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INDIA IPO INSIGHTS

OUR QUARTERLY NEWSLETTER

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FOREWORD: IPO MARKET AND CAPITAL ACTIVITY OVERVIEW

India's capital markets have entered a phase defined not by momentum, but by maturity. With total market capitalization now at around INR 465 lakh crore and over 5,800 listed companies, India has more than doubled its market size in less than five years. More importantly, this growth has been broad-based. While the market capitalization of the largest companies has continued to rise, their share of overall market value has declined, as mid-cap and emerging large-cap companies, along with new listings, have grown at a meaningfully faster pace. This shift reflects a deeper, more democratic market structure and a widening opportunity set for investors.

The IPO market in 2025 underscores this evolution. Despite periods of volatility and a sharply split year, total capital raised through IPOs increased by around 10% compared to 2024, with a marginally higher number of listings. Investor participation remained strong across the year, supported by sustained demand from Qualified Institutional Buyers and Non-Institutional Investors, even as listing gains moderated from the exceptional levels seen in 2024. Average listing returns declined to ~10%, yet subscription levels remained consistently robust pointing to confidence anchored in fundamentals rather than short-term exuberance.

A defining feature of the current cycle has been the quality of capital deployment. Nearly 80% of IPO proceeds in 2025 were allocated towards core business priorities, including working capital, loan repayment, and capital expenditure. In an environment of declining interest rates, issuers increasingly used public markets to strengthen balance sheets, refinance higher-cost debt, and invest selectively in future capacity. The continued dominance of Offer for Sale structures further reflects a market that is discerning about primary capital absorption and focused on sustainable outcomes.

Sectoral trends highlight the depth of participation across the economy. Financial services accounted for nearly one-third of the total capital raised, driven by marquee listings in the BFSI and asset management sectors. Capital goods and healthcare, led by the

number of listings, reflect renewed momentum in manufacturing, infrastructure, and the life sciences. At the same time, the return of multinational listings and the successful public market entry of scaled new-age businesses reaffirm India's standing as a credible and attractive global listing destination.

Investor behavior also signals a structural shift. Domestic institutional ownership has now surpassed foreign institutional holdings for the first time, supported by growing mutual fund participation and significant undeployed liquidity. Post-listing performance indicates a healthier equilibrium: while returns are more selective, downside risks have moderated, and long-term fundamentals are increasingly rewarded over listing-day performance.

At Uniquis, we see this transition as a natural progression of a maturing market. Successful IPOs today are not defined solely by timing, but by early preparation, high-quality financial reporting, robust governance, and disciplined capital allocation. An IPO is no longer an event, it is a milestone in an organization's long-term journey as a public institution.

This report consolidates these trends to provide a clear perspective on India's evolving primary markets. As capital becomes more patient and investors more discerning, the companies that will stand out are those that prepare early, execute rigorously, and remain focused on creating long-term value.



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IPO INSIGHTS

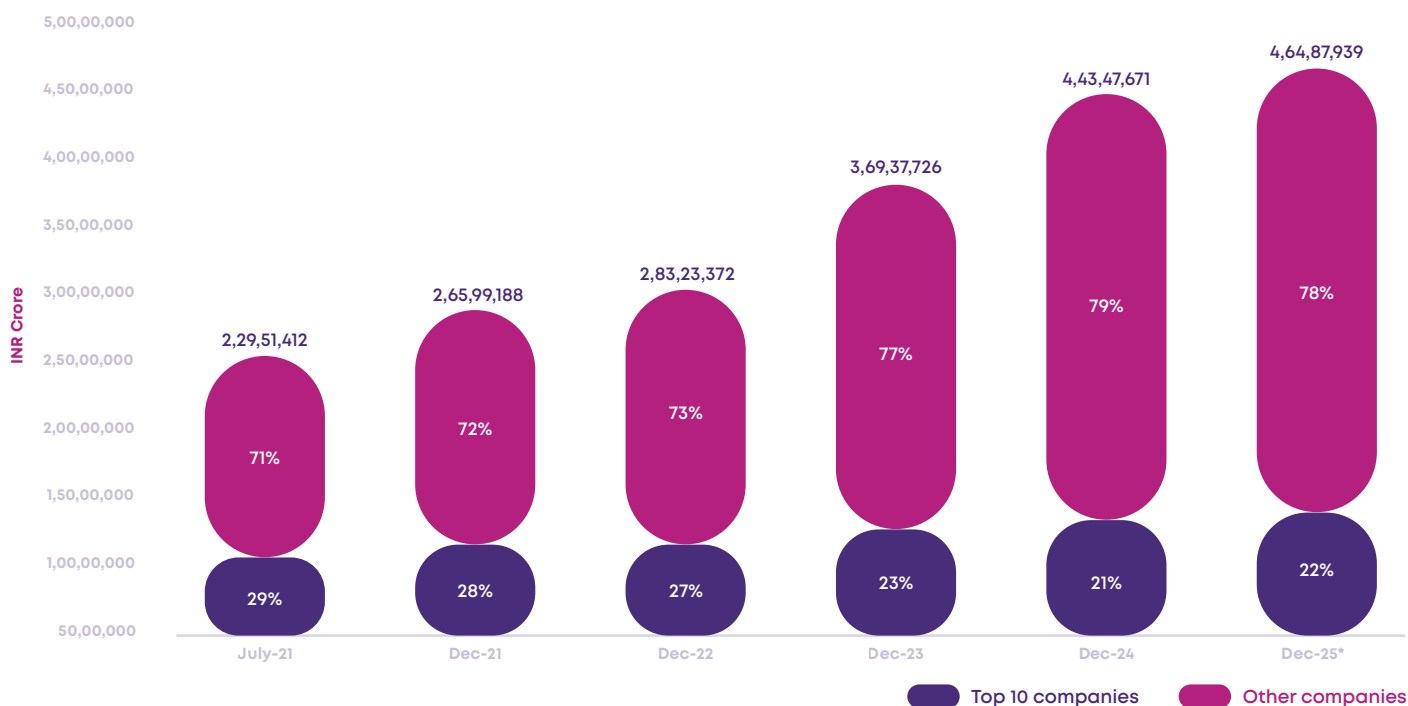
Beyond the Behemoths: India's Market Growth Gets More Democratic

India's current market capitalization stands at INR 465 lakh crore (USD 5.2 trillion), with over 5,880 listed companies across the mainboard and SME platforms. This represents a doubling of the market size compared to INR 229 lakh crore (USD 2.6 trillion) in July 2021, marking a growth of over 100% in less than five years.

An interesting trend to note is the declining concentration of large conglomerates in the overall market value. As shown in the chart, the share of the top 10 companies has fallen from 29% in 2021 to 22%. This shift is primarily driven by two factors:

- A rise in the number of newly listed companies
- Stronger performance by broader market participants relative to the traditional giants.

