

Impact of Underpricing Determinants on Market Return of S&P BSE SME IPO in India

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ABSTRACT

Primary capital market i.e. Initial Public Offering (IPO) market forms a significant part of it. India, an emerging market, has seen tremendous growth in the BSE SME IPO market over the past few years. In light of this, the Underpricing of BSE SME IPOs is being examined. This study aims to investigate and Analyze the determinants of Underpricing of BSE SME IPOs in the India. This study examines the cause-and-effect relationship and Impact of Raw Return and Market Adjusted Excess Return between Issue Price, Issue Size, Lot Size , Market Return and Volatility of BSE SME IPOs of Underpricing in India. There is a significant relationship between Raw Return and Market Adjusted Excess Return between lot size, volatility, market return, issue size, issue price of S&P BSE SME IPO. The null hypothesis is rejected at 5% level of significant for the Specific variables among Raw Return and Market Adjusted Excess Return in the Study Period. While investing in an S&P BSE SME IPO the investor should be careful and they may choose long-term investment because there is a low risk and they can earn a return at longtime. The Present Study Provides a detailed analysis of S&P BSE SME IPO in India and Underpricing of Raw Return and Market Adjusted Excess Return relationship and impact for 10 years January 2013 to December 2022 by taking a yearly observation. At the same time, they have a Strong Relationship between the issue-specific and market-specific variables like volatility and market return and integrated with each other

INTRODUCTION

The Indian economy is thriving thanks to what is properly referred to as the "engine of growth of an economy" as a result of the escalating competition in the global marketplace that includes alternative markets. For emerging economies, in particular, a strong and thriving small- and medium-sized sector is essential for attaining long-term economic growth and establishing a competitive edge in the global marketplace. Small- and medium-sized businesses (SMEs) have been recognised as the foundation of the Indian economy for their exceptional contributions to revenue growth, entrepreneurial training and development, reducing income inequality, and driving export growth. Technology developments, company integration, market liberalisation, and the removal of trade obstacles have all increased SME participation in international markets. All these innovations, along with growing opportunities and awareness, have greatly broadened the range of SMEs in the Indian setting. The Indian government has a long list of goals for helping the SME sector, given the significant role SMEs play in fostering an entrepreneurial culture in an economy and their enormous contribution to 69% of employment in India. SMEs are envisioned to assist the government in making India's economy \$5 trillion by 2025. They are regarded as the constant source of innovation and job creation. 1 SMEs are "mushrooming in a multitude of sectors across the country," serving as the economic and social progress of India's society's catalyst. Statistics also specifically point out that SMEs generate 1.3 million jobs annually and represent 40% of exports and 45% of industrial output.

SMEs have also received recognition from the UN as a part of a bailout initiative for fostering financial inclusion, development, and poverty reduction. However, starting and creating SMEs at the rate of globalisation is not an easy undertaking due to some market defects, such as a lack of adequate and timely funding, poor infrastructure, a high cost of credit, a necessity for collateral, and restricted access to equity capital. Reduced liquidity, smaller size, informational skewness, and a lack of acceptable marketplaces all significantly disfavour them.

Even if these challenges force SMEs to reach new heights of potential, they can also be considered as untapped opportunities that, if seized, could improve SMEs' foundations and reduce regional inequities in India. One of these problems of limited access to equity financing has recently been helped to resolve by the endeavour to build a distinct trading platform for SMEs.

Given the significant contribution that SMEs make to advancing and fostering innovation, it is crucial to create an environment that supports entrepreneur survival for SMEs. It is also difficult for SMEs to secure finance because they face more financial constraints and a higher chance of failure than larger companies. SME exchanges provide a platform for bringing together investors prepared to take on the risks of investing in startups and SMEs looking for funding. These platforms also provide an adequate and effective flow of cash from capital suppliers (investors) to capital searchers (issuers). Additionally, existing investors can find new buyers more easily thanks to the organised market provided by the securities listed on these exchanges. Standardised listing guidelines and disclosure demands for all businesses wishing to list their stocks

not only ensure the participation of informed investors but also aid in lowering various risks related to both the internal and external business environment. Initial public offerings on these exchanges also assist SMEs in gaining the visibility and broader audience they require. On the contrary, the process has costs associated with listing, underwriting, publication, as well as an unintentional cost of underpricing. Small and medium-sized businesses (SMEs) are exposed to organisational upheaval, intensive public scrutiny, and the inefficiencies of the stock market through initial public offerings, which liberate them from the restrictions of private companies and enable them to cross the threshold into the public domain.

