

POST ISSUE PERFORMANCE EVALUATION OF IPO'S - AN EMPIRICAL STUDY

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ABSTRACT: *Primary market is the segment in which new issues are made whereas secondary market is the segment in which outstanding issues are traded. In the primary market, issues may be made in four ways, namely public issue, rights issue, private placement/private equity and bonus issue. The IPO's are regulated by SEBI in terms of SEBI guidelines: SEBI has framed the guidelines in 1992, which were changed many times keeping in view the inconsistencies, market development and changing needs of the capital market. A new set of guidelines was issued in the years 2000.*

KEY WORDS: *primary market, namely public issue, rights issue, private placement/private equity and bonus issue, SEBI guidelines*

1. INTRODUCTION

The liberalization policies ushered in by the government, in 1991, have brought about a new dimension in the capital market as well as corporate environment in India. The investment climate improved considerably following the modification of licensing procedures and the freedom to fix issue prices for new issues etc. The abolition of the Capital Issue Control Act, 1947 also welcomed a new era in the primary capital markets in India. Control over the pricing of issues, and designing and tenure of the capital issue were abolished after establishment of Securities and Exchange Board of India (SEBI) on April 12, 1988.

The issuers, at present, are free to make the price of the issues under the ambit of SEBI. Before the establishment of SEBI, the quality of disclosures in the offer documents was very poor. SEBI also formulated and prescribed stringent disclosure norms in conformity to global standards. These favourable developments lead to rapid growth in the quantum of financial investment. Thus, the primary capital market in India has been witnessing tremendous growth in the number of new issues hitting the market, surpassing the normal growth that is expected as a result of growth economy.

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Primary market is the segment in which new issues are made whereas secondary market is the segment in which outstanding issues are traded. It is for this reason that the primary market is also called New Issues Market (NIM) and the secondary market is called Stock Market. In the primary market, new issues may be made in four ways, namely public issue, rights issue, private placement/private equity and bonus issue. Public issues involve sale of securities to members of public through prospectus. Rights issue involves sale of securities to the existing share holders/debenture holders. Private placement involves selling securities privately to a selected group of investors. Issue of bonus shares involves sale of securities to the existing shareholders at a free of cost. In the primary market, equity shares, fully convertible debentures (FCD), partially convertible debentures (PCD) and non-convertible debentures (NCD) are the securities commonly issued by non-government public limited and private companies. Government companies issue equity shares and bonds. Primary market has become very active in India after the abolition of controller of capital issue.

2. SEBI GUIDELINES FOR IPO'S

The IPO's are regulated by SEBI in terms of SEBI guidelines: SEBI has framed the guidelines in 1992, which were changed many times keeping in view the inconsistencies, market development and changing needs of the capital market. A new set of guidelines was issued in the years 2000; which are also amended subsequently.

The salient features of these guidelines are given below:

- Promoters should contribute a minimum of 20% of the total issued capital, if the company is an unlisted one. Promoters' contribution is subject to a lock-in period of 3 years.
- Net offer to the general public has to be at least 25% of the total issue size for listing on a stock exchange.
- Minimum of 50% of the net offer to the public has to be reserved for investors applying for 10 or less marketable lots of shares.
- In an issue of more than Rs. 100 crore the issue is allowed to place the whole issue by book building.
- There should be at least 5 investors for every 1 lakh of equity offered.
- Allotment has to be made within 30 days of the closure of the public issue and 42 days in case of a rights issue.
- All the listing formalities for a public issue have to be completed within 70 days from the date of closure of the subscription list.
- Indian Development Financial Institutions and Mutual Funds can be allotted securities up to 75% of the Issue amount.
- Allotment to categories of FII's and NRI's /OCB's is up to a maximum of 24% which can be further extended to 30% by an application to the RBI-supported by a resolution passed in the General meeting.
- Securities issued to the promoter, his group companies by way of firm allotment and reservation have a lock-in-period of 3 years. However shares

allotted to FII's and certain Indian and Multilateral Development Financial Institutions and Indian Mutual Funds are not subject to lock-in periods.

