DELHI - SUNDAY - AUGUST 9, 2026

₹12 • Pages 12 • Volume 5 • Number 220

www.thehindubusinessline.com/portfolio BlPortfolio Blportfolio BL Portfolio

the hindu businessline.

bl.portfolio

Technical analysis. **What you need to know about the spike in US Treasury yields**

BIG STORY P2

IPO watch. **Our take on LEAP, DTL, Molbio, Milky Mist public offerings**

TAKING STOCK P4 & 5

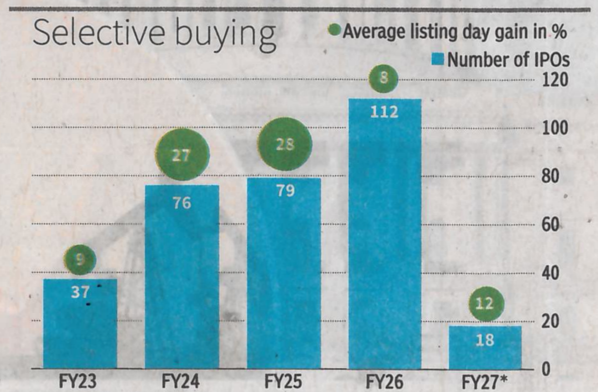
BENGALURU - CHENNAI - COIMBATORE - HUBBALLI - HYDERABAD - KOCHI - KOLKATA - MADURAI - MALAPPURAM - MANGALURU - MUMBAI - NOIDA - THIRUVANANTHAPURAM - TIRUCHIRAPALLI - VIJAYAWADA - VISAKHAPATNAM

RNI No. UPENG/2022/86886

Retail participation in IPOs turns lacklustre as investors eye quality over listing gains

MODERATE DEMAND. Only five of 12 issues in July saw double-digit retail oversubscription; six recorded single-digit demand

Suresh P Iyengar
Mumbai



*As of July-end Source: Axis Capital

Notwithstanding the early signs of a revival in the primary market, retail participation in initial public offerings (IPOs) has remained lacklustre as investors have focussed on the quality of issuances over the lure of listing day gains.

Of the 12 issues that hit the market in July, the retail portion of only five was subscribed in double digits, while six companies registered single-digit subscription.

Retail participation in an IPO refers to individual investors applying for shares of up to ₹2 lakh in mainboard issues. Mainboard IPOs typically reserve at least 35 per cent of the net offer for retail individual investors.

The retail portion of the ₹9,275-crore Manipal Health Enterprises — the second biggest issue this year, after SBI Funds Management — was undersubscribed as it received bids for only 93 per cent of the shares on offer.

The company recorded a listing day gain of 11 per cent.

The retail portion of the SBI Funds Management IPO of ₹9,812 crore was subscribed four times. It registered a listing day gain of 7 per cent.

The funds raised and the number of IPOs in July have been the highest so far in 2026 as sentiment in the secondary markets has bounced back. In all, 12 companies raised ₹28,646 crore last month, against seven companies mopping up ₹2,718 crore in June, according to data sourced from PRIME Database.

LISTING GAINS DIP

Pranav Haldea, Managing Director, PRIME Database Group, said retail investors primarily come in for listing gains, as corroborated by a SEBI study.

With the average listing gain falling from 30 per cent in 2024 to just 6 per cent in 2026, retail participation has dipped, as is also shown by the average number of IPO applications, which have declined from 18.86 lakh in 2024 to just 9.85 lakh in 2026.

"Investing for listing gains is a completely acceptable strategy. My only advice to retail investors, though, would be to exit even if the IPO lists at a discount, as they have not done any analysis on the long-term prospects of the company," he said.

INVESTMENT AVENUES

Uday Patil, Executive Director, PL Capital, said the lacklustre retail participation in IPOs can be attributed to weak post listing performance, higher valuations, availability of alternative investment opportunities, and macro-economic uncertainties.

"Valuation continues to be one of the primary concerns from the retail investors' perspective. Gone are the days when most IPOs were heavily oversubscribed only to benefit from listing gains," he said.

Gaurav Bhandari, CEO, Monarch Networth Capital, said the average listing gains have collapsed to 8 per cent last fiscal from 30 per cent in FY25, with median gains at just 3 per cent. Retail participation in India has always been a listing-gain game, not an equity-ownership decision. Moreover, issuers and bankers price in the entire next three years of earnings, leaving no margin for the buyer, he said.

Krishna Patwari, Founder and Managing Director of Wealth Wisdom India, said the SEBI data for June suggests that retail investors are becoming more selective and do not want to fund promoters' exit.

Mainboard IPOs raised ₹1,652 crore across just three issues, with about 60 per cent of the issues comprising Offers-for-Sale, he said.