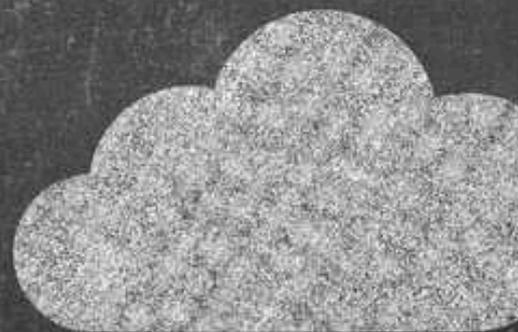


UNISYNOC
ANGEL INVESTING SIMPLIFIED

NEWSLETTER
ISSUE  JUNE 2024

[#Startup to IPO Edition](#)

IPO



CONTENT

03 MESSAGE FROM THE
FOUNDER'S DESK

04 DISTINGUISHED
ARTICLE

06 FEATURED
ARTICLE

13 CASE
STUDY

16 ROADMAP TO
IPO

18 STARTUP
UPDATES

19 STARTUP
FUNDINGS

20 BOOK
REVIEW

UNISYN^C ANGELS

WHAT DO WE OFFER?

To StartUps:



Growth Capital



Mentoring and Access to
network of SAN Members



Potential business opportunities
and wider market access



Message from the Founder's Desk:

Steering the journey from Startup idea to IPO.



Dear Readers,

Welcome to another edition of our newsletter, where we delve into the captivating journey of startups from the conception of an idea to the exhilarating milestone of an Initial Public Offering (IPO). In India, the startup scene is buzzing with energy and creativity. Entrepreneurs across the country are turning brilliant ideas into successful businesses. The journey from a simple idea to a company going public is filled with innovation, hard work, and determination.

- **Idea stage:** Startups begin by identifying problems and envisioning impactful solutions, driven by passion and courage to make a difference.
- **Early Challenges:** Building a start-up involves overcoming obstacles like securing funding, validating market demand, and assembling the right team, requiring resilience and perseverance.
- **Achieving new heights:** Successful startups focus on scaling operations, achieving rapid growth, expanding into new markets, and striving for excellence, marking significant milestones along the journey.

- **The IPO journey:** Pursuing an IPO signifies a pivotal moment, not only financially but also as a validation of the startup's vision, values, and commitment to stakeholders, supported by investors, partners, and customers.
- Through reflection, startups gain insights into the importance of agility, collaboration, and staying true to core values amidst challenges and successes, shaping their entrepreneurial approach.

In closing, we invite you to immerse yourself in the stories of these remarkable startups, each a testament to the transformative power of entrepreneurship. Through their triumphs and tribulations, you'll discover invaluable lessons, timeless insights, and a renewed sense of possibility. As you navigate your own journey, may these stories serve as beacons of inspiration, guiding you towards your own path of success and fulfillment.

Warm regards.



CA Mayank Desai

Co-Founder, Unisync Angels
Partner, Y.B. Desai & Associates

Distinguished Article:

From Garage to Dalal Street: The Startup's IPO Journey



Written by,
Mr. Kashyap Pandya
Co-Founder, Unisync Angels
Director, Syncoro Ventures



The path from a disruptive idea in a garage to a publicly traded company is an exciting, yet arduous, one. While the ultimate goal for many founders, the road to an IPO is paved with challenges, strategic decisions, and a constantly evolving landscape.

Let's rewind to the late 1990s and early 2000s, the era of the dot-com boom. In the US, startups like Google (2004) and Facebook (2012) went public within five years of incorporation. This swift transition from startup to IPO was driven by the booming internet economy and a market eager to invest in innovative tech companies. Fueled by investor optimism and a focus on growth at all costs, profitability wasn't a primary concern. These companies prioritized rapid user acquisition and market dominance, betting on future profitability to justify their valuations.

However, the landscape has shifted significantly in recent years. Modern startups often wait longer before pursuing an IPO, focusing on achieving higher valuations and ensuring sustainable growth. This change is partly due to the increased availability of private capital from venture capitalists, private equity firms, and other investors. Companies now have the financial backing to grow and refine their business models before facing the scrutiny of the public markets. Moreover, today, investors are more cautious, demanding a clearer path to profitability before investing heavily. Startups like Uber (2019) and Lyft (2019) faced scrutiny for their lack of profitability despite high valuations during their IPOs.

Importance of Robust Financials

Robust financials are paramount for a successful IPO. Investors scrutinize a company's financial health, looking at revenue growth, profit margins, and cash flow. Strong financials signal stability and potential for future growth, making the company more attractive to investors.

While profitability is a desirable trait, it's not always a dealbreaker for investors. Many startups, especially in the tech sector, have successfully gone public without being profitable, relying on their growth potential and market opportunity to attract investors. For instance:

- **Amazon:** Went public in 1997 without being profitable. Investors were willing to bet on its potential to dominate the e-commerce space.
- **Zomato:** The food delivery giant went public in July 2021. Despite not being profitable at the time of its IPO, Zomato's strong market position and growth potential attracted substantial investor interest, making it one of the most anticipated IPOs in India.
- **Snap Inc.:** The parent company of Snapchat went public in 2017, despite not being profitable. Investors were drawn to its large user base and growth potential.

