Rise of SPACs: An Indian perspective

May 2021

pwc

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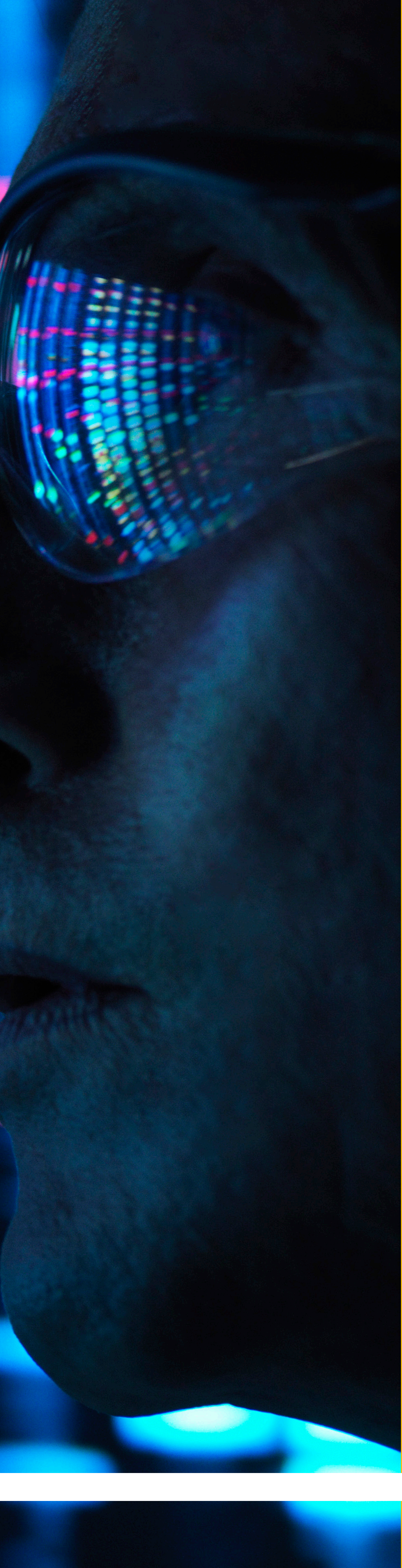

Foreword

The acronym SPAC has become part of every investor's vocabulary in recent times. SPAC, or special purpose acquisition company, is a buzzword amongst all intermediaries in the investment chain, including, of course, the parties to a transaction – i.e. the investor community and the investee company.

Even though SPACs have been around for decades, the year 2020 marked their comeback not only due to uncertainty and volatility in the capital markets but also because they ramped up their game over the years in terms of notable participants, improved size of issue and track record. The year 2020 witnessed a resurgence in SPAC activity with approximately USD 83 billion being raised from 248 SPACs,[1] representing almost 50% of all public offerings in the US. The activity surpassed all records in Q1 of 2021 as a whopping USD 88 billion[2] was raised from more than 300 SPACs. Data suggests that a bunch of 400+ SPACs with a war chest of USD 140 billion[3] is now in search of target operating companies.

Given their impressive run, SPACs are arguably the most popular asset class in the US of late, with investors flocking to take advantage of young, fast-growing target companies that are joining the bandwagon for rich valuations, easy access to capital and global listing within a short timeframe.

India has one of the world's largest start-up ecosystems. With more than 40,000 start-ups,[4] 50 unicorns[5] and more companies getting added to the club, there is tremendous potential for striking cross-border deals, and SPACs could provide a boost to entrepreneurship by enabling access to capital. The so-called de-SPACing process is, at times, heavy on the wallets of selling founder/promoter shareholders. However, like the ReIT and InvIT regime, tax reforms can help accelerate cross-border deals in the SPAC space.

For India, which has a vision of becoming a USD 5 trillion economy, the SPAC regime could provide a fresh impetus to the country's confident and hardworking start-up ecosystem. Through this publication, we have attempted to demystify SPACs for investors, Indian companies (looking for overseas listing) and founder/promoter shareholders (of a target Indian company), mainly from the Indian tax, regulatory, accounting and financial reporting perspectives.

In a nutshell, SPACs could be the way to go for ambitious start-ups!
Happy reading!

Bhavin Shah

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1. www.spacresearch.com
2. https://www.cnbc.com/2021/03/19/spacs-break-2020-record-in-just-3-months.html and data from SPAC Research
3. Data from SPAC Research
4. As per NASSCOM's Indian Tech Start-up Ecosystem Report 2020
5. 'Unicorns of 2021: Urban Company, Chargebee latest entrant to $1B club; total number rises to 12', YourStory, 30 April 2021; and NASSCOM's Indian Tech Start-up Ecosystem Report 2020

