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SHARE HOLDING PATTERN CHANGES, INITIAL RETURN, SHORT AND LONG RUN PERFORMANCE OF INITIAL PUBLIC OFFERINGS (IPO) IN INDIAN MARKET

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BONAFIDE CERTIFICATE

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ABSTRACT

Indian economy has been in a boom in the recent 5 past with the GDP scaling new heights of 9% and the economy growing at an incremental speed. This growth instilled much confidence in investors of all kinds and attracted FDIs and FIIs too. Indian Capital market has always been extremely responsive to IPOs Initial Public Offerings by the companies. In the recent past, no company has given an IPO without a substantial premium. The study is done to analyze the performance of these IPO stocks against the performance of NSE Nifty companies. The study is done for a period of 4 years from 2005-2009. The rationale behind choosing these 3 years is that the market has peaked to 6000 from 2700 during this period. The analysis has been done using the Market Adjusted Abnormal Return. Data for the analysis was taken from the NSE Website nseindia.com. Share holding pattern change may not be complete cause to price change performance of IPOs, but it has some significant influence in to derive the price performance. Share holding impact was found in the low significance level, this study objective to understand the share holding pattern changes with the response of market in IPOs price

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TABLE OF CONTENTS

LIST OF TABLES

CHAPTER - I

INTRODUCTION

1.1 Introduction:

The capital market is a place where the suppliers and users of capital meet to share one another's views, and where a balance is sought to be achieved among diverse market participants. The securities decouple Individual acts of saving and investment over time, space and entities and thus allow savings to occur without concomitant investment. Moreover, yield-bearing securities makes present consumption more expensive relative to future consumption. inducing people to save. The composition of savings changes with less of it being held in the form of idle money or unproductive assets, primarily because more divisible and liquid assets are available.

The capital market acts as a brake on channeling savings to low- yielding enterprises and impels enterprises to focus on performance. It continuously monitors performance through movements of share prices in the market and the threats of takeover. This improves efficiency of resource utilization and thereby significantly increases returns on investment. As a result. savers and investors are not constrained by their individual abilities, but facilitated by the economy's capability to invest and save, which inevitably enhances savings and investment in the economy. Thus, the capital market converts a given stock of investible resources into a larger flow of goods and services and augments economic growth. In fact. the literature is full of theoretical and empirical studies that have established causal robust (statistically significant) two-way relation between the developments in the securities market and economic growth The Indian capital markets dates back to the 18th century when the securities of the East India Company were traded in Mumbai and Kolkata. However, the orderly growth of the capital market began with the setting up of The Stock Exchange, Bombay in July 1875 and Ahmadabad Stock Exchange in 1894. Eventually, 22 other Exchanges in various cities sprang up. Given the significance of capital market and the need for the economy to grow at the projected over 8 per cent per annum. the managers of the Indian economy have been assiduously promoting the capital market as an engine of growth to provide an alternative yet efficient means of resource mobilization and allocation

Further, the global financial environment is undergoing unremitting transformation. Geographical boundaries have disappeared. The days of insulated and isolated financial markets

are history. The success of any capital market largely depends on its ability to align itself with the global order. To realize national aspirations and keep pace with the changing times, the capital markets in India have gone through various stages of liberalization, bringing about fundamental and structural changes in the market design and operation, resulting in broader investment choices, drastic reduction in transaction costs, and efficiency, transparency and safety as also increased integration with the global markets. The opening up of the economy for investment and trade, the dismantling of administered interest and exchange rates regimes and setting up of sound regulatory institutions have enabled this.

Regulatory Efficacy

The capital markets in India were underdeveloped, opaque, dominated by a handful of players, and concentrated in a few cities. Manipulation and unfair practices were perceived to be widespread and rampant, prompting an overseas researcher to describe it as a "snake pit". The transformation of the Indian securities markets was initiated with the establishment of the Securities and Exchange Board of India (SEBI) in 1989, initially as a informal body and in 1992 as a statutory autonomous regulator with the twin objectives of protecting the interests of the investors and developing and regulating the securities markets over a period of time. SEBI has been empowered to investigate, examine, visit company premises, summon records and persons and enquire and impose penalties commensurate with misconduct. The first and foremost challenge for the fledgling regulator was to create a regulatory and supervisory framework for the market, a job that proved formidable, because vested interests resisted every new step.

However, with the designing and notification of 32 regulations/guidelines (amended many times over), during a decade and half of its existence, the apparatus steadily evolved and has come to grips with the situation.

SEBI has instituted a consultative process of framing regulations. All reports / concept papers / policy proposals are posted on SEBI web site, for comments from market participants and the public. The comments are compiled and considered before finalizing regulations. Even the draft regulations are put on the website before notification for legal pundits to comment if the law framed is in consonance with the spirit of initiatives. This has a profound impact not only in terms of receiving valuable input and building public opinion before framing regulations /

guidelines but also in improving the quality, acceptability and implement ability. SEBI has formed a number of committees comprising of eminent experts and market practitioners to support it in the design of reforms for different aspects of the markets. The regulator posts all its orders, including those delivered on appeals against its orders, on its website. On request, it provides informal guidance on payments of nominal fees and issues no action letter so that the participants can seek clarity on any aspect and adopt appropriate business strategy in consonance with the applicable regulations. SEBI has put time lines for performance of its various functions like registration and renewal on the website. These measures work as a self- disciplining mechanism within SEBI and provide full transparency to its functioning.

Primary Market

The primary market, which at one time was flooded with a number of issues floated by dubious promoters, depriving gullible investors of their life-time savings has since been transformed. The changes in this area have been epoch-making and include detailing of complete profile of promoters, comprehensive disclosures, the existence of tangible assets and a track record of profit as also reporting end uses of funds to the Company Board as a part of corporate governance, etc. Sometime back when the story of Google's IPO was being flaunted around the world in various sections of media as one of the greatest innovations of recent times in raising risk capital, the Financial Times, London, carried the following observation: "The World's Biggest Democracy can show Google how to conduct an online IPO India you cannot apply on the web but investors can access one of the world's largest financial networks with 7000 terminals scattered around 350 cities. And every step of the book building process is public The Indian system is a refreshing example of a transparent IPO market but it is also a rare one, especially in the insider-friendly Asian markets." All the IPOs since the reforms started have been a success and barring a few exceptions are trading at a premium over the issue price. The regulatory framework has been modified to provide options to Indian firms for raising resources either domestically, or globally, or through both. This helps in price discovery and reducing the cost of funds. A number of Indian firms have raised money through American Depository Reeeipts (ADR), Global Depository Receipts (GDR) and External Commercial Borrowings (ECB). During 2005-06, a sum of Rs. 273 billion, as against Rs. 232.71 billion in 2003-04.

and the amount raised was next only Hong Kong and way ahead of Japan, Korea & Singapore through primary market. In fact, the corporate sector and governments (Centre and States) together raised a total of Rs. 3.75 trillion from the securities market during 2005. Thankfully, so far, no major mishap has been noticed in the recent times.

