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Rs. 55184 CRORE RAISED THRU DEBT PRIVATE PLACEMENTS IN FISCAL 2004-05 : PRIME

The recently – concluded fiscal 2004-05 witnessed a mobilisation through debt (bonds) on private placement basis of Rs.55184 crore, mobilised by 114 institutions and corporates. This has been reported by **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 year's raising of Rs.55184 crore meant an increase of 14 per cent over Rs.48428 crore mobilised in 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 previous year, the key sector that witnessed an increase in mobilisation was the private sector. The share of this sector at Rs.10191 crore was 58 per cent higher compared to Rs.6466 crore in the previous year. Leading the mobilisers in this sector was Citifinancial (Rs. 1905 crore) followed by Tata Teleservices (999) and Jaiprakash Associates (930).

A major increase was also recorded, according to PRIME, in the mobilisation by the all-India financial institutions/ banks, up by 29 per cent from Rs.25309 crore to Rs.32652 crore. Leading the pack of mobilisers in this sector was REC (Rs. 5160 crore), followed by HDFC (5050) and NABARD (4346).

The increase, as per PRIME, also came in the raisings by PSUs by 10 percent. While the previous year had seen a mobilisation of Rs.5881 crore, Rs.6441 crore was raised in the current period. Major mobiliser was Food Corp. of India (Rs. 4024 crore),

A major fall in mobilisation came in State level undertakings which recorded a 46 per cent fall to Rs.3519 crore compared to Rs.6564 crore in the previous year. The leader in this category was HPIDB (Rs. 657 crore), followed by APPGCL(590). State financial institutions also recorded a fall, down from Rs. 4208 crore to Rs. 2381 crore, representing a 43 per cent decline.

Government organisations and financial institutions, put together, witnessed a minor fall, mobilising 82 per cent of the total amount, down from 86 per cent in the previous year. Among government organisations, all-India financial institutions/ banks led with a 59 per cent share, followed by a 12 per cent share by PSUs, a 6 per cent share by SLUs, and a 4 per cent share by SFCs.

Issuer Type	No.of Issuers	Amount (Rs.crore)	%
All-India Fin.Inst.& Banks	43	32652	59
State Fin.Inst.	7	2381	4
Public Sector Undertakings	7	6441	12
State Level Undertakings	14	3519	6
Private Sector	43	10191	18
	114	55184	100

The highest mobilisation through debt private placements during the period was by REC (Rs.5160 crore), followed by HDFC (5050), NABARD (4346), FCI (4023), IDBI (3254) and NHB (2058).

On an industry-wise basis, the Financial Services sector continued to dominate the market, raising Rs.35547 crore or 76 per cent of the total amount. Power ranked second with a 16 per cent share (Rs.8725 crore), followed by Food (4024).

According to PRIME, in addition to the above one-year tenor mobilisation of Rs. 55184 crore, a significant additional amount of Rs.11517 crore was raised through 323 deals of less than 1 year tenor bonds by 50 issuers. Moreover, an amount of Rs. 16882 crore in 77 deals was raised through pass-through certificates (securitised paper).