



Technology-Driven Transformation of the Indian IPO Market: Growth Trends and Post-Listing Price Behaviour

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Abstract

The Indian Initial Public Offering (IPO) market has seen significant growth and change from 2021 to 2025, becoming one of the most active primary markets in the world. This study looks at how technology has affected the growth of the Indian IPO market and examines the factors that influence the performance of companies after they go public. The research is based on an analysis of 355 IPOs issued during this time, which together raised ₹5,64,333 crore. The number of IPOs increased sharply from 64 in 2021 to 104 in 2025, with fundraising reaching new highs in both 2024 and 2025. The study found that medium-sized IPOs (between ₹500 crore and ₹5,000 crore) were the most common, although the number of smaller IPOs rose steadily, showing more involvement from new and growing businesses. An analysis of how these IPOs performed on their listing day shows mixed results, with 169 seeing price increases and 186 closing below their initial offering price. The Market Adjusted Average Return (MAAR) analysis suggested that most IPOs performed better than the overall market during good market conditions, particularly in 2023 and 2024. Correlation analysis shows that QIBs and NII had a strong positive impact on the price gains on listing day, while the size of the IPO had little effect on the returns after listing. The study concludes that technological advances, increased participation from retail investors through digital platforms, supportive regulatory changes, and strong demand from institutional investors have all played a key role in the growth of the Indian IPO market. However, the performance of IPOs still largely depends on factors like valuation, investor sentiment, market conditions, and the underlying strengths of the company, rather than just the size of the offering. The study shows the Indian IPO market is becoming more mature, resilient, and competitive globally, and it emphasizes the need for careful investment choices and efficient pricing to support sustainable market development.



INTRODUCTION

Introduction Stock market investing in India has a long history. Trading in loans started in the 18th century, and trading in shares began with the creation of the Bombay Stock Exchange in 1875, which was 148 years ago. But with the help of technology, the stock market has changed a lot in terms of trading and settlement. Now, people can easily buy or sell shares using their smartphones. (Services, 2023) The primary market is where companies issue new shares to the public for the first time. This is usually done to get money for growth, operations, or debt repayment. It usually happens through IPOs, rights issues, or private placements, where investors buy shares directly from the company. After these shares are issued, they are traded in the secondary market. This market allows investors to buy and sell existing shares among themselves. Although the secondary market doesn't directly help a company get more capital, it provides liquidity, helps in setting prices, and makes the transfer of securities easier. Stock exchanges like the Bombay Stock Exchange and the National Stock Exchange aid in this process, ensuring it is efficient and clear. Together, both markets support raising capital and encourage investor participation, contributing to the growth of the economy. (Sharekhan, 2025) The number of mainboard IPOs in India saw significant ups and downs from 2021 to 2025 due to changes in economic conditions, investor sentiment, and market performance. In 2021, the IPO market grew strongly with 63 IPOs, as the economy recovered from the impact of the COVID-19 pandemic. Low interest rates, high liquidity, and higher participation from retail investors encouraged many companies, especially in the technology and fintech sectors, to raise funds through public offerings. However, in 2022, the number of IPOs dropped to 40 due to global inflation, rising interest rates, geopolitical tensions like the Russia-Ukraine war, and uncertainty in financial markets, which made investors Page 1 of 2 more cautious. In 2023, the market started to recover, and the number of IPOs increased to 57 as economic stability improved and investor confidence returned. The year 2024 saw a rapid expansion in IPO activity, with about 90 companies launching mainboard IPOs because of strong stock market performance, economic growth, and higher participation from both retail and institutional investors. In 2025, the Indian IPO market reached record levels with more than 100 IPOs, making India one of the top IPO markets in the world. Favorable market conditions, strong investor demand, and higher corporate fundraising needs contributed to this growth in IPO activity. India ranked as the fourth-largest IPO market globally in CY25, raising Rs. 1,26,096 crore (US\$ 14.2 billion) through IPOs. The United States was first, followed by Hong Kong and China. In India, 74 companies raised Rs. 85,241 crore, and upcoming IPOs like WeWork India, Tata Capital, and LG Electronics India are expected to add nearly Rs. 30,000 crore more. CY25 recorded the third-highest IPO fundraising in the past five years, showing strong primary market activity despite large withdrawals of foreign institutional investors (FIIs) from secondary markets. The report also mentioned that investments in IPOs have generally outperformed the Nifty 50, with 61% of recently listed companies beating the market returns over the past six months. The average listing gains reached 22%, and more than half of the IPOs provided double-digit returns. Smaller IPOs generated the highest gains, showing strong investor interest in emerging and growth-oriented companies, particularly in areas like consumer technology, green energy, and digital sectors. Overall, the trend reflects India's growing importance in global capital markets and increasing investor confidence in its primary market ecosystem. (IBEF, 2025) India's demat accounts hit a record of 21 crore by October 2025. CDSL has 16.77 crore accounts, and NSDL has 4.23 crore. This means more common people are joining the stock market and starting to invest. The Indian IPO market currently holds a strong position globally because of steady economic growth, increased digital participation in the stock markets, supportive SEBI regulations, and rising domestic investments. However, challenges like market volatility, concerns about overvaluation, and



uncertain global economic conditions continue to affect some IPO performances and future listing plans.

