

From Listing Event to Growth Engine: India's IPO Market Comes of Age



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In October 2024, Hyundai Motor India raised \$3.3 billion in what became the largest IPO in Indian history and the second-largest anywhere in the world that year. It was a headline grabbing moment. But it also obscured something more important: by Indian standards, the headline was almost becoming an expectation.

India ended 2025 with 373 IPOs – 103 mainboard and 270 SME issues – collectively mobilising ₹1.95 lakh crore. That same year, primary market fundraising in India accounted for nearly 49 percent of private capital raised, compared to just 9 percent in the United States and 13 percent in Europe. India's public markets have become a primary, not secondary, channel for corporate financing.

This is not a story about a hot market. It is a story about the quiet, durable maturation of an entire financial ecosystem, one that has been building for two decades and is only now fully visible.

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From Episodic to Structural: Two Decades in Review

Cast your mind back to India's IPO landscape of the early 2000s: activity was sporadic, sector-concentrated, and sentiment-driven. In 2015, hailed as a recovery year, just 21 companies listed, raising ₹13,600 crore, the highest in five years.

Contrast that with 2024. The NSE alone facilitated 268 IPOs raising ₹1.67 lakh crore, surpassing Japan, Hong Kong, and Shanghai exchanges combined by deal count. By FY25, despite global IPO volumes falling 10 percent year-on-year, India recorded 80 mainboard IPOs — its highest ever — raising ₹1.63 lakh crore. The NSE edged ahead of NASDAQ as the leading exchange globally by equity capital raised.

What makes this remarkable is not scale alone, but resilience. India's IPO market has continued its upward trajectory, through: demonetisation, a global pandemic, geopolitical shocks, and a rate cycle. The market has structurally decoupled from cyclical noise. Issuance is no longer a bull-market phenomenon. That is a coming-of-age moment.

Who Is Coming to Market Has Changed

Perhaps the most underappreciated shift is not in volumes but in issuer profile. For much of the 2000s, India's IPO market was the domain of established conglomerates, PSUs, and family-owned businesses seeking founder liquidity. Today, that picture has dramatically shifted. Public markets are increasingly the chosen path for new-generation firms, not their endgame, but their accelerant.

The data below shows this shift with companies less than 20 years vintage accounting for nearly 75% of all listings since 2010

	% Companies listing < 20 Years Old
2010–14	79%
2014–18	75%
2018–22	68%
2022–25	72%

Source: BSE/NSE company filings; BCG analysis

Sectoral breadth has widened equally. Technology companies led FY25 listing day gains at an average of 43 percent. But the cohort spans automotive, industrials, green energy, healthcare, and financial services. Seven of the twelve start-ups that went public by November 2024 were technology firms, making India the only major market to record consistent growth in tech listings that year, as China's listings fell sharply and the US saw a modest 22 venture backed tech IPOs.

The democratisation of size is equally notable. Around three-quarters of recent IPOs fall below ₹2,000 crore in market cap. The SME platform, once a sideshow, listed 243 companies in 2024, a 36 percent year-on-year increase.

Average mainboard issue sizes have meanwhile climbed from ₹867 crore in 2023 to over ₹1,700 crore in 2024.

India's IPO market now serves companies across stage, sector, and scale. That breadth is the hallmark of a mature market.

A Demand Revolution

Supply has scaled steadily. Demand has shifted more abruptly.

For much of the 2010s, subscription levels were healthy but disciplined. That changed decisively after 2020. The post-COVID era unleashed a new wave of retail participation, powered by mobile-first trading platforms and rising financial literacy. Monthly SIP inflows into mutual funds have sustained records, giving domestic institutions a perpetual deployment mandate. By 2025, mutual funds and insurance companies had become the backbone of IPO demand — providing reliable absorption capacity that no longer requires substantial global participation.

The result was a step-change in subscription intensity. Median subscription multiples, which had remained in the mid-single digits for most of the 2010s, surged to approximately 38x in the 2022–25 period, with average multiples exceeding 80x.

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Investor demand now consistently and substantially outstrips IPO supply, with broad-based participation and frequent extreme over subscription events, underscoring India's evolution into a go-to market for equity issuance. The depth of domestic capital is no longer a constraint. It has become a competitive advantage.

Performance: The Market is not Indiscriminate, it Rewards Quality

Strong subscription does not automatically translate into strong performance, and this is where the story becomes more instructive.

