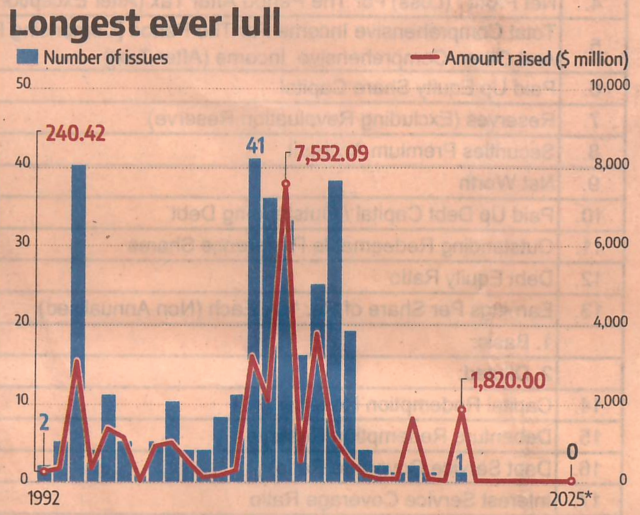
India's foreign listings went cold after '18

Debt issuances and convertibles keep flowing as equity stalls

ILLUSTRATION: BINAY SINHA



Note: *Data as of June 2025, covers equity market offerings
Source: *primedatabase.com*

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Mumbai, 28 July

Indian entities haven't raised capital through foreign equity listings in over six years — the longest gap since liberalisation.

The last such overseas equity fund-raise was in 2018, according to data from Prime Database. Listings abroad occurred nearly every year from 1992 through 2016, with 2017 being a rare exception. After one final issue in 2018, there have been no subsequent listings.

This lull comes as some Indian companies explore listings at Gujarat International Finance Tec-City (GIFT City), Gandhinagar, pitched as an alternative to offshore hubs like Singapore.

The government in 2024 cleared the path for direct listings of Indian companies on foreign exchanges. The India International Exchange (India INX) and NSE International Exchange (NSE IX) at GIFT City are the designated platforms. The Companies (Amendment) Act, 2020, had already allowed direct listings on permitted overseas bourses. A Securities and Exchange Board of India (Sebi)-appointed expert committee in 2018 had recommended 10 such jurisdictions for overseas listings, including the UK, US, and Switzerland.

"Given inherent inflation and relatively smaller domestic institutional and non-institutional capital pools, the cost of capital in India remains higher than that for foreign corporates, putting Indian companies at a disadvantage in the marketplace. A simple, principle-based international listing regime that enables Indian-incorporated companies to raise capital in the market, which optimises cost and provides the greatest benefits in terms of value, quantum, quality, and branding, is the need of the hour," the 2018 Sebi report said.

"Several new-age or technology companies earlier preferred to list overseas due to better (investor) understanding of their businesses," said Pranav Haldea, managing director, Prime Database, adding that this led to higher valuations and broader investor interest. That trend, he said, has dampened with the growing availability of such equity capital locally.

The domestic equity market boom may have further reduced the appeal of overseas listings, explained Kaushik Mukherjee, partner at legal firm CMS IndusLaw. Companies can now meet their equity capital requirements through Indian markets, reducing the need to go abroad, he observed.

Other instruments such as convertibles haven't performed as well in terms of returns, though overseas bonds remain popular in key sectors, Mukherjee added. Banks and non-banking financial companies are the most active, as this provides a stable source of funding, he said.

Conglomerates are also eyeing foreign capital, and the GIFT City jurisdiction has increasingly seen bond issuances, he said.

Many Indian corporates have opted to meet funding needs through international debt markets, tapping into capital via bond issuances instead of equity through depository receipt (DR) programmes, according to Thomas George, partner, Khaitan & Co. Costs and multi-jurisdictional complexities have been factors contributing to the decline in DR issuances, he added.

While equity fund-raising has been limited, debt and convertible capital market issuances continue. Since 2018, convertibles worth $1.8 billion have been issued, while the value of debt issuances has been over $60 billion.

With inputs from Samie Modak