

Mega-IPOs, tech listings, and sponsor-backed exit to power India's equity markets in FY26: Richa Choudhary

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Synopsis

India's equity capital markets are set for another record year in FY26 with mega-IPOs, tech listings, and sponsor exits, supported by strong macro fundamentals, regulatory reforms, and rising retail participation. Law firms play a pivotal role in shaping IPO momentum.



India's IPO market stays resilient with mega issues, tech listings, and strong retail flows, as reforms and legal expertise drive sustained primary market momentum in FY26.

Despite global volatility, India has firmly retained its position as the world's second-largest IPO market after the U.S., underpinned by robust macro fundamentals, regulatory reforms, and rising retail participation.

In an exclusive interaction with ETMarkets, Richa Choudhary, Partner - Capital Markets at Trilegal, outlines the forces shaping this momentum, the evolving role of law firms in high-stakes IPOs, and the trends investors and issuers should prepare for in the year ahead. Edited Excerpts -

Q) India witnessed historic IPO activity despite global volatility—what factors are driving this resilience in the Indian primary markets?

- A) While global markets have faced volatility from factors such as tariffs, the Russia-Ukraine conflict, and the Israel-Gaza crisis, the Indian primary markets have remained resilient.

This stability is supported by strong macroeconomic fundamentals, including GDP growth of around 6.5% in Fiscal 2025, projected to continue in Fiscal 2026, robust domestic consumption, and sustained government capital expenditure.

Favourable demographics, higher household savings, and increasing retail participation in equities have further strengthened the domestic capital base.

Policy measures such as GST rate rationalisation and sector-specific incentives have also bolstered investor confidence, helping markets sustain steady momentum. As a result India has been the second largest IPO market after US in 2024 and 2025.

In parallel, regulators have actively refined the capital markets framework to make it more issuer- and investor-friendly. Key measures include the reduction of lock-in periods, introduction of the confidential filing route (which has seen 17 issuers opt for this route thus far), rationalisation of disclosure requirements, facilitation of UPI-based bidding, shorter listing timelines, and faster SEBI approvals.

Enhanced safeguards for price discovery through improved disclosure norms have also

strengthened the regime by rationalising valuations, which are better received by investors.

These regulatory initiatives have eased access to capital for issuers while ensuring strong investor protection, thereby catalysing the surge in IPO activity.

Q) Trilegal has advised on a record 52 IPO mandates in FY24–25—what does this say about the evolution of India’s capital markets and the role of legal advisors?

A) As per Bar and Bench, Trilegal was ranked No. 1 in Fiscal 2025 with a record 52 IPO mandates. Bloomberg and Refinitiv (London Stock Exchange Group) also ranked Trilegal No. 1 across multiple IPO categories in India. These recognitions are markers of the firm’s success and market depth.

India’s IPO market has matured, with larger issues, wider sectoral participation, and closer scrutiny from regulators and global investors.

Legal advisors now act not only as diligence and disclosure gatekeepers but also as transaction architects, structuring offerings, balancing domestic and international investor expectations, and facilitating regulatory engagement.

At Trilegal, we combine execution expertise with deep domain knowledge and a clear focus on commercial goals, balancing regulatory requirements with business objectives. In doing so, we contribute not only to landmark transactions but also to shaping the development of India’s securities law framework.

Q) Regulatory frameworks in India continue to evolve. How do you balance it out, and how should retail investors be aware off?

A) India’s regulatory framework is constantly evolving, with the focus on making capital-raising faster and simpler while keeping investor protection at the core. The balance is struck by facilitating ease of doing business and ensuring investor protection.

For example, IPO reforms for retail investors include introduction of QR code-enabled access to offer documents, mandatory audio-visual ads that present key details such as pricing, risks, and company background in clear, simple language, and price band ads which provide key details of the IPO.

Other initiatives, such as shorter listing timelines and fully digitalised processes via ASBA and UPI (wherein the money is only blocked in the investors’ own account until allotment), have helped improve access for retail investors.

For retail investors, the key is awareness. SEBI regularly publishes monthly bulletins (covering primary market trends and policy developments), press releases from board meetings, consultation papers, and circulars on its website.

Financial news outlets and market platforms also routinely report on major regulatory changes, making it important for investors to track both official updates and credible financial media.

To stay apprised, retail investors should review SEBI’s monthly bulletins and press releases, follow gazette notifications, and track updates from the Association of Investment Bankers of India, which maintains a website and knowledge centre with insights into regulatory changes and market practices.

Broker research notes and analyst summaries are also useful for translating regulatory developments into actionable implications.

Trilegal also publishes a quarterly magazine summarizing key regulatory updates in a reader-friendly form.

Investors should also engage with SEBI and exchange-led investor awareness programmes and webinars, which simplify reforms and highlight key investor safeguards.

Equally critical is knowing how to raise grievances. SEBI's SCORES platform offers a time-bound online complaint mechanism.

By combining these resources, SEBI publications, AIBI's knowledge centre, exchange updates, financial media, educational programmes, and grievance redressal platforms, retail investors can stay well-informed, protect their interests, and participate in capital markets with greater confidence.

Q) What role do law firms play in building trust between issuers, underwriters, and investors in high-stakes IPOs?

A) Law firms play a central role in building trust in IPOs by ensuring that every aspect of the transaction meet the highest standards of diligence and compliance.

They conduct comprehensive due diligence to surface material risks, ensure disclosures are accurate and complete, and help issuers and underwriters navigate India's complex regulatory framework while engaging with regulators where needed. At the same time, they provide solutions that balance compliance with commercial objectives, enabling business goals without compromising regulatory integrity.

