

Robust pipeline to ride the IPO tide?

Next IPO window in H1 2023

India IPO Trends Report: Q4 2022

Innovation
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India IPO Trends Report: Q4 2022

Highlights

- ▶ Indian stock exchanges (BSE and NSE including SMEs) ranked third in the world in terms of the number of IPOs in 2022. There were no cross-border deals.
- ▶ In the main markets (i.e., BSE and NSE), there were 18 IPOs (including one InvIT) in Q4 2022 versus 24 IPOs in Q4 2021 and four IPOs in Q3 2022. This represents a decrease of 25% compared to Q4 2021 and an increase of 350% compared to Q3 2022.
- ▶ As regards to SME markets, there were 34 IPOs in Q4 2022 versus 23 and 33 IPOs in Q4 2021 and Q3 2022, respectively, representing an increase of 48% and 3% respectively as compared to Q4 2021 and Q3 2022.
- ▶ Q4 has been the best quarter of 2022 in terms of the number of deals after the relatively muted activity throughout the year. In addition, from an IPO pipeline perspective, over 10 companies have filed their Draft Red Herring Prospectus (DRHPs) in Q4 of 2022 signaling a potentially brighter 2023.
- ▶ As per the recent DRHP filings, the most active sectors are consumer products & retail, technology and diversified industrial products.
- ▶ As a key development this quarter, SEBI has introduced some significant regulatory changes such as requiring a committee of Independent Directors to recommend that the price band is justified based on quantitative factors, disclosure of all key performance indicators with a three-year look back period and benchmarking with peers, track record of information on the pricing of shares from private equity/investors, enabling confidential IPO filings with the regulator, increased responsibility of audit committee, etc.

2022 activity

Change on 2021

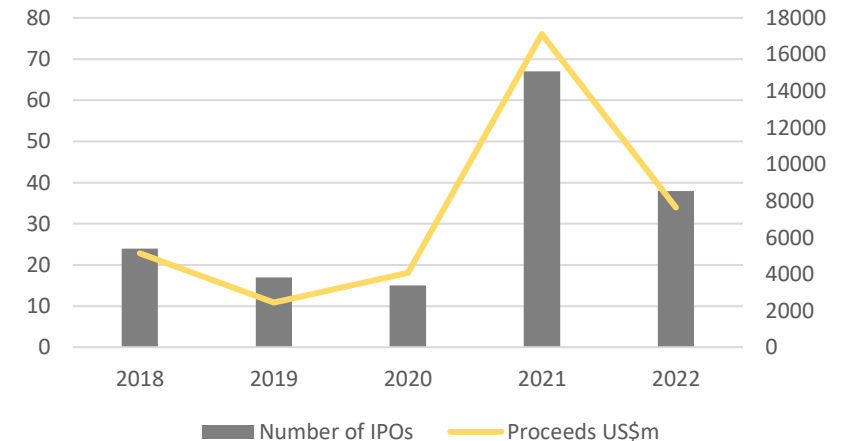
144

▲ 19%

\$7.90 b

▼ 54%

Main market \$7.65 b 38 IPOs	SME markets \$247.45 m 106 IPOs
Main market Q4 2022 \$1.96 b 18 IPOs	SME markets Q4 2022 \$92.80 m 34 IPOs



All amount in the table are in US\$

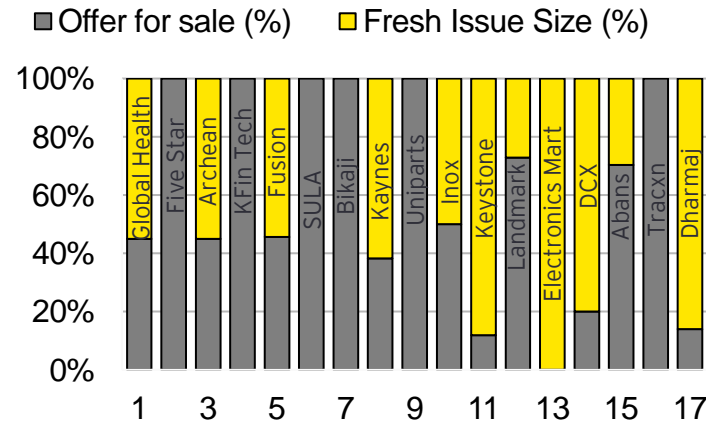
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Consumer products and retail, diversified industrial products and technology were the most active sectors (in terms of the number of IPOs) with 11, 9 and 8 IPOs launched in the respective sectors (including main and SME markets)

In terms of the issue size, Global Health Limited was the largest IPO (US\$ 0.27 b) in Q4 2022

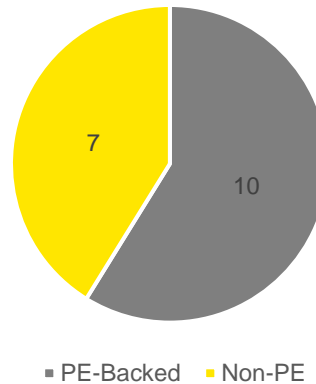
India has also witnessed its first confidential filing. This is similar to the US markets, under this guideline, the company needs to a press release however all information remains confidential until launch. With this new amendment no. of IPOs are likely to increase

While there has been volatility in the macro-economic environment, inflation is coming under control, India has witnessed more activity than the previous quarters and has been resilient compared to the global economy. It is not possible to time the markets, but adopting a holistic and comprehensive approach would hold companies in a good state to be ready to tap the markets as the IPO window opens