India's Market Capitalization



*Considered 15 December 2025 as a cut off date

10% vs 19% CAGR: Broader Market Outpaces India's Largest Companies

- The top 10 companies have seen their combined market capitalization rise from INR 66 lakh crore (USD 0.74 trillion) to INR 102 lakh crore (USD 1.15 trillion), registering a 54% increase over a 4.5 years period, which translates to a compounded annual growth rate (CAGR) of 10.1%.
- In contrast, companies outside the top 10 have grown at a significantly faster pace, recording a CAGR of 19.3%. Their collective market capitalization expanded from INR 163 lakh crore (USD 1.83 trillion) to INR 363 lakh crore (USD 4.08 trillion), reflecting a 122% increase during the same period. This growth includes the contribution of new listings.
- Over these four & half years, around 340 companies were listed, adding around INR 48 lakh crore (USD 0.54 trillion) to the total market capitalization. Even after excluding the contribution from these new listings, the remaining companies still delivered a robust CAGR of 15.6%, about 50% higher than the growth rate of the top 10 companies.
- This trend demonstrates that the expansion of the Indian capital market is not solely driven by large companies becoming larger. Instead, the growth is broad-based, supported by strong performance across small-cap, mid-cap and other large-cap companies, as well as the impact of newly listed firms, many of which have generated attractive returns for investors.



From Compliance to Confidence: SEBI's 2025 IPO Reforms

In 2025, the Securities and Exchange Board of India (SEBI) undertook a comprehensive overhaul of the IPO regulatory framework, introducing amendments across the **ICDR and LODR Regulations**, issue size norms, anchor investor participation, and promoter/shareholder holding requirements.

ICDR – Key Changes

- A significant portion of these changes focused on strengthening compliance and investor protection through enhanced disclosures on litigations involving KMPs and senior management, standardization of pro forma financials for acquisitions, harmonization between ICDR and LODR requirements, and greater transparency in shareholding patterns.
- At the same time, SEBI streamlined procedural aspects by simplifying certifications for loan repayment utilization, extending timelines for employee stock appreciation rights, and bringing uniformity to issue-related advertisements, thereby reducing execution friction for issuers.

In addition, amendments to the OFS eligibility framework now permit equity shares arising from

- the conversion of CCPS or CCDs under court-approved schemes to be offered for sale without being subject to the one-year equity holding requirement, facilitating **smoother reverse-flip transactions**.

KPI – Key Changes

- A landmark reform in 2025 was the introduction of a **standardized KPI disclosure framework** for IPO-bound companies, addressing long-standing concerns around inconsistent, selective, and non-comparable disclosures.
- Effective April 1, 2025, issuers are now required to classify KPIs in a structured manner, obtain **audit committee approvals, benchmark metrics against listed peers**, and continue post-listing KPI disclosures.

- By mandating alignment with accounting standards, SEBI regulations, and the Companies Act, and requiring independent certification, these changes bring India's IPO disclosure regime closer to global best practices seen in the USA, U.K., and China, significantly enhancing transparency and investor confidence.

Other Regulatory Reforms

Beyond IPO-specific reforms, SEBI implemented a series of broader regulatory measures across capital markets, including scale-based thresholds for related party transactions, **retain and exercise of ESOPs granted to promoters** prior to DRHP filing to avoid unintended forfeiture, waiver to refined mutual fund investment classifications for REITs and InvITs, enhanced access frameworks for foreign investors, and reforms across mutual funds, AIFs, advisors, RTAs, and market infrastructure institutions.

Conclusion

- Collectively, these initiatives have improved regulatory clarity, lowered entry barriers, and aligned oversight with market realities.
- While certain measures, such as tighter compliance and risk controls, have **contributed to lower trading volumes in 2025**, they have also played a key role in **reducing excess volatility**, reinforcing market discipline, and positioning India as a **stable, transparent, and business-friendly capital market** amid global uncertainty.

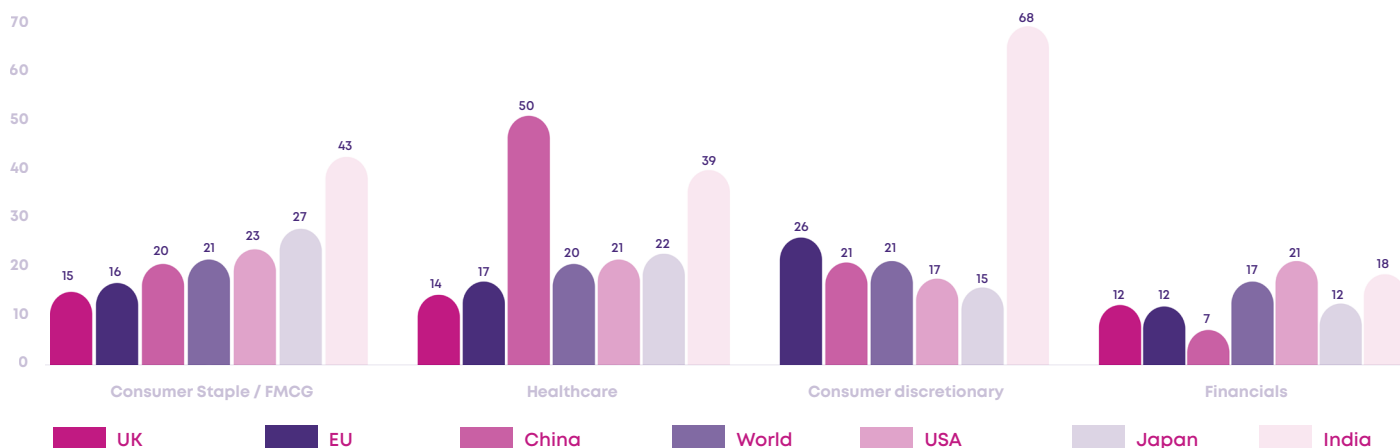
Valuation Arbitrage Fuels the Reverse Flip to India

India continues to command one of the highest valuation premiums globally across sectors. This enduring strength stems from the market's conviction in the country's domestic consumption story, pricing power, and the resilience of reputed brands, particularly visible in consumer staples, consumer discretionary, and healthcare sectors.

Evidence from Global PE Comparisons

Across most sectors, Indian equities trade at a notable premium to their global counterparts. For instance, sectoral price-to-earnings (PE) multiples for Indian consumer staples, healthcare, and industrials exceed those of their peers in developed markets, such as the USA, UK, and Japan, by a wide margin.

PE Ratio of Various Sectors & Countries*



* September 2025 ratios

The relative valuation gap is not confined to consumer staples / FMCG alone. Across sectors, from consumer durables and automobiles to healthcare and industrials, Indian equities consistently command higher multiples than their global counterparts. This structural premium reflects not only stronger earnings growth and return metrics, but also the credibility of India's policy environment, depth of domestic liquidity, and the rising sophistication of its investor base.

