



**SME IPO – Insights and Opportunities**  
**Decoding SME IPOs**

November – 2025

# IPO Benefits to The Company



## Impact on Financials

- Capital for expansion and long-term working capital
- Reduces debt burden
- Improves credit rating and lowers financing cost
- Enhanced market perception leads to higher sales



## Impact on Branding

- Increased visibility of the company boosting marketing efforts
- Value creation for existing shareholder and encouragement for innovation
- Raises company's profile with customers, suppliers, investors, financial institutions and the media
- Incentive for employees as listed shares can be used as an effective HR tool



## Impact on Funding

- Expands Investor Base generating capital creation as secondary placements
- Generates an independent valuation of the company by the market
- Greater participation by PE/VC as an exit route is available
- Marketability of the company would be enhanced



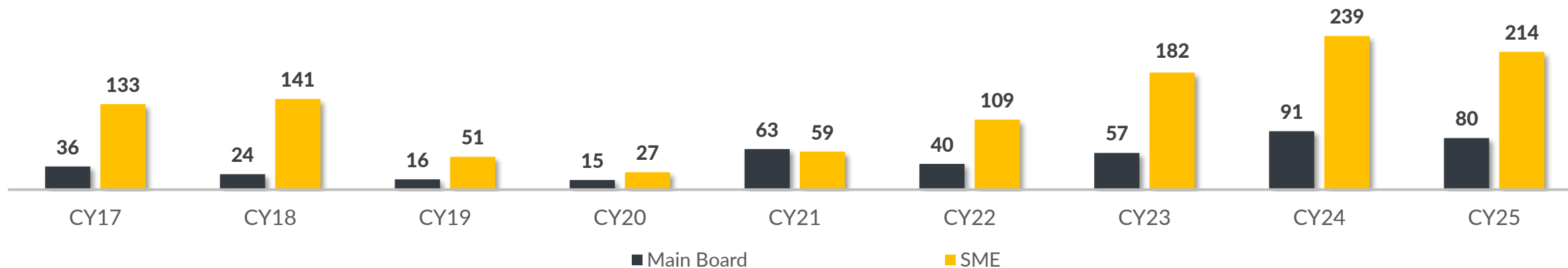
## Other Benefits

- Greater transparency & disclosures leading to business & financial best practices
- Taxation Benefits to Investors – long term capital gain exempt from tax upon listing of shares

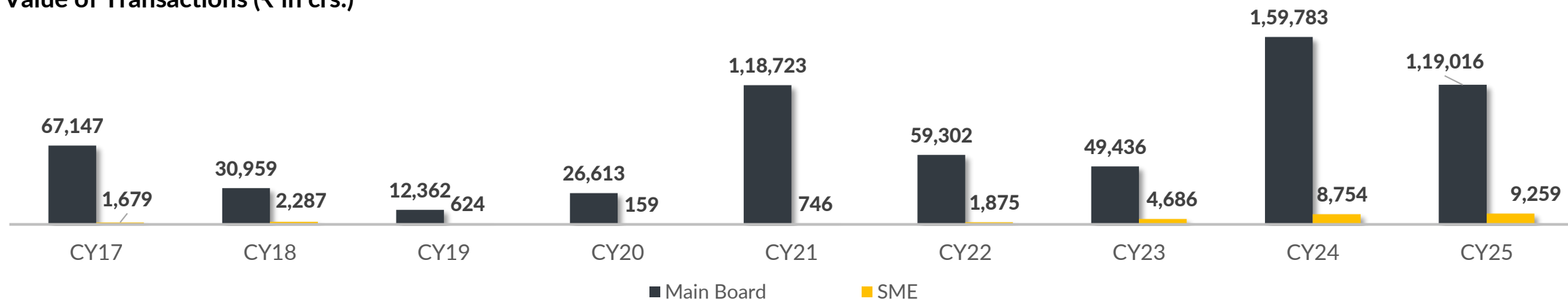
# Capital Market Surge: Demonstrating Increasing Investor Confidence

Indian companies raised ~INR 168.5k Cr. in IPOs in CY 2024

Count of Transactions – No. of IPOs



Value of Transactions (₹ in crs.)

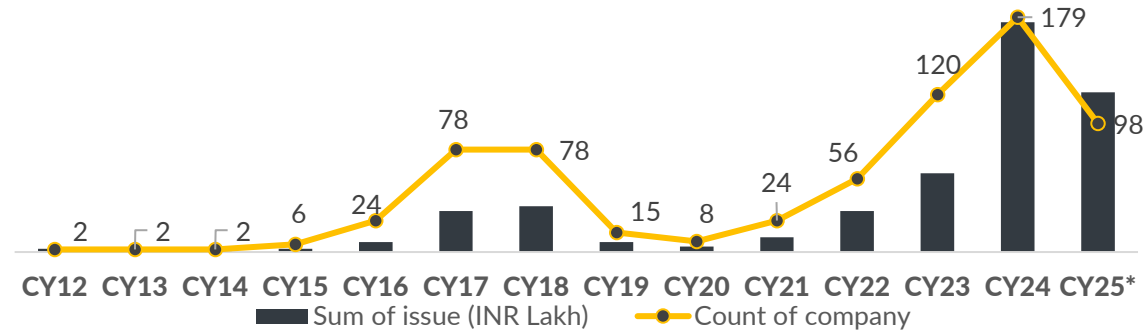


Reflects higher investor confidence and eagerness to invest

# SME IPO: Key Market Statistics

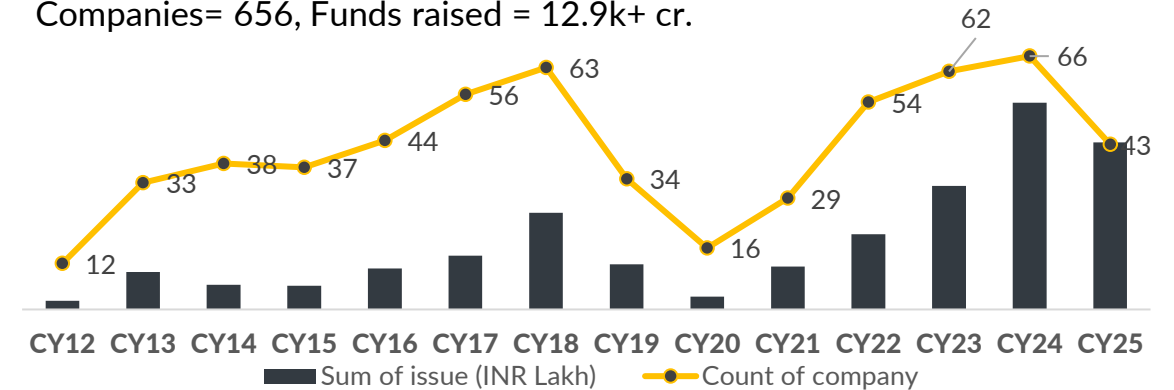
## Stock Exchange Listing (NSE)

Companies= 692, Funds raised = 19.7k+ cr.



