

Fund-raise by corporates picks up; banks, NBFCs lead

BOUNCE BACK. Prime Database shows firms raised over ₹21 lakh crore in 2023-24

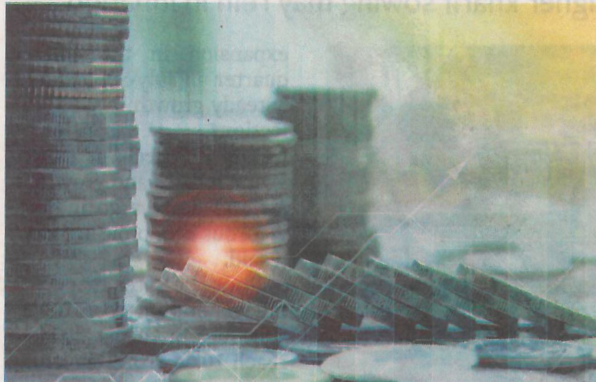
Janaki Krishnan
Mumbai

Corporates across sectors have raised over ₹21.7 lakh crore from the domestic markets over a 21-month period starting from 2023 to so far in 2024, the pace of fund raising seeing an uptick last year after two years of degrowth.

In 2023, funds raised through debt and equity aggregated to ₹11.7 lakh crore, up 34.3 per cent year-on-year and in 2024 so far, companies have raised around ₹10.1 lakh crore, according to data provided to *businessline* by Prime Database. Going by the current trends, it looks set to exceed last year by a good margin.

Banking and financial services companies - banks, NBFCs and housing finance companies - have always dominated fund raising and over the last couple of years this has been the case as well with the entire sector accounting for over 60 per cent of funds raised.

However, increased activity in some of the sectors over the last couple of years



MORE ON THE CARDS. Exchange filings and announcements by players show that more fund raising is on the anvil

is resulting in more funds being raised by companies in sectors such as construction and real estate, energy, telecommunications and roads. The data does not include overseas capital offerings and preferential equity issues.

LENDERS DOMINATE

Fund raising by lenders rose around 36.5 per cent in 2023 to ₹7.6 lakh crore and so far in 2024, they have raised ₹6.3 lakh crore.

Exchange filings and announcements made by different players in the segment

show that more fund raising is on the anvil. During Covid, the sector had seen a dip in fund raising, but from 2022 onwards, there has been a steady increase.

Banks are the major fund raisers, having raised ₹3.25 lakh crore this year, the bulk of it being through debt.

Last year, while they placed a high reliance on debt issuances, they had raised more through equity. Financial services and investment companies have raised ₹2.12 lakh crore so far this year, while housing finance companies have raised a

little over ₹91,000 crore. Again fund raising has accelerated over the last three years.

MIXED RESULTS

The real estate and construction sectors are on fire and fund raising by companies in the sector jumped over 59 per cent to ₹71,219 crore in 2023 and have raised ₹57,311 crore so far this year. Prior to the pandemic in 2019, the sector had raised ₹56,963 crore. The data show rather mixed results in case of other sectors. Energy companies, including power generators and distributors, have raised ₹53,372 crore so far this year, compared with ₹48,666 crore raised in 2023, a clear indication of the activity and investments in the sector.

However, this amount is close to the ₹52,700 crore raised pre-pandemic, so it looks like things are getting back to normal after a lull. The road sector is still struggling with tendering and execution and that is indicated in the funds being raised. This year companies in the sector have raised ₹26,582 crore so far, compared with ₹32,153 crore last year.