



———— THE ————
CRISIL YEARBOOK
———— ON THE ————
INDIAN DEBT MARKET
———— 2014 ————





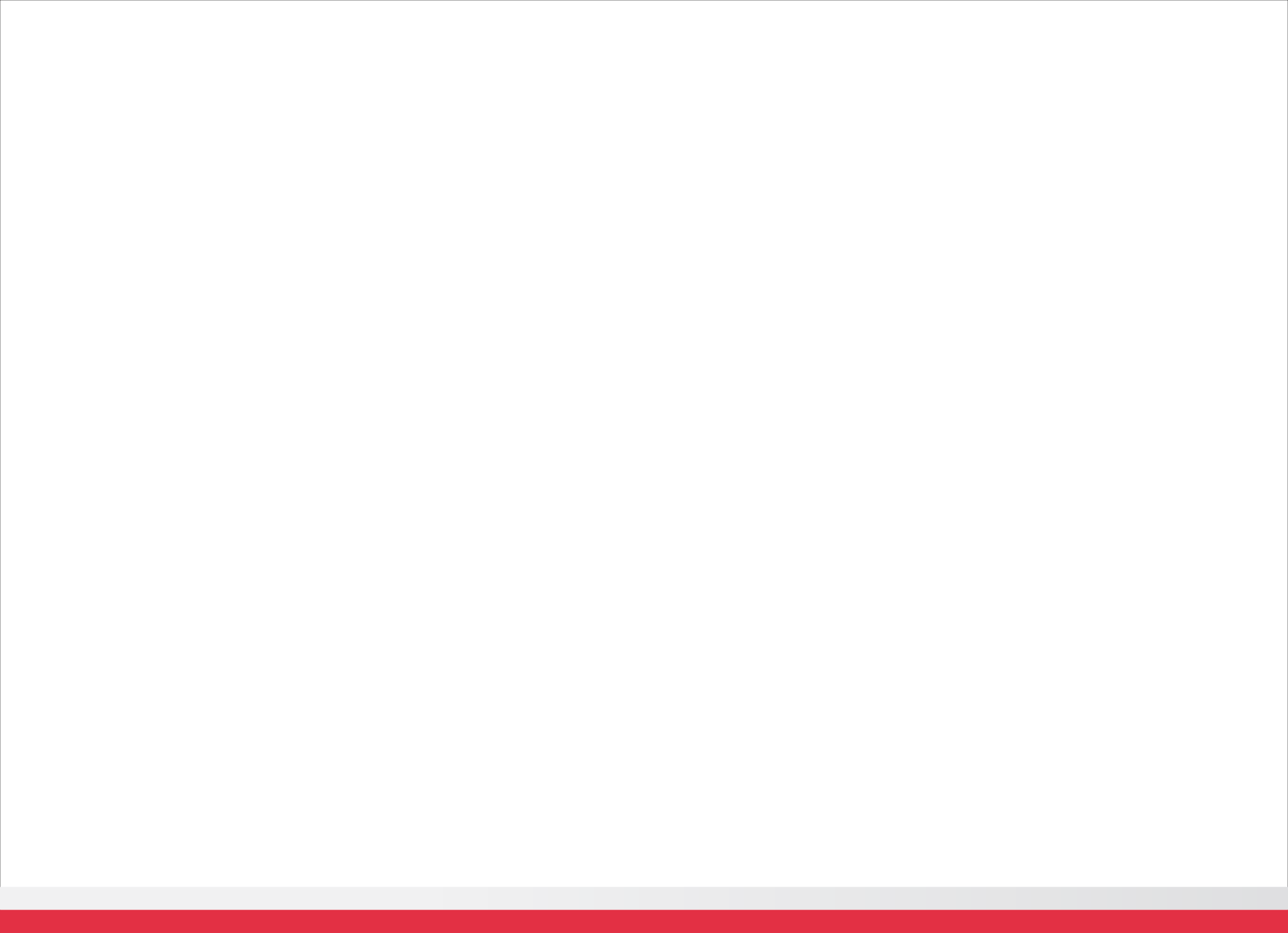
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P R E F A C E

CRISIL is happy to present the second edition of 'Yearbook On The Indian Debt Market', the only publication of its kind in India.

Fiscal 2014 was characterized by regulatory measures of inflation control which led to elevated interest rates and thus fewer bond issuances. The overall yields on bonds rose but the corporate bonds stood tall over others on medium to long term horizon!

The services sector continued its dominance in bond issuances with BFSI segment particularly standing out. Banks issuances fell given their weak credit growth and comfortable liquidity riding on surging NRI deposits. Over the last decade, we have seen housing finance companies (HFCs) and non-banking finance companies (NBFCs) crank up corporate bond issuances because of lower cost of funding and in this fiscal too they led the charge on issuances. The commercial paper issuances which had a good run for last 3 years actually fell this fiscal year and lagged behind certificates of deposit. This debt book provides a good walk through of bond market with well-aggregated and meaningful insights.

We are sanguine about prospects of Indian economy in 2015 given stability at the Centre and clear signals on intent of reforms. The early signs of economic recovery are visible and with continued momentum 2015 looks conducive for investment cycle.

Wishing you and families a very happy and prosperous new year!



Manish Jaiswal
Senior Director-Research
CRISIL Ltd

THE YEAR THAT WAS

Fiscal 2014 began with several challenges on the macroeconomic front, including rising inflation, dwindling industrial output and a falling rupee, which triggered a course reversal for India's bond market after a 10-year run-up.

The Reserve Bank of India (RBI) intervened in July and August to stem the rupee's slide. The measures, which included a hike in the marginal standing facility rate and the bank rate by 200 bps each to 10.25%, had an impact on the the bond market. The result was that frequent issuers such as non-bank finance companies pulled back. Weaker economic prospects – as reflected in the fall in GDP growth to 4.5% and private consumption expenditure growth to 5.2% in fiscal 2013 – persisted, with private consumption slipping to 4.7%, though GDP growth rose marginally to 4.7%.

All of that dampened sentiment further. The result? Private corporate bond issuances declined 23% in fiscal 2014 compared with fiscal 2013.

Government borrowings edged up despite inflationary pressures and adverse market conditions because of exchange rate volatility. One notable feature was the switching operation carried out by the RBI to replace short-term debt with longer-maturity ones to mitigate rollover risk. Compared with fiscal 2013, there was a marginal increase in overall cost of G-Secs (8.45 per cent versus

8.36 per cent) and higher devolvement on primary dealers (Rs. 175 billion in 26 auctions compared with Rs. 18 billion in three auctions during fiscal 2013).

Borrowings by state governments grew 17%. Over the last few years, states in general have exhibited greater fiscal discipline (as reflected in their declining fiscal deficit statistics), and growth in issuances by them is commensurate with the growing base of gross state domestic product.

Long-term securities such as bonds, G-Secs and state development loans saw trading volume spurt more than 30%. Among money-market instruments, traded volumes in treasury bills (T-Bills) spiked, while those in commercial papers (CPs) and certificates of deposit (CDs) fell and as inflation receded, bets on interest-rate fall increased towards the last quarter of the financial year, stoking demand for long-term paper and reducing trading in CPs, CDs and other money-market instruments.

Yields hardened last fiscal, especially after the RBI hiked the repo rate in the second quarter. In reaction, spreads of corporate bonds over G-Secs narrowed, while those over state development loans remained flattish. Later, as sentiment improved and FII buying surged to new highs, benchmark corporate bond yields slipped below those of SDLs in the last quarter.

Yields of the 10-year benchmark security					
Instrument	31-03-13	Q1- FY14	Q2- FY14	Q3- FY14	31-03-14
10-year G-Sec	8.27%	7.72%	9.16%	9.21%	9.20%
10-year Corp Bond	8.85%	8.50%	9.72%	9.64%	9.59%
10-year SDL	8.72%	8.26%	9.77%	9.57%	9.65%

Annualised yields
Source: CRISIL Research

Key recent events

Monetary policy announcements

- **Policy rates:** The Reserve Bank of India (RBI) reduced the repo rate by 75 bps to 7.25% between January and May 2013. In July 2013, the marginal standing facility (MSF) rate was raised by 200 basis points (bps) to 10.25% to curb sharp rupee depreciation. The Bank Rate too, was hiked to 10.25% and later recalibrated to 100 bps above the repo rate. In September 2013, the MSF rate was lowered to 9%, as the currency stabilized, while in January 2014, the repo rate was raised to 8%. These measures helped the RBI ease inflationary pressures considerably as well as stabilise the rupee. In January 2015, the RBI cut the repo rate by 25 bps to 7.75% indicating that disinflationary developments along with the government's resolve to adhere to its fiscal deficit target provided headroom to cut rates.
- **Liquidity measures:** Daily minimum cash reserve maintenance requirement reduced to 95% effective September 2013 from 99% earlier. Liquidity provided through 7-day and 14-day term repos increased incrementally from 0.25% to 0.75% of net demand and time liabilities (NDTL) of the banking system. From August 2014, liquidity provided through overnight repos of the liquidity adjustment facility (LAF) decreased from 0.5% of NDTL to 0.25%. CRR remains unchanged at 4%, but statutory liquidity ratio lowered twice by 50 bps each to 22%. Liquidity provided under the export credit refinance facility reduced from 50% of eligible export credit outstanding to 15%.

FII investments

- The ceiling on investment in government debt by foreign institutional investors (FIIs) was capped at \$30 billion. FIIs/ QFIs were allowed to invest in government debt without purchasing debt limits till the overall investment reached 90%, after which the auction mechanism got initiated for allocation of the remaining limits. FII investment sub-limit in CPs

reduced from \$3.5 billion to \$2 billion. The RBI allowed FIIs to invest only in dated securities of residual maturity of one year and above, thus precluding T-Bills. As of April 2014, FII investments in T-Bills were more than 80% of the \$5.5-billion limit prescribed. Their investments in G-Secs with a residual maturity of over one year saw an increase between mid-April and July 2014. The results of the general elections buoyed FIIs, leading to surge in investments. As per NSDL data, net FII investment between January and October 2014 stood at Rs. 82,266 crore in equity and Rs 136,245 crore in debt.