## Stock Exchange Listing (BSE)

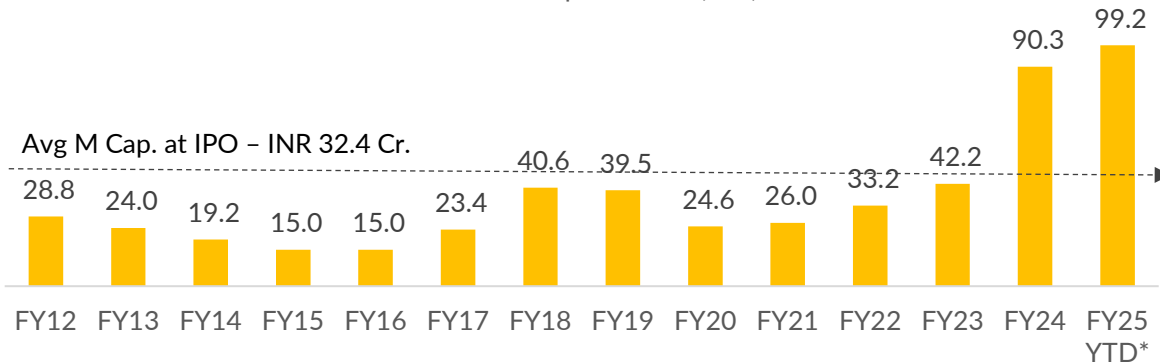
Companies= 656, Funds raised = 12.9k+ cr.



## ➤ SME Market-Caps at IPO are at all time highs

(In INR Crores)

■ Market Capitalization (IPO)



## ➤ Current Market Cap of SME IPOs (INR Cr.)

BSE

₹2,01,814 Cr.

Data as of Oct'25

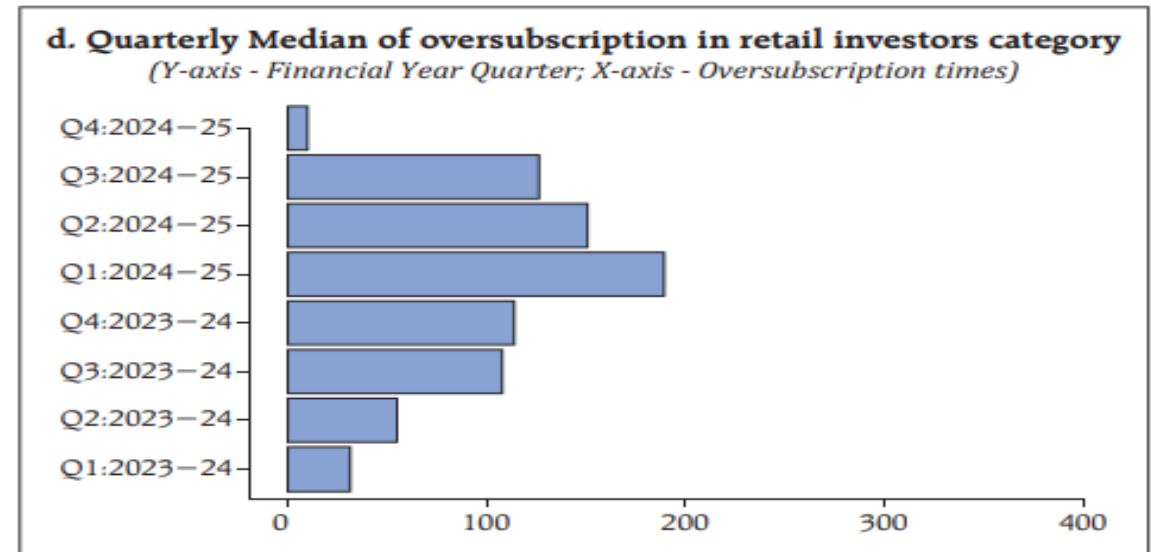
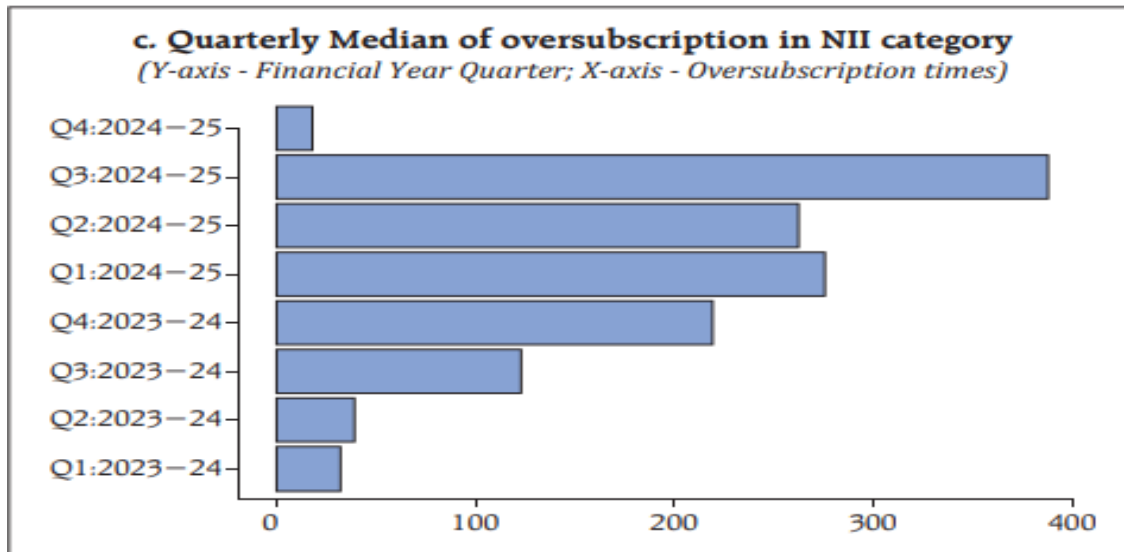
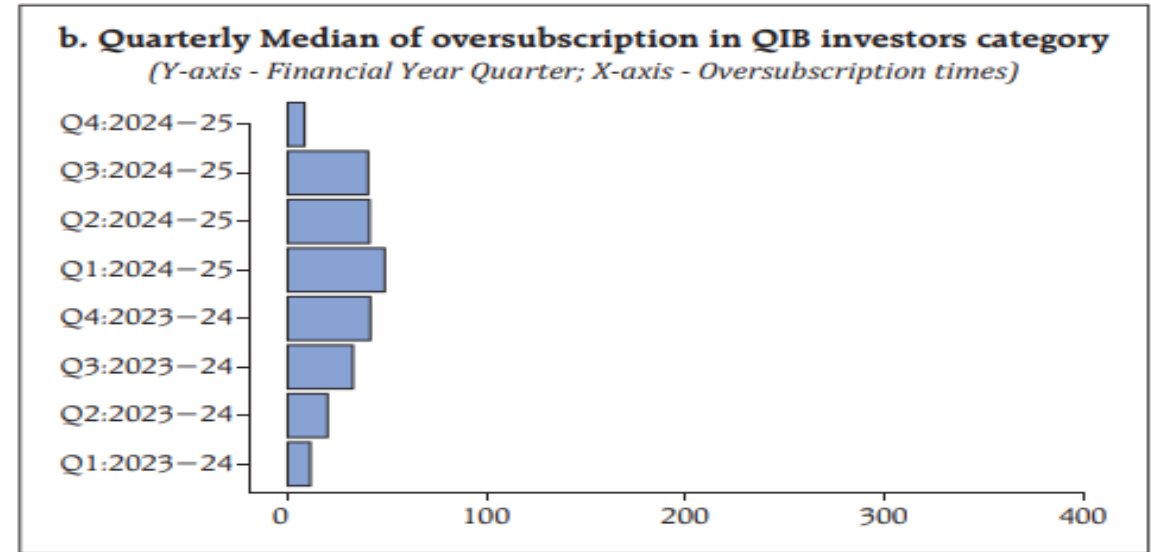
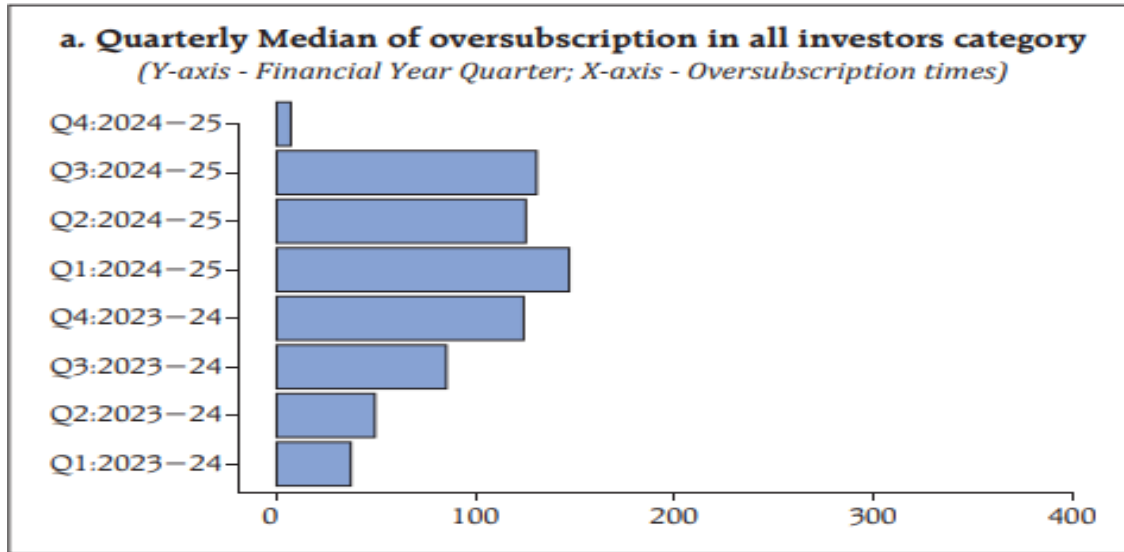
NSE

