



IPO Readiness Assessment Tool

November 2024



FOREWORD

Foreword

Overview

Purpose and Benefits

IPO Readiness Assessment Tool

1. Planning

2. Preparation Phase

3. Listing Preparation Phase

IPO Journey - A synopsis

The Indian capital market has emerged as a dynamic hub for businesses looking to raise capital, reflecting the country's robust economic growth and entrepreneurial spirit. Its vibrancy is evident from the increasing number of companies seeking to go public and leverage investor interest to fuel their growth ambitions. For these companies, an IPO represents more than just a financing milestone; it is a strategic step toward greater visibility, investor confidence, and long-term sustainability.

As companies look to scale and capitalize on emerging opportunities, the IPO route offers a strategic platform to raise capital, enhance corporate governance, and gain access to a wider investor base. This offering is not only a momentous step for companies in India, but also a testament to the growing vibrancy and depth of India's capital markets.

As the market has developed, so too has the regulatory framework governing IPOs in India. The Securities and Exchange Board of India (SEBI) and other regulatory bodies have instituted rigorous guidelines to ensure transparency, protect investors, and promote market integrity. This framework, which has evolved over the years, brings significant responsibilities for IPO-bound companies, covering areas from financial disclosures to compliance with listing norms. While these requirements may seem complex, they are essential in building a strong foundation for a successful listing.

In this context, it is critical for companies to approach the IPO journey with thorough preparation and meticulous attention to detail. Our self-assessment tool is designed as a practical tool to streamline this process. By following each stage of the tool, companies can gauge their readiness and identify areas for improvement, ultimately reducing the time and complexity involved in achieving a successful listing.

The IPO journey is a collaborative effort, with various stakeholders playing vital roles at different stages. From investment bankers and auditors to legal advisors and regulatory authorities, each party contributes expertise and oversight to ensure a seamless

process. At Uniquis, we are committed to supporting companies through this journey by acting as a trusted partner in their journey of IPO by closely working with them to enhance IPO preparedness. Our tool, coupled with the guidance of experienced stakeholders, empowers companies to navigate the IPO process confidently and efficiently.

We encourage all companies considering an IPO in India to leverage these tools as they take this transformative step in their growth journey. With thorough preparation, the IPO process can drive long-term success, robust governance, and sustainable growth.



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OVERVIEW

The Uniquis IPO Readiness Checklist is a comprehensive tool designed to help companies assess their preparedness for an Initial Public Offering (IPO) across various dimensions. It provides a structured, self-assessment approach to evaluate readiness at each of the three key stages in the listing journey: Planning Phase, Offer Document Preparation Phase, and Listing Preparation Phase. The checklist is segmented into seven essential themes, ensuring a holistic review of the factors crucial to a successful IPO. These themes include:

Foreword

Overview

Purpose and Benefits

IPO Readiness Assessment Tool

1. Planning

2. Preparation Phase

3. Listing Preparation Phase

IPO Journey - A synopsis



Each question within these themes is scored based on a Yes (1), No (-1), or Maybe (0) response, with an option to mark Not Applicable (NA), which does not affect scoring. This scoring provides a quantitative snapshot of the company's IPO readiness by theme and by phase.

To guide companies further, each question is also classified as either Mandatory, Good to Have, or Leading Practice:

- **Mandatory questions focus on regulatory compliance and foundational requirements.**
- **Good to Have questions address beneficial practices that can enhance credibility and stakeholder trust.**
- **Leading Practice questions encourage companies to pursue higher standards and operational excellence.**

PURPOSE AND BENEFITS

The purpose of the IPO Readiness Assessment Tool is to empower companies to conduct a thorough self-assessment of their readiness for an IPO. Providing a structured framework helps organizations identify strengths and weaknesses across critical areas, ensuring they are well-prepared for the complexities of going public.

Foreword

Overview

Purpose and Benefits

IPO Readiness Assessment Tool

1. Planning

2. Preparation Phase

3. Listing Preparation Phase

IPO Journey - A synopsis

Benefits include:

Enhanced Preparedness

Companies can better prepare for the IPO process by assessing readiness across multiple dimensions, mitigating risks and avoiding potential pitfalls.

Regulatory Compliance

The focus on mandatory questions ensures that all regulatory requirements are identified and addressed, reducing the risk of non-compliance.

Strategic Insights

The scoring system offers quantitative insights into areas that need improvement, enabling companies to prioritize initiatives and allocate resources effectively.

Best Practice Adoption

Encouraging the implementation of good-to-have and leading practices can elevate a company's profile, enhancing investor confidence and stakeholder perception.

Holistic Evaluation

The multi-theme approach allows companies to evaluate their readiness from different angles, fostering a comprehensive understanding of what is needed for a successful IPO.

Overall, the IPO Readiness Assessment Tool serves as a vital resource for companies aspiring to navigate the IPO landscape successfully, promoting strategic alignment, compliance, and operational excellence.

IPO READINESS ASSESSMENT TOOL

01

Planning

This phase involves groundwork and planning to ensure the company is ready for an IPO.

