Capital Advisors (P) Ltd

PRIMARY PULSE | 2025

BHARAT'S PRIMARY MARKETS:
STRUCTURAL RESILIENCE DRIVES NEW HIGHS

December 2025

Mr. Mahavir Lunawat

Chairman and Managing Director
Pantomath Capital

"Pantomath Capital expects close to INR 4 Lakh Crore of Capital formation via primary markets in 2026."

India's IPO market has entered a structurally stronger, resilient and more credible phase than ever, and 2025 stands out as a defining year in this journey. What we witness today is not merely a cyclical upswing, but a fundamental transformation in how capital is raised, allocated, and deployed across the economy.

As our report outlines, the post 2020 period marks a decisive inflection point. IPO volumes have scaled sharply across segments while average deal sizes have moved meaningfully higher. India has emerged as one of the most active IPO markets globally by volume, supported by deep domestic liquidity, improving regulatory frameworks, and growing issuer confidence. Importantly, a significantly increasing share of IPO proceeds continues to be channelled towards expansion, capacity creation, debt reduction, and working capital, reinforcing the role of primary markets as a conduit to the real economy.

For Pantomath Capital, 2025 marked a year of decisive execution and deepening market trust. We closed the year with nearly 20 capital market transactions, including seven IPOs.

The year also witnessed Pantomath Capital executing India's largest sole bank IPO transaction till date with Quality Power Electrical Equipments (nearly Rs 860 crore). Further, Highway Infrastructure emerged as the most oversubscribed IPO of 2025 at 256 times. These outcomes reflect sustained investor confidence and our rigorous focus on quality execution.

Beyond completed transactions, our forward visibility remains robust. We enter the coming year with **over 50 active mandates across IPOs, capital markets, and strategic transactions,** spanning diverse sectors and stages of company maturity. This pipeline reflects the confidence placed in us by promoters and shareholders seeking not just market access, but thoughtful structuring, regulatory clarity, and execution certainty.

At Pantomath Capital, we believe the evolution of India's IPO market calls for integrated financial institutions that combine scale with judgment. The structural resilience in 2025 positions both the market and our institution for a more selective, disciplined, and sustainable phase of growth ahead. Based on the current market momentum and the overall deal pipeline, **Pantomath Capital expects close to INR 4 Lakh Crore of capital formation via primary markets in 2026.**
As India's primary markets enter a more discerning phase of expansion, we remain confident that the depth of our pipeline, the quality of our advisory, and the trust of our clients will enable Pantomath Capital to play a meaningful role in shaping the next cycle of capital formation. With scale anchored in judgment and execution anchored in discipline, we are well positioned to contribute to a stronger, more resilient primary market ecosystem in the years ahead.

Mr. Kamraj Singh Negi

MD and CEO - Investment Banking
Pantomath Capital

"We believe the next phase of India's IPO journey will be characterized by sustainability, selectivity, and enduring value creation."

India's primary capital markets are at a structural inflection point, **transitioning from a phase of intermittent issuance to a mature, institutionalized engine of long-term capital formation.** The data presented in our report clearly establishes that India's IPO market has moved from episodic activity to a scaled, continuous capital formation platform. Growth since 2020 has been broad based, spanning issue sizes, sectors, geographies, and investor categories.

One of the most striking trends is the **rise in average deal sizes** alongside higher issuance volumes. This indicates that companies are no longer accessing public markets merely for visibility, but as a strategic source of growth capital and balance sheet strengthening. Financial services, manufacturing, industrials, and consumption linked sectors have dominated fund mobilization, reflecting alignment with India's structural growth themes.

Investor behavior has also evolved**. Mutual funds and foreign portfolio investors now participate selectively** and with conviction, reinforcing pricing discipline and post listing stability.

At the same time, the **widening participation from Tier II and Tier III cities** underscores the deepening of India's investor base and the democratization of equity ownership.

Another defining feature is the increasing use of multiple capital raising routes. IPOs are now complemented by QIPs, rights issues, and selective follow-on offerings, providing issuers with flexibility across market cycles and reducing over dependence on a single channel.

Looking ahead, the IPO market is likely to become more selective rather than less active. Issuers will be evaluated on earnings visibility, governance standards, and capital efficiency, while investors will continue to differentiate sharply based on business quality rather than deal size alone.

At Pantomath Capital, our focus remains on combining execution capability with judgment. As markets mature, advisory quality, structuring discipline, and long-term alignment with issuers and investors will define success. We believe the next phase of India's IPO journey will be characterized by sustainability, selectivity, and enduring value creation.

The Indian capital market has wirtnessed a dramatic change in the past two decades, evolving into one of the most vibrant equity capital markets in the world. Since the early 2000s, when equity issuance was irregular and limited to a few sectors, the market has grown into a platform that can accommodate some of the world's largest listings while at the same time underpinning a constant stream of small, growth-oriented issues.

The path has been influenced by three interconnected forces: **international economic cycles, domestic policy changes, and changing investor behaviour.** Each one of these has contributed a unique imprint to the structure and stability of the market. For example, the 2008 world financial crisis temporarily halted action, with only 21 IPOs debuting that year, raising a paltry INR 2,034 crore. Though, the post-crisis years have witnessed incremental revival along with the implementation of regulatory innovations like **T+3 listing cycle, Application Supported by Blocked Amount (ASBA) and, lately, UPI-enabled processes**. The reforms not only enhanced efficiency but also democratised access for retail investors.

By 2024, India had firmly established itself as a global IPO powerhouse. The country emerged as the **second-largest IPO market globally by proceeds and the most active by number of deals,** raising a record USD 20.5 billion (approximately ₹1.6 lakh crore) across more than 300 IPOs . This represented nearly a three-fold increase over 2023, underscoring the depth of domestic capital pools, strong issuer confidence, and the success of regulatory modernisation . **This momentum carried decisively into 2025, with India topping global IPO charts by number of issues**, reflecting sustained issuance activity alongside a sharper investor focus on quality and fundamentals.

India's global standing: **dominance in activity, strength in scale**

Global IPO market data for 2025 reinforces India's leadership in equity issuance activity. India **ranked first globally** by number of IPOs, accounting for nearly **one-fifth of worldwide IPO volumes**, underscoring its position as the most active listing venue internationally. This places India ahead of the United States, Greater China, Europe, and ASEAN, highlighting the depth and continuity of its primary market pipeline.

In terms of proceeds, **India ranked fourth globally, contributing approximately 11% of total global IPO funds** raised. While this trails the United States and select Asian markets that are driven by fewer but substantially larger transactions, the divergence reflects **structural differences rather than market weakness.**

Importantly, India's IPO market is characterised by **broad-based participation across size bands, with a high frequency of small and mid-sized offerings complemented by select large issuances.** This combination of scale, consistency, and diversity differentiates India from more episodic or concentrated markets, reinforcing its standing as the world's most active IPO ecosystem.

