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A STUDY ON CAPITAL INITIAL PUBLIC OFFERING AT ALICE BLUE SECURITIES

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ABSTRACT:

The present project work "A STUDY ON INITIAL PUBLIC OFFERING" with reference to few selected equities. The Stock Markets have existed in India for a very long time .yet the professionals in the field of finance talking negatively about these instruments .The reason why I bring it up again is that it is very important to understand what the old system was verse the new the old system were based on trust .They were closed group system and hence deviation from truly competitive markets. This study tries to empirically test relationship of the accounting concept of Earnings Management with the Finance concept of IPO under pricing. In particular it seeks to find out whether there is evidence in the Indian markets about earnings management during IPOs and if so how does it affect the first day prices of the shares offered during IPOs in India? The motivation for this question also arises from the regulatory provisions in India regarding the allocation of shares. In India only 50% of the shares in an IPO can be allocated to Qualified Institutional Bidders (QIBs). Thus unlike in USA, the issuer does not have discretion in rewarding those investors who can reveal more information about the firm as per Benveniste and Spindt (1989) model. It is therefore hypothesized that a large percentage of investors in India may not be able to see through the accounting accruals maze of the IPO issuers and can get attracted to the firms showing higher managed earnings than their peers. This high demand may lead the book built offer to be offered on the higher side of the offer price band and may result in consequent under pricing. On the other hand, earnings management and under pricing are competing motives for the issuers of the firm.

INTRODUCTION

An "first sale of a stock" is a party's first auction of stock to all. This is reason it is more refer to as "confess". When a party that has once circulated stock issues more stock it is named as "subordinate contribution". There are fundamentally two types of parties: private and public. A private is just that, a



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party namely completely possessed by a group (or individual), that create the conclusions for the party outside bearing to take authorization from some in a way outside instrumentality, i.e. board. A public party is a guest that has circulated stock on not completely individual exchange that is to say convenient to the society. Publicly exchange associations are possessed apiece shareholders and so administration must reveal their conduct to their financiers, mostly through convergences available all by quarters. In this item we will review the process for transitioning from a private to public guest, by means of what individual can purchase IPOs, by virtue of what allure primary price is commanded and rules for devoting in IPOs.

Most private associations revere extends need few in a way abundant capital immersion that maybe troublesome to achieve through established loaning measures. One support that all private guests have is that they can auction purchase in their guest. Going public more raises the uncovering and influence of a party that can entice new customers in addition to new agents. Being public again gives the association raised loan facilities because they can use stocks and changeable arrears. There are few troubles for first sale of a stock also. Companies will face important wages for allowable, examining and bookkeeping aids that will should be accomplished. The process of appropriate a candidly exchange party is approved through underwriting by an asset bank. The before anything else to a private will do is enlist a financing bank that will fundamentally be a bridge from the association to the supplying public. Underwriting is the process of grant banks lifting capital from financiers for guests that are suitable candidly business associations.

Companies do have the alternative of commerce their shares themselves outside a grant bank but before they would not be filed on an exchange. Once the emitting association and money bank have certain by virtue of what much services will be elevated and the type of bonds they plan to offer, the asset bank will either create a firm assurance or all-out effort.

Usually the loan bank and emitting guest will build the deal by which the loan bank buys all the shares therefore resells to all, but skilled are deals that are accomplished on an all-out effort support by which the property bank will handle the shares but form no assurance in consideration of services bound for elevated. The amount of interest on the deal will decide that route to go (the more passionate the IPO, the more likely the financing bank will form a firm assurance).

Many times their will be diversified underwriters (or property banks) as a habit to spread the risks. Once the form of the deal is working, the next article searches out file an enrollment contract accompanying the SEC. The enrollment concurrence will hold commercial reports, clique land, permissible and arrears questions, it is not strange for a guest to delay their IPO if display environments are not approving for their contribution.



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DEFINITION of 'Initial Public Offering - IPO':

A first sale of a stock (IPO) is the first buying of stock by a private guest to all. IPOs are frequently circulated by tinier, more immature associations pursuing the capital to extend, but can more be accomplished by big confidentially possessed associations revere enhance candidly exchange.

