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PRESS RELEASE

MOBILISATION THROUGH BOND PRIVATE PLACEMENTS CROSSES Rs. 7 LAKH CRORE : PRIME DATABASE

The recently concluded fiscal 2016-17 witnessed the highest ever mobilisation through corporate bonds on private placement basis of **Rs. 7,03,505 crore. This was mobilised by 661 institutions and corporates.** This has been reported by **PRIME Database** which operates the country's premier and only database on debt private placements. Such deals, listed and unlisted, which have a tenor and put/call option of above 365 days have been considered.

On a year-on-year basis, the 2016-17 raising of Rs. 7.03 lakh crore was an increase of a huge 43 per cent over the Rs. 4.92 lakh crore mobilised in 2015-16, courtesy higher raisings by the Private Sector, 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.

As per PRIME, the highest mobilisation in the year was made by the Private Sector at Rs. 3,31,444 crore.

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	1,74,342
2009-10	1,89,930
2010-11	2,02,590
2011-12	2,59,229
2012-13	3,52,759
2013-14	2,87,893
2014-15	4,65,713
2015-16	4,92,157
2016-17	7,03,505

Source: PRIME Database

This was in comparison to Rs. 2,36,092 crore in the previous year, representing an increase of 40 per cent. It is significant to note that the share of the Private Sector has been going up steadily and is now 47 per cent; 6 years ago, it was just 23 per cent.

An increase in mobilisation was also witnessed by All-India Financial Institutions/ Banks (up by 42 per cent to Rs. 2,84,121 crore compared to Rs. 1,99,950 crore in the previous year), Public Sector Undertakings (PSUs) (increase of 108 per cent to Rs. 67,176 crore compared to Rs. 32,267 crore) and State Financial Institutions (SFIs) (up to Rs. 275 crore compared to nil in the previous year).

According to Haldea, there was a fall in mobilisation by State Level Undertakings (SLUs) down by 14 per cent to Rs. 20,489 crore compared to Rs. 23,848 crore in the previous year.

Government organisations and government financial institutions, put together, mobilised 40 per cent of the total amount, lower than the 42 per cent in the previous year. As per PRIME, among government organisations, All-India Financial Institutions/Banks led with a 69 per cent share, followed by a 24 per cent share by PSUs, 7 per cent share by SLUs and 0 per cent by SFIs.

The overall break-up by issuer-type was as follows:

Issuer Type	No. of Issuers	Amount (Rs.crore)	%
Government			
All-India Financial Institutions & Banks/Subsidiaries - Public Sector	40	1,91,825	27
State Financial Institutions	2	275	0
Public Sector Undertakings	14	67,176	10
State Level Undertakings	2	20,489	3
Sub-Total	58	2,79,765	40
Private Sector			
All-India Financial Institutions & Banks/Subsidiaries - Private Sector	16	92,296	13
Private Sector - NBFCs / Financial Services	168	1,75,493	25
Private Sector - Manufacturing / Services	419	1,55,951	22
Sub-Total	603	4,23,740	60
Total	661	7,03,505	100

Source: PRIME Database

The highest mobilisation through debt private placements during the period was by **HDFC (Rs.44,546 crore)** followed by **PFC (Rs.41,115 crore)**, **NHAI (Rs.33,118 crore)**, **LIC Housing (Rs.26,874 crore)**, **REC (Rs.21,797 crore)**, **U.P.Power Corp. (Rs.20,376 crore)** and **NABARD (Rs.20,371 crore)**.

Maximum amount of monies was raised in the **3-5 year maturity bucket (Rs. 2.11 lakh crore or 30 per cent of the total amount)** followed by more than 10 years bucket (Rs. 1.90 lakh crore or 27 per cent of the total amount).

35 per cent of the total amount (Rs. 2.48 lakh crore) was in the 7-8 per cent coupon range and 32 per cent of the total amount (Rs. 2.22 lakh crore) was in the 8-9 per cent coupon range. This was in contrast to 2015-16, wherein just 6 per cent of the issue amount was in the 7-8 per cent coupon range while a huge 48 per cent was in the 8-9 per cent coupon range.

Issues of as much as Rs. 3.92 lakh crore or 56 per cent of the overall amount were AAA rated.

According to Haldea, on an industry-wise basis, the Financial Services sector continued to dominate the market, collectively raising Rs.3,46,001 crore or 49 per cent of the total amount. Power sector ranked second with an 16 per cent share (Rs. 1,14,775 crore).