SME IPOs

in India

Journey from 2012 to 2026



Evolution, Milestones, and Current Trends

SME IPO IN INDIA

JOURNEY FROM INCEPTION TO IMPACT

Empowering Small & Medium Enterprises to Raise Capital and Scale New Heights



WHAT IS AN SME IPO?

An SME IPO is a public issue of shares by Small & Medium Enterprises (SMEs) on the stock exchange with a simpler regulatory framework. It enables SMEs to raise capital, enhance visibility and fuel growth.

- Access to Capital
- Enhanced Visibility
- Credibility & Trust
- Growth & Expansion

Top Performing SME IPOs

- **Empyrean Cashew**: Delivered a record 633% return since its March 2022 listing.
- **Jayant Infratech**: Returned roughly 457% since July 2022.
- **Apsis Aerocom**: Surged 435% in post-listing rallies.
- **Baheti Recycling & TAC Infosec**: Notched long-term gains exceeding 800% to 1,600% from issue prices.

The **top 5 largest SME IPOs in India by issue size** are listed below:

Rank	Company Name	Issue Size (approx.)	Platform / Segment
1	Q-Line Biotech Ltd.	**₹214.48 Crore**	Healthcare / Medical
2	Danish Power Ltd.	**₹197.90 Crore**	Electrical / Power Equipment
3	KP Green Engineering Ltd.	**₹189.50 Crore**	Steel & Fabrication
4	Sahasra Electronic Solutions Ltd.	**₹186.16 Crore**	IT & Electronics Hardware
5	Anawil Wire & Engineering Ltd.	**₹177.81 Crore**	Power Engineering

The **5 smallest SME IPOs by issue size** (based on all-time low records tracked by historical databases like Chittorgarh SME Tracker) include:

Rank	Company Name	Issue Size (approx.)	Listing Date	Segment / Business
1	Kuberan Global Edu Solutions Ltd.	**₹1.06 Crore**	May 2021	Test Prep & Education
2	Shree Krishna Infrastructure Ltd.	**₹1.11 Crore**	Dec 2018	Infrastructure & Rental
3	Navigant Corporate Advisors Ltd.	**₹1.12 Crore**	Dec 2015	Financial Services / Advisory
4	Focus Business Solution Ltd.	**₹1.21 Crore**	Jul 2021	Debt Collection Services
5	Anondita Healthcare Ltd.	**₹1.25 Crore**	Aug 2020	Medical / Contraceptives

1. All-Time Worst Performers (Maximum Wealth Destruction)

Several SME IPOs have lost nearly **99% to 100%** of their entire value over time. The most severe structural collapses recorded on Indian SME platforms include: IPOPlatform +1

Company Name	Issue Price	Current Market Price (CMP)	Total Decline (%)
Rajnish Wellness Ltd.	₹95.00	~₹0.40	⭳ **~100%**
Sun Retail Ltd.	₹23.00	~₹0.31	⭳ **~99%**
Earum Pharmaceuticals Ltd.	₹36.00	~₹0.19	⭳ **~99%**
Rangoli Tradecomm Ltd.	₹207.00	~₹1.36	⭳ **~99%**
SecUR Credentials Ltd.	₹205.00	~₹1.56	⭳ **~99%**
Oyeeee Media Ltd.	₹40.00	~₹0.19	⭳ **~99%**

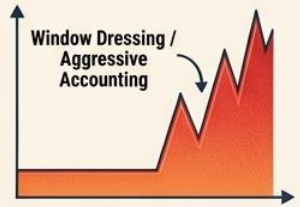
2. Biggest Immediate Listing-Day Losers

Historically, regulatory circuit filters limit how much a stock can drop on its debut day. The worst listing-day performances across recent calendar cycles saw massive hits right out of the gate:

- **Arunaya Organics Ltd.** — Listed at a **45.5% discount** below its issue price, making it one of the absolute sharpest single-day drops for an SME issue.
- **SSMD Agrotech India Ltd.** — Slipped heavily on its first day of trading, closing out with a **36.7% listing loss**.
- **MVK Agro Food Product Ltd.** — Debuted at a steep **34.1% discount** (Issue: ₹120 vs. Listing: ₹79).
- **Kalana Ispat Ltd.** — Debuted at a **31.6% discount** (Issue: ₹66 vs. Listing: ₹45.15).
- **Sham Foam Ltd. / Yashhtej Industries** — Opened at the maximum downward exchange band limit of **-20%** on listing day. Groww +2

RED FLAGS: WARNING SIGNS IN SME IPOs

ABRUPT FINANCIAL SPIKES



Unusually high revenue or profit growth just before the IPO.