₹1,80,000 Cr.

Data as of Mar'25

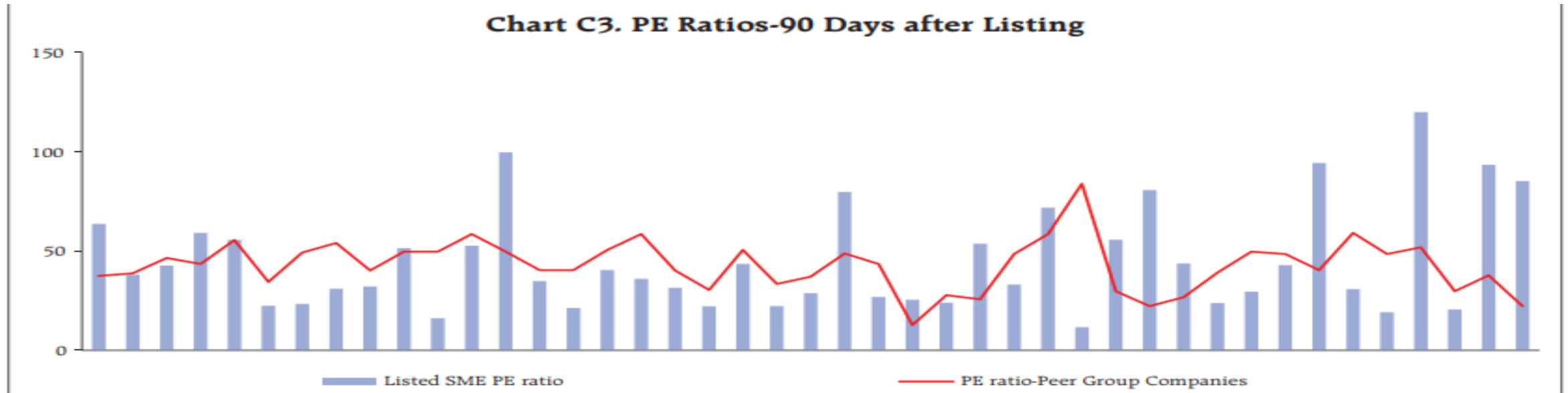
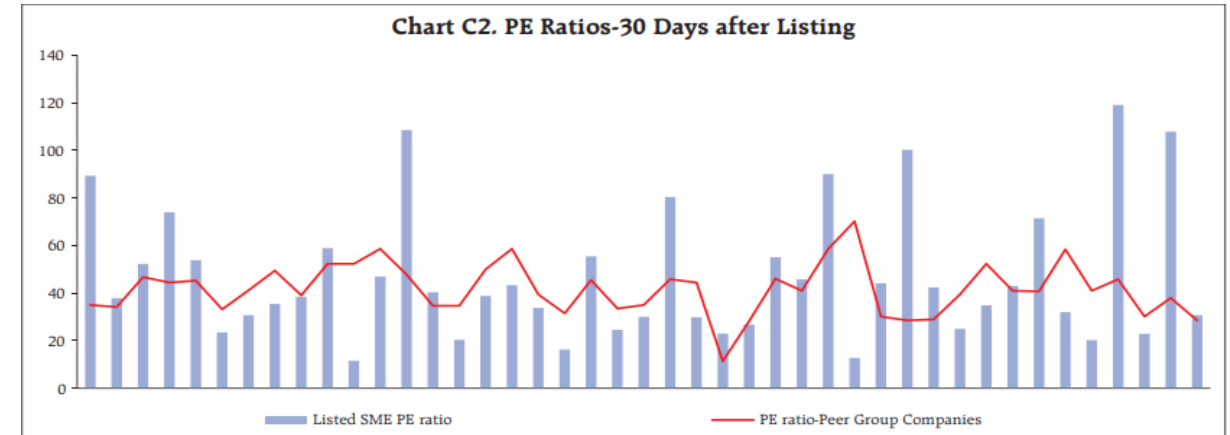
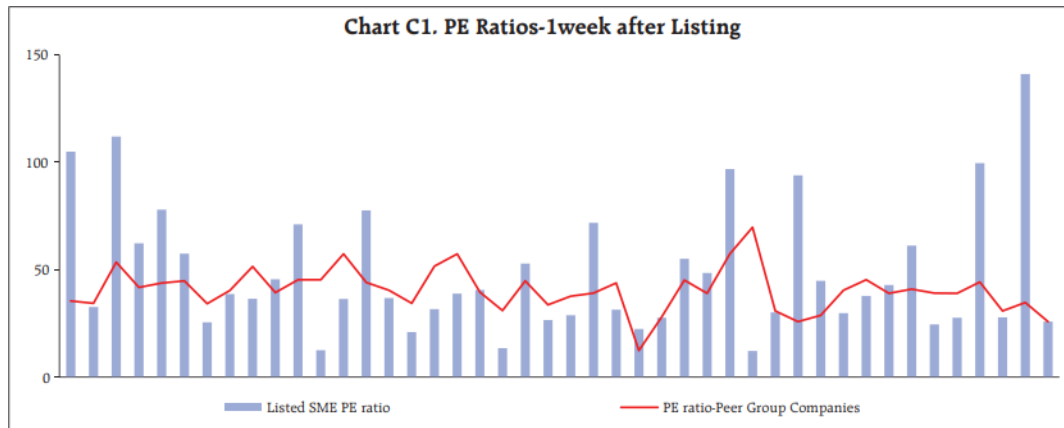
\*Data as of Oct,2025, [https://www.primedatabase.com/prsmrslt\\_detail\\_SME.asp](https://www.primedatabase.com/prsmrslt_detail_SME.asp), <https://www.nseindia.com/companies-listing/raising-capital-public-issues-emerge-selecting-a-migration-to-main-board>, <https://www.bsseme.com/markets/Migrated.aspx>

