

Firms raised ₹39,000 crore via equity markets in 2014

QIPs emerged as the most preferred route to raise capital

PRESS TRUST OF INDIA

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INDIAN firms mopped up over Rs 39,000 crore through the equity market route in 2014, with qualified institutional placements (QIPs) emerging as the most preferred way to garner capital for their business needs.

This is lower compared to the quantum of funds mobilised via equity market at Rs 45,440 crore in 2013.

In the equity market, fresh capital were raked in through QIPs, offers for sale (OFS) through stock exchanges, initial public offers (IPOs), follow-on public offer (FPOs) and institutional placement programme (IPPs). The trends remained sluggish in the primary stock market — where companies raise funds through the sale of shares via instruments like IPOs and FPOs — despite a bullish equity market.

According to Prime Database managing director Pranav Haldea, a total of Rs



Fund raising

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39,127 crore were raised in public equity markets in 2014. This was substantially less than Rs 99,022 crore, the highest amount that has ever been raised in a year (2010). "The year 2014 could have been much better but for the continuous deferment of several PSU

offerings," Haldea said.

Most of the funds (81 per cent of the overall amount) were pocketed through QIP route in 2014. A total of Rs 31,684 crore was garnered via 31 QIPs this year. State Bank of India's Rs 8,000-crore issue was the biggest in this segment.

Besides, Rs 5,000 crore was mopped up via the OFS route — mainly tapped by promoters of listed companies towards complying with Sebi's 25 per cent minimum public shareholding requirement.

Despite a stable government coming into power and the resultant buoyant secondary market, only six main-board IPOs came to the market. They collectively raised Rs 1,261 crore. The firms that hit the capital markets include Monte Carlo Fashions, Shemaroo Entertainment, Snowman Logistics, Sharda Cropchem and Wonderla Holiday.

The entire year saw just one follow-on offer. This was by state-run Engineers India (EIL), which also happens to be the biggest public offer with an issue size of Rs 495 crore.

The year, however, witnessed a flurry of activity on the small and medium enterprise (SME) platform. There were as many as 40 SME IPOs which collected a total of Rs 267 crore.



Pranav Haldea
Managing director
Prime Database

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