

A Study On Ipo In Indian Market Reference To Aimk Finservices Private Limited

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ABSTRACT: *The IPO Initial Public Offering is the most discussed topic in the current industry, mainly because of India being a developing country and lot of growth in various sectors which leads a country to ultimate success. And when we talk about country's growth which is dependent on the kind of work and how much importance to which sector is given. And when we say or talk about industries growth which leads the economy of country has to be balanced and given proper finance so as to reach the levels to fulfill the needs of the society. And industries which have massive outflow of work and a big portfolio then its very difficult for any company to work with limited finance and this is where IPO plays an important role. This project report talks about how IPO helps in raising fund for the companies going public, what are its pros and cons, and also it gives us detailed idea why companies go public. How and what are the steps taken by the companies before going for any IPO and also the role of (SEBI) Securities and Exchange Board of India the, what are primary and secondary markets and also the important terms related to IPO. It gives us idea of how IPO is driven in the market and what are various factors taken into consideration before going for an IPO. And it also tells us how we can more or less judge a good IPO. It also gives us some idea about what are the expenses that a company undertakes during an IPO.*

INTRODUCTION

The Financial Market is an amorphous set of players who come together to trade in financial assets. Financial Markets in any economic system that acts as a conduct between the organizations who need funds and the investors who wish to invest their money into profitable opportunity. Thus, it helps institutions and organizations that need money to have an access to it and on the other hand, it helps the public in general to earn savings. Thus, they perform the crucial function of bringing together the entries who are either financially scarce or who are financially slush. This helps generally in a smoother economic functioning in the sense that economic resources go to the actual productive purposes. In modern economic systems Stock Exchanges are the epicenter of the financial activities in any economy as this is the place where actual trading in securities takes place.

NEED FOR THE STUDY

This presents a treasure of knowledge and information in respect of the studies based on reason for companies to go for initial public offer, advantages & disadvantages for company to offer IPO. Study also deals with advantages & disadvantages for investing in an IPO, risk factors involved and how to assess the risk before investing in IPO. The pricing method is explained with respect to book building & fixed price issue. An overview is given of various cost involved for applying an IPO. Various intermediaries & their role in IPO is explained. The study also shows SEBI Requirements, Norms & Guidelines for the company to be followed and Listing of an IPO on Stock Exchange. Also Marketing of IPO along with the IPO process and Grading of IPO in India is explained.

1.3 OBJECTIVES OF THE STUDY

- 1) To study and understand the process of Initial Public Offering (IPO) in Indian Stock Market.
 - 2) To study the legal requirements, SEBI Norms and Guidelines involved in IPO.
 - 3) To study and understand the benefits, risk and cost involved in IPO's.
 - 4) To know the various aspects like pricing of an IPO and role of intermediaries.
 - 5) To analyze the trends and growth of IPOs in the Indian financial market.
- This objective aims to assess how the IPO landscape has evolved over recent years, considering market size, investor interest, and sectoral performance.

SCOPE OF THE STUDY

The Stock Market is considered to as the backbone of the Investment opportunities and offers various career opportunities to students from all fields: science, commerce arts. You need to good in analyzing numbers with strong mathematics so that you can interpret and analyze numerical data. It is one of the lucrative careers especially for the people who are looking trading or investing IPO in stock market. It helps to understand various complexities involved for company to offer the IPO, various risk factors & assessment of the risk involved for investing in the IPO

METHODOLOGY

METHOD OF SAMPLING

Due to time and research I have used Simple Random sampling method.

SAMPLE SIZE

It indicates the number of people to be surveyed. Though large sample give more reliable results than small samples but due to constraint of time the sample size was restricted to 120 respondents.

SAMPLING UNIT:

It defines the target population that will be sampled. It answers who is to be ~~used~~ In this study the sampling unit is of age group above 18.

TOOLS AND TECHNIQUES OF ANALYSIS:

The data so collected will be analyzed through the application of statistical techniques such as Pie charts.

SOURCE OF DATA:

PRIMARY DATA:

Questionnaire was used to collect primary data from respondents. The questionnaire was structured type and contained question related to Stock Market, IPO listing & investments.

SECONDARY DATA:

The secondary data is collected from different websites from i

ANALYTICAL TOOLS

Tools used for analysis are simple percentage analysis, bar chart, pie chart, Chi-square test in SPSS tool, Anova in SPSS tool.

