

Print Coverage

'20 more public offerings to hit markets in 2016'

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20 more public offerings to hit markets in 2016

■ Companies aim to raise more than ₹10,000 crore through the offerings

■ There have already been 11 IPOs so far in 2016, making it the best first half in six years

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Ahmedabad: The year 2016, which has already seen close to a dozen Initial Public Offerings (IPOs), could see around 20 more in the remaining six months. The number of IPOs in 2016 is on track to be the highest since 2010.

The IPO activity has seen a surge in the first half of the year, with 11 companies raising Rs7,944 crore. The number of offerings between January and June of 2016 was the highest in the last six years.

Market experts say that the second half of 2016 could be even better for the primary market as almost 20 companies have received IPO approvals from stock market regulator Securities and Exchange Board of India (Sebi), and a few more have

approached it for approvals. These companies are looking to raise more than Rs10,000 crore.

One equity broker said that the July-December period could be pretty busy for the markets, with almost one offering per week, provided there any dramatic change in the economic outlook does not take place.

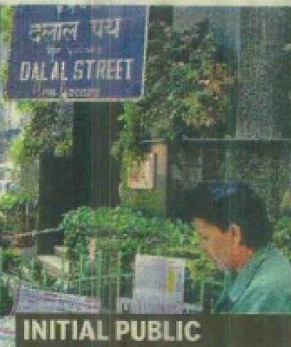
L&T Infotech, which is a part of L&T group, will be coming up with its Rs1,200 crore IPO on Monday. Companies such as Nuziveedu Seeds (Rs700 crore), Catholic Syrian Bank (Rs400 crore) and Matrix Cellular (Rs500 crore) have received Sebi's approval for their IPOs, according to data shared by Prime Database.

Realty player Paranjpe Schemes (Rs600 crore), IT company Matrimony.com (Rs450 crore), personal care company

VLCC Healthcare (Rs 400 crore) and GVR Infra Projects (Rs500 crore) are some of the other companies that have received Sebi's nod.

RBL Bank, a fortnight ago, filed papers with Sebi seeking approval for a Rs1,500-crore IPO, in what could be one of the larger issues in recent times. The IPO market would also get a boost from the Centre's plans to list some more public sector units, especially insurance companies.

A report in March by EY said that IPOs in India are set to hit a six-year high in 2016 as companies looking to go public, supported by a growing appetite for equities, and an uptick in economic growth are estimated to raise more than \$5 billion. However, experts say that companies could raise around \$2.5 –



INITIAL PUBLIC OFFERINGS, TILL NOW

Year	No. of IPOs	Amount raised
2012	11	₹6,835
2013	3	₹1,285
2014	5	₹1,201
2015	21	₹13,614
2016	11	₹7,944

(Source: Prime Database; Amount raised in crores)

2.7 billion (Rs16,700-18,000 crore) for the whole year.

Experts also say that due to dearth of IPOs in the last few years, there is strong appetite for quality offerings in India. This is evident from the response generated by the recent issue of Mahanagar Gas, which was subscribed over 64 times, and that of Quess Corporation, which was oversubscribed 144 times.