

## Print Coverage

'Quess Corp IPO subscribed 144 times'

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# Quess Corp IPO subscribed 144 times

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The ₹400-crore initial public offering (IPO) of Quess Corp got an overwhelming response on its final day from investors, with the issue getting subscribed 144 times the shares on offer, the highest such for an Indian IPO in nine years.

It's also the fifth highest subscribed issue since the year 2000, data collated from Prime Database shows. However, if we exclude companies with an issue size below ₹50 crore, the issue has the second highest subscription after Religare Enterprises, which hit the market in 2007 with an issue size of ₹140 crore and was subscribed 158 times.

Against an issue size of 7.09 million, the issue received total bids for a little over 1,020 mn shares. The retail (small investors) quota got subscribed 33 times and that for the non-institutional segment got subscribed 397 times. The qualified institutional portion got

subscribed 60-fold.

On Tuesday, the staffing firm had allotted 5.67 mn equity shares at ₹317 each, amounting to about ₹180 crore, to 15 anchor investors. It had fixed a price band of ₹310-317 for each share with a face value of ₹10.

The company will use the proceeds to fund working capital requirements, inorganic growth initiatives and debt repayment. The post-issue market capitalisation would be ₹3,993 crore.

"The company is reasonably valued, at a diluted P/E (price to earnings ratio) of 45 times its FY16 earnings per share, which is at a discount to listed peer TeamLease, which trades at 58 times the FY16 EPS, in spite of QCL's better growth track record and superior return ratios," said a recent research report from Motilal Oswal Financial Services. "The company has demonstrated capital efficiency by generating an average return on capital employed of 21 per cent (annually) over the past three years."

## TOP 5

### Most subscribed IPOs

Company (Name as at the time of IPO)	Opening date	Issue amount (₹ cr)	Times subscribed
Religare Enterprises	Oct 29, '07	140	159
Quess Corp	Jun 29, '16	400	144
Everonn Systems India	Jul 5, '07	50	144
Future Capital Holdings	Jan 11, '08	491	131
Mundra Port & Special Eco Zone	Nov 1, '07	1,771	115

Source: PRIME Database