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PRESS RELEASE

PUBLIC EQUITY MARKETS FUND RAISING NOSEDIVES IN 2018: PRIME DATABASE

2018 witnessed a raising of Rs.63,744 crore through the public equity markets which was 60 per cent lower than the all-time high of Rs. 1,60,032 crore that was raised in the preceding year, according to Pranav Haldea, Managing Director, PRIME Database, India's premier database on primary capital market.

FUNDS MOBILIZATION-PUBLIC MARKETS

Rs. crore

Year	IPOs (incl. SME IPOs)	FPOs (incl. SME FPOs)	OFS(SE)	QIPs	IPPs	IDRs	INVITs	Total Equity	Bonds (Public)	Total Equity + Bonds
2018	33,244	-	10,678	16,677	-	-	3,145	63,744	29,944	93,688
2017	68,827	12	18,094	61,148	4,668	-	7,283	1,60,032	6,511	1,66,544
2016	27,031	9	13,066	4,712	-	-	-	44,819	41,827	86,646
2015	13,874	-	35,566	19,065	-	-	-	68,505	21,547	90,053
2014	1,468	497	5,011	31,684	418	-	-	39,078	24,216	63,295
2013	1,619	6,959	23,964	8,075	4,823	-	-	45,440	34,643	80,083
2012	6,938	-	23,769	4,705	841	-	-	36,253	23,365	59,619
2011	5,966	8,055	-	3,459	-	-	-	17,481	27,268	44,749
2010	37,535	31,577	-	26,147	-	2,487	-	97,746	2,727	1,00,474
2009	19,544	23	-	34,676	-	-	-	54,242	3,500	57,742
2008	16,904	23	-	3,586	-	-	-	20,514	-	20,514

Source: PRIME Database

IPOs: According to Haldea, 24 main-board IPOs came to the market collectively raising Rs.30,959 crore. This was a decline of 54 per cent from the Rs.67,147 crore raised through 36 IPOs in 2017.

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)
2018	24	30,959
2017	36	67,147
2016	26	26,494
2015	21	13,614
2014	5	1,201
2013	3	1,284

Source: PRIME Database

The largest IPO in 2018 was from Bandhan Bank for Rs.4,473 crore. The average deal size was a high Rs. 1,290 crore.

Only 6 out of the 24 IPOs that hit the market had a prior PE/VC investment. Offers for sale by such PE/VC investors at Rs.3,242 crore accounted for 10 per cent of the total IPO amount. Offers for sale by promoters at Rs.17,697 crore accounted for a further 57 per cent of the IPO amount.

Out of the 24 IPOs, 17 companies had anchor investors, which collectively subscribed to 32 per cent of the total public issue amount. **The domestic institutional investors played a significant role as anchor investors, with their subscription amounting to 16 per cent of the amount, the same as for FPIs.**

The overall response from the public to the mainboard IPOs of the year, according to PRIME, was good. While **6 IPOs received a mega response of more than 10 times** (Apollo Micro Systems at 176 times, followed by Amber Enterprises (115 times), RITES (67), HDFC Asset Management (60), Galaxy Surfactants (14) and Bandhan Bank (11), 7 other IPOs were oversubscribed by more than 3 times. The balance 11 IPOs were oversubscribed between 1 to 3 times.

As far as retail investors are concerned, the year witnessed a good response from them as well. The highest number of applications was received by HDFC Asset Management at 23.30 lakhs followed by Amber Enterprises (13.79 lakhs), Apollo Micro Systems (13.09 lakhs) and RITES (12.97 lakhs).

According to Haldea, response to IPOs was further buoyed by **strong listing performance of IPOs of the year**. Of the 24 IPOs which got listed, 7 gave a return of over 10 per cent (based on closing price on listing date). Apollo Micro Systems gave a stupendous return of 65 per cent followed by HDFC Asset Management (65 per cent), Amber Enterprises (44), Lemon Tree Hotels (28), Bandhan Bank (27), RITES (15) and Galaxy Surfactants (15). However, given the correction in the markets in the second half of the year, 15 of the 24 IPOs are presently trading below the issue price.

