



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



STEPTRADE
 — CAPITAL —

June 2026

SME & Microcap REPORT

**Insights. Opportunities.
 Wealth Creation.**



**Powering Growth
 In Emerging India**



**Unlocking Potential
 Across SME & Microcap**



**Focused Strategies for
 Long-term Wealth Creation**



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Executive Summary:

Capital Market Update: June 2026

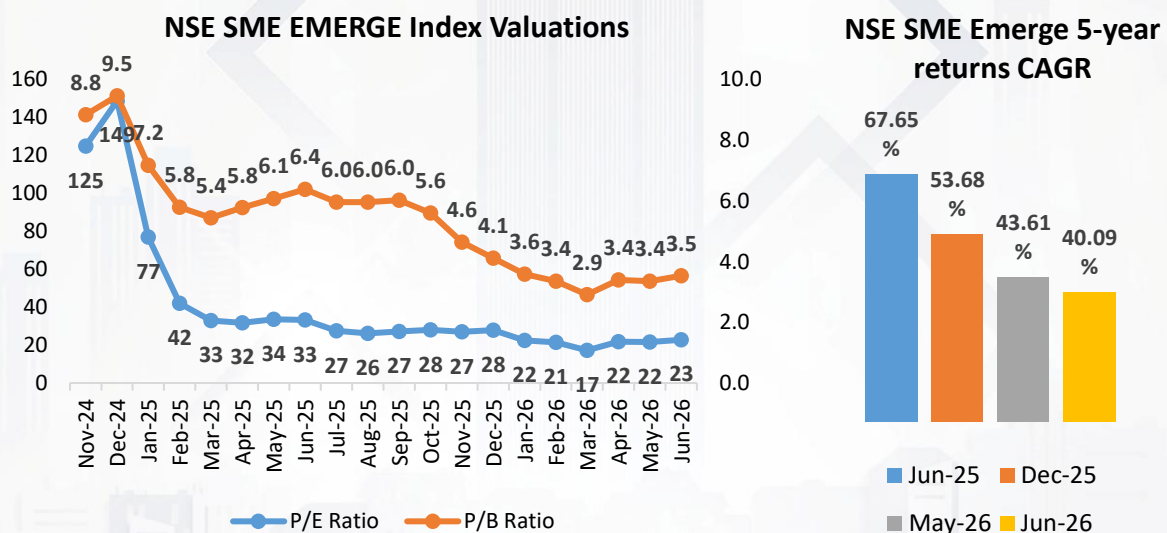
- Indian equity markets rebounded in June after the weakness seen in May, the Nifty 50 rising about 1.35% during the month. Market sentiment remained volatile in the first half of June amid heightened Middle East geopolitical tensions and elevated crude oil prices. However, easing geopolitical risks following the ceasefire, a sharp decline in Brent crude prices, and continued strong domestic institutional buying supported a broad-based recovery in the latter half of the month.
- While Foreign Institutional Investors (FIIs) remained net sellers, resilient domestic inflows and improved investor confidence helped markets recover. The Indian rupee also stabilized from May's lows, trading in the ₹94–95 per US dollar range by the end of June, further supporting market sentiment.
- Small-cap and micro-cap stocks outperformed both large-cap and mid-cap segments during June. The Nifty Smallcap Index advanced approximately 3.99%, while the Nifty Microcap Index gained around 6.35%. In comparison, the Nifty 50 rose 1.35% and the Nifty Midcap Index recorded a modest gain of 0.12%, reflecting stronger investor preference for broader market stocks during the month.
- Brent crude eased sharply in June as Middle East tensions cooled. Crude Oil plunged roughly **24%** over the month, averaging in the **mid-\$70s** per barrel by month-end. Still, prices remained well above pre-crisis levels. So the oil-price shock continued to fuel inflation and CAD worries in India. India's heavy oil import dependence (~85%) means that sustained relief will require oil prices to fall further.
- Sectoral performance was mixed during June, with Banking, Realty emerging as the top-performing sectors, supported by strong domestic institutional inflows and improving investor sentiment. Consumer Durables also witnessed healthy gains on the back of resilient domestic demand. In contrast, Metals, IT, and Power underperformed amid concerns over global growth, softer commodity prices, and cautious corporate spending.
- Foreign Institutional Investors (FIIs) remained net sellers, with an estimated ~INR 49,000 crore outflow from Indian equities in Jun (the fourth straight month of FII selling). Higher US Treasury yields and the rupee depreciation deterred foreign buyers. Domestic Institutional Investors (DIIs) again provided support, buying roughly INR 85,800 crore, helping cushion the market. Overall net institutional flows were positive due to strong DII inflows.
- India's macroeconomic environment remained resilient despite heightened global uncertainty. The Reserve Bank of India (RBI) maintained the policy repo rate at **5.25%** while retaining a neutral stance, balancing inflation risks arising from elevated crude oil prices against the need to support economic growth.

