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'12 firms raised Rs 8,183cr in H1 through'

Publication: Financial Chronicle

Date: July 01, 2016

12 firms raised ₹8,183cr in H1 through IPOs

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FUND-RAISING by companies in the primary market was lower in the first half of 2016, despite higher number of issues hitting the market. They preferred realistic pricing of offerings to over-stretched valuations.

A total of 12 firms raised Rs 8,183.70 crore in the primary market through initial public offerings in the first half of 2016, less than Rs 10,806.93 crore raised by seven companies last year during the same period last year. In the SME exchange segment, 26 companies raised Rs 208.58 crore in the period under review against 13 companies raising Rs 56.59 crore in the comparable period.

Fund mobilisation seems to have been pushed down by companies recognising that realistic valuation would fetch good response. Besides, volatile market conditions in January and February seem to have played a role.

Out of total 12 companies, Mahangar Gas and Quess Corp IPOs were fully subscribed. They are still under the process of listing and bidding. Of the remaining 10 primary market IPO listings in first six month of 2016, six are trading above their issue price on account of fair pricing while four are trading at lower than fixed IPO price.

The mobilisation would have been even lower but for Equitas Holding's IPO rais-

ing Rs 2,176 crore in March 2016. Nisha Shah, associate director, Motilal Oswal Investment Advisors, said, "Pricing of the IPOs is being done on the feedback received from investors as domestic investors like mutual funds these days are very conservative and are bidding as anchor investors, they are playing a role in pricing of the IPOs."

"Also lower capital raising is due to smaller size of IPOs these days as they are mostly in Rs 500 to Rs 1500 crore range as against bigger public issues earlier," Shah said.

"Companies in general have understood that you have to give realistic valuation and leave little on the table rather than over-stretched valuations," said a high net worth investor FC spoke to.

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Company	₹ crore
Parag Milk Foods	750.54
Ujivan Financial Services	882.5
Thyrocare Technologies	479.21
Equitas Holdings	2,176.69
Inhibeam Incorporation	450
Bikarot Wire Ropes	70
Healthcare Global Enterprises	649.64
Quick Heal Technologies	451.25
Team Lease Services	423.68
Precision Comshaffis	410.19
Mahangar Gas	1040
Quess Corp*	400
Total	8,183.70

Capital Raised (Rs crore)
*Quess Corp IPO subscribed 3.4 times on June 30, closes on July 1, 2016
Source: Capitaline & FC Research