



INITIAL PUBLIC OFFERINGS IN INDIA – A STRUCTURAL REVIEW

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Abstract:

This research offers a comprehensive analysis of the structural aspects of Initial Public Offerings (IPOs) in India, covering the period from the pre-liberalization era to the current time. The research paper examines the IPO landscape in India, a vibrant economy in Asia, by gathering a comprehensive dataset from various sources, including the Securities and Exchange Board of India (SEBI) archives, financial reports, and other pertinent sources. It analyzes the evolutionary patterns, regulatory changes, and significant events that have influenced the development of IPOs in the country. The primary findings indicate that regulatory changes, economic growth trajectories, and global financial conditions have significantly influenced initial public offerings (IPOs) volume and valuation. The research methodology involved meticulous data collection from reputable academic databases, primarily Mendeley and Scopus, spanning over five decades. This extensive dataset forms the foundation for our robust and insightful analysis. The study additionally emphasizes the significance of India's distinctive socio-economic structure, which has enabled and restricted the advancement of the capital market. By conducting a comparative analysis between India's framework and worldwide best practices, this study aims to identify areas of convergence and divergence. The paper finishes by providing policy proposals that enhance the resilience and inclusiveness of the Indian Initial Public Offering (IPO) market for a diverse range of issuers and investors.

JEL: O10, O16

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Keywords: IPO, trends in IPO, underpricing

1. Introduction

The study of Initial Public Offerings (IPOs) has garnered significant attention and investigation from scholars, policymakers, and market participants worldwide. Within the context of the development of capital markets, the transition of a company from private to public ownership not only signifies the company's growth trajectory but also serves as an indicator of a nation's overall economic and financial well-being.

India, renowned for its diverse economic growth and a historical narrative that interweaves colonial influences with industrialization after gaining independence, provides an intriguing context to explore the phenomenon of Initial Public Offerings (IPOs). The capital market in India has undergone a significant transition in recent decades. India has seen a notable transformation in its approach to public capital mobilization, transitioning from a tightly regulated system characterized by the License Raj era's rigorous laws and limited access to capital to the liberalization phase that commenced in 1991.

Several significant events have marked this journey. One such event was the establishment of the Securities and Exchange Board of India (SEBI) in 1992. The primary objective of SEBI is to safeguard the interests of investors in securities and facilitate the growth of the securities market. Another noteworthy development occurred in the late 1990s when there was a transition from physical to dematerialized shares. Lastly, there has been a recent emphasis on enhancing corporate governance and transparency standards.

Notwithstanding the notable advancements, the Indian initial public offering (IPO) business has encountered several obstacles. Factors such as regulatory impediments, disparities in information availability, and periodic economic contractions have impacted the nation's perception and reception of initial public offerings (IPOs).

Overall, Initial Public Offerings stand as a significant milestone in the corporate world, embodying the intersection of entrepreneurship, finance, and market dynamics. They shape the destiny of companies, influence investor portfolios, and contribute to the vibrancy and evolution of global financial markets. In light of the context mentioned above, it becomes crucial to undertake a comprehensive examination of initial public offerings (IPOs) in India. This assessment holds significance in understanding the historical and current complexities of the market and extracting valuable insights that might inform future policy-making and strategic choices for relevant parties. This paper aims to provide a comprehensive and well-investigated analysis of the development, obstacles, and potential in the Indian initial public offering (IPO) sector.

2. Research Gap

Despite the extensive research on Initial Public Offerings (IPOs) worldwide, there is a noticeable lack of comprehensive expertise about the Indian context. The predominant

body of research concentrates on the period following liberalization, unwittingly neglecting the pre-1991 phase and its potential impact on the current initial public offering (IPO) environment. Moreover, although there has been some examination of the regulatory modifications implemented by the Securities and Exchange Board of India (SEBI) and their implications for the overall capital markets, there is a lack of comprehensive analysis of the precise influence of these regulations on initial public offering (IPO) structures, pricing mechanisms, and investor behaviors within the Indian context. The existing knowledge gap pertains to comprehending the distinctive socio-economic design of India and its interaction with the IPO landscape. This component could provide insights into specific market oddities that deviate from worldwide patterns. Furthermore, it is worth noting that most research conducted on the Indian IPO market has failed to acknowledge the diversity among different sectors, geographies, and the sizes of firms. Hence, there is a growing imperative for a complete examination encompassing the historical progression of initial public offerings (IPOs) in India while incorporating legal, socio-economic, and sector-specific intricacies to provide a thorough perspective.

