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Division of Issues and Listing - I

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SEBI/CFD/DIL/LA/2/2007/ 26/4

April 26, 2007

The Managing Director / Executive Director / Administrators of All Stock

Exchanges

Dear Sirs,

Sub.: Amendments to Clause 32 of Equity Listing Agreement

- I. The extant Clause 32 of the Equity Listing Agreement requires listed companies to supply a copy of the complete and full Balance Sheet, Profit and Loss Account and Directors' report to each shareholder and upon application to any member of the Exchange. This requirement was stipulated at a time when information dissemination was at the barest minimum and the Annual Report of the company containing the Balance Sheet and the Profit and Loss Account was the only mean through which the shareholders of the company could keep themselves informed about the affairs of the company.

- II. In the context of changes brought about in the market scenario, SEBI reviewed the existing provisions of Clause 32 of the Equity Listing Agreement, particularly in the light of (i) the need to contain rising cost of compliance and (ii) the measures taken to enhance disclosures which has enabled availability of information about listed companies in public domain such as the website of the company, of the stock exchanges, of the Common Filing Platform website jointly maintained by BSE and NSE i.e <http://www.corpfiling.co.in/> etc.

III. Having regard to the above, SEBI has decided to amend Clause 32 of the Equity Listing Agreement to align it with the provisions of Section 219(iv) of the Companies Act i.e. to permit listed companies to send a statement containing the salient features of the (i) Balance Sheet, (ii) the Profit and Loss Account and (iii) the Auditors' Report instead of sending full Balance Sheet and Annual Report.

IV. Accordingly, the first and second paragraphs of Clause 32 of the Equity Listing Agreement relating to sending of annual reports by listed companies to their shareholders shall stand amended as given in the Annexure.

V. The other provisions of Clause 32 of the Equity Listing Agreement pertaining to turnover and income etc. from new activities, cash flow statement to be given along with the Profit and Loss Account shall remain unchanged.

VI. **Applicability**

The revised Clause 32 of Equity Listing Agreement shall come into force with immediate effect.

VII. **Direction to Stock Exchanges**

All Stock Exchanges are advised to do the following:

(i) Give effect to the above mentioned policy and appropriately amend Clause 32 of Equity Listing Agreement in line with the text of the amendment specified in **Annexure**.

(ii) Make consequential changes, if any, in other Clauses of Equity Listing Agreement.

VIII. This circular is issued in exercise of powers conferred by sub-section (1) of Section 11, read with sub-section (2) of Section 11A, of the Securities and Exchange Board of India Act, 1992, to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

Yours faithfully,

Neelam Bhardwaj

Encl.: Annexure containing amended Paragraphs 1 and 2 of Clause 32 of Equity Listing Agreement

Annexure

The Company will send a statement containing the salient features of the Balance Sheet, Profit and Loss Account and Auditors' Report to each shareholder:

Provided that, the company on receipt of written request from a shareholder, shall send the complete and full Balance Sheet, Profit & Loss Account and Auditors' Report to the said shareholder.