SKG
INVESTMENTS & ADVISORY

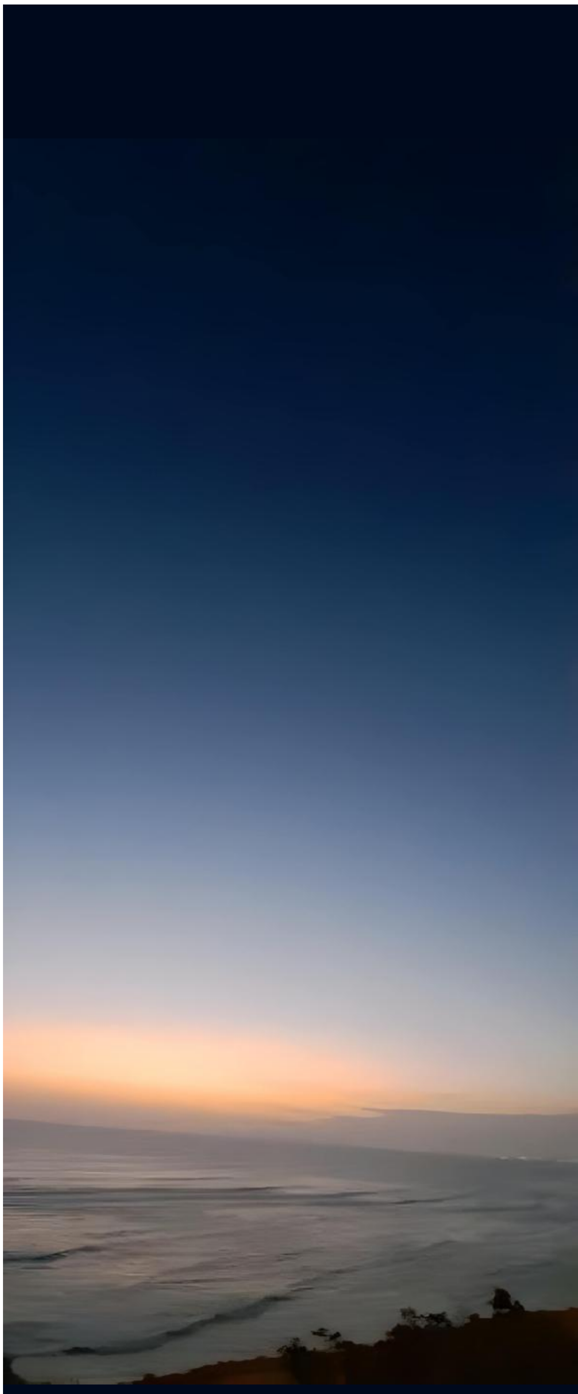
2021–2025

IPO Performance Report

Share Price Outcomes (Mainboard vs SME)

Resource Mobilisation (Equity issues)

Industry	From FY14 to FY25 (In INR crs)
Telecommunication	96,157.23
Insurance	82,191.07
Finance	80,580.89
Oil & Natural Gas	59,196.02
Healthcare	58,964.06
Automobile	49,769.13
Banking/FIs	37,996.51
Consumer Services	37,674.31
Cement/Construction	34,896.63
Electrical Equipment/ Production	32,747.53
Information Technology	32,279.84
Food processing	22,171.80
Chemicals	20,780.93
Power	19,845.93
Hotels	16,359.42
Textile	12,453.72
Engineering	8,553.32
Airlines	7,130.23
Entertainment	4,471.06
Roads & Highways	4,280.43
Plastic	1,019.05
Paper & Pulp	213.16
Printing	84.19
Miscellaneous	1,69,258.51
Total	**8,89,074.99**