LITERATURE REVIEW

- (Sanjib Biswas, Neha Joshi, 2023) This study shows that the life of an IPO is significantly driven by high levels of speculation, and that investors are focusing on a short-term exit rather than long-term gains. This study shows that the persistent gap that exists between hype at IPO time and actual results after the shares are listed during the period of time an IPO is recently listed, or the immediate aftermath of completing an IPO transaction. The study examines a diverse sample of IPOs that occurred in 2018, and looked at the performance of those IPOs over a three-year span (primarily FY2020-21).
- (Ghosh, 2025) The study shows that banking sector IPOs in India challenge the typical "underperformance anomaly" seen in other research. They did not show significant signs of poor stock returns after the offering. In addition to market pricing, the banks improved their operational health by strengthening their accounting metrics after listing. These positive results were consistent overall, with no significant difference in performance between public sector and private sector.
- (Anil Kumar N, Dr. Ravi Kumar K, 2022) The findings show that Indian IPOs often provide significant returns on their listing day. A key difference exists between market perception and actual performance. While ROA typically falls after listing, the study finds that fundamental operating performance stays stable when assessed by ROS. This indicates that the perceived "post-IPO slump" often discussed in literature may result from how financial variables are adjusted, rather than true deterioration in business efficiency.
- (Adil Ellikkal, S. Rajamohan, M. O. Prakash, 2022) The COVID-19 pandemic severely impacted the Indian stock market at first. The Nifty and Sensex dropped by about 33% to 47% in early 2020. However, in 2021, there was an unprecedented surge in activity. Sixty-six IPOs raised \$1.2 trillion, doubling the volume from the previous year despite the ongoing challenges. While the year set a record for capital raised, the results indicate that high public interest did not ensure success. Many highly-anticipated IPOs did not meet performance expectations after their launch.
- (Sudesh Kumar Sharma, Sanjay Mittel, N.K Gupta, 2013) This study reveals a significant gap between investor expectations and actual financial outcomes. Although retail investors frequently target the Finance and IT sectors for quick gains or Infrastructure for long-term growth, the research highlights that Public Sector IPOs are the true leaders, outperforming all other categories in both the short and long term. Conversely, the Manufacturing sector emerged as the weakest performer across all timeframes.
- (Kamesh Tiwari, Dr. L.K. Shingh, 2023) The study, "Post Listing IPO Performance in Indian Stock Market," confirm that the Indian National Stock Exchange (NSE) continues to experience underpricing. The Market Adjusted Abnormal Return shows listing day gains were recorded by 52 of the 79 offerings, yielding an average return of 17.01%. The MAAR stayed high at 16.74% even after controlling for more general market fluctuations, offering statistically supported proof that Indian IPOs are priced below their market value to guarantee significant investor debut gains.
- (Shrinivas R. Patil, Akanksha Nevagi, 2022) The majority of the IPOs (approximately 70%) had experienced high levels of underpricing, resulting in a substantial amount of short-term return for investors who received direct allocation. The study concludes that traditional indicators of stock price movements such as company age, size of issue and promoter ownership were not the key factors in determining short-term stock prices. The most significant factors affecting performance appeared to be market sentiment and the volume of new investors entering the market globally and domestically.



- (Prakash Kundnani, Vivek Srivastava, Saheb Dubey, 2024) This decade-long evaluation of 500 IPOs on the NSE (2014-2023) presents an evident pattern of a “boom and fade” through an average of 18.98% to 26.35% return upon listing. This trend was greatest through the turbulent nature of the markets in 2020. However, the analysis shows that these returns tend not to last over time, as many IPOs do not perform as well as their performance benchmark five years after listing.
- IPOs involve challenges such as market volatility, investor sentiment, regulatory risks, and pricing uncertainty. This study examines the role of Machine Learning (ML) and Deep Learning (DL) in improving IPO analysis and decision-making. These technologies help predict IPO success, underpricing, risk, market timing, and investor behaviour using real-time data. The research focuses on both Indian and global IPO markets and analyses factors influencing IPO performance, including promoter reputation, sector trends, financial health, market timing, and institutional participation.

RESEARCH METHODOLOGY

Research Gap

Many studies have looked at how Initial Public Offerings (IPOs) do, but most of the previous studies have mainly focused on initial listing return rather than post-listing performance of public companies over a longer period. Additionally, prior studies often only evaluate one factor, for example an issue price or the number of subscriptions; however, they do not analyse how multiple factors affect overall IPO performance. There are also limited numbers of studies that use recent empirical data to reflect the changing dynamics of the IPO market, particularly in the Indian context where there has been a significant amount of change to the market due to technological changes and increased retail investor participation through market place's behaviour. Therefore study will focus on the impact of tech integration in IPO market investment and along with studying the current status of position of Indian IPO market around Globe.

Research Objective

- To analyse the impact of Tech Integration on the Growth of IPO Market in India
- To Access the impact of various factor on post listing price performance of selected companies.

Scope of Study

The study focuses on the performance of Initial Public Offerings issued during the five-year period from 2021 to 2025 and IPOs from Bombay Stock Exchange. For the purpose of analysis, the selected IPOs will be categorized into three groups based on their listing performance: under-priced, overpriced, and fairly priced IPOs. IPOs generating listing gains of less than 5% will be classified as under-priced, while IPOs showing returns of more than 5% will be considered overpriced. IPOs with returns around the benchmark level will be treated as fairly priced. The research aims to examine the pricing efficiency and post-listing performance of IPOs by analysing various financial and market-related factors. Data for the study will be collected from different reliable financial websites, stock exchange portals, company prospectuses, and market databases. These sources will provide information related to issue price, listing price, market capitalization, subscription status, sector performance, and investor response. The collected data will help in classifying IPOs into the respective categories and support comparative analysis. The Market Adjusted Abnormal Return (MAAR) was calculated using the following formula to measure the performance of IPOs after adjusting for overall market movements



The difference between the actual realized return of a stock and its expected return over a specific period.

$$AR_{it} = R_{it} - E(R_{it})$$

Where R_{it} the actual return and $E(R_{it})$ is the expected return, typically calculated using asset pricing models like CAPM or the market model

Research Design

The research will adopt an analytical research design to examine and interpret the performance of IPOs during the selected study period. An analytical research design is suitable for this study because it focuses on evaluating existing data, identifying patterns, and establishing relationships between different financial and market variables. The study aims to analyse IPO pricing, listing performance, investor response, and other influencing factors in order to draw meaningful conclusions regarding IPO behaviour in the market.

The research will involve the use of various statistical and analytical tests to determine the results and validate the findings. These tests may include descriptive statistics, comparative analysis, correlation analysis, regression analysis, and performance measurement techniques to evaluate the relationship between IPO pricing and post-listing returns.

