



## **ANALYSIS OF SHARE PRICES OF NYKAA AND PAYTM AFTER THEIR IPO**

### **UNDER THE GUIDANCE OF**

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### **INTRODUCTION**

The Initial Public Offering (IPO) market is a turning point for many businesses as they seek to grow their business, raise capital, and attract public investment. Going public is a huge deal for every party concerned, from the firm itself to the investors who stand to gain from its growth in the future. Investors, experts, and the general public have been captivated by the initial public offerings (IPOs) of two prominent startups in recent years—Nykaa and Paytm. Nykaa, an e-commerce website based in India, made its stock market debut in November 2021. Things related to personal hygiene and cosmetics are the platform's forte. Nykaa, founded in 2012 by Falguni Nayar, a former investment banker, is currently a major player in the booming cosmetics industry in India. An increase in interest in the company's IPO was driven by the growing demand for cosmetics and the allure of online shopping in India's market. Also in November 2021, India's leading digital payment and financial services platform, Paytm, went public for the first time. When Vijay Shekhar Sharma launched his mobile payment system Paytm in 2010, it revolutionised the way Indians handled their money and made online transactions. The IPO marked a watershed moment in the development of digital payment systems and financial technology, both of which have the potential to radically alter the Indian economy. Investor mood, underlying prospects, and market expectations are all gauged by the share prices of Nykaa and Paytm, which have been the topic of extensive investigation and study since their initial public offerings (IPOs). To understand the factors driving these stocks' performance, it's important to look at more than just financial results; you need to look at industry trends, market sentiment, and company advancements as well. This study aims to examine the performance of Nykaa and Paytm since their IPOs, the factors that have influenced their share prices, and the potential future directions of these companies. Our goal is to help investors make sense of the volatile stock market by studying

key indicators, market dynamics, and industry trends. The intricacies of investing in these renowned organisations can be better grasped with this information. After that, we'll take a look at the stock prices of Nykaa and Paytm since their IPOs, analyse the factors that have impacted them, and then draw some conclusions about what this means for investors who are trying to make money off of these companies' fast development. In this article, we will provide a comprehensive overview of Nykaa and Paytm's post-IPO process and use quantitative research, qualitative insights, and industry experience to shed light on the benefits and drawbacks of investing in these companies. The initial public offerings (IPOs) of Nykaa and Paytm have wowed investors and industry participants, proving that technology and innovation can propel value creation. As these businesses make their way as publicly traded corporations, share prices will continue to reflect the interplay between basic considerations, market sentiment, and broader economic trends. Investors can benefit from the ever-changing stock market and make informed decisions by closely monitoring their performance following an initial public offering (IPO). Founded in the year 2010, Paytm is one of India's earliest start-up successes and was the winner in the Indian digital money market, whereas Nykaa is an e-commerce company founded in the year 2012 for selling products across websites, and mobile app, and 84 offline stores. The topic, Analysis of share prices of Nykaa and Paytm after their IPO focuses on the position, brand value, and profitability of the companies. It is important to acknowledge that the size of the two public offers varied drastically i.e., Nykaa was looking to raise around \$700 million, which was 3 times lesser than Paytm. The main aim for choosing the topic was to have a detailed insight on and conduct a comparative analysis of the two companies based on the global scenario. This helped me comprehend that both demand & supply and the rise & fall in the share price play an important role in deciding the market value of the product. Even though both the IPOs of the product were launched nearby, it had a very diverse and opposite reaction from the market. Realizing the IPO of Nykaa was a boon while for Paytm it was a bane. Brief detail of both the companies is mentioned below:

Nykaa:-

Nykaa is an Indian e-commerce company founded by Falguni Nayar in 2012 and headquartered in Mumbai.

It sells beauty, wellness, and fashion products across websites, mobile apps and 84 offline stores. In 2020, it became the first Indian unicorn start-up headed by a woman. Nykaa sells products that are manufactured in India as well as internationally. In 2015, the company expanded from online-only to an omnichannel model and began selling products apart from beauty. As of 2020, it retails over 2,000 brands and 200,000 products across its platforms.

In October 2020, the company launched Nykaa Man, India's first multi-brand e-commerce store for men's grooming. The company expanded into fashion by launching Nykaa Design Studio, which was renamed Nykaa Fashion.

**Nykaa IPO Details**

IPO Opening Date	Oct 28, 2023
IPO Closing Date	Nov 1, 2023
Issue Type	Book Built Issue IPO
Face Value	₹1 per equity share
IPO Price	₹1085 to ₹1125 per equity share
Market Lot	12 Shares
Min Order Quantity	12 Shares
Listing At	BSE, NSE
Issue Size	[.] Eq Shares of ₹1 (aggregating up to ₹5,351.92 Cr)
Fresh Issue	[.] Eq Shares of ₹1 (aggregating up to ₹630.00 Cr)
Offer for Sale	41,972,660 Eq Shares of ₹1 (aggregating up to ₹4,721.92 Cr)
Employee Discount	100

Nykaa’s inventory-led business model sets it apart from its competitors in the market. It buys Nykaa IPO Tentative Timetable –:

The Nykaa IPO open date is Oct 28, 2023, and the close date is Nov 1, 2023. The issue may list on Nov 10, 2023.

IPO Open Date	Oct 28, 2023
IPO Close Date	Nov 1, 2023
Basis of Allotment Date	Nov 8, 2023
Initiation of Refunds	Nov 9, 2023
The credit of Shares to Demat Account	Nov 9, 2023
IPO Listing Date	Nov 10, 2023

**Nykaa IPO Lot Size**

The Nykaa IPO market lot size is 12 shares. A retail-individual investor can apply for up to 14 lots (168 shares or ₹189,000).

Application	Lots	Shares	Amount (Cut-off)
Minimum	1	12	₹13,500
Maximum	14	168	₹189,000

### Paytm-

Paytm was founded in August 2010 with an initial investment of US\$2 million by its founder Vijay Shekhar Sharma in Noida, Delhi NCR. It started as a prepaid mobile and DTH recharge platform and later added data card, postpaid mobile, and landline bill payments in 2013.

Paytm (a partial abbreviation for "pay through mobile") is an Indian multinational technology company that specializes in digital payment systems, e-commerce, and financial services, based in Noida. Paytm is currently available in 11 Indian languages and offers online use-cases like mobile recharges, utility bill payments, travel, movies, and events bookings as well as in-store payments at grocery stores, fruits and vegetable shops, restaurants, parking, tolls, pharmacies, and educational institutions with the Paytm QR code.

