

India's First Pioneer in
SME & Microcap Exchange
Focused Wealth Creation



APRIL 2026



SME & Microcap Report



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Executive Summary:

Capital Market Update: April 2026

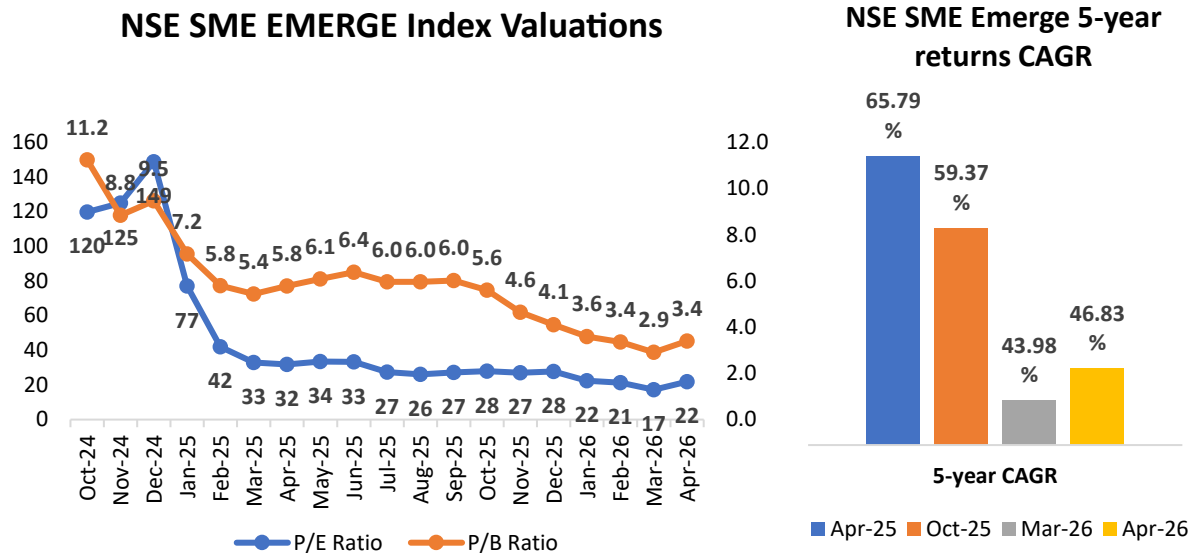
- Indian capital markets staged a partial recovery in April 2026 after sharp correction in March 2026, driven by de-escalation in the US-Iran conflict and stabilizing crude oil prices. However, lingering geopolitical tensions in the Middle East, elevated inflation, and cautious FPI stance capped the recovery, with volatility persisting.
- In April 2026, Indian equity markets witnessed a notable recovery following the sharp correction observed in March 2026. The benchmark NIFTY 50 Index delivered a gain of approximately 7.46% during the month. Broader market indices outperformed the benchmark, with the Nifty Midcap 100, Nifty Smallcap 100, and Nifty Microcap 250 indices advancing by approximately 13.55%, 18.44%, and 21.55%, respectively. The recovery was broad-based across market capitalizations, reflecting improved investor sentiment and a strong rebound in the Indian capital markets during the month.
- India's crude basket eased to ~\$95 per barrel (down ~15% MoM from March peak), easing imported inflation fears as Strait of Hormuz disruptions subsided. Lower fuel costs supported margin recovery in oil-sensitive sectors like auto, aviation, and logistics. However, sustained high levels of crude oil prices (~50% above pre-conflict averages) continued to pressure CAD and fiscal balances, given India's 85% import dependency.
- During April 2026, the Indian equity markets witnessed a recovery, led by sectors such as automobiles, real estate, BFSI, defence, and capital goods. The rebound was supported by softening input costs, improving investor sentiment, and the gradual normalization of market uncertainties.
- Foreign Institutional Investors (FIIs) remained net sellers with outflow of ~67,299 cr in Cash segment, but strong buying of ~55,828 Cr from Domestic Institutional Investors (DIIs) provided support during the month.
- Economic growth forecast for India for the fiscal year 2026-27 has been reduced to 6.6% by S&P Global due to higher crude oil price, inflationary pressure and global uncertainty.
- CPI inflation in India **inched up further to ~3.4% in March 2026**, compared to ~1.3% in January 2026, driven by **rising food and fuel prices amid global uncertainty**. Despite the uptick, inflation remained **well within the RBI's tolerance band of 2%–6%**, although emerging risks from **crude oil price surge and imported inflation pressures** warrant close monitoring.

