

Privately placed bond mop-up at record ₹8.3 trillion in FY23

India Inc. mopped up highest-ever ₹8.3 trillion through privately placed bonds during 2022-23, a jump of over 31 per cent over the previous financial year.

Over 850 institutions raised capital through this route as a “combination of factors such as overseas borrowing turning pricier, surge in credit demand and higher bank loan rates,” driving demand said Pranav Haldea, Managing Director, Prime Database.

Haldea said corporate bond issuances could slow down going ahead due to the recent taxation changes on debt mutual funds, who are big investors subscribers to these bonds.

Financial institutions, including banks,

accounted for the highest mobilisation at ₹4.2 trillion, up 12 per cent over FY22.

State-owned entities accounted for nearly 40 per cent mop-up.

“The highest mobilisation through debt private placements during the year was by HDFC (₹78,415 crore) followed by NABARD (₹49,510 crore), PFC (₹42,097 crore), SBI (₹38,851 crore) and SIDBI (₹35,405 crore). The top five issuers of 2022-23 raised ₹2,44,277 crore in comparison to ₹1,61,895 crore raised by the top five issuers of 2021-22,” according to Prime.

The maximum amount was raised in the above 10-year maturity bucket (35 per cent of total) followed by 3-5 years bucket (₹32 per cent of total).

BS REPORTER