

The second part of the year-end series focuses on domestic IPO markets, which saw another record year despite volatility. With bigger deals lined up, the momentum is expected to continue in 2026

The IPO juggernaut rolled on, and how

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Mumbai, 24 December

India's initial public offering, or IPO, market has entered a whole new orbit. Consider this: Nearly ₹ 3.4 trillion has been mobilised through mainboard IPOs — large, mature companies going public for the first time — in just the past two years (2024-25). That's more than half of the ₹ 6 trillion raised in the 35-year period between 1989 and 2023. What's more, the juggernaut shows little sign of slowing. Companies have filed draft papers for IPOs worth ₹ 3.5 trillion, excluding mega issues from Reliance Jio, Flipkart, and the National Stock Exchange (NSE), which are expected next year. Another \$1 billion-plus (about ₹ 8,979 crore) listing may include PhonePe, Manipal Hospitals, and Zepto. Investment bankers now see annual mobilisation of ₹ 1.5-2 trillion as the new normal. This boom has defied bouts of market volatility, pull-out by foreign investors, a



The debut story

The biggest IPOs in 2025

Company	Offer size (₹ cr)	Offer price (₹)	Share price* (₹)
Tata Capital	15,512	326	343.4
HDB Financial Services	12,500	740	759
LG Electronics India	11,607	1,140	1,533.8
ICICI Pru Asset Management	10,603	2,165	2,610
Hexaware Tech	8,750	708	749

*as on Dec 24

Source: Bloomberg

weakening rupee, and even underwhelming listings. The primary market appears unstoppable.

"We expect foreign investors to add to the strong domestic institutional flow in 2026, driving India's IPO volumes to exceed the record levels of the last two years," says Sunil Khaitan, head of India Financing Group, Goldman Sachs, adding, "There

will be several multi-billion-dollar IPOs across financial services, consumer, and technology-focused sectors."

What's driving the frenzy

Analysts attribute the IPO enthusiasm to a deepening equity culture, the steady channelling of household savings into markets — estimated at over ₹ 5 trillion annually —



Mainboard IPOs



2025 figures until November

SME IPOs



Source: Primedatabase

and sustained faith in India's growth story.

Companies from a wide mix of sectors — renewable energy, financial services, consumer goods, industrial manufacturing, and technology — tapped investors this year, reflecting both breadth and depth in the deal flow.

"This has been a great year for the primary market," says Neha Agarwal, managing director and head of equity

capital markets at JM Financial, an investment banking firm. "The IPO rush has been driven by entrepreneurial energy, investor appetite, and abundant institutional liquidity."

According to her, investors have grown more discerning. "They now back companies with credible governance and scalable business models. The focus is shifting from listing-day pops to long-term wealth creation." Turn to Page 8

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Domestic liquidity supercycle

A defining theme of 2025 was the rise of domestic institutional investors (DIIs) as foreign portfolio investors (FPIs) turned sellers.

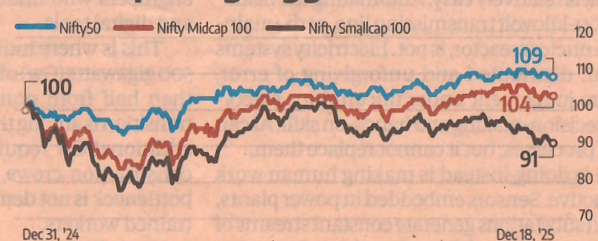
“The IPO market’s strength was anchored by a domestic liquidity supercycle,” says Om Ghawalkar, market analyst at Share.Market, a stock broking and investment platform from PhonePe Wealth. “Sustained mutual fund inflows created a deep reservoir of capital that supported new issues, regardless of global volatility.”

Data from the Association of Mutual Funds of India (Amfi) shows equity mutual funds drew net inflows of Rs 3.22 trillion in the first 11 months of 2025, complemented by steady deployment from pension and insurance funds and direct retail flows.

“DIIs have been a key stabiliser for both primary and secondary markets,” says Abhinav Bharti, head of India equity capital markets at JPMorgan. “Beyond mutual funds, insurance companies and pension funds are now exerting far more influence than ever before.” Even FPIs, despite selling in the secondary market, participated selectively in IPOs — a sign of confidence in the quality of issuances, says Pranjal Srivastava, partner-Investment Banking at Centrum Capital, a financial services group.

According to Prime Database, which is focused on capital markets, nearly 250 draft red herring prospectuses were filed with the Securities and Exchange Board of India (Sebi)

Smallcaps: Big laggards



Source: Bloomberg

this year. Together, these were worth over Rs 3.4 trillion, compared with 157 filings in 2024, aggregating Rs 2.8 trillion. The filings of 2024-25 together are poised to feed a strong 2026 pipeline. “New-age tech firms are driving much of the momentum, with about 20 startups preparing to go public next year,” says Bharti.

From lull to frenzy

The year didn’t start strong. “In early 2025 — around March and April — there was barely any IPO activity,” says Pranav Haldea, managing director, Prime Database. “Volatility from late 2024, triggered by tariff-related worries, had dampened sentiment. The revival began only after May as markets stabilised.”

Smaller issuers tested the waters first, paving the way for larger ones. By mid-year, mega deals from consumption and financial sectors reignited momentum, making the second half one of the most active in India’s capital market history. “This is the first time India has seen two consecutive blockbuster IPO years,” Haldea says. “Earlier, a strong IPO year

was usually followed by a long lull. That cycle seems to have been broken.”

A sophisticated market

Regulatory tightening by Sebi on disclosures, governance norms, and valuations ensures that only credible, scaled-up companies now reach the market. “Unlike the 1990s or early 2000s, when weak and opaque issuers dominated, the quality of supply today is far more robust,” Haldea says.

The market now comprises a mix of family businesses delisting, startups offering investor exits, and multinationals deepening their India play. Investors — institutional and retail alike — enjoy more diverse choices, even as valuation discipline tightens.

Uneven but resilient returns

Despite record fundraising, IPO returns were mixed. Some marquee names — Meesho, LG Electronics, and Groww — delivered strong post-listing performance, while several mid-sized firms traded below issue price. The Nifty 50 is up 9.3 per cent so far in 2025; the Nifty Midcap 100 gained 5 per

cent; while the Nifty Smallcap 100 is down over 8 per cent.

“Even as small- and midcap stocks faltered, listing gains kept investors engaged,” says Centrum’s Srivastava. The mature retail investors are, however, beginning to look beyond grey-market hype.

“Fomo (fear of missing out) still drives oversubscriptions,” Ghawalkar says. “But lock-in expiries next year may test liquidity. Understanding why a company is raising funds will be key.”

Retail revolution

If there is one force that defines India’s IPO era, it is retail participation. Roughly 15-20 per cent of Indian households now invest in equities or mutual funds — still far lower than Brazil’s 40-45 per cent or the US’s 50-60 per cent, implying ample headroom for growth.

Retail participation in IPOs has doubled since 2019, with marquee issues drawing a million applications at ease. The ubiquity of the Unified Payments Interface (UPI) and digital trading platforms allows for IPO subscriptions in a matter of seconds. This “financialisation of savings” has created a virtuous cycle — IPO exits provide liquidity to early investors, which, in turn, fuels fresh startup funding and a self-sustaining pipeline of issuers. While the IPO boom is seen extending, experts caution against letting exuberance get ahead of fundamentals. “If valuation discipline and issuer quality remain intact,” says Haldea, “the next five years could be a golden era for India’s primary market.”