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Rs.21202 CRORE RAISED THRU DEBT PRIVATE PLACEMENTS IN FIRST 6 MONTHS : PRIME

The first six-month period of the current fiscal witnessed a mobilisation through debt (bonds) on private placement basis of Rs.21202 crore, mobilised by 69 institutions and corporates. This has been reported by Mr. Prithvi Haldea of PRIME which operates the country's premier and only database on debt private placements. Only such deals which have a tenor and put/ call option of more than 1 year are reflected in this database.

On a period-on-period basis, the April-September period's raising of Rs.21202 crore, according to PRIME, meant a decline of 15 per cent over Rs.25025 crore mobilised in the corresponding period of the previous year. It may be mentioned that full 2001-02, 2002-03 and 2003-04 had witnessed mobilisation of Rs.45427 crore, Rs.48424 crore and Rs.48428 crore respectively.

According to PRIME, compared to the same period in the previous year, the key sector that witnessed a decline in mobilisation was the all-India financial institutions/ banks, down by 28 per cent from Rs.14116 crore to Rs.10176 crore. Leading the pack of mobilisers in this sector was IDBI (Rs.3493 crore), followed by HDFC (1650) and NABARD (1000).

The biggest fall, as per PRIME, came in the raisings by PSUs at 49 percent. While the previous year's corresponding period had seen a mobilisation of Rs.2618 crore, only Rs.1354 crore was raised in the current period. Major mobiliser was Konkan Railway (Rs.588 crore).

An increase in mobilisation came in all other sectors as per PRIME Database. State level undertakings recorded a 21 per cent increase to Rs.2453 crore compared to Rs.2032 crore in the corresponding period of the previous year. Most of the funds raised by SLUs continued to be for the infrastructure sector, mainly power, roads and water resources. The leader in this category was APPGC (Rs.590 crore) followed by SSNNL (550).

An increase was also recorded, according to PRIME, in the mobilisation by the private sector. The share of this sector at Rs.7144 crore was 55 per cent higher compared to Rs.4613 crore in the same period in the previous year. Significantly, most of the private sector debt was of AAA category and was from financial companies. Leading the mobilisers in this sector was Tata Teleservices (970) followed by Citifinancial (900), Tata Power (600) and M&M Financial (525).

Government organisations and financial institutions, put together, witnessed a fall in their domination, mobilising only 66 per cent of the total amount, down from 82 per cent in the previous year's corresponding period. Among government organisations, all-India financial institutions/ banks led with a 48 per cent share, followed by a 12 per cent share by SLUs, a 6 per cent share by PSUs and a 1 per cent share by SFCs.

Issuer Type	No. of Issuers	Amount (Rs.crore)	%
All-India Fin.Inst.& Banks	18	10176	48
State Fin.Inst.	3	74	1
Public Sector Undertakings	5	1354	6
State Level Undertakings	10	2453	12
Private Sector	33	7144	34
	69	21202	100

The highest mobilisation through debt private placements during the period was by IDBI (Rs.3493 crore), followed by HDFC (1650), NABARD (1000), Tata Teleservices (970), Citifinancial (900) and REC (733).

On an industry-wise basis, the Financial Services sector continued to dominate the market, collectively raising Rs.13077 crore or 61 per cent of the total amount. Power ranked second with a 14 per cent share (Rs.3018 crore), followed by Telecommunications (1208).

According to PRIME, in addition to the above one-year tenor mobilisation of Rs. 21202 crore, a significant additional amount of Rs.5316 crore was raised through 149 deals of less than 1 year tenor debentures by 37 issuers. Moreover, an amount of Rs. 21202 crore in 43 deals was raised through pass-through certificates (securitised paper).