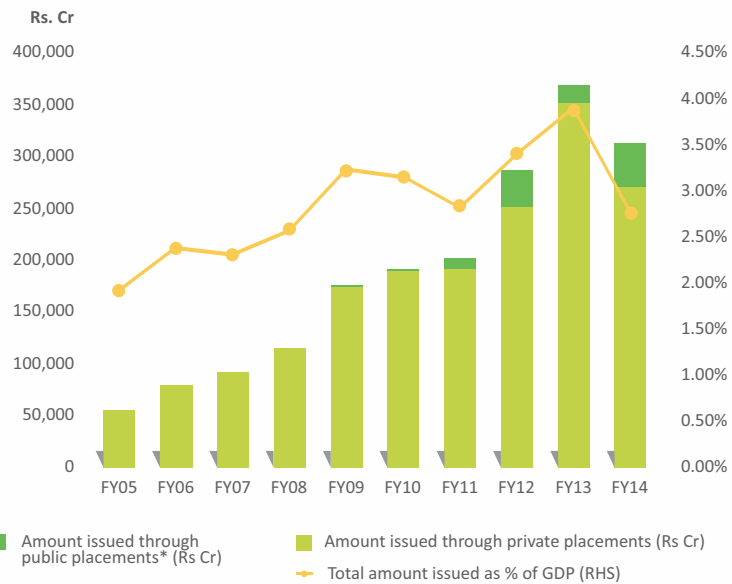
Budget announcements

- The tax rate for debt mutual funds increased from 10% to 20%. Also, holding period for long-term capital gains increased from 12 months to 36 months. The changes hurt debt funds which had earlier benefited from indexation on long-term capital gains as there was lower appetite amongst investors for holding period over 3 years. Dividend distribution tax proposed to be calculated on the gross amount of distributable income and not dividend received by the investor. The new calculation increases dividend distribution tax by ~2.47% (from 16.9% to 19.4%), thereby changing post-tax returns for investors.

CORPORATE BONDS

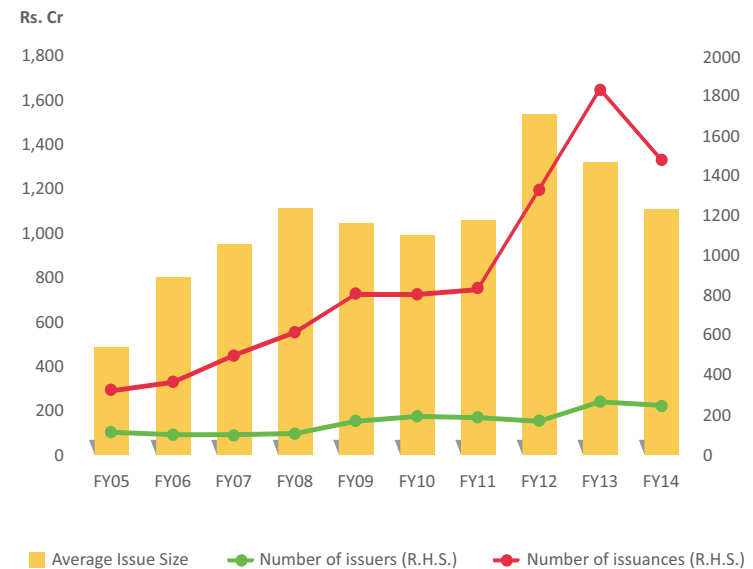
Primary issuances (private placements) dropped 23% on-year, reversing a trend of high growth under the weight of high interest rates and ambiguity over debenture redemption reserve (DRR) requirements for NBFCs.

Chart 1: Issuances grow over 5-fold in a decade, private placements continue to dominate



*Data for public placements of corporate bonds available from FY09 onwards
Source: RBI, SEBI, Prime Database

Chart 2: Number of issuances, issuers and average ticket size – all have witnessed growth



Source: Prime Database

Services continued dominating issuances, led by the banking, financial services and insurance (BFSI) segment. Industries (non-services) continued to have lower reliance on bond markets.

The ratio of bond issuances to bank credit deployment dropped for industry and services sectors, implying firms chose bank funding over bond markets. At the same time, as observed earlier, the services sector especially the BFSI segment played a major role in bond market issuances.

Chart 3: The services sector continues to float more

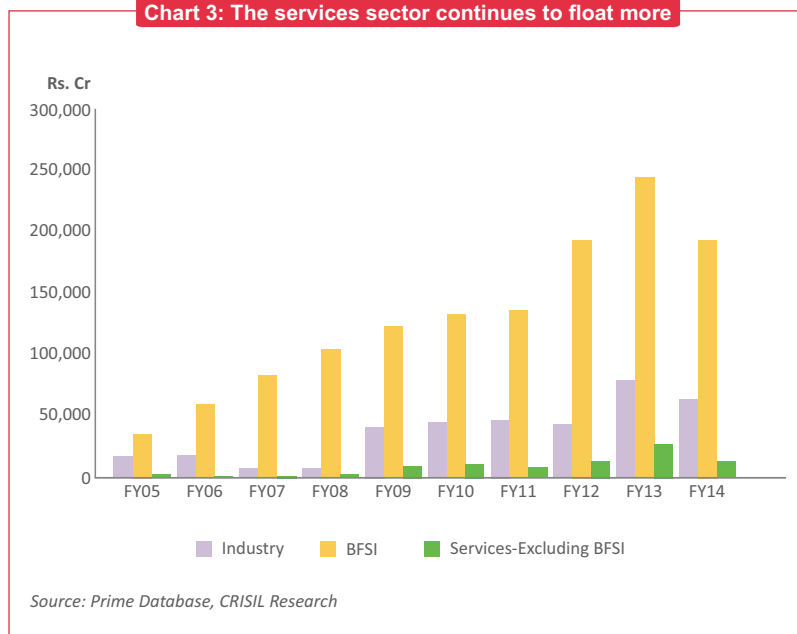
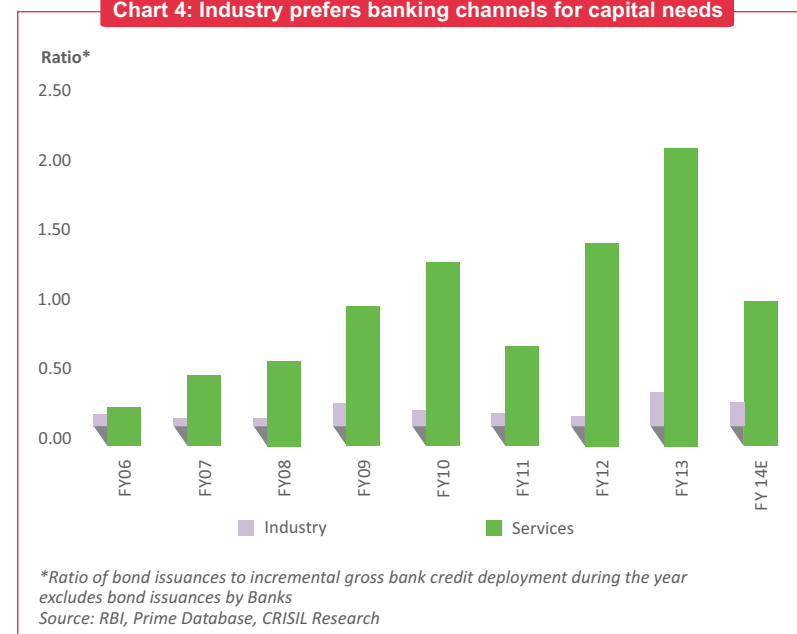


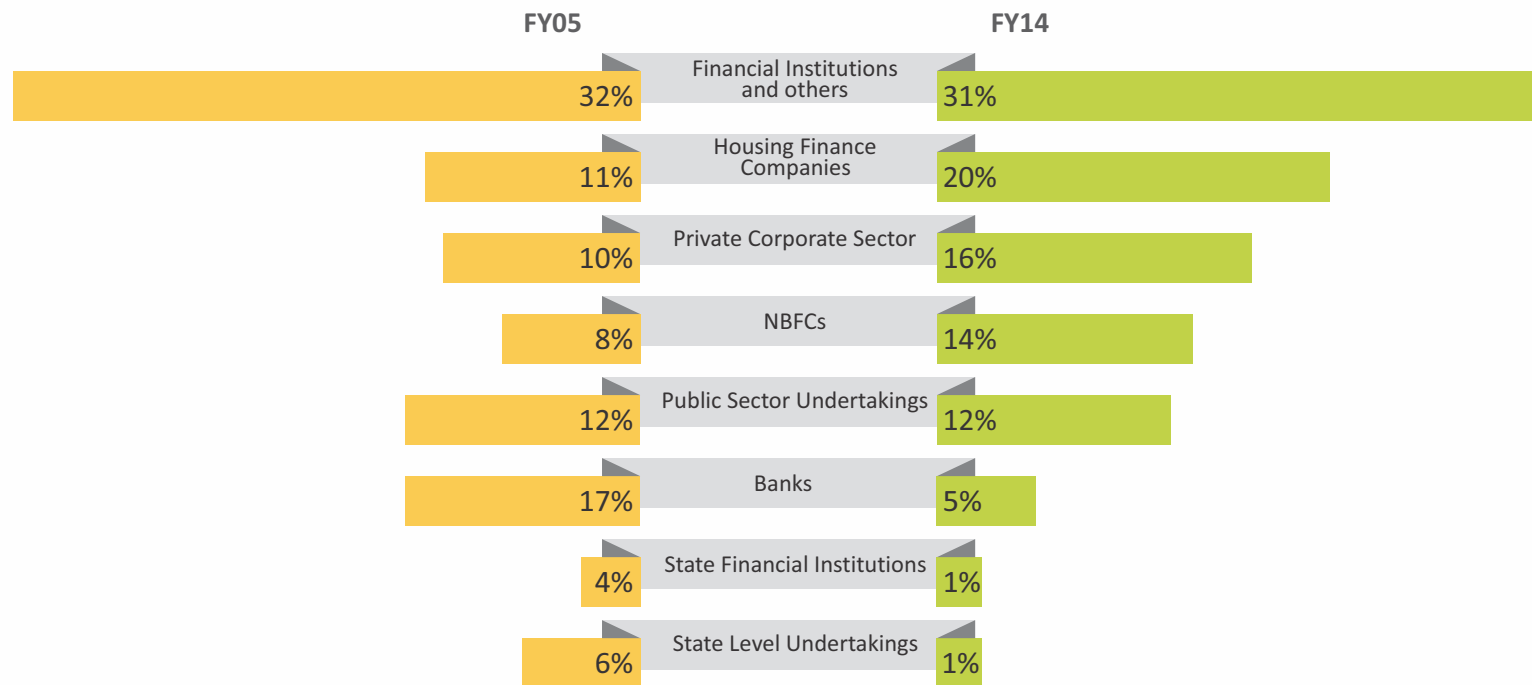
Chart 4: Industry prefers banking channels for capital needs



In the last 10 years, the share of housing finance companies (HFCs) has grown to 20% from 11% and that of non-banking finance companies (NBFCs) to 14% from 8% of the pie. The share of banks, however, reduced to 5% from 17% in fiscal 2005, because of lower credit growth, surplus funds and growing foreign currency non-resident (FCNR) deposits. On the other hand, HFCs and

NBFCs, which have historically been very reliant on bank borrowings, have started to diversify their resource profile and reduce cost of funds. In the current environment of easy liquidity, financing through bonds, debentures and commercial papers (CPs) are much cheaper compared with bank borrowings.

