

Will IPO market revive in 2025?

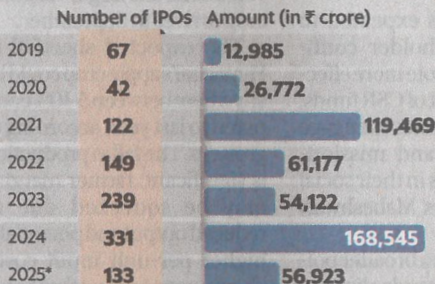
By Mayur Bhalerao

mayur.bhalerao@livemint.com

After a record-smashing 2024, when Indian companies raised a massive ₹1.68 trillion through IPOs, the enthusiasm in the primary market appears to be cooling in 2025. Mainboard IPOs are seeing lukewarm demand, with subscription levels falling and median listing gains plunging to just 8%—a sharp drop from last year's euphoria. However, as the shine fades from larger mainboard issues, India's SME segment continues to attract strong investor appetite. With a promising pipeline of landmark issues on the horizon, the focus for the remainder of 2025 is whether India's IPO market can truly reignite its widespread momentum.

READ THE FULL STORY ON PAGE 6

Primary market cools off in 2025



Includes both main-board and SME IPOs.

*Latest data as on 15 July 2025.

Listing gains evaporate in 2025

Median listing gains (in %) of IPOs



Latest data as on 15 July 2025.

Fewer buyers, tougher road

Share (%) of public issues, by overall subscription in 2025



Latest data as on 15 July 2025.

Source: primedatabase.com

PARAS JAIN/MINT

IPO rebound elusive, tiny offers signal speculation

Mainboard IPOs see subdued demand, lower listing gains; SME segment shows buoyancy

Mayur Bhalariao

mayur.bhalariao@livemint.com

MUMBAI

After a blockbuster 2024 that saw Indian companies raise an all-time high of ₹1.69 trillion through initial public offerings (IPOs), the euphoria around IPOs appears to be softening in 2025. The mainboard segment, once flooded with enthusiastic bidders, is now witnessing lukewarm interest, subdued subscription levels, and sharply lower listing gains.

Meanwhile, the SME IPO segment is showing some buoyancy. Activity remains strong, but analysts warn that the surge may be misleading, driven more by speculative enthusiasm and small issue sizes than by fundamental investor conviction.

As several high-profile IPOs prepare to debut in the coming months, all eyes are on whether India's primary market can rekindle its fire in 2025.

India's IPO story has seen a sharp rise since 2019, with a dramatic increase in fundraising—from ₹12,985 crore in 2019 to ₹1.19 trillion in 2021. After two relatively slower years, 2024 set a new benchmark with ₹1.69 trillion raised, according to Prime Database.

But 2025 has brought a reality check.

"It's hard to put a number to where the year will end," said Pranav Haldea, managing director, Prime Database Group. "At the start of 2025, expectations were high for all-time record IPO activity. But early challenges—like tariffs and geopolitical tensions—led to volatility in the secondary market until March, keeping IPO activity muted. With markets picking up from April, IPOs have followed suit. Unless there is a major negative event, the second half looks promising, with a strong pipeline ready to launch."



Several high-profile IPOs debut in coming months, but will the fire be back?. BLOOMBERG

The cooling trend in the mainboard space reflects broader shifts in sentiment, triggered by geopolitical tensions and tariff uncertainties.

"In my opinion, this is not a reflection of overvaluation but more of an overheated/outperforming segment taking a breather," said Kush Gupta, director at

choosing safer options like mutual funds, gold, and bonds. IPOs, where listing gains can be a coin toss, are attracting less interest than last year."

Investor interest in 2025 has clearly split across segments.

While SME IPOs are seeing some oversubscription, the mainboard is

tion isn't very meaningful. What stands out is the surge in retail participation—about one lakh applications per IPO—driven by last year's strong listing gains. Unlike the mainboard, the SME market is dominated by individual investors, with little institutional presence."

One of the biggest shifts this year is the steep fall in listing day gains. Median listing gains for mainboard IPOs have dropped to just 8%, while SME IPOs have seen a sharper decline to 4.6%—a far cry from 2024's 17.3% and 39.3%, respectively.

"The sharp drop in median listing gains to just 8% in 2025 reflects both a valuation correction and a broader sentiment shift," said Harshal Dasani, business head at Invasset PMS. "The correction is healthy and expected."

He added, "The market is maturing. Investors aren't chasing hype; they're rewarding quality. If issuers adapt to this more rational environment, the IPO engine can regain strength. Gone are the days of blind subscription frenzy—clarity, not chaos, will define the next cycle."

The continued frenzy in the SME space is raising concerns about speculative behaviour and governance risks.

"Some SMEs do have solid financials and scalable models. However, the speculative undercurrent is hard to ignore," said Dasani. "Sebi has raised red flags, citing risk of manipulation and poor post-listing governance. The frenzy resembles a gold rush—where some gems exist, but many are chased for the thrill."

"The SME segment's oversubscription boom reflects India's thriving MSME growth but also hints at speculation, as many investors chase quick gains over long-term fundamentals," said Ranjit Jha, founder and CEO, Rurash Financials.

For an extended version of the story, go to livemint.com.

EVOLVING LANDSCAPE

INDIA'S IPO story has seen a sharp rise since 2019, with a dramatic increase in fundraising

AFTER two relatively slower years, 2024 set a new benchmark with ₹1.69 trillion raised

BUT now, the cooling trend in the mainboard space reflects broader shifts in sentiment

ONE of the most significant shifts this year is the steep fall in listing day gains

SKG Investment & Advisory. "During much of 2024, IPO subscriptions were through the roof, but in the last 6-8 months we have seen a lot of volatility."

He added: "Nifty has fallen approximately 10% and also then recovered during this period. This has led to a shift in investor sentiment. Investors are now

struggling to attract bids. A *Mint* analysis reveals that only 19.2% of mainboard IPOs have seen an overwhelming response of 80-times, while 38.5% remain in the 1-10 times subscription range.

But Haldea points out, "SME IPOs are small in size, so even high oversubscrip-