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PRESS RELEASE

Rs.45,372 CRORE RAISED IN PUBLIC EQUITY MARKETS IN 2013, OFS DOMINATE

2013 witnessed a raising of Rs.45,372 crore through public equity markets which was 25 per cent higher than the Rs.36,253 crore that was raised in the preceding year, according to Pranav Haldea, Managing Director, PRIME Database, India's premier database on primary capital market. The year could have been much better but for the continuous deferment of several PSU offerings and the volatility in the secondary market through most of the year. The year, of course, fell substantially short of Rs.99,022 crore, the highest amount that has ever been raised (in 2010).

FUNDS MOBILIZATION-PUBLIC MARKETS

Rs. crore

Year	IPOs	FPOs	OFS (SE)	QIPs	IPPs	IDRs	Total Equity	Bonds (Public)	Total Equity + Bonds
2013	1,619	6,959	23,963	8,008	4,823	0	45,372	29,235	74,607
2012	6,938	0	23,769	4,705	841	0	36,253	23,365	59,618
2011	5,966	8,055	0	3,459	0	0	17,480	27,268	44,748
2010	37,535	31,577	0	27,423	0	2,487	99,022	2,727	1,01,749
2009	19,544	23	0	38,676	0	0	58,243	3,500	61,743
2008	16,904	23	0	3,586	0	0	20,513	0	20,513
2007	34,179	10,962	0	23,400	0	0	68,542	1,000	69,542
2006	19,852	4,817	0	3,935	0	0	28,604	0	28,604
2005	9,990	12,764	0	0	0	0	22,754	4,095	26,848

Source: PRIME Database

According to PRIME, fund raising in 2013 was substantially achieved through the 84 Offers for Sale through Stock Exchanges (OFS), the new secondary sale method allowed by SEBI last year primarily to help promoters of already-listed companies in complying with the minimum public shareholding (MPS) requirement. These offers accounted for as much as 53 per cent of the total amount mobilized during the calendar year. For investors, these sales are substantially risk-free as these are from already listed companies and are at a discount to the market price. However, proceeds from such sales do not go to the company for its growth but to the selling shareholders. OFS were in highlight, according to Haldea, especially in the April-June quarter with companies having to meet the 3rd June 2013 MPS compliance deadline given by SEBI. Another new instrument allowed by SEBI, IPP, primarily for the same purpose saw 12 companies raising Rs.4,823 crore.

PSUs dominated the year with a total raising of Rs.25,354 crore or 56 per cent of the total amount. This was much higher than Rs.19,679 crore that had been raised by them in 2012.

According to Haldea, the unstable political/economic climate in the country, coupled with a volatile secondary market, almost through the year resulted in a continuing lull in IPOs; only 3 main-board IPOs came to the market, collectively raising a meager Rs.1,284 crore, more than 70 per cent of which came from the Rs.919 crore IPO of

Just Dial, the others being Repco Home Finance and V-Mart Retail. This was in comparison to 11 main-board IPOs in the preceding year mobilizing Rs.6,835 crore.

In addition, there were 35 SME IPOs raising Rs.335 crore, compared to 14 SME IPOs in the preceding year raising Rs.103 crore.

As per PRIME, the year saw only 1 FPO of Power Grid of Rs.6,959 crore (The previous year had witnessed no company raising monies through this route).

During the year, 9 QIPs managed to raise Rs.8,008 crore from institutional investors (previous year 12 QIPs for Rs.4,705 crore). No company made an IDR.

In comparison to equity issues, the year saw much greater activity in the public bonds market. As many as 32 issues raised Rs.29,235 crore, higher than 16 issues raising Rs.23,365 crore last year. This market was initially monopolized by NBFCs but towards the later part of the year, the investors also witnessed tax free bonds issuances from government companies.