

# India Inc plans fundraising via QIPs

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As the marathon general elections draw to a close, India Inc is firming up strategies to raise fresh capital. The optimism surrounding the election outcome, capital expenditure (capex), and favourable valuations are key drivers behind listed firms' plans to issue new papers.

Adani Enterprises, the flagship firm of the Adani group, on Wednesday had received board approval to raise ₹16,000 crore in equity capital. A day earlier, power transmission company Adani Energy Solutions announced its plan to raise ₹12,500 crore.

## SCENT OF MONEY

New paper issuance is seen gaining pace

| RECENT QIPs       | Amount raised (₹ cr) |
|-------------------|----------------------|
| JSW Energy        | 5,000                |
| Coforge           | 2,240                |
| Angel One         | 1,500                |
| Keystone Realtors | 800                  |
| PSP Projects      | 650                  |
| Gokaldas Exports  | 600                  |

| ON THE ANVIL           | Proposed amount (₹ cr) |
|------------------------|------------------------|
| Adani Enterprises      | 16,600                 |
| Adani Energy Solutions | 12,500                 |
| Torrent Pharma         | 5,000                  |
| KPI Green              | 1,000                  |
| Cello World            | 745                    |

Sources: PRIME Database, exchange filing

In addition, drug major Torrent Pharma, solar power generation firm KPI Green, and Cello World — which operates in the consumer ware, writing instrument and moulded furniture segments — are targeting fund raises between ₹750 crore and ₹5,000 crore.

The preferred method for these companies to raise equity funds is through qualified institutional placements (QIPs), where a company can allot new shares to a group of investors at a price close to their current market rate.

Turn to Page 6 ▶

## SCENT OF MONEY

|         | No. of issues | Amount raised (₹ crore) |
|---------|---------------|-------------------------|
| Sep '23 | 3             | 4,200                   |
| Oct '23 | 6             | 3,823                   |
| Nov '23 | 6             | 12,553                  |
| Dec '23 | 10            | 14,130                  |
| Jan '24 | 10            | 3,655                   |
| Feb '24 | 3             | 6,469                   |
| Mar '24 | 8             | 8,232                   |
| Apr '24 | 7             | 8,122                   |

Sources: PRIME Database, exchange filing

## QIPs...

Power company JSW Energy, IT services firm Coforge, and broker Angel One have already successfully concluded their large-scale QIPs in the past month. Most of these companies will use the proceeds to expand their operations and venture into new business areas.

Investment bankers indicate that more companies are seeking board approvals to raise fresh capital to capitalise on the buoyant market conditions. In the past, companies usually refrained from launching any share sales ahead of the Lok Sabha elections. However, optimism around the election outcome has led to a departure from this trend.

"Generally, market participants are positive about the market outlook. The QIP issuance is expected to be buoyant, thanks to the continuity in policy and supportive markets," said Chirag Negandhi, managing director, JM Financial. QIPs are getting bunched up now as companies were waiting for the post-result cool off period to end, he added.

According to Sebi rules, firms are not allowed to conduct investor meetings ahead of the declaration of their quarterly financial statements. With the March 2024 and 2023-24 result season ending, companies have a few weeks' window to launch share sales, said industry play-

ers. Despite some losses, most stocks are trading around record levels despite election-related volatility. High market valuations help companies raise capital with lower dilution, and they find enough takers for their shares. "QIP is a bull market product... They are time-efficient and relatively inexpensive, making it the preferred mode of raising follow-on fresh capital," said Pranav Haldea, MD of PRIME Database.

Over the past six months, listed firms have raised an average ₹9,000 crore a month via QIPs.