Strategy (S)

Finance (F)

Legal, Tax and Compliance
(C)

Governance and Risk
Management (R)

Investor Relations (I)

ESG strategy and communication (E)

People or Human Capital (H)

Foreword

Overview

Purpose and
Benefits

IPO Readiness
Assessment Tool

1. Planning

2. Preparation
Phase

3. Listing
Preparation Phase

IPO Journey - A
synopsis

1	Strategy	RAG	Y	N	NA	Maybe
1.1	Question: Has the management clearly identified and communicated the purpose for pursuing an IPO? Context: The purpose may include allowing an exit for existing private equity (PE) funds, repaying debt, or restructuring the company's capital structure.					
1.2	Question: Has the management obtained in-principal approval from key stakeholders to pursue an IPO? Context: Stakeholders may include private equity investors, venture capitalists, other significant shareholders, and the company's board of directors.					
1.3	Question: Are alternative financing options available if an IPO does not materialize as planned? Context: Going public is time-consuming, and equity market conditions can change by the time the listing occurs, so it's prudent to have other financing options.					
1.4	Question: Has the management evaluated and selected the most suitable capital market for the IPO, such as India, Singapore, the USA, or GIFT City?					

1	Strategy	RAG	Y	N	NA	Maybe
	Context: Choosing the right capital market is crucial as it can impact on the company's access to investors, regulatory requirements, market visibility, and overall cost of capital. The management should consider factors such as market conditions, investor appetite, regulatory frameworks, and potential advantages or disadvantages of each location in aligning with the company's growth strategy.					
1.5	Question: Has the management assessed any potential tax and legal implications if a shift in domicile is necessary to access the desired capital market?					
	Context: Some companies may need to change their domicile ("flip") to access a particular capital market more effectively.					
1.6	Question: Has the management evaluated the need for any internal group restructuring prior to the IPO?					
	Context: Some companies may need to carry out restructuring within the group prior to the IPO to consolidate all the related businesses within the same entity. For example, two entities carrying similar businesses are owned independently and directly by the promoters; the management may decide to merge/transfer within a single entity before the IPO.					
1.7	Question: Have pre-IPO preparations for share splits, bonuses, or private placements been conducted to determine an appropriate price range and structure for the primary and secondary portions of the offering?					
1.8	Question: Has the management discussed and agreed on the proposed post-listing shareholding pattern, ensuring the promoter's shareholding does not exceed regulatory limits?					
	Context: Public shareholding should be a minimum 25% unless the issue size is more than 4,000 crores.					
1.9	Question: Does the management team have adequate experience and preparation to manage an IPO process?					
1.10	Question: Has the management identified or appointed (internal or external) a project management team to run the entire IPO process?					
	Context: A formal Project Management Office (PMO) is key to planning, organizing & monitoring IPO process efficiently.					

1	Strategy	RAG	Y	N	NA	Maybe
1.11	Question: Does the Company plan to give any dividend prior to IPO?					
	Context: Existing shareholders may wish to encash the reserves accumulated over the years from the operations.					

2	Finance	RAG	Y	N	NA	Maybe
2.1	Restated Historical Financial Information					
2.1.1	Question: Do you have the last three (3) years audited financial statements available on a standalone and consolidated basis?					
	Context: Where an issuer does not have a subsidiary, associate, or joint venture in any financial year, the issuer shall present separate financial statements for that financial year by following the applicable requirements of a restated Consolidated Financial Statements (CFS).					
2.1.2	Question: Are the audited financial statements prepared under IFRS/ Ind AS?					
	Context: Listed companies are required to prepare their financial statements under Ind AS.					
2.1.3	Question: Are there any stub period financial statements required to be given to the company based on the projected timelines? If so, are such financial statements auditable?					
2.1.4	Question: Does the company plan to give comparative stub period financial statements?					
	Context: ICDR gives an option to present the comparatives to the stub period financial statements.					
2.1.5	Question: Are material foreign group companies being consolidated audited as per the local GAAP and regulations? If not, are such financial statements audited as per the auditing standards/ requirements applicable in India?					
	Context: SEBI ICDR requires that the financial statements of all foreign consolidated entities to be audited, unless they are not material to the CFS, and the local regulation does not mandate audit.					

2	Finance	RAG	Y	N	NA	Maybe
2.1.7	Question: Has the statutory auditor held a valid peer review certificate for the last 3 years?					
2.1.8	Question: Do audit reports for the group and standalone group companies include any qualifications or other observations?					
2.2	Proforma financial information					
2.2.1	If the company has undertaken or planned any material acquisitions/ disposal/ mergers or any other transaction.					
	1. Has the company assessed the requirement to prepare the proforma financial statements?					
	2. Has the company planned for additional capacity and capability within the finance team for the preparation of such financial statements?					
2.2.2	Question: If issue proceeds are to be used for any material acquisition of businesses or entities, has the management presented the audited balance sheet, profit & loss, cash flow for the latest three (3) financial years and stub period in the offer document?					
	Context: The proposed acquisition (covering all businesses or subsidiaries proposed to be acquired) shall be considered material if it will make a 20% or more contribution in aggregate to either turnover, net worth, or profit before tax in the latest annual CFS as per the requirement under Schedule VI of ICDR – 11. Financial Statements.					
2.3	Finance Closure Process					
2.3.1	Question: Does the company have and strictly adhere to finance close timelines on a monthly basis?					
2.3.2	Question: Does the company make any significant adjustments or revise numbers after completion of close process?					
2.3.3	Question: Are sufficient disclosures made during each book closure process?					
2.3.4	Question: Does the company have processes and technology in place such as ERP, automated financial preparation, reconciliation tools, etc. in place to effectively meet the quarterly financial reporting and book closure requirements post-listing?					

