

# The great 2026 stall: IPO fundraising falls to two-year low with fears that second half could be sluggish

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## Synopsis

Indian IPO fundraising has fallen to a two-year low in early 2026. Market volatility and global tensions are making companies delay their listing plans. Investors are now prioritizing profitability and realistic pricing. While a healthy pipeline exists, the second half of the year is expected to remain subdued. Large IPOs may boost numbers but could also absorb market liquidity.



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Fundraising through IPOs in India has slowed sharply in the first five months of 2026 as market volatility, geopolitical tensions and valuation concerns forced several companies to delay listing plans despite a strong pipeline waiting to hit the market. Companies have raised around Rs 19,854 crore through IPOs so far in 2026, sharply lower than Rs 27,686 crore raised during the same period last year, according to market data from Primedatabase.

The figure also remains below the Rs 27,650 crore mobilised in the first five months of 2024, though it is still far higher than the Rs 5,824 crore raised during the comparable period in 2023.

The slowdown comes after a record-breaking 2025 when India's primary market saw massive investor participation, strong listing gains and aggressive fundraising across sectors ranging from financial services and manufacturing to consumer technology and infrastructure.

This year, however, the mood has changed considerably. Rising geopolitical risks, including tensions involving Iran and volatility in global crude oil prices, have made investors more cautious. Foreign institutional flows have also turned inconsistent amid uncertainty around global interest rates and slowing growth concerns in major economies.

As a result, several companies have either postponed listing plans or become more conservative on valuations.

"The weak momentum observed in the first five months was largely a result of volatile secondary markets, stretched valuations and cautious institutional participation because of global macro uncertainties," said Ravi Singh, Chief Research Officer at Master Capital Services.

Singh said the [IPO](#) market could improve in the second half of the year, but the recovery is unlikely to be broad-based. "The underlying issuance pipeline is healthy, with several large-scale offerings including expected listings from [NSE](#) and [Jio Platforms](#) that can materially lift overall fundraising numbers in H2," he said.

Still, he added that investor appetite is increasingly shifting toward companies with profitability, scalable business models and reasonable pricing rather than aggressive growth narratives alone.

Investor activity has also weakened sharply compared with the frenzy seen in the second half of 2025. According to Nitant Darekar, Research Analyst at Bonanza Portfolio, average subscription levels dropped significantly in February and March.

"Average subscription levels moderated to roughly 2x in February-March from about 38x in H2CY25," Darekar said. He noted that India's primary market activity has remained visibly subdued this year because of weaker investor participation and global risk aversion.

Companies that previously expected aggressive valuations are now finding resistance from institutional investors, particularly foreign funds that have become more cautious after sharp rallies in Indian equities over the last two years.

Pareesh Bhagat, Chairman of Mangal Keshav Financial, said many firms are preferring to wait rather than accept lower valuations. "Rather than accepting lower valuations, many companies have preferred to delay their listings and wait for a more favourable window," Bhagat said.

He added that investors are now focusing more on profitability, cash flows and realistic pricing.

### **Second half to be muted?**

"I don't expect a significant turnaround in the second half," Bhagat said. "A few large, high-profile listings like NSE, Jio and select names in consumer and financial services may still go ahead and will likely attract strong demand."

However, he cautioned that large IPOs could absorb a major share of market liquidity, making fundraising more difficult for smaller issuers.

"When marquee deals absorb a disproportionate share of available liquidity, smaller issuers tend to find the going much harder unless they come to market at genuinely compelling valuations, he said.

The overall IPO pipeline, however, remains extremely strong. According to industry estimates, around 144 companies with Sebi approval are collectively looking to raise nearly Rs 1.75 lakh crore through IPOs. Another 63 companies seeking to raise around Rs 1.37 lakh crore are still awaiting regulatory clearance.

That puts more than Rs 3 lakh crore worth of IPOs currently in the pipeline.

Among the most closely watched potential listings are NSE, Jio Platforms, and Zepto.

Bhavesb Shah, Managing Director and Head of Investment Banking at Equirus Capital, said the slowdown reflects market sentiment rather than a shortage of companies preparing to list.

"The weak [IPO fundraising](#) in the first five months reflects a combination of global volatility, valuation correction and cautious investor sentiment rather than a lack of pipeline," Shah said.

He expects activity to improve if broader market conditions stabilise and foreign investor flows return. "Large marquee IPOs like NSE and Jio could act as sentiment catalysts and reopen the market meaningfully," he said.

At the same time, analysts believe the IPO market may be entering a more mature phase after several years of liquidity-driven enthusiasm. Investors are increasingly rewarding companies with stronger earnings visibility and sustainable business models while becoming less willing to back expensive offerings without clear profitability.

That shift is likely to influence pricing, subscription demand and listing performance for the rest of the year even if large IPOs return to the market.

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