

Inox Wind plans to raise ₹700 cr, sets IPO price band at ₹315-325

fe Bureau

Mumbai, March 11: Continuing the recent streak of initial public offerings (IPOs), Inox Wind is planning to raise up to ₹700 crore from the primary market in the third week of March. The wind power solutions provider has fixed the price band of its IPO at ₹315-325 and is offering a discount of ₹15 for retail investors.

The third issue for 2015, the IPO is set to open on March 18 and close on March 20. Simultaneously, Gujarat Fluorochemicals, the promoter entity, is also looking to sell 1 crore shares in the company through the offer-for-sale mechanism, it said in a press release.

The collective value of the sharesale via the IPO and OFS is pegged at ₹993-1,025 crore, based on the announced price band. The 50% of net issue after accounting for reservation for employees is to be allocated to qualified institutional buyers (QIBs). Angel investors, who are eligible for allocation of up to

Primary market entrants in FY15

Company	Date	Amt raised (₹ cr)	Issue price (₹)	Discount (₹)
Sharda Cropchem	Sept 5-9, 2014	351	156	nil
Monte Carlo Fashions	Dec 3-5, 2014	350	645	nil
Snowman Logistics	Aug 26-28, 2014	197	47	nil
Wonderla Holidays	Apr 21-23, 2014	181	125	nil
Shemaroo Ent	Sep 16-18, 2014	120	170	nil
Ortel Communication	Mar 3-5, 2015	170-200	181-200	nil
Adlabs*	Mar 10-12, 2015	449-467	221-230	12
Inox Wind**	Mar 18-20, 2015	995-1025	315-325	15

*Ongoing; ** expected

Source: Stock exchanges

60% of the QIB quota, can put their bids on March 17, a day ahead of the issue opening date.

The issue of 3.15 crore shares (IPO+OFS) is managed by four investment banks, including Axis Capital, Bank of America Merrill Lynch, Edelweiss Capital and YES Bank.

In terms of the funds being raised, the INOX Wind IPO is set to be the largest since Just Dial raised close to ₹920 crore in May 2013. Interestingly, after the Just Dial IPO — in which the compa-

ny provided a ₹47 (or 9%) discount to retail investors — this is the second issue where retail investors have been offered a lower issue price. Even the ongoing offering of Adlabs Imagica proposes a ₹12 (or 5%) discount to retail investors.

It would be interesting to see how strong a response the INOX Wind IPO generates, given that in 2015, companies are finding it hard to garner strong investor demand for their offerings.

In January this year, NCML

Industries withdrew its ₹70-crore IPO due to lukewarm response. Last week, Ortel Communication cut its offer size after its ₹240-crore offering remained under-subscribed. The ongoing Adlabs Imagica IPO worth ₹450 crore is also seeing a lukewarm response with an 18% subscription on the second last day of the issue as of 5 pm.

INOX Wind plans to utilise close to 41% of the IPO proceeds towards its working capital requirement, while about 20% of the proceeds will be used for both expansion & upgradation of the existing manufacturing facilities and investment in its subsidiary, IWISL, through which the company carries out its power evacuation infrastructure activities.

For FY14, the company reported consolidated revenue of ₹1576.3 crore and PAT of ₹131.46 crore. As per the red herring prospectus, the company offered consolidated basic EPS of ₹6.57 for FY14. Based on this, the issue is valued at 48 times the lower range of the price offered.