

IPO Drought to End in March with Nine Cos Seeking to Raise Over ₹17,000 crore

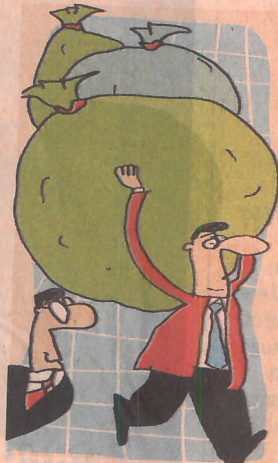
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Mumbai: The two-month dry spell for the primary market seems to be ending, as nine companies may hit the market in the next four-six weeks to raise more than ₹17,000 crore, bankers said. After a few initial public offerings (IPOs) launched in December struggled to sail through, investors and companies turned cautious amid a weak secondary market.

Companies planning to enter the primary market in the next 4-6 weeks, according to bankers, include Avalon Technologies, Capillary Technologies, Cogent Systems, Divgi TorqTransfer Systems, Mankind Pharma, Nexus Malls REIT, Signature Global, TVS Logistics, and Utkarsh Small Finance Bank.

Eight of the nine companies did not respond to ET's queries, while the spokesperson of Avalon Technologies said they would have more clarity on the issue's timeline in 10 days.

January and February did not see any public issues. The high-profile ₹20,000-crore follow-on public offering of Adani Enterprises was called off after a rout in its share price following a Hindenburg report accusing the conglomerate of stock price 'manipulation' and accounting 'fraud'.



On Course to List

Issues expected in the next 4-6 weeks

Company	Tentative Size
Mankind Pharma	5,000
Nexus Malls REIT	4,000
TVS Supply Chain	4,000
Signature Global	1,000
Avalon Technologies	850
Capillary Technologies	850
Divgi TorqTransfer Systems	500
Utkarsh Small Finance Bank	500
Cogent Systems	350

(Fig in ₹ cr)

SOURCE: Bankers

The Nifty 50 index fell more than 4% since January 1, while Nifty Midcap 150 and Nifty Smallcap 150 indices declined by 5% and 6%, respectively, as foreign portfolio investors sold shares worth ₹28,104 crore during this period.

In the past eight months, 33 companies with IPO plans worth ₹49,300 crore have allowed their regulatory approvals to lapse, according to Prime Database numbers.

"Diminished investor appetite and an uncertain market outlook had forced many to defer fundrai-

sing plans," said Dharmesh Mehta, CEO of DAM Capital Advisors. "However, even in a volatile market like this, there is a demand for selective smaller to mid-size IPOs that are reasonably priced."

Automotive component firm Divgi TorqTransfer Systems is the first company to launch its mainboard maiden public issue in 2023. The IPO will open for subscription on March 1 and close on March 3. The ₹500-crore IPO comprises a fresh issue of ₹180 crore and an offer for sale (OFS) of 3.93 million shares.

The public issue of Mankind Pharma, the drug maker known for Manforce Condoms and Prega News, may hit the market at the end of March or the first half of April to raise up to ₹5,000 crore, according to banking sources. The ChrysCapital-backed consortium of GIC of Singapore and CPP Investments owns 10% of Mankind, while Capital International owns another 11% stake. The IPO comprises a fresh issue of up to ₹1,600 crore, according to the draft prospectus.

TVS Supply Chain Solutions, a part of Chennai-based conglomerate TVS group, is also exploring launching its public issue in the next 5-6 weeks, bankers told ET. The company plans to mop up at least ₹4,000 crore from the market. The IPO consists of a fresh issue of shares worth ₹2,000 crore and an offer-for-sale of up to 59.5 million shares.

Chennai-based Avalon Technologies, an IT services and solutions company, and Gurugram-based real estate company Signature Global are also planning to respectively raise ₹850 crore and ₹1,000 crore each in March.

Last year, 40 companies raised ₹59,302 crore from the primary market through IPOs compared to 63 companies that have raised ₹1.19 lakh crore in 2021, according to Prime Database.