

Four IPOs next week to raise over ₹9,132 cr

Flurry of IPOs comes after Sebi eases new norms for intermediaries

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After a brief break, India's primary market is ready for action: As many as four firms have lined up initial public offerings in the coming week, looking to raise a total of ₹9,132 crore from share sales.

These companies are steel producer Shyam Metalics and Energy Ltd, Blackstone-backed auto parts maker Sona BLW Precision Forgings, General Atlantic-backed hospital chain Krishna Institute of Medical Science (KIMS) and TPG Capital-backed Dodla Dairy.

After a busy start in the first quarter of the calendar year, which saw 16 IPOs raise ₹14,994 crore, the primary market went quiet. There's been just one IPO since 31 March—the ₹2,500 crore share sale of real estate company Macrotech Developers Ltd, formerly known as Lodha Developers, data from primary market tracker Prime Database shows.

The cooling off of the primary market was the result of tough new guidelines for merchant bankers and other intermediaries introduced by the Securities and Exchange Board of India (Sebi). But with the regulator delaying the implementation of some of these

IN THE PIPELINE

Steel producer Shyam Metalics, Blackstone-backed auto parts maker Sona BLW, General Atlantic-backed KIMS and TPG-backed Dodla have lined up share sales.

Company	IPO size (₹ Cr)	Dates	Price band
Shyam Metalics	909	14-16 June	₹303-306
Sona BLW Precision	5,550	14-16 June	₹285-292
KIMS	2,143	16-18 June	₹815-825
Dodla Dairy	530	16-18 June	₹421-428

Source: NSE

MARKET FRENZY

ANALYSTS say markets are at their peak, and it's a perfect time to cash in : **ALMOST** 40 firms have filed for IPOs since the start of the year : **MOST** have Sebi's nod and are waiting for the right moment to launch

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provisions in a 2 June circular, activity was expected to pick up the pace again from the second half of June.

"Markets are at an all-time high, and it's a perfect time to cash in on this market euphoria. The rush by many companies to get listed is warranted," said Aditya Kondawar, chief operating officer, JST Investment.

Sona BLW Precision Forgings and Shyam Metalics and Energy will open for subscription on 14 June and close on 16 June. Sona BLW has fixed a price band of ₹285-292, and Shyam Metalics has fixed its price

band at ₹303-306 a share.

Sona BLW Precision aims to raise nearly ₹5,550 crore, made up of a fresh issue of ₹300 crore and an offer for sale of ₹5,250 crore by Singapore VII Topco III Pte Ltd, an affiliate of Blackstone. Shyam Metalics seeks to raise around ₹909 crore, which comprises a fresh issue of ₹657 crore and an offer for sale of ₹252 crore.

Both KIMS and Dodla Dairy will open for subscription on 16 June and close on 18 June. KIMS has fixed

IPOs worth ₹9,000 cr lined up for next week

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a price band of ₹815-825 a share and Dodla Dairy ₹421-428 per share, aiming to raise ₹2,143 crore and ₹530 crore, respectively.

"Investors' appetite for upcoming IPOs is likely to be high given the sound business model of most companies. Further, considering higher NFOs (new fund offers)

recent months by domestic mutual funds, they would be looking to deploy money towards upcoming IPOs, which equally offer a healthy growth outlook in the

long run. However, as most IPOs have been reasonably valued, factoring in high growth prospects, meaningful listing gains look to be limited. Investors should participate in these IPOs considering long-term perspective," said Binod Modi, head-strategy at Reliance Securities.

The bunching up of many IPOs in a single week is the

outcome of a long pipeline of share sales with almost 40 companies filing their draft red herring prospectuses with Sebi since the start of the year. Many of these issuers have received Sebi's go-ahead and will be looking at the right moment to launch their IPOs.

Although the recent drought in launches may create some investor excitement after several IPOs in the last

2-3 quarters delivered strong listing gains, analysts said investors need to be prudent while picking the IPOs they want to back.

"We believe that most of the high net worth

investor funds must route in the IPOs of Shyam Metalics and Dodla Dairy, whereas the remaining two IPOs may see a muted response. Anchor investors of all the four IPOs may play a key role in determining the final demand during the IPOs," said R.K. Gupta, an adviser at IPO Mantra, primary market advisory firm.

Sona BLW Precision Forgings and Shyam Metalics and Energy will open for subscription from 14-16 June

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