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India Inc prefers QIP, to
raise ₹36,300 cr in 2023



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QUICK, HASSLE-FREE. At ₹33,300-cr, Adani Group will be top issuer; MFs, insurance firms, banks major buyers

Janaki Krishnan
Mumbai



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Of the ₹36,300 crore still to be raised this year, for which companies have received board approval and in some cases shareholder approval as well, ₹33,300 crore is accounted for by the

Adani Group, which is raising money for its expansion plans as well as to reduce its debt.

The total amount to be raised does not include the QIP issue planned by Hindustan Copper of 9.7 crore shares, which, at current prices, would amount to ₹1,161 crore. Other companies planning QIP issues are SpiceJet and City Union Bank.

EASIER SOURCE

QIPs are an easier source of financing than a public is-

ssue, as the process is faster and subject to fewer rules and regulations. Since the subscribers are institutions, there are no stringent disclosure norms as companies would have already reached out to these investors at roadshows ahead of the issue.

An interesting feature of the subscription data of QIPs is that mutual funds have been major subscribers, followed by insurance companies and banks.

QIPs are generally allotted at a discount to the pre-

FUND FLOW

- In 2023, from January to June, companies raised ₹5,800 crore
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touching life highs, has prompted many private equity funds to exit or sell large chunks of their holdings, mutual funds have seen this as an opportunity and have bought via block and bulk deals, while also subscribing to fresh paper issued by companies.

P-E FUNDS

In the June quarter of FY24, private equity funds sold over \$3.4 billion worth of Indian shares, which is higher than in previous quarters, data by Kotak Institutional Equities showed.

DOMESTIC UNITS

In the same period, domestic institutions were net sellers of Indian equity for ₹4,532.6 crore in April but were net buyers in May and June at over ₹8,100 crore. In 2023 so far, domestic institutions have been net buyers of Indian shares for ₹58,553 crore.

MARKET RALLY

While the rally in the Indian stock markets, with indices