EXCESSIVE RELATED PARTY TRANSACTIONS (RPTs)



High volume of loans, advances, or sales to promoter-controlled entities.

HIGH CLIENT/SUPPLIER CONCENTRATION



Over 70-80% revenue dependent on only one or two customers/vendors

UNJUSTIFIED HIGH VALUATION (P/E)



Asking for Price-to-Earnings multiples for exceeding established peers.

UNJUSTONEIINIGH AGPITOMS



Accounting firms ilter conveyon calondaa times starting the resfur the listing.

FREQUENT AUDITOR CHANGES



Changing accounting firms multiple times before the listing.

HIGH PROMOTER DEBT OR PLEDGED SHARES



Promoters with significant personal debt or highly leveraged holdings.

INVESTOR CAUTION: IDENTIFY THESE WARNING SIGNS TO AVOID WEALTH DESTRUCTION. ALWAYS CONDUCT THOROUGH DUE DILIGENCE.

Tamil Nadu SME IPO Subsidy

- The Government of Tamil Nadu provides financial assistance to reimburse public listing expenses for growing enterprises.
- **Max Limit:** Up to ₹30 lakh per eligible enterprise.
- **Coverage:** Reimburses up to 50% to 75% of actual eligible listing expenditures (depending on specific scheme provisions/backward region guidelines).
- **Disbursement:** One-time financial assistance after successful listing on BSE/NSE SME Exchange

Tamil Nadu SME IPO Subsidy - Eligibility Criteria

- **Sector:** Manufacturing and Service sector SMEs.
- **Location:** Enterprises set up in designated industrially backward blocks or across the state as per specific MSME policy updates.
- **Qualification:** Must meet formal listing criteria of BSE or NSE SME exchange.
- **Application Timeline:** Generally required to apply within 6 months of successful listing.
- **Eligible Expenses:** Merchant Banker Fees + Due Diligence Fees + Registrar and Transfer Agent (RTA) Fees + Peer Review Auditor Fees + Stock Exchange Fees and Listing Charges

STATE GOVERNMENT INCENTIVES ON SME IPOs IN INDIA

What SMEs Should Know Before Going Public



Several states provide **financial assistance to eligible SMEs** for raising equity through SME exchanges. The amount, eligible expenses and conditions vary by state.

SELECTED STATE INCENTIVES

KERALA

50% of eligible IPO expenses, up to **₹1 crore**

* Subject to applicable scheme conditions and government notification.



TAMIL NADU

75% of eligible listing expenditure, capped at **₹30 lakh**

* Subject to applicable scheme conditions and government notification.

MAHARASHTRA

50% of SME Stock Exchange listing expenses, up to **₹5 lakh**

* Subject to applicable scheme conditions and government notification.

GUJARAT

25% of eligible expenditure, up to **₹5 lakh**

* Subject to applicable scheme conditions and government notification.

WHY STATE INCENTIVES MATTER

- Reduce effective cost of going public
- Support for eligible IPO-related expenses
- Encourage transparency and formalisation
- Build investor confidence
- Strengthen growth and expansion plans

THINKING ABOUT AN IPO?

Check the latest state policy before planning your SME IPO. Incentive eligibility, eligible expenses, caps and application conditions vary by state.

Note: SME IPO incentives are state-specific and may change over time. Always refer to the latest government notification or policy.

GOING PUBLIC? EXPLORE THE OPPORTUNITIES.

Leverage state incentives, strengthen your business case and take a strategic step towards long-term growth.

SME IPO LISTING CRITERIA

KEY REQUIREMENTS FOR BSE SME & NSE EMERGE

CRITERIA	BSE SME	NSE EMERGE
PAID UP CAPITAL	Post Issue capital ≤ 25 Cr.	Post Issue capital ≤ 25 Cr.
NET WORTH*	≥ 1 Crore for 2 Preceding full FY	Positive
EBITDA	Positive in 2 out of 3 latest full FY	Positive in 2 out of 3 latest full FY
LEVERAGE RATIO	Maximum 3:1	NA
NET TANGIBLE ASSETS	≥ 3 Crore in last preceding FY	NA
TRACK RECORD	Min. 3 Years	Min. 3 Years

NOTE: All criteria are as per current exchange norms. Subject to change as per regulatory updates.

STRONG FUNDAMENTALS. STRONGER FUTURE.

CHALLENGES
FACED BY SME



- Absence of adequate and timely finance.
- Lack of information and awareness about funding sources.
- Absence of Skilled & Professional Manpower.
- Ineffective marketing and identification of new markets.
- Unavailability of suitable technology.
- Constrainits on modernization and expansions.
- Low production capacity
- Lack of required support from Governments which make SMEs ineffective competitor in International markets

Addressing these challenges is the key to unlocking the true potential of SMEs.