- The minimum period for which a public Issue has to be kept open is 5 working days and the maximum for which it can be kept open is 10 working days. The minimum period for a rights issue is 15 working days and the maximum is 60 working days.
- A public issue is affected if the issue is able to procure 90% of the total issue size within 60 days from the date of earliest closure of the public issue. In case of over subscription the company may have the right to retain the excess application and allot shares more than the proposed issue which is referred to as the 'green-shoe' option.
- A rights issue has to procure 90% subscription in 60 days of the opening of the issue.

3. TRENDS IN THE PRIMARY MARKET

The revival of the primary market, which started in 2003-04, gathered momentum in 2004-05 and further invigorated in 2005-06, 2006-2007. Strong macro-economic fundamentals, sustained growth of the manufacturing sector, active institutional support led by FIIs and mutual funds, positive investment climate, sound business out look, encouraging corporate results and buoyant secondary market induced large number of companies to raise resource from the primary market. Apart from several mega issues, large number of small and medium sized companies' mobilized resources through public and rights issues.

The private sector continued to dominate the primary market activities during these years. There was overwhelming response to most of the public issues reflecting risk appetite of the investors in general and sustained investment activities in particular. Regulatory reforms such as introduction of proportionate allotment and margin requirement for the Qualified Institutional Buyers (QIBs) and special allocation to mutual funds with in the QIBs category also contributed to brisk activities in the primary market.

4. PRIMARY MARKET DURING 2006-2007

During April-November 2006, 66 companies accessed the primary market and raised Rs. 17,418 crore compared to 71 companies raising Rs. 10,393 crore during the same period in 2005 (Table 1). The total amount mobilized was higher by 67.6 percent during April – November 2006. The corporate have mopped up Rs. 15,914 crore through public issues in April – November 2006, compared to Rs. 9,362 crore during the same period in 2005. The amount raised through rights issues in the current financial year up to November was also higher at Rs. 1,505 crore compared to Rs. 1,031 crore in 2005. There was a substantial rise in the initial public offerings as there were 37 IPOs, which raised Rs. 15,189 crore during April-November 2006. During April-November 2005, there were 41 IPOs which mobilized Rs. 5,890 crore.

During November 2006, 10 companies accessed the primary market and raised Rs. 3,575 crore. The amount raised was the second highest for any month in the current financial year up to November. The companies raised Rs. 2,834 crore and Rs. 741 crore through 8 public issues and 2 rights issues, respectively during the month; of the public issues, 7 were Initial Public Offering (IPOs) (Rs. 2,808 crore) and one was Further Public Offering (FPO) (Rs. 26.4 crore). All issues were equity issues at premium except one, which was a partly convertible debenture. All issues were from the private sector. Industry - wise, largest amount of resources were mobilized by the finance sector (Rs. 1,566 crore), followed by cement and construction (Rs. 1,067 crore), telecommunication (Rs. 491 crore) and food processing (Rs. 303 crore). There were 4 mega issues during the month viz Parsvanth Developers Ltd. (Rs. 997 crore), Lanco infratech Ltd. (Rs. 1,067 crore), Tata Teleservices (Rs. 491 crore) and Sobha Developers Ltd (Rs. 569 crore).

Table 1. Resources rose through public and rights issues 2006-07

| Particulars | 2006-07 (April-November) | | 2005-06 (April-November) | |
|----------------------|--------------------------|-----------------------|--------------------------|-----------------------|
| | No. | Amount (Rs. Crore) | No. | Amount (Rs. Crore) |
| <i>Public Issues</i> | 42 | 15,914 | 51 | 9,362 |
| IPOs | 37 | 15,189 | 41 | 5,890 |
| FPOs | 5 | 7,24 | 10 | 3,471 |
| <i>Rights Issues</i> | 24 | 1,505 | 20 | 1,031 |
| Total | 66 | 17,418 | 71 | 10,393 |

5. HOW NEW ISSUES HAVE FARED DURING THE FINANCIAL YEAR 2007-2008

Subscribing to new issues is always not profitable. Through promoters and merchant bankers sold these issues as if they are destined to be blue chips by palming off promises, some of these issues have, in fact, robbed the investors instead of making them prosperous. The review of the performance of 107 issues, which were listed on the stock exchange during the financial year 2007-08, is presented in the following tables.

