A Study on Performance of Initial Public Offering (IPO) in Indian Capital Market during the Pandemic

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Abstract

The study focuses on the performance of Initial Public Offering (IPO) in Indian capital market during the pandemic, by considering the retail subscription, total subscription, and listing day return as the measures and IPOs which debuted and listed during the financial year 2020–2021 were considered. The average (mean) listing day returns for the year stood at 37.08%, which was higher when compared to past yearly IPO returns. Moreover, retail subscribers were more active during this year's IPO, as retailers showed good interest in bidding to IPOs and have shown strong level of subscription in the year and which has directly impacted in high level of over subscription. Further research also contributes in finding the relationship between retail subscription to listing day return, total subscription to listing day return. From findings, listing day returns had a significant correlation with retail subscription and total subscription but retail subscription had a strong and total (overall) subscription had a perfect relationship. Additionally, study found that there exists a significance in retail investors considering institutional investor subscription level while subscribing their bids and investing to IPOs.

Keywords: Initial Public Offering, Retail Subscription, Listing Day Return, Indian Capital Market

1. INTRODUCTION

1.1. Introduction

An Initial Public Offering (IPO) is a process through which companies go public by selling their equities to the general public for the very first time. The main motto of company going public is to raise capital for their future aspects. Book building is one of the most preferred methods of pricing and selling their equities around the world. IPOs are important to any company's in regard to their growth and development, and a successful IPO can provide the promoters and the investors a good wealth initially.

IPOs were majorly under-priced from decades with motive to attract the investors in order to subscribe and bid for the shares. Due to this the researchers across the world

have shown interest to IPOs and more specifically under-pricing as remained one of the most researched and studied across the globe. Under-pricing is a difference between issued price of share and listing day closing value, this difference is referred as a "money left on table". Under-pricing is where companies create wealth directly to their new investors (shareholders).

There are numerous number of studies based on under-pricing issues and factors relating to IPO performance and have found the explanation for the same. India has been one of the emerging markets for investment from past years. The Ministry of Finance, Securities and Exchange Board of India (SEBI), the Reserve Bank of India oversees and supervise the country's capital market. Institutional investors (QIB), place a major role in investing in any IPO along with high-net-worth individuals (HNI) and retail investors (RII).

During the start of financial year 2020–2021 there was a severe outbreak of pandemic which has caused market crash all around the world and resulted in an economic downfall all over the world and so in this research it is to study the IPOs performance during this year (2020–2021) and to understand how the IPOs have performed during their listing day.

In this research, it is to study and analyse the performance of IPOs debuted during the financial year 2020–2021 which in times of pandemic, and measure their performance by comparing with past years IPOs performance through their first day trading performance and to find how the IPOs have performed from year to year. Along with this it is to assess the relationship between retail investor and listing day returns, which is not focused mainly by any of the researchers and analysing along with total subscription level with listing day

returns too. Further the research contributes to find the significance between retail investor and institutional investor and exhibit their relationship while investing to an IPO is discussed.

1.2. Motivation of this Study

IPOs are gaining more importance all around the world. Companies go public by issuing their common shares and raise funds through general public for their future aspects and public bids and buy these shares as an investment. This process acts as savings and investment which leads to growth in the economy and helps in developing the country. Year 2020 had been rough all over the world due to the outbreak of pandemic which had caused an impactful effect on everything including the stock market, during the pandemic global stock markets have crashed to the bottom, and majority stocks traded to their lowest. So this motivated and required to study the IPOs which have made their debut during this time (FY 2020–2021) by analysing their performance and see how really has pandemic affected the IPOs.

2. LITERATURE REVIEW

2.1. Literature Review

Chen, Goyal, Veeraraghavan, and Zolotoy (2019) The aim of this research is to see how media coverage affects IPO pricing in different markets around the world and the research found that increased pre-IPO media attention decreases investor information asymmetry and resulting in less under-priced IPOs. Further study showed that media as a significant "informational intermediary" in IPO pricing in markets all over the world.

