



## **INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED**

### **POLICY ON MATERIALITY FOR DISCLOSURE OF EVENTS TO THE STOCK EXCHANGES**

**Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015**

#### **1. PREAMBLE**

The Board of Directors (the “Board”) of Indian Railway Catering and Tourism Corporation Ltd. (the “Company”), has framed this Policy to determine the materiality and disclosing of such events or information (“**Policy**”) in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

This Policy was initially adopted by the BoD on 21<sup>st</sup> August 2019 and has been amended from time to time to bring it in line with the amendments issued by SEBI.

#### **2. APPLICABILITY**

This policy shall be applicable to all material events or information which are required to be reported to Stock Exchanges.

#### **3. OBJECTIVE**

The objective of this Policy is:

- a) To ensure that timely and adequate information is made available to all investors on ongoing basis, which may affect their investment decisions.
- b) To ensure the compliance with the disclosure obligations laid down by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, various securities laws and other applicable legislations;
- c) To disclose adequate and timely information to the recognized stock exchange(s) and investors.
- d) To protect confidentiality of material/price sensitive information within the context of the Company's disclosure obligations.
- e) To refrain from misrepresentation and ensure that the information provided to recognized stock exchange(s) and investors is not misleading.

#### 4. DEFINITIONS

**"Board"** shall mean the Securities and Exchange Board of India established under Section 3 of the Act.

**"Board of Directors"** shall mean the Board of Directors, of the Company

**"Company"** shall mean "Indian Railway Catering and Tourism Corporation Limited".

**"Compliance Officer"** shall mean the Company Secretary of the Company authorized by the Board for the purpose of determining materiality of an event or information and for the purpose of making disclosures to the Stock Exchanges.

**"Key Managerial Personnel"** shall mean key managerial personnel as defined in sub-section (51) of section 2 of the Companies Act, 2013.

**"Listed Entity"** shall mean an entity which has listed, on recognized stock exchange(s), the designated securities issued by it or designated securities issued under schemes managed by it, in accordance with the listing agreement entered into between the entity and the recognized stock exchange(s).

**"Listing Agreement"** shall mean an agreement that is entered into between a recognized stock exchange and an entity, on the application of that entity to the recognized stock exchange, undertaking to comply with conditions for listing of designated securities.

**"Listing Regulations"** shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**"Material Event"** or **"Material Information"** shall mean such event or information as set out in this Policy or as may be determined in terms of the SEBI Listing Regulations. In this Policy, the words, "material" and "materiality" shall be construed accordingly.

**"Mainstream Media"** shall include print or electronic mode of the following:

- i. Newspapers registered with the Registrar of Newspapers for India;
- ii. News channels permitted by Ministry of Information and Broadcasting under Government of India;
- iii. Content published by the publisher of news and current affairs content as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021; and
- iv. Newspapers or news channels or news and current affairs content similarly registered or permitted or regulated, as the case may be, in jurisdictions outside India;]

**"Policy"** shall mean this policy for determining the materiality and disclosing of events or information.

**"Senior Management"** shall mean the officers and personnel of the listed entity who are

members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity.

**“Subsidiary”** means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013.

**"Stock Exchanges"** means BSE Limited and National Stock Exchange of India Limited where the equity shares of the Company are listed.

All other words and expressions used but not defined in this policy, but defined in the Act or the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made there under shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case maybe.

## **5. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS/INFORMATION:**

### **5.1 Deemed Material Events/Information**

The events which are deemed to be material events and shall necessarily be disclosed to the Stock Exchange(s) without applying any test of materiality pursuant to Para A of Part A of Schedule III of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. **Such events/information along with respective timelines is placed at Annexure -1 to the Policy.**

### **5.2 Events which shall be disclosed upon application of the guidelines for materiality**

In addition to the above deemed material events/information, events which shall be disclosed upon application of the Guidelines for Materiality pursuant to Para B of Part A of Schedule III of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. **Such events/information along with respective timelines is placed at Annexure-2 to the Policy.**

**In order to determine whether a particular event/information is material in nature, the following ‘quantitative’ or ‘qualitative’ criteria(s) shall be applied:**

#### **5.2.1 Quantitative Criteria**

Materiality shall become applicable to an event/information, where the omission of an event or information, **whose value or the expected impact in terms of value, exceeds the lower of the following:**

- (1) 2% of turnover, as per the last audited consolidated financial statements;

(2) 2% of net worth, as per the last audited consolidated financial statements;

(3) 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements.

The “**expected impact in terms of value**” may be computed as follows:

*(i) In computing the “expected impact in terms of value” of an event/information, the Company should, where applicable, consider the expected impact in the four ensuing quarters (including the quarter in which the event occurs if the event occurs in the first 60 days of the quarter).*

*(ii) Disclosure/non-disclosure would typically be in compliance with the regulatory requirements if while undertaking the assessment of the “value” and “expected impact in terms of value”, the Company places reliance on the principles for measurement set out under the applicable accounting standards, so as to ensure consistency between the disclosures made to the stock exchanges, and the disclosures made in the financial statements.*

*(iii) For details of such events and the calculation of materiality threshold limit for each of the item, refer to Annexure-A of the attached Industry Standards (i.e., **Annexure-3 to the Policy**). However, details of indemnity and insurance claims which could mitigate the expected impact, if any, may be disclosed in respect of such event to provide more context while making the disclosure*

Thus, it is understood that any event/ information shall be considered as material for the Company if the value of such transaction or the expected impact of such event/ information in terms of value is lower of the turnover or net worth or profits after tax as calculated under the above stated provisions.

However, in certain instances, all of the three parameters specified under Regulation 30(4)(i)(c) (viz. profit / net worth / turnover) may not be relevant to an event. Applying the principle of *Reddendo Singula Singulis* to the materiality provisions of LODR Regulations, it can be said that since there are separate thresholds of 2% of turnover, 2% of net worth and 5% of average PAT, each of such values can be applied individually and a particular threshold would be relevant and applicable depending on the nature of the event/ information being assessed. For instance, any event which has an impact on the turnover or profits of the Company can be considered material by comparing the value of such event/ information with 2% of the consolidated turnover or 5% of the average PAT respectively.

Similarly, if there is any event/ information which has a capital cost involved, then the materiality of such event/ information can be identified by comparing the value of such event/ information with 2% of the consolidated net worth of the Company and if the value of event exceeds such threshold, then the event would be considered as material.

Details of such events have been prescribed and tabulated under Industry Standards prescribed by SEBI (**Annexure-3 to the Policy**). The Annexure may be referred for guidance for determination of materiality for different types of events.

### **5.2.2 Qualitative Criteria**

- a. The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- b. The omission of which is likely to result in significant market reaction if the said omission came to light at a later date;
- c. In cases where the criteria specified above is not applicable, an event/information may be treated as being material if in the opinion of the Board of Directors of Company, such event/ information is considered material.

## **6. AUTHORIZATION/RESPONSIBILITY OF KEY MANAGERIAL PERSONNEL**

As required under the Regulation 30 (5) of the Listing Regulations, Chairman & Managing Director and Director (Finance)/CFO shall severally be the Competent Authorities to decide materiality of an event /information or development for the purpose of making disclosure to the Stock Exchange.

## **7. PROCEDURE FOR DISCLOSURE OF EVENTS/INFORMATION**

### **Step I- Preparation of announcement to Stock Exchanges:**

The Head of the Department in consultation with concerned functional director and Chief Investors Relationship Officer shall prepare a draft for any event or information falling under Regulation 30 of SEBI Regulations, promptly upon occurrence of an event/information (including confirmation, denial or clarification in respect of reported event or information in the Mainstream Media which is not general in nature and which indicates that rumors of an impending specific material event). The disclosure shall be factually accurate, expressed in clear manner and containing required information/ details as specified in the policy.

The draft should contain information as per SEBI LODR Regulations or other applicable circular/notification etc. issued by SEBI or any other authority and modified from time to time or any other statute as may be necessary to enable investors to make well-informed investment decisions.

All Heads of Department(s) of the Company shall be under an obligation to make disclosure prompt as laid down in this Policy and Schedule III of the SEBI Listing Regulations and shall immediately forward to Compliance Officer. In case of any delay in intimation, reasons for delay shall also be communicated to the Compliance Officer for onward submission to Stock Exchanges.

### **Step II- Approval of Competent Authority**

The Chairman & Managing Director and Director (Finance)/CFO shall severally be the Competent Authority to decide materiality of an event /information or development for the

purpose of making disclosure to the Stock Exchanges.

### **Step III- Disclosure of event/information to exchanges**

Subsequent to the approval of Competent Authority, the concerned department will provide disclosure of event/information as per the Policy well before stipulated time to Company Secretary & Compliance Officer for timely disclosure to the Stock Exchanges.

### **Step IV- Filing of information to Stock Exchanges**

The Company Secretary & Compliance Officer of the Company is authorized for the purpose of making disclosures to stock exchange(s), subject to the provisions of this Policy. In absence/unavailability of Company Secretary & Compliance Officer, the Director (Finance)/CFO or any whole-time director shall make adequate disclosure to the Stock Exchanges.

## **8. POLICY REVIEW/AMENDMENT**

The Chairman and Managing Director may review this Policy from time to time. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

## **9. DISCLOSURE ON WEBSITE**

As required by SEBI Regulations, this Policy, together with any amendments thereto, shall be disclosed on the website of the Company.

Further, the Company shall disclose on its website all such events or information which have been disclosed to stock exchange(s) under this regulation, and such disclosures shall be hosted on the website of the Company for a minimum period of five years and thereafter as per the archival policy of the Company, as disclosed on its website.

## **10. VERIFICATION OF MARKET RUMOUR**

The Company shall confirm, deny or clarify, upon material price movement as may specified by stock exchanges/SEBI, any reported event/information in the mainstream media which is not general in nature and which indicates that rumour of an impending specific event/information is circulating amongst the investing public within the timelines specified under law. The confirmation/ denial/ clarification shall be made as per Regulation 30(11) of the Listing Regulations, as amended from time to time, circulars/ notifications issued by SEBI/Stock Exchanges in this regard and in accordance with Industry Standard Note on verification of market rumours under Regulation 30(11) issued by Industry Standard Forum (ISF). Industry Standards Note on verification of market rumours is attached as **Annexure- 4** to the Policy.

The requirements under Regulation 30(11), in respect of confirmation/denial/clarification of market rumors are only applicable to market rumors that are reported in the specified 'mainstream media'. It shall not be applicable to market rumors that are vague or general in

nature. Mainstream Media will only cover the specific news sources that are set out in clause 1.1 of Part A-General Aspect of Industry Standards Note on verification of market rumours under Regulation 30(11) of LODR Regulations formulated by Industry Standards Forum.

## **11. SCOPE AND LIMITATION**

In the event of any conflict between the provisions of this Policy and any existing or newly enacted law(s), rule(s), regulation(s) or standard(s), the provisions of such law, rule(s), regulation(s) or standard(s), shall prevail over this Policy until the Policy is changed to conform to law, rule, regulation or standard.

\*\*\*\*\*

**Details which the Company needs to disclose for the events specified in Para A of Part A of Schedule III of Regulation 30(4) of SEBI (LODR) Regulations, 2015**

1. **Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/ restructuring), or sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the Company, sale of stake in associate company of the Company or any other restructuring (within 30 minutes or 3 hours\*/12 hours):**
  - 1.1 **Acquisition (including agreement to acquire):**
    - a) name of the target entity, details in brief such as size, turnover etc.
    - b) whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”;
    - c) industry to which the entity being acquired belongs;
    - d) objects and impact of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);
    - e) brief details of any governmental or regulatory approvals required for the acquisition;
    - f) indicative time period for completion of the acquisition;
    - g) consideration - whether cash consideration or share swap or any other form and details of the same;
    - h) cost of acquisition and/or the price at which the shares are acquired;
    - i) percentage of shareholding / control acquired and / or number of shares acquired;
    - j) brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);

**Explanation (1)-** For the purpose of this sub-para, the word 'acquisition' shall mean-

- (i) acquiring control, whether directly or indirectly; or,
- (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether existing or to be incorporated, whether directly or indirectly, such that-
  - (a) the Company holds shares or voting rights aggregating to twenty per cent or more of the shares or voting rights in the said company; or;
  - (b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-Para and such change exceeds five per cent of the total shareholding or voting rights in the said company.
  - (c) the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.

**Provided that** acquisition of shares or voting rights aggregating to five percent or more of the shares or voting rights in an unlisted company and any change in holding from the last



disclosure made under this proviso exceeding two per cent of the total shareholding or voting rights in the said unlisted company shall be disclosed on a quarterly basis in the format as may be specified.

**Explanation (2)** - For the purpose of this sub-paragraph, “sale or disposal of subsidiary” and “sale of stake in associate company” shall include-

- (i) an agreement to sell or sale of shares or voting rights in a company such that the company ceases to be a wholly owned subsidiary, a subsidiary or an associate company of the listed entity; or
- (ii) an agreement to sell or sale of shares or voting rights in a subsidiary or associate company such that the amount of the sale exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.

**Explanation (3)**- For the purpose of this sub-paragraph, “undertaking” and “substantially the whole of the undertaking” shall have the same meaning as given under section 180 of the Companies Act, 2013.

#### **1.1.A Acquisition of to be incorporated Companies:**

- a) name of the entity, date & country of incorporation, etc.;
- b) name of holding company of the incorporated company and relation with the listed entity;
- c) industry to which the entity being incorporated belongs;
- d) brief background about the entity incorporated in terms of products / line of business;
- e) brief details of any governmental or regulatory approvals required for the incorporation;
- f) nature of consideration - whether cash consideration or share swap and details of the same;
- g) cost of subscription / price at which the shares are subscribed;
- h) percentage of shareholding / control by the listed entity and / or number of shares allotted.

#### **1.2 Amalgamation/ Merger:**

- a) name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.;
- b) whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”;
- c) area of business of the entity(ies);
- d) rationale for amalgamation/ merger;
- e) in case of cash consideration – amount or otherwise share exchange ratio;
- f) brief details of change in shareholding pattern (if any) of listed entity.

#### **1.3 De-merger:**

- a) brief details of the division(s) to be demerged;
- b) turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year;
- c) rationale for demerger;
- d) brief details of change in shareholding pattern (if any) of all entities;

- e) in case of cash consideration – amount or otherwise share exchange ratio;
- f) whether listing would be sought for the resulting entity.

**1.4 Sale or disposal of unit(s) or division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the listed entity, sale of stake in the associate company of the listed entity:**

- a) the amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division or undertaking or subsidiary or associate company of the listed entity during the last financial year;
- b) date on which the agreement for sale has been entered into;
- c) the expected date of completion of sale/disposal;
- d) consideration received from such sale/disposal;
- e) brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof;
- f) whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length";
- g) whether the sale, lease or disposal of the undertaking is outside Scheme of Arrangement? If yes, details of the same including compliance with regulation 37A of LODR Regulations.
- h) additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale.

