

# Syrma SGS Tech sets stage for IPO market revival

**Swaraj Singh Dhanjal**

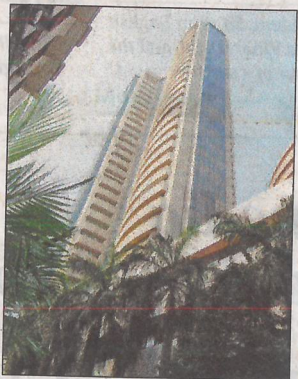
swaraj.d@livemint.com

**MUMBAI:** Several companies waiting out the market volatility to go public have found hope in the robust investor response to the ₹840 crore initial public offering of Syrma SGS Technology Ltd, the first such sale to hit the markets since May.

The Syrma SGS share sale, which closed on Thursday, was subscribed 32 times, with the portion of the share sale reserved for institutional investors receiving 87.56 times subscription, while the portion reserved for non-institutional investors was subscribed 17.5 times and retail investors portion was subscribed 5.53 times.

The strong response has raised hopes that more companies will be able to tap the market in the coming days. Already, Dreamfolks, an airport service aggregator, has announced its plans to launch its IPO on 24 August. "The investor response to Syrma IPO is an encouraging sign. There is one more IPO that has already announced its launch date. So yes, we may see a few more deal launches in the coming quarter," said Prashant Rao, director and head equity capital markets, Anand Rathi Investment Banking. "There are many large IPOs that have been postponed. Hence, there is a healthy pipeline of companies that will hit the markets when the window of opportunity does open up for them."

After a record-breaking 2021, which saw 63 firms raise ₹1.18 trillion via IPOs, the primary markets in 2022 have so far seen only 17 firms raising over



**Syrma SGS share sale, which closed on Thursday, was subscribed 32 times.**

MINT

₹41,000 crore, largely on the back of Life Insurance Corp. of India's IPO, which raised ₹21,000 crore in the country's largest such sale, data from primary markets tracker Prime Database shows.

The rally in Indian indices since hitting their June lows and the return of foreign institutional investors (FIIs) have created a window of opportunity for more deal launches.

"Indices over the last month or so have performed well. Additionally, FIIs turned net buyers last month after nearly nine months of outflows. With the momentum building, you may see a few deal launches happening for companies that have strong fundamentals, good outlook and reasonable pricing of IPOs," Rao said.

However, Rao cautioned that the initial set of IPOs coming to the market would need to deliver healthy returns to ensure a broader recovery of primary markets.