Deng and Zhou (2015) Purpose is to evaluate the open price return on the listing day and compare it to the closing price return for ChiNext IPOs. The opening price synthesizes the whole market demand for new shares from institutional and individual investors. The initial price return is important for estimating the closing price return. Investors usually have a better overview of the key market demand for new IPO shares.

Dhamija and Arora (2017) The study analyses the impact of IPO quality certification on the rate of IPO under-pricing. According to study IPO grading, the quality certification criteria have no meaningful impact on the level of under-pricing. Graded issues are more properly priced as compared to non-graded issues. According to the study, issues managed by more respected lead managers are less underpriced, and under-pricing has decreased in comparison to prior studies, and IPOs are more properly priced.

Espenlaub, Goyal, and Mohamed (2019) According to their study on the effect of differences in shareholder and debt holder rights across countries on post-IPO success and sustainability of newly listed stocks across the world, they found that the firm or country which has strong shareholder protection have better post IPO performance and success and vice-versa compared to high creditors holdings

Gupta, Singh, and Yadav (2020) Studied on impact of anchor investors on IPO returns during pre-market and aftermarket. They found that the IPOs which are backed by anchor investors have an excellent success rate in long term and can expect some initial returns and mentioned that, underwriters do leave some capital for buyers. To conclude long-term buyers should consider investing in IPOs that have been subscribed by anchor investors and if a large number of anchors subscribe to an IPO, investors can anticipate a short-term return.

Jacob and Agarwalla (2015) The study analyses empirically whether the introduction of grading in India has influenced IPO demand and price efficiency. According to the study, grading had no influence on IPO pricing or demand. Individual investor demand does not appear to be affected by grading, which is meant to guide them. Grades appear to have an influence on institutional investor demand but have little impact on IPO price efficiency.

Killins (2018) The purpose of this paper is to look at the short-term return performance of the Canadian IPO market. According to the research, the Canadian IPO market remains one of the world's least under-priced IPO markets. According to short-run return measures, Canadian IPOs underperform the market in the first, sixth, and twelfth months.

Khurshed, Paleari, Pande, and Vismara (2014) This study examines the impact of information regarding the book building process on investor interest and, as a result, the success of IPOs in the following aftermarket. According to the studies, IPOs with a high degree of institutional involvement early on attract a high number of bids from individual investors. To conclude that transparent book building helps investors by providing retail investors to view subscriptions made by better informed institutional investors. High subscription rates have a substantial positive effect on initial returns.

Mazumder and Saha (2021) From the study, it is to analyses the relationship between COVID-19 related fear and short-term performance of the IPO based on the US market. They found that initial returns of the IPO 2020 were higher than that of the

last four decades and from the fear index they discovered and concluded that the initial return is adversely related to pandemic fear.

Rathnayake, Louembe, Kassi, Sun, and Ning (2019) The focus of this research is to look at the short-run IPO performance in an emerging market, namely the Sri Lanka market. According to the findings, underpricing accounts for a greater proportion of IPOs in Sri Lanka than overpricing. Stepwise multiple regression showed that offer size, investor sentiment, size of the business, market volatility prior to IPOs, time gap between IPO issuance and listing date, and hot-issue times all had a significant relationship with IPO returns.

Sahoo (2014) The study investigates the effect of pre-IPO analyst coverage on IPO performance, subscription level, underpricing, volatility, and liquidity. Prior to publication, analyst recommendations decrease the under-pricing and volatility of IPO shares. Accordingly, good analyst suggestions might be taken as an indication of quality.

Sahoo (2015) From his research for relationship between subscription rate and aftermarket volatility on India's IPO, IPOs with a high level of subscription are more volatile than those with a lower level of subscription along with volume of the offer, the reputation of investment fund, and the debt-to-equity ratio have little impact on aftermarket fluctuation. Further subscription rate can be used as an effective signal of precariousness for the IPO price behavior in the secondary market.