Table 2. Post issue evaluation of IPO's (during the financial year 2007-08)

| SL | Name of the Company | Offer Price (Rs) | List Price (Rs) | Listing Gain/Loss (%) | Trading Price (In upward trend) 15 th Jan 2008 | Gain/Loss (%) | Trading Price (In downward trend) 22 nd April 2008 | Gain/Loss (%) |
|----|--------------------------------------|------------------|-----------------|-----------------------|---|---------------|---|---------------|
| 01 | Cambridge Technology Enterprises Ltd | 38 | 48.9 | 28.68 | 80 | 110.5263 | 38.75 | 1.97 |
| 02 | Autoline Industries Ltd | 225 | 261.15 | 16.7 | 247.5 | 10 | 204.85 | -8.95 |
| 03 | Pochi Raju Industries Ltd | 30 | 45 | 50 | 43.35 | 44.5 | 27.85 | -7.16 |
| 04 | Global Broad cast News Ltd | 250 | 471.1 | 88.44 | 1160.5 | 364.2 | 119.7 | -52.12 |

| | | | | | | | | |
|-----|--|-----|--------|--------|---------|----------|---------|--------|
| 05 | Akruthi Nitmans or ciyy Ltd | 540 | 701.35 | 29.87 | 1187.25 | 119.8611 | 1084.95 | 100.91 |
| 06 | House of Pearl fashions Ltd | 550 | 500 | -9.09 | 295.3 | -46.3091 | 162.55 | -70.44 |
| 07 | Cinemax India Ltd | 155 | 175 | 12.903 | 144.1 | -7.03226 | 113.95 | -26.48 |
| 08 | Technocraft Industries (India)Ltd | 105 | 125 | 19.04 | 79.8 | -24 | 67 | -36.19 |
| 09 | Redington India Ltd | 113 | 140 | 23.89 | 390.2 | 245.3097 | 349.4 | 209.20 |
| 10 | Transwarranty Finance Ltd | 52 | 60 | 15.38 | 44.05 | -15.2885 | 22.4 | -56.92 |
| 11 | Firstsource Solutions Ltd. | 64 | 75.1 | 17.34 | 68.4 | 6.875 | 43.75 | -31.64 |
| 12. | Power Finance Corporation Ltd | 85 | 104 | 22.35 | 267.5 | 214.7059 | 160.5 | 88.82 |
| 13 | Indian Bank | 91 | 105 | 15.38 | 217.3 | 138.7912 | 155.65 | 71.04 |
| 14 | SMS Pharmaceutical Ltd | 380 | 349.9 | -7.92 | 303.9 | -20.0263 | 204.9 | -46.07 |
| 15 | Lawreshwar Polymers Ltd | 16 | 15.9 | -0.625 | 11.51 | -28.0625 | 7.83 | -51.06 |
| 16 | C&C Constructions Ltd | 291 | 350 | 20.27 | 268.25 | -7.81787 | 207.75 | -28.60 |
| 17 | Euro Ceramics Ltd | 165 | 151 | -8.48 | 250.2 | 51.63636 | 137.8 | -16.48 |
| 18 | Mundra LifeStyle Ltd. | 90 | 94.8 | 5.34 | 96.95 | 7.722222 | 47.6 | -47.11 |
| 19 | Oriental Trimaxs Ltd. | 48 | 42 | -12.5 | 28.6 | -40.4167 | 19.15 | -60.10 |
| 20 | Vijayeshwari Textiles Ltd | 100 | 90.05 | -9.95 | 55.95 | -44.05 | 36.65 | -63.35 |
| 21 | Mindfree Consultings Ltd. | 425 | 599 | 40.94 | 462.85 | 8.905882 | 475.25 | 11.82 |
| 22 | Briadcast Initiaives Ltd. | 120 | 117 | -2.5 | 54.34 | -54.7167 | 38.5 | -67.91 |
| 23 | Grinix Accessories Ltd. | 120 | 110 | -8.34 | 207.25 | 72.70833 | 176.45 | 47.04 |
