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INDIA IPO INSIGHTS

OUR QUARTERLY NEWSLETTER

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Dominate IPO Reviews

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FOREWORD: IPO MARKET AND CAPITAL ACTIVITY OVERVIEW

The current year opened amid a paradox of strength and caution. On one hand, India's capital markets continued to display remarkable depth anchored by resilient domestic liquidity, steady institutional inflows, and expanding investor participation. On the other hand, shifting global risk appetite, monetary tightening across key economies, and valuation discipline have brought a new realism to the IPO landscape. What is unfolding is not a slowdown, but a recalibration.

The first half of FY2025–26 reflected this balance vividly. The market witnessed record listing volumes even as post-listing gains moderated, signaling a shift from exuberance to discernment. Quality, governance, and scalability are now driving investor conviction.

At the same time, SEBI's regulatory lens continues to evolve, with a greater emphasis on transparency, depth of disclosure, and rigorous governance. Nearly half of the regulator's observations on recent filings pertain to risk and compliance disclosures, underscoring a structural transition towards accountability and investor protection.

Equally noteworthy is the rising adoption of the confidential filing route, a quiet yet profound shift that is redefining how India's most ambitious companies approach market readiness and timing strategy.

Beyond the data points lies a deeper narrative: India's IPO market is broadening its base while strengthening its core. The increasing share of fresh issuances, the growing use of proceeds for deleveraging and capacity creation, and the sustained participation from both retail and institutional investors all point to a maturing ecosystem, one that blends ambition with discipline.

In this edition of IPO Insights, we decode these evolving dynamics through analysis of market trends, regulatory observations, sectoral patterns, and capital deployment themes. The publication also examines how issuers are adjusting their strategies to a more discerning investor environment and what this implies for the future of India's primary markets.

We hope you find this edition both informative and thought-provoking, offering clarity on where the market stands and where it is headed.



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SEBI OBSERVATION

Insights from Recent IPO Observation Letters

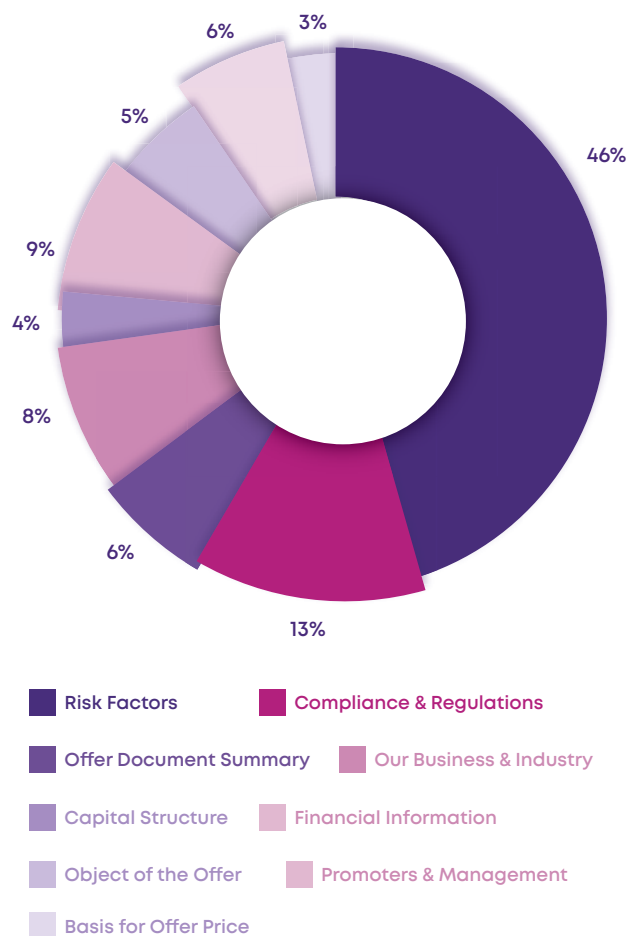
A crucial stage in the IPO journey of any company is the regulatory review of its draft offer document by the Securities and Exchange Board of India (SEBI). Before approving the DRHP, SEBI conducts a comprehensive examination of the disclosures made by the company, aiming to ensure that investors are provided with complete, accurate, and comprehensible information to make an informed investment decision. The comments and clarifications sought by SEBI during this process often highlight not only company-specific concerns but also broader regulatory expectations and emerging focus areas in the capital markets.

To gain a deeper understanding of the evolving disclosure landscape, we have undertaken an analysis of the observation letters issued by SEBI on recent filings made by the companies proposing to go public.

SEBI's Focus Areas: Risk Disclosures and Regulatory Compliance Dominate IPO Reviews

On an average each company receives close to 100 comments which can be categorized into various sections

PROPORTION OF SEBI COMMENTS



**The chart above excludes other generic comments which do not form part of any specific topic*

Our analysis indicates that nearly 46% of SEBI's observations pertain to the Risk Factors section of the draft offer documents. These comments primarily underscore the need for issuing companies to provide clear, specific, and comprehensive disclosures of potential risks that investors may face when subscribing to the IPO. This emphasis aligns with SEBI's broader objective of ensuring that investors are fully informed of all material challenges and uncertainties that could impact the company's future performance.

In addition to risk-related observations, SEBI places significant emphasis on Compliance and Regulatory Disclosures, which are crucial for establishing that the company adheres to all applicable laws and governance standards.

Together, the sections on Risk Factors and Regulatory Compliance form the cornerstone of SEBI's review process, as they collectively highlight the potential vulnerabilities and obligations that investors must consider before making an investment decision.

Conversely, sections such as Business Overview and Management Discussion and Analysis (MD&A) serve a complementary purpose, detailing the company's journey, operational achievements, and financial capabilities, thereby providing investors with a holistic view of both its strengths and associated risks.

Key SEBI Observations Across DRHP Sections

Through the analysis presented below, we seek to identify recurring themes in SEBI's comments, highlight areas where issuers most frequently face regulatory scrutiny, and assist IPO-bound companies in enhancing the quality and completeness of their disclosures. These observations also demonstrate how SEBI's expectations continue to evolve in response to changing market dynamics, shifting investor sentiment, and emerging trends in corporate governance and financial reporting.

Risk Factors

- **Placement of risk:** SEBI has consistently emphasized the need for issuers to present risk factors in the order of their relative importance and materiality. This recurring observation across several DRHPs underscores the regulator's focus on ensuring that investors can easily identify the most critical risks, particularly the top 5, top 10, and top 25 risks impacting the company.
- **Tariff impact:** Inclusion of a risk factor addressing the potential impact of reciprocal tariffs imposed by the USA.
- **Concentration risk:** Disclosure about supplier/customer concentration risks & geographical concentration of customers.
- **Quantitative headings:** Risk factor headings must include key quantitative and qualitative details to ensure clarity, instead of being generic.
- **Specific risks over generic statements:** Disclosure of the specific as well as financial/economic impact of the risk factors on the company, rather than adding generic statements.
- **Absence of long-term agreement:** When the company has not entered into long-term agreements with vendors, the same is to be disclosed as a risk factor.
- **Experience of directors:** Inclusion of a risk factor pertaining to the inexperience of directors.
- **Transactions with promoters:** Issuers should provide clear disclosures outlining the reasons and commercial justification for any material transactions with promoters, promoter group entities, and related parties.
- **Financials related:** Inclusion of risks on the financial performance of the company, such as negative cash flow from operations, an increase in working capital requirements, a Lack of profitability, etc.

- **Manufacturing facility:** Inclusion of a risk factor about the risk of the manufacturing facility becoming obsolete.
- **OFS Impact:** In cases where the IPO is entirely an Offer for Sale (OFS), issuers should explicitly disclose that the company will not receive any proceeds from the offering.

Compliance and regulations

- **Litigations:** Update on the current status of litigations involving the promoters, promoter group entities, the company, and companies promoted by the issuer.
- **Regulatory actions on the company:** Adequate disclosures of all actions taken by statutory and regulatory authorities.
- **Separate risk factor for pending approvals:** A Separate risk factor is required where approval is not obtained.
- **Impact assessment:** Assess the impact of any pending approval from the Government and other authorities on the financials and operations of the company.
- **Shares pledged:** Disclosure of the details regarding the shares of the Company / its subsidiaries pledged by the promoters.
- **Special rights in shares:** Disclosure of special rights attached to the equity shares and other instruments issued by the Company.

Financial information

- **Complete disclosure of FS:** Verify that all financial information derived from financial statements is disclosed in the DRHP.
- **Mandatory Certification of all financial information:** All financial information/data disclosed shall be certified by an independent chartered accountant / statutory auditor / chartered engineer.

- **Borrowing & covenants:** Disclosure of balances and terms of the borrowings availed by the Company, along with the financial covenants attached to each loan.
- **Contingent liability disclosure:** Disclosure of the impact of contingent liabilities on the financial position and business of the Company.
- **Change in auditors:** Confirmation on whether there has been a change in auditor before completion of the appointed term (in any of the past five fiscal years), and the reasons thereof.
- **Disclosure about stub periods:** Ensure that financial disclosures for the stub and comparative periods shall be made on account of audited, restated, and consolidated financials only.

