Fresh issue or offer for sale: who gets the IPO money?

For the teacher. Every number comes from the filing named next to it.

Part A. Two ways to sell shares

A1: the bakery receives the ₹25,000; it now has 1,250 shares. A2: Asha receives the ₹25,000; the bakery still has 1,000 shares. A3: after the fresh issue Asha owns 1,000 of 1,250 shares, 80%; after the offer for sale she owns 750 of 1,000, 75%. The bakery is made up.

Part B. Bombay Coated

B1: a fresh issue only, up to ₹183.06 crore; the money goes to Bombay Coated. B2: new shares are added, so the promoters' 97.78% is a share of a bigger total.

Where: RHP dated 21 Oct 2026, the offer

Part B. Zepto

B1: a fresh issue of up to ₹8,010 crore (money to Zepto) and an offer for sale of 11,34,66,566 shares (money to the six selling investors). B2: only the fresh issue adds shares.

Where: UDRHP-I dated 8 Jun 2026, the offer

Note: the largest seller, Nexus Ventures VI Holdings, offers 5,73,57,141 shares. The promoters and promoter group, who held 19.56% fully diluted before the IPO, sell none.

Part B. PhonePe

B1: an offer for sale only; the money goes to WM Digital Commerce Holdings, Microsoft and Tiger Global. B2: no new money; the share count stays at 50.66 crore shares.

Where: UDRHP-I dated 21 Jan 2026, the offer

Part C. The class table

C1: Bombay Coated: new shares yes, existing shares no, money to the company. Zepto: both, money split between the company and the sellers. PhonePe: new shares no, existing shares yes, money to the sellers. C2: any sensible reason counts, for example that it stops people buying shares just before an IPO only to sell them in it.

Exit ticket

1: a fresh issue creates new shares and the company gets the money; an offer for sale moves existing shares and the sellers get the money. 2: any correct pair. 3: the total number of shares goes up, so the same holding is a smaller part of the total.

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Notes

- PhonePe's shares on offer equal 10% of all its shares. Microsoft and Tiger Global sell all their PhonePe shares; Walmart's unit sells part of its stake.
- SEBI rule for C2: Regulation 8 of the ICDR Regulations. Shares in an offer for sale must be fully paid up, and held by the sellers for at least one year before filing the draft offer document. For companies that pre-file confidentially, like Zepto and PhonePe, the year is counted to the UDRHP-I filing (Regulation 59B).
- Zepto's and PhonePe's numbers come from drafts (UDRHP-I) and may change in a later RHP. Bombay Coated's come from its RHP.

Sources

1. S1: Bombay Coated and Special Steels Limited Red Herring Prospectus, dated 21 Oct 2026, Bombay Coated and Special Steels Limited (offer document filed with RoC; company IPO-documents page), 21 Oct 2026. https://cdn.prod.website-files.com/66dae2d0a835d8d76717f6ea/6ad9ce8b73ad22c98ba71e48_RHP.pdf
2. S2: Zepto Limited - Updated Draft Red Herring Prospectus I (UDRHP-I), dated 8 Jun 2026, SEBI (filed by Zepto Limited), 9 Jun 2026. https://www.sebi.gov.in/sebi_data/attachdocs/jun-2026/1780983427091.pdf
3. S3: PhonePe Limited Updated Draft Red Herring Prospectus - I (UDRHP-I), dated 21 Jan 2026, SEBI (offer document filed by PhonePe Limited), 23 Jan 2026. https://www.sebi.gov.in/sebi_data/attachdocs/jan-2026/1769161833282.pdf
4. S4: Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, amended up to 21 Mar 2026, Securities and Exchange Board of India (sebi.gov.in), 21 Mar 2026. https://www.sebi.gov.in/legal/regulations/mar-2026/securities-and-exchange-board-of-india-issue-of-capital-and-disclosure-requirements-regulations-2018-last-amended-on-march-21-2026-_100581.html

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