# Oversubscription in SME IPO by Investor Type



Source: RBI Bulletin report

# Valuation of Listed SMEs in Comparison with Peer Group



Source: RBI Bulletin report

# Largest SME IPOs of All Time

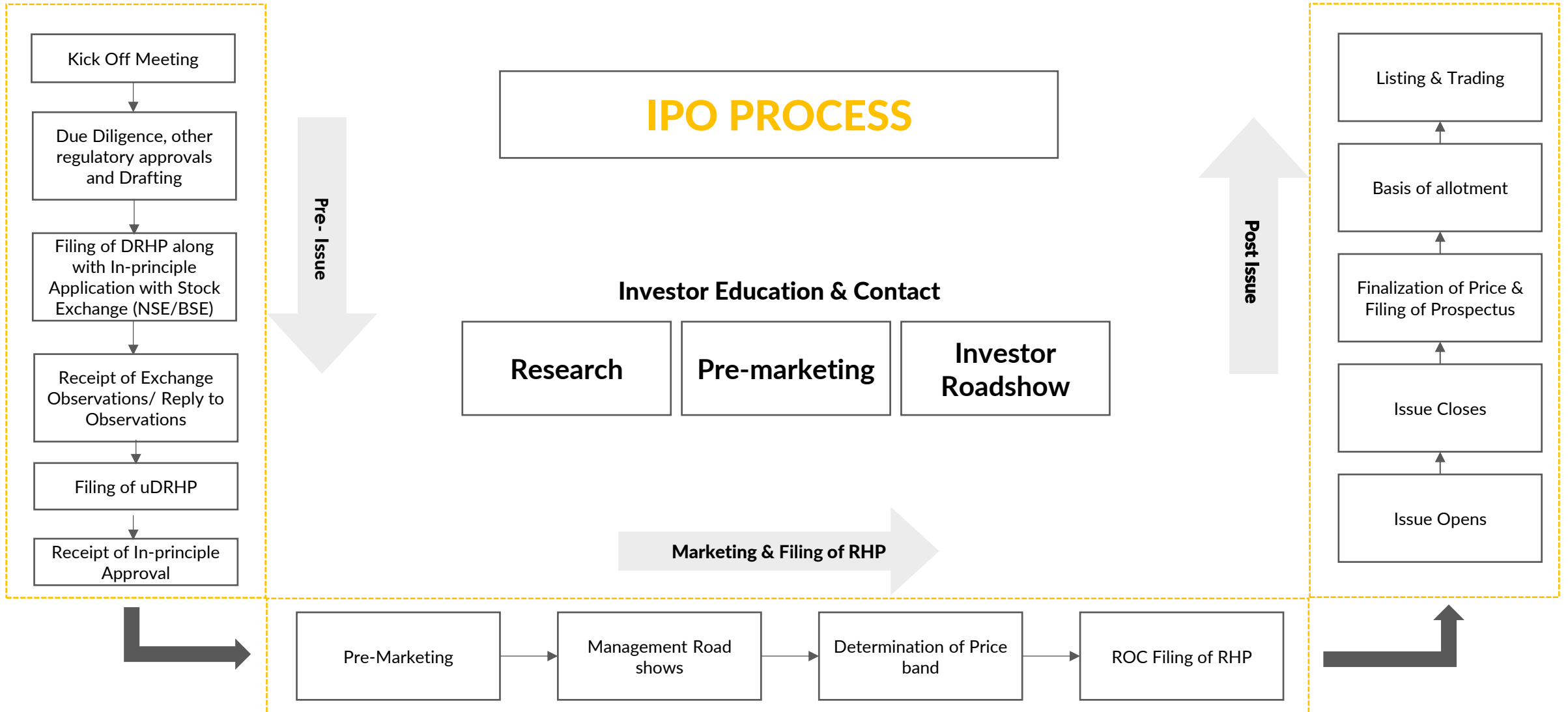
Company Name	Listed On	Offer Size (₹ Cr.)	Current P/E	IPO P/E	Issue Price (₹)	Current Price (₹)	Listing Day Gain	Profit/Loss
Danish Power Limited	29-10-2024	197.9	24.1x	13.8 x	598.5	832.2	57.5%	119%
KP Green Engineering Limited	22-03-2024	189.5	37.7x	23.5 x	210.0	554.4	45.8%	285%
Sahasra Electronics Solutions Limited	01-10-2024	186.2	210.0x	16.4 x	564.6	268.0	99.5%	-5%
Capital Numbers Infotech Limited	27-01-2025	169.4	10.0x	20.4 x	274.0	116.4	4.2%	-56%
Monika Alcobev Limited	23-7-2025	165.6	21.0x	26.5x	286.0	300.5	0.7%	5%
Safe Enterprises Retail Fixtures Limited	27-6-2025	161.1	16.5x	16.2x	138.0	187.4	9.4%	36%
Rajesh Power Services Limited	02-12-2024	160.5	26.7x	9.2 x	668.3	1540.8	99.5%	360%
SAR Televenture Limited	29-07-2024	150	14.9x	28.7 x	232.6	202.5	10.8%	268%
Unified Data - Tech Solutions Limited	29-5-2025	144.5	24.7x	15.9x	273.0	431.3	4.4%	58%
True Colors Limited	30-9-2025	128.0	14.1x	15.9x	191.0	190.2	0.0%	-1%
Mach Conferences and Events Limited	11-09-2024	125.3	16.2x	16.2 x	295.6	114.4	31.4%	-49%
Shree Refrigerations Limited	1-8-2025	117.3	52.0x	23.3x	125.0	277.8	35.8%	122%
Ganesh Green Bharat Limited	12-07-2024	125.2	31.2x	15.8 x	398.0	409.6	109.5%	116%
Tunwal E-Motors Limited	23-07-2024	115.6	13.3x	20.7 x	60.8	30.8	3.1%	-48%
Nisus Finance Services Co Limited	11-12-2024	114.2	NA	9.6 x	236.3	344.4	31.3%	91%

