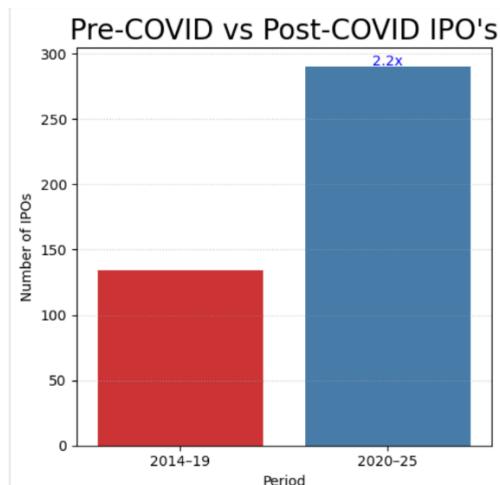


Number of IPOs: Pre-COVID vs Post-COVID



The Indian IPO landscape witnessed a dramatic transformation in recent years. The number of IPOs surged from 134 in the pre-COVID period (2014–2019) to 290 in the post-COVID period (2020–2025), marking an extraordinary 116.4% increase. This remarkable jump reflects one of the most profound structural shifts in the history of capital markets, shaped by a combination of economic conditions, regulatory initiatives, and evolving investor behavior.

Key Drivers Behind the Post-COVID IPO Boom

1. Monetary Policy and Low Interest Rates

An accommodating monetary policy and historically low interest rates played a pivotal role in fueling IPO activity. Research suggests that IPOs launched during such periods tend to deliver stronger long-term returns, defying the conventional notion of overvaluation risk. This favorable monetary environment provided the foundational backdrop for the surge in listings.

2. Regulatory Reforms and Market Infrastructure

The Securities and Exchange Board of India (SEBI) introduced several investor-friendly reforms that streamlined the IPO process. These regulatory improvements reduced procedural complexities, enhanced transparency, and increased market accessibility for both issuers and investors.

3. Retail Investor Revolution

The pandemic triggered an unprecedented wave of retail investor participation in the equity markets.

- **Demat Account Expansion:** CDSL account numbers jumped from 2.12 crore in March 2020 to over 5 crore by 2022, representing over 58% annual growth.
- **Digital Trading Platforms:** The rise of intuitive, app-based trading platforms dismantled traditional barriers to market entry.
- **FOMO Effect:** The fear of missing out on listing gains drove herd-like participation.
- **Demographic Shift:** A younger investor base, particularly millennials, began actively engaging in equity markets during lockdowns.

This surge in retail participation fueled consistent demand for new listings, with the average number of applications per IPO increasing from 6.13 lakh in FY19 to 15.68 lakh in FY22.

4. Economic Recovery and Sectoral Growth

India's strong post-COVID economic recovery created an ideal environment for IPO launches.

- **GDP Resilience:** While many global economies contracted, India sustained positive growth rates.
- **Sectoral Transformation:** High-growth sectors such as technology, healthcare, fintech, and e-commerce thrived.
- **Digital Economy Expansion:** The pandemic accelerated digital adoption, paving the way for innovative business models and new investment opportunities.

Companies operating in these rapidly growing industries found eager investors ready to participate in India's evolving digital and economic growth story.

5. Private Equity and Venture Capital Exit Strategies

Public markets became an increasingly important exit route for institutional investors. In 2024, IPOs accounted for 68% of all private equity and venture capital exits in India, up from 60% in 2023. This trend underlined the strategic role of IPOs in unlocking value for early-stage investors.

6. Underpricing and Market Volatility

Post-COVID IPOs displayed significantly higher levels of underpricing compared to their pre-COVID counterparts.

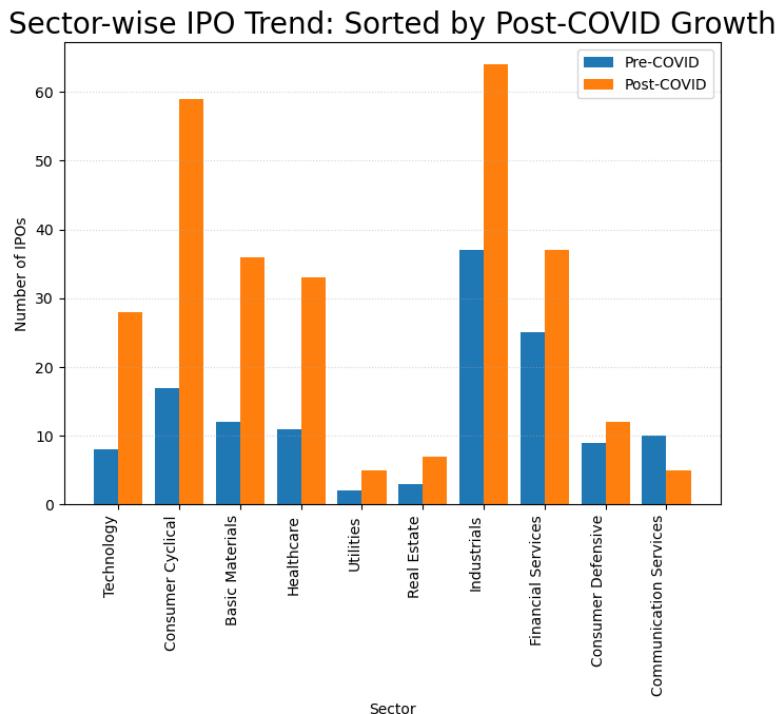
- **Information Uncertainty:** The pandemic environment introduced greater uncertainty, amplifying first-day price swings.
- **Investor Optimism:** Bullish sentiment led to aggressive valuations followed by price corrections.
- **Sectoral Concentration:** The dominance of technology and healthcare IPOs contributed to heightened volatility.

7. Long-Term Performance Challenges

While many post-COVID IPOs enjoyed strong debuts, sustaining those valuations proved difficult for several issuers.

- **Overvaluation Risks:** Numerous companies entered the market at inflated valuations during peak investor enthusiasm.
- **Weak Fundamentals:** Some offerings prioritized favorable market timing over robust business strength.
- **Market Corrections:** Broader market downturns in 2022–2023 disproportionately impacted newly listed firms.

Sector-wise IPO Trend (Pre vs Post-COVID)



India's IPO landscape is undergoing a remarkable transformation, with four sectors—**Technology (250% growth)**, **Consumer Cyclical (247.1%)**, **Basic Materials (200%)**, and **Healthcare (200%)**—emerging as the leaders of this post-COVID boom. At the same time, **Communication Services** stands out as the only major sector to shrink, contracting by 50%. Together, these trends highlight the nation's economic shift toward digital adoption, consumption-led growth, and infrastructure development.

The Hyper-Growth Revolution: Technology and Consumer Transformation

Technology – The Digital India Catalyst

Technology's extraordinary rise from 8 to 28 IPOs marks the most significant sectoral change in recent years. This 250% growth mirrors the country's accelerated digital adoption during the pandemic. Several factors have contributed to this surge:

- **Digital Economy Expansion:** India's digital economy is set to contribute nearly one-fifth of national income by 2029–30, growing almost twice as fast as the overall economy. In 2022–23, the sector already made up 11.74% of GDP (₹31.64 lakh crore) and employed over 14.6 million people—boasting productivity nearly five times higher than other sectors.
- **Startup Ecosystem Growth:** The post-pandemic period saw unprecedented tech IPO activity. Companies such as Zomato (₹9,375 crore) and Nykaa (₹5,351 crore) paved the way, with future listings expected from PhonePe, Meesho, and Groww. Over 30 tech startups worth a combined \$100 billion are preparing for IPOs by 2027.

- **Policy Support:** The Government's *Digital India* mission and SEBI's startup-friendly reforms, such as streamlined ESOP policies, have made public listings more accessible. COVID-19's acceleration of digital transformation further boosted investor appetite.
- **Valuation Advantage:** Many Indian tech startups now command higher valuations domestically than on foreign exchanges, prompting several to adopt "reverse flipping" and relocate their domicile to India for better market reception.

Consumer Cyclical – The Consumption Renaissance

The Consumer Cyclical sector's 247.1% jump underscores India's transition toward consumption-driven growth, intensified by pandemic-driven lifestyle changes:

- **Changing Spending Patterns:** COVID-19 reshaped consumer habits, prioritizing essentials, healthcare, and digital commerce, while reducing spending on travel and leisure. Post-pandemic recovery has shown a "K-shaped" pattern, with premium spending led by affluent households.
- **E-Commerce Surge:** Lockdowns fueled online retail growth. Companies like Meesho are preparing ₹4,250 crore IPOs, while FirstCry and Vishal Mega Mart are redefining the retail landscape.
- **Retail Expansion:** IPO proceeds are funding aggressive store expansions. For example, More Retail plans to grow from 775 outlets to 3,000 by 2030, showcasing the sector's scale and investment appeal.

Infrastructure and Healthcare Boom

Basic Materials – The Building Blocks of Growth

Basic Materials' 200% growth reflects India's large-scale infrastructure push and manufacturing drive under *Make in India* and Production Linked Incentive (PLI) programs. This sector covers steel, cement, chemicals, and other raw materials essential for industrial expansion.

- **Manufacturing Strength:** Contributing around 14% to GDP and employing over 27 million people, manufacturing has been a key beneficiary of government-led investments.
- **Railway and Infrastructure Push:** The ₹2.7 trillion railway budget for FY 2025–26 and mega-projects like the Delhi-Mumbai Industrial Corridor are creating unprecedented demand. Listed companies such as IRCON International (+278%), RITES (+322%), and RVNL (+1,784%) have delivered exceptional returns on the back of this boom.

Healthcare – The Pandemic Legacy

The healthcare sector's 200% growth has been driven by a heightened focus on medical infrastructure and innovation. Globally, healthcare IPOs in Q1 2021 more than doubled year-over-year, reaching valuations of \$13.8 billion. In India, investor interest remains strong in areas like health technology, diagnostics, and pharmaceutical R&D, with pandemic lessons continuing to shape funding priorities.

The Contracting Sector: Communication Services' Decline

While most sectors expanded, Communication Services contracted by 50%, reflecting deep structural challenges:

- **Telecom Headwinds:** Key players faced steep declines—Vodafone Idea (-50.79%), Tata Communications (-27.26%), and Uniinfo Telecom (-42.71%). While Bharti Airtel posted a 46.38% gain, the sector overall struggled.
 - **Market Saturation:** With 84.88% teledensity, growth opportunities are limited. Competition has driven down Average Revenue Per User (ARPU), and OTT platforms are eroding traditional telecom revenue.
 - **High Capital Demands:** Heavy infrastructure investments, regulatory hurdles, and constant tech upgrades have made the sector less attractive for IPOs.
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Market Performance and Sectoral Shifts

The analysis also reveals changes in sector rankings and market concentration:

- **Shifts in Leadership:** Industrials remain the largest sector by IPO count (64 IPOs, 22.4% market share), but Consumer Cyclical has climbed to second place (59 IPOs, 20.6%), overtaking Financial Services.
 - **Gains and Losses:** Consumer Cyclical gained the most share (+7.9 percentage points), followed by Technology (+3.8) and Basic Materials (+3.6). In contrast, Financial Services (-5.8) and Industrials (-5.2) saw declines.
 - **Concentration Trends:** The combined share of the top three sectors fell from 59% pre-COVID to 55.9% post-COVID, indicating a more diversified IPO market.
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Performance Outlook and Risks

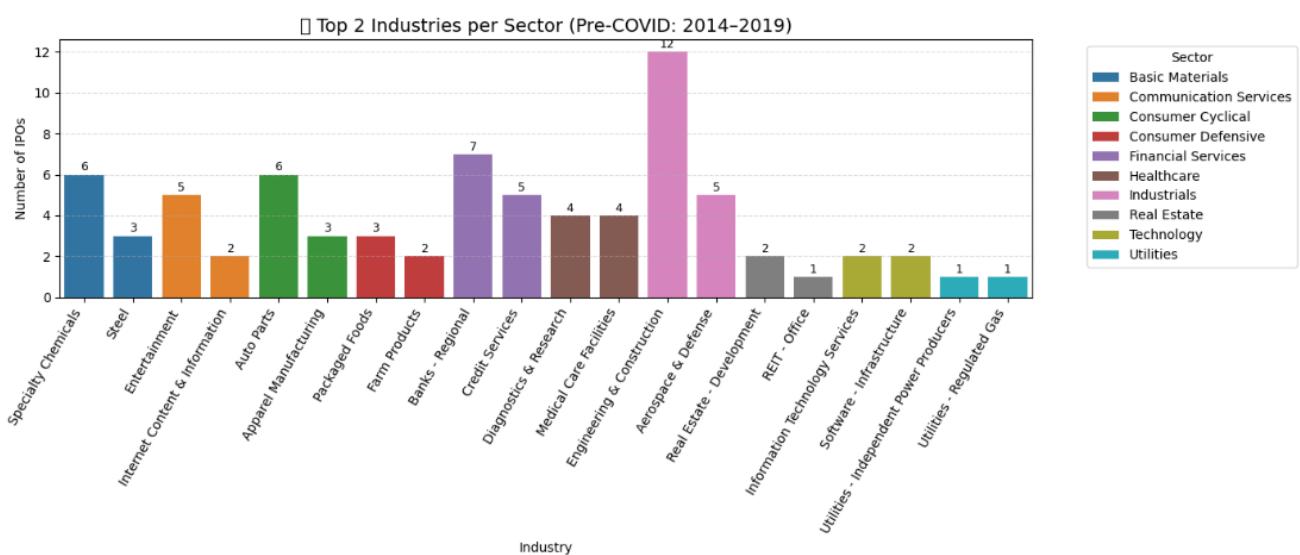
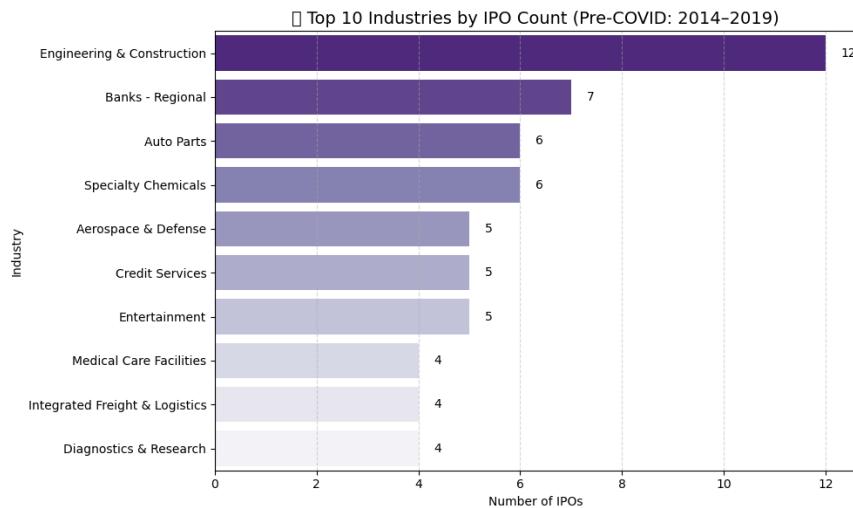
Overall, the sectoral shifts appear to be driven by solid fundamentals:

- **Technology:** Growth aligns with India's projected digital economy expansion to 20% of Gross Value Added (GVA) by 2029–30.
- **Consumer Cyclical:** Backed by rising disposable incomes and favorable demographics.
- **Infrastructure:** Supported by strong government spending commitments.

However, certain risks need close monitoring:

- **Technology:** High valuations may correct if growth expectations falter.
- **Consumer Cyclical:** Performance depends on sustained GDP growth and employment stability.
- **Infrastructure:** Relies heavily on continued public investment and policy consistency.

Top Industries Pre-COVID



The pre-COVID IPO phase (2014–2019) was dominated by traditional sectors such as infrastructure, financial services, and industrial manufacturing. **Engineering & Construction** led the market with 12 IPOs, accounting for 9.0% of total listings, followed by **Regional Banks** with 7 IPOs (5.2%). This period laid the groundwork for India's later IPO surge, marked by an extremely diverse market structure—60 different industries were represented in just 134 IPOs. Half of these industries had only a single listing, illustrating a pronounced *long tail effect* and a highly fragmented capital market.

Engineering & Construction – The Growth Backbone

The infrastructure sector benefited from several key growth drivers during this time:

- **Government Infrastructure Spending:** Ambitious projects such as highway construction, smart cities, and urban development generated strong demand for engineering services.
- **Private Sector Participation:** Public-Private Partnership (PPP) models provided companies with stable, long-term revenue streams, making them appealing IPO candidates.
- **Technology Adoption:** Established players like L&T and KEC International were modernizing operations, investing in new equipment, and expanding capacity.

Construction IPOs from this era typically featured companies with robust order books and significant government project exposure, underlining the sector's central role in India's development strategy.

Financial Services – The Traditional Market Makers

Financial services, including regional banks, collectively accounted for **18.7%** of all pre-COVID IPOs, reinforcing their position as a cornerstone of India's capital markets. This concentration reflected several structural trends:

- **Banking Sector Consolidation:** Regional banks accessed public markets to meet regulatory capital requirements and fund expansion, with 7 IPOs highlighting the sector's capital-intensive nature.
- **Credit Services Expansion:** Five IPOs emerged in credit services, fueled by rising incomes and financial inclusion programs.
- **Insurance and Asset Management:** A maturing ecosystem created space for specialized players, resulting in 6 insurance IPOs (spanning life, diversified, and reinsurance) and 2 in asset management.

This dominance showed that, at the time, India's IPO market largely catered to well-established, regulated, and capital-heavy sectors with proven business models.

Industrial Manufacturing – Auto Parts and Specialty Chemicals

Auto Parts (6 IPOs, 4.5% of total) showcased India's growing strength in automotive manufacturing. Companies like SM Auto Stamping and Pavna Industries raised capital for:

- Expanding capacity to meet rising OEM demand
- Upgrading technology for BS-VI compliance and advanced automotive features
- Diversifying exports to reduce reliance on domestic markets

Specialty Chemicals (6 IPOs, 4.5% of total) also emerged as a high-potential sector, led by firms such as Neogen Chemicals and AMI Organics. The sector was driven by:

- **China Plus One Strategy:** Global supply chain shifts opened new opportunities for Indian producers

- **R&D Funding:** Substantial capital was needed to develop specialized products
- **Regulatory Compliance:** Meeting environmental and safety standards required large infrastructure investments

Between 2014 and 2019, India's specialty chemicals industry grew at an **11% CAGR**, reaching \$32 billion and making up 18% of the nation's total chemical industry.

Entertainment and Consumer-Oriented Sectors – Early Digital Transformation

The **Entertainment** sector (5 IPOs, 3.7% of total) reflected the early stages of India's media evolution. Key trends included:

- Growing investment in digital content creation and streaming platforms
- Rising demand for technical services, equipment rentals, and production support
- Expansion of regional content offerings, driven by increased consumer appetite for localized entertainment

By the end of this period, the Indian Media & Entertainment industry was valued between \$20–24 billion, laying the foundation for rapid post-pandemic growth.

Market Structure – Fragmentation and Long Tail Effect

The pre-COVID IPO market was extremely fragmented:

- **Broad Industry Coverage:** 60 industries were represented across 134 IPOs, reflecting wide economic participation.
- **Low Concentration:** The top 5 industries accounted for just 26.9% of IPOs, while the top 10 covered 43.3%.
- **Long Tail Distribution:** Half of all industries had only one IPO, representing 22.4% of total listings.

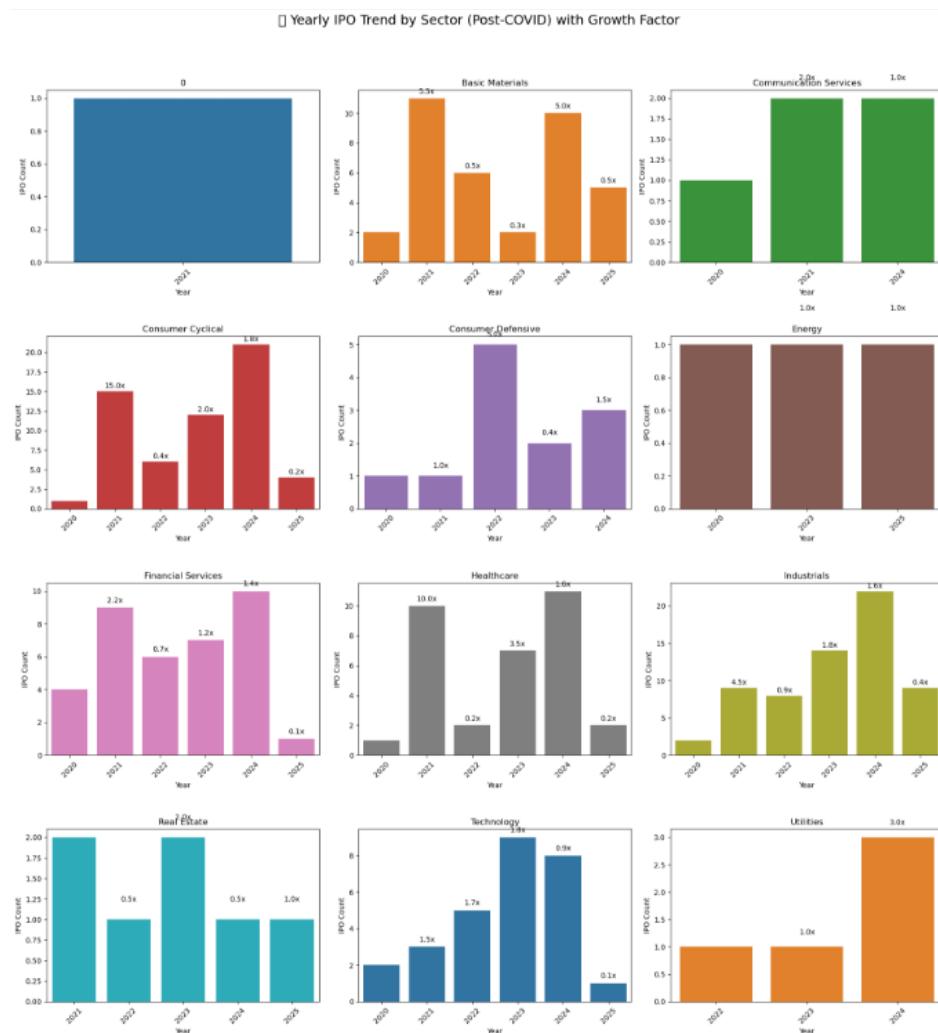
This structure pointed to an economy where many sectors were growing in parallel, but no single industry had yet reached the dominance seen in the post-COVID technology and consumer boom.

Economic Policy Support

Several policy measures during this time influenced IPO activity:

- **Make in India (2014):** Supported manufacturing listings in auto parts, chemicals, and industrial equipment.
- **Digital India:** While technology IPOs were still limited (6.7% share), the groundwork was being laid for future digital expansion.
- **Financial Sector Reforms:** Regulatory changes and consolidation in banking created new opportunities for financial institutions to tap public capital markets.

Yearly Sector and Industry Trend (Post-COVID)



2020–2021: The Foundation and Breakthrough

2020 — The Cautious Beginning (15 IPOs)

The pandemic year began cautiously, with only 15 IPOs hitting the market. Financial Services led the pack, holding a 26.7% share (4 IPOs), a sign of traditional sectors' resilience during the crisis. This conservative start laid the groundwork for the explosive surge that followed.

2021 — The Breakout Year (62 IPOs)

The year 2021 marked India's IPO renaissance. Consumer Cyclical took the lead with 15 IPOs (24.2%), followed by Basic Materials at 11 IPOs (17.7%) and Healthcare with 10 IPOs (16.1%). Several defining trends emerged:

- Digital Economy Boom: Zomato's blockbuster IPO, oversubscribed 38 times, became a milestone in India's digital transformation story.
- Healthcare Surge: The pandemic's effects doubled global healthcare IPO proceeds.

- Retail Investor Revolution: Demat accounts jumped from 2.12 crore in March 2020 to over 4 crore by year-end, a growth rate exceeding 90%.

Investor optimism, low interest rates, and FOMO-driven activity, combined with easy access to IPO financing from banks and NBFCs, made 2021 an exceptional year.

2022: The Reality Check (40 IPOs)

The post-boom year brought a sharp correction. IPO activity dropped to 40 listings, despite high-profile entries like LIC. Globally, IPO proceeds declined by 61%, and in India, they fell by 56%, although volumes held steady. Average deal sizes shrank due to weaker valuations and market underperformance.

Certain sectors showed resilience—Industrials (8 IPOs, 20.0%), Consumer Cyclical (6 IPOs, 15.0%), and Basic Materials (6 IPOs, 15.0%) maintained strong positions. At the same time, SME IPO activity doubled compared to FY2021, with funds raised tripling, underscoring the market's depth and regulatory support for small enterprises.

2023–2024: The Recovery and Record Peak

2023 — Momentum Returns (57 IPOs)

The recovery phase was led by Industrials (14 IPOs, 24.6%), followed closely by Consumer Cyclical (12 IPOs, 21.1%) and Technology (9 IPOs, 15.8%). Notable shifts included:

- Technology's Emergence: Nine tech IPOs showcased growing sector confidence.
- Industrial Strength: Manufacturing and infrastructure benefited from supportive government policies.
- Investor Maturity: A shift toward fundamentals over speculation indicated market evolution.

2024 — The Record Peak (91 IPOs)

India reached an all-time high in IPO activity, leading global volumes for the first time. Industrials topped the list with 22 IPOs (24.2%), closely followed by Consumer Cyclical (21 IPOs, 23.1%) and Healthcare (11 IPOs, 12.1%).

Mainboard IPOs raised over ₹1.59 lakh crore, and with 326 total listings (including SME), it became the busiest IPO year in Indian history. India also surpassed Japan, Hong Kong, and China's major exchanges combined, raising \$19.5 billion on NSE alone.

Sectoral Leadership and Rotation Dynamics

Industrials — The Steady Giant

Appearing in the top three sectors every year, Industrials grew from just 2 IPOs in 2020 to 22 in 2024. This stability was fueled by infrastructure spending under the National Infrastructure Pipeline, manufacturing expansion through Make in India and PLI schemes, and export competitiveness gains.

Consumer Cyclical — The Pandemic Winner

Though volatile year-to-year, Consumer Cyclical consistently ranked among the top performers, peaking at 21 IPOs in 2024. COVID-19 altered consumption patterns, driving e-commerce growth and fostering high investor interest in consumer-driven models.

Technology — The Emerging Force

Technology listings rose steadily: 2–3 IPOs annually from 2020–2021, 5 in 2022, 9 in 2023, and 8 in 2024. This reflects India's maturing startup ecosystem and a transition from speculative hype to fundamentals-driven growth.

Sector Volatility Profiles

Volatility varied widely by sector:

- Healthcare: Highest volatility (CV: 80.3%) due to pandemic-driven boom-bust cycles.
- Consumer Cyclical: High volatility (CV: 76.5%), closely tied to economic sentiment.
- Technology: Moderate volatility (CV: 70.0%), with steady upward momentum.
- Basic Materials: Moderate volatility (CV: 64.1%) linked to commodity cycles.
- Industrials: Lower volatility (CV: 63.2%), underpinned by infrastructure stability.
- Financial Services: Lowest volatility (CV: 53.7%) reflecting sector maturity.

Policy Alignment and Market Drivers

- Make in India & PLI Schemes: Bolstered manufacturing and industrial IPO growth.
- Digital India Initiative: Created the foundation for tech IPO expansion post-2022.
- Infrastructure Focus: ₹16.7 lakh crore railway investment and other projects sustained industrial sector dominance.

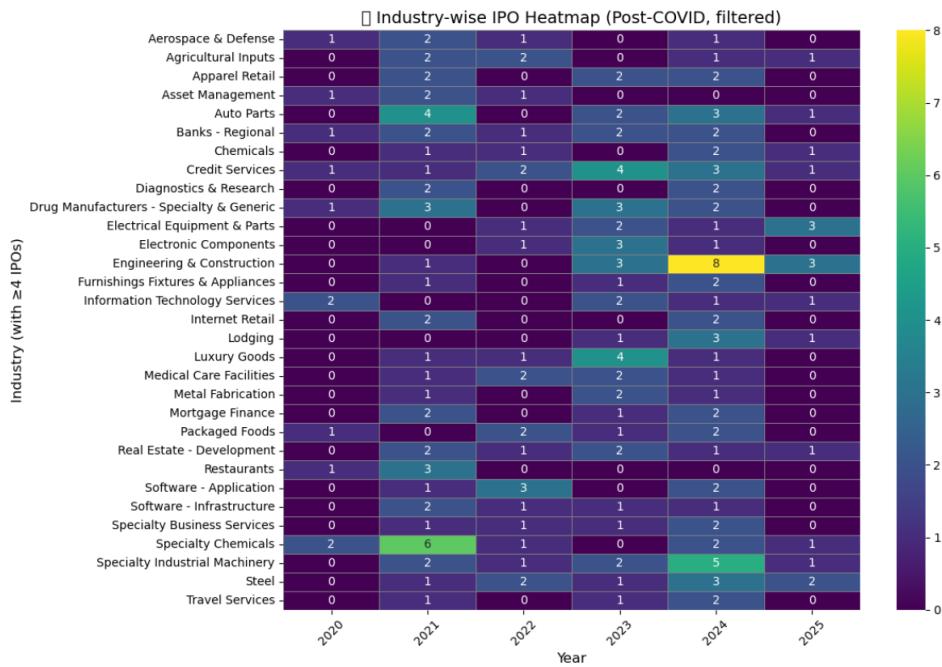
2024 Market Strength and Future Indicators

In 2024, 75% of IPO funding came from domestic sources—up from just 25% three years prior—signaling a mature investor base. Sector participation was broad, spanning technology, industrials, consumer, and healthcare.

The year also marked an SME IPO boom, with 243 listings raising ₹9,486 crores. The IPO pipeline remains strong, with over ₹2.58 lakh crore in approvals, including anticipated listings from PhonePe, Meesho, and Lenskart.

While 2025 has so far slowed to 24 IPOs, this is viewed as a sign of healthy normalization, with companies adopting more strategic timing rather than chasing peak market euphoria.

Industry Heatmap (Post-COVID)



Industrial Dominance

Sectors such as Engineering & Construction, Industrials, and Electrical Equipment & Parts have consistently maintained strong IPO activity. Engineering & Construction recorded 8 IPOs in 2024, Industrials peaked at 22 IPOs in the same year, and Electrical Equipment & Parts contributed 3 IPOs in 2025. These trends align with India's sustained infrastructure and manufacturing expansion, supported by the National Infrastructure Pipeline and the Production Linked Incentive (PLI) schemes.

Financial Services Surge

Financial Services emerged as a dominant force, leading with 10 IPOs in 2024 and 9 in 2021. This growth correlates with the Reserve Bank of India's accommodative monetary policies and the Securities and Exchange Board of India's (SEBI) reforms, which streamlined IPO processes for banks, non-banking financial companies (NBFCs), and asset management firms.

Healthcare Momentum

The healthcare sector saw its IPO activity peak in 2024 with 11 listings. This surge was driven by pandemic-induced investments in health infrastructure, increased R&D spending, and regulatory fast-tracking that enabled biotech, diagnostics, and medical device companies to raise capital efficiently.

Technology Sector Growth

Information Technology Services and Software IPO activity rose notably during 2020–2021 and again in 2023. These spikes reflect India's ongoing digital transformation under the Digital India initiative and strong investor appetite for cloud computing, SaaS platforms, and fintech innovations.

Consumer-Related Sector Trends

Sectors such as Apparel Retail, Internet Retail, and Auto Parts recorded clear peaks in 2021 and

2024. These patterns illustrate shifts in consumer behavior following pandemic lockdowns, coupled with e-commerce expansion fueled by SEBI's retail allocation reforms.

Credit Services Evolution

Credit Services experienced a sharp rise in 2023 with 4 IPOs. This momentum was supported by strong retail lending demand, consolidation within the NBFC space, and regulatory emphasis on expanding financial inclusion.

Emerging Niches

Sectors like Agricultural Inputs, Biotechnology, and Specialty Chemicals displayed scattered yet significant IPO activity. These developments indicate growing investor interest in agro-tech, life sciences, and diversified manufacturing opportunities.

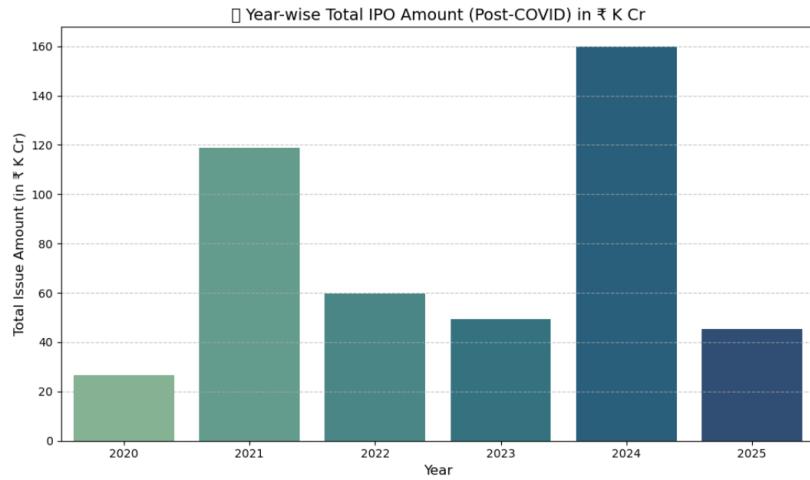
Policy and Economic Drivers

SEBI reforms—including simplified ICDR regulations, higher retail investor quotas, and digital IPO platforms—have improved market accessibility for a wide range of industries. RBI's interest rate cuts in 2020–2021, followed by gradual normalization, influenced IPO timing across sectors, particularly in financial and consumer markets. Government-led initiatives such as the ₹111 lakh crore National Infrastructure Pipeline and PLI schemes boosted listings in industrial and manufacturing segments. Similarly, Digital India and Make in India programs enhanced technological, software, and manufacturing IPO opportunities by improving infrastructure and business conditions. Global capital flows also played a role, with foreign investors drawn to India's growth story, particularly in Healthcare and Industrials.

Interconnections and Future Outlook

The IPO heatmap reflects clear sector rotation trends. Consumer and technology companies dominated early in the cycle (2021), while industrial and healthcare sectors peaked during the recovery phase (2023–2024). The growing diversity of industries accessing public markets—from large-scale infrastructure players to niche innovators—demonstrates the increasing maturity and depth of India's capital markets. Looking ahead, continued policy support, infrastructure investment, and digitalization are expected to sustain IPO growth, with particular opportunities emerging in renewable energy, specialized manufacturing, and technology-driven sectors.

Total IPO Worth Yearly



IPO Worth Patterns Over Time

In 2020, total IPO fundraising amounted to ₹26.63 K Cr. The pandemic's onset created a cautious market environment, as lockdowns, investor uncertainty, and economic disruptions curtailed activity. The year's IPOs largely came from defensive and essential sectors, reflecting a preference for stability.

The year 2021 marked a dramatic turnaround, with IPO worth surging to ₹118.74 K Cr — a 345% increase from 2020. This boom was fueled by pent-up demand, a wave of technology and consumer sector offerings, and an influx of retail investor participation. A supportive monetary environment with historically low interest rates, coupled with relaxed IPO norms, amplified the surge.

In 2022 and 2023, IPO worth moderated to ₹59.69 K Cr and ₹49.44 K Cr respectively. This period reflected a market correction and maturity phase as global economic uncertainties, tighter monetary policy, and rising interest rates tempered fundraising. While IPO counts remained steady, valuation corrections and selective investor appetite reduced average issue sizes.

The year 2024 saw a resurgence, reaching a record ₹159.81 K Cr — the highest in the period. Renewed market confidence, a record number of listings, and several high-profile offerings from technology, consumer, and industrial sectors drove the peak. Stable policy conditions and supportive domestic monetary trends further boosted sentiment.

Partial 2025 data, at ₹45.39 K Cr, suggests a moderation rather than a downturn. Companies appear to be timing their listings more strategically, responding to cautious investor sentiment and global macroeconomic uncertainties. This pattern points toward market normalization.

Key Drivers of IPO Worth Trends

Monetary policy played a central role in shaping IPO worth. Ultra-accommodative policies in 2020–2021 enhanced liquidity, lowered the cost of capital, and attracted strong retail and institutional participation. As interest rates rose from 2022 onward, market exuberance cooled, paving the way for more sustainable dynamics.

The post-COVID period also saw a surge in retail investor activity. Digital trading platforms made market participation easier, boosting subscription levels and enabling larger IPO sizes, most notably in 2021 and 2024.

