February 2025

KIRTANE & PANDIT

# MARKET LAUNCHPAD

A Quarterly IPO Report

# INDEX


1. Foreword 01
2. Recent IPO Trends 02
3. Current State of Capital Markets 05
4. Statistical Overview of the IPOs in the Quarter 06
5. Notable IPOs of the Quarter 11
6. Key Listings post Quarter end 15
7. Recent Regulatory Changes by SEBI 16
8. Overview of the IPO Process - Key Understandings 17

# 01.

# FOREWORD

Welcome to our quarterly analysis of the Indian Initial Public Offering (IPO) market. This quarter presented a compelling narrative of both success and volatility. We observed a surge in IPO activity, with 26 issues surpassing Rs. 500 Cr, fueled by strong institutional investment - contributing nearly 70% of the total funds raised. Simultaneously, the broader capital markets experienced a correction after reaching peak levels in September, with notable FII outflows, which underscores the sensitivity of the Indian market to global economic cues and investor sentiment.

This report delves into these contrasting dynamics - a thriving IPO market alongside a fluctuating broader economy. We provide in-depth analysis of key IPO performances, exploring the factors driving their success, alongside the impact of market fluctuations on investor confidence. Upcoming IPOs section highlights promising offerings from Financial Services, Renewable Energy, and IT sectors, offering a glimpse into future market trends. Finally, we highlight SEBI's recent regulatory update, one being the new online document repository established by stock exchanges, enhancing transparency.

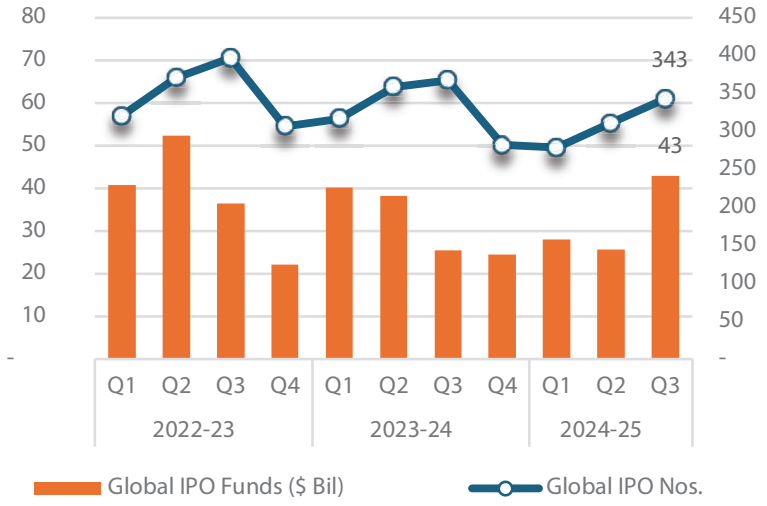
This periodical aims to equip investors and market participants with a comprehensive understanding of the current IPO landscape, amidst evolving market conditions.

# 02.

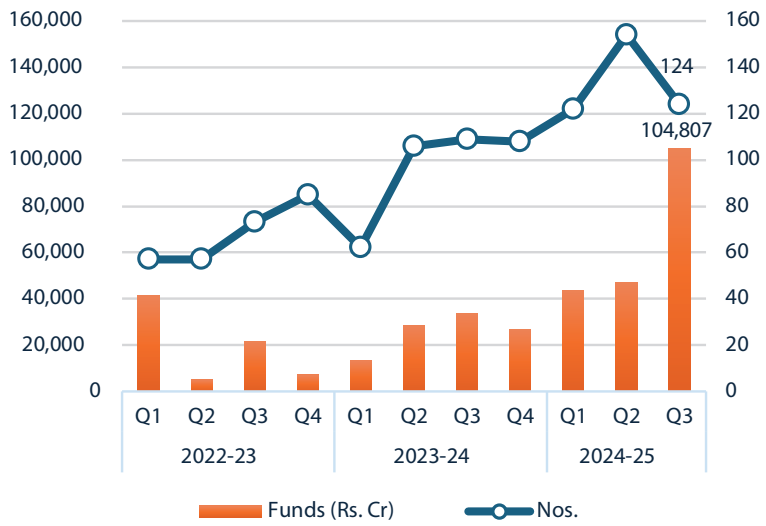
# RECENT IPO TRENDS

- Global IPO activity has remained stagnant in recent years, with underwhelming numbers since the peak of FY 2020-21.
- 343 IPOs in this quarter is the highest quarterly number in the current calendar year, though it is a 7% decline from IPOs in the same period last year. However, these numbers have resulted in the highest funds raised since the second quarter of FY 2022-23 at $43 bn.
- The significant rise in the funds raised in the latest quarter was led by the Americas market, which saw its proceeds, as well as the number of IPOs, double as compared to the third quarter of the preceding financial year.