IPO Activity: Primary market activity remained relatively subdued in April 2026 caused by reduction in number of IPOs and reduced fundraising. In the **SME segment**, 7 IPOs were listed across BSE and NSE, collectively raising ~Rs. 394 crores. The segment delivered an average listing-day gain of 7.4%, improving from the 3.2% recorded in March 2026. On a broader trend basis, SME IPO performance has moderated meaningfully. During Apr'25–Mar'26 (FY26), 257 SME IPOs were listed, delivering an average listing-day gain of ~10.81%, marking a sharp decline compared to FY25, when average listing gains stood at ~47.39%.

In the **Mainboard segment**, activity remained muted with just 4 IPOs raising ~Rs. 2,099 crores in April, delivering listing-day return of -0.59%, against -8.78% in Mar'26. Similar to SMEs, returns have moderated significantly from ~29% in FY25 to ~7.35% in FY26. Overall, the data suggests that investor appetite for primary market offerings remained subdued, reflecting a limited willingness to participate in new issuances.

SME Market:

NSE SME Emerge Valuation and Return:



The NSE SME Emerge Index valuation chart demonstrates how the Price-to-Earnings (P/E) multiples within the SME index have recalibrated. This valuation adjustment over past 1-2 years is not merely a consequence of the decline in equities; it also reflects the **robust earnings growth delivered by leading SME companies**. A key impetus for the valuation contraction has been **sustained foreign institutional investor (FII) selling**.

The 5-year stock returns CAGR was 59.37% in Oct'25 then drifted to 46.83% in Apr'26 signalling normalising of the euphoric growth phase and valuation contraction. The April 2026 rebound in valuations and 5-year CAGR appears driven by selective re-rating within the SME universe following steep valuation compression in preceding months. The chart reflects a transition from extraordinary, liquidity-driven gains to more earnings-aligned performance.




SME Stocks Valuations:

- **Valuations:** In Apr'26, the NSE SME Emerge index's P/E multiple rerated to 21.81x from 17.23x in Mar'26. The re-rating was primarily driven by the recovery in broader equity markets following the sharp correction witnessed in March. Improving market sentiment, coupled with a gradual revival in risk appetite, supported an expansion in valuation multiples across the SME segment.
- **Growing Role in India's Growth Story:** Experts regard the SME IPO market as a cornerstone for broad-based capital formation and economic growth in India, indicating increasing maturity and market discipline.

SME IPO Performance in April 2026:




Investor confidence in India's SME sector continued to remain weak in Apr'26 as well, highlighted by muted subscription levels in recent IPOs and weak listing gains; although improvement seen compared to March. Here are the key takeaways.

Top Oversubscribed SME IPOs of April 2026:

 <p>The logo for HIGHNESS features a grid of blue dots of varying sizes arranged in a roughly square pattern, with the word "HIGHNESS" in a bold, black, sans-serif font below it, followed by a trademark symbol (TM).</p>	<p>The most oversubscribed SME IPO in April, 2026, with a subscription of 194 times the issue size.</p>
 <p>The logo for adisoft technologies features a red stylized '@' symbol with a lowercase 'a' inside, followed by the text "adisoft technologies" in a black sans-serif font, and the tagline "Digitally Yours" in a smaller, red, italicized font below it.</p>	<p>The 2nd most oversubscribed SME IPO in April, 2026, with a subscription of 77 times the issue size.</p>
 <p>The logo for MEHUL TELECOM LIMITED features the word "MEHUL" in a large, bold, pink sans-serif font, with "TELECOM LIMITED" in a smaller, black, sans-serif font below it.</p>	<p>The 3rd most oversubscribed SME IPO in April, 2026, with a subscription of 45 times the issue size.</p>