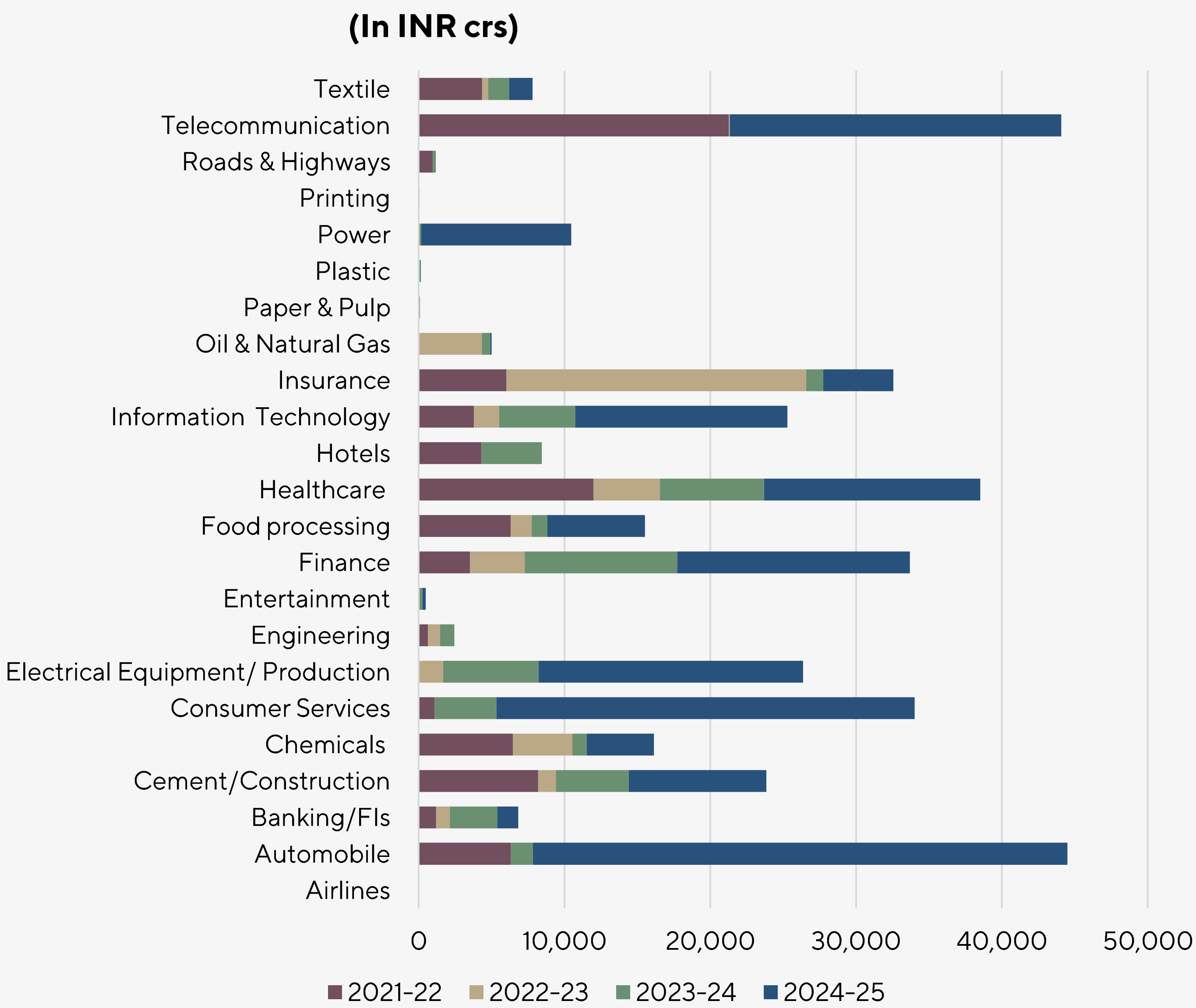


Resource Mobilisation (Equity issues)

Industry	From FY22 to FY25 (In INR crs)
Automobile	44,493.91
Telecommunication	44,076.48
Healthcare	38,510.74
Consumer Services	34,024.01
Finance	33,686.95
Insurance	32,562.49
Electrical Equipment/ Production	26,361.36
Information Technology	25,290.41
Cement/Construction	23,842.55
Chemicals	16,140.57
Food processing	15,524.68
Power	10,472.49
Hotels	8,452.23
Textile	7,817.04
Banking/FIs	6,830.11
Oil & Natural Gas	4,997.64
Engineering	2,440.64
Roads & Highways	1,172.99
Entertainment	479.64
Plastic	151.45
Paper & Pulp	85.00
Printing	58.00
Airlines	-
Miscellaneous	1,20,529.65
Total	**4,98,001.02**

