Global Depositary Receipts and Firm Performance: An Empirical Analysis of Pre-Post Issuance

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Abstract

This study examines the impact of Global Depositary Receipts (GDR) issuance on the financial performance of cross-listed Pakistani stocks. The study utilizes a balanced panel dataset of four cross-listed companies of the Pakistan Stock Exchange: namely Muslim Commercial Bank, Oil and Gas Development Corporation, United Bank Limited, and Lucky Cement, for the period of 2009 to 2016. The paper employed an event study methodology to explore the pre and post GDR issuance impact on price returns, liquidity, and risk. The findings reveal a significant impact of GDR issuance on the returns, liquidity and risk of sampled Pakistani cross-listed stocks in long term. To the best of our knowledge, this is the first study to examine the effects of GDRs in the context of Pakistani cross listed firms. Moreover, the study offers valuable insights for Pakistani firms, encouraging them to explore investors beyond the traditional geographic and legal boundaries using GDRs, as it provides long-term benefits to both investors and existing shareholders. Lastly, the study has limitation concerning its time-frame, industries and methodology. Future researchers may explore this area by performing in-depth quantitative analyses using data from additional industries.

Keywords: Global Depositary Receipts, Firm Performance, Stock, Liquidity, Risk

Introduction

Global depository receipts (GDRs) are financial instruments that represent ownership in the securities of a foreign company. They are issued by depository banks and allow investors to hold and trade shares of foreign companies on local stock exchanges. GDRs offers firms the opportunity to surpass their home country's geographical boundaries, tapping into a broader pool of investors than is locally available, providing access to wider range of investment opportunities (Hermann et al.,2015)

Past years have witnessed an increasing number of developing market countries choosing to raise capital from global financiers by means of depositary

receipts issues. GDR have become growingly popular as by issuing GDR companies can raise capital from a wider range of investors and potentially achieve a higher valuation than they would be able to achieve through domestic capital markets. This can be particularly useful for companies that are looking to expand internationally or that are seeking to diversify their investor base (Hommel et al.,2011). Further, companies seeking investor rights protection issue GDR in developed for greater scrutiny by prominent intermediaries, better enforcement, and tougher regulations market (Eskbo, 2010; Ghadhab & Hellarab, 2015). GDRs can provide a more efficient way for companies to raise capital compared to other methods, such as issuing new shares. This is because GDRs do not require the company to issue new shares, which can dilute the existing ownership of shareholders.

However, despite supporting evidence for this hypothesis, two critical issues remain unresolved. Merton (1987) suggested a permanent rise in the valuation of a cross listed firm. He argued that when securities are listed on multiple exchanges, it becomes easier for investors to trade them, which increases the liquidity of the securities, reduced bid-ask spread and lower transaction costs. This phenomenon can make the securities more attractive to investors and potentially lead to an increase in their value. However, fewer studies have demonstrated positive abnormal yields in the years, following cross-listing. Mittoo (2003) explored that cross-listed companies surpass the market by thirty to forty per cent in the year before listing, but over the three years following the listing; these companies underperform the market by thirteen to thirty per cent. This discrepancy may stem from a failure to control for variations in investor recognition over time and across firms. Secondly, there is insufficient research on the relationship between the impact of cross-listing and the hypothesis of investor recognition. Previous studies have examined these effects in isolation, leaving the question of whether they are distinct or intertwined unanswered (Bris et al.,2007). A comprehensive analysis of a representative sample of cross-listed companies over time could shed new light on these issues (Domowitz et al.,1996).

GDR Issuance in Pakistan

Surprisingly, despite the clear importance of GDRs in international markets, the Pakistani market has consistently failed to issue GDRs in the past decade, creating a significant research gap. As firms from developing markets are compelled to disclose more information, it is expected that cross-listed firms' share prices will move closer to their fundamental value. As a way for companies to access international capital markets and for investors to access a wider range of investment opportunities, GDRs were first introduced in Pakistan in the 1990s. Initially GDRs were issued by few large companies, however the use of GDRs over time has increased and now incorporates a wider range of companies in different industries.

In 2017, Pakistan's stock market saw the highest number of GDR issuances, with six companies raising a total of $1.2 billion through this instrument. GDR issuance in Pakistan has provided companies with an alternative way to access international capital markets (IBP, 2015). By issuing GDRs, companies can raise capital from a wider range of investors and potentially achieve a higher valuation than they would be able to achieve through domestic capital markets. This can be particularly useful for companies that are looking to expand internationally or that are seeking to diversify their investor base.

