

## IPO Dynamics in South Asia: A Systematic Review of Market Behavior, Governance, and Pricing Practices

Sakshi Singh<sup>1</sup>, Rakshita Jaiswal<sup>2</sup>

<sup>1</sup>Research Scholar, Faculty of Commerce, Banaras Hindu University, Varanasi—India

Email ID : [sakshi.singh@bhu.ac.in](mailto:sakshi.singh@bhu.ac.in)

<sup>2</sup>Research Scholar, Faculty of Commerce, Banaras Hindu University, Varanasi—India

Email ID : [rakshita1997@bhu.ac.in](mailto:rakshita1997@bhu.ac.in)

### ABSTRACT

**Purpose:** This study reviews and integrates research on Initial Public Offerings (IPOs) in South Asia to consolidate dispersed evidence, trace intellectual developments, and identify future research directions.

**Methodology:** A dual approach is adopted, combining a bibliometric analysis of Scopus-indexed literature using Bibliometrix with a systematic review of 34 influential studies chosen for their citation relevance and regional representation. The synthesis is organized using the TCCM (Theory-Context-Characteristics-Methodology) framework.

**Findings:** The review indicates that IPO research in South Asia is heavily concentrated in India, with comparatively fewer studies from Pakistan, Bangladesh, and Sri Lanka. Existing scholarship primarily examines underpricing and short-run performance, while long-term outcomes, governance factors, and institutional influences remain insufficiently explored. The literature largely relies on signaling theory and information asymmetry, with limited incorporation of behavioral or institutional perspectives. Methodological approaches are dominated by event-study designs and regression models, whereas advanced econometric techniques and qualitative or mixed-method studies are uncommon.

**Practical Implications:** The study highlights research gaps, underscores the need for wider regional coverage, and encourages methodological and theoretical diversification to strengthen future IPO studies in the region.

**Originality:** This work represents the first comprehensive integration of South Asian IPO literature using both bibliometric mapping and a TCCM-based synthesis, offering a structured agenda for future research..

**Keywords :** Financial Markets, Initial Public Offerings (IPOs), Emerging Market, Underpricing, Bibliometric Review.

### 1. Introduction

Initial Public Offerings (IPOs) are a key mechanism in primary capital markets, enabling firms to raise equity while allowing investors to share in corporate growth. An efficient financial system not only promotes savings but also channels them into productive investments (Machiraju, 1998). Research shows that IPO firms often behave atypically during the offering process and subsequent trading, generating wide academic interest. Scholars across finance, management, and entrepreneurship continue to examine the drivers of IPO outcomes and their broader implications (Certo et al., 2009). Early studies focused on developed markets, but attention has increasingly shifted toward emerging economies, where IPOs—though smaller in scale—play a critical role in mobilizing savings and supporting development (Bruner et al., 2006). Overall, IPO performance is widely seen as a barometer of financial sector efficiency, investor confidence, and capital allocation strength.

South Asia represents a dynamic yet underexplored context for IPO research. The region includes India, Pakistan, Bangladesh, Sri Lanka, and Nepal, all increasingly integrated into global capital flows. South Asia's growth is forecast to ease to 5.8 percent in 2025 before rebounding to 6.1 percent in 2026 (World Bank, 2025). India has seen remarkable IPO activity since 2015, outpacing other BRICS nations, even though private equity and venture capital remain primary funding sources (Chakrabarti, 2018). Pakistan faces efficiency and transparency challenges (Mehmood et al., 2024), Bangladesh shows high oversubscription despite low sophistication (Karim et al., 2013), and Sri Lanka benefits from regulatory strength (Rathnayake et al., 2019). Nepal stands out with extraordinary retail participation, with issues oversubscribed up to nineteen times (Shrestha, 2012), while Afghanistan, Bhutan, and Maldives remain at early developmental stages (Saddique & Anwar, 2019; Asian Development Bank, 2025).

This review consolidates existing scholarship on Initial Public Offerings (IPOs), with a particular focus on South Asia. Foundational contributions such as Ritter and Welch

(2002) established the theoretical and empirical base of IPO research, followed by specialized work on investor demand (Mehmood et al., 2024), pricing mechanisms (Joshiptura et al., 2023), value creation (da Silva et al., 2024), the link between issue price and post-listing performance (Siwach & Kumar, 2025), determinants of underpricing (Oliveira et al., 2023), and the role of political uncertainty (Jhawar & Seal, 2023). Bibliometric studies, including Qian et al. (2024), further mapped global trajectories and thematic patterns.

In Asia, Yong (2007) emphasized how institutional contexts shape IPO outcomes. Within South Asia, however, most reviews remain concentrated on India (Seepani & Murthy, 2023; Chatterjee et al., 2024), leaving Pakistan, Bangladesh, Sri Lanka, and Nepal underexplored despite their growing capital markets. This review addresses that gap by broadening the scope to the wider South Asian context, reflecting institutional and regulatory diversity.

Accordingly, the study is guided by three central research questions:

*RQ1.* What are the dominant themes and major contributions within South Asian IPO literature?

*RQ3.* How do existing studies differ in terms of theory, context, methodology, and research characteristics?

*RQ3.* What knowledge gaps remain, and which areas require further scholarly exploration?

By combining bibliometric mapping of Scopus-indexed publications with a systematic review of key studies, the paper provides a comprehensive overview of IPO research in South Asia.

## 2. Research Methodology

This review applies a structured framework to examine Initial Public Offering (IPO) research in South Asia. Consistent with established practices in business and management scholarship (Joshiptura et al., 2022; Chatterjee et al., 2024), a hybrid design is used, combining bibliometric analysis with a systematic literature review. The bibliometric stage employs performance assessment and science mapping to track publication patterns, key contributions, and thematic networks (Donthu et al., 2021). The second stage uses the TCCM framework—Theory, Context, Characteristics, and Methodology—to evaluate theoretical perspectives, contextual settings, variables, and research designs across selected studies (Paul & Rosado-Serrano, 2019; Paul & Criado, 2020).

The protocol follows systematic review standards to ensure rigor and replicability. While PRISMA is widely applied in management and finance studies (Liberati et al., 2009; Maheshwari et al., 2023; Castilla-Polo et al., 2025), it is adapted here to guide identification, screening, eligibility, and inclusion. The search process, criteria, and data extraction steps were clearly specified. An initial keyword-based search generated the source pool, from which 34 studies were selected based on citation strength and broader regional coverage, thereby avoiding an India-only focus. Figure 1 depicts the review protocol, while Table 1 details inclusion and exclusion criteria.

Scopus was chosen as the primary database for its breadth, reliability, and advanced analytics. Identified as the largest peer-reviewed index (Grover & Kar, 2017), it covers over 84% of Web of Science content (Gavel & Iselid, 2008). Its strong representation in Business, Management, and Accounting reinforces its suitability for IPO-related reviews (Cascajares et al., 2021), and recent studies have similarly relied on Scopus (Chatterjee et al., 2024; Mishra et al., 2025; Jaiswal & Singh, 2025).

