

A Fundamental Analysis of the New Age IPO Companies and Their Post - Listing Performance

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Abstract

Capital markets all over the world are subject to information asymmetry where the potential investors have inferior knowledge about the company. As a step to make markets efficient SEBI introduced a new mechanism of grading of IPOs in 2006. Grades assigned by different credit rating agencies acts as signal of quality of the company. The objective of this study is to fundamentally analyse the New Age IPO companies and their post - listing performance.

Price performance is one indicator of market efficiency. Using sample of 10 New Age IPOs listed on the stock exchanges from the beginning of the year 2021 to ending of the year 2021, IPO returns for 6 months post offer day is calculated.

Keywords — Initial public offer, short run price performance, IPO grading, Regression analysis

Introduction

An initial public offering (IPO) is a means of securing capital for the first time from the general public. In addition to raising capital, an IPO allows potential investors to invest in businesses. Potential investors anticipate a return on their investment in the form of a dividend and a capital gain when they put their money. As a result of this, it is critical for them to find and evaluate the finest investment option accessible. It is essential since there is a substantial risk of potential investors losing money if they invest in non-creditworthy businesses. Companies that use initial public offerings (IPOs) to raise funds from the people could go out of existence after a year or two. In 2006, SEBI created a grading system for initial public offerings (IPOs) in the best interests of potential investors. Credit rating agencies (CRAs) designated by SEBI, such as CRISIL, ICRA, CARE, and FITCH, grade IPOs. These certified CRAs assign ratings in order to direct potential investors to the finest investment opportunities. Companies are judged based on five criteria set forth by SEBI. (1) business prospects and competitive position of the corporation (2) latest project risks and opportunities (3) the company's financial status (4) management competence (5) corporate governance practises and (6) the company's history of compliance and lawsuits are all aspects to consider.

The grades awarded by CRAs following the analysis are designed to serve as a signal to investors concerning the IPOs' quality.

The market rebounded from the March 2020 drop, but the second wave of the coronavirus wave led the market into another fall in Q2 FY 2021. The organisations that were investigated were chosen after thorough due diligence and with the correction having a limited impact on their IPOs.

The study's goal is to examine the New – Age IPO companies and their post-listing performance in depth. Companies with good fundamentals are expected to attract more market interest during the IPO period and to perform well after the initial public offering.

Literature Review

Since IPO analysis is a relatively understudied topic, there is a paucity of literature on the issue. Most of the literature focuses on under-pricing, subscriptions, and other similar topics. There is a paucity of literature on IPO fundamental analysis and short-term returns.

According to Ashu Khanna et al. (2012), the level of under-pricing is related to variables such as the firm's age, IPO years, book building price mechanism, ownership structure, issue size, and market capitalization. After the Indian market crisis, factors such as the number of shares offered, issue size, market capitalization, subscription offer timing, book building mechanism, and IPO years have a substantial influence on the level of under-pricing, but factors such as the firm's age, private issuing firms, and non-institutional promoters have no significant impact on the level of under-pricing.

According to Sanjay Mittal et al. (2012), the major goal of IPO grading is to assist retail investors in making better investment decisions. They claim that there is a link between IPO grades and overall oversubscription as well as investor class oversubscription. This indicates that IPO grades have an impact on the investing decisions of all sorts of investors.

Institutional investors are guided by firm quality, while individual investors are guided by market sentiments, according to Suman Neupane et al. (2014). In their study, Varsha Gupta et al. (2014) discovered that, in addition to demand and price, There are a number of other aspects to consider that influence IPO performance in the short and long run. Market trend, IPO grading, issue size, stock connection with index, and other criteria are among them.

According to Sanjay Dhamija, Ravinder Kumar Arora et al. (2017), It is critical to deliver appropriate returns to investors in the IPO market, both in the short and long term, in order to maintain their interest in the market.

