

SEBI notifies rumour verification requirements, application of market cap based provisions etc

Applicable with immediate effect (17th May, 2024)

Applicable from 31st December, 2024

Verification of market rumours

Applicability of market cap (“MCap”) based provisions basis half-yearly average

- Market rumors linked to **“material price movement”** (to be specified by SEs) instead of **“material events under Reg 30”**
- Timeline of reporting to commence from **“trigger of material price movement”** instead of **“reporting of the event or information”**
- **Unaffected price** to be considered for corporate actions [new proviso to 30(11)], as per framework to be specified by SEBI.
 - Amendments under ICDR, SAST and Buyback Regs referring to such framework
- Responsibility on promoter, director, KMP, SMP of LE to promptly respond to the queries raised by LE
 - LE to promptly disseminate the response to the SE

- to be determined on the basis of an **average MCap of 6 months ending Dec 31** (i.e from July 1 to Dec 31) instead of **MCap based on a single day of March 31**.
- Compliance to be ensured within interim period of 3 months or beginning of immediate next FY, whichever is later, for first-time compliance
 - For BRSR, systems and processes to be ensured as per aforesaid timelines, reporting to be made in succeeding FY for such FY
- **Sunset Clause:** In case MCap ranking falls below and remains below the applicability threshold for **3 consecutive years**, the MCap based compliance will cease to apply

Uniform timelines for prior intimation of board meeting [Reg 29]

Understanding applicability:

- **2 clear working days for all events** u/r 29 (earlier it ranged from 2 to 11 days);
- Intimation to **include date of board meeting**
- Clarification on intimation for fundraising under clause (d):
 - To be given only for issuance of securities
 - Issue of *security receipts, SDIs or money market instruments regulated by the RBI* not included
- Intimation for determination of issue price in a QIPs not required if in accordance with ICDR

Status as on	Trigger of relevant market cap	Whether applicable?	
		If LE is following April-March as FY	If LE is following Jan-Dec as FY
31.03.2024	Yes	2024-25	Jan 1- Dec 31, 2025
31.03.2025	No	2025-26	Jan 1- Dec 31, 2026
31.03.2026	No	2026-27	Jan 1- Dec 31, 2027
31.03.2027	No	2027-28	Jan 1- Dec 31, 2028
31.03.2028	No	Since, LE is not falling under such list for 3 consecutive FYs, LE is not required to comply with provisions	

Relaxation in timeline for filing vacancy in the officer of KMP u/r 26A

- **6 months** instead of **3 months** wherever regulatory, government or statutory approval is required to fill such vacancy

Gap between two consecutive meetings of RMC of LEs

- Increased to **210 days** from **180 days**

Amendment in definition of “generally available information” under PIT Regulations

Unverified event or information reported in print or electronic media excluded