

**A STUDY ON IPO PERFORMANCE ANALYSIS: LISTING DAY
GAIN & POST – IPO PERFORMANCE IN INDIAN CAPITAL
MARKET**

PROJECT REPORT

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2020-2022

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BONAFIDE CERTIFICATE

Certified that this project report “**A STUDY ON IPO PERFORMANCE ANALYSIS: LISTING DAY GAIN & POST – IPO PERFORMANCE IN INDIAN CAPITAL MARKET**” is the Bonafide work of Mr. **ARAVIND K C (YPAUMBA017)** who carried out the project work.

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DECLARATION

I, Aravind K C hereby declare that the Project Report entitled “**A STUDY ON IPO PERFORMANCE ANALYSIS: LISTING DAY GAIN & POST – IPO PERFORMANCE IN INDIAN CAPITAL MARKET**” has been prepared by me and submitted to the University of Calicut in partial fulfilment of requirements for the award of the Master of Business Administration, is a record of original work done by me under the supervision of **Dr. Suraj E S**, Associate Professor of Naipunnya Business School, Pongam, Koratty East, Thrissur.

I also declare that this Project work has not been submitted by me fully or partly for the award of any Degree, Diploma, Title or recognition before any authority.

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CHAPTER – I

INTRODUCTION

1.1 INTRODUCTION

A Stock Market refers to a place where shares of public listed companies are traded. It is a place for the purchase and sale of securities of a company. In India, stock market has two broad classifications; Capital market and Money market. A capital market is a financial market where long-term debt and equity are traded. Capital market helps to channel the wealth those who have to spare and can be put it to productive use in long-term. Money market is a financial market which deals with short-term debt and equities. Securities and Exchange Board of India (SEBI) is the apex body which monitors the security market related operations in India.

The capital for the company can be issued in the form of debentures, loans, preferential shares, equity shares and so on. Debentures are fixed interest giving document which are redeemed at a particular time and they are considered as the creditors of the company. Preference shareholders are those owners of the company who gets fixed dividend and also gets preference over the equity shareholders at the time of redemption. Equity shareholders are the real owners of the company. They don't get any preference dividend they get their dividend and capital gain only at the time of liquidating the securities. Equity shares are irredeemable in nature.

1.1.1 CAPITAL MARKET

Capital Market is a market where long-term securities are traded. The main source of raising funds for any business is capital market. It helps in channelizing the savings into proper investments. The capital market of a country is divided into two parts:

❖ PRIMARY MARKET

Primary market is a market where the fresh or first-hand securities are traded. It is a market where securities take birth. When the fund is required, companies and governments issues fresh securities and raise the required fund from primary market. Therefore, it is that part of capital market that deals with issuing of new securities. Hence, it is also known as New Issue Market.

Initial Public Offerings (IPO) is the most ordinary way through which securities are firms raise capital. An Initial Public Offering (IPO) refers to the sale of a company's

stock to the public for the first time. The primary aim of IPO is to raise capital needed for the company's operations. It will help a company to go public. It is also considered as an exit strategy to some of the firm existing owners, but a number of other motivations and other considerations will also influence a firm's decision to go public.

The main reason to go for an IPO is that sometimes companies may find it difficult to raise fund or capital for their working capital needs. If sufficient funds are not available for the companies it will lead to winding up of the company. So, in order to avoid that the company may go for an IPO and by doing an IPO it will become a public company. Therefore, when an unlisted company makes a fresh issue of shares or an offer for sale for its existing securities or both, for the first time, it is called Initial Public Offering (IPO).

❖ **SECONDARY MARKET**

Secondary Market is a market where existing securities are traded. This provides liquidity in the primary market through the purchase and sale of securities in the secondary market. It is in the secondary market that all the further dealings related to the IPO are done. Capital market serves as a good investment option for the investors. Investors could invest their money according to their preferences by considering the risk and return related to each instrument.

There are various investment avenues or options for raising funds for the companies. The securities issued for raising capital differs based on some characteristics such as, risk of the securities, return from the securities, cost of raising the security and so on. The major source of raising funds are as follows:

- In India
 - **Debt**
 - **Equity**
 - **Hybrid**

- Outside India
 - **External Commercial Borrowings (ECB)**
 - **American Depository Receipt (ADR)**

- **Global Depository Receipt (GDR)**

The investors are naturally hesitated to provide all the funding to the business and different private equity investors want to get their companies into the growth stage. Thus, successful companies will undergo multiple rounds of financing. When the investors put their money to the business, they will become a shareholder of the company and will be provided shares which enjoys high liquidity. When the investors require money, they have the option to sell their equity and earn capital gain from it, sell the company to another large company to make an acquisition, or sell their equity in the initial public offering of the company. Therefore, IPO is considered as an important mechanism to raise capital for the companies.

When private company converted to public company in want of fund, they make public offer. Earlier researchers have proved that IPOs are under-priced to attract the investors especially, to attract the retail investors. But after passing years the trend has been changed, companies try to enter the market when indices are trading at high price earnings multiple. After the 2008 collapse, equity market investors have learned many lessons. The IPO Reliance Power is one of the issue where retail investors had invested large number and post listing Reliance Power had lost 80 percent of their wealth. So, it is common that IPOs will have variation in listing day post-issue performance.

Indian IPO market is considered as unique all around the world because it involves large quantity of retail investors which can be more than the total applicants in an IPO. This large quantity will lead to minimal withdrawal of issues, very high level of under-subscription and so on. Therefore, the focus of SEBI is to ensure initiatives to protect the interest of retail investors. Every type of retailer is attracted to the IPO market. The under-pricing offers excellent opportunity to purchase the shares at an attractive price to ensure profit. This is done by the investors by analyzing the gaps in the expected value and actual value or profits generated. This does not mean that all the IPOs are under-priced. Some of these are over-priced, hence it does not generate positive gain for sometimes or long time or even permanently. It is considered as a difficult task to identify such non – performing from the given market conditions.

The project entitled “A STUDY ON IPO PERFORMANCE ANALYSIS: LISTING DAY GAIN & POST – IPO PERFORMANCE IN INDIAN CAPITAL MARKET” comprises the issue price, listing day gain or loss, post – issue performance of the IPO listed from 2017 to 2021. The study progress by analysing the under-pricing and over-pricing of the IPOs and the changes in the performance of the IPOs after the listing. It is observed that the IPO will have massive success in the listing day and the performance of the IPO starts diminishing. In general sense, the objective of IPO is to raise fund for meeting the working capital. The investors will invest their fund with the expectation that they can reap attractive returns from the IPO. In addition to this, the study covers the various procedures that have to be followed while making an IPO such as fixed price method, book building process, price band, concept of under-pricing etc.

1.2 STATEMENT OF PROBLEM

Initial Public Offering is done by the companies to collect funds which are needed to expand the company into next stage of development. Indian IPOs have huge popularity around the world because of the huge investor power in India. However, the return or benefits from the IPO during past two – three years was not an attractive one. The performance of the IPO on the listing day could be satisfactory but after the post issue the performance is not up to the expectation. Experts suggest few reasons for this situation as huge hike given to the listing, huge issue size, influence of prestigious underwriters and so on.

1.3 OBJECTIVE OF THE STUDY

Initial Public Offering is considered as one of the common method to raise capital by the company. The study was undertaken with the following objectives-

- ❖ To evaluate the performance of IPO on listing day.
- ❖ To analyse the short-term performance of top gainers from listing day returns.

1.4 SCOPE OF THE STUDY

The present study on IPO Performance Analysis emphasised on analysing the Listing-day return and the Post performance of IPO in the Indian Capital Market. Initial Public Offering is the most important method to raise fund by the business, big companies with good reputation offer their shares to the public through this method. The listing day return deals with the evaluation of the performance of the companies on the first day of their listing in the capital market. The post-performance deals with the current performance of the IPO.

1.5 LIMITATIONS OF THE STUDY

- This study is based on the historical data therefore the information may not be future indicator.
- The study is based on top 25 IPOs on the basis of listing day performance. Therefore, this study cannot be a generalized to all IPOs.
- Could not include IPOs related to SME (Small Medium Enterprise).
- The long-term performance of the IPO is not covered under this study. Hence, the long run projections cannot be made.

CHAPTER – II

LITERATURE REVIEW & THEORETICAL

FRAMEWORK

2.1 REVIEW OF LITERATURE

Securities and Exchange Board of India (SEBI), In Indian Capital Market, corporates raise capital through issue of shares by IPO, Right issue or Private Placement. IPO is the process of first issue of shares of a listed company. IPOs can be made through the following methods i.e, fixed price method, book building method or a combination of both.

BSE India, the most common process that companies usually use for issuing shares is the process of book building. Book building is one process used by companies for IPO and FPO to raise capital. It is a mechanism where, the bids are collected from investors at various prices, which are within the price band specified by the issues. The issue is determined based on the demand generated in the process after the bid closure.

Pichler and Stomper (2004) in their study concluded that Primary Market is enlarged day by day and is providing various investment avenues to publics at large and the transparent mechanism of investment is provided to the public which led to better control and overall supervision.

Arwah Arjun Madan (2003), in his article ‘Investments in IPOs in the Indian Capital Market’, published in Bimaquest stated that IPOs registered a drastic fall in the return in the long run (Five – Years after listing).

Anand Adhikari (2010), in his article “New Listings – Pied Pipers of Primary Market” demonstrated that companies with unique business models got listed in the year 2009-2010 made the investors rich.

Ajay Yadhav, Sweta Goel (2019) stated that there are several ways to raise capital from primary market. Out of those Initial Public Offerings are the widely used tool by the companies to raise funds from open market operations by the companies.

Aloysius Edward J (2019) analyzed that capital market promotes economic growth of a country through promoting savings and increases productivity. One of the major reforms is the IPOs in primary market. It is said that IPOs emerged as one of the foremost sources of funds for Indian companies, Book building and Fixed price issue are two widely used methods for IPO’s.

Ashish Kumar Suri and Bhupendra Hada (2018) in their research stated that they considered 107 IPOs launched during the period 2011 to 2017 on the basis of performance indicators i.e, over-subscription and listing day gains. The study aims at comparing the performance of IPOs for two periods January 2011 to May 2017 and June 2014 to June 2017. The outcome of the study was that the performance of IPO's launched during the period January 2011 to May 2014 significantly differs from the performance of the IPO's which were launched between June 2014 to June 2017.

Garima Baluja, Balwinder Singh (2016) in their paper stated IPO market recorded vast fluctuations after the introduction of SEBI in 1992. Several new issues have entered the market during this period and only few have managed to survive well in the market.

S. Poornima, Aalaa.J.Haji,(2016) stated that IPO's are gaining importance worldwide as an important source of raising funds by the companies. It helps the companies to accelerate their growth by using the mobilized funds to implement innovative strategies as well as important innovative strategies as well as important tool for investment since it offers huge profits on the listing day.

Deepa (2016), in her study stated that short run performance of the companies analyzed to understand the anomaly of abnormal returns and long run performance are analyzed to understand the long-term performance of the IPOs.

Gowtham Ramkumar (2017), in his article "Influence of Stock Market factors on Investors Perception" concluded that factors influencing investor perception has an important impact on investment choices which can create advantage to people dealing in the stock exchanges.

Ansari Abdul Aziz and Jane Samiran (2009), in their article "Stock Price Decision of Indian Investors", concluded that rational traders are using both fundamental analysis and technical analysis for stock selection, which does not support the view of finance experts.

Rajiv Bhuva in his article, "IPO Boom – Fever Pitch" pointed that the year 2010 was record year for IPOs because so many companies had come up with huge issue size for the investors.

Jabel (2018) in his study concluded that investors cannot earn abnormal returns from the post listing period of IPOs.

Ritter (1991); Jain & Kini (1999) stated that IPO has always considered as an opportunity for short term or long-term gains.

Lewis (1993) in his study demonstrated IPO returns in short run and long run can have either positive or negative relationship.

Poornima (2016) in her study demonstrated negative or least returns in short run and long run registered high return.

Durukan (2002) observed that volume on issues on monday yields higher returns than other days issued IPO's.

Dong (2011) observed that the underwriters play a vital role in the issue performance of IPO's i.e, Pre-Issue and Post Issue.

Upadhyay & Tripathi (2016) reported that IPOs marketed by prestigious underwriters provide massive returns and higher after market returns.

Mehyah & Paudyal (2016) suggested that IPOs are under-priced on the listing day but missed out the pricing phenomenon after a certain period of listing.

Omran (2005) stated that the underpricing of business group companies was higher than that of stand-alone companies.

Jain B.A, O. Kini (1994) pointed out that the change in operating performance of firms i.e, from private to public ownership, there is a significant decline in operating performance subsequent to the IPO is found.

Paul.A.Gompers (1996) and Megginson and Weiss (1991) reported IPOs are relative less underpriced which are supported by experienced and established venture capital funds.

Carter and Manster (1990) in their study reported that IPO associated with well establish underwriters exhibit lower initial returns.

Titman and Trueman (1986) reported that firms with good prospectus choose to bring their IPOs into market through high-quality auditors and underwriters to signal their true value. The quality of auditor and underwriters have an impact on IPO quality.

Supriya and Phani (2016) found that ownership held by the promoters represents the quality of the firm. Since, Promoters are the people who brings a company into existence and the owners have superior information.

Aggarwal (2002) proved that the degree of underpricing has a positive impact by percentage ownership held by the managers.

Supriya and Phani (2016) documented that the issue size has a significant impact on the degree of underpricing of IPOs.

Madan (2003) found that there is a negative relationship between return on listing and issue price, issue size, age of firm and issue capital listing.

Ritter (1991) added that investing in IPOs at the end of first day of the listing day and holding them for more than 3 years would have left the investors with small amount in addition the companies going public in heavy volume did even worse than average.

Sohail and Raheman (2009) states that investors, who measure their investment in IPO companies, will have returns in negative over the period of one year after listing. They will gain abnormal negative returns and their IPOs investments underperform the market over a period of one year.

Loughran and Ritter (2004) examined that a small part of the increase in underpricing can be attributed to the changes in risk composition of the universe of firms going public.

Venkatesh and Neupane (2005) in their study concluded that the underpricing of their issues made by prestigious underwriters is slightly less than those made by non-prestigious underwriters.

Madhusoodanan and Thiripalraju (1997) in their study indicates that the underpricing in the Indian IPOs in the short run is higher than the experiences of other

countries. In the long-run too, Indian offerings have given high returns compared to negative returns reported from other countries.

Krishnamurti (2002) provides an evidence for the wide spread underpricing of Indian IPOs by analysing 386 IPOs. The evidence confirms the underpricing phenomenon in Indian Market by using Raw returns, Market Adjusted Returns.

Singh (2003) reported that the initial listing returns of IPOs are related to subscription levels and raw returns. Market adjusted returns are strongly related with subscription levels. Underpricing is due to the merchant bankers' inability the extent of demand for the issue at the offer price.

Vaidyanathan (2007) studies the price performance of IPOs in the NSE. The study suggests that the demand generated for an issue during book building and the listing delay positively impact the first day underpricing.

Vikraman P and K.C John Sasi Kumar (2009) in their article demonstrated that the fundamental risk and returns involved in the investment of IPOs and the performance of IPO. It was found that the IPOs during the short period is promising.

2.2 THEORETICAL FARMWORK

2.2.1 INITIAL PUBLIC OFFERING (IPO)

The main source of raising capital for any business house is through capital market. Capital market is considered as an important constituent in the Indian Financial System. It is a place where long term securities are bought and sold. The funds can be raised in capital market within and outside India. It helps in economic growth by channelizing the savings to proper savings. The capital market of a country is classified into two-

- ✓ Primary Market
- ✓ Secondary Market

Primary Market is a market where equity shares are offered very first time for its purchase. That means a company needs primary market for initial public offering. It is a market for fresh issue or new issue of shares. The primary market plays a vital role in the new issue of shares or bonds. It enables corporate, public-sector institutions, and government, to raise resources for meeting their capital requirements.

Initial public offering (IPO) is the common way for the firm to raise capital. In an IPO, companies offer securities to the public for subscription. In return the company gets cash proceeds from the sale of securities for meeting their operations or expanding their business. It is to be noted that, after IPO the securities will be available in the secondary market for trading in the stock exchanges.

In an IPO, the mechanism at which the price of the securities is traded will be decided on the term called book building. If there is situation of over-subscription the shares will be issued through pro-rata basis. Also, when the shares are issued to the existing shareholders of a company it is known as right issue. Another mechanism where by a company can issue shares to qualified institutional buyers (QIB) is known as qualified institutional placement.

Companies hire investment banks to understand the market, gauge demand, set the IPO price and date and more. In addition, companies must meet the requirement criteria introduced by exchanges and the Securities and Exchange Commission (SEC) to hold an IPO. Also, an IPO can be used as an exit strategy for the company's founders and early investors, realizing the full profit from their private investment.

2.2.2 HOW DOES AN INITIAL PUBLIC OFFERING (IPO) WORKS?

The initial public offer (IPO) is the process of offering the shares of a company to the public. When a private company wants to become public, it will offer its shares to the public. It is also considered as one of the important method raise fund by the companies for meeting the working capital requirements.