S.No.	Criteria	Inclusion	Exclusion
1	Database type	Scopus	Other research databases
2.	Period of study	2003-2025*	
3.	language	English	Other Languages
4.	Document type	Article	Book Chapters, conference papers, review, book.
5.	Subject	Business, Management and Accounting, Economics, Econometrics and Finance and Decision sciences	Other Domains
6.	Publication stage	Final	Article in press

Table 1. Inclusion and Exclusion Parameters for Bibliometric and Systematic Review

Notes: \*Year is not complete

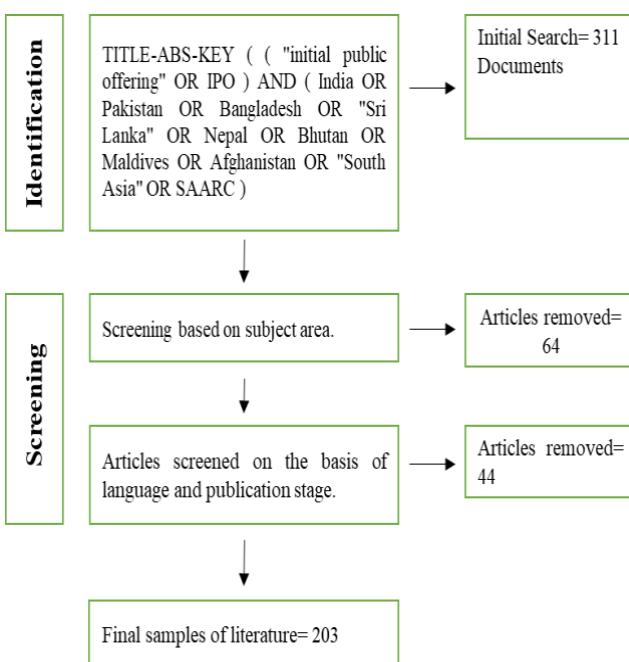


Figure 1. Stages of Article Screening and Selection

### 3. Bibliometric Analysis

From 2002 to 2025, research activity in the field shows a clear upward trajectory (Figure 2). During the first decade (2002–2011), annual publications were minimal, rarely exceeding five, with no output in 2006 and 2011. A consistent rise began in 2012, culminating in 24 publications in 2022 and 26 in 2024. Citations increased with a natural delay, accelerating after 2010 and reaching notable peaks in 2015, 2017, and especially 2020–2021, when totals surpassed 600. The decline after 2022 reflects the short time newer studies have had to attract references. Together, these trends point to the field's growing academic relevance, shaped by evolving policies, cross-border cooperation, and technological progress. If the momentum continues, further growth and interdisciplinary exploration can be expected.

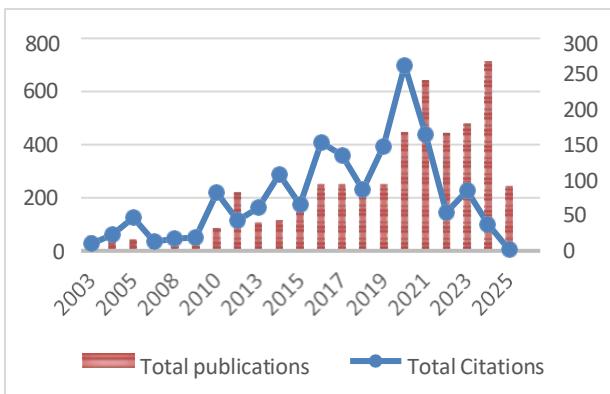


Figure 2. Trends in Publications and Citations on IPO Research in South Asia

The bibliometric analysis highlights several leading journals that have published extensively on South Asian IPO research (Figure 3). The Indian Journal of Finance recorded the highest number of articles with 12, followed by Global Business Review with 9. Emerald Emerging Markets Case Studies and Vikalpa each contributed 7 papers, while Finance India, Management and Labour Studies, and Pacific Accounting Review published 6 each.

In addition, the Asian Journal of Management Cases, Journal of Emerging Market Finance, and Vision reported 5 studies apiece. Collectively, these outlets illustrate the most prominent sources of IPO scholarship in the region, spanning both regionally focused and internationally recognized journals.



Figure 3. Leading Journals Publishing IPO Research in South Asia

AUTHORS	H-INDEX	G-INDEX	TOTAL CITATION	DOCUMENTS PUBLISHED
SINGH B	9	13	172	17
MEHMOOD W	7	10	117	13
MOHD-RASHID R	7	11	128	14
ARORA N	6	7	66	7
SINGH AK	5	8	110	8
AHMAD AH	4	6	81	6
ARORA RK	4	4	78	4
DHAMIJ AS	4	4	78	4
SAHOO S	4	7	50	8
GUPTA V	3	3	28	3

Table 2. Most Relevant Authors

The analysis of relevant authors as shown in Table 2, highlights that South Asian IPO research is dominated by a limited group of scholars. Singh B emerges as the most influential, with 17 publications, 172 citations, and strong indices ( $h=9$ ,  $g=13$ ). He is followed by Mohd-Rashid R with 14 studies and 128 citations, and Mehmoed W with 13 publications and 117 citations. Other significant

contributors include Singh AK and Sahoo S (8 publications each), Arora N (7 papers), and Ahmad AH (6 papers). Additional contributions come from Arora RK and Dhamija S (4 studies each) and Gupta V (3 studies).

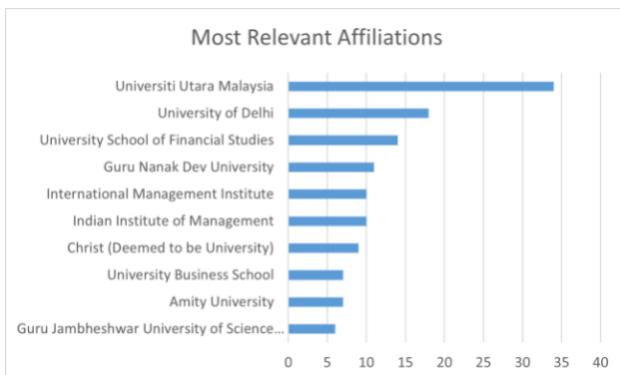


Figure 4. Leading Institutional Affiliations in South Asian IPO Research

The institutional analysis shows that IPO research in South Asia between 2003 and 2025 has been carried out by a range of universities and business schools. Figure 4 highlights that Universiti Utara Malaysia produced the highest number of publications with 34, followed by the University of Delhi with 18 and the University School of Financial Studies with 14. Notable contributions also come from Guru Nanak Dev University with 11, the Indian Institute of Management and the International Management Institute with 10 each. Christ (Deemed to be University) contributed 9 studies, while Amity University and University Business School added 7 each, and Guru Jambheshwar University of Science and Technology published 6, demonstrating broad academic engagement with IPO scholarship.

