

TABLE No. 1
STATEMENT SHOWING COMPANY - WISE UNDERPRICING
AND OVERPRICING AT DIFFERENT CAPITALISATION RATES

Sr No	Name of the Company	Offer / Conversion Price Per EQUITY share	Percentage of UNDERPRICING At The Capitalisation Rate OF			Percentage of OVERPRICING At The Capitalisation Rate OF					
			15.00%	12.00%	8.00%	15.00%	12.00%	8.00%			
1	A.T.V Projects India Limited Part A Part B	26.00 35.00	15.93	25.37	32.90	41.71	-	-	-	-	-
2	Aurangabad Paper Mills Limited	20.00	9.00	19.93	28.49	38.36	-	-	-	-	-
3	Bharati Telecom Limited	25.00	-	-	-	6.19	38.35	21.83	8.83	-	-
4	Bombay Suburban Electric Limited	185.00	66.31	69.20	71.63	74.64	-	-	-	-	-
5	H D F C Limited	200.00	40.14	47.75	53.64	60.34	-	-	-	-	-
6	I C I C I Limited	40.00	47.76	53.87	58.70	64.30	-	-	-	-	-
7	Jamna Auto Industries Limited	34.00	20.82	31.89	40.24	49.52	-	-	-	-	-
8	Khatau Junker Limited	35.00	-	-	-	3.57	25.60	15.60	7.08	-	-
9	Lloyd Steel Industries Limited	40.00	-	0.31	8.30	24.76	14.60	-	-	-	-
10	Max India Limited	30.00	-	-	9.82	31.72	20.26	3.06	-	-	-
11	Modern Wollens Limited	20.00	-	-	8.62	19.67	12.02	0.64	-	-	-
12	Narang Industries Limited	20.00	44.41	49.48	53.70	58.85	-	-	-	-	-
13	Nivas Spinning Mills Limited	25.00	-	5.83	16.17	28.05	7.46	-	-	-	-
14	Onda Savak Limited	20.00	-	-	-	-	53.56	33.47	18.03	0.60	-
15	Oswal Spinning & Weaving Limited	28.00	55.55	58.75	61.56	65.12	-	-	-	-	-
16	Prakash Industries Limited	25.00	16.06	23.68	30.03	37.80	-	-	-	-	-
17	Privadarshini Spin Mills Limited	55.00	16.86	28.48	37.26	47.02	-	-	-	-	-
18	Punjab Concast Steel Limited	25.00	-	-	6.21	18.99	18.78	4.82	-	-	-
19	Shree Krishna Petro Yarn Limited	30.00	7.68	20.55	30.26	41.07	-	-	-	-	-
20	S. M Dyechem Limited	90.00	17.37	28.29	36.66	46.11	-	-	-	-	-
21	The Dhampur Sugar Mills Limited	20.00	58.81	63.97	67.98	72.56	-	-	-	-	-
22	Varun Shipping Co Limited	50.00	4.44	16.49	25.84	36.48	-	-	-	-	-
23	Videcon Appliances Limited	110.00	-	5.53	17.81	31.23	11.11	-	-	-	-
24	Videcon International Limited	20.00	10.32	30.17	50.41	80.49	-	-	-	-	-
25	Visaka Industries Limited	20.00	12.04	22.20	30.28	39.66	-	-	-	-	-

