ABOVE AND BEYOND

Mid-sized i-banks Dam and Equirus brought knives to the IPO gunfight—and won

By Valli Vikram

Thriving in a business dominated by the likes of Axis and JM Financial meant taking the fundraising pitch beyond the promise of just finding investors

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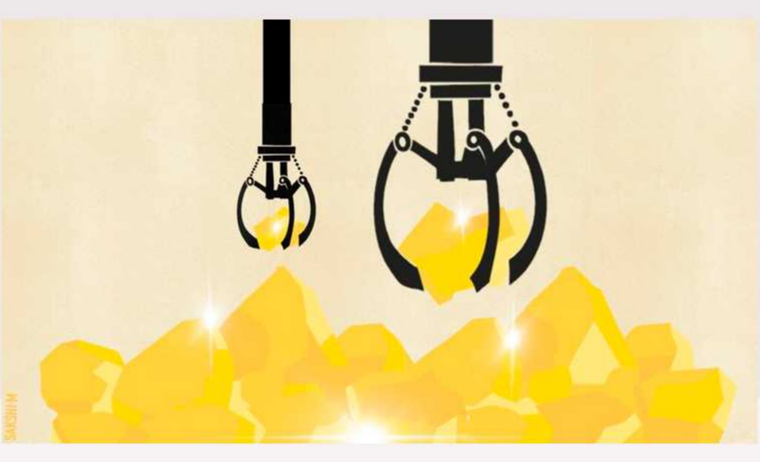
1 Comment



Valli is a graduate of The London School of Economics. She is interested in writing about the intersection between business and artificial intelligence.

HIDE SUMMARY

- India's IPO boom is fueled by an increase in domestic liquidity and a flood of PE and VC-backed companies chasing high valuations.
- Investment bankers in India have moved beyond simply guaranteeing IPO subscriptions to emphasise pricing accuracy, narrative-building, and post-listing support.
- Mid-tier firms like DAM Capital and Equirus have capitalized on this shift, climbing into the top ranks of Indian investment banking.
- They're now competing with top i-banks such as Axis and JM Financial on big-ticket IPOs.

Investment bankers used to sell a pretty simple promise, as one investment banker from HDFC Bank put it: "We will get your IPO subscribed." Now, he said, the pitch is more elaborate: "We will get you priced right, told right, and traded well."

No one knows this better than mid-sized investment banks like Dam Capital and Equirus Capital, who've ridden this new mandate from the fringes to the big leagues.

Because the game itself has changed. In the last five years, India's IPO market has gone from a promising frontier to an unignorable engine of global issuance. One in every five IPOs now takes place in India, with 62 companies raising $2.8 billion in the June quarter alone.

That kind of volume flips the balance of power. "With 85 IPOs live and at least 85 more in the pipeline, it's a buyer's market," said a senior executive at Dam. "So, companies have to be reasonable on valuation expectations as investors are spoilt for choice."

The buyers have shifted, too. Domestic mutual funds have overtaken foreign institutional investors to bankroll 75% of IPOs in 2025, compared to just 25% three years ago. All while a deep roster of private-equity and venture capital-backed companies is hitting the market, each trying to squeeze as much value as possible.

History suggests they have a reason to be wary. Barely a third of the 25 PE and VC-backed new-age companies listed between May 2020 and June 2025 have outperformed the market, many dragged down by overvaluation and capital-heavy models.

