

IPO Insights



FOREWORD: IPO MARKET AND CAPITAL ACTIVITY OVERVIEW

Year 2024 has been an impressive milestone for India. Achieving the second highest equity raised from the primary market globally and having the highest number of listings (327 listings) from both the mainboard and SME segments underscores the strength and dynamism of the country's economy and capital markets. It also reflects the growing confidence of investors in Indian businesses and their potential for growth. The analysis of 2024 IPO listings reveal valuable insights for investors, particularly highlighting the potential benefits of long-term holding. Notably, stocks that listed at a discount often outperformed premium listings, underscoring the opportunities in undervalued offerings. Overall, more than 70% of companies listed in 2024 delivered positive returns, with an impressive average return exceeding 65%, making the year favorable for investors.

The quick rebound in subscription levels during December 2024, following a sudden dip in November, highlights a strong recovery in market sentiment. This resurgence reflects renewed investor confidence and a supportive environment for equity markets as the year closed. With a robust pipeline of companies filing DRHPs, increasing domestic investor participation, and favorable regulatory changes improving ease of business, 2025 is expected to be a landmark year for Indian markets. The combination of economic growth, market depth, and heightened global interest is poised to solidify India's position as a leading player in the global financial landscape.

SEBI's amendments to the Listing Obligations and Disclosure Requirements (LODR) reflect its intent to strike a balance between effective regulation and reducing the compliance burden on companies. These changes include eliminating the need to publish full results in newspaper, changes in time limit for intimation to stock exchange on various aspects and clarifying / amending on some of the key aspects including the definition of material subsidiary, senior management and KMP. SEBI's amendments pave the way for a modernized, cost-efficient compliance framework. These changes align with India's push for digitalization and sustainability while maintaining robust corporate governance.

As India's capital markets evolve, this newsletter aims to keep you informed of emerging trends, regulatory updates, and market insights. We hope it serves as a valuable resource for navigating the opportunities and challenges of today's IPO landscape.



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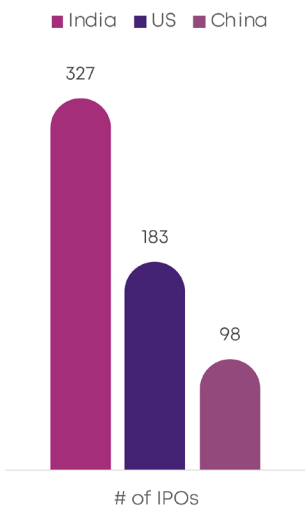


IPO INSIGHTS

India IPO Story 2024 at Global Stage

01

IPOs in 2024

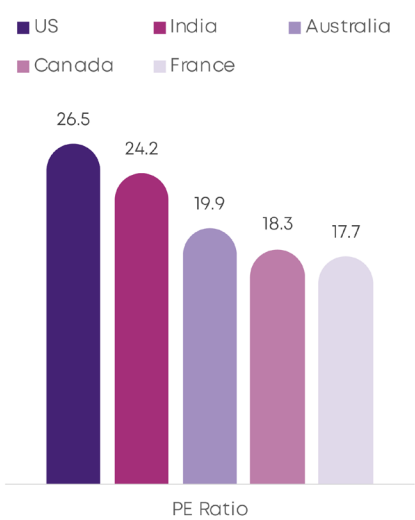


The year 2024 witnessed significant activity in the global IPO market, with India emerging as a standout performer. Leading the world in the number of IPOs, India hosted **327 listings**, surpassing the **USA** and **China**, which recorded **183** and **98 IPOs**, respectively. This remarkable achievement highlights India's robust equity market, fueled by increased domestic participation.

A key driver of this momentum is India's competitive valuation landscape. Indian markets are currently offering a **PE multiple of 24.2**, second only to the **US**, which leads with a PE multiple of **26.5** among the top 10 developed and emerging economies.

02

PE Ratio



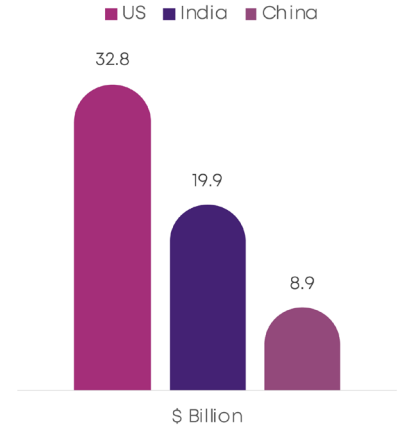
In terms of capital raised, India secured the 2nd position globally, raising approximately USD 20 billion through IPOs. The USA, with its well-established equity markets, maintained the top spot, raising USD 33 billion. The strong capital-raising performance by Indian companies underscores the growing depth and maturity of its capital markets.

When it comes to IPO returns, India continued to shine with average IPO returnsⁱ of 30% from main board listing and a 60% average return driven by SME listings, placing it among top performers globally.

Further cementing its global standing, India's National Stock Exchange (NSE) retained its position as the 5th largest stock exchange in the world by market capitalization. This achievement reflects the strong performance of listed companies and growing market participation.

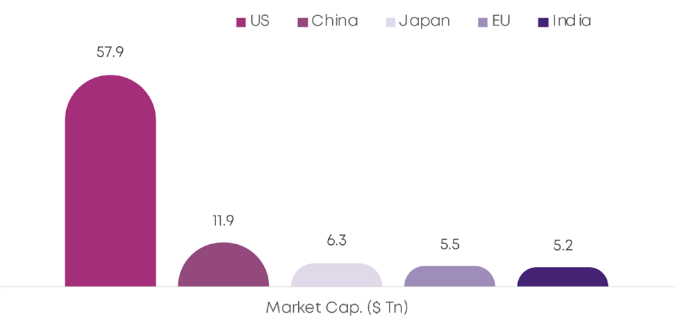
02

Capital Raised (\$ Bn)



05

Market Capitalization (\$ tn)



Overall, India's stellar performance in the global IPO market in 2024 highlights the country's growing role as a key player in global capital markets. The year's success emphasize the strong investor sentiment, market resilience, and the potential of Indian companies to compete on a global scale.