TABLE No. 2.
STATEMENT SHOWING MINIMUM AND MAXIMUM CHARGEABLE PRICE

Sr No	Name of Company	Offer Price allowed by the C C I	Chargeable price	
			Minimum	Maximum
1	ATV Projects India Limited	26.00	12 35	76 65
2	Aurangabad Paper Mills Limited	20 00	21 95	50 15
3	Bharati Telecom Limited	25 00	18.07	53 97
4	Bombay Suburban Electric Limited	25 00	20 96	138 29
5	H D F C Limited	185 00 P	187 95	441 32
		175 00 R		
6	I C I C I Limited	200 00	382.84	652 20
7	Jamna Auto Industries Limited	40 00	19.07	398 44
8	Khatau Junker Limited	34.00	12.60	220 95
9	Lloyed Steel Industries Limited	35 00	12.63	464 15
10	Max India Limited	40 00	18 91	126 06
11	Modern Wollens Limited	30 00	14 04	98.17
12	Narang Industries Limited	20.00	16 03	105 92
13	Nivas Spinning Mills Limited	20 00	11 99	95.73
14	Onida Savak Limited	25 00	11.26	60 81
15	Oswal Spinning & Weaving Limited	20 00	16 49	85.47
16	Prakash Industries Limited	28.00	16.18	113 27
17	Priyadarshini Spin Mills Limited	25 00	23 97	79 06
18	Punjab Concast Steel Limited	80 00	28.15	183 63
19	Shree Krishna Petro Yarn Limited	25 00	16.31	148 24
20	S M Dyechem Limited	30.00	14 07	462 61
21	The Dhampur Sugar Mills Limited	90.00	93 55	539 20
22	Varun Shipping Co Limited	20 00	12 95	123 87
23	Videocon Appliances Limited	50 00	23 32	388 46
24	Videocon International Limited	110 00	78 53	525.54
25	Visaka Industries Limited	20 00	14 50	126 27

TABLE No. 3
STATEMENT SHOWING COMPARISON OF ACTUAL PREMIUM CHARGED WITH
THE DIFFERENT PREMIUM CHARGEABLE AS PER FAIR VALUE CALCULATIONS

Sr No	Name of the company	Premium as per the CCI Method	Premium charged by the company	Premium as per preissue Average Market price	Premium Chargeable Based on Different Combination of parameters		Premium Chargeable As per USA Reporting System
					Minimum	Maximum	
1	2	3	4	5	6	7	8
1	ATV Projects India Limited	20.93	16.00	36.90	12.35	66.65	NIL
2	Aurangabad Paper Mills Limited	11.98	10.00	22.25	11.95	40.15	-
3	Bharati Telecom Limited	16.65	15.00	33.25	8.07	43.97	-
4	Bombay Suburban Electric Limited	88.60	15.00	207.37	10.96	128.29	12.30
5	H. D. F. C. Limited	234.95	85.00	141.61	87.95	278.26	-
6	I. C. I. C. I. Limited	333.56	100.00	170.62	282.84	552.20	-
7	Jamma Auto Industries Limited	48.73	30.00	57.40	9.07	388.44	2.39
8	Khatau Junker Limited	25.26	24.00	40.78	12.60	220.95	NIL
9	Lloyed Steel Industries Limited	36.52	25.00	47.00	2.63	454.15	NIL
10	Max India Limited	37.31	30.00	56.29	8.91	116.06	11.48
11	Modern Wollens Limited	27.35	20.00	33.55	4.04	88.17	3.12
12	Narang Industries Limited	25.98	10.00	19.14	6.03	95.92	0.29
13	Nivas Spinning Mills Limited	17.80	10.00	30.43	1.99	85.73	NIL
14	Onida Savak Limited	14.85	15.00	90.32	1.26	50.81	3.96
15	Oswal Spinning & Weaving Limited	34.95	10.00	24.29	6.49	75.87	1.84
16	Prakash Industries Limited	26.69	18.00	34.03	6.18	103.27	1.75
17	Priyadarshini Spin Mills Limited	24.96	15.00	28.52	13.97	69.06	13.29
18	Punjab Concast Steel Limited	88.76	70.00	305.94	18.15	173.63	25.10
19	Shree Krishna Petro Yarn Limited	32.43	15.00	35.57	6.31	138.24	4.37
20	S. M. Dychem Limited	37.37	20.00	43.13	4.07	452.61	NIL
21	The Dhampur Sugar Mills Limited	208.52	80.00	173.41	83.55	529.20	78.06
22	Varun Shipping Co. Limited	10.93	10.00	13.56	2.95	113.87	NIL
23	Videcon Appliances Limited	62.71	40.00	89.43	13.32	378.46	11.35
24	Videcon International Limited	111.36	100.00	102.25	68.53	515.54	61.83
25	Visaka Industries Limited	15.71	10.00	20.25	4.50	116.27	NIL

TABLE No. 4.
STATEMENT SHOWING COMPARISON OF N.A.V., P.E.C.V.,
FAIR VALUE, AVERAGE MARKET PRICE WITH OFFER PRICE PER SHARE

