

27<sup>th</sup> March, 2022

## PRESS RELEASE

### **IPO FUNDRAISING HIGHEST EVER IN A FISCAL, CROSSES ₹1.10 LAKH CRORE IN FY 2021-22: primedatabase**

52 Indian corporates raised an all-time high ₹1,11,417 crore through main board IPOs in financial year 2021-22. This was despite the last quarter seeing only 5 IPOs, according to Pranav Haldea, Managing Director, PRIME Database Group, India's premier database on the capital market, which runs primedatabase.com. The 2021-22 IPO amount was over 3.5 times ₹31,268 crore raised through 30 IPOs in 2020-21. The previous best year was 2017-18 in which ₹81,553 crore was raised.

IPOs from new age loss-making technology startups, strong retail participation and huge listing gains were the other key highlights of 2021-22.

Overall public equity fundraising, however, dropped to ₹1.70 lakh crore from ₹1.90 lakh crore in the preceding year.

#### FUND MOBILIZATION-PUBLIC MARKETS

₹Crore

Year	IPOs (incl. SME IPOs)	FPOs (incl. SME FPOs)	OFS(SE)	QIPs (incl. InvIT/RelIT-QIPs)	IPPs	InvITs/RelITs	Total Equity	Public Bonds (incl. InvIT/RelIT-Public Debt)	Total Equity + Bonds
2021-22	1,12,349	4,314	11,513	28,460	-	13,841	1,70,477	11,392	1,81,869
2020-21	31,512	15,029	28,440	81,731	-	33,515	1,90,227	10,585	2,00,812
2019-20	20,786	35	17,326	51,216	-	2,306	91,670	15,146	1,06,816
2018-19	16,340	-	21,686	10,489	-	8,847	57,362	36,788	94,150
2017-18	83,767	12	17,431	62,520	4,668	7,283	1,75,680	5,167	1,80,848
2016-17	29,050	9	8,390	13,671	-	-	51,120	29,547	80,667
2015-16	14,811	-	19,822	14,358	-	-	48,991	33,812	82,803
2014-15	3,019	-	26,946	28,429	418	-	58,812	9,713	68,526
2013-14	1,205	7,456	6,859	9,402	4,459	-	29,381	42,383	71,764
2012-13	6,497	-	28,024	10,818	734	-	46,073	16,982	63,056
2011-12	5,893	4,578	13,518	1,713	471	-	26,172	35,611	61,783

**Main Board IPOs:** The largest IPO in 2021-22, which was also the largest Indian IPO ever, was from One 97 Communications (Paytm) for ₹18,300 crore. This was followed by Zomato (₹9,375 crore), Star Health (₹6,019 crore), PB Fintech (Policybazaar) (₹5,710 crore), Sona BLW (₹5,550 crore) and FSN E-Commerce (Nykaa) (₹5,350 crore). As can be seen, four out of the top 6 IPOs were from new age technology companies (NATCs) which together raised ₹38,734 crore.

The average deal size was a high ₹2,143 crore.

The overall response from the public, according to primedatabase.com, was very good. Of the 50<sup>#</sup> IPOs for which data is available as of now, 29 IPOs received a mega response of more than 10 times (of which 5 IPOs more than 100 times) while 8 IPOs were oversubscribed by more than 3 times. The balance 13 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 14.05 lakh, in comparison to 12.73 lakh in 2020-21 and 6.88 lakh in 2019-20. The highest number of applications from retail in 2021-22 were 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 by value was 17 per cent higher than the total IPO mobilisation (147 per cent in 2020-21) showing the strength and interest of retail investors during the year. However, the total allocation to retail was just ₹22,017 crore which was 20 per cent of the total IPO mobilisation (down from 32 per cent in 2020-21).**

According to Haldea, success of the IPOs was further buoyed by **strong listing performance**. Of the 50<sup>##</sup> IPOs which have got listed thus far, 30 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). 32 of the 50 IPOs are trading above the issue price (closing price of 15<sup>th</sup> March, 2022). **Average listing gain was 33 per cent**, in comparison to 36 per cent in 2020-21 and 24 per cent in 2019-20.

22 out of the 52 IPOs that hit the market had a **prior PE/VC investor** who sold shares in the IPO. Offers for sale by such PE/VC investors at ₹25,207 crore accounted for 23 per cent of the total IPO amount. Offers for sale by promoters at ₹33,258 crore accounted for a further 30 per cent of the IPO amount. **On the other hand, the amount of fresh capital raised in IPOs in 2021-22 was still very high ₹40,459 crore, which was greater than the last 5 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 25 per cent of the issue amount followed by MFs at 11 percent. **Qualified Institutional Buyers (including Anchors Investors) as a whole subscribed to 71 per cent of the total public issue amount** (data for 50<sup>#</sup> companies for which QIB and anchor investors data is available as of now). FPIs, on an overall basis, as anchors and QIB, subscribed to 31 per cent of the issue amount followed by MFs at 16 per cent.

2021-22 also saw **record number of filings with SEBI**. As many as **137 companies filed their offer documents with SEBI for approval**. According to Haldea, to put this in context, 2019-20 and 2020-21 cumulatively had a total of just 59 filings.

