



TRANSIQUE
YOUR TRANSACTION CATALYST

SME IPO Opportunity & Trends

Till March 2026

Presented by: **Transique Corporate Advisors**



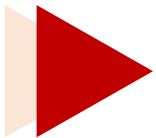
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Executive Summary – SME IPOs in India Till 2026

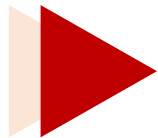
- A Public Limited Company (“Issuer”) can raise funds from the public by issuing its equity shares through an Initial Public Offer (SME IPO) on the SME segment of the nationwide stock exchanges, i.e., NSE EMERGE and BSE SME, subject to specified conditions.
- ~1,440 companies have raised INR ~37,407 Cr through SME IPOs (BSE SME/NSE EMERGE) from January 2012 to March 2026, across ~36+ industries.
- During the period April 2021 to March 2026, ~895 companies have been listed on SME stock exchanges and raised INR ~30,855 Cr, representing ~62% in number and ~83% in value of the total SME IPOs.
- Average size of SME IPOs has increased significantly to ~INR 47 Cr (recent period) from ~INR 6 Cr in 2020, indicating improved scale and investor appetite.
- Nearly ~360 companies have already migrated from the SME platform to the mainboard exchanges, demonstrating the growth and scalability of SMEs in India.
- After a breakout rally in SME IPO in 2024, the SME IPO landscape is being shaped by maturity, discipline, and stronger fundamentals. Investor expectations are sharper, regulations stricter, and only well-prepared companies are finding success. This marks the beginning of a healthier and more sustainable phase for India’s SME capital markets.
- What we are seeing now is not a slowdown, but a healthy reset. India’s SME IPO market is becoming more selective, resilient, and rewarding for well-prepared companies.





Benefits of SME IPO

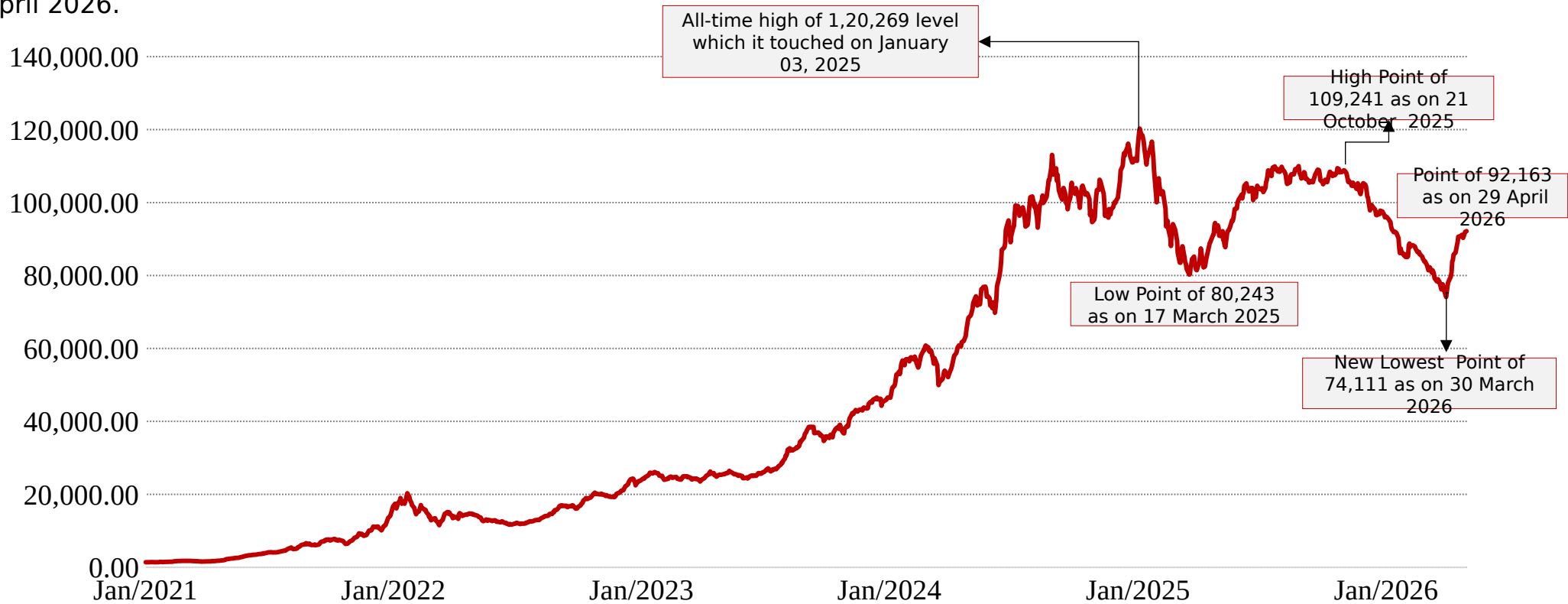
- Access to Equity capital and future financing opportunities
- Generates liquidity for Promoters
- Creates Exit Option for Investors
- No Loss of Control
- Unlocking Shareholders' Value and Wealth Creation
- Shares become Collateral Security for Financing and Currency for Acquisitions
- Repayment of High-Interest Borrowings
- Encourages growth of SME's
- Easier Listing Norms, Process, and reduced Timelines
- Only Stock Exchange approval is required, rather than SEBI approval
- 100% Underwriting of the Issue ensures the success of the IPO
- Relaxed Post Listing Compliances
- Reduced Tax Rate on Listed Shares
- QIB investors' interest in the SME IPO due to attractive Issue pricing
- Fair Value automatically assessed by Market, post Listing
- Enhanced Visibility, Credibility, and Awareness
- Recognition & Preferential Treatment
- Better Corporate Governance
- ESOP Benefits for Employee Retention and Attraction
- Possible Transition to NSE / BSE Mainboard subject to specified conditions.





Performance of SME Indices: Resilience & Confidence

The SME market has experienced significant volatility over the past year, with the index reaching an all-time high of ~1,20,269 in January 2025, before declining sharply to ~80,243 in March 2025 (~33% correction). It subsequently recovered to ~1,09,241 by October 2025 (~36% rebound from the low), but remained below peak levels. More recently, the index corrected again to ~74,111 in March 2026 (~38% decline from peak), before stabilizing around ~92,163 in April 2026.

