

PRIMARY MARKET HEATS UP

Season of IPOs: After 5 in June, It's 11 in July

IPOs LIKELY IN JULY

Company	Tentative Size (₹)
Zomato	8,250
Glenmark Life Sciences	1,800
Clean Science	1,500
Utkarash SFB	1,350
Krsnaa Diagnostics	1,200
Shriram Properties	800
GR Infra	800
Rolex Rings	600
Windlas Biotech	600
Seven Island Shipping	600
Tatva Chintan Pharma	500

Source: Bankers

MOST ISSUES IN A MTH SINCE 2010

Month	No of Issues	Amount Raised (₹ cr)
Sep-10	15	4,103
Sep-11	9	622
Sep-17	7	16,668
Mar-18	8	15,032
Sep-20	8	7,128
Mar-21	9	6,081

Source: Prime Database



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Mumbai: July is shaping up to be one of the busiest months for initial public offerings (IPOs) as the winning run in the primary market continues with investors making quick gains on recent listings. After five in June, eleven more companies, including Zomato, Clean Science & Technology, Glenmark Life Sciences, Krsnaa Diagnostics, GR Infra and Shriram Properties, are planning to launch IPOs in July to raise nearly

₹18,000 crore, according to investment bankers with knowledge of the matter.

The ₹8,250 crore IPO by Zomato, the biggest offer since SBI Cards & Payments Services in March 2010, is expected to hit the primary market this month, according to the people cited above. The online food delivery and restaurant discovery platform is looking to raise ₹7,500 crore through a fresh issue of equity shares, they said. An offer for sale by Info Edge will raise ₹750 crore.

Roadshows on 6

Roadshows On

► From Page 1

The parent company of Naukri.com owns about 18.5% of Zomato and will sell shares worth \$100 million in the IPO. Bankers said promoters and private equity stakeholders of several companies are currently conducting roadshows to get a sense of demand. There is strong appetite for new companies from various sections of investors, they said.

"Apart from domestic institutions, HNIs (high net worth individuals) and retail, high-quality emerging market funds from Europe, sovereign wealth funds from Asia and Canada and long-only hedge funds are getting more active and investing in IPOs," said S Ramesh, CEO, Kotak Investment Banking. "FY22 is likely to be dominated by listings of new-age tech companies and the pipeline is quite strong while the average deal sizes have kept moving up."

The monthly IPO record was set in September 2010, when 15 companies sold shares. Since then the maximum has been nine each in September 2011 and March 2021.

The persistent buoyancy in small and mid-cap shares has helped the primary market sustain its momentum. Most IPO participants in 2021 have been rewarded. Out of 22 IPOs, stocks of seven companies have returned 50-113% over offer

prices. Another 10 have given 10-40% returns since listing. Only four are currently trading below the offer price.

GR Infraprojects is set to be the first to hit the primary market in July. The integrated road engineering, procurement and construction company is planning a ₹1,000 crore IPO that's expected to open for subscription on July 7.

The ₹1,500 crore issue by specialty chemical company Clean Science and Technology is entirely an offer for sale. The Pune-based company is a leading global player in most of its product areas with a focus on green chemistry. The latter is a key area for manufacturing industries seeking to minimise pollution at a molecular level.



Glenmark Pharmaceuticals is planning a ₹1,800 crore IPO for its active pharmaceutical ingredient (API) division Glenmark Life Sciences. The sale consists of a fresh issue of as much as ₹1,160 crore and an offer for sale of up to ₹73 lakh by Glenmark Pharma.

"With ample liquidity in the system, there is enough investor appetite for IPOs, provided they are priced well," said Atul Mehra, MD, JM Financial. "Investors planning to invest money in the primary market this time would have a number of choices from traditional to new-age businesses."