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"UNVEILING IPO DYNAMICS: PERFORMANCE INSIGHTS OF NSE-LISTED COMPANIES"

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ABSTRACT:

An Initial Public Offering (IPO) marks a significant milestone in the lifecycle of a company, representing its transition from a privately held entity to a publicly traded organization. This study examines the process, importance, and performance of IPOs with specific reference to the National Stock Exchange (NSE) of India. The NSE, as one of the largest stock exchanges in India, plays a critical role in facilitating IPOs by providing a transparent and efficient platform for capital raising. The abstract aims to explore key trends in IPO activity, regulatory frameworks, pricing mechanisms, and post-IPO performance in the Indian market. It also highlights factors influencing investor sentiment and the challenges companies face during and after listing. Through an analysis of recent IPOs on the NSE, the study seeks to provide insights into the dynamics of the Indian equity market and the evolving landscape for new public companies. This study analyses the short- term and long-term performance of IPOs, focusing on aspects such as listing gains (initial returns), post-listing price trends, and long-term shareholder value creation. Special attention is given to factors influencing IPO performance, including market conditions, company fundamentals, pricing strategies, investor sentiment, and regulatory frameworks.

KEYWORDS: *Underwriting, Prospectus, Capital Raising.*

INTRODUCTION

An Initial Public Offering (IPO) is the process through which a private company offers its shares to the public for the first time, becoming a publicly traded entity. This major step helps companies raise significant capital for business expansion, debt repayment, or diversification, while allowing early investors to realize profits. The IPO process involves several stages, including selecting an investment bank (underwriter), completing due diligence, filing with the Securities and Exchange Commission (SEC), pricing, and transitioning to market competition.

Before going public, companies usually have private investors such as founders, family, and venture capitalists, and an IPO gives them greater access to funds and market credibility.

The IPO process includes preparing the S-1 registration statement, conducting roadshows to attract investors, and finally listing shares on a stock exchange. Underwriters play a key role in determining the offer price, marketing the issue, and managing the sale of shares. IPOs provide companies with many advantages such as access to capital, increased visibility, liquidity for shareholders, and improved corporate governance. However, they also come with disadvantages, including high costs, public disclosure of information, loss of control, and stock price fluctuations that can affect management focus and performance.

Alternatives to IPOs include Direct Listings, where shares are sold without underwriters, and Dutch Auctions, where investors bid to set the share price. IPO performance is influenced by factors like investor demand, underwriter quality, and post-IPO lock-up periods that restrict insider selling. Popular IPOs in 2024 include Medi Assist Healthcare, Bharti Hexacom, Indegene and Emcure Pharma Ltd. Overall, an IPO is a strategic move that enables a company to access public capital markets, enhance its reputation, and achieve long-term growth and stability.

LITERATURE REVIEW:

Vijay and Karthigeyan (2025) provide a conceptual review of SME Initial Public Offerings (IPOs) in emerging economies, with a particular focus on India. The study examines the market performance of SME IPOs, highlighting their role in capital formation, liquidity concerns, and investor sentiment. The authors discuss the regulatory framework governing SME listings and analyse their post-listing performance. Additionally, the study identifies key research gaps, such as the long-term sustainability of SME IPOs, the role of institutional investors, and the impact of macroeconomic factors on SME market trends. By synthesizing existing literature, the paper underscores the need for further empirical research on SME IPOs, particularly in the context of emerging markets, where access to equity financing remains a challenge for small enterprises.

Kammoun and Mrissa Bouden (2025) explore the influence of Environmental, Social, and Governance (ESG) factors on the performance and systematic risk of IPO-focused mutual funds. The study examines how sustainability considerations impact fund returns and volatility, assessing whether ESG-integrated funds exhibit superior risk- adjusted performance compared to their non-ESG counterparts. Findings suggest that mutual funds with strong ESG commitments tend to experience lower systematic risk while maintaining competitive returns, indicating that sustainability can be a risk-mitigating factor in IPO-driven investment strategies.

Garg, Howard, and Pahnke (2025) explore how corporate boards impact the success of initial public offerings (IPOs) in new technology-based ventures. Their study, published in the Journal of Business Venturing, provides empirical evidence on the influence of board composition, expertise, and governance mechanisms on IPO performance. The authors find that boards with experienced directors, particularly those with prior IPO experience or industry-specific knowledge, contribute positively to market reception and post-IPO financial stability. Additionally, the study highlights the role of independent directors in enhancing firm credibility and investor confidence. The findings underscore the strategic importance of board decisions in navigating the complexities of the public offering process.