DATA ANALYSIS

The Indian IPO market grew significantly from 2021 to 2025, becoming one of the strongest primary markets in the world. In 2021, India experienced a historic IPO boom. Sixty-three companies raised about ₹1.19 lakh crore, the highest amount at that time. Strong retail participation, high liquidity, and excitement for tech startups like Paytm and Zomato drove the market. However, in 2022 and 2023, IPO activity slowed due to global inflation, rising interest rates, geopolitical uncertainty, and weak stock market sentiment. While the number of IPOs remained steady, fundraising dropped as investors became cautious, focusing more on profitable businesses instead of rapid growth. The market rebounded strongly in 2024 and continued to expand in 2025. According to KPMG, FY2025 saw 80 mainboard IPOs raising nearly ₹1.63 lakh crore, much more than the previous year. India also became one of the top destinations for IPOs worldwide. Participation from retail and institutional investors increased sharply, and IPO fundraising during this time exceeded the total raised from 2001 to 2020. India emerged as a major global IPO hub. Despite this, investors became more selective, as many IPOs traded below their listing prices after the initial excitement wore off. The market gradually shifted from speculative investing to companies with stronger profitability, governance, and solid long-term business fundamentals.

AI and Digital Technology in the evolution of IPO Market

The integration of technologies like Artificial Intelligence, Machine Learning, Natural Language Processing, Regulatory Technology, and Supervisory Technology has greatly changed the Indian IPO market. In the past, the IPO approval process involved extensive manual checks of Draft Red Herring Prospectuses. This led to long approval timelines and high compliance costs. With the rise in the number of IPOs in India, regulatory bodies and market participants have turned to tech-driven solutions to improve efficiency, transparency, and regulatory oversight. AI-powered systems now examine large amounts of financial and legal information, spot inconsistencies, and ensure compliance with regulations. This reduces the time needed for IPO approvals. These technologies automate routine checks, create exception reports, and help regulators focus on high-risk areas instead of doing



full manual reviews. As a result, IPO processing times have dropped considerably, allowing for quicker access to capital while maintaining regulatory standards. AI-driven fraud detection, risk assessment, and disclosure benchmarking have further reinforced market integrity and investor protection. Technology has also boosted investor participation and operational efficiency with the integration of digital financial infrastructure. The combination of Application Supported by Blocked Amount & Unified Payments Interface has made the IPO application process easier. Investors can block funds in their bank accounts without making an immediate payment. Moreover, emerging technologies like block chain are being examined to create clear and unchangeable audit trails for IPO disclosures and regulatory filings. Looking ahead, India is moving toward a completely digital IPO ecosystem. This system will feature real-time compliance monitoring, AI-assisted regulatory reviews, blockchain-enabled transparency, and quantum-safe security systems. These developments are expected to further improve efficiency, transparency, investor confidence, and capital formation, positioning India as a global leader in tech-driven capital markets. (IPO, 2026)

Number of IPO Shares Issued in the Indian Market from 2021–2025

Row Labels	Count of IPO	Sum of OFFER SIZE
2021	64	1,20,154
2022	39	59,935
2023	58	49,492
2024	90	1,60,319
2025	104	1,74,433
Grand Total	355	5,64,333

Table 1: Number of IPO Shares Issued in the Indian Market from 2021–2025

The table shows the number of IPOs and the total offer size of IPO issues in India from 2021 to 2025. During this time, 355 IPOs were launched, raising a total of ₹5,64,333 crore. The data reveals significant growth in the amount raised through IPOs, despite changes in the number of issues over the years. In 2021, 64 IPOs raised ₹1,20,154 crore, showing strong investor interest and favourable market conditions. However, in 2022, both the number of IPOs and the total offer size fell to 39 IPOs and ₹59,935 crore. This decline was mainly due to global economic uncertainties and a volatile market. The downward trend in offer size continued in 2023. There were 58 IPOs that raised only ₹49,492 crore, indicating that while more companies entered the market, the average issue size stayed relatively small. A notable recovery took place in 2024. The total offer size jumped to ₹1,60,319 crore from ₹49,492 crore in the previous year, marking an increase of over 224%. This growth coincided with an increase in the number of IPOs to 90, suggesting renewed investor confidence and the entry of larger companies into the market. The upward trend continued in 2025, with 104 IPOs raising a total of ₹1,74,433 crore, the highest offer size during the study period. This reflects an increase of about 8.8% over 2024 and nearly 252% compared to 2023. Overall, the table shows a strong rise in IPO fundraising activity, especially in 2024 and 2025.

