
**FIRST REPORT OF THE WORKING GROUP ON REVIEW OF
SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING
OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS,
2015 (“LODR REGULATIONS”)**

[16-06-2026]

ACKNOWLEDGEMENTS

The Working Group expresses its gratitude to the Chairman, SEBI, Shri Kamlesh Chandra Varshney, Whole Time Member, SEBI, Mr. Jeevan Sonparote, Executive Director, SEBI and Ms. Maninder Cheema, Executive Director, SEBI for entrusting the Working Group (WG) with a significant task of reviewing the LODR Regulations.

The WG also appreciates the support received from the Corporation Finance Department of SEBI, especially Mr. Rajesh Kumar Dangeti, CGM and Member Secretary of the WG, and his team, for the meetings of the WG.

The WG also acknowledges the support and contribution received from the members of this WG and their respective teams and Stock Exchanges, during the meetings and in drafting the first report.

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1. WORKING GROUP

The Working Group on the review of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 was constituted in December 2025 with the objective to enhance the ease of doing business, ensuring that all regulatory adjustments remain aligned with investor-centric principles.

1.1 Composition of the Working Group

a. Representatives from the Industry:

Sr. No.	Name and designation of the members	Capacity
1.	Shri V S Sundaresan, Former Executive Director, SEBI	Chairperson
2.	Shri P R Ramesh Independent Director, Larsen and Toubro Limited, Cyient Limited, Air India Limited, Cipla Limited, ITC Hotels Limited, Nestle India Limited etc.	Member
3.	Shri Vinod Chandrasekharan CGM (Finance), NABARD	Member
4.	Shri Mahadeo Raikar CFO, Tata Capital Housing Finance Limited	Member
5.	Shri Makarand M. Joshi Founder and Senior Partner, Makarand M. Joshi & Co. Practicing Company Secretary	Member
6.	Shri K Parvatheesam Company Secretary & Compliance Officer Tata Steel Ltd.	Member
7.	Shri Manikantha A.G.S. Company Secretary & Compliance Officer Infosys Ltd.	Member
8.	Ms. Manita Carmen A. Gonsalves Company Secretary & Compliance Officer, Polycab India Ltd.	Member
9.	Shri Ajay Agarwal Company Secretary & Compliance Officer, HDFC Bank Ltd.	Member
10.	Shri Rajendra Singhi Company Secretary & Compliance Officer, ITC Ltd.	Member

11.	Shri Vinay M A Company Secretary & Compliance Officer, Marico Ltd.	Member
12.	Shri Subramanian Narayan Company Secretary & Compliance Officer, Larsen & Toubro Ltd.	Member

b. Appointed in Ex-Officio Capacity:

Sr. No.	Name and designation of the members	Capacity
1.	Shri Ankit Sharma Chief Regulatory Officer, NSE	Member
2.	Ms. Kamala K Chief Regulatory Officer, BSE	Member
3.	Shri Debashis Bandyopadhyay Chief General Manager, Department of Debt and Hybrid Securities, SEBI	Member
4.	Shri Rajesh Kumar Dangeti Chief General Manager, Corporation Finance Department, SEBI	Member Secretary

c. Co-opted as Members / Special Invitees:

Sr. No.	Name and designation
1.	Shri Narayan Shankar Former Executive Vice President and Company Secretary, Mahindra & Mahindra Ltd.
2.	Ms. Savithri Parekh Company Secretary & Compliance Officer, Reliance Industries Limited
3.	Shri Chandrachud Durlabh Paliwal L&T Metro Hyderabad
4.	Mr. Mayank Patwa
5.	Ms. Shailashri Bhaskar Practising Company Secretary
6.	Ms. Radha Kirtivasan Head – Listing and SME, BSE
7.	Mr. Harshad Dharod Chief Manager, NSE
8.	Mr. Atul Mehta Practising Company Secretary
9.	Mr. Manish Ghia Practising Company Secretary

1.2 Terms of Reference of the Working Group

The Working Group shall advise SEBI on:

- i. Simplify the regulatory language using plain, clear and concise language, to remove ambiguities and enhance overall usability.
- ii. A holistic and forward-looking review of LODR Regulations to streamline the provisions with an aim to make it more effective.
- iii. Identify overlapping provisions and remove redundancy, review timelines, disclosures, formats etc. and recommend rationalisation measures to facilitate ease of compliance.
- iv. Any other consequential matter, as the Working Group may deem fit.

1.3 Sub-groups of the Working Group

The Working Group resolved in its first meeting held on January 6, 2026, to constitute six sub-groups to deal with specific terms of reference and come back with recommendations to the Working Group.

Details of the sub-groups and their respective members are as follows:

Sr. No.	Name of the Sub-Group	Names of the Members
1.	Sub-Group on LODR Regulations governing Debt listed entities	• Mr. Vinod Chandrasekharan • Mr. Mahadeo Raikar • Mr. Chandrachud Durlabh Paliwal (Invitee) • Mr. Mayank Patwa (Invitee)
2.	Sub-Group on Related Party Transactions	• Mr. Ajay Agarwal • Mr. Makarand M. Joshi • Mr. Subramanian Narayan • Mr. Manikantha A.G.S.
3.	Sub-Group on Disclosures	• Mr. K Parvatheesam • Mr. Rajendra Singhi • Mr. Vinay M A • Mr. Manikantha A.G.S.
4.	Sub-Group on streamlining of LODR with other Regulations and the Companies Act, 2013	• Mr. Makarand M. Joshi • Ms. Shailashri Bhaskar (Invitee) • Mr. Vinay M A • In consultation with ICAI/ICSI
5.	Sub-Group on Subsidiaries, Directors, Promoters, Promoter Group and Reclassification of promoters	• Mr. Subramanian Narayan • Ms. Manita Carmen A. Gonsalves • Mr. Narayan Shankar (Invitee) • Ms. Savitri Parekh (Invitee)

6.	Sub-Group on SME	• Ms. Radha Kirthivasan (Invitee) • Mr. Harshad Dharod (Invitee) • Mr. Atul Mehta (Invitee) • Mr. Manish Ghia (Invitee)
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1.4 Recommendations

While the sub-groups were deliberating on their respective area of work, following items were deliberated by the Working Group.

- (i) Monitoring and Disclosure of Utilization of issue proceeds
- (ii) Review of Penal Provisions and Actions by Stock Exchanges for Non-Compliance with SEBI Regulations by Listed Companies including Standard Operating Procedure (SOP) for Action by Stock Exchanges
- (iii) Clarifications on Related Party Transaction (RPT) Provisions

Pursuant to deliberations, the Working Group submits its recommendations on the said items through this first report to SEBI for consideration.

Chapter I: Monitoring and Disclosure of Utilization of issue proceeds

Background:

1. Regulation 41 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“**ICDR**”) *inter-alia* requires as under:
 - In case of IPO on Main Board, if issue size, excluding the size of offer for sale by selling shareholders, exceeds one hundred crore rupees (fifty crore rupees in case of SME issue) 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.
 - Similar provisions with respect to monitoring of use of proceeds of the issue are there under ICDR in respect of Rights Issue (Regulation 82), Further Public Offer (Regulation 137), Preferential Issue (Regulation 162A), Qualified Institutions Placement (Regulation 173A), SME IPO (Regulation 262).
2. Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR**”) *inter-alia* requires as under:
 - Where the listed entity has appointed a monitoring agency (“**MA**”) to monitor utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, the listed entity shall submit to the stock exchange(s) any comments or report received from the MA within forty-five days from the end of each quarter *(*Half Year in case of SME listed companies*). The MA report is required to be placed by listed entity before the audit committee on a quarterly basis, promptly upon its receipt.

Need for review and approach:

1. MA acts as an independent agency, which monitors the utilization of issue proceeds raised through public issues, rights issues and other fund-raising mechanisms under ICDR. MA Reports are intended to enhance transparency, accountability and safeguarding investor interests. Therefore, timely and adequate submission of report of MA to SEs is paramount to ensuring investor protection. Accordingly, there is a need to review and strengthen the framework under ICDR and LODR, for timely and adequate submission of report of MA on utilisation of issue proceeds to Stock Exchange(s) (“**SEs**”).
2. Accordingly, the Primary Market Advisory Committee (“**PMAC**”) of SEBI had recommended measures for strengthening the framework relating to monitoring and disclosure of utilisation of issue proceeds, which were considered by the Working Group (“**WG**”).
3. The WG has, in general, aligned with the recommendations of the PMAC, however certain modifications and additional recommendations have been proposed by the WG, primarily aimed at:
 - Improving governance efficiency,
 - Ensuring timely disclosures, and
 - Balancing regulatory requirements with ease of doing business.

Objective and Rationale for the review:**1. Enhancing Ease of Doing Business through clarity:**

The proposed amendments concerning the monitoring and disclosure of the utilisation of issue proceeds are fundamentally clarificatory in nature, aimed at replacing operational ambiguity with a predictable compliance framework. By codifying the regulatory consequences that listed entities may face in the event of non-cooperation during the process of preparation of the MA Report, the proposed framework is aimed to eliminate any scope for uncertainty. This ensures that listed entities and their management fully understand their statutory obligations and potential enforcement outcomes, thereby streamlining the disclosure mechanism and corporate governance framework within listed entities.

2. Optimizing Governance and Investor Protection:

Empowering the Monitoring Agency to submit its report directly to the Stock Exchanges (SEs) balances operational clarity with robust investor protection mechanism by ensuring the timely dissemination of the MA report to the investors. This is aimed to eliminate potential administrative delays by listed entities in making disclosures of MA Report, thereby safeguarding market integrity. Furthermore, the proposed measures to monitor the utilisation of issue proceeds across all issuances regardless of the issue size, to be independently verified by MA, is aimed to ensure that there is a uniform oversight mechanism in place which reinforces investor confidence in the process of fund raising and deployment.