Exhibit: Global IPO market share by region (CY 2025)

*Others include Africa, Canada, Latin America, and Russia.
Sources:EY Global IPO Trends Q3 2025. Data for Q1-Q3 2025

India's IPO engine: Where Public and Private Capital coexist to Drive Growth

India is one of the few large markets where public markets play a meaningful role in growth financing. **Primary market fundraising in India is equivalent to ~49% of private capital raised, far higher than in developed markets such as the US (~9%) and Europe (~13%)**, where companies rely predominantly on private capital access public markets much later.

This reflects strong domestic investor participation, supportive regulation, and issuer confidence in IPOs as a scalable funding route. By comparison, China's outsized public-market dominance (~1800%) and ASEAN's ~71% highlight very different capital-formation models. India's near-balance between public and private capital underscores market maturity and a diversified growth architecture.

In India, IPOs are not just exits—they are a core growth tool.

Sources:EY, S&P Global, Valuation Research. Data for Q1-Q3 2025
Private Equity market fund raising considered for private markets.

Key Trends **Shaping India's Capital Markets in 2025**

A watershed year for Indian capital markets.

2025 marked a defining phase for India's primary markets, with 373 IPOs—comprising **103 mainboard and 270 SME issues—mobilising ₹1.95 trillion,** underscoring both scale and breadth of capital formation.

Deal sizes signal a step-change from the pre-2020 era.

Average mainboard IPO size increased from **~₹1,100 crore in 2015–2019 to ~₹1,570 crore during 2020–2025 YTD,** indicating stronger reliance on public markets for growth capital. SME IPO sizes more than doubled from ~₹11 crore to ~₹24 crore, reflecting deeper capital absorption and widening investor participation.

IPO market expansion reflects a decade-long structural upcycle.

Over the past ten years, **mainboard IPO fund-raising has grown at a 29% CAGR, anchoring overall capital mobilisation, while SME IPO fund-raising has expanded even faster at a 46% CAGR**, reflecting a deeper and more inclusive primary market ecosystem.

Bank-promoted financial listings deepen capital market credibility.

HDB Financial Services' **₹12,500 crore IPO in June 2025 became the largest bank-led IPO in India,** reinforcing the growing role of listed capital markets in monetising mature NBFC platforms.

IPO-led exits regain centre stage for private capital.

Exit activity remained resilient, **with 23 exits worth $3.2 billion recorded in November 2025, only marginally lower than the prior year,** signalling orderly monetisation amid selective risk appetite.

IPO activity remained broad-based across size buckets.

Between 2020 and 2025, the ₹100–500 crore segment grew at a **58% CAGR, while the ₹1,000–5,000 crore segment expanded at a faster 68% CAGR,** indicating parallel growth in mid-sized and large issuances.

Mega IPOs remained selective, not dominant.

Issues above ₹5,000 crore accounted for only **8–14% of total IPO volumes**, ensuring market activity was not overly dependent on episodic mega listings.

Tata Capital sets a new benchmark for scaled financial services listings.

Tata Capital's **₹15,510 crore** IPO emerged as the fourth-largest in Indian history, highlighting the market's ability to absorb large, institution-led issuances backed by strong parentage and governance credentials.

Public markets emerge as the preferred exit route.

IPOs accounted for **$1.5 billion across seven exits, clearly outperforming secondary sales and strategic exits,** reflecting improved public market liquidity and stronger demand for well-priced, earnings-backed assets.

Quality Power Electrical Equipments sets record for largest sole banking IPO.

The IPO of Quality Power Electrical Equipments was launched in February and raised nearly Rs 860 crore to set a record for the **largest-ever public issue to be managed by a single investment banker. Pantomath Capital was the merchant banker.**

Capital raising increasingly supported growth, not just exits.

Fresh issue components consistently accounted for **~35–40% of total IPO proceeds post-2021,** signalling rising use of IPOs as growth capital rather than pure monetisation.

League tables reflect a competitive and balanced ecosystem.

Leadership was shared **across banks and diversified financial services firms,** indicating a level playing field where execution capability, scale, and consistency—rather than legacy dominance—drive outcomes.

India's IPO fund-raising surges **nearly 12X over a decade, underscoring a structurally stronger primary market.**

Over the past ten years, India's IPO market has expanded sharply, with mainboard IPO fund-raising growing at a **29% CAGR**, anchoring overall capital mobilisation. Alongside this, SME IPO fund-raising has scaled even faster at a **46% CAGR, reflecting a broader and more inclusive primary market** that increasingly supports companies across stages of growth.

Exhibit: Amount Raised in IPOs (Rs Crore) (Mainboard IPOs)

