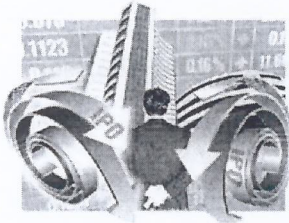


IPO Review 2021: 1 in every 3 stock debutants trade below issue price

By Saloni Goel, ETMarkets.com Last Updated: Dec 29, 2021, 01:26 PM IST

Synopsis

The demand for big-ticket IPOs had helped the primary market raise a record Rs 1.18 lakh crore in the calendar year.



NEW DELHI: Notwithstanding the record fundraising via IPOs, one out of every three stock debutants on Dalal Street is ending calendar 2021 below its issue price as sentiments have soured in the secondary market towards the end of the year. While 14 out of 63 stock debutants delivered investors multibagger returns of up to 300 per cent, 21 others eroded their wealth up to 52 per cent.

They included Suryoday Small Finance Bank that sank 52 per cent over its issue price of Rs 305 and stocks such as CarTrade Tech and Windlass Biotech, which are 50 per cent and 43 per cent lower, respectively, from their issue prices.

Paytm parent One97 Communications also featured on the list, as it traded at a discount of 37 per cent to its issue price of Rs 2,150. The stock had tanked nearly 27 per cent at its listing, wiping over Rs 35,000 crore of investor wealth. It is yet to recover fully.

Among the top five losers, three were loss-making entities.

TAP TO WATCH

The loss-making new-age tech company, PB Fintech, made the list, though barely. It was in the limelight again on the valuation debate over new-age businesses. While it may still be too early to conclude if the premium demanded by these companies is justified, analysts say a fall in their valuations could freeze up the market for another interminable period and this could spook the private market investors.

"Investment bankers need to play a very mature role in this environment: the guardianship of market fidelity rests on their shoulders. While they have a duty to get the maximum value for the companies they list, they equally have to ensure that that value is viable and stable," said Utkarsh Sinha, MD, Bexley Advisors.

That said, shares of two other loss-making firms, Zomato and Nykaa, rewarded investors by delivering gains of 75 per cent and 84 per cent, respectively.

The demand for big-ticket IPOs had helped the primary market raise a record Rs 1.18 lakh crore in the calendar year.

SJS Enterprises, Fino Payments Bank, Shriram Properties, Aditya Birla Sun Life AMC, Krsnaa Diagnostics and Kalyan Jewellers were among the names that left investors' portfolios bleeding.

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COMPANY NAME	IPO ISSUE PRICE (Rs)	LAST CLOSING PRICE (Rs)	% CHANGE
Suryoday Small Finance Bank Ltd.	305	146	-52.13
CarTrade Tech Ltd.	1618	807.75	-50.08
Windias Biotech Ltd.	460	262.85	-42.86
One97 Communications Ltd.	2150	1344.75	-37.45
Fino Payments Bank Ltd.	577	390.25	-32.37
Krsnaa Diagnostics Ltd.	954	659.1	-30.91
Kalyan Jewellers India Ltd.	87	67.3	-22.64
Glenmark Life Sciences Ltd.	720	594.65	-17.41
Nuvoco Vistas Corporation Ltd.	570	491.6	-13.75
Indian Railway Finance Corporation Ltd.	26	22.6	-13.08
RateGain Travel Technologies Ltd.	425	376.7	-11.36
Antony Waste Handling Cell Ltd.	315	292.5	-7.14
Aptus Value Housing Finance India Ltd.	353	331.2	-5.33
Tarsons Products Ltd.	662	633.6	-4.29

Source: ACE Equity

THE MULTIBAGGERS

As many as 14 IPOs have more than doubled investors' money. Paras Defence led the list with a whopping 319 per cent return since listing. The stock had listed at a 171 per cent premium over the issue price of Rs 175, making it one of the best market debuts in India.

MTAR Technologies came a close second as it surged 289 per cent over the issue price of Rs 575 apiece. The stock had listed at an 83 per cent premium.

Nureca, Laxmi Organics have risen 245 per cent and 205 per cent, respectively, over their issue prices. Meanwhile, Clean Science, Tatva Chintan, Sona BLW, StoveKraft, Barbeque Nation, Macrotech Developers, Nazara Tech, Sigachi, Easy Trip Planners and Latent View were the other names that gave returns of 107-178 per cent.

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COMPANY NAME	IPO ISSUE PRICE (Rs)	LAST CLOSING PRICE (Rs)	% CHANGE
Paras Defence And Space Technologies Ltd.	175	732.4	318.51
MTAR Technologies Ltd.	575	2236.95	289.03
Nureca Ltd.	400	1390	247.50
Laxmi Organic Industries Ltd.	130	396.45	204.96
Easy Trip Planners Ltd.	187	520.25	178.21
Clean Science And Technology Ltd.	900	2481.65	175.74
Macrotech Developers Ltd.	486	1229.75	153.03
Latent View Analytics Ltd.	197	491.55	149.52
Stove Kraft Ltd.	385	956.7	148.49
Sigachi Industries Ltd.	163	397.2	143.68
Sona BLW Precision Forgings Ltd.	291	705.85	142.56
Barbeque-Nation Hospitality Ltd.	500	1205.25	141.05
Tatva Chintan Pharma Chem Ltd.	1083	2534.5	134.04
Nazara Technologies Ltd.	1101	2269.05	106.09

Source: ACE Equity

As the curtains come down on 2021 after being a solid year for the primary market, analysts are hopeful that the IPO pipeline for 2022 would remain strong. Data available with Prime show 36 companies have Securities and Exchange Board of India (SEBI) approval, proposing to raise roughly Rs 50,000 crore and another 33 companies are awaiting approval to raise about Rs 60,000 crore. This excludes the much anticipated mega IPO of LIC which is expected to be launched this financial year.

That said, inflationary concerns resulting in rate hikes can be expected, and this would reduce the amount of liquidity available. This, along with how the Omicron variant plays out, would have an impact on the secondary and primary markets, said Prithvi Haldea, Managing Director, Prime Database.