Table 1. Details of Issuance of GDD (amount in million US$; number in million)

	Issuance Date	Amount Raised	No. of Issuance		Conversion upto Oct 2007	
			GDR	Ordinary Shares*	GDR	Ordinary Shares*
MCB	Oct-06	150	8.6	34.5	4.6	18.5
OGDCL**	Dec-06	738	39.1	390.6	33	329.7
UBL	Jun-07	650	50.6	202.3	11.8	47.2

* against GDRs; *** GDR re-issuance totaled to 14.8 million till Oct 2007. Source: Local custodian banks

This trend has continued in subsequent years, with companies such as Pakistan Petroleum Limited and Habib Bank Limited successfully issuing GDRs to raise capital. However, one risk is the potential for currency exchange rate fluctuations, as GDRs are denominated in foreign currencies. This can expose investors to exchange rate risk, which can impact the value of their investment. In addition, GDRs may be subject to different regulatory and legal frameworks than domestic securities, which can add complexity and cost to the cross-listing process. Pakistan views a rebirth of GDR issues amid the year 2006, after a break of more than a decade. MCB, UBL (United Bank Limited), and OGDC (oil and Gas Development Corporation Limited have profitably launched GDRs as yet; adding up to a total sum of 1.5 billion US Dollars at the London Stock Exchange. Further, the GDRs of UBL, MCB, and OGDC possess a two-way option of convertibility. This facility provides international investors with the capability to turn their GDRs into domestic ordinary shares and retransform their ordinary stocks into GDRs, which would be dependent upon the headroom availability.

Assured by the favourable response of foreign investors towards global depository receipts of Pakistan, the government is preparing to issue other global depository receipts of leading public sector banks, that is; Habib Bank, National bank, in addition to Kot Addu Power which is a power generation corporation. State Bank of Pakistan has also issued comprehensive rules and instructions for DFIs (Development Finance Institutions) and banks to assure their stability and financially soundness while participating in the issuance of global depository receipts (Qureshi & Ahmed, 2012). Moreover, GDR issuance possesses both the favourable and unfavourable implications for the Pakistani stock market. On one side, the conversion of GDRs elevates the share market capitalization, but in contrast, the global listing has

implications for the companies' domestic share prices (Rizvi & Saba, 2017). In this regard, the primary aim of this study is to assess the implicit impact of GDR issuance on microstructure variables, specifically efficiency and volatility, within the Pakistani context. The research will investigate how cross-listing has affected Pakistani firms and the Pakistan Stock Exchange (PSX), analyzing both pre- and post-GDR issuance scenarios.

Literature Review

A research study by Lopes (2009) has discovered that while researchers have generated several explanations for the advantages of GDR issuance, there is little agreement on which impact dominates. The proof in the past literature proposes three fundamental drivers, among others: enhanced financier recognition related with an enlargement of the cross-listed company's shareholder base, an advancement in its information environment, better financier protection, and increased liquidity (Ghadhab & Hellarab, 2015; Lopes, 2009).In Pakistan, companies have chosen to issue GDRs as a way to raise capital and increase their visibility on international markets. The performance companies that have issued GDRs may be influenced by various factors, including the overall economic conditions in Pakistan and the specific industry in which the company operates. There have been a number of studies on the effects of GDR issuances on firms and capital markets.

GDR and Stock Price

Supporting market segmentation theory, Ammer (2008) investigated the share price performance of thirty-four foreign companies that list their shares on U.S. stock markets amid the time span of 1969 to 1982. It depicted a constant decline in Cumulative Abnormal return prior to the cross-listing information becoming public which proves a decline of expected yields of underlying shares subsequent to GDRs issuance. Another study by Espinoza and Kwon (2009) selected 95 foreign listed on U.S. share markets by the procedure of ADRs (American Depository Receipts) as samples. Factual outcomes depicted that the announcement of cross-listing causes a favorable abnormal return.

Also, research by Chukwunyere (2013), consisting of 53 Canadian shares, which are listed on the US stock markets over the time span of 1981 till 1990, reported substantial abnormal return amid the pre-listing term, and the abnormal return differs among distinct industry groups. Similarly, a research by Chang (2008) inspected the performance of one hundred and sixty-one foreign shares which were listed on the U.S. stock markets by the procedure of ADRs from 1976 to 1992. Weekly and daily data were employed in this research. It was observed that there was a 15 percent cumulative abnormal return amid the period of pre-listing, and the excess yield on the day of listing was 1 per cent, while there exists unfavorable abnormal yield amid the period of post listing, which was 12 percent approximately.