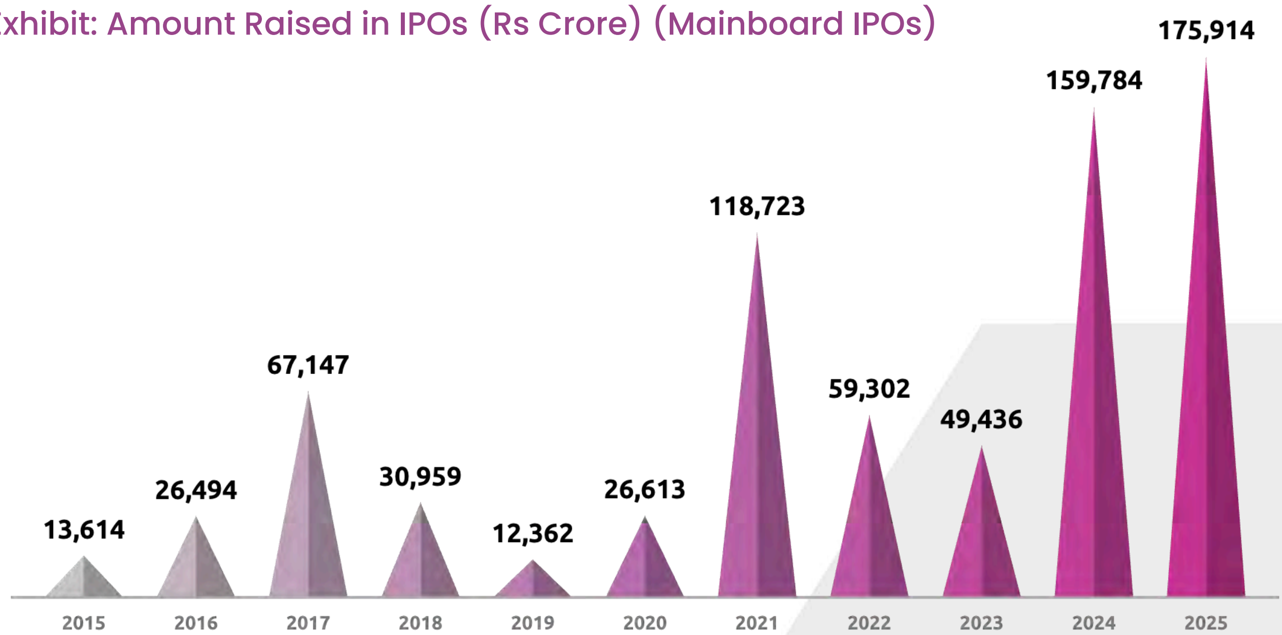
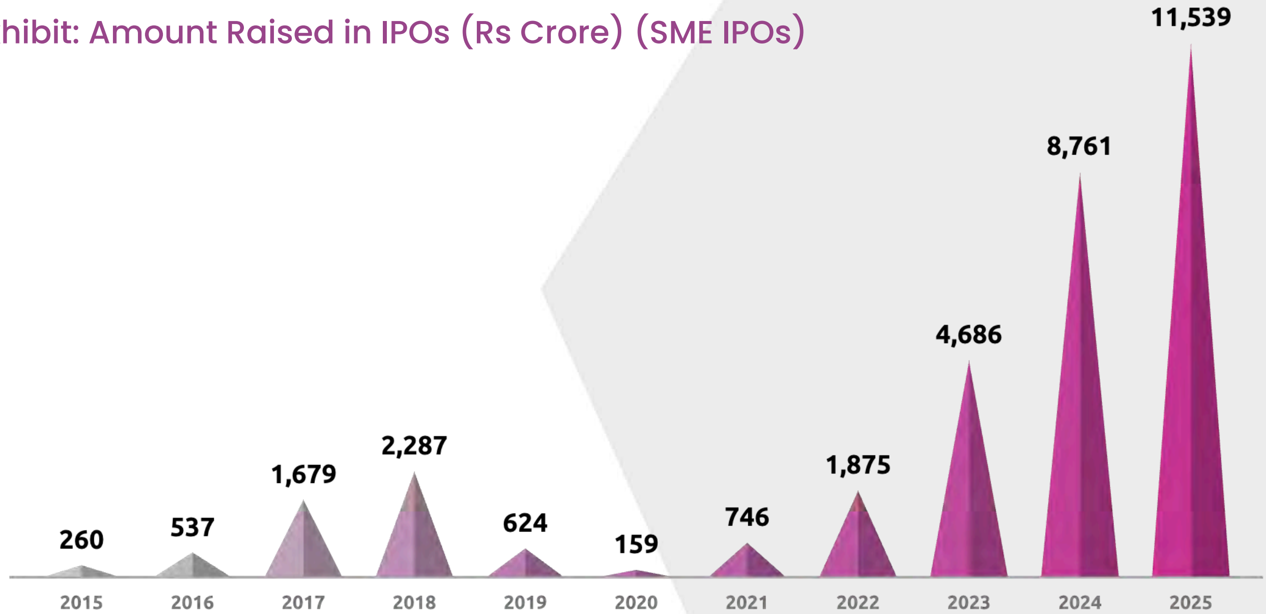


Exhibit: Amount Raised in IPOs (Rs Crore) (SME IPOs)



Source: Pantomath Group analysis Data as on: December, 2025

Post-2020 marks a step-change in India's IPO market.
Issues are up 2–3x, deal sizes meaningfully higher.

India's IPO market has transitioned from a selective fund-raising avenue to a scaled capital formation platform. A comparison of the pre-2020 period with the post-2020 phase highlights a clear structural shift, visible across both the **number of issues and average capital raised per issue.**

Exhibit: Number of issues and Average Size over a decade

MAINBOARD IPOs

Year	No of issues	Average Size
2015	21	648
2016	26	1,019
2017	36	1,865
2018	24	1,290
2019	16	773
2020	15	1,774
2021	63	1,884
2022	40	1,483
2023	57	867
2024	91	1,756
2025	103	1,708
CAGR	**16%**	**10%**

SME IPOs

Year	No of issues	Average Size
2015	43	6.05
2016	67	8.02
2017	133	12.63
2018	141	16.22
2019	51	12.23
2020	27	5.89
2021	59	12.65
2022	109	17.20
2023	182	25.75
2024	240	36.50
2025	270	43.15
CAGR	**20%**	**22%**

Source: Pantomath Group analysis | Data as on: December, 2025

Exhibit: Number of Issues in various size cohorts

	Number of issues						
Issue Size	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**CAGR**
100-500 cr	39	30	18	13	9	4	58%
500 - 1000 cr	28	27	21	13	22	6	36%
1000 - 5000 cr	27	26	16	10	26	2	68%
5000 cr +	8	7	0	2	6	2	32%

	% issues					
Issue Size	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**
100-500 cr	38%	33%	33%	34%	14%	29%
500 - 1000 cr	27%	30%	38%	34%	35%	43%
1000 - 5000 cr	26%	29%	29%	26%	41%	14%
5000 cr +	8%	8%	0%	5%	10%	14%
1000 - 2000 cr	11%					
2000 - 5000 cr	16%					

- **IPO volumes have risen sharply post-2020:**
  Mainboard issues increased **~2.5x** (25 to 62 on an average/year), while SME issues rose **~1.7x** (87 to 148 on an average/year), indicating broad-based participation.

- **Average issue sizes have moved meaningfully higher:**
  Mainboard IPO sizes increased from **₹1,119 crore** on an average **(2015–2019)** to **₹1,579 crore** on an average **(2020–2025 YTD)**, while SME IPO sizes more than doubled from **₹11 crore to ₹24 crore**.

- **Growth is spread across size bands, not concentrated:**
  Between 2020 and 2025, IPO activity expanded across all issue-size buckets. The **₹100–500 crore segment** witnessed strong volume growth (58% CAGR) in the past 5 years, while the **₹1,000–5,000 crore segment** scaled the fastest (68% CAGR).
  Mega issues (₹5,000 crore+) remained **episodic**, typically accounting for **8–14% of total issues**.

The post-2020 phase marks structural deepening in India's IPO market. The simultaneous rise in issuance volumes and average deal sizes across segments indicates that IPOs are increasingly being used for **growth capital**, not merely market access—reflecting deeper, more resilient primary markets, widening access to public capital across company sizes, and reinforcing IPOs as a **core financing engine** for India's growth cycle.

Bottom Line

India's IPO momentum is broad-based — powered by more issuers, larger average deals, and a balanced mix beyond mega listings.

Source: Pantomath Group analysis | Data as on: December, 2025

Mutual funds emerge as a key support — **but participation remains selective.**

As IPO volumes have scaled sharply, mutual funds have emerged as a key institutional pillar in the anchor book, providing both capital and signalling confidence to the broader market. Their participation, however, has remained measured rather than ubiquitous.