For the purpose of this sub-clause, "slump sale" shall mean the transfer of one or more undertakings, as a result of the sale for a lump sum consideration, without values being assigned to the individual assets and liabilities in such sales.

**2 Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc. (within 30 minutes or 3 hours\*/ 12 hours);**

**2.1 Issuance of securities:**

- a) type of securities proposed to be issued (viz. equity shares, convertibles etc.);
- b) type of issuance (further public offering, rights issue, depository receipts (ADR/GDR), qualified institutions placement, preferential allotment etc.);
- c) total number of securities proposed to be issued or the total amount for which the securities will be issued (approximately);
- d) in case of preferential issue the Company shall disclose the following additional details to the stock exchange(s):
  - (i) names of the investors;
  - (ii) post allotment of securities – outcome of the subscription, issue price / allotted price (in case of convertibles), number of investors;
  - (iii) in case of convertibles – intimation on conversion of securities or on lapse of the tenure of the instrument;

- e) in case of bonus issue, the Company shall disclose the following additional details to the stock exchange(s):
  - (i) whether bonus is out of free reserves created out of profits or share premium account;
  - (ii) bonus ratio;
  - (iii) details of share capital – pre and post bonus issue;
  - (iv) free reserves and/ or share premium required for implementing the bonus issue;
  - (v) free reserves and/ or share premium available for capitalization and the date as on which such balance is available;
  - (vi) whether the aforesaid figures are audited;
  - (vii) estimated date by which such bonus shares would be credited/dispatched;
- f) in case of issuance of depository receipts (ADR/GDR) or FCCB, the Company shall disclose following additional details to the stock exchange(s):
  - (i) name of the stock exchange(s) where ADR/GDR/FCCBs are listed (opening – closing status) / proposed to be listed;
  - (ii) proposed no. of equity shares underlying the ADR/GDR or on conversion of FCCBs;
  - (iii) proposed date of allotment, tenure, date of maturity and coupon offered, if any of FCCBs;
  - (iv) issue price of ADR/GDR/FCCBs (in terms of USD and in INR after considering conversion rate);
  - (v) change in terms of FCCBs, if any;
  - (vi) details of defaults, if any, by the Company in payment of coupon on FCCBs & subsequent updates in relation to the default, including the details of the corrective measures undertaken (if any);
- g) in case of issuance of debt securities or other non-convertible securities, the Company shall disclose following additional details to the stock exchange(s):
  - (i) size of the issue;
  - (ii) whether proposed to be listed? If yes, name of the stock exchange(s);
  - (iii) tenure of the instrument – date of allotment and date of maturity;
  - (iv) coupon/interest offered, schedule of payment of coupon/interest and principal;
  - (v) charge/security, if any, created over the assets;
  - (vi) special right/interest/privileges attached to the instrument and changes thereof;
  - (vii) delay in payment of interest / principal amount for a period of more than three (3) months from the due date or default in payment of interest / principal;
  - (viii) details of any letter or comments regarding payment/nonpayment of interest, principal on due dates, or any other matter concerning the security and /or the assets along with its comments thereon, if any;
  - (ix) details of redemption of preference shares indicating the manner of redemption (whether out of profits or out of fresh issue) and debentures;
- h) any cancellation or termination of proposal for issuance of securities including reasons thereof.

## 2.2 Split/consolidation of shares:

- a) split/consolidation ratio;
- b) rationale behind the split/consolidation;
- c) pre and post share capital – authorized, paid-up and subscribed;

- d) expected time of completion;
- e) class of shares which are consolidated or subdivided;
- f) number of shares of each class pre and post-split or consolidation;
- g) number of shareholders who did not get any shares in consolidation and their pre-consolidation shareholding.

**2.3 Buy-back of securities:**

- a) number of securities proposed for buyback;
- b) number of securities proposed for buyback as a percentage of existing paid up capital;
- c) buyback price;
- d) actual securities in number and percentage of existing paid up capital bought back;
- e) pre & post shareholding pattern.

**2.4 Any restriction on transferability of securities:**

- a) authority issuing attachment or prohibitory orders;
- b) brief details and reasons for attachment or prohibitory orders;
- c) name of registered holders against whom restriction on transferability has been placed;
- d) total number of securities so affected;
- e) distinctive numbers of such securities if applicable;
- f) period for which order would be applicable (if stated).

**2.5 Any action, which will result in alteration of the terms or structure of any existing securities, including, but not limited to:**

- a) forfeiture of shares;
- b) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
- c) proposal to issue any class of securities;
- d) alterations of capital, including calls;

**3 New Ratings or Revision in Rating(s) (within 24 hours);**

The Company shall notify the stock exchange(s), the details of any new rating or revision in rating assigned from a credit rating agency to any debt instrument of the listed entity or to any fixed deposit programme or to any scheme or proposal of the listed entity involving mobilization of funds whether in India or abroad. In case of a downward revision in ratings, the listed entity shall also intimate the reasons provided by the rating agency for such downward revision.

The above requirement to disclose rating shall also be applicable to the following:

- a) Revision in rating even if it was not requested for by the listed entity or the request was later withdrawn by the listed entity.
- b) Revision in rating outlook even without revision in rating score.
- c) ESG ratings by registered ESG Rating Providers.

**4 Outcome of Meetings of the board of directors:**

The Company shall disclose to the Exchanges within 30 minutes of the closure of the meeting, the outcome of meetings held to consider or decide the following:

- a) Dividends recommended or declared or the decision to pass any dividend and the date

- on which dividend shall be paid/dispatched;
- b) Any cancellation of dividend with reasons thereof;
- c) the decision on buyback of securities;
- d) the decision with respect to fund raising proposed to be undertaken including by way of issue of securities (excluding security receipts, securitized debt instruments or money market instruments regulated by Reserve Bank of India), through further public offer, right issue, American depository Receipts/ Global Depository Receipts/ foreign currency Convertible Bonds, qualified institutional placement, debt issue, preferential issue or any other method;
- e) Increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
- f) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
- g) Short particulars of any other alterations of capital, including calls;
- h) Financial results;
- i) Decision on voluntary delisting by the Company from stock exchange(s).

**Explanation-**

- (i) In case the meeting of the Board of Directors closes after normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day, the Company shall disclose the decision pertaining to the event or information, within three hours from the closure of the board meeting.
- (ii) In case the meeting of the Board of Directors is being held for more than one day, the financial results shall be disclosed within thirty minutes or three hours, as applicable, from closure of such meeting for the day on which it has been considered.
- (iii) The intimation of outcome of meeting of the board of directors shall also contain the time of commencement and conclusion of the meeting.

**5 Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the Company), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof (within 30 minutes or 3 hours\*/12 hours/ 24 hours):**

- (5A) Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements. **[within 12 hours \* (for agreements where IRCTC is a party)/ within 24 hours (for agreements where IRCTC is not a party)];**

**Provided that** such agreements entered into by a listed entity in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or they are required to be disclosed in terms of any other provisions of these regulations.

- a) if the listed entity is a party to the agreement,
  - i. details of the counterparties (including name and relationship with the listed entity);
- b) if listed entity is not a party to the agreement,
  - i. name of the party entering into such an agreement and the relationship with the listed entity;
  - ii. details of the counterparties to the agreement (including name and relationship with the listed entity);
  - iii. date of entering into the agreement.
- c) purpose of entering into the agreement;
- d) shareholding, if any, in the entity with whom the agreement is executed;
- e) significant terms of the agreement (in brief);
- f) extent and the nature of impact on management or control of the listed entity;
- g) details and quantification of the restriction or liability imposed upon the listed entity;
- h) whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;
- i) whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”;
- j) in case of issuance of shares to the parties, details of issue price, class of shares issued;
- k) any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.;
- l) in case of rescission, amendment or alteration, listed entity shall disclose additional details to the stock exchange(s):
  - i.name of parties to the agreement;
  - ii.nature of the agreement;
  - iii.date of execution of the agreement;
  - iv.details and reasons for amendment or alteration and impact thereof (including impact on management or control and on the restriction or liability quantified earlier);
  - v.reasons for rescission and impact thereof (including impact on management or control and on the restriction or liability quantified earlier).

**Explanation 1:** For the purpose of this clause, the term “directly or indirectly” includes agreements creating obligation on the parties to such agreements to ensure that Company shall or shall not act in a particular manner.

**Explanation 2:** The parties to the agreements shall inform the Company about the agreement to which the Company is not a party within two working days of entering into the agreement or signing an agreement to enter into such agreements.

**6. Fraud or defaults by a listed entity, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior**



**management, promoter or director of the listed entity, whether occurred within India or abroad (within 24 hours):**

- 6.1 At the time of unearthing of fraud or occurrence of the default / arrest:
- a) nature of fraud/default/arrest;
  - b) estimated impact on the listed entity;
  - c) time of occurrence;
  - d) person(s) involved;
  - e) estimated amount involved (if any);
  - f) whether such fraud/default/arrest has been reported to appropriate authorities.
- 6.2 Subsequently intimate the stock exchange(s) further details regarding the fraud/default/arrest including:
- a) actual amount involved in the fraud /default (if any);
  - b) actual impact of such fraud /default on the listed entity and its financials; and
  - c) corrective measures taken by the listed entity on account of such fraud/default.

(i) 'Fraud' shall include fraud as defined under Regulation 2(1)(c) of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003.

(ii) 'Default' shall mean non-payment of the interest or principal amount in full on the date when the debt has become due and payable.

**Explanation 1-** In case of revolving facilities like cash credit, an entity would be considered to be in 'default' if the outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than thirty days.

**Explanation 2-** Default by a promoter, director, key managerial personnel, senior management, subsidiary shall mean default which has or may have an impact on the listed entity.

**Explanation 3-** Fraud by senior management, other than who is promoter, director or key managerial personnel, shall be required to be disclosed only if it is in relation to the listed entity.

**7. Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Senior Management, Auditor and Compliance Officer (within 12 hours; and within 24 hours in case of resignation);**

7.1 reason for change viz. appointment, re-appointment, resignation, removal, death or otherwise;

7.2 date of appointment/re-appointment/cessation (as applicable) & term of appointment/re-appointment;

7.3 brief profile (in case of appointment);

7.4 disclosure of relationships between directors (in case of appointment of a director).

- 7A In case of resignation of the auditor of the Company, detailed reasons for resignation of auditor, as given by the said auditor, shall be disclosed by the Company to the stock exchanges as soon as possible but not later than twenty-four (24) hours of receipt of such reasons from the auditor.

7B Resignation of independent director including reasons for resignation: In case of resignation of an independent director of the Company, within seven (7) days from the date of resignation, the following disclosures shall be made to the Stock Exchanges by the Company:

- i. The letter of resignation along with detailed reasons for the resignation as given by the said director.
- (ia). Names of listed entities in which the resigning director holds directorships, indicating the category of directorship and membership of board committees, if any.
- ii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
- iii. The confirmation as provided by the independent director above shall also be disclosed by the Company to the stock exchanges along with the disclosures as specified in sub-clause (i) and (ii) above.

7C In case of resignation of key managerial personnel, senior management, Compliance Officer or director other than an independent director; the letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director shall be disclosed to the stock exchanges by the listed entities within seven (7) days from the date that such resignation comes into effect.

7D In case the Managing Director or Chief Executive Officer of the listed entity was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).

**8. Appointment or discontinuation of share transfer agent (within 12 hours);**

- i. reason for appointment or discontinuation;
- ii. date on which above would become effective.

**9. Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions including the following details (within 24 hours);**

- (i) Decision to initiate resolution of loans/borrowings;
- (ii) Signing of Inter-Creditors Agreement (ICA) by lenders;
- (iii) Finalization of Resolution Plan;
- (iv) Implementation of Resolution Plan;
- (v) Salient features, not involving commercial secrets, of the resolution/restructuring plan as decided by lenders.

**10. One-time settlement with a bank (within 24 hours);**

- 10.1 reasons for opting for OTS;
- 10.2 brief summary of the OTS.



11. **Winding-up petition filed by any party/creditors (within 24 hours);**  
11.1 reasons for such a petition;  
11.2 impact of such petition on listed entity.
12. **Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the Company (within 12 hours);**  
12.1 date of notice/call letters/resolutions etc.;  
12.2 brief details viz. agenda (if any) proposed to be taken up, resolution to be passed, manner of approval proposed etc.
13. **Proceedings of Annual and extraordinary general meetings of the Company (within 12 hours);**  
13.1 date of the meeting;  
13.2 brief details of items deliberated and results thereof;  
13.3 manner of approval proposed for certain items (e-voting etc.).
14. **Amendments to memorandum and articles of association of Company, in brief (within 30 minutes or 3 hours\*/12 hours).**
15. (a) (i) **Schedule of analysts or institutional investors meet at least two working days in advance (excluding the date of the intimation and the date of the meet);**  
  
(ii) presentations prepared by the Company for analysts and institutional investors meet, post earnings and quarterly calls shall be disclosed to the recognized stock exchanges **prior to the beginning of such event.**

**Explanation 1:** For the purpose of this clause 'meet' shall mean group meetings or group conference calls conducted physically or through digital means.

**Explanation 2:** Disclosure of names in the schedule of analysts or institutional investors meet shall be optional for the company.

**(b) Audio recordings, video recordings, if any, and transcripts of post earnings or quarterly calls, by whatever name called, conducted physically or through digital means, in the following manner:**

- (i) The audio recordings shall be promptly made available on the website and in any case, **before the next trading day or within twenty-four hours from the conclusion of such calls**, whichever is earlier;
- (ii) The video recordings, if any, shall be made available on the website **within forty-eight hours from the conclusion of such calls**;

**(c) The transcripts of such calls shall be made available on the website along with simultaneous submission to recognized stock exchanges within five working days of the conclusion of such call.**

**16. The following events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code (within 24 hours);**

- a) Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
- b) Filing of application by financial creditors for initiation of CIRP against the corporate debtor, also specifying the amount of default;
- c) Admission of application by the Tribunal, along with amount of default or rejection or withdrawal, as applicable;
- d) Public announcement made pursuant to order passed by the Tribunal under section 13 of Insolvency Code;
- e) List of creditors as required to be displayed by the corporate debtor under regulation 13(2)(c) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- f) Appointment/ Replacement of the Resolution Professional;
- g) Prior or post-facto intimation of the meetings of Committee of Creditors;
- h) Brief particulars of invitation of resolution plans under section 25(2)(h) of Insolvency Code in the Form specified under regulation 36A(5) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016;
- i) Number of resolution plans received by Resolution Professional;
- j) Filing of resolution plan with the Tribunal;
- k) Approval of resolution plan by the Tribunal or rejection, if applicable;
- l) Specific features and details of the resolution plan as approved by the Adjudicating Authority under the Insolvency Code, not involving commercial secrets, including details such as:
  - i. Pre and Post net-worth of the company
  - ii. Details of assets of the company post CIRP;
  - iii. Details of securities continuing to be imposed on the companies' assets;
  - iv. Other material liabilities imposed on the company;
  - v. Detailed pre and post shareholding pattern assuming 100% conversion of convertible securities;
  - vi. Details of funds infused in the company, creditors paid-off;
  - vii. Additional liability on the incoming investors due to the transaction, source of such funding etc.;
  - viii. Impact on the investor – revised P/E, RONW ratios etc.;
  - ix. Names of the new promoters, key managerial personnel, if any and their past experience in the business or employment. In case where promoters are companies, history of such company and names of natural persons in control;
  - x. Brief description of business strategy
- m) Any other material information not involving commercial secrets.
- n) Proposed steps to be taken by the incoming investor/acquirer for achieving the MPS;
- o) Quarterly disclosure of the status of achieving the MPS;
- p) The details as to the delisting plans, if any approved in the resolution plan.