Illustration – The Valuation Arbitrage in Action

The recent listings of Hyundai Motor India and LG Electronics India provide a live demonstration of this valuation arbitrage. Despite contributing less than 10% to the consolidated revenues of their global parents, their Indian-listed entities trade at 50%

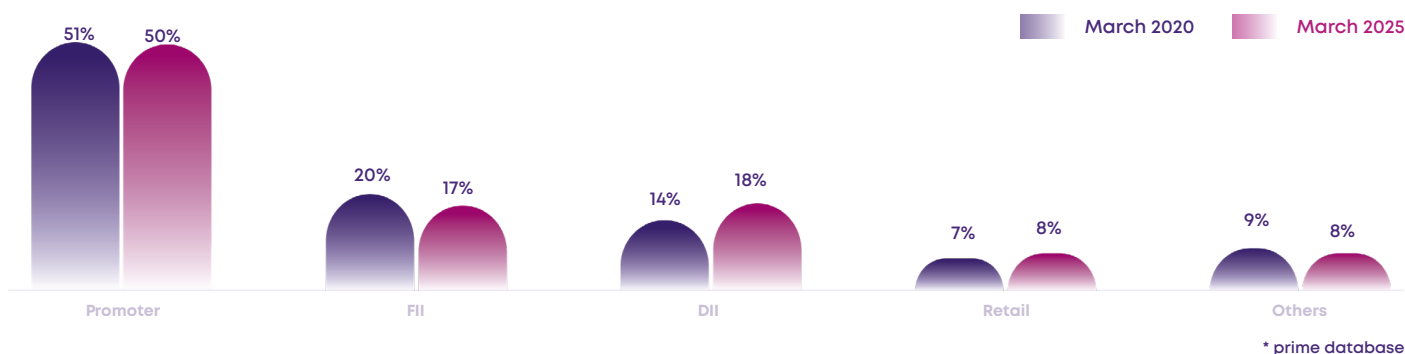
to 100% higher valuations compared to the parent companies.

This divergence highlights how global corporations can unlock significant shareholder value by listing their India operations, effectively monetizing the India growth premium embedded in investor sentiment.

This sustained valuation premium is driving an increasing trend of reverse flipping, as companies choose to list in India to unlock higher valuations and capitalize on strong domestic investor appetite for India-focused growth stories.

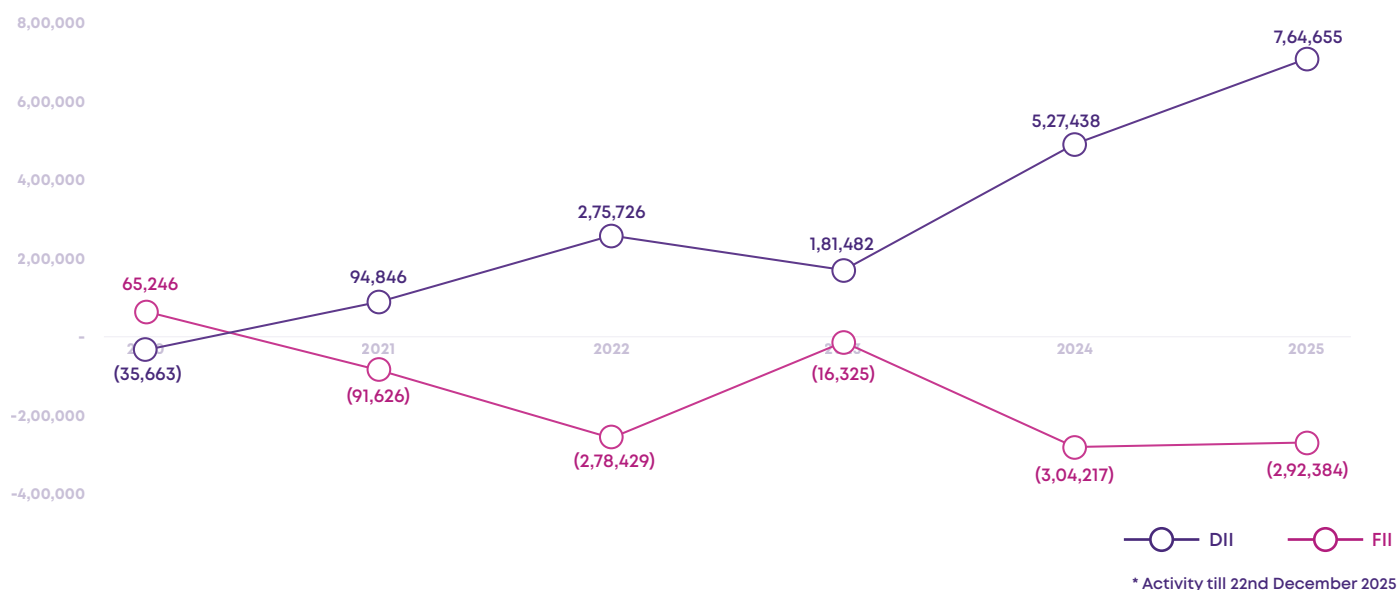
Promoters Steady, FIIs Down, DIIs Up – India's Equity Dynamics Redefined

NSE Listed companies* - holding % movement from Year 2020 to 2025



- As of March 2025, FII holdings in NSE-listed companies stand at INR 70 lakh crore, while DIIs hold INR 72 lakh crore. This marks the first time in the history of the Indian capital markets that DII holdings have surpassed those of FIIs.
- Another notable trend is that promoter shareholding has remained relatively stable, hovering around 50% for the past decade.
- LIC continues to dominate the insurance segment, accounting for close to 70% of total insurance sector holdings, with an equity portfolio valued at around INR 15 lakh crore.
- FII ownership, which peaked at nearly 21% in 2020, has steadily declined to about 17%. In contrast, DII ownership has increased from around 13% to nearly 18% over the same period. This growth has been driven primarily by mutual funds, whose share has risen from 7% to 10%, taking the cumulative holding to INR 42 lakh crore in NSE-listed companies as of March 2025. This is demonstrated by the movement in the secondary market between FII & DII below.

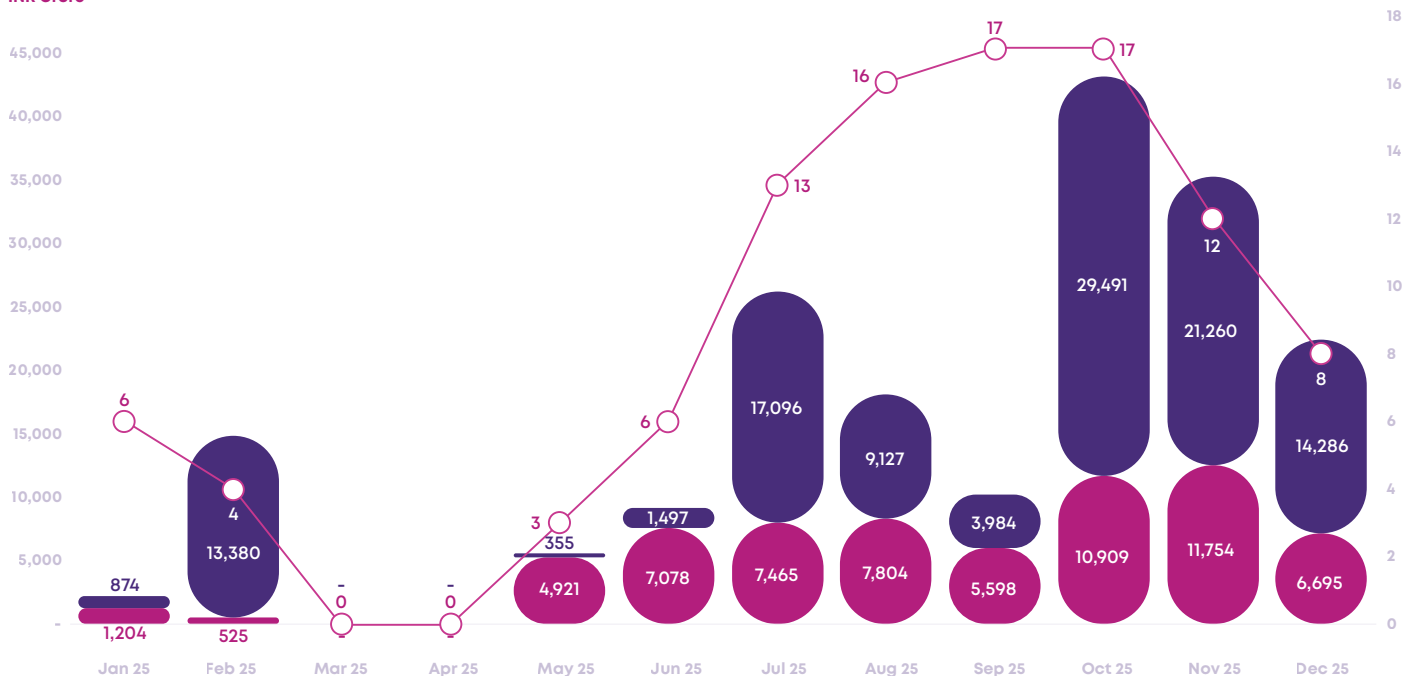
Trend of FII & DII in 2020s (in Lakh crores) – Secondary market*



