

IPOs Delayed as D St Stays Volatile, Investors Bearish

Out of Time

Sebi approvals expired since Nov 2022

Company	Sebi Nod Date	Issue Size* (₹ Cr)
Emcure Pharma	8 Dec	4,000
Gemini Edibles	23 Nov	2,500
India 1 Payments	24 Nov	2,000
Le Travenues	16 Dec	1,600
Sahajanand Med	17 Dec	1,500
Waaree Energies	3 Jan	1,500

Sebi approvals to expire next month

API Holdings	17 Feb	6,250
CMR Green Tech	16 Feb	2,000
Wellness Forever	16 Feb	1,500
Capital Small Fin Bank	8 Feb	1,000
Jesons Industries	8 Feb	900

Source: primedatabase.com *Estimated



More than 2 dozen cos let regulatory nod expire in past 6 months, shows data

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Mumbai: Companies looking to raise money through initial public offerings (IPOs) are finding it challenging to hit the market, as diminished investor appetite and an uncertain market outlook has forced many of them to defer fundraising plans through this route.

In the past six months, 27 companies with IPO plans worth ₹38,000 crore have allowed their regulatory approvals to lapse, according to Prime Database numbers. Similarly, the per-

missions to another nine firms planning to raise a total of ₹15,000 crore are set to expire over the next two months.

According to Securities and Exchange Board of India (Sebi) guidelines, a company must launch its IPO within a year of approval or issuance of observations by the capital markets regulator. After one year, companies will have to refile the prospectus.

“In the first half of last year, when the market was at its peak, several companies decided to go public, thinking favourable market conditions and surplus liquidity,” said Gopal Agrawal, head of investment banking at Edelweiss Financial Services. “However, when they got the Sebi nod in the second half, secondary market conditions worsened and the demand for public issues also faded.”

Not Ready for Large IPOs

►► From Page 1

The one-year period that Pune-based Emcure Pharmaceuticals had to launch its ₹4,000-crore IPO ended on December 8, 2022. Wadia group-owned Go First has also deferred its public issue to raise ₹3,600 crore in November. Similarly, Gemini Edibles, India 1 Payments, One Mobikwik Systems and Northern Arc Capital, among others, did not launch their IPOs within a year of getting regulator's nod.

“The year 2022 was not easy for secondary and primary markets,

with the Ukraine war, inflation and logistic supply issue, among others,” said Dharmesh Mehta, managing director and chief executive of DAM Capital. “There was no demand for a few IPOs, while some managements did not like the valuations the market was giving them. Also, the market was not ready for the large IPOs.”

The pipeline is full, with public offerings worth about ₹75,000 crore having received Sebi permissions. IPOs worth another ₹55,000 crore are awaiting the regulator's clearance, according to Kotak Capital. “We expect IPOs in 2023 to increase by 30%, driven by sectors such as pharma, healthcare, real estate, REIT (real estate investment trust), InvIT (infrastructure investment trust) and consumer,” said V Jayashankar at Kotak Capital.