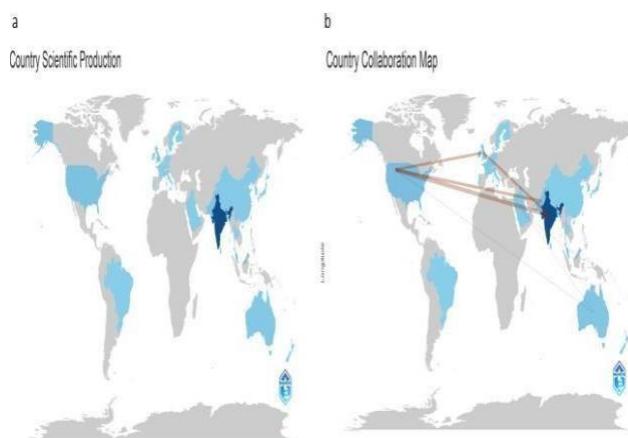


Figure 5a. Geographical Distribution of South Asian IPO Research Output

Figure 5b. International Collaboration Network in South Asian IPO Research

India emerges as the foremost contributor to IPO research within South Asia, and it also plays a significant role in the broader global dataset (Figure 5a). Notable contributions are further observed from Pakistan, Bangladesh, and Sri Lanka, which shows that research in this area extends across several South Asian markets rather than being limited to a single country. Outside the

region, active participation is seen from the United States, United Kingdom, Australia, China, and Malaysia, reflecting either collaborative projects with South Asian scholars or comparative examinations of IPO markets. Additional involvement from European and other Asian countries highlights the integration of South Asian IPO studies into a wider international research framework.

In terms of collaboration, India functions as the central hub for international partnerships (Figure 5b). Strong, recurring ties are visible with the United States, United Kingdom, Australia, China, and Malaysia, emphasizing the significance of cross-country cooperation. These collaborations are fostered by joint research initiatives, comparative work on emerging and developed markets, and the growing demand for multi-country evidence to enhance global IPO literature. Connections with other Asian and European partners further extend the reach of this research, positioning India not only as the leading producer of IPO studies in South Asia but also as an important driver of international knowledge exchange.

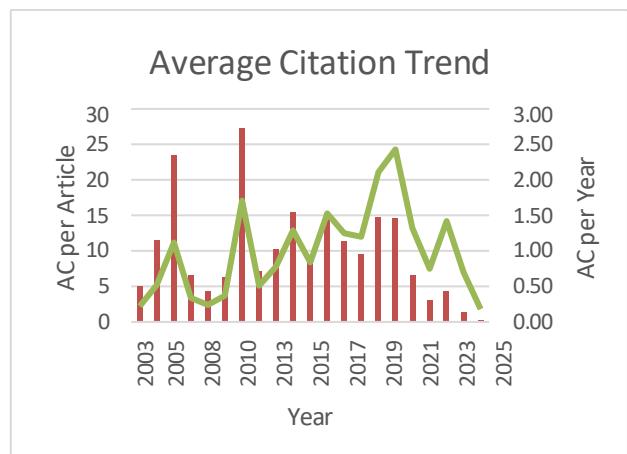


Figure 6. Average Citation Trend in South Asian IPO Research

The pattern of citations highlights fluctuations in the academic influence of IPO research in South Asia. As illustrated in Figure 6, citation averages peaked in 2010 and 2020, with AC/Year values of about 2.5, reflecting high-impact publications and possible links to market reforms, foreign investment policies, or regulatory shifts. These years likely coincided with both major policy changes and landmark studies that shaped subsequent research.

After 2020, citation averages declined to below 1.0 by 2023 and near zero in 2025. This fall does not imply waning scholarly interest but rather the natural lag in citation accumulation for recent publications. Earlier years with lower averages, such as 2005 or 2007, reflect the early stage of IPO scholarship in the region and its concentration in region-specific journals with limited global visibility.

S. N o.	Title of the Paper	Author List	Yea r	Tota l Cita tions
1	Group Affiliation and the Performance of Initial Public Offerings in the Indian Stock Market	Marisetty, V. B., Subrahmanyam, M.G.	2010	68
2	Impact of board ownership, CEO-Chair duality and foreign equity participation on auditor quality choice of IPO companies: Evidence from an emerging market	Karim, A. K. M. W., van Zijl, T., & Mollah, S.	2013	46
3	Transparent bookbuilding, certification and initial public offerings	Khurshed, A., Paleari, S., Pande, A., & Vismara, S.	2014	46
4	Sentiment Traders & IPO Initial Returns: The Indian Evidence	Clarke, J., Khurshed, A., Pande, A., & Singh, A. K.	2016	46
5	Endowment Effects in the Field: Evidence from India's IPO Lotteries	Anagol, S., Balasubramaniam, V., & Ramadorai, T.	2018	38
6	Are IPOs underpriced or overpriced? Evidence from an emerging market	Rathnayake, D. N., Louembé, P. A., Kassi, D. F., Sun, G., & Ning, D.	2019	37
7	Opportunistic Earnings Management during Initial Public Offerings: Evidence from India	Shetté, R., Kuntluru, S., & Korivi, S. R.	2016	36

<b>8</b>	Firm Quality or Market Sentiment: What Matters More for IPO Investors?	Neupane, S., Paudyal, K., & Thapa, C.	2014	35
<b>9</b>	Do Women on Boards affect Firm's Financial Performance? Evidence from Indian IPO Firms	Singh, A. K., Singhania, S., & Sardana, V.	2019	34
<b>10</b>	Initial and After-market Performance of SME IPOs in India	Dhamija, S., & Arora, R. K.	2017	30

Table 3. List of top ten most cited papers

Source: Created by authors according to the bibliometric analysis

Table 3 presents the ten most cited papers in IPO research, led by Marisetty and Subrahmanyam with 68 citations. Studies addressing auditor choice, bookbuilding practices, and sentiment traders follow closely, each with 46 citations. Collectively, these works emphasize the strong influence of Indian IPO research on global discussions of ownership, governance, investor sentiment, and market outcomes.

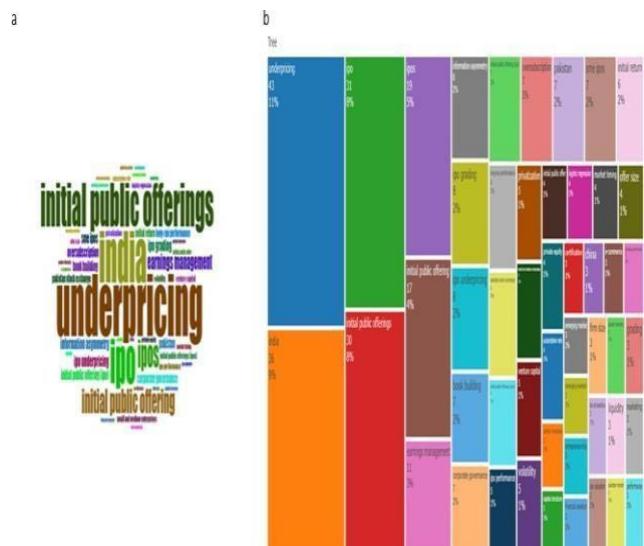


Figure 7. Keyword distribution in South Asian IPO research: (a) Word cloud; (b) Treemap

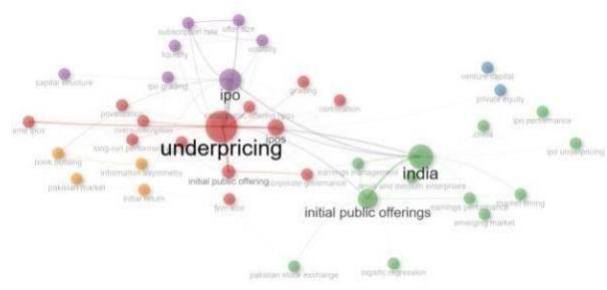


Figure 8. Keyword co-occurrence network in South Asian IPO research.