Conversely, some companies choose to wait until they achieve profitability to strengthen their IPO prospects:

- **Zoom Video Communications:** Went public in 2019 after achieving profitability. Its strong financial performance and clear path to continued growth attracted substantial investor interest.
- **Nykaa:** The beauty and fashion e-commerce platform went public in November 2021. Unlike many other tech startups, Nykaa was profitable at the time of its IPO, which bolstered investor confidence and led to a successful listing.
- **Dropbox:** Opted for an IPO in 2018 after reaching profitability, showcasing a solid business model and a sustainable revenue stream.

Critical Learnings from Successful IPOs:

The evolving IPO landscape offers valuable lessons for startups:

- (a) Timing and Market Conditions:** Timing is crucial. Companies should consider market conditions and investor sentiment when planning an IPO.
- (b) Strong Management Team:** Experienced leadership is essential for navigating the IPO process and convincing investors of the company's potential.
- (c) Clear Growth Strategy:** A well-defined growth strategy and clear communication of future plans are vital for attracting investors.
- (d) Transparency and Compliance:** Adhering to regulatory requirements and maintaining transparency builds investor trust and ensures a smoother IPO process.
- (e) Valuation Considerations:** Companies should strive for a balance between achieving a high valuation and ensuring long-term sustainability. Overvaluation can lead to volatility post-IPO.

Key lessons for investors:

Investors are no longer blinded by hype. While growth is exciting, a focus on sustainable business practices is essential. Transparency from founders regarding financials and future plans builds trust and confidence. Investors must carefully analyze the prospectus, understanding the company's potential risks and long-term vision. **Here are some key lessons for investors in the startup to IPO journey:**

- **Don't chase hype:** Just because a company is popular or in a trendy industry doesn't guarantee success. Look for companies with a solid business model, a strong team, and a clear path to profitability.

- **Balance growth and profitability:** While rapid growth is attractive, companies need to demonstrate a plan for becoming profitable in the long run. Sustainable growth is more valuable than unsustainable expansion.
- **Read the prospectus carefully:** The prospectus is a legal document that outlines the company's financials, risks, and future plans. This is crucial information for making informed investment decisions.
- **Understand the lock-up period:** Early investors and company insiders often have restrictions on selling their shares for a certain period after the IPO. This can affect short-term liquidity for the stock.
- **Be patient:** The IPO market can be volatile. Don't expect to get rich quick by investing in every new IPO. Invest for the long term and be prepared for some bumps along the road.
- **Do your own research:** Don't rely solely on analyst recommendations or media hype. Conduct your own research to understand the company, its industry, and its competitive landscape.
- **Diversify your portfolio:** Don't put all your eggs in one basket. Spread your investments across different asset classes and companies to minimize risk.
- By following these lessons, investors can increase their chances of success in the exciting but challenging world of IPO investing.

In a nutshell:

The startup journey to an IPO is a marathon, not a sprint. For founders, it's a thrilling yet demanding path paved with strategic decisions, unwavering focus, and a constantly evolving financial landscape. Navigating complex regulations and building strong investor relations are also crucial aspects of the journey. Financial discipline is paramount, even if profitability isn't immediate. For investors, it is about prioritising sustainable growth and a clear path to profitability over unbridled user acquisition. Moreover, IPO timing is also critical. Choosing the right market conditions and investor sentiment can significantly impact a company's valuation. Ultimately, a successful IPO signifies not just a financial milestone, but a testament to the collective vision and strategic execution of both founders and investors.

Featured article:

The Inspiring Journey of Indian Startups to IPO Success

IPO

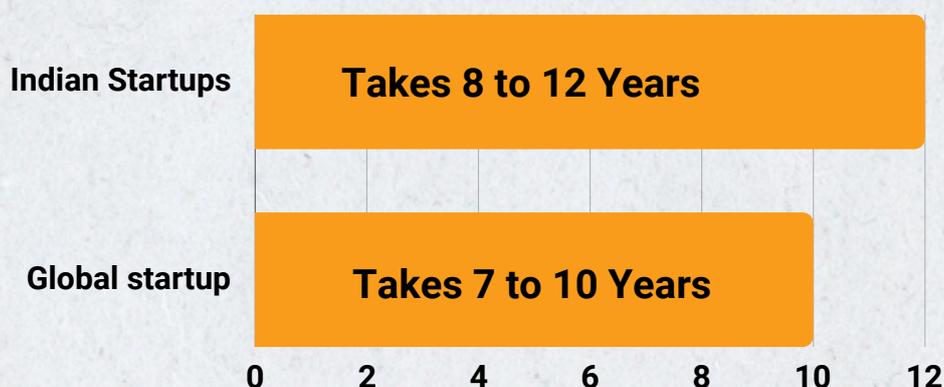
(1) From Humble Beginnings to Dalal Street: The Inspiring Journey of Indian Startups to IPO Success:

In the vibrant chaos of India's bustling cities, where dreams are as diverse as the cultures that shape them, a new breed of entrepreneurs is emerging. These visionaries start in modest settings—tiny apartments, shared coworking spaces, and even the occasional chai shop—where big ideas are born and nurtured. Fast forward to the dynamic arena of Dalal Street, where these very dreams are now the darlings of investors and the pride of a nation. This is the captivating story of Indian startups—a tale of resilience, innovation, and the relentless pursuit of excellence. Join us as we explore the remarkable journey of these companies from their humble beginnings to their triumphant Initial Public Offerings (IPOs), and discover the moments that define their path to becoming icons of India's entrepreneurial spirit.

