

Funds raised through IPOs in 2019 fall to four-year low despite buoyant market

There were only 16 mainboard public issues this year against 24 in 2018: Prime Database

OUR BUREAU

Mumbai, December 26

Funds raised through initial public offerings (IPOs) plunged to a four-year low of ₹12,362 crore this year, against ₹30,959 crore in 2018 — a fall of 60 per cent year-on-year.

Despite the market hitting new highs, there were only 16 mainboard IPOs this year, against 24 last year. The lowest-ever funds raised via IPOs was logged in 2014, when only five companies raised ₹1,201 crore, according to a Prime Database study.

About 47 companies looking to raise over ₹51,000 crore this year allowed SEBI's approval to

lapse, though the approval was valid for a year.

Pranav Haldea, Managing Director, Prime Database, said overall fund-raising through the equity market was 28 per cent higher this year at ₹81,174 crore, against ₹63,651 crore the previous year. The mobilisation, however, was 49 per cent lower than the all-time high of ₹1,60,032 crore raised in 2017, he added.

This year, companies raised ₹25,811 crore through offers-for-sale, ₹35,238 crore via qualified institutional placements and

₹7,132 crore through InvITs and REITs, according to Prime Database.

The largest IPO this year was from Sterling & Wilson Solar, for ₹2,850 crore. As a notable change from previous years, only three out of the 16 IPOs that hit the market had a prior private equity or venture capital investment. Offers-for-sale by PE/VC investors ac-

counted for ₹803 crore, of 6 per cent of the total IPO amount raised. Offers-for-sale by promoters was at ₹7,513 crore, accounting for 61 per cent of the IPO amount.

Out of the 16 IPOs, 12 had anchor investors that collectively

Scan & Share



On a slope

Year	IPOs*	FPOs*	OFS (SE)	QJPs	InvITs/ REITs	Total
2019	12,982	11	25,811	35,238	7,132	81,174
2018	33,246	-	10,672	16,587	3,145	63,651
2017	68,827	12	18,094	61,148	7,283	1,60,032
2016	27,031	9	13,066	4,712	-	44,819
2015	13,874	-	35,566	19,065	-	68,505

Source: primedatabase.com; *Including SME IPOs/FPOs

subscribed to 35 per cent of the total public issue amount. DIIs played a significant role as anchor investors, with 13 per cent subscription amount. This was, however, 22 per cent lower than the FPIS.

Seven IPOs received a mega response of over 10 times — IRCTC at 109 times, followed by Ujjivan SFB (100 times), CSB Bank and Afle (48 times each), Polycab (36

times), Neogen Chemicals (29 times) and Indiamart Intermesh (20 times). One other IPO was oversubscribed by over three times. The balance IPOs were oversubscribed between one and three times. The highest number of retail applications was received by Ujjivan SFB at 14.36 lakh, followed by IRCTC (12.94 lakh), Polycab (11.37 lakh) and CSB Bank (9.2 lakh).