Year-wise Distribution of IPOs and Offer Sizes in India

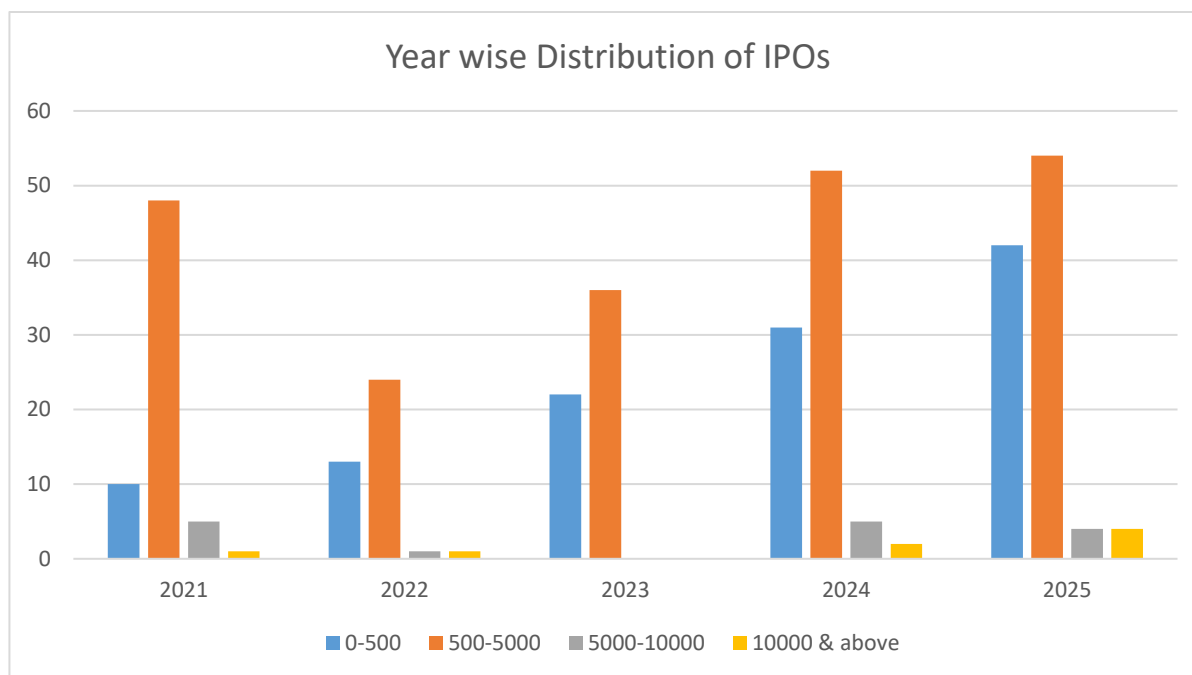


Figure 1 Year-wise Distribution of IPOs and Offer Sizes in India

The figure shows the yearly distribution of IPOs in India based on their offer size categories from 2021 to 2025. In 2021, a total of 64 IPOs were launched. Of these, 48 IPOs were in the ₹500–5000 crore category, making it the largest group. Small IPOs (₹0–500 crore) accounted for 10 issues. There were 5 IPOs in the ₹5000–10000 crore category, and 1 IPO exceeded ₹10,000 crore. In 2022, the total number of IPOs fell to 39 due to poor market conditions and economic uncertainties. In 2024, IPO activity picked up significantly, reaching 90 IPOs. The ₹500–5000 crore category stayed strong with 52 issues, while small IPOs rose to 31. Large IPOs made a comeback, with 5 IPOs in the ₹5000–10000 crore category and 2 IPOs above ₹10,000 crore. The upward trend continued in 2025, with the market recording 104 IPOs, the highest during the study period. Small IPOs increased to 42, medium-sized IPOs to 54, and the number of large and mega IPOs rose to 4 each in the ₹5000–10000 crore and ₹10,000 crore and above categories. Overall, the data shows that the ₹500–5000 crore category consistently led the Indian IPO market, accounting for the most IPOs every year. At the same time, the steady rise in small IPOs (₹0–500 crore) from 10 in 2021 to 42 in 2025 indicates growing participation by emerging and growth-focused companies looking for public capital. In contrast, large and mega IPOs (above ₹5000 crore), although fewer, played a key role in raising capital and boosting market confidence. The simultaneous growth of both small and large IPOs, especially in 2024 and 2025, shows the strengthening of the Indian capital market and rising confidence among issuers and investors. The total IPOs rose from 64 in 2021 to 104 in 2025, highlighting the strong growth and maturity of the Indian IPO market during this period.

Global scenario of IPO Market

The Indian IPO market grew significantly and became one of the leading capital markets in the world between 2021 and 2025. In 2021, Indian companies raised ₹1,18,723 crore through 64 IPOs. This growth showed a strong recovery after the pandemic and high investor interest. IPO activity slowed down in 2022 due to global economic uncertainties, rising interest rates, and market fluctuations. The year 2024 saw a record-breaking phase. Ninety-one IPOs raised ₹1,59,784 crore, making it the highest

fundraising year of the five-year period. The strong performance continued into 2025, with 74 companies raising ₹85,241 crore, not counting three major upcoming IPOs. When including these expected issues, total fundraising through IPOs is projected to reach ₹1,26,096 crore, making 2025 the third-highest fundraising year in the past five years. India's growing importance in the global IPO scene is clear from its ranking as the fourth-largest IPO fundraising market in the world in 2025, following the United States, Hong Kong, and China. This achievement is especially notable since Foreign Institutional Investors (FIIs) withdrew nearly ₹1,59,840 crore from India's secondary market that year. At the same time, they invested about ₹44,400 crore in primary market offerings, showing strong confidence in newly listed companies. Additionally, IPO investments have provided impressive returns, with an average listing gain of 22%. More than 53% of IPOs generated double-digit returns. Studies also indicate that 61% of IPOs outperformed the Nifty index, showcasing the appeal of IPO investments. By sector, consumer technology, green energy, and digital businesses made up 16% of IPOs, highlighting the growing significance of new industries in India's capital market. Notably, smaller IPOs produced the highest returns. Offerings below ₹178 crore delivered nearly 40% average gains, while IPOs above ₹8,880 crore gave only 9% gains. Overall, the years from 2021 to 2025 reflect the rapid growth, resilience, and global competitiveness of the Indian IPO market, positioning India as one of the most dynamic locations for primary market investment. (IBEF, 2025)

