

...But IPOs around Diwali hold out a tale of hope

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MUMBAI

More than half a dozen companies aim to raise as much as ₹6,000 crore via initial public offerings (IPOs) in the run-up to Diwali and the weeks following the festival, leveraging the current market liquidity and investor enthusiasm.

Mamaearth, Cello World, Flair Writing Industries, ESAF Small Finance Bank, Blue Jet Healthcare, Protean eGov Technologies and ASK Automotive are all gearing up for public listings ahead of the Diwali, which starts on 10 November, three people with aware of the firms' plans said.

Blue Jet Healthcare's IPO will open for subscription on 25 October, followed by Honasa Consumer Pvt. Ltd (Mamaearth) later that week. Flair Writing Industries is likely to enter the market either in the last week of October or the first week of November. IPOs of Protean eGov Technologies and automotive components manufacturer Ask Automotive are expected to open between 6 November and 10 November, one of the three people said on condition of anonymity.

Among the larger IPOs, Tata Technologies, which is look-

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ing to raise as much as ₹4,000 crore, will likely open for subscription in the last week of November, after Diwali.

"The market environment for capital raising via IPOs continues to be extremely robust. We expect this to continue for the remaining part of the year. The street is witnessing a slew of companies making pre-filings ahead of a launch. We expect 6-8 IPOs over the next four weeks across sectors, immediately pre- and post-Diwali," said Pinak Bhattacharyya, senior vice president and head of corporate finance at IIFL Capital.

National Stock Exchange of India Ltd's Nifty 50 index has gained 7.9% year to date, attracting investors.

The recent bull run has given confidence to bankers and promoters to tap the public markets to raise funds. There is enough demand for all these offers to sail through, bankers and promoters said. Further, the general elections, due by May next year, are

Diwali fireworks

The recent bull run has emboldened promoters, but they may change their plans if the Israel war-induced slowdown persists



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Source: Mint research

SARVESH KUMAR SHARMA/MINT

pushing companies to quicken fundraising efforts in anticipation of market volatility nearing the election period.

"IPO (primary) market follows and is a reflection of the secondary market. Since the secondary market has been fairly stable, there is an opportunity for companies that have received Sebi (Securities and Exchange Board of India) approval to tap the market," said Pranav Haldea, managing director of Prime Database

Group. According to him, good quality companies at the right price will always find takers.

To be sure, the sharp decline in Indian stocks on Monday may also prompt companies to reconsider their plans if the downward trend persists. On Monday, the benchmark Sensex fell 1.26% on fears of rising bond yields and a widening Israel-Hamas conflict. "Volatile markets are not good for IPOs. One needs to see if it sustains or is just a

one-off thing specifically today," Haldea said.

Mamaearth is targeting a pre-Diwali listing, *Mint* first reported on Saturday. Gopal Snacks is also aiming for an 2023-24 listing, *Mint* reported last week.

A number of other firms, including microfinanciers, have also lined up IPOs just after Diwali. Fedfina (Fedbank Financial Services), Jana Small Finance Bank, Fincare Small Finance Bank, DOMS Industries, Western Carriers and The Park Hotels are likely to go public in November or December.

The timing of the IPOs may depend on other factors also. Madhya Pradesh, Rajasthan, Chhattisgarh, Telangana and Mizoram will go to polls from 7 November, with results slated to be declared on 3 December. "Market Volatility is expected that could impact valuations during this period," a person tracking IPOs said. However, the IPO window to tap the markets is expected to be robust till 15 or 22 December, he added.

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