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## **HPL Electric IPO oversubscribed seven times**

The initial public offering (IPO) of HPL Electric & Power Ltd that saw a weak opening on Thursday and was covered 29% at the end of second day, ended with bids worth eight times the shares on issue or seven times oversubscription.

High net-worth and corporate investors who typically latch on to an IPO in the final day, bid for 22.2x their portion, stock exchange data show. Institutional and retail investors applied for about 5.7x and 3.3x the shares reserved for them, respectively.

The company, which raised Rs 108.3 crore (\$16 million) from anchor investors on Wednesday, had earlier pruned the size of its IPO by a fifth. The firm said in its red herring prospectus filed early this month that it is looking to raise up to Rs 361 crore in the issue against Rs 450 crore when it filed draft papers for its IPO in February.

The electric equipment manufacturing company has disclosed that it intends to raise Rs 130 crore for retiring debt, the same quantum that it sought earlier. But it has pruned the amount it planned to use for working capital requirement from Rs 242.8 crore to Rs 180 crore. Rest of the money will go for general corporate purposes.

SBI Capital Markets, ICICI Securities and IDFC Bank are the bankers managing the issue.

HPL makes metering solutions, switchgears, lighting equipment and wires & cables.

**Link:** <http://www.vccircle.com/news/engineering/2016/09/26/hpl-electric-ipo-oversubscribed-seven-times>