Before making an IPO, a company is considered as a private entity. As a pre-IPO private company, the business has grown with a relatively small number of shareholders including its early investors like the founders, family, and friends along with professional investors such as venture capitalist or angel investors.

When a company reaches maturity stage in its growth process, it will begin to advertise its interest in going public. Public market opens up a huge opportunity for millions of investors to buy shares in the company and contribute capital to a company's shareholders equity. The public consists of any individual or institutional investors who are interested in investing in the company.

The number of shares the company sells and the price for which the shares sell are the generating factors for the company's new shareholders equity value. It provides advantages to the promoters to sell their shares and reap more return for their shares.

Exhibit showing IPO Activity for the last 5 years

Year	Number of IPO	Amount Raised (Rs Cr.)
2017	36	67,141
2018	25	31,731
2019	17	12,687
2020	14	26,628
2021	63	119,882

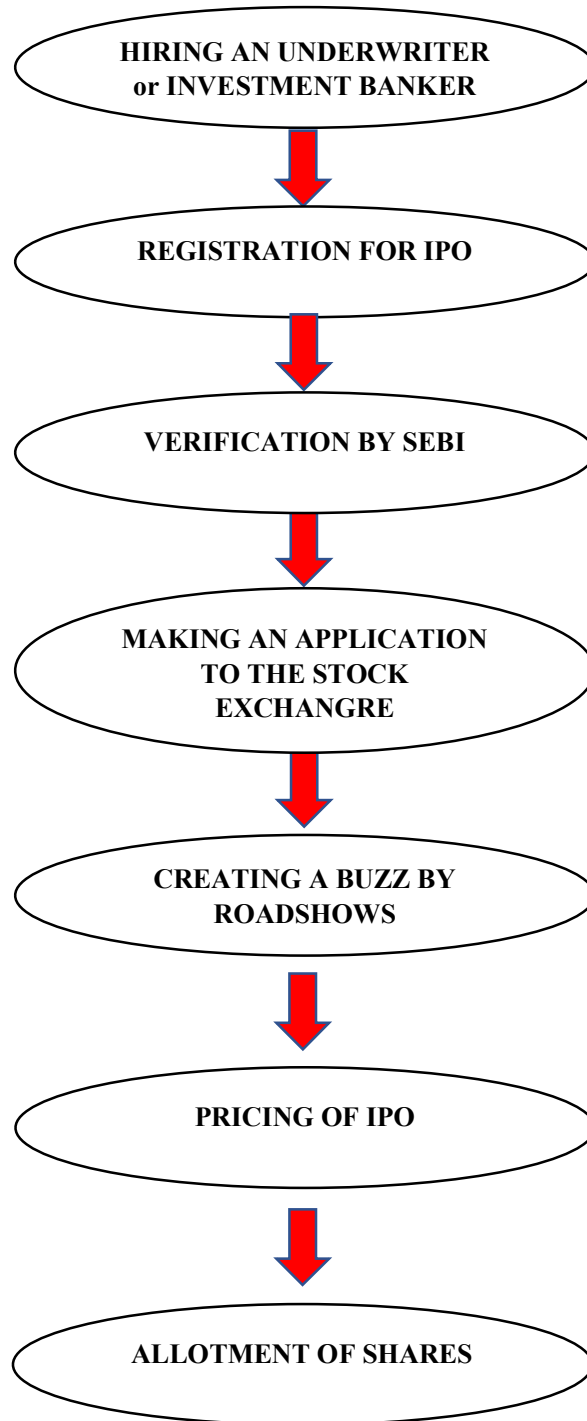
The above exhibit shows the IPOs took place in the Indian Capital Market for the last 5 years. From this it is clear that during the year 2019 and 2020, there is huge decrease in the number of IPOs listed as compared to previous years. The major reason for this downfall is the Covid-19 pandemic which had affected all over the globe. It is also seen a massive increase in the number of IPOs listed for the year 2021. The reason is that, after the covid-19 the market became into a depression and companies find it difficult to manage capital for their working capital needs. So, they started issuing their shares and raise capital for the business operations.

2.2.3 IMPORTANT ASPECTS OF AN IPO

It has been often said that an IPO can be used for listing a company. This can be done either by public issue of shares i.e, the process of offering shares of a company to the public or offer for the sale by the existing shareholders of the company to the public. Before going for an IPO, it is important to know some key terms that are associated with an IPO. Some of the key concepts includes:

- **IPO:** Initial Public Offer is the fresh issue of equity or convertibles of a company by way of listing in the stock exchange.
- **PUBLIC ISSUE:** Public issue refers to an invitation made by a company to the public to subscribe the offered by them through a prospectus.
- **OFFER FOR SALE:** Offer for Sale refers to an offer made by the existing shareholders of the company to the public for subscribing their shares.
- **RIGHTS ISSUE:** According to Indian Companies Act, 1956 the issue of shares to the existing shareholders of the company is called rights issue.
- **PREFERENTIAL ALLOTMENT:** According to Companies Act, 1956 the issue of capital by the companies by passing a resolution under Sec 81 of the Companies Act, 1956.
- **PRIVATE PLACEMENT:** Private Placement refers to the offer of securities made to selected private investors by excluding the general public.
- **LOCK – IN:** Lock-In period is a specified period where by the shares cannot sold, transferred and pledged.
- **QIB:** QIB is the acronym of Qualified Institutional Buyers. QIB includes financial institutions such as commercial banks, mutual funds, FII's, venture capitals, etc registered with SEBI.

2.2.4 IPO PROCESS



First the company has to select an underwriter to sell their securities in the primary market. For this the company should usually consult with an investment banker to determine how to structure the offering and how it should be distributed. Since most of the IPOs are in large quantities the investment banker invites other investment bankers for a joint distribution offering. This would help the managers to effectively manage the issue. The group of investment bankers is called syndicate. The members of the syndicate usually make a firm committed to distribute a certain portion of their offering and are responsible for any unsold portion. In India, there exists two mechanisms for the sale of public issues.

✓ **FIXED PRICE METHOD**

✓ **BOOK BUILDING METHOD**

FIXED PRICE METHOD

In fixed price offer method, the issuing company freely determine the price of the issue. The issuing firm with the help of underwriters decides the selling price and offers a set number of shares at this price. Under this method, the price is based upon the underwriter judgement about market conditions and the intrinsic value of the company. The issuing company can mention a price band of 20% in the Draft Offer Document submitted with the SEBI and the final price is determined on a future date before the filing of the final offer document with SEBI/ROC's. In this offering method, the issuer will get both qualitative and quantitative justification for the chosen price. If the offering is oversubscribed, the shares will be distributed on pro rata basis.

BOOK BUILDING METHOD

In traditional IPO process, the firm appoint an investment banker to underwrite their shares in an IPO. The issuing firm will choose a lead underwriter also known as book runner. The investment bankers themselves form a syndicate, and each

syndicate member will sell the part of the issue. It provides variety of ways to structure a deal. One major consideration is firm commitment or best effort agreement. In firm commitment, the underwriter buys the entire offer and resells it to the public. Under best effort method, the underwriter sells as much of the shares to the public as it can sell at the offer price. This method does not guarantee the quantity. After the details of the deals have been worked out, the underwriter files a registration statement with the SEBI. This filed document will provide details on the offering, company information such as financial statements, management backgrounds legal proceedings and insider trading.

Next, the underwriter puts a red herring, a prospectus which contains information on the company and offering and present the offering to the potential investors (road show). Most of the potential investors are institutional investors such as mutual funds, pension funds and hedge funds and they give information to the underwriters as to how much stock they intend to buy and at what price. This process is called book building. This is because the underwriters will build a book of potential orders. After the completion of road show and approval from SEBI regarding the registration, the underwriter and the issuing firm will decide on an offering price range, which would be based on the current market conditions, company goals and the performance of the road show.

After the offer range is decided, the underwriter accept bids from the interested investors. If the offers made exceed the value of the issue, then we say the IPO is oversubscribed. This is the situation where the offering price is at the high end of the offering range, and the underwriter would get a partial discretion over how to allocate the limited number of shares among the bidding institutional investors and also the underwriters will exercise its green shoe option (that is the underwriter will get the option to increase the number of shares offered, normally it is determined as 15%). When the offering is undersubscribed, the price will be low-end of the range. If the offering is heavily undersubscribed, the issuer will postpone the deal. This is why, in an IPO institutional investors are the best clients of the issuing firm, and the investment bankers will favour them more over the retail investors. Therefore, there exist a degree to which the retail investors are excluded from an IPO. Therefore, the features of book building process include: a price that is change or elastic to demand, but which would

be ultimately fixed by the underwriter and a discretionary share allocation mechanism that will lead to the exclusion of most of the retail investors. This method is mostly used in all domestic IPOs.

SEBI has proposed some guidelines for book building process of price fixing for an IPO. An issuer company proposing public issue through book building has two options: 75% of booking route and 100% book building route. The 75% of the book building route is available to all the body corporate that are eligible to make an issue to the public.

According to book building process, four classes of investors can bid for the shares:

- Retail Individual Investor (RII)
- High Net worth Individual (HNI)
- Non-Institutional Bidders
- Qualified Institutional Bidders (QIB)

RETAIL INSTITUTIONAL INVESTORS (RII)

A Retail Institutional Investors (RII) are those investors or non-professional investors who buys and sells securities through brokerage firms. In the retail individual category, investors cannot apply more than Rs. 1lakh in an IPO. In the book building process, RII category have an allocation of 35% of the shares of the total issue size. NRIs who apply with less than Rs. 1 lakh are also considered in retail institutional investors category.

HIGH NETWORTH INDIVIDUAL (HNI)

High Net worth Individual category allows the investors to apply IPO for an amount which is more than Rs. 2 lakhs. The limit to invest money by HNI in an IPO ranges from Rs. 2 Lakh to Rs. 5 lakh. The HNI allotment is done either proportionate basis or by lottery method system. This decision is mainly depending on the Non –

Institutional Investors over-subscription and the number of lots that have been applied by the investor.

NON-INSTITUTIONAL BIDDERS

Non – institutional bidders are those category of investors such as residents of India, Eligible NRIs, Companies, HUFs, corporate bodies, societies, and trustees etc. who apply more than Rs. 2 lakhs of Initial Public Offering (IPO). Non-institutional bidders need not have the condition to register with SEBI even though they have the right to get a minimum of 15 percent of the offer in the book building process.

QUALIFIED INSTITUTIONAL BIDDERS

Qualified Institutional Bidders are those investors who have expertise in the field of finance, does evaluation and invest in the capital markets. Qualified Institutional Bidders consists of public financial institutions, such as commercial banks, mutual funds, foreign institutional investors registered with SEBI, venture capital funds registered with SEBI, foreign venture capital funds registered with SEBI and so on. In QIB category 50 percent of the total issue of IPO are reserved.

2.2.5 PERFORMANCE OF AN IPO

There are several factors which affects the performance of IPO. The public market opens up a huge opportunity for millions of investors to buy shares in the company and contributes capital to a company's shareholder's equity. Every investors who invest their money with the ultimate aim of getting high returns. They invest money only after considering several factors. Such factors are closely watched by the investors. Some IPO's may be overly hyped by the investment bankers which may lead to initial losses.

The following are some of the factors which are closely watched by the investors:

- **Lock – UP:** Lock – Up is a kind of agreements having legal binding contract between the underwriter and the company, prohibiting them selling any shares for a specified period. The period can range anywhere from 3 to 24 months.

- **Waiting Periods:** Some investment banks include waiting periods in their offering terms. This criteria helps the investors to purchase shares of some companies after a specific period. Under this method, the price may increase if this allocation is bought by the underwriters and decreases if not.

- **Flipping:** It is the method of reselling an IPO stock in the first few days to earn a quick profit. It is common when the stocks are discounted and soars on its first day of trade.

2.2.6 CONCEPT OF UNDERPRICING

It has been found that investors who purchase IPOs on the offering day earn high returns on the first trading day. This indicates that these shares could have been priced at the of their offering to the public at the value which is lower than their intrinsic value. This phenomenon is called Under-pricing.

The under-pricing of the issue represents the first day return generated by the firm and is calculated as:

$$\frac{\text{Closing Price} - \text{Offer Price}}{\text{Offer Price}}$$

In addition to this, an issue is said to be over-priced if the price received by the issuer in the primary market is higher than the price of the same security in the secondary market.

In a nut shell,

Under-Pricing: If the offer price is less than (<) the first day trading price.

Fairly Priced: If the offer price is same (=) as the first day trading price.

Over-Pricing: If the offer price is greater than (>) the first day trading price.

2.2.7 REGULATORY FRAMEWORK OF IPO WITH REFERENCE TO SEBI GUIDLINES

In India, the capital market is controlled by the Securities and Exchange Board of India (SEBI). The Government has set up the Securities and Exchange Board of India by a notification of Ministry of Finance issued on 12 April, 1988. SEBI is the apex body for the development and regulation of the stock market in India. After 4 years a separate legislation namely Securities and Exchange Board Act, (SEBI Act) 1992 has been enacted. Till then it acted as an advisory body performing the following functions:

- Collecting information and advising the government on matters relating to stock and capital market.
- Licensing and regulation of merchant bankers, mutual funds, etc.
- Preparing the legal drafts for performing the regulatory and development roles of SEBI.
- Performing any other functions as may be authorised by the Central Government.

By abolishing the office of Controller of Capital Issues (CCI) and by transferring some of the powers of Securities Contracts (Regulations) Act 1956 to SEBI, it was given statutory powers by an ordinance on 30th January 1992. Thus, at present SEBI is armed with statutory powers of regulating the primary market and supervising the functioning of stock exchanges in the country.

The SEBI Act, 1992 provides for the establishment of a Board, to protect the interest of the investors in securities, promote the development of capital market and to regulate the security market. The ultimate aim of SEBI has to create healthy and orderly growth of the securities market and secure investor protection. The main objectives of SEBI are given below:

- **Investor protection:** In order to have a continuous flow of savings into the capital market, the interest of the investors have to be protected by SEBI.
- **Ensure fair practices:** SEBI has duty to control and regulate the securities market and ensure fair practices in the security market.
- **Promotion of efficient services:** SEBI has the aim to promote the efficient services rendered by brokers, merchant bankers and other intermediaries, to the investors in order to make them competitive professional.

The market design of the primary market has been provided in the provision of SEBI Act, 1992 which establishes SEBI to protect the interest of investors and regulate security market. The other provisions related to the primary market activities includes: Companies Act, 1956 which set code of conduct for the corporate sector in relation to issue, allotment and transfer of securities and disclosures to be made in public issues; the Securities Contract (Regulation) Act, 1956, which provides for regulation of transactions in securities through stock exchanges; the Depositories Act, 1996 which deals with provisions related to the electronic maintenance and transfer of ownership of de-mat securities.

2.2.8 ELIGIBILITY NORMS FOR COMPANIES ISSUING IPOs

According to the guidelines issued by SEBI, a company intending to make an IPO should qualify some eligibility criteria. It has to file a draft prospectus with SEBI, through a registered merchant banker at least 21 days before to the filing of prospectus with the Registrar of Companies. A company can make public issue only if it has made an application for listing the securities of the company with the stock exchange(s). It is also be noted that the company must enter an agreement with the registered depository for storing the shares in dematerialized format.

An unlisted company can make an IPO on fixed price basis or a book building method. The SEBI has provided some base criteria demanding the eligibility of the companies for an IPO. It includes:

- An unlisted company can enter into an IPO on if the company has minimum paid up capital of Rs. 10 crores. The paid-up capital is the capital that is invested by the shareholders at the time of making a company into existence.
- The minimum market capital of the company should be Rs. 25 crores. The minimum capitalization refers to the overall value of the company in the market.
- The promoters and the company officials should clean. They should not be blacklisted in terms of SEBI norms.

The companies satisfy these base criteria are eligible for making an IPO in Indian Capital Market. In addition to this, SEBI and the Stock Exchange(s) in India has created two routes for public issue for the companies which satisfy the eligibility criteria and they are as follows:

- **Conventional/profitability route:** for the companies generating profit.
- **New/QIB route:** for the companies generating loss but have a growth potential in future.

2.2.9 PROFITABILITY ROUTE ELIGIBILITY CRITERIA

The eligibility criteria for profit generating companies includes:

- The companies should have a minimum net worth of Rs. 1 Crore in each preceding 3 full years. The net worth is the difference between Assets and Liabilities of the company. It means that the assets should be more than the liabilities of the company. This indicates that the companies opting profitability route have low debt.
- The companies should have minimum net tangible assets of Rs. 3 Crore in each preceding 3 years, not more than 50 percent of which are held in monetary assets. Tangible assets are those assets which can be visible. Such assets can be valued in

terms of money. Also, the monetary assets of the company should not exceed 50% of assets of the company.

- The companies should have minimum Rs. 15 Crore average operating profit before tax in at least 3 out of preceding 5 years. This criteria act as a threshold for the entry of companies into IPOs.

2.2.10 QIB ROUTE ELIGIBILITY CRITERIA

SEBI proposed QIB (Qualified Institutional Buyers) route for the making public issue for the companies making losses. This criteria includes:

- The company should offer 75% of the public issue to be mandatorily given to the Qualified Institutional Buyers. QIB includes domestic institutional investors and foreign institutional investors such as mutual funds, hedge funds, alternate investment funds and so on. This gives only 25% of the public offer to the retail investors.

