

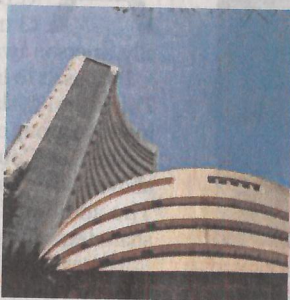
Paytm debacle may not stall IPO frenzy

Swaraj Singh Dhanjal
swaraj.d@livemint.com
MUMBAI

Paytm's market debacle is unlikely to cast a chill over the frenzied initial public offering market, though it may temper the valuation expectations of money-losing companies that are set to go public.

IPO activity is expected to remain strong, with at least 10 companies set to launch their share sales in the coming weeks, four industry experts said.

The companies aim to raise a combined ₹20,000 crore through their share sales.



At least 10 firms are set to launch IPOs in the coming weeks. REUTERS

"Good quality companies at attractive valuations will always find takers," said Pranav Haldea, managing director at Prime Database, a primary

TURN TO PAGE 6

FROM PAGE 1

market tracker. "Unless you see a major trend reversal in the secondary market, the primary market activity shall continue. The Paytm IPO should result in some tempering of valuations, especially for loss-making startups that are in the IPO pipeline. However, it is not that investors have become averse to all IPOs."

Major companies that are expected to launch IPOs in the coming weeks include Star Health and Allied Insurance Co. Ltd, which wants to raise ₹7,500 crore; Adani Wilmar Ltd, which plans to raise ₹4,500 crore; and Vedant Fashions, the parent of Manyavar, which will raise ₹2,500-3,000 crore.

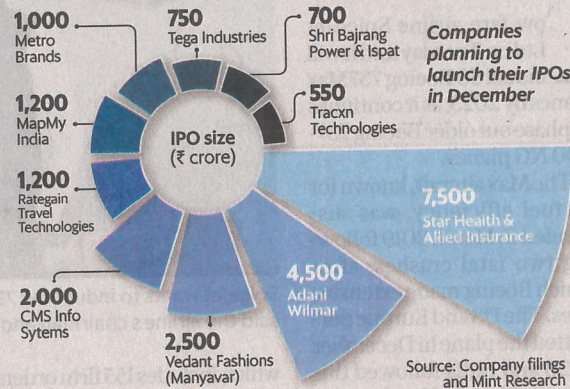
Other companies planning to go ahead with their IPO launch in December include MapMyIndia, footwear retailer Metro Brands, travel SaaS company RateGain Technologies, Shri Bajrang Power and Ispat, CMS Info Systems Ltd, Tracxn Technologies and Tega Industries, the people cited above said.

Some of these launches are subject to receiving Sebi approvals, which may happen soon, the people said.

Frenzy in IPO market likely to continue

Market mania

The companies that are raring to go public by December aim to raise a combined ₹20,000 crore through their share sales.



SARVESH KUMAR SHARMA/MINT

This rush of IPO is coming even as Paytm's 37% decline in two trading sessions since listing on Thursday has led to an uproar on social media over the pricing of IPOs. Paytm, however, surged nearly 10% on Tuesday, paring some of the initial losses.

On Tuesday, data analytics provider Latent View Analytics surged 148% on market debut, recording one of the highest listing-day gains.

"The primary market had heated up a bit, and the Paytm listing did hurt sentiments. But it has not derailed the entire market. So the impact is

limited," said an investment banker, one of the four people cited above. The person sought anonymity as he is advising some of the companies planning to launch IPOs. "Overall, stock markets, too, have seen a correction. So, all of this has led to a marginal correction in pricing, and we see that investors are becoming more selective on companies they want to back. Companies, too, are tempering expectations a bit," he added.

The benchmark Sensex has receded 3.1% in the past 10 sessions, largely owing to consistent selling pressure from FIIs.

On Monday, the market saw its steepest fall in seven months, declining almost 2%. It rose 0.34% on Tuesday.

A second person cited above said the strong listing of Latent View and the high subscription numbers seen for the recently concluded Go Fashion Ltd IPO indicate investor demand remains strong, albeit selective.

The Go Fashion India Ltd share sale, which ended on Monday, was subscribed over 135 times.

"The impact is not the same across the board. But surely sectors such as fintech have taken a hit. Other listings from the sector, too, haven't done well for investors. So, that is one space that will see a slowdown from a sentiment perspective. The other big tech IPOs, such as Delhivery or Pharmeasy, have just filed documents, so they won't be impacted much," said a third person.

Mint reported on Tuesday that fintech firm Mobikwik had seen a sharp correction in its share price in the unlisted market, following the IPO of its bigger rival Paytm.

The Economic Times also reported on Tuesday that Mobikwik is likely to defer its IPO plans.