

# Sebi sees record number of IPOs this fiscal

**Mumbai, July 22:** Markets regulator Securities & Exchange Board of India (Sebi) is forecasting initial public offerings to reach a record during the year ending March, as improved corporate governance standards and an equities rally attract investors.

Twenty one first-time sales raised Rs 4,940 crore (\$735 million) in the quarter ended June, more than in any comparable period since 2010, data compiled by Bloomberg show. Eighteen offerings seeking Rs 6,100 crore have been approved by the regulator, according to Prime Database.

"My feeling is this fiscal year is perhaps going to be a record, going by the number of draft prospectus filed," UK Sinha, Sebi chairman said in an interview. An improving economy and the regulator's focus on raising disclosure norms have benefited the IPO market, he said.

Forty seven companies have raised \$1.5 billion since January 1, more than double the number in the comparable period in 2015, data compiled by Bloomberg show. ICICI Prudential Life Insurance plans to raise Rs 6,000 crore in what may be the biggest first-time share



Sebi chief UK Sinha

sale in six years, sources said in June. The Sensex reached an 11-month high last week as global funds snap up equities at the quickest pace since November 2014.

"The IPO market has come

back to life lately but surely in comparison with the secondary market revival we have seen in the past two years," Jagannadham Thunuguntla, head of research at Karvy Stock Broking, said by phone. "The quality of recent IPOs has been good and pricing has been sensible, which shows up in strong subscription numbers."

Quess Corp's sale earlier this month attracted bids for 145 times the shares on offer, making the offering the most oversubscribed IPO in the past nine years, the staffing company said in a statement. Mahanagar

Gas received 64.5 times demand for shares offered.

Steps taken by the regulator to streamline the IPO process and make investment bankers more accountable have helped "clean up the system," Sinha said. The time between the closing of the offer and trading debut will be reduced to three-to-four days from seven at present within a year to reach global standards, he said.

"More than two-thirds of the issues that came since 2013 are trading above the issue price, while earlier those numbers were just the opposite," he said. *Bloomberg*