

**SECURITIES AND EXCHANGE BOARD OF INDIA
CONDARY MARKET DEPARTMENT
Mittal Court, A Wing, Gr. Floor,
224, Nariman Point, Mumbai 400 021**

**SMDRP/Policy/Cir-44 /01
August 31 , 2001**

To,

The Executive Director/President/Managing Director
Of all the Stock Exchanges

Dear Sir/Madam,

Amendment to the Listing Agreement

In order to enhance the level of disclosure by the listed companies in the light of new Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI), the Accounting Standards Committee (ASC) of SEBI, has recommended certain amendments to the Listing Agreement. It has been decided to amend the Listing Agreement to incorporate the following recommendations of the Committee:

1. Amendment to Clause 41 of the Listing Agreement - Quarterly un- audited financial results:

a. Segment Reporting:

Companies shall be required to furnish segment wise revenue, results and capital employed along with the quarterly un-audited financial results with effect from the quarters ending on or after September 30, 2001 as per the enclosed format.

b. Accounting for Taxes on Income:

Companies shall be required to comply with the accounting standard on "Accounting for Taxes on Income" in respect of the quarterly un-audited financial results with effect from the quarters ending on or after September 30, 2001.

c. Consolidated Financial Results:

Companies shall have the option to publish consolidated quarterly financial results in addition to the un-audited quarterly financial results of the parent company as currently required under the Clause 41 of the Listing Agreement.

d. Clarification regarding format of annual results:

A specific clarification shall be given in the Clause 41 to explicitly make it clear that annual results shall also be published in the same format prescribed for quarterly results under Clause 41.

e. Limited Review Report:

Format of the unqualified Review Report shall be revised as follows:

"We have reviewed the accompanying statement of un-audited financial results of (Name of the Company) for the period ended This statement is the responsibility of the Company's Management and has been approved by the Board of Directors.

A review of interim financial information consists principally of applying analytical procedures for financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards, the objective of which is the expression of an opinion

regarding the financial statements taken as a whole. Accordingly, we do not express an opinion.

Based on our review conducted as above, nothing has come to our notice that causes us to believe that the accompanying statement of un-audited financial results prepared in accordance with accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

2. Amendment to Clause 32 of the Listing Agreement:

a. Consolidated Financial Statements:

- Companies shall be mandatorily required to publish Consolidated Financial Statements in the annual report in addition to the individual financial statements.
- Audit of Consolidated Financial Statements by the statutory auditors of the company and the filing of Consolidated Financial Statements audited by the statutory auditors of the company with the stock exchanges shall be mandatory.

b. Related Party Disclosures:

- Companies shall be required to make disclosures in compliance with the Accounting Standard on "Related Party Disclosures" in the annual reports.

3. Compliance with Accounting Standards:

A new clause shall be added to the Listing Agreement as Clause 50 to provide that companies shall mandatorily comply with all the Accounting Standards issued by ICAI from time to time.

The Exchanges are advised to incorporate the above amendments in the Listing Agreement immediately and also confirm compliance.

Yours faithfully,

S RAVINDRAN
General Manager
Secondary Market Department

Encl : as above

Format for Quarterly Reporting of Segment wise Revenue, Results and Capital Employed, under Clause 41 of the Listing Agreement:

	< size=-2>3 months ended < size=-2>(1)	< size=-2>Corresponding 3 months in the previous Year < size=-2>(2)	< size=-2>Year to date Figures for Current Period < size=-2>(3)	< size=-2>Year to date Figures for the Previous Year < size=-2>(4)	< size=-2>Previous Accounting Year < size=-2>(5)
<p>1. Segment Revenue (net sale/income from each segment should be disclosed under this head).</p> <p>a. Segment – A</p>					

- b. Segment – B
- c. Segment – C
- d. Others

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Total

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Less : Inter segment revenue

Net sales/income from operations

1. Segment Results (Profit (+)/loss(-) before tax and interest from each segment)*

- a. Segment – A
- b. Segment – B
- c. Segment – C
- d. Others

Total

Less : i Interest**

ii. Other un-allocable expenditure net off un-allocable income.

Total Profit Before Tax

* Profit/Loss before tax and after interest in case of segments having operations which are primarily of financial nature.

**Other than the interest pertaining to the segments having operations which are primarily of financial nature

1. Capital Employed

(Segment assets– Segment Liabilities).

- a. Segment – A
- b. Segment – B
- c. Segment – C
- d. Others

Total

Note :

1. **Segment Revenue, Segment Results, Segment assets and Segment liabilities shall have the same meaning as defined in the Accounting Standards on Segment Reporting (AS-17) issued by ICAI.**
2. **The above information shall be furnished for each of the reportable primary segments as identified in accordance with AS-17, issued by ICAI.**
3. **For the quarters ending upto September 30, 2002, reporting of figures for the previous year under column 2, 4 and 5 is not mandatory.**