

# Exit route may open up for investors as over 45 firms line up IPO plans in India

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Paramita Chatterjee, Vibhuti Sharma

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At a time when investors are struggling to score exits amid growing macroeconomic uncertainty, over 45 PE and VC-backed companies in India are waiting in the wings to make their public market debut.

If their IPO plans materialise, these firms could raise as much as Rs 76,948 crore (\$9.4 billion) and pave the way for exits - be it partial or full - for their existing investors, according to Prime Database data.

Of these, nearly 32 companies have already secured approval from the Indian capital markets regulator SEBI. These include prominent names such as retail chain Fabindia and wellness and beauty clinic operator VLCC Health Care, among others.

## IPOs that have received approval from Sebi

Company	Estimated issue amount (Rs. crore)	PE-VCs selling stake
ESAF SMALL FINANCE BANK LTD.	998.00	PI VENTURES LLP
FUSION MICRO FINANCE LTD.	800.00	OIKOCREDIT ECUMENICAL DEVELOPMENT CO-OPERATIVE SOCIETY U.A. GLOBAL FINANCIAL INCLUSION FUND
GEMINI EDIBLES & FATS INDIA LTD.	2,500.00	BLACK RIVER FOOD 2 PTE.LTD. INVESTMENT & COMMERCIAL ENTERPRISE PTE.LTD.
INDIA1 PAYMENTS LTD.	2,000.00	INDIA ADVANTAGE FUND S3 I INDIA ADVANTAGE FUND S4 I DYNAMIC INDIA FUND S4 US I
VLCC HEALTH CARE LTD.*	800.00	OIH MAURITIUS LTD.
GODAVARI BIOREFINERIES LTD.	500.00	MANDALA CAPITAL AG LTD.
EMCURE PHARMACEUTICALS LTD.	4,000.00	BC INVESTMENTS IV LTD.
KEVENTER AGRO LTD.	800.00	MANDALA SWEDE SPV
LE TRAVENUES TECHNOLOGY LTD.	1,600.00	SAIF PARTNERS INDIA IV LTD.; MICROMAX INFORMATICS LTD.
SAHAJANAND MEDICAL TECHNOLOGIES LTD.	1,500.00	NHPEA SPARKLE HOLDINGS B.V. SAMARA CAPITAL MARKETS HOLDING LTD.

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 A Flourish data visualization

“A lot of companies have got approval to launch their IPOs. In fact, some of them got it even late last year. It needs to be seen if they finally take the plunge and make their public market debut in this uncertain economic condition,” Raja Lahiri, partner at consulting firm Grant Thornton, told DealStreetAsia.

Among the new-age companies looking to make their debut on the Indian bourses, Oravel Stays, which runs hospitality firm OYO, is eyeing an IPO with an issue size of Rs 8,430 crore while e-commerce firm Snapdeal plans to raise as much as Rs 1,900 crore through its public market listing. They filed their offer document with SEBI last year and are awaiting approval.

