

PRESS RELEASE

DEBT PRIVATE PLACEMENT MOBILISATION FALLS BY 25 PER CENT TO RS.1,22,091 CRORE IN FIRST HALF OF 2013-14

The first half of the current fiscal 2013-14 witnessed a mobilisation through corporate bonds on private placement basis of Rs.1,22,091 crore. This was mobilised by 144 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 have been considered.

On a period-on-period basis, the April-September period's raising of Rs.1,22,091 crore was a huge decrease of 25 per cent over Rs.1,62,352 crore mobilised in the corresponding period of the previous year, courtesy lower raisings by the financial institutions/banks, 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 in the 6-month period was again made by the category of All-India Financial Institutions/Banks at Rs.58,744 crore. This was in comparison to Rs.85,176 crore in the corresponding period of the previous year, representing a decrease of 31 per cent.

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	81,847
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

According to Mr. Haldea, mobilisation by the private sector also witnessed a decrease; it went down by 14 per cent to Rs.51,271 crore compared to Rs.59,485 crore in the corresponding period of the previous year. Mobilisation by State Financial Institutions (SFIs) also went down by 39 per cent to Rs.1,251 crore compared to Rs.2,058 crore. Mobilisation by PSUs also was lesser by 12 per cent at Rs.9,692 crore compared to Rs. 11,065 crore and mobilisation by State Level Undertakings (SLUs) saw a major fall by 75 per cent to Rs.1,133 crore compared to Rs.4,569 crore in the corresponding period of the previous year.

Government organisations and financial institutions, put together, mobilised 58 per cent of the total amount, down from 63 per cent in the corresponding period of the previous year. As per PRIME, among government organisations, All-India Financial Institutions/Banks led with a 48 per cent share, followed by a 8 per cent share by PSUs and 1 per cent share each by SLUs and SFIs.

Issuer Type	No. of Issuers	Amount (Rs.crore)	%
All-India Financial Institutions & Banks/Subsidiaries	17	58,744	48
State Financial Institutions	3	1,251	1
Public Sector Undertakings	4	9,692	8
State Level Undertakings	5	1,133	1
Private Sector	115	51,271	42
Total	144	1,22,091	100

The highest mobilisation through debt private placements during the period was by PFC (Rs.12,158 crore), followed by LIC Housing (Rs.9,822 crore), HDFC (Rs.9,610 crore), REC (Rs.8,150 crore) and PGCIL (Rs.7,092 crore).

According to Mr.Haldea, on an industry-wise basis, the Financial Services sector, continued to dominate the market, collectively raising Rs.84,879 crore or 69 per cent of the total amount. Power ranked second with a 10 per cent share (Rs.12,025 crore).