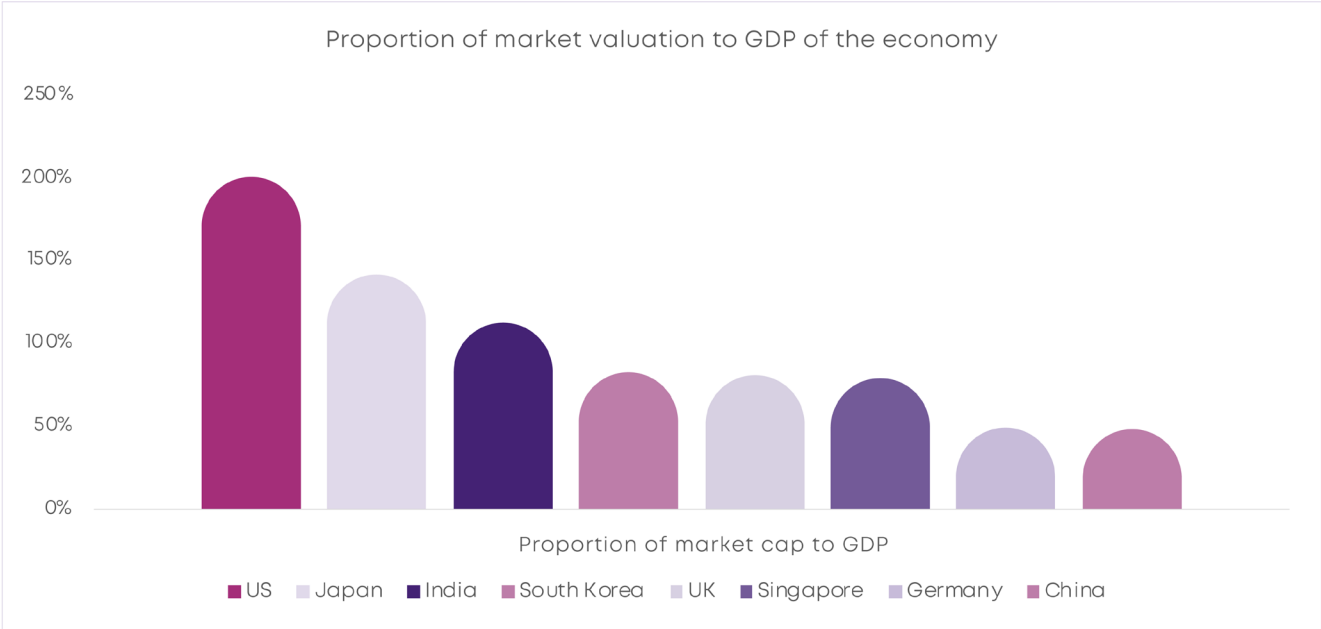
ⁱ Average IPO Returns computed as a simple average of listing day gain of each issuer on the mainboard and SME exchanges

i. <https://www.ceicdata.com/>

ii. Global P/E Ratios by Country

iii. <https://www.chittorgarh.com>

Indian economy to its global peers



India's market cap-to-GDP ratio, also known as the Buffett Indicator, stands at 112%, positioning it as a balanced and promising equity market. This ratio reflects India's strong economic fundamentals, including a GDP growth rate of 6-7%, ongoing structural reforms, and sectoral diversity.

Comparatively, The United States with 200% ratio, which is higher than most other economies, potentially reflects the mature and tech-heavy market. In contrast, China, with a ratio of just 48%, highlights structural challenges, and a limited equity market relative to its economic size. India's market is well-positioned to attract both domestic and global investors, offering a balance of growth and valuation. This strong relative position makes India a standout among emerging markets and a compelling investment destination in the global landscape.

Foreign participation in Indian market:

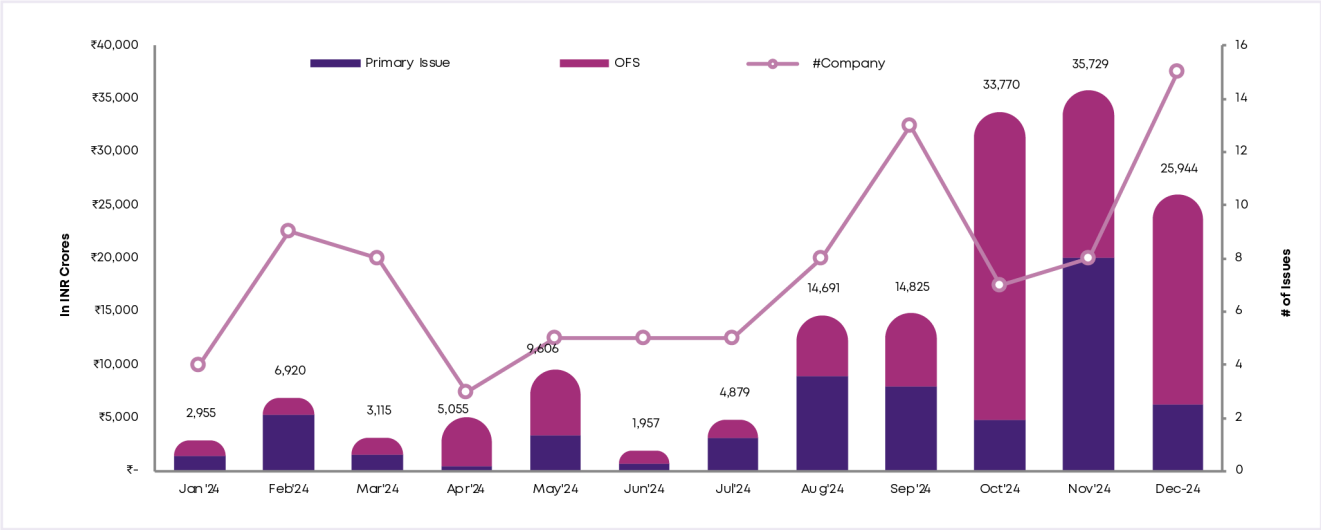
Upon analyzing the activity of Foreign Institutional Investors (FIIs) in the secondary market, it was noted that FIIs sold INR 3.04 lakh crore (USD 35.53 billion) in 2024, reducing the total holdings in the Indian equity market to a record low in over a decade to **16%**. However, the secondary market continued to show resilience where it gained 9% in the said period.

Such resilience was due to the fact that Domestic Institutional Investors (DIIs) (via the investment through SIP and direct investment by equity participants in India) continued to buy (INR 5.27 lakh crores) despite the negative sentiments cause by FII selling.

Considering the attractiveness of the Indian market as against the global peers as highlighted in our previous editions and potential increase in the participation by the retail investors, we can see the trend of good performance in the upcoming years in the Indian market and is expected to continue as we have seen in the year 2024.

i. <https://en.macromicro.me/>

Listing on Main-Board



The IPO activity in 2024 showcased significant trends across quarters, with a clear surge in momentum as the year progressed. Q4 emerged as the standout quarter, contributing nearly 60% of the total capital raised (INR 159,446 crores) during the year, with INR 95,444 crore raised across 30 IPOs. This was accompanied by a sharp increase in the average issue size, which peaked at INR 3,181 crore, highlighting the dominance of large-scale IPOs in the final quarter. November alone stood out as the most active month, raising INR 35,729 crore, driven by substantial offers for sale (OFS) at INR 15,663 crore and significant primary issues amounting to INR 20,066 crore contributed by IPOs of Swiggy and NTPC Green. December maintained the momentum, with 15 IPOs raising INR 25,944 crore contributed largely by INR 8,000 crore OFS by Vishal Mega Mart.

