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PRESS RELEASE

28 PER CENT INCREASE IN FUNDS RAISED IN PUBLIC EQUITY MARKETS IN 2019; OFS & QIPs DOMINATE: primedatabase.com

2019 witnessed a raising of Rs.81,174 crore through the public equity markets which was 28 per cent higher than Rs. 63,651 crore that was raised in calendar 2018, according to Pranav Haldea, Managing Director, PRIME Database Group, India's premier database on the capital market, which runs primedatabase.com. The mobilization, however, fell 49 per cent short than the all-time high amount of Rs. 1,60,032 crore raised in 2017.

FUND MOBILIZATION-PUBLIC MARKETS

Rs. crore

Year	IPOs (incl. SME IPOs)	FPOs(incl. SME FPOs)	OFS(SE)	QIPs	IPPs	IDRs	InvITs/ RelTs	Total Equity	Bonds (Public)	Total Equity + Bonds
2019	12,982	11	25,811	35,238	-	-	7,132	81,174	17,039	98,213
2018	33,246	-	10,672	16,587	-	-	3,145	63,651	30,701	94,352
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

Source: primedatabase.com

IPOs: According to Haldea, only 16 main-board IPOs came to the market collectively raising Rs.12,362 crore. This was a decline of 60 per cent from the Rs.30,959 crore raised through 24 IPOs in 2018. **Number of companies and amounts raised through main board IPOs in the last 5 years are given in the table below:**

Main Board IPOs

Year	No. of Companies	Amount (Rs.crore)
2019	16	12,362
2018	24	30,959
2017	36	67,147
2016	26	26,494
2015	21	13,614
2014	5	1,201

Source: primedatabase.com

The largest IPO in 2019 was from Sterling & Wilson Solar for Rs. 2,850 crore. The average deal size was Rs. 773 crore.

Only 3 out of the 16 IPOs that hit the market had a prior PE/VC investment, a notable change from previous years. Offers for sale by such PE/VC investors at Rs. 803 crore accounted for just 6 per cent of the total IPO amount. Offers for sale by promoters at Rs.7,513 crore accounted for a further 61 per cent of the IPO amount.

Out of the 16 IPOs, 12 companies had anchor investors, which collectively subscribed to 35 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. This was, however, lower than the 22 per cent from FPIs.**

The overall response from the public to the mainboard IPOs of the year, according to primedatabase.com, was good. While **7 IPOs received a mega response of more than 10 times** (IRCTC at 109 times followed by Ujjivan Small Finance Bank (100 times), CSB Bank (48 times), Affle (48 times), Polycab (36 times), Neogen Chemicals (29 times) and Indiamart Intermesh (20 times), 1 other IPO was oversubscribed by more than 3 times. The balance 7 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 Ujjivan Small Finance Bank at 14.36 lakhs followed by IRCTC (12.94 lakhs), Polycab (11.37 lakhs) and CSB Bank (9.20 lakhs).

According to Haldea, response to IPOs was further buoyed by **strong listing performance of IPOs** of the year. Of the 15 IPOs which got listed, 7 gave a return of over 10 per cent (based on closing price on listing date). IRCTC gave a stupendous return of 128 per cent followed by CSB Bank (54 per cent), Ujjivan Small Finance Bank (51), Indiamart Intermesh (34), Neogen Chemicals (23), Polycab (22) and Affle (17). **Moreover, unlike in previous years, only 2 of the 15 IPOs are presently trading below the issue price. The balance 13 IPOs are trading between 21 and 170 per cent above the issue price (closing price of 23rd December, 2019).**

At the other end of the spectrum, during 2019, 47 companies looking to raise over Rs.51,000 crore allowed their SEBI approval to lapse, despite approvals being valid for a period of one year and after having incurred a lot of time and costs.

SME IPOs: For the first time since the SME platform started, activity in this segment declined; there were only 50 SME IPOs, which collected a total of Rs. 621 crore in comparison to 141 IPOs in 2018 which collected Rs. 2,287 crore. **Number of SME IPOs and amounts raised in the last 5 years are given in the table below:**

SME IPOs

Year	No. of Companies	Amount (Rs.crore)
2019	50	621
2018	141	2,287
2017	133	1,679
2016	67	537
2015	43	260
2014	40	267

The largest SME IPO in the year, as per primedatabase.com, was from Ritco Logistics (Rs.46 crore).