**Trends in Global IPOs**

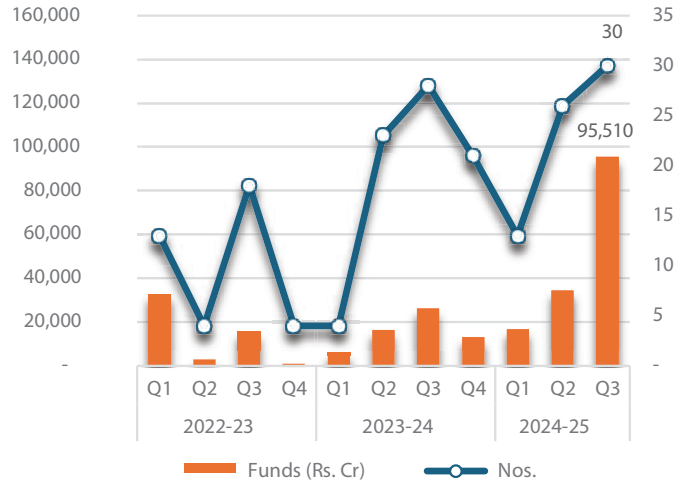


## Trends in Indian IPOs

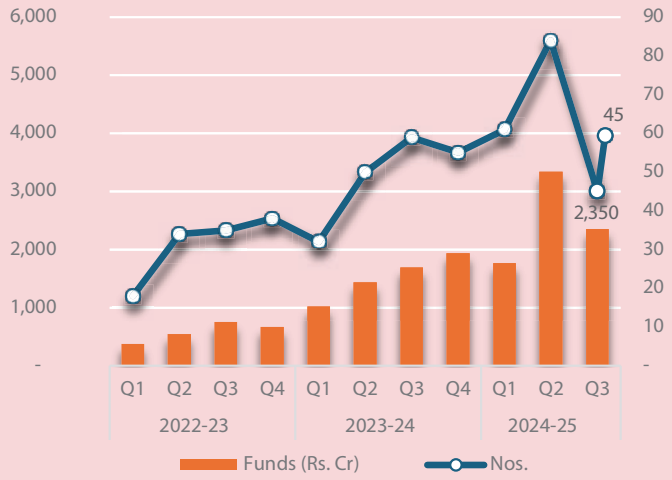



- Global IPO activity has remained stagnant in recent years, with underwhelming numbers since the peak of FY 2020-21.
- 343 IPOs in this quarter is the highest quarterly number in the current calendar year, though it is a 7% decline from IPOs in the same period last year. However, these numbers have resulted in the highest funds raised since the second quarter of FY 2022-23 at $43 bn.
- The significant rise in the funds raised in the latest quarter was led by the Americas market, which saw its proceeds, as well as the number of IPOs, double as compared to the third quarter of the preceding financial year.

## Mainboard IPOs




## SME IPOs



# 03.

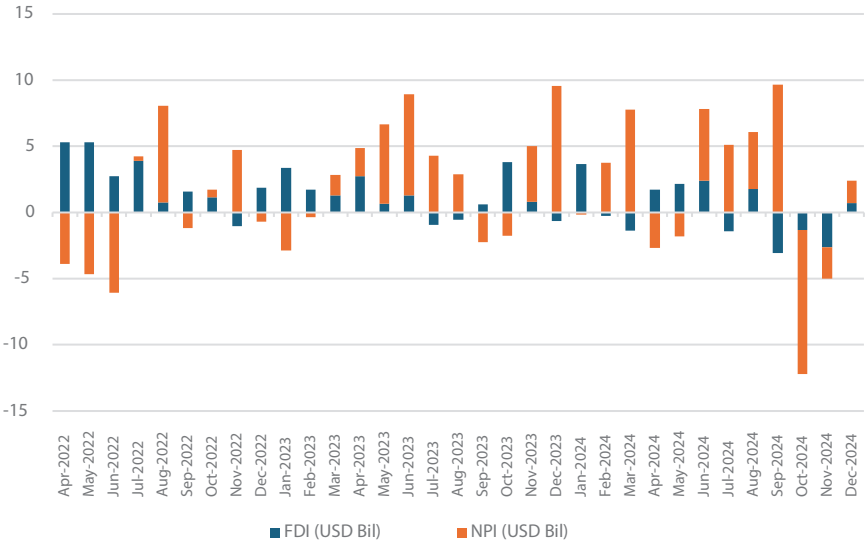
# CURRENT STATE OF CAPITAL MARKETS

- The Indian Capital Market seems to have taken a break after a strong rising trend since the start of 2023. The 50 stock index - Nifty50, closed at a historic high of 26,216 on September 26, 2024.
- The broader index - Nifty500, topped the charts on the same day at 24,497 and closed the December quarter with an index value of 22,375.
- Overall, most sectors saw similar corrections in the third quarter of FY 2024-25, including metal, auto, energy, media etc.

## Recent Capital Market Performance - Nifty500 Index

- The third quarter of FY 2024-25 saw the worst-ever quarterly performance with net of US$14.8bn foreign investments withdrawn during this quarter.
- FDI inflows were largely subdued in 2024-25, with net FDI inflows in first 9 months contracted by 96% to US$0.31bn as compared to US$7.84bn in nine months of FY 2023-24.
- As expected, FPIs have shown more volatility than FDIs, with several ups & downs in foreign investments. Disinvestment of US$10.88bn in October 2024 is the worst performance since March 2020 – the month of the COVID-19 shock. On the other hand, the inflow of US$9.71bn shows the highest figure in last 46 months.

## Foreign Investments in India



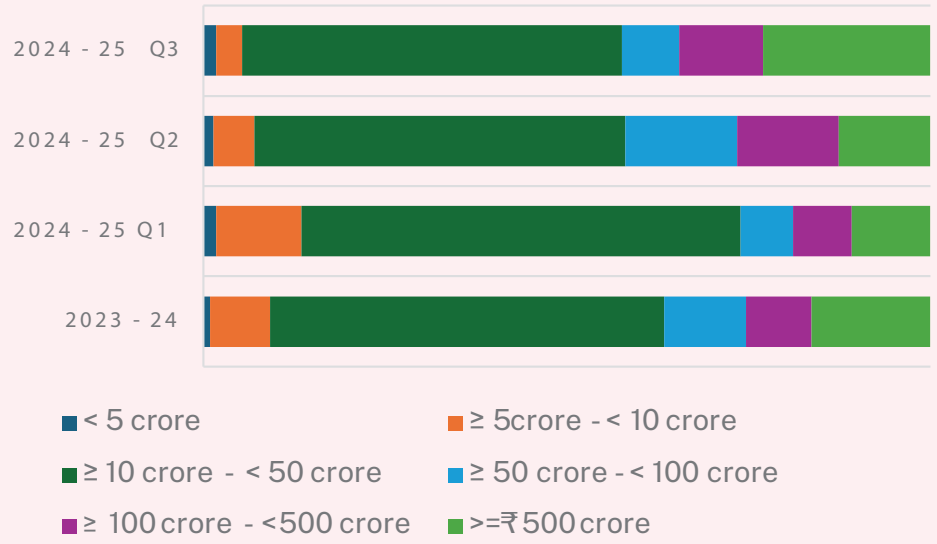
# 04.

