IN-DEPTH

Initial Public Offerings

INDIA

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Initial Public Offerings

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Contributing Editor

Daniel Forman

Lowenstein Sandler LLP

In-Depth: Initial Public Offerings (formerly The Initial Public Offerings Law Review) introduces the reader to the main stock exchanges around the globe and their related initial public offering (IPO) regulatory environments, and provides insight into the legal and procedural IPO landscapes across key jurisdictions worldwide. Each chapter gives a general overview of the IPO process in the region, addresses regulatory and exchange requirements, and presents key offering considerations.

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India

Subhayu Sen, **Aparna Bagree** and **Aayush Mohata**
Khaitan & Co

Summary

Introduction

Initial public offerings (IPOs) are not a concept that is new to India, with Reliance Industries floating their IPO nearly 50 years ago in 1977. However, during the past 10 years, the amount raised by issuers in India through IPOs have increased exponentially. During Fiscal 2015, through IPOs, issuers in India raised approximately US$3,349 million, which increased to approximately US$23,796 million during fiscal 2025,[1] demonstrating growing investor appetite for Indian stocks. Significant contributors to the numbers include large global private equity backed Indian companies,[2] multinational conglomerates as well as Indian promoter backed companies. Such increase in IPOs is also in line with the remarkable growth of the Indian economy, which overtook the United Kingdom to become the world's fifth largest economy in Fiscal 2023 and surpassed Japan in Fiscal 2026 to become the world's fourth largest economy.[3]

In India, the securities markets regulator is the Securities and Exchange Board of India (SEBI), under whose aegis, all IPOs are undertaken. Established in 1992, SEBI is authorised to act as a quasi-legislative, quasi-executive as well as a quasi-judicial body. It is empowered to draft its own regulations, issue circulars and order directives in its legislative capacity, conduct investigation and undertake enforcement action in its executive capacity as well as pass orders in its judicial capacity. From an IPO context, (1) all offer documents are vetted and cleared by SEBI prior to IPO launch, (2) only merchant banks registered with SEBI can lead manage/underwrite IPOs in India and (3) stakeholders are required to comply with all applicable SEBI laws.

India has two 'recognised'[4] stock exchanges – the BSE and the National Stock Exchange (NSE). Established in 1875, the BSE (formerly known as Bombay Stock Exchange) is Asia's first stock exchange. BSE's popular equity index – the BSE SENSEX – is India's most widely tracked stock market benchmark index.[5] The NSE is a relatively newer stock exchange, which began operations in 1994 and was the first exchange in India to implement electronic or screen-based trading. Its equity index – the Nifty50 – represents the float-weighted average of fifty of the largest Indian companies listed on the NSE. Both stock exchanges also operate as quasi legislative bodies, who are authorised to frame their own by-laws, which all companies listed on such exchanges must comply with.

In 2017, India inaugurated two internation stock exchanges in the International Financial Service Centre (IFSC), Gift City, called the India INX, a subsidiary of the BSE and the NSE IFSC, a subsidiary of the NSE. Both exchanges are regulated by the IFSC Authority and offers investors with a range of financial market products such as index and single stock derivatives, commodity derivatives, currency derivatives and debt securities, denominated in non-Indian currencies. It allows the Indian investor community access to the stock of multinational corporations as well as offer such corporations Indian investors' capital, without incorporating a company in India.

Year in review

Fiscal year 2025 and till the time of writing of this article, has been one of the most active periods in this history of Indian capital markets. In line with the upward trajectory

over the years, close to 80 companies listed on Indian stock exchanges, of which over 65 companies listed at a premium to their respective IPO price. This trend demonstrates the quality of assets accessing primary markets in India, trust of both Indian as well as foreign institutional investors and greater retail participation, whether directly or through mutual funds. Companies that undertook IPOs were in engaged in capital goods, consumer services, financial services, healthcare and pharmaceuticals and construction sectors. The capital goods industry was by far the most active in the IPO space, benefitting from India's rapid infrastructure growth, the government's incentives such as production linked incentive schemes and growing private investments in the sector.

During this period, SEBI has also introduced several laws, with the aim of ensuring that IPO pricing was not in discord with corporate performance. Most notably, the 'KPI Standards',[6] which emphasised on consistency and transparency in disclosing key performance indicators (KPIs). These standards mandate that all KPIs in offer document shall be consistent in terms of definitions, adherence to standards applied by listed peers, subjected to review by the audit committee and the management of the issuer company and sign off by the auditors.

