

**A PROJECT REPORT ON “INITIAL PUBLIC OFFER & ANALYSIS IN
NEW HEALTH CARE SHARES”**

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ABSTRACT

The Initial Public Offer (IPO) represents a crucial milestone in a company's lifecycle, particularly within the healthcare sector, which has witnessed increasing investor interest due to its resilience and growth potential. This study titled "Initial Public Offer & Analysis in Healthcare Sector" aims to evaluate the performance, investor perception, and decision-making patterns associated with healthcare IPOs. A structured survey was conducted with a sample of 100 individual investors to understand their investment behavior, expectations, risk appetite, and post-IPO satisfaction levels specific to healthcare offerings.

The analysis reveals that a majority of investors perceive healthcare IPOs as long-term growth opportunities, driven by industry stability, technological advancements, and increased healthcare expenditure. This research provides critical insights for investors, underwriters, and policymakers, highlighting the importance of detailed prospectus disclosures and post-IPO communication. The findings underscore the growing strategic role of IPOs in healthcare sector financing and suggest the need for enhanced investor education and regulatory clarity to foster informed investment decisions in this vital sector.

I. INTRODUCTION

A vital component of any economy, the healthcare industry offers pharmaceuticals, cutting-edge technology, and necessary medical services that improve the health of people and communities. The industry has grown significantly in recent years due to government measures to improve public health, technological breakthroughs, and rising demand for healthcare services. The Initial Public Offering (IPO) is a crucial tool used by healthcare organisations to acquire money for infrastructure development, research, and growth. The process by which a private business becomes a publicly listed firm by first offering its shares to the public is known as an initial public offering (IPO).

II. NEED OF THE STUDY

Given the rising healthcare costs and the growing demand for advanced medical treatments, IPOs enable firms to secure financial stability and compete in a highly regulated market. This research is essential to understand investor behavior, risk factors, and the financial performance of healthcare firms post-IPO. By analyzing past IPO trends and their impact on healthcare firms, the study will provide insights into investment potential, market growth, and the role of public funding in transforming the healthcare sector.

III. OBJECTIVES OF THE STUDY

1. To comprehend the idea behind initial public offerings (IPOs) and how they work.
2. To evaluate the success and trends of initial public offerings (IPOs) in the healthcare industry.
3. To assess how initial public offerings (IPOs) affect the financial performance of healthcare firms.
4. To determine the possibilities and difficulties related to healthcare initial public offerings.

HYPOTHESIS

Null Hypothesis (H_0): There is no significant relationship between investor demographics (such as age, income, and education) and their investment behaviour towards IPOs.

Alternative Hypothesis (H_1): There is a significant relationship between investor demographics (such as age, income, and education) and their investment behaviour towards IPOs.

IV. METHODOLOGY

Data Collection

- **Primary Data:** Collected through surveys and interviews with investors, financial analysts, and healthcare professionals.
- **Secondary Data:** Sourced from stock market reports, financial statements, regulatory filings, and research articles.

Sampling Method

Stratified random sampling is used to ensure diverse representation from investors, healthcare companies, and analysts.

V. SCOPE OF THE STUDY

This study focuses on the Initial Public Offering (IPO) process in the healthcare sector, analyzing its impact on financial performance, market valuation, and investor sentiment. The research examines key trends, factors influencing IPO success, and the role of regulatory frameworks. The study evaluates financial statements, stock price movements, and investor confidence before and after listing.

VI. REVIEW OF LITERATURE

Xunhua Su (2025) We provide further evidence of the advantages of substantial IPO underpricing for the credit market. We demonstrate that a much bigger within-firm drop in post-IPO borrowing costs is linked to greater underpricing.

Mazin Alahmadi (2025) A shift to circular economy models and sustainable consumption is required to address resource shortages and climate change, promoting social, economic, and environmental resilience. In order to improve the forecast of initial public offering (IPO) performance, this research presents an ensemble framework based on deep learning.

Dr. Y. Suneetha (2024) The growth and performance of initial public offerings (IPOs) that firms launched during 2021–2022 and 2022–2023 are examined in this research. The main objective of the research is to evaluate the success of initial public offerings (IPOs) using basic returns and market-adjusted returns across three different time periods: the day of listing, 30 days after listing, and 90 days after listing.

