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PRESS RELEASE

17 PER CENT DECLINE IN PUBLIC EQUITY MARKETS RAISINGS IN 2015-16, IPOs RESURFACE: PRIME DATABASE

2015-16 witnessed a raising of Rs.48,952 crore through the public equity markets, 17 per cent lower than Rs.58,801 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 even better but for the deferment of several PSU offerings. The year, of course, fell short of Rs.86,710 crore, the highest amount that has ever been raised (in 2009-10).

FUNDS MOBILIZATION-PUBLIC MARKETS

Rs. Crore

Year	IPOs	FPOs	OFS(SE)	QIPs	IPPs	IDRs	Total Equity	Bonds (Public)	Total Equity + Bonds
2015-16	14,772	0	19,822	14,358	0	0	48,952	33,812	82,764
2014-15	3,019	0	26,935	28,429	418	0	58,801	9,713	68,515
2013-14	1,205	7,456	6,859	9,402	4,459	0	29,381	42,383	71,764
2012-13	6,497	0	28,024	10,818	734	0	46,073	16,982	63,056
2011-12	5,893	4,578	13,518	1,713	471	0	26,172	35,611	61,783
2010-11	33,098	13,084	0	23,474	0	2,487	72,143	9,431	81,574
2009-10	24,948	21,993	0	39,768	0	0	86,710	2,500	89,210
2008-09	2,034	0	0	189	0	0	2,223	1,500	3,723
2007-08	41,323	10,896	0	25,770	0	0	77,989	1,000	78,989
2006-07	23,706	1,287	0	4,963	0	0	29,956	0	29,956
2005-06	10,808	12,868	0	0	0	0	23,676	0	23,676
2004-05	14,662	6,769	0	0	0	0	21,432	4,095	25,526

Source: PRIME Database

IPOs: According to Haldea, a major revival was witnessed in the IPO market after nearly four dismal years. Despite turbulent secondary markets, 24 main-board IPOs came to the market collectively raising Rs.14,461 crore* (previous year 8 IPOs for Rs. 2,770 crore). The highest-ever mobilization through IPOs was in 2007-08 at Rs. 41,323 crore.

The year, again witnessed significant activity in the **SME platforms**; there were as many as 50 SME IPOs which collected a total of Rs. 311 crore (previous year 38 IPOs for Rs. 250 crore).

Number of companies and amounts raised through main board IPOs in the last 5 years are given in the table below:

Mainboard IPOs

Year	No. of Companies	Amount (Rs.crore)
2015-16	24	14,461
2014-15	8	2,770
2013-14	1	919
2012-13	9	6,289
2011-12	33	5,886

2010-11	52	33,098	The largest IPO was from Interglobe Aviation (Indigo) for Rs.3,017 crore. The average deal size was a high Rs. 603 crore.
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A notable feature of the year was that several companies that hit the market had a prior PE/VC investment. This was true for 14 out of the 24 IPOs. Offers for sale by such PE/VC investors at Rs.2,891 crore accounted for 20 per cent of the total IPO amount.

Out of the 24 IPOs, 20 companies had anchor investors, which collectively subscribed to 31 per cent of the total public issue amount. The domestic institutional investors played a significant role as anchor investors, with their subscription amounting to 14 per cent of the amount, compared to 17 per cent from FII's.

As far as retail investors are concerned, the year witnessed a good response from them. The highest number of applications was received by Alkem Laboratories at 6.03 lakhs followed by Dr.Lal Pathlabs (5.42 lakhs), VRL Logistics (5.38 lakhs), Quick Heal (5.30 lakhs), Syngene International (3.14 lakhs), Teamlease (3.01 lakhs), S.H.Kelkar (2.15 lakhs) and Navkar Corp. (2.05 lakhs).

The response from the public to the mainboard IPOs of the year, according to PRIME, was good. While 7 IPOs received mega response (VRL Logistics at 53 times, followed by Teamlease at 39 times, Alkem Laboratories at 31 times, Power Mech Projects at 26 times, Dr.Lal Pathlabs at 24 times, Syngene International at 24 times and S.H.Kelkar at 20 times), 3 other IPOs were oversubscribed by more than 3 times. The balance 11 IPOs, were oversubscribed between 1 to 3 times.

OFS (SE): According to PRIME, Offers for Sale through Stock Exchanges (OFS), which is for dilution of promoters' holdings, saw a huge decrease from Rs. 26,935 crore raised last year to Rs. 19,822 crore#. This was almost entirely **accounted for by the government's divestment at Rs. 19,576 crore. The largest OFS was that of Indian Oil in August, 2015 (Rs. 9,396 crore) followed by NTPC in February, 2016 (Rs.5,032 crore).**

OFS accounted for as much as 40 per cent of the total year's public equity markets amount.

QIPs: Already listed companies continued to raise funds from institutional investors through **the QIP route- with 20 companies mobilizing Rs. 14,358 crore.** This, however, was a huge fall from the Rs. 28,429 crore raised in the previous year. The largest QIP of 2015-16 was from IndusInd Bank raising Rs. 4,328 crore.

Fresh Capital

Of the total amount of Rs. 48,952 crore, the amount raised through fresh capital was only Rs. 21,441 crore; the remaining Rs. 27,511 crore being offers for sale.

Outlook for 2016-17

According to Haldea, 2016-17 looks promising. Already at the beginning of the year, there are 25 companies holding SEBI approval wanting to raise over Rs. 12,500 crore and another 6 companies wanting to raise about Rs. 3,0000 crore awaiting SEBI approval. Many more filings are expected in the near future.

A big disappointment for the primary market has again been the lack of divestments by the Government.

Year	No. of Issues	Amount (Rs.crore)
2015-16	12	9,239
2014-15	17	6,750
2013-14	13	4,573
2012-13	16	8,945
2011-12	16	2,375
2010-11	24	9,594

SME ITP: The SME Institutional Trading Platform saw 16 companies being listed (3 at BSE and 13 at NSE).

Public Bonds: In the public bonds market, 20 issues raised Rs.33,812 crore (significantly higher than 25 issues raising Rs. 9,713 crore last year).

Rights Issues: Mobilisation of resources through rights issues, according to PRIME, recorded an increase in 2015-16. By amount, the period saw **Rs. 9,239 crore being raised**, which was **higher by 37 per cent** than Rs. 6,750 crore that was raised in the preceding year. By number, the year witnessed 12 companies using the rights route (previous year, 17 companies).

Number of rights issues and amounts raised in the last 5 years are given in the table below:

Rights

The largest rights issue in the year, as per PRIME Database, was from Tata Motors (Rs.7,498 crore), followed by IL&FS Transportation (Rs.740 crore), Sun Pharma Advanced (Rs.250 crore) and Fortune Financial Services (Rs.204 crore).

** IPO amount of Healthcare Global Enterprises Ltd., Bharat Wire Ropes Ltd. and Infibeam Incorporation Ltd. not finalized. Amount has been calculated on basis of lower price band*

Wheel & Axle Textiles Ltd. OFS amount not finalize