

National Stock Exchange of India

Circular

Department: Listing	
Circular Ref. No: NSE/CML/2025/08	Date: February 28, 2025

To,
All Proposed to be Listed entities
All the registered Merchant Bankers

Subject: SEBI Circular on the Industry Standards Note on Key Performance Indicators (“KPIs”) Disclosures in the draft Offer Document and Offer Document.

Dear Sir / Madam,

This is with reference to SEBI Circular No. **SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/28** dated February 28, 2025, issued by the Securities and Exchange Board of India (“SEBI”) titled **“Industry Standards on Key Performance Indicators (“KPIs”) Disclosures in the draft Offer Document and Offer Document.”**

A copy of SEBI Circular dated February 28, 2025, along with the Industry Standards Note on KPI disclosures in the draft Offer Document and Offer Document is enclosed for your reference and for necessary action at your end. The copy of the circular is also available on the NSE website (www.nseindia.com).

This is for your information please.

Yours Faithfully
For National Stock Exchange of India Ltd.

Charmi Dharod
Senior Manager- Listing Approval

Encl:

1. SEBI Circular
2. Industry Standards Note on KPI disclosures in the draft offer documents and Offer documents.

CIRCULAR

SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/28

February 28, 2025

To,

All listed entities / proposed to be listed entities

All the recognized Stock Exchanges

All the registered Merchant Bankers

The Associated Chambers of Commerce and Industry of India (ASSOCHAM)

Federation of Indian Chambers of Commerce and Industry (FICCI)

Confederation of Indian Industry (CII)

Dear Sir/Madam,

**Sub: Industry Standards on Key Performance Indicators (“KPIs”) Disclosures
in the draft Offer Document and Offer Document**

1. In order to facilitate uniform approach in identification and disclosure practices of Key Performance Indicators (“KPIs”), the Industry Standards Forum (“ISF”) comprising of representatives from three industry associations, viz. ASSOCHAM, CII and FICCI, under the aegis of the Stock Exchanges, has formulated industry standards, in consultation with SEBI, for effective implementation of the requirement to disclose KPIs in the draft offer document and offer document as per the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“**ICDR Regulations**”). The industry associations which are part of ISF ([ASSOCHAM](#), [FICCI](#), and [CII](#)) and the stock exchanges shall publish the industry standards on their websites.
2. The Issuer Companies and Merchant Bankers shall follow the aforesaid industry standards to ensure compliance with the requirement to disclose KPIs in the draft offer document and offer document as per the provisions of ICDR Regulations.
3. This circular shall be applicable for all draft offer documents / offer documents filed with SEBI / Stock Exchanges **on or after April 1, 2025**.
4. The Stock Exchanges are advised to bring the contents of this circular to the notice of all stakeholders and ensure its compliance.
5. This circular is issued in exercise of the powers conferred under Section 11(1) and 11A of the Securities and Exchange Board of India Act, 1992 read with regulation 299 of ICDR Regulations.

6. This circular is available on SEBI website at www.sebi.gov.in under the category: 'Legal → Circulars'.

Yours faithfully,

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Industry Standards on Key Performance Indicators (“KPIs”) Disclosures in the Draft Offer Document and Offer Document (“KPI Standards”)

Objective and Purpose of the KPI Standards

INTRODUCTION:

The SEBI (ICDR) Regulations, 2018 (“SEBI ICDR Regulations”) requires the Issuer Company to disclose Key Performance Indicators (KPIs) in the IPO offer document that are relevant to determining the basis for the issue price. The disclosure of KPIs is essential for providing potential investors with the information needed to evaluate the Issuer Company’s financial and business performance, growth prospects, and associated risks. It enhances transparency, builds investor confidence, helps set realistic expectations for the Issuer Company’s future performance, and ensures information symmetry among various classes of investors. Additionally, KPIs serve as benchmarks for comparing the Issuer Company’s performance with its industry peers, as applicable.

The relevant extract from the SEBI ICDR Regulations in relation to KPIs is provided in the “Annexure” to these KPI Standards.

