

# IPO, FPO rush: 56 companies plan to raise over ₹90,000 crore

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DRIVEN BY a resilient domestic economy, buoyant stock market and growing participation of retail investors, the initial public offering (IPO) and follow-on public offer (FPO) markets in the country are set to witness surge in activities, with around 56 companies, including Hyundai Motor India Ltd (HMIL), looking to raise over Rs 90,000 crore.

Close to 17 companies have received approval from the Securities and Exchange Board of India (SEBI), for launching IPOs/FPOs, up to June 7, according to Prime Database. These companies are looking to raise over Rs 11,000 crore. Among these companies, Asirvad Micro Finance and Allied Blenders & Distillers are planning to mobilise nearly Rs 1,500 crore each. Further, around 38 companies have filed Draft Red Herring Prospectus (DRHP) with the Sebi as of June 7 and are awaiting approvals to launch IPOs/FPOs, data from Prime Database showed. Of these, some of the large IPOs include Swiggy (Rs 8,000 crore), Bajaj Housing Finance Ltd (Rs 7,000 crore), Afcons Infrastructure Ltd (Rs 7,000 crore), Ola Electric Mobility (Rs 5,500 crore) and National Securities Depository Ltd (Rs 4,500 crore).

Bajaj Housing Finance's public offer of up to Rs 7,000 crore comprises a fresh issue of equity shares of up to Rs 4,000 crore and an offer for sale (OFS) of up to Rs

## IPOs/FPOs – SEBI APPROVAL RECEIVED, APPROVAL STILL VALID \*

Company	Date of Approval	Estimated Issue Amount
Asirvad Micro Finance Ltd	April 22, 2024	₹1,500 cr
Allied Blenders & Distillers Ltd **	May 10, 2024	₹1,500 cr
Fincare Small Finance Bank Ltd **	September 15, 2023	₹900 cr
Shiva Pharmachem Ltd.	November 22, 2023	₹900 cr

## IPOs/FPOs – OFFER DOCUMENT FILED WITH SEBI, AWAITING APPROVAL \*

Company	Date of Filing	Estimated Issue Amount
Swiggy Ltd	April 30, 2024	₹8,000 cr
Bajaj Housing Finance	June 8, 2024	₹7,000 cr
Afcons Infrastructure Ltd**	April 2, 2024	₹7,000 cr
Ola Electric Mobility Ltd	December 26, 2023	₹5,500 cr

\*\*Refiled, Source : primedatabase.com

\* As on June 7, 2024

3,000 crore, as per the DRHP.

Last week, auto major Hyundai Motor filed DRHP with the Sebi, offering to sell up to 142.19 equity shares at a face value of Rs 10 each. The company is looking to raise Rs 25,000 crore through a listing of shares, making it the largest IPO in the country.

"We are likely to witness a sustained long-term IPO momentum starting with this year likely being the best ever IPO year. India's strong macros and superior growth prospects serve as a great backdrop to this robust IPO market. Equally important, we are seeing strong domestic institutional flows as well as retail participation. FPIs recognise the long-term attractiveness of Indian markets among all emerging markets," said V Jayasankar, Managing

Director & Member of the Board, Kotak Investment Banking.

According to Vinod Nair, Head of Research, Geojit Financial Services, political insecurity feared by the market during the election-result period has translated into a bloom in anticipation of a strong coalition government. The growth-focused agenda is expected to persist, with the rural economy poised to benefit from increased government spending and a favourable monsoon.

"The enthusiasm to invest in IPOs has become more valid as a growth-based agenda is expected to nurture corporate performance," he said. During the calendar year 2023, nearly \$6 billion were raised via IPOs, which could double in CY2024, to over \$12 billion through IPOs and 2025 is likely to

be even better, Kotak Investment Banking's Jayasankar said.

In the case of main board IPOs, 24 companies have garnered around Rs 18,000 crore through listing of shares in the first four months of 2024, the Sebi data showed. HDFC Securities Head of Retail Research Deepak Jasani said IPO markets have seen a good amount of oversubscription and listing gains over the past few quarters, aided by buoyant secondary markets, active grey market, Application Supported By Blocked Amount (ASBA) facility and high-level of subscription.

Retail investors should do due diligence and apply in IPOs where the pricing is not excessive, he said. The benchmark Sensex had hit the 52-week high of 77,145.46 on June 13 this year. Primary market al-

**EXPLAINED**  
**E** Strong fundamentals, large retail participation

INDIA'S STRONG macro-economic fundamentals and large retail participation are driving the IPO market. The IPO market, over the past few quarters, have also witnessed a good amount of oversubscription and listing gains.

ways follows the secondary market, albeit with a 2-3 months lag. A buoyant secondary market has historically always led to more activity in the primary market.

Once bitten twice shy investors are likely to avoid overpriced IPOs. "While evaluating any IPO, an investor needs to consider 2 aspects: the quality of the company and the valuation at which the IPO is being launched. A good company at a bad valuation also makes for a bad investment," said an analyst. In terms of the quality of the company, investors should look at the promoters, corporate governance practices, revenue and profitability over the last few years, future growth strategy and sectoral performance, among others, he said. On the valuation front, investors should look at the price-to-earnings multiple of listed peers to get a sense of the valuation. They can also look at the institutional participation to get an idea of the pricing.