

Busiest IPO day in 14 years belongs to retail investors

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Retail investors -- those investing up to ₹2 lakh -- lapped up all the four initial public offerings (IPOs) that opened for subscription on Wednesday. This is the first time since 2007 that four initial offerings have been launched on a single day, according to information provided by PRIME Database.

KFC and Pizza Hut franchisee Devyani International (size ₹1,838 crore); Diagnostic chain Krsnaa Diagnostics (₹1,213 crore), pharmaceutical firm Windlas Biotech (₹401 crore), and vitrified tiles manufacturer Exxaro Tiles (₹161 crore) are the four companies IPOs of which opened on Wednesday. Devyani International's IPO was subscribed over 11 times in the retail category and 2.7 times overall. Exxaro Tiles and Krsnaa Diagnostics were subscribed over 9 times each in the retail category, while Windlas Biotech was bought over 6 times.

Market observers say buoyed by the returns given by recent IPOs, retail investors are now subscribing to all the IPOs that are being launched. The last



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All four issues have seen oversubscription in the retail segment

| | QIB | HNI | Retail | Overall |
|-----------------------|------|------|--------|---------|
| Windlas Biotech | 0 | 0.34 | 6.22 | 3.18 |
| Exxaro Tiles | 1.11 | 0.65 | 9.29 | 4.67 |
| Krsnaa Diagnostics | 0.48 | 0.15 | 9.59 | 1.98 |
| Devyani International | 0.77 | 0.77 | 11.36 | 2.7 |

*At upper end; Source: Exchanges

four companies to list have seen gains of between 65 per cent and 113 per cent on the first day.

Typically, investment bankers don't bunch up so many IPOs. However, given the strong momentum in the secondary market and ample liquidity from domestic investors have given bankers the confidence to go ahead with multiple launches.

"Liquidity is pouring into the market. The main reason is liquidity and the secondary market performance. This time the liquidity is coming from domestic investors," said Pranjal Srivastava, Partner ECM, Centrum Capital. In 2007, Indian Bank (₹782

crore), Lawreshwar Polymers (₹10 crore), C&C Constructions (₹124 crore) and SMS Pharma (₹98 crore) had launched their offering on February 5. The recent two IPOs to hit the market saw retail applications of over 3.5 million each. Industry players say some IPOs that are open currently may see even higher applications.

"The IPO party has gathered momentum. As long as they make good listing gains, retail investors will continue to pour money into them," said an analyst. The four IPOs close on Friday. CarTrade Tech and Nuvoco Vistas Corporation will launch their IPOs on Monday.