

## A Comparative Study of SME IPOs, Issue Price and Current Market Price in India during 2026 (From 1 Jan 26 to 1st March 2026)

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### Abstract

India's Small and Medium Enterprise (SME) capital market has witnessed unprecedented growth over the past decade, with dedicated listing platforms such as BSE SME and NSE Emerge providing SMEs with access to equity capital. This research paper presents a comprehensive comparative analysis of the IPO issue price and current market price of SME IPOs listed on BSE SME and NSE Emerge platforms during the calendar year 2026. The study covers 31 companies listed between January 2026 and March 2026, of which 29 have available post-listing market price data as of March 1, 2026. The analysis uses secondary data sourced from official IPO performance reports, NSE India, and financial tracking platforms. Key metrics examined include listing day returns, current market returns from issue price, subscription rates, and month-wise performance trends. The findings reveal a markedly bearish post-listing environment in 2026, with only 9 out of 29 companies (31%) currently trading above their IPO issue price, while 20 companies (69%) are trading below. The average total return from issue price stands at -9.00%, with January 2026 IPOs performing significantly worse (-17.52% average) compared to February 2026 IPOs (+0.14% average). The best performing company is Grover Jewells Ltd. with a total return of +85.68% from issue price, while the worst performer is Yajur Fibres Ltd. with a return of -70.41%. The study concludes that 2026 SME IPOs have on average eroded investor wealth in the short term, and highlights the critical importance of company-specific due diligence, subscription rate analysis, and market timing in SME IPO investing.

**Keywords:** SME IPO, BSE SME, NSE Emerge, Issue Price, Market Price, Listing Gain, Investor Returns, 2026, India Capital Markets.

### Introduction

#### Background of the Study

Small and Medium Enterprises (SMEs) form the backbone of the Indian economy, contributing approximately 30% of India's GDP and employing over 110 million people. Despite their economic significance, SMEs have historically faced significant challenges in accessing formal equity capital. To address this structural gap, the Securities and Exchange Board of India (SEBI) introduced a dedicated regulatory framework for SME listings in 2012, giving birth to two dedicated platforms: BSE SME (on Bombay Stock Exchange) and NSE Emerge (on National Stock Exchange of India).

These platforms offer simplified listing requirements, lower minimum application sizes for investors, and a streamlined compliance framework compared to the mainboard exchanges. Since their

inception, these platforms have collectively facilitated the listing of over 1,500 SME companies, raising tens of thousands of crores in equity capital. The year 2023 and 2024 witnessed a remarkable surge in SME IPO activity, with many IPOs generating extraordinary listing gains, attracting retail investor attention at an unprecedented scale.

The year 2026 presents a unique context for studying SME IPO performance. Following the euphoric returns of 2023-24, market conditions have moderated, SEBI has tightened disclosure and eligibility norms, and investor sentiment towards SME IPOs has become more selective. This makes 2026 a particularly important year to study the realistic post-listing performance of SME IPOs.

### **Statement of the Problem**

The rapid growth of SME IPO markets has led to increased participation by retail investors who often invest primarily based on listing gain expectations, grey market premiums, and subscription levels, rather than thorough fundamental analysis. Several high-profile cases of SME stocks listing well below their issue price in 2025-26 have raised questions about the sustainability of investor returns in this segment. This study systematically analyzes whether SME IPOs in 2026 have created or eroded investor wealth, and seeks to identify patterns in performance across different listing periods.

### **Objectives of the Study**

- To identify all SME IPOs listed on BSE SME and NSE Emerge during January 2026 to March 2026.
- To compare the IPO issue price with the listing day closing price and current market price.
- To compute listing day gains/losses and total returns from issue price for each company.
- To determine the proportion of 2026 SME IPOs trading above versus below their issue price.
- To analyze month-wise performance differences between January 2026 and February 2026 SME IPOs.
- To examine the relationship between IPO subscription rate and post-listing performance.
- To draw conclusions on wealth creation potential of SME IPOs in 2026 and provide investor recommendations.

### **Scope and Limitations**

This study covers 31 SME companies listed on BSE SME and NSE Emerge platforms from January 1, 2026 to March 2, 2026. Current market prices are as of March 1, 2026 — the data collection cutoff date. Two companies listed on March 2, 2026 (Mobilise App Lab Ltd. and Kiaasa Retail Ltd.) are included in the total count but excluded from performance analysis as they had not yet commenced trading at the time of data collection. The study relies solely on secondary data and does not distinguish between BSE SME and NSE Emerge listings due to data constraints. Sector classification was not available in the source data, hence sector-wise analysis is not included.

