INDIA'S FIRST IPO DEDICATED MAGAZINE

IPO WORLD

"IPO FROM EDUCATION TO EXECUTION "

Vol. 2, July 2025

Research Corner

India's SME IPO Boom: Hype or Sustainable Trend?

Company of the Month

Nazara Technologies

Cover Story

INDIA: THE FASTEST GROWING ECONOMY FOR THE 4th YEAR

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IPO World Highlights

Company of the Month

India's GDP Growth & IPO Readiness

June 2025 IPO Surge in India

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Second Edition

July 2025

TOP Stories

This edition of IPO World brings together the most defining narratives shaping India's capital markets today. From iconic IPO journeys and next-gen founder profiles to sector spotlights and governance reforms, Top Stories offers readers a curated window into the movements, momentum and minds behind the headlines.

Company of the Month: Nazara Technologies

India's first listed gaming company, Nazara redefined how investors view digital entertainment. We explore its IPO journey, post-listing growth and innovation in esports, gamified learning and adtech.

Founder of the Month: Ather Energy

Tarun Mehta and Swapnil Jain sparked India's EV revolution with Ather Energy. This feature traces their path from IIT Madras to IPO-ready disruptors in clean mobility.

India IPO 25 Under 40: Founders to Watch

A curated list of young startup leaders steering their companies toward IPOs in 2025. From Zepto to Physics Wallah, meet the next generation of India's wealth creators.

Mistakes Founders Still Make

From valuation overreach to documentation delays, here's what continues to derail otherwise IPO-ready companies—and how to avoid these common traps.

India's Startup Funding Pulse

A snapshot of June 2025's top funding deals across fintech, EV, AI and D2C. Sectoral trends, investor behavior and key numbers decoded.

IPO Myths Busted: Vol. 2

Think only profitable companies can go public? Or that IPOs always mean massive dilution? This myth-busting series separates fact from founder folklore.

India's SME IPO Boom: Hype or Sustainable Trend?

SME listings surged in 2025—but is the momentum real? We analyze performance, investor response and policy tailwinds to separate signal from noise.

What's New in Governance

SEBI's ESG reforms, UPI address mechanism and LODR amendments—key governance updates founders and CFOs must act on before filing.

Term of the Month: What is RHP?

Red Herring Prospectus (RHP) demystified—its structure, purpose, legal relevance and how founders should use it to their advantage during the IPO process.

FROM THE EDITOR'S DESK

Dear Readers,

Welcome to the second edition of IPO World.

When we launched our first issue with the theme “IPO from Education to Execution,” we aimed to demystify India’s capital markets for founders, investors and financial professionals alike. The overwhelming response told us one thing: India is not just building companies—it’s building confidence. Confidence to scale, to innovate and to go public.

In this edition, we take you deeper into that journey.

From MSMEs hitting record-low delinquency rates to a ₹1.4 lakh crore IPO pipeline, this quarter has been a pivotal one. Retail investors are opening demat accounts at an unprecedented speed. Startup funding is regaining momentum, especially in EVs, fintech and deeptech. And SEBI’s ESG and UPI reforms are reshaping the future of how companies raise and manage capital.

But it’s not just about the numbers—it’s about the stories behind them.

We spotlight Nazara Technologies, the company that gamified its way into India’s stock market. We track Zepto’s growth-stage funding blitz and preview the next chapter: women founders preparing to go public. These stories reflect not only ambition but the evolution of business models, of governance and India’s capital culture.

At IPO World, we see our role as more than just reporting on trends. We’re here to bridge insights with action helping you make sense of the IPO journey, whether you’re a founder prepping for DRHP, an investor scanning the SME board, or an observer tracking the pulse of India’s financial transformation.

The public markets are no longer a destination for the elite few. They are becoming the next milestone for India's boldest builders.

Let’s go public—together.
Warm regards,

Anushka Negi

Ms. Anushka Negi

EDITOR-IN-CHIEF

IPO World

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EDITORIAL PANEL

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This Edition's Theme

"Story from Startup to Stock Market Success: India IPO Momentum in Motion"

This second edition captures the momentum shift. It moves beyond the basics to showcase how India's economic engine, policy tailwinds and retail investor surge are shaping the IPO landscape right now. From tracking the ₹1.4 lakh crore IPO pipeline to spotlighting June's top-performing listings, from decoding MSME credit data to covering deeptech and EV startup funding—this edition offers a 360° view of what's moving the markets and why it matters.

Editorial Positioning:

As a consultancy-first magazine, we continue to inform, enable and lead. Our editorial mission is not just to publish— It's to prepare the ecosystem for public market success.

Each section offers:

Consulting-grade insights built on advisory experience, DRHP audits and real IPO deal flows.

Market intelligence across IPO boards, funding rounds and regulatory shifts to inform founder decisions.

Process clarity on ESG readiness, SEBI reforms, UPI norms and key documentation practices.

Performance signals from listing gains, retail activity and institutional appetite to benchmark expectations

Whether you're preparing your IPO draft, raising a Series C round, or planning a public listing in 12 months, this edition is designed to help you move from intent to execution.

LATEST UPDATES & MARKET TRENDS

INDIA
The Fastest-Growing Economy for the 4th Year

India maintained its position as the fastest-growing major economy for the fourth consecutive year in FY 2024-25, with GDP growth estimated at 6.5%. While this marks its slowest annual pace since FY 2021, the Q4 Fy25 performance was particularly strong, clocking in at 7.4% growth.

Sectoral Drivers

- ♦ Manufacturing: Grew by 4.8% in Q4, playing a key role in the annual figure.
- ♦ Services and Agriculture: Each recorded growth of 5.4% in the same quarter, demonstrating resilient, multi-sector expansion.

Government Perspective

Finance Minister Nirmala Sitharaman credited the durability of growth to the combined strength of small, medium and large industries, alongside agriculture's contributions, even through challenging periods like COVID-19..

Policy & Outlook

- ♦ Monetary Easing: In June, the RBI reduced its repo rate by 50 bps (first time this year) to 5.5%, also lowering the cash reserve ratio—part of a broader front-loaded stimulus.
- ♦ Inflation Control: With food prices easing, annual inflation forecasts were revised down to around 3.7%.
- ♦ RBI Projections: RBI maintained its FY 2025–26 GDP forecast at 6.5%, citing global uncertainty.

Global Comparisons & Outlook

- ♦ World Bank Forecast: India projected to remain the fastest-growing among the major economies, with 6.3% growth forecasted for FY 2025–26, despite trade tensions impacting exports
- ♦ Long-Term Goals: India targets a $5 trillion GDP by 2027, necessitating consistent growth of ~8%.

Implications for Founders & Investors

For Founders:

- ♦ Robust manufacturing and services expansion creates fertile ground for SMEs to scale and consider IPOs.
- ♦ Lower interest rates improve access to credit.
- ♦ Strong rural-urban growth dynamics offer cap-market incentives for capital raising.

For Investors:

- ♦ Stable 6.5% growth reduces macroeconomic volatility and signals reliable long-term returns.
- ♦ Easing inflation and policy support further strengthen risk appetite and allocation.
- ♦ Q4's 7.4% spike reflects positive sentiment ahead of upcoming IPOs.

Key Statistics

Indicator	Value
FY 2024-25 GDP Growth	6.50%
Q4 FY 25 GDP Growth	7.4% YoY
Manufacturing Growth Q4	4.80%
Services & Agriculture Q4	5.4% each
RBI Repo Rate	5.5% (after 50 bps cut)
RBI Forecast FY 26	6.50%
World Bank Forecast FY 26	6.30%

In Summary

India's sustained position as the world's fastest- growing major economy underscores a diversified expansion fuelled by manufacturing, services and agriculture. Despite a slight slowdown from FY 2023-24's 9.2% peak, the Q4 momentum and supportive macro policies (like RBI's rate cuts and moderating inflation) signal a solid growth foundation. With global comparisons still favorable and long-term GDP targets within reach, the environment is increasingly conducive for IPOs, startup funding and strategic investments.

IPO Round-Up: Recent Highlights

June 2025 saw robust IPO activity in India, with both mainboard and SME companies making strong market debuts across sectors. The standout performer was Eppeltone Engineers Limited, which listed on June 24, 2025, at ₹243.20 per share, delivering a remarkable 90% gain over its ₹128 issue price. Apart from Eppeltone Engineers Limited, 14 IPOs closed positively on the listing date. Although 32 IPOs were hitting the Indian stock market, including 8 mainboard and 24 SME IPOs.

Company Name	Listing Date	Issue Size (In Crores)	Listing Gain	Board	Business Description
Eppeltone Engineers Limited	Jun 24, 2025	₹43.96	90%	SME	Electronic energy meters, smart meters, UPS, power devices
Monolithisch India Limited	Jun 19, 2025	₹82.02	70.07%	SME	Monolithic construction technology, infra projects
Sacheerome Limited	Jun 16, 2025	₹61.62	57.40%	SME	Fragrance, essential oils, aroma chemicals
Patil Automation Limited	Jun 23, 2025	₹69.61	35.63%	SME	Industrial automation systems, smart control panels
Influx Healthtech Limited	Jun 25, 2025	₹58.57	31.46%	SME	Healthcare tech, diagnostics, digital health
Mayasheel Ventures Limited	Jun 27, 2025	₹27.28	29.57%	SME	Investment & incubation for startups
Prostarm Info Systems Limited	Jun 03, 2025	₹168	20%	Mainboard	IT infrastructure, UPS, networking, data centers
Safe Enterprises Retail Fixtures	Jun 27, 2025	₹169.74	14.93%	SME	Custom retail display fixtures
Ganga Bath Fittings Ltd	Jun 11, 2025	₹32.65	14.39%	SME	Bath fittings and sanitaryware
Neptune Petrochemicals Ltd	Jun 04, 2025	₹73.20	14.22%	SME	Petrochemical products
Blue Water Logistics Limited	Jun 03, 2025	₹40.50	9.67%	SME	Logistics, shipping, warehousing, customs clearance
Samay Project Services Ltd	Jun 23, 2025	₹14.69	5.88%	SME	Project management & engineering services
Scoda Tubes Limited	Jun 04, 2025	₹220	5%	Mainboard	Stainless steel tubes and pipes
Aegis Vopak Terminals Ltd	Jun 02, 2025	₹2,800	2.98%	Mainboard	Liquid storage terminals
Oswal Pumps Ltd	Jun 20, 2025	₹1,387.34	1.85%	Mainboard	Water pumps manufacturing

MSME Delinquency Rate Drops to 5-Year Low

MSME Credit Rises 13% to ₹35 Lakh Crore; Delinquency Rate Drops to Five-Year Low

India's Micro, Small and Medium Enterprises (MSME) sector has demonstrated remarkable financial resilience, with its commercial credit portfolio growing by 13% year-on-year to reach ₹35.2 lakh crore as of March 31, 2025. This expansion has been accompanied by a significant improvement in asset quality, as the overall delinquency rate has fallen to a five-year low.

Key Highlights

- The MSME credit portfolio reached ₹35.2 lakh crore in March 2025, up from ₹31 lakh crore a year earlier, marking a robust 13% annual growth.
- Serious balance-level delinquencies (90–720 days past due) dropped to 1.8%, the lowest in five years—a 35 basis point improvement from March 2024.
- Growth was primarily driven by increased lending to existing borrowers, rather than new originations.
- The improvement in asset quality was most pronounced among borrowers with exposures between ₹50 lakh and ₹50 crore, while smaller borrowers saw a slight increase in stress.

Detailed Analysis

Credit Growth Dynamics

The MSME sector's credit surge was largely fueled by:

- Expanded supply of credit to existing borrowers, including business loans, loans against property and vehicle advances.
- New-to-credit (NTC) MSME borrowers accounted for 47% of new loan originations, with public sector banks leading this segment at 60%.
- The manufacturing sector led in loan originations by value, especially in Maharashtra, Gujarat, Tamil Nadu and Delhi, while the trade sector dominated in Uttar Pradesh.

Delinquency Trends

Borrower Exposure	Delinquency Rate Mar 2024	Delinquency Rate Mar 2025	Trend
Up to ₹10 lakh	5.10%	5.80%	▲ Slightly
₹10 lakh – ₹50 lakh	2.80%	2.90%	▲ Marginally
₹50 lakh – ₹50 crore	2.10%	1.80%	▼ Significantly
Overall (90–720 DPD)	2.10%	1.80%	▼ Five-year low

- Larger borrowers (₹50 lakh–₹50 crore exposure) showed improved credit discipline, leading to a drop in delinquencies.
- Stress increased among smaller borrowers, with delinquencies for exposures up to ₹10 lakh rising to 5.8%.
- For loans up to ₹10 lakh, the 90-day delinquency rate in the first 12 months of business surged to 16.2% in March 2025, up from 8.7% a year earlier, highlighting risk in new micro-lending.

Regional and Sectoral Insights

- Five states—Maharashtra, Gujarat, Tamil Nadu, Uttar Pradesh and Delhi—accounted for 48% of MSME loan originations.
- Manufacturing remains the largest sector by value, while the trade sector, particularly in Uttar Pradesh, has seen the highest share of new-to-credit borrowers.

Lender Performance

- Private banks maintained the best asset quality, with a delinquency rate of 1.2%, compared to 2.1% for public sector banks 7.
- Public sector banks have increased their focus on trade-sector financing and new-to-credit borrowers.

Policy and Industry Perspectives

Niti Aayog's Recommendations

- Niti Aayog has proposed more substantial and targeted support for MSMEs, recognizing their pivotal role in employment generation and exports. Recommendations include :
- Enhanced access to formal credit and financial tools.
- Greater innovation and skill development programs.
- Improved financial literacy to bolster resilience and global competitiveness.

Government and Industry Leaders' Views

- SIDBI Chairman Manoj Mittal emphasized that supporting MSMEs is crucial for sectoral and overall economic growth, advocating for innovation and better access to finance.
- TransUnion CIBIL CEO Bhavesh Jain noted that MSMEs, due to limited reserves, are more vulnerable to business cycle fluctuations, underscoring the need for robust support systems.
- The Consumer Affairs Secretary urged MSMEs to become more proactive in adapting to market changes and leveraging available support mechanisms..

Challenges and Opportunities

Challenges:

- Rising delinquencies among the smallest borrowers (up to ₹10 lakh), especially in the early years of borrowing.
- Moderation in new loan originations amid increased credit concerns among lenders, despite resilient demand.

Opportunities:

- Continued formalization and digital adoption are improving lender confidence and credit access.
- Targeted government schemes and incentives are expanding financial inclusion, particularly for micro and new-to-credit enterprises.

Conclusion

India's MSME sector is on a solid growth trajectory, with a record-high credit portfolio and the best asset quality seen in five years. While larger MSMEs are exhibiting strong credit discipline, the rising stress among micro-borrowers signals the need for nuanced, targeted policy interventions. As Niti Aayog and sector leaders highlight, sustained support, innovation and proactive adaptation will be crucial for the sector's continued resilience and contribution to India's economic growth.

India's 10-Minute Delivery Boom

India's retail landscape is being transformed at breakneck speed, with the quick commerce (q-commerce) market poised to triple in value to ₹1.5–1.7 lakh crore by 2027. This explosion in growth is fueled by Indians' mounting appetite for instant gratification—10–30 minute delivery of everything from groceries to household essentials. But as the sector races ahead, it's exposing cracks in its business model around pricing, workforce stability and sustainable profitability.

The Scale of Growth

- The q-commerce market was valued at $3.05 billion in FY2024 and is on track to reach a staggering ₹1.5–1.7 lakh crore within just two years.
- Growth rates surpass those of traditional e-commerce, with year-on-year expansion estimated at 75–100%, vastly exceeding the low double-digit rise in modern retail.
- The sector's leading players—Blinkit (Zomato), Zepto, Swiggy Instamart and BigBasket—are fiercely competing for dominance in an environment now characterized by dark stores, heavy tech investment and hyper-local logistics.

What's Driving the Boom?

- Urbanization and Digital Adoption: Fast mobile internet, rising smartphone usage and a vast base of young, tech-savvy consumers are helping embed q-commerce into daily life in major cities.
- Consumer Expectations: Demand for everything from snacks and cold drinks to essential staples delivered in under half an hour—is reshaping how Indians shop, especially in metros and tier-2 cities.
- Business Models: Controlled-inventory "dark stores" in densely populated urban centers ensure near-instant fulfilment, setting q-commerce apart from traditional e-commerce's longer timelines.

How Deep Is the Impact?

- Categories with Traction: Packaged snacks, drinks and gifting items saw explosive uptake, while fresh produce, electronics and personal care items still lag as shoppers prefer wider selection or in-store shopping for these needs.
- Shift, Not Creation, of Demand: As much as 93% of q-commerce sales come at the expense of kiranas, e-commerce and modern trade, not by expanding the overall retail pie—only 6–8% of transactions are truly incremental.

- Discounting Trends: Platform discounts have dropped to 6–9%, far less than the 13–18% common in regular e-commerce or modern retail a sign that sustainability is now a focus, not deep discounting.

Employment: Both Boon and Burden

- Job Creation: Q-commerce is one of the country's most potent creators of jobs, generating 62–64 jobs per ₹1 crore of gross merchandise value—a figure much higher than traditional retail and e-commerce.

- The Gig Worker Reality: More than 70% of these are last-mile delivery jobs, typically as gig roles lacking stability and long-term security. The gig workforce is expected to surge by another 60% in 2025 as platforms expand.

The Roadblocks Ahead

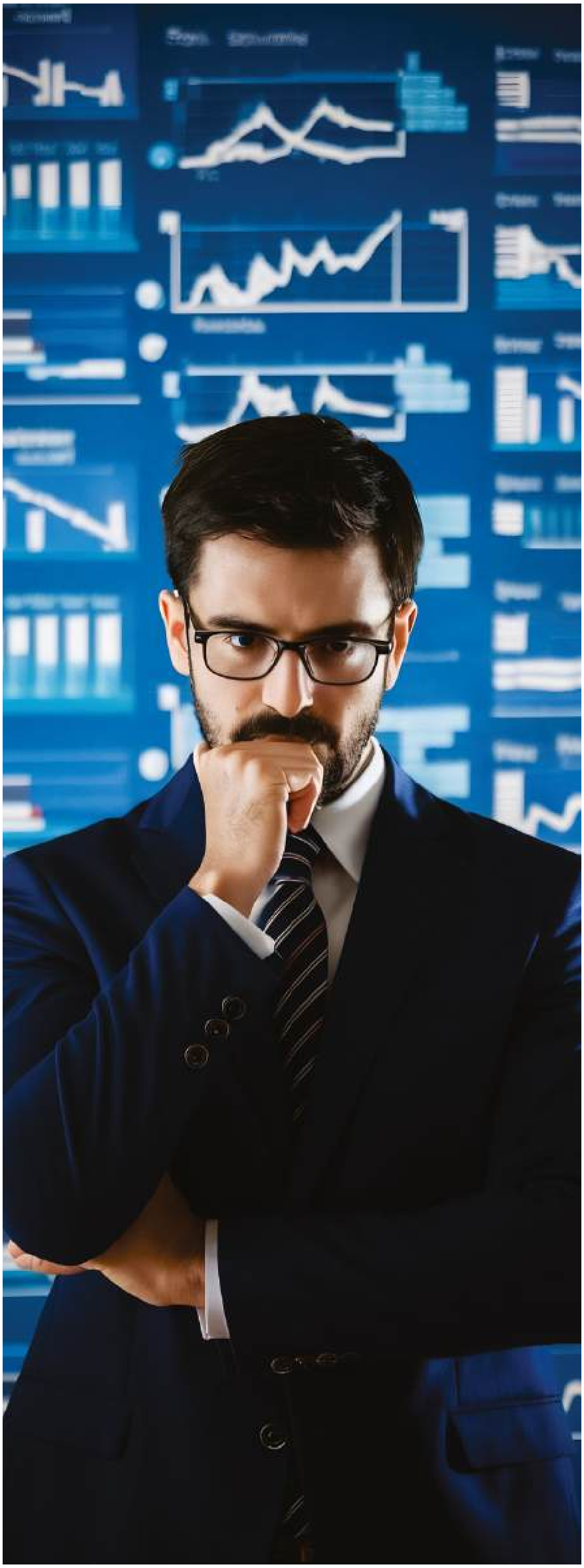
- Profitability Pressures: Low margins, high operational costs and squeezed discounts are forcing firms to balance between scale and profitability ambitions.

- Adoption Gaps: While q-commerce is deeply entrenched in urban India, penetration lags in fresh and premium categories and in rural areas where logistic challenges persist.

- Sustainability & Retention: As reliance on gig workers grows, job stability and fair pay remain unresolved, raising questions over long-term workforce welfare.

The Bottom Line

India's quick commerce boom is rewriting the rules of modern retail, promising rapid growth and unrivaled consumer convenience. But it's also revealing tough questions about where new value is created, who really benefits and how sustainable the model is as the sector sprints toward a ₹1.7 lakh crore milestone. Whether these cracks can be fixed will decide if q-commerce becomes the new normal in Indian shopping, or just a flash in the pan.



INDIA's Startup Funding Pulse

June 2025 has continued the momentum seen in May, with a strong showing in both deal volume and value, particularly in Series B and growth-stage rounds. The month reflects growing investor confidence, sectoral diversity and a maturing funding landscape.

Weekly Funding Breakdown

Week 1: June –7

Overview:

Indian startups raised approximately ₹894 crore (~$107 million) across 17 deals, with a notable concentration in Series B rounds. Family offices and institutional investors played a prominent role and sectors like fashion tech, EV infrastructure and fintech dominated the headlines.

Key Deals:

- Snitch (Fashion Tech, Bengaluru):
  Raised ₹341.5 crore (~$41 million) in Series B funding led by 360 ONE (IIFL Asset Management), IvyCap Ventures, SWC Global and Ravi Modi Family Office. Funds will be used for national expansion and tech upgrades.
- Battery Smart (EV Infrastructure, New Delhi):
  Raised ₹247.6 crore (~$29.7 million) in Series B from LeapFrog Investments, responsAbility and Ecosystem Integrity Fund. The capital will help scale battery swapping operations and expand to new cities.
- LoanTap (Fintech Lending, Mumbai):
  Raised ₹53.2 crore (~$6.4 million) in a pre-Series C round from 3One4 Capital, Avaana Capital and several family offices. Funds will be used to enhance digital lending products and grow the customer base.
- Pepperfry (E-Commerce):
  Raised ₹43.36 crore (~$5.2 million) in a bridge round to support working capital and marketing initiatives.
- Plush (FemTech D2C):
  Raised ₹40 crore (~$4.8 million) to expand its personal care product lines and strengthen its retail presence.

Other Notable Deals:

- Flickstree (AdTech): ₹18 crore
- Zyla Health (Healthtech): ₹15 crore
- SportVot (SportsTech): ₹10 crore

Sectoral Trends:

- Fashion tech and EV infra led in deal value.
- Fintech and D2C brands saw continued investor interest.
- Family offices increased their participation in growth rounds.

Week 2: June 8–14

Overview:

The second week saw a surge in both deal value and diversity, with total funding estimated between $185 million and $567 million across 19–20 deals. Growth-stage and early-stage startups both attracted significant capital.

