

**“INITIAL PERFORMANCE OF IPO’S AGAINST NIFTY, BSE-SENSEX
& IPO INDEX”**

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ABSTRACT

This paper is an attempt to check whether IPO’s bring any investment opportunities to the investors to make some quick returns and also to check whether the stocks are overpriced or under-priced on the listing day and to compare the returns of IPO with leading index of the country.

For the purpose of the study only those companies which went for IPO during January to December 2016 were considered and in order to check whether IPO’s gave positive or negative returns, the performance of each stock were measured in terms of returns generated by them on the listing date. A total of 80 companies went for IPO during the calendar year 2016. From the analysis it is observed that the performance of IPO’s during the year is satisfactory and only 10 companies out of 80 companies gave negative returns on the listing day. The study also compared the returns of IPOs with Sensex, Nifty and IPO index for a period of one and two years, and it was found that IPO’s has given higher returns in both the years when compared to Nifty, Sensex and IPO index. There is an increase in the number of IPO’s during the year when compared to IPO’s of the previous years. The increase in IPO’s is a good sign for the development of the economy and positive returns of majority of stocks on listing day is a good sign for investors to make some quick returns.

Key words: IPO, index, negative, Nifty, Sensex.

INTRODUCTION

IPO is one of the preferred investment avenues for many investors to make some quick returns and IPO is also one of the most preferred ways for companies to raise the capital to meet their financial requirements. The performance of IPOs depends upon the market condition / behavior, interest and awareness of investors also influence the market trend and performance of IPO during its listing.

The most important objective of an IPO is to raise capital for the company. It helps a company to tap a wide range of investors who would provide large volumes of capital to the company for future growth and development. The main objective of the study is to analyze the performance of IPOs and to compare its performance after listing with related index and to check whether IPO is better investment opportunity to investors.

I. Review of Literature:

Kumar and Kumar (2015) The study was done on IPOs issued in BSE from April 2010 to March 2015, the researcher inspected that the majority of IPOs were issued through Book Building which is strengthened honestly utilizing t-test, which is besides kept up by specific examination. The review concentrated on to discover the underpricing and overpricing of IPOs. The outcomes displayed that a broad piece of IPOs underpriced and distorted were issued utilizing Book Building. In this paper they have considered assessing structures utilized as a piece of issuing IPOs and found that Book Building is favored technique for regarding in India. The information was acquired from BSE site. For information examination they have taken the assistance of Excel and SPSS.

Nishant Shah and Disha (2015) The exploration attempted to discover the underlying day returns and the elements influencing the level of under-pricing. The data for the exploration has been taken of aggregate 97 IPOs recorded on NSE between the periods 2010-2014. They found that there is, on the normal, essentially positive profit for the posting day. Relapse show has been utilized to break down the connection between levels of under-pricing with free factors, for example, issue value, issue measure, issue oversubscription and market record return. The consequence of relapse investigation demonstrates that there was no noteworthy connection between the level of under-pricing and logical factors aside from over subscription.

Kapse and Raisinghan (2013) This paper assesses the pricing of IPOs in India for three years (i.e. 2008, 2009 and 2010). The review was attempted to discover the pattern of under-pricing of Indian IPOs, relation between the monetary circumstance and the under evaluating, advertise effectiveness and interest for IPOs and under estimating. The outcome demonstrates that Indian IPOs give overabundance anomalous return in the selected time frame.

Duraipandian and Suresh (2012) The review broke down the profits from IPOs that turned out in 2010. It demonstrated that a lion's share of IPOs gave negative returns. Speculators who had put their cash in these IPOs would be lamenting their choice to do as such. This review planned to discover basic but then compelling approaches to assess IPOs. After a serious examination of the IPO method it was found that there were 2 effective pointers that may help a theorist to pick the right IPOs. The main pointer is the QIB membership. This information is accessible to all on NSE site and it is refreshed each day when the offer is open. Financial specialists ought to pick just those IPO which are getting intensely subscribed by QIB. The second pointer is the IPO review. This is accessible in the IPO plan. Financial specialists must evade those IPOs which have gotten a poor quality. The review thought about the profits from IPOs in 2010 with that of Sensex and Nifty. It found that, regardless of being a hazardous wagered, IPOs gave lesser returns contrasted with Nifty and Sensex.

Pande (2009) This paper charts the method and the key research request to be gotten for considering Earnings Management for Indian IPOs. The audit tries to format how to tentatively test the relationship of the accounting thought of Earnings Management with the Finance thought of IPO underestimating. Particularly it tries to check whether there is evidence in the Indian markets about wage organization in the midst of IPOs and if so then the issue of this wonder on the essential day expenses of the issues offered amid IPOs.

II. Research Design

Problem statement: There is a difference of opinion among various authors that IPO's does not yield positive returns to the investors. This paper is an attempt to check the performance of IPO on the day of listing and to compare the returns of IPO with popular index of the country.

Objectives of the study

- To list the IPOs for the year 2016.
- To measure the percentage of return realized by IPOs on the day of listing.
- To compare the performance of IPO with Nifty, Sensex and IPO index

III. Research Methodology

Time duration of the study: To measure the performance of the IPOs on the listing date, the data has been collected from 1st January 2016 to 31st December 2016 of the companies which came up with the Initial public offers (IPO).

Data collection: the data has been collected from NSE official website for the period January to December 2016. Respective company prospectus is used to get the information regarding the issue price, issue dates details. For comparing the performance of IPO closing price of Sensex, Nifty and IPO index are collected from 1st January to 31st December 2017.

Sample selection: All the companies which went for IPOs in Indian primary market during the period January 1st 2016 to December 31st 2016 and successfully listed on NSE are considered as population for the study.

Sources of data: The data collected are from secondary sources. The present review depends on the examination of organizations which raised capital through value surprisingly since their joining, at standard or at premium and are recorded from January to December 2016. Information in regards to subtle elements of IPO of organizations and their value developments has been isolated from the official sites of individual organizations and NSE.