MEGA IPOs in India by Issue Size from 2021-2025

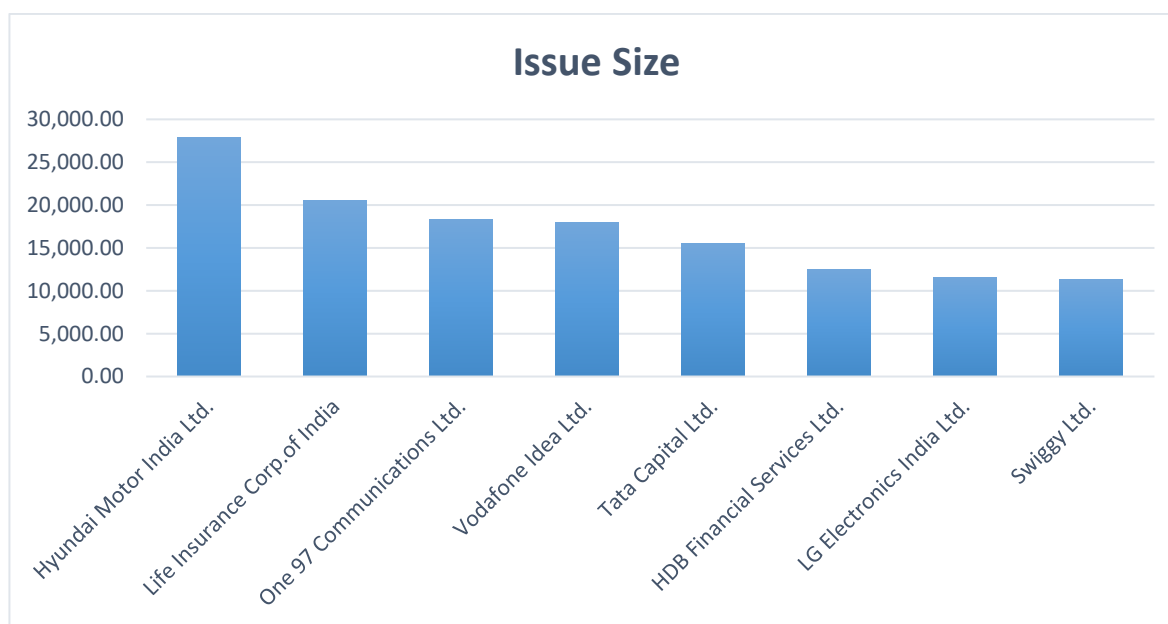


Figure 2 Leading Initial Public Offerings in India during 2021–2025

Hyundai Motor India Ltd. launched the biggest IPO among the listed companies, raising around ₹27,858.75 crore, but despite its large size, the company delivered a negative listing return of -7.16%, showing that a higher issue size does not always ensure strong market performance. Similarly, Life Insurance Corp. of India raised approximately ₹20,557.23 crore, making it one of the largest IPOs in Indian history, yet the stock gave a negative listing return of -7.77% because investors considered the IPO highly valued. One 97 Communications Ltd. recorded the weakest performance in the table, as the stock listed nearly 27.4% below its issue price, reflecting concerns regarding profitability and excessive valuation in the technology sector. On the other hand, several companies delivered strong

listing gains and attracted positive investor sentiment. LG Electronics India Ltd. achieved the highest listing gain of around 48.24%, indicating very high demand among investors. Vodafone Idea Ltd. generated a healthy gain of 26.36%, while Swiggy Ltd. and HDB Financial Services Ltd. also performed positively with listing gains of 16.92% and 13.64% respectively. Meanwhile, Tata Capital Ltd. showed only a modest gain of 1.38%, indicating stable but limited investor excitement. Overall, the data reflects a mixed trend in the Indian IPO market where companies with reasonable pricing and strong growth potential received better investor response, while highly valued IPOs faced weaker listing performance. (Chittrograh, 2025)

Mega IPOs in the World

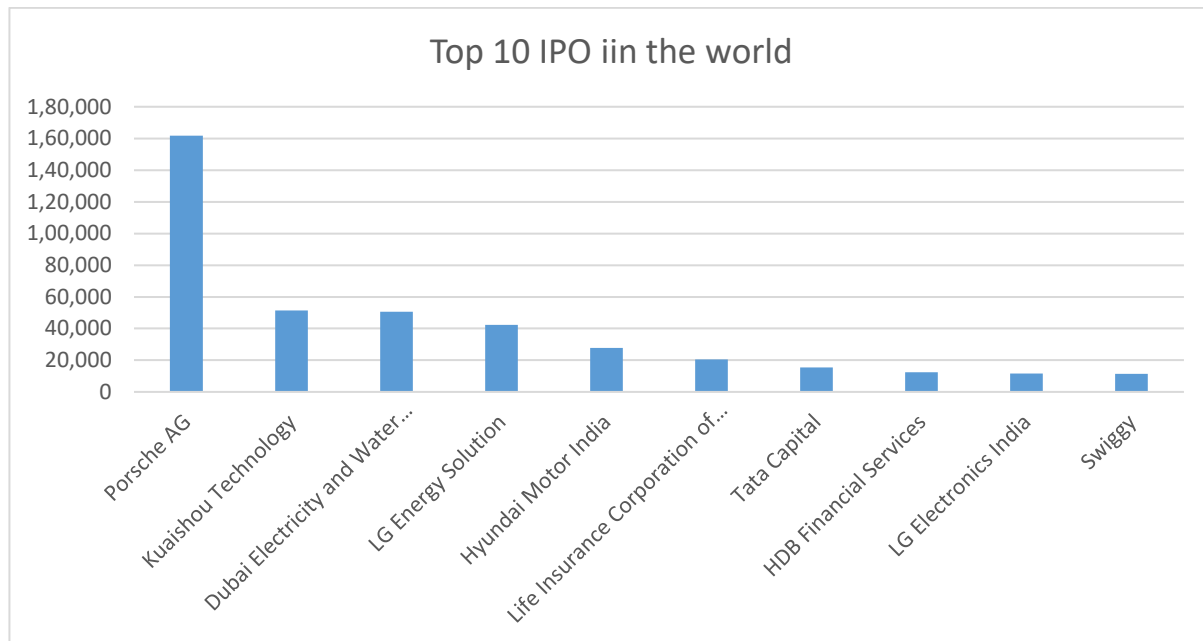


Figure 3 Top 10 IPOs in the World

Globally, the IPO market was led by a few huge offerings, including Porsche AG (Germany), Kuaishou Technology (China), LG Energy Solution (South Korea), and Dubai Electricity and Water Authority (UAE). These companies raised extremely high amounts, with Porsche AG alone bringing in about ₹1.62 lakh crore, making it the biggest IPO of this period. The presence of such large offerings highlights the scale and maturity of international capital markets, where multinational corporations can attract significant investments from global institutional investors. The Indian IPO market was marked by many successful listings instead of a few very large offerings. Major Indian IPOs during this time included Hyundai Motor India, Life Insurance Corporation of India, Tata Capital, HDB Financial Services, LG Electronics India, and Swiggy. While these IPOs were smaller compared to the largest global ones, they sparked strong interest from investors and raised considerable amounts. The largest Indian IPO, Hyundai Motor India, raised around ₹27,859 crore, which is much lower than the biggest global IPOs. This shows that although Indian companies are accessing capital markets more, their average fundraising size remains lower than that of major global firms. A key strength of the Indian IPO market was the high number of listings and broad involvement from various sectors. Financial services, technology, manufacturing, consumer products, and automobile companies all took part in IPO activity.

