

L&T Infotech, HPL Electric get SEBI nod for IPO



L&T Infotech Ltd, the technology services unit of engineering firm Larsen & Toubro Ltd, has received the green signal from the capital markets regulator Securities and Exchange Board of India (SEBI) for its initial public offering (IPO).

This is the second time it has got approval to go public. SEBI first [cleared](#) the IPO proposal in January, after L&T Infotech initially [filed](#) its draft red herring prospectus (DRHP) with the regulator in September.

Last month, the company [refiled](#) its DRHP with SEBI, a day after India's biggest engineering firm L&T said the unit had decided to withdraw the prospectus due to a change in the offer structure and "other considerations".

In the refiled DRHP, the firm retained the number of shares on offer for sale at 17.5 million shares.

L&T Infotech is the sixth-largest Indian IT firm by export revenue. It reported Rs 4,968 crore revenue and Rs 510 crore net profit for the financial year ended March 31, 2015.

HPL Electric & Power

HPL Electric & Power Ltd, which makes switchgears, lighting equipment and wires and cables, has also received approval for its IPO. It had [approached](#) SEBI to raise Rs 450 crore through an IPO in February.

The company will use the proceeds of the issue to cut debt, finance working capital requirements and for other general corporate purposes.

IPO pipeline

For IPOs, 2015 was a big year with 21 companies hitting the market and two of every three firms beating the 30-stock benchmark Sensex by the end of the year.

But benchmark indices have lost a fifth of their value due to a sharp retreat in the secondary market over the past few months. This had virtually wiped out all gains in benchmark indices since the BJP-led government took charge in May 2014. Although benchmark indices have risen from the lows, it has shaken the nerves of companies planning to tap into the primary market.

About a half-dozen firms have either [withdrawn](#) their IPO application or have let their approval lapse. However, several firms are moving ahead with their IPO plans and some have also had a bumper reception.

There are close to a dozen firms sitting with SEBI approval to float their IPOs. Some of them have, however, decided not to go public yet.