Chart 5: Issuances by banks drop, while those by housing finance companies and NBFCs rise



Source: Prime Database, CRISIL Research

Chart 6: The top 10 loom large



Chart 7: Financial institutions on top

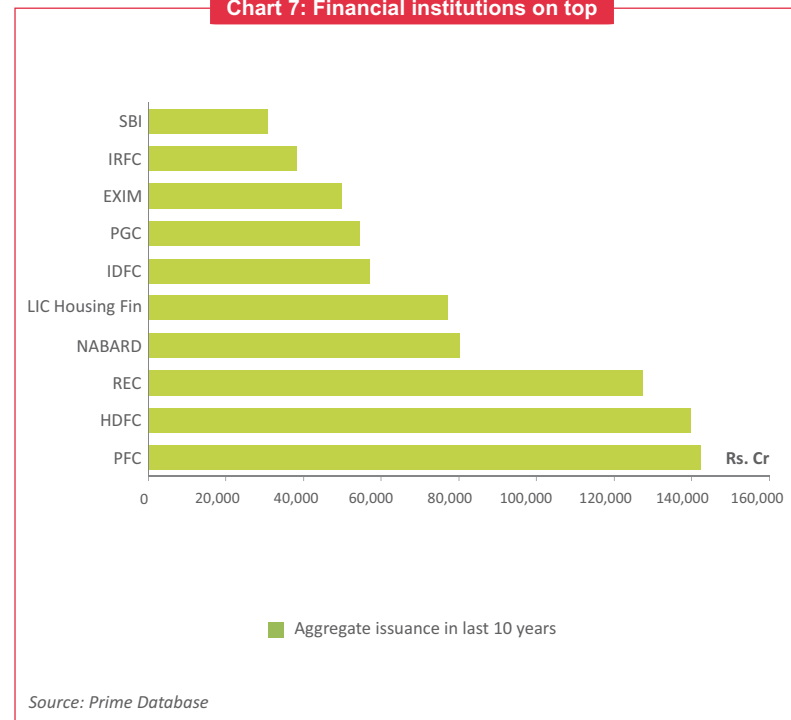
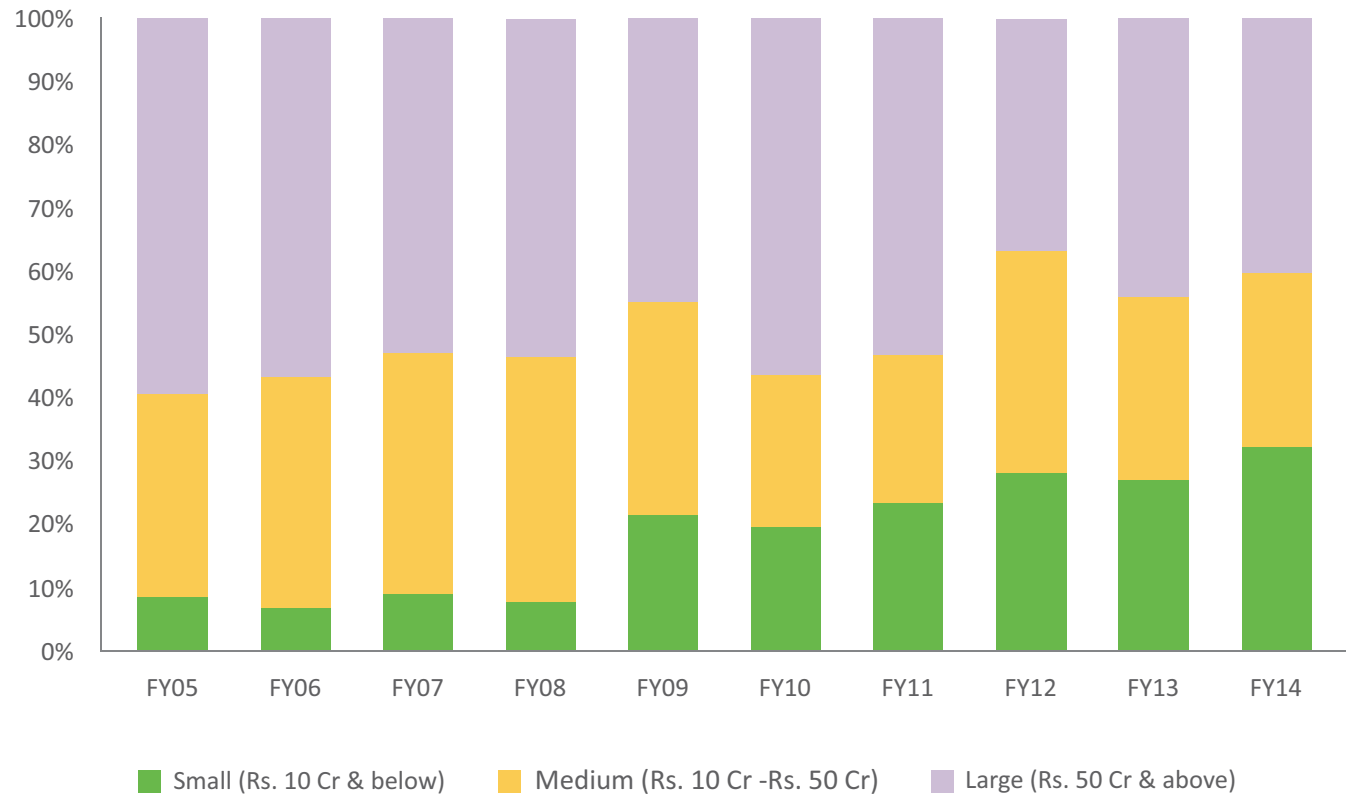
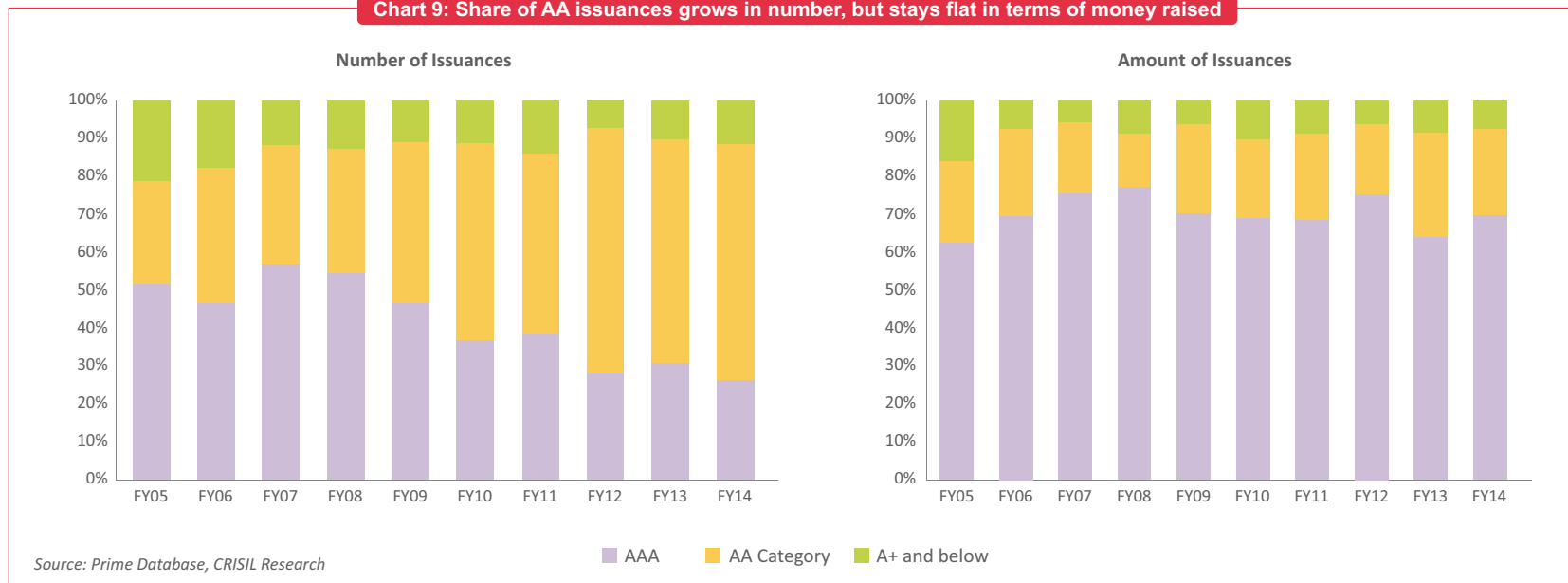


Chart 8: Share of large and small ticket sizes in total issuances are at even stevens



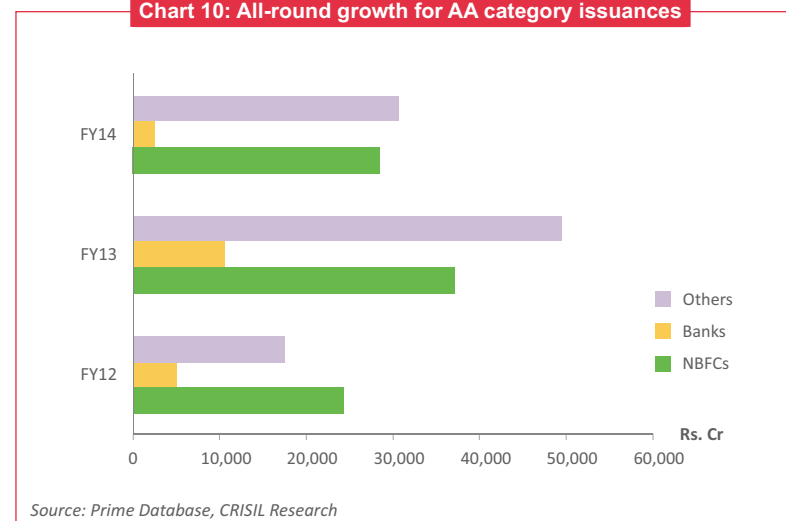
Source: Prime Database, CRISIL Research

Chart 9: Share of AA issuances grows in number, but stays flat in terms of money raised



Though the share of securities rated AA and lower increased, the total issue size for the segment saw a decline on-year. On the other hand, the total issue size in the AAA segment increased even though there was a fall in the number of issuances.

