

India's IPO Boom: How the Primary Market Has Transformed Over the Last Three Years- Expert View by Spherical Insights

Spherical Insights

India's IPO market is evolving rapidly, supported by strong investor participation, diverse sectors, SME listings and improving infrastructure, while future growth will increasingly depend on quality, valuations and sustainable demand.

India's primary market has expanded rapidly in recent years, with companies increasingly turning to public markets to raise capital and support their growth plans. The momentum is expected to continue, with several prominent companies preparing potential listings in 2026. Moreover, IPO fundraising could reach around \$20 billion during the year.

The expected pipeline includes major businesses across consumer technology, financial services and digital platforms, including Reliance Jio, NSE, Flipkart, PhonePe, OYO and SBI Mutual Fund. If these offerings proceed, they could add significant depth to India's equity markets and attract greater investor attention.

The current expansion follows a strong fundraising phase between 2020 and 2025. Companies collectively raised approximately ₹5.39 lakh crore through IPOs during this six-year period. Remarkably, this amount exceeded the ₹4.5 lakh crore raised during the previous two decades, from 2000 to 2020. The momentum continued into FY2025-26, with companies raising about ₹1.8 lakh crore through 329 IPOs between April and January. India's IPO market raised ₹73,674 crore through 62 mainboard issues in 2026.

Recent IPO activity further highlights the changing landscape. SEBI data shows that 272 IPOs raised around ₹67,955 crore in FY2023-24, while 320 IPOs raised approximately ₹1.72 lakh crore in FY2024-25.

This sustained activity reflects the growing importance of India's primary market in corporate fundraising and investment.



From a Strong 2023-24 to a Record 2024-25

India's IPO market began showing strong momentum in FY2023-24, setting the stage for even greater activity in the following year. During FY2023-24, 272 IPOs raised approximately ₹67,500 crore, according to SEBI. The market then expanded sharply in FY2024-25, when 320 companies raised around ₹1.72 lakh crore through IPOs. Overall, public issues mobilised nearly ₹1.90 lakh crore during that financial year, with IPOs contributing the largest share.

The expansion was also evident on the National Stock Exchange (NSE). During calendar year 2024, the exchange recorded 268 IPO listings across its Mainboard and Emerge platforms, with companies collectively raising approximately ₹1.67 lakh crore. Mainboard listings accounted for nearly ₹1.6 lakh crore of the total amount.

The period also featured several high-value offerings that attracted significant investor attention. Hyundai Motor India raised ₹27,859 crore, making it the largest IPO in India at that time. Meanwhile, Swiggy and NTPC Green Energy each raised more than ₹10,000 crore, further highlighting the increasing scale and diversity of India's IPO market.

2025: India's IPO Market Sets Another Fundraising Record

India's IPO market remained highly active in 2025, with companies raising substantial capital despite a more selective investment environment. According to data from PRIME Database, 103 companies launched mainboard IPOs in 2025 and raised ₹1,75,901 crore, making it another record year for fundraising. The amount was approximately 10% higher than the previous record of ₹1.60 lakh crore achieved in 2024.

The scale of fundraising also reflected the growing depth of India's primary market. A significant portion of the capital raised came through offer-for-sale (OFS) transactions, in which existing shareholders sell their holdings, while the remaining amount was raised through fresh shares issued by companies. This indicates that IPOs are increasingly serving both as a source of

corporate funding and as an avenue for existing investors to monetise their investments.

The market also witnessed participation from companies across diverse industries, including financial services, consumer businesses, technology, healthcare and industrial sectors. This broader sectoral representation highlights the expanding role of public markets in financing Indian businesses.

However, strong fundraising did not necessarily translate into strong listing gains for every company. Market performance varied considerably between individual IPOs, making valuation, business fundamentals, profitability and growth prospects increasingly important considerations for investors.

Overall, 2025 reinforced the strength of India's IPO ecosystem, while also showing that record fundraising and investor demand need to be viewed alongside pricing, market conditions and long-term company performance.

Mainboard and SME IPOs Expand Together

One of the most important developments has been the growth of India's SME IPO segment.

Mainboard IPOs involve relatively larger companies seeking access to the broader public market, while SME platforms provide smaller businesses with an avenue to raise capital and access public markets.

SEBI reported that SME listings increased from 196 in FY2023-24 to 241 in FY2024-25. During the same period, the number of mainboard IPOs stood at 79 in FY2024-25, with these issues raising approximately ₹1.6 lakh crore.

The trend continued into FY2025-26. Government data showed 217 SME listings between April and December 2025, compared with 190 during the corresponding period of the previous year. Funds raised through these SME listings increased from ₹7,453 crore to ₹9,635 crore.

This expansion means the IPO market is becoming broader rather than being driven only by large corporations.

Retail Investors Reshape India's Capital Markets

Retail participation has become an important part of India's rapidly expanding investment ecosystem. The number of demat accounts has risen from around 14 million in FY2008 to approximately 220 million in FY2025, with the figure projected to approach 230 million in FY2026. Despite the large account base, active participation remains more limited, with 1.48 crore investors active as of February 2026.

