

9th September, 2010

Rs.56,169 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.56,169 crore. This was mobilised by a handful of 79 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. 56,169 crore meant a significant increase of 31 per cent over Rs. 42,715 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, 2008-09 and 2009-10 had witnessed mobilisation of Rs.45427 crore, Rs.48424 crore, Rs.48428 crore, Rs.55409 crore, Rs.81847 crore, Rs. 93855 crore, Rs. 115423 crore, Rs.174327 crore and Rs.189478 crore respectively.

According to PRIME, the biggest mobilization came from all-India financial institutions/banks who recorded a 48 per cent increase to Rs. 33,520 crore compared to Rs. 22,650 crore in the corresponding period of the previous year.

According to Mr.Haldea, the sector which witnessed the most significant growth was the public sector undertakings whose mobilisation went up by 114 per cent from Rs.2,910 crore to Rs. 6,235 crore.

A fall, though marginal, in mobilisation came from private sector, down to Rs.16,265 crore compared to Rs.16,961 crore in the corresponding period of the previous year. The state level undertakings' mobilization was down to Rs.150 crore compared to Rs.192 crore in the corresponding period of the previous year and state financial institutions mobilization was down to Rs.0 crore compared to Rs.3 crore in the corresponding period of the previous year.

Government organisations and financial institutions, put together, witnessed a increase in their domination, mobilising 71 per cent of the total amount, up from 60 per cent in the previous year's corresponding period, as per PRIME, among government organisations, all-India financial institutions/ banks led with a 60 per cent share, followed by a 11 per cent share by PSUs, a 0 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 PFC (Rs. 6,678 crore), followed by IDFC (4,420), HDFC (3,850), IRFC (3,455), PGCIL (2,880) and LIC Housing (2,202).

According to Mr.Haldea, on an industry-wise basis, the Financial Services sector, continued to dominate the market, collectively raising Rs. 40,605 crore or 73 per cent of the total amount. Power ranked second with an 10 per cent share (Rs. 5,825 crore).