

IPO boom likely to continue in 2026; Rs 2.65 lakh cr fundraising in pipeline

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AFTER A blockbuster 2025 that saw India's primary market mop up a record amount of Rs 1.75 lakh crore, the initial public offering (IPO) pipeline shows no signs of cooling off in 2026. A large and diverse set of companies — spanning sectors such as financial services, manufacturing, consumer goods, technology and infrastructure — are lined up to tap the markets, with total fundraising estimated at around Rs 2.65 lakh crore, says a report.

Despite a dip in investor appetite, healthy equity valuations, improving corporate balance sheets and a steady flow of domestic savings into equities have combined to create a supportive environment for issuers. If market conditions remain favourable, this year could see India's IPO market not only sustain its momentum but also surpass last year's record-breaking performance.

The pipeline for 2026 looks strong as around Rs 1.4 lakh crore worth of IPOs await approval from the Securities and Exchange Board of India (SEBI), while another Rs 1.25 lakh crore worth of IPOs already hold the regulator's approval and are waiting to make their debut on the exchanges, according to a report by market data provider PRIME Database.

Of the 202 companies currently lining up for initial public offerings, only seven are



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new-age technology firms, together seeking to raise about Rs 22,500 crore. Despite their small presence in the IPO pipeline, such companies continue to attract disproportionate investor attention — both in India and globally — on the back of their scalability and the promise of exponential growth.

This growth potential often allows new-age technology firms to command valuation premiums far higher than those of traditional businesses, even when near-term profitability remains elusive. In the Indian market, prominent examples include Eternal (formerly Zomato), FSN E-Commerce Ventures, which operates Nykaa and One 97 Communications, the parent of Paytm.

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IPO market in 2025

During the calendar year 2025, 103 corporates raised a record Rs 1.75 lakh crore through mainboard IPOs, up 10 per cent from Rs 1.59 lakh crore in 2024, according to the report. This included big-ticket issues such as Tata Capital (Rs 15,511.87 crore), HDB Financial Services (Rs 12,500 crore), and LG Electronics India (Rs 11,605 crore), as well as Lenskart Solutions (Rs 7,278 crore). The average deal size was Rs 1,708 crore, slightly lower than the Rs 1,756 crore in 2024.

"It is for the first time in India's history that there have been two consecutive years of all-time high IPO fundraising activity. In the past, a strong IPO year almost always was succeeded by a lull lasting two

to three years," according to Pranav Haldea, managing director of PRIME Database.

However, all was not rosy as overall public equity fundraising fell 18 per cent year-on-year to Rs 3.06 lakh crore in 2025 due to lower fund mobilisation through follow-on public offers (FPO), stake sales by promoters through exchanges, and qualified institutional placements (QIP), according to the PRIME Database report. FPOs and QIPs are other fundraising avenues alongside IPOs — FPOs allow listed entities to issue further new shares to raise funds, while QIPs involve issuing a large number of new shares to institutional players, usually at discount to market rate, to raise funds.

Of the mainboard IPOs, 60 per cent were subscribed over 10 times the original issue size in 2025, down from 72 per cent of such IPOs in 2024. Retail interest also damped during the year as the average number of IPO applications from the segment fell to 14.99 lakh from 18.87 lakh in 2024, the report showed.

One reason for the faltering enthusiasm could be weaker performance of stocks on the listing day. Average listing-day gain stood at 10 per cent in 2025, down from 30 per cent in 2024. Only 37 out of the 102 IPOs, or 36 per cent, gave a return of over 10 per cent, in comparison with 67 per cent of such IPOs in 2024.

"The highest share of the

deployment list (IPO proceeds) is repayment of debt which is 29 per cent. This is part of the deleveraging process where companies are going to market to raise funds which are used for repaying debt," says a report from Bank of Baroda Research team.

What 2026 holds

A host of big names are expected to go public this year. Some of the most anticipated are Reliance Jio, reportedly targeting a valuation of Rs 11-12 lakh crore, the National Stock Exchange, Flipkart, PhonePe, Oyo Rooms and boAt. After questions were raised over the rising share of the offer-for-sale (OFS) component and the sky-high valuations of IPOs in 2025, it will be interesting to see what 2026 holds in store, says an analyst.

According to Haldea, if valuations of upcoming IPOs remain reasonable, and if the market conditions remain stable, the IPO market could grow further.

In addition, scores of companies are preparing to file their offer documents in the near future, among which are 85 NATCs (new-age technology companies) looking to raise Rs 1.50 lakh crore.

If valuation discipline is maintained by issuers and the secondary market continues to remain stable, even if not bullish, the next few years can be a golden era for India's IPO market, according to Haldea.