CHAPTER – III

RESEARCH METHODOLOGY

3.1 RESEARCH METHODOLOGY

Research is a continuous process in order to search for truth with respect to a specific phenomenon. The purpose of research is to discover new facts as well as addition in the existing knowledge about a phenomenon. Research is an organised efforts conducted in order to find valid answers to the well-defined research problems. Research process is highly systematic and scientific and follows a series of steps: It starts with identifying the symptoms, a new concept or an idea, having potential for exploration in order to develop the level of existing knowledge. A research study may be an expansion of the past work or the re-testing of established theories.

3.2 RESEARCH DESIGN

Research design of a research study can be defined as a detailed outline of the investigation process. Research design is a master plan defined for future guidance during the process of data collection and analysing the collected data. This research study is Analytical Research study which includes the collection of secondary data of different variables related to Indian Primary Stock market. The purpose of the study is to analyse the Listing Day Returns of IPOs. In addition to this the study includes the analysis of performance of selected IPOs.

3.3 TOOL FOR THE STUDY

Analysis study means the detailed evaluation of the data set that have been taken for the study. In this study, analysis has been done using the tools like Karl Pearson's correlation coefficient and Trend analysis. The data have been analysed using the software like SPSS for identifying the correlation between two variables and also MS Excel is used for calculating the listing day return and evaluating the short-term performance of IPOs. In addition, tables and charts are also been used in this study.

3.4 PERIOD OF THE STUDY

The study was conducted for 2 months from the date of 14th July 2022 to 08th September 2022.

3.5 DATA COLLECTION

In a research work, there are two methods for collect data namely,

- PRIMARY DATA COLLECTION
- SECONADARY DATA COLLECTION

3.5.1 PRIMARY DATA COLLECTION

Primary data is a data which is collected by the researcher for the first time. This is necessary for data collection. Mainly primary data is collected through personal interviews and questionnaire method. In this study the data are collected from the website of National Stock Exchange (NSE) is considered as a primary data collection.

3.5.2 SECONDARY DATA COLLECTION

Secondary data is kind of data obtained by the researcher from published or unpublished sources. These data are already collected. These are done by someone other than the researcher. It is collected from organizational records, government departments, and data which was originally collected for some other research purpose.

3.6 SAMPLING FRAME

A sampling frame is a process to decide the unit of research, population, target sample, sampling method, sample size and data collection method. The sampling frame of research study is explained below:

Population: The population of research study includes all the IPOs listed in Indian capital market from January 2017 to December 2021.

Target Unit: The IPOs in Indian stock market listed through NSE will be considered in study.

Sample: The IPOs in Indian stock market listed through NSE from January 2017 to December 2021 are considered in the study.

Sample Size: Total of 154 IPOs are selected in the study from January 2017 to December 2021 for the calculation of listing day return. After calculating the listing day return, top 5 IPOs earned high listing day return is selected from each year of study. Therefore, a total of 25 companies will be chosen and the short-term post IPO performance of the companies are studied.

Data Source: In the research study secondary data is collected with respect to different variables related to IPOs the data is collected from different valid sources mentioned below:

- Official website of NSE
- Moneycontrol.com
- Investing.com
- Official website of SEBI

Variables Selected for the study: In the research study the secondary data is collected for the following variables:

Issue price: The price at which a company's shares are presented or offered to market for the first time, which may be at par or at a premium or discount. In case of Book building issue process (all the IPOs considered are issued through book building in this study), the issue price is decided by the registrar after receiving all the prices mentioned on the applications for the shares which are selected from the range of prices. When they begin to be traded, the market price may be higher than or below the issue price as various market forces play the picture.

Issue size: The amount of capital that a company wants to raise by offering its equity shares to the public is called issue size.

List price: After closing of the issue the IPO lists on the stock exchange. The Market price after the listing on the stock exchange is known as the list price of the issue. The list price reflects the market expectations associated with the company performance in the future.

Listing Day Return: This is the return earned by the investor by selling the allotted shares on the listing day itself.

Listing Day Close Price: Listing Day close price is the price which is recorded in the Indices the end of the listing day. There may be open, high, low and close for the share prices.

Current Market Price: Market price is the price in which assets are bought and sold. The market price of an asset or services are determined on the basis of demand and supply. The current market price of a stock is the current price at which the stock is currently trading.

3.6.1 TOP 25 LISTING DAY GAINERS OF IPO SELECTED FOR THE STUDY

1. SALASAR TECHNO ENGINEERING LTD

Salasar Techno Engineering Ltd is a company engaged in manufacturing galvanized steel products. It was established in 2001. Salasar Techno Engineering Ltd. product portfolio includes telecommunication towers, power transmission line towers, smart lighting poles, monopoles, guard rails, substation structures, solar module mounting structures, and customized galvanized and so on.

IPO DETAILS

IPO Open Date	Jul 12, 2017
IPO Close Date	Jul 17, 2017
IPO Price	₹ 108
Face Value	₹ 10
IPO Size	₹35.87 Cr
Listed At	BSE, NSE
Lot Size	125

SHARES OFFERED

Category	Shares Offered	Amount (Rs Cr)	Issue Size (%)
NII	16,60,500	17.93	50.00%
Retail	16,60,500	17.93	50.00%
Total	33,21,000	35.87	100%

2. ASTRON PAPER & BOARD MILL LIMITED

Astron Paper & Board Mill Ltd. is Ahmadabad based company focussed in manufacturing Kraft paper, also known as paperboard or cardboard. It was incorporated in 2010. The company uses the paper produced in packaging industry for the manufacture corrugated boxes and liners, corrugated sacks and composite containers. The Company uses waste paper as raw material for the production. The Company is having Triple Wire Machine with a daily capacity of 350 MT along with daily pulp mill capacity of 400 MT. the company is certified by ISO 9001-2008, ISO 14001, UKAS Management systems and FSC.

IPO DETAILS

IPO Open Date	Dec 15, 2017
IPO Close Date	Dec 20, 2017
IPO Price	₹ 50
Face Value	₹ 10
IPO Size	₹70.00 Cr
Listed At	BSE, NSE
Lot Size	280

SHARES OFFERED

Category	Shares Offered	Amount (Rs Cr)	Issue Size (%)
QIB	13,30,000	6.65	9.50%
NII	73,15,000	36.58	52.25%
Retail	46,55,000	23.28	33.25%
Employee	7,00,000	3.5	5.00%
Total	1,40,00,000	70	100%

3. AVENUE SUPERMARTS LIMITED

Avenue Supermarts Limited is Mumbai based supermarket chain D-Mart. It was established in 2002. Company is considered as the largest and the most profitable F&G retailer in India. Company offers a wide range of products with a focus on the Foods, Non-Foods (FMCG) and General Merchandise & Apparel product categories.

IPO DETAILS

IPO Open Date	Mar 8, 2017
IPO Close Date	Mar 10, 2017
IPO Price	₹ 299
Face Value	₹ 10
IPO Size	₹1,870.00 Cr
Listed At	BSE, NSE
Issue Lot Size	50

SHARES OFFERED

Category	Shares Offered	Amount (Rs Cr)	Issue Size (%)
QIB	1,26,77,966	379.07	28.57%
NII	95,08,475	284.3	21.43%
Retail	2,21,86,441	663.37	50.00%
Total	4,43,72,882	1,326.75	100%

4. CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED

Central Depository Services (India) Limited (CDSL) is a subsidiary of BSE Limited operates as a securities depository in India. It commenced its operations in 1999. They offer wide range of services, such as opening an account, dematerialization, processing delivery, re-materialization, pledging, nomination, transmission of securities, change in address, bank account details and SMS services for depository participants. CDSL also offers facilities to issuers to credit securities to a shareholder's or applicant's dematerialization (demat) accounts; KYC services with respect of investors in the capital markets to capital market intermediaries; and facilities to allow holding of insurance policies in electronic form to the holders of these insurance policies of various insurance companies.

IPO DETAILS

IPO Open Date	Jun 19, 2017
IPO Close Date	Jun 21, 2017
IPO Price	₹ 149
Face Value	₹ 10
IPO Size	₹523.99 Cr
Listed At	NSE
Lot Size	100

SHARES OFFERED

Category	Shares Offered	Amount (Rs Cr)	Issue Size (%)
QIB	68,93,442	102.71	27.77%
NII	51,70,081	77.03	20.82%
Retail	1,20,63,523	179.75	48.59%
Employee	7,00,000	10.43	2.82%
Total	2,48,27,046	369.92	100%

5. DIXON TECHNOLOGIES (INDIA) LIMITED

Dixon Technologies India Limited was incorporated in 1993. The company is engaged in producing the products which are in the consumer durables, lighting and mobile phones markets. The product portfolio of Dixon include: Consumer electronics like LED TVs, Home appliances like washing machines, Lighting products like LED bulb, tube lights, CFL bulbs etc., Mobile phones. Company also provides repair and refurbishment services of set top boxes, mobile phones and LED TV panels.

IPO DETAILS

IPO Open Date	Sep 6, 2017
IPO Close Date	Sep 8, 2017
IPO Price	₹1766
Face Value	₹10
IPO Size	₹600.00 Cr
Listed At	BSE, NSE
Lot Size	8

SHARES OFFERED

Category	Shares Offered	Amount (Rs Cr)	Issue Size (%)
QIB	6,79,264	119.96	28.58%
NII	5,09,188	89.92	21.43%
Retail	11,88,105	209.82	49.99%
Total	23,76,557	419.7	100%

6. APOLLO MICRO SYSTEMS LIMITED

Apollo Micro Systems Limited is a company engaged in the business of electronic, electro-mechanical, engineering designs, manufacturing and supply. It commenced its operations in 1997 and is headquartered in Hyderabad. The company is engaged in designing, developing, and sell high-performance, mission and time critical solutions to Defense, Space and Home Land Security for Ministry of Defense, government controlled public sector undertakings and private sectors.

IPO DETAILS

IPO Open Date	Jan 10, 2018
IPO Close Date	Jan 12, 2018
IPO Price	₹275
Face Value	₹10
IPO Size	₹156.00 Cr
Listed At	BSE, NSE
Lot Size	50

SHARES OFFERED

Category	Shares Offered	Amount (Rs Cr)	Issue Size (%)
QIB	1,151,875	31.68	27.79%
NII	863,800	23.75	20.84%
Retail	2,109,280	58.01	50.89%
Employee	20,000	0.55	0.48%
Total	4,144,955	113.99	100%

7. HDFC ASSET MANAGEMENT COMPANY LIMITED

HDFC Asset Management Company (HDFC AMC) is a Mumbai based Limited is well-known fund house engaged in providing savings and investment products. It is a joint venture established between Housing Development Finance Corporation (HDFC) and Standard Life Investments Limited (SLI). It was incorporated in 1999.

IPO DETAILS

IPO Open Date	Jul 25, 2018
IPO Close Date	Jul 27, 2018
IPO Price	₹1100
Face Value	₹5
IPO Size	₹2,800.33 Cr
Listed At	BSE, NSE
Lot Size	13

SHARES OFFERED

Category	Shares Offered	Amount (Rs Cr)	Issue Size (%)
QIB	4,435,511	487.90	23.59%
NII	3,326,634	365.92	17.69%
Retail	7,762,145	853.83	41.28%
Employee	880,000	96.81	4.68%
Others	2,400,000	264	12.76%
Total	18,804,290	2,068.46	100%

8. AMBER ENTERPRISES INDIA LIMITED

Amber Enterprises India Limited is a Punjab based manufacturer of air conditioners and its component in India. It was established in 1990. With the market share of 55.4 percent, Amber is considered as the market leader in the Room Air Conditioner (RAC) design and manufacturing. Amber manufacture various kinds of brands in India including Daikin, Hitachi, LG, Panasonic, Voltas and Whirlpool. These brands have over 75 percent of market share in India.

IPO DETAILS

IPO Open Date	Jan 17, 2018
IPO Close Date	Jan 19, 2018
IPO Price	₹859
Face Value	₹10
IPO Size	₹600.00 Cr
Listed At	BSE, NSE
Lot Size	17

SHARES OFFERED

Category	Shares Offered	Amount (Rs Cr)	Issue Size (%)
QIB	1,393,578	119.71	28.28%
NII	1,045,132	89.78	21.21%
Retail	2,438,641	209.48	49.49%
Employee	50,000	4.30	1.01%
Total	4,927,351	423.26	100%

9. LEMON TREE HOTELS LIMITED

Lemon Tree Hotels is one of India's largest hotel chain in the mid-priced hotel sector, and the third largest overall, on the basis of controlling interest in owned and leased rooms, as of 30 June 2017. It is a Delhi based company established in the year 1992. The company operates in the mid-priced hotel sector category and its hotels are located across India, in metro regions, including the NCR, Bengaluru, Hyderabad and Chennai, as well as Pune, Ahmedabad, Chandigarh, Jaipur, Indore and Aurangabad.

IPO DETAILS

IPO Open Date	Mar 26, 2018
IPO Close Date	Mar 28, 2018
IPO Price	₹56
Face Value	₹10
IPO Size	₹1,038.68 Cr
Listed At	BSE, NSE
Lot Size	265

SHARES OFFERED

Category	Shares Offered	Amount (Rs Cr)	Issue Size (%)
QIB	37,095,880	207.74	28.57%
NII	27,821,910	155.80	21.43%
Retail	64,917,790	363.54	50.00%
Total	129,835,580	727.08	100%

10. BANDHAN BANK LIMITED

Bandhan Bank Limited is a Kolkata based commercial bank focused on micro banking and general banking services. It was Incorporated in 2014. Bandhan Bank has the provided with the license to facilitate banking services pan-India across customer segments. Bank offer a wide variety of asset and liability products and services designed for micro banking and general banking services, as well as other banking products and services to generate non-interest income.

IPO DETAILS

IPO Open Date	Mar 15, 2018
IPO Close Date	Mar 19, 2018
IPO Price	₹375
Face Value	₹10
IPO Size	₹4,473.02 Cr
Listed At	BSE, NSE
Lot Size	40

SHARES OFFERED

Category	Shares Offered	Amount (Rs Cr)	Issue Size (%)
QIB	23,856,099	894.60	28.57%
NII	17,892,075	670.95	21.43%
Retail	41,748,173	1,565.56	50.00%
Total	83,496,347	3,131.11	100%

11. IRCTC LIMITED

Indian Railway Catering and Tourism Corporation Limited (IRCTC) is a wholly-owned subsidiary of Indian Railways. IRCTC is owned by state which handles tourism, catering, online ticket booking services and provides packaged drinking water in trains and at railway stations in the country. It was Incorporated in 1999. It was started as a Mini-Ratna or Category-I Public Sector Enterprise by the Indian Government in 2008.

IPO DETAILS

IPO Open Date	Sep 30, 2019
IPO Close Date	Oct 3, 2019
IPO Price	₹320
Face Value	₹10
IPO Size	₹645.12 Cr
Listed At	BSE, NSE
Lot Size	40

SHARES OFFERED

Category	Shares Offered	Amount (Rs Cr)	Issue Size (%)
QIB	10,000,000	320.00	49.60%
NII	3,000,000	96.00	14.88%
Retail	7,000,000	224.00	34.72%
Employee	160,000	5.12	0.79%
Total	20,160,000	645.12	100%

12. CSB BANK LIMITED

CSB Bank Ltd, formerly known as Catholic Syrian Bank, is one of the oldest private sector banks in India. It is a Kerala based bank which was incorporated in 1920, Kerala. The bank has a significant presence in Kerala, Karnataka, Tamil Nadu and Maharashtra.

IPO DETAILS

IPO Open Date	Nov 22, 2019
IPO Close Date	Nov 26, 2019
IPO Price	₹195
Face Value	₹10
IPO Size	₹409.68 Cr
Listed At	BSE, NSE
Lot Size	75

SHARES OFFERED

Category	Shares Offered	Amount (Rs Cr)	Issue Size (%)
QIB	6,302,721	122.90	54.55%
NII	3,151,360	61.45	27.27%
Retail	2,100,906	40.97	18.18%
Total	11,554,987	225.32	100%

13. UJJIVAN SMALL FINANCE BANK LTD

Ujjivan Small Finance Bank Limited (USFB) offers small finance bank in India. It commenced its operations in 2017. The main aim of the bank is to work for the financial inclusion of the country. USFB Bank is promoted by Ujjivan Financial Services Limited (UFSL) which is an NBFC that provides financial services to the economically active poor, who are not served by the Financial Institutions. UFSL offers small size loan products to economically poor women in the society, individual loans to Micro and Small Enterprises (MSEs).

