

28<sup>th</sup> February, 2008

## **Rs.74,181 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.74,181 crore, though mobilised by a handful of only 82 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.74,181 crore, according to Mr.Prithvi Haldea of PRIME, meant an increase of 8 per cent over Rs. 68,909 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 3 per cent increase to Rs. 54,803 crore compared to Rs. 53,117 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 80 per cent to Rs.17,010 crore from Rs.9,444 crore in the corresponding period of the previous year. There was also an increase in mobilization by state level undertakings, up by 167 per cent to Rs.1,070 crore from Rs.400 crore.

On the other hand, according to PRIME, a major fall in mobilisation came from public sector undertakings, down by 96 per cent to Rs.175 crore compared to Rs.4,768 crore in the corresponding period of the previous year. State financial institutions also recorded a fall, down from Rs. 1,180 crore to Rs. 1,123 crore, representing a 5 per cent.

Government organisations and financial institutions, put together, witnessed an decrease in their domination, mobilising 77 per cent of the total amount, down from 86 per cent in the previous year's corresponding period. Among government organisations, all-India financial institutions/ banks led with a 74 per cent share, followed by a 0 per cent share by PSUs, a 2 per cent share by SFCs and a 1 per cent share by SLUs.

The highest mobilisation through debt private placements during the period was by NABARD (Rs.10,633 crore), followed by HDFC (10,315), SBI (6,024), IRFC (4,170), and PFC (4,077).

On an industry-wise basis, the Financial Services sector, according to PRIME, continued to dominate the market, collectively raising Rs. 67,503 crore or 91 per cent of the total amount. Diversified ranked second with an 3 per cent share (Rs. 2,000 crore).

**According to PRIME, in addition to the above one-year tenor mobilisation of Rs. 74,181 crore, a significant additional amount of Rs. 48,506 crore was raised through 661 deals of less than 1 year tenor debentures by 51 issuers.**

**Moreover, during the this period, an amount of Rs. 13,603 crore in 87 deals was raised through pass-through certificates (securitised paper).**