

High Liquidity, Low Rates Help Cos Raise Record Funds via Corp Bonds

2020 SPECIAL Firms mobilise ₹7.77 L cr in 2020 with banks & fin services cos cornering a sizeable chunk of fund-raising

Our Bureau

Mumbai: Indian companies raised record amounts through corporate bonds in 2020 taking advantage of the high liquidity and lower interest rates. Firms mobilised ₹7.77 lakh crore during the year with banks and financial services companies cornering a sizeable chunk of the fund-raising. The money garnered was through private placements.

The amount mobilised in 2020 was 10% over the ₹7.10 lakh crore mobilised the year before.

"The large fund-raising was due to record low interest rates, surplus liquidity and introduction of liquidity windows by RBI," said Pranav Haldea, managing director, Prime Database Group. "Maximum amount of ₹2.86 lakh crore or 37% of the total amount was raised

in the 10-year maturity bucket followed by ₹2.41 lakh crore or 31% of the total amount in 3-5 years bucket."

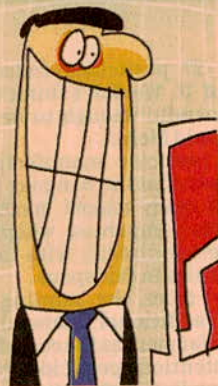
Banks and financial services sector collectively raised ₹4.97 lakh crore or 64% of the total amount while roads & highways sector mopped up ₹58,052 crore, according to Prime.

Government organisations and government financial institutions mobilised 53% of the total amount. The highest mobilisation through debt private placements last year was by HDFC worth ₹57,813 crore followed by REC, NHAI, PFC and NABARD, which raised between ₹50,000 and ₹55,000 crore each.



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Creating a Bond



Year	Amount raised through Debt Private Placements (Rs Cr)
2011	225,940
2012	331,291
2013	297,446
2014	386,316
2015	516,526
2016	625,104
2017	702,365
2018	568,903
2019	709,979
2020	777,473

Source: primedatabase.com

Issuer Type	No. of Issuers	Amount (Rs. crore)
GOVERNMENT		
Financial Institutions & Banks	24	278,924
State Financial Institutions	2	2,040
Public Sector Undertakings	21	133,793
State Level Undertakings	2	350
PRIVATE SECTOR		
Financial Institutions & Banks	8	68,196
NBFCs / Financial Services	260	157,162
Manufacturing / Services	320	137,009
Total	637	777,473

Source: primedatabase.com