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Rs.7467 CRORE RAISED THRU DEBT PRIVATE PLACEMENTS IN 3-MONTH PERIOD : PRIME

The first three-month period of the current fiscal witnessed a mobilisation through debt (bonds) on private placement basis of Rs.7467 crore, mobilised by 34 institutions and corporates. This has been reported by Mr.Prithvi Haldea of 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.7467 crore, according to PRIME, meant a decline of 27 per cent over Rs.10202 crore mobilised in the corresponding period of the previous year. It may be mentioned that full 2001-02, 2002-03 and 2003-04 had witnessed mobilisation of Rs.45427 crore, Rs.48424 crore and Rs.48428 crore respectively.

According to PRIME, compared to the same period in the previous year, the only sector that witnessed a decline in mobilisation was the all-India financial institutions/ banks, down by 46 per cent from Rs.5834 crore to Rs.3170 crore. Leading the pack of mobilisers in this category was HDFC (Rs.1000 crore), followed by NABARD (800) and NHB (500).

An increase in mobilisation came in all other sectors as per PRIME Database. State level undertakings recorded a 24 per cent increase to Rs.1214 crore compared to Rs.977 crore in the corresponding period of the previous year. Most of the funds raised by SLUs continued to be for the infrastructure sector, mainly power, roads and water resources. The leader in this category was APPGC (Rs.690 crore) followed by HPIDB (408).

An increase was also recorded, according to PRIME, in the mobilisation by the private sector. The share of this sector at Rs.2507 crore was 59 per cent higher compared to Rs.1581 crore in the same period in the previous year. Significantly, most of the private sector debt was of AAA category and was from financial companies. Leading the mobilisers in this sector was Citifinancial (360) followed by M&M Financial (310), Ultratech (300) and Rabo India (250).

The biggest increase, as per PRIME, came in the raisings by PSUs at 113 percent. While the previous year's corresponding period had seen a mobilisation of Rs.264 crore, Rs.562 crore was raised in the current period. Major mobiliser was NTC (Rs.530 crore).

Government organisations and financial institutions, put together, witnessed a fall in their domination, mobilising only 66 per cent of the total amount, down from 85 per cent in the previous year's corresponding period. Among government organisations, all-India financial institutions/ banks led with a 42 per cent share, followed by a 16 per cent share by SLUs, an 8 per cent share by PSUs and a 1 per cent share by SFCs.

Issuer Type	No.of Issuers	Amount (Rs.crore)	%
All-India Fin.Inst.& Banks	8	3170	42
State Fin.Inst.	2	14	1
Public Sector Undertakings	2	562	8
State Level Undertakings	5	1214	16
Private Sector	17	2507	34
	34	7467	100

The highest mobilisation through debt private placements during the period was by HDFC (Rs.1000 crore), followed by NABARD (800), APPGC (590), NTC (530), NHB (500) and HPIDB (408).

On an industry-wise basis, the Financial Services sector continued to dominate the market, collectively raising Rs.4884 crore or 66 per cent of the total amount. Power ranked second with a 11 per cent share (Rs.840 crore), followed by Textiles (530).

According to PRIME, in addition to the above one-year tenor mobilisation of Rs. 7467 crore, a significant additional amount of Rs.2590 crore was raised through 61 deals of less than 1 year tenor debentures by 24 issuers. Moreover, an amount of Rs. 1926 crore in 14 deals was raised through pass-through certificates (securitised paper).