## Companies awaiting IPO approval from Sebi

Company	Estimated Issue amount (Rs. Crore)	PE-VCs selling stake
BVG INDIA LTD.	1,300	STRATEGIC INVESTMENTS ALPHA STRATEGIC INVESTMENTS FM (MAURITIUS) B LTD.
ORAVEL STAYS LTD.	8,430	GLOBAL IVY VENTURES LLP
PROTEAN E-GOV TECHNOLOGIES LTD.	1,500	IIFL SPECIAL OPPORTUNITIES FUND IIFL SPECIAL OPPORTUNITIES FUND SERIES 2 IIFL SPECIAL OPPORTUNITIES FUND SERIES 4 IIFL SPECIAL OPPORTUNITIES FUND SERIES 5 IIFL SPECIAL OPPORTUNITIES FUND SERIES 3 NSE INVESTMENTS LTD.
SNAPDEAL LTD.	1,900	STARFISH I PTE.LTD. SEQUOIA CAPITAL INDIA III LTD. MYRIAD OPPORTUNITIES MASTER FUND LTD. ONTARIO TEACHER'S PENSION PLAN BOARD MILESTONE TRUSTEESHIP SERVICES PVT.LTD.(ACTING IN ITS CAPACITY AS THE TRUSTEE TO MADISON INDIA OPPORTUNITIES TRUST FUND)
YATRA ONLINE LTD.	750	PANDARA TRUST – SCHEME I REPRESENTED BY ITS TRUSTEE VISTRA ITCL (INDIA) LTD.
BIBA FASHION LTD.	1,500	HIGHDELL INVESTMENT LTD. FAERING CAPITAL INDIA EVOLVING FUND
PAYMATE INDIA LTD.	1,500	LIGHTBOX VENTURES I MAYFIELD FVCI LTD. IPO WEALTH HOLDINGS PTY.LTD. RSP INDIA FUND. LLC
HEALTHVISTA INDIA LTD.	1,000	ACCEL GROWTH III HOLDINGS (MAURITIUS) LTD. ACCEL INDIA III (MAURITIUS) LTD. VENTUREAST LIFE FUND III LLC MEMG CDC VENTURES QUALCOMM ASIA PACIFIC PTE.LTD. ACCEL INDIA V (MAURITIUS) LTD. SABRE PARTNERS TRUST INTERNATIONAL FINANCE CORP. VENTUREAST TRUSTEE CO.PVT.LTD. ANEJA SCHMIDT & CO.LLC CYPERALES VL, LLC
SIGNATURE GLOBAL (INDIA) PVT.LTD.	1,000	INTERNATIONAL FINANCE CORP.
SULA	1,000	COFINTRA S.A. HAYSTACK INVESTMENTS LTD. SAAMA CAPITAL III,LTD. SWIP HOLDINGS

 A Flourish data visualization

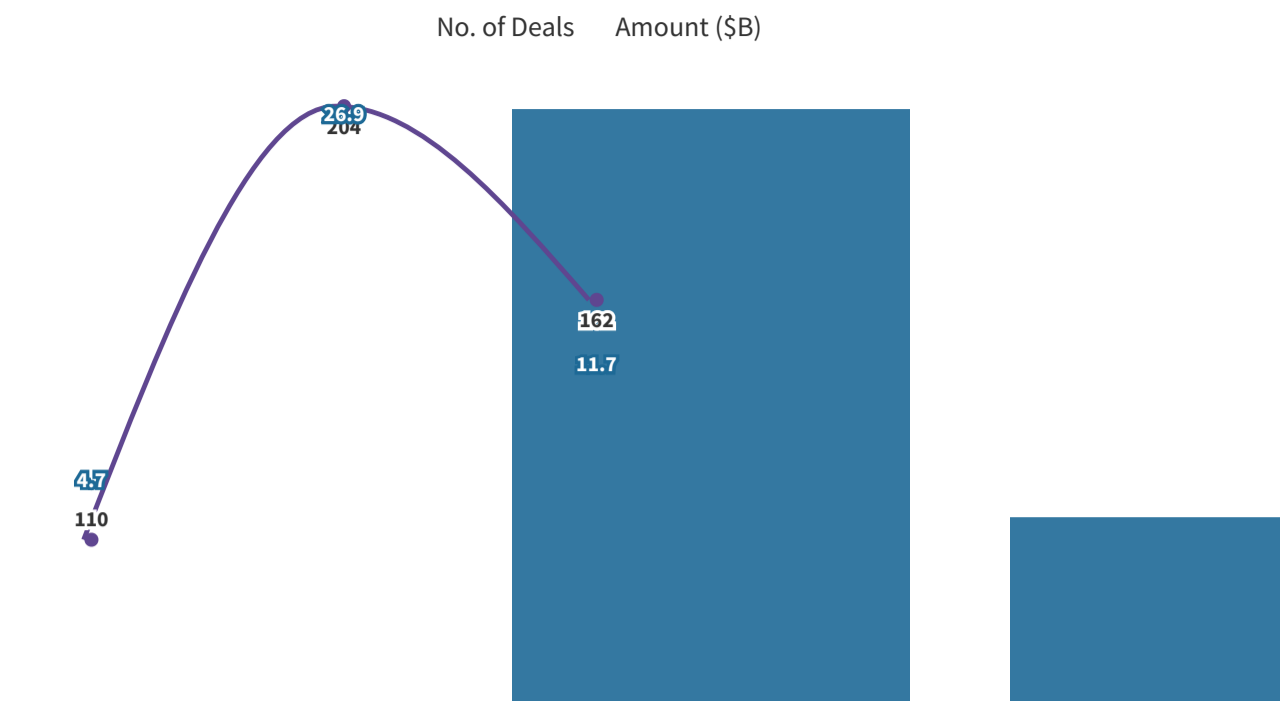
After harvesting record capital from exit deals in 2021, [investor sentiments took a turn for the worse this year](#) with geopolitical issues, equity market correction, higher interest rates, higher inflation and quantitative tightening – all occurring in unison – pulling down company valuations.