IPO DETAILS

IPO Open Date	Dec 2, 2019
IPO Close Date	Dec 4, 2019
IPO Price	₹37
Face Value	₹10
IPO Size	₹750.00 Cr
Listed At	BSE, NSE
Lot Size	400

SHARES OFFERED

Category	Shares Offered	Amount (Rs Cr)	Issue Size (%)
QIB	56,250,000	208.13	45.38%
NII	28,125,000	104.06	22.69%
Retail	18,750,000	69.38	15.13%
Others	20,833,333	77.08	16.81%
Total	123,958,333	458.65	100%

14. INDIAMART INTERMESH LIMITED

IndiaMART InterMESH Limited is an online B2B marketplace to deal with business products and services. It was established in 1999. It is an online platform for business buyers to connect with suppliers of the products and services. The company had 4.72 million supplier storefronts with listed 50.13 million products and 59.81 million registered buyers as on 31st March 2018. The buyers can place the request for business enquiry by visiting suppliers online at this marketplace and explore the product and services listing offered by the suppliers. The company offers wide range of product and services across 52 industries of the economy and this marketplace is accessible through desktop and mobile platforms.

IPO DETAILS

IPO Open Date	Jun 24, 2019
IPO Close Date	Jun 26, 2019
IPO Price	₹973
Face Value	₹10
IPO Size	₹475.59 Cr
Listing At	BSE, NSE
Lot Size	15

SHARES OFFERED

Category	Shares Offered	Amount (Rs Cr)	Issue Size (%)
QIB	1,463,359	142.38	54.34%
NII	731,679	71.19	27.17%
Retail	487,786	47.46	18.11%
Employee	10,000	0.97	0.37%
Total	2,692,824	262.01	100%

15. NEOGEN CHEMICALS LIMITED

Neogen Chemicals is a Mumbai based manufacturer of bromine-based and lithium-based specialty chemicals in India. Neogen makes both organic and inorganic chemical compounds. It commenced its operation in 1991. These specialty chemicals are used in pharmaceutical intermediates, agrochemical intermediates, engineering fluids, electronic chemicals, polymers additives, water treatment chemicals, construction chemicals, and flavors and fragrances.

IPO DETAILS

IPO Open Date	Apr 24, 2019
IPO Close Date	Apr 26, 2019
IPO Price	₹215
Face Value	₹10
IPO Size	₹132.35 Cr
Listed At	BSE, NSE
Lot Size	65

SHARES OFFERED

Category	Shares Offered	Amount (Rs Cr)	Issue Size (%)
QIB	1,228,094	26.40	28.37%
NII	930,283	20.00	21.49%
Retail	2,170,661	46.67	50.14%
Total	4,329,038	93.07	100%

16. HAPPIEST MINDS TECHNOLOGIES LTD

Happiest Minds Ltd is a Bangalore based IT service provider company. It was incorporated in 2011. The company has three business categories which includes; Digital Business Service (DBS), Product Engineering Service (PES) and Infrastructure and Management Security Service (IMSS). The DBS unit offers digital application development & modernisation, assistance in designing & testing of operations, management of the platform, consulting and domain led offerings.

IPO DETAILS

IPO Open Date	Sep 7, 2020
IPO Close Date	Sep 9, 2020
IPO Price	₹166
Face Value	₹2
IPO Size	₹702.02 Cr
Listed At	BSE, NSE
Lot Size	90

SHARES OFFERED

Category	Shares Offered	Amount (Rs Cr)	Issue Size (%)
QIB	12,687,028	210.60	54.55%
NII	6,343,513	105.30	27.27%
Retail	4,229,009	70.20	18.18%
Total	23,259,550	386.11	100%

17. MRS. BECTORS FOOD SPECIALITIES LIMITED

Mrs. Bectors Food Specialities Ltd is one of the leading companies in the premium bakery segment and premium and mid-premium biscuit segment in North India. It commenced its operations in 1995. The company's product portfolio mainly consists of two categories of products; Biscuits (cookies, creams, crackers, digestive, etc.) and Bakery products (bread, buns, pizza bases, cakes, etc.).

IPO DETAILS

IPO Open Date	Dec 15, 2020
IPO Close Date	Dec 17, 2020
IPO Price	₹288
Face Value	₹10
IPO Size	₹540.54 Cr
Listed At	BSE, NSE
Lot Size	50

SHARES OFFERED

Category	Shares Offered	Amount (Rs Cr)	Issue Size (%)
QIB	3,776,502	108.76	28.53%
NII	2,832,378	81.57	21.40%
Retail	6,608,881	190.34	49.93%
Employee	18,450	0.53	0.14%
Total	13,236,211	381.20	100%

18. ROUTE MOBILE LIMITED

Route Mobile Limited is among the leading Communications Platform as a Service (CPaaS) provider and a tier-one application-to-peer (A2P) service provider. It was incorporated in 2004. Its enterprise communication services include new age solutions in Messaging, Voice, Email, and SMS Filtering, Analytics & Monetization.

IPO DETAILS

IPO Open Date	Sep 9, 2020
IPO Close Date	Sep 11, 2020
IPO Price	₹350
Face Value	₹10
IPO Size	₹600.00 Cr
Listed At	BSE, NSE
Lot Size	40

SHARES OFFERED

Category	Shares Offered	Amount (Rs Cr)	Issue Size (%)
QIB	3,478,259	121.74	28.57%
NII	2,608,696	91.30	21.43%
Retail	6,086,957	213.04	50.00%
Total	12,173,912	426.09	100%

19. ROSSARI BIOTECH LTD

Rossari Biotech Ltd is a manufacturer of textiles specialty chemicals. It was incorporated in 2009. It offers customized solutions to the apparel, animal & poultry feed, and FMCG industries by offering a diversified product portfolio. Rossari Biotech operates in 18 countries including India, Bangladesh, Vietnam, and Mauritius.

IPO DETAILS

IPO Open Date	Jul 13, 2020
IPO Close Date	Jul 15, 2020
IPO Price	₹425
Face Value	₹2
IPO Size	₹496.49 Cr
Listed At	BSE, NSE
Lot Size	35

SHARES OFFERED

Category	Shares Offered	Amount (Rs Cr)	Issue Size (%)
QIB	2,335,294	99.25	28.57%
NII	1,751,471	74.44	21.43%
Retail	4,086,765	173.69	50.00%
Total	8,173,530	347.38	100%

20. CHEMCON SPECIALITY CHEMICALS LIMITED

Chemcon Speciality Chemicals Ltd is a manufacturer of specialized chemical products that is HMDS and CMIC. It was incorporated in 1988. The company offers a wide range of product portfolio such as oilfield chemicals (Calcium Bromide, Sodium Bromide, and Zinc Bromide), Pharma intermediates, Silanes, and chemicals contract manufacturing work. Chemcon Chemicals is one of the leading manufacturer of Pharmaceuticals and generates maximum revenue from this particular segment.

IPO DETAILS

IPO Open Date	Sep 21, 2020
IPO Close Date	Sep 23, 2020
IPO Price	₹340
Face Value	₹10
IPO Size	₹318.00 Cr
Listed At	BSE, NSE
Lot Size	44

SHARES OFFERED

Category	Shares Offered	Amount (Rs Cr)	Issue Size (%)
QIB	1,868,344	63.52	28.48%
NII	1,407,249	47.85	21.45%
Retail	3,283,580	111.64	50.06%
Total	6,559,173	223.01	100%

21. SIGACHI INDUSTRIES LIMITED

Sigachi Industries is engaged in manufacturing of Microcrystalline Cellulose (MCC) which is widely used for finished dosages in the pharmaceutical industry. It was incorporated in 1989. MCC has varied applications in the pharmaceutical, food, nutraceuticals, and cosmetic industries. The company manufactures MCC of various grades ranging from 15 microns to 250 microns and the major grades of MCC manufactured and marketed by the company are branded as HiCel and AceCel.

IPO DETAILS

IPO Open Date	Nov 1, 2021
IPO Close Date	Nov 3, 2021
IPO Price	₹163
Face Value	₹10
IPO Size	₹125.43 Cr
Listed At	BSE, NSE
Lot Size	90

SHARES OFFERED

Category	Shares Offered	Amount (Rs Cr)	Issue Size (%)
QIB	1,539,000	25.09	28.57%
NII	1,154,250	18.81	21.43%
Retail	2,693,250	43.90	50.00%
Total	5,386,500	87.80	100%

22. PARAS DEFENCE AND SPACE TECHNOLOGIES LIMITED

Paras Defence and Space Technologies Limited is primarily engaged in the designing, developing, manufacturing, and testing of a variety of defence and space engineering products and solutions. The company has five major product category offerings - Defence & Space Optics, Defence Electronics, Heavy Engineering, Electromagnetic Pulse Protection Solutions, and Niche Technologies. Paras Defence and Space Technologies is the only Indian company with the design capability for space-optics and opto-mechanical assemblies and is one of the leading providers of optics for various Indian defence and space programs.

IPO DETAILS

IPO Open Date	Sep 21, 2021
IPO Close Date	Sep 23, 2021
IPO Price	₹175
Face Value	₹10
IPO Size	₹170.78 Cr
Listed At	BSE, NSE
Lot Size	85

SHARES OFFERED

Category	Shares Offered	Amount (Rs Cr)	Issue Size (%)
QIB	2,017,941	35.31	28.26%
NII	1,536,856	26.89	21.52%
Retail	3,585,996	62.75	50.22%
Total	7,140,793	124.96	100%

23. LATENT VIEW ANALYTICS LIMITED

Latent View Analytics Limited provides analytics services such as data and analytics consulting, business analytics & insights, advanced predictive analytics, data engineering, and digital solutions. It was established in incorporated in 2006. The company offers services to blue-chip companies in Technology, BFSI, CPG & Retail, Industrials, and other industry domains.

IPO DETAILS

IPO Open Date	Nov 10, 2021
IPO Close Date	Nov 12, 2021
IPO Price	₹197
Face Value	₹1
IPO Size	₹600.00 Cr
Listed At	BSE, NSE
Lot Size	76

SHARES OFFERED

Category	Shares Offered	Amount (Rs Cr)	Issue Size (%)
QIB	9,367,800	184.55	53.45%
NII	4,684,210	92.28	26.73%
Retail	3,122,806	61.52	17.82%
Employee	350,877	6.91	2.00%
Total	17,525,693	345.26	100%

24. TATVA CHINTAN PHARMA CHEM LTD

Tatva Chintan Pharma Chem Limited is a chemical manufacturing company that manufactures structure directing agents (SDAs), phase transfer catalyst (PTCs), pharmaceutical and agrochemical intermediates, and other specialty chemicals. It commenced its operations in 1996. It is one of the largest manufacturer of SDAs for zeolites in India. The company provides service to the customers across industries that is, automotive, petroleum, agrochemicals, dyes and pigments, paints and coatings, pharmaceutical, personal care, and others.

IPO DETAILS

IPO Open Date	Jul 16, 2021
IPO Close Date	Jul 20, 2021
IPO Price	₹1083
Face Value	₹10
IPO Size	₹500.00 Cr
Listed At	BSE, NSE
Lot Size	13

SHARES OFFERED

Category	Shares Offered	Amount (Rs Cr)	Issue Size (%)
QIB	931,966	100.93	28.57%
NII	698,975	75.70	21.43%
Retail	1,630,941	176.63	50.00%
Total	3,261,882	353.26	100%

25. INDIGO PAINTS LIMITED

Indigo Paints is considered as one of the fastest-growing paint companies in India and in terms of revenue, it is the 5th largest company in the decorative paint industry. The company is engaged in manufacturing different types of decorative paints like enamels, emulsions, wood coatings, primers, distempers, putties, and cement paints. It is the first company that started manufacturing certain differentiated products like Metallic Emulsions, Bright Ceiling Coat Emulsions, Tile Coat Emulsions, Dirtproof & Waterproof Exterior Laminate, Floor Coat Emulsions, Exterior and Interior Acrylic Laminate, and PU Super Gloss Enamel.

IPO DETAILS

IPO Open Date	Jan 20, 2021
IPO Close Date	Jan 22, 2021
IPO Price	₹1490
Face Value	₹10
IPO Size	₹1,176.00 Cr
Listed At	BSE, NSE
Lot Size	10

SHARES OFFERED

Category	Shares Offered	Amount (Rs Cr)	Issue Size (%)
QIB	1,556,690	231.95	28.21%
NII	1,167,514	173.96	21.16%
Retail	2,724,198	405.91	49.37%
Employee	70,000	10.43	1.27%
Total	5,518,402	822.24	100%

3.7 STATISTICAL METHOD

Listing Day Returns

The returns on the listing day (R_i) would be calculated by using the formula:

$$R_i = (P_1 - P_0) / P_0 * 100$$

where,

P_1 = Price of share on the listing day and the closing price

P_0 = Issue price

The study covers a total 158 IPOs. In the first phase the listing day performance of the 158 IPOs are calculated by using the above-mentioned formula. For this the offer price and closing price of the first day were collected. The main aim of this is to know how many companies of these are under-priced, fairly priced and over-priced. After analysing the companies, top 5 companies which reaped high listing day return were taken during the time frame and the short run performance of these companies were analysed using the progressive growth of IPOs return.

Short-term Performance of IPO

The second phase of the study attempts to evaluate the progressive growth of IPOs returns in the short run. This is to analyse the buy and hold strategy of investors. Buy and hold return is used to analyse progressive growth from the date of issue for the next 1 year. The study collected the data such as, change in stock returns over different time horizons considering issue price as base. The different time horizons taken for the study includes-

- Listing Day
- One Month
- Three Month
- Six Month
- One Year
- Current Performance

The progressive growth in IPOs return is expressed in terms of increase in returns. It is calculated by considering the closing price at the end of the trading day divided by the issue price. This is expressed in terms of percentage. Since, it is based on percentage the value of issue price is also converted into percentage to standardize the data. The issue price is considered as the base for the comparison and is fixed as 100 and the increase or decrease in terms of returns are recorded that is –

- If the value of return of IPO is below 100 percent, it indicates fall in price of stock.
- If the value of return of IPO is recorded above 100 percent, it indicates increase in the price of stock.

3.8 HYPOTHESIS FOR THE STUDY

A statistical test of hypothesis is a process or procedure under which a statistical hypothesis is laid down and it is accepted or rejected on the on the basis of random sample drawn from the population. The statistical hypothesis can be; Null hypothesis and Alternative hypothesis. Null hypothesis can be defined as a statistical

hypothesis which is stated for the purpose of possible acceptance. A null hypothesis is the original hypothesis. An alternative hypothesis is any hypothesis other than null hypothesis. Null hypothesis is denoted as H₀ and Alternative hypothesis is denoted as H₁.

Setting of Hypothesis:

H₀: There is no relation between issue price and listing day close price.

H₁: There is relation between issue price and listing day close price.

H₀: There is no relation between listed price and current market price.

H₁: There is relation between listed price and current market price.

H₀: There is no relation between the issue size and issue price.

H₁: There is relation between the issue size and issue price.

CHAPTER – IV

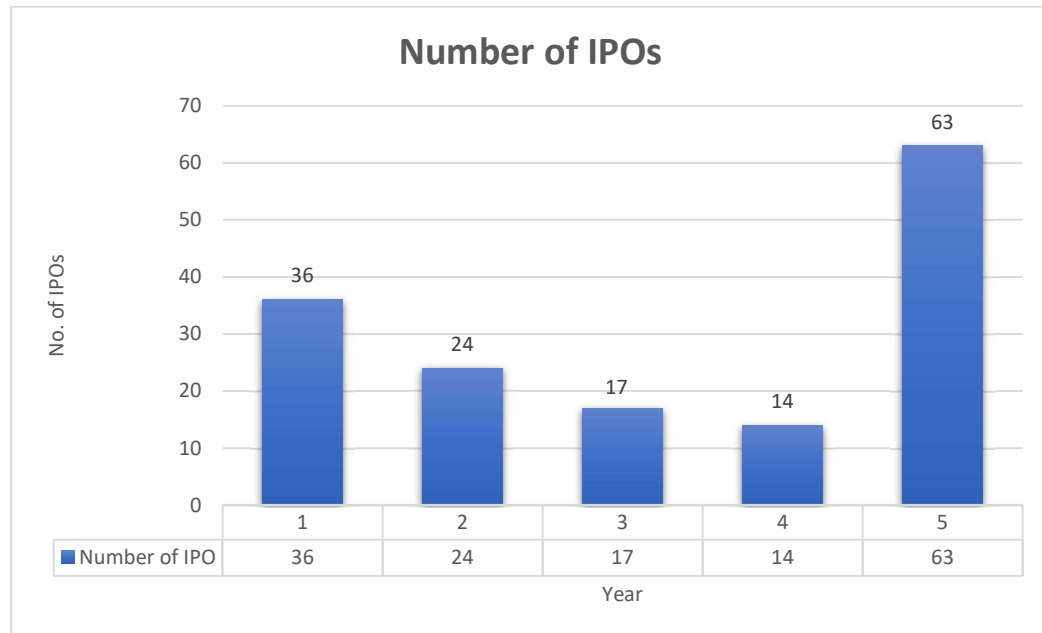
DATA ANALYSIS AND INTERPRETATION

4.1 NUMBER OF IPOs LISTED

Table No. 4.1 - Showing No. of IPOs listed for the last 5 years

Year	Number of IPO
2017	36
2018	24
2019	17
2020	14
2021	63

Figure 4.1 - Showing No. of IPOs listed for the last 5 years



Interpretation:

The above table and graph show the total number of IPO listed in the Indian Capital Market from January 2017 to December 2021. From this, it is evident that the year 2021 (63) has registered the most number of IPOs in in the Indian Capital Market over the past 5 years. Among these, the least number of IPO listed is recorded in the year 2019 (16) and 2020 (14).