SME IPOs: The year, again, witnessed significant activity in the **SME platform**; there were as many as 141 SME IPOs, the highest ever, which collected a total of Rs. 2,285 crore# (previous year 133 IPOs for Rs. 1,679 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)
2018	141	2,285
2017	133	1,679
2016	67	537
2015	43	260
2014	40	267
2013	35	335

Source: PRIME Database

The largest SME IPO in the year, as per PRIME Database, was from East India Securities (Rs.88 crore).

OFS (SE): According to PRIME, Offers for Sale through Stock Exchanges (OFS), which is for dilution of promoters' holdings, saw a decrease from Rs. 18,094 crore raised last year to Rs. 10,678 crore## raised in this calendar year.

This too was **accounted for primarily by the government's divestment at Rs. 6,524 crore (61 per cent of overall amount)**. The largest OFS was that of Coal India in October (Rs. 5,274 crore) followed by Larsen & Toubro Infotech (Rs.1,846 crore). OFS accounted for 17 per cent of the total year's public equity markets amount.

QIPs: 25 companies mobilized Rs.16,677 crore### through QIPs. This was 73 per cent lower than Rs. 61,148 crore raised in the previous year. **The largest QIP of 2018 was from Idea Cellular raising Rs. 3,500 crore, accounting for 21 per cent of the total QIP amount.**

IPPs: No company used the IPP route.

Fresh Capital

Of the total amount of Rs. 63,744 crore, the fresh capital amount was Rs. 29,224 crore (46 percent); the remaining Rs. 34,520 crore being offers for sale.

Divestments

2018 was the best year ever with Rs.78,143 crore being raised by the Government.

CPSE to CPSE sale at Rs. 37,200 crore (48 per cent) constituted a lion's share of divestment followed by ETFs at Rs. 25,325 crore (32 per cent), Public Offers (IPOs of Bharat Dynamics , HAL, Mishra Dhatu, RITES, IRCON, Garden Reach and OFS of NMDC and CIL) at Rs. 13,229 crore (17 per cent), Buybacks (SJVN, BEL, KIOCL, NALCO, NLC, Cochin Shipyard and BHEL) at Rs.2,372 crore ##### (3 per cent) and sale of shares to employees at Rs. 17 crore (0.02 per cent).

Outlook for 2019

According to Haldea, not too much action is likely to be seen at least in the first half of 2019 till the conclusion of the national general elections, despite the fact that the pipeline on the IPO front is huge, with 59 companies holding SEBI approval wanting to raise nearly Rs. 63,170 crore and another 19 companies wanting to raise nearly Rs. 18,067 crore awaiting SEBI approval.

Public Bonds: Public bonds market saw a near 5 times increase with 20 issues raising Rs.29,944 crore##### in comparison to 9 issues raising Rs. 6,511 crore last year. This was driven primarily by the large issues of Dewan Housing Finance (Rs.10,945 crore), Shriram Transport Finance (Rs.3,649 crore),Tata Capital Financial Services (Rs.3,373 crore), Muthoot Finance (Rs.3,000 crore), Indiabulls Commercial Credit (Rs.2,000 crore) and ECL Finance (Rs.1,981 crore).

Rights Issues: Mobilisation of resources through rights issues, according to PRIME, recorded an increase in 2018. By amount, the period saw Rs. 18,827 crore being raised, which was higher by 184 per cent than Rs. 6,639 crore that was raised in the preceding year. This was primarily on account of 3 large issues of Tata Steel (Rs.12,704 crore), followed by Indiabulls Venture (Rs.2,000 crore) and Piramal Enterprises (Rs.1,978 crore). By number, the year witnessed 13 companies using the rights route in comparison to 21 companies in the previous year.

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

Year	No. of Companies	Amount (Rs.crore)
2018	13	18,827
2017	21	6,639
2016	10	1,914
2015	13	12,568
2014	18	5,224

Source: PRIME Database