

4th September, 2013

Rs.87,840 CRORE RAISED THROUGH DEBT PRIVATE PLACEMENTS IN FIRST QUARTER OF 2013-14

The first quarter of the current fiscal 2013-14 witnessed a mobilisation through corporate bonds on private placement basis of Rs.87, 840 crore. This was mobilised by 109 institutions and corporates. This has been reported by PRIME Database 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 above 365 days are reflected in this database.

On a period-on-period basis, the April-June period raising of Rs. 87,840 crore was an increase of 11% over Rs. 78,960 crore mobilised in the corresponding period of the previous year, according to Mr. Pranav Haldea, Managing Director of PRIME. Full year mobilisations for previous years through debt private placements were as given in the table.

As per PRIME, the biggest mobilisation was again made by the category of All-India Financial Institutions/Banks at Rs. 41,922 crore. This was in comparison to Rs. 38,097 crore in the corresponding period of the previous year, representing an increase of 10%.

According to Mr. Haldea, mobilisation by the private sector witnessed a significant increase; it went up by 32% to Rs. 38,108 crore compared to Rs.28,939 crore in the corresponding period of the previous year. Mobilisation by State Financial Institutions (SFIs) also went up to Rs. 1,251 crore compared to Rs. 498 crore in the same period last year.

A fall in mobilisation was witnessed by the PSUs, down by 45% to Rs.5,626 crore compared to Rs.10,300 crore in the corresponding period of the previous year. The mobilisation by State Level Undertakings (SLUs) also fell by 17% to Rs. 933 crore compared to Rs. 1,129 crore in the corresponding period of the previous year.

Government organisations and financial institutions, put together, mobilised 57% of the total amount, down from 63% in the corresponding period of the previous year. As per PRIME, among government organisations, All-India Financial Institutions/Banks led with a 48% share, followed by a 6% share by PSUs and 1% share each by SLUs and SFIs.

Full year mobilisations through Debt Private Placements	
Year	Amount (Rs.crore)
2001-02	45,427
2002-03	48,424
2003-04	48,428
2004-05	55,409
2005-06	81,954
2006-07	93,891
2007-08	1,15,423
2008-09	1,74,327
2009-10	1,89,490
2010-11	1,92,775
2011-12	2,54,208
2012-13	3,52,069

Issuer Type	No. of Issuers	Amount (Rs.crore)	%
All-India Financial Institutions & Banks/Subsidiaries	14	41,922	48
State Financial Institutions	3	1,251	1
Public Sector Undertakings	3	5,626	6
State Level Undertakings	4	933	1
Private Sector	85	38,108	43
Total	109	87,840	100

The highest mobilisation through debt private placements during the period was by HDFC (Rs. 9,610 crore), followed by PFC (Rs. 9,434 crore), LIC Housing (Rs.6,912 crore) and REC (Rs.6,800 crore).

According to Mr.Haldea, on an industry-wise basis, the Financial Services sector, continued to dominate the market, collectively raising Rs. 60,446 crore or 69% of the total amount. Power ranked second with a 7% share (Rs. 6,569 crore).