4.2 SECTOR WISE IPO LISTING

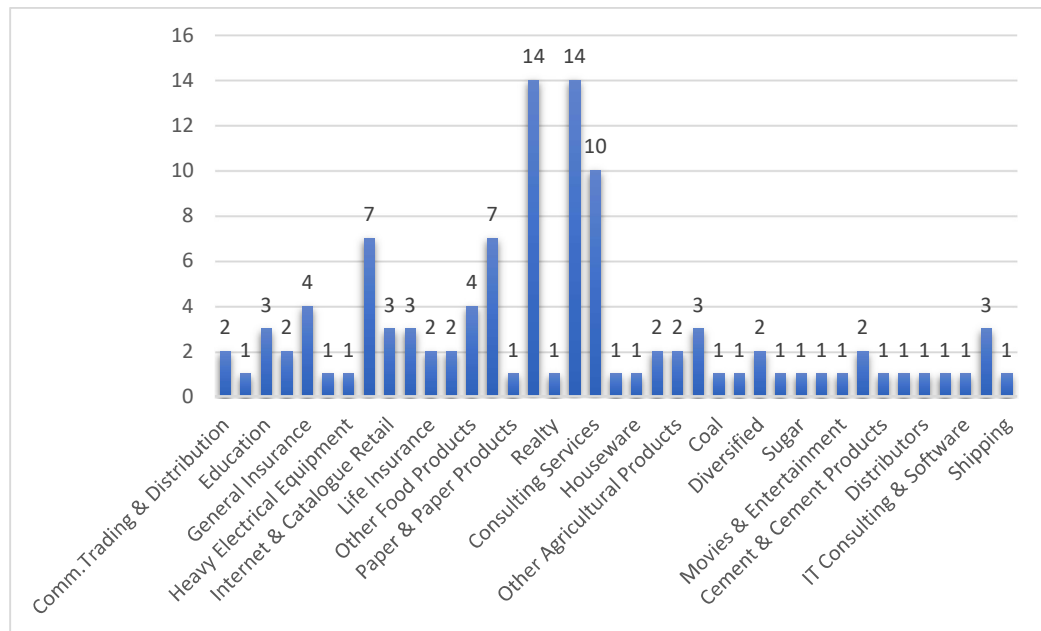
Table No. 4.2 - Showing Sector-wise IPO for the last 5 years

Industry	IPO Count
Comm.Trading & Distribution	2
Consumer Electronics	1
Education	3
Footwear	2
General Insurance	4
Healthcare Facilities	1
Heavy Electrical Equipment	1
Industrial Machinery	7
Internet & Catalogue Retail	3
Iron & Steel Products	3
Life Insurance	2
Other Financial Services	2
Other Food Products	4
Packaged Foods	7
Paper & Paper Products	1
Pharmaceuticals	14
Realty	1
Specialty Chemicals	14
Consulting Services	10
Electric Utilities	1
Houseware	1
Iron & Steel Products	2
Other Agricultural Products	2
Other Food Products	3
Coal	1
Containers & Packaging	1
Diversified	2

*A Study on IPO Performance Analysis:
Listing Day Gain & Post – IPO Performance in Indian Capital Market*

Heavy Electrical Equipment	1
Sugar	1
Telecom Equipment	1
Movies & Entertainment	1
Agrochemicals	2
Cement & Cement Products	1
Construction & Engineering	1
Distributors	1
Household Appliances	1
IT Consulting & Software	1
Restaurants	3
Shipping	1

Figure 4.2 - Showing Sector-wise IPO for the last 5 years



Interpretation:

In Indian Capital Market, there are so many companies and all these companies come under various industry classification. This industry wise diversification of companies will help in the economic growth of the country. The above data shows the industry wise listing of IPOs in the capital market. For the last 5 years a total of 154 companies IPOs were listed from 39 sectors have been listed. Among these Pharmaceutical and Speciality Chemicals (14) sector has listed most number of IPOs. Following that companies from Consulting Services (10) sector has been registered. It was also found that a total of 44 companies come under others category.

4.3 CALCULATION OF LISTING DAY RETURN OF IPO

$$\text{Listing Day Return (Ri)} = \frac{P1 - P0}{P0} * 100$$

P1 = Closing price on the listing day

P0 = Issue Price

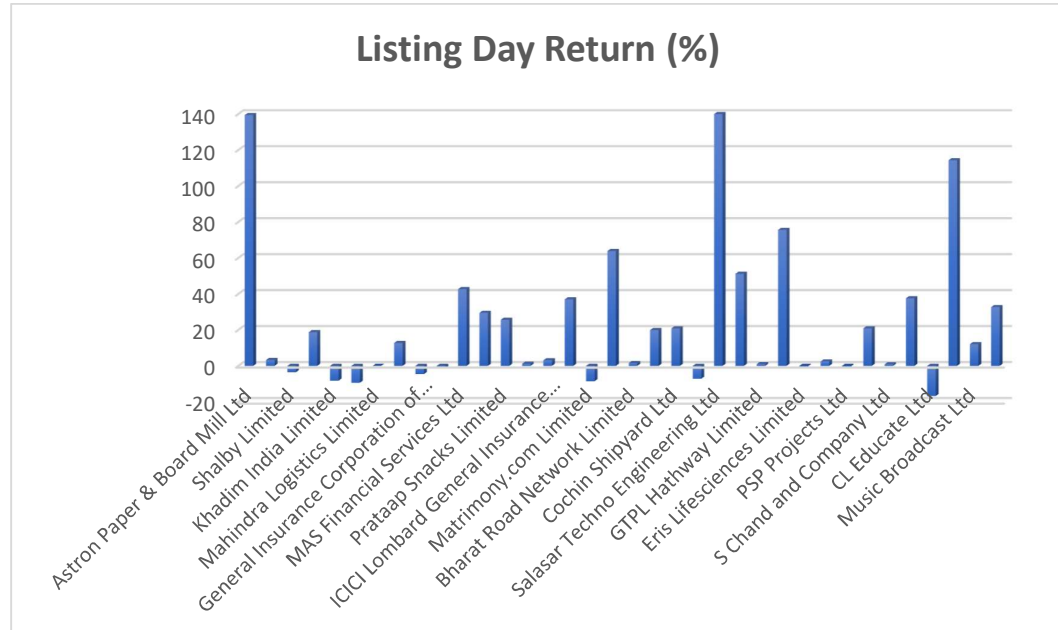
Table No. 4.3.1 - Showing Listing Day Return of IPO for the year 2017

IPO Name	Listing Date	Issue Price (Rs.)	Listing Day -Close Price (Rs.)	Listing Day Return (%)
Astron Paper & Board Mill Ltd	Dec 29, 2017	50	119.7	139.4
Future Supply Chain Solutions Ltd	Dec 18, 2017	664	685.8	3.28
Shalby Limited	Dec 15, 2017	248	239.25	-3.53
HDFC Standard Life Insurance Company Ltd	Nov 17, 2017	290	344.25	18.71
Khadim India Limited	Nov 14, 2017	750	688.5	-8.2
The New India Assurance Company Limited	Nov 13, 2017	800	725.05	-9.37
Mahindra Logistics Limited	Nov 10, 2017	429	429.15	0.03
Reliance Nippon Life Asset Management Ltd	Nov 06, 2017	252	284	12.7
General Insurance Corporation of India	Oct 25, 2017	912	870.4	-4.56
Indian Energy Exchange Ltd	Oct 23, 2017	1650	1626.45	-1.43
MAS Financial Services Ltd	Oct 18, 2017	459	654.75	42.65
Godrej Agrovet Limited	Oct 16, 2017	460	595.55	29.47
Prataap Snacks Limited	Oct 05, 2017	938	1178.3	25.62
SBI Life Insurance Company Ltd	Oct 03, 2017	700	708	1.14

*A Study on IPO Performance Analysis:
Listing Day Gain & Post – IPO Performance in Indian Capital Market*

ICICI Lombard General Insurance Company Ltd	Sep 27, 2017	661	681.55	3.11
Capacit'e Infra projects Limited	Sep 25, 2017	250	342.4	36.96
Matrimony.com Limited	Sep 21, 2017	985	901.2	-8.51
Dixon Technologies (India) Limited	Sep 18, 2017	1766	2892.8	63.81
Bharat Road Network Limited	Sep 18, 2017	205	208.15	1.54
Apex Frozen Foods Ltd	Sep 04, 2017	175	209.85	19.91
Cochin Shipyard Ltd	Aug 11, 2017	432	522	20.83
Security and Intelligence Services (India) Ltd	Aug 10, 2017	815	756.7	-7.15
Salasar Techno Engineering Ltd	Jul 25, 2017	108	259.15	139.95
Au Financiers (India) Limited	Jul 10, 2017	358	541.2	51.17
GTPL Hathway Limited	Jul 04, 2017	170	171.65	0.97
Central Depository Services (India) Limited	Jun 30, 2017	149	261.6	75.57
Eris Lifesciences Limited	Jun 29, 2017	603	601.05	-0.32
Tejas Networks Limited	Jun 27, 2017	257	263.3	2.45
PSP Projects Ltd	May 29, 2017	210	208.95	-0.5
Housing and Urban Development Corporation Ltd	May 19, 2017	60	72.5	20.83
S Chand and Company Ltd	May 09, 2017	670	675.85	0.87
Shankara Building Products Ltd	Apr 05, 2017	460	632.8	37.57
CL Educate Ltd	Mar 31, 2017	502	417.9	-16.75
Avenue Supermarts Limited	Mar 21, 2017	299	640.75	114.3
Music Broadcast Ltd	Mar 17, 2017	333	373.15	12.06
BSE Limited	Feb 03, 2017	806	1069.2	32.66

Figure 4.3.1 - Showing Listing Day Return of IPO for the year 2017



Interpretation:

The listing day return is calculated on the basis of the above-mentioned formula which helps to evaluate the listing day performance of the IPOs. For this calculation the issue price and the closing of the IPO on the listing day is considered. The table and figure show the Listing Day return (gain/loss) of the IPO listed in the 2017. A total of 36 IPOs were listed in 2017 and out of it 26 companies were under-priced (i.e, offer price is less than the first day trade price). The balance 10 companies were over-priced (i.e, offer price is more than the price of the first day trade) during the year.

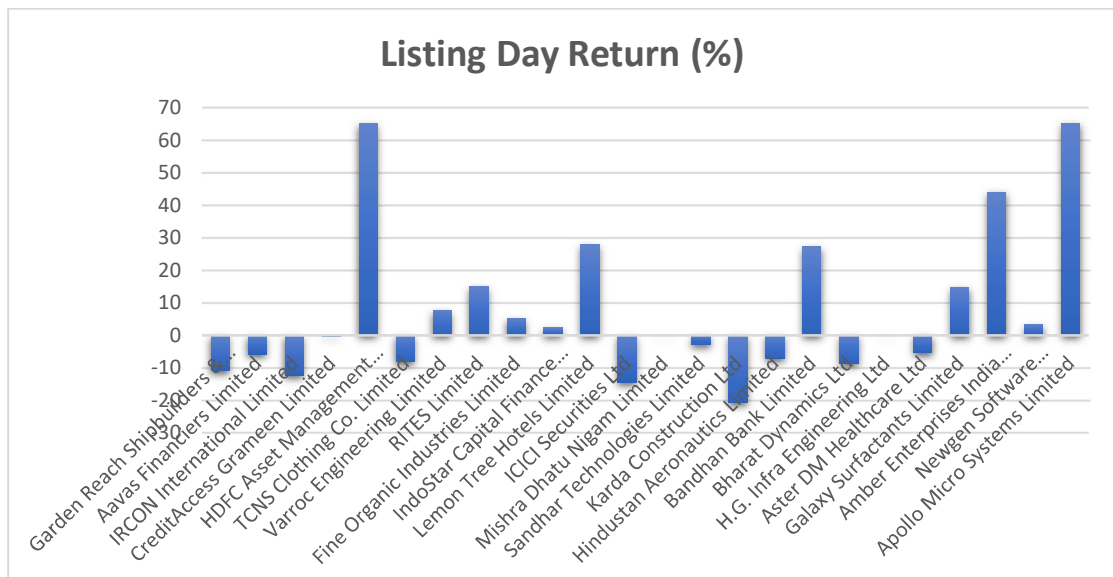
Table No. 4.3.2 - Showing Listing Return for the year 2018

IPO Name	Listing Date	Issue Price (Rs.)	Listing Day -Close Price (Rs.)	Listing Day Return (%)
Garden Reach Shipbuilders & Engineers Limited	Oct 10, 2018	118	105.1	-10.93
Aavas Financiers Limited	Oct 08, 2018	821	773.15	-5.83
IRCON International Limited	Sep 28, 2018	475	416.65	-12.28
CreditAccess Grameen Limited	Aug 23, 2018	422	420.8	-0.28
HDFC Asset Management Company Limited	Aug 06, 2018	1100	1815.15	65.01
TCNS Clothing Co. Limited	Jul 30, 2018	716	657.8	-8.13
Varroc Engineering Limited	Jul 06, 2018	967	1040.55	7.61
RITES Limited	Jul 02, 2018	185	212.7	14.97
Fine Organic Industries Limited	Jul 02, 2018	783	822.8	5.08
IndoStar Capital Finance Limited	May 21, 2018	572	585.5	2.36
Lemon Tree Hotels Limited	Apr 09, 2018	56	71.6	27.86
ICICI Securities Ltd	Apr 04, 2018	520	445.05	-14.41
Mishra Dhatu Nigam Limited	Apr 04, 2018	90	90	0
Sandhar Technologies Limited	Apr 02, 2018	332	322.55	-2.85
Karda Construction Ltd	Apr 02, 2018	180	142.8	-20.67

*A Study on IPO Performance Analysis:
Listing Day Gain & Post – IPO Performance in Indian Capital Market*

Hindustan Aeronautics Limited	Mar 28, 2018	1215	1128.35	-7.13
Bandhan Bank Limited	Mar 27, 2018	375	477.2	27.25
Bharat Dynamics Ltd	Mar 23, 2018	428	390.7	-8.71
H.G. Infra Engineering Ltd	Mar 09, 2018	270	270.05	0.02
Aster DM Healthcare Ltd	Feb 26, 2018	190	179.85	-5.34
Galaxy Surfactants Limited	Feb 08, 2018	1480	1698.1	14.74
Amber Enterprises India Limited	Jan 30, 2018	859	1237.25	44.03
Newgen Software Technologies Limited	Jan 29, 2018	245	253	3.27
Apollo Micro Systems Limited	Jan 22, 2018	275	454.1	65.13

Figure 4.3.2 - Showing Listing Return for the year 2018



Interpretation:

The above table and figure show the Listing Day Return of IPOs for the year 2018. From this it is found that a total of 25 companies were listed and out of it 12 IPOs were under-priced and 12 were recorded over-priced. And 1 company has recorded fairly priced (i.e, offer price is same as the first day trading price). The IPOs of Karda Construction Ltd (-20.67%), ICICI Securities Ltd (-14.41%), IRCON International Limited (-12.28%), Garden Reach Shipbuilders & Engineers Limited (-10.93%) recorded highest listing day negative returns.

Table No. 4.3.3 - Showing Listing Day Return of IPO for the year 2019

IPO Name	Listing Date	Issue Price (Rs.)	Listing Day -Close Price (Rs.)	Listing Day Return (%)
Prince Pipes and Fittings Ltd	Dec 30, 2019	178	166.6	-6.4
Ujjivan Small Finance Bank Ltd	Dec 12, 2019	37	55.9	51
CSB Bank Limited	Dec 04, 2019	195	300.1	53.9
Vishwaraj Sugar Industries Ltd	Oct 15, 2019	60	60.35	0.58
IRCTC Limited	Oct 14, 2019	320	728.6	127.69
Sterling and Wilson Solar Ltd	Aug 20, 2019	780	725.35	-7.01
Spandana Sphoorty Financial Ltd	Aug 19, 2019	856	848.4	-0.89
Affle (India) Limited	Aug 08, 2019	745	875.1	17.46
IndiaMART InterMESH Limited	Jul 04, 2019	973	1302.55	33.87
Neogen Chemicals Limited	May 08, 2019	215	263.55	22.58
Polycab India Limited	Apr 16, 2019	538	655	21.75
Metropolis Healthcare Limited	Apr 15, 2019	880	959.55	9.04
Rail Vikas Nigam Limited	Apr 11, 2019	19	19.05	0.26
Embassy Office Parks	Apr 01, 2019	300	314.1	4.7
MSTC Limited	Mar 29, 2019	120	114.2	-4.83
Chalet Hotels Limited	Feb 07, 2019	280	290.4	3.71
Xelpmoc Design and Tech Limited	Feb 04, 2019	66	59.85	-9.32

Figure 4.3.3 - Showing Listing Day Return of IPO for the year 2019



Interpretation:

From the above table and figure, we can interpret that out of 16 companies listed 12 companies IPO were under-priced on the listing day and 4 companies IPO were over-priced. IPO of IRCTC Limited gained highest return on the listing day.

