

Vedanta, Adani lead QIP charge in 2024

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Fundraising through qualified institutional placements (QIPs) has touched a four-year high in 2024 thus far, marking a threefold increase from last year.

In the period January to August, 55 companies have collectively raised ₹58,425 crore through QIPs, compared to ₹17,643 crore in the same period of 2023, according to data from primedatabase.com.

Further, the month of July saw the highest amount of money being raised through this route (₹21,813 crore) in 2024.

QIPs allow companies to issue new equity shares or convertible securities to institutional investors. A QIP issue leads to equity placement,



Mining giant Vedanta has led the way so far this year, raising ₹8,500 crore.

REUTERS

resulting in dilution of existing shareholders' ownership.

"QIPs are essentially a bull market product, thriving in bullish secondary markets where companies can issue fresh shares at higher valuations," said Pranav Haldea,

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Vedanta, Adani Energy lead QIP charge; fundraising hits ₹58,425 cr

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managing director, Prime Database Group. "Companies utilize QIPs to raise fresh capital when economic prospects are good and demand is strong, driving expansion and growth initiatives."

Mining giant Vedanta has led the way so far this year, raising ₹8,500 crore. Adani Energy Solutions is a close second with ₹8,373 crore.

Other notable fundraisers included JSW Energy, which raised ₹5,000 crore, Swan Energy (₹3,319 crore) and Macro-Tech Developers (₹3,281.85 crore).

Additionally, Union Bank of India, Coforge, Angel One, Shyam Metals & Energy and Techno Electric & Engineer cumulatively raised ₹9,375 crore. QIPs have seen a turbulent phase during the covid-19 pandemic. Data sourced from primedatabase.com shows that after some fluctuations, funds raised through this mode

surged to a record high of ₹80,816 crore in 2020 (full year) raised by 25 companies.

This number crashed by nearly half in 2021, with 35 companies mopping up just ₹41,997 crore. The next year, 2022, was worse, with only 14 companies raising ₹11,743 crore, the lowest since 2016.

Thereafter, 2023 (full year) saw a moderate rebound. That year, 45 companies raised a cumulative sum of ₹52,350 crore.

Industries such as IT, and engineering and construction, have also turned to this financing tool in 2024

"Primarily, banks or financial services, real estate, infrastructure, metals and energy sectors dominate QIP fundraising, leveraging its fast and efficient nature," Haldea said.

Sectors such as IT and engineering and construction also turned to QIPs in 2024.

The pipeline looks healthy. A total of 73 companies are set to tap the QIP market, aiming to raise ₹1 trillion to fuel their growth and expansion plans.

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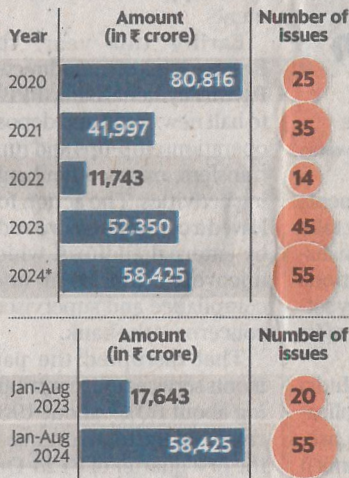
QIP frenzy returns: Fundraising hits a 4-year high

The Indian capital markets have witnessed a QIP bonanza this year. A massive ₹58,425 crore has been raised by 55 companies in just eight months, registering a staggering 231% increase from the corresponding period in previous year. Among the companies that reigned supreme in the QIP fundraising arena were Vedanta and Adani Energy Solutions. Another 73 companies are set to tap the QIP market, aiming to raise a whopping ₹1 trillion to fuel their growth and expansion plans. This notable surge in investor confidence underscores a buoyant market sentiment and is a testament to India's burgeoning economy.

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QIP fundraising hits a four-year high in 2024

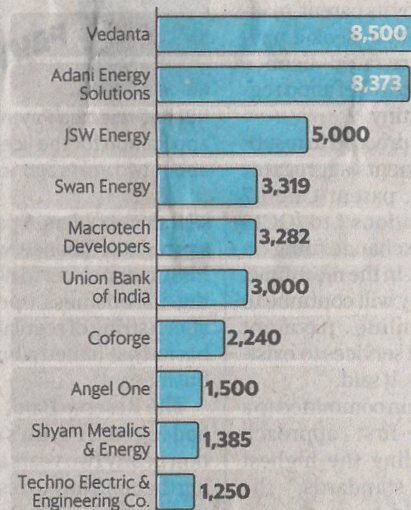
Fundraising through qualified institutional placements



*Latest data as on 27 August 2024

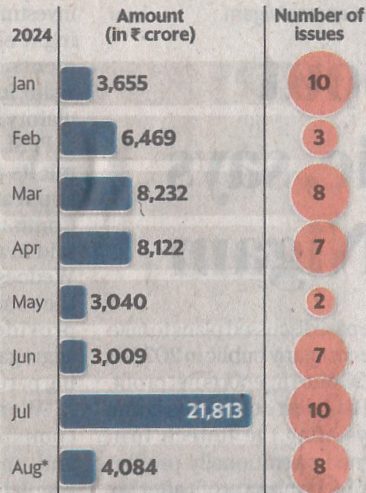
Vedanta, Adani Energy lead QIP fundraising in 2024

Top 10 QIPs in 2024 so far, by amount (in ₹ cr)



July was a hot month for QIP fundraising

QIP fundraising, monthly



Source: primedatabase.com