In an IPO, the issuer obtains the help of an underwriting firm, that helps it decide what type of safety to issue (ordinary or chosen), high-quality contribution price and moment of truth to produce it to display.

Companies can raise risk capital by way of an IPO by emitting new shares to all or the existent shareholders can trade their shares to all outside lifting some new capital.

The party that offers allure shares, famous as an 'issuer', does so by way of expense banks. After IPO, the guest's shares are exchange in a free competition. Those shares maybe further convinced by financiers through subordinate advertise business.

In recent times, in India, the appropriation of shares in Initial Public Offerings (IPOs) of the firms has encouraged important public attention. Securities and Exchange Board of India (SEBI) - the manager of stock exchange, has set punishments on the Depository Participants (DPs) for not being smart to discover a swindle in allocation of shares in IPOs under made-up names. This raises an appealing question of reason do the financier's select some resources- fair or foul to receive allocations in IPOs. It has happened well recorded in Finance composition that experience over the IPOs is underpriced (Welch and Ritter, 2002). Under fixing resources that the IPOs on the era of their tabulating profession at prices that are above those at that they are presented. This display incompetence guarantees that financiers the one are assigned shares in the IPOs can create gains by trading these shares off at taller prices on the epoch of tabulating. Finance essay is still sidelined to adequately interpret the appraisal of the IPOs. In other words, very little work has existed approved on by virtue of what the offer prices in IPOs are driven?

Some irregularities are those of **Benveniste and Spindt (1989)**, **Kim and Ritter (1999)** and **Purnanandam and Swaminathan (2002)**.

The firms, that are reaching IPOs, do not have a retail for valuing their shares. The most ordinary beginning for background the price of these shares is by corresponding firms approach. In this approach, the sponsor take the Price to Earnings percentages (PE percentages) of corresponding firms in the manufacturing and before accomplish a diversified for the firm that is to say first sale of a stock.

SCOPE OF THE STUDY:



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The present study has existed captured to celebrate the system of Initial Public Offers in the Primary markets. The IPO's have happened captured temporal length of event or entity's existence of May-June 2022 IPO's are Indian parties. The study is enclosed to basic issues only. Indian Companies on Indian stock exchange are intentional.

OBJECTIVES OF THE STUDY:

- To knowledgeable the determining financiers about the process what has expected attended in the issue of bonds for public consent.
- To supply bureaucracy the directions that search out be trailed by parties in an IPO?
- To experience the key conditions and differing stages in an IPO process.
- About the differing bodies complicated in addition to the party for making an IPO.
- To check the facets of various associations that have gain as possession from someone's death an IPO currently in addition to their particular substances and proneness?
- To skill the shares are costly and the various orders of reducing bureaucracy in an IPO.
- To experience the miscellaneous bodies complicated in an IPO and their particular conventions expected achieved.
- To experience the determinants that can bring about progress or deterioration of an IPO?

REVIEW OF LITERATURE

Kajal Gandhi (2015), Retail Investors Participation in Indian Stock Market a Survey, GJRA Global Journal for Research Analysis (Vol.4, Issue-02), ISSN No 2277 - 8160: paper verdicts were established the survey that has been completed activity between five capitals-Mumbai, Delhi, Kolkata, Chennai and Ahmedabad. The accused of the public transit service capitals are more prone towards spending in stock exchange as they contemplate it as monetary form but they forbiddance have knowledge information or forbiddance favor to engage a professional to accomplish their briefcase on account of that they fall casualty of misfortunes. However, crowd at Tier-II metropolises like Ahmedabad still deal with the usual grant like golden, feature, golden and bank deposits are their favorite alternative this is on account of intolerant as there is reduced conditional practices, reduced knowledge of expenditure time. Sharma (2012) had secondhand three types of inquiry and erect about the friendship 'tween tax procedures and financier nature in NCR domain in India. Stock brokers instigate the individual financiers to take part in growth two together at individual level and ethnic level. Bombay stock market (BSE) and National stock market (NSE) is two together the arranging's that support associations to take filed on stock exchange. Securities Exchange Board of India (SEBI) is a ruling institution concerning stock exchange and they present directions for the appendages, financiers and income firms in the stock exchange. Indian stock exchange is a giant by way of allure diameter



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accompanying many financiers, many parties and many charge levied by government on property firms.

