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India Inc raises record Rs 1.33 lakh crore via QIPs in FY25 amid market boom

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Indian companies achieved a record-breaking fundraising of Rs 1.33 lakh crore through qualified institutional placements (QIPs) in FY25, registering a sharp increase from the previous year, as a booming stock market fueled aggressive capital raising.

Corporate India raised Rs 1,33,251 crore in FY25, marking an 87 per cent increase from Rs 71,306 crore garnered in FY24, according to data compiled by Prime Database. Companies leveraged buoyant equity markets to strengthen balance sheets and fund expansion, a key driver of the surge in QIP fundraising, analysts said.

As per the data, 85 companies tapped the capital markets with QIP issues in this financial year compared to just 64 companies in the previous fiscal.

"FY25 witnessed the highest-ever QIP fundraising in the history of Indian capital markets, both in terms of volume and value," Neha Agarwal, MD & Head of Equity Capital Markets at JM Financial, told PTI.

Agarwal attributed the surge in QIPs to a broader trend of corporates strengthening their balance sheets through deleveraging, driven by buoyant capital markets.

"With equity emerging as the preferred avenue to raise capital, corporates are driving accelerated growth and expansions by leveraging both organic and inorganic opportunities," she said.

QIP is one of the quickest products to raise funds from institutional investors. It is designed for listed firms and investment trusts, allowing them to mobilize funds quickly from institutional investors without the need to submit any pre-issue filings to market regulators.

The year saw significant participation from real estate, utilities, automobiles, metals, and PSU banks. Major contributors to the record-breaking QIP fundraising include:

Vedanta Group and Zomato, each raising Rs 8,500 crore.
Adani Energy Solutions (Rs 8,373 crore) and Varun Beverages (Rs 7,500 crore).
Samvardhana Motherson International (Rs 6,438 crore), Godrej Properties (Rs 6,000 crore), and Prestige Estates Projects (Rs 5,000 crore).

Additionally, state-owned lenders such as Punjab National Bank, Bank of Maharashtra, UCO Bank, Indian Overseas Bank, Central Bank of India, and Punjab & Sind Bank collectively raised over Rs 14,000 crore during the year.

JSW Energy, Brookfield India Real Estate Trust, Torrent Power, and Bharat Forge were among the companies that raised capital through the QIP route to bolster their financial reserves.

JM Financial maintained its leadership in managing QIPs during FY25. As of February, the firm ranked first in terms of the total number of issues, handling 15 QIP transactions that collectively raised Rs 38,693 crore (approximately USD 4.5 billion), as per Prime Database.

The momentum in QIP fundraising was particularly notable in deals exceeding Rs 250 crore. Funds raised through such large-scale QIPs increased from Rs 24,900 crore in FY24 to Rs 38,693 crore in FY25, marking a 55.4 per cent rise.

"JM Financial secured the number one position in FY25 year-to-date in terms of QIP volumes in deals above Rs 250 crore (USD 30 million), by successfully closing 15 QIP transactions that raised Rs 38,693 crore (USD 4.5 billion)," Agarwal added.

Vinod Nair, Head of Research at Geojit Investments, pointed out that the sustained growth of the Indian stock market from 2020 to 2024, culminating in a 40 per cent surge in the broad market during FY25, has created a strong foundation for corporate fundraising.

He noted that promoters and companies have capitalized significantly on the market's upward trajectory, leveraging increased valuations to raise substantial funds through share sales for promoter benefit.

Additionally, QIPs have been initiated to enhance companies' capacity—whether through greenfield or brownfield expansions, strategic acquisitions, or debt reduction.

Nair highlighted that QIPs have been observed across various sectors but are expected to be more prevalent in manufacturing, emerging industries, and technology. This trend is driven by the growth of India's export-oriented industries and government initiatives like PLI schemes, which provide significant support to 14 sectors.

Despite the record-breaking numbers, the outlook for QIP activity in the near term appears cautious.

Nair stated that the likelihood of increased QIP activity remains low due to ongoing stock market consolidation, which has tempered the willingness of promoters and management to dilute equity at lower valuations.

"Market corrections, beginning in the second half of FY25, have been driven by weaknesses in both global and domestic markets. This subdued market sentiment is expected to persist in the short to medium term, potentially restraining the growth of QIP issuances," he added.

In January this year, the Association of Investment Bankers of India (AIBI) projected that total fundraising through QIPs and IPOs could exceed Rs 3 lakh crore in FY26.

"Fund mobilisation… has been on the rise for the last two financial years and will continue to rise in 2026 as well. The total amount of capital formation via IPOs and QIPs is expected to be more than Rs 3 lakh crore in FY26," Mahavir Lunawat, Chairman of AIBI, said.