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Rs.55,510 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. 55,510 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. 55,510 crore, according to Mr.Prithvi Haldea of PRIME, meant a marginal decline of only 3 per cent over Rs. 56,945 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, 2006-07 and 2007-08 had witnessed mobilisation of Rs.45,427 crore, Rs.48,424 crore, Rs.48,428 crore, Rs.55,409 crore, Rs.81,846 crore, Rs.93,855 crore and 1,15,206 respectively.

As per PRIME, the sector which witnessed a significant growth was the private sector whose mobilisation went up by 37 per cent from Rs.12,689 crore to Rs.17,371 crore. Moreover, mobilization by state level undertakings went up by 308 per cent from Rs.150 crore to Rs.613 crore while public sector undertaking mobilization went up by 240 per cent from Rs.471 crore to Rs.1,600 crore.

On the other hand, according to PRIME, all-India financial institutions/banks recorded a 18 per cent decrease to Rs. 35,896 crore compared to Rs. 43,566 crore in the corresponding period of the previous year. A fall in mobilisation also came from state financial institutions, down by 57 per cent to Rs.30 crore compared to Rs.70 crore in the corresponding period of the previous year.

Government organisations and financial institutions, put together, witnessed a decrease in their domination, mobilising 69 per cent of the total amount, down from 78 per cent in the previous year's corresponding period. Among government organisations, all-India financial institutions/ banks led with a 65 per cent share, followed by a 3 per cent share by PSUs, a 1 per cent share by SLUs and a 0 per cent share by SFCs.

The highest mobilisation through debt private placements during the period was by PFC (Rs. 8,409 crore), followed by REC (4,474), HDFC (3,350), LIC Housing (2,750), IDFC (2,486), IRFC (2,324), DSP (2,055), IDBI (2,052) and Tata Steels (2,000).

On an industry-wise basis, the Financial Services sector, according to PRIME, continued to dominate the market, collectively raising Rs. 45,089 crore or 81 per cent of the total amount. Steel Tubes/Pipes/Wires ranked second with an 4 per cent share (Rs. 2,000 crore).

According to PRIME, in addition to the above one-year tenor mobilisation of Rs. 55,510 crore, a significant additional amount of Rs. 87,534 crore was raised through 911 deals of less than 1 year tenor debentures by 59 issuers.

Moreover, during the this period, an amount of Rs. 4,620 crore in 21 deals was raised through pass-through certificates (securitised paper).