### PAYTM IPO DETAILS -:

#### Paytm IPO Details

IPO Opening Date	Nov 8, 2023
IPO Closing Date	Nov 10, 2023
Issue Type	Book Built Issue IPO
Face Value	₹1 per equity share
IPO Price	₹2080 to ₹2150 per equity share
Market Lot	6 Shares
Min Order Quantity	6 Shares
Listing At	BSE, NSE
Issue Size	[.] Eq Shares of ₹1 (aggregating up to ₹18,300.00 Cr)
Fresh Issue	[.] Eq Shares of ₹1 (aggregating up to ₹8,300.00 Cr)
Offer for Sale	[.] Eq Shares of ₹1 (aggregating up to ₹10,000.00 Cr)

### Paytm IPO Tentative Timetable

The Paytm IPO open date is Nov 8, 2023, and the close date is Nov 10, 2023. The issue may list on Nov 18, 2023.

IPO Open Date	Nov 8, 2023
IPO Close Date	Nov 10, 2023
Basis of Allotment Date	Nov 15, 2023
Initiation of Refunds	Nov 16, 2023
The credit of Shares to Demat Account	Nov 17, 2023
IPO Listing Date	Nov 18, 2023

**Paytm IPO Lot Size**

The Paytm IPO market lot size is 6 shares. A retail-individual investor can apply for up to 15 lots (90 shares or ₹193,500).

<b>Application</b>	<b>Lots</b>	<b>Shares</b>	<b>Amount (Cut-off)</b>
Minimum	1	6	₹12,900
Maximum	15	90	₹193,500

**Paytm IPO Listing Date**

<b>Listing Date</b>	Thursday, November 18, 2023
<b>BSE Script Code</b>	543396
<b>NSE Symbol</b>	PAYTM
<b>Listing In</b>	
<b>ISIN</b>	INE982J01020
<b>IPO Price</b>	₹2150 per equity share
<b>Face Value</b>	₹1 per equity share

## COMPARISON OF NYKAA AND PAYTM'S SHARE PRICE PERFORMANCE

### IPO Performance and Volatility

Despite being significant players in their respective industries, the share price performance of Nykaa and Paytm since their IPOs has been influenced by market sentiment, industry dynamics, financial performance, and investor expectations. Although it is no small task, both corporations are still attempting to understand the Indian market in order to take advantage of emerging trends and, in the long run, make a profit for their shareholders. Investors, aware of the risks and rewards of investing in industries that are always evolving, will keep a close eye on performance and strategic initiatives to ensure long-term success and financial gain. After their initial public offerings (IPOs), the share prices of Paytm and Nykaa fluctuated a lot due to the initial excitement and investor mood surrounding these high-profile offerings. On the first day of trading, Nykaa shares surged in price, making it a great day for investors. The stock price of the company soared through the roof after investors, eager to make a killing in India's growing personal care and cosmetics market, jumped the gun. In contrast, Paytm's stock had a rough start, trading below its IPO price because investors were worried about the company's valuation and the competitive landscape. The digital payments giant encountered regulatory hurdles and a saturated market, both of which contributed to the lack of excitement among investors.

### Factors Influencing Stock Price Performance

Shares of Nykaa and Paytm went through a lot of ups and downs following their IPOs. Investor sentiment and the share price were both boosted by Nykaa's advanced e-commerce infrastructure, wide product options, and strong brand presence. Prioritising expanding consumer involvement and physical retail reach gave Nykaa even more cause to be confident about its future growth possibilities. On the other hand, concerns regarding Paytm's profitability, regulatory

compliance, and business model caused its stock price to plummet. Investors were concerned about rising competition, operational expenses, and regulatory uncertainty, which led to a sell-off in Paytm stock.

### **Perspectives on the Market and Industry Advancements**

Market mood and bigger industry shifts have a significant impact on the stock performance of Nykaa and Paytm. Nykaa benefited from the personal care and cosmetics industry's ideal trends, which were driven by increasing urbanisation, disposable money, and beauty consciousness among Indian customers. With the firm's omnichannel strategy and strong brand equity poised to reap the benefits of these improvements, investors were enthusiastic and sent the stock price rising. In contrast, Paytm faced difficulties as a result of changing market dynamics in the fintech and digital payments sector, fierce competition, and new regulations. Shares of Paytm fell as investors lost faith in the company's ability to sustain its growth rate in the face of increased regulatory scrutiny and intense competition.

### **Projection of Future Financial Results and Growth**

Investor sentiment on Nykaa and Paytm's potential for future growth and profitability drove up and down the stock prices of both firms. Strong revenue growth, an increasing client base, and improved profitability metrics all contributed to Nykaa's ability to provide long-term earnings growth. The company's innovative spirit, customer-first strategy, and astute marketing and technological investments made investors optimistic about its future. Due to the company's erratic financial performance, increasing losses, and struggles in monetizing its user base, investors were concerned about Paytm's ability to generate a profit. Shares of Paytm, which dominates India's digital payments market, have been underperforming recently on concerns about the long-term viability of the company's business model and its erratic profit production.

### **What Drives Investor Anticipation**

Investors' divergent expectations and perspectives on risk concerns caused the share prices of Nykaa and Paytm to move in distinct directions. Much anticipation around Nykaa's initial public offering (IPO) because of the company's commanding presence in the Indian personal care and beauty market, robust brand recognition, and bright future. Investors staked a lot of money that Nykaa may eventually corner a larger portion of the value chain for the beauty segment, leading to a dramatic increase in the stock price. The high valuation of the firm, possible regulatory barriers, and intense competition made investors apprehensive of Paytm's first public offering (IPO). Concerns over Paytm's profitability, growth potential, and ability to navigate regulatory hurdles contributed to the stock's underperformance.

## **COMPANY-SPECIFIC FACTORS**

### **Financial Results**

Its excellent growth trajectory and rising market presence are reflected in Nykaa's impressive financial performance. Demand for the company's cosmetics and personal care products has been on the rise in India, which has contributed to the company's consistently strong sales growth. In order to reach a large audience and generate revenue through many touchpoints, Nykaa has adopted an omnichannel strategy that combines online and offline retail channels.

Increases in both margin and profitability have resulted from Nykaa's efforts to optimise its product mix and increase operational efficiency. Investors are more confident in Nykaa's financial stability and long-term viability because the company has maintained solid top-line growth and profitability indicators despite facing difficulties including increased competition and altering consumer preferences.