GDR Issuance and Risk

A study by Scott and Gelpern (1996) has discovered the effect of cross-listing upon the common stock risk on 68 US stocks listed in Japan and Europe from 1969 to 1984. It explored that if financial markets are disjointed and cross-listing is an effectual manner, to diminish the extent of market segmentation; risk must be varied among international market and domestic market post cross-listing, and the stock return

sensitivity to the movement of the home market would lessen, while the sensitivity of the foreign market will rise. The findings indicate a decrease in the aggregate standard deviation of yields and a minor upward movement in international market betas, aligning with the market segmentation hypothesis.

Another research by Zhang (2022) has explored the effect of cross-listing upon the risk element of underlying shares. The sample consists of 95 foreign firms which are registered on the US share markets by the procedure of American Depository Receipt (ADRs), for the period 1983 till 1988. The study observed a decline in domestic beta and a slight increase in foreign beta post cross-listing, further supporting the market segmentation theory. A similar study by Mouustafa (2013) on 56 Canadian firms, cross listed in US from the year 1976 to 1992. The outcomes demonstrated that the domestic beta declined from 1.23 to 1.11 subsequent to cross-listing (approx. 100 days after listing).

GDR issuance and Liquidity

A significant attraction of GDR issuance is the potential liquidity increase. If trading costs are lower in the international market, trading will shift from the domestic to the international market Few researchers have conducted a study upon fifty-six companies that are dual listed upon the share market of US during the time span of 1976 to 1992, demonstrated that there was a substantial rise of trading volume in the home market post cross-listing (Dodd, 2011). Similarly, Jiménez (2013) found significant evidence on cross-listing's potential to increase liquidity. The change in the volume of trading of 125 US companies that were registered upon Tokyo or London stock exchanges during the time span of 1983 to 1992, the researchers were able to find a substantial change in the stock liquidity post two hundred and fifty days of cross-listing.

The literature reveals that from the perspective of price impact, outcomes may differ from each other, due to distinct samples and distinct periods of time. Nevertheless, there is a general agreement that cross-listing is an effectual tool to lessen the extent of market segmentation and this is characterized by a reduction in anticipated yields and a rise in share price (Abdallah & Goergen, 2016). Considering the perspective of risk impact, a huge number of academic researchers assert that cross-listing is an effectual tool to lessen the extent of market segmentation and spread out the risk among foreign markets and domestic market (Chemmahr & Fulghieri, 2006). This should follow a decline in the volatility of share return and domestic market beta and a rise in foreign betas. While some researchers mention that cross-listing boosts the trading time and trading volume, so the share returns should be more varied. From the liquidity impact perspective, the researchers have arrived at an agreement that if the cost of trading between the foreign market and the domestic market is distinct, there will be a status of "winners take most". Financiers will assign more trading to the capital market with reduced costs, and it will head to the rise in liquidity in the capital market with reduced cost.

Foreign Listing and PSX

According to Rizvi and Saba (2017), as an outcome of the international integration, financial markets around the globe and those in emerging countries specifically have undergone wide-ranging changes in the form of knocking global equity markets to

obtain capital beyond domestic borders. GDRs have appeared as an excellent manner in emerging states to approach global equity markets. Nevertheless, the GDR issuance possesses both the favourable and unfavourable implications for the Pakistani stock market. On one side, the conversion of GDRs elevates the share market capitalization, but in contrast, the global listing has implications for the companies' domestic share prices (Rizvi & Saba, 2017).

To promote an increase in global cross-listings by the Pakistani firms, complementary and appropriate policies are required by the Pakistan Stock Exchange, policy makers, and listed firms. For Pakistani firms to pursue global cross-listings that are market-based, firms require to upgrade on corporate governance, adjust their accounting standards and formats of reporting with global standards, reduce information asymmetry, and increase their accumulated worth (Wing, 2012). A study by Nejati (2011) has added that initially, Pakistani policymakers are required to give appropriate consideration to taking essential measures to further unify Asian stock markets. This would facilitate an easy approach to the regional financial markets by companies, and not essentially think of cross-listing.

In brief, the literature on cross-listing highlights its multifaceted benefits, including improved firm valuation, reduced market segmentation, increased liquidity, and enhanced international visibility. These studies collectively reinforce the notion that cross-listing is a potent strategy for firms seeking to expand their investor base, improve market performance, and elevate their global stature. Based on the above discussion, the study has formulated the following hypotheses.

