

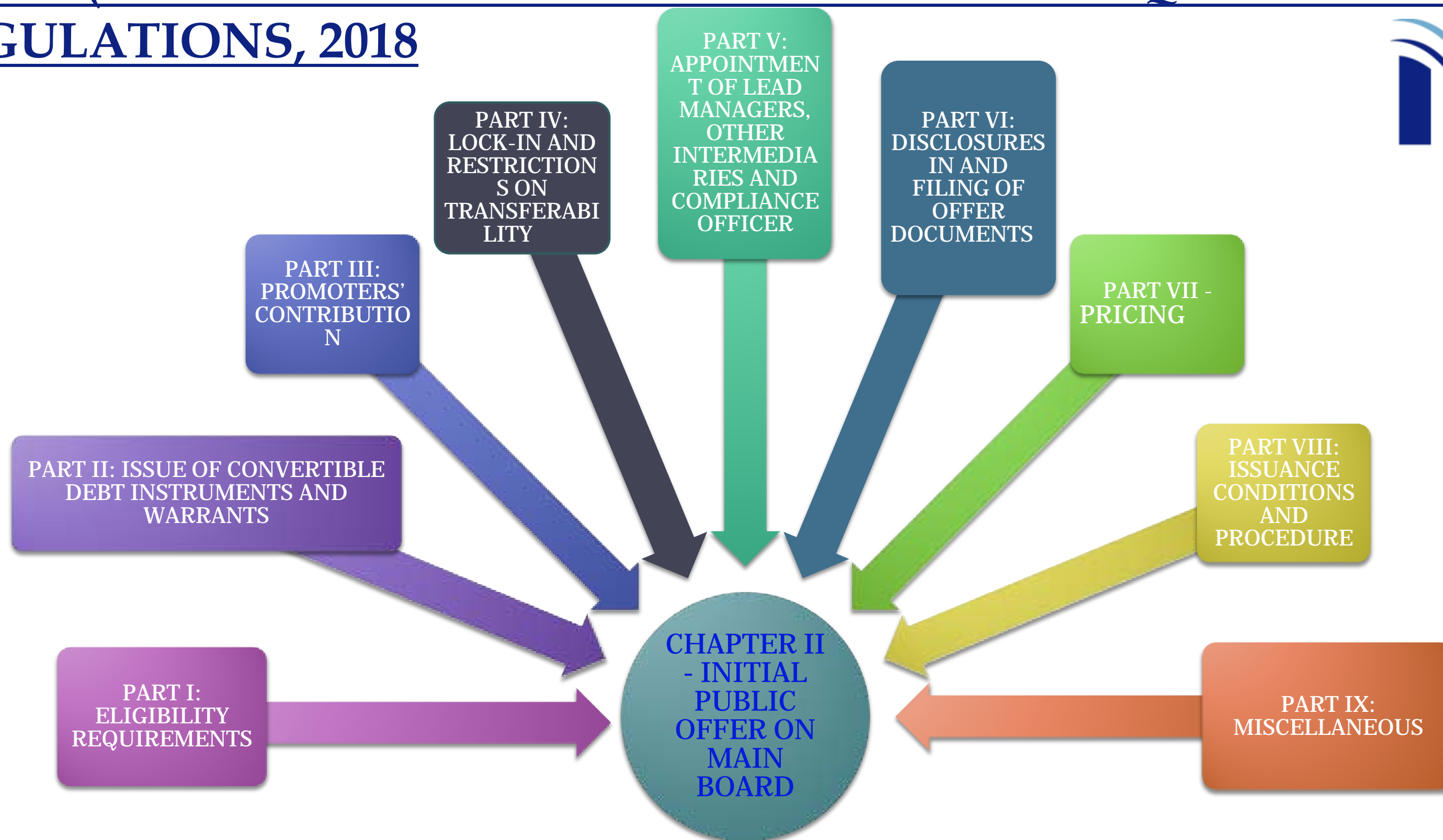
INITIAL PUBLIC OFFERINGS (IPOs) MAIN BOARD LISTING



 **AMASTE**



INTRODUCTION TO SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018



ELIGIBILITY CRITERIA AS PER SEBI ICDR 2018



Regulation 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

Companies with Track Record

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

Companies with Track Record

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.

