

NDTV Profit Conclave 2026: 'People Get In Thinking It's A Lottery Game' — Devina Mehra On IPOs

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Devina Mehra, founder, chairperson and managing director at First Global warned investors against treating initial public offerings as a lottery contest citing companies engaging offers for sale and not necessarily seeing the benefits of their revenue or valuation accruing to IPO investors.

Mehra spoke on a panel that consisted of Dinesh Mehta, founder, chairperson and managing director at First Global, N Jayakumar, MD, Prime Securities and Gurmeet Chadha, chief information officer and Managing Partner, Complete Circle, hosted by NDTV Profit at 'NDTV Profit Conclave 2026'.

"Too many people get in thinking it's a lottery game. Which shows in the SEBI (Securities And Exchange Board of India) statistics also, not just the funds, but if the individuals get an allotment, if it lists at a premium, most of them flip out within two weeks, that's the data," Mehra said.

"So, they're not making an attempt to value or buy a company, they think they're participating in a lottery, that's never a good thing," Mehra added.

The First Global MD noted that IPO frenzies come and go and have been there since stock exchanges have been around.

"In India we have seen many times when all these new age IPOs came. For most of them the peak financials were just before the IPO, which is true of far too many IPOs," Mehra said.

Mehra's other concern was the quantum of the offer for sale in the entire IPO.

"It is the retail investor giving an exit, not just to the promoter, to the first round investor, second round investor, most of the time, IPOs valuation is two-three four times or sometimes eight times, the last fund raise, these are not undervalued," Mehra stated.

"OFS is not bad if the company doesn't require anymore money, if you are doing a 60% OFS and are back in the market saying you need more money, as was the case with Swiggy that is a problem for me," she added.

Mehra was replying to a comment from Dinesh Mehta who claimed that IPOs are undervalued.

"People think IPOs are crazy in value, I am of the other camp, that actually it's very difficult to value IPOs today, in fact they are the most undervalued as of today if you ask me," Mehta had said.