



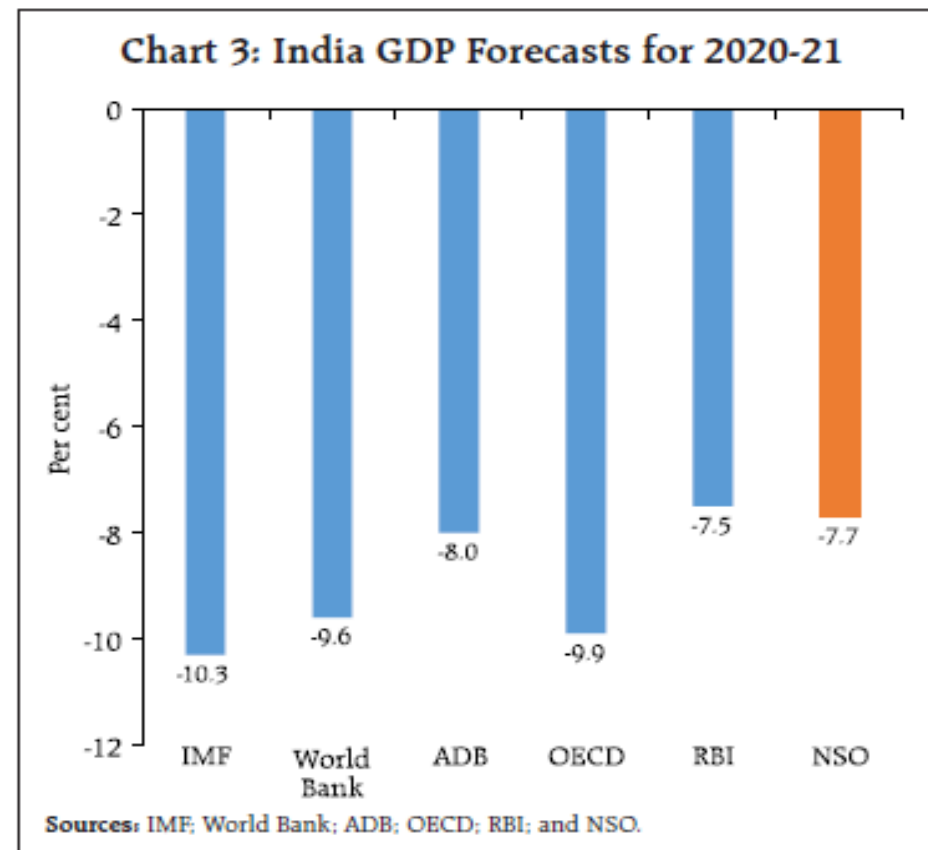
Capital Market Update

January 2021

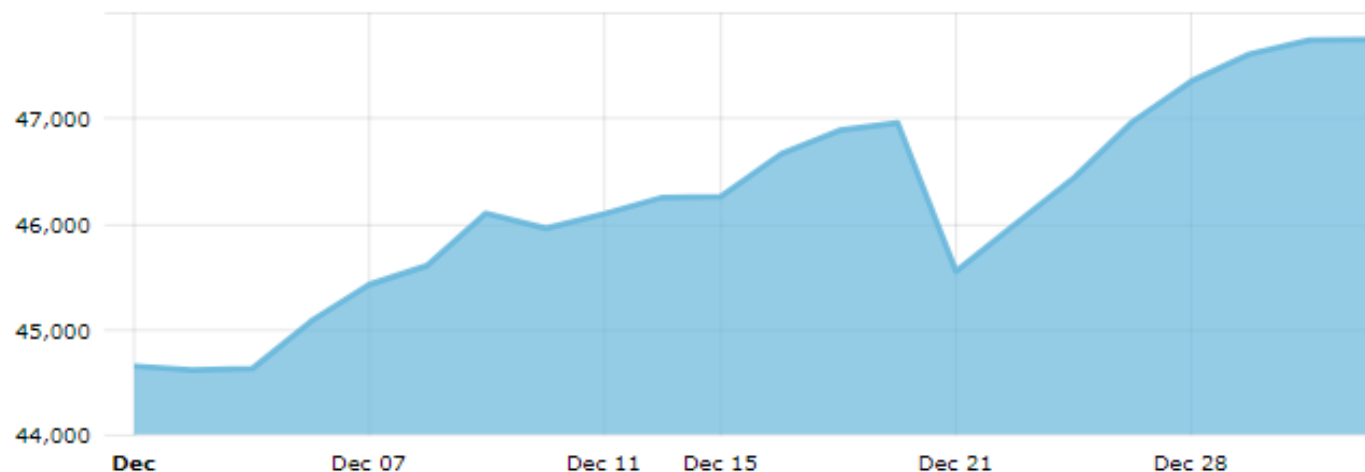
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Economic Update
Secondary Market Update
Primary Market Update
Initial Public Offers (IPOs)
Mergers & Acquisitions Key Deals
Private Equity Key Deals

