





INTRODUCTION TO SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) **REGULATIONS, 2018** PART V: **APPOINTMEN** T OF LEAD MANAGERS, PART IV: PART VI: **OTHER** LOCK-IN AND **DISCLOSURES INTERMEDIA IN AND** RESTRICTION **RIES AND** FILING OF SON **COMPLIANCE TRANSFERABI OFFER OFFICER** LITY **DOCUMENTS** PART III: PART VII -PROMOTERS' **CONTRIBUTIO PRICING** N **PART VIII:** PART II: ISSUE OF CONVERTIBLE **ISSUANCE DEBT INSTRUMENTS AND CONDITIONS WARRANTS** AND **PROCEDURE CHAPTER II** - INITIAL PART I: **PUBLIC** PART IX: **ELIGIBILITY OFFER ON MISCELLANEOUS** REQUIREMENTS **MAIN BOARD**

ELIGIBILITY CRITERIA AS PER SEBI ICDR 2018

Regulaton 5: Entities not eligible to make an initial public offer



Company, any of its promoters, promoter group or directors or selling shareholders shall not be debarred from accessing the capital market by the Board;

None of the promoters or directors of the Company shall be the promoter or director of any other company which is debarred from accessing the capital market by the Board

The Company or any of its promoters or directors shall not be a wilful defaulter

None of promoters or directors shall be a fugitive economic offender



ICDR 2018.....Reg. 6 (Regarding IPO)

Primary Criteria

Companies with track record

Companies without track record

Prospective allottees in the IPO should not be less than 1000 in number



CONDITION 1 NET TANGIBLE ASSET

Net Tangible Assets

Company must have net tangible assets of atleast three crore rupee, calculated on a standalone and Consolidated restated basis, in each of the preceding 3 full years of 12 months.

Monetary Assets: Out of such tangible asset are not more than 50 % held in monetary assets

If more than 50 % of the net tangible assets are held in monetary assets, the company has made firm commitments to utilise such excess monetary assets in its business or project

Limit of 50% on monetary assets shall not be

applicable in case the intial public offer is made entirely through an offer for sale

CONDITION 2 AVERAGE PRE-TAX OPERATING PROFIT



minimum average pre-tax operating profit of rupees 15 crore

on restated and consolidated basis,

during the preceding three years (of 12 months), with operating profit in each of these preceding three years.



CONDITION 3, & 4

Net worth

 net worth of at least 1 crore rupees in each of the preceding 3 full years of 12 months each

Name Change

• In case the company has changed its name within the last one year, atleast 50% of the revenue calculated on standalone and consolidated restated basis for the preceding 1 full year is earned by the company from the activity indicated by the new name



TERMS USED IN EIGIBILITY CRITERIA

"Net tangible assets

the sum of all net assets of the issuer, excluding intangible assets as defined in Accounting Standard 26 (AS 26) or Indian Accounting Standard (Ind AS) 38, as applicable, issued by the Institute of Chartered Accountants of India

"Net Worth"

Net worthmeans the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation;



Allocation in Net Offer to public for the companies which is eligible company- REGULATION 32(1) r/w 6(1)

Book Building Process

not less than (Minimum) 35 % to retail individual investors not less than(Minimum) 15 %to noninstitutional investors not more than (Maximum) 50% to QIBs

→ 5 % shall be **reserved** for mutual funds

→ company can allot upto
 60% under QIB category to
 anchor investor



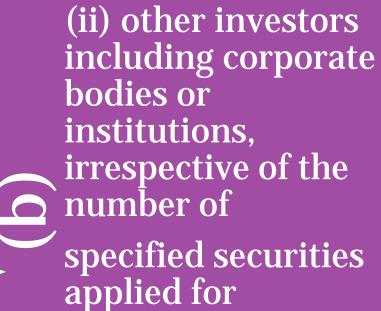
Through Fixed Price Issue-REGULATION 32(4) r/w 6(1)

minimum 50% to retail individual investors



remaining to:

(i) individual applicants other than retail individual investors;



the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in the other category If the retail individual investor category is entitle to more than 50% on proportionate basis, the retail individual investors shall be allocated that higher percentage.



• Allocation in net offer to public for the companies which is not eligible company-REGULATION 32(2) r/w 6(2)

Not more than (Maximum) 10 % to retail individual investors

Not more than (Maximum) 15 % to non-institutional investors

Not less than (Minimum) 75% to QIBs,

→ 5 % shall be reserved for mutual funds

→ company can allot upto 60% under QIB category to anchor investor



ALLOTTES IN IPO

There are generally 2 categories of investor: Retail investors and Non Retail Investors

