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# PATTERNS THAT EXIST IN IPOS OF START-UPS OVER THE PAST DECADE FROM 2014 TO 2024 IN INDIA

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## ABSTRACT

*This paper examines the trends in Indian start-up Initial Public Offerings (IPOs) from 2014 to 2024 and what they reveal about entrepreneurship and capital market development. The study focuses on how start-ups moved from private funding to public markets during the rapid growth of India's start-up ecosystem. The data were collected from reliable secondary sources such as the Securities and Exchange Board of India (SEBI), the National Stock Exchange (NSE), the Bombay Stock Exchange (BSE), and company Red Herring Prospectuses. The findings show several important trends. Most IPOs were concentrated in sectors such as fintech, e-commerce, SaaS, and technology. The participation of retail investors also increased, and the size of IPOs became larger over time. The study also found that many companies launched IPOs even before becoming profitable, showing that investors were giving more importance to future growth than current profits. In addition, government reforms and digital trading platforms have made it easier for start-ups to enter the public market. Overall, the findings show that IPOs have become an important way for Indian start-ups to raise capital and grow their businesses. They also show how India's start-up ecosystem and capital markets have developed together over the past decade. These findings are useful for entrepreneurs, investors, policymakers, and researchers who want to better understand the changing role of IPOs in India's entrepreneurial ecosystem.*

**Keywords:** Economics, Financial Economics, Initial Public Offerings (IPOs), Startup Financing, Indian Capital Markets

## Introduction

India's start-up ecosystem has grown very quickly in the last few years. Government initiatives such as Start-up India and Digital India, along with increasing venture capital investment, have helped many new businesses to grow. One of the biggest steps in this growth is when a start-up launches an Initial Public Offering (IPO), which allows it to move from private funding to public

  

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funding. While many studies mainly focus on venture capital and unicorn start-ups, only a few study IPO patterns. Therefore, this paper examines the trends in Indian start-up IPOs from 2014 to 2024 by analysing the sectors, timing, and market characteristics to understand what they reveal about entrepreneurship and India's capital markets.

## Literature Review

Research on start-up financing in emerging markets explains the challenges faced by entrepreneurs in developing countries. Compared to developed countries, these markets usually have less funding in the early stages and stricter rules and regulations. In India, government initiatives such as Start-up India and Digital India, together with increasing venture capital investment, have helped entrepreneurship to grow rapidly, leading to the creation of more than 100 unicorn start-ups. However, most research mainly focuses on venture capital funding and unicorns, while much less attention is given to how start-ups move from private funding to public markets through Initial Public Offerings (IPOs).

Studies also show that companies usually launch IPOs when market conditions are favourable. IPOs are more common in technology sectors during periods of strong market performance. There is also evidence that many start-ups go public when their valuations are high. However, most IPO research in India focuses on sectors such as banking and manufacturing, while there is much less research on start-up IPOs in industries such as fintech and e-commerce.

The Securities and Exchange Board of India (SEBI) has also introduced several reforms, such as simpler disclosure requirements, electronic bidding, and measures to encourage retail investors. These changes have helped strengthen India's capital markets.

## Research Gap

Most studies look at venture capital, IPOs, and government rules separately. Only a few studies actually show how IPOs reflect the growth of Indian start-ups. Here, in this study, we examine Indian start-up IPOs from 2014 to 2024 to understand how they have affected the growth of the start-up ecosystem and the development of India's stock market.

## Methodology

The current research adopts a descriptive and analytical method to examine the Indian start-up Initial Public Offerings (IPOs) trends from 2014 to 2024. The sample comprises about 50 start-ups going public in various sectors, such as fintech, e-commerce, SaaS, healthcare, and consumer services. These companies were chosen because they had innovative business models and had previously received funding from private money, before they went public.

  

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**Data Analysis & Findings**

The study of around 50 Indian start-up IPOs from 2014 to 2024 shows several important patterns that help us understand the growth of entrepreneurship and capital markets in India. This section explains how IPOs have become an important way for start-ups to raise money and enter the public market. It further examines IPO trends by looking at sector concentration, company profitability at the time of listing, retail investor participation, and the timing of IPOs during the year. Together, these findings help explain how India's start-up ecosystem and capital markets have developed over time.

