



“An Empirical Study on Awareness and Perception About SME IPO With Special Reference to People in Saurashtra Area of Gujarat”

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Abstract:

Small and medium size company gets new platform to raise their finance in India is launching their IPO. Which is interest free capital and its amount is also substantial. But they have to fulfill the rules and regulation of SEBI and company act. While if we see investor point of view than we came to know that small investor can easily get more benefit with a week by investing in SME IPO. Main finding of this research article is that majority 85% respondents think that investment in SME IPO helps to develop country's economy but only 2% respondents have expert knowledge regarding it and also only 7% respondents are investing in it. Out of the data collected from primary source that 31% of the all the respondents are invest their money in bank. Here, researcher has used percentage analysis to study awareness of investors' regarding SME IPO. So in this research article author tried to study investor perception awareness and behavior towards SME IPO who live in Saurashtra region in the area of Gujarat. Government or SEBI need to make aware investor regarding their investment in SME IPO or some awareness program should be conducted.

Keywords: Substantial, Regulation, Perception, Awareness

Introduction:

MSME sector plays an important role in the growth of any country. If we say about Indian economy MSME is cornerstone with it main impact on employment and contribution in GDP. According to the Ministry of MSMEs there are more than 63 million MSMEs present in India which provide employment over 113 million people and also contribute about 30% of India's GDP. Like other sector this sector also faces problem of finance. To improve the financial crisis of MSME sector, government of India recommended establishing a very good platform where IPO of SMEs can be traded with the collaboration of NSE and BSE stock exchange with the permission of SEBI.

This platform of IPO for SME is not only beneficial to small and medium size enterprise but also provide good return to the investors. One of the main benefits of SME IPO is that company can easily raise substantial amount of capital in which they are not liable to pay interest on it. Secondly company has to list their name in recognized stock exchange which ultimately benefit to them by enhancing its brand value and credit worthiness. By investing

in SME IPOs investor can easily get listing gain in short run. Share holder can get easy exit option by selling their shareholding in stock market. And also can invest in any company without any difficulty. So easy entry and easy exit facility is provided by national stock exchange for betterment of shareholder.

If we see the data on 28/06/2024 of SME IPO list than we came to know that more than 114 small enterprises launch their IPO to the market in last 6 month of year 2024. Out of this IPO more than 70% IPO gave listing gain to the small investors. So now days the trend to get benefit of listing gain lots of investors attracts. Investor need to invest their money within small period of time like 4 to 5 days only which is the best part of this investment. Handsome amount of return is also another part in view point of small investor. Seeing this most of the SME IPO gets over subscribed. Besides this SEBI has formed many rules and regulation for the safety purpose of small investors. So looking to the craze and safety and lots of profit gain many small investors attract to invest their money. In this research article researcher tried to study investor behavior and their perception towards SME IPO of Saurashtra region.

Literature Review:

Dr. Rachana Jawa, Mr. Sudhansu Yadav, Ms. Anee Jain (2022) has written an article named “Performance of Indian SME IPO” in April 2022 which was published in Journal of Emerging Technologies and Innovative Research. In this researcher tried to study the trend of SME IPO and importance of stock exchange and also covid-19 impact on their financial performance. This is an explanatory research in which they tried to study SME IPOs performance. They have study the data of 10 years which is ending on year 2022. Finding of this article is that during this period of covid-19 due to industries player and government policy maker’s good support the performance of SME IPO is very good and remarkable.

Prof. A. R. Tripathhi, G. P. Pradhan, and N. Pandey (2017) have written an article named “SME IPOs in Indian Capital Market” in September 2017 which was published in SCMC Journal of Indian Management. In this researcher tried to study the development of SME IPO market in India. And they tried to analysis listing day performance of SME IPO. This is descriptive type of study and is totally based on secondary source. They have used ANOVA test to find out significant difference between given variable. Statistical test correlation is also used in this research article. Finding of this article is that with the passage of time this platform of IPO gaining more attention and momentum.