Year-wise Number of IPO Listing Gains and Losses

Year	List Day close profit	List Day close loss	Total
2021	30	34	64
2022	19	20	39
2023	24	34	58
2024	44	46	90
2025	52	52	104

Table 2 Year-wise Number of IPO Listing Gains and Losses

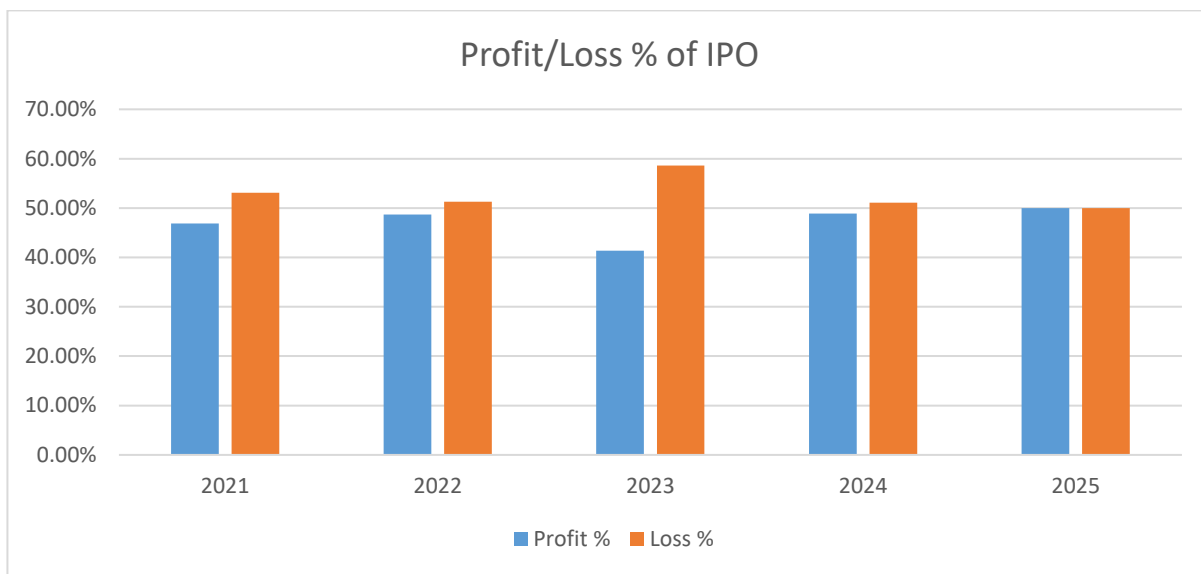


Figure 4 Year-wise Number of IPO Listing Gains and Losses

This table shows 355 total IPOs over a five-year period from 2021 to 2025. Total market activity shows a clear drop followed by a steady recovery. The market started out strong in 2021 with 64 total listings. It then crashed to its lowest point in 2022 with just 39 listings. After that big drop, the market grew every single year. Listings climbed to 58 in 2023, jumped to 90 in 2024, and finally peaked at 104 total listings by 2025. Underpriced listings were by far the biggest category on the chart. Out of the 355 total deals, 208 of them were under-priced, which is well over half the market. The biggest year for under-priced stocks was 2024 with 62 deals, while the lowest year was 2022 with 18 deals. Fairly priced stocks showed the most consistent, steady growth of any group. Their numbers went up every single year without dropping once. They started at 14 in 2021, grew to 15 in 2022, 19 in 2023, 21 in 2024, and almost tripled to 39 by 2025. Overpriced stocks were consistently the rarest type of deal, adding up to only 39 total listings over the five years. They started at 11 in 2021, dropped down to 6 in 2022, and bottomed out at just 3 deals in 2023. However, they spiked back up to 7 in 2024 and hit a five-year high of 12 deals in 2025.

Top Performing IPOs in India from 2021-2025

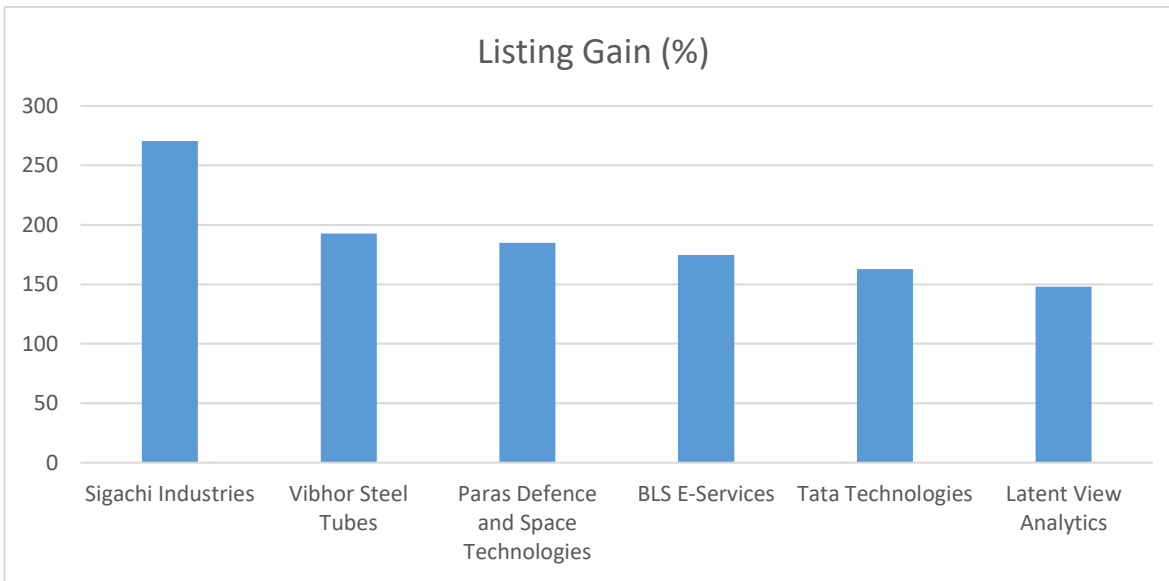


Figure 5 Top Performing IPOs in India from 2021-2025

Among the selected IPOs, Sigachi Industries emerged as the best performer, delivering an extraordinary listing gain of 270.4% in 2021, which indicates overwhelming investor demand and a highly successful market debut. Vibhor Steel Tubes followed with a listing gain of 192.72% in 2024, reflecting optimism surrounding the manufacturing and infrastructure sectors. Paras Defence and Space Technologies recorded a gain of 185% in 2021, demonstrating the growing attractiveness of defence and aerospace-related businesses among investors. Similarly, BLS E-Services generated a substantial listing gain of 174.63% in 2024, highlighting the increasing preference for digital and technology-enabled service companies. Tata Technologies, backed by the strong reputation of the Tata Group, delivered a gain of 162.85% in 2023, while Latent View Analytics achieved a gain of 148.02% in 2021, reflecting strong investor interest in technology, analytics, and digital transformation services. Overall, the performance of these IPOs suggests that investors favoured companies operating in sectors with strong future growth potential, innovation, and scalable business models. The exceptionally high listing gains also indicate robust subscription levels, positive market sentiment, and effective pricing strategies, enabling these companies to generate substantial returns for investors on the very first day of trading.

