



Discussion Paper on review of clause 36 and related clauses of Equity Listing Agreement

I. Background

1. In order to ensure fairness and efficiency in the market, two factors generally apply :
 - (a) Timely disclosure of relevant information by listed companies to investors and
 - (b) Adequacy of the information disclosed.Thus, 'timely and adequate' disclosure is one of the defining characteristic of efficient securities markets across the globe.
2. Universally, securities regulations seek to ensure adequate disclosures by companies, both in initial filing as well as periodic / event based filings with the regulator providing guidance on, the extent, manner and nature of disclosures.
3. While initial disclosures provide entry level transparency requirements for companies seeking listing, the continuous disclosure requirements strive to achieve the same transparency levels during the lifetime of the listed entity. In India, while the rules governing initial listing disclosures are detailed and have provided comprehensive guidance to companies, it is felt that the rules governing continuous disclosures may be prescribed in more detail. The quality of disclosures that are currently being made by the listed entities under the existing provisions, also points to the need for detailed rules governing continuous disclosures.

Continuous, adequate, accurate and timely disclosure of information on an ongoing basis would achieve parity while enabling investors to make informed investment decisions.
4. To this end, this discussion paper seeks to review the continuous disclosure regime for listed companies in India and provide appropriate regulatory framework to assist listed entities to understand and comply with their disclosure obligations under Equity Listing Agreement / Regulations (proposed).

II. Current regulatory provisions

5. Clause 36 (“**Clause 36**”) was incorporated in the Equity Listing Agreement in April 1998.

Clause 36, in its present form, requires a listed entity to disclose to Stock Exchange(s), details of all events which will have bearing on the performance/operations of the listed entity as well as 'price sensitive information'. While in general, the company is required to keep the Stock Exchange(s) informed of events such as strikes, lock-outs, closure on account of power cuts etc., the following material events are also prescribed for disclosure:

- 5.1. Change in the general character or nature of business
- 5.2. Disruption of operations due to natural calamity
- 5.3. Commencement of Commercial Production / Commercial Operations
- 5.4. Developments with respect to pricing/realization arising out of change in the regulatory framework
- 5.5. Litigation / dispute with a material impact
- 5.6. Revision in Ratings
- 5.7. Any other information having bearing on the operation/performance of the listed entity as well as price sensitive information.

These disclosures were mandated on listed entities to enable the shareholders and the public to be appraised of the position of the Company and to avoid the establishment of a false market in its securities.

6. Apart from the above, various other clauses of Equity Listing Agreement, viz., Clauses 20, 22, 25, 27, 29, 30, 31 and 53, require specific disclosures on events / information which may be material / price sensitive.

III. Need for review

7. Examination of disclosures made by listed entities under Clause 36 and other related clauses over a period has brought out disparities in disclosures across listed entities and Stock Exchange(s), leading

to unequal information being available with the investors. Further, the material information disseminated by listed entities through various modes is, at times, not notified to the Stock Exchange(s). One of the reason for such disparity appears to be lack of sufficient clarity on 'materiality' and 'price sensitive information'.

8. Market participants in various forums have pointed out that Clause 36 in its present form only highlights certain 'material events' which are at best an indicative and a broad list. It leaves to the discretion of the listed entity to determine whether a particular event would have a material bearing on the performance of such listed entity or whether a particular information is price sensitive, thereby, making requirements of Clause 36 voluntary in nature.
9. While the intent behind specifying an indicative list of events in Clause 36 was to give flexibility to the listed entity to determine events/information which are in its opinion material/price sensitive, it was not to leave the necessity of disclosure of these events to the absolute discretion of a listed entity.
10. Liberal interpretations, on what constitutes 'materiality' and whether to disclose the event/information to the Stock Exchanges, taken by listed entities has resulted in inadequate disclosure levels in the securities market. Such liberal interpretations have also led to lack of uniformity in disclosures by various listed companies.
11. These provisions introduced in 1998, have not been reviewed so far. It is felt that Regulations should also reflect the dynamism of the changing market scenario. Thus, a need arose to review the disclosure requirements under Clause 36 and other related clauses of the Equity Listing Agreement.