STRONGER SMEs.
STRONGER ECONOMY.

KEY PREPARATION FOR SME IPO

TRANSIQUE
YOUR TRANSACTION CATALYST



Essential Steps for a Successful Public Listing

01 Converting Proprietorship / Firm / Pvt. company to a Public Limited Company

02 Setting appropriate Capital Structure

03 Increase in Authorised Share Capital, as required based on post issue capital structure

04 Taking approval of Board of Directors and Shareholders of Company to approve issue of shares

05 Appointing 50% Independent Board (including 1 Woman Director)

06 Pre Issue due diligence

07 Restructuring of financials to align with longer term vision.

08 Restating Financial statements for the last 3 years through Peer Reviewed Auditors (Financials shall not be older than 6 months at the time of submission of Offer Document with stock exchange)

09 Getting the website of the Company functional

10 Getting Shares Demat

11

PLAN TODAY. PREPARE RIGHT.
LIST TOMORROW. GROW FOREVER.



SME IPO JOURNEY

TIMELINE OF MILESTONES

A DECADE OF GROWTH. A FUTURE OF POSSIBILITIES.

2012 — Launch of SME IPO platforms; first listings

2016 — 50+ IPOs annually, ₹500 crore raised

2020 — Migration of successful SMEs to mainboard exchanges begins

2023 — 125 IPOs, ₹2,333 crore raised

2024 — Record 197 IPOs, ₹6,124 crore raised

2025 — Peak 242 IPOs, ₹9,962 crore raised

2026 (YTD) — 259 IPOs, ₹11,712 crore raised

EMPOWERING SMALL BUSINESSES.
BUILDING A STRONGER INDIA.

SME IPO
MARKET SNAPSHOT
(2026)

A MARKET THAT'S GROWING. A FUTURE THAT'S BRIGHT.



Total SME IPOs:
1,440+

Total Capital Raised:
₹37,500+ crore

Average Issue Size:
Grew from **₹14 crore (2021)**
→ **₹45–47 crore (2025)**

Market Cap (NSE Emerge):
Crossed
₹1,00,000+ crore

FUELING ENTREPRENEURSHIP.
BUILDING A STRONGER INDIA.

SME IPO
ELIGIBILITY CRITERIA
(UPDATED)

STRONGER STANDARDS. GREATER OPPORTUNITIES.



01 Registered under **Companies Act**

02 Post-issue capital **≤ ₹25 crore**

03 Net worth **≥ ₹1 crore** (2 years)

04 Net tangible assets **≥ ₹3 crore**

05 Positive EBITDA in **2** of last **3** years

06 Promoter stability (no changes in last **1 year**)

07 Mandatory underwriting (**15%** by merchant banker)

08 Leverage ratio **≤ 3:1**

MEETING TODAY'S STANDARDS.
BUILDING TOMORROW'S LEADERS.

SME IPO
OVERSUBSCRIPTION TRENDS

Strong Demand. High Interest. Big Opportunities.



TOP IPOs OVERSUBSCRIBED 200–800x

200x TO 800x

EXAMPLE:

- Goldline Pharma (840x)
- Gabion Technologies (826x)

GOLDLINE PHARMA

GABION TECHNOLOGIES

RETAIL INVESTORS DRIVING DEMAND



LISTING GAINS OFTEN STRONG, BUT VOLATILITY HIGH.



HIGH INTEREST FUELS THE JOURNEY.
SMART INVESTORS NAVIGATE THE OPPORTUNITY.

GROWTH AHEAD

SME IPO
— FAILURES & RISKS —

HIGH REWARDS COME WITH REAL RISKS.





~35–40
IPOs **undersubscribed**
or collapsed post-listing





~60%
of IPOs (2024–25)
trade **below issue price**





CAUSES:

- Overvaluation
- Weak fundamentals
- Misuse of proceeds





SEBI TIGHTENED NORMS IN 2025

- Higher EBITDA thresholds
- OFS (Offer for Sale) caps
- Stricter disclosures & compliance





INVEST WISELY. ANALYZE DEEPLY.
NOT EVERY IPO IS A GOLDEN OPPORTUNITY.



TIMELINE: SME IPO IN INDIA – KEY MILESTONES



2012 — SEBI Introduces SME IPO Framework

SEBI (Issue of Capital and Disclosuse Requirements) Regulations, 2009 were amended to introduce Chapter IX – A for SME IPOs.