Research Methodology

This research will aid us in determining the IPO market's future prospects after the stock market crash of 2020. Many New – Age enterprises from diverse industries, such as Quick Service Restaurants (QSRs), Food Delivery Aggregators, Chemicals, and others, have decided to list their companies on the bourses to raise funds from the market and seize the opportunity of capital markets' higher liquidity. The fundamentals of a business dictate its future and stock market performance. When a firm invites bids for its first public offering (IPO), those with solid fundamentals gain more interest than those with weak fundamentals. It is vital for an investor to research and invest in such businesses. This report is based on the fundamental analysis of the New-Age IPO companies and their post listing performance in the stock market

Objective of the Study

- To conduct a fundamental analysis of the New - Age IPOs
- To compare the post listing performance with the broader market
- To analyse the overall underperformance or overperformance from the index

Research Design

The specification of methods as well as techniques for getting the data required to structure or solve the problem is known as a research design. What information is to be collected from which source and by what technique is determined by the project's overarching operational pattern or structure. The entire research is carried out utilizing combination of primary and secondary data sources. The entire research is carried out utilizing a combination of primary and secondary data sources.

The study examines ten new-age first public offerings (IPOs). For this study, The previous three years' financial results were collected and analysed, as well as the performance of the companies after debut in the primary market. For research and fundamental analysis of IPOs, data from the market regulator i.e., SEBI and many other research organisations and brokers are used, and charts from online sources such as trading view and moneycontrol are used to analyse post-listing performance.

2. Data Analysis and Interpretation

A) Indigo Paints Limited (CMP 1622.85) - Indigo Paints is one of India's fastest-growing paint firms, and it is the decorative paint industry's fifth-largest revenue generator. Enamels, emulsions, wood coatings, primers, distempers, putties, and cement paints are among the ornamental paints manufactured by the company.

Metallic Emulsions, Bright Ceiling Coat Emulsions, Tile Coat Emulsions, Dirtproof & Waterproof Exterior Laminate, Floor Coat Emulsions, Exterior and Interior Acrylic Laminate, and PU Super Gloss Enamel were among the initial goods manufactured by the firm. Sales of these distinctive items have been steadily increasing, from 26.68 percent in 2018 to 28.62 percent in fiscal 2020.

Company Strengths

- ☐ Large product portfolio with differentiated products.
- ☐ Well-proven, and consistent growth track record.
- ☐ Strong brand equity.
- ☐ Extensive network distribution.
- ☐ Strategically located manufacturing facilities.

Source: chittorgarh.com

Particulars	For the year/period ended (₹ in million)			
	30-Sept-20	31-Mar-20	31-Mar-19	31-Mar-18
Total Assets	4,112.91	4,219.59	3,731.83	2,973.94
Total Revenue	2,602.43	6,264.36	5,372.62	4,031.05
Profit After Tax	272.05	478.15	268.70	128.62

Table 1 – Summary of financial Information (Restated Consolidated)

Source: moneycontrol.com

Open	1,627.00	High	1,640.35	TTM EPS	15.62	Mkt Cap (Rs. Cr.)	7,714
Previous Close	1,616.80	Low	1,617.05	TTM PE	103.82	Dividend Yield	--
Volume	12,548	UC Limit	1,940.15	Sector PE	90.13	20D Avg Volume	83,216
Value (Lacs)	203.49	LC Limit	1,293.45	Book Value Per Share	118.46	20D Avg Delivery(%)	45.24
① VWAP	1,624.93	52 Week High	2,740.00	P/B	13.69		
Beta	0.49	52 Week Low	1,438.15	Face Value	10		

Table 2 – Key Metrics of the company (as on 04/04/2022)

Source: chittorgarh.com

Category	Subscription (times)
QIB	189.57
NII	263.05
Retail	15.93
Employee	2.50
Total	117.02

Table 3 – Application wise IPO Subscription status

Source: in.tradingview.com



Figure 1- Indigo Paints (- 47.93) vs Nifty (+ 40.44)

Interpretation – Indigo Paints was aggressively priced IPO compared to its peers, even though it listed at a premium of 75% over its issue price of ₹ 1490. It is clearly visible that it could not sustain those valuations and has been in correction since its listing on the bourses.

B) MTAR Technologies Limited (CMP 1784.75) - MTAR Technologies, founded in 1999, is a national leader in the precision engineering business. Through its precision machining, assembly, specialised fabrication, testing, and quality control processes, the company primarily manufactures mission-critical precision components with closetolerances and crucial assemblies.

MTAR Technologies' product line has been significantly expanded. since its inception, including critical assemblies such as liquid propulsion engines to GSLV Mark III, Base Shroud Assembly & Airframes for Agni Programs, Actuators forLCA, power units for fuel cells, Fuel machining head, Bridge & Column, Drive Mechanisms, Thimble Package, and so on. The Indian nuclear, defence, and space sectors have a wide range of complicated product portfolios to fulfil their diverse needs. ISRO, NPCIL, DRDO, Bloom Energy, Rafael, Elbit, and others are among the respected clients.

