

# IPOs to watch out for once primary mkt starts buzzing

LIC, Delhivery, PharmEasy among deals to be keenly followed by the market

The primary market has entered a period of hibernation because of the spike in volatility in stocks. Investment bankers said several exciting companies are waiting on the sidelines to launch their initial public offerings (IPOs). Once stability returns to the secondary market, companies that have obtained approval from the Securities and Exchange Board of India (Sebi) will start tapping the market. Business Standard spoke to market participants to understand IPOs that could generate high investor interest. Investors, according to analysts, could focus on large and good-quality IPOs. We have zeroed in four such names:

## Life Insurance Corporation (Estimated size: ₹65,000 cr)

State-owned insurance giant LIC's IPO will be a watershed moment for the domestic capital market. The company's IPO will, by far, be the largest-ever to hit the domestic market at over ₹65,000 crore. The brand LIC has become synonymous with buying insurance. The company had 66 per cent market share in new business premia with 283 million policies and 1.35 million agents as of FY21. Its embedded value of LIC as of September 30, 2021, was ₹5.4 trillion. As of September 2021, LIC's assets under management (AUM) stood at ₹39.6 trillion. Its AUM is more than 3 times the combined AUM of all private life insurers in India. It is also greater than that of the entire domestic mutual fund industry. In FY21, LIC registered a net profit of

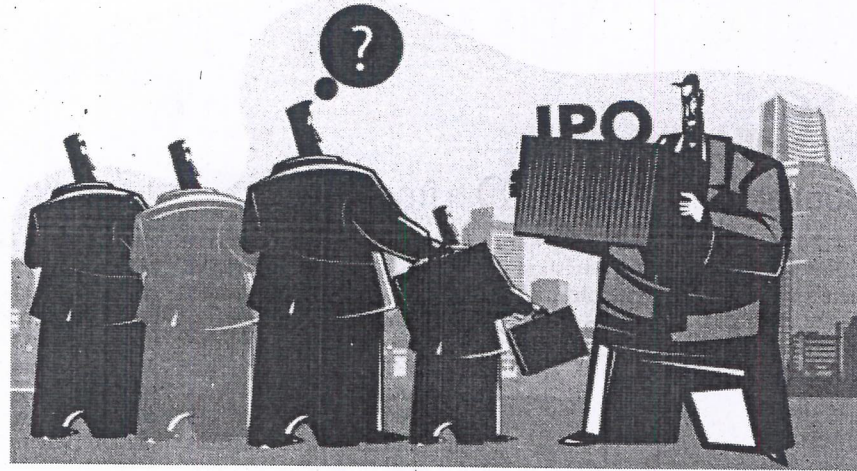


ILLUSTRATION: AJAY MOHANTY

₹2,907 crore; the figure was ₹1,504 crore in the first six months of FY22.

## Delhivery (Estimated size: ₹7,460 crore)

Gurugram-based Delhivery was India's largest, multimodal, fully-integrated logistics and supply-chain firm by revenues in FY21. The company is considered as a proxy to play the fast-growing e-commerce theme. It provides a full-stack range of logistics services, including warehousing and

supply chain software. The firm also provides value-added services, such as e-commerce return services, payment collections, installation services. Delhivery is India's fastest growing third-party express parcel delivery player. It had a market share of about 20 per cent of the overall e-commerce volumes in India during the three months ended June 30, 2021. It operates over 80 fulfilment centres and 120 intermediate processing centres. Delhivery has delivered more than

a billion shipments since incorporation. Its shipment volume stood at 289.2 million orders in FY21. The firm's revenues grew from ₹1,654 crore in FY19 to ₹3,646 crore in FY21 at a compound annual growth rate of 48.5 per cent.

## API Holdings (Estimated size: ₹6,250 cr)

API Holdings is the country's largest digital health-care firm and also parent company of online pharmacy marketplace PharmEasy,

## WAITING IN THE WINGS

Estimated value of IPOs

(₹ cr)

LIC	65,416	
Delhivery	7,460	
PharmEasy	6,250	
Emcure Pharma	4,000	
Go Airlines	3,600	
Five-Star Business Finance	2,752	
Gemini Edibles	2,500	
Paradeep Phosphates	2,200	
India1 Payments	2,000	
Global Health	2,000	

Source: PRIME Database

which has a strong brand recall among online pharmacy players. The company is backed by marquee investors, such as Naspers, TPG, and Temasek. The company is a play on the shift from physical to online pharmacy and also fast-growing health diagnostics market. API makes innovative use of digital tools like artificial intelligence and machine learning to provide end-to-end health-care solutions. The company's forte includes its custom-built proprie-

tary technology, supply chain capabilities, and deep understanding of India's health-care market. The company has a pan-Indian presence with thousands of pharmacies, doctors, and hospitals using its services. API has made aggressive acquisitions to build scale. Last year, it acquired a 66 per cent stake in Thyrocare Technologies. Besides, it has acquired firms like Medlife, Aknamed and Marg. In FY21, it had clocked a gross merchandise value of ₹7,865 crore.

## Emcure Pharma (Estimated size: ₹4,000 crore)

Pune-based Emcure Pharmaceuticals is a leading manufacturer of broad-ranging pharmaceutical products across major therapeutic areas. The company is backed by private equity major Bain Capital. Emcure is among market leaders in HIV antivirals, gynaecology, and blood-related therapeutics. Its portfolio is focused on high-growth chronics and sub-chronics therapeutic areas. Chronics therapeutic areas contributed 64.75 per cent of its domestic sales in FY21 against the industry average of 53.26 per cent. Seven of its brands are among the top 300 pharma product brands in the domestic market in terms of sales. The company made strategic acquisitions of Marcan in Canada and Tillomed in the UK which helped it leverage its R&D and manufacturing capabilities. Emcure's revenues from operations grew from ₹4,717 crore in FY19 to ₹6,056 crore in FY21, while its profit more than doubled to ₹418 crore during the period.