What does it take to transform from an organization to an institution?

IPO market on a bullish run

India IPO Trends Report: Q2 2021
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**Highlights**

- Indian stock exchanges (BSE and NSE including SMEs) ranked 12th in the world in terms of the number of IPOs in year-to-date (YTD) 2021. There were no cross-border deals.

- In the main markets (i.e., BSE and NSE), there were seven IPOs in Q2 2021 versus no IPO in Q2 2020 and 17 IPOs in Q1 2021. This represents an increase of 100% compared to Q2 2020 and a decrease of 59% compared to Q1 2021.

- As regards to SME markets, there were 11 IPOs in Q2 2021 versus four and six IPOs in Q2 2020 and Q1 2021, respectively, representing an increase of 175% and 83% as compared to Q2 2020 and Q1 2021 respectively.

- The IPO pipeline has over 40 companies that have filed their Draft Red Herring Prospectus (DRHPs) and more than 30 PE-backed companies planning exits.

- As per the recent DRHP filings most active sectors are technology, healthcare, and consumer products and retail.

- The IPO market has shown its best performance since the past two years and has crossed the number of IPOs in 2018.

- SEBI has eased norms for minimum public offer and required public shareholdings for large issuers and has increased the role of independent directors by changing composition of key committees required for a public company.

- Slower start to vaccinations in India relative to size of the population and renewed spike in COVID-19 infections with the second wave led to slower movement in the IPO market, however a ripple effect to this has already started with strong start of the next quarter driving the way forward.

### YTD 2021 activity

**Main market**

- **Main market**
  - Q2 2021
  - 24 IPOs
  - $2101 m
  - Change on YTD 2020: ▲ 156%

**SME markets**

- **SME markets**
  - Q2 2021
  - 11 IPOs
  - $13.42 m
  - Change on YTD 2020: ▲ 233%
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Consumer products and retail and real estate, hospitality and construction were the most active sectors (in terms of the number of IPOs) with four IPOs launched in the former sector and three in the latter sector (including main and SME markets).

In terms of the issue size, an IPO by Sona BLW Precision Forgings Ltd from the Diversified industrial products sector was the largest in Q2 2021.

The trend of Unicorn companies has set in India with companies in the space floating an IPO, filing for DRHPs and announcing plans to go public.

A slew of measures are also under discussion with SEBI to bring ease in IPO process including changing definition of promoter to person in control and reducing the lock-in period of shares offered in the issue.

Significant change in activity was due to impact of second wave of COVID-19 due to which there was drop in activity from Q1 to Q2 2021, however remains robust.

Companies have raised capital in combination of fresh issue and OFS.

Process of filing and approval of offer document is becoming more robust.

PE-backed companies are preparing for IPO, below is the trend in the current quarter.

New-age companies are now entering the IPO market and setting a new course.
In the wake of strong global IPO market activity over the past few months, Indian markets continue to reach new highs. The strong momentum seems to continue with several companies planning for an IPO later this year. Detailed regulations for direct overseas listing are much awaited as they are expected to provide further impetus and opportunities for Indian companies. They may also facilitate better benchmarking between peers, promote best practices and increase cross-border collaboration.

Prashant Singhal, Technology, Media, Telecom (TMT) Leader, Emerging Markets

We have witnessed mega filings by new age tech companies in recent times and the outlook is positive with several companies considering India as their primary listing venue. Corporate earnings have been robust except for sectors impacted by supply side disruption or due to COVID-19. We expect the market activity to remain buoyant.

Sandip Khetan, Partner and National Leader, Financial Accounting Advisory Services (FAAS)

From the perspective of Indian resident shareholders in particular, the Indian tax and regulatory environment seems to be more conducive to, and provides far greater clarity and efficiency in case of, an India listing relative to an overseas listing of an Indian entity.

Pranav Sayta, Partner and National Leader, International Tax and Transaction Services
## Market listings

### New issues: main market (Q2 2021)

<table>
<thead>
<tr>
<th>Issue date</th>
<th>Issuer name</th>
<th>Quarter</th>
<th>Sector</th>
<th>Proceeds in US$m</th>
<th>Name of exchange</th>
</tr>
</thead>
<tbody>
<tr>
<td>24-Jun-21</td>
<td>Sona BLW Precision Forgings Ltd</td>
<td>Q2 2021</td>
<td>Diversified industrial products</td>
<td>$750.00</td>
<td>NSE and BSE</td>
</tr>
<tr>
<td>17-May-21</td>
<td>POWERGRID Infrastructure Investment Trust</td>
<td>Q2 2021</td>
<td>Power and utilities</td>
<td>$472.00</td>
<td>NSE and BSE</td>
</tr>
<tr>
<td>22-Apr-21</td>
<td>Macrotech Developers Ltd</td>
<td>Q2 2021</td>
<td>Real estate, hospitality and construction</td>
<td>$335.00</td>
<td>NSE and BSE</td>
</tr>
<tr>
<td>28-Jun-21</td>
<td>Krishna Institute of Medical Sciences Ltd</td>
<td>Q2 2021</td>
<td>Health</td>
<td>$289.00</td>
<td>NSE and BSE</td>
</tr>
<tr>
<td>24-Jun-21</td>
<td>Shyam Metalics &amp; Energy Ltd</td>
<td>Q2 2021</td>
<td>Mining and metals</td>
<td>$123.00</td>
<td>NSE and BSE</td>
</tr>
<tr>
<td>28-Jun-21</td>
<td>Dodla Dairy Ltd</td>
<td>Q2 2021</td>
<td>Consumer products and retail</td>
<td>$70.00</td>
<td>NSE and BSE</td>
</tr>
<tr>
<td>7-Apr-21</td>
<td>Barbeque-Nation Hospitality Ltd</td>
<td>Q2 2021</td>
<td>Real estate, hospitality and construction</td>
<td>$62.00</td>
<td>NSE and BSE</td>
</tr>
</tbody>
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