

# PE/VC stake sales in Indian IPOs hit four-year high even as their market share shrinks to a decade low

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In 2025, companies raised a record ₹1.95 trillion through 365 IPOs (An AI-generated image)

## SUMMARY

*While these investors offloaded ₹20,643 crore worth of stock in 2025, the highest since 2021, they backed fewer than one in five listings this year, the lowest in at least a decade.*

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In 2025, private equity and venture capital firms extracted the largest sum of cash from India's initial public offerings (IPOs) in four years, even as their share in the country's primary market shrank to its lowest in at least a decade. While these investors offloaded ₹20,643 crore worth of stock in 2025, they backed fewer than one in five listings, compared to around one in four in 2024 and around one in three in 2023.

According to market statistics compiled by data intelligence firm Prime Database, the value of PE/VC-backed IPO stake sales this year was the highest since the all-time high of ₹31,684 crore in

2021, which came during a period of high global liquidity and a surge in technology listings following the covid pandemic.

Despite the increase in the absolute value of exits, the proportion of PE/VC-backed companies within the broader IPO landscape has declined steadily over the past decade. In 2015, PE/VC-backed listings accounted for nearly 62% of all IPOs in India. This figure fluctuated over the years, coming in at 50.8% in 2021 before dropping to 36.8% in 2023, 26.4% in 2024, and 18.45% in 2025.

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## 'Not a sign of softness'

Deven R Choksey, founder and managing director of boutique fund DRChoksey FinServ, said, "The low share of PE/VC IPOs isn't a sign of softness in their India strategies, rather a sign of strength in the broader economy and market conditions. More and more traditional businesses, like those in manufacturing, hospitality and consumer tech, are now mature enough to list without ever needing venture capital."

Chokesy noted that the current IPO market has been characterized by large-scale promoter exits. While listings from domestic firms and PSUs have increased, the market has also seen several new-age tech IPOs offer vital exit liquidity for long-term investors. India experienced a wave of PE/VC-backed IPOs in 2025, with a record number of public listings for new-age, venture-backed companies such as Groww, Lenskart, Urban Company, and Ather Energy.

Major investors that participated in Indian IPOs this year include Japan's SoftBank, International Finance Corp., Singapore's Temasek Holdings, Prosus NV, and Y Combinator. Venture capital and growth fund Peak XV Partners sold shares worth nearly ₹2,700 crore through the IPOs of its portfolio companies such as Pine Labs Ltd, Meesho Ltd, Wakefit Innovations Ltd, and Groww's parent Billionbrains Garage Ventures Ltd.

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Pranav Haldea, managing director of Prime Database Group, said, "While the share of IPOs where PE/VC investors sold stakes by number may be at 10-year low, this by no means signifies reduced activity by such investors in India. In fact, this could also point towards them continuing to hold on to their

investment and not exiting, either partially or fully, at the time of the IPO." He added that if such primary market activity continued in 2026, PE/VC stake sales were also likely to gain momentum.

Private dealmaking could also get a shot in the arm if India worked out a favourable free trade agreement (FTA) with the US, Vivek Soni, partner at EY India, said in a report in November. "With capital market valuations remaining buoyant and the appetite for IPOs remaining strong, valuations continue to challenge private dealmaking. A favourable US-India FTA could potentially provide the trigger for sentiment change – we remain cautiously optimistic."

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## Young guns take centre stage

In 2025, companies raised a record ₹1.95 trillion through 365 IPOs, surpassing the previous record of ₹1.90 trillion raised through 336 IPOs in 2024. A Motilal Oswal analysis showed that 701 companies raised ₹3.8 trillion in calendar years 2024 and 2025, more than the ₹3.2 trillion raised through 629 IPOs between 2019 and 2023.

A Motilal analysis based on company age showed that young companies (less than 20 years old), contributed around 53% of the ₹3.8 trillion raised over the past two years, highlighting the growing participation of younger firms in the public markets.

Meanwhile, several PE-backed companies across sectors are preparing for IPOs in 2026, setting the stage for another milestone year for India's primary market. SoftBank-backed hospitality platform Oyo and General Atlantic-backed payments aggregator PhonePe – which is looking to raise \$1.5 billion – are expected to hit the market next year. Blackstone-backed Horizon Industrial Parks and Y Combinator-backed Zepto Ltd. have already filed their draft IPO papers.

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