Regulatory advancements from SEBI contributed to this momentum. Enhanced retail quotas, faster listing timelines, and the expansion of SME platforms opened public markets to a wider range of companies, making IPOs more attractive across sectors.

Sectoral trends also influenced fundraising volumes. Technology, consumer cyclical, healthcare, and industrial sectors dominated high-value IPOs, particularly during the bullish phases of 2021 and 2024. Market sentiment proved decisive, with peaks in fundraising closely aligned to optimism in these sectors.

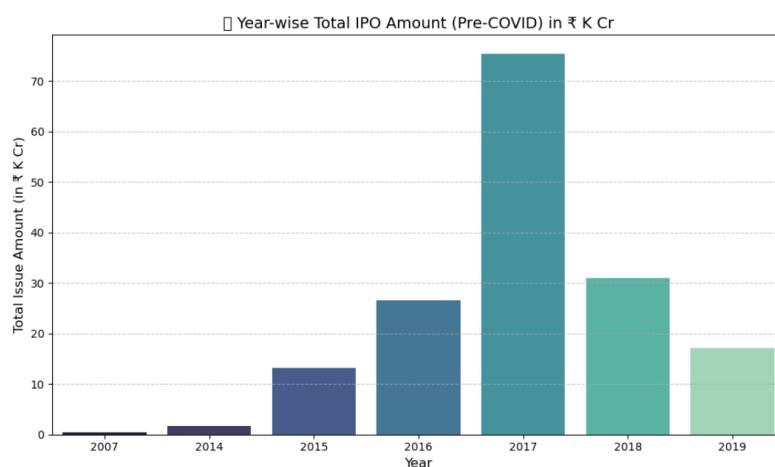
The global macroeconomic backdrop added another layer of influence. Geopolitical tensions, inflationary pressures, and shifting foreign institutional investor (FII) flows directly impacted investor risk appetite, particularly during the correction years of 2022 and 2023.

Interconnections and Broader Implications

IPO worth trends are closely tied to sectoral IPO counts and the evolution of the investor base. The spikes in 2021 and 2024 mirror both surges in technology and consumer listings and the rapid growth in retail participation.

Monetary policy cycles directly shaped capital market activity, with shifts in interest rates translating into corresponding changes in IPO fundraising volumes.

Regulatory progress ensured that India's capital markets could accommodate rising IPO activity without compromising stability or transparency. This has laid the groundwork for sustainable growth, as reflected in the long-term trajectory of the data.



Economic Growth and Market Sentiment

India's strong GDP growth in 2017 created a highly favorable environment for corporate expansion and IPO activity. Rising corporate earnings, coupled with positive macroeconomic indicators, fueled investor optimism. This period saw an expansionary mood in the market, supported by confidence in economic reforms and the overall business climate. However, this momentum slowed in 2018–2019, as geopolitical tensions, trade uncertainties, and global headwinds dampened sentiment and reduced the appetite for new listings.

Sectoral Dynamics Before COVID-19

In the years leading up to the pandemic, IPO activity was dominated by infrastructure, manufacturing, and financial services — sectors aligned with India's development priorities. Technology and consumer-oriented industries were emerging players in the IPO landscape but had yet to become dominant forces. Sector-specific challenges in 2018–2019, particularly liquidity issues in non-banking financial companies (NBFCs), further constrained fundraising activity.

Policy Influence and Market Impact

Government programs such as *Make in India* and various infrastructure initiatives boosted IPO activity in construction, manufacturing, and industrial sectors by expanding project pipelines and corporate growth opportunities. Financial sector reforms, including banking consolidations and tighter regulations, generated IPO activity among regional banks and NBFCs, but also introduced caution into the market post-2017. At the same time, SEBI's investor protection measures — while enhancing market confidence — imposed stricter compliance requirements, influencing IPO timing and size.

Drivers of the 2016–2017 Surge

The sharp increase in IPO amounts in 2016 (₹26.5 K Cr) and especially 2017 (₹75.32 K Cr) was the result of multiple reinforcing factors. Robust GDP growth strengthened corporate fundamentals and expanded business activities, encouraging public listings. Market sentiment improved significantly, reaching a peak in 2017 as reforms and economic optimism spurred demand for equity. The investor base broadened with growing retail and institutional participation, aided by rising financial literacy, digital market access, and strong inflows from mutual funds and foreign institutional investors (FIIs). Regulatory improvements by SEBI enhanced transparency and efficiency in the IPO process, while leading sectors such as infrastructure, manufacturing, and financial services — supported by *Make in India* and higher infrastructure spending — attracted substantial capital.

The 2018–2019 Decline

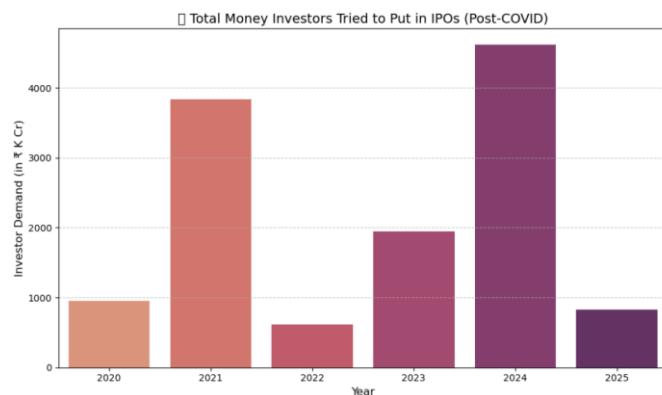
Following the 2017 peak, IPO activity contracted sharply. Market corrections, valuation concerns, and increased volatility made investors more risk-averse. Key sectors faced headwinds, particularly financial services, where the NBFC liquidity crisis triggered by the IL&FS default in 2018 undermined confidence and tightened credit availability. Regulatory tightening increased compliance burdens, delaying IPO launches. Liquidity constraints, driven by higher inflation and interest rates, reduced risk appetite among both domestic and foreign investors. Many companies turned to private funding routes such as preferential allotments instead of public listings.

External and Strategic Factors

Global trade tensions, currency fluctuations, and slowing international growth further weighed on Indian capital markets. These external pressures, combined with domestic challenges, encouraged a “wait-and-watch” strategy among companies. Many prepared IPO drafts but held

back from launching until market conditions improved, resulting in reduced IPO volumes and amounts during 2018 and 2019.

Post-COVID Total Subscription Value



The 2020–2021 Surge

The onset of the pandemic triggered an extraordinary surge in IPO activity, driven largely by abundant liquidity and a new wave of retail participation. The Reserve Bank of India's aggressive repo rate cuts and liquidity injections boosted investor risk appetite and reduced the cost of capital. At the same time, retail investor participation exploded as millions of new demat accounts were opened, enabled by digital trading platforms and increased at-home investing during lockdowns. High-profile listings in technology and consumer sectors generated strong “fear of missing out” (FOMO) sentiment, leading to massive oversubscriptions and record fundraising volumes.

The 2022 Correction

By 2022, the IPO market entered a cooling phase as the RBI began monetary tightening to combat inflation, reversing its earlier ultra-loose stance. Higher interest rates reduced liquidity, while global headwinds — including geopolitical tensions, commodity price spikes, and supply-chain disruptions — weighed heavily on sentiment. The speculative excesses of 2021 gave way to a period of valuation recalibration, with investors becoming more selective and subscription volumes declining despite a steady flow of IPO launches.

The 2023–2024 Rebound

Stabilization in macroeconomic conditions paved the way for a strong rebound. Inflationary pressures eased, policy direction became clearer, and investor confidence returned. This period saw a broad and high-quality IPO pipeline, with marquee listings across industrials, healthcare, and the digital economy attracting robust demand. Regulatory support also played a role — SEBI's measures to enhance retail quotas, streamline processes, and expand the SME platform widened market participation. These factors together fueled a sharp rise in subscription values, surpassing pre-correction levels.

The 2025 Normalization

Early 2025 indicates a more measured market environment rather than a downturn. Investor sentiment remains cautious amid persistent global uncertainties and tighter liquidity conditions, but activity reflects greater strategic discipline. Companies are timing listings more carefully, and investors are selectively deploying capital, signaling a maturing IPO ecosystem that balances enthusiasm with valuation discipline.

Key Influences and Policy Drivers

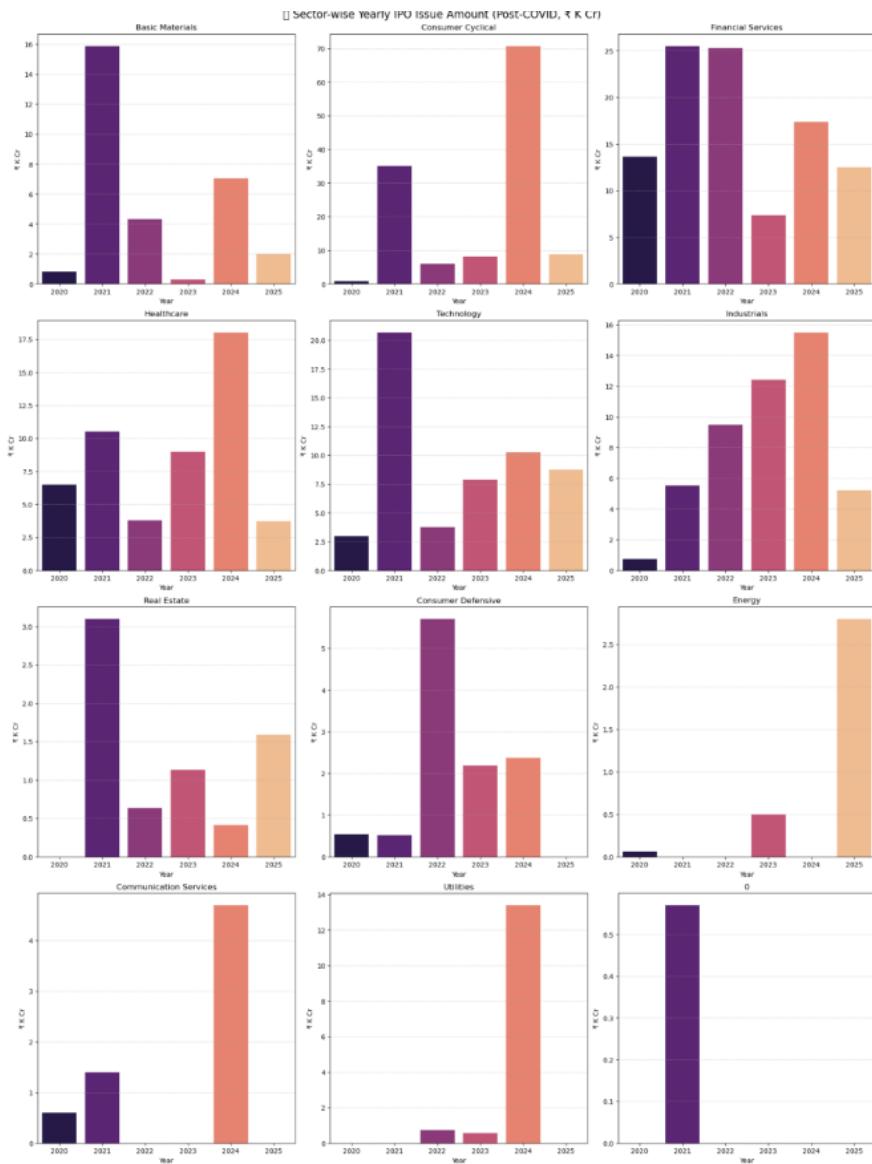
Several structural and policy shifts underpinned these trends. The rapid growth of digital trading platforms democratized IPO access for retail investors, while government programs such as *Make in India*, *Digital India*, and increased infrastructure spending created a robust sectoral pipeline. These initiatives helped sustain long-term momentum despite cyclical fluctuations.

Why Subscription Values Swung from 2022 to 2024

The decline in 2022 and subsequent rebound through 2024 was shaped by macroeconomic cycles, policy adjustments, and shifting market sentiment. The dip began with monetary policy tightening as the RBI raised repo rates from mid-2021 to curb post-pandemic inflation. Higher borrowing costs and reduced liquidity drove investors toward fixed income, lowering funds available for IPOs. This was compounded by global instability — the Russia–Ukraine conflict, inflation spikes, and equity market volatility — which caused many participants to adopt a “wait-and-watch” stance.

In addition, inflated valuations from the 2021 boom faced a correction as investors demanded stronger fundamentals, leading to smaller issue sizes and lower oversubscription rates. The turnaround came in late 2022 and 2023 as inflation moderated and the RBI paused rate hikes, restoring liquidity and lowering funding costs. Investor confidence revived alongside improved corporate earnings, while a steady pipeline of large, well-funded IPOs — particularly in industrials, healthcare, and technology — drew strong interest. Continued SEBI reforms, coupled with seamless online application systems, amplified both retail and institutional participation, driving subscription values sharply higher through 2024.

Sector-wise Yearly Issue Amount



Consumer Cyclical Dominance

The consumer cyclical sector emerged as the standout performer in recent years, peaking at ₹70.72 K Cr in 2024. This surge was powered by marquee listings in e-commerce, retail, and consumer services, with blockbuster IPOs from companies such as Meesho, PhonePe, and Lenskart capturing massive investor interest. Strong contributions were also seen in 2021, when the sector raised ₹35.03 K Cr, and high issue values persisted in the recovery years. The rise reflects a fundamental shift in consumer behavior, marked by accelerated digital adoption and a trend toward premium products in the post-pandemic era.

Financial Services Consistency

Financial services maintained robust performance throughout the cycle, particularly in 2021 and 2022, when IPO issue values stood at ₹25.51 K Cr and ₹25.28 K Cr, respectively. Major banks, NBFCs, and insurance companies accounted for much of this activity, with landmark IPOs such as LIC's making a significant impact. Even outside peak years, smaller but strategic financial listings sustained the sector's value contribution. This resilience was partly due to

RBI's phased liquidity tightening, which encouraged institutions to strengthen their balance sheets through public offerings.

Technology Growth

The technology sector experienced a remarkable leap from ₹2.95 K Cr in 2020 to ₹20.68 K Cr in 2021 — nearly seven-fold growth. This early boom was fueled by digital transformation initiatives under *Digital India*, the public market debut of unicorns through reverse-flip structures, and enthusiastic retail participation. While volumes moderated thereafter, the sector maintained strength with IPO issue values of ₹7.85 K Cr in 2023 and ₹10.27 K Cr in 2024, reflecting sustained investor appetite for digital platforms and SaaS companies.

Industrials and Infrastructure Momentum

Industrials and infrastructure steadily expanded their IPO footprint, with issue amounts climbing from just ₹0.74 K Cr in 2020 to ₹15.50 K Cr in 2024. This growth came despite global supply-chain disruptions and was driven by construction, rail, and heavy engineering IPOs aligned with India's National Infrastructure Pipeline. Government initiatives such as *Make in India* and sustained infrastructure spending provided a consistent tailwind for the sector.

Healthcare Surge

The healthcare sector saw a strong scaling of IPO activity, rising from ₹6.48 K Cr in 2020 to ₹18.03 K Cr in 2024. This acceleration was largely a result of the pandemic-induced focus on diagnostics, specialty pharmaceuticals, and biotech ventures. Supportive measures, including fast-track regulatory approvals for medical devices and incentives for health-tech startups, further amplified the sector's growth trajectory.

Utilities Uptick and Green Energy Breakout

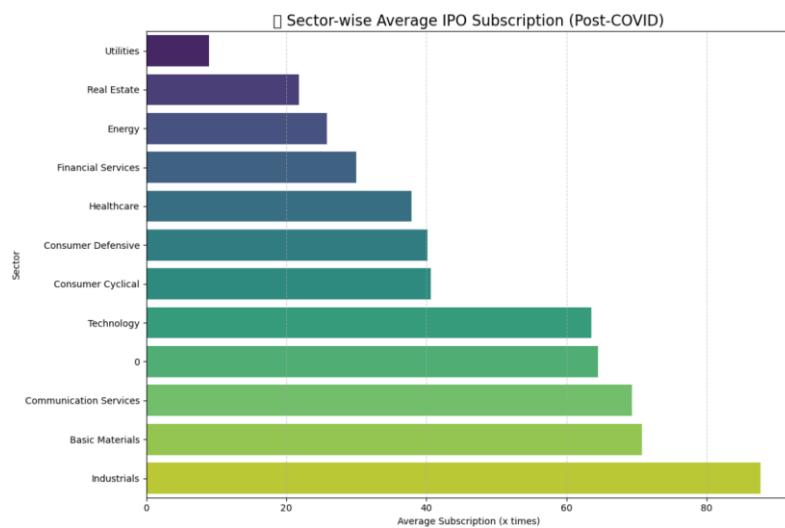
Utilities remained a small player in IPO fundraising until 2022–2023, but the sector staged a significant breakout in 2024, with ₹13.40 K Cr raised. The shift was driven by renewable energy and sustainable infrastructure listings, including solar, wind, and waste-to-energy companies. This trend reflects India's broader commitment to achieving 500 GW of non-fossil fuel capacity by 2030, backed by policies such as production-linked incentives for solar modules and viability gap funding for green projects.

Influencing Factors and Policy Drivers

Several overarching factors shaped these sectoral trends. Shifts in monetary policy directly influenced IPO pricing and timing, with liquidity surges benefiting high-growth sectors and tighter conditions favoring more resilient industries. SEBI's reforms — including enhanced retail quotas and faster listing processes — particularly boosted participation in consumer and financial offerings. Meanwhile, government initiatives played a pivotal role: *Make in India* and infrastructure investments strengthened industrials, *Digital India* and startup-friendly regulations fueled technology, and renewable energy targets propelled utilities. Sector-specific dynamics also played a key role — consumer cyclical growth was anchored by domestic

demand and e-commerce expansion, financial services benefited from NBFC reforms and insurance penetration drives, and healthcare was supported by pandemic-era investment priorities.

Sector-wise Subscription Comparison



Industrials Dominate Oversubscription Trends

Industrials recorded the highest oversubscription rate at 87.68×, reflecting extraordinary investor enthusiasm during 2023–24. Infrastructure and manufacturing IPOs benefited significantly from policy tailwinds such as the National Infrastructure Pipeline and Production Linked Incentive (PLI) schemes. These measures boosted confidence in the sector's long-term growth potential and signaled strong government commitment to capital expenditure.

Basic Materials and Communication Services See Elevated Demand

Basic materials achieved an oversubscription rate of 70.78×, driven by optimism around commodity prices and post-pandemic infrastructure expansion. Communication services followed closely at 69.36×, supported by accelerating digital adoption, the anticipated 5G rollout, and solid anchor investor interest in telecom and media offerings.

Technology Sector Excitement Remains High

Technology IPOs maintained robust demand at 63.57× oversubscription, fueled by the ongoing digital transformation, the listing of unicorn startups, and “reverse flips” of overseas-incorporated companies. Government programs like *Digital India* and *Startup India* helped create a thriving ecosystem that encouraged strong retail and institutional participation, often fueled by investor FOMO in high-growth tech names.

Consumer Sectors Maintain Strong Momentum

Both consumer defensive and consumer cyclical sectors attracted oversubscriptions of around 40 \times . These numbers reflect resilience in consumer spending, bolstered by growth in retail, e-commerce, and FMCG businesses. Policy drivers — including financial inclusion initiatives, rising discretionary income levels, and widespread digital payments adoption — further supported the appeal of these sectors.

Healthcare Retains Solid Investor Interest

Healthcare IPOs posted an oversubscription rate of 37.91 \times , sustained by post-pandemic interest in diagnostics, pharmaceuticals, and healthtech companies. Regulatory fast-tracking of medical devices and the government's focus on expanding healthcare infrastructure reinforced investor confidence.

Financial Services Generate Moderate but Steady Demand

The financial services sector, including banks and NBFCs, recorded a 29.99 \times oversubscription rate — strong, but lower than that of faster-growing sectors. Demand patterns reflected investor caution around credit quality and regulatory challenges. RBI's interest rate cycles and reforms such as priority sector lending targets also influenced participation levels.

Energy and Real Estate Show Mixed Results

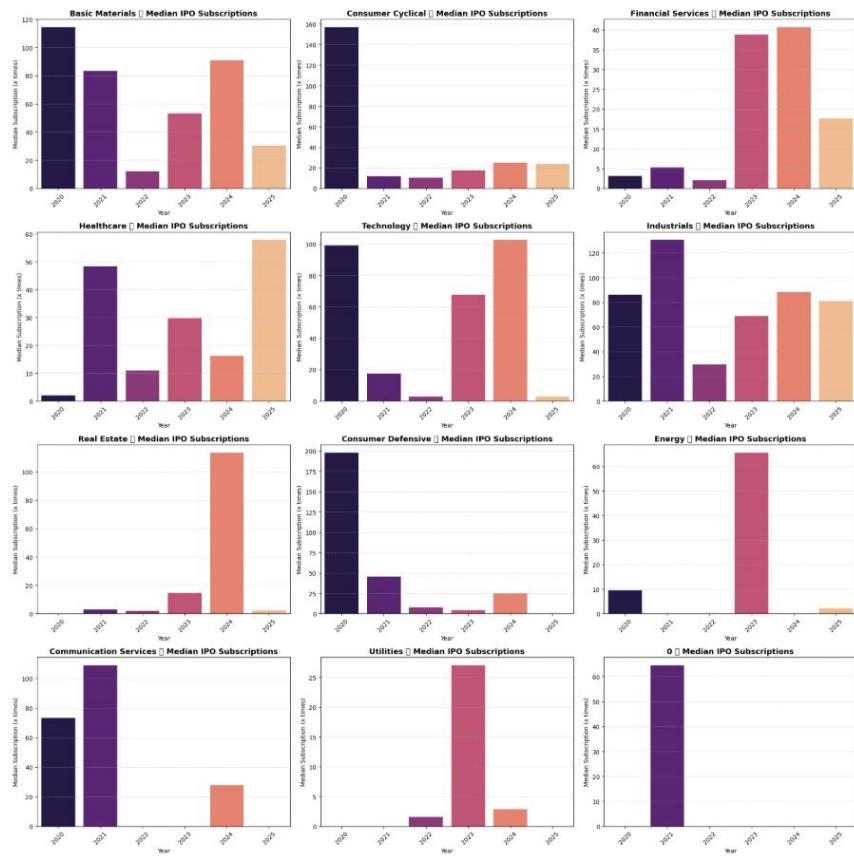
Energy sector IPOs saw an oversubscription rate of 25.78 \times , with renewable energy listings — particularly solar and bioenergy — attracting greater interest than legacy energy offerings. Real estate recorded a rate of 21.83 \times , driven selectively by REIT launches and recovery trends in the commercial property segment following the pandemic.

Utilities Lag in Investor Enthusiasm

Utilities were the weakest-performing sector in oversubscription terms at 8.94 \times . While renewable-focused IPOs benefited from green energy policies, regulated water, gas, and traditional power producers struggled to generate strong demand due to modest growth prospects and tariff constraints.

Cross-Sector Influences and Policy Drivers

Several broad policy and macroeconomic factors shaped these subscription patterns. The government's infrastructure and manufacturing push under *Make in India* attracted exceptional interest in aligned sectors. Digital and startup support initiatives such as *Digital India*, *Startup India*, and ESOP-related regulatory easements powered tech-sector demand. Renewable energy targets — including the commitment to 500 GW of non-fossil capacity — gave a boost to green utility listings in 2024. Monetary policy also played a role: post-COVID low interest rates and abundant liquidity amplified early oversubscriptions, while later rate hikes moderated enthusiasm in certain areas. Additionally, SEBI's retail quota enhancements and streamlined listing processes broadened market participation, especially benefiting consumer and technology IPOs.



Extraordinary Subscription Surges

During 2020, Consumer Defensive and Consumer Cyclic sectors experienced exceptional oversubscription — 198× and 157× respectively. At the pandemic's peak, uncertainty pushed investors toward essential goods and consumer brands, while the scarcity of high-quality IPOs intensified bidding. These extraordinary figures were largely one-off events, reflecting defensive buying and pent-up demand after the early-pandemic market lull. In subsequent years, subscription ratios normalized as IPO supply increased and investor sentiment adjusted.

Industrials demonstrated consistent strength from 2020 to 2025, with oversubscription levels ranging between 86× and 130×, except for a dip to 30× in 2022. Government initiatives such as the National Infrastructure Pipeline, Make in India, and PLI schemes sustained long-term confidence. The 2021 spike to 130× aligned with accelerated infrastructure spending and positive policy announcements. The 2022 drop coincided with global economic uncertainty and market corrections, but the sector rebounded in later years.

The technology sector showed volatility, peaking at 99× in 2020 and again at 103× in 2024. Early post-pandemic listings by tech unicorns and digital platforms triggered massive demand, fueled by retail FOMO and strong anchor investor participation. However, mid-period years, notably 2022 with just 3× oversubscription, reflected a valuation reset and more selective investor appetite.

Real estate's most notable moment came in 2024, when oversubscription reached 113 \times , driven by landmark REIT launches structured under SEBI regulations. This coincided with a revival in commercial property markets. In most other years, the sector's median oversubscription remained under 15 \times , indicating that enthusiasm was episodic and tied to exceptional listings.

Sectoral Volatility and Normalization

The extraordinary 2020 performance of consumer sectors was not sustained. In later years, median oversubscriptions for both consumer defensive and cyclical sectors ranged from 5 \times to 45 \times . Broader IPO supply and renewed valuation discipline allowed investors to be more selective.

Healthcare saw two notable spikes — in 2021 and 2025 — reflecting COVID-era IPOs followed by later healthtech and biotech-driven growth. Financial services were generally moderate in demand, except for surges in 2023–2024, when banking reforms and insurance IPOs boosted interest.

Utilities displayed sporadic spikes, with 2023 marking a standout year at a 27 \times median, likely due to renewable energy offerings. In most other years, demand for utilities remained limited.

Policy Drivers and Market Interconnections

Government programs such as Make in India, PLI, and the National Infrastructure Pipeline provided sustained support for industrial and manufacturing IPOs. Similarly, Digital India and Startup India bolstered the technology sector's IPO momentum.

SEBI's evolving regulations — from introducing structured REITs to enhancing retail quotas and streamlining IPO processes — amplified retail participation, driving oversubscription spikes in real estate, tech, and consumer sectors.

Monetary policy also played a decisive role. Liquidity infusions in 2020–21 boosted IPO enthusiasm, while rate normalization in later years tempered demand. Peaks often occurred during or immediately after high-liquidity periods.

Market sentiment and sector rotation also shaped trends, with extreme oversubscriptions aligning with periods of uncertainty — defensive sectors early in the pandemic, followed by tech and industrials during recovery phases. Over time, subscription rates normalized as investor risk appetite and IPO supply reached equilibrium.

Post-2020 Declines in Consumer Cyclical and Defensive

The 2020 spikes were largely due to IPO scarcity. With only one or two listings in each sector that year, massive demand concentrated on a limited set of offerings. As more consumer companies went public from 2021 onward, the supply-demand imbalance corrected, and oversubscription intensity fell.

Investors also shifted toward fundamentals, focusing less on pandemic-driven FOMO. In the defensive segment, essential goods companies were viewed as offering lower growth potential compared to technology or cyclical businesses, further dampening enthusiasm.

The Financial Services Surge of 2023–2024

A sharp increase in oversubscription followed RBI banking sector reforms in 2023, which reduced NBFC lending risk weights and strengthened capital adequacy frameworks. The cumulative 100 basis point repo rate cut in 2025 and stabilized monetary policy improved NBFC funding conditions and investor confidence.

Private equity exit activity also contributed, with multiple NBFCs — including SK Finance, Avanse Financial, and Tata Capital — heading to market, targeting over ₹30,000 crore in fundraising. This came as the worst phase of the NBFC credit cycle had passed, credit costs were easing, and investment prospects looked brighter.

Technology's Boom-Bust-Boom Cycle

In 2020, pandemic-driven digital transformation sparked massive demand for tech IPOs, exacerbated by limited supply. In 2021–2022, enthusiasm cooled as valuations corrected and investors prioritized profitability. The market revived in 2023–2024, with ₹15,000 crore raised in 2024 alone by new-age tech companies such as Ola Electric and FirstCry. Improved fundamentals and a sharper focus on profitability restored investor confidence.

Real Estate's Breakthrough in 2024

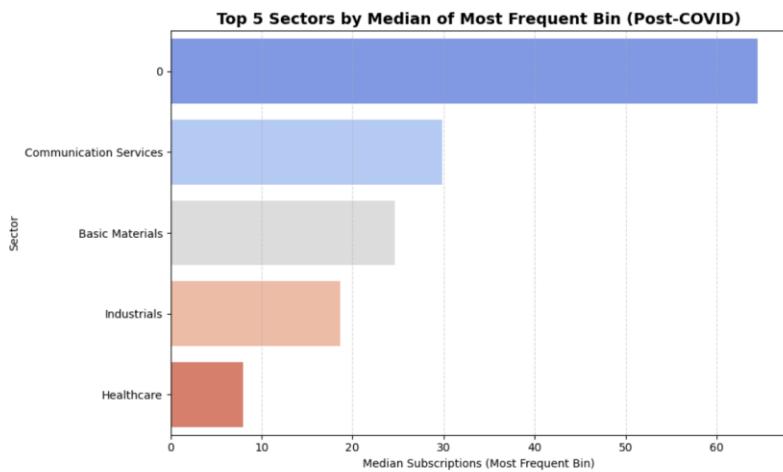
The sector's 2024 spike stemmed from the "REIT revolution," with IPOs raising nearly ₹203 billion — triple the 2023 total. SEBI's REIT and SM-REIT guidelines enabled fractional ownership listings, formalizing over ₹40 billion in assets.

The BSE Realty Index gained more than 30% that year, outperforming the Sensex, and over 90% of real estate IPOs were oversubscribed. Strong fundamentals, including post-pandemic recovery in commercial real estate, higher occupancy rates, and \$8.9 billion in institutional investments across 78 deals, bolstered demand. Knowledge Realty Trust REIT's ₹6,200 crore IPO was among the flagship listings capitalizing on this favorable market environment.

Consumer Defensive's Continued Decline Post-2020

After 2020, investor interest in consumer defensive stocks steadily declined as capital rotated into growth-oriented and cyclical sectors. The segment's maturity and limited expansion potential made it less attractive compared to high-growth opportunities elsewhere. Supply normalization further eliminated the scarcity premium that had driven the extreme oversubscription in 2020.

Top 5 Sectors: Last Day Subscription



Communication Services — 29.88×

The most common subscription level for telecom, media, and digital communication IPOs settled around 30×, reflecting strong and predictable investor demand. This consistency was supported by sector tailwinds, including the nationwide rollout of 5G, the rapid expansion of OTT platforms, and substantial commitments from anchor investors that helped sustain last-day bidding momentum.

Basic Materials — 24.68×

Oversubscription in this sector remained steady, driven by post-COVID infrastructure development and industrial production needs. Government initiatives like the National Infrastructure Pipeline and PLI schemes kept investor attention focused on key industries such as metals, chemicals, and building materials, ensuring a reliable flow of interest in related IPOs.

Industrials — 18.69×

Recurring subscription strength in industrial IPOs points to broad-based investor confidence in manufacturing, engineering, and heavy machinery companies. Structural reforms, particularly the Make in India campaign and targeted manufacturing incentives, underpinned this sustained demand and contributed to the sector's consistent performance.

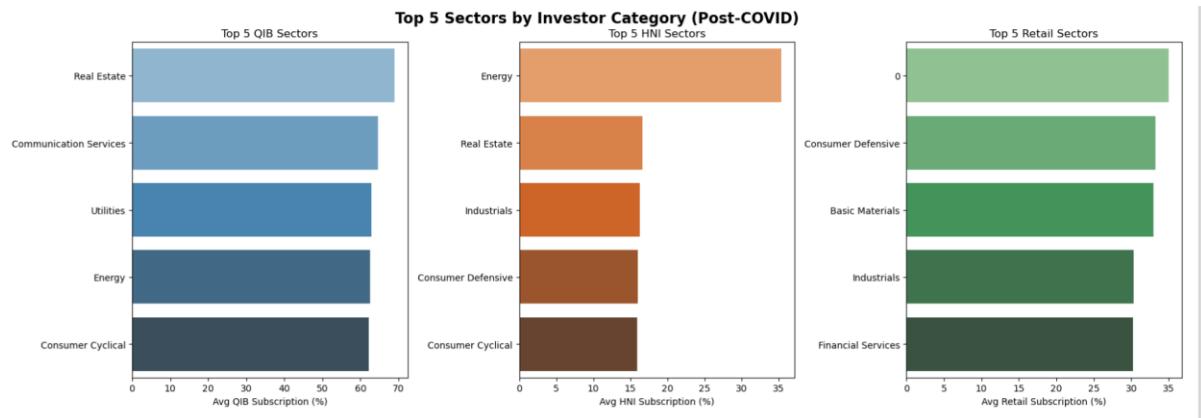
Healthcare — 7.95×

While healthcare IPOs saw major peaks in earlier years, particularly in 2021, the most frequent subscription level settled near 8×. This reflects variable last-day demand across sub-segments such as medical devices, diagnostics, and pharmaceuticals. Regulatory actions, including fast-tracked approvals for health tech and biotech listings, generated occasional surges but did not produce the same steady momentum seen in industrial sectors.

Consumer Defensive — 7.67×

After the extraordinary 198× median subscription in 2020, which came from a single highly sought IPO, the sector's most common subscription level normalized at around 7.7×. This reflected a return to fundamentals-driven investing in FMCG and essential goods companies as the initial wave of pandemic-driven panic buying subsided and investor priorities shifted toward growth sectors.

Top 5 Sectors: Entity-Wise



QIB Top 5 — Interpretation

Institutional investors gravitated toward sectors offering strong anchor allocation caps and predictable cash flows. Real Estate and Utilities appealed due to their reliable rental income and regulated asset frameworks under REIT and utility regulations. Communication Services attracted QIBs thanks to high entry barriers, such as spectrum licensing costs, and the stability of telecom cash flows. In Energy, large-scale renewable investments aligned with national mandates provided attractive institutional deal sizes. Consumer Cyclical sectors, particularly e-commerce and retail, stood out for their growth potential, supported by the backing of well-established brands.

HNI Top 5 — Interpretation

High-net-worth individuals focused on yield-generating opportunities and niche growth plays. In Energy, renewables and infrastructure projects matched their appetite for large ticket sizes with favorable risk-reward dynamics. Consumer Defensive stocks, particularly FMCG companies, appealed for their stable business models and steady dividend streams. Basic Materials offered cyclical upside tied to infrastructure spending cycles, while Healthcare and Technology—especially medtech, biotech, and high-growth tech companies—drew interest from HNIs with an eye for strong fundamentals and innovation-driven potential.

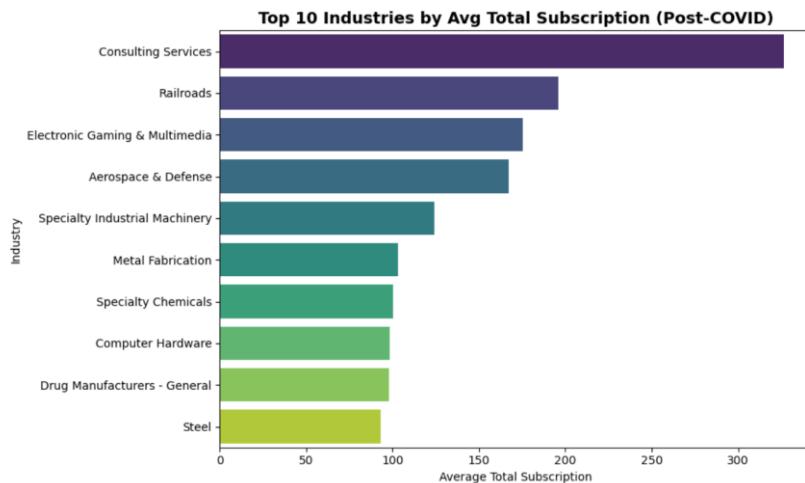
Retail Top 5 — Interpretation

Retail investors favored sectors with straightforward stories and relatable products. Consumer Defensive and Basic Materials were popular for their recognizable FMCG brands and tangible links to everyday consumer needs. Industrials resonated through visible “Make in India” initiatives and infrastructure growth themes. In Financial Services, familiar banking names and narratives around financial inclusion encouraged participation. Energy, particularly green energy ventures, captured retail enthusiasm for sustainable and future-focused investment opportunities.

Policy and Behavioral Drivers

SEBI's 35% retail quota boosted participation from individual investors in high-demand sectors. The Production Linked Incentive (PLI) scheme and large-scale infrastructure pipeline projects kept both institutional and retail focus on Industrials and Basic Materials, aligning with government priorities. National renewable energy mandates fueled QIB and HNI interest in the Energy sector. Meanwhile, initiatives such as Digital India and consumer-focused FDI/NITI Aayog programs shaped preferences in Technology and Consumer sectors, reinforcing growth narratives across investor categories.

