

Top MFs invest in 5 of 17 firms listed in Sept

ANANYA GROVER
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INDIA'S TOP FIVE mutual funds by assets under management (AUM) invested in five of the 17 companies that made their debuts in the IPO-heavy month of September, according to data from Prime Mutual Fund Database.

Firms that received MF investments are: Urban Company, iValue Infosolutions, Seshasaai Technologies, Atlanta Electricals and Anand Rathi Share & Stockbrokers, with their IPO sizes ranging from ₹560 crore to ₹1,900 crore.

According to Yatin Singh, CEO - investment banking, Emkay Global Financial Services, "MFs are increasingly putting a size threshold for IPO participation. This is leading to any IPO below ₹550-600 crore not generating the level of MF participation that used to happen in recent past."

Four of the top five mutual funds subscribed to Urban Company's ₹1,900-crore IPO. SBI Funds Management bought a 1.91% stake in the company, while ICICI Prudential AMC, HDFC AMC and Nippon Life India AMC bought around 0.3% stake each.

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CASH COW

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erased all its gains and has fallen nearly 15% since September 19.

ICICI Prudential bought a 4.13% stake in technology services & solutions aggregator iValue Infosolutions for ₹62 crore. The stock has risen 2.4% since listing.

HDFC AMC bought a 1.51% stake in Atlanta Electricals for ₹91.8 crore, ICICI bought 0.6%, and Kotak bought 0.4%. The stock has risen 13% on top of nearly 14% listing gains.

Overall, 50% of total IPO size is reserved for qualified institutional buyers (QIBs). In that, the allotment to mutual funds have fallen from 43.6% in the previous fiscal to 35.6% this financial year. This coincides with a fall in average issue size during this period to ₹1,478.10 crore from ₹2,081.88 crore.