(2) Global Startup Vs. Indian Startup: Journey to IPO

Understanding the timeline from founding a startup to reaching an Initial Public Offering (IPO) is crucial for entrepreneurs and investors. This journey varies across regions due to differences in market conditions, funding environments, and regulatory landscapes.

- **Average Time to IPO:**



- **Key Differences**

Aspect	Global Startup	Indian Startup
Average Time to IPO	7 – 10 Years	8 – 12 Years
Funding Environment	Access to robust venture capital, leading to quicker scaling	Funding is growing but less mature, leading to longer timelines.
Market Conditions	More mature markets with higher investor confidence.	Developing markets with improving but still cautious investor sentiment.
Regulatory Landscape	Generally streamlined processes	Improving but still facing more bureaucratic hurdles.

While global startups often benefit from quicker IPO timelines due to favorable conditions, Indian startups are making significant strides. As the Indian ecosystem matures, the gap in IPO timelines is expected to narrow, providing more opportunities for entrepreneurs and investors alike.

(Source: TechCrunch and Democratizing Finance)

3. Going Public: India or US? A Deep Dive for Indian Startups

India's vibrant startup ecosystem boasts exceptional tech talent, entrepreneurial spirit, and government support. Many successful startups drive innovation and job creation, competing globally with their products and services. As these companies mature, accessing deeper capital pools becomes crucial. Here, we explore the pros and cons of listing in India versus the US, helping founders choose the best fit for their specific needs.

The Home Advantage: Listing in India

Listing on the Bombay Stock Exchange (BSE) or National Stock Exchange (NSE) offers several advantages:

- **Familiarity and Comfort:** Operating in a familiar environment simplifies the process. Indian auditors understand SEBI accounting standards, legal counsel can draft the prospectus efficiently, and established banks can market your equity story to domestic investors.
- **Straightforward Post-IPO Process:** Meeting disclosure requirements is easier with familiar advisors, and established research houses can analyse your company. Additionally, you'll benefit from regular investor interaction.
- **Potentially Richer Valuations:** Indian consumer product and financial services companies often command premium valuations due to investor familiarity. If your startup falls into these sectors, listing in India may be ideal.

When a US Listing Makes Sense

Several factors might make a US listing more attractive:

- **Overseas Customer Base:** Software/SaaS companies with predominantly US customers benefit from an NYSE or NASDAQ listing. This establishes a US presence and adherence to high governance standards, valuable for building a global business with strong US roots.
- **Deep Sectoral Expertise:** US markets attract investors and analysts with in-depth knowledge of specific sectors. This expertise helps them understand your business model and compare it to leading global players. Sectors with strong US representation include e-commerce, software/SaaS, payments, and emerging technologies.
- **Cutting-Edge Innovation:** US markets are receptive to growth-oriented companies in pioneering sectors like biotech and electric vehicles.
- **Deep Capital Pool:** US capital markets offer significantly more capital compared to India. This allows large, global businesses seeking substantial funding to thrive.

Other Factors to Consider

- **Stock as Acquisition Currency:** Indian stock's limited global tradability might hinder acquisitions with significant stock components. US stocks, on the other hand, freely trade globally, facilitating M&A activities.
- **Attracting Global Talent:** An international listing enhances your company's global profile, potentially attracting top talent from around the world.

Listing Ease:

- **Regulations:** SEBI regulations prioritize retail investor protection, leading to stricter requirements compared to the US' "buyer beware" approach. This can translate to a more time-consuming listing process in India.
- **Predictability:** US markets have a well-established, predictable framework for IPOs and follow-on offerings.
- **Confidentiality:** US regulations allow for confidential filings until the IPO launch, offering a competitive advantage.

Capital Structure Options:

- **SPACs, Direct Listings, and Debt Issuance:** These options, common in the US, are nascent or non-existent in India. Consider if these options might be valuable for your future growth strategy.

Legal Considerations:

- **Litigation Environment:** US markets are more litigious. Class action lawsuits are more common when US-listed companies experience stock price drops.

Conclusion

While most Indian startups (7-8 out of 10) will likely benefit from listing domestically due to the familiarity and potential for richer valuations, 2-3 companies might find a US listing more strategic. Government regulations that offer genuine listing choice can significantly impact startup funding, job creation, and GDP growth in India. By carefully considering the factors outlined above, founders can choose the listing venue that best positions their company for long-term success.

4. The Journey of Indian Startups from Founding to IPO

In the dynamic landscape of Indian entrepreneurship, the journey from a fledgling startup to a publicly listed company is both exhilarating and challenging. With a booming startup ecosystem and supportive regulatory environment, India has seen an increasing number of startups making it to the stock exchanges. This article delves into the typical timeline and notable journeys of recent Indian startups that have successfully been listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).



