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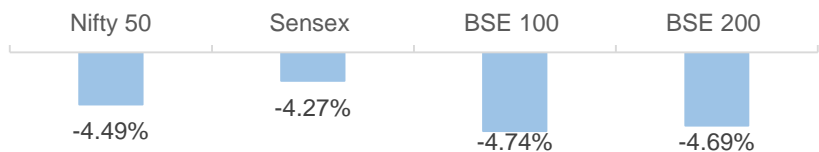
Equity Capital Markets Group

Monthly Update for June 2022

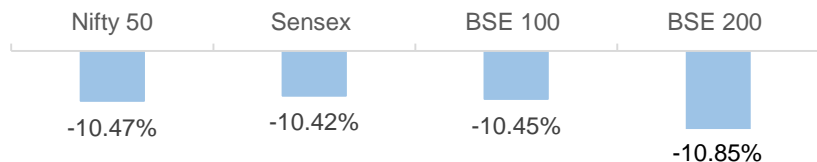
Index Performance | Global and Indian Markets

Index Performance | India

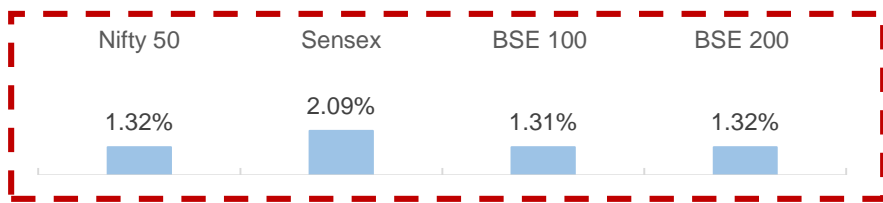
 **INDIA (MONTHLY)** *1st June 2022 to 30th June 2022*



 **INDIA (CY22)** *1st January 2022 to 30th June 2022*



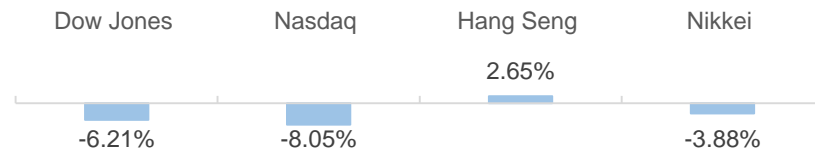
 **INDIA (YEARLY)** *1st July 2021 to 30th June 2022*



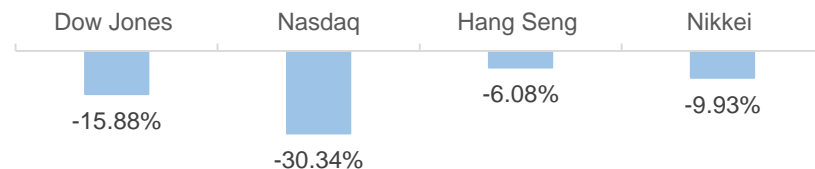
Indian indices have performed better compared to major global markets

Index Performance | Global

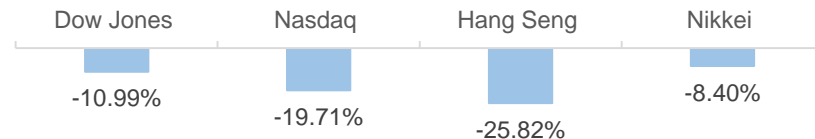
 **GLOBAL (MONTHLY)** *1st June 2022 to 30th June 2022*



 **GLOBAL (CY22)** *1st January 2022 to 30th June 2022*



 **GLOBAL (YEARLY)** *1st July 2021 to 30th June 2022*



Market Commentary

INDIAN MARKETS

1 MACRO INDICATORS



Unemployment rate rises to 7.8% in June with the loss of 13 mn jobs mainly in the agriculture sector



PLI scheme which seeks to boost manufacturing can **add 4% to GDP** annually in terms of incremental revenue



RBI hikes repo rates by 50 basis points in monetary policy meet of June 2022 to 4.90% from 4.4% in an effort to tame inflation



