Attributes of companies making IPOs in India - Some observations

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Abstract

A growing volume of literature on Initial Public Offerings (IPOs) by Indian firms has sought to explain the efficiency of pricing and the post issue performance of companies that make IPOs in terms of institutional features of the securities market or certain features of the issuers. These studies pertain to different windows of IPO activity, starting with the establishment of the Securities and Exchange Board of India (SEBI) in 1992. However, no study so far has examined the evolution of the attributes of the issuer. The establishment of SEBI in its current empowered incarnation has been acknowledged to be a milestone in the evolution of the Indian securities market. This paper is based on the belief that understanding the evolution of IPOs since the establishment of SEBI may help in understanding the phenomena in the IPO market better. The paper also tries to relate the changes in the profile of the issuers to certain regulatory developments which may have been intended to influence those attributes of issuers and issuances. The observations in this paper provide useful pointers to further research which may unravel the working of the Indian IPO market better. More importantly, they may be useful in designing new securities market which could serve as alternatives to or complement the existing market mechanisms.

Keywords: IPOs, regulation, SEBI, underpricing, efficiency

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1 Overview

There is a steadily growing volume of literature documenting the underpricing of IPOs in the Indian market. These articles attempt to explain underpricing in terms of some institutional development or the other. Table I summarises the published literature that we have come across. (It is quite likely that there is a volume of unpublished dissertations. These have not been included in this review.) Nearly all the literature examines IPOs that were made in specific windows. Further, the literature seems to examine the impact of various institutional details such as the pricing mechanism, grading, age of the issuer, industry, price and oversubscription levels on underpricing.

Table I about here

Research relating to markets other than India also suggests that features such as the business / industry that the issuer company is engaged in (Ritter(1991)), the age of the issuer (Ritter(2003)) and pricing of the issue in relation to the book value can explain outcomes such as efficiency of pricing in the IPO market or the long run performance of IPOs. However, the emerging profiles of issuers across time has not been analysed along these dimensions. Given that the literature seems to hypothesise a possible relationship between various attributes of the issuer and the market outcome in terms of underpricing or short or long run performance of the issuer, it may be worth developing a picture of the IPO issuers along the lines of these attributes.

Another key factor in the development of the securities market in India in general and that of the IPO market in particular is role played by the Securities and Exchange Board of India (SEBI). SEBI was established in 1991 to oversee the working of securities market and to promote its development, following a major scam in the Indian securities market[1]. Several articles trace SEBI's role. (See for example Gokarn (1996), Shah (1999), Shah and Thomas (2000), Shah and Thomas (2001), Goyal (2005) and Sabarinathan (2010)). Sabarinathan (2007)

[1] The stock scam of 1991 involved large scale trading activity in the stock market, funded by capital transferred from the banking system through illegal means, that exploited the weaknesses in the system for trading government securities in public sector banks. It is believed that the stock scam provided the immediate impetus for strengthening SEBI, leading to the passing of the SEBI Act in 1992. For a discussion of the scam of 1991 and its mechanics please refer to Barua and Varma (1993).

critiques the important developments in SEBI's regulation of the Indian IPO market. Table II below lists the more important among the developments, in our opinion, and the impact they are likely to have had on the IPO markets.[2]

Table II about here

This paper examines whether there is an association between the various institutional developments and the activity / outcomes in the market. Establishing a precise cause effect link between the regulatory actions of SEBI and the outcomes in the market is not easy empirically, given the numerous other variables that could have possibly affected the market outcomes, as pointed out in Gokarn (1996). We therefore develop some tentative observations which could then become the basis of further research. This and subsequent work on these lines can potentially inform policy relating to market design and regulation in future. The rest of the paper is organized as follows. Section 2 deals with the data and the methodology. Section 3 analyses total issuance activity in the primary market, except rights issues, Section 4 analyses IPO Activity level while Section 5 discusses the sectoral break up of IPOs, Section 6 analyses the percentage of equity offered at the IPO to the public, Section 7 analyses the listing pattern among IPOs and Section 8 concludes.

2 Data and methodology

Our analysis proceeds as follows. We capture some key information relating to IPOs that is available from a commercial database on IPOs from Prime Database (Prime, hereafter). In our analysis we leave out (i) debt securities (ii) hybrid securities and (iii) securities issued by listed companies, also referred to as follow on public offerings (FPOs). The economics of debt is different from that of equity shares. Hybrid securities are debt or preference shares that are convertible into equity and / or contain embedded rights or options to own equity in the issuing company and so are different from equity shares. Companies whose securities are already listed and are making follow on public offerings have a trading history on the stock exchanges and hence do not pose issues of the same complexity as IPOs. Starting with the full set of IPOs for which Prime has data we proceed as follows. We remove all records relating to

[2] The table is based on a detailed analysis of the numerous changes to the Issue of Capital and Disclosure Requirements (ICDR, hereafter), formerly known as Disclosure and Investor Protection Guidelines (DIPG, hereafter). The issuance of securities is governed by the ICDR and guidelines put out by SEBI governing the functioning of individual participants in the securities market such as merchant bankers, registrars to the issue and so on.

- Issues that combined rights and public offerings
- Issues which had features such as dual pricing or convertibility or warrants or similar features.
- Where data relating to industry was not readily available
- Certain records where the data appeared to be inconsistent with our intuitive understanding of market trends or practices.

The resulting input files comprise IPOs of straight equity shares offered at one offer price.

Our period of analysis starts from 1993-94, the year from which we have data broken down into IPOs and FPOs.

4 Analysis of IPO Activity

Summary descriptive statistics relating to the volume of IPOs is provided in Table IV.[3] The number and volume of IPOs increased up to 1995-6 and then started declining all the way up to 1998-99. Activity level picked up in terms of number of issues from 1999-00 to 2000-01, although it was still low in comparison to the earlier years. In 2001-2 and 2002-3, the decline in the number of issues was even more considerable. The mean size of issues appears to fall in three size bands associated with three different time windows: 1993-94 to 1996-97, 1997-98 to 2000-01 and 2001-02 to 2008-09. The relatively high SD / Mean of the issue size indicates that even during the early years there were a few large issues that accounted for the variability in size. The variability in size declines from 1997-98, pointing to a certain convergence in the Indian IPO market.

