



STUDY ON MARKET TREND WITH REFERENCE TO SUCCESS AND FAILURE OF IPO'S

M.L.Himaja 1st ,M.Umadevi 2nd,G.Deepak 3rd

Research Scholar, Professor, Student
Department of Management and commerce
Andhra University, Visakhapatnam, India

Abstract: To raise a capital for the business there are several one among is the initial public offer. Here in this paper we are analysing how this is working in the recent years.

Initial public offering is the one of the buzz word for a private business corporation , to expand their businesses .When compared to different sources of capital acquisition methods this method is more convenient than others ,which can deliver surplus than required.

Key words: IPO, Mean, Variance, Standard Deviation

Introduction:

Success of businesses begins only with adequate capital availability; this can be happened with revising appropriate method to raise the capital

Capital broadly classified into two forms Equity capital and Debt Capital, again each one sub classified again .By considering equity capital it will be available in the following forms

- Business angels
- Venture capital
- Crowd funding
- Enterprise investment scheme
- Alternative platform finance scheme
- Stock market (IPO)

An IPO is an initial public offering. In an IPO, a privately owned company lists its shares on a stock exchange, making them reachable for purchase by the general public. We assume that High-profile companies snatch headlines with huge share price gains when they go public.

An initial public offering (IPO) refers to the process of offering shares of a private corporation to the public in a new stock issuance.

Companies must meet chunks by exchanges and the Securities and Exchange Commission (SEC) to hold an IPO.

IPOs arrange for companies with an opportunity to obtain capital by offering shares through the primary market.

Companies lease investment banks to market, estimate demand, set the IPO price and date, and more.

NEED OF THE STUDY:

- To know How the IPO's will work out in the business.
- Is there any base to go for an IPO,s
- To understand the behavior of IPO's in the resent markets

SCOPE OF THE SUDY:

- By this study we can understand the process and how it will work in a practical approach.
- The significance of this strategy on its financial figures we can easily understand the company capability and performance.

OBJECTIVES OF THE STUDY:

- Analyzing the trends in the IPO market and derive its output
- IPO's really attracting the investors in the market.

METHODOLOGY:

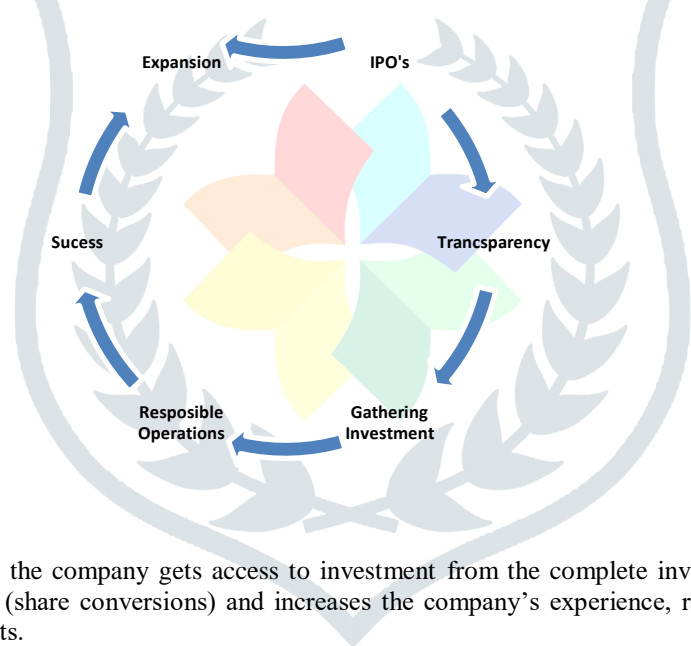
- Research is continuing process to find a logical truth from the existing database. It never be concluded, but always gives us a scope for further invention
- Here we are using the Historical data for the interpretation
- The data driven from secondary source like different financial magazines and various financial statements of a company itself.

Analysis:

When a private company want to expand their business and access the market in a gigantic way through lot of money and exposure. For this two means IPO is the best choice, which gives the both company a greater ability to grow and expand the business as well as collecting investments for the purpose. IPO's not only increased share listing credibility can also be a factor in helping it obtain better terms when seeking borrowed funds as well and limpidity to our side world .Through transparency build up the goodwill of the company .