FY14-FY25 data highlights that India's equity capital markets have seen a sharp acceleration in resource mobilisation in the recent cycle, with **₹4,98,001 crore** raised in **FY22-FY25** alone, which is ~56% of the total ₹8,89,075 crore raised across the entire FY14-FY25 period. This is significant because FY22-FY25 represents only 4 financial years, yet it contributed more than half of the equity issuance value of the full 12-year window, underscoring how strongly the post pandemic period has driven primary market activity and equity fundraising. The allocation mix also shows that the recent FY22-FY25 phase was led by sectors like **Automobile (₹44,494 crore), Telecommunication (₹44,076 crore)** And **Healthcare (₹38,511 crore),** indicating that fundraising momentum was not limited to financials alone but broadened into consumption linked and domestic growth sectors. This concentration of equity mobilisation in FY22-FY25 reinforces that India's equity issuance boom has been heavily front loaded into the recent years, reflecting stronger listings activity, deeper domestic participation, and higher fundraising appetite versus the earlier part of the FY14-FY25 cycle.

Industry-wise Classification of Resource Mobilisation (Equity issues)

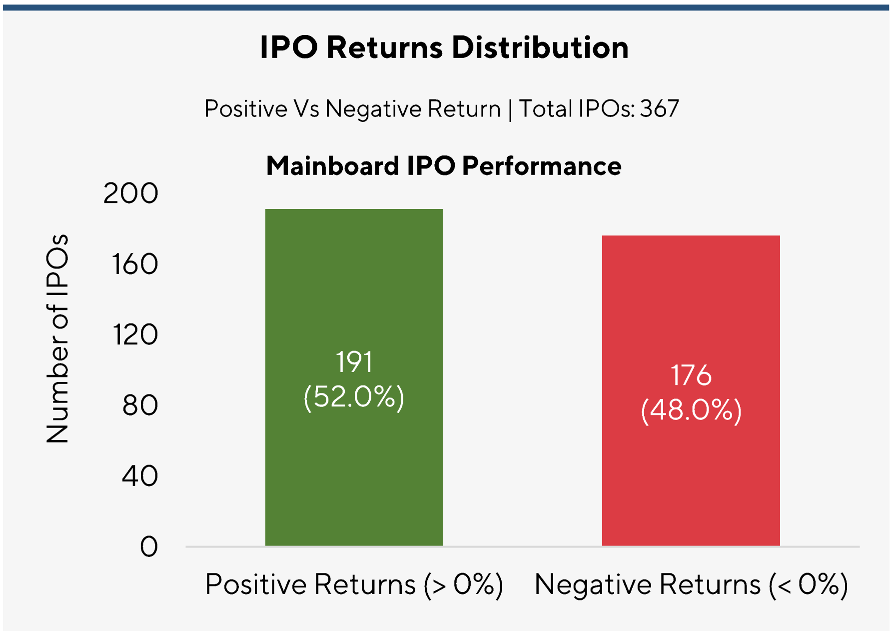


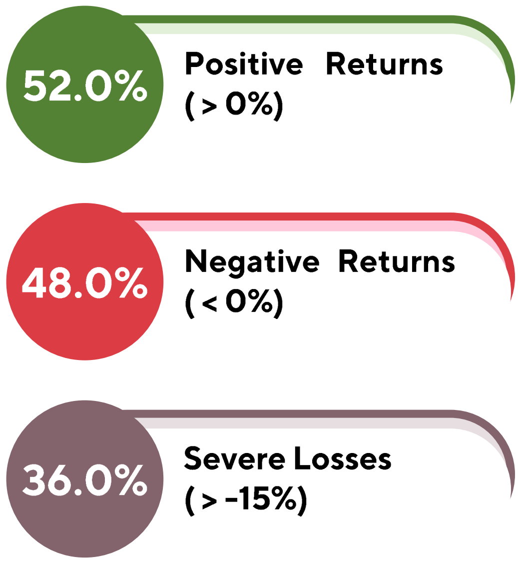
3 Universe Covered (2021-2025 IPO cohort)