L. Gupta and A. Anand (2020) have written an article named “Do SME IPOs beat the market on listing day.” in September 2020 which was published in business analyst. In this researcher tried to study the listing day return and further they tried to find the reason abnormal return on listing day. In this researcher has used regression analysis for the study purpose. This is totally based on secondary source. In this study, researcher has taken 176 SME IPOs for the study purpose for the five year starting from 2012 to 2017. The study states that on an average SME IPO gives 8.66 % return on listing day.

Objectives of Study:

This research study has following objectives.

- (1) To study the awareness level about SME IPO of people living in Saurashtra region.
- (2) To understand the perception level of people regarding SME IPO of Saurashtra region.
- (3) To study investor behavior towards SME IPO of Saurashtra region.

Research Methodology:

Statement of Problem

“An Empirical Study on Awareness and Perception About SME IPO With Special Reference to people in Saurashtra Area of Gujarat”

Scope of The Study

This study has conducted to find out awareness and perception about SME IPO with special reference to people living in Saurashtra region of Gujarat.

Number of Sample of The Study

In this study researcher has collected the data for the study from 100 respondents from various fields without seeing any discrimination of gender.

Type of The Study

In this study researcher has collected the data by primary source by using questionnaire method from 100 respondents and tried to come to the conclusion so this study is known as survey research.

Source and Data Collection

Generally there are two ways to collect the data for the study (1) primary source and (2) secondary source. In this study researcher used questionnaire method to collect the data for the study. So this study is totally based on primary data source.

Sampling Technique

In this research study researcher has used convenience sample method to collect the data for study purpose.

Universe of The Study:

In this study researcher has done research to find out the awareness and perception about SME IPO with special reference to people living in Saurashtra region of Gujarat. So people living in Saurashtra region is consider being the universe of the study.

Tools And Technique Of The Study:

In this study researcher has used percentage Analysis as a tools and technique of the study to find out the perception and awareness of the people about SME IPO.

Need of the Study:

Now a day when small and medium size enterprise need capital for their development and growth, they can raise their capital in the capital market with low cost of capital by issue their shares to the public. This IPO help small and medium size company raise interest free capital selling their share to the public. With this IPO company can improved their value in the market. Generally investor can generate more profit in listing gain. So we can say that the research study has its own importance in view point of investor and company also.

Table - 1
Personal Profile of the Respondents

Age of Respondents	No. of Respondents	% of Respondents
18-25	16	16%
26-35	17	17%
36-45	28	28%
46-55	18	18%
56-65	19	19%
66-70	2	2%
Gender of Respondents	No. of Respondents	% of Respondents
Male	69	69%
Female	31	31%
Marital Status	No. of Respondents	% of Respondents
Married	77	77%
Unmarried	23	23%
Occupation of Respondents	No. of Respondents	% of Respondents
Government Employee	51	51%
Business or Profession	5	5%
Private Employee	24	24%
Student	9	9%
Self Employed	5	5%
Non Employed	2	2%
Home Maker	4	4%
Educational Qualification	No. of Respondents	% of Respondents
SSC	3	3%
HSC	0	0
Graduation	23	23%
Post-Graduation	36	36%
Professional	6	6%
Ph.D.	32	32%
Other	0	0
Yearly Income	No. of Respondents	% of Respondents
Less than 250000	30	30%
Between 250001 To 500000	24	24%
Between 500001 To 1000000	18	18%
More Than 1000001	28	28%

Yearly Saving	No. of Respondents	% of Respondents
Less Than 100000	44	44%
Between 100001 To 500000	45	45%
More Than 500001	11	11%
Type of Family	No. of Respondents	% of Respondents
Joint	68	68%
Nuclear	32	32%

Source: Primary data survey

From the above table no. 1, it clearly found that male respondents have almost double than female respondents. If we see the age of total, than we found that almost all adult age up to 66-70 age people has filled the link regarding SME IPO. Out of all respondents post-graduation respondent has shown majority and Ph. D. holder has also given the data. We have seen from the above table that 68% are coming from joint family and remaining are from nuclear. Their yearly saving is majority between 100001 to 500000 Rs. in a year. Out of all 51% respondents are coming from government sector.

