



Capital Market Update

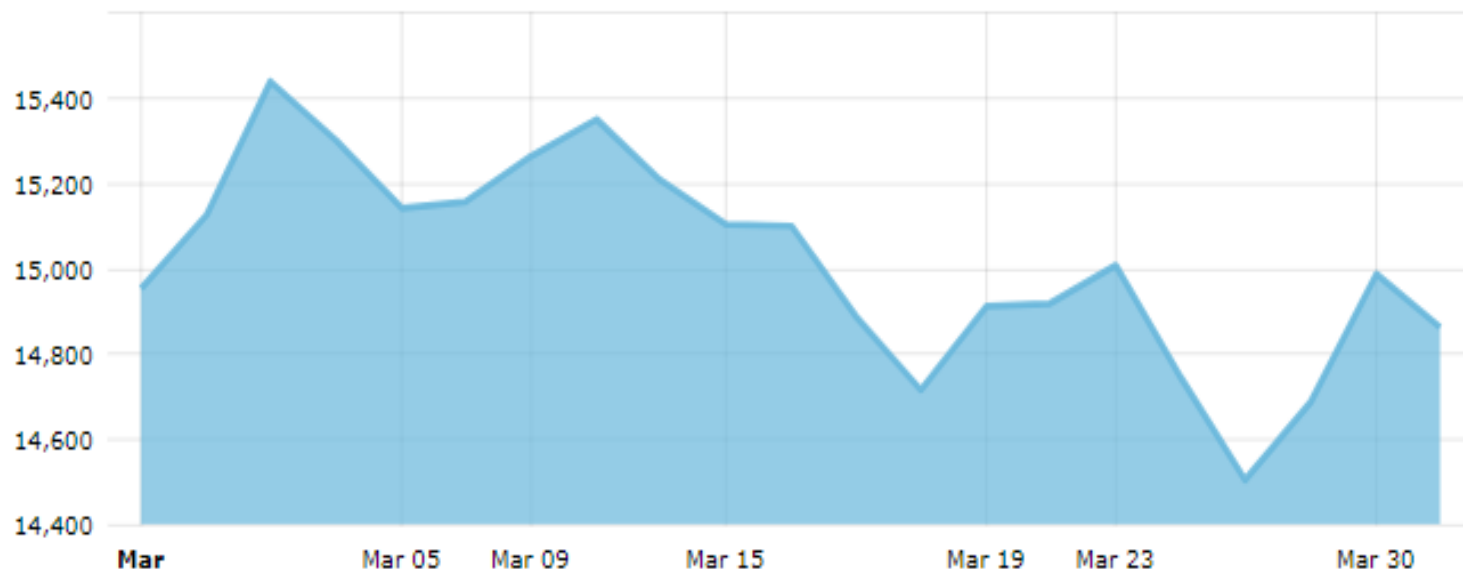
April 2021

Karan Vora

Economic Update
Secondary Market Update
Primary Market Update
Initial Public Offers (IPOs)
<ul style="list-style-type: none">Anupam Rasayan India Limited
<ul style="list-style-type: none">Laxmi Organics Industries Limited
Mergers & Acquisitions Key Deals
<ul style="list-style-type: none">Wipro to acquire Capco
Private Equity Key Deals
<ul style="list-style-type: none">Aurum Ventures to acquire stake in Majesco

- The Monetary policy committee met in first week of April and retained its accommodative policy stance and kept Repo rate unchanged at 4%. The projection of real GDP growth for FY21-22 has been retained at 10.5%
- Some sluggishness in Economy was visible as the industrial production in February contracted by 3.6% due to poor performance in manufacturing and mining sectors.
- The output of capital goods also slipped 4.2% in February. At the same time the wholesale inflation was 8 year high at 7.39% due to increase in oil and metal prices.
- Going further the increase in Covid-19 infections along with states increasing restrictions and containment measures may impact business activity.

- Markets had a volatile month but ended up with modest gains. BSE Sensex went up by 0.83% in March 2021 to close at 49,509. Nifty 50 closed at 14,691 higher by 1.11% from 14,529 in February closing. Markets were affected by factors such as positive GDP numbers in Q3, vaccination drives and increase in likelihood of 2nd wave of Covid-19.
- Foreign Portfolio Investors (FPI) infused Rs. 10482 Crore in Indian equity markets in the month of March. This is the sixth consecutive month where FPIs have been net buyers of equity.