Key Deals:

CRED (Fintech, Bengaluru):
Raised $72 million (~₹600 crore) from Lathe Investment, RTP Global, Sofina Ventures and QED Innovation Labs. Funds will be used to expand product offerings and scale user acquisition.

♦ FlexiLoans (MSME Fintech, Mumbai):
Raised $44 million (~₹360 crore) in Series C led by MAJ Invest, with participation from existing investors. The capital will support credit expansion for small businesses.

♦ Vecmocon (EV Components, Gurugram):
Closed a $18 million Series A round, with $8 million raised this week from Tiger Global, Blume Ventures and others. Funds will be used for R&D and scaling manufacturing.

♦ Sanlayan Technologies (Aerospace & Defence, Bengaluru):
Raised $22 million (~₹180 crore) in a Series A round led by Matrix Partners and Bharat Innovation Fund. Capital will fuel product development and international expansion.

♦ Wow! Momo (QSR, Kolkata):
Raised $15 million (~₹123 crore) to expand its quick-service restaurant footprint across India.

♦ Garuda Aerospace (Dronetech, Chennai):
Raised $12 million (~₹98 crore) in a Series B round to scale drone manufacturing and services.

Early-Stage Highlights:

♦ PowerUp (Wealthtech): $7 million

♦ Piston (Fintech): $5 million

♦ Zype (Fintech): $4 million

♦ FlickTV (OTT): $3.75 million

Other Notable Deals:

♦ Citykart (Value Retail): ₹538 crore in Series B

♦ Plush (FemTech): ₹40 crore

♦ Fleetx (Logistics SaaS): ₹113 crore in Series C

Sectoral & Geographic Trends:

♦ Fintech led in deal count (6 deals), followed by deeptech, OTT and aerospace.

♦ Fintech led in deal count (6 deals), followed by deeptech, OTT and aerospace.

Week 3: June 15–21

Overview:

The third week of June saw a significant surge in Indian startup funding, with 41 startups raising approximately $906.7 million. This marked a sharp increase from the previous week's $336 million, driven by several large growth-stage deals and sustained early-stage activity.

Key Deals:

♦ Zepto (Quick Commerce, Mumbai):
Raised $665 million in a blockbuster growth round, making it the week's standout deal and one of the largest single rounds in recent months.

♦ Ummeed Housing Finance (Fintech/Lending):
Secured $76 million to expand its housing and small business loan portfolio.

♦ Aye Finance (Microlending):
Raised $30 million to deepen its reach among small businesses.

♦ Bira 91 (Craft Beer):
Closed a $25 million round to scale production and distribution.

♦ Slice (Fintech):
Raised $20 million to enhance its digital credit offerings.

Other Notable Deals:

♦ 10 growth-stage deals accounted for $857.4 million of the total, while 22 early-stage startups also raised capital, though some did not disclose amounts.

♦ Sectors such as quick commerce, fintech, consumer brands and lending dominated the week's headlines.

Sectoral Trends:

♦ Quick commerce and fintech led in deal value.

♦ Early-stage funding remained robust, reflecting ongoing investor appetite for innovation.

Week 4: June 22–28

Overview:

The final week of June continued the momentum, with Indian startups raising between $278 million and $350 million across 22–27 deals, reflecting a 204% week-on-week surge and highlighting renewed investor confidence.

Key Deals:

♦ Raphe mPhibr (Defence Drone Tech, Noida): Raised $100 million in a landmark round led by General Catalyst, marking the largest private capital infusion in India's defense-drone segment so far.

♦ Wiom (Internet Services, Delhi): Secured $40 million in growth capital from Bertelsmann India Investments, Accel and Prosus to support its expansion.

♦ ShopOS (E-commerce AI): Raised $20 million led by 3STATE Ventures, with backing from Flipkart co-founder Binny Bansal, to scale its AI-driven commerce platform.

♦ Fantail (B2B Fabric, Surat), Skippi (D2C Ice Pops), Prozo, Fabheads (Deeptech, Chennai): Each raised substantial rounds ranging from ₹13–₹20 crore to $10 million, indicating strong investor interest across consumer and industrial segments.

Sectoral Trends:

♦ Defence tech, AI, e-commerce and electric mobility were the week's top-funded sectors.

♦ Deeptech and hardware startups attracted the largest share ($113.5 million), followed by D2C/e-commerce ($68 million), AI/SaaS ($22.6 million) and electric mobility/sustainability ($29.2 million).

♦ Fintech also saw notable activity, with startups like Aspora raising $53 million.

Credit Portfolio Expands

♦ Major VCs such as Accel, DSG Consumer Partners, General Catalyst, RTP Global and 3STATE Ventures were highly active.

♦ Both growth-stage and early-stage capital flowed into the ecosystem, with a notable increase in seed-stage funding compared to the previous week.

Comparative Insights

♦ Deal Volume: 17–20 deals per week, consistent with May's robust activity.

♦ Ticket Size: Large Series B and C rounds are driving up average deal values.

♦ Investor Mix: Family offices, domestic VCs and international funds remain active.

♦ Sectoral Breadth: From EV infra, fintech and fashion tech to aerospace and deeptech, June funding reflects broad-based investor confidence.

Summary Table: June 2025 Funding Pulse

Week	Total Funding (Approxx.)	Notable Deals (Top 3–5)	Key Sectors
June 1–7	₹894 Cr (~$107M)	Snitch, Battery Smart, LoanTap, Pepperfry, Plush	Fashion Tech, EV, Fintech
June 8–14	$185M–$567M	CRED, FlexiLoans, Vecmocon, Sanlayan Tech, Wow! Momo, Garuda Aero	Fintech, Deeptech, Defence
June 15–21	$906.7M	Zepto, Ummeed Housing Finance, Aye Finance, Bira 91, Slice	Quick Commerce, Fintech, Lending, Consumer Brands
June 22–28	$278M–$350M	Raphe mPhibr, Wiom, ShopOS, Fantail, Skippi, Prozo, Fabheads	Defence Tech, AI, E-commerce, Deeptech, EV

Conclusion

June 2025 stands out as a landmark month for Indian startup funding, marked by both record-breaking mega-deals and a broad base of early-stage investments. The month began with steady activity in fashion tech, EV infrastructure and fintech and quickly accelerated into large-scale funding rounds, particularly in quick commerce and fintech, with Zepto's $665 million round setting a new benchmark.

The latter half of the month saw not only continued momentum in growth-stage deals but also a notable shift toward deeptech, AI, defence technology and sustainability sectors. The diversity of sectors from consumer brands and lending to defence drones and AI-powered commerce demonstrates that investor appetite is expanding beyond traditional domains.

What's New in Governance

SEBI Expansion of ESG Financing Framework (June 5, 2025)

SEBI's new framework, effective June 5, 2025, significantly broadens the scope of ESG (Environment, Social and Governance) debt securities in India. Previously, SEBI's regulatory focus was mainly on green bonds, which fund projects with environmental benefits. The new framework now brings social bonds, sustainability bonds and sustainability-linked bonds under the regulatory umbrella, collectively termed "ESG Debt Securities".

Key Features and Requirements:

Expanded Categories:

♦ Social Bonds: Raise funds for projects with direct social impact, such as affordable housing, clean water, education, healthcare and food security.

♦ Sustainability Bonds: Finance projects with both environmental and social objectives.

♦ Sustainability-Linked Bonds: These are performance-based; their financial terms (like interest rates) are linked to the issuer's achievement of pre-set sustainability targets.

Global Alignment:

Issuers must align their bonds with recognized international standards such as ICMA Principles, Climate Bonds Standard, ASEAN Standards or any methodology notified by Indian regulators.

Disclosure and Reporting:

♦ Issuers must provide detailed pre-issue disclosures in offer documents, including project objectives, eligibility criteria, fund deployment tracking and estimated allocation between new and refinanced projects.

♦ Appointment of an independent third-party reviewer/certifier is mandatory to ensure compliance with ESG standards and to prevent "purpose-washing" (misuse of ESG labels).

♦ Post-issue, issuers must publish annual impact reports, usage of proceeds and performance on key indicators, ensuring ongoing transparency.

Expanded Categories:

♦ If proceeds are misused or projects do not align with stated ESG objectives, SEBI may require early redemption of the securities.

♦ SME issuers must comply with bi-annual disclosure norms.

Purpose and Impact:

♦ This framework aims to deepen the sustainable finance market in India, build investor trust and help bridge the funding gap for Sustainable Development Goals (SDGs).

♦ It also seeks to harmonize Indian ESG debt markets with global practices, making Indian issuers more attractive to international investors.

Expanded Categories:

- ESG Ratings as a Differentiator: SMEs and larger companies with strong ESG ratings and compliance are better positioned for successful IPOs. Institutional investors increasingly demand ESG integration and SEBI's framework supports this trend.
- Attracting Institutional Investors: Enhanced ESG disclosure and compliance make companies more attractive to global funds and ESG-focused investors, improving IPO subscription rates and post-listing performance.
- Reputational Advantage: Companies with robust ESG practices can command higher valuations and build trust with retail and institutional investors during the IPO process.
- Readiness for Global Markets: The alignment with international ESG frameworks prepares Indian SMEs and IPO-bound companies for global listing and investment opportunities.

SEBI Unified UPI Address Mechanism (June 11, 2025)

On June 11, 2025, SEBI introduced a standardized and validated UPI (Unified Payments Interface) address mechanism for all investor-facing intermediaries. This regulatory move is aimed at enhancing payment security, transparency and investor protection in India's capital markets.

Key Features and Implementation:

Exclusive SEBI-Verified UPI Ids:

♦ All intermediaries (such as brokers, mutual fund houses and registrars) must display exclusive UPI IDs that have been verified and registered with SEBI.

♦ These UPI addresses are to be used solely for collecting investor funds, reducing the risk of misdirected or fraudulent payments.

Centralized Database and Validation:

♦ SEBI will maintain a central repository of all authorized UPI IDs. Investors and market participants can verify the legitimacy of a UPI address before initiating payments.

♦ This system is designed to prevent phishing, impersonation and unauthorized fund collection.

Phased Implementation:

♦ The new mechanism will become mandatory from October 1, 2025.

♦ Different categories of market participants will be onboarded in phases, allowing time for operational adjustments and system integration.

Transparency and Investor Confidence:

♦ By standardizing payment collection channels, SEBI aims to make the investment process safer and more transparent for retail and institutional investors.

♦ This move is particularly relevant for IPOs, mutual fund subscriptions and other public offerings, where large volumes of investor funds are collected electronically.

Overall Impact:

The unified UPI address mechanism is expected to streamline payment processes, minimize fraud and enhance the overall trust in India's rapidly digitizing financial markets.

RBI Repo Rate Cut (June 6, 2025)

The Reserve Bank of India (RBI) cut the repo rate by 50 basis points (bps) on June 6, 2025, bringing it down to 5.5%. This is the third rate cut in 2025, totaling a 100 bps reduction from 6.5% at the start of the year.

What is the Repo Rate?

The repo rate is the rate at which commercial banks borrow money from the RBI. It is a key tool for controlling liquidity and inflation in the economy.

Immediate Impacts:

- Lower Borrowing Costs: Banks can borrow at a cheaper rate, which should eventually lead to lower lending rates for businesses and consumers, including home and auto loans.
- Stimulus for Growth: Cheaper credit can spur investment and consumption, supporting economic growth, especially when inflation is low (3.16% in April 2025).
- Stock Market Sentiment: Lower rates often boost equity markets by reducing the cost of capital for companies and increasing disposable income for consumers.

Transmission and Limitations:

- Delayed Benefit to Borrowers: While repo rate cuts should lower EMIs for borrowers, banks may pass on the benefit gradually, depending on liquidity and their own cost structures.
- Impact on Depositors: Lower rates may result in reduced returns on fixed deposits and other savings products.

Sectoral Impact:

- Real Estate: Home loan EMIs may decrease, potentially boosting demand for housing.
- Corporate Sector: Lower borrowing costs can encourage capital expenditure and expansion.
- SMEs: Easier access to cheaper funds can support small and medium businesses.

What is the Repo Rate?

- Favorable Market Sentiment: Lower interest rates generally boost equity market sentiment, making it a more attractive environment for IPOs. Investors may shift funds from fixed income to equities, increasing IPO demand.
- Lower Cost of Capital: Companies planning IPOs benefit from lower pre-IPO borrowing costs, improving profitability and financial ratios, key metrics for IPO investors.
- Greater Retail Participation: Lower deposit rates may encourage retail investors to seek higher returns in equities, including IPOs, increasing oversubscription and potential listing gains.

In summary:

SEBI's expanded ESG debt framework marks a major step in India's sustainable finance journey, introducing rigorous standards and transparency for a broader class of ESG bonds. The unified UPI address mechanism, meanwhile, strengthens payment security and investor trust by standardizing and validating fund collection channels across the capital markets.

GST Reshuffle: What Could Be Next?

India's Goods and Services Tax (GST) is on the verge of a major restructuring, as policymakers push to eliminate the 12% tax slab and redistribute goods and services into the 5% and 18% brackets. This move, pending final consensus in the GST Council's upcoming August meeting, could deliver the biggest simplification to the GST regime since its inception in 2017.

What's Changing and Why

The Current GST Structure

India's multi-rate GST system comprises several slabs:

♦ Nil (0%)

♦ 0.25% and 3% (for precious metals, gems)

♦ 5%

♦ 12%

♦ 18%

♦ 28% (for luxury and sin goods)

♦ Compensation cess (on selected items for state support.

The 12% slab, covering around 19% of taxable items but only 5–6% of GST revenues, has increasingly come under scrutiny for complicating tax filings and sparking classification disputes. Policymakers, backed by the Prime Minister's Office, now argue that its removal would enhance clarity, reduce litigation and ease compliance burdens for businesses.

Why Remove the 12% Slab?

♦ Disproportionate Complexity: The 12% slab covers many items, but is responsible for a relatively small share of GST revenue.

♦ Litigious Classifications: Businesses and tax offices often disagree over the applicable slab, making the system prone to disputes.

♦ International Practice: Most countries operate with fewer indirect tax rates, making India's system an outlier.

♦ Policy Simplification Agenda: Since 2021, the GST Council has publicly noted the goal of converging rates to foster transparency and efficiency.

Items Affected: Winners and Losers

Likely 5% Movers

Everyday essentials currently at 12% may be shifted down to 5%, reducing prices for consumers. Likely candidates:

♦ Condensed milk

♦ Bottled water (20-litre)

♦ Frozen vegetables

♦ Pasta, macaroni, noodles

♦ Sausages, processed meats

♦ Contact lenses

♦ Some handicrafts and input services for MSMEs

Likely 18% Movers

Goods and services deemed "non-essential" by the Council may move up, potentially making them costlier:

- Processed foods beyond the basic category
- Household appliances (fans, mixers, at present 12%)
- Business services are classified under 12%
- Water heaters, lighting accessories
- Construction-related input goods
- Some hotel and travel services (e.g., non-budget hotels, economy air travel)

State-Wise & Sectoral Impact

The redistribution will affect states differently, depending on their industrial profiles:

- Industrial states (Maharashtra, Gujarat, Tamil Nadu): Could see shifts in sectoral competitiveness depending on where core manufactured goods land post-realignment.
- Northeast, Himachal Pradesh, Uttarakhand: May be sensitive to rate rises on processed food and consumer goods, impacting local SMEs and consumers.
- Services sector: Hotels, tourism and construction are closely watching where their core offerings will be classified.

The Numbers: GST Rate Distribution

Tax Slab	Share of Items (%)	Revenue Contribution (%)
5%	21	8 - 10
12%	19	5 - 6
18%	44	70 - 75
28%	3	12 - 14
Others	13	~5

How Will the GST Council Decide?

- Initial Review: The Law Committee and Fitment Committee analyze categories for reclassification.
- Stakeholder Consultations: States, industry associations and ministries give feedback.
- Revenue Impact Analysis: Key consideration—ensuring overall neutrality.
- Council Meeting (August 2025): Final ratification, with the possibility of phased roll-out by Q4 FY25.

Consensus is crucial as GST revenue is shared between the Centre and the states. Previous Council meetings have seen states express concern about potential revenue shortfalls and consumer inflation.

What About the Compensation Cess?

The GST compensation cess, currently extended until March 2026 to service a debt of ₹2.69 lakh crore from the Covid support period, will also be reviewed. States are seeking a share of surplus funds and clarity on a long-term cess phase-out plan.

- Current status: Cess applies to products like tobacco, aerated drinks and high-end vehicles.

- Review in process: Council will decide whether to continue, shrink, or repurpose the fund.

Potential Benefits to Businesses

- Simplified Compliance: With fewer tax brackets, classification errors and disputes will drop, making GST returns easier to file and reducing the administrative burden on MSMEs and other small businesses.

- Cost Savings or Increases: If goods/services they produce or sell move to 5%, MSMEs could see lower input costs and improved competitiveness. However, if they move to 18%, costs could rise, especially for firms operating with tight margins or selling price-sensitive products (e.g., household appliances, processed foods).

- Input Tax Credit (ITC) Issues: Items like tractors or medicines can't simply be shifted to 18% without hurting key sectors or causing "tax inversion"—where the GST on inputs is higher than on finished goods, leading to blocked working capital for MSMEs reliant on refunds. This is a major sticking point for businesses producing agricultural or pharmaceutical goods.

- Sectoral Disruption: Sectors like construction, hospitality and air travel—where many MSMEs are subcontractors or service providers—will also be affected depending on which bracket their services end up in.

- Better Prospects for Exporters: A simpler, more rational GST system enhances India's reputation as an easier place to do business, potentially opening up more global opportunities, especially as the country prepares for major new free trade agreements.

- Cash Flow and Planning: Changes in tax rates impact pricing, inventory costs and business planning cycles for MSMEs, which often lack the resources for rapid financial restructuring.

Potential Concerns

- Inflation: An Upward rate movement could pinch the middle class and impact sectors like appliances and food processing.

- Revenue Uncertainty: The fiscal impact depends on the final fitment of items.

- State Fiscal Health: States reliant on GST for social programs could feel pressure if revenues dip or if unmet compensation.

Broader Context and Reform Trajectory

This reorganization forms part of a wider policy drive:

- India is moving toward a three-rate GST system, aligned closer with developed economies.

- The government continues to emphasize Ease of Doing Business and reducing compliance friction.

- Preparing the tax ecosystem for future direct tax overhauls and international trade agreements.

What to Expect Next

The GST Council is expected to finalize its decision by August 2025. If consensus on eliminating the 12% slab is reached, a notification and fitment list will be released, detailing affected goods/services and their new rates, with roll-out likely to follow in phases.

The outcome will determine not just tax rates, but also the contours of household budgets, business profitability and state fiscal strategies as India continues its economic transformation.

Market Mirror

DEMAT ACCOUNTS SURGE

A Turning Point for India's Investor Base

After four months of decelerating growth, May 2025 signaled a decisive shift. Data from June 8 revealed that 2.2 million new demat accounts were opened in May, pushing the total to 196.6 million. This marked a clear reversal from the earlier slowdown. March 2025, for instance, saw the slowest growth in nearly two years, with only 2.04 million new accounts added and a 1.05% month-on-month rise.

The real inflection came in June, when the momentum accelerated further: 2.5 million new accounts were added, the highest monthly tally since January, bringing the total to 199.14 million - just shy of the historic 200 million milestone. This two-month surge underscores a renewed wave of retail enthusiasm, driven by a confluence of market performance, digital innovation and regulatory support.

The Numbers Behind the Boom

- FY25 saw a record 41.1 million new demat accounts opened, the highest annual addition ever, with a monthly average of 3.42 million.

- The growth rate moderated to 27.1% in Fy25 (from 32.2% in FY24), a natural effect of the higher base, but the absolute scale of new participation is unmatched.

- NSE alone added over 8.4 million active demat accounts in FY25, marking a 20.5% year-on-year growth and bringing its total to 49.2 million by March 2025.

What's Fueling the Surge?

1. Digital Brokerages Lead the Charge
Platforms like Groww and Angel One have been at the forefront, together accounting for more than 57% of NSE's new account additions in Fy25. Groww's active client base soared by 36% year-on-year, while Angel One and Zerodha also posted robust gains. This digital-first approach—marked by intuitive apps, seamless onboarding and zero-commission trading—has dramatically lowered the entry barrier for new investors.

2. Market Performance and Trend-Following
The May-June rebound coincided with a strong rally in Indian equities. In May, the Sensex and Nifty rose nearly 2%, while the Nifty Midcap 100 and Smallcap 100 soared 6.1% and 8.7%, respectively. This alignment of positive returns and retail interest has historically triggered durable engagement, not just speculative blips.

3. Policy and Regulatory Tailwinds
SEBI's collaborative policymaking, investor protection initiatives and market microstructure reforms (like T+1 settlement) have made markets more accessible and stable. The post-pandemic years have also seen simplified account-opening processes and reduced trading costs, further fueling retail participation.

4. Demographic and Geographic Expansion
The investor base is becoming younger, more tech-savvy and increasingly diverse. Nearly one in every four new investors in FY25 was a woman and a growing share of new accounts is being opened in Tier II, III and IV cities. This broadening demographic footprint signals deeper financial inclusion and a generational shift in wealth creation. Market Depth and the Broader Investment Ecosystem

India is now the world's second-largest demat investor base, with estimates suggesting around 120 million unique investors (since individuals often hold multiple accounts). The annual addition of new accounts now matches the total pre-pandemic base, underscoring a structural transformation in market access.