2012 (Dec) — BSE SME Platform Launched

BSE launched the SME Platform on 13th December 2012 – the first of its kind in India.

2013 (Mar) — NSE Emerge Platform Launched

NSE launched its SME Platform "NSE Emerge" on 10th March 2013.

2014 Onwards — Growing Participation

More intermediaries, market makers, and advisors entered the ecosystem. Awareness and adoption increased.

2017 — Reforms to Strengthen the Framework

SEBI introduced key reforms e.g., relaxation in profitability track record, alignment with Companies Act, differentiation of requirements.

2021 — Continuous Enhancements

Further relaxations and operational ease introduced to boost participation and simplify compliance.

2023 Onwards — Momentum & Expansion

Strong growth in listings, investor interest and capital mobilisation; SMEs increasingly choosing public markets.

DEVELOPMENT OF SME IPO IN INDIA

PERIOD	KEY DEVELOPMENTS
2012	• SEBI introduced the SME IPO framework. • BSE SME Platform launched on 13 Dec 2012.
2013	• NSE Emerge Platform launched on 10 Mar 2013. • SMEs got a dedicated platform for raising capital.
2014 – 2016	• Steady increase in SME IPOs. • More intermediaries and market participants joined the ecosystem.
2017	• SEBI introduced reforms to promote ease of doing business. • Relaxation in profitability track record • Alignment with Companies Act, 2013 • Increase in post-issue paid-up capital limit
2018 – 2020	• Growth in SME IPOs with improved market infrastructure and investor participation. • Greater awareness among SMEs.
2021 – 2022	• Further regulatory relaxations and simplifications. • Increase in issue size limits. • Stronger performance and investor confidence.
2023 – Till Date	• Robust growth in listings and capital raised. • SME IPOs becoming a preferrred choice for growth-oriented SMEs. • Focus on governance, transparency and long-term value creation.

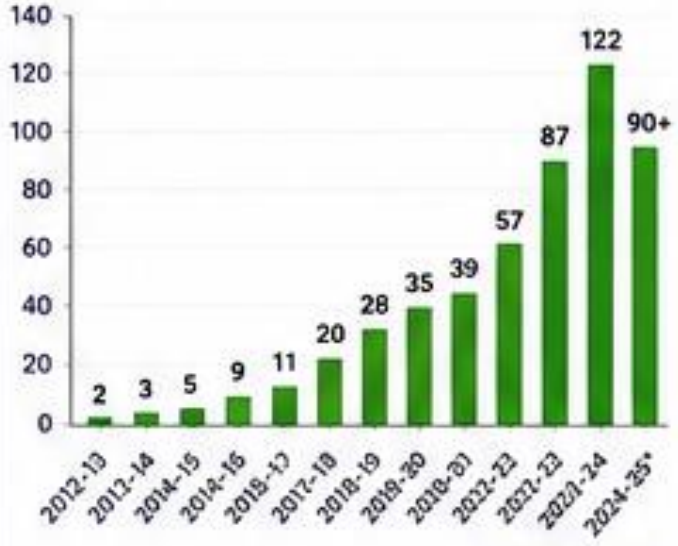
SME IPO – GROWTH AT A GLANCE

TOTAL SME IPOs
(2012 – Till Date)
500+

TOTAL CAPITAL RAISED
(2012 – Till Date)
₹ 10,000+ Cr

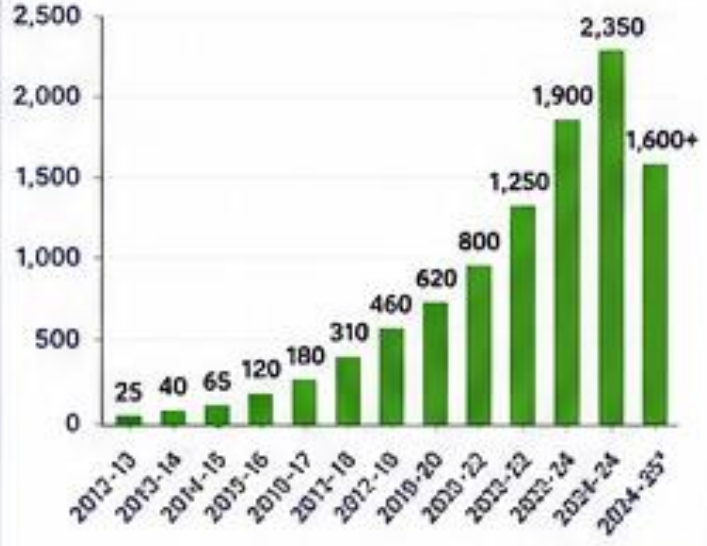
LISTED SMEs
(As on date)
400+

NUMBER OF SME IPOs OVER THE YEARS



*Till May 2026

CAPITAL RAISED (₹ IN CRORE)



*Till May 2026

KEY HIGHLIGHTS

- ✔ Consistent increase in SME IPOs over the years.
- ✔ Growing investor interest and confidence.
- ✔ SMEs leveraging public markets for sustainable growth.