Analytical tools used:

Return

Risk/ standard deviation

Data Analysis & interpretations

Table 1: Monthly wise lists of companies that went for IPO during the year 2016

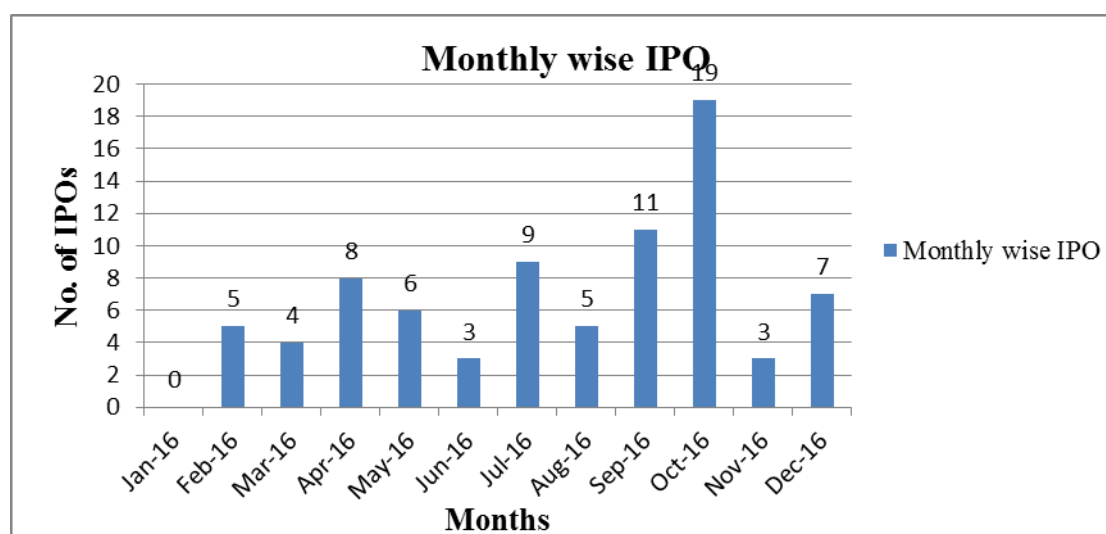
Month	Issuer Company	No. of companies	Cumulative
Jan-16		0	0
Feb-16	TeamLease Services Ltd.	5	5
	Quick Heal Technologies Ltd.		
	Sylph Education Solutions Ltd.		
	Hi-Tech Pipes Ltd.		
	K P Energy Ltd.		
Mar-16	Relicab Cable Manufacturing Ltd.	4	9
	Khemani Distributors & Marketing Ltd.		
	Wealth First Portfolio Managers Ltd.		
	Healthcare Global Enterprises Ltd.		
Apr-16	CHD Chemicals Ltd.	8	17
	Bharat Wire Ropes Ltd.		
	Infibeam Incorporation Ltd.		
	Raghav Ramming Mass Ltd.		
	Ruby Cables Ltd.		

	Lancer Container Lines Ltd.		
	Franklin Leasing & Finance Ltd.		
	Equitas Holdings Ltd.		
May-16	Thyrocare Technologies Ltd.	6	23
	Ujjivan Financial Services Ltd.		
	Bajaj Healthcare Ltd.		
	Sagardeep Alloys Ltd.		
	Darshan Orna Ltd.		
	Parag Milk Foods Ltd.		
Jun-16	United Polyfab Gujarat Ltd.	3	26
	Shanti Educational Initiatives Ltd.		
	Yash Chemex Ltd.		
Jul-16	Mahanagar Gas Ltd.	9	35
	Zeal Aqua Ltd.		
	Advance Syntex Ltd.		
	Quess Corp Ltd.		
	Titaanium Ten Enterprises Ltd.		
	Commercial Syn Bags Ltd.		
	KKV Agro Powers Ltd.		
	Kwality Pharmaceuticals Ltd.		
Larsen & Toubro Infotech Ltd.			
Aug-16	Advanced Enzyme Technologies Ltd.	5	40
	Prabhat Telecoms (India) Ltd.		
	Dilip Buildcon Ltd.		
	S P Apparels Ltd.		
	RBL Bank Ltd.		
Sep-16	Shiva Granito Export Ltd.	11	51
	Mitsu Chem Plast Ltd.		
	Madhya Bharat Agro Products Ltd.		
	Riddhi Steel and Tube Ltd.		
	Narayani Steels Ltd.		
	Sprayking Agro Equipment Ltd.		
	L&T Technology Services Ltd.		
	GNA Axles Ltd.		
	Radhika Jeweltech Ltd.		
	Crown Lifters Ltd.		
	ICICI Prudential Life Insurance Company Ltd.		
Oct-16	HPL Electric & Power Ltd.	19	70
	AVSL Industries Ltd.		
	Jet Knitwears Ltd.		
	Nandani Creation Ltd.		

	Valiant Organics Ltd.		
	Gretex Industries Ltd.		
	Sakar Healthcare Ltd.		
	Aurangabad Distillery Ltd.		
	Bindal Exports Ltd.		
	Mewar Hi-Tech Engineering Ltd.		
	Shashijit Infraprojects Ltd.		
	Aditya Consumer Marketing Ltd.		
	Pansari Developers Ltd.		
	Dhanuka Realty Ltd.		
	India Green Reality Ltd.		
	Diksat Transworld Ltd.		
	Endurance Technologies Ltd.		
	Globe International Carriers Ltd.		
	Art Nirman Ltd.		
Nov-16	PNB Housing Finance Ltd.	3	73
	Varun Beverages Ltd.		
	Agro Phos India Ltd.		
Dec-16	Jet Freight Logistics Ltd.	7	80
	Sheela Foam Ltd.		
	Aditya Vision Ltd.		
	Laurus Labs Ltd.		
	Veeram Ornaments Ltd.		
	Libas Designs Ltd.		
	Prolife Industries Ltd.		

