

Business Standard

How markets performed last week

	Index on October 11, '24	*One- week	% chg over Dec 29, '23	Local currency	in US \$
Sensex	81,381	-0.4	12.7	11.5	
Nifty	24,964	-0.2	14.9	13.7	
Dow Jones	42,864	1.2	13.7	13.7	
Nasdaq	18,343	1.1	22.2	22.2	
Hang Seng	21,252	-6.5	24.7	25.3	
Nikkei	39,606	2.5	18.4	11.9	
FTSE	8,254	-0.3	6.7	9.5	
DAX	19,374	1.3	15.7	14.6	

*Change (%) over previous week

Source: Bloomberg



WORLD P8

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QIP fundraising hits record high this year

Buoyed by bull run, 71 firms mobilise ₹88,678 crore so far

SUNDAR SETHURAMAN
Mumbai, 13 October

Fundraising via qualified institutional placements (QIPs) has hit a record high this year with favourable valuations and liquidity support prompting big-ticket launches by large corporates.

QIP is a fundraising mechanism where a company issues new shares to a select group of investors at a discount to the prevailing market rate.

It is the preferred mode for raising follow-up fresh capital in a bull market as it is time efficient and inexpensive.

So far this year, 71 firms have raised ₹88,678 crore through this route, the highest in a calendar year.

The gains in the equity markets, powered by robust flows from foreign and domestic investors have helped stocks command higher valuations.

Higher valuations, in turn, help companies raise capital with lower dilution.

"Both rights issues and FPOs are long-drawn processes dependent on retail interest. QIPs involve only institutional investors and are completed with much shorter processes. Equity for growth capital is being preferred as the growth based on leverage is not



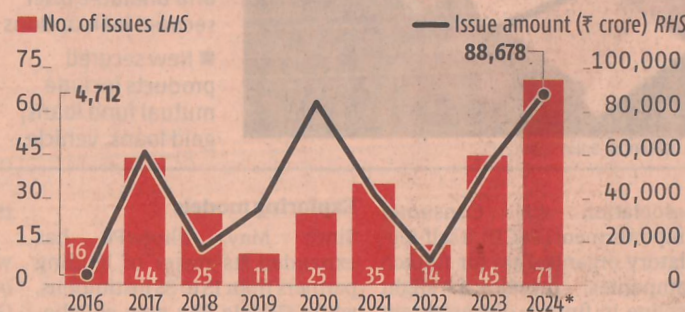
ILLUSTRATION: BINAY SINHA

TOP DEALS IN 2024

Company	Issue amt (₹ crore)
Vedanta	8,500
Adani Energy Solutions	8,373
Samvardhana Motherson International	6,438
JSW Energy	5,000
Prestige Estates Projects	5,000
Punjab National Bank	5,000

Source: PRIME Database

QIP TALLY HIGHEST EVER



* Figures till October 10, 2024; Source: primedatabase.com

considered appropriate," said Mahavir Lunawat, managing director, Pantomath Capital Advisors.

This year's broad-based rally in

equity markets mitigated concerns about investors' ability to absorb additional fresh paper and boosted the morale of firms looking to raise funds.

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Vedanta headlines yr's biggest QIP

"QIP is a bull market product. Whenever there is a bull run in the secondary market, you will find QIPs being launched as companies would like to dilute at a higher valuation, which you can get in a rally-ing market," said Pranav Haldea, managing director of Prime Database Group.

Unlike last year, when banks dominated QIP fundraising, everyone from automobiles to textile firms raised funds this year.

Sectorally, the biggest fundraising was from power generation companies, which raised ₹15,653 crore, followed by housing and real estate firms, which cornered ₹12,446 crore. Four banks have raised ₹12,100 crore, of which three were state-

owned.

"Banks and financial services dominate QIP issuances because they require fresh capital to meet the credit demand. One would typically find capital-intensive sectors like infrastructure, real estate and energy using the QIP route to raise funds," said Haldea. The biggest QIP so far this year was that of Vedanta, which raised ₹8,500 crore, followed by Adani Energy Solutions, which raised ₹8,373 crore and Samvardhana Motherson International (₹6,438 crore). More recently, Adani Enterprises also raised ₹4,200 crore via this route.

The QIP pipeline for the remainder of the year looks robust.