

# THE TECH ERA IPO RUSH

BY CHITRANJAN KUMAR

## RETAIL INVESTORS EYEING MATURING STARTUPS HAD TO JOSTLE FOR AN IPO HERE OR A UNICORN THERE. THE WAIT COULD END SOON.

**AFTER MORE THAN** a decade of aggressive private capital infusions, breakneck expansion, and valuation-led growth, a clutch of unicorns, or startups with valuations of over a billion dollars each, are preparing for initial public offerings. D-Street, once viewed as a distant milestone for venture-backed firms, is now the next step in their lifecycle.

According to Delhi-based PRIME Database Group, 91 new-age technology companies (NATCs) are preparing to go public, to raise a total of around ₹1.79 lakh crore. Coming for your money are fintech heavyweights PhonePe, Razorpay, Navi, PayU, Niyu, Acko, BharatPe, Juspay, PayMate, and TurtleMint. In the consumer internet and commerce space, Flipkart, Zepto, Snapdeal, bigbasket, Purple, HealthKart, Licious, Captain Fresh, The Souled Store, and Udaan are at various stages of preparation.

Last year, 103 Indian corporates raised an all-time high of ₹1.76 lakh crore through mainboard IPOs, around 10% higher than the previous peak of ₹1.60 lakh crore mobilised by 91 IPOs in 2024.

Of these, nine were NATCs. Physics Wallah, Groww, Meesho, Pine Labs, Lenskart, Ather Energy, Urban Company, WeWork India, and SmartWorks raised a record ₹30,602 crore via IPOs. This marked the highest annual fundraising by NATCs since 2021, when seven, including Paytm, Zomato, and Nykaa, mobilised ₹42,826 crore via IPOs.

The recovery had begun in 2024, when 10 NATCs, including Swiggy, Go Digit, TBO Tek, Awfis, Ola

Electric, FirstCry, ixigo, and Unicommer, made their market debuts, together raising around ₹30,000 crore.

Mobility and auto-tech platforms Rapido, Droom, and Spinny are also lining up, alongside travel and logistics names such as OYO, Shiprocket, Porter, and Infra.Market. In healthcare and diagnostics, PharmEasy, Practo, Portea, MediBuddy, and Pristyn Care are evaluating listing plans. The edtech and SaaS pipeline features Eruditus, upGrad, Simplilearn, Imarticus, Darwinbox, InMobi, and OfBusiness.

### From venture capital to public capital

The IPO momentum reflects the coming of age of companies founded a decade to a decade-and-a-half ago. These firms were nurtured through multiple funding cycles, scaled with venture capital backing, and supported by private equity during their expansion years. They are now reaching a stage where public markets become the next step.

According to Pranav Haldea, MD, PRIME Database Group, the surge in filings is less about timing the market and more about lifecycle progression. "Last year, we saw a record number of startups going public, and the data suggests that the momentum is likely to continue this year. Among the companies preparing to file their offer documents in the near future, there are 85 NATCs looking to raise ₹1.50 lakh crore," he says.

"What we are witnessing is a structural shift—companies that were formed 10-15 years ago, backed

by venture capital and private equity, are now reaching a stage where tapping public markets becomes the logical next step," Haldea says.

An IPO fetches fresh growth capital, and early investors can exit. Venture funds, which come in when there is clarity on expected performance, operate with defined tenure. Private equity, which comes in later, seeks liquidity within timelines. The public markets offer both scale and orderly exit pathways.

D-Street is now seen as a mainstream liquidity avenue rather than a distant aspiration.

### Profitability, not frenzy

This cycle, however, is markedly different from those in 2021 or 2025. Those were fuelled by liquidity abundance and growth narratives. Companies with ambitious expansion plans and large addressable markets commanded premium valuations even when profitability was distant. Scale, user acquisition, and market dominance were priorities.

Today, all eyes will be on profitability, not just breakneck growth.

"One of the biggest changes over the past four to five years has been the public market's insistence on profitability—or at least a credible roadmap towards profitability," Haldea notes.

Sameer Nath, CIO and head, VC & PE, at 360 ONE Asset, describes it as a natural and healthy transition. "Recent years have seen record levels of IPO activity, including the listings of many new-age internet firms. It demonstrates that startups in India can scale and successfully access the public market."

Private equity and pre-IPO investors now emphasise predictability of earnings, cash efficiency and governance standards over top-line acceleration alone. Venture capital may continue to reward rapid scaling in early stages, but as companies approach listing, profitability becomes non-negotiable.

While IPO filings have accelerated, private funding has moderated. Data from Tracxn shows that Indian startups raised \$10.5 billion in 2025, down 17% from \$12.7 billion in 2024 and 4% from \$11 billion in 2023. Seed- and late-stage funding slowed, though early-stage investments were relatively resilient.