OBJECTIVE AND PURPOSE:

The objective of the KPI Standards is to standardize the identification and disclosure practices of KPIs, which are essential for facilitating informed decision-making among investors considering a proposed public offering of equity shares.

The KPI Standards aim to:

- (1) ensure consistent disclosure of KPIs in offer documents for standardization and to aid in comparability;
- (2) promote comparability across different offerings within the same industry, enabling investors to make better-informed decisions;
- (3) remove inconsistency and ambiguity in disclosure practices to enhance transparency;
- (4) present measurable metric to help investors make an informed decision with respect to valuation; and
- (5) provide potential investors with the necessary information to evaluate the Issuer Company’s financial and business performance at the time of the IPO and in the future.

The KPI Standards address key aspects including the definition and classification of KPIs, the process for their identification, approval, and certification, the indicative format and presentation of KPIs across offer documents. These Standards apply to both the disclosures in the offer document as well as ongoing disclosures following the listing.

These KPI Standards have been prepared in consultation with SEBI. Any addition/ modification/ alteration to these KPI Standards shall be made only in consultation with SEBI. These KPI

Standards are in conformity with the provisions of the SEBI ICDR Regulations. However, if, due to subsequent changes in the SEBI ICDR Regulations, a particular Standard or any part thereof becomes inconsistent with the SEBI ICDR Regulations, the provisions of the SEBI ICDR Regulations shall prevail.

These KPI Standards are available on the websites of the BSE Limited (“BSE”) and the National Stock Exchange of India Limited (“NSE”) (collectively, the “**Stock Exchanges**”). Further, the same are hosted on the websites of the Federation of Indian Chambers of Commerce and Industry (FICCI) accessible at <https://ficci.in/>, the Associated Chambers of Commerce & Industry of India (ASSOCHAM), accessible at <https://www.assochem.org/>, and the Confederation of Indian Industry (CII), accessible at <https://www.cii.in/>.

MAIN ASPECTS COVERED:

- **Part A: Key Performance Indicators (KPIs) - Definition & Classification.**
 1. Definition of Key Performance Indicators (KPIs);
 2. Classification of Key Performance Indicators (KPIs);
 3. Standards for Definitions of terms used for disclosing KPIs.
- **Part B: Identification of KPIs.**
 4. Process of selection of KPIs;
 5. Certification process to be initiated for Selected KPIs;
 6. Approval by the Audit Committee;
 7. Certification by Certifying Professional.
- **Part C: Format and Presentation Standards for disclosing KPIs.**
 8. Suggested format and presentation for Disclosing KPIs;
 9. Standards for presenting KPIs.
- **Part D: Continuous Disclosure Requirements of KPIs.**
 10. Standards for continuous disclosure requirements of KPIs.
- **Annexure:** Relevant Extract from the SEBI (ICDR) Regulations in relation to KPIs

Part A: Key Performance Indicators (KPIs) - Definition & Classification

1. Definition of Key Performance Indicators (KPIs):

“Key Performance Indicators (KPIs)” are key numerical measures of an Issuer Company’s historical financial and/or operational performance, which the management of such Issuer Company evaluates and tracks to monitor the performance of the Issuer Company and which provides information to investors to make an informed decision with respect to valuation of the Issuer Company.

2. Classification of Key Performance Indicators (KPIs):

These indicators can broadly be classified into the following categories:

- (1) GAAP Financial Measures;
- (2) Non-GAAP Financial Measures including financial ratios;
- (3) Operational Measures, which are not included in (1) or (2) above.

(1) GAAP Financial Measures:

GAAP Financial Measures are numerical metrics disclosed in accordance with Generally Accepted Accounting Principles (GAAP) applicable to the Issuer Company. These measures are fundamental for understanding the financial health of the Issuer Company and for comparing financial performance across various companies and industries.

The Issuer Company may disclose applicable Key GAAP Financial Measures relevant to its business model and the industry in which it operates, in the offer document as KPIs.

(2) Non-GAAP Financial Measures including financial ratios:

Non-GAAP Financial Measures adjust GAAP financial metrics by including or excluding specific items to provide a clearer and more accurate picture of financial performance. These metrics, along with financial ratios, facilitate deeper financial analysis.