Hypotheses Development

The study has formulated the following hypotheses (for each firm) based on the theoretical and empirical literature

First Hypothesis

1. H_0: No difference in average returns of cross-listed firms pre and post GDR issuance.

Second Hypothesis

2. H_0: No difference in Risk of cross-listed firms pre and post GDR issuance.

Third Hypotheses

3. H_0: No difference in Liquidity of cross-listed firms pre and post GDR issuance.

Methodology

Sample and Data

The study has used a balanced panel dataset for the four cross-listed firms of PSX, namely, MCB Bank Limited, Oil and Gas Development Corporation, United Bank Limited. and Lucky Cement for the period of 2009 to 2016, to explore whether there is any change in average return when the cross-listing information becomes public and how does this information affects the value of the firms. The data is deliberately collected from past years to ensure the coverage of time period when a stock was cross listed using GDRs. Day closing price of every single stock on the international exchange and the day to day closing price of PSX index have been accumulated. A great part of data is gathered from Yahoo Finance. The information regarding actual day and date of cross-listing is gathered from the website of Pakistan stock exchange (PSX).

Variables Measurement

Average returns have been calculated of the underlying shares before and after the GDR to evaluate the impact of cross-listing. For this purpose, paired sample t-test is employed to find out the significance of average returns during the different time period. Similarly, F-Test has been conducted to check the significance of standard deviation/Risk of the underlying cross-listed companies. To explore the liquidity impact, paired sample t-test is used to find out the significance of average mean liquidity during the different time period.

Statistical Analysis

The study employed an event study methodology to comparing the value of the Pakistani firm's pre and post GDR issuance. Theoretically, event study assessment distinguishes between the returns that would have been anticipated if the assessed event would not have occurred (normal returns) and the kind of returns that were produced by the respective occurrence (abnormal returns). The distinct analytical abilities for evaluating abnormal returns vary with respect to the version utilized for forecasting the normal returns around the date of the event (Daniel & Sam, 2011).

It has been proposed by the finance theory that the prices of stock reflect all the accessible information and anticipations regarding the future likelihood of companies. Given this fundamental premise, the relevance of a specific event for a company's future likelihoods can be investigated by assessing its effect on the stock price of a company. Thus, Event study analysis is the numerical approach for making this analysis/assessment (Khan, 2011).

However, event study relies upon the presumption of an efficient market. This presumption is not valid in a lot of instances. The span of time needed for particular investors to react to the signals of the event is random and hence the consequence is that markets could demonstrate inefficiencies as all the accessible information is not fully or instantly reflected by the prices.

Conceptual Framework

The following conceptual framework (Figure 1) is being formulated on the basis of previous studies which details how the valuation of the firms is being impacted by the international cross-listing decision and how such a decisive lead towards the enhanced value of the firms and eventually the increased valuation of the country's stock exchange.
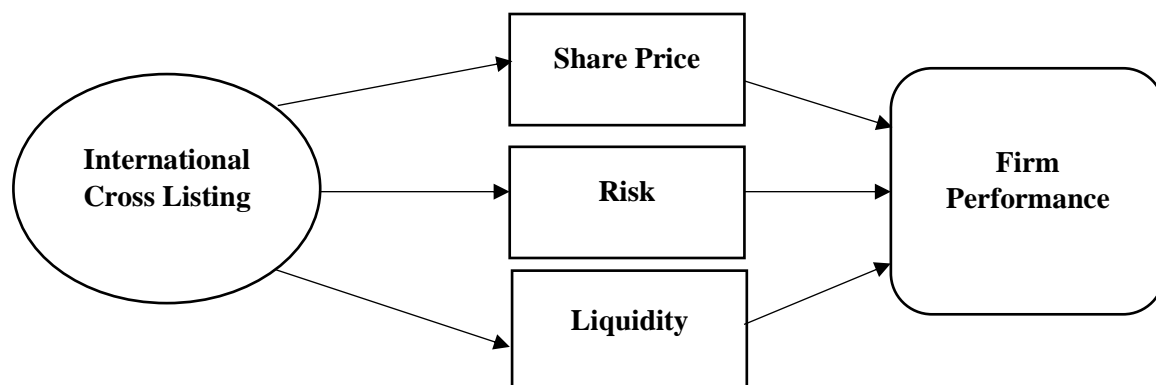

Figure 1. Conceptual Framework of GDR and Firm Performance.

