



PERFORMANCE ANALYSIS OF INITIAL PUBLIC OFFERINGS AS AN INVESTMENT AVENUE: WHETHER THEY ARE WEALTH CREATORS OR DESTROYERS

¹Dr. Mayur Rao, ²Deep Gurnani, ³Inder Mewara

¹Associate Head, PIMR (MBA), ²Student, PIMR (MBA), ³Student, PIMR (MBA)

¹Parul Institute of Management & Research (MBA),

¹Parul University, Vadodara, India

Abstract: The study attempts to evaluate the performance of initial public offerings during different investment periods. Furthermore the study compares the returns of IPOs during listing day, 1 Month, 3 Months, 6 Months, 9 Months and 1 Year, with that of returns of other investment avenues such as Gold, Silver, Mutual Funds Small Cap, Mutual Funds Mid Cap and Mutual Funds Large Cap. The sample size includes 109 successful IPO's listed on NSE during 2018 to 2021. The study takes into account pre pandemic conditions, conditions during the pandemic as well as recovery from pandemic conditions.

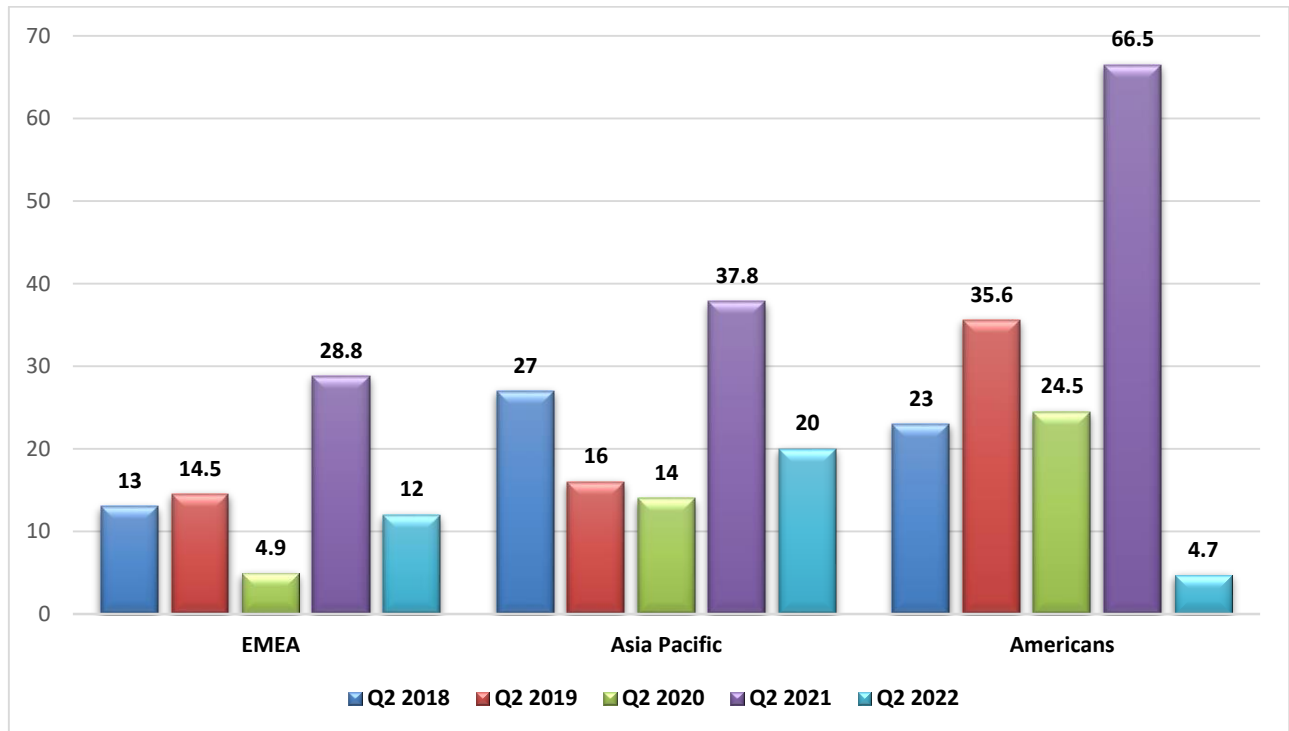
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Introduction

Since the Indian economy was liberalized, the IPO market has been expanding. It has emerged as one of the most effective ways to raise money for various business development initiatives. The 1990's saw the IPO market undergo its fair share of policy adjustments, reforms and restructurings in the wake of the introduction of the open market economy. One of the most notable developments was the introduction of free pricing mechanism. This step helped in developing the IPO Market in India, as the companies were permitted to price the issues. The Free pricing mechanism permitted the companies to raise funds from the primary market at competitive price. The IPO Market in India experienced a boom in its activities in the year 1994. In the year 1995 the growth of the Indian IPO market was 32 %. Banks were unable to lend enough money following the 2008 financial crisis to meet the needs of the domestic participants. This resulted in an overabundance of IPO's throughout the nation. In fact, raising money through public issues have become the most common method in India. . Global IPO markets were recently impacted by inflation, sluggish global growth, the conflict in Ukraine, and the ensuing sell-off in equities markets. The worldwide IPO market attitude remained extremely fragile in Q2 (2022) as market circumstances deteriorated. The total amount of global IPOs issued in Q2 2022 was \$36.6 billion, a decrease of more than 70% from Q2 2021 and even lower than the \$43.6 billion issued in Q2 2020 at the beginning of the Covid-19 pandemic, the lowest second quarter since 2016. Even though there was a lot of IPO activity in China and the Middle East, in Q2 2022, worldwide IPO issuance hit a five-year low.

