

31<sup>st</sup> January, 2004

## **Shape of public issues to come; PRIME says Rs. 18,831 crore in imminent pipeline**

Despite the huge hype created by the Maruti offer almost 7 months ago and a sustained bull market since then, public issues are yet to happen in any big manner. In the 10 months of the current fiscal, there have been only 16 public issues raising a meagre Rs. 2,515 crore.

However, things are now changing. According to Mr. Prithvi Haldea of PRIME, India's premier database on the primary capital market, while Patni's mega Rs. 375 crore issue is currently open, as many as 30 offer documents are now awaiting SEBI approval to raise a phenomenal Rs.16, 254 crore and issues aggregating Rs. 2,180 crore are about to be filed, bringing the total to Rs. 18,831 crore. According to PRIME, never in the history has so much amount been targeted to be raised at a given point of time as now. Significantly, this is a serious pipeline, having reached SEBI for approval and not just at intentions stage. In case all these issues are able to hit the market during January to March, the quarter's figure would far outscore even the highest annual amount of Rs. 13,312 crore that was achieved in 1994-95 as per Mr. Haldea.

According to Mr. Haldea, the key characteristics of the impending boom are one or combination of well-established companies, divestments either by the Government or by venture capitalist and follow-on offerings. There are hardly any issues for new projects.

Filings are expected only to rise by the day. As per PRIME, the pipeline is 600+ companies strong to raise nearly Rs.60, 000 crore. Lined up for later part of the year are several eagerly awaited mega issues including from PSUs like BPCL, Haldia Pertochemicals, Mahanagar Gas, Power Finance and Power Grid, several bank issues and a host of private sector issues including from AB Corp., BPL, Daksh, Datamatics, Hutchison, Idea, NTPC, Set India, Shopper's Stop, Sify, TCS, Thomson Press and UTV. Within 2004, as much as Rs.30, 000 crore out of this may materialize.

According to Mr. Haldea, for this huge pipeline to mature and receive investors' support is the need for sustained sanity, if not buoyancy, of the secondary market and 'correct' pricing of the issues. For any major fall in the secondary market shall surely put almost all of these issues back on the shelves.

The two key things an investor should look at, according to Mr. Haldea, are the track record of the issuer and the offer price. The investor should recognize that a good company at a high price becomes a bad investment. Given the state of the market and huge gains made in recent IPOs, the days of aggressive pricing by the issuers may not be far away. Regarding small issues, while all of these may not be 'bad', investors need to be very cautious, according to Mr. Haldea, in picking the right ones and remember that there are going to be investment opportunities galore during the year.

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**LIKELY PUBLIC ISSUES IN JANUARY-MARCH 2004  
AS ON 31.01.2004**

<b>PART I : ALREADY ENTERED THE MARKET</b>		<b>ESTIMATED AMOUNT (Rs.crore)*</b>
1	CHAKKILAM INFOTECH LTD.	2.33
2	I-POWER SOLUTIONS INDIA LTD.	1.11
3	PATNI COMPUTER SYSTEMS LTD.	374.48
<b>SUB TOTAL</b>		<b>377.92</b>
<b>PART II : SEBI APPROVAL RECEIVED</b>		
1	BRAHMANAND HIMGHAR LTD.	4.00
2	POCHIRAJU INDUSTRIES LTD.	15.00
<b>SUB TOTAL</b>		<b>19.00</b>
<b>PART III : OFFER DOCUMENT FILED WITH SEBI AWAITING APPROVAL</b>		
1	A TO Z SUPERSTORE.COM LTD.	6.80
2	ALANG SHIPBREAKERS LTD.	2.55
3	BANK OF MAHARASHTRA	100.00
4	BIOCON INDIA LTD.	350.00
5	DHANDAPANI FINANCE LTD.	7.00
6	DISHMAN PHARMACEUTICALS LTD.	54.00
7	DREDGING CORP.OF INDIA LTD.	250.00
8	EPSILON INDUSTRIES LTD.	2.70
9	FOUR SOFT LTD.	19.87
10	GAIL INDIA LTD.	1800.00
11	HFCL INFOTEL LTD.	51.30
12	HIMADRI INDUSTRIES LTD.	5.00
13	IBP CO.LTD.	400.00
14	INDIAN PETROCHEMICALS CORP.LTD.	1500.00
15	INDOWIND ENERGY LTD.	7.53
16	KEN SOFTWARE TECHNOLOGIES LTD.	9.45
17	KOLAR BIOTECH LTD.	25.00
18	MAANYA BIOTECH LTD.	5.00
19	MSK PROJECTS (INDIA) LTD.	24.00
20	NETVISION WEB TECHNOLOGIES LTD.	21.00
21	OIL & NATURAL GAS COMMISSION LTD.	11000.00
22	PETRONET LNG LTD.	400.00
23	POWER TRADING CORP.OF INDIA LTD.	150.00
24	QPRO INFOTECH LTD.	0.87
25	RAMAKRISHNA FORGINGS LTD.	12.25
26	SPECIAL BLASTS LTD.	6.00
27	SUBHTEX INDIA LTD.	10.00
28	SURYA MEDICARE LTD.	23.22
29	USHER AGRO LTD.	7.60
30	VISHAL EXPORTS OVERSEAS LTD.	3.00
<b>SUB TOTAL</b>		<b>16254.14</b>
<b>PART IV: OTHER EXPECTED OFFERINGS</b>		
1	CMC LTD.	500.00
2	DENA BANK	80.00
3	NEW DELHI TELEVISION LTD.	600.00
4	VIDESH SANCHAR NIGAM LTD.	1000.00
<b>SUB TOTAL</b>		<b>2180.00</b>
<b>GRAND TOTAL</b>		<b>18831.06</b>

\*Approximate, as in many case the final price will be determined after bookbuilding.

**SOURCE: PRIME DATABASE**