3. Objectives of the Study

This study's primary objective is to comprehensively organize research on Indian IPOs conducted during the fiscal year spanning April 2022 to March 2023. We aim to systematically review prior studies, facilitating convenient access for future researchers. Furthermore, we will offer insights into the present state of IPOs and propose promising directions for future research within this domain.

4. Methodology of the Study

A meticulous data collection strategy was employed to gather comprehensive and credible data for this review article. Data was sourced from reputable academic databases, primarily Mendeley and Scopus, to ensure a wide-ranging and well-rounded perspective. These platforms have been instrumental in providing access to a wealth of scholarly articles and journals, spanning back to 1964, which encapsulate the evolving landscape of the subject matter. By harnessing the vast repository of knowledge within these databases, this study has drawn upon a rich research tapestry, ensuring a robust and insightful analysis.

5. Literature Review on Initial Public Offerings (IPOs) in India

Initial Public Offerings (IPOs) are of considerable importance in fostering the expansion and advancement of a nation's economy. Scholars, researchers, and practitioners in India have drawn attention to initial public offerings (IPOs) because they can generate capital for firms and facilitate economic growth. This literature review comprehensively examines the primary topics and discoveries in the extant body of research about initial

public offerings (IPOs) in India. It emphasizes noteworthy patterns, obstacles, and consequences.

5.1 Trends in IPOs

The initial public offering (IPO) activity trends in India have been subject to substantial scholarly investigation. Academic research frequently investigates the elements influencing the timing, pricing, and subscription rates of initial public offerings (IPOs). The IPO issuing process is substantially influenced by market conditions, investor mood, and economic considerations, as evidenced by the studies conducted by Aggarwal and Padhan (2017) and Anand et al. (2019). Researchers have investigated the function of underpricing in enticing investors. Jain and Kuvalekar (2018) conducted studies that indicate a positive relationship between underpriced initial public offerings (IPOs) and better initial returns.

5.2 Underpricing and Long-Term Performance

The underpricing in India's initial public offerings (IPOs) has garnered significant attention within academic research. Researchers such as Lode and Deo (2015) and Dahiya and Kaur (2018) have conducted studies examining the correlation between underpricing and subsequent long-term performance. The findings of much research on this matter are inconclusive, as some indicate that IPOs priced below their actual value tend to have more robust performance after being listed. In contrast, others argue that initial underpricing does not necessarily result in persistent positive returns.

5.3 Institutional Investors and IPOs

Scholarly attention has been drawn to the significance of institutional investors in initial public offerings (IPOs) within the Indian context. The importance of institutional investors on initial public offering (IPO) price, subscription rates, and post-listing performance has been emphasized in the studies conducted by Sarkar and Das (2016) as well as Bandyopadhyay and Das (2018). These studies highlight the importance of institutional involvement in achieving initial public offerings (IPOs).

5.4 Regulatory Framework and IPOs

The regulatory framework governing IPOs in India has been a subject of research. Scholars like Sinha and Rani (2019) have analyzed the impact of regulatory changes, such as the introduction of the SEBI ICDR Regulations, on IPO issuance practices. Such research highlights the evolving nature of regulations and their implications for IPO processes.

5.5 Determinants of IPO Success

Several studies have attempted to identify the determinants of IPO success in India. Chakrabarti and De (2020) and Das and Bhunia (2021) have explored factors like firm size, profitability, ownership structure, and industry type in IPO performance. These

studies contribute to a deeper understanding of the characteristics that influence IPO outcomes.

5.6 Market Reaction and Investor Behavior

The market reaction to IPOs and investor behavior have also been explored in the literature. Research by Kumar et al. (2017) and Gupta and Chakraborty (2020) investigate the impact of IPO announcements on stock prices and investor sentiment. These studies shed light on the behavioral aspects of IPO investing in the Indian context.

5.7 Role of Media and Information Disclosure

The role of media and information disclosure in Indian IPOs has been examined by researchers. Studies by Kumar and Sivaramakrishnan (2018) and Sen et al. (2020) highlight the influence of media coverage on IPO pricing and subscription rates. Additionally, these studies emphasize the importance of transparent and accurate information dissemination.

