

2<sup>nd</sup> September, 2008

**ONLY Rs.19,235 CRORE RAISED THRU DEBT PRIVATE PLACEMENTS IN FIRST QUARTER OF CURRENT FISCAL : PRIME**

The first quarter of the current fiscal witnessed a mobilisation through debt (bonds) on private placement basis of Rs. 19,235 crore, though mobilised by a handful of only 40 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.19,235 crore, according to Mr.Prithvi Haldea of PRIME, meant a decrease of 23 per cent over Rs. 24,964 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, 2006-07 and 2007-08 had witnessed mobilisation of Rs.45,427 crore, Rs.48,424 crore, Rs.48,428 crore, Rs.55,409 crore, Rs.81,846 crore, Rs.93,855 crore and 1,15,206 respectively.

As per PRIME, all-India financial institutions/banks recorded a 51 per cent decrease to Rs. 9,944 crore compared to Rs. 20,119 crore in the corresponding period of the previous year. A fall in mobilisation also came from state financial institutions, down to Rs.0 crore compared to Rs.12 crore in the corresponding period of the previous year. Public sector undertakings mobilization remained nil as compared to the corresponding period of the previous year.

On the other hand, according to PRIME, the sector which witnessed a significant growth was the private sector, whose mobilisation went up by 81 per cent from Rs.4,833 crore to Rs.8,791 crore while state level undertakings mobilisation went up from Rs.0.00 crore to Rs.500 crore.

Government organisations and financial institutions, put together, witnessed an decrease in their domination, mobilising 54 per cent of the total amount, down from 81 per cent in the previous year's corresponding period. Among government organisations, all-India financial institutions/ banks led with a 52 per cent share, followed by a 0 per cent share by PSUs, a 0 per cent share by SFCs and a 3 per cent share by SLUs.

The highest mobilisation through debt private placements during the period was by PFC (Rs. 2,202 crore), followed by Tata Steel (2,000), IDFC (1,670), NABARD (1,319), Tata Power (1,000), and Tata Sons (1,000).

On an industry-wise basis, the Financial Services sector, according to PRIME, continued to dominate the market, collectively raising Rs. 13,172 crore or 68 per cent of the total amount. Steel Tubes/Pipes/Wires ranked second with an 10 per cent share (Rs. 2,000 crore).

**According to PRIME, in addition to the above one-year tenor mobilisation of Rs. 19,235 crore, a significant additional amount of Rs. 22,372 crore was raised through 299 deals of less than 1 year tenor debentures by 48 issuers.**

**Moreover, during the this period, an amount of Rs. 1,953 crore in 14 deals was raised through pass-through certificates (securitised paper).**