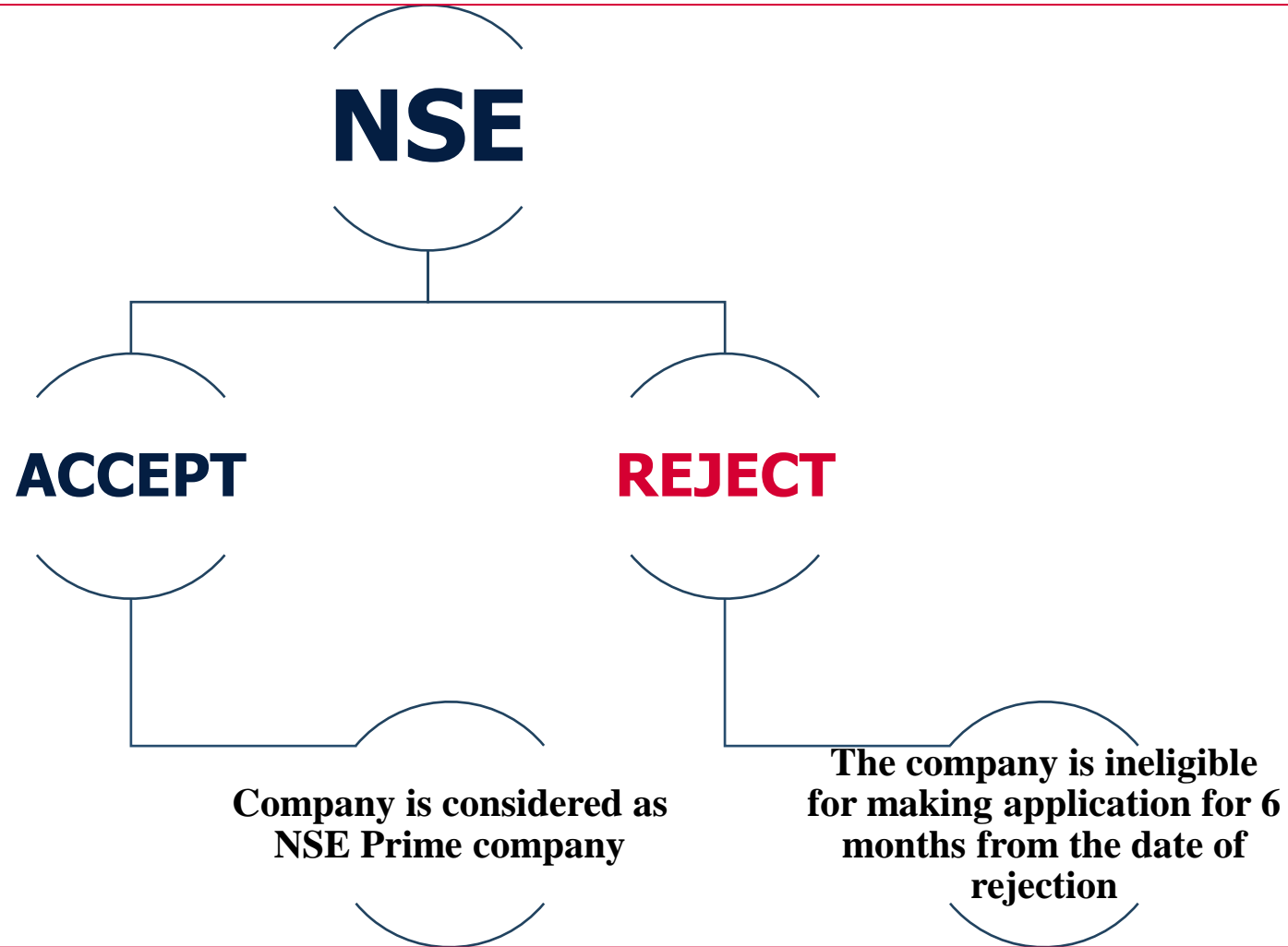
ELIGIBILITY CRITERIA



ELIGIBILITY CRITERIA



APPLICATION BY COMPANY

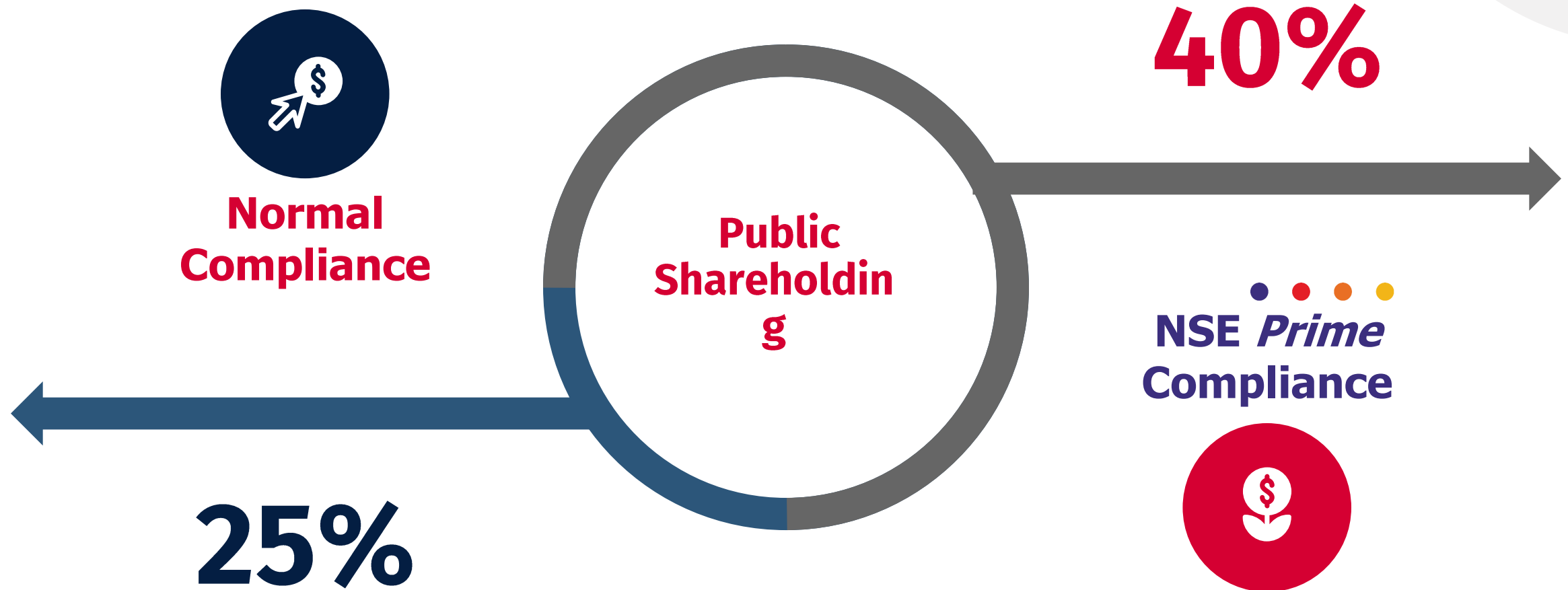


ADDITIONAL COMPLIANCE REQUIREMENT FOR LISTING ON



NSE *Prime* Compliance

OWNERSHIP STRUCTURE



BOARD STRUCTURE

Normal Compliance

Minimum 6 directors



Chairman can be Executive or Non-Executive



Minimum 1 woman director with at least one Independent woman director



BOARD STRUCTURE



NSE *Prime* Compliance



Minimum 8 directors



Chairman has to be a Non-Executive Director and not related to MD or CEO



Minimum 2 women directors on board with at least one Independent woman director