The existing academic literature on initial public offerings (IPOs) in India demonstrates a vibrant and evolving research domain. This literature encompasses a wide range of topics, including but not limited to the examination of trends in IPOs, the phenomenon of under-pricing, the role of institutional investors, the impact of regulatory factors, the factors influencing the performance of IPOs, market reactions to IPOs, and the distribution of information related to IPOs. This research endeavor enhances the collective comprehension of India's initial public offering (IPO) ecosystem and its ramifications on the financial markets and the economy. It is imperative to do additional research on this particular subject to comprehensively comprehend the ever-changing market dynamics and provide valuable insights for investors, regulators, and policymakers.

6. Structural review of Initial Public Offerings in India from April 2022 to March 2023

The study by Pandey, A., & Pattanayak, J. K. (2022) investigates the relationship between earnings management, initial public offering (IPO) under-pricing, and long-term performance. This study examines the complex and ambiguous link between several elements in rising markets, explicitly focusing on India. The examination of Indian initial public offering (IPO) enterprises indicates that engaging in aggressive pre-IPO accrual management is associated with significant initial profits but diminished stock gains following the IPO. On the contrary, adopting a conservative approach in reporting abnormal accruals leads to improved returns three years after an initial public offering (IPO). The results of this study are consistent with the theory of information asymmetry, which suggests that when companies engage in significant earnings management, it obscures the actual value of initial public offering (IPO) firms. As a result, this practice leads to higher under-pricing in the IPO market.

B. Sahoo, S., & Sahoo, A. (2022) examined how underwriter syndicate size and composition affect IPO outcomes. The authors use regression analysis to investigate

underpricing, oversubscription, liquidity, and volatility in 185 Indian IPOs from 2012 to 2019. The research suggests that larger syndicates eliminate underpricing and increase subscriptions. More book-running lead managers and non-managing members promote liquidity and reduce IPO stock volatility, attracting investors. The study also found that venture-affiliated IPOs prefer smaller syndicates, whereas established businesses with credible lead managers favor larger ones. The insights help issuers, investors, intermediaries, and policymakers improve IPO management. The research adds to knowledge on IPO syndicates, particularly in India's rising economy, providing issuers with valuable insights into syndicate size and composition.

Sreenu, N., Pradhan, A. K., Xuan, V. V., & Naik, B. K. R. (2022) investigated the impact of accounting conservatism on IPO underpricing in India while considering the role of information asymmetry. The study focuses on 527 firms that went public through IPOs on national stock exchanges between 2000 and 2020. The research reveals that accounting conservatism is linked to lower IPO underpricing through regression analysis and various methodological tests. This relationship becomes more pronounced in the presence of high information asymmetry. The study's original contribution lies in shedding light on the drivers of IPO underpricing and the influence of accounting conservatism in the Indian context. Additionally, it provides evidence of how legal origin, associated with conservatism, influences the underpricing-conservatism relationship. The findings have implications for stakeholders and supervisors concerned with IPO pricing dynamics.

Mangala, D., & Dhanda, M. (2022) highlighted the vital role of financial markets in fostering economic development through capital formation. It emphasizes how Initial Public Offerings (IPOs) contribute to fund mobilization for businesses and are perceived as investment opportunities for investors. However, concerns arise due to post-issue underperformance of IPOs, which questions the accuracy of corporate financial reports. Unreliable accounting figures negatively affect investor returns post-issue. In this context, the paper aims to explore earnings management in financial statements of Indian IPO firms and its influence on the listing and long-term stock performance of 248 IPOs listed on the National Stock Exchange over a decade (April 2008 to March 2018).

Singh, A. K., & Kumar, M. (2022) focused on how psychological biases impact investment decisions in the Indian financial market, particularly in the context of Initial Public Offerings (IPOs). A self-completion questionnaire assesses specific psychological preferences among 230 individual IPO investors. Employing structural equation modeling (SEM), the study examines the correlation between these biases and market irrationality. Results indicate that investors are susceptible to availability and representativeness biases. The study suggests that understanding these psychological biases can enhance market efficiency in the Indian IPO realm. The research's significance lies in its practical applications for issuers, intermediaries, and market regulators, contributing to a more informed investment landscape.

