

# Pop goes the listing

With gains halved and sentiment shaky, IPOs struggle to draw retail and HNI interest

SUNDAR SETHURAMAN

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The individual investor rush that drove public offerings (IPOs) last year is missing in 2025 — at least if application volumes are anything to go by. The first 28 IPOs this year have averaged just 1.22 million retail applications, down 35.5 per cent from the 1.9 million across 91 IPOs in 2024. High networth individual (HNI) participation has dropped as well, down 31 per cent per issue.

The drop-off began after January. Retail bids averaged 3.2 million that month but fell to just 780,000 between February and June. HNI applications shrank from 235,000 to 71,500 in the same period. Eight recent IPOs failed to attract even 10,000 HNI forms.

Market watchers link the pullback to underwhelming listing-day performance and the lack of big-name IPOs. “Retail investors usually enter IPOs for the listing-day pop. They track the grey market premium and make decisions accordingly. A Securities and Exchange Board of India (Sebi) study confirmed this. When the market is bullish, they expect gains — when it isn’t, they back off. Given the correction earlier this year, listing gains haven’t matched last year’s, which explains the drop in retail and HNI turnout,” said Pranav Haldea, managing director of PrimeDatabase.

A Sebi study from September 2024 showed that 42.7 per cent of shares allotted to retail investors were sold within a week. For HNIs, the figure was even higher — 63.3 per cent.

ILLUSTRATION: AJAYA MOHANTY



## The IPO deep freeze

Average retail and HNI forms plunge by more than 30% in 2025

Average no. of applications in IPOs

Year	Retail	HNI
2015	176,533	178
2016	443,060	572
2017	848,235	1,043
2018	515,399	766
2019	405,765	885
2020	1,277,053	3,792
2021	1,424,660	4,341
2022	566,178	19,470
2023	1,321,039	80,357
2024	1,886,784	144,044
2025*	1,217,125	99,042

\*As of July 10

Source: Prime Database

This year’s IPOs have delivered average Day One gains of just 13 per cent — less than half of last year’s 30 per cent. In several cases, investors have booked losses on debut.

The broader market has done

precious little to lift retail enthusiasm towards IPOs. A global selloff triggered by weak earnings, US tariff uncertainty, and foreign portfolio investor outflows dragged the secondary market lower. March became the first month in two years without a single IPO. Sentiment improved only after the US held off on tariff hikes and the Reserve Bank of India began cutting rates, triggering a 15 per cent market bounce from April lows. Fourteen IPOs were launched between May and June, raising ₹26,671 crore.

Some recent listings, including HDB Financial Services, Crizac, and Ellenbarrie Industrial Gases, have delivered healthy first-day gains, which bankers say could help revive interest. They also argue that while the application sizes are down, retail liquidity remains intact. “Retail participation persists, going by the contributions to systematic investment plans of mutual funds. That suggests IPO participation might also be strong. Applications may be lower, but their value is on a par with last year,” said Pranjal Srivastava, investment banking partner at Centrum Capital.