

Rs 4,100 crore windfall! IPO boom breaks all records for investment bankers in 2025

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Synopsis

Investment bankers in India have earned a record Rs 4,100 crore in 2025. This surge is driven by a booming primary market and a high volume of IPOs. Several large-ticket listings contributed significantly to these earnings. The trend indicates a strong performance for the Indian IPO market, with robust deal pipelines expected to continue.



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India's IPO market saw investment bankers earn a record Rs 4,100 crore in 2025, fueled by a primary market boom and increased fundraising.

India's red-hot [IPO](#) market has delivered a massive windfall to investment bankers, with the total payout crossing Rs 4,100 crore in 2025, the highest ever on record. The surge comes on the back of a relentless primary market boom that saw fundraising scale new highs and deal pipelines stay crowded through the year.

According to data from Prime Database, lead managers earned Rs 4,113 crore in fees in 2025, sharply higher than Rs 3,463 crore in 2024, as total IPO fundraising climbed from Rs 1.6 lakh crore to over Rs 1.75 lakh crore. More than 100 IPOs have hit the market so far this year, comfortably surpassing last year's record of 91 issues.

The fee expansion reflects both higher deal volumes and rising ticket sizes, with several marquee offerings padding bankers' earnings. Large-ticket listings, aggressive investor participation and stabilising secondary market returns have created a sweet spot for investment banks, allowing them to command healthier economics across mandates.

The windfall marks a dramatic reversal from a decade ago, when investment banks earned just 1-2% on most IPOs, with mega deals priced as low as 0.5-1%. Today, fees have surged to 2-2.5% on midsize offerings and up to 1.75% on large transactions.

Marquee IPO deals fill the coffers

Several blockbuster offerings delivered outsized paydays this year. LG Electronics India's Rs 11,605-crore IPO, managed by [Morgan Stanley](#), [Axis Capital](#), [JP Morgan](#), [Bank of America](#), and Citi, generated the year's highest banker payout of Rs 226 crore.

IPOs With Highest Investment Banking Payouts in 2025

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IPO	Lead Manager Fees (Rs crore)
LG Electronics India	226
Hexaware Technologies	215
ICICI Prudential AMC	188
Tata Capital	159
Groww	152
Meesho	130
Lenskart Solutions	129
HDB Financial	104

Tahla Nikhil Anarwal • Source: Regulatory Filings • [Download image](#)

Hexaware Technologies' Rs 8,750-crore issue paid fees of Rs 215 crore, while the massive [ICICI Prudential AMC](#) IPO, which had 18 banks on the deal, distributed Rs 187.67 crore among managers.

Tata Capital's Rs 15,512-crore public float, the largest of 2025, paid lead managers Rs 159 crore. The deal was managed by a syndicate including Kotak, Axis Capital, [BNP Paribas](#), Citi, [HDFC Bank](#), HSBC, ICICI Securities, IIFL, JP Morgan, and [SBI](#) Capital.

[Groww](#) parent [Billionbrains Garage Ventures](#) incurred Rs 152 crore for its Rs 6,632-crore issue, while [Lenskart](#) Solutions' Rs 7,278-crore IPO contributed Rs 129 crore to investment banking revenues. HDB Financial Services' Rs 12,500-crore offering paid managers Rs 104 crore, regulatory filings show.

Also Read | [India's IPO frenzy hits century to shatter 18-year record, but easy money days are over](#)

The fee structure explained

"Higher fee income this year is because of higher fundraising in 2025," Pranav Haldea, Managing Director of Prime Database Group told ET Markets. "Investment bankers get paid in percentage of the amount raised in IPOs. So if the issue amount is high, the payout for them would also typically be high."

According to Haldea, fees typically range between 1-5%, with deal structure playing a crucial role.

"The fee in new-age tech startups would be on the higher side at 3-4% because many of them are first of their kind in the market and therefore require more research and marketing," he explained.

The fee gradient follows a predictable pattern. "For smaller IPOs of Rs 200-300 crore, the amount in percentage terms would be higher because bankers have a minimum fee threshold in absolute terms to accept a mandate," Haldea said. "For larger billion-dollar plus IPOs, the fee is typically lower at 1-1.5% because of the sheer deal size."

Also Read | [HNI demand didn't save them: 12 heavily subscribed IPOs of 2025 are still underwater](#)

Industry sources confirm that up to about Rs 1,000 crore in issue size, fees

typically range between 3-3.5%. As deal sizes climb to Rs 2,000 crore and beyond, the percentage declines but absolute fees continue rising due to the larger base.

In most IPOs, there are usually 2-3 Tier-1 banks and 1-2 Tier-2 banks working in tandem, each with distinct responsibilities.

Tier-1 banks handle the heavy lifting—valuation, roadshow presentations, and conversations with institutional investors. These are typically global giants like Morgan Stanley, JP Morgan, Citi, and Bank of America, alongside domestic powerhouses such as Kotak, Axis Capital, and ICICI Securities.

Tier-2 banks mainly focus on retail and high-net-worth individual marketing, and help with post-IPO activities—capturing a smaller slice of the fee pie but playing a critical role in ensuring broad distribution.

The ICICI Prudential AMC deal, with its 18-bank syndicate, represents the extreme end of the spectrum—a sign of how competitive the space has become as banks jostle for mandates in a red-hot market.

The record haul also underscores India's emergence as one of the world's most vibrant IPO markets, rivaling traditional centers like the US and Hong Kong.

Over the past ten years, India's IPO market has expanded sharply, with mainboard IPO fund-raising growing at a 29% CAGR. Mainboard IPO sizes increased from ₹1,119 crore on an average (2015–2019) to ₹1,579 crore on an average (2020–2025 YTD), while SME IPO sizes more than doubled from ₹11 crore to ₹24 crore.

"We anticipate a shift towards larger offerings across both mainboard and SME segments, resulting in higher average issue sizes. On this basis, primary market fund mobilisation in 2026 is expected to be in the range of ₹3.5 to ₹4.0 lakh crore," Pantomath Capital said.

For investment bankers, 2025 has delivered a windfall but with the pipeline still robust heading into 2026, the party may be far from over.

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