

How do brands react to Meta's ad policy shift?



The challenges before retailer Star Bazaar



Trump pledges '100% tariff' for nations that shun dollar



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SPEAKERS

- Mr Nitin Gadkari, Hon'ble Union Minister of Road Transport & Highways, Government of India
- Mr Kamran Rizvi, Secretary, Ministry of Heavy Industries, Government of India
- Mr Vinod Aggarwal, President, SIAM and Managing Director & CEO, Volvo Eicher Commercial Vehicles Ltd.
- Mr Shallesh Chandra, Vice President, SIAM and Managing Director, Tata Motors Passenger Vehicles Ltd. and Tata Passenger Electric Mobility Ltd.
- Mr S Sandilya, Past President, SIAM & Group Chairman Royal Enfield (A Unit of Eicher Motors Ltd.)
- Ms Shradha Suri Marwah, President, ACMA and Chairperson & Managing Director, Subros Ltd.

- Mr H. D. Kumaraswamy, Hon'ble Union Minister of Heavy Industries and Steel, Government of India
- Mr Sunil Barthwal, Secretary, Department of Commerce, Ministry of Commerce and Industry, Government of India
- Mr Sanjiv Puri, President, CII and Chairman and Managing Director, ITC Ltd.
- Mr Klaus Zellmer, Chairman - Management Board & CEO, Skoda Auto a.s.
- Mr K N Radhakrishnan, Director & CEO, TVS Motor Company Ltd.
- Mr Andreas Tschiesner, Sr Partner, Leader of Global Advanced Industries Practice, McKinsey & Company

- Mr Anurag Jain, Secretary, Ministry of Road Transport & Highways, Government of India
- Dr. V. Anantha Nageswaran, Chief Economic Advisor, Government of India
- Mr Hisashi Takeuchi, Managing Director & CEO, Maruti Suzuki India Ltd.
- Mr Jesse Schneider, Chief Executive Officer & Chief Technology Officer, ZEV STATION LLC, United States.
- Mr Joykumar Thokchom, Chief Technology Officer - Battery Business Unit at Sakuu Corporation, United States
- Mr Nitesh Gupta, Partner and Leader of Auto practice in India, McKinsey & Company

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LISTING DAY GAINS DOUBLE

Debut bonanza for SME stocks

VIVEK KUMAR M
Mumbai, September 8

THE AVERAGE LISTING day gains from the initial public offerings (IPOs) of small and medium-sized enterprises (SMEs) have almost doubled to 72% in 2024 from nearly 37% in 2023, despite concerns raised by experts and the markets regulator. More stocks have listed with an over 100% premium and fewer have fallen below their offer price on Day 1 in 2024 compared to 2023.

Out of the 172 stocks that listed on the SME platforms of the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) so far this year, 29 have given returns higher than 100% on the first day, according to PRIME Database. Compared to this, 17 of the 179 stocks listed in 2023 gave returns of above 100% on the first day.

On top of this, 11 stocks closed below their offer price on the debut day in 2024 as against 30 in 2023.

Infrastructure and renewable energy companies are among those that have seen the highest listing day gains. Five of the top 10 biggest first day gainers of 2024 are companies from infrastructure and power, especially renewable energy.

The prominent among these include green energy solutions company Winsol Engineers, power solutions company Kay Cee Energy & Infra, solar energy solutions company GP Eco Solutions India, and aluminium and copper wire solutions com-

THE BULL RUN

Listing day gains (%)



Source: PRIME Database

pany Divine Power Energy. These stocks rose 280-420% on their first day.

Even on the mainboard platform, shares of infrastructure and power companies have been on the uptick amid favourable domestic macroeconomic environment.

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Debut bonanza: Listing day gains double for SME stocks

HOWEVER, AN EXPERT highlighted that the kind of gains seen in the SME segment cannot be explained fundamentally. He said while the stocks do well in the first few days, it is very difficult to predict when they will start falling.

The extent of gains and the quality of companies knocking on the doors of BSE and NSE for SME IPO has led to worry among experts and market regulator Securities and Exchange Board of India (Sebi).

G Chokkalingam, founder and head of research at Equinomics Research said, "Eventually, they (stock prices) have to align with fundamentals. Even in SMEs, one has to look at business model and balance sheet strength...If you're paying 40 PE multiple, see if earnings are growing at least by 20%."



The extent of gains and the quality of companies knocking on the doors of BSE and NSE for SME IPOs has led to concerns among experts as well as Sebi

Sebi said some of the SME companies and their promoters have been "resorting to certain means that project an

unrealistic picture of their operations".

The markets regulator said such companies create positive sentiment around their company through certain announcements, and that this presents for promoters an opportunity to offload their stake at elevated prices.

Chokkalingam said, "The risk in applying for IPOs is limited because people probably get 1 for 100 bids.

But the risk is high when it comes to buying big quantity post listing. Investors should be even more caution when it comes to buying post listing."

Sebi has been warning investors about manipulation in SME stock prices for almost a year now. The regulator has also passed orders against a few companies and promoters.