

10<sup>th</sup> February, 2011

## **Rs.1,44,693 CRORE RAISED THRU DEBT PRIVATE PLACEMENTS IN NINE-MONTH PERIOD OF CURRENT FISCAL : PRIME**

The first nine months of the current fiscal witnessed a mobilisation through debt (bonds) on private placement basis of Rs.1,44,693 crore. This was mobilised by 158 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-December period's raising of Rs. 1,44,693 crore meant a significant increase of 18 per cent over Rs. 1,22,167 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 continued to be made by the all-India financial institutions/banks who also recorded a 25 per cent increase to Rs. 87,076 crore compared to Rs. 69,431 crore in the corresponding period of the previous year.

According to Mr.Haldea, an increase in mobilisation came from the private sector, up by 17 per cent to Rs.43.705 crore compared to Rs.37,268 crore in the corresponding period of the previous year.

A fall in mobilisation was witnessed by the public sector, down by 21 per cent to Rs.11,343 crore compared to Rs.14,310 crore in the corresponding period of the previous year.

The sector which witnessed some growth was the state financial institutions whose mobilization went up from Rs.267 crore to Rs.1,275 crore and state level undertakings whose mobilisation went up from Rs.891 crore to Rs. 1,295 crore.

Government organisations and financial institutions, put together, witnessed a increase in their domination, mobilising 70 per cent of the total amount, up from 69 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 8 per cent share by PSUs, a 1 per cent share by SLUs and a 1 per cent share by SFCs.

The highest mobilisation through debt private placements during the period was by PFC (Rs. 12,388 crore), followed by IDFC (9,968), LIC Housing (9,601), HDFC (8,460), REC (7,649), PGCIL (6,368), IRFC (4,764), Export-Import Bank (4,744) and NABARD (4,600).

According to Mr.Haldea, on an industry-wise basis, the Financial Services sector, continued to dominate the market, collectively raising Rs. 1,03,942 crore or 71 per cent of the total amount. Power ranked second with an 9 per cent share (Rs. 13,688 crore).