



IPO boom

Mainboard IPO fundraising surged sharply post-2020, hitting record highs in 2025.

Calendar year (opening date)	No. of issues	Issue amount (₹ crore)
2020	14	24,370
2021	63	1,18,723
2022	40	59,302
2023	56	48,946
2024	91	1,59,784
2025	102	1,71,903
2026*	11	14,014

Losing steam

Not only have average listing gains tapered off, but even premium listings are slipping, while discounted ones are steadily inching up.

Calendar year (opening date)	Average gain/loss in IPOs (%)	% of issues listed at premium	% of issues listed at discount
2020	46.0	71.4	28.6
2021	32.2	71.4	28.6
2022	10.7	65.0	35.0
2023	29.0	82.1	17.9
2024	30.3	78.0	22.0
2025	9.5	66.7	33.3
2026*	1.4	36.4	63.7

Returns slump

Average one-year returns for NSE mainboard IPOs was just 3.03% in 2025, the second lowest since 2021.

Calendar year (opening date)	Average (%) return after			
	1 month	3 months	6 months	1 year
2020	-2.23	9.58	37.15	106.54
2021	1.02	3.10	6.78	3.67
2022	-2.36	5.17	16.06	37.28
2023	6.77	16.29	25.64	41.84
2024	0.99	-2.19	0.73	-0.55
2025	-0.78	-3.02	-4.84	3.03
2026*	4.20	-	-	-

Slim pickings

The number of mainboard IPOs trading above their issue price a year after listing plunged to just 4 in 2025, the lowest since 2020 and down sharply from its 2024 peak.

Calendar year (opening date)	No. of issues	Price after 1 year is more than offer price	
		% of issues	Value
2020	14	100	
2021	36	57.1	
2022	31	77.5	
2023	44	78.6	
2024	52	57.1	
2025	4	3.9	

Source: Prime database; *Listed till 15 March 2026; all data is for NSE listed companies on mainboard

mint

GOPAKUMAR WARRIER/MINT

WHY IPOs NO LONGER FEEL LIKE EASY WINS

The era of easy gains from initial public offerings appears to be nearing its end

Dipti Sharma
dipti.sharma@livemint.com
MUMBAI

Hunny Yadav, a 30-year-old communications consultant, says his initial public offering (IPO) journey began with a feeling. The kind you get when everyone around you seems to be making easy money.

In 2022, IPOs felt magical: "60-65 out of 100 listed at a premium," Yadav recalls. And so, he invested in LIC, and DCX Systems and eMudhra. Early gains of 30-40% made it seem like he'd cracked the code. And he kept at it, investing in NTPC Green late in 2024.

By September 2025, however, some of the stocks that once soared and added value to his portfolio began slipping. At first, he wasn't worried. "Thoda correction hai (the correction is small); it'll bounce back," Yadav told himself. He held on, waiting for recovery. It never really came. Today, about 7% of his portfolio still sits in the red, a quiet reminder of that phase.

"Ek bhi IPO nahi laga (not a single IPO got allotted to me)," Yadav says about early 2024, even as other retail investors rushed in, mostly following influencers, not research. He stayed in the



that phase. “Ek bhi IPO nahi laga (not a single IPO got allotted to me),” Yadav says about early 2024, even as other retail investors rushed in, mostly following influencers, not research. He stayed in the game through 2025, but with doubt creeping in. “Yeh investment band kar dena chahiye (I should stop this investment),” he admits.

Yadav’s father, who quietly invested in mutual funds and SIPs, had steady gains—no frenzy, no swings, just consistency. The contrast was hard to ignore.

What puzzled Yadav most was the advice: buy more when markets fall. Logical in theory, impossible in practice. “How can one do that... when you’re already fully invested and sitting on losses?,” he says. “IPOs no longer feel like easy wins.”

Yadav isn’t rushing into IPOs anymore, and he is not alone. The frenzy seems to have faded.

For many retail investors, the IPO narrative has subtly changed. “The market just doesn’t feel the same right now,” says Pankaj Sabnani, a 39-year-old independent investor and research analyst, who once rode the wave of blockbuster listings but has stayed away from new issues over the past three to four months.

