



## **GAIL (INDIA) LIMITED**

### **Policy for Determination of Materiality and Disclosure of Material Events or Information (Version 5)**

#### **I. PREAMBLE**

The Board of Directors of GAIL (India) Limited (“Company” or “GAIL”) has adopted the **Policy for Determination of Materiality and Disclosure of Material Events or Information (“Policy”)** to:

- ascertain the requirement of timely disclosure of events or information to stock exchange(s)
- defining criteria for determining materiality of events and information

as specified under Regulation 30(4)(ii) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendment thereof.

#### **II. PURPOSE**

This policy is framed as per the requirements of Regulation 30 (4) (ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [SEBI LODR Regulations, 2015]:

- a) to enable investors to make well-informed investment decision
- b) timely, adequate and accurate disclosure of information on an ongoing basis by the Company
- c) To protect the confidentiality of material/price sensitive information within the context of the Company’s disclosure obligations.

#### **III. DEFINITIONS**

- a. **“Board/ Board of Directors”** means the Board as defined in Section 2(10) of the Companies Act, 2013.
- b. **“Chairman/ CEO”** means the Chairman and Managing Director (CMD) of the Company.
- c. **“Compliance Officer”** means the Company Secretary of the Company.
- d. **“Determining the Materiality of a Disclosure”** - to be determined on a case to case basis depending on specific facts and circumstances relating to the information / event. In order to



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determine whether a particular event / information is material in nature, the following 'quantitative' or 'qualitative' criteria(s) shall be applied:

**1. Quantitative Materiality Thresholds (Regulation 30(4)(i)(c) of SEBI LODR Regulations, 2015)** - disclosure of material events/information the omission of an event or information, whose value or the expected impact in terms of value, exceeds any of the following threshold:

- i. 2% of turnover, as per the last audited consolidated financial statements;
- ii. 2% of net worth, as per the last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative;
- iii. 5% of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.

*'Absolute value of profit or loss after tax' means to take absolute figures of profit/loss. The averaging does not mean netting-off, in this case, where profits of a company in one year gets reduced due to the losses in other financial years, or vice versa; rather, the values are required to be taken on an absolute basis.*

Quantitative Materiality Thresholds will be intimated by the Compliance Officer each year after approval of the Annual Audited Consolidated Financial Statements. The said thresholds shall be applicable from the date of communication till the revised threshold is intimated based on the approved Annual Audited Consolidated Financial Statements of the succeeding financial year.

**2. Qualitative Materiality Criteria (Regulation 30 (4)(i)(a), (b) and (d) of SEBI LODR Regulations, 2015)** - disclosure of material events/information is where omission in disclosure of such event/ information is likely to result in:

- i. discontinuity or alteration of an event or information already available publicly;  
or
- ii. significant market reaction if the said omission came to light at a later date or
- iii. In case where the criteria specified in sub-clauses i. and ii. above are not applicable, an event/information may be treated as being material if in the opinion of the Board/ Chairman, the event / information is considered material.

*Note: Qualitative materiality criteria shall be applied where quantitative materiality thresholds cannot be applied.*

*Provided that any confidential information which is required to be disclosed under the said regulation, if disclosed is likely to put at risk the business interest of the Company shall not be disclosed with the approval of the concerned Director. However, in case any such information is specifically sought by Stock Exchange(s), the same shall be provided with the approval of the concerned Director.*

- e. **"Director (Finance)"** means the Chief Financial Officer (CFO) of the Company.



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- f. **“Key Managerial Personnel”** means Key Managerial Personnel (KMP) as defined in Section 2(51) of the Companies Act, 2013 i.e.
1. the Chief Executive Officer or Managing Director or Manager;
  2. the Company Secretary;
  3. the whole-time Director;
  4. the Chief Financial Officer;
  5. such other officer, not more than one level below the Directors who is in whole-time employment, designated as Key Managerial Personnel by the Board; and
  6. such other officer as may be prescribed.