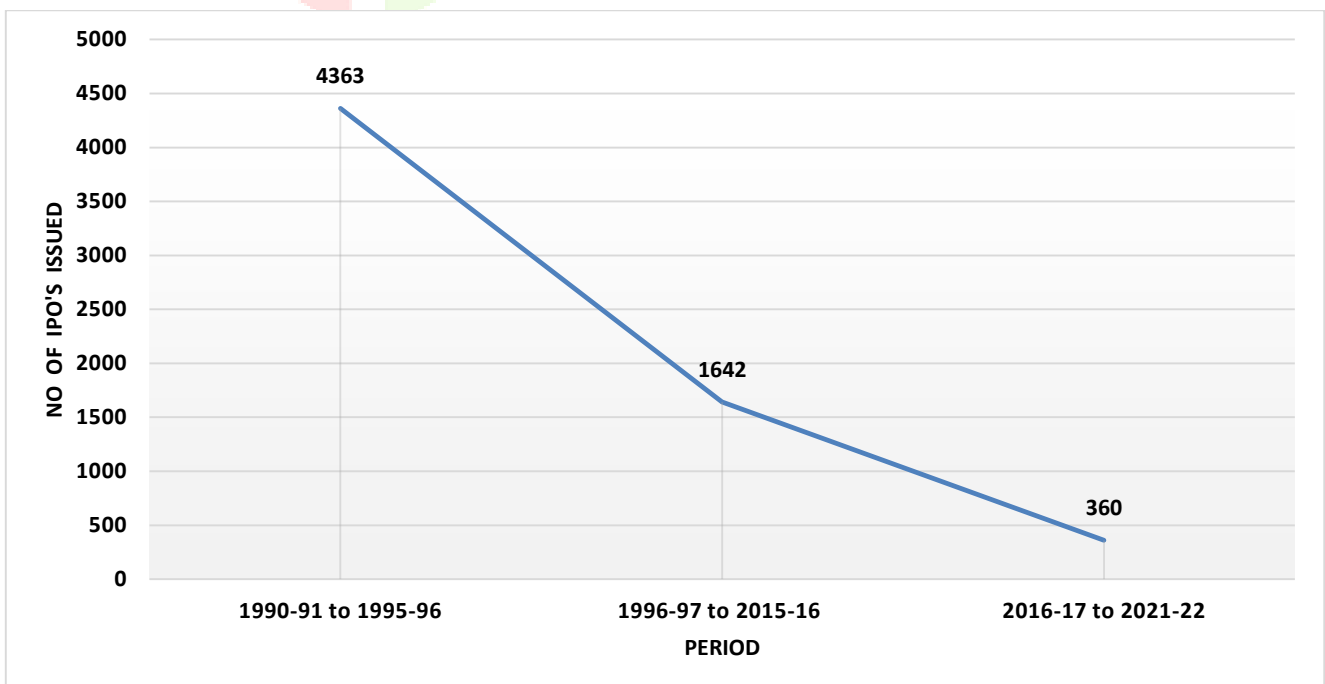
2021 witnessed a surge in IPOs (initial public offers) in India and globally. As per the 2021 Ernst and Young Global IPO Trends Report, 2,388 IPO deals mobilized \$453.3 billion globally in 2021 which is 60 % more in terms of volume and proceeds as compared to 2020. In India, 63 companies mobilized Rs 1.19 trillion through IPOs, which is more than four times the amount raised in 2020 (Rs 26,628 Crore). There were many mega IPOs postponed in the first half of 2022, which represent a healthy pipeline of deals that are likely to come to the market when the current uncertainties and volatility subside. However, strong headwinds from the current uncertainties and market volatility are likely to remain. These include geopolitical strains, macroeconomic factors, weak capital market performance and the impact from the lingering pandemic on global travel and related sectors. ESG will continue to be a sector-agnostic key theme for investors and IPO candidates. As global climate change and energy supply constraints intensify, companies that have embedded ESG into their core business values and operations should attract more investors and higher valuation.

