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## PRESS RELEASE

### **QIP ISSUANCES INCREASE 10 TIMES IN FIRST QUARTER OF FY15:** **PRIME DATABASE**

The first quarter of the current fiscal ended with a **mobilisation of Rs. 12,569 crore from Institutions- Rs. 12,151 crore through QIPs\* (Qualified Institutional Placements) and Rs. 418 crore through IPPs (Institutional Placement Programme)**. According to Pranav Haldea, Managing Director of PRIME, the country's premier database on primary capital market, the total amount raised through QIPs represents a 10 fold increase from the same quarter last year. QIPs & IPPs, taken together though, have increased by 151 per cent over the corresponding period of the preceding year (Rs.5,006 crore).

By number, the period witnessed 6 QIPs and 1 IPP in comparison to 3 QIPs and 8 IPPs in the corresponding period of the preceding year.

**The largest QIP was from Reliance Communications of Rs. 4,808 crore, followed by Idea Cellular (Rs.3,000 crore) and Yes Bank (Rs.2,942 crore). The only IPP was that of Muthoot Finance for Rs. 418 crore, made to comply with SEBI's guidelines on minimum public shareholding.**

Amounts raised through QIP/IPP offerings in the first quarter of the last 5 years are as follows:

| APRIL - JUNE | QIP |                   | IPP |                   | TOTAL |                   |
|--------------|-----|-------------------|-----|-------------------|-------|-------------------|
|              | NO. | AMOUNT (Rs.crore) | NO. | AMOUNT (Rs.crore) | NO.   | AMOUNT (Rs.crore) |
| 2009-10      | 12  | 12,232            | 0   | 0                 | 12    | 12,232            |
| 2010-11      | 15  | 6,918             | 0   | 0                 | 15    | 6,918             |
| 2011-12      | 4   | 603               | 0   | 0                 | 4     | 603               |
| 2012-13      | 0   | 0                 | 0   | 0                 | 0     | 0                 |
| 2013-14      | 3   | 1,222             | 8   | 3,784             | 11    | 5,006             |
| 2014-15      | 6   | 12,151*           | 1   | 418               | 7     | 12,569            |

According to Pranav Haldea, it is significant to note that **all QIP issuances in the quarter have taken place after the election verdict was announced on 16<sup>th</sup> May, thus clearly showcasing the revival of investor sentiment, backed by a strong secondary market.** There has been a pent up demand for capital, which is now being released. The pipeline too is extremely robust. Some recent major announcements of large QIP issuances include Adani Enterprises and L&T. In addition, several banks have announced QIP plans to raise additional capital, including IDBI Bank, Syndicate Bank, Union Bank etc. In all, over Rs. 30,000 crore worth of QIPs have been announced in the last 3 months alone, likely to materialize in the near future.

Haldea added that the large number of IPPs made in the preceding year were primarily to meet with SEBI's 3<sup>rd</sup> June deadline of minimum public shareholding.

\*Ashok Leyland QIP has not closed. Tentative amount of Rs. 600 cr has been taken.