

Primary market

4.36 Table 4.13 summarises the outcomes on the primary market in 2001-02, and in the first seven months of the year. Public offerings are classified into Initial Public Offerings (IPOs), where a company goes public for the first, Rights Issues, where a company sells additional shares to existing shareholders, and Seasoned Equity Offerings (SEOs), where a listed company sells shares to the public.

4.37 It shows that primary market activity in the first seven months of the year has been fairly subdued, compared with the low levels experienced in the previous year.

4.38 There is a substantial scale of securities issuance taking place through the private placement route. The private placement route has become a mechanism where securities can be placed with a few wholesale buyers of securities, without

Table 4.13 : Resources raised on the primary market			
(Rs. crore)			
	2001-02	April-January	
		2001-02	2002-03
IPOs	1202	1037	983
Rights	1041	952	318
SEOs	5300	3250	1450
Total	7543	5240	2751
<i>of which:</i>			
Debt	6270	4221	1464
Equity	1272	1019	1287
Source: SEBI			

incurring the overheads of the public issue. SEBI is working on devising clear institutional mechanisms through which some public disclosure is made about these issues, while preserving the rights of issuers to not use the public issue route if it is considered to involve excessive overhead costs.