The recommendations of the PMAC and WG are as under:**1. Empowering MA to directly submit its report to SEs within prescribed timelines under LODR**

1.1 Existing provisions: As per the relevant provisions under ICDR and LODR Regulations¹, MA submits its report to the listed entity/Issuer based on the information submitted by them and listed entity is further required to submit the report received from the MA to the stock exchange(s) within 45 days from the end of each quarter.

1.2 Need for review: In the current framework under ICDR and LODR, dissemination of MA Report on the website of SEs within prescribed timelines is dependent on timely and complete submission of information by listed entity to MA. Based on the feedback received from MAs, following issues have been highlighted:

- (i) Upon receipt of report from MA, listed entity either delays or fails to submit the Report to stock exchanges within prescribed timelines. This prevents the timely dissemination of information to investors.

¹ Regulation 41 (IPO on Main Board), Rights Issue (Regulation 82), Further Public Offer (Regulation 137), Preferential Issue (Regulation 162A), Qualified Institutions Placement (Regulation 173A), SME IPO (Regulation 262) of ICDR, Regulation 32 of LODR

- (ii) Non-cooperation by listed entities during the process of monitoring such as: not providing information to MA, delay in sharing the required information, information not substantiated with requisite supporting documents, non-payment of fee to MA etc., delays the reporting by MA.

In view of the above, there is a need to empower MA, to directly submit its report to stock exchanges within 45 days from the end of each quarter for dissemination on the respective website of SEs.

1.3 PMAC Recommendations and rationale:

Monitoring agency acts as an independent agency who monitors the utilisation of issue proceeds so as to ensure that funds are used for the objects disclosed in the offer document, thus reducing the risk of misuse or diversion. The timely and adequate dissemination of report of MA enhances transparency for investors and accountability for the issuer/listed entity. Accordingly, it is recommended that:

- 1.3.1 MA shall directly submit its report to stock exchanges within 45 days from the end of the reporting quarter, so that dissemination of their report to stock exchange is not dependent on the listed entity. This will ensure that the information reaches the investors in a timely and transparent manner. Accordingly, listed entity shall not be required to submit the MA Report to SEs.
- 1.3.2 In the event of non-cooperation by listed entity, during the process of monitoring, the report directly submitted by MA to SEs shall be accompanied by "Statement of non-cooperation". In the said statement MA may categorically state the following:
 - Specific instances of non-cooperation;
 - Declare that the findings are based on the "best available information" solely due to non-cooperation by the listed entity;
 - Explicitly flag the potential risk of diversion of issue proceeds due to listed entity not providing necessary information.
 - Advice to investors, recommending due diligence and caution regarding their investment in the listed entity etc.
- 1.3.3 SEs shall be advised to facilitate MAs to file their report directly to SEs, which shall be appropriately disseminated by SEs on their respective website, for information of the investors.
- 1.3.4 MAs while submitting the report to SEs, shall simultaneously, provide a copy of the same to the listed entity.
- 1.3.5 A standard operating procedure outlining the timelines for exchange of information between the listed entity and MA and related aspects (including format of "Statement of non-cooperation") may be specified by way of issuance of circular.

1.4 **WG Recommendations and rationale:**

WG has agreed with the recommendations of PMAC. Based on the suggestions received from MAs, it is further recommended to align the timelines for submission of MA Report for the **last quarter** (quarter ended March 31) of a financial year (half year ended on March 31 in case of SME listed entities) with timelines for filing financial results under Regulation 33 of LODR, i.e. 60 days from the end of the quarter/half year, as applicable.

- 1.5 **Suggested text of the amendment:** Based on the recommendations of the PMAC and the WG, the draft amendments to **LODR** (amendments to existing Regulation 32 and insertion of Regulation 32A) and **ICDR**² are placed as **Annexure-I and II** respectively. The **draft circular** is placed as **Annexure-III**.

2. **Action against listed entity in case of non-cooperation by listed entity reported by MA**

- 2.1 **Existing provisions:** With respect to Regulation 32 of the LODR, Section VII-A of the SEBI Master Circular on LODR dated November 11, 2024, prescribes penal action in relation to Regulation 32(1) for non-submission of deviations/ variations in utilization of issue proceeds. There is no penal action prescribed for non-cooperation by listed entity reported by MA.

- 2.2 **Need for review:** To increase accountability on the part of listed entities, there is a need to prescribe penal action for non-cooperation by listed entity reported by MA.

- 2.3 **PMAC Recommendations and rationale:** It is proposed that, Section VII-A related to non-compliance with certain provisions of the LODR in SEBI Master Circular dated November 11, 2024, may suitably be amended as brought out in **Annexure- IV** and summarized below.

Action in case of Non-cooperation by listed companies reported by MA: A fine of Rs. 50, 000/- per instance reported by MA in a quarter may be levied by Stock Exchange(s). Subsequent action post levy of fine shall be in accordance with Standard Operating Procedure laid down in Section VII-A of the Master Circular.

- 2.4 **WG Recommendations and rationale:** WG has agreed with the recommendation of the PMAC, however, the proposal may be modified to the extent to refer the updated Master Circular for compliance with the provisions of the SEBI (LODR) Regulations, 2015 dated January 30, 2026, instead of November 11, 2024.

Accordingly, it is proposed that in Para 6.1 of Section VII-A of the Master Circular for compliance with LODR, Sr. No. 20A may be inserted for action in case of non-cooperation by listed entity, reported by MA, after Sr. No. 20 which deals with non-compliance pertaining to Regulation 32(1) of the LODR.

² Regulation 41 (IPO on Main Board), Rights Issue (Regulation 82), Further Public Offer (Regulation 137), Preferential Issue (Regulation 162A), Qualified Institutions Placement (Regulation 173A), SME IPO (Regulation 262) of ICDR Regulations

2.5 Suggested text of the amendment: Based on the recommendations of the PMAC and the WG, the proposed amendments to Section VII-A related to non-compliance with certain provisions of the LODR in SEBI Master Circular dated January 30, 2026, is placed at **Annexure- IV**.

3. Termination of monitoring agency agreement before hundred percent of the proceeds of the issue have been utilized

3.1 Existing provisions: In terms of the ICDR, MA is required to submit its report to the issuer on the format specified in Schedule XI on a quarterly basis, till hundred percent of the proceeds of the issue have been utilized.

3.2 Need for review: The termination of a MA agreement before hundred percent utilization of the issue proceeds may significantly impact quarterly disclosure of MA report, investor confidence and transparency.

3.3 PMAC recommendations and rationale:

3.3.1 It is proposed that in case of termination of agreement between listed entity and MA before hundred percent utilization of the issue proceeds, both the listed entity and existing MA shall ensure timely submission of quarterly MA Report to Stock Exchanges during the transition period.

3.3.2 Same is proposed to be brought out in the draft circular on standard operating procedure outlining the timelines for exchange of information between the listed entity and MA and related aspects placed as **Annexure-III**)

3.4 WG Recommendations and rationale:

The WG has agreed with the recommendation of the PMAC, however, the WG has recommended that instead of draft circular, proposed clause related to termination may be brought under Regulation 32A dealing with monitoring agency, proposed to be inserted in LODR.

3.5 Suggested text of the amendment: Based on the recommendations of the PMAC and the WG, the draft amendments to **LODR Regulations** is placed as **Annexure-I**. The **draft circular** is placed as **Annexure-III**.

4. Harmonization between the provisions of ICDR and LODR.

4.1 PMAC Recommendations and rationale: In order to address overlapping provisions and avoid ambiguity, in the provisions of ICDR and LODR in respect of MA, PMAC recommended the following harmonization measures:

<u>Sr. No.</u>	<u>Existing provisions under ICDR</u> <i>Regulation 41(Main Board IPO) Regulation 82 (Rights Issue), Regulation 137 (Further Public Offer), Regulation 162A (Preferential Issue), Regulation 173A (Qualified Institutions Placement), Regulation 262 (SME IPO).</i>	<u>Existing provisions under LODR</u> <i>Regulation 32 (Statement of deviation(s) or variation(s).)</i>	<u>Harmonization proposed by PMAC</u>
1.	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.	The listed entity shall submit to the stock exchange(s) any comments or report received from the monitoring agency within forty-five days from the end of each quarter.	The timelines and requirement of dissemination of MA Report on its website by the listed company may be deleted from ICDR and kept in Reg. 32 of LODR.
2.	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.	LODR Regulations requires, listed entity to place report of MA to the audit committee on a quarterly basis, promptly upon its receipt.	The format under ICDR requires comments of the Board of directors. Accordingly, 'management' word may be deleted from relevant provisions under ICDR. The existing requirement of placing the MA Report before the Audit Committee promptly upon receipt may be deleted from LODR, as it is now proposed that: • MA shall share the draft report to listed entity in the format prescribed under ICDR. • Draft report shall be promptly placed before the Audit Committee and Board of the listed entity. • Listed entity shall share the draft report with MA after incorporating comments of the board of directors as per the existing format. • Upon receipt of comments of Board of directors, final report shall be disseminated by MA to SEs within 45 days from the end of quarter. • MA shall simultaneously provide a copy of the final MA Report to the listed entity.

3.	For SME Issuer the requirement of submission of MA Report to Stock Exchange is on quarterly basis.	For SME listed entities, the requirement of submission of the MA report to stock exchanges and placing the MA Report before the Audit Committee is applicable on a half year basis.	It is proposed that regulation 32(8) may be deleted from LODR so that requirements under Regulation 32 is made applicable to both Main Board and SME listed entity on quarterly basis.
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4.2 WG Recommendations and rationale: The WG has primarily agreed with the recommendation of the PMAC, however, it has recommended certain modifications as under:

4.2.1 Instead of amending Reg. 32(6), suitable clause mandating disclosure of final monitoring agency report on its website by listed entity, may be inserted in Regulation 46(2) of the LODR dealing with 'Website Disclosure'.

