

# SME Platform P 1 w

## Seeing Flurry of Listing Action

A record ₹2,600 crore has been raised so far in 2023 by 100 SMEs

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**Mumbai:** A trading platform dedicated to small and medium enterprises (SMEs) is currently witnessing a flood of public offerings on surging demand from rich individual domestic investors with the risk appetite for such small issuances.

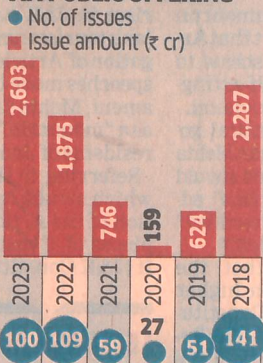
So far, in 2023, 100 SME firms have raised a record ₹2,600 crore of funds from the SME board, breaking the previous record of ₹2,287 crore raised in 2018 by 141 firms. By contrast, 19 companies have raised around ₹14,500 crore on the main board. These 100 SME IPOs saw a demand for about ₹1.44 lakh crore, with 11 IPOs subscribed between 200 and 400 times, and 13 of them between 100 and 200 times. The ₹60-crore public offering of Noida-based startup Oriana Power, a solar energy solutions provider, was subscribed 177 times earlier this month, generating a demand for ₹10,535 crore.

"The surge in demand for SME IPOs is a result of heightened liquidity, stemming from the absence of significant-scale IPOs in recent months, coupled with a secondary market that is relatively less affordable," said Mahavir Lunawat, managing director of Pantomath Financial Services Group. "However, investors are advised to exercise prudence in evaluating company fundamentals and associated risk factors before considering investments in SME IPOs."

In 2022, a total of 109 companies raised ₹1,875 crore from SME platforms, while in 2021, 59 companies raised just ₹746 crore, showed data compiled by Prime Database. The ₹44.2-crore public issue of Drone Destinations was subscribed an eye-popping 191.65 times last month.



### FUNDRAISING BY SMEs VIA PUBLIC OFFERING



Positive Returns ▶ 14

## Positive Returns

### ▶▶ From Page 1

Its IPO fetched bids worth Rs 8,571 crore. Shares of Drone Destinations made a stellar listing with 57% gains.

The Rs 9-crore public issue of Srivari Spices and Foods was subscribed 450 times earlier this month, while a Rs 15-crore issue of Anlon Technology Solutions was bid 429 times the shares on sale. Similarly, public issues of MCON Rasayan India, Quality Foils (India), and Krishca Strapping Solutions were subscribed 330-

380 times. According to market participants, high net-worth individuals (HNIs) are taking big bets on SME IPOs for quick gains.

"Post pandemic, we have seen tremendous overall growth in the Indian economy backed by sizable capex from SMEs, MSMEs to the large corporates, and they have to raise funds in the form of equity and debt. So, in the past 36 months, we have seen the highest fundraising activities through IPOs," said Brijesh Parekh, founder and director of

Unistone Capital. "There has been good demand for SME IPOs across categories such as HNIs and retail."

About 75 of the 97 SME IPOs that have listed in 2023 have given positive returns. Stocks such as Krishca Strapping Solutions, Exhicon Events Media Solutions, MCON Rasayan India, Infinitum Pharmachem, Macfos, Remus Pharmaceuticals, Sri-vasavi Adhesive Tapes, Vasa Denticity, Bright Outdoor, Srivari Spices and Oriana Power rallied between three times and five times.