

Power, oil & gas SMEs eye listing on AIM, London

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SEVERAL Indian small and medium enterprises from the power, natural resources and oil & gas sectors are lining up to tap London's Alternative Investment Market (AIM) to raise funds.

"Indian equity market is going through extreme volatile times, and fund raising has become very difficult. London's AIM market offers a good opportunity for small and medium companies with sound business models to raise funds in

less time compared with the 6-12 months required in the domestic market," Nikhil Bahel, managing director of investment banking division at Religare Capital Markets, told *Financial Chronicle*.

In the recent past, companies such as Essar Energy, KSK Power Ventures, Greenko Group and Hirco Group successfully raised funds and got listed on AIM.

Speaking at a conference on the benefits of listing in London, Bahel said there are several good companies with market caps in the range of \$500 million to \$2.5 billion are

looking to raise funds at AIM.

Nalin Nayyar, managing director and head of India investment banking, said AIM listing offers quicker capital for companies in the growth phase as there are large pools of capital available there.

"There are specialised pools of capital which invest in infrastructure, natural resources etc. So they understand the challenges and the intrinsic value of the company," he explained. Besides India, AIM is also looking at companies in the African continent where the potential is huge and are encouraging them to

tap the London market for raising resources, said Bahel.

AIM, which is promoted by the London Stock Exchange, supports a diverse range of core sectors and has been consistently outperforming other major markets, while nearly 40 per cent of companies listed on AIM are from overseas, added Bahel.

A total of 1,151 companies are listed on AIM of which 453 companies are overseas, while aggregative market value stood at 75.6 billion pound as on Jul 31.

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