

Fundraising via initial public offerings may be near ₹1 tn in 2021

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India's initial public offering (IPO) market is set to top the previous fundraising high of ₹67,147 crore seen in 2017, with a spate of high profile technology companies hitting the market this week and the next.

As many as 41 companies have raised ₹66,973 crore through initial share sales in the first nine months of 2021, driven by tremendous liquidity and rising stock markets, according to data from primary market tracker Prime Database. Five IPOs, led by Paytm,

Nykaa, and Policybazaar are set to raise more than ₹30,000 crore through the primary market in the next few days, taking the IPO fundraising to more than ₹97,000 crore.

FSN E-commerce Ventures Ltd, which owns Nykaa, launched its IPO on Thursday to raise ₹5,351 crore. Paytm will launch its ₹18,300 crore IPO on 8 November and the ₹5,625 crore initial share sale of Policybazaar will open on 1 November. Other share sales that are opening soon include that of Fino Payments Bank and SJS Enterprises Ltd.

The activity in the IPO market is expected to continue at a



Activity in the IPO market is expected to remain strong as dozens of companies are awaiting approval for their share sales. PTI

strong pace as dozens of other companies are awaiting approval from the Securities and Exchange Board of India (Sebi) for their share sales.

"Among big tech companies,

we have seen only a handful of listings. In addition to ongoing IPOs, we are seeing a strong pipeline of other tech unicorns that are gearing up for public listings," said Ravi Dubey, part-

ner at law firm IndusLaw. "Given the regulatory flexibility and investor interest in the sector, particularly consumer technology, we expect a long run for big tech companies. Many of these enjoy a first mover advantage that, coupled with an optimistic sector outlook, makes it an attractive option. However, these are young companies and, therefore, require a long-term perspective on their growth."

Investor appetite in IPOs remains strong and this has delivered sensational listing day gains to investors in many cases. Companies such as Paras Defence and Space Technolo-

gies Ltd, Tatva Chintan Pharma Chem Ltd, Indigo Paints Ltd, and GR Infraprojects Ltd have delivered gains of more than 100% on listing to investors this year. Retail investors have also been betting heavily on IPOs in the hunt for strong listing gains. On Thursday, the retail portion of the Nykaa IPO was subscribed more than 100% within the first hour of the share sale.

However, some people believe that the primary market could face headwinds in the coming days with a few foreign brokerages raising caution on steep valuations of Indian stock markets.