Law firms also safeguard against potential non-compliances and liabilities, reinforcing confidence among issuers, investors, and intermediaries. In parallel, they play a key role in negotiating and finalising critical transaction agreements. By anchoring disclosure documents, contracts, and regulatory correspondence, law firms form the backbone of capital markets transactions.

At Trilegal, we place particular emphasis on ensuring that transactions are not only legally compliant but also commercially viable and ensure a balance. Our role extends beyond execution, and we work closely with issuers, underwriters, and investors to align deal objectives with the legal framework, crafting solutions that achieve regulatory soundness while meeting the commercial imperatives of the transaction.

We achieve this through our regulatory engagements, deep capital markets domain knowledge, and sectoral expertise across various sectors and crossfunctional teams. Our mandates ratio also strikes a good balance between issuer and underwriter mandates, reflecting proficiency on both sides.

Q) With India entering global bond indices and foreign participation rising, do you see cross-border IPOs and fundraisings becoming a bigger theme in the years ahead?

A) Yes, India's entry into global bond indices such as JP Morgan's GBI-EM and Bloomberg's EM Local Currency Index has lifted foreign ownership of government securities beyond the ₹3 trillion mark, underscoring the country's position as a credible global investment hub.

This momentum is extending into equities as well. A notable sign is the 'reverse flipping' of new-age companies like Meesho, Razorpay, Flipkart, and Zepto, which are relocating their holding structures back to India to undertake IPOs on domestic bourses, driven by attractive valuations and supportive regulatory measures.

At the same time, GIFT City's IFSC exchanges are emerging as a key platform for international fundraising, with issuers increasingly moving their external commercial borrowings from overseas exchanges to GIFT City. As of June 2025, GIFT City had 177 fund management entities and more than 270 funds, which is indicative of the growing scale.

Several foreign investors including FPIs, sovereign wealth funds, financial institutions participate in Indian IPOs as qualified institutional buyers, which encourages cross-border participation.

Rule 144A transactions from Indian issuers also see international roadshows to garner interest from such foreign investors. The Indian exchange control regime has also seen liberalization. For example, recently the insurance sector saw limits being increased to 100% from 74%, which will result in larger crossborder investments.

Together, these developments reflect India's rapid rise as a global capital destination, a structural shift set to deepen as regulatory reforms, market infrastructure, and investor appetite continue to converge.

Q) As Trilegal marks 25 years of practice, how has the firm's journey mirrored the transformation of Indian capital markets?

A) Trilegal's journey has closely mirrored the rise and evolution of India's capital markets. From a team of just 10 lawyers in 2021, our capital markets practice has grown into one of the largest, most active, and most trusted in the country.

This trajectory has been recognised widely, Chambers & Partners has consistently elevated our rankings, while Bloomberg and Refinitiv ranked Trilegal No. 1 in India across capital markets league tables for CY2023 and CY2024.

In addition, several of our transactions have been named 'Deals of the Year' by leading publications, and Bar and Bench ranked us No. 1 for IPOs in Fiscal 2025.

Our client base spans leading private equity funds, global and domestic underwriters, investment banks, and marquee Indian issuers. Our work extends across IPOs, block trades, qualified institutional placements, rights issues, InVIT and REIT offerings, buybacks, global bond issuances, and public and private placement of debt.

We have been privileged to advise on several market-defining transactions, including the first-ever rights issue under the new SEBI regime, the first fundraise on India's social stock exchanges, the largest NBFC IPO, the largest ports IPO, and the largest solar IPO, among others.

Today, Trilegal's capital markets practice stands as both a driver and enabler of India's capital market transformation, building trust, fostering innovation, and delivering execution excellence in transactions that shape the future of India's markets.

Q) Looking ahead, what trends in equity capital markets should investors, issuers, and advisors prepare for in FY25-26? What is the kind of money that you see getting raised from the IPO (mainboard)?

A) India's equity capital markets are poised for another record-setting year in Fiscal 2026. After raising ₹1.48 lakh crore in 2024, the second-highest globally after the U.S., momentum has carried forward with 26 companies already raising over ₹52,500 crore in the first half of 2025 and India retaining its position as world's second biggest IPO market in 2025.

With the NIFTY 50 near record highs and the RBI easing interest rates, market sentiment has turned strongly positive, drawing a wave of companies preparing to list.

A critical enabler of this pipeline is the unprecedented volume of SEBI approvals, 13 IPOs worth over ₹15,000 crore have been approved in early September 2025, with 84 more holding approval. As of September 5, 2025, 74 companies are currently awaiting approval from SEBI for their draft offer documents.

This reflects the depth of the domestic market and the regulator's push to accelerate fundraising through faster approvals and streamlined disclosures. Together, these developments signal a structural deepening of India's primary markets, setting the stage for record fundraising in the year ahead.

Sectors such as financial services, technology and e-commerce, renewable energy, pharmaceuticals and healthcare, and manufacturing are seeing the maximum traction.

Another trend to watch is the increasing size of IPO transactions. Recently, the Indian markets have seen large size IPOs such as HDB Financials' INR 10,000 crore IPO, Swiggy's INR 11,000 crore IPO and NTPC Green's INR 10,000 crore IPO. SEBI has put forth proposals to ease minimum public shareholding and minimum issue size norms for very large companies, which will pave the way for mega-IPOs by reducing dilution pressures while still safeguarding liquidity.

The market has also recently seen a fresh wave of new age tech companies who have filed their drafts papers such as PhysicsWallah, Meesho, Pine Labs, Lenskart, and Groww, a trend which is expected to continue as investment cycles mature.

On the investor side, IPOs are increasingly being used as a preferred mode of exit, not just for private equity and venture capital funds but also for promoters seeking to unlock value through partial dilution.

This combination of sectoral breadth, large deal sizes, and a steady pipeline of sponsor-backed exits is expected to provide depth and resilience to India's IPO market through FY25-26.