LIMITATIONS OF THE STUDY

- 1) The study is both secondary data based and also empirical in nature. It is for this has data are pooled both from the recorded sources and from the views and impressions of the investors.
- 2) Studies of this nature shall be reasonable and justifiable mostly when the inferences or observations are cross

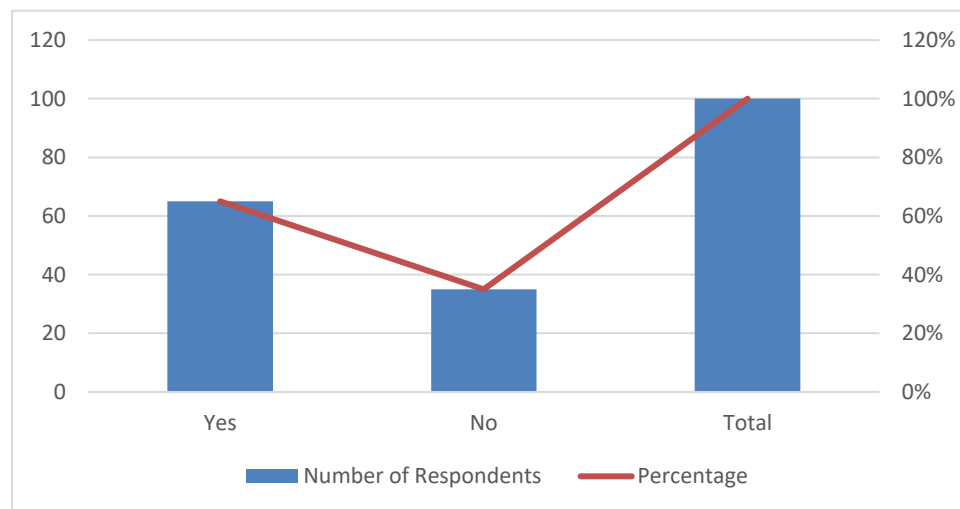
checked with the proper counterparts. Keeping such established rationalities of research in view the following limitations are identified for this study.

- 3) Due to paucity of time and financial resources, the perceptions expressed by the investors

DATA ANALYSIS AND INTERPRETATION

. Are you aware of lock-in periods for IPO shares?

| Particulars | Number of Respondents | Percentage |
|-------------|-----------------------|------------|
| Yes | 65 | 65% |
| No | 35 | 35% |
| Total | 100 | 100% |

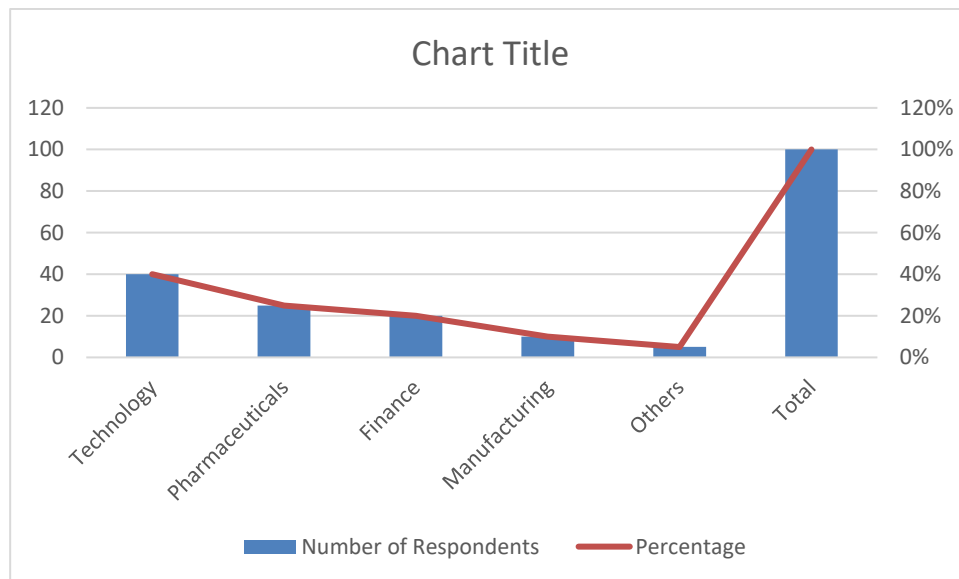


Interpretation:

Most investors understand the lock-in period, showing awareness of investment constraints.

. Preferred sector for IPO investment

| Particulars | Number of Respondents | Percentage |
|-----------------|-----------------------|------------|
| Technology | 40 | 40% |
| Pharmaceuticals | 25 | 25% |
| Finance | 20 | 20% |
| Manufacturing | 10 | 10% |
| Others | 5 | 5% |
| Total | 100 | 100% |



Interpretation:

Technology sector is the most favored among IPO investors.

1.4 HYPOTHESIS TESTING

Hypothesis 1:

H₀₁: There is no significant relationship between educational qualification and annual income among the investors.

