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Why a Majority of Recent IPOs Are Trading Below Their Listing Price

India's Rs2.5 Lakh Crore IPO Rush: Opportunity, Access, and a Reality Check

FinTech BizNews Service

Mumbai, July 15, 2026: Gaurav Bansal, Founder & CEO, InvestKraft, has come out with an extra-ordinary research report on the Recent IPOs:

India's primary market is in the middle of its busiest stretch in history. Hundreds of companies are queued to raise a record sum of capital, retail appetite for private, pre-listing shares has never been higher, and yet a majority of the companies that have already gone public this year are trading below the price investors paid for them. All three of these facts are true at once – and understanding how they fit together matters more than any single headline number.

The Rs2.5 Trillion Question: Inside India's Biggest-Ever IPO Pipeline

As of end-March 2026, 192 companies were in the IPO pipeline aiming to raise a



Gaurav Bansal, Founder & CEO, InvestKraft

combined Rs2.5 lakh crore (Trillion), according to Prime Database Group – of these, 88 had already secured SEBI approval for roughly Rs1.1 lakh crore, while 104 more were awaiting clearance for the remainder. This builds directly on a record 2025, in which 101–103 mainboard companies raised approximately Rs1.75–1.76 lakh crore, the highest annual IPO mobilisation in Indian market history and the second consecutive record year. By the middle of 2026, the pipeline had grown further still, with market estimates putting the H2CY26 queue at closer to 238 companies and Rs4.72 lakh crore, headlined by marquee names such as Reliance Jio, the National Stock Exchange (NSE), PhonePe, and Zepto.

Headline fundraising totals, however, are the least useful number in this story. Three things matter more for retail investors:

1. The OFS share of the pipeline. In 2025, over 62.7% of capital raised (roughly Rs1.10 lakh crore) came through Offer for Sale, where existing promoters and early investors cash out rather than the company raising fresh growth capital. The NSE IPO itself is structured as a 100% OFS. Investors should check what a listing is actually raising money for – expansion and debt reduction are a very different story from insider liquidity events.
2. Concentration versus breadth. A handful of mega-listings can make the aggregate number look enormous while masking uneven demand across the other 180-plus companies in the queue, many of which are considerably smaller and less liquid post-listing.
3. Approval-stage risk. Nearly half the pipeline at any given time is still awaiting SEBI clearance – timelines can slip, issue sizes can be revised, and market windows can close. Being 'in the pipeline' is not the same as actually listing on schedule.

The Growing Fascination with Pre-IPO Investing

Interest in India's unlisted and pre-IPO share market has grown alongside the public IPO boom, driven by HNIs, family offices, and increasingly retail investors seeking early access to companies before they list. Digital platforms have lowered the access barrier that once restricted this space to institutional and ultra-high-net-worth investors, and marquee names awaiting public listing have kept retail curiosity high.

The appeal of getting in "before everyone else" needs to be weighed against real structural risks that don't exist in listed markets:

1. Liquidity is not guaranteed. Unlike listed shares, there is no exchange order book – exiting a position depends on finding a buyer through a broker or intermediary, and that can take time.
2. Valuation is opaque. Pre-IPO share prices are set through private negotiation, not exchange-based price discovery, which means quoted prices can carry wide bid-ask spreads and limited external validation.
3. The IPO isn't guaranteed either. Companies can, and do, delay or shelve listing plans – sometimes for years – which changes the entire return timeline an investor may have underwritten.
4. Diligence has to be done independently. Disclosure standards for unlisted companies are

far lighter than for listed ones, so investors need to actively request financials and cap-table clarity rather than relying on a pitch deck or platform marketing.

The right approach is to treat pre-IPO allocation the way one would treat any illiquid, long-duration asset class — sized appropriately within a portfolio, entered only after independent diligence, and never treated as a guaranteed shortcut to listing-day gains.

