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IPOs worth ₹5K cr held up due to tepid investor mood

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At least 11 companies, planning to mop-up over Rs 5,000 crore through IPOs, are yet to hit the capital market amid lukewarm demand from retail investors despite positive market trend.

Market analysts said demand from investors in the primary segment has been weak despite continued buoyancy in the secondary markets. "There has been lack of participation from the retail investor in the primary market," CNI research head Kishor Oswal said.

Only three companies ~ Inox Wind, Adlabs Entertainment and Ortel Communications ~ have floated their initial share-sale plan so far in 2015, while VRL

Logistics has scheduled to launch its IPO tomorrow.

According to Prime Database managing director Pranav Haldea, at present, 11 companies plan to garner Rs 5,010 crore and have secured approval of the Securities and Exchange Board of India (Sebi). IPO plans have been put on hold even as the BSE Sensex has witnessed a gain of 5.6 per cent since January.

In the past six-year, Mr Haldea said, 103 companies which received Sebi approval (since January 2009) to raise a total of Rs 47,840 crore allowed these to lapse, despite approvals being valid for a period of one year and after having incurred a lot of time and costs.

Besides, 62 firms which had filed their offer docu-

ments with Sebi (since January 2009) to collectively garner Rs 19,973 crore withdrew their offer documents.

Even in 2014, only six main-board IPOs came to market to rake in Rs 1,261 crore, and there was just one Follow-on Public Offer (FPO) that mopped-up Rs 497 crore.

Under the Sebi guidelines, the regulator give clearance on IPO documents within 30 days after receiving satisfactory reply from the lead merchant bankers to the clarification or additional information sought from them.

The market watchdog has sought clarifications from four companies ~ Manpasand Beverages, Shree Shubham Logistics, Precision Camshafts and S H Kelkar and Company.