IPOs fundraise hits new peak in first half of FY27

Fundraising through IPOs hit a record Rs 1 lakh crore in H1 FY27, driven by large issues, strong domestic liquidity, deferred offerings, and robust market participation despite geopolitical challenges.

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Despite the record first half, market participants were cautious about expecting the pace to be sustained through the remainder of FY27. (Image/X)

Fundraising through initial public offerings (IPOs) scaled a new high in the first half of FY27, with companies mopping up more than Rs 1 lakh crore as large issues, strong domestic liquidity and a rush of previously deferred offerings buoyed the primary market.

Mainboard and SME IPOs together raised over Rs 1 lakh crore during April-September 2026, the highest ever for the first six months of a financial year and 31% more than in the corresponding period of FY26.

Market participants attributed the record mobilisation to a combination of large-ticket issues, strong anchor participation and a backlog of IPOs that had been deferred following the outbreak of the West Asia conflict in March.

Nirav Karkera, head of research at W by Groww, said H1FY27 saw several companies that had postponed their issues in March finally come to the market. Large offerings from companies such as NSE, coupled with strong anchor participation, also lifted the overall fundraising tally, he said.

Gaurav Arora, head of research at SAHI, said robust domestic liquidity, supported by record systematic investment plan (SIP) contributions, provided a steady pool of capital for new issues. Strong listing gains and large-ticket offerings such as NSE and SBI Funds Management further boosted mobilisation.

While the record primary market activity may have absorbed some liquidity that could otherwise have flowed into the secondary market, Arora said the broader market weakness could not be attributed primarily to IPOs. Elevated crude oil prices, rising US Treasury yields, geopolitical uncertainty, a weaker rupee and sustained foreign portfolio investor selling have been bigger factors, he said.

Market expert Arun Kejriwal said a number of companies that had deferred their IPOs after the West Asia conflict erupted in March rushed to the market, particularly in August and September, to take advantage of Sebi's one-time extension that expired on September 30.

He added that several issues were also heavily driven by offers for sale (OFS), with private equity investors, including FPIs, using the buoyant primary market to monetise investments made earlier.

Pranav Haldea, managing director of Prime Database Group, said record fundraising was supported by strong listing gains even as the broader equity market remained under pressure, primarily because of geopolitical concerns.

Fundraising through the OFS route on stock exchanges also surged during the period. Companies and shareholders raised Rs 67,382 crore through OFS in H1FY27, compared with Rs 10,536 crore in the corresponding period of FY26. Haldea attributed the sharp increase largely to government disinvestment.

Despite the record first half, market participants were cautious about expecting the pace to be sustained through the remainder of FY27.

Karkera said several large issues remain in the IPO pipeline, and any improvement in market conditions could encourage these companies to launch their offerings. Even without a significant improvement in sentiment, he expects primary market activity to remain buoyant during the rest of the fiscal.

Arora expects the IPO market to turn more selective over the coming months, with pricing and execution increasingly dependent on prevailing market conditions.

“The rising crude prices and US Treasury yields could deter foreign investors. Against this backdrop, some companies in the IPO pipeline may defer their offerings, while others may need to recalibrate valuations to attract investors. Strong domestic participation and record SIP contributions offer some support, but they may not fully offset a prolonged period of global risk aversion,” he said.

Kejriwal said a strong IPO pipeline did not necessarily guarantee that all approved issues would reach the market. Since regulatory approvals expire after a year, some companies could choose not to launch their IPOs in FY27 if they are unable to secure their desired valuations.

Haldea, however, expects the supply of new issues to remain strong despite market volatility. With regulatory approvals beginning to lapse and investor demand remaining healthy, several companies could be pushed to tap the market during the second half of FY27, he said.