- g. **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.

*Parameters for identifying list of ‘Foreign Business/ Financial News Sources’, along with the parameters applied for determining ‘Foreign Jurisdiction’ where the Company has ‘Material Business Operations’*

A. Parameters for identification of Foreign Jurisdiction:

- ✓ Country wherein GAIL has branch office
- ✓ Country wherein wholly owned subsidiary of GAIL has its registered office or branch office

B. Parameters to be applied for constituting Foreign Jurisdiction where the Company has ‘Material Business Operations’:

- ✓ Foreign jurisdiction wherein GAIL along with its wholly owned subsidiary having ‘Revenue from Operations’ in excess of 20% of the annual consolidated ‘Revenue from Operations’ of GAIL during the Financial Year as per the last audited financial statements of GAIL.

C. Parameters for listing of English business/ financial news sources from such Foreign Jurisdiction:

- ✓ Top 2 (two) Newspaper in English language of respective Foreign Jurisdiction having a circulation of 1,00,000 or more copies, per publishing day, as per the list provided on a yearly basis by authority of that foreign jurisdiction
- ✓ Digital/ Online News Sources of the said newspaper(s), if any

- h. **“Price Sensitive Information”** shall mean any information, which relates directly or indirectly to a company and which if published is likely to materially affect the price of securities of Company.



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- i. “**Senior Management**” shall mean the officers and personnel of GAIL 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 Company Secretary and the Chief Financial Officer.
- j. “**Stock Exchange**” means a recognized stock exchange as defined under clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956, wherein securities of the Company are listed.

**Note: Subject as aforesaid, any words or expressions defined in the SEBI Regulations/ the Companies Act, 2013 shall, except where the subject or context forbids, bear the same meaning in the Policy.**

#### **IV. APPLICABILITY/ OBLIGATION UNDER THE POLICY**

- a. **All Employees of the Company** - they shall be under an obligation to disclose all material event or information to the Compliance Officer as per procedure stated in Clause VII and shall abstain from making public disclosures of any material event or information before the same is intimated to the Stock Exchange(s).
- b. **All Directors, Key Managerial Personnel or Senior Management official(s) of the Company** – they shall intimate announcement or communication (in respect of event or information as per the Policy) made by them through social media intermediaries or mainstream media within specified time to the Compliance Officer.

#### **V. DISCLOSURE OF EVENTS OR INFORMATION**

The company shall make disclosure of any events or information to the stock exchange(s) on a timely basis as per the following:

1. **Deemed to be Material Events or Information - Company having Equity Shares or Convertible Securities:**

The Company shall make disclosure of events specified in Para A of Part A of Schedule III and the same are stated at **Annexure-1**.

2. **Events or information based on application of the guidelines for materiality as specified of the Policy - Company having Equity Shares or Convertible Securities:**

The Company shall make disclosure of events specified in Para B and Para C of Part A of Schedule III of SEBI LODR Regulations, 2015 which are stated at **Annexure-2**, based on application of the guidelines for materiality as defined at point III (d) of the Policy.



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**3. Disclosure of information having bearing on performance/operation of Company and/or price sensitive information- Company having Non-Convertible Securities**

The Company shall promptly inform to the stock exchange(s) of all information which shall have bearing on performance/operation of the Company or is price sensitive or shall affect payment of interest or dividend or redemption payment of non-convertible securities including the list of events or information as specified in Para A of Part B of Schedule III of SEBI LODR Regulations, 2015 and the same are stated at **Annexure-3**.

**4. Disclosure Related to Subsidiary Company(ies):** Company shall disclose all events or information with respect to subsidiaries which are material for the Company.

