

# Business Standard

**THE MARKETS ON FRIDAY**

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Sensex	81,224.8	▲ 218.1
Nifty	24,854.1	▲ 104.2
Nifty Futures*	24,949.2	▲ 95.1
Dollar	₹84.1	₹84.1**
Euro	₹91.2	₹91.3**
Brent crude (\$/bbl)	74.1 ##	74.3**
Gold (10 gm)***	₹77,100.0	▲ ₹598.0

\* (October) Premium on Nifty Spot; \*\* Previous close;  
 # Over previous close; ## At 9 pm IST;  
 ### Market rate exclusive of VAT; Source: IBSA



**COMPANIES P16**  
**VISTARA IN-FLIGHT EXPERIENCE TO STAY FOR 'SOMETIME' AFTER MERGER**

**TAKE TWO P17**  
**VINTAGE CARS: GEAR UP FOR A BEAUTY PARADE**



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## I-bankers earn record ₹493 crore from Hyundai IPO

Fees from handling equity share sales hit ₹3K cr in 2024

SAMIE MODAK  
 Mumbai, 18 October

**H**undai Motor India Limited's (HML's) record ₹27,870 crore initial public offering (IPO) may not have set the primary market alight with sky-high subscription levels, but it has spelled a windfall for the five investment banks steering the share sale.

The Indian arm of the South Korean carmaker paid ₹493 crore — 1.77 per cent of the issue size — in fees and commissions to the book running lead managers (BRLMs), marking the largest-ever payout for an IPO in the country. This eclipses the previous record of ₹324 crore, also 1.77 per cent of the total issue size, paid by digital payments major One97 Communications (Paytm) for its ₹18,300 crore IPO in November 2021.

Buoyed by HML's record payout, fees from handling equity share sales have soared past ₹3,000 crore this

### STRIKING GOLD

With three lucrative deals, 2024 is proving to be a bonanza for bankers



Top fee-bagger issues	Size (₹cr)	BRLM fee (₹cr)	Fee as % of issue size
Hyundai India (2024)	27,870	493	1.77
Paytm (2021)	18,300	324	1.77
Vodafone Idea* (2024)	18,000	287	1.59
Zomato (2021)	9,375	229	2.44
Policy Bazaar (2021)	5,710	168	2.95
Nykaa (2021)	5,350	148	2.77
Ola Electric (2024)	6,146	145	2.36

BRLM: Book running lead manager; \*Follow-on public offer Source: RHP, Prime Database

**P10** MARKETS END IN RED FOR 3RD STRAIGHT WEEK

FPI EXODUS: FINANCIAL SECTOR BEARS THE BRUNT

**P6** FOREX RESERVES LOG WORST FALL IN OVER 2 YEARS

calendar year to an all-time high, according to industry estimates. This sets the stage for significant bonuses for invest-

ment banking executives. Notably, the three most lucrative deals have all occurred in 2024.



# For large private-sector deals, BRLMs charge 1-3% of issue size

Alongside Hyundai's offering, Vodafone India's ₹18,000 crore follow-on public offering (FPO) generated ₹287 crore in fees, while Ola Electric Mobility's ₹6,146 crore IPO pumped ₹145 crore into the pockets of investment bankers.

The five banks handling HMIL's IPO will divide the fees. The sheer scale of the deal — over four times the size of the year's second-largest IPO, Bajaj Housing Finance's ₹6,560 crore offering — has pro-

pelled these banks up the league table of leading investment banks in the country. In contrast, LIC's ₹20,557 crore IPO in 2022 paid only ₹11.8 crore in fees, spread thinly across 16 banks. IPOs of government companies typically offer much lower fees, but banks often bid for these mandates to elevate their league table rankings, which can help win more prestigious private-sector mandates in the future. For large private-sector deals, BRLMs typically charge

between 1 per cent and 3 per cent of the total issue size. "For a deal of Hyundai's size, a fee of nearly 1.8 per cent is highly lucrative. If there is enough pull for the stock, companies can drive a hard bargain. If the issue is priced attractively, the efforts required during roadshows is less," said an investment banker, citing the case of Bajaj Housing Finance.

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