The Issuer Company may disclose applicable Key Non-GAAP Financial Measures in the offer document as KPIs as per its business model and the industry in which it operates.

(3) Operational Measures:

Operational measures refer to data points, other than traditional financial metrics (GAAP and Non-GAAP Financial Measures), that reflect various aspects of a company’s operations, performance, or condition, providing a broader understanding of the company’s overall health, long-term sustainability, or the drivers of its financial performance in relation to its valuation.

The Issuer Company shall disclose applicable key operational measures in the offer document as KPIs as per its business model and the industry in which it operates such that:

- (i) the operational measures that are relevant to the valuation of the Issuer Company shall be disclosed in the ‘Basis for Offer Price’ chapter of the Offer Document.
- (ii) the operational measures that are relevant for understanding of the Issuer Company’s business performance, drivers of growth etc. shall be presented in the ‘Business’ chapter of the Offer Document.
- (iii) appropriate cross references shall be provided in the ‘Basis of Offer Price’ chapter to the ‘Business’ chapter, where operational KPIs are disclosed.

3. Standards for Definitions of terms used for disclosing KPIs:

The definition of a term used for the KPIs shall be determined in the following manner:

- (1) If a term is defined under Indian Accounting Standards (Ind AS) or Accounting Standards (AS) in accordance with Section 133 of the Companies Act, 2013, whichever is applicable to the Issuer Company, the Issuer Company shall use such definition.
- (2) If a term is not defined in Ind AS or AS, whichever is applicable to the Issuer Company, the Issuer Company shall adopt the definition provided under SEBI (ICDR) Regulations, 2018, or the Companies Act, 2013, in that order.
- (3) If a term is defined as outlined in sub-paras (1) or (2) above, but the Issuer Company plans to use it in a different context or modify the definition, the Issuer Company shall disclose in the offer document, the rationale for adopting an alternative definition.
- (4) For any term not defined under sub-paras (1) or (2) above, the Issuer Company shall provide an unambiguous and simple-to-comprehend English definition of the term, along with its key components of financial and/ or operational data and relevant formula, as applicable. The formula must clearly outline its components, including both the numerator and denominator (where applicable). This definition should align with common industry practices and widely accepted international standards, to the extent feasible.

Part B: Identification of KPIs

The SEBI ICDR Regulations require the disclosure of KPIs in the offer document. Set out below are the principles and processes for the selection of KPIs and the approval and certification of such KPIs.

4. Process of selection of KPIs:

(1) Responsibility for Identification:

The management of the Issuer Company shall be responsible for identifying the KPIs to be included in the offer document and shall ensure that the KPIs identified, meet the criteria laid out in the definition of terms used for disclosing KPIs, as specified in these KPI Standards.

(2) Criteria for Inclusion:

All KPIs shall be measurable and expressible in numbers. Subjective or qualitative aspects

shall not be included as KPIs.

(3) Data Collection and Compilation:

The KPIs shall be a measure of the Issuer Company's historical financial or operational performance. Accordingly, the management of the Issuer Company shall collate the following historical information ("**Information**"):

- (a) GAAP/ Non-GAAP Financial Measures that are required to be mandatorily disclosed in the offer document, as per the SEBI ICDR Regulations, and are considered KPIs by the Issuer Company.
- (b) Key financial or operational information shared with any Investor (as defined hereinafter):
 - (i) to whom Relevant Securities (as defined hereinafter) were allotted in any primary issuance (excluding ESOPs), during the three years prior to the date of filing of the offer document.
 - (ii) for any secondary sale of the Issuer Company's Relevant Securities, if the Issuer Company was involved in facilitating such sale and had shared data with the Transferees at the time of such secondary sale during the three years prior to the date of filing of the offer document.
 - (iii) pursuant to information rights they may have or through any manner of a similar nature, during the three years prior to the date of filing of the offer document.
- (c) Key financial or operational information included in any private placement offer cum application letter or any rights issue offer letter for issuance of Relevant Securities, during the three years prior to the date of filing of the offer document.
- (d) KPIs that are regularly presented/discussed at Board meetings of the Issuer Company to monitor and track the Issuer Company's performance during the three years prior to the date of filing of the offer document.
- (e) KPIs that have been considered by the management of the Issuer Company to arrive at the basis for the issue price.
- (f) In case, the Issuer Company has not made disclosure of any information to any Investor in the three years prior to the date of filing of the offer document, the Issuer Company shall identify the KPIs based on the key measures used by the management of the Issuer Company to track and monitor the performance of the Issuer Company.

