

Firms raise over ₹32,000 cr via QIPs in H1 of 2024

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Thirty seven companies raised ₹32,528 crore from qualified institutional placements (QIPs) in the first six months of the year. This is 5.6 times the amount raised in the previous year and the second biggest mop-up since CY17, when 15 companies raised ₹33,912 crore.

JSW Energy (₹5,000 crore), Swan Energy (₹3,319 crore), Macrotech Developers (₹3,281 crore) and Union Bank of India (₹3,000 crore) were the top companies that raised money using this mode this year. QIPs are a bull market product and are typically

used to raise fresh capital for expansion or to retire debt.

GREATER CONFIDENCE

"If you look at historical data, you will always see a spurt in QIP activity whenever the secondary market is bullish. QIP is used to raise fresh capital and promoters would like to dilute at relatively higher valuations," said Pranav Haldea, Managing Director, PRIME Database.

According to him, QIPs are a sign of greater confidence among promoters to raise capital for expansion, diversification and for setting up new plants and machinery.

Banks often use QIPs to shore up capital. Infrastruc-

Raining QIPs

Jan-Jun	No. of QIPs	Amount (₹ cr)
2015	20	12,317
2016	4	529
2017	15	33,912
2018	22	13,188
2019	4	6,482
2020	7	28,573
2021	22	28,177
2022	7	5,039
2023	11	5,801
2024	37	32,528

Source : primedatabase.com

ture companies use it to raise money to fund their growing order book. "Generally, you see a lot of QIP activity among banks, real estate and infrastructure because the capital requirement in these sectors is relatively high. That's what we

have seen in the first six months of the year as well," said Haldea.

ADANI, OTHERS IN QUE

Two Adani group companies have obtained board approval to raise around ₹29,000 crore. Prestige Estates' board on June 21 approved a proposal to raise ₹5,000 crore through QIP. Oberoi Realty plans to raise around \$240 million. A host of smaller issuances in the range of ₹500-800 crore are seen hitting the market over the next several months.

"The market continues to be bullish and a lot of liquidity is available. I don't see any slowdown in the next few months at least," said Haldea.