Figure 1: IPO Proceeds by Region (\$ bn)



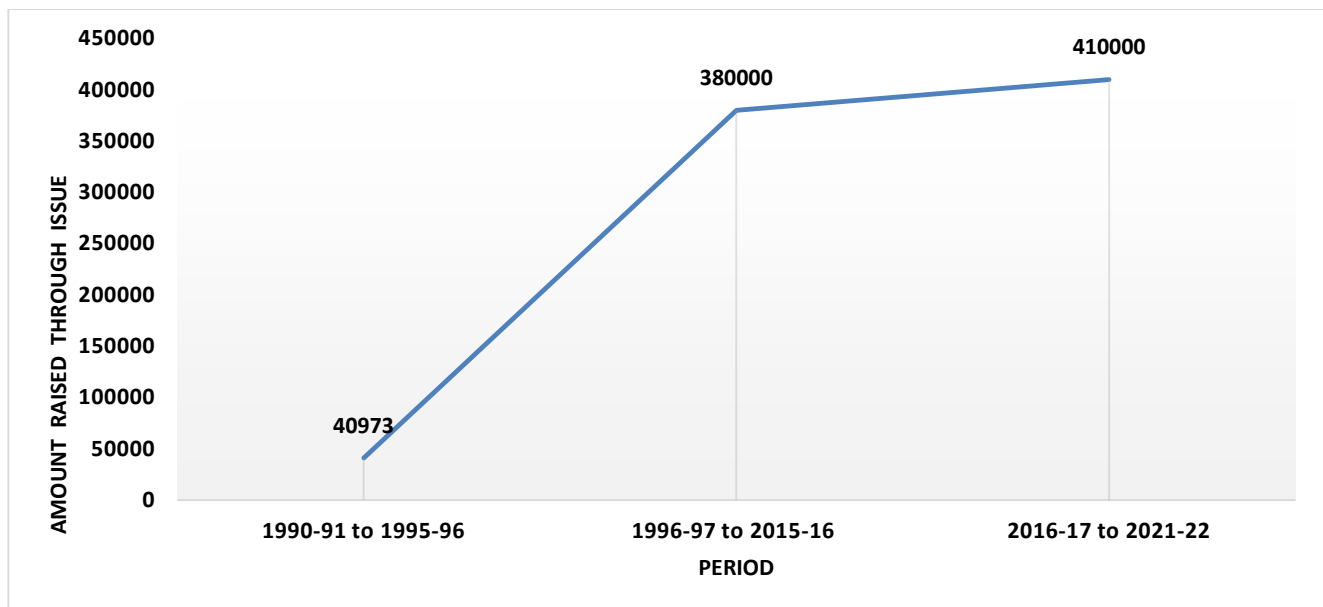
Source: Bloomberg Finance L.P. with PwC analysis

Figure 2: No of IPO's Issued



Source: Prime Database

Figure 3: Amount Raised Through Issues (In Rs)



Source: Prime Database

Prime database numbers show how IPOs have been getting bigger in India over the years. While the 1990's saw a listing frenzy, overall money raised remained low. This changed from 2010 onwards, when a small number of listings raised more money in total.

I. RESEARCH METHODOLOGY

This research study is descriptive in nature. A total of 123 IPO's listed on National Stock Exchange (NSE) in India from the year 2018 to 2021, but out of that 14 failed to receive full subscription and hence they are eliminated from the sample size. The progressive growth of the sample was based on the data of returns of IPO's as well as other investment avenues on Listing Day, after 1 month, after 3 months, after 6 months, after 9 months and after 1 Year. Normal returns as well as Compounded Annual Growth Rate (CAGR) have been used in the study to evaluate the performance of investment avenues.

2.1 Population and Sample

The study comprised of Initial Public Offerings listed at National Stock Exchange of India from 2018 to 2021. The companies are selected on basis of whether or not the offering were successfully listed or not. A total of 107 Initial Public Offers were successfully listed on National Stock Exchange from 1st January 2018 to 31st December 2021. This specific period was selected so that we may get the Pre Pandemic conditions, conditions during the Pandemic as well as the post Pandemic conditions.

2.2 Data and Sources of Data

For this study secondary data as well as primary data has been collected. From the website of NSE the sample of successful IPO's are obtained from 1st January 2018 to 31st December 2021. And from the website of Moneycontrol the data for the Offer Price, Listing Day Closing Price, price after 1 Month, price after 3 Months, price after 6 Months, price after 9 Months and price after 1 Year are obtained. Primary data regarding retail investors perception regarding IPPO's have been collected from 72 respondents through a questionnaire.

2.3 Theoretical framework

The study uses the closing price of IPO's after different holding periods. The offer price of IPO's have been taken as base and returns have been calculated on basis of offer price. For holding periods Listing Day, 1 Month, 3 Months, 6 Months and 9 Months, Normal Returns have been used. Whereas for holding period 1 Year, Compounded Annual Growth Rate (CAGR) has been used. In case of Mutual Funds, The performance of different mutual fund categories like Small Cap, Mid Cap and Large Cap during the period starting on 1st January 2018 and ending on 31st December 2021 have been taken into account. Or Gold and Silver the prices per 10 grams in Mumbai for Gold and prices per 1 Kg in Mumbai for Silver have been taken into account.

