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PRESS RELEASE

DEBT PRIVATE PLACEMENT MOBILISATION FALLS BY 55 PER CENT TO RS. 43,147 CRORE IN FIRST QUARTER OF 2014-15

The first quarter of the current fiscal 2014-15 witnessed a mobilisation through corporate bonds on private placement basis of Rs. 43,147 crore. This was mobilised by 81 institutions and corporates. This has been reported by PRIME Database 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 have been considered.

On a period-on-period basis, the April-June period's raising of Rs.43,147 crore was a huge decrease of 55 per cent over the Rs. 96,186 crore mobilised in the corresponding period of the previous year, courtesy lower raisings by the financial institutions/banks, according to Mr. Pranav Haldea, Managing Director of PRIME. Full year mobilisations for previous years through debt private placements have been given in the table.

As per PRIME, the highest mobilisation in the first quarter was made by the private sector at Rs. 28,991 crore. This was in comparison to Rs. 38,161 crore in the corresponding period of the previous year, representing a decrease of 24 per cent.

According to Mr. Haldea, mobilisation by the All-India Financial Institutions/ Banks also witnessed a huge decrease; it went down by 72 per cent to Rs.13,058 crore compared to Rs. 47,272 crore in the corresponding period of the previous year. Mobilisation by State Financial Institutions (SFIs) too went down by 92 per cent to only Rs. 98 crore compared to Rs. 1,251 crore. Mobilisation by PSUs was absolutely nil compared to Rs. 8,568 crore in the corresponding period of the previous year. Mobilisation by State Level Undertakings (SLUs) though saw an increase of 7 per cent to Rs. 1,000 crore compared to Rs. 933 crore in the corresponding period of the previous year.

Government organisations and financial institutions, put together, mobilised 15 per cent of the total amount, less than the 47 per cent in the corresponding period of the previous year. As per PRIME, among government organisations, All-India Financial Institutions/Banks led with a 84 per cent share, followed by a 15 per cent share by SLUs and 1 per cent share by SFIs.

Full year mobilisations through Debt Private Placements	
Year	Amount (Rs.crore)
2001-02	45,427
2002-03	48,424
2003-04	48,428
2004-05	55,409
2005-06	81,847
2006-07	93,891
2007-08	1,15,423
2008-09	1,74,327
2009-10	1,89,730
2010-11	1,98,955
2011-12	2,58,969
2012-13	3,52,130
2013-14	2,71,125

Issuer Type	No. of Issuers	Amount (Rs.crore)	%
All-India Financial Institutions & Banks/Subsidiaries	7	13,058	30
State Financial Institutions	1	98	0
Public Sector Undertakings	0	0	0
State Level Undertakings	1	1,000	2
Private Sector	72	28,991	67
Total	81	43,147	100

The highest mobilisation through debt private placements during the period was by HDFC (Rs. 4,450 crore) followed by EXIM Bank (Rs. 3,018 crore), IOT Utkal (Rs. 3,000 crore), IDFC (Rs.2,730 crore), and Reliance Jio (Rs.2,500 crore).

According to Mr.Haldea, on an industry-wise basis, the Financial Services sector continued to dominate the market, collectively raising Rs.26,407 crore or 62 per cent of the total amount. Real estate sector ranked second with a 9 per cent share (Rs. 4,056 crore).