

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

Purpose of this Industry Standards Note

This Industry Standards Note has been published to:

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

This Industry Standards Note has been prepared in consultation with SEBI. Any addition/ modification/ alteration to this Industry Standards Note shall be made only in consultation with SEBI. This Industry Standards Note is available on the websites of the BSE Limited (“**BSE**”) and the National Stock Exchange of India Limited (“**NSE**”) (collectively, the “**Stock Exchanges**”). Further, the same is hosted on the websites of the Federation of Indian Chambers of Commerce and Industry (FICCI) accessible at <https://ficci.in/>, the Associated Chambers of Commerce & Industry of India (ASSOCHAM), accessible at <https://www.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”)¹ (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;

¹ 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 India². 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 capitalisation³, the top English business/ financial news daily by circulation, in the top 5 (five)

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

³ 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"> Company X is currently in talks to undertake a potential acquisition (<i>without</i>

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"> Company X is in talks for undertaking various acquisitions in the current financial year.
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"> Company X is proposing to raise funds by way of a preferential allotment; Company X is proposing to undertake a rights issue. 	Company X may consider fund-raising options in the near future.
7.	Internal Group Restructuring	<ul style="list-style-type: none"> As a part of an internal group restructuring proposal, the overseas subsidiaries of Company X are likely to be merged with Company X. Company X is evaluating an internal group restructuring through consolidation of its shareholding in its overseas subsidiaries. 	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 ⁴	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"> Company X is proposing to launch Product ABC in the next 12 (twelve) months. Company X, an automobile company, proposes to launch electric scooters in the next 12 months. 	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:

⁴ 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)⁵.

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>

⁵ 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&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><i>For Listed Bidder(s):</i></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>For Listed Target:</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, 2023⁶; 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 instruments⁷ of a listed company (i.e. purchase, sale, issuance of such equity instruments)⁸,

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

⁶ 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.

⁷ 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.

⁸ 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 officers⁹ 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.

⁹ 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
<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>		
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.
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.		
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>Market Rumour reported in the identified sources of ‘mainstream media’ - 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>Market Rumour reported in the identified sources of ‘mainstream media’ - 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 day¹⁰

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

¹⁰ 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"> • Anand Bazaar Patrika • Bartaman
2.	Gujarati	<ul style="list-style-type: none"> • Gujarat Samachar • Divya Bhaskar
3.	Hindi	<ul style="list-style-type: none"> • Dainik Bhaskar • Dainik Jagran
4.	Kannada	<ul style="list-style-type: none"> • Vijay Karnataka • Prajavani
5.	Malayalam	Malayala Manorama
6.	Marathi	<ul style="list-style-type: none"> • Sakal • Lokmat
7.	Punjabi	<ul style="list-style-type: none"> • Jagbani • Ajit
8.	Odia	<ul style="list-style-type: none"> • Prameya • Dharitri
9.	Tamil	<ul style="list-style-type: none"> • Daily Thanthi • Dinakaran
10.	Telugu	<ul style="list-style-type: none"> • Telugu Jaatiya Dina Patrika Vaartha • Sakshi
11.	Urdu	<ul style="list-style-type: none"> • Quami Tanzeem • Tamil - - Irshaad

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