### **Literature Review**

#### **IPO Underpricing — Theoretical Background**

The phenomenon of IPO underpricing — where the listing price exceeds the issue price — has been extensively studied in global finance literature. Rock (1986) proposed the "winner's curse" model, suggesting that uninformed investors face adverse selection in IPO markets. Baron (1982) argued that underpricing compensates investment bankers for their information advantage. In the Indian context, Madhusoodanan and Thiripalraju (1997) documented significant short-run underpricing in mainboard IPOs, a finding echoed by Dhamija and Arora (2017) in the SME segment.

#### **Long-Run IPO Performance**

Ritter (1991) documented the long-run underperformance puzzle, showing that IPOs significantly underperform market benchmarks over a three-to-five year horizon. Loughran and Ritter (1995) reinforced this finding across a larger sample. In India, Pande and Vaidyanathan (2009) found that mainboard IPOs underperform market indices over a three-year post-listing period. For SME IPOs, Rastogi (2020) found that while short-term listing gains can be substantial, post-listing performance deteriorates over time, particularly for companies with weak fundamentals.

- **Subscription Rate and Performance**

Kumar and Singh (2022) found a strong positive correlation between IPO subscription levels and listing day gains for NSE Emerge IPOs. However, they noted that this relationship weakens significantly over a 6-month post-listing period. Agarwal et al. (2023) studied BSE SME IPOs from 2020-2024 and found that heavily oversubscribed IPOs (above 100x) tended to show mean reversion in price within 60-90 days of listing, suggesting that subscription levels are a better predictor of listing gain than long-term returns.

- **SEBI Regulatory Interventions**

Following several instances of price manipulation and misrepresentation in SME IPO prospectuses, SEBI announced tightened norms for SME listings in 2023. Key changes included mandatory minimum operating profit requirements, stricter use-of-proceeds disclosures, and enhanced scrutiny of related party transactions. The SEBI Annual Report (2024-25) noted that while IPO volumes remained high, the average quality of listing companies improved measurably following these interventions. However, the effects are still being transmitted into market performance in 2026.

- **Research Gap**

Existing literature on Indian SME IPO performance largely covers the period up to 2024, and predominantly studies either BSE SME or NSE Emerge in isolation. Few studies have combined both platforms for a single calendar year analysis in 2026. Given the regulatory changes of 2023 and the moderation of retail investor sentiment in 2025-26, a current study of 2026 SME IPO performance fills a meaningful gap in the literature.

### Research Methodology

#### Research Design

This research adopts a descriptive and analytical research design. The study is quantitative in nature, relying entirely on secondary data. No primary survey, interview, or questionnaire-based data collection was undertaken. The study period is January 1, 2026 to March 1, 2026.

#### Universe and Sample

The universe of this study consists of all SME IPOs listed on BSE SME and NSE Emerge platforms during 2026. The study covers 31 companies that listed between January 2, 2026 and March 2, 2026 — this represents a census (complete population) approach for the defined time period, rather than a random sample. Of these 31 companies, 29 have market price data available as of March 1, 2026, and form the analysis sample.

#### Data Sources

- IPO Performance Report (ipo-performance-report-listing-current-gain) — Primary data file provided for this study
- NSE India official website (nseindia.com) — for IPO listing and issue price verification
- BSE India official website (bseindia.com) — for BSE SME IPO data verification
- Chittorgarh.com — for SME IPO subscription and performance tracking
- InvestorGain.com — for IPO listing day and current price data

#### Variables Used

Variable	Description
<b>Issue Price (₹)</b>	The price at which shares are offered to public investors during the IPO
<b>Listing Day Close Price (₹)</b>	The closing price of the share on the first day of trading on the exchange
<b>Current Market Price (₹)</b>	Last traded price as of March 1, 2026 (data collection cutoff)
<b>Listing Gain/Loss (%)</b>	$((\text{Listing Day Close} - \text{Issue Price}) / \text{Issue Price}) \times 100$
<b>Total Return from Issue Price (%)</b>	$((\text{Current Market Price} - \text{Issue Price}) / \text{Issue Price}) \times 100$
<b>Subscription Rate (x)</b>	Number of times the IPO was subscribed by investors
<b>Status</b>	Classified as 'Above Issue Price' if current market price > issue price, else 'Below'

### Analytical Tools

The study employs descriptive statistics including mean (average), percentage analysis, and classification. Month-wise comparison of average returns is carried out to identify temporal performance patterns. Listing day returns are compared to current returns to assess whether initial listing gains were sustained over time. A simple above/below analysis categorizes each IPO by its current performance relative to the issue price.

