

Domestic IPOs buck shaky equities

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Initial public offering (IPO) activity in India has remained remarkably resilient through the first half of fiscal year 2027 (FY27), even as global uncertainty battered the broader equity market. Analysts say this resilience reflects growing investor preference for attractively priced, fundamentally sound new listings amid a subdued secondary market.

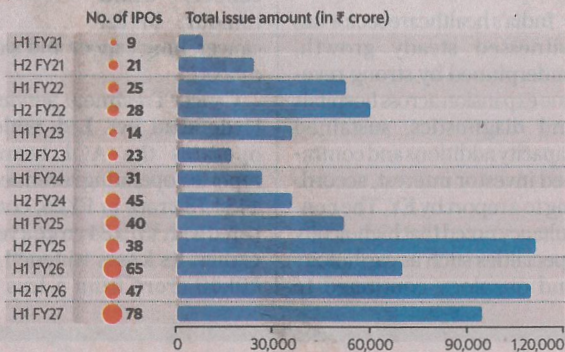
As many as 78 companies listed on the mainboard in the first half of FY27 (April-September), up from 65 in the year-ago period. The average issue size rose 12% year-on-year to more than ₹1,200 crore, according to *Mint's* analysis of Primeinfobase data. Mainboard companies raised 35% more in H1 FY27, with the total amount increasing to ₹94,184 crore from ₹69,533 crore in H1 FY26.

With domestic investors continuing to absorb new share offerings, companies have been able to raise larger amounts in the primary market without relying as heavily on foreign investors to subscribe to an issue, said Devang Bhatt, head of research at Spark Capital Pvt. Wealth Management.

Apart from the National Stock Exchange's ₹22,563-crore mega issue, the market comfortably absorbed two near-₹10,000-crore offerings from SBI Funds Management and Manipal Health Enterprises in H1 FY27, helped by strong domestic demand. In

Going public

IPO activity stays strong, with 78 companies going public in H1 FY27.



H1 represents the period between April and September; H2 represent October-March

Source: primeinfobase.com

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contrast, H1 FY26 saw just one IPO of more than ₹10,000 crore, with HDB Financial Services raising ₹12,500 crore.

Steady capital inflows through retail investors' systematic investment plans (SIPs) and domestic institutional investors (DIIs) have helped larger issuances sail through even amid severe market volatility, said Prashant Singhal, partner, and clients and industries leader at EY India.

Rising DII ownership of the Nifty 500, to 21% in June 2026 from 19.6% a year earlier, points to a deeper pool of domestic institutional capital supporting equities, even as foreign ownership fell to 17% from nearly 19%, according to Motilal Oswal Financial Services. Monthly SIP contribu-

tions also hit a record ₹32,297 crore in August, as per Association of Mutual Funds in India (Amfi) data, further strengthening the domestic capital pool available for IPOs.

As a result, median subscription rate in IPOs rose to around 35x in H1 FY27 from 21x a year ago, indicating rising demand for new listings.

Median listing gains in H1 FY27 IPOs trebled to 15% from 5% a year ago, with ESDS Software

Solution even doubling on its listing day, the analysis showed. In H1 FY26, the highest listing-day gain was 75%, posted by Highway Infrastructure. Moreover, only 20% of H1 FY27 debutants fell on listing day, compared with 35% a year ago, suggesting that stronger listing gains were more broad-based across this year's cohort.

Domestic investors are helping companies raise more with less foreign participation

Bhatt said investors have grown more cautious and selective, and the strong first-half performance does not necessarily mean the momentum will carry into the next fiscal year.

This selectivity is already evident in the small and medium enterprise (SME) segment, where listings fell to 137 in H1 FY27 from 156 a year earlier, *Mint's* analysis showed. Funds raised also declined 11% year-on-year to ₹6,012 crore, while median subscription levels halved to 3x from nearly 6x, pointing to a clear moderation in investor appetite.

Weaker post-listing performance has made investors more risk-averse, while higher compliance costs have also prompted smaller issuers to be more selective about tapping the market, said Pranav Haldea, managing director at Primeinfobase.

The first half, therefore, points to a growing bifurcation in India's IPO market. Mainboard offerings continue to benefit from deep domestic liquidity and greater pricing discipline, while the SME segment is undergoing a reset after last year's exuberance.

This is the fourth part of a five-part series evaluating the first half of fiscal year 2027. The first part examined the performance of domestic markets, the second looked at the best-performing asset classes, and the third covered trends in private consumption. The final part will assess corporate India's investment appetite during the period.

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