# STATISTICAL OVERVIEW OF THE IPOs IN THE QUARTER

## Issue Size

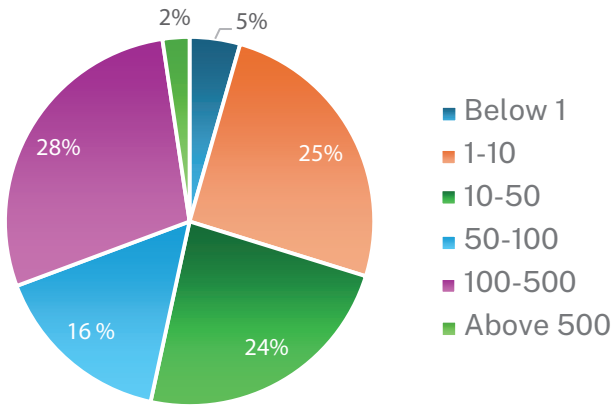
- Typically, most of the issues range between Rs. 10 to 100 Cr. Q1 of FY 2024-25 saw a significant rise in the number of issues in the range of Rs. 10 to 100 Cr., with almost 80% of total IPO issues of the year falling in the said range. Said percentage reduced to 72% & 64% in Q2 & Q3 of FY 2024-25 respectively.
- Q3 of FY 2024-25 saw the highest proportion of issues with more than Rs. 500 crores of issue size. Overall, 26 issues raised more than Rs. 500 crores in IPOs with Hyundai Motor India Limited, Swiggy Limited, NTPC Green Energy Limited topping the charts.

**Issue size wise composition**



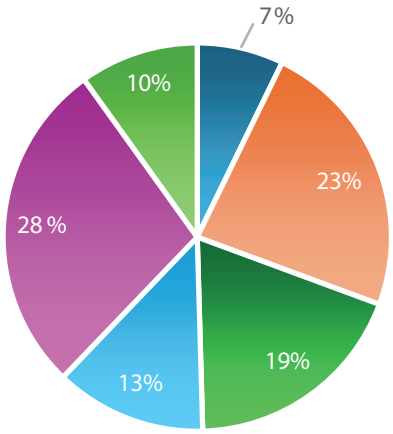
# Subscription

## FY23-24

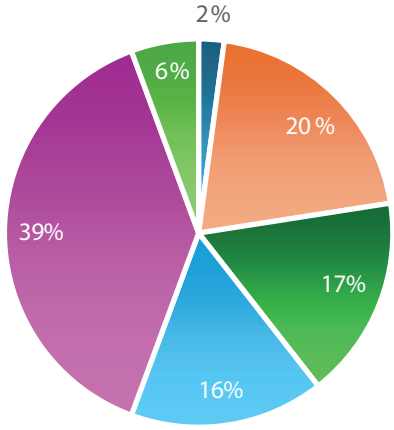



- The success of any IPO can be judged from its subscription status as it demonstrates the level of demand of the IPO issue having a restricted supply.
- FY 2023-24 shows almost 50% of IPOs getting oversubscription between 1 to 50 times, and 35% IPOs saw oversubscription more than 100 times.
- The third quarter of FY 2024-25 witnessed more than 45% of issues getting either undersubscribed or oversubscribed by less than 10 times, a big jump from the preceding two quarters & FY 2023-24.
- NACDAC Infrastructure, HAMPS Bio, and Toss The Coin – the three highest oversubscription issues, all from the SME sector, saw subscriptions by more than 1,000 times. KRN Heat Exchanger & Mamata Machinery, highest among Mainboard IPOs were oversubscribed by more than 200 times.

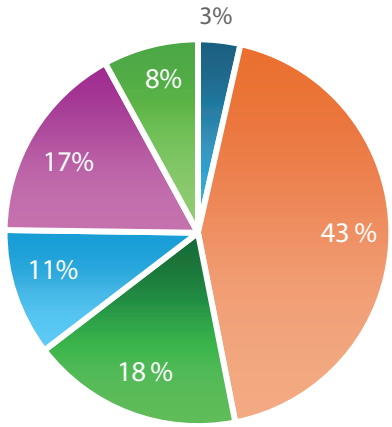
## Q1FY24-25




## Q2FY24-25

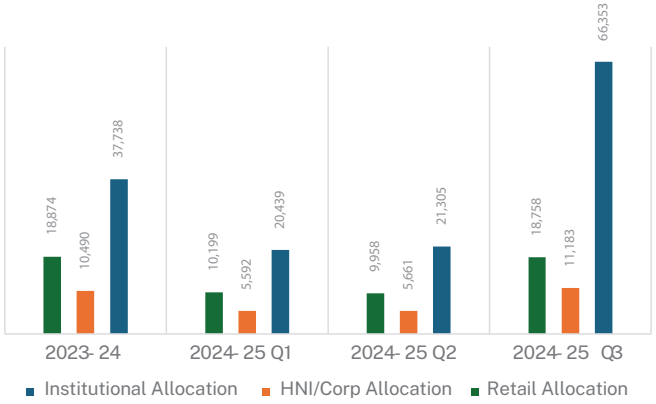



## Q3FY24-25



## Institutional Participation

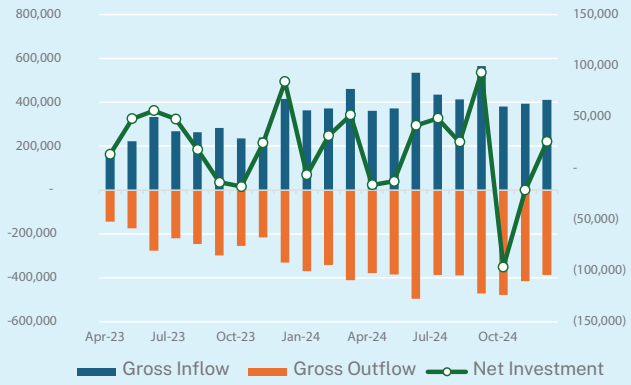
### Institutional Participation (Rs. Cr)