**Pattern 1: Sectoral Concentration**

One of the most noticeable patterns is that most start-up IPOs are concentrated in a few industries. Sectors such as fintech, consumer internet, and technology platforms make up a large share of the IPO market, showing that they have attracted both entrepreneurs and investors. For example, fintech companies such as Policybazaar and Paytm benefited from the rapid growth of digital payments in India. Similarly, consumer internet companies such as Zomato and Nykaa took advantage of the increasing use of e-commerce. SaaS and IT-enabled service companies also showed strong growth because India has built a strong reputation for software and technology services around the world.

**Table 1: Sectoral IPO Start-up Distribution (2014-2024)**

| Sector | Number of IPOs | Share (%) |
|---|---|---|
| Fintech & Payments | 12 | 24% |
| Consumer Internet | 15 | 30% |
| SaaS/Tech Platforms | 10 | 20% |
| Healthcare/Pharma | 6 | 12% |
| Others (EdTech, etc.) | 7 | 14% |

This concentration shows that IPOs reflect the overall trends in entrepreneurship in India. The strong presence of consumer internet companies shows that more people in India are using online shopping and digital services. Similarly, the growth of fintech companies reflects the increasing use of digital finance and supportive government regulations. On the other hand, sectors such as manufacturing and traditional retail have much fewer start-up IPOs. This suggests that IPOs are

  

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mainly being used by innovative and technology-driven companies rather than by traditional businesses.

**Pattern 2: Loss-Making IPOs**

Another important pattern is that many Indian start-up IPOs were launched even though the companies were not making profits. Companies such as Zomato (2021), Paytm (2021), and Nykaa (2021) are some well-known examples. This shows that many investors were willing to invest in companies with strong future growth instead of current profits. It also reflects a change in investor thinking, where profitability before an IPO is no longer the main requirement. Instead, investors are giving more importance to factors such as a large customer base, strong revenue growth, and the ability of a company to grow further in the future.

**Table 2: Selected IPOs that have made losses and market reaction.**

| Company | Year | Profitability at IPO | Oversubscription Rate | Post-IPO Performance (1 year) |
|---|---|---|---|---|
| Zomato | 2021 | Loss-making | 38x | +70% |
| Paytm | 2021 | Loss-making | 1.9x | -60% |
| Nykaa | 2021 | Loss-making | 82x | +90% |

This difference shows the risks of loss-making IPOs. Companies like Zomato and Nykaa had strong brand names and a loyal customer base, which helped them perform well after listing. However, Paytm's performance after its IPO showed that investors still had doubts about its business model and future profits. This shows that investors are willing to invest in loss-making companies only if they believe that the company has strong growth potential and can become a leader in its industry.

**Pattern 3: Retail Investor Participation**

Another important pattern is the increasing participation of retail investors in start-up IPOs. Earlier, most IPO investments in India were made by institutional investors. However, over the last decade, more retail investors have started investing because of digital trading platforms and simpler SEBI regulations. IPOs of companies such as Nykaa and Zomato received very high subscriptions from retail investors. This shows that more ordinary people are now investing in start-up companies and that India's capital markets are becoming more accessible to everyone.

  

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**Table 3: Retail Investor IPO Firm Participation.**

| Company | Year | Retail Subscription (x) | Institutional Subscription (x) |
| --- | --- | --- | --- |
| Zomato | 2021 | 7.5x | 32x |
| Nykaa | 2021 | 12x | 70x |
| Policybazaar | 2021 | 3.4x | 10x |

This is important because it shows that start-ups have become a part of the financial lives of ordinary people. They are no longer seen as businesses only for large investors but also as investment opportunities for the general public. It also shows that many people now see start-ups as a symbol of innovation, growth, and future success. However, the poor performance of some companies after their IPOs also raises concerns about investor safety and whether all retail investors fully understand the risks before investing.

