

# Technical Guide on Disclosure and Reporting of Key Performance Indicators (KPIs) in Offer Documents



**The Institute of Chartered Accountants of India**

*(Set up by an Act of Parliament)*

**New Delhi**

# **Technical Guide on Disclosure and Reporting of Key Performance Indicators (KPIs) in Offer Documents**



**The Institute of Chartered Accountants of India**  
*(Set up by an Act of Parliament)*  
New Delhi

© The Institute of Chartered Accountants of India.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form, or by any means, electronic, mechanical, photocopying, recording, or otherwise, without prior permission, in writing, from the publisher.

Edition : April 2023

Committee : Auditing and Assurance Standards Board

Email : [aasb@icai.in](mailto:aasb@icai.in)

Website : [www.icai.org](http://www.icai.org)

Price : Rs. 200/-

Published by : The Publication and CDS Directorate on behalf of The Institute of Chartered Accountants of India, ICAI Bhawan, Post Box No. 7100, Indraprastha Marg, New Delhi – 110 002.

## Foreword

---

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”) issued by SEBI mandates the disclosure of Key Performance Indicators (KPIs) in the offer document by the issuer company under heading ‘Basis for Issue Price’. These Regulations further require that the KPIs disclosed in the offer document shall be approved by the Audit Committee of the Issuer Company and before such disclosure also certified by the Statutory auditor(s) or Chartered Accountants or firm of Chartered Accountants amongst others.

I am happy that the Auditing and Assurance Standards Board (AASB) of the Institute of Chartered Accountants of India (ICAI), in view of above amendments and on the request of SEBI undertaken the project of development of Guidance on Disclosure and Reporting of KPIs in Offer Documents and has issued this “*Technical Guide on Disclosure and Reporting of Key Performance Indicators (KPIs) in Offer Documents*” for the benefit of members and practitioners. The Technical Guide is written in a simple language explaining various aspects of disclosure of KPIs and reporting on KPIs. The Technical Guide will surely help the members to report on KPIs in accordance with requirements of ICDR Regulations.

At this juncture, I wish to place my appreciation for CA. (Dr.) Sanjeev Kumar Singhal, Chairman, CA. Vishal Doshi, Vice Chairman and other members of the Auditing and Assurance Standards Board for their initiatives in bringing out this Technical Guide.

I am sure that the members would find this Technical Guide immensely useful.

April 4, 2023  
New Delhi

**CA. Aniket Sunil Talati**  
President, ICAI



## Preface

---

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“ICDR Regulations”) allow Key Performance Indicators (KPIs) to be disclosed under “Basis for Issue Price” section of the offer documents in case of initial public offer (IPO) in India. ICDR Regulations require issuer companies to satisfy number of conditions for disclosure of KPIs in offer documents. These include the requirement of approval of KPIs by audit committee of the issuer company. ICDR Regulations also require these KPIs to be certified by professionals (statutory auditors or chartered accountants or firm of chartered accountants or cost accountants).

KPIs are numerical measures of the issuer company’s historical financial or operational performance and financial or operational positions. Many issuer companies assert that KPIs are meaningful and provide valuable insight into the information which management considers important in running the entity’s business. Issuer companies may believe that GAAP numbers do not provide a full picture of their business or their results of operations and liquidity unless they are supplemented with other KPIs that they believe are useful. Investors, analysts and others may find KPI information useful for variety of reasons.

The Auditing and Assurance Standards Board of the Institute of Chartered Accountants of India on the request of the Securities and Exchange Board of India (SEBI) discussed the wide and increasing usage of KPIs in offer documents. The Board felt that there is a need for providing appropriate guidance to the members and other professionals who are certifying KPIs disclosed in offer documents.

It gives us immense pleasure to place in your hands this “Technical Guide on Disclosure and Reporting of Key Performance Indicators (KPIs) in Offer Documents” brought out by the Auditing and Assurance Standards Board. The Technical Guide provides detailed guidance on various aspects of disclosure of KPIs in offer documents. It also provides guidance on KPIs that can be disclosed based on different industry. Further, it provides guidance on the role and responsibility of bankers, issuer

company and practitioners. The Technical Guide provides detailed guidance to the practitioners on various aspects of reporting requirements relating to KPIs including illustrative format of the report on KPIs. The Technical Guide also provides guidance to issuer companies for disclosing KPIs in offer documents as per the requirements of ICDR Regulations.

However, the practitioners may note that this Technical Guide should be read in conjunction with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by ICAI for guidance on various aspects of such engagements.

At this juncture, we wish to place on record our gratitude to all members of the study group viz. CA. Durgesh Kabra, CA. Pramod Jain, CA. Lalit Kumar, CA. Amit Mitra, CA. Vivek Subramaniam, CA. Vishal Arora, CA. Anay Khare and CA. Vijay Wadhvani for their contribution in developing this Technical Guide. Our special thanks to CA. Sandeep Sharma, CA. Anup Kumar Sharma and CA. Abhishek Jain for drafting and finalizing this Technical Guide. We also wish to place on record our gratitude to SEBI officials for their valuable contribution during various stages of development and finalisation of this Technical Guide.

We wish to express our sincere thanks to CA Aniket Sunil Talati, President, ICAI and CA Ranjeet Kumar Agarwal, Vice President, ICAI for their guidance and support to the activities of the Board.

We wish to place on record high appreciation of all Board members and special invitees to the Board viz. CA. Chandrashekhar Vasant Chitale, CA. Dheeraj Kumar Khandelwal, CA. Durgesh Kabra, CA. Purushottamlal Khandelwal, CA. Mangesh Pandurang Kinare, CA. Priti Paras Savla, CA. Piyush Sohanraji Chhajed, CA. Dayaniwas Sharma, CA. Sridhar Muppala, CA. Sripriya Kumar, CA. (Dr.) Debashis Mitra, CA. Rohit Ruwatia Agarwal, CA. Abhay Kumar Chhajed, CA. Anuj Goyal, CA. Gyan Chandra Misra, CA. Prakash Sharma, CA. (Ms.) Kemisha Soni, CA.(Dr.) Raj Chawla, CA. Hans Raj Chugh, CA. Pramod Jain, CA. Charanjot Singh Nanda, Shri Deepak Kapoor, Adv. Vijay Kumar Jhalani, CA. Dhananjay Gokhale, CA. Amit Mitra, CA. Sandeep Sharma, CA. Lalit Kumar, CA. Parveen Kumar, CA. Sumant Chadha, CA. Rajesh Mody, CA. Rajeev Saxena, CA. Aniruddha Godbole, Shri Atma Sah, CA. Ridhima Dubey, CA. Avinash Aggarwal, CA. Narender Singhania, CA.

Gulshan Grover, CA. Anurag Totuka, CA. Deepa Agarwal, CA. Pallav Gupta and Shri Jeevan Sonparote for their suggestions, support and guidance in various activities of the Board.

We also wish to place on record our sincere thanks to all the Council Members for their suggestions, support and guidance in finalising this Technical Guide as well as other pronouncements of the Board. We also wish to thank CA Megha Saxena, Secretary to the Board and other officers and staff of AASB for their efforts.

We are confident that the Technical Guide would be well received by the practitioners and other interested readers.

**CA. Vishal Doshi**  
Vice Chairman, AASB

**CA. (Dr.) Sanjeev Kumar Singhal**  
Chairman, AASB





## Contents

	Paragraph No.	Page No.
Applicability of the Technical Guide	1.1- 1.2	1
Recent amendments to ICDR Regulations in relation to disclosure of KPIs	1.3	2
Disclosure / Relevance of KPIs		
Meaning of KPIs	1.4	4
Purpose of KPIs	1.5-1.7	8
Disclosure of KPIs in Offer Documents	1.8-1.19	9
Understanding the Requirement		
Periods to be covered for disclosure of KPIs in the Offer Documents	1.20	15
KPIs to be presented based on standalone or consolidated basis	1.21	15
KPIs on proforma financial information	1.22	16
Legal and Other Aspects	1.23-1.27	16
Roles and Responsibilities		
Bankers	1.28-1.31	17
Issuer company	1.32-1.60	19
Practitioners	1.61-1.73	27
Who are Eligible to Make the Reports	1.74	30
Signing the Report	1.75	30
Liability for Misstatement in Prospectus	1.76-1.78	30
Rights and Powers	1.79-1.80	32
Person to whom the Report should be addressed	1.81	32
<b>Appendices</b>		
1. Illustrative format of independent auditor's/ practitioner's report on Key Performance Indicators		33
2. SEBI notification dated November 21, 2022		41



## **Applicability of the Technical Guide**

1.1 This Technical Guide on Disclosure and Reporting of Key Performance Indicators (KPIs) in Offer Documents (“Technical Guide”) provides guidance to the practitioners in reporting requirements relating to only those Key Performance Indicators (KPIs) which have been disclosed under “Basis for Issue Price” section of the offer documents in case of initial public offer (IPO) in India in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (hereinafter referred to as the “ICDR Regulations”). The Technical Guide is also applicable to issuer companies for disclosing the KPIs in the offer documents as per the requirements of ICDR Regulations. The Technical Guide is applicable only to IPO as outlined in the ICDR Regulations. The Technical Guide has been developed considering the offer or sale of the securities in India to prospective Indian investors only. The Technical Guide does not apply to offering or sale of securities outside India (including sale of securities made to prospective investors outside India (i) under Rule 144A or (ii) Regulation S of the U.S. Securities Act of 1933, as amended). The Technical Guide is applicable from the date of its issuance. The Technical Guide should be read in conjunction with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by ICAI for guidance on various aspects of such engagements including but not limited to engagement acceptance procedures, planning, materiality, written representations, etc.

1.2 The term “practitioners” refers to “Statutory Auditor” or “Independent Chartered Accountant” or “Firm of Independent Chartered Accountant” that holds a valid peer review certificate issued by the Peer Review Board of the ICAI. Accordingly, the word “Practitioners” mentioned in the Technical Guide should be read as “Statutory Auditors” or “Independent Chartered Accountants” or “Firm of Independent Chartered Accountants” that hold a valid peer review certificate issued by the Peer Review Board of the ICAI, as applicable.

## **Recent amendments to ICDR Regulations in relation to disclosure of Key Performance Indicators (KPIs)**

1.3 As required under clause (3) in Part A of Schedule VI, in paragraph 9 under the heading "(K) 'Basis for Issue Price' of the ICDR Regulations, for all the Key Performance Indicators (KPIs) disclosed in the offer document, the Issuer Company and the lead merchant bankers (LMs) shall ensure the following:

- (a) KPIs disclosed in the offer document and the terms used in KPIs shall be defined consistently and precisely in the "Definitions and Abbreviations section" of the offer document using simple English terms /phrases so as to enable easy understanding of the contents. Technical terms, if any, used in explaining the KPIs shall be further clarified in simple terms.
- (b) KPIs disclosed in the offer document shall be approved by the Audit Committee of the Issuer Company.
- (c) KPIs disclosed in the offer document shall be certified by the statutory auditor(s) or Chartered Accountants or firm of Chartered Accountants, holding a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India or by Cost Accountants, holding a valid certificate issued by the Peer Review Board of the Institute of Cost Accountants of India.
- (d) Certificate issued with respect to KPIs shall be included in the list of material documents for inspection.
- (e) For each KPI being disclosed in the offer document, the details thereof shall be provided for period which will be co-terminus with the period for which the restated financial information is disclosed in the offer document.
- (f) KPIs disclosed in the offer document should be comprehensive and explanation shall be provided on how these KPIs have been used by the management historically to analyse, track or monitor the operational and/or financial performance of the Issuer Company.
- (g) Comparison of KPIs over time shall be explained based on additions or dispositions to the business, if any. For e.g., in case the Issuer Company has undertaken a material

### Technical Guide on Disclosure and Reporting of KPIs

---

acquisition or disposition of assets / business for the periods that are covered by the KPIs, the KPIs shall reflect and explain the same.

