CHAPTER NO. 6 FINDINGS, CONCLUSIONS & SUGGESTIONS

6.1 Findings of the study:

After studying and analyzing all the facts and data, researcher has found certain important findings which are quite supportive to one to understand the output of present research and how this will help to the potential investors. Followings are the findings as per the nature of respondents. First section contains findings as per responses collected from investors (150 respondents).

6.2 Summary of Conclusion:

1. The trend line shows upward trend in the number of companies going for IPO.
2. In year 2017-18 turnover of IPO was highest with ₹ 82357.40 cr. and in year 2014-15 it was lowest with ₹1258.68 cr. It is evident that turnover varies from year to year, very less time it has achieved have turnover.
3. In year 2017-18 prices was highest with ₹ 582.65 and in year 2008-09 it was lowest with ₹159.12. It is evident that prices vary from year to year; very less time it has achieved have high pricing.
4. Males are more involved into investment than the women.
5. In Pune city there is well educated investors.
6. In Pune city most of the investors are from above 50000 monthly income groups.
7. In Pune city most of the investors are having good experience at least of 6 to 10 years and they are trading in IPOs since long time.
8. In Pune city most of the investors have done their investment in the Bank & Deposit. It gives a detailed account of the principles, operational policies and practices of the financial services sector. Instructionally it helps investors to understand and apply concepts in real trading.
9. In Pune city most of the investors have done their investment in the low risky funds. The most of the financial markets in India were characterized by controls
over the pricing of financial assets, restrictions on flows or transactions, barriers to entry, low liquidity and high transaction costs. These characteristics came in the way of development of the markets and allocative efficiency of resources controlled through them.

10. It is evident that a large portion of investors strongly agree with statement that “High risk means more chance of getting high profit and low risk means less chance of getting low profit”. The system has experienced a constant review during the past fifteen years by the ever-watchful regulators RBI, SEBI and the Government of India to implement best practices, impart transparency and facilitate liquidity.

11. In Pune city investors are of negative opinion in regarding to the opting for the loans and advances for the purpose of investing them in Financial Markets. In India, financial markets have been developed with a specific emphasis on increasing allocative efficiency of resources and promoting financial stability. The purpose of this research is to provide an understanding of the organization, operation and working of financial markets and services in India.

12. In Pune city most of the investors always do trading in the primary market.

13. In Pune city most of the investors face the serious problem of delay in payments/allotments. It acquaints with the economy and the financial system. It helps to understand various concepts of financial markets such as the capital market, the derivatives market, and the debt market. It also concentrates on the topics like insurance and mutual funds along with investment banking, credit rating, housing finance, and micro-finance.

14. In Pune city investors are of positive opinion in regarding to the SEBI has allowed mandatory credit rating for IPOs. The aim is to stimulate the investors with this active and exciting area of research and to lay a solid foundation on which future study of its various facts may be based.

15. It is evident that a large portion of investors strongly agree with statement that decision of SEBI to protect the interest of the investors is right.

16. In Pune city most of the investors are of opinion that primary market is always in favor of the institutional investors only.
17. In Pune city most of the investors are of opinion that they are highly satisfied with the present system of Book Building wherein a price band is fixed for an IPO in which free pricing is allowed.

18. In Pune city most of the investors are of opinion that stock exchanges are more responsible for disclosures in offer documents. An investor can succeed in his investment only when he is able to select the right shares with right documentation. The investors should clearly watch the situations like market price, economy, company progress, returns, and the risk involved in a share before taking decision on a particular share. This study made will help the investors know the behavior of share prices and thus can succeed.

19. It is evident that a large portion of investors strongly agree with a Middle man of the IPOs should safeguard the interest of investors in an IPO and ensure proper disclosures by the company.

20. In Pune city investors are of positive opinion in regarding to the Securities Market Awareness Campaign (SMAC) launched by SEBI for educating the masses through organizing investors’ workshops.

21. In Pune city investors are of positive opinion in regarding to attending workshop organized by any Stock Exchange/SEBI or any other regulatory body under SMAC.

