

# All-time high

## IPO fund raising highest ever, crosses ₹1 lakh crore

The year 2021 has been a year where funds through the initial public offer (IPO) route have been the highest. There were 63 Indian corporates that raised an all-time high of ₹1,18,704 crore through the main board. This was nearly 4.5 times the ₹26,613 crore raised through 15 IPOs in 2020 and almost double that of the previous best year 2017 in which ₹68,827 crore was raised.

It was a mixed bag of companies from various industries. IPOs from new age loss-making technology start-ups, strong retail participation and huge listing gains were the key highlights. Overall, public equity fundraising crossed the ₹2 lakh crore mark to reach ₹2,02,009 crore in calendar 2021 which was higher than the previous highest amount of ₹1,76,914 crore in the preceding year.

The largest IPO in 2021, which was also the largest IPO ever in the history of the Indian IPO market, was from One 97 Communications (Paytm) for ₹18,300 crore. The average deal size was a high ₹1,884 crore. The overall response from the public was very good.

The year witnessed tremendous response from retail investors as well. The average number of applications from retail was 14.36 lakh, in comparison to 12.77 lakh in 2020 and 4.05 lakh in 2019. The highest number of applications from retail in 2021 was received by Glenmark Life Sciences (33.95 lakh) followed by Devyani International (32.67 lakh) and Latent View (31.87 lakh).

The number of shares applied for by retail was a huge 135 per cent of the IPO mobilisation (156 per cent in 2020). However, the total allocation to ₹24,292 crore was just 20 per cent of the total IPO mobilisation (down from 32 per cent in 2020).

The success of the IPOs was further buoyed by strong listing performance. Of the 58 IPOs which have got listed thus far, 34 gave a return of over 10 per cent (based on closing price on listing date). Sigachi Industries gave a stupendous return of 270 per cent followed by Paras Defence (185 per cent) and Latent View (148 per cent). 40 of the 58 IPOs are trading above the issue price (closing price of 22 December, 2021). Average listing gain was 32 per cent, in comparison to 44 per cent in 2020 and 19 per cent in 2019.

25 out of the 63 IPOs that hit the market had a prior, private equity or venture capital (PE/VC) investment. Offers for sale by such PE/VC investors at ₹24,106 crore accounted for 20 per cent of the total IPO amount. Offers for sale by promoters at ₹31,704 crore accounted for a further 27 per cent of the IPO amount. On the other hand, the amount of



PRANAV HALDEA,

fresh capital raised in IPOs in 2021 was a very high ₹43,324 crore, which was greater than the last eight years combined.

Anchor investors collectively subscribed to 39 per cent of the total public issue amount. FPIs played a dominant role as anchor investors, with their subscription amounting to 24 per cent of the amount followed by MFs at 11 per cent. Qualified Institutional Buyers (including anchor investors) as a whole subscribed to 69 per cent of the total public issue amount (data for 59 companies for which QIB and anchor investors' data are available as of now). FPIs, on an overall basis as anchors and QIB, subscribed to 30 per cent of the issue amount, followed by MFs at 16 per cent.

2021 also saw a record number of filings with SEBI. As many as 115 companies filed their offer document with SEBI for approval. To put this in context, 2019 and 2020 cumulatively had a total of just 50 filings.

### The Outlook for 2022

Following the record number of filings, the IPO pipeline continues to remain strong with 35 companies holding SEBI approval proposing to raise roughly ₹50,000 crore and another 33 companies which are awaiting SEBI approval to raise about ₹60,000 crore. This, of course, excludes the much-anticipated mega IPO of LIC which is expected to be launched this fiscal.

Inflationary concerns resulting in rate hikes can be expected which will reduce the amount of liquidity available, which along with how the Omicron variant plays out, will have an impact on the secondary market, and consequently the primary market.

In the SME IPOs, the activity in this segment also increased in 2021 in comparison with 2020; there were 55 SME IPOs, which collected a total of ₹727 crore in comparison to 27 IPOs in 2020 which collected ₹159 crore. The largest SME IPO in 2021 was of Aashka Hospitals (₹95.83 crore).

The Offers for Sale (OFS) through stock exchanges, which is for dilution of promoters' holdings, saw a marginal increase, from ₹20,901 crore raised in 2020 to ₹22,912 crore raised in 2021. Of this, the Government's divestment accounted for ₹18,406 crore or 80 per cent of the overall amount. The largest OFS was that of Tata Communications (₹5,386 crore) followed by Axis Bank (Specified Undertaking of Unit Trust of India – ₹3,974 crore) and NMDC (₹3,633 crore). OFS accounted for 11 per cent of the total year's public equity markets amount.

