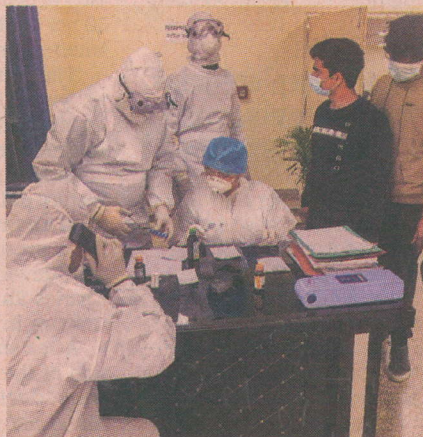


Fund-raising via IPOs, QIPs hits coronavirus wall



Indians, airlifted from Wuhan, undergo tests at a quarantine facility in New Delhi

PHOTO: PTI

LARGE IPOs IN THE PIPELINE

Company	Estimated issue amount (₹ cr)
SBI Cards & Payment Services	9,600
Bajaj Energy	5,450
Samhi Hotels	2,000
Penna Cement Industries	1,550
Home First Finance	1,500
Equitas Small Finance Bank	1,000
Puranik Builders	1,000
Emami Cement	1,000
Burger King India	1,000
ESAF Small Finance Bank	976.2

Source: PRIME Database

ASHLEY COUTINHO

Mumbai, 3 February

The outbreak of coronavirus is likely to impact fund-raising activity this financial year, with Indian firms cancelling or postponing roadshows in the Asia-Pacific region, specifically financial hubs of Singapore and Hong Kong, said three people familiar with the matter.

Roadshows are integral to fund-raising — foreign investors get to meet the promoters and query them face-to-face on company prospects. These are typically held a month or two or even a few weeks prior to the scheduled fund raise. Singapore and Hong Kong, besides the US and Britain, are key for Indian firms that embark on roadshows.

“Corporates don’t want to travel to these geographies because of the global alert and health risks,” said a senior investment banker, on condition of anonymity.

The brake in roadshows comes amid a busy fund-raising calendar for India Inc. Initial public offerings (IPOs) of equity worth ₹17,300 crore have approval from the Securities and Exchange Board of India (Sebi); another ₹24,000 crore awaits approval. Plus, the central government plans share sales to meet its 2019-20 disinvestment target.

Some prominent names in the queue for public share sales are SBI Cards & Payment Services, Home First Finance, Bajaj Energy, Easy Trip Planners, Equitas Small Finance Bank, Shriram Properties, Mazagon Dock

Shipbuilders, ESAF Small Finance Bank, IRFC and Apeejay Surrendra Park Hotels. Avenue Supermarts is expected to launch a ₹7,000-crore qualified institutional placement this month, with the aim of reducing the promoter stake.

The timelines of some of these could get impacted. “The unrest in Hong Kong had impacted shows in the region and the outbreak of coronavirus could lead to outright cancellations. We haven’t cancelled any roadshows in Singapore so far, but are keeping a close eye on the situation and will take a decision based on what transpires in the next few days,” said Amishi Kapadia, group president and global head for merchant banking at YES Securities.

“We are avoiding roadshows in Hong Kong but are meeting investors in Singapore, the US and UK. Some of the meetings are being converted into video or conference calls. So, it’s not really impacting deal timelines,” said Jibi Jacob, head of equity capital markets at Edelweiss Investment Banking.

But video calls are not feasible for firms that plan to raise ₹1,000 crore or more, say experts. “Investors are interested in meeting the promoters face-to-face, not just poring over numbers. They want to see how the promoters present themselves and understand their vision, even quiz them one-on-one. These are things you just can’t do over a call or video conference,” said a senior investment banker.

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WUHAN VIRUS: 3rd CASE REPORTED IN INDIA; CHINA TOLL OVER 360

VIRUS FEARS WIPE \$393 BN OFF CHINA'S STOCK MARKET

Coronavirus...

These meets, he said, are also indispensable for companies that are not well understood or that come with a unique value proposition, with fewer comparable peers.

Global investor meets are also getting affected. “We have deferred our global investor meet (in Singapore and Hong Kong) due to the outbreak of coronavirus,” said ICICI Securities in an e-mail response.

The coronavirus outbreak in China and its spread has roiled markets across the world, with Asian equity markets down by 4-6 per cent from their mid-January peak.

“In China and Asia, near-term business activity and consumption will likely be significantly impacted as people curtail their movements as a preventive measure... Given expectations of further escalation in the numbers of infections and deaths related to the coronavirus, anxiety, nervousness and market pessimism internationally should increase globally in the short term,” goes a recent note from Franklin Templeton.