With this we can assured the future success of business operations what they intended to do.

From all the above discussion we can derive the behaviour of business performance with refinance to IPO's



One of the key advantages is that the company gets access to investment from the complete investing public to raise capital. This facilitates easier acquisition deals (share conversions) and increases the company's experience, reputation, and persona, which can help the company's sales and profits.

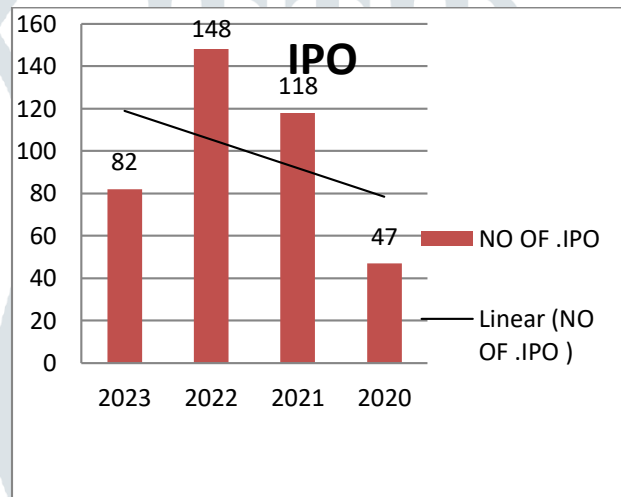
Year Wise Listing No .Of IPO'S (2013-2023)

Year	Number of IPOs	Amount Raised (Rs Cr)	Successful IPOs	Failed IPOs
2023 *	11	8,475	10	1
2022	40	59,939	40	0
2021	63	119,882	63	0
2020	16	26,628	15	1
2019	16	12,687	16	0

Year	Number of IPOs	Amount Raised (Rs Cr)	Successful IPOs	Failed IPOs
2018	25	31,731	24	1
2017	38	75,279	38	0
2016	27	26,501	26	1
2015	21	13,513	21	0
2014	7	1,201	5	2
2013	5	1,284	3	2

Source: chittorgarh.com/report/list-of-ipo-by-year-fund-raised-success-mainboard/85/

Trend Line of IPO's 2020-2023



	No .of IPOs	No .of Successful IPOs	No of failed IPOs
	269	261	8
MEAN	24.4545	23.7272	0.72
STANDARD DEVIATION	16.33937596	16.8635751	0.749655568
CO- VARINE		275.3966942	-8.421487603

- From the above table we derive certain calculated values like Mean, Standard Deviation and Co variance.
- The mean value of population and sample is very close (24.45 and 23.72)
- This says that once we listed any IPO there is a more chances to get in to the success. From the data 261 IPOs get successes among 269, i.e 97% of success rate
- Standard deviation of Successful IPO's is less than Failure IPO's which says that there is a proportionate dispersion exist between Total listed IPOs and successful IPOs .In the other hand Failure IPO's contains more Deviation values when compared with Total and Successful IPOs.
- Covariance between the listed IPO's and Successful IPO's is Positive at the same time between listed and failure one's is negative
- As per acceptance criteria of Covariance positive is acceptable negative rejected .by this sense we can go for IPO's as an Investment polling choice for the business expansions.

Conclusion:

- The trend itself indicating that there is a significant success rate ,once you issue an initial public offer .
- As per the study and market behaviour IPO.s are the preferable choice for Investors as well as borrowers.

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- Poornima, Haaji and Deepha (2016) observed IPOs can be considered as both long-term investment tool and speculative tool.
- Ambily (2016) found that majority of IPOs gave positive returns and largely the investments in these IPOs were done on the basis of company's image rather than fundamental analysis.
- Devarajappa and Tamragundi (2014) found that the fluctuations in the returns from a particular stock are influenced by various factors such as the performance of companies, speculation and other external factors.
- Mittal, Gupta and Sharma et al. (2013) studied the performance of IPOs across various sectors, over different time frames and tried to determine the impact of performing sectors on non-performing sectors.

