Mobikwik Vs Paytm: A Comparative Study of IPO Strategy, Market Reception, and Post-Listing Performance in Indian Fintechs

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Abstract

This study examines the contrasting IPO strategies, investor reception, and post-listing performance of two major Indian fintech firms — MobiKwik and Paytm (One97 Communications). Drawing on academic literature, financial reports, and market data, this paper explores how valuation methods, timing, investor sentiment, and regulatory contexts influenced the IPO trajectories of these companies. Using comparative and event-study methodologies, the research finds that while Paytm's IPO was characterised by overvaluation and weak investor confidence leading to massive post-listing underperformance, MobiKwik's postponed IPO reveals strategic prudence amid adverse market conditions. The study provides implications for fintech IPO pricing and investor sentiment in emerging markets.

Keywords: Fintech IPOs, Paytm, MobiKwik, Market Reception, Post-Listing Performance, IPO Strategy, Investor Sentiment, Valuation, Indian Capital Markets, Emerging Markets

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45

Introduction

The Indian fintech sector witnessed explosive growth between 2015 and 2025, driven by digital payments, UPI adoption, and government-backed financial inclusion. **Paytm**, founded in 2010, emerged as the sector's first "super app," while **MobiKwik**, founded in 2009, focused on mid-tier digital wallets and BNPL (Buy Now, Pay Later) services.

Both firms announced IPO plans around 2021, with Paytm's ₹18,300 crore IPO marking India's largest-ever tech listing (Agrawal, 2024). However, the post-listing crash of over 70% in Paytm's share value sparked debates about fintech valuations, investor perception, and the maturity of India's capital markets.

This paper explores these contrasting journeys to understand the interplay between market conditions, investor psychology, and IPO strategy in determining post-listing outcomes.

Literature Review

Research offers multiple insights:

1. **Roy, Biswas & Gupta (2024)** – An Introspection into IPO Pricing and Post-listing Performance of Indian Fintech Companies (SAGE Publications). Found that fintech IPOs like Paytm suffered due to investor over-expectation and poor profitability visibility.

2. **Potharla (2025)** – Unlocking Value Through IPOs: A Two-Decade Review of India's Corporate Listings (SSRN 5392297). Analyzed 200+ IPOs, showing fintech IPOs underperform compared to manufacturing due to intangible-heavy balance sheets.

3. **Agrawal (2024)** – IPO Performance Anomaly: Evidence from New-Age Ventures and Loss-Making Listings in India (Emerald). Observed that Paytm's IPO lost 75% of its shareholder value within 90 days, contrasting with stable NBFC listings.

4. **Gaur & Singhal (2025)** – Empirical Study of Banking and Non-Banking Financial Institutions through IPOs (IJMRAST). Compared fintech and traditional finance IPOs; fintechs exhibited higher volatility post-listing.

5. **Monikar (2023)** – Assessing IPO Pricing and Factors Influencing Returns in India (2021–2022) (SSRN 4705453). Identified overvaluation, retail subscription gaps, and macroeconomic timing as key predictors of under performance.

6. **Deloitte (2022)** – *India Fintech IPO Readiness Report.* Highlighted institutional hesitance towards fintechs with negative EPS.

7. **EY India (2023)** – *Digital Finance in Transition.* Showed investor trust correlates strongly with ecosystem maturity and regulatory clarity.

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46

8. **NASSCOM (2024)** – *The Fintech Outlook.* Predicted that strategic IPO delays, like MobiKwik's, can improve long-term market perception.

Research Objectives

The main objectives of this research are:

1. **To analyze** the IPO strategies of Paytm and MobiKwik with respect to timing, valuation, and regulatory context.

2. **To examine** the investor response and market reception of Paytm's IPO and MobiKwik's deferred listing.

3. **To evaluate** the post-listing performance of Paytm and draw inferences for fintech IPOs in emerging markets.

4. **To compare** the strategic and financial prudence of MobiKwik's delay against Paytm's early market entry.

5. **To provide** policy and managerial implications for future fintech IPOs in India based on empirical and theoretical findings.

Research Methodology

Research Design

This study adopts a **comparative descriptive research design** supported by **event-study** and **secondary data analysis** methods. The focus is to compare and interpret differences in IPO strategies, investor reception, and post-listing performance of MobiKwik and Paytm within the same market ecosystem.