- National Statistical Office (NSO) has estimated real GDP growth in 2020-21 at (-) 7.7 per cent as against (-) 10.3 per cent by the International Monetary Fund (IMF) in October 2020 and (-) 7.5 per cent by the monetary policy committee (MPC) in December 2020.
- The 27-indicator economic activity index (EAI) has updated its nowcast for Q3:2020-21 and estimates the quarter's real GDP growth at 0.1 per cent.
- The Index of Industrial Production (IIP) contracted 1.9% in November 2020. However, it was revised to 4.2% for October 2020.
- CPI inflation in December 2020 eased sharply to 4.6 per cent from 6.9 per cent in the last month. This was primarily on account of a substantial correction in food inflation.



- BSE Sensex went up by 8.46% in December 2020 to close at 47,751. Nifty 50 closed at 13,982, higher by 7.81% from 12,969 in November closing.
- Expectation of quick arrival of Covid-19 vaccines, slowing of Covid19 infections, abundant liquidity and expectation of economic rebound in Q3 are the key reasons for strong performance of market in December 2020.
- Foreign Portfolio Investors (FPI) infused Rs.6555 Crore in Indian equity markets in the month of January. This is the third consecutive month where FPIs have been net buyers of equity and this is one of the major reason for continued gains of market.



Equity Markets	Nov-20	Dec-20	Change%
Sensex	44,150	47,751	8.16%
Nifty 50	12,969	13,982	7.81%
BSE 500	16,995	18,300	7.68%
BSE Bankex	33,884	35,888	5.92%
BSE Consumer Durables	27,046	30,394	12.38%
BSE Healthcare	20,319	21,681	6.70%
BSE FMCG	11,726	12,609	7.53%

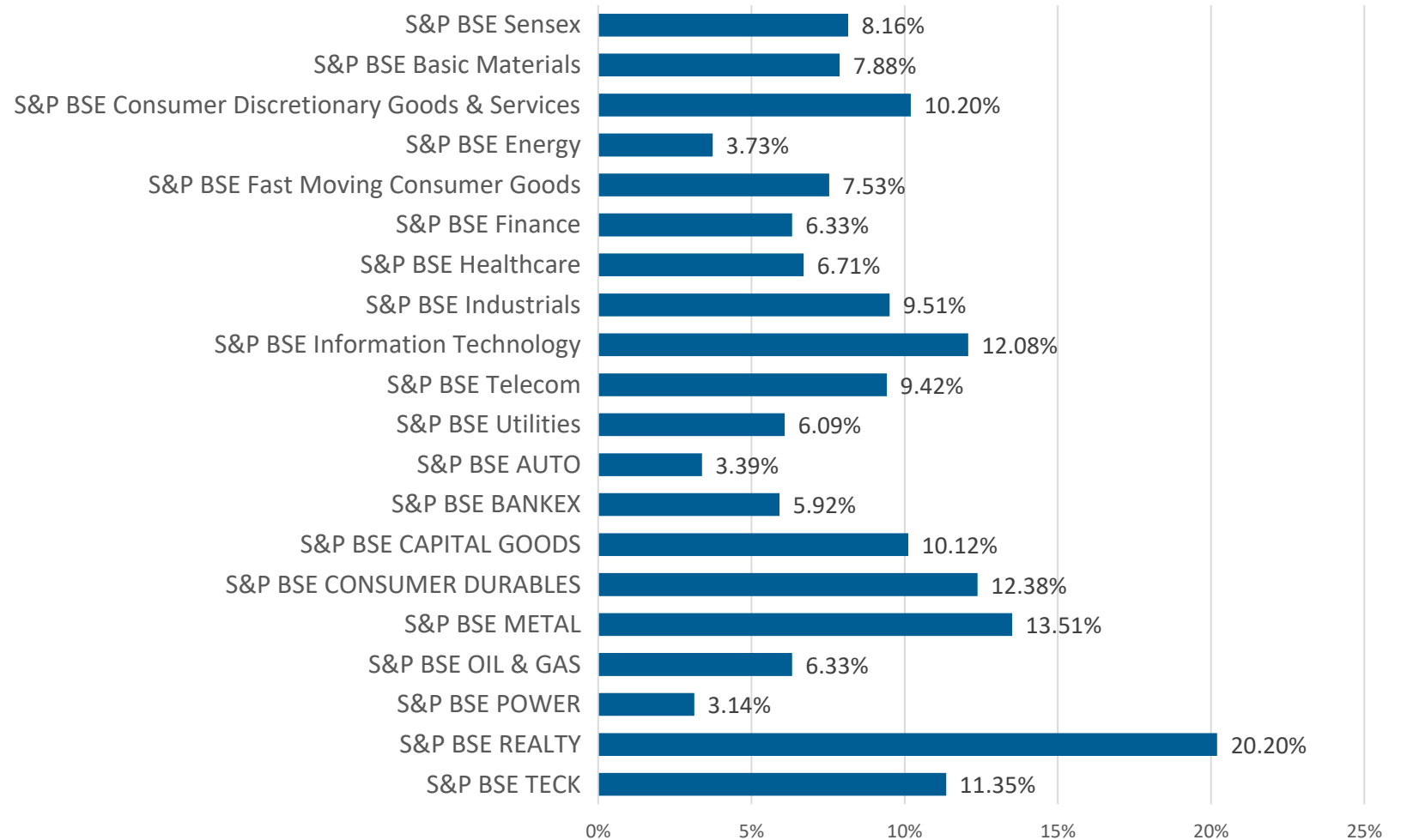
Performance of BSE sectoral Indices in % in Dec 2020