This expanding retail universe brings several benefits:

♦ Enhanced liquidity and market depth

♦ Reduced volatility due to a more distributed investor base

♦ Opportunities for brokers, mutual funds and fintechs to engage a wider audience

Signals, Cautions and the Road Ahead

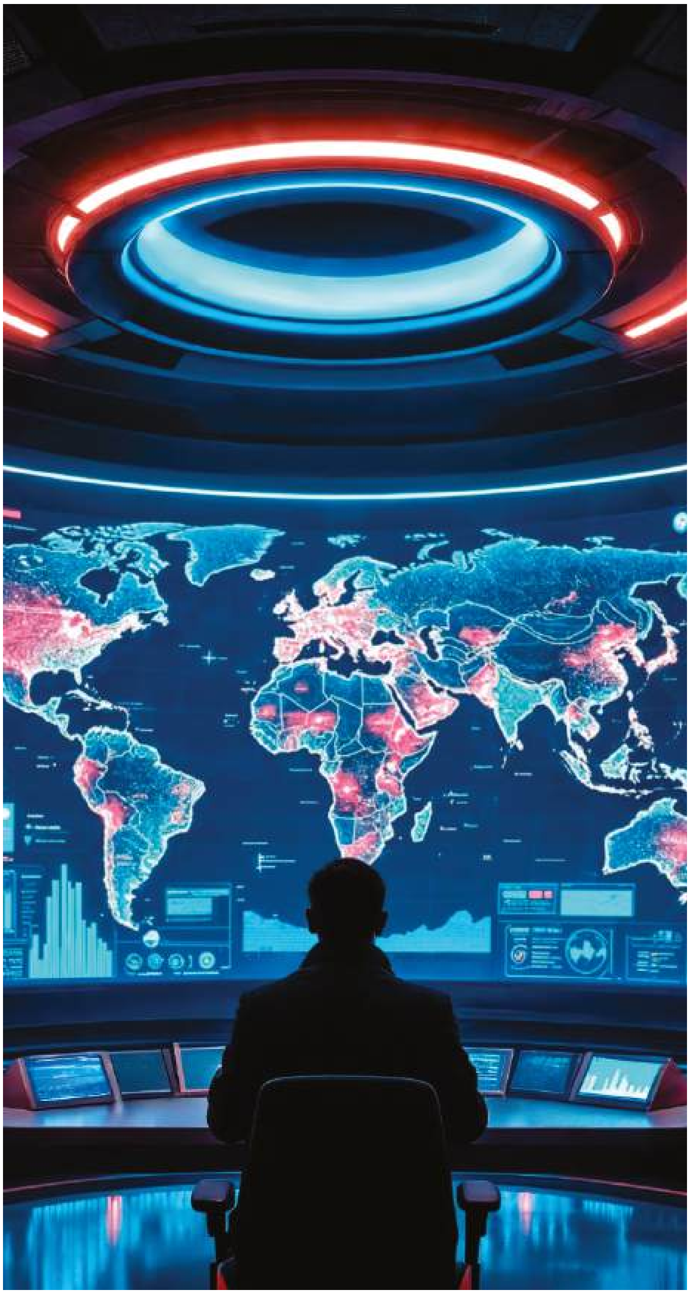
♦ Sustained Momentum: While May and June's surges are promising, maintaining this pace will require continued innovation, investor education and regulatory vigilance. Market volatility and macroeconomic uncertainties could still pose headwinds.

♦ Regional Impact: The rebound suggests better traction in smaller cities, but sustained growth will depend on further outreach and financial literacy efforts.

♦ DIY Investing and Financial Literacy: The rise of DIY investing platforms is empowering, but it also places a premium on responsible investing and user protection.

Final Word

The addition of 2.2 million demat accounts in May and 2.5 million in June is more than a statistical rebound—it's emblematic of India's deepening investor culture and the democratization of capital markets. As the 200-million milestone comes into view, the challenge for India's financial ecosystem will be to nurture this growth responsibly, ensuring that new investors are not just numerous but well-informed and resilient. With every new account, India takes another step toward a more inclusive, dynamic and globally relevant financial future.



India's NSE Climbs to 4th Globally in IPO Fundraising

The National Stock Exchange of India (NSE) has ascended to the top ranks of global capital markets, securing the fourth position worldwide in initial public offering (IPO) fundraising during the first half of 2025. According to data from S&P Global Market Intelligence, the NSE raised $5.51 billion between January and June this year, which accounts for 8.9% of the world's total IPO proceeds of $61.95 billion during the same period.

A Global Milestone for Indian Markets

This landmark achievement places the NSE just behind three of New York's giants, the Nasdaq Global Market, the New York Stock Exchange (NYSE) and the Nasdaq Global Select Market, which together raised $28.95 billion, or nearly half of the world's IPO funding in H1 2025. The NSE's global standing unmistakably demonstrates India's growing importance as a destination for equity fundraising.

"This strong performance by NSE comes amid growing anticipation of its long-awaited public listing, a move that could be a historic milestone for India's capital markets."

Performance Drivers: Momentum and Market Confidence

The impressive showing from the NSE is attributed to robust domestic activity, large deal sizes and strong investor sentiment, even as global markets contended with volatility early in 2025. This year, the NSE hosted 73 IPOs—the highest number of any global exchange, outpacing the Nasdaq Global Market's 66. Across all Indian exchanges, a total of 119 IPOs were launched, raising an estimated ₹51,150 crore (about $6.1 billion), a marked increase from the ₹37,682 crore raised from 157 listings during the same period in 2024.

Though the number of new listings declined year over year, the total funds raised surged, highlighting a trend toward larger, higher-value offerings and increased confidence among domestic and international investors.

Key Deals and Sectoral Trends

Among the standout deals was HDB Financial Services—a subsidiary of HDFC Bank—which completed the largest Indian IPO so far this year, raising ₹12,500 crore in June. The top ten IPOs included a diversified mix: three were from consumer discretionary companies and two from the expanding financial services sector. The pipeline continues to look healthy, with several large deals in preparation, such as:

- Credila Financial Services Ltd., which filed an Rs 5,000 crore draft prospectus with SEBI in late June
- Anthem Biosciences, which submitted its draft in early July

Regulatory Landscape and NSE's Own IPO

Amid this flurry of deals, India's market regulator, the Securities and Exchange Board of India (SEBI), is sharpening its oversight to enhance transparency and bolster investor protection, further supporting market confidence and encouraging premium listings.

But perhaps the most closely watched development is the NSE's anticipated IPO. After years of delay due to legacy regulatory issues, the pathway now appears clear. SEBI Chairman Tuhin Kanta Pandey recently announced that "no obstacles" remain for the exchange's IPO to proceed, though he did not specify an exact date. NSE's Managing Director and CEO, Ashish Kumar Chauhan, confirmed that the exchange is currently awaiting a 'No Ojection Certificate' (NOC) from SEBI, after which it will file its Draft Red Herring Prospectus (DRHP). Regulatory approval is now considered a formality, paving the way for what could be one of the most anticipated market events in India's financial history.

India's IPO Outlook: Strengthening Global Ties

Looking ahead, EY and S&P Global analysts project that the Indian IPO pipeline remains strong, with numerous high-profile companies preparing for debut offerings in the coming months. In 2024, Indian exchanges wrapped up the year with ₹1.71 trillion raised via 333 offerings—already setting a high bar and signaling sustained momentum for the foreseeable future.

This era of robust IPO activity is reflective of India's economic resilience and growing status in global finance, with investors displaying a heightened appetite for Indian equities and an evolving capital market ecosystem that is opening new avenues for both companies and investors.

As the countdown to NSE's historic IPO continues, its current global ranking affirms its role as a powerhouse of capital formation, both in Asia and across the world.

Can Sensex Touch 1 Lakh in a Year?

With global optimism on Indian growth at a fever pitch, Morgan Stanley has jolted Dalal Street with a headline-grabbing scenario: the BSE Sensex could surge to 1 lakh within the next year—if a confluence of supportive reforms, steady macro conditions and robust earnings come together. Meanwhile, the global brokerage is tilting its portfolio toward domestic cyclicals, signaling a marked preference for growth-sensitive Indian sectors over traditional defensives.

The Bull Case in Focus: What Would It Take?

Morgan Stanley's latest equity strategy note sets a base case Sensex target of 89,000 by June 2026—an 8% rise from current levels—but in its most optimistic scenario, the Sensex could hit the elusive 1,00,000 mark in just 12 months. The brokerage attributes a 30% probability to this high-octane outcome.

Key Ingredients for the 1 Lakh Sensex Bull Case

♦ Low Oil Prices: Brent crude sustained below $65 per barrel, keeping inflation tame and improving economic fundamentals.

♦ Reform Momentum: Substantial progress in GST rate rationalization and breakthroughs on contentious farm laws.

♦ Earnings Power: Sensex earnings compounding at a 19% CAGR through FY25-28—well above historical trends.

♦ Liquidity and Policy Support: A dovish US Federal Reserve and further rate cuts from the RBI.

♦ Strong Retail Participation: Resilient domestic buying offsetting foreign flows, enabling markets to absorb new supply.

♦ Global Calm: No escalation in global trade tensions or major geopolitical disruptions.

Such an outcome would see the Sensex commanding a P/E premium to its 25-year average, based on increased confidence in India's medium-term growth trajectory, relatively low volatility and strong policy predictability.

Why Domestic Cyclicals Outshine Defensives

Morgan Stanley's underlying portfolio strategy centers on domestic cyclicals—sectors closely tied to the Indian economic cycle—over defensive plays like utilities, healthcare and consumer staples.

What Are Cyclicals and Why Are They Favored Now?

Cyclicals	Defensives
Financials, consumer discretionary, industrials and select technology stocks	Utilities, healthcare, consumer staples
Benefit from economic expansion, infrastructure spending and rising discretionary incomes	Provide stability in downturns, less tied to GDP swings
More volatile, higher upside in a strong growth environment	More stable, lower upside in bull phases
Chosen by Morgan Stanley as 'overweight' in the current cycle	Underweight due to valuation and growth lag

Morgan Stanley's rationale:

- India's Economic Cycle: A resurgence in private investment and government infrastructure push is expected to fuel earnings in cyclical sectors.
- Attractive Valuations: Domestic cyclicals still offer better risk-reward following the defensive sectors' sharp outperformance and stretched valuations last year.
- Structural Growth: Large caps in cyclical industries could see more stable, robust growth than smaller peers, particularly with India's financialization and domestic wealth creation.
- Rotation from Outperformed Defensives: The tactical tilt toward cyclicals follows a period when defensives outshone, pushing Morgan Stanley to reassess sector positioning.

The Market Backdrop: Volatility Resilient, Investors Cautious

- Indian Equities Outperforming: Despite a 14% correction from September 2024 highs, Indian stocks are seen as attractively valued, with prospects for recovery as fundamentals improve.
- Foreign Flows Returning: While foreign investors have been underweight, early signs of renewed interest are surfacing, adding to the robust domestic bid that has anchored recent rallies.
- Macro Stability: India's ongoing fiscal consolidation and low inflation volatility underpin investor confidence, even as global peers face uncertainty.
- Earnings Engine: Sensex company earnings are forecast to grow at around 17% annually through FY28, supporting elevated valuations and long-term optimism.

What Could Go Wrong? The Risks

- Global Shocks: Trade wars, geopolitical escalations, or commodity price spikes could derail earnings and sentiment.
- Reforms Stall: Weak progress on GST/farm laws or policy U-turns—could limit upside.
- Liquidity Squeeze: Lack of retail participation or credit tightness could trigger corrections.
- External Slowdowns: Weaker US/China growth or global recessions remain wild cards.

Conclusion

Morgan Stanley's bold 1 lakh Sensex forecast is not a certainty, but a marker of unprecedented confidence in India's "roaring twenties" moment. While the base case suggests a still-respectable 8% gain to 89,000 by June 2026, the stars may yet align for a historic one-year run—if reforms deliver, global winds are supportive and Indian corporate earnings fire on all cylinders.

For investors, the message is clear: overweight Indian financials, industrials and consumer cyclicals, hold steady conviction through short-term volatility and watch carefully as a new era for Indian equities potentially unfolds.

India's FDI Inflows in Fy25: A Detailed Look

India's foreign direct investment (FDI) soared to a historic $81.04 billion in FY25, marking a 14% jump from the previous year and the highest inflow in three years. This remarkable growth, fueled by robust government reforms and a favorable investment climate, cements India's status as a leading global destination for foreign capital.

Services and Manufacturing Power Ahead

The momentum was led by the services sector, which attracted 19% of total FDI equity inflows $9.35 billion showing a striking 40.77% year-on- year growth. The computer software and hardware sector captured 16% and trading followed with 8% share. Manufacturing was another star performer, with inflows surging 18% to $19.04 billion, reflecting the continued impact of the "Make in India" initiative.

"The government's ongoing investor-friendly reforms and liberalisation measures have boosted investor confidence, making India a standout destination for global capital," said the Ministry of Commerce & Industry.

Regional Distribution: State-Level Insights

The momentum was led by the services sector, which attracted 19% of total FDI equity inflows $9.35 billion showing a striking 40.77% year-on-year growth. The computer software and hardware sector captured 16% and trading followed with 8% share. Manufacturing was another star performer, with inflows surging 18% to $19.04 billion, reflecting the continued impact of the "Make in India" initiative.

State/UT	FDI (USD Billion)	Share of Total	Key Sectors Driving Inflows
Maharashtra	19.6	39%	Manufacturing, IT, automotive
Karnataka	6.62	13%	Tech, services
Delhi NCR	6	12%	Manufacturing, IT, healthcare
Gujarat	5.71	~7%	Industry, infra
Tamil Nadu	3.68	~5%	Auto, manufacturing
Haryana	3.14	~4%	Manufacturing, services
Telangana	3	~4%	IT, pharma

Year-on-Year Trends & Composition

- Total Inflow: $81.04 billion (FY25 provisional)
- Growth Over FY24: 14% (FY24: $71.28 billion)
- FDI Equity Inflow: Over $50 billion, 13% higher than FY24's $44.42 billion
- Components: Includes equity inflows, reinvested earnings and other capital forms

Sector-Wise FDI Distribution

State/UT	FDI Share (%)	FY25 Inflow (Approx.)	Growth	Key Drivers
Services	19%	$9.35 billion	40.77% increase	IT, fintech, consulting
Computer Software/ Hardware	16%	$8.13 billion	-	Tech, digital infrastructur
Manufacturing	23.50%	$19.04 billion	18% increase	Semiconductors, EVs, industrial growth
Trading & Retail	8%	$4.05 billion	-	E-commerce, FMCG, franchise models
Telecom	13%	$6.56 billion	-	5G rollouts, telecom expansion
Real Estate	9%	$4.32 billion	-	REITs, commercial spaces
Non-Conventional Energy	-	$4 billion	up from $3.76B	Solar and renewables

Top Global Partners

Singapore continued as India's dominant FDI partner, contributing 30% of total inflows, followed by Mauritius (17%) and the United States (11%). This underscores the strategic importance of India's ties with these key investment partners and sustained investor confidence despite global volatility.

Sectoral Highlights and Trends

- Services Sector: $9.35 billion in FDI equity, 40.77% growth over the previous year.
- Manufacturing: $19.04 billion in inflow, 18% annual growth, bolstered by government initiatives.
- Computer Software & Hardware: 16% share of FDI equity inflows.
- Trading, Telecommunications, Automobile, Construction Development, Non-Conventional Energy: All posted notable gains, while infrastructure and pharmaceuticals saw a mild dip in FDI.

Policy & Regulatory Ecosystem

- Most sectors—except a few strategic ones—are open to 100% FDI via the automatic route (i.e., no government approval required).
- Union Budget 2025 raised the FDI cap in insurance from 74% to 100%.
- Liberalized norms in defense, telecom, oil & gas, insurance and digital industries.
- Ease of Doing Business (EoDB) reforms: India's Jan Vishwas Act, 2023, decriminalized 183 provisions to reduce compliance burden; future reforms (Jan Vishwas 2.0) are planned.
- States ranked on business friendliness—new "Investment Friendliness Index" announced to foster competitive, pro-investment environments.

Related Economic Factors

- Net FDI: Despite gross inflows rising, net FDI was sharply lower due to high capital repatriation and robust exits by foreign investors, attributed to booming returns from Indian IPOs and increased investment overseas by Indian corporates.
- Outlook: India moved to 15th place globally for FDI inflows and remains the 2nd worldwide in greenfield project announcements. Infrastructure, digital growth and policy stability underpin the positive trend.

Why Does FDI Matter?

- Capital for startups and MSMEs
- Job creation and technology/skills transfer
- Boosts manufacturing ("Make in India"), services and green infrastructure
- Strengthens forex reserves and the rupee
- Enhances industrial supply chains and global integration

Conclusion

India's record FDI inflows in FY25 are underpinned by:

- Sectoral diversity—robust growth in services, manufacturing and technology
- Successive reforms and a liberal regulatory climate
- Continued surge in partner country investments

These capital inflows solidify India's role as a premier global investment hub, driving innovation, job growth and long-term economic transformation, even as volatility in net FDI and global economic uncertainty persist.

India's Stock Market Adds $1 Trillion Since March, Leads Global Gains

In a remarkable run that has captured the attention of global investors and analysts alike, India's equity market has achieved a historic feat—adding nearly $1 trillion in market capitalisation since March 2025. This surge has not only propelled the combined value of all listed companies to $5.33 trillion but also solidified India's position as one of the world's strongest-performing stock markets this year.

The Surge: Unpacking the Numbers

Since March, India's total market cap has soared by 21%, marking the highest percentage and absolute growth among the world's top ten equity markets. The benchmark indices, BSE Sensex and Nifty50, have rallied an impressive 12.5% and 13.5%, respectively, during this period. Even more striking, the BSE MidCap and SmallCap indices outperformed the large caps, notching gains of 20.7% and 26%. This broad-based rally signals that both top-tier and emerging companies are participating in the market's ascent.

Global Context: Outpacing Major Markets

While markets worldwide have largely been buoyed by optimism surrounding artificial intelligence, policy stability and easing interest rate expectations in select economies, India's equity market has set itself apart. For context, Germany, the world's sixth -largest equity market, gained $450 billion in market cap, while Canada and Hong Kong posted increases of $360 billion and $325 billion, respectively. In contrast, the United States — the largest equity market — grew by around 7% in USD terms over the same period, despite massive rallies in its technology sector.

India's rapid capitalisation expansion now places it firmly as the world's fifth largest equity market, having recently overtaken Hong Kong and closing ground on long-time giants like Japan and the United Kingdom.

Key Drivers: Policy, Economy and Sentiment

Experts point to a blend of policy continuity, economic resilience and robust corporate earnings as primary catalysts for the market's rally. The positive sentiment around the newly elected government in early June 2025 further fuelled investor confidence. Additionally, expectations of reforms aimed at boosting manufacturing, infrastructure and digitalisation have drawn fres foreign and domestic investments.

"India's growth trajectory remains compelling due to its strong demographic dividend, resilient macro fundamentals and continued government focus on infrastructure and technology," says Anjali Mehta, Senior Economist at Axis Investments.

Participation: Beyond the Blue Chips

Significantly, the current market boom is not confined to traditional blue-chip stocks. Broader participation by midcap and smallcap companies highlights growing investor appetite for diverse opportunities and reflects the deepening and broadening of India's capital markets. These sectors are being buoyed by structural reforms, surging credit growth and a vibrant domestic investor community.

Cautions Ahead: Valuation Stretch and Earnings

Despite the record-breaking market cap gains, market strategists urge investors to exercise caution. The extraordinary rally has driven India's valuations to "historical highs." According to analysts, these levels may not be easily justified unless supported by strong future earnings growth. Indeed, since the market's surge, consensus earnings forecasts for FY26 and FY27 have been revised downward for many companies, particularly in capital-intensive and consumption-linked sectors.

"Current valuations leave little room for disappointment. Investors should be prepared for near-term volatility as the market consolidates these gains, especially if earnings growth does not catch up," notes Rahul Sharma, Portfolio Manager at DSP Mutual Fund.

Looking Forward: India's Place in Global Portfolios

India's outsized performance continues to attract foreign institutional investors, even as global funds face macroeconomic uncertainty and volatility across other emerging markets. With its expanding role in global benchmarks and indices, India's share of global equity portfolios is likely to climb further.

The future, however, will depend largely on sustained earnings momentum, the government's ability to deliver on reform promises and global macroeconomic factors including US Federal Reserve policy, energy prices and geopolitical developments.

Final Word

The addition of $1 trillion to India's market cap in just a few months is a testament to investor faith in the country's economic story and equity markets. While the path ahead may bring bouts of volatility, India's market has made it clear: it is a force to be reckoned with—and global investors are taking note.

IPO Pipeline & Market Trends

India's IPO Market Set to Surge with ₹1.4 Lakh Crore Pipeline in 2025

Strong Revival of India's IPO Market

After a brief slowdown in March and April 2025, India's IPO (Initial Public Offering) market is witnessing a powerful resurgence. Over 150 companies are now in 'DRHP-ready' status, preparing to file their Draft Red Herring Prospectus with SEBI. Merchant bankers expect IPO filings to potentially double in the next five to six months, signaling a highly active and vibrant market ahead. The total estimated value of this pipeline stands at ₹1.4 lakh crore, reflecting India's expanding role in global capital markets and the increasing confidence of investors.

Sectoral Diversity and Key Players Preparing to List

The upcoming wave of IPOs is characterized by both high-profile names and broad sectoral representation. The mix includes large-cap, mid-cap and SME (Small and Medium Enterprises) companies, spanning financial services, renewable energy, technology, hospitality, consumer goods and more.

Financial Services

- NSDL (National Securities Depository Limited): A critical pillar of India's financial infrastructure, NSDL is planning a ₹3,000 crore IPO. Its listing is highly anticipated due to its central role in the securities market.
- HDB Financial Services: A subsidiary of HDFC Bank, HDB has launched a ₹12,500 crore IPO, driven by RBI regulations requiring "Upper Layer" NBFCs to go public.
- Hero FinCorp: Backed by Hero MotoCorp and ChrysCapital, Hero FinCorp has SEBI approval for a ₹3,668 crore IPO, which includes a ₹2,100 crore fresh issue and a ₹1,568 crore offer for sale.
- Credila Financial Services: Another NBFC gearing up for an IPO, reflecting the sector's regulatory-driven momentum.

Renewable Energy and Industrials

- Vikram Solar: The renewable energy company is preparing a ₹1,500 crore IPO, highlighting the growing importance of green energy in India's capital markets.
- SMPP Limited: A defense equipment manufacturer planning a ₹4,000 crore IPO, signaling increased investor interest in India's defense and manufacturing sectors.

Technology and Startups

- Hexaware Technologies: Having raised ₹8,750 crore earlier in 2025, Hexaware exemplifies the strong demand for technology and IT services.
- Startups: At least 20 startups are actively preparing for IPOs, demonstrating the maturity of India's startup ecosystem and investor appetite for innovative businesses.

Hospitality, Travel and Consumer Goods

- Travel Food Services: Expected to raise ₹2,000 crore, this IPO reflects the revival of the travel and hospitality sectors post-pandemic.
- Brigade Hotel Ventures: Planning a ₹900 crore IPO, further diversifying the hospitality and real estate segments.

SME Segment

The SME IPO market remains vibrant, with 69 IPOs raising ₹3,050 crore in the first five months of 2025. These companies come from diverse sectors including textiles, IT and manufacturing.

Recent IPO Performance and Market Sentiment

IPO Activity and Listing Gains

- Mainboard IPOs: Thirteen mainboard IPOs have been listed in the first five months of 2025, collectively raising ₹21,258.74 crore. While four IPOs experienced negative listing returns, the average listing gain across all mainboard IPOs was a healthy 15%.
- SME IPOs: Of 69 SME IPOs, 28 debuted below their issue price, but the overall average listing gain stood at 11%.
- Investor Interest: Retail investors continue to demonstrate strong enthusiasm, with mainboard IPOs oversubscribed on average 35 times by retail investors and 102 times by qualified institutional buyers (QIBs) in FY25.

Foreign and Domestic Investment Trends

- Foreign Portfolio Investors (FPIs): FPIs have adopted a more selective approach in 2025, focusing on new-age tech companies with strong fundamentals. Although overall FPI inflows into IPOs are lower than in the previous year, activity picked up in May, especially in the technology and fintech sectors.
- Domestic Institutional Investors: Domestic mutual funds and other institutional investors have been net buyers, injecting ₹49,108 crore in May compared to ₹18,063 crore in April, reflecting growing confidence in the equity markets.