- While the proportion of Institutional participation in IPO subscriptions has been growing gradually over the years, as evident from the adjacent graph, Q3 of FY 2024-25 saw a significant leap with 69% of funds raised through institutions, rising from 56% in FY 2023-24.
- Funds raised in each category in the third quarter of FY 2024-25 exceeded corresponding amounts from the whole of FY 2023-24.
- Hyundai Motor raised the highest funds through QIBs raising more than Rs. 21,075 Cr from institutions.

## Foreign Participation

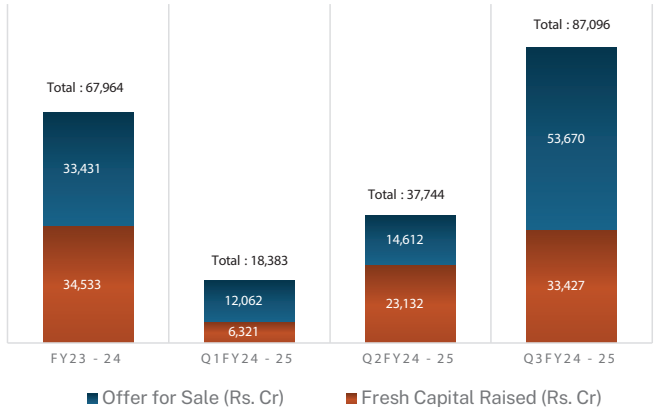
### FPI Trends (Rs. Cr)




- Foreign investments have witnessed extreme volatility in the past two years.
- As October 2024 saw the worst month with a net outflow of INR 96,358 Cr, the first nine months of FY 2024-25 saw the net inflow of foreign investments plummet to almost one-third of net inflows in FY 2023-24.
- While the weak performance of net foreign investments is very apparent in the third quarter of FY 2024-25, it needs to be noted that the low volume of inflows from FIIs particularly during this quarter has caused more damage to foreign investments.

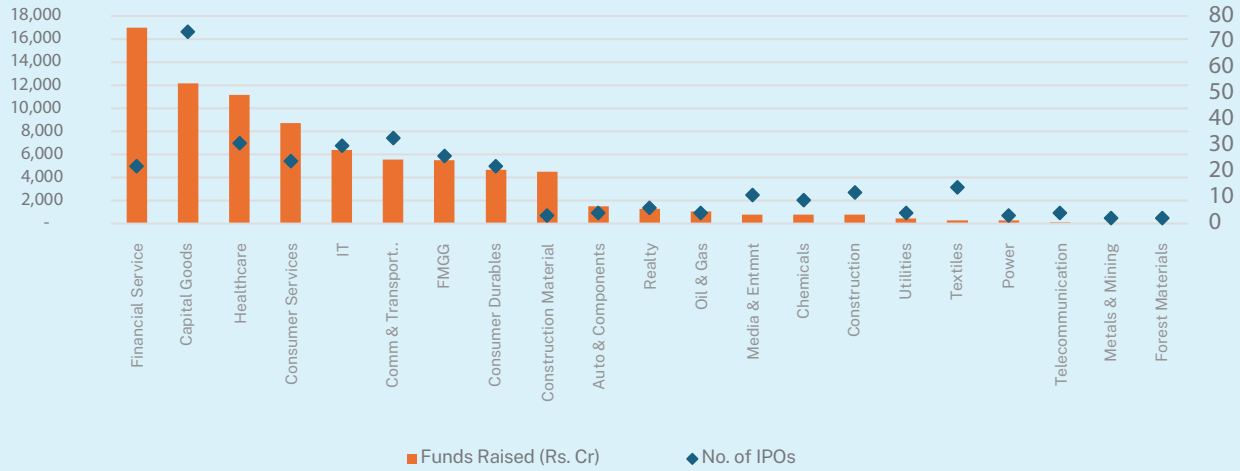
## Types of Funds

### Types of Funds raised by Companies

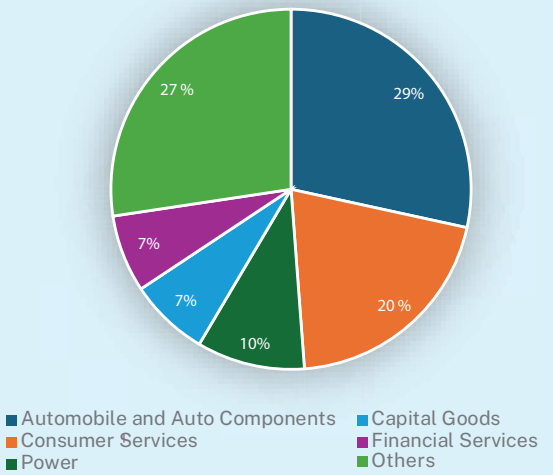



- Funds raised from IPOs either flow to the Company (Fresh Issue) or the Company's existing owners sell their shares to other investors (Offer for Sale i.e. OFS).
- While FY 2023-24 saw an almost perfect balance between fresh issue & OFS, Q2 of FY 2024-25 saw a preference for fresh issue. In contrast, Q3 & Q1 showed a clear preference for OFS, with OFS contributing to more than 60% of total funds raised through IPOs.
- Overall, 56% of total capital raised in the first nine months of FY 2024-25, were raised for giving funds to existing shareholders.

