

QUICKLY.

IPO BLUES

Half the firms listed since Jan '24 underperform



Mumbai: Market volatility has taken a toll on companies that debuted on the bourses in the last one year. Half of the 100 companies that listed on the mainboard since January 2024 are trading below their offer price, according to data from PRIME Database. Sixteen of these companies have lost over a third of their market value; five of the last 10 companies that listed on the bourses are trading in the red. p2

Amid volatility, half the firms listed since Jan '24 trading below offer price

LACKING LUSTRE. Sustained selling by overseas investors, Trump factor have muddied the waters for IPOs

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Mumbai

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DOWNWARD TREND

Popular Vehicles & Services, which is into sales and service of automobiles, has seen its stock slide 67 per cent. The other top losers include Carraro India and Godavari Biorefineries, both down 55 per cent from the offer price.

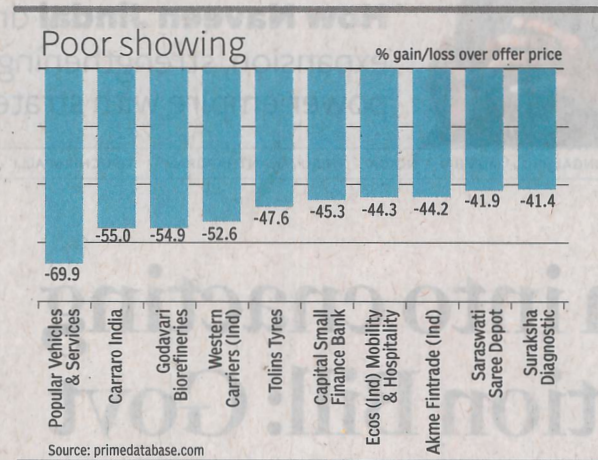
Three IPOs hit the market in February compared with

six in January and 15 in December, hinting at a slowdown, in the backdrop of a volatile secondary market that has seen the Nifty slip over 14 per cent from its all-time highs.

Sustained selling by overseas investors and the Trump factor has muddied the waters for IPO launches, especially for companies that depend on the US market for revenues or raw material. Uncertainty from global geopolitical tensions and fluctuating interest rates has made investors more cautious, while higher bond yields and a tighter monetary environment have reduced excess liquidity, impacting risk appetite.

TREAD SLOWLY

“Concerns over high valuations have led many companies to delay their listing plans, fearing a lack of investor enthusiasm. Stricter SEBI regulations on disclos-



ures and pricing have also made companies reconsider their IPO timelines,” said a note by Bajaj Broking Research. The influx of IPOs last year has made investors more selective this year. IPO activity could pick up in the second half of this year, if market conditions stabilise and interest rates soften.

“Despite receiving SEBI

approvals, some companies have delayed or paused their IPO listings due to market volatility, weak investor sentiment, and unfavourable valuations. Factors such as global economic uncertainty, fluctuating interest rates, and sector-specific challenges have made firms cautious about their public debut. Many are waiting for

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improved market conditions to ensure better pricing and investor participation,” the brokerage said.

Despite the current slowdown, the IPO pipeline remains robust with 43 filings in the last two months. Also, 47 companies have regulatory nod for IPO, while 68 firms are awaiting approval. Together, these could potentially raise ₹1.82 lakh crore. With 30 of the 47 companies having received the go ahead in the past three months, they have another nine months to launch, given validity period of one year.