

# ET Markets

Beating Volatility

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SMART INVESTING  
**Banks Scanning Proprietor A/Cs to Spot 'Money Mules'**

Hope

Greed

Fear

Panic

Hope

FUNDS MARKED TO FINANCE CAPITAL ASSETS OR RETIRE EXISTING DEBT RAISED TO BUILD CAPACITIES

## Fresh Capital Raised Via IPOs Surges to a 9-Year High, Hints at Private Capex Revival

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**Mumbai:** Amid massive selling by promoters and private equity players in the secondary market, fresh capital raised via initial public offerings (IPOs) in the first-half of the year has surged to the highest in nine years, indicating a slow revival in capital expenditure by India's private sector.

Of the ₹33,610 crore raised by 37 companies so far in 2024, about 45%, or ₹15,190 crore, were through new shares, the highest proportion since 2015, when India Inc. raised nearly 48% fresh capital, according to data from primedatabase.com. The funds raised as fresh issues in 2024 were to either finance capital assets or retire existing debt obtained to build capacities, according to IPO documents.

Amid the market euphoria, cor-

porations are actively securing fresh capital to fortify their balance sheets in preparation for future growth, said bankers.

"Strong growth in domestic consumption is driving fresh investments in capacity expansion," said Ravi Sardana, an investment banker. "The buoyant markets are enabling companies to fund these investments from fresh equity raised at attractive valuations instead of interest-bearing debt."

The ₹1,800 crore public issue of Juniper Hotels was entirely a fresh equity issue with no offer for sale (OFS) component. The company proposes to use the net proceeds of ₹1,500 crore toward repayment of debt.

Entero Healthcare Solutions' ₹1,600-crore IPO consisted of a ₹1,000-crore fresh issue which was to fund its working capital requirements and reduce its debt levels from ₹489 crore to ₹346 crore.

Likewise, a significant ₹1,000 crore

### Fund Raised Through IPOs

Year	No of IPOs	Total Amount (₹ Cr)	% Fresh Capital to Total
2012	11	6,835	65.0
2013	3	1,284	26.0
2014	5	1,201	41.5
2015	21	13,614	48.0
2016	26	26,494	34.6
2017	36	67,147	17.3
2018	24	30,959	24.0
2019	16	12,362	23.9
2020	15	26,613	13.2
2021	63	118,723	36.5
2022	40	59,302	29.7
2023	57	49,436	41.8
2024*	37	33,610	45.1

\*till 30 June Source: Primedatabase.com

### BOOK OF PLANS



PABLO PICASSO, WOMAN WITH BOOK

of the ₹1,500-crore public offering of Allied Blenders and Distillers comprises new shares, most of which will be utilised to pare debt.

Bankers indicated that companies are gearing up for economic growth by investing in capital expenditure to capitalise on the expected boom.

"Many companies are strategically planning to sustain their anticipated growth amid a positive outlook for the Indian economy," said Dharmesh Mehta, MD of DAM Capital. "Most recent public offerings are from the manufacturing sector, seeking funds for both capital expenditure and acquisitions."

The entire ₹1,000-crore IPO of Jyoti CNC Automation was a fresh issue to fund long-term working capital requirements and reduce debt. Similarly, ₹600 crore of the ₹920-crore IPO of Apeejay Surrendra Park Hotels is a fresh issue.

Continued ▶▶ On Smart Investing

# Fresh Capital Raised Via IPOs at 9-Yr High

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About 60% of the IPOs that have successfully raised funds so far in 2024 are from the manufacturing sector or belong to other capital-intensive industries such as hotels, hospitals and construction.

In 2023, about 42% of the ₹42,400 crore raised came from fresh issues, with the remainder being offers for sale. In 2022, only 30% of the total ₹59,302 crore raised originated from primary issuances, while the remaining ₹41,643 crore were generated through the sale of existing holdings by investors. Over the 10 years from 2013 to 2022, the average funds raised from fresh issues were just 30%, according to data from primedatabase.com.