### **Outlook for 2022-23**

**54 companies proposing to raise a massive ₹1,40,000 crore (including the much awaited LIC IPO) are presently holding SEBI approval. Another 43 companies looking to raise about ₹81,000 crore are awaiting SEBI approval. Out of these 97 companies, 7 are NATCs which are looking to raise ₹30,000 crore.**

However, according to Haldea, IPO activity is likely to remain muted at least for the next few weeks due to high volatility in the secondary market, mainly because of the Russia-Ukraine imbroglio. Additionally, the overall liquidity, especially from FPIs, has also taken a hit following rate hikes from global central banks.

**SME IPOs:** Activity in this segment also increased in 2021-22 in comparison to 2020-21; there were 67 SME IPOs, which collected a total of ₹932<sup>\$</sup> crore in comparison to 28 IPOs in 2020-21 which collected ₹244 crore. The largest SME IPO in 2021-22 was of Aashka Hospitals (₹96 crore).

**OFS (SE):** According to primedatabase.com, Offers for Sale through Stock Exchanges (OFS), which is for dilution of promoters' holdings, saw a decrease, from ₹28,440 crore raised in 2020-21 to ₹11,513 crore raised in 2021-22. Of this, the **Government's divestment accounted for ₹9,072 crore or 79 per cent of the overall amount**. The largest OFS was that of Axis Bank (Specified Undertaking of Unit Trust of India) (₹3,974 crore) followed by NMDC (₹3,633 crore). OFS accounted for 7 per cent of the total year's public equity markets amount.

**FPOs:** Ruchi Soya mobilized ₹4,300 crore out of ₹4,314 crore mobilised through FPOs.

**QIPs:** 28 companies mobilized ₹28,460<sup>@</sup> crore through QIPs. This was 64 per cent lower than ₹78,045 crore raised in the previous year. The largest QIP of 2021-22 was from Macrotech Developers raising ₹4,000 crore, accounting for 15 per cent of the total QIP amount. QIPs were dominated by bank, financial services and real estate companies with them accounting for 61 per cent (₹17,400 crore) of the overall amount. **According to Haldea, despite bullish markets for a large part of the year, QIP fundraising remained tepid in 2021-22.**

**InvITs/ReITs:** The amount raised through InvITs and ReITs saw a decrease of 59 per cent to ₹13,841 crore from ₹33,515 crore in 2020-21.

### **Fresh Capital**

Of the total amount of ₹1,70,477 crore, fresh capital amount was ₹85,424 crore (50 percent); the remaining ₹85,053 crore being offers for sale.

### **Divestments**

2021-22 has been a poor year for divestments with only ₹12,424 crore being raised by the Government. According to Haldea, all eyes were on the LIC IPO which failed to materialize owing to volatile market conditions. The key highlight of the year, of course, was the Air India privatization which the Government was able to successfully complete after over two decades since the idea was first mooted.

Public Offers (OFS of Axis Bank (SUUTI), HCL, HUDCO, NMDC and RIL (SUUTI)) at ₹9,288 crore (75 per cent) were the most used mode followed by Strategic Sale to Private Entity (Air India) at ₹2,700 crore (22 per cent) and Buyback (MOIL) at ₹433 crore (3 per cent).

**Rights Issues:** Mobilisation of resources through rights issues, according to [primedatabase.com](http://primedatabase.com), stood at ₹25,301 crore in 2021-22, which was 61 per cent lower than ₹64,256 crore that was raised in 2020-21. The largest Rights Issue of 2021-22 was from Bharti Airtel raising ₹20,987 crore, accounting for a huge 83 per cent of the total Rights Issues amount. By number, the year witnessed 10 companies using the rights route in comparison to 20 companies in the previous year.

In addition, 2021-22 also saw the first ever InvIT-Rights Issues from India Grid Trust raising ₹1,284 crore and Data Infrastructure Trust raising ₹317 crore.

**Public Bonds:** Public bonds market saw a marginal decrease of 2 per cent with 26 issues raising ₹10,392 crore\* in comparison to 18 issues raising ₹10,585 crore last year. The largest issue was from Muthoot Finance raising ₹1,700 crore.

In addition, 2021-22 also saw the first ever InvIT-Public Debt Issue from India Grid Trust raising ₹1,000 crore.

**Debt Private Placements:** Amount raised through debt private placement stood at ₹5,28,067 crore (as on 23<sup>rd</sup> March, 2022), down 29 per cent from ₹7,48,304 in 2020-21. This was mobilised by 747 institutions and corporates. The highest mobilisation through debt private placements during the year was by HDFC (₹50,000 crore) followed by NABARD (₹40,350 crore) and LIC Housing Finance (₹21,947 crore).

**Overseas Bonds:** Indian companies also raised ₹3.32 lakh crore through overseas borrowing (including ECBs<sup>^</sup>), up 13 per cent from ₹2.95 lakh crore in 2020-21.

**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 ₹13.50 lakh crore in 2020-21 to ₹10.75 lakh crore in 2021-22.**

# Response Data of Uma Exports and Veranda Learning Solutions not available

## IPOs of Uma Exports and Veranda Learning Solutions not yet listed

\$ Amount of SME IPOs of KN Agri Resources, P.E.Analytics and Krishna Defence & Allied Industries has been calculated on basis of lower price band

@ Tentative Amount of Gulshan Polyols and Indian Hotels QIPs

\* Kosamattam Finance Debt Public Issue base issue amount considered

^ ECB data till January, 2022