4.2.2 The PMAC has recommended that Draft MA Report shall be promptly placed before the Audit Committee and the Board of the listed entity. The listed entity shall share the draft report with MA after incorporating the comments of the board of directors as per the format prescribed under Schedule XI of ICDR.

In this regard, the WG has deliberated that the role of Audit Committee under Schedule II of LODR includes reviewing, with the management the report submitted by the MA for monitoring the utilization of issue proceeds and making appropriate recommendation to the Board to take steps in the matter. Accordingly, the WG is of the view that, Audit Committee shall review and provide its comments on the draft MA Report in the format prescribed under Schedule XI of ICDR. After incorporating the comments of the Audit Committee, listed entity shall forward the draft report to MA and place it before the Board for information.

Accordingly, the WG has recommended to modify the proposal at Sr. No.2 of the aforesaid table and carry out suitable amendments under LODR by insertion of Reg. 32A:

- The MA shall forward draft monitoring report to listed entity in the specified format. The listed entity shall promptly place such draft MA report before Audit Committee, for its comments.
- After incorporating the comments of the Audit Committee, the listed entity shall forward the draft monitoring report to MA and also place it before the Board for information.
- The MA, shall consider the comments of the Audit Committee of the listed entity and finalise the monitoring report; disseminate the final monitoring report to the stock exchange(s) within prescribed timelines; and simultaneously provide a copy of the final monitoring report to the listed entity.

- Even in case of non-receipt of comments of Audit Committee on the draft monitoring report from listed entity, MA shall submit its final monitoring report to Stock Exchanges within prescribed timelines; and simultaneously provide a copy of the final monitoring report to the listed entity.
- The listed entity shall place such final monitoring report at the subsequent meeting of its Audit Committee and Board of Directors for information.
- Make consequential amendments as under:
 - (i) Role of the audit committee in Part C of Schedule II of LODR to include reviewing with the management, draft report submitted by MA and providing comments on the findings of MA in the prescribed format and also review the final report received from MA.
 - (ii) Modification in the format of MA report to include comments of audit committee of the listed entity.
- The WG has further recommended that:
 - (i) sub-regulations (6) and (7) of Regulation 32 of the LODR dealing with the requirements in case listed entity has appointed a MA may be omitted from Regulation 32.
 - (ii) these provisions may be brought out by insertion of separate Regulation 32A under LODR, dealing with MA related aspects with necessary modifications based on suggestions of the PMAC and the WG.
 - (iii) A cross reference to Regulation 32(7) in Para B(6)(b) of Part C of Schedule II (Role of the Audit Committee) of LODR may be substituted with Regulation 32(5) for correct cross referencing, with respect to annual statement of funds utilization.

4.2.3 While, the PMAC has recommended deletion of Regulation 32(8) of the LODR, however, with an objective of ease of doing business for SME listed entities, WG has recommended to retain Regulation 32(8), thereby ensuring continuity of the existing relaxation relating to half-yearly submission of MA report to stock exchange(s), and avoiding any unintended increase in compliance burden for SME listed entities.

4.3 Suggested text of the amendment: Based on the suggestions of the PMAC and the WG, draft amendments to LODR, ICDR and the draft circular are placed as **Annexure-I, II and III** respectively.

5. Change in threshold under ICDR for monitoring of issue proceeds in respect of Initial public offer on Main Board and SME, Further Public Offer, Preferential issue, Qualified Institutions Placement.

5.1 Existing provisions: In terms of Regulation 41(Main Board IPO), Regulation 137 (Further Public Offer), Regulation 162A (Preferential Issue), Regulation 173A (Qualified Institutions Placement) of ICDR, if issue size, excluding the size of offer for sale by selling shareholders, exceeds 100 crore rupees (50 crore rupees in case of IPO on SME), issuer is required shall make arrangements for the use of proceeds of the issue to be monitored by MA. Further, no threshold is prescribed for rights issue in terms of Regulation 82 of ICDR.

5.2 Need for review: MA acts as an independent agency who monitors the utilisation of issue proceeds so as to verify whether funds are used for the objects disclosed in the offer document, thus reducing the risk of misuse or diversion of funds raised from public. Accordingly, there is a need for appointment of MA for **all issuances irrespective of size of the issue** (excluding size of offer for sale by selling shareholders).

5.3 PMAC Recommendations and rationale: It is proposed that the threshold of fresh issue size for appointment of MA may be omitted from the relevant provisions under ICDR Regulations, so that the requirement of appointment of MA is mandatory for all issuances i.e. IPO on Main Board and SME, Further Public Offer, Preferential Issue, Qualified Institutions Placement, irrespective of the size of the issue (excluding the size of offer for sale by selling shareholders).

Monitoring of fund utilization by MA for all issuances, ensures greater accountability, transparency and protects the interest of investors by preventing misuse and diversion of funds.

5.4 WG Recommendations and rationale: WG has agreed with the recommendation of PMAC.

5.5 Suggested text of the amendment: Based on the suggestions of the PMAC and the WG, draft amendments to LODR and ICDR are placed as **Annexure-I and II** respectively.

6. Clarification with respect to monitoring of gross issue proceeds

6.1 Existing provisions: In terms of relevant provisions under ICDR³, the MA is required to submit its report to the issuer on a quarterly basis till hundred percent of the proceeds of the issue have been utilized.

6.2 Need for review: To bring clarity in the scope of monitoring and uniformity across issuances, it may be clarified that MAs as part of monitoring of issue proceeds, shall monitor hundred percent utilization of gross issue proceeds (other than proceeds from offer for sale by selling shareholders) which shall also include monitoring of (i) Pre IPO proceeds which is utilized for stated objects of the issue; (ii) Issue proceeds placed with Scheduled Commercial Banks to ensure that issue proceeds are not utilized directly or indirectly for any purposes other than for the objects stated in the

³ Regulation 41 (IPO on Main Board), Rights Issue (Regulation 82), Further Public Offer (Regulation 137), Preferential Issue (Regulation 162A), Qualified Institutions Placement (Regulation 173A), SME IPO (Regulation 262) of ICDR Regulations

offer document; (iii) Issue related expenses borne by the company and; (iv) end use of proceeds by that other entity (investee), in case one of the object of the issue is investment in other entity

6.3 PMAC Recommendations and rationale: The clarification with respect to monitoring of gross issue proceeds as stated above, may be brought out in the draft circular placed as **Annexure-III**.

6.4 WG Recommendations and rationale: The WG has agreed with the recommendation of the PMAC.

6.5 Suggested text of the amendment: Based on the recommendations of the PMAC and the WG, clarification is brought out in the draft circular placed as **Annexure-III**.

7. Modification(s) in format of report of monitoring agency as prescribed under Schedule XI of the ICDR Regulations

7.1 Existing provisions: The format of MA report is specified in Schedule XI of the ICDR.

7.2 Need for review: Based on the suggestions received from MAs, certain modification(s) may be carried out in the format of report of monitoring agency prescribed under Schedule XI of the ICDR. The modifications are aimed at strengthening the disclosures and enhancing transparency to the investors.

7.3 PMAC Recommendations and rationale:

Existing Para in the report	Proposed Change	Rationale
--	New Para (c) to be inserted on the front page: <i>(c) Any other fact to be highlighted for information of the investor:</i>	Any important information that, may not be a deviation but deemed significant by the MA and requires specific mention in the Report for the information of investors may be disclosed by MA.
--	New Para (d) to be inserted on the front page: <i>(d) Non-cooperation from listed entity: Yes*/No</i> <i>*If yes, enclose 'statement of non-cooperation'.</i>	To ensure that MA Report is accompanied by statement of non-cooperation, as applicable.
3. Details of the arrangement made to ensure the monitoring of issue proceeds:	In table, following modification(s) may be carried out: Whether all arrangements pertaining to technical assistance/collaboration as stated in the offer document are in operation?	To bring clarity in the scope of monitoring.
4(ii) Progress in the object(s) table	Added one column with heading "Amount raised in the issue (including Pre IPO proceeds*)"	The existing MA report format only includes the amount proposed to be raised disclosed in the offer document. The addition of column

	<i>*Pre IPO proceeds which is utilized for stated objects of the issue"</i>	"Amount raised" will provide clarity on the funds actually received by the issuer as compared to amount proposed to be raised.
4(vi) Delay in implementation schedule	Add two new columns in the table under the head 'Completion date'- One for '<i>Amount of each object of the issue stated in the offer document</i>' and other for '<i>Revised estimate</i>'	(i) Better clarity with respect to delay in implementation of the object(s) compared with implementation schedule disclosed in the offer document. (ii) To remove ambiguity a separate column may be added for '<i>Revised estimate.</i>'

7.4 WG Recommendations and rationale: The WG has agreed with the suggestions of the PMAC and made additional recommendations with respect to modifications in the format of MA report as under, with an aim to strengthen disclosures:

(i) Word 'deviation' may be substituted with the word 'variation'.

Currently, the word 'deviation' is used at various places in the format of report of MA. The WG has suggested to substitute the word 'deviation' with 'variation' to align with the terminology used under Section 27 of the Companies Act 2013 and Regulation 59 of the ICDR Regulations.

(ii) Exit Offer and encumbrance related disclosures:

- Regulation 59 of the ICDR states that *"the promoters, or shareholders in control of an issuer, shall provide an exit offer to dissenting shareholders as provided for in the Companies Act, 2013, in case of change in objects or variation in the terms of contract related to objects referred to in the offer document as per conditions and manner is provided in Schedule XX;*

Provided that the exit offer shall not apply where there are neither any identifiable promoters nor any shareholders in control of the issuer."