Inflation in CPI (YOY%) is 7.04% in May as against 7.79% in April

2 EQUITY CAPITAL MARKETS



Rise in IPO activity by number of deals and proceeds during CY 2022



India's largest ever IPO in Q2 2022; LIC raised US \$2.7b, however, post-IPO performance of several IPOs has been tepid

GLOBAL MARKETS

1 MACRO INDICATORS



Amid the war in Ukraine, surging inflation, and rising interest rates, **global economic growth is expected to slump in CY 2022**



Global growth is expected to slow sharply from **5.7% in 2021 to 2.9% this year**



Inflation, geopolitical, and supply chain concerns all loom large



Facing the highest inflation in over 40 years, the US Federal Reserve has raised the **federal funds rate by 75 bps to 1.75%**

2 EQUITY CAPITAL MARKETS



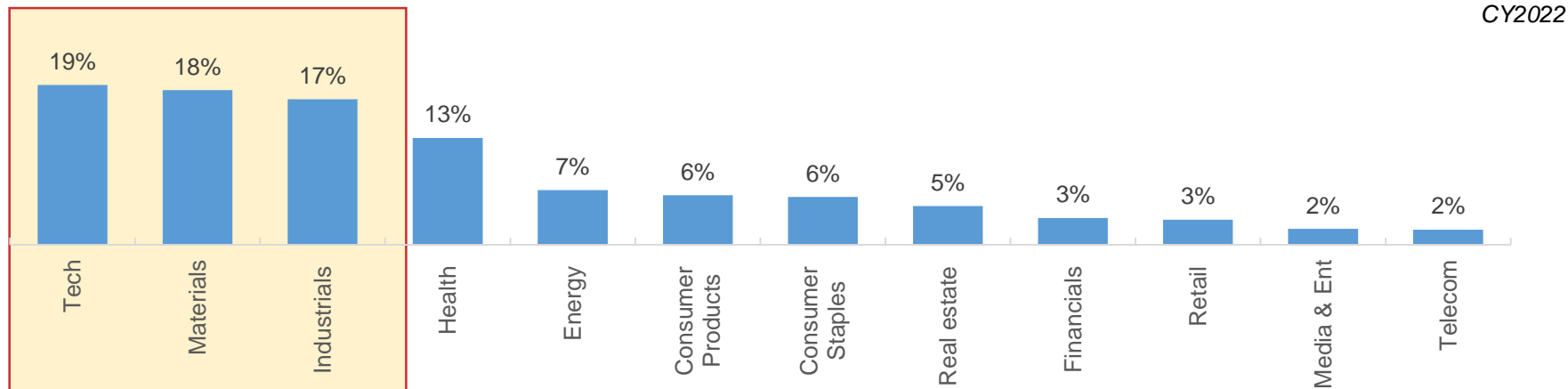
Global IPO market witnessed a **dramatic slowdown in CY 2022** following a record year in 2021