Amongst the BSE sectoral indices all indices were good performers in the month of December.

Realty (20.20%), Metal (13.51%) and Consumer Durables (12.38%) were the best performers.

Power (3.14%) sector saw the lowest increase.

Performance of BSE Indices in % in Dec 2020



- There were two main board IPOs of Mrs. Bectors Food Specialities Limited and Burger King India Limited in the month of December 2020.
- There was no SME board IPO in December 2020 as against one SME board IPO of Shine Fashions (India) Limited in November 2020.

Funds Mobilisation by Corporates (₹ in Crore)

Particulars	Oct-20	Nov-20
A. Funds Mobilisation through Public Issue (I+II)	9,137.6	7,212.6
I. Equity Public Issue	6,440.6	7,070.0
a. IPOs (i+ii)	5,887.1	6,998.7
i. Main Board	5,824.9	6,997.1
ii. SME Platform	62.3	1.6
b. FPOs	-	-
c. Equity Right Issue	553.5	71.3
II. Debt Public Issue	2,697.0	142.5
B. Funds Mobilisation through Private Placement	66,483.1	52,803.8
1. QIP/IPP	2,200.0	250.0
2. Preferential Allotment	1,952.3	7,008.8
3. Private Placement of Debt	62,330.8	45,545.0
Total Funds Mobilised (A+B)	75,620.7	60,016.3

Burger King India:

- Burger King India Limited (BKIL) has 261 stores across the country. Its first store in India was opened in November 2014.
- BKIL is the national master franchisee of the Burger King® brand in India. Burger King is an American multinational fast food restaurants chain. It is headquartered in Miami-Dade County, Florida.
- The price band of IPO was Rs.59-60. It raised Rs.810 crore through this public issue and was subscribed over 156 times.
- The stock opened at Rs.115.35 and the issue price was Rs.60. IPO had a bumper listing and a strong opening premium of 92.25%.
- Price earnings ratio for valuation was not applicable as the earning of company was still negative at the time of listing.

Mrs. Bectors Food Specialities Limited:

- Mrs. Bectors Food Specialities Limited was incorporated in 1955. It manufactures and markets a range of products such as biscuits, breads and buns, catering primarily to retail consumers in 11 states within India as well as to reputed institutional customers PAN India.
- IPO had a price band of Rs.286-288. At the offer price of Rs.288, Mrs. Bectors was available at a P/E of 22x on FY21E EPS (annualized).
- Company raised Rs.540 Crore through this IPO. IPO was subscribed 198 times and the stock listed at around 74% premium on its issue price.

