



KRESHA GUPTA DIRECTOR AND FUND MANAGER STEPTRADE CAPITAL

AUM (Rs): 380 Cr (As on 28th February 2026)

ABOUT KRESHA GUPTA



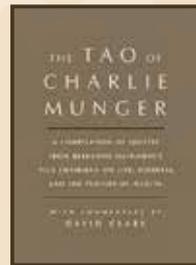
How would you describe your investing style in three words?

- My first rule is active investing, even if one is a long term investor, actively tracking investments helps stay aware of developments and risks.
- Understanding the business and the industry before analyzing financials.
- Medium term horizon investment horizon, allowing business to perform and market to revalue them.

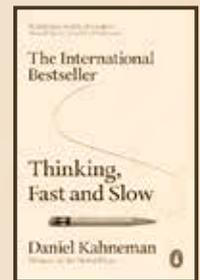
Which was the first SME IPO you invested in, and how did it perform?

My first SME IPO investment was in **Transteel Seating Technologies**. The investment thesis was based on the company's niche positioning in ergonomic office furniture and the shift towards organized workspace infrastructure in India. The investment delivered encouraging results post listing and highlighted how identifying scalable niche businesses can create strong outcomes in the SME segment.

YOUR BOOK(S) RECOMMENDATION



The TAO of Charlie Munger
- David Clark



Thinking Fast and Slow
- Daniel Kahneman



HBR's 10 must reads on Leadership



ABOUT THE BROAD MARKET



With strong SME momentum and rising institutional participation, how will the Indian SME IPO market evolve over the next three years?

Quality over Quantity – A mantra for SME IPOs. Over the next few years, we are likely to see newer and previously unexplored sectors coming to the SME platform. At the same time, several traditional businesses may also explore equity fund raising, giving investors access to promising SME companies. The market should gradually move from purely multibagger expectations toward becoming more stable, liquid, and mature.

The top three signals that Indian SME IPOs are sending to global investors for long-term investments?

- First, capital markets are emerging as a credible growth funding route for SMEs.

- Second, strong IPO activity reflects deepening domestic liquidity and entrepreneurial expansion.
- Third, the rapid formalization of small businesses is creating early stage opportunities for long term investors seeking exposure to India's structural growth.

How are you assessing valuation comfort in the current SME IPO cycle?

Valuation comfort requires caution in the current cycle. While **247 SME IPOs were listed in 2024 with nearly 90% delivering listing gains**, the following year showed moderation, with around 37% closing below issue price on listing day. Ultimately, valuation needs to be assessed case by case as peer comparisons alone are insufficient, as each SME business operates within a unique industry structure, growth trajectory, and earnings visibility.



ABOUT THE FUNDS



What does the deal pipeline look like for Chanakya Opportunities Fund II?

Chanakya Opportunities Fund II has been launched recently, and the deal pipeline is being built across sectors aligned with India's structural growth story. The fund aims to deploy growth capital across defence, energy transition, advanced manufacturing, and emerging enablers such as rare earth minerals, AI, and robotics. The focus remains on identifying scalable small and mid-sized businesses benefiting from government capex cycles, supply chain shifts, and increasing domestic manufacturing capabilities, with strong management quality and long term earnings visibility.

Between Anchor allocation and the QIB, which offers a better risk–return profile?

Both operate on completely different strategies. **Anchor investors usually follow a long term allocation approach**, often holding positions beyond listing due to lock-in periods, which means they may experience interim volatility if markets or results weaken. While, **QIB participation during the IPO bidding stage is often more demand–supply driven**, and historically a larger proportion of IPOs list at a premium. For instance, in 2024 nearly ~80% of IPOs listed above issue price, indicating strong listing-day demand. However, long-term

performance depends more on fundamentals than listing momentum.

How do you see Capital Goods, Infrastructure, and Steel performing in the microcap space?

India's capital goods sector is a strategic cornerstone in India's industrial policy, supported by government infrastructure investments and a strong manufacturing push. Government capital expenditure has risen from ₹2.6 lakh crore in FY18 to about ₹12 lakh crore recently, while infrastructure spending is targeted at ₹12.2 trillion annually. Steel demand in India is also growing ~8 to 11% annually, outpacing global demand. When an industry is backed by government, it gives a strong order book visibility and micro cap companies are well positioned under this segment.



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