Year 2025 Recap: IPO Boom Pushes Annual Fundraising to New Peak

January to December 2025*

INR Crore



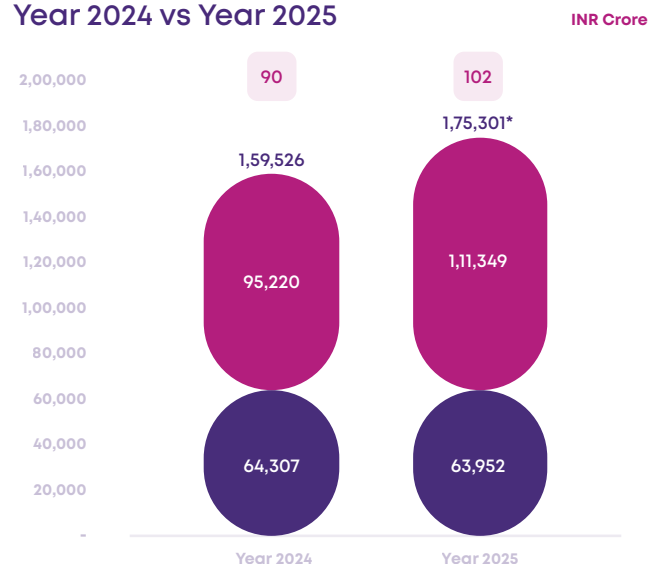
* till ICICI Prudential AMC

Primary Issue OFS Number of Issues

- The year 2025 witnessed a sharply divergent investor response between the first and second halves.
- H1 2025 saw IPO fund-raising of only around INR 30,000 crore (USD 3.4 billion), largely due to market pessimism. In contrast, H2 2025 delivered one of the strongest rebounds, with capital raised increasing nearly 5 times to around INR 1.5 lakh crore (USD 17 billion). Cumulatively, IPOs in 2025 raised about INR 1.75 lakh crore.
- The BFSI sector featured several marquee listings, with companies such as Tata Capital, HDB Financial Services Limited, and ICICI Prudential AMC each raising over INR 10,000 crore.
- The year also marked the return of multinational corporation (MNC) listings in India after Hyundai. LG Electronics recorded a remarkable market debut, followed by Tenneco Clean Air India Limited, which reinforced global issuers' renewed confidence in India's capital markets.

IPO Proceeds Steady, OFS Surges: 2025 Extends the Trend

Year 2024 vs Year 2025



*covered till ICICI Prudential AMC

Primary Issue OFS

The New-Age IPO Wave

- 2025 also emerged as a landmark year for Indian new-age start-ups entering the public markets.
- The trend began with Ather Energy Limited in May 2025, which, despite listing at a discount on the opening day, went on to deliver over 100% returns by year-end.
- In September, Urban Company Limited made a stellar market debut, followed in November by a series of prominent listings, including PhysicsWallah Limited, Pine Labs Limited, Groww, Lenskart, and Meesho in December.
- All of these companies are trading above their respective IPO prices as of date.

Despite the slowdown observed around mid-2025, a comparison of 2024 and 2025 shows that the total amount of capital raised through IPOs increased by 10% compared to 2024, with a slightly higher number of companies listed in 2025.

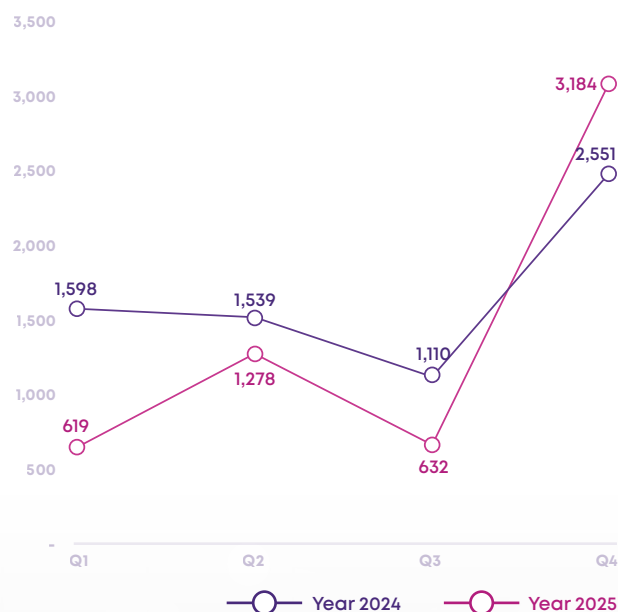
However, it is noteworthy that this overall growth of 10% is driven by Offer for Sale (OFS) components instead of primary issuances. While 2024 was considered a year with one of the highest OFS proportions at nearly 60%, 2025 has further reinforced this trend, with approximately 64% of total issue proceeds coming from OFS.

Different IPO Stories, Same INR 13.5 Lakh Crore Outcome

- Issue sizes in IPOs during 2024 and 2025 followed a similar pattern by peaking in the fourth quarter.
- However, 2025 witnessed consistently larger issue sizes from Q1 to Q3, whereas Q4 of 2024 surpassed all other quarters, driven by marquee listings such as Hyundai, Swiggy, and NTPC.
- Overall, the addition to market capitalization in both 2024 and 2025 has been broadly comparable, amounting to around **INR 13.5 lakh crore** as of the date.

Issue size - Fiscal 2025 vs 2026

INR Crore



CLOSER LOOK: USE OF PROCEEDS

Follow the Money: What IPO Proceeds Reveal About Corporate Priorities

The deployment of funds raised in 2025 highlights a clear trend towards balance sheet strengthening and operational resilience.

Funding Working Capital (32%)

constituted the largest share, highlighting the need to support business scale-up, manage inventory cycles, and, in the case of the BFSI sector, augment lending capacity and expand the asset base.