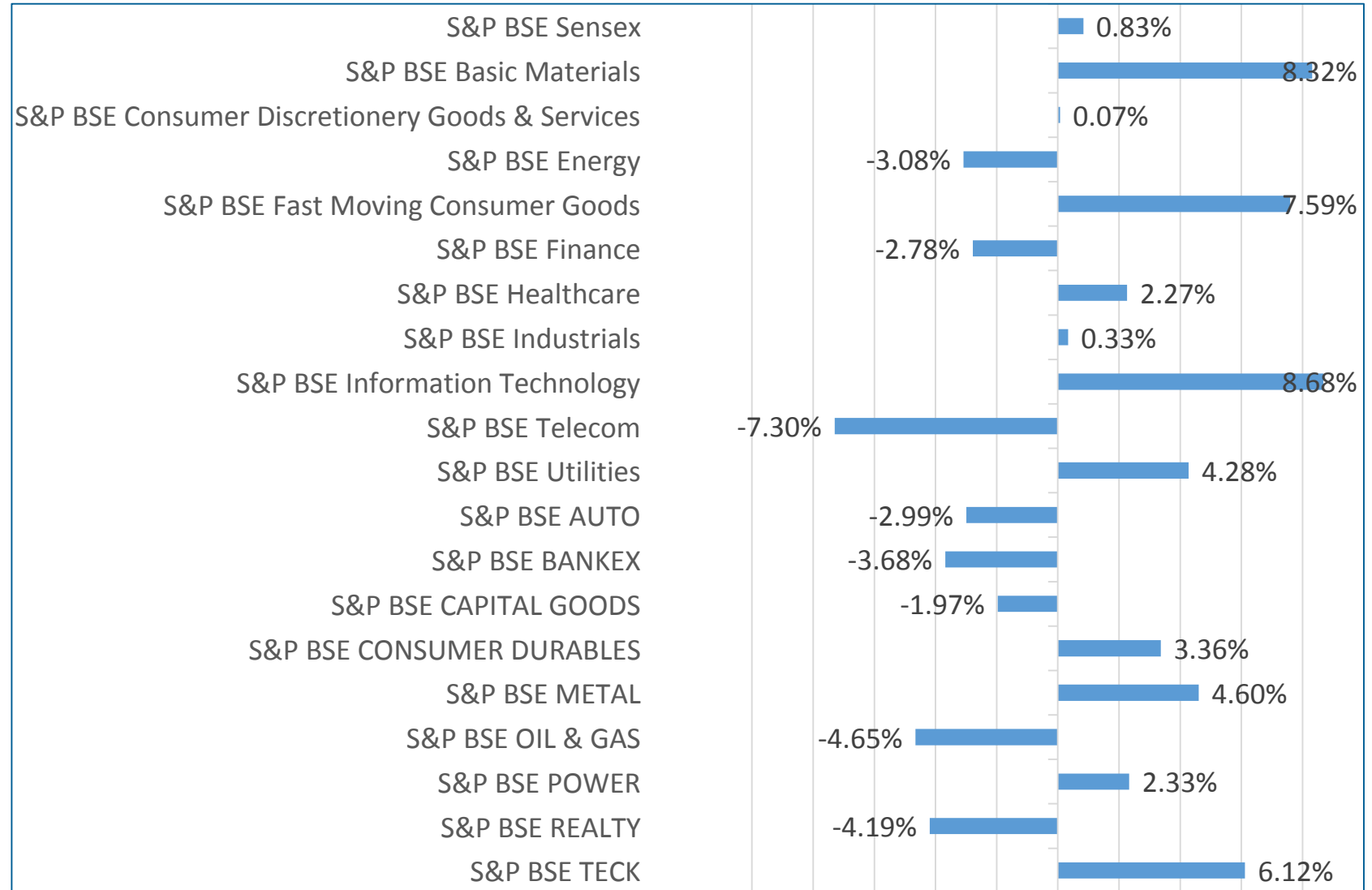
Equity Markets	Feb-21	Mar-21	Change%
Sensex	49,100	49,509	0.83%
Nifty 50	14,529	14,691	1.11%
BSE 500	19,371	19,602	1.19%
BSE Bankex	38,981	37,547	-3.68%
BSE Consumer Durables	31,758	32,826	3.36%
BSE Healthcare	20,856	21,328	2.26%
BSE FMCG	11,967	12,875	7.59%

Performance of BSE sectoral Indices in % in March 2021



Amongst the BSE sectoral indices few indices were good performers while few did not perform well in the month of March 2021. Information Technology (8.68%) and Basic Materials (8.32%) were the best performers.

Telecom (-7.30%) and Oil & Gas (-4.65%) sectors were the worst performers.



