

Equity fundraising surged 1.6 times to ₹1.44-lakh cr in 2023

Our Bureau

Mumbai

Public equity fund-raising rose 59 per cent to ₹1.44-lakh crore in CY23, led by 57 mainboard initial public offerings (IPOs) that raised ₹49,434 crore, and 45 qualified institutional placements (QIPs) that mobilised ₹54,350 crore, according to primedatabase.com.

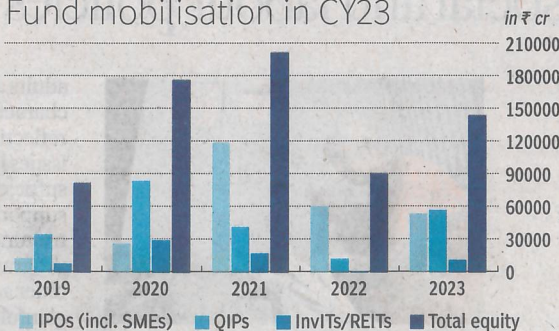
The mop-up from QIP is 363 per cent higher than the ₹11,743 crore raised in 2022. QIPs were dominated by financial services and engineering companies, with Bajaj Finance raising ₹8,800 crore, accounting for 16 per cent of the total amount.

In addition, the QIPs of Brookfield India Real Estate Trust, a ReIT, and India Grid Trust, an InvIT, raised ₹2,305 crore and ₹669 crore, respectively. The average IPO deal size reduced to ₹867 crore from ₹1,483 crore and ₹1,884 crore in the previous two years.

Forty-one of the 57 IPOs were subscribed more than 10 times, and 16 more than 50 times. Eighty-seven companies filed offer documents last year, while 40 looking to raise nearly ₹70,000 crore let their approval lapse.

The average number of applications from retail rose to 13.21 lakh from 5.66 lakh in 2022. The highest number of applications

Fund mobilisation in CY23



Source: primedatabase.com

from retail was received by Tata Technologies (52.11 lakh), DOMS Industries (41.30 lakh) and INOX India (37.34 lakh), data from primedatabase.com showed.

The average gain on listing day rose to 29 per cent from 11 per cent in 2022. Of the 57 IPOs, 40 gave a return of over 10 per cent. 53 are trading above the issue price as of January 1, 2024, closing prices, with an average return of 46 per cent.

Twenty-one of the 57 IPOs that hit the market had a prior PE/VC investor who sold shares in the IPO. Fresh capital raised was ₹20,662 crore or 42 per cent of the total amount, the highest in seven years.

Anchor investors collectively subscribed to 34 per cent of the total public issue amount. Domestic mutual funds played a slightly more dominant role than FPIs as anchor investors, with their subscription

amounting to 14 per cent of the issue amount with FPIs at 13 per cent, the primary market tracker said.

OTHER SEGMENTS

SME IPOs collected ₹4,681 crore, a record, with Spectrum Talent Management's ₹99.99-crore offering being the largest one.

Offers-for-sale (OFS) through stock exchanges, for dilution of promoters' holdings, saw a 71 per cent jump last year to ₹19,300 crore.

The amount raised through InvITs and ReITs rose to ₹11,474 crore from three issues.

The public bonds market saw 44 issues raising ₹18,176 crore, while the amount raised through debt private placements stood at ₹9.65-lakh crore, up 24 per cent from last year. Indian companies also raised ₹3.19-lakh crore through overseas borrowings, including ECBs, up 1 per cent from last year.