**17. Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by listed entities**

**(within 30 minutes or 3 hours\*/12 hours/ 24 hours):**

- a) The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;
- b) Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the listed entity along with comments of the management, if any.

**Explanation-** For the purpose of this sub-paragraph, forensic audit refers to the audits, by whatever name called, which are initiated with the objective of detecting any mis-statement in financial statements, mis-appropriation, siphoning or diversion of funds and does not include audit of matters such as product quality control practices, manufacturing practices, recruitment practices, supply chain process including procurement or other similar matters that would not require any revision to the financial statements disclosed by the listed entity.

- 18. Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a listed entity, in relation to any event or information which is material for the listed entity in terms of regulation 30 of these regulations and is not already made available in the public domain by the listed entity (within 24 hours);**

**Explanation –** “social media intermediaries” shall have the same meaning as defined under the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.

- 19. Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following (within 24 hours);**

- a) search or seizure; or
- b) re-opening of accounts under section 130 of the Companies Act, 2013; or
- c) investigation under the provisions of Chapter XIV of the Companies Act, 2013; along with the following details pertaining to the actions(s) initiated, taken or orders passed:
  - i. name of the authority;
  - ii. nature and details of the action(s) taken, initiated or order(s) passed;
  - iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
  - iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
  - v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.

- 20. Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following (within 24 hours);**

- (a) suspension;
- (b) imposition of fine or penalty;
- (c) settlement of proceedings;
- (d) debarment;
- (e) disqualification;

- (f) closure of operations;
- (g) sanctions imposed;
- (h) warning or caution; or
- (i) any other similar action(s) by whatever name called;

along with the following details pertaining to the actions(s), taken or orders passed:

- i. name of the authority;
- ii. nature and details of the action(s) taken, or order(s) passed;
- iii. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;
- iv. details of the violation(s)/contravention(s) committed or alleged to be committed;
- v. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.

**Explanation –** Imposition of fine or penalty shall be disclosed in the following manner along with the details pertaining to the action(s) taken or orders passed as mentioned in the sub-paragraph:

- i. disclosure of fine or penalty of **rupees one lakh or more** imposed by sectoral regulator or enforcement agency and fine or penalty of **rupees ten lakhs or more** imposed by other authority or judicial body shall be disclosed within twenty-four hours.
- ii. disclosure of fine or penalty imposed which are lower than the monetary thresholds specified in the clause (i) above on a quarterly basis in the format as may be specified.

*For List of sectoral regulators/enforcement agencies as issued by SEBI, refer to **Annexure-B** of the attached Industry Standards (i.e., Annexure-4).*

**21. Voluntary revision of financial statements or the report of the board of directors of the listed entity under section 131 of the Companies Act, 2013 (within 30 minutes or 3 hours\*/12 hours).**

**\*Note:** *In case the event or information emanates from a decision taken in a meeting of board of directors, the same shall be disclosed within 30 minutes or 3 hours, as applicable as per Regulation 30(6), from the closure of such meeting as against the timeline indicated in the table above.*

\*\*\*\*\*

**Details which the Company needs to disclose for the events specified in Para B of Part A of Schedule III of Regulation 30(4) of SEBI (LODR), Regulations, 2015**

- 1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division (within 30 minutes or 3 hours\*/ 12 hours);**

The Company shall notify the stock exchange(s) regarding the commencement of commercial production or the commencement of commercial operations of any unit/division. In cases where the listed entity has made prior intimation of date of commencement of commercial production or operations, the Company shall be required to disclose details in case of postponement of the date of commencement.

- 2. Any of the following events pertaining to the listed entity (within 30 minutes or 3 hours\*/ 12 hours);**

**2.1 arrangements for strategic, technical, manufacturing, or marketing tie-up; or**

- (a) Agreement / joint venture (JV) with companies:
  - (i) name of the entity(ies) with whom agreement/ JV is signed;
  - (ii) area of agreement/JV;
  - (iii) domestic/international;
  - (iv) share exchange ratio / JV ratio;
  - (v) scope of business operation of agreement / JV;
  - (vi) details of consideration paid / received in agreement / JV;
  - (vii) significant terms and conditions of agreement / JV in brief;
  - (viii) whether the acquisition would fall within related party transactions and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arm's length";
  - (ix) size of the entity(ies);
  - (x) rationale and benefit expected.
- (b) In the event that any such arrangement is called off for any reason, the same shall be disclosed along with the reasons for calling off the proposal.

**2.2 adoption of new line(s) of business; or**

- (a) industry or area to which the new line of business belongs to;
- (b) expected benefits;
- (c) estimated amount to be invested.

**2.3 closure of operation of any unit, division or subsidiary (in entirety or in piecemeal).**

- (a) date of such binding agreement, if any, entered for sale of such unit/division, if any;
- (b) amount & percentage of turnover or revenue or income and net worth of the listed entity contributed by such unit or division during the last financial year;
- (c) date of closure or estimated time of closure;
- (d) reasons for closure.

### **3. Capacity addition or product launch (within 30 minutes or 3 hours\*/ 12 hours);**

#### **3.1 Capacity addition:**

- (a) existing capacity;
- (b) existing capacity utilization;
- (c) proposed capacity addition;
- (d) period within which the proposed capacity is to be added;
- (e) investment required;
- (f) mode of financing;
- (g) rationale.

#### **3.2 Product launch:**

- (a) name of the product;
- (b) date of launch;
- (c) category of the product;
- (d) whether caters to domestic/ international market;
- (e) name of the countries in which the product is launched (in case of international).

### **4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business (within 24 hours).**

#### **4.1 Awarding of order(s)/contract(s):** Only important terms and conditions which may be as under needs to be disclosed:

- (a) name of the entity to which order(s)/contract(s) is awarded;
- (b) whether order(s) / contract(s) is awarded to domestic/ international entity
- (c) significant terms and conditions of order(s)/contract(s) awarded, in brief;
- (d) time period, if any, associated with the order(s)/contract(s);
- (e) broad commercial consideration or size of the order(s)/contract(s);
- (f) whether the promoter/ promoter group/group companies have any interest in that entity to whom the order(s)/contract(s) is awarded? If Yes, nature of interest and details thereof;
- (g) whether the same would fall within related party transactions? If yes, whether the same is done at “arm’s length”.

#### **4.2 Bagging/Receiving of orders/contracts:** Only important terms and conditions which may be as under needs to be disclosed:

- (a) name of the entity awarding the order(s)/contract(s);
- (b) significant terms and conditions of order(s)/contract(s) awarded in brief;
- (c) whether order(s) / contract(s) have been awarded by domestic/ international entity;
- (d) nature of order(s) / contract(s);
- (e) whether domestic or international;
- (f) time period by which the order(s)/contract(s) is to be executed;
- (g) broad consideration or size of the order(s)/contract(s);
- (h) whether the promoter/ promoter group / group companies have any interest in the entity that awarded the order(s)/contract(s)? If yes, nature of interest and details

thereof;

- (i) whether the order(s)/contract(s) would fall within related party transactions? If yes, whether the same is done at “arm’s length”.

**4.3 Amendment or termination of orders/contracts:**

- (a) name of parties to the order(s)/contract(s);
- (b) nature of the order(s)/contract(s);
- (c) date of execution of the order(s)/contract(s)
- (d) details of amendment or reasons for terminations and impact thereof (to the extent possible);

**5. Agreements (viz. loan agreement(s) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof (within 30 minutes or 3 hours\*/ 24 hours);**

Only important terms and conditions which may be as under needs to be disclosed:

- (a) name(s) of parties with whom the agreement is entered;
- (b) purpose of entering into the agreement;
- (c) size of agreement;
- (d) shareholding, if any, in the entity with whom the agreement is executed;
- (e) significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.;
- (f) whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;
- (g) whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”;
- (h) in case of issuance of shares to the parties, details of issue price, class of shares issued;
- (i) in case of loan agreements, details of lender/borrower, nature of the loan, total amount of loan granted/taken, total amount outstanding, date of execution of the loan agreement/sanction letter, details of the security provided to the lenders / by the borrowers for such loan or in case outstanding loans lent to a party or borrowed from a party become material on a cumulative basis;
- (j) any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.;
- (k) in case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s):
  - i. name of parties to the agreement;
  - ii. nature of the agreement;
  - iii. date of execution of the agreement;
  - iv. details of amendment and impact thereof or reasons of termination and impact thereof.

**6. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), *force majeure* or events such as strikes, lockouts etc.**



**(within 24 hours);**

**6.1 At the time of occurrence:**

- a. expected quantum of loss/damage caused;
- b. whether loss/damage covered by insurance or not including amount;
- c. estimated impact on the production/operations in case of strikes/lock outs;
- d. factory/unit where the strike/lock out takes place including reasons for such strike.

**6.2 Regularly, till complete normalcy is restored:**

- a. insurance amount claimed and realized by the listed entity for the loss/damage;
- b. the actual amount of damage caused due to the natural calamity or other force majeure events;
- c. details of steps taken to restore normalcy and the impact of the natural calamity/other force majeure events on production or service, financials of the entity.

**7. Effect(s) arising out of change in the regulatory framework applicable to the Company (within 24 hours).**

**8. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity (within 24 hours);**

The Company shall notify the stock exchange(s) upon it or its director or its key management personnel or its senior management or its promoter or its subsidiary becoming party to any litigation, assessment, adjudication, arbitration or dispute in conciliation proceedings or upon institution of any litigation, assessment, adjudication, arbitration or dispute including any ad-interim or interim orders passed against or in favour of the listed entity, the outcome of which can reasonably be expected to have an impact. In case the amount involved in ongoing litigations or disputes with an opposing party become material on a cumulative basis, then the same shall also be required to be disclosed to the stock exchange(s).

**8.1 At the time of becoming the party:**

- (a) brief details of litigation viz. name(s) of the opposing party, court/ tribunal/agency where litigation is filed, brief details of dispute/litigation;
- (b) expected financial implications, if any, due to compensation, penalty etc.;
- (c) quantum of claims, if any;

**8.2 Regularly till the litigation is concluded or dispute is resolved:**

- (a) the details of any change in the status and / or any development in relation to such proceedings;
- (b) in the case of litigation against key management personnel or its promoter or ultimate person in control, regularly provide details of any change in the status and / or any development in relation to such proceedings;
- (c) in the event of settlement of the proceedings, details of such settlement including - terms of the settlement, compensation/penalty paid (if any) and impact of such settlement on the financial position of the listed entity.

**Explanation-** Tax litigations or disputes, including demand notices, penalties, etc., shall be disclosed under sub-para 8 of Para B based on application of criteria for materiality in the following manner:



- i Disclosure of new tax litigations or disputes within twenty-four hours from the receipt of notice by the listed entity.
- ii Quarterly updates on ongoing tax litigations or disputes in the format as may be specified.
- iii Tax litigations or disputes, the outcomes of which are likely to have a high correlation, should be cumulated for determining materiality.

**9. Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity (within 24 hours);**

**9.1 At the time of unearthing of fraud or occurrence of the default/arrest:**

- (a) nature of fraud/default/arrest;
- (b) estimated impact on the listed entity;
- (c) time of occurrence;
- (d) person(s) involved;
- (e) estimated amount involved (if any);
- (f) whether such fraud has been reported to appropriate authorities.

**9.2 Subsequently intimate the stock exchange(s) further details regarding the fraud/default including:**

- (a) actual amount involved in the fraud /default (if any);
- (b) actual impact of such fraud /default on the listed entity and its financials;
- (c) corrective measures taken by the listed entity on account of such fraud/default.

**10. Options to purchase securities including any ESOP/ESPS Scheme (including any Share Based Employee Benefit (SBEB) Scheme) at the time of instituting the scheme and vesting or exercise of options (within 30 minutes or 3 hours\*/ 12 hours):**

- (a) brief details of options granted;
- (b) whether the scheme is in terms of SEBI (SBEB) Regulations, 2021 (if applicable);
- (c) total number of shares covered by these options;
- (d) pricing formula;
- (e) options vested;
- (f) time within which option may be exercised;
- (g) options exercised;
- (h) money realized by exercise of options;
- (i) the total number of shares arising as a result of exercise of option;
- (j) options lapsed;
- (k) variation of terms of options;
- (l) brief details of significant terms;
- (m) subsequent changes or cancellation or exercise of such options;
- (n) diluted earnings per share pursuant to issue of equity shares on exercise of options.

**11. Giving of guarantees or indemnity or becoming a surety [by whatever named called] for any third party (within 30 minutes or 3 hours\*/ 12 hours):**

- (a) name of party for which such guarantees or indemnity or surety was given;

- (b) whether the promoter/ promoter group/ group companies have any interest in this transaction? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”;
- (c) brief details of such guarantee or indemnity or becoming a surety viz. brief details of agreement entered (if any) including significant terms and conditions, including amount of guarantee;
- (d) impact of such guarantees or indemnity or surety on listed entity.

The above details for giving of guarantees or indemnity or becoming a surety, by whatever name called, including comfort letter, side letter, etc., shall also be required to be disclosed in case the amount involved in terms of outstanding guarantees, indemnity or surety for a third party become material on a cumulative basis.

**12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals (within 24 hours);**

- (a) name of the regulatory or licensing authority;
- (b) brief details of the approval/license obtained/ withdrawn/ surrendered;
- (c) impact/relevance of such approval/license to the listed entity;
- (d) withdrawal/cancellation or suspension of licence/approval by the regulatory or licensing authority, with reasons for such action, estimated impact (monetary or otherwise) on the listed entity and penalty, if any;
- (e) period for which such approval/license is/was valid;
- (f) Subsequently, the listed entity shall inform the stock exchange(s), the actual impact (monetary or otherwise) along with corrective actions taken by the listed entity pursuant to the withdrawal, cancellation or suspension of the key license/ approval.

**13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority (within 30 minutes or 3 hours\*/ 12 hours):**

- (a) name of the authority;
- (b) details of fines, penalties, dues, etc. including amount;
- (c) due date of payment;
- (d) reasons for delay or default in payment;
- (e) impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.

**\*Note:** *In case the event or information emanates from a decision taken in a meeting of board of directors, the same shall be disclosed within 30 minutes or 3 hours, as applicable as per Regulation 30(6), from the closure of such meeting as against the timeline indicated in the table above.*



## **Industry Standards Note on Regulation 30 of the LODR Regulations**

---

### **Purpose of this Industry Standards Note**

This Industry Standards Note has been published to:

- Facilitate uniform approach and assist listed entities in complying with their obligations in respect of disclosures under Regulation 30 read with Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”) and circulars issued thereunder (referred to below as the “**Continuous Disclosure Requirements**”)<sup>1</sup>; and
- Set out standard operating procedures for compliance with the Continuous Disclosure Requirements.