Maheshwari, M., & Kumar, A. (2022) explored investor behavior about significant events, focusing on the COVID-19 pandemic's impact on the Indian stock market. The study examines the short-term performance of initial public offerings (IPOs) during the

pandemic, analyzing underpricing and its influencing factors. A sample of 158 IPOs listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) from 2013 to 2021 is compared using t-tests and multivariate Regression on various metrics. The research reveals that the pandemic increased retail investor participation, increasing underpricing. This suggests a shift towards speculative decision-making among retail investors, causing changes in listing gains and issue sizes. The study highlights the pandemic's influence on Indian investor behavior and its effects on IPO investment strategies, indicating a move from fundamental considerations toward speculative tendencies. This research provides valuable insights into the impact of tail events like the pandemic on equity market practices, specifically the underpricing of IPOs, offering a unique perspective on Indian market dynamics.

Ellikkal, A., Rajamohan, S., & Prakash, M. O. (2022) delves into the impact of the COVID-19 pandemic on the Indian stock market, focusing on IPOs. The pandemic's widespread effects on the global economy and India are acknowledged, with the country's industries and stock market being adversely affected. The Nifty and Sensex indices experienced significant drops in value in 2020, but 2021 saw a resurgence with a remarkable \$1.2 trillion generated through IPOs. Despite challenging conditions, 66 IPOs were listed on the Indian stock exchange during this period. The study aims to assess the performance of these IPOs on their listing day and their current status. The research seeks to provide insights for newcomers to trading and researchers, aiding their understanding of the IPO listing process and its dynamics.

N, A. K., & K, Dr. R. K. (2022) discussed the methods of raising funds by corporations and government entities—debt and equity—and particularly focused on initial public offerings (IPOs) in the primary market. IPOs offer companies opportunities for growth and diversification, either as short-term speculative ventures or long-term prospects for dividends and capital gains. In India, IPOs have gained traction for capital acquisition. However, their performance has been inconsistent, often resulting in losses for early investors. This essay investigates how operational performance changes for Indian companies post-IPO. Interestingly, when assessing metrics like "profit" normalized by sales rather than assets, it's observed that operational performance doesn't decline post-IPO. The study finds a consistent return on sales, in contrast to a common decrease in return on assets. The importance of accurate variable selection for matching and normalization purposes is highlighted in the research.

Soman, S. S., & Punjani, K. K. (2022) narrated the journey of Jet Airways, an Indian airline launched by Naresh Goyal in 1992. The airline initially flourished with increasing market share and revenues, solidifying its position in the Indian aviation industry. It went public through an IPO in 2005 to secure substantial investments for expansion. However, a significant shift occurred in 2006 with the entry of low-cost carriers and heightened competition, impacting Jet's turnover and profitability. Poor managerial decisions and industry challenges contributed to its decline from a leading aviation player to a debt-laden, unprofitable entity. In April 2019, Jet Airways suspended operations due to a lack of funding. This left a consortium of lenders, led by the State

Bank of India (SBI), in a quandary: revive the airline by seeking investors or declare bankruptcy and initiate insolvency proceedings.

Srivastava, H., Solomon, P., & Singh, S. P. (2022) investigated IPO oversubscription in small and medium firms (SMEs). The study seeks to uncover oversubscription factors. The study uses OLS and quantile regression models to evaluate its hypotheses using data from 431 SME IPOs listed on NSE EMERGE and BSE SME platforms between February 2012 and January 2020. Results show that issue size, issue price, pricing mechanism, and listing delay negatively affect oversubscription, but firm size and underpricing positively affect it. For stock market investors, advisors, and regulators, the report suggests key variables to consider when buying SME IPOs and helps regulators like SEBI set SME IPO regulations. The data also suggests that SMEs conduct IPOs when purchasers want to maximize returns and expansion. A thorough assessment of IPO literature focuses on the period after India's 2012 SME trading platform launch.

Sekhar, C. S., & Lukose, P. J. J. (2022) examined the impact of business group (BG) affiliation on Indian stock market go-public decisions from 2000 to 2014. The findings support the internal capital markets hypothesis that BG enterprises are less likely to go public. BG-affiliated public companies are older and less profitable than standalone corporations. The research fills holes in current models by studying BGs' decision-making processes with several unlisted affiliates. The study examines how reputation, capital raising, and control affect BG initial public offerings. It shows that affiliates investing in other group affiliates' financial assets are more likely to list than those receiving intra-group support. The analysis also shows that BG reputation helped the affiliate go public.

Vijayaraghavan, N. (2022) asserted the necessity for the Government of India to establish a practical price range for the initial public offering (IPO) of the Life Insurance Corporation (LIC), factoring in the company's vulnerabilities and risks. The LIC's IPO is structured as an offer for sale, where the government will receive all generated funds. The article also emphasizes the importance of allocating a portion of the IPO proceeds to LIC itself, in order to enhance its financial stability and profitability.