Objects of the issue

- **Working capital (estimation risk):** To substantiate the reason for the substantial increase in the estimation of working capital in the current year compared to the previous year and disclose the risk in estimation as a separate risk factor, with data and intended use of working capital. Also, clearly highlight the risk related to estimation, along with the CA certificate for estimation, as a separate risk factor. To also disclose the area of operation where the long-term working capital shall be deployed.
- **Loan certificate – Material document:** Certificate from the statutory auditor certifying the utilization of loans for the purposes availed at the time of filing DRHP as part of the material documents.
- **No payment to promoters in any form from objects:** No part of the IPO proceeds to be utilized for making payment/repayment to promoters of any loan or NCD or otherwise.
- **Consent To Establish (CTE):** Company to ensure Consent to Establish is received by the issuer before the filing of RHP.

- **Justification for New Plant with existing capacity details:** To disclose the capacity and utilization % of the present equipment. To disclose whether the capital expenditure is for the expansion of capacity or for a new product. Disclose the need and reasons for setting up an additional plant despite having non-utilized capacity.
- **Business Development Initiatives:** Explain and disclose how “New Products”, “Business Development Initiatives”, etc., are different from Marketing, Brand Building, and Advertising Activities.
- **Approvals & objects:** Cross references should be made between the approval sections and the objects section where relevant.
- **Due diligence requirement:** Where it's stated that a particular approval is not required, the issuer is advised to confirm and disclose it after carrying out independent due diligence.
- **Offer-related expenses:** To disclose the bearing of expenses by the selling shareholders, in case the IPO is not brought to the market. Advised to share details of such payments with SEBI, even if the proposed public issue does not get listed.
- **Monitoring agency:** Appointment of the monitoring agency before filing the UDRHP.

Business and Industry section

This section generally covers business-specific comments in relation to the industry in which it operates. Some of the common comments in this section are discussed below:

- **Nature of business:** Explanation in clear words primary business of the company in lucid and economical language.
- **No superlative adjectives:** To remove and refrain from using any superlative adjectives across the DRHP.

- **Disclose Business promotion expenses:** Disclose the data of sales promotions in the ‘Our business’ section.
- **Industry report coverage:** Ensure that all possible challenges, weaknesses, and threats of the Industry/business of the company (including specific segments or products) are included in the business section.
- **Disclose Top 10 customers:** Disclosure of the top 10 customers, along with their names, and disclosure if they are related parties.

Basis for offer price

- **Disclosure of Operational KPI:** Disclosure of the operational KPIs of the company in the Basis for Offer Price section, as deemed appropriate.
- **Selection of peers:** Provide explanation and disclose rationale for selection of listed peers disclosed in Basis for Offer Price section. Further, explain reasons for non-inclusion of listed peers in a similar line of business and ensure peers are consistent across different sections of the document.
- **Highlighting Areas of Underperformance vs Peers:** Disclosure of parameters in which the company is trailing behind its peers, as disclosed in the basis of offer price section, as a risk factor.
- **Disclosure in compliance with regulation:** Refrain from making any disclosure in the offer document which are not in line with SEBI (ICDR) Regulations, such as “The Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the Selling Shareholders and the BRLMs after the Bid/Offer Closing Date.
- **Market cap. of peers:** Disclose the market price and market cap of the listed peers.

Pre-IPO Placement

- **Comparison of pre-IPO price with IPO price:** Disclosures comparing the pre-IPO placement price with the IPO price and variation, if any, between the two prices.
- **Allocation to GCP for Pre-IPO unless certified for any specific purpose:** Ensure that if Pre-IPO proceeds are raised, their discretionary nature requires full allocation to the GCP portion unless auditor-certified disclosures confirm their use for the specified objects of the issue.
- **Price & Name of shareholder disclosure:** Prominent disclosure of the price and the name of the shareholder on the day of the allotment.
- **Pre-IPO subject to monitoring agency:** Ensure that the amount of pre-IPO shall be utilized only towards the stated objects and shall be subject to monitoring by the monitoring agency.

Capital structure

- **Reduction in valuation:** In case the private placement were done at a higher valuation, the Company shall provide reasons for such high valuations and upload the board/ shareholders approvals and valuation reports on their website as material documents for inspection
- **Lock-in requirements:** Companies are advised to ensure compliance with the lock-in requirements of minimum promoters' contribution as per ICDR Regulations, 2018.
- **Buyback:** Companies are required to provide disclosures related to the buyback of shares, along with the reason for such buyback that happened at any point in time.
- **Scheme of amalgamation:** Disclosure of the swap ratio and other material details of the scheme of amalgamations.

Other key comments

- Disclose the dates of Board approvals for initiatives such as expansions and expenditures. Any non-disclosures should be explained with reasons.
- Key performance indicators (KPIs) and financial data, wherever disclosed, shall be in absolute terms and percentage terms, and shall pertain only to the disclosed financial period.
- Disclosure of the price at which specified security (including preference shares) was acquired in the last 3 years, by each of the promoters, promoter group, selling shareholders, shareholders entitled with right to nominate directors or any other rights.
- Disclosure of the complaints received against the Company under material documents available for inspection, along with their respective replies.
- Disclose the details of all profit-sharing arrangements involving the Issuer, promoters, promoter group, directors, and shareholders, if any.
- Provide justification for the exclusion of certain companies from the list of promoter group companies.



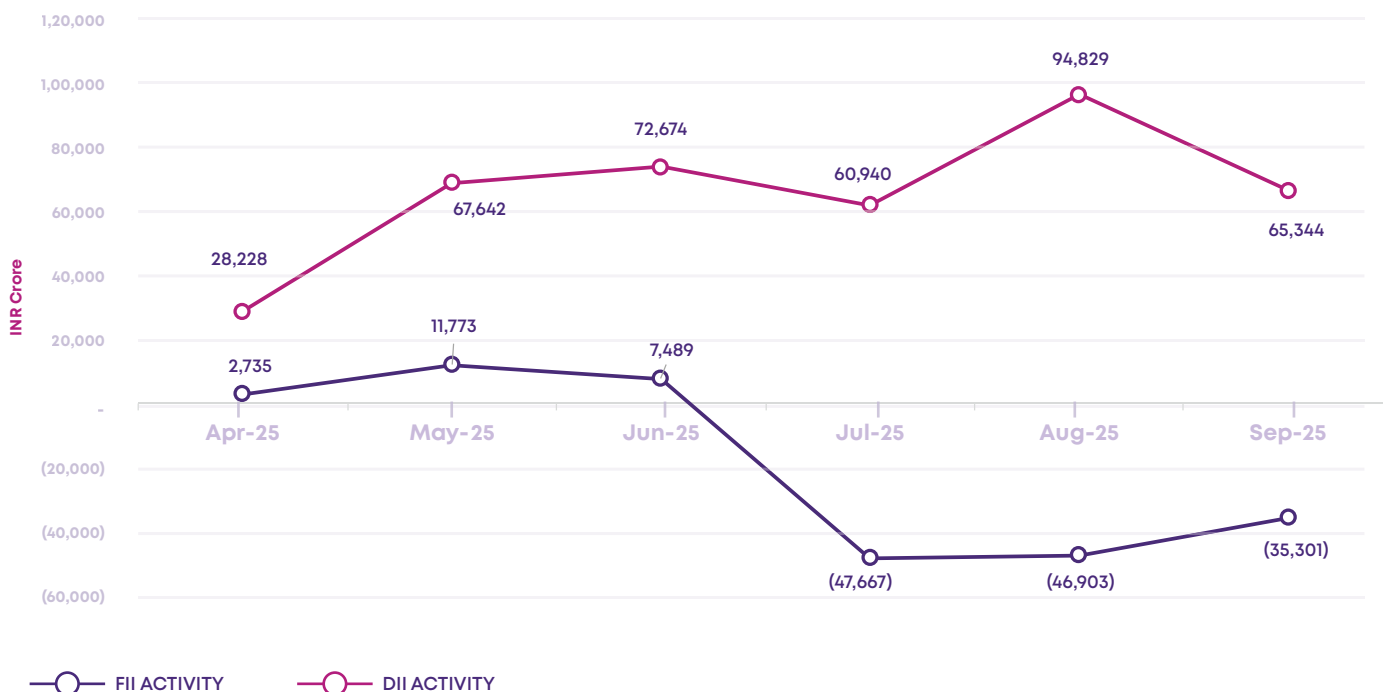
IPO INSIGHTS

Macro view

DII Anchor the Market as FIIs Pull Out INR 1.3 Lakh Crore in Q2 FY26

The first quarter of FY2026 opened on an optimistic note, with both Foreign Institutional Investors (FIIs) and Domestic Institutional Investors (DIIs) emerging as net buyers. However, sentiment shifted sharply from July 2025 onward, as FIIs turned heavy sellers, offloading nearly INR 1.3 lakh crore (~USD 15 billion) between July and September. DIIs, buoyed by record mutual fund SIP inflows and sustained retail participation, counterbalanced this outflow by investing close to INR 2.2 lakh crore (~USD 25 billion), helping the markets retain their resilience despite global headwinds.

