

Thursday, October 01, 2009

Developers Line Up For IPOs As Market Rallies

Publication: www.vccircle.com, Edition: Internet, Journalist: Reuters

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Reuters

Indian firms have raised about \$15 Bn through share sales in the past six months.

Emaar MGF will return to the market with an \$830 million initial public offering more than 18 months after it became the first major casualty of a stock market slump last year, three sources said on Tuesday.

Other developers also plan IPOs, signalling some return of confidence in real estate after it was one of the hardest-hit sectors in the market collapse of 2008, although a rush of sales could strain investor interest.

Emaar MGF, a joint venture between Indian financier MGF and the UAE's Emaar Properties, on Tuesday filed papers with the stock market regulator to raise up to 40 billion rupees through an initial public offer, the sources told Reuters, about half the amount it had planned to raise in 2008.

Sahara Prime City, a large developer, said it filed papers on Tuesday to raise around 34.5 billion rupees in an IPO, and developer Ambience Ltd last week filed papers to raise up to 13 billion rupees.

Mumbai-based **Lodha** Developers is expected to file papers within two days for a 30 billion rupee IPO, said the sources, who have direct knowledge of both the Emaar MGF and **Lodha** plans.

Last month, Emaar MGF's Dubai-based parent had said its Indian joint venture would sell a 10 to 15 percent stake to raise about \$800 million.

Key property markets such as Mumbai and Delhi have seen a return of demand for homes in the last few months, and a massive stock market rally since March has boosted share-sale plans of cash-strapped Indian real estate firms.

A clutch of other developers, including Oberoi Constructions, Nitesh Estates and Godrej Properties, have said they are working on plans to sell shares in the next few months.

Since April, founders of the country's biggest property firm DLF have raised \$780 million, second-largest Unitech has raised \$325 million and third-ranked Indiabulls Real Estate has raised \$550 million through share sales to institutions.

STOCKS RALLY BOOST

Indian firms have raised about \$15 billion through share sales in the past six months, encouraged by a share market that has risen 75 percent so far in 2009. India's benchmark index hit a 16-month high last week.

The real estate sector index has nearly doubled this year, although it was coming off a low base after plummeting by more than 80 percent last year. At Tuesday's close, the sector index was only about one-third of its 2008 peak.

Enam, JM Financial, Kotak Mahindra Capital Co, Edelweiss Capital, IDBI Capital and Daiwa Securities are the lead managers to the Sahara IPO.

Ambience said in a statement it will raise up to 12.94 billion rupees through the share sale, including a greenshoe option. JM Financial, Enam, JP Morgan, Macquarie and Kotak Mahindra are the lead managers to that issue.

Both companies said the number of shares and the price band would be decided at a later date.