It is possible that the trend in the *average size* of IPOs across the years points to the following fundamental changes in the primary market (i) Indian firms had higher requirements of capital as they grew in size and scale so as to be globally competitive and therefore came up with larger issues. (ii) The increasing fixed costs of making a public offering, compared to that of raising private capital, restricted public issuance to larger companies / offerings. (iii) In terms of

[3] Prime provides two measures of size, Gross Amount and Net Amount. Net Amount is defined as Gross Amount less firm allotments to promoters. The regulations at that time required that firm allotments made to promoters at the time of the public issue be included in the issue through the prospectus and hence the definition of Gross Amount. (The economic significance of this distinction is not clear to us.) Since the regulations require that all issues at the time of the public issue be defined as the issue through the prospectus we use the Gross Amount as the measure for all analysis of issue sizes.

supply of capital, certain institutional developments that we outline later provided the impetus for larger institutional investors to participate in the market. These investors had the financial resources to absorb large issues.

In order to further understand patterns in the issuance activity we classify IPOs in terms of the pricing of the issue and the stage of evolution of the issuer and carry out a cross tabulation analysis along these two dimensions. Par issues are issues priced at the face value of the shares. Premium issues are priced higher than the face value.[4] Issuers may also be categorized into (i) companies with on-going operations and (ii) greenfield units with a relatively limited or no history of operation. We refer to the former as "existing" companies and the latter as "new" companies. The results of the analysis are presented in Table IV-VI.

Pricing an issue at par results in a higher dilution for the incumbent (pre-public offer) shareholders and a high cost of equity to the firm. This has been borne out by the higher underpricing documented in the literature cited earlier. The data in Table IV shows that par issues dominated in terms of number of issues until 2001-02, with 1999-00 being an exception. Premium issues dominated the amount of capital raised from 1996-97. On average par issues were of smaller size, with the difference in size between par and premium issues increasing from 1996-97. Two possible explanations may be advanced for the small size of par issues. (i) Good quality issuers may like to limit the high dilution that results from par issues. They might even consider using the par priced IPO as a means to building a trading history which they can then use to make a follow-on public offering as proposed in the model in Allen and Faulhaber (1989). (ii) Marketing large par issues may not be easy because of the concern that the market may perceive these to be poor quality issues. That raises the question of what kind of issuers - apart from those that are required by law to price their shares at par - might have wanted to make par issues at all and why? Companies may have chosen to make par issues for three possible reasons. One, until 1995-96 ICDR restricted issues at a premium to those companies that had been profitable for three out of the five most recent years prior to the IPO. Conversely, companies without the track record could still make a public offering of equity shares but the issue would have to be priced at par. Second, issuers may have technically met the regulatory norms for pricing securities at a premium; however that may not have been sufficient to justify a premium from investors. A third, somewhat related reason may be worsening market

[4] The idea of par and premium issues is with respect to the face value of the shares. Face value has been an important aspect in the Indian company law regime. The ICDR has attributed significance to the same by requiring issuers to relate the price of a share to its par value in the prospectus.

conditions that may have made it difficult to market securities at a premium, irrespective of the quality of securities on offer.

Table III about here

The classification of issuers into new and existing companies assumes significance because of the information problems posed by new and early stage companies with a limited operating history. It is quite likely that most, if not all the new and early stage companies represented risky businesses.[5] The data suggests that during 1992-93 to 1994-95 there was a large proportion of new issues, in comparison to later years. This was perhaps due to the rush of companies trying to go public quickly to take advantage of a window of opportunity that had just been made available by a new liberal regime for public offerings that had been announced in 1992, following the rescinding of the repressive regime under the CCI. There were no restrictions on even start-up firms making an IPO. That would have meant high dilution as noted earlier. There was the other ICDR requirement that not less than 20% of the post issue capital[6] was to be brought in by the promoters and the shares acquired as part of the minimum contribution were subject to a mandatory lock in for a three year period. This additional requirement meant that promoter groups which did not have large liquid pools of capital that they could offer to be locked-in could not promote large companies. The small average issue size during these years is thus the outcome of these two apparently conflicting forces: On the one hand an attempt by companies to take advantage of a receptive market by aggressively making IPOs, even if prematurely, and the attempt by SEBI to ensure that only issuers in which the promoters had a minimum equity stake were eligible to make public offerings.

The number of new companies declined in the later years with the regulatory announcement in 1996 that companies required a track record for making an IPO. The high proportion of new companies in the initial years makes one wonder if the buoyancy in the initial years was the result of the public capital markets inappropriately playing the role of a venture capitalist! The lack of activity on the primary markets was attributed to the bad experience of investors with the poor performance of the issues that they had subscribed to in the earlier years.[7]

[5]Larger issue sizes possibly mean larger issuers, on average, in terms of paid up capital. Larger issuers on average possibly mean larger, more competitive businesses. Larger issue sizes therefore may possibly mean that on average better quality issuers had been approaching the market.

[6]Or 20% of the size of the proposed issue, the higher of the two

[7] The proportion of new issues from 2000-01 to 2002-3 is higher because of the small number of issues, overall. The presence of even these many new companies surprises us.

Issues from existing companies were larger in size on average, with the difference between the mean size of issues from new and existing companies increasing from 1997-98. The explanation for the larger size issues from existing companies must be due to the observable track record of existing companies and therefore the ease in marketing the same. Because of their observable record their shares could be priced closer to their intrinsic worth, resulting in lower underpricing than in the case of new issues and / or issues priced at par. Existing companies may have also had larger requirements of capital, being firms with on-going operations.

Table IV about here

Most new issuers priced their securities at par. Among existing companies the proportion of companies making par issues seems to be higher than those making premium issues up to 1998-99. Interestingly the percentage of existing companies making par issues increased as the level of issuance activity in the IPO market declined from 1995-96 to 1998-99. If it turns out that those existing companies who met the regulatory criteria for a premium issue ended up making a par issue during this period, it may be possible to hypothesise that the market has been a greater influence on the pricing of issues than the regulator.

Table V about here

The larger proportion of existing companies making premium issues in the later years of the analysis, the virtual disappearance of IPOs by new companies and the overall increase in size of issues which may be viewed as a proxy for size of issuers suggest that public offerings during the later years of the review may have been mainly from larger and better quality issuers.