Heat map of ipos by location:

Maharashtra IPO Count: 189 32.80%	Haryana IPO Count: 34 5.90%	Uttar Pradesh IPO Count: 22 3.82%	Chhattisgarh IPO Count: 5 0.87%	Odisha IPO Count: 2 0.35%	Bihar IPO Count: 1 0.17%
Gujarat IPO Count: 109 18.89%	Tamil Nadu IPO Count: 29 5.03%	Rajasthan IPO Count: 16 2.77%	Madhya Pradesh IPO Count: 4 0.68%	Goa IPO Count: 2 0.34%	Pondicherry IPO Count: 1 0.17%
Delhi IPO Count: 45 7.82%	Telangana IPO Count: 27 4.68%	Kerala IPO Count: 6 1.39%	Jammu & Kashmir IPO Count: 2 0.35%	Jharkhand IPO Count: 2 0.34%	Himachal Pradesh IPO Count: 1 0.17%
West Bengal IPO Count: 38 6.60%	Karnataka IPO Count: 24 4.15%	Punjab IPO Count: 8 1.38%	Chandigarh IPO Count: 2 0.35%	Andhra Pradesh IPO Count: 1 0.17%	Others IPO Count: 4 0.69%

The IPO Surge and Its Impact on Startups

The current stock market resembles an IPO market, with an unprecedented surge in initial public offerings (IPOs) last year. This trend has been marked by emotional moments, such as billionaire Vijay Shekhar Sharma's tears during the Paytm IPO launch at the Bombay Stock Exchange. While some successful startups like Zerodha and Zoho choose to remain private, many others see IPOs as a crucial step towards growth and are either launching or preparing for public listings.

Reasons for Startups Pursuing IPOs:

Startups choose to go public through IPOs for several compelling reasons. Firstly, going public provides access to a large pool of capital, which is essential for scaling operations and overcoming funding limitations that private investors might impose. Secondly, being listed makes it easier for startups to raise debt, as lenders have more confidence in publicly traded companies due to their financial transparency. Thirdly, public listing diversifies ownership, reducing the control of a small group of investors and spreading investment risks across a broader base.

5. BSE Startups: A listing platform by Bombay Stock Exchange

The Bombay Stock Exchange (BSE), one of Asia's oldest stock exchanges, has always been at the forefront of fostering growth and innovation in India's financial markets. In alignment with its mission to support and nurture young enterprises, BSE launched the "BSE Startup" platform. This initiative is specifically designed to cater to the needs of startups and emerging companies, offering them a dedicated space to list their shares and gain access to capital, visibility, and a wider investor base.

Objectives of BSE Startup

The primary aim of the BSE Startup platform is to bridge the gap between startups and potential investors. By providing a streamlined and supportive environment, the platform seeks to:

- **Facilitate Fundraising:** Help startups raise capital by listing their shares, thereby attracting investment from a diverse group of investors including venture capitalists, angel investors, and institutional investors.
- **Enhance Visibility:** Increase the visibility of startups among investors, customers, and other stakeholders, providing them with a public profile that enhances their credibility and market presence.
- **Support Growth:** Assist startups in scaling their operations by providing them with access to BSE's extensive network of resources, including mentorship, advisory services, and compliance support.

Benefits for Startups

Listing on the BSE Startup platform offers numerous benefits:

- **Access to Capital:** By tapping into the capital markets, startups can raise funds needed for expansion, research and development, and other growth initiatives.
- **Increased Credibility:** Being listed on a recognized stock exchange like BSE enhances the startup's credibility, making it more attractive to investors and partners.
- **Market Visibility:** A public listing increases the company's visibility, helping it to attract more customers and strategic partners.

Listing Criteria and Process

The BSE Startup platform has established specific criteria to ensure that only genuine and viable startups are listed. These criteria include:

- **Age of the Company:** Typically, startups that are less than 10 years old are eligible.
- **Financial Performance:** While there are no strict profitability requirements, the company should have a track record of consistent business operations and growth potential.
- **Business Model:** The startup should have an innovative business model with scalable and sustainable operations.

Listing Steps:

The listing process involves several steps:

Application Submission: Startups must submit an application along with necessary documents such as business plans, financial statements, and details of their management team.

Review and Approval: The BSE conducts a thorough review of the application, assessing the startup's business model, market potential, and compliance with listing requirements.

Listing and Trading: Once approved, the startup's shares are listed on the BSE Startup platform, making them available for trading by investors.

Check out the 13 dynamic companies listed on the BSE Startup Portal and their inspiring journeys.



6. The journey of a popular listed startup:

1) Zomato: From Food Delivery Startup to Stock Market Sensation



- Founded: 2008
- Location: Gurugram, India

Performance:

Price as of May 31, 2024: Rs. 179.15 per share

Milestones:

- Expansion into international markets.
- Acquisitions like Uber Eats India.
- Technological advancements and sustainability initiatives.

IPO Details:

- Issue Date: July 14, 2021
- Price Band: Rs. 72 to Rs. 76 per share
- Lot Size: 195 shares

Market Debut:

- Listing Date: July 23, 2021
- Listing Price: Rs. 116 per share

2) Nykaa: From E-Commerce Startup to Market Leader



- Founded: 2012
- Location: Mumbai, India

Performance:

Price as of May 31, 2024 (Adjusted): Rs. 164.20 per share (after 2-for-1 stock split in December 2022)

Milestones:

- Expansion into fashion and wellness.
- Omnichannel retail presence.
- Sustainability and customer engagement initiatives.

IPO Details:

- Issue Date: October 28, 2021
- Price Band: Rs. 1,085 to Rs. 1,125 per share
- Lot Size: 12 shares

Market Debut:

- Listing Date: July 23, 2021
- Listing Price: Rs. 116 per share

3) Mamaearth: From Natural Products Startup to Market Leader



- Founded: 2012
- Location: Mumbai, India

Performance:

Price as of May 31, 2024 (Adjusted): Rs. 164.20 per share (after 2-for-1 stock split in December 2022)

Milestones:

- Expansion into fashion and wellness.
- Omni channel retail presence.
- Sustainability and customer engagement initiatives.