The word cloud and treemap (Figures 7a and 7b) identify underpricing as the most prominent theme in South Asian IPO research, appearing 43 times (11%). Related keywords such as IPO (31; 8%), initial public offerings (30; 8%), and initial public offering (17; 4%) confirm strong scholarly focus on issuance practices and market outcomes. India appears 36 times (9%), reinforcing its importance as both the primary research context and the key empirical setting. Other recurring themes include earnings management (11; 3%), information asymmetry (8; 2%), IPO grading (8; 2%), oversubscription, and book building (7; 2%), reflecting persistent interest in transparency, pricing mechanisms, and investor behavior. Additional clusters such as Pakistan, China, SME IPOs, and governance-related terms (corporate governance, venture capital, market timing) show a broadening scope that integrates governance, entrepreneurship, and international comparisons.

The keyword co-occurrence map (Figure 8) places underpricing at the center, linking clusters on regulation, performance, and investor outcomes. India also emerges as a central node, tied to earnings management, SMEs, and IPO performance. Other clusters emphasize regulatory and investor dimensions, while geographic links to Pakistan and China highlight comparative agendas. China, in particular, is frequently used as a benchmark, reflecting parallels with South Asia in reforms, underpricing, and investor dynamics.

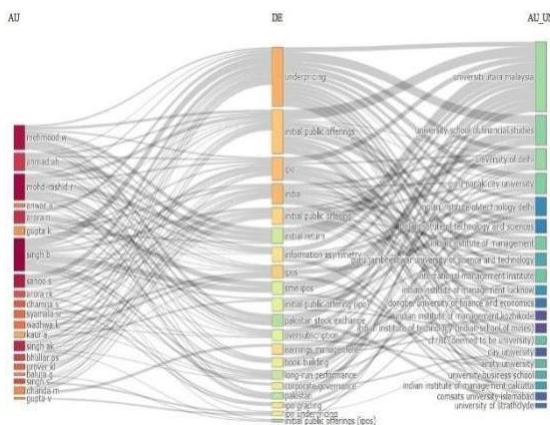


Figure 9. Three-field plot linking authors, keywords, and institutions in South Asian IPO research.

As shown in Figure 9, the three-field plot maps the interconnections between leading authors, frequently used keywords, and their affiliated institutions in South Asian IPO research. Prominent contributors include Mehmod W, Ahmad AH, and Mohd-Rashid R, supported by others such as Anwar A, Arora N, and Gupta K, who are strongly associated with themes like underpricing, IPO, initial return, and information asymmetry. At the keyword level, underpricing dominates, followed by different forms of IPO alongside SME IPOs, earnings management, book building, and long-run performance, reflecting varied analytical approaches. On the institutional front, Universiti Utara Malaysia, University School of Financial Studies, University of Delhi, Guru Nanak Dev University, and IIT Delhi emerge as research hubs, with India leading

regionally while Malaysia's presence signals external academic interest in South Asia's primary markets.

#### 4. Review Based on the TCCM Framework

A systematic literature review provides a structured approach to synthesizing evidence, answering clearly framed questions, and presenting findings in a way that benefits both scholars and practitioners (Williams et al., 2021).

##### 4.1. Theory (T)

South Asian IPO research applies multiple theoretical perspectives to explain underpricing, investor behavior, and post-issue outcomes:

**Signaling theory:** Underpricing is viewed as a credible signal of firm quality in the presence of information gaps (Ibbotson, 1975; Allen & Faulhaber, 1989). In this context, certification mechanisms such as IPO grading, underwriter reputation, and anchor investors act as signals (Marisetty & Subrahmanyam, 2010; Handa & Singh, 2017; Sahoo, 2017). While grading shows limited influence, strong intermediaries and institutional anchors increase investor demand, though effects vary with regulatory and market maturity.

**Information asymmetry:** IPOs are also explained as compensation for knowledge differences between insiders and investors. Grading and reputable intermediaries reduce such gaps (Marisetty & Subrahmanyam, 2010; Handa & Singh, 2017; Sahoo, 2017). Evidence from India shows retail bids are sentiment-driven, while institutions rely on fundamentals (Khurshed et al., 2014; Neupane et al., 2014). This framework also applies to auditor selection, earnings management, and post-IPO outcomes (Karim et al., 2013; Shetté et al., 2016; Nikbakht et al., 2021; Mangala & Dhanda, 2019). Conceptual reviews have systematically classified information asymmetry theories based on issuer-underwriter conflicts, issuer-investor signalling mechanisms, and informed versus uninformed investor participation, providing a structured lens to interpret IPO behaviour in developing economies (Singh, 2022).

**Agency theory:** Research highlights conflicts between promoters and investors, examined through governance and ownership mechanisms. Studies show mixed results on the influence of board ownership, auditor quality, promoter holdings, and board composition (Karim et al., 2013; Handa & Singh, 2017; Shetté et al., 2016; Nikbakht et al., 2021).

**Investor sentiment:** Behavioral studies link sentiment to underpricing and initial returns. In India, retail demand strongly shapes pricing (Clarke et al., 2016), while Sri Lankan and Pakistani evidence also supports sentiment effects (Rathnayake et al., 2019; Mumtaz et al., 2016; Javid & Malik, 2016). Grey market premiums further demonstrate retail reliance on sentiment, unlike institutional investors who emphasize fundamentals (Neupane et al., 2014).

**Ex-ante uncertainty:** Higher underpricing is associated with unclear firm quality and investor risk premiums, especially for younger or opaque firms (Mangala & Dhanda, 2019; Nikbakht et al., 2021; Shetté et al., 2016).

Institutional strength reduces, but does not eliminate, uncertainty premiums (Rathnayake et al., 2019; Mehmood et al., 2021). Some studies argue that certification and sentiment provide stronger explanatory power than uncertainty (Mumtaz et al., 2016).

Other perspectives: Further contributions include behavioral finance, explaining post-lottery trading and investor retention (Anagol et al., 2018; Anagol et al., 2021); governance theories such as resource dependence, tokenism, and critical mass in board structures and gender diversity (Singh et al., 2019; Handa & Singh, 2015; Kaur & Singh, 2015); certification effects of auditors and underwriters (Arora & Singh, 2019); and institutional theory stressing the role of national governance and regulation (Solaiman, 2009; Mehmood et al., 2021).

#### 4.2. Context (C)

IPO research in South Asia is led by India, with 17 studies spanning grading and certification (Marisetty & Subrahmanyam, 2010; Khurshed et al., 2014), sentiment and investor behavior (Clarke et al., 2016; Anagol et al., 2018), governance and board diversity (Singh et al., 2019; Handa & Singh, 2017; Kaur & Singh, 2015), intermediary reputation and anchor investors (Sahoo, 2017; Arora & Singh, 2019), and long-run performance (Mangala & Dhanda, 2019; Nikbakht et al., 2021). Additional work examines SME IPOs and underpricing patterns (Jain & Padmavathi, 2012). Pakistan adds eight studies on pricing mechanisms, underpricing, institutional quality, market efficiency, and issuance variability (Mehmood et al., 2020; Mumtaz et al., 2016; Javid & Malik, 2016). Bangladesh contributes four papers on governance, regulation, and early underpricing (Hasan & Quayes, 2008; Karim et al., 2013), while Sri Lanka has two, linking underpricing to issue size and privatization (Rathnayake et al., 2019; Samarakoon, 2010). Table 5 summarizes these contributions countrywise.