Source: NSE Website

Figure 1 Monthly wise IPOs



Interpretation: From the above table it is clear that there was a total of 80 IPO's for the year 2016 and the maximum number of IPO was in the month of October 2016 i.e.19 and minimum number of IPO was in the month of January 2016 i.e., 0.

Table 2: Issue Details – Issue open and listing dates with Issue price and Listing Price

SI No.	Name of IPO / company	Issue open date	Issue Price	Listing date	Listing Price
1	TeamLease Services Ltd.	02-02-2016	850	12-02-2016	860
2	Quick Heal Technologies Ltd.	08-02-2016	321	18-02-2016	304.95
3	Sylph Education Solutions Ltd.	10-02-2016	12	23-02-2016	12
4	Hi-Tech Pipes Ltd.	15-02-2016	50	25-02-2016	60
5	K P Energy Ltd.	15-02-2016	70	25-02-2016	72
6	Relicab Cable Manufacturing Ltd.	09-03-2016	20	22-03-2016	20
7	Wealth First Portfolio Managers Ltd.	10-03-2016	50	30-03-2016	52
8	Khemani Distributors &Marketing Ltd.	16-03-2016	100	30-03-2016	105
9	Healthcare Global Enterprises Ltd.	16-03-2016	218	30-03-2016	209.8
10	Bharat Wire Ropes Ltd.	18-03-2016	45	01-04-2016	47.35
11	Infibeam Incorporation Ltd.	21-03-2016	432	04-04-2016	458
12	CHD Chemicals Ltd.	21-03-2016	11	01-04-2016	9
13	Ruby Cables Ltd.	30-03-2016	50	13-04-2016	51
14	Franklin Leasing & Finance Ltd.	30-03-2016	15	13-04-2016	15
15	Raghav Ramming Mass Ltd.	31-03-2016	39	13-04-2016	41
16	Lancer Container Lines Ltd.	31-03-2016	12	13-04-2016	13
17	Equitas Holdings Ltd.	05-04-2016	110	21-04-2016	144
18	Bajaj Healthcare Ltd.	27-04-2016	170	10-05-2016	170
19	Thyrocare Technologies Ltd.	27-04-2016	446	09-05-2016	662
20	Ujjivan Financial Services Ltd.	28-04-2016	210	10-05-2016	227
21	Darshan Orna Ltd.	02-05-2016	60	19-05-2016	61
22	Parag Milk Foods Ltd.	04-05-2016	215	19-05-2016	215.7
23	Sagardeep Alloys Ltd.	04-05-2016	20	17-05-2016	20
24	United Polyfab Gujarat Ltd.	25-05-2016	45	07-06-2016	43
25	Shanti Educational Initiatives Ltd.	01-06-2016	90	14-06-2016	90
26	Yash Chemex Ltd.	07-06-2016	23	20-06-2016	24
27	Mahanagar Gas Ltd.	21-06-2016	421	01-07-2016	540
28	Zeal Aqua Ltd.	27-06-2016	130	07-07-2016	133
29	Qness Corp Ltd.	29-06-2016	317	12-07-2016	499
30	Kwality Pharmaceuticals Ltd.	30-06-2016	45	18-07-2016	45
31	KKV Agro Powers Ltd.	30-06-2016	320	15-07-2016	325

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32	Titaanium Ten Enterprises Ltd.	30-06-2016	15	14-07-2016	16
33	Commercial Syn Bags Ltd.	30-06-2016	24	14-07-2016	29
34	Advance Syntex Ltd.	30-06-2016	12	12-07-2016	13.25
35	Larsen & Toubro Infotech Ltd.	11-07-2016	710	21-07-2016	666.6
36	Advanced Enzyme Technologies Ltd.	20-07-2016	896	01-08-2016	1210
37	Prabhat Telecoms (India) Ltd.	22-07-2016	51	03-08-2016	61
38	Dilip Buildcon Ltd.	01-08-2016	219	11-08-2016	240
39	S P Apparels Ltd.	02-08-2016	268	12-08-2016	305
40	RBL Bank Ltd.	19-08-2016	225	31-08-2016	273.7
41	Shiva Granito Export Ltd.	23-08-2016	12	06-09-2016	14
42	Mitsu Chem Plast Ltd.	26-08-2016	95	09-09-2016	96
43	Madhya Bharat Agro Products Ltd.	29-08-2016	24	12-09-2016	27
44	Sprayking Agro Equipment Ltd.	31-08-2016	21	14-09-2016	24
45	Narayani Steels Ltd.	01-09-2016	32	14-09-2016	33
46	Riddhi Steel and Tube Ltd.	02-09-2016	38	14-09-2016	38
47	Crown Lifters Ltd.	09-09-2016	121	27-09-2016	123
48	L&T Technology Services Ltd.	12-09-2016	860	23-09-2016	900
49	Radhika Jeweltech Ltd.	14-09-2016	75	27-09-2016	74
50	GNA Axles Ltd.	14-09-2016	207	26-09-2016	248.5
51	AVSL Industries Ltd.	15-09-2016	36	06-10-2016	38
52	ICICI Prudential LIC Ltd.	19-09-2016	334	29-09-2016	329
53	HPL Electric & Power Ltd.	22-09-2016	202	04-10-2016	190.05
54	Jet Knitwears Ltd.	27-09-2016	39	07-10-2016	47
55	Nandani Creation Ltd.	28-09-2016	28	10-10-2016	34
56	Diksat Transworld Ltd.	29-09-2016	40	18-10-2016	41
57	Aditya Consumer Marketing Ltd.	29-09-2016	15	17-10-2016	16
58	Valiant Organics Ltd.	29-09-2016	220	14-10-2016	264
59	Globe International Carriers Ltd.	30-09-2016	24	19-10-2016	25
60	Art Nirman Ltd.	30-09-2016	25	19-10-2016	28
61	Pansari Developers Ltd.	30-09-2016	22	18-10-2016	22
62	Dhanuka Realty Ltd.	30-09-2016	40	18-10-2016	43
63	India Green Reality Ltd.	30-09-2016	30	18-10-2016	32
64	Aurangabad Distillery Ltd.	30-09-2016	35	17-10-2016	42
65	Bindal Exports Ltd.	30-09-2016	16	17-10-2016	17
66	Mewar Hi-Tech Engineering Ltd.	30-09-2016	22	17-10-2016	26
67	Shashijit Infraprojects Ltd.	30-09-2016	15	17-10-2016	16
68	Gretex Industries Ltd.	30-09-2016	20	14-10-2016	24
69	Sakar Healthcare Ltd.	30-09-2016	50	14-10-2016	53
70	Endurance Technologies Ltd.	05-10-2016	472	19-10-2016	570