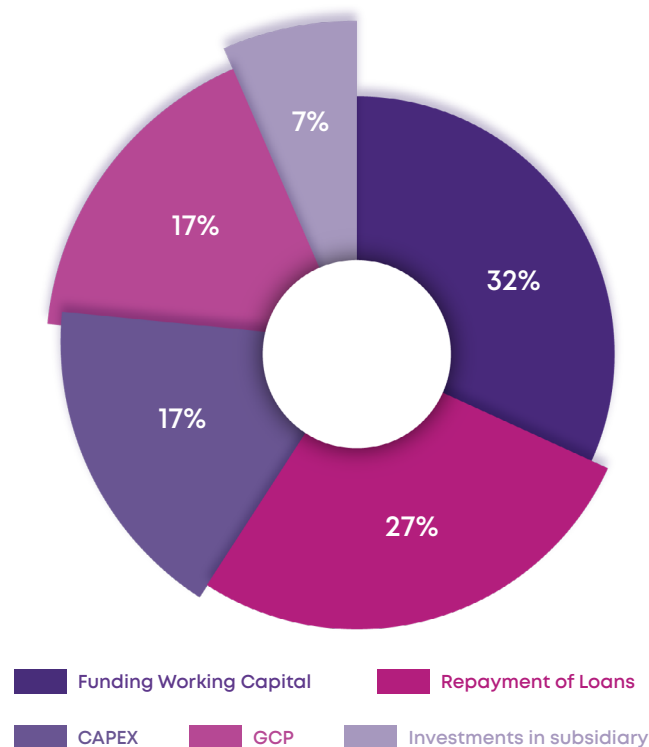
Loan Repayment (27%)

accounted for over one-quarter of total capital raised, underscoring issuers' emphasis on deleveraging and reducing interest costs amid a cumulative 100 basis point cut in the RBI policy rate to 5.5%. This normalization created a compelling arbitrage opportunity: companies with legacy debt carrying higher coupon rates could strategically refinance obligations through equity issuance at significantly lower all-in costs.

Capital Expenditure (17%)

points to continued investments in capacity expansion and infrastructure, indicating confidence in long-term demand growth.

Issue Proceeds



The balance of the funds was directed towards General Corporate Purposes (17%) and Investment in Subsidiaries (7%). Overall, nearly 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 year 2025.

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

- Nearly half (49 out of 102 companies) of the companies that got listed in the current year raised money for repayment of its loan or its subsidiary.
- One interesting trend is that more than 40% of companies raised money for capital expenditure.
- Despite increased scrutiny from SEBI on funding working capital, companies continue to raise money for this purpose.

Number of companies - Year 2025

49

Repayment of Loans

48

CAPEX

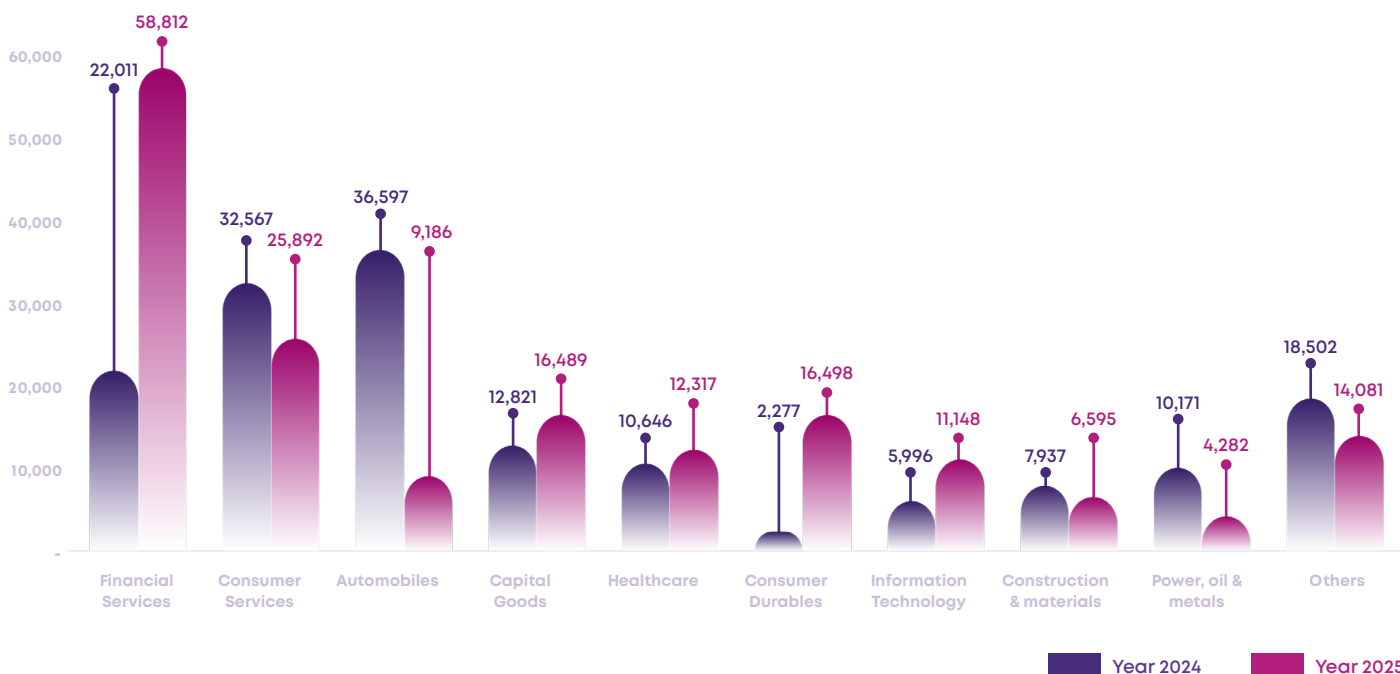
31

Funding Working
Capital

Sectoral IPO Landscape 2025: Financial Services at the Forefront, Industrial and Consumer Sectors Gain Depth

Sector comparison – Year 2024 vs 2025

INR Crore



Financial Services

The year proved to be a strong one for the financial services sector, with marquee groups such as HDFC, ICICI, and Tata raising capital for their NBFC and AMC businesses. Collectively, these three groups raised nearly INR 40,000 crore during the year. In addition, new-age financial services companies made successful public market debuts, including Pine Labs and Groww, which together raised over INR 10,000 crore. Other notable listings during the year included NSDL, insurance, and AMCs' business of Canara Bank. Overall, the financial services sector accounted for nearly 30% of the total capital raised in 2025, underscoring strong investor confidence in the sector.

Consumer services

Similar to the previous year, when new-age companies dominated the sector with listings such as Swiggy, the current year also witnessed a continuation of this trend with Meesho, Lenskart, and Urban Company making successful public market debuts, reinforcing the growing prominence of technology-led consumer businesses in this sector.

Automobile & auto components

While Hyundai was a major contributor to the capital raised in 2024, the funds raised in the automobile sector in 2025, excluding Hyundai, were broadly comparable to the previous year, which had seen Ola raise a significant amount of capital. The year also marked the listing of Ather Energy, highlighting continued momentum in the EV segment.

Healthcare and Life Sciences

The healthcare sector experienced a robust pipeline of mid-sized IPOs in 2025, with nearly 11 companies going public during the year. This made healthcare the second-highest sector by number of listings, after capital goods, reflecting growing investor appetite for healthcare and allied businesses.

Capital goods

Capital goods emerged as the sector with the highest number of listings in both 2024 and 2025, spanning mid-sized and small companies. Listings were spread across diverse sub-sectors, including aerospace, electrical equipment, agricultural and commercial vehicles, and industrial products, reflecting broad-based industrial growth.