The SME Platform was established by BSE Asia's First Stock Exchange in accordance with the guidelines established by SEBI. It offers SMEs a regulated forum to solicit funding from the general public. Additionally, it supports an atmosphere that is welcoming to investors, allowing SMEs from Scattered Thought India's unorganised sector to list and enter a regulated industry. BSE SME, which was founded in 2012, is the most popular SME platform in India. BSE SME has listed 360 businesses over the last ten years, contributing to the raising of more than Rs. 3823.96 crores. The platform has a Rs. 51704 billion market value. BSE SME has over the years assisted entrepreneurs of over 360 SME entities to raise equity for growth and expand in a cost-effective way. India's over 63 million SMEs have significantly contributed to industrial growth by providing employment and entrepreneurship opportunities in urban and rural areas, helping them achieve their goals, facilitating wealth generation, and fostering social and economic progress.

BSE Ltd. created the BSE SME Platform in accordance with the standards set by SEBI. The listing of SMEs from India's dispersed unorganised sector into a regulated and organised sector is made possible by the BSE SME Platform, which offers a friendly environment for business owners and investors.

BSE SME

"The foundation of India's economic and social development is SME and MSME. They significantly contribute to the development of India's industrial sector by creating employment and business possibilities in both urban and rural locations. The strengthening of this sector has been greatly aided by the government regulators. 360 SMEs have chosen to list on the BSE since 2012 in an effort to raise finance and create prosperity. The majority of SME companies in India choose to list exclusively on BSE, making it the largest SME exchange in the country. International organisations like IOSCO have taken note of this initiative's success in encouraging SMEs in India.

LITERATURE REVIEW

Dr. M. Anbukarasi and R. Prasanth (2022)¹ examined investors basic idea of investing in the sectors in BSE and encourage them to invest in these areas where they can maximize the return on their investment. This study helps us to understand how the companies diversify themselves in different sectors and different companies to maximize the return and minimize the risks involved in it. Index Terms - Investment, Stock Market, Sectors, Risk and Return.

Chitraben Rajnikant Sheth and Dr. Sejal Christian (2022)² measured the performance of IPO in the Indian market and to measure the initial underpricing or overpricing of IPOs in India. From the research it has been found that the Zomato Ltd has highest risk and the GR Infra projects have lowest risk. The IPO might to be a fantastic way for a regular person to learn how to invest in the stock market. By examining the market and the history of firms, there will be no risk in investing.

Vikas Gupta and Shveta Singh (2019)³ have evaluated the impact of anchor investors on the underpricing after disaggregation and on the long-run performance of an IPO. This paper believed to be the first attempt to study the impact of anchor investors on the dis-aggregated IPO underpricing. Findings of this study will have a great insight for the investors.

Kamini Kaushal (2018)⁴ has examined the IPO underpricing in India. The Paper mainly focuses on the underpricing of especially Indian IPOs for 10 years. The study was done to find out the trend of underpricing of Indian IPOs, relation American investment banks charge.

Batool K. Asiri and Aalaa J. Haji (2014)⁵ investigated factors that potentially influence abnormal returns on the first day trading and focuses on assessing the most prominent determinants of the underpricing of IPOs in the GCC region. The empirical findings had shown that firm age and offer size are clearly significant and both negatively related to underpricing and shows that a relationship does exist between financial and non-financial firms, and there are significant differences between banking versus insurance firms. The models carried out involving the financial crisis period almost all appeared to be significant.

Sanjay Sehgal and Bhushan Kumar Sinha (2013)⁶ focused on two main propositions for Indian Equity Market: (i) important factors that determine short-run underpricing of initial public offerings (IPOs) (ii) impact of IPOs' mispricing on investment banks' reputation. The IPOs seems to be overpriced and the Indian market takes about 6 months to fully incorporate information for discovering the fair value of IPOs. Mispricing of IPOs seems to negatively impact the investment banks' reputation in the next period. The findings of this research have strong implications for the policy makers, market intermediaries as well as investors. The present study contributes to the capital market literature, especially for emerging economies.