2.4 Statistical tools and econometric models

This section elaborates the proper statistical/econometric/financial models which are being used to forward the study from data towards inferences. The detail of methodology is given as follows.

2.4.1 Descriptive Statistics

Descriptive research design has been adopted for this specific study. Normal returns show the average returns of IPO's during different holding periods. Whereas Compounded Annual Growth Rate (CAGR) shows the average returns on IPO's when held for 1 year. Number of IPO's earning negative returns signifies that the probability of suffering losses when investing in IPO's is high. When the data has more IPO's giving negative results than those giving positive returns then it signifies that investing in IPO's is more risky as compared to the other investment avenues under study.

2.4.2.1 Model for CAGR

Compounded Annual Growth Rate is used to measure the returns on an investment during different durations (Generally the durations are in terms of years). For our study we have used the CAGR method to calculate the returns of different investment avenues such as IPO's, Gold, Silver, Mutual Funds Small Cap, Mutual Funds Mid Cap and Mutual Funds Large Cap.

$$CAGR = \left(\frac{P1}{P0} \right)^{\frac{1}{N}} - 1 \quad (3.1)$$

Where,

P1 = Closing Price at the end of specific period.

P0= Issue Price/ Opening Price of the investment.

N= Number of Years.

The Average Compounded Annual Returns of each security is estimated from a time series share prices of the selected 107 IPO's listed on NSE, for each period under consideration. And for the same period the returns on other investment avenues such as Gold, Silver, Mutual Funds Small Cap, Mutual Funds Mid Cap and Mutual Funds Large Cap have also been estimated.

2.4.3 Comparison of the Returns

The next step of the study is to compare the returns of IPO's with that of other investment avenues such as Gold, Silver, Mutual Funds Small Cap, Mutual Funds Mid Cap and Mutual Funds Large Cap to evaluate that which one of these provide better returns during different holding periods.

III. RESULTS AND DISCUSSION

A) Secondary Data Results

The data analysis consists of three parts – Evaluation of performance of IPO's during different holding periods, evaluation of performance of Gold, Silver, Mutual Funds Small Cap, Mutual Funds Mid Cap and Mutual Funds Large Cap during different holding periods and comparison of performance of IPO's with that of other investment avenues during different holding periods

3.1 Results of Average Returns on IPO's

Table 3.1: List of IPO's under study with their offer price as well as closing prices after different holding periods.

Sr No	Date of Issue	Name of the Issue	Offer Price	Listing Day Closing Price	1 Month	3 Months	6 Months	9 Months	1 Year
1	10th October 2018	Aavas Financiers Limited	750	774.35	657.95	841.95	1137.15	1498.15	1599.05
2	10th October 2018	Garden Reach Shipbuilders & Engineers Limited	97	103	90.8	93.3	98.35	118.15	165.45
3	28th September 2018	Ircon International Limited	41.2	41.53	34.66	37.57	40.5	36.9	42.299
4	30th July 2018	TCNS Clothing Co. Limited	716	659.15	662.7	602.15	712.8	821.3	720.5
5	2nd July 2018	Varroc Engineering Limited	1030.4	1041.1	979.95	779.25	731	585.5	465.2
6	2nd July 2018	Fine Organic Industries Limited	815	822.8	800.5	1069.45	1202.55	1321.1	1431.1
7	2nd July 2018	RITES Limited	152	170.64	205.72	197.64	214	204	237.32
8	21st May 2018	IndoStar Capital Finance Limited	600	586.1	562.55	474.45	364.6	339.7	357.8
9	9th April 2018	Lemon Tree Hotels Limited	61.6	71.65	72.4	72.75	70	68.6	78.45
10	4th April 2018	ICICI Securities Limited	435	445.1	369.7	302.9	266.4	262.9	238.4
11	4th April 2018	Mishra Dhatu Nigam Limited	87	90.05	144.15	122.25	114.05	135.1	138.4
12	2nd April 2018	Sandhar Technologies Limited	346.1	225.7	397.05	383.15	307.6	310.85	263.5
13	28th March 2018	Hindustan Aeronautics Limited	1152	1132.85	1125.8	843.9	779.8	790.6	721.15
14	27th March 2018	Bandhan Bank Limited	499	476.5	506.45	523.85	570.35	540.6	492.7
15	26th March 2018	Bharat Dynamics Limited	389.8	396.95	405.15	375.25	300.75	275.75	286.15