### **Possible Future Expansion**

Attractive industry trends and deliberate moves to broaden Nykaa's customer base and product catalogue bode well for the company's future growth. Rising beauty consciousness, changing lifestyles, and higher disposable incomes are fueling the explosive rise of India's beauty and personal care market. Thanks to its dominant position in the online beauty retail arena and its expanding offline presence through multi-brand stores and exclusive brand outlets, Nykaa is well-positioned to take advantage of this rising market potential. Further solidifying its competitive position and development prospects are Nykaa's efforts to improve consumer engagement, utilise data analytics for personalised marketing, and invest in brand-building activities. Investors are nonetheless bullish on Nykaa's prospects for long-term success because of the company's dedication to innovation and product diversification.

### **Company-Related Considerations: Money transfer**

#### **Financial Results**

Rapid digital payment and financial service uptake in India has been a key factor in Paytm's strong financial performance, which has been marked by substantial revenue growth. Mobile wallets, QR code-based payments, and online transactions are all part of the firm's payment ecosystem that has become very popular, which has increased the number of transactions and the number of merchants that the company has acquired. However, as shown by its expanding deficits and negative cash flows, Paytm has had difficulties in turning its sales growth into sustained profitability. The company's bottom line has been hit hard due to its high operational expenses and its aggressive investments in technological development, client acquisition, and market expansion. Notwithstanding these obstacles, Paytm is well-positioned for future development and profitability thanks to its size, market leadership, and strategic alliances with top banks and financial institutions.

#### **Growth Possible Futures**

India's digital transformation and the widespread adoption of digital payment and financial service platforms bode well for Paytm's future growth. Paytm, a forerunner in India's fintech sector, stands to gain greatly from this long-term trend towards greater digital inclusion and economic empowerment for formerly marginalized populations. The company's diverse product offerings, which cover a range of requirements and preferences, allow it to reach a larger audience and increase its addressable market. These offers include payments, banking, wealth management, and insurance services. Paytm is well-positioned to thrive in the dynamic industry thanks to its innovative strategies, tech-driven solutions, and customer-centric efforts. Although there are still significant risks associated with regulatory hurdles and competitive pressures, Paytm is well-positioned for long-term growth and value creation thanks to its size, industry leadership, and strategic alliances.

The financial performance and growth prospects of Nykaa and Paytm are affected by many company-specific factors. Nykaa's leadership position in the online beauty retail market and ability to capitalise on favorable industry trends are evident in its outstanding financial performance, which is driven by robust revenue growth and rising profitability. On the other hand, Paytm's financial performance is marked by increasing losses despite fast revenue growth, which shows how difficult it is to be profitable in the fintech industry. But both businesses are well-positioned for future success in their fields, with great growth potential bolstered by digital change in India and changing consumer tastes. Recognising the opportunities and risks of investing in dynamic and constantly moving industries, investors will closely monitor their performance and strategic objectives as they innovate, expand their market reach, and produce value for stakeholders.

### **NEED FOR THE STUDY**

The performance of freshly public firms is important information for individual and institutional investors to have when making investment decisions. Investors can get a better sense of how appealing these stocks are as investment opportunities by looking at their share prices after the initial public offering. How well ipos do can tell us a lot about the state of the economy, investor mood, and general market trends. Economists and analysts can gain a better understanding of the dynamics of the retail, e-commerce, and fintech sectors—key drivers of economic growth—by studying the success of nykaa and paytm.

A company's business plan and its execution can be better understood by looking at how well it performs after an initial public offering (IPO). Stakeholders can determine if the company is growing as planned and providing value to shareholders by looking at how the share price has changed and other financial indicators. Evaluation of rival firms You may learn a lot about nykaa and paytm's relative market positioning, competitive advantages, and possible weaknesses by comparing their post-IPO performance to that of their competitors. Businesses and their competitors alike can use this analysis to better inform strategic decisions.

Policymakers and regulatory bodies may also be keen on keeping tabs on companies' post-IPO performance to check if they've complied with securities rules and regulations. Share price or indicator volatility that is too high or too low may necessitate regulatory action or additional inquiry. Financial markets, company dynamics, and investment opportunities can be better understood by looking at how companies like Nykaa and Paytm fared after their initial public offerings (IPOs). As a result, stakeholders are better able to assess risks, make educated decisions, and keep tabs on emerging trends when investing in freshly public companies.

## **LITERATURE REVIEW**

Study authors Dr. S.A. Mohamed Ali and Ramya N. state, "Consumer Buying Behaviour refers to selection, purchase, and consumption of goods and services for the satisfaction of their wants." Consumer purchase behaviour involves a number of procedures. There are a number of factors considered whenever someone goes shopping. The authors argue that a customer's final decision to buy is the result of all the factors that influence them.

"Consumers decide whether, what, when, and from whom to buy," As A.K. Rastogi (2010) put it in his research. When it comes to buying the goods, they have a lot of choices. Since this essay is about an e-commerce platform, we shall discuss people's habits while they shop online. Online shoppers' opinions are impacted by a multitude of factors. These include situational circumstances, consumer uniqueness, product distinctiveness, prior purchasing experience, trust in online shopping, and, most importantly, usefulness, utility, and enjoyment.

"Online shopping behaviour is a crucial part of e-commerce which is often given less importance when compared to the other factors like technology, digital marketing, etc." (Prasad A and Gudimetla S, 2019) based on their research on how women purchase cosmetics and personal care items online. An online shopper's positive or bad experience with a product can tell you a lot about their opinion of it. A consumer's demographics, cultural background, and preferred time of purchase are just a few of the variables that could influence a sale. It is possible to quantify behaviour using these variables.

Some of the reasons why young people choose to buy online include time, product availability, affordable pricing, incentives offered by e-retailers, and simplicity of payment methods (Bhatt S and Bhatt A, 2012). Everyone knows that people between the ages of 20 and 35 make up the bulk of internet users. Consequently, most internet businesses take this age group into account before advertising a brand.

