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Rs.11979 CRORE RAISED THRU DEBT PRIVATE PLACEMENTS IN 1ST QUARTER : PRIME

The first quarter of the current fiscal witnessed a mobilisation through debt (bonds) on private placement basis of Rs.11979 crore, mobilised by 34 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 April-June period's raising of Rs.11979 crore according to Mr.Prithvi Haldea of PRIME, meant an increase of 23 per cent over Rs.9710 crore mobilised in the corresponding period of the previous year. It may be mentioned that full 2001-02, 2002-03, 2003-04 and 2004-05 had witnessed mobilisation of Rs.45427 crore, Rs.48424 crore, Rs.48428 crore and Rs.55184 crore respectively.

According to PRIME, compared to the same period in the previous year, the sector that witnessed a major decline in mobilisation was the state level undertakings, down by 82 per cent from Rs.1248 crore to Rs.220 crore. Leading the pack of mobilisers in this category was RRVPNL (Rs.120 crore), followed by KWSPFT (100).

A decline in mobilisation was also recorded, according to PRIME, in the private sector, down by 4 per cent from Rs.2837 crore to Rs.2721 crore. Leading the pack of mobilisers in this category was Mahindra & Mahindra Financial (Rs.520 crore), followed by Citicorp Finance (450).

An increase, as per PRIME, in mobilisation came in all other sectors. All-Indian financial institutions/banks recorded a 33 per cent increase to Rs.6810 crore compared to Rs.5132 crore in the corresponding period of the previous year. The leader in this category was HDFC (Rs.1625 crore) followed by REC (986).

An increase was also recorded in the mobilisation by the state financial institutions. The share of this sector at Rs.75 crore was 17 per cent higher compared to Rs.64 crore in the same period in the previous year. Leading the mobilisers in this sector was WBFC (Rs.50 crore) followed by Gruh Finance (25).

According to PRIME, the biggest increase came in the raisings by PSUs at 400 percent. While the previous year's corresponding period had seen a mobilisation of Rs.428 crore, Rs.2153 crore was raised in the current period. Major mobiliser was IOCL (Rs.1000 crore).

Government organisations and financial institutions, put together, witnessed an increase in their domination, mobilising 78 per cent of the total amount, up from 71 per cent in the previous year's corresponding period. Among government organisations, all-India financial institutions/ banks led with a 57 per cent share, followed by a 18 per cent share by PSUs, a 2 per cent share by SLUs and a 1 per cent share by SFCs.

Issuer Type	No.of Issuers	Amount (Rs.crore)	%
All-India Fin.Inst.& Banks	11	6810	57
State Fin.Inst.	2	75	1
Public Sector Undertakings	3	2153	18
State Level Undertakings	2	220	2
Private Sector	16	2721	23
	34	11979	100

The highest mobilisation through debt private placements during the period was by HDFC (Rs.1625 crore), followed by IOCL (1000), REC (986), FCI (977), NHB (850) and IDBI (805).

On an industry-wise basis, the Financial Services sector, according to PRIME, continued to dominate the market, collectively raising Rs.8727 crore or 73 per cent of the total amount. Oil Exploration/Drilling/Refining and Food & Food processing ranked second with an 8 per cent share each (Rs.1000 crore and Rs.977 crore respectively), followed by Power (420).

According to PRIME, In addition to the above one-year tenor mobilisation of Rs. 11979 crore, a significant additional amount of Rs.2994 crore was raised through 88 deals of less than 1 year tenor debentures by 19 issuers.

Moreover, during the first quarter an amount of Rs. 2160 crore in 11 deals was raised through pass-through certificates (securitised paper).