Why a Majority of India's Recent IPOs Are Trading Below Their Listing Price

This is where the pipeline story and the pre-IPO story collide with reality — and it is the most underreported part of India's 2026 IPO cycle. India's IPO market has spent the last two years celebrating oversubscription numbers and listing-day pops. But look past the headlines of 2026, and a more sobering picture emerges: a majority of the companies that went public in the past year are now trading below the price at which investors bought in.

The Scoreboard

According to market data tracked through early 2026, roughly two-thirds of the IPOs listed over the preceding twelve months are trading below their issue price. The average listing-day gain across FY26 IPOs turned negative — around minus 7% — a sharp reversal from the double-digit average gains that defined the boom years of 2021–2023.

Individual names tell the story clearly. Shree Ram Twistex fell over 34% on its very first day of trade; Omnitech Engineering and Clean Max Enviro Energy closed their debut sessions down roughly 11% and 8.8% respectively. On the SME board, UHM Vacation has eroded more than 44% of investor wealth since listing, with Aureate Trade, Utkal Speciality, SMR Jewels, and Genxai Analytics also trading below offer price.

The winners exist, but they're the exception. CMR Green Technologies and Merritronix stand out as the two IPOs that have generated the most shareholder wealth in 2026 so far — in absolute rupee terms and percentage returns respectively — with Susan Electricals also delivering strong post-listing gains. What separates these from the laggards is instructive: analysts tracking the data point to earnings visibility and business fundamentals, not subscription frenzy or grey-market buzz, as the common thread among outperformers.

Why This Is Happening

1. Aggressive pricing at the top of the band. With 100+ companies competing for capital in the same year, many issuers — backed by strong anchor demand — have priced offers to maximise value for existing shareholders, leaving little room for post-listing appreciation.
2. A cooling secondary market. FII outflows, geopolitical uncertainty, and elevated broader-

market valuations have made investors more selective, weighing new issues against already-listed peers trading at more reasonable multiples.

3. Information asymmetry at the retail level. As Pranav Haldea, Managing Director of the Prime Database Group, has noted, IPOs carry more risk than listed stocks because of limited public operating history and disclosure that hasn't yet had the benefit of several quarters of market scrutiny.
4. Rising regulatory concern. SEBI whole-time member Kamlesh Chandra Varshney has publicly flagged unease over inflated IPO valuations and called for stronger safeguards for minority shareholders — a signal that the regulator itself sees a gap between how some issues are priced and what the underlying business supports.

A Framework for Evaluating IPOs Beyond Listing-Day Gains

1. Benchmark valuation multiples against listed sector peers — not against the issuer's own growth narrative, which is written to sound compelling regardless of the price attached to it.
2. Separate anchor-investor demand from long-term conviction. High institutional subscription is often driven by allocation strategy and index-inclusion positioning, not necessarily a verdict on fair value.
3. Check how much of the issue is OFS versus fresh issue. An offer that's heavily existing-shareholder cash-out warrants more scrutiny than one raising genuine growth capital.
4. Watch the first two to four quarters of post-listing earnings, not the first two to four hours of trading. This year's real wealth creators earned their re-rating through demonstrated earnings, not opening-bell momentum.
5. Apply extra caution to SME IPOs, where thinner float and lighter analyst coverage tend to widen the gap between hype and fundamentals.

“The real question isn't whether an IPO listed at a premium,” says Gaurav Bansal, Founder & CEO of InvestKraft. “It's whether you'd buy the same business today, at this valuation, if it had already been listed for a year. That question, not the subscription number, is what should decide where the next rupee goes.”

The Bigger Picture

None of this means India's IPO pipeline is broken — 2026 remains one of the most active years for primary market issuance the country has seen, and capital formation at this scale is, on balance, a healthy sign for the economy. But an IPO market that rewards patience and fundamentals over momentum is a healthier one for retail investors in the long run, even if it's a less exciting headline in the short run. For investors weighing the pipeline in point one, the pre-IPO opportunities in point two, or the post-listing performance in point three, the underlying discipline is the same: separate the story from the balance sheet, and let the second one decide.