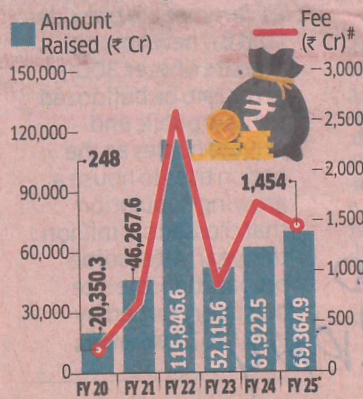


# With IPO Mkt on Fire, I-Bankers Set to Celebrate a Cracker of a Year

## Bountiful Days

I-bankers earnings from IPOs & FPOs



# Including GST; \* Till 30 September Source: Primedatabase.com

Big-ticket issues likely to ring in record payouts for investment bankers who earned ₹1,454 cr in H1 of FY25 as IPO, FPO fee

Rajesh Mascarenhas

**Mumbai:** The Indian primary market is witnessing unprecedented activity in FY25, setting the stage for record earnings by investment bankers. In the first half of the fiscal year, I-bankers have earned nearly ₹1,454 crore in fees as lead managers for initial public offerings (IPOs) and follow-on-public offers (FPOs), compared with ₹1,685 crore for all of FY24. These numbers exclude fees from qualified institutional placements (QIPs) and block deals that were recorded this year.

With large IPOs from Hyundai, Swiggy, Afcons, Waaree and NTPC Green expected in the second half, the primary market is projected to raise over ₹1.5 lakh crore

through IPOs alone this financial year, positioning investment bankers for a boom year. To be sure, any downturn in the market could put a dent in those numbers. The average fee in 2023 and 2024 was around 2.7%. Between April and September, nearly 41 main board companies raised ₹69,365 crore from public offerings compared with ₹61,922 crore in FY24. Also, ₹64,725 crore was raised through QIPs between April and September this year compared with ₹69,306 crore raised in all of FY24. Bankers are optimistic about the outlook for the primary market with several large companies and unicorns exploring options to go public, which could further fuel activity in the primary market.

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## Vodafone Idea Paid Highest Fee

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"FY25 could be a blockbuster year for the primary market, benefiting companies, shareholders, investors and bankers," said V Jayasankar, managing director of Kotak Investment Banking.

"The IPO pipeline remains very strong, with high-profile and quality issues across the sectors expected to be launched this quarter, potentially generating ₹700-800 crore in fees for lead managers."

Vodafone Idea, which raised ₹18,000 crore through a follow-on offer, paid a fee of ₹287 crore — the highest in this fiscal year. Ola Electric, after raising ₹6,146 crore, paid around ₹145 crore to the lead managers. Others such as Brainbees Solutions, Premier Energies, and Go Digit General Insurance have paid fees ranging from ₹70 crore to ₹96 crore.

According to Ravi Sardana, an investment banker, the momentum in the IPO market is expected to sustain as long as the secondary market performs well, with nume-



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rous large companies and unicorns still waiting to launch their public offerings. "While the fee percentage charged by investment bankers has only seen a marginal increase, the sheer size of these deals has made the absolute value of the fees collected quite substantial," he added.

The surge in IPO activity has also sparked investor interest in I-bankers, with a stake sale in Aventus Capital in the works and plans for listings by DAM Capital. Reports suggest several bulge-bracket pri-

vate equity firms like Carlyle, Mizuho, Nomura, and Premji Invest among others are lined up to buy a stake in Aventus Capital.

According to news reports, Aventus Capital's valuation has been pegged at ₹5,500-6,000 crore, representing about 3.5 times the return on KKR's investment in the firm in 2015. Mumbai-based DAM Capital recently filed a draft red herring prospectus for an IPO. In just three years, the firm has jumped from 13th to sixth place in terms of IPO and QIP transactions.