Deb and Marisitty (2011)⁷ noticed that the IPO grading was an assessment of the quality of initial equity. They tested the efficiency of this unique certification mechanism with the data of 159 Indian IPOs. They found that IPOs grading decreased IPO underpricing and influenced demand of retail investors. Post listing, highly graded IPOs attract greater liquidity and exhibit lower risk. Their findings implied that in emerging markets regulator's role to signal the quality of an IPO contributes towards the market welfare.

Yan Xiong et al. (2008)⁸ analyzed the performance of zero investment trading strategy. The estimates of pre-IPO earnings management and IPO underperformance are used to gauge the study results indicate that significant abnormal returns happen when they are traded with the knowledge of the IPO

under-pricing. The relationship between the two variables were not found to be significant. The study concluded that the pre-IPO earning influenced the performance of the IPOs but the investors would not be aware to use it.

Singh and Sehgal (2008)⁹ investigated the possible determinants of underpricing and the longrun performance of 438 Indian initial public offerings (IPOs) listed on the Bombay Stock Exchange during June 1992--March 2001. Age of the firm, listing delay at IPO and number of times the issue were subscribed have been found to be the important determinants of underpricing. Indian IPOs do not tend to underperform in the long-run and underpricing has been primarily found to explain the long-run performance.

Alok Pande and R. Vaidyanathan(2007)¹⁰ empirically suggested that the demand generated for an issue during book building and the listing delay positively impact the first day underpricing whereas the effect of money spent on the marketing of the IPO is insignificant. They also found that in consonance with extant literature, the post IPO performance in one month after the listing for the firms under study is negative.

Kumar (2007)¹¹ attempted to see how the IPOs issued through book building process fare both in short-run as well as in long run. In the study the short-run means the behaviour of initial returns up on listing. The results indicate that the IPOs are under-priced as is evidenced by the positive listing day returns and are outperforming the market in the subsequent months almost up to twenty four months. In this study we examined the price performance of the IPOs both in the short-run as well as in the long-run where short-run means the behaviour of initial returns up on listing.

Statement of the Problem

Capital market is the most important component of any financial market in the world as it helps in capital formation and economic growth. Primary capital market i.e. Initial Public Offering (IPO) market forms a significant part of it. India, an emerging market, has seen tremendous growth in the BSE SME IPO market over the past few years. There are times when India experiences a high volume of BSE SME IPOs. On the other hand, there have been times when there haven't been many BSE SME IPOs. Investing in Share market is been a trend setter for most of the investors. The investor should understand the risk and could invest the money by analyzing the under pricing. In light of this, the Underpricing of BSE SME IPOs is being examined. This study aims to investigate and Analyze the determinants of Underpricing of BSE SME IPOs in the India. This study examines the cause-and-effect relationship and Impact of Raw Return and Market Adjusted Excess Return between Issue Price, Issue Size, Lot Size , Market Return and Volatility of BSE SME IPOs of Underpricing in India.

Objectives of the Study

- To find the impact of under-pricing determinants of S&P BSE SME IPO on returns of BSE SME IPO in India.

Hypotheses for the Study

H01 :There is no significant relationship between Raw Return and Issue Size, Issue Price, Lot Size, Volatility, and Market Return in Under-pricing of S&P BSE SME IPO.

H02 :There is no significant relationship between Market Adjusted Excess Return and Issue Size, Issue Price, Lot Size, Volatility, and Market Return in Under-pricing of S&P BSE SME IPO.

H03 :There is no significant impact on Raw Return of Issue Size, Issue Price, Lot Size, Volatility, Market Return in Under-pricing of S&P BSE SME IPO.

H04:There is no significant impact on Market Adjusted Excess Return of Issue Size, Issue Price, Lot Size, Volatility, Market Return in Under-pricing of S&P BSE SME IPO.

METHODOLOGY

Source of Data

The data pertaining to closing price of companies at the end of first trading day, Monthly and Yearly data have been extracted from the BSE SME (www.bsesme.com) website. For obtaining the SME index values on the corresponding days, BSE website (www.bseindia.com), Chittorgarh Website (<https://www.chittorgarh.com/>) has been referred.

Period of Study

The Study is conducted with the yearly data that has been collected for ten years and analyzed starting from 1st January 2013 to 31st December 2022 by using calendar days, yearly price in S&P BSE SME IPO of India.

