

# Retail investors in top gear at IPOs, drive oversubscriptions

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Companies listing their shares on the stock markets are basking in the frenzied attention of individual investors, a trend expected to continue into next year and make up for the tepid enthusiasm of institutional investors.

The initial public offerings of Happy Forgings, RBZ Jewellers, and Credo Brands Marketing were oversubscribed on Day 1 on Tuesday, while those of Muthoot Microfin, Suraj Estate Developers and Motis-

ons Jewellers continued to attract strong retail interest on their second day.

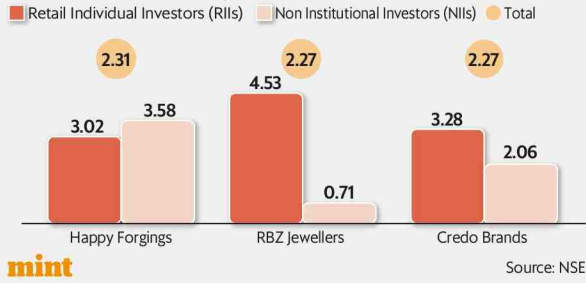
The retail portion of RBZ Jewellers' IPO was oversubscribed by 4.5 times, followed by Mufti Jeans owner Credo Brands (3.2 times) and Happy Forgings (three times). Motisons Jewellers' IPO was oversubscribed by a staggering 64.3 times by retail investors on the second day, followed by Muthoot Microfin (four times) and Suraj Estate (3.8 times).

Institutional investors such as qualified institutional buyers remained largely on the sidelines for Happy Forgings, RBZ Jewellers and Credo Brands

## Good show

The IPOs that were oversubscribed on Day 1

No. of times subscribed on Day 1



Marketing, with less than 10% participation. Motisons Jewellers, Muthoot Microfin and Suraj Estate Developers, however, attracted QIB interest

with participation of 66%, 46% and 12%, respectively.

Kranthi Bathini, director of equity strategy at WealthMills Securities Pvt Ltd, attributed

the overwhelming retail interest to a "strong retail presence in the primary market, fuelled by ample liquidity and hassle-free digital access".

"Recent IPOs like Tata Technologies and IREDA's oversubscription and stellar post-listing gains have ignited a retail mania for quick profits," he said. "While this enthusiasm might persist in 2024 if markets remain positive, caution is crucial. Investors should prioritise understanding the business fundamentals of companies before applying for IPOs, especially those seeking long-term value."

Overall, Happy Forgings,

RBZ Jewellers and Credo Brands Marketing registered oversubscription by 2.3 times, 2.2 times, and 2 times, respectively. Motisons Jewellers raked in an overall oversubscription rate of 51.3 times on Day 2, followed by Muthoot Microfin and Suraj Estate at 2.8 and 2.4 times, respectively.

Non-institutional participants played a significant role, with RBZ, Happy Forgings and Credo Brands seeing ratios of 71% times, 3.6 times and two times, respectively. Motisons, Muthoot Microfin and Suraj IPO were oversubscribed by 69.59 times, three times, and two times, respectively.