

India's IPO frenzy hits century to shatter 18-year record, but easy money days are over

By Nikhil Agarwal, ETMarkets.com Last Updated: Dec 10, 2025, 09:45:00 AM IST

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Synopsis

India's IPO market has achieved a historic milestone, surpassing 100 listings for the first time in 18 years. This surge has raised a record Rs 1.6 lakh crore. However, investors are experiencing lower listing-day returns, indicating a shift in market dynamics. The IPO pipeline remains strong with major companies preparing to go public, suggesting continued fundraising activity.

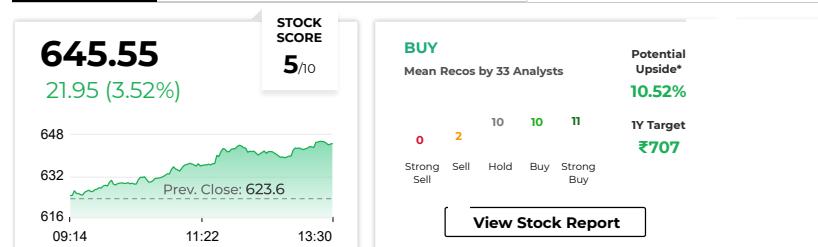


India's IPO market has surpassed 100 listings for the first time since 2007, raising a record Rs 1.6 lakh crore in 2025.

India's **IPO** market has roared past the century mark for the first time since 2007, with offerings from **Meesho**, **ICICI Prudential** AMC and others pushing the year's tally beyond 100 listings. The feat was last achieved 18 years ago and underscores the dramatic transformation of the country's capital markets. But investors are finding that the abundance of supply is making quick gains harder to come by, with **average listing-day returns** falling to 9.4%, the lowest since 2018.

The Rs 1.6 lakh crore raised so far in 2025 has already eclipsed the previous record set just last year, cementing India's position as a global fundraising powerhouse, according to data from PRIME Database. December alone is poised to add nearly Rs 30,000 crore worth of public issues, capping what has already been a record-breaking year.

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The milestone signals how India's capital markets have matured into a major fundraising hub, driven by a swelling base of retail investors and steady institutional appetite even as secondary equities lose steam.

Foreign institutional investors, lured by the growth outlook and relatively stable policy backdrop, remain active participants in IPOs even as they sell a almost record amount of Indian equities. That has allowed companies acros

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sectors, including mid-sized manufacturers and tech-led businesses, to raise capital at elevated valuations.

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Pranav Haldea, Managing Director of PRIME Database Group, attributed the IPO momentum to returning market stability after volatility in March and April caused by geopolitical tensions and Trump tariff impacts. "For IPOs to happen, we need a stable or buoyant market," he said.

"A lot of money has been and more is waiting to be deployed in IPOs, both from domestic as well as foreign investors. We have seen foreigners selling in the secondary market but buying in the primary market. Mutual funds are also seeing healthy inflows and that money will look for paper to be invested into," Haldea explained.

On quality concerns, he struck a measured tone: "Even a great company at an expensive valuation makes for a poor investment. Valuations need to continue to be reasonable for the IPO rally to sustain."

He noted significant improvement in the caliber of listing candidates. "The companies which are getting listed are now far more matured than earlier when we used to have fly-by-night operators or companies very early in their life cycle, without proven business models, getting listed."

However, average listing-day gains have fallen to 9.4% in 2025, the lowest since 2018, compared to over 30% returns from 91 IPOs in 2024 and around 29% from 57 offerings in 2023.

Haldea cautioned investors to remain vigilant: "As far as valuations are concerned, beauty lies in the eyes of the beholder. Even if an issue gets subscribed by a single time, it shows that there was enough demand for the issue at that price. As with any investment, the principle of caveat emptor or buyers beware is applicable here too."

The IPO pipeline remains robust. Big share sales that may take place next year include Jio Platforms, expected to be the country's biggest-ever IPO, NSE and Walmart-backed Flipkart.

JP Morgan's head of equity capital markets Abhinav Bharti recently told reporters at an event that yearly issuance of \$20 billion is the new normal for India. It is the new watermark and will become an annualized run rate from here on, he said, adding that nearly a fifth of IPO demand now comes from consumer technology and new-age businesses, a proportion he expects to exceed 30% over the next five years. At least 20 startups with valuations in the hundreds of millions are currently preparing to go public, he said.

Four to five companies are gearing up for offerings exceeding \$1 billion each, collectively targeting up to \$8 billion in fundraising, with two of them being technology-driven businesses, Bharti added.

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