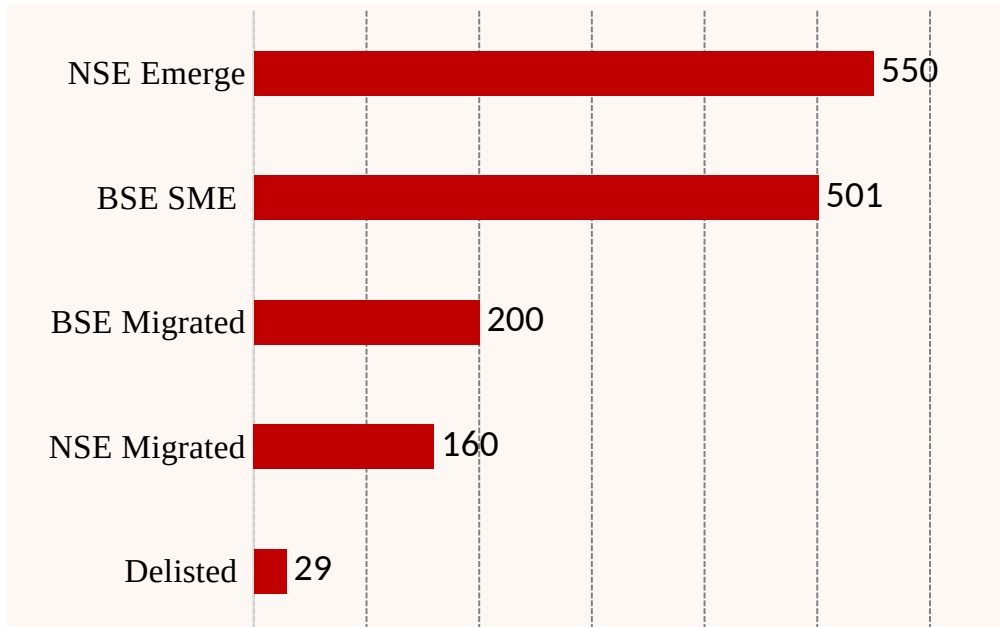




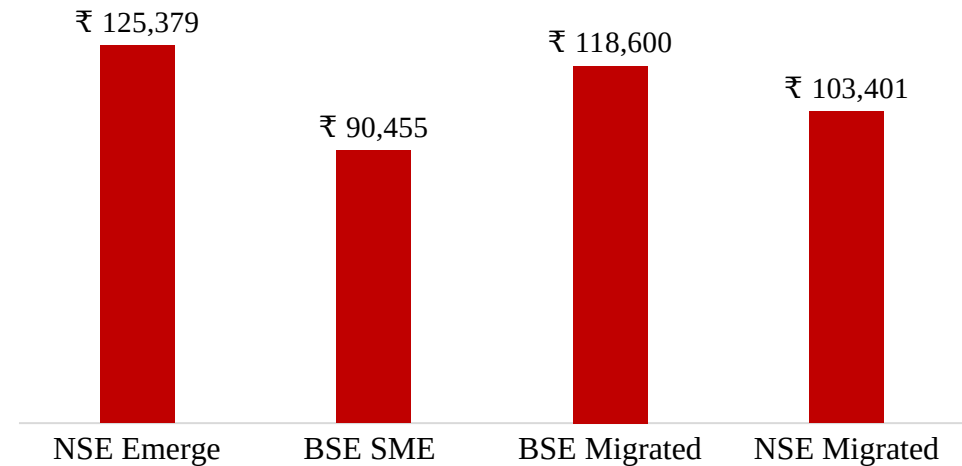
Key Statistics of Companies Listed at SME Stock Exchanges

As of 31 March 2026, ~1,440 companies are listed across SME exchanges, led by NSE Emerge (550) and BSE SME (501). Market capitalization is led by NSE Emerge at ₹1.25 lakh crore, followed by BSE Migrated and NSE Migrated segments, indicating strong post-listing value creation.

