

DRHPs stack up even as IPOs stall in volatile mkt

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The filing of draft red herring prospectuses (DRHPs) has remained resilient in 2025, reflecting continued optimism in the initial public offering (IPO) market, even as broader equity markets have weakened and primary activity slowed.

Between January and May, 85 companies filed their DRHPs with the Securities and Exchange Board of India (Sebi), the highest tally for this period in over a decade. Among the marquee companies filing offer documents this year are Tata Capital, Urban Company, and Canara Robeco Asset Management.

A DRHP is a preliminary prospectus filed ahead of an IPO and contains key disclosures, including share offer size, financial statements,

Robust interest

DRHPs filed during Jan-May period



Until May 21, 2025

Source: primedatabase.com

and risk factors.

In contrast with DRHPs filed, only 10 IPOs have been completed so far this year. The total number of completed deals remains significantly below the 29 IPOs during the same period last year.

Bankers attribute the subdued IPO activity to weak

market sentiment following a sustained selloff in the secondary market since October 2024. The downturn was driven by soft corporate earnings, valuation concerns, and a stronger dollar. Turn to Page 6

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In addition, policy uncertainty and American reciprocal tariffs introduced after Donald Trump's return to the White House prompted foreign portfolio investors to scale back allocations to emerging markets, including India.

March marked the first month in nearly two years without a single IPO, while April saw just one deal closing. Nonetheless, companies continued to file offer documents, with 32 DRHPs submitted over March and April.

Investment bankers said issuers were maintaining their IPO readiness in anticipation of more stable market conditions. "It takes three-four months to prepare the DRHP, and another three-four months for

Sebi observations to come through. After that, there is a one-year window to launch the deal. Since one knows there is a six-month wait before you can launch a deal, companies want to be ready when the markets become stable," said Venkatraghavan S, managing director, investment banking, Equirus.

Pranav Haldea, managing director at Prime Database, noted that the DRHP filing is typically among the final steps in a company's IPO preparation. "Most of these companies would have already planned to file their offer documents well before the selloff started in October."

Looking ahead, market participants expect both the filing and launch pipeline

to remain active, as macro headwinds recede and signs of a rebound in IPO activity begin to emerge. Two offerings — Belrise Industries and Boraana Weaves — are set to close this week. Next week will see the launch of issues by Aegis Vopak Terminals and Schloss Bangalore. Together, the four public offers aim to raise ₹8,595 crore.

"We are already seeing big issues getting launched this month. The June quarter will be slightly muted because firms might have taken a call on launching with full-year (March quarter included) numbers, rather than with nine-month numbers until December. But the September quarter will be more robust regarding launches," Venkatraghavan added.