These trends suggest a line for a more formal enquiry into the quality of issues and possible explanations based on regulatory initiatives. For eg., in 1995-96 criteria were introduced for companies to make public offerings of securities seem to have more or less eliminated issues by new companies. Book building guidelines underwent substantive modifications in 1997-98, 1998-99 and 1999-00. Disclosures in the prospectus as well as on a continuing basis were enhanced in 2000-01. Compulsory trading of IPOs in dematerialized form was introduced in 1999-00. The time taken for finalizing allotment in book built issues was reduced from 30 days

to 15 days in 2000-01. Most of these developments relate to the primary market while a few, such as the continuing disclosure requirements relate to the secondary market. All of these must have attracted institutional investors with large investible funds to the Indian securities market. They may have paved the way for large issues from well established and good quality issuers to the market. These issues may have partly crowded out the poor quality issuers. It will be interesting to see if those developments of the period around 1999-00, which are not directly related to the primary market, have impacted the trends in the composition of issuers directly or indirectly and if these have resulted in a better quality of issuers.

In sum, the size of issues and the break-up of issues in terms of issue price (par versus premium issues) and the stage of evolution of the issuer into new and existing companies, suggest that fundamental changes may have occurred in the profile of the issuers during this period, with a shift in favour of large issues being made at a premium by existing companies. In turn, these reflect a change in the quality of issuers that accessed the primary market. In a sense, this could be seen as a sign of the maturing of the market, where investors appear to have sought greater evidence of sustainable performance from companies. This might suggest that investors in IPOs may have been seeking longer term investment opportunities in addition to, if not in contrast to, short term profits from the after market.

5 Sectoral break-up

Our analysis classifies each company making an IPO into one of 28 different sectors[8], based on their sole / principal line of business. Companies that do not classify readily into any of these have been classified into two residuary catch all categories, named Miscellaneous Manufacturing and Miscellaneous Services.[9] The number of IPOs from each industry, the volume of capital raised by industry and the percentage analyses of these were calculated. For the sake of brevity these analyses have not been presented in this paper.

[8] The sectors are Agricultural Products and Services, Autoparts and Automobiles, Banking, Cement, Chemicals, Construction / Contracting, Consumer Products, Electronics, Financial Services, Food and Dairy Products, General Engineering, Computer Hardware, Computer Software Services, Healthcare services, Hotels and Hospitality, Media, Non Ferrous Metals, Miscellaneous Manufacturing, Miscellaneous Services, Oil and Gas, Paper and Packaging, Pharmaceuticals, Power, Steel, Sugar, Telecommunication, Textiles and Trading.

[9] It must be admitted that the sectoral classification can be more scientific, based on a SIC code or equivalent thereof. Equally, the details of the business of the issuer firm should be more ideally hand collected from the prospectus.

To understand which of the twenty eight industry categories have been more dominant either in terms of number of offerings or in terms of volume of capital mobilized, we further tabulate the data by identifying sectors in each year that account for not less than 5% of the number of offerings and / or the volume of capital raised.[10] This analysis is presented in Table VI.

Table VI about here

The following key observations emerge from the analysis.

i. Twenty four out of the twenty eight sectors find a place in the table; but it must be remembered that we have adopted a fairly liberal criterion for including a sector in this table.
ii. Thirteen sectors are present in the table in five or more years. These are agricultural products and services, chemicals, banking, financial services, general engineering, textiles, pharmaceuticals, miscellaneous manufacturing, software, construction, media, miscellaneous services and steel.
iii. Of the above, only banking, financial services, chemicals, software and textiles found a place on the *combined criteria* of number and value in five or more years.
iv. Many industries that accounted for a reasonable share of issuance during the early years of the period (up to 1996-97) practically disappear in the later part of the review period. These include sugar, other agricultural products and services, electronics, food and dairy products, general engineering, and computer hardware manufacturing, non ferrous metals, hotels and hospitality and financial services.
v. A few industries such as telecommunication, software services, media, banking and construction entered the public markets during the later years, after 1997-98.
vi. Finally, towards the end of the review period, the wide diversity in the sectors accessing the public markets appears to have reduced. Taken together with the increase in size of issues these developments seems to suggest that in the later years of the review period the primary markets have been receptive to companies of international scale and size and in sectors in

[10] The cutoff point of 5% was arrived at on the following simplistic method. If all sectors had been equally important they would each have accounted for roughly 3.6% of the number and volume of capital issuance activity respectively. We thus decided that 5% is a number that suggests larger than average presence or participation for a given sector in a year. We use the size and the number parameters severally instead of collectively because we believe that certain sectors may not necessarily be capital intensive. Financial services and software are two examples. To use volume of capital as a necessary criterion along with numbers might mean missing the activity of those sectors in the primary markets. This consideration becomes all the more important because the Indian primary markets have been open to receiving a large number of small sized issues for a considerable part of the period under review.

which Indian industry had a comparative advantage, albeit fewer in number than in the earlier years.

The decline in or absence of issues from sectors that were popular in the earlier years can possibly be construed as evidence of inference in Wurgler (2000) that well-functioning capital markets selectively drive capital to those sectors that have the potential to offer a competitive rate of return. It is possible that institutional developments may have led to these outcomes in the following way: The numerous developments in the primary and secondary markets attracted several large and sophisticated international institutional investors into the Indian primary and secondary markets. Thus there was a steady migration of capital over these years to more competitive firms and sectors.

Of the various sectors noted above, the case of financial services is noteworthy for the rapid increase in volume of activity and an equally rapid decline and for the amount of issuance activity that it accounted for in the period as a whole. These companies were mostly engaged in leasing and hire purchase and / or fee based (advisory services such as merchant banking) or fund based activities (such as investing in securities) relating to the capital market. Between 1993-94 and 1996-97 the sector came up with 926 issues representing 28.1% of all IPOs in our sample and raising Rs 3012 crores which represented 17.3% of capital raised during those years.

The booming financial markets made financial services an attractive business, while low entry barriers and a zero gestation period made it possible for nearly every aspirant to successfully float a financial services firm. The sharp decline in the number of these firms making public offerings post 1996-97 may be attributed to (i) the decline in the fortunes of the securities industry (ii) restrictions imposed by the RBI on the acceptance of fixed deposits, which may have made it difficult for the new entrants to the industry to build up an asset base (iii) the regulation that SEBI introduced in 1997-98 that required financial services companies to separate their merchant banking activities from all other activities, whether related to the capital market or not. Many financial services firms may have been forced to exit the industry by this regulation.[11]

6 Dilution

[11] For example, the company may use its presence in the asset financing business to raise high levels of fixed deposits which may have in turn been used to finance the capital market related activities which in attractive market conditions provided better margins than those available in asset financing.