- There were nine main board IPOs of Nazara Technologies Limited, Suryoday Small Finance Bank Limited, Kalyan Jewellers India Limited, Craftsman Automation Limited, Laxmi Organic Industries Limited, Anupam Rasayan India Limited, Easy Trip Planners Limited, MTAR Technologies Limited and Herbana Industries Limited in March 2021 as against five IPOs, Indigo Paints Limited, Home First Finance Company India Limited, Stove Kraft Limited, Nureca Limited and Railtel Corporation of India Limited in February 2021.
- There were two SME IPOs of Rangoli Tradecomm Limited and Knowledge Marine & Engineering Works Limited in March 2021 as against one SME IPO of MRP Agro Limited in February 2021.

Anupam Rasayan India Limited:

- Established in 1984, Anupam Rasayan is engaged in the cotton synthesis and manufacturing of specialty chemicals in India.
- The price band of the IPO was Rs.553-555. Company raised around Rs.760 Crore from the IPO. It was subscribed 44.06 times on Mar 16, 2021. Company has used a part of proceeds to repay its debt. Share was listed at a discount of 3.66% from its issue price of Rs.555 per share.

Laxmi Organic Industries Limited:

- Established in 1989 and headquartered in Mumbai, Laxmi Organic Industries Ltd is a specialty chemical manufacturer that operates in 2 business segments; Acetyl Intermediates (AI) and Specialty Intermediates (SI). Its products are used in various industries like pharmaceuticals, agrochemicals, inks & coatings, dyes & pigments, paints, printing & packaging, etc.
- The price band was Rs.129-130 and it was subscribed at 106.81 times. Amount raised through the IPO was about Rs.600 Crore. The offer was priced at an annualized PE of 32x on H1FY21.
- IPO got listed at Rs.153.65 at 18 per cent premium over its issue price of Rs.130.

M&A and PE Key Deals

Transaction:

- Wipro Limited has signed an agreement to acquire the Capital Markets Company (“Capco”) group, through its holding companies Cardinal US Holdings, Inc. and Cardinal Foreign Holdings S.à.r.l., and its Indian subsidiary Capco Technologies Private Limited.
- Purchase Consideration is US\$ 1.45 billion for 100% stake. The acquisition is subject to customary closing conditions and regulatory approvals and is expected to close by June 2021.

About Wipro Ltd:

- Wipro Limited is a global information technology, consulting and business process services company. It has over 190,000 dedicated employees serving clients across six continents.

About Capco:

- Founded in 1998 and headquartered in London, Capco is a global management and technology consultancy firm to the global banking and financial services industry.
- Capco has been working in banking, capital markets, wealth, asset management and insurance sectors and has client portfolio of over 100 global organizations.

- Capco has over 5,000 consultants based in more than 30 global locations across 16 countries. Capco had revenue of \$700 million in FY20 with 55% revenue from North America and 41% from Europe.

Rationale:

- This acquisition will strengthen Wipro's position as a consulting and IT services provider to the Banking, Financial Services and Insurance (BFSI) sector, provide access to marquee BFSI clients and create a large global financial services practice.
- Presently 51% of revenue of Capco comes from BFSI sector and 34% from capital markets with 10% from wealth and 5% from insurance.
- The merger aims to combine Capco's consulting led expertise to Wipro's technology offering.
- The combined entity will have revenue of \$3.2 billion from current \$2.5 billion.

Transaction:

- Aurum ventures has signed a definitive share purchase agreement for purchase of the entire promoter shareholding of 14.78% in Majesco Limited through one of its subsidiaries Aurum Platz IT Private Limited.
- Aurum Platz IT Private Limited will pay Rs. 77/- per share in cash to the promoters i.e. Rs.32.6 crore. Aurum Platz IT Private Limited has made a mandatory open offer announcement for acquiring up to 26% stake from the public shareholders of Majesco Limited at the same price.
- The price represents premium of 14% over Majesco's weighted average market price of last 60 days and 21.5% over last closing price.

About Aurum Ventures:

- Aurum Ventures, headquartered in Navi Mumbai, is a Real Estate Group with capabilities from Acquisition, Design, Execution, Project Management, Property Management, Sales, Leasing and Hospitality.
- It has a track record of delivering projects in Residential and Commercial Real Estate in Mumbai Metropolitan Region.

About Majesco Ltd.:

- Majesco Limited, headquartered in New Jersey, United States, provides information technology services.
- The Company offers proprietary software solutions, IT consulting, application development, systems integration, application management outsourcing, testing, data warehousing, and business intelligence services. Majesco has presence in India as well.

Rationale:

- Aurum Ventures said that Majesco Ltd. was a good fit for their real estate value chain. Director of Majesco commented that decision was taken by keeping long-term interest of shareholders in mind.

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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