Market Dynamics

- The first quarter of 2025 was marked by volatility and a slowdown in IPO activity, with a complete halt in March and April. However, the market rebounded strongly in May and June, supported by renewed investor interest and a packed IPO calendar.
- The average IPO size in 2025 has nearly doubled compared to the previous year, indicating a shift towards larger, more established companies seeking public listings.

Upcoming IPOs in July 2025

July 2025 is expected to be a landmark month for IPO activity, with over half a dozen mainboard IPOs anticipated to raise between ₹8,000 and ₹10,000 crore. The pipeline includes well-known companies with strong fundamentals, attracting interest from both retail and institutional investors.

Key upcoming IPOs include:

- NSDL: ₹3,000 crore
- Travel Food Services: ₹2,000 crore
- SMPP Limited: ₹4,000 crore
- Avanse Financial Services: Another notable financial sector IPO

Alongside mainboard offerings, SME IPOs continue to provide a diverse range of investment opportunities across various industries.

Factors Driving the IPO Surge Economic and Regulatory Catalysts

- Robust Economic Growth: India's strong GDP growth and improving corporate profitability are underpinning investor optimism.
- Retail Investor Participation: Record numbers of new demat accounts and sustained retail interest are supporting larger and more frequent IPOs.
- Sectoral Diversity: The pipeline spans traditional sectors such as financial services and manufacturing, as well as emerging sectors like renewable energy and technology, ensuring broad investor appeal.

Key Sectoral Activity and Upcoming Listings

Sector	Notable Companies / Trends	Issue Size / Notes
Financial Services	NSDL, HDB Financial, Hero FinCorp, Credila Financial Services	NSDL: ₹3,000 crore; HDB Financial: ₹12,500 crore; Hero FinCorp: ₹3,668 crore
Renewable Energy	Vikram Solar	₹1,500 crore; focus on solar modules and EPC
Hospitality / Travel	Travel Food Services, Brigade Hotel Ventures	Travel Food: ₹2,000 crore; Brigade: ₹900 crore
SME Segment	Diverse sectors (textiles, IT, manufacturing, etc.)	69 SME IPOs YTD; ₹3,050 crore raised

- Financial Services: This sector leads the pipeline, with HDB Financial Services with a ₹12,500 crore IPO (₹2,500 crore fresh issue and ₹10,000 crore OFS by HDFC Bank) and NSDL targeting a ₹3,000 crore issue. Hero FinCorp and Credila Financial Services have also received SEBI approval, reflecting the sector's regulatory-driven listing momentum and investor interest.
- Renewable Energy: Vikram Solar, approved for a ₹1,500 crore IPO, highlights the growing prominence of green energy in the capital markets.
- Technology/IT: Tech and digital-first companies continue to attract strong demand, with several large and mid-sized tech firms in the pipeline.
- Hospitality/Travel: Travel Food Services and Brigade Hotel Ventures represent the revival of hospitality and travel sectors, buoyed by post-pandemic recovery.
- SME Segment: The SME IPO market remains vibrant, with a diverse range of companies tapping the public markets.

Record Pipeline and Fundraising Potential

- As of June 2025, 72 companies have SEBI clearance for IPOs, representing a potential fundraising of ₹1.4 lakh crore. An additional 68 companies are awaiting approval, targeting another ₹94,000 crore, bringing the total potential to ₹2.35 lakh crore across 140 companies.

- The pipeline includes marquee names such as Reliance Jio, LG Electronics India, Zepto and Ather Energy, indicating that sectoral diversity will remain a hallmark of the market in the coming quarters.

Market Sentiment and Investor Trends

- Retail and Institutional Participation: Robust retail oversubscription and selective but strong FPI interest, especially in new-age and tech-driven businesses, are driving demand.

- Listing Performance: Despite some negative listings, average gains for mainboard IPOs remain healthy and SME IPOs continue to attract significant interest.

- Regulatory Drivers: RBI's mandate for NBFC listings and SEBI's swift approvals are accelerating the pace and scale of IPO activity.

Conclusion

India's IPO market is poised for a historic surge in activity in the second half of 2025, driven by a record ₹1.4 lakh crore pipeline and over 150 companies preparing to go public. The market is witnessing broad sectoral participation, with financial services, renewable energy, technology, hospitality and SMEs leading the way. Strong retail participation and selective foreign institutional interest further bolster market confidence.

- As the IPO calendar fills up and investor sentiment strengthens, both retail and institutional investors have unprecedented opportunities to participate in India's growth story. The coming months are set to be a defining period for India's capital markets, reinforcing the country's position as a global leader in IPO activity.

30-Day IPO Calendar Snapshot (June 2025)

India's IPO market is set for a busy stretch, with a mix of prominent mainboard issues and vibrant SME offerings scheduled over the next 30 days. The period is characterized by large, well-known companies as well as a steady pipeline of smaller enterprises tapping public markets. Below is a detailed snapshot of the upcoming IPO landscape, including confirmed and anticipated issues, their estimated sizes and sectoral highlights.

Major Mainboard IPOs

Company Name	Open Date	Close Date	Issue Size (₹ Cr)	Sector/Notes
Indogulf Cropsciences Ltd	26 June	30 June	₹ 200	Agrochemicals
Kalpataru Projects International	24 June	26 June	₹1,590	Infrastructure/ Construction
Ellenbarrie Industrial Gases Ltd	24 June	26 June	₹852.53	Industrial Gases
Globe Civil Projects Ltd	24 June	26 June	₹119.00	Infrastructure/ Construction
HDB Financial Services Ltd	24 June	27 June	₹12,500	Financial Services
Sambhv Steel Tubes Ltd	24 June	27 June	₹540.15	Steel/Manufacturing
Arisinfra Solutions Ltd	18 June	20 June	₹499.6	Infrastructure
Oswal Pumps Ltd	13 June	17 June	₹1,387	Industrial/ Manufacturing

Noteworthy SME IPOs

Company Name	Open Date	Close Date	Issue Size (₹ Cr)	Sector/Notes
Safe Enterprises Retail Fixtures	20 June	24 June	₹ 161.13 Cr	SME/Retail Fixtures
Monolithisch India	12 June	16 June	₹ 82.02 Cr	SME/Construction
Sacheerome	9 June	11 June	₹ 58.53 Cr	SME/Fragrance & Aroma
Influx Healthtech	18 June	20 June	₹ 55.63 Cr	SME/Healthcare
Jainik Power and Cables	10 June	12 June	₹ 48.72 Cr	SME/Power & Cables
Aten Papers & Foam	13 June	17 June	₹ 30.09 Crr	SME/Paper & Packaging
Mayasheel Ventures	20 June	24 June	₹ 25.92 Cr	SME/Services
Eppeltone Engineers	17 June	19 June	₹ 41.75 Cr	SME/Engineering
Patil Automation	16 June	18 June	₹ 66.10 Cr	SME/Automation
Suntech Infra Solutions	25 June	27 June	₹ 42.16 Cr	SME/Infrastructure
Ace Alpha Tech	26 June	30 June	₹ 30.40 Cr	SME/Technology
PRO FX Tech	26 June	30 June	₹ 38.21 Cr	SME/Technology
Moving Media Entertainment	26 June	30 June	₹ 32.91 Cr	SME/Media & Entertainment

Key Observations for Mid-July 2025

- Large Fundraising Expected: Over ₹8,000–10,000 crore is anticipated to be raised from mainboard IPOs alone in early July, led by NSDL, SMPP Limited and Travel Food Services.
- SME Activity: The SME segment remains active, with a steady flow of listings across healthcare, engineering, automation and more.
- Sectoral Breadth: The calendar features a strong mix of financial services, infrastructure, defense, hospitality, manufacturing and technology companies.
- Market Sentiment: Many IPOs in June are from established companies with solid fundamentals, expected to attract both institutional and retail investors.
- Upcoming Big Names: While some large IPOs like Hero Fincorp and Vikram Solar have not yet finalized dates, they are expected to launch soon, adding to the market's momentum.

IPO Performers

Best Performing IPOs(June 2025)

Company Name	Listing Date	Issue Size (₹ Cr)	Profit/Loss	Category
Monolithisch India Ltd	19 Jun	₹82.02	112.48%	SME
Eppeltone Engineers Ltd	24 Jun	₹43.96	82.85%	SME
Patil Automation Ltd	23 Jun	₹69.61	65.71%	SME
Sacheerome Ltd	16 Jun	₹61.62	54.85%	SME
Prostarm Info Systems Ltd	3 Jun	₹168	45.19%	SME
Scoda Tubes Ltd	4 Jun	₹147	39.43%	SME
Influx Healthtech Ltd	25 Jun	₹220	33.70%	SME
Mayasheel Ventures Ltd	27 Jun	₹27.28	29.04%	SME
Safe Enterprises Retail Fixtures	27 Jun	₹169.74	26.63%	SME
Blue Water Logistics Ltd	3 Jun	₹40.50	17.19%	SME
Neptune Petrochemicals Ltd	Jun 4, 2025	₹73.20	16.72%	SME
Oswal Pumps Ltd	Jun 20, 2025	₹1,387.34	9.69%	Mainboard
Astonea Labs Ltd	Jun 3, 2025	₹37.67	8.19%	SME
Aegis Vopak Terminals Ltd	Jun 2, 2025	₹2,800	3.74%	Mainboard

Top 10 IPOs by Issue Size(June 2025)

Company Name	Issue Size (₹ Cr)	Date of Listing	Category
HDB Financial Services Limited	₹12,500.00	Jul 02, 2025	Mainboard
Kalpataru Limited	₹1,590.00	Jul 01, 2025	Mainboard
Oswal Pumps Limited	₹1,387.34	Jun 20, 2025	Mainboard
Ellenbarrie Industrial Gases Limited	₹852.53	Jul 01, 2025	Mainboard
Sambhv Steel Tubes Limited	₹540.15	Jul 02, 2025	Mainboard
Arisinfra Solutions Limited	₹499.6	Jun 25, 2025	Mainboard
Indogulf Cropsciences Limited	₹200	Jul 3, 2025	Mainboard
Safe Enterprises Retail Fixtures Ltd	₹161.13	Jun 27, 2025	SME
Monolithisch India Limited	₹82.02	Jun 19, 2025	SME
Influx Healthtech Limited	₹55.63	Jun 25, 2025	SME

Top 10 IPOs by Listing Gains(June 2025)

Company Name	Listed On	Issue Size (₹ Cr)	Listing Day Gain (%)	Category
Eppeltone Engineers Limited	Tue, Jun 24, 2025	₹43.96	99.49%	SME
Monolithisch India Limited	Thu, Jun 19, 2025	₹82.02	70%	SME
Sacheerome Limited	Mon, Jun 16, 2025	₹61.62	57.40%	SME
Patil Automation Limited	Mon, Jun 23, 2025	₹69.61	35.62%	SME
Influx Healthtech Limited	Wed, Jun 25, 2025	₹58.57	31.46%	SME
Mayasheel Ventures Limited	Fri, Jun 27, 2025	₹27.28	29.57%	SME
Prostarm Info Systems Limited	Tue, Jun 3, 2025	₹168	20%	SME
Safe Enterprises Retail Fixtures	Fri, Jun 27, 2025	₹169.74	14.89%	SME
Ganga Bath Fittings Limited	Wed, Jun 11, 2025	₹32.65	14.39%	SME
Neptune Petrochemicals Limited	Wed, Jun 4, 2025	₹73.20	14.22%	SME

Comparative Trends: US, EU and Asian IPOs (2024–2025)

US IPO Market

- ♦ The US regained its position as the world's top market for IPO proceeds in 2024, overtaking China for the first time in years, even though India led in the number of deals by volume.
- ♦ Q1 2025 marked the third-strongest US IPO market performance for any first quarter in history, with proceeds outpacing all other regions despite a stock market correction in March.
- ♦ Foreign issuers, especially from China, Hong Kong, Singapore and Europe, drove a surge in US IPO activity. 58% of US IPOs in Q1 2025 were cross-border listings, a near-record high.
- ♦ Sectors like Technology, Media, Telecom (TMT) and Health/Life Sciences led US IPO activity.
- ♦ Private equity-backed IPOs remained strong, while venture capital-backed deals became more cautious amid market uncertainty.
- ♦ US IPOs in 2025 showed a higher proportion of profitable companies on debut, reflecting investor preference for financial robustness.

European IPO Market

- ♦ Europe's IPO activity stabilized in early 2025, with a steady number of launches but a decline in total funds raised (down 60% from Q4 2024).
- ♦ The average age of European companies going public has more than doubled since 2021, indicating a trend toward more mature, established firms seeking listings.
- ♦ Regulatory reforms, such as the EU Listing Act and new public-private funds for SMEs, have improved conditions for IPOs, but economic and geopolitical uncertainty continues to weigh on the market.
- ♦ Larger European firms still often prefer to list on US exchanges, drawn by higher valuations and deeper capital pools.
- ♦ Turkey stood out with a 20-year high in IPO volume and value, while the Middle East and India contributed significantly to EMEIA (Europe, Middle East, India, Africa) proceeds.
- ♦ The UK's IPO market remains challenged, but regulatory reforms aim to revitalize activity.

Asian IPO Market

- Asia-Pacific recaptured the lead in IPO volume for two consecutive quarters through Q1 2025, reflecting a recovery in activity.
- Hong Kong saw a robust recovery, with a surge in mainland Chinese companies seeking listings there amid ongoing US-China tensions.
- South Korea achieved its highest Q1 IPO count in over 20 years, second only to Q1 2021.
- Mainland China's IPO activity remained subdued due to domestic economic headwinds and stricter regulatory measures aimed at enhancing IPO quality.
- India consolidated its position as the most active IPO hub globally by volume, helping to offset slowdowns elsewhere in Asia.
- ASEAN and Japan had high rates of IPOs with positive first-day returns, though overall market enthusiasm was more moderate compared to the US and India.

Key Comparative Insights

Region	2024–2025 IPO Volume	2024–2025 IPO Proceeds	Notable Trends	Cross-Border Activity
US	Moderate	Highest globally	Foreign issuers, AI-driven enthusiasm and mature firms	58% of IPOs cross-border
Europe	Stable	Declined (esp. Q1 2025)	Older, established firms and regulatory reforms	Many large listings go to the US
Asia-Pacific	Highest (by volume)	Mixed (India strong)	India leads in deals, Hong Kong rebound, China subdued	HK attracts mainland firms

Thematic Trends

- Globalization: US exchanges are increasingly favored by large European and Asian firms for IPOs, driven by higher valuations and liquidity.
- Sector Focus: TMT and Health/Life Sciences dominate globally, especially in the US.
- Investor Caution: There is a clear investor preference for profitable, financially robust IPO candidates across regions.
- Regulatory Influence: Reforms in Europe and Asia are shaping IPO pipelines, while US markets benefit from business-friendly policies.
- Geopolitical Impact: US-China tensions are redirecting Chinese listings to Hong Kong and US markets, while trade barriers and macro uncertainty affect Europe and Latin America.

Conclusion

- The US leads in IPO proceeds, driven by foreign issuers and sectoral strength, despite not having the highest deal count.
- Europe is stabilizing with more mature companies going public and regulatory improvements, but it faces economic headwinds.
- Asia-Pacific leads in IPO volume, with India and Hong Kong as bright spots, while mainland China's activity lags due to economic and regulatory factors.
- Cross-border listings, especially in the US and Hong Kong, are at record highs, reflecting the global nature of capital markets and shifting investor appetites.

Recent Impact of Geopolitics on Investor Sentiment (Mid-2025)

IPO Market Under Pressure from Geopolitical Tensions

- As of June 2025, global IPO activity has slumped, with total volume down about 9.3% year-on-year to $44.3 billion, the lowest level in nine years. This decline is widely attributed to heightened geopolitical risks, especially the imposition of new tariffs and ongoing market volatility, which have directly weighed on investor sentiment and risk appetite.

- The US IPO market, after a brief slowdown caused by tariff threats from the Trump administration in April, is showing signs of revival. Notable debuts like Chime, Circle and Core Weave have sparked renewed optimism, but the broader environment remains cautious due to persistent policy uncertainty and trade tensions.

- In Asia, Chinese mainland IPOs are subject to stricter regulatory scrutiny aimed at improving quality, while Hong Kong has reclaimed a leading position in global IPO proceeds, partly due to "mega" listings. However, overall global enthusiasm is muted and companies are under pressure to demonstrate financial strength and innovation to attract investors.

Investor Behavior and Selectivity

- Despite a rise in the proportion of profitable IPOs, particularly in the US and India, investor enthusiasm has not matched previous highs. Market participants are increasingly selective, favoring companies with robust financials and clear paths to value creation.

- The integration of advanced technologies, especially artificial intelligence, is becoming a key differentiator for IPO candidates, as investors seek growth stories resilient to geopolitical and economic shocks.

- Only the US and Chinese mainland have seen an increase in median first-day IPO returns, while other regions have experienced declines, highlighting a selective resilience rather than broad-based confidence.

Sectoral and Regional Divergence

- Sectors perceived as less vulnerable to tariffs and global disruptions such as fintech, healthcare, AI and energy are outperforming, while those exposed to cross-border supply chains or regulatory headwinds are lagging.

- US IPOs have rebounded sharply in June, with a robust pipeline for the remainder of 2025, but this optimism is tempered by the risk of further policy shifts and trade actions.

- In China and Hong Kong, policy support for strategic sectors (like automotive and technology) is helping sustain IPO activity, yet the broader market is still grappling with the effects of global fragmentation and regulatory tightening.

Summary

Geopolitical developments in 2025, especially tariffs, regulatory changes and policy uncertainty, are exerting significant downward pressure on global IPO activity and investor sentiment. While certain sectors and regions are showing resilience, the overall mood remains cautious, with investors prioritizing financial solidity, innovation and adaptability to a rapidly shifting global landscape.


SUCCESS STORIES
&
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Company of the Month: Nazara Technologies

Gaming Its Way to IPO Glory

The Indian Gaming Trailblazer Goes Public

In a country where gaming was once seen as a mere pastime, Nazara Technologies emerged as a pioneer, transforming play into business and entertainment into opportunity. Founded in 1999 by Nitish Mittersain, the company began as a mobile gaming platform when most of India was still on dial-up internet. Over two decades, Nazara evolved into a diversified gaming and sports media powerhouse, one that dared to enter uncharted territory: the Indian stock market.

In March 2021, Nazara became the first Indian gaming company to be publicly listed. Its IPO was a landmark moment—not just for the company, but for the Indian digital ecosystem. The IPO was oversubscribed 175 times, a testament to how the market had started taking gaming seriously.

This month, we feature **Nazara Technologies** as our Company of the Month, not only for its financial evolution but also for how it has redefined the credibility of India's gaming industry before and after its IPO.

Founding Years and Strategic Focus: Building the Gaming Empire

Nazara Technologies started in a one-room office in Mumbai with a bold idea—to tap into India's youth and mobile-first population through gaming. Nitish Mittersain, a first-generation entrepreneur and gaming enthusiast, knew that India's digital entertainment future would be driven by interactive content, not just television or print.

What made Nazara's early strategy successful was its **localization of global gaming concepts**. It partnered with international developers and adapted games to Indian tastes and languages, years before "Make in India" became a buzzword. This localization-first model helped Nazara capture Tier II and Tier III audiences, often underserved by global gaming giants.

Over time, Nazara evolved into a **diversified gaming and sports media platform**, operating in four major verticals:

- ♦ Gamified Learning (Kiddopia)
- ♦ Esports (Nodwin Gaming)
- ♦ Mobile Gaming (Nextwave, Paper Boat Apps)
- ♦ Interactive Sports Media (Sportskeeda, Pro Football Network)

By the time it filed its IPO documents, Nazara had established a solid portfolio of digital-first brands, had been profitable for multiple years and held no long-term debt, a rarity in the startup world.

IPO & Market Journey: India's First Gaming IPO

Nazara Technologies launched its ₹583 crore IPO in March 2021 as a 100% Offer for Sale (OFS) allowing early investors like IIFL and the late Rakesh Jhunjhunwala to partially exit. Interestingly, the company did not issue any fresh shares, highlighting that this wasn't about raising working capital, but a strategic market positioning exercise.

Why the IPO?

- ♦ Credibility: Being listed legitimized Nazara's business in the eyes of investors, regulators and international partners.
- ♦ Visibility: It became India's most talked-about tech IPO in a non-fintech domain.
- ♦ Liquidity: It provided an exit path to early investors while keeping the growth engine running.

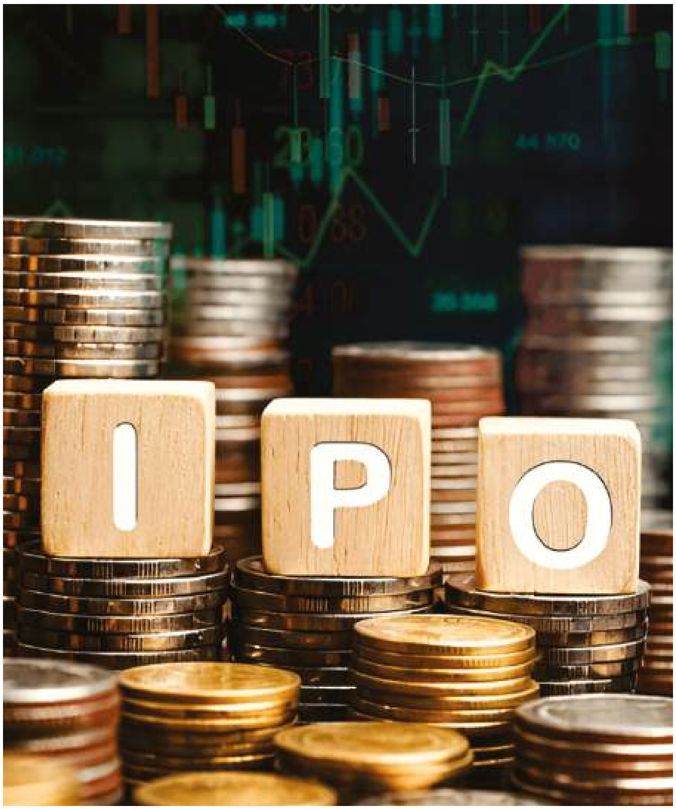
Nazara's IPO was oversubscribed 175x, with massive participation from retail and institutional investors. It became a case study of how an OFS-led tech IPO could still generate market frenzy, provided the fundamentals were sound.

Stock Performance Snapshot (as of June 2025)

- ♦ Market Capitalization: ₹11,600–₹11,675 crore
- ♦ P/E Ratio: 187x (trailing twelve months)

- ♦ ROE: 2.57%
- ♦ Debt Status: No significant long-term debt was reported; Nazara remains asset-light.
- ♦ Promoter Holding: 8.78%

Nazara Technologies' market valuation has more than doubled since 2024, reflecting robust institutional faith despite small-cap volatility. A P/E ratio of over 140x signals strong optimism about long-term growth, while the company's asset-light structure and minimal debt provide agility for both organic and inorganic expansion. The promoter holding remains lean, supporting Nazara's positioning as a professionally managed, widely held digital entertainment leader.



Post-IPO Transformation: A Company Rebooted

Going public had a dramatic impact on Nazara operationally, financially and culturally.