A public offering of shares reduces (dilutes) the shareholding of the owner-managers in the issuer firm. The literature reviewed in Table I treats the promoters' (owner-managers') shareholding in the company after the public issue as an explanatory variable. We track the percentage offered in the issue because Indian securities law has historically mandated this percentage.[12] The extent of shareholding may be viewed as a credible commitment on the part of the management to let itself be disciplined by external shareholders as suggested by Marco Pagano et al (1998). The corollary to this is that owner managers who seek discretionary control over the cash flows of the company may like to minimize the extent of dilution.[13] On the other hand, when owner managers are willing to dilute their equity freely they may be perceived by investors as being indifferent towards ownership of the firm and therefore signaling poor quality of the issuer.

We analyse dilution in terms of the percentage of equity to the public. Table VIII provides a summary of the percentage of equity offered as part of the public offering. We have calculated the same in the following manner.

% equity offered at IPO =
[(Net Issue Amount[14] / Price per share) / (Post Issue Capital / Face Value per share)].

Table VIII about here

The mean dilution was high in the initial years but has declined over the years from 1997-98. The decline is marked from 1999-00. Until October 1999, the minimum dilution for all companies was 25% of the post issue capital to be offered to the public.[15] In October 1999 the minimum dilution was reduced to 10% in the case of information technology companies. In July 2001, the minimum dilution was reduced across the board to 10%. With the reduction in the mandated minimum dilution the extent of equity offered to the public appears to have

[12]Under Rule 19(2)(b) of Securities Contracts (Regulation) Rules, 1957, as amended
[13] In the Indian context, holding 76% of the equity of the company provides nearly unfettered rights over the management of the company, while 51% provides simple majority. It is possible to achieve an effective control over the cash flows with smaller shareholding percentage, depending upon the ownership of the non-promoter piece of the equity.
[14]We use Net Issue Amount here because we find that the bulk of the firm allotments and reservations out of the Gross Issue Amount is made to promoters whereas the Net Issue Amount is the effective allotment to the public investor.
[15] Under Rule 19(2)(b) of SCR Rules, 1957

declined too. The high standard deviation to mean ratio in the later years suggests that issuers have been offering a widely varying percentage of their equity over these years, possibly in line with the specifics of the issue and in line with the expectations of the market and less constrained by regulation.

In an attempt to further understand the relationship between the percentage of equity offered and the other dimensions of the issue we analysed the dilution in terms of existing versus new companies, par versus premium issues and then cross tabulated the extent of dilution along these parameters together. For reasons of brevity we merely report some of the more interesting results. Analysis of the equity percentage offered at IPO by new and existing companies seems to suggest that existing companies suffered less dilution. Analysis of the dilution in terms of par and premium pricing and existing and new firms suggests that companies that made par issues experienced higher dilution even if the issues were made by existing companies. Thus *ceteris paribus*, pricing seems to account more for the dilution at the IPO than the stage of evolution of the issuer.

Table IX about here

7 Listing Pattern on Stock Exchanges (SEs)

Simon (1989) and Cheffins (2001) suggest that the choice of exchanges on which firms list may indicate their attitude towards investor protection. That makes it interesting to examine the listing pattern of IPOs. Indian SEs were in general considered to be dominated by the interests of the brokers who owned and / or managed them, except the NSE, which is believed to have had a better record of investor protection and led the transformation of Indian securities exchanges, as a demutualised exchange from the start.[16] The summary of the listing trend among IPOs is provided in Table X.

Table X about here

Overall, there is a declining trend in the number of exchanges on which issuers have sought listing. This may be a result of the declining role of various regional SEs as investors migrated

[16] The OTCEI is the first demutualised SE but it did not create the same impact as the NSE. That raises the question of whether the demutualised structure of the NSE is by itself an adequate explanation for the impact it made on the market.

towards the two national SEs, namely, the BSE and the NSE. Issuers may have chosen to list on multiple exchanges in the early years to facilitate marketing of the issue across a wider geographical area, especially in the case of larger issues. The low correlation coefficient of 0.12 between the number of exchanges and the size of the issue, across the years, however does not support this explanation. We calculate the average number of SEs on which new companies list and the number of SEs on which existing companies list. We do a similar analysis for par and premium issues. (Results not reported here, but available with the author.) We expect that if listing is a means to more aggressively market issues for companies without an adequate track record new companies are likely to list on more SEs. We do not expect a similar difference in the case of par issues and premium issues because we believe that the lower price (at par) may be a compensation for companies which are less likely to appeal to investors and hence they may not need the additional distribution push from listing on more SEs. We find the average number of SEs to be 3.13 and 2.94 respectively in the case of new and existing companies while it is 2.98 and 3.06 respectively in the case of par and premium issues. These results are consistent with our expectation.

The number of issues listed on each of the major exchanges[17] each year is provided in Table XI.

Table XI about here.

The BSE has clearly accounted for the most number of listings and the maximum amount of capital raised among our sample of companies. In an interesting contrast the second highest amount of capital has been raised on the NSE although the number of listings on the NSE has been the third lowest. Clearly, the NSE seems to have been targeting larger issues.[18] The yearwise analysis however indicates the declining importance of the older SEs, especially starting 1997-98. The proportion of companies listing on the BSE declined during 1995-96, 1996-97 and 1997-98. It started picking up again in 1998-99. The proportion of capital raised from BSE however continued to be high during the period, suggesting an increase in the size of the issues that listed on the exchange. The drop in the number of listings on the BSE during that period is probably attributable to the increase in the minimum paid up capital specified by the BSE from Rs 5 crores to Rs 10 crores. The demand for listing from smaller issuers seems to have been met by the Ahmedabad SE, Delhi SE and Calcutta SE during that period. The

[17]Some exchanges which had relatively few listings in each of the years have been clubbed under Others.
[18] NSE's evolution has been traced in Shah and Thomas (2000b).

Ahmedabad SE, in particular, experienced an increase in the proportion of firms listing during the period [that the BSE experienced a decline] without a corresponding increase in the proportion of capital mobilized, suggesting thereby that many of the smaller issues that did not qualify for listing on the BSE under the new criteria got listed on the ASE.