Chart 10: All-round growth for AA category issuances



The less-than-five year maturity segment saw a surge both in number of issuances and amount of issuances. Volatile interest-rate environment drove up shorter-maturity issuances.

Spreads of corporate bonds over G-Secs shrunk over fiscal 2013 and were extremely volatile during the year, rising sharply at the end the first quarter and declining consistently over the next three.

Chart 11: Short to medium-term issuances rise sharply

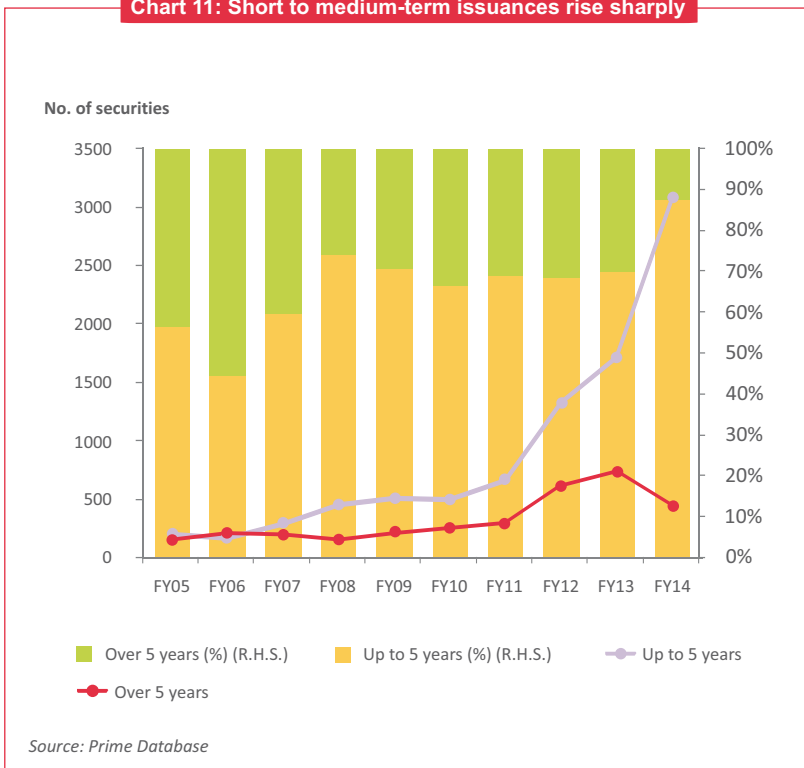
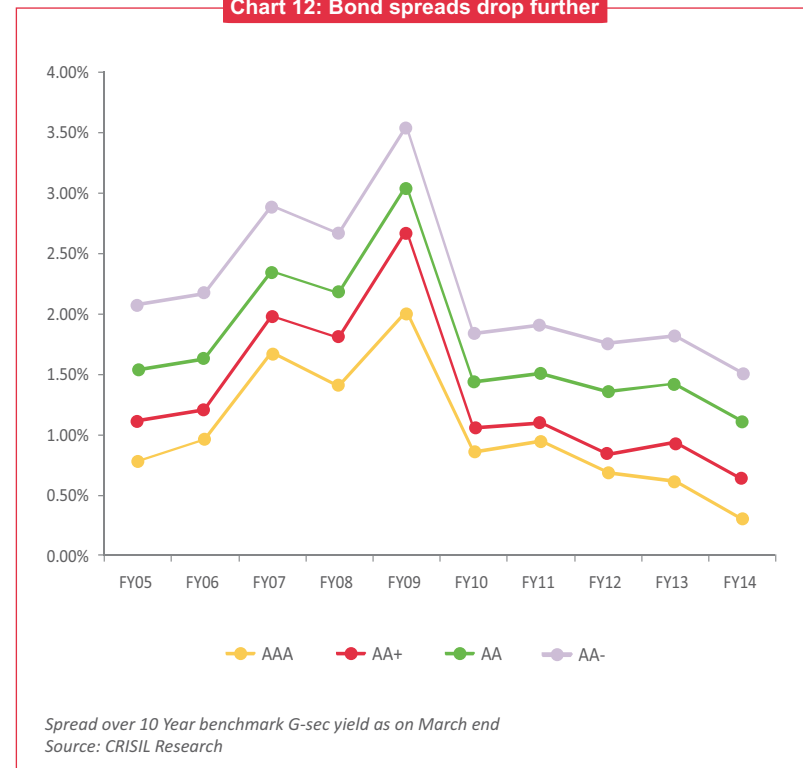


Chart 12: Bond spreads drop further



Overall FII flows were negative, bucking the trend seen previously. The last quarter, however, saw positive flows of close to Rs 35,000 crore, indicating a change in sentiment – and this has continued in fiscal 2015 amid signs of a stable government.

Though primary issuances declined, the secondary market continued to show strong growth. Average daily trading volumes grew to Rs 4,000 crore, up 32% over fiscal 2013.

Chart 13: Net FII flows turn negative in fiscal 2014

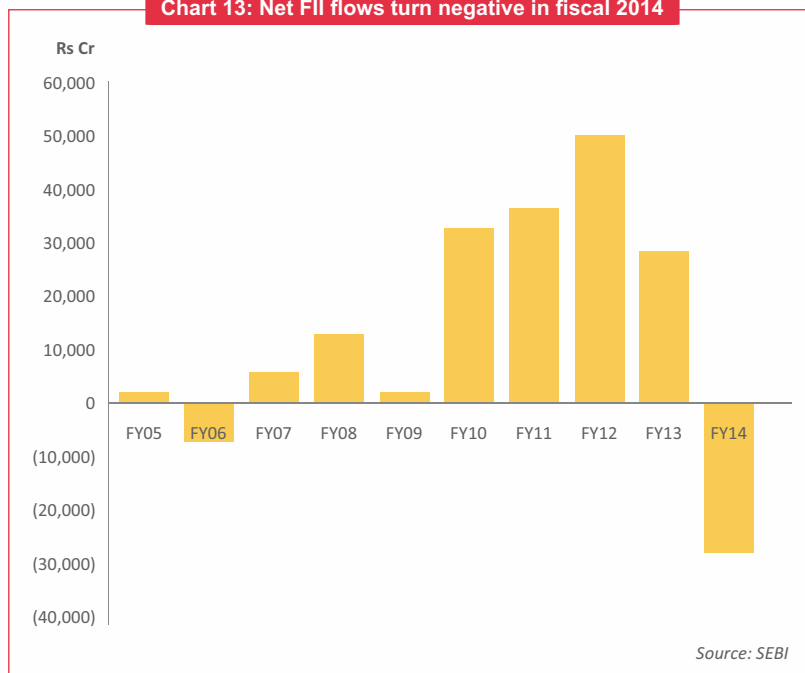
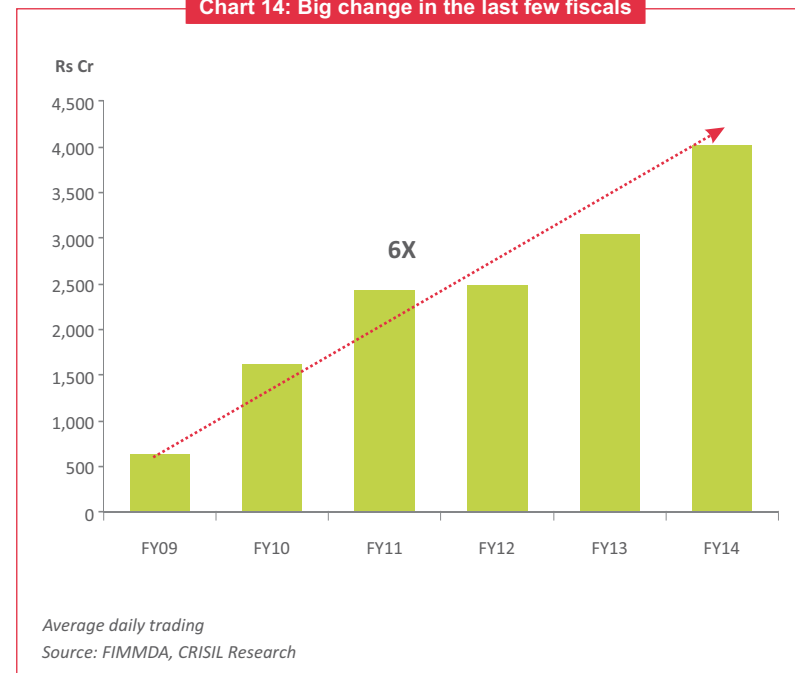
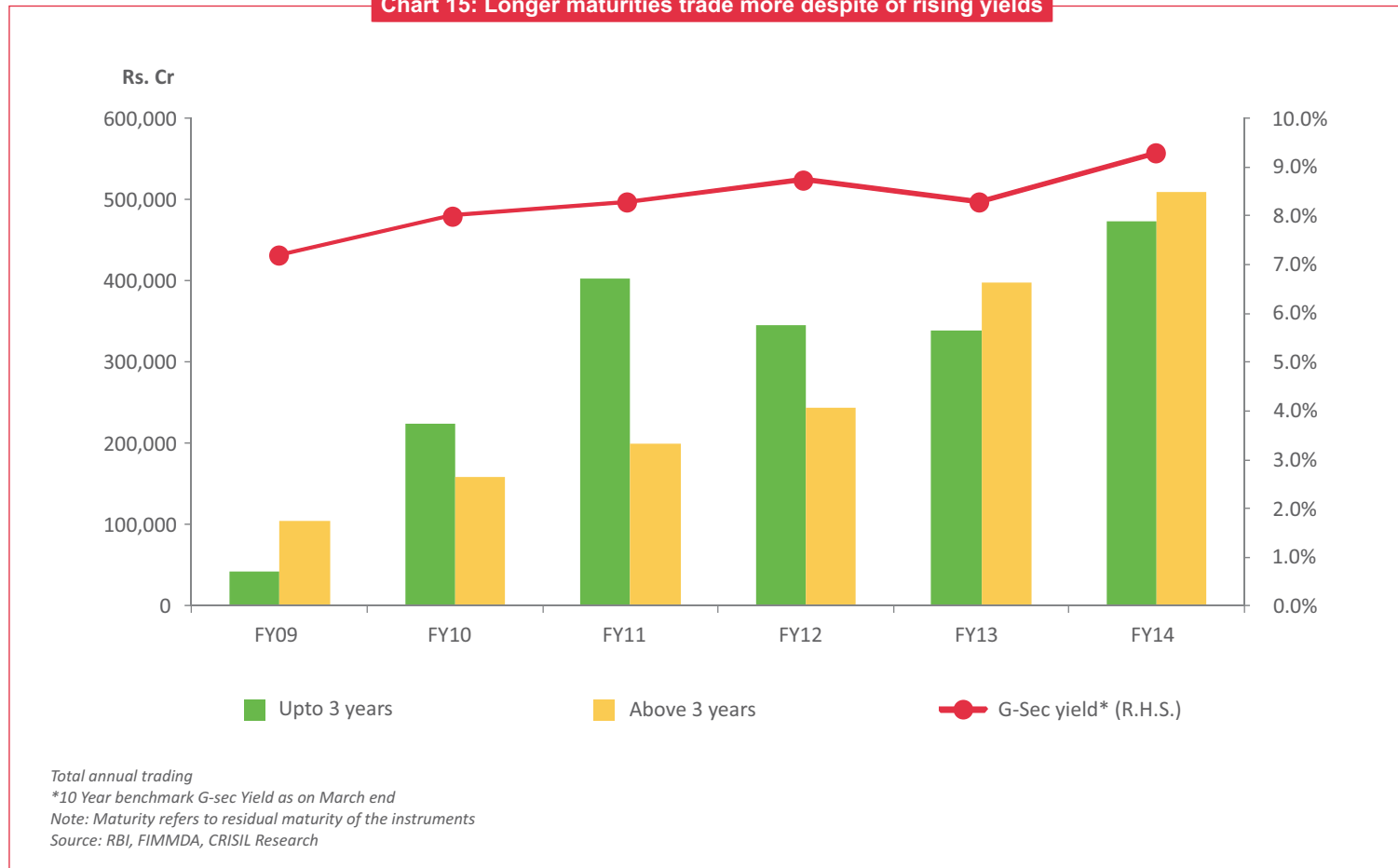