- (h) For Basis for Issue Price section, the following disclosures shall be made:
  - i. Disclosure of all the KPIs pertaining to the Issuer Company that have been disclosed to its investors at any point of time during the three years preceding to the date of filing of the DRHP / RHP.
  - ii. Confirmation by the Audit Committee of the Issuer Company that verified and audited details for all the KPIs pertaining to the Issuer Company that have been disclosed to the earlier investors at any point of time during the three years period prior to the date of filing of the DRHP / RHP are disclosed under 'Basis for Issue Price' section of the offer document.
  - iii. Issuer Company in consultation with the lead merchant banker may make disclosure of any other relevant and material KPIs of the business of the Issuer Company as it deems appropriate that have a bearing for arriving at the basis for issue price.
  - iv. Cross reference of KPIs disclosed in other sections of the offer document to be provided in the 'Basis for Issue Price' section of the offer document.
  - v. For the KPIs disclosed under the 'Basis for Issue Price' section, disclosure of the comparison with Indian listed peer companies and/ or global listed peer companies, as the case may be (wherever available). The set of peer companies shall include companies of comparable size, from the same industry and with similar business model (if one to one comparison is not possible, appropriate notes to explain the differences may be included).
- (i) The Issuer Company shall continue to disclose the KPIs which were disclosed in the 'Basis for Issue Price' section of the offer document, on a periodic basis, at least once in a year (or for any lesser period as determined by the Issuer Company), for a duration that is at least the later of (i) one year after the listing date or period specified by the Board; or

(ii) till the utilization of the issue proceeds as per the disclosure made in the objects of the issue section of the prospectus. Any change in these KPIs, during the aforementioned period, shall be explained by the Issuer Company. The ongoing KPIs shall continue to be certified by a member of an expert body as per clause 3(c).

## **Disclosure / Relevance of KPIs**

### **Meaning of KPIs**

1.4 KPIs are numerical measures of the issuer company's historical financial or operational performance and financial or operational positions and can be broadly classified into following categories:

#### **a) GAAP Financial measures**

GAAP Financial measures are numerical measures which are disclosed by the issuer company in accordance with the Generally Accepted Accounting Principles (GAAP) applicable for the issuer company i.e., measures disclosed in accordance with Indian Accounting Standards ("Ind AS") or Accounting Standards ("AS") notified in accordance with Section 133 of the Companies Act, 2013, as amended (the "Act"). These measures are generally disclosed in the financial statements of the issuer company. Few of the examples of such GAAP Financial measures are given below:

- i. Revenue from operations
- ii. Profit after tax
- iii. Cash flows from operating activities
- iv. Cash flows from investing activities
- v. Cash flows from financing activities
- vi. Cash and cash equivalents
- vii. Financial liabilities
- viii. Financial assets

#### **b) Non-GAAP Financial measures**

Non-GAAP Financial measures are numerical measures of the

## Technical Guide on Disclosure and Reporting of KPIs

---

issuer company's historical financial performance, financial position, or cash flows that:

- i. Exclude amounts, or are subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measures calculated and presented in accordance with GAAP in the financial statements of the issuer company; or
- ii. Include amounts or are subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measures so calculated and presented.

Such adjustment items should be based on the audited line items only, which are included in the financial statements. These Non-GAAP Financial measures are items which are not defined under Ind AS or AS, as applicable.

Generally, if the issuer company takes a commonly understood or defined GAAP amount and removes or adds a component of that amount that is also presented in the financial statements, the resulting amount is considered a Non-GAAP Financial measure. As a simplified example, if the issuer company discloses net income less restructuring charges and loss on debt extinguishment (having determined all amounts in accordance with GAAP), the resulting performance amount, which may be labeled "Adjusted Net Income," is a Non-GAAP Financial measure. Some of the examples of Non-GAAP Financial measures are given below:

- i. Earnings before interest, taxes, depreciation, and amortization (EBITDA)
- ii. Operating income that excludes one or more expense items
- iii. Adjusted revenues
- iv. Adjusted profit after tax
- v. Gross margin
- vi. EBITDA margin
- vii. Contribution margin
- viii. Working capital
- ix. Profit after tax margin
- x. Net worth



## **Technical Guide on Disclosure and Reporting of KPIs**

---

Apart from the above, Ministry of Corporate Affairs (MCA), vide its notification dated March 24, 2021 has issued certain amendments to the Schedule III to the Act. Pursuant to these amendments, the below ratios are also required to be presented in the financial statements of the companies:

- i. Current Ratio,
- ii. Debt-Equity Ratio,
- iii. Debt Service Coverage Ratio,
- iv. Return on Equity Ratio,
- v. Inventory turnover ratio,
- vi. Trade Receivables turnover ratio,
- vii. Trade payables turnover ratio,
- viii. Net capital turnover ratio,
- ix. Net profit ratio,
- x. Return on Capital employed,
- xi. Return on investment

The guidance with respect to the above-mentioned ratios is provided in “Guidance Note on Division I/II Schedule III to the Companies Act, 2013 (Revised January, 2022 Edition)” issued by ICAI.

### **c) Non-Financial measures (part of financial reporting)**

Non-Financial measures are quantitative information that have been obtained from accounting records and have been subjected to same controls over financial reporting as the amounts reported in the financial statements. Non-Financial measures could be based on GAAP measures with a relationship of such Non-Financial measures which are part of financial reporting. Few examples (illustrative and not exhaustive) of Non-Financial measures which may satisfy the above criteria are given below, however, such items need to be evaluated on case-to-case basis based on facts and circumstances:

- i. Number of permanent employees as at the reporting date
- ii. Per permanent employee cost (total employee cost/average

## Technical Guide on Disclosure and Reporting of KPIs

---

- number of employees during the period)
- iii. Number of units sold during the period
- iv. Average selling price (sales/number of good sold during the period)
- v. Average profit per unit sold (Profit before tax/number of goods sold during the period)
- vi. Number of room nights sold during the period
- vii. Number of sale stores as at the reporting date
- viii. Average sale per store (total sales/average number of stores during the period)
- ix. Number of loans disbursed during the period
- x. Amount of loans disbursed during the period
- xi. Number of insurance policies sold during the period
- xii. Average invoice value during the period
- xiii. Average purchase value during the period
- xiv. Number of customers to whom sales have been made during the period
- xv. Number of vendors from whom purchases have been made during the period
- xvi. Number of active towers as of the reporting date
- xvii. Number of active set top boxes as of the reporting date
- xviii. Number of paid subscribers as of the reporting date

The above listing of Non-Financial measures is illustrative in nature and there could be inclusion of additional items or exclusions depending upon the facts and circumstances of the issuer company. The conditions outlined in the Technical Guide should be met in order for the Practitioners to report on such KPIs.

### **d) Operational measures (not part of financial reporting)**

Operational measures are measures that have been obtained from records of the issuer company, which are not required to be part of financial reporting process and, hence, have not been subjected to same controls over financial reporting as the amounts

## **Technical Guide on Disclosure and Reporting of KPIs**

---

reported in the financial statements.

Few examples (illustrative and not exhaustive) of such Operational measures are given below:

- i. Followers on Social Media
- ii. Customer satisfaction ratio
- iii. Number of application downloads
- iv. Customer generated content (count of reviews, ratings and photos posted by customers)
- v. Covers (Number of people for whom a table was reserved through issuer company)
- vi. Traffic on online website
- vii. Footfall in the store
- viii. Customer success rate

As mentioned above, generally such items are not relevant while conducting an audit of the financial statements for the issuer company. Hence, if any KPI under this category is relevant in relation to basis for issue price, then, the issuer company should engage other professionals (other than Practitioners) as outlined in the ICDR Regulations (hereafter defined as the “other professionals”) to report on such Operational KPIs. Refer subsequent sections for further guidance on such matters.

### **Purpose of KPIs**

1.5 Many issuer companies assert that KPIs are meaningful and provide valuable insight into the information which management considers important in running the entity’s business. Issuer companies may believe that GAAP numbers do not provide a full picture of their business or their results of operations and liquidity unless they are supplemented with other KPIs that they believe are useful. However, it is important to note that KPIs included in the offer documents should not be presented with more prominence than to the GAAP measures reported in the financial statements of the issuer company.

1.6 Reasons why issuer company may use KPIs include the

following:

- i. Management compensation and incentive plans may be based on certain KPIs.
- ii. Certain KPIs, such as EBITDA, may be used for assessing business valuations in analysis of either earnings multiples or comparable transactions.
- iii. Debt covenants or other requirements may be based on KPIs.

Investors, analysts, and others may find KPI information useful for a variety of reasons including those mentioned above; for example, the information may provide meaningful insight into items affecting a company's performance, its valuation and comparability of results to others in the industry.

1.7 Also, companies often use KPIs disclosed to its existing investors on regular basis to demonstrate the progress of their business or share it with prospective investors at the time of fund raising before IPOs.

#### **Disclosure of KPIs in offer documents**

1.8 An issuer company should provide disclosures that clearly demonstrate:

- i. the definition of KPIs and basis of its calculation;
- ii. the usefulness of the KPIs to investors and other stakeholders; and
- iii. the additional purposes for which management uses such measure (e.g., for incentive and compensation arrangements, to manage its business, to allocate resources, or as a debt covenant).

1.9 The issuer company should engage with Lead Managers, industry experts, market research agencies, rating agencies, industry associations, market analysts, etc. to determine what KPIs are relevant for the industry in which it operates. Such KPIs so identified by management of the issuer company in consultation with Lead Managers and other experts should be in line with the KPIs used by industry analyst for existing listed

## Technical Guide on Disclosure and Reporting of KPIs

---

entities or other entities for which similar KPIs are available and should cover those KPIs shared with existing investors at any point of time during the three years preceding to the date of filing of the DRHP / RHP.

1.10 The issuer company should avoid providing overlapping disclosures related to the usefulness and purpose of the measure. Rather, the disclosures should be specific to the measure used by the issuer company and the nature of its business and industry, and to the manner in which management assesses the KPIs. If the purpose of the KPI is not disclosed, investors and analysts may not understand its relevance. The fact that the KPI is used by or useful to analysts cannot be the sole support for presenting the KPIs. Rather, the justification for the use of the measure must be substantiated. Hence, for each KPI disclosed in the offer documents, the issuer company must provide the purpose, use of such KPIs and its importance to the basis for issue price.

1.11 The issuer company should ensure that KPIs disclosed in offer documents are:

- i. clearly labeled and described as KPIs and adjustments,
- ii. used with appropriate conventional accounting terminology (where applicable),
- iii. associated with context for their presentation of KPIs, and
- iv. presented along with risk and controls associated with such KPIs including with management's conclusion on effectiveness of such controls on KPIs.

1.12 Further, wherever issuer company has engaged any other professionals for reporting on Operational KPIs, the report of such other professionals should be included in the list of material documents for inspection as per the requirements of ICDR Regulations.

1.13 Clear and transparent labeling is important for all items in the reconciliation (as specified in the section "key considerations for issuer company" of the Technical Guide). For example, an issuer company should not use a reconciling item labeled "others" that includes numerous significant items without clear disclosure

## **Technical Guide on Disclosure and Reporting of KPIs**

---

of the nature of the items used along with the related amounts for each adjustment.

1.14 When labeling a Non-GAAP Financial measure, non-financial measure or operational measure, an issuer company must not use titles or descriptions that are the same as, or are confusingly similar to, titles or descriptions used for GAAP financial measures or amounts presented in financial statements, which could be misleading.

1.15 The issuer company should ensure that those KPIs are presented in the offer document which issuer company has been consistently using in tracking the company's performance, presented in board meetings and to potential investors at any point of time during the three years preceding to the date of filing of the DRHP / RHP. Further, as per the requirements of ICDR Regulations, the issuer company in consultation with the lead merchant banker may make disclosure of any other relevant and material KPIs of the business of the Issuer Company as it deems appropriate that have a bearing for arriving at the basis for issue price.

1.16 However, the issuer company may change existing KPI for various reasons, such as changes that occur in the company's business. In case of any such change in KPIs year on year, management of the company should provide appropriate disclosure stating the reason for such changes in the KPIs and its importance to the basis for issue price.

1.17 If the issuer company changes the method by which it calculates or presents the KPIs from one period to another or otherwise, the issuer company should consider the need to disclose, to the extent material: (i) the differences in the way the KPIs is calculated or presented compared to prior periods, (ii) the reasons for such changes, (iii) the effects of any such change on the amount or other information being disclosed and on amounts or other information previously reported, and (iv) such other differences in methodology and results that would reasonably be expected to be relevant to an understanding of the issuer company's performance or prospects. In addition, depending on

## Technical Guide on Disclosure and Reporting of KPIs

---

the significance of a change to a KPI calculation method from one period to the next, the issuer company should recast prior KPIs to conform to the current presentation and place the current disclosure in an appropriate context.