16	26th February 2018	Aster DM Healthcare Limited	183	181.55	167.2	180.55	174.5	145.3	154.75
17	8th February 2018	Galaxy Surfactants Limited	1525	1700.45	1494.35	1467.45	1246.2	1211.4	1037.35
18	30th January 2018	Amber Enterprises India Limited	1175	1245.25	1092.2	1138.7	950.7	860.45	749.2
19	29th January 2018	Newgen Software Technologies Limited	254.1	252.4	243.5	239.3	240.1	251.85	289
20	22nd January 2018	Apollo Micro Systems Limited	465	441.75	321.25	240.4	128.6	115	122
21	30th December 2019	Prince Pipes and Fittings Limited	160	166.9	174.25	94.7	108.85	249.7	298.9
22	12th December 2019	Ujjivan Small Finance Bank Limited	58.75	55.95	52.2	38.7	29.5	34.3	38.85
23	4th December 2019	CSB Bank Limited	275	300.05	208.05	167.6	135.15	227.6	224.35
24	16th October 2019	Vishwaraj Sugar Industries Limited	12.09	12.07	13.46	17.92	12.92	15.98	21.93
25	14th October 2019	Indian Railway Catering and Tourism Corporation Limited	125.2	145.55	181.46	194.83	258.16	272.43	267.61
26	19th August 2019	Spandana Sphoorty Financial Limited	825	847.8	848.5	1272.45	1042.95	461.25	579.15
27	5th July 2019	IndiaMART InterMESH Limited	1313.7	1325.55	1190.1	1919.4	2076.9	1999.85	2099.85
28	8th May 2019	Neogen Chemicals Limited	251	263.55	306.4	358.7	376.8	383.35	435.1
29	16th April 2019	Polycab India Limited	633	654.8	599.35	622.2	718.5	1112.6	729.05
30	15th April 2019	Metropolis Healthcare Limited	958	959.85	931.6	1043.6	1279.75	1667.6	1258.15
31	11th April 2019	Rail Vikas Nigam Limited	19	19.05	22.7	26.05	25.75	25.15	18.35
32	29th March 2019	MSTC Limited	115	113.95	105.8	86.25	93.9	145.5	76.15

33	7th February 2019	Chalet Hotels Limited	294	291.7	283.15	348.35	313.8	331	340.55
34	4th February 2019	Xelpmoc Design and Tech Limited	57	59.85	73.35	69.95	63.75	71.05	63.55
35	1st January 2021	Antony Waste Handling Cell Limited	436.1	407.35	302.75	252.8	321.55	347.65	327.55
36	24th December 2020	Mrs. Bectors Food Specialties' Limited	500	594.2	396.55	347.6	401.6	409	378.5
37	14th December 2021	Burger King India Limited	112.5	135	144.8	141.05	161.35	159.95	156
38	20th November 2020	Gland Pharma Limited	1710	1819.55	2226.5	2419.05	3159.3	3959.1	3418.45
39	2nd November 2020	Equitas Small Finance Bank Limited	31.1	32.8	34.4	43	55.5	60.7	62.75
40	29th October 2020	Computer Age Management Services Limited	1303.05	1299.6	1445.115	1776.75	2368.05	3290.55	3012.1
41	15th October 2020	Likhitha Infrastructure Limited	65	68.25	80.13	96.6	185.13	212.65	189.3
42	12th October 2020	Mazagon Dock Shipbuilders Limited	214.9	171.95	176.05	219	201.35	247.3	269.45
43	12th October 2020	UTI Asset Management Company Limited	500	476.2	494	555.1	545.4	824.75	1082.45
44	5th October 2020	Angel Broking Limited	275	275.8	311.2	354.35	291.85	886.2	1371.8
45	1st October 2020	Chemcon Speciality Chemicals Limited	731	584.8	411.6	500.3	413.6	497.35	433.95
46	21st September 2020	Route Mobile Limited	717	651.3	752.7	1069.75	1565.65	1737.95	1949.65
47	17th September 2020	Happiest Minds Technologies Limited	350	370.95	325.45	325.25	547.4	913.85	1489.9
48	23th July 2020	Rossari Biotech Limited	669.25	741.65	795.8	806.9	880.5	1121.7	1244.75
49	16th March 2020	SBI Cards and Payment	661	681.4	532.1	585.75	851.55	827.2	1022.1

		Services Limited							
50	31st December 2021	CMS Info Systems Limited	220.2	238.2	256	264.95	229.85	271.5	312.55
51	28th December 2021	Supriya Lifescience Limited	421	390.85	463.4	470.25	358.85	296.35	233.05
52	27th December 2021	HP Adhesives Limited	315	330.75	390.15	378.55	359.75	407.85	327.45
53	24th December 2021	Data Patterns (India) Limited	856.05	755	720.45	681.5	647.9	1182.1	1014.85
54	23th December 2021	MedPlus Health Services Limited	1040	1121.15	1225.65	968.1	745.1	640.15	634.75
55	22nd December 2021	Metro Brands Limited	437	493.35	601.75	570.1	561.95	889.6	833.4
56	21st December 2021	C.E. Info Systems Limited	1565	1393.65	1606.75	1577.15	1268.1	1358.6	1115.35
57	20th December 2021	Shriram Properties Limited	90	99.6	110.75	78.6	60.8	88.8	79.1
58	17th December 2021	RateGain Travel Technologies Limited	360	340.05	493.9	334.15	262.95	287.55	295.2
59	14th December 2021	Anand Rathi Wealth Limited	600	583.55	622.95	568.45	632.85	663.35	689.6
60	13th December 2021	Tega Industries Limited	760	726.05	596	457.6	455.2	565.65	622.95
61	10th December 2021	Star Health and Allied Insurance Company Limited	845	906.85	794.8	635.9	687.9	741.65	601.9
62	3rd December 2021	Go Fashion (India) Limited	1245	1247.75	1070.1	925.05	988.85	1167.9	1196.8
63	26th November 2021	Tarsons Products Limited	682	818.4	635.05	619.15	640.3	773.75	692.5
64	23rd November 2021	Latent View Analytics Limited	512.2	488.75	497.2	424.25	404.8	374.95	374.05
65	18th November 2021	Sapphire Foods India Limited	1350	1211.55	1223.6	1415.35	1069.5	1306.6	1342.5

