

5<sup>th</sup> March, 2007

**Rs. 67,082 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. 67,082 crore, though mobilised by a handful of only 81 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. 67,082 crore, according to Mr.Prithvi Haldea of PRIME, meant an increase of 27 per cent over Rs. 52,742 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.45,427 crore, Rs.48,424 crore, Rs.48,428 crore, Rs.55,409 crore and Rs.81,296 crore respectively.

As per PRIME, all-India financial institutions/banks recorded a 47 per cent increase to Rs. 52,392 crore compared to Rs. 35,742 crore in the corresponding period of the previous year. The leader in this category was SBI (Rs.7,328 crore) followed by NABARD (6,685).

The biggest increase, as per PRIME, in percentage terms came in the raisings by state financial institutions at 684 per cent. While the previous year's corresponding period had seen a mobilisation of Rs.151 crore, Rs.1,180 crore was raised in the current period. Major mobiliser was WBIDFC (Rs.1,043 crore) followed by Punjab Financial Corp. ( 67).

An increase was also recorded in the mobilisation by the private sector. The share of this sector at Rs.8,926 crore was 43 per cent higher compared to Rs. 6,236 crore in the same period in the previous year. Leading the mobilisers in this sector was Citifinancial (Rs.2,245 crore) followed by Citicorp Finance ( 1,313).

According to PRIME, compared to the same period in the previous year, a decline in mobilisation was recorded by the state level undertakings, down by 54 per cent from Rs. 873 crore to Rs. 400 crore. Leading the pack of mobiliser in this category was TCAPL (Rs. 200 crore), followed by KSIIDC (100).

Another sector that witnessed a major decline in mobilisation was the public sector undertakings, down by 57 per cent from Rs. 9,741 crore to Rs.4,183 crore.

Government organisations and financial institutions, put together, witnessed an decrease in their domination, mobilising 87 per cent of the total amount, down from 88 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 6 per cent share by PSUs, a 2 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	47	52392	78
State Fin.Inst.	4	1180	2
Public Sector Undertakings	5	4183	6
State Level Undertakings	3	400	1
Private Sector	22	8927	13
	81	67082	100

The highest mobilisation through debt private placements during the period was by SBI (Rs.7,328 crore), followed by NABARD (6,685), HDFC ( 4,550), ICICI Bank (4,222), PGCIL ( 3,315) and PFC ( 2,887).

**On an industry-wise basis, the Financial Services sector, according to PRIME, continued to dominate the market, collectively raising Rs.61,786 crore or 92 per cent of the total amount.** Power ranked second with an 6 per cent share (Rs. 3,878 crore).

**According to PRIME, in addition to the above one-year tenor mobilisation of Rs. 67,082 crore, a significant additional amount of Rs.23,305 crore was raised through 533 deals of less than 1 year tenor debentures by 55 issuers.**

**Moreover, during the this period, an amount of Rs. 4,662 crore in 23 deals was raised through pass-through certificates (securitised paper).**