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Rs.1,07,177 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.1,07,177 crore. This was mobilised by a handful of 127 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. 1,07,177 crore meant a significant increase of 23 per cent over Rs. 86,796 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, 2008-09 and 2009-10 had witnessed mobilisation of Rs.45427 crore, Rs.48424 crore, Rs.48428 crore, Rs.55409 crore, Rs.81847 crore, Rs. 93855 crore, Rs. 115423 crore, Rs.174327 crore and Rs.189478 crore respectively.

According to PRIME, the biggest mobilization continued to be made by the all-India financial institutions/banks who also recorded a 33 per cent increase to Rs. 68,314 crore compared to Rs. 51,488 crore in the corresponding period of the previous year.

According to Mr.Haldea, an increase, though marginal, in mobilisation came from the private sector, up by 14 per cent to Rs.30,912 crore compared to Rs.27,210 crore in the corresponding period of the previous year.

A fall in mobilisation was witnessed by the public sector, down by 7 per cent to Rs.7355 crore compared to Rs.7887 crore in the corresponding period of the previous year.

The sector which witnessed the most significant growth was the state financial institutions whose mobilization went up by 395 per cent from Rs.20 crore to Rs.99 crore and state level undertakings whose mobilisation went up by 159 per cent from Rs.192 crore to Rs. 496 crore.

Government organisations and financial institutions, put together, witnessed a increase in their domination, mobilising 71 per cent of the total amount, up from 69 per cent in the previous year's corresponding period, as per PRIME, among government organisations, all-India financial institutions/ banks led with a 64 per cent share, followed by a 7 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 PFC (Rs. 10,293 crore), followed by IDFC (8,038), LIC Housing (7,230), HDFC (6,825), Export-Import Bank (3,970), NHB (3,675), IRFC (3,455), REC (3,250) and NABARD (3,100).

According to Mr.Haldea, on an industry-wise basis, the Financial Services sector, continued to dominate the market, collectively raising Rs. 80,749 crore or 76 per cent of the total amount. Power ranked second with an 8 per cent share (Rs. 8,185 crore).