#### 4.3. Characteristics (C)

##### a. Variables

South Asian IPO studies employ a wide range of dependent and independent variables. The most frequent dependent variable is underpricing, measured through initial returns, market-adjusted excess returns, or abnormal returns (Marisetty & Subrahmanyam, 2010; Rathnayake et al., 2019; Jain & Padmavathi, 2012). Other dependent measures include long-run performance using BHAR and CAR (Javid & Malik, 2016; Dhamija & Arora, 2017; Shetté et al., 2016), profitability indicators such as ROA and ROE (Nikbakht et al., 2021; Mangala & Dhanda, 2019), and governance-related outcomes like Tobin's Q (Singh et al., 2019). Market-level variables such as IPO volume and issuance variability are also studied (Mehmood et al., 2020; Mehmood et al., 2021). Independent variables span firm-level factors (age, size, leverage, profitability, ownership, and board composition: Handa & Singh, 2015, 2017; Kaur & Singh, 2015), issue characteristics (offer size, subscription, grading, listing delays: Marisetty & Subrahmanyam, 2010; Dhamija & Arora, 2017), intermediary quality (underwriter reputation, auditor credibility, anchor investors: Sahoo, 2017; Arora & Singh, 2019), and market or institutional factors (grey market premiums, sentiment, political and

regulatory quality: Neupane et al., 2014; Clarke et al., 2016; Mehmood et al., 2021).

##### b. Outcomes

Patterns vary across countries. In India, grading and governance exert limited effects, while board diversity often reflects tokenism (Handa & Singh, 2015; Kaur & Singh, 2015). By contrast, underwriter reputation and anchor investors consistently improve subscription and reduce underpricing (Sahoo, 2017; Arora & Singh, 2019). In Pakistan, oversubscription is higher in fixed-price issues, with sentiment and underwriter reputation shaping short-term returns, and ownership retention supporting long-run performance (Mehmood et al., 2020; Mumtaz et al., 2016; Javid & Malik, 2016). In Sri Lanka, small issue size, higher risk, and hot-market conditions yield underpricing between 34–47 percent (Rathnayake et al., 2019; Samarakoon, 2010). In Bangladesh, foreign participation and insider ownership mitigate underpricing, though weak regulation adds uncertainty (Hasan & Quayes, 2008; Karim et al., 2013).

Long-run evidence points to post-IPO underperformance. Indian firms often report inflated earnings at listing, followed by declining profitability and negative CARs (Shetté et al., 2016; Nikbakht et al., 2021; Mangala & Dhanda, 2019; Dhamija & Arora, 2017). Overall, underpricing is pervasive, with certification mechanisms—particularly underwriter reputation and anchor investors—providing the strongest explanatory power, while governance and diversity measures remain inconsistent.

#### 4.4. Methodology

IPO research in South Asia is primarily quantitative, based on archival data from exchanges, prospectuses, and filings. Event studies with cross-sectional regression dominate analyses of underpricing and short-run returns, applied in India, Sri Lanka, Pakistan, and Bangladesh (Marisetty & Subrahmanyam, 2010; Rathnayake et al., 2019; Jain & Padmavathi, 2012; Mehmood et al., 2020; Dhamija & Arora, 2017; Samarakoon, 2010). Most studies use OLS, extended with probit, logistic, quantile, or hierarchical models. Examples include probit and Extreme Bounds Analysis (Khurshed et al., 2014; Mumtaz et al., 2016) and hierarchical regression to assess institutional quality (Mehmood et al., 2021).

Long-run performance is examined using BHAR, CAR, and Wealth Relatives, with consistent evidence of underperformance in India (Shetté et al., 2016; Dhamija & Arora, 2017; Nikbakht et al., 2021; Mangala & Dhanda, 2019) and Pakistan, where Javid and Malik (2016) contrast privatized and private IPOs. Advanced econometrics enhance robustness, including Heckman two-stage correction (Khurshed et al., 2014), IV-probit for endogeneity (Nikbakht et al., 2021), and Extreme Bounds Analysis (Mumtaz et al., 2016). Efficiency-based approaches are also applied, such as Data Envelopment Analysis and the Malmquist Productivity Index (Sohail & Anjum, 2016).

Behavioral and experimental designs enrich the literature, using IPO lotteries (Anagol et al., 2018; 2021), grey market premiums as sentiment proxies (Neupane et al.,

2014), and subscription-demand patterns distinguishing institutional from retail investors (Clarke et al., 2016). Qualitative research is scarce, with Solaiman (2009) providing a comparative legal review. Overall, South Asian IPO research is regression-heavy, with limited adoption of survey-based, mixed, or qualitative methods.

## 5. Conclusion

South Asia has become one of the fastest-growing regions globally, with an average GDP growth of about 5.5% between 2004 and 2023 (Mustafa, 2023). In this environment, initial public offerings (IPOs) serve as a vital mechanism for mobilizing domestic savings and providing firms with long-term capital. Efficient stock markets and active IPO activity not only support financing but also promote transparency, stronger governance, and improved efficiency (Nathaniel et al., 2024; Chowdhury & Khan, 2024). Access to finance is especially critical for entrepreneurs and new ventures, reinforcing the need for inclusive systems that broaden participation (Chowdhury, 2025). However, persistent political instability reduces institutional trust, and limited financial inclusion constrains market depth (Aich et al., 2025). These factors explain why IPO markets remain underdeveloped in some economies, despite the potential of regional integration to support sustainable growth.

To review existing scholarship, three core research questions were framed. The first explored prevailing themes and major contributions. Bibliometric results show irregular publication and citation patterns, with India dominating IPO research. Contributions from Pakistan, Bangladesh, and Sri Lanka are growing but remain limited. Core themes include underpricing, sentiment, governance, and certification practices. International scholarly participation further demonstrates that South Asian IPOs, particularly in India, are gaining recognition in global financial research.

The second question examined theory, context, methodology, and research characteristics. The TCCM analysis reveals reliance on signaling, information asymmetry, agency, and sentiment perspectives. Most studies focus on India, with little comparative work. Event study and regression designs dominate, while econometric, behavioral, qualitative, and mixed methods are less common. Research remains centered on underpricing and subscription trends, with less focus on long-term outcomes, governance diversity, or institutional dynamics.

As outlined in Table 4, the TCCM matrix organizes the literature around underpricing, governance, investor sentiment, certification, and long-run performance. This framework demonstrates how theoretical grounding, regional context, research variables, and methodological choices are interconnected, offering a structured lens for interpreting South Asian IPO scholarship.