This Industry Standards Note has been prepared in consultation with SEBI. Any addition/ modification/ alteration to this Industry Standards Note shall be made only in consultation with SEBI. This Industry Standards Note is available on the websites of BSE Limited (“**BSE**”) and National Stock Exchange of India Limited (“**NSE**”) (collectively, the “**Stock Exchanges**”). Further, the same is hosted on the websites of the Federation of Indian Chambers of Commerce and Industry (FICCI) accessible at <https://ficci.in/>, the Associated Chambers of Commerce & Industry of India (ASSOCHAM), accessible at <https://www.assocham.org/>, and the Confederation of Indian Industry (CII), accessible at <https://www.cii.in/>.

The listed entities shall follow this Industry Standards Note to ensure compliance with the Continuous Disclosure Requirements.

### **Main Aspects covered:**

1. Applicability of numerical thresholds to certain companies for Para A(1) of Part A of Schedule III
2. Interpretation of “value or the expected impact in terms of value” under Regulation 30(4)(i)(c).
3. Interpretation of “last audited consolidated financial statements” under Regulation 30(4)(i)(c).
4. Interpretation of “significant market reaction” under Regulation 30(4)(i)(b).
5. Materiality for disclosure under Para A(20) of Part A of Schedule III.
6. Disclosure relating to other persons under Para A(19) and (20) of Part A of Schedule III.

---

<sup>1</sup> Excluding Regulation 30(11) of the LODR Regulations.

7. Interpretation of “cumulative basis” (as referred in Master circular dated November 11, 2024<sup>2</sup> read with circular dated December 31, 2024<sup>3</sup> issued by SEBI) for disclosure of pending litigations or disputes under Regulation 30(4) read with Para B(8) of Part A of Schedule III.
8. Disclosure of show cause notices under (i) Para A(20) of Part A of the Schedule III, and (ii) Para B(8) of Part A of Schedule III.
9. Disclosure of confidential litigation / dispute / order / action initiated or taken under (i) Para A(19) and (20) of Part A of the Schedule III, and (ii) Para B(8) of Part A of Schedule III.
10. Compliance of timelines for disclosure under Regulation 30(6).
11. Disclosure of events or information which emanate from a decision taken in a meeting of board of directors under Regulation 30(6) read with Master circular dated November 11, 2024 read with circular dated December 31, 2024 issued by SEBI.
12. Disclosure of communication from regulatory, statutory, enforcement or judicial authority under Regulation 30(13).
13. Disclosure of fraud or default under Regulation 30 read with Para A(6) of Part A of Schedule III.
14. Disclosure for resignation key managerial personnel, senior management, etc under Para A(7C) of Part A of Schedule III.
15. Disclosure of winding up petition under Regulation 30 read with Para A(11) of Part A of Schedule III.
16. Disclosure of frauds or defaults by employees of the listed entity under Regulation 30(4) read with Para B(9) of Part A of Schedule III.
17. Disclosure of guarantees and indemnity under Regulation 30(4) read with Para B(11) of Part A of Schedule III.
18. Disclosure of announcement/ communication through social media intermediaries or mainstream media under Regulation 30(4) read with Para A(18) of Part A of Schedule III.
19. Disclosure of schedule of analysts or institutional investors meet at least two working days in advance under Para A(15(a)) of Part A of Schedule III.
20. Disclosure of proceedings of AGMs and EGMs of the listed entity under Para A(13) of Part A of Schedule III.
21. Intimation of forfeiture/restriction on transferability under Para A(2) of Part A of Schedule III.

---

<sup>2</sup> Master circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities (SEBI/HO/CFD/PoD2/CIR/P/0155)

<sup>3</sup> Circular for implementation of recommendations of the Expert Committee for facilitating ease of doing business for listed entities (SEBI/HO/CFD/CFD-PoD-2/CIR/P/2024/185)

### **Industry Standards for Compliance**

#### **1. Applicability of numerical thresholds to certain companies for Para A(1) of Part A of Schedule III**

1.1. For insurance companies and non-banking financial companies (“NBFC(s)”), including, core investment companies, registered with the Reserve Bank of India (“RBI”), the stipulation in Explanation (1)(ii)(c) to Para A(1) of Part A of Schedule III, should be understood as follows:

1.1.1. In case of acquisitions of listed (or to be listed) equity, convertible or debt securities of another entity, a disclosure of an acquisition would be required to be made only if the cost of acquisition or the price at which the listed (or to be listed) equity, convertible or debt securities are acquired exceeds the threshold specified in Regulation 30(4)(i)(c)(2), i.e., two percent of net worth, as per the last audited consolidated financial statements of the investor entity. In such instances, the materiality thresholds specified in Regulation 30(4)(i)(c)(1) and Regulation 30(4)(i)(c)(3) would not be applicable.

1.1.2. For any other type of acquisition, each of the prescribed materiality thresholds under Regulation 30(4)(i)(c) would continue to apply to assess whether a disclosure of the acquisition is triggered.

#### **2. Interpretation of “value or the expected impact in terms of value” under Regulation 30(4)(i)(c)**

2.1. In computing the “expected impact in terms of value” of an event/information, a listed entity should, where applicable, consider the expected impact in the four ensuing quarters (including the quarter in which the event occurs if the event occurs in the first 60 days of the quarter). Illustration in this regard are provided below:

2.1.1. If an event has occurred on May 29, 2023, which is a date in the first 60 days of the quarter, then the computation of the four ensuing quarters for the purposes of assessing the expected impact of the event would include the ongoing quarter beginning April 1, 2023. Accordingly, the period of assessment would be the four quarters beginning April 1, 2023, till March 31, 2024.

2.1.2. However, if an event has occurred on June 1, 2023, which is date not in the first 60 days of the quarter, then the computation of four ensuing quarters for the purposes of assessing the expected impact of the event would not include the ongoing quarter. Accordingly, the period of assessment would then be from July 1, 2023 till June 30, 2024.

2.2. Disclosure / non-disclosure would typically be in compliance with the regulatory requirements if while undertaking the assessment of the “value” and “expected impact in terms of value”, the listed entity places reliance on the principles for measurement set out under the applicable accounting standards (such as the PPR test formulated basis the principles for measurement set out under Ind AS 37), so as to ensure consistency between the disclosures made to the stock exchanges, and the disclosures made in the financial statements. For instance, if the outcome for a matter (above the materiality threshold) falls within probable or possible category then it may be disclosed, however, if it falls within remote category then disclosure may not be required under Para B(8) of Part A of Schedule III.

- 2.3. Disclosure of an event under Para B of Part A of Schedule III would be required to be made if the gross amount involved in such event exceeds the materiality threshold. However, listed entities may disclose details of indemnity and insurance claims which could mitigate the expected impact, if any, in respect of such event to provide more context while making the disclosure.
- 2.4. In certain instances, all of the three parameters specified under Regulation 30(4)(i)(c) (viz., profit / net worth / turnover) may not be relevant to an event. As such, while assessing whether an event exceeds the materiality thresholds, listed entities should refer to **Annexure A** for guidance on which of the relevant and appropriate parameter ought to be considered for determination of materiality for different types of events under Para B of Part A of Schedule III.
- 3. Interpretation of “last audited consolidated financial statements” under Regulation 30(4)(i)(c)**
- 3.1. The reference to last audited consolidated financial statements in this Regulation shall mean the annual audited consolidated financial statements of the listed entity.
- 4. Interpretation of “significant market reaction” under Regulation 30(4)(i)(b)**
- 4.1. Significant market reaction may differ from company to company. Significant market reaction may be assessed against scrip price, as per the parameters specified by the stock exchange(s).
- 5. Materiality for disclosure under Para A(20) of Part A of Schedule III**
- 5.1. For disclosure of imposition of fine or penalty under Para A(20) of Part A of Schedule III:
- 5.1.1. **Action taken or Order Passed by Sector Regulator / Enforcement Authority:** Action taken or order passed by the sector regulator / enforcement authority of the listed entity would be required to be disclosed, if such action or order, where quantifiable, exceeds the threshold specified by SEBI. The listed entity may refer to **Annexure B** for identifying its sector regulator / enforcement authority. Listed entities may also include other sector regulator/ enforcement authorities depending on their business, in their materiality policy.
- 5.1.2. **Action taken or Order Passed by all other Regulators / Authorities (Other than Regulators under paragraph 5.1.1 above):** Action taken or order passed by a regulatory/statutory/enforcement/judicial/quasi-judicial authority would be required to be disclosed only if such action or order, where quantifiable, exceeds the threshold specified by SEBI.
- 5.2. Further, imposition of fine or penalty below the quantifiable thresholds mentioned in paragraphs 5.1.1 and 5.1.2 above, should be disclosed by the listed entity on a quarterly basis.

**6. Disclosure relating to other persons under Para A(19) and (20) of Part A of Schedule III**

- 6.1. Listed entity while considering whether a matter involving directors, key managerial personnel, senior management, promoter or subsidiary requires disclosure can restrict themselves to disclosing such matters which are “in relation to the listed entity” and have an impact on operations, financial position or reputation of the listed entity.

**7. Interpretation of ‘cumulative basis’ (as referred in Master circular dated November 11, 2024 read with circular dated December 31, 2024 issued by SEBI) for disclosure of pending litigations or disputes under Regulation 30(4) read with Para B(8) of Part A of Schedule III**

- 7.1. For litigations or disputes having similar question of law and/or factual matrix such that there is a likelihood of similar outcome of proceedings, the listed entity should disclose such matters, if the aggregate / cumulative amount involved in all such matters cross the materiality threshold. The requirement of aggregation / cumulation will not be applicable only on the account of (i) the opposite party being the same person in more than one matter, or (ii) the litigation involving listed entity and its subsidiaries. It is clarified that the likelihood of similar outcome of proceedings, shall refer to a negative outcome for the listed entity in one proceeding which may lead to similar negative outcomes in the other matters.
- 7.2. For instance, in case of tax matters, the tax authorities may initiate different proceedings against a listed entity for different financial years or in different states, around the same set of facts and legal issues. If it is expected that if one proceeding is held against the entity on merit or law, then the others will also be held against the listed entity, then all such matters should be cumulated. However, matters involving the tax authorities (as common opposite party) with different facts and outcome of which are not inter-related, should not be cumulated. Similarly, matters initiated by or against the listed entity and its subsidiary against or by a common opposite party, with different facts and outcome of which are not inter-related, should not be cumulated.

**8. Disclosure of show cause notices under: (i) Para A(20) of Part A of the Schedule III and (ii) Para B(8) of Part A of Schedule III**

- 8.1. Receipt of a show cause notice would not trigger a disclosure requirement under Para A(20) of Part A of the Schedule III. However, receipt of a show cause notice from any regulatory, statutory, enforcement authority would come under Para B(8) of Part A of the Schedule III, and require disclosure upon application of the guidelines for materiality, as specified in Regulation 30(4).

**9. Disclosure of confidential litigation / dispute / order / action initiated or taken under (i) Para A(19) and (20) of Part A of the Schedule III, and (ii) Para B(8) of Part A of Schedule III**

- 9.1. Listed entities while evaluating the expected impact (and subsequently, the disclosure requirement) of pending litigation / dispute / order / action initiated or taken may also consider whether the same is confidential in nature under any applicable law and/or requirement / direction of any regulatory, statutory, judicial or quasi-judicial authority, or any tribunal.



**10. Compliance of timelines for disclosure under Regulation 30(6)**

10.1. Appropriate systems should be implemented by the listed entity for prompt internal reporting of events and training sessions at regular intervals may be conducted by listed entities in order to ensure awareness within the system of the requirement under Regulation 30 of the LODR Regulations. The timelines stipulated in this Regulation for making disclosures to the stock exchanges would begin once an officer of the listed entity has become aware of the occurrence of an event / information, through credible and verifiable channels of communication. For the purpose of this paragraph 10, the term ‘officer’ shall have the same meaning ascribed to it under section 2(59) of the Companies Act, 2013.

10.2. It shall be a defence for non-compliance with the timelines prescribed if there is any reasonable delay on account of (i) a force majeure event, (ii) time taken for completion of prima facie assessment of materiality for certain relevant events (such as orders, fraud, winding-up petitions, action initiated, claims made against listed entity, etc.), or (iii) information / event relating to subsidiary, director, key managerial personnel, senior management or promoter (where listed entity is not directly involved), etc. In such events, explanation for the delay should be provided along with the disclosure of the event / information.

**11. Disclosure of events or information which emanate from a decision taken in a meeting of board of directors under Regulation 30(6) read with Master circular dated November 11, 2024 read with circular dated December 31, 2024 issued by SEBI**

11.1. The timelines specified for disclosure of events or information which emanate from a decision taken in a meeting of board of directors, shall be applicable for making the disclosure in portable document format (.pdf). The listed entities may make the disclosure in eXtensible Business Reporting Language (XBRL) format within 24 hours from the conclusion of the meeting of the board of directors.

**12. Disclosure of communication from regulatory, statutory, enforcement or judicial authority under Regulation 30(13)**

12.1. The listed entities, while disclosing material information which is disclosable under Regulation 30 with respect to such communication, shall not be required to disclose confidential and sensitive information, including proprietary information. A summary of key elements of such communication (furnished in the prescribed format as set out in **Annexure C**) shall constitute sufficient compliance under Regulation 30(13).

12.2. To the extent the listed entities make disclosures of all relevant information as per the prescribed format under this requirement, they shall not be required to provide a copy of the communication from regulatory, statutory, enforcement or judicial authority.

**13. Disclosure of fraud or default under Regulation 30 read with Para A(6) of Part A of Schedule III**

13.1. In instances where the fraud relates to the listed company, the timelines stipulated in this Regulation for making disclosures to the stock exchanges would begin: (i) once a prima facie assessment of fraud having occurred is completed, or (ii) upon the expiry of 4 weeks from the time when the listed company becomes aware of the alleged fraud, whichever is earlier. Further, the listed entities will be required to make final disclosure once the investigation is fully concluded.