2	Finance	RAG	Y	N	NA	Maybe
2.4	Other points					
2.4.1	Question: Are there any accounting positions that need to be revisited by the management?					
2.4.2	Question: Were there any changes to the accounting policy made by the Company in the last 3 years?					
	Context: Material changes to the accounting policy could result in restatement of the financial statements.					
2.4.3	Question: Are accounting policies documented by the management, and does the team have formal written memos and white papers developed to support the technical accounting policies taken over the years?					
2.4.4	Question: Are standard operating procedures (SOP) for all financial processes documented and made available to all employees?					
2.4.5	Question: Have audit schedules and processes been established to align with the IPO timeline and support the relevant regulator's requirements?					

3	Legal, Tax and Compliance	RAG	Y	N	NA	Maybe
3.1	Question: Has the company revisited the tax structure of the group? This will help in identifying potential tax optimization of shareholder and exit structure.					
	Context: Utilization of existing losses that can be carried forward and claiming deductions.					
3.2	Question: Has legal and compliance performed a review and clean-up of legal agreements/ documents to ensure that all parties to the agreements or legal documents are properly executed?					
3.3	Question: Has the management ensured that all parties documented and executed all significant business arrangements with independent third parties and related entities?					
	Context: All significant arrangements must be well documented and legally binding on each party to ensure the legal and business diligence does not highlight any major lapses in the legal process.					

3	Legal, Tax and Compliance	RAG	Y	N	NA	Maybe
3.4	Question: Does the management have a robust process in place for application and registration, monitoring expiry & renewals of all necessary licenses and regulatory approvals?					
3.5	Question: Does the legal & compliance team have a list of all applicable laws & regulations on the company?					
3.6	Question: Has management reviewed all material, criminal litigations, and regulatory actions against the company, directors and promoter group, which can adversely impact the financial performance, position or reputation of the Company?					
	Context: Existing patent issues; trademark issues, pending CCI matters, regulatory actions pending against promoters that can have a material impact on the company needs to be evaluated.					
3.7	Question: Have the necessary alterations been made to the Articles of Association and Memorandum of Association of the Company?					
3.8	Question: Are necessary regulatory approvals (depending on the industry in which the entity operates) obtained before initiating the listing process?					
	Context: CCI, RBI, or any regulatory body approval may be required to proceed with the IPO.					
3.9	Question: Are you compliant with all the ROC filings?					
3.10	Question: Are any undisputed statutory dues not paid on time or still outstanding?					
3.11	Question: Has the management considered the potential tax implications of dilution of stake during the IPO?					
	Context: Impact includes assessing the potential tax consequences of the key shareholders, restructuring to simplify or optimize the current corporate structure.					
3.12	Question: Are all the requirements of FEMA being complied with?					
3.13	Question: Is the company compliant with Press Note 3 of 2020 for FDI?					
	Context: An entity of a country which shares a land border with India or where the beneficial owner of an investment into India is situated or is a citizen of any such country can invest only under the Government route even if such sector is covered under 100% automatic route.					

4	Governance and Risk Management	RAG	Y	N	NA	Maybe
4.1	Question: Has the management identified the potential independent directors to be taken on board?					
4.2	Question: Does the Board of Directors (BoD) include the following: 1) 1 women director 2) More than 50% of the directors are non-executive directors. (Reg 17(1)(a) of SEBI LODR)					
	Context: The proportion of independent directors depends on the quantum of non-executive directors.					
4.3	Question: Does the company have the minimum required number of directors in the BoD (Reg 17(1)(c) of SEBI LODR).					
4.4	Question: Has the company laid down the Code of Conduct for the Board of Directors and senior management of the Company? (Reg 17(5) of SEBI LODR).					
4.5	Question: Have the Board of Directors framed the risk management plan for the Company? (Reg 17(9) of SEBI LODR).					
4.6	Question: Has the Company formed an audit committee? If so, does the committee have a minimum of 3 directors with more than 2/3 of the committee being independent directors? (Reg 18 of SEBI LODR)?					
4.7	Question: Has the Company formed a nomination and remuneration committee? If so, does the committee have a minimum of 3 directors with more than 2/3 of the committee being independent directors and all non-executive directors? (Reg 19 of SEBI LODR).					
4.8	Question: Has the Company formed a risk management committee? If so, does the committee have a minimum of 3 members with the majority being the members of the Board and 1 independent director? (Reg 21 of SEBI LODR).					
4.9	Question: Does the company have any material subsidiaries? If so, at least 1 independent director of the parent company should form part of the Board of the subsidiary companies? (Reg 24 of SEBI LODR).					
4.10	Question: Does the Company have an internal audit team commensurate with the size of the Company?					