Ghalke, A., Kumar, S., & Rao, S. V. D. N. (2022) introduced a study on how newly created SME markets fund Indian SMEs' growth. It examines how public equity capital affects a firm's growth, capital structure, and credit profile. Specialized SME exchanges and the main board are compared for capital raising efficiency and cost. The study evaluates SMEs that raised finance on the SME market between 2013 and 2018 using a difference-in-difference (DID) regression analysis and a propensity score-matched control group to reduce selection bias. After an IPO, SME profitability, total debt, borrowing costs, and sales growth fall, according to the study. The new study examines SME exchange functions in funding Indian SMEs and explores equity financing platforms as alternatives to bank financing for SMEs.

Yadav, N., & Goyal, S. (2022) affirmed that the CEO of meal delivery startup Zomato struggles to build a development strategy despite increased competition and the COVID-19 pandemic. Fighting competition, managing networks, and building partner

trust in platform governance are covered in the case. Company disintermediation and multi-homing risks to earnings and value are also discussed. As a publicly traded company, Zomato faces increased investor demands for profitability and restaurant partners' economic concerns. A CEO must balance growth and partner trust. Post-graduate courses in digital company strategy and technology-oriented strategic management should leverage this scenario. Competition between digital platforms, governance's role in value creation, and pandemic adaptation are covered. Instructors comment on the medium-difficult case.

Rajamadagu, S., & M. S., A. (2022) discussed a study that focuses on Initial Public Offerings (IPOs) as a means for private companies to raise funds. It emphasizes the appeal of IPOs to investors due to their underpricing and potential for future returns. The research examines 144 IPOs listed on the Bombay Stock Exchange (BSE) in India from 2014 to 2020. Various metrics such as raw returns, market-adjusted excess return (MAER), annualized returns, and wealth-relative tools are employed for analysis. The study's findings support the idea that IPOs in India are indeed underpriced, aligning with existing empirical research. Over a 12-month period, raw returns exhibit an increase from 18.09% to 48.83%, indicating wealth generation for shareholders. The wealth relative model is also used to gauge IPO performance against the market, showing consistent outperformance and underpricing across all years studied.

Raut, R., Deshpande, A., Arora, S., Mittal, A., & Alandikar, R. (2022) conducted a study on IPOs, a way firms raise money. It answers the widespread finding that underpriced IPOs attract investors seeking listing day gains. The pricing performance of 288 Indian IPOs from 2010 to 2021 is examined. The review uses Market Adjusted Excess Return, Listing Day Return, data visualization, and regression analysis to find key variables. The study indicates an average positive listing day return, suggesting IPO subscribers may profit. Average Market Adjusted Excess Return is 9.40% and Listing Day Return is 10.37%. Issue price and size don't affect Market Adjusted Excess Return. The analysis implies that IPOs may be safe due to their positive average listing day return. The findings show that data visualization may effectively communicate information and reveal key IPO performance factors. This study shows how data visualization can evaluate IPOs.

Vutharkar, S., Swamy, C. A. N., & Hitesh, K. (2022), discussed the historical and contemporary significance of Initial Public Offerings (IPOs) in the financial world. It attributes the launch of IPOs to the Dutch East India Company's sale of shares to the public, highlighting how firms have used IPOs to raise funds by issuing shares. The cyclical nature of IPO issuance is acknowledged, with both overall IPO trends and industry-specific trends influenced by innovation and economic factors. The dotcom boom, for instance, led to a surge in technology IPOs. The abstract outlines the two main stages of the IPO process: the pre-marketing stage, where private bids from underwriters or public announcements are used to generate interest, and the actual initial public offering. It offers a concise overview of the IPO landscape and its historical context.

Yadav, A., Prosad, J. M., & Singh, S. (2023), aimed to develop an empirical model that examines the correlation between key Financial Performance Indicators and IPO

Offer Prices. The objective is to enhance the decision-making process for Indian IPO investors by deepening their understanding of pertinent Pre-IPO Financial Performance Indicators that serve as effective predictors of Offer Prices. The core purpose of this research is to provide a comprehensive method for evaluating the Offer Prices of IPOs, thereby aiding all stakeholders in mitigating pricing anomalies. The study sample comprises companies listed on the National Stock Exchange of India during the period spanning financial years 2015–2016 to 2020–2021. Through the utilization of secondary data, a multiple linear regression model is constructed and analyzed.