Theme	Theory (T)	Context (C)	Characteristics (C)	Methodology (M)
Underpricing	Signaling	India domino	Initial returns, Event study;	

	Information Asymmetry, Investor Sentiment	nt; also Pakistan, Sri Lanka, Bangladesh	abnormal returns, subscription rates	OLS regression; probit/logit models
Governance & Ownership	Agency Theory, Resource Dependence	Mainly India, Bangladesh; some Pakistan	Board structure, ownership concentration, gender diversity, Tobin's Q	Cross-sectional regression; panel analysis
Investor Behavior & Sentiment	Behavioral Finance, Sentiment Hypothesis	India, Pakistan, Sri Lanka	Retail vs. institutional bids, grey market premiums, oversubscription	Natural experiments (IPO lotteries), survey proxies
Long-run Performance	Ex-Ante Uncertainty, Earnings Management	India and Pakistan primarily	BHAR, CAR, earnings (ROA/ROE), post-IPO survival	Event study with multi-year returns; econometrics

Table 4. Consolidated Matrix Framework of IPO Research in South Asia

In considering the third research question, which aims to pinpoint the gaps in existing literature and suggest areas for further work, the review indicates that several dimensions of South Asian IPOs are still underexplored. Research on long-term outcomes remains limited in comparison with studies on short-run pricing effects, and cross-country investigations covering India, Pakistan, Bangladesh, and Sri Lanka are relatively scarce. The integration of behavioral perspectives with governance structures has not been thoroughly examined, and methodological approaches remain narrow, with regression and event-study models dominating the field. These shortcomings suggest that the current body of evidence provides only a partial understanding of IPO dynamics in the region. Greater attention to diverse contexts, broader theoretical frameworks, and richer methodological designs will be crucial in strengthening this research stream. Building on these observations, the future research agendas outlined below point toward potential directions for further inquiry.

Future studies should examine post-IPO outcomes by focusing on long-term firm performance, survival, and

value creation rather than limiting attention to short-run underpricing.

Research can investigate how governance structures and ownership patterns, including the influence of promoters and independent directors, shape IPO pricing as well as post-listing strategic decisions.

The behavioral aspects of IPO markets warrant greater attention, particularly the role of investor sentiment, decision-making biases, grey market activity, and financial literacy in influencing IPO outcomes.

Comparative studies across South Asian markets such as India, Pakistan, Bangladesh, and Sri Lanka are needed to capture how institutional diversity and regulatory frameworks affect IPO processes and performance.

Methodological innovation is required through the use of predictive modeling, mixed-methods designs, and experimental approaches, which can provide more comprehensive insights than traditional econometric techniques.

Socio-economic and political conditions should be treated as critical underlying factors, as they play a decisive role in shaping market confidence, capital flows, and the broader IPO environment in South Asia.

Neglected areas such as the post-listing evolution of IPO firms and their integration into regional capital markets deserve sustained scholarly focus in order to build a more complete understanding of IPO dynamics.

Current IPO research in South Asia has been reviewed in this study using bibliometric mapping in combination with the TCCM framework. The analysis highlights the progress made so far and points to areas that remain insufficiently explored. Greater breadth could be achieved by drawing on a wider range of databases and incorporating regional-language studies, which may provide additional perspectives. A meta-analytical approach would also be valuable for this topic, as it could generate a quantitative synthesis of findings and offer stronger statistical evidence on trends and outcomes. From a practical standpoint, the review underlines the importance of regulatory strengthening, enhanced investor education, and inclusive market practices for the advancement of capital markets in the region.

The main contribution of this work is in bringing together a fragmented body of literature into a coherent framework that offers direction for future inquiry. As South Asian economies continue to expand, IPOs represent an important instrument for mobilizing capital and supporting financial development in emerging markets. This is also an opportune time for scholarship that treats South Asia as a collective unit, as such perspectives can provide a more balanced understanding of capital market evolution. The research agendas outlined here are intended to guide further scholarly efforts and support the continued development of IPO studies in the region.

## References

1. Aich, B. R., Tareque, M., Ahmed, T. T., & Rahman, M. M. (2025). Unveiling the nexus of financial inclusion and political stability for capital market participation in South Asian regions. *Borsa Istanbul Review*. Advance online publication. <https://doi.org/10.1016/j.bir.2025.06.008>
2. Anagol, S., Balasubramaniam, V., & Ramadorai, T. (2018). Endowment effects in the field: Evidence from India's IPO lotteries. *The Review of Economic Studies*, 85(1), 709–744. <https://doi.org/10.1093/restud/rdy014>
3. Anagol, S., Balasubramaniam, V., & Ramadorai, T. (2021). Learning from noise: Evidence from India's IPO lotteries. *Journal of Financial Economics*, 140(3), 965–986. <https://doi.org/10.1016/j.jfineco.2021.02.003>
4. Arora, N., & Singh, B. (2019). Impact of auditor and underwriter reputation on underpricing of SME IPOs in India. *Management and Labour Studies*, 44(1), 1–16. <https://doi.org/10.1177/0258042X19829285>
5. Asian Development Bank. (2025, July). ADB Outlook: July 2025. Retrieved from <https://www.adb.org/outlook/editions/july-2025>
6. Bruner, R., Chaplinsky, S., & Ramchand, L. (2006). Coming to America: IPOs from emerging market issuers. *Emerging Markets Review*, 7(3), 191–212. <https://doi.org/10.1016/j.ememar.2006.02.001>
7. Cascajares, M., Alcayde, A., Salmerón-Manzano, E., & Manzano-Agugliaro, F. (2021). The Bibliometric Literature on Scopus and WoS: The Medicine and Environmental Sciences Categories as Case of Study. *International Journal of Environmental Research and Public Health*, 18(11), 5851. <https://doi.org/10.3390/ijerph18115851>
8. Castilla-Polo, F., Licerán-Gutiérrez, A., & Guerrero-Baena, M. D. (2025). SMEs in the reputation literature: A review of the state-of-the-art. *Review of Managerial Science*. <https://doi.org/10.1007/s11846-025-00915-9>
9. Certo, S. T., Holcomb, T. R., & Holmes, R. M., Jr. (2009). IPO research in management and entrepreneurship: Moving the agenda forward. *Journal of Management*, 35(6), 1340–1378. <https://doi.org/10.1177/0149206309347375>
10. Chakrabarti, R. (2018, June 21). IPOs in a major emerging market economy — India (in D. Cumming & S. Johan, Eds., *Oxford Handbook of IPOs*, forthcoming). SSRN. <https://ssrn.com/abstract=3200711>
11. Chatterjee, M., Bhattacharjee, T., & Chakraborty, B. (2023). Studies on Indian IPO: Systematic review and future research agenda. *Qualitative Research in Financial Markets*, 16(3), 477–502. <https://doi.org/10.1108/QRFM-10-2021-0175>
12. Chowdhury, E. K. (2024). Role of stock exchanges in regional economic progress: A South Asia perspective (MPRA Paper No. 123002). Munich: University Library of Munich. Retrieved from <https://mpra.ub.uni-muenchen.de/123002/>
13. Chowdhury, E. K. (2025). Drivers of entrepreneurship development in South Asia: Empirical insights and

policy recommendations. *Journal of Innovation and Entrepreneurship*, 14(46). <https://doi.org/10.1186/s13731-025-00512-w>

14. Clarke, J., Khurshed, A., Pande, A., & Singh, A. K. (2016). Sentiment traders and IPO initial returns: The Indian evidence. *Journal of Corporate Finance*, 37, 25–37. <https://doi.org/10.1016/j.jcorpfin.2015.10.007>

15. da Silva, A. C., de Melo Carvalho, F., do Prado, J. W., Vaz, J. M., & de Almeida Bispo, O. N. (2024). Initial public offering (IPO) and value aggregation: A systematic literature review. *Revista de Gestão Social e Ambiental*, 18(10), 1–24. <https://doi.org/10.24857/rgsa.v18n5-252>