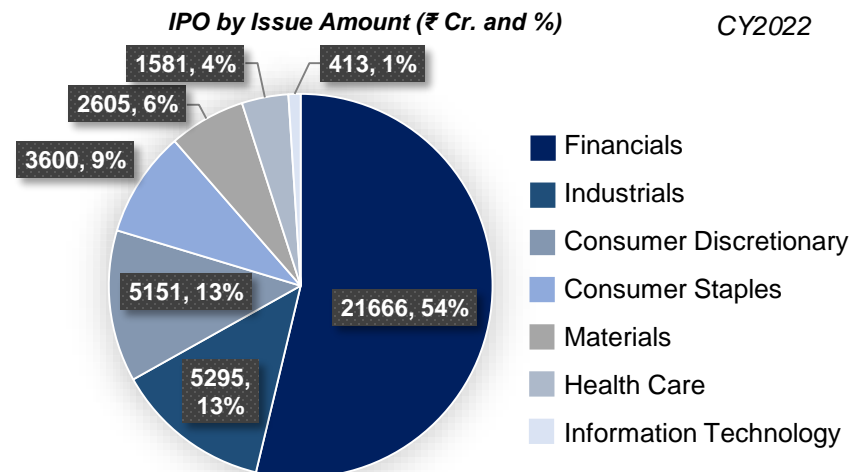
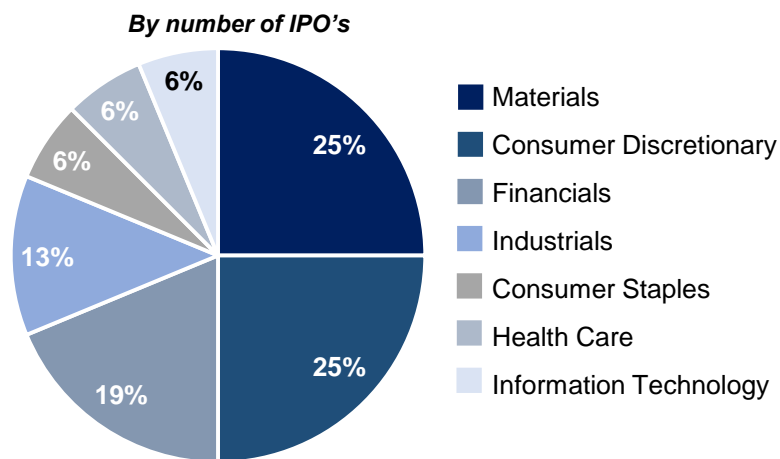
Middle East and India were some of the rare bright spots amidst a bearish market

IPOs by sector

Global IPOs by sector (CY 2022)



Indian IPOs by sector (CY 2022)



Source: EY Global IPO Trends Q2 2022

Source: Prime Database

CY 2022 refers to Jan – June 2022

Sector classification for Indian IPOs is basis Global Industry Classification Standard (GICS)

Indian IPO market fared well compared to global markets

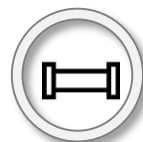
Indian Markets (2022 versus 2021)

India	Q2 2022	Q2 2021	% change
Number of IPOs	10	6	67%
Proceeds (US\$b)	4.3	1.6	169%



LOW SUBSCRIPTION LEVELS IN RECENT IPOs

Recent IPOs witnessed low subscription levels which dampened the market sentiment



STRONG PIPELINE FOR IPO-READY COMPANIES IN 2H 2022

While 67 companies have already received regulator's approval to go public, another 40 companies have filed draft prospectus pending regulatory approval

Indian Markets (CY 2021)



CY 2021 WITNESSED AN IPO FRENZY

With INR 1.2 lakh crore raised through 63 IPOs – highest ever amount raised through an IPO in a calendar year



SUCCESS OF IPO ENHANCED BY HUGE LISTING GAINS

Likes of Paras Defence (171%), Sigachi Industries (253%), Latent View Analytics (169%)

Global Markets

Global	Q2 2022	Q2 2021	% change
Number of IPOs	305	659	-54%
Proceeds (US\$b)	40.6	115.7	-65%

Americas	Q2 2022	Q2 2021	% change
Number of IPOs	41	154	-73%
Proceeds (US\$b)	2.5	48.8	-95%

Asia-Pacific	Q2 2022	Q2 2021	% change
Number of IPOs	181	288	-37%
Proceeds (US\$b)	23.3	40.3	-42%

EMEIA	Q2 2022	Q2 2021	% change
Number of IPOs	83	217	-62%
Proceeds (US\$b)	14.8	26.6	-44%

While the global markets saw a decline in IPO activity, IPO activity in India was up **67%** in Q2 2022

Q2 2022 refers to the second quarter of CY 2022 and covers IPOs from April 2022 to June 2022

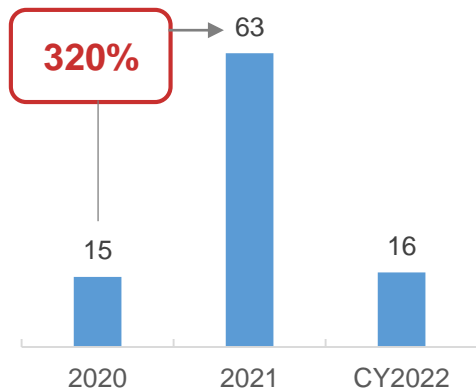
Q2 2021 refers to the second quarter of CY 2021 and covers IPOs from April 2021 to June 2021