1.18 Also, in case, the issuer company presents KPIs in the offer document that are different (both inclusions and exclusions) from what were presented to investors in a previous fund raising in historical three years or lesser period (as applicable), the issuer company should provide a qualitative disclosure for the reason of deviation from disclosure made to investors in the past while making the disclosure in the offer document on KPIs.

1.19 The table below summarizes few illustrative examples of additional disclosure considerations which may be applied to KPIs. Management should evaluate to disclose KPIs in a detailed, meaningful and transparent manner based on industry in which it operates:

<b>Industry</b>	<b>KPI</b>	<b>Disclosure Considerations</b>
Technology and Internet	Number of online users	If subsets of online users are material to a prospective investor's understanding of an issuer company's results of operations and financial position, the issuer company should consider disclosing the subsets and explaining any differences between them. For example, the monetization by (1) Indian users often differ from that of international users and (2) mobile users often differ from that of desktop users.
Retail	Number of visitors to Web site	The issuer company should disclose how KPIs are clearly and directly related to its results of operations and

**Technical Guide on Disclosure and Reporting of KPIs**

<b>Industry</b>	<b>KPI</b>	<b>Disclosure Considerations</b>
		financial position. For example, the issuer company may disclose the number of individuals who visited its Web site but failed to note how this number differs from the number of visitors who actually purchase goods.
	Number of catalogs mailed	The issuer company may disclose the number of catalogs mailed but fail to note sales made through mailed catalogs.
Retail and other industries	Same-store sales	<p>The definition of this KPI frequently varies by companies in a particular industry. It is recommended clearly defining this KPI and providing additional information about it, including how it is calculated, relevant assumptions, and limitations. For example, it is suggested that:</p> <ul style="list-style-type: none"> <li>• Retail companies with outlets disclose how renovated outlets are treated as part of this KPI.</li> <li>• Retail companies with outlets that also offer online sales consider providing disclosures, when</li> </ul>



**Technical Guide on Disclosure and Reporting of KPIs**

<b>Industry</b>	<b>KPI</b>	<b>Disclosure Considerations</b>
		<p>material, by either separately quantifying the change in the KPI that is attributable to online sales or quantifying the change both “with and without” online sales.</p>
Travel and hospitality	System-wide sales	<p>System-wide sales are generally defined as the sales generated by a combination of the corporate-owned and franchised locations. The issuer company should consider disclosing, in a clear tabular format alongside the narrative disclosures, corporate-owned, franchise, and system-wide sales in each period presented.</p>
Real estate	Occupancy and average rental rates	<p>Issuer companies should explain how the KPI has been computed and the reasons for period-to-period changes.</p>
E-commerce	Gross merchandise Value	<p>E-commerce retailers sometimes disclose this KPI when they do not own the merchandise sold on their Web sites and record</p>

## Technical Guide on Disclosure and Reporting of KPIs

Industry	KPI	Disclosure Considerations
		revenue on a net basis. Such disclosures often fail to discuss why this KPI is important or how it is linked to the issuer company's results.
Telecommunication	Total customer base	Issuer companies including such KPI should also specify the active customer base and non-active customer base. Further if there are significant differences in revenue from certain categories of customers, revenue from all such categories should be disclosed separately.

### Understanding the Requirement

#### Periods to be covered for disclosure of KPIs in the Offer Documents

1.20 KPIs should be presented for the periods for which the restated financial information has been included in the offer documents. No KPIs should be presented for any interim period within such historical periods on which no separate audit opinion has been issued. Such period should be comparable to the periods presented in financial information section of the offer document. Further, no KPIs should be reported for periods beyond the last audited period.

#### KPIs to be presented based on standalone or consolidated basis

1.21 KPIs should be disclosed by the issuer company on consolidated basis. Further, where it is practically not possible to disclose certain KPIs on consolidated basis due to difference in

## **Technical Guide on Disclosure and Reporting of KPIs**

---

type of business or environment in which entities within the group operate, the issuer company may present the KPIs based on reportable segments identified and reported in the consolidated financial statements of the issuer company.

Similarly, in a situation where the issuer company is not a group (i.e., it does not have subsidiary, associate, or joint ventures), at company level the issuer company may present the KPIs based on reportable segments identified and reported in the financial statements of the issuer company.

### **KPIs on proforma financial information**

1.22 KPI should not be disclosed on proforma basis in relation to entities for which proforma financial information is required to be prepared (example: for any material acquisition/ divestment subsequent to the last reported period presented in the offer document) as such KPIs would not have been considered historically by the management of the issuer company in making key business decisions for the issuer company.

### **Legal and Other Aspects**

1.23 The purpose of the Technical Guide is to provide guidance on compliance with the provisions of the ICDR Regulations, relating to the reports required to be issued by Practitioners in prospectus issued by the companies for the offerings made in India.

1.24 The Practitioner should consider the following provisions of the Act:

- (a) Section 2(1) – definition of abridged prospectus;
- (b) Section 2(38) – definition of expert;
- (c) Section 2(70) – definition of prospectus;
- (d) Section 14 – requirements to be complied with by a private company which becomes a public company by altering its Articles of Association;
- (e) Sections 23 to 42 – relating to prospectus and allotment of securities for public offer and private placement; and
- (f) Sections 387 to 393 – relating to prospectus issued by companies incorporated outside India.

The Technical Guide also deals with relevant aspects of the ICDR Regulations.

1.25 Section 2(70) of the Act defines 'Prospectus' as any document described or issued as a prospectus and includes a red herring prospectus referred to in Section 32 or shelf prospectus referred to in Section 31 or any notice, circular, advertisement or other document inviting offers from the public for the subscription or purchase of any securities of a body corporate. The object of issuing a prospectus is, therefore, to invite the public to invest their moneys in the company or to purchase shares offered for sale by existing shareholders of the company. In order to enable the potential investors to take a well-informed decision in the matter, the Act and various sections of the ICDR Regulations spell out, in detail, the information to be given in a prospectus. Furthermore, to ensure that the information required to be stated in a prospectus is truthfully disclosed, the relevant statutes prescribe severe penalties for untrue statements in a prospectus, the object of the law being to protect the potential investors.

1.26 Section 26 of the Act, read with the ICDR Regulations, deals with the matters to be stated in the prospectus and the reports to be set out therein. Requirements of Section 26 of the Act read with the ICDR Regulations are to be complied with when a company invites the public to subscribe for its shares or debentures.

1.27 The Notification dated November 21, 2022 issued by SEBI deals with the report on KPIs to be set out in an offer document. The Notification is included in **Appendix 2** to the Technical Guide.

## **Roles and Responsibilities**

### **Bankers**

1.28 Lead Manager(s) have the primary responsibility to submit a due diligence certificate to SEBI. Generally, in other international markets like United States of America, United Kingdom, etc., KPIs are not reported by Practitioners. Lead Manager(s) are responsible for the contents of an offer document which requires appropriate due diligence by Lead Manager(s) for all the information included in the offer document. As a part of their due diligence exercise, Lead Manager(s) perform due diligence on legal, financial, and business aspects of the issuer company.

## **Technical Guide on Disclosure and Reporting of KPIs**

---

Since KPIs are largely related to business aspects and Lead Manager(s) are expected to have necessary expertise and industry knowledge to perform due diligence on the issuer company, it is primary responsibility of the Lead Manager(s) to perform independent due diligence and ensure adequacy, relevance, appropriateness, completeness and sufficiency of disclosures on KPIs of the issuer company.

1.29 Further, as mentioned in the ICDR Regulations:

- a) The lead manager(s) or bankers shall exercise due diligence and satisfy themselves about all aspects of the issue including the veracity and adequacy of disclosure in the draft offer document and the offer document.
- b) The lead manager(s) or bankers shall call upon the issuer, its promoters, and its directors or in case of an offer for sale, also the selling shareholders, to fulfill their obligations as disclosed by them in the draft offer document and the offer document and as required in terms of these regulations.
- c) The lead manager(s) or bankers shall ensure that the information contained in the draft offer document and the offer document and the particulars as per restated audited financial statements in the offer document are not more than six months old from the issue opening date.

1.30 The term 'Bankers' referred herein refers to "any person who is engaged in the business of issue management either by making arrangements regarding selling, buying, or subscribing to securities or acting as manager, consultant, adviser or rendering corporate advisory service in relation to such issue management" as defined under Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended. Bankers are generally referred to as 'Merchant Bankers'.

1.31 Further, as per the ICDR Regulations, it is the responsibility of lead manager(s) or bankers to confirm that:

- a) the draft offer document filed with SEBI is in conformity with the documents, materials and papers which are material to the issue;
- b) all material legal requirements relating to the issue as specified by the SEBI, the Central Government and any other

## Technical Guide on Disclosure and Reporting of KPIs

---

competent authority in this behalf have been duly complied with; and

- c) the material disclosures made in the draft offer document are true and adequate to enable the investors to make a well-informed decision as to the investment in the proposed issue and such disclosures are in accordance with the requirements of the Act, the ICDR Regulations, and other applicable legal requirements.

### **Issuer company**

1.32 The preparation of the KPIs is the responsibility of the management of the issuer company. This responsibility includes designing, implementing, and maintaining adequate internal controls that were operating effectively and testing of such controls for ensuring the accuracy and completeness of such accounting and other records relevant to the preparation and presentation of the KPIs, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

1.33 The management is responsible for:

- i. identification, definition, completeness, accuracy, relevance, appropriateness and sufficiency of the KPIs included in the offer documents;
- ii. identifying and determining the scope of other professionals for obtaining report on Operational KPIs included in the offer documents;
- iii. providing access to the accounting and other records to the reporting Practitioners including information and explanations required for reporting on the GAAP KPIs, Non-GAAP Financial KPIs and Non-Financial KPIs and access to other professionals for reporting on Operational KPIs;
- iv. maintenance of the accounting and other non-accounting records in relation to point (i) and (iii) above; and
- v. compliance with the ICDR Regulations, this Technical Guide and other regulatory requirements.

1.34 Management should provide sufficient and appropriate evidence in the form of accounting and other records supporting

## **Technical Guide on Disclosure and Reporting of KPIs**

---

the computation of KPIs where such supporting documents are relevant for Practitioners or other professionals, as appropriate, to perform necessary procedures.

1.35 Also only those KPIs (out of the KPIs covered under paragraph 1.4 (a), (b) and (c) above), which were subjected to adequate internal controls over financial reporting by the management and that were operating effectively during the relevant period and tested by the Practitioners based on the guidance provided in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI, should be disclosed in the offer documents by the issuer company. Practitioners should evaluate to perform appropriate additional procedures on controls, if necessary, to be able to report on such KPIs. If such KPIs disclosed by the issuer company in past fund-raising transactions or for any other purpose but there were no adequate internal controls by the management, then the Practitioner should apply the guidance provided in Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI to evaluate whether any modification to the conclusion is required.

### **Key considerations for issuer company**

1.36 An issuer company should consider following key aspects while determining the KPIs to be disclosed in the offer documents:

- i. Does the KPI align with the “core” business model and the strategic goals and objectives of the company?
- ii. What is the process of identifying, measuring and reporting a KPI?
- iii. Engaging industry or other expert to determine KPIs generally used by companies in the industry in which it operates.
- iv. Evaluate and confirm reliability of the source of KPIs.
- v. Disclosure of key assumptions and judgements used in measuring the KPIs.
- vi. KPIs commonly used in industries and comparison with industry KPIs.
- vii. Has the KPI been consistently used and reported over time?

## Technical Guide on Disclosure and Reporting of KPIs

---

- viii. Does the KPI provide sensitive business information / competitive advantage such that it should not be made publicly available?
- ix. Can the issuer company realistically measure and report the KPI on a recurring basis (quarterly / monthly)?
- x. Is enough evidence available to test the KPI? Are there adequate internal controls to ensure accuracy of such KPIs?
- xi. Reconciliation between KPI to GAAP measure, wherever possible. There should be a reconciliation of a KPI to the most directly comparable GAAP measure covering all the specific components which have been adjusted against the GAAP measures to arrive at such KPI.
- xii. Explain the reason for variance in KPIs period on period.
- xiii. Sources considered to identify KPIs required to be disclosed in the offer documents. Some examples of such sources are given below:
  - a. Report from industry or other expert for KPIs applicable for such industries.
  - b. KPIs used by the management of the issuer company in their regular Management Information System (MIS) Reporting.
  - c. KPIs used by Investors, analysts, and others in past investment decisions in the issuer company.

