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DigiYatra's Khadakbhavi:  
Cleaning a check-in mess ▶ P12



After sharp growth, Instamart  
revisits its dark store bet ▶ P7

SENSEX 80,544.00 ↓ 166.25

NIFTY 24,574.20 ↓ 75.35

DOLLAR ₹87.74 ↑ ₹0.07

EURO ₹101.65 ↓ ₹0.32

OIL \$69.50 ↑ \$0.87

POUND ₹116.68 ↑ ₹0.01

## Fewer shareholders exiting via IPOs on valuation blues

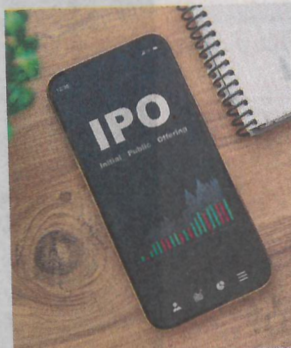
FROM PAGE 1

especially those growing 40-50% year-on-year, deserve a premium, but the market right now isn't always giving them a fair comparison or valuation," Vikram Gupta, founder and managing partner at IvyCap Ventures told *Mint*.

He added that once the lock-in period ends after Bluestone's listing, if the gap in perceived value still exists, IvyCap might continue to hold.

Viren Jairath, a banker on the Bluestone IPO, said the pricing has been decided based on road shows and feedback from institutional investors.

"It also factors in the business of the company and the market environment," said Jairath, who is managing director - equity capital markets and syndicate at Kotak Mahindra Capital Co., the investment banking arm of Kotak Mahindra Group. "Few of the current shareholders have decided to reduce the quantum of their OFS in the



The abundance of IPOs in the pipeline is also driving the dip in valuations. ISTOCKPHOTO

IPO and plan their exits at a subsequent time."

According to a source, Bluestone was earlier expected to command a valuation of over ₹10,000 crore, but it is now down to below ₹8,000 crore.

Prakash Bulusu, joint CEO at IIFL Capital, said investors and selling shareholders have realised they can make higher blended returns even after listing.

"Since large block deals are now possible to sell due to high

domestic demand, investors are not in a hurry to cash out during the IPO and can play the waiting game," said Bulusu.

NSDL's IPO launched last month, which was OFS only, saw the offer being trimmed from 57.26 million shares to 50.15 million. Similarly, HDB Financial Services reduced its OFS as against the earlier planned ₹10,000 crore. Smartworks reduced the size of OFS component to 3.38 million shares from the initially planned 6.76 million shares. Indiqube, too, reduced its OFS size by half from ₹100 crore to ₹50 crore.

The current valuation mismatch is prompting many investors to defer exits until after listing, with more secondary transactions and block deals expected to pick up going forward, both of which have gained momentum since the first quarter of this fiscal. *mansi.verma@live-mint.com*

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### Value restraint

Bankers are now urging companies to adopt more rational pricing and leave enough on the table for incoming investors.

	No. of issues	Issue size (₹ crore)	
2021	47	103,727.4	
2022	38	58,978.8	
2023	59	49,758.5	
2024	90	159,523.6	
2025*	32	54,392.8	
Till date*			

Source: Primedatabase

PARAS JAIN/MINT

## Fewer shareholders are exiting via IPOs on valuation blues

Mansi Verma & Sneha Shah  
MUMBAI

Amid a crowded listing pipeline, muted investor feedback, and lower-than-expected valuations, several companies are trimming the offer-for-sale (OFS) portion of their upcoming IPOs (initial public offerings), industry experts told *Mint*.

Investors in companies like HDB Financial, Ather Energy, and NSDL have scaled back their stake sales, opting to wait for post-listing exits through block deals and secondary sales. The latest in the queue are Bluestone, Smartworks and Indiqube.

Stake sales in upcoming IPOs by SK Finance and LG may also

be trimmed, according to people familiar with the matter who did not wish to be identified. Queries sent to both companies did not elicit a response at the time of publishing.

Further, given the steep corrections most 2021-vintage IPOs faced after listing at inflated valuations, bankers are now urging companies to adopt more rational pricing and leave enough on the table for incoming investors.

In Bluestone's case, private equity investors Accel and Kalaari have pared their OFS component, while IvyCap Ventures has withdrawn from the sale entirely.

"High-growth companies,

TURN TO PAGE 6