## Segment-wise IPO distribution in FY 2023-24

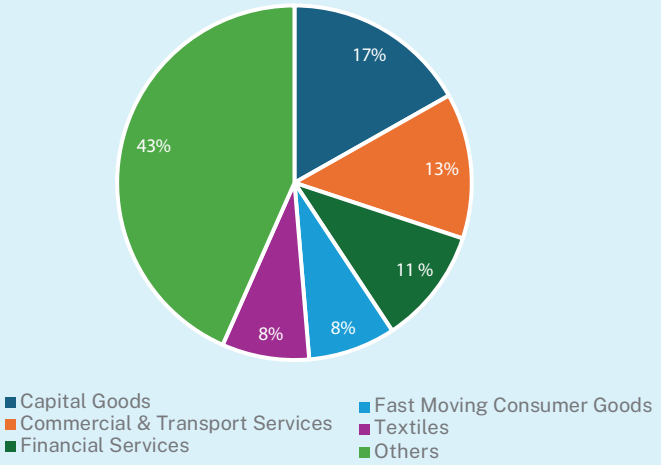



## Important Segments of IPOs in Q 3 FY 2024 25 in terms of Funds raised

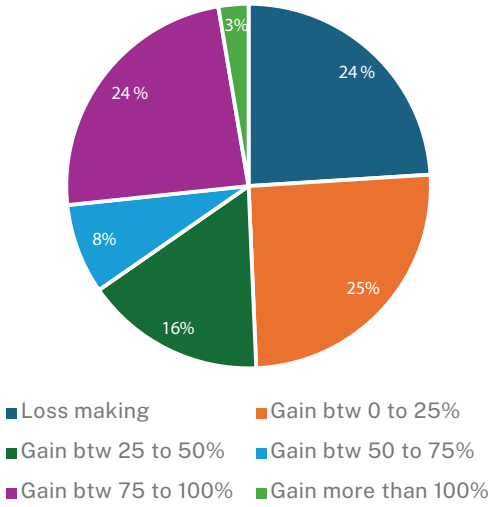



- In the last few years, India's Capital Goods sector has seen the highest number of companies going through the IPO way to raise capital – that trend has continued in the third quarter of FY 2024-25 with 19 IPOs out of 113 belonging to the Capital sector.
- In terms of funds raised, Financial Services has dominated the IPO market in FY 2023-24. Although it is not a leader during the third quarter of FY 2024-25, it is still in the top 5 sectors – raising more than Rs. 7,000 Cr during the said quarter. Automobile & related components led the way with Rs. 29,281 Cr. raised during this quarter.
- Other important sectors raising capital through IPOs are FMCG, Healthcare, Commercial & Transport Services, Power, Textiles etc. While the IPO distribution across various segments seems concentrated in terms of the funds raised (almost half of the funds raised in 2 sectors in this quarter), it is more evenly distributed in terms of number of IPOs listed in various segments.

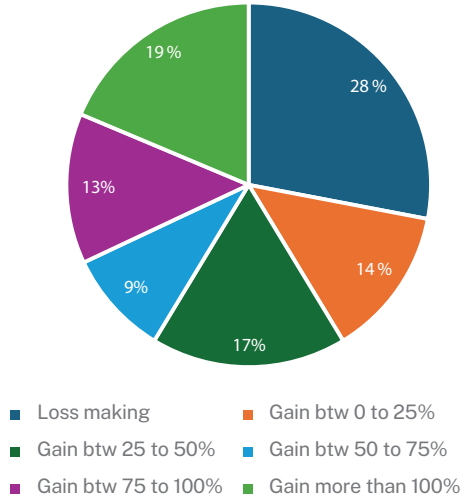
## Important Segments of IPOs in Q 3 FY 2024 25 in terms of Nos.



## Gain / Loss on Listing Day




## Gain / Loss at Quarter End




## Listing Day & Quarter end Gain / Loss

- Out of the total 75 listings (excluding Right issues & FPOs) of Q3 of FY 2024-25, almost 75% of IPOs showed listing day gains as compared to 60% in the previous quarter. While the average gain on the listing day was 38% above the issue price, 18 IPOs were listed at a loss, and only 2 IPOs were listed with more than 100% gains on the listing day.
- Amongst Mainboard IPOs, Mamata Machinery Limited & Diffusion Engineers Limited saw the highest gains of 159% & 136% respectively, on their respective listing days. On the other side, Deepak Builders and Engineers India Limited & ACME Solar Holdings Limited incurred losses of 20% & 12%, respectively, on the day of debut.
- In the SME segment, 13 IPOs including Danish Power Limited & HAMPS Bio Limited saw the highest gains of 99% each and Saj Hotels Limited & Lamosaic India Limited performed the worst with losses of 19% & 14% respectively on the day of debut.
- After the listing, 28% of the IPOs had turned red by the end of the quarter, suggesting a sluggish start to the post-listing activities of these companies. Similarly, 19% of companies had seen their value grow by more than 100% by the end of the quarter. Overall, on an overage basis, the 75 IPOs listed during the year had gained 51% above the issue price by the end of the quarter.