Sahoo (2017) The study aims to look at how anchor investors' involvement in IPOs produces value for issuing companies and participating investors. According to the study, anchor-investor-backed IPOs have higher pricing efficiency than non-backed IPOs. According to the findings of the study, anchor investment decreases under-pricing. Anchor-invested IPOs obtain a higher proportion of subscriptions from qualified institutional and retail individual investors.

Sivaprasad, Sheeja, and Dadhaniya (2020) The focus of this study is to analyse the success of Indian IPOs of sponsored versus non-sponsored. According to the study's findings, sponsored IPO gives investors with favorable information about the firm's future earnings and prospects. Sponsored IPO better performed when compared to non-sponsored. PE-sponsored IPOs outperform non-sponsored and VC-sponsored IPOs in terms of performance.

2.2. Research Gaps

From the review of literature, the researchers have mostly concentrated on the underpricing of the IPOs and factors that affect the IPO pricing but no researcher has focused on

- Subscription level regard to retail investors
- Correlation between retail subscription with listing day returns
- Relation between total subscription with listing day return
- To know whether institutional investor can influence retail investor to subscribe to IPO

3. PROBLEM STATEMENT

3.1. Title

"A Study on Performance of IPO in Indian Capital Market during the Pandemic"

3.2. Aim

To evaluate the performance of the IPO during pandemic and to find any change in the IPO performance compared to pre-pandemic IPO issues.

3.3. Objectives

1. To study the listing day performance of IPO during the pandemic
2. To determine the level of effect of retail subscription (over or under) on listing day gain/loss
3. To assess the relationship between qualified institutional investor with retail investor in subscription to IPO
4. To analyse the change in performance of IPO during pre and post pandemic IPO issues (5 years)

3.4. Scope of Present Investigation

The study mainly focuses on the performance of IPOs issued during the pandemic.

The study was only on the mainstream IPOs which are issued and listed during the FY 2020–2021. The scope of study is to compare the IPOs with regard to pre and post pandemic IPO issues by comparing their performance and also helps to understand whether the pandemic has affected the IPOs or not and finding the correlation between the major variables of IPO.

3.5 Methods and Methodology

Methodology is the way of searching or solving the research problem.

4. PROBLEM SOLVING

4.1. Data Collection

The present study was mainly on secondary data of IPO and data was collected from various online websites like Chittograh, Moneycontrol, and other websites.

The sample study consists of IPOs which debuted and listed from March 2015 to

TABLE 1. Methods and methodology to attain each objective.

SN.	Statement of the Objective	Method/ Methodology	Resources Required
1.	To study the post issue performance of IPO during the pandemic	Secondary data/ Descriptive statistics	Data of IPO returns of financial year 2020–2021
2.	To determine the level of effect of retail subscription (Over or under) on listing day gain/loss	Secondary data/ Correlation analysis	Data of IPO returns and subscription levels of financial year 2015–2021 and analysed using SPSS correlation
3.	To Assess the Relationship Between Qualified Institutional Investor with Retail Investor in Subscription to IPO	Secondary data/ Correlation analysis	Data of IPO from 2015 to 2021, SPSS Tool
4.	To analyse the change in performance of IPO during pre and post pandemic IPO issues (5 years)	Secondary data/ Compared mean analysis	Data of IPO from 2015 to 2021, SPSS Tool

April 2021 was considered. Totally 136 IPOs have listed during this time and were book built type and fixed price are not taken. Available data IPOs are only considered and the delisted shares, failed IPOs are not considered for the study.

4.2. Problem Formulation

Objective 1: To Study the Relationship between FII, DII, and Stock Market Returns

The focus of the objective is to study the performance of the listed IPOs in the financial year 2020–2021 and to analyse the performance of this IPO and know has their impact of pandemic. Data considered for this study were 28 IPOs which debuted during the year 2020–2021. Descriptive statistics method is used to study using the SPSS Tool.

