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PRESS RELEASE

IPO MARKET LIKELY TO BECOME BUOYANT IN FISCAL 2015: PRIME DATABASE

2013-14 ended with a **mobilisation of only Rs. 1,205 crore through IPOs** according to Pranav Haldea, Managing Director of PRIME, the country's premier database on primary capital market. **There was just 1 main-board IPO** during the entire year: Just Dial: Rs. 919 crore (previous year 9 IPOs for Rs. 6,289 crore). **The year, however, continued to witness a flurry of activity on the SME platform**; there were as many as 37 IPOs which collected a total of Rs. 286 crore (previous year 24 IPOs for Rs. 208 crore). The highest-ever mobilization through IPOs was in 2007-08 at Rs. 41,323 crore.

According to Haldea, the market has not been IPO-friendly for last three years due to a variety of factors. This includes overall poor sentiments, secondary market volatility, promoters not getting the valuations they think they deserve, apprehensions of regulator's views on valuations, lack of appetite for equity of big-time issuers from the infrastructure sector, especially power, telecom and real estate. **In addition, the government has also not carried out even a single divestment of an unlisted PSU in the last two years; the last PSU IPO was that of NBCC in March 2012.**

The new fiscal 2015, according to Pranav Haldea, is expected to see a revival of the IPO market. There is a lot of pent up demand as far as issuers are concerned with numerous companies in dire need of equity infusion. There are also scores of companies where PE firms or other institutional investors are desperately looking at an exit.

As per PRIME database, there are over 900 companies that have made announcements of their IPO intentions. Presently, however, there are only 14 companies planning to raise Rs. 2,796 crore which are holding SEBI approval while another 4 companies intending to raise Rs. 2,700 crore which are awaiting SEBI approval.

However, a strong Government post-elections will completely revive investor sentiment and with it the IPO market in the second half of this financial year. The secondary markets are already extremely buoyant and the bull run is expected to continue, a pre-requisite for revival of the primary markets. Moreover, globally too, the IPO markets have been very active for several months now, and global investors will have an appetite for Indian IPOs too. It is also hoped that several unlisted PSUs will also finally enter the market during the year. This includes Rashtriya Ispat Nigam, HAL, Mahanagar Gas, Cochin Shipyards etc.