- 13.2. In instances where the allegation of fraud does not involve the listed company or is not in relation to the affairs of such listed entity, but pertains to its promoter, director, key managerial personnel, senior management or subsidiary, the obligation of the listed company to make a disclosure shall trigger once an officer of that listed company has become aware of the occurrence of fraud, through credible and verifiable channels of communication in relation to the relevant parties.
- 14. Disclosure for resignation of key managerial personnel, senior management, etc. under Para A(7C) of Part A of Schedule III**
- 14.1. In cases of key managerial personnel, senior management, compliance officer and non-independent directors of a listed entity, the phrase “resignation comes into effect” as used in Para A(7C) shall mean the last date of the concerned person in the listed entity, and the timelines for disclosure as per ParaA(7C) shall be calculated accordingly. For instance, *if Ms. X is a key managerial personnel in a listed entity, who submits her resignation letter on January 1, 2024, the management of the listed entity accepts the resignation on January 31, 2024 and her last date in the listed entity is February 28, 2024, the listed entity will be required to make the disclosure of her resignation on or prior to February 29, 2024 (i.e. within 24 hours of such resignation coming into effect) as per Para A(7C). The listed entity would also be required to provide the copy of her resignation letter dated January 1, 2024 on or prior to March 6, 2024 (i.e. within seven days from the date that such resignation comes into effect), along with detailed reasons for the resignation.*
- 14.2. When disclosing a copy of the resignation letter of the key managerial personnel, senior management, compliance officer or director, other than an independent director, to stock exchanges, the listed entity may redact portions from such resignation letter, other than the detailed reasons for resignation.
- 15. Disclosure of winding up petition under Regulation 30 read with Para A(11) of Part A of Schedule III**
- 15.1. Listed entities while considering whether a winding up petition requires disclosure can restrict themselves to disclosing those winding up petitions validly filed by eligible parties under Sections 271 and 272 of the Companies Act, 2013 (once such matter is admitted by NCLT).
- 16. Disclosure of frauds or defaults by employees of the listed entity under Regulation 30(4) read with Para B(9) of Part A of Schedule III**
- 16.1. The listed entities may consider the definition of ‘fraud’ and ‘default’ as provided Para A (6) of Part A of Schedule III for the purposes of this provision.
- 16.2. For the purposes of timing and stage of disclosure, please refer to paragraph 13 above.
- 17. Disclosure of guarantees and indemnity under Regulation 30(4) read with Para B(11) of Part A of Schedule III**
- 17.1. Listed entities may exclude indemnity/guarantee/surety, by whatever name called, provided for their wholly-owned subsidiaries which are consolidated in their financials from the scope of third-party indemnity/ guarantee/ surety. However, listed entities would be required to disclose such indemnity/ guarantee/ surety pertaining to their wholly-owned subsidiary, if the concerned entity ceases to be a wholly owned subsidiary of the listed entity.

- 17.2. The disclosure requirement shall not extend to contractual performance guarantees given by listed entities, involved in business activities where such performance guarantees are required to be furnished in the normal course of business. However, disclosure should be made upon invocation of such performance guarantees.
- 17.3. Additionally, guarantees, indemnity or surety bonds given by listed banking companies and surety insurance provided insurance companies in the normal course of their business, will not trigger a disclosure requirement. However, disclosure would be required upon invocation of such guarantees, indemnity or surety bonds.
- 17.4. Further, all material indemnity/ guarantee/ surety pertaining to their wholly-owned subsidiary would be required to be disclosed by the listed entity in cases where such indemnity/ guarantee/ surety is invoked.
- 18. Disclosure of announcement/ communication through social media intermediaries or mainstream media under Regulation 30(4) read with Para A(18) of Part A of Schedule III**
- 18.1. In case of any premature announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a listed entity, while making the requisite disclosure under this provision, the listed entity shall be required to issue necessary clarification in respect to such announcement / communication.
- 19. Disclosure of schedule of analysts or institutional investors meet at least two working days in advance under Para A(15(a)) of Part A of Schedule III**
- 19.1. For analysts or institutional investors meet which are scheduled by the listed entities at short notice for urgent matters, the requirement of providing at least two working days' notice in advance may be dispensed with. In such a case, the schedule of meetings should simultaneously be submitted to the stock exchanges along with the explanation for the short notice. Further, the meeting shall not be preceded or succeeded by any one-to-one meetings.
- 20. Disclosure of proceedings of AGMs and EGMs of the listed entity under Para A(13) of Part A of Schedule III**
- 20.1. A listed entity shall disclose voting results of annual and extraordinary general meetings as per the timelines provided in Regulation 44(3) of the LODR Regulations. However, certain specific details, such as, date of meeting and brief details of items deliberated, should be disclosed within 12 hours as per Regulation 30(6)(ii) of the LODR Regulations.
- 21. Intimation of forfeiture/restriction on transferability under Para A(2) of Part A of Schedule III**
- 21.1. The listed entity shall not be required to make disclosures in such situations where the restriction on transferability was a result of operation of any of the statutes or regulations applicable to the listed entity. For instance, the RBI imposes restrictions on change in shareholding of NBFCs beyond 26% without approval of the RBI. Similarly, the Insurance and Regulatory Development Authority of India (IRDAI) has prescribed approval requirements if the holding crosses a certain limit. In such cases, the listed entity would not be required to make disclosures on the restriction on transferability.

## Annexure A

### Guidance on appropriate parameter (profit / net-worth / turnover) to be considered for determination of materiality for different types of events under Para B of Part A of Schedule III of LODR Regulations

As per regulation 30(4)(i)(c) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ('LODR Regulations'),

(i) *The listed entity shall consider the following criteria for determination of materiality of events/ information:*

(c) *the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:*

- (1) *two percent of turnover, as per the last audited consolidated financial statements of the listed entity;*
- (2) *two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;*
- (3) *five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity.*

Thus, it is understood that any event/ information shall be considered as material for the Company if the value of such transaction or the expected impact of such event/ information in terms of value is lower of the turnover or net worth or profits after tax as calculated under the above stated provisions.

However, in certain instances, all of the three parameters specified under Regulation 30(4)(i)(c) (viz, profit / net worth / turnover) may not be relevant to an event. Applying the principle of *Reddendo Singula Singulis* to the materiality provisions of LODR Regulations, it can be said that since there are separate thresholds of 2% of turnover, 2% of net worth and 5% of average PAT, each of such values can be applied individually and a particular threshold would be relevant and applicable depending on the nature of the event/ information being assessed. For instance, any event which has an impact on the turnover or profits of the Company can be considered material by comparing the value of such event/ information with 2% of the consolidated turnover or 5% of the average PAT respectively.

Similarly, if there is any event/ information which has a capital cost involved, then the materiality of such event/ information can be identified by comparing the value of such event/ information with 2% of the consolidated net worth of the Company and if the value of event exceeds such threshold, then the event would be considered as material.

**Based on the above, an analysis as to which of the three parameters should be applied for events or information stated in Schedule III, Part A, Para B is suggested below for uniform approach by the listed entities:**

S. No.	Para B Events	Comparable with individual threshold limit (Numerator to Denominator)
1	Commencement or any postponement in the date of commencement of commercial	Lower of the below:

S. No.	Para B Events	Comparable with individual threshold limit (Numerator to Denominator)
	production or commercial operations of any unit/division.	a. Expected impact on turnover to 2% of consolidated turnover; or b. Expected impact on profit/ loss to 5% of average PAT
2	Any of the following events pertaining to the listed entity:	
	(a) arrangements for strategic, technical, manufacturing, or marketing tie-up; or	Lower of the below: a. Capital invested or to be invested for such tie-up to 2% of consolidated net worth; or b. Expected impact on turnover to 2% of consolidated turnover; or c. Expected impact on profit/ loss to 5% of average PAT
	(b) adoption of new line(s) of business; or	Lower of the below: a. Capital invested or to be invested for new line of business to 2% of consolidated net worth; or b. Expected impact on turnover to 2% of consolidated turnover; or c. Expected impact on profit/ loss to 5% of average PAT
	(c) closure of operations of any unit, division or subsidiary (in entirety or in piecemeal)	Lower of the below: a. Expected impact on turnover to 2% of consolidated turnover; or b. Expected impact on profit/ loss to 5% of average PAT
3	Capacity addition or product launch.	<b>Capacity addition:</b> Lower of the below: a. Capital invested or to be invested to 2% of consolidated net worth; or b. Expected impact on turnover to 2% of consolidated turnover; or c. Expected impact on profit/ loss to 5% of average PAT  <b>Product launch:</b> Lower of the below: a. Capital invested or to be invested for product launch to 2% of consolidated net worth; or b. Expected impact on turnover to 2% of consolidated turnover; or c. Expected impact on profit/ loss to 5% of average PAT

S. No.	Para B Events	Comparable with individual threshold limit (Numerator to Denominator)
4	Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business	Lower of the below: a. Expected capital expenditure to 2% of consolidated net worth; or b. Expected impact on turnover to 2% of consolidated turnover; or c. Expected impact on profit/ loss to 5% of average PAT
5	Agreements (viz. loan agreement(s) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof	Lower of the below, as may be applicable: a. Expected impact on balance sheet (increase in liability in terms of amount of loan) to 2% of consolidated net worth; or b. Expected impact on turnover to 2% of consolidated turnover; or c. Expected impact on profit/ loss to 5% of average PAT
6	Disruption of operations of any one or more units or division of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts, etc.	Lower of the below: a. Expected impact on turnover to 2% of consolidated turnover; or b. Expected impact on profit/ loss to 5% of average PAT
7	Effect(s) arising out of change in the regulatory framework applicable to the listed entity.	Lower of the below: a. Expected impact on turnover to 2% of consolidated turnover; or b. Expected impact on profit/ loss to 5% of average PAT
8	Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity	Lower of the below: a. Expected impact on turnover to 2% of consolidated turnover; or b. Expected impact on profit/ loss to 5% of average PAT
9	Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity	Lower of the below: a. Expected impact on turnover to 2% of consolidated turnover; or b. Expected impact on profit/ loss to 5% of average PAT
10	Options to purchase securities including any ESOP/ESPS Scheme	Lower of the below: a. Expected increase in capital to 2% of consolidated net worth; or b. Expected impact on profit/ loss to 5% of average PAT

S. No.	Para B Events	Comparable with individual threshold limit (Numerator to Denominator)
11	Giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party	Lower of the below: a. Expected impact on balance sheet (increase in liability in terms of amount of guarantee, indemnity, surety, etc.) to 2% of consolidated net worth; or b. Expected impact on profit/ loss in case the guarantee / indemnity / surety is invoked to 5% of average PAT
12	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	Lower of the below: a. Expected impact on turnover to 2% of consolidated turnover; or b. Expected impact on profit/ loss to 5% of average PAT
13	Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority	Threshold to be linked with Para A(20) - imposition of penalty.

**Notes:**

1. The above comparison of numerator to denominator for each event shall be applied basis on the assessment available with the Company, whether internal or external including any press release, transaction documents, insurance, board presentation, management review, etc., for determining such expected impact on turnover, capital expenditure, profits, etc.  
Refer Para 2.1 of the Note for explanation on computing “expected impact in terms of value”.
2. Consolidated turnover, net worth and profit/loss shall be as per the last audited consolidated financial statements of the listed entity and the average PAT shall be average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the listed entity.

\*\*\*\*\*

## Annexure B

### Part I - List of sector regulators in India

S. No.	Industry/Sector	Regulator(s)
1.	Chemicals and petrochemicals	Ministry of Chemicals and Fertilizers
2.	Fertilizers and agrochemicals	Ministry of Chemicals and Fertilizers
3.	Cement and cement products	-
4.	Other construction materials	-
5.	Ferrous metals	-
6.	Non-ferrous metals	-
7.	Diversified metals	-
8.	Minerals and mining	Directorate General Of Mines Safety
9.	Metals and minerals trading	-
10.	Paper, forest and jute products	-
11.	Automobiles	-
12.	Auto components	-
13.	Consumer durables	-
14.	Textiles and apparels	-
15.	Media	Ministry of Information and Broadcasting
16.	Entertainment	Telecom Regulatory Authority of India, Department of Telecommunications
17.	Printing and publication	Ministry of Information and Broadcasting
18.	Realty	Real Estate Regulatory Authority
19.	Leisure services	-
20.	Other consumer services	-
21.	Retailing	-
22.	Gas	Petroleum and Natural Gas Regulatory Board
23.	Oil	Petroleum and Natural Gas Regulatory Board
24.	Petroleum products	Petroleum and Natural Gas Regulatory Board
25.	Consumable fuels	Petroleum and Natural Gas Regulatory Board
26.	Agricultural food and other products	-
27.	Beverages	-
28.	Cigarettes and tobacco products	-
29.	Personal products	-
30.	Household products	-
31.	Diversified FMCG	Food Safety and Standards Authority of India (FSSAI), Food and Drug Administration (FDA)
32.	Banks/ NBFCs	Reserve Bank of India, Banking Ombudsman, Securities and Exchange Board of India (to the extent it acts as a licensing authority vis-à-vis the listed entity), Insurance Regulatory and Development Authority of India (to the extent it acts as a licensing authority vis-à-vis the listed entity), Pension Fund



S. No.	Industry/Sector	Regulator(s)
		Regulatory and Development Authority (to the extent it acts as a licensing authority vis-à-vis the listed entity)
33.	Capital markets	Securities and Exchange Board of India, Stock Exchanges, Reserve Bank of India (to the extent it acts as a licensing authority vis-à-vis the listed entity), Insurance Regulatory and Development Authority of India (to the extent it acts as a licensing authority vis-à-vis the listed entity), Pension Fund Regulatory and Development Authority (to the extent it acts as a licensing authority vis-à-vis the listed entity).
34.	Insurance	Insurance Regulatory and Development Authority of India, Pension Fund Regulatory and Development Authority (to the extent it acts as a licensing authority vis-à-vis the listed entity)
35.	Financial technology (fintech)	Reserve Bank of India (to the extent it acts as a licensing authority vis-à-vis the listed entity), Securities and Exchange Board of India (to the extent it acts as a licensing authority vis-à-vis the listed entity), Insurance Regulatory and Development Authority of India (to the extent it acts as a licensing authority vis-à-vis the listed entity), Pension Fund Regulatory and Development Authority (to the extent it acts as a licensing authority vis-à-vis the listed entity)
36.	Pharmaceuticals and biotechnology	National Pharmaceutical Pricing Authority (NPPA)
37.	Healthcare equipment and supplies	Central Drugs Standard Control Organisation
38.	Healthcare services	National Medical Commission
39.	Construction	-
40.	Aerospace and defense	Directorate General of Civil Aviation (DGCA)
41.	Agricultural, commercial and construction vehicles	-
42.	Electrical equipment	-
43.	Industrial manufacturing	-
44.	Industrial products	-
45.	IT – software/ services/ hardware	-
46.	Engineering services	-
47.	Transport services	-
48.	Transport infrastructure	-
49.	Commercial services & supplies	-
50.	Public services	-
51.	Telecom – services	Telecom Regulatory Authority of India, Department of Telecommunications
52.	Telecom – equipment & accessories	Telecom Regulatory Authority of India , Department of Telecommunications
53.	Power	Central/State Electricity Regulatory Commissions



S. No.	Industry/Sector	Regulator(s)
54.	Other utilities • Water supply & management • Waste management • Emergency services • Multi utilities • Other utilities	-
55.	Diversified	-

### Part II – List of Enforcement Authorities

- Enforcement Directorate and Central Bureau of Investigation.