1.37 There could be certain Operational KPIs which have been obtained from records of the issuer company and that are not required to be part of financial reporting process and hence have not been subjected to same controls over financial reporting as the amounts reported in the financial statements but are more related to business and operations of the issuer company. Such Operational KPIs could be derived from contracts and agreements and non-financial systems, captured in excel sheets and could be subject to varying interpretations (for e.g., production capacity, number of followers on social media, number of application downloads). Most of such KPIs require involvement of professionals with specialisation on operational measures and are best certified by other professionals.



## Technical Guide on Disclosure and Reporting of KPIs

---

1.38 Also, in case of an internet company, an Operational KPI like number of downloads or number of active users is computed based on Operational Information like usage of website / App which requires Information Technology (IT) knowledge.

1.39 Hence, not all KPIs can be reported by the Practitioners. The issuer company should identify the KPIs on the basis of guidance provided in the Technical Guide on which they would need to involve other professionals and engage such other professionals to report on Operational KPIs to the issuer company.

1.40 While identifying the other professionals for reporting on such Operational KPIs, management of the issuer company should evaluate the competence, independence, capabilities and objectivity of the other professional and determine the scope of engagement with that other professional.

1.41 The issuer company should specify in the offer documents details of such other professionals like their name, qualifications and KPIs for which such other professionals have reported.

1.42 It is important for management of the issuer company to identify the KPIs among different categories based on guidance provided in the Technical Guide and also identify the relevant parties i.e., Practitioners and/or other professionals from whom report on such KPIs are required and plan their early engagement for timely reporting on KPIs.

1.43 No forward looking KPIs should be disclosed in the offer documents.

1.44 KPIs disclosed in the offer documents should not be misleading. Some of the examples of potentially misleading Non-GAAP Financial measures are those that:

- i. Exclude normal, recurring cash operating expenses necessary for business operations.
- ii. Are presented inconsistently between periods, such as by adjusting an item in the current reporting period, but not a similar item in the prior period, without appropriate disclosure about the change and an explanation of the reasons for the change.

## Technical Guide on Disclosure and Reporting of KPIs

- iii. Exclude certain non-recurring charges but do not exclude non-recurring gains (e.g., “cherry picking” Non-GAAP adjustments to achieve the most positive measure).
- iv. Are based on individually tailored accounting principles, including certain adjusted revenue measures.
- v. Adjustments that change the accounting policy or the method of recognition of an accounting measure.

Some of the examples of such misleading presentations are given below:

- a) Presenting cash receipts or billings as a proxy for revenue for a subscription-based business that recognizes revenue over time.
- b) Presenting adjustments to consolidate financial results for an entity that is accounted for under the equity method.
- c) Presenting revenue on gross basis as the principal in a transaction when the company is required to report revenue net basis as an agent.
- d) Adjusting revenues for sales-type or direct financing leases to account for them as if they were operating leases, thus ignoring the economics of the lease agreements.

In addition to these examples, various other presentations could be considered misleading depending on the facts and circumstances.

1.45 During the IPO process, the above principles should be carefully considered in the determination of which KPI to present in the Offer Documents.

1.46 All KPIs so identified and disclosed in the offer documents may also be approved by the Board of Directors of the Company apart from Audit Committee as part of governance process.

1.47 Further, there can be situations where the definition and presentation of certain KPIs are different from KPIs disclosed by similar companies under similar industry. Hence, it is important for the issuer company to clearly state in the offer document that “KPIs presented may not be comparable to similarly titled measures reported by other companies. Further, it should be noted that these are not a measure of operating performance or

liquidity defined by generally accepted accounting principles and may not be comparable to similarly titled measures presented by other companies”.

**Internal controls over KPIs**

1.48 Clause (e) of Sub-section 5 of Section 134 of the Act requires the directors’ responsibility statement to state that the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.

1.49 Clause (e) of Sub-section 5 of Section 134 of the Act explains the meaning of the term, “internal financial controls” as “the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information”.

1.50 Rule 8(5)(viii) of the Companies (Accounts) Rules, 2014 requires the Board of Directors’ report of all companies to state the details in respect of adequacy of internal financial controls with reference to the financial statements.

1.51 It is important to understand whether controls over KPIs are related to Disclosure Controls and Procedures (DCPs), to Internal Financial Controls over Financial Reporting (IFC), or to both.

1.52 IFC generally focuses on controls related to the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. DCPs, on the other hand, pertain to all information required to be disclosed by the issuer company.

1.53 Because the starting point for a Non-GAAP Financial measure is a GAAP measure, IFC would be relevant to consider up to the point at which the GAAP measure that forms the basis of the Non-GAAP Financial measure has been determined. However, regarding controls over the adjustments to the GAAP measure and the related calculation of the Non-GAAP Financial measure including the oversight and monitoring of the Non-GAAP

## Technical Guide on Disclosure and Reporting of KPIs

Financial measure, it is appropriate to consider such controls within the realm of DCPs.

1.54 The management of issuer company should test the design, implementation and operative effectiveness of such DCPs for all the periods for which KPIs are disclosed in the offer document. The report of such test so performed by the management of the issuer company may be approved by Audit Committee and adopted by the Board of Directors of the issuer company as a part of its governing process.

1.55 The issuer company with approval of the Audit Committee should, at a minimum, design DCPs to ensure that procedures are in place regarding:

- i. Compliance — KPIs are presented in compliance with requirements of ICDR Regulations.
- ii. Consistency of preparation — KPIs are presented consistently each period, and potential adjustments are evaluated on an appropriate, consistent basis each period.
- iii. Data quality — KPIs are calculated on the basis of reliable inputs that are subject to appropriate controls.
- iv. Accuracy of calculation — KPIs are calculated with arithmetical accuracy, and the KPIs in the disclosure agree with the measures calculated.
- v. Transparency of disclosure — Descriptions of the KPIs, adjustments, and any other required disclosures are clear and not confusing.
- vi. Review — KPIs are reviewed by appropriate levels of management to confirm the appropriateness and completeness of the KPIs and related disclosures.
- vii. Monitoring — The issuer company's monitoring function (e.g., internal audit, those charged with governance, audit committee or Board of Directors) appropriately reviews the DCPs related to KPI disclosures. The audit committee or those charged with governance is involved in the oversight of the preparation and use of KPIs.

## Technical Guide on Disclosure and Reporting of KPIs

---

1.56 A critical aspect of such DCPs is the involvement of the appropriate levels of management and those charged with governance. Depending on the issuer company, this shall include:

- (a) Review by the audit committee of the selection and determination of Non-GAAP Financial measures.
- (b) Establishing a written policy that (1) clearly describes the nature of allowable adjustments to GAAP measures, (2) defines the Non-GAAP Financial measure(s) to be used under the policy, and (3) explains how potential changes in the inputs, calculation, or adjustments will be evaluated and approved may help management identify its DCPs. For example, a policy might describe qualitatively the types of adjustments that are non-recurring and abnormal and thus within the defined policy. It may also outline specific quantitative thresholds for which income or expense items might be evaluated in the determination of whether they should be included in Non-GAAP adjustments. This could help ensure that appropriate Non-GAAP Financial measures are used as well as eliminate the need for numerous immaterial adjustments in the reconciliation that may confuse investors. Further, policies may also take into account how corrections of any errors identified in previously issued Non-GAAP Financial measures will be evaluated, corrected, and reported to investors.

1.57 Further, while the discussion above of DCPs primarily involves considerations related to Non-GAAP Financial measures, the concepts addressed should also equally apply to Non-Financial measures and Operational measures to the extent applicable.

1.58 Apart from above, the management of the issuer company should ensure that the requirements of Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI and this Technical Guide are, *mutatis mutandis*, followed and complied with in relation to the disclosure of KPIs in the offer documents.

**Considerations for Audit Committee**

1.59 Audit committee should have an oversight of KPIs to be disclosed in the offer documents of the issuer company. Further, as per the requirements of ICDR Regulations, the Audit committee is required to approve the KPIs disclosed in the offer documents of the issuer company.

1.60 Audit committee can set parameters for, and determine the appropriateness of, disclosures related to KPIs. In particular, the audit committee could review draft KPIs disclosures to provide input and oversight by using the considerations outlined in paragraph 1.55 above. As part of its review, the audit committee can provide effective governance and play an integral role in the accuracy, completeness, timeliness, and fairness of issuer company's disclosures.

**Practitioners**

1.61 The Practitioners engaged by the issuer company shall report on matters as required under the ICDR Regulations as per the guidance provided in the Technical Guide.

1.62 The report required under the ICDR Regulations in relation to KPIs involves consideration of legal matters. The Practitioners should be careful while issuing such report and restrict their responsibility only towards accounting matters and their work should be performed in accordance with the Technical Guide. The Practitioners should refrain from reporting on any legal matters. Further, if there is a situation wherein there is no sufficient information and evidence, Practitioners should highlight their concerns with the management of the issuer company. If such concerns are not resolved to their satisfaction, Practitioners should not associate themselves with any reporting on KPIs.

1.63 Practitioners should report only on the financial information where they have professional expertise and should refrain from reporting on the Operational measures (not part of financial reporting).

1.64 Other professionals as appointed by the management of the issuer company should report on Operational measures (not part of financial reporting) and their report shall be included in the

## **Technical Guide on Disclosure and Reporting of KPIs**

---

list of material documents for inspection as per the requirements of ICDR Regulations.

1.65 The management should provide a reconciliation of Non-GAAP Financial measures to the most directly comparable GAAP measure in the Offer Document. Practitioners should perform appropriate procedures to agree each component of such reconciliation with the audited books of account maintained by the issuer company that have been subjected to same controls over financial reporting as the amounts reported in the financial statements. For example, in case Earnings before interest, taxes, depreciation, and amortization (“EBITDA”) is presented, then Practitioners should trace each such line items appearing in the reconciliation to the underlying financial statements.

1.66 Practitioners should not prove the arithmetic accuracy of the reconciliation of a Non-GAAP Financial measure unless they have traced each component of such reconciliation to the audited books of account maintained by the issuer company which have been subjected to their verification and which have been subjected to same controls over financial reporting as the amounts reported in the financial statements.

1.67 KPIs should not be reported by Practitioners solely based on management representations. Since KPIs are reported separately as per the requirements of ICDR Regulations and such report shall be included in the list of material documents for inspection, Practitioners should not provide tick and tie comfort separately on KPIs included in the “Basis of Offer Price” section or elsewhere where they are identified as KPIs which are already covered through reporting under the Technical Guide.

1.68 Practitioners should report on GAAP, Non-GAAP Financial and Non-Financial KPIs which have been subjected to same controls over financial reporting as the amounts reported in the financial statements of issuer company only and should not report on any KPIs of peer group companies presented in the offer documents.

1.69 If there are modifications included in auditor’s report, then Practitioners should assess whether such modifications have

implications on KPIs to be disclosed and whether such KPIs can be reported upon.

1.70 An Illustrative format of the report on KPIs to be issued by Practitioners is provided in **Appendix 1** to the Technical Guide. This Illustrative format can also be used for the reporting requirements as per ICDR Regulations subsequent to the listing of the issuer company with suitable modifications as deemed necessary.

#### **Use of Services of Other Auditors**

1.71 There may be situations in which more than one Practitioner are involved in reporting on KPIs of an entity for various periods. In such a case, the reports of respective Practitioner for various periods shall be included in the list of material documents for inspection.

1.72 There may also be situations in which more than one Practitioner are involved in reporting on KPIs in case of divisions, branches, or subsidiaries/joint ventures/associates of the issuer company. In such cases, the Practitioners of the issuer company may place reliance on the reports issued by the respective Practitioners of such components and report on KPIs of the issuer company on overall basis. The Practitioners of the issuer company should also attach reports on KPIs issued by Practitioners of the components.

