

RISE OF AIF & SME IPO

*Alternative World of Capital Market &
Opportunities*



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Financial Markets

Primary Market

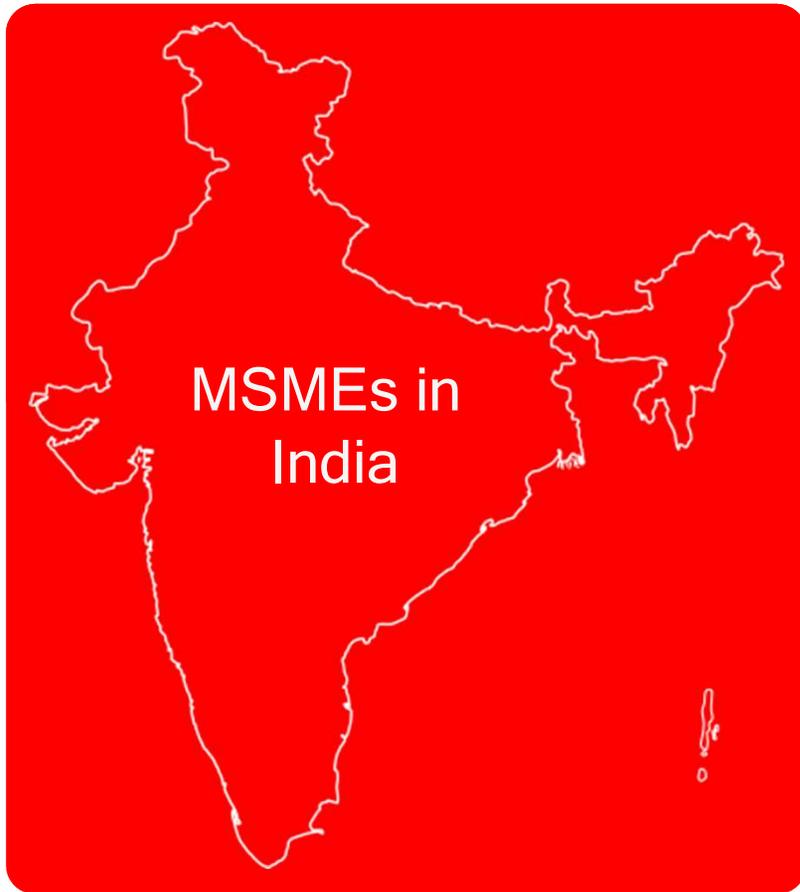
Units / Shares are issued to Public for the first time for subscription
Example : Initial Public Offering (IPO) of Equity Shares of a company

Secondary Market- CASH Market

Units / Shares are listed on Exchange for existing investors and new investors to transact
Example : Investor receiving shares in IPO can sell in secondary market

Secondary Market -Derivatives Market

Derivatives are financial contracts whose value is dependent on an underlying asset
Example : Futures and Options on NIFTY 50 Index



The Thought Process Behind Listing



Comparison – Listing Platforms

	Mainboard	SME
Networth Criteria	<ul style="list-style-type: none"> • Paid up capital >INR 25 crores • Positive net worth with 3 years history • Min INR 400 crores issue if net worth is negative 	<ul style="list-style-type: none"> • Paid-up capital <-INR 25 crores • Operational profit of INR 1 crore in 2 out of 3 years • Positive net worth • Positive FCFE in 2/3 years
Pre-Institutional Holding	<ul style="list-style-type: none"> • No such requirement 	<ul style="list-style-type: none"> • No such requirement
Investor Allocation	<ul style="list-style-type: none"> • QIB – 50% • Retail – 35% • Non-Institutional – 15% 	<ul style="list-style-type: none"> • QIB – 50% • Retail – 35% • Non-Institutional – 15%
Post Listing Disclosures	<ul style="list-style-type: none"> • Quarterly, half yearly and annual audited accounts 	<ul style="list-style-type: none"> • Half yearly and annual audited accounts
Trading Parameter	<ul style="list-style-type: none"> • Min Allottees – 1,000 • Min Application size – INR 15,000 	<ul style="list-style-type: none"> • Min Allottees – 50 • Min Application size – INR 1,00,000

BENEFITS OF LISTING

01

The Incredible Value Creation - The magic of Market Capitalization

02

Improvement in Present Banking Facilities

03

Evolution as a BRAND & creation of Goodwill for Stakeholders

04

New fund-raising options to meet Future Expansion

05

Visibility, Brand Building and Credibility

06

Generation of new collateral in the form of listed gradeable shares, easing loan taking in future

07

Facilitating Strategic Business Association & Tie Ups in future times

What are Alternatives?

"Alternatives refer to non-traditional investment assets that fall outside the conventional categories of stocks, bonds, and cash.

