

**UNDERSTANDING INITIAL PUBLIC OFFERING (IPO) PERFORMANCE:
AN INVESTIGATION INTO SHORT-TERM AND LONG-TERM
DETERMINANTS IN THE INDIAN CONTEXT**

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Abstract

This thesis investigates the short and long-term performance determinants of Initial Public Offerings (IPOs) in the Indian market. Analyzing a sample of 361 IPOs listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE) between April 2022 and December 2023, the study identifies key factors influencing IPO performance across Equity (EQ) and Small Medium Enterprise (SME) categories. Findings reveal significant influences on IPO performance, including underwriter reputation, issue size, price, Grey Market Premium (GMP), and investor demand. Short-term EQ IPO performance is influenced by GMP, retail demand, issue size, and price, while long-term success is tied to issue size, price, and underwriter reputation. SME IPOs show short-term dependence on GMP and Non-Institutional Investor (NII) demand, remaining significant alongside issue price and retail demand in the long term. Initial returns positively impact long-term outcomes. This study contributes to understanding IPO performance in emerging economies, offering insights for investors, regulators, and policymakers. It emphasizes the importance of informed decision-making and policy formulation to foster a robust IPO ecosystem in India.