

# Inox Wind, REC bring cheer to primary market

## SCORING ON DEBUT

Shares of Inox Wind gained nearly 35% on debut

New listings since 2014	Listing date	Offer size (₹cr)	Issue price (₹)	Closing price*	Chg (%)
Inox Wind	Apr 9, '15	1,021	325.0	438.4	34.9
Adlabs Entertainment	Apr 6, '15	375	168.0	192.7	14.7
Ortel Comm	Mar 19, '15	175	181.0	162.3	-10.4
Monte Carlo Fashions	Dec 19, '14	350	645.0	567.3	-12.0
Shemaroo Ent	Oct 1, '14	120	153.0	171.0	11.8
Sharda Cropchem	Sep 23, '14	352	156.0	231.0	48.0
Snowman Logistics	Sep 12, '14	197	47.0	79.8	69.8
Wonderla Holidays	May 9, '14	181	125.0	157.8	26.2

\*On day of listing (in ₹); compiled by BS Research Bureau

Source: Bloomberg

### BS REPORTER

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Primary market investors had a reason to cheer on Wednesday, with shares of power solution company Inox Wind soaring 35 per cent on debut and that of state-owned Rural Electrification Corporation (REC) gaining two per cent a day after its offer for sale (OFS).

Shares of Inox Wind ended at ₹438, up 35 per cent, compared to its issue price of ₹325 a share. REC's stock closed at ₹336.25, up nearly four per cent from its OFS price of ₹325 apiece. The gains were even sweeter for retail investors (those investing up to ₹2,00,000), as an extra five per cent discount was offered to them in both the share-sales.

Inox Wind had raised around ₹1,000 crore from an initial public offering (IPO), which witnessed 13 times more demand than shares on offer. Inox Wind's IPO, biggest since Bharti Infratel's ₹4,500 crore-offering in December 2012, had attracted more than 400,000 retail applications. The ₹1,550 crore-REC stake sale, 2015-16's first disinvestment, too had seen huge retail interest.

Investment bankers said the gains made on these primary market transactions will attract more investors towards the IPOs and boost prospects of companies that are waiting to hit the market.

More than two dozen com-

panies have filed their offer document with market regulator Sebi to launch their IPOs.

"The momentum to invest in IPOs is slowly picking up. As investors make returns from a few issuances, they will come back with greater propensity to the primary markets. Issuances from quality companies and from promoters with a good track record will be an important trigger," said S Ramesh, joint managing director & member of the board, Kotak Investment Banking.

IPO Wind' listing day gains follows theme park operator Adlabs Entertainment, whose shares rose 15 per cent on its debut last week. Only two out of eight IPOs since 2014 have given negative returns on listing day.

"Investors are willing to support deals that are priced well... Investors also need to be explained the story," said S Subramanian, managing director and head of investment banking of Axis Capital, one of the bankers who managed the IPO Wind offering.

Satyen Shah, head (equity capital markets), Edelweiss Financial Services, said, "A couple of IPOs didn't do well, Inox Wind has helped reverse that trend. All category of investors made money in this transaction. This will help the primary market. The IPO line is good and we will see a lot more issues this year compared to last year."