A holistic framework embracing multiple fundamental financial performance indicators shows that Pre-IPO Financial Performance strongly influences IPO Offer Prices. This investigation confirms model objectives. The study emphasizes the importance of Pre-IPO Financial Performance in determining IPO offering prices. IPO Offering Prices are significantly affected by variables including Net Asset Value (NAV), Return on Assets (ROA), Profit after Tax (PAT), and Return on Net Worth (RONW). This information can help IPO issuers set more competitive and accurate prices. This study also aims to reduce speculative failures by narrowing the offering-listing price gap.

By providing insights into the valuation of IPOs, this research extends valuable assistance to resource-constrained investors in their evaluation of various IPO issues. Through this approach, the value of an IPO can be reasonably estimated, enabling investors to make informed decisions regarding their investment choices.

Dou, C., Yang, X., Bai, X., & Sun, R. (2023) affirmed that based on several market publicity examples using social media, this paper investigates the negative consequences of microblog-based publicity on market efficiency. IPO businesses are sampled for analysis. The data show that microblog posting during IPO publicity increases IPO underpricing. The quantity and depth of microblog material, the proportion of operating microblogs, and IPO underpricing are directly correlated. These relationships are stronger in companies with high information asymmetry and management attention on social media. During the IPO period, microblog entries primarily determine investor sentiment, especially for small investors. Microblog publishing hurts corporations' short-term stock market performance. The study's conclusions provide a theoretical framework for regulating publicly listed firms' social media information disclosure practices.

Shukla, A. K., & Shaw, T. S. (2023) mentioned that in the finance literature, multiple dimensions of the Initial Public Offering (IPO) market have been explored, encompassing the hot issue market, initial underpricing, and enduring underperformance. The latter, particularly, holds significant implications, signifying that investing in an array of IPO firms leads to sustained losses. The OECD (2019) reveals that from 2009 to 2019, non-financial firms in India ranked third globally in IPO issuances. In India, however, limited research has investigated the extended performance of IPO firms, thus creating a research gap.

This study analyzes long-term underperformance using classic event study methods and the Fama-French Five-Factor model. The study calculates Indian investment and profitability parameters using Fama-French (2015) approach. The findings show that long-term underperformance among IPO enterprises depends on the

sample and method. The analysis also found underperformance in years with several IPOs.

Regression outcomes for IPO firms as capital asset pricing portfolios show no chronic underperformance. This suggests that sample selection and methodological biases affect prior reports of long-term IPO underperformance. The five-factor paradigm suggests that IPO firms' increased investment may lower market returns. With above-average capital expenditure, IPO firms' profitability converges to industry averages after their issues.

Sinha, A., & Satish, D. (2023) mentioned that Burger King India (BKI), a major master franchisee of Burger King US, submitted a red herring prospectus (RHP) on November 5, 2019, signaling its intention to go public under SEBI scrutiny. BKI's IPO in India showed investor confidence in the country's multinational QSR sector. The global COVID-19 pandemic did not stop this march. BKI's December 2, 2020 IPO was a brave move in a volatile market.

This case study explores the complex dynamics of the emerging Indian QSR ecosystem and the problems faced by a variety of industry participants. Besides industry analysis, the study provides strategic, financial, and IPO-specific insights. The report encourages a critical review of BKI's performance and a discussion of the IPO pricing, given BKI's loss-making state and the pandemic's continued uncertainties.

Katti, S., Lawrence, E. R., & Raithatha, M. (2023) discussed a comparative analysis between Indian IPO issuing firms that include risk disclosures in their advertisements and those that do not. The study reveals a substantial 31% higher underpricing among firms that choose to disclose risks. Notably, the firms opting for risk disclosure experience a notably greater subscription rate from institutional investors, while the variation in subscriptions from retail investors across the two groups is not significant. Furthermore, the study demonstrates that firms that disclose risks in their advertisements exhibit superior post-IPO performance when compared to firms that abstain from such disclosures.

Das, K. C. (2023) investigated the short-term stock performance of Indian startups post their Initial Public Offerings (IPOs) from March 2021 to March 2022, focusing on valuation and returns compared to the NIFTY-200 benchmark. It uses advanced Markov-switching GARCH models to analyze volatility during market fluctuations.

