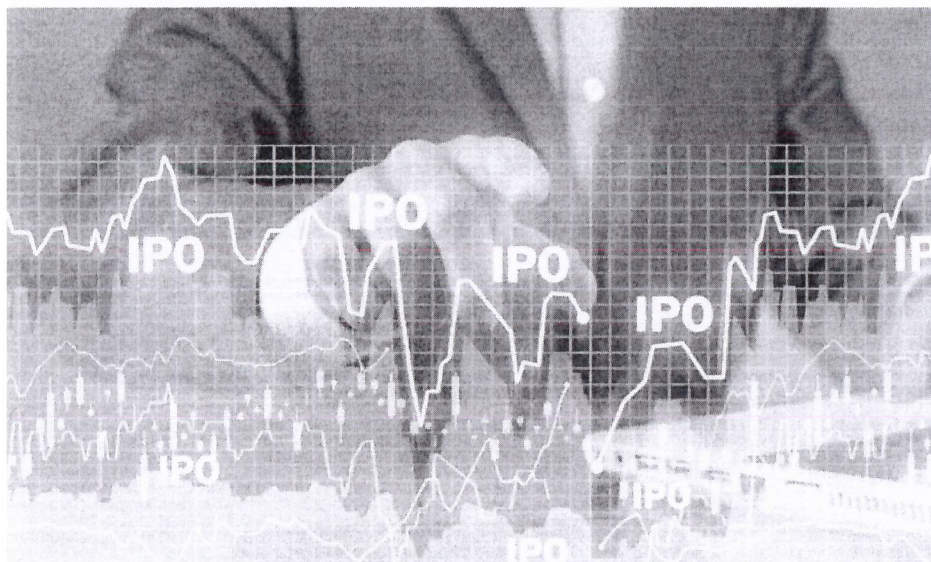


# In Revival Mode

With benchmark indices gaining more than 10 per cent in the past two months, companies are reviving their IPO plans, which were on hold for quite some time

BY **ASHISH RUKHAIYAR**



► **AFTER A** complete lull for two months, the primary market saw some action in August with two initial public offerings (IPOs) hitting the market. While the IPO of engineering and design solutions firm Syrma SGS Technology was subscribed 15.6 times, the public issue of airport services aggregator platform Dreamfolks Services got subscribed 23.25 times. The benchmark indices, too, have gained over 10 per cent in the past couple of months.

Market participants believe that the response to the recent public issues shows that there is still appetite for IPOs amidst the volatility, provided investors are satisfied with the valuations. This assumes significance as last year was a record one in terms of IPO fundraising with a cumulative amount of ₹1.2 lakh crore raised through 63 public issues, though many of the marquee names

saw a huge fall since listing.

“There is definitely a revival of the IPO market as a lot of companies are waiting in the wings for conducive market conditions,” says Uday Patil, Director of Investment Banking at Keynote Financial Services.

Data from Prime Database shows that more than 70 companies have approval from Sebi for IPOs, while nearly 50 more have filed their draft prospectus with the regulator. The cumulative size of these issues is well over ₹1.7 lakh crore.

“Companies have realised that volatility is here to stay and they have to raise money amidst it. Looking at the recent response, it appears to be a good time to raise money though firms may have to relook at the valuations, which are expected to be moderate,” says Patil, whose firm is in the process of filing documents for a few public issues.

September could see a few more IPOs as companies can launch their public issues based on audited numbers for FY22. The regulatory framework does not allow for a gap of more than six months between the launch of the IPO and the last audited quarter numbers.

The current calendar year has still a lot of catching up to do if last year’s record needs to be breached. This year, till August, the cumulative fundraising through IPOs is pegged at around ₹41,700 crore; the corresponding number for the first eight months of last year was nearly ₹60,300 crore.

While companies across sectors are waiting in the wings, there would be, once again, a lot of focus on digital majors as some well-known names are expected to enter the public markets. While API Holdings, the parent firm of online pharmacy PharmEasy, has withdrawn its IPO document and will look at other avenues to raise funds, a revival of IPO plans for many companies is definitely underway. ▮

## A STRONG PIPELINE

- **Over 70 companies with Sebi approvals are waiting to launch their IPOs**
- **Another 50 DRHPs have been filed with Sebi and are awaiting its nod**
- **The cumulative amount of such IPOs is pegged at ₹1.73 lakh crore**
- **As many as 60 companies are expected to have an issue size of over ₹1,000 crore each**
- **Digital majors like MobiKwik, Ixigo, OYO, and Yatra are among the start-ups waiting to launch their IPOs**

**Source** Prime Database

@ashishrukhaiyar