01 What is a SPAC?

1.1 | Blank-cheque shell corporation

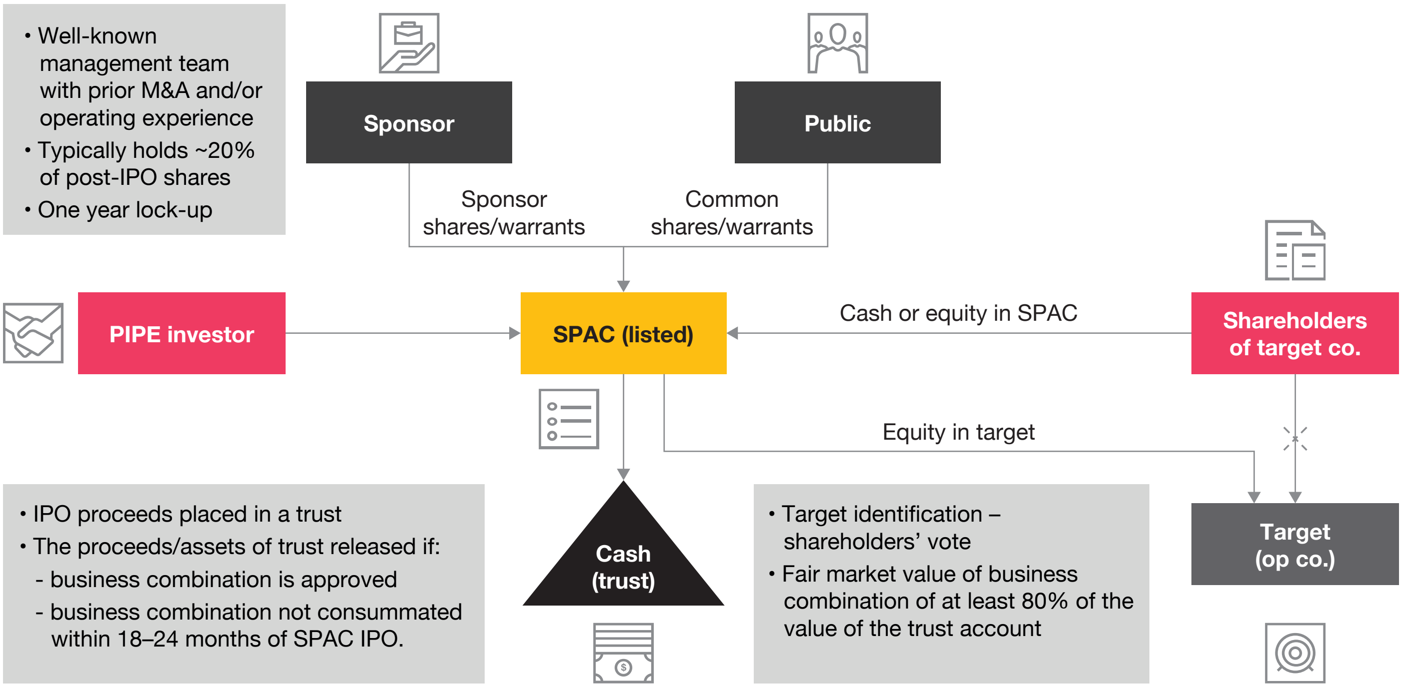
A SPAC is a 'blank-cheque' shell corporation, newly formed and set up solely to raise capital through a public offering. SPACs are listed on major equity markets (say NASDAQ or NYSE), but without any business.

Simply put, a SPAC goes to the public for fundraising and listing, even before the acquisition target is identified. The final objective is to acquire a target operating company utilising the proceeds collected from public shareholders and PIPE funding.

While most US listed SPACs are incorporated in Delaware, for sponsors seeking targets outside the US, a SPAC incorporated outside the US (such as in the British Virgin Islands and Cayman Islands) might be an appropriate alternative from the commercial, tax and legal perspective.

> "SPACs are blank-cheque companies that raise capital from investors without a business or an identified acquisition target."

Typical SPAC IPO and acquisition structure



De-SPAC – the process that begins after a letter of intent is executed and ends when the shareholders approve the transaction and the merger into the SPAC is consummated.

1.2 | Sponsor and SPAC formation

A sponsor is a person or a team with significant business experience who has project ideas. In return for sponsoring a SPAC in its pre-IPO stage, sponsors would receive 20–25% interest in the SPAC through a mix of shares and warrants. The sponsor capital provided in the IPO in the form of a private placement is typically 7–7.5% of the planned proceeds from the IPO, depending on its size. The remaining approximately 80% interest is held by public shareholders through 'units' offered in the SPAC IPO, each unit comprising a share of common stock and a fraction of a warrant (e.g. half or one-third of a warrant).

Post the IPO, while the public funds are held in a trust account, sponsors have almost two years to search and announce an acquisition by the SPAC, or else the SPAC will dissolve and shareholders will take their money back home.

In many cases, SPACs may need to secure additional financing to consummate the transaction, and they may consider funding contemporaneously with the transaction through a PIPE.

Following the deal, the de-SPACing process begins.

> A sponsor's goodwill and vision are vital to the success of a SPAC.

1.3 | De-SPACing

De-SPACing is the stage after the execution of a definitive agreement and before the actual combination of the SPAC with the target operating company. It is the most intense phase as significant action is witnessed to finally convert a closely held private operating company into a listed company through a combination (merger/reverse merger, acquisition, or any other mode) with the listed vehicle, i.e. SPAC.

From the Indian standpoint, there are two alternatives to achieve de-SPACing:

- cross-border merger between the investee company and SPAC
- share swap between selling shareholders of the Indian company and the SPAC, where the SPAC acquires shares in the Indian target operating company from its shareholders and in consideration, the SPAC issues its fresh shares to them.

The de-SPAC process is like a public company merger requiring shareholders' approval of the SPAC in accordance with the SEC rules. The shareholders who vote against the de-SPAC transaction are given the option to redeem their shares.