IPO Details:

- Issue Date: January 20, 2023
- Price Band: Rs. 200 to Rs. 220 per share
- Lot Size: 50 shares

Market Debut:

- Listing Date: February 1, 2023
- Listing Price: Rs. 250 per share

4) MapmyIndia: From Digital Mapping Pioneer to Stock Market Success



- Founded: 1995
- Location: New Delhi, India

Performance:

Price as of May 31, 2024 (Adjusted): Rs. 1,917.70 per share (after 1-for-1 bonus issue in January 2024)

Milestones:

- Technological advancements in high-definition maps and IoT.
- Strategic partnerships and international expansion.
- Commitment to sustainability and customer engagement.

IPO Details:

- Issue Date: December 9, 2021
- Price Band: Rs. 1,000 to Rs. 1,033 per share
- Lot Size: 14 shares

Market Debut:

- Listing Date: December 21, 2021
- Listing Price: Rs. 1,565 per share



Awfis provides modern workspaces for young Indian entrepreneurs, along with advanced internet connectivity. Founded by Mr. Amit Ramani in 2015, the company promotes a 'sharing economy' and has quickly become a leading player in the industry. Occupants can buy or lease workspace in cafes and restaurants.

Founded Year	Location	Company Stage
2015	Delhi	Listed

Business Model and Growth:	Marketing and community engagement:
<p>Awfis operates through two models: the Straight Lease Model and the Managed Aggregation Model (MAM). The MAM has been successful, allowing Awfis to partner with owners of underutilized commercial properties. By 2023, it operated 150 centers across 17 cities, providing 88,000 seats to over 1,500 companies.</p>	<p>Awfis effectively uses social media to build its brand and engage its community across various platforms.</p> <ul style="list-style-type: none">  LinkedIn: Focuses on industry knowledge, trends in coworking, and insightful blogs.  Facebook: Uses relatable content and humor through the "Awfis Humour" series.  Twitter: Engages users with contests like "Tweet for a Seat."  Instagram: Showcases daily activities and events at Awfis centers (SocialSamosa). <p>Awfis has introduced #AwfisMoments to enhance community engagement with themed experiences such as culinary expeditions and fitness events, which are promoted extensively on social media for increased reach and engagement (SocialSamosa).</p>

Innovation during the pandemic: During the COVID-19 pandemic, Awfis launched premium workspaces under the "Gold" brand, catering to enterprises' shifting needs for flexible, safe, and hygienic workspaces in Grade A properties. This positioned Awfis as a resilient and forward-thinking player in the coworking industry.

**Milestone of
AWFIS
2015-2024
& so on..**

STRENGTHENING THE CORE

Focus on strengthening financials and operational efficiencies. Increased brand presence and market share in the co-working industry. Initiates the process for IPO with regulatory bodies.

**50,000 desks in 15 cities,
avg 3,333 desks per city**

MILESTONE ACHIEVEMENTS

Reaches 30,000 seats across 70 centers. Wins industry awards for innovation and service excellence

**30,000 desks in 10 cities,
avg. 3,000 desks per city**

COMPANY FOUNDED

Awfis was established with a vision to revolutionize the coworking space in India Initial investment and launch of the first few coworking centers.

IPO LAUNCH

Official announcement and launch of Initial Public Offering (IPO). Awfis becomes a publicly traded company, opening new avenues for growth and investment.

**70,000 desks in 18 cities,
avg 3,889 desks per city**

SECURING FUNDING

Successfully secures Series D funding to fuel further expansion. Forms strategic alliances with corporate clients and large enterprises.

**50,000 desks in 15 cities,
avg 3,333 desks per city**

ADAPTING TO CHANGE

Launch of new product lines and services, including virtual offices and meeting rooms. Adapts to the changing market conditions due to the global pandemic by offering flexible workspace solutions.

**35,000 desks in 12 cities,
avg. 2,916 desks per city**

TECHNOLOGICAL ADVANCEMENTS

Implementation of advanced technology platforms for better customer experience. Introduction of Awfis app for seamless booking and management of workspaces.

**40,000 desks in 14
cities, averaging
2,857 desks per city**

RAPID EXPANSION

Significant increase in the number of centers across major Indian cities. Partnerships with real estate developers and landlords to expand footprint. Introduction of tech-driven solutions for workspace management

