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PRESS RELEASE

ALL-TIME HIGH MOBILIZATION IN PUBLIC EQUITY MARKETS IN 2017, IPOs & QIPs DOMINATE: PRIME DATABASE

2017 witnessed a raising of Rs.1,61,116 crore through the public equity markets, 3.6 times the Rs.44,819 crore that was raised in the preceding year, according to Pranav Haldea, Managing Director, PRIME Database, India's premier database on primary capital market. **This is the highest amount ever raised in a calendar year, with the previous highest being Rs. 97,746 crore in 2010.**

FUNDS MOBILIZATION-PUBLIC MARKETS

Rs. crore

Year	IPOs (incl. SME IPOs)	FPOs	OFS(SE)	QIPs	IPPs	IDRs	INVITs	Total Equity	Bonds (Public)	Total Equity + Bonds
2017	68,826	12	19,208#	61,118##	4,668	0	7,283	1,61,116	6,397	1,67,513
2016	27,031	9	13,066	4,712	0	0	0	44,819	41,827	86,646
2015	13,874	0	35,566	19,065	0	0	0	68,505	21,547	90,053
2014	1,468	497	5,011	31,684	418	0	0	39,078	24,216	63,295
2013	1,619	6,959	23,964	8,075	4,823	0	0	45,440	34,643	80,083
2012	6,938	0	23,769	4,705	841	0	0	36,253	23,365	59,619
2011	5,966	8,055	0	3,459	0	0	0	17,481	27,268	44,749
2010	37,535	31,577	0	26,147	0	2,487	0	97,746	2,727	1,00,474
2009	19,544	23	0	34,676	0	0	0	54,242	3,500	57,742
2008	16,904	23	0	3,586	0	0	0	20,514	0	20,514
2007	34,179	10,962	0	23,400	0	0	0	68,542	1,000	69,542

Source: PRIME Database

IPOs: According to Haldea, 2017 was also the best year ever for the IPO market by far, the previous high being in 2010 when Rs. 37, 535 crore was raised, almost half the amount. 36 main-board IPOs (previous year 26 IPOs for Rs.26,494 crore) came to the market collectively raising Rs.67,147 crore. **Number of companies and amounts raised through main board IPOs in the last 5 years are given in the table below:**

Year	No. of Companies	Amount (Rs.crore)
2017	36	67,147
2016	26	26,494
2015	21	13,614
2014	5	1,201
2013	3	1,284
2012	11	6,835

The largest IPO was from General Insurance Corp. for Rs.11,257 crore. The average deal size was a high Rs. 1,865 crore.

A notable feature of the year again was that several companies that hit the market had a prior PE/VC investment. This was true for 17 out of the 36 IPOs. Offers for sale by such PE/VC investors at Rs.10,221 crore accounted

Source: PRIME Database

for 15 per cent of the total IPO amount. Offers for sale by the promoters at Rs. 42,102 crore accounted for a further 63 per cent of the IPO amount.

Out of the 36 IPOs, 29 companies had anchor investors, which collectively subscribed to 29 per cent of the total public issue amount. **The domestic institutional investors played a significant role as anchor investors, with their subscription amounting to 13 per cent of the amount, compared to 16 per cent from FIIs.**

The overall response from the public to the mainboard IPOs of the year, according to PRIME, was also very good. While **17 IPOs received a mega response of more than 10 times** (Salasar Techno Engineering at 270 times, followed by Astron Paper & Board Mill at 241 times, Capacit'e Infraprojects (130), CDSL (119), MAS Financial Services (91), Dixon Technologies (83), HUDCO (79), Cochin Shipyard (76), D'Mart (73), Godrej Agrovvet (68), Reliance Nippon Mutual Fund (57), S.Chand (42), AU Small Finance Bank (38), BSE (36), Prataap Snacks (34), Shankara Building Products (29) and Music Broadcast (28), 6 other IPOs were oversubscribed by more than 3 times. The balance 13 IPOs were oversubscribed between 1 to 3 times.

As far as retail investors are concerned, the year witnessed a very good response from them as well. The highest number of applications was received by Cochin Shipyard at 19.42 lakhs followed by HUDCO (18.74 lakhs), D'mart (17.40 lakhs), CDSL (17.29 lakhs) and Reliance Nippon Mutual Fund (15.60 lakhs).

According to Haldea, response to IPOs was further buoyed by **strong listing performance of IPOs of the year**. Of the 36 IPOs which got listed, 18 gave a return of over 10 per cent (based on closing price on listing date). Salasar Techno Engineering gave a stupendous return of 152 per cent followed by Astron Paper & Board Mill (139 per cent), D'Mart (114), CDSL (76), Dixon Technologies (64) and AU Small Finance Bank (51).

