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A Study on Trend Analysis of IPOs in India (2015–2025)

Abstract : This paper analyzes trends in the Indian Initial Public Offering (IPO) market over the period 2015–2025 using only secondary data. The study examines the number of IPOs, funds raised, sectoral composition, pricing methods, listing performance (first-day gains), and the influence of macro market conditions. The decade under review captures important shifts: a relatively muted market in the mid-late 2010s, a strong recovery and boom in 2020–2024, and continuing robust activity into 2025. Key findings show an overall increase in activity and funds raised, high retail and institutional interest in certain years, pronounced sectoral swings (notably technology and consumer-facing firms), and persistent first-day listing gains for many issuers — though a substantial portion of retail-allocated shares are flipped within a week. Policy and practical implications for issuers, investors, and regulators are discussed.

Keywords : IPO, primary market, listing gains, under pricing, SEBI, NSE, BSE, India, 2015–2025, trend analysis.

Introduction : Initial Public Offerings (IPOs) are an important channel for companies to raise capital, provide exit opportunities to early investors, and deepen domestic capital markets. India's primary market has evolved substantially over the last decade as firms from diverse sectors have raised capital and new regulatory and market-structure changes have shaped issuance dynamics. Between 2015 and 2025 the Indian IPO landscape experienced cycles of weakness and boom, influenced by domestic macroeconomic conditions, global capital flows, regulatory action, and the rise of new-age technology

firms seeking public capital. This paper provides a structured trend analysis for this 11-year period using secondary data drawn from market regulators, exchanges, and reputable industry reports. The analysis aims to help researchers and practitioners understand how the Indian IPO market has transformed, and what that implies for future issuances.

Objectives of the Study:

- To document year-wise trends in the number of IPOs and total funds raised in India from 2015 to 2025.
- To analyze sectoral distribution and highlight notable sectoral shifts.
- To draw conclusions on market efficiency, investor behavior, and implications for policymakers and issuers.

Review of literature:

Table 1: Review of literature:

Author(s)	Year	Objective	Methodology	Major Findings
Archana & Srilaskhmi	2019	To analyze the initial listing performance of IPOs in India	Regression on 239 IPOs (2016–2018); used issue size, pricing method, listing delay, etc.	Underpricing observed; fixed-price IPOs had higher gains; offer price positively impacts listing performance
Agarwal, Arya, Patil & Laheri	2025	To assess IPO performance and influencing factors post-COVID	Regression on 138 IPOs (2019–2022); sectoral & institutional analysis	Financial sector resilient; post-COVID IPOs performed well; institutional investors improved outcomes
Chatterjee, Bhattacharjee & Chakraborty	2023	Systematic review of IPO literature and research gaps	Reviewed 111 papers (2002–2021); bibliometric + thematic analysis	Most studies focus on underpricing; few analyze long-term returns or market cycles
Seepani & Kudumula	2023	To analyze structural changes in Indian IPO market	Qualitative review; regulatory and economic impact analysis	Regulation and market reforms shaped IPO trends; adoption of book-building improved efficiency
Ghosh, Maji, Vardhan & Naskar	2024	To predict IPO success using machine learning	Used prospectus text, GMP, macro indicators; ML-based modeling	Grey market premium and text sentiment improved prediction of listing performance
Roy & Gupta	2022	To find determinants of underpricing in book-built IPOs	Regression on BSE IPOs (2015–2020); used oversubscription, offer size, market return	Avg. underpricing ~11%; oversubscription and market conditions were key drivers
Anbukarasi & Kanmani	2024	To study underpricing of SME IPOs in India	Regression on S&P BSE SME IPOs (2013–2022); raw and excess returns	Volatility, issue size, and market return influence SME IPO underpricing significantly
Roy, Biswas & Gupta	2024	To compare fintech vs non-fintech IPO performance	Comparative study (2007–2022); analyzed listing and post-listing returns	Fintech IPOs had higher initial underpricing; long-term performance was mixed
Yadav, Prosad & Singh	2023	To link pre-IPO financials with offer price setting	Regression using revenue, margins, ROE, etc.	Strong financials led to higher IPO offer prices; signaling effect evident
Agarwal, Arya, Patil & Laheri	2025	To analyze IPO sector trends & investor behavior	Regression & trend study of NSE IPOs (2019–2022)	Sectoral differences affect IPO success; investor sentiment plays a growing role

