

## **Short and Long Run Performance of IPOs in Indian Capital Market**

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One of the important reforms Indian markets witnessed in the recent past is the introduction of issuing shares through the book building process which aims at efficient price discovery. In this paper we attempt to see how the IPOs issued through book building process fare both in short-run as well as in long run. Our results indicate that the IPOs still continue to be under-priced as is evidenced by the positive listing day returns and are out performing the market in the subsequent months almost up to twenty four months. However after two years of listing they generate negative returns this finding is consistent with the IPO performance literature from the other countries but is in contrast with the first long run study on IPOs in the long run in India. However we can not be emphatic about our finding in the long run because of a small sample size.

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