IV. Proposed revision to the disclosure clauses

12. For the purpose of the review, among other things, the practices prevailing in some of the International Jurisdictions were studied to ascertain the existing regulatory framework and the extent of disclosure made by listed entities. Discussions were also held with market participants including Stock Exchanges, Law Firms, Academic bodies and Industry Representatives.

13. To clarify that the proposed review on disclosures proposes to achieve intent more than form, it has been decided to provide guidance on list of events which may be material and/or price sensitive, guidance on determination of materiality thresholds, guidance on information which may be considered as price sensitive and also indicative list of information which may be disclosed on occurrence of events / information that are /is material and/or price sensitive in order to comply with the intent.
14. Based on the responses, the current principles on disclosures have been restructured to provide clarity and detail wherever required. It is proposed to encompass these provisions in three documents as follows:
 - 14.1. **Annexure A** containing the substantive portion of Proposed Clause 36 to be incorporated in Listing Agreement/draft SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2014 (hereinafter referred to as the “draft Listing Regulations”).
 - 14.2. **Annexure B** containing the guidelines for materiality, price sensitive information and occurrence of events/information
 - 14.3. **Annexure C** containing the indicative list of information which may be disclosed in case of occurrence of events which are material and/or information which is price sensitive.
15. The above changes if prescribed would definitely improve the quality of *disclosures being made*. Hence, it was felt appropriate to seek wider consultation from all the stakeholders.

V. Public Comments

16. Considering the importance of Clause-36 for listed entities, public comments on Annexures A, B & C of the discussion paper are solicited. Specific comments/ suggestions in the format below would be highly appreciated:-

Name of entity/ person/ intermediary:			
Name of Organisation (if applicable)/Investor:			
Sr.No	Pertains to Annexure & Clause /Sub-Clause	Proposed/ suggested changes	Rationale

17. Such comments may please be emailed on or before September 12, 2014, to revisedclause36@sebi.gov.in or sent, by post, to:-

Ms. Harini Balaji
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Part A - Proposed Clause 36 to be incorporated in Equity Listing Agreement /draft Listing Regulations

1. The listed entity shall inform to the Stock Exchange(s) of all events which are material and/or all information which are price sensitive, and have bearing on performance/operation of the listed entity, unless otherwise expressly stated, within one day from the occurrence of the event /information.

Explanation (1): In cases where the disclosures are made after one day, listed entity shall, along with such disclosure provide suitable explanation for delay in making disclosure.

Explanation (2): For the purpose of this part, events which are material and/or information which are price sensitive shall be as specified in Schedule.

2. The listed entity shall make above disclosures to Stock Exchange(s) at the time of occurrence of the event/information and where applicable, make periodic disclosures on the associated material developments till such time the event is resolved/closed

Explanation (1): Periodic disclosure till the cessation of the event shall be applicable for events at Para 3,5,6,7,8,10,12 etc of the Schedule and any other events in the opinion of the Board of Directors of the listed entity.

3. The listed entity shall inform to Stock Exchange(s) if there is a change in information after it has been disclosed to Stock Exchange(s) (including withdrawal/ cancellation of event).
4. The listed entity shall disclose on its website all material events and/or all information which is price sensitive, which has been disseminated to the Stock Exchange(s), through links to Stock Exchange(s) website.
5. In case of listed subsidiary, the listed entity shall only disclose the impact of such material events/information on its operations or performance, if any, along with a reference to the link on Stock Exchange(s) website where announcement made by listed subsidiary is available.
6. The listed entity shall make disclosures of all material event(s)/information/transaction(s) or arrangement(s) with respect to its unlisted subsidiaries.

