

14th September, 2009

Rs.40,300 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.40,300 crore, mobilised by a handful of 67 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. 40,300 crore meant a huge increase of 42 per cent over Rs. 28,385 crore mobilised in the corresponding period of the previous year, according to Mr.Prithvi Haldea of PRIME which operates the country's premier and only database on debt private placements. It may be mentioned that full 2001-02, 2002-03, 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 and 2008-09 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, Rs.1,15,423 crore and Rs.1,74,327 crore respectively.

According to PRIME, the biggest mobilization came from all-India financial institutions/banks who also recorded a 35 per cent increase to Rs. 21,002 crore compared to Rs. 15,535 crore in the corresponding period of the previous year.

According to Mr.Haldea, the sector which witnessed the most significant growth was the private sector whose mobilisation went up by 50 per cent from Rs.11,184 crore to Rs. 16,753 crore. Moreover, mobilization by public sector undertaking went up by 48 per cent from Rs.1,552 crore to Rs.2,300 crore, state level undertakings mobilization went up by 114 per cent from Rs.113 crore to Rs.242 crore while state financial institutions went up from 0 to Rs.3 crore.

Government organisations and financial institutions, put together, witnessed a decrease in their domination, mobilising 58 per cent of the total amount, down from 61 per cent in the previous year's corresponding period, as per PRIME. Among government organisations, all-India financial institutions/ banks led with a 52 per cent share, followed by a 6 per cent share by PSUs, a 1 per cent share by SLUs and a 0 per cent share by SFCs.

The highest mobilisation through debt private placements during the period was by Tata Motors (Rs. 4,200 crore), followed by HDFC (2,500), IRFC (2,311), Tata Steel (2,151), and Axis Bank (2,000).

On an industry-wise basis, the Financial Services sector, according to PRIME, continued to dominate the market, collectively raising Rs. 24,922 crore or 62 per cent of the total amount. Automobiles ranked second with an 10 per cent share (Rs. 4,200 crore).