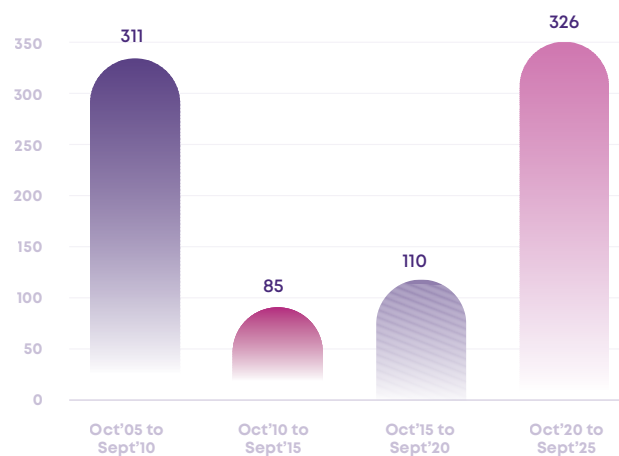
FII & DII Trends



Two Decades of IPO Cycles: From the 2005 Boom to the Post-2020 Resurgence

While the secondary market has stayed largely range-bound, the primary market continues to build on the upcycle that began in late 2020, echoing the exuberance of the 2005–2010 phase when companies rushed to go public. That period was followed by nearly a decade-long lull in IPO activity despite buoyant secondary markets, highlighting how the two often move in different cycles. In contrast, the post-COVID years have sparked a renewed IPO boom, as companies pursue greater visibility, diversified ownership, and easier access to capital, momentum that shows no signs of slowing given the strong pipeline ahead.

IPOs in last 2 decades*



*Includes only Mainboard listings (SME IPO started in March 2012)

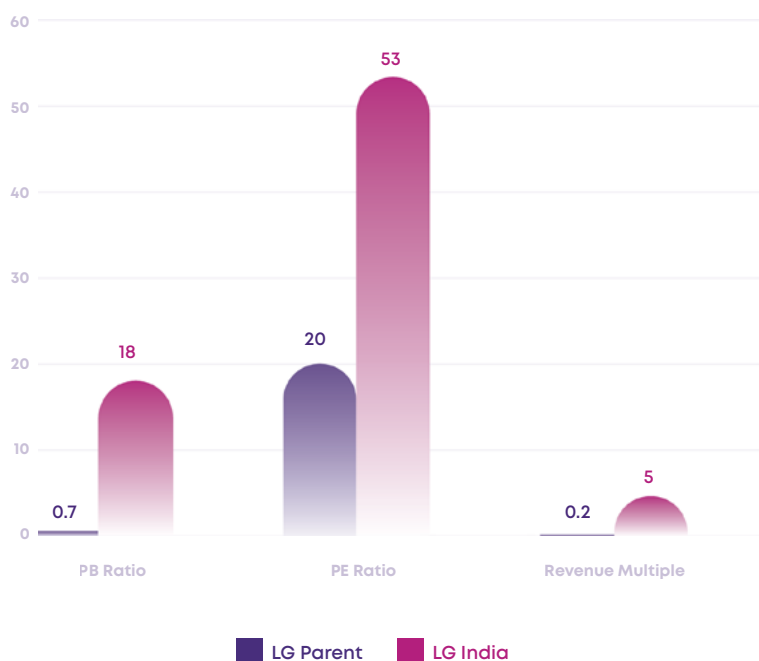


Global Giants Eye India's IPO Market for Its Lucrative Valuations

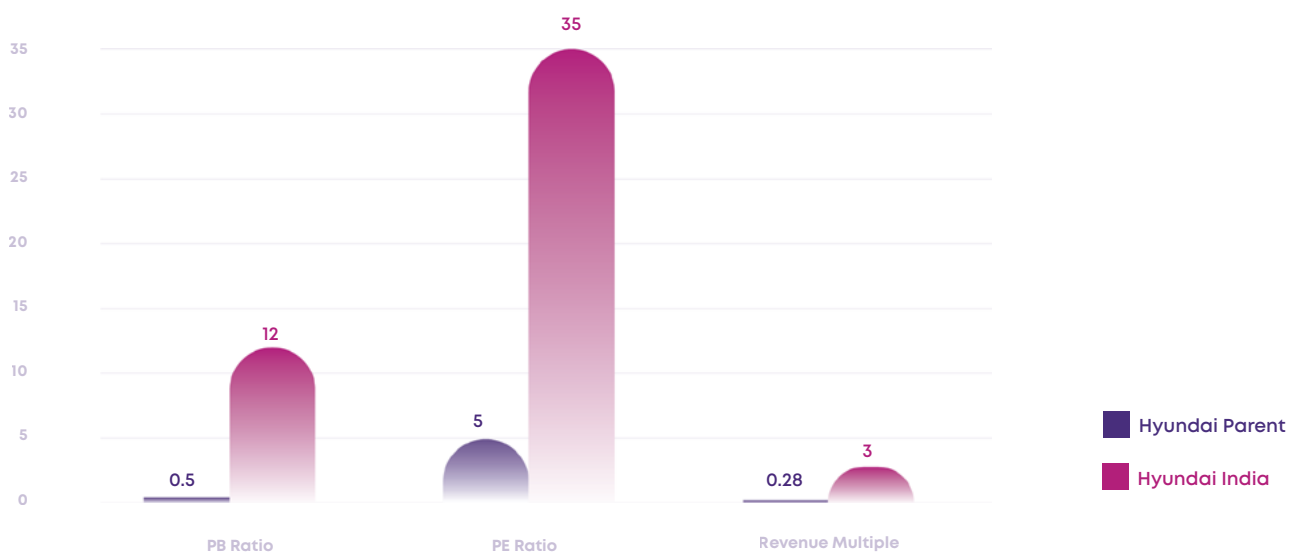
October has seen the listings of prominent global companies, with Hyundai making its market debut in 2024 followed by LG Electronics in 2025. This trend is expected to persist, supported by the relatively attractive valuation environment that India offers compared to the respective home markets of such multinational corporations. Global players across the automobile, pharmaceutical, consumer, and beverages sectors, having a substantial operational presence in India, may increasingly evaluate the valuation arbitrage opportunity and contemplate pursuing a public listing in the Indian market.

**based on October 15, 2025 prices*

LG - Parent vs India



Hyundai - Parent vs India



The Rise of Confidential Filings: A Quiet Shift in India’s IPO Playbook

Introduced through SEBI’s amendment to the ICDR Regulations on November 21, 2022, the confidential filing route marked a pivotal evolution in India’s capital market framework, enabling issuers to file Draft Red Herring Prospectuses (DRHPs) discreetly before going public. Within ten days of its launch, Tata Play became the first to test the mechanism. Two years later, in November 2024, Swiggy’s listing was followed by Vishal Mega Mart in December 2024, turning the concept into reality.

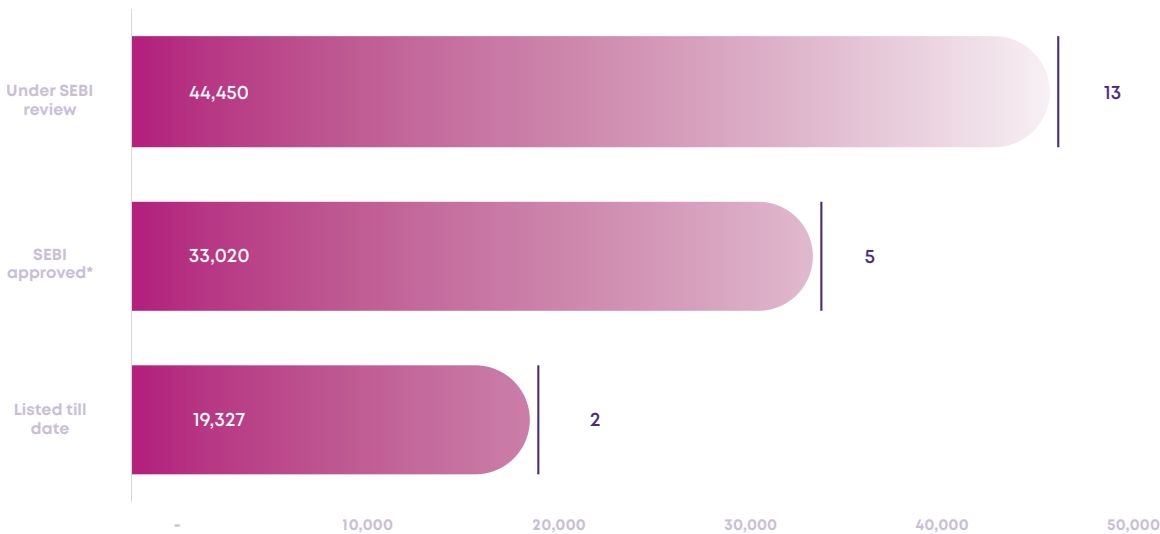
Momentum has since accelerated. Until FY2025, only two listings had emerged via the confidential route. Today, 18 companies have filed confidential DRHPs, with five securing SEBI approval in the last four months alone (TATA Capital included). Collectively, these filings represent approximately INR 77,000 crore of the IPO pipeline, signaling rising comfort among large issuers with this model. The average issue size of INR 4,300 crore underscores its appeal to mature, high-value companies seeking to fine-tune timing and disclosure strategy.