Explanation: The term “material transaction or arrangement” shall mean any individual transaction or arrangement which, in the opinion of the Board of Directors of the listed entity, is significant to the operations or performance of listed entity.

Part B - Schedule

The following shall be deemed to be events which are material and/or information which are price sensitive in nature:

1. **Commencement or any postponement in the date of commencement of commercial production and / or commercial operation of any material unit/division;**
2. **Change in the general character or nature of business brought about by:**
 - a) arrangements for strategic, technical, manufacturing, marketing or financial tie-up;
 - b) adoption of new lines of business;
 - c) closure of operations of any unit(s)/division(s);
3. **Acquisition(s), Scheme of Arrangement (amalgamation/merger/demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity:**
 - a) acquisitions/agreement to acquire;
 - b) scheme of arrangement (amalgamation/merger/demerger/restructuring);
 - c) sale or disposal of any unit(s), division(s) or subsidiary of the listed entity;
4. **Material capacity addition or material product launch;**
5. **Awarding, bagging/ receiving , amendment or termination of awarded/bagged material order(s)/ contract(s);**
6. **Agreement(s)** (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s), agreement(s)/treaty(ies)/contract(s) with media companies) or material loan agreement(s) or any other material agreement(s) which are binding **and revision(s) or amendment(s) or termination(s) thereof;**
7. **Issuance or forfeiture of securities, or change in terms/structure of existing securities or buy back of securities:**
 - a) issuance of securities;
 - b) split/consolidation of shares;
 - c) bonus Issue;
 - d) buy back of securities;
 - e) options to purchase securities (including any ESOP/ESPS Scheme);
 - f) any restriction on transferability of securities ;
 - g) any action, which will result in alteration, change in the terms or structure of any existing securities, including, but not limited to:

- i. reissue of forfeited securities, or the issue of securities held in reserve for future issue or the creation in any form or manner of new securities or any other rights, privileges or benefits to subscribe to;
 - ii. proposal to issue any class of securities;
 - iii. sub-division of equity shares of listed entity;
 - iv. alterations of capital, including calls;
 - v. change in the terms regarding redemption/cancellation/retirement in whole or in part of any securities issued by the listed entity;
8. **Disruption of operations of any one or more units or division or subsidiary of the listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc;**
9. **Material effect(s) arising out of change in the regulatory framework applicable to the listed entity;**
10. **Litigation(s) / dispute(s) / regulatory action(s) with material impact;**
11. **Revision in rating(s);**
12. **Material frauds / defaults etc. by directors, employees, agents of the listed entity;**
13. **Outcome of meeting(s) of the board of directors:** The listed entity shall intimate to the Exchange(s), within 15 minutes of the closure of the meeting of its board of directors, held to consider or decide on the following :
 - a. dividends and/or cash bonuses recommended or declared or the decision to pass any dividend along with the date on which dividend shall be paid/dispatched;
 - b. the decision on Buyback of securities;
 - c. the decision with respect to fund raising proposed to be undertaken;
 - d. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares would be credited/dispatched;
 - e. 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;
 - f. short particulars of any other alterations of capital, including calls;
 - g. financial results;
 - h. decision on voluntary delisting by the company from Stock Exchange(s);
14. **Miscellaneous events:**
 - a) change in directors, key managerial personnel and others;
 - b) Grant, withdrawal, surrender , cancellation or suspension of key licenses or regulatory approvals;

- c) corporate debt restructuring (“CDR”);
- d) one time settlement (OTS);
- e) any cancellation of dividend;
- f) 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 listed entity;
- g) proceedings of annual and extraordinary general meetings of the listed entity, in brief;
- h) amendments to memorandum and articles of association of listed entity;
- i) any other major development that is likely to affect business, e.g. emergence of new technologies, expiry of patents etc;

15. Any event affecting the reputation of the listed entity /group e.g. arrest of key managerial personnel/promoters on charges involving moral turpitude, etc.