8 Conclusion

The analysis above indicates that there have been some interesting changes in the characteristics of the companies that made IPOs during the period 1993-94 to 2008-09. The features of companies making IPOs are interesting because IPOs are an important source of supply of new investment opportunities in the securities market. The changes in characteristics have been in terms of the size of the issue, size of the issuer as measured by the post issue paid capital, the stage of evolution of the issuer, the pricing of the issue, fraction of shareholding of the issuer that has been offered for public ownership, the industry / business that the issuer is engaged in and the exchanges on which the shares were listed. Briefly, it emerges from the analysis that over the years the market has been receiving fewer issues, but of increasing size from larger firms with an established track record. Issuers seem to be offering a smaller fraction for public ownership at the IPO and have been listing on fewer exchanges. Fewer issues are priced at par during the later part of the period of analysis than the initial years. The sector-wise analysis of issuances points to fundamental changes in the Indian industrial economy such as the emergence of new sectors such as media, banking and information technology. The listing pattern across SEs points to significant changes in the marketplace for securities trading and suggests a strong preference for large national SEs.

The characteristics that we track in this analysis are of interest because they might be indicative of the quality of the issuer. Various studies of IPOs in the Indian context have analysed the relationship between these characteristics and underpricing. Further, the changes that we note appear to happen around the time of certain regulatory pronouncements from SEBI. If the evolving profile of issuers can be viewed as suggestive of an improvement in the quality of the issuer, it could be said that the increasing volume of IPO activity in India over the years has been driven by larger and better quality issues. Although a serious research challenge in terms of methodology, it would also be interesting to see if the profile that emerges is the result of a regulatory development or an institutional initiative such as the increase in minimum paid up capital specified by a stock exchange (s). That would provide another substantial case for the

role of the regulator in the development of the Indian securities market, in addition to those documented in the literature referred to in this paper. More importantly, this analysis would help in evolving a market design and / or a regulatory mechanism for the proposed Small Medium Enterprise (SME) exchanges in India. While the ICDR provides for such exchanges several announcements have been made recently about the intention to set up SME Exchanges in India. (See Gooptu and Acharya (2009) and Economic Times (2010) for two such press announcements.) The experience in the early days of the IPO market might provide some useful pointers on designing a more effective system, because experience across the world would suggest that setting up successful and enduring second tier markets has not been easy.

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No	Reference	Sample details	Major Findings
1	Shah (1995)		Listing delay less for larger issues Volume of issue in month x influenced by lagged market returns between month x-2 and x-4 Underpricing in month x influenced by lagged market return month x-5 and x-8 Small issues experience higher underpricing IPOs have trading frequency of 74% against A group frequency of 94% Return of 40% over market in first 200 trading days
2	Narasimhan et al (1996)	2057 IPOs from April 1992-March 1995	Large issues do not face higher underpricing than small issues Highly priced issues face lower underpricing Underpricing increases with the level of subscriptiom
3	Madhusoodanan and Thiripalraju (1997)	1922 IPOs listed on BSE during 1992-1995	High initial returns in India compared to other countries Firm allotments to MFs delivered low long term returns Positive link between market conditions and initial return No merchant banker shows superior ability in pricing IPO correctly Lower listing delay does not mean lower underpricing or better long term performance
4	Krishnamurthi and Kumar (2002)	386 IPOs opened for subscription between July 1992 and december 1994	Par issues face systematic underpricing Smaller issues face higher underpricing Higher subscription level leads to lower underpricing Concentration of issue management activity among some merchant bankers
5	Madan (2003)	1597 IPOs during 1989-1995	Underpricing inversely related to size, offer price, age, time to list Pre SEBI underpricing higher than post SEBI underpricing Market return prior to issue positively related to underpricing Long run returns positive for one year, declines thereafter
6	Baral and Obaidullah (2004)	433 IPOs listed on BSE between Oct 10, 1994 and December 31, 1995	Overpricing backed by artificial support Thin trading post IPO obfuscates inferences on underpricing
7	Ranjan and Madhusoodanan (2004)	92 IPOs listed on BSE and NSE during January 1999 to November 2003	Underpricing in book built and fixed price issues not different Small issues more underpriced than large issues

8	Bubna and Prabhala (2007)	250 IPOs during 1999-2005	Degree of oversubscription has a positive influence on degree of underpricing Book built IPO have mean underpricing of 34% against 77% for fixed price IPOs Age inversely related to underpricing Book building preferred by older and larger firms and less by technology firms Removal of discretionary allocation increases underpricing
9	Pande and Vaidyanathan (2007)	55 IPOs that listed during March 2004-October 31, 2006	Listing delay had positive effect on underpricing Marketing spend - No significant impact Demand for issue had positive impact One month return negative
10	Khurshed, Arif et al (2010)	218 book built IPOs during March 1999- March 2008	NII and Retail subscriptions follow penultimate day QIB subscriptions Offer prices higher for more mature firms, higher demand issues and higher QIB demand issues More reputed undewriters underprice more Post listing underpricing influenced by NII and Retail oversubscription Market underpricing related to market returns between close of book building and listing and negatively related to pre-book building underpricing
11	Janakiramanan (2008)	116 IPOs during 2000-01	Initial market adjusted return of 17.2% Positive cumulative abnormal return depends on choice of CAPM (264%) vs Fama French model (548%)
12	Khurshed et al ( )	251 book built IPOs including 47 graded IPOs during 1999- August 2008	No monotonic relationship between grading and underpricing No effect of grading on retail or NII susbcriptions, QIB subscriptions increase monotonically Underpicing not related to rating agency that gives the grade Higher grades associated with more reputed investment bankers, higher offer prices, presence of venture capitalists, higher NII subscription levels and older firms Transparency of book building influences retail subscription more than grade
13	Sahoo and Rajib (2009)	43 IPOs during 2001-2005	Inverse relationship between investment bank prestige and initial returns Signifcant difference between underpricing across three prestige categories of investment banks Older firms and large issues more likely to be managed by prestigious investment banks
14	Neupane and Poshakwale (2009)	280 IPOs during January 2001 to December 2008 including 113 with new bank loans	New bank loans reduce underpricing New bank loans reduce instance of downward price revision Large issue means less underpricing Demand for shares positively related to underpricing

			Prestigious underwriter reduces underpricing
15	Sahoo and Rajib (2010)	92 IPOs during 2002-2006	Higher post issue shareholding retention by promoters leads to higher underpricing Firm age, book value, market volatility, leverage and ex ante uncertainty have no effect on underpricing Manufacturing reports lower underpricing than other sectors

