Industrial stocks dominate slowing 2026 IPO pipeline

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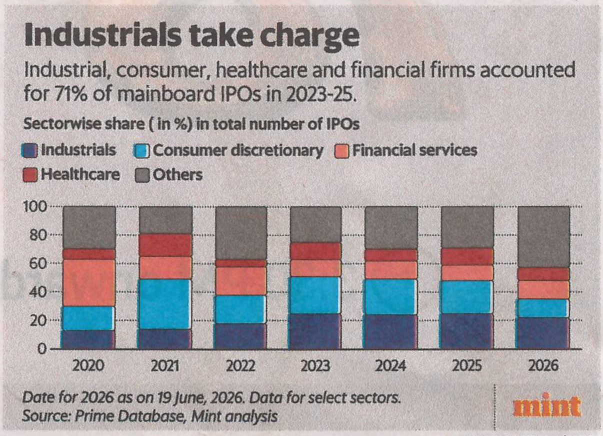

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The IPO market has slowed in 2026 after two blockbuster years of fundraising, but a clear rotation is underway. The primary market is increasingly favouring industrial and manufacturing companies, pivoting away from post-pandemic consumer hype, buoyed by government policy push and infrastructure spending.

Companies raised a record ₹1.96 trillion via 91 mainboard initial public offerings (IPOs) in 2024, followed by another ₹1.76 trillion across a record 103 issues in 2025. However, activity cooled in 2026 amid volatile equity markets and geopolitical uncertainty, with 23 IPOs raising ₹21,506 crore so far.

Despite the slowdown, the primary market continues to be dominated by a handful of sectors. Industrial, consumer discretionary, healthcare and financial services companies together accounted for 71% of mainboard IPOs between 2023 and 2025, and 60% of the issues launched so far this year.

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However, a *Mint* analysis of IPOs since 2020 captures the shifting trajectory of the two largest sectors. Industrial companies have cemented their position in new listings by volumes. According to Prime database, they accounted for 25% of all IPOs in both 2023 and 2025, 24% in 2024 and 22% so far in 2026. Conversely, consumer discretionary firms have seen their share collapse. The sector's share plunged from 35% to just 13% in the last five years.

This trend marks a shift from the post-pandemic IPO era, when there was a strong demand for consumption-led, internet and other new-age businesses. Recent offerings from the industrial space include Ajax Engineering, Oswal Pumps, Aditya Infotech and Emmvee Photovoltaic Power. Meanwhile, the pipeline of consumer discretionary issues was driven by household names like LG Electronics India, Lenskart Solutions, Meesho and PhysicsWallah.

Experts said the rise in industrial IPOs reflects a stronger listing pipeline and changing investor preferences. "The government's manufacturing push, higher infrastructure spending and production-linked incentive schemes have created a strong base for industrial firms to grow," Prasenjit Paul said, fund manager at 129 Wealth and research analyst at Paul Asset.

Besides, investors now prefer businesses with more predictable earnings and stronger balance sheets, he said.

The surge in industrial listing also runs parallel to a shrinking share footprint for financial services.

The sector accounted for nearly a third of all IPOs in 2020, leading the primary market at that time. However, its share has since shrunk, settling into a modest 11-13% range annually over the past four years.

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