

Revival in market pulls stalled IPOs out of deep freeze

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Several firms that had filed their offer documents last year but given up on their listing plans due to disruptions caused by the pandemic are getting a new lease of life.

The success of recent initial public offerings (IPOs) and the stability in the secondary market are propelling many firms and investment bankers to remove their IPO plans out of the deep freezer.

Burger King India has revised its offer document filed last year, and has filed draft papers with Sebi to raise ₹542 crore through fresh issuance of shares. Antony Waste Handling, which had withdrawn its IPO in March amid the sell-off, has re-filed its IPO.

Further, Equitas SFB halved its IPO size to be able to come to the market. The Chennai-based firm had filed its offer document in December and was looking to hit the market by March. More such entities are looking to follow suit.

I-bankers say supportive markets, coupled with regulatory dispensation, have triggered this move.

"Things are looking better and the economy is opening up. Investors are hopeful that once the pandemic-related problems settle down, companies that are sector leaders will continue to do well. The Securities and Exchange Board of India (Sebi) has made changes, which is making it easier to access the markets. I expect more entities to come up with IPOs in the days ahead," said Chirag Negandhi, co-CEO of Axis Capital.

Industry players say the good showing by most of the recent IPOs has boosted sentiment. Benign liquidity conditions will also help garner institutional investor support.

In the past two months,



Equitas SFB IPO sees close to 2x subscription

The IPO of Equitas Small Finance Bank (ESFB) garnered nearly 2x subscription. The institutional investor portion was subscribed 3.8x, while the retail portion was subscribed 2x. Wealthy investors gave the IPO a miss, with the high networth individual portion receiving just 0.23x subscription.

ESFB had allotted shares worth ₹139 crore to 35 anchor investors. The IPO comprised a fresh issue of ₹280 crore and an offer for sale of 72 million equity shares. The company had priced the IPO at ₹32-33 per share. **SUNDAR SETHURAMAN**

eight IPOs have hit the market. Of these, six have seen robust subscription and good listing.

"The markets are receptive to good-quality IPOs. The performance of recent IPOs, barring some exceptions, has been decent. Some issues lined up are unique stories with good management, and there could be a lot of investor interest. There is a lot of money waiting to be deployed and lot of institutional investor interest. Even retail investors are aggressive now," said Pranjal Srivastava, an independent equity markets professional.

READY TO HIT THE GROUND RUNNING

Entities that had filed draft papers prior to Covid but are yet to come to the market

| Pre-covid filings* | Estimated issue size (₹ cr) |
|-------------------------------|-----------------------------|
| Samhi Hotels | 2,000 |
| Home First Finance | 1,500 |
| Puranik Builders | 1,000 |
| Apeejay Surrendra Park Hotels | 1,000 |
| Barbeque-Nation Hospitality | 1,000 |
| ESAF Small Finance Bank | 976 |
| Montecarlo | 550 |
| Easy Trip Planners | 510 |
| Stove Kraft | 500 |
| NCDX | 500 |
| Mukesh Trends | 70 |

*Fillings with Sebi between Sep 2019 and Mar 2020
Source: PRIME Database

Besides existing companies reviving their IPO plans, newer ones are readying their offer documents. At least six companies, including Kalyan Jewellers, Mrs Bector Food, and Suryoday Small Finance Bank, have filed their offer documents in recent months.

Sandip Khetan, IPO leader at EY India, said October-March would be good for IPOs.

"The second half looks significantly better. IPOs might continue to allure investors in the primary market after successful subscriptions in recent times."