71	PNB Housing Finance Ltd.	25-10-2016	775	07-11-2016	863
72	Varun Beverages Ltd.	26-10-2016	445	08-11-2016	430
73	Agro Phos India Ltd.	27-10-2016	22	16-11-2016	26
74	Jet Freight Logistics Ltd.	24-11-2016	28	06-12-2016	34
75	Aditya Vision Ltd.	28-11-2016	15	12-12-2016	16
76	Sheela Foam Ltd.	29-11-2016	730	09-12-2016	860
77	Laurus Labs Ltd.	06-12-2016	428	19-12-2016	490
78	Veeram Ornaments Ltd.	23-12-2016	45	05-01-2017	43
79	Libas Designs Ltd.	27-12-2016	68	09-01-2017	78
80	Prolife Industries Ltd.	27-12-2016	38	09-01-2017	42

Table 3: Over-priced and Under-priced details of IPO's on listing date

Sl No.	Name of IPO	Issue Price	Listing Price	Positive or negative	Over-priced or Under-priced on listing day
1	TeamLease Services Ltd.	850	860	10	Under-priced
2	Quick Heal Technologies Ltd.	321	304.95	(16.05)	Over-priced
3	Sylph Education Solutions Ltd.	12	12	0	At Par
4	Hi-Tech Pipes Ltd.	50	60	10	Under-priced
5	K P Energy Ltd.	70	72	2	Under-priced
6	Relicab Cable Manufacturing Ltd.	20	20	0	At Par
7	Wealth First Portfolio Managers Ltd.	50	52	2	Under-priced
8	Khemani Distributors & Marketing Ltd.	100	105	5	Under-priced
9	Healthcare Global Enterprises Ltd.	218	209.8	(8.2)	Over-priced
10	Bharat Wire Ropes Ltd.	45	47.35	2.35	Under-priced
11	Infibeam Incorporation Ltd.	432	458	26	Under-priced
12	CHD Chemicals Ltd.	11	9	(2)	Over-priced
13	Ruby Cables Ltd.	50	51	1	Under-priced
14	Franklin Leasing & Finance Ltd.	15	15	0	At Par
15	Raghav Ramming Mass Ltd.	39	41	2	Under-priced
16	Lancer Container Lines Ltd.	12	13	1	Under-priced
17	Equitas Holdings Ltd.	110	144	34	Under-priced
18	Bajaj Healthcare Ltd.	170	170	0	At Par
19	Thyrocare Technologies Ltd.	446	662	216	Under-priced
20	Ujjivan Financial Services Ltd.	210	227	17	Under-priced
21	Darshan Orna Ltd.	60	61	1	Under-priced

22	Parag Milk Foods Ltd.	215	215.7	0.7	Under-priced
23	Sagardeep Alloys Ltd.	20	20	0	At Par
24	United Polyfab Gujarat Ltd.	45	43	(2)	Over-priced
25	Shanti Educational Initiatives Ltd.	90	90	0	At Par
26	Yash Chemex Ltd.	23	24	1	Under-priced
27	Mahanagar Gas Ltd.	421	540	119	Under-priced
28	Zeal Aqua Ltd.	130	133	3	Under-priced
29	Qess Corp Ltd.	317	499	182	Under-priced
30	Kwality Pharmaceuticals Ltd.	45	45	0	At Par
31	KKV Agro Powers Ltd.	320	325	5	Under-priced
32	Titaanium Ten Enterprises Ltd.	15	16	1	Under-priced
33	Commercial Syn Bags Ltd.	24	29	5	Under-priced
34	Advance Syntex Ltd.	12	13.25	1.25	Under-priced
35	Larsen & Toubro Infotech Ltd.	710	666.6	(43.4)	Over-priced
36	Advanced Enzyme Technologies Ltd.	896	1210	314	Under-priced
37	Prabhat Telecoms (India) Ltd.	51	61	10	Under-priced
38	Dilip Buildcon Ltd.	219	240	21	Under-priced
39	S P Apparels Ltd.	268	305	37	Under-priced
40	RBL Bank Ltd.	225	273.7	48.7	Under-priced
41	Shiva Granito Export Ltd.	12	14	2	Under-priced
42	Mitsu Chem Plast Ltd.	95	96	1	Under-priced
43	Madhya Bharat Agro Products Ltd.	24	27	3	Under-priced
44	Sprayking Agro Equipment Ltd.	21	24	3	Under-priced
45	Narayani Steels Ltd.	32	33	1	Under-priced
46	Riddhi Steel and Tube Ltd.	38	38	0	At Par
47	Crown Lifters Ltd.	121	123	2	Under-priced
48	L&T Technology Services Ltd.	860	900	40	Under-priced
49	Radhika Jeweltech Ltd.	75	74	(1)	Over-priced
50	GNA Axles Ltd.	207	248.5	41.5	Under-priced
51	AVSL Industries Ltd.	36	38	2	Under-priced
52	ICICI Prudential Life Insurance Company Ltd.	334	329	(5)	Over-priced
53	HPL Electric & Power Ltd.	202	190.05	(11.95)	Over-priced
54	Jet Knitwears Ltd.	39	47	8	Under-priced
55	Nandani Creation Ltd.	28	34	6	Under-priced
56	Diksat Transworld Ltd.	40	41	1	Under-priced
57	Aditya Consumer Marketing Ltd.	15	16	1	Under-priced
58	Valiant Organics Ltd.	220	264	44	Under-priced