22. In Pune city most of the investors are of opinion that they are highly satisfied with the efforts of Stock Exchanges and SEBI for organizing workshops under SMAC. Technological innovation and growing government oversight have significantly changed financial markets and institutions. It helps to design and capture the constant changes, and to present an analytical framework that enables investors to understand and anticipate changes in the financial system and accompanying changes in markets and institutions.

23. In Pune city most of the investors are of opinion that frequent programs are the best measure to educate the investors. The studies prove that pace of progressive integration of financial markets banking, insurance, mutual funds, securities and commodities with high technology preoccupation to focus on customer-based services.
6.3 Testing of Hypothesis:

Hypothesis 1

H0: Null Hypothesis- IPOs are successful only in the healthy and favorable economic environment.

H1: Alternative Hypothesis- IPOs are not successful in the healthy and favorable economic environment.

From the testing of above hypothesis, it has discovered that more than half size of response indicated that IPOs are successful only in the healthy and favorable economic environment. Hence, the alternative hypothesis (H0) has found proved and so null hypothesis (H1) has rejected.

Hypothesis 2

H0: Null Hypothesis- Investor’s response to IPO varies due to change in economic and financial environment.

H1: Alternative Hypothesis- Investor’s response to IPO do not varies due to change in economic and financial environment.

From the testing of above hypothesis, it has discovered that more than half size of response indicated that Investor’s response to IPO varies due to change in economic and financial environment. Hence, the alternative hypothesis (H0) has found proved and so null hypothesis (H1) has rejected.

Hypothesis 3

H0: Null hypothesis -The success rate from the financial year 2008-2009 to 2017-2018 was very low due to poor investor response.

H1: Alternative Hypothesis- The success rate from the financial year 2008-2009 to 2017-2018 was very high due to poor investor response.

From the testing of above hypothesis, it has discovered that more than half size of response indicated that the success rate from the financial year 2008-2009
to 2017-2018 was very high due to poor investor response. Hence, the alternative hypothesis (H1) has found proved and so null hypothesis (H0) has rejected.

6.4 Conclusions:

Objective wise conclusions are presented here:

**Objective 1:** To understand the trend of IPO’s issued from the financial year 2008-2009 to 2017-2018.

**Conclusion:**

The present research helps to focus on the IPOs issued in ten years. This study helps us to understand the trends of IPO’s issued from the financial year 2008-2009 to 2017-2018 and help us to take appropriate & beneficial investment decision so that ultimate investment objectives of the investors can be achieved.

**Objective 2:** To study the reasons of raising funds through IPO.

**Conclusion:**

The present research helps to emphasis on the study of the reason of raising funds through IPO. This study helps us to understand the design of IPO’s which is focused on the proper utilization of funds and help us to take suitable & profitable investment decision so that ultimate investment objectives of the investors can be achieved.

**Objective 3:** To examine number of IPO issued from the financial year 2008-2009 to 2017-2018.

**Conclusion:**

The present research supports to concentrate on the IPOs issued in ten years. This study helps us to understand the outline of IPO’s issued from the financial year 2008-2009 to 2017-2018 about 218 IPOs where offered in ten years and that means 218 opportunities of investment as present so that ultimate investment objectives of the investors can be achieved.
Objective 4: To identify trend of success and failure of IPO’s.

Conclusion:

The present research helps to identify trend of success and failure of IPO’s. This study helps us to understand the pattern of IPO’s issued from the financial year 2008-2009 to 2017-2018. From study we can clearly see that many people have been successful in achieving their goal of investment. They are also interested in the education program provided by the stock exchanges as well as SEBI so that it will be in the interest of the investors to easily utilize the opportunities present in IPOs.

Objective 5: To enlist the causes of success and failure of IPO’s.

Conclusion:

The present research helps to enlist the causes of success and failure of IPO’s. This study helps us to comprehend the cause of IPO’s issued from the financial year 2008-2009 to 2017-2018 and help us to take proper investment decision so that objectives of investing in the IPO is accomplished.