The year began on a modest note in Q1, with 21 IPOs raising INR 12,990 crore and an average issue size of INR 619 crore, reflecting smaller offerings during the initial part of the year. Activity picked up slightly in Q2, with 13 IPOs raising INR 16,618 crore, and the average issue size doubled to INR 1,278 crore, primarily driven by notable listings such as Bharti Hexacon, Adhar Housing, and GoDigit Insurance. The market gained significant momentum in Q3, with 26 IPOs raising INR 34,394 crore, supported by high-profile listings like Ola Electric, FirstCry, and Bajaj Housing, which together contributed approximately 50% of the quarter's total proceeds. The average issue size further increased to INR 1,323 crore, underscoring a mix of mid-sized and larger IPOs, with strong contributions from both primary issues and OFS.

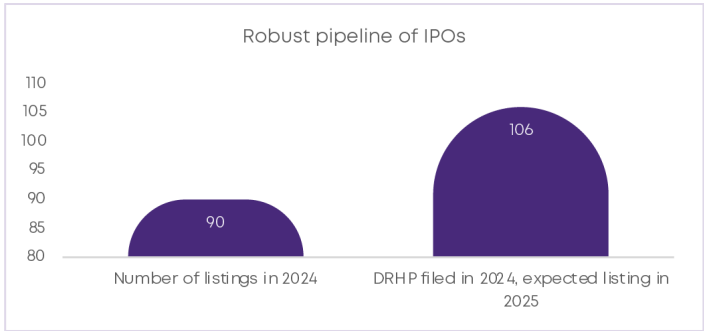
A key feature of the year was the dominance of OFS in driving total proceeds, particularly in Q4, where INR 64,239 crore (67% of the quarter's total) came from OFS, indicating that existing stakeholders leveraged favorable market conditions to divest their holdings. Primary issues also played a significant role throughout the year, peaking in November with INR 20,066 crore raised. The increasing average issue sizes from INR 619 crore in Q1 to INR 3,181 crore in Q4 further underscore the growing scale of IPOs, reflecting strong market sentiment and confidence among issuers.

Overall, 2024 was a transformative year for the IPO market, marked by a gradual build-up in activity and culminating in a stellar performance in the final quarter. The year highlighted the resilience and attractiveness of the IPO market, with strong participation from institutional and retail investors alike, and a clear trend toward larger, high-value issues that capitalized on favorable market conditions.

IPO INSIGHTS

Listing in Pipeline with SEBI

As of today, SEBI has received approximately 106 draft offer documents, which collectively represented a proposed issue size of around INR 112,400 crores (approximately USD 13.2 billion).

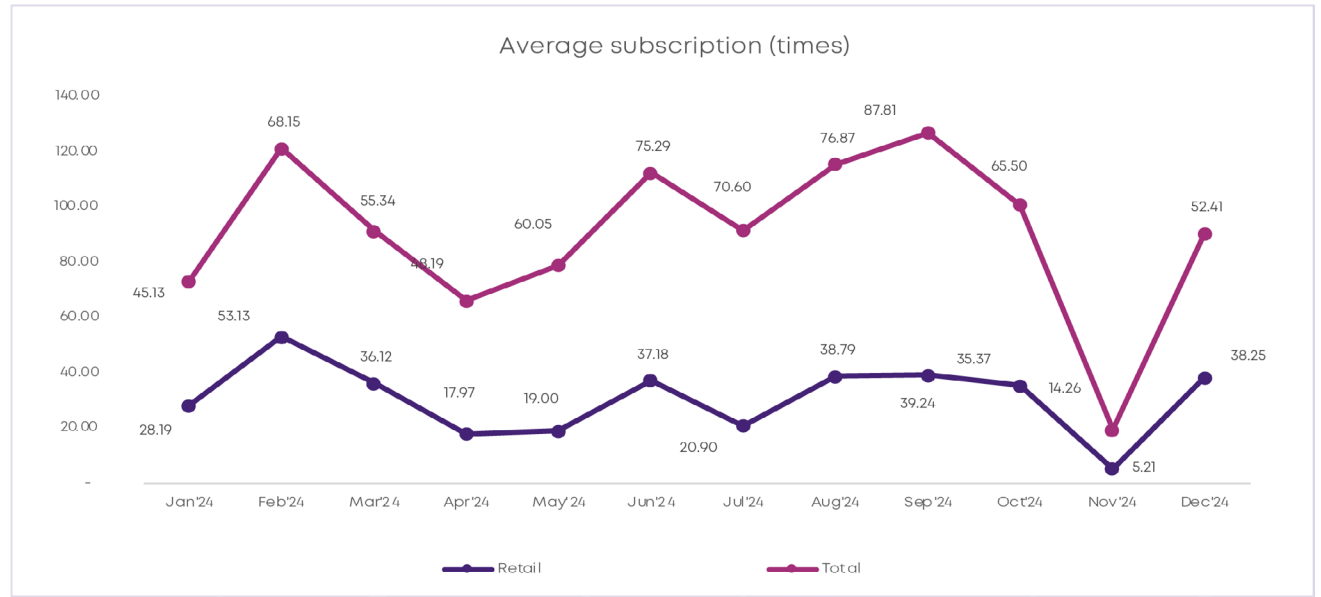


December month saw close to 30 DRHPs filed from the companies.

While 2024 registered a stellar growth in terms of capital raised and number of listings, it is expected that the trend is expected to continue in the near future in 2025 considering the amount of IPOs already in pipeline. Some of the companies that have filed DRHP include HDB Financial Services Limited, Hexaware Technologies Limited, JSW Cement Limited, etc.

Investor Participation

Months	Average Subscription (Times)			
	QIB	NII	Retail	Total
Jan- 24	47.27	75.88	28.19	45.13
Feb - 24	73.23	130.78v	53.13	68.15
Mar - 24	67.69	85.02	36.12	55.34
Apr - 24	61.29	82.91	17.97	48.19
May - 24	105.07	51.84	19.00	60.05
Jun - 24	85.31	139.34	37.18	75.29
Jul - 24	140.37	95.50	20.90	70.60
Aug - 24	93.05	137.98	38.79	76.87
Sept - 24	138.02	139.57	39.24	87.81
Oct - 24	83.17	113.53	35.37	65.50
Nov- 24	22.76	20.49	5.21	14.26
Dec - 24	77.96	37.85	38.25	52.41



The subscription levels in December 2024 exhibit a bounce back after a significant decline across all investor categories in the November month reflecting improved market sentiment towards the end the of the year.

Qualified Institutional Buyers (QIBs)

QIB subscriptions in 2024 displayed notable fluctuations, with the peak recorded in July at **140.37 times**, reflecting strong institutional interest during mid-year IPOs. Similarly, September and May saw robust activity with subscriptions at **138.02 times** and **105.07 times**, respectively, showcasing consistent institutional backing. However, the momentum slowed in November, with QIB subscriptions dipping to a year-low of **22.76 times**, indicating subdued sentiment. Interestingly, December marked a recovery, with subscriptions rebounding to **77.96 times**, signaling renewed interest and confidence from institutional investors as the year concluded.