The Reserve Bank of India (RBI) has stated, as reported by the FE Bureau (2017), that the digital payment company PayTM has experienced a surge in popularity following demonetization. Research was carried out by Poonam Painuly and Shalu Rathi (2016) in their article titled "Mobile wallet: An upcoming mode of business transaction." They discovered that many different types of businesses are accepting wallet money and other mobile payment methods for both internal and external transactions. These methods include contactless and remote payment. Simple transactions, a protected profile, and user-friendly app management are some of the benefits of wallet money. A suitable degree of PayTM usage is reached in the essay "usage of PayTM" by Dr. T. Venkatesan (2018). Inconveniences that users face with PayTM include slow server usage, security problems, and an overly simplistic user interface. The corporation might establish a specialised department staffed by qualified individuals to address client problems and inquiries regarding PayTM's services. The PayTM may take the necessary steps for routine software and hardware upgrades, maintenance, and updates to prevent slow servers or complete system failures caused by backup storage.

Banks, customers, and businesses may all benefit from mobile wallets, as this study illustrates. It predicts that mobile wallets will soon be the newest marketing avenue. And greatly aid in making shoppers' lives easier, which in turn increases the likelihood that they will make more regular and enjoyable purchases. From a corporate, social, and

economic vantage point, they discuss the significance and expansion of mobile money. The use of mobile wallets expanded rapidly from cities to rural areas. As a result, mobile wallets are here to stay for the foreseeable future.

## **RESEARCH METHODOLOGY**

This project is based both on primary and secondary data.

### **OBJECTIVES:**

- 1) To understand the factors influencing the behavior of people investing in IPOs.
- 2) To assess the understanding/ knowledge of the people on IPOs.
- 3) Analysis of IPOs of both Nykaa and Paytm.
- 4) To determine the effectiveness of IPO investing.

### **1. Research design-:**

The study will focus on creating an understanding and analyzing the market valuation based on the share price of Nykaa and Paytm after their IPOs. This research will use both primary and secondary to get the statistical result of the respondents.

### **2. Research Instrument:**

Primary: Data Collection and sample size-:

The primary data is collected using a descriptive structured questionnaire from 50 respondents belonging to the study area of working people, and students' business concerns under the convenient sampling method.

### **3. Secondary: Sources of online data-:**

Online reports, published articles, online websites, etc.

### **4. Data Analysis and Interpretation:**

Percentage Analysis: Percentage analysis will be used for the analysis of primary data collection. The percentage is a special kind of ratio that expresses the relationship of one variable in comparison to another percentage analysis formula.

Percentage = (No. of respondents/Total respondents) \*100

The statistical information will be presented in a table, graph, and diagram. The tables consist of an arrangement of statistical data in rows and columns whereas in graphs and diagrams the data is presented through charts.

### **COMPARATIVE ANALYSIS**

Finally, we'll analyse and contrast Nykaa and Paytm's stock price performance by considering factors including market size, valuation metrics, relative performance, and investor perceptions of both companies. Comparisons and contrasts between the two companies might help investors make better judgements and use their money more wisely.

We can understand the performance of Nykaa and Paytm's share prices after their IPOs by combining these elements with our data. Investors can master the ever-shifting stock market, identify promising investment opportunities, and dissect the factors that drive share price fluctuations with this comprehensive technique. Nykaa and Paytm present unique opportunities and challenges to investors. The strong market position and development opportunities in the beauty and personal care area have given Nykaa the trust of its investors, as evidenced by its remarkable post-IPO performance. The market's mixed reaction to Paytm, on the other hand, highlights the uncertainty surrounding its profitability and regulatory environment. It is important for investors to think about their goals and risk tolerance before putting money into the market.

Investors were not overly thrilled when Paytm and Nykaa both went public. The IPO was well-received by investors because of Nykaa's prominent position in the personal care and beauty industry. Due to valuation, profitability, and regulatory obstacles, market sentiment towards Paytm was increasingly mixed. Unlike Nykaa's IPO, which generated significant demand, Paytm's shares failed to impress, showing investor pessimism.

Following their IPOs, Nykaa had consistent sales growth and enhanced profitability. Thanks to its omnichannel strategy and expanding customer base, the company was able to ride off financial storms. However, Paytm's financial performance has shown a widening of losses despite a significant rise in income. Investors are worried about the company's profitability prospects due to regulatory uncertainties and higher operating expenses, which have hurt the bottom line.

Nykaa is taking advantage of the personal care and cosmetics industry's boom because to increasing consumer demand and digital usage. The company's focus on innovation and development into offline retail has put it in a strong position for growth. By participating in the fintech and digital payment industries, Paytm is capitalising on India's ongoing digital revolution. Despite regulatory barriers, its diverse product portfolio and important collaborations offer growth opportunities.

Nykaa was highly recommended by analysts due to its strong brand equity and dominant market position. The positive attitude among investors is being maintained by the expectation of additional expansion. Since Paytm's business strategy and regulatory environment are unclear, analysts have offered contradictory opinions. Investors are hesitant to

put money into Paytm due to their uncertainty about the company's ability to overcome challenges and sustain consistent growth.

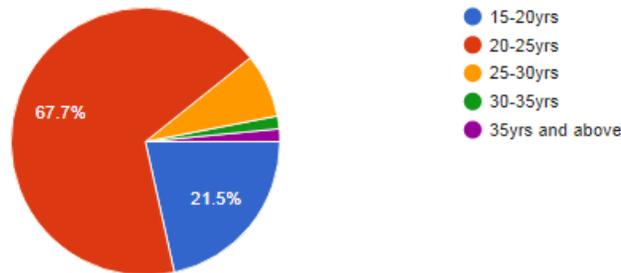
Nykaa's value measures, which can show premium levels compared to peers in the category, are justified by its growth prospects and market positioning. Investors are overly concerned about Paytm's profitability and possible problems with regulators, which has caused the valuation to be higher than the company's actual sales and earnings. Investors might be wary of putting a lot of money into Paytm because the company's profitability and regulatory landscape are still up in the air.

Nykaa has challenges such as intense competition and operational issues with the rise of offline retail. However, because to its varied product offerings and excellent brand recognition, certain risks are mitigated. There are a number of threats to Paytm's bottom line, including regulatory uncertainties and competitive challenges. It must manage these risks while maintaining its position as market leader if it aspires to long-term success.

**INTERPRETATION: Q1:** Age group:

Age group

65 responses

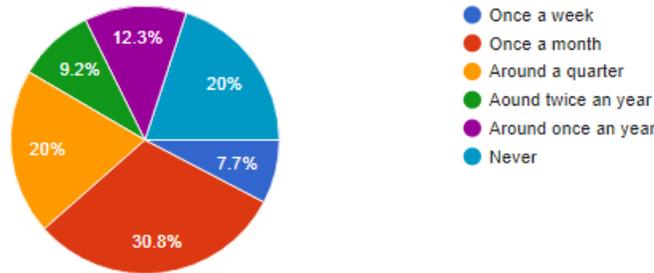


After getting response from 65 females in Delhi NCR, it can be seen that majority of the buyers lie under 20-25yrs of age. This shows that NYKAA has more buyers from young women rather than young girls and older women.

