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March 06, 2018

RBI Working Paper No. 1/2018
Operating Performance of Initial Public Offering (IPO)
Firms after Issue in India: A Revisit

The Reserve Bank of India placed on its website today a Working Paper titled "[Operating Performance of Initial Public Offering \(IPO\) Firms after Issue in India: A Revisit](#)" by Avdhesh Kumar Shukla and Tara Shankar Shaw under the Reserve Bank of India Working Paper Series.

The paper examines how the operating performance of the Indian firms changed after their initial public offerings. It is found that the operating performance does not deteriorate post IPOs, if a performance indicator like "profit" is normalised by sales volumes (i.e., return on sales) rather than assets (i.e., return on assets). Unlike a distinct decline in return on assets reported in similar other studies, a stable return on sales is found in this study. This paper highlights the importance of choice of right variables for matching and normalisation purposes.

* The Reserve Bank of India introduced the RBI Working Papers series in March 2011. These papers present research in progress of the staff members of the Reserve Bank and are disseminated to elicit comments and further debate. The views expressed in these papers are those of authors and not of the Reserve Bank of India. Comments and observations may kindly be forwarded to authors. Citation and use of such papers should take into account its provisional character.

Press Release : 2017-2018/2369

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