Data as of Oct 2025 Source: IPO Platform

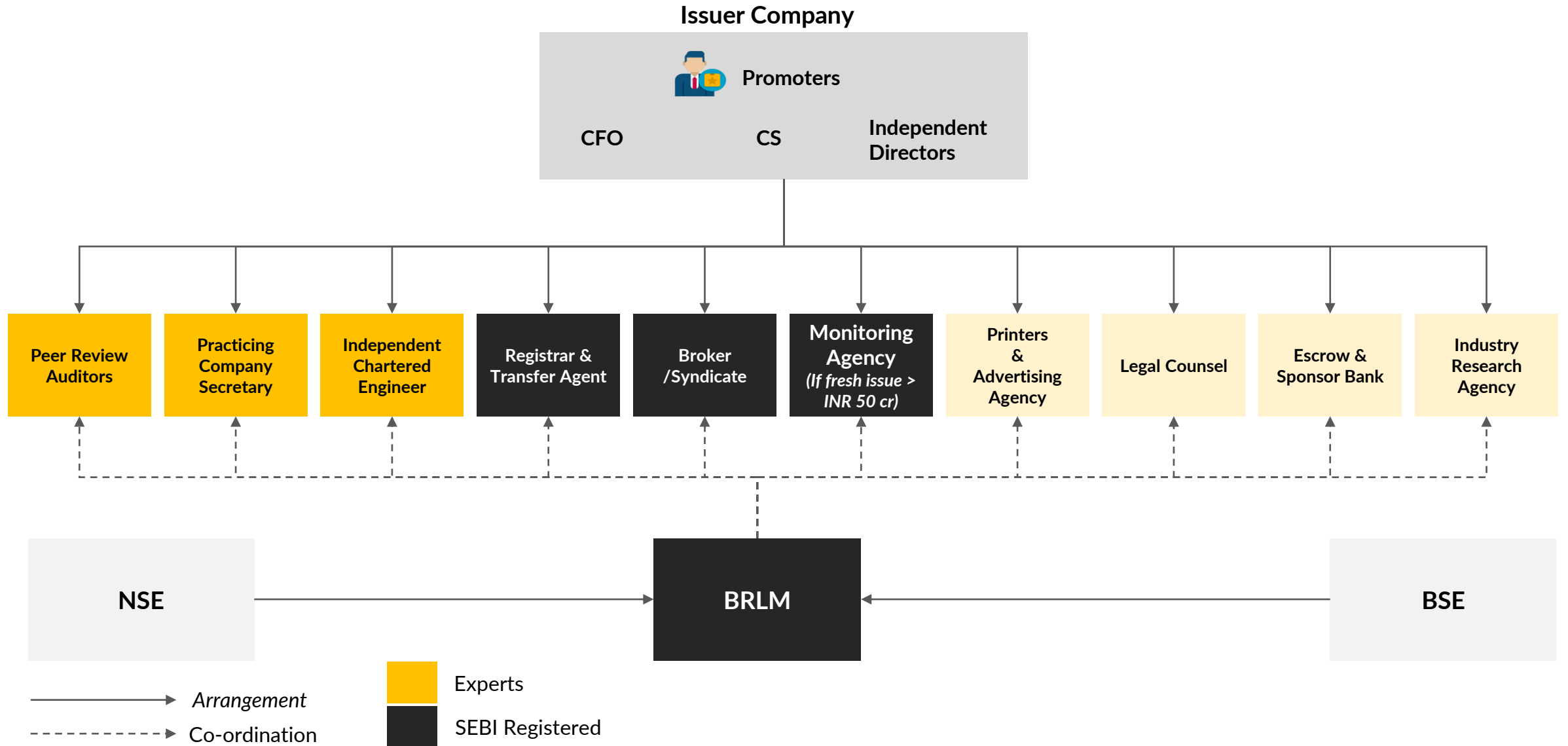
# SME IPO : Some Success Stories in CY25

Company Name	Listed On	Exchange	P/E	Issue Price (₹)	Current Price (₹)	Listing Day Gain	Profit/Loss
Airfloa Rail Technology Ltd.	Sep, 2025	BSE	24.8x	140	387.2	100%	177%
Sawaliya Foods Products Ltd.	Aug, 2025	NSE	22.7x	120	215.1	100%	79%
Avax Apparels & Ornaments Ltd.	Jan, 2025	BSE	8.1x	70	160.0	100%	129%
Indobell Insulations Ltd.	Jan, 2025	BSE	26.0x	46	90.2	100%	96%
Flysbs Aviation Ltd.	Aug, 2025	NSE	23.7x	225	583.0	99%	159%
Cryogenic OGS Ltd.	Jul, 2025	BSE	28.2x	47	164.1	99%	249%
Eppeltone Engineers Ltd.	Jun, 2025	NSE	15.9x	128	190.5	99%	49%
Srigeed DLM Ltd.	May, 2025	BSE	12.2x	99	144.0	99%	45%
Kabra Jewels Ltd.	Jan, 2025	NSE	N/A	128	90.0	99%	-30%
Fabtech Technologies Cleanrooms Ltd.	Jan, 2025	BSE	27.2x	85	370.2	99%	336%
Infinity Infoway Ltd.	Oct, 2025	BSE	31.8x	155	357.7	99%	131%
TechD Cybersecurity Ltd.	Sep, 2025	NSE	47.2x	193	675.4	99%	250%
Anondita Medicare Ltd.	Sep, 2025	NSE	33.7x	145	454.0	99%	213%
Rikhav Securities Ltd.	Jan, 2025	BSE	9.2x	86	69.3	99%	-19%
Sat Kartar Shopping Ltd.	Jan, 2025	NSE	25.3x	81	157.8	99%	95%