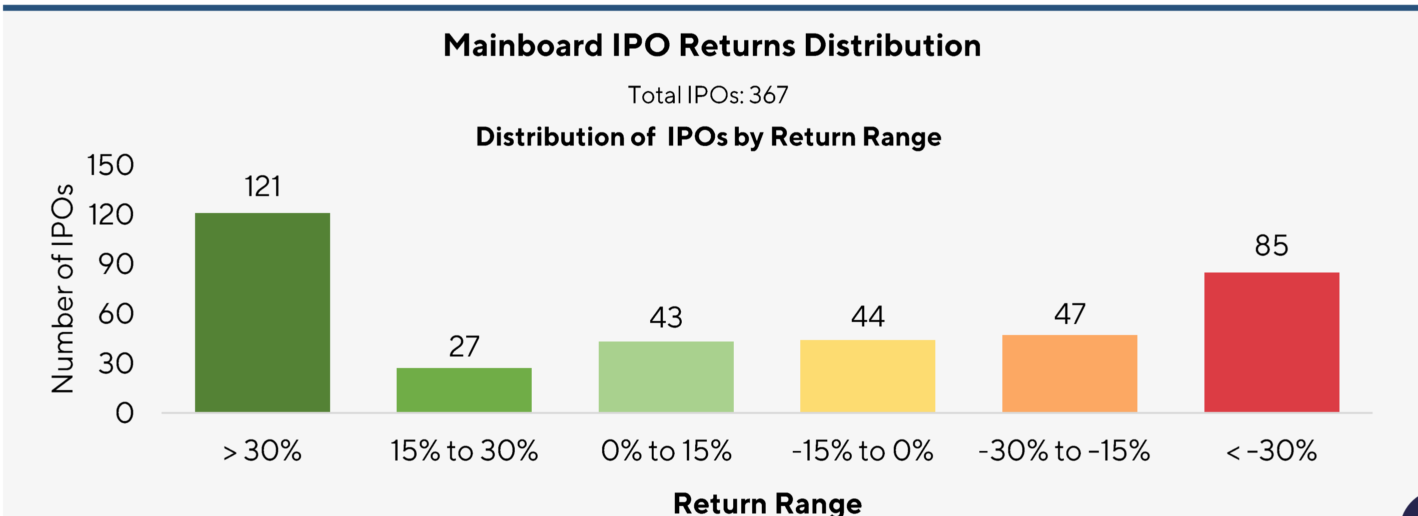
Across 2021–2025, 1,232 IPOs, including 367 Mainboard IPOs and 865 SME IPOs came into the Indian Markets

1. **Mainboard IPOs Show Slightly Better Breadth, But Demand (Subscription) Did Not Always Translate Into Listing Outcomes**

   Mainboard IPOs delivered a marginally positive experience overall, with 191 IPOs (52.04%) generating positive returns, while 176 IPOs (47.96%) delivered negative returns, resulting in an Advance/Decline ratio of 1.085x. However, performance dispersion remained meaningful, with 121 IPOs gaining more than +30%, while 85 IPOs declined below -30%, highlighting that investor outcomes were highly stock-specific. Importantly, high subscription demand was not a reliable indicator of post listing performance, out of the 176 Mainboard IPOs trading below listing price, 103 companies (~59%) had still received subscription of more than 10x, indicating that strong investor demand at the IPO stage often reflected sentiment and liquidity rather than long term return comfort