4	Governance and Risk Management	RAG	Y	N	NA	Maybe
	Context: The internal audit team should be adequately staffed and possess the necessary expertise to effectively assess the company's risk management, internal controls, and governance processes.					
4.11	Question: Does the company have a framework for anti-bribery / anti- corruption laws? Are such laws communicated to the employees?					
4.12	Question: Does the Company have an existing whistle blower mechanism in place?					
4.13	Question: Does the company have major or significant related party transactions?					
4.14	Question: Does the company depend on related parties for any significant inputs (input raw materials, purchases, technology, real estate, etc.) or does the company have major sales to the related parties?					
	Context: Significant related party transactions may pose conflict of interest or become a corporate governance issue to be addressed. Therefore, it needs to be evaluated pre-IPO.					
4.15	Question: Does the company have a management team with qualifications and experience commensurate with its size and the necessary capabilities to manage a listed company?					
	Context: Managing a publicly listed company requires significantly higher levels of corporate governance. The company may need to evaluate the capabilities and experience of the management team and make the necessary changes wherever needed.					
5	Investor Relations	RAG	Y	N	NA	Maybe
5.1	Question: Does the Company have an existing team to manage investor relations, or does it plan to onboard a new vendor to manage investor relations?					
5.2	Question: Has the Company formed a stakeholder relationship committee? If so, does the committee have a minimum of 3 directors with a minimum of 1 independent director? (Reg 20 of SEBI LODR).					
5.3	Question: Does the Company have a website that includes communication of all regulatory matters to the stakeholders?					
5.4	Question: Does the management have measures in place to address potential investor grievances related to transparency, communication, and financial reporting?					

6	ESG strategy and communication	RAG	Y	N	NA	Maybe
6.1	Question: Has the company identified the most relevant ESG issues and aligned it with its core mission and growth strategy?					
	Context: Showcasing ESG as an integral part of the company's identity and strategy and not just an add-on. It demonstrates its readiness to address key risks and opportunities relevant to the industry and stakeholders. Identifying material ESG issues highlights the company's commitment to sustainable growth.					
6.2	Question: Does the company plan to engage stakeholders, whose inputs will be helpful in shaping the company's ESG priorities?					
	Context: Engaging stakeholders (including employees, investors, and communities) shows responsiveness and adaptability to external expectations.					
6.3	Question: Does the company plan to disclose the list of ESG initiatives implemented by the Company till date?					
	Context: Detailing current initiatives helps showcase commitment and progress in sustainability and social responsibility.					
6.4	Question: Has the company framed the governance structures to ensure accountability for ESG goals?					
	Context: Dedicated board oversight, clear executive responsibility, and performance-linked incentives underscore a commitment to implementing and achieving ESG goals, assuring investors of consistent follow-through.					
6.5	Question: Does the company ensure transparency and reliability in its ESG reporting and disclosures by way of third party verification of ESG data or such other measures?					
	Context: Clear disclosures aligned with recognized frameworks (e.g., Global Reporting Initiative, Sustainability Accounting Standards Board) signal credibility, while third-party verification of ESG data demonstrates a commitment to accuracy.					

7	People or Human Capital	RAG	Y	N	NA	Maybe
7.1	Question: Does the company have inclusion and diversity within the workforce?					
7.2	Question: Has management computed the current median salary between senior management employees and other employees?					
7.3	Question: Has management compared the benefits paid to the employees with those of competitors?					
7.4	Question: Is the current attrition rate of the company within acceptable industry attrition rates and has it been benchmarked against major competition?					
	Context: Needless to say, higher-than-industry-standard attrition can be adverse to the company's continuity and consistent performance. Such attrition rates are also included in the risk factors section of the offer document.					
7.5	Question: Does the company have a nomination and remuneration committee?					
7.6	Question: Are there any outstanding ESOPs? or does the company have plans to provide ESOPs to the employees before listing?					
7.7	Question: Do the issuer employees receive ESOPs in the form of parent, or any other group company share options? If so, has the management initiated a plan to exchange parent ESOPs with issuer ESOPs?					
7.8	Question: Does the Company have a policy for POSH, and are such policies communicated to all employees through training?					
7.9	Question: Are there leadership development initiatives to enhance the skills of the management team?					

02

Preparation Phase

This phase focuses on drafting and finalizing the necessary IPO documents to meet regulatory standards.

Foreword

Strategy (S)

Finance (F)

Legal, Tax and Compliance
(C)Governance and Risk
Management (R)

Overview

Investor Relations (I)

ESG strategy and communication (E)

People or Human Capital (H)

Purpose and
Benefits

IPO Readiness Assessment Tool

1. Planning

2. Preparation Phase

3. Listing
Preparation PhaseIPO Journey - A
synopsis

1	Strategy	RAG	Y	N	NA	Maybe
1.1	Question: Are there any outstanding convertible securities that would entitle the person to receive the issuer's equity shares?					
	Context: No public shares can be made with outstanding rights.					
1.2	Question: Is the capital structure of the entity determined together with the proposed promoter holding?					
1.3	Question: Has the Company satisfied with the eligibility criteria for the initial public offer under Reg 6(1) of SEBI ICDR or plans to make it through the book building process under Reg 6(2) of SEBI ICDR?					
	Context: Reg 6 (1) of SEBI ICDR a) Net tangible assets of 3 crores in each of the 3 preceding years held in monetary assets b) Average operating profits of 15 crores in each of 3 preceding years (c) Net worth of 1 crore in the last 3 years					
1.4	Question: Has the mode of raising capital been decided?					
	Context: Capital can be raised either by fresh issue of shares or via an offer for sale by the existing shareholders.					