RATIO OF INDEPENDENT DIRECTORS

Normal Compliance

If chairman is a **Non-Executive Director**, **Minimum 1/3rd** of the board shall have Independent Directors.

If chairman is an **Executive Director**, **Minimum half** of the board shall have Independent Directors.



NSE Prime Compliance

If public shareholding **>50%**, **more than half** of the Board shall comprise Independent Directors.

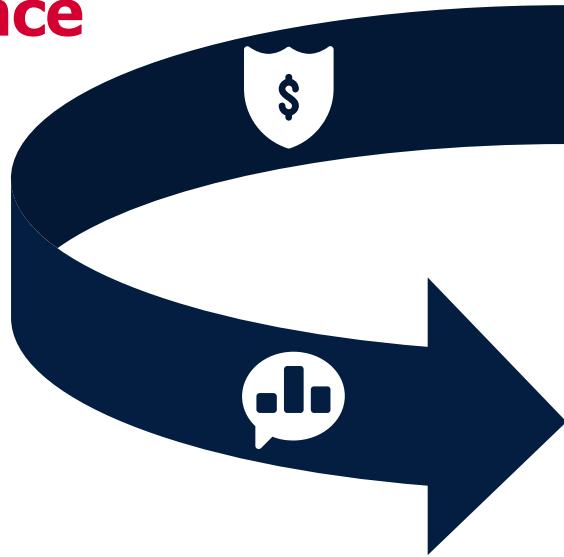
If public shareholding **≤50%**, **Minimum half** of the Board to comprise Independent Directors



QUORUM

Normal Compliance

1/3rd of its total strength or **3 directors**, whichever is **higher**, including at least **1 independent director**.



