

IPO mop-up surges threefold to record ₹1.34 tn in 2024

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Investors have purchased a record ₹1.34 trillion of shares in initial public offerings so far in 2024, as 76 companies including Hyundai Motor India, Swiggy, NTPC Green and Bajaj Housing Finance, listed on the exchanges, giving venture capital and private equity firms profitable exits.

The amount as of 9 December exceeded the previous all-time high of over ₹1.18 trillion of shares sold in IPOs in 2021, according to data from Prime Database. It was also about three times the shares worth ₹49,436 crore bought in the IPOs of 57 companies through 2023, the data showed.

The figure pertains only to mainboard IPOs and does not include offers by small and medium enterprises.

The IPO rush was driven by retail and institutional investors' optimism about the Indian stock markets, which has delivered strong returns, with the benchmark Sensex having advanced over 16% in the past one year. The growing appetite for equity-related

instruments has encouraged more companies, including new-age startups, to tap the primary markets.

"There has been a growing acceptance of equities as a primary vehicle for long-term wealth creation among individuals. Post-covid-19, the number of new investors entering the market has surged significantly," said Narendra Solanki, head of fundamental research at Anand Rathi. "This shift in mindset is fuelled by the realisation that equities have the potential to generate higher



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returns compared to other investment options over the long term."

Younger, tech-savvy investors have been drawn to IPOs of Go Digit, Ola Electric, Blackbuck, Awfis, Ixigo and Unicommerce.

Some early investors are making huge returns by selling a part of their stakes. BlackBuck's early investors Quickroutes International, Tiger Global, Accel and Sands Capital

clocked about 2-5x gains in the ₹1,114.7 crore IPO. Sai Life Sciences' investors such as TPG Asia and HBM Private Equity India are expected to make gains of 4x-13x in the ₹3,000 crore

IPO that closes on 13 December.

As the year winds down, optimism persists. More IPOs are lined up in December, including big-ticket offers from Vishal Mega Mart, One MobiKwik Systems (both opened on 11 December), Sai Life Sciences, Rekha Jhunjhunwala-backed Inventurus Knowledge Solutions, and International Gemmological Institute, which are set to raise a combined ₹18,114 crore by selling shares.

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Vishal Mega Mart, Sai Life Sciences, One MobiKwik, among other IPOs, are set to raise ₹18,114 cr in December alone