\*\*\*\*\*

**Annexure C**

*[On the letterhead of the listed entity]*

Date: [●]

To  
**BSE Limited**  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001  
Maharashtra, India

**National Stock Exchange of India Limited**  
Exchange Plaza, C-1, Block G  
Bandra Kurla Complex  
Bandra (E), Mumbai 400 051  
Maharashtra

Dear Sir / Madam,

Re: [●]

In respect of the captioned matter, I/ (we) the undersigned, state and declare that the information and details provided in **Form A**, in compliance with Regulation 30(13) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is true, correct and complete to the best of my/ (our) knowledge and belief.

Thanking you,

Yours faithfully,

**Name and Signature:**

**Date and Place:**

**Designation:**

**Email ID:**

**Form A**

**Disclosure by [Name of listed company] regarding receipt of communication from regulatory, statutory, enforcement or judicial authority under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

*[Regulation 30(13) – Disclosure of communication from regulatory, statutory, enforcement or judicial authority]*

Sr. No.	Particulars	Details
1.	Name of the listed company	
2.	Type of communication received	
3.	Date of receipt of communication	
4.	Authority from whom communication received	
5.	Brief summary of the material contents of the communication received, including reasons for receipt of the communication	
6.	Period for which communication would be applicable, if stated	
7.	Expected financial implications on the listed company, if any	
8.	Details of any aberrations/non-compliances identified by the authority in the communication	
9.	Details of any penalty or restriction or sanction imposed pursuant to the communication	
10.	Action(s) taken by listed company with respect to the communication	
11.	Any other relevant information	

\*\*\*\*\*

## Industry Standards Note on verification of market rumours under Regulation 30(11) of LODR Regulations

### Purpose of this Industry Standards Note

This Industry Standards Note has been published to:

- Facilitate uniform approach and assist listed entities in complying with their obligations in respect of confirmation/ denial/ clarification of market rumours, as per the *proviso* to Regulation 30(11) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”) (the “**Rumour Verification Requirement**”); and
- Set out standard operating procedures for compliance with the Rumour Verification Requirement.

This Industry Standards Note has been prepared in consultation with SEBI. Any addition/ modification/ alteration to this Industry Standards Note shall be made only in consultation with SEBI. This Industry Standards Note is available on the websites of the BSE Limited (“**BSE**”) and the National Stock Exchange of India Limited (“**NSE**”) (collectively, the “**Stock Exchanges**”). Further, the same is hosted on the websites of the Federation of Indian Chambers of Commerce and Industry (FICCI) accessible at <https://ficci.in/>, the Associated Chambers of Commerce & Industry of India (ASSOCHAM), accessible at <https://www.assocham.org/>, and the Confederation of Indian Industry (CII), accessible at <https://www.cii.in/>.

The listed entities shall follow this Industry Standards Note to ensure compliance with the Rumour Verification Requirement.

### Main Aspects Covered:

#### (i) **Part A - General Aspects:**

- Definition of Mainstream Media;
- Meaning of ‘*not general in nature*’;
- Even if the market rumour is specific and impending, a confirmation/ denial/clarification of the market rumour will be required only if the market rumour results in a ‘material price movement’, as per the framework issued by the stock exchanges;
- Market rumours reported between issuance of pre-intimation notice under Regulation 29(1), and conclusion of the Board Meeting.

#### (ii) **Part B – M&A Transaction-specific Aspects:**

- Rumour verification standards for various stages of a potential M&A transaction;
- Considering unaffected price – in situations where rumour verification impacts price.

#### (iii) **Part C - Non-M&A Transaction related Aspects:**

- Guiding principles for rumour verification in respect of non-M&A transaction scenarios.
- Illustrative Non-M&A Transaction Scenarios:
  - Whistle-blower complaints;
  - Internal Review/ Investigation in respect of operational/ financial aspects;

- C. Potential change in key managerial personnel (*including resignation and removal of KMPs*); and
- D. Health of the MD/ CEO.

## Industry Standards for Compliance

### Part A – General Aspects

#### 1. Scope and Ambit of ‘Mainstream Media’

1.1 Mainstream media will only cover the specific news sources that are set out below. The criteria for identification of the news sources, along with the list of specific news sources for each category of media have been identified based on inputs received from AdFactors.

(i) Indian Newspapers:

(a) English National Dailies:

A. The top 20 English national dailies covering general news/ current affairs and business/ financial news in India, having a circulation of 1,00,000 or more copies, per publishing day, as per the list provided on a yearly basis by the Office of the Registrar of Newspapers for India (“RNI”)<sup>1</sup> (the circulation-based threshold provided by RNI is referred to below as the “RNI Circulation Threshold”).

B. In respect of the top 20 English national dailies that meet the aforesaid RNI Circulation Threshold, the following additional conditions should also be satisfied:

1. The publication should be registered with the Directorate of Audio Visual Publicity (DAVP), Ministry of Information & Broadcasting;
2. The circulation of the concerned English national daily should be audited by the Audit Bureau of Circulation, or by an auditor appointed by the RNI;
3. The circulation data of the concerned English national daily should not be more than 2 (two) years old.

C. The current list of such English dailies (as provided by RNI, which meet the RNI Circulation Threshold) is attached as **Annexure – A**. If the annual list of RNI provides that there are less than 20 English national dailies that have a circulation exceeding 1,00,000 per publishing day, all such English dailies that have a circulation exceeding 1,00,000 shall be covered.

(b) Business/ Financial News Dailies: The following business/ financial news dailies, which (a) are registered with the RNI; and (ii) which primarily focus on business/corporate/financial/economic news shall be covered:

- A. Economic Times;
- B. Business Standard;
- C. Livemint;

<sup>1</sup> In its yearly report, the RNI publishes a list of daily newspapers that have a circulation of more than 1 Lakh, per publishing day. This list is revised and updated on a yearly basis. The latest list is available here - [Press in India 2021-22 Vol 1.pdf \(rni.nic.in\)](https://rni.nic.in/Press%20in%20India%2021-22%20Vol%201.pdf). The list of top 20 English national dailies currently covered in the list of RNI is set out below at **Annexure – A**.

- D. Financial Express; and
- E. Hindu Business Line.
- (c) Regional dailies – Subject to meeting the RNI Circulation Threshold, the top 2 (two) regional dailies having the highest circulation, for each of the 22 (twenty two) official languages of India<sup>2</sup>. In respect of the regional languages, there are 11 regional languages that have newspaper publications that exceed the RNI Circulation Threshold. The current list of such regional dailies that meet the RNI Circulation Threshold is set out below at **Annexure – B**.
- (ii) Digital/ Online News Sources: Digital/ online news sources shall cover the following:
- (a) The digital versions of the Indian newspapers set out above.
- (b) The following business/ financial news sources, that – (i) cover business/ financial/corporate/economic news, in the course of their systematic business, professional or commercial activity; (ii) publish such news in the English language; (iii) where the news article carrying such rumour is not behind a paywall; and (iv) the digital/ online news sources is registered with the relevant statutory/ regulatory authority based in India (referred to below as the “**Business News Parameters**”):
- A. Bloomberg;
- B. BQ Prime;
- C. Money Control;
- D. Business Today;
- E. Business World;
- F. Reuters;
- G. Reuters India; and
- H. Press Trust of India.
- (c) It is clarified that ‘news aggregators’ will not fall within the purview of mainstream media. News aggregators have been excluded given that news aggregators will also cover sources that do not form part of the identified lists/ categories of ‘mainstream media’ that are covered above. In addition, if the primary source is covered within the purview of ‘mainstream media’, then news aggregators need not be covered separately. Further, in line with the Business News Parameters set out above, it is clarified that the news article carrying the rumour on the aforesaid digital news platforms should not be behind a paywall.
- (iii) International Media: International media shall only cover the following news sources:
- (a) For the top 100 listed companies based on market capitalisation<sup>3</sup>, the top English business/ financial news daily by circulation, in the top 5 (five)

<sup>2</sup> The official languages covered in this sub-para exclude English, as English dailies have been separately covered above.

<sup>3</sup> We have restricted this requirement to the top 100 listed companies based on market capitalisation, in line with data, which highlights that 72.1% of the total investments made by FIIs is concentrated in the Nifty50 companies. (as on March 2023). (Source: NSE India Ownership Tracker, June 27, 2023, Vol. 4 Issue 3).



jurisdictions from where foreign portfolio investors have invested in India, with the top 5 jurisdictions being United States of America, Singapore, Mauritius, Luxemburg and United Kingdom. The top English business/ financial dailies for these jurisdictions currently comprise:

- A. Wall Street Journal and Financial Times for United States of America;
- B. Business Times (local newspaper) and Financial Times for Singapore; and
- C. Financial Times for United Kingdom.

Given that no business/ financial newspapers are published in print form in Mauritius and Luxemburg, no newspapers have been added for these 2 (two) jurisdictions.

- (b) The Board of the listed company shall identify the foreign jurisdictions, if any, where the company has material business operations, along with a list of English business/ financial news sources from such jurisdictions, that the company shall track, for the purposes of compliance with the proviso to Regulation 30(11) in respect rumours published in international media. The aforesaid identified list of foreign business/ financial news sources, along with the parameters applied for determining what would constitute ‘material business operations’ of the company, shall be disclosed in the policy of materiality of events/ information, formulated by the company under Regulation 30(4) of the LODR Regulations.

(iv) **News Channels:**

- (a) **English Business News Channels:** The following English business news channels that – (1) are registered with the Ministry of Information and Broadcasting, Government of India; and (2) cover business/corporate/financial/ economic news (in the English language) and display stock/security prices during market hours, will be covered within the purview of *mainstream media*:
  - A. CNBC TV-18;
  - B. ET Now; and
  - C. NDTV Profit.

*The websites of the aforesaid identified list of English business news channels will also be covered within the purview of ‘mainstream media’.*

- (b) **Other Business News Channels:** In addition to the above, the following vernacular news channels that – (1) are registered with the Ministry of Information and Broadcasting, Government of India; and (2) cover business/ corporate/ financial/ economic news and display stock/security prices during market hours:
  - A. CNBC Awaaz;
  - B. ET Swadesh;
  - C. Zee Business; and

D. CNBC Bazaar.

- (v) **Social Media to be excluded** - Social media platforms (including but not limited to Whatsapp, X (Twitter), Instagram, Facebook, Telegram etc) will be excluded from the ambit of mainstream media. However, the social media handles of the identified news sources (as set out above) will be covered within the purview of ‘mainstream media’. It is clarified that this will not include any quotes/re-tweets/re-posts that are made from the information reported on such social media handles.

1.2 **Other Notes:**

- (i) Companies should put in place appropriate technology solutions and may also engage reputed external media agencies, for tracking news reported in the specific mainstream media set out above, including identifying and tracking the digital news sources set out above. The requirements under Regulation 30(11), in respect of confirmation/ denial/ clarification of market rumours, will only be applicable to market rumours that are reported in the aforesaid specific ‘mainstream media’.
- (ii) Companies should implement internal systems for prompt reporting, coordination and communication between their investor relations, corporate communications and compliance teams.
- (iii) Once the company has responded to a rumour published in an identified mainstream media source, it will not be required to respond again under Regulation 30(11) provision if the rumour is materially of a similar nature, and is published in another news source.

2. **Interpretation of ‘not general in nature’ under the proviso to Regulation 30(11) of the LODR Regulations**

- 2.1 For a market rumour to require a confirmation/ denial/ clarification under Regulation 30(11), it must (i) provide specifically identifiable details of the matter/ event; or (ii) provide quotes or be attributed to sources who are reasonably expected to be knowledgeable about the matter. Further, if a specific rumour is false, the company shall issue a statement to deny the rumour. Illustratively, if there is a market rumour that ‘*Company X is proposing to sell its fertiliser business*’, and the said rumour is false, Company X shall issue a statement to deny the rumour.
- 2.2 Regulation 30(11) shall not be applicable to market rumours that are vague or general in nature.
- 2.3 **Illustrations for M&A transaction-specific scenarios:**

Sr No.	Nature of Event involving the Listed Entity	Example of Market Rumour that <u>provides</u> ‘specifically identifiable details’	Example of Market Rumour that <u>does not provide</u> ‘specifically identifiable details’
1.	Divestment of an undertaking	Company X is proposing to sell its fertiliser business.	Company X is proposing to divest one of its business divisions.
2.	Acquisition of an asset	Company X is evaluating a potential acquisition of ABC manufacturing facility.	Company X is proposing to acquire an asset ( <i>without identifying the relevant asset</i> ).
3.	Acquisition of a stake in another company	Company X is currently in talks to acquire a stake in Company Y (target entity).	<ul style="list-style-type: none"> <li>Company X is currently in talks to undertake a potential acquisition (<i>without</i></li> </ul>

Sr No.	Nature of Event involving the Listed Entity	Example of Market Rumour that <u>provides</u> 'specifically identifiable details'	Example of Market Rumour that <u>does not</u> provide 'specifically identifiable details'
			identifying the target entity). <ul style="list-style-type: none"> <li>Company X is in talks for undertaking various acquisitions in the current financial year.</li> </ul>
4.	Merger	Company X is in talks for a potential merger with another FMCG company.	Company X is in talks for a potential restructuring.
5.	Demerger	Company X is proposing to demerge its consumer healthcare business.	Company X is proposing to demerge one of its businesses.
6.	Fundraising	<ul style="list-style-type: none"> <li>Company X is proposing to raise funds by way of a preferential allotment;</li> <li>Company X is proposing to undertake a rights issue.</li> </ul>	Company X may consider fund-raising options in the near future.
7.	Internal Group Restructuring	<ul style="list-style-type: none"> <li>As a part of an internal group restructuring proposal, the overseas subsidiaries of Company X are likely to be merged with Company X.</li> <li>Company X is evaluating an internal group restructuring through consolidation of its shareholding in its overseas subsidiaries.</li> </ul>	Company X is evaluating various internal restructuring options.
8.	Joint Venture	Company X is in talks for a potential joint venture with Company Y.	Company X is evaluating potential joint ventures.

In case of other M&A transaction scenarios (i.e. apart from the illustrative scenarios set out above), the same principles, as per the above, shall be applicable.

## 2.4 Illustrative Non- M&A Transaction Scenarios:

Sr No	Nature of Event involving the Listed Entity	Example of Market Rumour that <u>provides</u> ‘specifically identifiable details’	Example of Market Rumour that <u>does not provide</u> ‘specifically identifiable details’
1.	Potential Appointment of a key managerial personnel <sup>4</sup>	Company X is proposing to appoint an industry veteran as its next CEO, in its upcoming Board meeting.	Company X may consider changes in its management, in the near future.
2.	Resignation of one or more KMPs	The CEO of Company X is likely to resign.	Company X is likely to witness resignations amongst its KMPs, in the near future.
3.	Product Launch	<ul style="list-style-type: none"> <li>Company X is proposing to launch Product ABC in the next 12 (twelve) months.</li> <li>Company X, an automobile company, proposes to launch electric scooters in the next 12 months.</li> </ul>	Company X proposes to launch various new products in the current financial year.
4.	Material Contracts	Company X, is about to bag a large construction contract from Y.	Company X is currently in talks for bagging an EPC contract.
5.	Strategic/ Technical Collaborations	Company X is in talks for a potential strategic collaboration with Company Y.	Company X is evaluating potential strategic/ technical collaborations.

