

FY19 set to be second best for SMEs on IPO front

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This financial year is poised to be the second-best year for share sales of small and medium enterprises (SMEs).

The SME platform has seen 106 offerings mop up ₹1,620 crore, latest data available with PRIME Database, a primary market tracker, shows. This is higher than the amount raised in any other fiscal except FY18 when the amount mopped up touched ₹2,200 crore. To date, 466 SMEs have listed on the bourses and together garnered over ₹5,500 crore.

Sirca Paints India and Manorama Industries were the biggest offers in FY19, with an issue size of ₹74 crore and ₹60 crore, respectively.

The performance of companies listed this fiscal has been a mixed bag. Fifty two companies are in the green, with eight gaining in excess of 100 per cent so far. Forty three companies, on the other hand, are trading in the red, with eleven companies shedding



OVER THE YEARS

Collections in the current fiscal second-highest since start of SME platforms

	Number	Amount collected (₹ cr)
FY19	106	1,620
FY18	154	2,200
FY17	81	834
FY16	50	310
FY15	38	249
FY14	37	285

Source: PRIME Database

more than 50 per cent. Average returns of these companies stood at 8.7 per cent compared with -13.6 per cent for the BSE SmallCap index.

"This year has been a roller-coaster ride for the SME market with volatile stock prices and fluctuating IPO subscription trends. Still, there exists appetite for quality stocks. Notably, many informed investors have been adding positions on various SME stocks in the secondary mar-

ket," said Mahavir Lunawat, founder, Pantomath Capital.

Despite the possibility of high returns, experts said there was a chance of losing one's entire capital in SME stocks. Analysing these firms could be tough as they are not tracked by analysts and there is limited data in public domain. Investors are left to themselves when it comes to gauging credibility of promoters.

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