

BID TO RAISE MORE THAN ₹15,000 CRORE

Diwali Bumper: A Dozen IPOs Set to Light up D St Soon



Rajesh.Mascarenhas
@timesgroup.com

Mumbai: About a dozen companies are poised to seek more than ₹15,000 crore through public offerings in the coming month with investment bankers and corporates undeterred by the pronounced volatility in the secondary market. Several aim to do so ahead of Diwali, which is on November 12.

While Cello World and Blue Jet Healthcare have already announced their IPO dates, companies such as Tata Technologies, Mamaearth, ASK Automotive, Protean eGov Technologies, Fedbank Fi-

ancial Services, ESAF Small Finance Bank, Flair Writing Industries and Credo Brands Marketing, among others, are in the pipeline. The ₹1,900 crore public issue of Cello World, a leading company in consumer houseware, writing instruments and stationery, will open for public subscription on October 30 and close on November 1. The company has fixed the price band at ₹617-648 per share. The ₹840 crore IPO of Blue Jet Healthcare will remain open till October 27.

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'Robust Institutional Demand Evident'

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The highly anticipated public issue of the year, Tata Technologies, is poised to make its market debut in the second or third week of November. This marks the first issue from India's largest conglomerate, the Tata Group, in nearly two decades. The Tata Group's last IPO was by Tata Consultancy Services (TCS) in 2004, when it launched a ₹5,500 crore offer. According to brokers, Tata Technologies issue is expected to be priced between ₹450 and ₹500 per share and it commands a premium of about ₹240 in the unofficial market.

Tata Motors, promoter of the company, plans to sell a 9.9% stake in Tata Technologies for ₹1,613.7 crore to TPG Rise Climate SF Pte and the Ratan Tata Endowment Foundation (RTEF). Bankers said institutional investors have demonstrated a robust appetite for high-calibre firms throughout the roadshows.

"Even in volatile market conditions, at the right valuation, robust institutional demand has been evident during road shows," said Atul Mehra, joint managing director, JM Financial. "We engage with and sponsor high-quality companies for fundraising, and there is no shortage of demand for such issuances."



The public issue of Honasa Consumer, the parent of Mamaearth, will likely be launched next week to raise about ₹1,650 crore. The IPO includes a fresh issue of ₹400 crore and an offer for sale of 46.8 million shares from existing investors.

Non-banking finance company Fedbank Financial Services, promoted by Federal Bank, will launch its ₹1,400 crore public issue next month. The IPO comprises a fresh issue of up to Rs 750 crore and an offer for sale aggregating up to 70.3 million shares by promoters and other shareholders.

The Nifty and Nifty Midcap100 indices declined 3% and 4%, respectively, in the past week amid geopolitical uncertainties, rising US bond yields and the anticipation of a US Federal Reserve interest rate hike. However, the subdued conditions of the secondary market may not have much of an impact on the primary market, said bankers.

"The fundraising program remains unshaken by the volatility in the secondary market with IPO pricing designed to account for these developments," said V Jayashankar, head of investment banking, at Kotak Capital. "Moreover, the well-considered pricing of IPOs attracts robust demand from a range of investors, providing a buffer against the volatility in the secondary market."

Protean eGov Technologies, formerly NSDL e-Governance Infrastructure, plans to launch an IPO in November to raise around ₹1,200-1,300 crore. ASK Automotive, a manufacturer of diverse motorcycle, scooter, and CV components, is also in the process of preparing to enter the capital market with a planned offering of ₹1,000 crore next month.



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