2H 2022 refers to 2nd half of CY 2022 i.e. July 2022 – December 2022

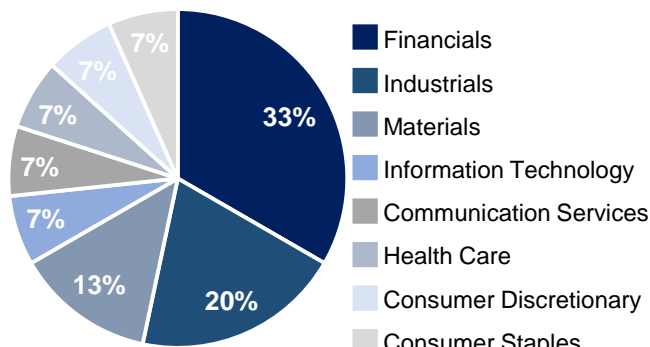
Source: EY Global IPO Trends Q2 2022 and Prime Database

IPO activity in the Indian market

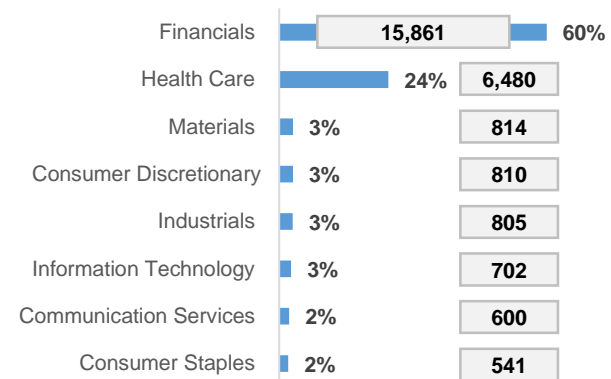
IPO activity (No. of IPOs)



IPOs in 2020 (By no. of IPOs)

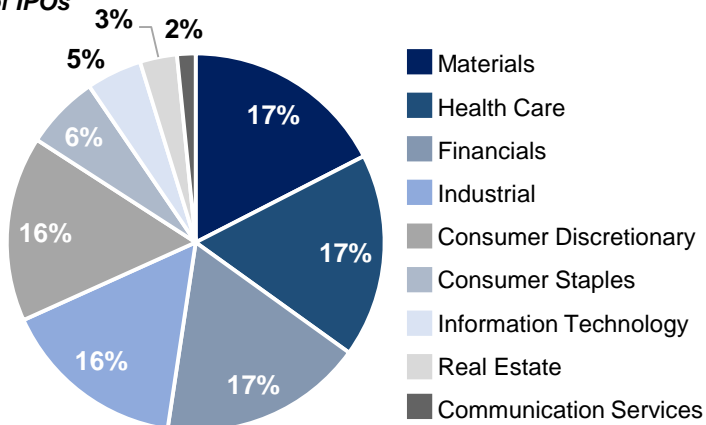


IPOs in 2020 (By issue amount in ₹ Cr. and %)

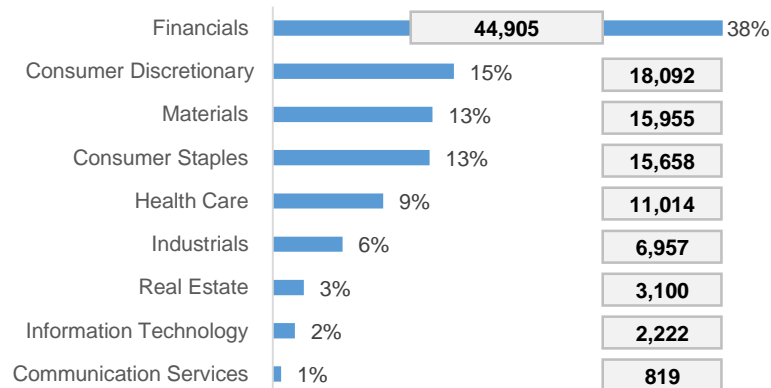


IPOs in 2021

By no. of IPOs



By issue amount in ₹ Cr. and %



Source: Prime Database
 CY 2022 refers to Jan – June 2022
 2020 refers to CY 2020
 2021 refers to CY 2021