6.5 Suggestions for Improvement: -

1. Respondents have good knowledge of IPO based upon this knowledge and information about the economy and investors have maximize their wealth.
2. The main purpose of IPOs is balanced approach towards investment, Risk mitigation & management, Wealth maximization.
3. The economic environment in India has changed since liberalization, privatization and globalization.
4. People have become more cautious about their earnings.
5. Proclivity towards money-oriented approach of living is observed everywhere in world. The functioning of major stock exchanges in developed and emerging
countries has been examined in view of the interest in listing equity in external markets.
6. People have become more interested in better application of the funds.
7. People are more cautious about investment and placement of funds
8. With increasing income consciousness results in increase of investment.
9. Investors do not anticipated returns because of lack of alertness, improper understanding regarding IPOs, wrong decision making. An overview of the international financial markets including foreign exchange market, international money, banking, equity, (stock exchanges) and bond markets is must.
10. Investors need to educate regarding avenues of investment and option present in IPOs. It deals with the globalization and its impact on Indian market as opening up of our economy has made it essential to understand the functioning of international financial markets which are private and unregulated.
11. Education regarding investments can change investor’s style towards IPOs. Capital market plays a very important role in the development of financial system of any economy. It is a market where financial assets such as equities/debts are traded over a long period of time
12. Hard work is done educating, investors about varied IPOs options.

In view of researcher view of the financial system of a country and promotes savings by providing a wide variety of financial assets to the general public. Savings collected from the household sector are shared together and allocated to various sectors of the economy for raising production levels.

**6.6 Benefits/Significance/Importance of the research study is as follows:**

1. Those people or investors who are interested in the doing the investment in IPO sector will boost their confidence by studying or reviewing this research work.
2. The risk factors will be reduced by the application of the suggestion given by the researcher in this research work.
3. Asset management and fund allocation can be done in IPO by the investors as they will gain better knowledge by understanding the trends of various years studied by the researcher.

4. New horizons of the investment can be explored by understanding the past and recent trends in the IPOs. The confidence of the investors will be motivated and it will help to boost the investment opportunity in the primary market. As a result, more investors will be attracted towards the IPOs and turnover of the primary market will be increased.

5. The domestic companies will be motivated to raise their long term and short funds from the IPOs. The two-way benefit can be seen as the domestic companies will get easy access to the funds at lower rate of interest and the money of investors will be properly channelized.

6. Small investors will get chance to share direct investment with the companies and in return will be eligible for booking more profit and share in those companies in which they have shown interest.

7. Companies will not require to raise funds with high rate of interest which will help them to boost the profitability of the companies. Growth and development will be seen in short span of period.

8. They data analyzed by the researcher have proved that long term investment in the IPO is always better option than investing in mutual funds or any other asset class.

9. It has very less risk in compare to other asset class and this is inferred by the opinion shared by the investors in the questionnaire.

10. An understanding of financial markets as part of the financial system is important as they are at the core of the communication mechanism of monetary policy and this can be achieved by understanding the outcomes of the research done by the researcher in this project work.

11. Financial markets have been developed with a specific prominence on increasing allocative efficiency of resources and promoting financial stability. This stability is achieved by research done in various sector available in the market and the researcher is successful in doing a quality work in the sector of IPO which is not only beneficial for the large investors but also for the local and small investors.
6.7 Future scope for the study:

The nature of the subject and topic select by the researcher have very large database and is very hard to derive immediate outcome. The further study in this regard will be to understand the emotion and its role while taking any investment decision. As there is very less awareness seen in the primary market regarding the investment. One needs to study how the investors are influenced by other investment avenues or asset class. Further in this research the implementation of various scheme by the companies and SEBI at the ground level needs to be studied as this will help in protecting the hard money earned by the investors and more security and safety will be provided to the investors. Also, to add new technological advancement in this field must be done and implemented as soon as possible as this will be to boost the economy of the country and digitalization will be achieved.