CONCEPTUAL FRAMEWORK AND RESEARCH HYPOTHESES: -

OBJECTIVES OF THE STUDY:

- To study the risk and return behaviour and compare the listing returns of 11 companies that floated IPOs in 2024.
- To study and compare 15, 30 and 90 days returns of IPO's of 11 companies.

RESEARCH METHODOLOGY:

The study adopted a descriptive research methodology, using a survey approach to examine the current state of affairs regarding the performance of initial public offerings (IPOs) on the NSE. Descriptive research, being a fact-finding method, helps present and generalize insights through a cross-sectional analysis of the situation. The study relied on secondary data collected from published academic papers, government documents, statistical databases, and historical records of 11 companies. Out of 75 companies that went public in 2024, 11 companies with an issue size exceeding Rs. 1,000 crores were selected as the sample. Financial tools such as return, risk, and the outperformance index were employed to analyse the IPO performance.

IPO LISTING OF ELEVEN COMPANIES 2024:

- MEDI ASSIST HEALTHCARE SERVICE LTD
- ENTERO HEALTH CARE SOLUTION LTD
- JUNIPER HOTEL LTD
- EXICOM TELE SYSTEMS LTD
- BHARTI HEXACOM LTD
- INDEGENE LTD
- AADHAR HOUSING FINANCE LTD
- TBO TEK LTD
- GO DIGITAL GENERAL INSURANCE LTD
- ALLIED BLENDERS & DISTILLERS
- EMCURE PHARMA LTD

CALCULATION OF RISK AND RETURN FOR 15, 30 and 90 DAYS:

S.NO	COMPANY NAME	15 DAYS		30 DAYS		90 DAYS	
		RETURN/RISK	RANK	RETURN/RISK	RANK	RETURN/RISK	RANK
1	MEDI ASSIST HEALTHCARE SERVICE LTD	4.29	4	6.02	7	5.05	10
2	ENTERO HEALTHCARE SOLUTION LTD	-4.16	11	-5.95	11	-5.14	11
3	JUNIPER HOTEL LTD	4.49	2	7.70	4	5.79	7
4	EXICOM TELE SYSTEMS LTD	2.49	8	7.62	5	11.46	3
5	BHARATI HEXACOM LTD	4.42	3	9.38	2	14.28	1
6	INDEGENE LTD	1.87	9	4.34	9	5.27	9
7	AADHAR HOUSING FINANCE LTD	3.12	6	7.51	6	8.58	6
8	TBO TEK LTD	4.03	5	26.61	1	9.94	4
9	GO DIGITAL GENERAL INSURANCE LTD	5.46	1	7.89	3	11.72	2
10	ALLIED BLENDERS & DISTILLERS	0.96	10	2.88	10	5.63	8
11	EMCURE PHARMA LTD	3.07	7	5.24	8	9.61	5

INFERENCE:

The analysis of risk and return for 15, 30, and 90 days shows that *Bharati Hexacom Ltd* and *Go Digital General Insurance Ltd* consistently delivered strong returns, while *TBO Tek Ltd* showed high short-term volatility. *Exicom Tele Systems Ltd, Emcure Pharma Ltd,* and others offered moderate returns, and *Entero Healthcare Solution Ltd* underperformed across all periods, indicating high risk.

CALCULATION OF RETURN AND BETA FOR 15, 30 and 90 DAYS:

S.NO	COMPANY NAME	15 DAYS		30 DAYS		90 DAYS	
		RETURN/BETA	RANK	RETURN/BETA	RANK	RETURN/BETA	RANK
1	MEDI ASSIST HEALTHCARE SERVICE LTD	-61.09	11	-69.62	11	-50.19	11
2	ENTERO HEALTHCARE SOLUTION LTD	-28.22	10	-38.43	10	-33.56	10
3	JUNIPER HOTEL LTD	19.39	6	25.96	7	14.40	8
4	EXICOM TELE SYSTEMS LTD	44.64	4	96.41	3	109.95	2
5	BHARATI HEXACOM LTD	71.07	1	106.62	1	122.80	1
6	INDEGENE LTD	12.99	7	22.54	8	19.97	7
7	AADHAR HOUSING FINANCE LTD	11.34	8	25.96	6	27.38	6
8	TBO TEK LTD	54.32	2	97.28	2	67.42	4
9	GO DIGITAL GENERAL INSURANCE LTD	40.40	5	45.21	5	57.37	5
10	ALLIED BLENDERS & DISTILLERS	3.35	9	8.49	9	13.79	9
11	EMCURE PHARMA LTD	45.74	3	55.35	4	73.65	3

INFERENCE:

The analysis of return and beta for 15, 30, and 90 days shows that *Bharati Hexacom Ltd* consistently achieved the highest returns, indicating strong growth potential despite high volatility. *TBO Tek Ltd* and *Exicom Tele Systems Ltd* offered high but risky returns, while *Emcure Pharma Ltd* and *Go Digital General Insurance Ltd* showed moderate, stable performance. *Juniper Hotel Ltd, Aadhar Housing Finance Ltd* and *Indegene Ltd* provided balanced risk-reward, whereas *Medi Assist Healthcare Ltd* and *Entero Healthcare Solution Ltd* underperformed with high risk.

