

# Baptism by fire for new stocks

Scraps that debuted last year down 37% from peak levels amid market churn

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The recent market downturn has spared no one, including newly listed stocks. On average, stocks that debuted last year are down 37 per cent from their peak levels. Six of these stocks are trading 50 per cent below their all-time highs, while 42 of the 99 recently listed stocks have fallen below their issue prices.

Among the hardest hit are Exicom Tele-Systems, which has plummeted 68.5 per cent from its all-time high, followed by ECO (India) Mobility & Hospitality (minus 67.76 per cent), Vibhor Steel Tubes (minus 63.2 per cent), and Ola Electric (minus 61.6 per cent). Other notable declines include Popular Vehicles & Services (minus 59 per cent), Bazaar Style Retail (minus 52 per cent), Godavari Biorefineries (minus 50 per cent), and Carraro India (minus 50 per cent). Not all newly listed stocks have suffered losses. KRN Heat Exchanger & Refrigeration is still up 3.9x from its issue price, while Jyoti CNC Automation and Bharti Hexacom have gained 2.7x and 2.4x, respectively.

The sharp decline in recently listed stocks is largely attributed to weakened market sentiment. Indian equity mar-

## IN THE EYE OF STORM

Even the best performing IPOs have seen a sharp fall from their highs



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kets have been under pressure since October, driven by slowing corporate earnings growth, stretched valuations, concerns over shifts in US trade policy, and persistent selling by foreign inves-

BEST PERFORMERS	Change from (%)	
	Issue price	All-time high
Jyoti CNC	173.1	-39.8
KRN Heat	288.4	-15.5
Bharti Hexacom	138.1	-15.5
Premier Energies	122.2	-27.9
Gala Precision	93.4	-30.9

WORST PERFORMERS	Change from (%)	
	Issue price	All-time high
Popular Vehicles	-58.9	-58.5
Bazaar Style Retail	-51.6	-56.4
Godavari Bio	-50.2	-57.1
Carraro India	-50.1	-49.2
Western Carriers	-46.2	-47.7

Data for companies listed in 2024  
Source: PRIME Database

tors. So far in 2025, the Nifty 50 has fallen 12.5 per cent from its all-time high, while the Nifty Midcap 100 and Nifty Smallcap 100 indices have dropped 17 per cent and 21 per cent, respectively.

Foreign portfolio investors (FPIs) have offloaded shares worth ₹1 trillion this year, and analysts note that without strong domestic institutional buying, the impact of these outflows would have been even more pronounced.

The S&P BSE IPO Index, which tracks the performance of newly listed companies, has declined over 20 per cent from its September peak. The selloff in mid and smallcap stocks has spilled over to newly listed stocks, as most belong to this category.

Chokkalingam G, founder of Equinomics Research, said: "The bubble in newly listed stocks is partly responsible for the meltdown in the mid and smallcap segments. The frenzy in certain sectors led to disproportionately high multiples relative to profit growth. A correction was inevitable."

Ambareesh Baliga, an independent equity analyst, added: "Initially, the frenzy during their listing drove these stocks, but most faltered due to hype rather than fundamentals. Now that corrections have occurred, the next move will depend on their financial performance."

Chokkalingam warned of further pain for stocks with misaligned multiples and profit growth.

"Selling pressure may ease by the financial year-end as investors realign portfolios by booking profits or losses."