

3<sup>rd</sup> October, 2024

## PRESS RELEASE

### IPO FUNDRAISING DOUBLES, QIP TREBLES IN FIRST HALF OF 2024-25, MEGA PIPELINE AHEAD: primedatabase

40 Indian corporates raised ₹51,365 crore\* through main board IPOs in the first half of 2024-25, 95 per cent higher than the ₹26,311 crore mobilized by 31 IPOs in the same period in 2023-24, according to primedatabase.com, India's premier database on the primary capital market.

According to Pranav Haldea, Managing Director, PRIME Database Group, adding the ₹66,225 crore raised through QIPs (195 per cent higher than ₹22,443 crore raised in the same period last year), contributed to a significant share of the overall public equity fundraising of ₹1,56,947 crore, an increase of 102 per cent from ₹77,744 crore raised in the first half of 2023-24.

#### FUND MOBILIZATION-PUBLIC MARKETS

Period (Apr-Sep)	IPOs (incl.SME IPOs)	FPOs (incl.SME FPOs)	OFS(SE) (incl. InvIT/ReIT -OFS(SE))	QIPs (incl.SME/InvIT/ReIT -QIPs)	IPPs	InvITs/ReITs	Total Equity	₹Crore	
								Public Bonds (incl. InvIT/ReIT-Public Debt)	Total Equity + Bonds
2024-25	56,340	18,143	14,695	66,250	-	1,520	1,56,947	4,719	1,61,666
2023-24	29,036	-	15,534	24,748	-	8,426	77,744	12,592	90,335
2022-23	36,594	-	1,446	5,238	-	416	43,694	3,374	47,068
2021-22	52,325	-	11,511	17,276	-	8,795	89,907	8,685	98,592
2020-21	7,713	15,000	12,085	51,232	-	29,715	1,15,746	1,329	1,17,075
2019-20	8,674	11	10,590	17,430	-	2,306	39,012	8,559	47,571
2018-19	13,589	-	3,822	5,596	-	3,145	26,152	27,219	53,371
2017-18	27,555	-	11,794	30,581	4,668	7,283	81,881	3,896	85,777
2016-17	17,296	-	3,907	4,318	-	-	25,521	23,893	49,414
2015-16	4,950	-	12,916	12,428	-	-	30,294	2,302	32,595

Source: primedatabase.com

**Main Board IPOs:** The largest IPO in the first half of 2024-25 was from Bajaj Housing Finance (₹6,560 crore). This was followed by Ola Electric (₹6,146 crore) and Bharti Hexacom (₹4,275 crore). At the other end, the smallest IPO was from Kronox Lab raising just ₹130 crore. The average deal size was ₹1,284 crore, up from ₹849 crore in the same period last year. **As many as 22 out of the 40 IPOs came in just the 2 months of August and September.** The highest mobilisation was from the Housing Finance sector at ₹9,560 crore or 19 per cent of the issue amount.

According to Haldea, New age technology companies (NATCs) made a comeback after 2 quiet years with 5 IPOs (Awfis, Digit Insurance, Firstcry, Ixigo and Unicommerce) raising ₹8,424 crore.

The overall response from the public, according to primedatabase.com, was excellent. Of the 38<sup>@</sup> IPOs for which data is available presently, 35 IPOs received a mega response of more than 10 times (of which 17 IPOs more than 50 times) while 2 IPOs were oversubscribed by more than 3 times. The balance 1 IPO was oversubscribed between 1 to 3 times.

In comparison to the first half of 2023-24, the response of retail investors increased tremendously. **The average number of applications from retail more than doubled to 20.91 lakh in the first half of 2023-24, in comparison to 9.67 lakh in the same period**

**last year.** The highest number of applications from retail were received by Bajaj Housing Finance (58.66 lakhs) followed by Arkade Developers (45.37 lakhs) and Northern Arc (45.13 lakhs).

**The amount of shares applied for by retail by value of ₹1.58 lakh crore was 211 per cent higher than the total IPO mobilisation (in comparison to being 124 per cent higher in 2023-24) again showing a much higher level of enthusiasm from retail during the period.** The total allocation to retail, however, was only ₹11,976 crore which was 24 per cent of the total IPO mobilisation (slightly down from 25 per cent in 2023-24).

