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

Name: _____ Class: _____ Date: _____

Before an IPO, a company must say what it will do with the money from its new shares. This page shows what two Indian companies said.

Ground rule: In this lesson there is no winner. We explain differences; we don't rank companies or say which is better to own.

What to do

1. Read the made-up juice stall's plan and SEBI's rule.
2. Sort each of Bombay Coated's uses into one of four boxes.
3. Do the same for Zepto's uses.
4. Answer the questions. Every number you need is on this page.

Part A. A small plan and SEBI's rule

A made-up juice stall raises ₹50,000. It plans ₹30,000 for a cart and blender, ₹10,000 to repay a loan and ₹10,000 for "anything that comes up".

1. Out of every ₹100 raised, how much is for "anything that comes up"? Show the working.

2. SEBI caps general corporate purposes at 25% of the money raised. Would the stall's plan be inside that cap?

Part B. Sort Bombay Coated's uses

Bombay Coated says in its RHP (21 Oct 2026) that it will use ₹125 crore to repay bank loans in FY27. It will use ₹15.8 crore to buy machines it now leases. The rest pays the issue expenses and general corporate purposes; general corporate purposes are capped at 25% of the gross proceeds.

1. Write each use in one box: pays back loans, buys or builds things, pays running costs, not fixed yet.

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2. Which use is the largest? What does it change for the company?

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Part C. Sort Zepto's uses

Zepto says in its UDRHP-I (8 Jun 2026) how it will use the money from FY27 to FY30. New dark stores: ₹1,629 crore. Rent: ₹1,735 crore. Technology and cloud: ₹1,325 crore. Marketing: ₹520 crore. Acquisitions and general corporate purposes are capped at 35%.

1. Write each use in one box. Which use could go in two boxes? Why?

2. Add Zepto's four named uses. What is the total?

Part D. Compare without ranking

1. 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?

2. Name one thing you would check in a later report to see if a company did what it said.

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Exit ticket

1. In your own words, what are the Objects of the Issue?

2. Name one use from Bombay Coated or Zepto, and the box you put it in.

3. Why does SEBI limit general corporate purposes?

Word bank

Objects of the Issue	The chapter of an offer document that lists what the company will do with the money from its new shares.
Loan	Money a company has borrowed and must pay back, usually with interest.
Asset	Something a company owns and uses for years, such as a machine or a store.
Running cost	Money a company spends again every year to keep working, such as rent or advertising.
General corporate purposes	Money the board will decide how to use later. SEBI limits how much of the IPO money it can be.
Dark store	A small warehouse that a delivery app uses to pack orders. Customers do not walk in.

Sentence starters

- ___ says in its offer document that it will use ___ to ___.
- I put ___ in the ___ box because ___.
- SEBI limits general corporate purposes because ___.

student page

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

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