

40% new-age tech stocks fall below IPO issue prices

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FIVE OF THE 12 new-age technology stocks (40%) that listed on the exchanges in the last two years have fallen below the issue prices of their initial public offering.

These are Ideaforge Technolony, Honasa Consumer, Swiggy, Ola Electric Mobility and Brainbees Solutions, which have fallen between 10% and 39%.

Share price of drone manufacturer ideaForge has witnessed a 39% fall — the most among the 12 firms — from its issue price after a stellar listing gain of nearly 100%, according to data from Primedatabase.com. Mamaearth parent Honasa Consumer has seen a steep 38% fall from its issue price. Both of these companies were listed in 2023.

Meanwhile, Swiggy, in just three months after listing, is trading 14% lower than its IPO price. Zomato, however, is up nearly 200% from its IPO price.

According to Naveen Kulkarni, chief investment officer at Axis Securities PMS, investors are protecting their capital. He said in a market where cost of money is increasing, currency depreciating, and foreign institutional investors continuously selling, these stocks have started looking expensive.

VALUATION CONCERN TAKES ITS TOLL

New age-tech companies performance

	Size (₹ cr)	IPO price (₹)	Listing gain (%)	Current price*	% chg
Ideaforge Technology	567.24	672	94.21	412.10	-38.7
Honasa Consumer	1701.44	324	0.00	200.90	-38.0
Swiggy	11,327.43	390	5.64	333.70	-14.4
Ola Electric Mobility	6,145.56	76	-0.01	65.26	-14.1
Brainbees Solutions	4,193.73	465	34.41	418.35	-10.0
Go Digit General Insurance	2,614.65	272	3.35	296.05	8.8
Unicommerce Esolutions	276.57	108	112.96	129.80	20.2
One Mobikwik Systems	572.00	279	58.51	348.70	25.0
BLS E-Services	309.29	135	128.89	182.27	35.0
Le Travenues Technology	740.10	93	45.16	138.35	48.8
Awfis Space Solutions	598.93	383	12.86	668.95	74.7
Zaggle Prepaid Ocean Services	563.38	164	-1.22	381.90	132.9

*as on February 11. NATC companies listed since January 1, 2023 were considered
Source: Primedatabase.com, FE Research

Rohit Srivastava, market strategist and founder of IndiaCharts, said most of these companies were listed at very high valuations. Following exit of venture capitals and promoters, it takes time for the market to find the price.

Kulkarni said it is very difficult to value these companies given less financial data available. Some of these shares will continue to fall like

Swiggy as its business model is not strong compared to Zomato. Kulkarni also likes Delhivery.

FirstCry parent Brainbees Solutions is trading 10% lower than its issue price, after posting a 46% jump on its listing day. The stock of Ola Electric Mobility fell 14% from its issue price. It had ended 20% higher on its listing day in August last year.