Q2.

### How frequently do you buy makeup products from nykaa?

65 responses

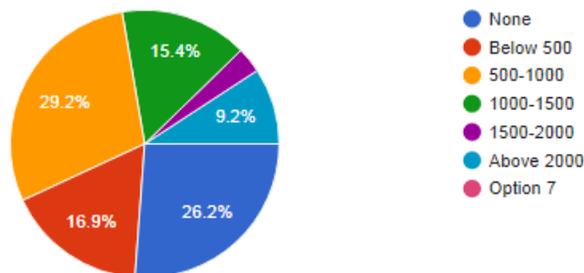


From this, we get to know that 30.8% females purchase products from NYKAA every month. Now the question arises, what is the budget they have if they have an average of buying products every month.

Q3.

### How much do you spend every month on buying cosmetics from nykaa

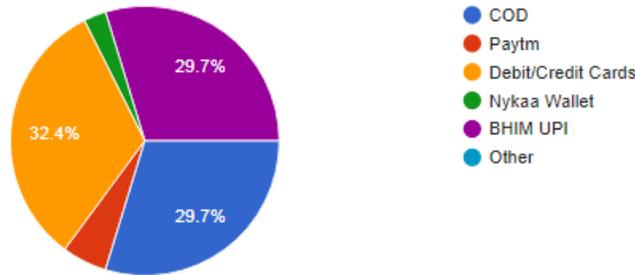
65 responses



This pie chart shows that women who purchase products from nykaa every month have an average purchase of Rs.500-1000. Then, we have females who buy below Rs.500. Thirdly, 15.4% of females purchase products of Rs.1000-1500. Least is the percent of females(3.1%) who spend Rs.1500-2000 on products purchased from nykaa.

Q4.

### Most common method of payment

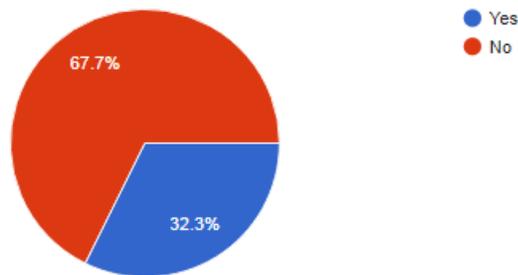


From this, we get to know that 32.4% women pay through debit cards or credit cards. And 29.7% women pay through BHIM UPI and COD. This proves that women find it more convenient to use debit cards while shopping cosmetics online.

Q5.

### Have you ever used nykaa in-house collection?

65 responses



This proves that less females are aware about the nykaa in-house production line.

And only 32.3% of them have used it. The below bar graph will show the most preferable product used by females is lipstick.

Among 65 respondents, Nykaa gets a rating of 8 overall, which proves the satisfaction of women after using nykaa.

To understand the attitudes and perception of respondents towards nykaa products and services.

From above questionnaire we can see that among 65 respondents, most of the women are satisfied with NYKAA. The availability of wide product and brand range, ease of product delivery, ease in payment system are enough to prove the positivity of female customers towards NYKAA. From above questionnaire on product availability, it is proved that only 37.3% respondents have used the NYKAA product line. This shows that NYKAA has to reach to more females in order to spread its market image.

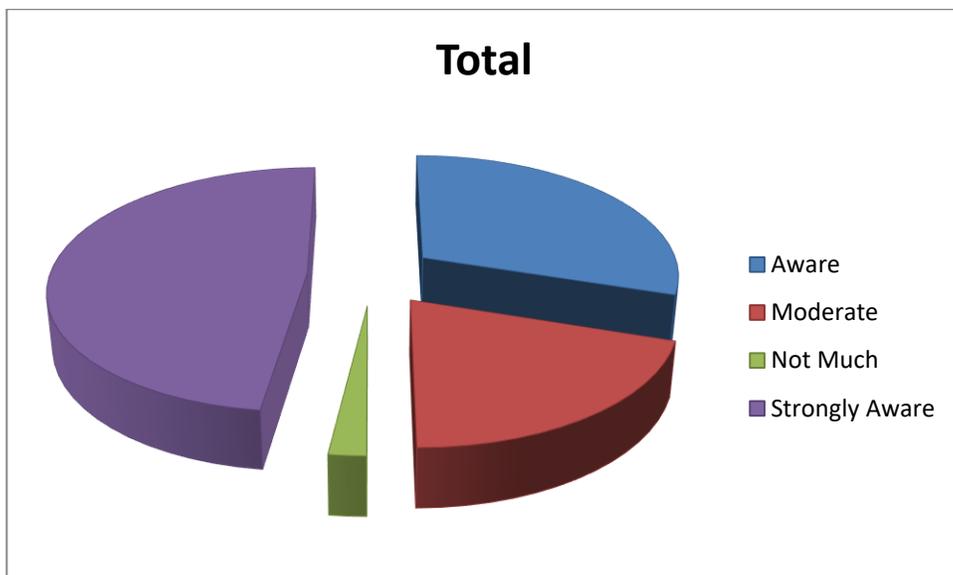
Now the question was how many people have faced problems in products purchased from NYKAA, and the result was 52.3% faced no problem in products, 10.8% respondents received wrong and damaged product, 7.7% respondents received broken products, 6.2% respondents have received used products. So, these were the findings. Now the policies which nykaa has taken to prevent cosmetic counterfeiting are

Nykaa ensures people that the product will be returned if it is received broken, used, damaged, different from the ordered product etc. Nykaa ensures people that their products are 100% original and not duplicate or first copy. It ensures its customers that their rights will never be violated and cheated. There are some of the dependent variables which affect the purchase decision of women. According to my survey, I found that delivery of products is not as important as the other factors like multiple payment options and exchange and return policy. Maximum no. of women feel that exchange policy is the most important factor while considering a purchase from nykaa. Though other factors like wide brand and product range, quick delivery and multiple payment option are also important but exchange policy is voted the most. From the responses, we get to know that 32.4% women pay through debit cards or credit cards. And 29.7% women pay through BHIM UPI and COD. This proves that women find it more convenient to use debit cards while shopping cosmetics online. Reason behind this may be because many of them might be working women which makes it difficult for them to collect the order and pay them cash. Secondly, its difficult to arrange changed cash to give to the delivery boy. Thirdly, nykaa offers various discounts while paying online. So, to attract women towards online payment, NYKAA offers this.

