

Moneycontrol Pro Panorama | IPO Gold Rush: Should investors join the party?- Moneycontrol.com

Vatsala Kamat

In this edition of Moneycontrol Pro Panorama: EV adoption grows despite infrastructure hurdles, cement demand stays strong despite rising costs, maps shape how we understand power and place, and more

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Dear Reader,

The Panorama newsletter is sent to Moneycontrol Pro subscribers on market days. It offers easy access to stories published on Moneycontrol Pro and gives a little extra by setting out a context or an event or trend that investors should keep track of.

Is it the secondary market lacking mojo for long that's driving investors to make a rush for a host of initial public offerings (IPOs)? Or, is it that the IPO offerings are so attractive for investors that it's casting a shadow on secondary markets?

To the dismay of investors, Indian secondary markets have delivered a negative return since January and have been range-bound for around 18 months. But the IPO Gold Rush has enjoyed eye-popping subscriptions in the past 2-3 months. After a frenzied August, there are 30-34

companies set to raise up to Rs 30,000-45,000 crore in September alone.

In fact, today, September 9 has a record six issues hitting the market and these will remain open till September 11. MCPro's research team has detailed reviews of four of these issues -- a solar power hardware firm [Karamtara Engineering](#), full-stack furniture and appliances rental platform [RentoMojo](#), asset reconstruction company [ARCIL](#) and, the payment solutions company [Manipal Payment & Identity](#). What's interesting is that the IPOs are no longer restricted to fintechs and e-commerce alone, but are broad based to include power, energy, property market and financial services.

Data from primary market information firm Prime Database suggest that, as of end-August, Rs 3.05 lakh crore worth of IPOs are in the pipeline to tap markets. Another Rs 1.6 lakh crore worth of issues are awaiting approval from SEBI.

Are investors tired of the older and proven companies and therefore, clinging on to new-age sectors or stocks in the hope that they will deliver better returns? Indeed, today's IPO line up has a mix of strong parent backing such as Manipal group and profitable companies such as ARCIL and RentoMojo, along with futuristic businesses such as solar power and distribution. The much-awaited NSE IPO is also due soon, which could be among the largest IPOs India's primary market has seen, along with Hyundai Motor.

That said, the September IPO rush could simply be the result of an extended regulatory deadline by SEBI, where over 30 companies whose approvals were ending were asked launch their share sales by September 30, 2026.

While average subscription to IPOs has doubled over a year reflecting high liquidity and investor appetite in equities, listing gains have still been a mixed fare.

On another note, the Emerging Market funds flows have picked up after a rather tough and wobbly start to the year (2026). India too, saw decent foreign funds inflows since July. Is this adding to primary market sentiment? While this could be the effect of heightened interest in the artificial intelligence (AI)-linked company stocks, one wonders if heady valuations will lead to a selloff sooner than later, and we will see a rotation of funds back into developed markets.

Going by past trends, retail investors should take note that such frenzied issuer activity could inflate near-term valuations. Besides, not all listings will generate the same returns and worse still, not all offer attractive returns on the capital invested. Also, once listed, these same IPOs that were bought at high valuations will join the secondary market that is, for now, seeming to go nowhere.