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## Primary market shows signs of life

Equity issues raised in first 3 quarters more than that in entire FY12



Indian companies raised more money through primary market equity issuances in the first three quarters of this financial year than they did in the entire 2011-12. Economic Survey 2012-13 said funds raised through equity public issues in the April-December period of 2012-13 stood at Rs 13,050 crore. In 2011-12, companies had raised Rs 12,857 crore through this route.

"During 2012-13, 20 new companies (initial public offerings, or IPOs), with resource mobilisation amounting to Rs 6,043 crore, were listed on the National Stock Exchange (NSE) and the BSE, with a mean IPO size of Rs 302 crore," the survey said.

The investment banking community said many IPOs had been driven by existing investors looking to exit a company, rather than the company planning to raise money.

Mehul Savla, director at RippleWave Equity, said the sentiment remained weak for new companies and the mid-cap segment. "Companies that offer differentiated play, in terms of a sector that does not currently have representation in the market, may be exceptions," he said.

Overall, companies raised Rs 2.81 lakh crore through primary market issuances, including equity, debt and private placements, in the April-December period, compared with Rs 3.09 lakh crore in FY12. Funds raised through private placements in the April-December period also exceeded the previous year's tally---companies raised Rs 2.63 lakh crore, compared with Rs 2.61 lakh crore in FY12.

Private placements generally involve debt issuances placed with high net worth individuals and entities such as corporate treasuries.

So far this financial year, there were 1,789 private placements. Of these, 962 issues (worth Rs 1,47,732 crore), were reported only to the NSE, 757 (worth Rs 54,889 crore) were reported to the BSE alone and

**RESOURCE MOBILISATION VIA PRIMARY MARKET**

₹ crore	2009-10	2010-11	2011-12	2012-13 <sup>#</sup>
a) Debt	2,500	9,451	35,611	4,974
b) Equity	46,736	48,654	12,857	13,050
Of which IPOs	24,696	35,559	5,904	6,043
Number of IPOs	39	53	34	20
Mean IPO size	633	671	174	302
c) Private placement	212,635	218,785	261,282	263,644
<b>Total (a+b+c)</b>	<b>261,871</b>	<b>276,890</b>	<b>309,750</b>	<b>281,668</b>

# As on December 31, 2012 (provisional), only equity public issues have been considered

Source: Sebi

Compiled by BS Research Bureau

70 issues (worth Rs 61,022 crore) were reported to both the exchanges, according to the latest bulletin from the Securities and Exchange Board of India.

In April-December 2012, Rs 4,974 crore was mobilised through public issues of corporate debt, compared with Rs 35,611 crore in 2011-12.