| 24 | Idea Cellular Ltd | 75 | 92.4 | 23.2 | 146 | 94.66667 | 108.85 | 45.13 |
| 25 | Indus Fila Ltd | 170 | 160 | -5.88 | 323.75 | 90.44118 | 418.1 | 145.94 |
| 26 | Raj Television Network Ltd | 257 | 275 | 7.00 | 194.6 | -24.2802 | 139.1 | -45.87 |
| 27 | Astral poly Technic Ltd. | 115 | 115 | 0 | 211.9 | 84.26087 | 184.65 | 60.56 |
| 28 | AMD Industries Ltd | 75 | 65.1 | -13.2 | 61.3 | -18.2667 | 34.4 | -54.13 |
| 29 | Jagajanani textile Ltd. | 25 | 22.4 | -10.4 | 14.75 | -41 | 7.83 | -68.68 |
| 30 | Abishek mills Ltd. | 100 | 94 | -6 | 84.2 | -15.8 | 48.55 | -51.45 |
| 31 | Page Industries Ltd. | 360 | 341.9 | -5.02 | 490.85 | 36.34722 | 437.4 | 21.5 |
| 32 | Gremach Infrastructure Equipments & Projects Ltd | 86 | 92 | 6.98 | 418.4 | 386.5116 | 141.8 | 64.88 |
| 33 | ICRA Ltd. | 330 | 525 | 59.04 | 916.55 | 177.7424 | 699.9 | 112.09 |
| 34 | Orbit Corporation Ltd. | 110 | 90 | -18.18 | 939.1 | 753.7273 | 455.8 | 314.36 |
| 35 | Advantha India Ltd. | 640 | 640 | 0 | 1350.8 | 111.0625 | 940.8 | 47.00 |
| 36 | Forties Health Care Ltd. | 108 | 105 | -2.78 | 104.35 | -3.37963 | 85.6 | -20.74 |
| 37 | Hilton Metal Fprging Ltd | 70 | 75 | 7.14 | 58 | -17.1429 | 30.95 | -55.78 |
| 38 | Bhagavathi Banquests & Hotel Ltd. | 40 | 46.35 | 15.88 | 83.7 | 109.25 | 73.05 | 82.62 |
| 39 | MIC Electronics Ltd | 150 | 210.25 | 40.16 | 920.6 | 513.7333 | 707.3 | 371.53 |
| 40 | Binani Cement Ltd. | 75 | 75 | 0 | 118.7 | 58.26667 | 87 | 16.00 |
| 41 | Insecticides India Ltd. | 115 | 105 | -8.69 | 87.1 | -24.2609 | 53.75 | -53.26 |
| 42 | Glory Polyfilms Ltd. | 48 | 50 | 4.16 | 96.75 | 101.5625 | 66.25 | 38.02 |
| 43 | Asahi songwon colours Ltd | 90 | 93 | 3.34 | 59.1 | -34.3333 | 45.55 | -49.38 |
| 44 | Nitin fire protection Industries Ltd. | 190 | 332.5 | 75 | 570.35 | 200.1842 | 469.55 | 147.13 |
| 45 | Time technoplast Ltd. | 315 | 415.55 | 31.92 | 932.85 | 196.1429 | 817.2 | 159.42 |
| 46 | Decolight ceramics Ltd. | 54 | 57 | 5.56 | 37.45 | -30.6481 | 24.55 | -54.53 |
| 47 | Meghmani organics Ltd. | 19 | 33.25 | 75 | 37.65 | 98.15789 | 23.65 | 24.47 |
| 48 | Nelcast Ltd | 219 | 252.05 | 15.09 | 164.05 | -25.0913 | 118.15 | -46.05 |
| 49 | DLF India | 525 | 582 | 10.85 | 1207.5 | 130 | 676.25 | 28.80 |
| 50 | Vishal Retail Ltd | 270 | 472.5 | 75 | 913.3 | 238.2593 | 817.2 | 202.66 |
| 51 | Roman tasmit Ltd | 175 | 295 | 68.57 | 181.4 | 3.65143 | 84.4 | -51.77 |
| 52 | Ankit metal & power Ltd | 36 | 37.9 | 5.27 | 94.35 | 162.0833 | 79.9 | 121.94 |
| 53 | Celestial labs Ltd | 60 | 70 | 16.67 | 57.4 | -4.33333 | 37.8 | -37.00 |
| 54 | ICICI Bank Ltd | 940 | 995 | 5.85 | 1410 | 50 | 882.3 | -6.13 |