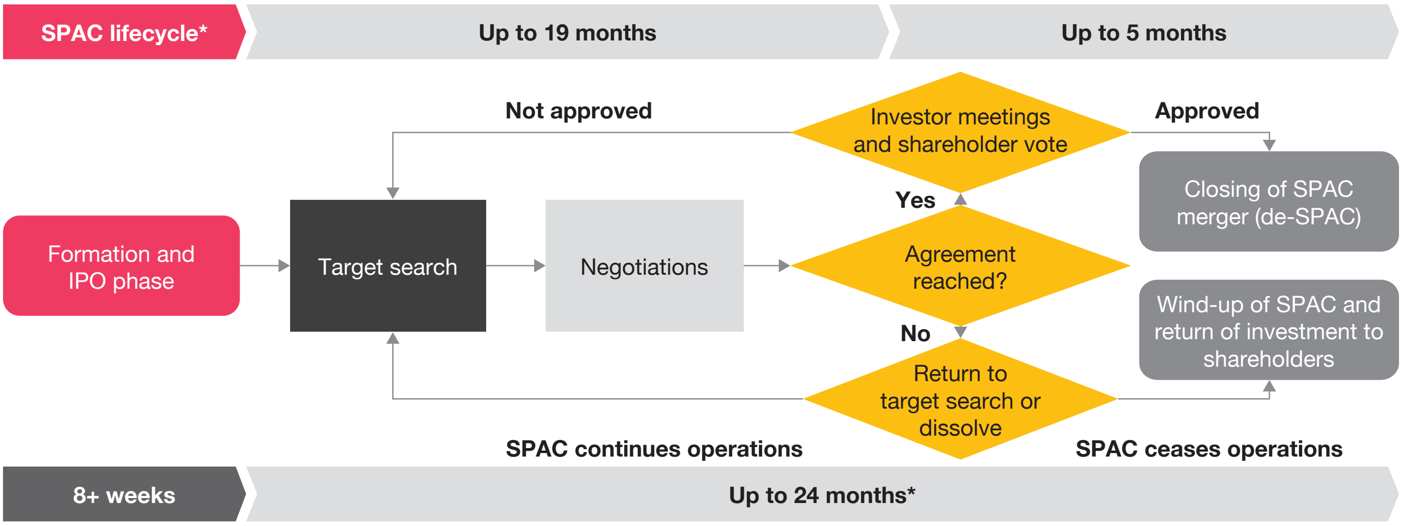
In order to mitigate risks associated with SPAC shareholder redemptions, as well as to provide additional capital for the continuing public company, most de-SPAC transactions are now accompanied by a PIPE transaction.

The SEC rules require a SPAC to file a special Form 8-K (popularly known as Super 8-K) within four business days after the completion of a de-SPAC transaction, post which the SPAC begins a new life as a publicly listed company. While the process of merging with the SPAC is different from the traditional IPO process, it is still subject to robust financial reporting and filing requirements of the SEC, including the comment letter process in a traditional IPO.

Separately, if the de-SPAC transaction fails, then the public shareholders get their money back, while the public warrants, founder shares and founder warrants expire without value. Since the public investors in a SPAC have the right to redeem or pull out of their investments, it's important that the sponsor and target operating company agree upon the long-term prospects of the business.

Journey to a SPAC merger

Each SPAC generally has 18–24 months post IPO to complete a merger before it ceases operations and winds up.



* For illustrative purposes, the SPAC lifecycle presented is based on a 24-month timeline to complete a merger.

02 Opportunity for the start-up community

2.1 | Indian start-up ecosystem

The success of any company depends on its disruption of existing business economics and processes and the level of efficiency and impact it is able to generate. Young Indians have been able to achieve such success by not only offering better products but also reinventing the path to products/processes.

The country's start-up landscape has experienced phenomenal growth over the last 15 years. Today, it is recognised as one of the world's largest start-up ecosystems and its tech start-up ecosystem has been ranked third globally.[6] Start-ups have flourished in the hospitality, e-commerce, FinTech, healthcare and logistics sector. With more than 40,000 start-ups, 40 tech unicorns[7] and a whopping ten[8] more added in 2021, India is undoubtedly at the centre of the global start-up landscape.

> Upcoming and growing start-ups can aim for growth capital and global visibility through global listing.

2.2 | What's in it for start-ups?

Some of the advantages for start-ups to look at going public through the SPAC route are listed below:

- The long-drawn, time-consuming process of listing through a traditional IPO can be avoided through the faster alternative of a merger with a SPAC.
- Limited management bandwidth can be overcome through access to sponsor expertise with global knowledge and vast experience.
- Start-ups can achieve their growth aspirations and potential through global listing and by gaining visibility.
- The perennial hunger for capital to meet the objectives of disrupting any business or industry is met through immediate access to capital and that too with a distinct advantage amidst volatile capital markets.

For the above reasons, SPACs are gaining traction amongst start-ups.

2.3 | Pre-IPO dip-stick review

For any venture, the final step in the value chain exercise is unlocking shareholders' value through listing. Whether it's an Indian or overseas listing, one must walk through the entire pre-IPO exercise checklist to organise the corporate and legal structure, governance standards and financial reporting mechanisms in the best possible manner. This will allow start-ups to tap into capital markets at the right time.