Competitive Strengths

- ☐ A diverse product portfolio.
- ☐ 7 Modern technology manufacturing units.
- ☐ Diversified supplier base.
- ☐ Strong financial track record.
- ☐ Experienced and qualified management.

Source: *chittorgarh.com*

Particulars	For the year/period ended (₹ in million)			
	31-Dec-20	31-Mar-20	31-Mar-19	31-Mar-18
Total Assets	3,819.14	3,462.71	3,051.58	2,810.32
Total Revenue	1,779.91	2,181.42	1,859.10	1,605.45
Profit After Tax	280.69	313.18	391.99	54.23

Table 4 - Summary of financial Information (Restated Consolidated)

Source: moneycontrol.com

Open	1,771.90	High	1,787.75	TTM EPS	19.21	Mkt Cap (Rs. Cr.)	5,447
Previous Close	1,752.65	Low	1,755.10	TTM PE	92.19	Dividend Yield	0.17
Volume	84,459	UC Limit	2,103.15	Sector PE	30.04	20D Avg Volume	300,866
Value (Lacs)	1,495.81	LC Limit	1,402.15	Book Value Per Share	154.99	20D Avg Delivery(%)	36.79
① VWAP	1,769.60	52 Week High	2,563.30	P/B	11.43		
Beta	1.23	52 Week Low	887.95	Face Value	10		

Table 5 – Key Metrics of the company (as on 04/04/2022)

Source: chittorgarh.com

Category	Subscription (times)
QIB	164.99
NII	650.79
Retail	28.40
Total	200.79

Table 6 – Application wise IPO Subscription status

Source: in.tradingview.com



Figure 2 - MTAR Technologies (+ 63.69) vs Nifty (+ 19.05)

Interpretation - Given the company's expertise in providing a wide range of precision engineering products with intricate manufacturing capability, a high entry barrier, and a strong balance sheet and management, it received a massive oversubscription and listed at a premium of 85% over its issue price of ₹ 575, outperforming the index.

C) Easy Trip Planners Limited (CMP 379.15) - Easy Trip Planners Ltd, founded in 2008, is India's second-largest online travel firm by gross sales. The travel agency on the web provides a number of travel products and services, as well as end-to-end travel solutions, such as airline tickets, rail tickets, bus tickets, taxis, vacation packages, hotels, and other value-added services such as travel insurance and visa processing. Easy Trip's website and Ease My Trip android and iOS mobile app provide a variety of online travel services. To provide its services, the company uses B2B2C (business to business to customer), B2C (business to customer), and B2E (business to enterprise) distribution channels.

Competitive Strengths

- ☐ One of the leading online travel agencies in India.
- ☐ Strong brand name and distribution network.
- ☐ In-house advanced technology infrastructure.
- ☐ Consistent financial track record and operational performance.

Source: chittorgarh.com

Particulars	For the year/period ended (Rs in million)			
	31-Dec-20	31-Mar-20	31-Mar-19	31-Mar-18
Total Assets	3,569.66	2,823.37	2,430.88	1,802.89
Total Revenue	815.72	1,797.24	1,511.11	1,135.74
Profit After Tax	311.09	346.48	239.93	0.30

Table 7 - Summary of financial Information (Restated Consolidated)

Source: moneycontrol.com

Open	348.00	High	380.30	TTM EPS	5.27	Mkt Cap (Rs. Cr.)	8,182
Previous Close	345.80	Low	343.10	TTM PE	71.45	Dividend Yield	0.53
Volume	4,963,224	UC Limit	380.35	Sector PE	282.89	20D Avg Volume	1,908,849
Value (Lacs)	18,689.02	LC Limit	311.25	Book Value Per Share	7.61	20D Avg Delivery(%)	36.8
① VWAP	371.33	52 Week High	380.30	P/B	49.49		
Beta	2.66	52 Week Low	20.13	Face Value	2		

Table 8 – Key Metrics of the company (as on 04/04/2022)

Source: chittorgarh.com

Category	Subscription (times)
QIB	77.53
NII	382.21
Retail	70.40
Total	159.33

Table 9 – Application wise IPO Subscription status

Source: in.tradingview.com



Figure 3- Easy Trip Planners (+ 261.29) vs Nifty (+ 19.06)

Interpretation – Easy trip planners compete with the most well-known names in the travel business as one of the asset-light business models. It was listed at a 13.5 % premium over its issue price of ₹ 187. However, after listing, it outpaced the broader market by a large margin due to a drop in the Covid-19 instances and boosted topline and bottomline due to pent-up demand in the tourism industry.

