

# IPOs set to get ₹20k cr from retail investors

Swaraj Singh Dhanjal and Nasrin Sultana

swaraj.d@livemint.com

**MUMBAI:** Retail investors are expected to plough at least ₹20,000 crore into India's red-hot primary market in 2021, lured by sterling listing day gains and falling returns from competing asset classes.

Companies have raised ₹18,492 crore from retail investors through initial public offerings this year, according to data from primary market tracker Prime Database and stock exchanges.

Paytm's IPO, the country's biggest yet, which opens on Monday, alone has a retail book of ₹1,830 crore.

The substantial amount highlights the growing significance of retail investors in Indian markets since the pandemic outbreak.

Typically, retail investors crowd IPOs for quick listing day gains, a behaviour enhanced by this year's handsome gains.

Shares of companies such as Paras Defence and Space Technologies, Tatva Chintan, Indigo Paints and GR Infraprojects more than doubled on listing this year. These companies saw the retail portion of their share sale subscribed in double digits. The most highly subscribed retail books this year include

## Making a beeline

Sterling listing day gains and falling returns from competing asset classes have lured retail investors into the soaring primary markets.

46

No. of IPOs in 2021

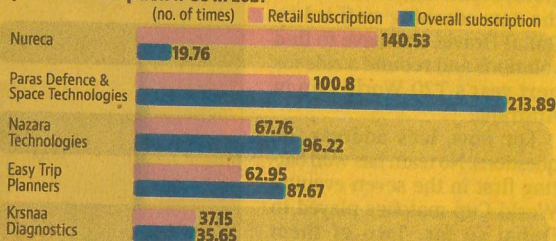
₹18,492 cr

Retail capital raised

₹1,830 cr

Paytm IPO retail book

### Top retail subscription IPOs in 2021



Graphic: Sarvesh Kumar Sharma/Mint

Source: Prime Database, stock exchanges

names such as Nureca Ltd (140 times), Paras Defence (100 times), Nazara Technologies Ltd (67 times) and Easy Trip Planners Ltd (63 times).

"Retail investors will continue to participate in IPOs in a big way as more than 80-90% IPO listings and post-listing performance has been positive. I also believe the ease of applying in IPOs due to UPI, Aadhaar-based authentication, and apps launched by various brokers has been a very big driver," said Jibi Jacob, managing director and head of equity capital markets, Edelweiss Investment Banking.

According to another investment banker, the behaviour of

retail investors has also seen a sharp departure from earlier days, when they would wait till the last day of a public offer to gauge institutional investor demand.

A strong buzz around an IPO can get its retail book subscribed within the first couple of hours of the IPO opening, he said on condition of anonymity.

Retail investors have been making their presence felt across the capital markets. A record 15.37 million demat accounts were created during April-September, according to Sebi data. This compares to 14.2 million new demat accounts in all of FY21.