1.73 In case Practitioners of components are involved, the issuer company should, at the earliest practicable date, advise such Practitioners the requirement for them to report on KPIs so that such Practitioners may make necessary arrangements at an early date for the preparation of a draft of the report (a copy of which should be furnished to the Practitioners of the issuer company) and for the performance of their procedures. Such reports to be issued by the Practitioners of the components should be addressed to the board of directors of respective component and issuer company and should contain statements similar to those contained in the report prepared by the Practitioners of the issuer company. Further, while issuing such report to the Board of Directors of the respective component, the Practitioners of the



components should state that their report can be used by the Practitioners of the issuer company in furnishing their report to the Board of Directors of the issuer company. The Practitioners of the issuer company, based on their judgement, need to decide whether a division, branch, or subsidiary/joint venture/associate is to be scoped in for reporting on KPIs of the components.

### **Who are Eligible to Make the Reports**

1.74 The reports to be included in a prospectus can be issued by a Practitioner as defined in paragraph 1.2 above who should be independent chartered accountants with respect to the issuer company pursuant to the requirements of Clause 4, Part I, The Second Schedule, of the Code of Ethics issued by the ICAI.

### **Signing the Report**

1.75 Where the report is issued in a firm name, it should be signed by the member in his individual name, as partner/proprietor, as the case may be, for and on behalf of the firm, as in the case of other reports / certificates, along with his membership number, the firm's registration number and Unique Document Identification Number (UDIN).

### **Liability for Misstatement in Prospectus**

1.76 As per Section 34 of the Act where a prospectus, issued, circulated or distributed under Chapter III of the Act, includes any statement which is untrue or misleading in form or context in which it is included or where any inclusion or omission of any matter is likely to mislead, every person who authorises the issue of such prospectus shall be criminally liable under Section 447 of the Act which states that any person who is found to be guilty of fraud, shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud. It is further provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years. However, if the person proves that such statement or omission was immaterial or

that he had reasonable grounds to believe and did up to the time of issue of the prospectus believe, that the statement was true or the inclusion or omission was necessary, nothing in Section 34 of the Act will apply. Further, it is pertinent to note that Practitioner is not the person who authorizes the issue of prospectus. Further, Section 15HB of the Securities and Exchange Board of India Act, 1992, also provides that whoever fails to comply with any of the provisions of the aforementioned Act, the rules or the regulations made thereunder, or directions issued by SEBI thereunder, for which no separate penalty has been provided, shall be liable to a penalty which may extend to one crore rupees.

1.77 Every person who authorises the issue of the prospectus is, in terms of Section 35(1) of the Act, liable to pay compensation to every person who subscribes for securities on the faith of the prospectus, for any loss or damage that the latter may have sustained by reason of any untrue statement included therein. However, a chartered accountant giving his consent under Section 26 of the Act read with the ICDR Regulations shall be liable only in respect of an untrue statement, if any, made by him in his capacity as an expert. However, he shall not be held liable under Section 35(1) if he proves that the prospectus was issued without his knowledge or consent, and that on becoming aware of its issue, he forthwith gave a reasonable public notice that it was issued without his knowledge or consent as mentioned in Section 35(2)(b).

1.78 The reporting Practitioners while carrying out such engagements should also comply, to the extent practicable, with the principles enunciated in the Engagement and Quality Control Standards issued by the ICAI. Since such types of engagements are subject to peer review requirements of the ICAI, the Practitioners should properly document all the working papers necessary to provide evidence of the procedures performed and the basis of his conclusions therefrom as required under Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI. The Practitioners would also need to ensure compliance with the requirements of the Code of Ethics issued by the ICAI.

## **Rights and Powers**

1.79 The next point for consideration is the rights and powers which the Practitioners enjoy for performing their onerous duties in such engagements.

1.80 Independent chartered accountant that holds a valid peer review certificate issued by the Peer Review Board of the ICAI or statutory auditors should have a right to access at all times to the books and accounts of the company and all necessary information and explanations for reporting on the KPIs and this should be enabled through inclusion of the management's responsibility in the engagement letter.

## **Person to whom the Report should be addressed**

1.81 There are no provisions either in the Act or in the ICDR Regulations as to whom the report should be addressed. The usual practice is to address the report to the board of directors of the issuer company.

## Appendix 1

---

### **Illustrative Format of Independent Auditor's/ [Practitioner's] Report on the Key Performance Indicators**

*(Refer Paragraph 1.70)*

The Board of Directors  
[Name of the Issuer Company]  
[Company Address]

Dear Sir / Madam,

1. This report is issued in accordance with the terms of our agreement dated [●].
2. In connection with the proposed offer of equity shares (the "Issue") of [Name of the Issuer Company] (the "Company"), the Company is required to obtain a report from the [Statutory Auditors / Independent Chartered Accountant that holds a valid peer review certificate issued by the Peer Review Board of the ICAI], with regard to the Key Performance Indicators ("KPIs") as identified by the Company for the purposes of disclosure in the [Draft Red Herring Prospectus / Red Herring Prospectus and Prospectus] ([the "Offer Document" /collectively, the "Offer Documents"]), as required by Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations").
3. The accompanying statement containing details of GAAP measures, Non-GAAP Financial measures and Non-Financial measures (part of financial reporting) as described in the Technical Guide on Disclosure and Reporting of Key Performance Indicators (KPIs) in Offer Documents (herein, referred to as the "KPIs") identified by the Company as at and for the [three /six/nine] month period ended [June 30, 20XX/ September 30, 20XX /December 31, 20XX] and as at and for the years ended [March 31, 20XX, 20XX and 20XX] as per the

## **Technical Guide on Disclosure and Reporting of KPIs**

---

requirement of Clause [●] of the ICDR Regulations (the “Statement”) is prepared by the Management of the Company, which we have initialed for identification purposes only.

### **Management’s Responsibility for the Statement**

4. The preparation of the accompanying Statement is the responsibility of the Management of the Company. This responsibility includes designing, implementing, and maintaining adequate internal controls that were operating effectively and testing of such controls for ensuring the accuracy and completeness of information relating to KPIs including such accounting records relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
5. The Management is responsible for:
  - a. identification, definition, completeness, accuracy, relevance, appropriateness and sufficiency of the KPIs included in the Statement;
  - b. providing access to the accounting and other records to the reporting [auditor/ practitioner] including information and explanations required for reporting on the KPIs;
  - c. maintenance of the accounting and other records in relation to point (a) and (b) above; and
  - d. compliance with the ICDR Regulations, the Technical Guide on Disclosure and Reporting of Key Performance Indicators (KPIs) in Offer Documents and other regulatory requirements.

### **[Auditor’s/Practitioner’s] Responsibility**

6. Pursuant to the requirements of Clause [●] of the ICDR Regulations, it is our responsibility to obtain limited assurance and conclude as to whether (i) the financial details provided in the Statement are in agreement with the audited financial statements and Restated Financial Information (as applicable)

## Technical Guide on Disclosure and Reporting of KPIs

---

as at and for the [three/six/nine] month period ended [June 30, 20XX/September 30, 20XX/December 31, 20XX] and as at and for the years ended [March 31, 20XX, 20XX and 20XX] and the underlying books of account maintained by the Company used for the purpose of preparation of the financial statements / Restated Financial Information and (ii) KPIs included in the Statement are mathematically accurate.

7. The audited financial statements referred to in paragraph [6] above, have been audited by us [/statutory auditors of the Company] on which we [/statutory auditors of the Company] issued an unmodified audit opinion vide our /[their] reports dated [●], [●], [●] and [●]. Our /[Their] audits of these financial statements were conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, as amended (the “Act”). Those standards require that we /[they] plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our /[Their] audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties. Our /[Their] report on audited financial statements included following explanatory paragraphs:

[to insert, as appropriate]

8. The restated financial information referred to in paragraph [6] above, have been examined by us [/statutory auditors of the Company] on which we [/statutory auditors of the Company] issued our /[their] examination report dated [●]. Our /[Their] examination of these restated financial information was conducted taking into consideration the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the restated financial information and the requirements of Section 26 of Part I of Chapter III of the Act and the ICDR Regulations. Our /[Their] work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the

## Technical Guide on Disclosure and Reporting of KPIs

---

Technical Guide. Our /[Their] work was not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties. Our /[Their] examination report on restated financial information included following explanatory paragraphs:

[to insert, as appropriate]

9. We conducted our examination of the Statement in accordance with the Technical Guide on Disclosure and Reporting of Key Performance Indicators (KPIs) in Offer Documents and Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), which require that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
11. A limited assurance engagement includes performing procedures to obtain sufficient appropriate evidence that vary in nature, timing and extent from a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we have performed the following procedures in relation to the Statement:
  - a. Obtained list of KPIs from the management and compared the specific components of KPIs as mentioned in the Statement to source of KPIs as maintained by management which includes books of account, audited financial statements and restated financial information (as applicable) maintained by the Company as described in the paragraph [6] above;
  - b. Recomputed the mathematical accuracy of the KPIs included in the Statement; and

## Technical Guide on Disclosure and Reporting of KPIs

---

- c. Conducted relevant management inquiries and obtained necessary representation.

[amend as applicable]

- 12. We have no responsibility to update this report for events and circumstances occurring after the respective dates of the reports on the financial statements mentioned in paragraph [7] above.
- 13. We have no responsibility for identification, definition, completeness, relevance, appropriateness and sufficiency of the KPIs included in the Statement.
- 14. The procedures we have performed do not constitute an audit or review made in accordance with generally accepted auditing standards. Furthermore, they will not necessarily reveal matters of significance with respect to any material misstatement of the information related to KPIs of the Company.
- 15. [We did not perform procedures on the KPIs of [.] branches, [.] joint operations, [.] subsidiaries, [.] associates and [.] joint ventures included in the Statement whose KPIs have been reported by other auditors/ Practitioners, [ABC & Co. and PQR & Co.], and whose reports have been furnished to us by the Company's management and our conclusion on the KPIs of the Group, in so far as it relates to the KPIs included in respect of these components, is based solely on the reports of the other auditors/ Practitioners, as set out in Appendix [XX]. These branches, joint operations, subsidiaries, associates and joint ventures represent share of total assets, total revenues, net cash inflows / (outflows) and share of profit/ loss in its associates and joint ventures, included in the restated consolidated financial information, for the relevant periods as mentioned in paragraph [6] above.]

### **Inherent Limitations**



## Technical Guide on Disclosure and Reporting of KPIs

---

16. Our work and conclusion shall not in any way constitute advice or recommendations (and we accept no liability in relation to any advice or recommendations) regarding any commercial decisions associated with the Issue, including, in particular, but without limitation, any which may be taken by the Company, the Bankers/ Book Running Lead Managers or the Syndicate Members in the capacity of investor or in providing investment advice to their clients or the Company.
17. We, however, state that this is not an assurance as to the future viability of the Company or whether the KPIs have been considered / have a bearing for arriving at the basis for issue price. We further state that our reporting is based on the facts up to the date of the report and we neither give any guarantee nor any assurance that the KPIs reported will continue to perform and/or report in similar manner in future. It should be noted that the KPIs contained in the Statement may not be measures of operating performance or liquidity defined by generally accepted accounting principles. We make no comment about the Company's definition, methodology or presentation of the KPIs in the Statement or its usefulness for any purposes.
18. The KPIs included in the Statement should not be considered in isolation from, or as a substitute for, analysis of Company's historical financial performance, as reported and presented in the restated financial information of the Company included in the [Offer Document]/ [Offer Documents]. These KPIs (other than GAAP measures) are not defined in Indian Accounting Standards (Ind AS)/Accounting Standards (AS) notified under section 133 of the Act, are not presented in accordance with Ind AS/AS and have limitations. These KPIs may differ from similarly titled information used by certain peer companies, who may calculate such information differently and hence their comparability with the measures used by the Company may be limited. Therefore, such KPIs should not be viewed as substitutes for measures of performance under Ind AS/AS or as indicators of Company's financial position, financial performance or its cash flows.

**Conclusion**

19. Based on the limited procedures performed by us [and based on the reports issued by other auditors], as above, and the information and explanations given to us, nothing has come to our attention that causes us to believe that (i) the financial details provided in the Statement are not in agreement with the audited financial statements and Restated Financial Information (as applicable) as at and for the [three/six/nine] month period ended [June 30, 20XX/September 30, 20XX/December 31, 20XX] and as at and for the years ended [March 31, 20XX, 20XX and 20XX] and the underlying books of account maintained by the Company used for the purpose of preparation of the financial statements / Restated Financial Information and (ii) KPIs included in the Statement are not mathematically accurate.