1	Strategy	RAG	Y	N	NA	Maybe
1.5	Question: Have bankers, lawyers, investor relations, and other advisors been identified and appointed?					
1.6	Question: Has the management evaluated the right timing for the IPO?					
	Context: Factors that need to be taken into consideration before finalizing the timing of listing include - political developments and uncertainties associated with it, interest rates, inflation, prevailing industry considerations, and economic forecasts					

2	Finance	RAG	Y	N	NA	Maybe
2.1	Question: Has the management prepared a factbook containing all financial information repositories that will be used as a source of information for providing to auditors, lawyers, bankers, etc.?					
2.2	Question: Are Key Performance Indicators (KPI) of the entity identified, clearly defined, and computed for the 3 years prior to the IPO?					
	Context: Schedule VI – disclosure in the offer document of Issue of Capital & Disclosure Requirements - ICDR) brought into effect from 22 November 2022 (Fourth Amendment) Regulations, 2022).					
2.3	Question: Does the Company benchmark its defined KPIs against those disclosed by domestic and global peer companies with similar businesses?					
	Context: Comparing a company's KPIs with its peers provides potential investors with a benchmark for assessing its strengths, weaknesses, and potential for growth in the market.					
2.4	Question: Are there adequate internal controls in place to ensure calculation accuracy and consistency of KPIs?					
	Context: KPIs must be certified by the issuer's statutory auditor, a peer-reviewed chartered accountant, or a peer-reviewed cost accountant.					
2.5	Question: Are appropriate non-GAAP measures disclosed in the offering documents based on discussion with business and finance teams and peer benchmarking?					

2	Finance	RAG	Y	N	NA	Maybe
	Context: Non-GAAP measures computations like EBITDA, Gross Margin, ROCE, EPS, PE Ratio, and Capitalization statement should be discussed and agreed upon with the respective business and finance team to ensure that any one-off item or abnormal item has been given effect to reflect the normal business position.					
2.6	Question: Are the internal controls, systems, and processes for financial reporting in place, and risk control matrix is drafted and documented?					
	Context: An effective control mechanism over financial reporting helps obtain complete and accurate information for preparing financial statements, preventing fraud, etc., leading to a clear opinion through an audit report that will boost investors' confidence in the company.					
2.7	Question: Does the company have a system for preparing forecasts (quarterly / annually) and tracking performance against forecasts?					
	Context: It helps track revenue streams, costs, and profitability, which are crucial for investor relations and meeting market expectations.					
2.8	Question: Is the MD&A drafted in a way that clearly explains the business model, key revenue drivers, and cost drivers in simple terms for regulators and prospective investors?					
	Context: A well drafted MD&A is essential for a successful IPO, bridging financial data with the underlying story of the company's performance, providing clarity and transparency for investors and regulators.					

3	Legal, Tax and Compliance	RAG	Y	N	NA	Maybe
3.1	Question: Has the Company Secretary and Compliance Officer been identified and appointed?					
	Context: SEBI LODR mandates the requirement to appoint a Compliance Officer to monitor the compliance of security laws and for redressal of investor's grievances.					
3.2	Question: Has management collated all ROC filing documents, including forms, related challans, resolutions, etc., and other secretarial records in an organization for legal diligence and smooth drafting of a non-business section of the offer document?					
3.3	Question: Has the management prepared the history of the build-up of equity and preference shareholding in the company together with the weighted average cost of acquisition of the promoter, promoter group, founders and Selling Shareholders?					

3	Legal, Tax and Compliance	RAG	Y	N	NA	Maybe
	Context: Non-business section of the offer document includes entire history of capital raise by the company, depending on the number of funding rounds.					
3.4	Question: In case of OFS by foreign domiciled investors, has the company finalized and agreed the approach and positions relating to withholding taxes to avoid any TDS non-compliance?					
3.5	Question: Has management discussed and agreed upon the termination or modification of special rights granted to certain shareholders, along with the timing for these changes?					
	Context: In the recent past, SEBI has expressed concerns regarding any form of such rights in the Articles of Association (AoA) of a company seeking an IPO.					
3.6	Question: Are the related party transactions benchmarked, and is it ensured that all related party transactions are at arm's length?					
3.7	Question: Is in-principal approval obtained from the stock exchange before issuing securities? (Reg 28(1) (a) of SEBI LODR).					
3.8	Question: Is SCORES authentication obtained prior to listing?					
	Context: Companies are required to obtain SCORES (SEBI Complaints Redress System) authentication before listing to ensure they address investor grievances effectively.					

4	Governance and Risk Management	RAG	Y	N	NA	Maybe
4.1	Question: Are there any partly paid-up equity shares? Is so, are they converted to fully paid up?					
4.2	Question: Has management compiled an exhaustive list of all material internal risks associated with the company in consultation with BRLMs and counsel?					
	Context: Such risks include supply chain management, reliance of the holding company for R&D, royalty, changes in technology, material pending litigations.					
4.3	Question: Has the management compiled an exhaustive list of all material external risks that can impact the company, in consultation with BRLMs and counsels?					
	Context: Such risks include changes in government regulations, challenges in economic conditions in the country of operation.					