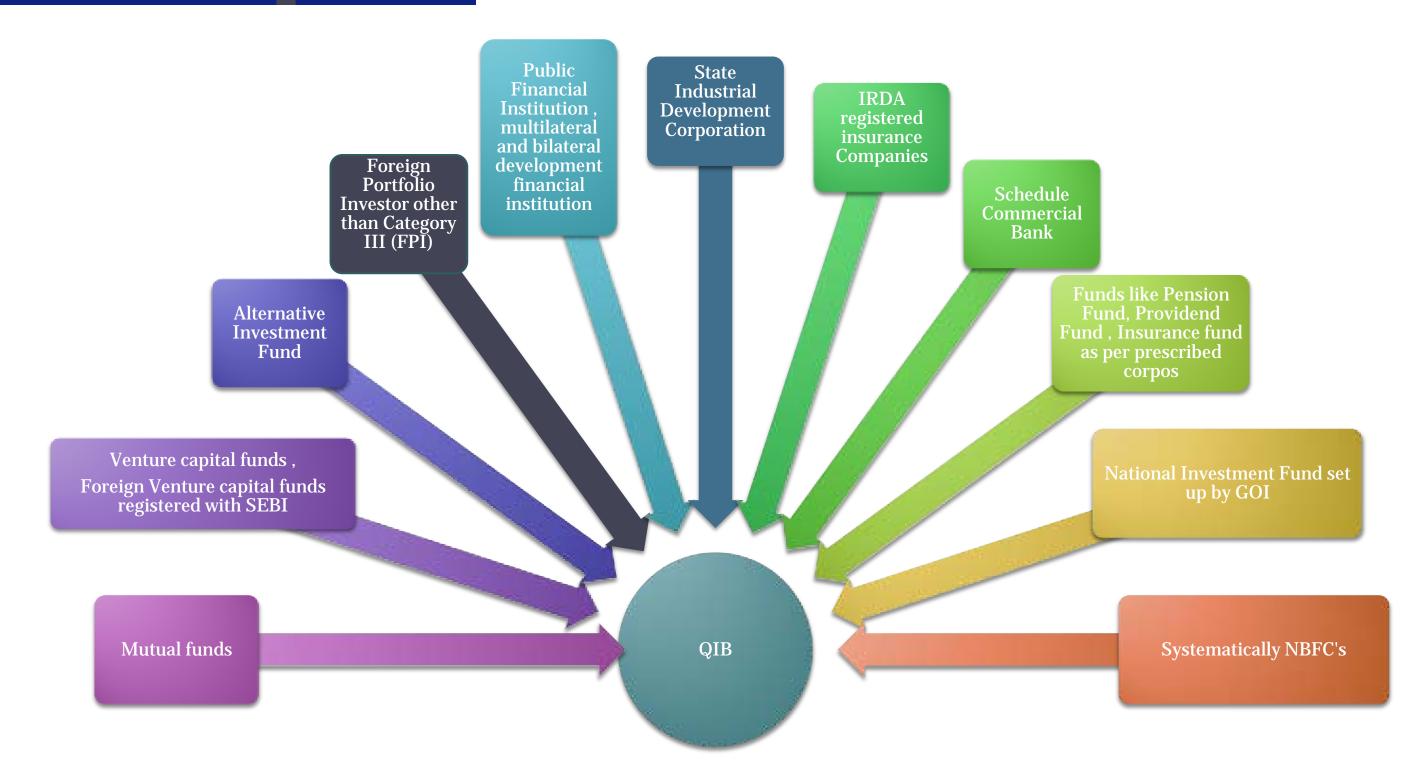
Retail individual investor

an individual who applies or bids for specified securities for a value upto 2 Lakh Rupees

Qualified institutional buyer



ALLOTTES IN IPO





ALLOTTES IN IPO

Anchor Investor

- An anchor investor in a public issue refers to a qualified institutional buyer (QIB) making an application for a value of Rs 10 crore or more through the book-building process. (2 crore in case of SME IPO)
- Bid for such investors opens 1 day prior
- Anchor investor gets upto 60 % of portion under QIB category
- 30 days lockin for such investors

Non institutional investor

• Application or bid made by individual or body corporate other than QIB's and RII for more than 2 Lakh Rupees for specified securities are NII

ELIGIBILITY CRITERIA AS PER SEBI ICDR 2018

Regulation 7: Other Conditions for IPO

Company shall make an Application to one or more Stock Exchange for seeking In – Principle Approval

Company shall enter into an agreement with depository for dematerialisation of security

Promoters holding shall be in demat form

Existing Partly paid up shares shall be fully Paid up or forfeited

Arrangements of finance through verifiable means shall be atleast 75%. of the stated means of finance for a specific project proposed to be funded from the issue proceeds, excluding the amount to be raised through the proposed public issue or through existing identifiable internal accruals

Amount Utilisation for General Corporate Purpose shall not exceed 25% of Net proceeds



Process Flowchart

Issuer Appoints SEBI Registered Intermediary

submits Bid Cum
Application
form to Designated

Intermediary

Applicant/Bidder

Designated
Intermediary uploads
bids on SE bidding
platform

Intiate action for credit of shares in client account with DPs(T+4 day)

Registrar to send bank wise data of allottees & balance amount to be unblocked to SCSBs

Due Diligence carried out by BRLM

Issue Opens

SCSBs block funds in the account of bidder

Instructions sent to SCSBs/ Collecting bank for successful allotment and movement of funds to issue a/c

Confirmation of demat credit from depositories (t+5 day)

BRLM files DRHP with SEBI/ Stock Exchanges (SE) Anchor Book opens,allocation to Anchor investors (optional)

Issue Closes (T Day)

Basis of Allotment approved by SE (T+3 day) Issuer to make Listing application to SE(T+5 day)

SE issues in principle approval

Determination of bidding dates and price band in Book Buit Issues

Modification of details for bids already uploaded (up to 1 pm on T+1 day) Registrar to reconcile the compiled data recevied from the SE and SCSBs

SE Commencement of trading notice

SEBI observations of DRHP

BRLM reply to SEBI observation, files RHP

Registrar receives updated and rectified electronic bid deteails from the SEs

SCSBs provide Final Certificates to the registrar (T+2 day)

Trading Starts (T + 6)





NIRBHAY CAPITAL SERVICES PRIVATE LIMITED

Corporate Identity Number (CIN): U67120GJ2006PTC047985



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