66	18th November 2021	One 97 Communications Limited	1950	1560.8	1321	833.4	588.2	786.2	547
67	15th November 2021	Sigachi Industries Limited	570	598.5	408.7	319.8	269.4	257.55	278.25
68	15th November 2021	PB Fintech Limited	1150	1202.3	1119.55	788.7	645.2	573.15	388.25
69	12th November 2021	FINO Payments Bank Limited	544.35	543.9	400.65	371.2	258.4	244.7	194.55
70	11th October 2021	Aditya Birla Sun Life AMC Limited	715	699.45	524.45	539.65	532.45	430.85	440.5
71	1st October 2021	Paras Defence and Space Technologies Limited	469	492.45	880.95	743	643.9	595.85	697.8
72	24th September 2021	Sansera Engineering Limited	811.5	818.55	746.6	750.3	576	659.75	705.9
73	14th September 2021	Vijaya Diagnostic Centre Limited	540	620.1	562.4	570.8	408.45	300.4	404.55
74	14th September 2021	Ami Organics Limited	910	935	1342.1	961.55	891.95	872.9	1087.9
75	24th August 2021	Aptus Value Housing Finance India Limited	333	346.9	339.7	333.75	322.9	313.25	337.25
76	24th August 2021	Chemplast Sanmar Limited	550	535.6	607.9	599.2	448.95	496.4	421.95
77	23rd August 2021	Nuvoco Vistas Corporation Limited	485	531.7	552	519.4	335.3	299.35	336.75
78	20th August 2021	CarTrade Tech Limited	1599.8	1501.05	1414.35	1049.05	588	579.55	633.75
79	16th August 2021	Exxaro Tiles Limited	126	132.3	159.1	151.1	125.3	104.3	107.6
80	16th August 2021	Devyani International Limited	140.9	123.5	119.35	163.35	166	155.3	203.35
81	16th August 2021	Krsnaa Diagnostics Limited	1005.55	987	855.2	658.7	614.4	537	464.9
82	16th August 2021	Windlas Biotech Limited	437	407.15	384.9	292.1	268.35	225.9	213.85

83	9th August 2021	Rolex Rings Limited	1250	1167	1093.5	1213.8	1258.7	1260.7	1762.4
84	6th August 2021	Glenmark Life Sciences Limited	750	748.5	661.25	630.75	568.4	456.65	449.25
85	29th July 2021	Tatva Chintan Pharma Chem Limited	2111.85	2312.2	2085.25	2505	2433.9	2319.3	2317.2
86	23rd July 2021	Zomato Limited	116	126	127.25	137.75	113.65	81.2	53.65
87	19th July 2021	Clean Science and Technology Limited	1755	1585.25	1544.65	2123.5	2413.5	1905.55	1690.65
88	19th July 2021	G R Infraprojects Limited	1715.85	1747.1	1597.15	2059.3	1922.15	1548.95	1247.6
89	5th July 2021	India Pesticides Limited	350	343.15	327.55	309.6	318.75	297.85	250.5
90	28th June 2021	Dodla Dairy Limited	550	609.9	611.3	601.55	547.5	458.7	482.3
91	28th June 2021	Krishna Institute of Medical Sciences Limited	1009	996.95	1199.4	1225.2	1351.45	1329.8	1155.25
92	24th June 2021	Sona BLW Precision Forgings Limited	301	361.2	423.25	558	712.75	675.2	580.05
93	24th June 2021	Shyam Metals and Energy Limited	380	376.15	431.3	374.55	321.2	378.1	286.45
94	19th April 2021	Macrotech Developers Limited	436	465.25	634.3	831.8	1106.05	1238.45	1042.15
95	26th March 2021	Suryoday Small Finance Bank Limited	292	277.8	246.3	220.95	180.9	145.85	101.65
96	30th March 2021	Nazara Technologies Limited	995	796	868.38	757.48	1146.05	1152.65	804.4
97	26th March 2021	Kalyan Jewellers India Limited	73.95	75.2	63.85	79.2	69.5	67.75	59.6
98	25th March 2021	Laxmi Organic Industries Limited	155.5	164.45	179.2	222.8	545.2	397	409.15
99	25th March 2021	Craftsman Automation Limited	1359	1435.6	1284.1	1743	2116.05	2274.4	2100.65
100	24th March 2021	Anupam Rasayan India Limited	520	526.8	590	744.35	758.85	904.95	864.45