6. As per NASSCOM's Indian Tech Start-up Ecosystem Report 2020
7. Ibid.
8. 'Unicorns of 2021: Urban Company, Chargebee latest entrant to $1B club; total number rises to 12', YourStory, 30 April 2021

03 Traditional IPO vs SPAC

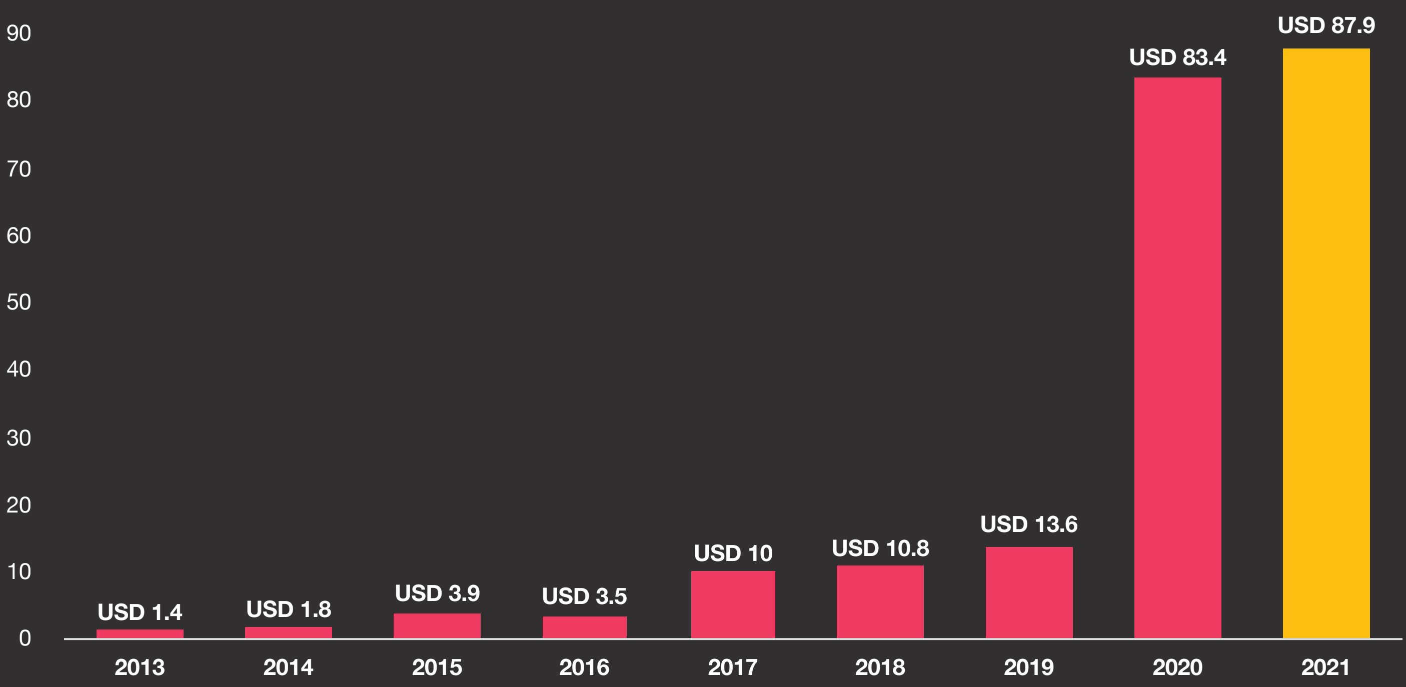
Traditionally, in an IPO, a company is looking to raise capital, whereas in a SPAC, it's the capital which is chasing a target company!

Typically, going public through a SPAC can compress a company's plan to raise capital anywhere between two to five months. Apart from speed, the SPAC route also offers the advantage of an agreed-upon valuation (through negotiations as against price determination), with the added assurance of a long-term investor base (i.e. PIPE investors). The participation of sophisticated PIPE investors is also, in a sense, validation of the vehicle, as when a SPAC is supported by large institutional investors (PE investor, asset management funds, etc.), it adds a lot of credibility to the strategy.

> Key elements like valuation, speed of listing and a wide investor base play a vital role in choosing between a traditional IPO or the SPAC route.

Considering the above advantages, SPAC activity has seen a phenomenal rise over the past few years:

Total capital raised from US SPAC IPOs (USD bn)



Source: SPAC Research

The selection of a preferred mode of listing depends on multiple variable factors such as timing of capital markets, feasibility analysis, future business plans and costs. Further, one may also consider the tax implications of de-SPACing and the applicable capital gains tax rate for resident/non-resident shareholders on final exit (refer to section 5.3).

Overseas listing through a SPAC transaction allows start-ups to access larger and diversified pools of capital as against a traditional Indian IPO, which requires companies to have a past track record and thus, at times, restricts access to capital markets in India.

04 India regulatory considerations

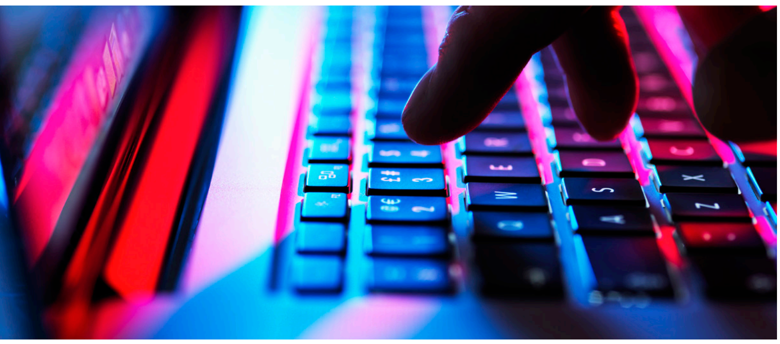
4.1 | Is overseas listing of Indian companies permissible?

