

Equity Fundraises Break with Dec Tradition this Yr

Cos set to garner a record ₹20,989 crore via public listings, QIPs, rights issues and other such routes

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Mumbai: December is traditionally a subdued period for fundraising, characterised by a lull in activity as international investors take their year-end break for Christmas and New Year.

This year's different. It's a bumper month for equity issuances as India Inc is poised to secure a record-breaking ₹20,989 crore from initial public offerings (IPOs), qualified institutional placements (QIPs), and other avenues such as rights issues and offers for sale, beating the previous best of ₹13,758 crore seen in December 2017.

In December, 11 main board companies either raised or announced raising ₹8,400 crore from the route IPOs itself, while five have got ₹11,400 crore through QIPs. To put it in perspective, in December 2022, companies raised ₹11,247 crore from total equity issuances. December 2021 and 2020 saw ₹10,238 crore and ₹9,155 crore, respectively, raised.

This year, eight companies have scheduled IPOs between December 20 and 28, a period when foreign portfolio investors (FPIs) will have their terminals switched off. The eight have announced plans to raise ₹4,480 crore.

Bankers attribute this robust perfor-

Fund Flows at IPOgee

Equity Issuances in December (₹ Cr)

Year	IPOs	QIPs	Others*	Total
2014	350	659	1,731	2,740
2015	2,893	1,371	46	4,010
2016	1,331	232	54	1,616
2017	1,774	10,389	2,145	13,758
2018	1,074	511	994	1,504
2019	1,246	2,025	2,040	5,311
2020	1,057	7,423	81	9,155
2021	2,594	704	0	10,238
2022	4,156	3,547	3,544	11,247
2023	6,339	11,450	1,200	20,989

Dec 2023 numbers are raised and announced as on date; * OFS, FPO and rights offers

Source : primedatabase.com



PAYOUT OF ₹4,089 CRORE

Vedanta Announces 2nd Interim Dividend



Vedanta will pay an interim dividend of ₹11/share, which translates into a payout of ₹4,089 crore. The record date is December 27. This is the second interim dividend announced by the company in FY24. ►► 10

mance to the substantial flow of funds from domestic investors, instilling confidence among the issuers to launch equity fundraising as the year draws to a close.

"The secondary market is currently very buoyant and trading at all-time highs, resulting in significant demand for equity issuances," said Abhijit Tare, chief executive of investment banking at Motilal Oswal Financial Services. "Additionally, this year, the primary

market was (mainly) influenced by domestic funds and the liquidity from these sources creates a highly favourable environment for raising fresh capital."

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VIKASH

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Early this month, Bank of India and Indian Bank successfully raised Rs 4,500 crore and Rs 4,000 crore, respectively, through QIPs. Sterling & Wilson Renewable Energy secured Rs 1,500 crore. Additionally, Tigarh Rail Systems and Jammu & Kashmir Bank raised Rs 700 crore and Rs 750 crore, respectively.

“The robust influx of funds from domestic investors is instilling confidence in issuers to launch IPOs at year-end, a time when many overseas investors are likely to be on holiday,” said Ravi Sardana, an investment banker. “Also, Sebi’s bold initiative to list IPOs within three days of closure is also facilitating investors in efficiently managing their funds.”

On the IPO front, three issues — Dom Industries, India Shelter Finance Corporation and Inox India — ha-

ve collectively raised Rs 3,859 crore this month.

September was the most successful month for IPOs in 2023, with 14 companies raising a total of Rs 11,893 crore.

In terms of monthly records, November 2021 holds the top position, with an unprecedented fundraising of Rs 35,664 crore through IPOs, followed by May 2022 with the second-highest of Rs 29,511 crore.

On the QIP front, August 2020 witnessed six companies raising an impressive Rs 39,032 crore, while in June 2017, three companies secured Rs 17,506 crore.

FPIs have pumped Rs 2,871 crore into the primary market so far this month, and Rs 40,357 crore in the secondary market. On the other hand, domestic institutional investors bought shares worth a total Rs 3,182 crore in the month.

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