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Rs. 1,02,590 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.1,02,590 crore. This was mobilised by 96 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 above 365 days are reflected in this database.

On a period-on-period basis, the April-September period's raising of Rs. 1,02,590 crore meant a decrease of 12 per cent over Rs. 1,16,524 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, 2009-10 and 2010-11 had witnessed mobilisation of Rs.45,427 crore, Rs.48,424 crore, Rs.48,428 crore, Rs.55,409 crore, Rs.81,847 crore, Rs. 93,855 crore, Rs. 1,15,423 crore, Rs.1,74,327 crore, Rs.1,89,490 crore and Rs.1,92,225 crore respectively).

According to PRIME, the biggest mobilization continued to be made by the all-India financial institutions/banks at Rs. 67,583 crore compared to Rs. 74,634 crore in the corresponding period of the previous year, which however represented a decline of 9 per cent.

According to Mr.Haldea, mobilization by the PSUs went up by 49 per cent to Rs.11,718 crore compared to Rs.7,862 crore in the corresponding period of the previous year. Funds raised by state level undertakings too went up to Rs.1,959 crore compared to Rs.496 crore in the corresponding period of the previous year.

A fall in mobilisation was witnessed by the private sector, down by 36 per cent to Rs.21,264 crore compared to Rs.33,308 crore in the corresponding period of the previous year. The state financial institutions also came down to Rs.65 crore compared to Rs.222 crore in the corresponding period of the previous year.

Government organisations and financial institutions, put together, witnessed a increase in their domination, mobilising 79 per cent of the total amount, up from 71 per cent in the previous year's corresponding period. As per PRIME, among government organisations, all-India financial institutions/ banks led with a 66 per cent share, followed by a 11 per cent share by PSUs, and a 2 per cent share by SLUs.

The highest mobilisation through debt private placements during the period was by PFC (Rs. 14,896 crore), followed by HDFC (11,740), REC (9,603), NABARD (6,799), Air India (5,500) and PGCIL (5,048).

According to Mr.Haldea, on an industry-wise basis, the Financial Services sector, continued to dominate the market, collectively raising Rs. 76,179 crore or 74 per cent of the total amount. Power ranked second with an 8 per cent share (Rs.8,507 crore).