Total ~1440 Companies as on 31 March 2026



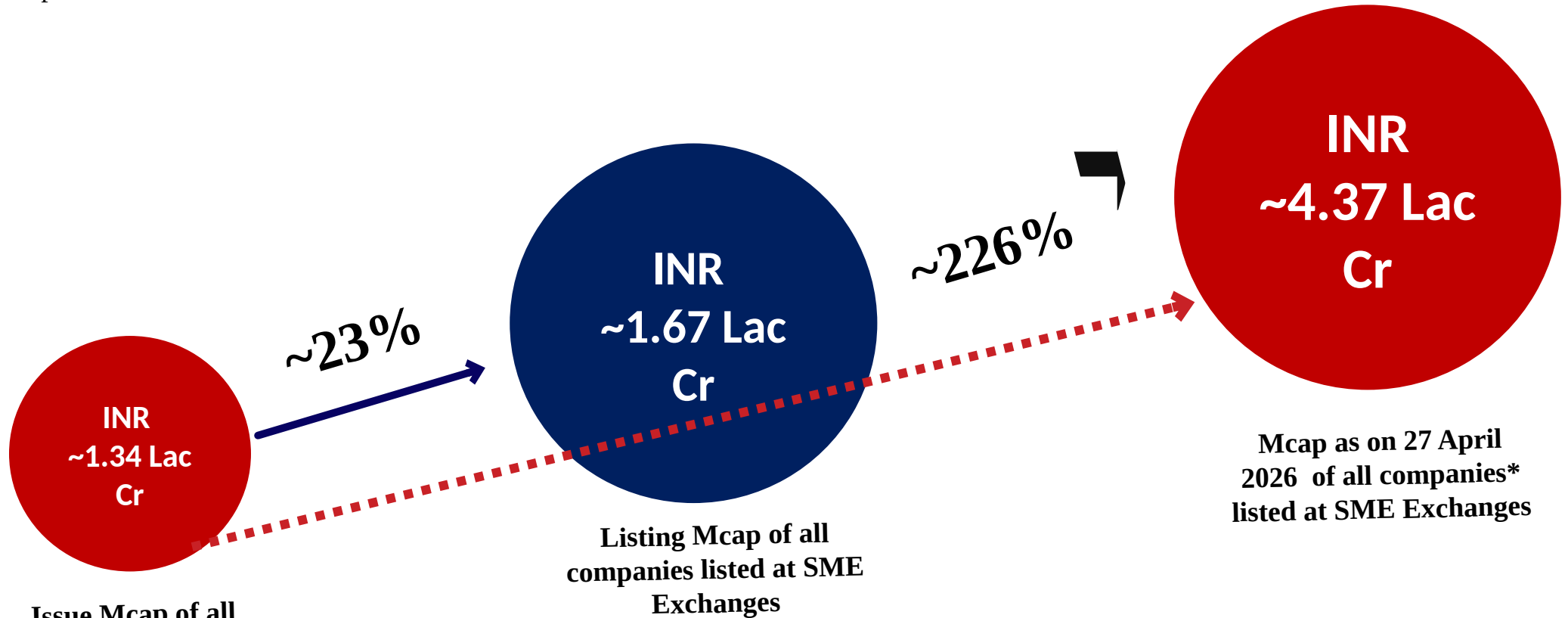
Market Cap of ~1440 as on 27 April 2026





VALUE CREATION through SME IPO

SME IPOs have demonstrated strong value creation, with market capitalization increasing from ~₹1.34 lakh crore at issue to ~₹1.67 lakh crore at listing, and further to ~₹4.37 lakh crore as of April 2026, representing ~226% growth over the issue market cap.



Issue Mcap of all companies listed at SME Exchanges

Listing Mcap of all companies listed at SME Exchanges

Mcap as on 27 April 2026 of all companies* listed at SME Exchanges

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SME IPO v/s Mainboard IPO (1/2)

	MAINBOARD IPO	SME IPO
Minimum Paid up Capital	INR 10 Crore	No Minimum Requirement, Max INR 25 Cr
Minimum Allottees	1000	200
Underwriting	Not Mandatory	100% underwriting (Min. 15% underwriting by Merchant Banker)
Market Maker	Not Mandatory	Mandatory for 3 Years
Regulatory Approval	By SEBI	By Stock Exchange
Net worth	≥ INR 1 Cr in each of 3 preceding FY	Positive for NSE SME ≥1 Crore for 2 preceding FY for BSE SME
Listing Time Frame	Approx. 18-24 months	Approx. 9-12 months

READ : [SME IPO ELIGIBILITY, PROCESS AND LEGAL ISSUES \(TRANSIQUE ANALYSIS\)](#)

Equity Fund Raising | IPO | M&A | Business Valuations | Transaction Advisory



SME IPO v/s Mainboard IPO (2/2)

	MAINBOARD IPO	SME IPO
Minimum Issue Size (in %)	25%	26.25% (25% + 1.25% Market Maker)
Issue Size (in Value)	Practically Issue Size is upwards of INR 200-250 Cr	Practically, Issue Size in upto INR 150-200 Cr
Track Record	3 Years	3 Years
Profitability	Min. Avg operating profit of INR 15 Cr in last 3 FY with operating profit in each of last 3 years	INR 1 Crore Positive EBITDA in 2 out of 3 FY
Post Listing Compliances (Financials & Shareholding)	Quarterly	6 Months
Migration to Mainboard	NA	After 3 Years or Where Post Issue Paid up Capital > INR 25 Cr., subject to meeting specified conditions

SME IPO Listing Criteria

BSE SME

NSE Emerge

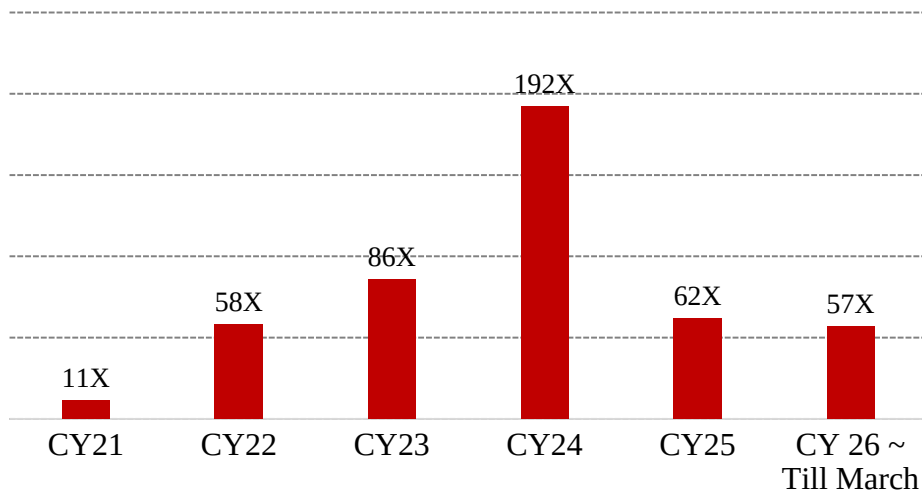
	BSE SME	NSE Emerge
Paid up Capital	Post Issue capital \leq 25 Cr.	Post Issue capital \leq 25 Cr.
Net Worth*	\geq 1 Crore for 2 Preceding full FY	Positive
EBITDA	INR 1 Cr. Positive in 2 out of 3 latest full FY	INR 1 Cr. Positive in 2 out of 3 latest full FY
Leverage Ratio	Maximum 3:1	NA
Net Tangible Assets	\geq 3 Crore in last preceding FY	NA
Track Record	Min. 3 Years	Min. 3 Years
Free Cash Flow to Equity (FCFE)	NA	Positive in 2 out of 3 years*