# 05.

# NOTABLE IPOs OF THE QUARTER

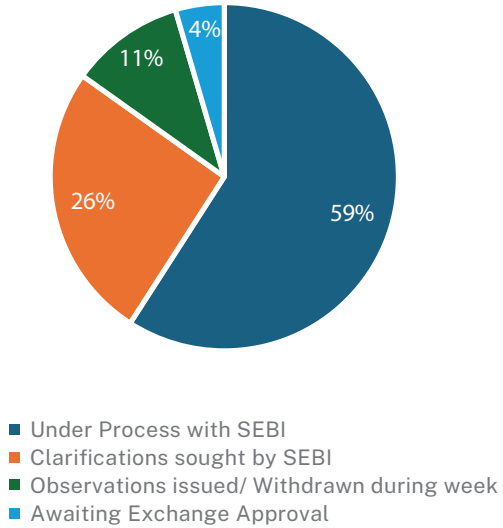
| Name of the Company | Date of Listing | Description of the Business |
|---|---|---|
| HYUNDAI | 22-Oct-24 | Hyundai Motor India Ltd., a subsidiary of Hyundai Motor Company, South Korea, is a leading automobile manufacturer in India, renowned for its innovative engineering, advanced technology, and a diverse portfolio of passenger vehicles. |
| SWIGGY | 13-Nov-24 | Swiggy is an Indian online food delivery and quick commerce platform that connects customers with restaurants and grocery stores, offering doorstep delivery services through its app and website. |
| एनटीपीसी NTPC GREEN | 27-Nov-24 | NTPC Green Energy Limited is a fully owned subsidiary of NTPC, focusing on renewable energy generation, including solar, wind, and hydroelectric power. It aims to support India's green energy transition and reduce carbon emissions through sustainable energy projects. |
| VISHAL MEGA MART | 18-Dec-24 | Vishal Mega Mart is a leading Indian retail chain offering a wide range of affordable products, including apparel, home goods, and groceries, across multiple locations in the country. |
| WAAREE® One with the Sun | 28-Oct-24 | Waaree Energies Ltd. is a leading Indian solar PV module manufacturer and renewable energy solutions provider, specializing in high-efficiency solar panels, EPC services, and solar project development. |

| Purpose of the IPO | Latest Financial Position |
|---|---|
| The purpose of the IPO is to facilitate the sale of shares by the Promoter Selling Shareholder, with all proceeds from the Offer going to them, while covering offer-related expenses and ensuring compliance with regulatory requirements. | **Funds Raised** Rs. 27,857 Cr<br>**Fresh Capital of above** 0%<br>**Issue Price** Rs. 1,960<br>**Oversubscribed** 2.3 times<br>**Revenue** Rs. 71,302 Cr<br>**PBT** Rs. 6,060 Cr<br>**Net Worth** Rs. 14,67,530 Cr<br>**Earning / Share** Rs. 74.58 |
| Swiggy's Offer for Sale aims to allow existing shareholders to sell up to 175.09 million equity shares, aggregating ₹68,284.27 million, with no proceeds going to the company. The Fresh Issue will raise ₹44,990 million, with net proceeds of ₹43,589.82 million allocated for debt repayment, expansion of Dark Stores, technology investments, brand marketing, and potential acquisitions. | **Funds Raised** Rs. 11,327 Cr<br>**Fresh Capital of above** 40%<br>**Issue Price** Rs. 390<br>**Oversubscribed** 3.7 times<br>**Revenue** Rs. 11,634 Cr<br>**PBT** Rs. (-) 2,350 Cr<br>**Net Worth** Rs. 85,468 Cr<br>**Earning / Share** Rs. (-) 11.07 |
| The ₹99,464.85 million raised will be used to repay or prepay ₹75,000 million of NTPC Renewable Energy Limited's borrowings and ₹24,464.85 million for general corporate purposes, not exceeding 25% of the issue proceeds. | **Funds Raised** Rs. 10,000 Cr<br>**Fresh Capital of above** 100%<br>**Issue Price** Rs. 108<br>**Oversubscribed** 2.6 times<br>**Revenue** Rs. 2,038 Cr<br>**PBT** Rs. 345 Cr<br>**Net Worth** Rs. 107,174 Cr<br>**Earning / Share** Rs. 0.73 |
| The Offer for Sale involves 1,025,641,025 equity shares, totaling ₹80,000 million, sold by the Promoter Selling Shareholder, with proceeds going entirely to them, while the estimated offer expenses are ₹2,426.86 million, and the company will not receive any proceeds from the offer. | **Funds Raised** Rs. 8,000 Cr<br>**Fresh Capital of above** 0%<br>**Issue Price** Rs. 78<br>**Oversubscribed** 28.8 times<br>**Revenue** Rs. 8,945 Cr<br>**PBT** Rs. 462 Cr<br>**Net Worth** Rs. 48,028 Cr<br>**Earning / Share** Rs. 1.01 |
| The purpose of Waaree Energies Ltd.'s IPO is to raise ₹36,000 million, of which ₹27,750 million from the Net Proceeds will be used to establish a 6GW solar manufacturing facility in Odisha through its subsidiary Sangam Solar One Private Limited, ₹6,976.95 million for general corporate purposes, while the remaining funds will cover offer-related expenses. | **Funds Raised** Rs. 4,321 Cr<br>**Fresh Capital of above** 83%<br>**Issue Price** Rs. 1,503<br>**Oversubscribed** 80.1 times<br>**Revenue** Rs. 11,633 Cr<br>**PBT** Rs. 1,274 Cr<br>**Net Worth** Rs. 82,008 Cr<br>**Earning / Share** Rs. 21.57 |

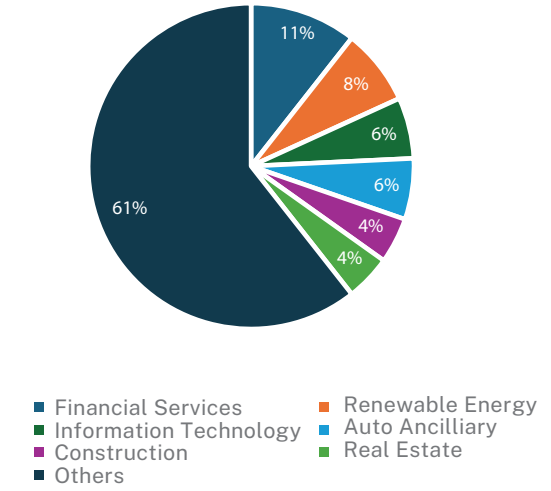
# 06.