Other sectors

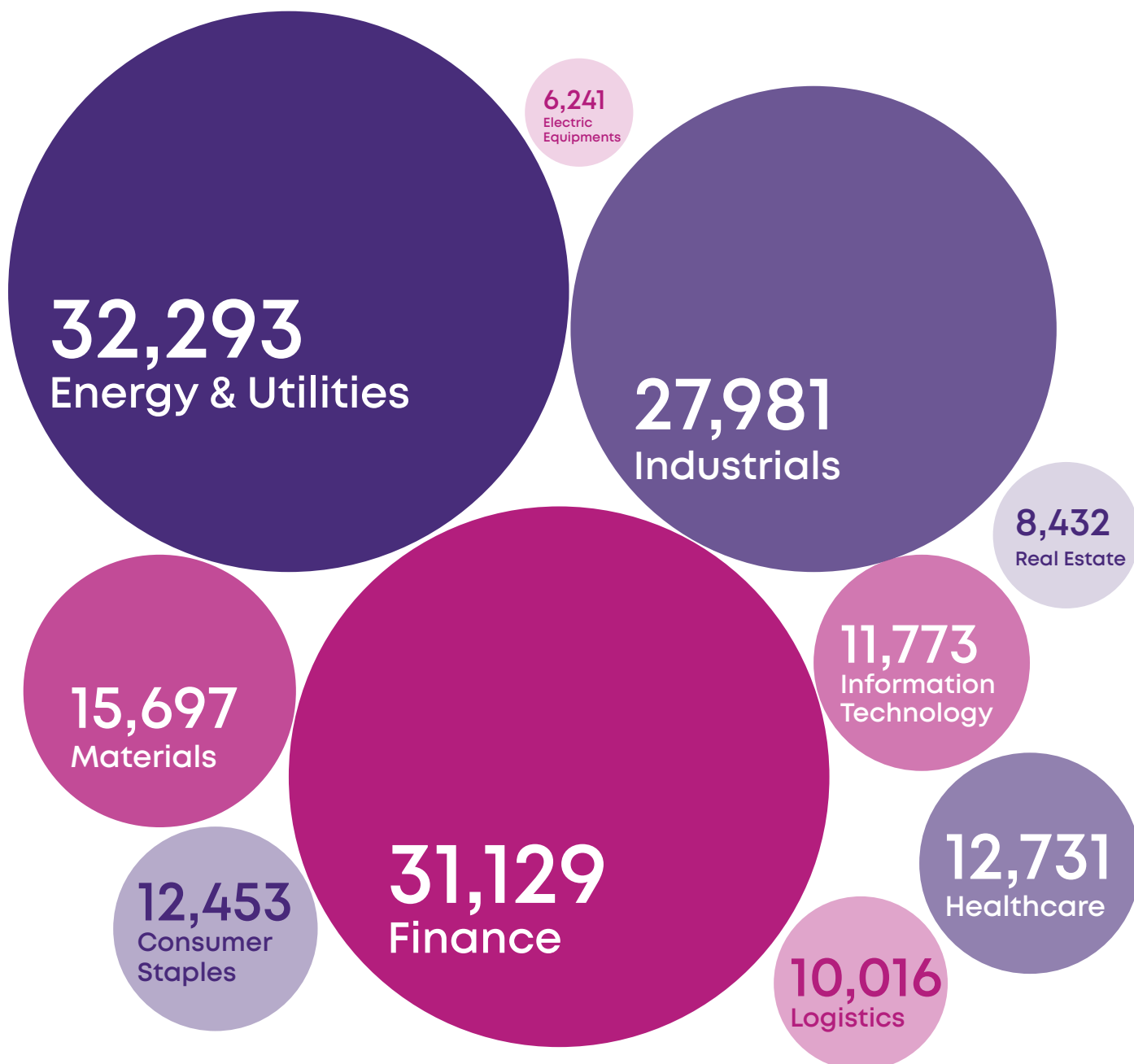
IT Sector: The sector saw Hexaware return to the public markets, followed by a few other listings during the year.

Consumer Durables: Companies such as LG, Bluestone, and Wakefit tapped into the primary markets, reflecting sustained investor interest in consumption-led themes.

Nearly 2 lakh crore in IPO pipeline

SEBI has received approximately 200 draft offer documents, collectively representing a proposed issue size of over INR 1.81 lakh crores (approximately USD 20 billion).

DRHP Pipeline: Leading 10 Industries by Activity

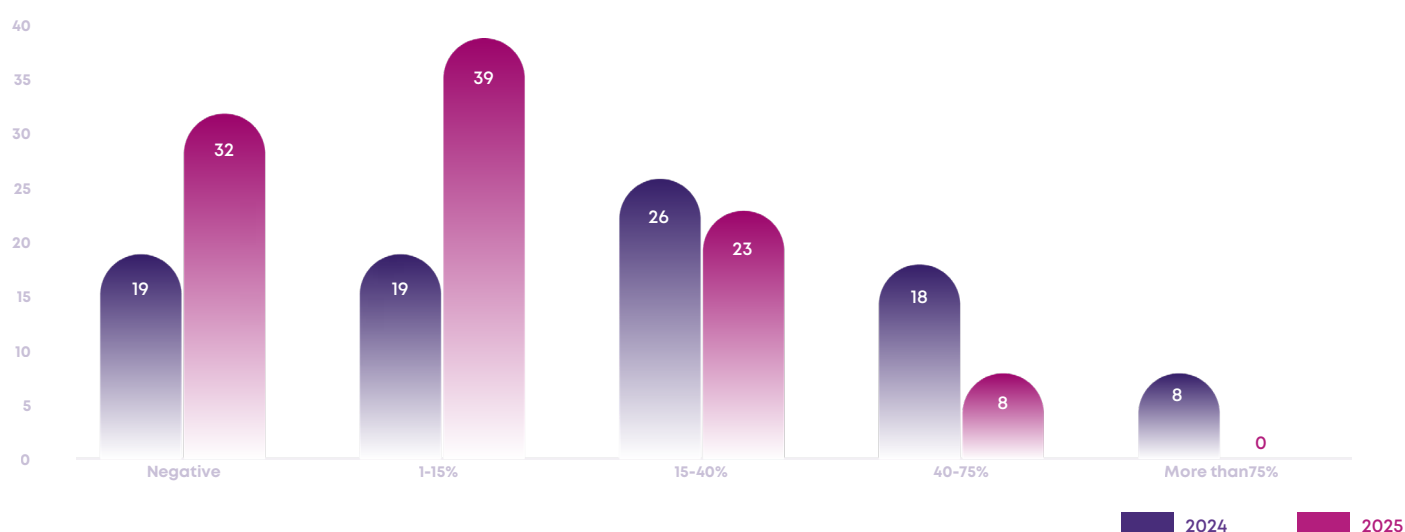


*The issue sizes presented are indicative, based on DRHP filings, and may change upon finalization of the IPO.

IPO RETURNS

IPO Listing Gains Moderate Sharply in 2025 Compared to 2024

Listing gain analysis – 2024 vs 2025



- ~30% of the companies listed in 2025 delivered negative returns, compared to only 21% in 2024 falling into this category.
- Around 20% of the companies recorded moderate listing gains in the range of 15%–40% during the current year, lower than the 30% observed in 2024.
- Only eight companies generated listing gains exceeding 40%, including notable new-age listings such as Meesho, PhysicsWallah, and Urban Company.