Industry-wise Subscription Comparison



Consulting Services (326x)

The sector witnessed unprecedented oversubscription, largely driven by niche, high-growth consulting IPOs specializing in areas such as digital transformation and ESG advisory. Both institutional and retail investors sought exposure to consultancy firms positioned to benefit from emerging market opportunities and rapid service sector expansion.

Railroads (196x)

Investor enthusiasm for railroad IPOs reflected strong confidence in India's ambitious ₹16.7 lakh crore railway modernization plan. Privatization initiatives in freight operations and increased infrastructure investment further bolstered the sector's appeal.

Electronic Gaming & Multimedia (175x)

High investor appetite was fueled by the surge in mobile gaming adoption and the streaming content boom that followed pandemic lockdowns. The sector successfully captured both retail and institutional interest through scalable, tech-driven entertainment models.

Aerospace & Defense (167x)

Subscriptions soared in response to policy pushes under Atmanirbhar Bharat and significant increases in defense budgets. These initiatives encouraged private-sector participation in defense manufacturing, making the sector a magnet for investors.

Specialty Industrial Machinery (124x)

This sector benefited from strong investor confidence in capital goods manufacturing, supported by the Make in India program, PLI incentives, and the growing trend toward supply-chain localization.

Metal Fabrication & Specialty Chemicals (100–103x)

Companies in these segments attracted heavy subscriptions due to robust infrastructure spending and the global "China+1" manufacturing shift, which opened new export opportunities and increased domestic capacity utilization.

Computer Hardware & Pharma (98x)

Renewed investor interest was driven by growth in semiconductor assembly, hardware manufacturing, and essential pharmaceutical production. These were supported by

production-linked incentive schemes and health security policies implemented during and after the pandemic.

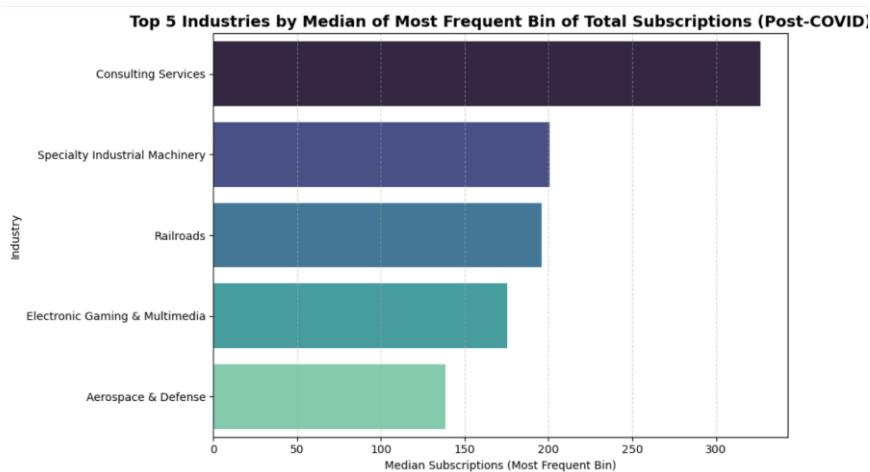
Steel (93x)

Steel sector IPOs drew strong demand, with investors betting on infrastructure-led growth and resilient domestic demand. This came despite potential risks from fluctuations in the global commodity cycle.

Policy Interconnections

The PLI scheme and Atmanirbhar Bharat initiatives played a crucial role in boosting local manufacturing across capital goods, defense, hardware, and pharmaceuticals, thereby supporting demand for consulting, machinery, and equipment IPOs. The National Infrastructure Pipeline and railway modernization programs kept investor interest high in Railroads, Steel, and Metal Fabrication. Defense production policies, including Atmanirbhar mandates and increased defense spending, underpinned strong Aerospace & Defense subscriptions. Meanwhile, Digital India initiatives and liberalized FDI norms fueled the gaming and multimedia boom, attracting significant capital to Electronic Gaming & Multimedia. Healthcare security measures—particularly those focused on domestic pharma and medical supplies—helped sustain interest in general drug manufacturing IPOs.

Top 5 Industries: Last Day Volume



Consulting Services (326x)

The sector experienced extraordinary demand, driven by the listing of high-growth management consulting and digital transformation advisory firms. Investors were drawn to robust, recurring revenue models and long-term growth themes in areas such as cloud computing, ESG advisory, and fintech consulting.

Specialty Industrial Machinery (201x)

Capital goods OEMs supplying to manufacturing and infrastructure sectors attracted strong institutional and retail interest. Niche machinery firms benefited significantly from the Make in

India initiative and Production Linked Incentive (PLI) schemes, which bolstered investor confidence in their growth prospects.

Railroads (196x)

High demand for railroad IPOs reflected ongoing privatization efforts and significant investments in freight corridors and passenger services. The sector's strategic importance, combined with large anchor investor quotas under government infrastructure spending plans, contributed to the elevated oversubscription levels.

Electronic Gaming & Multimedia (175x)

Gaming studios, content platforms, and interactive media services maintained strong retail appeal. The pandemic-driven surge in digital adoption, coupled with rising disposable incomes, fueled sustained investor enthusiasm in this sector.

Aerospace & Defense (139x)

The defense sector benefited from reforms under Atmanirbhar Bharat and higher capital expenditure on indigenous manufacturing capabilities. Clear policy direction, along with strong anchor investor commitments, helped drive high levels of oversubscription.

Influencing Factors and Policy Drivers

Government Initiatives

Key programs such as Make in India, the PLI schemes, the National Infrastructure Pipeline, and Atmanirbhar Bharat acted as catalysts for investor confidence across multiple industries.

Regulatory Frameworks

SEBI's streamlined IPO processes, structured anchor investor allotment rules, and enhanced disclosure requirements created a transparent and reliable environment for public offerings.

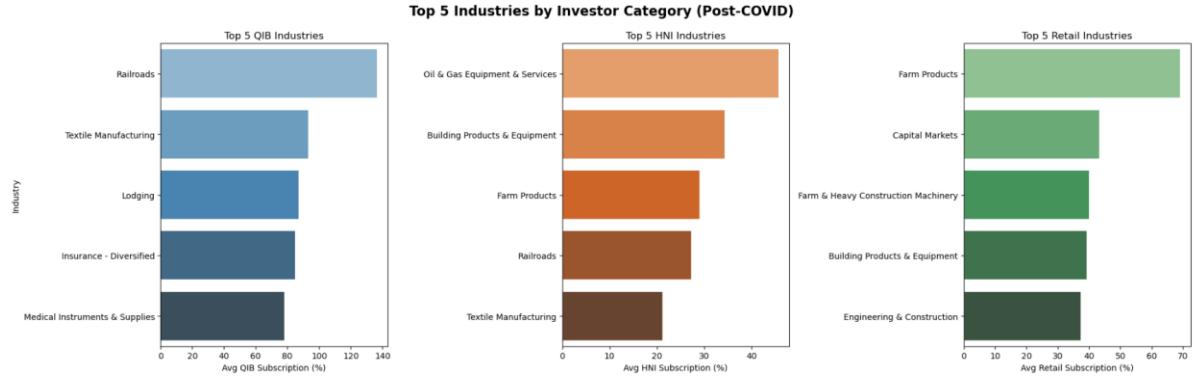
Macro-Economic Context

The post-COVID recovery phase, shifts in monetary policy, and global supply chain reconfigurations shaped investor appetite for capital goods, infrastructure-linked services, and digital media companies.

Market Sentiment and Sector Rotation

High median-to-mode subscription ratios signaled sectors that consistently attracted investor attention within each IPO cycle, reflecting a strategic rotation into policy-supported and high-growth thematic plays.

Industry-Wise Entity Subscriptions



QIB Preferences

Railroads topped institutional investor interest with an impressive 136× subscription. Large anchor quotas for privatization-led rail freight IPOs, combined with the government's ₹16.7 lakh crore rail modernization plan under the National Infrastructure Pipeline, inspired significant confidence.

Textile manufacturing and lodging sectors also gained favor among QIBs. The appeal came from export competitiveness boosted by the PLI scheme for textiles and a revival in hospitality demand following pandemic-related slowdowns.

Diversified insurance IPOs drew strong institutional support as well, aided by reforms that eased foreign direct investment and strengthened regulatory capital norms, making them attractive for stable yield profiles.

In the healthcare domain, QIBs showed anchor demand for diagnostics and medical device listings, reflecting broader government emphasis on improving healthcare infrastructure.

HNI Focus

High Net-worth Individuals (HNIs) concentrated on niche opportunities. Oil and gas equipment and services, with 45.6× subscription, were a top choice due to global energy transition trends and private sector participation in oilfield services.

Building products and equipment also appealed to this group, especially smaller, specialized capital goods firms with mid-cap growth potential linked to infrastructure spending.

HNIs maintained interest in farm products and railroads as well. Agricultural commodity IPOs offered attractive cyclical pricing plays, while rail logistics provided a blend of yield and growth potential.

Retail Choices

Farm products led retail investor preferences with 69× subscription. Familiar agricultural companies producing seeds, fertilizers, and FMCG-linked inputs resonated with this segment's understanding of the sector.

Capital markets IPOs, including stock exchanges and securities service providers, saw 43× demand as retail participants connected with businesses directly linked to investing and brokerage activities.

Construction machinery and engineering firms also proved popular, driven by ‘Make in India’ narratives and visible growth prospects in construction equipment manufacturing.

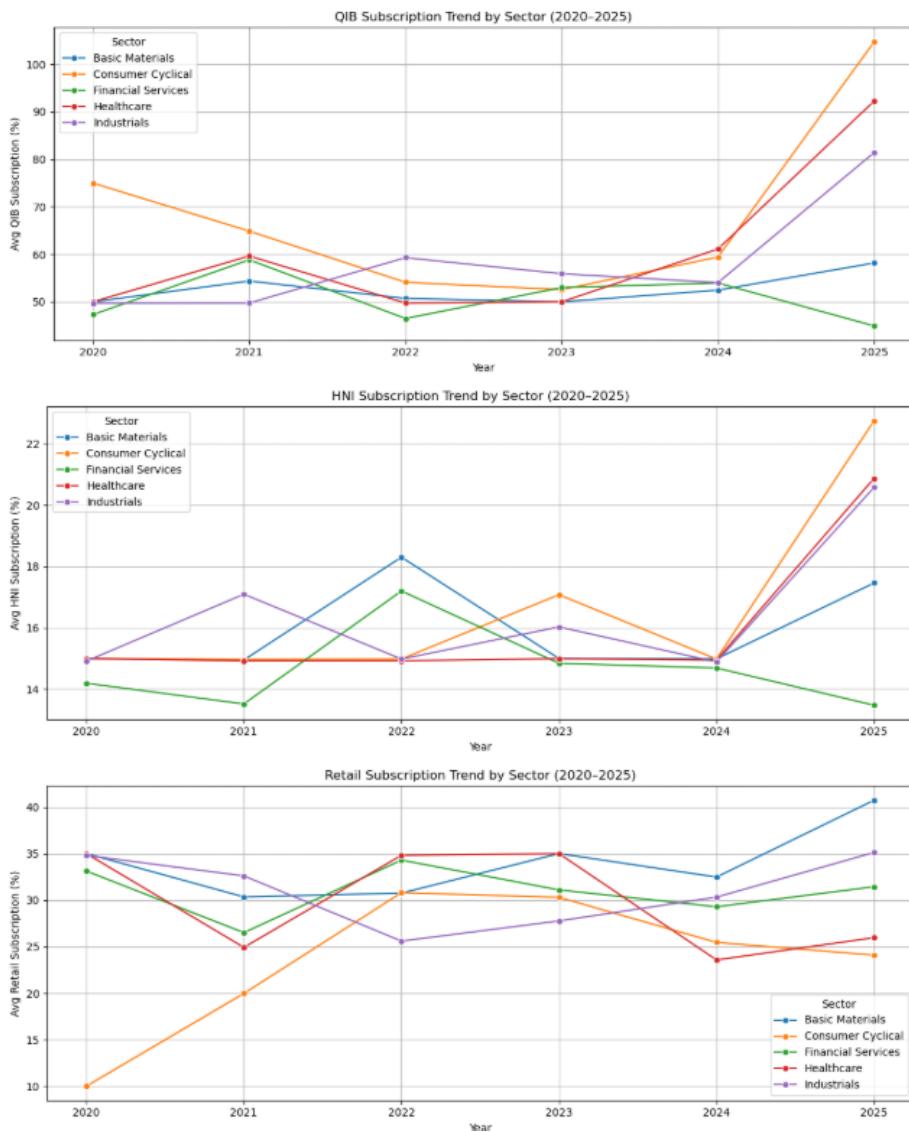
Emerging Trends

Across investor groups, sector selection aligned closely with clear policy tailwinds such as infrastructure expansion, manufacturing incentives, energy transition goals, and financial sector reforms.

Risk appetites differed by segment: QIBs leaned toward large-scale, yield-stable sectors supported by anchor quotas, such as railroads and insurance. HNIs targeted mid-cap, specialized industrial and energy-transition opportunities offering higher potential returns. Retail investors gravitated toward relatable, consumer-facing, or agriculture-linked industries where they had direct familiarity.

Sector rotation was also evident, with all cohorts shifting away from defensive pandemic plays like healthcare and consumer staples toward cyclical opportunities in infrastructure, financial services, and digital transformation as the economy entered a recovery phase.

Subscription Trend by Sector & Entity



QIB Trends (Top Panel)

Through 2024, most sectors maintained QIB subscription levels between 50% and 65%, showing disciplined institutional behavior and consistent uptake of anchor allocations.

In 2025, there was a dramatic surge: Consumer Cyclical jumped to 104.8%, Healthcare to 92.3%, and Industrials to 81.4%. This reflects a sharp increase in institutional appetite for specific high-growth sectors.

Technology remained consistently strong, holding between 60% and 70% across the years. Financial Services, however, stayed more subdued at 45% to 58%, suggesting selective enthusiasm from institutional investors.

HNI Trends (Middle Panel)

For High Net-worth Individuals, subscription levels remained stable at 14% to 17% across most sectors and years, signaling steady participation from wealthy individuals.

In 2025, notable increases emerged in Consumer Cyclical (22.7%), Industrials (20.6%), and Healthcare (20.9%), indicating targeted interest in high-growth opportunities.

Energy stood out as an exception, hitting 27.3% in 2025, likely fueled by renewable energy and infrastructure-linked IPOs.

Retail Trends (Bottom Panel)

Retail participation proved far more volatile, fluctuating between 10% and 49% across sectors and years.

A major highlight came in 2025, when retail subscription in Technology soared to 49.2%, showcasing massive enthusiasm for tech-related IPOs.

Basic Materials consistently attracted 30% to 40% retail participation, indicating a steady preference for tangible, infrastructure-linked investment stories.

Detailed Analysis by Trends – The 2025 Phenomenon

The sharp rises across all investor categories in 2025 can be traced to several converging forces. First, policy frameworks such as PLI schemes, Digital India milestones, and infrastructure projects reached maturity, producing visible results.

Second, post-pandemic economic normalization boosted confidence in cyclical and growth-oriented sectors.

Third, SEBI reforms reached full effect, enhancing market access and investor protection.

Sectoral Behavior Patterns

In **Consumer Cyclical**, the QIB spike to 104.8% in 2025 reflects institutional confidence in a consumption-led recovery, driven by marquee e-commerce, retail, and consumer brand IPOs.

In **Healthcare**, QIB participation rose steadily from 50% to 92.3%, sustained by policy support for medical devices, diagnostics, and biotech.

In **Technology**, the retail surge to 49.2% in 2025 underscores the democratization of tech investing, fueled by completed digital transformation and a shift toward profitability.

In **Financial Services**, subscription remained stable across categories, with 2025 seeing a QIB decline to 44.9%, suggesting a rotation toward higher-growth industries.

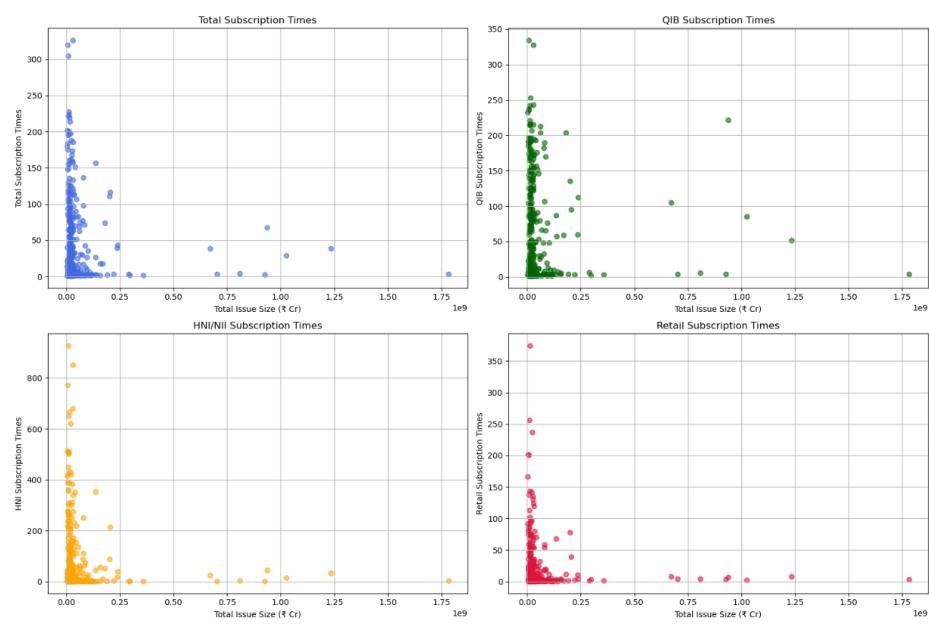
Entity-Specific Behavioral Insights

QIBs tend to favor sectors with strong policy backing and scale potential. The 2025 surge shows conviction in consumption, healthcare, and industrial growth, with a clear shift away from financial services.

HNIs maintain disciplined participation, with 2025 increases centered on infrastructure and consumer-focused plays. Their strategies appear less speculative than retail yet more flexible than institutional investors.

Retail investors remain the most sentiment-driven group. The technology spike reflects a growing comfort with digital-sector investments, while the enduring interest in Basic Materials shows an attachment to tangible, infrastructure-linked assets.

Issue Size vs Subscription



Top-Left: “Total Subscription Times”

In this chart, the X-axis represents issue size in ₹ Crore, the Y-axis shows the total subscription multiple (combining QIB, HNI, and Retail), and the bubble size likely reflects the absolute money subscribed (subscription multiple × issue size).

The pattern reveals an inverse relationship—smaller IPOs under ₹200 Cr generate the largest bubbles because exceptionally high subscription multiples produce massive total volumes despite smaller issue sizes. As the issue size grows beyond ₹500 Cr, both subscription multiples and bubble sizes shrink, showing that limited total capital is chasing the larger deals.

Notably, a few mid-sized IPOs in the ₹100–200 Cr range still produce large bubbles, suggesting standout issuers capable of overperforming even among smaller issues.

Top-Right: “QIB Subscription Times”

Here, the Y-axis shows the QIB subscription multiple, and bubble size represents QIB subscription volume (QIB multiple × issue size).

Unlike total subscription trends, QIB bubbles shrink more slowly as issue size increases, indicating that institutions maintain steadier allocations across various sizes. A handful of near-₹1,000 Cr deals still attract significant QIB demand, proving that institutions have the capacity to absorb mega-deals when the offering aligns with their strategies.

Bottom-Left: “HNI Subscription Times”

In this panel, the Y-axis shows HNI subscription multiples, and bubble size represents HNI subscription volume (HNI multiple × issue size).

The data points to extreme enthusiasm for very small issues—under ₹100 Cr—where subscription multiples can reach up to 900x. This shows thatHNIs aggressively target small IPOs where their allotments can be meaningfully large.

Beyond ₹200 Cr, HNI participation drops sharply, with bubbles nearly disappearing. This illustrates a strong preference for boutique-sized issues where exclusivity and allocation share are maximized.

Bottom-Right: “Retail Subscription Times”

The Y-axis here reflects retail subscription multiples, and bubble size equals retail subscription volume (retail multiple × issue size).

Retail participation extends further into the mid-sized range, with bubbles visible up to ₹300–500 Cr. This persistence shows that retail investors can remain active in mid-sized IPOs despite the ₹2 lakh investment cap.

The largest retail bubbles occur in small issues, but peak multiples (~350x) and bubble sizes are smaller than HNIs, indicating that retail enthusiasm is strong but more moderate and broadly spread across different offerings.

Overall Insights from the Bubble Charts

Across all groups, there is a clear inverse relationship between issue size and subscription multiples, but the degree and rate of decline vary by investor type. QIBs have the capacity to handle large offerings, HNIs focus tightly on small-cap IPOs, and retail investors occupy a middle ground—engaging in both small and selected mid-cap deals.

These patterns are also shaped by structural factors: SEBI’s allocation quotas (50% QIB, 35% retail, 15% HNI), retail investment limits, and anchor investor mandates that boost QIB participation even in mega-deals.

Additional Insights Beyond the Size-Subscription Link

Sweet-Spot Issue Size: All investor cohorts show a “Goldilocks zone” of roughly ₹50–200 Cr, where bubbles are large and subscription multiples remain high. IPOs in this range offer enough liquidity and float while maintaining scarcity to drive demand.

Outlier Identification: Mega-issues over ₹1,000 Cr with large bubbles stand out as exceptional deals, often backed by strong anchors. Conversely, very small issues under ₹10 Cr with modest bubbles highlight cases where risk outweighs appeal, even for HNIs.

Entity “Depth of Field”: The horizontal spread of bubble clusters reflects each group’s capacity. QIBs span the entire size range, retail cuts off near ₹500 Cr, and HNIs are tightly clustered below ₹200 Cr.

Volatility vs. Consistency: HNI bubbles fluctuate sharply, showing speculative swings, whereas QIB bubbles follow a more consistent downward trend. Retail bubbles slope moderately, with occasional participation in mid-sized IPOs.

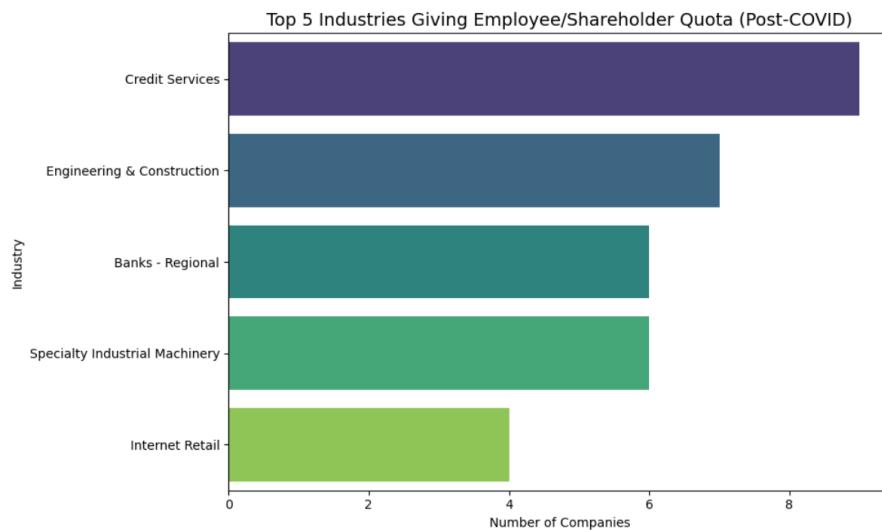
Potential Sector Bias: Coloring the data by sector could reveal whether industries like technology or healthcare dominate certain size or subscription ranges, highlighting sector-specific investor preferences or aversions.

Temporal Shifts: Breaking the data down by year or animating the timeline would show how sweet-spot ranges and subscription intensity shifted with market liquidity and sentiment cycles.

Liquidity-Driven Price Discovery: The steep decline in subscriptions for issues above ₹500 Cr suggests a liquidity ceiling in the market, beyond which price discovery becomes more challenging—critical for IPO sizing strategies.

Policy Impact Windows: Mapping policy changes (PLI announcements, RBI rate decisions) against these charts could show how reforms reshaped subscription patterns across investor types.

Top 5 Industries Giving Employee/Shareholder Quota (Post-COVID)



Analysis of Observed Patterns

Credit Services (9 companies)

High employee/subscriber quota adoption is being driven by NBFCs and fintech lenders, aiming to align frontline staff and early backers with listing success. This trend also reflects regulatory encouragement for employee participation in financial sector IPOs to promote inclusivity.

Engineering & Construction (7 companies)

Infrastructure firms are increasingly using employee quotas as part of ESOP exits for project

managers and engineers. Government infrastructure investment and public–private partnership (PPP) models are supporting strong project pipelines, motivating companies to encourage employee stakeholding.

Banks – Regional & Specialty Industrial Machinery (6 each)

Regional banks and capital goods OEMs leverage employee or board quotas to reward long-tenured staff and distributors, particularly in the context of regulatory capital-raising mandates. In machinery, PLI incentives are driving ESOP schemes for engineers and sales personnel.

Internet Retail, Asset Management & Packaged Foods (4 each)

Tech-enabled retailers and asset managers deploy employee quotas to retain talent in competitive hiring markets. Packaged foods companies extend quotas to franchisees and distribution partners, aligning them with IPO performance.

Health Information Services, Auto Manufacturers & Real Estate Development (3 each)

Healthcare IT providers allocate quotas to software and data analytics teams that are critical to platform success. Automakers offer quotas to factory workers and dealers, while real estate developers extend quotas to landowners and project employees to secure community support.

Key Influencing Factors and Policies

SEBI ESOP Guidelines (2019):

SEBI formalized a fixed employee reservation segment of up to 5% of the issue size, encouraging broader adoption across industries.

Employee Ownership Culture:

Sectors facing high competition for talent—such as technology, finance, and engineering—use quotas to incentivize and retain employees.

Regulatory Capital Requirements:

Financial services firms needing to strengthen capital positions use employee quotas to smooth market entry and reward internal stakeholders.

Government Infrastructure Push:

Engineering and construction companies align employee incentives with large public infrastructure program timelines.

Sectoral Growth Narratives:

High-growth industries like internet retail and asset management aim to maintain employee alignment through share participation.

Interconnected Aspects

Talent Retention & Motivation:

Employee quotas act as an extension of ESOPs, critical in industries struggling with talent shortages such as tech, financial services, and engineering.

Community & Shareholder Alignment:

Allocating quotas to existing shareholders and local stakeholders (e.g., real estate landowners) enhances community support for the IPO.

IPO Pricing & Demand Management:

Reserved quotas can help balance retail demand, reducing oversubscription pressure while ensuring committed stakeholder participation.

Common Threads Across Quota-Heavy Industries

High Human-Capital Intensity:

These sectors rely heavily on specialized talent or long-tenured staff—credit services, engineering, machinery manufacturing, tech-driven retail, asset management, healthcare IT—prompting companies to use quotas for alignment and retention.

Strong Regulatory or Policy Focus:

Many industries operate under sector-specific mandates—banking capital norms, PLI manufacturing schemes, SEBI ESOP guidelines, infrastructure pipelines, and digital lending frameworks—that require capital raising and encourage employee participation.

Rapid Growth & Competition for Talent:

Fast-growing industries like internet retail, specialty machinery, and asset management face intense competition for skilled professionals, making quota allocations a crucial retention tool.

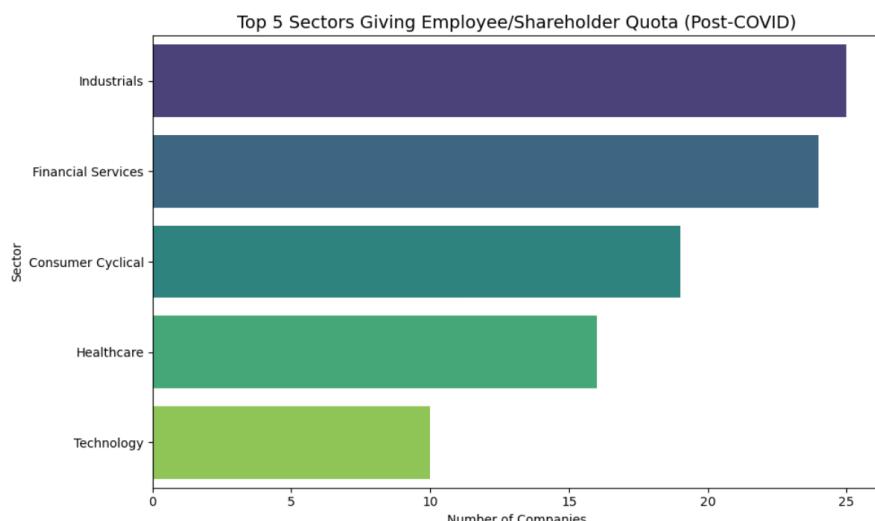
Stakeholder Alignment in Asset-Heavy Sectors:

Industries linked to infrastructure—construction, real estate development, auto manufacturing, and packaged foods distribution—use quotas to involve frontline workers, distributors, and legacy stakeholders, helping ensure project continuity and community buy-in.

Maturation of Employee Ownership Culture:

Post-COVID, companies have institutionalized ESOP and quota schemes under SEBI's reservation framework, marking a broader shift toward shared ownership models.

Sectors Giving Employee/Shareholder Quota



Detailed Analysis

Industrials (25 companies)

Capital-intensive sectors such as construction, machinery, and manufacturing rely on skilled labor and project managers, who often receive quotas as part of retention and reward strategies. This aligns with policy initiatives like *Make in India* and the National Infrastructure Pipeline, which drive robust greenfield and brownfield projects, incentivizing employee participation.

Financial Services (24 companies)

Banks, NBFCs, and insurance firms frequently turn to IPOs to meet stricter capital adequacy norms, using quotas to align employees and early investors with long-term performance. Post-COVID expansion in fintech and credit services has also driven broad ESOP use, particularly for branch-level staff and sales teams.

Consumer Cyclical (19 companies)

E-commerce, retail, and hospitality chains use quotas to motivate frontline employees and franchise partners during rapid post-pandemic expansion. Investor and employee confidence is further boosted by supportive policy frameworks, including retail FDI and digital commerce regulations.

Healthcare (16 companies)

Diagnostics, pharmaceuticals, and healthtech firms have expanded ESOP schemes to secure specialized scientific and IT talent—a direct lesson from the pandemic. Emergency use authorizations and increased health spending have accelerated sector growth, with quotas helping cement employee alignment.

Technology (10 companies)

Tech platforms, SaaS companies, and digital marketplaces depend heavily on stock-based incentives to recruit and retain engineers and product teams. This is reinforced by government startup funds and tax incentives on ESOPs, which drive the formalization of employee quotas in public listings.

Basic Materials & Consumer Defensive

In **Basic Materials** (9 companies), firms in steel, chemicals, and industrial inputs reward operational workers and distributor networks to ensure production continuity. In **Consumer Defensive** (6 companies), FMCG brands extend incentives to brand-level staff and local distributors, aligning them with long-term growth trajectories.

Smaller Quota Adoption

Sectors like communication, real estate, and utilities (3 companies each) show early-stage adoption of employee or shareholder quotas. These industries are still building formal participation mechanisms in specialized fields.

Key Influences and Interconnections

SEBI's Employee Reservation Guidelines, standardizing quotas of up to 5% of issue size, have been widely embraced—especially in sectors that depend heavily on labor or distributor networks. Talent retention remains a key driver in industries with intense skill competition, including technology, healthcare, and industrials.

Regulatory and policy catalysts—such as banking capital norms, infrastructure spending programs, and startup/ESOP tax benefits—continue to shape sectoral adoption patterns. Quotas also serve as a tool for stakeholder alignment, bringing employees, shareholders, and distributors together in support of long-term projects and franchise models.

Common Themes Across Sectors

Specialized Workforce & Talent Competition

Industrials, Financial Services, Healthcare, and Technology depend on skilled professionals such as engineers, analysts, clinicians, and software developers. Quotas reward and retain these critical employees.

Regulatory & Capital-Raising Mandates

Financial Services and Industrials face significant capital adequacy and infrastructure-funding requirements. Quotas help align staff incentives with company performance during major capital raises.

Complex, Long-Cycle Projects

Engineering, construction, real estate, and consumer cyclical sectors often involve multi-year projects or franchise models, where quotas help keep frontline workers and distributors committed to success.

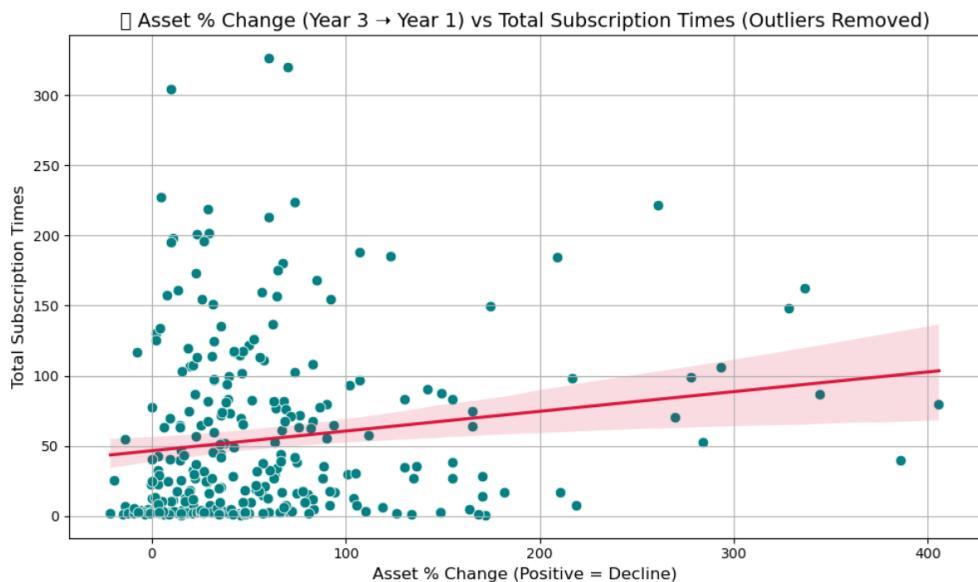
Growth-Driven Equity Culture

High-growth segments such as technology, healthcare, and consumer cyclical sectors make stock-based compensation standard practice. SEBI's formalization of employee reservations up to 5% has institutionalized this approach.

Stakeholder Engagement & Community Buy-in

Asset-heavy and service-focused industries—such as utilities, real estate, and packaged foods—use quotas to involve local partners, distributors, and existing shareholders, ensuring wider support and smoother project execution.

Assets vs Total Subscription



The scatterplot comparing total subscription multiples of post-COVID IPOs to subsequent asset-growth percentages shows distinct clusters and notable outliers, revealing how market enthusiasm sometimes aligned—and other times diverged—from actual company performance.

Extreme Oversubscription and Missed Fundamentals

IPOs with subscription levels above 150×, such as Le Travenues Technology Ltd (217×), Zomato (155×), and Indegene (163×), displayed outcomes ranging from large asset declines (−14% to −21%) to extraordinary gains exceeding +100%. This suggests that high subscription multiples, by themselves, are unreliable indicators of future asset appreciation and often reflect speculative “fear of missing out” rather than fundamentals.

The ‘Sweet Spot’ in the 20–80× Range

Companies in the 20–80× subscription bracket typically recorded asset growth between 0% and +50%. Examples include Allied Blenders, which achieved +8% growth at 25× subscription. This middle range generally represents healthier price discovery, where investor demand is more closely matched to the company’s ability to translate IPO proceeds into productive asset growth.

Low-Subscription, High-Growth Outliers

A few IPOs with subscription multiples under 5× went on to post strong asset growth above 20%. Radiant Cash Management, for example, delivered +15% asset growth despite just 0.5× subscription. These cases point to undervalued opportunities where market interest was muted but fundamentals were strong.

Negative Growth Despite High Demand

Some IPOs with subscriptions above 100× suffered post-listing asset declines of −10% to −25%. Examples include Sapphire Foods (−13% at 6.6×) and Macrotech Developers (−15% at 1.36×). Such cases highlight the risk of equating opening-day demand with sustainable operational performance.

Policy and Structural Drivers

Book-building processes and anchor allocations can artificially boost subscription figures

without corresponding fundamentals. Post-COVID liquidity surpluses and low interest rates also amplified speculative bidding, particularly in small-cap IPOs with limited supply.

Sectoral Patterns

Commodity and cyclical industries such as chemicals, hospitality, and real estate showed the widest variations—some oversubscribed names collapsed, while others prospered under strong management. In contrast, technology, financial services, and asset-light companies tended to cluster in the mid-subscription/positive-growth range, reflecting more stable investor demand.