Governing rules

The Companies Act, 2013

The Companies Act, 2013 (Companies Act) is the law framed and approved by the Indian parliament. It is the governing law, applicable to all companies in India. The most relevant provisions of the Companies Act to issuer companies proposing an IPO in India are:

1. Section 62(1)(c) – the section allows companies to access capital from the public at large, subject to certain conditions.
2. Sections 23 to 41 – sections dealing with public offers by companies in India, including matters to be stated in a prospectus, offer for sale by shareholders, liabilities for misstatement in a prospectus, procedure for allotment, etc. Importantly, section 24 of the Companies Act delegates necessary powers to SEBI to administer the process of listing.

The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018

The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (ICDR) is a law framed by SEBI to predominantly administer the process of listing and fund raising by companies in India. The ICDR contains eligibility conditions applicable to companies proposing to raise public funds, disclosure requirements in offer documents and well as the procedure for undertaking IPOs, among other things.

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) contain corporate governance compliance requirements, which are required to be complied with even prior to filing of the draft offer documents for regulatory approval. It also sets out the post listing compliance requirements, in terms of dissemination of price sensitive information, disclosure of quarterly financial results and other governance norms.

The offering process

The offering process in India

The IPO process in India, commencing from the transaction 'kick-off' to listing of the shares, spans anywhere between nine months to a year. The procedure is outlined briefly in the following order.

1. Due diligence conducted by the legal counsels and preparation of the financials by the issuer company and the auditors (more on the piece later).
2. Drafting of the offer document, termed the 'draft red herring prospectus' (DRHP). In aggregate, points 1 and 2 takes about three months to complete.
3. Filing of the DRHP with SEBI and the stock exchanges.
4. IPO road shows commence post filing of the DRHP.
5. Stock exchanges and SEBI issue interim observations on the DRHP within 30 days from its filing.
6. Responses to such observations are prepared and submitted to the regulators, with an undertaking that such responses would be incorporated in the DRHP. Usually, the regulators require such responses to be submitted within seven days of receipt of the observations.
7. SEBI also issues 'final observations' on the DRHP, which, as the name suggests, is typically the last set of observations issued by SEBI on the DRHP. Final observations are usually issued within three months of filing of the DRHP. It may take longer, in certain circumstances.
8. Once the IPO road shows are near completion, the merchant banks file an 'updated DRHP' (U-DRHP) with SEBI. The UDRHP incorporates all factual updates to the DRHP as well as edits suggested by SEBI and the stock exchanges through their observations. The timing of the UDRHP filing is discretionary on the issuer company – it depends on the success of the IPO road shows.
9. SEBI approves the U-DRHP in less than a week from its submission. This is colloquially termed 'SEBI's final approval'.
10. The IPO must be opened for subscription within a period of 12 months from the date of receipt of SEBI's final approval.
11. The U-DRHP is then filed with the registrar of companies and is termed the 'red herring prospectus' (RHP). The RHP is filed anytime post full completion of the QIB roadshows. The difference between the U-DRHP and the RHP are (a) the U-DRHP

does not have the dates on which the IPO is open for subscription and (b) the U-DRHP is not publicly available and is submitted only to SEBI, for the purposes of receiving SEBI's final approval.

12. Once the RHP is filed, the issuer company is permitted to release of an advertisement in newspapers and other forums, intimating the public at large about the IPO price band.
13. Thereafter, the IPO opens for subscription and is kept open for three working days.
14. Once the IPO closes successfully, the RHP is converted into the 'Prospectus', a document which includes the final price at which the successful bidders in the IPO would be allotted shares. The Prospectus is filed with the registrar of companies as well.
15. The shares list within three working days from the date of closing of the bidding period.

All references to the term 'offer documents' in this paper shall mean the DRHP, U-DRHP, RHP and Prospectus.

Things that we do differently in India

While IPOs in different jurisdiction have their own nuances, there are certain concepts in India that are unique, compared to other matured markets. A few such concepts are discussed below.

Concept of a 'promoter' and their identification

While the term 'promoter' is common in laws of several jurisdictions, Indian laws are perhaps the strictest while interpreting the term and imposes harsh liabilities in case the interpretation is done wrong. Three laws concurrently define the term, of which two are codified and one is based on practice. The codified laws are the Companies Act and the ICDR. The practice is based on feedback from the NSE, which is perhaps the strictest of them all.