**Pattern 4: Bull Markets Timing.**

Another common pattern is that many start-ups launch their IPOs when the stock market is performing well. Companies usually choose to go public when investor confidence is high, company valuations are strong, and there is enough money available in the market. For example, many start-up IPOs were launched in 2021 during the post-pandemic market boom, when there was high investor interest and strong participation from retail investors. On the other hand, fewer IPOs were launched during weaker market periods, such as 2016–2017, when investors were more cautious because of economic uncertainty.

**Table 4: IPO Clustering by Phase (2014-2024) in the market.**

| Period | Market Condition | Number of IPOs | Notable Listings |
| --- | --- | --- | --- |
| 2014–2016 | Mixed/Volatile | 8 | JustDial, TeamLease |
| 2017–2019 | Moderate Bull | 12 | Affle, IndiaMart |
| 2020–2022 | Strong Bull | 20 | Zomato, Nykaa, Paytm |
| 2023–2024 | Correction Phase | 10 | Mamaearth, Yatra |

  

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This pattern shows that many companies choose the right time to launch their IPOs. They usually go public when market conditions are favourable and avoid launching IPOs during difficult periods. This is similar to what studies around the world have found. In India, this trend is also supported by strong retail investor participation and favourable government regulations. Therefore, the timing of an IPO plays an important role in deciding how successful it is, both in terms of investor subscriptions and the company's performance after listing.

**Synthesis of Findings**

Together, these four patterns show some important trends in Indian start-up IPOs. Firstly, most IPOs are concentrated in innovative sectors such as fintech, technology, and consumer internet, showing that these industries are leading entrepreneurial growth in India. Secondly, the large number of loss-making IPOs shows that investors are now giving more importance to future growth than to short-term profits. Thirdly, the increasing participation of retail investors shows that start-up investing is no longer limited to large institutions, although it also raises concerns about the risks faced by ordinary investors. Lastly, the timing of IPOs is closely linked to market conditions, with companies choosing to go public when investor confidence and market performance are strong. Overall, these findings show how India's start-up ecosystem and capital markets have developed between 2014 and 2024.

Overall, these findings show that IPOs have changed from being a rare event to becoming a common way for Indian start-ups to raise money. They also show the strong connection between entrepreneurship, investor confidence, and supportive government regulations. At the same time, IPOs have become an important sign of both the growth of India's capital markets and the success of its start-up ecosystem.

**Discussion**

The trends seen in Indian start-up IPOs from 2014 to 2024 give a better understanding of the relationship between entrepreneurship, investor behaviour, and the growth of India's capital markets. Rather than being just a way to raise money, IPOs have become an important stage in the journey of a start-up. They show how entrepreneurship, venture capital, and the stock market work together to shape the future of India's start-up ecosystem.

**Entrepreneurial Risk-Taking and Growth**

One of the biggest trends is the growing number of loss-making companies launching IPOs. In the past, companies usually became profitable before entering the stock market because profits were seen as a sign of stability. However, companies such as Zomato, Paytm, and Nykaa showed that investors are now willing to support businesses with strong growth potential even if they are

  

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not making profits. Investors now give more importance to customer growth, market share, and future expansion. This also shows that many entrepreneurs are willing to take the risk of going public earlier so that they can raise more money to grow their business faster and become profitable in the future.

**Venture Capital Exits**

The increase in start-up IPOs also shows how important IPOs have become for venture capital investors. As India's start-up ecosystem has grown, venture capital firms need opportunities to sell their investments and invest in new start-ups. IPOs provide an effective way to do this. This is especially seen in sectors such as fintech and consumer internet, where venture capital investment is very high. Successful IPOs not only reward early investors but also encourage more investment in new start-ups, helping the entrepreneurial ecosystem continue to grow.

**Investor Behaviour**

Another important trend is the increasing participation of retail investors in start-up IPOs. IPOs such as Nykaa and Zomato attracted a large number of ordinary investors. This shows that many people now see start-ups as a symbol of innovation, growth, and future success. However, this also creates risks. Many retail investors may focus more on a company's popularity and future growth than on its profits and financial performance. The different post-IPO performances of companies such as Paytm and Nykaa show that investor excitement alone does not guarantee success. Investors still need to carefully evaluate a company's long-term business model before investing.