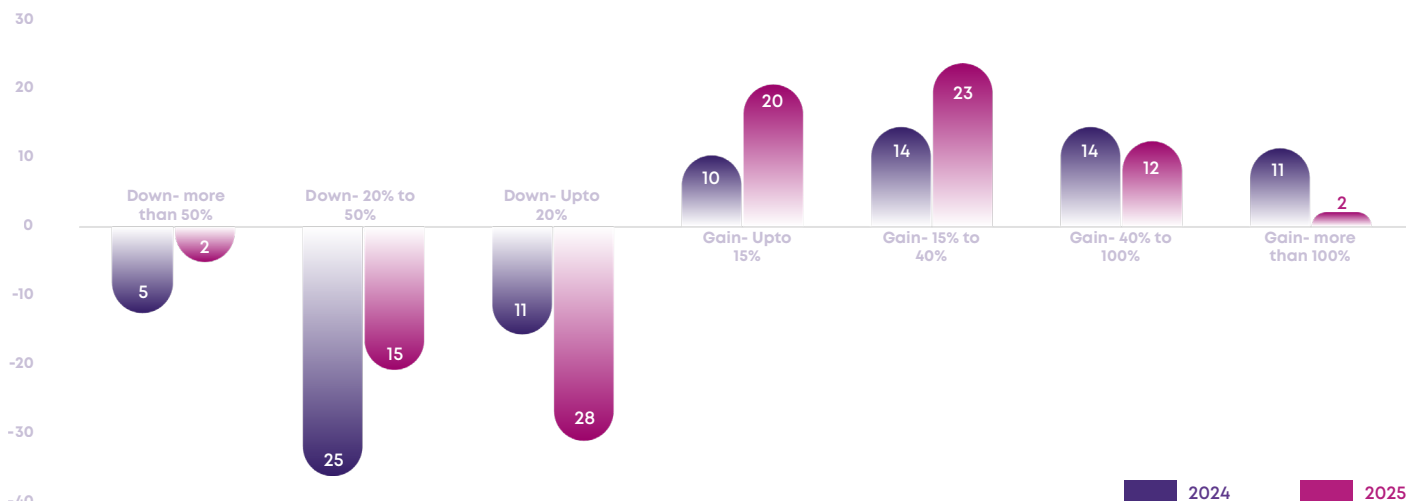
Overall, the average listing gain declined sharply from 30% in 2024 to 10% in 2025, indicating comparatively weaker debut performance in 2025. While 2024 clearly outperformed in terms of listing gains, a comparison of post-listing performance to date in the next slide will provide a more comprehensive assessment of investor returns.



IPO Performance: Early Gains Fade, Select Winners Endure

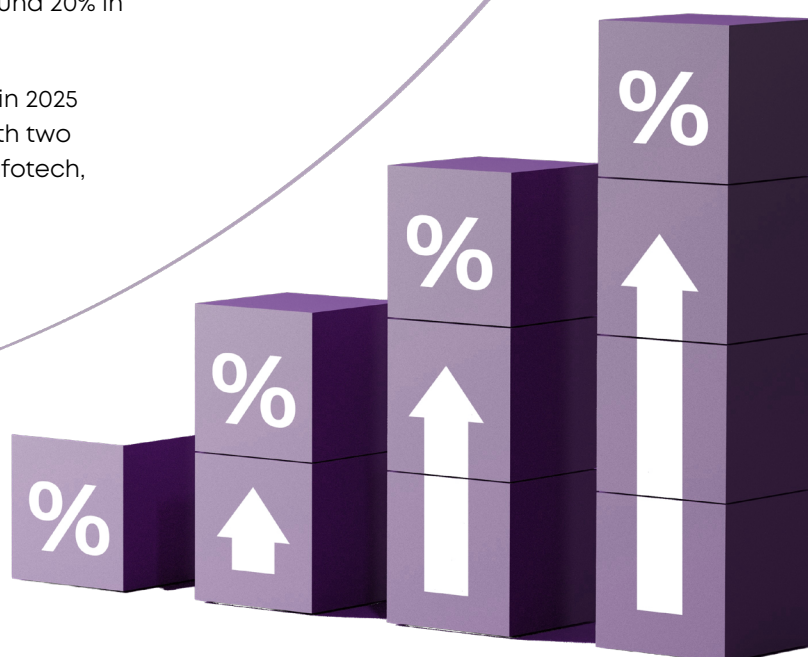
Post-Listing Performance of companies in 2024 & 2025*

*Cut off date taken to consider the returns



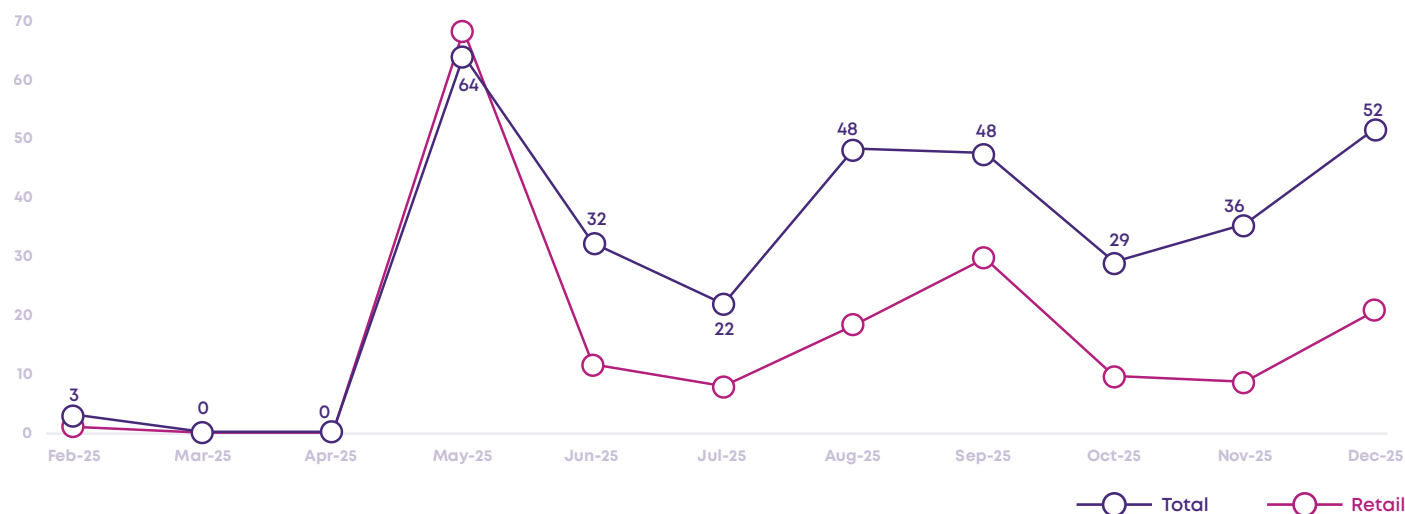
- As highlighted earlier, a majority of companies listed in 2024 delivered strong listing gains. However, an assessment of their post-listing performance indicates that nearly 45% of these companies are currently trading below their listing prices, with five companies witnessing an erosion of over 50% of the invested capital.
- In comparison, 2025 has a similar proportion of companies trading below their listing prices, but the severity of losses is lower. The average loss among such companies stands at around 20% in 2025, compared to 30% in 2024.
- A healthy number of companies listed in 2025 have delivered returns of up to 40%, with two companies, Ather Energy and Aditya Infotech, recording gains of over 100%.

