

# Majority of cos listed in 2011 trading in red

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**Mumbai, Dec 15:** The majority of the companies that got listed this year are trading deep in the red. In all, 37 companies have tapped the capital market in 2011, of which 27 firms are currently trading below the issue price. Of these, share prices of as many as 13 companies are down more than 50%.

Indian companies raised ₹17,413 crore this year via IPOs, FPOs and QIPs. The worst performers of the year are RDB Rasayans (-90.7%), Bharatiya Global Infomedia (-87.6%), Brooks Laboratories (-86%), Indo Thai Securities (-85%), Paramount Printpackaging (-85.5%), Shilpi Cable Technologies (-85.5%), Acropetal Technologies (-85.4%), Servalakshmi Paper (-84.6%), Tijaria Polypipes (-83%), and Vaswani Industries (81%). Interestingly, companies such as M and B Switchgears, Birla Pacific Med Spa, Timbor Home, Sanghvi Forging & Engineering and Shekhawati Poly-Yarn had listed with significant gains but are now trading below offer prices.

The companies that are trading well above their issue price include Rushil Decor (91%), Aanjaneya Lifecare (84.3%), Flexituff International (55%), Prakash Constrowell (49.5%) and Lovable Lingerie (55.6%).

Twenty-four firms came up with issuances of below ₹100 crore. Most of their issues were oversubscribed despite lacklustre participation from institutional investors owing to a good response from non-institutional investors and retail individual in-

## IPOs IN 2011

Company	Offer to date (%)	Listing gain (%)
Indo Thai Securities	-85.47	-68.72
M and B Switchgears	-56.51	71.18
Flexituff International ✓	55.23	6.81
Tijaria Polypipes	-82.83	-69.00
RDB Rasayans	-90.71	-73.92
Prakash Constrowell	49.53	66.67
PG Electroplast	5.19	97.76
Vaswani Industries	-81.33	NA
SRS	-37.67	-42.67
TD Power Systems	-9.61	7.52
Brooks Laboratories	-85.90	-38.50
Tree House Edu & Accessories	18.44	-12.89
L&T Finance Holdings	-14.23	-3.75
Inventure Growth & Securities	31.62	76.71
Bharatiya Global Infomedia	-87.61	-63.54
Readymade Steel India	-36.62	-38.47
Birla Pacific Med Spa	-30.00	99.50
Rushil Decor	91.25	65.97
Timbor Home ✓	-55.87	45.32
VMS Industries	-36.88	-38.75
Aanjaneya Lifecare	84.36	32.95
Sanghvi Forging & Engineering	-71.18	31.76
Innoventive Industries	-30.09	-19.62
Servalakshmi Paper	-84.66	-34.31
Future Ventures India	-9.00	-18.00
Paramount Printpackaging	-85.57	-22.71
Muthoot Finance	-10.37	0.51
Shilpi Cable Technologies ✓	-85.51	-30.36
PTC India Financial Services ✓	-62.32	-11.07
Lovable Lingerie	55.68	21.73
Fineotex Chemical	-6.00	85.71
Sudar Garments	-27.40	46.88
Acropetal Technologies ✓	-85.44	9.39
Omkar Speciality Chemicals	-36.07	-52.60
Midvalley Entertainment	19.57	-20.43
C Mahendra Exports	18.18	0.68
Shekhawati Poly-Yarn	-17.17	58.33

Source: Bloomberg

vestors. Swajas Air Charters was one company that chose to opt out of listing its shares despite getting its issue subscribed 1.72 times.

Even the large-sized issues have seen price erosion. L&T Finance is currently trading about 14% in the red, Future Ventures India is down 9% while Muthoot Finance has slipped 10%. "Valuations of companies across sectors have seen significant erosion. The secondary market has been in a turmoil and there is still no sense of where the market is headed. Investors and companies alike have been cautious," said Prashant Shetty, managing director - investment banking, IDFC SSKI, explaining the reluctance of large companies in tapping the primary market.

This year even the government mopped up just ₹4,578 crore through its FPOs in Power Finance Corporation. The ONGC FPO was postponed thrice and still hasn't come through. Likewise the proposed share sales of companies such as Bhel, SAIL, National Buildings Construction Corporation and Rashtriya Ispat Nigam are in a limbo. The government is now reportedly looking at private placement of equity to meet its divestment target of ₹40,000 for FY12.