**According to Haldea, IPO response was further buoyed by strong listing performance. Average listing gain (based on closing price on listing date) increased to 34.28 per cent, in comparison to 28.65 per cent in the first half of 2023-24.** Of the 38<sup>s</sup> IPOs which have got listed thus far, 30 gave a return of over 10 per cent. Bajaj Housing Finance gave a stupendous return of 136 per cent on listing day followed by Unicommerce Esolutions (94 per cent) and Premier Energies (87 per cent). **30 of the 38 IPOs are trading above the issue price (closing price of 30th September, 2024).** The average gain of the 38 IPOs till 30<sup>th</sup> September 2024 has been a huge 41.80 per cent.

Only 11 out of the 40 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 ₹6,730 crore accounted for 13 per cent of the total IPO amount. Offers for sale by private promoters at ₹12,201 crore accounted for another 24 per cent of the IPO amount. **On the other hand, the amount of fresh capital raised in IPOs in the first half of 2024-25 was ₹25,053 crore or 49 per cent of the total amount. 20 per cent of the amount raised through fresh capital was for Capital Enhancement/Working Capital followed by Retirement of Debt (19 per cent), Investment In Subsidiary/Joint Venture/Associate Companies (16 per cent), General Corporate Purpose (14 per cent) and Expansion/New Project/Plant & Machinery (13 per cent).**

Anchor investors collectively subscribed to 36 per cent of the total public issue amount. **FPIs played a slightly more dominant role than Mutual Funds as anchor investors with their subscription amounting to 16 per cent of the issue amount with Mutual Funds at 14 per cent.**

Qualified Institutional Buyers (including Anchors Investors) as a whole subscribed to 59 per cent of the total public issue amount. **FPIs, on an overall basis, as anchors and QIB, subscribed to 26 per cent of the issue amount in comparison to Mutual Funds at 18 per cent.**

**According to Haldea, investor enthusiasm can be gauged from the fact that, across categories, the average oversubscription stood at 53.72 times, in comparison to 31.25 times in the same period last year. Average retail oversubscription stood at 33.02 times in comparison to 28.27 times last year.**

**The first half of 2024-25 saw huge 84 companies filing their offer document with SEBI for approval (in comparison to 40 in the first half of 2023-24).** On the other hand, in the same period, 3 companies looking to raise nearly ₹7,500 crore let their approval lapse, 4 companies looking to raise ₹13,450 crore withdrew their offer document and SEBI returned the offer document of a further 8 companies looking to raise ₹15,500 crore.

#### **Outlook for second half of 2024-25**

The pipeline is huge. **26 companies proposing to raise ₹72,000 crore are presently holding SEBI approval while another 55 companies looking to raise about ₹89,000 crore are awaiting SEBI approval** (Out of these 81 companies, 3 are NATCs which are

looking to raise roughly ₹13,000 crore). **According to Haldea, unless there is a black swan event, it is likely to be a record breaking year for IPOs.**

**SME IPOs:** Activity in this segment saw a huge increase in the first half of 2024-25 with 143 SME IPOs collecting a total of ₹4,948 crore, 83 per cent higher than ₹2,724 crore from 96 IPOs in the same period last year. The largest SME IPO was of Sahasra Electronic Solutions (₹168.08 crore). The average issue amount has seen a steady increase from ₹12 crore 5 years back (first half of 2019-20) to ₹35 crore in 2024-25.

The response of retail investors has also increased tremendously. **The average number of applications from retail increased to 1.94 lakh in comparison to just 468 applications 5 years back (first half of 2019-20).**

**Average listing gain** (based on closing price on listing date) in SME IPOs increased to 63 per cent in comparison to 41 per cent in the first half of 2023-24. As many as 94 of the 131 SME IPOs are trading above the issue price (closing price of 30th September, 2024). The average gain till 30<sup>th</sup> September 2024 has been a huge 92 per cent.

**The average oversubscription for SME IPOs across categories stood at 208 times in comparison to 72 times in the same period last year. Average retail oversubscription stood at 262 times in comparison to 101 times last year.**

**FPOs:** FPOs made a comeback after 4 years with ₹18,143 crore being raised through this route, almost solely due to the mega FPO of ₹18,000 crore from Vodafone Idea.