Objective 2: To Identify the Factors Influencing FII, DII, and Stock Market Returns

A relationship between retail subscription with first day return is studied, along with for better understanding even total subscription is tested with first day return to estimate and know is there any relationship between them and have any effect with each other. Data considered include the retail subscription rate, total subscription rate, and their listing day returns of IPOs which listed between March 2015 and April 2021. Totally 136 IPOs listed data are considered for the analysis. Analysis was done by developing the hypothesis and checking the significant relationship.

- H_o: There is no significant correlation between retail investor and gains
- H_1: There is a significant correlation between retail investor and gains
- H_0: There is no significant correlation between total subscription and gains

- H_2: There is significant correlation between total subscription and gains

Objective 3: To Analyse the Impact of Pandemic on FII, DII, and Stock Market Returns

Here the objective is to see there exists any relationship between institutional investors and retail investors. Retail investors and institutional investors are the two main players while investing in IPOs, so it to understand their significance in relation to each other is important and for this hypothesis has developed. Totally 136 IPOs institutional investors subscription rate and retail subscription rate data is considered which are the IPOs which listed during 2015–2021 and this data are analysed using correlation method in SPSS tool.

- H_0: There is no significant correlation between institutional investor and retail investors
- H_3: There is significant correlation between institutional investor and retail investors

Objective 4: To Assess the Effect of FII, DII, and Stock Market Returns on Indian Economy

Performance of IPO are studied and compared as pre and post pandemic IPOs and mainly known how the pandemic year IPO has performed when compared to the previous years is analysed. Mainly retail subscription, total subscription, and listing day performance are used as measures. Data considered are IPOs listed and traded during the period of March 2015 to April 2021 and data are considered in financial year order. Financial year IPOs of 2020–2021 are considered as post pandemic and financial years of 2015–2016, 2016–2017, 2017–2018, 2018–2019, 2019–2020 are considered as pre pandemic IPO issues.

All the considered variables are measured accordingly to year wise performance and this helps to know the yearly based performance of the IPOs. For the better understanding graphs have been used to get the clear sight of the study. Data were analysed using the SPSS tool through compared mean one sample t-test.

4.3. Problem Solving

4.3.1. To Study the Post Issue Performance of IPO during the Pandemic

From this it is to study the performance of the IPOs which debuted during the financial year 2020–2021 and study was analysed using the Data of 28 IPOs based on retail subscription, total subscription, and listing day returns. IPOs which debuted during the year were Book built type. Out of all the issued IPOs, 9 IPOs have given more than 50% listing day gain and 4 IPOs have given more than 100% returns to investors and there were 8 IPOs which gave a negative return during the period and 11 out of 28 IPOs have given decent initial gains.

The descriptive statistics showed that the mean average listing day return (gain percent) for the year 2020–2021 was 37.08% (Table 2) which is positive return to the invested investors. Among all one IPO has

given 130.67% (Table 2) returns to the investors on their investment value which stood as the maximum gain an investors earned. Negative return was minimal to 13.97% (Table 2) on the years IPO. Retail investors were seen in more number and their mean subscription was 22 times (Table 2) and the total subscription stood at 62 times (Table 2). Which possible the good performance despite the pandemic and IPOs have performed well in the year.

4.3.2. To Determine the Level of Effect of Retail Subscription (Over or Under) on Listing Day Gain/Loss

The aim of the analysis is to determine and estimate the presence of correlation between retail subscription with listing day returns and know the level of effect on each other. Data included 136 IPOs were analysed from Pearson's correlation analysis using SPSS tool

Analysis showed that retail subscription had a strong relation between the listing day return or gain%. Pearson correlation gave a 0.593 (Table 3) value which means a strong correlation exists between them and further they had a significant level below 0.01 level (Table 3) and by this it is to reject the null hypothesis and to accept alternative

TABLE 2. Descriptive statistics.