Non-Institutional Investors (NII)

NII showed strong participation throughout the year, with their peak in September at **139.57 times**, followed closely by June **139.34 times** and August **137.98 times**. This highlights a mid-year surge in demand from high-net-worth investors. However, much like QIBs, NII activity dropped significantly in November, reaching its lowest point at **20.49 times**. December saw a moderate rebound to **37.85 times**, indicating a gradual recovery in sentiment among non-institutional investors as markets regained stability toward the end of the year.

Retail Investors

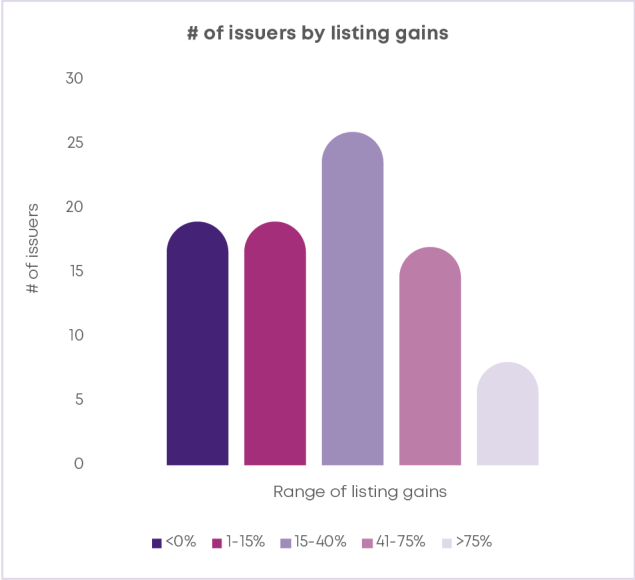
Retail investors demonstrated their strongest participation in February, with subscriptions reaching 53.13 times, followed by consistent interest in August 38.79 times and December 38.25 times. The lowest engagement was recorded in November, with subscriptions plummeting to just **5.21 times**, reflecting a sharp decline in retail enthusiasm. However, December saw a significant rebound, with retail subscriptions recovering to 38.25 times, indicating improved confidence and activity as the year drew to a close.

Overall Subscription Trends

While November 2024 was a low point for IPO subscriptions across all categories, December demonstrated a clear rebound, with total subscriptions recovering to **52.41 times**, driven by renewed interest from QIBs and retail investors. This recovery underscores the resilience of the IPO market and the restoration of investor confidence as the year concluded on a positive note.

IPO Returns

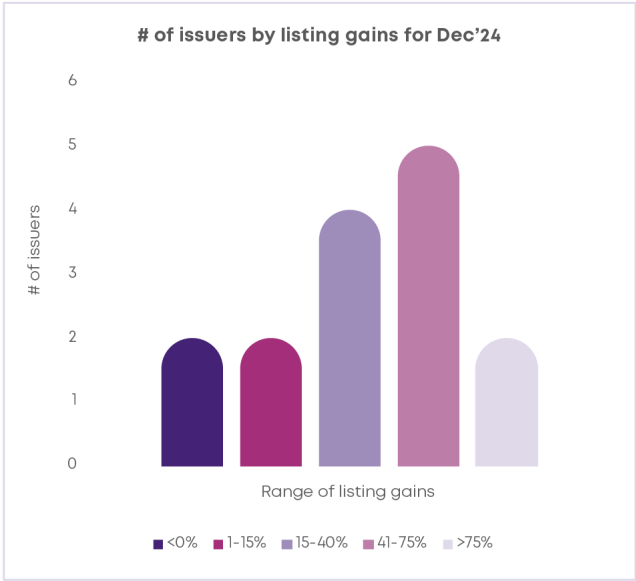
Distribution of listing gains by number of issuers



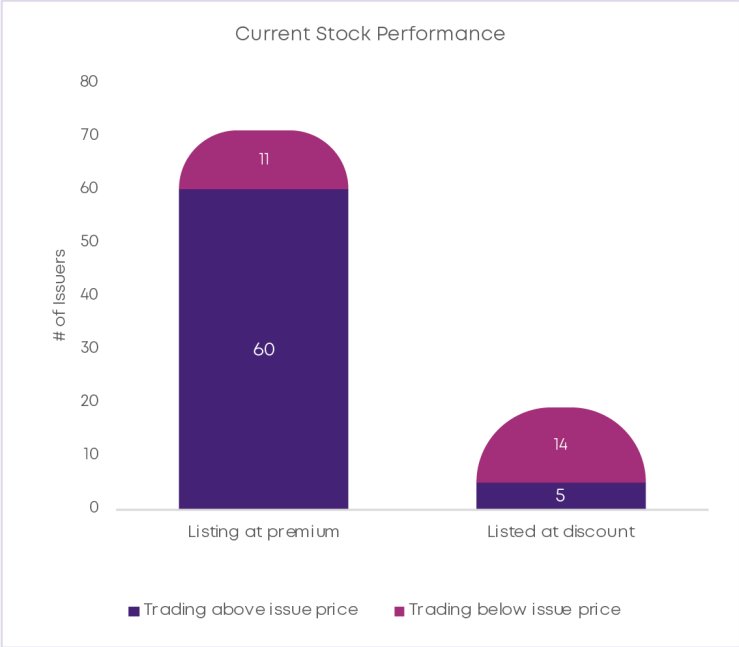
Between January and December 2024, the IPO market in India experienced significant momentum, with many listings delivering robust listing gains. This period was marked by investor optimism fuelled with stable macroeconomic conditions and a buoyant secondary market. With almost 73% of issuers achieving gains of more than 15% and an average listing gain for the period January to December 2024 of 30%, the environment continue to be conducive for successful IPOs. The performance underlines the importance of timing, strong fundamentals, and favourable market conditions in achieving high IPO listing gain.

In December 2024, IPO listing gains recovered from the drop in the previous month with 13 issuers giving positive returns and an average listing gain of 40% for the month, which is higher than the yearly average of 30%.

Almost 50% of the listing gave returns in excess of 40% in the month.



Stock Performance after listing – Issue Price to Current Price



Out of the 90 mainboard IPOs in 2024, 71 companies listed at a premium, accounting for approximately 80% of the total issuers. Among these, 60 companies continued to trade above their issue price at year-end, delivering positive returns to investors. However, 11 companies, despite listing at a premium, fell below their issue price by the close of the year.

Meanwhile, 19 companies listed at a discount. Of these, 5 companies managed to recover and trade above their issue price by year-end, while the remaining 14 companies either stayed below or declined further from their issue price.