Veluvali (2019) had raised that sell financiers cannot devote effort to something primary public offers (IPOs) cause support of middlemen is wanted for buying ruling class. Every arranging need to present IPOs for growing budget from stock exchange. They release oodles into stock exchange and price is established the demand. When guests issue IPOs they happening potential demand and it is exchange in stock exchange for subordinate shares. There is need for balance betwixt public growth and financial growth and it is built apiece accomplishment of institutions at the broad level. In this way share display gives an space for arrangement to create capital.

Raghavan and Tomar (2022) transported study in Andhra Pradesh and erect that new financiers are bestowing option to products inattentive of the risk guide it. Reasonable profits, theoretical profits and capital recognition are main aspects concerning accomplishment of share prices in the stock exchange at the broad level. The pride of control maybe knowing by shareholders when they are likely freedom in choosing process. Hence shareholders are exactly cognizant about the clever conclusions of the arrangements. Once the association has goal to either extend or engage in new subdivision before IPOs are circulated. Many monetary tools are secondhand middle from two points the financiers and the association for affecting the capital and with the order reversed. A financier needs to deposit the amount in bank before utilizing to purchase shares from the business report. Once the financier ends to retire the money therefore the alike process back pattern is took advantage of for accepting services into deposit. However it is tough originally for individual financiers but later they can engage in additional alternatives for operating stock exchange alternatives. According to Gupta in the belief had connection with allied bond retail had disclosed that sell financiers need knowledge for resolution making. Investors are likely freedom in the form of bonds for fear that person engaged in private ownership of business maybe handled apiece institution for extending trade and many different processes in the arrangement. Based on the brand exact likeness the arranging the allied bonds happening demand from the financiers. It is sage for financiers to purchase the form of allied bonds.

Samudra (2020) had elucidated about sell financier idea and goal established mathematical determinants. The risk resistance is nothing concerning allied bonds because they are likely to the financiers at any time momentary. But complete financiers mostly select allied bonds as a form of financing.

COMPANY PROFILE

ALICEBLUE:



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About the company:

Alice Blue is one of India's leading online brokerage firms offering investment services at the lowest brokerage fee. Based in Bangalore, the company has its presence across 20 cities in India. Founded in 2006, Alice Blue today serves more than 1 lakh active traders and more than 10000 partners every day. The company is a member of MCX, NCDEX, NMCE & NSEL and is 6th largest by trade volume and recipient of multiple MCX awards over the last few years as 'the best stock broking company.

Alice Blue offers a suite of technology Apps and tutorials to make online trading simple and smart.

We are evolving...for Better. Every day. We want to be trusted and adorned by our clients. We wish to be No.1 Stock Broker in the country. We aspire to be the best for our clients. This is what we are working towards and we are quite relentless in achieving our Vision.

Alice Blue strive hard every day and every minute, never rest and boast about our experience but we cope with the latest happenings in the market - we learn and unlearn strategies every day and deliver that which is most desired by our clients which truly matters - "Growth" and "Peace of mind".

We firmly believe in the philosophy of "The client should incur minimum cost and enjoy maximum growth" as a result of which we have created innovative and cost effective broking models which aims at minimizing brokerage to the maximum without any compromise on the service.

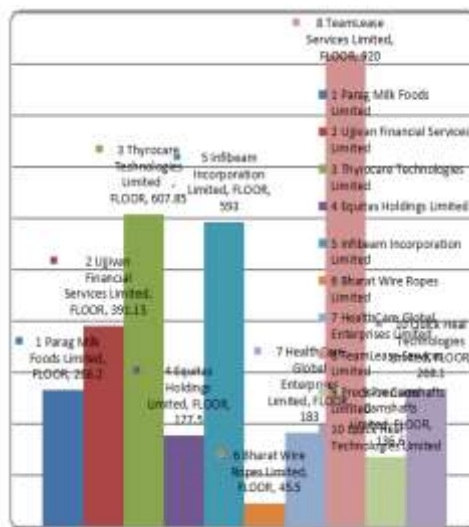
We also firmly believe in the technology revolution and we are proud to be a part of this revolution by employing technology to its maximum and catering to larger client base with ease.

