

Sept IPO rush hits 13-year high

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September will see the most number of initial public offerings in 13 years on rally in mid- and small-cap stocks.

As many as 14 companies will tap the market this month, the most since September 2010, which saw 15 IPOs. The IPOs this month expect to mop-up about ₹11,800 crore, the most since May last year when eight issues garnered ₹29,511 crore.

Most issuances are small, in the range of ₹300-1,000 crore. Four offerings are of over ₹1,000 crore, topped by JSW Infrastructure's ₹2,800-crore IPO. Nearly 68 per cent, or ₹8,023 crore, of the money raised would be as fresh capital and ₹3,797 crore as Offer-for-Sale.

DRY SPELL

Year 2023 started off on a dull note for the IPO market, with only five issues between January and May. The pace picked up in August with seven issues mopping up ₹4,759 crore.

"Some of these companies have been trying to tap the market for 15-18 months and finally found a favourable window amid the buoyant mood and the rally in small- and mid-cap stocks," said Ajay Saraf, Head of Investment Banking at ICICI Securities.

"Several small/mid-cap funds have seen robust flows the past few months, some of which has found its way to

Bumper sale

Figures in ₹ crore

	Fresh capital	Offer for sale	Issue amount
Ratnaveer Precision Engineering	135	30	165
Jupiter Life Line Hospitals	542	327	869
EMS	146	175	321
RR Kabel	181	1,783	1,964
SAMHI Hotels	1,200	170	1,370
Zaggle Prepaid Ocean Services	392	171	563
Yatra Online	602	164	766
Sai Silks (Kalamandir)	600	569	1,169
Signature Global (India)	603	127	730
Manoj Vaibhav Gems 'n' Jewellers	210	57	267
JSW Infrastructure	2,800	-	2,800
Updater Services	400	224	624
Valiant Laboratories	145	-	145
Plaza Wires	67		67
Total	8,024	3,797	11,821

Source: primedatabase.com

these offerings." Investors have put over ₹28,000 crore in mid/small-cap funds this financial year, of which ₹13,906 crore has come into the latter just in the last three months.

Experts believe that there is enough liquidity and demand for quality issues that are reasonably priced.

"It's still not like it was in 2021. Investors are driving the market, which is why several companies have cut their issue size and gone easy on valuations," said Pranjal Srivastava, Partner, Investment Banking, Centrum Capital.

Tapping the market before September 30 would also allow companies to come to the

market with March financials. Beyond this timeline, they will have to include the June numbers.

INDICES RALLY

The benchmark indices have rallied 4.7 per cent in the past three months. In the same period, despite some correction, the Nifty Midcap 100 and Nifty Smallcap 100 have moved up 14.8 per cent and 17.4 per cent, respectively.

Experts believe the mood in the primary market will remain buoyant for 3-4 months. Another 28 companies are holding approvals for their IPOs and can potentially mop up ₹38,000 crore.