

## DETERMINANTS OF GOING-PRIVATE TRANSACTIONS: A REVIEW OF LITERATURE

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Several theoretical and empirical studies have drawn attention on the going public decision of private companies which are extensively contributed to developing a framework to understand why, when and how private companies issue their equity shares in the stock exchange through Initial Public Offering (IPO). In opposite, a significant number of companies have withdrawn their IPO decision and remove their publicly traded shares, either voluntarily or involuntarily through delisting the company from stock exchanges has become popular in the last decade. There are nine companies delisted from the Colombo Stock Exchange during the period from January to September 2019 for several reasons, including the firms being under liquidation. Among them, six companies are delisted in May 2019 alone. The delisting tends to overcome new listings during the period between 2014 and 2019. The increasing trend of IPO withdrawals and delistings are delivered negative signals about the company, market, and economy. The empirical studies on delisting decision are lack in the corporate finance literature, and recent researches focus on this issue which is frequently defined as Going-Private Transactions (GPT). The aim is to provide the most comprehensive synoptic understanding by addressing the determinants of voluntarily delisting and relationship. In order to achieve the research objective, the pervious findings on the determinants for voluntary delisting are summarized in a table form. This literature review reveals that free cash flow; level of competition and growth opportunities; leverage and financial risk; company size; company age; previous performance; corporate governance quality; external financial needs; liquidity are the determinants of voluntary delisting.

**Keywords:** *Delisting, IPO withdrawal, Going-Private, Going-Public, CSE.*