Accordingly, it is proposed that disclosure with respect to exit opportunity, if any provided to shareholders, may be included in the format of the report of monitoring agency.

- It is proposed that a row may be inserted in the format of MA Report to capture the details of any encumbrance created on unutilized funds.

(iii) Shifting of MA Report Format from ICDR Regulations to Draft Circular to be issued under LODR Regulations

Currently, the format of the MA Report is prescribed under Schedule XI of the ICDR, whereas, the format of statement of deviations and variation is part of the Master Circular issued under LODR.

Considering that submission of MA report to stock exchange(s) is a post listing compliance and with an aim to streamline and centralize reporting and disclosure

requirements in relation to disclosure of utilization of issue proceeds, into a single framework under LODR, WG has recommended that the modified format of MA report may be shifted from Schedule XI of the ICDR to draft circular placed as **Annexure-III**.

Consequential amendment under the relevant provisions of ICDR and LODR are also proposed as follows:

- Deletion of Schedule XI format of report of monitoring agency from ICDR.
- Remove reference to Schedule XI from relevant provisions under ICDR and insertion of reference to the format prescribed under LODR and circulars issued thereunder.

7.5 Suggested text of the amendment: Based on the suggestions of the PMAC and the WG, draft amendments to LODR, ICDR and the draft circular are placed as **Annexure-I, II and III** respectively.

Other recommendations by the WG: In addition to the above, the WG has made following recommendations:

8. Deletion of sub-regulation (5) of Regulation 262

8.1 Existing provisions: Regulation 262(1) inter-alia provides that in case of SME, if the issue size, excluding the size of offer for sale by selling shareholders, exceeds ₹50 crores, the use of proceeds of the issue to be monitored by a credit rating agency registered with the Board.

Sub-Regulation (5) of Regulation 262 further provides that in an issue where the issuer is not required to appoint MA under this regulation, the issuer shall submit a certificate of the statutory auditor for utilization of money raised through the public issue (excluding offer for sale by selling shareholders) to SME exchange(s) while filing the quarterly financial results, till the issue proceeds are fully utilized.

8.2 Need for review: In view of the recommendation of the PMAC and the WG at Sr. No. 5 to remove threshold of issue size for appointment of the MA from relevant provisions under ICDR, resulting in mandatory appointment of MA for all issuances irrespective of the size of the issue, which will submit its report to Stock exchanges. Therefore, submission of the certificate from statutory auditor under Regulation 262(5) may not be required.

8.3 WG Recommendations and rationale: The requirement to submit the certificate from statutory auditor under Regulation 262(5) of ICDR may be done away with.

8.4 Suggested text of the amendment: Based on the recommendations of WG, the draft amendments to ICDR are placed as **Annexure- II**.

9. **Modification in Regulation 262(6) of the ICDR:**

9.1 Existing provisions: Sub-Regulation (6) of Regulation 262 which deals with MA in case of SME listed entities, *inter-alia* requires that, in an issue where working capital is one of the object and the amount raised for the said object exceed five crore rupees, the issuer shall submit a certificate from statutory auditor to SME exchange(s), *while filing the quarterly financial results*, for use of funds as working capital in the same format as disclosed in the offer document, till the proceeds raised for the said object are fully utilized.

9.2 Need for review: In terms of Regulation 33(5) of the LODR, the requirement of submission of financial results to stock exchanges is applicable to SMEs on half year basis. Accordingly, it is considered necessary to align the submission of certificate from statutory auditor as required under Reg. 262(6) of the ICDR *with the filing the half yearly financial results* instead of quarterly financial results.

9.3 WG Recommendations and rationale: It is proposed to modify Regulation 262(6) of the ICDR to require submission of certificate from statutory auditor to stock exchange while filing *half yearly financial results*.

9.4 Suggested text of the amendment: Based on the recommendations of WG, the draft amendments to ICDR Regulations are placed as **Annexure- II**.

10. **Alignment of terminologies under Regulation 32 of the LODR.**

10.1 Existing provisions: The term “deviation and variation” both used at various places in Regulation 32 of the LODR and circulars issued there under.

10.2 Need for review: To avoid ambiguity and to align with the terminology Statement of deviation and variation under Regulation 32 may be aligned with terminologies under Section 27 of the Companies Act 2013 and Regulation 59 of ICDR.

Also, it was deliberated by the WG, that there is an ambiguity, that in case there is no deviation or variation, listed entities take a view that filing of statement under this regulation to stock exchange(s) is not mandated.

10.3 WG Recommendations and rationale: WG has recommended that the heading of the Regulation 32 may be redrafted as “Statement of utilization including variation(s), if any”. Accordingly, even if there is no variation(s) listed entity is required to file the statement under Regulation 32. The WG has further suggested that under Regulation 32, the terms ‘deviations’ or both ‘deviations/variations’ may be omitted and substituted by the term ‘variation’.

In view of the recommended changes in terminologies, the WG has further suggested following consequential modification in the SEBI Master Circular under LODR dated January 30, 2026:

- Para 20A (Para 6.1 of Section VII-A dealing with non-compliance with certain provisions of the LODR)
- Section III-C dealing with Statement of Deviation or Variation for proceeds of public issue, rights issue, preferential issue, Qualified Institutions Placement etc.
- Format of statement of deviation or variation currently being filed as part of integrated filing as prescribed under Annexure-25 of the said Master Circular.
- Regulation 46(2) related to website disclosures

10.4 Suggested text of the amendment: Based on the recommendations of WG, the draft amendments to **LODR** are placed as **Annexure- I**, proposed amendments to Section VII-A, Section III-C and Annexure-25 of the SEBI Master Circular dated January 30, 2026, are placed as **Annexure- IV and Annexure-V and VI** respectively.

11. Deletion of sub-regulation 7A of regulation 32 of LODR

11.1 Existing provisions: Regulation 32(7A) of the LODR provides that where an entity has raised funds through preferential allotment or qualified institutions placement, the listed entity shall disclose every year, the utilization of such funds during that year in its Annual Report until such funds are fully utilized.

Schedule V dealing with additional disclosures by the listed entity, Para (C)(10)(h), following disclosures shall be made in the section on the corporate governance of the annual report.

“Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).”

11.2 Need for review: In view of the recommendation of the PMAC and the WG at Sr. No. 5 to remove threshold of issue size for appointment of the MA from relevant provisions under ICDR, in case of all issuances the report of monitoring agencies shall be available on the website of stock exchange(s) and the listed entity for information of the investors.

11.3 WG Recommendations and rationale: To facilitate ease of doing business and removing the need of duplicate disclosures, it is recommended that sub-regulation (7A) of Regulation 32 may be omitted.
Para (C)(10)(h) of Schedule V may be substituted with the following:

“web-link where the report of monitoring agency or statement of utilization including variation as applicable under Regulation 32 or 32A, is disclosed.”

11.4 Suggested text of the amendment: Based on the recommendations of WG, the draft amendments to **LODR** are placed as **Annexure- I**.

12. Regulation 32 of the LODR to be made applicable to listed entities which are exempt from appointment of Monitoring Agency under the relevant provisions of the ICDR Regulations

12.1 Existing provisions: Regulation 32 LODR *inter-alia* covers the provisions which require listed entities to submit to the stock exchange, Statement of deviation(s) or variation(s) in utilization of issue on quarterly basis (half yearly in case of SME listed entities).

12.2 Need for review: In view of the recommendation of the PMAC and WG at Sr. No. 5, to remove threshold of issue size for appointment of MA from relevant provisions under ICDR, resulting in mandatory appointment of MA for all issuances irrespective of the size of the issue, the requirement to separately prepare and submit the statement of deviation and variation may not be required by these entities.

Accordingly, the requirement of filing such statement under Regulation 32 would be applicable only on such listed entities/issuers such as **bank or public financial institution or an insurance company or such other entities** that are exempt from the requirement to appoint monitoring agency under relevant provisions under ICDR Regulations.

12.3 WG Recommendations and rationale: It is proposed to insert sub-regulation (9) in Regulation 32 of the LODR, to provide that provisions of Regulation 32 of LODR shall be applicable only to such entities which are specifically exempt from the requirement of appointment of a Monitoring Agency under relevant provisions of ICDR⁴.

12.4 Suggested text of the amendment: Based on the recommendations of WG, the draft amendments to **LODR** are placed as **Annexure- I**.

13. Transitory Provisions

13.1 WG Recommendations and rationale: To ensure a smooth transition to the revised regulatory framework and to avoid disruption to ongoing fund utilisation monitoring arrangements, transitory provisions are proposed to be incorporated in proposed Regulation 32A of the LODR, to inter alia, cover the following scenarios:

⁴ Regulation 41 (IPO on Main Board), Rights Issue (Regulation 82), Further Public Offer (Regulation 137), Preferential Issue (Regulation 162A), Qualified Institutions Placement (Regulation 173A), SME IPO (Regulation 262) of ICDR Regulations

S. No.	Scenario as on the date on which amended regulation 32 and 32A come into force	Fund raising Position as on Date amended Regulation 32 and 32A come into force	Applicability
1.	a. Fresh filing of offer document (IPO/QIP/Pref/Rights/FPO) on or after the date amended regulation come into force b. Fund raising process has been initiated prior to the date amended regulation come into force	No funds raised	Amended Regulation 32 and proposed Reg. 32A of LODR shall be applicable from the date amended regulation come into force.
2.	Existing listed entity with MA already appointed	Funds already raised	Amended Regulation 32A of LODR shall be applicable from reporting quarter subsequent to the quarter in which amended regulation come into force.(For SME Listed company, quarter may be read as half year)
3.	Existing listed entity which is not required to appoint MA as per existing provisions under ICDR [Main board IPO/ FPO/ Pref/ QIP below Rs. 100 crores (excluding size of offer for sale); SME IPO below Rs. 50 crores (excluding size of offer for sale)]	Funds already raised	Regulation 32 of LODR Regulations and relevant provisions under ICDR applicable at the time of fund raising shall continue to apply till hundred percent utilization of issue proceeds.