Exhibit: Mutual Fund anchor investors in 2025

Rank	Anchor Investor	Number of issues	Total Amount (Rs. Crore)	% Total Amount
1	SBI MUTUAL FUND	23	2,924	4.9
2	ICICI PRUDENTIAL MUTUAL FUND	33	2,446	4.1
3	HDFC MUTUAL FUND	31	2,379	4
4	NIPPON INDIA MUTUAL FUND	25	1,881	3.1
5	KOTAK MAHINDRA MUTUAL FUND	27	1,821	3
6	ADITYA BIRLA SUN LIFE MUTUAL FUND	29	1,807	3
7	AXIS MUTUAL FUND	28	1,432	2.4
8	MOTILAL OSWAL MUTUAL FUND	39	1,304	2.2
9	MIRAE ASSET MUTUAL FUND	25	1,071	1.8
10	TATA MUTUAL FUND	24	871	1.4
11	FRANKLIN TEMPLETON MUTUAL FUND	17	748	1.2
12	BANDHAN MUTUAL FUND	35	710	1.2
13	DSP MUTUAL FUND	16	685	1.1
14	EDELWEISS MUTUAL FUND	35	621	1
15	WHITEOAK CAPITAL MUTUAL FUND	20	596	1
16	HSBC MUTUAL FUND	20	529	0.9
17	INVESCO MUTUAL FUND	15	513	0.9
18	UTI MUTUAL FUND	14	468	0.8
19	BARODA BNP PARIBAS MUTUAL FUND	18	376	0.6
20	CANARA ROBECO MUTUAL FUND	11	284	0.5

Source: Pantomath Group analysis | **Data as on:** November, 2025

- **A small group of large AMCs dominates anchor participation**, with the top mutual funds contributing a meaningful share of total anchor capital deployed. **The top five AMCs account for ~20% of the total issue amount, while mutual funds overall have participated in ~26% of mainboard IPO issues.**

- Despite rising IPO activity, participation by even the most active mutual funds (top five) is **limited to ~28 IPOs on average**, reflecting a selective, conviction-driven approach.

- A significant number of IPOs have proceeded without any mutual fund participation, especially during high-issuance periods.

Mutual funds provide capital and credibility to the IPO market, but their selective participation shows they are disciplined, conviction-driven investors, not volume-driven participants.

Bottom Line

Mutual funds anchor the IPO market with depth and discipline—but remain selective, participating in only a fraction of total issues.

Global Confidence in Indian IPOs: FPIs (Foreign Portfolio Investors) provide global validation — **participation remains selective.**

Foreign Portfolio Investors (FPIs) continue to play an important role in India's IPO market by bringing global capital, benchmarking discipline, and international credibility to anchor books. Their participation, however, remains targeted rather than broad-based.

Exhibit: FPI anchor investors in 2025

Rank	Anchor Investor	Number of issues	Total Amount (Rs. Crore)	% Total Amount
1	FIDELITY	15	1,499	2.5
2	GOVT. OF SINGAPORE	11	1,427	2.4
3	GOLDMAN SACHS	26	1,406	2.3
4	NORGES	18	1,334	2.2
5	ASHOKA	26	1,236	2.1
6	CAPITAL	9	1,213	2
7	ABU DHABI INVESTMENT	17	1,040	1.7
8	NOMURA	18	955	1.6
9	PRUDENTIAL	23	753	1.3
10	BLACKROCK	9	716	1.2

Source: Pantomath Group analysis | **Data as on:** November, 2025

- Anchor participation is concentrated among a limited set of global institutions, including sovereign funds, global asset managers, and investment banks.

- Even the most active FPIs have participated in a relatively small number of IPOs, with overall FPI participation **spanning only ~18% of mainboard IPO issues on an average**.

FPI participation brings global validation and incremental depth to the anchor book, reflecting disciplined, valuation-aware engagement by overseas investors. While their coverage is selective, it underscores a healthy market structure—where domestic capital forms the core foundation, and FPIs enhance credibility and global benchmarking, acting as quality amplifiers rather than volume-driven participants. India is getting closer to how developed markets work—institutional investors controlling the big deals, retail driving smaller segments

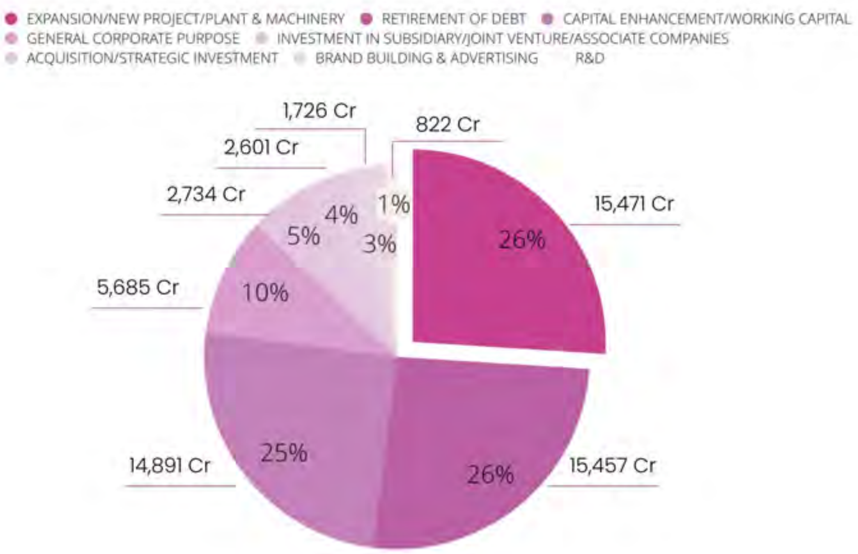
Bottom Line

FPIs strengthen India's IPO market by adding global credibility and discipline, selectively participating in ~18% of issues alongside a strong domestic capital base.

Why did India Inc. raise funds?
IPO proceeds are being channelled into expansion and balance-sheet strengthening.

Beyond listing momentum, the deployment of IPO proceeds offers a clear window into corporate intent. An analysis of fund utilisation shows that India Inc is using primary markets predominantly to build capacity, strengthen balance sheets, and support day-to-day growth needs, rather than for financial engineering.

Exhibit: Fund Raising purpose



Source: Pantomath Group analysis | **Data as on:** November, 2025

- **Expansion and new capacity lead the agenda:**
  The largest share of IPO proceeds (26%) has been directed towards **expansion, new projects, and investment in plant and machinery,** signalling confidence in long-term demand and capacity build-out.

- **Debt reduction is equally prominent:**
  Another **26%** of funds have been used for **retirement of debt,** reflecting a focus on balance-sheet repair and financial resilience, especially after years of elevated leverage.

