

250 Companies, Rs 5 Lakh Crore: PRIME Database's Pranav Haldea Decodes India's Mega IPO Pipeline

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The Indian IPO market has maintained strong momentum despite a volatile secondary market and continued foreign investor selling. Speaking to *NDTV Profit*, Pranav Haldea, Managing Director of PRIME Database Group, said some stability in the secondary market over the past couple of months has helped revive IPO activity.

Haldea said the IPO market typically does not see much activity during periods of high volatility. However, with some stability returning to the market and geopolitical concerns easing to an extent, the pressure to bring new issues to the market has increased.

250 Companies In IPO Pipeline

Haldea said around 250 companies are currently either awaiting regulatory approval or already have approval to launch their IPOs. Collectively, these companies are looking to raise around Rs 5 lakh crore.

He said the supply pressure is significant, particularly because regulatory observations and approvals are valid only for a limited period. The regulator had extended the validity of approvals expiring between April and September by six months, but that extension is set to end in September.

Haldea also highlighted the continued participation of foreign institutional investors in the primary market. While FIIs have been significant sellers in the secondary market over the past few years, they have continued to selectively invest in IPOs.

At the same time, domestic institutional investors have gained importance. According to Haldea, smaller IPOs in the Rs 500 crore-Rs 1,000 crore range can now potentially sail through with domestic investor support without necessarily requiring foreign investor participation.

IPO Valuations Need Careful Assessment

On IPO valuations, Haldea said that investors should not treat all IPOs alike. Some issues may be expensive, while others could be fairly or attractively valued.

He also cautioned against expecting every IPO to deliver a strong listing gain and continue trading above its issue price. Once listed, an IPO becomes like any other listed company, with its performance depending on the company, sector, market and broader economy.

Haldea said the broader cohort of tech IPOs has delivered an average return of around 30% despite the choppy market of the past few years. However, he stressed that individual IPO performances can vary significantly.

He added that when the IPO market revives after a pause, companies often come with more attractive valuations because weaker sentiment can lead them to leave more value on the table. This can support better listing and subsequent returns.

Retail Investors Must Know Their Strategy

For retail investors, Haldea said the first question should be whether they are entering an IPO for a listing gain or as a long-term investor.

He cited a SEBI study which showed that around 70% of retail investors exit within two to three weeks of an IPO. This indicates that a large section of retail investors approaches IPOs with a short-term objective.

Finally, Haldea said there is nothing inherently wrong with such a strategy, but investors should be clear about their objective. He also stressed that an IPO remains an equity investment and carries higher risk than an already listed company with an established track record and disclosures.