13.2 Suggested text of the amendment: Based on the recommendations of WG, the draft amendments to **LODR** are placed at **Annexure- I**.

Annexure-I

Draft proposed amendments in SEBI (LODR) Regulations, 2015

LODR Regulations	Existing Provisions	Proposed provisions
Regulation 32 Statement of utilization including ~~deviation(s) or~~ variation(s)	(1) The listed entity shall submit to the stock exchange the following statement(s) on a quarterly basis for public issue, rights issue, preferential issue etc. - (a) indicating deviations, if any, in the use of proceeds from the objects stated in the offer document or explanatory statement to the notice for the general meeting, as applicable; (b) indicating category wise variation (capital expenditure, sales and marketing, working capital etc.) between projected utilisation of funds made by it in its offer document or explanatory statement to the notice for the general meeting, as applicable and the actual utilisation of funds. (2) The statement(s) specified in sub-regulation (1), shall be continued to be given till such time the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved. (3) The statement(s) specified in sub-regulation (1), shall be placed before the audit committee for review and after such review, shall be submitted to the stock exchange(s). (4) The listed entity shall furnish an explanation for the variation specified in sub-regulation (1), in the directors' report in the annual report. (5) The listed entity shall prepare an annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice,	(1) The listed entity shall submit to the stock exchange Statement of utilization including variation(s) on a quarterly basis for public issue, rights issue, preferential issue etc.- a) indicating ~~deviations~~ variation(s), if any, in the use of proceeds from the objects stated in the offer document or explanatory statement to the notice for the general meeting, as applicable; b) indicating category wise variation (capital expenditure, sales and marketing, working capital etc.) between projected utilisation of funds made by it in its offer document or explanatory statement to the notice for the general meeting, as applicable and the actual utilisation of funds. (2) The statement(s) specified in sub-regulation (1), shall be continued to be given till such time the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved. (3) The statement(s) specified in sub-regulation (1), shall be placed before the audit committee for review and after such review, shall be submitted to the stock exchange(s). (4) The listed entity shall furnish an explanation for the variation specified in sub-regulation (1), in the directors' report in the annual report. (5) The listed entity shall prepare an annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice,

	certified by the statutory auditors of the listed entity, and place it before the audit committee till such time the full money raised through the issue has been fully utilized. (6) Where the listed entity has appointed a monitoring agency to monitor utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, the listed entity shall submit to the stock exchange(s) any comments or report received from the monitoring agency within forty-five days from the end of each quarter. (7) Where the listed entity has appointed a monitoring agency to monitor the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement], the monitoring report of such agency shall be placed before the audit committee on a quarterly basis], promptly upon its receipt. Explanation, —For the purpose of sub-regulations (6) and (7), “monitoring agency” shall mean the monitoring agency as specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. (7A) Where an entity has raised funds through preferential allotment or qualified institutions placement, the listed entity shall disclose every year, the utilization of such funds during that year in its Annual Report until such funds are fully utilized.	certified by the statutory auditors of the listed entity, and place it before the audit committee till such time the full money raised through the issue has been fully utilized. ~~(6) Where the listed entity has appointed a monitoring agency to monitor utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, the listed entity shall submit to the stock exchange(s) any comments or report received from the monitoring agency within forty-five days from the end of each quarter.~~ ~~(7) Where the listed entity has appointed a monitoring agency to monitor the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement], the monitoring report of such agency shall be placed before the audit committee on a quarterly basis], promptly upon its receipt.⁵~~ ~~Explanation, —For the purpose of sub-regulations (6) and (7), “monitoring agency” shall mean the monitoring agency as specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.~~ ~~(7A) Where an entity has raised funds through preferential allotment or qualified institutions placement, the listed entity shall disclose every year, the utilization of such funds during that year in its Annual Report until such funds are fully utilized.~~
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	8) For the purpose of this regulation, any reference to “quarterly/quarter” in case of listed entity which have listed their specified securities on SME Exchange shall respectively be read as “half yearly/half year”.	(8) For the purpose of this regulation, any reference to “quarterly/quarter” in case of a listed entity which has listed its specified securities on SME Exchange shall respectively be read as “half yearly/half year”. (9) The provisions of this regulation shall apply only in respect of issue of specified securities (excluding offer for sale by selling shareholders) made by a bank or public financial institution or an insurance company or such other entities as may be exempt from time to time under the provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 from making arrangements for monitoring of the use of proceeds of the issue by a credit rating agency registered with the Board.
Regulation 32A Monitoring Agency (new insertion)	--	(1) The Monitoring Agency appointed by the listed entity to monitor the utilisation of proceeds of an issue shall forward to the listed entity its draft monitoring report prepared in the format specified by the Board from time to time. (2) Upon receipt of the draft monitoring report, the listed entity shall promptly place such draft report before the Audit Committee for its comments. (3) The Audit Committee shall provide its comments on the draft monitoring report. (4) The listed entity, after incorporating the comments of the Audit Committee, shall forward the draft monitoring report to the monitoring agency and place it before the Board of directors for information.

		(5) Upon receipt of draft monitoring report from the listed entity the Monitoring Agency shall: (i) consider the comments of the Audit Committee of the listed entity and finalise the monitoring report; (ii) disseminate the final monitoring report to the stock exchange(s) within forty-five days from the end of each quarter; (iii) simultaneously provide a copy of the final monitoring report to the listed entity; Provided that for the last quarter of the financial year, the monitoring agency shall submit its report to the stock exchange(s) within sixty days from the end of the quarter; Provided further that even in case of non-receipt of draft monitoring report from the listed entity as specified under sub-regulation (4), the monitoring agency shall submit its final monitoring report to the stock exchange(s) within the prescribed timelines and simultaneously provide a copy of the final monitoring report to the listed entity. (6) The listed entity shall place such final monitoring report at the subsequent meeting of its Audit Committee and Board of Directors for information. (7) The monitoring report specified under this regulation shall be continued to be given till hundred percent of proceeds of the issue have been utilised. (8) In the event of non-cooperation by the listed entity: (i) the report on utilisation of issue proceeds shall be accompanied by a "Statement of Non-Cooperation" given by the
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		Monitoring Agency in the format specified by the Board from time to time; (ii) in such cases, the monitoring report shall be prepared based on the best available information. (9) For the purpose of compliance with this regulation, the listed entity and Monitoring Agency shall comply with the requirements specified by the Board from time to time. (10) In case of termination of Monitoring Agency agreement prior to hundred percent utilisation of issue proceeds, the listed entity and existing Monitoring Agency shall ensure continuity of monitoring and submission of monitoring reports within prescribed timelines, during the transition period. (11) Notwithstanding anything contained in this regulation: (i) Where funds have been raised prior to the date of commencement of this regulation; (a) and the listed entity was not required to appoint a monitoring agency, such listed entity shall continue to comply with the provisions of Regulation 32 of these Regulations and provisions under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 as applicable at the time of fund raising, till hundred percent utilisation of the issue proceeds; (b) and the listed entity has appointed monitoring agency the listed entity and such monitoring agency shall comply with the provisions of this
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		regulation from reporting quarter subsequent to the quarter, in which this regulation comes into force, till hundred percent utilisation of the issue proceeds. (ii) Where no funds have been raised prior to the date of commencement of this regulation, the provisions of amended regulation 32 and this regulation shall apply. Explanation: For the purpose of this regulation: (i) “monitoring agency” shall mean the monitoring agency as specified under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. (ii) any reference to “quarterly/quarter” in case of a listed entity which has listed its specified securities on SME Exchange shall respectively be read as “half yearly/half year”.
Regulation 46 - Website.	(1) The listed entity shall maintain a functional website containing the basic information about the listed entity. (2) The listed entity shall disseminate the following information under a separate section on its website: (a) details of its business; (aa) Memorandum of Association and Articles of Association; (ab) Brief profile of board of directors including directorship and full-time positions in body corporates; (b) terms and conditions of appointment of independent directors; (d).... (e).... (f)... (g)...	(1) The listed entity shall maintain a functional website containing the basic information about the listed entity. (2) The listed entity shall disseminate the following information under a separate section on its website: (b) details of its business; (aa) Memorandum of Association and Articles of Association; (ab) Brief profile of board of directors including directorship and full-time positions in body corporates; (b) terms and conditions of appointment of independent directors; (d).... (e).... (f)... (g)...