Chart 14: Big change in the last few fiscals



Though yields on G-Secs rose more than 100 basis points (bps), it did not have any adverse impact on traded volume

Chart 15: Longer maturities trade more despite of rising yields



CERTIFICATES OF DEPOSIT AND COMMERCIAL PAPERS

Certificates of Deposit

Issuance of certificates of deposit (CDs) logged an 8% de-growth, similar to the decline seen in fiscal 2013, as banks were flush with funds and credit off-take was low.

Table 1: After impressive growth for 9 years, CD issuances drop for two consecutive years

Certificates Of Deposit		
Fiscal year	Amount (Rs Crore)	Interest rate range
2005	12,825	1.09-7.00
2006	71,684	4.10-8.94
2007	114,886	4.35-11.90
2008	41,426	5.50-11.50
2009	134,712	5.25-21.00
2010	428,438	3.09-11.50
2011	851,834	4.15-10.72
2012	944,996	7.30-11.90
2013	865,156	7.85-12.00
2014	796,484	7.70-11.95

Source: RBI

Commercial Papers

After three years of robust growth, commercial paper (CP) issuances declined around 5% in fiscal 2014. Total CP issuances remained marginally lower than CD issuances. One reason for the drop was volatility caused by the hike in policy rates by RBI in July-August 2013.

Table 2: Issuances flattened out

Commercial Papers		
Fiscal year	Amount (Rs Crore)	Interest rate range
2005	7,696	4.47-7.69
2006	31,686	5.25-9.25
2007	NA	6.25-13.35
2008	NA	2.25-16.00
2009	NA	5.25-17.75
2010	NA	2.83-12.50
2011	225,453	3.85-18.00
2012	521,175	6.39-15.25
2013	765,355	7.37-15.25
2014	728,157	7.36-14.31

NA: Not available
Source: RBI

Daily average trading volume continued to slip for the third year in a row, touching Rs. 6,919 crore compared with Rs. 7,410 crore in fiscal 2013.

Trading volume of CDs with residual maturities between 91 and 182 days saw a drop of around 40% compared with fiscal 2013.

Chart 16: Trades in CDs drop in FY2014

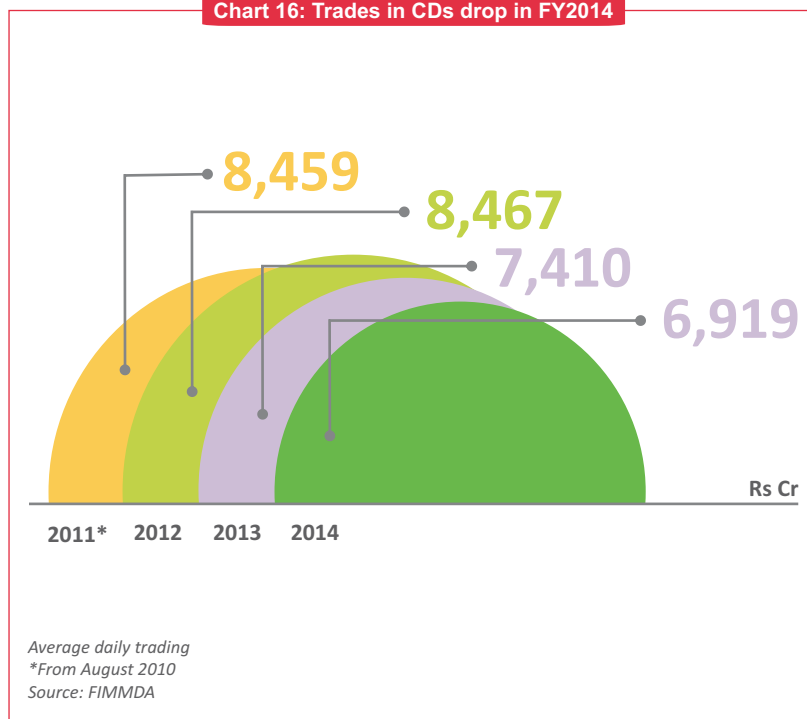
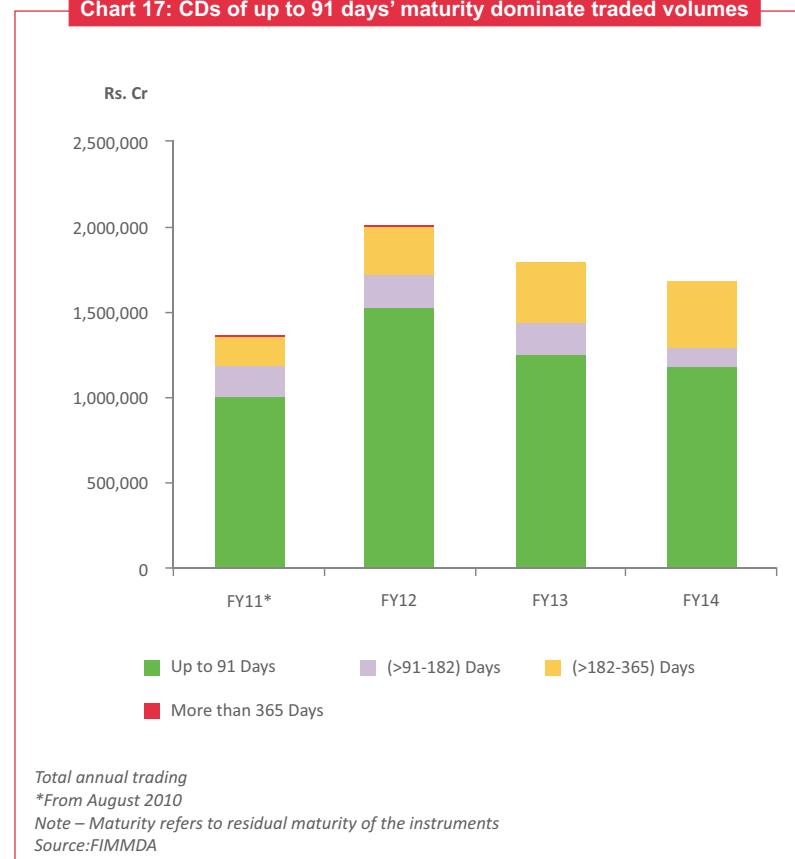
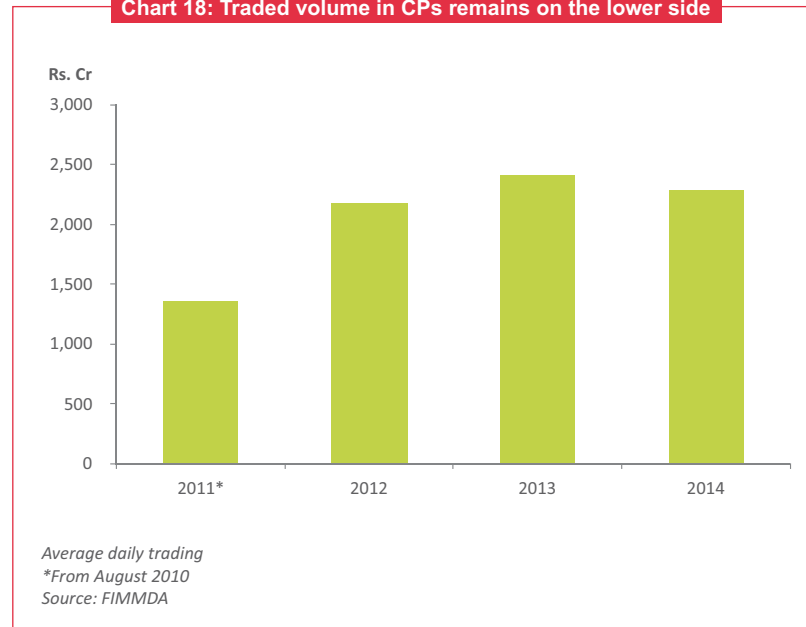