1. Corporate Governance and Transparency

With SEBI compliance, board upgrades and quarterly disclosures, Nazara evolved from a founder-driven company into a professionally governed enterprise. Its Board now includes seasoned veterans from the media, finance and consumer tech sectors.

2. Fueling M&A Ambitions

Post-IPO, Nazara accelerated its acquisition strategy, taking majority or strategic stakes in:

- Datawrkz (Adtech)
- Pro Football Network (US-based sports content)
- WildWorks (US gaming firm)

The IPO gave it currency in the form of equity and brand stature, making acquisitions easier and more competitive.

3. Investor Confidence and Long-Term Backing

Post-IPO, Nazara saw interest from both retail and institutional investors. Its inclusion in Nifty Smallcap indices and coverage by top brokerages cemented its place as a mainstream stock. It moved from a startup ecosystem darling to a trusted digital stock, favored by long-term investors.

4. Operational Scale

With new capital flexibility and institutional oversight, Nazara doubled down on unit-level profitability and operational efficiency. It transitioned from multiple founder-led subsidiaries to a consolidated, synergized business unit model, improving both revenue tracking and resource optimization.

Financial Highlights: IPO as a Catalyst, Not a Crutch

Nazara's financial story is a rarity in Indian tech IPOs; it was profitable even before going public. That alone gave it a valuation edge.

FY 2024–25 Financials:

Metric	Value
Revenue	₹1,623.9 crore+
Net Profit	₹50.9 crore+
EBITDA Margin	~9.4% overall
Cash Reserves	₹298.85+
ROCE	3.20%

Even during post-COVID slowdowns, the company maintained strong growth due to its diversified revenue mix and global footprint. With Kiddopia's US subscription base and Nodwin's esports reach in Asia, Nazara is hedged against single-market dependency.

Innovation, Culture & The Road Ahead

Nazara is now gearing up for its next chapter, Web3 gaming, international expansion and platform integration.

Innovation Focus:

♦ Web3 & Blockchain-based games

♦ AI-based user retention in mobile games

♦ Creator economy integration via game streaming

♦ Edtech + gamification in K-12 through Kiddopia

Its in-house innovation team is also working on AI-based ad optimization and predictive analytics for game monetization.

ESG & CSR:

Nazara has also begun reporting ESG metrics, focusing on:

♦ Digital well-being for kids

♦ Diversity in gaming content

♦ Support for indie developers through mentoring programs

Key Challenges Ahead:

♦ Monetization pressure in mobile games

♦ Rising competition from global gaming firms entering India

♦ Content regulation and age-appropriate compliance

♦ Fragmented revenue across subsidiaries

Yet, the company is confident that its brand-first, IP-driven model will continue to help it scale responsibly.

Investor Verdict: Small Cap with Big Vision

Nazara remains a long-term digital bet for those seeking exposure to India's interactive entertainment market. Its diversified verticals, M&A strategy and global-first approach set it apart from smaller gaming startups.

Why Investors Are Bullish:

♦ Profitable since before listing

♦ Strong brand-backed franchises

♦ M&A-led scale without high burn

♦ India's only pure-play listed gaming company

♦ Visionary leadership with a strategic global mindset

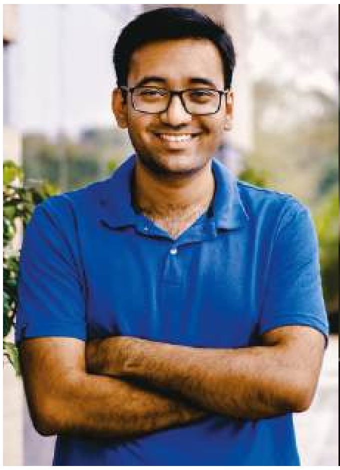
Final Thoughts

Nazara's IPO was not a finish line; it was the start of a new league. It brought credibility to Indian gaming, confidence to retail investors and a blueprint for future tech IPOs in underrepresented sectors.

Today, Nazara is not just a gaming company; it's a flagbearer of India's soft power in digital entertainment. And with its eyes set on global domination, the game has only just begun.

Founder of the Month

Tarun Mehta & Swapnil Jain



Sparking India's EV Revolution with Ather Energy

In the race to build a cleaner, smarter India, few names shine as brightly as Tarun Mehta and Swapnil Jain, the co-founders of Ather Energy. What began as a college idea from two IIT Madras grads has now become one of the most exciting and disruptive electric vehicle (EV) startups in the country, redefining how India rides into the future.

From Campus Curiosity to EV Pioneers

Back in 2013, while most of their batchmates were looking at corporate jobs, Mehta and Jain had one bold question in mind:

"Why doesn't India have a world-class electric scooter yet?"

What started as a pet project in their IIT Madras labs became a mission. Their aim? Build a high-performance electric scooter designed ground up in India—hardware, software and ecosystem included.

After securing early support from the IIT Madras incubation cell and seed investment from Flipkart founders Sachin and Binny Bansal, the Ather 450X was born. Unlike the clunky e-scooters of the past, the Ather scooter was sleek, powerful and connected, featuring touchscreen dashboards, over-the-air updates and stunning acceleration.

Data Highlights: Ather's Growth Story

Financial Metric	Fy23	Fy24	Fy25
Revenue from Operations	₹1,754 crore	₹2,255 crore	₹2,305 crore
EBITDA Margin	-36.00%	-23%	Improved by 1,300 bps to (23%)
PAT (Profit After Tax)	-₹1,060 crore	-₹1,060 crore	-₹812 crore
Market Share (Electric 2W India)	~15%	~15%	13.30%
Total Vehicles Sold	1,09,577	1,55,394	1,55,394
Experience Centres (Pan-India)	—	—	351
Adjusted Gross Margin	—	—	18% (Q4FY25)

What Makes Ather Different?

While global giants like Ola Electric and Bajaj jumped on the EV bandwagon later, Ather stood out by building its tech from scratch. From its proprietary battery packs to its smart dashboard interface and connected mobile app, every part of the product reflects Mehta and Jain's deep focus on engineering, performance and design.

Their vertically integrated model—manufacturing, software, after-sales service and even the Ather Grid charging network—gives the brand tight control over customer experience.

As Tarun Mehta puts it:
"We never set out to build just a scooter. We wanted to redefine how India thinks about mobility."

The IPO That's Charging Up

With Ather's strong market presence, investor buzz is building around its potential IPO in 2025–26. The company has already converted from a private limited firm to a public limited one—a key step toward listing.

Backed by big names like Hero MotoCorp, Tiger Global and GIC, Ather's IPO would be a landmark moment in India's clean mobility shift.

Backed by big names like Hero MotoCorp, Tiger Global and GIC, Ather's IPO would be a landmark moment in India's clean mobility shift.

Here's why the public market is excited:

EV Sector Momentum: India's EV penetration is expected to hit 30% by 2030, creating tailwinds for homegrown brands.

Robust Infrastructure: Ather's Hosur factory can scale to produce over 4 lakh scooters annually.

Strong Ecosystem Play: With Ather Grid and OTA updates, it's building a recurring revenue model through subscriptions and services.

Operational Discipline: Despite rapid scale, Ather has focused on unit economics, margin improvement and data-driven expansion.

Challenges & Competitors: The road hasn't been without bumps. From component shortages to pricing wars with Ola Electric and TVS, Ather has had to defend its premium positioning in a price-sensitive market.

But instead of entering discount wars, the founders stayed committed to quality, knowing that India's growing urban middle class would pay for performance and smart tech.

R&D Focus: Innovation as DNA: Ather's investment in R&D has paid off in spades. It launched its battery management system, predictive diagnostics platform and now even plans to introduce mid-range models under a new brand.

With over 80 patents filed, Ather is not just assembling vehicles—it's building IP that could power the future of smart mobility in India and beyond.

People-Centric Leadership: Both Tarun and Swapnil are known for their engineering-first leadership style. Tarun, the face of the brand, is often seen engaging with customers online, taking feedback and even responding to bugs personally. Swapnil, the tech architect, focuses on innovation and internal systems.

Their shared vision has created a company culture that attracts top-tier talent—from design engineers to supply chain experts—who believe in the long game.

Lessons from Ather's Journey

Start with a Big Pain Point: The lack of aspirational electric scooters was Ather's entry wedge.

Own the Tech Stack: Hardware + software integration gives better customer control and margins.

Build the Ecosystem: Charging infrastructure, service network and connected features turn one-time buyers into long-term users.

Don't Race to the Bottom: Premium positioning can thrive in India if backed by performance and brand trust.

Stay Mission-Driven: Mehta and Jain's climate and tech-first approach resonates with the new generation of urban Indian buyers.

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What's Next for Ather Energy?

Ather is now eyeing international expansion, fleet partnerships and battery-as-a-service models. The upcoming IPO could supercharge these ambitions, bringing in capital to scale R&D, expand manufacturing and grow their customer base multifold.

Final Word

In a country accelerating toward green mobility, Ather Energy stands as a testament to what happens when bold vision meets deep engineering.

Tarun Mehta and Swapnil Jain didn't just build an EV—they built an ecosystem, a brand and a movement. And as the IPO buzz builds, one thing is clear: India's EV future won't be driven—it'll be Ather-powered.

India IPO 25 Under 40: Young Founders Likely to Go Public in 2025

India's startup ecosystem is set for a record-breaking year in 2025, with at least 25 new age companies expected to go public. Many of these are helmed by founders under 40, reflecting the rise of a new generation of wealth creators and innovators.

Key Young Founders & Startups Likely to Go Public in 2025

Below is a list of prominent startups expected to IPO in 2025, led or co-led by founders under 40, based on industry reports and market trackers:

Startup	Company Name	Notable Young Founder(s)	Details on IPO/Founder Age
Zepto	Quick Commerce	Aadit Palicha, Kaivalya Vohra	Both founders are under 25; Zepto is one of the fastest-growing quick commerce startups in India, targeting a 2025 IPO.
boAt	Consumer Electronics	Aman Gupta, Sameer Mehta	Aman Gupta is under 40; boAt is eyeing a ₹2,000 Cr IPO in 2025.
Physics Wallah	Edtech	Alakh Pandey	Alakh Pandey is under 40; Physics Wallah has finalized bankers for a 2025 IPO.
Captain Fresh	B2B Seafood	Utham Gowda	Utham Gowda is under 40; Captain Fresh is backed by marquee investors and prepping for IPO.
Cardekho	Auto Tech	Amit Jain, Anurag Jain	Both under 40; Cardekho is a leading auto tech platform set for IPO.
Bluestone	Online Jewelry	Gaurav Singh Kushwaha	Under 40; Bluestone is a major online jewelry retailer with IPO plans.
Smartworks	Coworking	Neetish Sarda	Under 40, Smartworks has received SEBI approval for its IPO.
IndiQube	Coworking	Rishi Das, Meghna Agarwal	Both under 40; IPO greenlit for 2025.
Ullu Digital	OTT Platform	Vibhu Agarwal, Megha Agarwal	Both under 40; Ullu Digital filed for IPO in 2024, listing expected in 2025.

Startup	Company Name	Notable Young Founder(s)	Details on IPO/Founder Age
Zappfresh	Meat Delivery	Deepanshu Manchanda	Under 40; Zappfresh is among the new-age consumer brands eyeing IPO.
Innoviti	Fintech	Rajeev Agrawal	Under 40; Innoviti is a digital payments company prepping for IPO.
Ather Energy	EV Mobility	Tarun Mehta, Swapnil Jain	Both under 40; Ather is a leading electric scooter startup.
Fractal	AI/Analytics	Srikanth Velamakanni, Pranay Agrawal	Both under 40; Fractal is a major AI and analytics player.
DevX	Coworking	Parth Shah, Umesh Uttamchandani	Both under 40; DevX is a fast-growing coworking startup.
PayU	Fintech	Anirban Mukherjee	Under 40; PayU is a leading payments company.
Pine Labs	Fintech	Amrish Rau	Under 40; Pine Labs is a major POS and fintech player.
OfBusiness	B2B Commerce	Asish Mohapatra, Ruchi Kalra	Both under 40; OfBusiness is a B2B commerce unicorn.
Shadowfax	Logistics	Abhishek Bansal, Vaibhav Khandelwal	Both under 40; Shadowfax is a logistics leader.
Zetwerk	Manufacturing	Amrit Acharya, Vishal Chaudhary	Both under 40; Zetwerk is a manufacturing unicorn.
Infra.Market	Construction Tech	Souvik Sengupta, Aaditya Sharda	Both under 40; Infra. The market is transforming construction supply chains.

Note: Ages are based on public information and recent media profiles. Some founders may have crossed 40 in 2025 but were under 40 at the time of founding or during the company's growth phase.

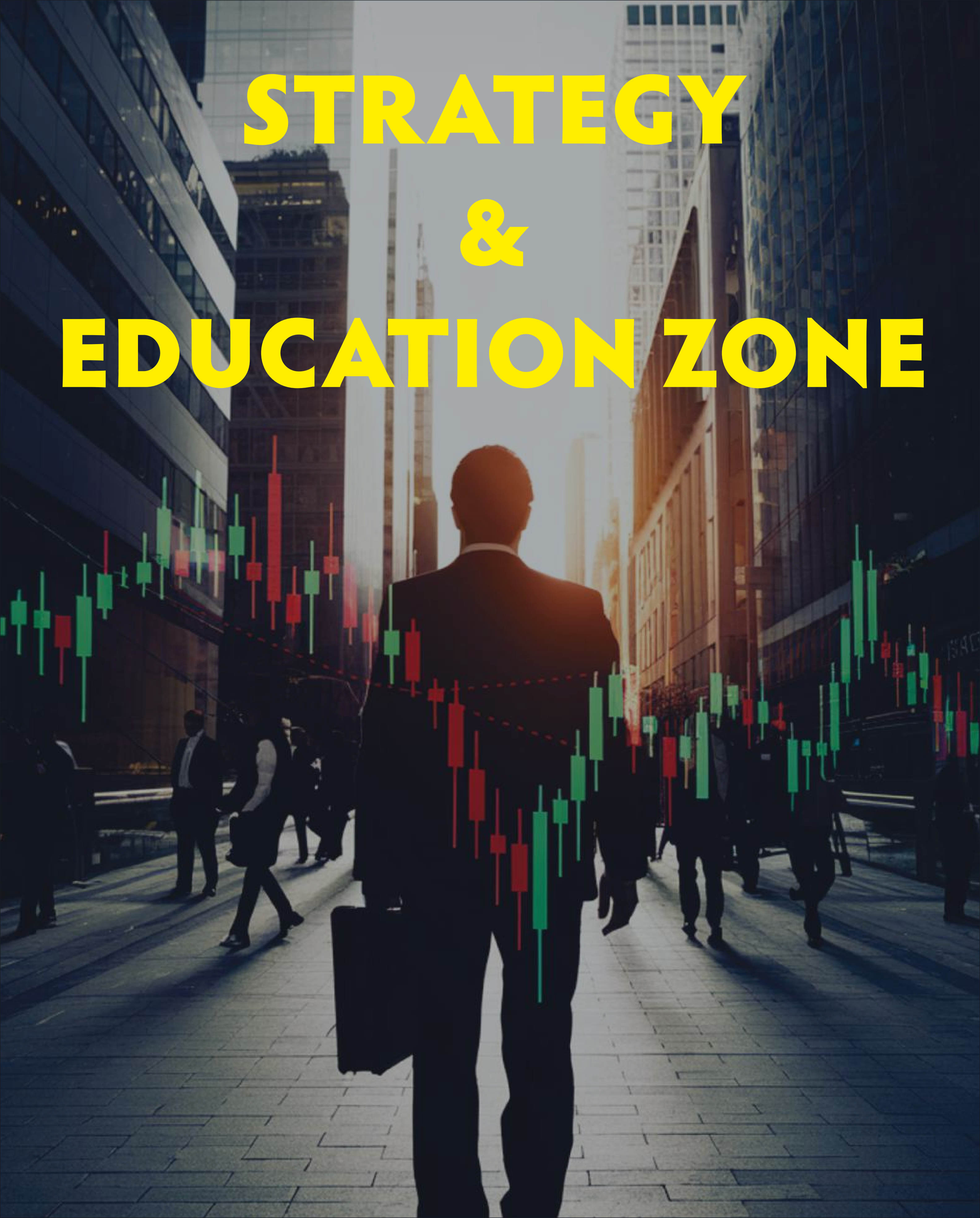
Other Noteworthy Young Founders and Trends

Nikhil Kamath (Zerodha): While Zerodha is not planning an IPO, Kamath is a prominent under-40 icon and is supporting new founders with initiatives like WT Fund.

The surge in IPOs is driven by strong public market demand, improved startup profitability and a maturing ecosystem that rewards young, innovative founders.

Summary

2025 is set to be a landmark year for young Indian founders, with at least 25 startups led by under-40 entrepreneurs preparing to go public. Sectors range from fintech and edtech to quick commerce and manufacturing, reflecting the diversity and ambition of India's next-gen business leaders.


STRATEGY
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Bootstrapping vs External Funding: Which Path to Choose?

In the world of startups, the choice between bootstrapping and external funding is not just a financial decision; it's a strategic one that shapes the future of a company. Whether you're a founder preparing for your first investor pitch or considering taking your business public, understanding the nuances of each funding path is crucial.

While unicorn headlines often spotlight record-breaking funding rounds, some of the most resilient and innovative companies have emerged through self-funded grit. So, which path is right for your startup? Let's unpack the fundamentals, explore real-world implications and help you chart the best course.

The Bootstrapping Route: Building on Your Terms

Bootstrapping refers to launching and growing a business using only personal savings, internal revenue and operational efficiency, with little to no external capital.

Pros of Bootstrapping

1. Full Control & Ownership

The most significant upside is that founders retain 100% equity. There's no board to answer to, no pressure from investors pushing aggressive growth and no dilution of control.

2. Financial Discipline & Focus

With limited capital, founders are forced to prioritize profitability and operational efficiency from day one. This often results in stronger unit economics and a more sustainable business model.

3. Authentic Growth

Bootstrapped startups grow organically, usually through actual market demand rather than artificial growth fueled by investor money. This keeps customer feedback central to the product roadmap.

Cons of Bootstrapping

1. Slower Growth
Without the injection of external capital, scaling can be slow and resource-constrained. Competitors with access to VC funding might outpace a bootstrapped startup in marketing, hiring or tech development.

2. High Personal Risk
Self-funding often means tapping into personal savings or going into debt. This puts significant financial and emotional strain on founders, especially if returns take years to materialize.

3. Limited Network and Mentorship
Venture capitalists and angel investors often bring more than money—they offer valuable industry connections, strategic advice and credibility. Bootstrappers may miss out on this network.

The External Funding Route: Scaling With Investor Support

External funding can come in the form of angel investments, venture capital (VC), private equity or even crowdfunding. It's a faster track, but it comes with strings attached.

Pros of External Funding

1. Rapid Scalability
With significant capital upfront, startups can accelerate product development, expand quickly into new markets and acquire customers at scale.

2. Strategic Guidance and Networks
Investors often bring deep industry experience, operational know-how and access to high-level contacts—resources that can supercharge a startup's trajectory.

3. Increased Visibility and Credibility
Securing high-profile investors often boosts media attention and trust in the eyes of future customers, partners and acquirers.

Cons of External Funding

1. Dilution of Ownership and Control
Accepting outside capital means giving up a piece of your company—and sometimes, a piece of your vision. Investors may push for strategies that align more with ROI than founder values.

2. Pressure to Exit
VCs typically invest with the expectation of a large exit within a specific time frame. This can mean prioritizing growth over long-term sustainability or even forcing an IPO or acquisition earlier than the founder might prefer.

3. Potential for Misalignment
Not all investors are created equal. A mismatch in expectations or values can lead to tension, especially when the business hits rough waters.

Real-World Case Studies: Two Diverging Paths

Bootstrapped Success: Zoho – Profitable, Private and Proudly Indians

The Approach

Founded in 1996 by Sridhar Vembu, Zoho is a shining example of a company that chose to bootstrap from day one. Headquartered in Chennai (and later with operations moved to a rural village in Tamil Nadu), Zoho never raised external funding, even as global competitors like Salesforce raised billions.

The Benefits

- Total Ownership: Zoho has remained privately owned, giving it the flexibility to prioritize innovation over short-term profits or IPO timelines.
- Strong Culture & Talent Development: By building its engineering college (Zoho Schools), it reduced hiring costs and fostered loyalty
- Consistent Profitability: With over 100 million users and 50+ products, Zoho generates over ₹5,000 crore in annual revenue, all self-sustained.

Key Takeaway: In India, where venture capital isn't always readily available for every sector or region, Zoho proved that you can build a global SaaS giant with no external help and still compete internationally.

VC-Backed Success: OYO – Blitzscaling with Investor Fuel

The Approach

Founded by Ritesh Agarwal in 2013, OYO Rooms rapidly scaled from a budget hotel aggregator in India to a global hospitality brand, powered by aggressive VC funding. Backed by investors like SoftBank, Sequoia and Lightspeed, OYO raised over $3 billion in capital.

The Benefits

- Rapid Expansion: In just a few years, OYO expanded into over 80 countries, including China, the U.S. and Europe, something that would have been impossible without venture capital.
- Brand Building at Scale: Capital helped OYO invest in tech, marketing and supply chain, building a strong brand in a fragmented hospitality sector.
- IPO Aspirations: Though its IPO plans have faced delays, its scale and funding have kept it in the public spotlight as one of India's most watched startups.

Key Takeaway: In capital-intensive industries like real estate and hospitality, external funding enables market capture at speed, especially in first-mover scenarios.

How to Choose the Right Path

Assess Your Market and Business Model

If your product requires heavy upfront investment (e.g., biotech, SaaS), external funding may be essential. For lean, service-oriented businesses, bootstrapping might suffice.

Know Your Appetite for Risk and Control

Ask yourself: Are you willing to trade equity for speed? Do you want a say in every major decision? Your tolerance for risk and control will shape the best funding path.

Consider Long-Term Goals

Do you envision a fast exit, a public listing or a legacy business passed down through generations? Align your funding strategy with your ultimate objective.

Final Thoughts: There's No One-Size-Fits-All Answer

Bootstrapping and external funding are not mutually exclusive. Many successful startups bootstrap to proof-of-concept, then raise capital when they're in a stronger position. Others go straight for VC to conquer time-sensitive markets. The key is intentionality.

At IPO World, we believe every founder should build with clarity, not just about product-market fit, but also about capital fit.

Whether you're the next Zoho or the next OYO, the road to IPO starts with choosing the right kind of fuel for your journey.

Preparing for an IPO: The Roadmap to Going Public

Going public is more than a financial milestone—it's a transformational journey that tests the maturity, resilience and transparency of a business. For Indian companies dreaming of their ticker on the NSE or BSE, the IPO process is both an opportunity and an audit of everything built so far.

Whether you're a high-growth startup, a legacy enterprise or a PE-backed player planning an exit, the roadmap to an IPO must be planned meticulously, step by step. Here's a deep dive into what it takes to go public in India.

Strategic Readiness: Is Your Company IPO-Worthy?

