

# 75% listings this year made money for investors

**Ashley Coutinho**

Mumbai

The majority of companies that listed this year made money for investors.

Seventy-five per cent of the 76 companies that debuted on the bourses ended with positive returns on listing day, with average gains of 28 per cent. Forty-eight companies ended with double-digit returns, with KRN Heat Exchanger & Refrigeration, Bajaj Housing Finance, BLS E-Services and Vibhor Steel Tubes making over 100 per cent gains on the first day.

A recent study by SEBI showed that 54 per cent of the IPO shares allotted to retail investors were sold within a week.

## **MONEY-SPINNERS**

Fifty-four companies that listed are still trading in the green — five are up over 100 per cent and another 21 are up over 50 per cent.

Top performers this year include Jyoti CNC Automation, KRN Heat Exchanger &

## Stellar performance

	Returns (%)	
	Listing day	Current*
Jyoti CNC Automation	30.9	276.1
KRN Heat Exchanger & Refrigeration	117.5	255.5
Premier Energies	86.6	172.4
Platinum Industries	29.2	150.8
Bharti Hexacom	42.8	141.5
J.G.Chemicals	-16.5	97.4
Exicom Tele-systems	58.9	95.4
Bajaj Housing Finance	135.7	94.1
Orient Technologies	47.8	93.3
Gala Precision Engineering	48.8	90.9

Source: primedatabase.com

\*based on prices as on Nov 29, 2014

Refrigeration, Premier Energies, Platinum Industries and Bharti Hexacom, with the first two gaining over 200 per cent.

Twenty-eight companies whose IPOs were subscribed over 50 times have returned 63 per cent on average.

“The kind of returns we have seen this year are a reflection of the pricing by the majority of the issuer companies, the buoyancy in the market and liquidity in the system.”

“Even FPIs, which have been net sellers since October in the cash market, were buyers in IPOs,” said Pranjal Srivastava, Partner-Investment Banking, Centrum Capital.

The BSE IPO Index is up 30 per cent year-to-date compared with 11 per cent gains made by the Sensex.

“In buoyant markets, like the one seen for the better part of this year, new listings have a good probability of ending with gains and doing well in the subsequent days. IPO stocks are not immune to market corrections, though. The proportion of companies trading in the green this year would have been even higher had it not been for the steep correction seen in October,” said Pranav Haldea, Managing Director, Prime Database.

The benchmark indices are down about 7.4 per cent since hitting their peak in late September.

## **DISMAL PERFORMERS**

The worst debutants this year included Deepak Build-

ers & Engineers India, JG Chemicals, Acme Solar Holdings and Jana Small Finance Bank, losing 11-20 per cent on Day 1.

Firms that made the most losses so far include Akme Fintrade (India), down 31.5 per cent, Capital Small Finance Bank (40.1 per cent) and Popular Vehicles & Services (46.5 per cent).

Saraswati Saree Depot, Shree Tirupati Balajee Agro Trading and Northern Arc Capital are trading in the red despite their IPOs seeing over 80x subscription.

According to Centrum Capital's Srivastava, the IPO momentum may get somewhat impacted if the market remains volatile. “Larger and high quality issues will be more in focus going forward. The pricing will be increasingly driven by investors,” he said.

Twenty-nine companies hold the required approval for an IPO and another 59 are waiting for regulatory nod. Together, these companies could raise over ₹1.32 lakh crore.