# India Inc looks to raise ₹72,000 cr from IPO market

## Five companies raise more than ₹7,300 crore this week; 26 companies already have Sebi's nod to raise ₹29,000 crore

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AFTER RAISING over ₹40,000 crore in the calendar year so far, India Inc is looking to raise more than ₹72,000 crore from initial public offerings (IPO) in the coming months.

As on November 10, 26 companies had received the market regulator's nod for IPOs and the approval still remains valid. These companies are estimated to raise up to ₹29,000 crore. Besides, 39 companies have filed offer documents with the Securities and Exchange Board of India (Sebi) and are awaiting clearance. These companies are looking to raise over ₹43,000 crore, as per data from Prime Database.

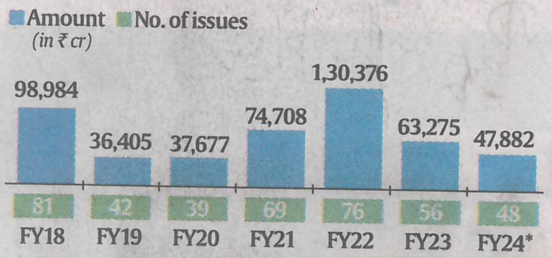
"The IPO market has been quite good in the last one year. We have seen more than three-fourth of the IPOs witnessing listing gains. The market is quite hot," said Jayesh Bhanushali, Lead (Research), IIFL Securities.

Analysts believe one of the reasons for higher subscription for these IPOs is a good valuation offered by the companies to retail investors. "Compared to last year, companies have changed their strategy and now they are offering good valuation to retail investors and HNIs (high net-worth individuals)," said an analyst.

The week ending November 24 was one of the busiest weeks for the primary market in recent years as five mainboard IPOs of Flair Writing, Fedbank Financial Services, Gandhar Oil Refinery India, Tata Technologies and IREDA opened to raise ₹7,377 crore. "The huge appetite for equities stems from the confidence that investors have in the India growth story and the large universe of fast-growing, well-managed companies, which are expected to deliver good profits," said Mahavir Lunawat, Managing Director, Pantomath Capital Advisors.

### TAPPING THE MARKET

*(Initial public offerings, offers for sale, follow-on public offers)*




*As on October 31, 2023

Source: Prime Database

Sebi has announced a reduction in the timeline for listing shares on stock exchanges after the closure of IPOs. This has cut the listing timeframe from T+6 to T+3. "The reduced timeline means that investor money would be blocked for a shorter duration of time. Investors now have the opportunity for having early credit and liquidity for their investment, which enable investors to analyse and participate in more IPOs... as we gear for bigger capital formation," Lunawat said.

Nearly 300 companies have debuted on the bourses in the last ten years up to FY23. This has been possible because of the fast-growing and deepening secondary market where the daily average turnover in the cash segment is now about ₹65,000 crore.

With as many as 65 companies queueing up with their IPO plans, the coming months will be crucial for the IPO market which saw a boom in 2021.

If the stock markets remained buoyant over the last 11 months and the global and domestic liquidity conditions helped the secondary and primary markets, the equity markets are expected to remain volatile in the near future on various accounts. While global inflation concerns and withdrawal of global liquidity and rise in bond yields and interest rates is something that will keep the money flow into equities in check, the geo-political tensions and rising crude oil prices will also keep equity markets under pressure.

"In such a scenario, the forthcoming issues may or may not receive the kind of interest that was received by the ones that came over the last 11 months, on an average. While that may limit listing gains, investors can go for companies that have a formidable business model and future growth potential," said an analyst.

### BANK BORROWING VIA MSF TOUCHES ALL-TIME HIGH

*Mumbai:* Banks' borrowing through the Marginal Standing Facility crossed the ₹2-trillion mark to reach an all-time high of ₹2.34 trillion Wednesday and ₹2.05 trillion Thursday, showing that liquidity has dried up in the banking system. With investors rushing to participate in the ₹7,300-crore IPOs this week, bond issuances and advance tax flows, the system found itself short of liquidity. **FE**