



Obseervations:

1. Coal India has announced the price band of Rs 225 - Rs 245 per share for their upcoming IPO.
2. At the higher end of the band, the IPO size will be to the tune of about Rs 15,400 Crores making it the largest IPO in the history of Indian capital markets.
3. This IPO is creating lot of excitement in the investor circles. However, there is a school-of-thought that there may be a liquidity squeeze due to this IPO, and which may cause the secondary market to correct.
4. In this backdrop, we have just made an attempt to see what is the impact of the primary market issuances on the secondary market performance in the recent past.
5. For instance, during the period between 1st September 2010 to till date, there were 16 IPOs. All these IPOs, including their oversubscriptions, have mobilized an aggregate amount of about Rs 56,000 Crores. Of this, institutional response was about Rs 32,300 Crores, HNI response was about Rs 16,400 Crores and Retail response was about Rs 7,500 Crores.
6. And, during the same period, Nifty has went significantly up by 12.5%.
7. This indicates that IPO market and secondary market can co-exist. And, the secondary market may not necessarily correct, only because of the fact of heavy mobilization in the IPO market.
8. Hence, it may be said that Coal India's Rs 15,400 Crores IPO may not put that much pressure on the secondary market performance.
9. Further, the aggregate retail investor oversubscription demand of Rs 7,400 Crores during the said period indicates that retail investors have started to come back strongly into IPO market. And, in Coal India IPO, the retail category is to the tune of about Rs 4,600 Crores. Hence, it shows that the retailers have enough ammunition to fill their category fully.
10. Coal India IPO would be historic public issue in many metrics. If Commonwealth Games are an answer to China's Olympics, then Coal India IPO may prove to be the answer to Agricultural Bank of China's US\$ 20 Bn IPO (world's largest IPO).

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| Close Date | Name | IPO Issue size (Rs. Cr.) | Total Bid amount including oversubscription (Rs. Cr.) | Bid Amount (Rs. Cr.) | | | |
|------------|---|-----------------------------|--|----------------------|--------------|-------------|----------|
| | | | | QIB | NIB | Retail | Employee |
| 15-Sep-10 | Indosolar Limited | 357 | 609 | 283 | 77 | 249 | 0 |
| 17-Sep-10 | Tirupati Inks Limited | 40 | 368 | 37 | 146 | 185 | 0 |
| 21-Sep-10 | Career Point Infosystems Limited | 115 | 4734 | 2389 | 1211 | 1131 | 2 |
| 21-Sep-10 | Eros International Media Limited | 350 | 8671 | 4436 | 2845 | 1389 | 0 |
| 21-Sep-10 | Microsec Financial Services Limited | 148 | 1799 | 436 | 794 | 570 | 0 |
| 23-Sep-10 | Ramky Infrastructure Limited | 530 | 1515 | 1255 | 85 | 175 | 0 |
| 24-Sep-10 | Orient Green Power Company Limited | 900 | 956 | 813 | 86 | 56 | 0 |
| 24-Sep-10 | Electrosteels Steel Limited | 226 | 2042 | 872 | 709 | 461 | 0 |
| 24-Sep-10 | Gallant Steels Limited | 41 | 49 | 11 | 16 | 22 | 0 |
| 27-Sep-10 | Cantabil Retail Limited | 105 | 262 | 95 | 64 | 103 | 0 |
| 27-Sep-10 | VA Tech Wabagh Limited | 473 | 14843 | 6122 | 7282 | 1438 | 0 |
| 28-Sep-10 | Tecpro Systems Limited | 268 | 5457 | 3114 | 1630 | 710 | 3 |
| 28-Sep-10 | Ashoka Buildcon Limited | 225 | 3213 | 2618 | 340 | 254 | 1 |
| 29-Sep-10 | Sea TV Network Limited | 50 | 534 | 46 | 343 | 145 | 0 |
| 1-Oct-10 | Bedmutha Industries Limited | 50 | 692 | 30 | 394 | 268 | 0 |
| 5-Oct-10 | Commercial Engineers & Body Builders Co | 172 | 239 | 218 | 5 | 16 | 0 |
| 8-Oct-10 | Oberoi Realty Limited | 1029 | 10232 | 9569 | 371 | 291 | 0 |
| | | 5078 | 56214 | 32345 | 16399 | 7464 | 6 |

Thank You

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