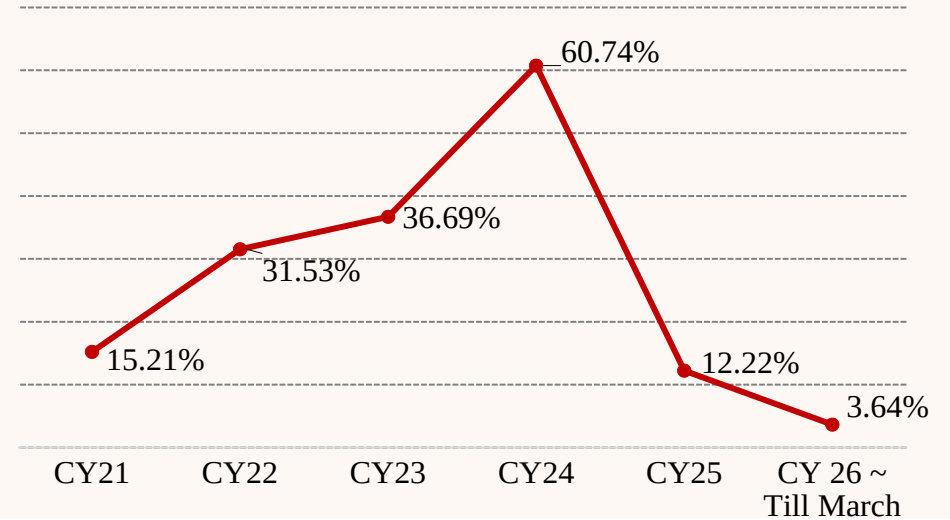
SME IPO Trends: Subscription Surge & Listing Gains

SME IPOs witnessed a sharp surge in investor participation, with average subscription increasing from 11x in CY2021 to a peak of 192x in CY2024, before normalizing in CY2025–26. Listing gains also followed a similar trend, peaking at ~60.7% in CY2024 and moderating thereafter, indicating a cooling-off phase post strong market exuberance.

Average SME IPO Subscription (x)



Average SME IPO Listing Gain (%)

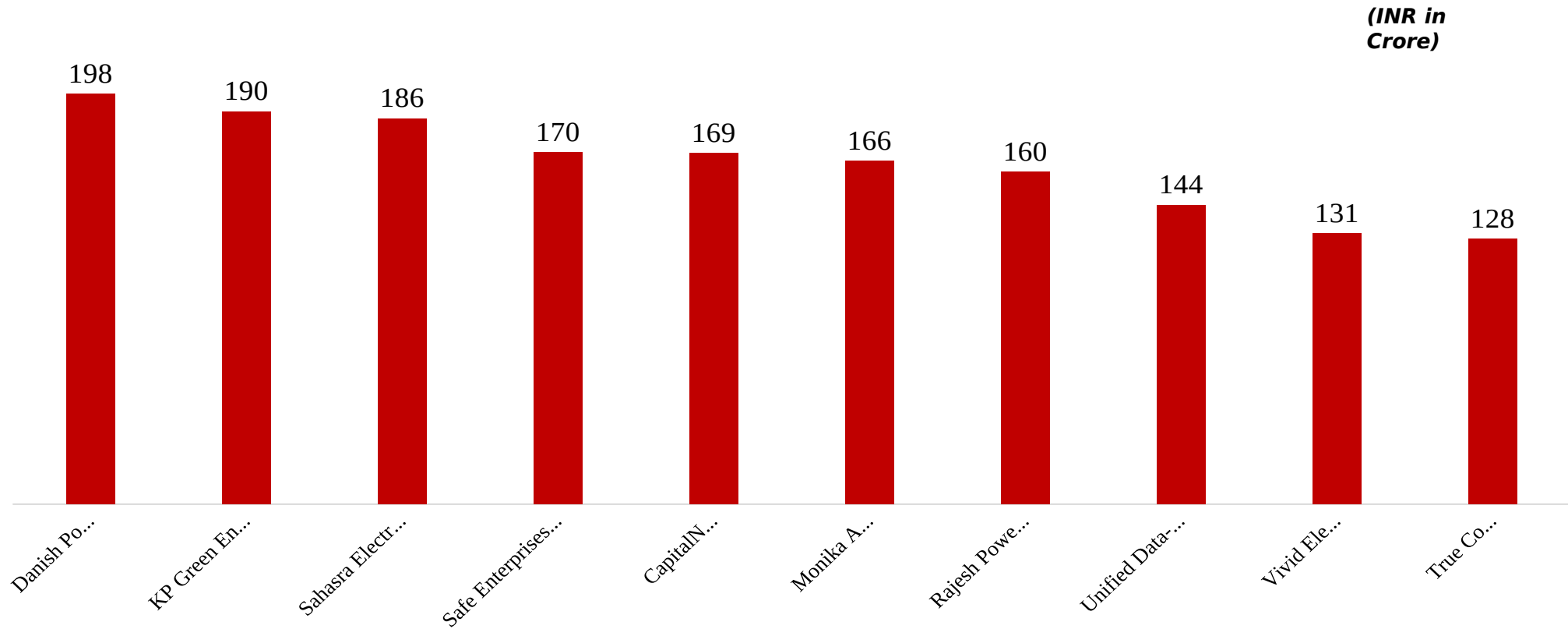


*CY – Calendar Year



Top 10 SME IPOs - By Issue Size (All years)

The top SME IPOs by issue size highlight strong capital-raising capability across diverse sectors, with issue sizes ranging up to ~₹198 crore. The presence of multiple companies above ₹150 crore reflects increasing investor confidence and the growing scale of SME offerings in India.



