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## **RECORD Rs. 92355 CRORE RAISED THRU CORPORATE BONDS PRIVATE PLACEMENTS IN FISCAL 2006-07 : PRIME**

The recently-concluded fiscal 2006-07 witnessed a mobilisation through corporate bonds on private placement basis of Rs.92355 crore, representing a huge increase of 13 per cent over Rs.81847 crore mobilised in the previous year, according to Mr.Prithvi Haldea of PRIME which operates the country's premier and only database on debt private placements. It may be mentioned that full 2001-02, 2002-03, 2003-04, 2004-05 and 2005-06 had witnessed mobilisations of Rs.45427 crore, Rs.48424 crore, Rs.48428 crore, Rs.55409 crore and Rs.81847 crore respectively. 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.

**According to PRIME, the major reason for this substantial increase was due to the continuing large mobilisation by all-India financial institutions & banks. Their raising went up by 13 per cent from Rs.61614 crore to Rs.69693 crore**

**The other sector which witnessed a significant growth was the private sector, whose mobilisation went up by 83 per cent from Rs.7944 crore to Rs.14540 crore.**

**The mobilization by state financial institutions grew by 97 per cent to Rs.1192 crore, from Rs.604 crore in the previous year.**

**On the other hand, a major fall in mobilisation came from PSUs, down by 43 per cent to Rs.6178 crore compared to Rs.10796 crore in the previous year. State level undertakings also recorded a fall, down from Rs. 889 crore to Rs. 752 crore, representing a 15 per cent decline.**

**Government organisations and financial institutions, put together, witnessed a decrease, mobilising 84 per cent of the total amount, down from 90 per cent in the previous year. Among government organisations, all-India financial institutions/ banks led with a 75 per cent share, followed by a 7 per cent share by PSUs, a 1 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	51	69693	75
State Financial Institutions	4	1192	1
Public Sector Undertakings	6	6178	7
State Level Undertakings	4	752	1
Private Sector	32	14540	16
	97	92355	100

**According to Mr.Haldea, on an industry-wise basis, the Financial Services sector continued to dominate the market, raising Rs.82982 crore or 90 per cent of the total amount.** Power ranked second with a 7 per cent share (Rs.6748 crore), followed by Roads & Highways (585).

**According to PRIME, in addition to the above one-year tenor mobilisation of Rs. 92355 crore, a significant additional amount of Rs.34435 crore was raised through 805 deals of less than 1 year tenor bonds by 68 issuers (previous year Rs.13009 crore). Moreover, an amount of Rs. 6670 crore (previous year Rs.5696 crore) in 45 deals was raised through pass-through certificates (securitised paper).**