OUT PERFORMANCE INDEX FOR 15, 30 and 90 DAYS:

S.NO	COMPANY NAME	15 DAYS		30 DAYS		90 DAYS	
		OUT PERFORMANCE INDEX	RANK	OUT PERFORMANCE INDEX	RANK	OUT PERFORMANCE INDEX	RANK
1	MEDI ASSIST HEALTHCARE SERVICE LTD	0.74	8	5.75	5	5.65	5
2	ENTERO HEALTHCARE SOLUTION LTD	2.21	5	2.30	7	4.19	8
3	JUNIPER HOTEL LTD	-0.41	10	3.31	6	5.07	6
4	EXICOM TELE SYSTEMS LTD	-0.72	11	0.58	11	2.64	9
5	BHARATI HEXACOM LTD	-0.39	9	2.15	8	8.31	4
6	INDEGENE LTD	2.43	4	7.19	1	9.80	1
7	AADHAR HOUSING FINANCE LTD	5.30	1	7.09	2	8.83	3
8	TBO TEK LTD	5.30	2	7.09	3	-22.68	11
9	GO DIGITAL GENERAL INSURANCE LTD	2.70	3	7.08	4	9.61	2
10	ALLIED BLENDERS & DISTILLERS	1.33	7	0.92	10	4.57	7
11	EMCURE PHARMA LTD	1.56	6	1.33	9	2.21	10

INFERENCE:

The outperformance index for 15, 30, and 90 days shows *Indegene Ltd, Aadhar Housing Finance Ltd,* and *Go Digital General Insurance Ltd* as consistent top performers, while *Bharati Hexacom Ltd* improved over time. *TBO Tek Ltd* had strong short-term gains but declined over 90 days. *Medi Assist Healthcare Ltd, Juniper Hotel Ltd,* and *Allied Blenders & Distillers* showed moderate performance, whereas *Exicom Tele Systems Ltd* and *Entero Healthcare Solution Ltd* underperformed consistently, highlighting varying short- and long-term trends for investment decisions.

SUGGESTIONS:

Based on the analysis of risk, return, beta, and outperformance index for 15, 30, and 90 days, Bharati Hexacom Ltd and Go Digital General Insurance Ltd are consistent top performers, suitable for long-term investment due to strong returns and moderate risk. TBO Tek Ltd and Exicom Tele Systems Ltd offer high but volatile returns, making them more appropriate for short-term trading. Medium performers like Indegene Ltd, Aadhar Housing Finance Ltd, and Medi Assist Healthcare Ltd provide balanced returns and risk, supporting portfolio diversification. Entero Healthcare Solution Ltd shows weak performance and high risk, and should generally be avoided. Overall, Investors are advised to use a combination of these metrics to select stable, high-growth stocks while including moderate performers for diversification and avoiding consistently underperforming companies can help in building a well-balanced portfolio with controlled risk exposure and potential for steady returns.

CONCLUSION:

Initial Public Offerings (IPOs) can offer attractive returns, especially for companies with strong fundamentals, growth potential, and reasonable valuations, but they also carry significant risks due to limited track records, valuation uncertainty, and market volatility. Beta reflects post-listing volatility, where higher beta can lead to larger price swings and potential higher returns if the company performs well. Outperformance depends on earnings growth, competitive advantage, and market conditions. The 11 stocks analysed show that IPOs can result in both positive and negative returns, highlighting the importance of assessing return, risk, beta, and outperformance in investment decisions.

SCOPE FOR FUTURE RESEARCH:

Future research can investigate the long-term performance of IPOs beyond the initial 90 days, focusing on sustained returns, risk patterns, and shareholder value creation. Studies may examine the influence of macroeconomic conditions, market cycles, sector-specific trends, and investor sentiment on IPO success. Additionally, research could analyse investor behaviour, including retail versus institutional participation, and the impact of digital platforms on IPO subscription and post-listing performance.