**OFS (SE):** According to primedatabase.com, Offers for Sale through Stock Exchanges (OFS), which is for dilution of promoters' holdings, saw a slight decrease, from ₹13,463 crore raised in the first half of 2023-24 to ₹12,888 crore raised in the same period this year. Of this, the Government's divestment accounted for just ₹2,348 crore or 18 per cent of the overall amount. The largest OFS was that of GE T&D India (₹5,600 crore). OFS accounted for just 8 per cent of the year's public equity markets mobilization. The first half of 2024-25 also saw OFS by an InvIT or ReIT (India Grid Trust raising ₹1,807 crore).

**QIPs:** QIPs nearly trebled with 46 companies mobilizing ₹66,225 crore through QIPs in the first half of 2024-25. The largest QIP was from Vedanta raising ₹8,500 crore, accounting for 13 per cent of the total QIP amount. QIPs were dominated by Financial Services and Power Generation companies with them accounting for 33 per cent (₹21,153 crore) of the overall amount. In addition, there was a QIP of a ReIT (Brookfield India Real Estate Trust) of ₹2,305 crore.

**InvITs/ReITs:** The amount raised through InvITs and ReITs declined to just ₹1,520 crore (1 issue) from ₹8,426 crore in the same period last year.

### **Fresh Capital**

Of the total equity mobilisation of ₹1,56,947 crore, fresh capital amount was ₹1,15,569 crore (74 percent) in comparison to 56 percent last year; the remaining ₹41,378 crore being offers for sale.

### **Divestments**

**The only divestment in the first six months of 2024-25 was the OFS of General Insurance Corp. (₹2,348 crore). According to Haldea, the Government should consider using the buoyant markets to offload minority stakes.**

**Rights Issues:** Mobilisation of resources through rights issues, according to primedatabase.com, nearly doubled to ₹8,089 crore from ₹4,474 crore that was raised in the same period last year. The largest Rights Issue of 2024-25 was from Tata Consumer

Products ₹2,998 crore, accounting for 37 per cent of the total Rights Issues amount. By number, the first half of 2024-25 witnessed 10 companies using the rights route in comparison to 7 companies in 2023-24.

**Public Bonds:** Public bonds market saw a big decrease with 22 issues raising ₹4,719 crore in comparison to 23 issues raising ₹12,592 crore in the same period last year. The largest issue was from Motilal Oswal Financial Services raising ₹1,000 crore.

**Debt Private Placements:** Amount raised through debt private placement in the first half of financial year 2024-25 stood at ₹4.90 lakh crore (as on 30<sup>th</sup> September, 2024), up 4 per cent from ₹4.70 lakh crore in the same period last year. This was mobilised by 566 institutions and corporates. The highest mobilisation through debt private placements was by REC (₹29,378 crore) followed by SBI (₹27,500 crore) and Bajaj Finance (₹21,888 crore). In addition, there were 7 debt private placements from InvITs/ReITs raising ₹13,098 crore.

**Overseas Bonds:** Indian companies also raised ₹1,35,833 crore through overseas borrowing (including ECBs<sup>^</sup>), down 46 per cent from ₹2,49,887 crore in 2023-24.

**At an overall level, fund raising by Indian corporates, through equity and debt, in India and abroad, covering IPOs, FPOs, OFS (SE), Rights, QIP, InvITs/ReITs, preferential issues, Public Debt, Debt Private Placement, Overseas Bonds, ECB and FCCB, more than doubled to ₹16.94 lakh crore in the first half of 2024-25 from ₹8.44 lakh crore in the same period last year.**

- # Amount of Main Board IPO of Diffusion Engineers and KRN Heat Exchanger & Refrigeration has been calculated on the basis of lower price band
  - @ Basis of Allotment of Diffusion Engineers and KRN Heat Exchanger & Refrigeration not available
  - \$ Diffusion Engineers and KRN Heat Exchanger & Refrigeration not yet listed
  - \* Amount of SME IPOs of Unilex Colours & Chemicals, Techera Engineering India, Thinking Hats Entertainment Solutions, Sahasra Electronic Solutions, Divyadhan Recycling Industries, Forge Auto International, Hvac Technologies, Subam Papers and Paramount Dye Tec has been calculated on basis of lower price band
  - <sup>^</sup> ECB data till July, 2024
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