

IPO boom continues on D-Street as firms look to raise \$8.4 bn in FY25

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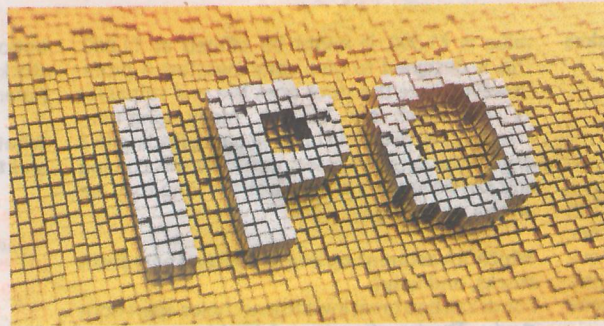
Fundraising through IPOs continues to be in the fast lane on D-Street for the third straight year. As of now, 56 companies propose to raise ₹70,000 crore, or \$8.4 billion, in the next fiscal (FY25). This comes on the back of 265 companies going public in FY24 and raising ₹90,878 crore through primary issuances and secondary sales (OFS). A record ₹1.27 trillion was raised by 123 companies in FY22.

To give perspective, 550 companies raised ₹2.83 trillion

in three years through FY24. Against this, 323 companies raised ₹1.3 trillion from FY19-22.

"The pipeline continues to remain strong, despite the upcoming general elections. The next couple of months should still see a few IPOs being launched," said Pranav Haldea, managing director of PRIME Database Group.

While 19 companies have already received approval from Securities and Exchange Board of India (Sebi) to raise nearly ₹25,000 crore in the upcoming fiscal, an additional 37 companies are waiting for Sebi approval to raise about



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₹45,000 crore. Out of these, nine are NATCs (new-age technology companies) aiming to raise roughly ₹21,000 crore.

"The strong performance in

the secondary market suggests continued activity in the primary market (IPOs) for the next few quarters. However, investor focus will shift towards a

company's past earnings performance, especially for those listed in the last two years. While overall IPO subscription might remain high, investors will become more selective, placing greater emphasis on individual company performance," Kranthi Bathini, director of Equity Strategy at WealthMills Securities, told *Mint*.

Several companies have already secured Sebi approval for their offerings. These

include Ebixcash Ltd (₹6,000 crore), Go Digit General Insurance Ltd (₹3,500 crore), Indegene Ltd (₹3,200 crore), and Tata Play Ltd (₹2,500 crore).

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"FY25 is shaping up to be another stellar year for IPOs," Nirav R. Karkera, head of research, Fisdom, said. Several factors are contributing to

this expectation. Firstly, major players which had shelved their IPO plans earlier, are now expected to launch their offerings. Secondly, with the gen-

eral elections going to be out of the way soon, the political certainty will lend to investor confidence. "Expected reversal in the global and domestic rate environment can be expected to translate into incremental liquidity; majority of which can be expected to percolate into capital markets," he said.

"With the resurgence of a risk-on environment and conducive macros we expect domestic and foreign appetite for primary markets to grow significantly and companies with fundraising objectives to utilise such an environment to advantage through expedited listing," he added.