

Chapter 7

Failed IPO Stories: Stories of Initial Public Offering

Swarnasree Vutharkar
Woxsen University, India

C. A. Narasimha Swamy
Woxsen University, India

Krishna Hitesh
Woxsen University, India

ABSTRACT

Initial public offerings (IPOs) have long been a popular term on Wall Street and among investors. By selling shares of the Dutch East India Company to the general public, the Dutch are credited with launching the contemporary IPO. Since then, firms have utilised IPOs as a means of raising funds from the general public by issuing shares of stock to the general public. IPOs have experienced uptrends and downtrends in issuance over the years. Due to innovation and several other economic reasons, individual industries also undergo uptrends and downtrends in issuance. At the height of the dotcom boom, companies scrambled to list themselves on the stock market as technology IPOs surged. There are essentially two steps in the IPO process. The pre-marketing stage of the offering is the first, and the actual initial public offering is the second. A company that wants to go public will either request private bids from underwriters or make a public announcement to pique interest.

PAYTM

India's top financial services provider, Paytm, provides customers, physical businesses,

DOI: 10.4018/978-1-6684-4246-3.ch007

and internet platforms with full-stack financial solutions. The company wants to integrate half a billion Indians into the global economy through payments, commerce, financial services, banking, and investments. Vijay Shekhar Sharma launched One97 Communications Limited, which has the trademark Paytm and has its headquarters in Noida, Uttar Pradesh. Softbank, Ant Financial, AGH Holdings, SAIF Partners, Berkshire Hathaway, T Rowe Price, and Discovery Capital are among of its investors.

The country's largest digital bank, Paytm Payments Bank, is owned by Vijay Shekhar Sharma, founder, and CEO of Paytm, and One97 Communications Limited. It has over 58 million account holders. To fulfil its goal of integrating under- and unserved Indians into the formal banking system, it has developed creative technological solutions that have made banking convenient for people all over the nation.

Its wholly owned subsidiary, "Paytm Money," has the distinction of becoming India's largest investment platform within its first year and is currently one of the largest contributors of new Systematic Investment Plans (SIPs) to the Mutual Funds industry. It has already received approvals to launch Stock Broking, Demat Services, and National Pension System (NPS) services, and it aims to continue to enlarge the financial services and wealth management opportunities available to the public.

Millions of consumers all throughout India now turn to Paytm First Games, a member of the same group of companies and a joint venture between One97 Communications Ltd and AG Tech Holdings, for their gaming and at-home entertainment needs. The platform offers a vast selection of games for beginners as well as professional esports to accommodate all different types of gamers.

A brokerage licence has been obtained by Paytm Insurance, a wholly owned subsidiary of One97 Communications Ltd (OCL). It provides insurance products in four categories, including two-wheeler, four-wheeler, health, and life, to millions of Indian consumers. The business wants to make insurance simpler and give customers a simple, intuitive online experience.

There are two different Paytm revenue /model structures. Paytm receives commissions from customer transactions made using its platform. The accounts from which they derive their money are escrow accounts. It provides customers with little intrigue, as is evident from the absence of its hidden capital. Paytm has accrued income totalling 3.314.8 crore INR since 2018.

In 2017–18, Paytm verified 2.5 billion transactions. Paytm said that it increased its gross transaction value (GTV) from \$25 billion to \$50 billion from 2018 to 2019. GTV is a measurement of the intensity of its transactions.

Paytm has launched a lot more. On the portal, users may purchase tickets for events, movies, theme parks, and flights. Later, Paytm QR was introduced along with gift cards. Citibank and Paytm even collaborated to introduce credit cards. The Paytm IPO failed for a variety of reasons. Its unreasonably inflated listing was the main reason behind Paytm's stock market decline. Analysts and industry

10 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/failed-ipo-stories/315397

Related Content

A Small and Portable Foot Motion Recognition Device Used in VR Environment

Huayue Wu and Xiangmo Zhao (2019). *International Journal of Ambient Computing and Intelligence* (pp. 1-16).

www.irma-international.org/article/a-small-and-portable-foot-motion-recognition-device-used-in-vr-environment/233815

Adam Deep Learning With SOM for Human Sentiment Classification

Md. Nawab Yousuf Ali, Md. Golam Sarowar, Md. Lizur Rahman, Jyotismita Chaki, Nilanjan Dey and João Manuel R.S. Tavares (2019). *International Journal of Ambient Computing and Intelligence* (pp. 92-116).

www.irma-international.org/article/adam-deep-learning-with-som-for-human-sentiment-classification/233820

A Review of Generative Adversarial-Based Networks of Machine Learning/Artificial Intelligence in Healthcare

Anilkumar C. Suthar, Vedant Joshi and Ramesh Prajapati (2022). *Handbook of Research on Lifestyle Sustainability and Management Solutions Using AI, Big Data Analytics, and Visualization* (pp. 37-56).

www.irma-international.org/chapter/a-review-of-generative-adversarial-based-networks-of-machine-learning-artificial-intelligence-in-healthcare/298367

Materialized View Selection using Artificial Bee Colony Optimization

Biri Arunand T.V. Vijay Kumar (2017). *International Journal of Intelligent Information Technologies* (pp. 26-49).

www.irma-international.org/article/materialized-view-selection-using-artificial-bee-colony-optimization/175327

Cloud-Based Autonomic Computing Framework for Securing SCADA Systems

Sajid Nazir, Shushma Patel and Dilip Patel (2020). *Innovations, Algorithms, and Applications in Cognitive Informatics and Natural Intelligence* (pp. 276-297).

www.irma-international.org/chapter/cloud-based-autonomic-computing-framework-for-securing-scada-systems/247906