

# Analysis of Post-Listing Price Movements of Selected Company Shares

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## INTRODUCTION

The capital market in India has witnessed spectacular growth during the nineties. The trend was overwhelmingly euphoric in consequence with the process of reforms and the gradual shift towards economic liberalization replacing controls by the free market forces. Buoyed by the bull phase and an unrelenting appreciation in stock prices in 2004-05, the Initial Public Offering (IPO) market was quite active in 2005-06.<sup>1</sup> The bullishness in the secondary market always spills over to the primary market. Before the Sensex came tumbling down from its 12,671 peak in May 2006<sup>2</sup>, the sentiments of the bourses got carried over into the IPO market and many companies tapped the capital market to ride the upbeat sentiments by pricing their shares aggressively. This list included some high-profile companies such as Jet Airways, Shoppers Stop, Suzlon Energy and Reliance Petroleum; it also featured stock market debuts by some unconventional companies in new business such as multiplexes, aviation and broadcasting hitherto unrepresented on the stock market.<sup>3</sup>

Initial Public Offering (IPO's) floated post April 2006 had, on an average, received subscription for 12 times their offer size.<sup>4</sup> Secondary market conditions at the time of the offer and the sector to which the company belonged had also played a big role in deciding investor responses. Offers made during the market meltdowns of May-June 2006 (Unikty Infra Projects, Deccan Aviation) and during the December reversal (Cairn Energy) elicited a lukewarm investor response. But investors were willing to make exceptions for companies from "hot" sectors or themes. Offerings from companies with the infrastructure or real-estate tag (Sobha Developers subscribed 113 times, Parsvnath Developers 50 times) and technology or dotcom companies (Info Edge 55 times, Tech Mahindra 70 times) had sailed through, even if they opened amidst uncertain market conditions.

Indian companies mobilized Rs. 51,459 crore through public offers, rights issues and private placements. In contrast, through financial year 2005, Banks lent Rs. 42,976 crore to medium and large industries as a whole. With the four-fold rise in prices of listed stocks since 2003, market capitalization of Indian stocks at about Rs. 23.57 lakh crore was substantially higher than the total outstanding bank credit of Rs. 13 lakh crore. A mere five percent expansion in equity can deliver resources to the tune of Rs. 1, 18,000 crore for Indian companies, that is substantially higher than what industry borrows from banks each year. With the number of Indian companies opting to get listed each year increasing, equity market's role in financing India's economic growth is only set to expand. As many as 18 companies in BSE 200 including public sector firms such as MTNL and National Aluminium are zero debt firms. One fourth of firms that are part of BSE 200 have out standing loans of less than 50 crore.

Initial Public Offering is the selling of securities to the public in the primary market. When an unlisted company makes either a fresh issue of securities or an offer for sale of its existing securities for the first time to the public, it is known as an IPO. Until May 1992, the issue of capital by companies was controlled by the Government under the Capital Issues (Control) Act, 1947. The control was exercised through the Office of the Controller of Capital Issues, which also regulated the pricing or such issues. The SEBI was established in 1988 as an administrative body and was given statutory recognition in January 1992 under the SEBI Act, 1992 which came into force on January 30, 1992. Before that, the Capital Issues (Control) Act, 1947 was enforced.

New reforms by the SEBI, in the primary market, include improved disclosure standards, introduction of prudential norms and simplification of issue procedures. Companies are now required to disclose all material facts and specific risk factors associated with their projects while making public issues. The SEBI has also introduced a code for advertisements for public issues for ensuring fair and true picture. In order to reduce the cost of issue, the underwriting of issues has been made an optional subject to the conditions that if the subscription is less than 90 per cent of the among offered, the entire among collected would be refunded to the investors. The book-building process in the primary market has been introduced with a view to further strengthen the price fixing process. Indian companies have been allowed to raise funds from abroad by issue of ADR/GDR/FCCB and the like. In a bid to protect investors amid a rush for public offers by corporate India, the Government has decided to scrutinize all the IPOs that garnered more than 50 crores in the last three years to ascertain that funds were utilized

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for declared purposes. Regulations governing Underwriters, Registrars to an issue and Share Transfer Agents and Portfolio Managers were notified bringing these institutions within a regulatory purview for the first time. These intermediaries require registration from the SEBI subject to certain authorization criteria and capital adequacy forms. Over the years, the SEBI has taken several initiatives to improve the operational efficiency and transparency of the primary market, which provides investors with issues of high quality and for stabilizing a market where they can raise resources in a cost effective manner.