**Restriction on Use**

20. This report is addressed to, and provided to, the Board of Directors of the Company for the limited purpose to comply with the requirements of ICDR Regulations [and for use of Practitioners of the issuer company]<sup>1</sup> and should not be used by any other person or for any other purpose. This report should not be relied upon by existing or prospective investors for their investment purposes and by the bankers/ book running lead managers involved in the Offer for their due diligence purposes. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

21. The report is issued solely for the limited purpose to comply with Indian [ICDR Regulations] on KPIs. Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside India (including in the United States of America), and

---

<sup>1</sup> To be included in case reports are issued by Practitioners of the components and relied upon by Practitioners of the issuer company.

## Technical Guide on Disclosure and Reporting of KPIs

---

accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. This report should not be relied upon by prospective investors outside India (including persons who are Qualified Institutional Buyers as defined under (i) Rule144A or (ii) Regulation S under the United States Securities Act of 1933, as amended) participating in the Offering. We accept no responsibility and deny any liability to any person who seeks to rely on this report and who may seek to make a claim in connection with any offering of securities on the basis that they had acted in reliance on such information under the protections afforded by United States of America law and regulation or any other laws other than laws of India.

For XYZ and Co.  
Chartered Accountants  
Firm's Registration Number

Signature  
(Name of the Member)  
(Designation<sup>2</sup>)  
Membership Number  
UDIN:

Place of Signature  
Date

---

<sup>2</sup> Partner or Proprietor, as the case may be.

## Appendix 2

---

### **Securities and Exchange Board of India Notification dated November 21, 2022**

*(Refer Paragraph 1.27)*

#### **SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) (FOURTH AMENDMENT) REGULATIONS, 2022**

**No. SEBI/LAD-NRO/GN/2022/107.**—In exercise of the powers conferred under section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations to further amend the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, namely:—

1. These regulations may be called the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2022.
2. They shall come into force on the date of their publication in the Official Gazette:

Provided that the amendments to paragraph (9) of Part A of Schedule VI shall be applicable for all issues where Red Herring Prospectus is filed with the Registrars of Companies on or after the date of publication of this notification in the Official Gazette.

3. In the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, -
  - I. in regulation 25, in sub-regulation (1) the words “with the concerned regional office of the Board under the jurisdiction of which the registered office of the issuer company is located” shall be substituted with the words “with the Board”.
  - II. after Chapter II and before Chapter III, the following Chapter IIA shall be inserted, namely, -

**“Chapter IIA**

**INITIAL PUBLIC OFFER ON MAIN BOARD THROUGH PRE-FILING OF DRAFT OFFER DOCUMENT**

**Definitions**

**59A.** In this Chapter, unless the context otherwise requires,—

- (a) “pre-filed draft offer document” shall mean draft offer document filed with the Board under this Chapter;
- (b) “pre-filed offer document” shall mean pre-filed draft offer document or updated draft red herring prospectus-I or updated draft red herring prospectus-II with the Board under this Chapter;
- (c) “updated draft red herring prospectus-I” shall mean the updated pre-filed draft offer document filed with the Board after complying with the observations issued by the Board on such pre-filed draft offer document;
- (d) “updated draft red herring prospectus-II” shall mean the updated draft red herring prospectus-I filed with the Board after incorporating the comments of the public received on such updated draft red herring prospectus-I.

**Application of this Chapter**

**59B.** (1) In lieu of an initial public offer of specified securities on the Main Board under Chapter-II of these regulations, the issuer may make an initial public offer of specified securities in accordance with the provisions of this Chapter.

(2) Except for anything contrary provided in this Chapter, the provisions of Chapter-II shall *mutatis mutandis* apply in relation to the initial public offer made under the provisions of this Chapter:

Provided that regulation 8 and regulation 15 of these regulations shall apply at the stage of filing of the updated draft red herring prospectus-I.

**Pre-filing of draft offer document with the Board and Stock Exchanges**

**59C.** (1) Prior to making an initial public offer, the issuer may file three copies of the draft offer document with the Board, in accordance with **Schedule IV**, along with fees as specified in **Schedule III**, through the lead manager(s).

(2) The issuer shall also file the pre-filed draft offer document with the stock exchange(s) where the specified securities are proposed to be listed and submit to the stock exchange(s); the Permanent Account Number, bank account number and passport number of its promoters where they are individuals and the Permanent Account Number, bank account number, company registration number or equivalent and the address of the Registrar of Companies with which the promoter is registered; where the promoter is a body corporate.

(3) The pre-filed draft offer document filed under sub-regulation (1) shall not be available in the public domain.

(4) The lead manager(s) shall submit the following to the Board along with the pre-filed draft offer document:

- (a) a certificate, confirming that an agreement has been entered into between the issuer and the lead manager(s);
- (b) a due diligence certificate as per **Form AA** of **Schedule V**;
- (c) in case of an issue of convertible debt instruments, a due diligence certificate from the debenture trustee as per **Form B** of **Schedule V**;
- (d) an undertaking from the issuer and the lead manager that they shall not conduct marketing or advertisement for the intended issue, in the format as may be specified by the Board from time to time:

Provided that all public communications issued or published in any media during the period commencing

from the date of the meeting of the board of directors of the issuer in which the public issue is approved till the date of filing of updated draft red herring prospectus-I or withdrawal of pre-filed draft offer document shall be consistent with its past practices.

(5) The issuer shall, within two days of pre-filing the draft offer document, make a public announcement in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated, disclosing the fact of filing of pre-filing of the draft offer document without providing any other details in relation to the intended issue:

Provided that the issuer shall state in the public announcement that the pre-filing of offer document shall not necessarily mean that the issuer shall undertake the initial public offering.

(6) The Board may recommend changes or issue observations, if any, on the pre-filed draft offer document within thirty days from the later of the following dates:

- (a) the date of receipt of the pre-filed draft offer document under sub-regulation (1); or
- (b) the date of receipt of satisfactory reply from the lead manager(s), where the Board has sought any clarification or additional information from them; or
- (c) the date of receipt of clarification or information from any regulator or agency, where the Board has sought any clarification or information from such regulator or agency; or
- (d) the date of receipt of a copy of in-principle approval letter issued by the stock exchange(s); or
- (e) date of intimation of completion of interaction with the qualified institutional buyers in terms of regulation 59D of these regulations; or

(f) date of intimation to the Board about the conversion of outstanding convertible securities or exercise of any other right which would entitle any person with any option to receive equity shares in terms of regulation 59E of these regulations.

(7) If the Board recommends any changes or issues observations on the pre-filed draft offer document, the issuer and the lead manager(s) shall carry out such changes in the pre-filed draft offer document and shall submit to the Board an updated draft red herring prospectus-I complying with the observations issued by the Board:

Provided that there shall be a minimum gap of seven working days between the date of intimation to the Board about the completion of interaction with the qualified institutional buyers in accordance with regulation 59D of these regulations and the date of filing of the updated draft red herring prospectus-I.

Explanation: For the purpose of this regulation, an updated draft red herring prospectus-I shall be complete in all respects and shall be in compliance with the provisions of these regulations and to the other applicable laws as the case may be.

(8) The lead manager(s) shall submit the following documents to the Board after issuance of observations by the Board:

(a) a statement certifying that all changes, suggestions and observations made by the Board have been incorporated in the offer document;

(b) a due diligence certificate as per **Form CA** of **Schedule V**, at the time of filing of the offer document;

(9) The updated draft red herring prospectus-I shall be made public for comments, if any, for a period of at least twenty one days from the date of filing, by hosting it on the websites of the Board, the stock exchanges where the



specified securities are proposed to be listed and that of the lead manager(s) associated with the issue:

Provided that pursuant to the filing of the updated draft red herring prospectus-I, all public communication, publicity material, advertisements and research reports shall comply with the provisions of **Schedule IX**.

(10) The issuer shall, within two days of filing the updated draft red herring prospectus-I, make a public announcement in one English national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one regional language newspaper with wide circulation at the place where the registered office of the issuer is situated, disclosing the fact of filing of the updated draft red herring prospectus-I and inviting the public to provide their comments to the Board, the issuer or the lead manager(s) in respect of the disclosures made in the updated draft red herring prospectus-I.

(11) The lead manager(s) shall, after expiry of the period stipulated in sub-regulation (9), file with the Board, the details of the comments received by them or the issuer from the public, on the updated draft red herring prospectus-I, during that period and the consequential changes, if any, that are required to be made in the updated draft red herring prospectus-I.

(12) The issuer and the lead manager(s) shall carry out such changes in the updated draft red herring prospectus-I and shall submit to the Board an updated draft red herring prospectus-II before filing the offer document with the Registrar of Companies or an appropriate authority, as applicable.

(13) The lead manager(s) shall submit the following documents to the Board before filing the offer document with the Registrar of Companies:

- (a) a statement certifying that all changes, suggestions and observations made by the Board have been incorporated in the offer document;

- (b) a due diligence certificate as per **Form CA** of **Schedule V**, at the time of filing of the offer document;
  - (c) a copy of the resolution passed by the board of directors of the issuer for allotting specified securities to promoter(s) towards amount received against promoters' contribution, before opening of the issue;
  - (d) a certificate from a statutory auditor, before opening of the issue, certifying that promoters' contribution has been received in accordance with these regulations, accompanying therewith the names and addresses of the promoters who have contributed to the promoters' contribution and the amount paid and credited to the issuer's bank account by each of them towards such contribution;
  - (e) a due diligence certificate as per **Form DA** of **Schedule V**, in the event the issuer has made a disclosure of any material development by issuing a public notice pursuant to para 4 of **Schedule IX**.
- (14) The copy of the offer document shall also be filed promptly with the Board and the stock exchange(s) through the lead manager(s) after filing the offer documents with the Registrar of Companies.
- (15) The pre-filed draft offer document and the offer document shall also be furnished to the Board in a soft copy.
- (16) The issuer and the lead manager(s) shall ensure that the offer documents are hosted on the websites as required under these regulations and that its contents are the same as the versions filed with the Registrar of Companies, the Board and the stock exchanges, as may be applicable.
- (17) The lead manager(s) and the stock exchanges shall provide the copies of the offer document to the public as and when requested and may charge a reasonable sum for providing the same.

**Interaction with qualified institutional buyers**

- 59D.** (1) Notwithstanding anything to the contrary contained in the provisions of this Chapter, an issuer may interact with the qualified institutional buyers for limited marketing of the intended issue from the time of pre-filing the draft offer document till the Board issues any observations on such pre-filed draft offer document.
- (2) The interaction specified under sub-regulation (1) shall be restricted to the information contained in the pre-filed draft offer document.
- (3) In case the issuer interacts with the qualified institutional buyers in terms of sub-regulation (1) and sub-regulation (2) above, the issuer and lead manager(s) shall prepare a list of the qualified institutional buyers who have participated in such interaction(s).
- (4) The issuer and the lead manager(s) shall submit to the Board confirmation of closure of interaction(s) with the qualified institutional buyers.

**General Conditions**

- 59E.** (1) Notwithstanding anything contained in any other provisions of these regulations, subject to intimation to the Board and the stock exchanges, an issuer opting for initial public offer through pre-filing the draft offer document in terms of the provisions of this Chapter shall, till the Board recommends any changes or issues observations on the pre-filed draft offer document, be permitted the following:
- (a) Existence of outstanding convertible securities or any other right which would entitle any person with any option to receive equity shares of the issuer:
- Provided that the issuer shall mandatorily convert such outstanding convertible securities or exercise any other right which would entitle any person with any option to receive equity shares of the issuer and intimate such act of conversion to the Board before

the Board recommends any changes or issues observations on the pre-filed draft offer document:

Provided further that the following shall be permitted even after the issuance of observations by the Board on the pre-filed draft offer document:

- (i) Existence of outstanding options granted to employees, whether currently an employee or not, pursuant to an employee stock option scheme in compliance with the Companies Act, 2013, the relevant Guidance Note or accounting standards, if any, issued by the Institute of Chartered Accountants of India or pursuant to the Companies Act, 2013, in this regard;
  - (ii) Existence of fully paid-up outstanding convertible securities which are required to be converted on or before the date of filing of the red herring prospectus (in case of book-built issues) or the prospectus (in case of fixed price issues), as the case may be;
- (b) Issue of specified securities;
- (c) Issue such convertible securities that are mandatorily and compulsorily convertible into equity shares at the time of filing of offer document, provided the details for such securities are given in the updated draft red herring prospectus-I in relation to the maximum number of shares in which such convertible securities shall be converted.