59	Globe International Carriers Ltd.	24	25	1	Under-priced
60	Art Nirman Ltd.	25	28	3	Under-priced
61	Pansari Developers Ltd.	22	22	0	At Par
62	Dhanuka Realty Ltd.	40	43	3	Under-priced
63	India Green Reality Ltd.	30	32	2	Under-priced
64	Aurangabad Distillery Ltd.	35	42	7	Under-priced
65	Bindal Exports Ltd.	16	17	1	Under-priced
66	Mewar Hi-Tech Engineering Ltd.	22	26	4	Under-priced
67	Shashijit Infraprojects Ltd.	15	16	1	Under-priced
68	Gretex Industries Ltd.	20	24	4	Under-priced
69	Sakar Healthcare Ltd.	50	53	3	Under-priced
70	Endurance Technologies Ltd.	472	570	98	Under-priced
71	PNB Housing Finance Ltd.	775	863	88	Under-priced
72	Varun Beverages Ltd.	445	430	(15)	Over-priced
73	Agro Phos India Ltd.	22	26	4	Under-priced
74	Jet Freight Logistics Ltd.	28	34	6	Under-priced
75	Aditya Vision Ltd.	15	16	1	Under-priced
76	Sheela Foam Ltd.	730	860	130	Under-priced
77	Laurus Labs Ltd.	428	490	62	Under-priced
78	Veeram Ornaments Ltd.	45	43	(2)	Over-priced
79	Libas Designs Ltd.	68	78	10	Under-priced
80	Prolife Industries Ltd.	38	42	4	Under-priced

Interpretation:

Gain or Loss in Rs is calculated as **(Listing price) – (Issue price)**. Based on this calculation the value which is positive is termed to be **under-priced** and the negative ones are termed as **Over-priced**. Out of 80 issues 61 are under-priced and 10 are over-priced. The remaining 9 are **at par**, i.e. the listing and issue prices are same and hence there is no gain no loss.

Table 4: List of IPOs with positive and negative returns

Sl. No.	Name of IPO	Issue Price	Listing Price	Positive or Negative	% Gain or Loss
1	TeamLease Services Ltd.	850	860	10	1.176
2	Quick Heal Technologies Ltd.	321	304.95	(16.05)	(5.000)
3	Sylph Education Solutions Ltd.	12	12	0	0.000
4	Hi-Tech Pipes Ltd.	50	60	10	20.000

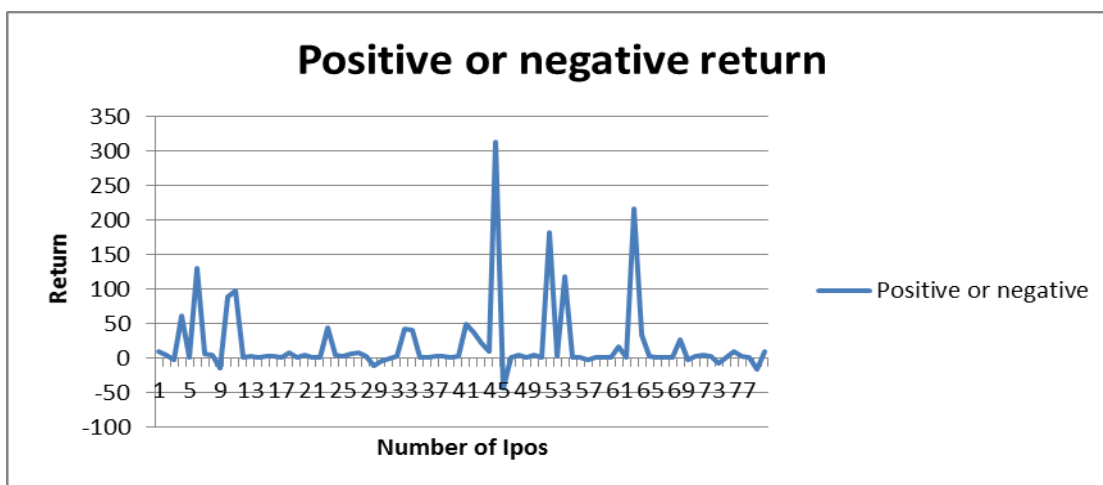
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5	K P Energy Ltd.	70	72	2	2.857
6	Relicab Cable Manufacturing Ltd.	20	20	0	0.000
7	Wealth First Portfolio Managers Ltd.	50	52	2	4.000
8	Khemani Distributors & Marketing Ltd.	100	105	5	5.000
9	Healthcare Global Enterprises Ltd.	218	209.8	(8.2)	(3.761)
10	Bharat Wire Ropes Ltd.	45	47.35	2.35	5.222
11	Infibeam Incorporation Ltd.	432	458	26	6.019
12	CHD Chemicals Ltd.	11	9	(2)	(18.182)
13	Ruby Cables Ltd.	50	51	1	2.000
14	Franklin Leasing & Finance Ltd.	15	15	0	0.000
15	Raghav Ramming Mass Ltd.	39	41	2	5.128
16	Lancer Container Lines Ltd.	12	13	1	8.333
17	Equitas Holdings Ltd.	110	144	34	30.909
18	Bajaj Healthcare Ltd.	170	170	0	0.000
19	Thyrocare Technologies Ltd.	446	662	216	48.430
20	Ujjivan Financial Services Ltd.	210	227	17	8.095
21	Darshan Orna Ltd.	60	61	1	1.667
22	Parag Milk Foods Ltd.	215	215.7	0.7	0.326
23	Sagardeep Alloys Ltd.	20	20	0	0.000
24	United Polyfab Gujarat Ltd.	45	43	(2)	(4.444)
25	Shanti Educational Initiatives Ltd.	90	90	0	0.000
26	Yash Chemex Ltd.	23	24	1	4.348
27	Mahanagar Gas Ltd.	421	540	119	28.266
28	Zeal Aqua Ltd.	130	133	3	2.308
29	Quess Corp Ltd.	317	499	182	57.413
30	Kwality Pharmaceuticals Ltd.	45	45	0	0.000
31	KKV Agro Powers Ltd.	320	325	5	1.563
32	Titaanium Ten Enterprises Ltd.	15	16	1	6.667
33	Commercial Syn Bags Ltd.	24	29	5	20.833
34	Advance Syntex Ltd.	12	13.25	1.25	10.417
35	Larsen & Toubro Infotech Ltd.	710	666.6	(43.4)	(6.113)
36	Advanced Enzyme Technologies Ltd.	896	1210	314	35.045
37	Prabhat Telecoms (India) Ltd.	51	61	10	19.608
38	Dilip Buildcon Ltd.	219	240	21	9.589
39	S P Apparels Ltd.	268	305	37	13.806
40	RBL Bank Ltd.	225	273.7	48.7	21.644
41	Shiva Granito Export Ltd.	12	14	2	16.667
42	Mitsu Chem Plast Ltd.	95	96	1	1.053
43	Madhya Bharat Agro Products Ltd.	24	27	3	12.500