D) Nazara Technologies (CMP 1672.70) - Nazara Technologies Ltd, founded in 1999, is a renowned mobile game developer in India. The company provides a diverse range of gaming products in growing countries such as India, Africa, Southeast Asia, the Middle East, and Latin America, including interactive gaming, eSports, and gamified early learning. It is one of India's main providers of live eSports streaming and on-demand eSports media material. In mobile games, it has Carrom Clash and World Cricket Championships, Kiddopia in gamified early learning, Nodwin and Sportskeeda in eSports, and Halaplay and Qunami.

Subscription-based business, freemium business, eSports, gamified early learning, and real money gaming are all segments of the company. The subscription business caters to a large number of mobile internet users, the majority of whom are first-time mobile gamers. Subscription fees charged to customers under the gamified early learning and eSports business divisions generate the most revenue for the company, for the six months ending September 30, 2020, it accounted for 71.03 percent of total income.

Competitive Strengths

- ☐ One of the leading eSports companies in India.
- ☐ Diversified business based on the geographical presence and gaming products.
- ☐ Strong leadership backed by marquee investors.
- ☐ Asset light business model.

Source: chittorgarh.com

Particulars	For the year/period ended (₹ in millions)			
	30-Sep-20	31-Mar-20	31-Mar-19	31-Mar-18
Total Assets	7,986.55	7,768.29	5,145.83	4,707.59
Total Revenue	2,070.06	2,621.46	1,860.98	1,819.40
Profit After Tax	(101.07)	(266.15)	67.13	10.23

Table 10 - Summary of financial Information (Restated Consolidated)

Source: moneycontrol.com

Open	1,673.80	High	1,690.00	TTM EPS	8.29	Mkt Cap (Rs. Cr.)	5,453
Previous Close	1,658.85	Low	1,645.00	TTM PE	201.63	Dividend Yield	0.00
Volume	94,716.00	UC Limit	1,824.70	Sector PE	30.69	20D Avg Volume	116,804
Value (Lacs)	1,583.18	LC Limit	1,493.00	Book Value Per Share	379.29	20D Avg Delivery(%)	47.76
① VWAP	1,666.21	52 Week High	3,356.00	P/B	4.41		
Beta	1.000.97	52 Week Low	1,455.55	Face Value	4.00		

Table 11 – Key Metrics of the company (as on 04/04/2022)

Source: Chittorgarh.com

Category	Subscription (times)
QIB	103.77
NII	389.89
Retail	75.29
Employee	7.55
Total	175.46

Table 12 – Application wise IPO Subscription status

Source: in.tradingview.com



Figure 4 - Nazara Technologies (+ 5.29) vs Nifty (+ 20.58.)

Interpretation - Nazara Technologies was backed by Rakesh Jhunjhunwala considered to be India's Warren Buffet or the Big Bull. It listed at a premium of 80.74% over an issue price of ₹ 1,101. However, over the long haul Nazara technologies could not sustain those high valuations and although it outperformed the index in the first few months after the listing it fell sharply in the last 6 months and have underperformed the index.

E) Barbeque Nation (CMP 1258.50) - Barbeque Nation Restaurants, founded in 2006, is one of India's most popular casual dining restaurant brands. It provides consumers with the highest quality food, ambiance, and services. Toscano Restaurants and UBQ by Barbeque Nation, which caters to the delivery segment, are also owned and operated by the company.

The first Barbeque Nation Restaurant opened in 2008, and as of November 30, 2019, the network had grown to 138 Barbeque Nation Restaurants in 73 locations across India, as well as 7 International Barbeque Nation Restaurants in three countries. The company has lately expanded into a new brand, "Red Apple," which operates 10 Italian restaurants in Bengaluru and Chennai, India.

Competitive Strengths

- ☐ One of India's fastest-growing restaurant brands.
- ☐ Diversified offerings for both vegetarian and non-vegetarians.
- ☐ Experienced promoters and managers team.
- ☐ Healthy financial position with a proven track record of revenue growth.

