US-Iran deal could revive India's IPO market in H2

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The proposed US-Iran peace deal may revive India's initial public offering market, with investment bankers expecting a stronger second half of 2026 driven by marquee listings such as National Stock Exchange of India, Manipal Health Enterprises, Jio Platforms, Zepto, SBI Mutual Fund and Razorpay.

"We are beginning to see green shoots of recovery in market sentiment following the easing of geopolitical concerns. While it is still early to call it a sustained trend, investor appetite for quality equity stories appears to be improving," said Amit Ramchandani, managing director and chief

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US-Iran deal could ignite IPO mkt in H2; marquee listings likely

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executive of Motilal Oswal Investment Banking.

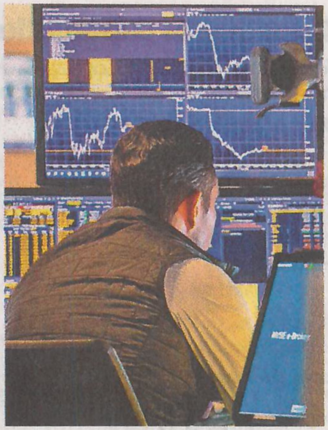
"We are also preparing to bring larger issuances, such as Zepto and SBI Mutual Fund, to the market, which gives us confidence that both issuers and investors are becoming more constructive. If market stability persists, this could support a more active issuance calendar in the latter part of the year," he added.

Although Flipkart, PhonePe and Curefoods have deferred their IPO plans amid weak market conditions, the pipeline remains robust. More than 70 firms have filed draft prospectuses, while nearly 150 have got Securities and Exchange Board of India's nod and are awaiting an opportune time to list, according to Prime Database.

They will join a growing list of firms that tapped the public markets this year, including Amagi, Fractal Analytics, Shadowfax and Kissht, while Turtlemint is in the listing process.

So far this year, 22 IPOs have raised ₹21,650.17 crore. The activity follows a record year for India's capital markets, which saw 103 companies raise ₹1.76 trillion through IPOs, with most issuances concentrated in the second half, according to Prime Database.

The pipeline could receive an additional boost from a recent regulatory relief measure. In April, the regulator extended validity of



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observation letters for companies planning IPOs, allowing approvals due to expire between 1 April and 30 September 2026 to remain valid until 30 September 2026.

The de-escalation of geopolitical tensions and fall in oil prices are seen positive for investors. These have set the stage for macroeconomic stability, strengthening of the rupee, and easing of concerns around inflation.

"The scenario is a relief to the market sentiment as well as the current account deficit. With the uncertainty receding, the prospect of investing in equity appears to be positive," said Sonia Dasgupta, MD and CEO-investment banking at JM Financial Ltd. She said predictability is critical from a capital markets perspective. "As volatility moderates, both issuers and investors gather conviction on valuations and transaction execution," she said adding that this could create a conducive environment for equity capital raising.

Kotak Mahindra Capital's managing director and deputy CEO V. Jayasankar indicated the market will now see launch of some large IPOs. "This will likely set the tone for the bounce-back of the larger IPO markets. The quality of the pipeline is very strong that augurs well for the quicker revival."

Nipun Goel, president and head of investment banking at IIFL Capital Services also sees greater and more broad-based activity.

Several startups, including Lenskart, One97 Communications and Ather Energy, saw block deals, while a clutch of listed firms, including Biocon, Ola Electric, JSW Energy, ACME Solar and Poonawalla Fincorp, have raised capital through QIPs this year. Others, such as Premier Energy, Waaree Energies, JSW Infra, AU Small Finance Bank and Sterlite Technologies have board nod to raise capital from the public markets, *Mint* reported on 10 June.

A pick-up in fundraising by listed firms is often seen as a sign of better market conditions. "IPOs typically follow with a lag, and we are beginning to see active discussions with investors for select IPOs," Goel of IIFL added.

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