Descriptive Statistics	N	Minimum	Maximum	Mean	Std. Deviation
RII	28	0.24	166.65	21.9061	34.02299
TOTAL_SUBSCRIBTION	28	1.84	198.02	62.1386	63.04066
ISSUE_PRICE	28	26	1500	488.64	453.575
LISTING_CLOSE	28	24.85	3118.65	668.9357	681.51211
GAIN_PERCENT	28	−13.97	130.67	37.0843	45.02948
Valid N (listwise)	28				

TABLE 3. Correlation analysis of RII and gain%.

Correlations		RII	GAIN_PERCENT
RII	Pearson Correlation	1	0.593**
	Sig. (2-tailed)		0
	N	136	136
GAIN_PERCENT	Pearson Correlation	0.593**	1
	Sig. (2-tailed)	0	
	N	136	136

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

hypothesis stating there exists a significant correlation between them.

Addition to this, further analysis done on total subscription with listing day return and found that there exists a correlation between them. Where, the Pearson correlation showed that 0.723 (Table 4) value which is perfect correlation between them and significant level is below 0.01 (Table 4) which is significant correlation and from this reject null hypothesis and accept alternative mentioning there exist a correlation between total subscription and gain% (listing day returns).

The analysis showed that total subscription had a perfect correlation (Table 5) whereas retail subscription had a strong correlation (Table 5) and both had a significant correlation with significant level below 0.01 level.

TABLE 5. CORRELATION VALUES.

0.1–0.3	Lower Correlation
0.3–0.5	Medium Correlation
0.5–0.7	Strong Correlation
0.7–1	Perfect Correlation

4.3.3. To Assess the Relationship between Qualified Institutional Investor with Retail Investor in Subscription to IPO

From this analysis is to understand whether retail investors share their relation with institutional investor or not. So, for the analysis data of 136 IPOs retail subscription

TABLE 4. Correlation analysis of total subscription and gain%.

		Correlations	
		TOTAL_SUBSCRIBTION	GAIN_PERCENT
TOTAL_ SUBSCRIBTION	Pearson Correlation	1	0.723**
	Sig. (2-tailed)		0
	N	136	136
GAIN_PERCENT	Pearson Correlation	0.723**	1
	Sig. (2-tailed)	0	
	N	136	136

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

TABLE 6. Correlation analysis of RII and QIB.

	Correlations		
		QIB	**RII**
QIB	Pearson Correlation	1	0.357**
	Sig. (2-tailed)		0
	N	136	136
RII	Pearson Correlation	0.357**	1
	Sig. (2-tailed)	0	
	N	136	136

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

rate is correlated with institutional investors subscription using SPSS tool.

Pearson correlation gave a 0.357 (Table 6) value as a relationship degree between QIB and RII which is moderate or medium correlation (Table 5) between one-another. But further it was found that their significance level is below 0.01 which is accepted. Retail investors and qualified institutional investors share their relationship in moderate level but there exists a significance between them. Through this null hypothesis can be rejected as their significant value is below 0.01 level and accept alternative hypothesis mentioning there is a significant relation between retail investors and institutional investor.

4.3.4. To Analyse the Change in Performance of IPO during Pre and Post Pandemic IPO Issues (5 Years)

This objective was mainly framed and aimed to study the performance of IPOs on their initial debut time from the past years. As a measurement of performance is done on retail subscription rate, total subscription rate, and listing day returns. These three considered as a main parameter to see the performance. So totally 6 years' data were analysed by grouping as year wise and considering FY 2020–2021 as post pandemic year and past 5 years as pre pandemic IPOs.

Firstly, retail subscription was analysed using compare mean analysis and results showed that RII during the FY 2020–2021 has seen double the subscription from the last year's average with mean of 23 times (Table 7). When compared to overall years, the pandemic year or post pandemic year IPO has seen strong subscription level. From year to year FY 2018–2019 saw a dip but the investors have shown a good investment level.

Further total subscription was measured year to year and the results from the compared mean analysis showed that the overall

TABLE 7. Compared mean analysis of RII.