Fortunately, at present, the definition of the term is nearly identical in both the Companies Act and the ICDR – (1) any person who has been named as a promoter in an offer document or an annual return[7] filed under the Companies Act, (2) who has control over the affairs of the issuer, directly or indirectly, whether as a shareholder, director or otherwise and (3) in accordance with whose advice, directions or instructions the board of directors of the issuer are 'accustomed to act', except in the case where such person is acting merely in a professional capacity.

It is evident that only clause (1) above is a precise definition and clauses (2) and (3) are more subjective. A person who has 'control' over the affairs of an issuer was well understood to be any person who, on listing, hold 25 per cent or more of the paid-up share capital of the issuer, whether directly or indirectly. However, the NSE has added a few additional aspects on the definition of 'control', which include (1) the promoter's immediate relative,[8] who is a director or part of the senior management of the issuer, irrespective of such person's shareholding in the issuer, (2) the promoter's immediate relative, if such

relative holds more than 10 per cent of the issuer's equity shares, (3) the issuer's founders, who is on the board of directors or is part of the senior management team and has a shareholding of 10 per cent or more of the equity shares and (4) in case the promoter is a body corporate, the promoter of that company and the individual, if any, who ultimately exercises control of the corporate promoter.

In case the IPO deal team errs while identifying a promoter, SEBI has the right to return the draft document, which results in significant time and cost overruns. Further, if SEBI determines that the ultimate promoters of the issuer has not been accurately identified in the offer document, it may 'reject' the offer document, which in turn, disallows the issuer from accessing the capital markets for a year or more.[9]

Identification of the promoter group and eligibility

The term 'promoter group' is broadly defined as (1) persons who are immediate relatives of the promoter and (2) entities in which the promoter or such persons, individually or in aggregate, hold 20 per cent or more of the paid-up capital. Unfortunately, immediate relatives are the parents, siblings, spouse and children of not only the promoter but of their spouse as well. This leads to situations where promoter's in-laws, who may perhaps be engaged in completely unrelated businesses, are brought within the issuer's group for the purposes of the IPO.

Further, an issuer must satisfy several eligibility requirements prior to filing of the DRHP with SEBI, one of which is that apart from itself, its promoters, promoter group, directors or shareholders offering their shares in IPO as part of the secondary component, are not debarred from accessing the capital markets in India by SEBI.[10]

Therefore, if any member of the promoter group, which could perhaps be unrelated to the issuer's business in any manner, except through a marriage, is debarred from accessing capital markets by SEBI, the issuer company is prohibited from undertaking an IPO.

The concept of underwriting

In several jurisdictions, IPO underwriters purchase the shares proposed to be offered in the IPO from the issuer company and then down sell such shares. Therefore, the ownership of the shares first moves to the underwriter, on their books, and thereafter to IPO investors. This method of underwriting ensures the issuer company receives the funds, without depending on the IPO's success. The risk moves to the underwriters before the IPO is open for subscription.

In India, however, law permits underwriting of either the subscription shortfall or of the payment default. The underwriters do not subscribe to the shares in the manner described in the above paragraph but instead purchase the shares only in case there is a subscription shortfall or a payment default. The decision to underwrite a subscription shortfall must be taken by the issuer company and the underwriters before the IPO opens for subscription. In case an IPO is only underwritten for payment default by successful bidders, the decision can be taken once the IPO is successfully closed but prior to filing of the prospectus.

Disclosure of litigations

Perhaps the governing law of all jurisdictions requires disclosure of litigations in offer documents. Nevertheless, all things considered, the disclosure requirements in India are stringent. All material civil litigations involving the issuer, its subsidiaries, directors and promoters require disclosure. Additionally, all criminal and regulatory matters involving the abovementioned parties, without applying a materiality threshold, need disclosure. Further, all litigations involving companies in the issuer's group, which are not subsidiaries, that has the potential to materially affect the issuer company in any manner, also require disclosure.

Moreover, SEBI and the stock exchanges conduct independent checks, once the offer document is filed with them, on the litigations involving the mentioned parties. In the event any litigation required to be disclosed is missed, it delays SEBI's sign off on the offer document. If the omission is considered material, SEBI may return the offer document and seek refiling.

Deemed public issues

Indian law considers an issuance of shares or a series of such issuances to be a 'public issue' if the number of allottees, in aggregate, of such shares in a year exceeds 200 persons.[11] All public issues in India are required to be undertaken through an IPO. Therefore, as a thumb rule, an unlisted company is prohibited from raising capital from the public at large without undertaking an IPO.