16. Any other information viz. information which is exclusively known to the company which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such listed securities.

Explanation (1): For the purpose of clauses (1), (4), (5), (6), (9), (10) and (12) of this Schedule, the listed entity shall apply the guidelines specified at Annexure B for determination of materiality.

Explanation (2): For the purpose of this Schedule, the listed entity shall apply the guidelines as specified at Annexure B for determining whether the information is price sensitive.

Explanation (3): In addition to above, an indicative list of information specified in Annexure C may be disclosed by the listed entity in case of occurrence of events/information at Clause (1) to (16) above.

Note to Schedule : Clauses (1), (2), (3),(7) , (8), (9), (10), (11), (13), (14) - sub clauses (a), (e) to (i) above are already contained in either present Clause 36 or other related Clauses of Listing Agreement viz. present clause 13, 20, 22, 25, 30, 31.

Clauses (4), (5), (6), (12), (14) - sub clauses (b), (c) and (d), (15), (16) are new additions to the above list.

**Guidelines for materiality, price sensitive information and occurrence of event(s)/
information**

1. Determination of Materiality:

1.1. Materiality has to be determined on a case to case basis depending on specific facts and circumstances relating to the information/event. In order to determine whether a particular event/information is material in nature, the listed entity may consider the 'quantitative' or 'qualitative criteria(s)' mentioned below.

1.2. Quantitative criteria to determine materiality shall become applicable to an event / information:

1.2.1. where the value involved or the impact exceeds 5% of the gross turnover or revenue or total income; or exceeds 20% of the net worth (lower threshold shall be taken as a trigger);

- the above threshold shall be determined on the basis of audited consolidated financial statements of last audited financial year. However if the company has not prepared consolidated financial statements in the last financial year the threshold may be determined on the basis of standalone financial statements.

1.3. Qualitative criteria to determine materiality shall become applicable to an event / information:

1.3.1. the omission of which is likely to :

- result in a discontinuity of information already available publicly; or
- result in significant market reaction if the said omission came to light at a later date;

1.3.2. if in the opinion of the Board of Directors of listed entity, the event / information is considered material

1.4. In circumstances where 'quantitative' test may not be applicable, 'qualitative, test may be applied to determine materiality.

1.5. If a particular information or event in question satisfies any of the 'qualitative' or 'quantitative' criteria, the listed entity shall be under an obligation to disclose the same to the stock exchanges.

2. Determination of 'price sensitive information':

2.1. The listed entity may consider the following test(s) to determine whether particular information is price sensitive:-

2.1.1. **Price impact test:**

- any information which relates directly or indirectly to a listed entity and which if published is likely to materially affect the price of shares of the listed entity;

2.1.2. **The reasonable investor test:**

- Whether the information in question is likely to be used by a reasonable investor as part of the basis of his investment decisions and therefore likely to have a significant effect on the price of shares of the listed entity.

It is to be noted that, 'significant effect on the price' cannot be quantified (percentage change or otherwise) due to various reasons.

However, the following information is likely to be considered relevant to a reasonable investor's decision i.e. any information which affects:

- the assets and liabilities of the listed entity; or
- the financial condition of the listed entity; or
- major developments in the business of the listed entity / the industry in which the listed entity operates; or
- information previously disclosed to the market.

2.1.3. if in the opinion of the Board of Directors of listed entity, the event / information is considered price sensitive

3. **When can an event/information be said to have occurred?**

3.1. The listed entity may be confronted with the question as to when an event/information can be said to have occurred.

3.1.1. In certain instances, the answer to above question would depend upon the stage of discussion, negotiation or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions etc, the answer to the above question would depend upon the timing when the listed entity became aware of the event/information.

- In the former, the events/information can be said to have occurred upon receipt of approval of Board of Directors e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and Shareholders.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends, disclosure shall be made on receipt of approval of Board of Directors pending Shareholder's approval.