One-sample Statistics				
	N	**Mean**	**Std. Deviation**	**Std. Error Mean**
RII 2020–2021	28	23.9032	35.1921	6.65068
RII 2019–2020	11	10.3	14.23562	4.2922
RII 2018–2019	12	2.8283	4.44525	1.28323
RII 2017–2018	39	8.9467	13.83392	2.2152
RII 2016–2017	25	5.304	6.47977	1.29595
RII 2015–2016	21	2.6043	2.5958	0.56645

or total subscription (sum of subscription from QIB, HNI, and RII) for year 2020–2021 was more compared to all other years and mean subscription stood at 63 times (Table 8) during the pandemic year which is highest from past 5 years. From year to year the investment on IPO and bidding for subscription have kept increasing but year 2018–2019 had seen a bit low. Investors are showing more interest in investing from year to year and the same can be expected for future also.

Lastly listing day returns is measured and the analysis gave the result that FY 2020–2021 mean return (gain%) was 37.08% (Table 9) which is high compared to past years. Overall the performance of IPOs on listing day return is good from year to year as IPOs are giving positive returns to the investors on a yearly mean. Comparatively from past, IPOs have performed good on yearly basis and can be seen that there is an upward direction on scale for the yearly returns.

From the overall analysis of compared mean test, the measured variables have shown that FY 2020–2021 has seen good in numbers when compared to past years. Among all the years FY 2018–2019 has seen little low performance compared all the years. Further from the analysis all the variables which were measured indicated that post pandemic or pandemic year IPO has seen a good performance compared to pre pandemic IPOs. So from this we can know that there is a series of changes in performance during the years and can expect the same in futures also.

5. RESULTS AND DISCUSSIONS

The objectives of this study focused mainly on performance of IPOs which listed during the year (2020–2021) of pandemic and to find any changes compared to past years or pre pandemic year IPOs. From the

TABLE 8. Compared mean analysis of total subscription.

One-sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
TOTAL SUBSCRIPTION 2020–2021	28	62.1386	63.04066	11.91357
TOTAL SUBSCRIPTION 2019–2020	11	39.0991	53.07481	16.00266
TOTAL SUBSCRIPTION 2018–2019	12	15.195	28.3116	8.17286
TOTAL SUBSCRIPTION 2017–2018	39	45.7577	69.2357	11.08658
TOTAL SUBSCRIPTION 2016–2017	25	35.0836	40.62465	8.12493
TOTAL SUBCRIPTION 2015–2016	21	17.0948	22.67957	4.94909

TABLE 9. Compared mean analysis of gain percent.

One-sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
GAIN PERCENT 2020–2021	28	37.0843	45.02948	8.50977
GAIN PERCENT 2019–2020	11	25.4727	40.77144	12.29305
GAIN PERCENT 2018–2019	12	3.4308	21.14583	6.10427
GAIN PERCENT 2017–2018	39	17.0318	30.07492	4.81584
GAIN PERCENT 2016–2017	25	20.2276	26.52203	5.30441
GAIN PERCENT 2015–2016	21	8.0533	19.64605	4.28712

study using Descriptive statistics analysis for pandemic year IPOs showed that the yearly mean average return was 37.08% which is healthy to argue that pandemic has not impacted on IPOs. Further when retail subscription level was measured, the year has seen a huge response from the retail investors and their average subscription was around 22 times with maximum subscription level was 166 times of their IPO quota on one of the IPO. Additionally, which has directly increased the total subscription level also. Retail investors are progressively showing interest in investing in IPOs and are getting aware of investing in share market through IPOs during the pandemic year. From compared mean analysis comparing the year to year performance, the average mean initial returns was high in the year FY 2020–2021 compared to past 5 financial year IPO returns. From this the under-pricing was high in the pandemic year which influenced the IPOs performance but no impact due to pandemic.

Further to discuss the under-pricing could have been done deliberately due to fear of pandemic or even maybe underwriters or book managers could not correctly quote the exact value of share. Additionally, when total subscription was compared, investors from all categories have shown more interest and have invested more during the year FY 2020–2021 compared to past years. This could be because of the under-pricing, or awareness to invest or may be because of bull market situation after the market crash, so this all could have resulted the IPOs to perform better during the year.

