

## PRESS RELEASE

### **HIGHEST EVER MOBILISATION THROUGH BOND PRIVATE PLACEMENTS IN 2022-23 AT ₹8.31 LAKH CRORE: primedatabase.com**

The recently concluded fiscal 2022-23 witnessed an all-time high fund mobilisation through corporate bonds on private placement basis of ₹ 8,30,532<sup>\$\$</sup> crore, an increase of a huge 31 per cent from last year, according to primedatabase.com, India's premier database on the primary capital market. This was mobilised by 855 institutions and corporates. Such deals, listed and unlisted, which have a tenor and put/call option of above 365 days have been considered.

According to Pranav Haldea, Managing Director, PRIME Database Group, a combination of factors such as overseas borrowing turning pricier, surge in credit demand, higher bank loan rates and also large issuances by some issuers led to this.

Full year mobilisation through Debt Private Placements	
Year	Amount (₹crore)
2013-14	2,87,950
2014-15	4,74,677
2015-16	4,94,811
2016-17	7,07,042
2017-18	6,65,840
2018-19	6,35,532
2019-20	6,68,916
2020-21	7,51,184
2021-22	6,34,610
2022-23	8,30,532

Source: primedatabase.com

According to primedatabase.com, the highest mobilisation in the year was made by the All-India Financial Institutions/ Banks category at ₹4,17,323 crore. This was in comparison to ₹2,68,413 crore in 2021-22, representing an increase of 55 per cent. An increase in mobilisation was also witnessed by the private sector (excluding banks/FIs), up by 12 per cent to ₹3,39,033 crore compared to ₹3,02,985 crore in 2021-22.

Government entities, put together, mobilised 40 per cent of the total amount, higher than 34 per cent in 2021-22. As per primedatabase.com, among government entities, All-India Financial Institutions/Banks led with a 78 per cent share followed by a 17 per cent share by PSUs. The overall break-up by issuer-type was as follows:

Issuer Type	No. of Issuers	Amount (₹crore)	%
<b>Government</b>			
All-India Financial Institutions & Banks/Subsidiaries	21	2,58,547	31
Public Sector Undertakings	13	57,102	7
State Financial Institutions	2	1,197	0
State Level Undertakings	3	15,877	2
<b>Sub-Total</b>	<b>39</b>	<b>3,32,722</b>	<b>40</b>
<b>Private Sector</b>			
All-India Financial Institutions & Banks/Subsidiaries	15	1,58,777	19
Private Sector - NBFCS / Financial Services	282	2,03,095	25
Private Sector - Manufacturing / Services	519	1,35,938	16
<b>Sub-Total</b>	<b>816</b>	<b>4,97,810</b>	<b>60</b>
<b>Total</b>	<b>855</b>	<b>8,30,532</b>	<b>100</b>

Source: primedatabase.com

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 5 issuers of 2022-23 raised ₹2,44,277 crore in comparison to ₹1,61,895 crore raised by the top 5 issuers of 2021-22.

Maximum amount of monies was raised in the **above 10 year maturity bucket (₹2.92 lakh crore or 35 per cent of the total amount)** followed by 3-5 years bucket (₹2.62 lakh crore or 32 per cent of the total amount).

**59 per cent of the total amount (₹4.93 lakh crore) was in 7-8 per cent coupon range and 18 per cent of the total amount (₹1.47 lakh crore) was in the 8-9 per cent coupon range.** This was in contrast to 2021-22, wherein just 21 per cent of the issue amount was in 7-8 per cent coupon range, 6 per cent of the issue amount was in 8-9 per cent coupon range while a huge 52 per cent was in below 7 per cent coupon range.

**Issues of as much as ₹5.58 lakh crore or 67 per cent of the overall amount were AAA rated.**

**On an industry-wise basis, the Banking/Financial Services sector continued to dominate the market, collectively raising ₹6,17,534 crore or 74 per cent of the total amount.** Housing/Civil Construction/Real Estate sector ranked second with a 5 per cent share (₹38,152 crore).

The month of December 2022 saw the highest issuance at ₹1,24,073 crore (14.9 per cent) followed by March 2023 at ₹1,16,364 crore (14 per cent).

As many as 393 first-time issuers hit the market in 2022-23 in comparison to 381 last year.

#### **Outlook for 2023-24**

**According to Haldea, corporate bond issuances are likely to slow down give the recent taxation changes in debt mutual funds which are big investors in this space.**

**Public Bonds:** Public bonds market saw a near 30 per cent decrease with 32 issues raising ₹7,444 crore in comparison to 27 issues raising ₹10,710 crore last year. The largest issue was from Creditaccess Grameen raising ₹500 crore.

**Overseas Bonds:** In addition, Indian companies also raised ₹2.22 lakh crores through overseas borrowing (including ECBs), down 42 percent from ₹3.86 lakh crores in 2021-22.

\$ Excluding 54EC issues

# Mobilization amount of some unlisted issues are not available

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