SME IPOs: The year, again, witnessed significant activity in the **SME platform**; there were as many as 133 SME IPOs, again the highest ever, which collected a total of Rs. 1,679 crore (previous year 67 IPOs for Rs. 537 crore). **Number of SME IPOs and amounts raised in last 5 years are given in the table below:**

Year	No. of Companies	Amount (Rs.crore)
2017	133	1,679
2016	67	537
2015	43	260
2014	40	267
2013	35	335
2012	14	103

The largest SME IPO in the year, as per PRIME Database, was from Zota Health Care (Rs.56 crore).

OFS (SE): According to PRIME, Offers for Sale through Stock Exchanges (OFS), which is for dilution of promoters' holdings, saw an increase from Rs. 13,066 crore raised last year to Rs. 19,208 crore# raised in this calendar year. This

Source: PRIME Database

was **accounted for primarily by the government's divestment at Rs. 14,840 crore (77 per cent of overall amount)**. The largest OFS was that of NTPC in August (Rs. 9,192 crore) followed by BEL in February (Rs.1,687 crore). OFS accounted for 12 per cent of the total year's public equity markets amount.

QIPs: Already-listed companies found the **the QIP route very attractive, with 44 companies mobilizing Rs.61,118 crore##, the highest ever**. This was nearly 13 times of the Rs. 4,712 crore raised in the previous year. **The largest QIP of 2017 was from SBI raising Rs. 15,000 crore, accounting for 25 per cent of the total QIP amount**. QIPs were dominated by banks with their contribution being 63 per cent (Rs.38,282 crore) of the overall amount.

IPPs: Only 2 companies used the IPP route, mobilizing Rs. 4,668 crore.

Fresh Capital

Of the total amount of Rs. 1,61,116 crore, the amount raised through fresh capital was Rs. 86,176 crore (53 percent); the remaining Rs. 74,940 crore being offers for sale.

Divestments

2017 was the best year ever with Rs. 73,282 crore being raised by the Government.

Public Offers (IPOs of HUDCO, Cochin Shipyard, GIC, New India Assurance and OFS of MOIL, BEL, NALCO, RCFL, NFL, HCL, NTPC, NLC)) constituted a lion's share of divestment proceeds at Rs. 33,418 crore (46 per cent) followed by ETFs at Rs. 23,000 crore (31 per cent), Block Deals (SUUTI sales of L&T and ITC) at Rs. 10,844 crore (15 per cent), Buybacks (NHPC, NLC, OIL, EIL, Bharat Dynamics) at Rs.5,627 crore (8 per cent) and sale of shares to employees Rs. 394 crore (1 per cent).

According to Haldea, the target for fiscal 2017-18 appears very much within reach. Reduction in the Government's holding in 18 listed CPSEs to 75 per cent (which is also a mandatory SEBI requirement) alone can contribute to Rs. 27,520 crore. Further, the Government has also placed a roadmap for several unlisted profit making CPSEs to get listed in the next two financial years which includes several large companies from insurance and railways sector. Lastly, the Government has also already identified 34 CPSEs for strategic sale.

Outlook for 2018

According to Haldea, 2018 looks even more promising. On the IPO front, already at the beginning of the year, there are 15 companies holding SEBI approval wanting to raise nearly Rs. 12,000 crore and another 10 companies wanting to raise nearly Rs. 19,000 crore awaiting SEBI approval. Many more filings are expected in the near future.

Public Bonds: In the public bonds market, 9 issues raised Rs.6,397 crore (lower than 19 issues raising Rs. 41,827 crore last year).

Rights Issues: Mobilisation of resources through rights issues, according to PRIME, recorded an increase in 2017. By amount, the period saw **Rs. 6,639 crore being raised**, which was higher by 247 per cent than Rs. 1,914 crore that was raised in the preceding year. By number, the year witnessed 21 companies using the rights route (previous year, 10 companies).

Year	No. of Companies	Amount (Rs.crore)
2017	21	6,639
2016	10	1,914
2015	13	12,568
2014	18	5,224
2013	12	4,101
2012	17	7,295

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

The largest rights issue in the year, as per PRIME Database, was from Indian Hotels (Rs.1,500 crore), followed by Canara Bank (Rs.1,124 crore), Karur Vysya Bank (Rs.903 crore), Lakshmi Vilas Bank (Rs.787 crore) and South Indian Bank (Rs.631 crore).

Source: PRIME Database

India Power Corp. & NBCC OFS amount not finalized

Control Print Ltd. QIP amount not finalized