

Fino Payments Bank MD gets bail in tax evasion case



Jewar airport inauguration tomorrow, flights from April



Petrochem value chain bears the brunt of costlier crude



NEW DELHI, FRIDAY, MARCH 27, 2026

FOLLOW US ON TWITTER & FACEBOOK. APP AVAILABLE ON APP STORE & PLAYSTORE WWW.FINANCIALEXPRESS.COM

FINANCIAL EXPRESS

READ TO LEAD

VOL LII NO. 23, 24 PAGES, ₹12 (PATNA & RAIPUR ₹12, SRINAGAR ₹15) PUBLISHED FROM: AHMEDABAD, BENGALURU, CHANDIGARH, CHENNAI, HYDERABAD, KOCHI, KOLKATA, LUCKNOW, MUMBAI, NEW DELHI, PUNE

SENSEX: 75,273.45 ▲ 1205.00* NIFTY: 23,306.45 ▲ 394.05* NIKKEI 225: 53603.65 ▼ 145.97 HANG SENG: 24,856.43 ▼ 479.52 ₹/\$: 93.97 ▼ 0.10* ₹/€: 109.03 ▼ 0.18* BRENT: \$106.65 ▲ \$4.43 GOLD: ₹1,44,783 ▲ ₹4,474* *Prv close

ELEVATED VALUATIONS & EARNINGS ESTIMATES KEY FACTORS

2 in 3 firms listed in FY26 trading below IPO prices

KUSHAN SHAH
Mumbai, March 26

THE PERFORMANCE OF the IPO market in FY26 has drawn considerable attention with as many as 108 companies raising a record ₹1.75 lakh crore. But a closer look tells a less flattering story. According to Prime Database, 71 of these firms — or 65.5% — are now trading below their IPO prices. Notably, more than 50% of these 71 stocks had posted gains on listing day, only to slip later.

Market experts say the IPO boom encouraged companies to seek aggressive valuations, resulting in post-listing corrections. Rajesh Palviya, head of research at Axis Securities, noted that 40 of the 108 stocks fell below their issue price on the very first day — a clear sign of mispricing.

He added that IPO pricing was often built on optimistic earnings projections amid buoyant market sentiment. Retail investors, meanwhile, were heavily influenced by grey market premium signals, often overlooking fundamentals.

Rahul Arora, head of research at Ashika Institutional Equities, pointed to another factor: liquidity constraints in the mid- and small-cap segments, where most of these companies operate. He noted that a significant portion of IPO anchor investments comes from pooled vehicles catering to domestic institutional investors (DIIs), as these ensure assured allotment.

IPO BUST

Worst performers	IPO price (₹)	Listing vs current price -% change
Glottis	129	-68.19
VMS TMT	99	-60.10
Jinkushal Industries	121	-58.60
Shree Ram Twistex	104	-57.60
Mangal Electrical Industries	561	-56.95
Solarworld Energy Solutions	351	-55.67
Gem Aromatics	325	-53.25
Arisinfra Solutions	222	-53.15
Om Freight Forwarders	135	-51.89
Indogulf Cropsciences	111	-51.33

Source: Prime Database

2 in 3 firms listed in FY26 trading below IPO prices

PALVIYA ALSO FLAGGED the correction in the broader mid- and small-cap space — in some cases as steep as 68% — as evidence of a deeper disconnect between IPO narratives and underlying business strength. This divergence, he said, is a key risk investors should watch.

Pranav Haldea, MD at Prime Database Group, said that IPOs do not operate in isolation. Once listed, these companies trade like any other stock, with prices influenced by company performance, sectoral trends, broader market move-

ments, and the overall economy. Arora added that such outcomes are typical during market corrections. Issues around valuation, cash flow and RoE — tend to

Volatility has hit IPO activity and listing gains, which have fallen from 11.66% in Q2 of FY26 to (-)6.08% in March 2026

resurface, triggering sell-offs. Combined with weak liquidity, this can lead to price declines. In some cases, stocks may never regain their IPO prices. Geopolitical tensions, particularly the war in West Asia, have further dampened sentiment. Volatility has hit IPO activity and listing gains, which have fallen from 11.66% in Q2 of FY26 to (-)6.08% in March 2026.