	(h)... (x) statements of deviation(s) or variation(s) as specified in regulation 32 of these regulations; (y)..... (z)..... (za).... (3) (a) The listed entity shall ensure that the contents of the website are correct. (b)The listed entity shall update any change in the content of its website within two working days from the date of such change in content.	(h)... (x) statements of utilization including ~~deviation(s)~~ ~~or~~—variation(s) as specified in regulation 32 of these regulations; (xa) The final monitoring report received from the Monitoring Agency as specified under regulation 32A of these regulations. (y)..... (z)..... (za).... (3) (a) The listed entity shall ensure that the contents of the website are correct. (b)The listed entity shall update any change in the content of its website within two working days from the date of such change in content.
SCHEDULE II: CORPORATE GOVERNANCE PART C: ROLE OF THE AUDIT COMMITTEE AND REVIEW OF INFORMATION BY AUDIT COMMITTEE -[See Regulation 18(3) and Regulation 62F]	A. The role of the audit committee shall include the following: (1)... (2)... (3)... (4)... (5)... (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement, and making appropriate recommendations to the board to take up steps in this matter; (7)... (8)... (9)... (10)...	A. The role of the audit committee shall include the following: (1)... (2)... (3)... (4)... (5)... (6) reviewing, with the management and ~~making appropriate recommendations to the board in this regard;~~ (a) the statement of ~~utilization including variation as specified under Regulation 32(1);~~ (b) the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice ~~as specified under Regulation 32 (5); and~~ (c) the ~~draft monitoring~~ report submitted by the monitoring agency ~~and providing comments thereon as specified under Regulation 32A; a public issue or rights issue or preferential issue or qualified institutions placement, and making~~

	(11)... (12)... (13)... (14)... (15)... (16)... (17)... (18)... (19)... (20)... (21)... (22)... B. The audit committee shall mandatorily review the following information: (1)... (2)... (3)... (4)... (5)... (6) statement of deviations: (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1). (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).	~~appropriate recommendations to the board to take up steps in this matter;~~ (7)... (8)... (9)... (10)... (11)... (12)... (13)... (14)... (15)... (16)... (17)... (18)... (19)... (20)... (21)... (22)... B. The audit committee shall mandatorily review the following information: (1)... (2)... (3)... (4)... (5)... (6) the statement of utilization including ~~deviations~~-variation(s) as specified under Regulation 32 (1). (7) the final monitoring report submitted by the monitoring agency to the stock exchange(s) and listed entity in terms of Regulation 32A . ~~(a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).~~ (8) the annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32~~(7)~~ (5).
Schedule V ANNUAL REPORT	C. Corporate Governance Report: The following disclosures shall be made in the section on the corporate governance of the annual report. (1).... (2).... (3)....	C. Corporate Governance Report: The following disclosures shall be made in the section on the corporate governance of the annual report. (1).... (2).... (3)....

	(4).... (5).... (6).... (7).... (8).... (9).... (10) Other Disclosures: (a)..... (b).... (c).... (d)..... (e).... (f).... (g)... (h)	(4).... (5).... (6).... (7).... (8).... (9).... (10) Other Disclosures: (a)..... (b).... (c).... (d)..... (e).... (f).... (g)... (h) ~~Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).~~ web-link where the statement of utilization including variation(s) or the report of monitoring agency as applicable under Regulation 32 or 32A, is disclosed.
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Annexure-II

Draft proposed amendments in SEBI (ICDR) Regulations, 2018

ICDR Regulations	Existing Provisions	Proposed provisions
Chapter II: Initial public offer on Main Board Regulation 41: Monitoring agency	(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: 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 per cent. 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, publicly disseminate the report of the monitoring agency by uploading the same on its website as well as submitting the same to the stock exchange(s) on which its equity shares are listed.	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 (excluding the size of offer for sale by selling shareholders) 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~~ stock exchange(s) on which equity shares of the issuer are listed, ~~in the format specified in Schedule XI~~ in such format and within timelines prescribed by the Board from time to time under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, on a quarterly basis, till hundred per cent. of the proceeds of the issue have been utilised. (3) The ~~Audit Committee 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~~ in such format as may be specified by the Board from time to time under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder. (4) ~~The issuer shall, within forty five days from the end of each quarter, publicly~~

		~~disseminate the report of the monitoring agency by uploading the same on its website as well as submitting the same to the stock exchange(s) on which its equity shares are listed.~~
Chapter III: Rights Issue Regulation 82 Monitoring agency	(1) 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: 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 per cent. of the proceeds of the issue actually raised 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, publicly disseminate the report of the monitoring agency by uploading the same on its website as well as submitting the same to the stock exchange(s) on which its equity shares are listed.	(1) 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: 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~~ stock exchange(s) on which equity shares of the issuer are listed, ~~in the format specified in Schedule XI~~ in such format and within timelines prescribed by the Board from time to time under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, on a quarterly basis, till hundred per cent. of the proceeds of the issue actually raised have been utilised. (3) The Audit Committee ~~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~~ in such format as may be specified by the Board from time to time under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder. (4) ~~The issuer shall, within forty five days from the end of each quarter, publicly disseminate the report of the monitoring agency by uploading the same on its website as well as submitting the same to the stock~~

		~~exchange(s) on which its equity shares are listed.~~
Chapter IV: Further Public Offer Regulation 137 Monitoring agency	(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: 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 per cent 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, publicly disseminate the report of the monitoring agency by uploading the same on its website as well as submitting the same to the stock exchange(s) on which its equity shares are listed.	(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 ~~(excluding the size of offer for sale by selling shareholders)~~ 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~~ stock exchange(s) on which equity shares of the issuer are listed, ~~in the format specified in Schedule XI~~ in such format and within timelines prescribed by the Board from time to time under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, on a quarterly basis, till hundred per cent of the proceeds of the issue have been utilised. (3) The ~~Audit Committee 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~~ in such format as may be specified by the Board from time to time under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder. (4) ~~The issuer shall, within forty five days from the end of each quarter, publicly disseminate the report of the monitoring agency by uploading the same on its website as well as submitting the same to the stock~~

		~~exchange(s) on which its equity shares are listed.~~
Chapter V: Preferential issue Regulation 162A Monitoring Agency	(1) If the issue size 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: 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.	(1) ~~If the issue size 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: 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~~ stock exchange(s) on which equity shares of the issuer are listed, ~~in the format specified in Schedule XI~~ in such format and within timelines prescribed by the Board from time to time under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, on a quarterly basis, till hundred percent of the proceeds of the issue have been utilised. (3) The ~~Audit Committee 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~~ in such format as may be specified by the Board from time to time under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder. ~~(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.~~
Chapter VI: Qualified	(1) If the issue size, excluding the size of offer for sale by selling shareholders, exceeds one hundred	(1) ~~If the issue size, excluding the size of offer for sale by selling shareholders, exceeds one hundred~~

Institutions Placement Regulation 173A Monitoring Agency	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: 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.	~~crore rupees,~~ The issuer shall make arrangements for the use of proceeds of the issue ~~(excluding the size of offer for sale by selling shareholders)~~ 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~~ stock exchange(s) on which equity shares of the issuer are listed, ~~in the format specified in Schedule XI~~ in such format and within timelines prescribed by the Board from time to time under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, on a quarterly basis, till hundred percent of the proceeds of the issue have been utilised. (3) The ~~Audit Committee 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~~ in such format as may be specified by the Board from time to time under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder. (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.~~
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Chapter IX -Initial Public Offer by Small and Medium Enterprises Regulation 262 Monitoring agency	(1) If the issue size, excluding the size of offer for sale by selling shareholders, exceeds ₹50 crores, the issuer shall make arrangements for the use of proceeds of the issue to be monitored by a 456[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 per cent. 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, publicly disseminate the report of the monitoring agency by uploading the same on its website as well as submitting the same to the stock exchange(s) on which its equity shares are listed. (5) In an issue where the issuer is not required to appoint a monitoring agency under this regulation, the issuer shall submit a certificate of the statutory auditor for utilization of money raised through the public issue (excluding offer for sale by selling shareholders) to SME exchange(s) while filing the quarterly financial results, till the issue proceeds are fully utilized. (6) In an issue where working capital is one of the objects of the issue and the amount raised for the said object exceeds five crore rupees, the issuer shall submit a certificate of the statutory auditor to SME exchange(s) while filing the quarterly financial results, for use of funds as working	Regulation 262. Monitoring agency ~~(1) If the issue size, excluding the size of offer for sale by selling shareholders, exceeds ₹50 crores,~~ The issuer shall make arrangements for the use of proceeds of the issue (excluding the size of offer for sale by selling shareholders) 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~~ stock exchange(s) on which equity shares of the issuer are listed, in the format specified in Schedule XI in such format and within timelines prescribed by the Board from time to time under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder, on a quarterly basis, till hundred per cent. of the proceeds of the issue have been utilised. (3) The ~~Audit Committee 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~~ in such format as may be specified by the Board from time to time under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued thereunder. ~~(4) The issuer shall, within forty five days from the end of each quarter, publicly disseminate the report of the monitoring agency by~~
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	capital in the same format as disclosed in the offer document, till the proceeds raised for the said object are fully utilized.	~~uploading the same on its website as well as submitting the same to the stock exchange(s) on which its equity shares are listed.~~ ~~(5) In an issue where the issuer is not required to appoint a monitoring agency under this regulation, the issuer shall submit a certificate of the statutory auditor for utilization of money raised through the public issue (excluding offer for sale by selling shareholders) to SME exchange(s) while filing the quarterly financial results, till the issue proceeds are fully utilized.~~ (6) In an issue where working capital is one of the objects of the issue and the amount raised for the said object exceeds five crore rupees, the issuer shall submit a certificate of the statutory auditor to SME exchange(s) while filing ~~the quarterly~~ half-yearly financial results, for use of funds as working capital in the same format as disclosed in the offer document, till the proceeds raised for the said object are fully utilized.
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Draft Circular

SEBI/HO/CFD/CFD-PoD-2/P/CIR/2026/____

____, 2026

To,
All listed entities
All the recognized Stock Exchanges
Credit Rating Agencies/Monitoring Agencies

Dear Sir/Madam,

Subject: Standard Operating Procedure for exchange of information between the listed entity and Monitoring Agencies and format of Report to be submitted by the Monitoring Agency and related aspects

1. In terms of Regulation 32A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**LODR Regulations**”), the Monitoring Agency (“**MA**”) appointed by the listed entity to monitor the utilisation of proceeds, provide its report in the format specified in **Annexure- I** to this Circular.
2. Monitoring Agency Reports are intended to enhance transparency, accountability and market confidence. Accordingly, with an objective to ensure timely and adequate disclosure of the report of monitoring agencies, protect interest of investors, strengthen accountability and effective regulatory oversight, the listed entities, stock exchanges and monitoring agencies shall comply with the procedure and conditions laid down hereunder.
3. The listed entity shall co-operate with the MA and furnish true, adequate and timely information in order to enable MA to make accurate and adequate monitoring of utilization of issue proceeds and submit its report to stock exchanges within prescribed timelines.
4. Monitoring agencies shall frame uniform Standard Operating Procedure (SOP) including process and timelines for exchange of Information between MA and listed entity, “*Minimum/Indicative information requirement list*” considering various sectors or types of issuer/listed entity, objects of the issue etc.. The SOP shall be published on respective websites of each MA. .
5. Steps to be taken under various scenarios in order to ascertain the status of non-cooperation by the listed entity such as not providing information to MA, delay in sharing the required information, information not substantiated with requisite supporting documents, non-payment of fee to MA, etc.
 - 5.2.1 The MAs shall give reasonable time to the listed entity to provide information. In case listed entity delays or fails to provide the requisite information/documents within 30 calendar days of end of the reporting quarter, the MA may initiate the process as specified below for qualifying the status as “non-cooperation from listed entity” for the reporting quarter.
 - 5.2.2 In the event of non-receipt of requisite information by the 30th calendar day, the MA shall promptly send an intimation to the listed entity stating specific instances of non-

cooperation and that in case of failure to take remedial steps the status of the listed entity shall be categorized as “non-cooperation from listed entity” effective from the expiry of the 35th day and reporting of the potential risk of diversion of issue proceeds from the "Objects of the Issue" stated in the Offer Document to stock exchanges.