# KEY LISTINGS POST QUARTER END

## Current Status of Upcoming IPOs




## Important Industries of Upcoming IPOs



| Sr. No. | Name of the Company | Industry | Status as on 15 January 2025 |
|---|---|---|---|
| 1 | Aditya Infotech Ltd. | Security Solutions | Under Process with SEBI |
| 2 | Aegis Vopak Terminals Ltd. | Storage Services | Under Process with SEBI |
| 3 | Ajax Engineering Ltd. | Concreting Equipment Manufacturing | Observations issued/ Withdrawn during week |
| 4 | Anand Rathi Share And Stock Brokers Ltd. | Financial Services | Observations issued/ Withdrawn during week |
| 5 | Anthem Biosciences Ltd. | Biotech and Pharmaceutical | Under Process with SEBI |
| 6 | Aye Finance Ltd. | Financial Services | Clarifications sought by SEBI |
| 7 | Belrise Industries Ltd. | Auto Ancilliary | Awaiting Exchange Approval |
| 8 | EAAA India Alternatives Ltd. | Asset Management | Under Process with SEBI |
| 9 | Greaves Electric Mobility Ltd. | Auto Ancilliary | Under Process with SEBI |
| 10 | HDB Financial Services Ltd. | Financial Services | Under Process with SEBI |
| 11 | Hero Fincorp Ltd. | Financial Services | Under Process with SEBI |
| 12 | Hexaware Technologies Ltd. | Information Technology | Observations issued/ Withdrawn during week |
| 13 | Jesons Industries Ltd. | Chemical Manufacturing | Clarifications sought by SEBI |
| 14 | LG Electronics India Ltd. | Electronics | Under Process with SEBI |
| 15 | Midwest Ltd. | Mining | Clarifications sought by SEBI |
| 16 | Prostarm info systems Ltd. | Manufacturer | Under Process with SEBI |
| 17 | Sambhv Steel Tubes Ltd. | Pipe Manufacturing | Under Process with SEBI |
| 18 | Seshaasai Technologies Ltd. | Financial Services | Under Process with SEBI |
| 19 | SFC Environmental Technologies Ltd. | Environmental Technology | Clarifications sought by SEBI |
| 20 | SMPP Ltd. | Defense Equipment Manufacturing | Under Process with SEBI |
| 21 | Star Agriwarehousing and Collateral Management Ltd. | Warehousing Services | Under Process with SEBI |
| 22 | Travel Food Services Ltd. | Quick Service Restaurants | Clarifications sought by SEBI |
| 23 | Varindera Constructions Ltd. | Construction | Under Process with SEBI |
| 24 | Vikram Solar Ltd. | Renewable Energy | Under Process with SEBI |
| 25 | Viney Corporation Ltd. | Auto Ancilliary | Under Process with SEBI |

# 07.

# RECENT REGULATORY CHANGES BY SEBI

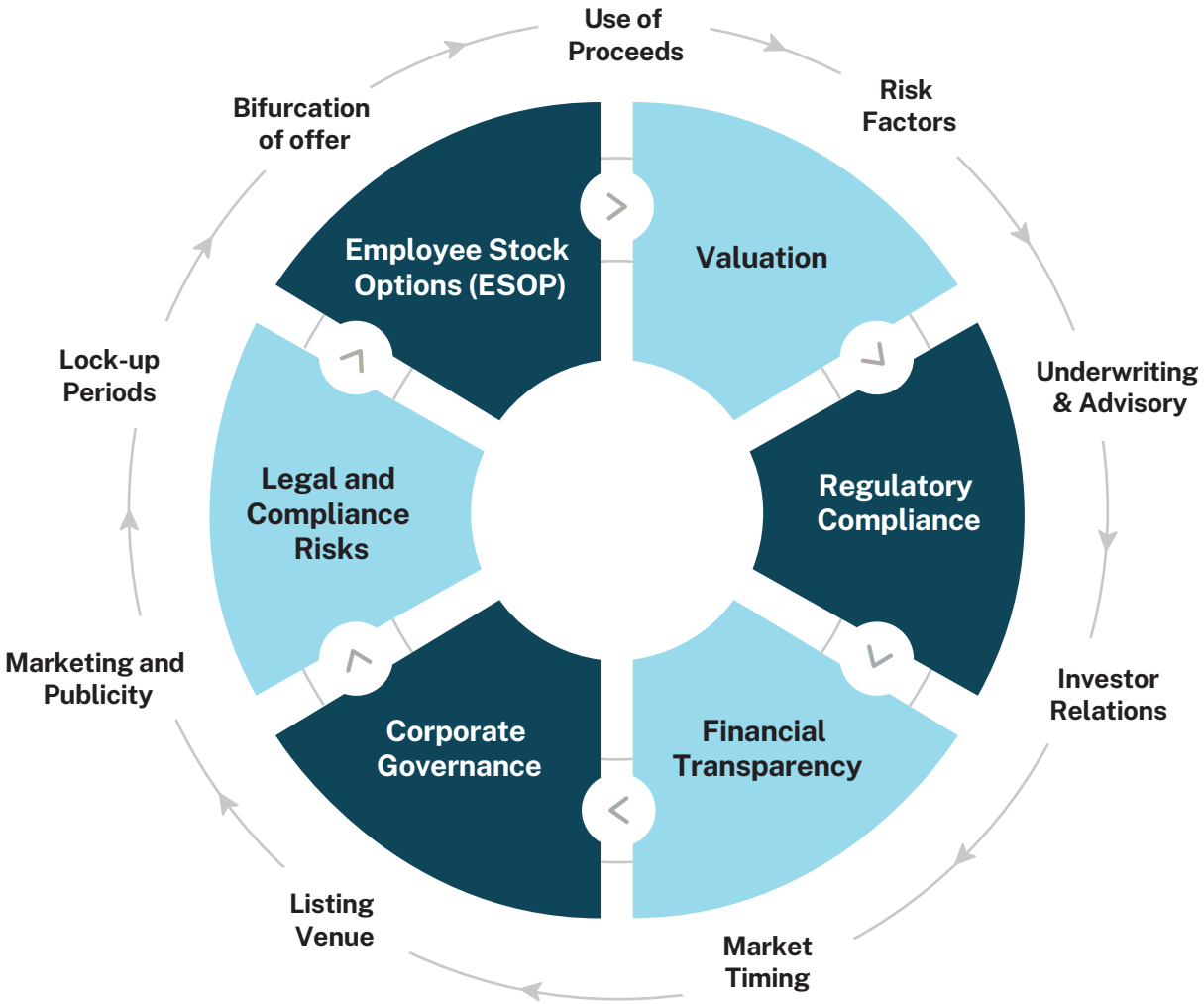
It is clarified that in addition to the existing modes of making an application in the public issue of securities, investors may continue to use 3-in-1 accounts to apply online for public issues of debt securities, non-convertible redeemable preference shares, municipal debt securities, and securitized debt instruments.
*Source: SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/142 dated October 18, 2024*