As part of this time, the Ministry of Company Affairs has directed the Registrar of Companies (ROC) to “keep under watch” the IPOs thatching the market since 2004, garnering an estimated Rs. 25000 crore. During this period, the Indian market was inundated by a number of mega and medium-sized public offers including Reliance Petroleum, TCS, Patni Computers, Biocon, NDTV, India bulls, Jet Airways and Suzlon. The more coincides with market regulator SEBI's stern action against two depositories NSDL and CDSL and right depository participants such as Karvy Stock Broking among other market players in the IPO scam. The Company Affairs Ministry has launched a massive operation against vanishing companies in 2004, apart from strengthening efforts against serious corporate offenders through the Serious Fraud Investigation Office.

### **STATEMENT OF THE PROBLEM**

Primary market provides a platform for the companies to raise funds for starting a new venture or for expanding the existing one. It facilitates the flow of funds from the savers to the industrialists. This helps to promote the industrial development of the nation at large. Raising of funds in the primary market mostly depends on the secondary market and macro- economic factors. A robust economy encourages the companies to access the primary market for funds. At the same time, during the period of recession, companies shun away from the primary market. Reform measures that were undertaken in the stock markets had a profound effect in the primary market. Repeal of the Capital Controller Act and free pricing regulations in the primary market made many new companies approach the primary market.

Primary market gives opportunities to the retail investors to acquire stake in blue chip companies to both public sector and private sector companies. The latest trend among the companies and merchant bankers is to price the issue aggressively. They want maximum premium from the investors. But the basic question remains that, whether IPO's are successful and what happens to them in the secondary market. Most of the stocks were quoted at a discounted price. If the scrip quotes below the subscription rate, the investor stands to lose. The historical data shows that there is a perfect co-operation between the Sensex and money mobilized through primary market. When the Sensex touched an all time high of 6000 plus region, the primary market raised an aggregate of Rs. 14,290 Crore through IPO route in 2001-02.<sup>5</sup> The primary market was worst affected, as only six duty issue (2001-02) could tap the market raising Rs. 113 crore, while plenty of them were deferred.

### **REVIEW OF LITERATURE**

Several studies have been undertaken to analyze the primary market in India. Some of them are reviewed in this section.

In order to analyse the questions relating to the behaviour of issuers and investors in a new issue market, **Malay K. Roy** conducted a study (2000) and presented his findings in his paper “**Under Pricing of Initial Public Offering in India: A study of the behaviour of Market Participants**”. It is found that under pricing for IPO was almost identical in all developed and developing markets subject to slight variations depending upon institutional and legal structure of the respective country.<sup>6</sup>

**Utkarsh Majumdar (2003)** in order to study the phenomenon in the Indian market at a time when the pricing norms had been liberalized had undertaken a study by paying attention to both the initial and the aftermarket price performance of IPO's. He has presented his findings in the article titled “**Under Performance of Initial Public offerings in India**”. This study creates an idea to understand the affecting effect of institutional set-up while comparing the results of studies made across the country.<sup>7</sup>

**Aarati Krishnana and Srividya Sivakumar (2006)** have observed that due to the prevalence of a See-Sawing stock market and the enforcement of restrictions by the SEBI on multiple applications made by those IPOs losing sheen among retail investors, there is necromantic decline in the level of retail response on IPO in the year 2006 compared to the year 2005. The same has happened in the concept of over-subscription. (The quantum of over-subscription has declined from an average of 191 times in the year 2005, to just around 5 times in the year 2006). It is also found that the retail investors were applying for fewer shares in the year 2006 than they did in the year 2006.<sup>8</sup>

**Gangadhar V. and Naresh Reddy G. (2006)** in their article “**Impact of IPO Scam on Capital Market**”

examine the impact of the scam on the primary market and suggest the measures to prevent IPO scam in the capital market. They provide the following suggestions to check market evils in the form of scams: a) Depository Participants (DPs) should not open or close an account without due diligence (b) The regulators should spell out the circumstances under which a person is allowed to act on behalf of another person (c) The regulator should pay special attention to act on behalf of another person (c) The regulator should pay special attention to unusually large transactions (d) There is a need to strictly adhere to ceiling of 20 demat accounts; one can have with one or more Ps (e) Banks and demat accounts should not be activated unless KYC norms are adhered to (f) There is also a need to monitor off-market transactions and money transfers. This would happen if the PAN is made mandatory. (g) It is necessary to each market player, including investors, with a Unique Identification Number (MAPIN) to check many market evils. The number must be mandated in all primary market deals.<sup>9</sup>