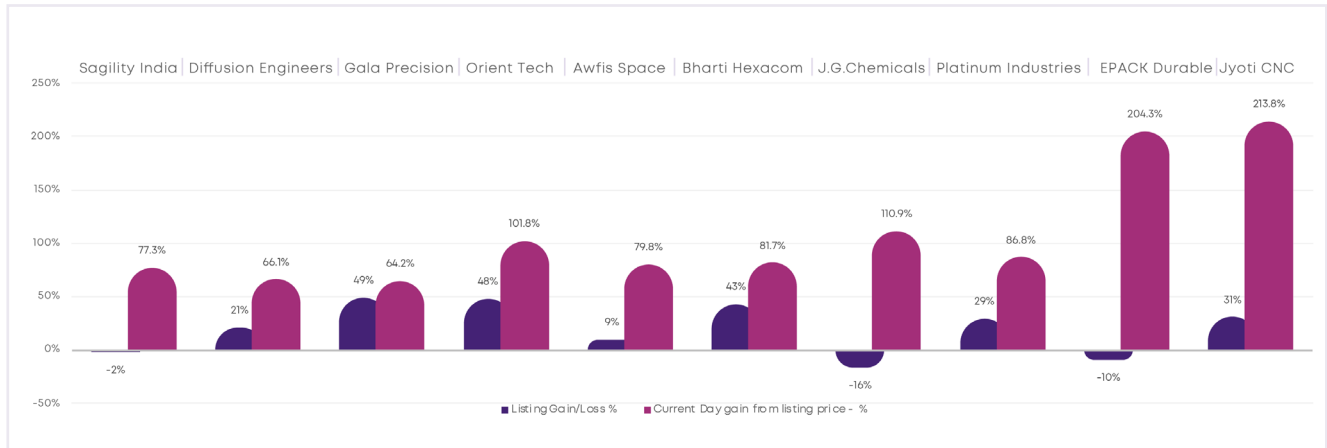
By the end of 2024, an encouraging 72% of the IPOs were trading above their issue price, reflecting strong overall performance and positive returns for the majority of IPO investors.

* Based on stock prices as on 08 January 2025



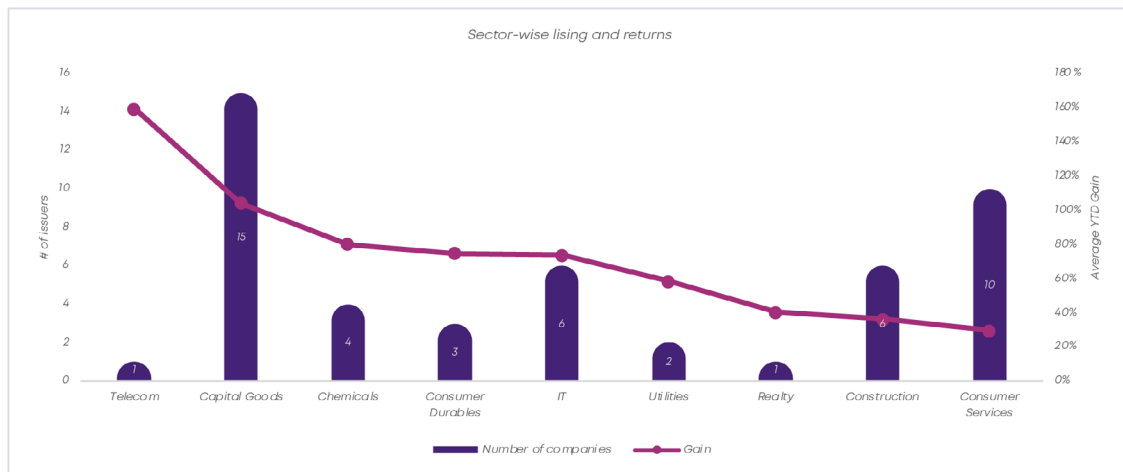
IPO INSIGHTS

Current Performance vis-à-vis listing gains for issuers listed during April to August 2024



In essence, the broader performance of the IPO stocks is not restricted to just listing gains, rather we could evidence sustained outperformance by such companies in the secondary market after the listing. Further as noted in earlier, stock that got listed at discounted price have performance better than the stock that got listed at premium.

Sector contributing to major listing gains for 2024

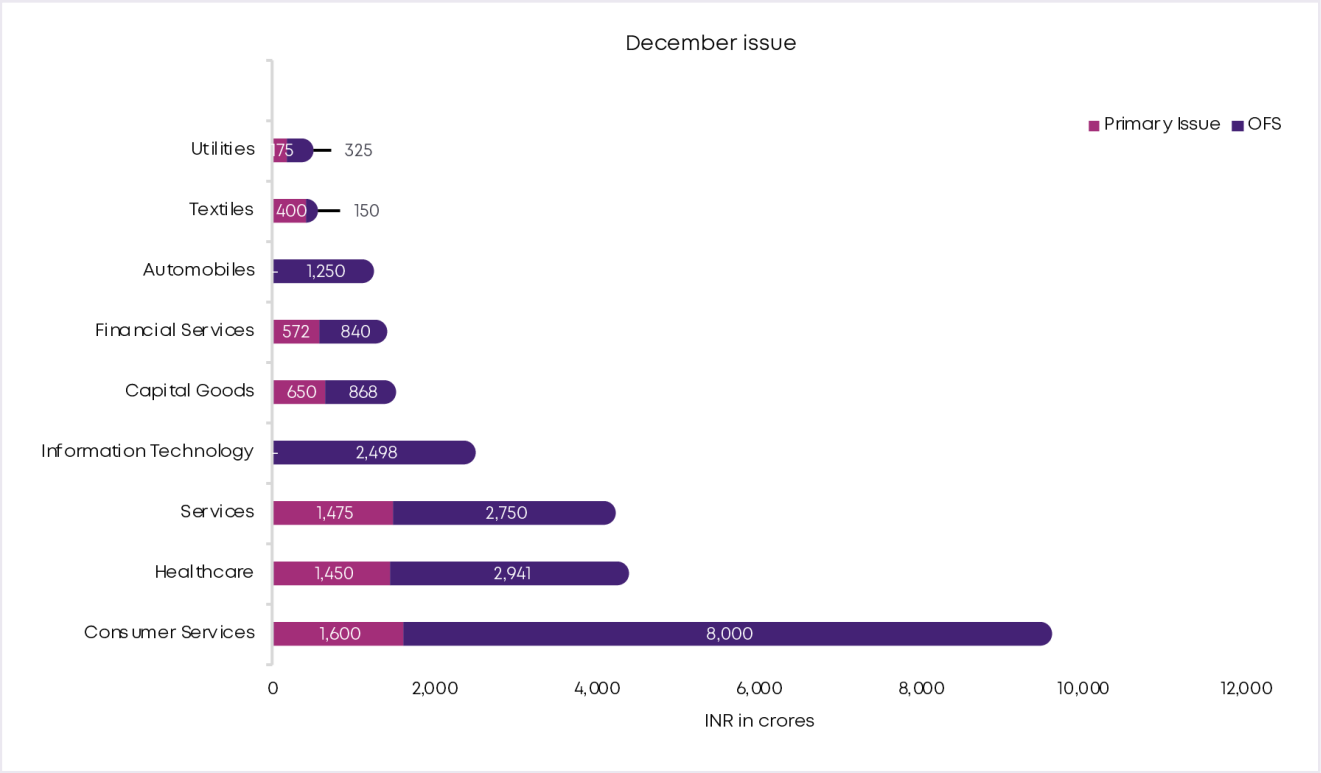


The analysis of industry performance based on IPO returns reveals the telecommunication sector as the top performer, led by the sole listing of Bharti Hexacom, which delivered an impressive **159% return**. The capital goods sector also displayed exceptional performance with 15 listings, achieving an average return of 104%, reflecting strong investor interest and robust returns.

