

16<sup>th</sup> August, 2007

## **Rs. 23,252 CRORE RAISED THRU DEBT PRIVATE PLACEMENTS IN THREE-MONTH PERIOD OF CURRENT FISCAL : PRIME**

The first three months of the current fiscal witnessed a mobilisation through debt (bonds) on private placement basis of Rs. 23,252 crore, though mobilised by a handful of only 36 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. 23,252 crore, according to Mr.Prithvi Haldea of PRIME, meant an increase of 23 per cent over Rs. 18,851 crore mobilised in the corresponding period of the previous year. It may be mentioned that full 2001-02, 2002-03, 2003-04, 2004-05, 2005-06 and 2006-07 had witnessed mobilisation of Rs.45,427 crore, Rs.48,424 crore, Rs.48,428 crore, Rs.55,409 crore, Rs.81,846 crore and Rs.92,355 crore respectively.

As per PRIME, all-India financial institutions/banks recorded a 15 per cent increase to Rs. 18,639 crore compared to Rs. 16,241 crore in the corresponding period of the previous year.

The other sector which witnessed a significant growth was the private sector, whose mobilisation went up by 85 per cent from Rs.2,483 crore to Rs.4,598 crore.

On the other hand, according to PRIME, a major fall in mobilisation came from state level undertakings, down by 100 per cent to Rs.0 crore compared to Rs.50 crore in the corresponding period of the previous year. State financial institutions also recorded a fall, down from Rs. 77 crore to Rs. 15 crore, representing a 81 per cent decline.

Government organisations and financial institutions, put together, witnessed an decrease in their domination, mobilising 80 per cent of the total amount, down from 86 per cent in the previous year's corresponding period. Among government organisations, all-India financial institutions/ banks led with a 80 per cent share, followed by a 0 per cent share by PSUs, a 0 per cent share by SFCs and a 0 per cent share by SLUs.

The highest mobilisation through debt private placements during the period was by NABARD (Rs. 5,370 crore), followed by HDFC (2,600), SBI (2,523), PFC (1,320), IRFC (1,190), Citifinancial ( 1,095) and PGCIL (1,065).

On an industry-wise basis, the Financial Services sector, according to PRIME, continued to dominate the market, collectively raising Rs. 21,962 crore or 95 per cent of the total amount. Power ranked second with an 5 per cent share (Rs. 1,065 crore).

**According to PRIME, in addition to the above one-year tenor mobilisation of Rs. 23,252 crore, a significant additional amount of Rs. 9,113 crore was raised through 202 deals of less than 1 year tenor debentures by 24 issuers.**

**Moreover, during the this period, an amount of Rs. 2,317 crore in 17 deals was raised through pass-through certificates (securitised paper).**