This growing adoption reflects a clear behavioral shift as India’s new-age and established corporates adopt the confidential route to retain flexibility, market readiness, and strategic discretion before stepping into the public eye. It’s a sign of a market evolving beyond speed to strategic sophistication.

Lifting the Veil on Confidential Filings: India’s Quiet Market Movers

Confidential filing route

Amount in INR Crores Number of issuers



*includes TATA Capital

Advantages of filing confidential route

- Protecting various sensitive information about the business that will be disclosed in the DRHP at a time when there may not be certainty that the IPO would be executed, as peer competitors might take undue advantage of the information disclosed.
- Facilitates disclosure of an information-rich document for investors to consume at an appropriate time when the issuer is ready to go for listing.
- Flexibility in complying with certain ICDR regulations at the time of confidential filing till the time of receipt of observations from SEBI:
 - No restriction on the issuance of new shares / compulsory convertible securities
 - Changes in matters mentioned under Schedule XVI, such as a change in the director, promoter, objects of issue, etc., without the requirement of refiling.
 - Extended time period to list – 18 months after receiving the comments from SEBI (12 months for regular filing)
 - Change (increase or decrease) in fresh issue size after issuance of SEBI's observation proposed to be permitted to the extent of 50% as against 20% in regular filing.



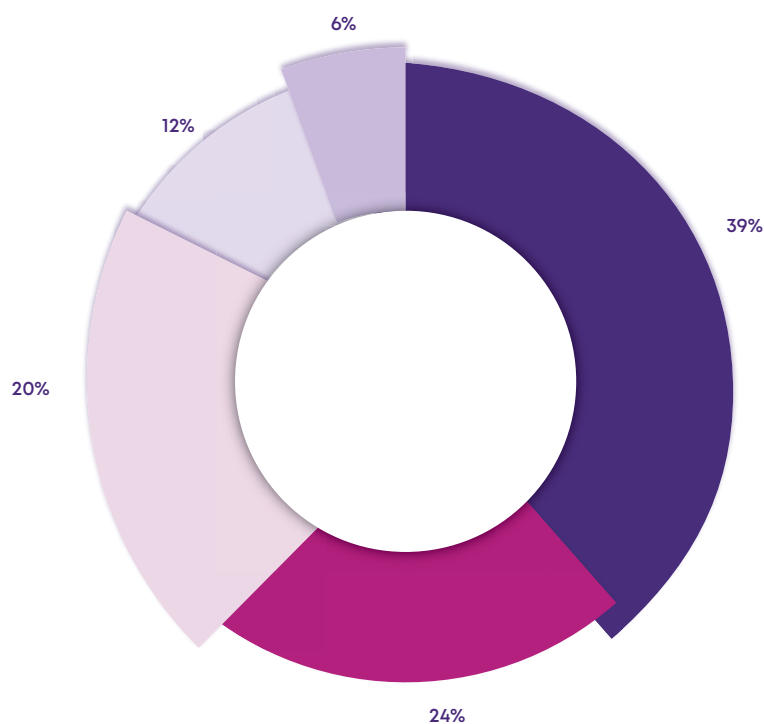
Closer Look: Use of Proceeds

Follow the Money: What IPO Proceeds Reveal About Corporate Priorities

The deployment of funds raised during the April–September 2025 period highlights a clear trend towards balance sheet strengthening and operational resilience.

- **Loan Repayment (39%)** emerged as the single largest use of proceeds, underscoring companies' focus on deleveraging and interest cost reduction amid a tighter credit environment

- **Funding Working Capital (24%)** accounted for the next major share, reflecting the need to support business scale-up, manage inventory cycles, and sustain growth momentum post-pandemic.
- **Capital Expenditure (20%)** indicates continued investment in capacity expansion, suggesting optimism about long-term demand prospects



Issue proceeds (April to September 2025)

The balance of the funds was directed towards General Corporate Purposes (12%) and Investment in Subsidiaries (6%). Overall, more than 80% of the total proceeds were channeled into core business priorities—debt reduction, working capital efficiency, and capital investment, signaling a strong focus on sustainable growth and financial prudence by issuers during the first half of FY2025–26.

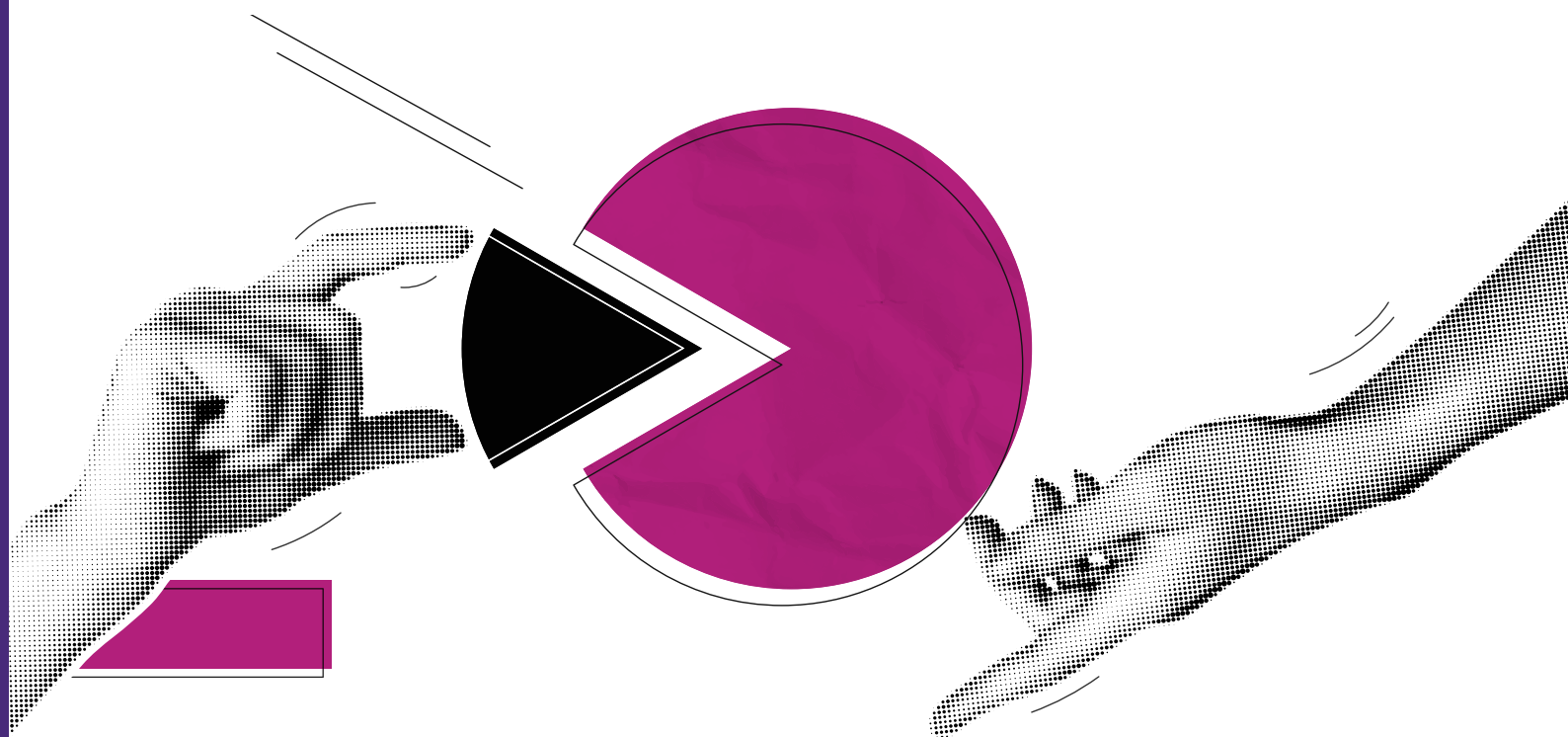
■ Repayment of Loan ■ Funding Working Capital ■ Capex ■ GCP ■ Investment in Subsidiary

Furthermore, we attempted to determine the number of companies raising capital for the top three purposes: funding working capital, repaying loans, and capital expenditures (capex).