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|----|--|------|---------|--------|---------|----------|--------|--------|
| 55 | Spice communications Ltd. | 46 | 55.75 | 21.19 | 52.07 | 13.19565 | 35.65 | -22.5 |
| 56 | Surya chakra power corporation Ltd. | 20 | 30 | 50 | 46.75 | 133.75 | 26.7 | 33.5 |
| 57 | BEML Ltd. | 1075 | 1199 | 11.53 | 1640.25 | 52.5814 | 1097.8 | 2.12 |
| 58 | Housing development & Infrastructure Ltd. | 500 | 567.5 | 13.5 | 1358.1 | 171.62 | 702.75 | 40.55 |
| 59 | Allied digital services Ltd. | 190 | 332.5 | 75 | 967.75 | 409.3421 | 848 | 346.31 |
| 60 | Evernon systems India Ltd. | 140 | 245 | 75 | 1063.05 | 659.3214 | 673 | 380.71 |
| 61 | Simplex Projects Ltd. | 185 | 323.75 | 75 | 436.6 | 136 | 229.4 | 24.00 |
| 62 | Alpa laboratories Ltd. | 68 | 60 | -11.76 | 44.4 | -34.7059 | 29.05 | -57.27 |
| 63 | Omaxe Ltd. | 310 | 400 | 29.03 | 515.8 | 66.3871 | 224.45 | -27.59 |
| 64 | Omnitech Infosolutions Ltd. | 105 | 183.75 | 75 | 214.1 | 103.9048 | 159.45 | 51.85 |
| 65 | Zyloy systems Ltd. | 350 | 525 | 50 | 366.4 | 4.685714 | 293.45 | -16.15 |
| 66 | IVR – prime urban developers Ltd. | 550 | 500 | -9.09 | 401.15 | -27.0636 | 220.7 | -59.87 |
| 67 | Repex refrigerants Ltd. | 65 | 69.1 | 6.30 | 191.35 | 194.3846 | 207.05 | 218.53 |
| 68 | Central Bank of India. | 102 | 130.1 | 27.54 | 136.25 | 33.57843 | 96.5 | -5.39 |
| 69 | SEL manufacturing company Ltd. | 90 | 87.9 | -2.34 | 161.45 | 79.38889 | 414.8 | 360.88 |
| 70 | Asian grantio India Ltd | 97 | 100.15 | 3.24 | 105.35 | 8.608247 | 69.15 | -28.71 |
| 71 | Puravankara projects Ltd. | 400 | 399 | -0.25 | 443.2 | 10.8 | 278.05 | -30.48 |
| 72 | Take solution Ltd | 730 | 876 | 20 | 1122.55 | 53.77397 | 822.5 | 12.67 |
| 73 | K.P.R. Mill Ltd. | 225 | 201.2 | -10.57 | 163.25 | -27.4444 | 103.7 | -53.91 |
| 74 | Motilal aswal Financial Services Ltd. | 825 | 999 | 21.09 | 1924.8 | 133.3091 | 756.05 | -8.35 |
| 75 | Indowind energy Ltd. | 65 | 80.25 | 23.46 | 138.75 | 113.4615 | 82.2 | 26.46 |
| 76 | Daggar forst tools Ltd. | 45 | 43 | -4.44 | 45.3 | 0.666667 | 28.1 | -37.55 |
| 77 | Mangum ventures Ltd. | 30 | 36.95 | 23.16 | 31.1 | 3.666667 | 16.8 | -44.00 |
| 78 | Kaveri seed company Ltd. | 170 | 201.15 | 18.32 | 316.2 | 86 | 280.25 | 64.85 |
| 79 | Power grid corporation of India Ltd. | 52 | 85 | 63.46 | 143.2 | 175.3846 | 105.8 | 103.46 |
| 80 | Dhanus retail India Ltd. | 295 | 300.2 | 1.76 | 316.9 | 7.423729 | 259.15 | -12.15 |
| 81 | Koutons retails India Ltd | 415 | 515 | 24.09 | 976.45 | 135.2892 | 788.8 | 90.07 |
| 82 | Consolidated construction consortium Ltd. | 510 | 801 | 57.05 | 1150.4 | 125.5686 | 694.55 | 36.18 |
| 83 | Supreme infrastructure India Ltd | 108 | 189 | 75 | 156.15 | 44.58333 | 100 | -7.40 |
| 84 | Saamya Biltech (India) Ltd. | 10 | 17.5 | 75 | 23.7 | 137 | 12.81 | 28.10 |
| 85 | Mythas Infra Ltd. | 370 | 480 | 29.72 | 820.5 | 121.7568 | 649.05 | 75.41 |
| 86 | Circuit systems (India)Ltd. | 35 | 42 | 20 | 38.6 | 10.28571 | 23.25 | -33.57 |
| 87 | Rathi bars Ltd. | 35 | 38 | 8.57 | 33.8 | -3.42857 | 17.68 | -49.48 |
| 88 | Allied computers International (Asia) Ltd. | 12 | 21 | 75 | 45.05 | 275.4167 | 25.45 | 112.08 |
| 89 | Varun industries Ltd. | 60 | 105 | 75 | 137.35 | 128.9167 | 87.1 | 45.16 |
| 90 | Bak valley cements Ltd. | 42 | 65 | 54.76 | 61.55 | 46.54762 | 35.35 | -15.83 |
| 91 | Religare enterprises Ltd. | 185 | 323.75 | 75 | 638.7 | 245.2432 | 389.05 | 110.29 |
| 92 | Mundra port & special economics Zone Ltd. | 440 | 770 | 75 | 1035.15 | 135.2614 | 665.85 | 51.329 |
| 93 | Empee distilleries Ltd. | 400 | 400 | 0 | 320.6 | -19.85 | 176.95 | -55.76 |
| 94 | Edelweiss capital Ltd. | 825 | 1143.75 | 75 | 1583.25 | 91.90909 | 838.2 | 1.6 |
| 95 | Renaissance jewelers Ltd | 150 | 190 | 26.67 | 141.95 | -5.36667 | 81.2 | -45.86 |
| 96 | Kolte – patil developers Ltd. | 145 | 220 | 51.72 | 232.8 | 60.55172 | 112.25 | -22.58 |
| 97 | Kousalya infrastructure development corporation Ltd. | 60 | 67.9 | 13.17 | 84 | 40 | 41.45 | -30.91 |
| 98 | Jyothi laboratories Ltd. | 690 | 799 | 15.80 | 860.1 | 24.65217 | 665 | -3.62 |