The transition from being a private company to a public one is one of the most important events in the life of a firm. It is also one of particular interest to institutional investors, and the transition is facilitated through the initial public offering (IPO) process.

The IPO provides a fresh source of capital that is critical to the growth of the firm and provides the founder and other shareholders such as venture capitalists a liquid market for their shares. From an institutional investor's perspective, the IPO provides an opportunity to share in the rewards of the growth of the firm.

When a firm issues equity to the public for the first time, it makes an initial public offering consisting of two kinds of issues – the primary issue and the follow-on issue. In a primary, the firm raises capital for itself by selling stock to the public, whereas in the follow on issue, existing large shareholders sell to the public a substantial number of shares they currently own.

It is a well documented fact that IPOs tend to be generally under-priced, though some issues tend to be overpriced. From the viewpoint of financial research, IPO under-pricing in the sense of abnormal short-term returns on IPOs has been found in nearly every country in the world. This suggests that IPO under-pricing may be the outcome of basic problems of information and uncertainty in the IPO process, and is unlikely to be a figment of institutional peculiarities of any one market.

There have also been various studies made to suggest the reasons for such under pricing.

From the investors' point of view, this under-pricing appear to provide the sure and quick profit that most dream about. Though first day return could vary, few of the issues tend to provide a very high return over the first day.

It is also seen that for some of the issues, the first day return could also be negative. It then becomes inevitable for most investors to measure the performance of IPOs by the short term (usually within one week of issue), as the general scheme is to buy the shares at a low initial offering price and sell it the next day when the price increases.

Pricing of the IPOs are done by the issuers with guidance from underwriters from investment banks. There are various ways to price the stocks but what is commonly used now is a process

called book building. It is basically a capital issuance process used in an Initial Public Offer which aids price and demand discovery. It is also a process used for marketing a public offer of equity shares of a company. During the period for which the book for the IPO is open, bids are collected from investors at various prices, which are above or equal to the floor price. The offer/issue price is then determined by the issuing company after the bid closing date based on the various bids that have been collected. For a more detailed discussion of book building, one can visit any of the many stock exchanges. An example of the book building process can be seen from the National Stock Exchange. This Initial Public Offering can also be made through the fixed price method or a combination of both book building and the fixed price method. There have been various studies conducted on the price changes of the shares after prolonged periods (six months to five years). These studies show that while the short-run performance of IPOs is often quite impressive, the long-run performance over the subsequent three to five years is not as impressive. Excluding the initial-day return, IPOs tend to underperform.

The strength of India's economy, stock market, corporate profits, energy sector and private equity has fuelled IPOs in 2006 and 2007. India's market raised US$7.23 billion through 78 IPOs in 2006. The private equity rush into India is creating the potential for many IPO exists. After a big initial public offering season last year, some 150 companies are expected to raise up to $10 billion in new listings in 2007. White-hot economic growth, a raging bull market, and boundless corporate ambitions have all driven a boom in initial public offerings in India in recent years and 2007 is shaping up to be a big year with around 150 Indian companies expected to raise some $10 billion in capital in share offerings at home and abroad. This is good news for the pinstriped global investment banking set, who by the way raked in $413 million in underwriting and consulting fees from India in 2006.[1]

India ranks seventh overall in the world, in the terms of IPOs in the first half of 2007, with $4.6 billion collected from 46 deals. The Indian second half performance is expected to be even higher, based on the existing pipe-line of 18 IPOs that are already slated to tap the markets and raise $4.1 billion. Despite the focus on real estate and finance, India's industrial sector garnered the most IPO proceeds, with about $2.5 billion from nine issues.The last time the Indian capital market witnessed large mobilization of funds was in March

2004. The amount raised in the last quarter of fiscal 2004 was around Rs20000 crore. This time too, the sweepstakes of more than Rs50000 crore in a short span of six months is bringing the same apprehensions.[2]

1.2 Statement of the Problem

It is in the hope that the long term performance of IPOs in developing economies can also be a useful indicator to the potential investor that this study is to be undertaken. The purpose of this paper is to examine the long-run performance of IPOs in Indian stock market which was issued during 2005-2006. The IPO literature has shown that the IPO issues and performance is based on a cycle. In some years there are a large number of IPOs while in some years, there are only a few IPOs. When it is a vintage year with a large number of IPOs, most IPOs tend to do well on the first day but tend to do poorly over a long term whereas in years when there are only a few IPOs, the results tend to be mixed. The long run performance is likely to be affected while we include IPOs from different time periods because the market movements in different market conditions are likely to be different. Total IPO issues on 2005-2006 year was 49, here we have sample of 10 companies. The study mainly focuses on the long run performance of IPO issued in that period. The reason for considering 2005-2006 periods for the research was high volatility, we can find that during this period the NIFTY had reached the maximum of 6000 points and at the same time it collapsed up to 2700 afterwards so this period will give great understanding of IPO's performance in bullish and bearish market scenarios.

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1. www.investopedia.com/articles.analyst/01432.asp
2. www.sebi.gov.com/hitspeech.htm

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1.3 NEED FOR THE STUDY:

Indian primary market had a lot of potential opportunity: IPO of particular stocks had a very good performance while in short run but when it comes to the long runs there is not that much return from the same stock.

This study is to test the short run and long run performance of the IPOs listed in the year 2005-2006. By means of this study we can get an idea of whether IPO are underpriced or over priced in the market and investors can make use of this parity between true value and the market value in order to maximize their return.

