

Private firms' debt placement grows 36% in first half of FY15

Slowdown in fund raising by PSU firms compared with last year

PRESS TRUST OF INDIA

New Delhi

FUND mobilisation by private sector companies through private placement of debt securities surged by 36 per cent to Rs 70,031 crore, while for public sector undertakings (PSUs) it dropped, during the first half of 2014-15 as compared to the same period year-ago.

A total of Rs 51,422 crore was raised by private sector companies from debt on a private placement basis during April-September period of 2013-14, according to latest report by Prime Database.

However, a fall in fund raising was witnessed by public sector undertakings (PSUs), for the period under review. The amount mopped up by these firms dropped by 30 per cent to Rs 8,912 crore.

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Fund mopup

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current financial year — an increase of 23 per cent from the period year-ago. Mobilisation by state level undertakings also rose by 32 per cent to Rs 1,502 crore as compared to Rs 1,133 crore.

At the same time, state financial institutions saw a 56 per cent decline in amount mobilised via the corporate

bond placement route. These entities garnered Rs 548 crore in April-September period of 2014 as against Rs 1,251 crore in the year-ago period.

Fund mop-up by various entities, including financial institutions, PSUs and private sector companies stood at a cumulative amount of

Rs 1,59,477 crore, for the first half of the current financial year — an increase of 22 per cent from corresponding year-ago period, the data found.

"This (Rs 1,59,477 crore) was mobilised by 181 institutions and corporates," Prime managing director Pranav Haldea said. Of the total 188 issues, 155 belonged to private sector players, followed by 16 issues by All-India Financial Institutions and Banks.

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 Haldea, on an industry-wise basis, the Financial Services sector continued to dominate the market with 72 per cent share (Rs 1.13 lakh crore). Power sector ranked second with a 9 per cent share (Rs 14,527 crore).