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Rs.47,599 CRORE RAISED THRU DEBT PRIVATE PLACEMENTS IN NINE MONTHS OF CURRENT FISCAL : PRIME

The first nine months of the current fiscal witnessed a mobilisation through debt (bonds) on private placement basis of Rs.47,599 crore, mobilised by 78 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-December period's raising of Rs.47,599 crore according to Mr.Prithvi Haldea of PRIME, meant an increase of 42 per cent over Rs.33,553 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, an increase in mobilisation came from all-India financial institutions/banks which recorded a 56 per cent increase to Rs.31,536 crore compared to Rs.20,196 crore in the corresponding period of the previous year. The leader in this category was HDFC (Rs.4,325 crore) followed by IDBI (3,446).

The biggest increase, according to PRIME, came in the raisings by PSUs at 474 percent. While the previous year's corresponding period had seen a mobilisation of Rs.1,489 crore, Rs.8,548 crore was raised in the current period. Major mobiliser was FCI (Rs.4,581 crore) followed by IOC (2,225).

Compared to the same period in previous year, the sector that witnessed a major decline in mobilization was the state financial institutions, down by 64 per cent from Rs.658 crore to Rs.237 crore, according to PRIME. Leading the mobilisers in this sector was WBFC (Rs.85 crore) followed by Gruh Finance (75).

As per PRIME, a decline in mobilisation was also recorded in state level undertakings, down by 63 per cent from Rs.2,588 crore to Rs.948 crore. Leading the pack of mobilisers in this category was HPIDB (Rs. 428 crore), followed by KSIIDC (150) and PSIDC (150).

A decline in mobilisation was also recorded in the private sector, down by 27 per cent from Rs.8,621 crore to Rs.6,330 crore. Leading the pack of mobilisers in this category was Citicorp Finance (Rs. 1,200 crore), followed by Mahindra & Mahindra Financial (905).

Government organisations and financial institutions, put together, witnessed an increase in their domination, mobilising 86 per cent of the total amount, up from 74 per cent in the previous year's corresponding period. Among government organisations, all-India financial institutions/ banks led with a 66 per cent share, followed by a 18 per cent share by PSUs, a 2 per cent share by SLUs and a 0 per cent share by SFCs.

Issuer Type	No.of Issuers	Amount (Rs.crore)	%
All-India Fin.Inst.& Banks	33	31,536	66
State Fin.Inst.	5	237	0
Public Sector Undertakings	6	8,548	18
State Level Undertakings	5	948	2
Private Sector	29	6,330	13
	78	47,599	100

The highest mobilisation through debt private placements during the period was by FCI (Rs.4,581 crore), followed by HDFC (4,325), IDBI (3,446), SBI (3,283), PFC (2,542) and IOC (2,225).

On an industry-wise basis, the Financial Services sector, according to PRIME, continued to dominate the market, collectively raising Rs.34,330 crore or 72 per cent of the total amount. Food ranked second with an 10 per cent (Rs.4,581 crore) followed by Power with 6 per cent (Rs.2,752 crore).

According to PRIME, in addition to the above one-year tenor mobilisation of Rs. 47,599 crore, a significant additional amount of Rs.9,695 crore was raised through 348 deals of less than 1 year tenor debentures by 42 issuers.

Moreover, during the first half, an amount of Rs. 5,201 crore in 38 deals was raised through pass-through certificates (securitised paper).