Investment through Systematic Investment Plans (SIPs) has also strengthened steadily. Monthly SIP contributions have moved from around ₹4,000 crore in the earlier period to more than

₹30,000 crore, with recent monthly levels crossing ₹31,000 crore. This indicates growing interest in disciplined, long-term market participation.

The investor profile is changing as well. Investors below 30 years increased their share from 22.6% in March 2019 to 38.4% in February 2026, while the median investor age declined from 38 to around 33 years. Female participation also increased, with women accounting for 24.9% of investors, compared with 22.5% earlier.

These trends point toward a broader and younger investor base, potentially giving India's equity markets a deeper domestic participation base.

Why Are Companies Choosing the IPO Route?

For Indian companies, an Initial Public Offering (IPO) can provide several strategic benefits beyond simply raising funds. One major advantage is debt-free capital, as equity proceeds do not involve mandatory interest payments or fixed repayment schedules, helping companies strengthen their financial position. IPOs also create an exit opportunity for early investors, allowing private equity firms, venture capital funds, founders and other shareholders to sell their holdings through Offer for Sale (OFS).

A public listing can further provide greater flexibility for mergers and acquisitions, as listed shares can be used as consideration instead of relying entirely on cash. Meeting regulatory and disclosure requirements can also encourage stronger corporate governance, transparency and accountability, improving stakeholder confidence. In addition, listed companies can use liquid shares and ESOPs to attract and retain skilled employees.

Overall, the IPO route can combine capital access, shareholder liquidity, strategic flexibility and stronger corporate credibility.

Regulatory and Market Infrastructure Improvements

India's capital markets have undergone major regulatory and technological changes aimed at improving efficiency, transparency and investor protection. The introduction of the T+1 settlement cycle reduced the time between trade execution and settlement, helping lower counterparty risk and improve the flow of funds. The Common Contract Note (CCN) further standardized post-trade reporting by consolidating transactions across exchanges and presenting them through a unified format.

The shift to dematerialized securities (Demat) replaced physical certificates with electronic holdings maintained through regulated depository infrastructure. This reduced paperwork, improved transaction security and made securities transfers faster. Regulators and market intermediaries have also strengthened real-time monitoring, including closer tracking of margins, fund movements and client-level settlements.

Several reforms have focused specifically on improving the primary and secondary markets. IPO and listing regulations have been streamlined to make capital raising more efficient while

maintaining disclosure requirements. Compliance rules have also been rationalized in selected areas to reduce unnecessary administrative burdens.

Regulatory changes involving Alternative Investment Funds (AIFs) and Foreign Portfolio Investors (FPIs) have provided greater operational flexibility. At the same time, stronger governance standards for Market Infrastructure Institutions (MIIs) such as stock exchanges and clearing organizations have emphasized resilience, accountability and systemic risk management.

Risks Behind the IPO Boom

Despite the impressive growth, India's IPO expansion comes with risks.

A large number of IPOs can increase investor competition for capital. If too many companies enter the market at high valuations, investors may become more selective and weaker businesses may struggle to attract sustainable demand.

The difference between IPO subscription and long-term investment performance is also important. Strong demand during an IPO does not guarantee that a company's share price will continue rising after listing.

Market volatility is another risk. Global interest rates, geopolitical tensions, commodity prices and foreign capital flows can all influence investor sentiment and IPO valuations. SME IPOs also require careful assessment because smaller businesses can face greater challenges related to liquidity, scale, competition and financial resilience.

What Lies Ahead?

India's IPO market is expected to remain an important funding avenue as businesses seek capital for expansion, innovation and strategic growth. The pipeline is expected to remain diverse, with participation from technology, financial services, healthcare, manufacturing, consumer and emerging businesses. Greater involvement from domestic investors, including retail participants and institutional investors, could provide stronger support for new listings. SME companies may also continue using public markets to access growth capital and improve visibility. At the same time, investors are expected to focus more closely on business fundamentals, profitability, governance and valuations. Companies may therefore need to demonstrate sustainable growth rather than rely only on market enthusiasm. Overall, improving market infrastructure, economic development and deeper domestic capital pools could support the continued evolution of India's IPO ecosystem.

Conclusion

India's IPO market has undergone a major transformation in recent years, becoming an increasingly important source of capital for businesses. The growth is visible not only through

fundraising but also through greater participation from SME companies, domestic investors and private-equity-backed businesses. Companies from diverse sectors, including financial services, consumer businesses, technology, manufacturing and healthcare, are increasingly exploring the public markets.

Going forward, the focus of India's IPO market is expected to shift from the number of offerings toward the quality of businesses, appropriate valuations and sustainable investor demand. Continued economic growth, strong domestic liquidity and improvements in capital-market infrastructure could support further development. As companies increasingly view public markets as a strategic funding and growth platform, IPOs are likely to remain an important part of India's evolving financial ecosystem.