Before diving into filings and regulatory prep, founders and boards must ask: Why go public now? And more importantly, **are we ready?**

Checklist for Strategic Readiness:

- ♦ Proven Business Model with stable revenues and a clear path to profitability.
- ♦ Scalable Systems across operations, finance and compliance.
- ♦ Robust Governance with an independent board and internal controls.
- ♦ Market Timing & Valuation Potential

Example: Zomato took 13 years from founding to IPO in 2021, ensuring its food delivery business was backed by solid consumer traction and a compelling growth story, even if not profitable yet.

Internal Preparation: Building the Foundation

Going public demands a corporate structure that can withstand public scrutiny.

Steps to Prepare Internally:

- ♦ Strengthen the Leadership Bench: Appoint independent directors and professionalize the C-suite.
- ♦ Audit and Clean-Up Finances: Ensure 3+ years of audited financial statements under Indian Accounting Standards (Ind AS).
- ♦ Corporate Governance: Align with SEBI's listing norms, including risk management and board committees.
- ♦ Equity Structuring: Address ESOPs, shareholding patterns and cap table clarity.

Example: Nykaa (FSN E-Commerce Ventures) made significant internal changes ahead of its 2021 IPO, like reorganizing its holding structure, strengthening its board and refining its financial reporting systems.

Due Diligence: Scrutiny at Every Levells

Due diligence is a deep dive audit conducted by investment bankers, lawyers and auditors. Every contract, customer, asset and legal claim is reviewed under the lens of potential investor scrutiny.

Types of Due Diligence:

- Financial: Audit trails, revenue recognition, tax compliance
- Legal: Litigation, IPR ownership, employment contracts
- Operational: Business continuity, vendor dependencies
- Regulatory: Licenses, sector-specific norms (esp. for fintech, healthcare, etc.)

Example: Paytm's IPO in 2021 faced close investor scrutiny due to its losses and business model complexities. The due diligence process helped it refine disclosures and structure its DRHP accordingly.

Compliance & Regulatory Filings: Navigating SEBI & ROC

This is the most structured and legally sensitive part of the IPO journey.

Key Regulatory Steps:

- Appoint Merchant Bankers (Book Running Lead Managers)
- File Draft Red Herring Prospectus (DRHP) with SEBI
- SEBI Review and Comments: Typically takes 30–75 days
- Stock Exchange Approvals (BSE/NSE)
- Final RHP Filing and announcement of price band
- Public Issue Launch, bidding window opens
- Allotment & Listing

Companies must also comply with the Companies Act, SEBI ICDR Regulations and post-issue listing obligations.

Example: LIC's IPO—the largest in Indian history underwent one of the most complex DRHP and compliance processes due to its sheer scale, government ownership and public interest.

IPO Timeline: How Long Does It Take?

Stage	Time Required
Internal Readiness & Audits	3–6 months
DRHP Preparation & Filing	1–2 months
SEBI Review & Revisions	2–3 months
Marketing (Roadshows, Investor Calls)	1–2 months
Final RHP, Issue Launch & Listing	3–4 weeks

Total time from preparation to listing: 9–12 months,
assuming no regulatory hurdles.

Marketing the IPO: Investor Education & Brand Storytelling

Once SEBI gives the green light, companies begin their roadshows—meeting institutional investors, analysts and media to build excitement and trust.

Tips for Successful IPO Marketing:

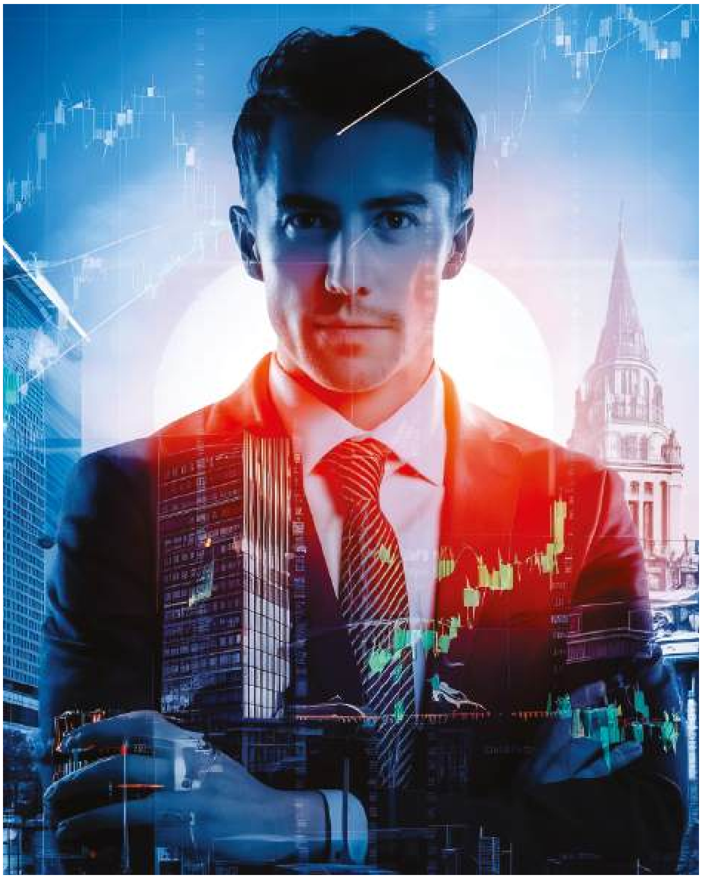
♦ Simplify your business model for a wide investor base.

♦ Emphasize growth potential and competitive edge.

♦ Address the profitability outlook with transparency.

♦ Engage retail investors through digital and financial media.

Example: Delhivery used strong storytelling and roadshows to position itself as India's leading logistics tech company, attracting a robust institutional investor base.



Post-IPO: The Real Work Begins

A successful listing isn't the end; it's the beginning of your life as a public company. You're now answerable to shareholders, analysts and regulators.

Post-IPO Responsibilities Include:

♦ Quarterly earnings reports

♦ Disclosure of material events

♦ Insider trading and corporate governance norms

♦ Shareholder communication and AGMs

Example: Tata Technologies, after its 2023 IPO, swiftly focused on compliance, earnings visibility and analyst engagement to maintain post-listing momentum.

Conclusion: IPO Readiness is a Discipline, Not a Deadline

Going public is not a sprint to liquidity; it's a marathon that tests every aspect of your business, from financial accuracy to leadership maturity. Companies that invest time in governance, compliance, storytelling and systems will not only sail through the IPO process—they'll thrive afterward.

Whether you're aiming to be the next Zerodha (when they choose to go public) or replicate the scale of Infosys, remember: The IPO is not a destination. It's a launchpad.

Term of the Month: What is RHP? (Red Herring Prospectus)

Why this oddly named document is the cornerstone of every IPO.

If you've ever browsed through IPO announcements, you've likely come across the term Red Herring Prospectus (RHP) and perhaps wondered what fish have to do with finance.

Despite its peculiar name, the RHP is a critical legal and financial document filed by any company planning to go public. It's the master guide for potential investors, laying out the company's business model, financials, risks and growth outlook and everything you need to know before going public.

The Fishy Origin

A red herring is a type of smoked fish, typically herring that has been cured with salt and heavily smoked, giving it a strong smell and a reddish color. In 17th-century England, this pungent fish was used to train hunting dogs: trainers would drag it across a trail to test the dogs' ability to stay on the correct scent. Because the smell was so overpowering, it would often distract the dogs from the real trail. Over time, the term "red herring" came to symbolize misdirection or distraction.

How It Became a Financial Term

In the early days of U.S. securities regulation, companies filing to go public would release a preliminary prospectus with a large disclaimer in red ink across the cover.

That warning stated:
"This document contains information that is subject to change. It is not complete and may be amended."

Because of that prominent red warning, the document itself came to be called the "Red Herring Prospectus," even though the fish had nothing to do with finance.

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The name stuck.
In the IPO (Initial Public Offering) process, a Red Herring Prospectus (RHP) is a preliminary document filed with the market regulator (like SEBI in India) when a company plans to go public. It includes most of the vital information about the business, its financials and the IPO except for the final price and number of shares offered.

Why is it called "red herring"?

Because this document may distract from the final details, it gives you the big picture but not the full story yet. Like the smoked fish, it's a signal but not the complete trail.

As a Promoter, What Is the RHP to You?

Think of the RHP as your business biography, pitch deck and compliance dossier all in one. Once filed, it's in the public domain. Investors, analysts, regulators and competitors all read it.

As a promoter, you can't afford to treat it like paperwork; it needs to be a reflection of your company's credibility, clarity and potential.

What Goes Into an RHP (And Why It Matters to You)?

The main things included in a Red Herring Prospectus (RHP) are:

Company Overview and Business Operations

This section provides detailed information about the company's history, mission, vision, business model and operations. It outlines the products and services offered, the size of operations and the principles driving the business.

Industry and Sector Overview

The RHP includes a macroeconomic view of the industry and sector in which the company operates, covering growth drivers, opportunities, challenges, competition and trends.

Financial Information

It contains historical financial data such as audited income statements, balance sheets and cash flow statements. This helps investors evaluate the company's financial health, profitability and growth potential.

IPO Details (Tentative)

The RHP outlines the IPO specifics such as the issue size and price band (minimum and maximum price range). However, it does not disclose the final offer price or the exact number of shares being issued, which are revealed later in the final prospectus.

Management and Promoter Information

Details about the company's promoters, directors, major shareholders, their backgrounds and their roles in the company are included to give insights into the people behind the business.

Objectives of the IPO

The RHP explains the reasons for launching the IPO and how the company plans to use the funds raised through the offering.

Risk Factors

It highlights potential risks associated with investing in the company, including industry-specific risks and broader economic factors that could impact performance.

Legal and Regulatory Disclosures

The document includes disclosures such as under-writing agreements, legal opinions, promotion expenses and compliance with regulatory requirements mandated by SEBI to protect investors.

In summary, the RHP is a comprehensive preliminary document that provides investors with essential information about the company's business, financials, industry context, IPO plans, management and risks, but excludes the final pricing and exact share quantity details until the final prospectus stage.

DRHP Vs RHP: Major Difference

Aspect	DRHP (Draft Red Herring Prospectus)	RHP (Red Herring Prospectus)
Stage in IPO Process	Preliminary document filed with SEBI before IPO launch	Finalized document filed after SEBI approval, before IPO launch
Purpose	To provide initial information about the company for regulatory review and investor feedback	To provide comprehensive information to investors for making informed decisions
Details Included	Business overview, financials, risk factors, but excludes final pricing and number of shares	Includes updated business details, financials, risk factors and IPO specifics like issue size and price band (but not final price)
Regulatory Status	Filed for SEBI review and comments; not yet approved for public subscription	Approved by SEBI, ready for public release and subscription
Investor Use	Helps investors assess company fundamentals and potential risks early on	Helps investors evaluate the investment opportunity with more complete information
Marketing Activities	Limited, primarily for regulatory feedback and initial market sentiment	Used actively in roadshows and investor presentations to generate interest
Final Offer Details	Does not contain the final offer price or the exact share allocation	Contains the price band and issue size but final allotment details come later

When Do You File the RHP?

The RHP is filed after SEBI has reviewed and cleared your Draft Red Herring Prospectus (DRHP). By this stage, you've already addressed comments from regulators and bankers.

The RHP:

- Includes the price band and number of shares offered
- It is filed a few weeks before the IPO opens.
- Launches your roadshows and investor conversations

Founder's Insight: How to Approach the RHP Strategically

As a business leader, here's how you should lead the RHP process—not just sign off on it:

Be Involved in the Storytelling

Don't leave it entirely to lawyers and bankers. Work with your IR and legal teams to ensure the RHP reflects your business vision accurately.

Review the Risk Section Personally

Many founders overlook this, but what you list as risks is binding post-IPO. Ensure these are comprehensive but balanced, not alarmist.

Train Your Leadership Team

Once the RHP is filed, expect media attention and investor scrutiny. Your CFO, CTO and COO must be aligned on numbers, metrics and narratives.

Prevent Questions

Whatever is in your RHP will form the basis of every analyst's question. Ensure financial data is reconciled, customer metrics are defined and no ambiguity exists.

Bottom Line for Founders: RHP is Your First Impression on the Street

As you prepare your company for IPO, remember this:

“The RHP isn't just a document. It's you handshake with the public markets.”

It's the first real look investors get at your leadership, integrity and readiness to be a public company. Get it right and you build lasting trust. Get it wrong and recovery can be expensive if not impossible.

Mistakes Founders Still Make

Navigating IPO Pitfalls in 2025 and Beyond

In India's increasingly mature IPO landscape, where over ₹2.8 lakh crore worth of public issues are in the pipeline, one would assume that founders have mastered the art of IPO preparation. And yet, time and again, we see promising companies stumble at the final stretch—sometimes missing the window, sometimes facing regulatory hurdles and occasionally, watching their IPO dreams fade entirely.

This article dissects the most common and costly mistakes founders still make in 2025, despite the abundance of advisors, consultants and market data. If you're a startup promoter, SME owner or CFO preparing to go public, consider this your must-read checklist.

1. Valuation Missteps: The Ego Premium

In a bull market, confidence often blurs into overconfidence. Founders, especially those with media attention or marquee backers, frequently chase valuation targets that are detached from business fundamentals.

What We're Seeing in 2025:

Several DRHPs this year were pulled back or stalled at the SEBI review stage due to unjustifiable revenue multiples and EBITDA forecasts. One notable fintech withdrew its ₹3,500 crore IPO in Q1 2025 after institutional investors balked at its 38x revenue valuation—nearly double the sector median.

Why It Happens:

Founders often benchmark against global comps (e.g., Stripe, Shopify) instead of India- specific peers with local realities. In the SME space, many overstate growth projections without a working capital plan to back them up.

Consultant's Take:

“Your valuation isn't what you think you're worth—it's what the market believes you're ready to deliver,” says a leading merchant banker in Mumbai.

What To Do:

- ♦ Anchor your valuation in audited financials, not future sentiment.
- ♦ Back growth assumptions with clear demand drivers.
- ♦ Offer room for post-listing upside.

2. The DRHP Blind Spot: Cutting Corners in Disclosure

For many founders, the DRHP (Draft Red Herring Prospectus) is just a legal milestone, a hurdle to be outsourced. This mindset has proven fatal.

What's Going Wrong:

Inconsistent financial disclosures, vague related party transactions and missing clarity on the use of funds are the biggest red flags raised by SEBI in 2025.

Case in Point:

A mid-sized logistics player faced delays afterr inconsistencies were found in capex declarations and vendor transactions. It was flagged for revision twice, losing crucial weeks in an already time-sensitive market window.

What It Signals to Investors:

If a company isn't meticulous in its disclosures before listing, how will it behave once public? Governance and clarity are not compliance boxes they are investor trust signals.

How to Fix It:

- Write the DRHP like a story investors can trust.
- Be honest about risks—regulatory, operational or otherwise.
- Get a dry-run review done by an external legal and investment team before filing.

3. Governance Gaps: Delayed, Denied or Dysfunctional

Many SMEs and startups operate with informal governance structures. But the moment you file a DRHP, your boardroom becomes public territory.

What Founders Still Get Wrong:

- No independent directors are appointed till the post-filing.
- Conflicts of interest with family-run operations.
- Related party deals without third-party benchmarking.
- Inadequate internal audit systems.

2025 Regulatory Shift:

SEBI's amended LODR norms now apply even to SME-listed companies that meet certain net worth or share capital thresholds.
Non-compliance delays listing and triggers public scrutiny.

The Strategic Opportunity:

Good governance isn't a burden. It's your brand's shield. Independent directors bring credibility. Structured audits prevent post-IPO chaos.

Checklist for Readiness:

- Is your board majority non-executive?
- Do you have an Audit, Nomination & Remuneration Committee?
- Are board minutes and ESOP plans transparent and documented?

4. Post-Listing Planning: Missing the Bigger Picture

An IPO isn't an exit—it's an entry into permanent scrutiny. Yet, many founders spend months obsessing over pre-listing valuation and roadshows and very little time thinking about what happens after Day 1.

Common Oversights:

- No investor relations plan
- Poor communication post-listing
- No tracking of compliance dates
- Excessive promoter offloading soon after listing

Long-Term Consequences:

Falling share prices, reduced liquidity, erosion of investor trust and missed expansion milestones. Several 2023–24 IPOs have underperformed due to exactly this pattern.

Smart Founder Playbook:

- Build a post-IPO capital deployment roadmap.
- Appoint a full-time compliance officer or CS with capital markets experience.
- Hold quarterly earnings calls—even if not mandatory (for SMEs).

5. Poor Advisor Coordination: Everyone Working in Silos

Lawyers, investment bankers, CS firms, merchant bankers and rating agencies—your IPO team is large. But coordination is often poor. Founders assume someone else is “handling it."

What It Leads To:

- Document gaps and misaligned numbers
- Delays in regulatory queries
- Duplication of effort and billing overruns

Solution:

Founders must play the role of a conductor, ensuring harmony across the orchestra.
Use a project management approach:

- Weekly sync calls
- Task trackers for filings
- A single-point in-house coordinator (often CFO or CS)

Final Thoughts: The Market Has Memory

The IPO market in 2025 is smarter, more selective and regulation-heavy. A poorly prepared DRHP or opaque governance trail doesn't just cost you one listing—it affects future attempts, investor perception and even PE funding.

The founders who succeed today are not just visionaries; they're disciplined operators. They embrace transparency, respect compliance and build with public trust in mind.

Because in the world of IPOs, the question is not “Can you raise?”—it's “Can you last?”

IPO Myths Busted: Vol. 2

"SMEs Can't List Without Profit" — and 4 More Myths Still Holding Founders Back

In Edition 1 of IPO World, we debunked some of the biggest IPO myths, from "founders becoming crorepatis overnight" to the idea that only large tech companies can go public. But as we engaged with hundreds of SMEs, startup founders and IPO consultants over the past quarter, we discovered new myths emerging, especially among those planning their first IPO in 2025.

These myths are more operational, more SME-specific and often rooted in half-understood SEBI rules, peer stories or outdated advisor advice.

Let's bust five of the most dangerous myths still circulating in India's IPO ecosystem today.

Myth 1: "SMEs must be profitable to list."

Reality: Not necessarily.

While profitability is an advantage, SEBI and exchange frameworks allow companies to list even without consistent profits, especially on SME platforms like BSE SME and NSE Emerge.

Instead of pure profitability, you can qualify based on:

- ♦ Net tangible assets and net worth thresholds
- ♦ Track record of operations
- ♦ Issue structure (book-building vs fixed price)
- ♦ Having a market maker and a proper merchant banker backing

Example: In 2025, multiple pre-profit companies in renewable tech and pharma have filed DRHPs. They leveraged future potential and market readiness, not just PAT margins.

Tip: Focus on clean books, scalability and governance readiness—not just last year's profit.

Myth 2: "DRHPs are legal paperwork, not storytelling tools."

Reality: The DRHP is your company's first public impression.

Founders often treat the DRHP as a compliance document to be written by lawyers or bankers. But savvy investors read it for clues about the founder's mindset, company strategy and internal controls.

Common Mistakes:

♦ Copy-pasted risk factors

♦ Ambiguous use-of-funds sections

♦ Track record of operations

Example: A consumer electronics SME saw its DRHP returned twice in early 2025 due to contradictory figures across sections and missed its market window entirely.

Tip: Treat your DRHP like a pitch + audit + brand story, combined. Your credibility starts here.

Myth 3: "Only trending sectors attract investor demand."

Reality: Strong execution matters more than flashy sectors.

Many founders assume that unless they're in tech, EV, D2C or SaaS, investors won't be interested. In 2025, that couldn't be further from the truth.

Success Stories This Year:

♦ Steel component SMEs with 3x oversubscription.

♦ Eco-friendly dye makers with 40% listing gains.

♦ Regional logistics players with clean balance sheets.

Example: Arunaya Organics (eco-friendly dyes) and Dar Credit & Capital (retail lending) both saw strong oversubscription and healthy listing gains.

Tip: Investors chase execution, governance and margin visibility not just hashtags.

Myth 4: "Going public is just about raising capital."

Reality: IPOs are a strategic transformation, not just a fundraiser.

Founders who go in thinking they'll "just raise funds and continue as usual" are often unprepared for what comes after:

♦ Institutional shareholder scrutiny

♦ Quarterly reporting

♦ Governance discipline

♦ Shareholder communication expectations

Case Example: Several 2024 SME listings saw post-IPO confusion due to poor investor relations or a lack of post-issue strategy. One logistics firm lost 22% in market cap in 3 months due to inconsistent disclosures.

Tip: Build your IPO strategy for 3 years, not just the listing day.

Myth 5: "IPO teams handle everything. Founders just approve."

Reality: Founders must be actively involved throughout the IPO journey.

This myth is especially risky in the SME space, where founders tend to trust their CS, CA or banker blindly. Without founder-led coordination, the IPO process often suffers from:

♦ Inconsistent data across filings

♦ Missed SEBI query deadlines

♦ Strategic miscommunication with investors

Tip: Run your IPO like a project:

♦ Weekly update meetings

♦ Shared calendars across legal, banking and finance teams

♦ Founder review of all critical documents

The founder is the chief storyteller, compliance driver and brand face—no one else can substitute that role.

Final Words:

In today's market, IPO readiness is not just financial—it's mindset and systems readiness.

These myths persist because the IPO world still feels intimidating, legal-heavy and inaccessible. But as India's SME ecosystem grows bolder and bourses become more inclusive, it's time to separate fear from fact.

At IPO World, we'll keep busting these myths because behind every myth busted is a business finally ready to rise.

TOOLKIT & RESOURCE ZONE

Jargon Buster – A to Z of IPO Terms

In the previous edition of the Jargon Buster series, we covered IPO terminology starting from A, B and some parts of C as well. This edition is an extension of the same, starting from C to covering D.

Company Secretary

Definition & Regulatory Context:

A Company Secretary (CS) is a qualified professional governed by the Institute of Company Secretaries of India (ICSI) and recognized under the Companies Act, 2013 as one of the Key Managerial Personnel (KMP) of a company. In listed entities, the Company Secretary plays a vital role in ensuring compliance with legal, statutory and regulatory requirements, particularly under SEBI (LODR) Regulations and the Companies Act.

Role in Corporate & Listing Compliance:

The Company Secretary acts as the compliance backbone of the organization, facilitating coordination between the board of directors, regulatory authorities, shareholders and internal management. Key duties include:

- Ensuring timely filing of statutory returns and disclosures with the Registrar of Companies (RoC) and SEBI.
- Convening and recording minutes of board and general meetings.
- Maintaining statutory registers and records.
- Coordinating with merchant bankers, legal counsel, auditors and regulators during IPO and corporate actions.

In IPO Context:

The CS ensures the timely filing of the Draft Red Herring Prospectus (DRHP), Red Herring Prospectus (RHP) and other offer documents. They also monitor the compliance of listing obligations post-IPO, such as disclosures, investor communications and corporate governance requirements.

Compliance Officer

Definition:

A Compliance Officer is a designated senior official in a listed entity responsible for monitoring and ensuring that the company adheres to all regulatory and legal obligations. As per SEBI (LODR) Regulations, every listed company must appoint a Compliance Officer, who is typically a qualified Company Secretary.