101	19th March 2021	Easy Trip Planners Limited	13.27	13.03	10.76	23.98	41.4	35.3	39.39
102	15th March 2021	MTAR Technologies Limited	1050	1082.5	960.45	1021.2	1435.15	2272.8	1968.8
103	5th March 2021	Heranba Industries Limited	900	812.6	624.6	767.15	793.1	687.35	578.75
104	26th February 2021	RailTel Corporation of India Limited	109	121.35	127.5	129.25	125.2	118.85	95.15
105	25th February 2021	Nureca Limited	615	645.75	597.2	1574.95	1601.65	1521.7	1355.35
106	5th February 2021	Stove Kraft	498	445.95	503.1	496.35	807.3	1065.35	869.2
107	3rd February 2021	Home First Finance Company India Limited	618.8	527.55	538.95	488.8	576.55	730.25	770
108	2nd February 2021	Indigo Paints Limited	2607.5	3117.15	2640.5	2295.05	2618.7	2343	1994
109	29th January 2021	Indian Railway Finance Corporation Limited	24.9	24.8	24.65	21.15	22.85	24.2	23.05

Table 3.2: Average Returns on IPO's

Holding Period	Returns
Listing Day	0.98%
1 Month	1.94%
3 Months	7.41%
6 Months	13.29%
9 Months	23.25%
1 Year	22.97%

Table 3.2 displayed the returns if IPO's under study, in percentage terms during different holding periods. Column 2 in table 4.1 indicates that the Average returns of 107 IPO's were positive irrespective of the holding period. The maximum returns were when we held the investment for 9 months i.e. 23.25%, and the minimum returns were when we held the investment for 1 day (Listing Day) i.e. 0.98%.

The data from Table 4.1 showed that the returns on IPO's gradually increase with an increase in the holding period. . This indicated that the longer we hold the IPO, the better the returns it would yield. To interpret, this study found that an individual investor could earn higher rate of profit from IPO's.

Table 3.3: Average Returns on Other Investment Avenues for Different Holding Periods

Investment Avenue	1 Month Return	3 Months Return	6 Months Return	9 Months Return	1 Year CAGR Return
IPO's	1.94%	7.41%	13.29%	23.25%	22.97%
MF - Small Cap	0.60%	-2.66%	8.15%	17.61%	27.01%
MF - Mid Cap	-0.42%	-4.14%	7.55%	8.98%	18%
MF - Large Cap	-0.27%	-5.41%	1.34%	3.18%	12.66%
Gold	1.21%	2.30%	11.77%	15.37%	17.92%
Silver	1.25%	2.58%	5.36%	7.60%	10.10%

Table 3.3 displayed the returns of different investment avenues as compared to that of IPO's. We can see that in Column 6 table 4.3 only Mutual Funds Small Cap have better returns compared to IPO's. Rest all the returns during different holding periods are less compared to that of IPO's. This states that IPO's performed better irrespective of the holding period and provided the best results as compared to other investment avenues.

Figure 4: Performance of Different Investment Avenues during Different Holding Periods

