

Print Coverage

'11 cos raise Rs7,775 cr via IPOs from Jan-June'

Publication: DNA

Date: July 04, 2016

11 Cos raise ₹7,775 cr via IPOs from Jan-June

Experts attribute impressive fund-raising to bullish mkts

Funds raised for capital, expansion & other purposes

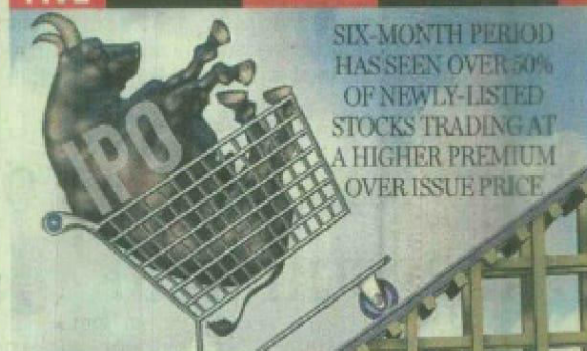
New Delhi: A total of 11 companies entered the capital markets in the first six months of 2016 with initial public offerings to raise a staggering Rs7,775 crore, the highest in six years.

Further, several firms, including L&T Infotech, Hinduja Leyland Finance, CL Educate and Varun Beverages, have lined up plans to raise funds through IPO in coming months. Moreover, companies from diverse sectors like energy, healthcare, financial services, staffing and milk and dairy products forayed into the IPO space during the period under review.

Experts attributed the impressive fund-raising through the IPO route to a rising stock market, which makes it attractive for companies to mobilise capital, and several private equity firms which want to exit from their investments.

The period has seen more than half of the newly-listed stocks trading at a higher premium over the issue price. "Quality companies which have been reasonably priced have been lapped up by retail

BIG FIVE	Equitas Holding ₹2,177 cr	Mahanagar Gas ₹1,040 cr	Ujjivan Financial Services ₹882 cr	Parag Milk Foods ₹742 cr	HealthCare Global Enterprises ₹650 cr
-----------------	------------------------------	----------------------------	---------------------------------------	-----------------------------	--



“ Rising equity markets make it attractive for IPO issuers to raise capital currently. Plus, the government trying to meet its divestment target is leading to increased activity in the primary market.”

Nilesh Shetty, associate fund manager - equity, Quantum AMC

OVER THE YEARS	Year (Jan-June)	No of IPOs	Funds raised
	2010	29	₹9,693 cr
	2015	8	₹3,850 cr
	2016	11	₹7,775 cr

investors. Expensive issues have seen lower participation,” Quantum AMC associate fund manager - equity Nilesh Shetty said.

These firms raised funds for business expansion plans, working capital requirements, loan repayment and other general corporate purposes.

Equitas Holding's Rs2,177-crore IPO is the biggest public

issue in the first six months of 2016, followed by Mahanagar Gas, Ujjivan Financial Services, Parag Milk Foods, and HealthCare Global Enterprises. Other IPOs that hit the Dalal Street in the first six months are Thyrocare Technologies, Infibeam Incorporation, Quick Heal Technologies, TeamLease Services, Precision Camshafts and

Bharat Wire Ropes. Moreover, Quess Corp, which floated its three-day Rs400-crore IPO on June 29, saw it being oversubscribed 145 times on its final day on July 1.

Further, L&T Infotech is scheduled to announce its Rs1,243-crore IPO next month. Besides, Hinduja Leyland Finance, an arm of Ashok Leyland, and test-preparation player CL Educate got market regulator Sebi's IPO approval last month. Varun Beverages filed papers with Sebi last month for an over Rs1,000-crore IPO.