It wasn’t always like this, says Sabnani. Back in September 2024, for instance, Bajaj Housing Finance delivered eye-popping gains; he recalls pocketing as much as 114%, the kind of return that fuelled the retail frenzy.

But the recent experience has been far more muted. Take Lenskart’s listing in November last year—it debuted with a 3% loss and ended the day flat, turning what was a high-expectation bet into a “no gain, no loss” outcome, he says.

“Earlier, listings felt like quick wins. Now, even good names aren’t giving that pop,” says Sabnani, summing up a broader shift, where the easy money seems to have dried up, and retail enthusiasm is giving way to caution.

WAR IMPACT

The war in West Asia hasn’t just bruised sentiment in the secondary market, it is now beginning to weigh on the primary market as well. A telling signal is fintech major PhonePe’s decision to defer its much-anticipated IPO, highlighting how swiftly geopolitical tremors can seep into capital markets.

What’s more, the move underscores how quickly market exuberance can give way to caution, with even high-profile listings pausing as the broader risk environment becomes less supportive.

PhonePe has explicitly cited geopolitical tensions, market volatility and the need for greater liquidity as key reasons to wait, reflecting a deferral rather than an abandonment of listing plans, says Pratik Loonker, managing director and head—equity capital markets, Axis Capital. “Its decision is indicative of a broader recal-



A file photo of a worker wiping the statue of a bull at the National Stock Exchange, Mumbai. The bullish undertone of India’s equity markets has currently shifted to caution.

BLOOMBERG

bration rather than a standalone event.”

Even XED Executive Development, which aimed to become the first GIFT City IPO, withdrew its IPO after a tepid investor response amid the global uncertainty.

“The company decided to withdraw the public issue in the current environment and hopes to tap the market at an appropriate time in the future,” it stated in a release.

XED chose not to go ahead despite meeting minimum subscription levels, citing volatile markets, tight liquidity and the risk of post-listing pressure given the relatively limited float. It called the move a proactive decision aimed at protecting investor interests and ensuring better pricing and long-term value when it returns.

Even if IPOs slowed and listing gains cooled off, the groundwork is still happening. Companies are out there meeting investors and doing roadshows; the intent is intact.

Issuers are becoming more sensitive to market conditions, valuation expectations, and post-listing performance, says Loonker. After a phase where timing was driven by buoyant liquidity, companies that have the flexibility are now more willing to wait for better price discovery and stronger market stability before listing, he adds.

With geopolitical risks now spilling into primary markets, market participants see IPO activity slowing further and investors become even more selective.

Historically, the bar for IPOs goes higher during market drawdowns, reflecting in both the number of IPOs coming down as well as a derating in valuations, says Sushant Bhansali, chief executive officer, Ambit Asset Management. “We have observed this trend over the past few months as well and expect it to continue for the foreseeable future.”

The flows are slowing down or stagnant for domestic institutions, and global institutions are still in selloff mode; this restricts supply for new paper subscrip-

tions, Bhansali explains. Large IPOs will probably wait for markets to stabilize and flows to come back to get listed, especially companies primarily with an offer for sale (OFS) component as a larger part of their IPO plans, Bhansali adds.

AVOIDING COSTLY MISSTEPS

Retail investors need to be careful not to get caught on the wrong side of the cycle, say experts. When the tide is favourable, gains can come quickly and feel effortless, but markets have a way of turning when least expected, they point out. And when they do, the downside can be just as swift and unforgiving, with losses mounting far quicker than the gains that came before.

With listings turning increasingly lukewarm and post-listing returns losing sheen, IPOs may no longer be as rewarding, and could leave investors exposed.

Having said that, it raises a bigger question: is the IPO boom starting to lose steam, and is it time for retail investors to rethink the “quick buck” strategy?

Here’s what *Mint*’s analysis showed: the era of “easy gains” in IPOs, fuelled by the post-2020 liquidity wave, is beginning to fade. The overall success rate has slipped, with average one-year returns for NSE mainboard IPOs at just 3.03% in 2025, compared to a peak of 106.54% in 2020.

SME IPOs tell a similar story, with one-year returns at around 19%, also among the weakest in recent years. The market, it seems, is shifting from a liquidity-driven rally to a more selective, risk-aware phase.

