IPO market defies weak equities; listing gains rise to 19% in H1 FY27, retail bids reach ₹2.47 lakh crore

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The initial public offering (IPO) market defied volatility in the broader equity market in the first half of FY27, with average listing gains rising to 19% from 7% in the same period last year, according to PRIME Database Group.

Retail investor interest in IPOs remained strong despite the subdued performance of the secondary market. Retail investors applied for shares worth ₹2.47 lakh crore, 181% higher than the total IPO mobilisation for the 64 issues for which subscription data was available.

A total of 78 companies raised a record ₹94,205 crore through mainboard initial public offerings (IPOs) between April and September 2026, 35% higher than the previous record of ₹69,533 crore raised by 65 companies in the same period last year. The average number of retail applications per IPO also increased to 17.71 lakh from 12.69 lakh in the year-ago period.

According to Pranav Haldea, Managing Director of PRIME Database Group, the record fundraising came despite a slow start to the financial year, with companies raising only ₹3,794 crore in the first three months, and volatile secondary markets through much of the six-month period.

In contrast, the Nifty and the Sensex gained just 1.3% and 0.7%, respectively, during H1 FY27, as foreign institutional investors (FIIs) pulled out ₹2.32 lakh crore amid geopolitical uncertainty, elevated crude oil prices, rising bond yields and shifts in global capital allocation.

Listing gains boost IPO sentiment

Strong listing-day performance helped sustain investor appetite for new issues despite the correction in the broader equity market, according to Haldea.

Of the 64 IPOs listed in H1 FY27, 36, or 56%, delivered listing gains of more than 10%, compared with 31% in the first half of FY26.

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ESDS Software Solution led the gains with a 109% return on its listing day, followed by Tempsens Instruments at 96% and SS Retail at 80%.

The performance also remained positive beyond listing day. As of September 29, 46 of the 64 IPOs, or 72%, were trading above their issue prices. The average return on these 64 IPOs stood at 32%, despite the broader market correction, according to PRIME Database Group.

The average absolute return from IPOs has remained positive over several years, although it has moderated from the exceptional gains recorded in earlier periods. Average returns in the first halves of FY22, FY23, FY24, FY25, and FY26 stood at 198%, 180%, 99%, 37%, and 18%, respectively.

Retail participation strengthens

Retail investor participation increased during the period, with the average number of applications per IPO rising to 17.71 lakh from 12.69 lakh in H1 FY26.

Retail investors applied for shares worth ₹2.47 lakh crore, 181% more than the total IPO mobilisation for the 64 issues for which response data was available. In the first half of FY26, the value of retail applications was 121% higher than the total IPO mobilisation.

However, retail investors were allocated shares worth ₹25,944 crore, accounting for 28% of total IPO mobilisation, marginally higher than the 27% share recorded in the corresponding period last year.

Tempsens Instruments received the highest number of retail applications at 65.95 lakh, followed by ESDS Software Solution at 56.39 lakh and Lumino Industries at 53.56 lakh.

Of the 64 IPOs for which subscription data was available, 42, or 66%, attracted subscriptions of more than 10 times, compared with 62% in the year-ago period. Of these 42 issues, 25 were subscribed more than 50 times. Nine of the remaining 22 IPOs received subscriptions of more than three times, while 13 were subscribed between one and three times.

Average overall IPO oversubscription increased to 44 times from 32 times in H1 FY26. Average retail oversubscription also rose to 29 times from 23 times.

Public equity fundraising rises 75%

Overall public equity fundraising rose 75% to an all-time high of ₹2.43 lakh crore in H1 FY27, from ₹1.39 lakh crore in the same period last year. Besides IPOs, fundraising through offers for sale (OFS), primarily linked to government disinvestment, and qualified institutional placements (QIPs) also increased.

The largest mainboard IPO during the period was that of the National Stock Exchange, which raised

₹22,563 crore. SBI Funds Management followed with ₹9,795 crore, while Manipal Health Enterprises raised ₹9,275 crore. At the other end of the spectrum, Shah Investor's Home raised ₹86 crore.

The average mainboard IPO deal size increased 13% to ₹1,208 crore from ₹1,070 crore in H1 FY26.

The first half also saw six new-age technology company IPOs, compared with three in the corresponding period last year. These companies raised ₹6,165 crore, up from ₹3,891 crore in H1 FY26, although below the ₹14,570 crore raised in H1 FY25.