

27<sup>th</sup> November, 2006

## **Rs. 50,426 CRORE RAISED THRU DEBT PRIVATE PLACEMENTS IN 1<sup>ST</sup> HALF OF CURRENT FISCAL : PRIME**

**The first half of the current fiscal witnessed a mobilisation through debt (bonds) on private placement basis of Rs. 50,426 crore, though mobilised by a handful of only 72 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-September period's raising of Rs. 50,426 crore, according to Mr.Prithvi Haldea of PRIME, meant an increase of 44 per cent over Rs. 34,975 crore mobilised in the corresponding period of the previous year.** It may be mentioned that full 2001-02, 2002-03, 2003-04, 2004-05 and 2005-06 had witnessed mobilisation of Rs.45427 crore, Rs.48424 crore, Rs.48428 crore, Rs.55409 crore and Rs.81296 crore respectively.

**As per PRIME, all-India financial institutions/banks recorded a 72 per cent increase to Rs.39,219 crore compared to Rs.22,708 crore in the corresponding period of the previous year.** The leader in this category was SBI (Rs.6328 crore) followed by NABARD (5711).

**The biggest increase, as per PRIME, in percentage terms came in the raisings by state financial institutions at 634 per cent.** While the previous year's corresponding period had seen a mobilisation of Rs.177 crore, Rs.1,300 crore was raised in the current period. Major mobiliser was WBIDFC (Rs.1043 crore) followed by Gruh Finance (160).

**An increase was also recorded in the mobilisation by the private sector. The share of this sector at Rs.6163 crore was 16 per cent higher compared to Rs. 5308 crore in the same period in the previous year.** Leading the mobilisers in this sector was Citifinancial (Rs.1920 crore) followed by Sundaram (983).

**According to PRIME, compared to the same period in the previous year, a decline in mobilisation was recorded by the public sector undertakings, down by 44 per cent from Rs.6,136 crore to Rs.3,443 crore.** Leading the pack of mobiliser in this category was PGCIL (Rs.2,615 crore), followed by ITI (390).

**Another sector that witnessed a major decline in mobilisation was the state level undertakings, down by 54 per cent from Rs. 648 crore to Rs.300 crore.**

**Government organisations and financial institutions, put together, witnessed an increase in their domination, mobilising 88 per cent of the total amount, up from 85 per cent in the previous year's corresponding period.** Among government organisations, all-India financial institutions/ banks led with a 78 per cent share, followed by a 7 per cent share by PSUs, a 3 per cent share by SFCs and a 1 per cent share by SLUs.

Issuer Type	No. of Issuers	Amount (Rs.crore)	%
All-India Fin.Inst.& Banks	40	39219	78
State Fin.Inst.	5	1300	3
Public Sector Undertakings	5	3443	7
State Level Undertakings	2	300	1
Private Sector	20	6163	12
	72	50426	100

The highest mobilisation through debt private placements during the period was by SBI(Rs.6328 crore), followed by NABARD ( 5711), ICICI Bank ( 4110), HDFC ( 3150), PGCIL ( 2615) and Citifinancial ( 1920).

**On an industry-wise basis, the Financial Services sector, according to PRIME, continued to dominate the market, collectively raising Rs.46383 crore or 92 per cent of the total amount.** Power ranked second with an 6 per cent share (Rs. 2815 crore).

**According to PRIME, in addition to the above one-year tenor mobilisation of Rs. 50426 crore, a significant additional amount of Rs.11711 crore was raised through 313 deals of less than 1 year tenor debentures by 43 issuers.**

**Moreover, during the first half an amount of Rs. 3429 crore in 19 deals was raised through pass-through certificates (securitised paper).**