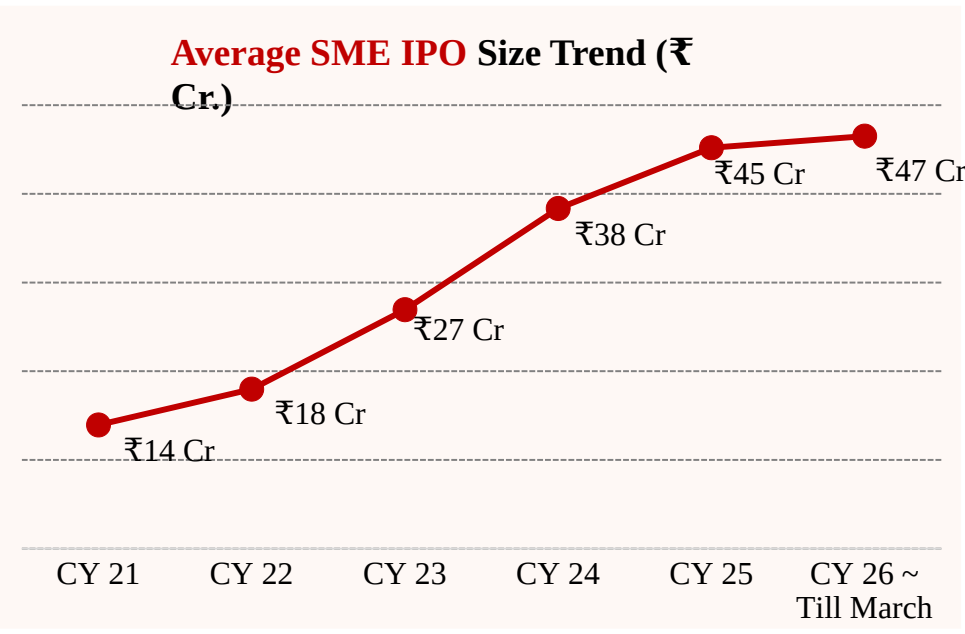
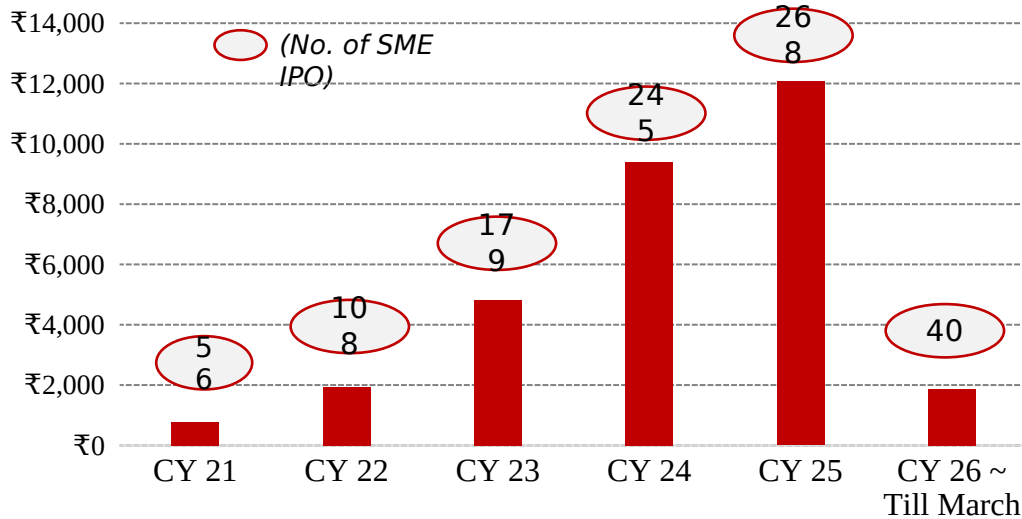


Equity Raised via SME IPOs

India's SME IPO market continues to demonstrate strong and accelerating growth, both in terms of capital raised and the number of listings. Total capital raised increased from ₹767 crore in CY 2021 to ₹9,396 crore in CY 2024, and further to ₹12,016 crore in CY 2025. As of March 2026, over ₹1,860 crore has already been raised, indicating sustained investor interest despite a lower number of issues (40 IPOs till March 2026 vs. 268 in CY 2025).

Alongside this, the average SME IPO size has expanded significantly. It has grown from approximately ₹14 crore in CY 2021 to ₹45 crore in CY 2025, maintaining similar levels (~₹47 crore) in CY 2026 (till March). This reflects an overall ~3.3x increase, with ~24% year-on-year growth in CY 2025.

The trend highlights a clear structural evolution in the SME IPO ecosystem - larger, more mature companies are tapping public markets, while investors are increasingly favoring scaled, fundamentally strong, and well-prepared issuers.



*CY - Calendar Year

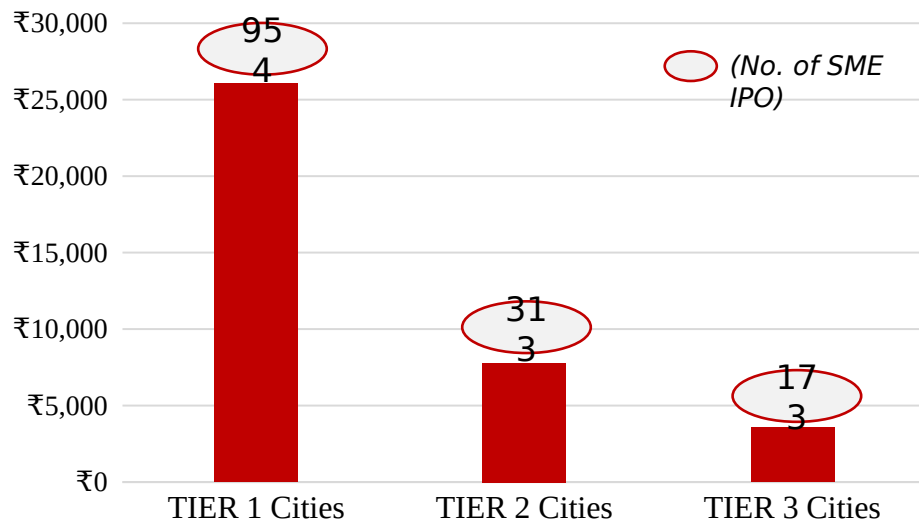


Tier & State-wise Distribution of SME IPOs (1/2)

Based on cumulative SME IPO data since 2012, Tier 1 cities continue to dominate the market, accounting for approximately 66% of total IPOs and 69% of funds raised, supported by the highest average issue size of around ₹27 crore.

