

Globally, [Indian exchanges](#) recorded the highest IPO activity as the country saw 90 IPO launches that raised \$3.9 billion in the first half of this year, says a report.

According to EY India IPO Readiness Survey Report, globally, [Indian exchanges](#) recorded the highest IPO activity in terms of number of deals accounting for 16 per cent of the total issues in the first half of this year (January-June).

In terms of proceeds, [Indian exchanges](#) accounted for 5 per cent of global proceeds in the January-June period.

According to the report, the January-June period saw 90 [IPOs](#) raising \$3.9 billion, registering a 27 per cent jump in number of deals and 28 per cent rise in value terms over the same period last year.

"The IPO ecosystem is evolving at a rapid pace in India with several companies looking to list within 2018. The financial sector, infrastructure and consumer companies with strong growth continue to be favourable for increased IPO activity," said Sandip Khetan, Partner and National Leader, Financial Accounting Advisory Services (FAAS), EY India.

Out of 90 deals that listed in the first half of this year, 15 listed both on [NSE](#) and BSE, accounting for 93 per cent of the total proceeds.

ALSO READ: [Over half of 2018 IPOs trading below issue price on expensive valuations](#)

National SME recorded 42 listing accounting, contributing a mere 5 per cent to the country's proceeds in the January-June period, while Bombay SME recorded 37 per cent (33) of all deals listed, contributing 2 per cent to the total proceeds.

As per the report, the factors that are encouraging a healthy pipeline across sectors include steady investor confidence and the rise in domestic capital in the [equity markets](#).

Besides, brighter earnings outlook, stability in [equity markets](#) and macroeconomic conditions and a high investor appetite also fuelled IPO activity.

However, issuer not having the right management experience and overpricing of stock in the IPO are the biggest concerns for respondents.

For the first half of this year, the top five sectors in terms of deals were industrials (27), consumer staples (18), materials (14), consumer products (10) and technology (5).

As regards to proceeds, top sectors were industrials (\$1.5 billion), financial sector (\$1.5 billion), consumer staples (\$279 million), media and entertainment (\$160 million) and health care (\$158 million).

"Our survey indicates that good quality companies, coupled with attractive pricing and right timing are the key factors for a successful IPO," Vish Dhingra, Partner, Financial Accounting Advisory Services, EY India, added.

Data includes effective [IPOs](#) as of 31 May 2018 and expected [IPOs](#) as of 30 June 2018.