OFS (SE): According to primedatabase.com, Offers for Sale through Stock Exchanges (OFS), which is for dilution of promoters' holdings, saw a huge increase, from Rs. 10,672 crore raised in 2018 to Rs. 25,811 crore[#] raised in 2019. Of this,

Source: primedatabase.com

the **Government's divestment accounted for Rs. 5,871 crore or 23 per cent of the overall amount**). The largest OFS was that of Axis Bank Ltd.(Specified Undertaking Of The Unit Trust of India) in February (Rs. 5,358 crore) followed by SBI Life Insurance (Rs.3,524 crore) and HDFC Life Insurance (Rs.3,366 crore). OFS accounted for 32 per cent of the total year's public equity markets amount.

QIPs: 11 companies mobilized Rs. 35,238 crore through QIPs. This was 112 per cent higher than Rs. 16,587 crore raised in the previous year. The largest QIP of 2019 was from Axis Bank raising Rs. 12,500 crore, accounting for 35 per cent of the total QIP amount. QIPs were dominated by banks, NBFCs and real estate companies with them accounting for 87 per cent (Rs.30,688 crore) of the overall amount.

InvITs/ReITs: 2019 saw the first ever ReIT listing (Embassy Office Parks raising Rs. 3,874 crore). The amount raised through InvITs and ReITs saw an increase of 127 per cent from previous year.

Fresh Capital

Of the total amount of Rs. 81,171 crore, the fresh capital amount was Rs. 45,937 crore (57 percent); the remaining Rs. 35,234 crore being offers for sale.

Divestments

2019 has been a mediocre year for divestments with Rs.68,047 crore being raised by the Government. ETFs at Rs.34,124 crore (50 per cent) have constituted a lion’s share of divestment followed by CPSE to CPSE sale at Rs. 15,629 crore (23 per cent), Buybacks (IOC, ONGC, Coal India, NMDC, OIL, NHPC and MOIL) at Rs. 8,402 crore^{###} (12 per cent), Public Offers (IPOs of IRCTC, Rail Vikas Nigam and MSTC and OFS of Axis Bank (SUUTI) and RITES) at Rs.7,197 crore (11 per cent), Block Deals/Market Sales (Enemy Property Shares) at Rs. 2,660 crore (2 per cent) and Sale of Shares to Employees (RITES)[#] at Rs. 35 crore (0.05 per cent).

For 2019-20, the Government has set a target of Rs. 1,05,000 crore. Of this, only Rs. 17,744 crore or 17 per cent has been achieved thus far. Reduction in the Government’s holding in 26 listed CPSEs to 75 per cent (which is also a mandatory SEBI requirement) alone can contribute to over Rs. 23,000 crore of this. Further, the Government has also placed a roadmap for several unlisted profit making CPSEs to get listed. Lastly, the Government has also identified 44 CPSEs for strategic sale.

Outlook for 2020

According to Haldea, the recent buoyancy in secondary markets as also the listing performance of IPOs in the last few months has provided some impetus to the primary market. The IPO pipeline continues to remain strong with 21 companies holding SEBI approval wanting to raise nearly Rs. 18,700 crore and another 13 companies wanting to raise nearly Rs. 18,000 crore awaiting SEBI approval.

Public Bonds: Public bonds market saw a near 45 per cent decrease with 35 issues raising Rs. 17,039 crore^{###} in comparison to 20 issues raising Rs. 30,701 crore last year. The largest issue was from Tata Capital Financial Services raising Rs. 2,158 crore followed by Mahindra & Mahindra Financial Services (Rs. 2,147 crore) and L&T Finance (Rs.1,500 crore).

Rights Issues: Mobilisation of resources through rights issues, according to primedatabase.com, recorded a huge increase in 2019. **By amount, the period saw Rs. 52,053 crore being raised, which was higher by 176 per cent than Rs. 18,827 crore that was raised in 2018.** This was primarily on account of 2 large issues of Vodafone Idea (Rs.25,000 crore) and Bharti Airtel (Rs.24,939 crore). By number, the year witnessed 12 companies using the rights route in comparison to 13 companies in the previous year. **Number of rights issues and amounts raised in the last 5 years are given in the table below:**

Rights Issues

Year	No. of Companies	Amount (Rs.crore)
2019	12	52,053
2018	13	18,827
2017	21	6,639
2016	10	1,914

2015	13	12,568
2014	18	5,224

Source: primedatabase.com

RITES Ltd. OFS (offer to employees) amount note finalised

MOIL buyback amount not finalised

Muthoot Finance Ltd. and L&T Finance Ltd. Debt Public Issues base issue amount considered