



IPOs in India

Quarterly Update

January 2022 – March 2022
Q4 FY22

2022

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Economy and IPO summary



Welcome to the quarterly edition of our analysis of the IPOs in the Indian capital market. Please check out our last publication - [IPO Performance and Capital Market highlights](#), analysing the performance of IPOs listed between April 2020 and December 2021.

After observing healthy traction in the primary markets in 9M FY22, the fourth quarter of FY22 witnessed headwinds, especially in the second half of the quarter, owing to the war-driven instability in two countries. Consequently, the ripples created by this adversely impacted capital markets across regions.

The companies that went public during the quarter faced relatively lacklustre demand from the investors, compared to the primary issues in preceding quarters. The number of issuances in the Indian primary markets in Q4 FY22 stood at 3, while the number of issuances

observed in Q3 FY22 was 21, ~7 times the number of listings in Q4 FY22. The number of listings during the same quarter previous year stood at 14. The average issue size of listings were similar in Q3 FY22 and Q4 FY22, with Q4 FY21 lower than both quarters.

During FY21, the first half received a tepid response owing to the pandemic. However, the third and fourth quarters saw a spurt in listings. The momentum from the second half of FY21 continued in FY22 with the number of issuances in FY22 totaling 47 while the same number stood at 26 in FY21 making the count close to half. To put this in context, FY21 and FY22 cumulatively had a total of 73 listings. Barring a few, most of these companies that were backed by private equity firms, received tremendous response from investors and got listed at substantial premiums.

As of 5 May 2022, India has added 14 unicorns to its tally in 2022, at a combined valuation of USD18.9 billion. Overall, India currently has 100 unicorns were valued at USD332.7 billion. More than half of these (56 unicorns) added to the tally in 2021 and 2022, itself.

FPIs have reduced their net exposure to the Indian capital markets by a staggering INR174,478 crore in the first five months of the year 2022. This 8-month net sell-off trend that began in October 2021, may partially be attributed to valuation concerns, geopolitical concerns, global trade ambiguities, regional instabilities and the FED rate hike.

To access financial reporting and regulatory updates for the quarter ended 31 March 2022, kindly refer to KPMG in India's [quarterly publication on Voices on Reporting](#).



IPO performance snapshot



Q4 FY22

Q4 FY21

- No. of IPOs**
- Total funds raised**
- Average issue size**
- Total Subscription**
- Average Subscription**
- PE v/s Non-PE backed**
- Total funds raised Through OFS**









3
INR 74.3 billion
INR24.8 billion
INR143.3 billion
INR47.8 billion
INR38.3 billion raised by 2 PE backed companies (67%) INR36 billion raised by 1 Non-PE backed company (33%)
INR38.3 billion was raised through OFS constituting (52%) of the total funds

14*
INR141.2 billion
INR10.1 billion
INR5,116.3 billion
INR426.3 billion
INR59.1 billion raised by 7 PE backed companies (50%) INR82.1 billion raised by 10 Non-PE backed companies (50%)
INR79 billion was raised through OFS constituting (56%) of the total funds

KPMG in India analysis, 2022 based on final offer documents filed with ROC, funds and subscription data available for 12 out of 14 listings in Q4 FY21

IPO performance snapshot



	FY22	FY21
No. of IPOs 	47*	26
Total funds raised 	INR1,089 billion	INR300 billion
Average issue size 	INR24.8 billion	INR11.5 billion
Total Subscription 	INR27,182 billion	INR11,761 billion
Average Subscription 	INR617.8 billion	INR452 billion
PE v/s Non-PE backed 	INR850 billion raised by 30 PE backed companies (68%) INR240 billion raised by 14 Non-PE backed companies (32%)	INR183 billion raised by 4 PE backed companies (61%) INR117 billion raised by 10 Non-PE backed companies (39%)
Public Sector Undertakings (PSUs) 	No PSUs got listed in FY22	INR54 billion raised by 2 PSUs (18%)
Financial Services Sector 	INR389 billion raised (Eight IPOs) constituting 39% of total funds raised in FY22.	INR97 billion raised (six IPOs) constituting 32% of total funds raised in FY20.

KPMG in India analysis, 2022 based on final offer documents filed with ROC, funds and subscription data available for 44 out of 47 listings in FY22

Listing performance and subscription details



The IPOs in Q4 FY22 faced a tepid response, with listing day performance returning an average of 5.1 per cent, while the 14 listings of Q4 FY21 yielded a return of 22.8 per cent.

The geopolitical instabilities originating in the second half of February 2022, triggered a sense of caution across capital markets, made evident by the absence of IPOs in the second half of Q4 FY22. While the 14* IPOs in Q4 FY21 witnessed an average over-subscription of 58.3 times, the IPOs in Q4 FY22 were over-subscribed by 3.5 times on an average.

The IPOs in FY21 performed better on listing day, compared to the ones in FY22. The 47 companies that got listed in FY22 saw an average return of 24.9 per cent while the 26 companies in FY21 returned an average of 36.2 per cent depicting weak response in the markets. In FY21 the momentum was mainly derived by retail investors, however in FY22 investors were seen to choose only those IPOs that were priced attractively.

IPOs in FY22 received an average over-subscription of 51.6 times, a figure lower than that of IPOs in FY21, at 74.8 times.

Listing performance and subscription details



Category wise bid details

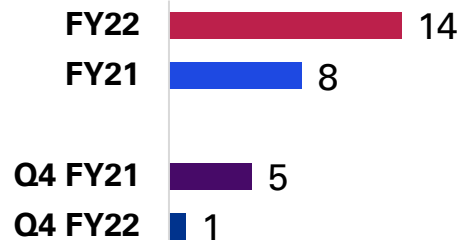
- The QIB portion was oversubscribed by 62.5 times in Q4 FY21 as compared to 3.4 times in Q4 FY22. With 26* listings, the average QIB oversubscription was 74.75 times in FY21 while the number stood at 56.7 times in FY22.
- The trend was similar in retail investors' preference as well. The retail portion was oversubscribed by 1.3 and 21.0 times in Q4 FY22 and Q4 FY21, respectively. Retail segment of the IPOs in FY22 was over-subscribed by 14.15 times compared to 22.9 times in FY21.

More than 100 per cent listing gains

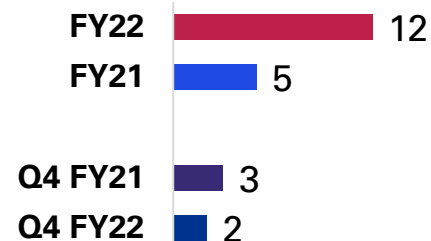
- Four companies from Construction and Material, Food and Beverages and TMT witnessed more than 100 per cent listing day gains in FY21 while three companies from Construction and Material, Chemicals and TMT gained more than 100 per cent in FY22

Distribution of companies by listing gains

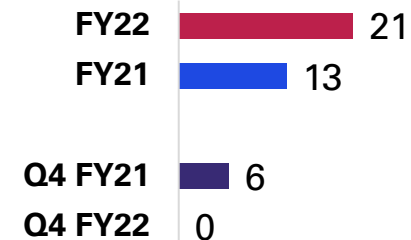
Negative Returns



0-20%



More than 20%



7 companies gave negative returns in FY21 while the same number stood at 14 in FY22

Source: Bombay Stock Exchange (BSE)

KPMG in India analysis, 2022 based on final offer documents filed with ROC; National Stock Exchange of India (NSE) data available for 23 out of 26 listings in FY21



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