Results and Discussion

According to the results obtained from the event study methodology, following results in connection to the hypotheses have been estimated:

The all effect of GDR on Returns of cross-listed firms

The descriptive statistics indicate that average return for all cross cross-listed firms differs before and after cross-listing.

Table 2: The overall effect of GDR on Returns of cross-listed firms

Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Pre_Returns	0.2285	1440	2.43835	0.06426
	Post_Returns	-0.107	1440	2.55812	0.06741

The descriptive statistics of all companies combine data indicates that average return for all cross-cross-listed firms differs before and after cross-listing as the mean difference is (0.33552 + 3.49). The average return for all firms = 3.6477, p<0.05, which indicates that change is statistically significant.

Table 3: Overall Paired Samples Test for returns

Paired Samples Test

	Paired Differences					T	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
				Lower	Upper			
Pair 1 — Pre_Returns - Post_Returns	0.33552	3.49137	0.09201	0.15504	0.516	3.647	1439	0.000

Thus, we Reject the Null Hypothesis that there exists no difference in average returns of Cross-Cross-listed Firms, before and after GDRs. The long-term average return of all companies indicates a significant change before and after implementing GDRs.

Table 4: Paired Samples Test for Returns

 Table 4: Paired Samples Test

	Paired Differences				T	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference			

					Lower	Upper			
Pair 1	MCB	Pre Post	0.24734	3.49926	0.18443	-0.1154	0.61003	1.341	359	0.181
Pair 2	OGDC	Pre Post	0.0073	2.80867	0.14803	-0.2838	0.29841	0.049	359	0.961
Pair 3	UBL	Pre Post	0.64208	3.4191	0.1802	0.2877	0.99647	3.563	359	0.000
Pair 4	LUCK	Pre Post	0.38477	4.08289	0.21519	-0.0384	0.80795	1.788	359	0.075

The mean difference in average returns for MCB is (0.24734 + 3.499). The average return of MCBT (359) = 1.341, p>0.05, which indicates that change is not statistically significant. Likewise, the means difference in OGDC is (0.00730 + 2.81) with an average return of OGDCT (359) = 0.049 with p>0.05, indicating a statistically insignificant result.

However, UBL with the returns = 3.563, p <0.05 and a difference in average returns of (0.64208 + 3.42), poses a significant result reposing a change in mean returns in long-run after the issuance of GDRs. Likewise, Lucky records a mean difference in average returns of (.38477 + 4.08) with average returns = 1.788 and p<0.1, signifying a change in mean returns after the issuance of GDRs.

Results of GDR for Risk for all cross-listed firms:
Table 5: Long-Term F-Test Two-Sample for Variances

F-Test Two-Sample for Variances

	Pre GDR	*Post GDR*
Mean	0.228513889	-0.107013889
Variance	5.945547894	6.543997887
Observations	1440	1440
df	1439	1439
F		0.908549788
P(F<=f) one-tail		0.034502699
F Critical one-tail		0.916906133

The long-term risk impact on all companies indicate a significant change before and after implementing GDR f (1439) = 0.908, p<0.05. The results are statistically

significant reposing a change in risk profile of all stocks after the issuance of GDRs. Thus, we Reject the Null Hypothesis that there exists NO difference in long-term risk effect on Cross-Cross-listed Firms, before and after GDRs introduction.

Firm wise comparison of GDR on Long-Term Risk of cross-listed firms

Table 6: Paired Samples Statistics Long-Term Risk

Long Term impact on Risk	MCB		OGDC		UBL		LUCK	
F-Test Two -Sample for variables	**Pre GDR**	**Post GDR**	**Pre GDR**	**Post GDR**	**Pre GDR**	**Post GDR**	**Pre GDR**	**Post GDR**
Mean	0.31	0.33	0.42	0.34	0.54	0.88	0.42	0.61
Variance	1.72	1.68	4.56	1.71	5.05	27.88	4.42	609.73
Observations	360	360	360	360	360	360	360	360
df	559	559	559	559	559	559	559	559
F-Test Two -Sample for variables	1.03		2.66		0.18		0.01	
P(F<=f) one tail	0.4		0.0		0.0		0.0	
F critical one tail	1.19		1.19		0.84		0.84	

The long term risk impact on MCB f (359) is 1.03, with $p<0.05$. It indicates a significant change in Post GDR issuance long term risk. Similarly, other stock such as OGDC f (359) 1.03, $p<0.05$; UBL f (359) =0.18, $p <0.05$ and Lucky f (359) = 0.01, $p<0.05$ indicates a significant change after implementing GDR. Hence, Firm wise comparison of GDR on Long-Term Risk of cross-listed firms signify a significant change after the issuance of DGRs.

