

8<sup>th</sup> November, 2005

## **Rs.29,630 CRORE RAISED THRU DEBT PRIVATE PLACEMENTS IN 1<sup>ST</sup> HALF OF CURRENT FISCAL : PRIME**

**The first half of the current fiscal witnessed a mobilisation through debt (bonds) on private placement basis of Rs.29,630 crore, mobilised by 68 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-September period's raising of Rs.29,630 crore according to Mr.Prithvi Haldea of PRIME, meant an increase of 36 per cent over Rs.21,773 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.45,427 crore, Rs.48,424 crore, Rs.48,428 crore and Rs.55,184 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 73 per cent from Rs.2,388 crore to Rs.648 crore.** Leading the pack of mobilisers in this category was HPIDB (Rs. 428 crore), followed by RRVPNL (120).

**A decline in mobilisation was also recorded, according to PRIME, in the private sector, down by 28 per cent from Rs.7,468 crore to Rs.5,344 crore.** Leading the pack of mobilisers in this category was Citicorp Finance (Rs. 1,000 crore), followed by Mahindra & Mahindra Financial (570).

**An increase, as per PRIME, in mobilisation came in all other sectors. All-Indian financial institutions/banks recorded a 77 per cent increase to Rs.18,507 crore compared to Rs.10,448 crore in the corresponding period of the previous year.** The leader in this category was HDFC (Rs.2,175 crore) followed by IDBI (1,754).

**An increase was also recorded in the mobilisation by the state financial institutions. The share of this sector at Rs.188 crore was 65 per cent higher compared to Rs. 114 crore in the same period in the previous year.** Leading the mobilisers in this sector was Gruh Finance (Rs.75 crore) followed by WBFC (70).

**According to PRIME, the biggest increase came in the raisings by PSUs at 265 percent. While the previous year's corresponding period had seen a mobilisation of Rs.1,354 crore, Rs.4,943 crore was raised in the current period.** Major mobiliser was IOC (Rs.2,225 crore) followed by PGCIL (1,000).

**Government organisations and financial institutions, put together, witnessed an increase in their domination, mobilising 82 per cent of the total amount, up from 66 per cent in the previous year's corresponding period.** Among government organisations, all-India financial institutions/ banks led with a 62 per cent share, followed by a 17 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	28	18,507	62
State Fin.Inst.	3	188	1
Public Sector Undertakings	6	4,943	17
State Level Undertakings	3	648	2
Private Sector	28	5,344	18
	<u>68</u>	<u>29,630</u>	<u>100</u>

The highest mobilisation through debt private placements during the period was by IOC (Rs.2,225 crore), followed by HDFC (2,175), IDBI (1,754), GPICL (1,309), EXIM-BANK (1,185) and NABARD (1,075).

**On an industry-wise basis, the Financial Services sector, according to PRIME, continued to dominate the market, collectively raising Rs.20,309 crore or 68 per cent of the total amount.** Power ranked second with an 9 per cent (Rs.2,751 crore) followed by Oil Exploration/Drilling/Refining (Rs.2,225 crore).

**According to PRIME, in addition to the above one-year tenor mobilisation of Rs. 29,630 crore, a significant additional amount of Rs.5,507 crore was raised through 175 deals of less than 1 year tenor debentures by 24 issuers.**

**Moreover, during the first half, an amount of Rs. 4,653 crore in 28 deals was raised through pass-through certificates (securitised paper).**