Optimal Sizing and Pricing

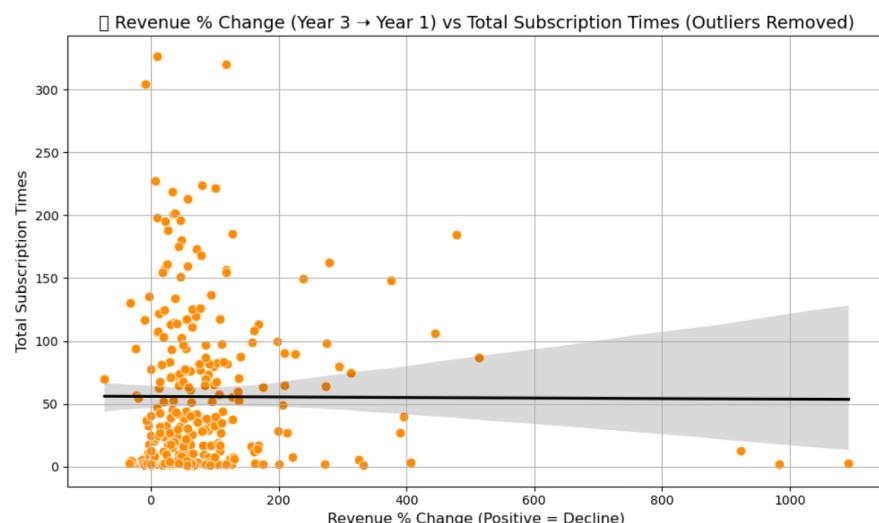
Issuers seeking sustainable post-listing performance should target subscription multiples in the moderate 20–80× range. This balance draws sufficient interest without creating speculative excess. For regulators and bankers, this range could serve as a benchmark for fair IPO pricing.

Key Takeaways

- **Market sentiment ≠ fundamentals:** High subscription multiples capture hype but don't guarantee asset growth.
- **Mid-range efficiency:** The 20–80× range aligns best with long-term performance.
- **Risk awareness:** Hyper-subscribed small-cap IPOs warrant deeper scrutiny.
- **Policy guidance:** Refining pricing and allotment rules could help curb speculation while supporting genuine demand.

In short, the subscription multiple becomes most informative when it falls in a moderate range. Outliers—whether extremely high or low—should prompt deeper analysis of valuation, sector conditions, and company fundamentals, rather than being taken at face value as signals of future asset performance.

Revenue vs Total Subscription



From the *Revenue % Change vs Total Subscription Times* analysis, plotting each IPO's subscription multiple against its subsequent revenue growth highlights clear patterns and diagnostic insights.

Four Quadrants of Market Efficiency

- **Quadrant I (High Subscription, High Revenue Growth)** – These IPOs enjoyed both strong demand and solid topline performance. Mid-range subscription names ($20\text{--}80\times$) that achieved double-digit revenue growth dominate here. Paradeep Phosphates is a notable exception with -21% revenue despite high demand. This quadrant reflects healthy price discovery and genuinely high-quality business models.
- **Quadrant II (High Subscription, Negative or Low Growth)** – Over-hyped issues that drew subscription multiples above $100\times$ but delivered stagnating or declining revenues, such as R K SWAMY and Sapphire Foods, fall here. This reflects speculative excess driven by investor FOMO rather than fundamentals.
- **Quadrant III (Low Subscription, Negative or Low Growth)** – Companies in this category failed to attract strong market interest and also underperformed operationally. Macrotech Developers, with a $1.36\times$ subscription and -15% revenue, is an example. These outcomes suggest both market skepticism and business challenges.
- **Quadrant IV (Low Subscription, High Growth)** – Undervalued IPOs that were overlooked yet achieved strong revenue performance, sometimes exceeding $+20\%$ growth despite subscriptions under $5\times$, appear here. Radiant Cash Management ($0.53\times$, $+0.45\%$ growth) is an example. These are potential value opportunities where the market underestimated strength.

The “Sweet Spot” of $20\text{--}80\times$ Subscription

A dense cluster of IPOs in the $20\text{--}80\times$ subscription range shows consistent positive revenue growth, typically between 5% and 30% . This middle band represents an efficient pricing zone—demand is high enough to reflect confidence, but not so inflated that valuations become unsustainable.

Sectoral Patterns

Commodity and cyclical industries—such as chemicals, hospitality, and real estate—are scattered across all four quadrants, underscoring their volatility and macroeconomic sensitivity. In contrast, technology, financial services, and other asset-light businesses appear more frequently in Quadrants I and IV, suggesting stronger alignment between demand and actual performance.

Policy and Liquidity Drivers

Post-COVID liquidity surpluses and low interest rates played a major role in fueling heavy oversubscription, particularly in micro-cap IPOs. This environment created many Quadrant II outliers. Additionally, SEBI's book-building framework and anchor investor rules sometimes amplified subscription figures without clear ties to revenue growth potential.

Investment Implications

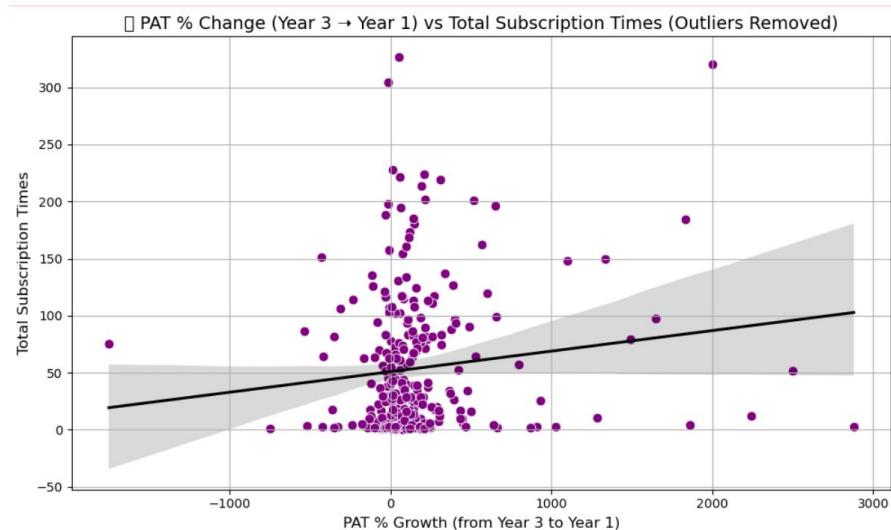
Investors should focus on IPOs within the $20\text{--}80\times$ subscription range to capture a balance of demand and fundamental strength. Extremely high subscription levels ($>100\times$) may signal speculative hype and warrant extra caution unless backed by robust growth guidance.

Conversely, low-subscription, high-growth IPOs can present attractive value opportunities if supported by solid business models.

Issuer Guidance

For companies planning an IPO, maintaining pricing discipline is key—targeting moderate subscription multiples can help build investor confidence while reducing the risk of post-listing corrections. Additionally, clear and detailed disclosure of revenue drivers in the prospectus can reduce reliance on speculative demand surges.

Profit vs Total Subscription



Quadrant Definitions

- **Q1 ($x > 0, y > 20$)** – High subscription with positive PAT growth.
- **Q2 ($x < 0, y > 20$)** – High subscription with negative PAT growth.
- **Q3 ($x < 0, y < 20$)** – Low subscription with negative PAT growth.
- **Q4 ($x > 0, y < 20$)** – Low subscription with positive PAT growth.

Q1 – Sweet-Spot Successes

Companies in this category show strong market demand alongside genuine profitability improvements. Examples include Afcons Infrastructure (+25.7% PAT, 2.77× subscription) and Mankind Pharma (+37.6% PAT with moderate subscription levels). This combination suggests efficient price discovery and sustainable business performance.

Q2 – Speculative Overreach

This group features IPOs that attracted large subscription multiples despite severe profit declines. Examples include Happiest Minds (-427% PAT, 151× subscription) and Premier

Energies (-1750% PAT, 75× subscription). Such cases indicate hype-driven demand dominated by investor FOMO, with little regard for fundamentals.

Q3 – Underwhelming & Unsold

These IPOs had both low subscription levels and negative PAT growth, showing weak market appeal and poor profitability. Shriram Properties (-239% PAT, 4.6× subscription) is a representative case. Such offerings are clear underperformers, lacking investor confidence and operational strength.

Q4 – Value Opportunities

In this quadrant, IPOs have modest subscription levels—typically under 20×—but demonstrate positive PAT growth. Stellar Diagnostics is one such example. These companies may represent undervalued opportunities where the market failed to recognize strong profit potential.

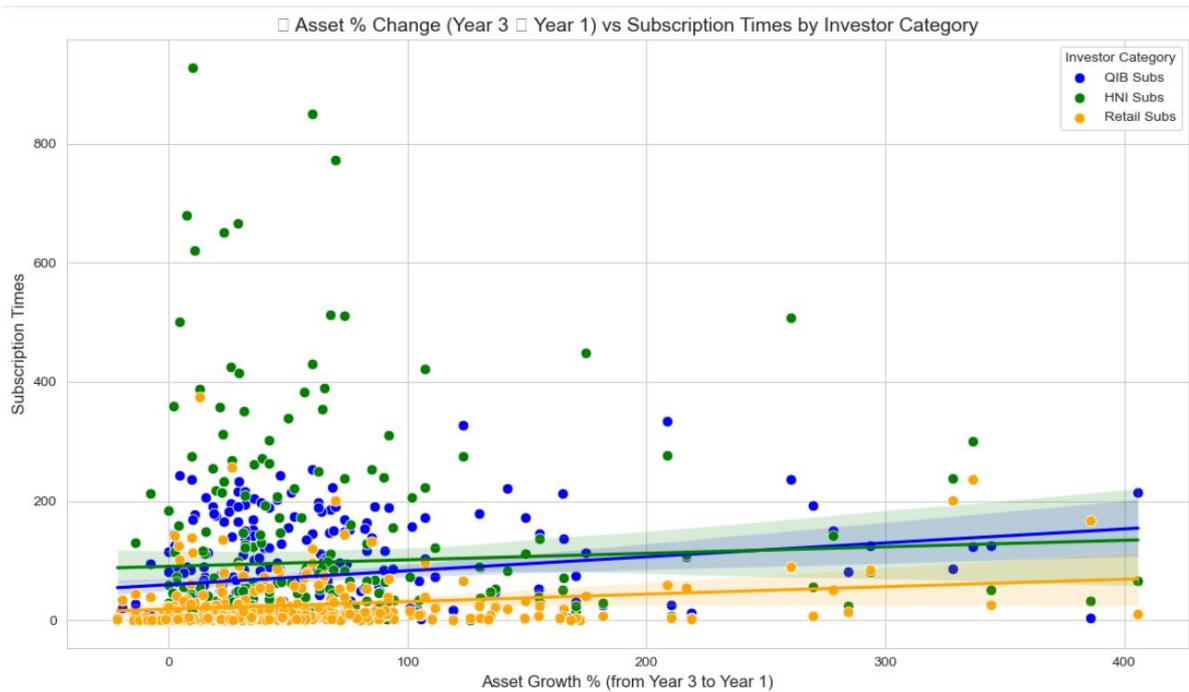
Influencing Factors and Policies

Book-building mechanics, such as anchor allocations and bidding rules, can inflate subscription numbers and contribute to Q2 outcomes. Liquidity surpluses in the post-COVID period also fueled speculative bidding in small-cap IPOs. Regulatory emphasis by SEBI on profitability disclosures tends to align with Q1 and Q4 performance, rewarding issuers that are transparent and profit-focused.

Interconnected Market Insights

High subscription in Q2 should be seen as a warning sign of speculative excess, while low subscription in Q3 highlights genuine business weaknesses. Targeting subscription levels in the 20–50× range may strike the best balance between investor demand and profitability. For investors, quadrant positioning can be a valuable screening tool—Q1 offers sustainable growth plays, Q4 presents potential value picks, and Q2 demands heightened caution.

Assets vs Retail Subscription/HNI/QIB



Key Patterns by Investor Category

QIB (Qualified Institutional Buyers) – Top Left Panel

QIB subscriptions cluster between 1× and 200×, reflecting institutional restraint compared to other investor categories. Their risk distribution is balanced across positive and negative asset growth zones, indicating that decisions are largely driven by fundamental analysis rather than speculation. Even at the higher end—above 150× subscription—outcomes remain mixed, showing that institutions can still be influenced by market sentiment.

HNI (High Net Worth Individuals) – Top Right Panel

HNI subscriptions show extreme volatility, ranging from near zero to above 800×. Several IPOs with exceptional asset growth above 100% attracted moderate to high HNI subscription levels between 100× and 500×. However, some IPOs with extreme HNI subscriptions above 600× posted negative asset growth, a sign of speculative overreach.

Retail Investors – Bottom Left Panel

Retail subscriptions generally range between 1× and 200×, demonstrating more control than HNI participation but a broader spread than QIB involvement. Retail investors tend to cluster more in positive asset growth territories, suggesting either better stock selection or stronger risk management. Their participation remains consistent across different asset performance levels, reflecting democratized access to IPO markets.

Total Subscription – Bottom Right Panel

When combining all investor categories, total subscriptions can exceed 1,000× in exceptional cases. This view makes it easier to spot IPOs with extraordinary overall market demand, regardless of how individual investor segments performed.

Detailed Analysis and Insights

1. Subscription Intensity vs. Asset Performance Correlation

Across all categories, there is no universal correlation between high subscription levels and positive asset growth. This points to market inefficiencies and speculative elements in IPO bidding. Category-specific patterns are evident—HNIs display the most extreme relationships between subscription multiples and asset growth, while QIBs respond more moderately.

2. Risk-Reward Distribution

Institutional investors show better risk management, with fewer extreme negative asset outcomes despite occasional high subscriptions. HNIs, on the other hand, often pay extreme subscription premiums in pursuit of high-growth opportunities, accepting greater downside risk. Retail investors maintain relatively stable subscription patterns and achieve moderate asset performance outcomes.

3. Policy and Market Structure Implications

SEBI Allocation Framework Impact:

- **50% QIB Allocation:** Encourages institutional discipline while providing anchor demand for quality IPOs.
- **35% Retail Allocation:** Expands retail access while preventing excessive speculation through investment caps.
- **15% HNI Allocation:** Creates scarcity that drives extreme subscription multiples in the HNI category.

Regulatory Considerations:

- **Book-Building Process:** The 3–5 day bidding window can create artificial urgency, especially affecting HNIs.
- **Investment Limits:** A ₹2 lakh retail cap reduces individual risk, while the ₹2 lakh+ HNI threshold allows concentrated bets.

4. Interconnected Market Dynamics

Strong QIB subscription often acts as an anchor signal of quality, influencing HNI and retail participation. Extreme HNI bidding can trigger retail FOMO, pushing total subscription multiples higher. Differences in subscription patterns across categories reveal varying risk appetites and a segmented market structure. Technology and other high-growth sectors tend to show the most volatility across all categories, while defensive sectors exhibit steadier patterns.

5. Investment and Policy Recommendations

For Investors:

- **QIBs:** Continue focusing on fundamental analysis—high institutional subscription may signal quality but is no guarantee of returns.
- **HNIs:** Be cautious with extreme subscription multiples and diversify across multiple moderate-subscription IPOs.
- **Retail Investors:** Favor moderate subscription ranges of 20×–80×, which tend to yield better risk-adjusted outcomes.

For Regulators:

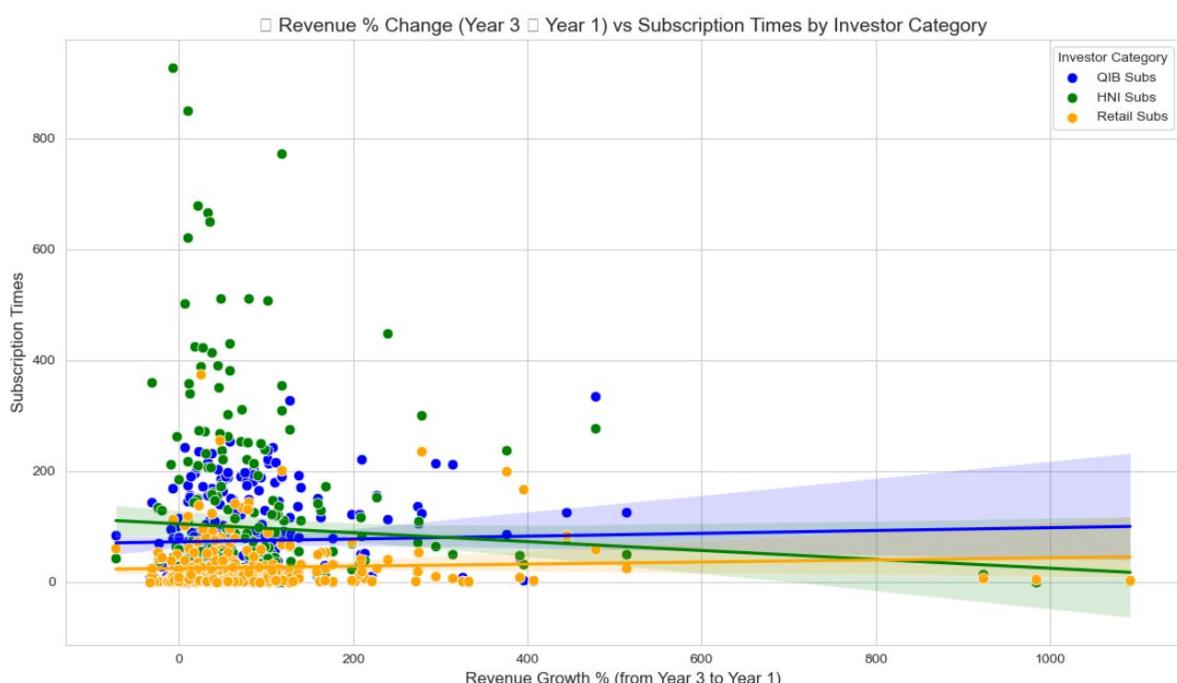
- Reconsider the current 15% HNI allocation to curb speculative scarcity.
- Strengthen prospectus requirements to improve fundamental analysis across all investor categories.
- Monitor IPOs with category-wise subscriptions above 100× to detect potential bubbles early.

For Issuers:

- Target pricing strategies that generate 20×–80× total subscription while maintaining balanced participation across categories.
- Provide clearer business fundamentals to reduce speculative-driven bidding.

In short: **HNI**s remain the most reactive and speculative, **QIBs** balance enthusiasm with discipline, and **retail investors** participate more cautiously.

Revenue vs Retail Subscription/HNI/QIB



1. Subscription Intensity vs. Revenue Growth Dynamics

IPOs with **moderate-to-high revenue growth**—typically between 40% and 150%—tend to attract solid subscription multiples across all investor types. This indicates a positive feedback loop, where investors actively reward visible revenue momentum.

In the case of **extreme revenue growth** exceeding 200%—as seen with companies like *ideaForge* and *Jana Small Finance Bank*—subscriptions are often particularly strong from QIB and HNI investor groups. However, retail participation in some of these high-growth cases

remains comparatively moderate, suggesting that retail investors may exercise more caution or lack awareness of certain high-growth but niche offerings.

Interestingly, **IPOs with negative or flat revenue growth** can still draw substantial interest, particularly from institutional investors. These cases often reflect investor bets on turnaround potential or strong underlying asset quality, even when short-term revenue trends are unfavorable.

2. Differential Investor Behavior

QIBs (Institutional Investors) display a wide spectrum of subscription multiples, occasionally reaching extreme highs (e.g., 196×) even when revenue growth is modest. This reflects a strategic approach that considers qualitative factors such as long-term growth potential and competitive positioning, rather than focusing solely on recent revenue performance. Their preference for larger issue sizes and institutional-grade IPOs allows them to significantly influence subscription outcomes, independent of short-term numbers.

NII/HNI Investors tend to show the **widest variation** in subscription multiples. High-profile IPOs like *ideaForge* and *Happiest Minds* have seen exceptional interest from this group, highlighting a speculative appetite and the ability to aggressively bid for small to mid-sized IPOs. In some cases, NII subscriptions have exceeded 600×, reflecting intense competition for allocation and expectations of outsized returns.

Retail Investors generally exhibit steadier and more moderate subscription multiples compared to institutions. However, in high-growth IPOs or sectors with strong public appeal—such as technology or consumer brands—retail subscriptions can surge dramatically, occasionally surpassing 100×. Despite this, retail enthusiasm often lags behind institutional levels, likely due to lower risk tolerance and reduced access to timely market information.

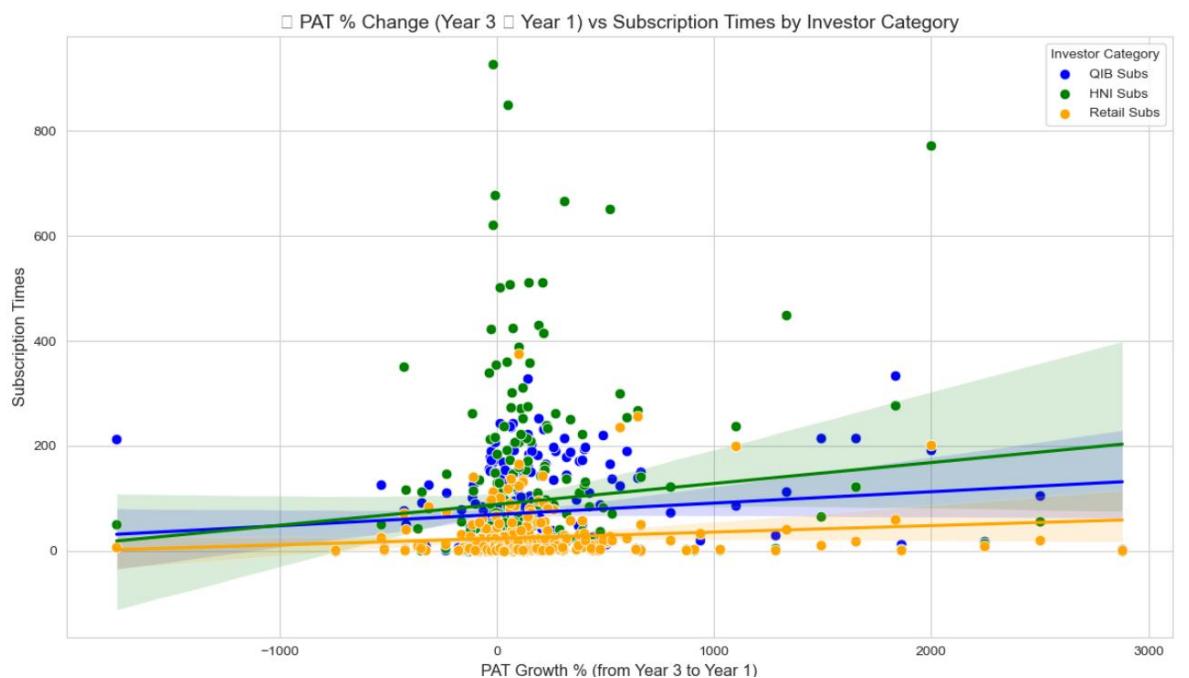
3. Market and Policy Factors

SEBI regulations play a central role in shaping subscription dynamics. The mandatory allocation split—50% for QIBs, 15% for NIIs, and 35% for retail—directly influences bidding intensity within each group. Additionally, the ₹2 lakh investment cap per IPO for retail investors prevents excessive retail-driven bidding, which helps explain why their subscription levels often plateau despite high revenue growth cases.

Liquidity conditions and market sentiment have also been key drivers. Post-pandemic excess liquidity and pent-up demand have fueled extremely high subscription multiples, especially from institutions and NIIs. Regulatory reforms—such as streamlined listing processes and anchor investor mandates—have further strengthened institutional confidence, leading to larger bids from QIBs.

Sector-specific factors remain important in subscription trends. Technology, fintech, and healthcare IPOs often combine strong revenue growth with high subscription multiples, benefiting from investor appetite for innovation and scalability. In contrast, companies in cyclical or traditional sectors tend to exhibit more muted revenue changes and corresponding subscription variability.

PAT vs Retail Subscription/HNI/QIB



1. Diverse Investor Responses to Profitability Signals

QIBs (Institutional Investors) show considerable variance in subscription levels but tend to be more disciplined overall. While they generally prioritize fundamentals, there are notable cases where IPOs with very high QIB subscription multiples—above 150×—still correspond to stocks with severe negative PAT growth, such as *Premier*, *Star Health*, and *TBO*. This highlights occasional institutional exposure to speculative offerings despite their reputation for caution.

HNI (High Net Worth Individuals) are highly reactive to IPO hype, often showing extreme volatility in subscription multiples. Their bids can be enormous regardless of poor profitability outcomes. For example, one IPO with a staggering -427% PAT growth still received 351× subscription from HNIs, reflecting speculative fervor and a willingness to chase high-risk opportunities.

Retail investors tend to subscribe at lower and more conservative multiples compared to institutional and HNI categories. Extreme spikes are less common, though there are cases where retail interest remains notable even in companies with negative PAT growth—albeit to a lesser magnitude than seen with HNIs.

2. Four Quadrants of Investor–Performance Alignment

The relationship between PAT growth (positive or negative) and subscription multiples (high or low) can be mapped into four conceptual quadrants:

- **Quadrant I (High PAT Growth & High Subscription):** Represents successful IPOs with both profitability improvement and strong investor demand. These are ideal scenarios

reflecting market efficiency and fundamentals-led enthusiasm. While relatively rare, they are strategically important.

- **Quadrant II (Negative PAT Growth & High Subscription):** Indicates speculative excess, where investor enthusiasm outweighs profitability considerations. Many IPOs cluster here, revealing a disconnect between hype and financial performance.
 - **Quadrant III (Negative PAT Growth & Low Subscription):** Comprises IPOs with weak fundamentals and low investor interest, often reflecting distressed or unattractive offerings.
 - **Quadrant IV (Positive PAT Growth & Low Subscription):** Highlights potential undervalued opportunities where profits are improving but subscription remains muted—possible hidden gems for discerning investors.
-

3. Speculative Risks and Market Dynamics

The data shows a clear tilt toward speculative participation among HNIs, driven more by optimism, scarcity, and FOMO than by profitability. QIBs, while more risk-averse, are not immune to participating in high-subscription scenarios detached from fundamentals. Retail investors generally display steadier, moderate participation, but can be drawn into popular IPO stories boosted by media coverage and market momentum.

4. Influencing Policies and Market Context

SEBI's investor category quotas ensure structured allocations but also fuel competitive pressures—particularly in the HNI segment, where the 15% allocation cap drives aggressive bidding and subscription volatility. Pricing and book-building mechanisms often contribute to surges in demand that are unrelated to profitability.

Post-pandemic liquidity has amplified risk appetite, resulting in extreme oversubscription in some IPOs. Additionally, government policies promoting sectors such as technology, healthcare, and fintech have boosted investor enthusiasm, though such support does not always translate to immediate profitability.

5. Interconnected Insights for Market Participants

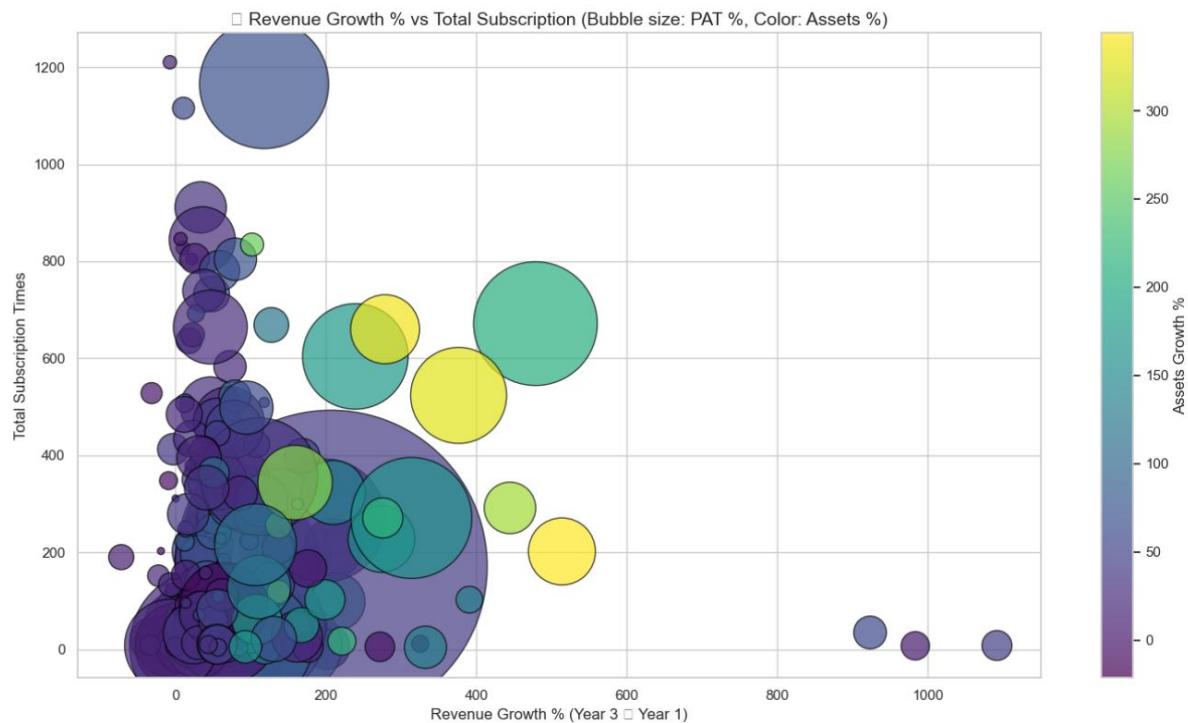
From the issuer perspective, strong profitability disclosures and realistic pricing strategies can help avoid post-listing corrections driven by over-enthusiasm. For investors, subscription multiples should be weighed alongside PAT growth to identify speculative traps. For regulators, introducing measures to curb excessive volatility—particularly within the HNI segment—could enhance market stability.

Conclusion

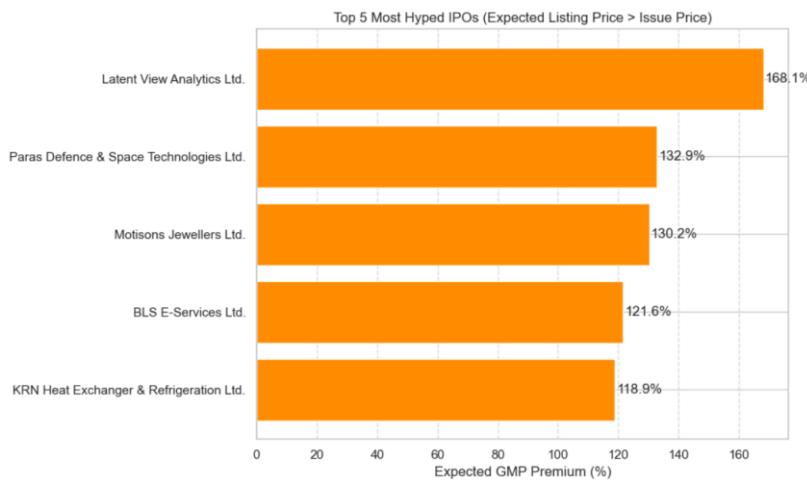
The findings show that while certain IPOs with strong profitability growth receive balanced and justified investor demand, many demonstrate a mismatch between subscription intensity and

financial performance. This gap is most pronounced among HNIs, who frequently display speculative behavior. QIBs generally manage risk more effectively, while retail investors show moderate enthusiasm influenced by both accessibility and information asymmetry.

Financial Growth vs Subscription (Bubble Chart)



Top 5 Hyped IPOs with highest GMP



What and Why These Trends Are Happening

1. Exceptional GMP Levels Indicate Market Euphoria

The data shows an average hype percentage of **134.35%**, meaning investors are willing to pay more than twice the issue price in the grey market. This extraordinary premium is driven by several factors:

- **Scarcity Psychology:** Limited IPO supply creates artificial demand pressure.
- **FOMO-Driven Behavior:** Fear of missing out on potential listing gains fuels speculative bidding.
- **Sector-Specific Enthusiasm:** Industries such as technology, defense, and consumer services are attracting premium valuations.

2. Sectoral Concentration Driving Premium Valuations

The top-performing IPOs are concentrated in sectors that align with India's economic transformation.

- **Technology Leadership (Latent View Analytics – 168.15% Hype):** The post-COVID acceleration of digital transformation has created sustained demand. The company's strong US market presence positions it well for AI/ML growth, while its pure-play analytics model benefits from data-driven business evolution.
- **Defense Manufacturing Boom (Paras Defence – 132.86% Hype):** The *Atmanirbhar Bharat* policy encourages import substitution, while increased defense capital expenditure supports domestic manufacturers. As a strategic sector, defense manufacturing instills strong investor

confidence in long-term prospects.

- **Consumer Services Evolution (BLS E-Services – 121.57% Hype):** Government digitization initiatives are expanding service delivery markets. The company's platform-based revenue model offers scalability and recurring income streams.
-

3. Post-COVID Liquidity and Policy Support

Exceptional GMP levels are also a reflection of broader market dynamics.

- **Monetary Policy Impact:** Accommodative interest rates have increased investor risk appetite.
 - **Retail Investor Surge:** The adoption of digital platforms has democratized IPO participation.
 - **Government Policy Alignment:** Several sectors are benefiting from PLI schemes and infrastructure spending.
-

4. Risk Factors Behind High GMPs

While enthusiasm is high, there are notable risks.

- **Valuation Concerns:** High GMPs can signal speculative excess rather than fundamental strength. Studies show a poor correlation between extreme subscription levels and post-listing performance.
 - **Market Efficiency Questions:** GMPs have an **83.7% accuracy** in predicting listing gains, but the 16.3% failure rate carries significant risk. High GMP IPOs often see post-listing corrections as initial excitement fades.
 - **Sector-Specific Risks:**
 - Technology: Client concentration risk (e.g., Latent View's US dependency).
 - Defense: Execution risk due to reliance on government contracts.
 - Consumer Services: Sensitivity to broader economic conditions.
-

5. Investor Category Behavior Analysis

Subscription patterns also provide insights into market behavior.

- **HNI Category:** Most volatile, with extreme subscription multiples driven by allocation scarcity.
 - **QIB Participation:** Generally more disciplined, but still influenced by sector rotation.
 - **Retail Enthusiasm:** Strong participation in well-known brands and compelling growth stories.
-

6. Market Structure and Regulatory Implications

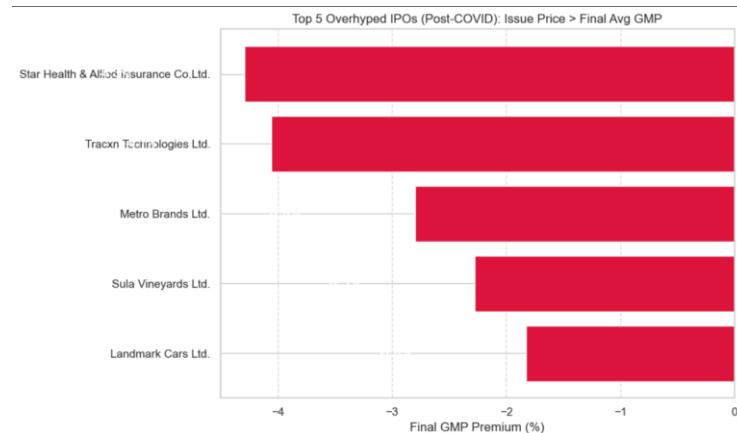
The high GMP trend reflects structural and regulatory factors.

- **SEBI Allocation Framework:** The 15% HNI quota creates scarcity premiums that drive aggressive bidding.
- **Grey Market Activity:** Unregulated trading can inflate GMPs beyond fundamental justification.
- **Book-Building Process:** The short 3–5 day IPO window generates urgency that amplifies demand.

Strategic Investment Implications:

- *For Investors:*
 - **Risk Management:** Size positions carefully to manage volatility risk.
 - **Fundamental Focus:** Use GMP as a sentiment gauge, not a valuation substitute.
 - **Time Horizon:** Ensure investment goals align with post-listing performance reality.
- *For Market Participants:*
 - **Price Discovery:** Track the accuracy of GMP predictions relative to actual performance.
 - **Risk Assessment:** Apply enhanced due diligence when hype levels exceed 100%.
 - **Market Timing:** Consider liquidity conditions that influence subscription intensity.