Companies with Track Record

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, at least 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 ELIGIBILITY 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 worth means 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;



Companies with Track Record

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 non-
institutional
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



Companies with Track Record

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

minimum 50% to
retail individual
investors

(a)

remaining to:
(i) individual
applicants other than
retail individual
investors;

(b) and

(ii) other investors
including corporate
bodies or
institutions,
irrespective of the
number of
specified securities
applied for

(b)

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 entitled to more than 50% on proportionate basis, the retail individual investors shall be allocated that higher percentage.*

Companies without Track Record



- 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

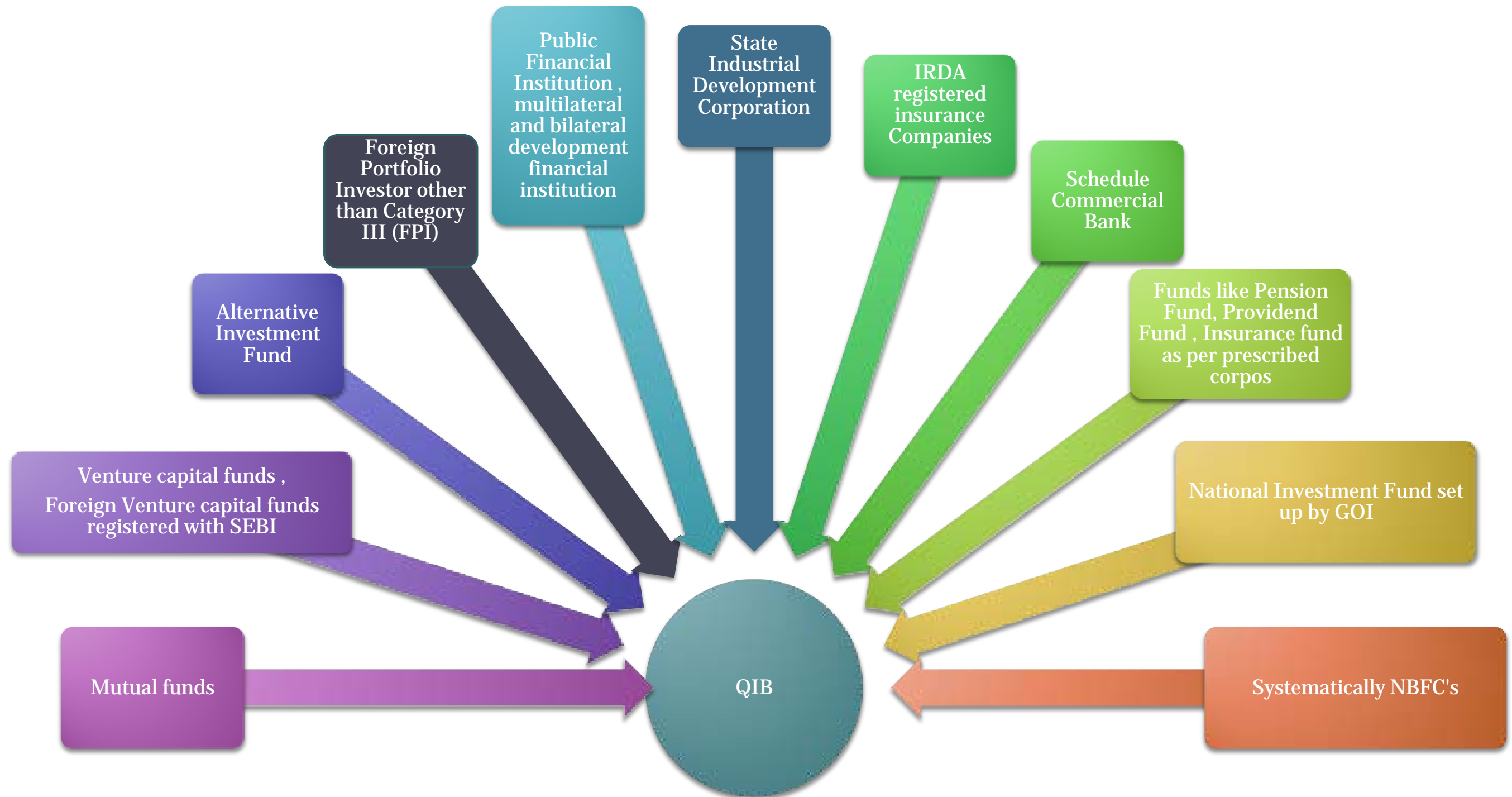
ALLOTTEES IN IPO



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



ALLOTTEES IN IPO



ALLOTTEES 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

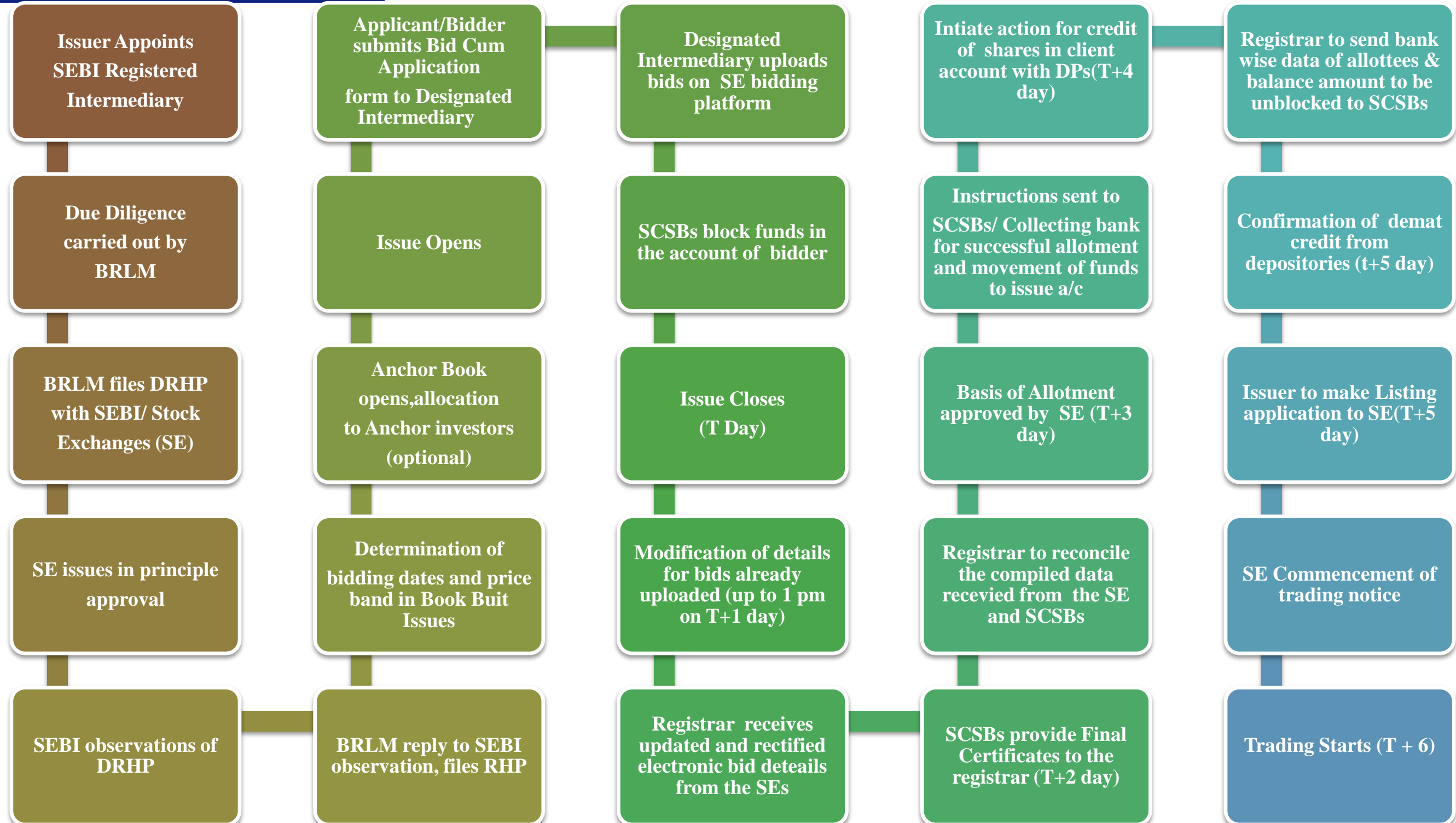
Existing Partly paid up shares shall be fully Paid up or forfeited

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



CONTACT US



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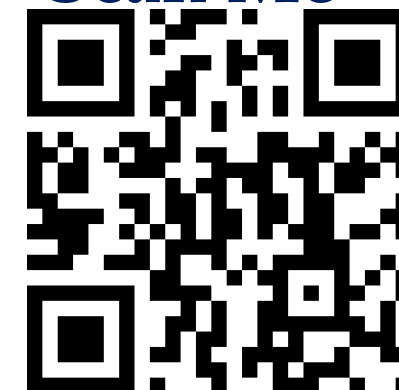
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Thank You