Chart 17: CDs of up to 91 days' maturity dominate traded volumes



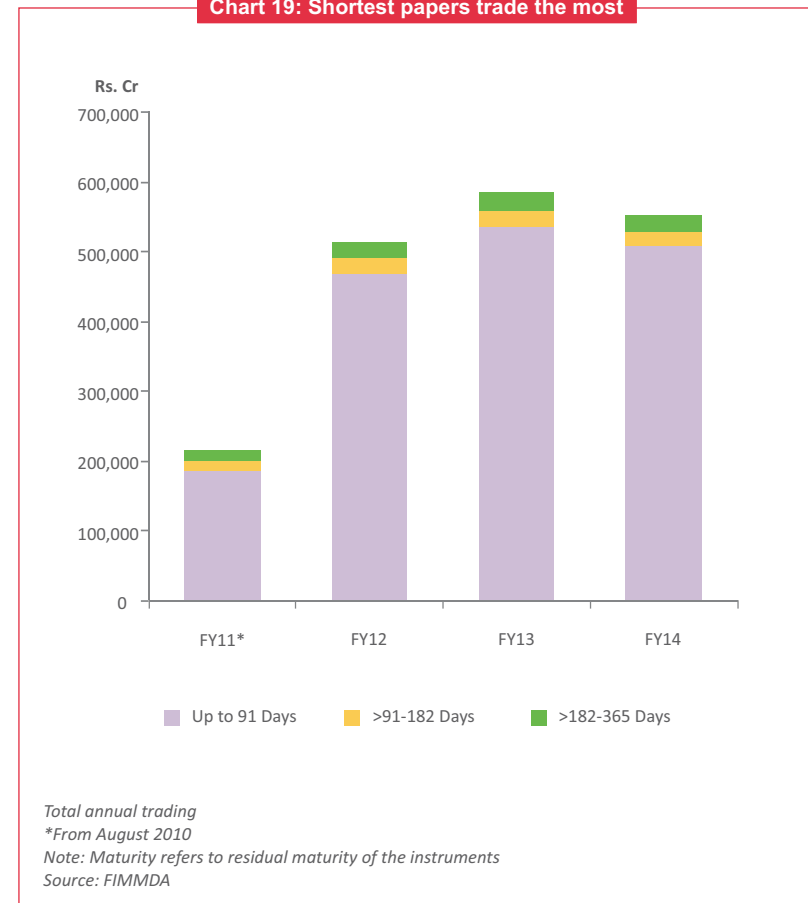
After strong growth for two consecutive years, CP trading volumes fell 5.5%.

Chart 18: Traded volume in CPs remains on the lower side



CPs with maturity less than 91 days had more than 90% share of trades. Trading volume for CPs with a residual maturity between 91 and 182 days dropped around 23% compared with fiscal 2013.

Chart 19: Shortest papers trade the most

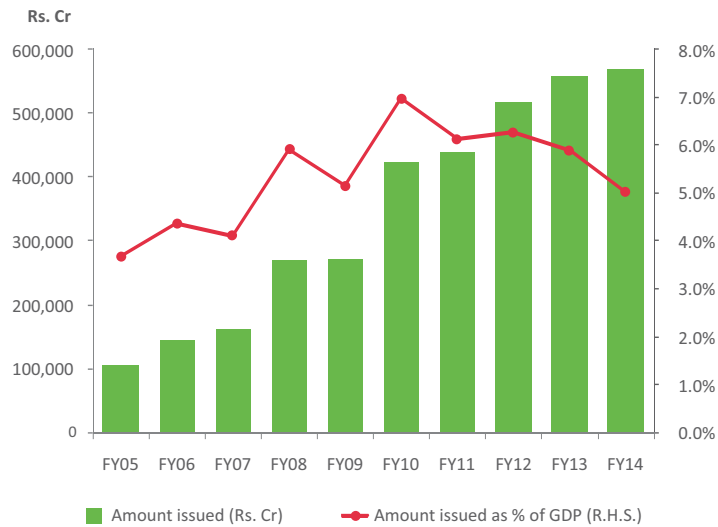


GOVERNMENT SECURITIES

Issuance of G-Secs rose a marginal 1.9%. As a percentage of GDP, it dropped to 5% from 5.9% in fiscal 2013.

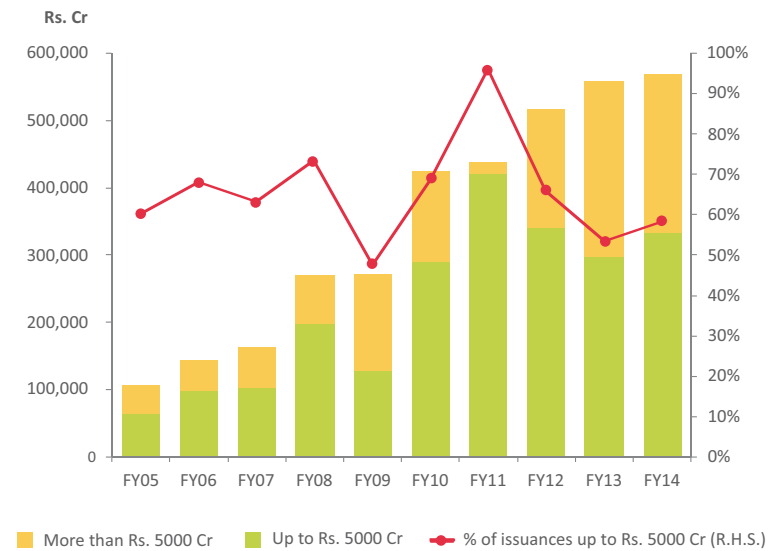
Issuances of up to Rs 5,000 crore rose marginally to 58% from 53% in fiscal 2013, and there were fewer high-ticket issuances

Chart 20: While the amount of G-Sec issuances have risen, their share of GDP has dropped in the last few years



Source: RBI, CRISIL Research

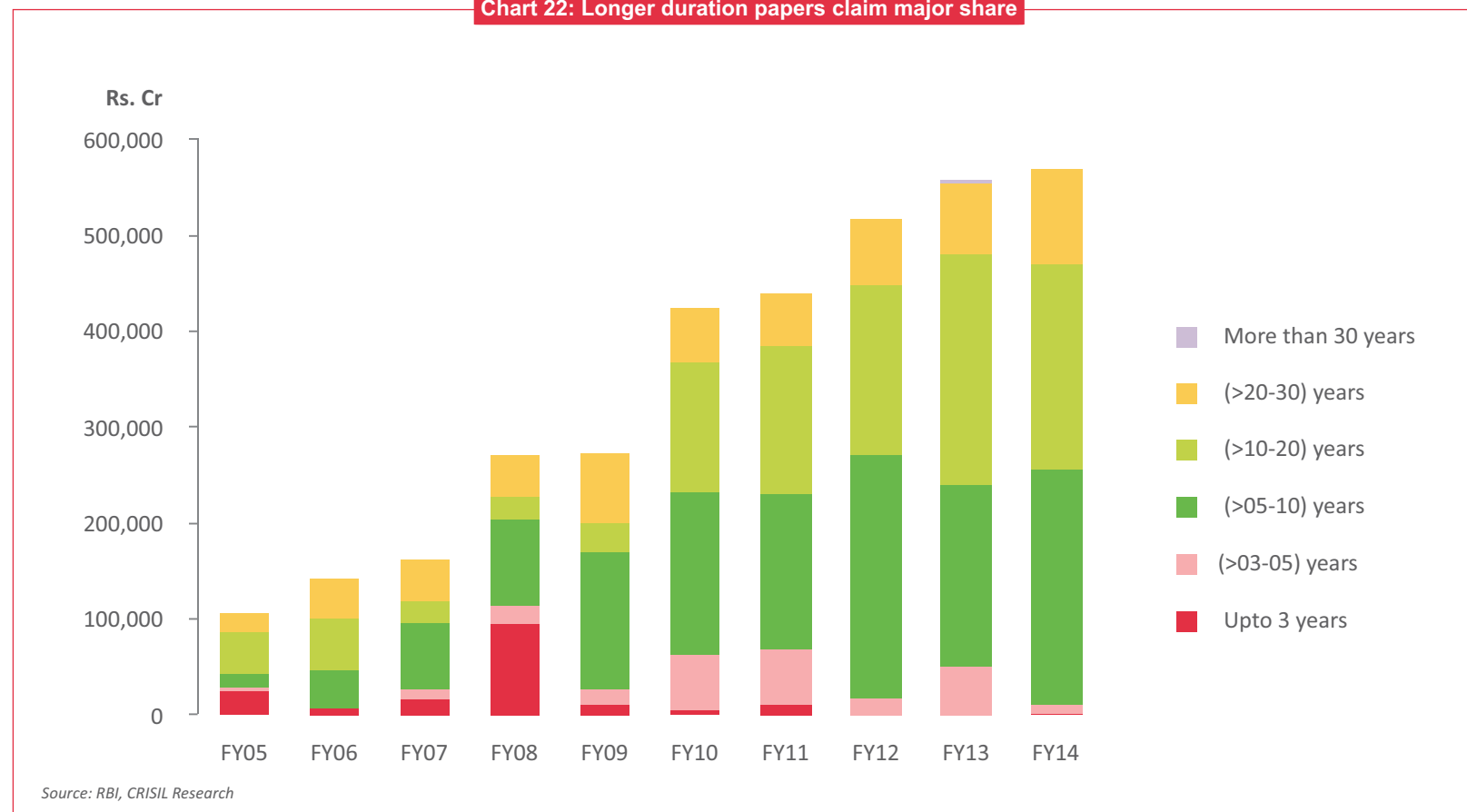
Chart 21: Mega-ticket issuances have been growing



Source: RBI, CRISIL Research

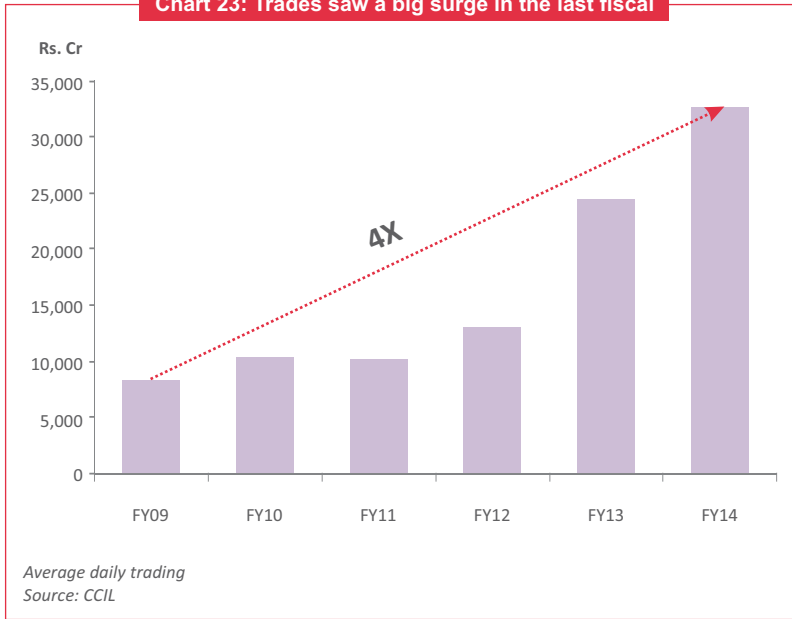
Issuances with maturity up to 5 years plunged to 2% from 9% in fiscal 2013, underscoring the preference of the government and the RBI for longer-term borrowings. Borrowings for more than 20 years grew to Rs 100,000 crore from Rs. 78,000 crore in fiscal 2013.