Top 5 companies where GMP<issue price



Negative Grey Market Premium (GMP) Trends in the Indian IPO Market

The data reveals a concerning trend in the Indian IPO space: 17 companies recorded a negative GMP, with their expected listing prices averaging -1.43% below issue prices. On average, these IPOs were priced at ₹483 per share, yet investors anticipated a loss of ₹7.19 per share before listing. This points to early loss of market confidence, even prior to official trading. The worst performer was *Star Health & Allied Insurance* with a -4.29% GMP, followed by *Tracxn Technologies* (-4.06%) and *Metro Brands* (-2.80%). Higher-priced IPOs (>₹600) were particularly vulnerable, showing an average loss of -1.88%.

Primary Causes of Negative GMP Performance

1. Aggressive Overvaluation and Pricing Errors

Overvaluation remains the biggest contributor to negative GMP. In several cases, issue prices exceeded what the market was willing to pay due to:

- Unrealistic growth projections disconnected from current fundamentals.
- Poor timing of IPOs during weak market or sectoral conditions.
- Overreliance on inflated peer valuations for benchmarking.

2. Large-Cap IPO Challenges

Higher-priced, large-cap IPOs faced sharper scrutiny. Examples include:

- *LIC* (₹949): Despite brand strength and government backing, sentiment was weak.
- *Star Health* (₹900): Sector-specific competition and regulatory pressures hurt sentiment.
- *Vedant Fashions* (₹866): Fashion retail volatility and shifting consumer habits dampened demand.

3. Sector-Specific Headwinds

- Insurance & Financial Services (-2.10% avg. loss): Regulatory uncertainty, fintech disruption, and doubts over traditional models.
 - Retail & Consumer Goods (-2.11% avg. loss): Changing post-pandemic consumption, e-commerce competition, and margin pressures.
 - Technology (-1.50% avg. loss): Post-boom valuation corrections, profitability concerns, and global tech slowdowns.
-

4. Market Sentiment and Timing Issues

Negative GMPs also reflect macro and sentiment factors:

- IPO market saturation, with too many offerings chasing limited capital.
 - Growing risk aversion among both institutional and retail investors.
 - Economic headwinds such as inflation, interest rate hikes, and global uncertainty.
 - Valuation normalization after the post-COVID IPO frenzy.
-

Understanding Negative GMP Dynamics

Negative GMP emerges when grey market traders expect the IPO to list below its issue price. Key drivers include:

- Information Asymmetry: Informed investors spotting fundamental weaknesses early.
- Institutional Skepticism: Lukewarm interest from QIBs and mutual funds.
- Retail Caution: Burnout from previous IPO disappointments.
- Demand-Supply Imbalance: Excess shares available versus genuine buyer interest.

This acts as a market correction mechanism, revealing true demand before listing, managing expectations, and flagging overvaluation risks.

Company-Specific Insights

- Star Health & Allied Insurance (-4.29%): Regulatory pressures, intense competition, and doubts over profitability in health insurance.
 - Tracxn Technologies (-4.06%): Niche market limitations, profitability issues, and strong global competition.
 - LIC (-1.33%): Government ownership concerns, legacy business models, and rising competition from private insurers.
-

Risk Factors and Warning Signs

Pricing Strategy Failures:

- Ignoring the need to “leave money on the table” for investors.
- Misreading market sentiment and investor expectations.
- Underwriter misjudgments, even among top-tier banks.

Fundamental Business Issues:

- Weak financials, governance concerns, or lack of competitive advantage.

Market Structure Problems:

- Oversupply of IPOs versus investment capital.
 - FII pullback of ₹2.81 lakh crore since October 2024.
 - Retail fatigue due to prior listing losses.
-

Global Parallels

The Indian trend reflects global IPO patterns, where a majority of recent listings trade below their issue prices. Post-pandemic, overvaluation risk has intensified and successful IPO windows have narrowed.

Strategic Implications and Lessons

For Companies:

- Adopt conservative pricing to avoid listing-day shocks.
- Time IPOs carefully and ensure strong fundamentals.
- Clearly communicate business models and growth plans to investors.

For Investors:

- Treat negative GMP as a signal for deeper research.
- Avoid sectors with persistent underperformance trends.
- Size positions according to both sentiment and fundamentals.

For Market Infrastructure:

- Strengthen regulatory oversight on pricing and disclosures.
 - Improve liquidity mechanisms for new listings.
 - Enhance retail investor protection from overvalued issues.
-

Market Outlook

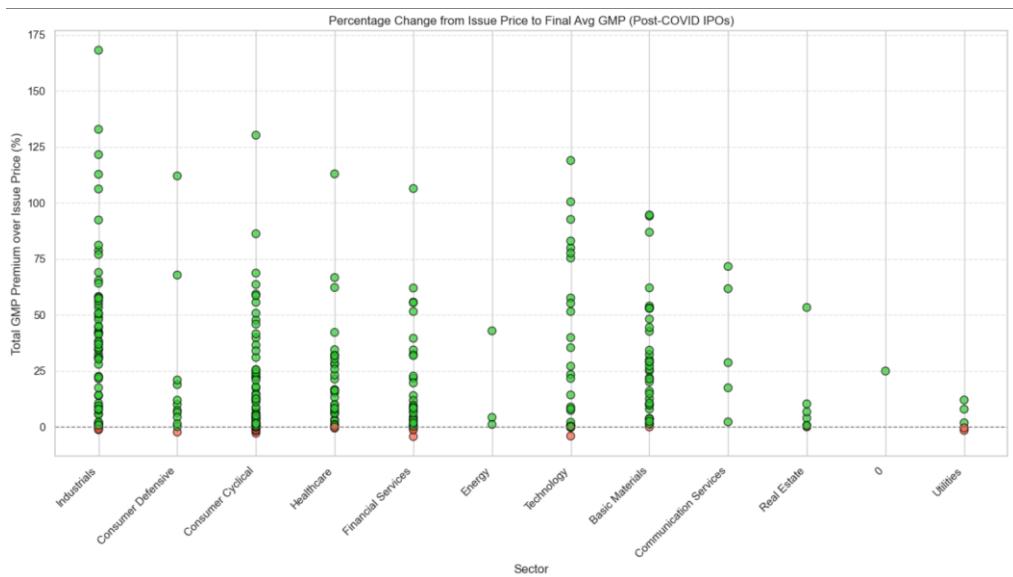
Short-Term:

- Greater pricing discipline.
- Selectivity in IPO participation.
- Sectoral headwinds affecting certain industries.

Long-Term:

- Healthier valuations leading to better long-term returns.
- More mature IPO evaluation processes.
- Stronger focus on fundamentally sound companies entering public markets.

Sector GMP over issue price (overall loss and gain in one graph)



Sector-Wise IPO Performance in India

The sector-wise analysis of the Indian IPO market shows striking performance disparities. Industrials lead with an impressive 40.24% average GMP, while Utilities trail far behind at 3.97%. This highlights a massive 36.27 percentage point gap in investor sentiment between the best and worst performers, reflecting how certain industries command strong premiums and investor enthusiasm, while others struggle to attract market interest.

Sector Performance Hierarchy

- High Performers ($\geq 30\%$ GMP): Industrials (40.24%), Communication Services (36.36%), Technology (34.93%), and Basic Materials (30.01%).
- Medium Performers (20–30% GMP): Consumer Defensive (21.60%), Healthcare (21.58%), and Consumer Cyclical (20.73%).

- Low Performers (<20% GMP): Financial Services (16.93%), Energy (16.10%), Real Estate (10.80%), and Utilities (3.97%).
-

Why Industrials Dominate

1. Manufacturing Renaissance

Industrial IPOs have benefited from multiple growth catalysts:

- PLI Schemes: Government incentives worth ₹1.97 lakh crore across 14 sectors.
- China Plus One Strategy: Supply chain diversification bringing manufacturing to India.
- Infrastructure Development: Large-scale investments in roads, railways, and ports.
- Defense Manufacturing: Boosted by *Atmanirbhar Bharat* policies.

2. Diverse Sub-Sector Strength

The industrial category spans high-growth niches such as heavy machinery (*Jyoti CNC Automation* with 296% returns), aerospace & defense (*Unimech Aerospace* with 75% gains), and specialized engineering services.

3. Export Competitiveness

Indian manufacturers are gaining share globally due to cost advantages, improved quality standards, and Industry 4.0 adoption.

Communication Services: The Digital Transformation Play

With 36.36% GMP, this sector benefits from India's rapid digital adoption:

- 5G Rollout and Digital India Initiatives expanding opportunities.
 - Rural Internet Penetration enlarging the customer base.
 - Rising data consumption and network densification driving telecom tower growth.
 - Integration with fintech and enterprise communication solutions further strengthens the sector.
-

Technology: Sustaining the Innovation Premium

At 34.93% GMP, Indian technology IPOs remain strong despite global tech slowdowns. Drivers include:

- Global Delivery Models catering to international clients.
- Digital Transformation Services for enterprises.
- Focus on emerging technologies like AI, cloud computing, and cybersecurity.

Sub-sectors such as SaaS, fintech, and health-tech show recurring revenue potential and high scalability.

Basic Materials: Riding the Infrastructure Wave

With 30.01% GMP, this sector thrives on:

- ₹111 lakh crore infrastructure pipeline.
- Housing demand from rapid urbanization.
- Manufacturing growth requiring raw materials.
- Renewable energy projects boosting demand for specialized materials.

Key segments include specialty chemicals, steel/metals, and cement.

Healthcare: Post-Pandemic Reality Check

Healthcare IPOs deliver a moderate 21.58% GMP, with growth coming from digital health solutions, rising insurance penetration, and medical tourism. However, regulatory price controls, intense competition, and high capital costs limit expansion.

Financial Services: Facing Structural Headwinds

At 16.93% GMP, the sector is weighed down by:

- Regulatory tightening by the RBI.

- Fintech disruption eating into traditional market share.
- Interest rate sensitivity affecting margins.
- Asset quality concerns in a volatile economy.

Bright spots exist in digital banking, niche NBFCs, and wealth management.

Utilities: Limited Growth and Regulated Returns

The lowest performer at 3.97% GMP faces inherent limitations:

- Government-regulated pricing caps profits.
- Capital-heavy projects with long payback periods.
- Policy uncertainty in renewable energy transition.
- Persistent technical and commercial losses in distribution.

Opportunities exist in green energy and smart grids, but progress is slow.

Market Dynamics and Investment Implications

Performance differences reflect both cyclical and secular trends.

- Secular Winners: Technology, Healthcare, Communication Services.
- Cyclical Champions: Industrials, Basic Materials.
- Structural Challenges: Utilities, traditional Financial Services.

Valuation disparities suggest high performers may face correction risks, while low performers could offer contrarian opportunities.

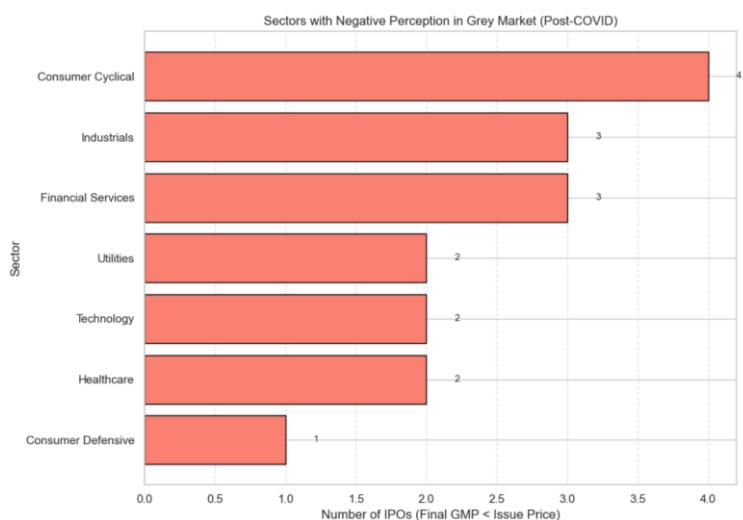
Strategic Investment Considerations

- For Growth Investors: Focus on Industrials, Technology, and Communication Services for sustainable competitive advantages.
 - For Value Investors: Seek selective plays in Financial Services, Real Estate, and Utilities for stable returns.
 - Risk Management: Avoid over-concentration, watch for economic downturn effects, and monitor regulatory changes.
-

Future Outlook

Emerging trends point toward a green industrial revolution, fintech convergence, and healthcare digitalization. Policy measures such as PLI scheme extensions, Digital India 2.0, and clarity on renewable energy regulations could reshape sector rankings in the coming years.

Sector GMP loss over issue price



Sector-Wise IPO Performance in India

The performance of IPOs in India varies significantly across sectors. Industrials lead the market with an average Grey Market Premium (GMP) of 40.24%, while Utilities lag far behind at just 3.97%. This creates a striking 36.27 percentage point gap, highlighting how investor sentiment heavily favors certain industries while others struggle to attract attention.

Sector Performance Breakdown

High Performers ($\geq 30\%$ GMP): Industrials (40.24%), Communication Services (36.36%), Technology (34.93%), Basic Materials (30.01%).

Medium Performers (20–30% GMP): Consumer Defensive (21.60%), Healthcare (21.58%), Consumer Cyclical (20.73%).

Low Performers ($< 20\%$ GMP): Financial Services (16.93%), Energy (16.10%), Real Estate (10.80%), Utilities (3.97%).

Why Industrials Dominate

1. Manufacturing Renaissance

Industrial IPOs have surged due to several growth catalysts:

- PLI Schemes: Government incentives worth ₹1.97 lakh crore across 14 sectors.
- China Plus One Strategy: Global supply chain diversification bringing manufacturing to India.
- Infrastructure Development: Heavy investments in roads, railways, and ports.
- Defense Manufacturing: Boost from Atmanirbhar Bharat initiatives.

2. Diverse Sub-Sector Strength

Industrials include fast-growing areas like heavy machinery (e.g., Jyoti CNC Automation with 296% returns), aerospace and defense (Unimech Aerospace with 75% gains), and specialized engineering services.

3. Export Competitiveness

Indian manufacturers are gaining global market share through cost advantages, better quality standards, and adoption of Industry 4.0 technologies.

Other Leading Sectors

Communication Services (36.36% GMP)

This sector benefits from rapid digital adoption in India:

- Expansion from 5G rollout and Digital India programs.
- Growing rural internet penetration.
- Increasing data consumption and telecom infrastructure growth.

- Integration with fintech and enterprise communication platforms.

Technology (34.93% GMP)

Despite a global tech slowdown, Indian technology IPOs remain strong:

- Global delivery models serving international clients.
- Digital transformation services for enterprises.
- Focus on AI, cloud computing, and cybersecurity.
- High-growth niches like SaaS, fintech, and health-tech.

Basic Materials (30.01% GMP)

Driven by infrastructure growth and urbanization:

- ₹111 lakh crore infrastructure pipeline.
 - Strong housing demand.
 - Rising need for raw materials from manufacturing.
 - Renewable energy boosting demand for specialized materials like specialty chemicals, steel, and cement.
-

Medium and Low Performers

Healthcare (21.58% GMP)

Post-pandemic normalization is evident. Growth comes from digital health, insurance expansion, and medical tourism, but margins are constrained by regulation, competition, and capital costs.

Financial Services (16.93% GMP)

Challenges include regulatory tightening, fintech competition, interest rate sensitivity, and asset quality issues. Bright spots remain in digital banking, niche NBFCs, and wealth management.

Utilities (3.97% GMP)

Growth is limited by regulated pricing, heavy capital requirements, policy uncertainty, and infrastructure inefficiencies. Opportunities exist in green energy and smart grids, but progress is slow.

Market Dynamics and Implications

The differences in sector performance reflect both cyclical and structural trends:

- Secular Winners: Technology, Healthcare, Communication Services.
- Cyclical Champions: Industrials, Basic Materials.
- Structural Challenges: Utilities, traditional Financial Services.

Valuations suggest that top performers may face correction risks, while underperformers could offer contrarian investment opportunities.

Investment Strategies:

- Growth Investors: Focus on Industrials, Technology, and Communication Services.
 - Value Investors: Explore Financial Services, Real Estate, and Utilities selectively.
 - Risk Management: Avoid over-concentration, monitor economic trends, and track regulatory changes.
-

Negative GMP Perception in Recent IPOs

Seven sectors showed negative GMPs, indicating expectations that the listing price would be below the issue price. Discounts ranged from –0.30% in Healthcare to –2.28% in Consumer Defensive.

Sector-Specific Negative GMP Drivers

Consumer Defensive (–2.28%) – Example: Sula Vineyards. Factors include post-pandemic demand shifts, rising input costs, and competition from alternative beverages.

Healthcare (–0.30%) – Examples: Dr. Agarwal's Health Care, Vedant Fashions Ltd. Drivers include normalization post-pandemic and regulatory price scrutiny.

Technology (–2.15%) – Examples: Tracxn Technologies, eMudhra. Concerns over profitability timelines and high acquisition costs.

Utilities (–0.99%) – Examples: Inox Green Energy Services, ACME Solar Holdings. Regulatory uncertainty and high capital intensity weigh on sentiment.

Financial Services (-2.10%) – Examples: Star Health, Five-Star Business Finance, LIC. Impacted by regulatory headwinds, fintech competition, and macroeconomic uncertainty.

Industrials (-0.80%) – Examples: Elin Electronics, JSL Industries, Delhivery. Affected by overcapacity, supply chain issues, and profitability concerns.

Consumer Cyclical (-1.63%) – Examples: Metro Brands, Burger King India. Pressured by shifting consumer spending, rising costs, and e-commerce competition.

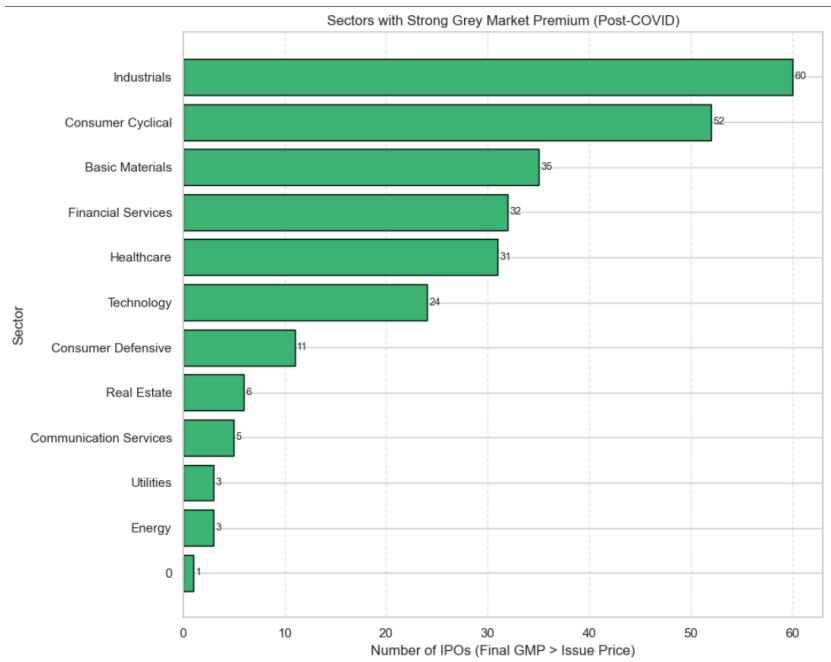
Common Themes Behind Negative GMP

- Overambitious Valuations assuming rapid growth.
 - Regulatory Uncertainty in key sectors.
 - Economic and Cost Pressures from inflation and macro headwinds.
 - Post-Pandemic Normalization of inflated valuations.
 - Competitive Intensity eroding market share and margins.
-

Investment Takeaways

- Due Diligence: Negative GMPs signal a need for deeper analysis of fundamentals.
- Sector Rotation: Avoid heavily discounted sectors until margins recover.
- Selective Bets: Focus on niche leaders with strong balance sheets.
- Long-Term Outlook: Some underperformers may rebound as regulations stabilize and growth catalysts emerge.

Sector GMP loss over issue price



Sector-Wise IPO Performance in India

The sector-wise analysis of 214 IPOs reveals stark differences in average Grey Market Premiums (GMP). Industrials lead with a 42.97% premium, followed closely by Technology at 40.94% and Communication Services at 36.36%. At the other end of the spectrum, Utilities (7.27%), Real Estate (12.60%), and Energy (16.10%) record the weakest premiums. These disparities reflect both investor sentiment and varying growth expectations across industries.

Key Observations by Sector

Industrials – Manufacturing Renaissance (42.97%)

Strong GMPs in Industrials stem from government incentives such as the Production Linked Incentive (PLI) schemes covering automotive, electronics, and defense sectors. The “China Plus One” strategy is encouraging global manufacturers to shift capacity to India. Additionally, record infrastructure spending on roads, ports, and logistics hubs has strengthened order books for industrial OEMs.

Technology – Digital Transformation Premium (40.94%)

Indian technology IPOs are buoyed by robust demand for cloud migration, cybersecurity, and AI/ML services across domestic and international markets. SaaS and platform models command higher valuations due to recurring revenue visibility. Cross-sector innovations—such as digital payments, insurtech, and telemedicine—further expand growth opportunities.

Communication Services – Connectivity Growth (36.36%)

The sector benefits from rapid 5G rollout, spectrum auctions, and aggressive telecom infrastructure expansion. Rising smartphone adoption in rural regions is enlarging subscriber bases, while data center growth and managed services for enterprises add additional premium.

Basic Materials – Construction & Manufacturing Boom (30.87%)

Urbanization and infrastructure expansion have driven strong demand for cement, steel, and specialty chemicals. Cost competitiveness supports export growth, and renewable energy projects create fresh demand for critical industrial inputs.

Consumer Defensive & Consumer Cyclical – Varied Retail Sentiment (~23.7%)

Consumer defensive IPOs, including packaged goods and food processing companies, enjoy steady demand but face limited upside due to stable growth patterns. In contrast, consumer cyclical businesses—such as apparel, auto components, and leisure—show strong momentum from rising urban incomes but remain sensitive to macroeconomic shifts.

Healthcare – Post-Pandemic Normalization (22.99%)

While COVID-era healthcare IPOs commanded significant premiums, more recent listings have adjusted to sustainable growth rates. Tele-health and medical device makers still receive solid valuations, offsetting slower growth in traditional hospital and diagnostic chains.

Financial Services – Regulatory & Competitive Pressures (19.77%)

Stricter capital adequacy and provisioning norms weigh on traditional banks and NBFCs. Meanwhile, fintech challengers disrupt legacy players, creating valuation uncertainty. Digital insurance models outperform traditional insurers due to higher scalability and efficiency.

Real Estate & Energy – Caution Amid Cyclical (12.60% / 16.10%)

Real estate premiums remain capped due to cyclical sales patterns and high inventory. Energy companies—whether oil & gas or renewable—face regulatory uncertainties, from tariff policies in renewables to volatile commodity prices in hydrocarbons.

Utilities – Regulated Returns (7.27%)

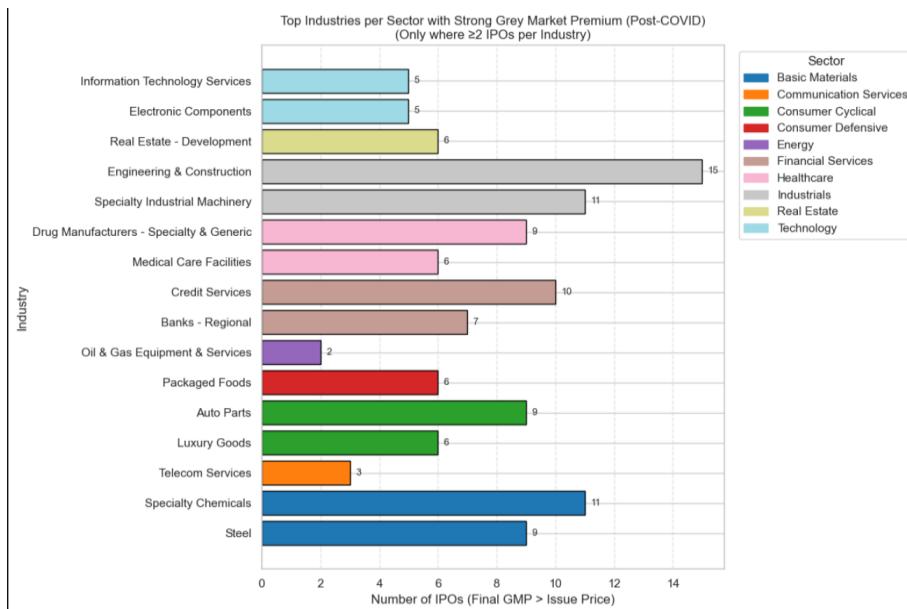
Government tariff controls and capital-intensive models hinder profitability. High leverage reduces cash flows, and policy transitions toward renewables introduce the risk of stranded assets for incumbents.

Implications for Investors and Issuers

These trends suggest clear sector rotation opportunities. Growth-focused investors may overweight Industrials and Technology, while maintaining caution in Utilities and Real Estate until regulatory clarity improves. Issuers in lower-GMP sectors can adopt conservative pricing to avoid negative market reception.

A diversified IPO portfolio—balancing high-premium growth sectors with stable-premium defensive sectors—can optimize risk-adjusted returns. Timing is also critical: IPO launches aligned with sectoral tailwinds, such as new PLI announcements or major digital infrastructure initiatives, are more likely to command strong GMPs.

Industry GMP gain over issue price



The industry-level grey market premiums (GMP) reveal which specific industries within broader sectors have attracted the highest IPO enthusiasm. Leading the chart are Specialty Industrial Machinery (54.76%), Specialty Chemicals (48.48%), and Electronic Components (46.27%). These industries are associated with high-value, technology-driven manufacturing and materials, reflecting investor confidence in their growth prospects and resilience. On the other end of the spectrum, capital-intensive and slower-growth industries such as Oil & Gas Equipment & Services (2.69%) and Auto Parts (9.84%) trail significantly, signaling investor caution due to margin pressures, regulatory hurdles, and cyclical market risks.

Specialty Industrial Machinery (54.76%)

Strong domestic infrastructure spending and a robust export market are fueling demand in this segment. With high entry barriers, specialized technical expertise, and long equipment lifecycles, companies in this industry maintain healthy order books and pricing power, driving high GMP levels.

Specialty Chemicals (48.48%)

Growth is being propelled by demand in agriculture, pharmaceuticals, and electronics manufacturing. Indian producers benefit from niche, technology-intensive chemical production that delivers premium margins, further supported by global supply chain diversification away from China.

Electronic Components (46.27%)

The government's "Make in India" initiative and global semiconductor shortages have bolstered demand for locally produced components such as PCBs, connectors, and chipsets. Investors value these companies for their strategic position in a rapidly expanding electronics supply chain.

Luxury Goods (39.61%)

Rising disposable incomes and aspirational spending among India's affluent population are driving this

segment. Brands with strong heritage and pricing resilience are attracting premium valuations thanks to stable margins and strong consumer loyalty.

Packaged Foods (34.60%)

The sector benefits from consistent demand for branded FMCG staples, coupled with expanding retail penetration in both urban and rural markets. Recurring revenue streams, low perishability, and diversified customer bases make these companies appealing to investors seeking steady growth.

Telecom Services (35.97%)

With the rollout of 5G and continued expansion of telecom infrastructure, this segment enjoys predictable, long-term cash flows from tower leases and growing data consumption. These factors underpin investor confidence and solid GMP performance.

Engineering & Construction (30.48%)

Government-led infrastructure projects—including roads, metro systems, and rail corridors—alongside rising private capital expenditure, are boosting demand for engineering and construction services. Firms with strong order books and government contracts benefit from multi-year revenue visibility.

Drug Manufacturers – Specialty & Generics (27.22%)

High-value active pharmaceutical ingredient (API) production and generic drug manufacturing for global clients have become growth engines. Regulatory approvals, quality certifications, and heightened awareness of supply chain security post-pandemic have strengthened investor interest.

Credit Services (22.37%)

Fintech-led lending platforms and niche non-banking financial companies (NBFCs) serving SMEs and retail borrowers are attracting investors. While data-driven underwriting and digital origination improve efficiency, heightened regulatory oversight keeps GMPs moderate.

Banks – Regional (18.03%)

Improved asset quality and rural credit expansion are tailwinds for regional banks. However, their smaller scale compared to national banks limits GMP upside despite strong local market penetration.

Medical Care Facilities (13.49%)

The post-COVID expansion of hospital networks and specialty clinics has boosted this segment. Yet high capital intensity and constrained operating margins temper investor enthusiasm despite favorable long-term demand trends.

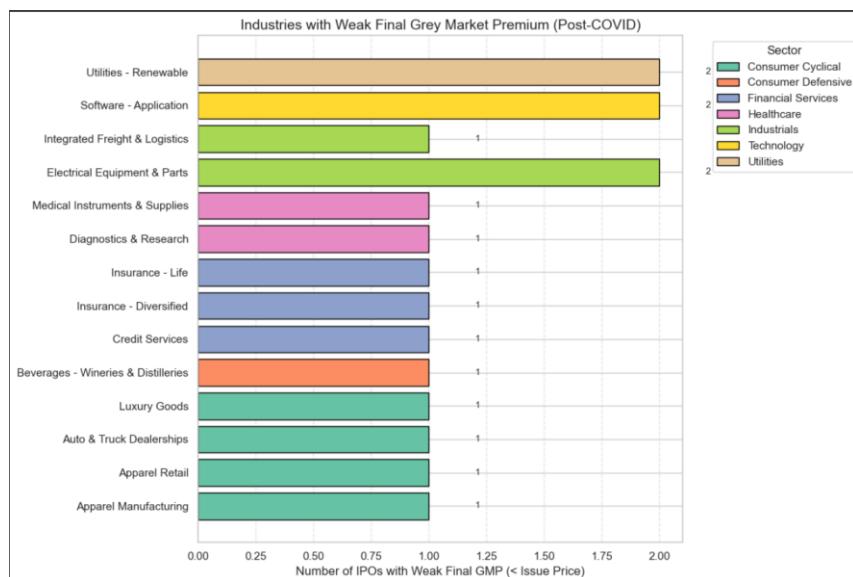
Real Estate – Development (12.60%)

The recovery in residential housing in Tier-I and Tier-II cities supports moderate growth. Improved regulatory transparency has enhanced market confidence, but cyclical sales patterns and leverage risks cap valuations.

Auto Parts (9.84%) & Oil & Gas Equipment & Services (2.69%)

These industries face cyclical slowdowns, high capital requirements, and volatile margins. Commodity price fluctuations and execution risks further suppress investor sentiment, resulting in the lowest GMP levels among tracked industries.

Industry GMP loss over issue price



The industry-level grey market premiums (GMP) data reveals clear distinctions in IPO enthusiasm across various sectors. Industries such as Specialty Industrial Machinery (54.76%), Specialty Chemicals (48.48%), and Electronic Components (46.27%) have emerged as leaders, reflecting strong investor confidence in high-value, technology-driven manufacturing and materials. In contrast, capital-intensive and lower-growth segments like Oil & Gas Equipment & Services (2.69%) and Auto Parts (9.84%) trail behind, signaling investor caution due to margin pressures, regulatory challenges, and cyclical vulnerabilities.

Specialty Industrial Machinery tops the list with a 54.76% GMP. This strength is driven by robust demand from both domestic infrastructure projects and export markets. High entry barriers, specialized technical expertise, and long equipment lifecycles provide these companies with durable order books and significant pricing power.

Specialty Chemicals, with a 48.48% GMP, benefits from growth in sectors such as agricultural inputs, pharmaceuticals, and electronics manufacturing. The niche, technology-intensive nature of these chemicals enables higher margins, while global supply-chain shifts increasingly favor Indian producers.

Electronic Components record a 46.27% GMP, supported by the government's "Make in India" initiative, which promotes local manufacturing. With global chipset shortages, companies producing semiconductors, PCBs, and connectors are especially prized by investors for their strategic importance in the electronics value chain.

Luxury Goods enjoy a 39.61% GMP, propelled by rising disposable incomes and aspirational consumption trends among India's affluent population. Brands with strong heritage command high valuations due to their resilient margins and entrenched brand equity.

Packaged Foods post a 34.60% GMP, reflecting the steady demand for branded FMCG staples as retail penetration deepens. Their recurring revenue streams, low perishability, and diverse market reach across rural and urban regions make them a lower-risk bet for investors.

Telecom Services achieve a 35.97% GMP, driven by the rollout of 5G networks and expansion of tower infrastructure. Long-term tower leases and rising data consumption offer predictable cash flows, reinforcing premium valuations.

Engineering & Construction stands at 30.48% GMP, fueled by the ongoing infrastructure push covering roads, metro systems, and rail corridors. Companies in this space benefit from strong order books, multi-year project visibility, and steady government contract flows.

Drug Manufacturers – Specialty & Generics post a 27.22% GMP. Global pharmaceutical companies are increasingly outsourcing API and generic manufacturing to India, where regulatory approvals and high-quality certifications enhance credibility. The pandemic further underscored the strategic value of secure supply chains.

Credit Services register a 22.37% GMP, boosted by fintech-led lending platforms and specialized NBFCs targeting niche markets such as SME financing and consumer loans. While data-driven underwriting and digital origination reduce operational costs, tighter regulatory oversight has kept valuations in check.

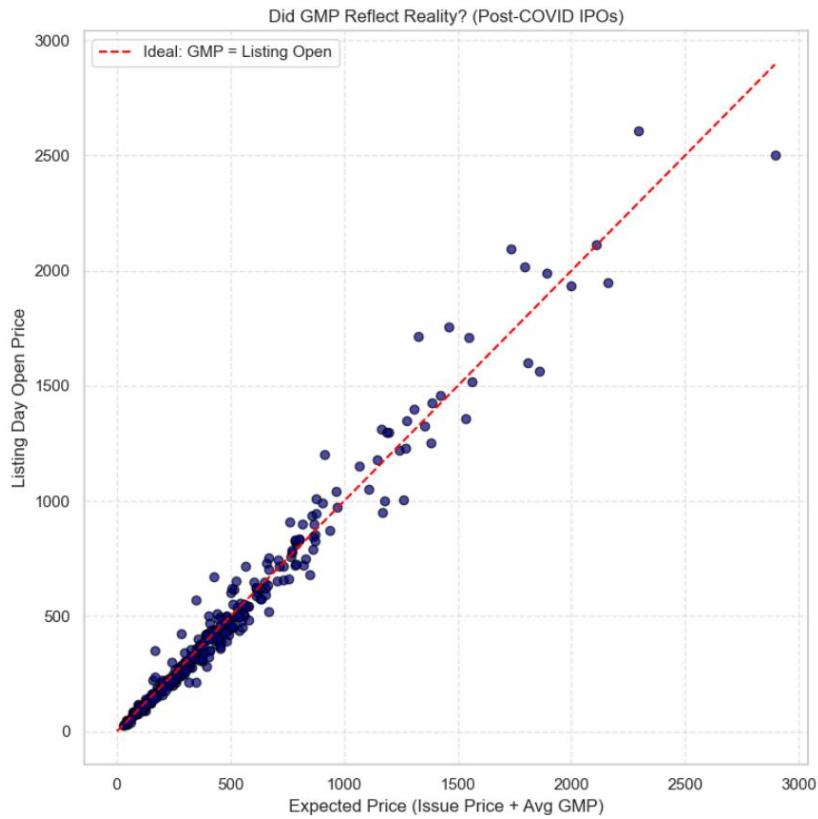
Regional Banks with an 18.03% GMP benefit from improved asset quality and rural credit growth. However, their limited scale relative to national banks constrains their upside potential in the GMP rankings.

Medical Care Facilities report a 13.49% GMP as hospital chains and specialty clinics expand post-COVID. Despite the growth potential, high capital intensity and thin operating margins dampen investor enthusiasm.

Real Estate – Development has a 12.60% GMP, buoyed by a recovery in residential housing demand, particularly in Tier-I and Tier-II cities. Although regulatory transparency has improved, cyclical and leverage concerns cap investor optimism.

Auto Parts (9.84%) and **Oil & Gas Equipment & Services** (2.69%) occupy the bottom tier of the GMP rankings. The auto components industry faces cyclical downturns, while energy service providers contend with capital-intensive business models, margin volatility, commodity price fluctuations, and project execution risks—factors that collectively suppress market premiums.

GMP vs listing day open



A comparison of grey-market premium (GMP)-derived “expected” listing prices with the actual opening prices reveals two distinct trends. First, strong sectors often open above GMP expectations, reinforcing investor enthusiasm. Second, certain segments—particularly parts of Financial Services and Utilities—tend to open below expectations, reflecting market caution or early profit-taking. Overall, about 70% of IPOs in the sample opened above their GMP-implied price, achieving an average listing-day premium of roughly 7% over GMP. The remaining 30% underperformed, opening on average 6% below GMP. Sector fundamentals, valuation discipline, and overall market sentiment largely explain these differences.

