

# IPOs are back on menu for India's rich

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After a brief post-pandemic lull, India's affluent are again betting on initial public offerings (IPOs) to make a fortune.

Sample this: Of ₹1,59,784.16 crore, 91 main-board companies collectively raised through public issues in 2024, ₹20,000 crore came from high-net-worth individuals (HNIs).

HNIs are people who have investable assets exceeding ₹5 crore.

To be sure, HNI subscription to IPOs peaked at an average of 203.28X (over ₹26,000 crore in absolute terms) in 2020, the year of covid-19 outbreak, and has been declining since.

However, 2024 marked a revival, with subscription levels climbing to 104.80X—the highest in three years, showed data from Prime Database.

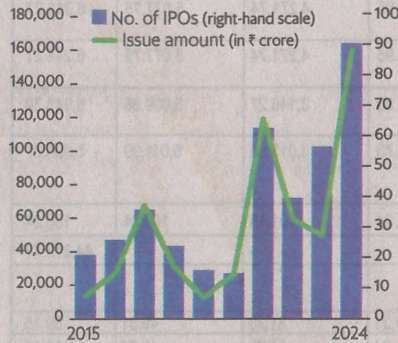
Investment bankers believe that impressive listing gains during the post-pandemic bull run have fuelled investor confidence, prompting them to allocate funds to this high-risk, high-reward segment.

Milind Muchhala, executive director at Julius Baer India, said the post-covid surge in equity-driven wealth creation has significantly boosted investors' risk appetite. IPOs, often delivering impressive listing gains (or even gains in the unlisted market), have instilled greater confidence among HNIs. "Considering the recent returns profile in the small- and mid-cap IPOs, HNIs are particularly drawn to this segment."

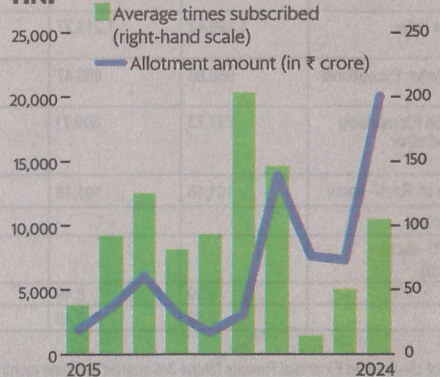
Of the ₹159,784.16 crore,

## IPO trends and allotment, 2015-2024

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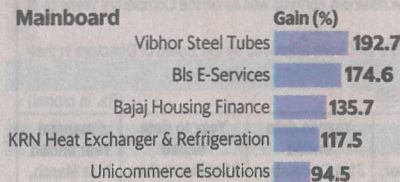
### HNI



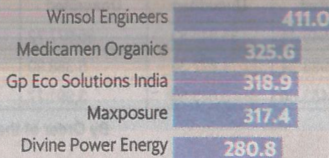
## Top 5 IPOs of 2024: Listing-day gains

Gain (in %), closing price on listing vs offer price

### Mainboard

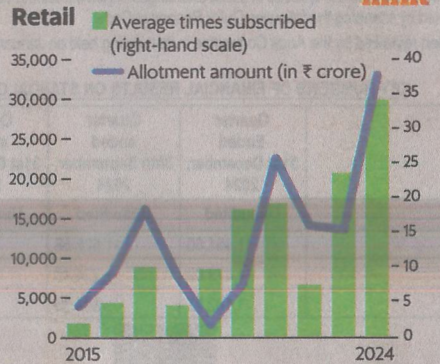


### SME



Source: Prime Database

### Retail



nearly ₹33,000 crore came from retail investors. HNIs and retail investors accounted for one-third of the capital raised.

IPOs are just one facet of measuring investor enthusiasm and confidence for equities. Since 1 January 2020, the Nifty is up 91%. Affluent Indians' high-risk appetite seems to be driving this heightened interest in equities. "The propensity to take risk is higher amongst first-gen HNIs," said

Sandipan Roy, chief investment officer at Motilal Oswal Private Wealth Management.

Post-pandemic, new-age wealth creators diversified portfolio across asset classes. "HNIs are increasingly allocating investments to alternative investment funds (AIFs), portfolio management services (PMS), and HNI-focused mutual funds, with their share of total assets under management rising to 45% in 2023-24

from 34% in 2015-16," said a 10 January report by JM Financial Institutional Securities.

This also coincides with a wealth wave in the country. According to Hurun India, the bar to join the rich list was set at ₹1,000 crore, with 1,539 individuals making the cut in 2024—220 more than in 2023. The number of dollar billionaires also jumped by 75 to 334.

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