India Saw 34 IPOs in September. Why Has the IPO Rush Slowed in October ?

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India's IPO market witnessed a remarkable September 2026, with 34 mainboard IPOs raising nearly ₹39,340 crore, the highest monthly IPO count in nearly three decades, according to Prime Database figures reported by Financial Express. However, October has started differently, with no new mainboard IPOs opening during the first nine days and only two confirmed for the coming week.

The sudden slowdown raises an important question: Why did companies rush to launch IPOs in September despite market volatility, and has that momentum now disappeared? The answer lies in regulatory deadlines, delayed offerings, investor demand and changing market conditions.

Why Was September 2026 Such a Rush for IPOs?

September's IPO rush was not simply a sign of strong market confidence. Four factors help explain why so many companies launched their public offerings simultaneously.

1. SEBI's September 30 Deadline

Under SEBI regulations, IPO observation letters generally remain valid for 12 months, with an 18-month period applicable to certain issues. However, in April 2026, SEBI granted a one-time extension until September 30 for eligible approvals expiring between April and September because of volatile market conditions.

According to Prime Database figures reported by the Economic Times, 35 out of 161 companies with valid IPO approvals, or approximately 22%, faced the September 30 deadline. Companies that missed their applicable deadline risked additional filing costs and regulatory delays, creating an incentive to proceed despite market uncertainty.

However, the 22% refers to the approved IPO pipeline, not the proportion of September IPOs caused by approval expiry.

Source: SEBI circular dated April 7, 2026; Economic Times.

2. Previously Delayed IPOs Created a Backlog

Several companies had postponed their IPO plans earlier in 2026 because of geopolitical uncertainty, rising crude oil prices and weak equity markets. Rather than abandon their offerings, they waited for an

opportunity to proceed.

As these companies returned to the market, multiple previously planned IPOs arrived together. The scale of the backlog was significant, with 237 companies planning IPOs worth approximately ₹4.48 lakh crore as of September 25, according to Prime Database data published by Financial Express.

3. Some Existing Shareholders Wanted to Sell Their Stakes

Some IPOs also allowed promoters, founders and early investors to sell existing shares through an Offer for Sale (OFS). Unlike a fresh issue, where the company receives funds, OFS proceeds go directly to selling shareholders.

According to Prime Database figures reported by Business Standard on September 23, approximately 61% of mainboard IPO fundraising in calendar year 2026 up to that date came through OFS transactions.

This shows that shareholder exits were an important feature of IPO fundraising. However, not every IPO involved PE or VC exits, and the data does not establish that shareholder selling drove most September launches.

4. IPO Demand Continued Despite Falling Markets

Interestingly, foreign investors continued investing in IPOs even while selling existing listed stocks.

According to Economic Times, citing market flow data, foreign portfolio investors invested ₹9,676 crore in the primary market during September while selling ₹45,537 crore through stock exchanges.

This suggests that investors were selectively interested in newly offered companies, even as they remained cautious about the broader equity market. Such demand helped keep the IPO fundraising window open despite volatility.

Why Have IPOs Slowed Down in October 2026?

After September's record activity, October's IPO calendar has become noticeably quieter. Two factors help explain the slowdown.

1. September's deadline pressure has ended: Companies facing the September 30 regulatory deadline had an incentive to launch before their approvals expired. With that common deadline behind them, one of the factors driving September's unusually high activity has disappeared.

2. Weak market performance is making investors cautious: According to an investment banker quoted by Mint on October 7, approximately 65% of recently listed companies were trading below their IPO prices. This was an industry estimate rather than an independently verified market-wide figure, but it highlights concerns about post-listing returns.

Broader market weakness has added to the uncertainty. Investors may become less willing to accept expensive valuations, while companies may postpone offerings rather than reduce their expected fundraising prices.

What Should Retail Investors Do During the IPO Slowdown?

The biggest lesson from September's IPO rush is that more IPOs do not necessarily mean better investment opportunities. Investors should focus on the quality and valuation of individual businesses rather than the number of companies going public.

Before evaluating an IPO, investors should consider:

Purpose of the IPO: Check how much money goes into the company through a fresh issue versus existing shareholders through an OFS.

Valuation and financial health: Compare the company's P/E ratio, profitability, debt and cash flow with listed competitors.

Subscription and listing expectations: Heavy oversubscription and high grey market premiums do not guarantee listing gains.

Post-listing performance: Monitor whether the company's earnings and business performance justify its IPO valuation.

A quieter IPO market can give investors more time to examine companies carefully rather than participating simply because an issue is attracting attention.

Investors can track upcoming IPOs on INDmoney to review new offerings and their details.

Is India's IPO Party Really Over? What Does the Pipeline Suggest?

Despite October's slow start, India's IPO pipeline remains substantial. According to Prime Database figures reported by Financial Express, 237 companies were in the pipeline as of September 25, with proposed fundraising of approximately ₹4.48 lakh crore. Of these, 120 companies had received SEBI approval, while 117 were awaiting clearance. This suggests that the slowdown may be temporary, although actual launches will depend on market conditions and investor demand.

Source: Financial Express, October 2, 2026, citing Prime Database

However, a large pipeline also means more companies competing for investors' money. As explained in our earlier analysis, India's ₹3.86 Lakh Crore IPO Pipeline: Is the IPO Market Becoming a Permanent Capital Engine?, the bigger challenge is whether the market can absorb so many new shares without putting pressure on existing stocks and IPO valuations.

These figures include estimated issue sizes, so they do not represent guaranteed fundraising or

confirmed launch dates.

One major development that could revive investor interest is the proposed Jio Platforms IPO. According to a Reuters report published by Business Standard on October 5, Reliance Industries' digital services business is reportedly planning an IPO around October 21, targeting approximately $3.8 billion (around ₹37,700 crore). The date and final issue size remain unconfirmed. For perspective, this single offering could raise nearly as much as all 34 IPOs combined in September.

Such a large offering could attract considerable investor attention, but it could also encourage some investors to preserve funds for participation. There is currently no confirmed evidence that Jio's proposed IPO is responsible for October's slowdown. Its launch, if it proceeds as reported, could provide an important test of investor appetite during volatile market conditions.

Meanwhile, two mainboard IPOs are confirmed to open in mid-October:

Company	Expected Opening	Issue Size
HD Fire Protect	October 13, 2026	₹712.31 crore
Fusion CX	October 14, 2026	₹702 crore

Source: INDmoney

These upcoming offerings indicate that the IPO market has not stopped completely. Going forward, market stability, reasonable valuations and stronger post-listing performance will be important in determining how quickly other companies return to public markets.

Final Take: Is the IPO Boom Ending or Simply Taking a Break?

India's IPO party does not appear to be over, but September's extraordinary pace may not continue every month. The rush was influenced by regulatory deadlines, postponed offerings and selective investor demand, while October's slowdown reflects reduced deadline pressure and weaker market sentiment.

With a substantial IPO pipeline and major proposed listings such as Jio Platforms, fundraising activity could recover. However, companies may need to offer more reasonable valuations to attract increasingly cautious investors.

Our view is that India's IPO market is shifting from a deadline-driven rush towards a more valuation-sensitive phase. For retail investors, the number of IPOs matters less than whether businesses offer strong fundamentals and valuations that can support returns after listing.