

IPO mop-up rises 20% to ₹62,000 cr in FY24

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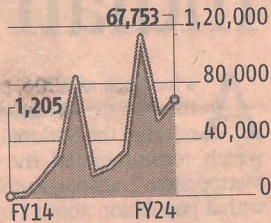
Equity fundraising through initial public offerings (IPOs) rose 20 per cent during the financial year 2023-24 (FY24). During the period, 76 Indian corporates raised ₹61,915 crore through main board IPOs, compared to ₹52,116 crore mobilised by 37 IPOs in 2022-23, as disclosed by PRIME Database.

However, if one excludes the mega Life Insurance Corporation (LIC) IPO, which came out in 2022-23, IPO mobilisation increased by 58 per cent from last year. The ₹21,008-crore IPO of LIC came in May 2022. Among the mainboard IPOs, Mankind Pharma was the largest with ₹4,326 crore, followed by JSW Infrastructure at ₹2,800 crore. The smallest IPO was that of Plaza Wires, which raised ₹71 crore. The average deal size reduced significantly from ₹1,409 crore in FY23 to ₹815 crore in FY24.

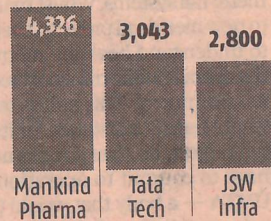
Overall, equity fundraising jumped 2.4 times to ₹1.86 trillion in FY24 from ₹76,911 crore in the previous financial year. The sharp rise was underpinned by the rally in stock prices across the board.

Companies from multiple sectors were able to tap the IPO market in FY24. The traditionally dominant financial sector, however, demonstrated restrained activity, raising ₹9,655 crore, which accounted for less than a fifth

AMOUNT RAISED VIA IPOs* (₹ cr)



LARGEST IPOs OF FY24 (₹ cr)



*Includes SME IPOs
Source: PRIME Database

of the total capital raised. New-age technology firms were also few, with just three IPOs hitting the market.

Pranav Haldea, managing director of PRIME Database Group said there was an enthusiastic response to most of the IPOs. Of the 75 IPOs for which response data is available, 54 IPOs were subscribed more than 10 times, out of which 22 IPOs were subscribed more than 50 times while 11 IPOs were subscribed more than three times. The other 10 IPOs

were oversubscribed between 1 to 3 times. The response of retail investors was also higher compared to the previous financial year.

The average number of retail applications rose to 1.3 million from about 0.6 million in the previous financial year. The highest number of retail applications was for the Tata Technologies IPO (5.2 million), followed by DOMS Industries (4.1 million) and INOX India (3.7 million).

The response was due to strong post-listing performance. The average listing gains rose to 29 per cent in FY24 against 9 per cent in the previous financial year.

Of the 75 IPOs, 48 gave a return of over 10 per cent. Vibhor Steel delivered the biggest day-one pop of 193 per cent, followed by BLS E-Services (175 per cent) and Tata Technologies (163 per cent). Over 50 of the 75 IPOs are currently trading above the issue price with an average return of 65 per cent.

In FY24, 96 companies filed their offer documents with the market regulator Securities and Exchange Board of India (Sebi), up from 75 in the previous financial year. However, 37 companies planning to raise ₹59,000 crore let their approval lapse, while two looking to raise ₹1,000 crore withdrew their documents. Sebi returned the offer documents of five looking to raise ₹2,500 crore.