

Weekly Market Update

June 2018

BUSINESS THIS WEEK – SME IPO

- Kolkata-based real estate and hospitality developer, Jain Group is planning to list its flagship company, Dream Gateway Hotels, and raise around Rs 30.51 crore through its maiden public offer by early July to fund expansion. Dream Gateway Hotels currently owns only one hotel, Holiday Inn Airport Kolkata, and the entire proposed proceeds will be invested in the existing 137-room property for further expansion. The shares will be listed on the BSE SME platform issuing fresh 32.21 lakh shares of Rs 10 each to investors and additional 1,70,000 shares to market makers. Post IPO, the promoter group will hold 72% in Dream Gateway Hotels. The group owns 100% now.
- Online micro-lending platform SMECorner has raised around \$7 million (Rs 47.5 crore) from Capital First, existing investor Accion Ventures and a clutch of high net worth individuals. The capital is a mix of equity and debt – Rs 25 crore in debt and Rs 22.5 crore in equity. Capital First has put in the entire debt portion and infused Rs 12 crore worth of equity investment. Capital First will own a 14.2% stake in SME Corner post this investment.
- In 2017, Indian companies raised \$11.6 billion from more than 38 IPOs (excluding SME IPOs) making it the best-ever year in terms of IPO proceeds. Of this, IPOs by PE-backed companies in 2017 represented 55 per cent by volume and 38 per cent by value. 2017 was also a record year for PE investments and exits in India, one where aggregate PE investment equaled 1 per cent of the country's GDP. Performance of non-PE backed IPOs was more in line with index performance since the date of listing. As on 30 April 2018, 10 PE-backed IPOs are trading above 100 per cent of their offer price with an average return of 270 per cent. Between 2013 and April 2018, highest return by a PE-backed IPO was 10x while that by a non-PE backed IPO was ~4x.
- Mid-market private equity firm Amicus Capital Partners has invested Rs 70 crore (\$10.3 million) in kitchen appliances and cookware firm Wonderchef. Promoted by Sanjeev Kapoor, it said in a media statement on Thursday. The Mumbai-based company will use the proceeds to expand its distribution reach, invest in brand building and set up an integrated manufacturing, assembly and warehousing facility. It will also add new product segments, the statement added. Wonderchef Home Appliances Pvt. Ltd plans to hit a sales turnover of Rs 600 crore in the next five years.
- The Central Board of Indirect Taxes and Customs (CBIC) has extended the refund fortnight for fast track clearance of pending dues to exporters by two days till June 16. The central and state tax officials have already cleared refunds worth over Rs 7,500 crore since May 31, when the special drive to clear exporters refund was launched. With about Rs 14,000 crore of exporters refunds stuck due to various mismatches, the CBIC had organised the second phase of the special fortnight to fast track clearances. During the first phase, between March 15 and 29, an amount of Rs 5,350 crore was sanctioned.
- Co-working space startup IndiQube, operated by Innovent Spaces Pvt. Ltd, on Monday said it has raised \$15 million (close to Rs 100 crore) in a Series A round from WestBridge Capital Partners, a public markets-focused private equity firm. IndiQube claims the following to be among its clients: redBus, Bluestone, Scripbox, FreshMenu, NoBroker, Eduureka, Playment, and Mine. In December 2015, Rishi Das and Meghna Agarwal had launched the Uttar Pradesh-registered startup in Bengaluru.
- Sale of pre-GST packaged goods has now been allowed with stickers of revised rates till July 31, the government today said. After implementing GST from July 1, 2017, the government had allowed use of stickers with revised rates, alongside the printed MRP for pre-packaged items to reflect changes in selling price for three months till September 30. The deadline has been extended several times and the latest was April 30.
- Delhi-based DMI Alternatives, the alternative investment arm of non-bank lender DMI Finance Pvt. Ltd, said Friday its real estate-focussed fund has hit final close at Rs 1,600 crore (\$250 million). The fund, which has a tenure of nine years, will make structured debt and equity investments in land assets as well as under-construction properties. It will make 15-20 investments and will also consider portfolio-level investments.
- Edelweiss Alternative Asset Advisors Ltd said on Tuesday it has floated a fund to raise as much as Rs 2,000 crore (\$300 million) to invest in stressed assets. The target corpus of the EISAF II Onshore Fund includes Rs 1,000 crore via a green-shoe option. The fund's investment mandate is centered on the acquisition of non-performing debt from banks or financial institutions, funding companies for debt settlement, working capital financing and acquisition of stressed companies undergoing insolvency proceedings at the National Company Law Tribunal (NCLT).
- Fashion retailer eShakti, which focuses on the womenswear segment, has raised Rs 75 crore (\$10.1 million) in fresh funding from private equity firm Paragon Partners. Founded by BG Krishnan in 2001, eShakti is based out of Chennai and the US. Its customers are mostly located in the US, Australia and Canada.

TOP 5 PERFORMERS IN LAST 6 MONTHS

Company Name	Listed On	Issue Price	Listing Day Close	Listing Day Gain	Current Price	Profit (%)
Innovana Thinklabs Limited	Dec 12, 2017	70	83.6	19.43%	398.95	469.93
Gautam Gems Limited	Feb 7, 2018	36	34.6	-3.89%	104	188.89
Bombay Super Hybrid Seeds Limited	Apr 25, 2018	60	63	5%	128	113.33
Macpower CNC Machines Ltd	Mar 22, 2018	140	162.05	15.75%	229.05	63.61
Orissa Bengal Carrier Limited	Apr 5, 2018	30	33.45	11.5%	44.05	46.83
Shreeshay Engineers Ltd	Mar 21, 2018	13	15.23	17.15%	18	38.46

UPCOMING SME IPOs

Issuer Company	Issue Open	Issue Close	Offer Price (Rs)	Issue Type	Issue Size (in Rs Crore)
Rudrabhishek Enterprises Limited IPO	Jun 29, 2018	Jul 5, 2018	41	IPO-FF	18.73
Jakharia Fabric Limited IPO	Jun 29, 2018	Jul 3, 2018	180	IPO-FF	19.66
Bright Solar Limited IPO	Jun 26, 2018	Jun 29, 2018	36	IPO-FF	19.44
Rajnish Wellness Limited IPO	Jun 25, 2018	Jun 27, 2018	95	IPO-FF	11.98

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