In the QIPs, 35 companies mobilised ₹41,997

The author is MD,  
PRIME Database Group

crore through QIPs. This was 50 per cent lower than the ₹84,501 crore raised in the previous year. The largest QIP of 2021 was from Bank of Baroda raising ₹4,500 crore, accounting for 11 per cent of the total QIP amount. QIPs were dominated by banks and real estate companies with them accounting for 62 per cent (₹26,101 crore) of the overall amount. Despite bullish markets, QIP fundraising remained tepid in 2021. The amount raised through InvITs and ReITs saw a decrease of 41 per cent to ₹17,641 crore from ₹29,715 crore in 2020. Finally, of the total amount of ₹2,02,009 crore, the fresh capital amount was ₹1,03,621 crore (51 per cent); the remaining ₹98,388 crore being offers for sale.

Getting into investments, 2021 has been a poor year for the same, with only ₹25,546 crore being raised by the Government. Public Offers (IPOs of IRFC, Railtel and OFS of Axis Bank (SUUTI), HCL, HUDCO, IRCON, NMDC, RIL (SUUTI), RVNL, SAIL and TATA Communications) at ₹20,987 crore (82 per cent) were the most used mode followed by Strategic Sale to Private Entity (TATA Communication) at ₹3,389 crore (13 per cent) and Buyback (EIL, GAIL, and NALCO) at ₹1,168 crore (5 per cent).

Mobilisation of resources through rights issues, stood at ₹27,771 crore in 2021, which was 57 per cent lower than the ₹64,984 crore that was raised in 2020. The largest rights issue of 2021 was from Bharti Airtel raising ₹20,987 crore, accounting for a huge 76 per cent of the total rights issues amount. By number, the year witnessed 11 companies using the rights route in comparison to 20 companies in the previous year. In addition, 2021 also saw the first ever InvIT-rights issue (India Grid Trust raising ₹1,284 crore).

The public bonds market saw an increase of 72 per cent with 27 issues raising ₹14,277 crore in comparison to 21 issues raising ₹8,281 crore last year. The largest issue was from PFC raising ₹4,429 crore. In addition, 2021 also saw the first ever InvIT-Public Debt Issue (India Grid Trust raising ₹1,000 crore).

Debt Private Placements amount raised stood at ₹5,51,355 crore (as on 13 December, 2021), down 30 per cent from ₹7,83,015 in 2020. This was mobilised by 726 institutions and corporates. The highest mobilisation through debt private placements during the year was by NABARD (₹65,321 crore) followed by

