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**Post-Issue Performance of Graded IPOs in India**

Sanjiv Mittal  
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*SEBI, the Indian securities market regulator, has set a unique example for the entire world by introducing IPO Grading in India from April, 2006 on optional basis and further mandating it from May, 2007. The purpose of this grading was to provide retail investors with a ready-made assessment of the fundamental quality of the issuer of an IPO, so they could make a better and informed investment decision in an era of information overload. Grading of IPOs is subject to severe criticism. Critics question efficacy and effect of this process. But findings of this paper suggest that IPO Grading does have strong positive effect on demand (oversubscription). Further, weak impact on returns, little or nil impact on underpricing and strong negative effect on proportion of issued share capital is also noted. Paper infers that all investor classes including retail investors benefit from IPO Grading.*

**Tracing Relationship Between Yield Curve and Economic Growth in India**

Dipanwita Dutta

*This paper attempts to analyse the predictive power of the yield curve of Indian economy through using a Vector Auto Regression Model, more precisely Vector Auto Correction Model. Yield curve turns out to be a leading indicator of the economy. Further, a negative spread between long and short-term lowers the rate of growth in the economy but does not end the worry of inflation. This also falls in line with most of other studies carried out in this regard and also reiterates the Expectation Theory. However, relying solely on predictive capacity of yield curve for an economy, especially, dominated by service sector is cautioned as well.*

**Financial Inclusion in Uttar Pradesh and Bihar**

Aviral Pandey  
Rakesh Raman

Access of financial services to the poor, disadvantaged and vulnerable groups at affordable cost is seen as a prerequisite for poverty reduction. Through financial inclusion those at the margin could be brought to the mainstream of save-borrow-invest loop, provide with the benefits of the financial revolution and extend necessary resources/ finance and thus pull out from the quagmire of poverty and vulnerability. The role of financial inclusion in poverty eradication has been approved on theoretical as well as practical plain by many researches. There are, however, some questions raised about the relatively poor impact of it in some states and persistence of poverty there. Against this background, this paper looks at various dimensions of financial inclusion. It uses experiences drawn from primary survey of households in two selected villages of backward states of the country (Uttar Pradesh and Bihar) to investigate how financial inclusion operates and what causes its success or otherwise. The paper provides insights into the nature of exclusion.

## **Financial Performance Analysis of Two-Wheeler (2W) Automobile Industries in India**

Bhaskar Bagchi  
Basanta Khamrui

*Indian Automobile Industry (AI) has made rapid advancement mainly after introduction of economic reforms in July 1991. Today, Indian AI is the ninth largest in the globe and ranks second in two-wheeler (2W) market in the world. It is also the world's third largest manufacturer of 2W. The present study is aimed at analyzing the financial performance of leading 2W automobile industries in India, over a period of nineteen years (1991-92 to 2009-10). For this purpose, various accounting ratios and statistical tools like, multiple regression analysis and correlation analysis have been used. The study results reveal the strong profitability and liquidity position of the selected 2W automobile industries.*

### **Book Reviews**

#### **India's Financial Sector: An Era of Reforms**

Sage Publications India Pvt Ltd, New Delhi, 2009, xxxiii+237 pp, Rs 650.00

*Reviewed by Dr M Manickaraj*, Associate Professor, National Institute of Bank Management, Pune, India.

#### **Financial Shenanigans: How to Detect Accounting Gimmicks and in Financial Reports**

New Delhi, TATA McGraw Hill, 2010

*Reviewed by Prof Abhijeet Kelkar*, Assistant Professor, Vishwakarma Institute of Management, Pune, India.

### **Boonotes**