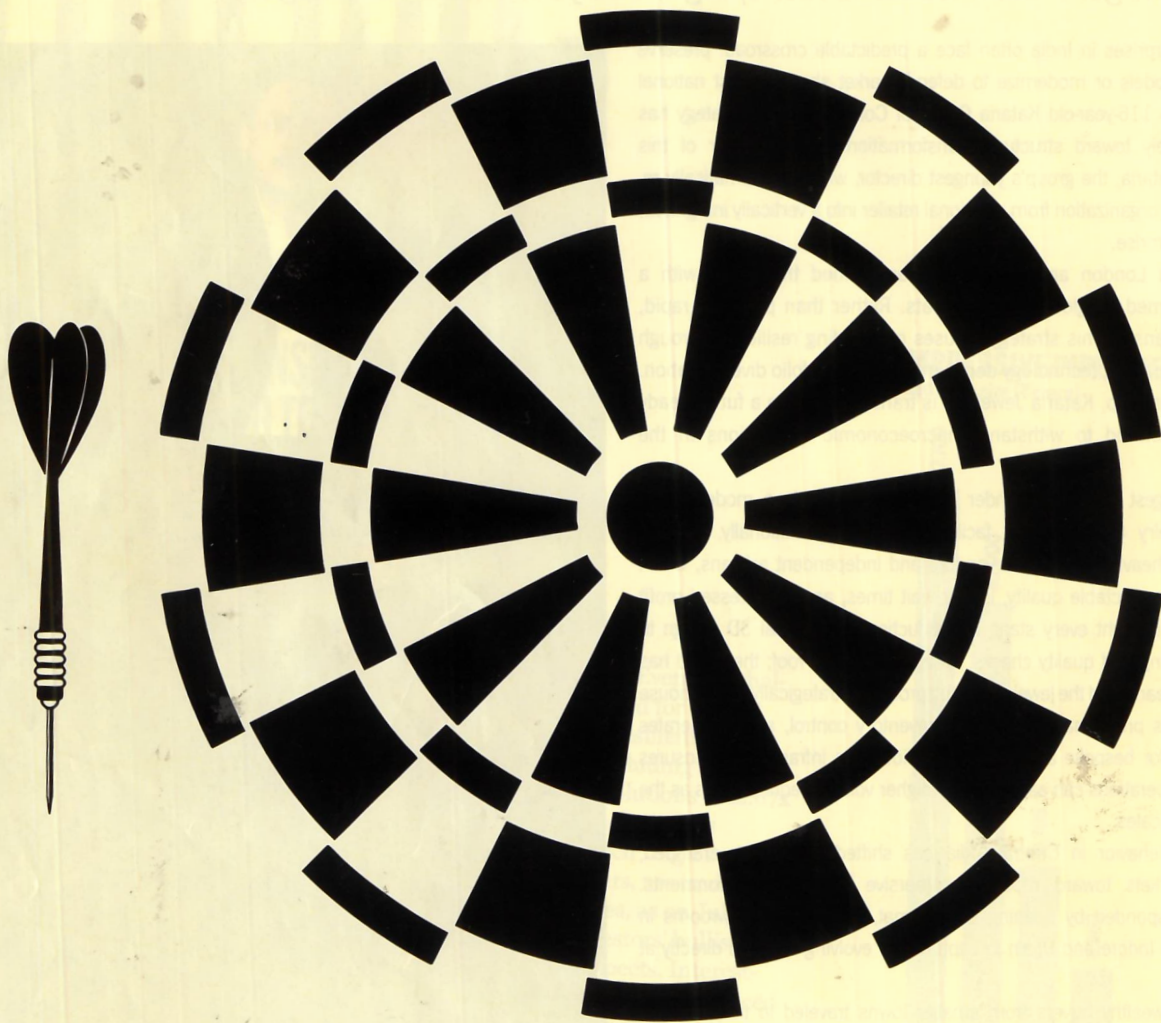
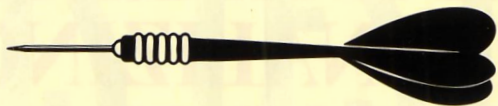


LITMUS TEST FOR IPOs

AFTER A SUBDUED FIRST HALF, A WAVE OF MEGA IPOs LED BY NSE AND JIO PLATFORMS IS SET TO TEST THE DEPTH OF INDIA'S CAPITAL MARKETS.

BY CHITRANJAN KUMAR

AFTER A HISTORIC 2025, India's initial public offering (IPO) market lost momentum in H1 2026, with fund-raising activity slowing despite a robust pipeline of companies waiting to go public. Several companies chose to defer their public listings amid an uncertain market environment.

