

IPOs: In 2022, IPOs Fund mobilisation halves to Rs 57k cr; new year may be even quieter

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Meltdown Shares of Dalal Street Debutants Volatility The sentiments in the primary markets were shaky due to geopolitical tensions. This prompted fund mobilization through IPOs. From nearly to halving Rs 57,000 crore by 2022 New Year. It is expected that it will be even quieter. The Overall collection would have been significantly lower without the Rs 20,557-crore

Public offer can make up as much as 35% of total funds raised in a given year.

Investors In 2022, jittery due to rising inflation and fears of recession were the main reasons.

"The year 2023 will be tough, with growth slowing down globally, we are bound to see some repercussions in India. I expect a slower or quieter market in 2023, and I suspect money garnered through IPOs next year will be lower than or on the same level as 2022," Nikhil Kamath Co-founder of True Beacon And Zerodha.

Vinod Nair, Head This is Research At

, believes that the total number of IPOs in 2023 is likely to be lower in anticipation of a volatile stock exchange.

"There is a plausibility that the level of premium valuation India used to garner can reduce in 2023, affecting the pricing of IPOs. The weak performance of recent IPOs will also have a hindsight effect on the investors, reflecting weak response in the near-term," He added.

According Data provided by Prime Database As many as 36 companies have launched their initial public offerings (IPOs), to raise capital. Rs 56,940 crore by 2022 (till December 16).

This This figure would increase as two companies' initial share sales — KFin — Technologies And Elin Electronics • are scheduled to start next week in order to collectively raise Rs 1,975 crore.

The Fund mobilisation in 2022 was much lower than it was in the previous year. Rs 63 companies raised 1.2 million crores in 2021. It was the most successful IPO year for two decades. This Fundraising was driven by an excessive liquidity Participation by retail investors was increased, which in turn fueled a persistent feeling of euphoria at the primary market.

Before This was the total of 15 companies that were collected Rs 26,611 crore from initial share sales in 2020

Like The majority of IPOs in the last year were done through the Offer For Sale (OFS), where existing investors sold their stakes at very high valuations to retailers.

Apart After the IPOs, there was a follow-on public offering.

It was mopped up Rs 4,300 crore.

The A record year for IPOs in 2020 saw increased volatility due to rising geopolitical tensions and inflation. Rate of interest Increases in shares sold, which resulted to lower initial share sales for 2022. In The fund collection was also affected by the poor performance of some IPOs since 2021. Narendra Solanki, Head-Equity Research at Anand Rathi Shares & Stock Brokers.

Zerodha's Kamath Also, the recent public issue's underperformance led to a decrease in fund collection via the route.

The war between Russia And Ukraine In February The stock markets around the world have seen a slump in investors' confidence, and this has made the investment environment difficult for all. India, nervous. To In an attempt to curb the inflation spiralling out of control, central banks all over the globe increased their interest rates. This The squeezing liquidity caused disruption to the primary market sentiment, which affected stock prices and discouraged companies wishing to list.

While The LIC issue was the biggest ever in the country. Rs Followed by 20,557 Crores Delhivery (Rs 5,235 crore),

(Rs 3,600 crore), Vedant Fashion (Rs (3,149 crore) Global Health (Rs 2,205 crore).

Barring LIC DelhiveryThe big issues of size were absent in 2022 with an average ticket size less than Rs 1000 crore due to the poor performance of both primary and secondary markets. This has reduced the appetite for large deals.

Rajendra Naik, MD, Investment Banking at

According to a report, listing day performance and follow up buying of large-ticket IPOs were affected by the drop in participation. Foreign Portfolio Investors (FPIs).

The Domestic investors like mutual funds and PMS plans, which to a large degree replaced the FPIs within the Indian Markets took a more conservative approach and preferred to take smaller positions. Hence, IPOs in the range Rs 500-1500 crore, or the midcap IPOs, started to sail through. Some Many of these IPOs were well-subscribed.

InterestinglyOnly two of the 36 IPOs were in this category.Delhivery And Tracxn Technologies() were from new-age tech companies, which clearly indicated the slowdown in issues from this sector following the catastrophic issues from

And a few other things.

The Overall market reaction to issues was moderated, with 14 IPOs getting a massive response of more than 10 times. Harsha Engineers International With a subscription close to 75 times, he was the best performer. He was followed by Electronics Mart India DCX (approximately 72 times) Systems (almost 70 times).

FiveStar Business Finance The only one that didn't get fully subscribed was her.

The The listing performance of biggies such as LIC further tempered the response. DelhiveryThe prices of, which were trading at 25% below their respective issue values, were

Apart From main-board IPOs small and medium enterprises (SMEs) were collected Rs 1,807 crore compared to Rs SME IPOs will raise 746 crore by 2021

Prime Database MD Pranav Haldea The IPO pipeline continues to be strong, with 59 IPOs in total Rs There are 88.140 crore people residing with Sebi nod and additional 30 worth approximately Rs 51,215 million are currently awaiting market regulator approval.

Factors These include geopolitical tensions as well as valuations, investor sentiment and competition. They can all influence the IPO market's direction in 2023. Centrum Capital's Naik said.

Technology IPOs will be a major source of funds for many companies, including profitable ones.

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