(2) If there are any changes in the pre-filed draft offer document after the Board recommends any changes or issues observations on such pre-filed draft offer document in relation to the matters specified in **Schedule XVI-A**, an updated pre-filed draft offer document or a fresh pre-filed draft offer document, as the case may be, shall be filed with the Board along with fees specified in **Schedule III**.

Explanation: For the purpose of this regulation, changes made in the pre-filed draft offer document in relation to the matters specified in clause (1) of **Schedule XVIA** before the Board recommends any changes or issues observations on the pre-filed draft offer document shall not require fresh filing of such pre-filed draft offer document.

(3) If there are any changes in the updated draft red herring prospectus-I in relation to the matters specified in **Schedule XVI**, an updated pre-filed offer document or a fresh draft offer document under Chapter II or fresh pre-filed draft offer document, as the case may be, shall be filed with the Board along with fees specified in **Schedule III**.

(4) Subject to the compliance with the provisions of the Companies Act, 2013, a public issue may be opened within eighteen months from the date of issuance of the observations by the Board under regulation 59C of these regulations:

Provided that the issuer shall file updated draft red herring prospectus-I with the Board and the stock exchanges in terms of regulation 59C of these regulations within sixteen months from the date of issuance of the observations by the Board.”

- III. in regulation 71, in sub-regulation (1) the words “with the concerned regional office of the Board under the jurisdiction of which the registered office of the issuer company is located” shall be substituted with the words “with the Board”.
- IV. in regulation 123, in sub-regulation (1) the words “with the concerned regional office of the Board under the jurisdiction of which the registered office of the issuer company is located” shall be substituted with the words “with the Board”.
- V. after regulation 162, the following regulation (162A) shall be inserted, namely, -

**“Monitoring agency**

- 162A.** (1) If the issue size exceeds one hundred crore rupees, the issuer shall make arrangements for the use of proceeds of

## Technical Guide on Disclosure and Reporting of KPIs

---

the issue to be monitored by a credit rating agency registered with the Board:

Provided that nothing contained in this clause shall apply to an issue of specified securities made by a bank or public financial institution or an insurance company.

(2) The monitoring agency shall submit its report to the issuer in the format specified in Schedule XI on a quarterly basis, till hundred percent of the proceeds of the issue have been utilised.

(3) The board of directors and the management of the issuer shall provide their comments on the findings of the monitoring agency as specified in Schedule XI.

(4) The issuer shall, within forty five days from the end of each quarter, upload the report of the monitoring agency on its website and also submit the same to the stock exchange(s) on which its equity shares are listed.”

VI. in regulation 164A, in sub-regulation (6),

(a) in clause (a), the words and symbols “public financial institution or by a scheduled commercial bank, which is not a related party to the issuer” shall be substituted with the words “credit rating agency registered with the Board”;

(b) in clause (a), in sub-clause (i), the words "until at least ninety five percent" shall be substituted with the words “till hundred percent.”

VII. after regulation 173, the following regulation (173A) shall be inserted, namely, -

### **“Monitoring agency**

**173A.** (1) If the issue size, excluding the size of offer for sale by selling shareholders, exceeds one hundred crore rupees, the issuer shall make arrangements for the use of proceeds of the issue to be monitored by a credit rating agency registered with the Board:

## Technical Guide on Disclosure and Reporting of KPIs

---

Provided that nothing contained in this clause shall apply to an issue of specified securities made by a bank or public financial institution or an insurance company.

(2) The monitoring agency shall submit its report to the issuer in the format specified in Schedule XI on a quarterly basis, till hundred percent of the proceeds of the issue have been utilised.

(3) The board of directors and the management of the issuer shall provide their comments on the findings of the monitoring agency as specified in Schedule XI.

(4) The issuer shall, within forty five days from the end of each quarter, upload the report of the monitoring agency on its website and also submit the same to the stock exchange(s) on which its equity shares are listed.”

VIII. in Schedule III, in the title, after numbers and symbols “25 (6)”, the numbers and symbols “59C (1), 59E (2), 59E (3)” shall be inserted.

IX. in Schedule IV,

- (i) in the title, after numbers and symbols “25 (1)”, the numbers and symbols “59C (1)” shall be inserted.
- (ii) the words and symbol “with the relevant office of the Board under the jurisdiction of which the registered office of the issuer company is located, based on the estimated issue size as may be specified by the Board from time to time.” shall be substituted with the words, numbers and symbols “at the Head Office of the Board, situated at: SEBI Head Office, SEBI Bhavan, Plot No. C4-A, “G” Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051.”

X. in Schedule V,

- (i) in the title, after numbers and symbols “25 (2) (b)”, the numbers and symbols “59C (4), 59C (13)” shall be inserted.
- (ii) after Form-A, the following form (Form AA) shall be inserted, namely-

**“Form AA - Format of due diligence certificate to be given by  
the lead manager(s) along with the pre-filed draft offer  
document**

**[See regulation 59A]**

**To,**

**Securities and Exchange Board of India**

Dear Sirs,

**Sub.: Public Issue of ..... by.....(Name of the issuer)**

We confirm that:

- (1) We have examined various documents including those relating to litigation, commercial disputes, patent disputes, disputes with collaborators, etc. and other material while finalising the pre-filed draft offer document of the subject issue;
- (2) On the basis of such examination and discussions with the issuer, its directors and other officers, other agencies, and independent verification of the statements concerning the objects of the issue, price justification, contents of the documents and other papers furnished by the issuer, we confirm that:
  - (a) the pre-filed draft offer document is in conformity with the documents, materials and papers which are material to the issue;
  - (b) all material legal requirements relating to the issue as specified by the Board, the Central Government and any other competent authority in this behalf have been duly complied with; and
  - (c) the material disclosures made in the pre-filed draft offer document are true and adequate to enable the investors to make a well informed decision as to the investment in the proposed issue and such disclosures are in accordance with the requirements of the Companies Act, 2013, these regulations and other applicable legal requirements.
- (3) Besides us, all intermediaries named in the pre-filed draft offer document are registered with the Board and till date; such



registration is valid.

(4) We have satisfied ourselves about the capability of the underwriters to fulfil their underwriting commitments.

(5) Written consent from the promoters has been obtained for inclusion of their specified securities as part of the promoters' contribution subject to lock-in and the specified securities proposed to form part of the promoters' contribution that are subject to lock-in shall not be disposed or sold or transferred by the promoters during the period starting from the date of pre-filing the draft offer document with the Board till the date of commencement of lock-in period as stated in the draft offer document.

(6) All applicable provisions of these regulations, which relate to specified securities ineligible for computation of promoters' contribution, have been and/or shall be duly complied with and appropriate disclosures as to compliance with the said regulation(s) have been made in the pre-filed draft offer document.

(7) All applicable provisions of these regulations which relate to receipt of promoters' contribution prior to opening of the issue, shall be complied with. Arrangements have been made to ensure that the promoters' contribution shall be received at least one day before the opening of the issue and that the auditors' certificate to this effect shall be duly submitted to the Board. We further confirm that arrangements have been made to ensure that the promoters' contribution shall be kept in an escrow account with a scheduled commercial bank and shall be released to the issuer along with the proceeds of the issue.

(8) Necessary arrangements shall be made to ensure that the monies received pursuant to the issue are credited or transferred to in a separate bank account as per the provisions of sub-section (3) of section 40 of the Companies Act, 2013 and that such monies shall be released by the said bank only after permission is obtained from all the stock exchanges, and that the agreement entered into between the bankers to the issue and the issuer specifically contains this condition.

(9) The existing business as well as any new business of the

## Technical Guide on Disclosure and Reporting of KPIs

issuer for which the funds are being raised fall within the 'main objects' in the Object Clause of the Memorandum of Association or other Charter of the issuer and that the activities which have been carried in the last ten years are valid in terms of the object clause of the Memorandum of Association.

(10) Following disclosures have been made in the pre-filed draft offer document:

- (a) An undertaking from the issuer that at any given time, there shall be only one denomination for the equity shares of the issuer, excluding SR equity shares, where an issuer has outstanding SR equity shares, and
- (b) An undertaking from the issuer that it shall comply with all disclosures and accounting norms specified by the Board.

(11) We shall comply with the regulations pertaining to advertisements in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

We enclose a note explaining the process of due diligence that has been exercised by us including in relation to the business of the issuer, the risks in relation to the business, experience of the promoters and that the related party transactions entered into for the period disclosed in the offer document have been entered into by the issuer in accordance with applicable laws.

We enclose a checklist confirming regulation-wise compliance with the applicable provisions of these regulations, containing details such as the regulation number, its text, the status of compliance, page number of the pre-filed draft offer document where the regulation has been complied with and our comments, if any.

We also enclose plan of action for compliance with Regulation 8 and Regulation 15.

**Place:**  
**Date:**

**Lead Manager(s) to the Issue  
with Official Seal(s)''**

(iii) in Form C-

(a) Before the title, after word, numbers and symbols “regulation 25 (9) (b)”, the numbers and symbols “59C (13)” shall be inserted.

(b) In clause 4, the words “with the Board till date” shall be substituted with the words “or pre-filing offer document with the Board till date”.

XI. in Schedule V, after Form-C and before Form-D, the following Form-CA shall be inserted, namely-

**“FORM CA - FORMAT OF DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE LEAD MANAGER(S) AT THE TIME OF FILING THE UPDATED DRAFT RED HERRING PROSPECTUS-I**

**[See regulation 59C (8) and 59C (13)]**

**To,**

**Securities and Exchange Board of India**

Dear Sirs,

**Sub.: Public/Rights Issue of ..... by.....(Name of the issuer)**

We confirm that:

(1) The updated draft red herring prospectus-I/updated draft red herring prospectus-II, as the case may be, filed with the Board contains all the material disclosures in respect of the issuer as on the said date.

(2) The registration of all intermediaries named in the offer document are valid as on date and that none of these intermediaries have been debarred by any regulatory authority.

(3) Written consent from the promoter(s) has been obtained for inclusion of their securities as part of promoters’ contribution, subject to lock-in.

(4) The securities proposed to form part of the promoters’ contribution and subject to lock-in, have not been disposed or sold or transferred by the promoters during the period starting from the date of filing the pre-filed draft offer document with the Board till date.

(5) Agreements have been entered into with the depositories for dematerialisation of the securities of the issuer.

**Place:** **Lead Manager(s) to the Issue**  
**Date:** **with Official Seal(s)”**

XII. in Schedule V, after Form-D and before Form-E, the following Form DA shall be inserted, namely, -

**“FORM DA - FORMAT OF DUE DILIGENCE CERTIFICATE TO BE GIVEN BY THE LEAD MANAGER(S) IN THE EVENT OF DISCLOSURE OF MATERIAL EVENTS AFTER THE FILING OF THE OFFER DOCUMENT**

**[See regulation 59C (13)]**

**To,**

**Securities and Exchange Board of India**

Dear Sirs,

**Sub.: Public/Rights Issue of .....by ..... (Name of the issuer)**

We confirm that all material disclosures in respect of the issuer as on date have been made through the pre-filed offer document filed with the Registrar of Companies on ..... (date) read with subsequent amendments/public notice dated.....(copy of the advertisement enclosed).

**Place:** **Lead Manager(s) to the Issue**  
**Date:** **with Official Seal(s)”**

XIII. in Part A of Schedule VI, in paragraph (9) under the heading “(K) Basis for Issue Price:”, the following shall be inserted after clause (2), namely, -

“(3) For all the Key Performance Indicators (KPIs) disclosed in the offer document, the Issuer Company and the lead merchant bankers (LMs) shall ensure the following:

(a) KPIs disclosed in the offer document and the terms used in KPIs shall be defined consistently and

## Technical Guide on Disclosure and Reporting of KPIs

---

precisely in the “Definitions and Abbreviations” section of the offer document using simple English terms /phrases so as to enable easy understanding of the contents. Technical terms, if any, used in explaining the KPIs shall be further clarified in simple terms.