- **Working capital needs remain central:**
  25% of proceeds have gone towards **capital enhancement and working capital,** underlining the operational intensity of growth across sectors.

- **Strategic uses remain secondary:**
  Acquisitions, subsidiary investments, brand building, and R&D together form a smaller share, indicating that IPOs are primarily being used for **core business strengthening.**

The dominance of expansion-led fund usage aligns with India's broader economic trajectory—**manufacturing push, infrastructure build-out, and supply-chain diversification,** supported by government initiatives such as **PLI schemes and Make in India.** This pattern reinforces the view that IPOs are funding **real economy growth,** not just financial restructuring.

Bottom Line

India Inc is using IPOs to build, de-leverage, and scale—reflecting confidence in domestic growth and a decisive shift towards capacity creation.

Sector break-up:
Fund-raising concentrated in growth-facing and capital-intensive sectors.

The sectoral distribution of IPO fund-raising reveals where capital demand is most acute in the current cycle. Rather than being broad but shallow, fund mobilisation is **concentrated in a set of sectors aligned with financialisation, consumption, manufacturing, and services-led growth.**

Exhibit: Sector-wise issues

Industry	% Issue amount
FINANCIAL SERVICES/INVESTMENTS	29
ELECTRONICS-CONSUMER & MEDIA	8
INFORMATION TECHNOLOGY-SOFTWARE	7
HOUSEHOLD & PERSONAL PRODUCTS	5
COMMERCIAL SERVICES & SUPPLIES	4
HOTELS, RESORTS, RESTAURANTS & TOURISM	4
AUTOMOBILE COMPONENTS/ANCILLARIES	4
ELECTRIC/ ELECTRONICS EQUIPMENT	4
PHARMACEUTICALS & DRUGS	4
ENGINEERING	4
EDUCATION	3
CEMENT & CONSTRUCTION MATERIALS	3
HOSPITALS/DIAGNOSTIC SERVICES	2
TRAVEL/TRANSPORTATION/COURIER(PASSENGER/CARGO)	2
AUTOMOBILES- 2 & 3 WHEELERS	2
INFORMATION TECHNOLOGY-HARDWARE	2
INSURANCE	2
HOUSING/CIVIL CONSTRUCTION/REAL ESTATE	2
FOOD & FOOD PROCESSING	2
DIAMOND CUTTING & JEWELLERY	1

Source: Pantomath Group analysis | **Data as on:** November, 2025

- **Financial services dominate fund mobilisation:**
  Financial services and investments alone account for **~30% of total IPO proceeds,** underscoring the central role of NBFCs, asset managers, insurers, and financial platforms in India's growth narrative.

- **Capital is concentrated across a limited set of sectors:**
  The **top 13 sectors together contribute over 80% of total issue amount,** indicating focused capital allocation rather than fragmented fund-raising.

- **Manufacturing and industrial segments show strong presence:**
  Sectors such as engineering, pharmaceuticals, electrical equipment, automobile components, cement, and construction materials together form a **meaningful share of IPO proceeds,** reflecting capacity expansion and domestic manufacturing momentum.

- **Services and consumption themes remain relevant:**
  IT services, electronics and media, household & personal products, hospitality, education, and healthcare highlight **structural demand drivers linked to consumption, digitalisation, and urbanisation.**

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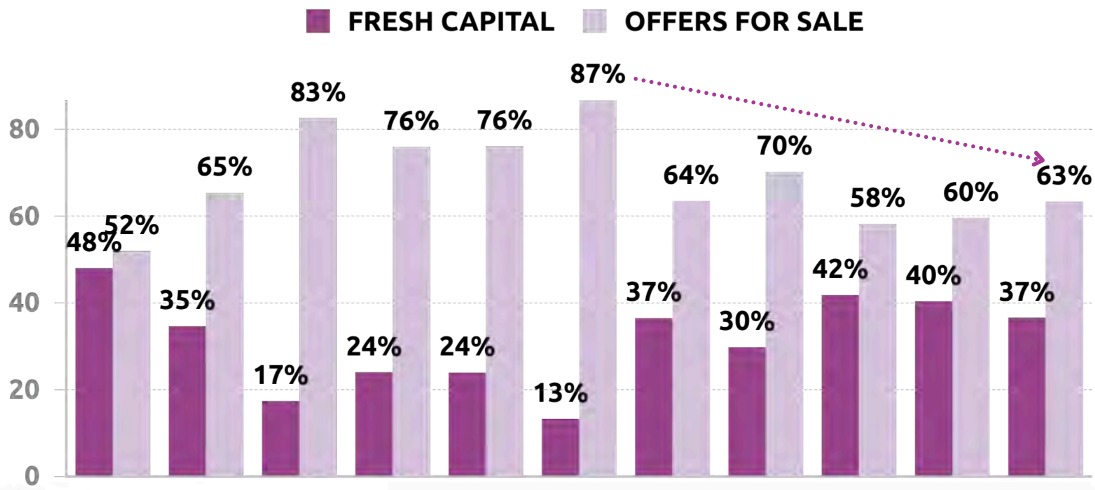
IPO fund-raising tilts decisively towards scale, **with fresh capital rising alongside promoter monetisation**

While offers for sale (OFS) have historically dominated issuance—particularly during periods of market stress or valuation-driven exits—the **post-2020 phase shows a more balanced mix.** Fresh capital mobilisation has risen sharply in absolute terms, signalling that IPOs are increasingly being used not only for shareholder exits but also to fund expansion, strengthen balance sheets, and support long-term growth.

Exhibit: % Amount Raised via Fresh Capital and OFS (Offers for Sale)



Issue Amount (Rs Cr)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	CAGR Pre 2020	CAGR Post 2020
Fresh Capital	6,540	9,176	11,680	7,444	2,960	3,531	43,329	17,659	20,663	64,499	64,437	-18%	79%
Offers for Sale	7,074	17,318	55,468	23,515	9,402	23,082	75,394	41,643	28,773	95,285	111,477	7%	37%

OFS remains dominant, but fresh capital is structurally higher post-2020

While the share of OFS was higher than last year, it was primarily due to the huge OFS component in the largest offerings of 2025 – Tata Capital, HDB Financial Services, LG Electronics India, ICICI Prudential AMC, Hexaware Technologies, Lenskart Solutions, and Billionbrains Garage Ventures (Groww). However, since 2021, fresh capital has consistently contributed 35–40% of total issuance—significantly higher than pre-2020 levels—indicating a growing role of IPOs in funding business expansion.

Fresh capital deployment scales with market cycles

Years marked by strong issuance activity (2021, 2024, and 2025) also show sharp increases in absolute fresh capital raised, suggesting that favourable market conditions are being actively used by issuers to raise growth capital, not merely to provide exits.

