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SIX COS LIKELY TO RAISE ₹10,000 CR

After a Dry Spell, It's Going to Rain IPOs in Next 1 Mth

Season of Plenty

IPOs EXPECTED IN NEXT ONE MONTH

Company Tentative Issue Size (₹ Cr)

Sterling and Wilson Solar	4,500
Spandana Spoorthy Financial	1,500
ASK Investment Managers	1,500
AGS Transact Technologies	1,000
Mazagon Dock	650
Affle India	500

**Total
9,650**

Illustration: ANIRBAN BORA

Only 8 cos floated IPOs in first six months of 2019 compared with 24 in year-ago period

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Mumbai: Half a dozen companies are likely to hit the primary market in the next month or so to raise about ₹10,000 crore, bringing to an end the dry spell in initial public offers (IPOs) that's prevailed this year.

Sterling and Wilson Solar, ASK Investment Managers, Spandana Spoorthy Financial, Affle India, AGS Transact Technologies and Mazagon Dock Shipbuilders among other companies are conducting road shows and planning

IPOs by the middle of August, said bankers.

Only eight companies held IPOs in the first six months of 2019, raising as much as ₹5,509 crore, compared with 24 that raised ₹30,960 crore in the year-earlier period.

The 2017 calendar year marked a watershed for the Indian primary markets — close to ₹67,200 crore was raised through IPOs by 36 companies.

Sterling and Wilson Solar, a Shapoorji Pallonji Group solar power company, is planning an IPO of around ₹4,500 crore. The offer for sale (OFS) by chairman Khurshed Yazdi Daruvala and Shapoorji Pallonji Co is likely to open at the end of this month.

Possible Flood of OFS ►► 17

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Rush of IPOs Likely to Stem Possible Flood of OFS

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The IPO by Mumbai-based ASK Investment Managers, an asset and wealth management company, is also likely to open in the last week of July and plans to raise about ₹1,500 crore. The IPO comprises a fresh issue of stock worth up to ₹600 crore and an offer for sale of up to 13.6 million shares by AI Global and 4.4 million shares by promoter Sameer Koticha.

Last month, IndiaMART InterMESH, an online portal for business products and services, saw strong demand for its IPO. The ₹475 crore issue was subscribed 36 times and the stock listed at a premium of 21% over its offer price on July 4. With this bumper listing, several companies who were sitting on the fence are rushing to raise funds now, said bankers.

“This is a buyers’ market and IPOs of those companies who are offering at a reasonable valuation will get good demand,” said Ajay Saraf, executive director and head of corporate finance and institutional equities, ICICI Securities. “The success of recent few IPOs and their returns will prompt investors to put more money into the primary market.”

Companies may also rush to launch IPOs to beat a possible flood of OFS once the regulator approves new minimum public shareholding norms as proposed by the government in the budget and based on the advice of investment bankers. Finance minister Nirmala Sitharaman urged Sebi to consider increasing the minimum public share-



holding in listed firms to 35% from 25% in her budget speech on July 5.

State-run Mazagon Dock Shipbuilders is likely to raise about ₹650 crore by the end of this month. Mazagon, a leading shipyard, will see the sale of over 22.4 million shares, amounting to a 10% stake dilution by the government.

One planned IPO that’s piqued the interest of investors is that of Microsoft-backed consumer intelligence company Affle, which is planning to raise around ₹500 crore, given its rare pedigree.

“While secondary markets have been volatile, there is enough investor appetite for quality IPOs, provided they are priced well,” said Nipun Goel, head of investment banking at IIFL Capital. “There are more than 50 DRHPs (draft red herring prospectuses) that have been filed with Sebi. If the next few IPOs trade well, it could mark the revival of primary markets and you could see a strong supply of paper though IPOs and QIPs (qualified institutional placements).”