

IPOs mine record riches from a volatile FY26

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India's primary market scaled a record high in 2025-26 (FY26), even as turbulence gripped the secondary market.

As many as 112 companies raised ₹1.8 trillion through mainboard initial public offerings (IPOs), surpassing the previous record of ₹1.62 trillion mobilised by 78 IPOs in 2024-25 (FY25). This is the first time IPO fundraising has hit record highs for two consecutive years, breaking from the historical pattern in which a strong year is typically followed by a prolonged lull.

The milestone came even as activity slowed sharply in the last quarter, with only ₹18,772 crore raised as the benchmark Nifty indices corrected nearly 15 per cent.

Geopolitical tensions, a sharp surge in crude oil prices, and persistent foreign portfolio investor outflows weighed on sentiment. Strong domestic institutional investor inflows, however, helped cushion the downside, even as volatility intensified towards the end of the year.

Domestic benchmark indices underperformed global peers during FY26, with the Nifty 50 declining 5.1 per cent and the Sensex falling 7.1 per cent — their worst performance since 2019-20.

The record IPO mobilisation, even in weak market conditions, highlights the growing maturity of domestic capital markets and reduced dependence on foreign capital.

That said, weaker listing performance tempered investor enthusiasm and led to greater selectivity. Average listing gains declined sharply to 8 per cent from 30 per cent in the previous year, with only 31 per cent of IPOs delivering returns above 10 per cent on debut.

While several companies pushed ahead with their IPO plans, investor participation moderated. According to Prime Database, only 56 per cent of IPOs were subscribed to more than 10x, down from 72 per cent in FY25. Retail participation also weakened, with average applications falling to 1.3 million from 2.13 million a year earlier.

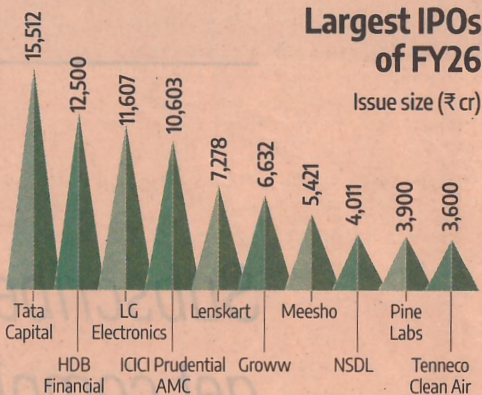
While the IPO pipeline remains robust, near-term activity is expected to slow given the selloff in the secondary market. According to Prime Database, 144 companies planning to raise ₹1.75 trillion have received Securities and Exchange Board of India approval, while another 63 proposals worth ₹1.37 trillion are awaiting clearance.

"The domestic IPO market is entering 2026-27 (FY27) with one of the strongest backlogs seen in decades," said Bhavesh A Shah, managing director (MD) and head of investment banking at Equirus Capital. "The new financial year (FY27) will be less about volume and more about quality, scale, and

Through the storm

IPO fundraising held firm amid secondary market volatility

Financial year	No. of IPOs	Amount raised (₹ cr)	Nifty change (%)
2019-20	13	20,350	-26
2020-21	30	31,268	70.9
2021-22	53	111,547	18.9
2022-23	37	52,116	-0.6
2023-24	76	61,922	28.6
2024-25	78	162,387	5.3
2025-26	112	178,963	-5.1



Source: Prime Database, Bloomberg

pricing discipline."

Pranav Haldea, MD of Prime Database group, said companies are willing to defer listings rather than launch in volatile or unfavourable market conditions, indicating a "wait-and-watch" approach.

Market participants expect IPO activity to moderate in the first half of FY27 amid continued volatility and valuation concerns, though the medium-term outlook remains constructive.

"The structural drivers remain intact. Volatility may temporarily slow momentum, but it will not derail the medium- to long-term trajectory," said Mahavir Lunawat, group founder and MD at Pantomath group.

"Earlier, market cycles were heavily dependent on foreign flows. Today, because of strong domestic liquidity, cycles have become narrower. Once the current volatility settles, the available liquidity could trigger a sharp upswing in capital formation," he added.