The trend is even more stark beneath the surface. The number of mainboard IPOs trading above their issue price a year after listing plunged to just four in 2025—the lowest since 2020—down sharply from a peak of 52 in 2024. SME IPOs mirror this cooling, with only two such winners in 2025, compared to 42 in 2023 and 19 in 2024.

At the same time, the count of IPOs trading below their offer price after a year



₹1.75 TRILLION

The amount 144 companies are proposing to raise after receiving approval from the Securities and Exchange Board of India.

₹1.37 TRILLION

The amount 63 companies are looking to raise; they are awaiting approval from Sebi, according to a Prime Database report.

38

The number of companies including SBI Funds Management and Manipal Health Enterprises that filed IPO papers last month.

has been steadily rising since 2022.

Put together, the message is hard to miss: fewer IPOs are able to hold on to their listing gains, and more are slipping below issue prices. Investor enthusiasm is cooling and the pricing is getting less forgiving.

EASY MONEY PHASE OVER?

The data clearly signals a shift from a liquidity-driven IPO cycle to a more fundamentals-led market in the near to mid term, says Axis Capital’s Loonker. It suggests that broad-based listing gains have faded, and investors will now differentiate more aggressively based on business quality, earnings visibility and valuation discipline, until the balance between greed and fear tilts again, he explains.

Loonker is of the opinion that the easy listing gains, as seen during the peak liquidity phase of 2023-25, are unlikely to return in the same broad-based manner. This, according to him, reflects a mix of cyclical and structural shifts; on the one hand is tighter liquidity and weaker secondary market support, and on the other, a more discerning investor base demanding clearer profitability visibility and more reasonable valuations.

“Listing gains will persist, but they are likely to be narrower, more selective, and driven by fundamentals rather than excess liquidity,” Loonker says.

Pranav Haldea, managing director of Prime Database Group, says that for IPOs to happen, markets need a sense of stability or better yet, a bullish undertone. In volatile or bearish conditions, IPO activity tends to dry up quickly.

Right now, “the IPO market has clearly shifted from exuberance to caution”. Ongoing geopolitical tensions have dented investor risk appetite and could weigh on corporate financials as well, says Haldea.

WAIT-AND-WATCH MODE

Some market experts say it is less about rushing to list right now and more about getting clarity—once markets settle and the numbers are clearer, activity will pick up, they say.

Neha Agarwal, managing director & head of equity capital markets at JM Financial Institutional Securities, says companies are still working through the impact of the ongoing geopolitical tensions. “That’s why many are choosing to wait; it gives time for markets to stabilize and for the financial impact to become clearer,” she explains.

Agarwal adds that this phase is also sharpening investor behaviour. Filters are only getting stronger now, especially for businesses where the impact could linger on the P&L for longer. She sees this phase

as a good clean-up for the market.

Even if IPOs have slowed and listing gains have cooled off, the groundwork is still happening. “Companies are out there meeting investors and doing roadshows; the intent is intact, just that valuation conversations are on hold for now,” Agarwal adds. In her opinion, the biggest challenge for companies in this kind of market is timing the window more than anything else.

At the same time, Agarwal sees the shift in sentiment as a healthy one. “The euphoric IPO phase is behind us, but that’s not necessarily negative—capital is now getting more selective, moving toward sectors with stronger fundamentals and clearly favouring larger, more established large- and mid-cap companies.”

The pipeline of issues continues to be staggering, with 144 companies proposing to raise around ₹1.75 trillion waiting to hit the market after receiving approval from the Securities and Exchange Board of India (Sebi), India’s market regulator. Another 63 companies looking to raise around ₹1.37 trillion are awaiting approval, according to a Prime Database report of 31 March.

Amid the recent volatility, issuers are largely in wait-and-watch mode.

Given that an IPO is a once-in-a-lifetime event, market participants believe many would rather let approvals lapse than risk launching into a volatile or bearish market.

As many as 38 companies, including SBI Funds Management and Manipal Health Enterprises, filed preliminary IPO papers with Sebi last month, pointing to improving issuer sentiment, even as regulatory timelines played a role in the spike, as per reports. This is a sharp jump from 22 filings in March 2025 and 16 in March 2024, Sebi data showed, signalling a much stronger pipeline of upcoming public issues, reports stated.



Liked this story? Share it by scanning the QR code.