Regulatory Functions:

- Acts as a nodal officer for all communications with stock exchanges and SEBI.
- Oversees adherence to SEBI regulations, insider trading rules and code of conduct.
- Ensures investor grievances are redressed efficiently through SEBI's SCORES portal.
- Maintains a compliance calendar and ensures on-time filings, disclosures and event-based reporting.

Relevance in IPO & Post-Listing Stage:

The Compliance Officer ensures that all disclosures in the offer documents are accurate and timely. Post-listing, they monitor compliance with LODR norms, including quarterly financial results, board composition, related party transactions and other continuous disclosure obligations.

Corporate Actions Compliance

Definition & Scope:

Corporate action compliance refers to the statutory and procedural adherence that companies must follow while executing financial or strategic decisions that impact their capital structure, such as dividends, bonus issues, rights offerings, buybacks, mergers, or demergers.

Regulatory Framework:

These actions are governed by the Companies Act, SEBI (LODR) Regulations, 2015 and circulars issued by stock exchanges.

Examples of Corporate Actions:

- Dividends: Interim/final payouts declared to shareholders.
- Bonus Shares: Additional shares issued from reserves.
- Rights Issue: Offer of shares to existing shareholders in proportion to their holdings.
- Buybacks: Repurchase of shares by the company.
- Amalgamations & Mergers: Structural changes requiring shareholder and regulatory approvals.

Compliance Requirements:

- Board and shareholder resolutions.
- Timely intimation to stock exchanges and SEBI.
- Record date/fixation and publication in newspapers.
- Coordination with depositories and RTA (Registrar & Transfer Agent).

Failure to comply can attract penalties and lead to reputational damage.

Corporate Governance Norms

Definition & Objective:

Corporate Governance Norms are a set of rules, practices and processes by which companies are directed and controlled. The objective is to ensure accountability, transparency and integrity in a company's dealings with its stakeholders.

Regulatory Framework:

Corporate governance standards are enforced through:

- SEBI (LODR) Regulations, 2015
- Companies Act, 2013
- Clause 49 (repealed but served as the foundation)

Key Norms for Listed Entities:

- Board Composition: Minimum number of independent directors, presence of a woman director and separation of roles of CEO or Chairperson.
- Committees: Formation of Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee.

- Disclosures: Quarterly financials, related party transactions, shareholding patterns, voting results, etc.

- Ethics & Transparency: Code of conduct, whistleblower policy, insider trading policies.

Impact:

Effective governance improves investor confidence, facilitates capital raising and reduces the risk of corporate fraud or regulatory penalties.

Dilution

Definition:

Dilution refers to the reduction in an existing shareholder's ownership percentage in a company due to the issuance of new shares. This commonly occurs during public offerings, rights issues, conversion of convertible instruments, or ESOP allotments.

Types of Dilution:

- Equity Dilution: Issuing new shares decreases existing shareholders' percentage ownership.

- Earnings Dilution: If the new capital doesn't enhance profits proportionately, earnings per share (EPS) may decline.

Common Causes:

- Initial Public Offerings (IPOs)
- Follow-on Public Offerings (FPOs)
- Private placements
- Convertible instruments (debentures, preference shares, warrants)

Investor Consideration:

While dilution reduces ownership share, it can be value-accretive if the funds raised are used for growth-generating activities like expansion, acquisitions, or R&D.

Draft Red Herring Prospectus (DRHP)

Definition:

The Draft Red Herring Prospectus (DRHP) is the preliminary document filed with SEBI by a company intending to raise funds through an Initial Public Offering (IPO). It contains key financial, legal and business information about the issuer but excludes final details like the price band and number of shares offered.

Legal Framework:

Filed under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Key Sections in DRHP:

- Business Overview & Industry Analysis
- Financial Information & Restated Statements
- Management Discussion and Analysis
- Risk Factors and Legal Proceedings
- Capital Structure
- Promoters & Management
- Use of Proceeds

Purpose:

DRHP enables SEBI and investors to evaluate the company before it raises capital from the public. SEBI reviews the DRHP and may suggest modifications before approving the final offer document (RHP).

DRHP Filing Date

Definition:

The DRHP Filing Date is the day on which the issuing company submits the Draft Red Herring Prospectus to SEBI for vetting and public disclosure.

Significance:

- ♦ Initiates the formal IPO approval process.
- ♦ Makes the company's intent to go public publicly known.
- ♦ Triggers the clock for SEBI's review timeline (up to 30 working days).
- ♦ Starts the investor education and market feedback period.

Post-Filing Milestones:

- ♦ SEBI issues comments or observations.
- ♦ The company submits an updated DRHP addressing queries.
- ♦ On final clearance, the Red Herring Prospectus is filed and roadshows begin.

Research Corner

India’s SME IPO Boom: Hype or Sustainable Trend?

Executive Summary

India’s SME IPO market remains highly active in mid-2025, with a robust pipeline of new listings and a majority of issues delivering positive returns. This whitepaper analyzes the latest data from June and July 2025, examining the drivers behind the boom, sectoral trends, investor behavior and the impact of new regulations. The evidence suggests the market is maturing, with tighter rules aiming to ensure sustainability, but speculative elements persist.

Introduction

Small and Medium Enterprises (SMEs) are vital to India’s economic ecosystem, providing employment and contributing significantly to GDP. The SME IPO segment has become a crucial fundraising avenue, with dedicated platforms (BSE SME, NSE Emerge) enabling smaller firms to access public markets. As of July 2025, India’s SME IPO market is at a crossroads: will the current momentum persist, or is a correction on the horizon?

Market Overview: June–July 2025

Recent IPO Activity

The SME IPO market is bustling with activity as of July 2025. In just the first week of July, at least ten SME IPOs opened or closed subscriptions, with more scheduled in the coming weeks.

Notable recent and upcoming SME IPOs include:

Company Name	Open Date	Close Date	IPO Size (₹ Cr.)	Price Band (₹)
Neetu Yoshi	Fri, Jun 27, 2025	Tue, Jul 1, 2025	77.04	71–75
Adcounty Media India	Fri, Jun 27, 2025	Tue, Jul 1, 2025	50.69	80–85
Marc Loire	Mon, Jun 30, 2025	Wed, Jul 2, 2025	21	100
Cedaar Textile	Mon, Jun 30, 2025	Wed, Jul 2, 2025	60.9	130–140
Pushpa Jewellers	Mon, Jun 30, 2025	Wed, Jul 2, 2025	98.65	143–147
Silky Overseas	Mon, Jun 30, 2025	Wed, Jul 2, 2025	30.68	153–161
Vandan Foods	Mon, Jun 30, 2025	Wed, Jul 2, 2025	30.36	115
White Force	Thu, Jul 3, 2025	Mon, Jul 7, 2025	24.25	72–76
Cryogenic OGS	Thu, Jul 3, 2025	Mon, Jul 7, 2025	17.77	44–47
Meta Infotech	Fri, Jul 4, 2025	Tue, Jul 8, 2025	80.18	153–161
Chemkart India	Mon, Jul 7, 2025	Jul 9, 2025	80.08	236–248
Smarten Power Systems	Mon, Jul 07, 2025	Jul 9, 2025	50	100
GLEN Industries	Tue, Jul 08, 2025	Jul 10, 2025	63.02	92–97
CFF Fluid Control FPO	Wed, July 9, 2025	Jul 11, 2025	87.75	585
Asston Pharmaceuticals	Wed, July 9, 2025	11 Jul, 2025	27.56	115–123

Performance Metrics

- 70% of SME IPOs in 2025 are trading above their issue prices as of July 5, 2025.
- Sectors such as manufacturing, textiles and consumer goods continue to dominate the SME IPO landscape.
- Oversubscription rates remain high for many issues, though not at the extreme levels seen in late 2024.

Investor Participation and Sentiment

Retail and Institutional Trends

- Retail investors remain the primary drivers of SME IPO demand, drawn by the potential for quick listing gains and the lower entry barriers of SME issues.
- Institutional participation is still limited but is growing as larger, more established SMEs tap the market.

Listing and Post-Listing Performance

- Most SME IPOs in 2025 have delivered positive listing gains, but post-listing volatility persists, with a minority of issues slipping below their offer price within weeks.
- Recent top performers include Vandan Foods, Cedaar Textile and Pushpa Jewellers, all of which saw strong demand and robust listing gains.

Regulatory Developments

Tighter Rules from July 2025

- SEBI introduced new rules effective July 1, 2025, including:

* Higher minimum lot sizes for retail investors.

* Stricter eligibility norms for issuers.

* Enhanced disclosure requirements.

* Appointment of monitoring agencies for larger issues.

- The goal is to curb speculative excess, improve transparency and protect retail investors.

Market Impact

- The new rules have led to a slight moderation in oversubscription rates and a more selective investor approach, but the overall pipeline remains strong.
- The quality of issuers is improving, with more established SMEs coming to market.

Sectoral and Thematic Trends

- Manufacturing and textiles remain the most active sectors, with several IPOs in July 2025 from these industries.
- Consumer goods and specialty chemicals are gaining traction, reflecting broader economic trends.
- Some companies, such as Vandan Foods, are showing rapid revenue and profit growth, indicating genuine business expansion.

Discussion: Hype or Sustainable Trend?

- The majority of SME IPOs are still delivering gains, but the market is showing early signs of maturity, with investors becoming more discerning and speculative excesses being checked by regulation.
- Sustainability will hinge on continued regulatory vigilance, issuer quality and investor education.
- The robust pipeline for the remainder of 2025, including larger and more diverse SMEs, suggests the trend is structural rather than purely speculative.

Conclusion

The SME IPO boom in India, as of July 2025, is transitioning from a phase of exuberance to one of greater discipline and sustainability. Regulatory tightening, improving issuer quality and persistent investor demand indicate that the market is evolving rather than deflating. However, risks of volatility and speculative behavior remain, underscoring the need for continued vigilance.

You Asked, We Answered

From Grey Areas to Growth Moves: Real Queries, Clear Answers

The IPO journey is more than a checklist— it's a maze of financial, legal and strategic decisions. After the warm reception to our first FAQ feature, we're back with Volume 2: deeper insights, sharper queries and founder-level clarity. Whether you're a startup founder preparing for an IPO or an investor tracking market trends, these are the questions shaping today's IPO conversations.

Advanced Eligibility & Process Nuances

Q1: Can a startup with losses but high growth still go public in India?

Yes, but not on the mainboard unless they qualify under the QIB route. Loss-making but scalable startups with strong institutional interest can list by offering 75% of the issue to Qualified Institutional Buyers. For example, tech companies like Zomato and Paytm used this path. On the SME platform, profitability norms are flexible, but merchant bankers still assess viability and investor appetite carefully.

Q2: Can an LLP convert and directly launch an IPO?

No, LLPs (Limited Liability Partnerships) cannot list. They must first convert into a company (under the Companies Act), meet eligibility criteria and restructure financials per SEBI norms. The process typically includes capital restructuring, audits and ROC compliance before even beginning IPO groundwork.

Legal Layers & SEBI Grey Zones

Q3: What's the difference between DRHP and RHP?

The Draft Red Herring Prospectus (DRHP) is the preliminary offer document filed with SEBI and made public for comments. Once SEBI clears it and the company incorporates all required changes, the final version becomes the Red Herring Prospectus (RHP), which is shared before opening the issue to the public.

Q4: What's the difference between DRHP and RHP?

Yes. SEBI can issue observations, raise red flags, or reject the application if it finds discrepancies in financials, governance lapses, or misleading disclosures. Recent examples include delays or withdrawals due to governance concerns or pending litigation disclosures.

Q5: What is the lock-in rule for pre-IPO investors and ESOP holders?

For pre-IPO investors (like PE/VC funds), the lock-in is 6 months post-listing. For ESOP holders, the shares must be vested and exercised before the IPO. Once listed, there's no lock-in, but companies may impose trading windows under internal policies.

Pricing, Listing & Market Dynamics

Q5: Q6: Can an IPO be priced below the last private funding round?

Yes, but it raises red flags. If the IPO price is lower than the last funding round, investors and analysts question valuation consistency and investor confidence. The company must justify this with market conditions or changes in financials. SEBI also scrutinizes such cases closely.

Q7: How is allotment priority decided when demand exceeds supply?

In oversubscribed retail IPOs, allotment happens through a lottery system. Every valid application has an equal chance, subject to the “minimum lot size.” In QIB and NII categories, allotment is proportional based on bids and demand.

Q8: What happens on listing day if the share opens far below issue price?

A below-issue listing reflects weak market sentiment or mispricing. While it's a short-term hit to the company’s image, long-term performance depends on business fundamentals. In extreme cases, it may trigger regulatory review or anchor exit debates.

Post-IPO Responsibilities & Governance

Q9: What are the biggest compliance headaches post-IPO?

Key challenges include quarterly results disclosures within 45 days, adherence to corporate governance norms, related party transaction transparency and maintaining minimum public shareholding. SEBI regulations are stringent and errors can attract penalties or trading suspensions.

Q10: Can a company relist after voluntary delisting?

Yes—but not immediately. After voluntary delisting, companies must wait at least 3 years before reapplying for listing. They must meet current eligibility norms and the process is treated as a fresh IPO. Relisting is rare and typically used by firms that underwent restructuring or PE buybacks.

Bonus Insight:

IPO Grading—Does it still matter?

Not anymore. SEBI made IPO grading optional in 2014. While it helped early investors assess risk, the current regulatory environment and disclosure standards make it redundant. Investors now rely more on DRHPs, financials and independent analyst reviews.

Final Word

The IPO journey in India is evolving—faster filings, flexible norms for SMEs and sharper investor awareness. But with change comes complexity. This edition’s FAQ Roundup aimed to cut through the clutter and spotlight the practical issues founders and investors face today.

Got more IPO questions? Write to us at [info@indiaipo.in] or drop us your queries for the next edition.


DATA,
TRENDS
&
VISUALS

SME IPO Watch

Startup & SME Platform Listings – Trends, Highlights & Insights

India's SME IPO landscape in 2025 continues to be a dynamic arena, reflecting the aspirations of emerging enterprises and the evolving sentiments of investors. Platforms like NSE Emerge and BSE SME have become pivotal in providing growth capital to startups and small businesses. Here's an overview of the recent developments and trends shaping this segment.

Recent Listings & Performance Highlights

Patil Automation Ltd

Pune-based automation specialist made a strong debut on NSE Emerge on June 23, listing at ₹155 per share, marking a 29.2% premium over its ₹120 issue price. The IPO was subscribed 101× overall, led by non- institutional investors (258×), QIBs (83×) and retail (45×), showcasing broad-based investor interest.

Ganga Bath Fittings Ltd

Listed on June 11 at ₹59, delivering a 20.4% premium over its ₹49 issue price, following 1.64× oversubscription, reflecting robust retail sentiment.

Ace Alpha Tech Pvt Ltd

The June 26–30 BSE SME IPO, sized at ₹32.2 Cr, saw ~40× subscription and GMP of ~₹28–30 (≈41% premium). Listed July 3 at ₹81, a 17% gain on ₹69 issue price.

Sacheerome Ltd

The fragrance & flavor manufacturer debuts on June 16 at ₹153, a 50% premium over ₹102 issue price. The IPO was subscribed ~125×, with GMP around ₹45, signaling strong investor conviction.

ProFXTechs Ltd

Listed on July 3 at ₹95, up 9.2% on its issue price, with GMP around ₹13.

Upcoming SME IPOs to Watch

Date	Company Name	Platform	Lot Size/ issue Size
July 3–7	White Force	NSE SME	₹24.3 Cr
July 3–7	Cryogenic OGS	BSE SME	₹17.8 Cr; ₹44–47 band
July 4–8	Meta Infotech	BSE SME	₹80.2 Cr; ₹153–161 band
July 7–9	Smarten Power Systems	NSE SME	₹50 Cr; fixed ₹100/share
July 7–9	Chemkart India	BSE SME	₹80 Cr; ₹236–248 band
July 8–10	GLEN Industries	BSE SME	₹63 Cr; ₹92–97 band

Outlook

With strong pipelines and subscription momentum, the SME IPO segment is evolving from hype-driven to quality-focused. Investors should monitor:

- Upcoming subscription multiples (especially Cryogenic OGS, Meta Infotech)
- Listing performance versus GMP expectations
- Impact of stricter bidding norms on retail participation

Market Trends & Investor Sentiment

- High oversubscriptions: IPOs like Ace Alpha and Sacheerome saw 40–125×, while Patil Automation hit 101×, with GMPs in the 29–50% range.
- Varied listing gains: Gains range from strong (29% Patil Automation, 50% Sacheerome) to moderate (9% Pro FX), indicating selective quality focus.
- Sector preference: Engineering, automation, fragrances, manufacturing and IT dominate current SME offerings.
- Volatility continues: Despite strong gains, sector corrections like Valencia India's dip highlight ongoing market adjustment.

Regulatory & Platform Developments

- Revised bidding rules (from July 1): NSE and BSE mandate minimum bids of two lots (~₹2 lakhs) to discourage speculative "lot flipping".
- Platform competition: NSE Emerge remains the front-runner, but BSE SME has closed the gap, attracting several high-profile Northern listings.

World Trade & Strategic Affairs

International Trade & Geopolitical Updates and Their Impact on Indian IPOs

1. India Challenges US Auto Tariffs at WTO

♦ Update: As of July 4, 2025, India has formally proposed retaliatory duties worth approximately $725 million under WTO rules, targeting U.S. auto imports.

♦ Impact on IPOs:

* This assertive legal and trade stance boosts sentiment for auto-sector IPOs and related supply-chain firms.

* Yet, tariffs may increase costs and slow down profitability for exporters prepping to list.

2. India–US Interim Trade Deal

♦ Update: Negotiations are in the final stages, with Indian ministers pushing back on any deal that undermines national interests. A "mini-deal" may be signed by July 9, but breakthroughs remain elusive.

♦ Impact on IPOs:

* A limited agreement could stabilize investor sentiment ahead of key IPOs.

* However, prolonged talks could lead to market volatility, pressuring valuations of trade-sensitive IPO candidates.

3. India–UK Free Trade Agreement

♦ Update: The FTA was concluded in early May, now on course for implementation.

♦ Impact on IPOs:

* Creates substantial market access—potentially doubling bilateral trade by 2030—bolstering valuation prospects for services, fintech, pharma and agri-tech IPOs.

4. China Restricts Agri & Fertilizer Imports from India

♦ Update: Negotiations are in the final stages, with Indian ministers pushing back on any deal that undermines national interests. A "mini-deal" may be signed by July 9, but breakthroughs remain elusive.

♦ **Impact on IPOs:**

* Supply disruptions raise input costs for domestic agri-tech and fertilizer companies, which may hurt margins ahead of listing.

* But the situation also opens investment pathways for import-substitute MSMEs, potentially attractive to IPO investors.

5. Japan's "China-Plus-One" Strategy

♦ Update: Japanese firms are increasingly investing in India to diversify supply chains; India has overtaken China in FDI attraction.

♦ Impact on IPOs:

* Sectors like manufacturing, electronics, EVs and capital goods benefit from increased Japanese partnerships, a positive signal for IPOs in these segments.

6. Foxconn/Apple iPhone Exports from India

♦ Update: Between March and May 2025, Foxconn exported 97% of Indian-made iPhones to the U.S., marking a sharp production shift

♦ Impact on IPOs:

* Validates India's emergence as a global manufacturing hub.

* Boosts investor confidence in listing OEMs/EMS providers (E.g., companies like Tata Electronics and Dixon).

7. Starlink Approvals in India

♦ Update: By early July 2025, Starlink has cleared telecom licensing and regulatory hurdles the launch is imminent, possibly in late 2025.

♦ Impact on IPOs:

* Expansion in satellite-based internet services can accelerate growth prospects for tech-infra, IoT and rural connectivity-focused firms lining up for listing.

Sector Watch

The Electric Vehicle Surge – From Charging Points to IPOs

The EV Revolution – India's Drive Toward Sustainable Mobility

In 2025, India's electric vehicle (EV) market is experiencing unprecedented momentum. Annual EV sales have surpassed 2 million units from June 2024 to May 2025, with June 2025 alone recording 1,80,238 units sold, a 28.6% year-on-year surge. Passenger electric vehicle sales are projected to reach 1,38,606 units in 2025, up 40% from the previous year, driven by strong government incentives and growing consumer demand for electric SUVs and two-wheelers.

EVs now account for 5% of all new vehicle sales in India, doubling their share from the previous year. The sector's transformation is visible across categories: from affordable e-rickshaws and high-speed scooters to electric SUVs and commercial vehicles. Tata Motors, JSW MG Motor and Mahindra & Mahindra lead the OEM landscape, while Ather Energy and Ola Electric dominate the two-wheeler space.

India's EV Snapshot (June 2025):

- Total EV Startups: 1900+
- Total EV Investments (2024): $3.5+ billion
- Unicorn EV Startups: 5
- Startups in Pre-IPO Stage: 8–10
- Projected CAGR (EV Market 2024–2029): 66.5%
- EV Share of All New Vehicles (June 2025): 5%
- EV Share of Two-Wheelers (June 2025): 7.28%
- EV Share of Passenger Vehicles (2025): 4.1%
- Annual EV Sales (Jun 2024–May 2025): 20,59,205 units
- Public Charging Stations: 25,500+, with 60,000 connectors

Mapping the EV Ecosystem – Who's Charging Ahead?

India's EV ecosystem is a dynamic mix of startups, legacy automakers, battery innovators and infrastructure enablers.

Date	Company Name	Company Name
Electric Two-Wheelers	Ola Electric, TVS, Bajaj Auto, Ather Energy	Urban mobility, cost savings
Electric Three-Wheelers	Supertech EV, Mahindra Electric, Bajaj Auto	Last-mile delivery, shared mobility
Electric Cars/SUVs	Tata Motors, JSW MG, Mahindra	Urban commuters, fleet electrification
Battery Tech & Swapping	Sun Mobility, Exide, Amara Raja	Range, cost, charging convenience
Charging Infrastructure	Statiq, ChargeZone, Tata Power	Urbanization, highway networks

- ♦ Top E2W OEMs (May–June 2025): TVS Motors, Bajaj Auto, Ola Electric
- ♦ Top E3W Brands: Bajaj Auto, Mahindra Last Mile Mobility, TVS Motor
- ♦ Top E4W OEMs: Tata Motors (35%+ share), JSW MG, Mahindra & Mahindra
- ♦ Top Electric Bus OEMs: PMI Electro Mobility, Olectra Greentech, JBM Auto

Editor's Pick – 3 Startups Just Did Their IPO Debut

- ♦ Ather Energy – Premium electric scooters; IPO listed May 2025; expanding R&D and manufacturing.
- ♦ Supertech EV – Electric two- and three-wheelers; SME IPO listed in June 2025; strong distributor network.
- ♦ Victory Electric Vehicles – Electric rickshaws with Victory EV, IPO listed in May 2025.

The IPO Goldmine – Why EV Startups Are Investor Magnets

Investors are drawn to EV startups for their rapid scaling potential and sector-wide disruption. With annual sales exceeding 2 million units and a robust policy push (FAME II, PLI, state incentives), the sector's growth prospects remain strong.

