

DB Realty to take IPO route to raise Rs 1,500 cr

MUMBAI: Mumbai-based DB Realty on Wednesday joined the bandwagon of real estate companies planning to raise funds from the primary market. It has submitted the prospectus with market regulator Sebi to raise Rs 1,500 crore by selling a 10% stake through an initial public offering (IPO). The issue will have a greenshoe option of Rs 150 crore.

On Tuesday, a host of real estate firms, including Emaar MGF and Sahara Prime City, applied to Sebi for raising funds from the market. The real estate companies are planning to raise around Rs 11,000 crore through IPOs. DB Realty, jointly promoted by Vinod Goenka and Shahid Balwa, has 10 ongoing projects, aggregating approximately 18.61 million sq ft of saleable areas.

The company's significant shareholders also, include IL&FS Trust Company, IIRF Holdings VI, Trinity Capital (Eleven), Bollywood Mauritius Holdings and Walkinson Investments. The offer will be lead managed by Enam Securities and Kotak Mahindra Capital.

Analysts say the real estate companies are raising funds mainly to pay off the expensive loans taken from the banks and financial institutions.