**10,000 desks in 5 cities,
avg. 2,000 desks per city**

2024

2023

2022

2021

2020

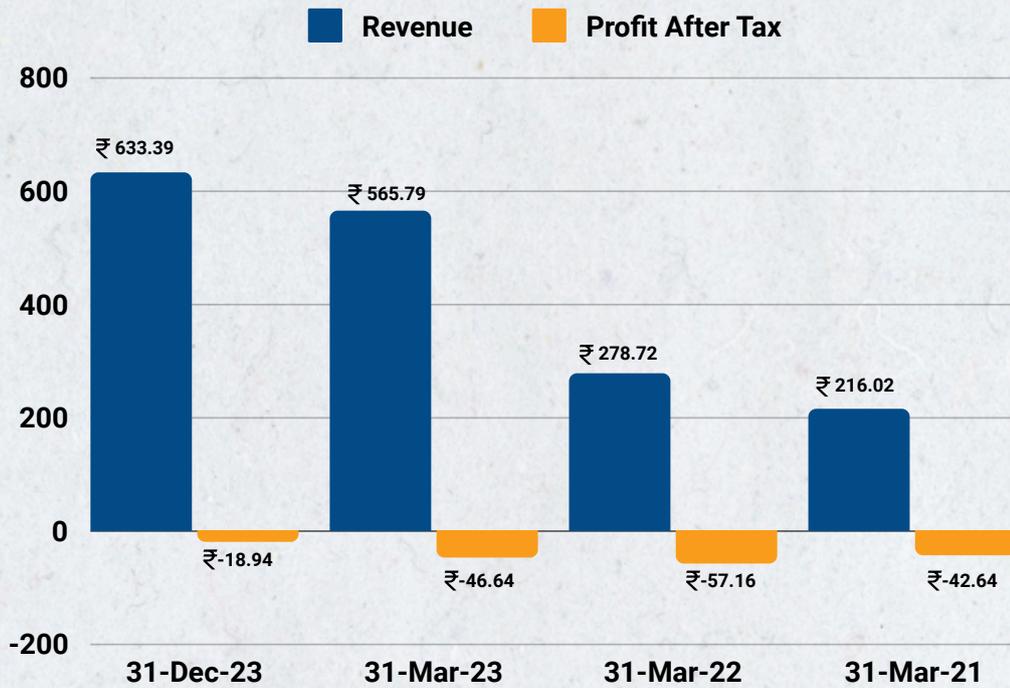
2019

**2016
to
2018**

2015

Awfis took 9 years from seed funding to IPO to list on the market.

Revenue:
in CR. ₹



IPO details:

IPO DATE May 22, 2024 to May 27, 2024

LISTING DATE May 30, 2024

FACE VALUE Rs. 10 per Share

PRICE BAND Rs. 364 to 383 Share

LOT SIZE 39 Shares

The Awfis IPO was open for subscription from May 22, 2024, to May 27, 2024, with the listing date set for May 30, 2024. Each share has a face value of Rs. 10, with a price band ranging from Rs. 364 to Rs. 383 per share. The minimum lot size for a subscription is 39 shares. The share was listed on May 30, 2024, at a price of 435. After the listing, the share price rose to 451.42 before closing at 421.75.

KEY TERMS RELATED TO IPO

1. Draft Red Herring Prospectus:

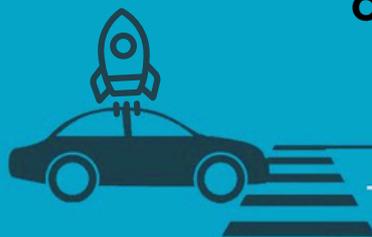


It is an offer document issued by the company with SEBI and the Registrar of Companies before the IPO process. It is the holy grail for analyzing a company that contains the objectives of the issue and all the operational and financial information about the company.

2. Anchor Investors:



50% of the IPO issue size is reserved for Qualified Institutional buyers such as banks, financial institutions, mutual funds houses, etc. Within the QIB category, anchor investors apply for shares worth Rs 10 crores or more. 60% of the QIB reservation is reserved for anchor investors.



From Start-up to Public Offering – A Roadmap for Preparing and Executing an IPO



As a start-up founder, considering an initial public offering (IPO) and listing on the stock market can be a significant milestone in the growth of company. It's an opportunity to raise capital from the general public and potentially increase visibility and credibility in the market. Before diving into the IPO process, it's essential to assess whether your start-up is ready for this step. This involves strengthening your financial health, ensuring compliance with regulatory requirements, and crafting a compelling story for potential investors. These segments, namely the BSE Start-up Platform and NSE Emerge, feature relaxed listing requirements compared to the main board, making them more accessible for start-ups.

Here's an overview of some common eligibility criteria:

- **Track Record:** A minimum of 2-3 years of successful operation is generally required. This demonstrates the start-up's viability and market traction.
- **Financial Performance:** Positive net worth and profitability in the last couple of years are often mandated. This indicates financial stability and potential for future growth.
- **Paid-Up Capital:** The minimum paid-up capital (the portion of authorized capital that shareholders have paid for) can vary. It might be Rs. 1 crore for start-ups registered with the Department for Promotion of Industry and Internal Trade (DPIIT) or Rs. 25 crore for others.
- **Investor Backing:** Having investments from reputed institutional investors like Qualified Institutional Buyers (QIBs), angel investors, or authorized investors for a specified period adds credibility and strengthens the IPO case.

Pre IPO process and preparation:

Once a start-up confirms its eligibility, it's time to assemble a team of experts to navigate the complex pre-IPO process. Here are the things to take care of.

- **Investment Bankers:** These financial advisors play a crucial role in forming the IPO, determining the offer price, and marketing the offering to potential investors.
- **Lawyers:** Securities lawyers will ensure compliance with all legal regulations governing IPOs and listing requirements.
- **Auditors:** Independent auditors verify the company's financial statements, adding credibility to the IPO prospectus.
- **Merchant Bankers:** These are SEBI-registered intermediaries who manage the pre-IPO process, and cooperate with the stock exchange and regulatory bodies.

The Prospectus:

The prospectus is a critical document for a start-up IPO that details the company's financial health, future plans, and risk factors. It serves as the primary source of information for potential investors. Here's what a comprehensive prospectus has.