| | | | | | | | | |
|-----|--|-----|-------|-------|--------|----------|--------|--------|
| 99 | Barupur cements Ltd. | 12 | 18.45 | 53.75 | 42 | 250 | 23.55 | 96.25 |
| 100 | Ellerx services Ltd. | 315 | 320 | 1.59 | 353.8 | 12.31746 | 291.1 | -7.58 |
| 101 | BGR energy system Ltd. | 480 | 801 | 66.88 | 775.8 | 61.625 | 458.05 | -4.57 |
| 102 | Transformers & rectifies India Ltd. | 465 | 701.1 | 50.77 | 716.35 | 54.1828 | 458.05 | -1.49 |
| 103 | Brigade enterprises Ltd. | 390 | 399.7 | 2.49 | 355.65 | -8.80769 | 192.65 | -50.60 |
| 104 | Aries agro Ltd. | 130 | 150 | 15.38 | 209.65 | 61.26923 | 147.5 | 13.46 |
| 105 | Forwal auto components Ltd. | 75 | 79.85 | 6.47 | 79.65 | 6.2 | 27.25 | -63.66 |
| 106 | Mankisha Ltd. | 160 | 200 | 25 | 141.35 | -11.6563 | 89.15 | -44.28 |
| 107 | Precession pipes & profiles company Ltd. | 150 | 160 | 6.67 | 142 | -5.33333 | 91.4 | -39.06 |