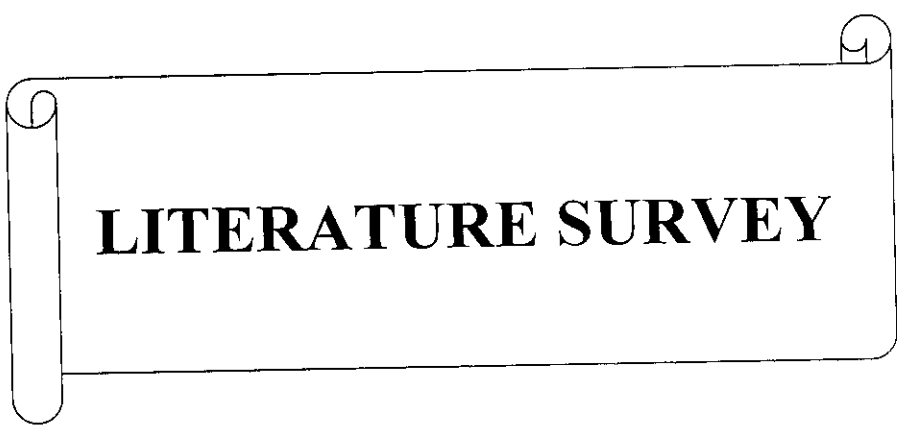
1.4 Objectives:

- To analyze the IPO performance in long run and short run
- To evaluate individual stock return against index return (NIFTY)
- To analyze the of share holding pattern changes and its impact in share price

1.5 Limitations of the study:

- Secondary data were used
- In India, total issues were made in the year 2005 was 106, but here taken only issues made through National Stock Exchange (NSE). for the uniformity comparison.
- The study period was 4 years
- Monthly reporting of share holing pattern were not available, so quarterly share holding pattern were taken in to account
- Banking companies were not included. in the sample selection because would be diversified, due to reason I have considered only other than the banking company IPO issues

CHAPTER - II


LITERATURE SURVEY

Review of Literature:

Over the years, there have been numerous evidences which show that short-run under-pricing and the long-run underperformance are the two main patterns associated with IPOs. Ritter analysed the performance of US IPOs issued from 1975 to 1984. He found that IPOs under performed a control sample of matching seasoned firms for a three-year holding period. Researcher was concluded that IPOs are significantly not suitable investments for the medium or long run. The Persistence of IPO mispricing and the predictive power of flipping, Laurie Krigman et al (1999) argued that underwriters' pricing errors and the information content of first-day trading activity in IPOs. Researchers showed that first-day winners continue to be winners over the first year, and first-day dogs continue to be relative dogs. Exceptions are "extrahot" IPOs, which provide the worst future performance. They also demonstrate that large, supposedly informed, traders "flip" IPOs that perform the worst in the future. IPOs with low flipping generate abnormal returns of 1.5 percentage points per month over the first six months beginning on the third day. Researchers showed that flipping is predictable and conclude that underwriters' pricing errors are intentional.

Leverage,liquidity and long run IPO returns, B.Espen Eckbo and Oyvind Norli (2000) have analysed Nasdaq IPOs with large sample over the 1973 to 1996 period presented as evidence that stocks are less risky than the size-matched firms and thus have lower expected return. They also showed that, in this years immediately following the issue, IPO stocks have lower leverage ratios and higer liquidity (turnover) than matched firms. A model with macroeconomic risk factors further reveals that IPO stocks have lower exposures than matched firms to leverage related factors such as unexpected

inflation and term-structure spreads. Brav and Gompers (1997) using US data find that underperformance is sensitive to the method used during evaluation of IPO performance. In their sample, underperformance is shared by small, non-IPO firms with similar low book-to-market values. T P Madhusoodanan and M Thiripalraju (1997) have analysed the Indian IPO market for the short-term as well as long-term under pricing prior to 1997. Researcher identified that that, in general, the under-pricing in the Indian IPOs in the short-run was 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.

The short-run performance of IPOs has been extensively researched and clearly indicates that on average investors outperform which leads to some loss of value to the issuer of stock. In very few studies on average investors under-perform i.e. stocks were over-priced. IPO short-run performance(under-pricing) has been one of the persistent empirical phenomena for many decades. Several earlierstudies document the phenomenon of IPO under-pricing. We provide herewith the earlier research work that was stirring for our paper:

Kenourgios et. al. (2007) analyzed 169 IPOs listed on the Athens Stock Exchange over the period 1997-2002. The average raw return of the first day was 52.7%, while the average adjusted return was 54.28%. The average raw return of the 5th and the 21st day were 44.78% and 41.84% respectively, while the average excess return was 45.32% and 43.83%. The results suggest that the new issues were on average under-priced since it had significant returns for those who had participated in the offering and sold the new shares at the closing of the 1st, 5th and 21st day, respectively.

Another study on the listed securities at Shanghai and Shenzhen stock exchange by Liu & Lie
Share holding pattern changes, initial return, short and long run performance of IPOs in Indian market

(2000) investigated 781 securities using 09-years data and found that on average market adjusted shortrun performance (return) was 139.4%. Their analyses revealed that the first day initial return was much higher in 1991, 1992 & 1993. Market adjusted short run performance (return) for 1st, 5th, 10th and 20th trading days of Shenzhen stock exchange were higher than those of Shanghai stock exchange.

Under-pricing of initial public offerings in Bangladesh was analyzed by Hasan and Quayes (2008) using a sample of 90 IPOs issued in mid nineties during stock market bloom. They identified that increased ownership stake and foreign participation were the factors which negatively affect the magnitude of under pricing. They analyzed the comparison of mean percentage under-pricing on first day between 'premium' and 'par' issues. Findings showed that premium issues are less under-priced than IPOs issued at par. U.S. IPO market has been researched extensively over the last decades.

The last updated by Loughran et al (2006) in 15.333 IPOs that were listed in the period 1960-2005 revealed 1st day returns of 18.1%. Similar to this finding Ritter and Welch (2002) reported initial returns of 18.8% in the U.S. from 1980-2001. Choi and Nam (1998) reported that Australian Public IPOs are more under-priced than private sector IPOs. They found that, in general, over their sample of 30 countries, PIPOs were more under-priced than private-sector IPOs.

Peter (2007) in his research paper investigated initial return on IPOs of a developing countrySri Lanka and found that in emerging market under-pricing exist in high level as compared to developed countries. Results showed that privatized IPOs had higher average return as compared tonon-privatized, privatized IPOs' excess return is 98%. The holding period return was found positive for the first two years while the out-performance finished after three years of initial listing. Initial excess return was almost similar to that of middle income countries like Malaysia, Mexico, Poland and Thailand Gounopoulos (2003), in his study showed that Greek IPOs were on average under-priced by 63.92% with 30 IPOs (13.3%) to be overpriced. The initial under-pricing was 67.14% for industrial firms, 54.55% for finance firms and 56.19% for other firms. In terms of

sub-sectors the highest return was obtained in Information Technology group while the lowest return was observed in Telecommunication Group. Results suggest that the IPO market on Greece was 'good' only for large offerings. Investigation of factors influencing the initial performance show that market condition, demand multiple, cold-hot issue periods, and offer price independence are significant determinants of under-pricing.

Banerjee et al (2009) in their article empirically analyzed the cross-country differences in IPO
under-pricing among 18 countries between 2000 and 2006. They had studied the impact of crosscountry differences in information asymmetry, home bias, enforcement mechanism, and litigation risk on IPO under-pricing. They found that on average investors out-perform in short-run by considering

A seminal article by Ibbotson (1975) reported a negative relation between initialreturns at the IPO and long-run share price performance for a sample of US IPOsissued during the period 1960-69. He reported that there was a general positiveperformance in the first year, negative performance in the next three years and ageneral positive performance in the fifth year. Ritter (1991) analysed the performanceof US IPOs issued between 1975-84 and reported that they underperformed thebenchmark (NASDAQ and AMEX-NYSE) by about 29% in the three year period after their launch.