- **Company Overview:** This provides a detailed description of the start-up's business model, products or services, target market, and competitive landscape.
- **Financial Statements:** Audited financial statements for the past few years along with future projections are included to showcase financial performance and growth potential.
- **Management Team:** The prospectus should outline the experience and qualifications of the company's management team, highlighting their expertise in the relevant industry.
- **Use of Proceeds:** Clearly outlining how the funds raised through the IPO will be utilized, demonstrates transparency and future planning.
- **Risk Factors:** No business is without risks. The prospectus needs to disclose any potential risks that could impact the company's future performance.

The Pre-IPO journeys

- **Draft Red Herring Prospectus (DRHP):** This draft prospectus is prepared by the merchant banker and submitted to the Securities and Exchange Board of India (SEBI) for approval.
- **SEBI Scrutiny:** SEBI meticulously reviews the DRHP to ensure it adheres to all regulations and provides accurate information to investors.
- **Red Herring Prospectus (RHP):** Once SEBI approves the DRHP, it becomes the RHP, a public document available for investors to inspect.
- **IPO Launch and Listing:** If the marketing efforts are successful, the IPO is launched, and the company's shares are listed on the chosen stock exchange.

Conclusion:

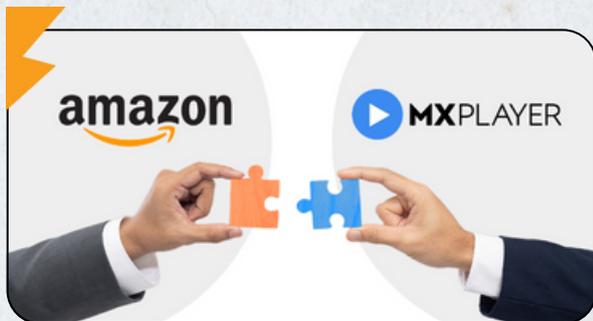
In conclusion, going public is a big win for your start-up. It shows investors believe in your idea and opens doors to more funding for growth. But remember, it's a long-term commitment. Getting ready for the IPO process, telling a great story about your company, and following the rules after listing, can help you to succeed in the stock market.

Upcoming start-up IPO:

Several Indian start-ups joined the initial public offering. Ola Electric, Go Digit, First Cry and OYO have filed their draft red herring prospectus (DRHPs) with the Securities and Exchange Board of India (SEBI), others like Swiggy, PayU, and Garuda Aerospace are also eyeing public listings next year.



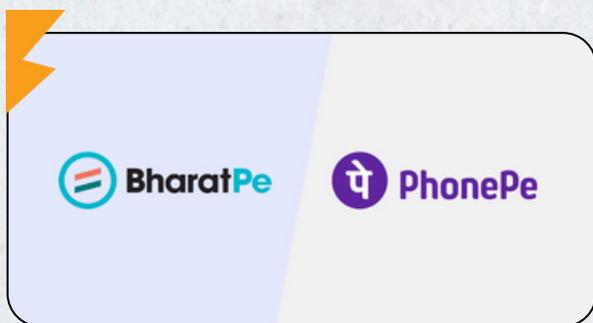
Startup Updates



Amazon India set to buy MX Player in a distress sale: Amazon seems to be on the verge of acquiring MX Player, which is owned by Times Internet, according to three sources familiar with the discussions. This marks Amazon's second attempt to acquire the video streaming platform, and this time it appears that the deal is almost finalized.



Karnataka HC maintains 5% service charge cap on app-based autos: The Karnataka High Court dismissed the writ petitions filed by ride-hailing companies on Monday. The petitions challenged the state government's notification that set a 5% cap on the service charge collected by companies like Uber, Ola, and Rapido for auto-rickshaw rides.



BharatPe, PhonePe settle all trademark disputes over 'Pe' suffix: Fintech firms BharatPe and PhonePe have jointly announced that they have settled all long-standing legal disputes related to the usage of the trademark with the suffix 'Pe' in an amicable manner. Both companies had been involved in lengthy legal disputes across multiple courts over the last five years.



Paytm withdraws general insurance license application, to focus on distribution biz: Paytm General Insurance Limited (PGIL), an associate entity of One97 Communications, has withdrawn its general insurance license application with the Insurance Regulatory and Development Authority of India (IRDAI). The company informed the stock exchange of this decision on Saturday.



MamaEarth-parent Honasa posts Rs 1,920 Cr revenue, Rs 110 Cr PAT in FY24: Honasa Consumer Ltd, the parent company of the direct-to-consumer (D2C) brand MamaEarth, demonstrated a 28.7% year-on-year growth, nearing the Rs 2,000 crore revenue threshold in FY24. The Gurugram-based company also recorded a Rs 110 crore profit after tax (PAT) in the same period, marking a significant turnaround compared to a loss of over Rs 100 crore in FY23.



Nykaa posts Rs 6,386 Cr revenue and Rs 40 Cr PAT in FY24: The online fashion and beauty commerce platform Nykaa demonstrated a 24.1% growth in scale during the fiscal year ending in March 2024. Additionally, the profit after tax (PAT) for the firm led by Falguni Nayar increased by 90.5% to Rs 40 crore in the same period.