Number of companies raising money



- More than half (31 out of 55 companies) of the companies that got listed in the current quarter raised money for repayment of their loans or their subsidiaries.
- One of the interesting trends is that nearly 40% of the companies have raised money for investing in capital expenditure, which is an encouraging sign for the economy.
- Despite increased scrutiny from SEBI on funding working capital, companies continue to raise money for this purpose



Insights

Main Board IPO Market – H1 FY2025–26: A Phase of Selective Optimism

The first half of FY2025–26 marked a period of selective optimism in India's main-board IPO market, reflecting a clear flight to quality as investors favored companies with scalable models, sound governance, and visible earnings trajectories.

The Capital Goods sector led the activity with ten IPOs, averaging INR 783 crore per issue, underscoring strong sentiment for industrial and infrastructure investments. In the Consumer Services space, marquee names such as Urban Company and Travel Food Services raised close to INR 2,000 crore, while, Schloss Bangalore (Leela) raised INR 3,500 crore, signaling investor confidence in premium, urban-consumption-led platforms. The automobile and auto components sector witnessed two significant listings with Ather Energy & Belrise Industries going public. Financial Services mobilized the largest pool of capital, anchored by HDB Financial Services, which constituted nearly 70% of funds raised in this segment. The Services, Construction, and Consumer Durables sectors each recorded five listings, with average issue sizes of INR 393 crore, INR 499 crore, and INR 631 crore, respectively. In Healthcare, Anthem Biosciences stood out as the fourth-largest issue of the quarter, raising nearly INR 3,400 crore. At the same time, the Real Estate, IT, and FMCG sectors witnessed modest traction with issue sizes of INR 1,191 crore, INR 510 crore, and INR 357 crore, respectively. The Construction Materials space, although limited to two issues, with the listing of JSM Cements (JSW Group), reinforced confidence in corporate-backed cyclical plays.

Co-Working / Flexible Workspace

Among emerging segments, co-working and flexible workspace companies gained prominence amid sustained demand for hybrid work models and enterprise leasing. Despite margin and capex pressures, investor sentiment remained constructive, driven by structural urban tailwinds.

Healthcare and Life Sciences

The Anthem Biosciences IPO drew strong institutional and retail participation, reaffirming confidence in R&D-led, innovation-driven, and export-oriented business models.

Consumer Durables, FMCG, and Services

The Consumer Durables, FMCG, and Services sectors have maintained a steady flow of mid-sized IPOs, averaging INR 400–600 crore, reflecting growing investor scrutiny of profitability, scalability, and operational efficiency—a sign of maturing behavior in discretionary consumption segments.

Real Estate and Construction

Real Estate and Construction saw moderate but quality-driven activity, with investors prioritizing balance sheet strength, execution capability, and regulatory clarity.

Financial Services

In the Financial Services Sector, participation was selective and valuation-sensitive. Investors clearly favored well-capitalized NBFCs and fintech's with strong governance and prudent risk frameworks, as caution around interest rate volatility and asset quality persisted. Meanwhile, consumer-facing and digital platform companies continued to benefit from urban demand and India's expanding digital economy. Scalable, brand-led, and asset-light models attracted sustained interest, though profitability visibility and valuation discipline remained central to investor conviction.

Technology, TMT, and Digital Services

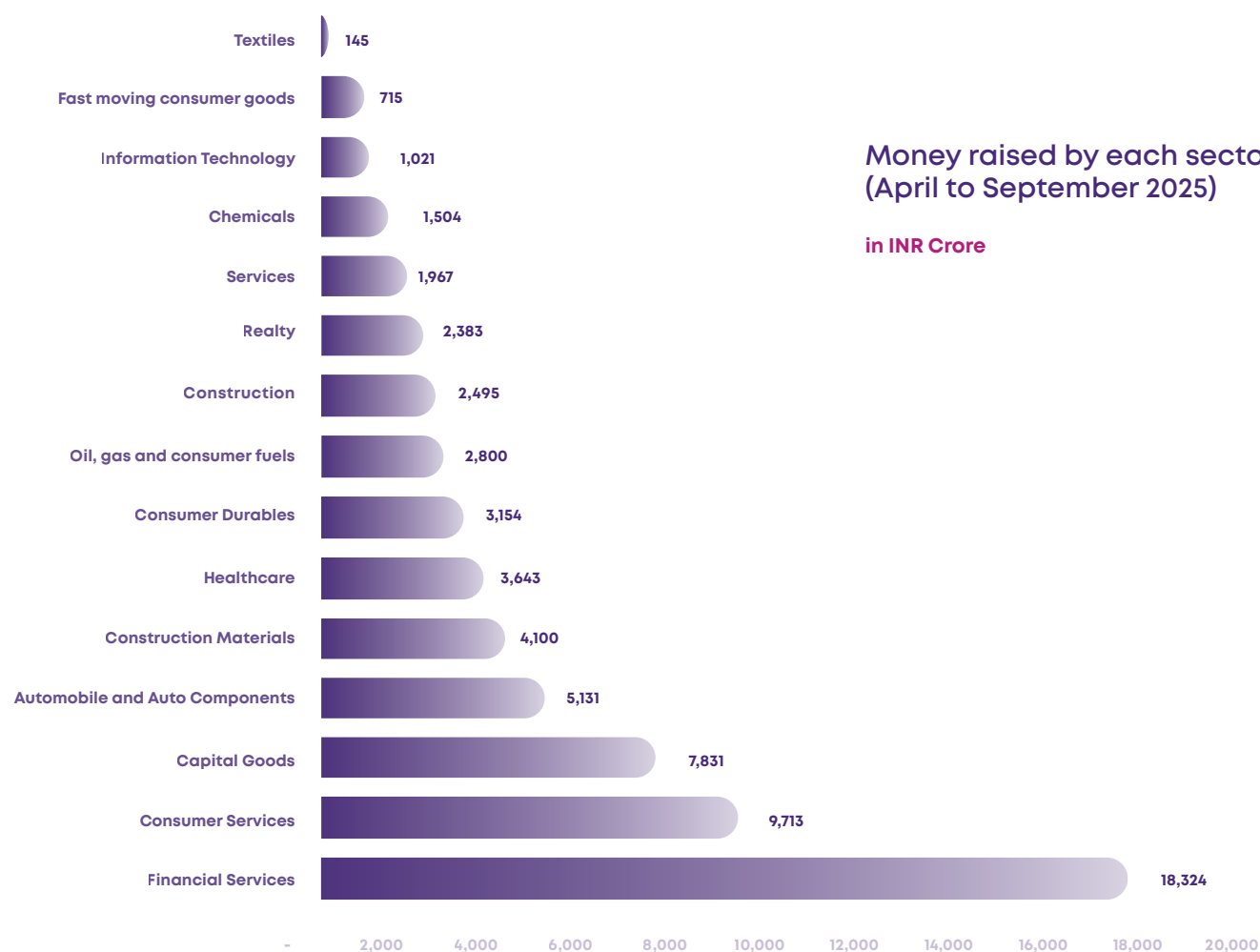
These sectors maintained strong momentum, led by SaaS, AI-enabled, and B2B digital platforms. Investors showed a marked preference for recurring-revenue, cash-generative models with robust unit economics, signaling a shift toward sustainable value creation over speculative growth.

Automobile & auto components

While the automobile sector saw two big listings in the year, with recent changes in GST rates, this sector expects good demand, particularly in the passenger and two-wheeler segments.

Finally, **emerging sectors such as renewable energy, electric mobility, and clean technology** continued to capture investor imagination, buoyed by government incentives and ESG-linked capital inflows. Defense and strategic manufacturing also gained traction, supported by localization policies, public procurement programs, and high entry barriers that provided a long-term structural advantage.