Further, if a company allots shares to a person, who in turn, down sells such shares within a period of six months from the date of allotment, to more than 200 persons, then, unless the contrary is proved, it shall be assumed that such transaction was undertaken at the behest of the company and deemed to be a disguised public issue.[12]

While preparing for an IPO, it is incumbent on the merchant banks and the deal counsels to verify that the issuer company has not undertaken a public issue in the past, in violation of applicable law. In the case a company is in breach of applicable law in this regard, SEBI may take appropriate action, including pausing the issuer's IPO plans. There have been several instances in the recent past of such cases, which, unfortunately, has dented several potential issuer's growth plans.

Business diligence

An underpinning concept in Indian IPOs is that SEBI expects all statements in an offer document, save for minor exceptions, to be independently verified by the merchant banks. This proves difficult in certain situations, primarily the statements made in the 'Business' section of offer documents. Disclosures in the section is significant and is typically divided into an overview of the issuer's business, its competitive strengths, its future strategies and a granular detailing of their operations at large. Depending on the industry, a business section may be relatively easy to understand and, therefore, easy to diligence, or it may be highly technical and not intuitively understandable, making the diligence that much more difficult. However, all merchant banks in India conduct a 'line by line business diligence' – which implies the verification of every statement in the business section of the offer document, apart from minor exceptions, through appropriate documentary evidence. This view is industry-agnostic and can materially affect the transaction timelines.

Disclosures in the offer documents

In relation to IPOs, India follows a more mandatory disclosure-based regulatory regime than a voluntary one. The disclosures in an offer document are guided by the ICDR, SEBI's written directions to merchant banks as well as established practice. The following section discusses some of the key disclosures in an offer document prepared for an IPO in India.

Financial information

Consolidated financial statements for the three most recent years, audited as per Indian accounting standards, is required to be disclosed in the offer documents. Such financial statements must undergo a process of 'restatement' prior to disclosure in the book. Restatement is a process through which the accounting policies adopted by the issuer in the most recent year is applied consistently across the previous two years. Further, the financials in an offer document cannot be more than 135 days or six months older than the date of the offer document.[13] If the offer document is proposed to be filed after 135 days or six months from the end of a financial year, stub period financials need to be disclosed in the book, again restated and audited in the manner mentioned above.

In the case the issuer company has acquired a 'material' business or company post the date of the last balance sheet disclosed in the offer document, the issuer company needs to prepare proforma financials for at least the stub period, if any, and the last completed financial year. The term 'material' indicates a contribution of over 20 per cent of the acquired company or business to the revenue, profit before tax or net worth of the issuer company on a consolidated basis.

Business, Industry Overview, Risk Factors and Management Discussion & Analysis of Financial Condition and Results of Operations (MD&A)

These sections are common in offer documents across industries. The contour of disclosures is briefly discussed.

The business section describes the business undertaken by the issuer company, on a consolidated basis. The section is typically divided into the following segments.

1. Overview – this summarises the business undertaken by the issuer company, its segments, kind of products or services offered, geographical spread and leadership positions, if any. Any claimed leadership positions need to be verified by an independent entity, who is tasked with preparing an assessment report on the industry in which the issuer operates.
2. Competitive strengths – a section that identifies the strengths of the issuer company, which allows it to compete effective. Competitive strengths may include first mover advantage, long term relationship with marquee clients, unique business model, being part of the larger conglomerate, etc.
3. Strategies – the business strategies that the issuer company proposes to adopt going forward, such as consolidation, entry plans into new markets or product segments, etc.
4.

Details of the business – a more granular discussion about the business, product categories, manufacturing process, if applicable, installed capacities and utilisation, distribution model, sourcing plan, etc.

The industry overview is prepared basis a report prepared by an independent organisation, well versed in evaluating industries and preparing assessment reports. The report typically covers global and Indian industry size, in terms of total addressable market, historical trends, future projections, impact of present and potential regulatory changes, study of the competitive space, the issuer company's position in the environment, and so on.

The risk factors discuss risks that are internal to the issuer company's business, industry in which it operates, risks arising out of deployment of IPO proceeds and external risk factors. SEBI mandates that while highlighting internal risks, the issuer must give instances where an applicable event has occurred, usually during the past three years.

The MD&A is divided into the following sections: (1) significant factors that affect the issuer company's results of operations, which is an objective analysis; (2) a comparison of the income statement and cash flows for the periods disclosed in the offer document, on a line-by-line basis; (3) analysis of certain balance sheet items, which have the potential to affect results, such as contingent liabilities, provisions, etc.; and (4) any significant developments post the last balance sheet date.