Source: chittorgarh.com

Particulars	For the year/period ended (₹ in million)			
	30-Nov-20	31-Mar-20	31-Mar-19	31-Mar-18
Total Assets	9,085.85	9,554.58	8,190.85	7,231.60
Total Revenue	2,366.08	8,507.94	7,425.41	5,904.48
Profit After Tax	(1,006.48)	(329.28)	(383.86)	(58.00)

Table 13 - Summary of financial Information (Restated Consolidated)

Source: moneycontrol.com

Open	1,288.00	High	1,310.05	TTM EPS	-4.97	Mkt Cap (Rs. Cr.)	5,014
Previous Close	1,272.45	Low	1,279.95	TTM PE	--	Dividend Yield	0.00
Volume	41,167.00	UC Limit	1,526.90	Sector PE	47.65	20D Avg Volume	64,437
Value (Lacs)	530.54	LC Limit	1,018.00	Book Value Per Share	64.30	20D Avg Delivery(%)	33.80
① VWAP	1,295.56	52 Week High	1,945.95	P/B	20.05		
Beta	1.171.12	52 Week Low	481.85	Face Value	5.00		

Table 14 – Key Metrics of the company (as on 04/04/2022)

Source: chittorgarh.com

Category	Subscription (times)
QIB	5.11
NII	3.10
Retail	13.13
Employee	1.02
Total	5.98

Table 15 – Application wise IPO Subscription status

Source: in.tradingview.com



Figure 5- Barbeque Nation (+ 119.26) vs Nifty (+ 20.77)

Interpretation – Barbeque Nation listed at a discount of 2.03% over its issue price of ₹ 500. However, a month after its listing, it outperformed the market significantly over its good results and has become a multibagger.

F) Sona BLW Precision Forgings Limited (CMP 663) - Sona BLW Precision Forgings Limited, founded in 1995, is one of India's premier automotive technology businesses. The company's main business is designing, manufacturing, and supplying high-quality mission-critical automotive components such as differential assemblies, gears, traditional and micro-hybrid starter motors, and so on.

It is one of the top ten auto-component makers, according to the CRISIL Report. Sona Comstar was one of the top 10 global differential bevel gear players in 2020, as well as one of India's leading starter motor exporters. The company sells its products in India, the United States, Europe, and China. It operates nine production and assembly plants in the United States, India (6), China, and Mexico.

Competitive Strengths

- ☐ One of the leading manufacturers and suppliers to the global EV market.
- ☐ Large product portfolio.
- ☐ Diversified across automotive geographies, vehicle segments, and customers.
- ☐ Strong Research & Development (R&D) capabilities.
- ☐ Consistent financial performance track record.

Source: chittorgarh.com

Particulars	For the year/period ended (₹ in million)		
	31-Mar-21	31-Mar-20	31-Mar-19
Total Assets	21,748.30	18,506.82	16,325.57
Total Revenue	15,686.41	10,437.65	7,025.01
Profit After Tax	2,151.65	3,603.43	1,731.80

Table 16 - Summary of financial Information (Restated Consolidated)

Source: moneycotrol.com

Open	663.70	High	668.40	TTM EPS	3.87	Mkt Cap (Rs. Cr.)	38,745
Previous Close	656.75	Low	659.05	TTM PE	171.33	Dividend Yield	2.86
Volume	504,439	UC Limit	788.10	Sector PE	109.99	20D Avg Volume	1,240,042
Value (Lacs)	3,344.68	LC Limit	525.40	Book Value Per Share	21.16	20D Avg Delivery(%)	39.25
① VWAP	662.66	52 Week High	839.90	P/B	31.34		
Beta	1.33	52 Week Low	291.00	Face Value	10		

Table 17 – Key Metrics of the company (as on 04/04/2022)

Source: chittorgarh.com

Category	Subscription (times)
QIB	3.46
NII	0.39
Retail	1.58
Total	2.28

Table 18 – Application wise IPO Subscription status

Source: in.tradingview.com



Figure 6 - Sona Comstar (+ 83.61) vs Nifty (+ 15.10)

Interpretation - Sona BLW Precision Forgings listed at a premium of 4% over its issue price of ₹ 291 due to the weak market sentiments. However, it has climbed significantly after listing on the bourses. It is perceived as a futuristic stock by the market as the company is engaged in component manufacturing for Electric Vehicles (EVs) and with the rise in fuel prices and search for alternatives clean source of energy is the big bet.