Sector classification for Indian IPOs is basis Global Industry Classification Standard (GICS)

Recent IPOs – Listing Gains and Price Movement (Q2 2022)

As on 30.06.2022

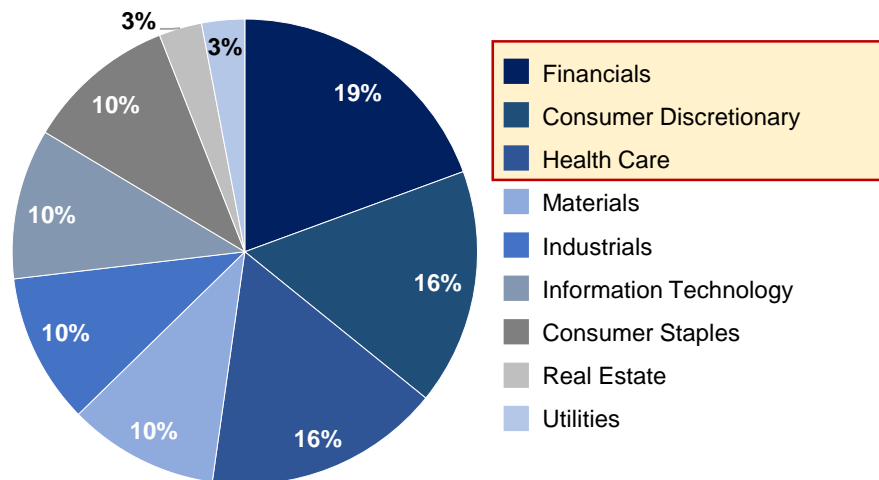
Sr. No.	Name	Issue Size (₹ Cr)	Issue Price (₹)	Listing Price (₹)	Listing gain on listing date		Closing Price (₹)	Gain	
					(₹)	(%)		(₹)	(%)
1	Campus Activewear	1,400	292	355	63	22%	325	33	11%
2	Rainbow Children's Medicare	1,581	542	506	-36	-7%	466	-76	-14%
3	Life Insurance Corporation of India	20,557	949	867	-82	-9%	674	-275	-29%
4	Prudent Corporate Advisory Services	538	630	660	30	5%	498	-132	-21%
5	Delhivery	5,235	487	493	6	1%	507	20	4%
6	Venus Pipes & Tubes	165	326	335	9	3%	335	9	3%
7	Paradeep Phosphates	1,502	42	44	2	4%	40	-2	-6%
8	Ethos	402	878	830	-48	-5%	791	-87	-10%
9	eMudhra	413	256	271	15	6%	252	-4	-2%
10	Aether Industries	808	642	706	64	10%	780	138	22%

- On the listing date 30% of the companies got listed in red, however as on 30th June 2022, approx 60% of the companies traded below the issue price
- While average listing gain on the day of listing for issues listed in Q2 2022 was 3%, as on 30th June 2022 the average gain fell to -4%

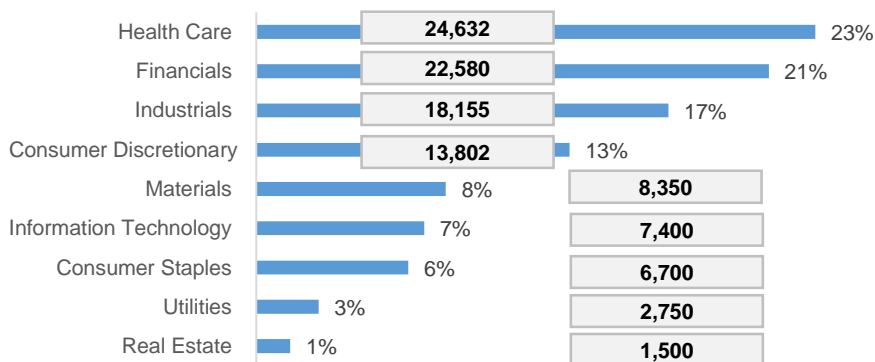
IPOs in the pipeline

67 issues in pipeline | SEBI Approval received; Approval still valid

No. of issues in pipeline (By Industry)



Issues in pipeline (By Amount in ₹ Cr. and %)



Top issues (ranked by issue amount ≥ ₹ 2000 Cr.)