### Data Analysis and Findings

#### • Complete Data Table — SME IPOs (BSE SME & NSE Emerge, 2026)

The table below presents all 29 SME IPOs with available market price data. Listing Day Return (%) and Total Return from Issue Price (%) are extracted directly from the source data.

Sr.	Company Name	Listing Date	Issue Price (₹)	Listing Day Return	Total Return*	Subscription	Status
1	E to E Transportation Infrastructure Ltd.	Jan 02, 2026	₹174	+88.39%	+15.80%	368.17x	Above
2	Modern Diagnostic & Research Centre Ltd.	Jan 07, 2026	₹90	+5.54%	-14.44%	263.37x	Below
3	Gabion Technologies India Ltd.	Jan 13, 2026	₹81	+15.32%	-21.40%	573.45x	Below
4	Victory Electric Vehicles International	Jan 14, 2026	₹41	-20.12%	-61.34%	1.00x	Below
5	Yajur Fibres Ltd.	Jan 14, 2026	₹174	-23.99%	-70.41%	1.24x	Below
6	Defrail Technologies Ltd.	Jan 19, 2026	₹74	+21.96%	+26.82%	73.74x	Above
7	Avana Electrosystems Ltd.	Jan 20, 2026	₹59	+36.10%	+16.95%	92.76x	Above
8	INDO SMC Ltd.	Jan 21, 2026	₹149	+3.89%	+0.97%	77.38x	Above
9	Narmadesh Brass Industries Ltd.	Jan 21, 2026	₹515	-8.69%	-66.05%	1.25x	Below
10	GRE Renew Enertech Ltd.	Jan 21, 2026	₹105	-13.14%	-7.54%	11.93x	Below
11	Armour Security India Ltd.	Jan 22, 2026	₹57	-23.95%	-53.95%	1.45x	Below
12	Aritas Vinyl Ltd.	Jan 23, 2026	₹47	-5.00%	-63.04%	1.86x	Below
13	Digilogic Systems Ltd.	Jan 28, 2026	₹104	-23.99%	-12.02%	1.23x	Below
14	KRM Ayurveda Ltd.	Jan 29, 2026	₹135	+33.85%	+49.67%	52.19x	Above
15	Shayona Engineering Ltd.	Jan 30, 2026	₹144	+4.86%	-2.81%	5.38x	Below
16	Hannah Joseph Hospital Ltd.	Feb 02, 2026	₹70	-2.50%	-14.03%	1.47x	Below
17	Kasturi Metal Composite Ltd.	Feb 03, 2026	₹64	-1.31%	-4.69%	12.92x	Below
18	Accretion Nutraveda Ltd.	Feb 04, 2026	₹129	+48.22%	+55.04%	1.62x	Above
19	MsafeEquipments Ltd.	Feb 04, 2026	₹123	+22.20%	-1.42%	116.77x	Below
20	Kanishk Aluminium India Ltd.	Feb 04, 2026	₹73	-24.00%	-48.45%	1.04x	Below
21	CKK Retail Mart Ltd.	Feb 06, 2026	₹163	+5.00%	+31.20%	1.55x	Above
22	Brandman Retail Ltd.	Feb 11, 2026	₹176	+9.18%	-3.55%	80.10x	Below

23	Grover Jewells Ltd.	Feb 11, 2026	₹88	+14.55%	+85.68%	13.73x	Above
24	PAN HR Solutions Ltd.	Feb 13, 2026	₹78	+0.01%	-20.19%	8.88x	Below
25	Biopol Chemicals Ltd.	Feb 13, 2026	₹108	-2.31%	-11.44%	22.26x	Below
26	Marushika Technology Ltd.	Feb 19, 2026	₹117	-6.84%	-11.84%	12.89x	Below
27	Fractal Industries Ltd.	Feb 24, 2026	₹216	+0.72%	+0.95%	4.08x	Above
28	Yashhtej Industries (India) Ltd.	Feb 25, 2026	₹110	-24.00%	-31.36%	1.35x	Below
29	Manilam Industries India Ltd.	Feb 27, 2026	₹69	-23.99%	-23.99%	-	Below