Rajan and Servaes (1997) showed that over a five-year periodfollowing their IPO, companies underperform the market benchmarks (NYSE/AMEX)by 17% to 47.1 %. More recently Carter *et al.* (1998) showed that over a three-yearperiod after the IPO, the US firms underperformed the market(NYSE/AMEX/NASDAQ) by 19.92 %. Work in other countries has shown that longrunmarket adjusted returns are negative with the notable exceptions of Korea (Kim *etal.* (1995)) and Sweden (Loughran *et al.* (1994)) where IPO companies outperformedthe market by 91.6 % and 1.2 % respectively. The degree of under-performance hasbeen highest in Australia (51.0 %, Lee *et al.* (1994)) followed by Brazil (47.0 %)

Share holding pattern changes, initial return, short and long run performance of IPOs in Indian market

Aggarwal *et al.* (1993). Lower, nonetheless significant under-performance has been documented in Canada, Chile, Finland. Germany and Switzerland to name a few.

.In the UK, Levis (1993) investigated the long-run performance of a sample of 712 UKIPOs issued during 1980-88. He reported long-run returns based on three alternativebenchmarks: the Financial Times Actuaries All share (FTA) Index, the Hoare GovettSmall Companies (HGSC) Index and the All Share Equally Weighted (ASEW) Index.His work confirmed the findings of long-run under-performance in the UK market.While, for the US market, Ritter (1991) reported under-performance of up to 29 %over the first three years after the IPO. for the UK market, Levis found underperformancebetween 8 % to 23 % depending on the benchmark used.

2.1 Research Gap:

I found that the year after 2005, there were consecutively researcher focusing their attention in the IPO issues, it is a positive sign. Earlier there were no much research attempts in IPO, may be less or inadequate information could be the reason. The research gap concern, I have found that the year 2007 was last attempts focused on especially ownership. We understand that the research gap period is two years

CHAPTER - III

METHODOLOGY

Research Methodology:

3.1 Research design

The research design used here is descriptive in nature, where the study is done based on analyzing the stock price, share holding pattern (ownership pattern) and market indices.

3.2 Data and Sampling methods

Secondary data which were used, data obtained from the NSE official website and CMIE Prowess, and Capitaline. The series of data represents daily monthly, quarterly, and there were discrepancies in data. The period of study was from January 2006 to December 2009 i.e 4 years.

Sampling methods is purposive sampling: the sampling selection was made as on follows:

Particulars	Figures
Total issue IPO through NSE (In the year 2005)	50
Less: Delisted company	1
Following on issue	9
Net issue of IPOs	40
sample drawn from the net issue - Selection was done purposive sampling basis	**20**

Method of data/sample selection discussed as follows:

1. Banking companies were not taken in to account
2. Large of number of IPOs were found in the IT related one, so I have given IT companies has more weightages
3. Selection of companies/industry/sector have done on the basis of Issue price
4. out of 20 IPOs , 15 IPOs falls in the issue price between Rs. 50 – Rs. 250 and 5 IPO falls in the issue price between Rs. 250 – Rs. 1100
5. Maximum equally chance were given to all IPOs (except banking)

3.3 Tools for analysis

The methodology used to measure the short-run performance for each IPO and for groups of IPOs. The total return for stock "*i*" at the end of the first trading day is calculated as:

$$Ri1 = (Pi1/Pi0) - 1$$

Where 1*i P* is the closing price of the stock *i* at the first trading day, and 0 *i P* is its offering price and *i*1 *R* is the total first-day return on the stock. The return on the market index during the same time period is:

$$R_M1 = (P_M1/P_M0) - 1$$

Where *P m*1 is the closing market index value at the first trading day and *P m*0 is the closing market index value on the offering day of the appropriate stock, while *R m*1 is the first day's comparable market return. Using these two returns, the market-acjusted abnormal return for each IPO on the first day of trading is computed as:

$$MAAR_{i1} = 100\left(\frac{1 + R_{i1}}{1 + R_{m1}} - 1\right)$$

First day market adjusted abnormal return is calculated for the sample taken for analysis. This will give the clear picture about IPO return against the market.

Market adjusted abnormal return is calculated for the 36 months period of individual stocks in order to find out the long run performance of the IPO.

Chapter – 3

Share holding pattern changes concern, we used Ordinary Least Squares (OLS) in the three distinguished analysis

1. Total IPO issue price 2. High price (If offering price more than Rs.250) 3. Low price (if offering price less than Rs250)

Correlation coefficient – to analyse the relationship nifty and individual stock performance which was used.

OLS (Ordinary Least Squares)

CHAPTER - IV

DATA ANALYSIS AND INTERPRETATION

Table: 4.1

Comparison of First Day closing Price with Offering (Issue) Price

COMPANIES	FIRST DAY CLOSING PRICE (Rs.)	OFFERING PRICE	CHANGES IN PRICE (RS)
ABG SHIPYARD	356.20	185	171.20
AIA ENGINEERING	98.3	315	-216.7
ALLSEC TECHNOLOGIES	128.15	135	-6.85
BARTRONICS INDIA	110.75	75	35.75
BOMBAY RAYON FASHIONS	83.50	70	13.50
EDUCOMP SOLUTIONS	284.05	125	159.05
EVEREST KANTO CYLINDER	40.39	160	-119.61
HT MEDIA	556.80	530	26.80
INDIA INFOLINE	78.05	76	2.05
JAIPRAKASH HYDRO POWER	31.15	32	0.85
JET AIRWAYS	1304.20	1100	204.20
KERNEX MICROSYSTEMS	313.47	250	63.47
PROVOGUE (INDIA)	247.95	150	97.95
PUNJ LLYOD	211.63	700	-488.37
PVR LIMITED	294.95	225	69.95
REPRO INDIA	234.5	165	69.5
SHOPPERS STOP	371.60	238	133.60
SHREE RENUKA SUGARS	260.30	285	-25
SUZLON ENERGY	692.85	510	182.85
TULIP TELECOM	183.8	120	63.8

Interpretation:

From the above table, shows that out of 20 IPOs issues, 14 were well in the first day return concern, Jet airways has given highest positive return (Rs. 204.20), next highest return was delivered Educomp, Sulon Energy, Shopper stop respectively. The highest negative return was found in punjllyod (-Rs.488.37). The majority IPO has get positive sign from the market for their first day trading.

