

Q2 IPO rush drives Rs 1,000-crore fee bonanza for investment banks; fee income jumps over seven-fold from Q1- Moneycontrol.com

Swaraj Singh Dhanjal

Fee paid to investment bankers across 29 IPOs launched in July and August have reached Rs 1,011 crore, compared with Rs 133 crore generated by nine IPOs during April-June.

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IPO Rush

✦ **AI Powered Summary**

Investment banks earned over Rs 1,000 cr from Q2 IPOs.

Q2 IPO fees are 7x higher than Q1 fees.

Pent-up supply and expiring approvals fueled IPO surge.



The rush of initial public offerings during the first two months of the second quarter has generated a fee bonanza of more than Rs 1,000 crore for investment banks, more than seven times the amount generated during the entire first quarter of FY27.

Twenty-nine companies that launched IPOs during July and August raised a combined Rs 48,482.89 crore and disclosed fees of Rs 1,011.03 crore payable to their "book-running lead managers", according to a *Moneycontrol* analysis of their final prospectuses filed with Securities and Exchange Board of India (SEBI).

In comparison, nine IPOs launched during April-June raised Rs 3,794.08 crore and generated fees of Rs 132.90 crore.

The Q2 fee pool is a sharp jump of 7.6 times the Q1 figure. With more IPOs lined up in September, the fee income for investment bankers is only going to rise further in Q2.

The sharp rise reflects both a greater number of transactions and substantially larger IPOs.

Manipal Health Enterprises generated the largest fees for bankers so-far in Q2 at Rs 165.94 crore, followed by Dhoot Transmission at Rs 85.99 crore and LEAP India at Rs 62 crore. Lalithaa Jewellery Mart, Indo-MIM and Symbiotec Pharmedics disclosed estimated fees of Rs 60.18 crore, Rs 54.16 crore and Rs 51 crore, respectively.

In Q1, Turtlemint Fintech Solutions had the largest fee pool at Rs 39.06 crore, followed by OnEMI Technology Solutions at Rs 27.32 crore and CMR Green Technologies at Rs 18.59 crore.

Pent up supply of IPOs

"The current activity is primarily the result of pent-up supply. A large number of companies have been sitting with Sebi approvals, and for much of the first half of the year, they were in wait-and-watch mode. We are also approaching the September deadline for the approvals to expire. In April, Sebi had extended until the end of September the validity of IPO approvals that were due to expire between April 1 and September 30," said Pranav Haldea, Managing Director, Prime Database.

He added that recently launched issues have also received good subscriptions and delivered healthy listings, which has encouraged more issuers.

However he also cautioned that this is not an easy market or a seller's market in which all companies are able to offer shares at any valuation. "In several cases, issue sizes or valuations have been reduced. Some issues have been deferred too."

"Historically, in markets like this, companies which urgently need fresh capital and do not have much runway are more willing to reduce valuations and complete their IPOs. Pressure from selling shareholders can also play a role," he added.

On the demand side, domestic mutual funds have become the primary drivers for IPO activity, especially for IPOs below ₹1,000 crore.

"SIP inflows continue, and fund managers are under pressure to deploy that capital. They also need quality fresh paper as they cannot keep buying the same stocks in the secondary market," said Haldea.

"All else remaining the same, we should see a good number of IPOs hitting the market in the coming months. The geopolitical situation, however, remains an important factor to watch," he added.

Over 160 companies currently have SEBI approval for their IPO, as per Prime Database's numbers.