In case of other non-M&A transaction scenarios (i.e., apart from the illustrative scenarios set out above), the same principles, as per the above, shall be applicable.

### 3. **Even if the market rumour is specific and impending, a confirmation/ denial/ clarification under Regulation 30(11) will be required only if the market rumour results in a material price movement.**

- 3.1 Even if the market rumour is specific and impending, the market rumour shall require a specific confirmation/ denial/ clarification under Regulation 30(11), only if the market rumour results in a material price movement, as per the framework issued by the stock exchanges (referred to below as “**Material Price Movement**”).
- 3.2 The parameter of Material Price Movement should be applied by listed companies, specifically for evaluating whether an impending and specific market rumour requires a confirmation/ denial/ clarification under Regulation 30(11). It is clarified that Regulation 30(11) shall not be applicable to market rumours that do not result in a Material Price Movement, as per the framework issued by the stock exchanges. Further, in this regard, please note that:

<sup>4</sup> The expression “key managerial personnel” is defined in Part C of this Note.

- (i) The aforesaid parameter of Material Price Movement should be applied by listed companies, specifically for rumour verification under Regulation 30(11), and does not extend to evaluation of disclosure of material events/ information, under the other provisions of Regulation 30, read with Para A and Para B of Part A of Schedule III of the LODR Regulations; and
  - (ii) The aforesaid parameter of Material Price Movement shall be applicable for market rumours in respect of M&A transaction scenarios as well as non-M&A transaction scenarios.
- 3.3 The above parameters in respect of responding to market rumours will also be applicable for the purpose of responding to queries raised by the Stock Exchanges under Regulation 30(11), in respect of rumours of material events/ information. Further, while the Stock Exchanges can raise queries in respect of market rumours that are reported in news sources that fall outside the purview of ‘mainstream media’, the parameters for responding to such queries will be the same.
- 4. **Market Rumour that is reported post issuance of a pre-intimation notice under Regulation 29(1) of the LODR Regulations**
  - 4.1 If there is a market rumour during the time-period between issuance of the pre-intimation notice of a Board meeting under Regulation 29(1) and conclusion of the Board meeting, no confirmation/ denial/ clarification will be required. Appropriate disclosures may be made by the company as required under Regulation 30 read with Schedule III of the LODR Regulations, following the conclusion of the Board meeting.
  - 4.2 However, if the rumour is in respect of actions/ events distinct from the subject of the pre-intimation notice, that may potentially take place at a future date, a specific confirmation/ denial/ clarification of the rumour may be required.
  - 4.3 Illustratively, post issuance of the pre-intimation notice in relation to a preferential issue, if there is a rumour in respect of the persons/ entities who will be subscribing to equity shares as a part of a proposed preferential issue, no confirmation/ denial/ clarification will be required in respect of the names of the proposed allottees. However, if there is a rumour that the proceeds of the preferential allotment will be used to fund an acquisition of a specific target, then a rumour in respect of the manner of utilisation of the proceeds may require a specific confirmation/ denial/ clarification subject to and in accordance with the provisions of Regulation 30(11).

## Part B – M&A Transaction-Specific Aspects

**Note:** This part is applicable to market rumours in respect of potential M&A transactions. The expression “**M&A transaction**” includes the following types/ categories of transactions:

- (i) any transaction concerning the securities of a listed company (i.e. purchase, sale, issuance, buyback, delisting etc);
- (ii) a preferential issue of securities by a listed entity, and any other fund-raising transactions undertaken by the listed entity;
- (iii) scheme of arrangement involving a listed company (or any of its subsidiaries);
- (iv) Acquisition/ sale of an undertaking (including shareholding of another company) by a listed entity;
- (v) A proposed joint venture between a listed entity and another entity.

For the avoidance of doubt, it is clarified that a transactions undertaken in the ordinary course of business, as set out below in Paragraph 5.3, will not be covered within the purview of an ‘M&A transaction’.

### 5. Rumour verification standards for various stages of a potential M&A transaction

- 5.1 The disclosure standards for various customary stages of an M&A transaction are set out below. The M&A transaction stages have been divided into 2 (two) broad categories, being (i) **preparatory stages** (where the name of the target/ counter party is not disclosable); and (ii) **advanced stages** (where the name of the target/ counter-party is disclosable)<sup>5</sup>.

#### A. Preparatory Stages of an M&A Transaction

Sr No.	Stage at which market rumour occurs	Disclosure Standard
1.	<ol style="list-style-type: none"> <li>(i) Signing of an NDA;</li> <li>(ii) Signing of a non-binding term-sheet/ letter of intent;</li> <li>(iii) Commencement of a due diligence process;</li> <li>(iv) Engagement of legal/ financial advisors/ investment bankers for assistance with the due diligence process/ evaluating overall viability of the deal;</li> </ol>	<p>Illustrative language for the disclosure that the listed acquirer/ listed bidder/ listed target may make at this stage is as follows:</p> <p><i>“The company evaluates various strategic opportunities in the ordinary course, for growth and expansion of its business. At this stage, there is no material event/ information that requires disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company will make appropriate disclosures in compliance with applicable laws, as and when required”.</i></p>

<sup>5</sup> From the list of M&A transactions provided above, unaffected price (post rumour verification) will be considered for certain specific types/ categories of transactions, as detailed below in Paragraphs 6.1 and 6.2.

Sr No.	Stage at which market rumour occurs	Disclosure Standard
	<p>(v) registered valuer for valuation exercise, as may be required;</p> <p>(vi) Information in respect of the deal (including any analysis to evaluate deal viability) is generated for the internal management purposes of the company;</p> <p>(vii) Constitution of a sub-committee of the Board to evaluate the material terms/ assess viability of a specific M&amp;A deal etc.</p>	
2.	A sub-committee of the Board grants approval to explore or an in-principle approval, for a specific M&A deal, subject to further evaluation and which requires final approval at a later stage.	<p>Illustrative language for the disclosure that the listed acquirer/ listed bidder/ listed target may make at this stage is as follows:</p> <p><i>“The Board of the company has constituted a sub-committee which has been authorised to evaluate /evaluates on an ongoing basis strategic opportunities for growth. At this stage, there is no material event/ information that requires disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The company will make appropriate disclosures in compliance with applicable laws, as and when required”.</i></p>

#### **B. Advanced Stages of an M&A Transaction**

Sr No.	Stage at which market rumour occurs	Disclosure Standard
1.	When a multi-party bid process is ongoing, in respect of acquisition of or from a listed company, and there is a market rumour in respect of the potential M&A deal, or in respect of the names of the bidders.	<p>So long as the market rumour provides specifically identifiable details of the matter/ event (in line with the parameters set out above), illustrative language for the disclosure that the listed bidder(s) and the listed target, as the case may be, may make at this stage is provided below:</p> <p><b><i>For Listed Bidder(s):</i></b></p>



Sr No.	Stage at which market rumour occurs	Disclosure Standard
	(This refers to a stage when a market rumour is reported before the sole/ exclusive bidder has been identified/ confirmed)	<p>“This is to confirm that the company is part of a bid process for a potential deal with [●] <b>[insert name of the counter-party]</b>. Please note that the bid process is still ongoing and no binding agreement has been entered into. The execution and ultimate consummation of the deal is subject to various factors including selection of the final bidder, receipt of approval by the Board of Directors of the company and execution of binding agreements between the parties, and there can be no guarantee or assurance of the execution/ consummation of any such potential deal”.</p> <p><b>For Listed Target:</b></p> <p>“This is to confirm that a bid process is currently ongoing in respect of [insert publicly reported details of the deal]. Please note that the bid process is still ongoing and no binding agreement has been entered into with any of the bidders. The execution and ultimate consummation of the deal is subject to various factors including selection of the final bidder, receipt of approval by the Board of Directors of the company and execution of binding agreements between the parties, and there can be no guarantee or assurance of the execution/ consummation of any such potential deal”.</p> <p>It is clarified that if the names of one or more bidders is reported in the market rumour, only the names of those specific bidders which have been reported in the market rumour will have to be confirmed/denied. Further, if no names of the bidders have been publicly reported in the market rumour, the names of the bidders will not have to be confirmed/ denied while responding to the market rumour.</p>
2.	Following a bid process with multiple bidders, in respect of acquisition of or from a listed company, where - (a) a bidder (including a listed bidder) has been selected and notified that it is the sole and exclusive eligible bidder/has identified and confirmed a specific counterparty as the sole and	<p>So long as the market rumour provides specifically identifiable details of the matter/ event (in line with the parameters set out above), a confirmation of the market rumour will be required to be made by the listed bidder and the listed target, as the case may be, in accordance with the illustrative disclosure language provided below:</p> <p>“This is to confirm that the company is in exclusive discussions with [●] <b>[insert name of the counter-party]</b> in respect of negotiation of the definitive</p>

Sr No.	Stage at which market rumour occurs	Disclosure Standard
	exclusive eligible bidder; and (b) the parties have agreed on material terms to be included in the transaction documents.	<p><i>agreements for a potential [●] [insert publicly available details of the potential deal]</i></p> <p><i>Please note that the parties are still in negotiations and no binding agreement has been entered into. The execution and ultimate consummation of the deal is subject to various factors including receipt of approval by the Board of Directors of the company and execution of binding agreements between the parties, and there can be no guarantee or assurance of the execution/ consummation of any such potential deal”</i></p>
3.	When a binding term-sheet is signed in respect of an M&A transaction where the target is a listed company, including with an exclusivity arrangement.	<p>So long as the market rumour provides specifically identifiable details of the matter/ event (in line with the parameters set out above), a confirmation of the market rumour will be required to be made by the listed acquirer and the listed target, as the case may be, in accordance with the illustrative disclosure language provided below:</p> <p><i>“This is to confirm that the company has executed a binding term-sheet with [●] [insert name of the counter-party], in respect of a potential [●] [insert publicly available details of the potential deal].</i></p> <p><i>Please note that the parties are still in negotiations and no binding agreement has been entered into has been entered into for giving effect to the potential deal. The execution and ultimate consummation of the potential deal is subject to various factors including receipt of approval by the Board of Directors of the company and execution of binding agreements between the parties, and there can be no guarantee or assurance of the execution/ consummation of any such potential deal”</i></p>
4.	When all material commercial terms have been agreed between the parties, and the management decides to take the transaction to the Board (or a delegated Board committee) for its consideration and final approval.	<p>So long as the market rumour provides specifically identifiable details of the matter/event (in line with the parameters set out above), a confirmation of the market rumour will be required to be made by the listed acquirer, listed bidder, listed target, as the case may be, in accordance with the illustrative disclosure language provided below:</p> <p><i>“This is to confirm that the company is in advanced negotiations with [●] [Insert Name of Counter Party], for a potential [●] [Insert Nature of Transaction].</i></p>

Sr No.	Stage at which market rumour occurs	Disclosure Standard
		<i>However, please note that the parties are in negotiations and no binding agreement has been entered into. The execution and ultimate consummation of the deal is subject to various factors including receipt of approval by the Board of Directors of the company and execution of binding agreements between the parties, and there can be no guarantee or assurance of the execution/ consummation of the potential deal.</i>

- 5.2 The above parameters for responding to market rumours will also be applicable for the purpose of responding to queries raised by the stock exchanges under Regulation 30(11), in relation to rumours of a potential M&A deal/ transaction.
- 5.3 The requirement to confirm a market rumour under Regulation 30(11) shall not be applicable for transactions undertaken in the ordinary course of business, which includes the following types/ categories of transactions:
- An on-market block deal transaction or an on-market bulk deal transaction, in respect of the securities of the listed company;
  - An on-market treasury transaction or an on-market non-strategic transaction, undertaken by a listed company in respect of another listed company. For the avoidance of doubt, it is clarified that an ‘on-market treasury transaction’ refers to an on-market transaction undertaken by a listed company in respect of another listed company, pursuant to its treasury management policies/ objectives. Illustratively, if Listed Company A invests its surplus funds through an on-market transaction to acquire a 0.5% equity stake in Listed Company B, on a non-strategic basis, this will be regarded as an ‘on-market treasury transaction’.

## **6. Considering Unaffected Price for Situations where Rumour Verification Impacts Price**

- 6.1 If disclosure is required under Regulation 30(11), of an M&A transaction that is:
- a preferential issue of securities, including as part of a scheme of arrangement; or
  - a qualified institutions placement, undertaken in accordance with Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; or
  - which triggers a tender offer under applicable SEBI Regulations i.e. under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“**Takeover Code**”), or
  - a delisting offer under the SEBI (Delisting of Equity Shares) Regulations, 2021; or
  - a buyback under the SEBI (Buy-Back of Securities) Regulations, 2018; or

- (vi) scheme of arrangement involving a listed company (irrespective of whether the scheme involves a preferential issue or not), undertaken in compliance with the requirements of the SEBI Master Circular on Schemes of Arrangement, dated June 20, 2023<sup>6</sup>; or
- (vii) any other transaction where the pricing is regulatorily required to be linked to the traded price of the scrip, including but not limited to cross border transactions involving the equity instruments<sup>7</sup> of a listed company (i.e. purchase, sale, issuance of such equity instruments)<sup>8</sup>,

then the effect on the equity shares of the listed entity due to Material Price Movement and confirmation of the rumour pertaining to the transaction will be excluded for calculation of the price (*including i.e. the floor price or open offer price, as applicable*) for that transaction as per the framework issued by SEBI for considering unaffected price. The above mentioned framework for considering unaffected price will be applicable in situations where details of the deal are confirmed, at the 4 (four) advanced stages set out in the table provided at Paragraph 5.1 above.

6.2 In respect of the applicability of the framework for considering unaffected price, the following aspects are clarified:

- (i) *Time-Period for considering unaffected price:*
  - (a) Unaffected price will be available for a period of 60 (sixty) days from the date of confirmation of the market rumour, in the following situations, as also referred at Sr. Nos 2,3 and 4 of the table setting out disclosure standards for advanced stages of an M&A transaction, at Paragraph 5.1(B) above:
    - A. When a binding term-sheet is signed in respect of an M&A transaction where the target is a listed company; or
    - B. When all the material commercial terms have been agreed between the parties, and the management decides to take the transaction to the Board (or a delegated Board committee) for its consideration and final approval; or
    - C. In respect of the securities of a listed bidder or listed acquirer, as the case may be, in case the transaction involves the securities of a listed bidder/ listed acquirer as well, and a confirmation in this regard is made as a part of the rumour verification.
  - (b) If there is a competitive bidding process for a potential M&A deal, in respect of acquisition of or from a listed company (as also referred at Sr. No. 1 of the table setting out disclosure standards for advanced stages of an M&A

<sup>6</sup> SEBI Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93, titled – “*Master Circular on (i) Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub- rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957*”, dated June 20, 2023.

<sup>7</sup> The expression ‘equity instruments’ shall have the meaning assigned to it under Rule 2(k) of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended from time to time.

