

# Retail investors seize IPO spotlight

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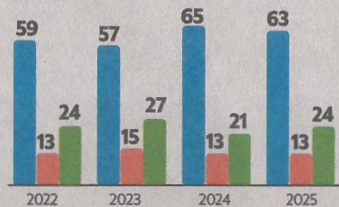
MUMBAI

## Retail surge

While HNIs contribute to IPO demand, retail investors are powering the expansion.

Investor categorywise allotment share, as % of total issue size

■ Qualified institutional buyers  
■ High-net-worth individuals  
■ Retail



Note: 2025 data is till 30 November

## IPO pipeline

Number of issues Amount (₹ trillion)

Issues approved and valid 88 1.23

Issues filed and awaiting Sebi's approval 110 1.53

Source: Primedatabase.com

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features a larger and more competitive issuance pipeline, the volume of retail money poured into the market shows the bullish sentiment.

Market participants believe this turnaround is being driven by a mix of stronger deal quality and better pricing.

"Retail participation has rebounded sharply because Indian IPOs continue to offer reasonably priced opportunities with strong near-term return potential," said Bhavesh Shah, managing director & head - Investment Banking at Equirus Capital.

"Retail investors tend to be momentum-driven and look for quick listing gains rather than long-term compounding, and strong institutional demand gives them additional confidence."

But as the calendar flips to 2026, will this surge in retail participation intensify? The outlook appears tempered,

particularly with a wave of large tech companies preparing to tap the market—firms that typically offer a much lower retail quota than the standard 35%.

"One key reason behind this trend has been the tech IPOs, where retail reservation is typically lower than the standard 35 per cent. Given the significant pipeline of such issues in 2026, this will have an impact on overall retail participation next year as well," said Pranav Haldea, managing director at Prime Database.

Yet the enthusiasm is here to stay as analysts believe the retail revival is not only about short-term excitement but a more fundamental behavioural change is underway on how Indian households manage their savings.

According to Ravi Singh, chief research officer at Master Capital Services, the shift reflects the continuing financialisation of savings. "Retail investors increasingly view

equities as a core asset class, and this structural trend means participation is likely to rise across every segment of the market over time," he said.

While retail surged, high-net-worth individuals (HNIs) held steady. HNIs accounted for 13% of IPO allotments in both 2025 and 2024, in line with their shares in 2022 and slightly lower than 15% in 2023.

In absolute terms, HNIs received ₹19,724 crore this year—almost identical to the ₹20,050 crore allotted in 2024, but far above the weaker levels seen in 2023 (₹7,282 crore) and 2022 (₹7,629 crore).

This suggests that while HNIs remain an important part of IPO demand, they are not driving the expansion of the market like retail investors are.

Participation from qualified institutional buyers (QIBs) has softened slightly. QIBs absorbed 63% of IPO allotments in 2025, down from 65% last year but still higher than in 2023 and 2022.

In absolute numbers, QIBs were allotted ₹96,357 crore—just below the ₹1 trillion distributed last year.

But the decline is not significant, according to Haldea.

"I don't think we should overstate this difference—it will likely stay in the 63–65% range," he said. "There could be some fluctuation because, even with tech issues that have lower retail allocation, any unsubscribed retail portion can still be absorbed by QIBs. I don't expect that to move drastically."

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**The rebound follows a subdued 2023, when retail absorption was around ₹13,553 crore across 57 issues**

As total fundraising through initial public offers barrels towards a record high in 2025, the definitive trend is of the impressive rise of the retail investors this year—climbing to nearly a quarter of allotments in such share sales.

Marquee IPOs from Aequus, Meesho, Vidya Wires and Wakefit Innovations—along with upcoming issues from NephroPlus and Corona Remedies—are set to push total fundraising past ₹1.61 trillion across 97 deals this week, overtaking last year's ₹1.59 trillion from 91 issues. More IPOs are lined up for the rest of the month, making it almost certain that the calendar year will end with an even bigger bounty for companies making debut.

Retail allotments now command a 24% share in the amounts raised this year, a surge from 21% recorded in 2024, according to Prime Database. Though this remains lower than a retail share of 27% in 2023 when ₹49,435.5 crore were raised.

This year, retail investors were allotted ₹36,431 crore across 93 IPOs. This figure marks their highest capital absorption in three years, comfortably eclipsing the ₹32,957 crore received in 2024.

The rebound follows a subdued 2023, when retail absorption was around ₹13,553 crore across 57 issues, after having stood at ₹14,034 crore across 40 issues in 2022. While 2025