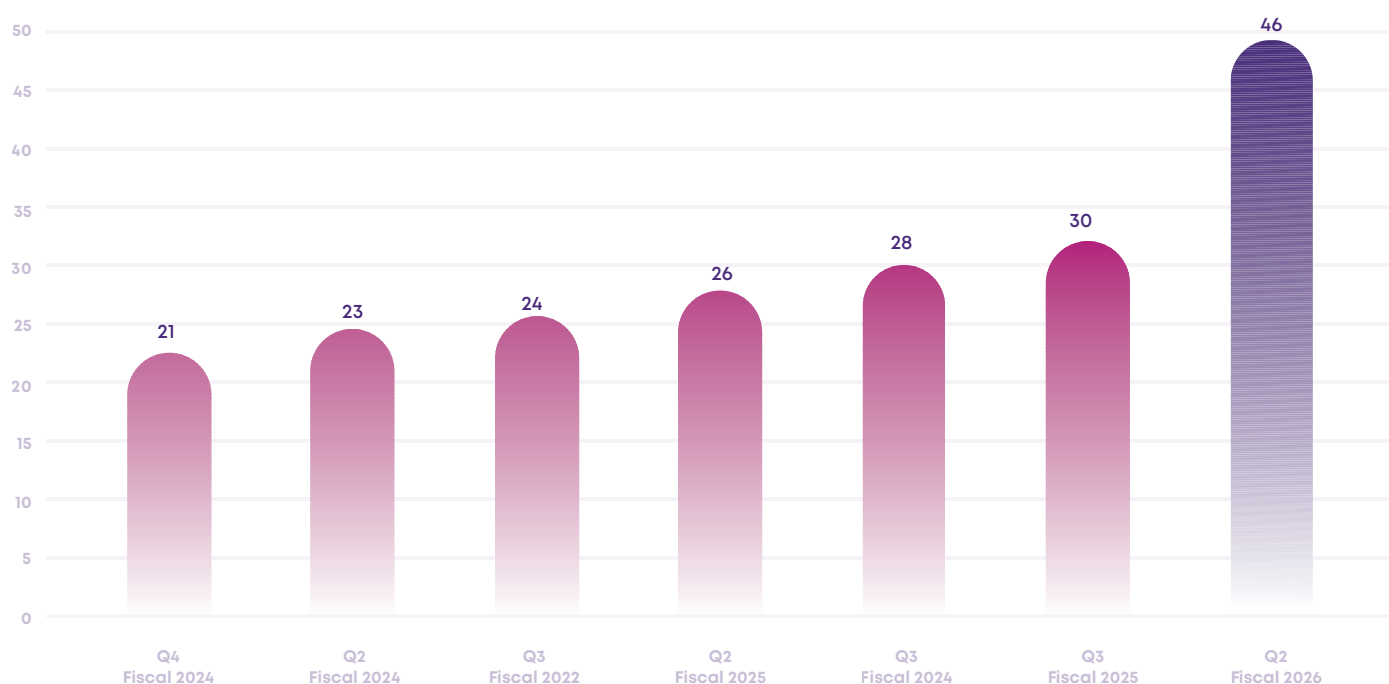
Overall, H1 FY2025–26 reflected a disciplined bull phase in India's IPO landscape, one where investors rewarded credibility, scalability, and capital efficiency over hype-driven narratives. With a robust pipeline and deepening market sophistication, the momentum appears poised to continue into the next fiscal period.



IPO Tsunami: The Busiest Quarter in India's Market History

- This quarter ranks in the top quartile in terms of the number of companies listed in a given quarter.
- This trend reflects the pent-up supply of IPOs that were initially delayed, leading to fewer listings in Q1 of Fiscal 2026.
- With market conditions stabilizing, we are now witnessing a significant surge in mainboard debuts.

Quarters with highest number of listings



While part of this surge can be attributed to the pent-up supply from previous quarters, another noteworthy factor is the growing IPO pipeline. Despite the sharp rise in listings, the number of companies awaiting their debut continues to expand month after month, as market momentum, attractive valuations has encouraged management teams and promoters to pursue public offerings.

FY26 Keeps Pace with FY25; Anticipation Builds for a Blockbuster Q3

Although the number of issues reached its peak during the quarter, the average issue size gradually declined as the quarter progressed.

This is due to the absence of high marquee IPOs in this quarter.

Issue size - Fiscal 2025 vs 2026



However, Fiscal 2026 has so far maintained a consistently higher average issue size compared with Fiscal 2025. The previous year's surge in averages was largely driven by mega listings in Q3, including Hyundai, Swiggy, and NTPC Green Energy. Looking ahead, the pipeline for the remainder of Fiscal 2026 remains strong, with large offerings expected from Tata Capital, LG, and ICICI Prudential AMC, which are likely to further lift the overall issue size.

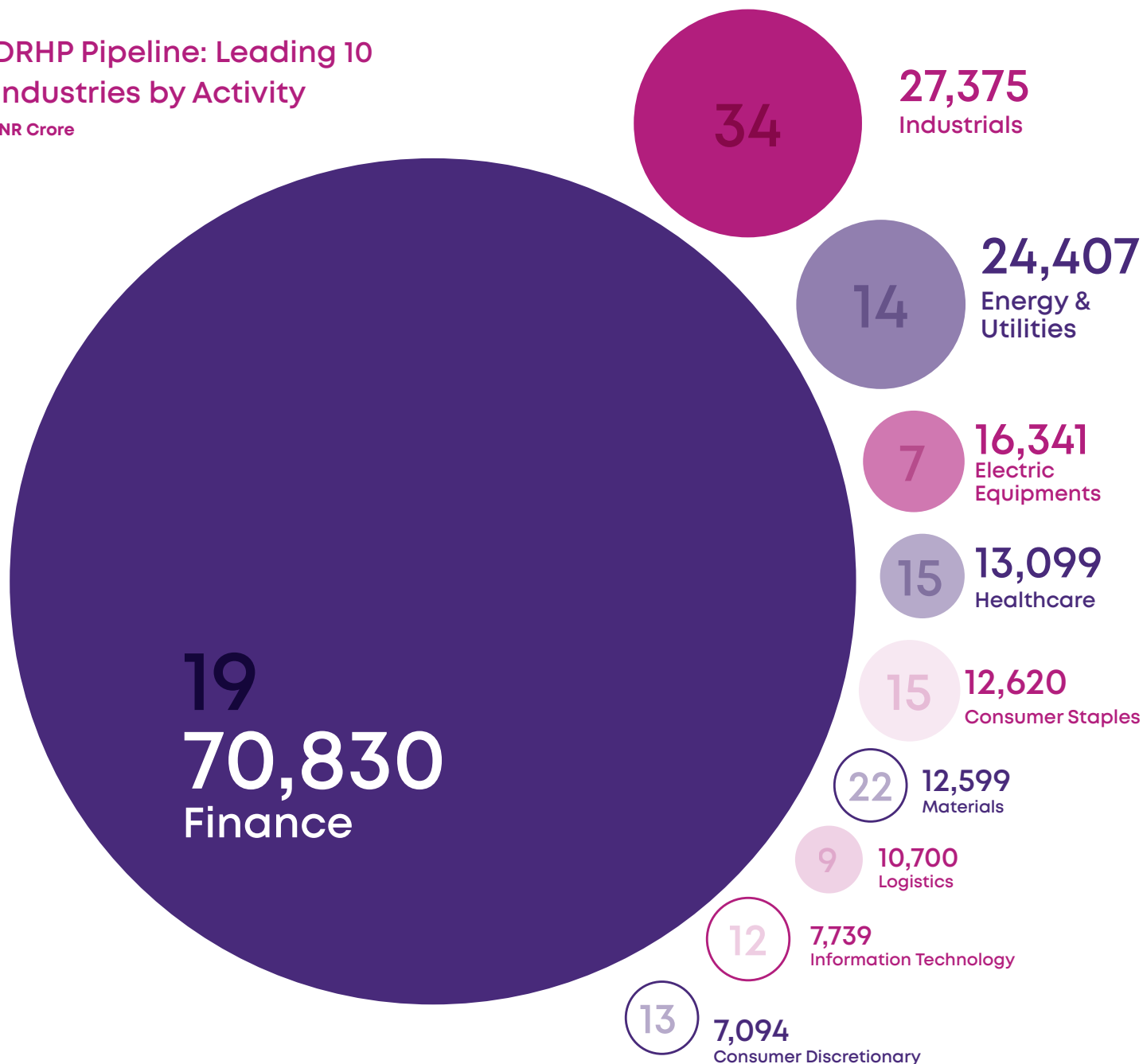


Listings Surge, But IPO Filings Surge Faster – Over 2 lakh crore in pipeline

SEBI has received approximately 173 draft offer documents, which collectively represent a proposed issue size of over INR 2.17 lakh crores (approximately USD 25 billion)

DRHP Pipeline: Leading 10 Industries by Activity

INR Crore



Despite the record listing seen in the current quarter, the number of outstanding DRHP continued to increase as it outweighs the listings made in the quarter.

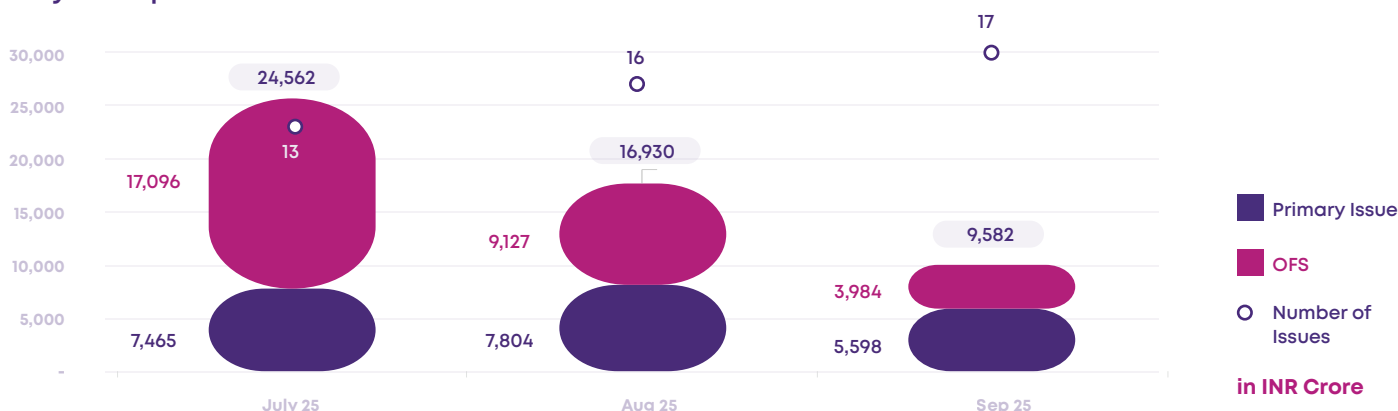
The issue sizes presented are indicative, based on DRHP filings, and may change upon finalization of the IPO.