**5. Disclosure in respect of Mainstream Media /Market Rumours:** Company shall confirm, deny or clarify any, upon the material price movement in the securities of GAIL as specified by the Stock Exchanges from time to time, any reported event or information in the **Mainstream Media** which is not general in nature and which indicates that rumour of an impending specific event or information is circulating amongst the investing public, as soon as reasonably possible but in any case not later than **Twenty Four (24) hours** from the trigger of material price movement. If the Company confirms the reported event or information, it shall also provide the current stage of such event or information.

**6.** In case where an event occurs or an information is available, which has not been indicated in Para A/ B/ C of Part A of Schedule III of SEBI LODR Regulations, 2015, but which may have material effect on the Company, Company will make adequate disclosures in regard thereof.

**7.** Without prejudice to the generality of event of information stated at clause V (1 to 6) above, the Company will make disclosures of event/information as specified by SEBI from time to time.

**8.** In case an event or information is required to be disclosed in terms of the Policy, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, Company is required to disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.

**9.** In respect to disclosures made as per this Policy, disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations will be made.

**10.** Further, in case any event or information as specified in the Policy become material due to change in Quantitative Materiality Thresholds intimated by compliance officer every year, then such additional event or information is required to be intimated by concerned Head of Department/ OIC to Compliance Officer within 30 days.

**VI. TIME LINES FOR DISCLOSURE OF EVENTS OR INFORMATION**



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GAIL shall first disclose to the Stock Exchange(s), all events or information which are material in terms of the provisions of SEBI LODR Regulations, 2015 as soon as reasonably possible and in any case ***not later than the following***:

<b>S. No.</b>	<b>Nature of Information</b>	<b>Timelines for Disclosure</b>
1	Outcome of Board meetings for matter(s) specified in Para A and Para B of Part A of Schedule III	<b>Within thirty (30) minutes</b> from the closure of the meeting of the Board of Directors
2	Occurrence of the event or information emanating from within GAIL	<b>Within twelve (12) hours</b>
3	Occurrence of the event or information not emanating from within GAIL	<b>Within twenty-four (24) hours</b>
4	Detailed reasons and other disclosures pertaining to resignation of KMP, Senior Management, Compliance Officer, Directors	<b>Within 7 days</b> from the date of resignation from the date that such resignation comes into effect
5	Detailed reasons and other disclosures pertaining to resignation of KMP, Senior Management, Compliance Officer, Directors	<b>Within 7 days</b> from the date of resignation
6	Schedule of analysts or institutional investors meet	At least two working days in advance
7	Presentation and audio/ video recording of analyst/ investor meet	Before the next trading day or within 24 hours from the conclusion of such calls, whichever is earlier
8	Transcripts of analyst/ investor meet	Within 5 working days of conclusion of such call

In case the disclosure is made after the timelines specified, such disclosure will provide the explanation for the delay.

**VII. Procedure for announcement or disclosure of event / information:**

**Step 1: Drafting/ Providing of an Announcement for Stock Exchange**

Concerned Head of Department/ OIC in consultation with Compliance Officer:

**a) Preparation of draft disclosure**



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- to prepare draft disclosure for all the event or 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 rumours of an impending specific material event or information) in terms of SEBI LODR Regulations, 2015 which shall be factually accurate, expressed in clear manner and containing required information/details as specified in the Policy;
- to obtain consent of concerned Functional Director before the same is provided to Compliance Officer for dissemination to Stock Exchanges;
- to provide disclosure of event or information as per this Policy well before the specified time to Compliance Officer, so that same can be disseminated to Stock Exchanges within specified time.

In case the disclosure is provided after the specified time limit of occurrence of the event or information such disclosures shall provide explanation for delay.

- b) **Update the status** on an event or information already provided till the event is closed / resolved, even if the event is no more material due to change in threshold limit.

In case of any clarification regarding material event or information, concerned official may contact Compliance Officer.

**Step 2: Hosting of Event or information:** The Compliance Officer on behalf of the Company will submit disclosure to the Stock Exchanges.

**Step 3: Hosting on the website of the Company:** All the above events and information will be hosted on the website of the Company for a minimum period of five years.