(**Information** collected pursuant to points (a) to (f) above is collectively referred to as "**Selected Data**")

Explanation: For the purposes of the KPI Standards:

- (a) "**Investor**" shall mean the holder of the Relevant Securities of the Issuer Company.

Provided that Promoter or Promoter Group or Directors or Employees of the Issuer Company or of the subsidiaries of the Issuer Company shall not be treated as Investors in respect of any information received by them in the course of business and not in respect of information received by them in the capacity of holders of Relevant Securities of the Issuer Company.

- (b) **“Offer Document”** shall refer to both the Draft Red Herring Prospectus (DRHP) and the Red Herring Prospectus (RHP).
- (c) **“Relevant Securities”** shall mean equity shares or securities convertible into equity shares including warrants.

(4) Identification of KPIs for Industry Peers:

The management of the Issuer Company along with the lead merchant banker(s), shall identify suitable Industry Peers. The following criteria shall be considered to select Industry Peers:

- (a) The Issuer Company will strive to identify the Industry Peers of comparable size, belonging to the same industry and operating in a similar line of business or business model as the Issuer Company, for KPIs comparison, as may be feasible. If one-to-one comparison is not possible based on the above parameters, appropriate notes to explain the differences may be included.
- (b) The Issuer Company will strive to compare its KPIs with a minimum of three Industry Peers, where feasible. The selection shall follow the following hierarchy:
 - (i) Preference will be given to Indian listed Industry Peers.
 - (ii) If Indian listed Industry Peers are not available, a comparison may be made with listed global Industry Peers, provided that all financial data of global peers shall also be presented in Indian Rupees (INR) and the basis for conversion is disclosed.
 - (iii) In addition to Indian listed Industry Peers, the Issuer Company may disclose KPIs of Global Industry Peers, if relevant.
- (c) In cases where fewer than three Industry Peers are available, the Issuer Company will disclose, that only one or two peers are available for KPIs comparison.
- (d) If no suitable Industry Peers are available, the Issuer Company will clearly explain the uniqueness of its business model or line of business. Further, the Issuer Company will clearly state, that no Industry Peers are available for KPIs comparison.

(5) Shortlisting KPIs from Selected Data and Peer KPI Disclosures:

- (a) From the Selected Data, the management of the Issuer Company shall shortlist the KPIs considering the following factors:
 - (i) Projections shall be excluded;
 - (ii) Selected Data that cannot be verified, certified or audited shall be excluded, with

the management of the Issuer Company providing a rationale for the same in the audit committee note.

- (iii) Only the Selected Data tracked by the management of the Issuer Company to monitor performance, shall be included in the KPIs. Selected Data that are no longer relevant or do not reflect the current business situation due to changes in the business model, acquisitions, divestitures, etc. shall be excluded, with the management of the Issuer Company providing a rationale for these exclusions in the audit committee note.
 - (iv) Selected Data that is subsumed within the KPIs proposed for disclosure or data that represents a further breakdown of the KPI to be disclosed may be excluded. However, if such type of data is routinely disclosed by Industry Peers, it shall not be excluded. Further, any subsumed Selected Data that the Issuer Company considers as a KPI shall be disclosed separately.
 - (v) Selected Data that is confidential or business sensitive and could impact the Issuer Company's competitiveness, if disclosed publicly, shall be excluded with the management of the Issuer Company providing a rationale for this exclusion in the audit committee note. However, if such confidential or business sensitive Selected Data is routinely disclosed by Industry Peers, it shall not be excluded.
- (b) After the Issuer Company's KPIs are shortlisted, the management of the Issuer Company shall identify corresponding Peer KPI disclosures for inclusion, to the extent available (from regulatory filings and the website of such peer company) and applicable.
 - (c) Based on point (a) above, the management of the Issuer Company shall identify the KPIs to be disclosed in the offer document.