Presently, direct listing of Indian companies on foreign stock exchanges is not permitted. As of now, the only possible option is to raise capital through ADRs and GDRs which can be listed on overseas bourses.

That said, the GoI and SEBI have been exploring options that would enable Indian corporates to access a larger pool of foreign capital. To allow Indian companies to directly list their equity share capital abroad and vice versa, the SEBI constituted a high-level committee[9] in June 2018. The committee submitted its report in December 2018[10] which advocated for the overseas listing of Indian companies (both listed and unlisted) and laid the blueprint for the legal framework required to achieve this objective.

In this direction, Section 23 of the Indian Companies Act, 2013, has been amended[11] to create an enabling provision for such listing in certain permitted jurisdictions. The SEBI report published in December 2018 had suggested the following ten exchanges in jurisdictions that have strong anti-money laundering laws, namely NASDAQ/NYSE (US), London Stock Exchange (UK), Shanghai and Shenzhen Stock Exchange (China), Tokyo Stock Exchange and Osaka Securities Exchange (Japan), Hong Kong Stock Exchange (Hong Kong), Korea Exchange Inc. (South Korea), SIX Swiss Exchange (Switzerland), Euronext Paris (France), Frankfurt Stock Exchange (Germany) and Toronto Stock Exchange (Canada).

As the next step, a detailed framework is expected from the Ministry of Finance (in consultation with the Ministry of Corporate Affairs), the RBI and SEBI to enable overseas listings. Allowing Indian companies to list on overseas stock exchanges could be a game changer for listed and unlisted growing companies, including start-ups.



> Reforms in the tax and regulatory framework can throw open access to capital and create a level playing field for high-growth companies.

4.2 | Business combination options for Indian companies

4.2.1 Swap of shares

Situation 1: Swap of Indian company's shares against a SPAC (foreign company)

Under this option, the resident and non-resident shareholders of the Indian company (selling shareholders) may sell/transfer their shareholding in the Indian company to a foreign company (e.g. SPAC) and in consideration, the selling shareholders would be issued ordinary shares of the SPAC. Accordingly, all selling shareholders would then hold an investment in the SPAC and consequently, the Indian company would become a legal subsidiary of the SPAC. Based on commercial considerations, the Indian management may also consider the put/call option rather than undertaking a swap of shares for their holding in the Indian company. Further, depending on the facts of the case, the swap of shares by selling shareholders may require prior permission of the RBI under FEMA Regulations, especially in the case of resident shareholders, in lieu of compliance requirements and limitations under the FEMA ODI Regulations and LRS.[12]

Situation 2: Swap of shares of a foreign holding company having an Indian subsidiary

In the case of Indian businesses which are headquartered outside India and shareholding of such an overseas entity is proposed to be swapped with the SPAC's shares, while there may not be any restrictions on non-resident shareholders, Indian resident shareholders may need to consider how the shares were initially acquired and depending on the same, there could be a need to seek regulatory approval for swap of shares of such an overseas vehicle as well.

9. https://www.sebi.gov.in/media/press-releases/jun-2018/expert-committee-for-listing-of-equity-share-capital-of-companies-incorporated-in-india-on-foreign-exchanges-and-vice-versa_39254.html - PR No.: 16/2018
10. https://www.sebi.gov.in/media/press-releases/dec-2018/submission-of-report-of-the-expert-committee-for-listing-of-equity-shares-of-companies-incorporated-in-india-on-foreign-stock-exchanges-and-vice-versa_41220.html - PR No.: 50/2018
11. The Companies (Amendment) Act, 2020, No. 29 of 2020 dated 28 September 2020
12. Under FEMA, remittance through LRS is limited to USD 250,000/- per financial year.

4.2.2 Merger/reverse merger of an Indian company with a SPAC

The merger or combination of an Indian company with a SPAC needs to be in compliance with the Foreign Exchange Management (Cross Border Merger) Regulations, 2018, and Section 234 of the Companies Act, 2013. While the Indian company needs to evaluate in detail the regulatory implications of such a merger (refer to Sections 4 and 5) requiring RBI approval, broadly, post-merger, the legal identity of Indian operations would be the 'branch office' of the combined entity. The legal and commercial feasibility of carrying on operations through the branch office is pertinent here before going through this route.

One important aspect to be considered is the need for obtaining prior Government approval based on the profile of the non-resident investors. As per Press Note 3 of 2020,[13] investment coming from a country which shares a land border with India is permitted only under the Government route. In the case of a swap of shares, when the non-resident investors hold the shares of the Indian company indirectly after the swap, it may need to be evaluated whether the change in the ownership structure would require such approval.

4.3 | Allocation of SPAC shares to resident independent directors

Indian resident individuals are permitted to acquire shares of a foreign company subject to the annual foreign currency remittance cap of USD 250,000 under the LRS of the RBI. Accordingly, if the shares are allocated and received by a resident individual against their professional services (e.g. director's remuneration), then the value of shares received by the said resident individual and the amount of foreign currency remittances made by them within a financial year are aggregated for the purpose of calculating the limit under the LRS.

