

28th August, 2006

Rs.17,754 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.17,754 crore, mobilised by a handful of 33 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.17,754 crore according to Mr.Prithvi Haldea of PRIME, meant an increase of 9 per cent over Rs.16,221 crore mobilised in the corresponding period of the previous year. It may be mentioned that full 2001-02, 2002-03, 2003-04, 2004-05 and 2005-06 had witnessed mobilisation of Rs.45427 crore, Rs.48424 crore, Rs.48428 crore, Rs.55409 crore and Rs.81296 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 public sector undertakings, down by 100 per cent from Rs.2153 crore to Rs.0 crore.

A decline in mobilisation was also recorded, according to PRIME, in the state level undertakings, down by 77 per cent from Rs.220 crore to Rs.50 crore. Leading the pack of mobiliser in this category was KSIIDC (Rs.50 crore).

A decline in mobilisation was also recorded in the private sector, down by 12 per cent from Rs.2805 crore to Rs.2468 crore. Leading the pack of mobilisers in this category was Citifinancial (Rs.780 crore), followed by Sundaram Finance (470).

An increase, as per PRIME, in mobilisation came in all other sectors. All-Indian financial institutions/banks recorded a 38 per cent increase to Rs.15118 crore compared to Rs.10969 crore in the corresponding period of the previous year. The leader in this category was NABARD (Rs.4261 crore) followed by SBI (2328).

According to PRIME, the biggest increase in per centage terms came in the raisings by state financial institutions at 56 percent. While the previous year's corresponding period had seen a mobilisation of Rs.75 crore, Rs.117 crore was raised in the current period. Major mobiliser was WBFC (Rs.30 crore) followed by HPFC (20).

Government organisations and financial institutions, put together, witnessed an increase in their domination, mobilising 86 per cent of the total amount, up from 82 per cent in the previous year's corresponding period. Among government organisations, all-India financial institutions/ banks led with a 85 per cent share, followed by a 1 per cent share by SFCs, a 0 per cent share by SLUs and a 0 per cent share by PSUs.

Issuer Type	No.of Issuers	Amount (Rs.crore)	%
All-India Fin.Inst.& Banks	17	15118	85
State Fin.Inst.	3	117	1
Public Sector Undertakings	0	9	0
State Level Undertakings	1	50	0
Private Sector	12	2468	14
	<u>33</u>	<u>17754</u>	<u>100</u>

The highest mobilisation through debt private placements during the period was by NABARD (Rs.4261 crore), followed by SBI (2328), ICICI Bank (2327), PNB (885), IRFC (810) and Citifinancial (780).

On an industry-wise basis, the Financial Services sector, according to PRIME, continued to dominate the market, collectively raising Rs.17654 crore or 100 per cent of the total amount. Industrial Development Corp. ranked second with an 0 per cent share (Rs.50 crore).

According to PRIME, in addition to the above one-year tenor mobilisation of Rs. 17754 crore, a significant additional amount of Rs.4130 crore was raised through 145 deals of less than 1 year tenor debentures by 34 issuers.

Moreover, during the first quarter an amount of Rs. 1223 crore in 4 deals was raised through pass-through certificates (securitised paper).