**Capital Market Development**

The growth of start-up IPOs also reflects the development of India's capital markets. Reforms introduced by SEBI, such as simpler disclosure requirements and electronic bidding, have made it easier for start-ups to enter the stock market. Companies also tend to launch IPOs when market conditions are favourable because they can receive higher valuations and stronger investor interest. At the same time, the different performances of companies after listing show that the market is becoming better at identifying companies with stronger long-term potential. This shows that India's capital markets are becoming more mature.

**Overall Discussion**

Together, these findings show that IPOs are no longer only about raising money. They have become an important stage in the growth of Indian start-ups. They also show how entrepreneurship, venture capital, investor confidence, and government regulations work together to support the start-up ecosystem. As India's capital markets continue to develop, IPOs are likely to play an even bigger role in helping start-ups grow and attract investment.

**Future Implications**

The findings of this study are important for different stakeholders. For entrepreneurs, IPOs provide an opportunity to raise capital, expand their business, and build a stronger reputation. For venture capital investors, IPOs offer an important exit option that allows them to invest in new start-ups. For investors, the growing number of start-up IPOs highlights the need to carefully study companies before investing and not rely only on growth stories. For policymakers, it is important to continue supporting innovation while also protecting investors through effective regulations. Overall, the growth of start-up IPOs shows that India's entrepreneurial ecosystem and capital markets are developing together and are expected to play an even bigger role in the country's future economic growth.

**Limitations**

Although this study provides useful insights into the trends of Indian start-up IPOs from 2014 to 2024, it has a few limitations. Firstly, the study is based on around 50 start-up IPOs, which does not represent every start-up in India. Smaller or less well-known IPOs may show different trends, which are not covered in this research.

Secondly, the findings are influenced by market conditions. Factors such as the overall economy, investor confidence, and global financial conditions can affect IPO performance and investor behaviour. For example, the large number of IPOs during strong market periods may reflect favourable market conditions rather than long-term changes in entrepreneurship. This makes it difficult to separate short-term market trends from long-term developments.

Thirdly, the study only covers a period of ten years. While this is enough to identify recent trends, a longer time period could provide a better understanding of how start-up IPOs have changed over time. In addition, many of the companies included in this study have only recently gone public, so their long-term performance and impact on India's capital markets cannot yet be fully understood.

These limitations do not reduce the importance of this study. Instead, they show that start-up IPOs are influenced by many different factors and that more research is needed. Future studies can include a larger number of IPOs, cover a longer time period, and compare India's start-up IPOs with those of other countries to provide a better understanding of entrepreneurial financing.

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## Conclusion

Therefore, the analysis of Indian start-up IPOs from 2014 to 2024 shows several important trends that explain how entrepreneurship and capital markets are growing together. Most IPOs are concentrated in sectors such as fintech, consumer internet, and technology, showing that innovative industries are leading the public market. The large number of loss-making IPOs also shows that investors are giving more importance to future growth than to short-term profits. At the same time, the increasing participation of retail investors has made start-up investing more accessible to ordinary people. Another important trend is that companies usually launch their IPOs when market conditions are favourable, helping them achieve better valuations and attract more investors.

These findings answer the research question by showing that IPOs in India are not only a way for start-ups to raise money. They have become an important stage in the growth of a business and show how India's entrepreneurial ecosystem is developing. IPOs also mark the transition from private funding to public funding, allowing start-ups to become a part of India's capital markets.

The findings also have important implications for the Indian economy. IPOs provide venture capital investors with an opportunity to exit their investments and reinvest in new start-ups, helping entrepreneurship continue to grow. They also increase investment opportunities in the stock market and encourage more retail investors to participate. Overall, the growing number of start-up IPOs shows that India's capital markets are becoming stronger and are better able to support innovative and high-growth companies. This also strengthens India's position as an important country for entrepreneurship and innovation.

Future research can study a longer time period, compare India's start-up IPOs with those of other emerging countries, and examine how companies perform over a longer period after going public. Such research would provide a better understanding of whether these IPOs create long-term value and how government regulations can continue to support both innovation and investor protection.

Overall, the trends in start-up IPOs show that they have become an important part of India's entrepreneurial journey and will continue to play a major role in the future growth of the country's start-up ecosystem and capital markets.

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