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Rs.30354 CRORE RAISED THRU DEBT PRIVATE PLACEMENTS UPTO Q3 : PRIME

The recently concluded 9-month period of the current fiscal (April – December) witnessed **155 institutions and corporates mobilising an amount of Rs.30354 crore through debt private placement.** This has been reported by **PRIME** which operates the country's premier and only data base on debt private placements. **In line with the international practice, PRIME now takes cognisance of only such debt placements which have a tenor and put/ call option of more than 1 year.**

On a comparable basis, the 9-month mobilisation of Rs.30354 crore, according to PRIME, was lower by 20 per cent then Rs. 38118 crore raised by 162 issuers in the corresponding period of the previous year. Incidentally, the previous full fiscal had seen a mobilisation of Rs.52456 crore.

Contributing to this decline, as per Mr.Haldea, were the all-India financial institutions/ banks whose mobilisation dropped from Rs.16976 crore in the 9-month period of the previous year to Rs.11612 crore. Leading the pack of mobilisers this year was ICICI (Rs.3012 crore), followed by IDBI (1182), REC (927) and HUDCO (738).

Significantly, according to PRIME the mobilisation by state level undertakings too nosedived, by a huge 40 per cent from Rs.8607 crore to Rs.5213 crore in the relevant periods. This has been partly a result of the new RBI guidelines to banks on investments in state paper. It may be mentioned that most of the funds raised by SLUs have been for the infrastructure sector, mainly power, roads and water resources.

On the other hand, Mr.Haldea stated that the period witnessed a continuing increase in the mobilisation by the private sector. In the first 9 months of 2000-01, the corporates had raised Rs.6398 crore. In the current year, the raising by the private sector recorded a 10 per cent gain to reach Rs.7052 crore. The biggest mobilisers were Reliance Petroleum (Rs.1061 crore), GE Capital (736), TISCO (400), Grasim (330), Tata Power (300) and Gujarat Ambuja Cements (300). **The increasing mobilisation by the private sector can be partly explained by the near-demise of the IPO route.**

The raisings by PSUs too saw a 15 per cent improvement, as per PRIME report. While the first 9-months of the previous year had seen a mobilisation of Rs.4812 crore, an amount of Rs.5532 crore was raised in the current period. The major mobilisers were Power Grid (1022), SAIL (700), NTPC (575) and BHEL (500).

According to PRIME, Government organisations and financial institutions/ banks put together witnessed a near-total domination, with their share falling only marginally from 79 per cent in the first 9-months of the previous year to 77 per cent in the recent 9-month period. Among government organisations, all-India financial institutions/ banks led with a 38 per cent share (Rs.11612 crore) followed with an 18 per cent share by public sector undertakings (Rs.5532 crore), a 17 per cent share by state level undertakings (Rs.5213 crore) and a 3 per cent share by state financial institutions (Rs.944 crore).

Issuer Type	No.of Issuers	Amount (Rs.crore)	%
All-India Fin.Inst.& Banks	31	11612	38
State Fin.Inst.	5	944	3
Public Sector Undertakings	15	5532	18
State Level Undertakings	33	5213	17
Private Sector	71	7052	23
	155	30354	100

Significantly, a total of Rs.15956 crore (or 53 per cent) was raised by AAA rated paper as per PRIME. On the other hand, Rs.3716 crore of paper was not rated at all, though most of this was backed by state-level guarantees.

According to PRIME, on an industry-wise basis, the financial services sector including banking and term lending, continued to dominate the market, collectively raising Rs.13953 crore or 46 per cent of the total amount. Power ranked second with a 16 per cent share (Rs.4860 crore), followed by petroleum (1917) and water resources (1774).

Maharashtra-based organisations (by registered office location) led the resource mobilisation activity at Rs.13001 crore (or 43 per cent of the total), followed by Delhi at Rs.8279 crore and Karnataka at Rs.2148 crore.