



MARS & Partners

International Legal Consultants,
Advocates & IPR Attorneys

Phone: + 91-11- 4652 5466 / 77 / 88

Fax: + 91-11- 4652 5455

E-Mail: info@marsandpartners.com

For Private Circulation Only

ALTERNATIVE INVESTMENT MARKET

Launched in 1995, the **Alternative Investment Market** (AIM) is a sub-market of the London Stock Exchange (LSE), allowing smaller companies to float shares with a more flexible regulatory system, than applicable to the main market.

Documentation / preparation for AIM listing Application –

- i. **Company Info**, i.e. contact details of its Directors and key management;
- ii. **Constitution of Team of Advisers comprising of –**
 - i. Nominated Adviser for confirming Company's suitability for AIM to LSE;
 - ii. Broker, for managing the dealings of the Company's ordinary shares;
 - iii. Legal team, appointed on behalf of Company and Nominated Adviser;
 - iv. Accountant, for financial due diligence and providing assistance with Company's working capital review;
 - v. PR Agency, for maintaining and building up the relationship of company;
- iii. **Letters of Appointment** of all above said advisers setting out the terms of their appointment by the Company.

Eligibility requirements –

- i. Only public companies may apply to be admitted to AIM;
- ii. The auditors report stating that as on the balance sheet date, the amount of the Company's net assets was not less than the aggregate of its called-up share capital and un-distributable reserves.
- iii. Financial statements should be prepared as on a date not more than 7 months before the Company's application to AIM for registration.

Additional requirements for Indian Company by AIM –

- i. Company requires to be a Listed Company in India;
- ii. Unlisted companies require prior or simultaneous listing in India;
- iii. Mutual funds are permitted to apply.

Requirements for AIM Listed Indian Company under Indian Laws –

- (a) Issuance of GDR'S in AIM is considered to be Foreign Direct Investment, thus regulated accordingly by sectoral caps and FDI policy;
- (b) Filing of the AIM admission document with ROC u/s 60 of the Companies Act;
- (c) Issue expenses are subjected to limit of 4%, beyond which require RBI approval;
- (d) Investments of proceeds in stock markets and real estate are not permitted;
- (e) AIM investment whether made directly or indirectly through GDR's, is not permitted beyond 51% of the issued and subscribed capital of the company.
- (f) Pricing guidelines as notified by RBI.



MARS & Partners

International Legal Consultants,
Advocates & IPR Attorneys

Phone: + 91-11- 4652 5466 / 77 / 88

Fax: + 91-11- 4652 5455

E-Mail: info@marsandpartners.com

For Private Circulation Only

Post Listing Compliances –

Each AIM listed company is required to maintain a website and display following information free of charge:

- Description of its business and for investing company, its investment strategy;
- Its Director's brief biographical details, as included in admission document;
- Responsibilities of each member of Board of Directors, constituted committees and their responsibilities;
- Country of incorporation and main country of operation;
- If incorporated outside UK, a statement that the rights of shareholders may be different from the rights of shareholders in a UK incorporated company;
- Articles of association or similar constitutional document;
- Details of other exchanges or trading platforms to which it has applied or agreed to have any of its securities (including its AIM securities) admitted or traded;
- The number of AIM securities in issue, the percentage of AIM securities not in public hands together with the identity and percentage holdings of its significant shareholders. This information should be updated at least every 6 months;
- Details of any restrictions on the transfer of its AIM securities;
- Recent annual report and all half-yearly, quarterly or similar reports published since the last annual report;
- All notifications the AIM company has made in the past 12 months;
- Its most recent admission document together with any circulars or similar publications sent to shareholders within the past 12 months, and
- Details of its nominated adviser and other key advisers