

Experts see QIP fundraising at a new high in FY25

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INDIAN CORPORATES ARE stepping up their fundraising efforts through qualified institutional placements (QIPs) to cater to their expansion plans.

Some of them have secured board approvals to raise over ₹60,000 crore through primary issues via QIPs in the last two months.

Late last month, two Adani Group companies, Adani Enterprises and Adani Energy Solutions, received board approvals to raise a total of ₹30,000 crore in equity capital through QIPs. Earlier this month, public sector lender Union Bank of India also obtained board approval to raise ₹10,000 crore, including via QIPs, while JSW Energy's board approved a similar fundraising amount last month.

According to Satyen Shah, President & Head of Nuvama Investment Banking, the political stability following the general elections has provided companies with a clear roadmap to execute their capital expenditure plans, which require growth capital. "These factors are driving more companies to seek equity fundraising through QIPs."

He further added that fundraising through QIPs is a faster and less intensive process compared to other methods, making it the preferred route for companies seeking to raise growth capital.

QIP is a tool used by listed companies to raise capital by issuing equity shares or convertible debentures to qualified institutional buyers such as mutual funds, family offices, or foreign institutional investors (FIIs).

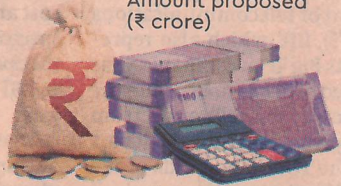
According to Prime Database, fundraising through QIPs jumped eightfold year-on-year to ₹71,306 crore in FY24 from ₹9,019 crore in FY23.

"We have already seen 35 companies raising more than ₹32,000 crore in this calendar year through QIPs against 10 companies raising ₹4,000 crore in the same period last year," said Chirag Negandhi, MD, JM Financial.

He also added that with elec-

MAJOR QIPs THAT GOT BOARD APPROVAL

Amount proposed (₹ crore)



Adani Enterprises	16,600
Adani Energy Solutions	12,500
Union Bank*	10,000
JSW Energy	10,000
Presitge Estates	5,000
Zee Entertainment	2,000
Craftsman Automation	1,200
Purvankara	1,000

*through public issue, rights issue, or private placements including QIP
Source: Company filings

tions out of the way, many companies are looking to raise funds and tap the primary market in the second half of the year. "We expect fund raise through QIP to be the largest ever in this financial year," Negandhi added.

Sunil Damania, Chief Investment Officer of MojoPMS, said with capacity utilisation exceeding 75%, Indian corporates are compelled to expand their capacity to meet future demand and QIP is one of the fastest ways to raise capital for expansion.

Experts also said companies are looking to take advantage of the bullish market sentiment driven by the surplus liquidity from domestic institutional investors like mutual funds and the return of the foreign portfolio investors (FPIs) to the Indian market.