

IPO

India sees blockbuster IPO month in October as deals topped \$5bn

Multibillion dollar offerings held in consumer electronics, lending, others



Tata Capital Managing Director and CEO Rajiv Sabharwal speaks during the listing ceremony of the company's initial public offering at the National Stock Exchange (NSE) on October 13. © Reuters

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MUMBAI -- India's main bourses saw initial public offerings worth 448.31 billion rupees (\$5.06 billion) in October, their best month of IPOs, as investors shrugged off worries about 50% tariffs on exports to the U.S. and three straight months of outflows by foreign portfolio investors through September.

Last month saw two billion dollar-plus IPOs happen on successive days, reflecting the depth of the domestic equity market.

The enthusiasm for new share listings helped push the monthly IPO value in October to a historical high, passing the previous record set in October 2024, according to public market data provider Prime Database. The data go back to January 1989. In October 2024, Hyundai's Indian unit held India's largest-ever IPO, valued at \$3.3 billion.

Last month, [LG Electronics](#) India's 116 billion rupee share sale drew bids worth 4.4 trillion rupees, with the stock [jumping 50%](#) on listing day. Nonbank lender Tata Capital's 155 billion rupee IPO, the [largest share flotation this year](#), was slightly oversubscribed and closed marginally higher on its first day of trading.

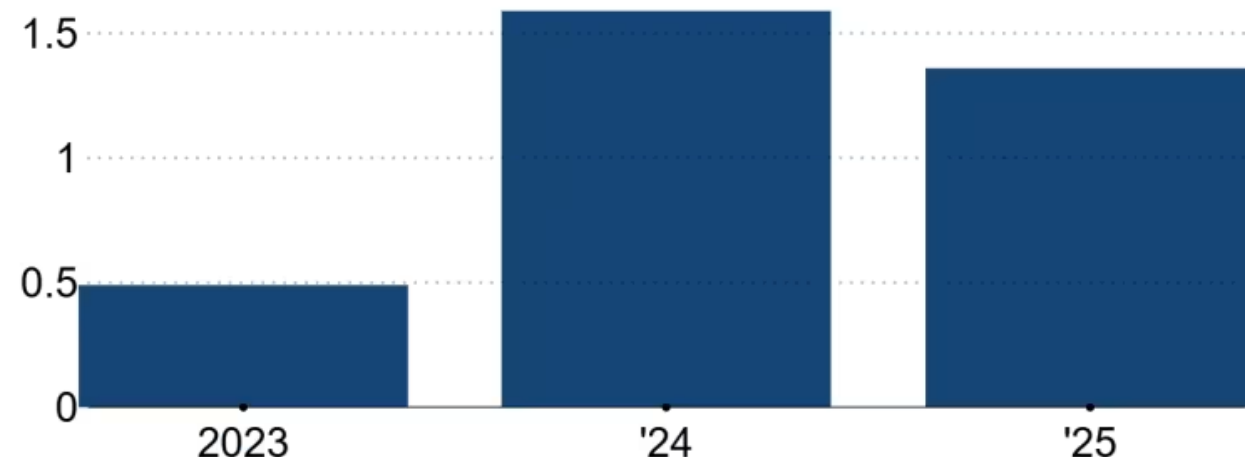
Geopolitical uncertainty, such as the conflict with Pakistan and U.S. President Donald Trump's tariffs on Indian exports, weighed on IPO markets in the first half of the year, said Narendra Solanki, head of fundamental research at brokerage Anand Rathi.

In the second half of the year, however, the resolution of some of these issues, interest rate cuts by the Reserve Bank of India and the U.S. Federal Reserve and government steps to boost domestic consumption, including the reform of India's consumption taxes, helped brighten sentiment, Solanki said.

Domestic investors were largely responsible for the euphoria, led by mutual funds, which manage over 75 trillion rupees and have seen increasing inflows from millions of Indians who have taken a shine to "systematic investment plans."

India's booming IPO market

(Total value, in trillions of rupees)



2025 as of Nov. 4

Source: primedatabase.com

Mutual funds were the second-largest group of institutional investors in IPOs in October, investing 74.4 billion rupees, just behind foreign portfolio investors (FPIs) who plowed in 81.7 billion rupees, figures from Prime Database showed.

"The day is not very far when the domestic mutual funds will overtake FPIs by themselves in the primary market like they will in the secondary market. ... Around demonetization (at the end of 2016) the share of mutual funds in the secondary market was just 4% in comparison to 21% for FPIs," said Pranav Haldea, managing director at Prime Database. "Demonetization" refers to a decision made by the government to remove 500 and 1,000 rupee banknotes from circulation.

"While mutual funds have now gone up to 11%, FPIs have fallen to 17%, so they've come a long way," Haldea added.

Foreign investors have been net sellers in the broader Indian equity markets this year, offloading shares worth 1.55 trillion rupees as of the end of September.

However, despite the domestic push, retail investors showed some signs of slowing down. The retail segment for IPOs was oversubscribed 26 times, on average, so far this year, compared with an average oversubscription of 34 times in 2024.

Although these figures are influenced by a variety of factors, including the size of the retail allotment, the cooling off of retail activity may be partly explained by smaller gains after listings, Haldea said. The average gain on listing day over the offer price was 9% this year, as of October, versus gains of over 30% in 2024 and 28% in 2023.

Still, the Indian IPO market is on track to exceed last year's fundraising total of 1.6 trillion rupees, having reached 1.36 trillion rupees as of Tuesday.

The country's market regulator has already approved 82 IPOs, and is examining offer documents from 125 more companies, data showed. These include multiple potential billion dollar-plus offerings, from companies such as asset manager ICICI Prudential Asset Management, payments company PhonePe and ecommerce platform Meesho.

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