- Meanwhile, 11 companies listed in 2024 have more than doubled investor capital within a year, notably with 9 out of these 11 companies having issue sizes of less than INR 1,500 crore.
- Overall, the average post-listing return (from issue price) for 2024 stands at 21%, whereas 2025 has delivered a more modest average return of 8%.



Average Subscription Times

*Cut off date taken to consider the returns



While average listing returns moderated in 2025, subscription multiples continued to remain strong, reflecting sustained investor appetite throughout the year.

January 2025 stood out as an exception, with subscriptions peaking at nearly 200x, followed by a moderation in February. The period from May to November witnessed stable subscription levels of over 30x, culminating in a peak again in December 2025.

Qualified Institutional Buyers (QIBs)

QIB subscription levels have remained consistently strong since May 2025, exceeding 40x across all eight months during this period.

During the year, around 33 IPOs witnessed QIB subscriptions of over 100 times, highlighting the significant liquidity and strong demand from institutional investors.

As of November 2025, major mutual funds were holding over INR 2 lakh crore in cash, indicating substantial dry powder yet to be deployed into the markets

Non-Institutional Investors (NIIs)

The NII segment moved largely in tandem with QIBs, mobilizing comparable levels of capital across most months, underscoring broad-based investor participation across institutional and high-net-worth segments.

Overall subscription

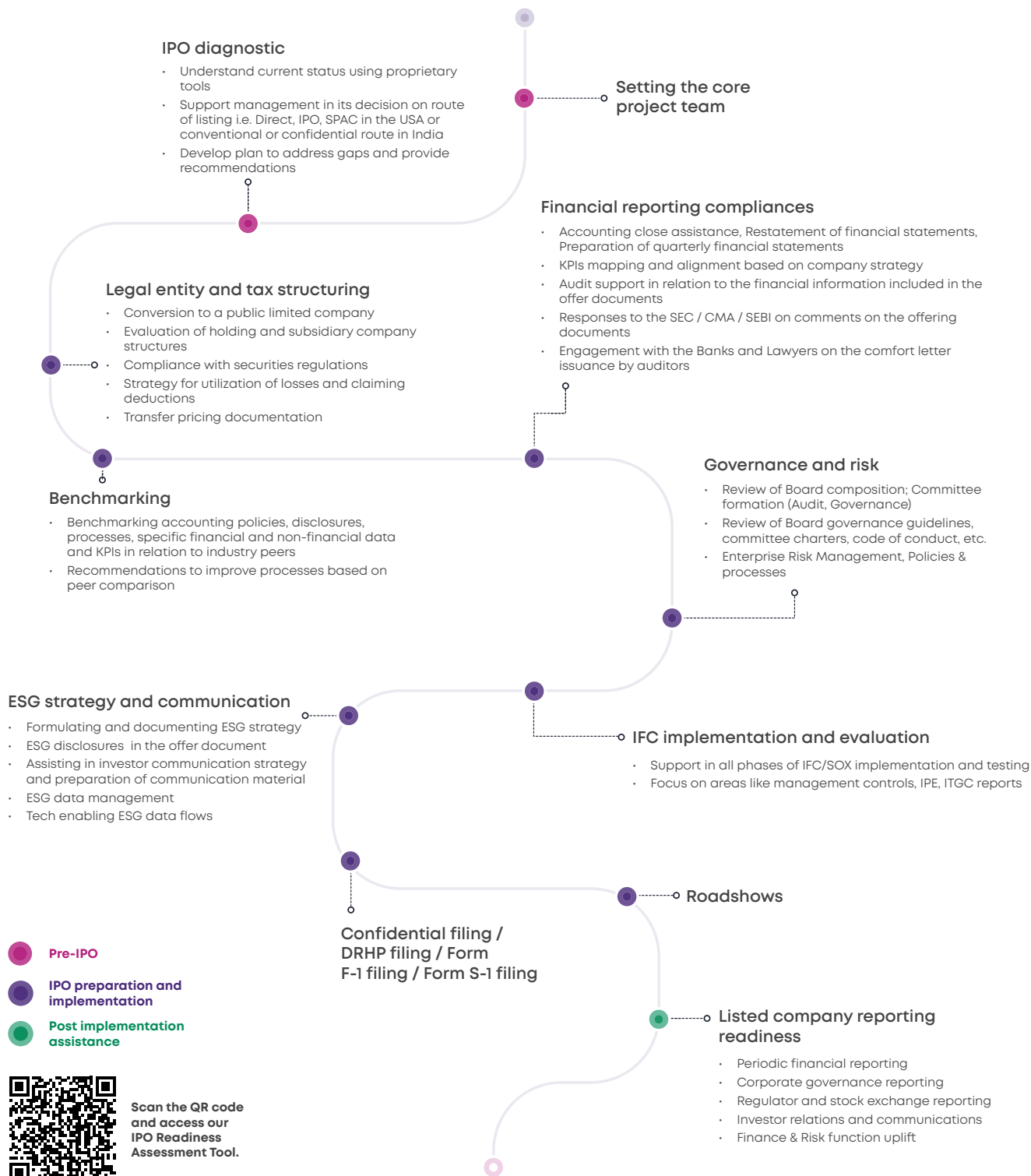
Total subscription levels consistently ranged between 30x and 60 times, indicating a conducive market environment where new listings were met with abundant investor capital and strong demand.

Average Subscription (Times)				
Months	QIB	NII	Retail	Total
Jan-25	205	354	114	189
Feb-25	7	2	1	3
Mar-25	-	-	-	-
Apr-25	-	-	-	-
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
Oct-25	44	44	10	29
Nov-25	70	42	9	36
Dec-25	87	56	21	52

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.

About Uniquis Consultech:

Uniquis Consultech is a global tech-enabled consulting company that specializes in Accounting & Reporting, Governance, Risk & Compliance, Sustainability & Climate Consulting, and Tech Consulting. The Company is co-founded by consulting veterans Jamil Khatri and Sandip Khetan and backed by marquee investors such as Nexus Venture Partners, Sorin Investments, and UST. Anu Chaudhary, a global sustainability and climate specialist with over 25 years of experience, serves as the Global Head of Sustainability & Climate Consulting. Abhijit Varma, a veteran technology specialist, leads Tech Consulting globally.

Uniquis has a global team of 650+ professionals led by 70+ Partners & Directors across eleven offices in the USA, the Middle East, and India. The company serves more than 400 clients, including marquee names in each of the markets it operates in.

Uniquis is committed to leveraging technology and an integrated global delivery model to provide best-in-class consulting services to its clients.

About Our Accounting & Reporting Consulting Services:

In today's dynamic business environment, organizations are continuously required to adapt to the dynamic shifts in accounting & reporting standards and regulations. Enhanced management reporting requirements and accelerated reporting timelines necessitate increased automation within the finance function. Special events, such as preparing for an IPO/capital market transaction or fulfilling the reporting requirements arising from an M&A transaction, introduce additional complexities and challenges for the finance function.

As a result, organizations need to transform their finance functions from time to time with a focus on people, processes, and technology. Our Accounting & Reporting Consulting (ARC) practice is designed to partner with the finance function through these challenges. Our teams function as an extension of your finance teams to execute your plans seamlessly.

We bring the necessary technical expertise, skills, technology, and bandwidth, enabling you to navigate your plans in real time without adding additional manpower costs within the organization.

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