

Can India's IPO Market hit ₹3 lakh crore in the near future?



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IPO mobilization in the capital market depends on many factors, such as, the state of the capital market, past trends in raising capital, corporate performance and overall economic outlook, among others. As per PRIME Database, during the year 2024-25 Indian IPO market mobilized an all-time high of Rs. 171506.63 crore, 2.53 times the 2023-24 figure. This has raised high expectations. Rs. 2 lac crore seems to be a close expectation in the current year 2025-26. The obvious question that arises is '**Can India's IPO market hit ₹3 lakh crore in the near future**'. Well, this straight question is a million Dollar question. The answer may be sought from a Jyotishi or through public opinion/expert opinion or by applying statistical forecasting tools to avoid subjective assessment, among many other ways. Statistical analysis is the least subjective of all of these methods and, therefore, we shall apply one such analytical tool to answer this question. We shall apply the tool of **Compound Average Growth Rate (CAGR)**, a very popular tool among the capital market analysts. As the title indicates, it measures the growth rate of mobilization over a specified period of time. As a first step therefore, we need data on past IPO mobilization.

IPO Mobilization in India in the Past

On my request, PRIME Database has thankfully provided year wise summary of IPO mobilization (**Both mainboard and SME**) for 35 years between 1989-90 to 2024-25. Thus, we have 35-year data available with us. Out of this, we have taken past 10-year data between 2015-16 and 2024-25 for our analysis (For calculation of 9-year CAGR) as it reflects the more recent trends in mobilization. **Table 1** contains this data:

| Table 1: Data on IPO mobilization (mainboard and SME) in India for the past 10 years | | | |
|--------------------------------------------------------------------------------------|---------------------|------------------------|----------------------------------------|
| Year | Year No. | Issue Amount (Rs lacs) | Issue Amount (Converted into Rs crore) |
| 1989-90 | 1 | 50,436 | 504.36 |
| 2013-14 | 24 | 120,482 | 1204.82 |
| 2014-15 | 25 | 301,946 | 3019.46 |
| | | | |
| 2015-16 | 26 | 1481,058 | 14810.58 |
| 2016-17 | 27 | 2904,963 | 29049.63 |
| 2017-18 | 28 | 8376,664 | 83786.64 |
| 2018-19 | 29 | 1633,951 | 16339.51 |
| 2019-20 | 30 | 2078,590 | 20785.90 |
| 2020-21 | 31 | 3151,192 | 31511.92 |
| 2021-22 | 32 | 11251,256 | 112512.56 |
| 2022-23 | 33 | 5435,048 | 54350.48 |
| 2023-24 | 34 | 6789,367 | 67893.67 |
| 2024-25 | 35 | 17150,663 | 171506.63 |
| Period of growth (n)..... | n= (35-26) =9 years | | |

Note: Ideally, we should calculate 10-year CAGR by taking 11 years' data. However, 2014-15 mobilization (in 4 digits of Rs crore) is abysmally lower than the subsequent years (in 5 or more digits of Rs. Crore). Therefore 10-year data have been considered for our analysis.

A Few Words on CAGR

Before we proceed to forecasting IPO mobilization through CAGR, let us have a few words on it. It is very common to come across media reports like revenues of such and such company have risen at a CAGR of 27% over the last 5

years. What does this suggest? It suggests that CAGR is a measure of past growth and predictor of future forecasts. CAGR is thus a number that describes the rate at which a '**Starting Year Value**' would have grown to an '**Ending Year Value**' if it grew at that steady rate. Essentially CAGR is a way to express a smoothed growth rate ignoring the individual intermittent year wise growth. It is a very commonly and frequently used tool in the capital market due to its simplicity and quick understandability.

Computing CAGR of IPO mobilization in India over 9 years through online CAGR calculator

CAGR Calculator is a **free online tool** to calculate CAGR (available on <https://cagrcalculator.net/>). The structure of the calculator is as presented in **Table 2** as under:

| Table 2: CAGR of IPO mobilization in India | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Starting value (Mobilization in the year 26) | 14810.58 |
| Ending value (Mobilization in the year 35) | 171506.63 |
| Number of periods (Period of growth) | 9 |
| Calculate | |
| CAGR | 31.2774% |
| Say....31.28% | |
| Note: First 3 rows contain data input from Table 1 and on pressing the ' Calculate ' tab resultant CAGR is immediately displayed. | |

The result shows that the mobilization in the IPO market in India over the last 9 years has grown at a CAGR of 31.28%. **By all means, a very commendable growth.** Now we are in a position to answer the question "*Can India's IPO Market Hit ₹3 Lakh Crore in the Near Future*".

Can India's IPO Market Hit ₹3 Lakh Crore in the Near Future

To find answer to this question, we go back to the CAGR calculator. We now need to calculate the **future values (forecasts)** when the CAGR is already known. The online calculator provides structure for the forecasts as displayed in **Table 3** below. We are providing here the forecasts for next 5 years, i.e., up to 2029-30, in the hope that we will find answer to our question within this period.

| Table 3: Forecasts of IPO mobilization in India up to 2029-30 through online CAGR calculator | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| Starting value (Mobilization in the year 35, i.e., 2024-25) | 171507 |
| CAGR | 31.28 |
| Number of periods (Future Years) | 5 |
| Calculate | |
| Future value (At the end of 5 years, i.e. 2029-30) | 668766.78 |
| Notes: 1. First and 2 nd row data input from Table 2. 2. Year 35 (2024-25) now becomes the starting year. 3. The calculator requires the starting value to be rounded. | |

Table 4 contains the year wise forecasts as provided by the calculator.

| Table 4: Growth table (year wise forecasts) | |
|---------------------------------------------|------------------|
| Year | Value |
| 0 (2024-25) | 171507.00 |
| 1 (2025-26) | 225154.39 |
| 2 (2026-27) | 295582.68 |
| 3 (2027-28) | 388040.95 |
| 4 (2028-29) | 509420.15 |
| 5 (2029-30) | 668766.78 |

What our research reveals is that the Indian IPO market is likely to miss the **₹3 lakh crore mark very narrowly in the year 2026-27 and likely to hit this mark in the year 2027-28**. This result is solely based on statistical analysis of the past mobilization. This is subject to the capital market vagaries that may arise in future. Still as said earlier, CAGR is a very useful and popular technique of assessing the past and forecasting the future which is very dear to the hearts of the capital market analysts. *No need to consult a Jyotishi.*

Current Trends

Let us also examine the above prediction in the light of current trends. PRIME Database press release dated 27th March, 2025 on fund raising in the capital market states:

The pipeline of issues continues to be staggering. 49 companies proposing to raise ₹84,000 crore are presently holding SEBI approval waiting to hit the market while another 67 companies looking to raise about ₹1,02,000 crore are awaiting SEBI approval. In addition, scores of companies are preparing to file their offer documents in the near future.

This statement indicates that the current year 2025-26 may hit **₹2 lakh crore mark as predicted in Table -4 also on the basis of CAGR. If the trend continues, ₹3 lakh crore mark is not far away.**

Note: Readers' feedback is welcome at ambrish.phd.ca@gmail.com