16. de Oliveira, C. H. F., Rodrigues, C. L., & Jucá, M. N. (2023). Determinants of IPO's underpricing: A systematic review. *Contemporary Economics*, 17(3), 252–274. <https://doi.org/10.5709/ce.1897-9254.509>

17. Dhamija, S., & Arora, R. K. (2017). Determinants of long-run performance of initial public offerings: Evidence from India. *Vision: The Journal of Business Perspective*, 21(1), 1–11. <https://doi.org/10.1177/0972262916681243>

18. Dhamija, S., & Arora, R. K. (2017). Impact of quality certification on IPO underpricing: Evidence from India. *Global Business Review*, 18(2), 342–358. <https://doi.org/10.1177/0972150916668611>

19. Dhamija, S., & Arora, R. K. (2017). Initial and after-market performance of SME IPOs in India. *Global Business Review*, 18(6), 1536–1551. <https://doi.org/10.1177/0972150917713081>

20. Donthu, N., Kumar, S., Mukherjee, D., Pandey, N., & Lim, W. M. (2021). How to conduct a bibliometric analysis: An overview and guidelines. *Journal of Business Research*, 133, 285–296. <https://doi.org/10.1016/j.jbusres.2021.04.070>

21. Gavel, Y., & Iselid, L. (2008). Web of Science and Scopus: A journal title overlap study. *Online Information Review*, 32(1), 8–21. <https://doi.org/10.1108/14684520810865958>

22. Grover, P., & Kar, A. K. (2017). Big data analytics: A review on theoretical contributions and tools used in literature. *Global Journal of Flexible Systems Management*, 18(3), 203–229. <https://doi.org/10.1007/s40171-017-0159-3>

23. Handa, R., & Singh, B. (2015). Women directors and IPO underpricing: Evidence from Indian markets. *Gender in Management: An International Journal*, 30(3), 186–205. <https://doi.org/10.1108/GM-02-2014-0011>

24. Handa, R., & Singh, B. (2017). Performance of Indian IPOs: An empirical analysis. *Global Business Review*, 18(3), 690–706. <https://doi.org/10.1177/0972150917692193>

25. Hasan, T., & Quayes, S. (2008). Underpricing of initial public offerings in Bangladesh. *Applied Financial Economics Letters*, 4(1), 5–8. <https://doi.org/10.1080/17446540701222383>

26. Jain, N., & Padmavathi, C. (2012). Underpricing of initial public offerings in Indian capital market. *Vikalpa*, 37(1), 83–102. <https://doi.org/10.1177/0256090920120107>

27. Jaiswal, R., & Singh, S. (2025). The intersection of social media and investment behaviour: A bibliometric analysis. *Journal of Informatics Education and Research*, 5(3), 45–62. <https://doi.org/10.52783/jier.v5i3.3426>

28. Javid, A. Y., & Malik, H. (2016). Performance and capital structure of IPOs in Pakistan from 2000 to 2015. *Financial Innovation*, 2(14), 1–19. <https://doi.org/10.1186/s40854-016-0032-y>

29. Jhawar, P., & Seal, J. K. (2023). Political Uncertainty and Initial Public Offerings: A Literature Review. *International Journal of Financial Studies*, 11(2), 74. <https://doi.org/10.3390/ijfs11020074>

30. Joshipura, M., Mathur, S., & Gwalani, H. (2023). Decrypting IPO pricing: An integrated bibliometric and content analysis approach. *Managerial Finance*, 49(1), 135–162. <https://doi.org/10.1108/MF-06-2022-0293>

31. Karim, A. K. M. W., Ahmed, K., & Hasan, T. (2013). Impact of audit quality and ownership structure on the bias and accuracy of earnings forecasts issued in IPO prospectuses: Evidence from a frontier market. *Studies in Economics and Finance*, 30(4), 288–316. <https://doi.org/10.1108/SEF-10-2012-0113>

32. Karim, A. K. M. W., van Zijl, T., & Mollah, S. (2013). Impact of board ownership, CEO-chair duality and foreign equity participation on auditor quality choice of IPO companies: Evidence from an emerging market. *International Journal of Accounting and Information Management*, 21(2), 148–169. <https://doi.org/10.1108/18347641311312285>

33. Kaur, A., & Singh, B. (2015). Does gender diversity on Indian boards impede IPO underpricing? *Management and Labour Studies*, 40(1–2), 194–205. <https://doi.org/10.1177/0258042X15601540>

34. Khurshed, A., Paleari, S., Pande, A., & Vismara, S. (2014). Transparent bookbuilding, certification and initial public offerings. *Journal of Financial Markets*, 19, 169–187. <https://doi.org/10.1016/j.finmar.2013.12.001>

35. Liberati, A., Altman, D. G., Tetzlaff, J., Mulrow, C., Gøtzsche, P. C., Ioannidis, J. P. A., Clarke, M., Devereaux, P. J., Kleijnen, J., & Moher, D. (2009). The PRISMA statement for reporting systematic reviews and meta-analyses of studies that evaluate healthcare interventions: Explanation and elaboration. *BMJ*, 339, b2700. <https://doi.org/10.1136/bmj.b2700>

36. Machiraju, H. R. (1998). Indian financial system (1st ed.). Vikas Publishing House.

37. Maheshwari, H., Samantaray, A. K., & Jena, J. R. (2023). Unravelling behavioural biases in individual and institutional investors' investment decision-making: Intersection of bibliometric and systematic literature review. *South Asian Journal of Business and*

Management Cases, 12(3), 275-299. <https://doi.org/10.1177/22779779231210915>

38. Mangala, D., & Dhanda, M. (2019). Earnings management and performance of IPO firms: Evidence from India. *Indian Journal of Corporate Governance*, 12(1), 39–58. <https://doi.org/10.1177/0974686219836542>

39. Marisetty, V. B., & Subrahmanyam, M. G. (2010). Group affiliation and the performance of initial public offerings in the Indian stock market. *Journal of Financial Markets*, 13(1), 196–223. <https://doi.org/10.1016/j.finmar.2009.09.001>

40. Mehmood, W., Mohd-Rashid, R., & Ahmad, A. H. (2020). Impact of pricing mechanism on IPO oversubscription: Evidence from Pakistan stock exchange. *Pacific Accounting Review*, 32(2), 239–254. <https://doi.org/10.1108/PAR-04-2019-0051>

41. Mehmood, W., Mohd-Rashid, R., & Ahmad, A. H. (2020). The variability of IPO issuance: Evidence from Pakistan Stock Exchange. *Global Business Review*, 21(5), 1–16. <https://doi.org/10.1177/0972150920929198>

42. Mehmood, W., Mohd-Rashid, R., Ahmad, A. H., & Hussain, A. (2024). Unlocking IPO success in Pakistan: The power of institutional quality, sponsor ownership and smart pricing. *South Asian Journal of Business Studies*, 14(1), 90-114. <https://doi.org/10.1108/SAJBS-09-2023-0342>

43. Mehmood, W., Mohd-Rashid, R., Ahmad, A. H., & Tajuddin, A. H. (2021). IPO initial return in Pakistan: Influence of country-level institutional quality. *South Asian Journal of Business Studies*, 10(3), 367–388. <https://doi.org/10.1108/SAJBS-06-2020-0209>