To summarise, one of the pressing challenges for Indian regulators is how to create level playing field for Indian start-ups to grow exponentially and have meaningful economic impact by streamlining the tax and regulatory framework. We have observed significant capital-raising activity after the relaxation of the tax and regulatory framework for REITs and InvITs, with more than INR 40,000 crore (approximately USD 5.4 billion) raised in the past four years.[14] The regulatory concerns, once aired out, could be a major capital-raising opportunity for India in general and for start-ups in particular.

13. Press Note No. 3 (2020 Series) dated 17 April 2020 (https://dipp.gov.in/sites/default/files/pn3_2020.pdf)
14. 'REITs, InvITs seek parity with listed companies on tax liabilities, debt access', Economic Times, 26 January 2021

05 Indian tax considerations

Indian tax considerations and implications emerge at every stage in the SPAC timeline. They are briefly summarised below:

5.1 | On SPAC IPO

When a SPAC raises money by issuing units through an IPO, no tax implications ought to surface in India since a SPAC is a blank-cheque company with no underlying Indian assets.

5.2 | De-SPACing/business combination

As mentioned earlier, de-SPACing happens either through (a) swapping of shares with SPAC shares by shareholders of the Indian target entity or (b) merging of the Indian target operating company (or its overseas holding company) with a SPAC. Also, the process and manner of de-SPACing would depend upon the SPAC jurisdiction and the eventual jurisdiction of the listed entity.

The tax implications are briefly highlighted below:

5.2.1 For shareholders

Under the Indian Income-tax Act, 1961, both the aforesaid options result in a ‘transfer’ of shares held by the existing shareholders of the Indian target entity. The consideration is received in the form of SPAC shares.

Capital gains tax may emerge on the sale/swap of shares of the Indian target company against the shares of SPAC through either of the business combination methods. The taxable capital gains would be the excess of the FMV over the CoA in the hands of the selling shareholders.

Tax rates vary from 10–40% under the Indian tax laws, plus applicable surcharge and cess. Tax rates shall primarily depend upon various factors – inter alia, the mode of transfer, i.e. share swap vs merger, residential status of shareholders, availability of treaty benefits and PoH of shares.

Post the issue of the SPAC shares, the CoA and PoH reset – i.e. the CoA would be as per the swap ratio and valuation prescribed therein and the PoH of the SPAC shares would start from the date of the business combination.

5.2.2 For SPACs

A SPAC is required to comply with the applicable withholding tax obligation at the time of discharge of consideration to non-residents, i.e. whether on account of a merger or swap of shares.

5.2.3 For Indian target companies

If an Indian target company has unabsorbed tax losses and its shareholder voting rights change by more than 49%, then the unabsorbed tax losses would lapse and it shall not be eligible to carry forward its past tax losses.

5.2.4 For SPAC sponsors

Typically, a SPAC sponsor converts its Class B shares into Class A shares upon successfully de-SPACing. Depending upon the date and timing of de-SPACing and the conversion of Class B shares into Class A shares, tax implications under the Indian indirect transfer rules need to be evaluated for the SPAC sponsor.

5.3 | Transactions post de-SPACing

On subsequent trading of the listed SPAC shares, there could be tax implications in India if a SPAC derives its substantial value from India (more than 50%) under the Indian indirect transfer rules.

Shareholders who hold less than 5% of the voting power or the SPAC’s capital are not subject to Indian indirect transfer implications, provided certain conditions are met.

For other shareholders, any transfer of SPAC shares results in Indian indirect transfer implications. The tax rate applicable on such a transfer would range from 10–40% (excluding surcharge and cess). Also, the taxability would depend upon the type of shareholders (corporate vs non-corporate), whether the shareholder is entitled to any treaty benefits, PoH (sale within 24 months of the swap to be short term), valuation at which the swap was undertaken and the ultimate exit price. Further, some shareholders may be able to claim exemption from tax under the relevant tax treaties, to the extent that such benefits are available. The buyer of the shares would be obligated to withhold taxes, if applicable, under the Indian indirect transfer regulations.

Such shareholders would also need to undertake Indian compliances, such as obtaining tax registration in India and filing tax returns.

Apart from the timing of taxation, the current rates[15] of tax under the IT Act are given below:

Nature of the shareholder	In case of an India IPO		In case of a SPAC IPO	
	LTCG	STCG	LTCG	STCG
Indian resident				
Individual	11.96%	17.94%	28.5%	42.74%
Corporate	11.65%	17.47%	23.3%	34.94%
Non-resident (holding >5%)				
Corporates	10.92%	16.38%	10.92%	43.68%
Non-corporates	11.96%	17.94%	14.25%	42.74%
Non-resident (holding <5%)				
Corporates	10.92%	16.38%	Nil	Nil
Non-corporates	11.96%	17.94%	Nil	Nil

Notes:

- Treaty benefits, if any, need to be evaluated separately. While most tax treaties provide for taxation in India on capital gains arising from the sale of Indian shares, a lot of them also exempt taxation in India on capital gains from the sale of foreign company shares deriving substantial value from India.
- Other aspects related to the GAAR and MLI are applicable.
- 5% shareholding is relevant from an indirect transfer tax perspective.