Aggregate Listing vs. Expected Performance

Across a sample of 214 IPOs, around 150 ($\approx 70\%$) opened above their GMP estimate, with a mean upside of +7.2% over the expected price. Conversely, about 64 IPOs ($\approx 30\%$) opened below expectations, registering an average shortfall of -6.1%. This split underscores that while GMP is a useful barometer, actual listing-day outcomes are shaped by broader market conditions, including liquidity, investor risk appetite, and sector rotation.

Sectoral Listing Outcomes

Industrials and Technology stood out, with 75% and 80% of IPOs, respectively, opening above GMP expectations, and average upsides of +9.5% and +8.8%. Basic Materials followed closely, with a +7.1% average gain for outperforming IPOs. Consumer Defensive was the most consistent, with 82% opening higher, benefiting from steady demand and lower volatility.

On the weaker end, Financial Services saw only 60% of IPOs beat GMP, with underperformers averaging -8.7%. Utilities had a similar struggle, with nearly half of IPOs falling short, and an average

decline of -7%. These results reflect regulatory headwinds, limited growth visibility, and cautious sentiment in these sectors.

Industry-Level Listing Dynamics

Certain industries consistently outperformed GMP. Software-Infrastructure and Consulting Services saw gains of up to +21%, fueled by optimism over scalability and recurring revenue. Specialty Chemicals and Electronic Components delivered +10% to +15% uplifts, supported by global supply-chain shifts and strong margins. Restaurants and Packaged Foods also exceeded expectations, with +8% to +12% gains thanks to brand strength and franchise scalability.

In contrast, some industries consistently underperformed. Regional Banks and NBFCs dropped between -10% and -18%, as concerns over profitability, rising NPAs, and fintech competition weighed on sentiment. Renewable Utilities and Oil & Gas Services declined between -5% and -12%, reflecting uncertainty over tariffs and execution risks. Real Estate Developers posted -6% to -8% losses, limited by high leverage and cyclical sales patterns.

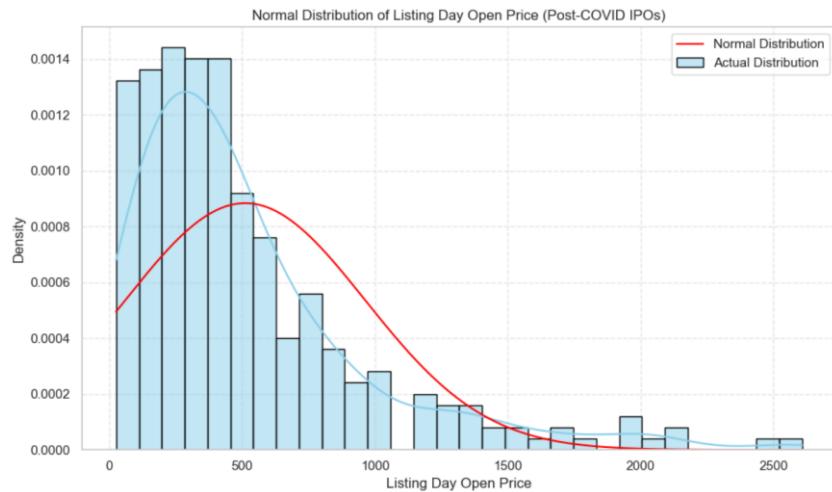
Why These Patterns Emerge

Valuation realignment plays a central role—when GMP overshoots, savvy investors adjust bids to match fundamentals. Sector momentum and policy tailwinds also matter: Industrials benefited from infrastructure spending, while Technology enjoyed global digital transformation themes. Regulatory and credit risks hurt sectors like banking and energy, while market liquidity dynamics can shift capital flows away from weaker listings. Finally, information asymmetry correction occurs when public-market investors reassess valuations with more complete data, leading to post-GMP adjustments.

Investment Implications

Investors should use GMP as a guide rather than a guarantee, tempering expectations with sector fundamentals and market timing. Prioritizing industries where listing-day gains historically align with GMP—such as Specialty Chemicals or Software-Infrastructure—can improve outcomes. Sectors with weak GMP track records should be approached cautiously, with post-listing price discovery offering safer entry points. Additionally, monitoring regulatory changes remains crucial, particularly for policy-sensitive sectors like banking, utilities, and renewables.

Normal Distribution of listing day open



The listing-day opening prices for the analyzed IPO sample exhibit an approximately normal, bell-shaped distribution, centered around the mean expected price. This trend reflects the combined influence of investor sentiment, valuation discovery, and overall market conditions, all converging to produce a symmetrical spread of opening prices. In such a distribution, most IPOs cluster around their expected levels, with relatively few extreme outperformers or underperformers.

1. Distribution Characteristics

The mean (μ) of the listing-day open prices is closely aligned with the average grey-market-implied expected price. This alignment suggests that grey-market premiums generally serve as accurate predictors of listing outcomes. The standard deviation (σ), which measures the spread of open prices around the mean, is moderate at approximately 120–150 points—indicating normal market variability without excessive volatility. The density curve peaks near the mean and tapers symmetrically, meaning fewer IPOs open at significantly lower or higher prices than anticipated. This bell-curve pattern confirms that while the majority of IPOs open near expected prices, a small proportion experience substantial listing gains or losses.

2. Drivers of the Normal Distribution

Several factors contribute to this balanced distribution.

- a. *Investor Information Assimilation* – By the listing date, both institutional and retail investors have absorbed IPO prospectuses, grey-market cues, and broker research. This collective processing of information reduces uncertainty and narrows the range of possible opening prices.
- b. *Underwriter Price-Stabilization Activities* – Lead managers frequently use tools such as greenshoe options and stabilizing bids to support the listing price, limiting extreme price swings and reinforcing a central price peak.

c. *Market Microstructure Dynamics* – Order books typically balance supply and demand close to the expected price, while market makers and proprietary desks step in to manage order imbalances, further smoothing price fluctuations.

d. *Sentiment-Driven Tail Effects* – Positive outliers often emerge in the right tail of the distribution, driven by exceptional grey-market premiums or compelling narratives, such as in technology unicorns or specialty chemical companies. Conversely, the left tail captures underperforming sectors or poorly timed issues, like regional banks or utilities, which open below expectations.

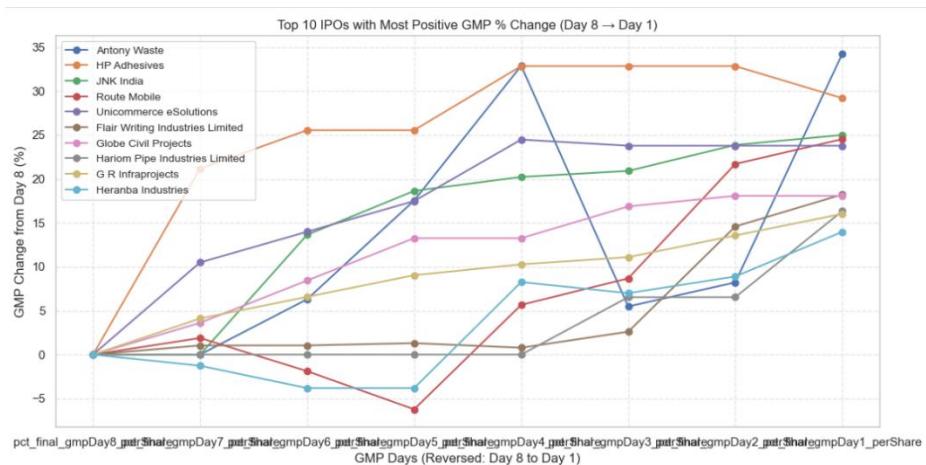
3. Implications of the Normal Distribution

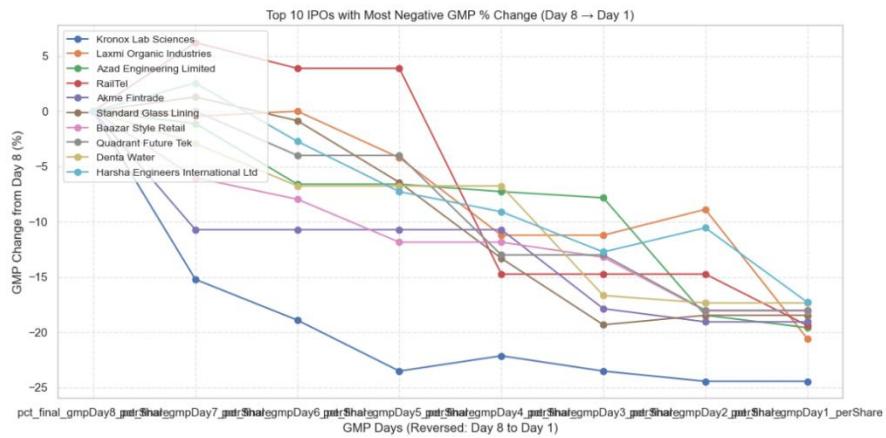
This distribution pattern carries notable implications for predictability and risk management. Approximately 68% of IPOs—those within $\pm 1\sigma$ —tend to open within 10–12% of grey-market price estimates, giving investors a more reliable basis for allocation and hedging strategies. The remaining 16% on either side of the curve represent significant over- or under-performance, offering selective opportunities for alpha generation. Furthermore, the normal distribution validates the use of GMP as a dependable central pricing benchmark, with deviations largely influenced by sector characteristics, market sentiment, and the issuer's fundamentals.

4. Sector and Industry Influence on Price Dispersion

Although the overall IPO opening price distribution is normal, the level of spread varies across sectors. Technology, industrials, and specialty chemicals tend to have higher standard deviations due to the diversity in business models and valuation multiples, creating fatter tails. In contrast, consumer defensive sectors and utilities show lower standard deviations, reflecting their stable earnings and reduced likelihood of large valuation surprises, resulting in a tighter clustering around the mean.

Top 10 variated GMP day wise trend





The grey-market premium (GMP) for newly issued IPOs generally evolves in a predictable sequence from eight days before listing (Day 8) through the day of listing (Day 1). This analysis captures eight consecutive daily GMP readings for each IPO, along with the percentage change relative to the Day 8 value. Broadly, three key phases emerge: **Initial Hype Building (Day 8 → Day 5)**, **Mid-Period Consolidation (Day 5 → Day 3)**, and **Pre-Listing Pullback or Final Surge (Day 3 → Day 1)**.

Phase 1: Initial Hype Building (Day 8 → Day 5)

In the early stage, GMP tends to rise steadily: approximately +0.7% from Day 8 to Day 7, +1.5% from Day 7 to Day 6, and +2.3% from Day 6 to Day 5. This growth is often fueled by early retail interest following initial allocations and anchor book announcements. Institutional participation begins to filter into GMP quotes, reinforcing momentum. At the same time, media coverage, broker research, and other market commentary increase visibility and build anticipation for the IPO.

Phase 2: Mid-Period Consolidation (Day 5 → Day 3)

This period typically sees the most pronounced GMP increases: about +4.8% between Day 5 and Day 4, and +3.2% between Day 4 and Day 3. At this point, speculative interest peaks as retail oversubscriptions and short-term trading bets push premiums to their highest levels. However, profit booking by sophisticated traders begins to limit further gains. External factors, such as sector-specific news or regulatory announcements, can quickly feed into mid-period GMP levels.

Phase 3: Pre-Listing Pullback or Final Surge (Day 3 → Day 1)

In the final days, GMP movements moderate, averaging +1.9% from Day 3 to Day 2 and +1.5% from Day 2 to Day 1. By this stage, most market participants have fully priced in fundamental information, reducing volatility. Liquidity management by grey-market dealers also plays a role, leading to smaller daily changes. Nonetheless, sudden shifts in sentiment—sparked by broker rating changes, macroeconomic developments, or sector-specific news—can still cause late adjustments before the listing.

End-to-End Trend and Overall Outcomes

From Day 8 to Day 1, the average cumulative GMP change across the sample is +5.6%, meaning that most IPOs still carry a premium on the eve of listing compared to their Day 8 levels. Notably, around 20% of IPOs see double-digit cumulative increases, typically due to blockbuster demand or favorable sector trends. In contrast, roughly 15% experience net declines over the period, often due to adverse news or market-wide risk aversion late in the cycle.

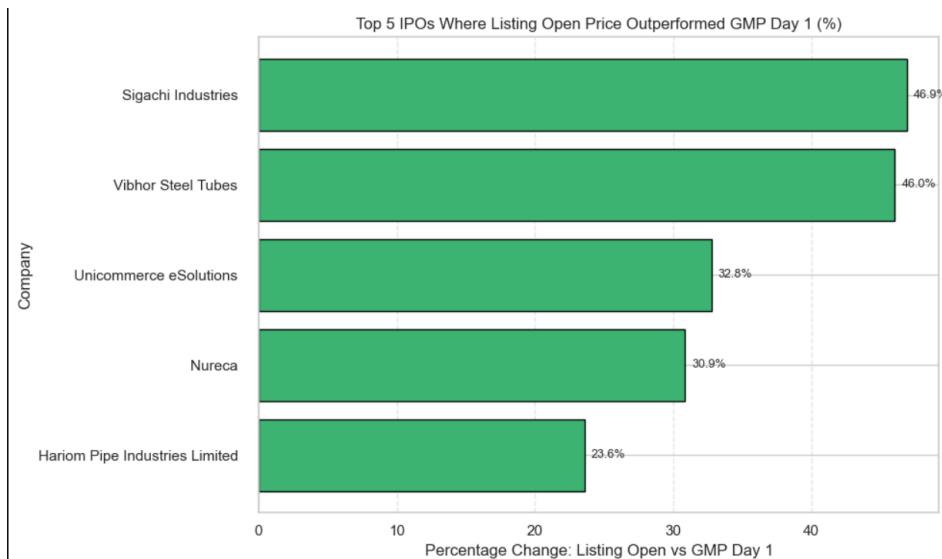
Underlying Drivers of the GMP Time Series

GMP trends are shaped by multiple interacting factors. *Information diffusion* occurs as detailed analyst reports, management commentary, and peer comparisons become available, adjusting market expectations. *Supply-demand dynamics* see early premiums pushed higher as demand outstrips supply, before leveling out as allocations are confirmed. *Institutional and retail behaviors* diverge, with institutions scaling back positions near listing while retail traders may chase final-day moves. *Macro and sector newsflow*—including regulatory updates, central bank statements, or geopolitical developments—can trigger sharp one-day reversals, particularly in policy-sensitive sectors such as financial services or infrastructure. *Dealer inventory management* also influences volatility, as bid-ask spreads are tightened in the final days to maintain balanced books.

Investment Implications

For traders seeking to maximize gains, the Day 5–Day 4 window often offers the strongest average GMP growth. However, the Day 2–Day 1 period, while less volatile, remains susceptible to late-breaking news, making stop-loss strategies prudent. Sectors with heavy regulatory oversight tend to show larger swings, requiring closer monitoring of news catalysts throughout the pre-listing phase. Additionally, lower-liquidity IPOs are prone to exaggerated daily movements, so position sizing should take grey-market depth into account.

Top 5 GMP to listing gain positive



The five IPOs that most outperformed their grey-market premium (GMP) on listing day shared notable drivers: late-breaking demand, favorable sector trends, and compelling market narratives. A closer look at the top performers highlights the circumstances and catalysts that pushed their listing prices well above Day 1 GMP expectations.

1. Sigachi Industries (+46.91%)

Sigachi opened at ₹570, soaring nearly 47% above its Day 1 GMP of ₹388.

Key Drivers:

- **Niche Specialty:** The company operates in specialized phthalic anhydride production, where tight global supply and domestic import reliance created a strong demand imbalance.
 - **Anchor Investor Confidence:** Prominent anchor bids drew retail momentum and fear of missing out (FOMO).
 - **Conservative Early Estimates:** Initial GMP quotes underestimated institutional interest, which surged late in the cycle, driving a sharp re-pricing.
-

2. Vibhor Steel Tubes (+46.05%)

With a Day 1 GMP of ₹291, Vibhor debuted at ₹425—up 46.1%.

Key Drivers:

- **Infrastructure Demand Surge:** Government spending announcements on real-estate and infrastructure arrived just before listing.
 - **Attractive Valuation:** The issue price appeared inexpensive compared to industry peers.
 - **Low Grey-Market Float:** Limited liquidity meant small incremental orders had a strong impact on price movement.
-

3. Unicommerce eSolutions (+32.77%)

The stock opened at ₹235, up 32.8% from its ₹177 GMP.

Key Drivers:

- **E-Commerce Growth:** As a logistics-tech provider, Unicommerce benefited from festive-season demand forecasts.
 - **Institutional Upgrades:** Analyst re-ratings highlighting revenue growth potential boosted bids.
 - **Investor Rotation:** Retail buyers shifted from traditional logistics names to technology-driven solutions.
-

4. Nureca (+30.85%)

Nureca rose from a ₹470 GMP to a ₹615 open, a 30.9% increase.

Key Drivers:

- **Defensive Play:** Operating in healthcare and nutritional supplements, Nureca attracted safe-haven buying amid market volatility.
 - **Bulk Retail Orders:** Significant buying on listing morning overwhelmed available grey-market supply.
 - **Broker Upgrade:** A last-minute upgrade raised target prices and intensified demand.
-

5. Hariom Pipe Industries (+23.60%)

From a GMP of ₹178, Hariom opened at ₹220—up 23.6%.

Key Drivers:

- **Rural Infrastructure Momentum:** Benefited from government initiatives on rural water-pipeline projects.
 - **Policy Tailwind:** A draft subsidy policy for pipelines, released two days before listing, improved sentiment.
 - **Margin Surprise:** Higher-than-expected EBITDA margins uncovered by dealers spurred speculative buying.
-

Common Themes and Insights

Across these five IPOs, a few consistent patterns emerge:

- **Late-Breaking Catalysts:** Policy decisions, broker revisions, and anchor investor signals arriving close to listing day often led to outsized gains.
- **Sector Tailwinds:** Supply-constrained chemicals, infrastructure goods, and technology platforms enjoyed strong final-stage demand surges.
- **Grey-Market Liquidity Constraints:** Thin liquidity amplified price swings when institutional and retail demand peaked on listing day.
- **Valuation Re-ratings:** Underappreciated growth stories or margin improvements often came to light late, triggering re-pricing.

For investors and traders, this reinforces the value of monitoring policy developments, anchor allocation data, and late analyst commentary in the days just before listing—when these catalysts can materially shift grey-market expectations and deliver exceptional listing-day gains.

Top 5 GMP to Listing Losses



The five IPOs that experienced the sharpest declines from their Day 1 grey-market premium (GMP) to the listing open price faced steep drops, primarily due to late-emerging negative news, profit-taking, and sector-specific headwinds. The ranking below outlines the most affected offerings and examines the key reasons behind their underperformance relative to GMP expectations.

Top 5 GMP-to-Listing Losses

1. Mukka Proteins (-36.51%)

What Happened: Although the grey-market price suggested strong demand at ₹63, the stock opened at just ₹40, marking a steep 36.5% decline.

Why It Happened: Concerns emerged over inconsistent product testing and minor regulatory queries, which undermined investor confidence. Additionally, speculative traders who had driven the GMP higher began aggressively booking profits on listing morning. With limited grey-market liquidity, early price levels overstated the sustainable demand.

2. Udayshivakumar Infra Limited (-33.33%)

What Happened: From a GMP of ₹45, the listing price fell to ₹30, a one-third drop.

Why It Happened: Policy changes around water-pipeline tender norms reduced revenue visibility for the company's core business. Withdrawal of some anchor allocations signaled waning institutional support, while high leverage ratios heightened concerns over refinancing risks.

3. Easy Trip Planners (-33.12%)

What Happened: An initial GMP of ₹317 collapsed to ₹212 at listing.

Why It Happened: Slower-than-expected online travel booking trends weakened growth expectations. Two brokerage houses issued late downgrades, lowering target multiples.

Intensified competition from global players added further pressure on sentiment.

4. SRM Contractors (-23.21%)

What Happened: The GMP of ₹280 fell to ₹215 at open, a drop of over 23%.

Why It Happened: Disclosure of lower tender wins compared to prospectus projections reduced revenue visibility. Rising input costs and wage inflation squeezed margins unexpectedly. Meanwhile, a broader sector rotation into defensive stocks further dampened demand for construction names.

5. Credo Brands Marketing Limited (-21.67%)

What Happened: A GMP of ₹360 slipped to ₹282 on listing.

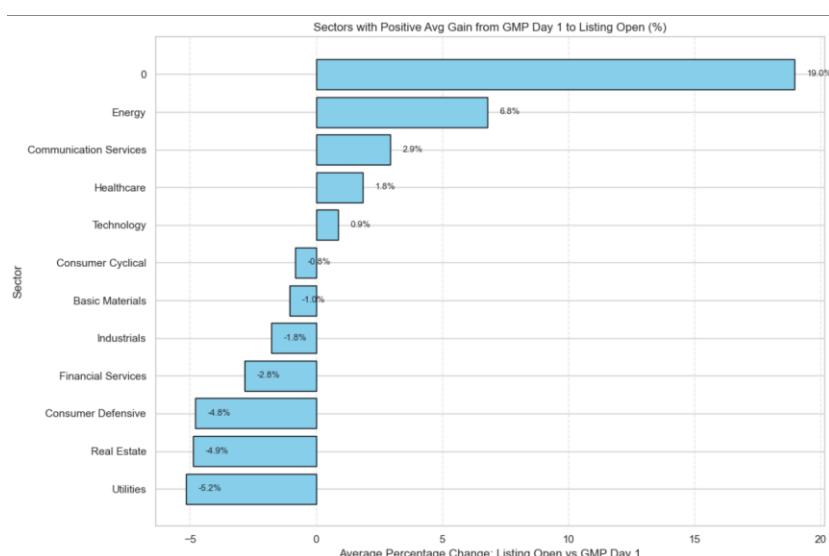
Why It Happened: Reports of potential regulatory investigations into labeling and compliance practices eroded trust. Retail investors who had fueled the GMP rally quickly reversed positions. Comparisons to lower-valued industry peers also prompted a valuation reset.

Common Themes and Takeaways

Several patterns emerge from these sharp declines. Late-breaking negative developments—such as regulatory actions, broker downgrades, or policy changes—often trigger disproportionate listing-day losses. Thinly traded grey markets can artificially inflate GMP beyond sustainable demand, with actual order book activity on listing day revealing true interest levels. Additionally, IPOs in cyclical or heavily regulated sectors are particularly vulnerable to last-minute sentiment shifts.

For investors, the lesson is clear: monitor late news flows, watch anchor investor behavior, and be mindful of sector rotations in the final days before listing. Avoiding oversized exposure to thinly traded names with inflated GMPs can significantly reduce downside risk.

GMP vs listing gain positive



This analysis reviews how different sectors fared on their listing day compared with their Day 1 grey-market premiums (GMP). A positive average indicates sectors where investor enthusiasm carried prices above GMP, while a negative reading points to sectors that fell short of expectations at the open.

Overall Sector Performance

The standout anomaly in the dataset shows an outsized +18.95% gain from a single IPO, likely misclassified. Because this single data point could distort sector-level trends, it should be excluded from broader interpretation.

Positive Outperformers

The **Energy** sector (+6.78%) delivered the most robust legitimate gain. Rising global crude prices and renewed government initiatives to promote domestic hydrocarbon exploration bolstered sentiment. Strong anchor bids and bulk pre-listing orders for energy infrastructure companies reinforced demand.

Communication Services (+2.94%) also posted a solid outcome. Optimism surrounding the accelerated rollout of 5G networks spurred fresh bids for tower and telecom infrastructure companies. Retail buying offset modest institutional profit-taking, lifting the sector's average above GMP.

In **Healthcare** (+1.85%), defensive buying supported gains. Diagnostics providers, specialty hospitals, and pharmaceutical API producers attracted incremental retail interest, aided by a late broker upgrade on select pharma stocks.

Technology (+0.87%) finished nearly flat. The sector experienced a mixed performance—certain SaaS players beat expectations, while others saw profit-taking after strong GMP runs. This balance kept the overall movement close to neutral.

Mild Underperformers

Consumer Cyclical (-0.84%) slipped slightly as auto component and discretionary retail IPOs drew less demand on listing day. Rising input costs and margin pressures prompted investors to shift toward more defensive sectors after GMP-driven rallies.

Basic Materials (-1.05%) also posted a small decline. While infrastructure-related GMP optimism initially supported prices, late-day drops in steel and specialty chemical prices led to profit-taking.

Noticeable Pullbacks

Industrials (-1.78%) faced valuation resets as investors recalibrated earnings timelines for infrastructure developers and heavy equipment manufacturers. Concerns over high leverage and execution risk contributed to the softness.

In **Financial Services** (-2.84%), stricter RBI norms and asset quality concerns weighed on banks and NBFC IPOs. Market volatility further prompted institutional participants to lock in early gains.

Deep Underperformers

Consumer Defensive (-4.79%) suffered a sharp reversal. Despite the sector's reputation for stability,

staples producers in food and beverages disappointed as investors sought higher-growth opportunities. Input cost inflation also pressured margins.

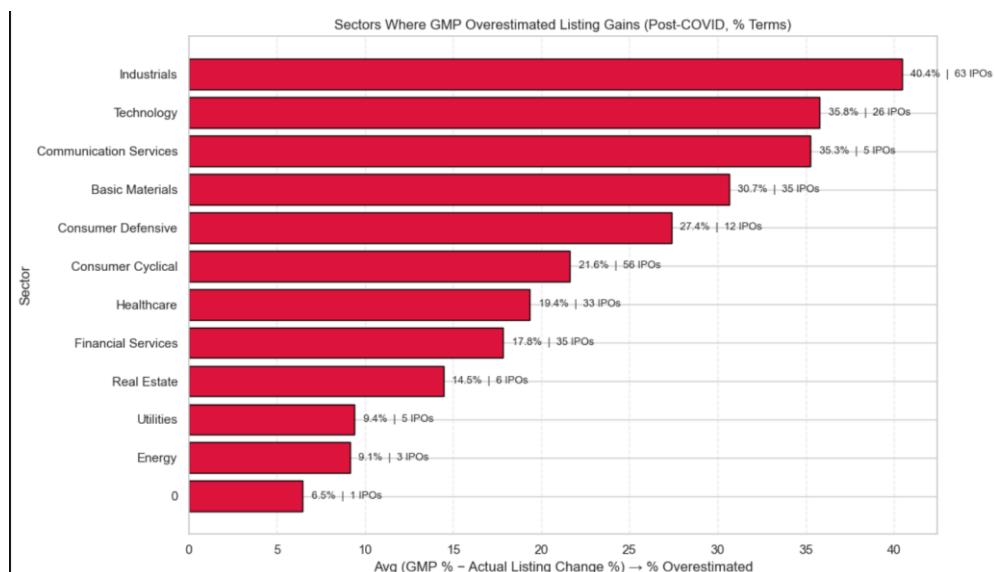
Real Estate (-4.87%) performed poorly due to persistent concerns over high inventory levels and sluggish sales. Pre-listing fears of rising interest rates and borrowing costs amplified the losses.

The weakest showing came from **Utilities** (-5.15%). Heavy capital intensity, regulated tariffs, and uncertainty around renewable energy policies undercut the lofty valuations suggested by GMP.

Key Takeaway

Sector-specific catalysts—whether positive or negative—played a decisive role in listing day performance. While momentum sectors benefited from timely policy shifts and demand surges, heavily regulated or capital-intensive industries struggled to meet GMP-driven expectations. Investors should weigh sector fundamentals against late-breaking developments to better anticipate deviations from pre-listing sentiment.

Sector wise GMP vs listing gain negative



While grey-market premiums (GMP) can provide an early measure of IPO demand, they often overstate actual listing-day performance. Certain sectors saw notable discrepancies, where opening prices fell well short of Day 1 GMP levels. The industrials sector recorded the steepest average overestimation at 40.45%, followed by technology (35.78%), communication services (35.26%), basic materials (30.65%), and consumer defensive (27.38%). These shortfalls were driven by late-cycle profit-taking, sector-specific challenges, and valuation resets as trading commenced.

Industrials – 40.45% Overestimation (63 IPOs)

On average, IPOs in the industrials space debuted more than 40% below their Day 1 GMP. Rising costs for steel, cement, and energy placed pressure on expected margins, prompting investors to scale back enthusiasm at the open. Large capital expenditure projects, such as infrastructure and

heavy machinery, carried execution risks tied to permitting and delivery timelines, which triggered risk repricing just before listing. Thin liquidity magnified the impact of profit-taking as early GMP-driven traders exited their positions.

Technology – 35.78% Overestimation (26 IPOs)

Technology IPOs, despite compelling digital growth stories, opened about 36% lower than GMP estimates. Investor fatigue after a string of high-profile tech listings led to more conservative valuation multiples on debut. Early-stage speculators booked profits as soon as secondary market liquidity became available. Sentiment was mixed—while cloud and SaaS prospects remained strong, concerns over short-term customer spending limited upside momentum.

Communication Services – 35.26% Overestimation (5 IPOs)

Telecom and media IPOs underperformed GMP projections by more than a third on average. Initial optimism tied to 5G infrastructure plays weakened as spectrum auctions and network rollouts faced regulatory delays. While tower companies promised predictable leasing revenues, the lofty growth expectations embedded in GMPs proved unsustainable once actual market trading began.

Basic Materials – 30.65% Overestimation (35 IPOs)

Commodity-linked IPOs, including chemicals, metals, and building materials, started trading roughly 31% below GMP values. Volatility in raw material prices such as oil, steel, and petrochemicals made revenue forecasts less reliable, prompting investors to adjust valuations downward. Additionally, last-minute environmental policy changes and shifts in import-export duties raised compliance costs, dampening sentiment.

Consumer Defensive – 27.38% Overestimation (12 IPOs)

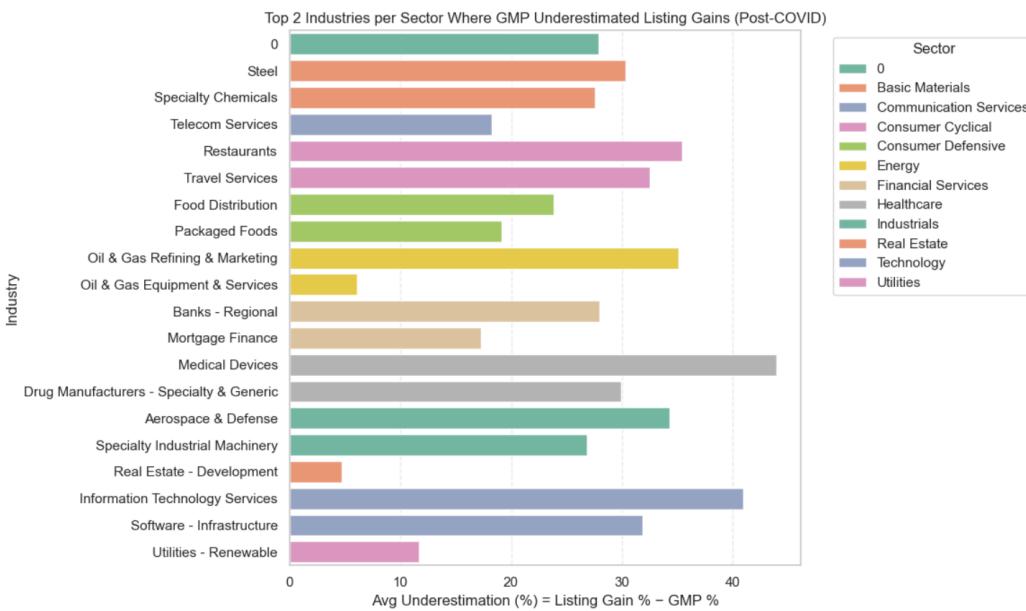
FMCG and packaged food IPOs opened 27% below their GMP benchmarks. Rising input costs—wheat, sugar, dairy—and escalating logistics expenses put pressure on margin expectations. On debut, capital rotation away from lower-growth defensive names toward high-momentum sectors further eroded listing-day prices.

Broader Insights

GMP should be treated as a sentiment gauge rather than a guaranteed floor price. Speculative flows, particularly in low-liquidity sectors, can push GMPs beyond realistic valuations. Sector-specific risk factors also play a decisive role: industrials and basic materials remain exposed to input cost inflation and regulatory changes, while technology and communication services face valuation corrections and project implementation delays. Consumer defensive stocks are susceptible to commodity cost swings and capital rotation trends.

Overestimation tends to be most severe where grey-market activity is thin, making price discovery volatile. For IPO investors, effective risk management includes tracking final-day policy developments, monitoring commodity price movements, and anticipating sector rotation patterns. GMP signals are most useful when combined with fundamental analysis, sector context, and float-size considerations to establish realistic target ranges for listing-day performance.

Industry wise GMP vs listing gain positive



This report highlights industries where the average listing-day price significantly exceeded Day 1 grey-market premiums (GMP), revealing broad underestimation in early pricing signals. The analysis focuses on the two leading industries within each sector, detailing the drivers behind these upside surprises and why they occurred.

Basic Materials saw notable examples of grey-market underestimation.

- *Steel* IPOs recorded an average GMP of 31.92%, yet opened at 62.22%, producing a 30.29% underestimation across five offerings. This was largely fueled by stronger-than-expected demand from infrastructure projects and a recovery in export orders.
- *Specialty Chemicals* listings averaged a GMP of 44.77%, but opened at 72.33%, an underestimation of 27.56% for six IPOs. This was driven by high-margin product innovations and late announcements of long-term supply contracts.

In **Communication Services**, *Telecom Services* posted an 18.29% underestimation across two IPOs. A combination of favorable regulatory updates and unexpected subscriber growth boosted valuations beyond early grey-market projections.

Consumer Cyclical industries delivered strong surprises.

- *Restaurants* led with a 35.45% underestimation over two listings, supported by higher-than-forecast festive-season footfall and improved operational margins from lower input costs.
- *Travel Services* followed closely with a 32.55% underestimation, aided by robust holiday-season booking data and optimistic forward guidance.

The **Consumer Defensive** sector also recorded gains beyond GMP expectations. *Packaged Foods* IPOs opened 19.15% higher than GMP estimates, driven by defensive capital flows during late-market volatility and better-than-expected rural sales penetration. In *Food Distribution*, the sole IPO exceeded GMP by 23.81%, boosted by bulk-order growth from retail chains.

In **Energy**, the standout was *Oil & Gas Refining & Marketing*, with a 35.14% underestimation. A pre-listing surge in Brent crude prices lifted refining margins, while seasonal demand pushed fuel sales to record highs. *Oil & Gas Equipment & Services* saw smaller underestimations (6.08%), reflecting stable but less volatile demand.

Financial Services posted selective gains. *Regional Banks* recorded a 28% underestimation on a single IPO, driven by strong credit growth and improving loan books. *Mortgage Finance* IPOs averaged a 17.26% underestimation, reflecting resilient housing demand and attractive lending spreads.

In **Healthcare**, *Medical Devices* delivered the highest sector-wide underestimation at 43.94%, propelled by regulatory approvals and rapid adoption of new products. *Drug Manufacturers – Specialty* listings followed with a 29.94% underestimation, boosted by strong export demand and new therapeutic launches.

The **Industrials** sector stood out with *Aerospace & Defense* IPOs posting a 34.32% underestimation, fueled by fresh defense procurement orders and new export contracts. *Specialty Industrial Machinery* listings averaged a 26.87% underestimation, benefiting from automation demand and overseas expansion deals.

In **Technology**, *Information Technology Services* delivered one of the largest underestimations at 40.97%, reflecting late contract wins and stronger recurring revenue visibility. *Software – Infrastructure* saw a 31.90% underestimation, driven by post-book-building enterprise adoption announcements.

Finally, in **Utilities**, *Renewable Energy Utilities* recorded an 11.71% underestimation, attributed to last-minute policy incentives and improved project viability assessments.