NSE Prime Compliance

Minimum half of total strength and **half** of the quorum to consist of **Independent Directors**.



AUDIT COMMITTEE

Normal Compliance

COMPOSITION



At least $2/3^{\text{rd}}$ to be Independent Directors.

QUORUM



$1/3^{\text{rd}}$ or 2 members, whichever is **higher**

MEETING



4 times in a year

AUDIT COMMITTEE

NSE Prime Compliance

COMPOSITION



$3/4^{\text{th}}$ of the member of Audit Committee be **Independent Directors**.

QUORUM



At least **half** of the strength of Audit Committee.

MEETING



1 meeting in a year to deal with issues other than financial accounts.



Nomination and Remuneration Committee

Normal Compliance

01

There is no provision for woman director

02

Quorum is 1/3rd or 2 members, whichever is higher, with at least 1 Independent director

Nomination and Remuneration Committee

NSE *Prime* Compliance

Shall have at least 1 woman director

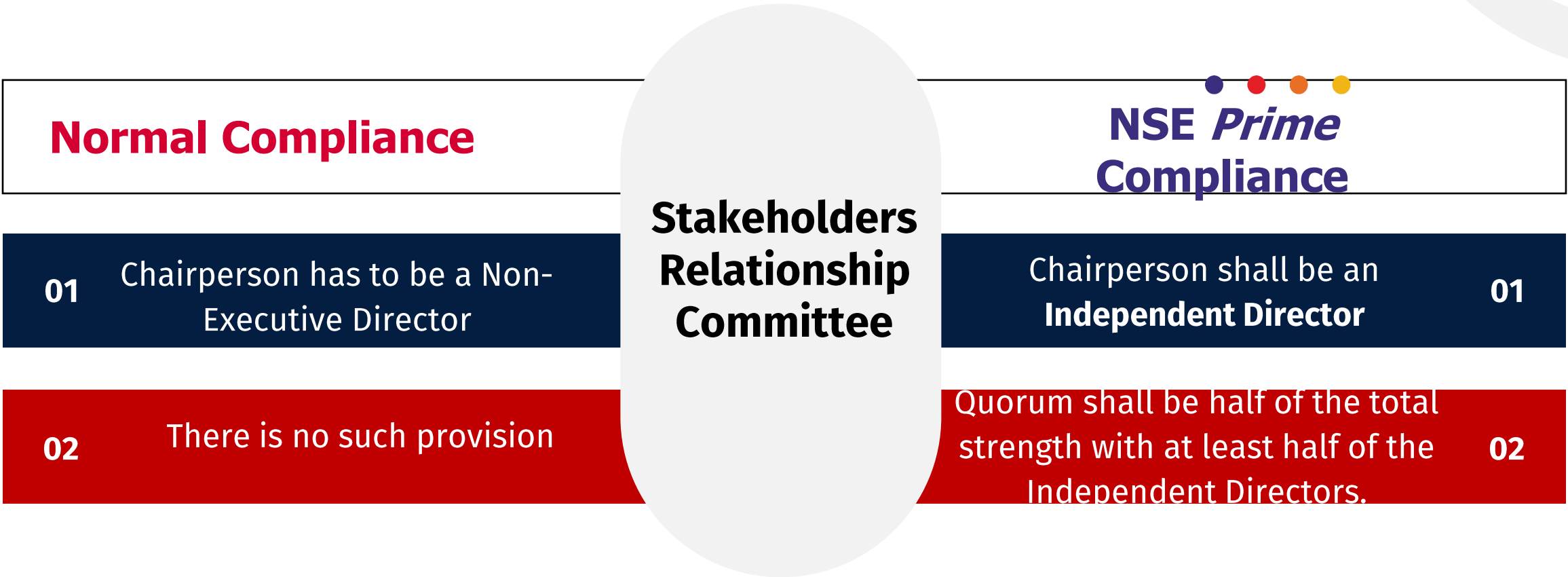
01

Quorum shall be half of the total strength with at least half of the Independent Directors.

