

₹1 trillion test: Will the next wave of IPOs lift the market or drown investors ?


Mayur Bhalariao | 3 min read | 03 Oct 2025, 07:00 am IST



Tata Capital PO will be open for subscription from 6 October to 8 October. (AI-generated image)

SUMMARY

Kicking off the action this Friday is WeWork's ₹3,000 crore issue. But the real behemoth on the horizon is Tata Capital – its ₹15,512-crore offering is set to be the fourth-largest in Indian history.

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Public offerings worth more than ₹1 trillion are impatiently waiting in the wings, ready to unleash a wave of capital-market activity.

Kicking off the action this Friday is WeWork's ₹3,000 crore issue. But the real behemoth on the horizon is Tata Capital – its ₹15,512-crore offering is set to be the fourth-largest in Indian history. However, history shows that the biggest IPOs often lead to the biggest disappointments.

Meanwhile, few companies this year have recorded huge gains upon listing. Urban Company was an exception, with an overwhelming response and a bumper debut. In such a scenario, the main question on investors' minds is whether the market will welcome the new wave of IPOs or whether it's headed for a washout.

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Welcome to IPO season

IPOs worth more than ₹1 trillion are already in queue as of 26 September, and another ₹1.4 trillion worth of issues are awaiting clearance from the market regulator. Leading the charge are WeWork's ₹3,000-crore IPO, set to open on Friday, and LG Electronics India's offering next week.

Key upcoming issues

SEBI-approved and pending IPOs

ICICI Prudential Asset Management Co.	10,000
Lenskart Solutions	7,650
Billionbrains Garage Ventures	6,000
Inox Clean Energy	6,000
Pine Labs	5,950
Credila Financial Services	5,000
Dorf-Ketal Chemicals India	5,000
SMPP	4,000
Physicswallah	3,820
Hero Fincorp	3,668

	Issue amount (₹ crore)	Opening date
Wework India Management	2,847	3 Oct
Tata Capital	14,751	06 Oct
LG Electronics India	10,996	07 Oct

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But all eyes are on Tata Capital's ₹15,512-crore issue, which opens on Monday and constitutes a historic test for India's capital market. For the Tata Group, the listing is more than just a chance to raise funds—it will cement Tata Capital's position among India's market heavyweights.

To woo retail investors, the issue has been priced at a 5% discount to its last rights offering. The stakes are immense, as history has repeatedly shown that blockbuster IPOs often end up disappointing investors. Will a strategic discount be enough for Tata Capital to defy the past?

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The bigger they are...

Of the 10 largest mainboard IPOs in India, six listed at a discount. The quintessential cautionary tale remains Reliance Power's ₹10,000-crore issue in 2008. Though the IPO was oversubscribed nearly 70 times, the stock crashed 17.2% on debut, scarring retail investors.

More recently, Paytm's ₹18,300-crore issue in 2021 set a new record for disappointment after the stock plummeted 27.2% on debut. According to the Primedatabase, this was the sharpest wealth erosion by a new-age tech stock.

Even industry giants haven't been immune. Hyundai Motor India and LIC both stumbled 7-8% on debut.

Beyond the banner

Performance of top 10 mainboard IPOs

Name	Issue size (₹ crore)	Listing day change (in %)*	Total Subscriptions (in times)
Hyundai Motor India	27,859	-7.1	1.9
Life Insurance Corp.Of India	20,...	-7.8	2.1
One 97 Communications	18,...	-27.3	1.5
Coal India	1,...	39.7	15.1
HDB Financial Services	12,...	13.6	13.1
Swiggy	11,...	16.9	2.4
General Insurance Corp.Of India	11,...	-4.6	1.3
SBI Cards & Payment Services	10,...	-9.5	19.1
Reliance Power	10,...	-17.2	69.6
NTPC Green Energy	10,...	13.1	1.9

* change based on listing day closing price and offer price. Top 10 by issue size.

Source: Primedatabase • [Get the data](#)



Prashanth Tapse, senior VP and research analyst at Mehta Equities, said, "Before diving into Tata Capital's fundamentals and pricing, it's important to reflect on what went wrong with some 'mega' IPOs of the past such as Reliance Power and Paytm. Key lessons from those listings were about overvaluation and inflated expectations, especially in an expensive, peak-phase market. These IPOs were driven more by hype than fundamentals, and when the business realities failed to match market expectations, they corrected sharply upon listing."

Fundamentals over frenzy

History also suggests subscription frenzy is no predictor of a stock's success on debut. Reliance Power's IPO in 2008 was oversubscribed 69.6 times but ended in losses on debut, while Coal India's ₹15,199-crore issue in 2010 was oversubscribed only 15.1 times but saw the stock pop 39.7% on debut.

HDB Financial Services and NTPC Green Energy also posted strong double-digit gains on debut despite lukewarm responses to their IPOs, while SBI Cards overcame a weak opening to establish itself as a portfolio staple.

The verdict? Size drives headlines, but timing and fundamentals decide outcomes. More recently, Swiggy rewarded its backers with a healthy 16.9% jump on debut, though its post-listing journey has been far more tempered.

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"An IPO is about two things: the quality of the company and the valuation. On both counts, Tata Capital's IPO looks attractive enough to draw heavy oversubscription and deliver a positive listing. But in such high-demand issues, retail investors are unlikely to secure more than a single lot," said Pranav Haldea, managing director of Prime Database Group.

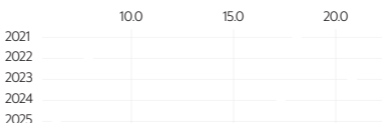
While experts feel Tata Capital is on a strong footing, risks remain. "Tata Capital's diversified portfolio, rapid growth, and the Tata Group's backing strengthen its case. But high leverage and credit costs—around 1.4% after the Tata Motors Finance merger—raise questions. Trading at a premium to peers, the IPO leaves little room for error. To avoid the fate of Reliance Power or Paytm, pricing discipline and asset quality transparency will be critical," said Harshal Dasani, business head, INVasset PMS.

Fading sparkle

The challenge for other companies is how to navigate a market in which ease money is drying up and big listing gains have become rare. The median debut return of mainboard issues so far this year is around 6%, down from 17.3% in 2024 and 20.8% in 2023.

IPO pops fade in 2025

Median listing change (in %) of IPOs



Latest data as on 1 Oct 2025.

Source: primedatabase, Mint analysis • [Get the data](#)

