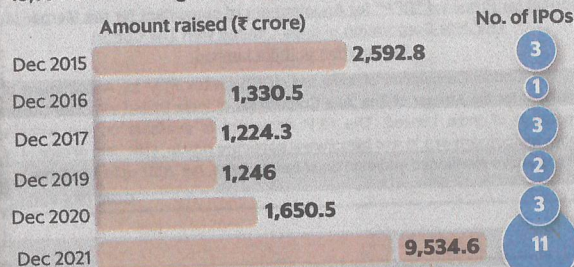


Bustling month

Eleven companies are looking to raise as much as ₹9,534 crore through initial share sales this month.



Source: Prime Database, Sebi Filings

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IPO market set for busiest December with 11 share sales

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India's primary market is set to witness its busiest December ever, with 11 companies aiming to raise as much as ₹9,534 crore through initial share sales.

The unusual spurt in primary market activity at the fag end of the year is largely driven by companies wanting to close their fundraising plans before emerging macro concerns derail the market momentum, industry experts said.

Companies are racing to launch their public offers amid worries about galloping inflation, the threat of interest rate hikes, and a new highly transmissible coronavirus variant.

Typically, December is a dull month for the primary market, with year-end holidays in the West making it difficult for IPO-bound companies to market their deals overseas.

However, primary market activity this December is not only far ahead of any previous year, but it also has seen more IPOs than any other month this year, ahead of March and November, which saw nine IPOs each.

December has usually seen between one and three initial

public offerings in the past few years, data from primary market tracker Prime Database showed.

"We have witnessed a significant increase in IPO launches in December (compared with previous years), with the bidding period continuing till the end of the year. This reflects a resilient market, allaying apprehensions around unavailability of investors," said Ravi Dubey, partner at law firm IndusLaw.

"The IPO launches during this period were in the range of ₹500 crore to ₹1,500 crore, with large IPOs deferring it to the next year," he added.

Companies that have completed their preparations are hurrying their plans, hoping to avoid potential market turbulence in the near future.

"IPOs always hit the markets in bunches when companies see a good window of opportunity. With emerging headwinds such as the Omicron variant, concerns over foreign portfolio investment flows, with the Fed taper plans and impending interest rate hikes from major central banks across the globe, companies that are ready to launch have tried to hit the market before the year-end. Hence a bunch-

IPO market set for busiest Dec with 11 IPOs

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ing up has happened in this month," said a Mumbai-based investment banker, who spoke on the condition of anonymity.

Availability of domestic liquidity has also meant that small- to mid-sized issuers don't have to overly depend on foreign investors and can largely cover their share sales in the domestic market, giving them more flexibility in terms of launch timelines, he added.

Companies that have already tapped the market this month include billionaire stock investor Rakesh Jhunjunwala-backed shoe retailer Metro Brands Ltd, pharmacy chain MedPlus Health Services Ltd, real estate developer Shriram Properties Ltd, wealth management services provider Anand Rathi Wealth Ltd.

The IPO of pharmaceuticals raw materials maker Supriya Lifescience Ltd will close on 20 December, while India's largest cash management company CMS Info Systems Ltd's share sale will open for subscription on 21 December.

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