02



Stakeholders Relationship Committee



Independent Directors Committee

Normal Compliance

01

Shall meet at least one meeting in a financial year

Independent
Directors
Committee

NSE *Prime* Compliance

Shall meet at least once in a half year

01



Risk Management Committee

| Normal Compliance | | NSE <i>Prime</i> Compliance | |
|-------------------|--|---|----|
| 01 | There is no such provision | Chairperson shall be an Independent Director | 01 |
| 02 | There is no such provision | The chairperson of the Board cant be a member of the RMC. | 02 |
| 03 | Quorum is 1/3rd or 2, whichever is higher, with at least 1 member of Board | Quorum is half of the total strength with at least half of the Independent Directors. | 03 |

Risk Management Committee



FINANCIAL HEALTH RELATED DISCLOSURES

Every NSE Prime Company other than Finance Company shall disclose, the following key financial ratios on an annual basis **within 60 (sixty) days** of the close of each Financial Year:

Debtors Turnover Ratio 01



05 EBITDA Margin and Debt to EBITDA

Interest Coverage Ratio 02



06 Operating Profit Margin

Current Ratio 03



07 Net Profit Margin

Debt Equity Ratio 04



08 Debt Service Coverage Ratio



FINANCIAL RESULTS

Quarterly Disclosure of Cash Flow Statement

Every NSE Prime Company shall ensure that, for the purposes of quarterly consolidated financial results, **100% of each of the consolidated revenues, assets and profits** (excluding those of the Non-Material Subsidiaries) shall have been subject to audit or limited review;

Quarterly Disclosure of Cash Flow Statement

Every NSE Prime Company shall disclose the following **within 60 days** of the close of each Quarter:

- a) its cash flow statement; and
- b) Cash flow statements for all its Material Subsidiaries.



RIGHTS OF SHAREHOLDERS

Voting Rights

Company cannot issue any equity shares with differential voting rights or other special rights

Shareholders' resolutions

All shareholders' resolutions of every shall specify a time period, which shall automatically expire, but time period shall not exceed 3 years

Preferential issues

Company shall not make any preferential issues of warrants to any of its Promoter(s)/ Promoter Group.