Market maturity reflected in balanced issuance structures

The coexistence of sizeable OFS components with rising fresh capital points to a maturing IPO market—one that simultaneously supports capital formation for companies and liquidity creation for existing shareholders, without being skewed excessively towards either objective.

Source: Pantomath Group analysis Data as on: December, 2025

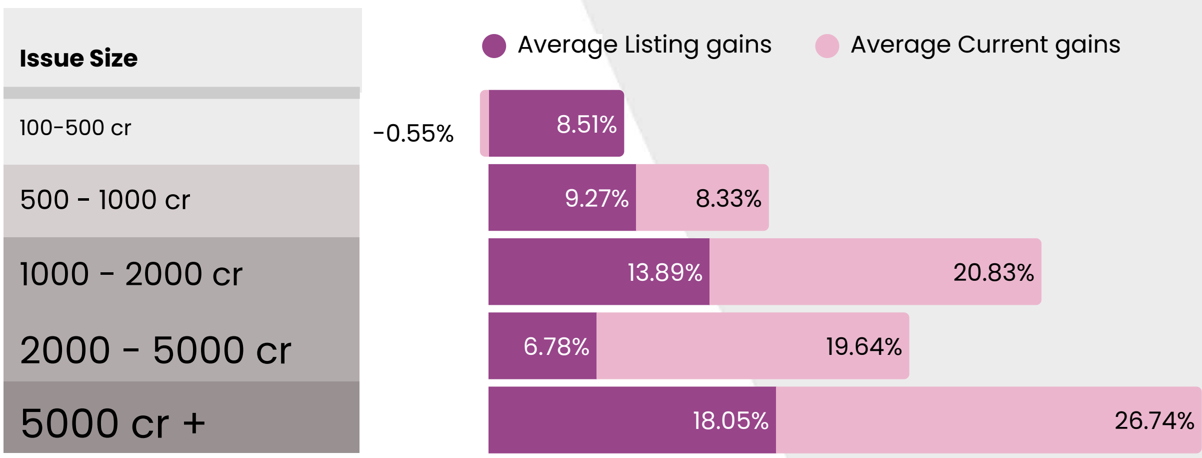
IPO returns: Strong dispersion — **returns driven by business quality, not deal size.**

As India's IPO market has expanded in breadth and depth, investor evaluation has **evolved beyond listing-day performance to returns across time.** A combined analysis of top-performing IPOs and size-wise return trends highlights a market where outcomes are increasingly driven by business **quality, scale, and execution.**

Exhibit: Top 10 performers in terms of IPO gains

Company	Issue Amount (Rs Cr)	Issue Price	CMP	Gains (%)
ADITYA INFOTECH LTD.	1,300	675	1,554	130.18%
STALLION INDIA FLUOROCHEMICALS LTD.	199.45	90	206	128.72%
ATHER ENERGY LTD.	2,980.76	321	706	120.05%
BELRISE INDUSTRIES LTD.	2,150	90	168	87.17%
JAIN RESOURCE RECYCLING LTD.	1,250	232	422	81.83%
QUALITY POWER ELECTRICAL EQUIPMENTS LTD.	858.7	425	742.1	74.61%
PROSTARM INFO SYSTEMS LTD.	168	105	179.25	70.71%
MEESHO LTD.	5,421	111	187.75	69.14%
BILLIONBRAINS GARAGE VENTURES LTD.	6,632.3	100	160	60.30%
ANAND RATHI SHARE & STOCK BROKERS LTD.	745	414	661	59.73%

Exhibit: Issue size-wise performance in terms of listing gains and current gains



Source: Pantomath Group analysis Data as on: December 23, 2025

Exhibit: Issues listed at a discount or premium

% of issues listed at premium

75%

% of issues listed at discount

25%

Strong performers emerge across issue sizes.

Top-returning IPOs are spread across large, mid-sized, and smaller offerings, reinforcing that returns are not confined to any single size bracket.

Returns are not driven by hype, but by fundamentals

The dispersion across size bands reinforces that pricing discipline and business strength are increasingly shaping IPO outcomes.

Clear distinction between listing gains and current gains by size

Smaller IPOs (₹100–500 crore and ₹500–1,000 crore) delivered healthy listing gains (8–9%), but show flatter or modest current gains, reflecting near-term volatility and execution sensitivity. In contrast, larger IPOs (₹1,000 crore+) show higher current gains than listing gains, indicating stronger post-listing performance as business fundamentals play out over time.

Returns strengthen with scale and visibility

IPOs above ₹5,000 crore delivered the highest average listing gains (18%) and current gains (27%), reflecting deeper institutional participation and stronger earnings visibility.

Smaller IPOs deliver reasonable listings, mixed longer-term outcomes

IPOs below ₹1,000 crore recorded 8–9% average listing gains, with more varied current performance—typical of businesses at earlier stages of scale.

Mid-sized IPOs show sustained post-listing performance

Issues in the ₹1,000–2,000 crore range posted 14% average listing gains and 21% average current gains, highlighting the market's preference for scalable businesses with growth visibility.

The size-wise return profile highlights a maturing IPO market where investors increasingly reward scale, governance, and earnings visibility. Larger, well-structured issuances are delivering more consistent outcomes, while smaller IPOs offer higher variability and selective upside. **With nearly 75% of IPOs listing at a premium, the data points to healthy investor demand and improving pricing discipline across the primary market.**

Bottom line

India's IPO market is rewarding scale and fundamentals—delivering stronger, more sustained returns as issue size and business visibility increase.

Pantomath Capital Advisors (P) Ltd

Geographical response to IPOs: **Participation is deep, dispersed, and increasingly non-metro led.**

IPO demand in India is no longer confined to traditional financial centres. An analysis of city-wise retail and HNI participation highlights how investor appetite has broadened geographically, with strong participation emerging from Tier II and Tier III cities alongside metros.

Exhibit: City-wise applications and collection amount - Retail

Rank	City	% Applications	% Collection Amount
1	MUMBAI	37	36
2	BHILAI	9	10
3	AHMEDABAD	4	4
4	SURAT	3	3
5	RAJKOT	3	3
6	DELHI/NEW DELHI	2	2
7	JAIPUR	2	2
8	BHAVNAGAR	2	2
9	MEHSANA	2	1
10	GANDHINAGAR	1	1

Exhibit: City-wise applications and collection amount - NII (Non-Institutional Investors)

Rank	City	% Applications	% Collection Amount
1	MUMBAI	38	39
2	AHMEDABAD	9	9
3	KENDRAPARA	3	6
4	JAIPUR	3	4
5	RAJKOT	4	3
6	SURAT	4	3
7	CHENNAI	6	3
8	DELHI/NEW DELHI	2	2
9	BHAVNAGAR	2	2
10	HISAR	1	1

Source: Pantomath Group analysis Data as on: November 30, 2025

Mumbai remains the undisputed anchor city.