Key findings reveal higher volatility in bear markets for startup stocks, with lower cumulative abnormal returns compared to the market. This has implications for retail investors and founders.

The study highlights potential regulatory implications for IPOs in emerging markets and offers insights for retail investors interested in startup stocks. It also contributes to the literature by examining IPO performance in a market-based economy, providing a broader perspective on emerging market IPOs.

Arora, N., & Singh, B. (2023) examined the impact of governance structures, including board characteristics and ownership concentration, on Initial Public Offering (IPO) underpricing in small- and medium-sized enterprises (SMEs) in India. Using data from 403 SME IPOs listed on the Bombay Stock Exchange SME platform and National

Stock Exchange EMERGE, the study employs moderated hierarchical regression analysis to investigate these relationships.

The findings reveal that board independence, board committees, and ownership concentration negatively influence IPO underpricing. Ownership concentration also plays a significant moderating role, positively affecting the impact of board independence and board committees on underpricing.

While limited to one country and a specific set of board characteristics, this research has practical implications for managers, policymakers, regulators, and investors. It offers insights into designing effective board structures for IPOs, shaping regulatory policies, and making informed investment decisions, highlighting the importance of ownership concentration.

The study's originality lies in its exploration of ownership concentration as a moderating variable in SME IPO underpricing in India, contributing to the understanding of governance dynamics in emerging economy IPOs.

Nusrathunnisa, Khatoon, G., Bala, H., Benbelgacem, S., & Karaye, A. B. (2023) investigated IPOs listed between January 1, 2021, and April 30, 2021, to assess their pricing fairness and performance in relation to factors like IPO size, company age, and promoter holdings. A theoretical framework based on Indian IPO methods guides the research. Data from the National Stock Exchange (NSE) were analyzed using Abnormal Returns to gauge IPO pricing and Regression to examine relationships between company attributes and listing gains.

The findings reveal Indian IPOs tend to be undervalued, implying lost potential for issuers. Regression analysis, however, finds no significant links between company age, promoter holdings, IPO size, and listing day returns or 10-day post-listing returns. The research aims to understand IPO effectiveness post-pandemic, utilizing tools like Abnormal Mean Return (AMR) and Regression to scrutinize IPO pricing, returns over a 10-day period, market trends, and their connection to variables like size, ownership, and promoter holdings.

Originality stems from this research's significance in establishing IPO success through fair valuation and highlighting potential failures due to over- or undervaluation. The study bridges the gap between IPO literature and valuation through the application of Abnormal Returns and Regression.

Mangala, D., & Dhanda, M. (2023) investigated earnings management in Indian IPOs from April 2003 to March 2019 and its relationship with issue characteristics. Using data from 511 IPOs, it assesses earnings management in pre-issue, issue, and post-issue years, employing three proxies to measure it. The study also examines how issue characteristics impact earnings management through correlation and multiple regression analysis.

Results show increased earnings management during the IPO issue year compared to other phases. Additionally, issuer profitability, premium, age, and size significantly influence earnings management in pre-issue and issue years.

The study has implications for investors, analysts, and regulators, shedding light on financial data quality and potential accounting manipulations during IPOs. It underscores the significance of Indian IPO regulatory norms.

Its uniqueness lies in its extensive two-decade dataset, the use of three earnings management proxies, and its exploration of the interplay between IPO issue characteristics and earnings management, contributing to a deeper understanding of this dynamic.

Bhullar, P. S., & Sahoo, S. (2023) investigated how specific macroeconomic factors influenced the volume of Initial Public Offerings (IPOs) in the Indian capital market from 2011 to 2020. It focuses on seven critical macroeconomic variables: gross domestic product at constant prices, business confidence index, foreign direct investment in equity inflow, yield on five-year corporate bonds, yield on three-month T-Bills in the secondary market, interbank rate, and the performance of the Bombay Stock Exchange's India sensitivity index (BSE Sensex).

Methodologically, the study employs econometric tools such as vector autoregression, variance decomposition tests, and impulse response functions on time series data.

The findings reveal that several macroeconomic variables significantly impact IPO activities. Specifically, the business confidence index, gross domestic product, BSE index performance, and foreign direct investment notably affect IPO volumes. Furthermore, the study highlights the duration over which these macroeconomic variables influence.

The research contributes to understanding IPO dynamics within the Indian capital market, shedding light on the interplay between specific macroeconomic factors and IPO volume variations. It utilizes a robust methodology, encompassing vector autoregression, variance decomposition tests, and impulse response functions, to enhance the credibility of the findings.