Xintong Yao (2024) A business becomes a public corporation and its shares may be listed and traded on the stock market when its initial public offering (IPO) application passes the SEC's assessment and it successfully raises money from the public by issuing shares on the stock exchange.

VII. DATA ANALYSIS & INTERPRETATION

| 1.Gender | Response | Percentage |
|----------|----------|------------|
| Male | 27 | 27% |
| Female | 73 | 73% |
| Total | 100 | 100% |

INTERPRETATION: -The data reveals a significant gender disparity, with 73% of the respondents identifying as female and only 27% as male. This indicates a predominant female representation in the sample. The high female response rate may suggest a gender bias in participation or a higher level of interest or availability among females for this survey. The total of 100 responses confirms a complete data set, with no missing entries, ensuring accurate percentage representation.

| 2. Age group | Response | Percentage |
|--------------|----------|------------|
| 15-35 | 74 | 74% |
| 35-50 | 16 | 16% |
| 50-60 | 8 | 8% |
| Above 60 | 2 | 2% |
| Total | 100 | 100% |

INTERPRETATION: - The age group distribution shows that a majority (74%) of respondents fall within the 15–35 age range, indicating a youthful sample population. Participants aged 35–50 represent 16% of the sample, while 8% are aged 50–60, and only 2% are above 60. This skew toward younger age groups may reflect a generational preference for engaging with the survey, suggesting that the findings might be more representative of younger perspectives and less reflective of older populations.

| 3. Annual Income | Response | Percentage |
|--------------------|----------|------------|
| Less than one lakh | 59 | 59% |
| 1,00,000-2,00,000 | 21 | 21% |
| 2,00,001-3,00,000 | 12 | 12% |
| 3,00,000 and Above | 8 | 8% |
| Total | 100 | 100% |

INTERPRETATION: - The data indicates that 59% of respondents report an annual income of less than one lakh, reflecting a predominantly lower-income demographic. About 21% earn between ₹1,00,000 and ₹2,00,000, while 12% fall within the ₹2,00,001–₹3,00,000 range. Only 8% of respondents report an income of ₹3,00,000 and above. This suggests that the majority of the sample may have limited purchasing power, potentially influencing their preferences and consumption behavior.

| 9. How long are you trading in stock & IPO's | Response | Percentage |
|--|----------|------------|
| 1year-2years | 78 | 78% |
| 2Years -5 Years | 13 | 13% |
| 5Years -10 Years | 7 | 7% |
| 10 Years and above | 2 | 2% |
| Total | 100 | 100% |

INTERPRETATION: -The data indicates that a large majority of respondents (78%) have been trading in stocks and IPOs for 1–2 years, highlighting a predominance of relatively new investors. Only 13% have been trading for 2–5 years, while 7% have between 5–10 years of experience. A mere 2% have been involved for over 10 years, indicating a limited presence of long-term, experienced traders. This suggests that most participants are in the early stages of their investment journey, potentially affecting their investment strategies.

| 10. What is your advice to new investors in IPO? | Response | Percentage |
|--|----------|------------|
| Go by only promoters | 24 | 24% |
| Go by only premium | 34 | 34% |
| Go by only sectors performance | 11 | 11% |
| Go by all of the above | 31 | 31% |
| Total | 100 | 100% |

INTERPRETATION: - The data reveals a diverse range of advice preferences for new IPO investors.

About 34% suggest focusing solely on the premium amount, while 24% recommend considering the

promoters. Only 11% believe that sector performance alone is sufficient. Interestingly, 31% advocate a holistic approach, suggesting that new investors consider all factors—promoters, premium, and sector performance. This reflects a balanced understanding of the complexities of IPO investments, with a substantial portion of respondents favouring a comprehensive evaluation strategy.

| 22. Are you satisfied with IPO process? | Response | Percentage |
|---|----------|------------|
| Yes | 37 | 37% |
| No | 29 | 29% |
| Partially | 34 | 34% |
| Total | 100 | 100% |

INTERPRETATION: - The data shows that 37% of respondents are satisfied with the IPO process, indicating a relatively positive sentiment among a portion of investors. However, 34% are only partially satisfied, while 29% are not satisfied at all. This reveals a mixed level of satisfaction, with a considerable number of respondents expressing reservations or dissatisfaction with the IPO process, suggesting the need for improvements in transparency, ease of access, and efficiency to enhance investor experience.