Capital structure, history, management, promoter & promoter group, litigation and approvals

The following sections, in aggregate, are colloquially referred to as the 'non-business' sections.

1. The capital structure discloses the manner in which the issuer company has been funded through equity since incorporation and at the valuation at which such capitalisation has occurred. It also includes details of funds infused by the promoter in the issuer company as well as the names of the key shareholders.
2. The history section describes the issuer company's corporate journey, summarises existing shareholder agreements, details of mergers and acquisitions undertaken in the past, etc.
3. The management section includes disclosures of the company's directors, senior management, executive pay as well as committee constituted under the board. Corporate governance compliance is detailed in the section as well.
4. The promoter and promoter group describes details of the issuer company's promoter, conflict of interest situations and the names of the promoter group entities.
5. Litigations required to be disclosed in an offer document has been mentioned in the previous pages.
6. Details of licences and approvals material to the issuer company and its material subsidiaries are disclosed in the approvals section.

These apart, certain boilerplate disclosures are mandated, such as the procedure through which the bidding process in the IPO occurs, the allocated basket in the IPO for each kind of investors, etc.

Long lead items

Finalising the capital structure

At times, an issuer company's stock may be too highly valued for it to be an attractive proposal for public shareholders. With the merchant banker's concurrence, the issuer company returns value to its shareholders prior to filing of the DRHP with SEBI, usually through a bonus issue. Depleting the reserves devalues the stock, which in turn makes it more attractive of a buy for public shareholders in the IPO. The planning and execution of such bonus as well as the related corporate filings is a time-consuming process and needs attention in case the value per share is considered too high.

Third party consents

An issuer needs written consents from all third parties named in the offer documents. Such third parties include important customers, suppliers, partners and lenders. If such customers and suppliers are large corporations, the draft of the written consent is subject to inter se negotiations. Banks lending to the issuer company usually have their own protocols, which takes time to align.

Special purpose audit

The Companies Act requires every company incorporated in India to undertake annual audit of their financial statements. Any audit done over and above such requirement is termed a 'special purpose audit'. Therefore, if a company undertakes an audit for a period that is for a quarter or half year, it is considered a special purpose audit. Further, if the accounts of the issuer company are prepared as per Indian GAAP,[14] it needs to be converted to Indian Accounting Standards (Ind AS), which is a special purpose audit procedure. It is important to note that the financial statements included in offer documents cannot be older than six months from the date of such offer documents, which necessitate preparation of stub period financial statements in certain circumstances.

Appointment of independent directors on the board and committees

SEBI mandates that at least half of the board of directors of an issuer company needs to comprise independent directors, unless the chairperson is a non-executive director, in which case, one third of the board needs to comprise independent directors. This condition needs to be satisfied prior to filing of the DRHP.

SEBI also mandates that several committees, comprising of the issuer company's board members, be constituted prior to filing of the DRHP. Such committees must comprise of a significant majority of independent directors or at the very least, one independent director.

Finding the right independent director who is keen to be appointed to the board of an issuer company is not always easy. The process of identifying, shortlisting and subsequently appointing an independent director is a long-lead item that needs to be addressed early in the IPO process.

Abeyance and rejection of the DRHP

While compliance with all applicable laws in relation to an IPO is imperative, there are two laws in particular, the breach of which either leads to SEBI 'rejecting' the DRHP or keeping the document in abeyance. Keeping the document in abeyance implies that SEBI will not issue its comments on the DRHP for at least one month to 135 days, depending on the severity of the case.

Abeyance: the SEBI (Issuing Observations on Draft Offer Documents Pending Regulatory Actions) Order, 2020 (Abeyance Order) lays down the circumstances under which SEBI would not issue observations on a DRHP if there is an ongoing investigation, enquiry, adjudication, prosecution, recovery or other regulatory action against the issuer company, its promoters or group companies. Depending on the nature of the regulatory action, the period during which the DRHP is kept in abeyance is determined.

Rejection of the DRHP: the SEBI (Framework for Rejection of Draft Offer Documents) Order, 2012 (Rejection Order) lays down the circumstances under which SEBI may 'reject' the DRHP, which implies that the DRHP shall not be processed for clearance and the issuer company is disallowed from accessing the capital markets for one year or more. Such circumstances include:

1. if the issuer company's net worth is built through circular transactions;
2. if the purpose for which the IPO is undertaken is vague;
3. if the issuer's business model is too exaggerated, complex or misleading and investors may not be able to assess the risks associated with such business model;
4. if there is a sudden spurt in the business just before filing the DRHP and the reply to clarifications sought by SEBI is not deemed satisfactory; and
5. where there exists a litigation that is so material that the issuer company's survival is dependent on the outcome of such litigation, and several others.

