

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS  
PRIMARY MARKETS SECTION

**RAJYA SABHA**  
**UNSTARRED QUESTION NO. 2335**  
**TO BE ANSWERED ON TUESDAY, 06TH DECEMBER, 2016/AGRAHAYANA 15, 1938 (SAKA)**

**POOR RESPONSE TO CAPITAL FORMATION AND CORPORATE INVESTMENT IN ECONOMY**

**QUESTION**

**2335. SHRI A. K. SELVARAJ:**

**Will the Minister of FINANCE be pleased to state:**

- (a): whether it is a fact that data on mobilization by way of initial public offers suggests that the trend did not signal a revival in capital formation and corporate investment in the broader economy;
- (b): whether it is also a fact that of the Rs 16,980 crore raised through public issues in the six months period ended September 30, 2016, only 23 per cent accounted for fresh capital raised by companies for future expansion; and
- (c): whether it is also a fact that some of the largest issues during this period did not see any fresh capital raised, if so details thereof?

**ANSWER**

**MINISTER OF STATE IN THE MINISTRY OF FINANCE**  
**(SHRI ARJUN RAM MEGHWAL)**

(a) : The fresh issuance for the first six months ended September 30, 2016 was higher at Rs 4,190 crore as against Rs 2,954 crore raised during the six months ended September, 2015 depicting an increase in mobilization of fresh resources by the issuer companies. The same is tabulated below:

Period Ended	Number of IPOs	Total amount raised [including Small and Medium Enterprises- Initial Public Offer (SME IPO)] (Rs. Crore)	Fresh Issuances (Rs. Crore)
April 2015-Sep 2015	39	4,904	2,954
April 2016-Sep 2016	57	17,317	4,190

(b): The data of IPOs opened during the six months period ended September 2016 indicates that an amount of Rs 17,317 crore (including SME IPOs) was raised through 57 IPOs (including 42 SME IPOs). Further, while 76% of IPO capital (Rs 13,127 crore) was raised through Offer for Sale (OFS), 24% (Rs 4,190 crore) was raised through fresh issuance.

Period	Number of IPOs	Total amount raised [including SME IPO] (Rs. crore)	Fresh Issuances (Rs. crore)	Offer for sale issuances (Rs. crore)
April 2016-Sep 2016	57	17,317 (100%)	4,190 (24%)	13,127 (76%)

(c): Out of the 15 major IPOs (excluding SME IPOs) opened during the six months period ended September 30, 2016, 5 issues were of a size of exceeding Rs 1000 crores. Of these 5 issues, 3 were pure OFS while two were mix of fresh issue and OFS. A table depicting the list of 5 major IPOs of a size of Rs. 1000 crores opened during the said period is given at **Annexure A**.

Annexure-A

5 Major IPOs of a size exceeding Rs 1000 crores opened during the six months period ended September 30, 2016.

Sr. No.	Name of the issue	Total Amount raised (Rs Crore)	OFS component (Rs Crore)	Fresh Issue (Rs Crore)
1	Equitas Holdings Private Limited	2,176.68	1,456.68	720
2	Mahanagar Gas Limited	1,038.88	1,038.88	0
3	Larsen & Toubro Infotech Limited	1,236.38	1,236.38	0
4	RBL Bank Limited	1,212.97	380.47	832.50
5	ICICI Prudential Life Insurance Company Limited	6,056.79	6,056.79	0
	Total	11,721.70	10,169.20	1,552.50