Other standout sectors included **chemicals (80% return across 4 listings)**, **consumer durables (75% return across 3 listings)**, **IT (74% return across 6 listings)**, and **utilities (58% return across 2 listings)**, all of which delivered returns exceeding 50%. Additionally, the consumer services sector, featuring notable tech-driven companies like Swiggy and Ixigo, achieved a more moderate **30% return across 10 listings**, reflecting steady performance in the space.

In contrast, certain sectors faced challenges. The automobile sector, despite having 6 listings, recorded a negative return of -14%, with 5 out of 6 stocks currently trading below their issue price. Similarly, industries such as textiles and media delivered negative returns, indicating weaker investor confidence. Overall, 2024 saw a mix of exceptional performances in select sectors and underwhelming results in others, underscoring the varied dynamics of the IPO market.

Industry trends

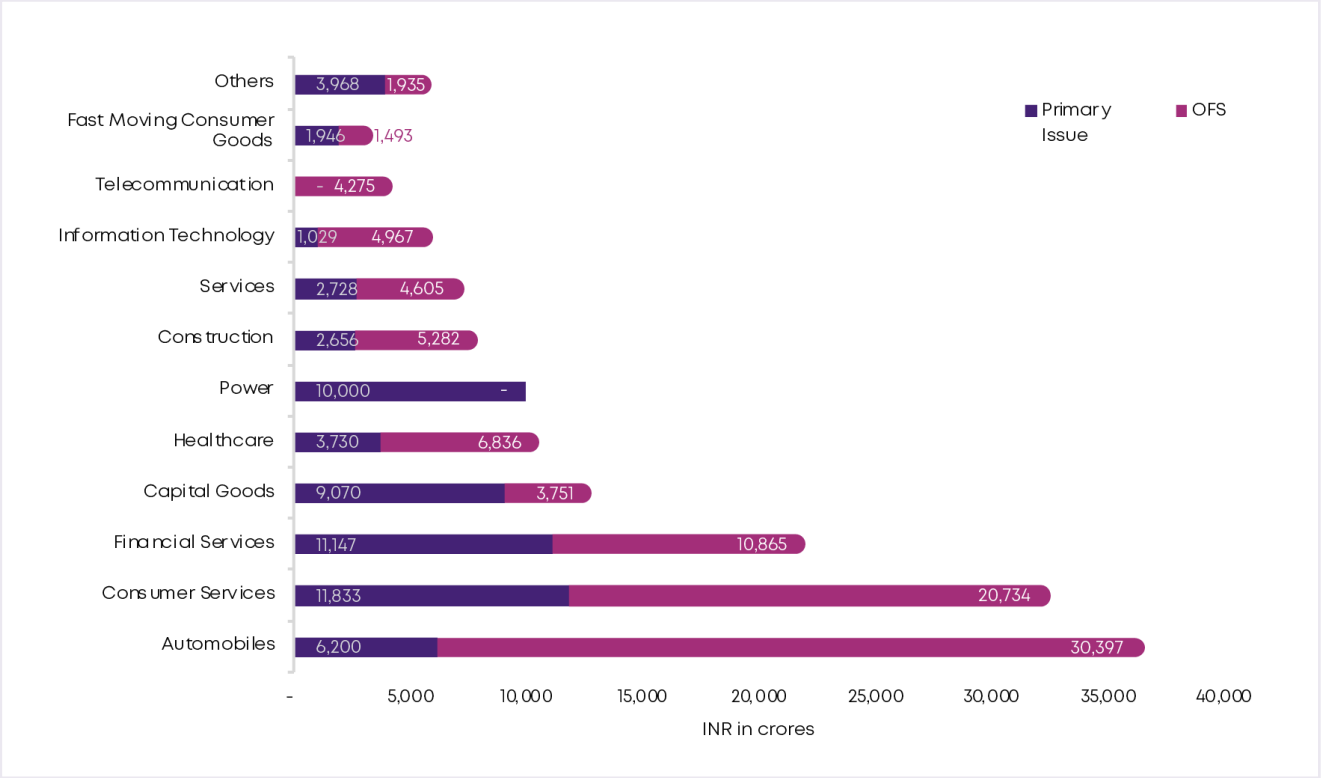


Above analysis pertains to the listings during Dec'24

December month saw listing from across the industries, while Consumer services, other services and healthcare has taken the lead with the listing of Vishal Mega Mart and International Gemmological Institute (India) Limited. These 3 industries accounted for 70% of the total capital raised during the month. The healthcare sector witnessed significant capital raised by Sai life Sciences Limited, Senores Pharmaceuticals Limited and also by Suraksha Diagnostic Limited.



Industry trends



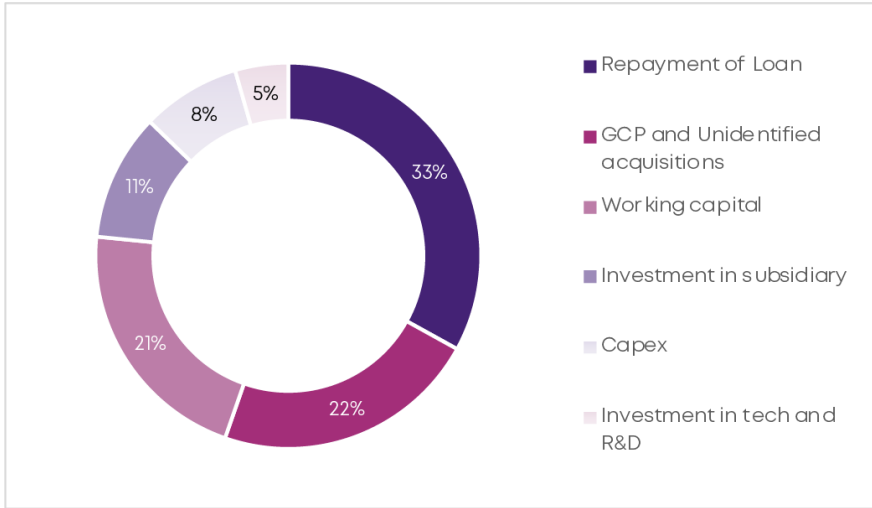
Above analysis pertains to the listings during Jan'24 to Dec'24

Automobile, Consumer Services and Financial Services raised the highest amount of capital in 2024 totaling upto INR 91,175 crores. This was contributed heavily by the listings of some of the largest IPOs in India including Hyundai Motors, Swiggy and NTPC Green raising over INR 10,000 crores each. Capital goods industry has the highest number of listings (15 listings) in the current year collectively raising INR 12,821 crores, out of which more than 70% was by way of primary issue, one of highest proportion in terms of primary issue, considering that nearly 60% of the total proceeds during the year were for OFS.