Methodology:

- **Research Design** : The study uses a descriptive analytical design based on secondary data sources. Emphasis is on compiling year-wise indicators and interpreting them in the context of broader market conditions.
- **Data Sources** : secondary sources used: SEBI press releases and reports (for policy notes and empirical findings on allotment and investor behavior).
Exchange data from NSE and BSE (lists of IPOs, issue sizes, listing dates).
Industry/market-research PDFs and monthly IPO insight reports (Uniquis, BSIC, Business Standard).

IPO tracking websites and historical lists (Chittorgarh, IPO Platform, Investor gain) for year-wise IPO counts and listing performance.

Reputable financial press coverage (Reuters) for contextual data on funds raised and global rankings.

- **Variables and Measures** : Number of IPOs per calendar year (mainboard).

Total funds raised (aggregate value of issues listed in a year, INR/US\$).

Sectoral distribution (industry classification of issuers).

Listing gain (first day) $(\text{First day close} - \text{Issue price}) / \text{Issue price} \times 100$.

Underpricing conceptually proxied by listing gain on day 1.

Market cycle indicator: Macro market phase (bull/bear) proxied qualitatively using major index performance (Sensex/Nifty) and industry commentary for respective years.

- **Limitations** : Reliance on secondary data limit's ability to probe firm-level motivations or investor micro-behavior beyond what is reported.

Data aggregation differences across sources (e.g., inclusion/exclusion of SME and small offers) are reconciled where possible but may produce slight variation in year totals.

Data Analysis and Findings : Note: The analysis below synthesizes multiple secondary sources (regulator reports, exchange lists, and industry analyses) to present year-wise and theme-wise trends. Key factual claims are supported by citations from SEBI, Reuters, Unique/BSIC, and Chittorgarh/Investor Gain.

Year-wise Trend — Number of IPOs and Funds Raised (2015–2025) : 2015–2017 (Post-2014 Recovery phase): 2015 and 2016 saw relatively modest IPO activity compared to later years. For instance, 2015 recorded around two dozen mainboard IPOs with modest aggregate raises; 2016 and 2017 witnessed gradual recovery in counts and issue sizes. Chittorgarh's historical series shows 21 IPOs in 2015 and 26 IPOs in 2016 with rising aggregate values.

2018–2019 (Mixed sentiment) : Activity fluctuated, affected by global uncertainties and domestic market corrections. Several issuers delayed listings, and IPO sizes varied.

2020 (Pandemic shock then rebound) : Early 2020 saw a slowdown due to COVID-19 disruptions. However, the latter part of 2020 and 2021 saw an accelerating interest in equity markets globally, catalyzing renewed IPO activity in 2021–2022 across geographies. India's recovery of the IPO pipeline began as markets adjusted.

2021–2024 (Surge and boom) : The global liquidity environment and increasing retail participation contributed to a marked surge in the Indian IPO market, both in number and in value. Industry trackers and exchange data show a major uptick — with 2021 onwards registering many high-profile listings. By 2024 India rose to become the second-largest IPO market globally by funds raised (in 2024 Indian firms raised about \$20.5 billion), reflecting

large megadeals and many smaller issues.

2024 (specifics) : Multiple large issues (including several high-profile tech and platform companies) pushed 2024's aggregate funds raised to record levels for India. Industry reports noted several large offerings that substantially contributed to the total capital raised.

2025 (so far) : Activity continued into 2025 with dozens of listings and many draft filings in the pipeline. Industry trackers and exchange dashboards showed that the market remained active in the early-to-mid part of 2025. Uniquis reported continued pipeline strength and many companies filing draft offer documents with SEBI.

Summary (quantitative pattern) : The decade shows a U-shaped pattern: moderate activity (2015–2018), a lull/repricing (2019–2020), followed by a strong upsurge (2021–2024) and sustained activity into 2025 with record funds raised in 2024. Year-by-year numerical details can be compiled from exchange lists (NSE/BSE) and IPO trackers (Chittorgarh, IPO Platform) for exact counts and INR amounts.

