

# FPIs nudge ahead of domestic institutions with IPO investments of ₹17,477 cr this year

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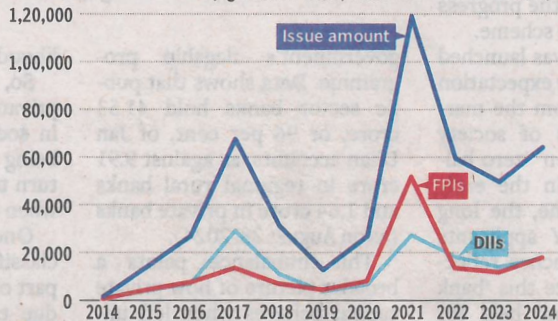
Foreign portfolio investors (FPIs) have put in more money than any other category of investors in initial public offerings (IPOs) this year.

FPI investments amount to ₹17,477 crore, which is 27 per cent of the ₹63,860 crore raised via IPOs this year. In comparison, domestic institutional investors (DII)—comprising mutual funds, insurance firms, financial institutions and banks—have invested ₹17,277 crore.

Mutual funds alone have put in ₹11,182 crore, which is 18 per cent of the total amount raised. Non-institutional investors such as retail and high net worth individuals together contributed ₹24,118 crore, amounting to 38 per cent of the total mop-

## IPO allotment

(figures in ₹ crore, includes anchor investment)



Source: primedatabase.com

up. To be clear, domestic institutions have invested more than FPIs in four out of the last eight years: CY17, CY18, CY22 and CY23, data showed.

“FPIs used to be the dominant category of investors in IPOs until some years ago. One could not think of launching an issue without

their support. That has changed over the past few years where at least the smaller issues can go through with the support of domestic investors,” said Pranav Haldea, Managing Director, PRIME Database.

### ISSUE SIZE UP

The average issue size this

year has increased, said Haldea. So has the number and amount raised by new age technology companies, which typically see greater participation from foreign investors. These factors could have prompted higher participation from FPIs, he said. FPIs prefer cutting larger cheques and gravitate towards larger deals.

Large offerings this year include that of Bajaj Housing Finance (₹6,560 crore), Ola Electric Mobility (₹6,145 crore), Bharti Hexacom (₹4,275 crore) and Brainbees Solutions (₹4,193 crore). These four IPOs saw investments to the tune of ₹7,126 crore from FPIs compared with ₹6,149 crore from domestic institutions. The rise in FPIs flows in the past few weeks augurs well for large-sized offerings such as Hyundai Motor India, Swiggy and Afcons Infrastructure.