### **VIII. RESPONSIBILITY OF THE COMPLIANCE OFFICER**

Compliance Officer will be responsible for overall monitoring of the Policy for Determination of Materiality and Disclosure of Material Events or Information.

Compliance Officer will be responsible for dissemination of event(s) or information(s) received from concerned officials to Stock Exchange(s).

*Contact details of Compliance Officer:*

Company Secretary  
GAIL (India) Limited  
GAIL Bhawan,  
16, Bhikaiji Cama Place, R.K. Puram,  
New Delhi -110066  
E-mail: [shareholders@gail.co.in](mailto:shareholders@gail.co.in)  
Phone: 011 26182955



## **IX. AMENDMENTS**

CMD may amend the Policy in case of change in legal framework rules and regulation etc. as covered in the policy.

In case of any change/ amendment in Legal framework, rules and regulation etc., the same will have overriding effect over provisions covered in the Policy.





## ANNEXURE 1

### **DEEMED MATERIAL EVENTS OF INFORMATION (SPECIFIED IN PARA A OF PART A OF SCHEDULE III OF SEBI LODR REGULATIONS, 2015) FOR COMPANY HAVING EQUITY SHARES OR CONVERTIBLE SECURITIES**

#### **1. ACQUISITION(S) (INCLUDING AGREEMENT TO ACQUIRE), SCHEME OF ARRANGEMENT (AMALGAMATION, MERGER, DEMERGER OR RESTRUCTURING), 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:**

##### **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 “arms-length”;
- c. industry to which the entity being acquired belongs;
- d. objects and effects 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 Company);
- 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 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).

**“Acquisition” shall mean:**

- (i) *acquiring control, whether directly or indirectly; or*
- (ii) *acquiring or agreement 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 five 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-paragraph and such*



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*change exceeds two per cent of the total shareholding or voting rights in the said company; or*

*(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.*

In case, cumulative amount of investment to be made has been intimated to stock exchanges, then investment in respective Start-Up entities shall not be intimated to Stock Exchanges including exit from Start-Up entities.

Equity investments in Associates/ JVs / Subsidiaries not resulting into change exceeding 2% of the total shareholding in the said company, is not required to be intimated to Stock Exchanges.

**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 the Company.

**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 Company 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 Company:**

- a. the amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the Company 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;



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- 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 Company with respect to such slump sale.

***“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 Company; 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.*

***“Undertaking” and “substantially the whole of the undertaking”*** shall have the same meaning as given under section 180 of the Companies Act, 2013.

***“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.

### **1.5 Other Restructuring:**

- a. details and reasons for restructuring;
- b. quantitative and/ or qualitative effect of restructuring;
- c. details of benefit, if any, to the promoter/promoter group/group companies from such proposed restructuring;
- d. brief details of change in shareholding pattern (if any) of all entities.

## **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.**

### **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.);



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- 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 FCCB's;
  - 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;



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- vii. delay in payment of interest / principal amount for a period of more than three months from the due date or default in payment of interest / principal;
  - viii. details of any letter or comments regarding payment/non-payment 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;



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- 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;
- e. change in the terms regarding redemption/cancellation/retirement in whole or in part of any securities issued by the Company.

### **3. NEW RATING(S) OR REVISION IN RATING(S) INCLUDING ESG RATING**

The listed entity 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.

In case, there is no revision in rating score and/or rating outlook i.e. confirmation of the same rating, the same is not required to be intimated to Stock Exchanges.