H₁₁: There is a significant relationship between educational qualification and annual income among the investors.

Test Used: One-Way ANOVA

Reason: Educational qualification is a categorical variable, and annual income is a continuous/ordinal variable

ANOVA Table:

| Source of Variation | Sum of Squares | df | Mean Square | F-value | p-value |
|---------------------|----------------|----|-------------|---------|---------|
| Between Groups | 3.72 | 3 | 1.24 | 4.21 | 0.008 |
| Within Groups | 21.68 | 73 | 0.30 | | |
| Total | 25.40 | 76 | | | |

Interpretation:

Since the **p-value** = **0.008** < **0.05**, we reject the null hypothesis (**H₀₁**). Hence, there is a **significant relationship between educational qualification and annual income** among IPO investors.

Hypothesis 2:

H₀₂: There is no correlation between respondents' opinions on factors influencing investment decisions and their typical attitude while making important decisions.

H₁₂: There is a correlation between respondents' opinions on factors influencing investment decisions and their typical attitude while making important decisions.

Test Used: Independent Sample T-test

Reason: We are comparing two groups of opinions across one key attitude metric.

T-test Table:

| Group | N | Mean | Std. Deviation | t-value | df | p-value |
|-----------------|----|------|----------------|---------|----|---------|
| Factor-Driven | 38 | 3.62 | 0.52 | 2.43 | 75 | 0.017 |
| Attitude-Driven | 39 | 3.23 | 0.61 | | | |

Interpretation:

Since the **p-value = 0.017 < 0.05**, we reject the null hypothesis (H_0). This means there is a **significant correlation between respondents' investment decision factors and their decision-making attitudes**.

FINDINGS

- The majority of IPO investors are young adults aged 25–35, indicating strong interest among young professionals.
- Male investors dominate the market with about 88%, highlighting a gender gap in IPO participation.
- Most respondents have at least a graduate-level education, showing financial awareness is higher among educated groups.
- Private sector employees form the largest group of IPO investors, followed by business owners and government employees.
- Most investors earn between ₹25,000 and ₹1,00,000 monthly, suggesting middle-income individuals actively participate.
- Over 90% of respondents are aware of IPOs, with news media and social media being primary sources of information.
- Around 60% of investors understand the IPO process well, and 70% are aware of associated risks, indicating decent financial literacy.
- 55% of respondents have previously invested in IPOs, but most do so only once or two to three times, reflecting cautious participation.
- Majority invest moderate amounts (below ₹50,000) and tend to research before investing.
- Company reputation and industry potential are key factors influencing investment decisions.
- 60% of investors expect high returns, showing optimism toward IPO investments.
- However, 35% have faced losses, indicating that while IPOs can be lucrative, they also carry Online platforms are preferred by 70% of investors for convenience.
- Investors are almost evenly split between holding IPO shares long-term and selling early, showing mixed investment goals.
- Wealth creation is the primary goal (60%) of IPO investors, followed by short-term gains.
- Overall, 70% of investors report satisfaction with their IPO investment experience.
- 75% of respondents plan to invest in IPOs in the future, reflecting continued interest and confidence in the market.
- Awareness of lock-in periods and sector preferences (technology being most favored) further indicate growing sophistication among investors.

5.2 SUGGESTIONS

- Conduct more workshops and online webinars targeting young and female investors to reduce the gender gap and improve understanding of IPO processes and risks.
- Simplify IPO-related information in vernacular languages to reach a wider audience.
- Companies planning IPOs should provide clear, comprehensive information about financial health, risks, and future prospects to help investors make informed decisions.
- Enhance user experience and security on online investment platforms to encourage more participation, especially from tech-savvy young investors.
- Use social media campaigns and influencers to raise awareness and share success stories responsibly.
- Educate investors on the importance of diversifying portfolios beyond IPOs to mitigate risk and improve long-term returns.

CONCLUSION

The study on IPOs in the Indian market reveals a growing interest and participation primarily among young, educated, and middle-income investors, with a notable predominance of males. Awareness about IPO processes and risks is relatively high, reflecting improved financial literacy. However, cautious investment behavior and mixed experiences with returns indicate that investors remain prudent. The preference for online platforms and the focus on wealth creation highlight a shift toward more accessible and goal-oriented investing. While optimism about future IPO investments is strong, there is a clear need for enhanced education, transparent communication, and advisory support to help investors make informed decisions and manage risks effectively. Overall, the Indian IPO market shows promising potential, but continued efforts to broaden participation, especially among women and lower-income groups, and to improve investor knowledge will be essential for sustainable growth and market stability.

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