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Rs.192127 CRORE RAISED THRU CORPORATE BONDS PRIVATE PLACEMENTS IN FISCAL 2010-11 : PRIME

The recently-concluded fiscal 2010-11 witnessed a mobilisation through corporate bonds on private placement basis of Rs.192127 crore, quite similar to the preceding year's mobilization of Rs. 189490 crore (a nominal 1 per cent increase), 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 2007-08 and 2008-09 had witnessed mobilisations of Rs. 115423 crore and Rs. 174327 crore respectively. 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 above 365 days are reflected in this database.

Year	Amount (Rs.crore)
2001-2002	45427
2002-2003	48424
2003-2004	48428
2004-2005	55409
2005-2006	81847
2006-2007	93855
2007-2008	115423
2008-2009	174327
2009-2010	189490
2010-2011	192127

According to PRIME, raising by all-India financial institutions and banks grew by 7 per cent from Rs. 108672 crore to Rs. 116231 crore. The sector which continued to witness larger mobilisation was the private sector, whose mobilisation went up by 9 per cent from Rs. 55191 crore to Rs. 60039 crore. An increase of 7 per cent was also recorded by the state financial institutions to Rs. 1425 crore from Rs. 1337 crore in the previous year.

However, a major fall in mobilisation came from PSUs, whose mobilization went down by 44 per cent to Rs. 12450 crore from Rs. 22205 crore in the previous year, fall also came from state level undertaking, down by 5 per cent to Rs. 1981 crore compared to Rs. 2085 crore in the previous year.

Government organisations and financial institutions, put together, witnessed a decrease, mobilising 69 per cent of the total amount in the year, down from 71 per cent in the previous year. Among government organisations, all-India financial institutions/ banks led with a 60 per cent share, followed by a 6 per cent share by PSUs, a 1 per cent share by SLUs, and a 1 per cent share by SFIs.

Issuer Type	No.of Issuers	Amount (Rs.crore)	%
All-India Fin.Inst.& Banks	32	116231	60
State Financial Institutions	5	1425	1
Public Sector Undertakings	10	12450	6
State Level Undertakings	6	1981	1
Private Sector	129	60039	31
	182	192127	100

According to Mr.Haldea, on an industry-wise basis, the Financial Services sector continued to dominate the market, raising Rs.136413 crore or 71 per cent of the total amount. Power ranked second with a 10 per cent share (Rs. 19025 crore), followed by Steel/Sponge Iron/Pig Iron (Rs.6455 crore).

According to PRIME, in addition to the above 365 days tenor mobilisation of Rs. 192127 crore, a significant additional amount of Rs. 40548 crore was raised through 925 deals of tenor 365 days & below bonds by 59 issuers (previous year Rs. 126386 crore). Moreover, an amount of Rs. 2773 crore (previous year Rs. 3301 crore) in 14 deals was raised through pass-through certificates (securitised paper).