Mumbai accounts for **~37% of retail applications and ~38% of HNI applications,** contributing ~36–39% of total collections across both segments. This reflects the city's concentration of financial intermediaries, HNIs, and market-savvy retail investors.

Gujarat emerges as a dominant non-metro cluster.

Cities such as **Ahmedabad, Surat, Rajkot, Bhavnagar, Mehsana, and Gandhinagar** feature prominently across both retail and HNI participation. Collectively, Gujarat-based cities contribute a disproportionately high share of applications and collections, underscoring strong equity participation and entrepreneurial wealth in the state.

Smaller cities outperform expectations.

Bhilai ranks second in retail applications (9%) and collections (10%), an outlier that highlights the growing penetration of IPO investing beyond major metros. Similar patterns are visible in cities **like Kendrapara and Hisar in the HNI segment.**

Traditional metros (excluding Mumbai) are not clear leaders

Cities like Delhi/New Delhi and Chennai show relatively lower shares of applications and collections **compared to several smaller cities,** especially in the retail segment—indicating a shift in retail IPO enthusiasm towards non-metro regions.

HNIs show broader geographic spread than retail

While HNI participation remains Mumbai-led, demand is more evenly distributed across cities such as Ahmedabad, Jaipur, Surat, Rajkot, and Chennai, suggesting decentralised wealth participation.

The data reflects a structural broadening of India's investor base, driven by deeper financialisation, digital access, and rising participation from emerging cities. Strong non-metro demand improves the resilience and sustainability of IPO markets by reducing over-reliance on a few financial centres.

Bottom line

India's IPO demand is no longer metro-centric—while Mumbai anchors the market, participation from Gujarat and smaller cities is powering its next phase of growth.

Other fund-raising avenues – **IPOs complemented by institutional capital routes.**

Alongside a buoyant IPO market, Indian companies have actively tapped alternative capital-raising channels—notably QIPs and Rights Issues—to meet funding needs across cycles. These avenues have played a critical role in providing flexibility, speed, and scale of capital.

Exhibit: FPO, Rights Issues and QIP trend

FPOs			RIGHTS ISSUES			QIPs		
Year	No of Issues	Issue Amount (Rs Cr)	Year	No of Issues	Issue Amount (Rs Cr)	Year	No of Issues	Issue Amount (Rs Cr)
2015	0	0	2015	13	12,568	2015	32	19,065
2016	0	0	2016	10	1,914	2016	16	4,712
2017	0	0	2017	19	6,548	2017	43	56,152
2018	0	0	2018	13	18,827	2018	25	16,587
2019	0	0	2019	12	52,053	2019	11	35,238
2020	1	15,000	2020	20	64,984	2020	25	80,816
2021	0	0	2021	11	27,771	2021	35	41,997
2022	1	4,300	2022	10	3,884	2022	14	11,743
2023	0	0	2023	12	7,266	2023	45	52,350
2024	1	18,000	2024	19	21,358	2024	95	136,060
2025	0	0	2025	38	41,943	2025	32	61,554

Source: Pantomath Group analysis Data as on: November 30, 2025

QIPs have emerged as the most consistently used non-IPO route.

QIP activity shows a clear structural rise post-2020, with issuance peaking in 2024 (₹1.36 lakh crore across 95 issues). Even in 2025 (YTD), QIPs remain active, reinforcing their role as the preferred mechanism for large, institution-led fund raising.

Rights issues display episodic but high-ticket activity.

While the number of rights issues remains modest, issuance volumes spike sharply during periods of balance-sheet repair or capital augmentation—most notably in 2020 and 2025, reflecting use during stress or strategic inflection points.

FPOs remain rare and opportunistic.

FPO issuance has been sporadic, with activity concentrated in select years (2020, 2022, 2024). This suggests FPOs are typically used by large, well-followed issuers when market conditions are highly supportive.

Post-2020 marks a structural shift towards diversified fund-raising.

The period after 2020 shows a clear expansion in both frequency and scale of non-IPO fund-raising, especially via QIPs—highlighting deeper institutional participation and improved capital market maturity.

The growing reliance on QIPs and selective use of rights issues demonstrate that Indian capital markets now offer multiple, scalable pathways for fund raising, reducing dependence on IPOs alone. This flexibility strengthens corporate balance sheets and enhances the market's ability to support growth across cycles.

Bottom line

IPOs may drive visibility, but QIPs and rights issues increasingly power scale—signalling a deeper, more versatile capital market ecosystem in India.

Merchant banker league tables: **Scale and execution drive leadership in deal-making.**

India's IPO ecosystem increasingly rewards merchant bankers who combine deal volume with execution capability. Tracking league tables by number of issues and total capital raised reveals which banks are consistently trusted by issuers, reflecting both market reach and the ability to handle complex transactions.

Exhibit: Merchant banker league table

DOMESTIC MERCHANT BANKERS

In terms of number of IPOs

Rank	Merchant Banker	Total No of IPOs	Average Gains on Listing Day
1	IIFL Capital Services Ltd.	28	11.12%
2	JM Financial Ltd.	27	11.57%
3	Motilal Oswal Investment Advisors Ltd.	23	10.96%
4	Axis Capital Ltd.	22	14.41%
5	Kotak Mahindra Capital Co.Ltd.	21	13.79%
6	ICICI Securities Ltd.	19	7.14%
7	SBI Capital Markets Ltd.	17	6.51%
8	Nuvama Wealth Management Ltd.	14	2.55%
9	Dam Capital Advisors Ltd.	11	3.60%
10	Pantomath Capital Advisors Pvt.Ltd.	7	9.08%

DOMESTIC MERCHANT BANKERS

In terms of Average Listing Day Gains

Rank	Merchant Banker	Total No of IPOs	Average Gains on Listing Day
1	Axis Capital Ltd.	22	14.41%
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4	IIFL Capital Services Ltd.	28	11.12%
5	Motilal Oswal Investment Advisors Ltd.	23	10.96%
6	Pantomath Capital Advisors Pvt.Ltd.	7	9.08%
7	ICICI Securities Ltd.	19	7.14%
8	SBI Capital Markets Ltd.	17	6.51%
9	Dam Capital Advisors Ltd.	11	3.60%
10	Nuvama Wealth Management Ltd.	14	2.55%

Source: Pantomath Group analysis

Exhibit: Merchant banker league table

DOMESTIC MERCHANT BANKERS

Left Lead Ranking

Rank	Investment Banker	Total No. of issues
1	JM Financial	14
2	Kotak Mahindra Cap	9
3	I-SEC	9
4	Axis Cap (Enam)	8
5	Nuvama	7
6	Pantomath	7
7	IIFL Capital Services	6
8	DAM Capital	5
9	Motilal Oswal	5
10	Monarch Networth	3

Volume leaders dominate deal activity.
In terms of number of issues, the market leader completed 28 transactions, followed by two other firms with 27 and 23 respectively. Mid-tier players maintain steady presence with ~20 deals on an average, highlighting the competitive depth among domestic private merchant bankers.