Sr No	Name of the Company	PER SHARE					
		Paid up Value	Offer Price	Average Market Price	Net Asset Value	Profit Earning Capacity	Fair Value
1	2	3	4	5	6	7	8
1	ATV Projects India Limited	10 00	20 00	46 90	30.60	31 27	30.94
2	Aurangabad Paper Mills Limited	10.00	20 00	24 73	20 04	23 94	22 00
3	Bharati Telecom Limited	10 00	25 00	43 25	16.55	19 59	18.07
4	Bombay Suburban Electric Limited	10 00	25.00	258 43	135 63	81 53	109 20
5	H D F C Limited	100 00	185 00	270.73	244 39	425.50	334 95
6	I C I C. I. Limited	100 00	200 00	236 36	360 21	405 53	382.87
7	Jamna Auto Industries Limited	10 00	40 00	63 84	35 38	65 66	50 52
8	Khatau Junker Limited	10 00	34 00	60 50	35.41	18.73	27 07
9	Lloyd Steel Industries Limited	10 00	35 00	57 00	24 55	36 53	30 54
10	Max India Limited	10.00	40 00	66.00	22 13	38 66	30.39
11	Modern Wollens Limited	10 00	30 00	49 78	31 32	24 11	27 72
12	Narang Industries Limited	10 00	20 00	21 74	43.10	28 87	35 99
13	Nivas Spinning Mills Limited	10 00	20 00	39 52	16.23	21 00	18 61
14	Onda Savak Limited	10 00	25 00	97 92	12 96	19 60	16 28
15	Oswal Spinning & Weaving Limited	10 00	20 00	34 28	61 60	28 33	44 96
16	Prakash Industries Limited	10 00	28 00	48 90	40 05	26 67	33 36
17	Priyadarshini Spin Mills Limited	10 00	25 00	35 95	21.01	39 14	30 07
18	Punjab Conceast Steel Limited	10 00	55 00	268 00	62 90	71 80	67 35
19	Shree Krishna Petro Yarn Limited	10 00	25.00	42 88	19 11	35 06	27.08
20	S M. Dyechem Limited	10 00	30 00	61 00	28 35	44 27	36 31
21	The Dhampur Sugar Mills Limited	10 00	90 00	182.86	186.78	234.27	210.52
22	Varun Shipping Co Limited	10 00	20 00	22 57	16 41	24 13	20 27
23	Videocon Appliances Limited	10 00	50 00	97 34	26.68	63 33	45 00
24	Videocon International Limited	10 00	110 00	94 75	66.33	176 40	121 36
25	Visaka Industries Limited	10 00	20 00	29 98	21 68	23 80	22 74

TABLE No. 5.
MINIMUM AND MAXIMUM UNDERPRICING AND
OVERPRICING AT DIFFERENT CAPITALISATION RATES

Capitalisation Rate And Name of the Company	Percentage of underpricing		Percentage of Overpricing		Number of Issues		Total
	Maximum	Minimum	Maximum	Minimum	Under-priced	Over-priced	
At 15% Capitalisation Rate	66.31	7.68	53.56	7.46	16	9	26
Name of the Company	B.S.E.S. Ltd	Shri Krishna Petro.	Onida Savak Ltd.	Nivas Spin Mills Ltd	(61.54)	(38.46)	(100.00)
At 12% Capitalisation Rate	69.20	0.31	33.47	0.45	19	7	26
Name of the Company	B.S.E.S. Ltd	Lloyd Steels Ltd.	Onida Savak Ltd	ATV Project (I) Ltd	(73.07)	(26.93)	(100.00)
At 10% Capitalisation Rate	71.63	6.21	18.03	7.08	23	3	26
Name of the Company	B.S.E.S. Ltd	Punjab Con-Cast Steels	Onida Savak Ltd.	Khatav Junker Ltd	(88.46)	(11.54)	(100.00)
At 8% Capitalisation Rate	74.64	3.57	0.60	0.60	25	1	26
Name of the Company	B.S.E.S. Ltd	Khatau Junker Ltd.	Onida Savak Ltd.	Onida Savak Ltd.	(96.15)	(3.85)	(100.00)

* (Figure in Brackets are in percentages)

TABLE No. 6.