- In the latter, the events/information can be said to have occurred when a listed entity becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

3.1.2. In case of securities or the derivatives which are listed outside India by the listed entity, parity in disclosures shall be followed and whatever is disclosed on overseas Stock Exchange(s) by the listed entity shall be disclosed on the Stock Exchange(s) where the entity is listed in India, at the same time.

3.1.3. At times the preliminary information about an event is such that the listed entity or the officer of the listed entity cannot reasonably determine whether the information is material or price sensitive or not and may need to wait for more information or seek expert advice or conduct investigation/inquiry in order to determine the nature of the information.

In such cases, the listed entity or its officer shall be construed to have become aware of the event/information when the probable impact of the event/information becomes known/ assessable to the extent of 75% of materiality threshold and not when the impact is finally and accurately assessed.

Explanation: The term "officer" shall include a promoter, director or senior management personnel of the listed entity.

4. General obligation of disclosure

4.1. It is the responsibility of each listed entity to determine what event/information is material and price sensitive, based on the above guideline(s) and make appropriate disclosures.

4.2. The determination of materiality of event/information and whether an information is price sensitive or not, would vary from one company to another according to its size, profits, assets and capitalization, the nature of its operations and many other factors.

Thus the listed entity itself would be in the best position to apply the definition of materiality and whether information is price sensitive or not to its own unique circumstances.

Indicative list of information which may be disclosed in case of occurrence of event/information which are material and/or price sensitive

While the timely dissemination of an event/information is essential, the adequacy of the information disseminated determines the usefulness of the information disclosed. Inadequate information disclosed is equivalent to non disclosure of information.

Continuous disclosure is a mechanism to ensure that the market is informed of all material developments pertaining to listed entities at all times. While it enhances accountability of such companies and ensures transparency, it also helps in maintaining parity of information disclosed so that all investors are able to make informed investment decisions and no investor is at a disadvantage against another.

This **Annexure** aims to provide the indicative list of information which may be disclosed in case of occurrence of events / information which are material and/or price sensitive. However, the list is indicative and not exhaustive and the necessity or obligation to make the requisite disclosure depends upon the facts of each case.

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any material unit/division:

The listed entity shall notify the Stock Exchange(s) regarding the commencement of commercial production or the commencement of commercial operations of any material unit/division. In case of postponement in that date of commencement reasons for such postponement may be indicated along with a likely future date of such commencement.

2. Change in the general character or nature of business: The listed entity shall notify the Stock Exchange(s) of the details of any change in the general character or nature of its business along with brief details, rationale behind such change and benefits expected from such change.

2.1. Arrangements for strategic, technical, manufacturing, marketing or financial tie-up:

2.1.1. Agreement / joint venture (JV) with companies

- a) name of the entity(ies) with whom agreement/ JV is signed;
- b) area of agreement/JV;
- c) domestic/International;
- d) share exchange ratio / JV ratio;
- e) scope of business operation of agreement / JV;
- f) details of consideration paid / received in agreement / JV;

- g) significant terms and conditions of agreement / JV in brief;
- h) whether the promoter/ promoter group/group companies have any interest in the entity/entity with whom the agreement / JV is signed? If yes, nature of interest and details thereof;
- i) whether the same would fall within related party transactions? If yes, whether the same is done at “arms length”

2.1.2. 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 lines of business

- a) industry to which the new line of business belongs to
- b) area of new line of business;
- c) expected benefits;
- d) date of such adoption;
- e) estimated amount to be invested

2.3. Closure of operations of any material unit/division - (entirety or piecemeal)

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

3. Acquisitions, Scheme of Arrangement (amalgamation/merger/demerger/ restructuring) or sale or disposal of any unit, division or subsidiary of the listed entity:

