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PRESS RELEASE

PANDEMIC YEAR DEFIED BY HIGHEST-EVER PUBLIC EQUITY MARKET FUNDRAISING : primedatabase.com

Despite the entire financial year 2020-21 being overshadowed by the pandemic, Indian corporates raised an all-time high amount of Rs. 1,88,900 crore through public equity markets. This was more than double of the Rs. 91,670 crore that was raised in 2019-20, according to Pranav Haldea, Managing Director, PRIME Database Group, India's premier database on the capital markets. The previous highest amount raised in a financial year was Rs. 1,75,680 crore in 2017-18.

Strong retail participation in IPOs, huge listing gains and highest-ever amount raised through QIPs and InvITs/RelTs were the key highlights of the year.

FUND MOBILIZATION-PUBLIC MARKETS

Rs. Crore

Year	IPOs (incl. SME IPOs)	FPOs(incl. SME FPOs)	OFS(SE)	QIPs (incl. RelT-QIPs)	IPPs	IDRs	InvITs / RelTs	Total Equity	Bonds (Public)	Total Equity + Bonds
2020-21	31,511	15,029	30,114	78,731	-		33,515	1,88,900	10,188	1,99,088
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
2010-11	33,098	13,084	-	23,474	-	2,487	-	72,143	9,431	81,574

Main Board IPOs: According to Haldea, contrary to the despondency due to the pandemic, 30 main-board IPOs came to the market collectively raising Rs. 31,268[#] crore. This was an increase of 54 per cent from the Rs. 20,350 crore raised through 13 IPOs in 2019-20.

The largest IPO in 2020-21 was from Gland Pharma for Rs. 6,480 crore. The average deal size was Rs. 1,042 crore.

The overall response from the public to the mainboard IPOs of the year, according to primedatabase.com, was very good. **18 IPOs received a mega response of more than 10 times** while 4 IPOs were oversubscribed by more than 3 times and the balance 8 IPOs were oversubscribed between 1 to 3 times.

As far as retail investors are concerned, the year witnessed tremendous response from them. The highest number of applications was received by Indigo Paints (25.88 lakhs) followed by Mtar Technologies (25.87 lakhs) and Mazagon Dock (23.56 lakhs).

According to Haldea, response to IPOs was further buoyed by **strong listing performance of IPOs** of the year. Of the 28 IPOs which got listed, 19 gave a return of over 10 per cent (based on closing price on listing date). Burger King gave a stupendous return of 131 per cent followed by Happiest Minds Technologies (123 per cent) and Indigo Paints (109 per cent). **Moreover, 18 of the 28 IPOs (listed thus far) are trading above the issue price (closing price of 26th March, 2021).**

The IPO pipeline continues to remain strong with 18 companies holding SEBI approval proposing to raise nearly Rs. 18,000 crore and another 14 companies are awaiting SEBI approval to raise nearly Rs. 23,000 crore.

SME IPOs: Activity in this segment further declined in 2020-21 in comparison to 2019-20; there were only 28 SME IPOs, which collected a total of Rs. 243[@] crore in comparison to 45 IPOs in 2019-20 which collected Rs. 436 crore.

OFS (SE): According to primedatabase.com, Offers for Sale through Stock Exchanges (OFS), which is for dilution of promoters' holdings, saw an increase, from Rs. 17,326 crore raised in 2019-20 to Rs. 30,114 crore⁵ raised in 2020-21. Of this, the **Government's divestment accounted for Rs. 19,927 crore or 66 per cent of the overall amount**). The largest OFS was that of Tata Communications (Rs. 5,386 crore) followed by Hindustan Aeronautics (Rs.4,961 crore) and IRCTC (Rs.4,408 crore). OFS accounted for 11 per cent of the total year's public equity markets amount.

FPOs: FPOs made a comeback after several years. This was primarily on account of the mega Yes Bank FPO which raised Rs. 15,000 crore. Overall, 2 companies mobilized Rs. 15,029 crore through FPOs.

QIPs: 31 companies mobilized Rs. 78,731 crore through QIPs, highest ever in a financial year. This was 54 per cent higher than Rs. 51,216 crore raised in the previous year. The largest QIP of 2020-21 was from ICICI Bank raising Rs. 15,000 crore, accounting for 19 per cent of the total QIP amount. QIPs were dominated by banks, NBFCs and real estate companies with them accounting for 84 per cent (Rs.66,141 crore) of the overall amount.

2020-21 also saw the first ever ReIT QIP (Embassy Office Parks raising Rs. 3,685 crore).

InvITs/ReITs: The amount raised through InvITs and ReITs saw an increase of 1,353 per cent to an all-time high of Rs. 33,515 crore from Rs. 2,306 crore in 2019-20.

Fresh Capital

Of the total amount of Rs. 1,88,900 crore, fresh capital amount was Rs. 1,36,992 crore (73 percent); the remaining Rs. 51,908 crore being offers for sale.

Divestments

2020-21 has been a dismal year for divestments with only Rs.33,159 crore[^] being raised by the Government. Public Offers (IPOs of IRFC, Mazagon Dock, Railtel and OFS of Bharat Dynamics, HAL, IRCON International, IRCTC, RVNL, SAIL and TATA Communications) at Rs.22,594 crore (68 per cent) was the most used mode followed by Buyback (EIL, GAIL, HPCL, KIOCL, NMDC, NTPC, NALCO and RITES) at Rs.6,441 crore (19 per cent).

Rights Issues: Mobilisation of resources through rights issues, according to primedatabase.com, reached an all-time high of Rs. 64,256 crore in 2020-21, which was higher by 15 per cent than Rs. 55,998 crore that was raised in 2019-20. **This was primarily on account of 1 large issue of Reliance Industries (Rs.53,124 crore).** By number, the year witnessed 20 companies using the rights route in comparison to 13 companies in the previous year.

Public Bonds: Public bonds market saw a near 31 per cent decrease with 18 issues raising Rs. 10,488 crore^{*} in comparison to 35 issues raising Rs. 15,146 crore last year. The largest issue was from PFC raising Rs.4,429 crore.

Debt Private Placements: Amount raised through debt private placement reached an all time high of Rs. 7,02,697 crore (as on 26th March, 2021), up from Rs. 6,75,236 in 2019-20. This was mobilised by 656 institutions and corporates. The highest mobilisation through debt private placements during the year was by NABARD (Rs. 59,072 crore) followed by REC (Rs.50,370 crore), HDFC (Rs.49,843 crore), NHAI (Rs.44,953 crore) and PFC (Rs.40,966 crore).

Overseas Bonds: In addition, Indian companies also raised Rs. 2.30 lakh crores through overseas borrowing (including ECBs**), down 55 percent from Rs. 5.07 lakh crores in 2019-20.

Amount of Main Board IPO of Barbeque-Nation Hospitality has been calculated on basis of lower price band

@ Amount of SME IPO of EKI Energy Services and V-Marc India has been calculated on basis of lower price band

\$ SAIL (offer to employees), Federal-Mogul Goetze, India Power Corp., RVNL, Wabco India, Hathway Cable Datacom and Den Networks amount not finalised

^ HPCL (Buyback), RVNL (OFS) and SAIL (offer to employees) amount not finalised

* Muthoottu Mini Financiers and Kosamattam Finance Debt Public Issues base issue amount considered

** ECB data till January, 2021