**Alagappan Arunachalam (2006)** in his article “**IPOs: Rich on listing, lackluster later**” has observed that the subscription levels and offer made by public to IPO in the year 2005 is not as enthusiastic as in the previous year 2004. The farmer's average listing gains were only 50 per cent against the latter's 56 per cent. He points out that pricing of offers has become more aggressive in line with the secondary market valuation levels, and this appears to have reduced the scope of gains on listing. Another reason for the reduction on the scope of gains on listing, as stated by him, is that the newly enforced regulatory requirements on FIIs must pay a post of the price upfront has also reduced to scope for subscription levels and listing gains.<sup>10</sup>

**Adel Karaa, Mounidra Ben Arab (2006)** in their article “**IPO's Initial returns. Under pricing versus Noisy Trading**” indicate the presence of positive abnormal return generated by IPO's. They also explained the gap between the offer and the aftermarket price by the under pricing phenomenon and also through noisy trading and some justify it by both phenomena. They are of the opinion that to detect the presence of under pricing and to assess its magnitude, a stochastic frontier model is proposed. For the noisy trading effect, the evidence was driven from a secondary approach based on Markow Switching Model.<sup>11</sup>

**Prakash Patil (2006)** in his article “**Why is the primary market not reviving?**” states that the primary market has remained in the pits and is not showing any signs of revival during the months of May and June of 2006, while comparing with the secondary market, which crosses many new heights. He has drawn our attention by pointing out the fact that all sorts of companies that began tapping the capital market were trying to ride the upbeat sentiments by pricing their shares suggestively during the year 2006. This had raised the specter of investors being taken for a ride by unscrupulous promoters and operators. But the 'B' group and mid-caps stocks have not picked up in the secondary market and this had affected sentiments in the primary market.

He further pointed out that a look at the huge difference on the promoters' issue price and the market price of the stocks will reveal how these IPO's have taken the investors for a ride. To avoid this distress in the primary market, he has forwarded a suggestion that the promoters should arrive at proper valuation of their shares whole offering to public and should price them 30-40 per cent cheaper than the market price. He insists that the promoters and merchant bankers must keep in minimum the interests of the investors while pricing their IPO's. If they do so, the primary market will also start soaring like the secondary market.<sup>12</sup>

**Sunitha Mehla and Hanuman Prasad (2006)** in their article “**Indian Primary Market: Emerging Scenario**” discuss the SEBI's regulations framed for the revival of primary market during the period 1992-2004. They attempt to study the impact of reforms on the growth of public and right issues. Their study shows that as the result of some of the significant reforms such as abolishing the need for getting consent from the Controller of Capital Issues (CCI) for fresh issues, introduction of free pricing method for new issues enabled the number of public issues to climb to 1415 in 1995-96 from just 531 in the year 1992-93 where as in the year 1994-95 it reached its peak of development by mobilizing Rs. 26417 crore from 1678 issues which included 1328 public issues and 350 right issues. In the year 1994, SEBI initiated price band regulation to the extent of 20 per cent.

The SEBI, in order to bring more transparency in the offer pricing for IPO's introduced a new method, called book-building which were applicable for issues above Rs. 100 crore and for cent per cent of the issue size. The guidelines were further relaxed in October 1999, to make them more attractive. Under this, an issuer had been given an option to book-build either 90 per cent or 75 per cent of the net offer to the public and the balance issue is offered to the public at a fixed price determined through in book-building route.

The minimum percentage of securities to be offered to the public for the purpose of listing was brought down to 25 per cent from 60 per cent of the equity base in 1993-94. The regulators need to ensure a ring fence of regulations, which must be constantly reviewed. Right implementation of the guidelines was the only way to lure investors back to the market.<sup>13</sup>



**Prithiv Halda (2006)** in his article “**A year to remember**” has reviewed the primary market in 2005-06. According to him, follow on public offering dominated the new issue market than the Initial Public Offerings. Stringent entry norms and better vetting of issues have improved the quality of issues in general. Most issues in 2005-06 were made by companies and promoters of known stock. Right issues were made at a discount to the ruling price and they were able to draw a shareholder because the secondary market was doing well. Most follows on public offers disappointed the investors because of the aggressive pricing.<sup>14</sup>

**Rex Mathew (2006)** in his article “**Evolution of Primary Market in India**” has studied the primary market over three decades. In his opinion, taking advantage of the strength of the secondary market, many high profile companies raised funds in 2006. As a result of tougher regulations, the quality of the issues has gone up substantially. Most of the recent issues have been from well established and well known companies. Though some of these issues were over period, investors have made significant returns in most of the issues.<sup>15</sup>

#### **OBJECTIVE OF THE STUDY**

To study the price movements of the selected companies' stocks after listing.