April 2026 SME IPO Listing Gains/Loss:

The details of top listing gains are provided below:

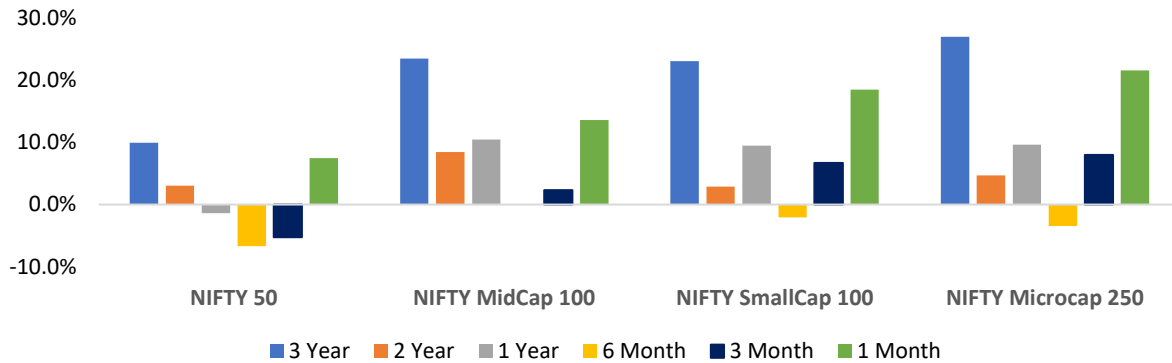
 <p>adisoft technologies <i>Digitally Yours</i></p>	<p>The 1st highest listing gain, with a gain of 19.2%. The company's shares listed at Rs. 205, higher than the issue price of Rs. 172.</p>
 <p>MEHUL TELECOM LIMITED</p>	<p>The 2nd highest listing gain of 10.2%. The company's shares listed at Rs. 108, slightly higher than the issue price of Rs 98.</p>
 <p>EMIAC Technologies</p>	<p>The 3rd highest listing gain, with a gain of 10.0%. The company's shares listed at Rs 107.8, against the issue price of Rs 98.</p>

During the month of Apr'26, SME market showcased muted performance in terms of listing gain. Subscription levels and investor participation in SME IPOs remained muted, reflecting a growing reluctance among investors to pursue short-term opportunities in the segment following mixed post-listing performance in the previous year.

Micro Cap:

