

29<sup>th</sup> November, 2007

## **Rs. 48,164 CRORE RAISED THRU DEBT PRIVATE PLACEMENTS IN 1ST HALF OF CURRENT FISCAL : PRIME**

The first half of the current fiscal witnessed a mobilisation through debt (bonds) on private placement basis of Rs. 48,164 crore, though mobilised by a handful of only 59 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. 48,164 crore, according to Mr.Prithvi Haldea of PRIME, meant an decline of 8 per cent over Rs. 52,220 crore mobilised in the corresponding period of the previous year. It may be mentioned that full 2001-02, 2002-03, 2003-04, 2004-05, 2005-06 and 2006-07 had witnessed mobilisation of Rs.45,427 crore, Rs.48,424 crore, Rs.48,428 crore, Rs.55,409 crore, Rs.81,846 crore and Rs.93,855 crore respectively.

As per PRIME, all-India financial institutions/banks recorded a 10 per cent decrease to Rs. 36,371 crore compared to Rs. 40,283 crore in the corresponding period of the previous year.

The sector which witnessed a significant growth was the private sector, whose mobilisation went up by 78 per cent to Rs.11,470 crore from Rs.6,428 crore.

On the other hand, according to PRIME, a major fall in mobilisation came from public sector undertakings, down by 98 per cent to Rs.100 crore compared to Rs.4,068 crore in the corresponding period of the previous year. State financial institutions and state level undertakings also recorded a fall, down from Rs. 1,140 crore to Rs. 73 crore, representing a 94 per cent fall and Rs. 300 crore to Rs. 150 crore, representing a 50 per cent decline respectively.

Government organisations and financial institutions, put together, witnessed an decrease in their domination, mobilising 76 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 76 per cent share, followed by a 0 per cent share by PSUs, a 0 per cent share by SFCs and a 0 per cent share by SLUs.

The highest mobilisation through debt private placements during the period was by NABARD (Rs. 7,788 crore), followed by SBI (6,023), HDFC (3,950), IRFC (3,440), and PFC (3,182).

On an industry-wise basis, the Financial Services sector, according to PRIME, continued to dominate the market, collectively raising Rs. 43,542 crore or 90 per cent of the total amount. Power ranked second with an 4 per cent share (Rs.1,947 crore).

**According to PRIME, in addition to the above one-year tenor mobilisation of Rs. 48,164 crore, a significant additional amount of Rs. 24,617 crore was raised through 411 deals of less than 1 year tenor debentures by 34 issuers.**

**Moreover, during the this period, an amount of Rs. 9,200 crore in 64 deals was raised through pass-through certificates (securitised paper).**