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44	Sprayking Agro Equipment Ltd.	21	24	3	14.286
45	Narayani Steels Ltd.	32	33	1	3.125
46	Riddhi Steel and Tube Ltd.	38	38	0	0.000
47	Crown Lifters Ltd.	121	123	2	1.653
48	L&T Technology Services Ltd.	860	900	40	4.651
49	Radhika Jeweltech Ltd.	75	74	(1)	(1.333)
50	GNA Axles Ltd.	207	248.5	41.5	20.048
51	AVSL Industries Ltd.	36	38	2	5.556
52	ICICI Prudential Life Insurance Company Ltd.	334	329	(5)	(1.497)
53	HPL Electric & Power Ltd.	202	190.05	(11.95)	(5.916)
54	Jet Knitwears Ltd.	39	47	8	20.513
55	Nandani Creation Ltd.	28	34	6	21.429
56	Diksat Transworld Ltd.	40	41	1	2.500
57	Aditya Consumer Marketing Ltd.	15	16	1	6.667
58	Valiant Organics Ltd.	220	264	44	20.000
59	Globe International Carriers Ltd.	24	25	1	4.167
60	Art Nirman Ltd.	25	28	3	12.000
61	Pansari Developers Ltd.	22	22	0	0.000
62	Dhanuka Realty Ltd.	40	43	3	7.500
63	India Green Reality Ltd.	30	32	2	6.667
64	Aurangabad Distillery Ltd.	35	42	7	20.000
65	Bindal Exports Ltd.	16	17	1	6.250
66	Mewar Hi-Tech Engineering Ltd.	22	26	4	18.182
67	Shashijit Infraprojects Ltd.	15	16	1	6.667
68	Gretex Industries Ltd.	20	24	4	20.000
69	Sakar Healthcare Ltd.	50	53	3	6.000
70	Endurance Technologies Ltd.	472	570	98	20.763
71	PNB Housing Finance Ltd.	775	863	88	11.355
72	Varun Beverages Ltd.	445	430	(15)	(3.371)
73	Agro Phos India Ltd.	22	26	4	18.182
74	Jet Freight Logistics Ltd.	28	34	6	21.429
75	Aditya Vision Ltd.	15	16	1	6.667
76	Sheela Foam Ltd.	730	860	130	17.808
77	Laurus Labs Ltd.	428	490	62	14.486
78	Veeram Ornaments Ltd.	45	43	(2)	(4.444)
79	Libas Designs Ltd.	68	78	10	14.706
80	Prolife Industries Ltd.	38	42	4	10.526
Total % gain and loss					720.606
Average gains					9.008

Figure 2 Representing the Positive and Negative returns



Interpretation:

Assuming that the shares of the companies are sold on the listing date, an investor who invested on all the IPO’s of 2016 would have earned average gain of 9% from IPO.

Gain or Loss in Rs is calculated as **(Listing price) – (Issue price)**. The gain or loss % is calculated as **((Listing price) – (Issue price)/ Issue price)* 100**. From the above table we can compute average return from all the IPOs in the year 2016;

Average return=Total return / number of IPOs

$$\frac{774.668 + (-54.062)}{80} = 9.008\%$$

Table 5: List of IPOs with only positive returns

Sl. No.	Issuer Company	Returns
1	TeamLease Services Ltd.	1.176
2	Hi-Tech Pipes Ltd.	20.000
3	K P Energy Ltd.	2.857
4	Wealth First Portfolio Managers Ltd.	4.000
5	Khemani Distributors & Marketing Ltd.	5.000
6	Bharat Wire Ropes Ltd.	5.222
7	Infibeam Incorporation Ltd.	6.019
8	Ruby Cables Ltd.	2.000
9	Raghav Ramming Mass Ltd.	5.128