1. I am aware of the online form of business e e-commerce?

Scale	Count of Aware of e-commerce
Aware	30
Moderate	20
Not Much	2

Strongly Aware	48
<b>Grand Total</b>	<b>100</b>



Interpretation

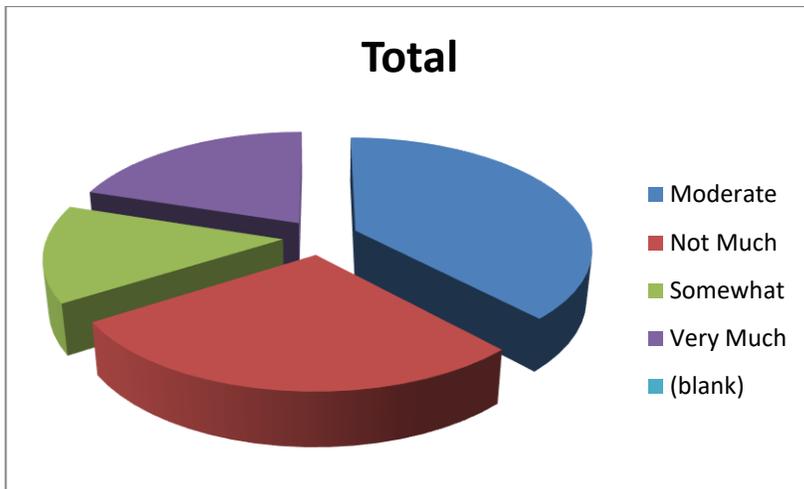
Out of 100 Merchants:

- 48% is Strongly Aware of E-Commerce
- 30% is Aware of E-Commerce
- 20% is Moderately Aware of E-Commerce
- 2% is Not Much Aware of E-Commerce

(2) I Trust Online trade

Row Labels	Count of Trust online Trade
Neutral	38

Not Much	28
Somewhat	14
Very Much	20
<b>Grand Total</b>	<b>100</b>



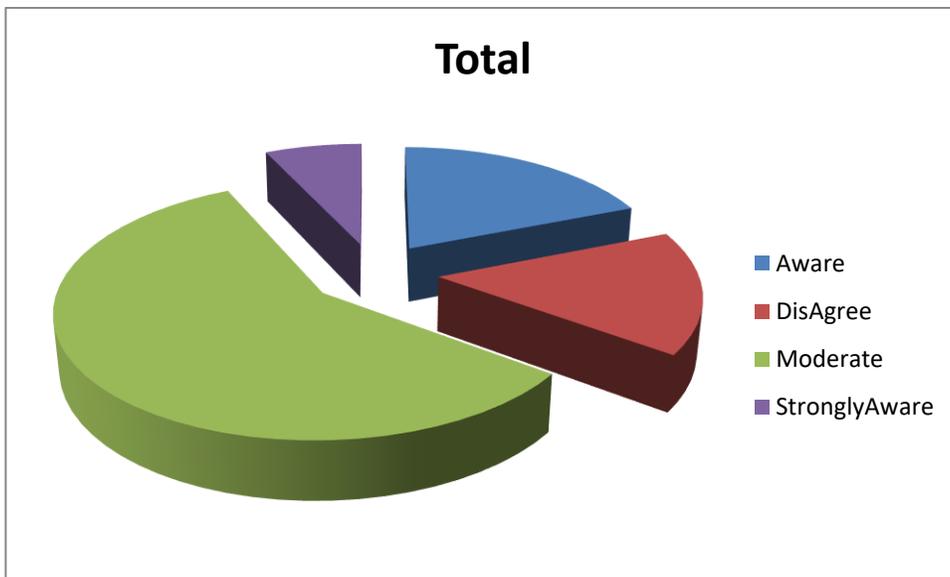
### Interpretation

Out of 100 Merchants:

- 38%, is trust online trade
- 28% , do not rely much on online trade
- 20% , very much trust online trade
- 14% , somewhat trust online trade

3) Are you aware of Online Debit card/Credit Card Payment gateways

Scales	Count of Are youAware of Online Debit card/Credit Card Payment gateways
Aware	19
Disagree	16
Moderate	58
Strongly Aware	7
<b>Grand Total</b>	<b>100</b>

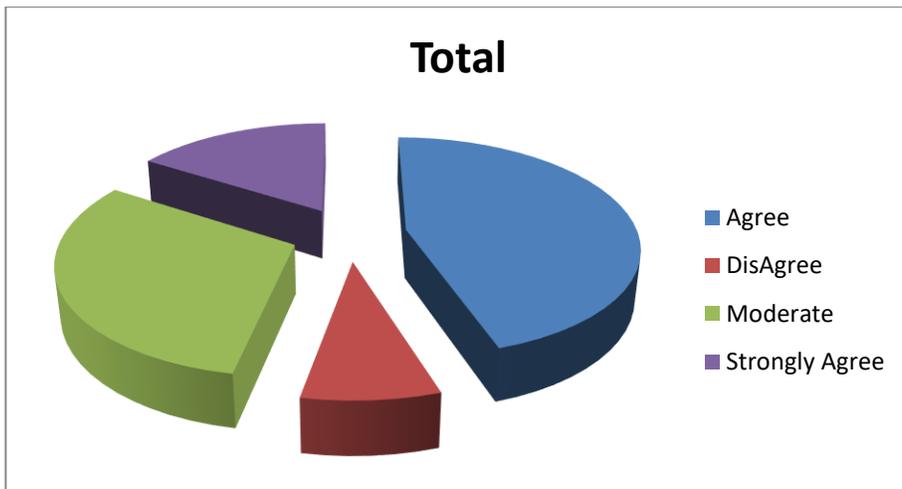


Out of 100 Merchants:

- 58%, are Moderately Aware of the online Debit card/Credit Card Payment gateways
- 19% , are Aware of the online Debit card/Credit Card Payment gateways
- 16% Disagrees to be aware of the online Debit card/Credit Card Payment gateways
- 7% are Strongly Aware of the online Debit card/Credit Card Payment gateways

(4) The application of e-commerce has increased over the past few years in India.