G) Clean Science and Technology Limited (CMP 2043.55) - Clean Science and Technology Ltd, founded in 2003, is one of the world's leading chemical manufacturers. Performance Chemicals (MEHQ, BHA, and AP), Pharmaceutical Intermediates (Guaiacol and DCC), and FMCG Chemicals are among the functionally vital specialty chemicals it produces (4-MAP and Anisole).

The company sells to manufacturers and distributors in India as well as in China, Europe, the United States, Korea, Taiwan, and Japan. Customers include Bayer AG, Genex Laboratories Limited, Nutriad International NV, SRF Limited, and Vinati Organics. It exported 69 percent of its revenues outside of India in fiscal 2020. Clean Science has two production facilities at Kurkumbh (Maharashtra) with an aggregated installed production capacity of 29,900 MTPA as of Dec 31, 2020.

Competitive Strengths

- ☐ Globally leading supplier of certain chemicals; Ansole, 4-MAP, MEHQ, BHA, DCC, etc.
- ☐ Strategically located manufacturing facility with close proximity to JNPT port to export products.
- ☐ Strong long-term relationship with key customers.
- ☐ Consistent track record of financial performance.
- ☐ International presence with export to several countries i.e. China, USA, Korea, Japan, Taiwan, etc.

Source: chittorgarh.com

Particulars	For the year/period ended (₹ in million)		
	31-Mar-21	31-Mar-20	31-Mar-19
Total Assets	6,599.17	4,298.79	3,274.73
Total Revenue	5,380.71	4,301.65	4,045.63
Profit After Tax	1,983.80	1,396.31	976.58

Table 19 - Summary of financial Information (Restated Consolidated)

Source: moneycontrol.com

Open	2,041.00	High	2,078.85	TTM EPS	0.00	Mkt Cap (Rs. Cr.)	21,694
Previous Close	2,016.45	Low	2,039.40	TTM PE	--	Dividend Yield	0.12
Volume	101,519	UC Limit	2,419.70	Sector PE	81.80	20D Avg Volume	135,700
Value (Lacs)	2,073.47	LC Limit	1,613.20	Book Value Per Share	50.84	20D Avg Delivery(%)	38.86
① VWAP	2,051.27	52 Week High	2,705.00	P/B	40.18		
Beta	0.87	52 Week Low	900.00	Face Value	1		

Table 20 – Key Metrics of the company (as on 04/04/2022)

Source: chittorgarh.com

Category	Subscription (times)
QIB	156.37
NII	206.43
Retail	9.00
Total	93.41

Table 21 – Application wise IPO Subscription status



Source: in.tradingview.com

Figure 7- Clean Science and Technology (+ 28.88) vs Nifty (+ 14.70)

Interpretation – Clean Science and Technology listed at a whopping 98.6% a premium above its initial public offering price of ₹ 900. Due to its global presence as well as supply chain interruptions as a result of the Covid -19, India's chemical industry got a boost which lifted the overall sentiments for this IPO too. The company has also performed significantly after listing. However, due to the recent Russia/Ukraine Crisis the industry is affected, and the stock corrected but still it has outperformed the index.

H) Zomato (CMP 86.25) - As of December 31, 2020, Zomato Limited, which was founded in 2010, is one of the biggest online food service platforms in terms of the value of food sold. Customers can search and discover restaurants, order food delivery, book a table, and make payments for dining out at restaurants through its B2C offerings, while it generates revenue from Hyperpure (supply of high-quality ingredients and kitchen products to restaurants) and Zomato Pro, a customer loyalty programme, through its B2B offerings.

Zomato has a significant presence in 23 countries as of December 31, 2020, with 131,233 active food delivery restaurants, 161,637 active delivery partners, and an average monthly food order of 10.7 million clients.