Chapter -4

Table 4.2.1

Market Adjusted Abnormal Return for the Individual Stocks on Monthly Return for the year 2006

Month	ABG SHIPYARD	AIA ENGG	ALLSEC TECH	BARTRONICS INDIA	BOMBAY RAYON	EDUCOMP SOLUTION	EVEREST KANTO	HT MEDIA	INDIA INFOLINE	JAIPRAKASH
January										
February	1.874399	-3.87454	5.923926	-21.6744	7.801029	3.505254	0.455805	9.549125	-1.43715	-5.79018
March	17.8381	16.4547	17.04754	-3.42829	4.262913	46.47424	20.74353	15.73354	26.68763	10.49334
April	11.27823	16.61926	12.46972	0.456275	-11.2767	5.8701	-3.38688	-17.9214	8.326215	21.70458
May	-38.3478	-34.262	-28.5896	-34.4289	13.99487	-13.1502	-8.20638	-13.2927	-25.5495	-30.1981
June	-9.87377	21.28407	-22.8268	-14.9736	15.76866	0.545977	-21.6197	12.39021	-27.5454	-9.59741
July	-13.6917	-7.62963	18.2794	-4.10527	0.382288	-1.5386	2.873556	24.2001	1.568834	1.65598
August	22.77692	31.0193	21.86893	36.9894	24.98431	43.65317	37.96453	12.73103	52.44845	9.193638
September	10.45874	15.22901	10.47711	6.594507	13.01617	52.01212	22.51497	18.28592	16.439	25.34267
October	2.135224	15.55705	6.088883	36.76765	-1.10507	-9.27832	6.367484	21.66981	9.264957	10.10821
November	-7.56852	41.26642	5.716126	18.86176	42.79117	3.993805	18.03794	4.553365	46.58924	1.528599
December	11.15199	10.00275	7.233	17.4703	0.063979	50.0503	30.58389	4.553365	-23.476	-6.01819

Table 4.2.2

Market Adjusted Abnormal Return for the Individual Stocks on Monthly Return for the year 2006

Month	JET AIRWAYS	KERNEX MICROSYS	PROVOGUE (INDIA)	PUNJ LLYOD	PVR LTD	REPRO INDIA	SHOPPERSTOP	SHREE RENUKA SUGARS	SUZLON ENERGY	TULIP TELECOM
January										
February	0.887191	-8.91551	7.930597	-2.34827	1.989389	-12.535	3.505254	30.05719	-3.59724	3.505254
March	10.82592	13.69428	36.39904	11.58858	20.91511	11.18402	46.47424	59.09451	29.825	46.47424
April	2.628418	-0.03353	27.11188	1.30267	8.467944	-3.96431	5.8701	1.347473	2.994856	5.8701
May	-37.0342	-21.5842	-45.145	-29.3989	-30.2311	-33.0209	-13.1502	-48.3219	-37.5525	-13.1502
June	-18.2921	-26.16	-26.7177	-15.4945	-16.2188	-32.8473	0.545977	-5.37365	9.210479	0.545977
July	-13.501	-12.2417	-10.0032	-12.8935	7.744759	-12.2486	-1.5386	-17.6726	3.590196	-1.5386
August	14.32878	25.59838	37.31962	25.28944	8.931731	35.36827	19.13286	-4.69726	19.97167	43.65317
September	25.8368	12.47218	35.36407	13.01617	13.62526	17.63261	-20.451	5.174898	7.82887	52.01212
October	-3.64619	-1.79509	27.47049	-1.10507	-1.51115	-9.11967	-60.5923	0.645844	10.28534	-9.27832
November	18.71225	8.145929	14.55791	42.79117	9.131561	0.232888	-2.91622	-9.63724	16.08875	3.993805
December	-8.07013	-14.112	-2.57906	0.063979	-7.74967	2.642521	13.68984	-13.0026	-9.5356	50.0503

Table 4.2.3
Market Adjusted Abnormal Return for the Individual Stocks on Monthly Return for the year 2007

	ABG SHIPYARD	AIA ENGG	ALLSEC TECH	BARTRONICS INDIA	BOMBAY RAYON	EDUCOMP SOLUTION	EVEREST KANTO	HT MEDIA	INDIA INFOLINE	JAIPRAKASH
	41.87647	7.201173	10.89938	2.813318	34.33	6.948866	6.210933	13.64858	11.36553	19.96417
February	-13.6516	-16.542	28.13723	-22.4592	-14.6251	-17.7422	-7.75187	-8.4835	6.651612	-21.6647
March	1.641667	-4.34983	-21.4943	3.560839	-14.2622	8.057104	12.42349	-0.02512	-14.5359	-3.62135
April	21.84802	14.1408	-8.52003	13.38753	25.52898	44.09967	29.07041	13.95622	14.96358	25.31184
May	11.59333	24.10264	10.77784	17.53228	35.73047	40.83496	12.29505	20.76893	34.43237	15.51793
June	5.687299	15.37244	-2.96063	11.09813	1.661054	25.10512	2.175893	7.801029	59.76958	-4.33453
July	38.44833	-7.86836	-6.04379	44.22905	-10.5861	20.87938	5.204468	4.262913	8.563132	22.18073
August	-10.6174	-8.70045	-4.77177	-3.85109	7.285409	9.838006	-7.44303	-11.2767	10.55121	21.54268
September	33.99183	6.772759	-24.5483	36.46723	17.0299	10.52695	25.58154	13.99487	-11.424	61.64965
October	35.82936	27.73219	-1.51862	6.615491	36.59169	33.48852	25.51636	15.76866	35.99188	28.38796
November	27.69955	2.318142	3.721611	-4.16895	9.754931	7.230904	27.88493	0.382288	48.80074	33.21588
December	6.220643	14.73668	-3.82315	22.19736	19.00053	39.99353	11.40716	24.98431	10.7104	26.96066

Table 4.2.4
Market Adjusted Abnormal Return for the Individual Stocks on Monthly Return for the year 2007