### **4. OUTCOME OF MEETINGS OF THE BOARD OF DIRECTORS –**

The Company shall disclose to the Exchange(s), **within thirty (30) minutes** of the closure of the meeting, held to consider the following:

- a) dividends and/or cash bonuses 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
- 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):



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*Provided that in case of Board Meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.*

*The intimation of outcome of meeting of the Board 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:**

- a. name(s) of parties with whom the agreement is entered;
- b. purpose of entering into the agreement;
- c. shareholding, if any, in the entity with whom the agreement is executed;
- d. 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.;
- e. whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;
- f. whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”;
- g. in case of issuance of shares to the parties, details of issue price, class of shares issued;
- h. any other disclosures related to such agreements, viz., details of nominee on the board of directors of the Company, potential conflict of interest arising out of such agreements, etc;
- i. in case of termination or amendment of agreement, Company 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.

**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**





**THERE TO, WHETHER OR NOT THE LISTED ENTITY IS A PARTY TO SUCH AGREEMENTS:**

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





**6. FRAUD OR DEFAULTS BY A COMPANY, ITS PROMOTER, DIRECTOR, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT OR SUBSIDIARY OR ARREST OF KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT, PROMOTER OR DIRECTOR OF THE COMPANY, WHETHER OCCURRED WITHIN INDIA OR ABROAD**

**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 Company;
- 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 Company and its financials; and
- c. corrective measures taken by the Company on account of such fraud/default.

*For the purpose of this sub-paragraph:*

- (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 Company.*

**7. CHANGE IN DIRECTORS, KEY MANAGERIAL PERSONNEL (MANAGING DIRECTOR, CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, COMPANY SECRETARY ETC., SENIOR MANAGEMENT ETC.), SENIOR MANAGEMENT, AUDITOR AND COMPLIANCE OFFICER:**

- a. reason for change viz. appointment, resignation, removal, death or otherwise;
- b. date of appointment/cessation (as applicable) & term of appointment;



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- c. brief profile (in case of appointment);
- d. disclosure of relationships between directors (in case of appointment of a director).

**7A In case of resignation of the auditor**, 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 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, **within seven 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 of independent directors as given by the said director,
- ii. Names of listed entities in which the resigning Director holds directorships, indicating the category of directorship and membership of board committees, if any.
- iii. The independent director shall, along with the detailed reasons, also provide a confirmation that there is no other material reasons other than those provided.
- iv. The confirmation as provided by the independent director above shall also be disclosed by the Company to the stock exchanges along with detailed reasons specified in sub-clause i and iii 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 days** from the date that such resignation comes into effect.

**7D In case of the Managing Director** or Chief Executive Officer of the Company 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:**

- a. reason for appointment or discontinuation;
- b. date on which above would become effective.

**9. RESOLUTION PLAN/ RESTRUCTURING IN RELATION TO LOANS/BORROWINGS FROM BANKS/FINANCIAL INSTITUTIONS INCLUDING THE FOLLOWING DETAILS:**

- a. Decision to initiate resolution of loans/borrowings;
- b. Signing of Inter-Creditors Agreement (ICA) by lenders;



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- c. Finalization of Resolution Plan;
- d. Implementation of Resolution Plan;
- e. Salient features, not involving commercial secrets, of the resolution/ restructuring plan as decided by lenders.

**10. ONE-TIME SETTLEMENT (OTS) WITH A BANK:**

- a. reasons for opting for OTS;
- b. brief summary of the OTS.

**11. WINDING-UP PETITION FILED BY ANY PARTY/CREDITORS:**

- a. reasons for such petition;
- b. impact of such petition on Company.

**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 AND THE FOLLOWING:**

- a. date of notice/call letters/resolutions etc.;
- b. 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 AND THE FOLLOWING DETAILS IN BRIEF:**

- a. date of the meeting;
- b. brief details of items deliberated and results thereof;
- c. manner of approval proposed for certain items (e-voting etc.).

**14. AMENDMENTS TO MEMORANDUM AND ARTICLES OF ASSOCIATION OF COMPANY, IN BRIEF.**

**15. SCHEDULE OF ANALYST OR INSTITUTIONAL INVESTOR MEET AND PRESENTATIONS MADE BY THE COMPANY TO ANALYSTS OR INSTITUTIONAL INVESTORS.**

- a) 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) and presentations made by the Company to analysts or institutional investors.

