

Companies garner ₹5.52 lakh cr via bonds in Jan-Sept

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INDIAN FIRMS RAISED ₹5.52 lakh crore in January-September 2017 through private placement of corporate bonds to meet business needs, a surge of 19% from year-ago period, according to a Prime Database report.

These funds have been raised mainly for expansion of business plans, repayment of debt and to support working capital requirements.

In debt private placements, firms issue securities or bonds to institutional investors to raise capital. According to the report, a total of 569 institutions and corporates garnered ₹5.52 lakh crore in the first nine months of the year. In comparison, firms had raised ₹4.65 lakh crore in January-September 2016.

The sharp surge in fund-raising could be attributed to contributions made by private sector companies, Prime Database president Sanjeev Khandelwal said.

Private sector raked in ₹3.42 lakh crore and government owned organisations mopped up ₹2.09 lakh crore.

In terms of sector, financial services continued to dominate the market, collectively raising ₹3.78 lakh crore or 68% of the total amount. This was followed by power segment with a fund mop-up of ₹45,621 crore.

The highest mobilisation through private placement of debt during the period was by HDFC (₹42,891 crore) followed by NHAI (₹33,550 crore), PFC (₹32,266 crore), NABARD (₹24,530 crore) and LIC Housing (₹19,445 crore).