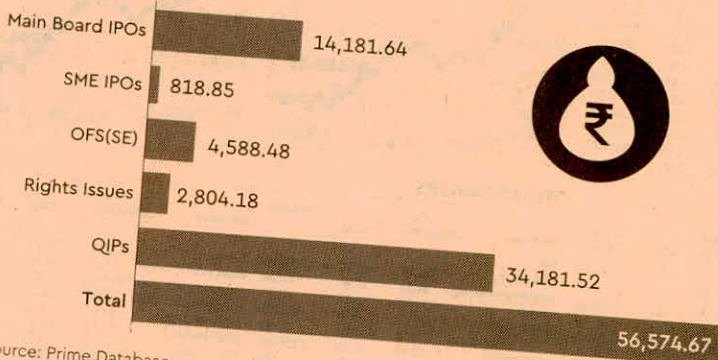


Fundraising through equities in 2017 so far crosses ₹56,000 crore

Equity fundraising in 2017

Amount (in crore)



Source: Prime Database

FE BUREAU

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COMPANIES AND FINANCIAL institutions have mopped up close to ₹56,574 crore by issuing equities so far in 2017. This is about 21% higher than the amount of ₹46,733 crore raised in 2016.

The fund-raising has been helped by a booming stock market; the Sensex has gained 17.88% in the year so far. On Tuesday, the benchmark gauge closed at 31,388.39. The Nifty has put on 19.67% in 2017 closing Tuesday's session at 9,796.05.

Since the beginning of the year, firms have mopped up ₹56,574 crore through initial public offerings (IPO), offers for sale (OFS), Qualified Institutional Placements (QIP), and rights issues among others, data from Prime Database showed.

A significant portion — close to 60% — of the total equity raised this year has been by way of QIPs at ₹34,181 crore.

State Bank of India's (SBI) ₹15,000 crore offer has been the biggest in 2017 so far — the lender had issued around 52.21 crore new shares at a price of ₹287.25. The issue was aimed at augmenting the bank's capital adequacy ratio and for general corporate purposes.

This is the highest QIP issue in the past eleven years. Banks constituted 84% of the amount raised through QIPs. Market participants said the need for Tier 1 capital and the necessity to meet Basel III requirements as the reasons for banks opting for QIPs.

Since the beginning of the year, firms have mopped up ₹56,574 crore through initial public offerings, offers for sale, Qualified Institutional Placements and rights issues among others, data from Prime Database showed

After QIPs, the maximum amount of money was raised through IPOs in 2017.

In 2017, companies raised ₹14,181 crore through IPOs. Listing gains and returns by newly listed companies as also the positive sentiment in the broader market are among the reasons attributed to the trend.

BSE, HUDCO, CDSL, Avenue Supermarkets, Shankara Building Products, S Chand and Company, and Cochin Shipyard are some of the companies who completed their IPOs in the last eight months.

The newly listed companies have given good returns to investors, the BSE IPO index a gauge of newly listed companies rose by 39.53% year to date.

Small enterprises raised ₹818.85 crore through SME IPOs, this is the highest since 2012. Market participants said the buoyancy in the primary market is set to continue with more than a dozen companies waiting for Sebi approvals to hit the market with their offerings and 18 companies have filed their draft offer documents with the market regulator.