

Business Standard

Blockbuster IPOs, lacklustre returns: 7 of 11 trade below issue price

The key concern for the investors in mega issues, according to G Chokkalingam, founder and head of research at Equinomics Research, is how the issue is priced.

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A 'blockbuster' tag attached to mega IPOs has not always translated into blockbuster returns for investors over the years. The post-listing story, in some cases, has been less rewarding.

Of the 11 big IPOs that raised over ₹9,500 crore each through public issues since 2021, 7 are currently trading below their respective issue prices, including the most recent NSE that raised ₹22,563 crore earlier in September.

These 7 companies collectively raised ₹1.05 trillion from the market via IPOs, which is now valued 15.3 per cent lower at ₹88,979 crore.

Shares of quick-commerce platform Swiggy are down 35 per cent against its issue price, while Paytm parent One 97 Communication is quoting 22 per cent lower than its issue price.

Others such as NTPC Green Energy, HDB Financial Services, Life Insurance Corporation India (LIC) and the recently listed SBI Fund Management are down in the range of 10 per cent to 17 per cent.

Of the remaining four stocks, Tata Capital is quoting 1.5 per cent higher against its issue price of ₹326 per share, while Hyundai Motor India is up 7 per cent over its issue price. However, LG Electronics India and ICICI Prudential Asset Management Company have reported strong returns, with these stocks rallying 53 per cent and 50 per cent, respectively, from their issue prices.

The National Stock Exchange of India (NSE) stock, too, fell below its issue price earlier this week after a muted debut on the BSE on September 24. On Tuesday, the NSE stock closed at ₹1,769.30, below its issue price of ₹1,785 per share. The stock has declined 6 per cent from its listing day high of ₹1,878. It hit a low of ₹1,761 on September 28, 2026.

NSE's IPO was the second largest offering in the country after Hyundai Motor India, which mobilized ₹27,859 crore via an IPO in October 2024, according to data available with PRIME Database.

The key concern for the investors in mega issues, according to G Chokkalingam, founder and head of research at Equinomics Research, is how the issue is priced.

“Pricing and the timing of the IPO are key to success. Investors draw comfort when the issue is priced attractively and the company is on a strong fundamental footing. Secondary market buoyancy also matters,” he said.

Going ahead, while the primary market may remain relatively active, Chokkalingam expects the number of fresh issues and the listing pop to vanish if the secondary markets remain tepid.

Ratiraj Tibrewal, director, Choice Capital Advisors Director echoes a similar thought. LIC, Paytm and GIC, he said, were priced to perfection. On the other hand, large IPOs such as LG Electronics and ICICI Prudential Life, he believes, left something on the table for the investors and that's why the stocks have done well since listing.