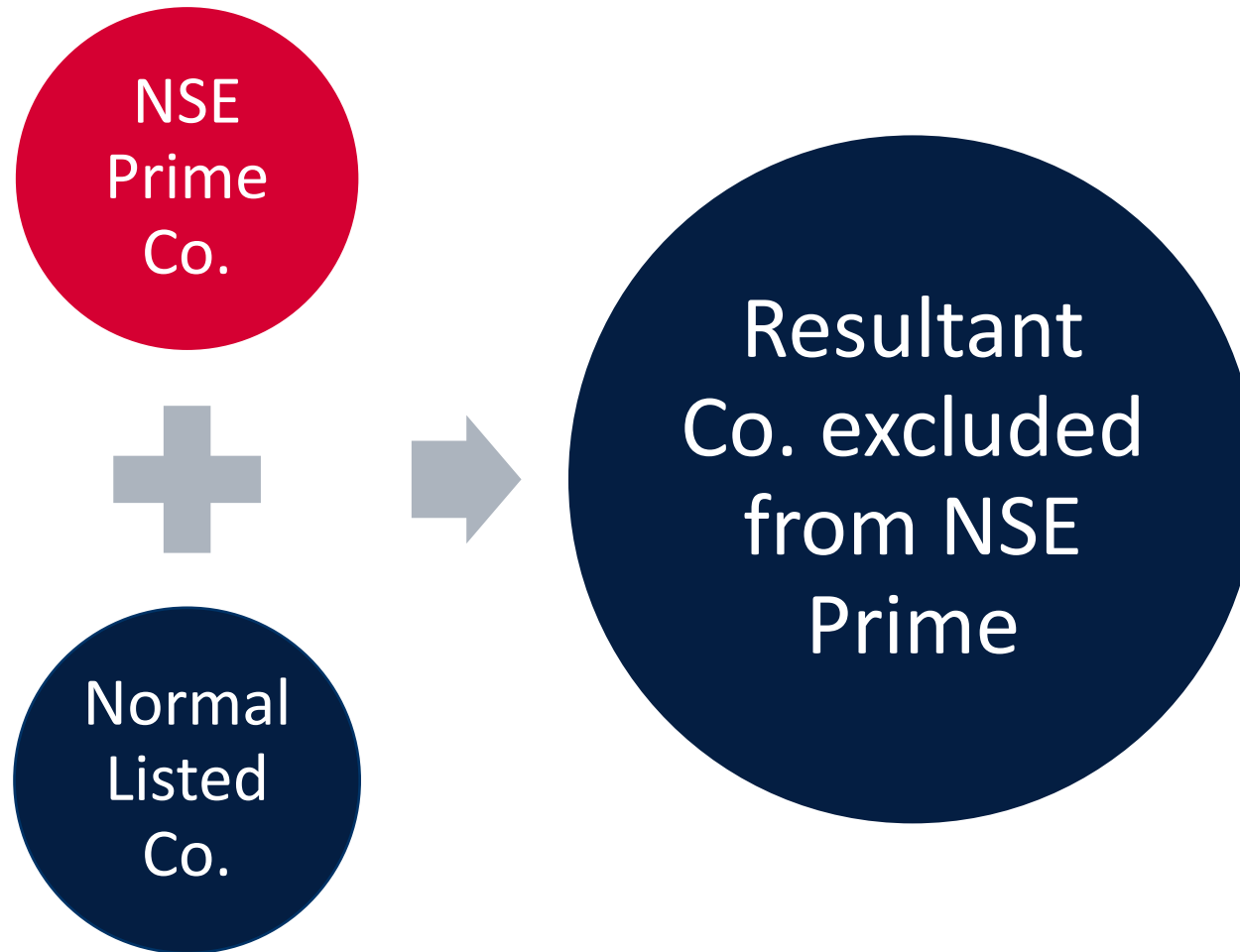


CORPORATE RESTRUCTURING GUIDELINES FOR

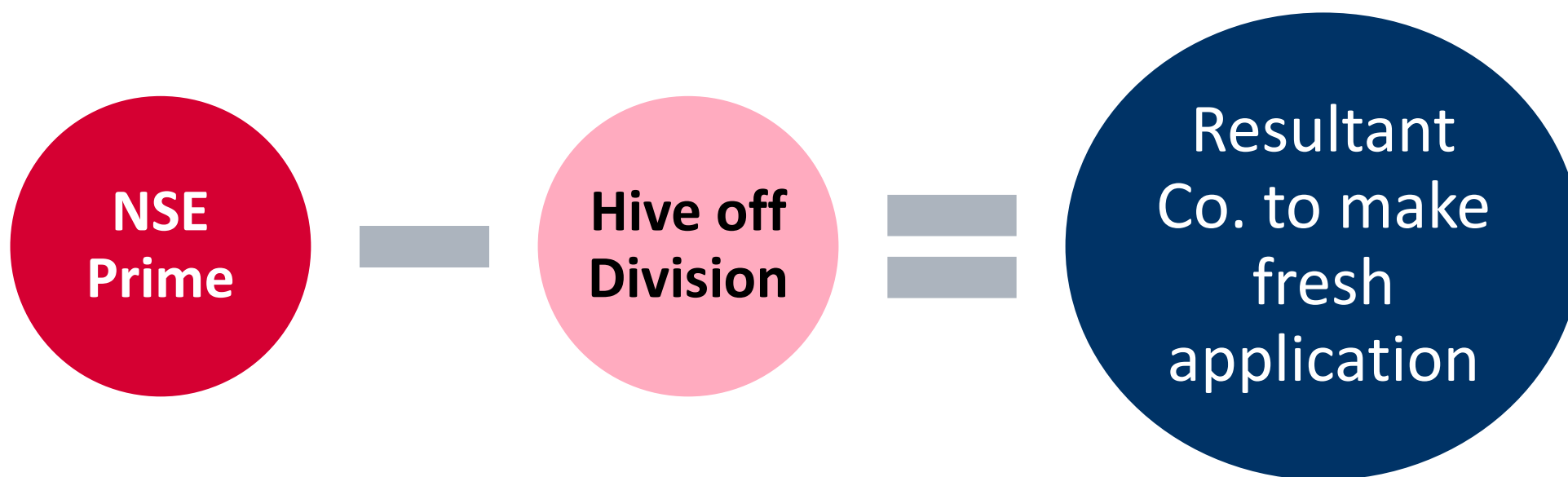


NSE *Prime*

MERGER/ AMALGAMATION



DE-MERGER/ DIVISION



EXCLUSION FROM

● ● ● ●

NSE *Prime Group*



NSE Prime Company, its Promoters, Promoter Group entities, fail to comply with applicable Securities Laws



Networth ceases to be 300 crore



Avg. daily turnover < 5 crore for cont. 1 year



Adverse, Negative and/or Qualified opinions by Statutory Auditors

**Re-eligible
only after 5
years from
date of
Removal**





IN CASE OF ANY QUERY, CONTACT:

Anjali Aggarwal

Partner & Head – Capital Market Services

Mobile No.: +91-9971673336

Email: anjali@indiacp.com

Website:

www.corporateprofessionals.com

