

EMEA – India market insight

Q4 2020 sees a strong rebound in IPO activity; market sentiment remains positive

“There is a strong momentum in the IPO markets, and we are seeing an increased interest from companies across sectors looking to raise capital in the near term. Additionally, companies are keenly awaiting the guidelines for direct listing in overseas markets. Market sentiment remains positive for what could be a stellar 2021.”



Sandip Khetan
EY India IPO Leader



EMEIA – India IPO market insight

Highlights from the market

- ▶ Indian stock exchanges (BSE and NSE including SMEs) ranked ninth in the world in terms of the number of IPOs in full year of 2020. There were no cross-border deals.
- ▶ In the main markets (i.e., BSE and NSE), there were ten IPOs in Q4 2020 versus five IPOs in Q4 2019 and four IPOs in Q3 2020. This represents an increase of 100% compared to Q4 2019 and an increase of 150% compared to Q3 2020.
- ▶ As regards to SME markets, there were nine IPOs in Q4 2020 versus six and four IPOs in Q4 2019 and Q3 2020, respectively, representing an increase of 50% as compared to Q4 2019 and increase of 125% as compared to Q3 2020.
- ▶ Real estate (RE), hospitality and construction, diversified industrial products were the most active sectors (in terms of the number of IPOs) with three IPOs launched in each sector (including main and SME markets). In terms of the issue size, an IPO by Gland Pharma Limited from the life sciences sector was the largest in Q4 2020.
- ▶ The Securities and Exchange Board of India (SEBI) rolled out several measures amid the pandemic, providing many temporary relaxations, the validity for which has been further extended. There is also an ongoing discussion by SEBI for changing the minimum offer for large issuers and related compliances.
- ▶ GIFT City (Gujarat International Finance Tec-City) which offers trading in equities, currencies, and commodities, as well as a listing of international bonds might emerge as an additional platform for Indian businesses in global markets.
- ▶ SEBI proposes to bring greater transparency through more Environmental, Social and Governance (ESG) disclosures to identify and assess sustainability-related risks and opportunities.
- ▶ Exuberance in the market has resulted in several companies including ecommerce and emerging technologies to accelerate their IPO plans.
- ▶ Significant measures may be announced in the upcoming Union Budget 2021 that might boost demand, setting a positive tone for the Indian IPO markets.

2020 activity

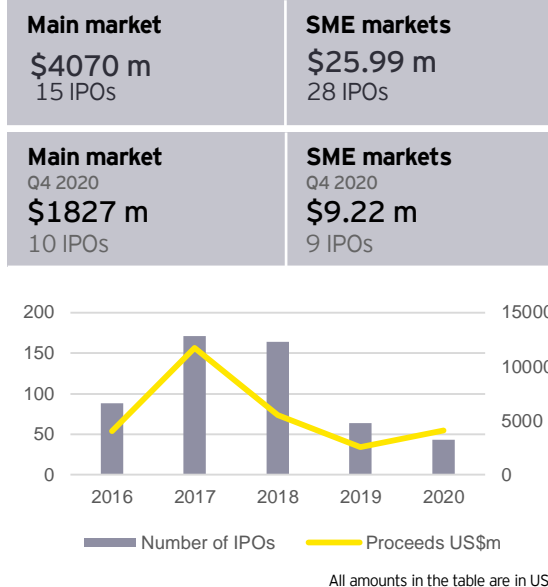
43 IPOs

Change on
2019

▼ 33%

\$4095.99 m proceeds

▲ 61%



Activity Q4 2020

Sectors

by number of IPOs

RE, hospitality and construction

3 IPOs | \$112 m

Diversified industrial products

3 IPOs | \$63 m

IPOs

largest by proceeds

Gland Pharma Limited

\$869 m Life Sciences

Computer Age Management Services Ltd

\$304 m Technology

UTI Asset Management Co Ltd

\$207 m Wealth and asset management

Burger King India Limited

\$110 m RE, hospitality and construction

Angel Broking Limited

\$304 m Banking and capital markets

All amounts in the table are in US\$

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Market listings

New issues: Main market (Q4 2020)

Issue date	Issuer name	Quarter	Sector	Proceeds in US\$m	Name of exchange
20-Nov-20	Gland Pharma Ltd	Q4 2020	Life Sciences	\$ 869.00	NSE and BSE
1-Oct-20	Computer Age Management Services Ltd	Q4 2020	Technology	\$ 304.00	NSE and BSE
12-Oct-20	UTI Asset Management Co Ltd	Q4 2020	Wealth & Asset Management	\$ 207.00	NSE and BSE
14-Dec-20	Burger King India Ltd	Q4 2020	RE, Hospitality & Construction	\$ 110.00	NSE and BSE
5-Oct-20	Angel Broking Ltd	Q4 2020	Banking & Capital Markets	\$ 81.00	NSE and BSE
28-Dec-20	Mrs Bector's Food Specialities Ltd	Q4 2020	Consumer Products Retail	\$ 74.00	NSE and BSE
2-Nov-20	Equitas Small Finance Bank Ltd	Q4 2020	Banking & Capital Markets	\$ 70.00	NSE and BSE
12-Oct-20	Mazagon Dock Shipbuilders Ltd	Q4 2020	Diversified Industrial Products	\$ 61.00	NSE and BSE
1-Oct-20	Chemcon Speciality Chemicals Ltd	Q4 2020	Life Sciences	\$ 43.00	NSE and BSE
15-Oct-20	Likhitha Infrastructure Ltd	Q4 2020	Oil & Gas	\$ 8.00	NSE and BSE

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EYIN2101-020

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