(6) Certification of Selected KPIs:

The KPIs selected for disclosure in the 'Basis for Issue Price' chapter or in the 'Business' chapter of the offer document shall be certified by the Managing Director (MD) or Executive Director or Chief Executive Officer (CEO) or Chief Financial Officer (CFO) or Manager on behalf of the management of the Issuer Company.

(7) Management Note:

The management of the Issuer Company shall prepare a note which:

- (a) specifies the GAAP Financial Measures identified as KPIs;
- (b) specifies the Non-GAAP Financial Measures identified as KPIs;
- (c) specifies the Operational measures identified as KPIs;
- (d) details the process and factors considered while making the shortlist from the Selected Data to KPIs specifying the relevance of identified KPIs;

- (e) specifies the explanation of the excluded KPIs where such rationale is required to be provided under these KPI Standards; and
- (f) specifies Selected Data that is not considered as KPIs but shall form a part of disclosures in offer document.

5. Certification process to be initiated for Selected KPIs:

- (1) KPIs identified/certified by the management of the Issuer Company to be disclosed in the offer documents are to be certified by the statutory auditor(s) or Chartered Accountants or a 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 (“**Certifying Professional**”).
- (2) The Certifying Professional is entrusted with validating the accuracy of the KPIs calculated by the management of the Issuer Company while the responsibility for preparation and determining their relevance and adequacy remains with the management of the Issuer Company.

6. Approval by the Audit Committee:

- (1) KPIs identified/certified by the management of the Issuer Company to be disclosed in the offer document shall be approved by the Audit Committee of the Issuer Company.
- (2) The management of the Issuer Company shall present the following to the Audit Committee:
 - (a) Selected Data.
 - (b) Draft disclosure of KPIs to be included in the offer document.
 - (c) Rationale for excluding certain Selected Data that is not considered as KPIs.
 - (d) Selected Data that is not considered as KPIs but forms part of disclosures in the offer document.
 - (e) Industry Peer KPI disclosures identified for inclusion.
 - (f) For the KPIs identified, 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) The definitions in relation to the terms used for the relevant KPIs and the disclosures required in relation thereto as contemplated in these KPI Standards.
 - (h) Confirmation that while collating the Selected Data and KPIs, the applicable KPI Standards have been duly considered and adhered to.
 - (i) Any other related matter considered material by the management of the Issuer Company.

- (3) Audit Committee shall evaluate the above and approve KPIs for disclosure in the ‘Basis for Issue Price’ chapter and ‘Business’ chapter of the offer document. The management of the Issuer Company shall consider any alterations, deletions, or additions in KPIs suggested by the Audit Committee.
- (4) Detailed minutes of the deliberations of the Audit Committee shall be maintained.

7. Certification by Certifying Professional:

- (1) KPIs disclosed in the offer document shall be certified by the Certifying Professional.
- (2) The Certificate to be issued by the Certifying Professional shall be issued in terms of the “*Technical Guide on Disclosure and Reporting of Key Performance Indicators (KPIs) in Offer Documents*” issued by The Institute of Chartered Accountants of India (ICAI) or The Institute of Cost Accountants of India (ICMAI), as applicable to the Certifying Professional or any other similar standard issued by ICAI or ICMAI for this purpose.
- (3) The Certificate shall be included in the list of material documents for inspection.

Part C: Format and Presentation Standards for Disclosing KPIs

All the KPIs in the ‘Basis for Issue Price’ chapter and ‘Business’ chapter of the offer document shall be defined in the “Definitions and Abbreviations” section of the offer document under a separate Head titled “Key Performance Indicators (KPIs)” used in the offer document.

All KPIs approved for disclosure shall be included either in the ‘Basis for Issue Price’ chapter or the ‘Business’ chapter of the offer document.

The format for disclosing KPIs in the ‘Basis for Issue Price’ chapter and in the ‘Business’ chapter shall be consistent with the requirements under the SEBI (ICDR) Regulations.