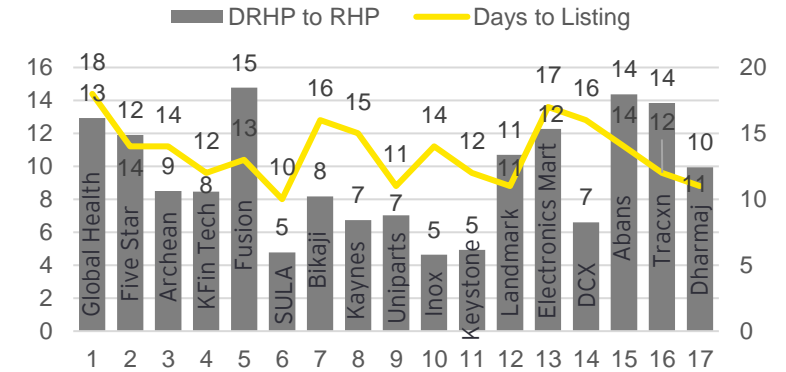


Companies have raised capital in combination of fresh issue and OFS

Below is the trend of PE and non-PE backed companies in the current quarter

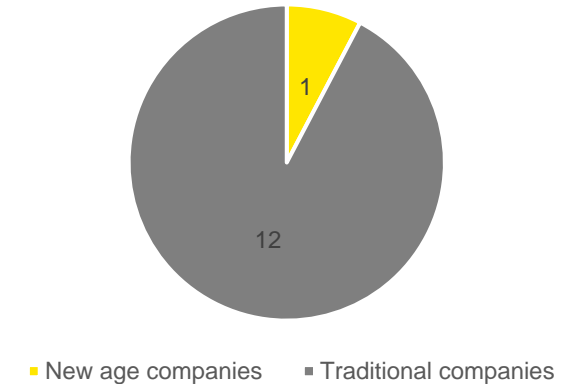


Data for Main markets Q4, 2022



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\$

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We saw several IPOs concluding with good post-listing performance. Unlike earlier when capital markets significantly relied on foreign institutional investors, this robust growth pattern will continue because these companies are supported by domestic retail and institutional capital. The investments in domestic mutual funds and vehicles like Alternate Investment Funds are also compelling. A few more quarters like this will hopefully bring back some buoyancy to the market

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

“

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Q4 2022 witnessed 4x the IPO activity in the previous quarter. While IPO issue proceeds by company are relatively small, with the growing prominence of India as an investment destination 2023 brings brighter outlook for Indian capital markets.

Adarsh Ranka, Financial Accounting Advisory Services Leader, Partner with an Indian member firm of EY Global

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India clearly seems to stand out as one bright spot in the present-day global environment compared to most other larger economies. To optimise the tax and other costs of the entire exercise from the standpoint of the company and all stakeholders, it is always wise to start planning well in advance and set a clear roadmap. This is essential for meeting the desired IPO schedule and ensuring the regulatory compliances without compromising any of the business goals”

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

Market listings

New issues: main market (Q4 2022)

Issue date	Issuer name	Quarter	Sector	Proceeds in US\$m	Name of exchange
16-Nov-22	Global Health Ltd (India)	Q4 2022	Health	269	NSE and BSE
21-Nov-22	Five Star Business Finance Ltd	Q4 2022	Banking & Capital Markets	197	NSE and BSE
21-Nov-22	Archean Chemical Industries Limited	Q4 2022	Diversified Industrial Products	181	NSE and BSE
29-Dec-22	KFin Technologies Ltd	Q4 2022	Banking & Capital Markets	181	NSE and BSE
15-Nov-22	Fusion Micro Finance Ltd	Q4 2022	Banking & Capital Markets	135	NSE and BSE
22-Dec-22	SULA Vineyards Ltd	Q4 2022	Consumer Products Retail	116	NSE and BSE
16-Nov-22	Bikaji Foods International Ltd	Q4 2022	Consumer Products Retail	108	NSE and BSE
22-Nov-22	Kaynes Technology India Ltd	Q4 2022	Technology	105	NSE and BSE
12-Dec-22	Uniparts India Ltd	Q4 2022	Diversified Industrial Products	103	NSE and BSE
22-Nov-22	Anzen India Energy Yield Plus Trust*	Q4 2022	Power & Utilities	93	NSE and BSE

All values are US\$ unless otherwise noted. Q4 2022 refers to the fourth quarter of 2022 and 2022 refers to the full calendar year and covers completed IPOs from 1 January 2022 to 31 December 2022. Sources: EY analysis, Dealogic.

*InvIT

Market listings

New issues: main market (Q4 2022)

Issue date	Issuer name	Quarter	Sector	Proceeds in US\$m	Name of exchange
23-Nov-22	Inox Green Energy Services Ltd	Q4 2022	Diversified Industrial Products	91	NSE and BSE
24-Nov-22	Keystone Realtors Ltd	Q4 2022	RE, Hospitality & Construction	78	NSE and BSE
23-Dec-22	Landmark Cars Ltd	Q4 2022	Automotive & Transportation	67	NSE and BSE
17-Oct-22	Electronics Mart India Ltd	Q4 2022	Consumer Products Retail	61	NSE and BSE
11-Nov-22	DCX Systems Ltd	Q4 2022	Diversified Industrial Products	61	NSE and BSE
23-Dec-22	Abans Holdings Ltd	Q4 2022	Banking & Capital Markets	42	NSE and BSE
20-Oct-22	Tracxn Technologies Ltd	Q4 2022	Technology	38	NSE and BSE
8-Dec-22	Dharmaj Crop Guard Ltd	Q4 2022	Diversified Industrial Products	31	NSE and BSE

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EYIN2109-000
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