3.1. Acquisition / agreement to acquire:

- a) name of the target entity;
- b) whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof;
- c) whether the acquisition would fall within related party transactions? If yes, whether the same is done at “arms length”;
- d) industry to which the entity being acquired belongs;
- e) 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 listed entity);
- f) brief details of any governmental or regulatory approvals required for the acquisition;

- g) indicative time period for completion of the acquisition;
- h) cost of acquisition or the price at which the shares are acquired;
- i) nature of consideration - whether cash consideration or share swap and details of the same;
- j) percentage of shareholding / control acquired and / or number of shares acquired;
- k) brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief);

[Explanation: For the purpose of the above disclosures the term 'acquisition' shall have the same meaning as defined in the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011]

3.2. Amalgamation/ Merger

- a) name of the entity(ies) forming part of the amalgamation/merger;
- b) whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length";
- c) area of business of the entity(ies);
- d) rationale for amalgamation/ merger;
- e) in case of cash consideration amount or otherwise share entitlement/exchange ratio in relation to the amalgamation/merger; brief details of change in shareholding pattern (if any)of listed entity;

3.3. De-merger

- a) brief details of the division to be demerged;
- b) turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year;
- c) rationale for demerger;
- d) brief details of change in shareholding pattern (if any)of all entities;
- e) in case of cash consideration – amount or otherwise share exchange ratio;
- f) whether listing would be sought for the resulting entity;

3.4. Sale or disposal of unit or division or subsidiary of the listed entity:

- a) the amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year; ;
- b) date on which the agreement for sale has been entered into

- c) the expected date of completion of sale/disposal;
- d) consideration received from such sale/disposal;
- e) brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof.
- f) whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length".
- g) additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale.

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

3.5. 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;

4. Material capacity addition or material product launch:

4.1. Material capacity addition:

- a) existing capacity;
- b) existing capacity utilization;
- c) the amount and percentage of the turnover or revenue or income and net worth contributed by existing utilized capacity during the last financial year;
- d) proposed capacity addition;
- e) period within which the proposed capacity is to be added;
- f) investment required;
- g) mode of financing;
- h) rationale;

4.2. Material 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).

5. Awarding, bagging/ receiving, amendment or termination of awarded/bagged material orders/contracts:

5.1. Awarding of material order(s)/contract(s)

- 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 for 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 “arms length”.

5.2. Bagging/Receiving of material orders/contracts

- 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); whether domestic or international.
- e) time period by which the order(s)/contract(s) is to be executed;
- f) broad consideration for the order(s)/contract(s);
- g) 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
- h) whether the order(s)/contract(s) would fall within related party transactions? If yes, whether the same is done at “arms length”.

5.3. Amendment or termination of material 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);

6. Agreements (viz. Shareholder Agreement(s), joint venture agreement(s), family settlement agreement(s), agreement(s)/treaty(ies)/contract(s) with media companies) or material loan

agreement(s) or any other material agreement(s) which are binding and revision(s) or amendment(s) or 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 "arms length";
- g) in case of issuance of shares to the parties, details of issue price, class of shares issued;
- h) in case of material 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;
- i) 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;
- j) in case of termination or amendment of agreement, listed entity shall disclose additional details to the Stock Exchange(s):
 - i. name of parties to the agreement ;
 - ii. nature of the agreement;
 - iii. date of execution of the agreement;
 - iv. details of amendment and impact thereof or reasons of termination and impact thereof.

7. Issuance or forfeiture of securities, or change in terms/ structure of existing securities or buy back of securities:

7.1. Issuance of securities

- a) type of securities proposed to be issued (viz. equity shares, convertibles etc.);
- b) type of issuance (further public offering, rights issue, depository receipts (ADR/GDR), qualified institutions placement, preferential allotment etc);
- c) total number of securities proposed to be issued or the total amount for which the securities will be issued (approximately);
- d) in case of preferential issue the listed entity shall disclose the following additional details to the Stock Exchange(s)

