

Firms line up public offerings, buoyed by market optimism

As many as 24 firms, including Thyrocare Technologies, Ujjivan Financial Services, are waiting to launch IPOs

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MUMBAI

The success of recent initial share sales and optimism in the secondary market are encouraging several companies to go public.

Twenty-four companies with regulatory approval are waiting to launch their initial public offerings (IPOs). Among these, small finance bank licensee Ujjivan Financial Services Ltd and diagnostics firm Thyrocare Technologies Ltd plan to launch their IPOs in the week beginning 25 April, said four people familiar with the development, all of whom requested anonymity.

Executives of six more companies are conducting roadshows for investors and are in advanced stages to launch issues this quarter, they said.

Ujjivan, which is hoping to follow the success of Equitas Holdings Ltd's IPO earlier this month, is looking to sell shares worth ₹900-1,000 crore, including new shares worth ₹600-650 crore, said two of the people.

Bengaluru-based Ujjivan will have to ensure that overseas shareholding in the company



Gaining momentum: The success of Equitas's and Infibeam's IPOs have paved the way for future share sales, say merchant bankers.

remains at or below 49%—as was the case with Equitas—to meet one of the conditions set by the Reserve Bank of India (RBI) to become a small finance bank.

When Ujjivan filed its draft proposal with the Securities and Exchange Board of India (Sebi) on 31 December 2015, foreigners owned 90.57% in the company. It received Sebi's approval for the IPO on 25 February.

In the case of Thyrocare, exist-

ing shareholders are looking to sell 10.74 million shares through a secondary offering estimated at ₹400-500 crore. The firm filed its draft prospectus with Sebi on 31 December and received clearance on 24 February.

The Navi Mumbai-based operator of pathology laboratories was looking to list its shares last year, but the issue hit a roadblock after the company was found to be non-compliant with the Companies Act. *Mint*

reported on 26 May 2015 that the Thyrocare management had requested clarification from Sebi in connection to the shares issued to about 51 people about 10 years ago.

The Companies Act, 1956, did not allow an unlisted company to allot securities to more than 49 investors during a financial year. The clause was relaxed in the Companies Act, 2013, wherein the cap was increased to 200 investors.

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