# Overview Of The IPO Process

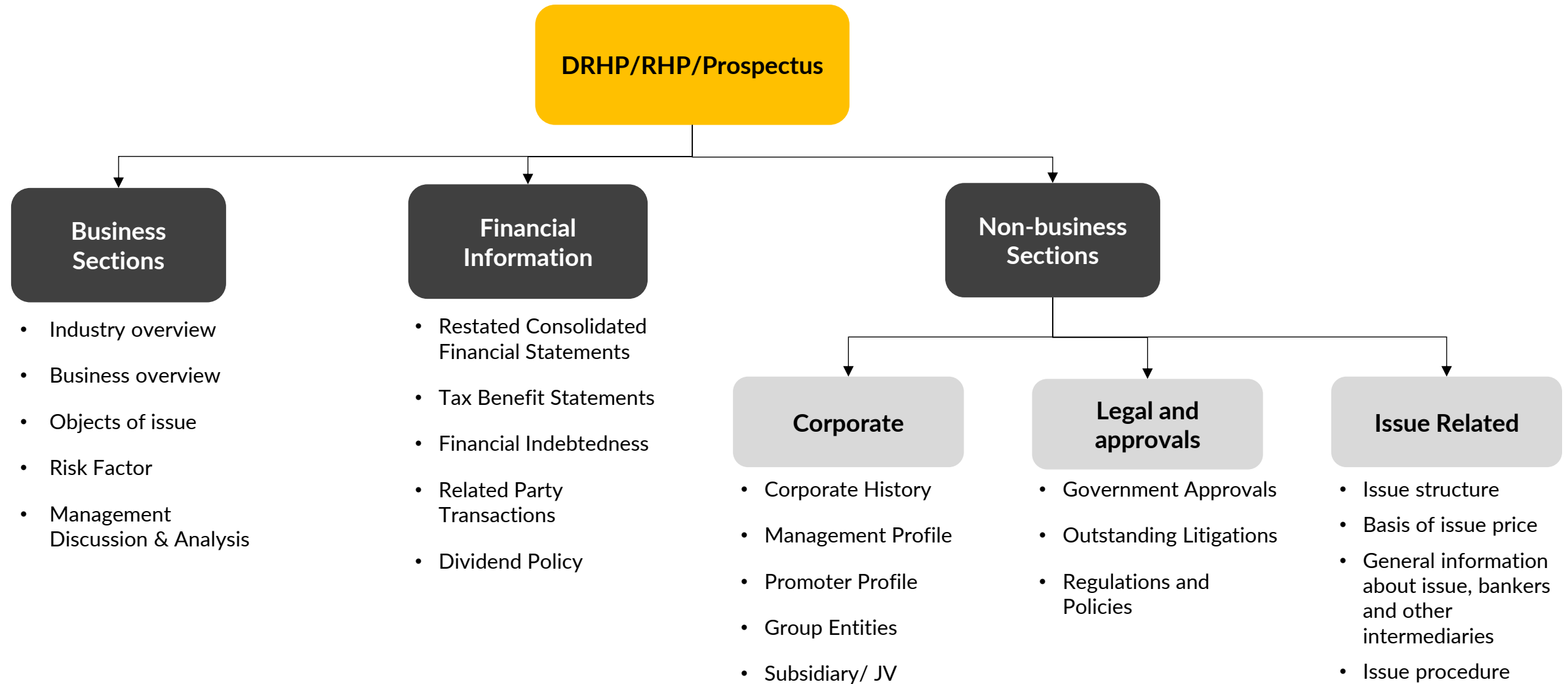


# Key Intermediaries



# Preparation of Offer Document

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# Key Long Lead Items (1/2)

## Financials and Auditor Deliverables

- Appointment of Peer Reviewed Chartered Accountant as Statutory Auditor
- Preparation of Restated Standalone/ Consolidated (if applicable) Financials for last three years and stub period as applicable
- Discussion and finalization on Auditor Deliverables (certificates and comfort letter)

## Restructuring and Promoter Contribution

- Split and Bonus Finalisation
- Conversion of convertible instruments (if any as applicable)

## Review Articles & Memorandum of Association, SHA

- Amendments to Articles of Association, in lines with requirements under SEBI Listing Regulations.
- Restrictive clauses in Articles, if any need to be modified.
- Amendment to SHA, if any

## Lender NOC and Customers/ Suppliers Consent

- Financing Agreements of the Company to be reviewed
- NOC to be obtained from the Lenders
- Applying for Customers/Suppliers Consent to include their name in the Offer Documents

## Issue Structure and Objects

- Identifying the Objects for which the Issue Proceeds will be utilized and back up documents for the same.
- Finalisation of Offer for Sale Quantum

# Key Long Lead Items (2/2)

## Conversion of Pvt Company to Public Company

- Conversion of Company from Private Limited to Public Limited

## ISIN Connectivity & Dematerialization

- Application for ISIN Connectivity with Depositories (NSDL & CDSL)
- Dematerialization of entire shares

## Industry Reports

- Appointment of the Industry Agency for the Industry Report
- Finalisation of scope of work and KPIs (including peers)

## ESOP Scheme

- Finalisation of ESOP Scheme and Vesting conditions (if required)
- Legal Counsels to review the ESOP Scheme to ensure Scheme is in compliance with ICDR Regulations

## Corporate Governance

- Finalisation and Appointment of Independent Directors (Including 1 Women Director on BoD)
- Finalisation of experienced Full Time Company Secretary and Chief Financial Officer
- **Secretarial Due Diligence Report to be obtained from Independent Practicing Company Secretary**

## Legal Proceeding and Approvals

- Review of all outstanding Legal Issue by and against company/ directors/ promoters/ subsidiaries/ group companies.
- Evaluate requirements for approval from various regulators

# Key Common Objects Of IPO Issue

## Objects of Issue

Purchase of plant, machinery, technology, process

Unidentified Acquisition (max 35% including GCP)

Implementation of new project

Long-term working capital requirement

Investment JV, subsidiary company

Repayment of debt (*except Promoter, Promoter Group or any related party*) (Part/full)