Haldea believes these short-term fluctuations do little to alter the long-term trajectory of the startup ecosystem. "There is significant dry powder available

## STREET SIGNS

Company	Listing date	Issue size (₹ crore)	Listing gain/loss (%)	Current gain/loss (%)*
BlackBuck	Nov 22, '24	1,115	-4.69	132.88
ixigo	Jun 18, '24	740	74.18	110.97
Zaggle	Sept 22, '23	563	-3.48	74.54
Groww	Nov 12, '25	6,632	30.94	73.1
Meesho	Dec 10, '25	5,421	53.33	37.48
Lenskart	Nov 10, '25	7,278	0.32	25.65
Go Digit	May 23, '24	2,615	12.41	18.53
Yatra	Sept 28, '23	775	-4.26	17.68
Urban Company	Sept 17, '25	1,900	62.18	17.57
Shadowfax	Jan 28, '26	1,907	-11.37	0.73

\* As of Feb 16, 2026

SOURCE: PRIMEDATABASE.COM

with private equity funds in India. Over a 20-year period, the Indian entrepreneurial ecosystem has seen a massive upgrade—in terms of scale, sophistication, and investor participation."

Foreign institutional investors (FIIs) have adopted a split strategy over the past year—favouring primary issuances while trimming their secondary-market exposure. According to JM Financial, Indian primary markets attracted net FII inflows of ₹73,900 crore in 2025, even as secondary markets reported steep net outflows of ₹2.40 lakh crore.

FII selling was concentrated in heavyweight segments, including BFSI, FMCG, pharma, power, capital goods, auto, and realty—reflecting caution towards broader listed equities, even as appetite for new issuances remained intact.

Domestic institutional investors (DIIs) made a record net investment of ₹7.5 lakh crore in Indian equities during the same period. Alternative Investment Fund (AIF) commitments rose from under \$10 billion in 2017 to nearly \$149 billion in 2025, underscoring deeper local institutional participation.

Neha Singh, co-founder of Tracxn, believes the IPO momentum is not merely cyclical. "India's IPO

pipeline over the next two to three years appears steadily constructive, supported by a growing list of venture-backed companies preparing for public listings," she says. "The pipeline remains structurally intact despite moderation in overall funding activity."

Consumer technology, fintech, and digital infrastructure platforms remain central. Segments aligned with long-term structural themes—electric mobility, logistics, and technology-enabled services—are expected to contribute as they achieve operational maturity.

### Valuations reset to fundamentals

If 2021 represented pricing optimism, 2025–26 represents discipline. "The term 'inflated valuation' is always relative," says Haldea. "If valuations are unreasonable, the IPO simply won't get subscribed. Ultimately, the market decides."

Investors now benchmark IPO-bound startups against listed peers, aligning private-market multiples more closely with public-market comparables. Strong companies with improving unit economics are stabilising. Weaker players are being repriced.

Rahul Agarwal, partner at HealthQuad, says, "The era of paying premium multiples for narratives alone is over. What investors want is profitable growth—positive unit economics, cash efficiency, and a clear path to break-even."

He says valuations have broadly reset towards fundamentals, with startups selling at a 30–40% discount during 2024–25. For top-quartile companies demonstrating favourable unit economics, multiples are stabilising; for the rest, further downward repricing remains possible until businesses show sustained improvement in contribution margins.

While supply remains robust, returns tell a more sobering story. IPO listings have surged to 99 in FY26 (as of mid-February), yet average listing gains have fallen to 8.88%—the lowest in seven financial years, according to IPO Central. Only 65% of IPOs debuted above their issue price. What happened to the post-pandemic highs of over 35%?

Anil Sharma, co-founder of IPO Central, describes the situation as paradoxical: record volumes alongside shrinking listing returns. Geopolitical volatility, fully priced offers, and abundant supply have diluted listing-day exuberance.

The challenge lies beyond listing day. Between September 2023 and January 2026, more than 20 tech-enabled companies went public. On debut, several delivered eye-catching gains. But sustaining those gains has proved far more difficult. A number of these stocks now trade below their issue price. Ola Electric has seen steep erosion. FirstCry and Jaro Education have struggled to retain early gains. Others that got listed at modest premiums are in the red.

The picture is not uniformly bleak. BlackBuck has emerged as a strong post-listing outperformer despite a weak debut. Groww and Zagggle have also delivered meaningful gains.

### From momentum to maturity

In 2025, India not only sustained its unicorn momentum but did much better than in the previous year. Despite global funding slowdowns and regulatory headwinds, 11 unicorns were created, according to the ASK Private Wealth Hurun India Unicorn and Future Unicorn Report 2025.

But the story wasn't just about numbers. It was about composition, capital efficiency, and sectoral diversification. Fintech dominated, and more unicorns were born: Navi Technologies (\$1.7 billion), Moneyview, Juspay, Vivriti Capital, and trading platform Dhan. Payments infrastructure, digital lending, and retail trading reinforced fintech's structural strength.

Non-traditional sectors made an equally strong statement. Pet care brand Drools turned unicorn following a strategic investment from Nestlé SA, while AI-powered fleet safety platform Netradyne became the first unicorn of 2025.

India's startup ecosystem is evolving: from exuberance to discipline. Today, sustainable business models, predictable earnings, and capital efficiency matter far more than headline valuations or momentum-driven narratives. ■