#### **SCOPE OF THE STUDY**

The present study deals with the market performance of the selected companies and share price movements of selected companies' scrips on Bombay Stock Exchange after listing.

#### **DATA**

The study is mainly based on secondary data. These data were collected from newspapers such as Business line, Books and Stock Exchange official directory, the RBI Annual Reports and Websites. The study period is from 1<sup>st</sup> January 2006 to 31<sup>st</sup> December 2006. The researcher has selected twenty companies for analysis which are sensitive to changes in economic, political and other factors. The selected scrips were listed in Bombay Stock Exchange.

#### **ANALYSIS OF POST-LISTING PRICE MOVEMENTS OF SELECTED COMPANY SHARES**

The initial returns of most of the issues are high in the market. Either this may be due to the under pricing of the new issues or the over optimistic purchase of new issues by the investors. The over optimistic investors are willing to purchase the offerings at prices higher than the offer prices. Speculative activities affect the IPO's prices during the first trading days or weeks more than the ordinary equities because market does not have a historic return of the particular new issue. Over the past 18 months, (August 2004) post-listing returns on initial public offers have been so good that it has conjured up an image of the IPO trees, off which one can pick plenty of low-hanging fruit. But, the market has a combination of rational and speculative investors.

After a short period, the primary market moves towards the normal return or its intrinsic value of the concerned issue. Some issues in the market disappoint the investors after one or two months. Quite a few stocks slide into penny category. In this chapter, post-listing returns and volatility in return are analysed.

#### **NEW ISSUES**

New issues means securities are available for the first time in the primary security market. Table 1 exhibits the list of the new issues in the year 2006.

**Table 1: New Issue in the year of 2006 (Rs.in Crore)**

S.No	Name of the company	Name of the sector	Issue Size
1	Nitin Spinners Ltd	Textiles	46.66
2	Royal Orchid Hotels Ltd	Hotel	11.25
3	Raj Rayon Ltd	Textiles	55.25
4	Entertainment Network Ltd	Entertainment	213.84
5	Gujarat State Petronet Ltd	Chemical & Petrochemical	372.60
6	Jagran Prakashan Ltd	Entertainment	321.24
7	INOX Leisure Ltd	Entertainment	198.00
8	GVK Infrastructure Ltd	Construction & Infrastructure	256.52
9	Sadbhav Engineering Ltd	Construction & Infrastructure	53.65
10	Gitanjali Gems Ltd	Diamond	331.50
11	K Sera Sera Production	Entertainment	34.00
12	Pratibha Industries Ltd	Construction & Infrastructure	51.42

