

MC EXCLUSIVE **FY26 IPO fundraising can exceed Rs 1.5 trillion, says JM Financial's ECM head Neha Agarwal**

Agarwal tells Moneycontrol there is a 'healthy reality check' on valuations. Issuers are trimming sizes, balancing primary versus secondary shares and pricing more accommodatively

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SEPTEMBER 26, 2025 / 09:19 IST

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Neha Agarwal, MD & Head of ECM, JM Financial

September has been busy month for primary market, with nearly 25 companies launching their initial public offerings (IPOs). This resurgence, or revival of "animal spirits", has been despite market volatility fuelled by US tariffs and geopolitical turmoil.

In an interview to Moneycontrol, Neha Agarwal, managing director & head of ECM at JM Financial, said the IPO market is on track for a strong second half of FY26, with fundraising expected to exceed Rs 1.5 trillion.

She also talked about large upcoming issues such as Tata Capital and LG, a renewed investor appetite for tech IPOs after Urban Company's blockbuster listing, and a broader pipeline spanning renewables, fintech, and consumer brands. Edited excerpts of the interview:

What are your expectations from IPO activity in FY26? Will the second half of the fiscal take the fundraise above Rs 1.5 trillion like the previous year?

We're optimistic. The first half has been steady with almost 13 percent year-over-year increase in the amount raised — multiple good-quality issues, investors are engaged — and we see the second half picking up steam. The Indian capital markets will be seeing large deals like WeWork, Tata Capital and LG among others. So if the pipeline goes as planned, we could end the year crossing Rs 1.5 trillion mark. The market today is deeper, with a strong mix of domestic and global investors, well-run companies and newer names both have room to raise capital.

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Urban Company, where JM Financial was an adviser, was the most subscribed IPO of the year. Given the success of Urban Company, how do you see tech IPOs panning out in the second half and beyond?

Urban Company's IPO proved that investors will back tech businesses if they've got real scale, a clear path to profits and good governance. It was a huge positive signal for the entire sector. Companies want to start their journey on a positive note and founders have realised that an IPO is the start of the journey and want incoming investors also to make money. They understand that dilution in IPO is minimal and value maximisation of balance holding happens as the listed multiples expand eventually when the company demonstrates superior metrics in coming

quarters.

Time taken by SEBI to approve DRHPs has been a bit of a concern for the industry. Are you seeing any improvements on this front in recent months?

Yes, definitely. SEBI's been very constructive. Companies that are clear and transparent in their disclosures are getting approvals quicker than they did a year ago. It's made the whole process smoother for issuers and banks alike.

It seems companies launching IPOs have had to cut down the offer size substantially. What kind of correction in valuation expectations are we seeing in the current scenario?

We're seeing a healthy reality check on valuations. Issuers are trimming sizes, balancing primary versus secondary shares and pricing more accommodatively. That's actually a good thing — it builds investor trust and usually leads to stronger aftermarket performance.

The US Federal Reserve cut its benchmark rates by 25 basis points recently. How will it impact Indian secondary and primary markets?

The Fed's 25 bps cut reinforces global liquidity and risk appetite. For India, it underpins a supportive environment for both primary and secondary markets. We expect continued strong FPI inflows and steady valuations.

The financial services industry, led by NBFCs, saw several IPO filings but launches have run into rough weather. What are your expectations for NBFC IPOs in the second half of FY26?

NBFCs are still a big part of India's growth story. The delay has been about timing, not about quality. As rates stabilise and market calms, I expect some of the NBFC IPOs to come back in the second half of the year. The street saw two large IPOs — HDB Financial & Bajaj Housing Finance led by JM Financial — and both were heavily oversubscribed. Investors are definitely interested, it's just about choosing the right window.

SBI successfully raised Rs 25,000 crore through a QIP offer in July. When are we likely to see large private banks do the same?

SBI showed the market can absorb size. Private banks are generally well capitalised but they're also expanding fast. I'd expect to see some of them back in the market in the next couple of quarters. It'll depend on their growth plans and the market mood at the time.

Will GST rate cuts, which are expected to boost consumption, attract more companies from the consumer/retail space to the IPO market?

Yes, GST changes give a nice boost to consumption and that's great for retailers and consumer brands. We're already seeing more interest from companies in this space. They're realising public markets can fund their next growth phase, especially when the consumer story looks strong.

Block deals have become a major revenue source for investment banks. How does JM Financial look at this product and how has the revenue share for different products such as IPO, QIP and blocks evolved for the firm over the last few years?

Blocks have really taken off. They're fast, efficient and investors love the liquidity.

For us, the focus is on the trusted counterparty when something large and sensitive has to move. Over the past few years, our revenue mix has evolved to become more balanced towards IPOs and QIPs where we lead the league tables but blocks also continue to contribute meaningfully and showcase our distribution strength.

Looking at the IPO pipeline, do you see any changes in the sectors that are represented in the pipeline?

The pipeline's definitely broadened. Healthcare and real estate are still strong but now we're seeing a lot of action in renewables, green energy, fintech and digital infrastructure. That breadth of sectors reflects India's structural growth story and the capital market's ability to fund it.