Tier 2 and Tier 3 cities together contribute the remaining 34% of IPOs and 31% of total capital raised. The average issue size stands at approximately ₹25 crore for Tier 2 cities and ₹21 crore for Tier 3 cities. While deal sizes remain relatively smaller compared to Tier 1, the participation levels indicate a steady broadening of the SME IPO landscape beyond metropolitan centers.

Overall, the data reflects a structurally evolving ecosystem—anchored by Tier 1 cities in terms of scale and capital concentration, while Tier 2 and Tier 3 cities are emerging as meaningful contributors to growth and market depth across India.



Average SME IPO TIER wise(₹ Cr.)





Tier & State-wise Distribution of SME IPOs (2/2)

Since 2012, India's SME IPO market has remained geographically concentrated, with a small number of states accounting for the majority of listings and capital raised.

Maharashtra, Gujarat, and Delhi dominate SME IPO activity.

- **Maharashtra:** 414 IPOs (29%), ₹10,644 crore (29%)
- **Gujarat:** 378 IPOs (26%), ₹8,291 crore (23%)
- **Delhi:** 200 IPOs (14%), ₹6,131 crore (16%)

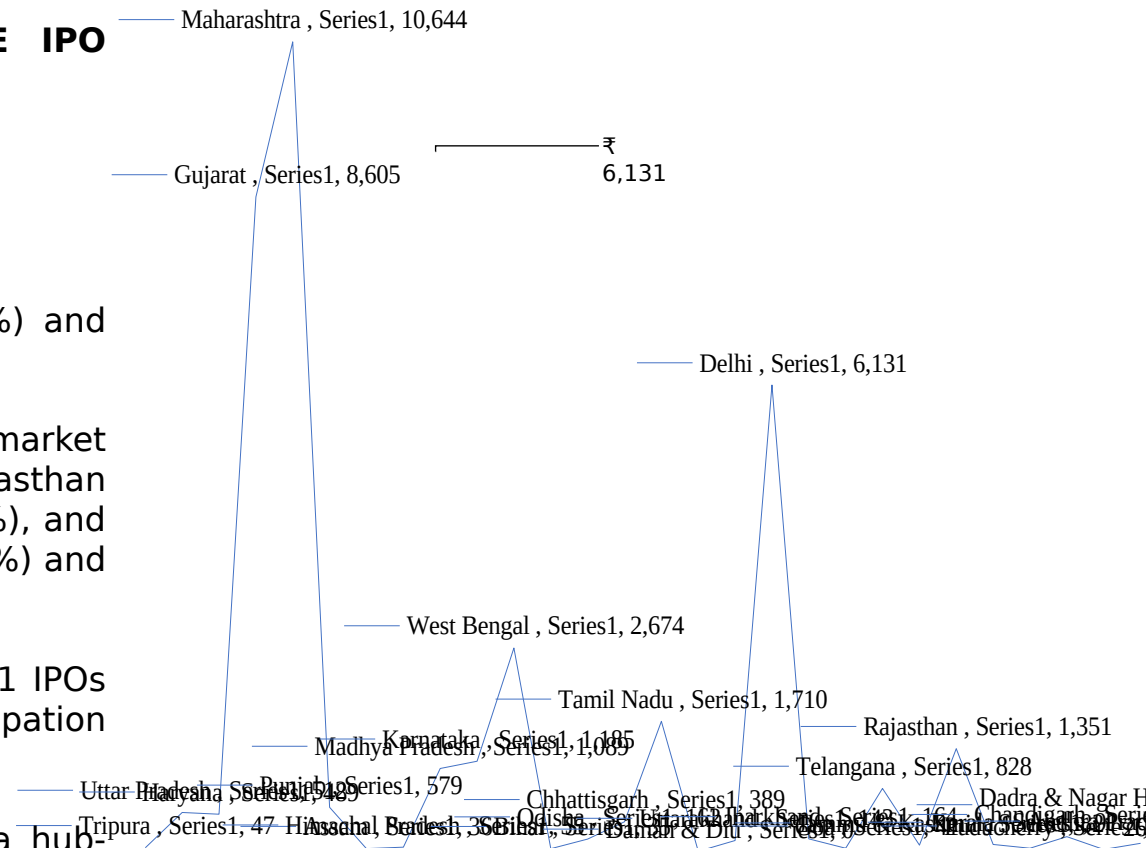
Together, these three states account for 992 IPOs (69%) and ₹25,380 crore (68%) of total capital raised since 2012.

A second tier of states contributes meaningfully to market breadth. West Bengal (6% of IPOs; 7% of capital), Rajasthan (4%; 4%), Tamil Nadu (3%; 5%), Madhya Pradesh (3%; 3%), and Karnataka (3%; 23%) together account for 273 IPOs (19.6%) and ₹7,597 crore (21.6%) of total capital.

The remaining states and Union Territories contribute 171 IPOs (12%) and ₹4,000 crore (11%), reflecting steady participation from emerging regions.

Overall, the state-wise distribution since 2012 reflects a hub-and-spoke structure, with capital concentrated in established hubs alongside a steady participation from emerging regions.