13	B.L. Kashyap & Sons Ltd	Construction & Infrastructure	188.37
14	Mahindra & Mahindra Finance Ltd	Finance (Pvt)	400.00
15	J.K. Cement Ltd	Cement	296.00
16	NITCO Tiles Ltd	Construction & Infrastructure	168.00
17	Visa Steel Ltd	Steel	171.00
18	Solar Explosives Ltd	Industrial Explosive	83.60
19	Adhunik Metaliks Ltd	Steel	99.99
20	Uttam Sugar Mills Ltd	Sugar	136.00
21	Kewal Kiran Clothing Ltd	Retails	80.60
22	R Systems International Ltd	Software	110.20
23	Godawari Power & Ispact Ltd	Steel	70.42
24	Emkay share & Stock Brokers Ltd	Finance (Pvt)	75.00
25	SUN TV Ltd	Entertainment	602.78
26	Lokesh Machines Ltd	Machine tools	42.00
27	Plenthico Pharmaceuticals Ltd	Pharmaceuticals	117.84
28	Reliance Petroleum Ltd		2700.00
29	Unity Infra Projects	Construction	232.40
30	Deccan Aviation Ltd	Cement	363.28
31	Prime Focus Ltd	Diversified	100.00
32	All cargo Global Ltd	Travel Agent	140.33
33	GMR Infrastructure Ltd	Diversified	800.85
34	Tech Mahindra Ltd	Telecommunication	465.22
35	Voltamp Transformers Ltd	Power	168.46
36	Action Construction	Construction	59.80
37	Atlanta Ltd	Software	64.50
38	HOV Services Ltd	Software	81.00
39	Gwalior Chemical Ltd	Chemical & Petrochemical	80.00
40	FIEM Industries	Automobiles	56.17
41	JHS Svendgaard Laboratories Ltd	Pharmaceuticals	35.96
42	Hanlung Toys & Textiles	Textiles	90.25
43	Accel Frontline Ltd	Software	42.26
44	Development Credit Bank Ltd	Finance (PSU)	185.90
45	Global Vectra Ltd	Automobiles	64.75
46	Info Edge Ltd	Finance (Pvt)	170.33
47	Lanco Infratech Ltd	Construction	1067.32
48	Parsvnath Developers Ltd	Construction	997.14
49	Blue Bird (India) Ltd	Paper	92.13
50	Ruchira Papers Ltd	Paper	203.50
51	Sobha Developers Ltd	Construction	569.15
52	LT Overseas Ltd	Food Products	39.39
53	XL Telecom Ltd	Telecommunication	59.34
54	Nissan Copper Ltd	Manufacture	25.00
55	Ess Dee Aluminium Ltd	Manufacture	156.60
56	Tanla Solutions Ltd	Telecommunication	378.84
57	Cairn India Ltd	Oil, Gas & Petroleum	5260.78
58	Pyramid Saimira Theatres Ltd	Entertainment	75.12

Source: SEBI

Table 1 reveals that the Carin India Ltd raised the highest amount (Rs. 5260.78 crore) and the next was the Reliance Petroleum Ltd (Rs. 2700 core). The smallest issues that hit the market were Royal Orchad Hotel Ltd (Rs. 11.25 crores) and Nissan Copper Ltd (Rs. 25 crores).

### FURTHER ISSUES

An already listed company makes a fresh issue of securities to the public or an offer for sale to the public, through an offer document. A further issue is allowed only if it satisfied the listing or continuous listing obligations. The following table gives the details about the further issues.

Among the follow on offers, The Bank of Baroda issue dominated the scene. The Bank of Baroda issues were over subscribed. The Union Bank of India issue took the second place. The Andra Bank was placed third and The South Indian Bank was placed fourth. Patel Engineering Ltd (Construction & Infrastructure) issues were

**Table 2: Further Issue for the year 2006**

S.No	Name of company	Name of the Sector	Issue Size (Rs. in Crore)
1	Minar International Ltd	Textiles	NA
2	Gayatri Projects Ltd	Sugar	85.55
3	Shridi Industries Ltd	Construction & Infrastructure	NA
4	Vigneshwara Exports Ltd	Transport	NA
5	Rathi Udyog Ltd	Steel	58.00
6	Gangotri Textiles Ltd	Textiles	54.99
7	Patel Engineering Ltd	Construction & Infrastructure	467.45
8	D.S. Kulkarni Developers Ltd	Construction & Infrastructure	133.62
9	Opto Circuits (India) Ltd	Medical Accessories	108.00
10	Tantia constructions Ltd	Construction & Infrastructure	21.75
11	Union Bank of India	Finance (PSU)	495.00
12	The South India Bank	Finance (PSU)	165.00
13	Andhra Bank	Finance (PSU)	765.00
14	Bank of Baroda	Finance (PSU)	1633.00

Source: SEBI

also over subscribed.

**ISSUE SIZE**

The size of the issue is determined by the company's need for funds and the market opinion about the company.

**Table 3: Selected Industries Issue Size Performance in (2006)**

S.No	Name of the Sector	Small(>50 crore)	Medium(50-100 crore)	Mega(<100 crore)	Total
1	Construction & Infrastructure	-	7	3	10
2	Entertainment	1	5	1	7
3	Software	1	3	-	4
4	Textiles	1	2	-	3
5	Telecommunication	-	3	-	3
6	Steel	-	3	-	3
7	Oil, Gas, & Petroleum	-	-	2	2
8	Others	5	21	1	27
Total		8	44	7	59

Source: BSE

The issue size was either medium or mega for the Construction and Infrastructure, Telecommunication, Steel and Oil, Gas and Petroleum sectors. In general, the number of small issue is lesser than that of the medium and the mega issue. The medium issues dominated the scene. In the Oil, Gas and Petroleum sectors, both the two issues were mega. The entertainment sector has seen many issues compared to that of the other sectors.