- 5.2.3 Despite repeated reminders, if non-cooperation by listed entity continues, MA shall promptly, upon expiry on 35th calendar day, qualify the report as “non-cooperation from listed entity”.
- 5.2.4 In case para 5.2.3 is applicable, the MA shall take necessary steps for submission to stock exchange before expiry of 45th calendar day, qualified report on utilization of issue proceeds based on available information. The qualified report shall be accompanied by ‘statement of non-cooperation’ in the format specified in **Annexure-II** to this Circular and simultaneously provide a copy of the same to the listed entity.
6. MAs shall exercise independent due diligence and may seek appropriate information from the third parties as may be deemed necessary and reasonable for the purpose of effective monitoring of end use of issue proceeds.
7. MAs shall monitor hundred percent utilization of gross issue proceeds (other than proceeds from offer for sale by selling shareholders) which shall also include monitoring of (i) Pre IPO proceeds which is utilized for stated objects of the issue; (ii) Issue proceeds placed with Scheduled Commercial Banks to ensure that issue proceeds are not utilized directly or indirectly for any purposes other than for the objects stated in the offer document; (iii) Issue related expenses borne by the company; and; (iv) end use of proceeds by that other entity (investee), in case one of the object of the issue is investment in other entity.
8. Stock Exchanges shall facilitate MAs to file their report directly to Stock Exchanges along with “Statement of non-cooperation”, if applicable, which shall be promptly disseminated by stock exchanges on their respective website, for information of the investors.
9. This circular shall come into effect from -----.
10. The Stock Exchanges are advised to bring the contents of this Circular to the notice of listed entities and monitoring agencies.
11. 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 101 of LODR Regulations.
12. This Circular is available on SEBI website at www.sebi.gov.in under the category: ‘Legal → Circulars’.

Yours faithfully,

Annexure-I to the Draft Circular

FORMAT OF REPORT TO BE SUBMITTED BY THE
MONITORING AGENCY

[See Regulation 32A of LODR Regulations]

~~SCHEDULE XI - FORMAT OF REPORT TO BE SUBMITTED BY THE
MONITORING AGENCY~~

~~{See regulation 82(2) and 82(3)}~~

Front Page

Report of the Monitoring Agency

Name of the issuer:

For quarter ended:

Name of the Monitoring Agency:

(a) ~~Deviation~~ Variation(s) from the objects: -

- Utilization different from Objects stated in the offer document but in line with change of objects approved by shareholders' resolution;
or
- Utilization neither in line with Objects stated in the offer document nor approved by shareholders' resolution
- In case there is no ~~deviation~~ variation, the same shall be stated.

(b) Range of ~~Deviation~~* Variation(s)*: To be filled up in case the utilisation is not different from the objects stated in the Offer document, but the amount utilised for the same is different from what is stated in the Offer document.

Indicate the range of percentage ~~deviation~~ variation from the amount of issue proceeds earmarked for the objects. For example, up to 10%, 10-25%, 25-50%, 50-75%, 75-100%, not ascertainable etc.

* The range of ~~deviation~~ variation may be computed by taking weighted average of financial ~~deviation~~ variation of each object in the ratio of issue proceeds allocated for it. Non-financial variation may be indicated separately by way of notes.

(c) Any other material fact to be highlighted:

(d) Non-cooperation by listed entity: Yes*/No

**If yes, enclose 'statement of non-cooperation'.*

Declaration:

We declare that this report is based on the format prescribed by the SEBI (ICDR) Regulations, 2018, We further declare that this report provides a true and fair view of the utilization of the issue proceeds.

We declare that we do not have any direct/indirect interest in or relationship with the issuer/promoters/directors/management and also confirm that we do

not perceive any conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer.

Signature:

Name and designation of the Authorized Signatory:

Designation of Authorized person/Signing Authority:

Subsequent Pages:

1) Issuer Details:

Name of the issuer:

Names of the promoter:

Industry/sector to which it belongs:

2) Issue Details

Issue Period

Type of issue (public/rights)

Type of specified securities :

IPO Grading, if any

Issue size (in `crore):

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Give item by item description for all the objects, as well as for the sub-heads (if any) given under objects, stated in the offer document separately in following format:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board ~~of~~ Directors Audit Committee of the listed entity
Whether all utilization is as per the disclosures in the Offer Document?	Yes/ No			
Whether shareholder approval has been obtained in case of material ~~deviations~~ variations* from expenditures disclosed in the Offer Document?	Yes/ No			
Whether exit offer has been provided to dissenting shareholders?	Yes/ No			
Whether the means of finance for the disclosed	Yes/ No			

objects of the issue has changed?				
Is there any major ~~deviation~~ variation observed over the earlier monitoring agency reports?	Yes/ No			
Whether all Government/statutory approvals related to the object(s) have been obtained?	Yes/ No			
Whether all arrangements pertaining to technical assistance/collaboration as stated in the offer document are in operation?	Yes/ No			
Are there any favourable events improving the viability of these object(s)?	Yes/ No			
Are there any unfavourable events affecting the viability of the object(s)?	Yes/ No			
Whether there are any unutilized funds, if yes, any encumbrance has been created on such unutilized funds?	Yes/ No			
Is there any other relevant information that may materially affect the decision making of the investors?	Yes/ No			

*Where material variation may be defined to mean:

- (a) ~~Deviation~~ **Variation** in the objects or purposes for which the funds have been raised
- (b) ~~Deviation~~ **Variation** in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

4) Details of object(s) to be monitored:**(i) Cost of object(s)-**

(Give item by item description for all the objects, as well as for the sub-heads (if any) given under objects, stated in the offer document separately in following format:)

Sr. No.	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Original cost (as per the Offer Document)	Revised Cost	Comments of the Monitoring Agency	Comments of the Board of Directors Audit Committee of the listed entity		
						Reason of Cost revision	Proposed financing option	Particulars of firm arrangements made

(ii) Progress in the object(s)-

(Give item by item description for all the Objects stated in the Offer Document in the following format)

Sr. No.	Item head \$	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed in the Offer Document	Amount raised in the issue (including Pre IPO proceeds *)	Amount utilized			Total unutilized amount	Comments of the Monitoring Agency	Comments of the Board of Directors Audit Committee of the listed entity	
					As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action

\$Provide following details under Item Head:

(a) Name of the object(s):

(b) Brief description of the object(s):

(c) Location of the object(s) (if applicable):

** Pre IPO proceeds which is utilized for stated objects of the issue.*

(iii) Deployment of unutilised IPO proceeds:

Sr. No.	Type of instrument and name of the entity invested in	Amount invested	Maturity date	Earning	Return on Investment (%)	Market Value as at the end of quarter*

* Where the market value is not feasible, provide NAV/NRV/Book Value of the same.

(iv) Delay in implementation of the object(s)

Object(s)	Amount of each object of the issue stated in the offer document	Completion Date			Delay (no. of days/ months)	Comments of the ~~Board of~~ Directors Audit Committee of the listed entity	
		As per the Offer Document	Revised estimate	Actual*		Reason of delay	Proposed course of action

**In case of continuing object(s), please specify latest/revised estimate of the completion date.*

- 5) Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

Annexure-II to the Draft Circular

“Statement of Non-Cooperation”

Name of the issuer: _____

For quarter end: _____

Name of the Monitoring Agency: _____

The Listed entity <Name> and Monitoring Agency <Name> entered into an agreement dated <date> to monitor the utilisation of issue proceeds raised by the Issuer through the <type of issue> of <issue size> vide <offer document type> dated <date>.

In terms of Regulation 32A(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circular(s) issued thereunder, the report of Monitoring Agency for the quarter ended _____, is qualified due to the non-cooperation by <name of the listed entity>, affecting our ability to provide accurate and adequate report on utilization of issue proceeds.

MA has made consistent efforts to obtain the necessary information through multiple communication(s) dated <date>. However, the issuer has remained non-cooperative <List out specific instances of non-cooperation>.

Due to non-cooperation by the listed entity in providing adequate and timely information, the MA has been unable to perform an independent verification of the utilization of proceeds of the issue. Accordingly, the MA declares that the findings contained in the accompanying Monitoring Report are based on the "best available information".

Due to the non-cooperation status of the listed entity and lack of transparency, MA explicitly flags the potential risk of diversion of issue proceeds from the "Objects of the Issue" stated in the Offer Document.

In view of the above, all investors are advised to exercise extreme caution and perform due diligence before making any investment decisions regarding [Name of Listed Entity].

