



# FINANCIAL EXPRESS

LISTING GAINS DECLINE TO JUST 8.4% THIS YEAR

## Retail participation in IPOs sees sharp dip

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THE PARTICIPATION OF retail investors in the initial public offerings (IPOs) has moderated from last year, as average gains made at the time of listing have significantly fallen from the past two years.

The average subscription of retail investors' quota of the 75 companies listed so far in calendar year 2025 has fallen to 26.99 times from 33.71 times in 91 companies listed in 2024, according to data from Prime Database.

The listing gains have also slipped significantly. The average listing gain in 2025 stands at a mere 8.41% compared to 29% last year and 27% in the year before.

Pranav Haldea, managing director, Prime Database Group, said the strategy of most retail investors is to capture the listing pop and they track the grey market to capture that. He said the broader secondary market has been showing signs of recovery in the past week, clarity on the US deal and any positive news flow will aid listing gains going forward.

His advice is to invest in IPOs for the long-term as they give opportunity to diversify

### MODERATE PARTICIPATION

	2023	2024	2025 (so far)
No of IPOs	57	91	80
Total issue size (₹ crore)	49,436	159,784	120,668
Average listing gain (%)	26.8	28.9	8.4
Average retail subscription in times	24	33.7	27



into newer sector businesses at the early stage. Six of 10 companies listed in the first 10 days of October have made either 0% or negative returns of up to 39% listing.

The companies which defied this trend in 2025 are Urban Company with listing gain of 56.31%, Highway Infrastructure (67%), and

GNG Electronics (48%).

A latest Bernstein report noted that while many assume tech startups are dominating, the facts show otherwise: Most IPOs, by company count rather than deal size, are in traditional sectors with industrials leading the numbers.

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THOUGH A FEW names from fintech, consumer tech, and D2C brands have tapped the markets, these new-age businesses are still a minority (~16%) in the IPO universe, it added.

Its analysis of stocks listed in the past 21 months show that the broader performance excluding listing gains has been rather underwhelming, with an average of 4% over half the stocks having given negative returns. "This under-

scores the persisting weakness in secondary markets, especially since the second half of last year - and most of the stocks in our list have listed since that period, so it's an important distinction to look at," the report said.

Over the last six months, while these stocks have outperformed Nifty 50, by rising 19% as against the latter's 7%, the brokerage said this stems from 12 high performers which have risen more than

80% since listing out of which 9 have risen 100%.

On listing gains it said, the 161 IPOs that have listed so far over the last 21 months have delivered an average of 22% listing gains, with over 53% of these having given double-digit gains.

Interestingly, it appears that the FII outflows have spiked during periods of heavy IPO activity, which suggests that institutions aren't sticking long to securities in the sec-

ondary markets once they make gains in the primary issues," it said.

The brokerage also found out that the lower the issue size, the better is the average return upon listing. "For size below \$20 million, we see almost 40% returns, while it is 31% for listings targeting \$20-40 million funds, the least successful have been the \$1bn+ IPOs, which have delivered only 9% returns on an average," it said.