Acquisition of property [to be discussed]

General Corporate Purposes  
*15% of amount being raised by the issuer or ₹10 crs, whichever is lower*

## Means of Finance

If the object is not entirely funded out of issue proceeds, then issuer to make firm arrangements towards 75% of the estimated cost excluding the amount proposed through the issue



Internal accruals from the business

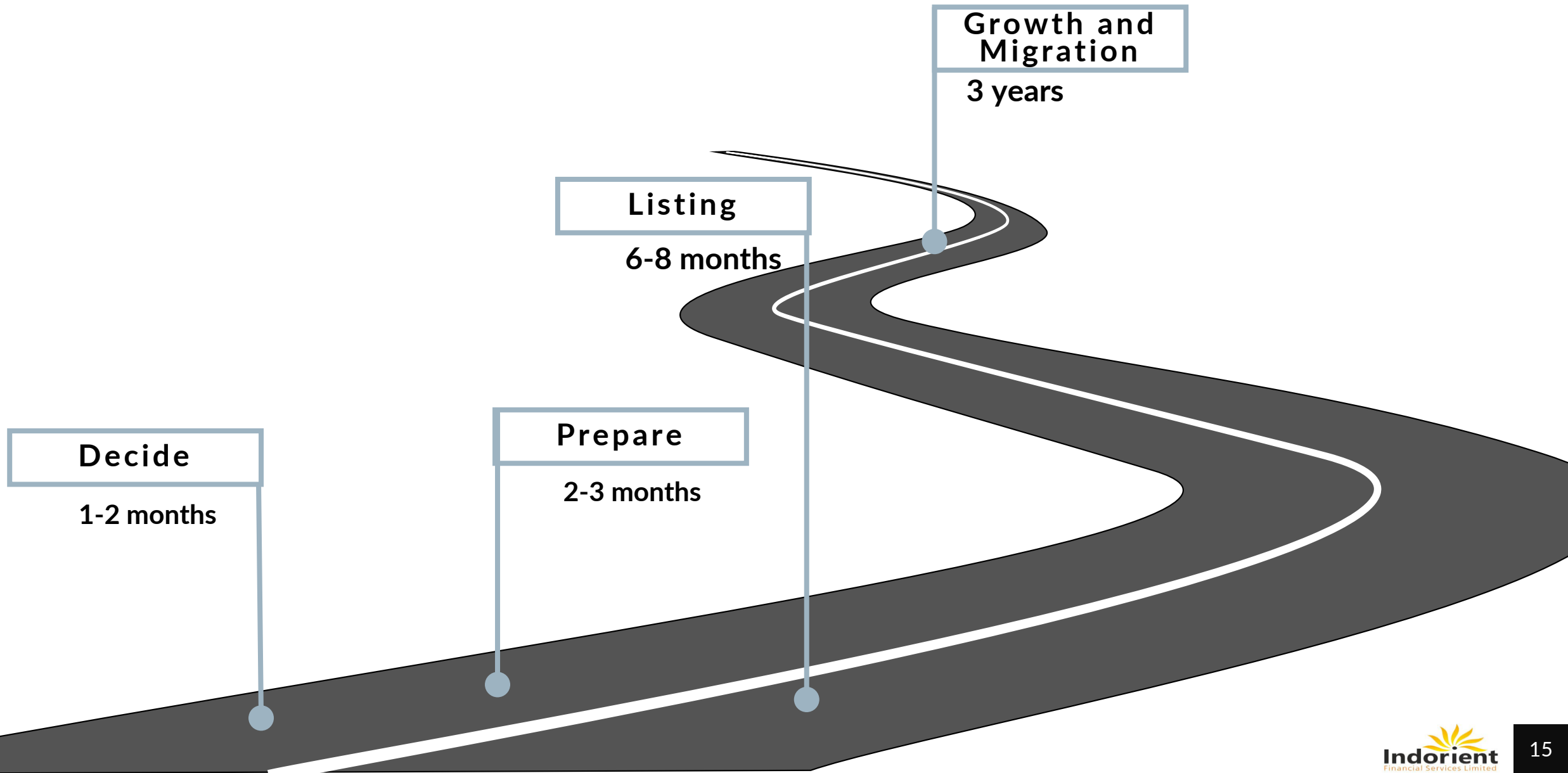


IPO Proceeds



Borrowed Money

# Roadmap for Value Unlocking



# Key Auditor Deliverables

## Stage-wise Key Auditor Deliverables\*

### DRHP Stage

- Restated Consolidated financials statement for the last 3 years and Stub Period
- Auditor certificates and ICA Certificates
- Comfort Letter including circle ups (for the Companies and its Subsidiaries)
- Auditor due diligence calls
- 3 Years standalone financials of Company & Material Subsidiary to be uploaded on the website

### RHP Stage

- Additional stub period / Annual financials, if required
- Auditor certificates
- Comfort Letter including circle ups
- Bring Down due diligence calls

### Prospectus Stage

- Comfort Letter including circle ups
- Bring Down due diligence calls

**Financials should not be older than 180 days as on the date of filing the offer document**

\* These are indicative. The Auditors may be required to provide such other certificates / procedures, as may be required during the course of diligence  
ICA appointment is required only when the auditor is not giving any certificates