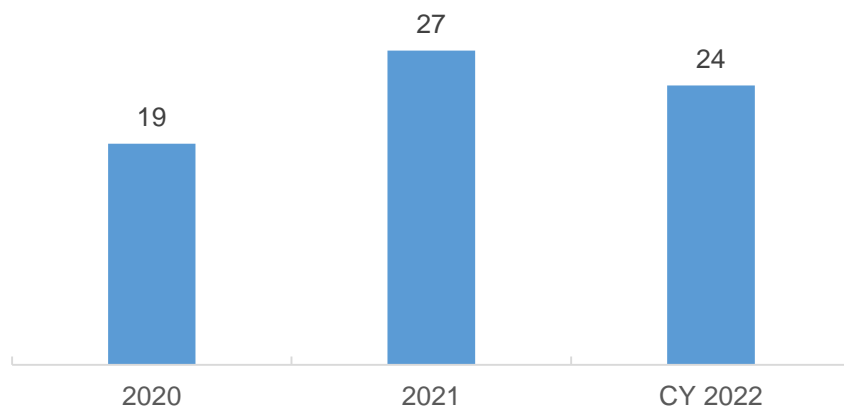
Company	Date Of Filing	Date Of Approval	Estimated Issue Amount (₹ Crore)
Aadhar Housing Finance Ltd.	24-Jan-21	05-May-22	7300
Api Holdings Ltd.	10-Nov-21	17-Feb-22	6250
Tvs Supply Chain Solutions Ltd.	14-Feb-22	04-May-22	5000
Macleods Pharmaceuticals Ltd.	15-Feb-22	20-May-22	5000
Bharat Fih Ltd.	24-Dec-21	10-Jun-22	5000
Emcure Pharmaceuticals Ltd.*	18-Aug-21	08-Dec-21	4000
Fabindia Ltd.	24-Jan-22	30-Apr-22	4000
Go Airlines (India) Ltd.	14-May-21	26-Aug-21	3600
Five-Star Business Finance Ltd.	10-Nov-21	07-Jan-22	2752
Gemini Edibles & Fats India Ltd.	09-Aug-21	23-Nov-21	2500
Archean Chemical Industries Ltd.	21-Feb-22	12-May-22	2200
Tbo Tek Ltd.	27-Dec-21	19-May-22	2100
India1 Payments Ltd.	07-Sep-21	24-Nov-21	2000
Global Health Ltd.	30-Sep-21	21-Dec-21	2000
Cmr Green Technologies Ltd.	27-Sep-21	16-Feb-22	2000
Imagine Marketing Ltd.	27-Jan-22	30-Apr-22	2000

67 issues in pipeline that have received SEBI Approval with an estimated issue amount of ₹ 1,058 Bn.