- i. issue period;
- ii. names of the investors.
- iii. post allotment of securities: -outcome of the subscription, issue price / allotted price (in case of convertibles) , number of investors
- iv. in case of convertibles; intimation on conversion of securities or on lapse of the tenure of the instrument;

e) in case of issuance of depository receipts (ADR/GDR) or FCCB the listed entity 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. existing number of ADR/GDR/FCCBs and number of holders, if any;
- iii. proposed no. of equity shares underlying the ADR/GDR or on conversion of FCCBs;
- iv. proposed date of allotment , tenure , date of maturity and coupon offered, if any of FCCB's;
- v. issue price of ADR/GDR/FCCBs (in terms of USD and in INR after considering conversion rate);
- vi. Change in terms of FCCBs, if any;
- vii. details of defaults, if any, by the listed entity in payment of coupon on FCCBs & subsequent updates in relation to the default, including the details of the corrective measures undertaken (if any);

f) In case of issuance of debt securities or other non convertible securities the listed entity shall disclose following additional details to the Stock Exchange(s):

- i. whether proposed to be listed? If yes, name of the Stock Exchange(s);
- ii. tenure of the instrument - date of allotment and date of maturity;
- iii. coupon/interest offered, schedule of payment of coupon/interest and principal;
- iv. charge/security, if any, created over the assets;
- v. special right/interest/privileges attached to the instrument and changes thereof;
- vi. delay/ default in payment of interest / principal amount for a period of more than three months from the due date;
- vii. 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;

g) Any cancellation or termination of proposal for issuance of securities including reasons thereof

7.2. 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

7.3. Bonus Issue

- a) whether bonus is out of free reserves created out of profits or share premium account;
- b) bonus ratio;
- c) details of share capital - pre and post bonus issue;
- d) free reserves and/ or share premium required for implementing the bonus issue;
- e) free reserves and/ or share premium available for capitalization and the date as on which such balance is available;
- f) whether the aforesaid figures are audited
- g) date on which such bonus shares would be credited/dispatched

7.4. 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

7.5. 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 ESOP/ESPS guidelines (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 realised by exercise of options;
- i) the total number of shares arising as a result of exercise of option;
- j) options lapsed;

- k) variation of terms of options;
- l) brief details of significant terms;
- m) subsequent changes or cancellation or exercise of such options;
- n) diluted earnings per share pursuant to issue of equity shares on exercise of options

7.6. 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)

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

- a) 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;
- b) proposal to issue any class of securities;
- c) sub-division of equity shares of listed entity;
- 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 listed entity

8. Disruption of operations of any one or more units or division or subsidiary of the listed entity due to natural calamity (earthquake, flood or fire), force majeure and events such as strikes, lockouts etc.:

8.1. At the time of occurrence:

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

8.2. Periodically, till complete normalcy is restored,:

- a) insurance amount claimed and realized by the listed entity for the loss/damage;
- b) the actual amount of damage caused due to the natural calamity or other force majeure events;

- c) details of steps taken to restore normalcy and the impact of the natural calamity/other force majeure events on production or service, financials of the entity.

9. Material effects arising out of change in the regulatory framework applicable to the listed entity.

10. Litigation/dispute/regulatory action with a material impact: The listed entity shall notify the Stock Exchange(s) upon it or its key management personnel or its promoter / ultimate person in control 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 a material impact.

10.1. 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;

10.2. Periodically till the litigation is concluded or dispute is resolved :-

- a) the details of any change in the status and / or any material development in relation to such proceedings;
- b) in the event of settlement of the proceedings, details of such settlement including - material terms of the settlement, compensation/penalty paid (if any) and impact of such settlement on the financial position of the listed entity.

11. Rating / revision in ratings: The listed entity shall notify the Stock Exchange(s), the details of any 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 mobilisation 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.

