India's ₹5 lakh crore IPO pipeline faces reality check as average listing gains fall to 4%

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Despite a subdued first half for the primary market, India entered 2026 with one of the strongest IPO pipelines in its history. As many as 178 companies planning to raise a combined ₹2.96 lakh crore have already secured approval from the Securities and Exchange Board of India (Sebi), while another 71 companies seeking nearly ₹1.84 lakh crore are awaiting regulatory clearance. Together, they represent an IPO pipeline of almost ₹5 lakh crore, one of the largest ever seen in India's primary market, according to Prime Database.

The pipeline is anchored by a host of marquee issuers, including Jio Platforms, National Stock Exchange (NSE), PhonePe, Zepto, Razorpay, Manipal Health Enterprises, Avaada Electro, OYO parent Prism, Carlsberg India, Credila Financial Services, and Dorf-Ketal Chemicals India. If these companies proceed with their public issues as planned, they could collectively raise more than ₹1.25 lakh crore, setting the stage for one of the busiest fundraising cycles in recent years.

What has changed, however, is investor behaviour. Appetite for IPOs remains healthy, but investors are no longer willing to pay steep premiums indiscriminately. Average listing-day returns, based on debut closing prices, have moderated to just 4% as of July 27, a sharp contrast to the post-pandemic IPO boom. The figure is well below the record listing gains of 269% in FY21 and 116% in FY22.

The historical data shows that average listing-day returns eased to 83% in FY23, before falling to 52% in FY24, 30% in FY25, 22% in FY26, and further into single digits this year. This can be attributed to heightened volatility in the secondary market, richer valuations, and a growing preference among investors for businesses with strong fundamentals, earnings visibility, and sensible pricing over listing-day euphoria.

So far in 2026, 33 companies have collectively raised ₹27,430 crore through mainboard IPOs. Of these, 17 listed at a premium while 16 debuted below their issue prices. However, post-listing performance has been more encouraging, with 24 companies currently trading above their issue prices, suggesting that investors have rewarded fundamentally strong businesses despite muted listing-day gains.

Among the best listing-day performers, Bharat Coking Coal topped the chart with a 76.78% premium over its issue price, followed by Kusumgar (44.26%), CMR Green Technologies (29.11%), Advit Jewels (29.09%), and Caliber Mining and Logistics (24.65%). Laser Power & Infra (22.83%) and OnEMI Technology Solutions (21.87%) also delivered healthy debut gains.

At the other end of the spectrum, Shree Ram Twistex recorded the weakest debut, listing 29.38% below its issue price. It was followed by Innovision (-28.17%), Clean Max Enviro Energy Solutions (-17.58%), Waterways Leisure Tourism (-17.41%), and Amir Chand Jagdish Kumar (Exports) (-17.22%). Shadowfax Technologies (-11.37%) and Turtlemint Fintech Solutions (-10.92%) also opened below their issue prices.

The primary market now appears poised for a much stronger second half. As many as 17 companies are expected to hit the market over the next four to five weeks, collectively seeking to raise around ₹36,000 crore.

The next wave of IPOs will be led by marquee names such as Manipal Health Enterprises, quick-commerce unicorn Zepto, renewable energy producer Juniper Green Energy, housing finance company Truhome Finance, and logistics platform Shiprocket, alongside several issuers from the healthcare, consumer, financial services, infrastructure, and technology sectors. If market conditions remain supportive, these offerings could mark the beginning of a fresh fundraising cycle for India's primary market.