The dispersion of post-listing returns in India is wide. Top-quartile IPOs have consistently delivered substantial outperformance compared to the Nifty, over one and two-year periods; while bottom-quartile companies have underperformed by comparable magnitudes. The spread between winners and laggards can exceed 100 percentage points in a given vintage. Even at the median, Indian IPOs have historically underperformed the broader index over 12–24 months — a pattern common across global markets, but particularly pronounced in a market as diverse as India's.

The message is simple but important: India's IPO market offers genuine opportunity, but it is not indiscriminate. High subscription multiples on listing day are not a leading indicator of long-term performance. Chasing them is speculation; screening for fundamentals is investing.

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There is, however, an encouraging shift emerging. Larger IPOs in the most recent cycle — with stronger governance, institutional backing, and demonstrated scale — have begun to show modestly positive long-term excess returns. Interestingly, smaller IPOs have outperformed larger ones on debut, suggesting well-positioned smaller companies are not being crowded out. The market is learning to price quality. Companies that arrive prepared — with clean financials, credible growth plans, and board-level governance, are being rewarded not just on day one, but over years.

The Journey Ahead: Listing of India's Large Unlisted Segment

If what has happened over the past five years is impressive, what has not yet happened may be even more consequential. Outside the listed markets sits a vast universe of over 3,000 large (>₹1000 crore revenues), profitable firms generating economic activity comparable to India's biggest public-market sectors. Today, this value is entirely off-market. The table below illustrates the scale of this unlisted economy. Of an estimated 3,800–4,700 companies with revenues above ₹1,000 crore, just about 40% are currently listed:

Revenue Band (FY2025, ₹ Cr)	Estimated number of companies	Estimated number of companies currently listed	Estimate of % listed
₹1,000–2,000 Cr	1,800–2,200	550–650	~30%
₹2,000–5,000 Cr	1,200–1,500	500–600	~40%
₹5,000 Cr+	800–1,000	500–600	~60%
Total (₹1,000 Cr+)	3,800–4,700	1,550–1,850	~40–45%

Source: MCA filings; Capitaline; BCG estimates. FY2025 revenue data. Listing status as of March 2025.

Outside listed markets sit a vast universe of scaled, profitable enterprises — operating across multiple sectors — capital goods, energy, healthcare, technology, and financial services — whose economic activity is entirely off-market.

The JM Financial-Hurun India Unlisted Gems 2026 report identified the top 100 such companies alone with combined revenues of ₹8.9 lakh crore and EBITDA of ₹1.03 lakh crore. This cohort nearly tripled net profits to ₹35,900 crore in FY2025 from ₹13,000 crore in FY2023, with 65 percent of companies operating below 1x debt-to-equity.

If even a portion of the broader unlisted cohort lists over the next five to seven years, the effect would be transformational – deeper equity markets, broader sector representation, stronger governance standards, and a multi-year expansion in market depth that would surpass everything seen in previous cycles.

The unlisted economy is India's largest untapped reserve of public market potential.

What Does This Mean For All Stakeholder

For corporate leaders, the window to access public capital is wider than at any point in India's history. Investor appetite is deep, the ecosystem is supportive, and SEBI's successive reforms, streamlining the DRHP process, tightening SME disclosures, improving ESOP and fast-track issuance frameworks, have raised the quality and confidence of the market. But the bar is rising. The shift from OFS-led to fresh-issue-led IPOs in FY26 signals clearly that investors now scrutinise whether capital is genuinely funding growth, not enabling promoter exits. Markets reward clarity of strategy and execution credibility. They are increasingly unforgiving of governance opacity or over-optimistic projections.

For investors, the environment demands genuine diligence. Long-term value creation accrues to those who invest in durable competitive positions, not those who chase subscription multiples on listing day.

For policymakers, India's IPO expansion is validation of two decades of ecosystem building: the broadening of the mutual fund base, digital onboarding infrastructure, and regulatory reform. The priority now is accelerating IPO-readiness in the next cohort of private companies and deepening governance standards that will sustain investor confidence through future cycles.

A Structural Turning Point

While India's IPO story is easy to read as a moment of market enthusiasm, in reality, it reflects something more durable.

The market has scaled in size, broadened in issuer profile, deepened in investor participation, and begun to price quality over novelty. The vast private company pipeline means the next chapter could surpass everything that has come before it. Twenty years ago, going public in India was a milestone reserved for established businesses at the end of a growth cycle. Today, it is a strategic decision made early – a working capital tool, a currency for acquisition, a signal of governance intent.

India's public markets are no longer simply reflecting economic growth. They are beginning to drive it. The IPO boom that is visible today is the leading edge of a structural shift that will define the decade ahead.

India's IPO market has truly come of age.