INTERNATIONAL EVIDENCE ON SHORT RUN IPO UNDERPRICING

Sr No	Country	Sample Size	Time Period	Average Initial Return (In%)
1	Australia	266	1976-89	11.9
2	Belgium	28	1984-90	10.2
3	Brazil	62	1979-90	78.5
4	Canada	258	1971-92	5.4
5	Chile	19	1982-90	16.3
6	Finland	85	1984-92	9.6
7	France	187	1983-92	4.2
8	Germany	172	1978-92	11.1
9	Hongkong	80	1980-90	17.6
10	Italy	75	1985-91	27.1
11	Japan	425	1979-90	32.0
12	Korea	275	1984-90	79.0
13	Malaysia	132	1980-91	80.3
14	Mexico	37	1987-90	33.0
15	Netherlands	72	1982-91	7.2
16	New Zealand	149	1979-87	28.8
17	Portugal	62	1986-87	54.4
18	Singapore	66	1973-87	27.0
19	Spain	71	1985-90	35.0
20	Sweden	213	1970-91	39.0
21	Switzerland	42	1983-89	35.8
22	Taiwan	168	1971-90	45.0
23	Thailand	32	1988-89	58.1
24	United Kingdom	2133	1959-90	12.0
25	United States	10626	1960-92	15.3

Note The average initial returns are calculated as equally-weighted average of the initial returns.

TABLE No. 7.
INTERNATIONAL EVIDENCE ON LONG RUN IPO OVERPRICING

Country	Sample Size	Time Period	Length of After Market period	Total abnormal Return from	
				Offer Price	Early Market Price
Australia	266	1976-89	3 Years	n a.	- 46.5 %
Brazil	62	1980-90	3 Years	n a.	- 47.0 %
Chile	28	1982-90	3 Years	n a.	- 23.7 %
Finland	79	1984-89	3 Years	- 10.6 %	- 21.1 %
Germany	119	1974-89	3 Years	n a.	- 12.8 %
Sweden	162	1980-90	3 Years	n a.	+ 1.2 %
U. K	712	1980-88	3 Years	n a.	- 8.1 %
U.S.A	4753	1970-90	3 Years	n a.	- 17.0 %

TABLE No. 8.
EVIDENCE OF CONSERVATIVE PRICING DURING C.C.I. REGIME

Sr No	Name of the Company	Type of issue	Face value	Premium	Fair value	Post issue M.P.
1	A B B Plastic	R	10 00	10 00	27.70	89
2	Ferro Alloys	R	10.00	40 00	96.90	93
3	Gujarat Glass	P	10 00	10 00	24.10	66
4	Hindustan Dev Corpo.	R	10 00	25.00	33 10	105
5	I B P Co. Ltd	R	10 00	40 00	75 70	141
6	Malwa Cotton	R	10.00	30.00	45.90	127
7	Patheja Forging	P	10 00	10 00	24 10	84
8	Punjab Chemicals	R	10.00	30.00	44.50	199
9	Punjab Tractors	R	10.00	50 00	54.70	198
10	Super Sales	P	10 00	10 00	25.00	97

Source : Selected data from Economic Times Dec 20, 1990.
(New Delhi Edition)

TABLE No. 9.
EVIDENCE OF IMPORTANCE OF SHARE PREMIUM IN MEANS OF FINANCE
(Rs. in lakhs)

Sr. No	Name of the Company	Cost of Project (In Rs.)	Means of Finance			Term loan internal accruals (In Rs)	Total (in Rs.)	Col No.5 as a percentage of Col No 4	Col. No. 5 as a Percent age of Col. No. 7
			Equity capital (In Rs.)	Share premium (In Rs.)	Finance				
1	2	3	4	5	6	7	8	9	
1.	The Rubber Products Ltd.	810 00	240.00	480 00	90 00	810.00	200.00	59.25	
2.	Fame Care Pharma Ltd.	716 00	160 00	480.00	76 00	716.00	300.00	67.07	
3	Persian Carpet & Textile Limited	625 00	335.00	290 00	-	625.00	86 57	46.40	
4	Malhotra Steels Ind. Ltd.	1234 17	396 00	594.00	244.17	1234.17	150.00	48.13	
5.	Rajasthan Tools Ltd	735 00	183 75	551.25	-	735.00	300.00	75.00	
6.	Liberty Shoes Ltd.	2357.30	507 00	130 30	720.00	2357.30	222.94	47.95	
7.	Sumeet Machines Ltd.	2197.00	280 00	1120.00	797.00	2197.00	400 00	50 98	