Rights Issue and QIP

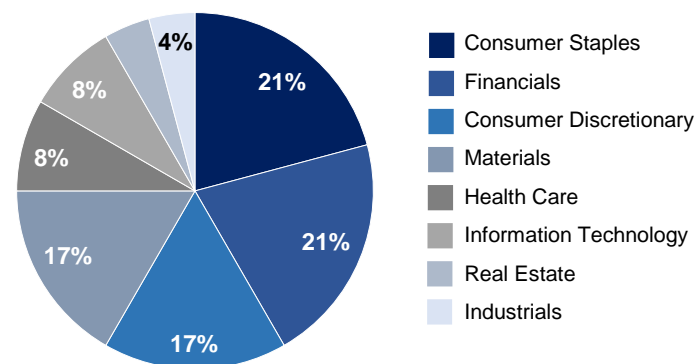
Rights Issue

By number of Rights Issues



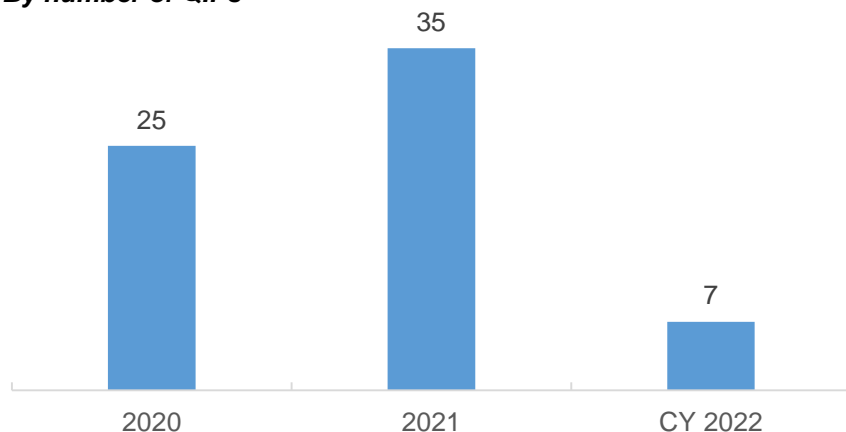
No rights issue open currently

By Sector (CY 2022)

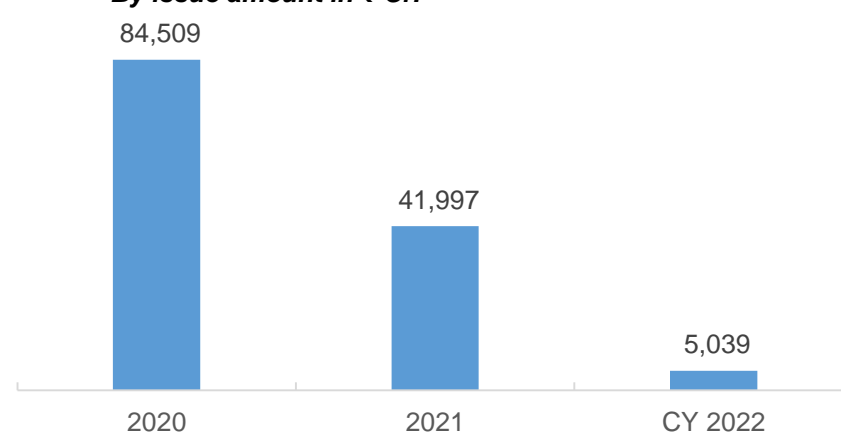


QIPs

By number of QIPs



By issue amount in ₹ Cr.



Source: BSE India, The Hans India, Chittorgarh

2020 represents calendar year (Jan – December 2020)

2021 represents calendar year (Jan – December 2021)

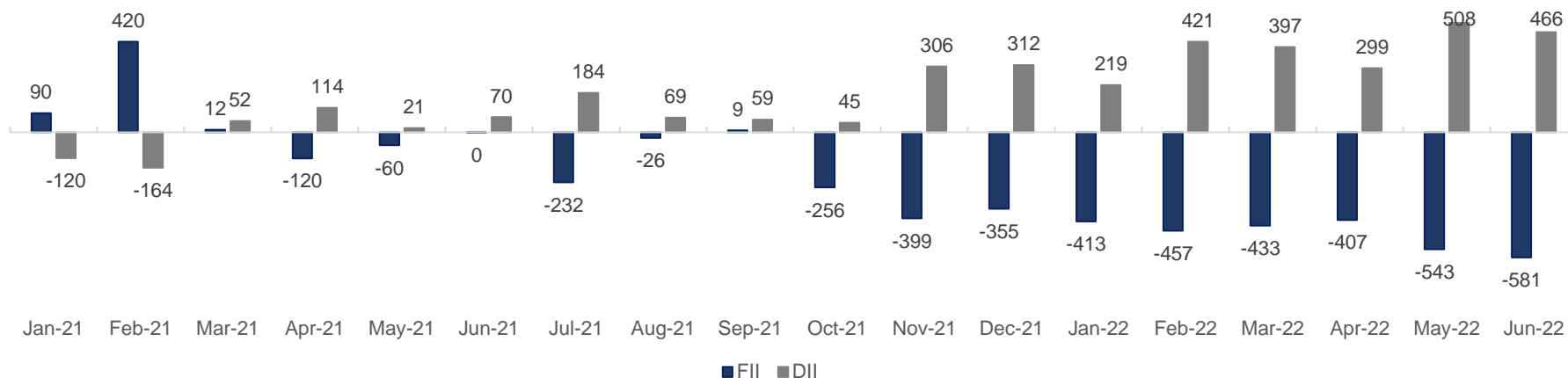
Sector classification for Rights Issue is basis Global Industry Classification Standard (GICS)