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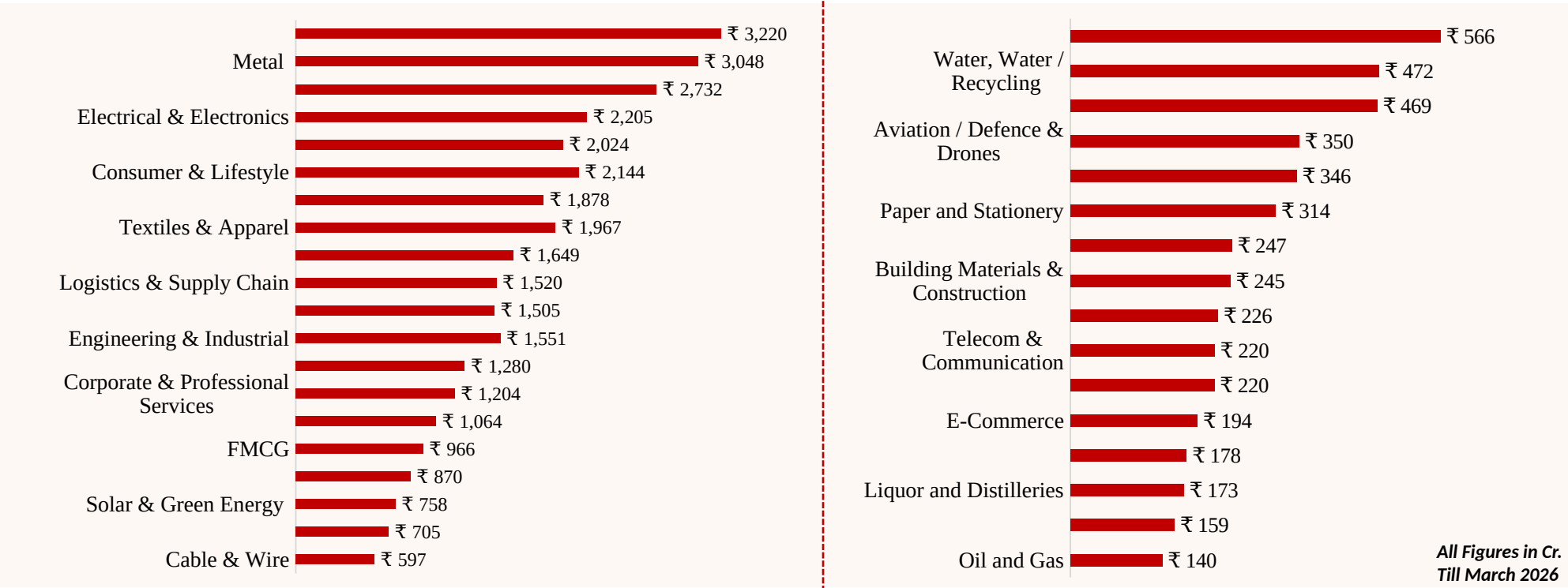




Industry-wise Capital Mobilization

In India's SME IPO market, capital is being raised across a wide range of sectors, reflecting broad-based growth and sustained investor interest. IT & Tech Solutions, Metal, and Healthcare together account for ~24% of total capital raised, while the top five sectors contribute ~36%, led by scalable and asset-backed industries.

This distribution indicates that SME IPO activity remains diversified yet industry-driven, highlighting opportunities across both established and emerging sectors.



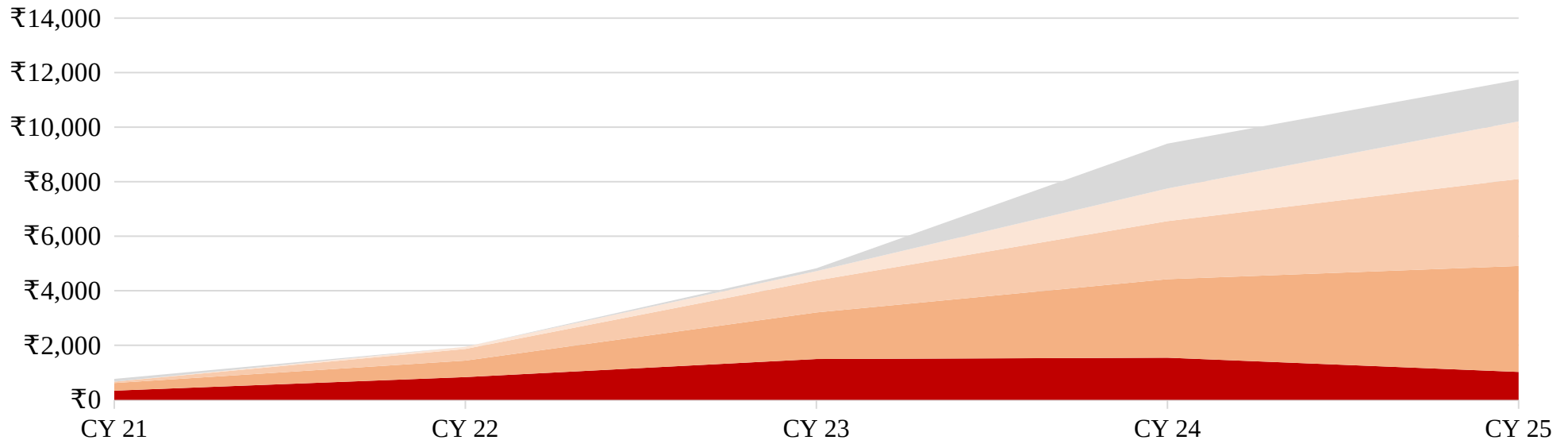


IPO Size Distribution & Market Maturity

The SME IPO market is witnessing a clear shift toward larger issue sizes, reflecting rising issuer scale and growing investor preference for bigger offerings. Between CY 2021 and CY 2025, the share of capital raised through ₹50 crore+ IPOs increased from ~20% to ~58%, representing a nearly threefold rise in capital concentration toward larger-ticket issuances.

Over the same period, the ₹75 crore+ segment expanded from ~13% to ~31% of total SME IPO proceeds, while absolute capital mobilisation in these higher-size buckets grew by over 35x. Together, these trends indicate a structural maturation of the SME IPO market, where growth is increasingly driven by scale rather than fragmented small issuances, reinforcing the SME platform as a credible and scalable capital-raising avenue.

■ Less than 25 ■ 25-50 ■ 50 – 75 ■ 75 – 100 ■ More than 100



Key Preparation for SME IPO

- Converting Proprietorship / Firm / Pvt. company to a Public Limited Company
- Setting appropriate Capital Structure
- Increase in Authorised Share Capital, as required based on post issue capital structure
- Taking approval of Board of Directors and Shareholders of Company to approve issue of shares
- Appointing 50% Independent Board (including 1 Woman Director)
- Pre Issue due diligence
- Restructuring of financials to align with longer term vision.
- 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 Documents (DRHP, RHP) with stock exchange)
- Getting the website of the Company functional
- Getting Shares Demat



SME IPO Process

1

Familiarize yourself with capital markets, Funding ecosystem, Investor expectations

2

Understand SME IPO process, eligibility and legal issues

3

Weigh IPO option vis-à-vis other fund-raising options.

