

India Inc raises ₹26,000 cr via IPO

September alone accounts for almost 50% of the total

SIDDHANT MISHRA
Mumbai, October 1

AFTER A SLOW start to the financial year, initial public offerings (IPOs) got a boost in September with ₹12,000 crore raised through the route.

The first half of the financial year saw over ₹26,000 crore being raised, with almost 50% of the total raised in September alone, according to data from PRIME database. However, the funds raised via IPO in H1FY24 were substantially lower than the ₹36,000 crore raised in the first half of FY23.

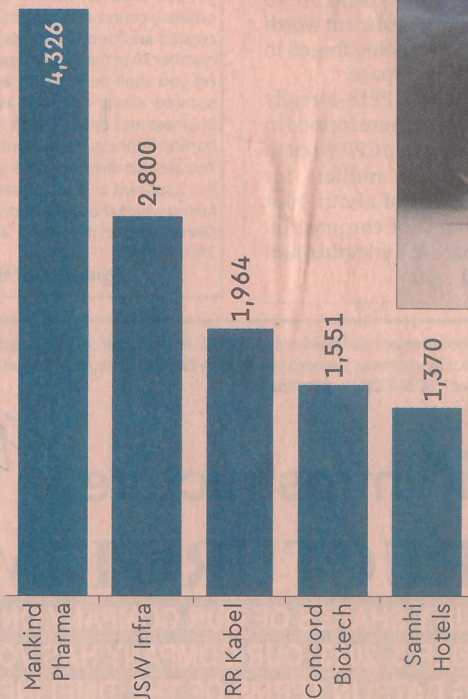
Experts say that conducive market conditions as well as confidence reinstated after a good first-quarter earnings season spurred the IPO market.

However, there were two marquee offerings of Life Insurance Corporation of India (₹21,008 crore) and Delhivery (₹5,235 crore) during the period.

“Investor confidence in the economy and healthy corporate earnings has incentivised small and medium-sized businesses. Other factors are investors with deep pockets seeking quick gains, an increase in grey market premiums, and the rising risk appetite,” said Mahavir Lunawat, managing direc-

Top 5 IPOs

Issue size (₹ cr)



Source: PRIME Database

tor of Pantomath Capital Advisors.

The first quarter of the financial year (April-June) saw issues totalling over ₹7,400 crore. The second quarter (July-September), however, saw issues totalling over ₹18,800 crore.

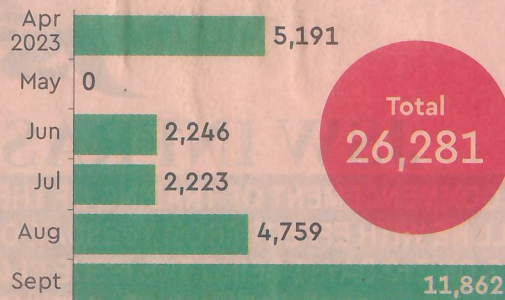
Experts also say that investors are joining the IPO frenzy based on market sentiment.

This is because firms seeking to list are getting good valuations thanks to favourable market fundamentals, earnings and profits.



H1 report card

Total issues (₹ cr)



Mankind Pharma's ₹4,326-crore IPO in April was the largest issue in the first half.

JSW Infra's ₹2,800-crore offering, which concluded last week with a 37x subscription, was the second-biggest in H1.

While the Street has been busy in September, the future looks loaded too, with quite a few IPOs in the pipeline.

“The pipeline is robust, with around 30 entities getting Sebi approval for IPOs totalling ₹40,740 crore, and 38 entities with IPO size of ₹43,659 crore still awaiting approval after having filed offer documents,” added Lunawat.

However, the second half may also see a slowdown as far as new offerings are concerned.

“Companies could hold back on their IPO plans as we approach elections. There is substantial liquidity in the market, which is why investors are willing to bet on IPOs, and the rally in mid-caps and small-caps has added to confidence. But the market wants certainty, and till the elections are done we are likely to see companies on the back foot,” said a banker who did not wish to be named.

The banker added that many of the companies with valid approvals from the market regulator or those awaiting approvals have had to re-file their papers.

“The regulator is getting stringent as far as norms go, because the market has been shaken by many of the newly listed firms underperforming,” the banker said.

Oravel Stays, Go Digit and depository NSDL are among the big IPOs yet to receive approval. The estimated sizes of these IPOs are ₹8,430 crore, ₹3,500 crore and ₹4,500 crore, respectively.