

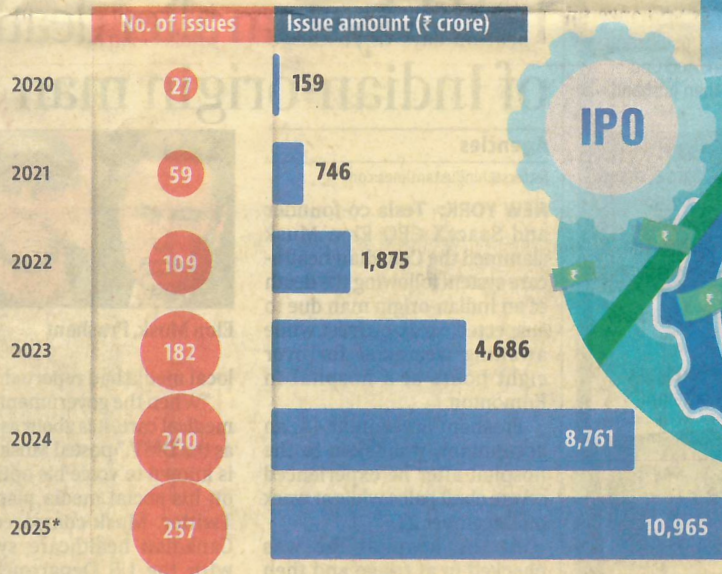
# SME IPOs: A high-risk bet for retail investors?

SME IPO fundraising hit a record in 2025, but experts warn against chasing listing-day gains

By Jash Kriplani  
jash.kriplani@livemint.com

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## Rising number of SME IPOs



\*as of 17 December 2025

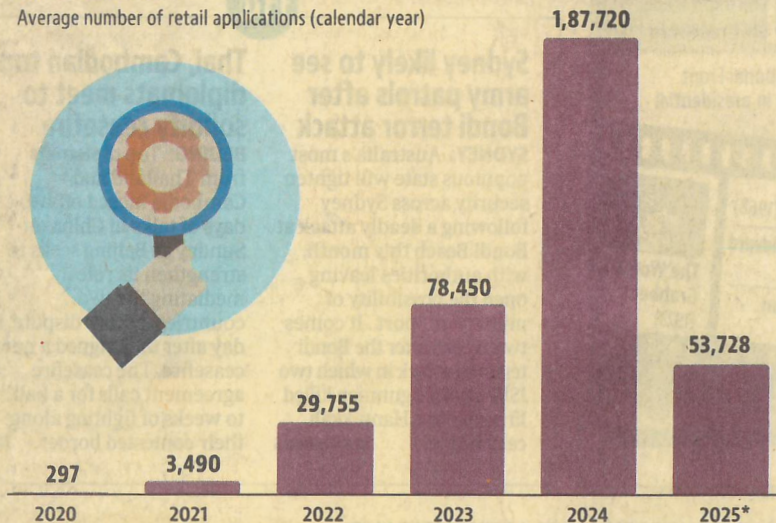
Note: Issue amount of nine companies is calculated on lower price band as final issue price was not yet clear at the time of data collation

Issue amount has been rounded-off

## Retail participation over the years

From July 2025, the minimum investment size for SME IPOs was raised to over ₹2 lakh, from the earlier ₹1 lakh.

Average number of retail applications (calendar year)



Source : primedatabase.com

\*as of 19 December 2025

**129**

Number of SME IPOs that are trading below their issue price after listing in 2025

## What to watch out for

- Lighter disclosure requirements compared to mainboard IPOs
- Financial results are only required to be disclosed half-yearly
- Operating profit eligibility is lesser than mainboard IPO

## Exit risks

- Company may not trade actively post-listing
- No single share trade possible, only lot sizes

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