Top Performing IPOs in the World (2021–2025) by Listing Gain/Return



Globally, the best-performing IPOs brought in extraordinary returns, especially in technology, artificial intelligence, cloud computing, and digital platforms. Companies like Circle Internet Group, Figma, Arm Holdings, and Astera Labs posted post-listing returns between 120% and 500%, making them some of the most successful IPOs during this time. In contrast, the Indian IPO market showed strong but relatively moderate performance. Several IPOs, including Vibhor Steel Tubes, Tata Technologies, BLS E-Services, Paras Defence and Space Technologies, and Meesho, had impressive listing gains and post-listing returns. However, most Indian IPO returns were between 50% and 200%, which were generally lower than those of the top global IPO performers. Despite this gap, Indian IPOs drew significant investor interest, with many offerings being heavily oversubscribed by retail and institutional investors. This indicates that investor confidence in the Indian primary market remained strong throughout this period. Globally, the best-performing IPOs were mainly in technology-driven industries, highlighting the rising importance of innovation and digital change in the global economy. This diversification helped lower sector-specific risks and added stability to the Indian IPO market. The Indian market benefited from increasing financial literacy, the growth of digital investment platforms, favourable economic conditions, and rising involvement from retail investors. As a result, India saw a large number of IPOs and strong fundraising activity throughout this time. Overall, the comparison shows that global IPO markets outperformed India in terms of maximum post-listing returns and wealth creation, mainly due to the success of high-growth technology companies. However, India excelled in IPO volume, investor participation, market breadth, and sector diversity. Although the world's top IPOs generated higher percentage returns, the Indian IPO market showed greater consistency and resilience, making it one of the most attractive and dynamic primary markets globally from 2021 to 2025.

MARKET ADJUSTED AVERAGE RETURN

Year	MAAR Positive	MAAR Negative	Total
2021	45	19	64
2022	24	15	39
2023	47	11	58
2024	71	19	90
2025	rg67	37	104

Table 3 Market adjusted Average Return Positive/Negative

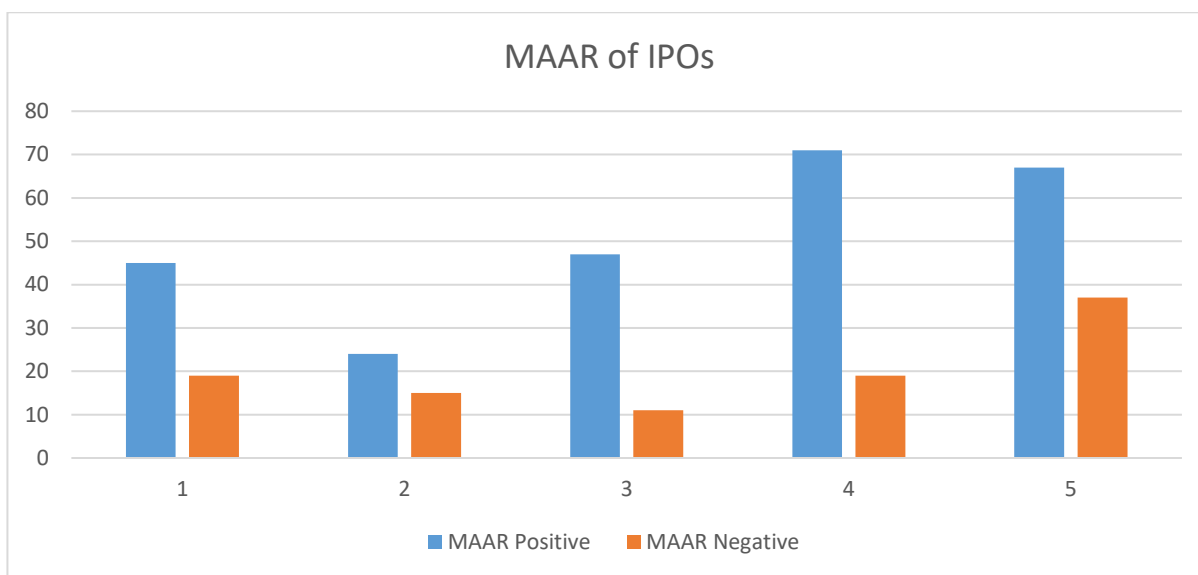


Figure 6 Market adjusted Average Return Positive/Negative

. The massive post- pandemic liquidity created frenzy in 2021 in the Indian Mainboard IPO market. 70.3% of the 64 mainboard IPOs listed, clearly outperformed the benchmark index, as retailers scrambled for highly priced, growth names. But the hot trading waned as rising interest rates and global inflation took hold and pushed down mainboard IPOs listing by 39% and hit lowest win rates at 61.5% as foreign investors retreated from EM as the market corrected. The highest profits was in the golden window 2023 and 2024, which had reasonable valuations due to increased regulatory supervision, which was spectacularly rewarding for the public subscribers and allowed 81% and 78.9% to outperform, respectively. But a definitive structural alert appeared in 2025, as despite record listing volumes of 104 mainboard IPOs, the MAAR-positive win rates for the public subscriber fell dramatically to 64.4% with the number of negative/market-underperforming failures reaching a record 37, while this clear underperformance has shown that the greedy IPOs' promoter was busy in mopping up listing gains as a consequence of an overcrowded primary market, leaving ordinary Indians with very costly IPO stocks.

