Abstract

Primary capital market provides the channel to corporate sectors to raise the required capital from the market. After the liberalization of economy Indian primary market has undergone rapid changes. Particularly the establishment of SEBI and abolition of Controller of Capital Issues have greatly improved the regulatory framework and efficiency of the market. But the post economic reform era witnessed with various scams which drastically affect the investor confidence and performance of the market. The revival of Indian primary market started from 2003-04. During 21 years study period SEBI introduced various rules, regulations and implement the recommendations of the various expert committee to bring the transparency of this market. During the period of 19 years from 1993-94 to 2011-12, a total of 5152 public issues mobilized Rs. 4,03,478 crore. This comprised of 4705 issues by new companies with an aggregate amount of Rs. 2,44,523 crore. Our analysis shows that the performance of primary securities market depends on the overall condition of the economy. It also depends on various other factors, such as performance of secondary market, resource mobilization from the international market etc. and the activity of primary equity market mainly depend on the depth of the financial market of the country.