

# Fund raising via rights issue up 29% to ₹2,800 cr in H1FY15

## 10 firms opted for the rights route during April-September period

PRESS TRUST OF INDIA

New Delhi

FUND raising by Indian companies through issuing 'rights' shares surged by 29 per cent to about Rs 2,800 crore in the first six months of the current financial year (2014-15) amid positive market sentiment.

Moreover, market experts are of the view that remaining part of the ongoing financial year is likely to see more action on the 'rights' front.

In a rights issue, shares are issued by companies to the existing investors as per their holding at a pre-determined price and ratio.

According to a report by Prime Database, companies have raised Rs 2,796 crore in the April-September period of 2014-15, as compared to Rs 2,163 crore garnered in the year-ago period, thus registering a gain of 29 per cent.

In all, 10 companies



### Tapping fund

■ According to Prime Database, firms have raised Rs 2,796 crore in the April-September period of 2014-15, as compared to Rs 2,163 crore garnered in the year-ago period

■ Most of the funds have been raised to support the working capital requirements and for general corporate purposes

opted for the rights route during the April-September period of the current financial year as against seven firms in the same period last financial year.

Most of the funds have been raised to support the working capital requirements and for general corporate purposes.

The largest rights issue

during the period was from Indian Hotels (Rs 1,000 crore) followed by NCC (Rs 599 crore) and IL&FS Transportation (Rs 525 crore).

"The balance part of the financial year is likely to see more action on the rights front," Prime Database managing director Pranav Haldea said.

At present, two companies planning to mop-up Rs 1,611 crore have obtained Securities and Exchange Board of India's approval and another six firms intending to raise Rs 2,187 crore have filed applications with the regulator and are awaiting its approval. The robust fund raising coincides with a spurt in Bombay Stock Exchange's (BSE) benchmark Sensex by around 19 per cent during the period under review.

Firms raked in Rs 4,573 crore in 2013-14 as against Rs 6,945 crore garnered in the preceding financial year.