They include private equity, hedge funds, real estate, infrastructure, commodities, venture capital, and digital assets — offering diversification, reduced correlation with public markets, and unique risk-return profiles."



v/s

Traditional Investments

Moderate Returns, aligned with Market benchmarks

Highly Liquid, easily traded on public markets

Highly Regulated and Transparent

Often Passively or Index managed

Alternative Investments

Potential for Higher Returns, but with higher Risk

Relatively Less Liquid, limited Secondary Market

Lightly regulated, with less disclosures

Actively managed with bespoke strategies

Introduction to SEBI Alternative Investment Funds



that



and



based on



A privately
pooled
investment
vehicle

Accumulates
funds from
sophisticated
investors

Allocates the
corpus to
different financial
instruments

A clearly defined
investment
policy

Categorization of SEBI Alternative Investment Funds

Category I AIF

Socially or economically desirable sectors

- ✓ Venture Capital Funds
- ✓ SME Funds
- ✓ Social Venture Funds
- ✓ Angel Funds

Category II AIF

Do not fall under the Category I or III classification.

- ✓ Private Equity Funds
- ✓ Real Estate Funds
- ✓ Debt Funds
- ✓ Distressed Asset Funds

Category III AIF

Employs diverse or complex trading strategies

- ✓ Hedge Funds
- ✓ PIPE

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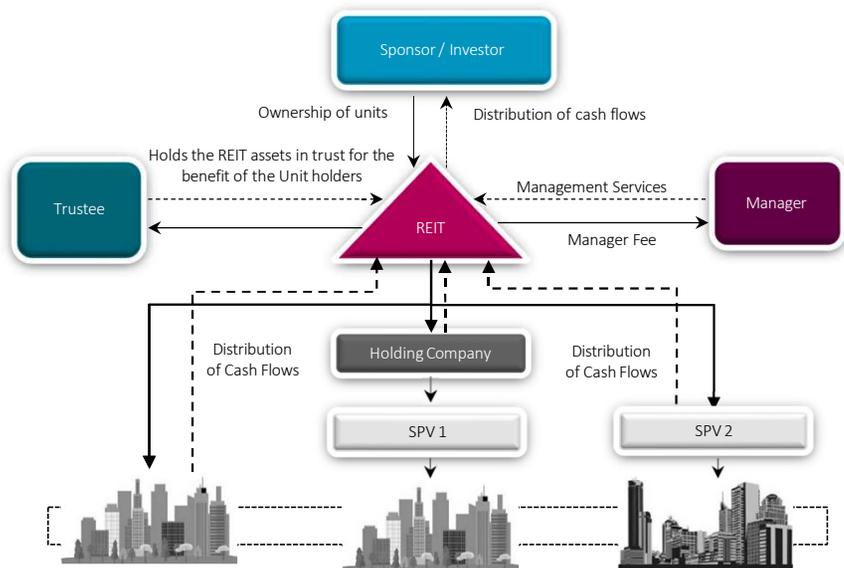
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REITs & InvITs

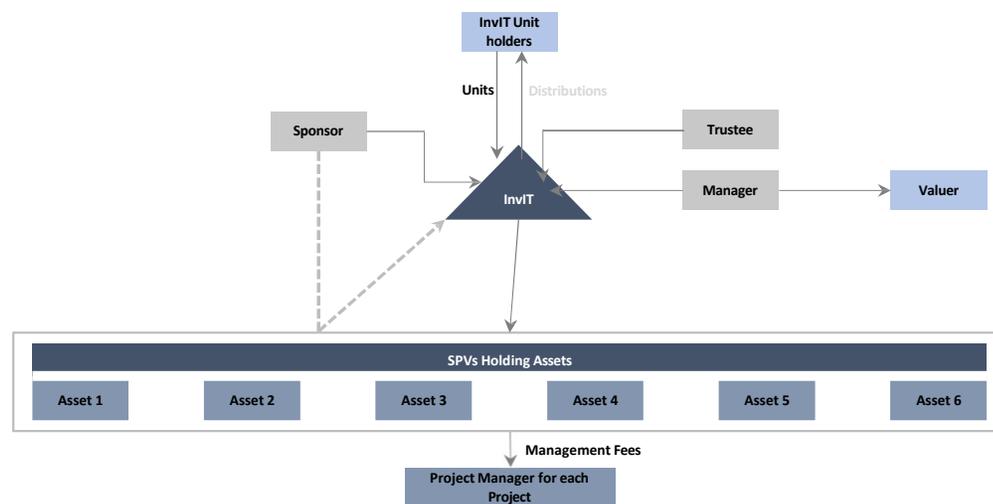
REITs

- REITs stands for 'Real Estate Investment Trusts'.
- REITs allow pooling of money from multiple investors into a single trust.
- REITs own, operate and manage a portfolio of income generating real estate assets.
- They are traded on the stock exchanges just like shares of any listed company.



InvITs

- InvITs stands for Infrastructure Investment Trusts
- Similar to a REIT it pools money in to a trust.
- An InvIT is an investment vehicle created to hold income-generating and operational infrastructure assets such as roads, power transmission lines, gas pipelines, etc.
- They are traded on the stock exchanges just like shares of any listed company.



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**Thank
You**