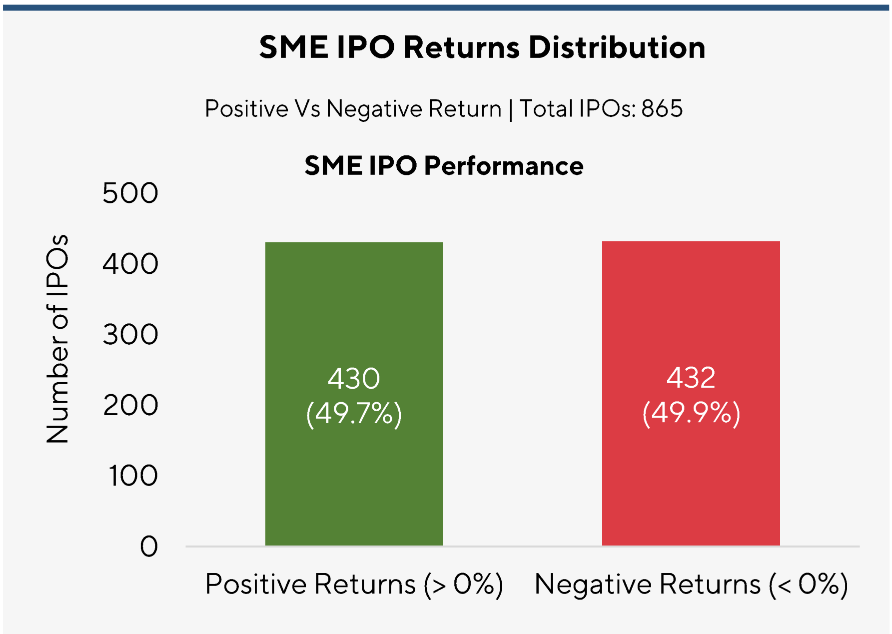


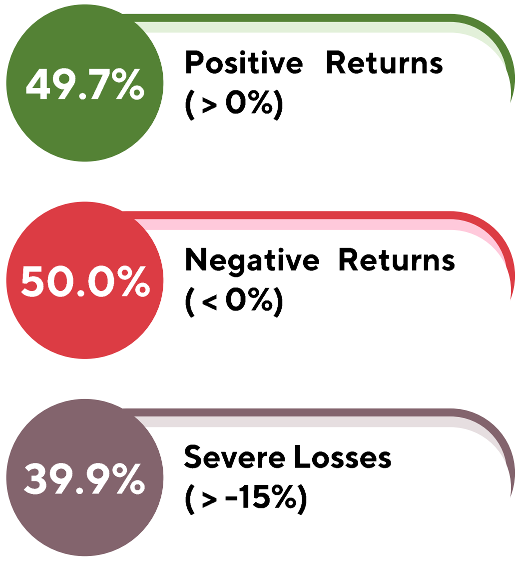


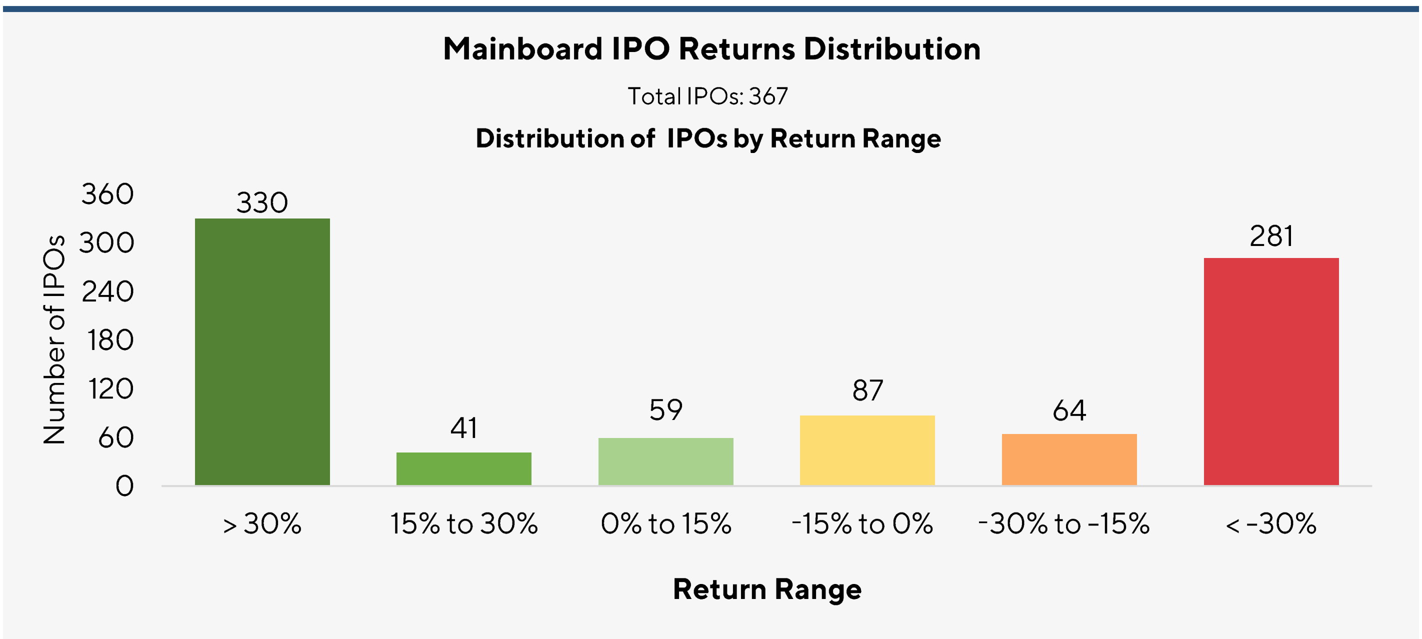


2. SME IPOs Behave Like A High Volatility, High Dispersion Market (With Subscription Not Guaranteeing Outcomes)

SME IPO performance is almost perfectly balanced between winners and losers, with 430 IPOs (49.71%) delivering positive returns, 432 IPOs (49.94%) delivering negative returns, and only 3 IPOs (0.35%) remaining flat, leading to an Advance/Decline ratio of 0.995x. The return profile is sharply 'barbell' in nature, where 330 IPOs delivered returns greater than +30%, but simultaneously 281 IPOs fell below -30%, confirming that SME IPOs offered high upside potential but also deep downside risk. Notably, weak post listing performance was common even among heavily subscribed deals, out of the 432 SME IPOs trading below listing price, 245 companies (~57%) still received subscription of more than 10x, reinforcing that oversubscription alone was not a dependable indicator of long term performance







4 Mainboard vs SME: Risk Adjusted Takeaway is Clearly Different

While SMEs show a slightly higher count of large winners (>+30%), the downside risk is also materially higher, as ~32% of SME IPOs (281/865) fell below -30%, compared to ~23% of Mainboard IPOs (85/367). This makes Mainboard IPO outcomes relatively more stable in breadth terms, while SME outcomes appear structurally more speculative and liquidity driven

5 Analyst Opinion

The 2021-2025 IPO cycle conclusively demonstrated that success in public market debuts required rigorous selection discipline rather than broad-based participation. The period exposed a fundamental market truth: subscription intensity became a poor predictor of post-listing performance, with numerous IPOs witnessing 100x+ oversubscription followed by negative returns within months. This disconnect occurred because subscription multiples reflected liquidity surplus, FOMO driven participation, and influencer momentum rather than fundamental conviction. Heavy oversubscription often coincided with peak valuations issues priced at 30-50% premiums to sector averages with optimistic growth assumptions that market conditions couldn't support which collapsed rapidly when post listing reality set in.