Sectoral Composition : Across the decade, sector composition shifted:

Early period (2015–2018): Traditional sectors — manufacturing, finance, real estate — dominated.

Mid-late period (2019–2024): New-age technology platforms, consumer internet companies, fintech, renewable/green energy, and large infrastructure-related issues began to dominate headline raises. 2024 in particular saw major platform and auto/energy-related IPOs.

Implication: The shift toward technology and platform companies increased headline valuations and media attention, contributing to higher aggregate funds raised per year.

Pricing Mechanisms and Allocation Patterns

Book-building dominance: The book-building route continued to be the dominant pricing mechanism for large mainboard IPOs, particularly for large and institutional-oriented offers. Fixed-price issues remain more common among smaller offers. Exchange disclosures show the market preference for book-building among large issuances.

Allotment and investor behavior: SEBI's 2024 analysis found that a large share of IPO shares allotted to non-anchor investors are sold within a week — SEBI noted 54% of such shares are sold within seven days. This indicates fast flipping and speculative behavior among a portion of retail/investor allocations. That behavior has implications for long-term aftermarket stability and is an important regulatory observation.

Listing Performance and Underpricing

Listing gains: Many Indian IPOs in the boom years exhibited strong first-day listing gains (positive underpricing), especially for e-commerce, platform, and tech-related issuers that captured retail imagination. For some high-profile listings, first-day premiums exceeded 50% (and more in exceptional cases), while many issues delivered modest single-digit listing returns. Industry trackers record widely varying listing outcomes depending on sector, issue pricing, and market sentiment.

Longer-run performance: While this paper focuses primarily on trend and first-day performance, longer-horizon returns are mixed in prior literature and industry observation: some IPOs maintain momentum while others see significant correction post-listing, especially when initial gains are driven by speculation. SEBI's note on rapid selling of allocated shares suggests that initial gains may not always translate to enduring investor confidence.

Market Cycles and IPO Waves

Correlation with bull markets: The surge of IPOs in 2021–2024 coincided with prolonged bullishness in equity markets, ample liquidity, and stronger risk appetite among retail and institutional investors. In bull phases, issuers are more inclined to list, and investors are more willing to bid aggressively — both contributing to IPO waves. Reuters and industry reports highlight India's surge to the world's No. 2 market by funds raised in 2024, reflecting this cycle.

Policy/regulatory effects: SEBI reforms and administrative steps to expedite approvals at times have helped clear pipelines faster. Industry commentary in 2025 noted SEBI actions that sped up approvals to handle record fundraising pipelines. Regulatory clarity and streamlined processes therefore also appear to support higher issuance volumes.

Recommendations:

For researchers: Future studies should incorporate firm-level financials to conduct multivariate analysis on determinants of listing gains and long-term returns (ROA, leverage, promoter holding, underwriter reputation). This goes beyond descriptive trend work and requires deeper secondary data assembly

For policymakers: Continue monitoring allocation and aftermarket behavior; consider mechanisms that reduce excessive short-term flipping if it threatens market stability (e.g., longer lock-ins or staggered allotment rules for certain investor categories). SEBI's observation about quick selling suggests targeted supervision.

For issuers: Align IPO timing with credible growth metrics and maintain transparent disclosures; be wary of aggressive pre-IPO valuations if core fundamentals do not support them.

Conclusion : The Indian IPO market between 2015 and 2025 underwent important changes. From modest activity in the mid-2010s to a strong boom culminating in record funds raised in 2024 and continuing momentum into 2025, the market showed resilience and dynamism. Sectoral shifts toward technology and platform companies, the dominance of book-building for large offers, and notable first-day listing gains characterized the later years. However, rapid flipping of shares and valuation prudence remain concerns. Using high-quality secondary sources (SEBI, exchanges, industry trackers, and financial press) this paper provides a descriptive but comprehensive snapshot of how India's primary market evolved over an eventful decade. For more granular causal analysis, future research should combine these secondary market data with firm-level financials and investor-level transaction data.

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