

IPO Ring to Get Louder in 2024

Big IPOs in Pipeline

Tentative amount to be raised (₹ cr)

| | |
|-----------------------------|-------|
| Ola Electric | 8,300 |
| Oravel Stays (Oyo) | 8,300 |
| Swiggy | 8,300 |
| Aakash Educational Services | 8,300 |
| PayU | 5,000 |
| NSDL | 4,500 |

Source: primedatabase.com & bankers

Cos eye ₹1Lcr via listings vs ₹49kcr raised last year

Rajesh Mascarenhas

Mumbai: The momentum of India's primary market is poised to accelerate in 2024 with companies looking to raise more than ₹1 lakh crore through initial public offerings (IPOs), twice the ₹49,434 crore raised in 2023. The average size of such offerings is also expected to more than double to ₹2,000 crore, with several large-sized IPOs scheduled to debut.

As many as 28 companies inten-

ding to raise over ₹30,000 crore have received approval for IPO from Securities and Exchange Board of India (Sebi).

Another 36 companies have submitted draft red herring prospectuses (DRHPs) to the market regulator, outlining their plans to raise more than ₹50,000 crore, according to primedatabase.com.

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'Avg Issue Size may Rise to \$250m'

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They include Ola Electric, which filed its DRHP last month, putting it on track to become the first electric vehicle (EV) startup to hold a fresh public offer.

The ₹8,300-crore (\$1 billion) offer will comprise ₹5,500 crore being raised through a fresh issue and an offer-for-sale (OFS) component of 95.2 million shares.

The SoftBank-backed food delivery giant Swiggy recently selected bankers for its \$1 billion public issue. According to bankers, the share sale is likely later this year.

In 2023, about 57 companies raised ₹49,434 cr via IPOs, while the record is ₹1.19 lakh cr raised by 63 firms in 2021

"With both IPO and block activity gaining momentum in the final quarter of 2023, we anticipate this trend persisting into 2024, supported by strong domestic and foreign portfolio investor flows," said V Jayashankar, head of equity capital market, Kotak Invest-

ment Banking.

"The average size of the issuances is expected to rise to \$250 million in 2024, up from an average of \$100 million in 2023, and total volumes for the year could reach \$10-12 billion."

The average size of IPOs in 2023 was ₹850 crore compared with ₹1,500 crore in 2022 and ₹1,900 crore in 2021.

Online education startup Byju's is



IPOs On the Cards

Tentative amount to be raised (₹ cr)

| | |
|--------------------------------|-------|
| Brainbees Solutions (FirstCry) | 4,000 |
| Go Digit General Insurance | 3,500 |
| Indegene | 3,200 |
| Tbo Tek | 2,100 |
| IndiaFirst Life Insurance | 2,000 |
| Allied Blenders & Distillers | 2,000 |

Source: primedatabase.com and bankers

gearing up for a \$1 billion IPO for its tutoring business, Aakash Educational Services, scheduled for later this year.

Hospitality unicorn Oravel Stays, the parent of Oyo, is reportedly seeking to raise nearly \$1 billion following a delay of more than a year.

Digital payments major PayU is expected to raise about ₹5,000 crore this year while National Securities Depository Ltd (NSDL) and Brainbees Solutions (parent of FirstCry) are likely to enter the primary market with an issue size of more than ₹4,000 crore each.

STRONG INVESTOR APPETITE

Bankers said surging secondary markets and strong investor appetite for IPOs are encouraging more companies to offer shares to the public.

"Buoyed by favourable business prospects and a resilient ECM (equity capital market) outlook, supported by consistent domestic and foreign investment flows, bigger companies are revisiting their IPO strategies for 2024," said Dharmesh Mehta, MD and CEO, DAM Capital.

"Also, the Indian corporate sector expresses confidence in business opportunities and is contemplating capacity expansion or strategic acquisitions."

In 2023, about 57 companies raised ₹49,434 crore through IPOs, while the record is ₹1.19 lakh crore raised by 63 companies in 2021. In 2022, India Inc raised ₹59,301 crore through 40 public issues.

"A frenzy has gripped the IPO markets, where issues are being priced at a premium to listed peers and are still witnessing substantial oversubscriptions. The combination of excess liquidity, heightened investor interest, and rich valuations is compelling promoters to list their companies," said Ravi Sardana, an investment banker. "This trend is anticipated to persist in 2024, with issue sizes expanding and numerous new-age companies making their debut in the market."

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