8. Suggested format and presentation for disclosing KPIs:

Key Performance Indicators:

The below table will be applicable for KPI’s disclosed in ‘Basis for Issue Price’ chapter and in ‘Business’ chapter.

The following table sets forth certain Key Performance Indicators for the periods indicated below:

Key Performance Indicators (KPIs)	Unit	Fiscal 1	Fiscal 2	Fiscal 3
[•]		[•]	[•]	[•]
[•]		[•]	[•]	[•]
[•]		[•]	[•]	[•]

Key components and formula, if any, for calculation of KPI to be included here.

Notes: (1) Latest financial year to be mentioned first.

(2) Where relevant, part of the most recent financial year/ interim period, may also be disclosed.

(3) The management of the Issuer Company may include any other relevant notes.

Explanation of Key Performance Indicators metrics

An explanation shall be included detailing how the KPIs are used by the management of the Issuer Company to track or monitor the operational and/or financial performance of the Issuer Company.

Key Performance Indicators	Explanation
[•]	[•]
[•]	[•]
[•]	[•]

The below table will be applicable for KPI's disclosed in 'Basis for Issue Price' chapter.

Set forth below is an illustrative format of comparison of KPIs with our industry peers:

Particular	Unit	Issuer			Peer 1			Peer 2			Peer 3		
		As at and for Fiscal			As at and for Fiscal			As at and for Fiscal			As at and for Fiscal		
		Fiscal 1	Fiscal 2	Fiscal 3	Fiscal 1	Fiscal 2	Fiscal 3	Fiscal 1	Fiscal 2	Fiscal 3	Fiscal 1	Fiscal 2	Fiscal 3
[•]		[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]		[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]		[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]		[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]		[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]		[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]		[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]		[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]		[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]		[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

Key components and formula, if any, for calculation of KPI to be included here.

Notes: (1) Latest financial year to be mentioned first.

(2) Where relevant, part of the most recent financial year/ interim period and comparative, if available, may also be disclosed.

(3) The management of the Issuer Company may include any other relevant notes.

9. Standards for presenting KPIs:

- (1) The unit of measurement of financial indicators (such as lakhs, millions, crores etc.) shall be disclosed in a format that is prescribed under the SEBI ICDR Regulations and consistent with financial disclosures in the offer document.
- (2) If there is a need to show financial indicators in a foreign currency, the Issuer Company shall present them in such foreign currency along with the equivalent Indian Rupees.
- (3) Commas shall be used according to the Indian System of Numbering when disclosing financial indicators in lacs or crores, and according to the International System of Numbering when disclosing financial indicators in millions. However, uniformity shall be maintained throughout the offer document.
- (4) Where financial indicators are shown in foreign currency other than INR, commas shall be used according to International System of Numbering.

Part D: Continuous Disclosure Requirements of KPIs

10. Standards for continuous disclosure requirements of KPIs:

- (1) The Issuer Company shall disclose all the KPIs which were disclosed in 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: –
 - (a) one year after the listing date or period specified by the Board; or
 - (b) till the utilization of the issue proceeds as per the disclosure made in the objects of the issue section of the prospectus.
- (2) KPIs that have become irrelevant during the aforementioned period, or that no longer reflect the current business model due to changes in the business environment or other reasons, shall be excluded. The management of the Issuer Company shall provide a rationale for these exclusions along with post-listing reporting of KPIs.
- (3) All continuing disclosures of KPIs in terms of SEBI ICDR/ LODR Regulations shall be approved by the Audit Committee and the Board of Directors of the Issuer Company.
- (4) The ongoing KPIs shall be certified by a Certifying Professional.

Annexure

Relevant Extract from the SEBI (ICDR) Regulations, 2018 in relation to KPIs

The extract of Clause (3) of Paragraph 9(k) of Part A of Schedule VI of SEBI (ICDR) Regulations relating to disclosure of KPIs is as under:

“(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 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 the KPIs, the KPIs shall reflect and explain the same.
- (h) For ‘Basis for Issue Price’ chapter, 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’ chapter 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’ chapter of the offer document.
 - (v) For the KPIs disclosed under the ‘Basis for Issue Price’ chapter, 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’ chapter 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).”