Listing-day performance varies meaningfully across bankers.
Average listing-day gains range from low single digits to mid-teens, even among firms with similar deal volumes, indicating that pricing discipline and execution quality materially influence outcomes.

Scale and execution together shape market credibility.
Leadership in India's IPO market reflects the ability to combine deal volume with disciplined execution, reinforcing issuer trust and investor confidence.

Source: Pantomath Group analysis

Leadership in both deal count and gains signals strong market trust, execution capability, and relationship depth with issuers. Banks at the top of these league tables are better positioned to influence pricing, allocation, and transaction structuring—critical factors in successful IPO outcomes.

Bottom line

The league tables reflect a diverse mix of specialist investment banks and multi-product financial services firms, underscoring a level and competitive playing field in India's IPO ecosystem—where leadership is earned through execution capability and consistency rather than structural advantage.

Key regulatory changes shaping India's IPO market in 2025.

SEBI's regulatory actions in 2025 reflect a calibrated shift towards improving the quality, stability, and institutional depth of the IPO market. Rather than sweeping reforms, the focus has been on targeted interventions that strengthen price discovery, curb excesses, and facilitate long-term capital participation.

SWAGAT-FI framework simplifies access for trusted foreign investors

SEBI introduced the SWAGAT-FI (Single Window Automatic & Generalised Access for Trusted Foreign Investors) framework to streamline the registration and participation of low-risk foreign investors, including sovereign wealth funds, insurance companies, and well-regulated global asset managers. The framework reduces documentation requirements, accelerates onboarding timelines, and offers longer registration validity.

Impact:

The reform lowers operational friction for global capital, enabling faster and more efficient participation in IPO anchor books. It enhances India's appeal as a primary market destination while ensuring that foreign participation remains concentrated among credible, long-term institutions.

SME IPO norms tightened to moderate volatility and speculation

SEBI strengthened the regulatory framework for SME IPOs through tighter eligibility norms, enhanced post-listing price control mechanisms, and higher minimum investment thresholds. Profitability requirements and operating history criteria were raised, while circuit filters were calibrated to manage excessive post-listing price movements.

Impact:

These measures address speculative excesses observed in the SME segment and reposition it as a platform for genuine capital formation. The tighter framework improves investor protection, reduces extreme volatility, and supports more sustainable post-listing performance.

Anchor investor framework reinforced to improve post-listing stability

SEBI continued to reinforce the anchor investor framework by extending lock-in requirements for portions of anchor allocations and encouraging participation by long-term institutional investors. The objective is to limit rapid post-listing exits and strengthen commitment at the time of issuance.

Impact:

A more disciplined anchor book enhances price stability, improves confidence among non-institutional investors, and strengthens the credibility of price discovery during IPOs.

Key regulatory changes shaping India's IPO market in 2025 contd..

Enhanced flexibility in minimum public shareholding timelines for large issuers

SEBI provided greater flexibility to large and mega-cap issuers in meeting Minimum Public Shareholding (MPS) requirements by extending phased timelines post-listing. Companies with lower public float at listing are now afforded additional time to comply with prescribed thresholds.

Impact:

The reform makes India's IPO regime more accommodating for founder-led and large global issuers, balancing promoter control with long-term liquidity objectives and reducing execution risk for large offerings.

Ongoing refinement of disclosure and governance standards

SEBI continued to refine disclosure, related-party transaction, and governance norms, adopting a more proportional, scale-linked approach to compliance. Oversight expectations for listed entities and market infrastructure institutions were strengthened to improve transparency and accountability.

Impact:

These refinements raise the overall quality of issuers entering public markets while maintaining regulatory efficiency, contributing to a more resilient and trustworthy IPO ecosystem.

Regulatory changes in 2025 underscore SEBI's focus on market quality over market volume. By easing access for credible global capital, tightening standards where excesses emerged, and strengthening institutional frameworks, the regulator has reinforced the foundations of India's IPO market while allowing growth momentum to continue.

Outlook 2026

The Indian capital markets enter 2026 from a position of structural strength rather than cyclical exuberance. The momentum built over the post 2020 period has fundamentally altered the role of public markets in capital formation, positioning them as a permanent and scalable funding avenue for Indian enterprises.

The data from 2025 establishes a high base. **A total of 373 IPOs, including 103 mainboard and 270 SME issues, mobilized approximately ₹1.95 trillion, placing India first globally by number of IPOs and accounting for nearly 28 percent of global listings.** Importantly, this growth has not been volume driven alone. **Average mainboard issue sizes have risen from roughly ₹1,100 crore in the 2015 to 2019 period to about ₹1,570 crore during 2020 to 2025, while SME issue sizes have more than doubled to over ₹24 crore. This indicates that issuers are increasingly using public markets for balance sheet strengthening and growth capital rather than mere visibility or exits.**

Looking ahead to 2026, issuance volumes are expected to remain elevated but more calibrated. Based on historical trends and the visible pipeline, mainboard IPO activity is likely to remain in the 100 to 120 range, while SME listings could exceed 250, subject to market conditions. Fund mobilization is expected to normalize from the 2025 peak but remain well above long term averages, supported by a decade long CAGR of 29 percent in mainboard fundraising and 46 percent in SME fundraising.

Investor behavior will continue to shape market quality. Mutual funds and FPIs have participated selectively. This discipline is likely to persist in 2026, reinforcing pricing rationality and post listing stability. Returns data already shows that nearly three fourths of IPOs list at a premium, with sustained gains increasingly linked to scale, governance, and earnings visibility rather than deal size alone.

Outlook 2026 Contd.

Sectorally, **new age businesses in financial services, manufacturing, infrastructure linked industries, and consumption-oriented businesses are expected to dominate issuance.** The increasing use of QIPs, which peaked at ₹1.36 trillion in 2024, alongside rights issues, will further complement IPOs, creating a multi-channel capital raising ecosystem.

In summary, **2026 is expected to mark a phase of consolidation and quality led growth for Indian capital markets.** Issuance activity will be shaped by a more selective, institutionally anchored market environment, with stronger emphasis on issuer quality, governance standards, and earnings visibility. Market depth, pricing discipline, and institutional maturity are set to strengthen further, reinforcing India's position as one of the most resilient and structurally robust equity markets globally. We anticipate a shift towards larger offerings across both mainboard and SME segments, resulting in higher average issue sizes. **On this basis, primary market fund mobilisation in 2026 is expected to be in the range of ₹3.5 to ₹4.0 lakh crore.**

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