FII / DII Investments

FII and DII Net Purchase / Sales

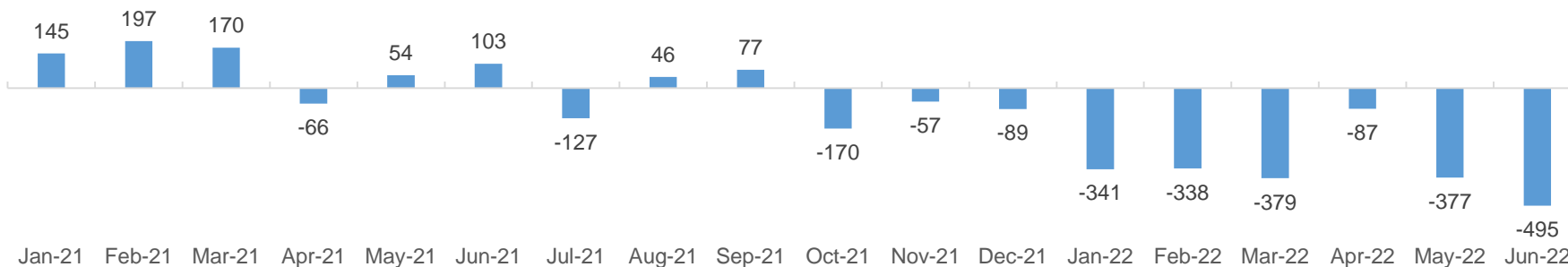
INR Billion

Incessant selling pressure exerted by FIIs; DIIs have provided massive support to the markets



FII SEBI Equity Net Purchase / Sales

INR Billion



Key SEBI Updates | June 2022

Amendments in SEBI (Listing Obligations and disclosure requirement) 2018

In addition to existing disclosure in Shareholding pattern, following shall be disclosed:

- Names of the shareholders holding 1% shares of the listed entity, in addition to the shareholders holding > 1% shares;
- Name and holding in following additional categories in Non institutional investors:
 - Relatives of promoters
 - Trusts where 'Promoter and Promoter Group' category is trustee/beneficiary/author of the trust
 - Associate companies / Subsidiaries
 - Directors and their relatives (excluding independent directors and nominee directors)
 - KMPs
 - Foreign nationals
- Individuals in Non institutional category are further categorized into Residents and Non Resident Indians (NRIs)

SEBI through consultation paper seeks suggestions to introduce pre-filing of offer document in case of IPO

Major highlights:

- To introduce an alternative mechanism wherein SEBI and Stock exchange will review and give observations on the offer documents prior to making it available for public.
- Issuer to make a public announcement stating that it has done pre-filing of offer document
- SEBI & Stock Exchanges to provide in-principle approval/observation on the pre-filed document
- On receipt of SEBI observations, an issuer, if so desires based on market conditions may decide to go for an IPO

SEBI through consultation paper seeks suggestions to introduce a framework for 'schemes of arrangement' for entities that have only listed their debt securities.

Major highlights:

- The listed entity shall file the draft schemes with Stock Exchange(s) for obtaining No-Objection Letter (NOL)
- Stock Exchange(s) shall forward the draft scheme of arrangement along with NOL to SEBI
- NOL shall be valid for 6 months from the date of issuance.
- The listed entity to submit NOL immediately, but not later than 2 working days from such receipt, to the Court or Tribunal.

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For any query relating to the report, feel free to reach out to sumeetlath@rathi.com or shreyadua@rathi.com