



So far in FY25, share issuances of over ₹50,000 crore have been lined up, not including the SME IPO market. ISTOCKPHOTO

Record IPO funds likely this year as issue size swells

Dipti Sharma & Ranjani Raghavan

MUMBAI

Led by several billion-dollar share sales and rising issue size, India's initial public offering (IPO) market may set a new record in 2024-25, signalling an enthusiasm undimmed by election jitters.

Barely two months into 2024-25, share issuances of over ₹50,000 crore have been lined up, not including the IPO market for small and medium enterprises. According to Prime Database Group, that's about 85% of the total ₹61,915 crore raised by 76 companies through mainboard IPOs in 2023-24, and ₹52,116 crore by 37 companies the year earlier.

Ola Electric Mobility Pvt. Ltd, Swiggy Pvt. Ltd, National Securities Depository Ltd (NSDL), Afcons Infrastructure Ltd, and FirstCry operator BrainBees Solutions Pvt. Ltd have already approached the Securities and Exchange Board of India (Sebi), while Tata Capital Ltd, JSW Cement Ltd, and Hexaware Technologies Ltd are also expected to join the queue. Several market experts said the year's IPO rush signals rising investor

appetite and the maturing of India's primary markets.

Investment bankers expect the IPO line-up in 2024-25 to be twice as many as in the previous fiscal year, as well as larger in size. "Unless the markets witness a significant and sustained increase in volatility, we expect (primary) issuance activity in 2024-25 to easily cross ₹1.5 trillion," said Munish Aggarwal, head of equity capital markets and managing director, Equirus.

India's IPO market has previously crossed the ₹1-trillion milestone only once, in 2021-22, with companies including Paytm and Nykaa raising about ₹1.13 trillion. Paytm's parent company One97 Communications Ltd raised ₹18,300 crore, while Nykaa (FSN E-Commerce Ventures Ltd) raised ₹5,351 crore, of which only about ₹600 crore was a primary sale.

Amit Thawani, managing director and head of investment banking at Nomura India, expects the issue size of a number of IPOs in 2024-25 to be larger than \$1 billion. "The size of the issuances are becoming bigger and the market is also able to support such transactions comfortably," he said.

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Record IPO funds likely this year as issues turn bigger

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According to data from Prime Database, 40 firms with a combined estimated issue size of ₹53,515 crore have filed offer documents with Sebi and are currently awaiting approval. Besides, as of 10 May, 19 firms with a combined estimated issue size of ₹11,901 crore have received the green light from the regulator.

In May alone, Blackstone-backed Aadhar Housing Finance Ltd, Carlyle-backed Indegene Ltd, GoDigit General Insurance Ltd and General Atlantic-backed TBO Tek collectively raised over ₹6,000 crore.

Others in the pipeline for IPOs include BrainBees, which plans to raise \$500 million, while Swiggy and Ola Electric are expected to see IPO sizes of about \$1 billion when they launch.

Carlyle-owned Hexaware is also expected to go for an IPO of at least \$1 billion, according to a Bloomberg report. JSW Cement Ltd managing director Parth Jindal told Mint in an interview that the firm was planning an IPO

in 2024 to raise as much as ₹4,000 crore. Several fintech firms, including PhonePe, PayU India and BillDesk, are also expected to go public in 2024-25 with large primary market raises, according to reports.

"Assuming market sentiment remains constructive post elections, we expect there to be several large IPOs coming to market," said Abhishek Joshi, executive director, head



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of India equity capital market, at UBS Global Markets. UBS expects primary markets to be "very active", with several \$1 billion-plus IPOs also expected, Joshi said, adding investors should have plenty of interesting opportunities to evaluate this year.

Flows into domestic funds continue to be strong as seen in the SIP (systematic investment plan) numbers, which is supporting both primary and secondary markets, he added.

Even if there is some market volatility post the Lok Sabha election, which concludes this month, it should reduce in 3-6 months, said

Gaurav Sood, managing director and head, equity capital markets, Avendus Capital.

In addition to IPOs, an increasing number of companies are passing resolutions to raise capital through qualified institutional placements (QIPs), indicating that companies are pursuing aggressive growth and deleveraging plans, Sood added.

dipti.sharma@live-mint.com

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