

Story wins the Listing Day, Governance wins the decade ahead

How India's deepening, increasingly confident capital market rewards companies that pair a compelling story with enduring governance



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On listing day, a company tells a story with conviction. It is a story of the founders' and management's vision, of a market waiting to be served, of a category about to be defined, and of a delivery model that sets a new standard. Investors buy the shares, and for a few hours, the narrative is the asset. That conviction is what converts a private idea into a listed enterprise.

Yet the most successful issuers understand a deeper truth. The story opens the door on day one, but governance is what carries the company and its investors profitably through the decade that follows. In today's India, both are within reach, and the market has never been better positioned to reward companies that master them together.

A market built on genuine strength

India enters this cycle from a position of extraordinary structural strength. The total market capitalization now stands at approximately INR 470 lakh crore (~USD 5

trillion) across more than 5,900 listed companies, doubling from around INR 230 lakh crore (~USD 2.44 trillion) in July 2021, a growth of ~100% in less than five years.

That growth is also broad-based, drawing on small-, mid-, and large-cap strength alike, and new listings have been a meaningful engine of wealth creation. Perhaps most encouraging is who now owns this market. For the first time, domestic institutions hold more than foreign institutions.

The year India's story went global

Against this backdrop, 2025 was a landmark year. Investor appetite was abundant, and subscription multiples consistently held between 30 and 60 times. The early months of 2026 have introduced headwinds, driven by global trade tensions and geopolitical uncertainty, which have weighed on market sentiment and slowed issuance activity. Even so, the underlying pipeline remains substantial, with more than 180 companies at various stages of the SEBI review process.

MNC listings also attracted significant attention. After Hyundai Motor India's October 2024 listing, one of the largest IPOs in Indian market history, LG Electronics India debuted, and many more companies are in the pipeline. For global brands, listing in India is becoming a strategic move to unlock value.

Capital with conviction: what the proceeds reveal

Encouragingly, India's issuers are deploying capital with growing discipline and intent. In 2025, nearly 80% of primary proceeds went into core business priorities, i.e., funding working capital (32%), repayment of loans (27%), and capital expenditure (18%), signaling a strong focus on sustainable growth and financial prudence. Early 2026 carries the same conviction forward in capex, with capex rising to the largest share at 30%, loan repayment to 24%, and working capital to 21%, with around 75% of proceeds channeled into core priorities.

Governance as the next growth engine: SEBI's constructive lens

If the story brings investors to the door, governance is what India's maturing market increasingly rewards once they are inside, and the regulator is helping to raise that bar constructively. Our analysis of SEBI observation letters shows that each company receives an average of close to 100 comments, with nearly 46% relating to the Risk Factors section and a further 13% to Compliance and Regulations. The success of a time-bound IPO depends on the depth, clarity, and credibility of the disclosures placed before investors.

In our view, these observations are best read as opportunities rather than obstacles. SEBI consistently asks issuers to rank risks by materiality, quantify rather than generalize, set out the commercial justification for transactions with promoters and related parties, confirm that no proceeds flow to promoters, substantiate working-capital estimates, and explain peer selection and any areas of underperformance.

Before the bell: building governance into the story

A successful governance-based organization begins with an honest IPO diagnostic that assesses financial reporting,

controls, and governance against listed-company standards, and a clear plan to close any gaps. In our experience, three priorities anchor this phase, typically over a six- to nine-month preparation runway.

First, the financial reporting foundation: accounting close, restatement, and consolidation of financial statements; quarterly reporting readiness; KPI mapping aligned with the equity story; and disclosures robust enough to meet SEBI's risk-factor expectations with confidence. Second, internal financial controls (IFC) - a fully implemented and tested IFC framework spanning management controls, IT general controls, and information produced by the entity, so the control environment is demonstrably ready before public-market deadlines arrive. Third, the governance architecture itself - a board with genuine independence, functioning audit and governance committees, codified charters and a code of conduct, and a real enterprise risk management framework with policies and processes behind it.

After the bell: compounding investor confidence

The transition from a privately held company to a publicly accountable one is, in practice, an uplift of the finance and risk function from periodic, internally focused reporting to disciplined, time-bound, externally scrutinized disclosure. The companies that sustain their valuations are those that treat reporting, governance, and compliance as an operating capability, with accurate and transparent financial reporting, high-quality corporate governance, a clean regulator and stock-exchange history, and a credible, consistent investor-relations cadence.

Here, the shift in domestic ownership becomes a genuine advantage. With mutual funds, insurers holding close to INR 17.5 lakh crore and a broad retail base now anchoring the market, the audience for governance is large. It rewards consistency, and each clean quarter, transparent related-party disclosure, and well-explained variance adds to trust that supports the share price through every cycle. Confidence-building, in this market, is cumulative, and it is precisely what converts a strong listing into a strong decade.

The decade ahead

India's IPO market is moving, as we have observed, from capital formation to value discovery, and the trajectory is decisively positive. The structural foundations are strong, with deep domestic liquidity, a broadening and more democratic market, and a substantial pipeline of 200+ filed DRHPs, representing over INR 1.81 lakh crore (around USD 20 billion) of potential issuance, with 140+ companies already holding active SEBI approvals. The years to come can provide a strong foundation for these IPOs, driven by disciplined capital formation.

The story will always matter on listing day; founder vision and positioning are what bring investors to the table. But the company that intends to stand for decades builds governance into its DNA before it files and operationalizes it relentlessly after it lists. The narrative opens the door, and governance keeps it open. In the confident cycle now unfolding, the issuers who pair both, preparing thoughtfully on either side of the listing bell, will be the ones who turn a successful listing into sustained, compounding value for every investor who believed the story.

Note: Exchange Rate considered as 1 USD = 94.3 INR