

# IPOs may take a break till Budget

VIVEK KUMAR M  
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THE INDIAN STOCK market may have recovered from the fall of almost 6% on poll result day, but initial public offer (IPO) aspirants may take a little more time before taking the plunge, say experts.

Most would like to assess the ramifications of a coalition government at the Centre and wait at least till the Budget in July before firming up their listing plans.

With the BJP falling short of a majority and having to rely on coalition partners, the new government is expected to focus more on consumption spending rather than capital expenditure.

"The primary market does not like any kind of volatility. So, until there is some stability in the secondary market, there might not be much activity in the IPO mar-

## ISSUE PLANS

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ket," said Pranav Haldea, managing director of Prime Database Group.

Another investment banker in a top domestic firm agreed. "At this point of time, we are waiting and watching because foreign institutional investors will come only after there is clarity on policy

continuity. Especially, for sensitive sectors like infrastructure, one needs to know which government is there and what is the policy," the banker said.

Around 11 IPOs with issue size of more than ₹9,200 crore have received permission from the Securities and Exchange Board of India in 2024, but are yet to get listed. These include ixigo's parent firm Le Travenues Technology, Allied Blenders & Distillers, Asirvad Microfinance and Finance Small Finance Bank.

Already some premium in IPO-bound stocks has started falling. Kronox Lab Sciences, whose IPO closed for subscription on Wednesday, saw its premium in grey market halve in a day. The stock was trading at a premium of ₹40 after the election outcome, as against ₹80 earlier on its issue price band of ₹129-136 per share. The stock is listing on Monday.

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THE GOOD NEWS is that Le Travenues Technology has announced to launch its IPO on Monday.

While the stock was trading at a premium of ₹25 to its issue price band of ₹88-93 per share in the grey market, dealers said it would be interesting to see how it performs in the current market conditions.

Investment bankers said

other issuers are likely to wait for at least two weeks until the volatility subsides and some clarity emerges on policy continuity.

In 2024 so far, 29 IPOs have raised ₹27,651 crore from market till May.

In 2023, the country saw 57 initial public offerings with aggregate issue size of ₹49,436 crore, according to data from Prime Database.