

# Vi hits a sixer as FIIs, HNIs shore up FPO

₹18,000 crore issue  
subscribed 6.36 times

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**STRONG INTEREST FROM** foreign institutional investors (FIIs) and high net-worth individuals, along with a pick-up in retail participation, helped Vodafone Idea's ₹18,000 crore follow-on public offer (FPO) sail through with 6.36 times subscription on the final day on Monday.

The FPO received 80.12 billion bids, according to data on the exchanges. This is

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based on the lower end of the price band of ₹10-11 set by the company. At the upper end of the price band, the issue was subscribed 7 times, according to the merchant bankers.

Of the total bids received for the FPO, around 65% came from FIIs, according to data from the exchanges. The portion set aside for qualified institutional buyers (QIBs), which includes FIIs, domestic financial institutions and mutual funds, got 19.31x bids.

Non-institutional investors, which includes high net-worth individuals and corporates, got 4.54x bids. The retail investors portion, which had not garnered much interest on the first two days of the issue, picked up pace on Monday. The retail portion was fully subscribed, according to merchant bankers.

The company had set aside 50% of the issue for QIBs, 15% for non-institutional investors and the rest for retail investors.

## BUOYANT RESPONSE

Equity issues above

₹10,000 crore

Company (issue year)	Size (₹ cr)	Subscriptions (times)
LIC (2022)	20,557	2.95
Paytm (2021)	18,300	1.89
Coal India (2010)	15,199	15.28
YES Bank (FPO) (2020)	15,000	0.93
GIC (2017)	11,257	1.38
SBI Cards & Payment (2020)	10,341	26.54
Reliance Power (2008)	10,123	73.04

Source: Primedatabase.com

## VI FPO subscription (in times)



The shares will get listed on the bourses on April 25.

These numbers exclude the ₹5,400 crore that the company raised through anchor investors at ₹11 per share.

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AMID SURPRISINGLY STRONG response to the FPO, the company's shares, which fell over 6% in intraday trading on Monday, recovered most of their losses and ended 0.2% lower at ₹12.89.

The strong response seen from anchor investors and foreign institutional investors (FIIs) and high net-worth individuals on the first two days of the issue had led to some brokerage firms to reconsider or upgrade their rating on Vodafone Idea's share.

Ambit Capital said it was placing its 'sell' rating on Vodafone Idea under review following "unex-

pectedly" strong response to the FPO. Earlier, IIFL Securities upgraded its rating on Vodafone Idea to 'add' following the announcement of the FPO.

"Vi appears to have succeeded with its current equity fund-raise with the backing of a wide gamut of QIBs. While current funding and tariffs aren't adequate for Vi to tide over spectrum/AGR payments beyond the Sep-25 moratorium, QIBs appear to believe that they don't have much to lose but can gain disproportionately if Vi thrives," Ambit Capital said in its report.

The market response to Vodafone Idea's FPO was much higher compared to many other FPOs and IPOs of similar sizes seen in the last several years. For instance, Yes Bank's ₹15,000 crore FPO in July 2020 had received 93% subscription. Apart from this, the IPOs of Life Insurance Corporation of India and One97 Communications, which are the two largest public issues to hit Indian market, saw 2.95x and 1.89x subscriptions. While LIC's issue size was more than ₹20,500 crore, that of Paytm's parent company was ₹18,300 crore.