KEY TAKEAWAYS

SME IPOs have created a strong capital raising avenue for emerging businesses.

Regulatory reforms and market infrastructure have played a key role in growth.

Increasing awareness, transparency and investor participation are driving the ecosystem.

SME IPOs are contributing to Make in India, Atmanirbhar Bharat and economic growth.



THE WAY FORWARD

Stronger governance and disclosures to build lasting trust.

Continuous hand-holding and capacity building for SMEs.

Broader investor participation and product innovation.

SME IPOs – Powering Growth, Creating Value and Building the Future.



SME IPO Platforms:
BSE SME vs NSE Emerge

Enclaro

BSE SME: The Balance Sheet Focus

Asset-Heavy Evaluation

- Mandates **Net Tangible Assets** of at least **₹3 Crore**

Strict Leverage Caps

- Caps Debt/Equity (leverage) ratio at a **maximum of 3:1.**

Profitability Track Record

- Requires distributable profits in 2 of the last 3 financial years.

Best For Stable Profiles

- Ideal for mature companies with stable balance sheets and traditional asset-heavy structures.

NSE Emerge: The Cash Flow Focus

Cash-Flow Quality Scrutiny

- Emphasizes **positive Free Cash Flow to Equity** (FCFE) in 2 of the last 3 financial years.

Promoter Experience Mandate

- Promoters need **3+ years of experience** in the same line of business.

Sustainability & Operating Profit

- Looks for positive operating profit and long-term operational sustainability.

Best For Predictable Growth

- Suited for high-growth firms with clean, predictable cash flows.

Strategic Advisory Insight

Strategy Over Procedure: Exchange selection is strategic. Eligibility is similar—evaluation focus is not.

The Choice Matters: Founders must align their business's core strength (Assets vs. Cash Flow) with the exchange's specific lens to ensure a successful listing.

SME IPOs
ELIGIBILITY CRITERIA

KEY REQUIREMENTS FOR LISTING ON SME EXCHANGE

SEBI (ICDR) Regulations, 2018 prescribe specific eligibility criteria for companies seeking to raise capital through an IPO on SME Exchanges.



ELIGIBILITY CRITERIA FOR SME IPOs

1. COMPANY TYPE

The company must be incorporated as a Private Limited Company under the Companies Act, 2013 (or earlier Act) and registered in India.

2. OPERATING HISTORY

The company must have been in existence for at least **3 years** as on date of filing the Draft Red Herring Prospectus (DRHP) with the Stock Exchange.

3. FINANCIAL TRACK RECORD

The company must have positive net worth in each of the immediately preceding financial years.
It must also have operating profit in at least **2 out of the 3** immediately preceding financial years.

4. NET WORTH

The company must have a net worth of at least **₹1 crore** as on the last day of the preceding financial year.

5. ISSUE SIZE

The Issue size (Fresh Issue + Offer for Sale) must be between **₹10 crore and ₹250 crore.**

6. COMPLIANCE HISTORY

The company must not have any application pending with SEBI or Stock Exchanges for **any major regulatory action.**

7. LITIGATION

There should be **no outstanding litigation** or legal action against the company, its promoters or its directors which may materially affect the operations or financial position of the company.

8. PROMOTER / DIRECTOR ELIGIBILITY

Promoters and Directors must **not be debarred** from accessing the capital markets and should not have been declared as wilful defaulters.

ADDITIONAL CONDITIONS

- The company must comply with the corporate governance norms as specified by the SME Exchange.
- The company must have a valid track record of compliance with statutory and regulatory requirements.
- The company and its promoters should have a clean track record.
- The issue must be underwritten in full by a SEBI registered merchant banker.

KEY POINTS TO REMEMBER

- SME IPOs are designed to help small and medium enterprises access public capital for growth.
- Meeting eligibility criteria is the first step towards successful listing on SME Exchanges.
- Compliance, transparency and good governance enhance investor confidence and market credibility.
- Ensure you meet all requirements and work with qualified advisors for a smooth IPO journey.



Note: The above criteria are as per SEBI (ICDR) Regulations, 2018 and may be updated from time to time. Please refer to the latest regulatory guidelines and consult your advisor.

Make your next move

THE BEST MOVE