Triple Threat: All months in Q2 Rank Among the Decade's Busiest Listing Months

Q2 Fiscal 2026 set a historic record for the Indian stock market, with 46 mainboard listings, the highest ever in a single quarter. Together, these companies raised over INR 51,000 crore within just three months.

The dominance of the Offer for Sale (OFS) route continued, extending the trend seen in Fiscal 2025. OFS accounted for nearly 59% of the total funds mobilized, while fresh primary issuances contributed about INR 21,000 crore (41%) of the overall fundraising.

July to September 2025

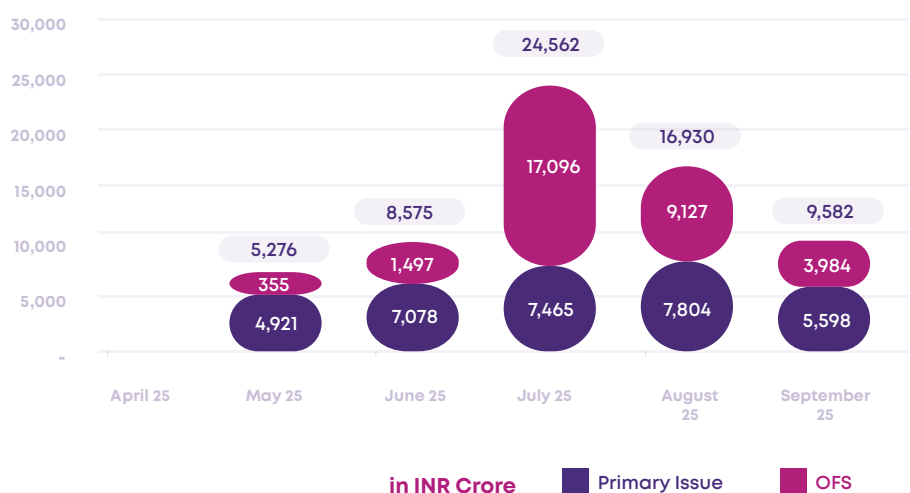


Fiscal 2026: Numbers, Narratives, and New Records

Fiscal 2026 began on a subdued note, with the first quarter contributing around INR 25,860 crore (USD 3 billion). The momentum picked up in Q2, with July alone clocking INR 24,562 crore, and the positive trend continued through August and September.

Fundraising dynamics have shifted noticeably across quarters. The fourth quarter of Fiscal 2025 was dominated by Offer for Sale (OFS) transactions, which accounted for over 85% of the total funds raised. In contrast, the first quarter of Fiscal 2026 witnessed a sharp reversal, with more than 85% of the capital coming from fresh issuances. By the second quarter of Fiscal 2026, the market achieved a more balanced mix, primary issuances contributed around 41%, while OFS transactions accounted for approximately INR 30,000 crore, representing 59% of the total fundraising activity.

Fiscal 2026



From Filing to Funding: Stages of Money Inflow During the IPO Process

There are 3 possible stages of money inflow into the company during the IPO process after filing of DRHP:



Pre-IPO funding
(Upto 20% of fresh issue size)



Anchor Investors
(Upto 60% of QIB portion)



Open for public subscription
(Remaining portion)

1

Filing DRHP

The draft offer document is filed with SEBI.

2

Pre-IPO Issue

Pre-IPO placement can be done for 20% of the fresh issue size.

3

Anchor Investors

Maximum 60% of the QIB portion shall be anchored, of which 1/3rd must be attributable to DMF & 7% for IRDAI & PFRDA-registered funds.

4

Issue open for public

Issue opens for public, and allocation is done based on the eligibility route adopted for the issue – 6(1) or 6(2).

5

Subscription

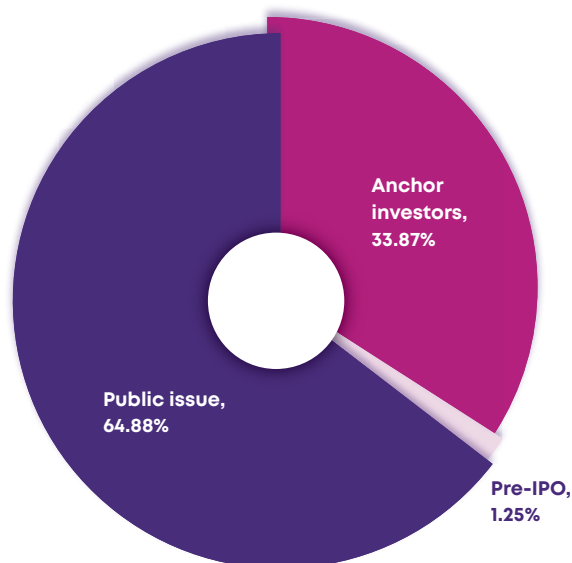
The subscription window will be open for 3 days, during which minimum 90% of the issue must be subscribed to.



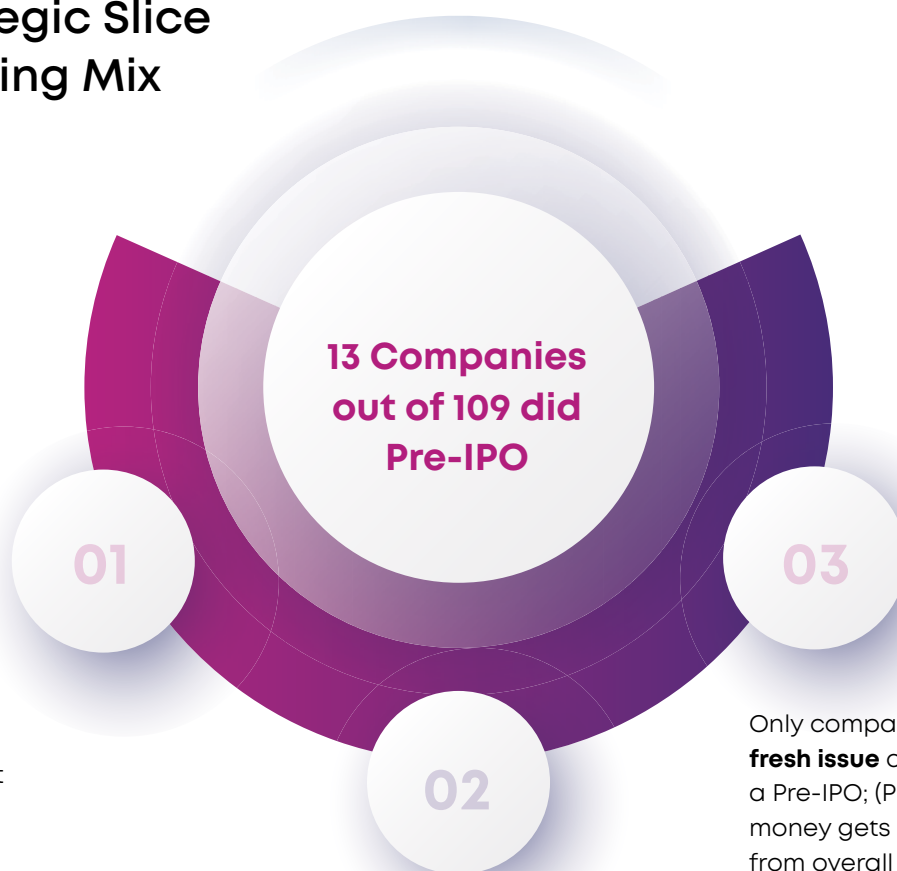
From Filing to Funding: Stages of Money Inflow During the IPO Process

Upon tracking the 109 companies that got listed between January 2024 and June 2025, we have plotted the general fund flow timeline in an IPO

Proportion of IPO money



Pre-IPO Placements: A Small but Strategic Slice of the IPO Funding Mix



Issued at an average discount of **3.6% to the IPO price** (in contrast, one company issued shares at a **12% discount to the pre-IPO price**).

