

IPOs give good returns to investors in 2024, mobilise ₹1.54 lakh cr from market

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DESPITE VOLATILITY in the stock market, domestic companies that hit the primary market during the calendar year 2024 have witnessed good performance, with a majority of initial public offerings (IPOs) getting listed at a premium and trading higher than their offer price.

The calendar year 2024 (up to December 13) saw a wide range of companies from small finance banks, insurance companies, housing finance firms to a jewellery company launching IPOs, buoyed by strong capital market performance and excess liquidity in the system.

A total of 81 companies went public in 2024 (till December 13), raising around Rs 1.54 lakh crore. Between January 1, 2024 and November 29, 2024, 76 companies tapped the capital market to raise Rs 1.34 lakh crore worth of funds, according to Prime Database. Of these 76 IPOs, 47 got listed at a premium, 28 at a discount and one at the offer price level (based on closing



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ing price on listing date).

As at the closing of the market on December 16, nearly 72 per cent of IPOs, or 55 issues, launched in the first 11 months of 2024 were trading at an average gain of 69 per cent above their offer price, delivering positive returns to investors. Some of the IPOs that have given stellar returns to investors include Jyoti CNC Automation Ltd (291 per cent), Platinum Industries Ltd (190.56 per cent), Bharti Hexacom Ltd (153.82 per cent), Premier Energies Ltd (205.12 per cent) and KRN Heat Exchanger & Refrigeration Ltd (257.68 per cent).

"In my view, an IPO becomes like any other listed stock the day after it lists whose price moves on

the basis of the company's own performance, future growth plans, how the sector is performing and of course the overall direction of the market. For most part of 2024, we have seen an extremely bullish market which has thus resulted in several IPO companies too trading above their issue price," said Pranav Haldea, managing director, Prime Database Group.

Domestic equity market benchmark indices Sensex and Nifty surged by 10.4 per cent and 11 per cent, respectively during the first 11 months of 2024. In 2024 (till the end November), 21 primary issuances have given negative returns to investors.

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