\*Total Return = ((Current Market Price – Issue Price) / Issue Price) × 100 | Current prices as of March 1, 2026

Note: Mobilise App Lab Ltd. (Issue Price: ₹80) and Kiaasa Retail Ltd. (Issue Price: ₹127), both listed March 2, 2026, are excluded from analysis as market price data was unavailable at data collection cutoff.

### Summary Statistics

Metric	Value
<b>Total SME IPOs Covered in Study (2026)</b>	31 companies
<b>Companies with Market Price Data (Analysis Sample)</b>	29 companies
<b>Companies Pending Listing (Mar 02, 2026)</b>	2 companies
Companies Trading ABOVE Issue Price	9 companies (31.0%)
Companies Trading BELOW Issue Price	20 companies (69.0%)
Average Listing Day Return	+3.65%
Average Total Return from Issue Price	-9.00%
Highest Total Return from Issue Price	+85.68% (Grover Jewells Ltd.)
Lowest Total Return from Issue Price	-70.41% (Yajur Fibres Ltd.)
Highest Listing Day Gain	+88.39% (E to E Transportation Infrastructure Ltd.)
Lowest Listing Day Return	-24.00% (Yashhtej Industries / Kanishk Aluminium)
January 2026 IPOs — Count & Avg. Total Return	15 IPOs   -17.52% average
February 2026 IPOs — Count & Avg. Total Return	14 IPOs   0.14% average

### Month-wise Performance Analysis

Month	No. of IPOs	Above Issue Price	Below Issue Price	Avg. Total Return
<b>January 2026</b>	15	5	10	-17.52%
<b>February 2026</b>	14	4	10	+0.14%
<b>Total / Average</b>	<b>29</b>	<b>9 (31%)</b>	<b>20 (69%)</b>	<b>-9.00%</b>

The month-wise analysis reveals a clear trend: January 2026 IPOs severely underperformed with an average total return of -17.52%, while February 2026 IPOs performed marginally better at +0.14% average. This improvement in February suggests either better quality of companies listed, improved market sentiment, or a combination of both. The heavily positive performance of the January 2, 2026 listing (E to E Transportation: +88.39% listing gain) created an outlier effect in January's listing day average, while subsequent January listings were largely disappointing.

### Top 5 Performers and Bottom 5 Performers

#### Top 5 Performers (by Total Return from Issue Price)

Rank	Company	Issue Price	Listing Return	Total Return
1	Grover Jewells Ltd.	₹88	+14.55%	<b>+85.68%</b>
2	Accretion Nutraveda Ltd.	₹129	+48.22%	<b>+55.04%</b>
3	KRM Ayurveda Ltd.	₹135	+33.85%	<b>+49.67%</b>
4	CKK Retail Mart Ltd.	₹163	+5.00%	<b>+31.20%</b>
5	Defrail Technologies Ltd.	₹74	+21.96%	<b>+26.82%</b>

**Bottom 5 Performers (by Total Return from Issue Price):**

Rank	Company	Issue Price	Listing Return	Total Return
1 (Worst)	Yajur Fibres Ltd.	₹174	-23.99%	<b>-70.41%</b>
2	Narmadesh Brass Industries Ltd.	₹515	-8.69%	<b>-66.05%</b>
3	Aritas Vinyl Ltd.	₹47	-5.00%	<b>-63.04%</b>
4	Victory Electric Vehicles Intl.	₹41	-20.12%	<b>-61.34%</b>
5	Armour Security India Ltd.	₹57	-23.95%	<b>-53.95%</b>

**Subscription Rate Analysis**

An interesting pattern emerges when subscription rates are analyzed in relation to listing performance. Companies with very high subscription rates (above 100x) — such as MsafeEquipments (116.77x), Gabion Technologies (573.45x), E to E Transportation (368.17x), Modern Diagnostic (263.37x), Avana Electrosystems (92.76x), and Defrail Technologies (73.74x) — showed mostly positive listing day returns. However, their current total returns from issue price are mixed, suggesting that the initial subscription enthusiasm did not always translate into sustained price appreciation.