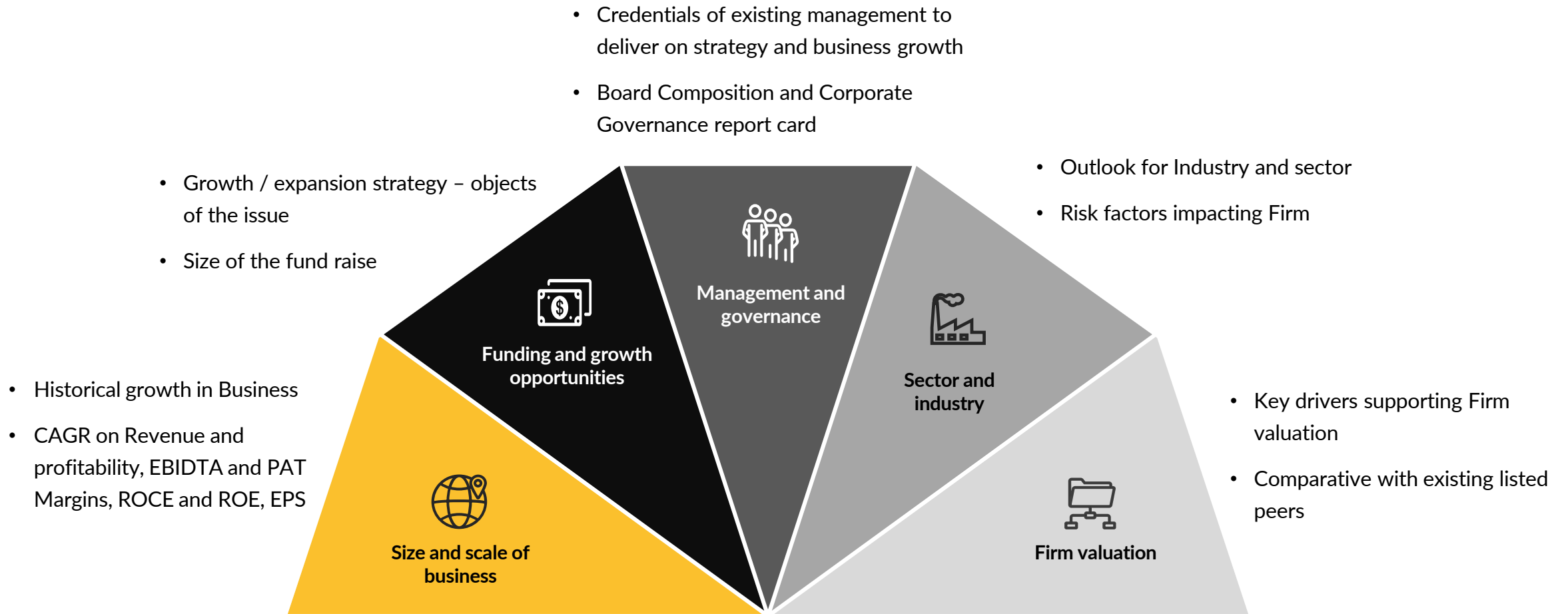
# Audit Certificates by Peer Reviewed Auditor

## Audit Certificates

• Average Cost of Acquisition of Promoters	• Consent Letter	• Material Developments	• Working Capital
• Basis of Offer Price	• Dividend Payment	• Material Frauds	• Tax Litigation related disclosures
• Bonus	• Eligibility Letter	• Minimum Promoters Contribution	• Offer Expenses
• Buildup of Share Capital	• Engagement Letter	• Outstanding Dues to Creditors	• Corporate Governance
• Capitalisation Statement	• Financial Indebtedness	• Peer Review Certificate	• General Certificate
• Certificate on Objects	• Financial Line items of Group Companies	• Rejection Criteria in relation to the SEBI General Order	• ESOP Certificate
• Certificate on remuneration paid to Directors, KMP, SMPs	• Fund Deployment	• Related Party Transactions	• Statutory Dues
• Change in Accounting Policies	• Identification of material Subsidiary	• Statement of Tax benefits	• Reservation And Qualification
• Comfort Letter	• Insurance Coverage	• Utilisation of Loan	• Acquisition and Divestment
• Compliance Certificate- Section 42 Private Placement	• Key Performance Indicators	• Wilful Defaulters and FEO	

The above-mentioned certificates are not exhaustive and may vary depending on the specific transaction. The requirement and timing for submission of such certificates shall be determined on a case-by-case basis, and may arise at different stages, including the DRHP, RHP, or Prospectus stage

# Key Business Pillars and Factors Driving Valuation



# Valuation Approach

## ➤ Valuation Methodology

- XYZ Private Limited will be valued based on a blended valuation approach using the NTM EV/EBITDA & PE multiple derived from the below approach -
  - **Approach: Average of NTM EV/EBITDA & P/E multiples of leading Fabrication & Engineering focused players** such as Sona BLW Precision forgings, Bharat Forge, Belrise Industries Limited, etc. to arrive at a multiple range
- Using the above valuation methodology, we arrived at EV/EBITDA & PE multiple range as shown in next slide



We believe XYZ Private Limited could be valued at an Implied NTM EV/EBITDA multiple of 7.3x-8.4x & NTM P/E multiple of 12.3x-14.4x

*Note: At the time of listing, an appropriate IPO discount may be applied with the objective of creating value for investors*

# Indicative Valuation

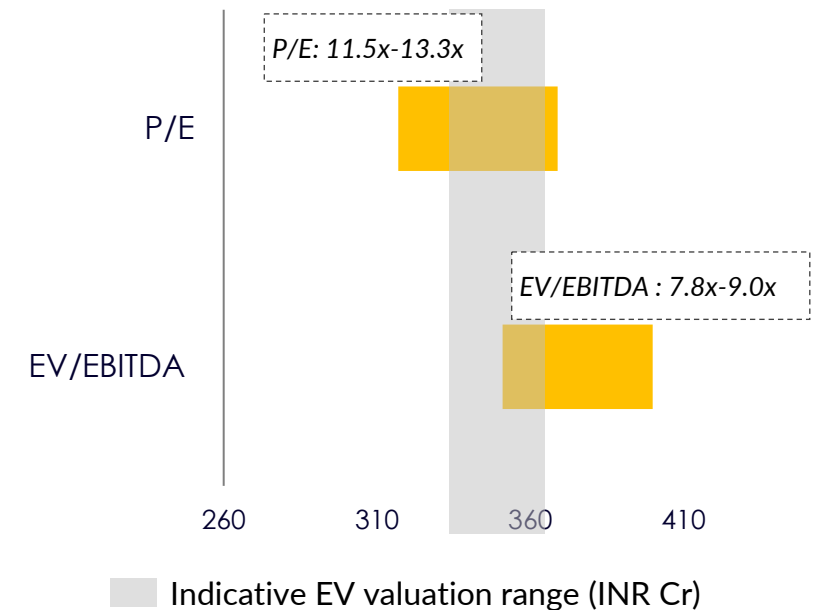
## Valuation by applying NTM EV/EBITDA and PE multiples on FY27 Financials (Indorient Estimates)

### ➤ Projected Financials

Indorient Estimates				
Particulars	FY24A	FY25E	FY26E	FY27E
Turnover	19.3	57.4	155.6	260.5
EBITDA	4.8	7.5	28.0	47.8
EBITDA (%)	24.8%	13.0%	18.0%	18.3%
PAT	0.4	0.8	11.6	25.7
PAT (%)	1.9%	1.3%	7.5%	9.9%
Cash	5.0	5.4	7.1	6.9
RoCE	8.4%	10.0%	43.3%	53.9%



### Indicative EV Valuation Pre-Money



- ❖ Applying 7.8x-9.0x NTM EV/EBITDA multiple on FY27 EBITDA of INR 47.8 Cr, and 11.5x-13.3x NTM PE multiple on PAT of INR 25.7 Cr, XYZ Private Limited could have an Enterprise Value of ~INR 351 – Rs.400 Cr (Pre-Money)
- ❖ We believe XYZ Private Limited could have an average equity value\*(pre IPO) in the range of INR 317-369 Cr, with an IPO size of INR 110-135 Cr

\*Equity value derived from EV/EBITDA assumes net debt of INR 154 Cr

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