10	Lancer Container Lines Ltd.	8.333
11	Equitas Holdings Ltd.	30.909
12	Thyrocare Technologies Ltd.	48.430
13	Ujjivan Financial Services Ltd.	8.095
14	Darshan Orna Ltd.	1.667
15	Parag Milk Foods Ltd.	0.326
16	Yash Chemex Ltd.	4.348
17	Mahanagar Gas Ltd.	28.266
18	Zeal Aqua Ltd.	2.308
19	Quess Corp Ltd.	57.413
20	KKV Agro Powers Ltd.	1.563
21	Titaanium Ten Enterprises Ltd.	6.667
22	Commercial Syn Bags Ltd.	20.833
23	Advance Syntex Ltd.	10.417
24	Advanced Enzyme Technologies Ltd.	35.045
25	Prabhat Telecoms (India) Ltd.	19.608
26	Dilip Buildcon Ltd.	9.589
27	S P Apparels Ltd.	13.806
28	RBL Bank Ltd.	21.644
29	Shiva Granito Export Ltd.	16.667
30	Mitsu Chem Plast Ltd.	1.053
31	Madhya Bharat Agro Products Ltd.	12.500
32	Sprayking Agro Equipment Ltd.	14.286
33	Narayani Steels Ltd.	3.125
34	Crown Lifters Ltd.	1.653
35	L&T Technology Services Ltd.	4.651
36	GNA Axles Ltd.	20.048
37	AVSL Industries Ltd.	5.556
38	Jet Knitwears Ltd.	20.513
39	Nandani Creation Ltd.	21.429
40	Diksat Transworld Ltd.	2.500
41	Aditya Consumer Marketing Ltd.	6.667
42	Valiant Organics Ltd.	20.000
43	Globe International Carriers Ltd.	4.167
44	Art Nirman Ltd.	12.000
45	Dhanuka Realty Ltd.	7.500
46	India Green Reality Ltd.	6.667
47	Aurangabad Distillery Ltd.	20.000
48	Bindal Exports Ltd.	6.250

49	Mewar Hi-Tech Engineering Ltd.	18.182
50	Shashijit Infraprojects Ltd.	6.667
51	Gretex Industries Ltd.	20.000
52	Sakar Healthcare Ltd.	6.000
53	Endurance Technologies Ltd.	20.763
54	PNB Housing Finance Ltd.	11.355
55	Agro Phos India Ltd.	18.182
56	Jet Freight Logistics Ltd.	21.429
57	Aditya Vision Ltd.	6.667
58	Sheela Foam Ltd.	17.808
59	Laurus Labs Ltd.	14.486
60	Libas Designs Ltd.	14.706
61	Prolife Industries Ltd.	10.526
	Total Return	774.668
	Average Return	12.699

Interpretation:

From the above table it can be found that 61 companies out of 80 IPOs has given positive gains. The rest 19 IPOs were in the negative, the average positive return is 12.699%.

Table 6: List of IPOs with only Negative returns

Sl. No.	Issuer Company	Negative Returns
1	Quick Heal Technologies Ltd.	5.000
2	Healthcare Global Enterprises Ltd.	3.761
3	CHD Chemicals Ltd.	18.182
4	United Polyfab Gujarat Ltd.	4.444
5	Larsen & Toubro Infotech Ltd.	6.113
6	Radhika Jeweltech Ltd.	1.333
7	ICICI Prudential Life Insurance Company Ltd.	1.497
8	HPL Electric & Power Ltd.	5.916
9	Varun Beverages Ltd.	3.371
10	Veeram Ornaments Ltd.	4.444
	Total Negative Return	54.062
	Average Return	5.406

Interpretation:

From the above table it can be found that 10 companies out of 80 IPOs has given negative gains. The average negative return is 5.406%

Table 7: List of IPOs with No returns (Listed at Issue price)

Sl. No	Issuer Company
1	Sylph Education Solutions Ltd.
2	Relicab Cable Manufacturing Ltd.
3	Franklin Leasing & Finance Ltd.
4	Bajaj Healthcare Ltd.
5	Sagardeep Alloys Ltd.
6	Shanti Educational Initiatives Ltd.
7	Kwality Pharmaceuticals Ltd.
8	Riddhi Steel and Tube Ltd.
9	Pansari Developers Ltd.

Interpretation:

The above table clearly says that there is no loss or gain as the listing and issue price are same. There is no loss or gains. When the listing and issue price are same and there is no change in price it is termed to be as at par value. Hence out of 80 companies 9 companies are listed at par value.

Comparison of Returns of IPO with popular index:

Now let us compare the returns of IPO with that of Nifty, Sensex and IPO Index from **1st Jan 2016 to 31st Dec 2016**

The IPO Returns for the year 2016 is 9.01%

The Nifty Returns for the year 2016 is 3.878%

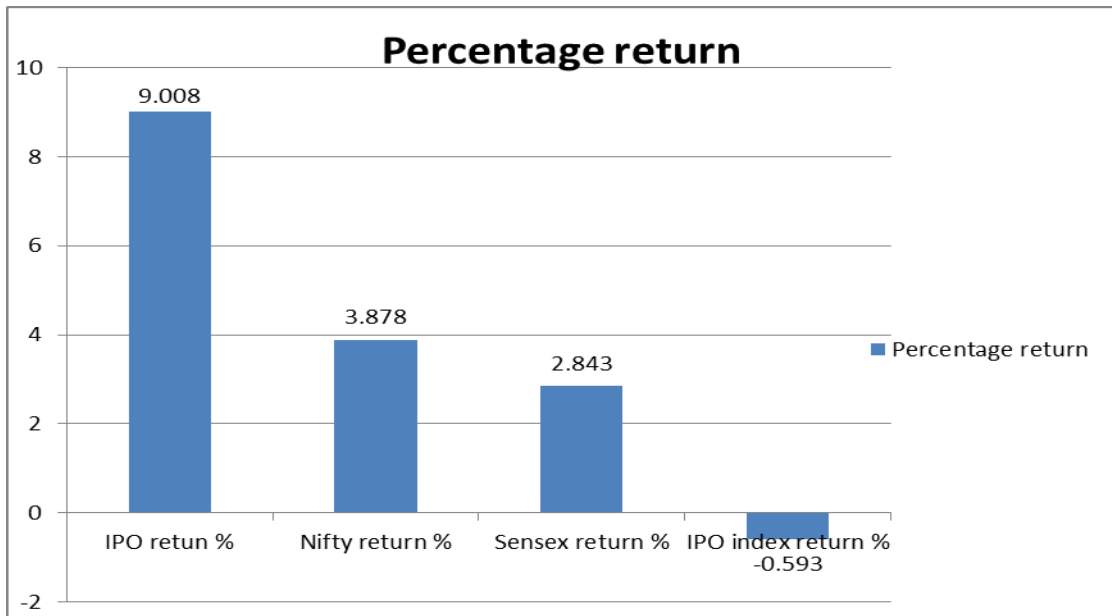
The Sensex Returns for the year 2016 is 2.843