15. The rates are effective tax rates, based on the highest base rate and highest surcharge rates.

06 SPAC listing in the IFSC

6.1 | Framework

In order to promote innovative methods for raising capital for the GIFT, the IFSCA issued a consultation paper[16] in March 2021 on the issuance and listing of securities on the IFSC. It proposed to enable a framework for the listing of SPACs on the IFSC's recognised stock exchanges.

The consultation paper was available for public suggestions and comments till 31 March 2021.

6.2 | Salient features

Sr. no.	Particulars	Details
1.	Eligibility of the SPAC issuer	• The primary objective of the issuer shall be to effect a merger, amalgamation or acquisition of shares or assets of a company having business operations (business acquisition). • The issuer shall not have any operating business.
2.	Minimum offer size	USD 50 million
3.	Minimum sponsor contribution	To hold at least 20% of the post-issue paid-up capital of the SPAC
4.	Minimum application size	USD 250,000
5.	Minimum subscription to be received	75% of the offer size
6.	Timeline for business acquisition	Three years from the date of listing (extendable up to one year)

6.3 | Tax provisions

As per the Indian domestic tax law, the transfer of 'foreign currency denominated equity shares of a company' listed on IFSC stock exchanges by a non-resident is not treated as a taxable transfer and the capital gains accruing thereon are not chargeable to tax.

Hence, the transfer of a SPAC's foreign currency denominated equity share by a non-resident shall not be regarded as a transfer under section 47(vii ab) of the Income-tax Act, 1961, and the resultant capital gains shall not be chargeable to tax.

In case a SPAC derives its substantial value from Indian assets, the transfer of its shares listed on the IFSC stock exchange ought not to attract indirect transfer tax.

To summarise, the proposed regulatory framework coupled with tax neutrality on the transfer of SPAC shares listed on IFSC stock exchanges by a non-resident will go a long way in attracting SPACs domiciled in foreign jurisdictions, with underlying Indian businesses to consider listing on IFSC stock exchanges.

16. Consultation paper on Proposed IFSCA (Issuance and Listing of Securities) Regulations, 10 March 2021

07 Financial reporting and audit considerations

7.1 | Brief outline

Post the completion of two distinct phases in the life of a SPAC – SPAC formation and IPO and SPAC target search – management teams need to plan and be prepared for the SPAC merger (de-SPAC) phase. This will also include planning and preparation for the financial reporting and SEC filing requirements in much the same way as for a traditional IPO.

During the de-SPACing phase, a SPAC will solicit shareholder votes on the merger with the target company in accordance with the SEC rules and will be required to disclose the following key items to its shareholders:

- **Amendments to the SPAC's articles of incorporation**
- **Re-domiciling of the SPAC**
- **Management's discussion and analysis (MD&A) of the business, results of operations and liquidity and capital resources of the SPAC and the target**
- **Information about the business of the target company**
- **Historical financial statements of the target company, including audited historical financial statements of any significant acquisitions made by the target and related proforma financial information reflecting the impact of the significant acquisitions as if the acquisition was made at an earlier date**
- **Election of directors**
- **Background of the merger**
- **Risk factors that apply to the business and operations of the target company, and also apply to business and operations following the completion of the merger**
- **Historical financial statements of the SPAC**
- **Pro forma financial information to reflect the merger transaction, assuming that the transaction was completed at the beginning of the most recent fiscal year presented**
- **Comparative per-share financial information of the SPAC and the target company**

All the above information needs to be prepared within a short time span to comply with the SPAC transaction timelines and thereby, it is critical to start the preparation early.

Further, the financial statements of the target company shall be required to be audited in accordance with the PCAOB standards and by a firm that is registered with the PCAOB. If the target company has previously been audited, then its auditors will need to perform additional procedures to comply with the PCAOB auditing standards and this may require additional time and effort.

The general requirement is to include three years of financial statements in the document filed with the SEC. However, depending upon the specifics of the transaction, certain accommodations may be available to the company based on which the requirement to present the audited financial statements may be reduced to two years. This may save significant time and effort, considering the stringent timelines of SPAC transactions.

7.2 | Determination of the accounting acquirer

In a SPAC merger transaction, an important accounting judgment is the determination of which entity is the accounting acquirer. The accounting acquirer is the entity that obtains control of the reporting entity and may be different from the legal acquirer. If the SPAC is the accounting acquirer, the transaction would be accounted for as a business combination and it would recognise the assets and liabilities of the target company at fair value in accordance with the USGAAP/IFRS.

However, if the target company is the accounting acquirer, the transaction is considered a reverse merger. A reverse merger with a SPAC is typically accounted for as a reverse recapitalisation and the assets and liabilities of the target company would be recognised at their existing carrying values. Typically, an acquired company that is private need not include certain disclosures such as EPS or segments. If the target company in a SPAC transaction is likely to be the accounting acquirer or predecessor entity, then each applicable accounting standard will need to be assessed to determine which disclosures that are applicable to a public company are required to be included in the financial statements. Typically, EPS and segment disclosures are also required.