**Table 4: Sector-wise money Mobilized through New Issue (2006)**

S.No	Name of the Sector	Total amount Mobilized (Rs. in Crore)
1	Automobiles & Spare Parts	120.92
2	Construction & Infrastructure	3643.77
3	Cement	659.28
4	Chemical & Petrochemical	452.60
5	Diamond	331.50
6	Diversified	900.85
7	Entertainment	1497.78
8	Finance (PSU)	185.90
9	Finance (PVT)	645.33
10	Food products	39.39
11	Hotel	11.25
12	Manufacture	181.60
13	Oil, Gas & Petroleum	7960.78
14	Pharmaceuticals	153.80
15	Retail	80.60



16	Steel	341.41
17	Sugar	136.00
18	Software	297.96
19	Textiles	192.16
20	Industrial Explosive	83.60
21	Machine Tools	42
22	Travel Agent	140.33
23	Telecommunication	903.40
24	Power	168.46
25	Paper	295.63
Total		19466.30

Source: BSE

Table 4 reveals that the total amount mobilized through primary market in the year 2006 were Rs. 19466.50 crores. In this total amount, Oil, Gas and Petroleum sector has taken the first rank (Rs. 7960.78), Construction and Infrastructure has taken the second rank and the remaining sectors have taken the other places.

### POST ISSUE PRICE MOVEMENTS

Investors invest in the share market with the aim of reaping returns at a shorter period through price appreciation. In the bull markets, prices soar high and investors gain positive returns. With the help of the rate of return, financial analysis decides whether to accept or reject the investment proposal. A stock would be accepted if the actual return is higher than the minimum desired return. Otherwise, it is liable to be rejected. Gains on listing were much lower for the IPO's of 2005, compared to that of the 2004 IPO's. In 2005, listing gains for the IPOs are, barring a few exceptions, hard to come by. Even in the seasoned offers, the returns were moderate. Rights offers too have proved to be a mixed bag. Pricing of offers has become more aggressive, in line with the secondary market valuation levels, and this appears to have reduced the scope for gains on listing and post-listing. Over a three-month period, the average post-listing gains from the IPO's of 2006 were more than 4 per cent points than the Sensex.<sup>2</sup> Year 2006 scores high in terms of both returns and volatility. While it proved exciting for those on the sidelines watching the market action unfold, the same cannot be said for investors holding the wrong kind of stocks. Even though nine issues came to the market in this period, a limited number of company stocks were actively traded. The actively traded stocks were taken for further analysis. The post listing return in the end of the first, second and third weeks are given in Table 5.

**Table 5: Prices and Holding Period Returns of Selected Stocks**

Name of the Company	Issue Price	1 <sup>st</sup> week		2 <sup>nd</sup> Week		3 <sup>rd</sup> Week	
		Price	Return	Price	Return	Price	Return
Nitin Spinners Ltd	21	27.25	0.29	25.35	0.21	21.95	0.05
Raj Rayon Ltd	65	50.45	-0.22	46.20	-0.29	46.15	-0.29
Jagran Prakashan Ltd	320	255.35	-0.20	258.35	-0.19	260.50	-0.18
INOX Leisure Ltd	120	177.00	0.47	195.70	0.63	207.90	0.73
GVK Power & Infrastructure Ltd	310	307.95	-0.006	290.20	-0.06	265.75	-0.14

Source: BSE

Out of the five issues taken for analysis of the post listing, returns were negative for three issues. In the Nitin Spinners Ltd., even though the returns were positive, they started declining after the first week. INOX Leisure Ltd (Entertainment Sector) had given good return during the first three weeks compared to that of the other scrips. The best performer of the period is INOX Leisure Ltd. The sensex moved from 9000 to 10000 in 48 days. Even though sixteen issues came to the market in this period, only a limited number of company stocks were actively traded. The actively traded stocks were taken for further analysis. The post listing return in the end of the first, second and third weeks are given in Table 6.

**Table 6: Price and Holding Period Return of Selected Stocks**

Name of the company	Issue Price	1 <sup>st</sup> Week		2 <sup>nd</sup> Week		3 <sup>rd</sup> Week	
Pratibha Industries	120	286.50	1.39	272.35	1.27	255.70	1.13
BL Kashyap Sons	685	1186.90	0.73	1165.10	0.70	1293.35	0.88

(Cont on page 38)