

PRESS RELEASE

23rd December, 2021

IPO FUNDRAISING HIGHEST EVER, CROSSES RS. 1 LAKH CRORE IN CY 2021:
primedatabase

63 Indian corporates raised an all-time high Rs. 1,18,704 crore[#] through main board IPOs in calendar 2021. This was nearly 4.5 times Rs. 26,613 crore raised through 15 IPOs in 2020 and almost double of the previous best year 2017 in which Rs. 68,827 crore was raised. **IPOs from new age loss-making technology startups, strong retail participation and huge listing gains were the key highlights, according to Pranav Haldea, Managing Director, PRIME Database Group, India's premier database on the capital market, which runs primedatabase.com.**

Overall public equity fundraising crossed the Rs. 2 lakh crore mark to reach Rs. 2,02,009 crore in calendar 2021 which was higher than the previous highest amount of Rs. 1,76,914 crore in the preceding year.

FUND MOBILIZATION-PUBLIC MARKETS

Rs. Crore

Year	IPOs (incl. SME IPOs)	FPOs (incl. SME FPOs)	OFS(SE)	QIPs (incl. InvIT/ReIT-QIPs)	IPPs	InvITs/ ReITs	Total Equity	Public Bonds (incl. InvIT/ReIT-Public Debt)	Total Equity + Bonds
2021	1,19,431	29	22,912	41,997	-	17,641	2,02,009	15,277	2,17,286
2020	26,772	15,024	20,901	84,501	-	29,715	1,76,914	8,281	1,85,194
2019	12,985	11	25,999	35,238	-	8,008	82,241	18,637	1,00,878
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	1,66,543
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

Main Board IPOs: The largest IPO in 2021, which was also the largest IPO ever in the history of the Indian IPO market, was from One 97 Communications (Paytm) for Rs. 18,300 crore. The average deal size was a high Rs. 1,884 crore.

The overall response from the public, according to primedatabase.com, was very good. Of the 59^{###} IPOs for which data is available as of now, **36 IPOs received a mega response of more than 10 times (of which 6 IPOs more than 100 times)** while 8 IPOs were oversubscribed by more than 3 times. The balance 15 IPOs were oversubscribed between 1 to 3 times.

The year witnessed **tremendous response from retail investors** as well. The average number of applications from retail was 14.36 lakh, in comparison to 12.77 lakh in 2020 and 4.05 lakh in 2019. The highest number of applications from retail in 2021 was received by Glenmark Life Sciences (33.95 lakhs) followed by Devyani International (32.67 lakhs) and Latent View (31.87 lakhs).

The amount of shares applied for by retail was a huge 135 per cent of the IPO mobilisation (156 per cent in 2020). However, the total allocation to retail was Rs. 24,292 crore which was just 20 per cent of the total IPO mobilisation (down from 32 per cent in 2020).

According to Haldea, success of the IPOs was further buoyed by **strong listing performance**. Of the 58^{###} IPOs which have got listed thus far, 34 gave a return of over 10 per cent (based on closing price on listing date). Sigachi Industries gave a stupendous return of 270 per cent followed by Paras Defence (185 per cent) and Latent View (148 per cent). 40 of the 58^{###} IPOs are trading above the issue price (closing price of 22nd December, 2021). Average listing gain was 32 per cent, in comparison to 44 per cent in 2020 and 19 per cent in 2019.

25 out of the 63 IPOs that hit the market had a **prior PE/VC investment**. Offers for sale by such PE/VC investors at Rs. 24,106 crore accounted for 20 per cent of the total IPO amount. Offers for sale by promoters at Rs.31,704 crore accounted for a further 27 per cent of the IPO amount. **On the other hand, the amount of fresh capital raised in IPOs in 2021 was a very high Rs. 43,324 crore, which was greater than the last 8 years combined.**

Anchor investors collectively subscribed to 39 per cent of the total public issue amount. FPIs played a dominant role as anchor investors, with their subscription amounting to 24 per cent of the amount followed by MFs at 11 percent. **Qualified Institutional Buyers (including Anchors Investors) as a whole subscribed to 69 per cent of the total public issue amount** (data for 59⁵ companies for which QIB and anchor investors data is available as of now). FPIs, on an overall basis as anchors and QIB, subscribed to 30 per cent of the issue amount followed by MFs at 16 per cent.

2021 also saw record number of filings with SEBI. As many as **115 companies filed their offer document with SEBI for approval**. According to Haldea, to put this in context, 2019 and 2020 cumulatively had a total of just 50 filings.

Outlook for 2022

Following from the record number of filings, the IPO pipeline continues to remain strong with **35 companies holding SEBI approval proposing to raise roughly Rs. 50,000 crore and another 33 companies which are awaiting SEBI approval to raise about Rs. 60,000 crore.** This, of course, excludes the much anticipated mega IPO of LIC which is expected to be launched in this fiscal.

According to Haldea, inflationary concerns resulting in rate hikes can be expected which shall reduce the amount of liquidity available, which along with how Omicron variant plays out, shall have an impact on the secondary market and consequently the primary market.