44. Mehmood, W., Mohd-Rashid, R., Che-Yahya, N., & Ong, C. Z. (2021). Determinants of heterogeneity in investors' opinions on IPO valuation: Evidence from the Pakistan stock market. *Review of Behavioral Finance*, 13(4), 381–406. <https://doi.org/10.1108/RBF-04-2020-0078>

45. Mishra, A., Alsamhi, M. H., Bajaher, M., & Alahdal, W. M. (2025). ESG research unveiled: publication patterns, dominant themes, and future avenues – a bibliometric approach. *Cogent Business & Management*, 12(1). <https://doi.org/10.1080/23311975.2025.2538711>

46. Mumtaz, M. Z., Smith, Z. A., & Ahmed, A. M. (2016). An examination of short-run performance of IPOs using extreme bounds analysis. *Estudios de Economía*, 43(1), 71–95. <https://doi.org/10.4067/S0718-52862016000100004>

47. Mustafa, G. (2023). The dynamic relationship between financial development, economic growth, foreign direct investment and trade openness: Evidence from South Asian countries. *Millennial Asia*, 14(3), 406–433. <https://doi.org/10.1177/09763996221138465>

48. Nathaniel, S. P., Ahmed, Z., Shamansurova, Z., & Fakher, H. A. (2024). Linking clean energy consumption, globalization, and financial development to the ecological footprint in a developing country: Insights from the novel dynamic ARDL simulation techniques. *Heliyon*, 10(5), e27095. <https://doi.org/10.1016/j.heliyon.2024.e27095>

49. Neupane, S., Neupane, B., Paudyal, K., & Thapa, C. (2016). Domestic and foreign institutional investors' investment in IPOs. *Pacific-Basin Finance Journal*, 39, 197–210. <https://doi.org/10.1016/j.pacfin.2016.06.011>

50. Neupane, S., Paudyal, K., & Thapa, C. (2014). Firm quality or market sentiment: What matters more for IPO investors? *Journal of Banking & Finance*, 44, 207–218. <https://doi.org/10.1016/j.jbankfin.2014.04.010>

51. Nikbakht, E., Sarkar, S., Smith, G. C., & Spieler, A. C. (2021). Pre-IPO earnings management: Evidence from India. *Journal of International Accounting, Auditing and Taxation*, 44, 100400. <https://doi.org/10.1016/j.intacaudtax.2021.100400>

52. Paul, J., & Criado, A. R. (2020). The art of writing literature review: What do we know and what do we need to know? *International Business Review*, 29(4), Article 101717. <https://doi.org/10.1016/j.ibusrev.2020.101717>

53. Paul, J., & Rosado-Serrano, A. (2019). Gradual internationalization vs. born-global/international new venture models: A review and research agenda. *International Marketing Review*, 36(6), 830-858. <https://doi.org/10.1108/IMR-10-2018-0280>

54. Qian, Y., Ritter, J. R., & Shao, X. (2024). Initial public offerings Chinese style. *Journal of Financial and Quantitative Analysis*, 59(1), 1-38. <https://doi.org/10.1017/S002210902200134X>

55. Rasheed, A., Sohail, M. K., Din, S.-U., & Ijaz, M. (2018). How do investment banks price initial public offerings? An empirical analysis of emerging market. *International Journal of Financial Studies*, 6(3), 77. <https://doi.org/10.3390/ijfs6030077>

56. Rathnayake, D. N., Louembé, P. A., Kassi, D. F., Sun, G., & Ning, D. (2019). Are IPOs underpriced or overpriced? Evidence from an emerging market. *Research in International Business and Finance*, 50, 171–190. <https://doi.org/10.1016/j.ribaf.2019.04.013>

57. Ritter, J. R., & Welch, I. (2002). A review of IPO activity, pricing, and allocations. *Journal of Finance*, 57(4), 1795-1828. <https://doi.org/10.1111/1540-6261.00478>

58. Saddique, A., & Anwar, S. (2019). Challenges and prospects of establishing stock exchange market in Afghanistan. *Kardan Journal of Economics and Management Sciences*, 2(1), 1-19. Retrieved from <https://kardan.edu.af/data/public/files/v2i1-524092019020808.pdf>

59. Sahoo, S. (2017). Do anchor investors create value for initial public offerings? An empirical investigation. *IIMB Management Review*, 29(4), 259–275. <https://doi.org/10.1016/j.iimb.2017.11.004>

60. Samarakoon, L. P. (2010). The short-run underpricing of initial public offerings in the Sri Lankan stock market. *Journal of Multinational Financial Management*, 20(3), 197–213. <https://doi.org/10.1016/j.mulfin.2010.07.003>
61. Seepani, J., & Murthy, K. V. R. (2023). Initial public offerings in India – a structural review. *European Journal of Economic and Financial Research*, 7(4). Retrieved from <https://oapub.org/soc/index.php/EJEFR/article/view/1581>
62. Shetté, R., Kuntluru, S., & Korivi, S. R. (2016). Opportunistic earnings management during initial public offerings: Evidence from India. *Review of Accounting and Finance*, 15(3), 281–306. <https://doi.org/10.1108/RAF-03-2015-0048>
63. Shrestha, R. (2012) The Public Response to Primary Issue of Shares in Nepal an unpublished Master Level thesis submitted to Shanker Dev Campus, Faculty of Management, T.U.
64. Singh, A. K., Singhania, S., & Sardana, V. (2019). Do women on boards affect firm's financial performance? Evidence from Indian IPO firms. *Australasian Accounting, Business and Finance Journal*, 13(2), 53–68. <https://doi.org/10.14453/aabfj.v13i2.4>
65. Singh, S. (2022). Impact of information asymmetry on initial public offering (IPO) performance: A conceptual review. *International Journal of Creative Research Thoughts*, 10(9), 658–667.
66. Siwach, P., & Prasanth Kumar, R. (2024). Pricing and performance of initial public offerings: Directions for future research. *Qualitative Research in Financial Markets*, 17(1), 87-110. <https://doi.org/10.1108/QRFM-05-2022-0083>
67. Sohail, M. K., & Anjum, M. S. (2016). Efficiency dynamics of initial public offerings using data envelopment analysis and Malmquist productivity index approach. *Inzinerine Ekonomika-Engineering Economics*, 27(2), 175–184. <https://doi.org/10.5755/j01.ee.27.2.10062>
68. Solaiman, S. M. (2009). Investor protection by securities regulators in the primary share markets in Australia and Bangladesh: A comparison and contrast. *Journal of Financial Crime*, 16(4), 305–333. <https://doi.org/10.1108/13590790910993735>
69. Williams, R. I. Jr., Clark, L. A., Clark, W. R., & Raffo, D. M. (2021). Re-examining systematic literature review in management research: Additional benefits and execution protocols. *European Management Journal*, 39(4), 521-533. <https://doi.org/10.1016/j.emj.2020.09.007>
70. World Bank. South Asia overview. <https://www.worldbank.org/en/region/sar/overview>
71. Yong, O. (2007). A review of IPO research in Asia: What's next? *Pacific-Basin Finance Journal*, 15(3), 253-275. <https://doi.org/10.1016/j.pacfin.2006.09.001>.