4	Governance and Risk Management	RAG	Y	N	NA	Maybe
4.4	Question: Has the management identified and documented the list of risks relating to the current offer of shares?					
	Context: The current offer being OFS will not improve the financial position of the Company, any potential dilution of shareholding by further issuance of shares.					
4.5	Question: Has management ensured the inclusion of past risk incidents and their resolutions, if applicable, as examples for each risk factor discussed in the risk factors section?					
	Context: SEBI requires the inclusion of specific examples of risk incidents that have occurred to provide prospective investors with a clearer understanding of the associated risks of investment in the securities offering.					
4.6	Question: Has the management evaluated the list of applicable acts and complied with all regulations and policies?					
	Context: Regulations include Electricity Act, 2003, The Information Technology Act, 2000, The Digital Personal Data Protection Act, 2023, acts applicable to the industry in which the company operates.					
4.7	Question: For any acquisitions being made, has the management submitted to the stock exchange the intimations within two working days of the receipt of intimation of allotment of shares, or the acquisition or the disposal of shares or voting rights in the target company?					

5	Investor Relations	RAG	Y	N	NA	Maybe
5.1	Question: Has the management formulated a whistle-blower mechanism for the employees and other stakeholders to report on any issue?					
5.2	Question: Have all the employees been made aware of the insider trading regulations through training?					
5.3	Question: Has the Company formulated a mechanism to comply with the requirements of prevention of insider trading and communication with the employees?					
5.4	Question: Does the management hold regular conference calls for the investors to explain the current business environment and the future prospects?					

6	ESG strategy and communication	RAG	Y	N	NA	Maybe
6.1	Question: Has the company started preparing for Business Responsibility and Sustainability Reporting (BRSR), including the identification of relevant metrics? Are systems in place to collect and analyze data needed for BRSR disclosures?					
	Context: BRSR readiness is essential to meet post-listing reporting requirements and demonstrating transparency and accountability.					
6.2	Question: Have relevant teams received training on BRSR data collection, reporting standards, and compliance expectations?					
	Context: Ensuring company-wide understanding and engagement with ESG initiatives builds an informed team that can support ongoing compliance and reporting.					
6.3	Question: Has a third-party review or assurance process been considered to validate BRSR data?					
	Context: BRSR assurance readiness is essential to maintain transparency and fulfill regulatory obligations. BRSR assurance preparedness prevents discrepancies in reporting.					

7	People or Human Capital	RAG	Y	N	NA	Maybe
7.1	Question: Are all the employees informed about the company's IPO plan and the additional requirements that will be required to be complied with as a listed entity, together with training in that regard?					
7.2	Question: Are all the internal policies, including the code of conduct for employees and senior management, drafted and communicated?					
7.3	Question: Will there be any ESOP provided to the employees?					
7.4	Question: Is the background of directors, key managerial personnel, and senior management, together with the benefits paid to them, collated?					
	Context: Management should also ensure that the managerial remuneration paid is within the prescribed limits. If not, then necessary approvals should be obtained.					

03

Listing Preparation Phase

The listing preparation phase addresses all compliance requirements and continuous disclosures that will immediately apply to the company, which are essential for maintaining trust with investors and regulators.

Foreword

Overview

Purpose and Benefits

Strategy (S)

Finance (F)

Legal, Tax and Compliance (C)

Governance and Risk Management (R)

Investor Relations (I)

ESG strategy and communication (E)

People or Human Capital (H)

IPO Readiness Assessment Tool

1. Planning

2. Preparation Phase

3. Listing Preparation Phase

IPO Journey - A synopsis

1	Strategy	RAG	Y	N	NA	Maybe
1.1	Question: Is the market cap for the entity determined together with its position in the market (Reg (3)(2)(b) of SEBI LODR)?					
	Context: The position of the Company will help to identify the applicability of specific regulations.					
1.2	Question: Has policy on the materiality of RPT formulated?					
	Context: (Material - >1,000 crores or 10% (5% in certain cases) of consol turnover, whichever is lower).					
1.3	Question: Has the policy on disclosure of material events formulated?					
	Context: Para A of Part A of Schedule III – All events. Para B of Part A of Schedule III – Based on materiality (Reg 30 of SEBI LODR) disclosure is required to the general public. Events of significant importance are to be disclosed to the general public.					

2	Finance	RAG	Y	N	NA	Maybe
2.1	Question: Are the Quarter and YTD results prepared and submitted with exchange within 45 days and 60 days? (Reg 33(3)(A) of SEBI LODR)					
2.2	Question: Are the annual reports presented on the website of the Company? (Reg 34 of SEBI LODR).					
2.3	Question: Should the Business Responsibility and Sustainability Reporting (BRSR) be included together with the annual report? (Reg 34 (2) (f) of SEBI LODR).					
	Context: Applicable for top 1000 companies .					
2.4	Question: Does the Company make preparation of investor presentation and board presentation including all updates for the period?					

3	Legal, Tax and Compliance	RAG	Y	N	NA	Maybe
3.1	Question: Is a share transfer agent appointed (Reg 7 of SEBI LODR)?					
3.2	Question: Has the company ensured readiness to submit the signed Compliance Certificate to the exchange within 30 days of the end of the financial year certifying compliance with share transfer activity (Reg 7(3) of SEBI LODR)?					
3.3	Question: Is Corporate Governance applicable to the entity (Reg 15(2) of SEBI LODR)?					
	Context: Criteria - Equity share capital >10 crores and Net worth >25 crores.					
3.4	Question: Are RPT transactions approved by the audit committee prior to undertaking the transaction? (Reg 23(2) of SEBI LODR).					
	Context: This approval process ensures that the transactions are conducted at arm's length and in the best interest of the company					
3.5	Question: Is policy on the materiality of RPT disclosed to the general public? (Reg 23 (2) (a) of SEBI LODR)					
	Context: Policy on the materiality of Related Party Transactions must be disclosed to the general public as part of regulatory compliance. This ensures transparency and informs stakeholders about how the company identifies and manages related party transactions.					