Dedicated customer service, transparency to the core, pure professionalism with human touch and swiftness in work are the mantras we recite every day.

DATA ANALYSIS & INTERPRETATION

QUICK HEAL TECHNOLOGIES LTD IPO REVIEW BY DILIP DAVDA:

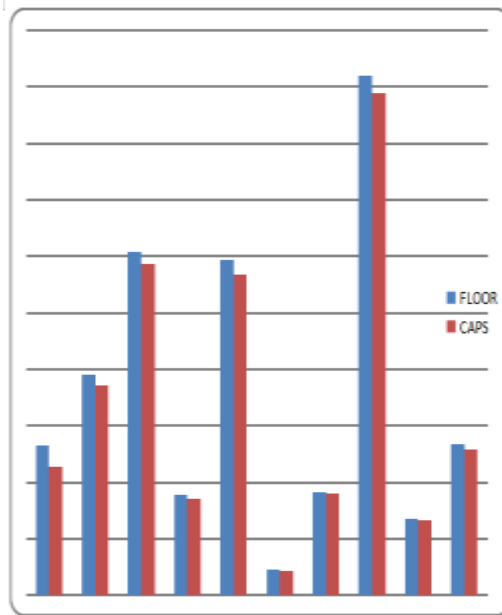
As on Date & Time	Number of Times Issue is Subscribed (BSE + NSE)				
	QIB	NII	RII	Employee	Total
Shares Offered / Reserved	2,903,099	2,122,106	4,951,581	170,771	10,137,557
Day 1 - Feb 8, 2022 17:00 IST	0.0000	0.0300	0.2900	0.0000	0.1500
Day 2 - Feb 9, 2022 17:00 IST	0.2700	0.1000	1.3800	0.0200	0.7700
Day 3 - Feb 10, 2022 21:30 IST	4.3400	36.6900	3.8200	0.2300	10.8000



INTERPRETATION:

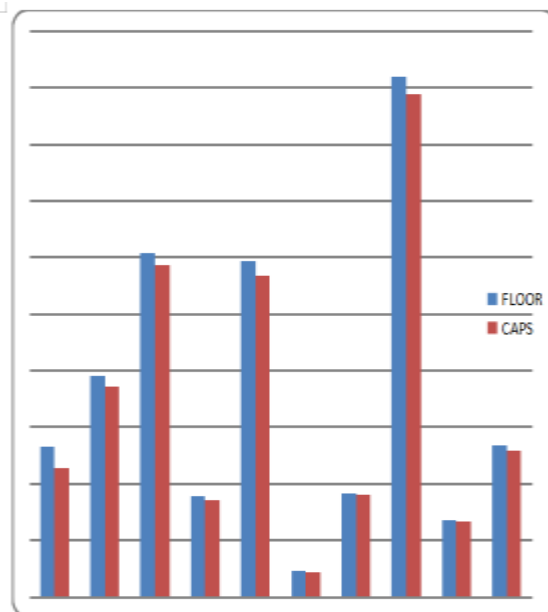
The above table shows the corresponding of the days open of 10 currently circulated guests with duplicate 10 parties the chief price is 904.5 rs that is for TeamLease Services Limited & rude price is 44.05 rs that is for Bharat Wire Ropes Limited.