In the event any of these circumstances exist or is deemed to exist, the issuer company needs to discuss the possible solutions with the merchant banks and deal counsels at the earliest. Such issues are long lead items and delays in addressing them can result in significant time and cost overrun.

International stock exchanges at Gift City, India

The Gujarat International Finance Tech-City (Gift City) is a special economic zone in which India has set up an International Financial Service Center (IFSC). A financial institution set up in the IFSC is considered a person resident outside India.

Two stock exchanges have been set up in the IFSC, India INX, a subsidiary of the BSE, and the NSE IFSC, a subsidiary of the NSE. Any company whose shares or other securities

are denominated in any currency other than the Indian rupee is permitted to list on these exchanges. While there have been limited number of listings on such exchanges till date, the exchanges offer several advantages:

1. the regulations are more 'soft touch' and the regulator has not prescribed stringent disclosure or compliance requirements;
2. form of the offer documents is as per the country of incorporation of the listing company;
3. a foreign company may directly list its securities on such exchanges, without having the need to set up a company in India (which is a mandatory requirement in case a company wishes to list its equity shares on the BSE or the NSE); and
4. companies get access to the Indian market and gains visibility across jurisdiction.

The ICDR also requires the financial statements disclosed in the offer document to be prepared as per Ind AS by the statutory auditors of the issuer company or an independent peer reviewed[15] chartered accountant. In the event the financials of an issuer company were prepared under Indian GAAP, a special purpose audit is required to be undertaken as per Ind AS. Further, if the auditor is or was not peer reviewed for any year during the past three years, a special purpose audit needs to be undertaken by a peer reviewed chartered accountant. Any special purpose audit takes a couple of months to complete, at the very least.

Outlook and conclusions

Due to India's steady economic growth, government support, inflow of foreign institutions owned capital and a well-established regulatory framework, we expect India's IPO market to continue the upward trend. Not only Indian companies but large multinational conglomerates have listed their Indian assets in India.[16] During the incumbent financial year, we expect greater mutual fund participation in IPOs, more new age business listings and further growth in the number of IPOs by companies engaged in the manufacture of capital goods.

Endnotes

1 Source: Primedatabase.com. ^ Back to section

2 Private equity funds such as Blackstone, General Atlantic, Warburg Pincus, Brookfield, Temasek, Apax and several others have successfully exited through Indian IPOs. ^ Back to section

3 India Brand Equity Foundation. ^ Back to section

4 Stock exchanges that are recognized under the Securities Contracts (Regulation) Act, 1956. Stock exchanges that are not 'recognized' under this law can't operate in India as a stock exchange. ^ Back to section

5 The BSE website. ^ Back to section

6 Circular dated 28 February 2025 – Industry Standards on Key Performance Indicators Disclosures in the draft offer document and the offer document. ^ Back to section

7 A publicly available document, which includes details such as business operations, shareholding pattern, financial performance, promoter and group, executive pay, etc. ^ Back to section

8 To have the same definition of the term 'promoter group', as defined in the ICDR. ^ Back to section

9 Refer to the SEBI General Order No. 1 of 2012 – SEBI (Framework for Rejection of Draft Offer Documents) Order, 2012. ^ Back to section

10 Regulation 5 of the ICDR. ^ Back to section

11 Section 42 of the Companies Act. There are two exceptions to this norm – allotment of stock options to employees and allotment to certain institutions. ^ Back to section

12 Section 25 of the Companies Act. ^ Back to section

13 Whether the period is six months or 135 days would depend on several factors, such as if the deal is marketed to the US markets, on the auditor's internal policies, etc. ^ Back to section

14 Indian GAAP was an accounting standard applicable to Indian companies. It has been phased out in a staggered manner and has been replaced by the Indian Accounting Standards, which is more in line with IFRS. ^ Back to section

15 A peer review is a review process conducted by the Institute of Chartered Accountants of India. Once an audit firm is peer reviewed, it receives a certificate confirming such review. Such audit firms are regarded to be well established and have quality controls in place internally. ^ Back to section

16 Recent examples include Hyundai Motors and LG Electronics, with several others in the pipeline. ^ Back to section

Subhayu Sen subhayu.sen@khaitanco.com
Aparna Bagree aparna.bagree@khaitanco.com
Aayush Mohata aayush.mohata@khaitanco.com

Khaitan & Co