Scales	Count of In India E-commerce has its advantages over the traditional commercial methods
Agree	45
Disagree	8
Moderate	31
Strongly Agree	16
<b>Grand Total</b>	<b>100</b>

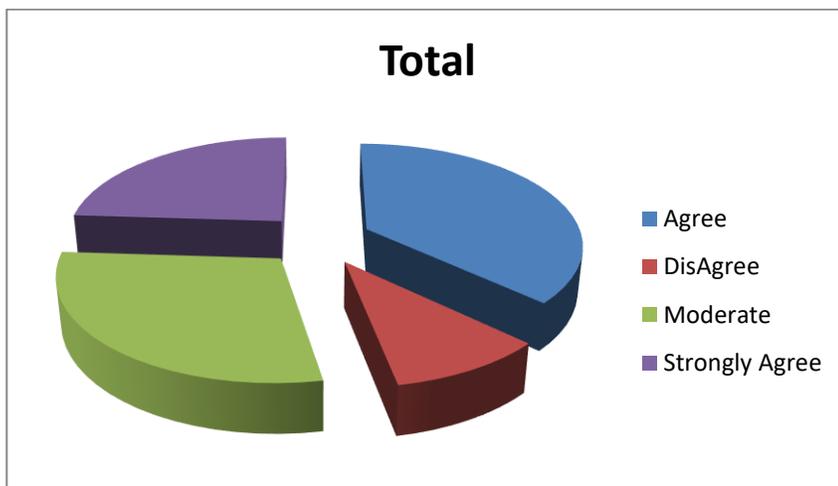


Out of 100 Merchants:

- 45%, Agrees that the application of e-commerce has increased over the past few years in India
- 31% , has a moderate view The application of e-commerce has increased over the past few years in India
- 16% , Strongly Agrees that the application of e-commerce has increased over the past few years in India
- 8% , Disagrees that the application of e-commerce has increased over the past few years in India

5) E-commerce as commercial means has its advantages over the traditional commercial methods.

Scales	Count of E-commerce has its advantages over the traditional commercial methods
Agree	37
Disagree	10
Moderate	29
Strongly Agree	24
<b>Grand Total</b>	<b>100</b>



Out of 100 Merchants:

- 37%, Agrees E-commerce as commercial means has its advantages over the traditional commercial methods
- 29% ,Moderately Agrees E-commerce as commercial means has its advantages over the traditional commercial methods
- 24% , Strongly Agrees that E-commerce as commercial means has its advantages over the traditional commercial methods
- 10% , Disagrees that E-commerce as commercial means has its advantages over the traditional commercial methods

## **RECOMMENDATION**

Based on the analysis of the share prices of Nykaa and Paytm after their IPOs, as well as considering various factors such as market conditions, company-specific developments, and industry trends, here are some recommendations for investors:

### **Long-Term Investment Perspective**

For investors with a long-term investment horizon, both Nykaa and Paytm present opportunities for potential growth and value creation. Despite short-term fluctuations in share prices, the underlying fundamentals of these companies remain strong, supported by favorable industry trends and robust growth prospects. Investors should focus on the long-term growth trajectory of Nykaa and Paytm, considering factors such as market leadership, competitive advantages, and innovation capabilities.

### **Diversification**

Diversification is key to managing risk and achieving a balanced investment portfolio. Investors should consider diversifying their holdings across different sectors and industries to mitigate concentration risk. While Nykaa operates in the e-commerce and beauty segments, Paytm is focused on digital payments and fintech services. By diversifying across sectors, investors can capture opportunities for growth while spreading risk across different areas of the economy.

### **Monitor Market Sentiment and Analyst Recommendations**

It's essential for investors to stay informed about market sentiment and analyst recommendations regarding Nykaa and Paytm. Positive market sentiment and favorable analyst recommendations can provide validation for investment decisions, while negative sentiment and bearish outlooks may warrant caution. Monitoring market sentiment through reputable sources and staying updated on analyst reports can help investors make informed decisions.

### **Evaluate Company-Specific Developments**

Investors should closely monitor company-specific developments and milestones for Nykaa and Paytm. This includes quarterly earnings reports, strategic initiatives, product launches, partnerships, and regulatory updates. Positive developments such as strong revenue growth, expansion into new markets, and successful product launches can serve as catalysts for share price appreciation, while negative developments may lead to downside risk.

### **Consider Valuation Metrics**

Valuation metrics such as price-to-earnings (P/E) ratio, price-to-sales (P/S) ratio, and enterprise value-to-EBITDA (EV/EBITDA) ratio can provide insights into the relative valuation of Nykaa and Paytm compared to their peers and the broader market. Investors should assess whether the current share prices adequately reflect the growth potential and future earnings prospects of these companies. A thorough analysis of valuation metrics can help investors identify opportunities for value investing or growth investing based on their investment objectives.

### **Risk Management**

Before putting their money into Nykaa and Paytm, investors should think about the dangers involved and figure out how to handle them. Share prices and investment returns can be affected by risks such regulatory uncertainties, competitive pressures, market volatility, and macroeconomic factors. Portfolio diversification, stop-loss orders, and extensive research are all examples of risk management tactics that can help reduce exposure to risk and preserve investing capital. In order to succeed in the long run, protect wealth, and make sense of the complex financial markets, investors must practise effective risk management. Portfolio rebalancing, hedging, diversification, risk assessment, stop-loss orders, knowing one's risk tolerance, and risk assessment are all tools that investors can use to reduce portfolio risk and maximise risk-adjusted returns. Achieving financial goals and developing wealth over time requires a thorough risk management approach that is customised to each person's investing objectives and risk tolerance.

### Managing Investment Risks

When making investments, risk management is essential, especially in the ever-changing and uncertain financial markets. Investors must have effective risk management methods in order to protect their capital, reduce losses, and reach their financial goals despite the many dangers that are inherent to investing. Let's take a look at some of the most important techniques and principles of risk management that investors may use to make their portfolios safer.

**Identifying Potential Dangers** Recognising and classifying the many dangers that might affect financial results is the initial stage in risk management. Market, liquidity, credit, interest rate, and geopolitical risks are common kinds of hazards. In order to better understand the sources of risk and how they could affect investment performance, investors should undertake comprehensive risk assessments.