IPOs 1.1.2021 onwards (Arranger by & % Gain / Loss)						
Company	Issue Opening Date	Issue Price (₹)	Issue Amount (₹ crore)	Market Price (As on 16.12.2021) (₹)	% Gain/Loss Market Price v/s Offer Price	
Paras Defence & Space Tech	09/21/21	175.00	170.78	702.30	301.31	
Mtar Technologies	03/03/21	575.00	596.41	2,224.10	286.80	
Nureca	02/15/21	400.00	100.00	1,459.50	264.88	
Laxmi Organic Industries	03/15/21	130.00	600.00	412.35	217.19	
Easy Trip Planners	03/08/21	187.00	510.00	577.75	208.96	
Latent View Analytics	11/10/21	197.00	600.00	591.25	200.13	
Barbeque-Nation Hospitality	03/24/21	500.00	452.87	1,411.35	182.27	
Sona Blw Precision Forgings	06/14/21	291.00	5,550.00	779.20	167.77	
Clean Science & Technology	07/07/21	900.00	1,546.62	2,398.35	166.48	
Macrotech Developers	04/07/21	486.00	2,500.00	1,260.55	159.37	
Stvs Kraft	01/25/21	385.00	412.63	996.95	158.95	
Sigachi Industries	11/01/21	163.00	125.43	405.80	148.96	
Tatva Chintan Pharma Chem	07/16/21	1,083.00	500.00	2,455.65	126.75	
Nazara Technologies	03/17/21	1,101.00	582.69	2,366.10	114.90	
Devyani International	08/04/21	90.00	1,838.00	180.75	100.83	
Gr InfraProjects	07/07/21	837.00	962.37	1,679.20	100.62	
Fsn E-Commerce Ventures	10/28/21	1,125.00	5,349.72	2,166.20	92.55	
Zomato	07/14/21	76.00	9,375.00	138.45	82.17	
Go Fashion (India)	11/17/21	690.00	1,013.61	1,147.35	66.28	
Home First Finance Co.	01/21/21	518.00	1,153.72	830.55	60.34	
Krishna Inst of Medical	06/16/21	825.00	2,143.74	1,315.00	59.39	
Anupam Rasayan India	03/12/21	555.00	760.00	849.85	53.13	
Ami Organics	09/01/21	610.00	569.64	916.50	50.25	
Craftsman Automation	03/15/21	1,490.00	823.70	2,197.15	47.46	
Tega Industries	12/01/21	453.00	619.23	630.15	39.11	
Indigo Paints	01/20/21	1,490.00	1,169.12	2,041.05	36.98	
Dodla Dairy	06/16/21	428.00	520.18	566.40	32.34	
Rolex Rings	07/28/21	900.00	731.00	1,158.60	28.73	
Railtel Corp of India	02/16/21	94.00	819.24	118.05	25.59	
Exaro Tiles	08/04/21	120.00	160.78	146.70	22.25	
Pb Fintech	11/01/21	980.00	5,709.71	1,102.55	12.51	
India Pesticides	06/23/21	296.00	800.00	318.80	7.70	
Vijaya Diagnostic Centre	09/01/21	531.00	1,894.43	567.00	6.78	
Heramba Industries	02/23/21	627.00	625.24	661.30	5.47	
Shyam Metals & Energy	06/14/21	306.00	908.80	321.05	4.92	
Anand Rathi Wealth	12/02/21	550.00	659.38	571.30	3.87	
Chemplast Sanmar	08/10/21	541.00	3,850.00	557.40	3.03	
Sapphire Foods India	11/09/21	1,180.00	2,073.25	1,208.40	2.41	
Sansera Engineering	09/14/21	744.00	1,282.52	761.90	2.41	
Aptus Value Housing Finance	08/10/21	353.00	2,780.05	349.95	-0.86	
Tarsons Products	11/15/21	662.00	1,023.54	622.90	-5.91	
Star Health & Allied Ins.	11/30/21	900.00	6,018.68	832.45	-7.51	
Nuvoco Vistas Corp.ltd.	08/09/21	570.00	5,000.00	523.70	-8.12	
Indian Railway Finance Corp	01/18/21	26.00	4,633.38	23.05	-11.35	
Glenmark Life Sciences	07/27/21	720.00	1,513.60	613.30	-14.82	
Kalyan Jewellers India	03/16/21	87.00	1,174.82	70.60	-18.85	
Aditya Birla Sun Life Amc	09/29/21	712.00	2,768.26	572.30	-19.62	
S.i.s.enterprises	11/01/21	542.00	800.00	403.20	-25.61	
Krsnaa Diagnostics	08/04/21	954.00	1,213.33	670.15	-29.75	
Fino Payments Bank	10/29/21	577.00	1,200.29	403.15	-30.13	
One 97 Communications	11/08/21	2,150.00	18,300.00	1,399.30	-34.92	
Windlas Biotech	08/04/21	460.00	401.54	280.50	-39.02	
Cartrade Tech	08/09/21	1,618.00	2,998.51	904.40	-44.10	
Suryoday Small Finance Bank	03/17/21	305.00	580.84	157.10	-48.49	
Rategain Travel Technologies	12/07/21	425.00	1,335.74	Na	Na	
Shriram Properties	12/08/21	118.00	600.04	Na	Na	
C.e.info Systems	12/09/21	1,033.00	1,039.61	Na	Na	
Metro Brands	12/10/21	485.00	1,335.33	Na	Na	
Medplus Health Services	12/13/21	780.00	1,398.30	Na	Na	
Data Patterns (India)	12/14/21	555.00	570.37	Na	Na	
Hp Adhesives	12/15/21	262.00	120.45	Na	Na	
Supriya Lifescience	12/16/21	265.00	700.00	Na	Na	
CMS Info Systems	12/21/21	205.00	1,100.00	Na	Na	

Source : primedatabase.com

HDFC (₹43,750 crore), IRFC (₹24,997 crore), NHAH (₹24,850 crore) and REC (₹24,647 crore).

**Overseas bonds:**

Indian companies also raised ₹3.37 lakh crore through overseas borrowing (including ECBs), down 1 per cent from ₹3.39 lakh crore in 2020. Overall fund raising by Indian corporates, through equity and debt, in India and abroad, covering IPOs, FPOs, OFS (SE), Rights, QIP, InvITs/ReITs, Public Debt, Debt Private Placement, Overseas Bonds, ECB and FCCB, dropped from ₹13.87 lakh crore in 2020 to ₹11.54 lakh crore in 2021.

FUND MOBILIZATION-PUBLIC MARKETS (₹ crore)									
Year	IPOs (incl. SME IPOs)	FPOs (incl. SME FPOs)	OFS(SE)	QIPs (incl. InvIT/ReIT-QIPs)	IPPs	InvITs/ReITs	Total Equity	Public Bonds (incl. InvIT/ReIT-Public Debt)	Total Equity + Bonds
2015	13,874	-	35,566	19,065	-	-	68,505	21,547	90,053
2016	27,031	9	13,066	4,712	-	-	44,819	41,827	86,646
2017	68,827	12	18,094	61,148	4,668	7,283	1,60,032	6,511	1,66,543
2018	33,246	-	10,672	16,587	-	3,145	63,651	30,701	94,352
2019	12,985	11	25,999	35,238	-	8,008	82,241	18,637	1,00,878
2020	26,772	15,024	20,901	84,501	-	29,715	1,76,914	8,281	1,85,194
2021	1,19,431	29	22,912	41,997	-	17,641	2,02,009	15,277	2,17,286

The main board IPO total amount is ₹1,18,704 crore.