

EXTENSION OF TIMELINE FOR VERIFICATION OF MARKET RUMOURS BY LISTED ENTITIES

BACKGROUND:

As per proviso to Regulation 30(11) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”), top 100 listed entities based on market capitalization and thereafter top 250 listed entities based on market capitalization shall, with effect from October 1, 2023 and April 1, 2024 respectively, confirm, deny or clarify any reported event or information in the mainstream media which is not general in nature and which indicates that rumours of an impending specific material event or information in terms of the provisions of this regulation are circulating amongst the investing public, as soon as reasonably possible and not later than twenty four hours from the reporting of the event or information.

Provided further that if the listed entity confirms the reported event or information, it shall also provide the current stage of such event or information.

However, the other listed entities may **on their initiative** also, confirm or deny any reported event or information to stock exchange(s).

Note: The top 100 and 250 listed entities shall be determined on the basis of market capitalization as at the end of the immediately preceding financial year.

In view of the above, the Securities Exchange Board of India (“SEBI”) vide its circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/162 dated 30th September 2023, had extended the timeline for verification of market rumours by listed entities (“timeline”) as follows:

Particulars	For top 100 listed entities	For top 250 listed entities
Earlier timeline as per proviso to Regulation 30(11) of LODR Regulations	October 1, 2023	April 1, 2024
Extended timeline as per SEBI Circular dated 30 th September, 2023	February 1, 2024	August 1, 2024

In continuation to the above, the SEBI vide its circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/7 dated 25th January, 2024, had further extended the timeline for the same as follows:

Particulars	For top 100 listed entities	For top 250 listed entities
Earlier timeline as per SEBI Circular dated 30 th September, 2023	February 1, 2024	August 1, 2024
Extended timeline as per SEBI Circular dated 25 th January, 2024	June 1, 2024	December 1, 2024

EFFECTIVE DATE:

This circular shall come into force with immediate effect.

REFERENCE:

https://www.sebi.gov.in/legal/circulars/jan-2024/extension-of-timeline-for-verification-of-market-rumours-by-listed-entities_80867.html

Suggestions may be sent to rupesh@cacsindia.com

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