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Hinduja Leyland Finance, CL Educate file IPO papers

Hinduja Leyland Finance Ltd (HLF), the commercial vehicle financing unit of Ashok Leyland Ltd, on Wednesday filed its draft initial public offering (IPO) documents with the Securities and Exchange Board of India (Sebi). HLF is owned by Ashok Leyland and other entities of the Hinduja Group. HLF is looking to raise primary capital to the tune of Rs.500 crore through the IPO, according to the copy of the draft prospectus available on the website of investment banks hired to manage the offer. The IPO will also consist of an offer for sale of shares by private equity fund Everstone Capital. Including the primary offer and the offer for sale, the total size of the IPO is expected to be around Rs.700 crore, said two people aware of the development, requesting anonymity. In July 2013, Everstone had invested Rs.200 crore for a 15% stake in Hinduja Leyland Finance Ltd. Axis Capital Ltd, ICICI Securities Ltd, SBI Capital Markets Ltd and Yes Securities (India) Ltd will manage the share sale. In September, Mint reported that the company was planning to raise around Rs.650 crore through an IPO at a valuation of around Rs.4,000 crore. According to the draft prospectus, HLF intends to use the IPO proceeds to augment its capital base to meet future requirements. HLF was incorporated in 2008 as a non-deposit taking non-banking financial company with the Reserve Bank of India. It provides customized finance for utility vehicles, tractors, cars and two-wheelers among other vehicles, focusing on the semi-urban and rural sector. As on 31 March 2015, HLF had Rs.6,550 crore in assets under management and a presence across 1,500 locations. The company reported revenue of Rs.821.79 crore in 2014-15 compared to Rs.641.5 crore in the previous year, according to the draft prospectus. Net profit was at Rs.110.9 crore compared with Rs.78 crore in the previous year. CL Educate Ltd also filed its draft share sale documents with Sebi on Wednesday. CL Educate's business comprises test preparation and training services under the brand Career Launcher; publishing and content development; vocational training programmes and operating K-12 schools under the brand Indus World Schools. According to the prospectus, the company plans to use the proceeds from the IPO to fund the working capital needs, pre-payment of debt and for acquisitions and other strategic initiatives. So far this year, five companies have raised approximately Rs.2,385 crore through the IPO route. In 2015, 21 companies had raised Rs.13,614 crore through the IPO route.

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