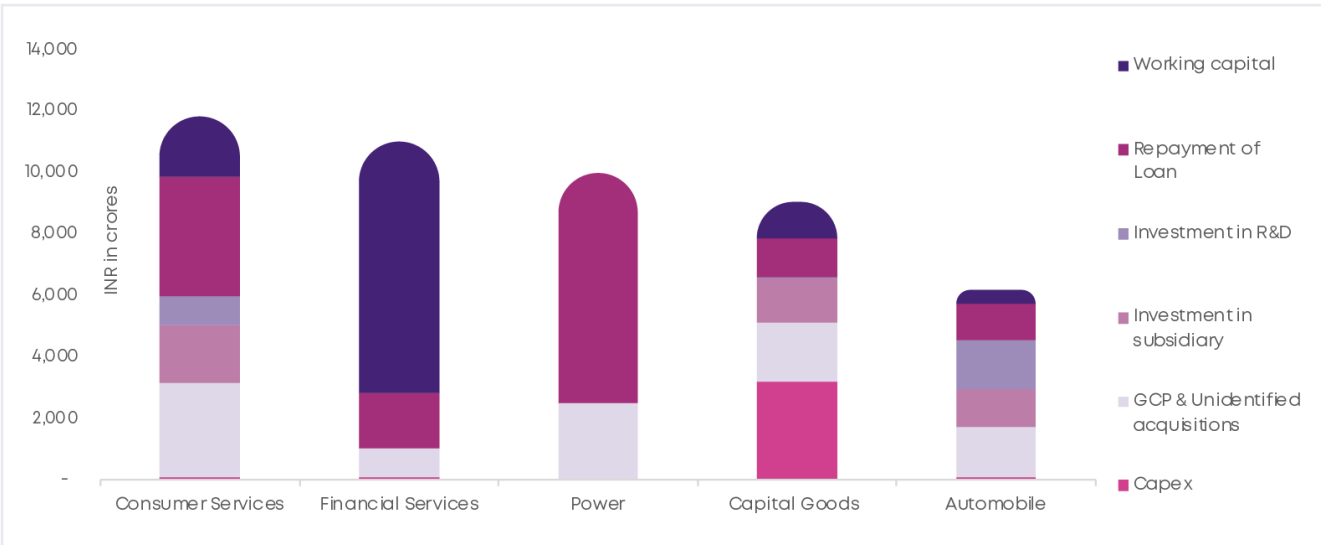
CLOSER LOOK: USE OF PROCEEDS

Proposed use of proceeds (Jan to Dec 2024)



The above chart analysis shows that majority of the capital raised during the year 2024 were for the purpose of repayment of loan of the listed entity and its subsidiary. Other major utilization of the IPO proceeds include use for general corporate purpose and working capital. These 3 purpose accounted for 76% of the total IPO proceeds. The companies have totally used INR 2,845 crores for investment in technology and R&D activities.

Proposed use of proceeds – in Top 5 Sectors



In 2024, the utilization of IPO proceeds across the top five industries highlighted varied priorities, with loan repayment emerging as the predominant use of funds, accounting for significant allocations across most sectors. The consumer services sector directed 32.9% of its proceeds to loan repayment (₹3,892 crore), followed by 25.8% to general corporate purposes & unidentified acquisitions (GCP&UA) (₹3,050 crore) and 16.1% to investments in subsidiaries (₹1,903 crore).

The financial services sector heavily prioritized working capital, allocating 74.4% of its proceeds (₹8,215 crore), followed by 16.3% toward loan repayment (₹1,795 crore). Similarly, the power sector allocated 75% to loan repayment (₹7,500 crore) and remaining allocations towards GCP & UA (₹2,500 crore).

The capital goods sector showcased a growth-driven approach, allocating 35.2% to Capex (₹3,193 crore), 15.7% to subsidiary investments (₹1,427 crore) and remaining allocated to GCP & UA – 21.4% (₹1,939 crore), Loan repayment – 13.9% (₹1,261 crore) and working capital –13.3% (₹1,210 crore). The automobile sector balanced its proceeds across multiple areas, with 26.6% allocated to GCP & UA (₹1,649 crore), 25.8% to R&D investments (₹1,600 crore) and 19.3% to loan repayment (₹1,198 crore).

KNOWLEDGE CORNER

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024

A. Ease of doing business for listed entities:

Particulars	Regulation	Existing provisions	Amended provision
Definition of related party (non inclusion of certain transactions under the related party definition)	2 (1) (zc)	No clause 2 (1) (zc) (e) exist in the existing provision	Clause (e) added: “retail purchases from any listed entity or its subsidiary by its directors or its employees, without establishing a business relationship and at the terms which are uniformly applicable / offered to all employees and directors
Submission of compliance certificate in relation to share transfer facility	7(3)	To be submitted with stock exchange with 30 days from the end of financial year	Removed in the third amendment
Introduction of integrated filings (to reduce the number of filing made by the Companies)	27(2)	Quarterly compliance report on corporate governance within 21 days from the end of each quarter	Timelines for such filing will be specified by the SEBI in due course of time
Time limit for appointment of a person on the Board of Directors	17(1C)	At the next AGM or within 3 months from the date of appointment whichever is earlier	The computation of such period should exclude the time taken to receive approval from regulatory, government or statutory authorities
Copy of audited financial statements required under section 136 of the Companies Act, 2013 for shareholders without registered e-mail	36 (1) (b)	Listed company shall send hard copy of statement containing the salient features of all the documents as per Section 136 of Companies Act	A letter providing the web-link, including the exact path, where complete details of the Annual Report is available
Information to stock exchange on loss of share certificate and issue of duplicate certificate	39(3)	Submit information to the stock exchange within two days of getting information	Omitted

Particulars	Regulation	Existing provisions	Amended provision
Certificate from a practicing company secretary for complying with all the share transfers	40(9)	Listed entity shall submit a certificate with the stock exchange certified by the company stating that all certificates have been issued within thirty days	Omitted
Reduction in time gap for intimation of record date and time gap between 2 record dates	42 (2) & 42 (4)	Time gap for intimation of record date was 7 working days before the event and time gap between 2 record dates should be 30 days	Time gap for intimation has been reduced from 7 to 3 working days and time gap between 2 record dates has been reduced from 30 days to 5 workings days.
Sending proxy forms to shareholder to cast vote (insertion of a proviso)	44(4)	A listed entity shall send proxy forms to holders of securities in all cases mentioning that a holder may vote	Provision added: Requirement to send proxy forms shall not be applicable to general meetings held only through electronic mode.
Publishing of financial results in newspaper	47 (1)	Financial results has to be given in the newspaper	Quick Response code and the details of the webpage where complete financial results of the listed entity is accessible to the investors may be provided.
Definition of acquisitions falling under the events which shall be disclosed without any application of the guidelines for materiality	Schedule III Part A Para A	Entity holds shares aggregating to 5 percentage or more in the company	5 percentage has been replaced with 20 percentage



