

SME IPO jackpot or 50:50 gamble? 21 multibagger stocks mask a harsher reality

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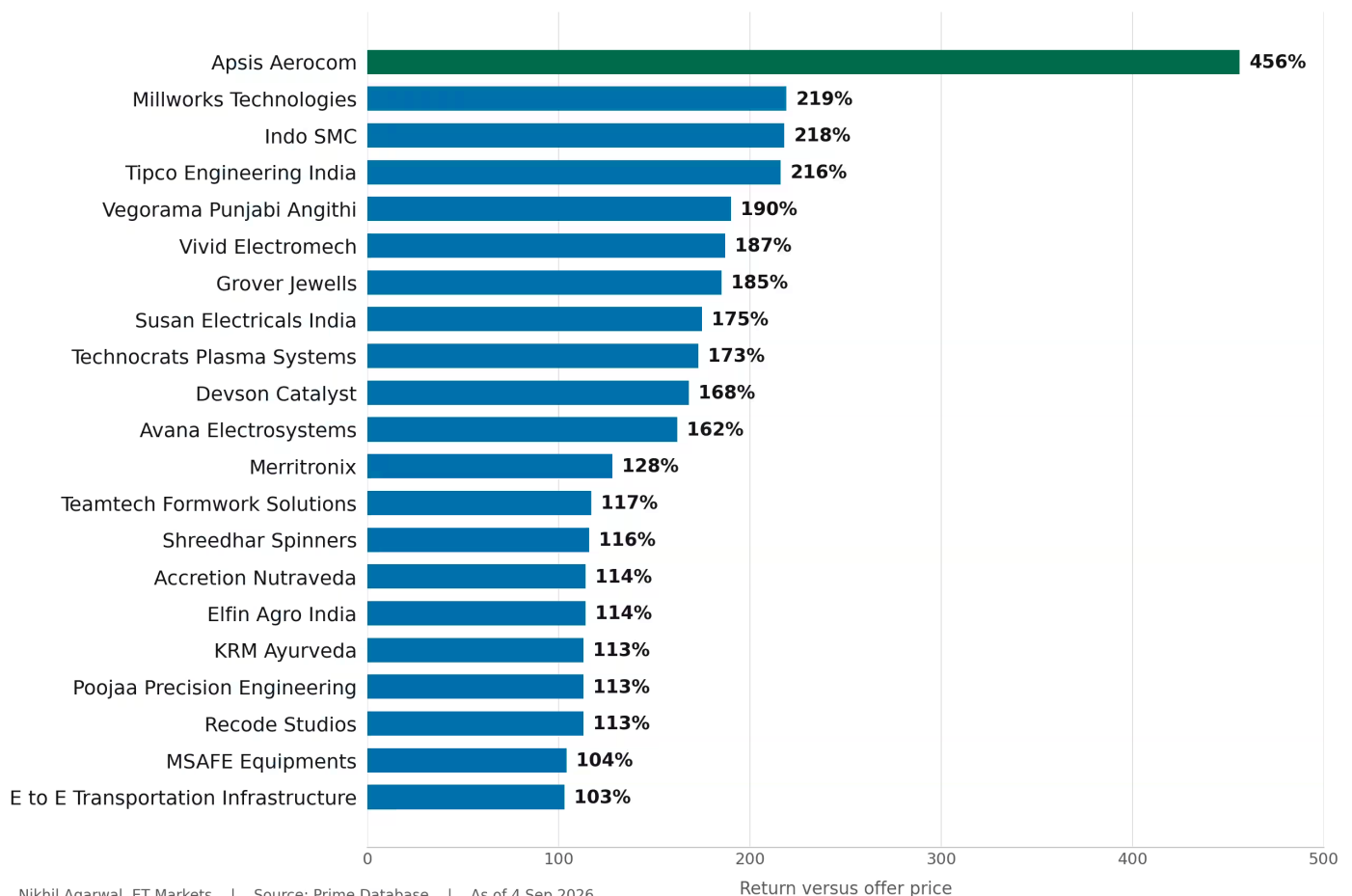
India's under-the-radar [SME IPO](#) market is producing spectacular winners, but the broader picture is far less exciting. While 21 of the 126 issues tracked in 2026 have delivered multibagger returns, only 65 are trading above their offer prices. The median return is just 3.9%, sharply below the 24.4% average.

That gap is the clearest warning that the headline gains are being driven by a narrow group of outliers rather than a broad-based rally.

“The 2026 [SME](#) IPO market appears selective rather than broad-based,” Ritaban Basu, CEO of B2K Analytics told ET Markets. “This wide gap suggests that overall returns are being disproportionately driven by a relatively small group of exceptional performers, rather than reflecting strong performance across the entire SME IPO universe.”

21 SME IPO multibaggers in 2026

Adjusted market price return versus offer price, rounded to the nearest percentage



The data from PRIME Database shows that 60 of the 126 stocks are below their offer prices, while one is unchanged. At the top of the table is Apsis Aerocom, which has gained 456% over its offer price. Millworks Technologies, Indo SMC and Tipco Engineering have each delivered gains of more than 200%.

Those gains have lifted the average return for the entire cohort. But the median, which captures the experience of the middle investor, stands at only 3.9%.

“An average of 24.4% against a median of 3.9% is not a broad-based market, it is a skewed one,” said Vaqarjaved Khan, senior analyst, fundamental, at [Angel One](#). “21 names are doing the heavy lifting for a cohort of 126.”

The contrast is even starker for investors who missed the top performers. “Strip them out and the picture is far more sober,” Khan said. “Nearly half the class of 2026 trades below its issue price.”

The figures suggest that the SME IPO segment is increasingly becoming a stock-picker’s market. A high average return may create the impression of easy money, but the median return indicates that most issues have delivered limited post-listing gains.

“The average flatters. The median is where the honest reading sits,” Khan said.

Basu said the segment should be viewed as a “stock-specific opportunity set”, rather than a market where investors can expect strong returns from every issue.

The lack of breadth is also visible in investor participation. The presence of 21 multibaggers may be encouraging, but it does not necessarily indicate a more mature market.

“Twenty-one multibaggers is a good headline, but I would be careful reading it as breadth,” Khan said. “Participation has narrowed, not widened, and that is by design.”

The SME market has changed significantly from 2023 and 2024, when nearly everything listed at a premium. According to Khan, that earlier performance reflected liquidity more than the underlying quality of businesses entering the market.

Regulatory tightening by SEBI has raised the entry bar for issuers, Basu said. Stronger profitability requirements, limits on promoter offer-for-sale transactions, enhanced disclosures and monitoring of issue proceeds have improved the quality threshold.

Khan also pointed to a minimum operating profit test, a ₹2 lakh application size, tighter limits on offer-for-sale components and restrictions on the use of IPO proceeds.

“Issuer quality has clearly improved,” Khan said. “Pricing discipline still has some distance to travel.”

The segment remains exposed to low free float, limited liquidity and momentum-driven trading, Basu said. Sustaining the early gains will depend on whether the companies deliver earnings

growth, deploy IPO proceeds effectively and maintain governance standards after listing.

For now, the 2026 SME IPO market offers a striking combination of jackpot returns and broad-based disappointment: 21 multibaggers at one end, 60 stocks below offer price at the other, and a median investor return of just 3.9%.

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