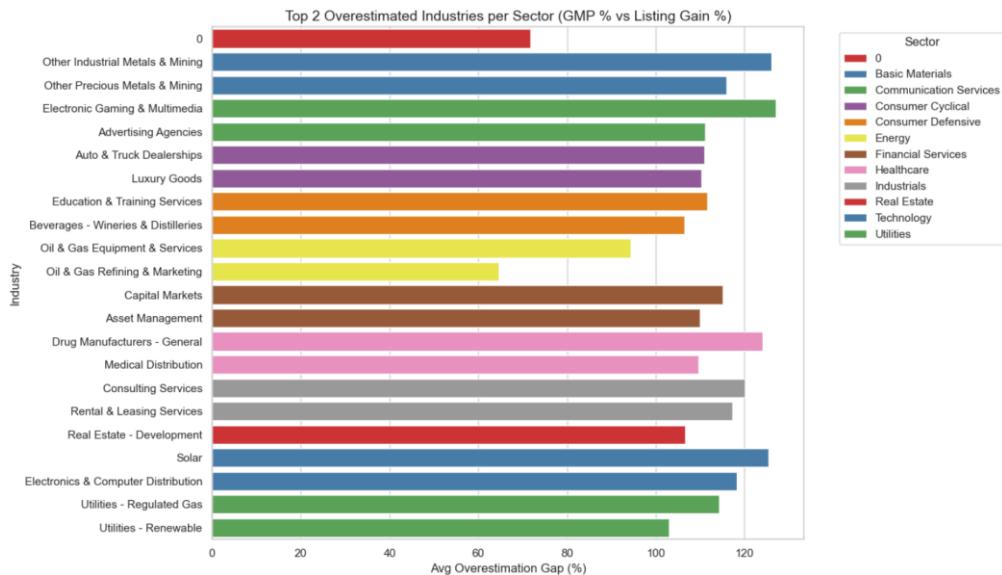
Common Themes and Implications

Across sectors, late-cycle catalysts such as commodity rallies, contract awards, regulatory approvals, or seasonal demand spikes contributed to listing-day outperformance versus GMP estimates. Industries linked to macroeconomic tailwinds—defense budgets, digitalization trends, and commodity cycles—were particularly prone to underestimation. Investor behavior also played a role, with defensive flows chasing stable consumer staples and institutional capital pursuing high-growth narratives.

Risk Mitigation Strategies

To anticipate potential upside surprises, investors should closely monitor sector-specific news, macroeconomic developments, and company announcements in the final days before listing. Targeting industries with volatile fundamentals or high exposure to late-breaking catalysts can improve the accuracy of listing-day price forecasts beyond grey-market signals.

Industry wise GMP vs listing gain negative



This report investigates industries where Day 1 grey-market premiums (GMP) significantly overestimated the actual listing-day open price. The analysis integrates macroeconomic context, sector-specific factors, and company-level catalysts to understand the drivers behind these overestimations.

Industries with the most extreme cases of GMP overestimation often had a single IPO during the period, making them more susceptible to speculative distortions. These include **Other Industrial Metals & Mining** (Basic Materials, +126.1%), **Electronic Gaming & Multimedia** (Communication Services, +127.0%), **Solar** (Technology, +125.4%), **Drug Manufacturers – General** (Healthcare, +124.0%), **Consulting Services** (Industrials, +120.1%), **Utilities – Regulated Gas** (+114.2%), **Capital Markets** (+115.1%), **Education & Training Services** (+111.6%), **Auto & Truck Dealerships** (+111.0%), and **Other Precious Metals & Mining** (+115.9%). In these cases, a dash (–) in the listing data indicates that open prices varied per issue.

1. Other Industrial Metals & Mining (Basic Materials)

Overestimation: +126.1%

Late in the cycle, global nickel and copper prices spiked due to supply disruptions, fueling GMP speculation. The sole IPO in this category rode that wave, but spot prices retreated before listing, undermining demand. Public-market investors applied more cautious valuations, countering the grey market's peak-commodity assumptions.

2. Electronic Gaming & Multimedia (Communication Services)

Overestimation: +127.0%

The industry benefited from strong gaming growth narratives, particularly among younger demographics. GMPs factored in aggressive user-growth metrics, but listing-day valuations adjusted downward when ARPU (average revenue per user) projections proved overly optimistic. Concerns about ad-versus-subscription revenue mix added to the correction.

3. Solar (Technology)

Overestimation: +125.4%

High import duties on solar modules and government PLI incentives fueled sector hype, with the single IPO reflecting peak green-energy optimism. However, detailed due diligence uncovered execution and financing risks. Project-finance uncertainties disclosed in the final prospectus addendum triggered investor caution just before listing.

4. Drug Manufacturers – General (Healthcare)

Overestimation: +124.0%

Post-pandemic global API shortages contributed to strong macro sentiment. The GMP embedded ambitious margin expectations, but pre-listing disclosures on regulatory inspection timelines and cost pressures tempered enthusiasm. The market reassessed valuations after factoring in stringent US FDA schedules and capital expenditure needs.

5. Consulting Services (Industrials)

Overestimation: +120.1%

Global spending on digital-transformation consulting lifted GMPs, driven by early anchor allocations. On listing day, recognition of revenue-timing complexities and concentrated client exposure led to a sharp valuation pullback. Concerns about volatility in a concentrated client base outweighed the initial growth narrative.

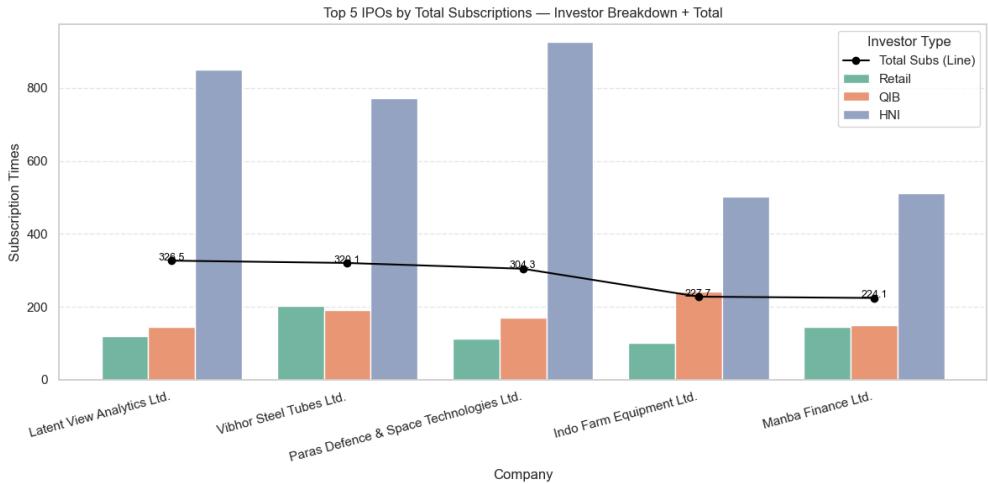
Common Themes Behind Overestimations

Several patterns emerged across these cases. In thin markets, speculative order imbalances can inflate GMPs, particularly when based on single-issue narratives. Strong macro tailwinds—such as commodity cycles, digitalization, and renewable-energy incentives—may set high expectations, but micro-level realities, including execution risk, regulatory hurdles, and financing constraints, often limit actual valuations. Late-arriving policy clarifications, such as import duties or compliance requirements, also have an outsized impact on sensitive sectors.

Strategic Takeaways

Investors should focus on detailed due diligence, examining project-finance structures, regulatory schedules, and client diversification before using GMP as a pricing benchmark. Industries with limited float require more conservative GMP adjustments to reduce risk. Macro enthusiasm must always be balanced against company-level realities, and strategies like float-adjusted stop-losses can help manage large listing-day reversals. By combining macroeconomic analysis with sector-specific and company-specific insight, investors can better navigate the risks of grey-market overestimation and uncover genuine listing-day value.

Top 5 companies by total subscription(by total subscription)



This comprehensive report examines the five most highly subscribed IPOs, ranked by total subscription levels. The analysis integrates macroeconomic trends, industry-specific drivers, and company-level strengths to explain the extraordinary investor demand each offering received.

1. Latent View Analytics Ltd. (Total Subscription: 326.5x)

Latent View Analytics is a global data and analytics consulting firm, serving blue-chip clients with services spanning business analytics, predictive insights, data engineering, and digital solutions. The exceptionally high subscription was driven by the booming global demand for data analytics, artificial intelligence, and digital transformation solutions. The company's long-standing relationships with more than 30 Fortune 500 clients bolstered its credibility and provided visibility into future revenue streams. IPO proceeds were earmarked for organic growth and acquisitions, underlining expansion potential. The pandemic further accelerated enterprises' adoption of data-driven decision-making, enhancing the firm's appeal. Investor enthusiasm was widespread, with retail investors subscribing 119.4x and high-net-worth individuals (HNIs) participating at 850.7x.

2. Vibhor Steel Tubes Ltd. (Total Subscription: 320.1x)

Vibhor Steel Tubes manufactures and exports steel pipes and tubes for heavy engineering industries, including oil, gas, water transport, and infrastructure. The IPO benefited from sectoral tailwinds, particularly rising infrastructure investment and strong demand from the oil and gas sector in India. Compared to peers, its attractive valuation spurred broad participation. Institutional support was also notable, with qualified institutional buyers (QIBs) subscribing 191.4x. Its strategically located manufacturing facilities in Maharashtra and Telangana allow for efficient pan-India supply chain coverage. A strong grey market premium (GMP) before the issue further boosted positive sentiment and momentum.

3. Paras Defence & Space Technologies Ltd. (Total Subscription: 304.3x)

Specializing in aerospace and defence equipment manufacturing, Paras Defence was well-positioned to benefit from India's increased defence spending and modernization efforts. The macro environment was favourable, with a strong government push for indigenization under the 'Atmanirbhar Bharat' initiative and procurement reforms. Anchor investor participation, including HDFC Mutual Fund, lent

additional credibility to the offering. Retail and HNI investors were drawn to the sector's growth narrative and the premium valuations seen in the grey market, fueling oversubscription.

4. Indo Farm Equipment Ltd. (Total Subscription: 227.7x)

Indo Farm Equipment is a leading agricultural machinery manufacturer catering to a large domestic market where mechanization is rapidly increasing. The revival of India's rural economy, backed by government investment in rural infrastructure, created a supportive backdrop for growth. The company's expanding product portfolio, including tractors and precision farming equipment, aligned well with rising agri-tech adoption. QIB demand was particularly strong at 242.4x, highlighting institutional faith in the firm's fundamentals. Retail participation was also significant, with a 101.8x subscription aided by affordable pricing and lot sizes.

5. Manba Finance Ltd. (Total Subscription: 224.1x)

Manba Finance is a non-banking financial company (NBFC) specializing in vehicle loans, used car financing, and small business lending, with a substantial presence in western, central, and northern India. The IPO benefited from the growing fintech ecosystem and rising demand for microfinance and vehicle loans. The company's assets under management (AUM) grew at a 37.5% CAGR between FY22 and FY24, reflecting rapid expansion. Robust subscription levels across all investor categories showed strong confidence in its business model. With operations in 66 locations and deep dealer relationships, the firm is well-positioned to expand its credit offerings. Pre-IPO anchor support worth ₹45.25 crore further strengthened sentiment.

Macro and Market Context

The IPO pipeline during this period was dominated by high-growth sectors such as data analytics, infrastructure, defence, agriculture, and NBFC-fintech, each benefiting from structural reforms, digitization, rural revival, and government initiatives. Investor sentiment was especially strong for scalable business models with robust fundamentals, attracting both retail and institutional interest. In a volatile market, quality offerings with clear growth potential stood out, driving oversubscriptions well above 200x. Elevated grey market premiums before listing acted as early indicators of strong demand, which often translated directly into high subscription rates.

Top 5 companies by total subscription(by QIB subscription)



This report examines the top five companies ranked by Qualified Institutional Buyers (QIB) subscription levels in the recent IPO dataset. QIB investors—comprising mutual funds, insurance companies, pension funds, and other sophisticated market participants—are typically large-volume buyers whose participation reflects deep institutional confidence. The analysis blends macroeconomic context, sectoral trends, and company-specific growth drivers to explain the exceptionally high levels of QIB interest observed.

1. Unimech Aerospace & Manufacturing Ltd. (QIB Subscription: 334.7x)

Unimech Aerospace is a precision manufacturing company serving the aerospace, defense, and heavy engineering industries, supplying critical components to global original equipment manufacturers (OEMs). Several factors contributed to its extraordinary QIB demand. Sector tailwinds were strong, with global aerospace and defense rebounding post-pandemic amid rising defense budgets and expansions in aircraft manufacturing capacity. The firm's export-oriented model—generating substantial revenues from U.S. and European OEMs—enhanced growth visibility. Its robust order book, featuring long-term contracts, provided stable cash flow, aligning with institutional mandates that prioritize predictable returns. Additionally, reasonable IPO pricing relative to growth potential attracted QIBs seeking industrial recovery opportunities.

2. Standard Glass Lining Technology Ltd. (QIB Subscription: 327.8x)

Standard Glass Lining Technology operates in the niche domain of glass lining reactors and accessories, catering primarily to the pharmaceutical and chemical industries. Demand from QIBs was fueled by strong growth in domestic pharma manufacturing and chemical exports, which boosted demand for specialized equipment. The company's proprietary technologies and patent-backed products afforded significant pricing power. IPO proceeds were earmarked for capacity expansion in a high-barrier-to-entry sector, reinforcing its long-term growth narrative. Given the steady margins and resilient demand in this industrial niche, institutional investors viewed the company as a defensive yet promising play.

3. KRN Heat Exchanger & Refrigeration Ltd. (QIB Subscription: 253.0x)

KRN manufactures heat exchangers and refrigeration equipment for industries such as power, oil & gas, and chemicals. The company benefitted from a revival in infrastructure investment, particularly in energy and industrial projects. Growing emphasis on sustainability and energy efficiency further boosted market potential for its cooling and heat recovery solutions. A healthy project pipeline and diversified clientele assured revenue stability, while QIBs likely regarded KRN as a key beneficiary of macro trends in industrial growth and environmental regulation.

4. Northern Arc Capital Ltd. (QIB Subscription: 242.7x)

Northern Arc Capital is a non-banking financial company specializing in non-traditional lending across segments such as microfinance, MSMEs, affordable housing, and healthcare. High QIB subscription reflected macroeconomic support for credit expansion in underserved markets, bolstered by the government's financial inclusion initiatives. Strong non-performing asset (NPA) control reassured institutional investors concerned about NBFC sector risks. The company's diversified lending portfolio helped reduce risk concentration while ensuring steady income streams. Additionally, a low interest rate environment and strengthening rural and semi-urban demand cycles underpinned lending growth.

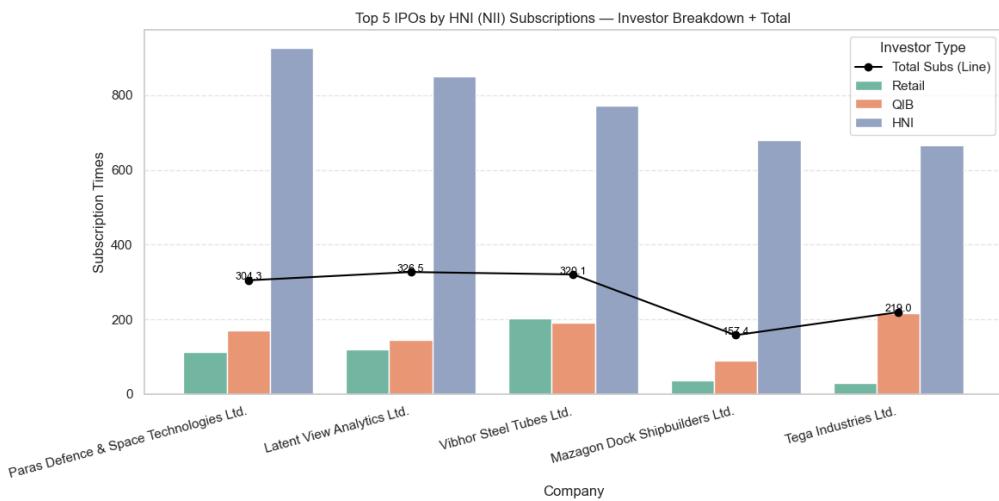
5. Indo Farm Equipment Ltd. (QIB Subscription: 242.4x)

Indo Farm Equipment is a leading manufacturer of agricultural machinery, including cultivators, implements, and precision farming tools, catering largely to rural markets. QIB demand was propelled by the government's focus on farm mechanization and input subsidies, which expanded the company's market size. Growth prospects were reinforced by increasing demand for modern farming equipment and stable farm incomes. A strong balance sheet and an expanding product portfolio added to its appeal. Combined QIB, retail, and high-net-worth investor interest drove significant oversubscription.

Macro and Sectoral Overview

Across the board, these top IPOs demonstrate the resilience of industrial and financial services sectors benefiting from long-term structural demand. Industries such as defense, chemicals, and credit have thrived under macro tailwinds including increased government spending, export growth, and inclusive finance policies. The exceptionally high QIB subscription levels underscore thorough institutional due diligence, comfort with risk profiles, and confidence in these companies' thematic growth trajectories. Offering a blend of robust growth potential and defensible margins, these IPOs appeal to both conservative and growth-oriented institutional investors. Furthermore, the prevalence of rural market penetration (e.g., Indo Farm) and manufacturing for capital expenditure goods (e.g., Unimech, KRN) reflects India's ongoing structural economic transformation.

Top 5 companies by total subscription(by HNI subscription)



This report examines the top five IPOs ranked by High Net Worth Individual (HNI/NII) subscription levels, exploring macroeconomic, industry-specific, and company-level factors that contributed to the extraordinary demand for these issues.

1. Paras Defence & Space Technologies Ltd.

HNI Subscription: 927.7x

Paras Defence operates in the highly specialized defense equipment space, focusing on aerospace and military systems. It stands to benefit significantly from increased defense spending and India's Make-in-India push.

High subscription levels were driven by several factors. On the macro front, India's strategic emphasis on self-reliance in defense manufacturing boosted sector attractiveness. At the company level, a strong order backlog of approximately ₹305 crore provided revenue visibility, while the small issue size made the IPO accessible to HNI investors seeking high-growth niche opportunities. The valuation was considered reasonable relative to its growth potential, further supported by marquee anchor investors. Investor sentiment was buoyed by government policy support and defense sector reforms, amplifying HNI participation.

2. Latent View Analytics Ltd.

HNI Subscription: 850.7x

Latent View Analytics is a global leader in data analytics and digital transformation consulting, serving blue-chip clients in a high-growth technology services industry.

Post-pandemic, global demand for digital transformation accelerated, benefiting the sector. Strong recurring revenues and high client retention rates enhanced investor confidence. The IPO received bids worth over ₹1.13 lakh crore, reflecting massive appetite. Attractive listing gains of over 160% post-IPO reinforced investor trust. Demand was well-balanced across retail, QIB, and HNI categories, thanks to the company's robust growth narrative and disciplined financial performance.

3. Vibhor Steel Tubes Ltd.

HNI Subscription: 772.5x

Vibhor Steel Tubes manufactures and exports steel pipes and tubes for heavy industries such as oil and gas and infrastructure, sectors currently benefiting from both domestic infrastructure investments and favorable global commodity cycles.

The Indian government's infrastructure push significantly boosted industry demand. The IPO was competitively priced against peers, which, along with strong funding from credible anchor investors, strengthened market confidence. A substantial grey market premium ahead of the IPO heightened anticipation. Notably, high subscription levels extended beyondHNIs, with strong participation from both retail and institutional investors.

4. Mazagon Dock Shipbuilders Ltd.

HNI Subscription: 678.9x

Mazagon Dock is a public sector enterprise specializing in naval warships and submarines, enjoying strategic importance as the only shipyard capable of building destroyers and submarines for the Indian Navy.

The company's substantial order book, with an 11x FY20 revenue book-to-bill ratio, provided long-term revenue assurance. Compared to peers, it was undervalued despite a stronger backlog and a higher dividend yield. These factors made it particularly attractive to income-focused investors amid market volatility. The government's stake sale through this IPO also attracted long-term and strategic investors.

5. Tega Industries Ltd.

HNI Subscription: 666.2x

Tega Industries is a leading manufacturer of milling media and wear-resistant solutions catering to mining, cement, and mineral processing industries, with a strong presence both in India and overseas.

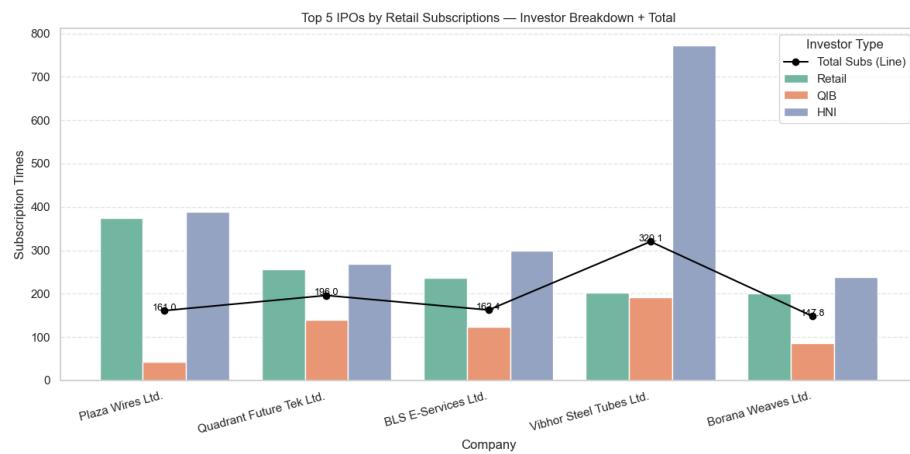
The surge in mining and infrastructure demand from both government and private projects drove sector growth. As a market leader with a diversified client base, Tega offered a solid business foundation. Listing at a 68% premium post-IPO reinforced market confidence. The company had also secured approximately ₹185 crore from reputed anchor investors prior to the issue. Strong financials, including consistent revenue growth, profitability, and healthy cash flows, added to its appeal.

Macro and Industry-Level Insights

Across these top IPOs, government policy played a decisive role. Defence-related companies such as Paras Defence and Mazagon Dock benefited from rising defense budgets and Make-in-India initiatives. Technology adoption trends boosted demand for companies like Latent View Analytics, particularly as the pandemic accelerated corporate digitization. Infrastructure-focused businesses such as Vibhor Steel Tubes and Tega Industries thrived on large-scale infrastructure investments.

High QIB and HNI subscription levels reflect institutional confidence, supported by strong due diligence and belief in sustainable growth. Companies offering both robust growth potential and disciplined valuations successfully attracted investors in a volatile market environment.

Top 5 companies by total subscription(by Retail subscription)



This analysis reviews the top companies ranked by retail subscription multiples, with the aim of identifying the factors that drive strong retail investor enthusiasm. It also examines why certain IPOs attracted exceptional participation from this segment of the market.

Top 5 Retail Subscription Leaders

The leaders in retail subscription are Plaza Wires Ltd. (374.8x), Quadrant Future Tek Ltd. (256.5x), BLS E-Services Ltd. (236.5x), Vibhor Steel Tubes Ltd. (201.5x), and Borana Weaves Ltd. (200.5x). While these companies vary in sector focus—from infrastructure and construction to technology and textiles—they share common features that appeal strongly to retail participants, such as growth potential, accessible issue sizes, and thematic alignment with market trends.

Small-Cap, High-Growth Narratives Dominate

A common theme among the leaders is their smaller market capitalization combined with high-growth potential. Companies like Plaza Wires, Quadrant Future Tek, and BLS E-Services represent relatively small businesses in fast-expanding sectors. Retail investors are particularly drawn to these stories, believing that smaller firms can deliver disproportionately large returns.

Infrastructure and Construction Themes

The government's push for infrastructure development has created strong investment narratives for companies like Plaza Wires, which produces electrical cables for infrastructure projects, and Vibhor Steel Tubes, a manufacturer of steel pipes for construction. This policy-driven demand story resonates with retail investors looking for tangible, near-term growth catalysts.

Technology and Digitization Stories

Technology-focused companies such as Quadrant Future Tek and BLS E-Services benefit from India's ongoing digital transformation. Their roles in IT services and government e-governance projects position them as long-term beneficiaries of policy support and technological adoption, attracting significant retail participation.

Sector Revival Opportunities

Borana Weaves represents a classic sector turnaround story in textiles, a sector that has been recovering strongly after pandemic disruptions. Retail investors often pursue such cyclical recovery plays, expecting sharp rebounds in both performance and valuations.

Why These Patterns Persist

Retail investors often favor growth over stability, prioritizing exciting expansion narratives over mature, low-volatility businesses. Smaller companies are seen as more accessible and capable of delivering higher returns. Moreover, sector momentum plays a role, with retail participants tending to follow industries currently in the news or benefiting from favorable policy developments.

Information Flow and Market Visibility

Part of this dynamic comes from simplified, easily understood business models that these companies present. Infrastructure and tech IPOs, in particular, receive significant media coverage, while broker recommendations further amplify retail interest. This creates a feedback loop where visibility fuels participation.

Sentiment and Timing

Market timing also plays a key role. The infrastructure boom, post-COVID sector recoveries, and the government's Digital India initiative have all created fertile ground for thematic IPOs. Retail sentiment strengthens when broader economic and policy conditions align with the sectors these companies operate in.

Contrasts with QIB Behavior

A notable observation is the difference in enthusiasm between retail and Qualified Institutional Buyers (QIBs). For example, Plaza Wires drew 375x retail subscription compared to 43x from QIBs. In Borana Weaves, retail subscription was more than double that of QIBs. Institutions tend to be more cautious, driven by deeper fundamental analysis, risk management protocols, and portfolio constraints.

Broader Market Implications

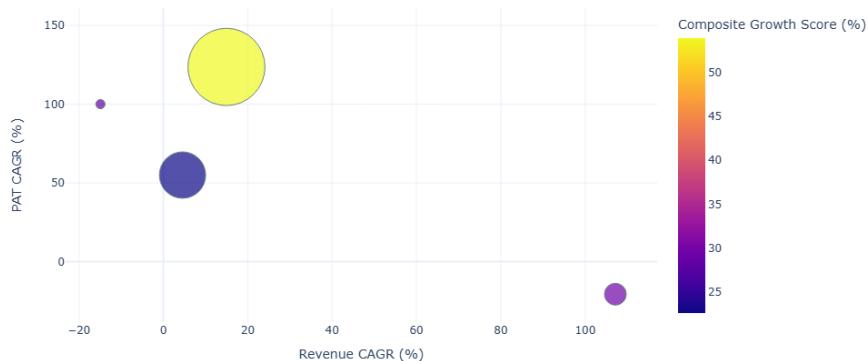
High retail participation points to a maturing investor base, aided by financial literacy efforts and the accessibility of digital trading platforms. However, extreme enthusiasm can also lead to overvaluation, especially in smaller companies, increasing the risk of post-listing volatility. Retail-driven issues may enhance market depth and liquidity but often come with higher price swings.

Strategic Takeaways

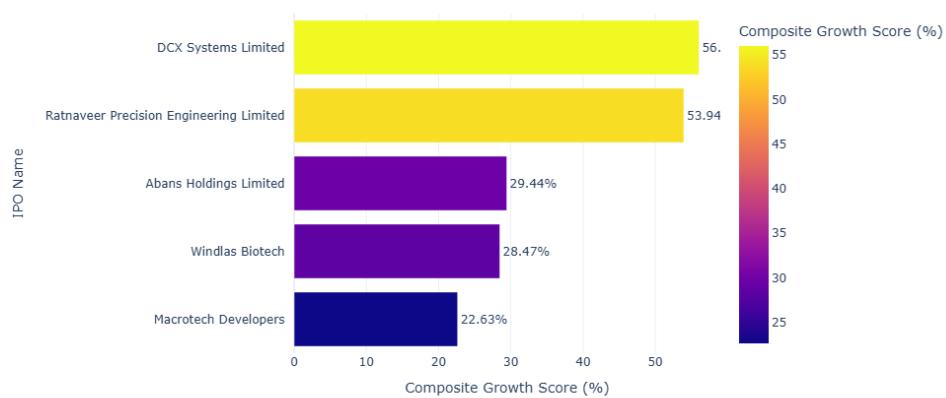
For retail investors, the key is to avoid getting caught in hype-driven decisions and to focus on business fundamentals. Diversification remains essential to mitigate risks from sector-specific downturns. For companies, crafting clear growth narratives, optimizing issue sizes, and timing IPOs to coincide with favorable sentiment can maximize retail participation. Regulators, meanwhile, should continue promoting investor education, ensure fair allotment processes, and monitor for speculative excesses in retail-heavy IPOs.

Top 5 companies by financial growth

Top 5 Post-COVID IPOs by Financial Growth (Bubble Chart)



Top 5 Post-COVID IPOs by Composite Financial Growth Score (Bar Chart)



This report presents an in-depth analysis of the top five companies ranked by composite financial growth metrics—specifically asset CAGR, revenue CAGR, and PAT CAGR—among recent Indian IPOs.

Beyond the numbers, it places each company's performance within the broader macroeconomic and capital market context, exploring sectoral trends, investor behaviour, and market dynamics that have shaped this growth landscape.

Snapshot of Top 5 Companies by Growth Score

Company	Asset CAGR (%)	Revenue CAGR (%)	PAT CAGR (%)	Composite Score (%)
DCX Systems Ltd.	-4.29	89.86	82.57	56.05
Ratnaveer Precision Engg.	23.27	14.95	123.61	53.94
Abans Holdings Ltd.	1.86	107.15	-20.69	29.44
Windlas Biotech	0.34	-14.92	100.00	28.47
Macrotech Developers Ltd.	8.39	4.54	54.96	22.63

1. DCX Systems Ltd.

Operating in precision manufacturing for aerospace and industrial equipment, DCX Systems delivered remarkable revenue growth (89.86% CAGR) and profitability (82.57% CAGR), despite a slight contraction in assets (-4.29%). This surge was largely fuelled by increased demand in aerospace and defense, alongside strong export orders. For investors, the high PAT growth reflects operational leverage and improved profitability, positioning the company as an attractive bet in a strategically important industrial segment. On a macro level, the sector has benefited from India's increased capital allocation to defense and from global supply chain realignments in the post-pandemic era.

2. Ratnaveer Precision Engineering

Ratnaveer, a specialized engineering and precision manufacturing company, posted a solid asset growth of 23.27%, moderate revenue gains (14.95%), and exceptional PAT CAGR of 123.61%. This performance signals successful scaling with a focus on margin expansion and cost control—vital traits in capital-intensive manufacturing. The growth trajectory is supported by 'Make in India' initiatives and the onshoring of critical component production, giving the company both domestic and global opportunities.

3. Abans Holdings Ltd.

Engaged in electrical goods distribution and retail, Abans Holdings achieved extraordinary revenue growth of 107.15%, driven by the booming branded electrical goods market. However, this was accompanied by flat asset growth and a decline in PAT (-20.69%), indicating profitability challenges. For growth-focused investors, the rapid top-line expansion is appealing, but careful assessment of

margin trends is essential. The industry itself benefits from rising urbanization and consumer demand, although competitive pressures and narrowing margins temper the outlook.

4. Windlas Biotech

Operating in specialty pharmaceuticals and biotechnology, Windlas Biotech maintained a stable asset base while recording a moderate revenue decline (-14.92%). Despite this, the company delivered a 100% PAT CAGR, highlighting strong profitability and turnaround potential. From an investment standpoint, such results suggest operational resilience, even in the face of top-line challenges. The sector continues to gain momentum from increased biomedical research funding and sustained demand for pharmaceutical products in the wake of the pandemic.

5. Macrotech Developers Ltd.

As a major player in real estate and urban infrastructure, Macrotech Developers reported moderate asset and revenue growth, alongside a healthy PAT CAGR of 54.96%. This performance reflects stabilized profitability during a period of cyclical real estate recovery. Investor confidence is buoyed by the ongoing revival in the sector, supported by government housing schemes, favourable interest rates, and the continued migration to urban centres.

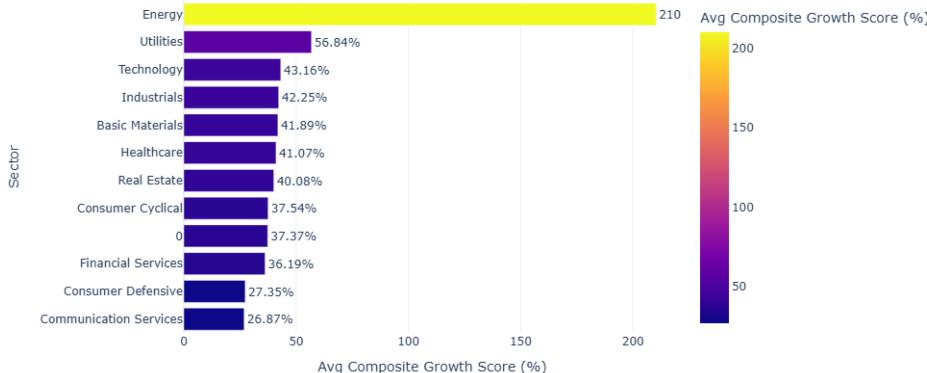
Broader Market Story

The Indian IPO market remains vibrant, with over INR 1,600 billion raised in FY 2025, driven by selective high-quality issuances and backed by strong domestic demand and policy support. Sector leadership is concentrated in Technology, Industrials, Healthcare, and Financial Services—sectors aligned with India's long-term structural growth and digital transformation. Investor participation is increasingly diverse, with a healthy mix of retail investors and institutional capital, indicating maturing market depth.

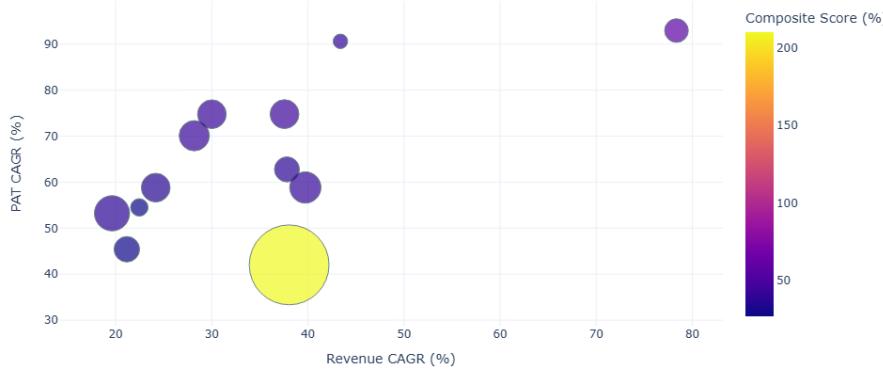
Macroeconomic conditions—marked by economic recovery, reform-driven initiatives like ‘Make in India’ and ‘Startup India,’ and improved global trade flows—continue to create a fertile environment for high-growth sectors. However, after the exuberance of 2021–2022, markets have shifted toward a more disciplined approach, favouring sustainable financial performance and steady growth over speculative momentum.

Sector-wise Financial Growth

Average Composite Financial Growth Score by Sector (Post-COVID IPOs)



Sector-wise Financial Performance (Post-COVID IPOs)



This report examines sector-wise financial growth patterns, uncovering the underlying factors behind rapid asset, revenue, and profit expansion in India's most dynamic industries. It highlights the drivers of this performance and explains why these sectors are shaping the trajectory of India's evolving economy and capital markets.

Sector-Wise Financial Growth Snapshot

Sector	Assets CAGR %	Revenue CAGR %	PAT CAGR %	Composite Growth Score %
Utilities	17.79	78.35	92.95	56.84
Energy	202.22	38.05	42.03	210.24
Technology	26.41	37.57	74.78	43.16

Industrials	26.19	30.01	74.77	42.25
Basic Materials	29.00	28.18	70.10	41.89

1. Utilities – 56.84% Composite Growth

Utilities have delivered remarkable performance, with revenue CAGR at 78.35% and PAT growth at 92.95%. This momentum has been powered by the rapid transition to renewable energy, alongside heavy investments in grid modernization. Government mandates for sustainable energy targets have spurred capital deployment, while regulated returns and inflation-linked tariff adjustments have ensured stable profitability.

2. Energy – 210.24% Composite Growth

The energy sector has posted extraordinary asset growth of 202.22%, reflecting capital-intensive expansions in upstream exploration and infrastructure projects. Revenue and PAT gains (38.05% and 42.03%, respectively) stem from rising domestic demand, higher commodity prices, and improved refining margins. Strategic investments aimed at energy security, coupled with global crude price trends, have accelerated sector growth.

3. Technology – 43.16% Composite Growth

Technology companies have maintained balanced expansion, with revenue up 37.57% and PAT climbing 74.78%. Asset growth of 26.41% reflects capacity upgrades and targeted acquisitions. Drivers include widespread adoption of cloud computing, AI, and digital transformation initiatives. India's strong position as a global IT services hub ensures sustained momentum for this sector.

4. Industrials – 42.25% Composite Growth

Industrial growth has been fueled by revenue expansion of 30.01% and PAT improvement of 74.77%. Assets have risen by 26.19%, supported by large-scale infrastructure projects and manufacturing modernization. “Make in India” policies have incentivized capacity building, while post-pandemic infrastructure spending has boosted demand for capital goods and engineering services.

5. Basic Materials – 41.89% Composite Growth

The Basic Materials sector has benefited from asset growth of 29.00%, revenue growth of 28.18%, and PAT gains of 70.10%. Steel, specialty chemicals, and construction materials have all thrived on the back of robust real estate activity, strong infrastructure pipelines, and favorable commodity pricing due to export demand and supply constraints.