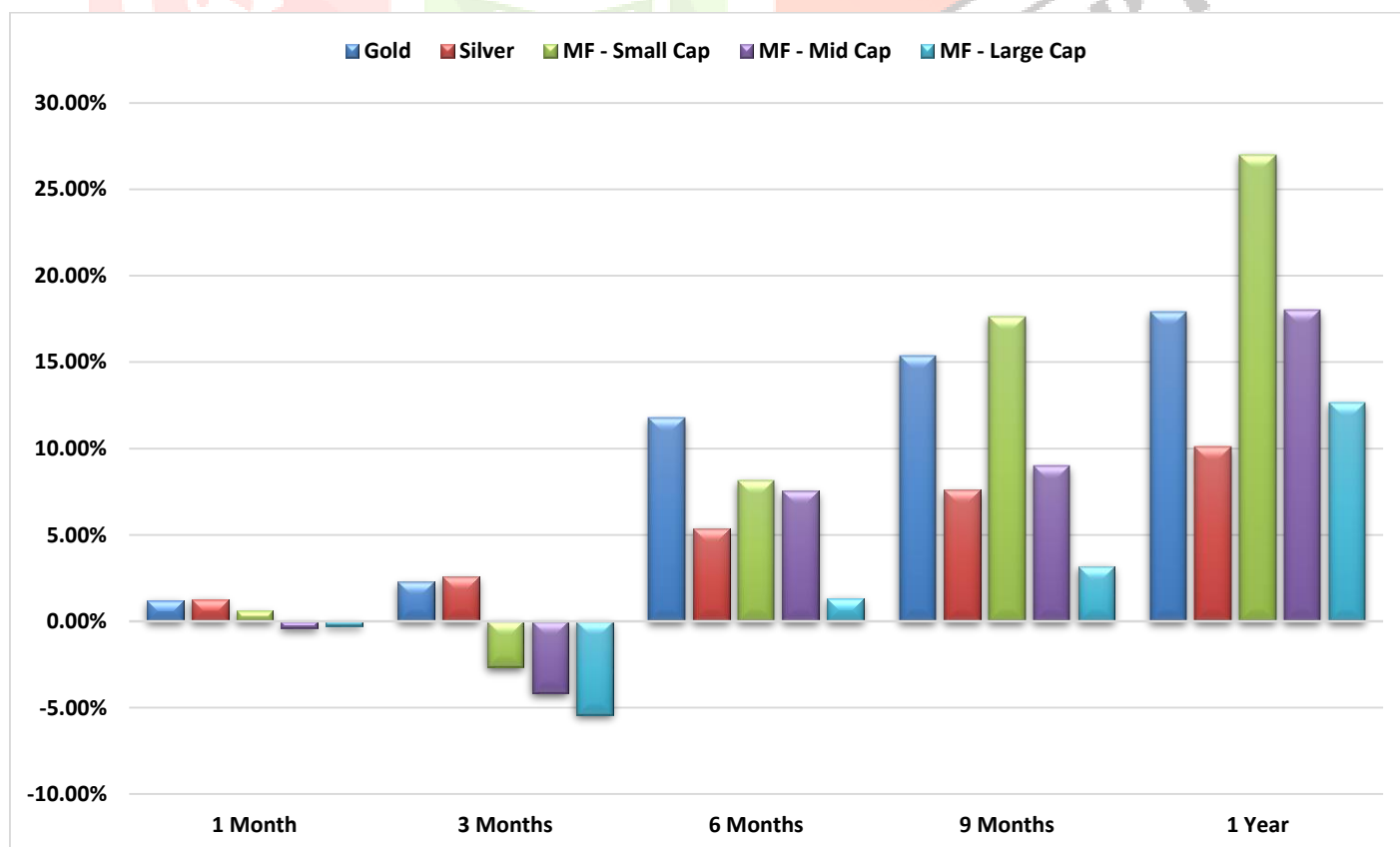


Figure 4 showcases the returns of different investment avenues during different holding periods. By the data we can analyze that quite a few investment avenues provided negative returns too during 1 Month and 3 Months holding Periods. This might have been the effect of the pandemic on the stock market and the global economy. Overall every investment avenues tends to perform better if the holding period is longer.

Overall with all the data we collected it can be ascertained that IPO's are definitely wealth creators. But at the same time there is also a high level of Risk Associated with IPO's, so the investor must thoroughly study the IPO as well as the market before investing in the IPO. And the investor must target a holding period of 9 months or 1 year to reap the maximum benefit as per our study.

B) Primary Data Results

- With the help of questionnaire we were able to find that out of total 72 respondents majority of the respondents i.e. 38.03% were investing in stock market and 45.07% were investing in mutual funds, but very few of them were investing or had ever invested in IPO's.
- Social Media was the platform from where majority i.e. 60.56% of the respondents got information regarding IPO's.
- Majority of the respondents have a Demat account.
- 27 respondents i.e. 38.03 % of the respondents had applied for IPO, out of which 21 respondents i.e. 29.58 % got allotment.
- 13 respondents i.e. 18.31 % were interested in applying in for IPO.
- Out of the respondents that applied and got allotment, only 12.82% got negative returns.
- 54.17% of the respondents agree with the statement that "Listing day returns are the main reasons for popularity of IPO's".

C) Conclusions

- Keeping in mind the data that we collected we can conclude through the questionnaire and through our analysis of returns of investments, that though the average returns of selected IPO's were positive during all holding periods but the number of IPO's giving negative returns were also high during all periods.
- We can also conclude that IPO's were giving positive returns and better returns as compared to the other selected investment avenues during all investing periods.
- After IPO's, Mutual Funds Small Cap were the investment avenue that gave better results as compared to the other investment avenues.
- 53.5% of the respondents believed that wealth creation means gaining capital appreciation on investments rather than having periodic returns. This reflects the mentality of the investors towards taking more risks in order to earn better rewards, which in turn has increased the popularity of investment avenues such as Shares, IPO's and Mutual Funds.
- 35.21% of the respondents would invest/have invested in IPO's for high returns and 23.94% would invest/have invested in IPO for earning quick returns. This shows that people are analyzing IPO as an opportunity to earn higher and faster returns and this has increased the number of people applying for IPO's, which in turn increases the number of times subscribed and ends up creating an opportunity for the prices to rise greatly on listing day.
- IPO's are a better source of earning high returns but at the same time a more risky source too. So the investor should thoroughly study and analyze before investing in IPO's.

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