



Reflections on the Journey of an Entrepreneur- SME IPO of Holmarc Opto-Mechatronics Ltd.

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Overview of the IPO Process

- IPO Decision
- Appointment of Merchant Bankers
- Due Diligence
- Capital Restructuring, if required.
- Offer Document Drafting
- Approvals
- In-Principle Approval
- Issue opens
- Listing

Typical SME IPO timeline: 6–8 months.

Due Diligence Phase

- Conducted by merchant bankers after IPO parameters are decided.
- Review of financial, statutory, and governance records from inception.
- Minutes and financial statements are most crucial.
- Site visit by merchant bankers for operational and document verification.

Every statutory event is verified across the financial statements, minutes, statutory registers, and the relevant supporting documents.

Requirements for Due Diligence

- 1. Corporate Matters
- 2. Capital Structure
- 3. Object of the Issue
- 4. Risk Factors
- 5. Management Discussion & Analysis (MDA)
- 6. About the Company
- 7. Our Management
- 8. Promoter & Promoter Group
- 9. Subsidiaries
- 9. Government Regulations & Filing
- 10. Financial Indebtedness, Charges
- 11. Movable & Immovable properties
- 12. IPR
- 13. Litigation
- 14. Insurance of assets and D & O
- 15. Human Resources
- 16. Miscellaneous

Other Preparations

- Capital Restructuring, if required.
- Restated financials for the past 3 years by a peer-reviewed Chartered Accountant.
- Ensuring compliance with SEBI and exchange disclosure norms.
- Data collection for offer document runs parallel with due diligence.
- Appointment of intermediaries and dematerialisation of shares.

Certificates/Declarations by Auditors

1. Consent letter for naming the Auditor in the Offer Document
2. Peer Review Certificate
3. Statement of Possible Special Tax Benefits available to the Company, Material Subsidiaries and Company's Shareholders
4. Related Party Transactions
5. Identification of Material Subsidiaries
6. Loans & Advances,
7. ESOP Scheme
8. Financial Indebtedness
9. Group Companies
10. Auditors Qualifications, Reservations & Adverse Remarks

Certificates/Declarations by Auditors

11. Certificate on basis of Offer Price
12. Outstanding due to MSME Creditors
13. Non payment of statutory Dues and contingent liabilities
14. Reservation, Qualification, and adverse remarks of Auditors
15. Change in accounting policies
16. Promoters contribution
17. Dividend
18. Share Capital built up
19. Tax litigation, if any
20. Remuneration paid to Directors and KMPs

Offer Document Drafting

- Data certified by management and auditors for completeness and correctness.
- Every section – business, financials, risk factors – verified by the company.
- Involvement of every department to ensure accuracy and alignment.

Approvals and Filings

- Board approval followed by shareholders' special resolution.
- Filing with stock exchange for in-principle approval.
- Filing final prospectus with the ROC.

Learnings and Reflections

- IPO is not just a financial milestone but an organisational transformation.
- Reinforced importance of documentation, governance, and teamwork.
- Strengthened systems and accountability across all departments.
- The listing marked the beginning of a new chapter of responsibility.