

Primary market

4.3 The primary capital market has remained upbeat during 2006-07 so far. The aggregate resource mobilisation in the market, especially through Initial Public Offerings (IPOs) and private placements, was much higher in calendar year 2006 than during the previous year (Table 4.1).

4.4 Out of Rs. 161,769 crore mobilised in the primary capital market, Rs. 117,407 crore, or 72.5 per cent of the total resources mobilised, was raised through private placement. Seventy five IPOs raised Rs. 24,779 crore, which accounted for 76 per cent

Table 4.1 : Resource mobilisation through primary market

(Rs. crore)

Mode	Calendar year			
	2003	2004	2005	2006
1. Debt	5,284	2,383	66	389
2. Equity	2,891	33,475	30,325	32,672
Of which, IPOs	1,708	12,402	9,918	24,779
Number of IPOs	12	26	55	75
Mean IPO size	142	477	180	330
3. Private				
Placement	59,215 [^]	93,506	83,812	117,407
4. Euro Issues (ADR/GDR)	2,153	2,029	9,788	11,301
Total (1 to 4)	69,543	131,393	123,991	161,769
[^] For April 2003 to March 2004				
Source : SEBI and RBI (for Euro Issues)				

of resources raised through equity. The number of IPOs showed a steady rise to 75 during 2006; on an average, there were around 6 IPOs per month.

4.5 Net mobilisation of resources by mutual funds increased by more than four-fold to Rs. 104,950 crore in 2006 from Rs. 25,454 crore in 2005. The sharp rise in mobilisation by mutual funds was due to buoyant inflows under both income/debt oriented schemes and growth/equity oriented schemes. After suffering negative inflows in 2003 and 2004, inflows turned positive for public sector mutual funds in 2005 and accelerated in 2006. The share of UTI and other public sector mutual funds in the total amount mobilised was around 22.5 per cent in 2005 and 17.8 per cent in 2006 (Table 4.2).

Table 4.2 : Trends in resource mobilisation (Net) by mutual funds

(Rs. crore)

Sector	Calendar Year			
	2003	2004	2005	2006
1. UTI	762	-1,487	1,273	6,426
2. Public Sector	-1,331	-1,262	4,446	12,229
3. Private Sector	35,646	7,524	19,735	86,295
4. Total (1 to 3)	35,077	4,775	25,454	104,950
Source: SEBI				