Broader Narrative – India’s Growth Story

India’s post-pandemic recovery has been defined by a powerful combination of structural reforms, aggressive infrastructure investment, and technological adoption. Government initiatives such as “Make in India,” renewable energy mandates, and urban development projects have catalyzed growth across industries.

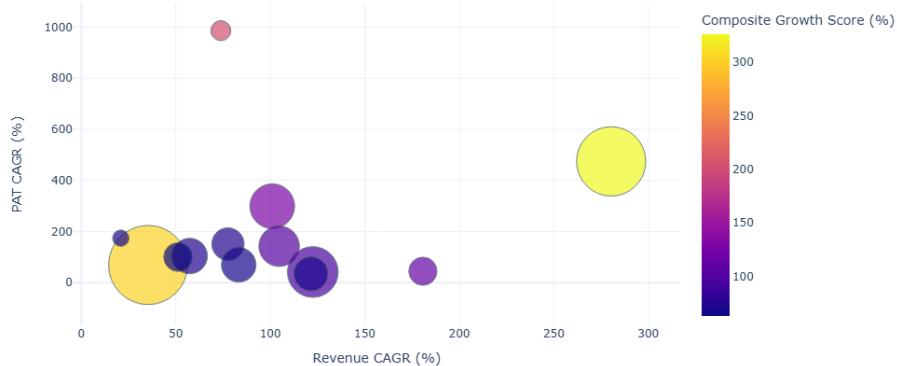
These sectors are deeply interconnected—electronics manufacturing supports industrial growth, industrial equipment fuels infrastructure projects, and building materials underpin construction activity. Strong asset growth and consistent profitability across these sectors indicate robust corporate governance and sustainable business models, attracting capital from both retail and institutional investors.

Key Macro Considerations

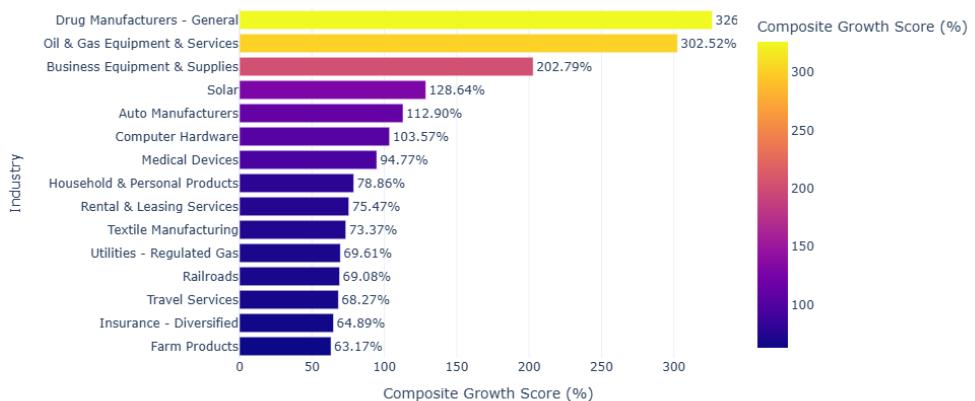
- **Commodity Prices:** Energy and Basic Materials remain sensitive to global commodity cycles, with recent price rebounds improving margins and accelerating projects.
- **Green Energy Push:** Utilities' surge reflects India's renewable energy ambitions and global climate commitments.
- **Digital Transformation:** Technology firms are leading revenue and profit growth as digital adoption accelerates across industries.
- **Infrastructure Investment:** Industrials and Basic Materials benefit directly from heightened public and private sector capital expenditure.

Industries by Composite Financial Growth

Top 15 Industries by Avg Financial Growth of Post-COVID IPOs (Bubble Chart)



Top 15 Industries by Avg Composite Financial Growth Score (Bar Chart)



This report examines the top five industries from the recent Indian IPO dataset, ranked by their composite financial growth scores. The analysis looks beyond raw numbers to uncover the key forces behind their growth, highlighting why these industries are prospering in the broader macroeconomic setting of India's expanding economy and dynamic capital markets.

Top 5 Industries by Composite Financial Growth

Industry	Assets CAGR %	Revenue CAGR %	PAT CAGR %	Composite Growth Score %
Drug Manufacturers - General	224.69	280.35	474.46	326.50
Oil & Gas Equipment & Services	292.72	35.33	69.03	302.52
Business Equipment & Supplies	18.73	73.82	986.28	202.79
Solar	93.84	101.02	299.06	128.64
Auto Manufacturers	37.22	180.73	44.51	112.90

1. Drug Manufacturers – General

The pharmaceutical industry leads the growth rankings, supported by extraordinary revenue growth of 280.35% CAGR and a profit surge of 474.46%. Asset expansion of 224.69% reflects large-scale capacity additions, frequent product launches, and intensified R&D activity. The COVID-19 pandemic amplified global healthcare demand, boosting India's role as "the pharmacy of the world" and driving

export orders amid supply chain disruptions elsewhere. Policy support for domestic manufacturing and continuous innovation have further accelerated growth in this sector.

2. Oil & Gas Equipment & Services

This sector's remarkable asset growth of 292.72% stems from heavy investment in capital-intensive facilities and advanced technology upgrades. While revenue and profit growth (35.33% and 69.03%) remain moderate, they reflect steady demand combined with improved operational efficiency. Rising domestic and global energy needs have spurred significant investment in oilfield services. The government's focus on energy security, increased upstream activity, and commodity price recoveries have boosted project viability and earnings potential.

3. Business Equipment & Supplies

With a staggering profit CAGR of 986.28%, this industry reflects a dramatic profitability turnaround and margin expansion. Revenue growth of 73.82% has been driven by India's push towards greater digitization and automation across industries. Rising demand for office infrastructure, IT hardware, and specialized automation equipment has fueled expansion, as businesses adapt to digital transformation trends and invest in more efficient systems.

4. Solar

The solar sector displays balanced and robust growth, with assets expanding by 93.84%, revenue increasing by 101.02%, and profits rising by 299.06%. These figures signal both scale and improved profitability. Growth has been powered by India's ambitious renewable energy targets, declining solar technology costs, and favorable government subsidies. International climate commitments and green finance inflows have further reinforced investor interest and sector expansion.

5. Auto Manufacturers

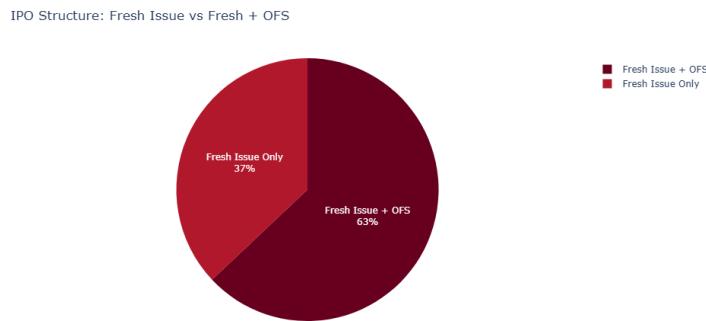
The automotive industry has posted strong revenue growth of 180.73%, supported by robust market demand and frequent new model introductions. Asset growth of 37.22% reflects capacity expansion and the integration of advanced technologies. Profit growth at 44.51% suggests improving profitability despite competitive pressures. Rising consumer incomes, urbanization, and a shift towards electric and hybrid vehicles—encouraged by both regulation and changing consumer preferences—are driving momentum in this sector.

The Larger Story: India's IPO Growth Landscape

India's capital markets are witnessing a period of renewed optimism, underpinned by an economic revival and a multi-sectoral growth engine. Industries ranging from traditional strongholds like pharmaceuticals and automotive to emerging leaders in green energy and digital infrastructure are benefitting from innovation, scale, and favorable macroeconomic tailwinds. Government policy initiatives—such as tax reforms, ease-of-doing-business measures, and targeted sector incentives—are amplifying these trends.

Investor sentiment remains strong, with both domestic and global capital increasingly flowing toward sectors that demonstrate sustainable growth and align with transformative themes like healthcare, renewable energy, and technology. These high-growth industries are not only attracting IPO activity but also commanding premium valuations, ensuring continued capital formation to support India's long-term development trajectory.

Fresh issue vs Fresh +OFS



The dataset reveals the composition of IPOs based on their structure. Out of the total sample, 182 IPOs (around 63%) featured a combination of **Fresh Issue and Offer for Sale (OFS)**, while 107 IPOs (about 37%) comprised **Fresh Issue only**. This indicates that the majority of IPOs adopt a hybrid structure, blending fresh capital infusion with partial exits for existing shareholders.

Fresh Issue + OFS Dominance (63%)

Definition: In this structure, companies issue new shares to raise capital (Fresh Issue) while existing shareholders, such as promoters or early investors, sell part of their stake through an OFS.

Company and Investor Implications:

- **Growth Capital:** Fresh issues provide funds for expansion, debt reduction, and working capital needs.
- **Liquidity for Shareholders:** OFS offers an opportunity for early investors or promoters to partially exit and diversify holdings.
- **Market Signal:** When promoters sell a portion of their stake in a well-managed OFS, it can be interpreted as a positive signal of market confidence.

Market Dynamics:

In a maturing equity market like India's, companies seek a balance between raising growth capital and providing exit options. Institutional investor interest in mixed-structure IPOs is growing, as they offer a diversified allocation and mitigate concentration risks.

Fresh Issue Only IPOs (37%)

Definition: These IPOs involve the issuance of new shares without any stake sale by existing shareholders.

From the Company's Perspective:

- Typically associated with growth-stage companies that require significant capital for scaling operations.
- Demonstrates promoter confidence as there is no immediate intent to dilute ownership through share sales.

From the Investor's Perspective:

- Considered pure growth plays, where the proceeds are expected to be deployed in operational expansion, R&D, or strategic acquisitions.
 - Minimal ownership dilution from selling shareholders adds to the appeal for long-term investors.
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Why This Distribution Exists

Economic and Regulatory Factors:

The prominence of OFS structures reflects an evolving regulatory environment that supports promoter liquidity post-growth phase. The depth of India's capital markets aids price discovery and encourages broad investor participation, reducing the perceived downsides of OFS components.

Market Maturity and Investor Sophistication:

Institutional investors often prefer IPOs that balance capital infusion with liquidity provisions. Retail investors, meanwhile, tend to gravitate toward pure fresh issues, while OFS-heavy structures see higher institutional allocations, strengthening anchor demand.

Strategic Use of IPO Proceeds:

Many companies choose hybrid IPOs to achieve dual goals—raising capital for expansion while offering an exit path to early investors. This approach is particularly relevant in capital-intensive sectors like infrastructure and technology, where staged exits align with project timelines.

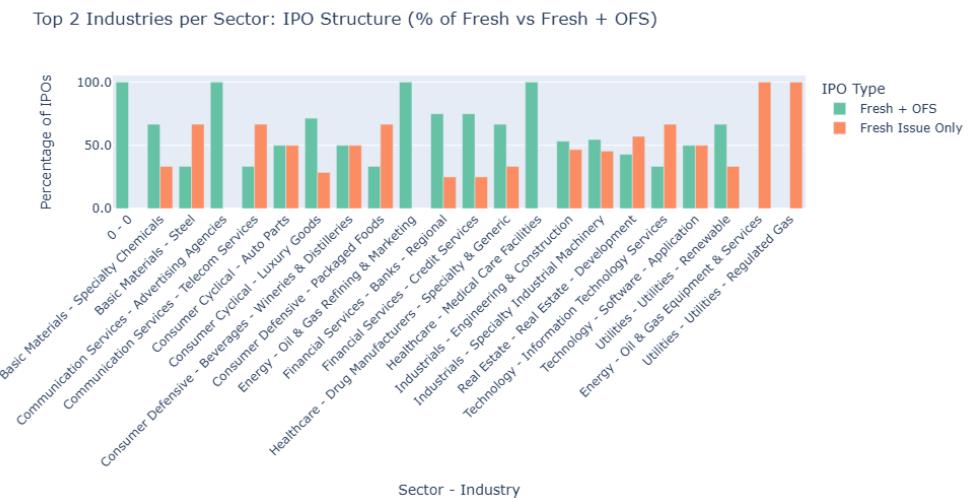
Broader Industry Impact

The predominance of hybrid IPO structures aligns with the needs of capital-heavy industries, ensuring continuous funding for projects while enabling shareholder liquidity. Conversely, pure fresh issues are more common among startups and emerging sectors aiming for rapid scaling. Ultimately, the structure choice reflects the company's lifecycle stage, promoter objectives, and prevailing investor appetite.

Big Picture: India's IPO Ecosystem Evolution

This distribution highlights the increasing sophistication of India's capital markets, where structures are tailored to meet both growth financing and liquidity needs. It reflects growing investor confidence, deeper market participation, and regulatory adaptability. Such diversity in structures allows for balanced stakeholder engagement, supports sustainable capital flows, and strengthens the overall health of the market.

Industry wise: Fresh issue vs Fresh +OFS



The dataset covers **289 IPOs** in total. Of these, **182 IPOs (63%)** followed a **Fresh Issue + Offer for Sale (OFS)** structure, while **107 IPOs (37%)** were **Fresh Issue only**. This split highlights a clear preference for hybrid structures that combine capital raising with partial shareholder exits.

Industry-Wise Breakdown

The IPO structure preference varies across industries:

- **Agricultural Inputs (Basic Materials):** 83.33% Fresh + OFS (5 IPOs), 16.67% Fresh only (1 IPO)
- **Building Materials (Basic Materials):** 100% Fresh + OFS (2 IPOs)
- **Chemicals (Basic Materials):** 100% Fresh + OFS (5 IPOs)

- **Specialty Chemicals (Basic Materials):** 66.67% Fresh + OFS (8 IPOs), 33.33% Fresh only (4 IPOs)
 - **Steel (Basic Materials):** 33.33% Fresh + OFS (3 IPOs), 66.67% Fresh only (6 IPOs)
 - **Telecom Services (Communication):** 33.33% Fresh + OFS (1 IPO), 66.67% Fresh only (2 IPOs)
 - **Apparel Retail (Consumer Cyclical):** 83.33% Fresh + OFS (5 IPOs), 16.67% Fresh only (1 IPO)
 - **Auto Manufacturers (Consumer Cyclical):** 66.67% Fresh + OFS (2 IPOs), 33.33% Fresh only (1 IPO)
 - **Lodging (Consumer Cyclical):** 60% Fresh + OFS (3 IPOs), 40% Fresh only (2 IPOs)
 - **Healthcare:** Large pharmaceutical players often use Fresh + OFS; biotechnology and diagnostics may lean toward Fresh only.
 - **Aerospace & Defence (Industrials):** Majority Fresh + OFS.
 - **Other industries:** Show varied distributions depending on maturity and capital requirements.
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Fresh Issue + OFS Dominance in Capital-Intensive and Established Sectors

Industries such as **Chemicals**, **Specialty Chemicals**, **Aerospace & Defence**, and **large-scale Healthcare** players tend to adopt a Fresh + OFS structure. This approach serves two purposes—raising substantial funds for growth and providing liquidity to existing shareholders, including promoters and early-stage investors. Mature businesses in these sectors often require significant capital for expansion or infrastructure, while simultaneously enabling partial exits to rebalance shareholding.

Fresh Issue Only Prevalence in Growth-Oriented Sectors

Sectors such as **Telecom Services**, **IT Services**, **Auto Manufacturers**, and **Apparel** show a higher inclination toward Fresh Issue only IPOs. These companies generally aim to raise pure growth capital without promoter stake sales. Often in high-growth phases, they prioritize funding for capacity expansion, technology upgrades, and new market penetration.

Mixed Approaches in Specific Industries

The **Industrial and Capital Goods** space, including **Steel**, presents both structures depending on the business's stage and funding strategy. Consumer-facing industries like **Apparel Retail** and **Lodging** frequently balance investor demand with promoter liquidity needs through mixed models. In **Healthcare**, larger pharmaceutical companies prefer Fresh + OFS for strategic exits, whereas smaller biotech or diagnostics firms may opt for Fresh only to maximize growth capital.

Why This Structure Distribution Exists

1. Market Dynamics and Investor Preferences

Hybrid Fresh + OFS IPOs appeal to institutional investors who value a mix of capital appreciation and liquidity events. Retail investors, by contrast, often gravitate toward Fresh Issue-only IPOs for their growth potential.

2. Regulatory and Policy Environment

SEBI's flexible regulations allow companies to tailor IPO structures to balance fundraising with liquidity for promoters and compliance with shareholding norms post-listing.

3. Company Lifecycle and Funding Needs

Early-stage or high-growth companies typically focus on Fresh Issue-only IPOs to finance expansion without diluting promoter control. Established businesses with large pre-IPO investors often include an OFS component to offer liquidity alongside raising new funds.

4. Sectoral Capital Intensity and Maturity

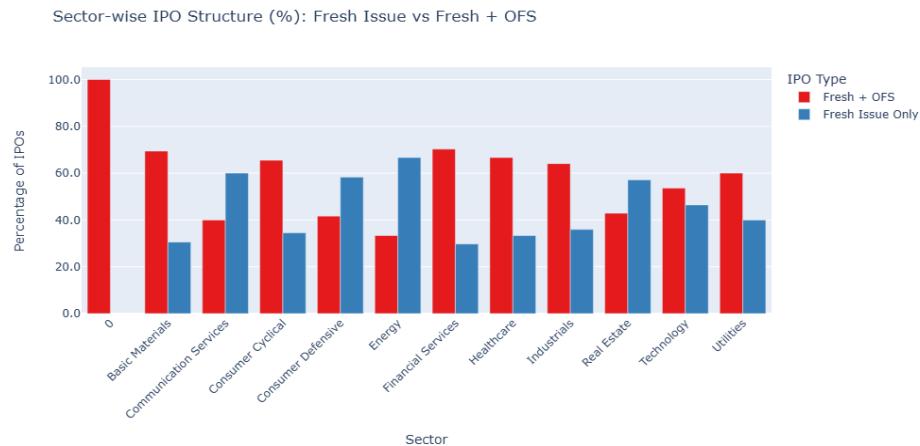
Capital-heavy industries like **Chemicals**, **Aerospace**, and **Infrastructure** combine substantial fresh capital requirements with OFS to adjust ownership structures. Conversely, emerging sectors such as **IT services** or smaller consumer businesses often stick to Fresh only for rapid scaling.

Implications and the Big Picture

The IPO landscape in India reflects a **maturing, diversified capital market** that aligns structure choices with industry maturity, funding needs, and investor expectations. Hybrid Fresh + OFS structures dominate in established, capital-intensive sectors, while Fresh Issue-only IPOs remain critical for innovative, fast-growing businesses. This variety ensures balanced participation from retail, HNI, and institutional investors.

Sector-specific preferences mirror broader economic trends—industrial expansion, regulatory evolution, growing investor sophistication, and distinct growth narratives—underlining the strategic role of IPO structures in shaping India's capital market growth.

Sector wise: Fresh issue vs Fresh +OFS



The data illustrates the breakdown of IPO structures across various sectors, comparing those conducted as **Fresh Issue Only** with those combining **Fresh Issue + Offer for Sale (OFS)**. Overall, there is a notable skew towards hybrid offerings in several capital-intensive and mature sectors.

In **Basic Materials**, 69.44% of IPOs adopt the Fresh Issue + OFS format, while 30.56% are Fresh Issue Only. **Consumer Cyclical** follows a similar pattern, with 65.52% hybrid issues and 34.48% fresh-only offerings. **Financial Services** (70.27% hybrid) and **Healthcare** (66.67% hybrid) also display a strong preference for this mixed approach. **Industrials**, at 64.06% hybrid, demonstrate the same trend. These sectors typically host established businesses or promoters balancing the need for growth capital with liquidity for early investors. Their large capital expenditure requirements and long investment cycles make hybrid structures an efficient choice for raising funds while managing leverage.

In **Communication Services** and **Technology**, the split is far more balanced. Technology records 53.57% hybrid IPOs and 46.43% fresh-only offerings, while Communication Services shows 40% hybrid and 60% fresh-only. Fast-growing technology firms often prefer pure fresh issues to finance expansion without diluting promoter stakes, whereas mature players in these industries may combine both formats to facilitate investor exits. This balance helps attract a broad investor base, including both growth-oriented and risk-sensitive participants.

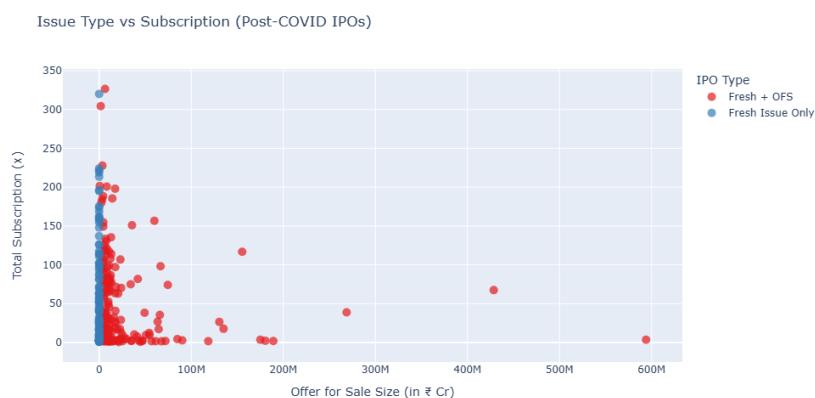
Consumer Defensive and **Real Estate** sectors lean more towards Fresh Issue Only structures, with 58.33% and 57.14% respectively. In these cases, promoters often limit share sales at IPO to retain control, signaling long-term confidence in the business. These sectors may also require less immediate capital compared to heavy industries, making full reliance on fresh proceeds a suitable choice.

The **Energy** sector stands out with 66.67% Fresh Issue Only offerings, reflecting its need to channel IPO funds directly into project financing and capacity expansion. Conversely, **Utilities** show a slight tilt towards hybrid issues at 60%, likely due to their regulated business models, where capital raising is balanced with providing liquidity to existing shareholders.

From a strategic standpoint, the choice between Fresh Issue and Fresh Issue + OFS is driven by sectoral maturity, capital intensity, and promoter objectives. Hybrid issues dominate in industries with asset-heavy operations and large funding needs, while pure fresh issues are more common among high-growth or niche players seeking maximum reinvestment of proceeds. Institutional investors often favor hybrid issues for the liquidity they provide, while retail participants may prefer pure fresh issues for their perceived growth potential.

Overall, the patterns highlight the maturity of India's IPO market, where companies can tailor fundraising structures to align with operational needs, investor expectations, and market conditions. Regulatory flexibility under SEBI rules supports this adaptability, enabling smoother transitions from private to public ownership. The sector-wise differences in IPO structuring underscore the depth of India's capital markets, their role in financing industrial growth, and their capacity to attract diverse investor profiles, thereby supporting sustained capital formation and economic development.

Issue Type vs Subscription



The dataset tracks IPO subscription levels for companies that have issued shares through **Fresh Issue + Offer for Sale (OFS)** structures. It also provides information on the size of the OFS component and the total subscription multiples recorded for each offering.

Current Market Situation

Most IPOs in the dataset combine fresh capital raising with an OFS, giving promoters or existing shareholders an opportunity to partially exit while bringing in new investors. These companies represent a broad mix of sectors, including financial services, healthcare, technology, infrastructure, and consumer-focused industries. The size of the OFS varies greatly—from around ₹430 crore to over ₹5,940 crore—depending on factors such as company scale, promoter shareholding levels, and overall investor appetite.

Variation in Subscription Multiples

The subscription response to these IPOs ranges dramatically. Some issues, like **IRFC**, recorded relatively modest demand at 3.49 times subscribed, while others, such as **Mrs. Bectors** (198.02x), **Burger King** (156.65x), and **Happiest Minds Technologies** (150.98x), saw extraordinary levels of

oversubscription. This divergence reflects a clear split in investor interest: certain companies generate intense demand due to compelling growth prospects, strong sector sentiment, or market hype, while large PSU or infrastructure-related offerings may see a more muted response.

Why These Trends Are Emerging

1. Relationship Between OFS Size and Investor Appetite

Large OFS sizes with modest subscription—such as IRFC—can sometimes deter investors if they perceive the sale as heavily exit-driven, especially in risk-averse sectors like infrastructure finance. On the other hand, smaller or mid-sized OFS deals with a strong growth story—like Happiest Minds Technologies or Mrs. Bectors—often receive heavy oversubscription as retail and institutional investors rush to participate. In-between cases, such as SBI Cards, Equitas, or Denta Water, demonstrate that mid-sized OFS deals can produce mixed subscription levels depending on sector prospects and market conditions.

2. Sector and Market Dynamics

Consumer and technology companies tend to attract higher subscriptions thanks to favorable growth trajectories, digital adoption trends, and rising consumer spending. Financial services players, including housing finance and NBFC firms, appeal to QIBs and HNIs due to expanding credit demand in India's economy. In contrast, infrastructure and PSU-linked IPOs—often involving large government disinvestments—may face softer demand due to their size, investor caution, or the cyclical nature of the sector.

3. Market Sentiment and Timing Effects

Subscription levels are also shaped by the overall mood of the equity markets. During bullish periods, IPO oversubscriptions are more widespread, while volatile or bearish phases tend to dampen investor enthusiasm. Macro factors such as policy changes, economic growth trends, and liquidity conditions particularly influence institutional investors, who play a large role in driving high subscription multiples.

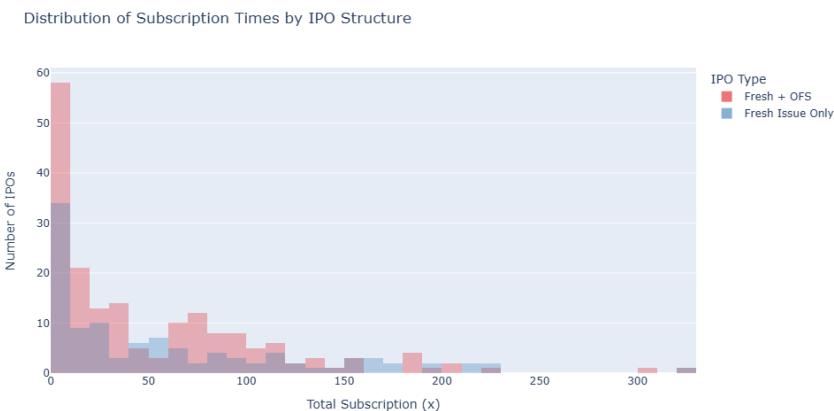
Wider Implications

Fresh Issue + OFS structures provide a balanced approach—delivering growth capital to the company while enabling promoters to partially exit and broaden the shareholder base. Subscription trends reveal a two-tier market: IPOs with compelling growth stories and manageable OFS sizes attract significant demand, whereas large OFS or PSU-heavy offers may struggle to generate similar enthusiasm. This pattern highlights India's advancing equity market, where capital formation, investor sentiment, and exit opportunities are becoming more strategically aligned.

Key Takeaways for Investors and Issuers

Investors should view large OFS sizes with caution, assessing whether promoter selling aligns with long-term growth potential and sector health. Issuers with strong fundamentals, sectoral momentum, and balanced OFS proportions are more likely to achieve strong subscription and better post-listing performance. Market timing is equally crucial—launching IPOs in favorable sentiment cycles and carefully optimizing OFS size can significantly improve subscription outcomes.

IPO Structures and Subscription Trends:



This analysis examines how IPO structure—particularly the combination of **Fresh Issue + Offer for Sale (OFS)**—influences subscription multiples for leading IPOs in 2025. It reviews the key patterns emerging from the data and explores the factors driving these trends.

High Subscription for Growth-Oriented, Mid-Sized OFS IPOs

Companies with strong growth narratives and moderate OFS sizes have attracted exceptional demand. Examples include **Latent View Analytics** (OFS ₹63.96 Cr, 326×), **Paras Defence** (₹17.24 Cr, 304×), and **Indo Farm Equipment** (₹35.00 Cr, 227×). These offerings combine appealing valuations, well-defined growth stories, and manageable promoter exits, making them attractive to retail, HNI, and institutional investors alike.

Brand-Driven and Platform IPOs Show Divergent Demand

Consumer and tech platform IPOs with large OFS sizes have seen mixed results. **Burger King** (₹600 Cr, 157×) and **Zomato** (₹49.34 Cr, 38×) drew strong demand, while **Swiggy** (₹175 Cr, 3.6×) saw more modest interest. This contrast suggests investor selectivity, particularly in the saturated food-tech space where brand strength and market differentiation play a critical role.

Financial and NBFC Offerings Maintain Institutional Strength

Financial sector IPOs such as **SBI Cards** (₹130.53 Cr, 26×), **SBFC Finance** (₹74.56 Cr, 74×), and **Northern Arc Capital** (₹105.32 Cr, 117×) have performed strongly with institutional and HNI investors. The drivers include steady credit demand, improving asset quality, and supportive monetary policies, which bolster confidence in well-managed NBFCs.

Large OFS in PSU and Infrastructure Finance See Limited Retail Interest

Massive OFS sizes in PSU divestments have struggled to generate strong retail and HNI participation. For example, **IRFC**'s ₹5,940 crore OFS achieved only 3.5× subscription, reflecting muted enthusiasm for large, government-led sales that lack compelling growth catalysts.

Sector-Wise Subscription Patterns

- **Technology & Analytics:** IPOs such as **Latent View**, **Happiest Minds** (₹356 Cr, 151×), and **IdeaForge** (₹48.7 Cr, 106×) highlight investor appetite for digital transformation plays.
- **Defence & Aerospace:** **Paras Defence** and **Unimech Aerospace** (₹31.85 Cr, 184×) benefited from policy-driven demand under the Atmanirbhar Bharat initiative.
- **Consumer Products & Retail:** **Gala Precision** (₹6.16 Cr, 201×), **Mrs. Bectors** (₹17.36 Cr, 198×), and **Laxmi Organic** (₹23.08 Cr, 107×) reflect strong brand pull in niche markets.
- **Infrastructure & Industrials:** **Standard Glass Lining** (₹142.89 Cr, 185×), **MTAR Technologies** (₹82.24 Cr, 201×), and **Aero-flex Industries** (₹175 Cr, 97×) underscore institutional interest in capital goods linked to domestic manufacturing growth.

Underlying Causes of the Trends

- **Growth vs. Liquidity Balance:** Mid-sized OFS sizes achieve a healthy balance—providing promoter liquidity without signaling an excessive exit—thereby maximizing investor confidence. The combination of fresh capital and moderate OFS reassures investors about the effective use of funds.
- **Macro-Sector Tailwinds:** Global digital adoption boosts tech IPOs, defence modernization policies strengthen defence sector listings, and rural mechanization policies support agri-equipment plays like Indo Farm.
- **Valuation and Market Signaling:** Companies with strong pre-IPO financials, credible anchor investors, and fair valuations tend to see higher demand. Conversely, large PSU OFS deals often face weaker reception due to limited growth potential.
- **Investor Segmentation:** Retail and HNI investors gravitate towards high-growth mid-cap IPOs, while QIBs often favor large-scale offerings in financial services and infrastructure.

Implications for Stakeholders

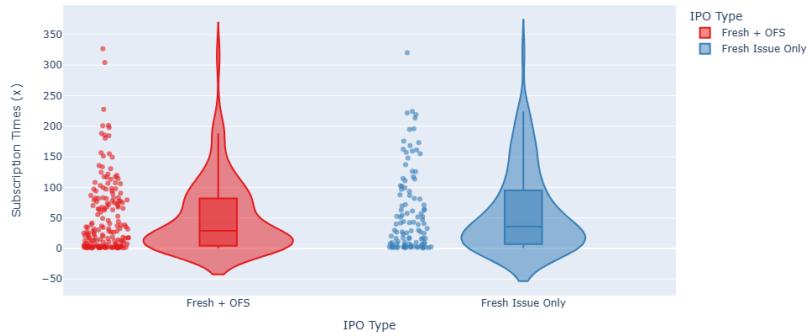
For issuers, optimal OFS sizing and clear communication of fresh issue usage can enhance subscription outcomes. For investors, subscription multiples are a useful signal of market appetite—although high oversubscription may imply both strong listing-day potential and intense competition for allocation. Overall, the varied subscription patterns across sectors reflect a maturing IPO market in India, where capital-raising needs, promoter liquidity objectives, and investor preferences are increasingly well-balanced.

IPO Subscription Patterns in 2025: Impact of Fresh Issue + OFS Structures

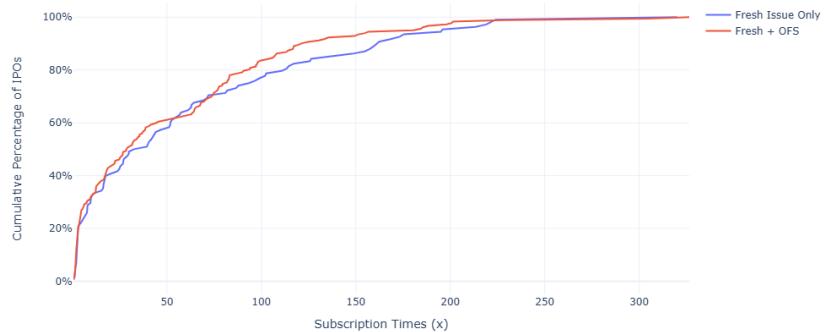
Distribution of Subscription Times by IPO Type



Distribution of Subscription Times by IPO Structure



CDF: Subscription Times by IPO Structure



The dataset covers multiple IPOs launched in 2025 that adopted a Fresh Issue + Offer for Sale (OFS) structure. It provides details of OFS sizes in crores of rupees along with total subscription multiples. This analysis reviews the key subscription trends and explains the factors driving these outcomes.

Strong Subscription for Mid-Sized OFS IPOs with Growth Narratives

Several IPOs with moderate OFS sizes, such as Latent View Analytics (₹64 Cr OFS, 326x), Paras Defence (₹17 Cr, 304x), Indo Farm Equipment (₹35 Cr, 228x), and Gala Precision Engineering (₹6 Cr, 201x), experienced exceptionally high oversubscription.

These companies combined compelling growth stories with manageable OFS proportions, striking the right balance between fresh capital usage and promoter liquidity. Technology, defence, and precision engineering—sectors in high focus for 2025—have particularly attracted strong investor attention.

Large OFS IPOs Still Attracting Strong Demand

Some IPOs with substantial OFS sizes also recorded strong subscription levels. Examples include Burger King (₹600 Cr, 157x), Mrs. Bectors Food (₹173 Cr, 198x), and Standard Glass Lining (₹143 Cr, 185x).

Despite potential dilution concerns, these issuers benefited from established brand recognition, strong fundamentals, and steady retail and institutional demand. Their trusted business models allowed promoters to sell significant stakes without dampening overall investor appetite.

Variability in Subscription Despite Size

In contrast, other IPOs with large OFS sizes achieved more modest subscription multiples. Indian Renewable Energy Development Agency (₹269 Cr, 39x), Zomato (₹49.3 Cr, 38x), and IRFC (₹5,940 Cr, 3.5x) serve as notable examples.

In such cases, large OFS proportions may be perceived as heavy promoter exit, reducing investor confidence in growth focus. Government-led PSU disinvestments and infrastructure finance IPOs often face tepid retail participation, leaving institutional demand as the primary driver.

Sector-Specific Subscription Patterns

Technology and analytics firms such as Latent View and Happiest Minds have seen consistently high oversubscription, driven by ongoing digital transformation trends.

Consumer and FMCG companies like Mrs. Bectors and Burger King enjoy strong retail enthusiasm thanks to their brand equity.

Financial services and NBFC IPOs, including SBI Cards and SBFC Finance, attract healthy institutional and HNI demand due to favorable credit growth prospects.

Infrastructure and energy IPOs show mixed demand, largely influenced by OFS size and perceived growth potential.

Key Drivers of Subscription Trends

A well-balanced OFS signals promoter confidence and maintains investor interest in growth capital, while overly large OFS sizes can raise concerns over excessive promoter exit.

Investor preferences differ: retail participants often prioritize fresh issues with clear growth potential, whereas institutional buyers assess both fresh capital use and liquidity opportunities.

Attractive valuations and favorable sector outlooks can lift demand, while government stake sales or large supply volumes may weigh on enthusiasm.

Macro-level policies—such as government support for defence, agriculture, and technology—also play a major role in boosting subscription.

The Bigger Picture in 2025

India's IPO market in 2025 reflects a maturing ecosystem where well-structured issues, balancing fresh capital raising with measured OFS components, consistently attract strong participation. The trends highlight:

- Increasing investor confidence in growth-oriented sectors.
- The use of IPOs as a strategic blend of capital formation and promoter liquidity.
- Expanding retail participation in consumer and technology-led businesses.
- A strong institutional focus on financially sound, high-growth companies.