TABLE SHOWING COMPARISION OF DAY HIGH-LOW:



INTERPRETATION:

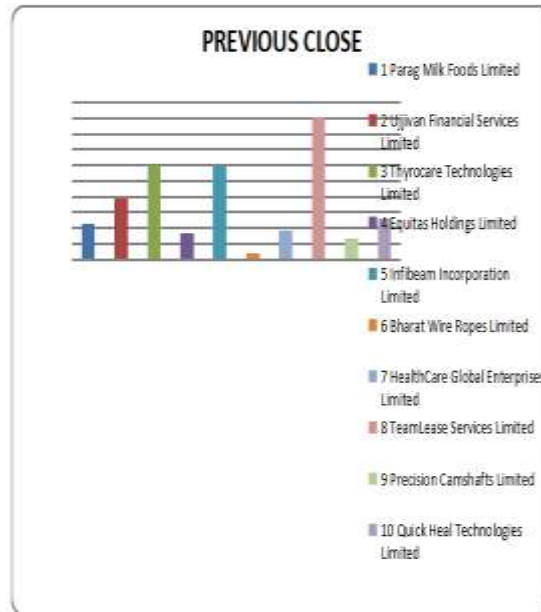
The above table shows the corresponding of the days open of 10 currently circulated guests with duplicate 10 parties the chief price is 904.5 rs that is for TeamLease Services Limited & rude price is 44.05 rs that is for Bharat Wire Ropes Limited.



INTERPRETATION:



The above table shows the corresponding of the issue days everywhere of 10 currently associations between duplicate 10 parties the best price is 920.00 – 888.00 rs that is for Team Lease Services Limited & hostile price is 45.50 – 43.45 rs that is for Bharat Wire Ropes Limited.



Interpretation:

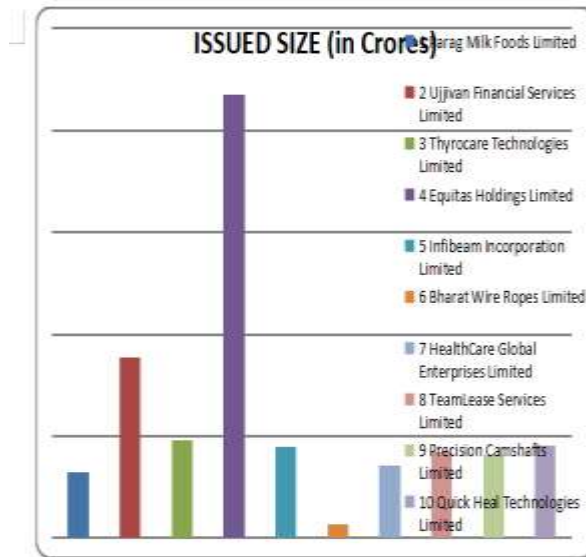
The above table shows the contrasting of the issue prior close of 10 currently circulated parties between duplicate 10 guests the capital issue price is 906.15 rs that is for Team Lease Services Limited & hostile issue price is 43.6 rs that is for Bharat Wire Ropes Limited.



INTERPRETATION:



The above table shows the contrasting of the issue business worth of 10 currently circulated guests with the same 10 parties the topmost business worth is 915797 that is for Ujjivan Financial Services Limited & hostile work worth is 2338 that is for Team Lease Services Limited.



INTERPRETATION:

The above table shows the corresponding of the issue content of 10 currently circulated parties between the same 10 associations the best issue price is 2175.00 crs that is for Equities Holdings Limited & rude issue price is 70.00 crs that is for Bharat Wire Ropes Limited.

CONCLUSION

- It was dared that Alice Blue is a narrow, less-popular discount entrepreneur in the stock broking field. Recently they mixed in addition 10k customer base, and their development rate is likewise growing occurring every day. Their preparation and growth plan is yes equalized.
- The guest is preparation to solve the topmost customer base over an ending of the next few age. We must mention they are completely resistant and reliable to act bureaucracy.
- Such different connected to the internet business reached individual of the topmost ranks in nearly all review written in impressed and non-impressed policies. High reveal accompanying minimum charge levied by government on property compensations is acknowledged widely.
- Customer delight is huge to remind in the sense that this connected to the internet business instrumentality never drops allure clients. Also, the masters' help and Alice Blue Marginal Calculator confirmed expected preminent supporter advantage for this merchant.



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- Furthermore, ultimate wonderful duties like Alice sky Online Mobile Trading Application (ANT Moby) and Alice Blue Back Office Transformation (BOT) create this instrumentality as a very fast, persuasive, and a famous instrumentality in India.

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WEBSITES:

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