Objects of the Issue: what will the company do with the money?

Objects of the Issue is a free 40-minute lesson for Class 11–12 Commerce on what a company says it will do with IPO money. Students sort each use that Bombay Coated and Zepto list in their offer documents, and check SEBI's limit on unplanned spending.

5-minute prep

- Print one worksheet per student and one set of sorting cards per pair (end of this guide).
- Decide how students see the facts: the worksheet, the projector or the student page (cityfort.in/class/ipo-objects).
- Draw four boxes on the board: pays back loans, buys or builds things, pays running costs, not fixed yet.
- Skim the answer key's note on technology and cloud infrastructure, which fits more than one box.

Class	Senior secondary, Class 11–12 (Commerce)
Time	One 40-minute period. A 10-minute version for a revision class is in the teacher guide.
Edition	2026–27 first edition v1.0
Lesson page	cityfort.in/teachers/where-does-ipo-money-go/objects-of-the-issue

Objective

Students can find the Objects of the Issue in an offer document, sort each use of the fresh-issue money, and explain SEBI's cap on general corporate purposes.

CBSE units the lesson supports

- Financial Markets Management (805), Class XI, Unit 2 (CBSE Financial Markets Management (805)), in part
- Business Studies (054), Class XII, Unit 10 (CBSE Business Studies (054)), in part

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Timing

Minutes	Step	What happens
0–5	**Hook**	Ask: "Your friends give your made-up juice stall ₹50,000. What would they want to know first?" Take answers until someone says what the money is for. (made-up numbers)
5–12	**What the Objects of the Issue are**	Explain that every offer document lists the uses of the fresh-issue money. Then read SEBI's rule: general corporate purposes may be at most 25% of the amount raised (Part A).
12–22	**Sort Bombay Coated's uses**	Pairs sort Bombay Coated's three uses into the four boxes in Part B: pays back loans, buys or builds things, pays running costs, not fixed yet.
22–32	**Sort Zepto's uses**	Pairs sort Zepto's five uses the same way (Part C). Ask which use could go in more than one box, and why.
32–37	**Compare without ranking**	Whole class: Bombay Coated's two fixed uses are 76.9% of its fresh issue; Zepto's four named uses are 65%. What is the rest for in each case? (The issue expenses and general corporate purposes.)
37–40	**Exit ticket**	Students answer the three exit-ticket questions on the worksheet.

Materials

- The student worksheet (one per student), or the student page on phones or the class projector
- The sorting cards from the end of the teacher guide (one set per pair)
- The answer key (teacher only)
- Optional: the slides, projected

Discussion questions

1. Bombay Coated says ₹125 crore will repay bank loans. What changes for a company when it owes less, and what does not change?
2. Zepto says ₹1,735 crore will pay rent and ₹520 crore will pay for marketing. Its Cityfort IPO page calls these running costs rather than new assets. What is the difference?
3. Zepto's UDRHP-I says the sites for about 1,904 new dark stores are not yet identified. What would you want the next offer document to tell you?
4. SEBI caps general corporate purposes at 25% of the money raised. Why might a regulator limit money that the board decides on later?
5. Why does this lesson write "Bombay Coated says…" rather than "Bombay Coated will…"?

Adapting the lesson

Students still building their English: Pre-teach five words with the word bank: object, loan, asset, running cost and general corporate purposes. Let students sort the cards first and write the reasons

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afterwards.

Students who need more support: Give the sorting cards with Bombay Coated's three uses already placed, so students sort only Zepto's five. Read each card aloud.

Students ready for more: Bombay Coated's loan repayment is ₹125 crore, against ₹302.4 crore of borrowings on 31 Aug 2026. Work out the share it repays, then check it against 41.3%.

Extension: Students open Zepto's UDRHP-I on the SEBI website and find the Objects of the Issue chapter. They copy the year-by-year plan for one object, with the page number, and say in two sentences what it shows.

Teacher background

What are the Objects of the Issue?

Every DRHP and RHP has a chapter called Objects of the Issue. It lists what the company plans to do with the fresh-issue money, how much goes to each use and when. Money from an offer for sale goes to the sellers, so it has no objects.

What are general corporate purposes?

General corporate purposes is money the board decides how to use later. Regulation 7(2) of SEBI's ICDR Regulations caps it at 25% of the amount raised.

What about acquisitions the company has not chosen yet?

Regulation 7(3) caps general corporate purposes and unidentified acquisitions together at 35%, and unidentified acquisitions alone at 25%. Zepto's UDRHP-I uses this route.

Why quote the company?

An object is a plan, not a result. The lesson writes "Bombay Coated says in its RHP" with the date, because what happens later is reported separately (Lesson 3).

If your class runs a stock-market simulation, these lessons can come before it: they explain what a company does and how it reports results. They do not suggest which companies to choose, and Cityfort does not run, rank or judge simulation picks.

Teaching notes

- Say "the company says" every time you read an object aloud: it is a plan in an offer document, not something that has happened.
- If a student asks whether a plan makes the company worth owning, say the lesson explains each use, and that Cityfort gives no advice.
- Zepto's fresh issue may shrink by up to ₹1,602 crore after a pre-IPO placement, so its shares of the total can change.
- Use no prices: the objects are stated in ₹ crore, whatever the share price turns out to be.

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CBSE units this lesson supports

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- Financial Markets Management (805), Class XI, Unit 2, Primary and Secondary Market (why companies issue shares, the prospectus and offer documents): partial.
- Business Studies (054), Class XII, Unit 10, Financial Markets (capital market and its types): partial.

10-minute version

Use only Bombay Coated: the stall question (2 minutes), its three uses (4), SEBI's cap (2), one-sentence exit (2).

student page

Scan the code or type: **cityfort.in/class/ipo-objects**

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Cards to print and cut out

Sorting card set: one use per card (cut along the lines)

- Bombay Coated: repay or prepay some bank loans
- Bombay Coated: buy machines at the Ghiloth plant it now leases
- Bombay Coated: general corporate purposes
- Zepto: open new dark stores
- Zepto: rent on existing dark stores
- Zepto: technology and cloud infrastructure
- Zepto: marketing through Zepto Marketplace
- Zepto: unidentified acquisitions and general corporate purposes

Box labels (one set per pair)

- Pays back loans
- Buys or builds things
- Pays running costs
- Not fixed yet

Sources

1. S1: Bombay Coated and Special Steels Limited Red Herring Prospectus, dated 21 Oct 2026, Bombay Coated and Special Steels Limited (offer document filed with RoC; company IPO-documents page), 21 Oct 2026. https://cdn.prod.website-files.com/66dae2d0a835d8d76717f6ea/6ad9ce8b73ad22c98ba71e48_RHP.pdf
2. S2: Zepto Limited - Updated Draft Red Herring Prospectus I (UDRHP-I), dated 8 Jun 2026, SEBI (filed by Zepto Limited), 9 Jun 2026. https://www.sebi.gov.in/sebi_data/attachdocs/jun-2026/1780983427091.pdf
3. S3: Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, amended up to 21 Mar 2026, Securities and Exchange Board of India (sebi.gov.in), 21 Mar 2026. https://www.sebi.gov.in/legal/regulations/mar-2026/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-regulations-2018-last-amended-on-march-21-2026-_100581.html

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