The hesitation stemmed less from a lack of investor appetite and more from heightened global uncertainty. Escalating geopolitical tensions in West Asia drove crude oil prices higher, while persistent selling by foreign institutional investors (FIIs) weighed on domestic market sentiment, prompting companies to wait for more favourable conditions before tapping the capital markets.

As a result, only 27 companies collectively raised ₹22,572 crore through IPOs during January-June of 2026, against ₹45,375 crore by 24 companies

in the year-ago period. Even in a challenging market, demand for quality businesses remained resilient. Of the 27 issues, 20 IPOs, including Clean Max Enviro Energy Solutions (312.67x P/E), SEDEMAC Mechatronics (86.61x), and Omnitech Engineering (50.53x), among others, are trading above their offer prices, as on July 30, 2026, suggesting investors' bullishness on green energy prospects. Interestingly, most IPOs this year were priced in the 15x-35x P/E range, reflecting greater valuation discipline.

Average listing-day returns, however, slipped 1.3% in the first half. In fact, the moderation had already begun in FY26, with average listing-day gains declining to 8%, from 28% in FY25, according to Axis Capital. However, the average listing-day gain improved to 11% in Q1FY27 (April-June) as global geopolitical tensions

AN IMPRESSIVE PIPELINE
Proposed issue size (₹ crore)



eased, though they remained well below the record highs of 269% and 116%, respectively, seen during the IPO frenzy of FY21 and FY22, reflecting a more discerning investor base (See: *Street signs*).

While a handful of IPOs—Bharat Coking Coal, CMR Green Technologies, SEDEMAC, and Advit Jewels—delivered listing gains, weak debuts by Waterways Leisure Tourism, Innovation, Clean Max Enviro Energy Solutions, and Shree Ram Twistex dragged down overall performance.

According to Axis Capital, the combined market capitalisation of the country's 394 IPOs listed between July 2020 and June 2026 rose more than 5% month-on-month to ₹61.58 lakh crore in June 2026, from ₹58.63 lakh crore in May 2026. The gains came despite a subdued broader equity market. During the six months of 2026, the Nifty50 fell nearly 9%, while the BSE Sensex lost more than 10%. In contrast, the S&P BSE IPO Index gained close to 12%.

A broadening pipeline

But despite the subdued start to the year, the long-term IPO pipeline remains robust. According to Prime Database, 178 companies, looking to collectively raise ₹2.96 lakh crore, have already received the Securities and Exchange Board of India's (Sebi) approval to launch their public offerings. In addition, 71 companies seeking to mobilise nearly ₹1.84 lakh crore are awaiting regulatory clearance. The big-ticket IPOs preparing to tap the market include Jio Platforms, the National Stock Exchange (NSE), PhonePe, Razorpay, and OYO parent, Prism. (See: *An impressive pipeline*).

The breadth of the pipeline also reflects how India's corporate landscape has evolved over the past decade. Unlike previous listing cycles, which were largely driven by manufacturing companies, banks and public sector

STREET SIGNS

	No. of IPOs	Trading above issue price	Average listing day gain (%)	Average gain as on June 30, 2026 (%)
2020-21	31	22	34	269
2021-22	54	34	31	116
2022-23	37	22	9	83
2023-24	76	44	27	52
2024-25	79	45	28	30
2025-26	112	64	8	22
2026-27*	5	4	11	26

* Data as on June 30, 2026

SOURCE: AXIS CAPITAL

enterprises, the current pipeline is far more diverse, featuring consumer brands, digital-first companies, new-age businesses, renewable energy firms, technology companies, financial services providers, healthcare players and infrastructure developers.

Optimism abounds

The strong investor response to SBI Asset Management's IPO, followed by its decent listing gains, has reignited optimism. The asset management arm of SBI Mutual Fund raised ₹9,813 crore through its IPO, and listed at ₹610 on the BSE, 6.27% over its issue price of ₹574 a share. On the NSE, the stock debuted at ₹613.30, reflecting a gain of 6.85%.

The offer for sale by State Bank of India and its joint venture partner Amundi was widely viewed as a key barometer of investor sentiment towards India's primary market. However, Pranav Haldea, MD, PRIME Database Group, says, "One IPO

alone will not determine the future trajectory of the market."

In his view, the primary market remains far more dependent on broader macroeconomic conditions than on the success or failure of one individual offering. "There are several macroeconomic and geopolitical factors that continue to influence investor sentiment and can create volatility. Once the ceasefire was announced, we saw several companies revive their IPO plans. Even the NSE and Jio moved ahead with their filings as market conditions appeared to improve."

The NSE recently filed its draft red herring prospectus with Sebi. Industry estimates peg the IPO size at around ₹30,000 crore, valuing the country's largest stock exchange at over ₹5 lakh crore.