IPO Activity: Primary market activity in SME segment strengthened further in June 2026, supported by a higher number of IPO launches and sustained investor participation. In the **SME segment**, 18 IPOs were listed across BSE and NSE, collectively raising ~Rs. 821 crores. However, the average listing-day gain moderated to ~10.75% from ~13.33% in May 2026. SME IPO listing performance during the first half of CY26 saw an average listing day gain of ~7%.

Mainboard IPO activity remained measured in June 2026, with three IPOs listed during the month, collectively raising ~Rs. 1,652 crores compared with one IPO raising ~Rs. 926 crores in May 2026. The average listing-day gain moderated to ~10.96% from ~22.01% in the previous month. During H1CY26, Mainboard segment delivered an average listing day gain of ~3%. The pickup in IPO activity alongside moderated listing gains reflects a more balanced primary market, where capital deployment is increasingly driven by pricing discipline and business quality rather than momentum driven participation.

SME Market:

NSE SME Emerge Valuation and Return:



Valuations

The NSE SME Emerge Index valuations stabilised at the end of Q1FY27 with the P/E multiple moving to ~22.85x while the P/B multiple edged up to ~3.53x reflecting resilient domestic liquidity, and selective buying in fundamentally strong SME companies following the recovery in broader equity markets. The risk reward ratio for SME ecosystem is more balanced compared to 2025 reflecting limited downside risk in terms of valuation.

Returns

The 5-year CAGR softened to ~40% in Jun'26 from ~44% in May'26. The returns show steep correction from ~54% in Dec'25 caused by INR depreciation, FII outflows, crude oil price increase due to US-Iran tensions. The fall in 5-year CAGR over time along with the stability in valuation multiples show that the underlying earnings growth of these constituent companies has remained fundamentally robust.

SME IPO Performance in June 2026

Top Oversubscribed SME IPOs of June 2026:

	<p>The most oversubscribed SME IPO in June, 2026, with a subscription of 268 times the issue size.</p>
	<p>The 2nd most oversubscribed SME IPO in June, 2026, with a subscription of 221 times the issue size.</p>
	<p>The 3rd most oversubscribed SME IPO in June, 2026, with a subscription of 212 times the issue size.</p>
	<p>The 4th most oversubscribed SME IPO in June, 2026, with a subscription of 151 times the issue size.</p>
	<p>The 5th most oversubscribed SME IPO in June, 2026, with a subscription of 143 times the issue size.</p>

June 2026 SME IPO Listing Gains/Loss:

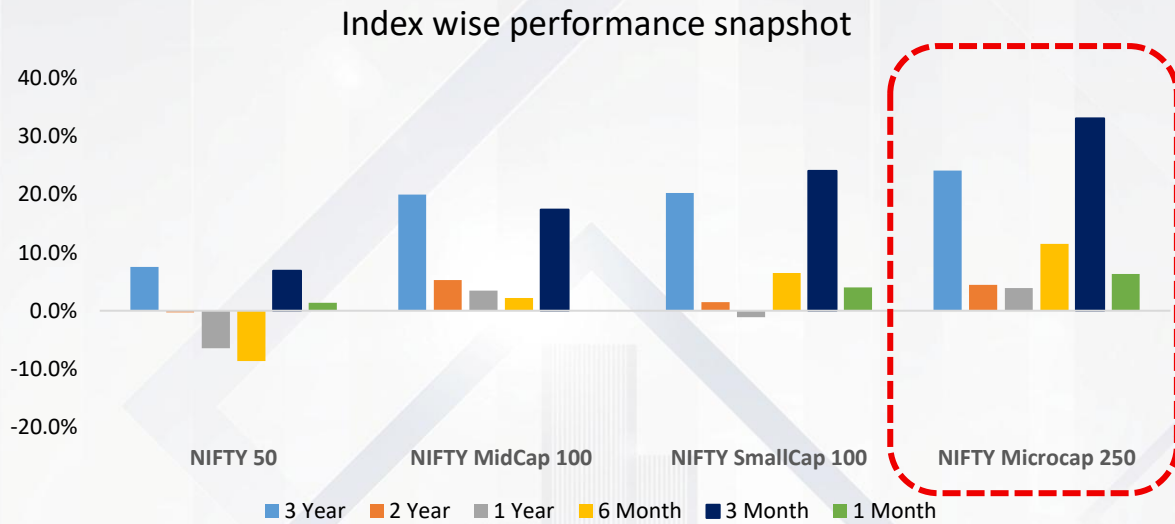
The details of top listing gains are provided below:

	<p>The highest listing gain, with a gain of 90%. The company's shares listed at Rs. 395.2, against the issue price of Rs. 208.</p>
	<p>The 2nd highest listing gain, with a gain of 90%. The company's shares listed at Rs. 283.1, against the issue price of Rs 149.</p>
	<p>The 3rd highest listing gain, with a gain of 47%. The company's shares listed at Rs. 151, against the issue price of Rs. 103.</p>
	<p>The 4th highest listing gain, with a gain of 46%. The company's shares listed at Rs. 186, against the issue price of Rs. 127.</p>
	<p>The 5th highest listing gain, with a gain of 17%. The company's shares listed at Rs. 70, against the issue price of Rs. 60.</p>