Scope of the Study

The Present study clarifies about the major influence of S&P BSE SME IPO in India. The Study will discuss about Underpricing which help to know the pricing and reduce the risk for investors.

RESULT AND DISCUSSION

Underpricing

First variant of under-pricing i.e. raw return (unadjusted under-pricing) has been computed as the difference between offer price of security and closing price of the security on the first day of trading, divided by offer price (Certo et al., 2001a, 2001b) Second variant of under-pricing i.e. market adjusted excess return (adjusted under-pricing) has been used to adjust the market movements between issue date and listing date. Hence, these returns are computed by subtracting the market return (as computed using BSE SME index for SME IPOs) from raw return. As suggested by Certo et al. (2001a, 2001b), Handa and Singh (2017).

H01: There is no significant relationship between Raw Return and Issue Size, Issue Price, Lot Size, Volatility, Market Return in Under-pricing of S&P BSE SME IPO.

Table 1. Correlation Analysis of Under-Pricing (Raw Return) of S&P BSE SME IPO in India, for the Period of January 2013 to December 2022

		Raw Return	Issue Size	Issue Price	Lot Size	Volatility	Market Return
Raw Return	Pearson Correlation	1					
	Sig. (2-tailed)						
issue size	Pearson Correlation	-.420	1				
	Sig. (2-tailed)	.227					
issue price	Pearson Correlation	-.145	.793**	1			
	Sig. (2-tailed)	.689	.006				
lot size	Pearson Correlation	.763*	.100	.358	1		
	Sig. (2-tailed)	.010	.783	.310			
Volatility	Pearson Correlation	.652*	.053	.214	.733*	1	
	Sig. (2-tailed)	.041	.885	.552	.016		
Market Return	Pearson Correlation	.764*	.184	.392	.815**	.556	1
	Sig. (2-tailed)	.010	.611	.262	.004	.095	
*. Correlation is significant at the 0.05 level (2-tailed).							
**. Correlation is significant at the 0.01 level (2-tailed).							

Source: Compiled and Calculated from Bombay Stock Exchange

Table 1 displays the Karl Pearson correlation analysis for S&P BSE SME IPO (RAW RETURN) from 2013 to 2022 which has been done with variables like Issue price, Issue Size, Lot size, Volatility, Market Return. It is detected that there is high degree of positive correlation that exists among the Lot Size and Market Return of S&P BSE SME IPO during the study period and on the Analysis it shows that Raw Return has a positive Correlation with all the Specific Variable except Issue Size, and Issue Price. Thus, the null hypothesis is rejected at 5% level of significance. Hence, there is a significant relationship between Raw Return and lot size, volatility, market return, issue size, issue price of S&P BSE SME IPO. H02 :There is no significant relationship between Market Adjusted Excess Return and Issue Size, Issue Price, Lot Size, Volatility, Market Return in Underpricing of S&P BSE SME IPO.

Table 2. Correlation Analysis of Under-Pricing (Market Adjusted Excess Return) of S&P BSE SME IPO in India, for the Period of January 2013 to December 2022

		Market Adjusted Excess Return	Issue Size	Issue Price	Lot Size	Volatility	Market Return
Market Adjusted Excess Return	Pearson Correlation	1					
	Sig. (2-tailed)						
issue size	Pearson Correlation	-.430	1				
	Sig. (2-tailed)	.215					
issue price	Pearson Correlation	-.155	.793**	1			
	Sig. (2-tailed)	.669	.006				
lot size	Pearson Correlation	.732*	.100	.358	1		
	Sig. (2-tailed)	.016	.783	.310			
Volatility	Pearson Correlation	.738*	.053	.214	.733*	1	
	Sig. (2-tailed)	.015	.885	.552	.016		
Market Return	Pearson Correlation	.637*	.184	.392	.815**	.556	1
	Sig. (2-tailed)	.047	.611	.262	.004	.095	
*. Correlation is significant at the 0.05 level (2-tailed).							
**. Correlation is significant at the 0.01 level (2-tailed).							

Source: Compiled and Calculated from Bombay Stock Exchange

Table 2 displays the Karl Pearson correlation analysis for S&P BSE SME IPO (MARKET ADJUSTED EXCESS RETURN) from 2013 to 2022 which has been done with variables like Issue prize, Issue Size, Lot size, Volatility, Market Return. It is inferred that there is high degree of positive correlation that exists among the volatility and Lot Size of S&P BSE SME IPO during the study period and on the Analysis it shows that Raw Return has a positive Correlation with all the Specific Variable except Issue Size, and Issue Price. Thus, the null hypothesis is rejected at 5% level of significance. Hence, there is a significant relationship between Market Adjusted Excess Return and lot size, issue size, issue price, volatility, market return of S&P BSE SME IPO.

