

PRE-IPO EQUITY COMPENSATION GRANTS

Analysis of **101 companies** in India that filed
Final Offer Documents between 1st April 2021 till
1st July 2023



HIGH PREVALENCE OF PRE-IPO GRANTS

58% companies had an equity plan prior to IPO

93% of companies that had an equity plan, made grants prior to IPO

98% of companies that had an equity plan, also made grants **one year** prior to IPO



POOL SIZE ANALYSIS

	All Companies	Companies with OFS Component	Companies with PE/VC Exit in OFS	Companies without PE/VC Exit in OFS
25th Percentile	0.83%	0.89%	1.43%	0.60%
Median	2.75%	2.79%	3.65%	1.70%
Average	3.71%	3.77%	4.62%	2.01%
75th Percentile	4.97%	5.04%	6.15%	2.91%

Note:

Companies may have made grants for many years under various plans and the percentage of equity available for grant would have varied at that point. This percentage may have come down due to subsequent rounds of capital raise and / or conversion of other securities to equity. In order to bring consistency in our analysis our "Total Pool" definitions is:

$$\text{Total Pool} = \frac{\text{Maximum Shares Under All Plans in Company}}{\text{Total Pre-Issue Equity Shares}}$$

The Maximum Number of Shares are adjusted for all splits, bonus issues and conversions.




POOL UTILIZATION ANALYSIS

	All Companies	Companies with OFS Component	Companies with PE/VC Exit in OFS	Companies without PE/VC Exit in OFS
25th Percentile	56.92%	57.15%	61.19%	44.40%
Median	81.37%	81.69%	84.43%	59.33%
Average	70.46%	71.51%	75.93%	62.46%
75th Percentile	99.42%	99.44%	99.42%	95.40%

74% of equity compensation grants, on an average were outstanding at the time of IPO

$$\text{Pool Utilization} = \frac{\text{Total Number Granted under All Plans}}{\text{Pool Size}}$$





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