Chart 22: Longer duration papers claim major share



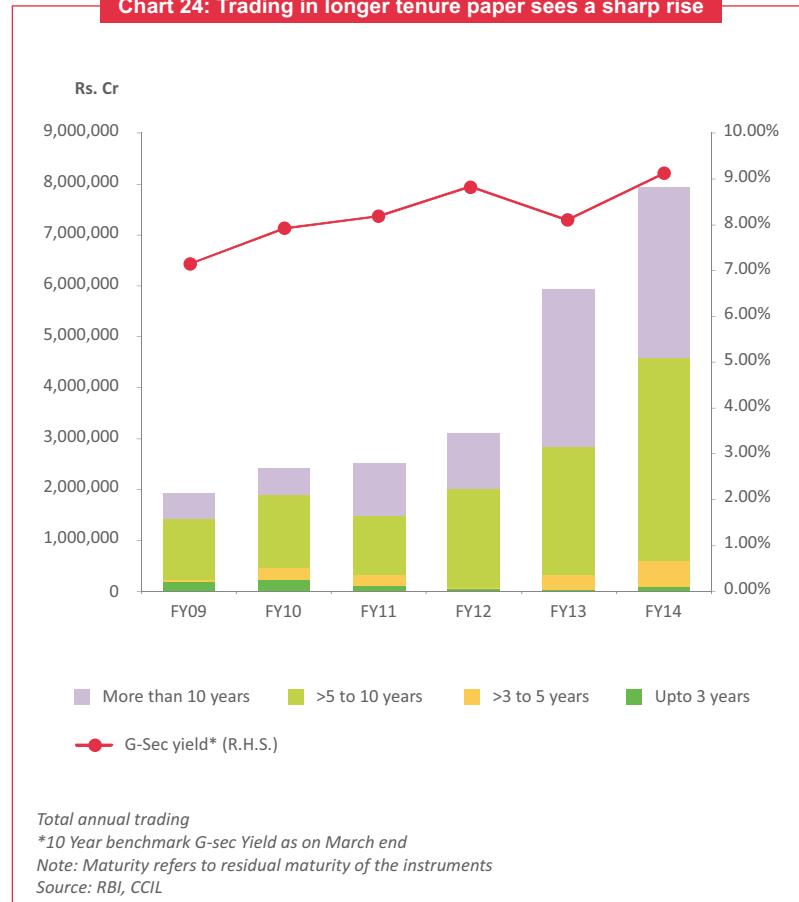
G-Sec trading volume continued to grow rapidly, surging 34% over fiscal 2013.

Chart 23: Trades saw a big surge in the last fiscal



There was an increase in trading of securities between 5- and 10-year maturity. However, traded volumes in the more-than-10-year maturity segment dropped steeply to 42% from 52% in fiscal 2013. Interestingly, longer-tenure securities saw more volumes, despite rising interest rates.

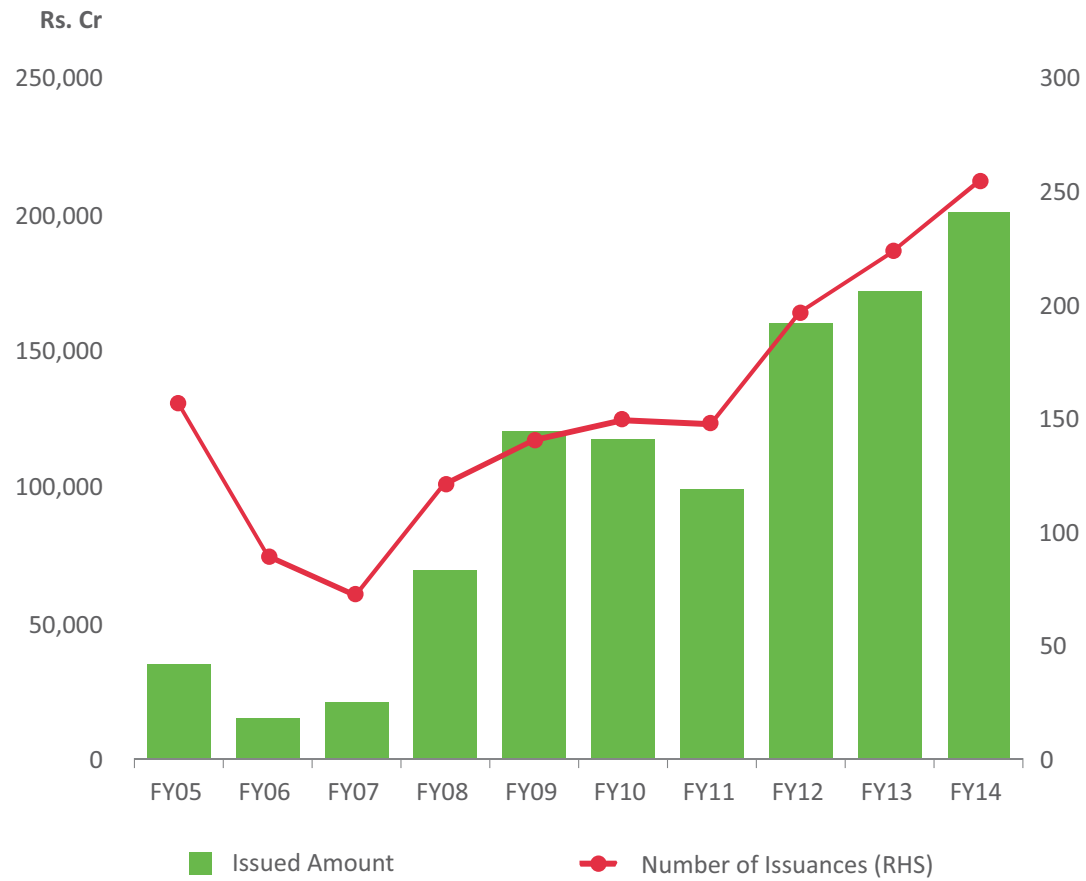
Chart 24: Trading in longer tenure paper sees a sharp rise



STATE DEVELOPMENT LOANS

Issuance of state development loans (SDLs) grew 17% to touch Rs. 2 lakh crore for the first time, largely in line with the growth in gross state GDP.

Chart 25: Sharp rise in state loan issuances



Source: RBI (fiscals 2010-2014), CRISIL Research (fiscals 2005-2009)

Andhra Pradesh, Maharashtra, Tamil Nadu, Uttar Pradesh and West Bengal have borrowed in all of the last 10 fiscals. Total borrowings for these states totalled over Rs. 5 lakh crore, representing close to 50% of overall issuances in

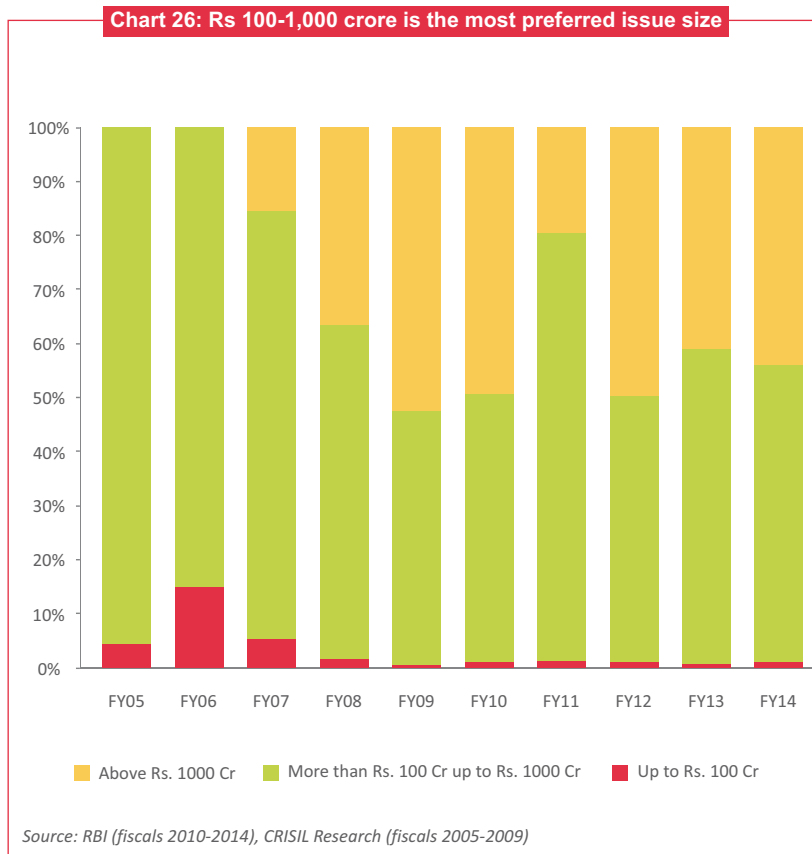
the last 10 years. Orissa borrowed less than 5 times, with the aggregate borrowing less than Rs. 5,000 crore.

