

Retail Investors Skip Some IPO Parties Now

Turn more selective as focus shifts to expected listing gains, biz quality and valuations

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Mumbai: Retail investors are turning increasingly selective in the primary market this year. Data compiled by ET showed retail bidders did not even fully subscribe to the quota of stock earmar-

ked for them in nearly a third of the 42 mainboard share listings, while the equity portion dedicated to this category was fully subscribed in only 30 offerings.

Furthermore, only 16 of the 42 initial public offerings (IPO) of 2026 have seen retail subscriptions exceed five times the quota. That makes up 38% of issues, down

sharply from 63% in 2025, and 68% in 2024.

Retail bidders had fully subscribed to their allotted quota in all 50 IPOs of 2024 — and in 44 out of 49 issues (90%) last year. Even the median of retail bids on IPOs until mid-August has fallen to just 2.32 times the quota in the 42 cases, compared with an astonishing 17.59 times in the 45 IPOs of 2024 and 8.35 times in the 45 issues last year. “The selective approach of retail investors is a sign of a maturing market,” said Arka Mookerji, co-head of the equity capital markets, JSA Advocates & Solicitors.

The shift is particularly visible in the larger IPOs, where institutional demand has often far outpaced retail participation.

'SIGN OF MATURITY'

Companies with good corporate governance, absence of significant regulatory issues and a healthy growth story are rightly attracting more interest compared to unproven business cases, Mookerji said.

Measured Approach

Share of all issues, by number of times subscribed by retail investors (Jan-Aug each year)

	2023	2024	2025	2026
No of IPOs	20	50	49	42
<1x**	15.0	0.0	10.2	28.6
1-2x	0.0	6.0	14.3	19.0
2-3x	0.0	10.0	4.1	9.5
3-4x	5.0	8.0	4.1	2.4
4-5x	10.0	8.0	4.1	2.4
>5x	70.0	68.0	63.3	38.1

*All data is for mainboard IPOs until mid-Aug in all yrs; **Not fully subscribed



Source: Primedatabase.com, ETIG database

Grey Market Premiums

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Retail investors have also become more selective, with expected listing gains increasingly becoming an important consideration alongside business quality and valuations.

After seeing several IPOs deliver muted or negative listing returns, investors are looking for adequate “listing alpha” to justify the risk, said Bhavesh Shah, managing director & head-investment banking, Equirus.

With a crowded IPO pipeline, retail investors have the luxury of being selective and are concentrating their participation in issues where the combination of valuation, business fundamentals and expected listing returns looks attractive, Shah said.

Some of the biggest retail demand this year has come from relatively smaller offerings. MV Electrosystems, which raised Rs 290 crore, saw its retail portion subscribed 210.59 times. Advit Jewels’ Rs 165 crore issue was subscribed 92.98 times, while the Rs 110 crore Shree Ram Twis-tex issue attracted 72.84 times subscription. Bharat Coking Coal, Ardee Industries and Caliber Mining also saw retail subscription of more than 40 times.

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