Mainboard Performance and Valuation Matrix during April, 2026

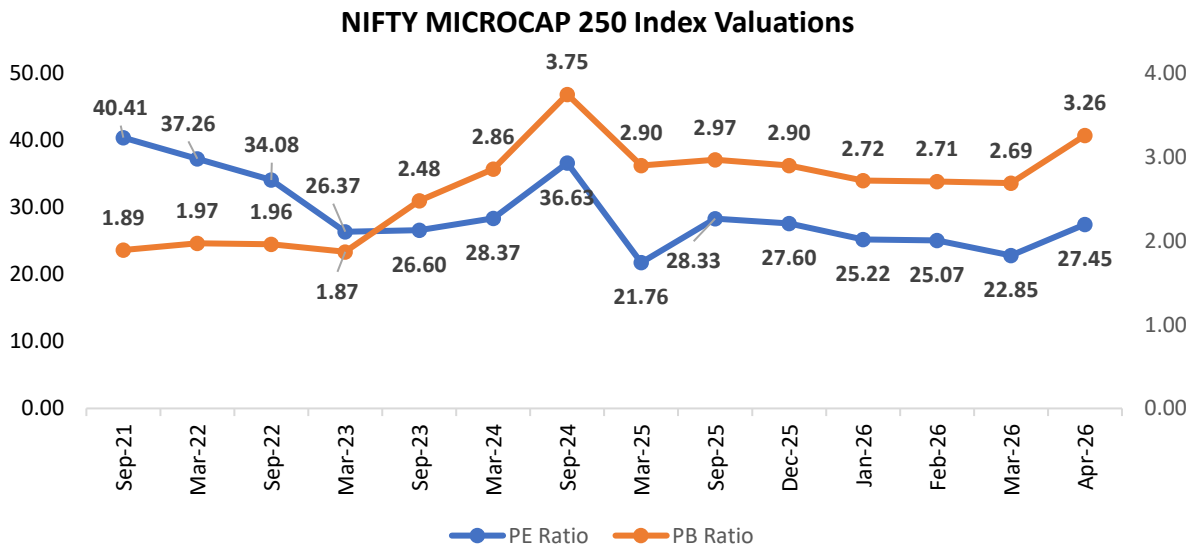
Index wise performance snapshot



Micro Cap Performance:

The Nifty Microcap 250 emerges as the top performer over the long term, outperforming large-cap, mid-cap, and small-cap indices, driven by strong liquidity, elevated retail participation, and a high-risk investment environment. Additionally, the micro-cap index has demonstrated outperformance over both the one-month and three-month periods.

Micro Cap Valuation Matrix:





The chart shows moderation of valuation after peaking in Sep'24. PE multiple corrected to 25-22x range in the last quarter of FY26, reflecting cooling sentiment **and partial unwinding of excess valuations**, likely amid broader market volatility and earnings catch-up lag.

April'26 move represents a **tactical re-rating off normalized levels** driven by price led recovery and optimism around capital efficiency and growth. Given the absence of broad-based earnings upgrades, the move appears **largely liquidity and sentiment-driven**, rather than fundamentally anchored.

IPO Activity of Mainboard IPO:




Mainboard activity remained muted in April with only 4 IPOs being listed raising around Rs. 2,099 Cr.

Mainboard IPOs Subscription Levels in April 2026:

	Clocked a subscription of 3.41 times the issue size.
	Clocked a subscription of 3.33 times the issue size.
	Clocked a subscription of 1.53 times the issue size.

April 2026 Mainboard IPO Listing Gains:

The details of listing gains/loss are as follows:

	Listed with a gain of 6.29%. The company's shares listed at Rs. 186 against the issue price of Rs. 175.
	Listed with a gain of 2.04%. The company's shares listed at Rs. 400 against the issue price of Rs. 392.
	Listed at a loss of 5.66%. The company's shares listed at Rs. 200 against the issue price of Rs. 212.

Subdued subscription levels and weak listing gains reflect **reduced market buoyancy**, as investors increasingly focused on **fundamentals and valuation discipline** rather than the aggressive, sentiment-driven participation seen in earlier phases.

It is important to remember that listing gains are not always an indicator of long-term performance. Investors should carefully consider the risks involved before investing in any IPO.

Outlook for IPOs in 2026-2027:

India's IPO market witnessed **muted performance in April 2026**. Fewer IPOs entered the market during April'26 and subscription levels also remained low as investors turned cautious due to higher volatility and valuation concerns. In April'26 SME IPO delivered ~7% average listing day gain and Mainboard IPO delivered (-1%) return showing **muted primary market performance**.

The outlook for SME IPOs in FY27 remains broadly moderate due to investor caution, tightening liquidity conditions, middle east conflict, higher crude oil price and inflationary environment, more disciplined and transparent regulatory framework, and heightened due-diligence standards.

Similarly, the outlook for **Mainboard IPOs in FY27** is also **moderate** due to **elevated valuations**. Despite the short-term slowdown, the **long-term outlook remains constructive** as India continues to have a strong pipeline of upcoming IPOs, including several startups and large companies planning to raise capital.

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