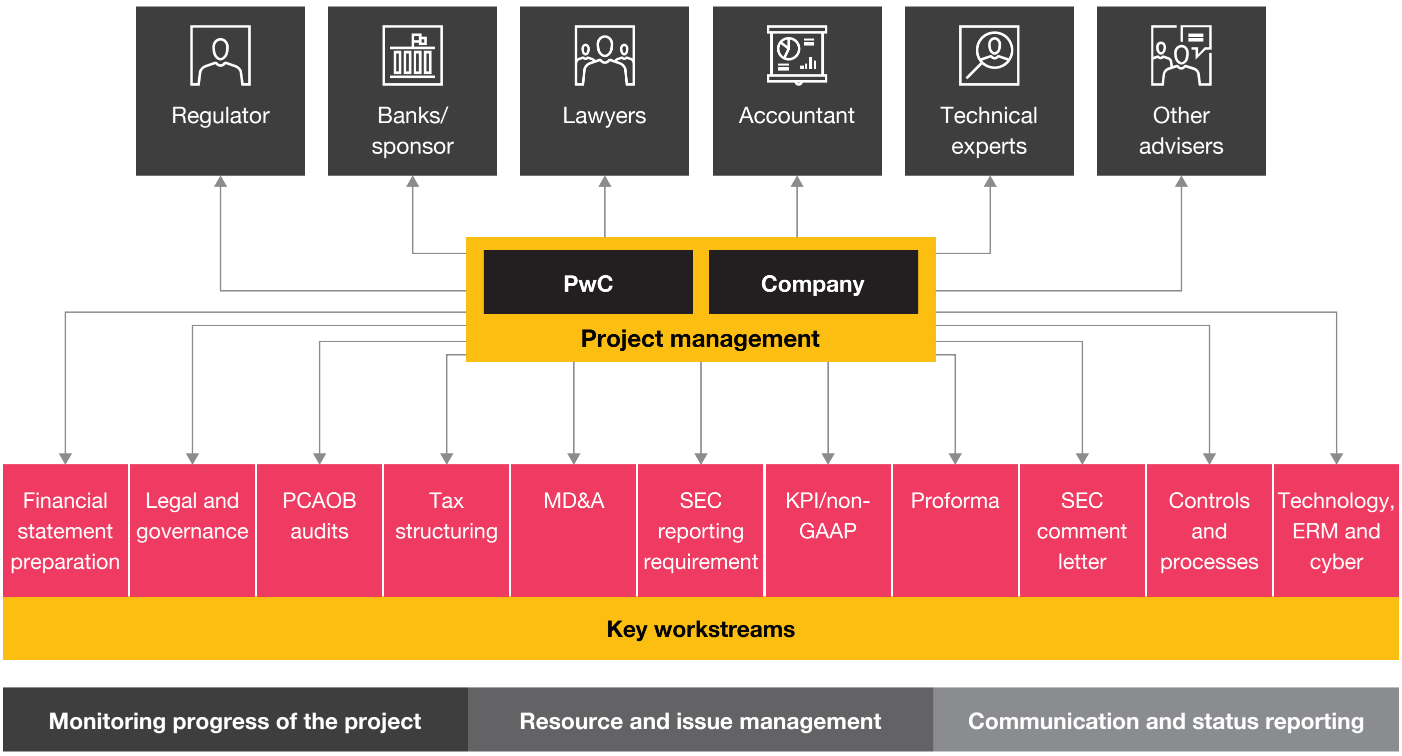
08 PwC's IPO advisory

Going public is a critical process for any private company. Most companies are unlikely to be are prepared to go public before the SPAC merger transaction and would need a significant investment of management time to bring their capabilities up to public company standards. During the process of going public, companies need to manage multiple key workstreams such as compliance of financial statements with Regulation S-X, audits under the PCAOB standards, controls and processes, SEC reporting requirements and the comment letter process, as well as working with bankers, lawyers, regulators and various other stakeholders.

In order to successfully manage these key workstreams, companies need to have optimum project management support that monitors the progress of a project, addresses issues and resource requirements, and facilitates continuous communication and status reporting.

> Strategise the entire IPO journey with our vast capabilities and cross-border knowledge pool.

This well help in the journey of going public while maintaining control of the process and, more importantly, the focus on business as usual.



Glossary

Abbreviation – Full form

ADRs – American depository receipts

CoA – Cost of acquisition

EGC – Emerging growth company

EPS – Earnings per share

ERM – Enterprise risk management

FEMA – Foreign Exchange Management Act

FMV – Fair market value

GAAR – General Anti-Avoidance Rule

GDRs – Global depository receipts

GIFT City – Gujarat International Finance Tec-City

GoI – Government of India

IFSC – International financial services centre

IFSCA – IFSC Authority

INR – Indian rupee

InvIT – Infrastructure investment trust

IPO – Initial public offer

IT Act – Income-tax Act, 1961

LRS – Liberalised Remittance Scheme

LTCG – Long-term capital gains

Abbreviation – Full form

MD&A – Management's discussion and analysis

MLI – Multilateral instrument

NASDAQ – National Association of Securities Dealers Automated Quotations

NYSE – New York Stock Exchange

ODI – Overseas direct investment

PBE – Public business entity

PCAOB – Public Company Accounting Oversight Board

PIPE – Private investment in public equity

PoH – Period of holding

RBI – Reserve Bank of India

ReIT – Real estate investment trust

SEBI – Securities and Exchange Board of India

SEC – Securities and Exchange Commission

SPAC – Special purpose acquisition company

SRC – Smaller reporting company

STCG – Short-term capital gains

US – United States

USD – United States dollar

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