What is IPO ?

An Initial Public Offering (IPO) is the first sale of stock by a private company to the public. When an unlisted company seeks to raise money by selling securities or shares to the public for the first time, it announces an Initial Public Offering (IPO). In other terms, it is the public sale of securities on the primary market. Investors can then buy and sell these shares on the stock market.

How to apply for IPO?

Login to the CanMoney app->Dashboard ->select IPO->click on Live & Upcoming tab ->Click on the APPLY against the on-going IPO listed. Select Category > Enter the basic bid details. ASBA refers to Application Supported by Blocked Amount where the amount will be blocked in your linked bank account. The amount will be debited only if the shares are allotted to you. While placing SME IPO order don't opt cut off option.

What are benefits of investing in IPO ?

Liquidity. Investors can sell the stocks in the open market once the company goes public.

More Flexibility:

The cost of capital is a significant barrier for every organization. Before going public, businesses may have to accept loans from banks at higher interest rates or give up ownership in exchange for funding from investors. An IPO significantly lowers the barrier to obtaining new financing. With more cash, businesses can spend more on investing in fixed acquisitions and employing top experts.

Future Trading:

Being a public company also makes it possible to accept publicly traded stock as payment. Even though a private company can utilize its stock as payment, the private stock is only valuable if a good exit opportunity arises.

Transparency

You'll have pricing transparency like major investors. The IPOs order shows the price of the securities. Because of this, the entire procedure is open. When the firm went public, the share prices would probably depend on unpredictable market circumstances.

Long-Term Objectives

IPO investment is similar to equity investment. They will probably make you a lot of money in the long run, enabling you to achieve your long-term objectives.

Purchase Cheap, Earn Huge

When a company plans to go public, its shares are offered at a discount. Therefore, the promising firm will offer its shares at the lowest price when it goes public, but once the company gets listed and performs well in the stock market, investing in that company might become an expensive affair.

What are the timing to apply for IPO online?

SR NO	IPO TYPE	CATEGORY			
		RETAIL		NON INSTITUTIONAL	
		Start Date	End Date	Start Date	End Date
1	BOOK BID IPO	10:00 AM	4:45 PM	10:00 AM	3:45 PM
2	SME IPO	10:00 AM	3:45 PM	10:00 AM	3:45 PM

How is IPO price band determined?

The IPO price band is often determined through a combination of valuation methods, market demand, and negotiations between the company and underwriters. The process aims to strike a balance between attracting investors and ensuring fair value for the company.

What is lot size and minimum order quantity for an IPO?

When a company launches an IPO, it specifies the minimum number of shares that an investor can apply for. This is known as the IPO bid lot, or lot size, or minimum order quantity.

For example, if a company specifies the lot size as 50 shares and the investor wants to purchase more than 50, then the application can be made in multiples of 50 only. Hence, the investor can apply for 50 shares, 100 shares, 150 shares, and so on. Thus, 50 shares mean 1 lot, 100 shares mean 2 lots, 150 shares mean 3 lots and so on.

Is there any limit on application amount in IPO for retail individual investors?

The investment up to Rs. 2 Lakh is considered under the retail investor category, while applications above Rs. 2 Lakhs are categorized as HNI applicable for book bidding IPO.For SME IPO the recent changes (effective July 2025) have increased the minimum application size to over ₹2 lakh (two lots) and capped the use of IPO proceeds for general corporate purposes.

What are different methods through which company can come up with an IPO issue?

Typically, Initial Public Offering or IPO, has three different methods:

- Fixed price method
- Book building method

- Combination of Fixed & Book Building method

Fixed Price Method

The company determines a fixed price at which it wants to issue shares to investors. Hence, investors know the exact price of the share at the time of application i.e., even before the company goes public.

Book Building Method

In a book building issue, the company does not determine a final price but offers a price range to the investors. Hence, investors are unaware of the exact price at which the said shares will be allotted to them. They are expected to bid on the shares and the final price is determined only after the bidding is closed.

Can I apply for an IPO through multiple applications on the same name?

No. You cannot apply in an IPO through multiple applications with the same name.If you try doing it, then all the applications made under the same name may get rejected.

Each family member can apply for IPO. The applicant should have a separate Demat account and PAN for filing IPO application.

Is it possible to modify or withdraw/ cancel my IPO application?

You can view/modify your IPO order status on the canmoney app by IPO under Order Book. In the Retail IPO application (Application up to Rs.2 Lakhs) modification. HNI category can not withdraw or cancel application once IPO bid happened.

By when do the IPO shares get listed on exchanges?

As per SEBI ,timeline for listing of IPO is T+3 days.

Can I sell my IPO shares immediately after listing?

Yes you can sell your IPO allotted shares on listing day. In some cases, there might be lock-in periods during which certain investors, including company insiders and/or employees, cannot sell their shares. Generally, retail investors can sell their allotted shares once trading begins on the stock exchange.