Only companies with **fresh issue** can do a Pre-IPO; (Pre-IPO money gets **deducted** from overall IPO money)

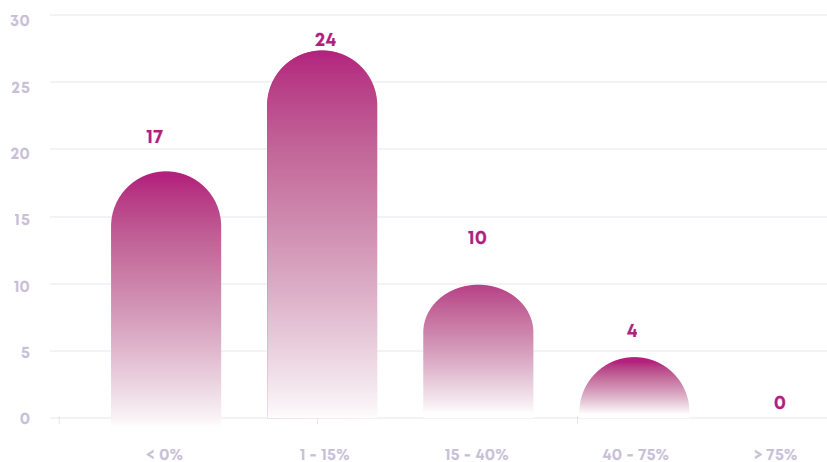
Nearly **10.5% of the IPO money** was raised through Pre-IPO by these companies

IPO Returns

Crowded Yet Cold: FY26's First Half Sees Tepid Listing Gains

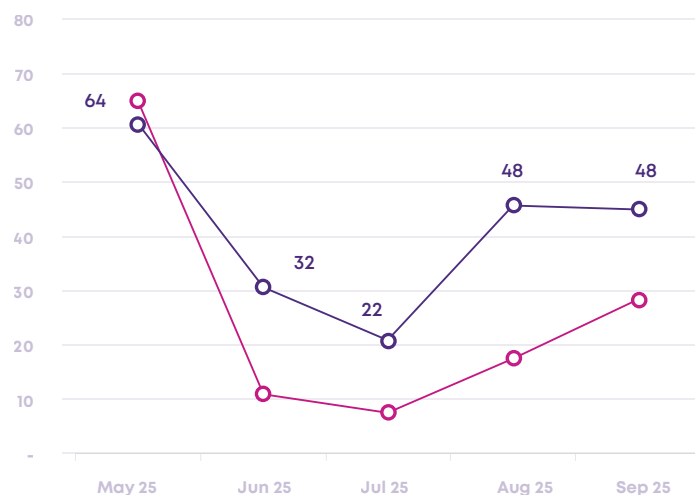
of issues by listing gains
(April to September 2025)

- First 2 quarters of Fiscal 2026 have muted listing gains overall despite good traction in participation across all segments.
- Overall, ~75% of the companies have less than 15% to negative returns in this quarter.
- 4 companies that have the highest listing gain are Urban Company, Highway Infra, Aditya Infotech & GNG Electronics.



Back to Baseline: Subscription Trends Stabilize Post Early 2025 Swings

Average Subscription Times



Average Subscription (Times)				
Month	QIB	NII	Retail	Total
May-25	67	93	69	64
Jun-25	46	63	12	32
Jul-25	43	30	8	22
Aug-25	92	65	18	48
Sep-25	71	67	30	48

The subscription levels in coming back to regular levels from May 2025, after periods of extreme volatility in January and February 2025.

○ Retail
○ Total

Qualified Institutional Buyers (QIBs)

QIB subscriptions over the last 5 months have displayed consistency, clocking an overall average of 60 times during this period.

QIB participation surged in August, more than doubling from July, indicating strong institutional interest. Although it dipped slightly in September, it remained significantly higher than in July, suggesting sustained confidence from large investors. Around **13 companies** listed during the period Jul-Sep experienced **more than 100x** subscriptions, falling predominantly under the Capital Goods and Consumer Services industries.

Non-Institutional Investors (NIIs) and Retail investors

The NII segment along with retail investors segment have shown more consistent strength, during the July–September period.

Overall subscription

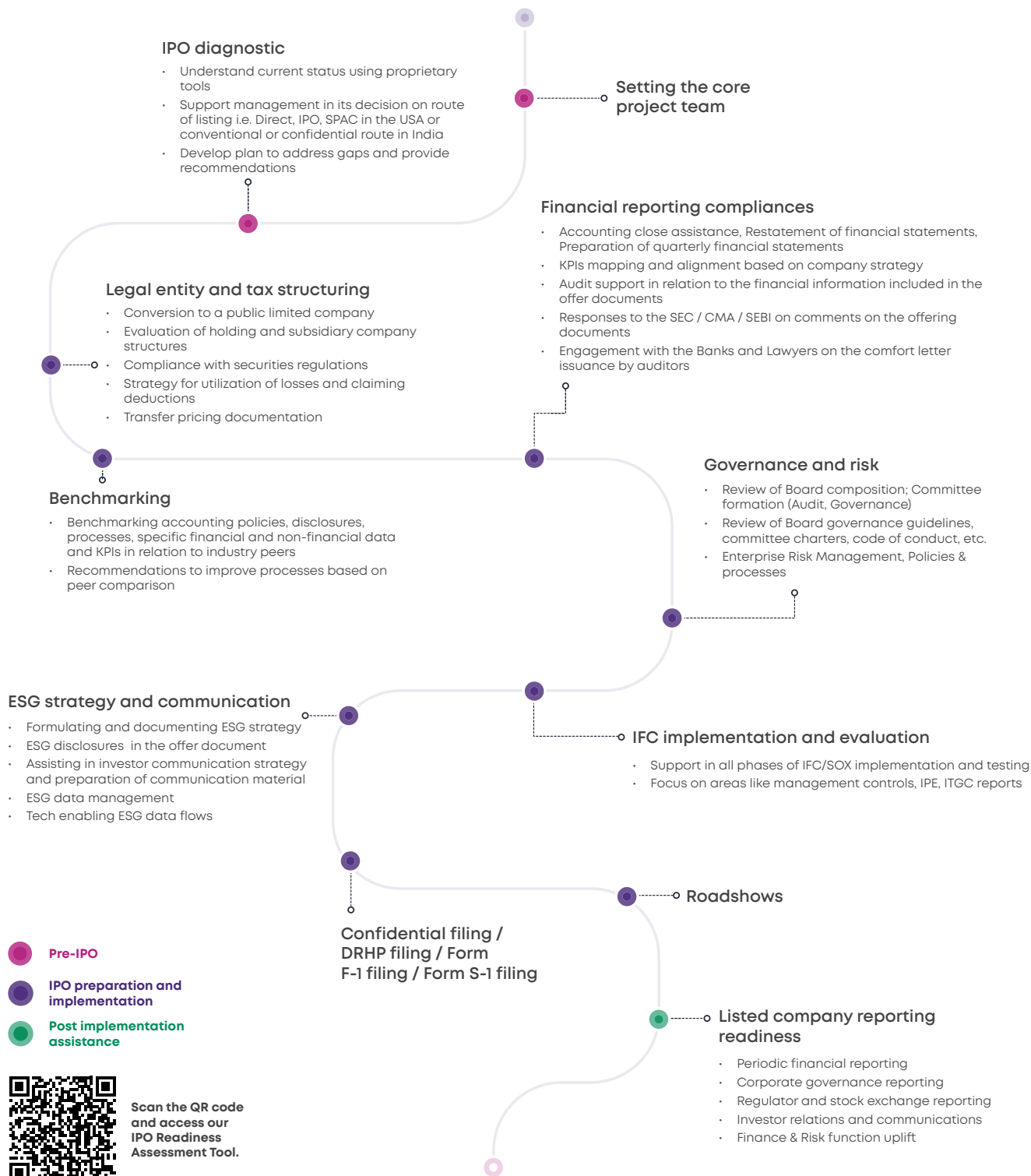
Total subscriptions more than doubled from July to August and remained stable in September. This indicates a recovery in overall market sentiment after a relatively quiet June, with balanced contributions from all investor categories.



IPO JOURNEY – A SYNOPSIS

IPO journey and how Uniquis can help

Project Management Office (PMO)



6-9 months for the end-to-end process

Focus on Our IPO Enablers



IPO Readiness Assessment Tool

Use of proprietary IPO readiness toolkit including detailed checklist helps in preparation for each phase; planning, preparation and listing. This checklist is further segmented into 7 themes like strategy, finance, legal, tax, compliance, governance, investor relations.



Quarterly IPO Updates

Uniquis shares “IPO insights” quarterly thought leadership newsletter, ensuring we stay updated on the latest market trends and developments, and deliver informed solutions to clients. **We have an internal benchmarking data-base of filings of last three years which we use to assist clients in drafting process .**



Unify – IPO PMO Tool

Assists in real-time task updates and regular status tracking, ensuring your team stays aligned and informed at every stage. Tasks on critical path are tracked separately and impact of any delays in critical path tasks on other tasks is also monitored for corrective action.

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