Spreading investing money across several asset classes, sectors, industries, and geographic areas is a basic risk management method. The effect of risks associated with certain assets or industries on a portfolio's overall performance can be mitigated through diversification. To protect against the negative effects of market fluctuations on individual assets or industries, diversification is a good strategy. It also helps to reduce concentration risk. Determining the ideal combination of several asset classes—including stocks, bonds, cash, real estate, and commodities—in light of investing goals, risk tolerance, and time horizon is known as asset allocation, and it is a crucial tool for risk management. Investors can attain a balance between growth potential and downside protection by distributing capital over a varied range of assets with different risk-return characteristics. Portfolio volatility can be better managed and long-term risk-adjusted returns can be optimised with strategic asset allocation. To effectively manage risks, it is necessary to assess and monitor them on a regular basis. Investors need to keep an eye on market movements, examine the influence of regulatory shifts, geopolitical unrest, and macroeconomic variables on their portfolio risk, and constantly assess the risk profile of their investments. Investors can prepare for opportunities and protect themselves from losses by keeping themselves apprised of market trends and possible threats.

To mitigate the possibility of financial loss due to unfavourable price fluctuations in certain assets or markets, risk managers employ hedging tactics. Some common hedging tools are inverse exchange-traded funds (ETFs), options, futures, and derivatives. Investors can safeguard their portfolios from potential losses, mitigate the impact of currency changes, or take advantage of temporary market inefficiencies by implementing hedging methods. Although hedging adds complexity and expense, it can protect you from market fluctuations. One way to minimise risk is with stop-loss orders. These orders will automatically activate a sell order if a certain price level is achieved, limiting possible losses

on individual positions. In uncertain market circumstances, investors can safeguard their wealth by establishing stop-loss orders at suitable levels, so mitigating downside risk. When the market is down or prices are moving in the wrong direction, stop-loss orders assist investors stay calm, control their emotions, and keep from losing a lot of money. To effectively manage risk, one must have a firm grasp of investor psychology and risk tolerance. Investors need to take stock of their risk appetite, investing goals, and investment horizon before putting their money down. Investors can stay committed to their long-term investment plans, even in the face of market volatility or uncertainty, by ensuring that their investment methods are in line with their risk tolerance and by practicing discipline. A risk management strategy known as portfolio rebalancing is making periodic adjustments to a portfolio's asset allocation in order to keep the appropriate risk-return characteristics. Investors can adjust their asset allocations to reflect shifting market circumstances, values, and goals through portfolio rebalancing. Maintaining diversification and alignment with long-term investment objectives, controlling portfolio risk, and capturing gains from outperforming assets are all benefits of portfolio rebalancing.

## **FINDINGS**

To conduct a thorough analysis of the share prices of Nykaa and Paytm after their IPOs, we need to examine various factors including their historical share price performance, market conditions, company-specific developments, and industry trends. Let's break down the analysis into key components:

### **Historical Share Price Performance**

We need to gather historical share price data for Nykaa and Paytm since their IPOs and plot their respective share price movements over time. This will provide insights into the trajectory of their share prices, including any significant fluctuations, trends, or patterns.

### **Market Conditions**

Next, we should assess the broader market conditions during the post-IPO period of Nykaa and Paytm. This involves analyzing factors such as overall market sentiment, interest rates, macroeconomic indicators, and geopolitical developments. Positive market conditions generally support upward movement in share prices, while adverse conditions may exert downward pressure.

### **Company-Specific Developments**

We need to examine company-specific developments that could have influenced the share prices of Nykaa and Paytm. This includes analyzing financial performance, quarterly earnings reports, strategic initiatives, product launches, partnerships, regulatory updates, and any other material events that may impact investor sentiment and share price performance.

### **Industry Trends**

Understanding industry trends is essential for evaluating the growth potential and competitive dynamics of Nykaa and Paytm. We should assess trends in the e-commerce, beauty, personal care, fintech, and digital payments sectors, including market size, consumer behavior, technological advancements, regulatory changes, and competitive landscape. Positive industry trends can bode well for company growth and share price appreciation.

### **Analyst Recommendations and Investor Sentiment**

We should consider analyst recommendations, investor sentiment, and institutional investor activity surrounding Nykaa and Paytm. Analyst reports provide insights into company fundamentals, growth prospects, and target price estimates, which can influence investor decisions and share price movements. Additionally, monitoring investor sentiment through social media, online forums, and news sources can offer valuable insights into market sentiment and potential market trends.

### **CONCLUSION**

The post-IPO performance of Nykaa and Paytm has been subject to various factors, including market conditions, company-specific developments, and industry trends. Analyzing their share prices since their respective IPOs provides valuable insights into investor sentiment, market dynamics, and the trajectory of these companies in the stock market. Here are some key takeaways from the analysis. Nykaa's IPO generated significant excitement and positive investor sentiment, leading to strong demand for its shares and a successful market debut. The company's leadership position in the beauty and personal care segment, coupled with favorable industry trends, bolstered investor confidence in its growth prospects. Paytm's IPO witnessed mixed investor sentiment, with concerns about its valuation, profitability, and regulatory challenges tempering investor enthusiasm. Despite its leading position in India's digital payments market, Paytm faced skepticism from investors, leading to subdued performance in the stock market. Nykaa's strong financial performance, expanding market presence, and strategic initiatives contributed to share price appreciation post-IPO. The company's focus on omnichannel retail, customer engagement, and brand building resonated with investors, driving optimism about its long-term growth potential. Paytm's financial performance, on the other hand, faced scrutiny, with widening losses and challenges in monetizing its user base dampening investor confidence. Regulatory uncertainties and competitive pressures added to the headwinds facing Paytm, impacting its share price performance. Both Nykaa and Paytm operate in sectors with favorable growth prospects driven by India's digital transformation and evolving consumer behavior. Nykaa benefits from the rising demand for beauty and personal care products, while Paytm capitalizes on the growing adoption of digital payments and financial services.

Understanding industry trends such as e-commerce growth, digital payments penetration, and regulatory developments is crucial for assessing the long-term prospects of Nykaa and Paytm and their ability to capture market opportunities. Investors should consider analyst recommendations, market sentiment, and company-specific developments when making investment decisions regarding Nykaa and Paytm. Conducting thorough research, diversifying portfolios, and implementing risk management strategies are essential for navigating the complexities of the stock market and achieving investment objectives. While Nykaa and Paytm have experienced different trajectories in the stock market

since their IPOs, both companies offer opportunities for investors seeking exposure to India's rapidly growing e-commerce and digital payments sectors. By analyzing their share price performance, understanding market dynamics, and evaluating company fundamentals, investors can make informed decisions and position themselves for potential growth and value creation in the long term.

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