

## **SME IPOs& Listing : Grow Business Operations**

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SME IPO and listing provide a growth platform for emerging SME units. Besides wealth maximization and value creation, SME listing acts as enabler to gain operational benefits too.

SME platforms have been helping listed SMEs to strengthen their brand. Companies have travelled beyond their existing boundaries and broad-based stakeholders. They are being preferred over other peers in unlisted domain. Listed SMEs are being able to sell more to their customers and also add new customers. Listed SMEs which are export oriented companies are positioning themselves significantly differently in overseas markets. Many of listed companies are entering into new geographies domestically as also overseas.

Enhanced brand image and increasing acceptability help listed SMEs to sell more. Increasing base of customers gets attracted to the listed company with added confidence and comfort. Topline of various SME units have gone up post listing. Often, the corresponding cost of additional sales is proportionately lesser as per unit cost.

SME listing adds to the comfort of stakeholders such as customers / lenders/creditors of the company, which in turn, often, results in increased order book, better negotiated business terms like credit period, margin requirements, less-onerous contractual covenants etc.

Because of public interest and overall governance mechanism, listed companies are perceived to provide greater comfort to lenders. Against the same collateral, companies often raise additional bank loans post listing. Moreover, credit rating of the company often gets improved post listing which in turn leads to reduction in interest cost. Increased funding at reduced interest cost enhances the financial position of the company and makes it more efficient. Servicing capabilities of the company improves.

The company gets superior negotiation capabilities with suppliers and customers. There are examples where companies have been able to have beneficial terms with their customers and vendors. This helps companies manage their working capital cycle efficiently through availing advance moneys against sales, realizing sales on time and the like.

SME platform thus provide immense benefits in business areas of the companies and help them take their business to next level.

Details about SME IPO and listing can be found at [www.smeipo.net](http://www.smeipo.net)