

# SMEs shrug off Covid blues, IPO mop-up surges 5x in '21

In a first, m-cap of companies listed on BSE SME index crosses ₹50,000 crore on Friday

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**C**ollections from public share sales of small and medium enterprises (SMEs) saw a resurgence in calendar year 2021 (CY21) after a lull in CY20 in the wake of the pandemic.

SMEs mopped up ₹746 crore from 59 offerings in 2021, 4.7 times (x) more than the amount garnered in 2020 from 27 offerings. This is still far short of the record ₹2,287 crore mopped up in 2018.

According to experts, the number of issuances dropped in 2020 as investors preferred larger companies that were deemed to be more resilient to pressures arising from the pandemic. The return of risk-on sentiment in CY21 aided their cause.

Top gainers last year included EKI Energy Services (9,633 per cent gain over issue price), BEW Engineering (715 per cent) and Prevest Denpro (416 per cent), according to primedatabase.com.

Since 2012, 68 per cent, or 257, of 378 companies for which data is available have made money for investors. Twenty eight companies have returned in excess of 1,000 per cent and 165 have delivered over 100 per cent returns. At the other end, 57 have declined more than 50 per cent.

EKI Energy Services, Sangam Advisors (9,213 per cent), and Lancer Container Lines (7,054 per cent) have clocked the most returns in that period. In all, 193 firms have migrated to the mainboard so far.

The market capitalisation of companies listed on the BSE SME platform crossed ₹50,000 crore for the first time on Friday, according to a note by the exchange. "SMEs are the backbone of the Indian economy and the milestone is a testament to the efforts put in to create awareness among SMEs about the benefits of listing," said Ajay Thakur, head of BSE SME & Startups.

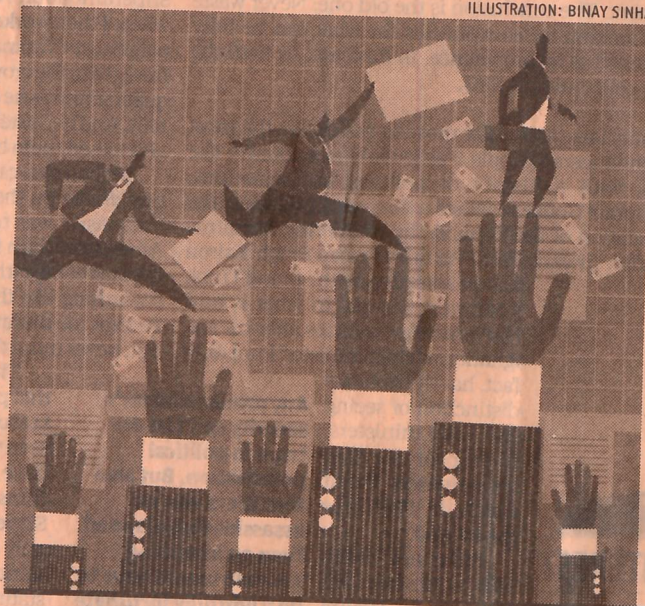
The BSE's SME platform has

seen 372 companies raise ₹3,562 crore of equity funds. NSE's Emerge platform has seen 238 companies getting listed, raising ₹3,434 crore, according to primedatabase.com.

Vikram Limaye, managing director and chief executive officer of NSE, said: "NSE Emerge has focused on developing an ecosystem for the SMEs to access the capital markets for mobilising funds. Many companies have migrated from the SME platform to the mainboard. We also actively engage with various government bodies, intermediaries, industry associations as well as the SMEs to spread awareness about the advantages of listing on the SME platform. We are committed to facilitating the SMEs in their fundraising efforts."

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 because they are not tracked by analysts and there is little data available in the public domain. Investors are left to themselves when it comes to gauging the credibility of promoters.

ILLUSTRATION: BINAY SINHA



## GAINING GROUND

SME collections in 2021 up 4.7x YoY but one-third the record mop-up in 2018

■ Amount collected (₹ cr) ● No of issues

2012	103	14
2013	335	35
2014	267	40
2015	260	43
2016	537	67
2017	1,679	133
2018	2,287	141
2019	624	51
2020	159	27
2021	746	59

Source: primedatabase.com

## IPO mandates via UPI decline in Dec

Mandate creation through Unified Payments Interface (UPI) for initial public offerings (IPOs) dipped marginally in December, after a stellar show in November, amid record fund mobilisation. Data released by the National Payments Corporation of India (NPCI) for December showed over 7.32 million mandates were created compared to 7.6 million in November, a fall of 3.8 per cent.

In December, as many as 12 companies came out with their IPO and mopped up ₹16,783.75 crore while in November a record ₹36,000 crore was raised by IPOs.

When it comes to mandate execution — transactions where an investor gets allotment of shares — 797,006, or 10.88 per cent of all the mandates created through UPI were executed in December.

SBI received the maximum

## TAKING IT SLOW

— Mandates created (mn) — Mandates executed (mn)



Source: NPCI

mandate creation requests of almost 2 million in December, followed by HDFC Bank with 1.12 million, and ICICI Bank with 801,578 requests. **SUBRATA PANDA**