The following tables are used to present information pertaining to top ten companies stocks given maximum returns to the investors and maximum losers during the time of listing, bull and bear market conditions during the financial year 2007-2008.

Table 3. Top 10 gainers in listing

| SL.No | Company Name | Gain (in %) |
|-------|--------------------------------------|-------------|
| 01 | Global broad cost News Ltd | 88.44 |
| 02 | Nitin fire protection industries Ltd | 75.00 |
| 03 | Meghmani Organics Ltd | 75.00 |
| 04 | Allied Digital Service Ltd | 75.00 |
| 05 | Evernon System India Ltd | 75.00 |
| 06 | Omnitech Infosolutions Ltd | 75.00 |
| 07 | Simplex Project Ltd | 75.00 |
| 08 | Roman tarmat Ltd | 68.57 |
| 09 | BGR energy systems Ltd | 66.88 |
| 10 | Power Grid corporator Ltd | 63.46 |

Table 4. Top 10 losers in listing

| SL.No | Company Name | Gain (in %) |
|-------|----------------------------|-------------|
| 01 | Orbit corporation | -18.18 |
| 02 | AMD industries Ltd | -13.2 |
| 03 | Oriental trimex Ltd | -12.5 |
| 04 | Alpa laboratories Ltd | -11.76 |
| 05 | K.P.R. Mills | -10.57 |
| 06 | Vijayashwari Textiles | -9.95 |
| 07 | House of pear fashions Ltd | -9.09 |
| 08 | Insectides India Ltd | -8.69 |
| 09 | Euro ceramics | -8.48 |
| 10 | Evinix Accessories Ltd | -8.34 |

Table 5. Top 10 gainers in bull market

| SL.No | Company Name | Gain (in %) |
|-------|---------------------------------|-------------|
| 01 | Orbit corporation | 753.72 |
| 02 | Evernon systems ltd | 659.32 |
| 03 | MIC Electronics | 513.73 |
| 04 | Allied digital services | 409.34 |
| 05 | Gremach infra. & equipments Ltd | 386.51 |
| 06 | Global broadcast news ltd | 364.2 |
| 07 | Burnapur cements ltd | 250.00 |
| 08 | Redington India ltd | 245.30 |
| 09 | Religare enterprises ltd | 245.24 |
| 10 | Vishal retails | 238.25 |

