

THE UNDERDOG REWRITES THE SCRIPT IN 2024 FROM BACKSEAT TO DRIVER'S SEAT, RIGHTS ISSUES TAKE THE WHEEL

From coasting to leading, they seize control of fundraising road in '24

Fundraising through rights issues saw a resurgence in 2024, marked by a rise in the size of transactions. A total of 20 companies raised ₹21,404.09 crore through rights issues, compared to 12 companies that raised ₹7,266.33 crore in 2023.

A rights issue allows listed companies to raise capital by offering new equity shares to existing shareholders, typically at a discount to the current market price to encourage subscriptions. This method is often preferred when the promoter group wants to retain its ownership stake.

Notable rights issues include Grasim Industries, which raised ₹4,000 crore; Indiabulls Housing Finance, which raised ₹3,693 crore; Tata Consumer Products (₹2,998 crore); and Sobha (₹1,999 crore), among others.

Rights issues were a common fundraising tool in the 1990s, with an average of 240 issues launched annually from 1990 to 1996, according to PRIME Database.

In recent years, however, qualified institutional placements (QIPs) have become more popular due to their simpler execution. In 2024, 95 companies raised ₹1.36 trillion (₹1,36,060 lakh crore) through QIPs. **SUNDAR SETHURAMAN**



THE JOKER IN THE PACK RIGHTS ISSUES DEAL A WINNING HAND IN 2024

A FULL HOUSE: 20 companies raise ₹21,404.09 crore, outplaying 2023's numbers

Year	Rights issue (numbers)	Funds raised (₹ crore)
2014	14	4,190.97
2015	13	12,567.59
2016	10	1,913.97
2017	19	6,547.67
2018	13	18,826.64
2019	12	52,053.06
2020	20	64,983.57
2021	11	27,770.65
2022	10	3,884.04
2023	12	7,266.33
2024	20	21,404.09

Source: PRIME Database