Table II

Important Regulatory Announcements from SEBI Relating to the Primary Market

Effective	Provision	Likely Significant Impact
Apr-96	Access criteria stipulating minimum track record	Restricts entry to companies with track record
May-99	Access criteria stipulating minimum networth	Restricts entry to larger companies with track record
Aug-03	Access criteria stipulating minimum size	Restricts entry to larger companies with track record
Jun-92	Minimum Promoters' Contribution	Issue size limited by promoters' resources
Jun-92	Lock in of promoters' contribution	Issue size limited by promoters' resources
Jun-92	Restrictions on issue of bonus share	Restricts flexibility of capital structure and consequently makes it more difficult for young companies to qualify for making IPOs
May-94	Removal of restrictions on issue of bonus shares	Allows IPOs by smaller/younger companies
Jun-92	Disclosure at public offering	Improves quality of issuers
Mar-96	Enhancement of disclosure at public offering	Allows better screening of issuers by investors and improves quality of issues / issuers
Jun-92	Vetting of prospectus	Restricts number of issues , improves issue quality
Dec-96	Withdrawal of prospectus vetting	Allows more issues, may / not affect issue quality
Aug-03	Minimum number of 1000 shareholders	Sets minimum dilution limits and ensures minimum distribution of public shareholding
Jul-01	Minimum Dilution from 25% to 10%	Reduces average dilution at IPO
1999-00	Book building	Increases size and institutional participation
1999-00	Mandatory Dematerialisation of IPOs	Facilitates institutional participation
2000-01	Clause 49 to apply to IPOs	Facilitates institutional participation
Oct-99	Free Pricing	More premium issues

Table III

Descriptive Statistics of IPO Sample

	No	------Gross Issue Amt [Rs / lakhs]------			
		Total [1]	Mean [2]	SD [3]	SD/Mean
1993-94	631	3,14,140	512	675	1.32
1994-95	1126	5,73,368	509	1370	2.69
1995-96	1275	4,34,097	340	713	2.09
1996-97	671	4,18,071	623	4,238	6.80
1997-98	46	88,323	1,920	5,546	2.89
1998-99	18	37,930	2,107	2,638	1.25
1999-00	51	2,58,716	5,073	12,963	2.56
2000-01	113	2,46,806	2,184	7,499	3.43
2001-02	5	1,00,755	20,151	36,043	1.79
2002-03	6	1,03,868	17,311	14,668	0.85
2003-04	19	3,19,111	16,795	24,372	1.45
2004-05	23	14,66,232	63,749	1,55,156	2.43
2005-06	75	10,76,455	14,353	24,402	1.70
2006-07	75	28,38,668	37,849	1,16,453	3.08
2007-08	84	4,13,2345	49,195	1,52,464	3.10
2008-09	21	2,08,234	9,916	41,620	4.20

Data Source: Prime Analysis by researcher

[1] Gross Issue Amount as stated in the prospectus, including reservations and preferential allotments.
[2] Simple arithmetic mean of Gross Issue of IPOs during the year
[3] SD = Standard Deviation of Gross Issue Amount of Sample of IPOs during that year

Table IV

Break up of IPOs into Issues at Par and Issues at Premium[1]

< ----------all amounts in lakhs of rupees---------- >

	Par	Par	Prem	Prem	Par	Par%	Prem%	Prem%	Mean[6]	Mean[6]	Total	Total
	No[2]	Amt[3]	No[2]	Amt[3]	No[4]	Amt[5]	No[4]	Amt[5]	Par	Prem	No	Amt
1992-93	350	1,49,032	89	1,00,830	80%	60%	20%	40%	426	1,133	439	2,49,862
1993-94	473	2,01,457	142	1,12,933	77%	64%	23%	36%	426	795	615	3,14,391
1994-95	814	2,44,917	313	3,28,610	72%	43%	28%	57%	301	1,050	1127	5,73,527
1995-96	1073	2,90,747	202	1,43,350	84%	67%	16%	33%	271	710	1275	4,34,097
1996-97	604	2,06,628	69	2,11,593	90%	49%	10%	51%	342	3,067	673	4,18,221
1997-98	44	11,337	8	77,194	85%	13%	15%	87%	258	9,649	52	88,531
1998-99	11	5,700	7	32,231	61%	15%	39%	85%	518	4,604	18	37,930
1999-00	17	22,395	33	2,12,093	34%	10%	66%	90%	1317	6,427	50	2,34,487
2000-01	71	54,385	43	1,92,420	62%	22%	38%	78%	766	4,475	114	2,46,806
2001-02	3	905	2	99,850	60%	1%	40%	99%	302	49,925	5	1,00,755
2002-03	1	10,000	5	93,868	17%	10%	83%	90%	10000	18,774	6	1,03,868
2003-04	5	4,896	8	3,14,215	38%	2%	62%	98%	979	39,277	13	3,19,111
2004-05	1	800	22	14,65,432	4%	0%	96%	100%	800	66,611	23	14,66,232
2005-06	0	0	74	10,76,455	0%	0%	100%	100%		14,547	74	10,76,455
2006-07	0	0	75	28,38,668	0%	0%	100%	100%	--	37,849	75	28,38,668
2007-08	0	0	84	41,32,345	0%	0%	100%	100%	--	49,195	85	41,32,345
2008-09	1	1,373	20	2,06,861	5%	1%	95%	99%	1373	10,343	21	2,08,234

Data Source: Prime Analysis by researcher

[1]Classification based on issue price reported in Prime.
[2] Total no of issues of that category made during the year
[3] Total of Gross Issue Amounts stated in the prospectus of all issues in that category during the year. Gross Issue Amount as defined in Table III
[4] % of number of Par (Premium) issues is [No of Par (Premium) Issues during each year / Total No of Par and Premium Issues during that year]
[5] % of amount of Par (Premium) issues: [Total of Gross Issue Amount of Par (Premium) Issues during each year / Total No of Par and Premium Issues during that year]
[6] Mean size = Simple arithmetic mean of all Gross Issue Amounts in that category during that year