Reliance Industries-backed Jio Platforms, meanwhile, is gearing up for what could be India's largest IPO. While the company is yet to announce the final issue size, market estimates peg it at around ₹38,000 crore. According to brokerage estimates, Jio Platforms could command a valuation of ₹11 lakh crore to ₹12.25 lakh crore at the time of listing.

Together, they could raise around ₹68,000 crore, adding an estimated ₹17 lakh crore in market capitalisation and putting the depth of India's primary market to its biggest test yet.

"India's capital market is well positioned to absorb a large IPO pipeline of this scale," says Ajit Mishra, senior

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NO. OF COMPANIES THAT HAVE RECEIVED SEBI'S APPROVAL TO LAUNCH THEIR PUBLIC OFFERINGS

vice president, research, Religare Broking. “Also, these IPOs are expected to be launched over different time periods rather than simultaneously, thus allowing liquidity to adjust efficiently.”

If the sheer size of the upcoming IPO pipeline has grabbed investors’ attention, it has also revived one of Dalal Street’s oldest debates: can India’s secondary market absorb multiple blockbuster public issues without feeling the pinch?

“There is enough liquidity in the market. If good-quality issuers come with attractive valuations, they will find sufficient investor demand,” says Haldea, citing the examples of LG Electronics India and Tata Capital, which launched their IPOs within days of each other. Both ranked among the year’s largest public issues.

History, too, offers a more nuanced picture than the liquidity argument suggests. India’s largest IPOs have produced vastly different outcomes. Coal India’s ₹15,199-crore issue in 2010 delivered a listing gain of nearly 40%, while HDB Financial Services, LG Electronics India and ICICI Prudential AMC also rewarded investors

with healthy debut gains. On the other hand, marquee names such as LIC, Hyundai Motor India and One 97 Communications (Paytm) listed below their issue prices despite attracting investor interest (*See: Hits and misses*).

The big liquidity question

Unlike the post-pandemic IPO boom, when investors chased almost every new listing in anticipation of quick gains, today’s market is far more selective. Investors are placing greater emphasis on business fundamentals, earnings visibility and valuations rather than on listing-day gains. According to calendar year-wise data till July 9, 2026, the average overall subscription for mainboard IPOs stood at 22.37x, significantly lower than 33.37x in 2025 and nearly half of the record 45.39x seen in 2024. The slowdown has been broad-based, reflecting greater investor selectivity amid volatile market conditions and rich valuations.

At the same time, India’s domestic capital pool has expanded significantly. Record monthly SIP inflows, along with rising participation from mutual funds, insurers, pension funds and retail investors, have strengthened the

market’s ability to absorb large equity issuances.

“Some short-term liquidity rotation around individual issues is normal, but it is unlikely to have a meaningful impact on the broader market,” says Mishra of Religare Broking. “Instead, a healthy IPO pipeline reflects the increasing depth, maturity and confidence in India’s capital markets,” he adds. Foreign investor behaviour this year further reinforces that view. According to JM Financial, FIIs invested ₹21,630 crore in IPOs during H1 2026, even as they pulled out ₹1.77 lakh crore from the secondary market.

The divergence suggests that while global investors have turned cautious on listed equities amid earnings concerns, elevated valuations and geopolitical uncertainty, they continue to back India’s long-term growth story through the primary market.

“The country’s largest MFs together are estimated to be holding over ₹1 lakh crore of cash and cash equivalents. This, along with liquidity from other DIIs, provides substantial dry powder for primary issuances,” says Satyen Shah, president and head of investment banking and fixed income, Nuvama Group.

He acknowledges that marquee IPOs could temporarily divert attention. “There may be some interim pressure, especially for small- to mid-sized IPOs if they launch alongside marquee issues. But if these are priced reasonably, demand is not likely to be a constraint.”

Taken together, the resilience of domestic institutional flows, continued foreign participation in primary issues and a staggered IPO calendar suggest that liquidity may be less of a constraint than valuations. For companies preparing to tap the market, pricing discipline—not capital availability—could determine the success of India’s next wave of mega IPOs. **I**

HITS AND MISSES

Company	Listing Date	Issue size (₹ crore)	Listing Gain/Loss (%)
LG Electronics India	Oct 14, 2025	11,605	48.24
Coal India	Nov 4, 2010	15,199	39.82
ICICI Prudential Asset Mgt	Dec 19, 2025	10,603	19.44
Swiggy	Nov 13, 2024	11,327	16.92
HDB Financial Services	Jul 2, 2025	12,500	13.64
Tata Capital	Oct 13, 2025	15,512	1.38
General Insurance Corp of India	Oct 25, 2017	11,257	-4.13
Hyundai Motor India	Oct 22, 2024	27,859	-7.16
LIC	May 17, 2022	20,557	-7.77
One 97 Communications (Paytm)	Nov 18, 2021	18,300	-27.40

SOURCE: FORTUNE INDIA RESEARCH