Competitive Strengths

- ☐ Among the leading Food Service Delivery platforms.
- ☐ Recognized consumer brand equity across India.
- ☐ Widespread and efficient on-demand hyperlocal delivery network.
- ☐ A strong network of 131,233 restaurants and 161,637 delivery partners

Source: chittorgarh.com

Particulars	For the year/period ended (₹ in million)		
	31-Mar-21	31-Mar-20	31-Mar-19
Total Assets	87,035.43	29,003.82	34,134.05
Total Revenue	21,184.24	27,427.39	13,977.17
Profit After Tax	(8,164.28)	(23,856.01)	(10,105.14)

Table 22 - Summary of financial Information (Restated Consolidated)

Source: moneycontrol.com

Open	84.40	High	87.70	TTM EPS	-1.16	Mkt Cap (Rs. Cr.)	68,170
Previous Close	84.30	Low	84.40	TTM PE	--	Dividend Yield	--
Volume	16,204,612	UC Limit	92.70	Sector PE	240.72	20D Avg Volume	19,562,342
Value (Lacs)	14,033.19	LC Limit	75.90	Book Value Per Share	10.85	20D Avg Delivery(%)	36.26
① VWAP	85.91	52 Week High	169.00	P/B	7.99		
Beta	1.79	52 Week Low	75.50	Face Value	1		

Table 23 – Key Metrics of the company (as on 04/04/2022)

Source: chittorgarh.com

Category	Subscription (times)
QIB	51.79
NII	32.96
Retail	7.45
Employee	0.62
Total	38.25

Table 24 – Application wise IPO Subscription status

Source:in.tradingview.com



Figure 8 - Zomato (- 31.41) vs Nifty (+ 13.30)

Interpretation – Zomato listed strongly with a premium of 56% over its issue price of ₹ 76

It was highly valued as it is the first company in its space to get listed. Zomato performance was close as the index in the initial 6 months after the listing but due to the Paytm's Domino Effect of New - Age Start-up Valuation Zomato's stock saw a steep correction in the Q4 FY 2021

I) Tatva Chintan Pharma Chem Limited (CMP 2336.30) - Tatva Chintan Pharma Chem Limited, founded in 1996, is a chemical manufacturer that specialises in structure directing agents (SDAs), phase transfer catalysts (PTCs), pharmaceutical and agrochemical intermediates, and other specialised chemicals. It is one of India's leading manufacturers of SDAs for zeolites.

Automotive, petroleum, agrochemicals, dyes & pigments, paints and coatings, pharmaceutical, personal care, and other industries are served by the company. Its products are sold not just in India, but also in more than 25 countries throughout the world, including the United States, Germany, South Africa, China, and the United Kingdom. Total export accounted for 76 percent of total revenue from activities in FY2020.

Among the company's customers are Merck, Bayer AG, Ipox Chemicals, Laurus labs, Navin Fluorine International Limited, Atul Limited, Otsuka Chemicals, SRF Limited, Hawks Chemical Company, Firmenich Aromatics Prod Pvt Ltd, and Divi's laboratories. It currently operates two manufacturing sites in Gujarat: Ankleshwar and Dahej.

Competitive Strengths

- ☐ Leading manufacturer of structure directing agents and phase transfer catalyst.
- ☐ Diversified product portfolio.
- ☐ Global market presence with customer base across industries.
- ☐ Strategically located manufacturing facility in Gujarat with close proximity to Hazira Port.
- ☐ Experienced promoters and managers team.
- ☐ Strong financial performance track record.

Source: chittorgarh.com

Particulars	For the year/period ended (₹ in million)		
	31-Mar-21	31-Mar-20	31-Mar-19
Total Assets	3,148.03	2,489.38	1,875.08
Total Revenue	3,062.92	2,646.22	2,068.01
Profit After Tax	522.62	377.89	205.43

Table 25 - Summary of financial Information (Restated Consolidated)

Source: moneycontrol.com

Open	2,364.50	High	2,400.05	TTM EPS	43.97	Mkt Cap (Rs. Cr.)	5,173
Previous Close	2,318.10	Low	2,312.10	TTM PE	53.08	Dividend Yield	--
Volume	31,216	UC Limit	2,781.70	Sector PE	81.80	20D Avg Volume	30,509
Value (Lacs)	728.57	LC Limit	1,854.50	Book Value Per Share	74.00	20D Avg Delivery(%)	44.67
① VWAP	2,332.57	52 Week High	2,977.80	P/B	31.54		
Beta	0.73	52 Week Low	1,083.00	Face Value	10		

Table 26 – Key Metrics of the company (as on 04/04/2022)

Source: chittorgarh.com

Category	Subscription (times)
QIB	185.23
NII	512.22
Retail	35.35
Total	180.36

Table 27 – Application wise IPO Subscription status

Source: in.tradingview.com



Figure 9 – Tatva Chintan Pharma Chem (- 0.94) vs Nifty (+ 14.92)

Interpretation – Listed at a 93% premium over issue price of ₹ 1,083. Tatva Chintan Pharma is one of the leading speciality chemicals manufacturing companies in India which turned multibagger on the day of the listing day itself. However, after listing it has been underperforming the index.