The IPO Index Returns for the year 2016 is – 0.593

Comparison of return for the period 1st Jan 2016 to 31st Dec 2016

IPO return %	Nifty return %	Sensex return %	IPO index return %
9.01%	3.878%	2.843%	- 0.593%

Figure 3 Comparative returns of IPO, Nifty, Sensex and IPO Index from 1st January 2016 to 31st December 2016



Interpretation:

From the above chart, it can be observed that IPOs has given better returns than Sensex, Nifty and IPO Index. If one had chosen IPOs wisely, he would have got good returns. The above chart shows the proportional return on various investment platforms. If we see the overall performance of Indian stock market it has been in a positive trend except the IPO Index till December 2016, therefore the investors who have invested in Nifty and Sensex could have yield 3.828% and 2.843% minimum return within a year. Investor who trade on BSE IPO index almost lost 0.593% of their investment.

Comparison of 2 year Returns of IPO with popular index:

Now let us compare these returns of IPO with that of Nifty, Sensex and IPO Index from **1st Jan 2016 to 31st Dec 2017**

The IPO Returns for 2 year (i.e., 2016 and 2017) is 51.50%

The Nifty Returns for 2 year (i.e., 2016 and 2017) is 29.48%

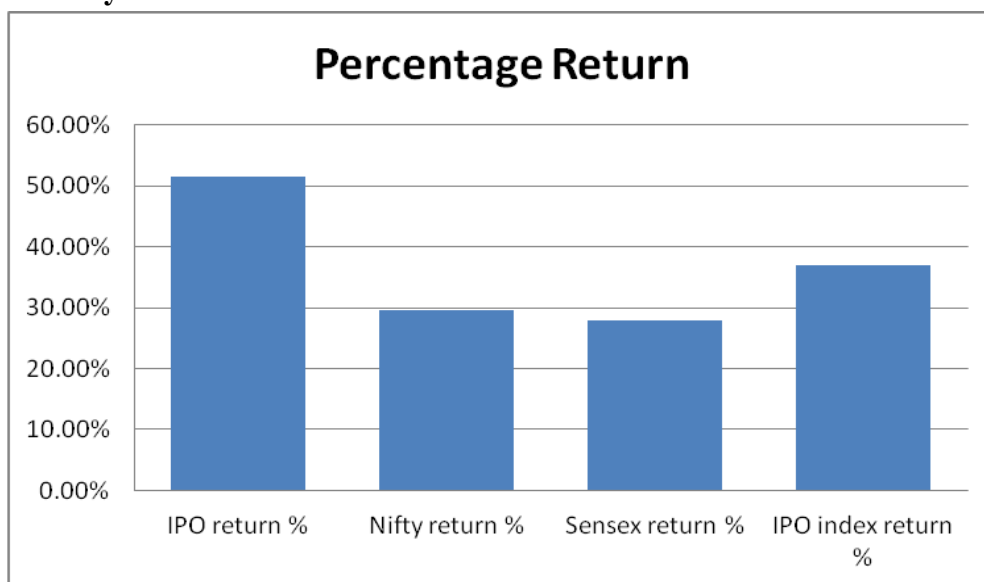
The Sensex Returns for 2 year (i.e., 2016 and 2017) is 27.86%

The IPO Index Returns 2 year (i.e., 2016 and 2017) is 37%

Comparison of 2 year return for the period 1st Jan 2016 to 31st Dec 2017

IPO return %	Nifty return %	Sensex return %	IPO index return %
51.50%	29.48%	27.86%	37%

Figure 3 Comparative returns of IPO, Nifty, Sensex and IPO Index from 1st January 2016 to 31st December 2017



Interpretation:

From the above chart, it can be observed that IPOs has given the highest return than Sensex, Nifty and IPO Index. If one had invested in all the IPOs of 2016 and waited till the end of the year 2017, he would have made a total return of 51.50%. As the waiting period increases it can be observed that the returns are also increasing. Therefore it is advisable to the investor to hold the stocks for the longer period to earn higher return.

Conclusion

IPO market is booming market in Indian history. There is an increase in the number of IPO's. As it is a fund raising tool from public and it is one of the major financial source in which company can start up business in initial stages. IPO is one of the cheapest sources of financing. All kinds of investors including small, medium and big can go in for IPOs

The number of IPOs issue has been increasing and hence will continue in future. SEBI provided important guidelines for issuing an IPO. So every company has to follow certain guidelines before coming to public and it has to fulfill the DIP

guidelines specified by the SEBI for the investor protection, who want to invest in the company. The number of IPO's after liberalization especially, after the introduction of book building process has increased. As Book building process helps investors to get IPO at affordable price and also brings transparency in pricing.

For the purpose of the study the company which went for IPO during January 2016 to December 2016 and the performance is satisfactory but 10 companies with negative returns. It's a general practice to under price an IPO so that it garners enough subscriptions. The study compared the returns of IPOs of 2016 with that of Sensex and Nifty and IPO index for 2 years i.e., for 2016 and 2017. It found that IPOs gave higher returns compared to Nifty, Sensex and IPO index for both 1 year and 2 years. Hence it is advised to investors to hold on the IPO for longer period to earn good returns. There is an increase in the number of IPO's for the year 2016. The increase in IPO's is a good sign for the development of the Economy.

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