Table No. 4.3.4 - Showing Listing Day Return for the year 2020

IPO Name	Listing Date	Issue Price (Rs.)	Listing Day -Close Price (Rs.)	Listing Day Return (%)
Mrs. Bectors Food Specialities Limited	Dec 24, 2020	288	595.55	106.79
Gland Pharma Limited	Nov 20, 2020	1500	1820.45	21.36
Equitas Small Finance Bank Ltd	Nov 02, 2020	33	32.75	-0.76
Likhitha Infrastructure Ltd	Oct 15, 2020	120	136.6	13.83
Mazagon Dock Shipbuilders Limited	Oct 12, 2020	145	173	19.31
UTI Asset Management Company Ltd	Oct 12, 2020	554	476.6	-13.97
Angel One Ltd	Oct 05, 2020	306	275.85	-9.85
Chemcon Speciality Chemicals Limited	Oct 01, 2020	340	584.8	72
Computer Age Management Services Ltd	Oct 01, 2020	1230	1401.6	13.95
Route Mobile Ltd	Sep 21, 2020	350	651.1	86.03
Happiest Minds Technologies Ltd	Sep 17, 2020	166	371	123.49
Mindspace Business Parks	Aug 07, 2020	275	303.87	10.5
Rossari Biotech Ltd	Jul 23, 2020	425	742.35	74.67
SBI Cards and Payment Services Ltd	Mar 16, 2020	755	683.2	-9.51

Figure 4.3.4 - Showing Listing Day Return for the year 2020



Interpretation:

The year 2020 has recorded a total of 14 IPOs and out of it 12 IPOs were under-priced and 6 IPOs were over-priced. Out of these, Mrs. Bectors Food Specialities Limited (106.79%) highest listing day return and IPOs of Equitas Small Finance Bank Ltd (-0.76%), UTI Asset Management Company Ltd (-13.97%), Angel One Ltd (-9.85%), SBI Cards and Payment Services Ltd (-9.51%) demonstrated negative listing day returns to the investors.

Table No. 4.3.5 - Showing Listing Day Return for the year 2021

IPO Name	Listing Date	Issue Price (Rs.)	Listing Day -Close Price (Rs.)	Listing Day Return (%)
CMS Info Systems Limited	Dec 31, 2021	216	237.4	9.91
Supriya Lifescience Limited	Dec 28, 2021	274	390.35	42.46
HP Adhesives Limited	Dec 27, 2021	274	334.95	22.24
Data Patterns (India) Limited	Dec 24, 2021	585	754.85	29.03
Medplus Health Services Limited	Dec 23, 2021	796	1120.85	40.81
Metro Brands Limited	Dec 22, 2021	500	493.55	-1.29
C.E. Info systems limited	Dec 21, 2021	1033	1394.55	35
Shriram Properties Limited	Dec 20, 2021	118	99.4	-15.76
Rategain Travel Technologies Limited	Dec 17, 2021	425	340.5	-19.88
Anand Rathi Wealth Limited	Dec 14, 2021	550	583.5	6.09
Tega Industries Limited	Dec 13, 2021	453	725.5	60.15
Star Health and Allied Insurance Company Ltd	Dec 10, 2021	900	906.85	0.76
Go Fashion (India) Limited	Nov 30, 2021	690	1252.6	81.54
Tarsons Products Limited	Nov 26, 2021	662	840	26.89
Latent View Analytics Limited	Nov 23, 2021	197	488.6	148.02
Sapphire Foods India Limited	Nov 18, 2021	1180	1216.05	3.06

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Listing Day Gain & Post – IPO Performance in Indian Capital Market*

One 97 Communications Limited	Nov 18, 2021	2150	1564.15	-27.25
Sigachi Industries Limited	Nov 15, 2021	163	603.75	270.4
S.J.S. Enterprises Limited	Nov 15, 2021	542	509.85	-5.93
PB Fintech Limited	Nov 15, 2021	980	1202.9	22.74
Fino Payments Bank Limited	Nov 12, 2021	577	545.25	-5.5
FSN E-Commerce Ventures Limited	Nov 10, 2021	1125	2206.7	96.15
Aditya Birla Sun Life AMC Ltd	Oct 11, 2021	712	699.65	-1.73
Paras Defence and Space Technologies Limited	Oct 01, 2021	175	498.75	185
Sansera Engineering Limited	Sep 24, 2021	744	818.7	10.04
Ami Organics Limited	Sep 14, 2021	610	934.55	53.2
Vijaya Diagnostic Centre Limited	Sep 14, 2021	531	619.3	16.63
Chemplast Sanmar Limited	Aug 24, 2021	541	534.9	-1.13
Aptus Value Housing Finance India	Aug 24, 2021	353	346.5	-1.84
Nuvoco Vistas Corporation Ltd	Aug 23, 2021	570	531.3	-6.79
CarTrade Tech Limited	Aug 20, 2021	1618	1500.1	-7.29
Devyani International Limited	Aug 16, 2021	90	123.35	37.06
Windlas Biotech Limited	Aug 16, 2021	460	406.7	-11.59
Krsnaa Diagnostics Limited	Aug 16, 2021	954	990.75	3.85

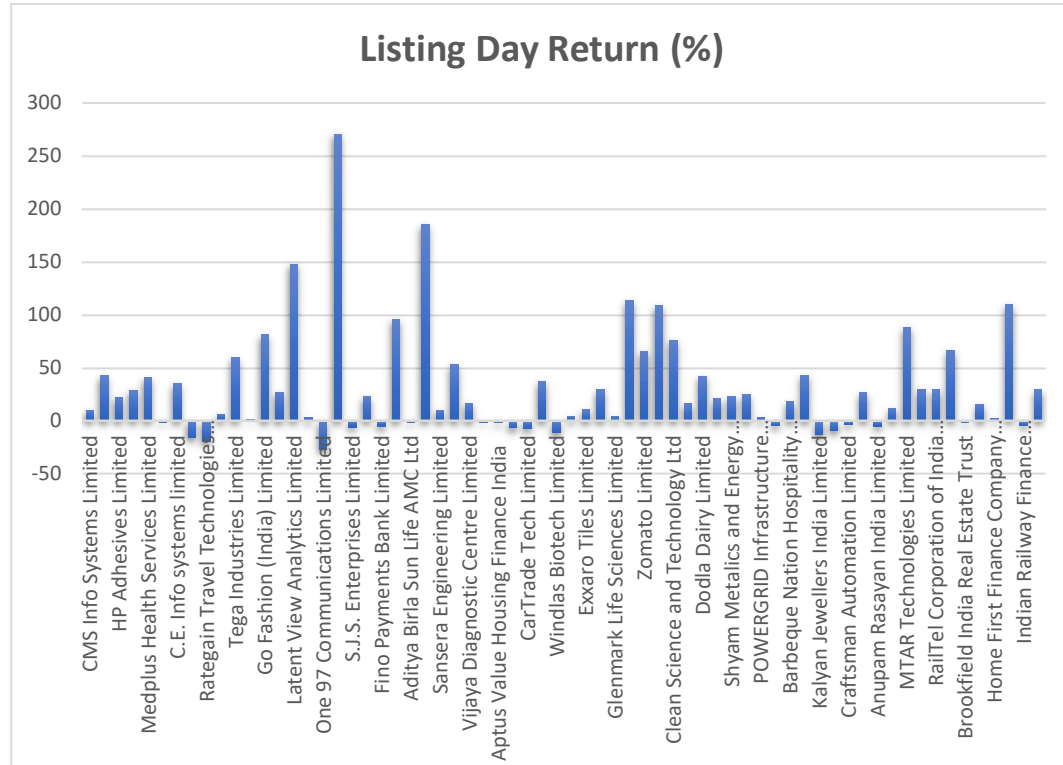
*A Study on IPO Performance Analysis:
Listing Day Gain & Post – IPO Performance in Indian Capital Market*

Exxaro Tiles Limited	Aug 16, 2021	120	132.25	10.21
Rolex Rings Limited	Aug 09, 2021	900	1166.55	29.62
Glenmark Life Sciences Limited	Aug 06, 2021	720	748.2	3.92
Tatva Chintan Pharma Chem Ltd	Jul 29, 2021	1083	2310.25	113.32
Zomato Limited	Jul 23, 2021	76	125.85	65.59
G R Infraprojects Limited	Jul 19, 2021	837	1746.8	108.7
Clean Science and Technology Ltd	Jul 19, 2021	900	1585.2	76.13
India Pesticides Limited	Jul 05, 2021	296	343.15	15.93
Dodla Dairy Limited	Jun 28, 2021	428	609.1	42.31
Krishna Institute of Medical Sciences Limited	Jun 28, 2021	825	995.9	20.72
Shyam Metalics and Energy Limited	Jun 24, 2021	306	375.85	22.83
Sona BLW Precision Forgings Limited	Jun 24, 2021	291	362.85	24.69
POWERGRID Infrastructure Investment Trust	May 14, 2021	100	102.98	2.98
Macrotech Developers Limited	Apr 19, 2021	486	463.15	-4.7
Barbeque Nation Hospitality Limited	Apr 07, 2021	500	590.4	18.08
Nazara Technologies Limited	Mar 30, 2021	1101	1576.8	43.22

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Listing Day Gain & Post – IPO Performance in Indian Capital Market*

Kalyan Jewellers India Limited	Mar 26, 2021	87	75.3	-13.45
Suryoday Small Finance Bank Ltd	Mar 26, 2021	305	276.2	-9.44
Craftsman Automation Limited	Mar 25, 2021	1490	1433	-3.83
Laxmi Organic Industries Limited	Mar 25, 2021	130	164.6	26.62
Anupam Rasayan India Limited	Mar 24, 2021	555	525.9	-5.24
Easy Trip Planners Limited	Mar 19, 2021	187	208.3	11.39
MTAR Technologies Limited	Mar 15, 2021	575	1082.25	88.22
Heranba Industries Limited	Mar 05, 2021	627	812.25	29.55
RailTel Corporation of India Limited	Feb 26, 2021	94	121.4	29.15
Nureca Limited	Feb 25, 2021	400	666.65	66.66
Stove Kraft Limited	Feb 05, 2021	385	445.95	15.83
Home First Finance Company India Ltd.	Feb 03, 2021	518	527.4	1.81
Indigo Paints Limited	Feb 02, 2021	1490	3118.65	109.31
Indian Railway Finance Corporation Limited	Jan 29, 2021	26	24.85	-4.42

Figure 4.3.5 - Showing Listing Day Return for the year 2021



Interpretation:

After analysing last 5 years data of IPOs, it was found that the year 2021 recorded the most number of IPOs. A total of 63 companies were listed in the year. Out of these 63 IPOs 47 companies were under-priced on the first trading day and 16 companies were over-priced.

4.4 CORRELATION BETWEEN ISSUE PRICE AND LISTING DAY CLOSE PRICE

Table No. 4.4.1 - Showing correlation between issue price and listing day close price

YEAR	ISSUE PRICE (RS.)	LISTING DAY CLOSE PRICE (RS.)
2017	19078	21852.35
2018	12674	14002.25
2019	6562	10038.55
2020	6559	8387.12
2021	38176	49128.74

Interpretation:

Variables	Issue Price	Listing Day Close Price
Issue Price	1.00	0.994
Listing Day Close Price	0.994	1.00

Correlation is significant at the 0.01 level (2-tailed).

The above analysis shows the correlation between the issue price and the listing day price (closing price) of the IPOs listed from 2017 to 2021. The correlation between the issue price and the listing day closing price is $r = 0.994$. This indicates the above two factors are highly correlated. That is the variable issue price is related to the variable listing day close price at 99.4%. Therefore, it is interpreted that there is a significant relationship between the issue price and listing day closing price. Hence, the null hypothesis (H0) is rejected.

4.5 CORRELATION BETWEEN ISSUE SIZE AND ISSUE PRICE

Table No. 4.5.1 - Showing correlation between issue size and issue price

YEAR	ISSUE SIZE (Cr.)	ISSUE PRICE
2017	75278.58	19078
2018	31731.28	12674
2019	17437.32	6562
2020	31128.07	6559
2021	131416.79	38176

Interpretation:

Variables	Issue Size	Issue Price
Issue Size	1.00	0.981
Issue Price	0.981	1.00

Correlation is significant at the 0.01 level (2-tailed).

The above analysis shows the correlation between the issue size and the issue price of the IPOs listed from 2017 to 2021. The correlation between the issue price and the listing day closing price is $r = 0.981$. This indicates the above two factors are highly correlated. That is the variable issue size is relate to the variable issue price at 98.1 %. Therefore, it is interpreted that there is a significant relationship between the issue size and issue price. Hence, the null hypothesis (H0) is rejected.

4.6 CORRELATION BETWEEN ISSUE PRICE AND CURRENT MARKET PRICE

Table No. 4.6 - Showing the correlation between issue price and current market price

IPO NAME	LISTING PRICE	CMP
Salasar Techno Engineering Ltd	250	24.95
Astron Paper & Board Mill Ltd	115	37.5
Avenue Supermarts Limited	600	4243.85
Central Depository Services (India) Limited	250	1126.95
Dixon Technologies (India) Limited	2725	3699.9
Apollo Micro Systems Limited	465	144.1
HDFC Asset Management Company Limited	1726.25	1947.3
Amber Enterprises India Limited	1175	2,493.70
Lemon Tree Hotels Limited	61.6	65.95
Bandhan Bank Limited	499	276.2
IRCTC Limited	626	637.1
CSB Bank Limited	275	200.05
Ujjivan Small Finance Bank Ltd	58.75	19.2
IndiaMART InterMESH Limited	1180	4,254.15
Neogen Chemicals Limited	251	1,369.15
Happiest Minds Technologies Ltd	350	967.95
Mrs. Bectors Food Specialities Limited	500	314.85
Route Mobile Ltd	717	1400.6
Rossari Biotech Ltd	669.25	899.55
Chemcon Speciality Chemicals Limited	731	333.3
Sigachi Industries Limited	570	244.45
Paras Defence and Space Technologies Limited	469	624.6
Latent View Analytics Limited	512.2	372
Tatva Chintan Pharma Chem Ltd	2111.85	2317.2
Indigo Paints Limited	2607.5	1391.7

Interpretation:

Variables	Listing Price	CMP
Listing Price	1.00	0.590
CMP (Current Market Price)	0.590	1.00

Correlation is significant at the 0.01 level (2-tailed).

From the above analysis, it is found that there is positive correlation between the listed price and current market price of IPO. The listing price is the opening price of the IPO when it is listed in the stock exchanges and the current market price is the current price of IPO. It is demonstrated that the correlation coefficient of listed price and current market price is $r = 0.590$. This indicates that the variable listing price is related to the variable current market price. So, there is a significant relationship between listed price and current market price. Hence, the null hypothesis (H₀) is rejected.

4.7 UNDERPRICING, OVERPRICING AND FAIRLY PRICING

Table 4.7.1 - Showing Under-pricing, Fairly Pricing and Over-pricing of IPO for the last 5 years.

Years	Total Number of IPOs Listed	Under-priced	Fairly-priced	Over-priced
2017	36	26	0	10
2018	24	12	1	11
2019	17	12	0	5
2020	14	10	0	4
2021	63	47	0	16

Figure 4.7.1 - Showing Under-pricing, Fairly Pricing and Over-pricing of IPO for the last 5 years.



Interpretation:

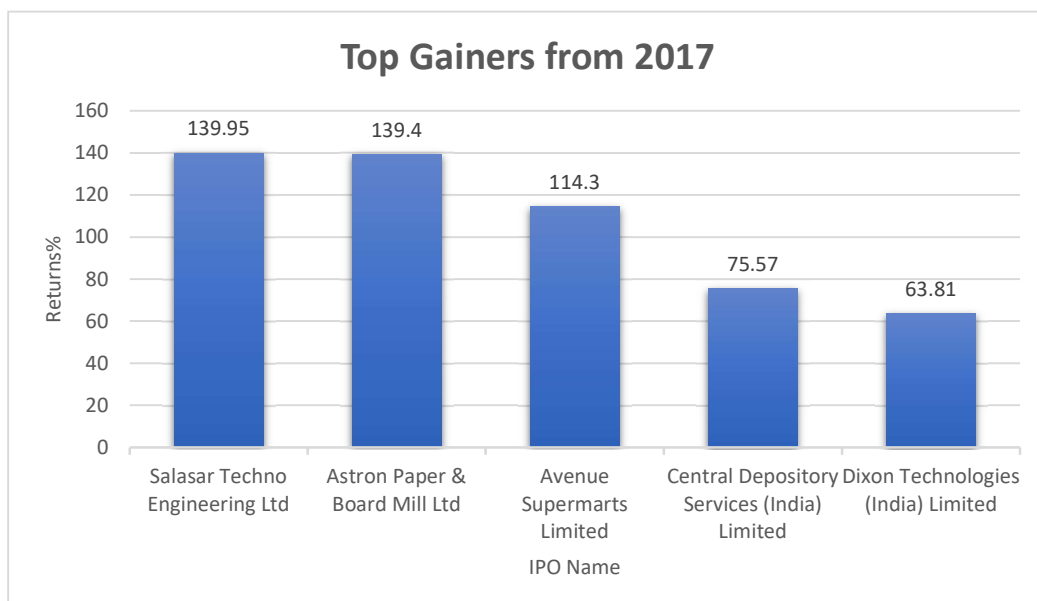
The above analysis shows that a total **107** IPOs were under-priced for the last 5 years. Out of these, 47 IPOs were recorded under-priced in the year 2021 which is recorded as highest in the study. The year 2021 has recorded the most number of IPO. Total of 46 IPO were recorded over-priced and only 1 IPO has recorded fairly-priced. It means that the under-pricing will enable investors to trade more in secondary market. The under-pricing of the stocks will result in positive return on the listing day. Various studies have proved the existence of under-pricing in Indian Capital Market. The under-pricing will help to create demand and price stability for the shares. On the other hand, the over-pricing will lead to fall in the stock prices on the listing day returns and it will make the IPO a failure.