Table V

Break up of IPOs into Issues from New and Existing Companies

----------all amounts in lakhs of rupees----------

	New	New	Exist	Exist	New	New	Exist	Exist	Total	Total	New	Exist
	No[2]	Amt[3]	No[4]	Amt[3]	No%[4]	Amt%[5]	No% [4]	Amt% [5]	No [2]	Amt [3]	Mean [6]	Mean [6]
1992-93	199	75484	240	174379	45%	30%	55%	70%	439	249862	379	727
1993-94	265	133464	350	180926	43%	42%	57%	58%	615	314391	504	517
1994-95	370	150690	757	422837	33%	26%	67%	74%	1127	573527	407	559
1995-96	353	113477	922	320620	28%	26%	72%	74%	1275	434097	321	348
1996-97	195	91515	478	326706	29%	22%	71%	78%	673	418221	469	683
1997-98	11	3924	41	84607	21%	4%	79%	96%	52	88531	357	2064
1998-99	1	1986	17	35944	6%	5%	94%	95%	18	37930	1986	2114
1999-00	2	330	48	234157	4%	0%	96%	100%	50	234487	165	4878
2000-01	13	3555	101	243250	11%	1%	89%	99%	114	246806	273	2408
2001-02	1	180	4	100575	20%	0%	80%	100%	5	100755	180	25144
2002-03	2	22082	4	81787	33%	21%	67%	79%	6	103868	11041	20447
2003-04	0	0	13	319111	0%	0%	100%	100%	13	319111	0	24547
2004-05	1	5880	22	1460352	4%	0%	96%	100%	23	1466232	5880	66380
2005-06	1	3112	73	1073343	1%	0%	99%	100%	74	1076455	3112	14703
2006-07	2	1388879	73	1448789	3%	49%	97%	51%	75	2838668	694440	19846
2007-08	0	0	84	4132345	0%	0%	100%	100%	84	4132345	0	49195
2008-09	0	0	21	208234	0%	0%	100%	100%	21	208234	0	9916

Data Source: Prime Analysis by researcher

[1] Classification of firms into New + Existing is as in Prime.

[2] Total no of issues of that category made during the year

[3] Total of Gross Issue Amounts stated in the prospectus of all issues in that category during the year

[4] % of number of New (Existing) issues is [No of New (Existing) Issues each year / Total No of New + Existing Issues during that year]

[5] % of amount of New (Existing) issues: [Total of Gross Issue Amount of New (Existing) Issues each year / Total No of New + Existing Issues during that year

[6] Mean size = Simple arithmetic mean of all Gross Issue Amounts in that category during that year

Table VI

Cross tabulation of Existing and New IPOs into Par and Premium Issues

----------all amounts in lakhs of rupees----------

	Existing Companies								New Companies							
	Eq Par				Eq Prem				Eq Par				Eq Prem			
	No[1]	Amt [2]	No%[3]	Amt%[4]	No[1]	Amt [2]	No%[3]	Amt%[4]	No[1]	Amt [2]	No%[3]	Amt%[4]	No[1]	Amt[2]	No%[3]	Amt%[4]
1993-94	216	72705	35%	23%	134	108222	22%	34%	257	128752	42%	41%	8	4712	1%	1%
1994-95	456	118504	40%	21%	301	304333	27%	53%	357	126254	32%	22%	12	24277	1%	4%
1995-96	725	181405	57%	42%	197	139215	15%	32%	348	109342	27%	25%	5	4135	0%	1%
1996-97	408	115591	61%	28%	68	210965	10%	50%	194	90887	29%	22%	1	628	0%	0%
1997-98	28	7784	61%	9%	7	76615	15%	87%	10	3345	22%	4%	1	579	2%	1%
1998-99	10	3714	56%	10%	7	32231	39%	85%	1	1986	6%	5%			0%	0%
1999-00	15	22065	29%	9%	34	236322	67%	91%	2	330	4%	0%			0%	0%
2000-01	57	50830	50%	21%	43	192420	38%	78%	13	3555	12%	1%			0%	0%
2001-02	2	725	40%	1%	2	99850	40%	99%	1	180	20%	0%			0%	0%
2002-03	1	10000	17%	10%	3	71787	50%	69%			0%	0%	2	22082	33%	21%
2003-04	5	4896	26%	2%	14	314215	74%	98%			0%	0%			0%	0%
2004-05	1	800	4%	0%	21	1459552	91%	100%			0%	0%	1	5880	4%	0%
2005-06			0%	0%	74	1073343	99%	100%			0%	0%	1	3112	1%	0%
2006-07	0	0	0%	0%	73	1449789	97%	51%	0	0	0%	0%	2	1388879	3%	49%
2007-08	0	0	0%	0%	84	4132345	100%	100%	0	0	0%	0%	0	0	0%	0%
2008-09	1	1373	5%	1%	20	206861	95%	99%								

Data Source: Prime Analysis by researcher

[1] Total no of issues of that category made during the year
[2] Total of Gross Issue Amounts stated in the prospectus of all IPO issues in that category during the year
[3] % of number of issues in that category during each year / Total No of all IPOs during that year
[4] % of total amount of issues (Gross Issue Amount) in that category during each year / Total of Gross Issue Amount across all categories during that year

Table VII

Sectors Accounting for More than 5% of Number and Volume of IPOs

Year ending March 31	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Agricultural Products & Services	+	+	+	+										+		
Autoparts & Automobiles	+										+					
Banking	+	+			+	+	+	+	+	+	+	+	+			
Chemicals	+	+	+	+	+										+	
Construction	+			+									+	+	+	+
Financial Services	+	+	+	+	+	+	+						+	+	+	
Food / Dairy	+	+	+													
Gen Engg+	+	+		+	+									+	+	+
Paper and Packaging							+									
Power						+						+			+	
Textiles	+	+	+	+		+					+		+	+		+
Pharma	+	+			+		+			+	+					+
Steel	+	+				+					+		+			
Misc Mfg	+	+	+		+	+										
Miscellaneous Services						+				+		+		+	+	
Non ferrous metals		+			+											
Telecom		+						+	+							+
Computer Software						+	+	+	+	+	+	+	+	+	+	+
Healthcare							+									
Media								+		+		+	+	+		
Trading				+	+											
Hotels and Hospitality						+										
Oil and Gas											+					
Consumer Products	+															

Data Source: Prime, Financial Press Analysis by Researcher

Table VIII

Analysis of Percentage of equity[1] offered at IPO across the years

Year	Offer % Mean[2]	Offer % SD [3]	Offer% SD/Mean
1993-94	56.4%	15.0%	0.27
1994-95	45.4%	16.7%	0.37
1995-96	47.7%	14.3%	0.30
1996-97	51.2%	14.1%	0.28
1997-98	43.3%	15.8%	0.36
1998-99	39.2%	13.6%	0.35
1999-00	27.7%	8.9%	0.32
2000-01	30.0%	13.3%	0.44
2001-02	28.4%	14.2%	0.50
2002-03	25.0%	11.0%	0.44
2003-04	24.3%	13.3%	0.55
2004-05	26.7%	15.5%	0.58
2005-06	31.0%	9.4%	0.30
2006-07	29.9%	13.2%	0.44
2007-08	25.1%	14.1%	0.56
2008-09	38.1%	19.2%	0.51

Data Source: Prime Analysis by Researcher

[1] Percentage of equity offered at IPO defined as Net Offer to Public / Post Issue Paid Up Capital.