<sup>8</sup> In respect of cross border transactions involving the equity instruments of a listed company, the pricing guidelines under the Foreign Exchange Management Act, 1999 read with the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (“**FEMA Pricing Guidelines**”) provide that the preferential issue pricing norms (as set out under Chapter V of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018) will be applicable.

transaction, at Paragraph 5.1(B) above), and a confirmation in respect of the bid process is made by the listed target or by one or more bidders, then unaffected price will be available to all the bidders (irrespective of being referred to in any rumour or confirmation), for a time-period of 180 (one hundred and eighty) days from the date of confirmation of the market rumour. For the avoidance of doubt, it is clarified that in this scenario, unaffected price will be available to all bidders, irrespective of whether the name of the specific bidder has been confirmed, while responding to the market rumour.

- (c) The framework for considering unaffected price will be applicable in respect of the shares of listed companies which are either referred to in the rumour confirmed, or in the confirmation issued, and to all parties who are involved in that specific transaction (i.e. to the listed target as well as to a bidder/ acquirer, in case the bidder/ acquirer in respect of acquisition of or from a listed company is a listed company and the transaction involves a transaction at the bidder/ acquirer level as well (such as schemes of arrangement, share swap or fund raising by bidder/ acquirer to acquire the listed target), and such bidder/ acquirer-level potential transaction is also confirmed in the rumour verification). For instance, in case Company A verifies a rumour in respect of potential acquisition of Company B by Company A, then in case the transaction involves (i) share acquisition of Company B by Company A, then unaffected price on shares of Company B, and (ii) merger or demerger involving Company A and Company B, then unaffected price on both the shares of Company A and Company B. In case of share acquisition of Company B by Company A, if Company A also raises capital and confirms a potential fund-raising as a part of rumour verification, then Company A will also receive unaffected price in respect of this fund-raising.
- (d) The framework for considering unaffected price will also be applicable for the bidder/ acquirer and the seller, in situations where the target is not a party to the deal, and the deal is disclosed by the target or a potential bidder under Regulation 30(11). For instance, in case Company A (target) verifies a rumour regarding a potential transaction involving acquisition of Company A's shares by Company B (acquirer) from the promoters of Company A (being the sellers) – for the potential acquisition transaction that has been confirmed by Company A as a part of rumour verification, unaffected price on the shares of Company A will be available to the acquirer and the seller. Similarly, if for this transaction, the rumour is verified by Company B (acquirer), unaffected price will be available on the shares of Company A, for the transaction being undertaken, including for all the bidders who participate in the bid process.

**7. Scenarios where the company is not party to the deal/ does not have knowledge of the M&A transaction**

- 7.1 In cases where the company is not a party to the deal, or does not have knowledge about the rumoured transaction/ deal, a specific confirmation/ denial would not be required, and a disclosure by the listed entity stating that it does not have knowledge of the deal (or its details) and can neither confirm nor deny the rumour, would serve as sufficient compliance with the requirements of Regulation 30(11).

- 7.2 The expression ‘knowledge of the deal’ refers to specific knowledge of the Board of the target entity (through Board processes) and/ or of the officers<sup>9</sup> of the target entity, about material terms of the proposed deal.
- 7.3 In case the transaction involves the promoter of the company, in this specific situation, the company will be obligated to check with the promoter in respect of the market rumour. The information received/ absence thereof from the promoter (pursuant to the company’s request) shall be disclosed by the company. It is clarified that the aforementioned requirement on the company to seek a clarification is limited to a rumour concerning a transaction involving a promoter of the company, and not any other third party or public shareholder.

---

<sup>9</sup> The term “*officer*” shall have the meaning assigned to it under Section 2(59) of the Companies Act.

## Part C - Non- M&A Transaction related Aspects

### 8. Guiding Principles for rumour verification in non-M&A transaction scenarios

8.1 In respect of market rumours for non-M&A transaction related scenarios, companies may evaluate disclosability based on the following parameters:

- (i) The market rumour in respect of the non-M&A transaction event should provide specifically identifiable details: The market rumour should either (i) provide specifically identifiable details of the matter/ event; or (ii) provide quotes/be attributed to sources who are reasonably expected to be knowledgeable about the matter. Further, as stated above at Paragraph 2, Regulation 30(11) shall not be applicable to market rumours that are vague or general in nature.
- (ii) The market rumour should be in respect of an impending event: The expression 'impending' *inter alia* refers to an event that is imminent, close at hand or about to happen.
- (iii) Material Price Movement: The market rumour should result in a Material Price Movement, as per the framework issued by the Stock Exchanges, which is set out above at Paragraph 3.

### 8.2 Illustrative Non-M&A Transaction Scenarios

#### 8.2.1 Whistle-blower complaints:

- (i) A market rumour regarding a whistle-blower complaint shall require a specific confirmation/ clarification under Regulation 30(11), only if the market rumour provides specifically identifiable details in respect of a specific whistle-blower complaint that has been received by the listed company.
- (ii) Set out below are illustrative examples of market rumours in respect of a whistle-blower complaint, that shall require a specific confirmation / denial/ clarification under Regulation 30(11), along with the illustrative language for making the disclosure:

Sr No.	Situation	Approach/ Response
<b>Market Rumour reported in the identified sources of 'mainstream media' - A whistle-blower complaint has been received by Company A alleging irregularities in its accounts.</b>		
1.	Fact A – No such complaint has been received by Company A	Company A shall deny the market rumour.
2.	Fact B – Such a complaint has been received by Company A	Given that the market rumour does not provide specifically identifiable details in respect of the complaint, this market rumour is not specific enough to be responded to. A confirmation of the market rumour will accordingly not be required in this scenario.
3.	Fact C – A complaint has been received by Company A but	Given that the market rumour does not provide specifically identifiable details in



Sr No.	Situation	Approach/ Response
	that provides specific allegations on irregularities in respect of trade receivables, which is not mentioned in the rumour	respect of the complaint received by the company (i.e. the rumour does not provide that the complaint is with respect to accounting of trade receivables), a confirmation of the market rumour will not be required in this scenario.
<b>Market Rumour reported in the identified sources of ‘mainstream media’ - A whistle-blower complaint has been received by Company A alleging irregularities in the accounting of trade receivables.</b>		
4.	Fact A – No such complaint has been received by Company A	Company A shall deny the market rumour.
5.	Fact B – Such a complaint has been received by Company A	<p>Given that the market rumour provides specifically identifiable details in respect of a specific whistle-blower complaint that has been received by Company A, a confirmation of the market rumour will be required in accordance with the illustrative disclosure language set out below:</p> <p><i>“This is to confirm that the Company has received a whistle-blower complaint alleging [insert details of the allegation as reported in the market rumour]. As of now, the veracity of the aforesaid whistle-blower complaint is not confirmed, and the complaint is being examined in accordance with the process set out under the whistle-blower policy of the company. At this stage, there is no other event/ information which requires disclosure under Regulation 30 of the LODR Regulations. The company will make appropriate disclosures in compliance with applicable laws, as and when required”.</i></p>

#### 8.2.2 Internal Review/ Investigation in respect of operational/ financial aspects:

- (i) A market rumour regarding an internal review/ investigation undertaken by the company in respect of operational/ financial matters shall require a specific confirmation/ denial/ clarification under Regulation 30(11), only if the market rumour provides specifically identifiable details in respect of a specific internal review/ investigation that is being conducted by the listed company.
- (ii) Set out below are illustrative examples of market rumours in respect of an internal review/ investigation, that shall require a specific confirmation/ denial/ clarification under Regulation 30(11), along with the illustrative language for making the disclosure:

Sr No.	Situation	Approach/ Response
<b>Market Rumour reported in the identified sources of ‘mainstream media’ -</b> Company A has initiated an internal review/ investigation in respect of certain allegations relating to irregularities in its accounts.		
1.	Fact A – No such internal review/ investigation has been initiated by Company A.	Company A shall deny the market rumour.
2.	Fact B – Such an internal review/ investigation has been initiated by Company A.	Given that the market rumour does not provide specifically identifiable details in respect of the internal review/ investigation that has been initiated by Company A, this market rumour is not specific enough to be responded to. A confirmation of the market rumour will accordingly not be required in this scenario.
3.	Fact C – An internal review/ investigation has been initiated by Company A, but that review/ investigation relates to specific allegations on irregularities in respect of accounting of trade receivables, which is not mentioned in the market rumour.	Given that the market rumour does not provide specifically identifiable details in respect of the internal review/ investigation that has been initiated by Company A (i.e. the rumour does not provide that the internal review/ investigation is with respect to accounting of trade receivables), a confirmation of the market rumour will not be required in this scenario.
<b>Market Rumour reported in the identified sources of ‘mainstream media’ -</b> Company A is conducting an internal review/ investigation in respect of allegations relating to irregularities in the accounting of trade receivables.		
4.	Fact A – No such internal review/ investigation has been initiated by Company A	Company A shall deny the market rumour.
5.	Fact B – Such an internal review/ investigation has been initiated by Company A.	Given that the market rumour provides specifically identifiable details in respect of a specific internal review/ investigation that has been initiated by Company A, a confirmation of the market rumour will be required in accordance with the illustrative disclosure language set out below:  <i>“This is to confirm that the company is currently conducting an internal review/ investigation in respect of [insert details of the allegation that is being investigated, to the extent provided in the market rumour]. As of now, the veracity of the allegations is not confirmed, and the company is taking appropriate steps and following due process to examine the veracity of the</i>

Sr No.	Situation	Approach/ Response
		<i>aforesaid allegations. At this stage, there is no other event/ information which requires disclosure under Regulation 30 of the LODR Regulations. The company will make appropriate disclosures in compliance with applicable laws, as and when required”.</i>

8.2.3 Potential change in key managerial personnel (including resignation and/ or removal of KMPs): A market rumour regarding a potential change in key managerial personnel (including their removal or resignation) shall require a specific confirmation/denial/clarification only after there is an acceptance by the company of the change (by following due process in line with applicable policies of the company), or if the company has initiated the process (whether formally or otherwise) for finding the candidate/ finding the replacement, as the case may be.

**Note:** “Key Managerial Personnel” shall have the meaning assigned to it under the Companies Act. For listed entities that are regulated by sectoral regulators such as the IRDAI, RBI etc, the expression “key managerial personnel” shall have the meaning assigned to it under the regulations/ guidelines formulated by such sectoral regulators.

8.2.4 Rumour regarding the health of the MD/CEO:

- (i) In the event of a market rumour regarding the health of the MD/ CEO, the company shall first enquire with the MD/ CEO as to whether he/ she has received medical advice stating that he/ she will be indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than 45 (forty five) days in any rolling period of 90 (ninety) days on account of ill health.
- (ii) If the MD/ CEO thereafter informs the company that he/ she has received medical advice stating that he/ she will be indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than 45 (forty five) days in any rolling period of 90 (ninety) days on account of ill health, the company shall be required to confirm the market rumour, under Regulation 30(11) of the LODR Regulations.
- (iii) If the MD/ CEO has not received any medical advice stating that he will be indisposed/ unavailable for the aforesaid time-period, the company shall deny the market rumour, under Regulation 30(11) of the LODR Regulations.

In case of other non-M&A transaction scenarios (i.e. apart from the illustrative scenarios set out above at Paragraph 8.2), the same principles, as per the above, shall be applicable.

**Annexure – A**

***RNI's list of English National Dailies having circulation of 1,00,000 and above, per publishing day<sup>10</sup>***

---

1. The following editions of Hindustan Times:
  - a. Delhi; and
  - b. Mumbai.
2. The following editions of The Times of India:
  - a. Mumbai;
  - b. Delhi;
  - c. Bangalore;
  - d. Chennai;
  - e. Kolkata;
  - f. Hyderabad; and
  - g. Pune.
3. The Jammu edition of Excelsior
4. The following editions of Deccan Chronicle:
  - a. Hyderabad; and
  - b. Chennai
5. The Jammu edition of State Times
6. The Chennai edition of The Hindu
7. The Jammu edition of Early Times
8. The Jammu edition of Journey Line
9. The Samba edition of State Vision
10. The Kolkata edition of The Statesman
11. The Jammu edition of The Northlines
12. The Delhi edition of The Impressive Times
13. The Delhi edition of the Indian Express
14. The Telegraph

---

<sup>10</sup> The latest list is available here - [Press in India 2021-22 Vol 1.pdf \(rni.nic.in\)](http://Press in India 2021-22 Vol 1.pdf (rni.nic.in)).

### Annexure – B

#### *Top 2 Regional Newspapers for each of the Official Languages of India, as per the RNI Circulation Threshold*

Sr No	Language	Top 2 Regional Newspapers by Circulation
1.	Bengali	<ul style="list-style-type: none"> <li>Anand Bazaar Patrika</li> <li>Bartaman</li> </ul>
2.	Gujarati	<ul style="list-style-type: none"> <li>Gujarat Samachar</li> <li>Divya Bhaskar</li> </ul>
3.	Hindi	<ul style="list-style-type: none"> <li>Dainik Bhaskar</li> <li>Dainik Jagran</li> </ul>
4.	Kannada	<ul style="list-style-type: none"> <li>Vijay Karnataka</li> <li>Prajavani</li> </ul>
5.	Malayalam	Malayala Manorama
6.	Marathi	<ul style="list-style-type: none"> <li>Sakal</li> <li>Lokmat</li> </ul>
7.	Punjabi	<ul style="list-style-type: none"> <li>Jagbani</li> <li>Ajit</li> </ul>
8.	Odia	<ul style="list-style-type: none"> <li>Prameya</li> <li>Dharitri</li> </ul>
9.	Tamil	<ul style="list-style-type: none"> <li>Daily Thanthi</li> <li>Dinakaran</li> </ul>
10.	Telugu	<ul style="list-style-type: none"> <li>Telugu Jaatiya Dina Patrika Vaartha</li> <li>Sakshi</li> </ul>
11.	Urdu	<ul style="list-style-type: none"> <li>Quami Tanzeem</li> <li>Tamil - - Irshaad</li> </ul>

**Note:** For the other official regional languages, there are no newspapers that exceed the RNI Circulation Threshold.

**REVISION/ AMENDMENTS IN THE POLICY ON DETERMINATION OF MATERIALITY OF  
EVENTS OR DISCLOSURES**

<b>S. No.</b>	<b>Description</b>	<b>Approved by Board/CMD</b>	<b>Date of Approval</b>
1.	Adoption of the policy	101 <sup>st</sup> Board meeting	21 <sup>st</sup> August 2019
2.	Amendments/ modifications in the policy	131 <sup>st</sup> Board meeting	09 <sup>th</sup> August 2023
3.	Amendments/ modifications in the policy	132 <sup>nd</sup> Board meeting	07 <sup>th</sup> November 2023
4.	Amendments/ modifications in the policy	143 <sup>rd</sup> Board meeting	16 <sup>th</sup> January 2025
5.	Amendments/ modifications in the policy	Amended with the approval of Chairman & Managing Director as per powers delegated by Board.	5 <sup>th</sup> June 2025