India's EV Snapshot (June 2025):

- ♦ Recurring Revenue Models: Subscription services, battery leasing, fleet contracts.
- ♦ High Growth Rates: Market CAGR of ~66.5% through 2029.
- ♦ Technology & IP: Proprietary battery management, fast charging and connected vehicle tech.
- ♦ Policy Tailwinds: FAME II, PLI and state incentives drive adoption and local manufacturing.
- ♦ Global Ambitions: Indian EV firms are targeting Southeast Asia, Africa and Middle Eastern markets.

Financial Snapshot (Fy25):

Startup	Revenue (FY24/25)	Net Margin/EBITDA	IPO Readiness Score
Ather Energy	₹1,753 Cr	Negative (growth phase)	High
Supertech EV	₹75.2 Cr	Net profit: ₹6.2 Cr	Moderate-High
Olectra Greentech	₹1,200 Cr (est.)	Positive	High

Challenges Ahead – What Could Stall the EV IPO Wave?

Despite optimism, the EV sector faces real headwinds.

Key Risk Factors:

♦ Supply Chain Volatility: Heavy dependence on imported battery materials (lithium, nickel, cobalt).

♦ Charging Infrastructure Gaps: 25,500+ public stations, but more needed for mass adoption.

♦ High Upfront Costs: EVs remain 20–30% pricier than ICE vehicles, despite subsidies.

♦ Policy Uncertainty: Incentive schemes evolving; long-term clarity needed.

♦ Competition: Global (Tesla, BYD) and domestic (Tata, Mahindra, Ola Electric) rivalry intensifies.

♦ Consumer Awareness: Range anxiety, resale value and battery life concerns persist.

Investor Caution: Scrutinize revenue quality, technology differentiation and after-sales networks. Don't be swayed by "green" narratives alone — check for proven scale, customer retention and regulatory compliance.

EV IPO Pipeline – What's Coming by 2026-27?

Top 3 Indian EV Startups to Watch for IPOs:

EV Companies/Startups	Core Focus	Expected Issue Size	Expected IPO	Markets Targeted
Pure EV	Premium E2Ws	₹1,000 Cr	2026	India
Simple Energy	Premium E2Ws	₹3,000 Cr	2027	India
Tata Passenger Electric Mobility (TPEML)	Premium E4Ws	₹8,000- ₹16,000 crore	2026	India, Global

These companies have demonstrated product-market fit and robust revenue growth and have attracted blue-chip VC and institutional funding.

The Verdict – Should You Bet on EV IPOs?

For Institutional Investors:
EV startups offer high-growth exposure to India's clean energy and mobility transition. Prioritize firms with strong technology, recurring contracts and government partnerships.

For Retail Investors:
Wait for post-listing stability. Focus on companies with proven after-sales service, positive cash flows and visible brand presence.

For Founders:
Now is the time to invest in R&D, secure local supply chains and build governance structures that meet SEBI's scrutiny.

Final Thoughts:
Electric Vehicles are not just a sector — they are the engine of India's new mobility revolution. With the right policy, innovation and capital, EV-led IPOs could define the next era of Indian startup success stories.

**"EVs are not just vehicles,
they are the spark for a cleaner, smarter India."**

Market Snapshot: India's IPO Pulse (June 2025)

IPO Launch Highlights – Capital Raised & Performance Overview

Mainboard IPOs Snapshot

June 2025 saw a significant surge in mainboard IPO activity in India, with eight large IPOs collectively raising approximately ₹17,700 crore—the highest monthly fundraising via IPOs in the past six months. This rebound followed a lull in the previous two months and was driven in part by regulatory timelines set by SEBI, prompting companies to expedite their listings.

Company Name	IPO Date	Issue Size (₹ Cr)	Listing Gain (%)	Current Gain (%)	Subscription (x)
Indogulf Cropsciences Ltd.	26–28 Jun 2025	200	-0.59%	-6.31%	27.17
Sambhv Steel Tubes Ltd.	24–27 Jun 2025	540	19.01%	21.23%	30.33
HDB Financial Services Ltd.	25–27 Jun 2025	12,500	13.64%	14.07%	17.65
Globe Civil Projects Ltd.	24–26 Jun 2025	119	33.04%	9.06%	80.97
Ellenbarrie Industrial Gases Ltd.	24–26 Jun 2025	852	33.65%	41.90%	22.19
Kalpataru Projects Ltd.	24–26 Jun 2025	1590	4.58%	2.20%	2.31
Arisinfra Solutions Ltd.	18–20 Jun 2025	500	-21.45%	-26.06%	2.8
Oswal Pumps Ltd.	17–19 Jun 2025	1,387	1.85%	14.35%	34.42

SME IPOs Snapshot

Company Name	IPO Date	Issue Size (₹ Cr)	Listing Gain (%)	Current Gain (%)	Subscription (x)
Sacheerome Limited	Jun 09 – Jun 11, 2025	61.62	57.40%	58.14%	312.94
Eppeltone Engineers Limited	Jun 17 – Jun 19, 2025	42	99.49%	84.65%	296.34
Adcounty Media India Limited	Jun 27 – Jul 01, 2025	48	60.59%	63.62%	273.08
Mayasheel Ventures Limited	Jun 20 – Jun 24, 2025	25.92	29.57%	23.40%	232.73
Suntech Infra Solutions Limited	Jun 25 – Jun 27, 2025	42.16	20.70%	9.94%	223.64
Influx Healthtech Limited	Jun 18 – Jun 20, 2025	56	31.46%	43.65%	201.35
Monolithisch India Limited	Jun 12 – Jun 16, 2025	82.02	70.00%	137.34%	182.89
Silky Overseas Limited	Jun 30 – Jul 02, 2025	26	0.90%	0.90%	169.93
Neetu Yoshi Limited	Jun 27 – Jul 01, 2025	73.14	47.00%	54.35%	128.18
Ace Alpha Tech Limited	Jun 26 – Jun 30, 2025	30.4	23.26%	35.88%	101.75
Patil Automation Limited	Jun 16 – Jun 18, 2025	66.1	35.62%	77.62%	101.42
Moving Media Entertainment Ltd	Jun 26 – Jun 30, 2025	32.91	6.50%	6.07%	73.4

Key Insights: June 2025 Mainboard & SME IPOs

♦ Biggest Mainboard IPO: HDB Financial Services (₹12,500 Cr)

♦ Best Mainboard Gainer: Ellenbarrie Industrial Gases (+41.90% current gain)

♦ Worst Mainboard Performer: Arisinfra Solutions (–26.06% current gain)

♦ Most Subscribed SME IPO: Sacheerome Limited (312.94x)

♦ Best SME Gainer: Monolithisch India Limited (+137.34% current gain)

Investor Pulse

FIIs Set to Energize India's Nuclear Revolution

India stands at the threshold of a historic transformation in its energy policy. For the first time, the nation is poised to open the doors of its tightly controlled nuclear energy sector to foreign direct investment (FDI), with a proposal to allow up to 49% FDI in nuclear power in phases. This move seeks to unlock billions in global capital, foster technological collaborations and drive India's ambitious journey toward clean energy and energy security.

The Policy Shift: From Closed to Collaborative

Historical Backdrop

- Strict State Monopoly: Since the Atomic Energy Act of 1960, India's nuclear power generation was solely managed by government-owned entities, notably the Nuclear Power Corporation of India Limited (NPCIL).
- FDI Negative List: The sector has long been off-limits to foreign and private investors, with even Indian private sector participation heavily restricted.
- Global Engagement, Local Restrictions: While India signed civil nuclear agreements with countries like the US in 2008, concerns over liability laws kept foreign investment at bay.
- Global Engagement, Local Restrictions: While India signed civil nuclear agreements with countries like the US in 2008, concerns over liability laws kept foreign investment at bay.

What's Changing?

- Phased Rollout: The government is considering a strategy to initially allow 26% FDI under stringent review, with a roadmap to raise it to 49% over time, contingent on sectoral performance and strategic assessments.
- Majority Indian Ownership: Any joint venture with foreign players will require Indian partners to retain majority ownership and control.
- Majority Indian Ownership: Any joint venture with foreign players will require Indian partners to retain majority ownership and control.

Legislative Overhaul:

- Amendments to the Atomic Energy Act, 1960 will enable private and foreign entities to own and operate nuclear assets.
- Revisions to the Civil Liability for Nuclear Damage Act, 2010 will address foreign investors' concerns over unlimited liability in the event of nuclear accidents.

Ambitious Targets: Powering a Clean Future

Expanding Capacity

India currently generates about 8 gigawatts (GW) of nuclear power, a modest 2% of its total electricity mix, but has set sky-high goals:

- 40 GW by 2035
- 100 GW by 2047

This would represent a twelvefold increase, establishing nuclear energy as a pillar of India's low-carbon transition.

Why Nuclear, Why Now?

- Energy Security: With growing demand (and pressure on coal), nuclear power offers reliable, dispatchable power, especially important for nighttime and baseload needs.
- Net Zero by 2070: India's net-zero commitment requires substantial expansion of non-fossil energy sources.
- Climate Leadership: Nuclear power complements renewables, cuts emissions and strengthens India's climate credentials.

Opportunities & Challenges

The Investment Landscape

- Global Interest: International heavyweights like Rosatom (Russia), EDF (France), Westinghouse and GE-Hitachi (USA) have shown keen interest in India's nuclear expansion, particularly in Small Modular Reactors (SMRs) and advanced reactor technologies.
- Domestic Players: Indian conglomerates—Reliance, Tata Power, Adani Power, Vedanta—could collectively invest up to $26 billion, catalyzing sectoral growth.

Small Modular Reactors: A Game-Changer

- Nuclear Energy Mission: The government has earmarked ₹20,000 crore for SMR research and development, targeting at least five indigenous SMRs to be operational by 2033.
- International Collaboration: Offers from Russia and France to share SMR expertise underscore the potential for global partnerships.

Safeguards and Oversight

- Stringent Regulatory Review: Every instance of foreign investment will require prior government approval—no automatic clearances.
- National Security & Non-Proliferation: Safeguards around majority Indian ownership, technology transfer and compliance with international nuclear safety standards remain paramount.
- Legal Preparations: Legislative amendments are being prioritized for parliamentary approval in upcoming sessions, paving the way for a structured, transparent FDI regime in nuclear energy.

Strategic & Global Implications

- Technological Leap: Opening up is set to drive innovation, lower costs through competition and boost indigenization via knowledge transfer.
- Geopolitical Partnerships: Enhanced energy diplomacy with the US, France and Russia fortifies India's global standing.
- Domestic Growth: Sector liberalization will create high-skilled jobs, promote advanced manufacturing and reinforce infrastructure vital for India's "Make in India" vision.

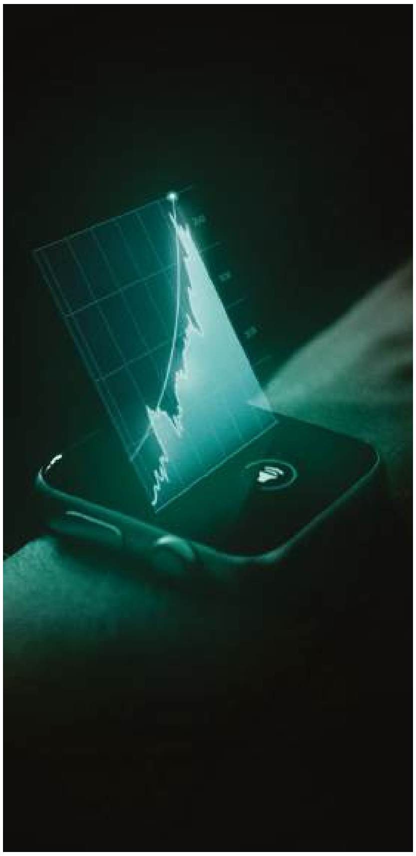
Conclusion

India's phased opening of the nuclear sector to up to 49% foreign direct investment marks a bold departure from decades of insularity, a leap necessary to meet the energy demands of a growing nation and the decarbonization imperatives of the future. As legislation evolves and global partnerships deepen, India is set not just to power itself, but to help shape the future of civilian nuclear energy worldwide.

Investor Pulse: Tracking the FII & DII Flow

FII/DII Activity Overview (in ₹ Cr)

Activity	Gross Purchase	Gross Sales	Net Purchase /Sales
FII Cash	349,580.23	342,091.25	7,488.98
DII Cash	350,402.34	277,728	72,673.91
FII Index Fut	101,008.11	101,130	-121.75
FII Index Opt	35,647,530.84	35,593,985.83	53,545.01
FII Stock Fut	793577.24	794709.23	-1131.99
FII Stock Opt	1511328.71	1,532,712	-21383.54



Investment & Trading Trends in India – June 2025

Market Performance:

- The Sensex surpassed 84,000 for the first time since October 2024, closing at 84,058.90 on June 27, 2025, after a four-session rally.
- The Nifty 50 closed at 25,637.80 on June 27, 2025.
- On June 30, 2025, markets corrected: Sensex fell 452.44 points (-0.54%) to 83,606.46 and Nifty dropped 120.75 points (-0.47%) to 25,517.05, ending the rally.
- Despite the correction in large-cap indices, midcap and smallcap stocks outperformed; Nifty Midcap 150 gained 0.68% and Nifty Smallcap indices also closed higher.

Sector Trends:

- Oil & Gas led gains in June, with Nifty Oil & Gas up 1.19% on June 27.
- PSU Banks were strong outperformers, with the Nifty PSU Bank index up 2.66% on June 30, driven by stocks like Maharashtra Bank, PNB and Bank of Baroda.
- IT and Realty sectors were weak on June 27, while Auto, Financials and FMCG faced pressure on June 30.
- Select pharma and capital goods stocks saw buying interest, with notable moves in Torrent Pharma and Alembic Pharma.

Investor Activity & Sentiment:

- ♦ Foreign Institutional Investor (FII) inflows remained robust, supporting the rally.
- ♦ Profit booking was observed at high index levels, leading to the late-month correction.
- ♦ Volatility was contained (India VIX below 15), indicating low panic among investors.
- ♦ IPO activity was strong, with the HDB Financial Services IPO attracting significant interest.

Broader Market Health:

- ♦ On June 27, advancing stocks outnumbered decliners on the BSE (2,289 advanced vs. 1,661 declined).
- ♦ On June 30, even as large-caps corrected, the broader market remained firm, showing selective buying in mid- and small-cap stocks.

Outlook:

- ♦ Markets closed the first half of 2025 on a defensive note, with investors cautious at high valuations.
- ♦ Future trends will depend on upcoming corporate earnings, macroeconomic data and global policy cues.

Key Takeaways:

- ♦ June 2025 saw a strong rally in Indian equities, led by oil & gas and PSU banks, with mid- and small-caps outperforming.
- ♦ The month ended with profit-taking and a defensive tone, but underlying sentiment remained positive, supported by institutional flows and continued IPO activity.

Summary Table: Key Market Indicators (June 2025)

Date	Sensex Close	Nifty 50 Close	Investor Sentiment
June 27, 2025	84,058.90	Oil & Gas, PSU Banks up	Bullish, strong FII inflow
June 30, 2025	83,606.46	PSU Banks up, others down	Defensive, profit booking

WRAP-UP & PROMOTIONS

Documentation Insights

Documentation Insights: GST, ROC, MCA Compliance Essentials

When preparing for an IPO, documentation isn't limited to financial statements and DRHP drafts- regulatory compliance with GST, ROC and MCA filings forms a critical part of IPO preparedness. Investors and regulatory bodies scrutinize these records to assess the legal hygiene and operational discipline of the company. Any inconsistencies, non-compliance, or outdated filings can invite queries, delays and even regulatory rejections.

Going public is a test of not just growth potential, but governance readiness. Clean and compliant records under GST, Companies Act and MCA norms reflect positively on a company's internal controls and management maturity.

Compliance Essentials Before IPO

GST Compliance

GST filings (GSTR-1, GSTR-3B, GSTR-9, etc.) must be accurate and current. Mismatches between GST returns and audited accounts can raise red flags during due diligence. Companies often overlook reconciliations between Input Tax Credit claimed and vendor filings, leading to audit complications.

Key Points:

♦ All GST returns must be filed without arrears.

♦ Reconcile GSTR-2B with the purchase register monthly.

♦ Clear disputes or notices from GST authorities in advance.

ROC Filings

Registrar of Companies (ROC) compliance under the Companies Act is essential. From timely Annual Returns (MGT-7) to Board Resolutions (MGT-14), every document paints a picture of governance quality. Any gaps, especially in shareholding patterns or related-party approvals, can slow down SEBI approvals.

Key Points:

♦ File all pending AOC-4, MGT-7, PAS-3 (if applicable).

♦ Ensure accurate recording of capital structure changes.

♦ Validate director DIN status and KYC updates.

MCA (Ministry of Corporate Affairs)

MCA compliance forms the backbone of corporate records. Frequent errors in Director Master Data, outdated MOA/AOA clauses, or non-updated charge filings (CHG-1, CHG-4) are commonly flagged during IPO diligence.

Key Points:

- ♦ Ensure charges are satisfied and recorded.
- ♦ Update company master data for directors, registered office, etc.
- ♦ Remove disqualified directors or rectify discrepancies.

Common Filing Errors to Avoid

Even well-established businesses often falter on routine compliance due to siloed teams or lack of updated knowledge. Avoiding these mistakes is crucial to avoid long delays during IPO vetting.

Frequent Errors:

Mismatch in Financials vs GST/ROC Data
Inconsistencies between books and filings (e.g., turnover reported in GST returns vs audited accounts) confuse investors and create room for SEBI queries.

Delayed Filing of ROC/MCA Forms
Backlogs in filing annual returns or resolutions can give the impression of weak internal controls.

Incorrect Director Details
DIN duplications, inactive directors listed, or outdated resignations reflect governance lapses.

Unreconciled GST Input Tax Credit
Excess claims or discrepancies in GSTR-2B vs the purchase register invite GST audit queries during diligence.

Pending Legal Disclosures
Litigation details not updated in MCA or ROC records can be viewed as concealment during SEBI checks.

Incomplete Digital Signatures & DSC Mismatches
Incorrect or expired digital signatures can delay filings and increase regulatory friction.

Best Practices for IPO-Ready Compliance

- ♦ **Conduct a Compliance Health Check**
  Engage a CS or compliance consultant to run a diagnostic of all MCA, GST and ROC filings. Fix discrepancies before initiating DRHP filing.
- ♦ **Digitize All Records**
  Maintain a digital vault of all statutory filings, notices, resolutions and returns. This helps in quicker submissions to SEBI and merchant bankers.
- ♦ **Update MCA Master Data**
  Ensure your company profile, director data, charges and registered office are accurate in MCA portals.
- ♦ **Monthly Reconciliations**
  Don't wait for year-end – reconcile GST, TDS and statutory dues monthly to avoid last-minute surprises.
- ♦ **Stay Ahead of Statutory Deadlines**
  Late filings attract penalties and risk reputational damage. Track and act on compliance calendars proactively.
- ♦ **Internal Mock Audits**
  Simulate a pre-IPO audit covering GST, MCA and ROC compliance to uncover gaps early.

Conclusion

A successful IPO depends on more than just a great product or growth story — it's built on robust compliance, disciplined governance and immaculate documentation. GST, ROC and MCA filings form the regulatory backbone of your IPO readiness. Getting them right the first time isn't just about ticking boxes — it's about building trust with regulators and investors.

Final Word

As we close this edition, one thing is clear: India's capital markets are in the midst of a historic transformation. From the rise in MSME credit quality to the resurgence of the IPO pipeline and the record-breaking retail participation via demat accounts, every trend points to a maturing, inclusive and opportunity-rich ecosystem.

Key Takeaways

- India remains the world's fastest-growing major economy, with a 6.5% GDP growth rate and supportive policy tailwinds.
- June 2025 was a blockbuster month for IPOs, especially in the SME segment, with Eppeltone Engineers and Monolithisch India delivering triple-digit listing gains.
- Startup funding is rebounding, with Zepto and Raphe mPhibr leading mega-deals, while deeptech and AI sectors are gaining traction.
- MSME credit growth is resilient, hitting ₹35.2 lakh crore while delinquency rates dropped to a five-year low.
- Retail investors are rewriting the market narrative, with over 4.7 crore MSMEs and 200 million demat accounts signaling democratized capital access.
- SEBI's new ESG and UPI rules are pushing India toward cleaner, safer and more transparent public markets.

What's Next in Edition 3

Sneak Peek: Women Founders Going Public
In our next edition, we spotlight India's bold and brilliant women entrepreneurs preparing to list their companies on the stock exchanges. From fintech to FMCG, these leaders are not just breaking glass ceilings—they're opening IPO doors. Stay tuned for powerful stories, insights and milestones that will redefine equity in equity markets.

Ready to Go Public? Contact Our IPO Experts

If you're a founder, CXO or CFO considering a public listing, now is the time to prepare. Reach out to our IPO advisory desk for tailored guidance-from DRHP to listing day and beyond.

Email: info@indiaipo.in

Visit: www.indiaipo.in

Let's take your business to the next level—together.

INDIA IPO

About us

India IPO – Mission & Journey

At India IPO, our mission is clear:
To guide, support and accelerate India's next wave of public-market champions.

We started with a belief that the IPO journey shouldn't be restricted to large enterprises with elite bankers. In today's economy, founders, family-run businesses and fast-growing startups deservetailored access to capital markets and the India IPO exists to make that possible.

Whether it's an MSME preparing for its SME board debut, a tech unicorn moving toward DRHP, or a promoter-led company seeking strategic capital, we're here as an execution-first knowledge partner.

Through our magazine, webinars, on-ground workshops and consulting engagements, we're building a platform that simplifies the complex and unlocks real opportunities.

What We Offer

Advisory Services
– IPO Readiness Assessment
– DRHP/Due Diligence Support
– Board Structuring & Compliance Mapping
– ESG Strategy for Public Companies

Funding & Capital Structuring
– Pre-IPO Funding (Bridge, Structured Debt, Equity)
– Land/Asset-Based Financing Models
– Strategic Investor & Anchor Introductions

Filings & Regulatory Execution
– SEBI Filings, Registrar Coordination
– UPI & ASBA Compliance
– SME Board & Mainboard Listing Support
– Post-Listing Governance

Our goal is not just to "get you listed"—it's to help you grow with the markets.

Events & Webinars

We host a dynamic calendar of founder-focused events and educational sessions, including:

IPO Clinics – Interactive webinars on DRHP prep, capital strategy and listing timelines

Sector Deep-Dives – Virtual panels decoding IPO trends in tech, infra, manufacturing and more

Investor Connects – Curated offline events linking founders with VCs, anchor investors and merchant bankers

Masterclasses – Workshops with legal, valuation and governance experts

Stay updated via www.indiaipo.in/events or follow us on LinkedIn for the latest announcements.

QUOTE OF THE MONTH

"An IPO is not the finish line
it's the accountability that fuels the
next chapter of growth."

Tarun Mehta,
Co-founder & CEO,
Ather Energy

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