[2] Mean dilution is simple (equally weighted) arithmetic average of the percentage of equity offered at IPO by all the companies that made an IPO during the year

[3] SD is the standard deviation of the percentage of equity offered at IPO by all the companies during the year.

Table IX

Cross Tabulation of Percentage of Equity Offered at IPO[1] By Stage of Development and Par versus Premium Pricing

	Existing Companies						New Companies					
	Eq Par			Eq Prem			Eq Par			Eq Prem		
	Mean [2]	Std Dev [3]	SD / Mean [4]	Mean [2]	Std Dev [3]	SD / Mean [4]	Mean [2]	Std Dev [3]	SD / Mean [4]	Mean [2]	Std Dev[3]	SD / Mean [4]
1993-94	47%	13%	0.28	35%	12%	0.34	45%	14%	0.31	41%	16%	0.39
1994-95	39%	13%	0.33	28%	7%	0.25	39%	13%	0.33	31%	7%	0.23
1995-96	37%	12%	0.32	29%	8%	0.28	36%	12%	0.33	33%	9%	0.27
1996-97	41%	14%	0.34	29%	9%	0.31	39%	13%	0.33	25%	--	--
1997-98	39%	15%	0.38	22%	13%	0.59	35%	11%	0.31	25%	--	--
1998-99	41%	15%	0.37	26%	7%	0.27	30%	--	--	--	--	--
1999-00	28%	7%	0.25	25%	8%	0.32	24%	2%	0.08	--	--	--
2000-01	29%	9%	0.31	29%	11%	0.38	27%	9%	0.33	--	--	--
2001-02	32%	10%	0.31	14%	6%	0.43	27%	--	--	--	--	--
2002-03	26%	6%	0.23	--	--	--	28%	--	--	15%	14%	0.93
2003-04	33%	10%	0.30	20%	12%	0.60	--	--	--	44%	--	--
2004-05	32%	--	--	26%	15%	0.58	--	--	--	41%	--	--
2005-06	30%	8%	0.27	--	--	--	--	--	--	--	--	--
2007-08	--	--	--	25%	14%	0.56	--	--	--	--	--	--
2008-09	82%	0	0	36%	17%	0.47	--	--	--	--	--	--

Data Source: Prime Analysis by Researcher

[1] Simple arithmetic mean of Percentage Equity Offered at IPO by all companies in that category that made an IPO during that year

[2] Standard Deviation of Percentage Equity Offered at IPO by all companies in that category that made an IPO during that year

[3] Coefficient of variation of Percentage Equity Offered at IPO by all companies in that category that made an IPO during that year

Table X

Listing trends among IPOs

	MEAN [1]	SD [2]	MAX [3]	MIN [4]	SD / MEAN [5]
1993-94	3.43	1.18	7	1	0.34
1994-95	3.21	1.18	8	1	0.37
1995-96	2.92	1.06	8	1	0.36
1996-97	2.60	1.01	7	1	0.39
1997-98	2.11	1.04	6	1	0.49
1998-99	2.39	0.85	4	1	0.40
1999-00	2.43	0.64	4	1	0.26
2000-01	2.44	0.74	6	1	0.30
2001-02	2.40	0.55	3	2	0.23
2002-03	2.00	0.00	2	2	--
2003-04	1.95	0.52	3	1	0.27
2004-05	1.96	0.37	3	1	0.19
2005-06	1.91	0.29	2	1	0.15
2006-07	1.93	0.38	4	1	0.20
2007-08	1.91	0.33	3	1	0.17
2008-09	1.67	0.49	2	1	0.29

Data Source: Prime Analysis by Researcher

[1] Arithmetic mean of the number of exchanges on which companies sought listing of shares by all companies that made an IPO during that year
[2] Standard Deviation of the number of exchanges on which all companies making an IPO during that year sought listing
[3] Highest number of exchanges on which companies making IPO sought listing of shares among all IPOs during that year level
[4] Least number of exchanges on which companies sought listing of shares among all companies that made an IPO during that year
[5] Coefficient of variation of the number of exchanges on which companies making IPOs during that year sought listing of shares

Table XI

Analysis of Number of IPOs listed on Various Stock Exchanges

	Mumbai	National	Ahmedabad	Delhi	Calcutta	Madras	Bangalore	Hyderabad	Vadodara	Pune	OTCEI	Others
1993-94	585	1	439	289	150	137	37	97	72	15	18	241
1994-95	1077	0	691	443	241	295	61	149	72	38	27	470
1995-96	892	7	769	461	225	324	51	159	76	43	43	566
1996-97	269	12	436	215	118	120	27	116	52	58	14	32
1997-98	14	7	25	12	15	4	2	5	6	6	0	1
1998-99	8	5	5	3	4	2	4	2	0	4	1	5
1999-00	25	16	7	9	7	8	16	22	0	0	6	0
2000-01	54	22	31	8	22	19	45	66	2	7	0	3
2001-02	3	2	1	2	0	1	1	2	0	0	0	0
2002-03	5	3	1	0	1	1	0	1	0	0	0	0
2003-04	13	14	2	1	5	0	0	1	0	0	0	1
2004-05	21	23	0	0	0	0	0	0	1	0	0	0
2005-06	75	67	0	0	0	0	0	0	0	0	0	0
2006-07	75	67	0	0	1	1	0	0	0	0	0	1
2007-08	85	76	0	0	0	0	1	0	0	0	0	0
2008-09	21	14	0	0	0	0	0	0	0	0	0	0

Data Source: Prime Analysis by Researcher

1. Each column indicates the number of companies IPOs that sought listing of shares during that year
2. Total Number of IPO listings in each of the years (row totals) as per this table will be greater than the number of IPOs during that year due to multiple listings sought by companies making IPOs