Signature:

Name And Designation Of The Authorized Signatory:

Designation Of Authorized Person/Signing Authority:

Name Of The Monitoring Agency

Annexure-IV

Draft amendments to Section VII-A related to non-compliance with certain provisions of the LODR in SEBI Master circular on compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dated January 30, 2026]

Existing provisions			Proposed provisions		
Sl.No.	Regulation	Fine payable and/or other action to be taken for non-compliance in respect of listed entity	Sl.No.	Regulation	Fine payable and/or other action to be taken for non-compliance in respect of listed entity
20	Regulation 32(1) Non-submission of deviations/ variations in utilization of issue proceeds	Rs. 1,000 per day	20	Regulation 32(1) Non-submission of ~~statement of deviations/~~ variations in utilization of issue proceeds	Rs. 1,000 per day
--			Sl.No.	Regulation	Fine payable and/or other action to be taken for non-compliance in respect of listed entity
			20A	Regulation 32A(8) Non-cooperation by the listed entity reported by Monitoring Agency	Rs.50,000 per instance reported in a quarter by Monitoring Agency

Annexure-V

**Draft amendments to Section III-C in SEBI Master circular on LODR dated
January 30, 2026**

Existing provisions	Proposed provisions
Section III-C: Statement of Deviation or Variation for proceeds of public issue, rights issue, preferential issue, Qualified Institutions Placement etc. 1. As per regulations 32(1), 32(2) and 32(3) of the LODR Regulations, a listed entity is, inter alia, required to submit to the stock exchange, a statement of deviation or variation, pursuant to review by the audit committee, on a quarterly basis for public issue, rights issue, preferential issue etc. indicating, - deviations, if any, in the use of proceeds of public issue, rights issue, preferential issue etc. and - the category wise variation between projected utilisation of funds and the actual utilisation of funds. Such statement of deviation or variation is to be submitted till the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved. 2. A common format for such reporting will aid the monitoring of the end use of issue proceeds raised by listed entities through public issue, rights issue, preferential issue, QIP etc. by Stock Exchanges. Hence, for the purpose of compliance with regulations 32(1), 32(2) and 32(3) of the LODR Regulations, listed entities shall follow the format specified in Integrated Filing (Financial) Annexure-25 to this circular. 3. The salient features of the format are as under: 3.1 <u>Applicability</u>: The format shall be applicable for funds raised by listed entities through public issue, rights issue, preferential issue, QIPs etc.	Section III-C: Statement of ~~Deviation~~ Utilization or including Variation for proceeds of public issue, rights issue, preferential issue, Qualified Institutions Placement etc. 1. As per regulations 32(1), 32(2) and 32(3) of the LODR Regulations, a listed entity is, inter alia, required to submit to the stock exchange, a statement of ~~deviation~~ utilization or including variation, pursuant to review by the audit committee, on a quarterly basis for public issue, rights issue, preferential issue etc. indicating, ~~deviations~~ variations, if any, in the use of proceeds of public issue, rights issue, preferential issue etc. and - the category wise variation between projected utilisation of funds and the actual utilisation of funds. Such statement of ~~deviation~~ utilization or including variation is to be submitted till the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved. 2. A common format for such reporting will aid the monitoring of the end use of issue proceeds raised by listed entities through public issue, rights issue, preferential issue, QIP etc. by Stock Exchanges. Hence, for the purpose of compliance with regulations 32 ~~(1), 32(2) and 32(3)~~ of the LODR Regulations, listed entities shall follow the format specified in Integrated Filing (Financial) Annexure-25 to this circular. 3. The salient features of the format are as under: 3.4 <u>Applicability</u>: The format shall be applicable for funds raised by listed

3.2 <u>Frequency of Disclosure:</u> The disclosure to the Stock Exchange(s) shall be made by listed entities on quarterly basis as part of the Integrated Filing (Financial) as specified in Annexure-25 to this circular until such funds are fully utilised or the purpose for which these proceeds were raised has been achieved. 3.3 <u>Role of the Audit Committee:</u> The statement of deviation report shall be placed before audit committee of the listed entity for review on quarterly basis and after such review, the comments of audit committee along with the report shall be disclosed/submitted to the stock exchange, as part of the format. In cases where the listed entity is not required to have an audit committee under the provisions of LODR Regulations or the Companies Act, 2013, the word 'Audit Committee' shall be replaced with 'Board of Directors'.	entities through public issue, rights issue, preferential issue, QIPs etc. 3.5 <u>Frequency of Disclosure:</u> The disclosure to the Stock Exchange(s) shall be made by listed entities on quarterly basis as part of the Integrated Filing (Financial) as specified in Annexure-25 to this circular until such funds are fully utilised or the purpose for which these proceeds were raised has been achieved. 3.6 <u>Role of the Audit Committee:</u> The statement of ~~deviation~~ utilization including variation report shall be placed before audit committee of the listed entity for review on quarterly basis and after such review, the comments of audit committee along with the report shall be disclosed/submitted to the stock exchange, as part of the format. In cases where the listed entity is not required to have an audit committee under the provisions of LODR Regulations or the Companies Act, 2013, the word 'Audit Committee' shall be replaced with 'Board of Directors'.
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Annexure-VI

Draft amendment to Annexure-25 [Format for Quarterly Integrated Filing (Financial)] of SEBI Master circular on compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 dated January 30, 2026]

Existing provisions	Proposed provisions																																																								
B. STATEMENT ON DEVIATION OR VARIATION FOR PROCEEDS OF PUBLIC ISSUE, RIGHTS ISSUE, PREFERENTIAL ISSUE, QUALIFIED INSTITUTIONS PLACEMENT ETC. <table><tr><th colspan="3">Statement on deviation / variation in utilisation of funds raised</th></tr><tr><td>Name of listed entity</td><td></td><td rowspan="10"></td></tr><tr><td>Mode of Fund Raising</td><td>Public Issues / Rights Issues / Preferential Issues / QIP / Others</td></tr><tr><td>Date of Raising Funds</td><td></td></tr><tr><td>Amount Raised</td><td></td></tr><tr><td>Report filed for Quarter ended</td><td></td></tr><tr><td>Monitoring Agency</td><td>applicable / not applicable</td></tr><tr><td>Monitoring Agency Name, if applicable</td><td></td></tr><tr><td>Is there a Deviation / Variation in use of funds raised</td><td>Yes / No</td></tr><tr><td>If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders</td><td></td></tr><tr><td>If Yes, Date of shareholder Approval</td><td></td></tr></table>	Statement on deviation / variation in utilisation of funds raised			Name of listed entity			Mode of Fund Raising	Public Issues / Rights Issues / Preferential Issues / QIP / Others	Date of Raising Funds		Amount Raised		Report filed for Quarter ended		Monitoring Agency	applicable / not applicable	Monitoring Agency Name, if applicable		Is there a Deviation / Variation in use of funds raised	Yes / No	If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders		If Yes, Date of shareholder Approval		B. STATEMENT ON ~~DEVIATION OR UTILIZATION INCLUDING~~ VARIATION FOR PROCEEDS OF PUBLIC ISSUE, RIGHTS ISSUE, PREFERENTIAL ISSUE, QUALIFIED INSTITUTIONS PLACEMENT ETC. <table><tr><th colspan="3">Statement on ~~deviation-/utilization including~~ variation in utilisation of funds raised</th></tr><tr><td>Name of listed entity</td><td></td><td rowspan="10"></td></tr><tr><td>Mode of Fund Raising</td><td>Public Issues / Rights Issues / Preferential Issues / QIP / Others</td></tr><tr><td>Date of Raising Funds</td><td></td></tr><tr><td>Amount Raised</td><td></td></tr><tr><td>Report filed for Quarter ended</td><td></td></tr><tr><td>Monitoring Agency</td><td>applicable / not applicable</td></tr><tr><td>Monitoring Agency Name, if applicable</td><td></td></tr><tr><td>Is there a ~~Deviation-/~~ Variation in use of funds raised</td><td>Yes / No</td></tr><tr><td>If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders</td><td></td></tr><tr><td>If Yes, Date of shareholder Approval</td><td></td></tr><tr><td>Explanation for the ~~Deviation-/~~ Variation</td><td></td></tr><tr><td>Comments of the Audit Committee after review</td><td></td></tr><tr><td>Comments of the auditors, if any</td><td></td></tr><tr><td>Objects for which funds have been raised and where there has been a ~~deviation/variation~~, in the following table</td><td></td></tr></table>	Statement on ~~deviation-/utilization including~~ variation in utilisation of funds raised			Name of listed entity			Mode of Fund Raising	Public Issues / Rights Issues / Preferential Issues / QIP / Others	Date of Raising Funds		Amount Raised		Report filed for Quarter ended		Monitoring Agency	applicable / not applicable	Monitoring Agency Name, if applicable		Is there a ~~Deviation-/~~ Variation in use of funds raised	Yes / No	If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders		If Yes, Date of shareholder Approval		Explanation for the ~~Deviation-/~~ Variation		Comments of the Audit Committee after review		Comments of the auditors, if any		Objects for which funds have been raised and where there has been a ~~deviation/variation~~ , in the following table	
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Deviation or variation could mean: (a) Deviation in the objects or purposes for which the funds have been raised or (b) Deviation in the amount of funds actually utilized as against what was originally disclosed or (c) Change in terms of a contract referred to in the fund raising document i.e. prospectus, letter of offer, etc. Name of Signatory Designation		~~Deviation or~~ Variation could mean: (a) ~~Deviation~~ Variation in the objects or purposes for which the funds have been raised or (b) ~~Deviation~~ Variation in the amount of funds actually utilized as against what was originally disclosed or (c) Change in terms of a contract referred to in the fund raising document i.e. prospectus, letter of offer, etc. Name of Signatory Designation	
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