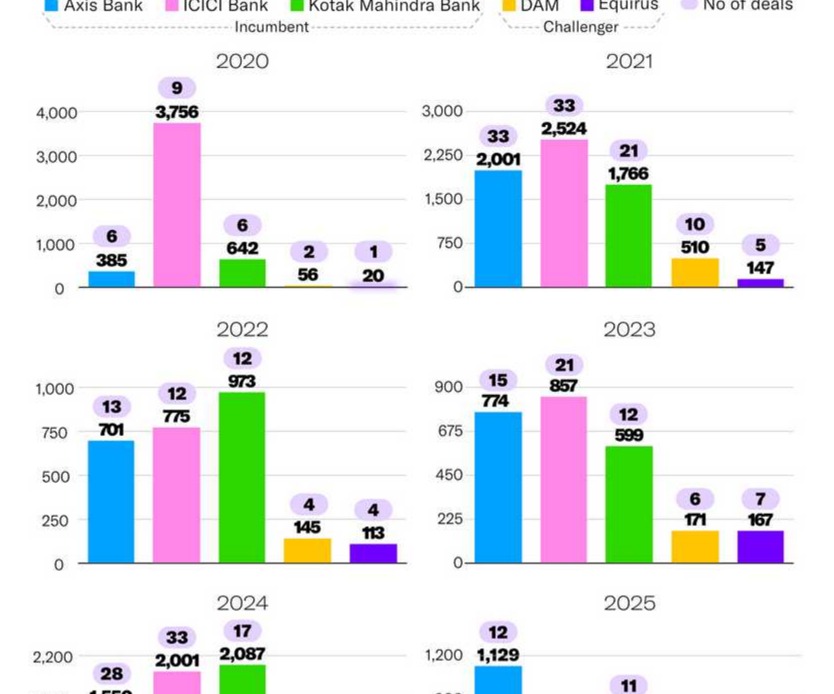
And so, a reckoning—for issuers, yes, but especially for the banks that priced those promises.

They can no longer stick to just making introductions and hope the market sorts itself out. Instead, their new pitch is all about helping companies sidestep over-valuation, while crafting unique narratives that help them cut through a crowded market. With a sprinkle of personalised guidance, sector expertise, and post-listing support.

Mid-sized challengers have been quick on the uptake. Take Dam, which has run 32 IPOs and around 25 QIPs over the last five years—including not only mid-sized deals but also big-ticket ones where it was up against top banks. In fact, it was one of the lead managers on both JSW Cement's Rs 3,600 crore IPO and construction and engineering company Afcons's Rs 5,430 crore IPO.

Equirus, meanwhile, is pitching itself as an end-to-end partner, handling everything from pre-listing disclosures to post-listing liquidity.

The result: challengers like these are now going toe-to-toe with incumbents like Axis Bank and JM Financial.



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The return of the relationship banker

Dam Capital didn't invent India's new IPO playbook. But it has become one of its biggest beneficiaries.

Five years ago, the company sat outside the top 10 IPO and QIP league table; today, it's sixth. The secret, according to a senior executive at Dam, is cultural as much as it is financial. "What we've brought back is that promoter-driven, entrepreneurial DNA," they said.

> *Promoters like dealing with promoter-driven investment banks as we have a sense of ownership, we're accessible, and they can trust us*
>
> A SENIOR EXECUTIVE, DAM CAPITAL

One of Dam's promoters Dharmesh Anil Mehta—who is also the managing director and CEO—earlier worked with veteran i-bank Axis Capital for over 21 years. Other promoters include his wife Sonali Mehta and their family firm Boombucket Advisors.

All of this taps into a very specific nostalgia. Investment banking in India used to be about personalities—Vallabh Bhanshali of Enam Group, Uday Kotak of Kotak Mahindra Bank, and Hemendra Kothari of the DSP Group. They were a combination of dealmakers and "promoter bankers". The general physicians of the financial world, if you will, to whom a promoter could go for any and everything.

Continuity was built into this system, with a single, unassailable face helming the relationship.

But when they retired or stepped down, their firms were suddenly rendered faceless. Clients no longer saw the same person across decades, only a rotating cast of salaried professionals.

Dam spotted the gap and built a reputation on filling it. Nowhere is it clearer than in the electronics and manufacturing services (EMS), a sector it has come to dominate. Since 2020, around seven EMS IPOs have all had Dam as a lead manager.

If Dam's advantage stems from reviving promoter-led intimacy, Equirus's rise has been about mastering the market's new rhythm. "The old 'window of opportunity' pitch we gave clients doesn't hold anymore—opportunities now come much more frequently," said Bhavesh Shah, managing director of Equirus. Interestingly, Shah, like Mehta, worked with a veteran competitor—JM Financial—for 19 years before this.

Unlike the long bull and bear cycles of the past, post-pandemic markets move in sharp, unpredictable bursts.