SME IPOs: Activity in this segment also increased in 2021 in comparison to 2020; there were 55 SME IPOs, which collected a total of Rs. 727 crore in comparison to 27 IPOs in 2020 which collected Rs. 159 crore. The largest SME IPO in 2021 was of Aashka Hospitals (Rs. 95.83 crore).

OFS (SE): According to primedatabase.com, Offers for Sale through Stock Exchanges (OFS), which is for dilution of promoters' holdings, saw a marginal increase, from Rs. 20,901 crore raised in 2020 to Rs. 22,912 crore raised in 2021. Of this, the **Government's divestment accounted for Rs. 18,406 crore or 80 per cent of the overall amount).** The largest OFS was that of Tata Communications (Rs. 5,386 crore) followed by Axis Bank (Specified Undertaking of Unit Trust of India) (Rs.3,974 crore) and NMDC (Rs.3,633 crore). OFS accounted for 11 per cent of the total year's public equity markets amount.

QIPs: **35 companies mobilized Rs. 41,997 crore through QIPs. This was 50 per cent lower than Rs. 84,501 crore raised in the previous year.** The largest QIP of 2021 was from Bank of Baroda raising Rs. 4,500 crore, accounting for 11 per cent of the total QIP amount. QIPs were dominated by banks and real estate companies with them accounting for 62 per cent (Rs.26,101 crore) of the overall amount. **According to Haldea, despite bullish markets, QIP fundraising remained tepid in 2021.**

InvITs/ReITs: The amount raised through InvITs and ReITs saw a decrease of 41 per cent to Rs. 17,641 crore from Rs.29,715 crore in 2020.

Fresh Capital

Of the total amount of Rs. 2,02,009 crore, fresh capital amount was Rs. 1,03,621 crore (51 percent); the remaining Rs. 98,388 crore being offers for sale.

Divestments

2021 has been a poor year for divestments with only Rs.25,546 crore being raised by the Government. Public Offers (IPOs of IRFC, Railtel and OFS of Axis Bank (SUUTI), HCL, HUDCO, IRCON, NMDC, RIL (SUUTI), RVNL, SAIL and TATA Communications) at Rs.20,987 crore (82 per cent) were the most used mode followed by Strategic Sale to Private Entity (TATA

Communication) at Rs.3,389 crore (13 per cent) and Buyback (EIL, GAIL, and NALCO) at Rs.1,168 crore (5 per cent).

Rights Issues: Mobilisation of resources through rights issues, according to primedatabase.com, stood at Rs. 27,771 crore in 2021, which was 57 per cent lower than Rs. 64,984 crore that was raised in 2020. The largest Rights Issue of 2021 was from Bharti Airtel raising Rs. 20,987 crore, accounting for a huge 76 per cent of the total Rights Issues amount. By number, the year witnessed 11 companies using the rights route in comparison to 20 companies in the previous year.

In addition, 2021 also saw the first ever InvIT-Rights Issue (India Grid Trust raising Rs. 1,284 crore).

Public Bonds: Public bonds market saw an increase of 72 per cent with 27 issues raising Rs. 14,277 crore* in comparison to 21 issues raising Rs. 8,281 crore last year. The largest issue was from PFC raising Rs.4,429 crore.

In addition, 2021 also saw the first ever InvIT-Public Debt Issue (India Grid Trust raising Rs. 1,000 crore).

Debt Private Placements: Amount raised through debt private placement stood at Rs. 5,51,355 crore (as on 13th December, 2021), down 30 per cent from Rs. 7,83,015 in 2020. This was mobilised by 726 institutions and corporates. The highest mobilisation through debt private placements during the year was by NABARD (Rs. 65,321 crore) followed by HDFC (Rs. 43,750 crore), IRFC (Rs. 24,997 crore), NHAI (Rs. 24,850 crore) and REC (Rs. 24,647 crore).

Overseas Bonds: Indian companies also raised Rs. 3.37 lakh crore through overseas borrowing (including ECBs[^]), down 1 per cent from Rs. 3.39 lakh crore in 2020.

Overall fund raising by Indian corporates, through equity and debt, in India and abroad, covering IPOs, FPOs, OFS (SE), Rights, QIP, InvITs/ReITs, Public Debt, Debt Private Placement, Overseas Bonds, ECB and FCCB, dropped from Rs. 13.87 lakh crore in 2020 to Rs. 11.54 lakh crore in 2021.

Amount of Main Board IPOs of Data Patterns and CMS Info Systems has been calculated on basis of lower price band

Basis of Allotment of Data Patterns, HP Adhesives, Supriya Lifescience and CMS Info Systems not available

IPOs of Medplus Health, Data Patterns, HP Adhesives, Supriya Lifescience and CMS Info Systems not yet listed

\$ QIB Allotment data of Data Patterns, HP Adhesives, Supriya Lifescience and CMS Info Systems not available

* Muthoottu Mini Financiers, Edelweiss Financial Services, IIFL Home Finance and Indiabulls Housing Finance Debt Public Issues base issue amount considered

[^] ECB data till October, 2021