12. Material fraud/defaults etc. by directors, employees, agents of the listed entity:

12.1. At the time of unearthing of fraud or occurrence of the default/litigation

- a) nature of fraud/default/litigation;
- 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;

12.2. Subsequently intimate the Stock Exchange(s) further details regarding the fraud/default/litigation, including:

- a) actual amount involved in the fraud /default/litigation (if any);
- b) actual impact of such fraud /default/litigation on the listed entity and its financials; and
- c) corrective measures taken by the listed entity on account of such fraud;
- d) in the case of litigation against directors, employees or agents, regularly provide details of any change in the status and / or any material development in relation to such proceedings.

13. Outcome of meetings of the board of directors:The listed entity shall intimate to the Exchange(s), within 15 minutes of the closure of the meeting , held to consider or decide the following :

- 13.1. 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; Any cancellation of dividend with reasons thereof;
- 13.2. the decision on buyback of securities;
- 13.3. the decision with respect to fund raising proposed to be undertaken
- 13.4. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares would be credited/dispatched;
- 13.5. 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;
- 13.6. short particulars of any other alterations of capital, including calls;
- 13.7. financial results;
- 13.8. decision on voluntary delisting by the company from Stock Exchange(s);

The intimation of outcome of meeting of the board of directors shall also contain the time of commencement and conclusion of the meeting.

14. Miscellaneous events:

- 14.1. **Change in directors, key managerial personnel** (Managing Director, Chief Executive Officer, Chief Financial Officer), Company Secretary Auditor, Compliance Officer,
 - a) reason for change viz. appointment, resignation, removal, death or otherwise;
 - b) date of appointment/cessation (as applicable) & term of appointment;
 - c) brief profile (in case of appointment);

- d) disclosure of relationships between directors (in case of appointment of a director);
- e) letter of appointment of independent director along-with the detailed profile;
- f) letter of resignation of directors along with the detailed reasons of resignation;

Information at points (d),(e) and (f) shall be provided to Stock Exchange(s) for dissemination not later than one working day from the date of receipt.

14.2. 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 listed entity ;
- d) withdrawal/cancellation or suspension of licence/approval by the regulatory or licensing authority, with reasons for such action, estimated impact (monetary or otherwise) on the listed entity and penalty, if any;
- e) period for which such approval/license is/was valid;
- f) Subsequently, the listed entity shall inform the Stock Exchange(s), the actual impact (monetary or otherwise) along with corrective actions taken by the listed entity pursuant to the withdrawal, cancellation or suspension of the key license/ approval.

14.3. Corporate debt restructuring (“CDR”)

- a) whether CDR is voluntary or referred by lenders/creditors and reasons for opting;
- b) details of the loan to be subjected to restructuring under CDR;
- c) brief details of the CDR proposal (if any);
- d) the following updates to be provided at the time of the execution and at various stages of the implementation of the CDR scheme;
 - i. upon execution of any agreement in relation to the CDR proposal, disclose details such as date of execution, parties to the agreement and principal terms;
 - ii. details of final CDR package as approved by RBI and the lenders;
 - iii. creditors involved;
 - iv. brief summary of the CDR scheme including details of the securities, interest payment, repayment schedule, negative and other restrictive covenants.

14.4. One time settlement (OTS)

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

- 14.5. 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 listed entity 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.
- 14.6. Proceedings of annual and extraordinary general meetings of the listed entity and the following details in brief:**
- a) date of the meeting
 - b) brief details of items deliberated ;
 - c) manner of approval proposed for certain items (e-voting etc)
- 14.7. Amendments to memorandum and articles of association of listed entity, in brief.**
- 14.8. Any other major development that is like to affect business, e.g. emergence of new technologies, expiry of patents etc and brief details thereof.**
- 15. Any event affecting the reputation of the listed entity /group e.g. arrest of Key Managerial Personnel/Promoters on charges involving moral turpitude, etc.**
- 16. Any other information necessary to enable the holders of listed securities of the listed entity to appraise their position and to avoid the establishment of a false market in such listed securities.**
