

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

IPO market on a bullish run

India IPO Trends Report: Q2 2021



The better the question. The better the answer.
The better the world works.



Building a better
working world

India IPO Trends Report: Q2 2021

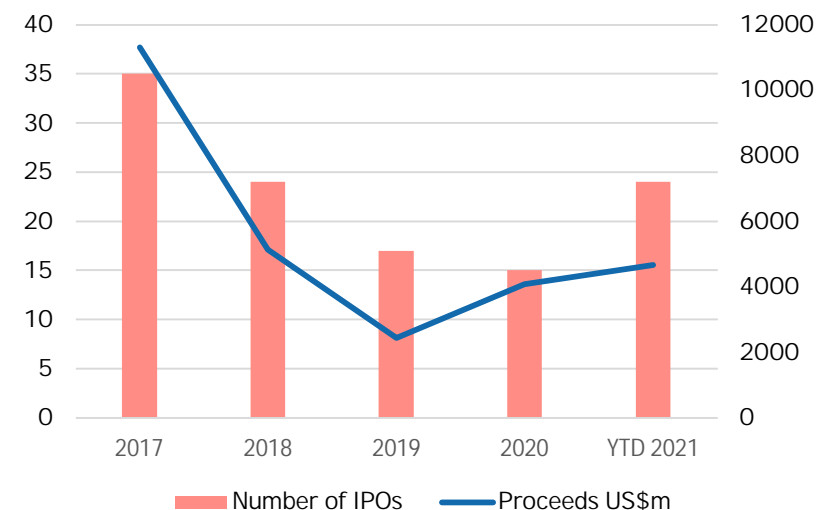
Highlights

- ▶ 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 a 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

41 IPOs ▲ 156%
 \$4685.13 m proceeds ▲ 233%

Main market		SME markets	
\$4659 m	24 IPOs	\$26.13 m	17 IPOs
Main market Q2 2021		SME markets Q2 2021	
\$2101 m	7 IPOs	\$13.42 m	11 IPOs



All amounts in the table are in US\$

India IPO Trends Report: Q2 2021

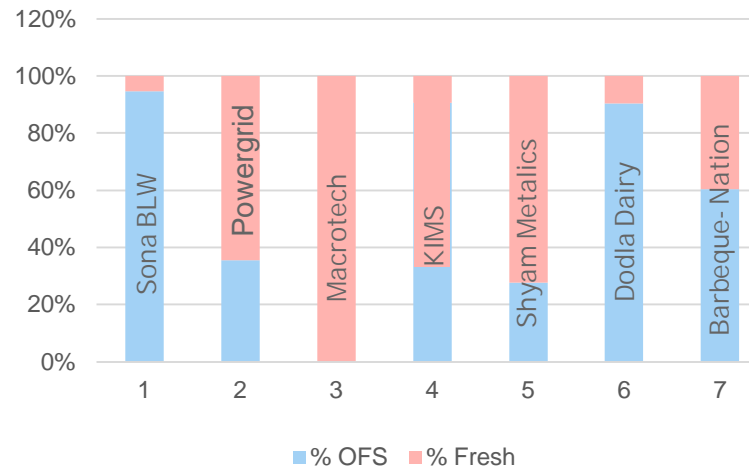
Consumer products and retail and real estate, hospitality and construction were the most active sectors (in terms of the number of IPOs) with four IPOs launched in the former sector and three in the latter sector (including main and SME markets).

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.

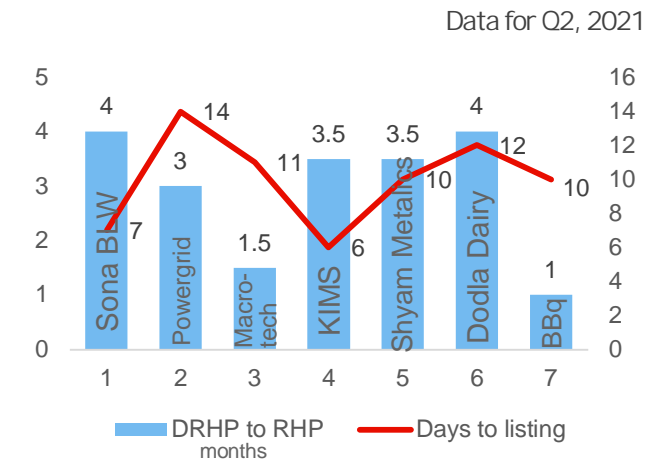
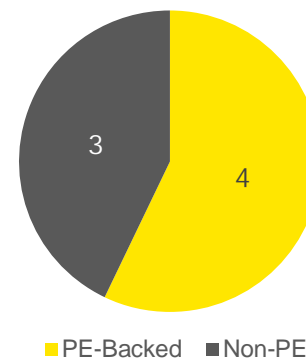
A slew of measures are also under discussion with SEBI to bring ease in IPO process including changing definition of promoter to person in control and reducing the lock-in period of shares offered in the issue.

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.



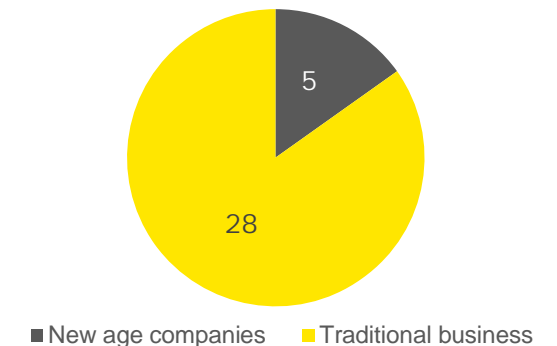
Companies have raised capital in combination of fresh issue and OFS

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



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

New-age companies are now entering the IPO market and setting a new course



All amounts in the table are in US\$

India IPO Trends Report: Q2 2021

//

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)

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

Connect with us

Delhi NCR



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



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

Bengaluru



Kaustav Ghose
Partner and National Leader,
US GAAP



Sudhakar Rajendran
Partner and National Leader,
Enterprise Risk Services



Pavan Sisodia
Partner, International
Tax and Transaction
Services

Mumbai



Pranav Sayta
Partner and National Leader,
International Tax and
Transaction Services



Jill Deviprasad
Partner, Investor
Relations Practice



Arun Krishnamurthy
Partner, Enterprise Risk
Services



Veenit Surana
Associate Partner
Financial Accounting Advisory
Services (FAAS)

Ernst & Young Associates LLP

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EYG member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

Ernst & Young Associates LLP is one of the Indian client serving member firms of EYGM Limited. For more information about our organization, please visit www.ey.com/en_in.

Ernst & Young Associates LLP, is a Limited Liability Partnership, registered under the Limited Liability Partnership Act, 2008 in India, having its registered office at 22 Camac Street, 3rd Floor, Block C, Kolkata - 700016

© 2021 Ernst & Young Associates LLP. Published in India.
All Rights Reserved.

EYIN2109-016
ED None

This publication contains information in summary form and is therefore intended for general guidance only. It is not intended to be a substitute for detailed research or the exercise of professional judgment. Neither EYGM Limited nor any other member of the global Ernst & Young organization can accept any responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this publication. On any specific matter, reference should be made to the appropriate advisor.

JG

ey.com/en_in

[@EY_India](https://twitter.com/EY_India) [in](https://www.linkedin.com/company/ey) EY [You Tube](https://www.youtube.com/channel/UCv31111111111111111111) EY India [f](https://www.facebook.com/eycareers) EY Careers India [ig](https://www.instagram.com/ey_indiacareers) @ey_indiacareers