The benchmark Nifty 50 index (.NSEI), which represents the weighted average of 50 of the largest Indian companies listed on the National Stock Exchange, has lost 5.6% of its value in one year.

According to data provided by research firm Venture Intelligence, as many as 162 exit deals were clocked in the first nine months of this year wherein PE and VC encashed \$11.7 billion by selling stakes in their portfolio firms. In 2021, they had reaped \$37 billion across \$283 deals.

With tepid sentiments and companies taking a cautious approach towards listing propositions, investors are unlikely to surpass last year's figure, said experts.

## PE-VC Exits in India



✿ A Flourish chart

### Top PE-VC Exits in India in 2022 YTD\*

Company	Sector	Exiting Investors	Deal Type	Acquirer	Amount (\$M)	Month
Max Healthcare Institute	Hospitals	KKR	Public Market Sale	NA	1187	Aug
CitiusTech	Enterprise Software (Healthcare)	Baring Asia	Secondary Sale	Bain Capital and TPG Growth	960	Sept
Sprng Energy	Renewable Power Projects (Solar, Wind)	Actis	Strategic Sale	Shell Overseas	950	April
Blinkit	Online Services (E-Commerce - Consumer Shopping - Groceries)	Sequoia Capital India, Tiger Global, SoftBank Corp, DST Global, Apoletto, Daol Ventures	Strategic Sale	Zomato	570	June
Sona BLW Precision Forgings	Auto Components	Blackstone	Public Market Sale	NA	508	Aug

✿ A Flourish data visualization

However, all's not lost.

“Even as the IPO market has cooled in 2022, given that the Indian bourses have shown commendable resilience, we feel public listings will continue to be the favoured route for exits for high-quality, profitable businesses in the medium term,” said Vishal Tulsyan, MD and CEO at India-focused fund manager Motilal Oswal Alternates (MO Alts).

“In the short term, investors may look at private markets for exits, given there is a record amount of dry powder available in the ecosystem and the long-term thesis for investing in the India growth story remains intact,” he added.

In top PE-VC exits this year, global investment firm Actis exited Sprng Energy and sold its stake to Shell Overseas for a whopping \$950 million in April 2022. During the same month, General Atlantic and Sequoia Capital India sold their stake in Mu Sigma to its promoters for \$501 million.



In other exit deals, General Atlantic and Fairfax Holdings raked in \$486 million when Bain Capital and TPG Growth acquired their stake in IIFL Wealth Management in March. Meanwhile, KKR and Baring Asia sold their stakes in Max Healthcare Institute and Coforge for less than \$500 million during the same month. Both marked public market sales.

PE firms typically exit their portfolio companies by way of trade sales, public listing, recapitalisation and secondary sales.

A trade sale is the most common exit route for PE and VC firms as trade buyers, in the same industry, are often more likely to realise synergies with the business and are, therefore, the most natural acquirers.

Public listing, on the other hand, takes place during favourable market conditions. That explains how startups raised \$5.6 billion from domestic listings, paving the way for a full or partial exit for PE and VC investors last year.

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[Fabindia](#)[Grant Thornton](#)[IPO](#)[Motilal Oswal Alternates](#)[NSE Nifty](#)[Oravel Stays](#)[Oyo Hotels](#)[Snapdeal](#)[Venture Intelligence](#)[VLCC Health Care Ltd](#)