Further analysis results showed that retail subscription rate had a strong significant correlation with listing day performance and total subscription had a perfect significant correlation with listing

day performance. This indicates that whenever retail investors subscribe more there is a chance and can expect good listing day returns but whenever an IPO gets highly oversubscribed there is a high level of chance getting a high initial returns on listing day. This could be because of the demand created by investors on an IPO. This provides that demand from the investors creates value to any IPO which directly influences in IPO to perform better in listing day and gives a better result and gains to investors.

Additionally, a study on relationship between retail investors and intuitional investors results indicated that there exists a significance relationship between them, by this retail investor considers institutional investors subscription level while investing and this could be because institutional investors know better information about a firm than any others and this could one main reason. So retail investors have a significant relation but moderate correlation between them.

Overall results showed that performance during the pandemic time was positive and there was no direct impact on their performance. Further Retail investors are showing more interest in investing towards the capital market and moreover in Indian IPOs there still exists under-pricing and firms leave some money on table for the investors.

6. CONCLUSION AND FUTURE DIRECTIONS

6.1. Conclusion

From the study we found that performance during the pandemic had a negative influence on the IPOs listed during the year (FY

2020–2021). The results from descriptive statistics showed that mean average initial return for the year was 37.08% which means that during this year the average return stand to be more and the under-pricing is high during the year, this could be because that underwriters would have deliberately left money on the table to the initial investors due to fear of pandemic which could cause the performance of IPOs. From the further study on compared mean analysis on year to year comparison, it was found that retail investors have seen in more number during this year and actively investing. When compared to past 5 years' average subscription, retailers contributed to increase in the total (overall) subscription. Further retail and total subscription along with listing day returns were measured year to year and from the analysis it was found