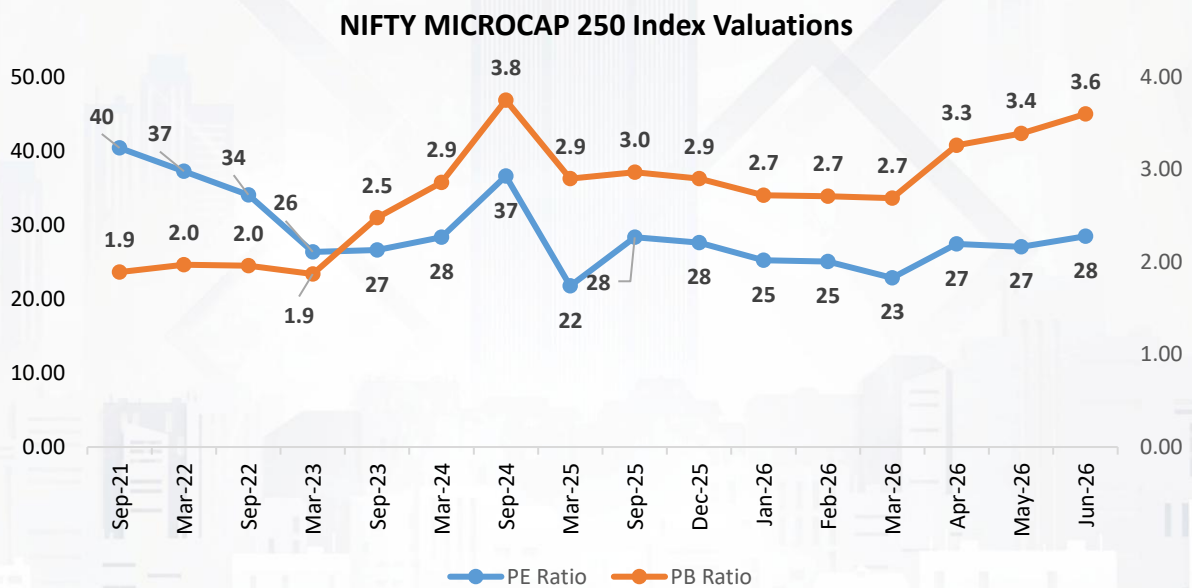
Investor sentiment towards the SME primary market sustained positive momentum in June 2026, as reflected in improved IPO listings and fundraising activity.

Micro Cap:

Micro Cap Performance



Micro Cap Valuation Matrix:



The Nifty Microcap 250 index continued to significantly outperform all major market-cap segments, leading returns with a **~24% 3-year CAGR** and a powerful **~33% rebound over the past three months**. During Q1FY27, the P/E multiple re-rated to 28.49x in Jun'26 (up from 23x in Mar'26). Further, the P/B multiple increased to 3.6x in Jun'26 (up from 2.7x in Mar'26). Microcaps outperformed broader benchmarks by delivering ~6% return in Jun'26 fuelled by retail risk appetite and strong domestic institutional inflows, pushing valuations back to the levels one year ago.

IPO Activity of Mainboard IPO:



In June, 2026; 3 IPOs got listed on Mainboard.

Mainboard IPO Subscription Levels in June 2026:

	<p>Clocked a subscription of 89 times the issue size.</p>
	<p>Clocked a subscription of 37 times the issue size.</p>
	<p>Clocked a subscription of 1.17 times the issue size.</p>

June 2026 Mainboard IPO Listing Gains:

The details of listing gains/loss are as follows:

	<p>Listed with a gain of 40%. The company's shares listed at Rs. 268 against the issue price of Rs. 192.</p>
	<p>Listed with a gain of 18%. The company's shares listed at Rs. 53.19 against the issue price of Rs. 45.</p>
	<p>Listed at a loss of 11%. The company's shares listed at Rs. 134.90 against the issue price of Rs. 152.</p>

Outlook for IPOs in 2026-2027:

India's IPO market is expected to witness a gradual recovery in the second half of 2026, supported by easing crude oil prices, improving domestic liquidity and resilient participation from domestic institutional and retail investors. While market volatility and global geopolitical uncertainties may continue to influence the timing of issuances, the strong pipeline of companies awaiting listing is likely to drive primary market activity.

Several marquee IPOs, including **Jio Platforms**, the **National Stock Exchange (NSE)** and other large issuers, are expected to test investor appetite during H2 2026.

Overall, the medium-term outlook for India's IPO market remains constructive, supported by healthy domestic liquidity, a robust listing pipeline and improving macroeconomic conditions, although global interest rates, foreign investor flows and geopolitical developments will remain key factors to monitor.

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