3	Legal, Tax and Compliance	RAG	Y	N	NA	Maybe
3.6	Question: Has the company reviewed, reconciled and finalized related party transaction for disclosures to be made half yearly basis on the date of publishing results for the period? (Reg 23(9) of SEBI LODR)?					
3.7	Question: Has the company ensured readiness to submit the secretarial audit report given by a company secretary in practice within 60 days from the end of FY to exchange for the entity and material unlisted subsidiary (Reg 24A of SEBI LODR)?					
3.8	Question: Has the company ensured readiness to file the quarterly compliance report on corporate governance within 21 days from the end of each quarter to the exchange? (Reg 27(2) of SEBI LODR)					
	Context: Compliance report to also include any cyber security incident and material RPT (Reg 27(2)(b) of SEBI LODR and Reg 27(2) (ba) of SEBI LODR)					
3.9	Question: Does the company have formalized process in place to provide 2 days' prior notice (excluding date of intimation and date of meeting) to the exchanges for all important events? (Reg 29 (1) of SEBI LODR)?					
3.10	Question: Is materiality for the entity determined and disclosed to the exchange and on the website of the company? (Reg 30 (5) of SEBI LODR)					
3.11	Question: Has the timeline for disclosure for the event been followed for all disclosures? (Reg 30(6) of SEBI LODR)					
	Context: Timeline is: 30 minutes for Board meetings 12 hours events from the Company 24 hours for events emanating from the Company					
3.12	Question: Are the intimations of record date for the dividend, bonus issue, and rights issue been made at least 7 days before the event? (3 days for rights issues and 5 days for dividend) (Reg 42 of SEBI LODR)					
3.13	Question: Are the details regarding voting rights in the AGM disclosed to the exchange within 2 days from the date of the meeting? (Reg 44(3) of SEBI LODR)					
3.14	Question: Does the website include the exhaustive list of requirements as required under SEBI? (Reg 46 of SEBI LODR)					

3	Legal, Tax and Compliance	RAG	Y	N	NA	Maybe
	Context: Company's should have their information of dividend policy, code of fair disclosure of Unpublished Price Sensitive Information (UPSI), code of conduct, policy of dealing with related parties, recordings and transcripts of post-earnings calls, secretarial compliance report, etc.					
3.15	Question: Advertisement are being made in the newspaper relating to each of the financial results? (Reg 47 of SEBI LODR).					

4	Governance and Risk Management	RAG	Y	N	NA	Maybe
4.1	Question: Vigil Mechanism – Has whistle-blower policy for directors and employees to report genuine concerns been formulated (Reg 22 of SEBI LODR)?					
4.2	Question: In cases of UPSI leakages, are whistle-blower policies sufficiently robust?					
4.3	Question: Have the independent directors meetings held at least once during the year (Reg 25(3) of SEBI LODR)?					
4.4	Question: Does the company have Directors and Officers Insurance (D&O Insurance) for all independent directors? (Reg 25(10) of SEBI LODR)					
	Context: Applicable for top 1000 listed entities.					
4.5	Question: Has the management submitted the statement of deviation or variation from the object clause of the issue (to include category-wise deviation (Reg 32(1) of SEBI LODR), where management has utilized for money other than the purpose for which it was raised?					
	Context: Monitoring agency should be appointed to oversee and certify the use of IPO proceeds of the Company					
4.6	Question: Were the IPO funds utilized for purposes other than those in the offer document? If so, the management to place the statement certified by statutory auditors been placed before ACM (Reg 32(5) of SEBI LODR).					
4.7	Question: Is the monitoring agency report submitted within 45 days from the end of quarter to the exchange (Reg 32(6) of SEBI LODR)?					
4.8	Question: Is the dividend distribution policy disclosed on the website of the Company? (Reg 43A of SEBI LODR).					

4	Governance and Risk Management	RAG	Y	N	NA	Maybe
	Context: The policy should outline the criteria and circumstances under which dividends will be declared.					
4.9	Question: Does the management have formalized process in place ensure that all communication with the stock exchange (i.e., the submissions, responses to queries) are aligned with all other departments?					
	Context: Questions on market rumors like acquisition, price movement, etc., from exchange have to be responded to after consulting with all the respective stakeholders.					

5	Investor Relations	RAG	Y	N	NA	Maybe
5.1	Question: Has the company put in place a Grievance Redressal Mechanism to resolve the grievances within 21 days from the date of receipt? (Reg 13(1) of SEBI LODR)					
5.2	Question: Has the company registered with the SCORES platform to handle investor complaints (Reg 13(2) of SEBI LODR)?					
5.3	Question: Does the company have the datapoints to prepare and submit the statement giving the number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed of during the quarter and those remaining unresolved at the end of the quarter, within 21 days from the end of each quarter and also be placed before Board (Reg 13(3) and 13(4) of SEBI LODR)?					
5.4	Question: Does the company have the datapoints to prepare a statement showing holding of securities for each class of securities? (a) One day prior to the listing of its securities (b) On a quarterly basis, within 21 days from the end of the quarter (c) within 10 days of capital restructuring					

6	ESG strategy and communication	RAG	Y	N	NA	Maybe
6.1	Question: Is there a strategy in place for addressing investor inquiries related to ESG performance and initiatives? (for e.g., Sustainability / ESG report, a dedicated section on Company website)					
	Context: Regular updates help keep shareholders informed about ESG performance, fostering trust and transparency.					
6.2	Question: Are all communications compliant with relevant regulations and guidelines (e.g., SEBI, GRI)?					
	Context: Adhering to regulatory standards is crucial for maintaining credibility.					
6.3	Question: Is there a mechanism in place for collating ESG initiatives and case studies to showcase the company's commitment and impact?					
	Context: Sharing success stories helps illustrate the company's dedication to sustainability and influence public perception.					