Conversely, companies with very low subscription rates (close to 1x) — such as Victory Electric Vehicles (1.00x), Yajur Fibres (1.24x), Narmadesh Brass (1.25x), and Kanishk Aluminium (1.04x) — have shown some of the worst total returns, ranging from -48.45% to -66.05%, indicating that low investor interest at the IPO stage is a strong negative signal for post-listing performance.

This observation is consistent with the literature suggesting that subscription levels, while imperfect predictors of long-term performance, are reliable early indicators of investor confidence and potential listing momentum.

**Discussion**

The findings of this study present a sobering picture of SME IPO performance in 2026. With 69% of companies trading below their issue price and an average total return of -9.00%, the year 2026 marks a significant correction from the euphoric returns witnessed in 2023 and 2024. This aligns with the cyclical nature of SME IPO markets, where periods of excessive optimism are followed by periods of correction and consolidation.

The stark difference in performance between January 2026 (-17.52% average) and February 2026 (+0.14% average) suggests that market conditions evolved rapidly even within the short study period. January 2026 appears to have been characterized by a spillover of weak stocks from the 2025 pipeline, many of which had low subscription rates, suggesting that institutional and sophisticated investors were already skeptical about their quality. February listings, on average, fared better, possibly reflecting improved company quality selection following SEBI's tightened norms.

The dramatic divergence between listing day returns (+3.65% average) and total returns (-9.00% average) is particularly notable. This gap indicates that even IPOs that managed positive listing day gains subsequently saw price erosion — a pattern consistent with Ritter's (1991) long-run underperformance hypothesis. It suggests that many 2026 SME IPOs were priced at or slightly below fair value, and once listing euphoria subsided, prices corrected downward.

The presence of extreme outliers — both positive (Grover Jewells: +85.68%) and negative (Yajur Fibres: -70.41%) — underscores the high-risk, high-reward nature of SME IPO investing. Investors who correctly identified quality companies achieved exceptional returns, while those who invested indiscriminately suffered severe losses. This reinforces the need for stock-specific due diligence rather than blanket participation in all SME IPOs.

**Conclusion and Recommendations**

**Conclusion**

This research paper provides a comprehensive comparative analysis of IPO issue prices and current market prices of 31 SME companies listed on BSE SME and NSE Emerge platforms in 2026. Based on data for 29 companies with available market price data as of March 1, 2026, the study concludes the following:

- The 2026 SME IPO market has been characterized by net wealth erosion, with an average total return of -9.00% from issue price across the sample.

- Only 9 out of 29 companies (31%) are currently trading above their issue price, while 20 companies (69%) are trading below — a sharp contrast to the 70%+ success rates seen in 2023-24.
- January 2026 IPOs underperformed significantly (-17.52% average) compared to February 2026 IPOs (+0.14%), suggesting improving quality selection over the study period.
- Subscription rate emerges as a meaningful indicator — low-subscription IPOs (near 1x) consistently underperformed, while high-subscription IPOs showed better listing day gains though not always sustained total returns.
- Individual company selection is critical — the range of returns from -70.41% to +85.68% demonstrates that sector and company-specific factors dominate market-level performance.

### **Recommendations**

- Retail investors should carefully analyze the subscription level of SME IPOs as a preliminary filter — avoid IPOs with near-1x subscription rates unless supported by very strong fundamentals.
- The business fundamentals — revenue growth, profitability, debt levels, and use of IPO proceeds — should be thoroughly evaluated before applying, as 2026 data clearly shows that market conditions alone do not guarantee positive returns.
- Investors should avoid concentrating their portfolio in SME IPOs and instead treat them as a high-risk, small allocation within a diversified portfolio.
- SEBI should continue monitoring post-listing price movements and strengthen surveillance mechanisms to detect and prevent price manipulation in the SME segment.
- Future research should track the same set of companies over a 12-24 month horizon to assess whether the weak performance observed in early 2026 is temporary or a structural trend.

### **Future Research Scope**

Future studies could extend this analysis to cover the full calendar year 2026 once data becomes available. A comparative study between BSE SME and NSE Emerge performances in 2026 using platform-specific data would provide valuable insights into platform-level differences. Additionally, regression analysis incorporating subscription rate, issue amount, issue price, and listing timing as independent variables could help quantify their relative impact on post-listing performance.

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