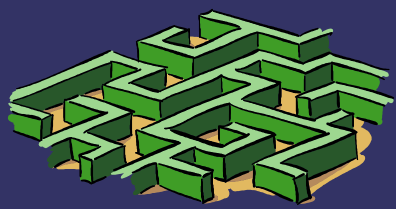
Capital Market

A brief about investment management & Capital market activities

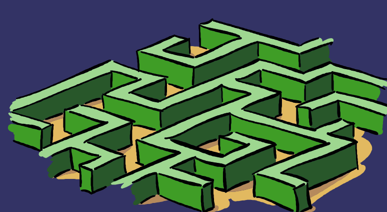
by

CS Ashish Panday



Overview

The benefits and pitfalls of an IPO:what strategic and defensive value does an IPO bring to a company? How do acquisitions (pre and post IPO) change the dynamic?



Contents

- *Benefits and pitfalls of an IPO*
- *Acquisition dynamics pre- and post-IPO*
- *Takeovers*
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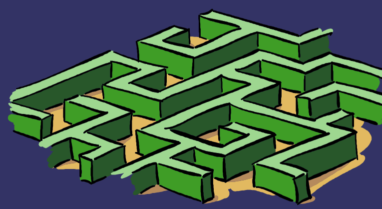
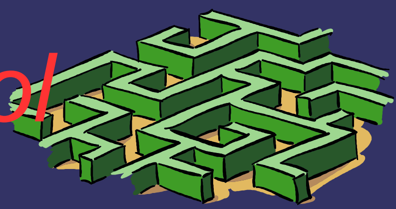
- *Regulation*
- *Restrictions applicable to public companies*
- *Q&A*



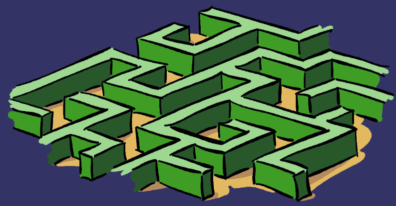
PITFALLS

- Pitfalls
  - Shareholder loss of control
  - Increased transparency may inhibit the company’s business
  - Increased regulation (including shareholder approvals for certain transactions)
  - Increased costs (disclosure and compliance)
  - Vulnerability change of control



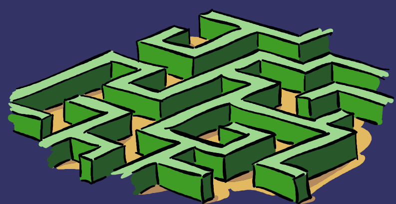
Benefits

- Capital raising
  - Shares as acquisition currency
  - Availability of employee incentive plans
  - Liquidity in equity
  - Improved profile and cost of capital (arising from increased transparency)



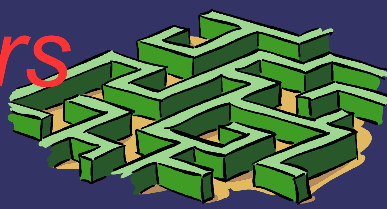
Acquisition Dynamics

- *For a company considering an IPO, an active acquisitive strategy may complicate the disclosure and change the equity story*
- *In a post-IPO environment, the company's freedom to make acquisitions or dispositions is inhibited on a regulatory level (e.g., class rules)*



Takeovers

- Regulation
- Listing agreement (Clause 40A & 40B)
- The Takeover Code
- SCRA ACT,SEBI DIP GUIDELINES, Disclosure Rules and Transparency Rules, Prospectus Rules
- Takeover regulation is designed to ensure fair dealing in public takeovers for the benefit of the shareholders

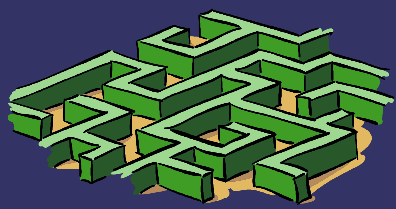


- QUESTION

COMMENTS

&

QUERY



Ashish Panday

Ashish is an InvestMent Advisor Member of Institute of Company Secretary of India & Graduate In Economics. He is in capital markets & Investment management practice and specialises in international equity and debt securities offerings including IPOs, securities programmes, corporate bonds (both high-yield and investment grade) and asset-backed debt.

As well as acting for issuers, originators and underwriters on securities offerings, he also has experience in Corporate Governance & Compliance Management with a wide experience of Investor Grievence.

Ashish Works includes advising:

Verticle Merger of a company in India in terms of legal and financial matters.

- **On an Right Issue** of an Indian telecommunications infrastructure company to be listed on the Natioanl Stock Exchange & Bombay Stock Exchange (deal aborted)
- **On an Private placement of Equity** is to be listed on the Bombay Stock Exchange& National Stock Exchange (deal aborted)
- **Delisting** from Regional Stock Exchange in India of a company listed in NSE & BSE also.
- **Tripatriate Foreign Joint Venture Incorporation** & Framing Capital Structure in Manufacturing sector Company in Indian Subcontinent.
- **Mondon Technologies** on its proposed convertible Prefrence share & Convertible Bond issue
- **On an Open offer in India** By a Marautious Based Company for Foreign transaction related Strategy & compliances

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