Regression Analysis of Under-Pricing (Raw Return) of S&P BSE SME IPO of Bombay Stock Exchange of India

H03 :There is no significant impact on Raw Return of Issue Size, Issue Price, Lot Size, Volatility, Market Return in Under-pricing of S&P BSE SME IPO.

Table 3. Regression Analysis Model Summary of Raw Return for the Period of January 2013 to December 2022

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.989 ^a	.977	.949	4.91751	2.664

Predictors: (Constant), Issue Size, Issue Price, Volatility, Lot Size, Market Return
 Dependent Variable: Raw Return

Source: Compiled and Calculated from S&P BSE SME IPO

The above Table 3 displays the model summary for the impact of Raw Return among Issue Specific and Market Specific variables. When the Raw Return is Dependent Variable, R is .989 which means that there is a very strong correlation. R-Square is .977 which indicated 97.7% of impact is accounted. It shows the Issue Size, Issue Price, Lot Size, Volatility, Market Return (Independent Variable) is influenced the Raw Return (dependent variable). Adjusted R Square Value is .949, implying that the model has accounted for 95.9% of variance in the dependent or criterion variable. The value of Durbin-Watson Statistic is 2.664 representing that the model is not suffering from auto correlation.

Table 4. Regression Analysis Anova of Raw Return for the Period of January 2013 to December 2022

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	4200.167	5	840.033	34.738	.002 ^b
	Residual	96.728	4	24.182		
	Total	4296.895	9			
a. Dependent Variable: Raw Return						
b. Predictors: (Constant), Market Return, issue size, volatility, issue price, lot size						

Source: Compiled and Calculated from S&P BSE SME IPO

The Table 4 Clarifies the ANOVA for S&P BSE SME IPO Raw Return and Issue and Market Specific Variables for the research period of January 2013 to December 2022. ANOVA Table shows the significant value of .002 Which is less than 0.05 level of significant. So, it can be concluded that S&P BSE SME IPO (Raw Return) and the Specific Variables is Significant and the Issue Specific and Market Specific variables influencing the Raw Return in S&P BSE SME IPO. So, there is a significant between variables among Raw Return and it has impact of Raw Return and Specific variables. Hence, the null hypothesis is rejected at 5% level of significant for the Specific variables among Raw Return in the Study Period.

Table 5. Regression Analysis Coefficient of Raw Return for the Period of January 2013 to December 2022

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	VIF	
1	(Constant)	29.922	6.674		4.484	.011		
	issue size	-.210	.062	-.444	-3.401	.027	.331	3.025
	issue price	-.215	.194	-.155	-1.111	.329	.289	3.455
	lot size	.444	.394	.185	1.127	.323	.208	4.799
	volatility	1.529	.773	.220	1.978	.119	.454	2.204
	Market Return	.459	.096	.633	4.775	.009	.320	3.125

a. Dependent Variable: Raw Return

Source: Compiled and Calculated from S&P BSE SME IPO

The above Table 5 displays the coefficient for impact of Raw Return on Issue and Market Specific variables for the study period January 2013 to December 2022. It implies that Issue Specific and Market Specific Variables are significant at 5% Level. The multi- Collinearity analysis is showing that is suitable for this study because the variance inflation factor (VIF) value is below 5. It Shows that the data is not suffering from multi-Collinearity problem for this study period. Hence, the null hypothesis is rejected for Issue Size, Issue Price, Lot Size, Market Return and Volatility.

Regression Analysis of Under-Pricing (Market Adjusted Excess Return) of S&P BSE SME IPO of Bombay Stock Exchange of India

H03 :There is no significant impact on Market Adjusted Excess Return of Issue Size, Issue Price, Lot Size, Volatility, Market Return in Under-pricing of S&P BSE SME IPO.

