

Fund-raising via IPOs at record ₹1.19 trillion in '21

Nearly 4.5x raised in 2020 and 73% more than 2017

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Sixty-three companies raised ₹1.19 trillion through initial public offerings (IPOs) in calendar year 2021 — a record for any year. This is nearly 4.5x the ₹26,613 crore raised through 15 IPOs in 2020 and almost double the previous best of ₹68,827 crore raised in 2017, according to PRIME Database.

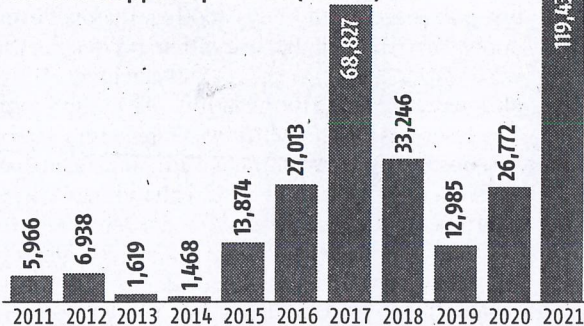
Overall, public equity fundraising — that includes qualified institutional placements, follow-on offerings, as well as infrastructure investment trusts/real estate investment trusts — stood at ₹2.02 trillion — higher than the previous high of ₹1.76 trillion in the preceding year.

“IPOs from new-age loss-making technology (tech) startups, strong retail participation, and huge listing gains were the key drivers that fuelled the IPO boom this year,” said Pranav Haldea, managing director, PRIME Database.

The average deal size for IPOs was ₹1,884 crore. The largest IPO was from One97 Communications (Paytm) for ₹18,300 crore — the largest offering historically. Of the 59 IPOs for which the data is available, 36 IPOs received mega responses of more than 10x (of which, six IPOs more than 100x), while eight IPOs were oversubscribed more than 3x. The balance 15 IPOs were over-

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Amount mopped up in IPOs (₹ crore)



Source: PRIME Database

subscribed between 1x and 3x.

The year witnessed incredible response from retail investors as well. The average number of applications from retail was 1.43 million, in comparison to 1.27 million in 2020 and 405,000 in 2019. The highest number of applications from retail in 2021 was received by Glenmark Life Sciences (3.39 million), followed by Devyani International (3.26 million). The volume of shares applied for by retail was 135 per cent of the IPO mobilisation, compared with 156 per cent in 2020. The total allocation to retail was ₹24,292 crore, which was just 20 per cent of the total IPO mobilisation (down from 32 per cent in 2020).

The success of IPOs was further buoyed by strong listing performance. Of the 58

IPOs which have got listed so far, 34 gave a return of over 10 per cent, based on closing price on listing date.

Sigachi Industries gave the most returns of 270 per cent on debut, followed by Paras Defence & Space Technologies (185 per cent) and Latent View (148 per cent).

Forty of the 58 IPOs are trading above the issue price (closing price of December 22). The average listing gain was 32 per cent, in comparison to 44 per cent in 2020 and 19 per cent in 2019. Twenty-five of the 63 IPOs that hit the market had a prior private equity (PE)/venture capital (VC) investment. Offers for sale by such PE/VC investors at ₹24,106 crore accounted for 20 per cent of the total IPO amount.

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