

## EXPERTS WARN OF CHOPPY MARKET

# IPOs worth ₹1 trn lined up

In addition, share sales of ₹70,000 cr awaiting Sebi nod

FE BUREAU  
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**INITIAL PUBLIC OFFERINGS** (IPO) worth a little over ₹1 trillion are lined up to hit the markets, fingers crossed. What's more, IPOs for another ₹70,000 crore or so are being readied for launch.

Market watchers caution that while the pipeline may look good, the volatile secondary market could play spoilsport. "No company would want to come out with an IPO in a choppy market. They would rather wait it out even if means the permissions lapse," Pranav Haldea, managing director,



Prime Database Group, observed. Haldea said several times in the past — 2010, 2013 and 2017 — the stock of IPOs had been strong, but not too many had finally made it.

While India has outperformed some of its global peers significantly this year, of late the markets have been extremely volatile. The

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#### INDIA LOGS 2ND-BEST RETURNS THIS YEAR P.12

Nifty is down just 2.7% year-to-date and about 40% above the pre-Covid peak.

"While earnings could see some

support in the September quarter from an early festive season, we believe deterioration in global macro and valuations concerns could catch up with the Indian markets," strategists at Jefferies wrote earlier this week.

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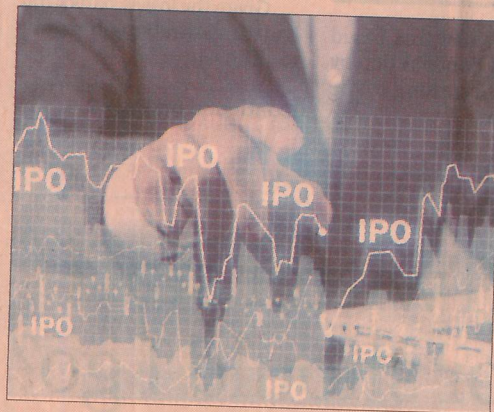
## IPOs worth ₹1 trillion lined up

They also pointed out that historically, domestic flows slow down when the trailing 12-month market returns turn negative. "We are currently at that stage and would be interesting to watch out for the flows trend," they said.

Among the 70-odd companies that are looking to mop up money from the primary market are Bikaji Food, Emcure Pharmaceuticals and Fintechs Mobikwik and Navi Technologies. While these companies have approvals from the Securities and Exchange Board of India, another 40-odd firms looking to raise some ₹70,000 crore, are in the process of filing their documents with the regulator. Approximately half this amount is being sought by new-age technology companies.

The primary markets have seen a bit of a lull with just about ₹35,450 crore having been raised via IPOs in the six months to September. According to data from Prime Database, this was far less than the ₹52,000 crore that companies were able to mop up in the April-September period of 2021. Total issuances had hit ₹1.22 trillion in CY2021, a time when the secondary markets were on a roll and the Sensex scaled a new peak of 61,765 on October 18.

With the prices of several stocks, including many from the startup sector, having fallen sharply, small investors are likely to be choosy. The Paytm stock, for instance, is trading at ₹674.75, compared with the IPO price of ₹2,150, while Zomato ended the session



on October 4 at ₹64.05, much lower than the IPO price of ₹76. The Life Insurance Corporation (LIC) stock closed Tuesday's trading session at ₹629.90 way below the IPO price of ₹949.

Prime Database lists Archean Chemical, Aadhar Housing Finance, Bharat FIH, Capital Small Finance Bank, Fab India, CMR Green Technologies, TVS Supply Chain Solutions, and VLCC as companies looking to raise capital. API Holdings, Wellness Forever, TBO Tek, Sanathan Textiles, Puranik Builders, Penna Cement Industries, Keventer Agro and Asianet Satellite Communications also feature on the list.