

# IPO number drops 60% in 2025

● Once worries over tariff, geopolitical tensions ease, both investors and issuers will get comfort

NESIL STANEY  
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**THE NUMBER OF** initial public offerings (IPO) has sharply dropped, by as much as 62%, this calendar year due to a convergence of global and domestic factors.

So far in 2025, 10 IPOs have raised ₹18,704 crore, compared with 27 public issues mopping up ₹24,437 crore during January-May of 2024.

Interestingly, though the number of IPOs has fallen, the average issue size has more than doubled – from ₹905 crore to ₹1,870 crore. Some of the biggest IPOs in CY25 include Hexaware Tech (₹8,750 crore), Dr Agarwal's Health Care (₹3,027 crore) and Ather Energy (₹2,981 crore).

Most IPOs have struggled after listing this year. At least six of them are trading below issue prices, including Ather Energy and Quality Power. Indo Farm and Stallion India have seen their shares drop more than 38% from the issue prices.

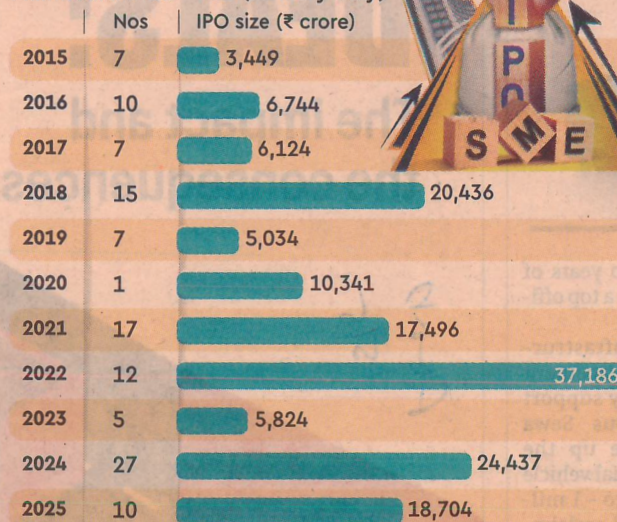
This has made both retail and institutional investors cautious, and companies are delaying issuances despite having received approvals from the Securities and Exchange Board of India (Sebi).

Among their key worries are uncertainties over tariff and geopolitical tensions.

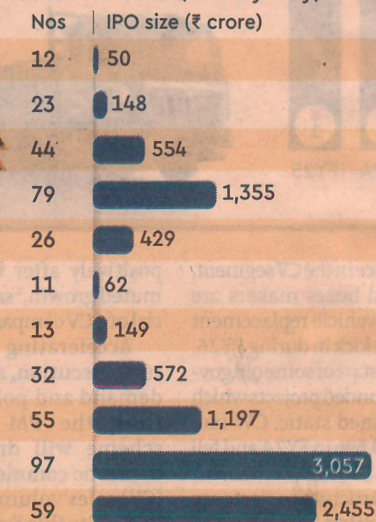
While geopolitical tensions have eased now, with India and Pakistan

## DOWN BUT NOT OUT

### Mainboard IPOs - YTD (January-May)



### SME IPOs - YTD (January-May)



Source: Primedatabase.com

announcing a ceasefire last week-end, US President Donald Trump's tariff worries are keeping investors on the tenterhooks.

Market experts, however, believe that things will settle down. Some big investors are betting big on private companies hoping to cash out on future listings. "There is a lot of interest in private companies among portfolio management funds and alternative investment funds," said Lakshmi Iyer, CEO – investments and strategies, Kotak Alternate Asset Managers, which manages \$20-billion assets, mostly from foreign clients. Iyer is bullish on equity markets and is buying at every dip.

Despite delays, the IPO pipeline remains strong, with around 80 companies filing draft prospectus

and about half of them bagging approvals from Sebi. The most active sectors are industrials, real estate, life sciences, hospitality and construction.

Some IPOs listed in 2024 gave stellar returns. While Jyoti CNC Automation gave more than 150%, it was more than 100% for Bharti Hexacon. Large listings like Hexaware Technologies, which raised over \$1 billion, and Hyundai Motors, which raised multi billion dollars, stamped India among the world's top IPO markets.

The record setting IPOs in 2024 had largely been fuelled by huge participation from domestic investors.

"There is an intense competition between institutions and retail for IPOs where there is value," said

Nikhil Rungta, co-chief investment officer at LIC Mutual Fund, which manages ₹37,554 crore in assets.

Both analysts and institutional investors are optimistic about a revival of the IPO market in the next six to 12 months. The optimism stems from anticipated interest rate cuts, reduced volatility and strong corporate earnings. While India's underlying fundamentals remain robust, a risk to these calculations is in "the strong corporate earnings which are already priced-in by the markets," according to Iyer.

The sectoral diversity of issuance pipeline, continued interest from domestic investors and foreign portfolio funds do indicate a rebound in IPO markets if macro-economic trends and global economic uncertainties stabilise.