

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
STARRED QUESTION NO. *102

TO BE ANSWERED ON MONDAY, 6th DECEMBER, 2021/ Agrahayana 15, 1943
(SAKA)

INITIAL PUBLIC OFFERING (IPO)

QUESTION

***102. SHRI VIVEK NARAYAN SHEJWALKAR:**

Will the Minister of Finance be pleased to state:

- (a) whether many big companies are coming up with their Initial Public Offerings (IPOs);
- (b) whether IPOs are being brought by companies continuously this year despite the increasing economic crisis due to the Corona pandemic and if so, the details thereof;
- (c) whether the IPOs coming this year has broken the record of last year in terms of raising money and if so, the details thereof;
- (d) whether it is a fact that the IPOs of the IT and e-Commerce companies are coming regularly but IPOs of manufacturing companies are not coming on that pace and if so, the details thereof;
- (e) whether it is also a fact that unless manufacturing companies are promoted, there will not be a lot of employment generation and if so, the details thereof; and
- (f) the steps being taken by the Government to encourage the manufacturing companies?

ANSWER
MINISTER OF FINANCE
(SMT NIRMALA SITHARAMAN)

(a) to (f): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN THE REPLY TO PARTS (a) TO (f) OF STARRED QUESTION NO *102 BY SHRI VIVEK NARAYAN SHEJWALKAR TO BE ANSWERED IN LOK SABHA ON 06.12.2021 REGARDING "INITIAL PUBLIC OFFERING (IPO)"

(a): As per the information furnished by Securities and Exchange Board of India (SEBI), during the financial year 2020-21, 56 entities came out with Initial Public Offer (IPO) out of which 27 entities are Small and Medium Enterprises (SME). During the financial year 2021-22, 61 entities have already come out with IPO till October, 2021 out of which 34 entities are Small and Medium Enterprises (SME). The number of IPOs, based on their issue size is given below:

Issue Size	Financial Year 2021-22 (upto October, 2021)	Financial Year 2020-21
Below 100 Cr	35	28
Rs 100 Cr to less than Rs. 500 Cr	4	6
Equal to or more than Rs. 500 Cr	22	22
Total	61	56

(b) & (c) : IPOs are being brought by the companies regularly this year and the amount raised in the current financial year, till the month of October 2021, has surpassed the amount raised in the last financial year, as can be seen from the data provided in the table below:

	Financial Year 2021-22(till October, 2021)	Financial Year 2020-21
Number of Companies	61	56
Amount raised (in Rs. Crores)	52,759	31060

(d) The IPOs brought by the entities are spread across the economic sectors including automobiles, cement, electronics equipment, food processing, textiles etc. The details are provided in the table below:

Industry	FY 2021-22 (upto October, 2021)	FY 2020-21
Automobiles	1	1
Banks / Financial Institutions	0	1
Cement / Constructions	6	3
Chemical	3	4
Consumer Services	1	2
Electronics Equipment's / Products	1	1
Engineering	2	6
Entertainment	0	3
Finance	2	7
Food Processing	4	2
Healthcare	10	2
Hotels	2	0

Info Tech	4	8
Miscellaneous	21	10
Roads & Highways	1	0
Telecom	0	1
Textile	1	2
Plastic	1	2
Printing	0	1
Auto Parts & Equipment	1	0
Transport Related Services	0	1
Total	61	57

(e) As can be seen from the above table, a large number of manufacturing and service sector companies are coming up for listing. The growth of manufacturing sector in the country aids and promotes the employment generation not only in manufacturing but also in other sectors and vice-versa. Growth across different sectors of the economy generates more and better employment opportunities within the sector and also helps in generating the employment opportunities in other sectors too.

(f) In order to support Industrial sector including manufacturing sector, the Government has taken several measures during the last two financial years. The Production-Linked Incentive (PLI) Schemes were introduced on 11.11.2020 in 10 key sectors for enhancing India's manufacturing capabilities and exports under Atmanirbhar Bharat Abhiyan. The details of PLI scheme is as follows:

No.	Sector	Implementing Ministry/Department	Outlay (Five-year) Rs. in crore announced
1	Advance Chemistry Cell (ACC) Battery	Department of Heavy Industries	18100
2	Electronic/Technology Products	Ministry of Electronics and Information Technology	5000
3	Automobiles & Auto Components	Department of Heavy Industries	57042
4	Pharmaceuticals drugs	Department of Pharmaceuticals	15000
5	Telecom & Networking Products	Department of Telecom	12195
6	Textile Products: MMF segment and technical textiles	Ministry of Textiles	10683
7	Food Products	Ministry of Food Processing Industries	10900
8	High Efficiency Solar PV Modules	Ministry of New and Renewable Energy	4500
9	White Goods (ACs & LED)	Department for Promotion of Industry and Internal Trade	6238
10	Specialty Steel	Ministry of Steel	6322
Total			145980

The above schemes are in addition to the following three PLI schemes notified in March 2020:

No.	Sector	Implementing Department	Ministry/	Financial outlays Rs. in crore
1	Mobile Manufacturing and Specified Electronic Components	MEITY		40995
2	Critical Key Starting materials/Drug Intermediaries and Active Pharmaceutical Ingredients	Department of Pharmaceuticals		6940
3	Manufacturing of Medical Devices			3420
Total				51311

Further, as part of the Atmanirbhar Bharat package, various measures were announced for relief and credit support to industrial sector, particularly the MSME sector. Some of measures are as follows:

- The Emergency Credit Line Guarantee Scheme (ECLGS) has been formulated as a relief measure to Micro Small and Medium Enterprises (MSMEs) by providing them additional funding of up to ₹ 3 lakh crore in the form of a fully guaranteed emergency credit line. The June covid-19 relief package expanded the ECLGS by additional Rs. 1.5 lakh crores.
- Provision has been made for ₹ 20,000 crore subordinate debt for MSMEs which are stressed. Government has also announced to support them with ₹ 4,000 crore through Credit Guarantee Trust for Micro and Small enterprises (CGTMSE).
- Government has revised definition of MSME by raising the Investment limit. An additional criterion of turnover has been introduced and distinction between manufacturing and service sector stands removed.
- General Financial Rules (GFR) of the Government has been amended to disallow global tender enquiries in government procurement of goods and services of value of less than ₹ 200 crores. This is a step in support of the Make in India initiative and will promote MSMEs to grow.