4.8 TOP LISTING DAY GAINERS

Table No. 4.8.1 - Showing top IPOs of 2017 by Listing Day Returns

IPO NAME	ISSUE PRICE	LISTING DAY RETURN (%)
Salasar Techno Engineering Ltd	108	139.95
Astron Paper & Board Mill Ltd	50	139.4
Avenue Supermarts Limited	299	114.3
Central Depository Services (India) Limited	149	75.57
Dixon Technologies (India) Limited	1766	63.81

Figure 4.8.1 - Showing top IPOs of 2017 by Listing Day Returns



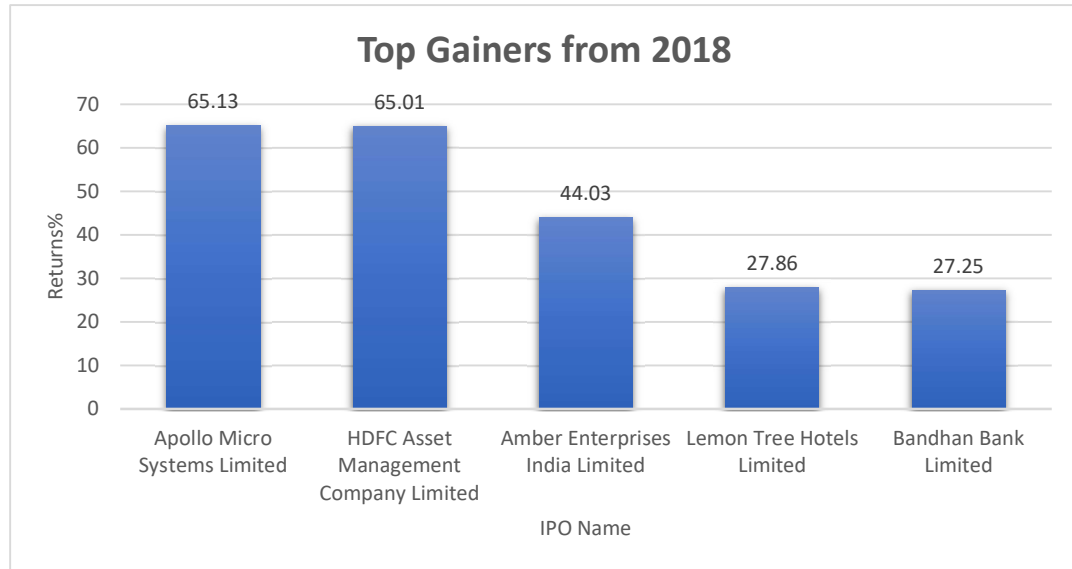
Interpretation:

The above data attempts to show the top gainers of IPOs listed in the year 2017. A total of 36 IPOs were listed and out these IPOs were provided best listing day return to the investors. Salasar Techno Engineering Ltd (139.95%), Astron Paper & Board Mill Ltd (139.4%) provided highest return to the investors. The average listing day returns provided by the top gainers for the year 2017 is 481.68%.

Table No. 4.8.2 - Showing top IPOs of 2018 by Listing Day Returns

IPO NAME	ISSUE PRICE	LISTING DAY RETURN (%)
Apollo Micro Systems Limited	275	65.13
HDFC Asset Management Company Limited	1100	65.01
Amber Enterprises India Limited	859	44.03
Lemon Tree Hotels Limited	859	27.86
Bandhan Bank Limited	375	27.25

Figure 4.8.2 - Showing top IPOs of 2018 by Listing Day Returns



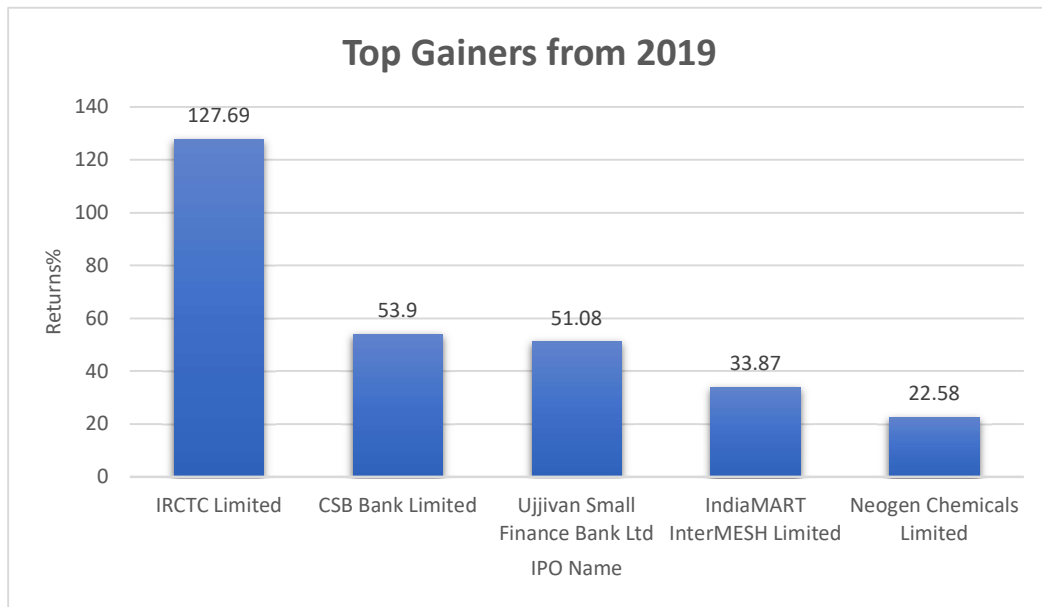
Interpretation:

The above data and graph indicate the list of top gainers of IPO from 2018 on the basis of listing day return. A total of 25 companies were listed for the year and these companies gained highest return on the listing day. The average listing day returns for this top IPO gainers were 207.48%.

Table No. 4.8.3 - Showing top IPOs of 2019 by Listing Day Returns

IPO NAME	ISSUE PRICE	LISTING DAY RETURN (%)
IRCTC Limited	320	127.69
CSB Bank Limited	195	53.9
Ujjivan Small Finance Bank Ltd	37	51.08
IndiaMART InterMESH Limited	973	33.87
Neogen Chemicals Limited	215	22.58

Figure 4.8.3 - Showing top IPOs of 2019 by Listing Day Returns



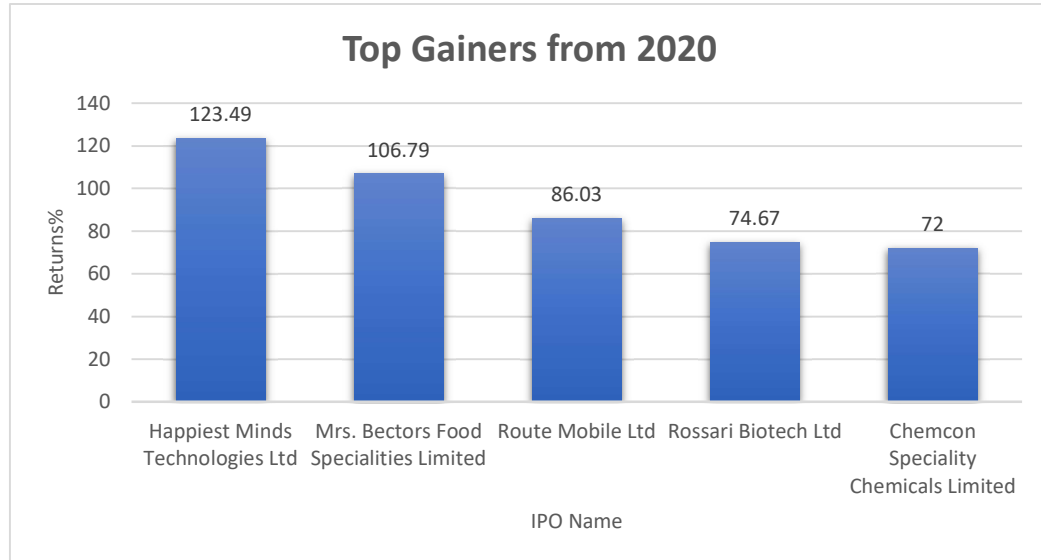
Interpretation:

The above analysis shows the top gainers of IPO on the basis of listing day return for the year 2019. Out of 16 IPOs listed in the year these IPOs recorded highest listing day return. IRCTC Limited (127.69%) provided attractive returns to the investors. Along with IRCTC, CSB Bank Limited (53.9%), Ujjivan Small Finance Bank Ltd (51.08%) recorded decent listing day returns to the investors. It is observed that the average listing day returns provided by the top IPOs during the year 2019 were 271.05%.

Table No. 4.8.4 - Showing top IPOs of 2020 by Listing Day Returns

IPO NAME	ISSUE PRICE	LISTING DAY RETURN (%)
Happiest Minds Technologies Ltd	166	123.49
Mrs. Bectors Food Specialities Limited	288	106.79
Route Mobile Ltd	350	86.03
Rossari Biotech Ltd	425	74.67
Chemcon Speciality Chemicals Limited	340	72

Figure 4.8.4 - Showing top IPOs of 2020 by Listing Day Returns



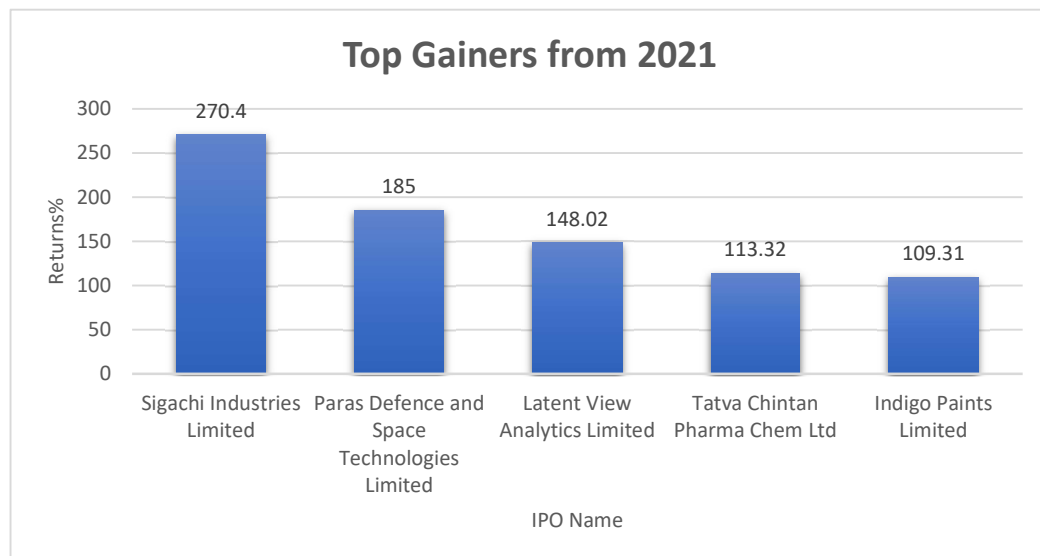
Interpretation:

The above given data shows the list of top 5 IPO gainers listed for the year 2020. Out of 14 IPOs listed during the year, these were the top gainers for the year on the basis of listing day return. Among these top gainers, Happiest Minds Technologies Ltd (123.49%), Mrs. Bectors Food Specialities Limited (106.79%) reaped highest listing day return for the investors. It is also observed that the average listing day returns provided by the top IPO gainers during the were 405.38%.

Table No. 4.8.5 - Showing top IPOs of 2021 by Listing Day Returns

IPO NAME	ISSUE PRICE	LISTING DAY RETURN (%)
Sigachi Industries Limited	163	270.4
Paras Defence and Space Technologies Limited	175	185
Latent View Analytics Limited	197	148.02
Tatva Chintan Pharma Chem Ltd	1083	113.32
Indigo Paints Limited	1490	109.31

Figure 4.8.5 - Showing top IPOs of 2021 by Listing Day Returns



Interpretation:

The above given table shows the top 5 IPOs gained highest listing day return for the year 2020. A total of 63 IPOs were listed during the year and among those these were the IPOs falls under top 5 category. From this, it is found that the IPO of Sigachi Industries Limited (270.4%), Paras Defence and Space Technologies Limited (185%) provided attractive listing day return to the investors for the year. The average listing day returns of the top selected IPO gainers for the year are 165.21%.

4.9 CALCULATION OF SHORT-TERM PROGRESSIVE GROWTH OF IPO

This is calculated by analysing the short-term performance of IPO based on different time frames such as listing day price return, one month return from the date of issue, three months from the date of issue, six month return from the date of issue, one year return from the date of issue and the current performance of the IPO. This performance is measured in terms of

$$\frac{\text{Closing Price}}{\text{Issue price of the IPO}}$$

For standardization, the issue price is determined as 100%. After calculation, if the value of selected IPO is above 100, it indicates an increase in the value of price of stock. If the value is below 100, it indicates decrease in the value of price.

Table No. 4.9.1 - Showing the short-term performance of IPOs generated high listing day returns and their current market return

IPO NAME	ISSUE PRICE	LISTING DAY PRICE	ONE MONTH RETURN	THREE MONTH RETURN	SIX MONTH RETURN	ONE YEAR RETURN	CURRENT MARKET RETURN
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
Salasar Techno Engineering Ltd	100	240	187.96	263.8	260.3	299.12	23.1
Astron Paper & Board Mill Ltd	100	239.4	281.4	213.4	226.2	225.5	75
Avenue Supermarts Limited	100	214.29	251.23	264.29	294.58	511.33	1419.34

*A Study on IPO Performance Analysis:
Listing Day Gain & Post – IPO Performance in Indian Capital Market*

Central Depository Services (India) Limited	100	175.57	250.7	229.36	240.13	182.95	756.34
Dixon Technologies (India) Limited	100	163.77	150.77	198.28	198.92	193.89	209.5
Apollo Micro Systems Limited	100	165.12	116.8	87.41	64.38	49.61	52.4
HDFC Asset Management Company Limited	100	165.01	153.25	127.53	138.08	195.38	177.2
Amber Enterprises India Limited	100	144.03	127.14	132.56	112.72	112.71	290.3
Lemon Tree Hotels Limited	100	127.85	129.28	130.08	139.19	135.08	7.67
Bandhan Bank Limited	100	127.25	135.05	139.69	187.7	127.26	73.65
IRCTC Limited	100	227.68	283.53	304.42	489.18	427.71	199.09
CSB Bank Limited	100	153.89	106.69	85.94	62.56	117.74	102.59
Ujjivan Small Finance Bank Ltd	100	151.08	141.08	104.59	72.02	83.1	51.89
IndiaMART InterMESH Limited	100	133.86	126.36	197.26	225.19	253.53	437.22
Neogen Chemicals Limited	100	122.58	142.51	166.83	164.16	158.67	638.81

*A Study on IPO Performance Analysis:
Listing Day Gain & Post – IPO Performance in Indian Capital Market*

Happiest Minds Technologies Ltd	100	223.49	196.05	195.93	212.25	828.22	583.1
Mrs. Bectors Food Specialties Limited	100	206.78	137.69	120.69	139.77	140.97	109.32
Route Mobile Ltd	100	186.02	215.05	305.64	435.8	554.45	400.17
Rossari Biotech Ltd	100	174.67	174.5	181.29	191.83	275.55	211.65
Chemcon Speciality Chemicals Limited	100	172	121.05	147.06	127.6	129.98	98.02
Sigachi Industries Limited	100	370.39	250.73	196.19	194.84	89.25	149.96
Paras Defence and Space Technologies Limited	100	285	503.4	424.57	353.4	85.45	356.91
Latent View Analytics Limited	100	248.02	252.38	215.35	243.14	90.25	188.83
Tatva Chintan Pharma Chem Ltd	100	213.31	192.54	231.3	235.24	212.31	213.96
Indigo Paints Limited	100	209.3	177.21	155.4	170.75	128.46	93.4

Interpretation:

Performance of IPO after one month from the date of issue

The study attempts to evaluate the performance of IPO after one month from the date of issue. Among 25 IPOs, all the companies have shown positive return from the date of listing. Among these IPOs, Paras Defence and Space Technologies Limited (503.4%), IRCTC Limited (283.53%), Astron Paper & Board Mill Ltd (281.4%), Latent View Analytics Limited (252.38%), Avenue Supermarts Limited (251.23%) demonstrated huge growth from the date of listing.