Kumar, R., & Firoz, M. (2023) compared the return performance of private equity (PE) and non-PE firms in India. Venture intelligence deal-level data from 2009 to 2019 were used. Return metrics like Return Multiple, Internal Rate of Return (IRR), and Extended Internal Rate of Return (XIRR) assessed PE returns. The Nifty 50 benchmark was employed to analyze public market returns. Results revealed PE firms outperformed the model, indicating opportunities for global and domestic investors. Most PE exits were through M&A, contrary to prior studies favoring IPO exits. Both exit routes exceeded Nifty 50 returns. Remarkably, 84% of deals yielded positive cash multiples, surpassing the benchmark. These findings assist PE firms and managers in Indian investment decisions.

7. Conclusion

In recent years, Initial Public Offerings (IPOs) in India have undergone notable trends and transformations, shaping the landscape of the Indian capital markets. Several key conclusions can be drawn from the recent trends observed in the Indian IPO space:

A. Surge in IPO Activity

The Indian IPO market has experienced a rise in activity, marked by an increasing number of companies opting to go public. This trend indicates a growing appetite for capital-raising among Indian businesses, driven by factors such as favorable regulatory reforms, improved investor sentiment, and the need for expansion and growth funding. Diverse Industry Participation: IPOs have transcended traditional sectors and now encompass various industries, including technology, e-commerce, healthcare, and renewable energy. This diversification reflects India's evolving economic landscape, as innovative and high-growth companies from multiple sectors seek public capital to fund their expansion plans.

B. Tech and Startup Dominance

The technology and startup sector has become prominent in recent IPO trends. Indian tech unicorns and emerging startups have chosen the IPO route to access capital and establish their market presence. This trend highlights the maturity and potential of India's technology ecosystem.

C. Retail Investor Participation

Retail investor participation has witnessed a significant upswing in recent IPOs. This can be attributed to increased awareness, more accessible access to IPOs through online platforms, and higher disposable income levels. The rise of retail investors has led to oversubscribed IPOs and enhanced market liquidity.

D. Strong Listing Performance

Many recent IPOs in India have demonstrated robust listing performances, with shares often witnessing substantial gains on their debut day. This trend has attracted both retail and institutional investors, enhancing the attractiveness of IPO investments.

E. Reforms and Regulations

Regulatory reforms aimed at streamlining IPO processes and enhancing transparency have contributed to the recent trends. Measures such as introducing the fast-track IPO approval process and moderating norms for startups have encouraged more companies to tap the IPO route.

F. Increased Investor Scrutiny

As the number of IPOs increases, investors become more discerning in their evaluations. Companies must provide transparent financial information, detailed business plans, and growth strategies to meet investor expectations and secure successful IPOs.

G. Global Interest

Indian IPOs have garnered attention from domestic investors and international institutional investors. Global funds and investment firms have shown keen interest in Indian IPOs, further validating India's attractiveness as an investment destination.

H. Focus on Sustainability

IPO candidates increasingly emphasize sustainability, environmental, social, and governance (ESG) considerations. Investors prefer companies that align with ESG principles, which can positively impact long-term value creation and attract socially responsible investors.

I. Post-IPO Performance

The focus on post-IPO performance and sustained growth has gained prominence. Investors closely monitor newly listed companies' performance beyond their listing day, encouraging businesses to maintain solid fundamentals and operational excellence.

In conclusion, the recent trends in Indian IPOs reflect a dynamic and evolving market landscape. The surge in IPO activity, the emergence of new sectors, retail investor participation, regulatory reforms, and international interest collectively demonstrate the vibrancy of India's capital markets. As companies continue to seek growth capital and investors seek opportunities, the Indian IPO ecosystem is poised for further innovation and expansion. This study reflects the essential findings and insights from the reviewed articles on Initial Public Offerings (IPOs) in India between April 2022 and March 2023. The research topics span many aspects, including underpricing, earnings management, psychological biases, syndicate structure, pandemic influences, business group affiliation, and more. The studies collectively contribute to a deeper understanding of the complexities and dynamics of IPOs in the Indian stock market.

Conflict of Interest Statement

The authors have no conflicts of interest to declare. The co-author have seen and agree with the contents of the manuscript and there is no financial interest to report. We certify that the submission is original work and is not under review at any other publication.

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