Startup Funding



Fyllo raises \$4 Mn led by India Quotient and SIDBI Ventures: Fyllo, an agritech startup, has raised \$4 million in a funding round led by India Quotient and SIDBI Ventures. The funds will be used to expand into new geographies and crops and develop more precision agriculture products.



Indya and FabAlley's parent High Street Essentials raise \$6 Mn: High Street Essentials (HSE), the parent company of women's fashion brands Indya and FabAlley, has raised Rs 50 crore (\$6 million) in an equity and debt round. The round was led by Sangita Jindal, Chairperson of JSW Foundation, and saw participation from the family offices of SRF Group, Krishna Bodanapu of Cyient Technologies, and Timmy Sarna from Pure Home + Living.



UnifyApps raises \$11 Mn led by Elevation Capital: UnifyApps has secured \$11 million in its seed round, with Elevation Capital leading the investment and contributions from the company's founders and angel investors. The funds will support the development of a unified integration platform, enabling enterprises to create custom applications 10 times faster, establish workflow automations, and synchronize data between applications in real time.



Stupa Sports Analytics raises Rs 28 Cr in pre-Series A round: Stupa Sports Analytics, a sports tech startup, has raised Rs 28 crore in pre-Series A funding led by Centre Court Capital and PeerCapital. The funds will be used for talent acquisition, global expansion, and product enhancement, as well as to attract top AI/ML and engineering talent. Stupa's expansion plans include entering the US, UK, Australia, and the Middle East while strengthening its presence in Europe and Asia.



Atomgrid raises Rs 10 Cr in seed round led by Merak Ventures: Atomgrid, an R&D-first platform for contract development, manufacturing, and sourcing of specialty chemicals, has raised Rs 10 crore (around \$1.2 million) in its seed round. The funding was led by Merak Ventures, with participation from Dexter Ventures, Upspark, Point One Capital, and UniCards founders Nitin Gupta and Prateek Jindal.



Fixed income startup Dexif raises \$4 Mn: Dexif, a platform for fixed income products, has secured \$4 million in its first institutional funding round from RTP Global. Previously, the Noida-based startup had raised approximately \$1 million from RTP Global and angel investors.

Book Review

Entrepreneurship Simplified: From idea to IPO

Authors: Ashok Soota and SR Gopalan



Review:

"Entrepreneurship Simplified" by Ashok Soota and SR Gopalan is a practical guide that offers invaluable insights into the journey of transforming a startup idea into a successful enterprise. With their extensive experience as consultants, the authors provide actionable advice and real-world examples to guide entrepreneurs through every stage of the entrepreneurial process.

Key Points:

1. Practical Guidance:

Soota and Gopalan draw on their experience to offer practical advice for aspiring entrepreneurs. From conceptualizing the business idea to navigating regulatory hurdles, each chapter provides actionable insights that can be applied to real-world situations.

2. From Idea to IPO:

The subtitle of the book, "From Idea to IPO," captures its essence. It covers the entire chain of activities involved in building a startup, culminating in the milestone of an Initial Public Offering (IPO). The authors emphasize the importance of sustaining the enterprise through an IPO, rather than opting for opportunistic exits.

3. Comprehensive Coverage:

The book addresses various aspects of startup development, including securing funding, building a team, scaling operations, and navigating the IPO process.

Each topic is explored in depth, providing readers with a comprehensive understanding of the entrepreneurial journey.

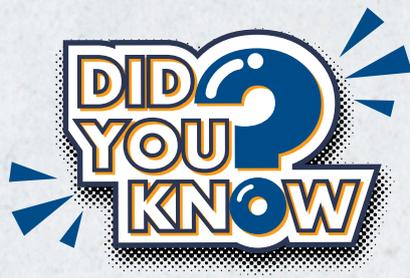
4. Real-World Examples:

Throughout the book, Soota and Gopalan illustrate key concepts with real-world examples. These case studies offer valuable insights into the successes and challenges faced by actual startups, making the content relatable and engaging.

5. Clarity and Accessibility:

Despite dealing with complex topics, the book is written in a clear and accessible manner. The authors use straightforward language and concise explanations to ensure that readers can easily grasp the concepts presented.

Overall, "Entrepreneurship Simplified" is an indispensable resource for anyone embarking on the entrepreneurial journey. Whether you're a first-time entrepreneur or an experienced business professional, this book provides the guidance and expertise needed to navigate the complexities of startup life and achieve sustainable success. Highly recommended for its practical insights and actionable advice.



The world's first IPO

The Dutch East India Company (VOC) held its 'initial public offering' (IPO) in August 1602. It was the first of its kind in world history and therefore a key event in financial history, and the history of the capitalist world.



**Global angel investment platform,
empowering startups by providing growth capital and connect.**

FOR STARTUPS

To raise funds from UNISYNC,
please submit your details at
<https://bit.ly/UnisyncStartup>

FOR INVESTORS

To become UNISYNC ANGEL,
please submit your details at
<https://bit.ly/UnisyncInvestor>

OUR PRESENCE

INDIA: Mumbai | Delhi | Bangalore | Ahmedabad | Surat
INTERNATIONAL: Singapore | Dubai | London | San Jose

FOR MORE DETAILS, REACH OUT TO US:

Unisync Angels Private Limited

1st Floor Provyz, B-wing SNS Atria
Opp. Jolly Party Plot, Vesu, Surat

+91 95126 67000 | contact@unisyncangels.com
www.unisyncangels.com