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Rs. 83,961 CRORE RAISED THRU DEBT PRIVATE PLACEMENTS IN 1ST HALF OF CURRENT FISCAL : PRIME

The first half of the current fiscal witnessed a mobilisation through bonds on private placement basis of Rs. 83,961 crore, mobilised by a handful of only 108 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. 83,961 crore meant an increase of 25 per cent over Rs. 67,108 crore mobilised in the corresponding period of 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, 2005-06, 2006-07, 2007-08 and 2008-09 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 1,15,423 crore and Rs.1,74,327 crore respectively.

According to PRIME, all-India financial institutions/banks recorded a 20 per cent increase to Rs. 50,268 crore compared to Rs. 41,758 crore in the corresponding period of the previous year.

According to Mr.Haldea, the sector which witnessed a significant growth was the public sector undertaking whose mobilisation went up by 131 per cent from Rs. 3,152 crore to Rs. 7,277 crore.

A fall in mobilisation came from state financial institutions, down by 33 per cent to Rs.20 crore compared to Rs.30 crore in the corresponding period of the previous year, state level undertaking mobilization also came down by 27 per cent to Rs.192 crore compared to Rs.263 crore in the corresponding period of the previous year.

Government organisations and financial institutions, put together, witnessed an increase in their domination, mobilising 69 per cent of the total amount, up from 67 per cent in the previous year's corresponding period, as per PRIME. Among government organisations, all-India financial institutions/ banks led with a 60 per cent share, followed by a 9 per cent share by PSUs, a 0 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 REC (Rs. 9,104 crore), followed by PFC (6,082), Tata Motors (4,200), IDFC (3,559), LIC Housing (2,830), HDFC (2,500), ICICI Bank (2,500), PGCIL (2,392), IRFC (2,311) and Tata Steel (2,151).

On an industry-wise basis, the Financial Services sector, according to PRIME, continued to dominate the market, collectively raising Rs. 59,210 crore or 71 per cent of the total amount. Power ranked second with an 7 per cent share (Rs. 5,561 crore).

As per PRIME, in addition to the above one-year tenor mobilisation of Rs. 83,961 crore, a significant additional amount of Rs. 59,989 crore was raised through 887 deals of 1 year and below tenor debentures by 62 issuers.

Moreover, during the this period, an amount of Rs. 726 crore in 3 deals was raised through pass-through certificates (securitised paper).