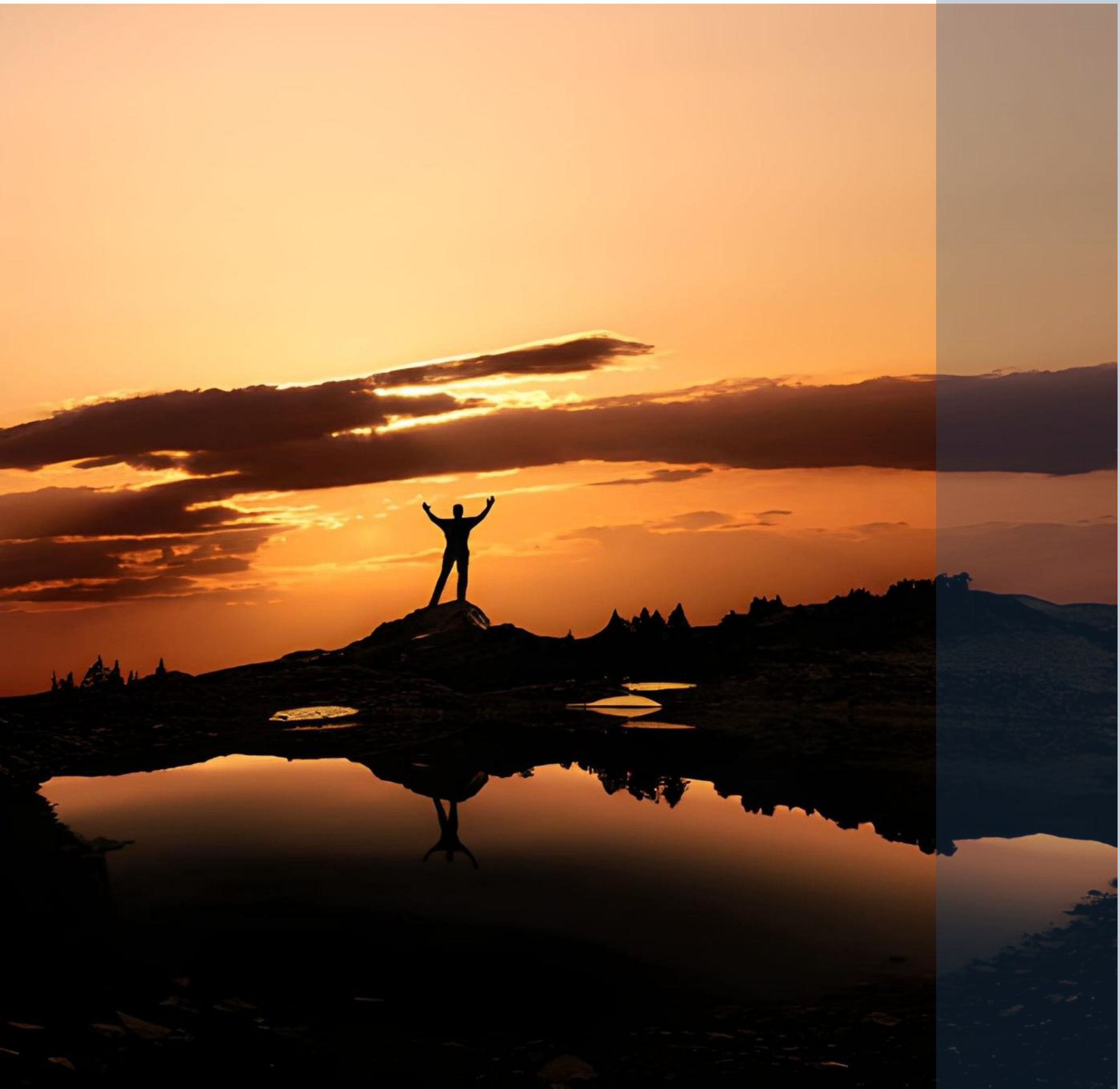
The SME segment provided particularly instructive lessons about the critical importance of exit discipline and liquidity planning. While top quartile SME IPOs with genuine growth businesses and professional management delivered exceptional returns, bottom quartile performers suffered from thin trading volumes that trapped investors even when fundamental concerns emerged. Investors needs to practice ruthless discipline through pre defined exit triggers, partial booking at listing to derisk positions, and complete exits upon red flags regardless of short term price action. The traditional retail strategy of 'apply for listing gains' faced structural breakdown as merchant bankers captured more upside in issue pricing, retail participation became universal (eliminating scarcity premium), and median listing gains compressed to single digits while tail risk of significant listing day losses became material.

The evidence from this period points toward a fundamental paradigm shift: IPO investing should be approached as long term business purchasing at known prices, not lottery ticket speculation. Winning strategies centered on three pillars valuation comfort (defensible pricing relative to growth and return metrics, not necessarily cheapness), business quality (scalable models with competitive moats, capital efficiency, and transparent governance), and liquidity planning (realistic assessment of post listing trading volumes and predetermined exit criteria). The best performing selections weren't necessarily in the 'hottest' sectors but were simply good businesses coming public at reasonable prices, where investors maintained the discipline to hold quality and exit mediocrity regardless of short term sentiment.

Ultimately, the 2021-2025 experience reinforced that IPO investing is not a distinct asset class requiring different principles than secondary market equity investing. The same fundamentals business quality assessment, valuation discipline, portfolio construction, and risk management, apply equally. Those who treated IPOs as short term trades or momentum plays faced disappointing aggregate returns, while those who developed systematic evaluation frameworks, maintained strict participation thresholds, and practiced forward looking liquidity assessment preserved capital and captured value where it genuinely existed. The period didn't invalidate IPO investing; it simply demonstrated that undisciplined approaches yield poor results regardless of market structure or timing

Core Conclusion from 2021-2025 IPO Outcomes

The 2021-2025 IPO cycle was not a uniform wealth creation phase, instead, it was a period where IPO investing clearly rewarded selection discipline over blind participation. Both Mainboard and SME data show that even strong subscription numbers were not sufficient to protect against weak post listing returns, strengthening the case for IPO evaluation frameworks centered on valuation comfort, business quality, and liquidity/exit discipline, rather than 'listing gains' expectations



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