

## **Scenario of the Primary Capital Market in India: Present State, Future Outlook and Suggested Policy Reforms**

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### ***Abstract***

*The paper has assessed the present state of the primary capital market in India, main reasons responsible for the continuing gloom and its likely future outlook. Some suggestions have been made for its long term growth and development which revolve around policies of Securities and Exchange Board of India (SEBI) relating to free pricing (resulting into greedy overpricing of equity issuances), incomprehensive grading of initial public offerings (IPOs), institutional placement programme, offer for sale (stock exchange auction system) and malpractices of the government. What emerges clearly is the need on the part of SEBI to introspect and carry out with determination an unbiased review of its IPO market policies and suitably reform them to promote the primary capital market and ensure sustained interest, faith and confidence of the investors. The government also needs to exercise self control on its unfair trade practices in the primary capital market and keep the public interest as supreme.*

**Key Words:** Free Pricing, IPO Grading, Primary Market, Public Issues.

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