7	People or Human Capital	RAG	Y	N	NA	Maybe
7.1	Question: Are the employees sufficiently communicated and trained about the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations?					
7.2	Question: Does the company maintain a structured digital database containing the nature of UPSI and the names of such people who have shared the information and details of all person with whom UPSI is shared for any legitimate purpose?					
	Context: Such databases shall not be outsourced and shall be maintained with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of such database.					
7.3	Question: Are the social media policies of the company exhaustive and effective to prevent UPSI leakages?					

IPO JOURNEY – A SYNOPSIS

Foreword

Overview

Purpose and Benefits

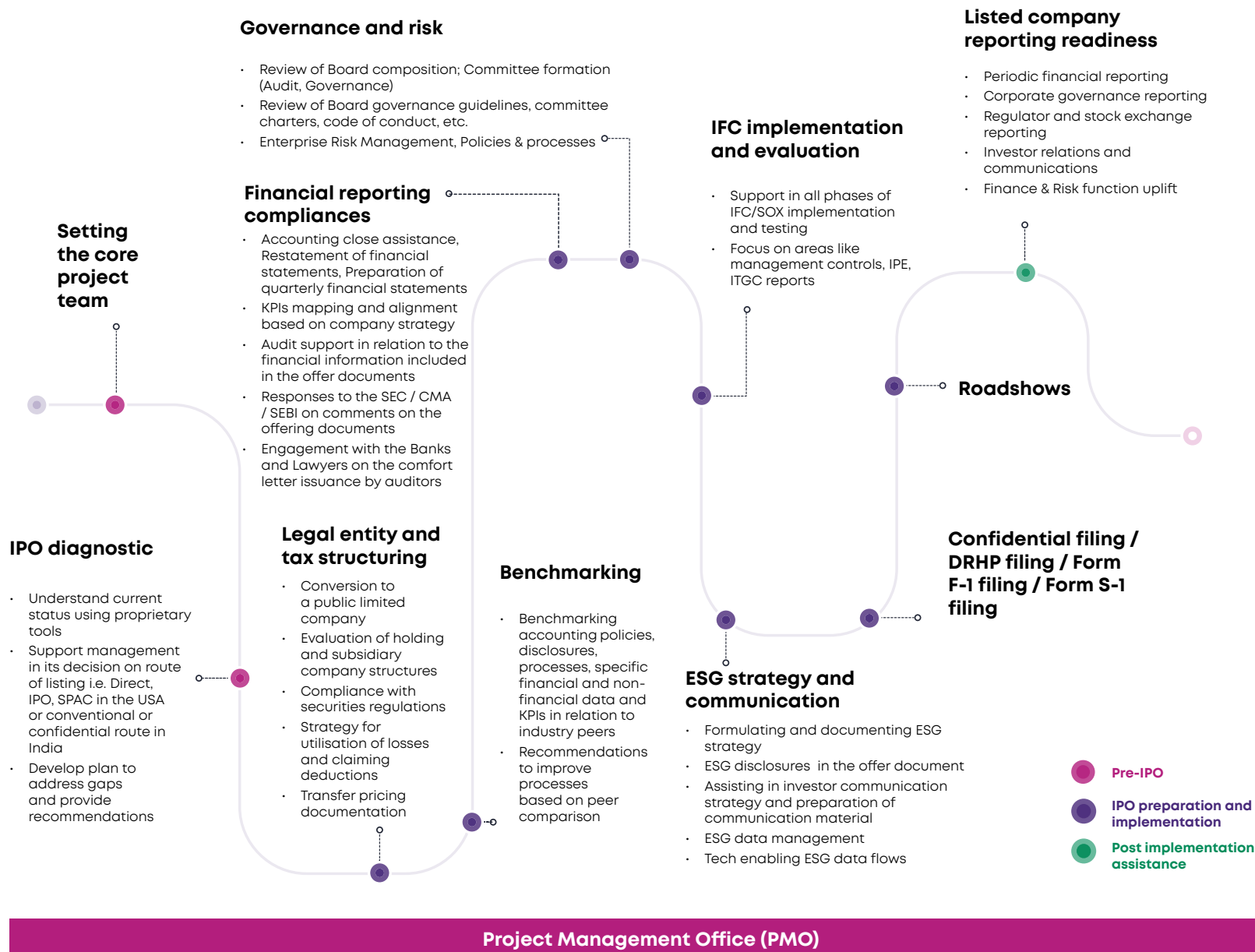
IPO Readiness Assessment Tool

1. Planning

2. Preparation Phase

3. Listing Preparation Phase

IPO Journey - A synopsis



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