Month	JET AIRWAYS	KERNEX MICROSYS	PROVOGUE (INDIA)	PUNJ LLYOD	PVR LTD	REPRO INDIA	SHOPPERSTOP	SHREE RENUKA SUGARS	SUZLON ENERGY	TULIP TELECOM
January	26.5816	20.74855	11.74356	0.755793	6.840427	24.69077	43.65317	-22.5607	-9.48785	6.948866
February	-29.9645	-22.3157	-5.9727	-30.368	-31.9246	-33.5773	52.01212	-17.4644	-17.482	-17.7422
March	7.975319	-17.2547	-0.23684	5.369006	-3.79951	-9.85361	-9.27832	56.83721	-1.34872	8.057104
April	20.3225	9.472301	8.249311	24.23654	25.09304	10.94505	3.993805	0.873428	25.50354	44.09967
May	12.27487	16.75737	5.854803	19.18023	9.391606	19.08682	50.0503	38.70761	13.31207	40.83496
June	6.925275	78.6452	5.048408	18.90426	-0.44895	-4.62503	6.948866	11.7239	16.72169	25.10512
July	-5.61776	-0.29488	34.9686	15.21389	3.414333	-0.95093	-17.7422	0.721231	-10.0082	20.87938
August	8.886071	19.37265	-2.16157	-2.92894	5.327126	-4.49909	8.057104	-16.931	-1.89604	9.838006
September	24.66532	29.05006	64.21793	23.23101	6.495915	16.30432	44.09967	46.19735	26.81744	10.52695
October	14.08691	-0.41786	19.715	69.54545	8.184677	21.87276	40.83496	28.25585	53.9355	33.48852
November	-7.58426	-4.13215	1.876511	5.839671	44.60393	5.618659	25.10512	-13.6498	-6.2739	7.230904
December	26.58834	28.91427	34.84931	15.55318	31.52206	59.18064	20.87938	52.24129	8.621271	39.99353

Table 4.2.5
Market Adjusted Abnormal Return for the Individual Stocks on Monthly Return for the year 2008

Month	ABG SHIPYARD	AIA ENGG	ALLSEC TECH	BARTRONICS INDIA	BOMBAY RAYON	EDUCOMP SOLUTION	EVEREST KANTO	HT MEDIA	INDIA INFOLINE	JAIPRAKASH
January	-44.4457	-28.6404	26.25211	-23.4678	-38.3024	-44.6348	-35.7374	-38.7537	61.48107	-60.7738
February	-1.79581	18.92784	-56.4616	1.110229	11.88195	26.52187	15.84747	-1.63249	-55.9382	-2.32504
March	-4.8217	-21.8717	8.046147	-43.3065	-15.1744	-19.5677	-24.4719	-20.0897	-2.77111	-35.591
April	-6.03547	15.27886	-43.6845	57.62374	39.48832	14.18126	38.02302	-6.76625	-40.2418	39.75999
May	-15.6343	-8.18021	21.40367	-9.62269	-9.82675	-6.96276	-15.0082	-19.0455	32.37038	-19.8295
June	-55.9537	-36.488	-19.2147	-43.3542	-38.9502	-51.6986	-32.2862	-38.0128	-29.2604	-45.2514
July	7.474734	8.657195	-48.8703	19.59513	19.28101	30.28086	19.31013	19.22656	-47.48	29.19066
August	8.240082	23.54488	1.727657	-1.36284	18.1789	19.13286	0.540646	6.022397	36.18792	-0.97798
September	-27.6804	-22.8954	12.79159	-22.5999	-29.623	-20.451	-19.7076	-24.1487	-0.31439	-29.8918
October	-87.7968	-69.27	-49.3863	-65.7508	-74.8397	-60.5923	-59.8733	-49.063	-34.2584	-60.5799
November	-20.0038	-25.1248	-31.252	-38.5913	-19.5724	-2.91622	-26.6611	-15.8905	-67.9062	-9.24115
December	44.29698	16.93007	-31.1369	44.79402	2.17106	13.68984	36.30469	10.66713	-41.6503	25.12055

Table 4.2.6
Market Adjusted Abnormal Return for the Individual Stocks on Monthly Return for the year 2008

Month	JET AIRWAYS	KERNEX MICROSYS	PROVOGUE (INDIA)	PUNJ LLYOD	PVR LTD	REPRO INDIA	SHOPPERSTOP	SHREE RENUKA SUGARS	SUZLON ENERGY	TULIP TELECOM
January	-43.205	-31.512	-16.5155	-36.8457	-37.8218	-46.4344	9.838006	-31.5316	-36.8567	-44.6348
February	3.26084	-55.8708	-5.25605	-12.7937	4.825437	-3.83445	10.52695	39.69852	-6.87511	26.52187
March	-34.0693	13.33222	-17.1609	-27.0195	-41.3235	-28.1954	33.48852	-27.6794	-15.6538	-19.5677
April	8.348891	-39.4554	19.47204	26.92072	13.57447	25.64548	7.230904	40.12705	18.04583	14.18126
May	-8.07768	41.59635	-7.38265	-18.1663	-10.4025	19.56753	39.99353	-17.1004	-9.17369	-6.96276
June	-37.5319	-23.4403	-41.2332	-50.6268	-31.5124	-40.8133	-44.6348	-29.1547	-39.1616	-51.6986
July	16.00979	-47.7469	1.061615	33.93932	16.72501	40.38213	26.52187	34.51859	10.43256	30.28086
August	2.370216	5.186525	-14.1353	12.26469	6.345045	5.857068	-19.5677	-5.90958	-1.53011	19.13286
September	-25.7922	8.624286	-14.7715	-14.7463	-30.9054	-23.6657	14.18126	-22.3404	-40.2248	-20.451
October	-87.6595	-29.9178	-83.2143	-65.5672	-63.8045	-61.4082	-6.96276	-77.3335	-97.2149	-60.5923
November	-21.0279	-65.529	-48.4351	-26.0512	-31.8198	-11.749	-51.6986	-4.72048	-10.8217	-2.91622
December	64.12441	24.42723	72.52603	14.73935	55.21296	13.79223	30.28086	53.2396	56.9861	13.68984

Table 4.2.7

Market Adjusted Abnormal Return for the Individual Stocks on Monthly Return for the year 2009

Month	ABG SHIPYARD	AIA ENGG	ALLSEC TECH	BARTRONICS INDIA	BOMBAY RAYON	EDUCOMP SOLUTION	EVEREST KANTO	HT MEDIA	INDIA INFOLINE	JAIPRAKASH
January	-50.3018	-18.3258	19.9396	-14.5558	-18.503	-28.2712	-25.7972	-27.1312	49.18899	-2.85048
February	14.89256	-1.33802	-2.61351	-2.58776	-20.6675	-12.1562	-28.3172	-12.1147	-13.7542	-14.7078
March	8.769611	15.56015	19.5379	13.69553	78.67695	36.48251	23.65715	27.59298	5.725706	15.11777
April	53.64263	50.72958	16.58984	26.51661	30.01718	33.34364	41.08949	29.42739	27.3182	46.0416
May	123.58	70.4599	15.17385	77.32403	60.54041	42.18344	47.27265	113.2153	45.17431	112.2283
June	-14.9091	-9.11739	76.37263	27.46536	-22.0936	30.49422	3.578982	-29.8278	126.5598	24.2416
July	13.09957	6.776402	-26.024	5.158386	2.702056	16.5757	2.016471	26.69212	-23.1455	0.039154
August	2.610641	19.49615	31.45891	2.176309	16.78029	0.797899	2.206118	10.55322	20.19413	3.334362
September	20.74564	25.38532	12.86478	13.01182	17.28727	23.02404	22.92384	19.98272	-0.10539	6.283792
October	-29.022	-5.42831	3.903084	-26.3548	-21.4743	-22.0248	-41.4249	-7.69971	18.77225	-30.976
November	8.554988	26.24896	-20.2938	8.499405	6.441179	1.610479	9.701957	12.76431	-20.5144	19.72883
December	44.29	1.393389	0.986269	5.76392	4.331001	-2.63683	-12.3212	22.123	8.862325	18.234