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



- b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means, simultaneously with submission to the recognized stock exchange(s), in the following manner:
  - (i) the presentation and the audio/video 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 transcripts of such calls shall be made available on the website within five working days of the conclusion of such calls:

**16. THE FOLLOWING EVENTS IN RELATION TO THE CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP) OF A LISTED CORPORATE DEBTOR UNDER THE INSOLVENCY CODE**

- 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;



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- 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 persons(s), 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, THE FOLLOWING DISCLOSURES SHALL BE MADE TO THE STOCK EXCHANGES BY COMPANY:**

- 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 Company along with comments of the management, if any.

**18. ANNOUNCEMENT THROUGH SOCIAL MEDIA/ MAINSTREAM MEDIA**

Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a Company, in relation to any event or information which is material for the Company in terms of regulation 30 of SEBI LODR Regulations, 2015 and is not already made available in the public domain by the Company.

*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**

Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the Company or its Directors, Key Managerial Personnel, Senior Management, Promoter or Subsidiary, in relation to the Company, in respect of the following:

- (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 Company, 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 COMPANY OR ITS DIRECTORS, KEY MANAGERIAL PERSONNEL, SENIOR MANAGEMENT, PROMOTER OR SUBSIDIARY, IN RELATION TO THE COMPANY, IN RESPECT OF THE FOLLOWING:**

- 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;
- i. any other similar action(s) by whatever name called; 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.

- 21. Voluntary revision of financial statements or the report of the Board of Directors of the Company under section 131 of the Companies Act, 2013.



## ANNEXURE 2

### **EVENTS OR INFORMATION BASED ON APPLICATION OF GUIDELINES FOR MATERIALITY (SPECIFIED IN PARA B OF PART A OF SCHEDULE III OF SEBI LODR REGULATIONS, 2015) FOR COMPANY HAVING EQUITY SHARES OR CONVERTIBLE SECURITIES**

#### **1. COMMENCEMENT OR ANY POSTPONEMENT IN THE DATE OF COMMENCEMENT OF COMMERCIAL PRODUCTION OR COMMERCIAL OPERATIONS OF MAJOR UNIT/DIVISION:**

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 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. SPECIFIC EVENTS**

##### **2.1 Arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new line of business:**

- 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;**

- a. Industry or area to which the new line of business belongs to





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- 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 Company 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:**

**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.**

**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”.





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**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, REVISION(S) OR AMENDMENT(S) AND TERMINATION(S) THEREOF.**

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, nature of the loan, total amount of loan granted, total amount outstanding, date of execution of the loan agreement/sanction letter, details of the security provided to the lenders for such loan;
- j. any other disclosures related to such agreements, viz., details of nominee on the board of directors of the Company, potential conflict of interest arising out of such agreements, etc;



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- k. in case of termination or amendment of agreement, Company 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 MAJOR UNITS OR DIVISION DUE TO NATURAL CALAMITY (EARTHQUAKE, FLOOD, FIRE ETC.), FORCE MAJEURE OR EVENTS SUCH AS STRIKES, LOCKOUTS ETC.:**

**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 Company 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**

**8. PENDENCY OF ANY LITIGATION(S) OR DISPUTE(S) OR THE OUTCOME THEREOF WHICH MAY HAVE AN IMPACT ON THE COMPANY**

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 Company.

**9. FRAUDS OR DEFAULTS BY EMPLOYEES OF THE COMPANY WHICH HAS OR MAY HAVE AN IMPACT ON THE COMPANY**

**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**

at the time of instituting the scheme and vesting or exercise of options:

- a) brief details of options granted;
- b) whether the scheme is in terms of SEBI (SBEB) Regulations, 2014 (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;



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- 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**

- 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 Company

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.

