

FPIs bet over ₹8,500 crore in IPOs in CY23

Ashley Coutinho

Mumbai

Foreign portfolio investors (FPIs) have invested ₹8,567 crore in initial public offerings (IPOs) this year compared with ₹6,381 crore put in by mutual funds, ₹1,947 crore by insurance companies, and ₹795 crore by alternative investment funds (AIFs).

Mutual funds, however, have invested more than FPIs as anchor investors for the second year in a row. ICICI Prudential MF, Nippon India MF, and HDFC MF are the top MF anchor investors, having committed over ₹1,700 crore this year.

ANCHOR INVESTORS

Goldman Sachs, Ashoka, and the Government of Singapore are the top three

anchor investors among FPIs, with each investing over ₹300 crore. Anchor investors are typically institutional investors that subscribe to an issue a day before its public opening. They pay an upfront amount and hold shares for at least a month to boost investor confidence.

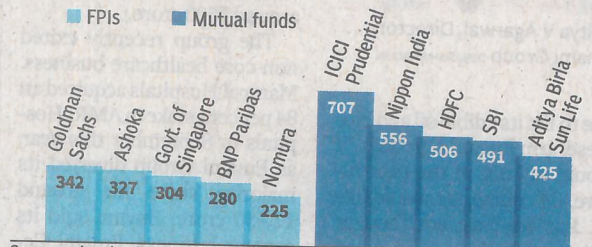
Last year, mutual funds invested ₹13,300 crore in IPOs, a tad higher than FPIs. Their anchor investment of ₹9,028 crore was also higher than FPIs' ₹7,105 crore.

The bulk of the FPI and MF investment in IPOs in Calendar 2023 was in Mankind Pharma (₹1,921 crore) and JSW Infrastructure (₹1,548 crore). Other IPOs that saw robust interest from these investors include Honasa Consumer (₹1,064 crore), Samhi Hotels (₹908 crore), and Tata

Qualified institutional buyers in IPOs in CY23



Top anchor investors



Source: primedatabase.com

Technologies (₹904 crore).

The market has seen a flurry of small- and mid-size IPOs this year, with 46 companies raising over ₹41,000 crore through main board issues. This, market

watchers believe, can be expected to continue till a few weeks prior to the general elections next year.

STABLE MACROS

"Given the stable macros

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and growth visibility, FPIs have invested selectively in companies with good business models and fundamentals," said Kranthi Bathini, Director, Equity Strategy at WealthMills Securities.

The general buoyancy in the market, coupled with the large pool of domestic money, has helped the offerings sail through. Valuations have been attractive as promoters have been pragmatic and left money on the table for investors.