Table 4.2.8

Market Adjusted Abnormal Return for the Individual Stocks on Monthly Return for the year 2009

Month	JET AIRWAYS	KERNEX MICROSYS	PROVOGUE (INDIA)	PUNJ LLYOD	PVR LTD	REPRO INDIA	SHOPPERSTOP	SHREE RENUKA SUGARS	SUZLON ENERGY	TULIP TELECOM
January	-14.7992	5.968893	-36.0327	-33.3489	-11.9551	-20.4626	-28.2712	5.312785	-26.9275	-28.2712
February	-24.6274	-28.1283	-19.3345	-38.4725	-16.484	-14.1946	-12.1562	-3.86636	-18.137	-12.1562
March	28.90761	0.780484	17.01481	-20.2866	2.597042	-0.86842	36.48251	24.02713	13.87242	36.48251
April	29.40331	13.12898	4.712123	24.28172	23.54925	52.17222	33.34364	22.56107	65.11321	33.34364
May	84.96926	21.23994	161.787	42.30298	76.15859	77.63125	42.18344	56.86318	81.48316	42.18344
June	-29.4197	79.91789	-34.1806	104.2421	-9.3335	2.169026	30.49422	7.92803	2.647568	30.49422
July	22.29256	26.78071	19.11363	-0.82877	0.069568	-11.292	16.5757	26.6494	4.238988	16.5757
August	2.80609	-22.5459	26.01448	25.72036	22.56979	12.82595	0.797899	19.49965	-5.46181	0.797899
September	34.1767	7.469989	9.710262	9.633079	24.65728	12.18615	23.02404	8.419408	6.808497	23.02404
October	8.084738	6.362094	-22.4426	8.491084	-22.6881	-23.1219	-22.0248	-12.8424	-34.327	-22.0248
November	25.80533	-28.8995	5.435891	-31.7428	25.66228	2.500473	1.610479	27.28991	24.0774	1.610479
December	22.3023	23.33582	5.43789	5.107018	0.065679	48.89933	-2.63683	-22.4433	18.51402	-2.63683

From the above table (4.2.1 to 4.28) , the year 2006, India info line (46) delivered highest MAAR to investors. Educomp solutions (50) and AIA Engineering (41) has next highest return compare the other. In year 2006, all IPOs earned well. Tulip Telecom (50.00). Sheer renuka sugars (59.00) have delivered highest return. There were few stocks delivered negative return in different months In the year 2006, on an average three months shown the negative return. The year2007, Repro India (59) Renuka sugars (52) has highest return compare the 2006 years. In year 2008 and 2009 has highest volatility, from the understand of range of return level. In long run Educomp solutions, AIA engineering, gave good amount of positive return. Similarly there were majority cases found better in the year 2006, (short run), whereas in the case long run performance was not quite good. There were high volatility and same time good return tell us "fortune favors the brave"

Table 4.3.1

CORRELATION MATRIX

	NIFTY	ABG SHIPYARD	AIA ENGG	ALLSEC TECH	BARTRONICS INDIA	BOMBAY RAYON	EDUCOMP SOLUTION	EVEREST KANTO	HT MEDIA	INDIA INFOLINE	JAIPRAKASH
NIFTY	1	.715(**)	.875(**)	-.165	.878(**)	-.233	.742(**)	.731(**)	.725(**)	.903(**)	.866(**)
ABG SHIPYARD	.715(**)	1	.519(**)	.193	.745(**)	-.357(*)	.331(*)	.664(**)	.769(**)	.763(**)	.583(**)
AIA ENGG	.875(**)	.519(**)	1	-.127	.769(**)	.048	.696(**)	.707(**)	.733(**)	.744(**)	.622(**)
ALLSEC TECH	-.165	.193	-.127	1	-.229	.578(**)	-.724(**)	-.385(**)	.397(**)	-.291(*)	-.392(**)
BARTRONICS INDIA	.878(**)	.745(**)	.769(**)	-.229	1	-.252	.743(**)	.837(**)	.653(**)	.877(**)	.791(**)
BOMBAY RAYON	-.233	-.357(*)	.048	.578(**)	-.252	1	-.433(**)	-.332(*)	.241	-.375(*)	-.473(**)
EDUCOMP SOLUTION	.742(**)	.331(*)	.696(**)	-.724(**)	.743(**)	-.433(**)	1	.774(**)	.260	.785(**)	.801(**)
EVEREST KANTO	.731(**)	.664(**)	.707(**)	-.385(**)	.837(**)	-.332(*)	.774(**)	1	.512(**)	.824(**)	.647(**)
HT MEDIA	.725(**)	.769(**)	.733(**)	.397(**)	.653(**)	.241	.260	.512(**)	1	.673(**)	.448(**)
INDIA INFOLINE	.903(**)	.763(**)	.744(**)	-.291(*)	.877(**)	-.375(*)	.785(**)	.824(**)	.673(**)	1	.891(**)
JAIPRAKASH	.866(**)	.583(**)	.622(**)	-.392(**)	.791(**)	-.473(**)	.801(**)	.647(**)	.448(**)	.891(**)	1

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

* Correlation is significant at the 0.05 level (2-tailed).