In case, there is change in party to whom guarantees or indemnity or surety was given but there is no change in amount of guarantees or indemnity or surety for Entity on whose behalf it was given, the same is not required to be intimated to Stock Exchanges.

**12. GRANTING, WITHDRAWAL, SURRENDER, CANCELLATION OR SUSPENSION OF KEY LICENSES OR REGULATORY APPROVALS**

- 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 Company;
- 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 Company and penalty, if any;
- e. period for which such approval/license is/was valid;
- f. Subsequently, the Company shall inform the stock exchange(s), the actual impact (monetary or otherwise) along with corrective actions taken by the Company 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**



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- 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.

In addition to the above, details of payment including date of payment and amount paid shall be disclosed upon payment of the fines, penalties, dues, etc.

- C. Any other information/event viz. major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and any other information which is exclusively known to the Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.
- D. Without prejudice to the generality of para (A), (B) and (C) above, GAIL will make disclosures of event/information as specified by SEBI from time to time.



### ANNEXURE 3

**DISCLOSURE OF INFORMATION HAVING BEARING ON PERFORMANCE/ OPERATION OF LISTED ENTITY AND/ OR PRICE SENSITIVE INFORMATION (SPECIFIED IN PART B OF SCHEDULE III OF SEBI LODR REGULATIONS, 2015) FOR COMPANY HAVING NON-CONVERTIBLE SECURITIES**

1. Expected default in the timely payment of interest, dividend or redemption payment or both in respect of the non-convertible securities and also default in the creation of security for non-convertible debt securities as soon as the same becomes apparent;
2. any attachment or prohibitory orders restraining the Company from transferring non-convertible securities from the account of the registered holders along-with the particulars of the numbers of securities so affected, the names of the registered holders and their demat account details;
3. any action which shall result in the redemption, reduction, cancellation, retirement in whole or in part of any non-convertible securities;
4. any action that shall affect adversely payment of interest on non-convertible debt securities or payment of dividend on non-convertible redeemable preference shares including default by issuer to pay interest on non-convertible debt securities or redemption amount and failure to create a charge on the assets;
5. any change in the form or nature of any of its non-convertible securities that are listed on the stock exchange(s) or in the rights or privileges of the holders thereof and make an application for listing of the securities as changed, if the stock exchange(s) so require;
6. any changes in the general character or nature of business / activities, disruption of operation due to natural calamity, and commencement of commercial production / commercial operations;
7. any events such as strikes and lock outs. which have a bearing on the interest payment/ dividend payment / principal repayment capacity;
8. details of any letter or comments made by debenture trustees regarding payment/non-payment of interest on due dates, payment/non-payment of principal on the due dates or any other matter concerning the security, Company and /or the assets along with its comments thereon, if any;
9. delay/ default in payment of interest or dividend / principal amount /redemption for a period of more than three months from the due date;
10. failure to create charge on the assets within the stipulated time period;



**Policy for Determination of Materiality and Disclosure of Material Events or Information (Version 5)**

11. any instance(s) of default/delay in timely repayment of interests or principal obligations or both in respect of the debt securities including, any proposal for rescheduling or postponement of the repayment programmes of the dues/debts of the Company with any investor(s)/ lender(s);
12. any major change in composition of its board of directors, which may amount to change in control as defined in Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
13. any revision in the rating;
14. the following approvals by board of directors in their meeting: -
  - (a) the decision to pass any interest payment;
  - (b) short particulars of any increase of capital whether by issue of bonus securities through capitalization, or by way of right securities to be offered to the 451[debt security] holders, or in any other way.
15. all information, report, notices, call letters, circulars, proceedings, etc concerning non-convertible debt securities;
16. The Company shall disclose the outcome of meetings of the board of directors to the Exchange(s), within thirty minutes of the closure of the meeting, held to consider the following:
  - a) the decision with respect to fund raising proposed to be undertaken by way of non-convertible securities;
  - b) financial results

*Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.*
17. fraud/defaults by promoter or key managerial personnel or director or employees of Company or by Company or arrest of key managerial personnel or promoter;
18. change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer;
19. 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 listed entities to the stock exchanges as soon as possible but not later than twenty-four hours of receipt of such reasons from the auditor;





**Policy for Determination of Materiality and Disclosure of Material Events or Information (Version 5)**

20. resolution plan/ restructuring in relation to loans/borrowings from banks/financial institutions including the following details:

- (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.