This elaborate correlation analysis shows how the IPO variables relate to each other, using your data. By far the most robust positive correlation within the entire analysis, LDOPG (Listing Day Open Price Gain) and Total carry a correlation of 0.67. This is an extremely high score and shows a definite strong association. What this tells us is that as LDOPG gets larger and more substantial, so does total. The two highly successful positive associations that we find is how institutional investors as well as those with



significant assets associate with success on opening day. The relationship between Qualified Institutional Buyers and LDOPG has a moderately strong positive correlation of 0.57. Just shy of this score, Non-Institutional Investors share a very nearly identical positive correlation to listing day open price gain of 0.56. These two statistics are in a tight lock-step which demonstrates how demand from large, wealthy institutional investors correlates strongly with higher opening day gains. Retail investors also correlate positively to opening day success, but their impact is significantly less. Retail Investors only have a mild positive correlation to LDOPG of 0.47. This suggests that while Retail Investors do correlate positively with opening day gains, their price action is far less tied to listing day price increases compared to institutional investors. Conversely, some relationships have nearly no correlation or act contrary to each other. The relationship between Co-offer size and LDOPG only has a minuscule negative correlation of -0.08. Due to this minimal score, one can clearly conclude that the Co-offer Size has a virtually zero association on where the price will end up after the first trading day. The Co-officer Size and Total have a weak negative correlation of -0.22. The negative score in this relationship indicates an inverse correlation, where a higher Co-officer Size relates with a slightly decreased amount in the Total.

FINDINGS

The Indian IPO market saw a lot of growth and change from 2021 to 2025. During this time 355 Indian IPOs were. They raised around ₹5.64 lakh crore. This shows that the primary market is becoming more important for companies to get money. Even though there were Indian IPOs in 2022 and 2023 because of global inflation and other problems the Indian market did very well in 2024 and 2025. The number of IPOs went up from 64 in 2021 to 104 in 2025. This means that investors are becoming more confident and the market is doing well. However, market uncertainty, rising inflation, and higher interest rates led to a decline in IPO activity in 2022, when only 39 IPOs raised ₹59,935 crore. Although the number of IPOs increased to 58 in 2023, the total amount raised remained relatively low at ₹49,492 crore, indicating smaller issue sizes. The market recovered sharply in 2024, with 90 IPOs raising ₹1,60,319 crore, and this momentum continued in 2025 when 104 IPOs raised ₹1,74,433 crore, the highest amount during the study period. These trends indicate increasing confidence among both issuers and investors and highlight the growing importance of the Indian IPO market. The distribution of IPOs by offer size shows that the ₹500–5000 crore category consistently dominated the market throughout the study period. At the same time, the number of smaller IPOs in the ₹0–500 crore category increased steadily from 10 in 2021 to 42 in 2025, reflecting greater participation by emerging and growth-oriented companies. Large and mega IPOs, although fewer in number, contributed substantially to overall fundraising and played an important role in attracting institutional investors and enhancing market visibility. An examination of major IPOs indicates that issue size alone did not determine listing performance. Some of the largest IPOs, such as Hyundai Motor India and Life Insurance Corporation of India, generated negative listing returns despite raising substantial capital. In contrast, companies such as LG Electronics India, Swiggy, and HDB Financial Services delivered positive listing gains, suggesting that valuation, growth prospects, and investor sentiment had a greater influence on post-listing performance than issue size. The Indian IPO market is becoming more important in the world. While other countries had Indian IPOs like Porsche AG and Kuaishou Technology India had a lot of Indian IPOs and many investors participated. Indian IPOs in countries often made more money, especially in the technology sector but the Indian market had Indian IPOs in many different sectors and was able to raise money consistently. This shows that the Indian IPO market is becoming more competitive and able to handle problems. The Indian IPO market is becoming more important in the world. While other countries had Indian IPOs like Porsche AG and Kuaishou Technology India had a lot of Indian IPOs and many investors participated. Indian IPOs in countries



often made more money, especially in the technology sector but the Indian market had Indian IPOs in many different sectors and was able to raise money consistently. This shows that the Indian IPO market is becoming more competitive and able to handle problems. Another important thing the study found was that technology is playing a role in the Indian IPO process. The use of Artificial Intelligence, Machine Learning and digital financial systems has made the Indian IPO process more efficient, transparent and fair. New technologies, like AI-powered document review and UPI-based applications have made it easier for investors to participate in IPOs. This means that technology will continue to be important for the IPO market. The study also found that most Indian IPOs did better than the market average in 2023 and 2024 when the market was stable and investors were feeling more confident. The study also found that when big investors like Qualified Institutional Buyers and Non-Institutional Investors participated in an IPO it was more likely to do well. However the size of the IPO did not necessarily determine how well it would do. The number of IPOs increased over time, listing-day gains and losses remained closely balanced, indicating that investors became more selective in evaluating new offerings. The market-adjusted average return (MAAR) analysis further shows that a majority of IPOs outperformed the benchmark market index, particularly during 2023 and 2024, when favourable market conditions and reasonable valuations supported stronger investor returns. However, despite record IPO activity in 2025, the proportion of market-outperforming IPOs declined, suggesting that increased supply and higher valuations may have reduced overall performance.

The correlation analysis highlights the importance of investor participation in determining IPO success. QIBs and NIIs showed a strong positive relationship with listing-day gains, indicating that higher institutional demand was associated with better IPO performance. Retail investor participation also had a positive impact, although its influence was comparatively lower. In contrast, offer size showed almost no relationship with listing gains, suggesting that larger IPOs do not necessarily generate superior returns.

Overall, the data indicates that the Indian IPO market expanded considerably between 2021 and 2025, supported by increasing fundraising activity, greater participation from both companies and investors, and improving market maturity. While the market experienced temporary setbacks during periods of economic uncertainty, it demonstrated strong resilience and emerged as one of the most active IPO markets globally. The results also suggest that investor demand, valuation, and company fundamentals played a more important role in determining IPO performance than the size of the issue itself. Indian IPO market grew and changed a lot from 2021 to 2025. The Indian IPO market is now one of the biggest and fastest-growing in the world, with many investors participating and a lot of money being raised. Even though there are still challenges the future of the IPO market looks very good.

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