

Crowded IPO Sky Raining Fees on I-Banks

Lead issue managers likely to have bagged ₹3,500 cr from 90 market debuts this year so far

Big 'Uns

For top 10 issuers



LEAD MANAGER FEE

Co that launched IPO (₹ cr)

LG India	226
Hexaware Tech	215
Tata Capital	159
Billionbrains	152
Lenskart	129
HDB FinServ	104
Dr Agarwal's	84
Schloss Bangalore	83
NSDL	82
Anthem Biosciences	81

Note: The above analysis is based on IPOs listed till Nov 12

Himadri Buch

Mumbai: Investment banks are poised for another bumper year, as an IPO super-cycle that began last year continues to bring hefty fee income for dealmakers. Indian companies raised more than ₹1.50 lakh crore from around 90 initial public offerings so far this year, show data from Prime Database.

With their fees ranging from 1.75% to 3.5%, the book-running lead managers of these issues would have earned more than ₹3,500

crore, said Dev Chandrasekhar, partner at valuations branding advisory Transcendium. Their fee income in 2024 too was around ₹3,500 crore, but with more IPOs lined up, this year's figure could well exceed that, he said.

Several marquee offerings contributed handsomely to bankers' coffers this year. Tata Capital's ₹15,512-crore public float, the largest of the year, paid the lead managers ₹159 crore in fees, according to Prime Database.

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Bigger Issues Now

LG India

Morgan Stanley, Axis, JP Morgan, BofA, Citi

Hexaware Tech

Kotak, Citi, JP Morgan, HSBC, IIFL

Tata Capital

Kotak, Axis, BNP, Citi, HDFC, HSBC, ICICI Sec, IIFL, JP Morgan, SBI

Billionbrains

Kotak, JP Morgan, Citi, Axis, Motilal

Lenskart Solutions

Kotak, Morgan Stanley, Avendus, Citi, Axis, Intensive Fiscal

Dealmakers Inc

Lead managers of this year's top IPOs



Dr Agarwal's

Kotak, Morgan Stanley, Jefferies, Motilal

HDB FinServ

JM, BNP, BofA, Goldman, HSBC, IIFL, Jefferies, Morgan Stanley, UBS, Motilal, Nomura, Nuvama

Schloss Bangalore

JM, BofA, Morgan Stanley, JP, Morgan, Kotak, Axis, Citi, IIFL, ICICI Sec, Motilal, SBI

NSDL

ICICI Sec, Axis, HSBC, IDBI, Motilal, SBI

Anthem Biosciences

JM Fin, Citi, JP Morgan, Nomura

Compiled by ETIC

▶▶ From Page 1

While managers for HDB Financial Services' ₹12,500-crore issue made ₹104 crore, LG Electronics India paid ₹226 crore for its ₹11,605-crore IPO.

Technology firm Hexaware Technologies, which raised ₹8,750 crore, paid a fee of ₹215 crore while Groww parent Billionbrains Garage Ventures incurred ₹152 crore for its ₹6,632-crore issue. Lenskart Solutions' ₹7,278-crore IPO, a midsize offering, contributed ₹129 crore to investment banking revenues.

The top 10 issuers, which raised ₹76,210 crore from the primary market, alone paid ₹1,315 crore to investment bankers, show data.

The fee is linked to both the size of the issue and the kind of anchor investors the banker is able to bring in, said Ajay Garg, managing director of Equirus Capital. "Up to about ₹1,000 crore (issue size), you typically see the fees in the 3-3.5% range. As the deal sizes rise to ₹2,000 crore, ₹3,000 crore, ₹5,000 crore and so on, the percentage keeps coming down, but the absolute fee still goes up."

According to investment bankers, a decade ago, they earned 1-2% on most IPOs, with big issues priced even lower at 0.5-1%. In 2025, with secondary market returns stabilising and IPOs booming, the fees have jumped to 2-2.5% on midsize deals and up to 1.75% on large ones.

CONDUCTIVE CONDITIONS

Analysts attribute the listings boom to ample liquidity in the market, persistent domestic mutual fund inflows and a rush of private equity funds to exit startup invest-

ments ahead of potential global turbulence. With stable interest rates, solid GDP growth and a steady secondary market, the macro environment has ensured IPOs continue to draw robust institutional and retail participation.

Investment bankers are among the big beneficiaries of this primary market boom.

"Fee earned by bankers from IPOs is a direct function of the amount mobilised," said Pranav Haldea, managing director of Prime Database. "We have also seen several new-age technology companies, which typically pay a higher fee, coming out with IPOs this year."

Conservative pricing of the issuance, along with guaranteed over-subscriptions and the prospect of listing gains, has made the market an easy place to raise money. It is also keeping bankers busy and giving issuers the confidence to come out with more deals.

This year, companies across sectors from financial services and technology to consumer retail rushed to capitalise on the investor appetite for IPOs, as market conditions remained favourable.

"IPOs generally get priced 20-30% below secondary market peers," said Transcendium's Chandrasekhar. But despite the apparent win-win scenarios — issuers get capital, investors get entry and banks get fees — there is a flip side as well, he said. Aggressive pricing ensures over-subscription, and listing gains fuel more demand. In this self-reinforcing cycle, valuation concerns might take a backseat, said Chandrasekhar.