



**The Institute of Chartered Accountants of India**

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Organised by: **Western India Regional Council of ICAI**

Jointly Hosted by: **Pune Branch of WIRC of ICAI & Pimpri Chinchwad Branch of WIRC of ICAI**



## **SUB REGIONAL CONFERENCE 2025 @ PUNE**

# **GAIN INSIGHTS ON IPO READINESS ASSESSMENT**

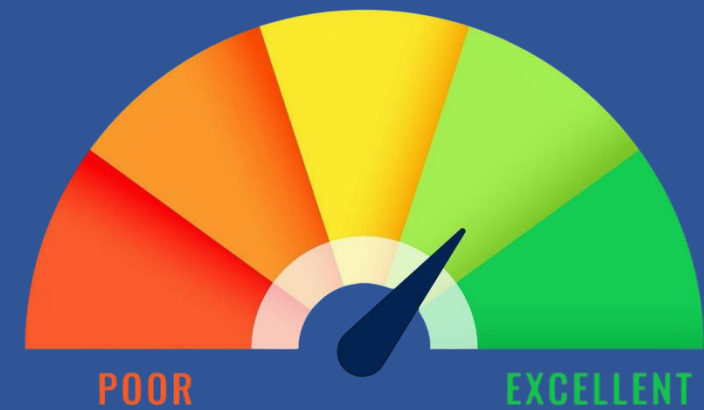
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*Chartered Accountants*

# Let's have Self Assessment : CAs Mindset

- **To understand New A B C D of CA Profession**
- **Audit.....to.....Artificial Intelligence**
- **Bank Audit.....to.....Block Chain**
- **Company Audit .....to.....Consultancy**
- **Direct Tax.....to.....Data Analytics**





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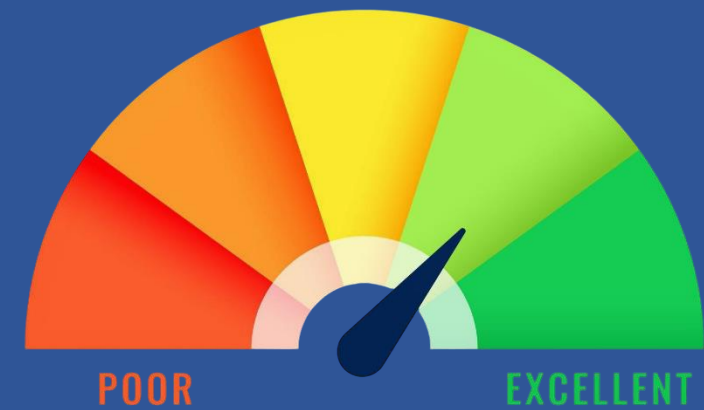


# IPO Readiness

## PHASE I Assessment

# **Key Indicators of IPO READINESS Assessment**

- **Strong Financials**
- **Proven Business Model**
- **Scalable Business Model with Clear Market Traction**
- **Competitive Advantage**
- **Human Resources- Core Skills in Technology-Marketing-Operations**
- **Clear Pitch**



# **Key Indicators of IPO READINESS Assessment**

- **Comparable KPIs**
- **Burn Rate & Runway**
- **Due Diligence Preparedness**
- **Business Plan – Vision**
- **How the Funds will be used**



**It's 12 to 24 Months Process**



# CRITERIA FOR BSE & NSE LISTING

Criteria	BSE SME Platform	NSE SME Platform
Post Issue Paid up Capital	Not more than INR 25 Crore	Not more than INR 25 Crore
Net Worth	At least INR 1 Crore for preceding 2 full FY	Positive Net worth
Net Tangible Asset	INR 3 Crore in preceding full FY	No such requirement
Track Record	At least 3 Years & 1 year of Operations	At least 3 Years



# CRITERIA FOR BSE & NSE LISTING

Criteria	BSE SME Platform	NSE SME Platform
EBIDTA	Operating Profit for 2 out of 3 years	Operating Profit of INR 1 Crore for 2 out of 3 previous FYs
Leverage ratio	Not more than 3:1	No such requirement
Cashflow	No such requirement	Positive Free Cashflow for at least 2 out of 3 previous FYs





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# IPO Readiness

## PHASE II Assessment



# ASSESS PROMOTER'S MINDSET

**I am the CEO – CFO – COO**

**Focus on Core competency**

**I am the BOSS**

**I am the custodian**

**IPO Preparedness Expense**

**Investment**

**Net worth/Cost**

**Value**

# ASSESS PROMOTER'S MINDSET



- What the enterprise has created
- Future value/ fair market value
- Intangible Assets
- ENTERPRISE VALUE

- What the enterprise has paid
- Historical cost
- Tangible Assets
- NET WORTH



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# **ASSESS ENTERPRISE VALUE (E.V.)**

- **Clear delegation of Authority (DOA)**
- **Standards of Procedures (SOPs)**
- **Documentation of BOM**
- **Fixed Assets Register (FAR)**



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# **ASSESS ENTERPRISE VALUE (E.V.)**

- **Risk Assessment (RCM)**
- **Process Automation**
- **IFC FR & ITCG**
- **Audit Ready Accounts**
- **IGAAP to Ind AS (Voluntary Adoption)**



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## **ENHANCE E.V.**

- **To Conduct As Is Process Analysis**
- **To undergo a Focused Benchmarking Analysis**
- **Identify and Refine the Performance Metrics**

# **Client Ask to CA – Why an IPO?**

- **No Repayment Period – No Fixed Interest burden – Reducing Corporate Debt**
- **Create Visibility of Company's Product – Brand Building and Better Market share.**
- **Exit route to Investor / Venture Capitalist.**
- **Strong Statutory Compliance**
- **Accounting practice of company become more transparent**





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# **Assessment of Challenges in IPO**

- Incomplete Financial Reporting**
- Weak Internal Finance Control FR**
- Unstructured Governance**
- Statutory Non-compliance**
- No Time Bound approach**

**POST IPO Non Compliances are COSTLY**





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# IPO Readiness

## PHASE III Assessment



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# **ARE YOU Ready ?**

- **Client's Company is Due Diligence Ready ?**
- **Client's Company is Audit Ready ?**
- **Internal Valuation process is done ?**
- **Object Clause is finalized ?**

**Then prepare a Roadmap to IPO.**



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# **ARE YOU Ready**

- **Increase Your TOP Line by 3X ...10X (than 20%...40%)**
- **To Capitalize Your Knowledge and Skills**

**Then prepare a Roadmap of YOUR PRCTICE**



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### **Be Ready to Takeoff**

- **CAs must be at the Centre of all IPO Activities**
- **BRLM , Lawyers all agencies by CAs**
- **Company Structure To Cap Tables by CAs**

**Your involvement in drafting of all the Sections of  
DRHP**

# THANK YOU

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