Table 6. Regression Analysis Model Summary of Market Adjusted Excess Return for the Period of January 2013 to December 2022

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.954 ^a	.909	.796	13.66569	2.495

Predictors: (Constant), Market Return, Issue Size, Volatility, Issue Price, Lot
Dependent Variable: Market Adjusted Excess Return

Source: Compiled and Calculated from S&P BSE SME IPO

The above Table 6 displays the model summary for the impact of Raw Return among Issue Specific and Market Specific variables. When the Market Adjusted Excess Return is Dependent Variable, R is .954 which means that there is very strong Correlation. R-Square is .909 which indicated 90.9% of impact is accounted. It shows the Market Return, issue size, volatility, issue price, lot size is influenced the Market adjusted Excess Return. Adjusted R Square Value is .796,

implying that the model has accounted for 79.6% of variance in the dependent or criterion variable. The value of Durbin-Watson Statistic is 2.495 representing that the model is not suffering from auto correlation.

Table 7. Regression Analysis Anova of Market Adjusted Excess Return for the Period of January 2013 to December 2022

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7503.290	5	1500.658	8.036	.033 ^b
	Residual	747.005	4	186.751		
	Total	8250.294	9			
a. Dependent Variable: Market Adjusted Excess Return						
b. Predictors: (Constant), Market Return, issue size, volatility, issue price, lot size						

Source: Complied and Calculated From S&P BSE SME IPO

The Table 7 Clarifies the ANOVA for S&P BSE SME IPO Market Adjusted Excess Return and Issue and Market Specific Variables for the research period of January 2013 to December 2022. ANOVA Table shows the significant value of .033 Which is less than 0.05 level of significant. So, it can be concluded that S&P BSE SME IPO (Market Adjusted Excess Return) and the Specific Variables is Significant and the Issue Specific and Market Specific variables influencing the Market Adjusted Excess Return in S&P BSE SME IPO. So, there is a significant between variables among Market Adjusted Excess Return and it has impact of MAER and Specific variables. Hence, the null hypothesis is rejected at 5% level of significant for the Specific variables among Market Adjusted Excess Return in the Study Period.

Table 8. Regression Analysis Coefficient of Market Adjusted Excess Return for the Period of January 2013 to December 2022

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	VIF	
1	(Constant)	27.803	18.546		1.499	.208		
	issue size	-.308	.172	-.470	-1.795	.147	.331	3.025
	issue price	-.165	.539	-.085	-.306	.775	.289	3.455
	lot size	.688	1.095	.207	.629	.564	.208	4.799
	volatility	4.200	2.148	.437	1.955	.122	.454	2.204
	Market Return	.347	.267	.346	1.300	.264	.320	3.125
a. Dependent Variable: Market Adjusted Excess Return								

Source: Complied and Calculated from S&P BSE SME IPO

The above Table 8 displays the coefficient for impact of Market Adjusted Excess Return on Issue and Market Specific variables for the study period January 2013 to December 2022. It implies that Issue Specific and Market Specific Variables are significant at 5% Level. The multi- Collinearity analysis is showing that is suitable for this study because the variance inflation factor(VIF) value is below 5. It shows that the data is not suffering from a multi-Collinearity problem for this study period.

CONCLUSION AND RECOMENDATION

Suggestion Based on Findings:

- Based on the S&P BSE SME IPO the study found that high return in the recent years of the study period. So, investors can invest their money in the SME IPO to gain profit in the Future and there is an increased level of SME IPO in and after COVID-19, which means after 2019 there are high investors in BSE SME IPO. So, the investor should be aware of the market condition before investing.
- While investing in an S&P BSE SME IPO the investor should be careful and they may choose long-term investment because there is a low risk and they can earn a return at longtime. Investors cannot make investments without any knowledge of the Share market, Because the Share Price is always fluctuating in market condition

The Present Study Provides a detailed analysis of S&P BSE SME IPO in India and Underpricing of Raw Return and Market Adjusted Excess Return relationship and impact for 10 years January 2013 to December 2022 by taking a yearly observation. At the same time, they have a Strong Relationship between the issue-specific and market-specific variables like volatility and market return and integrated with each other. In most of the analysis risk and return assumes a significant part in setting on any financial choice. It is concluded that the primary market is growing big as investors are getting awareness towards the share market and there are so many insights towards the stock markets.

FURTHER STUDY

This research still has limitations, so it is necessary to carry out further research related to the topic Impact of Underpricing Determinants on Market Return of S&P BSE SME IPO in order to perfect this research and increase insight for readers.

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