FIGURE 1. Graph showing of mean retail subscription rate.
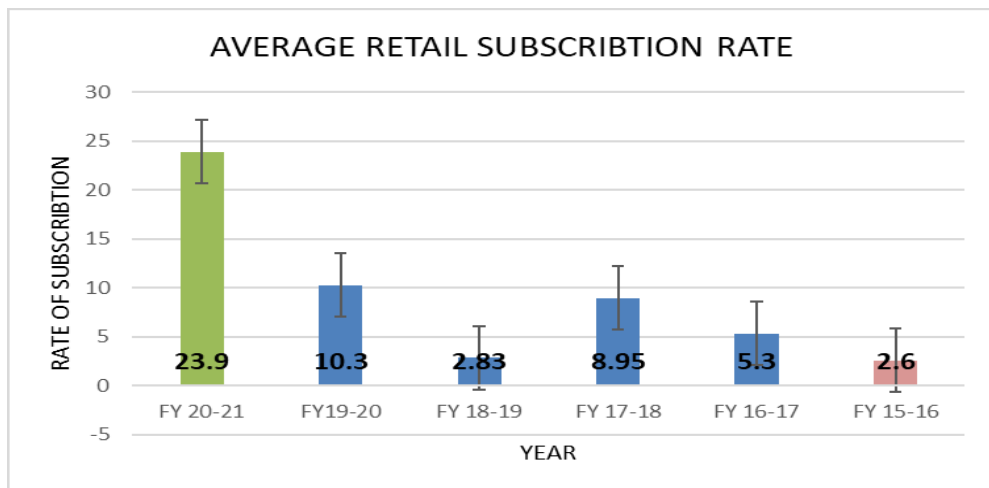
FIGURE 2. Graph showing mean total subscription.
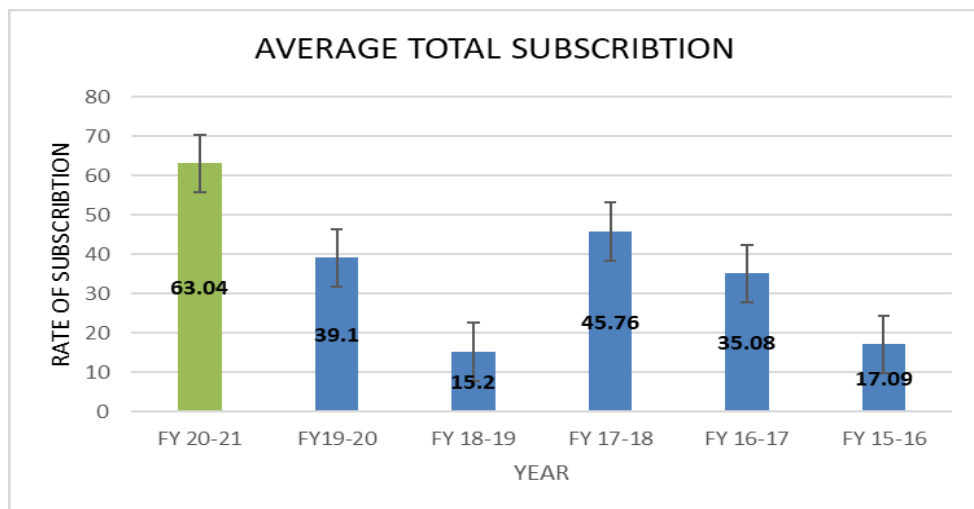
FIGURE 3. Graph showing mean listing day return (%).
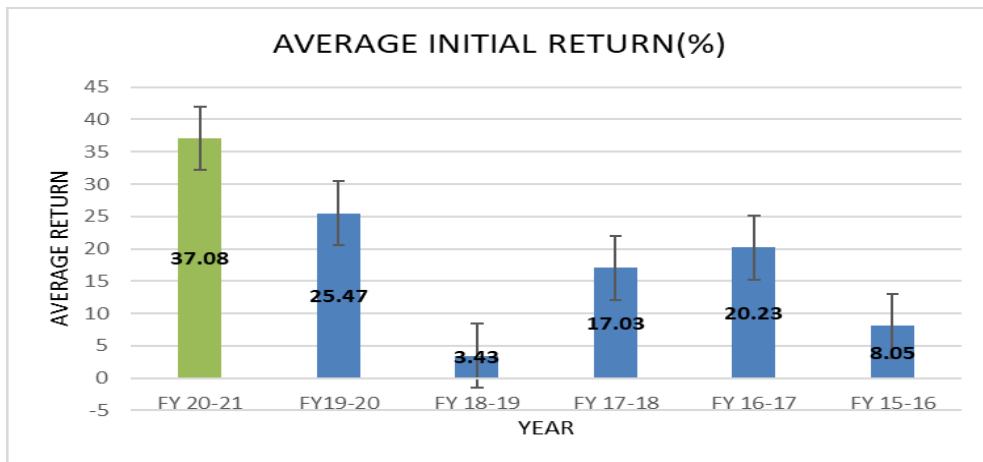
that the mean of every variable has outperformed compared to previous years, from this it can be concluded that performance of pandemic year IPO has performed better compared to past years. Further analysis finds that retail subscription had a strong correlation with listing day performance and the total subscription had a perfect correlation with listing day performance, by this it was found that there is a higher chance of getting good listing return whenever an IPO gets highly oversubscribed and vice versa when IPO gets decent subscription. Along with this it was found that there exists a significant correlation between retail investor with respect to institutional investors, this means that whenever retail investors make a bid for an IPO they consider institutional investor subscription level in order to invest and subscribe, but their correlation is moderate according to the analysis but significant to accept their correlation.

6.2. Future Directions

- Study was mainly on listing day performance, so for future researchers can do a study analysis on short- and long-term performance of FY 2020–2021 IPOs
- Researchers can even do a comparative analysis of this performance with previous years' short and long-term performance
- Further a study on analyzing the FY 2020–2021 IPOs initial returns with its short run performance can be carried out
- Factors which affected or influenced the performance of FY 2020–2021 IPOs can be done

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