Table 4.3.2
CORRELATION MATRIX

	NIFTY	JET AIRWAYS	KERNEX MICROSYSTEMS	PROVOGUE (INDIA)	PUNJ LLYOD INDIA	PVR LTD.	REPRO INDIA	SHOPPERS' STOP	SHREE RENUKA SUGARS	SUZLON ENERGY	TULIP TELECOM
NIFTY	1	.311(*)	.369(**)	.714(**)	.840(**)	.237	-.059	.181	.360(*)	.482(**)	.843(**)
JET AIRWAYS	.311(*)	1	.908(**)	.407(**)	.491(**)	.907(**)	.683(**)	.846(**)	-.206	.839(**)	-.020
KERNEX MICROSYSTEMS	.369(**)	.908(**)	1	.476(**)	.592(**)	.822(**)	.601(**)	.679(**)	-.187	.816(**)	.023
PROVOGUE (INDIA)	.714(**)	.407(**)	.476(**)	1	.852(**)	.394(**)	.071	.229	-.049	.687(**)	.652(**)
PUNJ LLYOD INDIA	.840(**)	.491(**)	.592(**)	.852(**)	1	.453(**)	.203	.233	.114	.679(**)	.684(**)
PVR LTD.	.237	.907(**)	.822(**)	.394(**)	.453(**)	1	.727(**)	.806(**)	-.157	.818(**)	-.103
REPRO INDIA	-.059	.683(**)	.601(**)	.071	.203	.727(**)	1	.448(**)	.107	.414(**)	-.234
SHOPPERS' STOP	.181	.846(**)	.679(**)	.229	.233	.806(**)	.448(**)	1	-.398(**)	.767(**)	-.127
SHREE RENUKA SUGARS	.360(*)	-.206	-.187	-.049	.114	-.157	.107	-.398(**)	1	-.349(*)	.400(**)
SUZLON ENERGY	.482(**)	.839(**)	.816(**)	.687(**)	.679(**)	.818(**)	.414(**)	.767(**)	-.349(*)	1	.176
TULIP TELECOM	.843(**)	-.020	.023	.652(**)	.684(**)	-.103	-.234	-.127	.400(**)	.176	1

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

* Correlation is significant at the 0.05 level (2-tailed).

Interpretation:

Correlation coefficient table shows that all 20 stocks have the good amount of relationship with nifty, India info line has the good positive relationship .903. Allsec technologies, Repro India and Bombay rayon has the inverse relationship with nifty. All the stock performance relates with one to another. Majority stocks correlated with one to another except the few

Table 4.4.1

Model 2: OLS, using observations 1-300
Dependent variable: Average Price -
Independent variable : (v1)Total Foreign Share holding (%) ,
(v2) Total Public and others

	coefficient	std. error	t-ratio	p-value	
const	-745.213	222.798	-3.345	0.0009	***
v1	19.2650	3.51010	5.488	8.70e-08	***
v2	14.3148	3.05258	4.689	4.18e-06	***

Mean dependent var	418.0035	S.D. dependent var	592.4620
Sum squared resid	94738205	S.E. of regression	564.7866
R-squared	0.097322	Adjusted R-squared	0.091243
F(2, 297)	16.01045	P-value(F)	2.49e-07
Log-likelihood	-2325.108	Akaike criterion	4656.217
Schwarz criterion	4667.328	Hannan-Quinn	4660.664

Interpretation:

From the Ordinary Least Squares (OLS) result, overall fit the model Foreign Institutions (V1) public and others (V2) has Causes for change in the IPO market price in significant level. R Square shows the 0.097, it means there is chance to occur changes in 1, the effect in price level probable is 9.7 F value shows the quite normal level.

Table 4.4.2

Model 2: OLS, High Issue Price (Rs250 and above) (6 IPOs) using observations 1-90
Dependent variable: Average Price -
Independent variable : (v4)Total Foreign Share holding (%) .
(v5) Total Public and others

	coefficient	std. error	t-ratio	p-value	
const	802.564	99.2352	8.087	3.29e-012	***
v4	-10.8616	4.92736	-2.204	0.0301	**
v5	-10.6671	5.16630	-2.065	0.0419	**

Mean dependent var	519.7981	S.D. dependent var	401.4729
Sum squared resid	12825973	S.E. of regression	383.9596
R-squared	0.105896	Adjusted R-squared	0.085342
F(2, 87)	5.152074	P-value(F)	0.007680
Log-likelihood	-661.7273	Akaike criterion	1329.455
Schwarz criterion	1336.954	Hannan-Quinn	1332.479

Interpretation:

In high price OLS results shown the R square value 0.105 and F value 5.15, the chances occur in changes in share holding pattern 1 level. share price may change in 10% level. From the overall IPOs, high price results is shown good amount of relationship

Table 4.4.3

Model 1: OLS, using observations 1-207
Dependent variable: Average Price -
Independent variable : (v1) Total Foreign Share holding (%) ,
(v2) Total Public and others

	coefficient	std. error	t-ratio	p-value	
const	292.074	112.594	2.594	0.0102	**
v1	10.7972	3.27230	3.300	0.0011	***
v2	-9.26938	4.84437	-1.913	0.0571	*

Mean dependent var	377.6525	S.D. dependent var	657.6668
Sum squared resid	81539555	S.E. of regression	632.2212
R-squared	0.084856	Adjusted R-squared	0.075884
F(2, 204)	9.457903	P-value(F)	0.000118
Log-likelihood	-1627.202	Akaike criterion	3260.404
Schwarz criterion	3270.402	Hannan-Quinn	3264.447

Interpretation:

In small offering price, has R square is 0.084 it is slightly different from the overall price pattern results. The R square value has 8.4 % changes occur in dependent variable

CHAPTER - V

CONCLUSIONS

Chapter - 5

5.1 Results and Discussions:

- Total of 20 IPOs issues, 14 were well in the first day return concern
- MAAR, there were majority cases found better in the year 2006, (short run), whereas in the case long run performance was not quite good.
- The pricing IPOs mostly over priced during the issues which indicates that the short run performance of IPOs are good.but during the longrun only 2 stocks are performed well.
- As per consitent performance point Aia engineering had good track record of this three years.
- Some of the stock like Punjlloyd, Repro india Ltd had very good insulation agianst market sentiment this stock performed aginst market.
- For an aggressive investors who are looking for high reurn during the upward movements Phase they can choose stocks like Educomp Solutions.
- Share holding pattern change has shown significant impact in the share price movements.
- Share holding pattern has impact in quite level compare the other low and total IPOs performance.
- In relation ship context with nifty concern, three stocks have the negative correlation with nifty among the 20 IPOs.
- Excluding of other factors, may be causes to over all model fit shows not high, to overcome these other related variables added can be give good fit model.

5.2 Conclusion:

There are various features in India which contribute to the under-pricing and are unique by world standards. For one, the delay from issue date to listing date is enormous in India when compared with other countries. Among the other features are the ways the offer price is fixed and the availability of information to lay investors. The offer price is chosen by the firm months before the issue opens and a lack of feedback mechanism means that there is no channel through which the market demand can alter the price. Coupled with the fact that IPOs are sold directly too uninformed investors rather than institutional investors, there is likely to be under-pricing.

Indian primary market had lot of potentials, over all performance of the IPO in listed year yield very good return, but when considering the long run return they have failed to produce the good return. But investors can make use of the market gyration in oreder get maximum return by adjusting their portfolio with defensive stocks. The share holding pattern changes concern, there were found only limited amount of relation with share price movements, from this understood that the share holding pattern changes may also causes for the change in price. Exculisively study about share holding pattern changes, gave an idea significant relationship throughtout the sample period.

APPENDIX

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