

Firms mop up over ₹51k cr via equity market in FY17

New Delhi, March 29: Riding on an IPO wave, Indian companies have raised ₹51,288 crore through the equity market route in the current fiscal, up nearly 5% over 2015-16, while bond market slackened, a report said.

The amount raised through IPOs, FPOs, OFS and qualified institutional placement (QIP) was ₹48,991 crore last fiscal.

The money raised in 2016-17 was, however, far short of ₹86,710 crore, the highest ever raised in 2009-10, the Prime Database report said.

The bond market, on the other hand, has seen lower amount being raised in the current financial year ending on March 31, with 16 issues netting ₹29,453 crore, as against 20 which garnered ₹33,812 crore in 2015-16.

Overall, companies raised ₹80,741 crore through equity and bond routes put together. The amount raised through IPOs nearly doubled from the previous fiscal as 25 mainboard offers came to the market collectively raising ₹28,211 crore, said Pranav Haldea, managing director,

Prime Database.

The report mentioned that as the IPO amounts of CL Educate and Shankara Building Products have not been finalised, their figures have been calculated on basis of the lower price band.

Response from the public to the mainboard IPOs was very good, the report said. "While 15 IPOs received mega response of more than 10 times, five other were oversubscribed more than 3 times. The rest five were oversubscribed between 1 and 3 times."

As far as retail investors

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are concerned, the current financial year witnessed very good response from them as well. The highest number of applications was received by

Avenue Supermarts at 17.40 lakh, followed by the BSE at 11.32 lakh.

Response to IPOs was further buoyed by strong listing performance. Of the 23 IPOs which got listed, 18 gave a return of over 10%, Haldea said. The fiscal also witnessed significant activity in the SME platform. There were as many as 78 SME IPOs which collected a total of ₹807 crore as against 50 IPOs raising ₹311 crore in 2015-16.

OFS through stock exchanges, which is for dilution of promoters' holdings, saw

decrease from ₹19,822 crore raised in 2015-16 to ₹8,390 crore in the current fiscal. OFS accounted for only 16% of the total public equity markets amount, the report said. Listed companies continued to raise funds from institutional investors through the QIP route, with 22 firms mobilising ₹13,871 crore, down from ₹14,358 crore raised in 2015-16.

The report further said 2016-17 was the best year ever with ₹40,997 crore being raised by the government.

Besides, buybacks consti-

tuted a lions share of divestment at ₹15,645 crore, followed by block deals (SUUTI sales of L&T and ITC) at ₹8,790 crore, ETFs ₹8,500 crore and public offers (OFS of NHPC, Hindustan Copper, NBCC, MOIL, BEL) at ₹7,532 crore. "2017-18 looks very promising. Already at the beginning of the year, there are 13 companies holding Sebi approval wanting to raise over Rs 9,230 crore and another 10 to planning to raise about Rs 16,736 crore are awaiting approval," Haldea said.

PTI