



# HNI demand didn't save them: 12 heavily subscribed IPOs of 2025 are still underwater

By Nikhil Agarwal, ETMarkets.com Last Updated: Dec 23, 2025, 11:02:00 AM IST

## Synopsis

India's IPO market is facing a harsh reality check as nearly half of the 102 listings in 2025 are trading below their issue price. Even strong demand from High Net Worth Individuals (HNIs) failed to protect 12 heavily subscribed IPOs, which are now underwater, highlighting issues beyond subscription frenzy.



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India's 2025 IPO market has seen a significant reality check, with nearly half of the record 102 listings trading below their issue price.

India's **IPO** bonanza has turned into a bruising reality check. Despite a record ₹1.75 lakh crore raised across 102 listings so far in 2025, nearly half are trading below their issue price and even frenzied demand from sophisticated **HNI** investors offered no protection.

Twelve IPOs that saw over 100-times subscription from high net-worth individuals are still underwater, shattering the belief that aggressive HNI participation signals quality or fair pricing, shows data from Prime Database. Three retail-heavy issues with similar subscription fever have also slumped into the red.

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The damage is widespread: 47 of the 102 companies that debuted this year are now trading below their offer price, exposing the chasm between listing-day euphoria and sustained performance. For investors who chased the hype, the lesson has been expensive.

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Market participants point out that HNI participation in IPOs is often driven by leverage rather than long-term conviction. IPO allotments are based on a

lottery system and higher bids in the HNI category can increase chances of allotment. Many HNIs, therefore, fund their applications through short-term borrowing, aiming to capitalise on listing-day pops and quick exits, which turns IPO investing into a risk-reward trade on allotment and sentiment, not necessarily on fundamentals.

"The valuations are really high for some of the IPOs, so that is where you need to be even more cautious," Harsha Upadhyaya, Chief Investment Officer - Equity at [Kotak Mahindra](#) Asset Management Company told ET Markets. His warning comes with damning data: "If you do that analysis, hardly 10% of the companies from the listed space over the last five years have given positive returns" one year after listing.

Among the casualties are names that drew thunderous interest. Highway Infra, which pulled in 471-times [HNI subscription](#), has shed 12.5% from its issue price. [Indo Farm Equipment](#), subscribed nearly 500 times by HNIs, is down 11.3%. The losses deepen further down the list: [Laxmi Dental](#), despite 147-times HNI demand, has plunged 37.5%, while [Gem Aromatics](#) has been eviscerated with a 56.6% loss despite drawing 46-times HNI participation.

The retail story is equally grim. [Dev Accelerator](#) attracted 161-times retail subscription yet trades 27.9% below its offer price today.

"I do not understand why the excitement should be so high just because it is an IPO," Upadhyaya said bluntly. "In a good issue, anyways, the allotment is not going to be...everyone is not going to get an allocation. Even if you get an allocation, it is going to be a very small sum."

His skepticism extends to the fundamental approach many investors take. "Your strike rate is much lower in case of an IPO, but it gets exciting because suddenly some stock may go from Rs 100 to Rs 150 in a very short span of time. So people get excited."

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Market participants point to a toxic mix of stretched valuations, algorithmic allocation strategies, and shallow due diligence. Many issues were priced for perfection in a market awash with liquidity, delivering sharp listing pops before reality set in. Once the initial frenzy subsided, fundamentals, or the lack thereof, took over.

Sandeep C. Patil, Partner & Head of Asia at QED Investors, offered a framework for separating signal from noise. "In a record-setting year, investors, especially public-market allocators, need a simple lens to identify businesses that will build beyond the bell."

His three filters: profitability with durable unit economics, operational maturity with disciplined controls, and leadership that treats the IPO as a starting point rather than a finish line. "If leadership's primary skill becomes 'guidance management,' long-term shareholders will eventually leave," Patil warned.

The wreckage extends across sectors and sizes. [VMS TMT](#) has collapsed 45.8% from its issue price. [Glottis](#) is down 53.3%. [Arisinfra Solutions](#) has lost 43.4%. The carnage suggests that neither HNI firepower nor retail enthusiasm can compensate for fundamental mispricing.

Upadhyaya's counsel is stark: do the work. "Whether it is a secondary investment opportunity or a primary investment opportunity, I do not think the due diligence or the fundamental comfort that we need to have is going to change. In fact, on the primary issue, probably you need to have more due

diligence, more comfort because you do not have a track record of a public market company there."

For India's retail army, emboldened by years of rising markets and easy allocation, the message is sobering. Subscription multiples are not the go-to metric for judging an IPO. And in a market where nearly half the year's IPOs are nursing losses, caution may prove more valuable than FOMO.

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