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SUNDAR SETHURAMAN

Mumbai, 13 December

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Industrial gas manufacturer Inox CVA's IPO — the largest in the current lot at ₹1,459 crore — opens on Friday.

Half a dozen other companies, including Muthoot Microfin and Suraj Estate Developers, are lined up for next week.

This IPO rush will break the jinx seen during the December preceding the General Election year.

There were no IPOs in December of 2008, 2013, and 2018, while 2003 saw two IPOs, according to data provided by Prime Database, an IPO tracker.

The first fortnight of December 2023 saw no IPOs amid political uncertainty due to elections in five states.

However, with the state poll results seeing the ruling Bharatiya Janata Party win three out of the five states, analysts say the political outlook has turned favourable.

The poll results have given investors hope for policy and regime continuity after the general elections next year. December is generally a muted month for capital raising on account of the holiday season.

As a result, companies are rushing to complete their share sales before the end of next week, following which foreign portfolio investor (FPI) flows could moderate. FPIs have bought shares worth ₹31,471 crore so far in December.



MAKING A BEELINE

Mainboard IPOs totalling nearly ₹8,000 crore are on the anvil

	Opens	Sector	Size (₹ cr)
Inox India	Dec 14, '23	Industrial gas	1,459
DOMS Industries	Dec 13, '23	Stationery products	1,200
India Shelter Finance	Dec 13, '23	NBFC	1,200
Happy Forgings*	Dec 19, '23	Engineering	1,200
Muthoot Microfin	Dec 18, '23	NBFC	960
Azad Engineering*	Dec 20, '23	Engineering	700
Credo Brands*	Dec 19, '23	Apparel retail	500
Suraj Estate	Dec 18, '23	Real estate	400
Motisons Jewellers	Dec 18, '23	Jewellery retail	151
Total			7,770

*Source-based information

Source: NSE, BSE, investment banking sources

"India is a very different place from the previous Decembers. The kind of rally we see this month is unprecedented. When you see the secondary market buoyancy, primary market participants are trying to tap into it. A lot of companies that come with IPOs are private equity (PE) portfolios. PE players have been investing heavily every year, and there is a lot of pipeline of PE paper that still needs to see exits. PE's push for exits whenever they see good momentum," said Ajay Garg, founder of Equirus.

Over half of the combined issue size of the IPOs that hit the market this month comprise secondary sales.

Inox CVA's IPO is a pure offer-for-sale issue, with promoters selling stakes.

Meanwhile, India Shelter Finance's IPO will see a bunch of PE players off-loading their stakes. Happy Forgings and

Muthoot Microfin will be a mix of primary and secondary share sales, while Suraj Estates and Motison Jewellers are entirely fresh issues.

Meanwhile, the IPOs of Apeejay Surrendra Park Hotels and Medi Assist Healthcare received the go-ahead from the market regulator last week.

Investment bankers said that unless urgent, companies will not launch share sales between December 22 and January 7.

Garg said FPI holidays are another factor for the current rush.

"Companies want to get done as much as they can before December 22. Otherwise, they will come after the first week of January. The timelines of IPOs are a consequence of getting the paperwork done and regulatory compliance," he added.