

IDFC First Bank 'Working with' I-banks to Raise ₹3k cr Via QIP

Pvt sector lender plans to use capital to strengthen balance sheet, grow its loan book

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Mumbai: IDFC First Bank is set to raise ₹3,000 crore through a qualified institutional placement (QIP), said people aware of the development.

The private lender, which has seen its stock price surge almost 59% since the start of the calendar year to ₹93.3 apiece on the BSE as of Thursday, plans to use the fresh capital to strengthen its balance sheet and grow its loan book, the people said asking not to be named.

"IDFC First has been working with investment banks ICICI Securities, JP Morgan, Jefferies and NuVama on the QIP," one of the persons said.

"The shareholder approval is already in place. Depending on the market conditions, the deal could be launched soon, likely within the next one month. There is strong interest from investors, both domestic and foreign institutional investors. We have seen several QIP launches in the last couple of months," the person added.

IDFC First shares have seen two

In the Offing

Share sale will result in a dilution of a little under 5%

Said to be working with ICICI Securities, JP Morgan, Jefferies and NuVama on the QIP

Indian markets have seen 8 QIPs since the start of Aug

If deal is launched soon, it will make IDFC First the 4th bank to raise funds via a QIP in 2023

₹62,169 cr
Bank's m-cap
as of Thursday



large block deals this month. On September 1, Warburg Pincus sold a 4.2% stake in the bank through a block deal. Rajiv Jain's GQG Partners bought shares worth ₹1,527 crore in the block deal. On September 11, the bank announced that GQG had bought shares worth ₹479.5 crore from the bank's MD and CEO V Vaideyanathan.

The ₹3,000-crore QIP will dilute existing shareholders by just under 5%, considering the bank's market capitalisation of ₹62,169

crore on Thursday.

The Indian markets have seen eight QIPs since the start of August, with two companies — Blue Star and Sheela Foam — launching their QIPs this week.

Till August, 19 companies have raised ₹17,592.9 crore through QIPs, more than the ₹11,743.2 crore raised in the whole of 2022, as per data from Prime Database.

IDFC First will become the fourth bank to raise funds through a QIP since January. In July, Federal

Bank raised ₹3,040 crore through its QIP. PSU lenders Union Bank of India and Bank of Maharashtra have also taken the QIP route this calendar year, raising ₹5,000 crore and ₹1,000 crore, respectively.

A spokesperson for IDFC First Bank said the bank continues to explore various means of raising funds, including in the capital markets. "We have taken approval from shareholders on August 31 for raising funds and it is valid for one year. The actual fundraise could happen anytime within this period, and even later in the year, and the timelines indicated by you may or may not be correct," the spokesperson said in an email response to ET's query.

Jefferies and ICICI Securities declined to comment.

Emails sent to JP Morgan and NuVama did not elicit a response.

IDFC First Bank saw its net profit grow by 61% year-over-year to ₹765 crore in Q1 FY24 with net interest income rising 36% to ₹2,751 crore. The lender posted a 44% YoY increase in deposits to ₹1,48,474 crore as of June 30.