

Fundraising via IPOs hits rough weather

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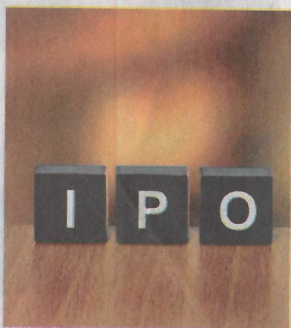
The total amount raised through initial public offerings (IPOs) more than halved to ₹52,116 crore in FY23 from an all-time high collection of ₹1.11 trillion in the previous fiscal, according to an analysis.

Just 37 companies hit the main board listing process in FY23, much lower than 53 IPOs in FY22, according to Prime Database.

Pranav Haldea, managing director of Prime Database Group, said ₹20,557 crore, which is 39% of the total amount raised in FY23 was by LIC alone, without which the IPO fundraising would have been just ₹31,559 crore in the year. Yet, FY23 is still the third highest in terms of IPO fundraise, he said.

Overall public equity fundraising also dropped by 56% to ₹76,076 crore in the reporting year from ₹1.73 trillion in FY22.

While IPOs were worth ₹54,344 crore (including SME issues) in the year, total fund raising through the capital markets stood at ₹85,021 crore, of which ₹11,231 crore were from the OFS (offer for sale) route, ₹9,335 crore were from QIPs/InvITs/REITs of which ₹1,166 crore were from InvITs/REITs, taking the total equity fund raising to ₹76,076 crore. A total of ₹8,944 crore were mobilized through public bonds, taking the total through IPOs and bonds to ₹85,021 crore.



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As against this, FY22 saw ₹1.12 trillion being raised from IPOs, ₹4,314 crore via SME issue, ₹14,530 crore through OFS, ₹28,532 crore through QIPs/InvITs/REITs of which ₹13,841 crore were from InvITs/REITs, taking the total equity capital mop-up to ₹1.73 trillion. The year also saw ₹11,710 crore being raised via public bonds, adding which the total capital markets funding reached ₹1.85 trillion.

However, despite being hit by the covid pandemic, FY21 was the best in overall capital markets performance with the total fund mobilization from the market scaling to an all-time high of ₹2 trillion, boosted by a record ₹28,440 crore through OFS, ₹33,515 crore InvITs/REITs and ₹15,029 crore of FPOs including from SMEs. The main-board IPOs included the country's largest issue by Life Insurance Corp., followed by Delhivery (₹5,235 crore) and Global Health (₹2,206 crore). Average deal size hit a high of ₹1,409 crore.