| 23. How do you think about knowledge of IPO decisions when investing? | Response | Percentage |
|---|----------|------------|
| Good | 12 | 12% |
| Average | 2 | 2% |
| Excellent | 47 | 47% |
| Poor | 39 | 39% |
| Total | 100 | 100% |

INTERPRETATION: - The data reveals that 47% of respondents believe their knowledge of IPO decisions is excellent, indicating strong confidence in their understanding of IPO investments. However, 39% feel their knowledge is poor, suggesting a significant portion of investors may lack adequate understanding. Only 12% consider their knowledge good, and a minimal 2% rate it as average. This distribution reflects a polarizing perception of IPO knowledge, highlighting the need for better investor education for those lacking confidence.

HYPOTHESIS TESTING

Investor Decision-Making Patterns for Initial Public Offerings (IPOs)

| Sl. No. | Likert Scale Description | Investor (%) | IPO Investment Behaviour (%) |
|---------|--------------------------|--------------|------------------------------|
| 1 | Strongly Disagree | 12% | 18% |
| 2 | Disagree | 20% | 28% |
| 3 | Neutral | 35% | 30% |
| 4 | Agree | 45% | 50% |
| 5 | Strongly Agree | 60% | 58% |
| | Average | 34% | 37% |

- **Null Hypothesis (H₀):** There is no significant relationship between investor demographics (such as age, income, and education) and their investment behaviour towards IPOs. The average percentage
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for investor responses is 34%, while the average for IPO investment behaviour is slightly higher at 37% respectively. The difference between two variables is 3.

the null hypothesis is **rejected**

- **Alternative Hypothesis (H_1):** There is a significant relationship between investor demographics (such as age, income, and education) and their investment behaviour towards IPOs. The average percentage for investor responses is 34%, while the average for IPO investment behaviour is slightly higher at 37% respectively. The difference between two variables is 3.

alternative hypothesis is **accepted**

VIII. FINDINGS

1. The sample predominantly comprised female respondents (73%), indicating a gender skew in participation or interest in IPO investment in the healthcare sector.
2. The majority of participants (74%) were aged between 15-35 years, highlighting a youthful investor base with potential preference for risk-taking and growth-oriented investment strategies.
3. A large portion of respondents (59%) reported annual income less than ₹1 lakh, suggesting limited purchasing power and inclination towards lower investment exposure.
4. Urban investors accounted for 65% of the sample, indicating better access to IPO information and participation compared to rural areas.
5. Respondents were primarily builders (44%) and engineers (35%), suggesting a technical and construction-sector skew, potentially influencing IPO investment decisions and preferences.
6. A significant majority (68%) invested small amounts (₹1,000–₹10,000) in IPOs, demonstrating cautious investment behavior and limited high-value investments.

IX. SUGGESTIONS

1. **Increase Awareness for Women Investors:** The skewed gender participation suggests a need for targeted financial literacy programs and engagement campaigns for women to bridge the participation gap.
2. **Engage Young Investors:** With a predominantly youthful sample, investor education programs should focus on long-term wealth creation strategies, including diversified portfolios and prudent IPO selection.
3. **Consider Socioeconomic Diversity:** The prevalence of lower-income participants highlights the necessity to tailor IPO investment products and educational content for different income segments to encourage inclusive participation.
4. **Enhance Rural Outreach:** While urban participants dominate, expanding access to IPO investment opportunities and investor education in rural areas will foster broader financial inclusion.

X. CONSLUSION

The analysis of IPO investments in the healthcare sector highlights a predominantly youthful and female investor base, reflecting both emerging interest and opportunities for broadening engagement. While a significant portion of participants demonstrated limited investment amounts and knowledge, many prioritized fundamental factors like company performance over superficial pricing metrics, indicating a foundation for informed decision-making. However, procedural challenges such as refund delays and unclear allotments persist, coupled with limited higher-level organizational involvement in IPO processes. Educational interventions tailored to diverse demographic and occupational groups, particularly builders and engineers, could bolster investor confidence and broaden participation. Enhancing rural outreach, diversifying information dissemination channels, and streamlining IPO procedures would address barriers to entry. Encouraging a balanced investment approach, fostering long-term perspectives, and reinforcing financial literacy are crucial for sustained growth and inclusivity in healthcare sector IPOs. Ultimately, these strategies aim to empower investors and support the sector's robust expansion.

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