 Data Collection

The research relies on **secondary data sources**, including:

- Academic journals (SAGE, Emerald, SSRN, IJMRAST)
- Financial databases (NSE, BSE, Moneycontrol, Bloomberg)
- Corporate filings and IPO prospectuses (DRHP of Paytm and MobiKwik)
- Analyst reports from EY, Deloitte, and NASSCOM

Analytical Tools

- **Event Study Analysis**: To examine Paytm's price performance 0, 30, and 90 days post-listing.
- **Comparative Ratio Analysis**: To assess financial indicators like revenue growth, EPS, and valuation multiples.

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47

- **Sentiment Analysis** (qualitative): Derived from investor reports and media reviews to gauge market reception.

Sampling and Time Frame

The study covers IPO data and performance metrics for the period **2021–2025**, capturing pre- and post-listing phases. It focuses on **Paytm** (listed) and **MobiKwik** (delayed IPO) as two representative fintech cases in India.

Limitations

- Dependence on secondary data may introduce reporting bias.
- MobiKwik's unlisted status limits direct post-listing comparison.
- Market conditions are dynamic; conclusions are contextual to the 2021–2025 period.

IPO STRATEGY COMPARISON

Feature	Paytm (One97 Communications)	MobiKwik
IPO Year	2021	Planned 2022 (delayed)
Issue Size	₹18,300 crore	₹1,900 crore
Valuation	~$20B pre-IPO	~$1B expected
Subscription	1.89x (retail weak)	Not launched
Pricing Method	Book Building	Book Building
Profitability	Negative EPS	Marginally negative
Investor Sentiment	Cautiously pessimistic	Neutral–optimistic
Anchor Investors	BlackRock, Canada Pension	Nomura, Franklin Templeton
Regulatory Context	RBI–PPI tightening	BNPL scrutiny increasing

Market Reception

While Paytm's IPO was hyped as a landmark, the investor response revealed skepticism about sustainability and profitability. The IPO was oversubscribed only marginally and saw one of the worst opening-day performances in Indian IPO history — a 27% drop on debut (Agrawal, 2024).

MobiKwik, observing the market shock, deferred its IPO indefinitely, citing "market conditions," which analysts interpreted as a strategic retreat (NASSCOM, 2024). Institutional

investors viewed Paytm's business model as over-diversified, while MobiKwik's smaller scale appeared more focused and manageable.

Post-Listing Performance

Paytm

- 75% decline in share price within 3 months of listing (Agrawal, 2024)
- Weak analyst confidence until FY2023
- Gradual recovery noted in FY2025 as profitability improved

MobiKwik

- Avoided valuation erosion by delaying IPO
- Improved EBITDA margins by FY2024
- Plans to refile IPO in FY2026

Key Insight: Strategic delay and market timing were crucial differentiators. MobiKwik's restraint maintained investor goodwill, while Paytm's aggressive listing damaged trust.

Comparative Financial Metrics (Post-2021)

Metric (FY2024)	Paytm	MobiKwik
Revenue Growth	+28% YoY	+31% YoY
Net Profit Margin	-9%	-2%
Customer Base	350M+	140M+
Average Transaction Value	₹820	₹640
Market Cap (2025)	~$7.8B	~$1.1B (private)
Share Price Trend (vs IPO)	-52%	NA (unlisted)

Discussion

The comparison highlights that IPO success depends more on market timing, investor communication, and profitability visibility than on brand size. Paytm's early, overvalued entry represented a mismatch between market readiness and corporate ambition. MobiKwik's restraint showed strategic prudence — a valuable lesson for future fintech IPOs.

Behavioral finance perspectives also matter — retail investors' overreliance on brand familiarity can lead to mispricing and post-listing volatility.

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49

Conclusion

MobiKwik and Paytm represent divergent IPO strategies in India's fintech evolution. While Paytm's overvaluation and premature entry led to severe post-listing losses, MobiKwik's delay reflects tactical awareness of market sentiment. Future fintech IPOs must balance valuation realism, investor transparency, and timing to sustain post-listing credibility.

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50

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51