4

Finalize Funding requirements and deployment of Funds

5

Appoint credible SME IPO Consultant and Merchant Bankers

6

Assess your Business Valuation & Create a Growth Story

7

Find right SME IPO Investors and Underwriters for your company

8

Create dedicated team for Successful Execution

9

Undertake Pre IPO works including setting appropriate capital structure, Demat of Shares

10

Appointment of CS, CFO & Independent Directors

11

Restatement of Financials by Peer Reviewed Auditor

12

DRHP Preparation, Filing, Approval & Listing



Future Outlook

As highlighted in our previous SME IPO trends report, the Indian SME IPO market had entered a phase of rapid expansion driven by strong investor appetite and rising issuance momentum. **The developments observed in 2025 represent not a slowdown, but a healthy reset, marking the next stage in the market’s evolution toward maturity.**

Following a phase of rapid expansion, the SME IPO market in 2025 entered a period of normalisation and consolidation, marked by heightened investor selectivity and more disciplined capital allocation. Despite broader market volatility and index-level consolidation, capital mobilisation remained resilient, underpinned by a meaningful increase in average IPO sizes and a rising concentration of capital in larger issue-size segments. This evolution signals a clear shift in investor priorities toward scale, sustainable profitability, robust governance, and improved cash-flow visibility.

For issuers, the role of an SME IPO has undergone a fundamental transformation. In 2025, listings increasingly functioned as a signal of credibility, governance maturity, and readiness to scale, rather than serving solely as a capital-raising event. Companies that demonstrated institutional-grade governance frameworks, stable and transparent financial profiles, and clearly articulated growth strategies attracted a disproportionate share of investor interest.

In summary, 2024 was characterised by momentum, while 2025 represented a clear inflection toward market maturity. Looking ahead to 2026, the SME IPO landscape is expected to remain quality-led and highly selective, with average issue sizes sustained at elevated levels and capital increasingly channelled toward scalable, well-governed enterprises. IPOs are therefore evolving into a strategic instrument for long-term value creation and business transformation among Indian SMEs, where future success will be driven less by issuance volume and more by preparedness, scale, and disciplined execution.

The latest SME IPO of Q-Line Biotech in May 2026, a Tier 2 company of Lucknow in medical equipment / Diagnostics industry raising INR 215 Crores with additional Pre-IPO funding of INR 27 Crores has rebuilt Trust in the SME IPO ecosystem.



Thinking about SME IPO?

Transique can handhold you in making your Company go Public

1440+

No of companies listed on SME Exchanges

INR 37,400 Cr+

Total Equity Fund Raised

360+

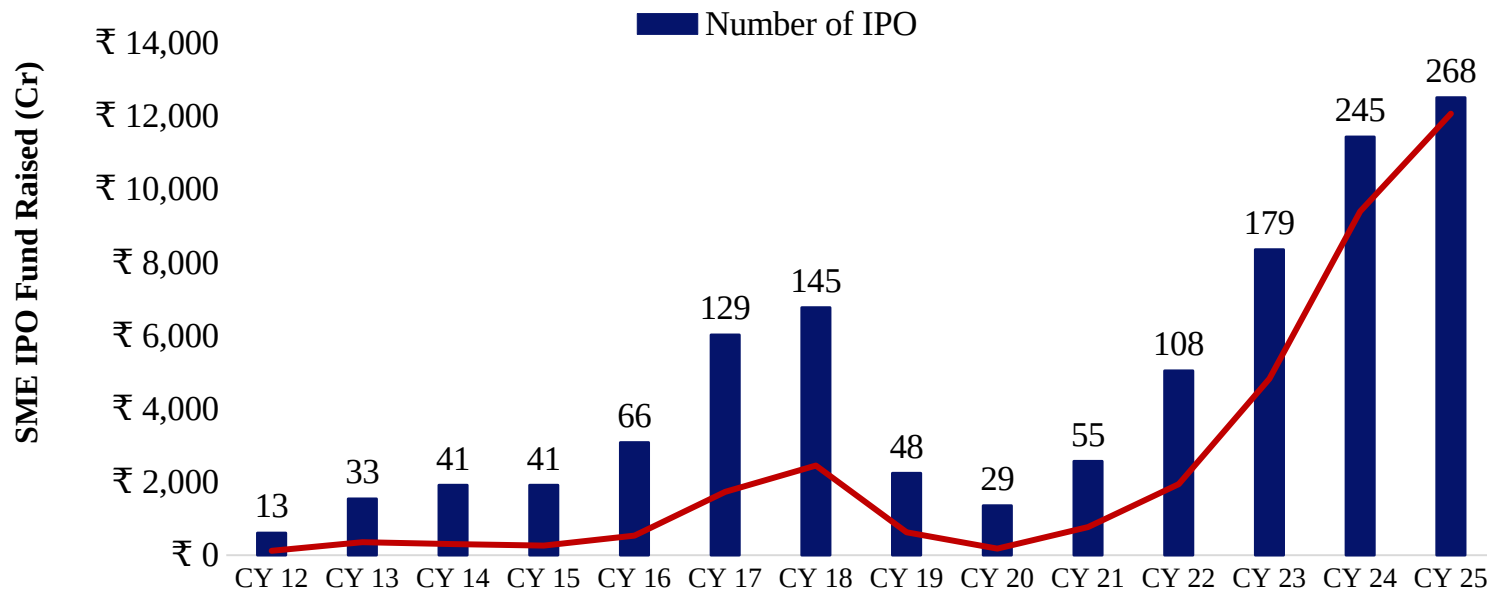
No of Companies Migrated to Main board

36+

Industries

226%

Incremental Valuation



*CY – Calendar Year

Scan for Consultation



Assess your IPO Readiness Scorecard



Equity Fund Raising | IPO | M&A | Business Valuations | Transaction Advisory



Source & Disclaimer

Source:

- NSE India - SME Emerge market data and live stock updates
- BSE and BSE SME indices
- SEBI reports and IPO offer documents
- General public information

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