B. Other major amendments in SEBI LODR:

Particulars	Regulation	Existing provisions	Amended provision
KMP Definition to include Compliance Officer	6	No such provision exist	Compliance officer to be considered as KMP of the Company where compliance officer is different from Company Secretary
Applicability of Corporate Governance	15	Proviso to the regulation states the provisions continue to apply till equity share capital OR the net worth reduces below the prescribed limits for 3 consecutive years	The words (OR) has been replaced with AND in the amended regulations
Definition of material subsidiary	16 (c), 24 (1)	A subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth	The word 'income' has been replaced with 'turnover'
Senior management definition	16 (d)	Senior management shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Office	senior management shall mean the officers and personnel of the listed entity who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and persons identified and designated as key managerial personnel, other than the board of directors, by the listed entity
All committee meetings timelines	18, 19, 20, 21	The word 'year' has been replaced with 'financial year' on all places to remove the ambiguity on the number of times meetings are to be held	
Omnibus approval for subsidiary	23 (3)	Audit committee may grant omnibus approval for the RPT transaction proposed to be entered into by the Company	Audit committee may grant omnibus approval for the RPT transaction proposed to be entered into by the listed entity OR ITS SUBSIDIARY

Particulars	Regulation	Existing provisions	Amended provision
Secretarial auditor and their report	24A	No requirement of holding peer review certificate	Company Secretary who holds peer review certificate can only sign the secretarial audit report and the appointment of such secretarial auditor has been brought in line with the appointment of statutory auditors (i.e.,) obtaining the approval of AGM and rotation policy.
Timeline for disclosure of material information approved in the Board meeting when decision is taken	30 (6)	Within 30 minutes from the closure of Board meeting	Where the meeting ends after trading hours and more than 3 hours before the beginning of next trading hour, then the disclosure can be made within 3 hours from the end of Board meeting
Timeline for disclosure of material information where information is not emanating from within the entity	30 (6)	Within 24 hours from the date of occurrence of event	Within 72 hours where it pertains to litigations other than tax litigations and the details of such litigation is maintained in structured digital database of the listed entity
Website of the Company	46	Such provisions were not applicable before the amendment	To include the following: a) Memorandum of Association (MoA) and articles of association of the Company (AoA) of the Company b) Brief profile of board of directors including directorship and full-time positions in body corporates c) Presentations prepared by the listed entity for analysts or institutional investors meet, post earnings or quarterly calls shall be hosted on the website prior to beginning of such events
Revision of time-line for disclosure of Presentation/ Audio/Video and transcript on the website of the Company	23 (3)	1. Audio recordings – 24 hours 2. Video recordings – 24 hours 3. Transcripts – 5 days 4. Hosted in website – 5 years	1. Audio recordings – 24 hours 2. Video recordings – 48 hours 3. Transcripts – 5 days 4. Hosted in website for audit and video recordings – 2 years 5. Hosted in website for transcripts – 5 years

IPO JOURNEY – A SYNOPSIS

IPO journey and how Uniquis can help

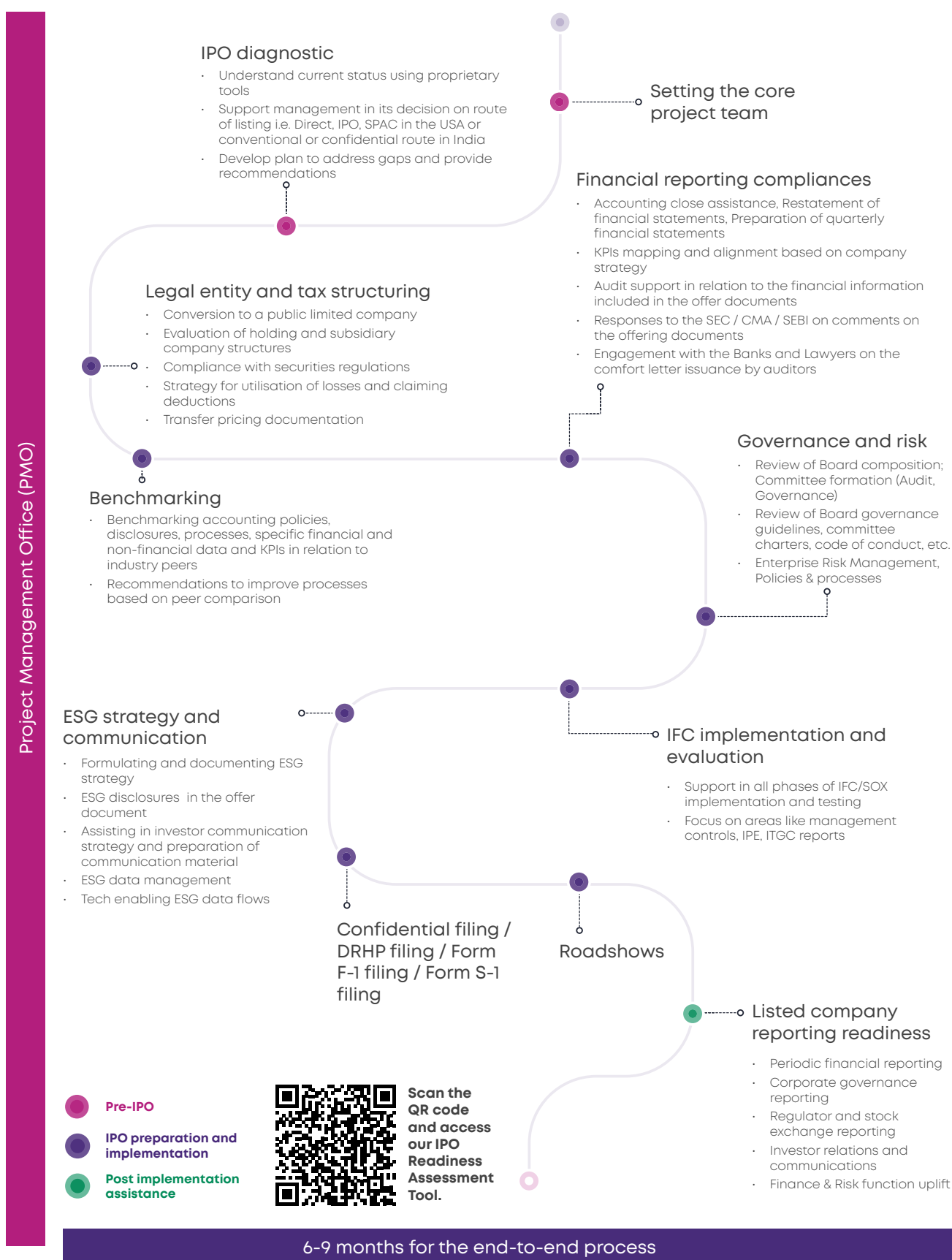
Foreword

IPO Insights

Closer Look: Use of Proceeds

Knowledge Corner

IPO Journey – A synopsis



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