Fundraising through IPOs plunges 89% in June quarter

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Fundraising through mainboard initial public offerings (IPOs) by India Inc witnessed a sharp decline in the June quarter, even as offer-for-sale (OFS) issuances by promoters and the government surged significantly.

The amount raised through IPOs fell 89 per cent year-on-year (y-o-y) to ₹3,777 crore during the June quarter, compared with ₹29,652 crore in the corresponding period last year, according to data from Prime Database. The number of IPOs also declined to nine from 15 a year ago, with no mainboard IPO hitting the market in May.

On a sequential basis (quarter-on-quarter), IPO fundraising dropped 80 per cent from ₹18,778 crore raised in the March quarter.

In contrast, funds mobilised through OFS nearly doubled to ₹16,568 crore during the June quarter from ₹8,333 crore in the year-ago period. Sequentially, OFS issuances rose 56 per cent from ₹10,637 crore in the March quarter.

Losing momentum

* in ₹ cr

	Issues	Mop-up*
June Q FY'27	9	3,777
June Q FY26	14	29,652
March Q FY26	18	18,778

Source: primedatabase.com

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The sharp increase in OFS proceeds was largely driven by the government's divestment programme in Coal India, Central Bank of India, NHPC, NLC India, General Insurance Corporation and Indian Railway Finance Corporation, apart from Bosch Home Comfort India.

Pranav Haldea, Managing Director, Prime Database Group, said positive developments over the past two to three weeks were reflected in the rally in secondary markets, encouraging a handful of IPO launches and fresh filings. "While healthy subscription levels and strong listing performance will provide a positive signal, a sustained recovery in the IPO market will depend on a broader revival in secondary markets," he said.

Prateek Indwar, Head of Equity Capital Markets, InCred Capital, said continued domestic liquidity remains the structural backbone of India's capital markets, helping shield them from global uncertainties. "The net positive institutional inflows seen in June demonstrate that domestic investors have significantly reduced India's traditional dependence on foreign capital to anchor new public listings," he said.

Sneha Poddar, Vice-President (Research), Wealth Management, Motilal Oswal Financial Services, said fresh IPO supply remained relatively subdued due to valuation concerns and intermittent market volatility.