Results of GDR for volume/liquidity for all cross-listed firms:

Table 7: Overall Paired Samples Statistics for Volume/Liquidity

Paired Samples Statistics		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	pre_vol	0.4226	1440	1.98331	0.05226
	post_vol	1.7927	1440	23.45326	0.61805

The descriptive statistics of all companies combine data indicates that volume/liquidity for all cross-cross-listed firms differs before and after cross-listing as the mean difference is (-1.37008 + 23.55). The long-term volume/liquidity of all companies indicates a statistically significant change before and after implementing GDR t (1439) = -2.207, $p<0.05$.

Table 8: Overall Paired Samples Test For Volume/Liquidity

		Paired Samples Test							
		Paired Differences							Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		T	df	
					Lower	Upper			
Pair 1	pre_vol - post_vol	-1.37	23.55566	0.62075	-2.58775	-0.15242	-2.20	1439	0.027

We Reject the Null Hypothesis that there exists NO difference in volume/liquidity of Cross-Cross-listed Firms, before and after GDRs and conclude that trading volume of all stock change significantly after the issuance of GDRs.

Table 9: Paired Samples Test Volume/Liquidity

		Paired Samples Test							
		Paired Differences							Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		t	df	
					Lower	Upper			
Pair 1	MCBv_Pre - MCBv_Post	-0.0048	1.8282	0.0963	-0.1943	0.1846	-0.05	359	0.96
Pair 2	OGDCv_Pre - OGDCv_Post	0.0932	2.5311	0.1334	-0.1691	0.3555	0.69	359	0.485
Pair 3	UBLv_Pre - UBLv_Post	-2.3994	39.8463	2.1001	-6.5294	1.7306	-1.14	359	0.254
Pair 4	LUCKv_Pre - LUCKv_Post	-3.1694	24.8655	1.3105	-5.7467	-0.5922	-2.42	359	0.016

The volume/liquidity of MCB t (359) = -.050, p>0.05; indicates a significant change in trading volumes after GDRs have been issued. Similarly, the volume/liquidity for Lucky t (359) = 1.788, p<0.05 indicates a significant change after implementing GDR. However, OGDC t (359) = .699 with p>0.05 and UBL t (359) = 3.563 with p >0.05 indicate an insignificant change in volume/liquidity in stocks post GDR issuance, leading to accept the null hypothesis.

Conclusion

Over the past years, an increasing number of developing market countries have been choosing to raise capital from global financiers through depository receipts issues. The descriptive statistics indicate that average return for all cross cross-listed firms differs before and after cross-listing. The average return of MCB and OGDC indicates the insignificant change. Whereas, the for UBL and Lucky indicates a significant change after implementing GDR. The descriptive statistics of all companies combine data indicates that average return for all cross-cross-listed firms differs before and after cross-listing, purporting a significant impact of GDR issuance of the stock returns.

However, volume or liquidity for all cross-cross-listed firms differ before and after cross-listing. The volume or liquidity of MCB, OGDC, UBL indicates an insignificant change. Whereas, for Lucky, results indicate a significant change after implementing GDR. The descriptive statistics of all companies combine data indicates that volume/liquidity for all cross-cross-listed firms differ before and after cross-listing, exhibiting a significant impact of GDR issuance of the stock returns.

The long-term impact of risk on MCB, OGDC, UBL and Lucky indicates a significant change after implementing GDR. Thus, we reject the null hypothesis that there exists NO difference in long-term risk effect on Cross-Cross-listed Firms, before and after GDRs. The long-term risk impact on all companies indicates a significant change before and after implementing GDR, confirming to the hypothesis.

We conclude that in average returns were higher both in pre-& post issuance of GDRs, while, Risk remains lower but increase post issuance of GDR. However, there is no difference in Liquidity Pre-& Post GDR issuance.

Study has the following recommendations to support and encourage global cross-listing for the advancement of Pakistan Stock Market through different strategies and policies. First, if an investor wants to create value for its investment, one should invest in the company shares in the long-term perspective. Second, to avoid risk an investor should hold it for the short-term perspective. Third, company visibility and recognition will be improved after GDRs. Hence, special attention must also be given towards exchange of best practices and experiences among the financial institutions. Fourth, the government should provide incentives to the company's and encourage them to enlist shares in the international market and raise fund from the foreign investors.

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