

Firms may take 2nd shot at IPO jackpot

Mkt buoyancy spurs listing rush; 7 refile DRHPs since Sep

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Buoyancy in the primary markets has offered a tantalising opportunity for companies that missed out on a successful initial public offering (IPO) in their first attempt.

Since September last year, seven firms have refiled their draft red herring prospectus (DRHP) with markets regulator Securities Exchange Board of India (Sebi), with several more in the pipeline, according to investment bankers.

This trend is driven by recent successes, with 18 companies achieving successful listings on their second attempt in the past 12 months.

The raft of refilings indicates that companies are gaining more confidence due to the strong market momentum, especially after a successful IPO year in 2024.

Some of the companies that have recently refiled their DRHPs, and are awaiting regulatory nod, include Jesons Industries, Anlon Healthcare, Innovision and Crizac. To be sure, in some cases the refiling is on account



ILLUSTRATION: AJAYA MOHANTY

of regulatory issues such as returning of their documents by Sebi.

Companies that successfully refiled and were listed last year include Vishal Megamart, Avanse Financial Services, Sai Life Sciences, Northern Arc Capital, Aadhar Housing Finance, Allied Blenders, and Distillers.

Acme Solar Holdings also filed its DRHP after seven years to get listed last year. Hexaware Technologies,

delisted from the bourses in November 2020, filed its DRHP in September. The tech firm is currently awaiting the regulatory nod for IPO.

"A lot of firms have returned to the market in the last 12 months, and they have been fairly successful in raising money. The trend will continue. At least, the filings will happen, and the launch will depend on how markets move. Right now, it

looks like there will be a minor pause until some event risks play out," said Pranjal Srivastava, partner (investment banking) at Centrum Capital.

Bankers said the support from institutional investors ensured demand for IPOs even when the secondary markets were not buoyant. The post-listing returns led to the success of the IPOs this month.

In 2024, domestic institutions were the net buyers to ₹5.3 trillion,

TAILWINDS

2024's record momentum expected to continue

	Issues	Amount raised (in ₹cr)
2019	16	12,362
2020	15	26,613
2021	63	118,723
2022	40	59,302
2023	57	49,436
2024	91	159,784

Source: primedatabase.com

TAKING FRESH GUARD

■ Share sales can be undertaken after Sebi issues its final observations, typically 2-4 months after filing

■ Sebi's observation remains valid for one year

■ If firms fail to launch IPOs in this period, they must refile the DRHP

■ Refilling may also be necessary if Sebi returns the documents due to incomplete or inaccurate information

and foreign investors were net buyers to ₹1.2 trillion in the primary markets in 2024. However, they were net sellers worth ₹1.25 trillion in the secondary markets. The BSE IPO index, a gauge tracking newly listed firms, gained 31.7 per cent, even as the Sensex rose 8.2 per cent.

"The primary market is buoyant, because of which, every company can take the IPO route. Some new-age firms that refiled and listed successfully could not proceed on their first attempt because peers who got listed at that time did not do well. But stocks in those sectors have come back strongly, seeing that more and more companies tried their luck again," said Ajay Garg, managing director of Equirus.

A DRHP is a preliminary document filed before an IPO and contains the necessary details such as the number of shares being offered, financial results, and risk factors.

A company has to launch its IPO within a year from the date of the final observations.

2024 was a historic year for the primary market that witnessed a record number of IPOs on the mainboard and in the small and mid-sized enterprise segment.

Over 90 companies have raised ₹1.6 trillion through mainboard IPOs, the highest tally, surpassing the 2021 record of ₹1.2 trillion.