Performance of IPO after three months from the date of issue

The study attempts to evaluate the performance of IPO after three months from the date of issue. Among 25 IPOs, 2 IPO has demonstrated decrease in the return from the date of listing. Paras Defence and Space Technologies Limited (424.57%), Route Mobile Ltd (305.64%), Avenue Supermarts Limited (264.29%), Salasar Techno Engineering Ltd (263.8%) generated attractive positive returns. Apollo Micro Systems Limited (87.41%), CSB Bank Limited (85.94%) have generated negative returns from the listing date.

Performance of IPO after six months from the date of issue

The study attempts to evaluate the performance of IPOs after six months from the date of issue. Among 25 IPOs, 22 have shown positive returns. Out of these, IRCTC Limited (489.18%), Route Mobile Ltd (435.8%), Paras Defence and Space Technologies Limited (353.4%), Avenue Supermarts Limited (294.58%), Salasar Techno Engineering Ltd (260.3%) generated attractive returns from the date of issue. Apollo Micro Systems Limited (64.38%), CSB Bank Limited (62.56%), Ujjivan Small Finance Bank Ltd (72.02%) generated negative returns from the date of issue.

Performance of IPO after one year from the date of issue

The study attempts to evaluate the performance of IPO after one year from the date of issue. Among 25 IPOs, 20 have generated positive return and 5 IPOs have generated negative returns. Out of these Happiest Minds Technologies Ltd (828.22%), Route Mobile Ltd (554.45%), Avenue Supermarts Limited (511.33%), IRCTC Limited (427.71%), Salasar Techno Engineering Ltd (299.12%) have demonstrated growth from the date of issue. Apollo Micro Systems Limited (49.61%), Ujjivan Small Finance Bank Ltd (83.10%), Sigachi Industries Limited (89.25%), Paras Defence and Space Technologies Limited (85.45%), Latent View Analytics Limited (90.25%) demonstrated negative returns from the date of issue.

Current Market Price Performance

The study attempts to evaluate the current performance of the selected IPOs. After evaluation it is found that, 17 have generated positive return in the current market scenario after the listing. Out of these Avenue Supermarts Limited (1419.34%), Central Depository Services (India) Limited (756.34%), Neogen Chemicals Limited (638.81%), Happiest Minds Technologies Ltd (583.10%), Route Mobile Ltd (400.17%) have shown positive return. Lemon Tree Hotels Limited (7.67%), Salasar Techno Engineering Ltd (23.10%), Ujjivan Small Finance Bank Ltd (51.89%), Apollo Micro Systems Limited (52.4%), Bandhan Bank Limited (73.65%) Chemcon Speciality Chemicals Limited (98.02%) demonstrated negative returns.

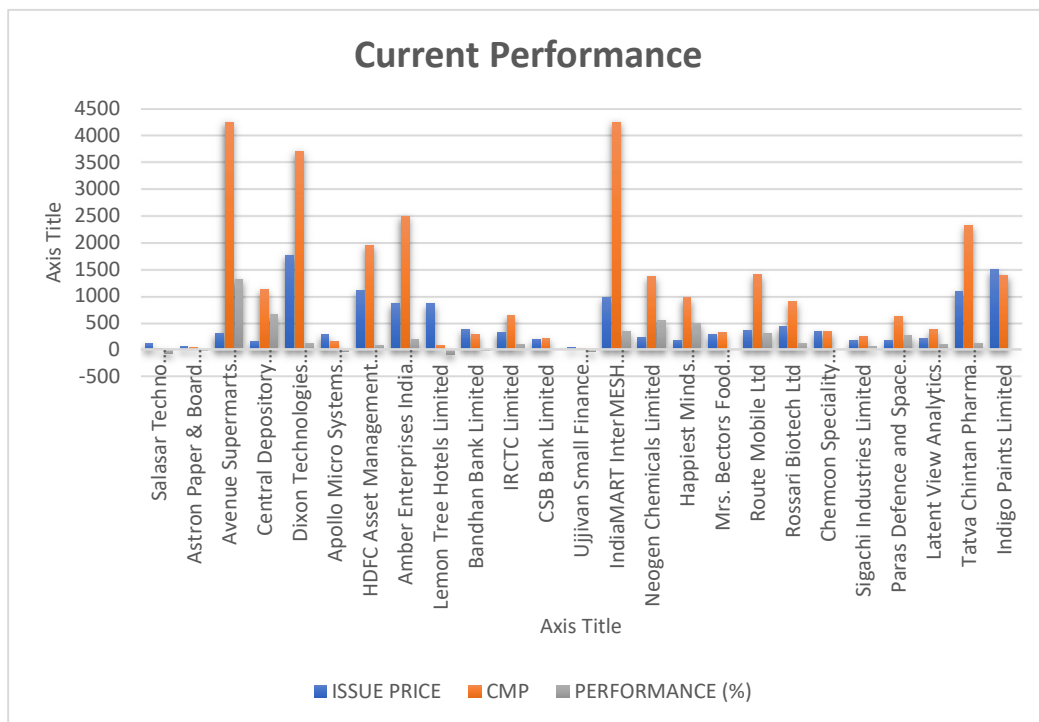
4.10 CURRENT IPO PERFORMANCE

Table No. 4.10 - Showing the Current IPO Performance

IPO	ISSUE PRICE	CMP	PERFORMANCE (%)
Salasar Techno Engineering Ltd	108	24.95	-76.89
Astron Paper & Board Mill Ltd	50	37.5	-25
Avenue Supermarts Limited	299	4243.85	1319.34
Central Depository Services (India) Limited	149	1126.95	656.34
Dixon Technologies (India) Limited	1766	3699.9	109.51
Apollo Micro Systems Limited	275	144.1	-47.6
HDFC Asset Management Company Limited	1100	1947.3	77.02
Amber Enterprises India Limited	859	2,493.70	190.3
Lemon Tree Hotels Limited	859	65.95	-92.32
Bandhan Bank Limited	375	276.2	-26.35
IRCTC Limited	320	637.1	99.09
CSB Bank Limited	195	200.05	2.58
Ujjivan Small Finance Bank Ltd	37	19.2	-48.1
IndiaMART InterMESH Limited	973	4,254.15	337.21
Neogen Chemicals Limited	215	1,369.15	536.81
Happiest Minds Technologies Ltd	166	967.95	483.1
Mrs. Bectors Food Specialities Limited	288	314.85	9.32
Route Mobile Ltd	350	1400.6	300.17
Rossari Biotech Ltd	425	899.55	111.65

Chemcon Speciality Chemicals Limited	340	333.3	-1.97
Sigachi Industries Limited	163	244.45	49.96
Paras Defence and Space Technologies Limited	175	624.6	256.91
Latent View Analytics Limited	197	372	88.83
Tatva Chintan Pharma Chem Ltd	1083	2317.2	113.96
Indigo Paints Limited	1490	1391.7	-6.59

Figure 4.10 - Showing the Current IPO Performance



Interpretation:

The above analysis shows the current performance of the top IPO gainers from 2017 to 2021. For the analysis issue price and the current market price of the IPO is considered. The performance evaluation is done by considering the difference between CMP and issue price divided by issue price. Out of the 25 IPOs 17 IPOs were providing positive returns and 8 IPOs were recorded negative returns. Avenue Supermarts Limited (1319.34%), Central Depository Services (India) Limited (656.34%), Neogen Chemicals Limited (536.81%) is still providing attractive returns to the investors. Lemon Tree Hotels Limited (-92.32), Salasar Techno Engineering Ltd (-76.89%), Apollo Micro Systems Limited (-47.6%), Ujjivan Small Finance Bank Ltd (-48.10%) demonstrated negative returns.

4.11 SECTOR WISE PERFORMANCE OF SELECTED IPOS

Table 4.11 - Showing the sector wise performance of the selected IPOs

SECTOR	ISSUE PRICE	ISSUE SIZE (Cr)	CURRENT MARKET PRICE	RETURN (%)
1. Engineering				
Salasar Techno Engineering Ltd	108	38.87	24.95	-76.89
2. Paper				
Astron Paper & Board Mill Ltd	50	70	37.5	-25
3. Retail				
Avenue Supermarts Limited	299	1870	4243.85	1319.34
4. Finance – Investments				
Central Depository Services (India) Limited	149	523.99	1126.95	656.34
HDFC Asset Management Company Limited	1100	2800.33	1947.3	77.02
5. Electricals				
Dixon Technologies (India) Limited	1766	600	3699.9	109.51
6. Aerospace and Defence				
Apollo Micro Systems Limited	275	156	144.1	-47.6
7. Miscellaneous				
Amber Enterprises India Limited	859	600	2493.7	190.3
IRCTC Limited	320	645.12	637.1	99.09
IndiaMART InterMESH Limited	973	475.59	4254.15	337.21
8. Hotels				
Lemon Tree Hotels Limited	859	1038.68	65.95	-92.32
9. Banks (Private Sector)				
Bandhan Bank Limited	375	4473.02	276.5	-26.35
CSB Bank Limited	195	409.68	200.05	2.58
Ujjivan Small Finance Bank Ltd	37	750	19.2	-48.1
10. Chemicals				
Neogen Chemicals Limited	215	132.35	1369.15	536.81
11. Computers Software				

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Happiest Minds Technologies Ltd	166	702.02	967.95	483.1
12. Consumer Food				
Mrs. Bectors Food Specialities Limited	288	540.54	314.85	9.32
13. IT Services and Consulting				
Route Mobile Ltd	350	600	1400.6	300.17
Latent View Analytics Limited	197	600	372	88.83
14. Speciality Chemicals				
Rossari Biotech Ltd	425	496.49	899.55	111.65
Chemcon Speciality Chemicals Limited	340	318	333.3	-1.97
Tatva Chintan Pharma Chem Ltd	1083	500	2317.2	113.96
15. Pharmaceuticals and Drugs				
Sigachi Industries Limited	163	125.43	244.45	49.96
16. Defence				
Paras Defence and Space Technologies Limited	175	170.78	624.6	256.91
17. Paints				
Indigo Paints Limited	1490	1176	1391.7	-6.59

Interpretation:

The above table shows the sector wise performance of the selected IPOs. The selected IPOs belong to different sectors and they are mentioned above. From the table it is evident that Avenue Supermarts Limited from Retail sector is providing attractive returns (1319.34%). Following that IPOs from Finance & Investment sector is also providing good returns to the investors. Central Depository Services (India) Limited (656.34%), HDFC Asset Management Company Limited (77.02%). It is also evident that the banking sector is providing negative returns. 2 out of 3 IPOs selected for the study is providing negative returns to the investors.

CHAPTER – V

FINDINGS, SUGGESSTIONS AND

CONCLUSION

5.1 FINDINGS

This chapter highlights the major findings of the study in a summarized form. The study is based on the performance analysis of the IPO based on the listing day and post IPO performance in Indian Capital Market.

❖ **Objective 1: To evaluate the performance of IPO on listing day.**

- The study attempts to found that the IPOs which falls under the category of under-pricing is providing attractive returns to the investors on the listing day.
- Based on the listing day return, the study found that out of 154 IPOs, 107 are under-priced, 1 is fairly priced and 46 are over-priced IPOs on the listing day. It is found that majority of the IPOs are under-priced on the listing day. This will help to increase the demand of the shares in the secondary market.
- It is was found that IPOs in pharmaceutical and speciality chemicals have increased over the time period.
- The listing day return is calculated by taking the closing price on the listing day and it shows that 69.48% of the total IPOs listed from January 2017 to December 2021 recorded positive listing day return to the investors. In a nutshell, it can be said that majority of the IPOs have reaped listing day gain to the investors.
- The year 2021 witnessed most number of IPO listing in the Indian Capital Market as compared to other years taken for the study. A total of 63 IPOs were listed in the year and out of these 47 IPOs that is, 74.60% of the total listing during the year provided positive listing day returns.
- The year 2020 witnessed the least number of IPOs as compared to previous years. Only 14 IPOs were listed during the year.

- The study also attempts to find the correlation between the issue price and listing day close price. From the correlation analysis, it is found that there is a significant relationship between the issue price and the listing day closing price on the performance of the IPOs on the listing day.
 - The correlation analysis also found that there is significant relationship between the issue size and issue price and listed price and current market price in the performance of IPOs.
 - The following are the list of IPOs which has provided attractive listing day returns to the investors during last 5 years. Salasar Techno Engineering Ltd (139.95%), Apollo Micro Systems Limited (65.13%), IRCTC Limited (127.69%), Happiest Minds Technologies Ltd (123.49%), Sigachi Industries Limited (270.4%).
 - While analysing the sector wise performance of the selected IPOs, it was found that the banking sector is providing negative returns to the investors.
- ❖ **Objective 2: To analyse the short-term performance of top gainers from the listing day.**
- After analysing the short-term performance of the top gainers of IPOs that is one month, three months, six month and one year performance, the trend of positive returns on the listing day has continued up to one month from listing. It is also found that when the shares are listed in the secondary market the prices began to shoot up.
 - After analysing three months performance, it is found that Apollo Micro Systems Limited and CSB Bank Limited from the top performing IPOs from the listing day has shown negative returns.

- When it comes to six months performance of the IPOs CSB Bank Limited, Ujjivan Small Finance Bank Ltd, Apollo Micro Systems Limited have generated negative returns. It is also found that the percentage of return, have a sharp.
- The one-year performance of IPO shows that Apollo Micro Systems Limited, Ujjivan Small Finance Bank Ltd, Sigachi Industries Limited, Paras Defence and Space Technologies Limited, Latent View Analytics Limited generated negative returns. It is also found that the performance of Apollo Micro Systems Limited, Ujjivan Small Finance Bank Ltd. have shown a decreasing trend from the third month of listing.
- As compared to short term performance the current market performance of IPOs is more promising. This indicated that long-term holding of the IPOs will yield attractive returns to the investors. The current performance of Avenue Supermarts Limited (1419.34%), Central Depository Services (India) Limited (756.34%), Neogen Chemicals Limited (638.81%), Happiest Minds Technologies Ltd (583.10%), Route Mobile Ltd (400.17%) proves the same.
- The study also attempts to find the correlation between the listing price and current market price. From the analysis it is found that there is positive correlation existing between the listing price and current market price. This shows that there is a relationship between the listing price and the current market of IPO.
- From the study, the following are the top IPOs that have been selected on the basis of listing day return and current performance. The performance of these IPOs indicates that the current return provided by the IPOs were more attractive than the listing day return.

LIST OF TOP PERFORMING IPOS SELECTED FROM THE STUDY

ISSUE NAME	LISTING DAY RETURN (%)	CURRENT PERFORMANCE (%)
Avenue Supermarts Limited	114.3	1319.34
Central Depository Services (India) Limited	75.57	656.34
Neogen Chemicals Limited	22.58	536.81
Happiest Minds Technologies Ltd	123.49	483.10
Route Mobile Ltd	86.03	300.17

5.2 SUGGESTIONS

After conducting the study, the following suggestions are given by analysing and observing the data.

- The data analysis suggests that the number of IPOs under-priced are found more than the over-priced IPOs. Therefore, the IPOs are considered as a good investment for the investors on the listing day gains.
- It is often suggested that the primary market is more explosive than the secondary market. IPO evaluation can be done only based on the issue size, reputation of the company, underwriters and so on.
- It is suggested that the listed price of the company in secondary market has been increasing after the IPO. By analysing the five years listing day return, IPOs are attractive. This would be an advantage to the investors who lacks fear to hold the IPO for a long-term perspective.
- From the data analysis it is suggested that, the investors can sell the shares that are over-priced at the end of the listing day within short-term period in order to reduce further losses.
- It is suggested that the IPOs which are under-priced on the listing day can be hold by the investors for more than one year to earn attractive return. This is evident from the performance of Avenue Supermarts Limited (1319.34%). The shares of this company have been showing an upward trend from its IPO.
- From the study it is also suggested that the investors who purchase shares on the listing day and hold them for a long-term period, there is a possibility of getting good returns in future.

5.3 CONCLUSION

The Initial Public Offering is a method used in the primary market to raise capital whenever it is needed. It is the IPO which makes a company public. In an IPO the funds are generally raised from the general public with the issue of equity shares of the company. An IPO can be divided into two phases: Listing Day and Post IPO. In this study the listing day gain and post IPO performance have been done. The study undergone the top 25 listing day gainers of IPOs from January 2017 to December 2021.

From this study, it can be concluded that majority of the IPOs were providing attractive return on the listing day. The study found that IPOs under-priced are yielding higher returns to the investors. It is indicated as the closing price of the listing day is higher than the issue price on the listing day. This will help to boost the demand and stability of IPOs in the secondary market. While considering the short-term performance of the IPOs, the top gainers on the listing day finds it difficult to keep that momentum. The finance sector has been providing negative returns for the investors. After the covid pandemic, it has been found that there is an increase in the pharmaceutical and speciality chemicals sectors which also have an impact on the IPO also. For this study, the variables considered are: Issue price, Issue size, listing day close price, Current market return etc. and it is found that there is a significant relation between all these variables in the performance of an IPO.

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