

# IPOs in Samvat 2078: Some big winners, some losers

**Anchor investors step in to protect their net asset values**

**FE BUREAU**  
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**OVER THE PAST** year or so, since Diwali in 2021, 44 firms have made their debut on the exchanges, mopping up a combined ₹95,000 crore. However, many of these companies, especially new-age technology firms, have done badly, leaving investors considerably poorer.

For instance, One97 Communications listed in November at a 27% discount to the issue price of ₹2,150 a share. Currently, the stock is trading nearly 70% lower than the issue price. Again, Fino Payments Bank, which was down over 5% on listing day, is now down by about 65%. There have been some sterling performances too. Adani Wilmar was the biggest performer since the previous Diwali. On the listing day, the stock was up 15%, but since then it has rallied by a stunning 187%.

UR Bhat, co-founder and director at Alphaniti Fintech, observed that over the last year, the relative success of the secondary market ensured that IPOs have done reasonably well unless they were overpriced and left nothing on the table for investors. "In the coming year, both promoters and merchant bankers will be more circumspect, because given the global situation, one does not know how long will the recession last. If it is a long one, our markets will also be impacted," Bhat observed.

Deven Choksey, MD, KR Choksey Shares and Securities, noted that one of the key factors that helped IPOs this year was the active participation of anchor investors in the post-IPO phase. "To ensure that val-

## MIXED RETURNS

	Closing price on listing (₹)	% gain/loss	
		Closing price on listing v/s offer price	Mkt price v/s offer price (Oct 17, '22)
Fsn E-commerce Ventures	2,206.70	96.15	3.48
Fino Payments Bank	545.25	-5.5	-66.76
PB Fintech	1,202.90	22.74	-56.47
One97 Communications	1,564.15	-27.25	-68.71
Star Health & Allied Insurance	906.85	0.76	-20.54
Metro Brands	493.55	-1.29	86.4
Adani Wilmar	265.20	15.3	187.39
Vedant Fashions	934.85	7.95	61.77
Life Insurance Corp. of India	875.45	-7.75	-35.85
Delhivery	537.25	10.32	11.75

Source: BSE, NSE

Since last Diwali, 44 firms listed on the exchanges collectively raised around ₹95,000 crore. Thirty-one out of 44 IPOs that listed since last Diwali are trading above issue prices

### GOOD PERFORMERS

- Adani Wilmar has been the biggest performer since last Diwali. On the listing day, it was up just 15%, but since listing till date, it is up over 187%.
- Veranda Learning Solutions, which gained 18% on listing day, is up 137% from its issue price.
- Data Patterns India, Venus Pipes & Tubes and Campus Activewear are currently trading at over 100% from their issue prices. These three firms were up marginally on the listing date.
- Go Fashion, the blockbuster IPO, listed with 81% premium. Currently, it is up 98% from issue price.

### POOR PERFORMERS

- One97 Communications listed in November 2011 with a 27% discount from its issue price of ₹2,150 a share. Currently, it is down 68% from its issue price.
- Fino Payments Bank was down over 5% on listing day and now it is down over 66%.
- PB Fintech was at a premium of 27% from its issue price of ₹980 a share on the listing day. Post listing, shares started falling and currently it is down over 53%.
- LIC, the biggest IPO of India, never went above its issue price of ₹949. On listing, it was down 8% and currently it is down 36%.



uations of the company did not go down, they actively participated in the market to protect their NAVs and future exit plans," Choksey pointed out. He said while some IPOs did fail, that was largely because the promoters tried to make a quick buck. "In the coming year, companies that

are supposed to come are mostly good quality firms."

Market watchers caution that while the pipeline for IPOs may look good, the volatile secondary market could play spoilsport. "No company would want to come out with an IPO in a choppy market. They would

rather wait even if that means the permissions lapse," Pranav Haldea, managing director, Prime Database Group, observed. Haldea pointed out that several times in the past – 2010, 2013 and 2017 – the stock of IPOs had been strong but not too many had finally made it.