BSE & NSE indexes 20728.05., 6206.80 dated 15.1.2008

Table 6. Top 10 losers in bull market

| SL.No | Company Name | Gain (in %) |
|-------|------------------------------|-------------|
| 01 | Broad cost Initiatives Ltd | -54.71 |
| 02 | House and Pearl fashions Ltd | -46.30 |
| 03 | Vijayashwari Textiles | -44.05 |
| 04 | Jagajanni textiles | -41.00 |
| 05 | Oriental trimex | -40.41 |
| 06 | Alpa Laboraories Ltd | -34.70 |
| 07 | Asahi songwon colors Ltd | -34.33 |
| 08 | Decolight Ceramics Ltd | -30.64 |
| 09 | Lawarsshewar Polymers | -28.06 |
| 10 | IVR prime urban Dovp. Ltd | -27.66 |

BSE & NSE indexes 20728.05., 6206.80 dated 15.1.2008

Table 7. Top 10 gainers in bear grip market

| SL.No | Company Name | Gain (in %) |
|-------|---------------------------|-------------|
| 01 | Evernon systems India Ltd | 380.71 |
| 02 | MIC Electronics | 371.53 |
| 03 | SEL manufacturing Ltd | 360.88 |
| 04 | Allied Digital services | 346.31 |
| 05 | Orbit Corporation | 314.36 |
| 06 | Refex Refrigerants Ltd | 218.53 |
| 07 | Redington India Ltd | 209.20 |
| 08 | Vishal retails Ltd | 202.67 |
| 09 | Time technoplast | 159.42 |
| 10 | Indus Fila Ltd | 145.94 |

BSE & NSE indexes 16783.87 and 5049 dated 22.4.2008)

Table 8. Top 10 losers in bear grip market

| SL.No | Company Name | Gain (in %) |
|-------|------------------------------|-------------|
| 01 | House and Pearl fashions Ltd | -70.44 |
| 02 | Broad cost Initiatives Ltd | -67.91 |
| 03 | Oriental trimex | -60.10 |
| 04 | IVR prime urban Dovp..Ltd | -59.87 |
| 05 | Alpa Laboraories Ltd | -57.27 |
| 06 | Transwarranty finance Ltd | -56.92 |
| 07 | Hilton Metal forging Ltd | -55.78 |
| 08 | Decolight Ceramics Ltd | -54.53 |
| 09 | AMD Industry Ltd | -54.13 |
| 10 | K.P.R. Mills Ltd | -53.91 |

BSE & NSE indexes 16783.87, 5049 dated 22.4.2008

6. MAJOR FINDINGS OF THE STUDY

1. In the financial year 2007-08, 107 companies entered capital market through IPOs, and successfully listed in the BSE and NSE.
2. These companies belong to different sectors like, Construction, Textile and Garments, IT and ITES, Financial services.
3. Private companies are dominated in the new issues.
4. Out of 107 issues, 86 companies gained in listing their shares in BSE and NSE and rest of the companies reported negative return to the investors.
5. As far as the listing gains are concerned individual stock like Global Broad Caste News Ltd gained above 88.0 per cent return in the financial 2007-08.
6. At the same time some stocks listed below offer price and incurred nearly 19.0 per cent loss for example Orbit Corporation
7. During the peak market (Bullish) conditions i.e. when BSE SENSEX Indices 20,728 and NSE 6206.80 on 15th January 2008, out of 107 companies, most of the companies i.e. 80 companies share are traded for high prices and reported handful return to the investors.
8. In the peak market, many individual stocks like Orbit Corporation, Evernon Systems Ltd, MIC Electronics gave high rate of returns to the investors
9. In the bearish trend (declining) when BSE SENSEX 16,783.87 and NSE 5049 on 22nd April 2008, some of the individual stocks like Evernon System India Ltd gave 380.71 per cent returns and maximum loss incurred companies like House and pearl fashions Ltd (i.e. -70.44 %).
10. Last but not least, the study shows that, Market forces and Individual companies' performance reflect stock performance.

7. CONCLUSION

Unlike in the past, the key characteristics of the prospective issues are one or a combination of well-established companies or promoters. In the forthcoming year will witness some super mega issues, mid sized issues, and private companies will dominate in numbers.

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