21. One-time settlement with a bank;

22. Winding-up petition filed by any party / creditors;

23. Proceedings of Annual and extraordinary general meetings of the Company;

24. the following events in relation to the Corporate Insolvency Resolution Process (CIRP) of a listed corporate debtor under the Insolvency Code:

- a. Filing of application by the corporate applicant for initiation of CIRP, also specifying the amount of default;
- b. Filing of application by the 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 the amount of default or rejection or withdrawal, as applicable;
- d. Public announcement made pursuant to the 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 Insolvency and Bankruptcy Board of India (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 Insolvency and Bankruptcy Board of India (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;





**Policy for Determination of Materiality and Disclosure of Material Events or Information (Version 5)**

- (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 persons(s), 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.
25. intimation related to any change in terms of issue or redemption or exercising of call/ put options;
26. intimation related to any change in covenants or breach of covenants under the terms of non-convertible debentures and/or non-convertible redeemable preference shares;
27. intimation related to forfeiture of unclaimed interest or dividend or principal amount;
28. intimation related to any change in the debenture trustee or Credit Rating Agency or Registrar and Share Transfer Agent;
29. intimation of comfort/guarantee or any credit enhancement provided by the Company to a third party;
30. any other information/change that:
- (a) shall affect the rights and obligations of the holders of the non-convertible securities; and
  - (b) is not in the public domain but necessary to enable the holders of the nonconvertible securities to comprehend the true position and to avoid the creation of a false market in such securities.

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

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### 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.assochem.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:**

- (a) Definition of Mainstream Media;
- (b) Meaning of ‘*not general in nature*’;
- (c) 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;
- (d) 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:**

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

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

- (a) Guiding principles for rumour verification in respect of non-M&A transaction scenarios.
- (b) Illustrative Non-M&A Transaction Scenarios:
  - A. Whistle-blower complaints;
  - B. 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;

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<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 \(rni.nic.in\)](#). 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 provide</u> '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.	(i) Signing of an NDA; (ii) Signing of a non-binding term-sheet/ letter of intent; (iii) Commencement of a due diligence process; (iv) Engagement of legal/ financial advisors/ investment bankers for assistance with the due diligence process/ evaluating overall viability of the deal;	Illustrative language for the disclosure that the listed acquirer/ listed bidder/ listed target may make at this stage is as follows:  <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>

<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
	<p><i>(This refers to a stage when a market rumour is reported before the sole/ exclusive bidder has been identified/ confirmed)</i></p>	<p><i>“This is to confirm that the company is part of a bid process for a potential deal with [●] [insert name of the counter-party]. 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”.</i></p> <p><b>For Listed Target:</b></p> <p><i>“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”.</i></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.	<p>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>	<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><i>“This is to confirm that the company is in exclusive discussions with [●] [insert name of the counter-party] in respect of negotiation of the definitive</i></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 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
		<p><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></p>

- 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:
- (i) An on-market block deal transaction or an on-market bulk deal transaction, in respect of the securities of the listed company;
  - (ii) 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:
- (i) a preferential issue of securities, including as part of a scheme of arrangement; or
  - (ii) 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
  - (iii) 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
  - (iv) a delisting offer under the SEBI (Delisting of Equity Shares) Regulations, 2021; or
  - (v) 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

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<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.

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<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><i>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.</i></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
<p><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.</p>		
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.
<p><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.</p>		
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.	<p>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:</p> <p><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></p>

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>***

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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

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