

Mauritius-based funds may look to invest in Adani FPO

The stock has fallen around 7% from the levels of September

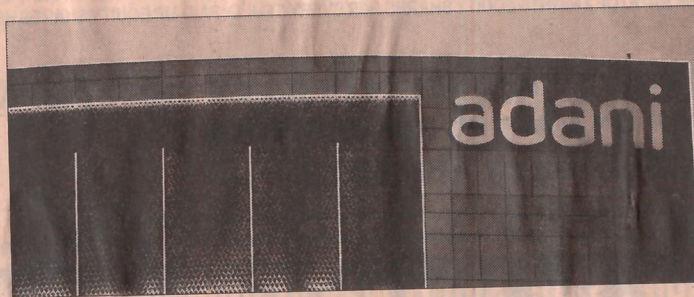
ASHLEY COUTINHO
Mumbai, January 24

A NUMBER OF Mauritius-based funds, which are currently classified as the company's public shareholders, may participate in the ₹20,000-crore follow-on offering (FPO) of Adani Enterprises, according to the buzz on the street.

The Adani companies have a number of Mauritius-based funds which have invested or continue to invest in them. These include Albula Investment Fund, APMS Investment Fund, Elara India Opportunities Fund, LTS Investment Fund and Vespera Fund.

All of these funds, except LTS Investment, have reduced the number of shares held in the company in the past year, data from primeinfobase show.

Albula Investment Fund publicly held investments to the tune of ₹1,139 crore in eight non-Adani stocks, according to data from Trendlyne for the quarter ended December. APMS Investment Fund publicly held shares in eight stocks with a net worth of over ₹18,854 crore, more than 98% of which was in Adani Total Gas, Adani Transmission and Adani Power.



Holding of Mauritius funds in Adani Enterprises	Dec 31, 2021		Dec 31, 2022	
	No. of shares (m)	% to total share capital	No. of shares (m)	% to total share capital
Albula Investment Fund	15.86	1.44	—	—
APMS Investment Fund	18.62	1.69	—	—
Elara India Opportunities Fund	23.01	2.09	18.25	1.60
LTS Investment Fund	19.29	1.75	19.29	1.69
Vespera Fund	15.09	1.37	—	—

Source: primeinfobase.com/exchange; Abula Investment Fund, Vespera Fund and APMS Investment Fund held anywhere between 0-1% in the company at the end of Dec '22 quarter

Elara India Opportunities Fund publicly held 19 stocks with a net worth of over ₹24,655 crore, the bulk of which was in Adani Enterprises, Adani Total Gas and Adani Transmission. LTS Investment Fund publicly held 11 stocks with a net worth of over ₹11,898 crore, mostly in Adani Enterprises and Adani Transmission.

The FPO has been marketed in the US, the UK, the West Asia and Singapore and has garnered significant interest from foreign institu-

tional investors, according to people in the know.

"I expect that the FPO may see foreign portfolio investors buy, but they might be the same FPIs who sold when the stock went up," said analyst Travis Lundy of Quiddity Advisors in a recent note.

He refers to these Mauritius-based funds as "Very Adani Funds". "These Very Adani Funds have probably sold to other holders, and may have short positions in futures too. In that case, those Very Adani Funds

might be willing to buy part of an FPO if the price dropped dramatically," he said.

The stock was quoting at ₹3,700 levels in September, and ended at ₹3,441 on the NSE on Tuesday, implying a drop of around 7% since then.

An email sent to Adani Enterprises did not get a response.

"You never know how this will play out. The FPO is open to both shareholders and non-shareholders of the company. Those owning shares in the company can also apply. Since these Mauritius funds are part of the public category of shareholders, there is no legal prohibition on them buying shares in the FPO," said a legal expert.

To be sure, the actual bidding by investors for the shares will only commence on Wednesday for the anchor book, post which the bid will open for remaining investors on January 27. The closing date of the offer is January 31.

The floor price for the FPO is fixed at a minimum of ₹3,112 per FPO equity share and the cap price is ₹3,276 per FPO equity share for all categories of investors. The company has announced a discount of ₹64 per FPO equity share for retail investors.

Adani's ₹20,000 crore FPO will be the country's largest and may happen in two or three tranches. The initial tranche would be of ₹10,000 crore.