That means issuers and investment banks can't keep waiting for a "multi-year bull". They need to time listings inside quarter-to-quarter liquidity shifts, and so, need bankers who know their story intimately and can move quickly. For instance, barring a brief lull in IPOs in the first three months of 2025, issues have been pouring in, said Pranav Haldea, managing director of data and information-services provider Prime Database.

Equirus, which already commanded a 2.5–3% market share in institutional equities in 2021, quickly doubled down on building relationships with emerging Indian promoters and serving them end-to-end: from pre-IPO shaping and price discipline at launch, all the way to QIPs, block deals, and secondary liquidity.

"Post-IPO relationships are built by staying on as an advisor beyond the first trade," said Shah. For instance, for fintech company Zaggle, the only constant between its pre-IPO, IPO, QIP, and block deals was Equirus.

"When execution lands, companies are more likely to stick with the same investment bank—coming back for follow-ons," says a corporate finance expert. "It's like a hotel: you go back for the facilities, yes, but also the overall experience."

The model has scale, too. Equirus has done 30 IPOs in the last seven years, including ones as big as solar-energy company Vikram Solar's Rs 2,000 crore IPO as well as jewellery retailer Lalithaa Jewellers's Rs 1,700 crore IPO.

But in a crowded market, familiarity can only get you so far. The next competitive edge lies elsewhere.

From listing to lasting

"In theory, an i-banker's job is to be honest about valuation and walk the talk on pricing," said a veteran i-banker. "In practice, i-banks, keen to win mandates, make tall promises as companies love to hear big valuation numbers for IPOs."

Take Paytm*, the poster child of India's digital-economy boom. In 2021, the fintech giant listed at a headline valuation of $18 billion. Today, it trades closer to $6–10 billion. Founder Vijay Shekhar Sharma admitted that the company's biggest mistake was not choosing the right i-banks. "Choosing the right banker is crucial," he said in 2024.

The A-team // The lead managers for Paytm's IPO included veteran financial institutions such as Axis Capital, HDFC Bank, JP Morgan, and Goldman Sachs Securities

Even the conglomerate Tata Group isn't immune. After a blockbuster debut in November 2023, engineering-services company Tata Technologies is now down over 40% from its listing price.

Overpricing isn't always banker hubris. It also reflects what a corporate-finance expert called the "India premium". Several Indian sectors consistently trade 30–50% above global peers because India's growth outlook is stronger and domestic liquidity abundant, he said.

In some cases, though, caution has also led to underpricing. For instance, Urban Company took a more muted approach to valuation—one that drew little buzz initially but resulted in an oversubscription of nearly 104X. "I-bankers now wonder whether they left too much value on the table," said a former analyst at i-bank Avendus.

The challenge for i-banks during this wave of IPOs is striking a balance between the two.

"Our role now encompasses KPI-disclosure discipline and thinking ahead about post-listing life," said an i-banker at HDFC. "Successful pricing and post-IPO listing builds credibility with investors, making subsequent pitches easy to sell."

That is to say, i-banks' role doesn't end once the stock lists but continues well into its afterlife. This includes facilitating block deals and other secondary transactions that keep liquidity flowing. Keeping the 'Street' engaged is another essential, especially for smaller IPOs that are easy to ignore post-listing. Unless they work to stay in the news cycle.

It's long-term conviction in companies they back that helps them succeed, according to Shah. "Even while building our franchise, we said 'No' to companies we didn't believe in," he said.

Not everything has changed, though.

Fees haven't moved much: IPOs still pay 2–3% of issue size, with the lead-left keeping the biggest slice and others paid for book-building sales. Timelines are broadly the same as well: around nine months in a clean run, but typically 12–24 months.

Some traditions may be hard to shake, but what has changed is the hierarchy. India's IPO boom has created space for mid-tier challengers to move up the table, not by copying the incumbents but by reframing the mandate itself.

In a market flush with capital but short on attention, the best i-banks don't just sell a story—they stay in it. Visibility might be currency, but staying power is what matters most.

**Paytm founder Vijay Shekhar Sharma is an investor in The Ken.*

This story has been updated to include additional details about Dam Capital's chief executive.