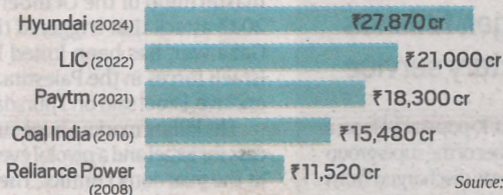


# Hyundai's IPO is subscribed 2.37 times, but retail investors cautious

## INDIA'S BIGGEST IPOs



Source: Reuters

## ENS ECONOMIC BUREAU

MUMBAI, OCTOBER 17

THE ₹27,870 crore mega initial public offering (IPO) of Hyundai Motor India Ltd (HMIL), which closed on Thursday with an oversubscription of 237 per cent, was bailed out by qualified institutional buyers (QIBs).

The QIB quota of the IPO — the country's largest-ever share offering — got subscribed by 697 per cent of the total portion.

However, the automaker's share offering received a tepid response from retail participants, with the retail portion getting subscribed by only 50 per cent on the third and final day of bidding on Thursday. The under subscription in the retail quota was on account of concerns over higher pricing, analysts said.

The public issue, which opened for subscription on October 15, received applications for 23.63 crore shares as against a total offering of 9.97 crore shares, translating into an oversubscription of 237 per cent.

Retail investors placed bids for 2.49 crore shares as against the total retail quota of 4.94 crore shares on the closing day of the public issue. The response from retail participants to HMIL's share offering was much lower than that for LIC's ₹21,000 crore IPO in 2022, in which the retail portion got hugely oversub-

scribed by 199 per cent.

"It's yet another landmark moment for the Indian primary capital market. As expected, it has sailed through. The muted response from retail and HNI is on account of apparently low grey market premium," said Pranav Haldea, Managing Director, Prime Database Group.

"There were two main reasons for low subscription in the retail category. The issue price was very high and further upside is limited and secondly, the auto sector has fallen below expectation in terms of festive demand," said an auto sector analyst.

The automaker's IPO received 1.27 crore bids from non-institutional investors (NII), against the quota of 2.12 crore shares, representing 60 per cent subscription.

The IPO received 19.72 crore bids from QIBs as against 2.82 crore shares offered, representing a 697 per cent oversubscription. The employee quota was booked at 174 per cent, with the portion receiving 13.56 lakh applications compared to 7.78 lakh shares offered.

On October 14, HMIL raised ₹8,315 crore by allotting 4.24 crore shares to 225 anchor investors at ₹1,960 per share, including a premium of ₹1,950 per equity share. HMIL fixed the price band of the IPO in the range of ₹1,865 to ₹1,960 per share of the face value of ₹10, valuing the company at around ₹1.5-1.6 lakh crore.