To streamline the on-boarding process for FPI applicants and minimize redundant information, market participants decided that applicants in specified categories could either complete the entire Common Application Form (CAF) or an abridged version. The abridged CAF allows applicants to enter only fields unique to them. If this option is chosen, other fields will either be auto-populated from existing information in the CAF module or disabled, as applicable.
*Source: SEBI/HO/AFD/AFD-PoD-3/P/CIR/2024/156 dated November 12, 2024*

Stock exchanges have established an online document repository platform to facilitate the efficient maintenance of records and documents used by merchant bankers during their due diligence for public issues. This platform enables merchant bankers to upload and maintain these documents electronically. The purpose of the document repository platform is to provide easier access to documents related to public issue processes that must be maintained by merchant bankers. Merchant bankers are advised to upload the records and documents they rely on while conducting due diligence on public issues onto the online document repository platform. These provisions will apply to draft offer documents filed on or after January 1, 2025.
*Source: SEBI/HO/DDHS/DDHS-PoD-1/P/CIR/2024/129 dated September 26, 2024*

# 08.

# OVERVIEW OF THE IPO PROCESS - KEY UNDERSTANDINGS



**CA Akshay B. Purandare**

B.com, F.C.A, Dip I,F.R. (ACCA UK)
Practice Area - Assurance Services & Forensic Audits
Mumbai

**CA Akhilesh Joshi**

M.Com., A.C.A., Dip I.F.R. (ACCA UK)
Director : Assurance Services
Pune


**Data Sources - Dealogic, SEBI, NSE, BSE*

"A successful IPO is not just about raising capital, it's about building a brand, creating a community, and setting the stage for long-term success."

- **Reid Hoffman, Co-Founder of LinkedIn**

KIRTANE & PANDIT LLP
Chartered Accountants

Follow Us On:

kpca@kirtanepandit.com
www.kirtanepandit.com


## Pune

5th Floor, Wing A, Gopal House, S.No. 127/1B/1,
Plot A1, Karishma Chowk, Karve Road
Pune – 411 038, India
Contact no : +91 20 67295100 / 25433104
E -mail : kpca@kirtanepandit.com

## Mumbai

601, 6th Floor, Earth Vintage, Senapati Bapat
Marg, Dadar West,
Mumbai- 400 028, India
Contact no : 022 69328846 / 47
E -mail : kpcamumbai@kirtanepandit.com

## New Delhi

272, Rajdhani Enclave, Pitampura,
Delhi-110034, India
Contact no : +91-96438 74488
E - ail : kpcadelhi@kirtanepandit.com

## Bengaluru

No. 63/1, I Floor, Makam Plaza, III Main Road,
18th Cross, Malleshwaram, Bengaluru – 560
055, India
Contact no : 080 23443548 / 23461455
E -mail : kpcabengaluru@kirtanepandit.com

## Nashik

First and Ground Floor, Plot No. 115, Kalpataru
Bunglow, SN- 315/1D, Pathardi Phata,
Prashant Nagar, Nashik - 422010
Contact no : +91 253 2386644
E - mail : kpcanashik@kirtanepandit.com

## Hyderabad

401 to 405, 4th Floor, Sanatana Eternal,
3-6-108/1, Liberty Road, Himayatnagar,
Hyderabad - 500 029, India
Contact no : +91 99127 41089 / 94400 55917 /
98480 44743 / 98480 46106
E -mail : kpcahyderabad@kirtanepandit.com

## Chennai

No. 128, Old No. 34, Unit No. 1, 6th Floor,
Crown Court, Cathedral Road Gopalapuram
Chennai 600086
Contact no : 044 47990259
E -mail : kpcachennai@kirtanepandit.com


**Authored By**

**The Knowledge Management Team**


The information presented in this publication is of a general nature, and we strongly advise seeking professional advice before making any decisions based on its contents. Kirtane & Pandit holds no responsibility for any loss or consequences arising from actions taken or refrained from, based on the material provided in this publication.

Kirtane & Pandit is a limited liability partnership registered with relevant authorities. Our registered office is located at 5th Floor, Wing A, Gopal House, S.No. 127/1B/11, Plot A1, Kothrud, Pune-411 038, India. We are an independent entity and not directly affiliated with any other organization mentioned in this publication.

Copyright © 2025 Kirtane & Pandit Reports. All rights reserved.