

PRESS RELEASE

DEBT PRIVATE PLACEMENT MOBILISATION INCREASES BY 22 PER CENT TO RS. 1,59,477 CRORE IN FIRST HALF OF 2014-15: PRIME DATABASE

The first half of the current fiscal 2014-15 witnessed a mobilisation through corporate bonds on private placement basis of Rs. 1,59,477 crore. This was mobilised by 181 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-September period's raising of Rs.1,59,477 crore was a increase of 22 per cent over the Rs. 1,30,265 crore mobilised in the corresponding period of the previous year, courtesy higher 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 below.

As per PRIME, the highest mobilisation in the first half was made by the All-India Financial Institutions/Banks at Rs. 78,485 crore. This was in comparison to Rs. 63,824 crore in the corresponding period of the previous year, representing an increase of 23 per cent.

According to Mr. Haldea, mobilisation by the Private Sector also went up by 36 per cent to Rs. 70,031 crore compared to Rs. 51,422 crore in the corresponding period of the previous year. Mobilisation by State Level Undertakings (SLUs) too went up by 32 per cent to Rs. 1,502 crore compared to Rs. 1,133 crore.

A fall in mobilisation was witnessed by Public Sector Undertakings (PSUs), down by 30 per cent to Rs.8,912 crore compared to Rs.12,634 crore in the corresponding period of the previous year. State Financial Institutions (SFIs) mobilization also went down by 56 per cent to Rs.548 crore compared to Rs.1,251 crore in the corresponding period of the previous year.

Government organisations and financial institutions, put together, mobilised 36 per cent of the total amount, less than the 50 per cent in the corresponding period of the previous year. As per PRIME, among government organisations, All-India Financial Institutions/Banks led with a 81 per cent share, followed by a 15 per cent share by PSUs, 3 per cent 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	3,52,103
2013-14	2,70,997

Issuer Type	No. of Issuers	Amount (Rs.crore)	%
All-India Financial Institutions & Banks/Subsidiaries	16	78,485	49
State Financial Institutions	3	548	0
Public Sector Undertakings	5	8,912	6
State Level Undertakings	2	1,502	1
Private Sector	155	70,031	44
Total	181	1,59,477	100

The highest mobilisation through debt private placements during the period was by HDFC (Rs. 16,495 crore), REC (Rs. 13,465 crore), PFC (Rs. 12,182 crore), LIC Housing (Rs. 9,615 crore), EXIM Bank (Rs. 6,418 crore) and IDFC (Rs. 5,609 crore).

According to Mr.Haldea, on an industry-wise basis, the Financial Services sector continued to dominate the market, collectively raising Rs.1,13,554 crore or 72 per cent of the total amount. Power sector ranked second with a 9 per cent share (Rs. 14,527 crore).