

National Stock Exchange of India

Annexure II

The framework for material price movement with respect to rumour verification by Listed Entities shall be as under:

Purpose:

The purpose of Rumor Verification is to verify the accuracy or otherwise of the rumours/news circulating in the market. Rumours/news may have a significant impact on the price/volume of the security. Hence, it is essential to verify the accuracy of the same.

In terms of the provisions of Regulations 30(11) of SEBI (LODR) Regulations, 2015, as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2024 [notified on May 17, 2024], listed entities are required to confirm, deny or clarify market rumours, upon material price movement. In order to ensure compliance with the aforesaid requirement, the listed entities shall follow the Industry Standards Note on verification of market rumours which are available on the website of the stock exchanges and on the website of the industry associations which are part of the Industry Standards Forum (ASSOCHAM, FICCI and CII). The material price movement shall be considered as per this framework.

Parameters for Material Price Movement:

1. The material price movement in the securities of listed entity shall be determined based on the following parameters:

1.1. Price range-based price variation cut off

The cut off percentage for price variation be based on the price range subject to the price band applicability.

1.2. Indexing Price variation to Nifty 50 / Sensex movement

With the aim of factoring in the market dynamics in the parameters for rumour verification, the price variation criteria be indexed to benchmark index viz., Nifty 50/ Sensex movement. Price benchmarking for NSE prices shall be NIFTY 50 Index and for BSE prices shall be Sensex Index. Price benchmarking shall be done at the start of day (i.e., at 9.30 am).

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1.3. Price variation in the direction of the news

Rumours shall be verified only if the security has moved in the direction of the news i.e., if the security has witnessed positive movement for a positive news and vice- versa.

1.4. Intraday price movement

In case of intraday price movement (i.e. after 9:30 am), only the price range-based price variation shall be considered, irrespective of the Index movement.

1.5. Calculation of percentage variation in share price and benchmark index movement

The percentage variation in share price and the benchmark index movement shall be calculated from the closing price of the immediate preceding trading day.

The percentage variation in the share price of listed entity which shall be treated as material price movement based on the above-mentioned parameters is given below:

A. In case of ‘**Positive**’ news/ rumour:

Price range of the listed equity shares	Percentage variation in share price which shall be treated as material price movement		
	Benchmark index movement is less than 1% at 9.30 am	Benchmark index movement is greater than or equal to 1% at 9.30 am	Intraday price movement (i.e. after 9.30 am)
Rs. 0 to 99.99	Greater than or equal to 5%	Greater than or equal to (5% + % change in Benchmark index at 9:30 am) or Band hit	Greater than or equal to 5%
Rs. 100 to 199.99	Greater than or equal to 4%	Greater than or equal to (4% + % change in Benchmark index at 9:30 am) or Band hit	Greater than or equal to 4%
Rs. 200 and above	Greater than or equal to 3%	Greater than or equal to (3% + % change in Benchmark index at 9:30 am) or Band hit	Greater than or equal to 3%

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Note: In case of intraday price movement (i.e. after 9:30 am), only the price range-based price variation in the scrip to be considered, irrespective of the Index movement.

B. In case of '**Negative**' news/ rumour:

Price range of the listed equity shares	Percentage variation in share price which shall be treated as material price movement		
	Benchmark index movement is less than or equal to -1% at 9.30 am	Benchmark index movement is greater than -1% at 9.30 am	Intraday price movement (i.e. after 9.30 am)
Rs. 0 to 99.99	Less than or equal to (-5% - % change in Benchmark index at 9:30 am) or Band hit	Less than or equal to -5%	Less than or equal to -5%
Rs. 100 to 199.99	Less than or equal to (-4% - % change in Benchmark index at 9:30 am) or Band hit	Less than or equal to -4%	Less than or equal to -4%
Rs. 200 and above	Less than or equal to (-3% - % change in Benchmark index at 9:30 am) or Band hit	Less than or equal to -3%	Less than or equal to -3%

Note: In case of intraday price movement (i.e. after 9:30 am), only the price range-based price variation in the scrip to be considered, irrespective of the Index movement.

Response on rumours/news by listed entities:

1. Listed entity shall respond to each rumour / reported event or information, in the direction of the material price movement, which require confirmation, denial or clarification in terms of Regulation 30(11) of LODR Regulations in case there is material price movement.

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2. While there may be price movement due to a combination of various factors such as rumour, announcements or other events, the material price movement under this framework shall deemed to be attributed only to the rumour(s), and thus would require verification of such rumour(s).
3. Listed entity shall intimate response to the news/rumour to the Stock Exchange(s) where the entity is listed through online platform of the Exchange (under the Announcement module) within 24 hours from the trigger of material price movement.
4. While responding to the news/rumour, the listed entity shall follow the Industry Standards Note on verification of market rumours.

Illustrations:

- A. Illustrations of percentage variation in the scrip which shall be treated as material price movement in case '**Positive**' news/ rumour:

Price range of the listed equity shares	Index movement = 0.5% at 9.30 am	Index movement = 2% at 9.30 am	Index movement = -2% at 9.30 am
Rs. 0 to 99.99	Greater than or equal to 5%	Greater than or equal to 7% or price band limit	Greater than or equal to 5%
Rs. 100 to 199.99	Greater than or equal to 4%	Greater than or equal to 6% or price band limit	Greater than or equal to 4%
Rs. 200 and above	Greater than or equal to 3%	Greater than or equal to 5% or price band limit	Greater than or equal to 3%

Note: In case of intraday price movement (i.e. after 9:30 am), only the price range-based price variation in the scrip to be considered, irrespective of the Index movement.

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B. Illustrations of percentage variation in the scrip which shall be treated as material price movement in case '**Negative**' news/ rumour:

Price range of the listed equity shares	Index movement = 0.5% at 9.30 am	Index movement = 2% at 9.30 am	Index movement = -2% at 9.30 am
Rs. 0 to 99.99	Less than or equal to -5%	Less than or equal to -5%	Less than or equal to -7% or price band limit
Rs. 100 to 199.99	Less than or equal to -4%	Less than or equal to -4%	Less than or equal to -6% or price band limit
Rs. 200 and above	Less than or equal to -3%	Less than or equal to -3%	Less than or equal to -5% or price band limit

Note: In case of intraday price movement (i.e. after 9:30 am), only the price range-based price variation in the scrip to be considered, irrespective of the Index movement.

Surveillance measures by the Stock Exchanges:

In addition to the requirement for verification of market rumours by listed entities under Regulation 30(11) of SEBI (LODR) Regulations, 2015, the stock exchanges shall independently continue to seek clarification from the listed entities on news/rumours pertaining to the listed entity as part of their existing surveillance measures. The listed entity shall provide specific and adequate reply to such clarification sought/ queries raised by the stock exchange(s) in terms of Regulation 30(10) of SEBI (LODR) Regulations, 2015.