

Happy Days Here Again for IPO Mkt

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plan to launch public offers

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NDA's overwhelming victory will infuse life into a moribund primary market with analysts anticipating a flurry of new issues in the second half of the current financial year. At least a dozen companies, including BSE, GMR Airport, Shemaroo Entertainment, Bharat Matrimony and some state-owned undertakings are planning to launch public offers in the next six months, bankers told ET.

"A stable government, coupled with signals of measures to control inflation, will result in a stronger economic outlook for the country. I expect quite a bit of activity in the next few months," said Rajendra Naik, executive director, Centrum Capital.

In the financial year ended March 31, just about ₹1,205 crore was mobilised in the primary equity market through 38 issues, against ₹6,497 crore in 2012-13 raised by 83 companies.

Many corporates, after lining up plans to raise a total ₹60,000 crore, developed "cold feet". "Because of the strong mandate the new government has to deliver in terms of good governance, transparency and policy implementation, which will attract a lot of investment and FDI and revive the economy. If economy revives, retail investors' risk appetite will return and a positive effect shall be seen in the primary markets, too," said Pritvi Haldia, MD of Prime Database, which tracks the IPO market in India.

"Some companies have completed the background work that goes into offer documents. They will hit the primary market in the next few months," said Vikas Kheemani, president, investment banking, Edelweiss Capital.

Wonder Holidays' IPO before the poll results indicated the underlying excitement being built into the market. The issue a month ago was subscribed 37.80 times. "Many companies are in need of capital to expand, but have not been able to raise funds due to unfavourable conditions," said Vineet Sushanti, managing director, Keynote Corporate Services.

"There is a lot of pent-up demand. There are scores of companies where private equity houses or other institutional investors are looking to exit," said Haldia.

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