J) CarTrade Tech Limited (CMP 633.4) - CarTrade Tech Ltd is a multi-channel vehicle platform provider that was founded in 2000. CarWale, CarTrade, Shriram Automall, BikeWale, CarTradeExchange, Adroit Auto, and AutoBiz are some of the company's brands. The platform unites new and used car buyers and sellers, as well as car dealers, OEMs, and other businesses, to buy and sell a variety of automobiles. The company provides a variety of solutions for purchasing, selling, marketing, financing, and other vehicle transactions.

Competitive Strengths

- ☐ A leading platform for Automotive Sales with a Synergistic Ecosystem.
- ☐ Operate various brands i.e. **CarWale, CarTrade, Shriram Automall, BikeWale, CarTrade Exchange, AutoBiz**, etc.
- ☐ A comprehensive range of services i.e. automotive buying, selling, financing, marketing, etc.
- ☐ Profitable and scalable business model.

Source: *chittorgarh.com*

Particulars	For the year/period ended (₹ in million)		
	31-Mar-21	31-Mar-20	31-Mar-19
Total Assets	19,301.99	14,704.06	14,270.94
Total Revenue	2,815.23	3,184.45	2,668.05
Profit After Tax	1,010.74	312.94	259.17

Table 28 - Summary of financial Information (Restated Consolidated)

Source: *moneycontrol.com*

Open	622.00	High	644.85	TTM EPS	-20.26	Mkt Cap (Rs. Cr.)	2,941
Previous Close	622.20	Low	622.00	TTM PE	--	Dividend Yield	0.00
Volume	170,837.00	UC Limit	746.60	Sector PE	240.72	20D Avg Volume	317,946
Value (Lacs)	1,077.81	LC Limit	497.80	Book Value Per Share	373.07	20D Avg Delivery(%)	30.70
① VWAP	634.51	52 Week High	1,618.00	P/B	1.70		
Beta	1.321.28	52 Week Low	460.00	Face Value	10.00		

Table 29 – Key Metrics of the company (as on 04/04/2022)

Source: chittorgarh.com

Category	Subscription (times)
QIB	35.45
NII	41.00
Retail	2.75
Total	20.29

Table 30 – Application wise IPO Subscription status

Source: in.tradingview.com



Figure 10 – CarTrade Tech (- 57.83) vs Nifty (+ 8.66)

Interpretation – CarTrade Tech listed at a negligible 1% discount price to its issue price of ₹ 1618. However, the share of the company has been in correction ever since listing and has lost more than 50% value of its share. The offer was fully OFS (Offer for sale) which further dampened the sentiments of the investors that the money would not be re-invested into the business. It is one of the biggest wealth destroyer IPO companies of the year 2021.

5) Results and Findings

It has been discovered that firms that choose to go public in the year 2021 received a massive response to their subscription. Following the market crisis of 2020, numerous IPO-bound companies, such as Antony Waste Handling (AWL), elected to postpone their initial public offering (IPO) until the market conditions improved. Market mood was generally upbeat, and the liquidity support provided by the US Federal Reserve and the Indian government was favourable to the market. In the year 2021, a total of sixty-five firms chose to go public.

According to the data, the rush of retail investors following the 2020 crisis aided the market, as the Retail Quotas of some IPOs were about 60-70 times oversubscribed. The research also revealed that some IPOs with great fundamentals that were offered at a high premium had good returns long after they were listed. While some of them were fundamentally sound but received a muted reaction due to market conditions in the mid-2020s (2nd wave of the coronavirus), they surpassed the index by a large margin after being listed on bourses.

Because of the sentiments, those IPOs that were not fundamentally sound or were complete OFS received a nice reception, but they were unable to sustain such high valuations and underperformed the market.

6) Conclusion

The IPO market is marked by great successes and stunning failures all over the world. A straightforward approach of a key investor criterion transforms a potentially underwhelming offer into a massively oversubscribed one. The topics covered in this post examined some of the most important aspects and attempted to provide some beneficial information for an investor deciding whether or not to apply. There is still room for future research inside the study's boundaries, and beyond the spectrum, a few more questions could be investigated.

7) References

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