- (b) KPIs disclosed in the offer document shall be approved by the Audit Committee of the Issuer Company.
- (c) KPIs disclosed in the offer document shall be certified by the statutory auditor(s) or Chartered Accountants or firm of Chartered Accountants, holding a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India or by Cost Accountants, holding a valid certificate issued by the Peer Review Board of the Institute of Cost Accountants of India.
- (d) Certificate issued with respect to KPIs shall be included in the list of material documents for inspection.
- (e) For each KPI being disclosed in the offer document, the details thereof shall be provided for period which will be co-terminus with the period for which the restated financial information is disclosed in the offer document.
- (f) KPIs disclosed in the offer document should be comprehensive and explanation shall be provided on how these KPIs have been used by the management historically to analyse, track or monitor the operational and/or financial performance of the Issuer Company.
- (g) Comparison of KPIs over time shall be explained based on additions or dispositions to the business, if any. For e.g. in case the Issuer Company has undertaken a material acquisition or disposition of assets / business for the periods that are covered by

## Technical Guide on Disclosure and Reporting of KPIs

---

the KPIs, the KPIs shall reflect and explain the same.

- (h) For 'Basis for Issue Price' section, the following disclosures shall be made:
  - (i) Disclosure of all the KPIs pertaining to the Issuer Company that have been disclosed to its investors at any point of time during the three years preceding to the date of filing of the DRHP / RHP.
  - (ii) Confirmation by the Audit Committee of the Issuer Company that verified and audited details for all the KPIs pertaining to the Issuer Company that have been disclosed to the earlier investors at any point of time during the three years period prior to the date of filing of the DRHP / RHP are disclosed under 'Basis for Issue Price' section of the offer document.
  - (iii) Issuer Company in consultation with the lead merchant banker may make disclosure of any other relevant and material KPIs of the business of the Issuer Company as it deems appropriate that have a bearing for arriving at the basis for issue price.
  - (iv) Cross reference of KPIs disclosed in other sections of the offer document to be provided in the 'Basis for Issue Price' section of the offer document.
  - (v) For the KPIs disclosed under the 'Basis for Issue Price' section, disclosure of the comparison with Indian listed peer companies and/ or global listed peer companies, as the case may be (wherever available). The set of peer companies shall include companies of comparable size, from the same industry and with similar business model (if one to one comparison is not possible, appropriate notes to explain the differences may be included).
- (i) The Issuer Company shall continue to disclose the

## Technical Guide on Disclosure and Reporting of KPIs

---

KPIs which were disclosed in the 'Basis for Issue Price' section of the offer document, on a periodic basis, at least once in a year (or for any lesser period as determined by the Issuer Company), for a duration that is at least the later of (i) one year after the listing date or period specified by the Board; or (ii) till the utilization of the issue proceeds as per the disclosure made in the objects of the issue section of the prospectus. Any change in these KPIs, during the aforementioned period, shall be explained by the Issuer Company. The ongoing KPIs shall continue to be certified by a member of an expert body as per clause 3(c).

- (4) For issue price, floor price or price band, as the case may be, disclosed in the offer document, the Issuer Company and the lead merchant banker (LMs) shall disclose the details with respect to the following:
  - (a) Price per share of Issuer Company based on primary / new issue of shares (equity/convertible securities), excluding shares issued under ESOP/ESOS and issuance of bonus shares, during the 18 months preceding the date of filing of the DRHP / RHP, where such issuance is equal to or more than 5 per cent of the fully diluted paid-up share capital of the Issuer Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days; and
  - (b) Price per share of Issuer Company based on secondary sale / acquisition of shares (equity/convertible securities), where promoter / promoter group entities or shareholder(s) selling shares through offer for sale in IPO or shareholder(s) having the right to nominate director(s) in the Board of the Issuer Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of filing of the DRHP / RHP, where either acquisition or sale is equal to or more than 5 per cent of the fully diluted paid-up share capital of the Issuer

## Technical Guide on Disclosure and Reporting of KPIs

Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days .

Note: 1. In case there are no such transactions to report under (a) and (b), then the information shall be disclosed for price per share of the Issuer Company based on last 5 primary or secondary transactions (secondary transactions where promoter / promoter group entities or shareholder(s) selling shares through offer for sale in IPO or shareholder(s) having the right to nominate director(s) in the Board of the Issuer Company, are a party to the transaction), not older than 3 years prior to the date of filing of the DRHP / RHP, irrespective of the size of transactions.

2. Price per share disclosed, shall be adjusted for corporate actions e.g. split, bonus etc. done by the Issuer Company.

- (c) Floor price and cap price being [●] times the weighted average cost of acquisition (WACA) based on primary/ secondary transaction(s) as disclosed in terms of clause (a) and (b) or Note 1 above, shall be disclosed in the following manner:

Past Transactions	WACA (in Rs.)	IPO Floor Price in Rs. [●]	IPO Cap Price in Rs. [●]
WACA of Primary issuance		[●] times	[●] times
WACA of Secondary transactions		[●] times	[●] times

- (d) Detailed explanation for offer price / cap price being [●] times of WACA of Primary issuance price / Secondary transaction price, along with comparison of Issuer Company's KPIs and financials ratios for



## Technical Guide on Disclosure and Reporting of KPIs

---

the last three full financial years and stub period (if any) included in the offer document.

- (e) Explanation for offer price / cap price being [●] times of WACA of Primary issuance price / Secondary transaction price in view of the external factors which may have influenced the pricing of the issue, if any.
- (f) Table at para (c) above shall be disclosed in the Price Band Advertisement under 'Risks to Investors' section. Recommendation of a Committee of Independent Directors to be included in the price band advertisement stating that the price band is justified based on quantitative factors / KPIs disclosed in 'Basis for Issue Price' section vis-à-vis the WACA of primary issuance / secondary transaction(s) disclosed in 'Basis for Issue Price' section."

XIV. in Schedule IX, in the title, after words and number "regulation 42", the number and symbols "59C (8), 59C (9), 59C (13)" shall be inserted.

XV. in Schedule XVI, in the title, after words, numbers and symbols "regulation 25(6)", the number and symbols "59E (3)" shall be inserted.

XVI. after Schedule XVI, the following Schedule (Schedule XVI-A) shall be inserted, namely-

### **"SCHEDULE XVI-A - NATURE OF CHANGES IN THE OFFER DOCUMENT REQUIRING FILING OF UPDATED OFFER DOCUMENT**

**[See regulation 59E (2)]**

**(1) Changes which require fresh filing of the pre-filed draft offer document or draft offer document with the Board, along with fees:**

- (a) If changes are made in the pre-filed draft offer document after receipt of observations or comments from the Board with respect to any of the following, the issuer shall file the fresh pre-filed draft offer document or draft offer document with the Board in terms of the applicable provisions of these

regulations, along with the fees as specified in Schedule III:

- (i) Change in the promoter of the issuer.
  - (ii) Change in more than half of the board of directors of the issuer.
  - (iii) Change in the main objects clause of the issuer.
  - (iv) Any addition to the objects of the issue resulting in an increase in the estimated issue size or estimated means of finance by more than fifty per cent.
  - (v) If there are grounds to believe that there is an exacerbation of risk on account of deletion of an object resulting in a decrease in issue size by more than fifty per cent.
  - (vi) In case of a fresh issue, any increase or decrease in the estimated issue size by more than fifty percent.
  - (vii) In case of an offer for sale, any increase or decrease in the number of shares offered for sale or the estimated issue size, by more than fifty percent.
  - (viii) In case of an issue comprising of both fresh issue and offer for sale, any increase or decrease in the respective limits as specified in clause (vi) and clause (vii).
  - (ix) Any increase in estimated deployment in any of the objects of the issue by more than twenty per cent.
- (b) Changes which may result in non-compliance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the lead manager(s) or issuer do not intend to seek relaxation under regulation 303 of the said regulations.

**(2) Changes which require filing of the updated pre-filed offer document with the Board, along with fees:**

- (a) If changes are made in the pre-filed offer document with respect to any of the following, the issuer shall file an updated offer document with the Board, along with payment of fees as specified in Schedule III:
- (i) **Section 1: Risk Factors:** Any material development which may result in potential risk and may require updation in this section.

- (ii) **Section 2: Capital Structure:** An aggregate increase of 5 percent or more in the shareholding of the promoter or promoter group or an aggregate increase of 5 per cent. or more in the shareholding of the top ten shareholders.
  - (iii) **Section 3: Issue Size:** Any addition or deletion to the objects of the issue resulting in a change in the estimated issue size or estimated means of finance by more than 10 percent and not exceeding 20 per cent.
  - (iv) **Section 4: Management:** Appointment of any new director.
  - (v) **Section 5: Promoter Group:** Any addition to the promoter group or group companies.
  - (vi) **Section 6: Financial Statements:** Any variation in net profit after tax or net loss and/ or extraordinary items in excess of 10 percent over the last updated financials included in the draft offer document.
  - (vii) **Section 7: Legal and other information:** Any new litigation or any development about a pending litigation which is considered material by the lead manager(s).
- (b) After filing the updated offer document with the Board, the issuer may proceed with the issue after receiving a confirmation to this effect from the Board.

**(3) Changes which require filing of the updated offer document with the Board, without fees:**

All other changes or updations in the pre-filed offer document which are not covered under paras (1) and (2) above shall be carried out in the offer document and the updated offer document shall be filed with the Board without any fees.”

**MADHABI PURI BUCH, Chairman**

[ADVT.-III/4/Exty./422/2022-23]

**Footnotes:**

1. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 was published in the Gazette of India on September 11, 2018, vide notification No. SEBI/LAD- NRO/GN/2018/31.
2. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 was subsequently amended on -
  - (a) December 31, 2018 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2018, vide notification No. SEBI/LAD- NRO/GN/2018/57.
  - (b) March 29, 2019 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2019, vide notification No. SEBI/LAD- NRO/GN/2019/05.
  - (c) April 5, 2019 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2019, vide notification No. SEBI/LAD- NRO/GN/2019/08.
  - (d) July 29, 2019 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2019, vide notification No. SEBI/LAD- NRO/GN/2019/29.
  - (e) September 23, 2019 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2019, vide notification No. SEBI/LAD- NRO/GN/2019/35.
  - (f) December 06, 2019 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2019, vide notification No. SEBI/LAD- NRO/GN/2019/42.
  - (g) December 26, 2019 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Sixth Amendment) Regulations, 2019,

## Technical Guide on Disclosure and Reporting of KPIs

---

- vide notification No. SEBI/LAD- NRO/GN/2019/47.
- (h) January 01, 2020 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Seventh Amendment) Regulations, 2019, vide notification No. SEBI/LAD- NRO/GN/2020/01.
  - (i) April 17, 2020 by the Securities and Exchange Board of India (Regulatory Sandbox) (Amendment) Regulations, 2020 vide notification No. SEBI/LAD-NRO/GN/2020/10.
  - (j) May 08, 2020 by the Securities and Exchange Board of India (Payment of Fees) (Amendment) Regulations, 2020, vide notification No. SEBI/LAD-NRO/GN/2020/11.
  - (k) June 16, 2020 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2020, vide notification No. SEBI/LAD- NRO/GN/2020/17.
  - (l) June 22, 2020 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2020, vide notification No. SEBI/LAD- NRO/GN/2020/18.
  - (m) July 1, 2020 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2020, vide notification No. SEBI/LAD- NRO/GN/2020/21.
  - (n) September 28, 2020 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020, vide notification No. SEBI/LAD- NRO/GN/2020/31.
  - (o) January 8, 2021 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2021, vide notification No. SEBI/LAD- NRO/GN/2021/03.
  - (p) May 5, 2021 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2021, vide notification No. SEBI/LAD- NRO/GN/2021/18.
  - (q) August 3, 2021 by the Securities and Exchange Board of

## Technical Guide on Disclosure and Reporting of KPIs

---

- India (Regulatory Sandbox) (Amendment) Regulations, 2021, vide notification No. SEBI/LAD-NRO/GN/2021/30.
- (r) August 13, 2021 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2021, vide notification No. SEBI/LAD- NRO/GN/2021/45.
  - (s) October 26, 2021 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2021, vide notification No. SEBI/LAD- NRO/GN/2021/52.
  - (t) January 14, 2022 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, vide notification No. SEBI/LAD-NRO/GN/ 2022/ 63.
  - (u) April 27, 2022 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2022 vide notification No. SEBI/LAD- NRO/GN/2022/82.
  - (v) July 25, 2022 by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2022 vide notification No. SEBI/LAD- NRO/GN/2022/90.