Table - 2
Awareness and Perception of the Respondents

Heard about SME IPO	No. of Respondents	% of Respondents
Yes	42	42%
No	58	58%
Interest of Respondents	No. of Respondents	% of Respondents
Yes	65	65%
No	35	35%
Think about Contribution	No. of Respondents	% of Respondents
Yes	85	85%
No	15	15%
Knowledge of Respondents	No. of Respondents	% of Respondents
Expert	2	2%
Familiar	20	20%
Working Knowledge	31	31%
Un-aware	47	47%
Source of Knowledge	No. of Respondents	% of Respondents
Television	1	1%
Advertisement	4	4%
You Tube	4	4%
Social Media	12	12%
News Paper	6	6%
Friends	38	38%
Internet	20	20%
Other	10	10%

Think about Riskiness	No. of Respondents	% of Respondents
Yes	55	55%
No	45	45%
Investment Pattern	No. of Respondents	% of Respondents
IPO	12	12%
SME - IPO	7	7%
BANK	31	31%
POST OFFICE	9	9%
SIP In Mutual Fund	30	30%
Gold	7	7%
Other	4	4%

Source: Primary data survey

From the above table – 2, researcher states that almost 42% of total respondent heard or know some basic idea about SME IPO and remaining 58% not have any awareness regarding it. Out of all respondents 65% of respondents shown interest in getting benefit of SME IPO or want to get more idea about it. Most of the respondents like 47% are un-aware about it only 2% are expert in it while 20% and 31% respondents are having familiar with and have working knowledge regarding SME IPO. Here we can see that about 38% respondents have knowledge from their Friends and 20% from internet and 12% from social media. It also seen that 55% respondents think that investment in SME IPO is risky while remaining 45% think it is not. It is also found that most of the people used to invest their money like 31% while only 7% people used to do investment in SME IPO.

Limitation of the Study:

Each and every study has some limitation, same way this study has the following limitations.

- (1) More respondents can be taken to get more accurate idea due to the time limit researcher has taken only 100 respondents so finding cannot be so accurate as compare to more respondents.
- (2) Each and every tools and techniques has its own limitation which would affect this study also.
- (3) Hear in this study limited demography factor Saurashtra region has selected which can be considering being the limitation.

Findings Of The Study:

- Main finding of the study is that majority 55% respondents think it is risky investment so government or SEBI need to make them aware regarding their investment.
- Other finding of the study is that majority 38% respondents get to have knowledge from their friends so to make aware more no of people some awareness program should be conducted.
- Other finding of the study is that majority 85% respondents think that investment in SME IPO helps to develop country's economy. Means all most all think it is good for any country.
- Other finding of the study is that only 2% respondents have expert knowledge regarding SME IPO most of the others (47%) are unaware regarding it.
- Other finding of the study is that majority 31% respondents think that investment in bank would be the best and safe investment rather than any other investment.

Future Scope of The Study:

Following points can be considered to be the future scope of this research study.

- (1) New research can be conducted by taking other state also.
- (2) New research can be conducted by taking more respondents within two or more states.
- (3) New research can be done at national as well as international level also.
- (4) New research can be done by taking only specific gender base.

Conclusion:

It can be concluded at the end of the research study that in India some governing body or SEBI have to make aware people who want to investment their money in stock market. And majority of respondents like 85% knows that investment in SME IPO helps any country to grow properly but that much percentage do not invest in SME IPO. Most of the respondents are unaware regarding it. Though in India lots of the people are investing their money in IPO to get listing gain. The platform of IPO for small and medium size company is very beneficial to them to get easy capital and also if we see in view point of investors; it is also provide good return.

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