

## QUICK BUCK

### HNI investors rake in the moolah from IPOs

**Mumbai:** Three out of four <sup>42</sup> companies that debuted on the bourses this year made money for wealthy investors on listing day. Wealthy investors have made more than ₹100 apiece on nine such companies, after taking into account the financing cost and over-subscription figures. p12

# HNI investors rake in moolah from IPOs

**QUICK BUCK.** 3 out of 4 companies generated strong listing gains; wealthy investors pumped in money

**Ashley Coutinho**  
Mumbai

Three out of four companies that made a debut on the bourses this year made money for wealthy investors on listing day.

Wealthy investors have made more than ₹100 apiece on nine such companies, after taking into account the financing cost and oversubscription figures.

IdeaForge Technology, with gains of over ₹500 on listing day, gave the most bang for the buck. Investors in Netweb Technologies and Mankind Pharma made gains of between ₹211-373. IPOs that lost money include IRM Energy and Yatharth Hospital & Trauma Care Services.

Overall, 27 out of the 35

companies would have made money for the HNI investors post listing. Companies where the portion for wealthy investors was subscribed more than 1x were considered.

"Companies and bankers have been mindful of valuations and pricing their IPOs better, leaving more money on the table for investors.

This has led to robust listing gains in several instances, helping wealthy investors make better returns," said Chirag Negandhi, joint managing director & Co-CEO, Axis Capital.

## INVESTMENT NORM

As per current norms, one-third of the HNI portion is reserved for applicants with a bid size of more than ₹2 lakh and up to ₹10 lakh and two-thirds for applicants

with application size of over ₹10 lakh. "HNIs typically borrow and invest in IPOs to make gains on listing day. The likelihood of making listing gains are always higher when markets are bullish, which is what we have been witnessing for the better part of this year. We saw a similar frenzy in 2021, albeit on a much lar-

## Outsized bets

IdeaForge	Offer price (₹)	HNI (x times subscribed)	Gains (₹)*
Netweb Tech	672	79.07	536-575
Mankind Pharma	500	87.6	363-373
Jupiter Life	1080	4.68	211-341
Cello World	735	40.37	171-318
Concord Bio	648	28.19	162-166
RR Kabel	741	19.24	133-220
Cyient DLM	1035	15.02	126-160
Ikio Lighting	265	49.69	112-137
Senco Gold	285	62.6	73-110
	<b>317</b>	<b>71.7</b>	<b>73-85</b>

ger scale," said Pranav Haldea, Managing Director, Prime Database Group.

## NBFC BORROWING

Twenty six of the 35 IPOs this year have seen an oversubscription of over 10 times.

Of these, three were subscribed more than 100x, and one more than 300x in the

HNI category. In 2021, more than 10 companies had seen an oversubscription of more than 300x in the HNI category.

Unlike retail investors, wealthy individuals borrow from NBFCs to invest in IPOs to maximise returns. The rates this year have ranged from 9-9.5 per cent for a seven day period and 14-15 per cent for a 3-day period. In 2021, the RBI had declared a cap limiting IPO financing by NBFCs at Rs 1 crore per investor.

Predicting listing gains is not an exact science and the company's intrinsic value, the demand-supply equation for the unlisted shares and the overall market euphoria can dictate the quantum of gains post listing.

A lot of wealthy investors turn to the grey market premiums to get cues.