Mergers & Acquisitions & Private Equity Key Deals

Transaction:

- Genworks Health Pvt. Ltd has acquired the in-vitro diagnostic unit of Iris Healthcare Technologies Pvt. Ltd. This acquisition will give Genworks access to more than 1500 installations of Iris Healthcare.

Genworks Health Private Limited:

- Genworks is a healthcare equipment provider and provides solutions in imaging, cardiology, women's health, critical care and perioperative.
- Genworks is backed by Somerset, Morgan Stanley, Evolvence India and Wipro GE healthcare to create a platform for solving the 3 fundamental challenges in Healthcare - Access, Affordability and Adoption.

IRIS Healthcare Technologies Private Limited:

- IRIS Healthcare Technologies Private Limited, established in 2008, is a healthcare company with presence in Diagnostic Industry and Clinical Laboratories.

Our take:

- This acquisition will help Genworks consolidate its presence in the in-vitro diagnostics segment. Genworks with access to more than 1500 installations in IRIS in metro, tier 1 and tier 2 geographies will come out as a national player in in-vitro diagnostic market.
- Diagnostic firms are witnessing a surge in valuations and investor interest because of covid-19 pandemic which has brought focus on testing.
- In fact, growth in valuations of diagnostic firms is higher than hospitals in last one year. As while testing has increased pace, the super specialty firms have lost non-covid business and small drop in occupancy rates.

Transaction:

- 3i Infotech Limited approved slump sale of its software product business consisting of the business, intellectual property and employees inter alia in India and various other countries on a going concern basis to Azentio Software Private Limited wholly owned by Apax Partners.
- The software product business of the Company in India and other jurisdictions will be transferred pursuant to a business transfer agreements (BTA).
- Aggregate consideration for the Software Business (in and outside India) and intellectual property of approximately INR 1,000 crores is subject to customary working capital and other adjustments.
- Sale of the Product Division is expected to be completed by 31st March 2021. Turnover of software business is approx. Rs.443 crore for FY20 (around 39% of company's overall turnover).

About Apax Partners:

- Azentio Software Private Limited is part of Azentio Group which is wholly owned by private equity fund Apax Partners. Apax Partners is an independent global partnership focused solely on long-term investment in growth companies across four global sectors: Tech & Telco, Services, Healthcare, and Consumer.

- With around 40-year history, Apax Partners has raised and advised funds with aggregate commitments of approximately \$50 billion.

About 3i Infotech Limited:

- 3i Infotech Limited is a Mumbai based global information technology company providing IP based software solutions and a wide range of IT services across various sectors including banking, insurance, capital markets, asset & wealth management, manufacturing, retail, distribution, telecom and healthcare.

Our take:

- This transaction will facilitate 3i Infotech Limited to repay all existing debt and to scale up other existing business segments of the Company, including providing IT services to customers across sectors and geographies.
- Transaction will be strengthening the balance sheet of the Company.
- Apax partners is bullish about its company Azentio due to increasing technology spend on core software systems across the BFSI industry and ERP space.

- Zomato has raised \$660 million in an investment round at the valuation of \$3.9 billion. Tiger Global Management, Baillie Gifford, Luxor Capital, Kora Capital, Steadview, D1 Capital and Mirae Asset were the investors who participated in this round.
- On top of this \$660m, Zomato is in the process of closing a \$140m secondary transaction. As part of this transaction, it has already provided liquidity worth \$30m to its ex-employees. Transaction details were tweeted by Zomato's co-founder Deepinder Goyal.

About Zomato:

- Founded in 2008, Zomato is an Indian restaurant aggregator and food delivery start-up that provides information, menus and food delivery options from restaurants. It also provides reviews of restaurants and has presence in 24 countries and 10000+ cities globally.

Rationale:

- Zomato has plans to go public in the near future. This funding round secures it sufficient capital for operation. Earlier in January 2020, Zomato acquired competitor Uber Eats in an all-stock transaction i.e. 9.99% of Zomato at approximate valuation of \$350 million for Uber Eats.
- After the acquisition, Zomato and Swiggy are the only major players in market which gives them high negotiation power.

Acknowledgements:

RBI Bulletin (www.bulletin.rbi.org.in), SEBI (www.sebi.gov.in), NSE (www.nseindia.com), BSE (www.bseindia.com)

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