

New-age cos: from IPO shine to old ways

Apoorva Ajith & Srushti Vaidya

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A number of India's loss-making new-age companies that listed in recent years moved into profitability or sharply reduced losses just ahead of their stock market debut, a *Mint* analysis has found.

This push was more by last-minute cost pullbacks, accounting adjustments, and one-off gains, less by changes that were sustained in years subsequent to their listings.

These moves, even though compliant with listing and accounting rules, have raised questions of how accurately pre-initial public offering (IPO) financials reflect the health of companies entering public markets. New-age companies as a category refer to high-growth businesses that are technology-driven using innovative models to lower costs, deliver fast, and scale rapidly.

The companies analyzed include Lenskart, Urban Company, Zomato (now named Eternal), Swiggy, PB Fintech, Paytm, and Nykaa, among others. Showing profits based on short-term changes are clearly optimized for timing before a listing rather than sustainability, a legal expert said. "While such practices may be technically compliant, they create information asymmetry for public investors who rely heavily on recent financial performance to assess valuation and risk," said Hardeep Sachdeva, senior partner at law firm AZB & Partners.

Of the seven new-age companies that were in a loss before

Last-minute changes

Net profit figures in ₹ crore (IPO year mentioned in brackets) Y refers to the IPO year (fiscal). Y-1 (shaded) marks the year immediately before.

■ Narrowed losses ■ Turned into profit

IPOs till FY25	Y-3	Y-2	Y-1	Y	Y+1	Y+2
Zomato (FY22)	-1,011	-2,386	-816	-1,222	-971	351
Nykaa (FY22)	-25	-16	62	41	20	40
PB Fintech (FY22)	-347	-304	-150	-832	-488	64
Paytm (FY22)	-4,231	-2,942	-1,701	-2,396	-1,776	-1,422
Yatra (FY24)	-119	-31	8	-5	37	
Swiggy (FY25)	-3,629	-4,179	-2,350	-3,117		

FY26 IPOs	Y-3 (FY23)	Y-2 (FY24)	Y-1 (FY25)
Urban Co	-312	-93	240
Lenskart	-64	-10	297
Groww	458	-805	1,824
PhysicsWallah	-84	-1,131	-243
Pine Labs	-265	-342	-145

The chart shows 11 out of 30 new-age firms that went for IPO since 2021 and showed such a trend in profits. The other 19 were either already profitable even before the IPO, or expanded their losses in the last pre-IPO year, or narrowed losses to a small extent.

Source: Final prospectus of companies, exchange filings, Prime Database

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they went public in FY26, five reported either a move into profitability or a sharp narrowing of losses in the year preceding their IPO.

This mirrors a broader pattern seen over the past five years where the companies have significantly narrowed losses or swung to profitability a year before the IPO—and then, in most cases, returning to losses. *Mint* reached out to all companies named in this story and markets regulator the

Securities and Exchange Board of India, or Sebi, for comment. Zomato, Paytm, Lenskart, and PB Fintech declined to comment. Yatra said it cannot comment in the silent period ahead of its third quarter results. Sebi and the rest of the companies did not answer emails and messages.

Data from IPO and markets tracker Prime Database shows that 30 new-age companies have listed since 2020. In a *Mint* analysis of 19 of these that

were loss-making prior to listing, 11 showed a notable improvement in their bottom lines in the year before the IPO either by cutting losses sharply or turning profitable.

The analysis was done based on disclosures in final prospectuses or red herring prospectus filed with Sebi.

For the 11 companies, losses widened after listing as they returned to earlier spending patterns.

"These companies are not suddenly becoming profitable overnight," said Madhura Samant, managing partner at Elarra Law Offices, noting that discretionary burn, especially marketing and expansion spend, was pulled back. "Alongside that, there is often careful timing of expenses and ESOP charges, within the accounting framework." (ESOP is short for employee stock ownership plan.)

Even with disclosures, the pattern has drawn attention of experts as India's IPO market has surged in recent years, increasing reliance on headline profitability metrics disclosed in offer documents. Indian companies raised a total of ₹1.95 trillion in 2025 calendar year through 373 IPOs, including 103 mainboard and 270 SME issues, compared to about ₹1.6 trillion in 2024, data from Mumbai-based Pantomath Capital Advisors showed. By deal count, India emerged as the world's largest IPO market, accounting for nearly a fifth of global IPO volumes.

apoorva.ajith@live-mint.com

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