Table 3: West Bengal, Maharashtra, Andhra most prolific borrowers

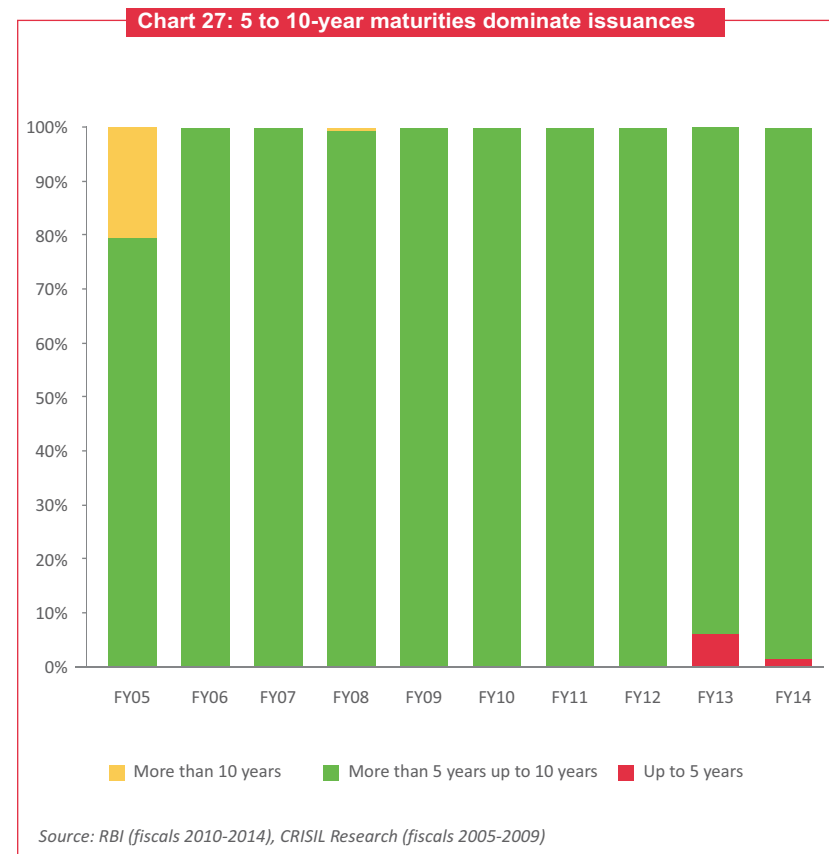
Classification of states based on amount and frequency of issuance					
		Number of years in which issuances were made in the last 10 years			
		<5	5 to 8	9	10
Aggregate amount issued in last 10 years	Up to Rs 5,000 crore	Orissa	Puducherry	Tripura Sikkim Arunachal Pradesh	Goa Manipur Meghalaya Mizoram
	Above Rs 5,000 crore and up to Rs 25,000 crore	Chattisgarh	Assam		Himachal Pradesh Jammu & Kashmir Jharkhand Nagaland Uttarakhand
	Above Rs 25,000 crore and up to Rs 50,000 crore		Haryana	Karnataka Bihar	Madhya Pradesh Punjab
	Above Rs 50,000 crore and up to Rs 80,000 crore				Kerala Rajasthan
	Above Rs 80,000 crore			Gujarat	Andhra Pradesh Maharashtra Tamil Nadu Uttar Pradesh West Benga

Source: RBI, CRISIL Research

Share of SDL issuances above Rs. 1,000 crore grew marginally compared with fiscal 2013. The share of issuances up to Rs. 100 crore remained negligible.



States continued to borrow a majority of funds in the 10-year maturity segment. Borrowings of up to 5 year maturity, introduced in fiscal 2013, had miniscule share.



Trading volume grew 30% over fiscal 2013.

Chart 28: Fiscal 2013 and 2014 saw a sharp growth in trading volumes

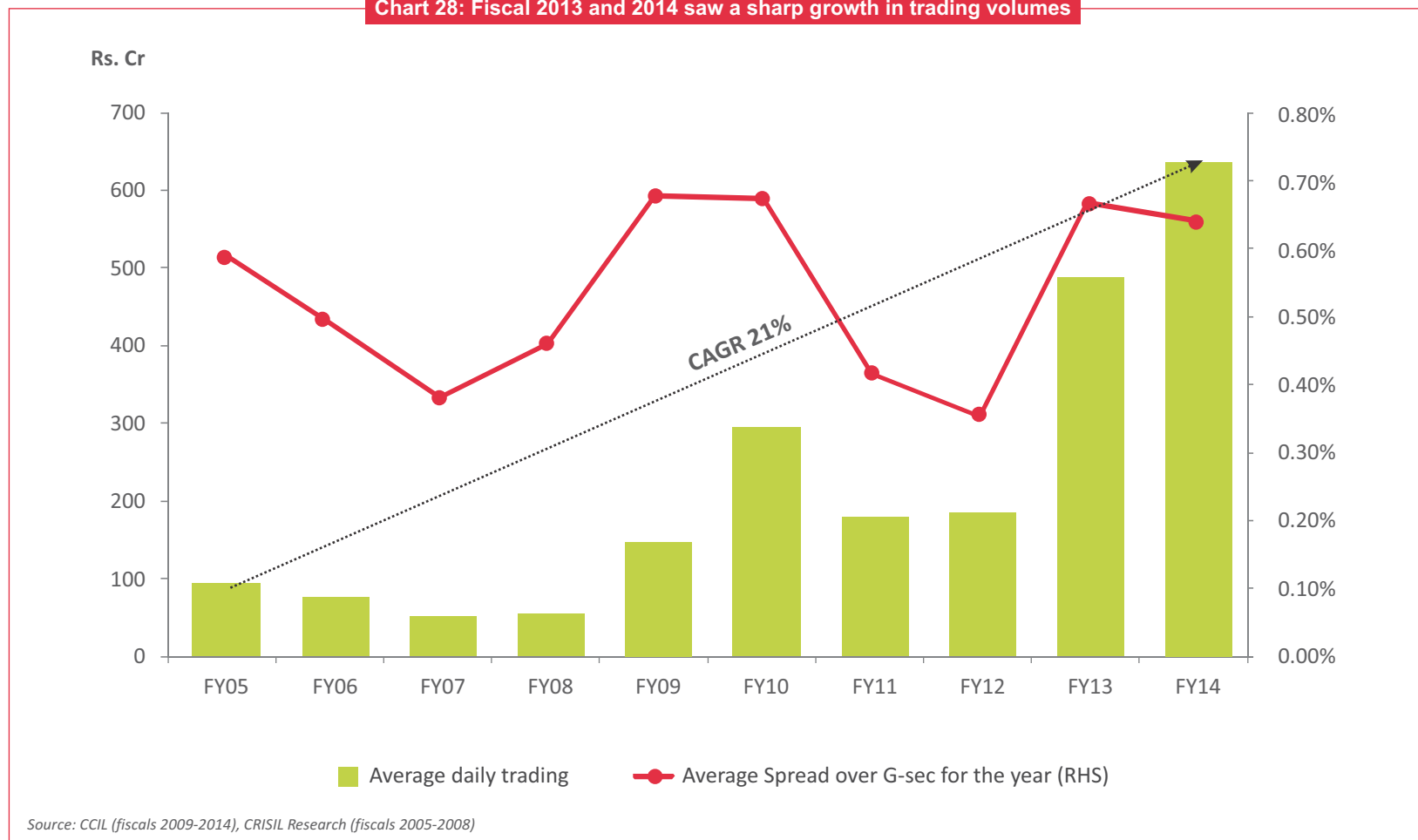
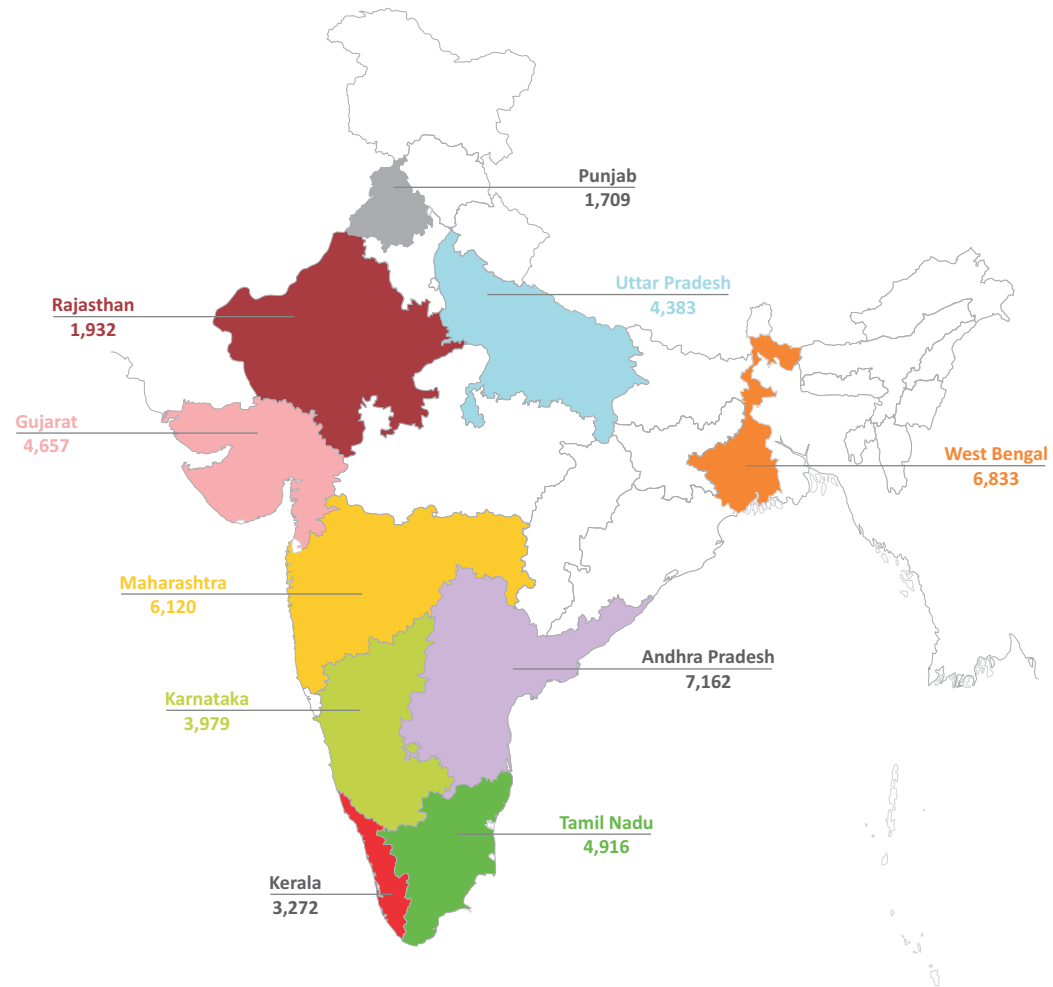


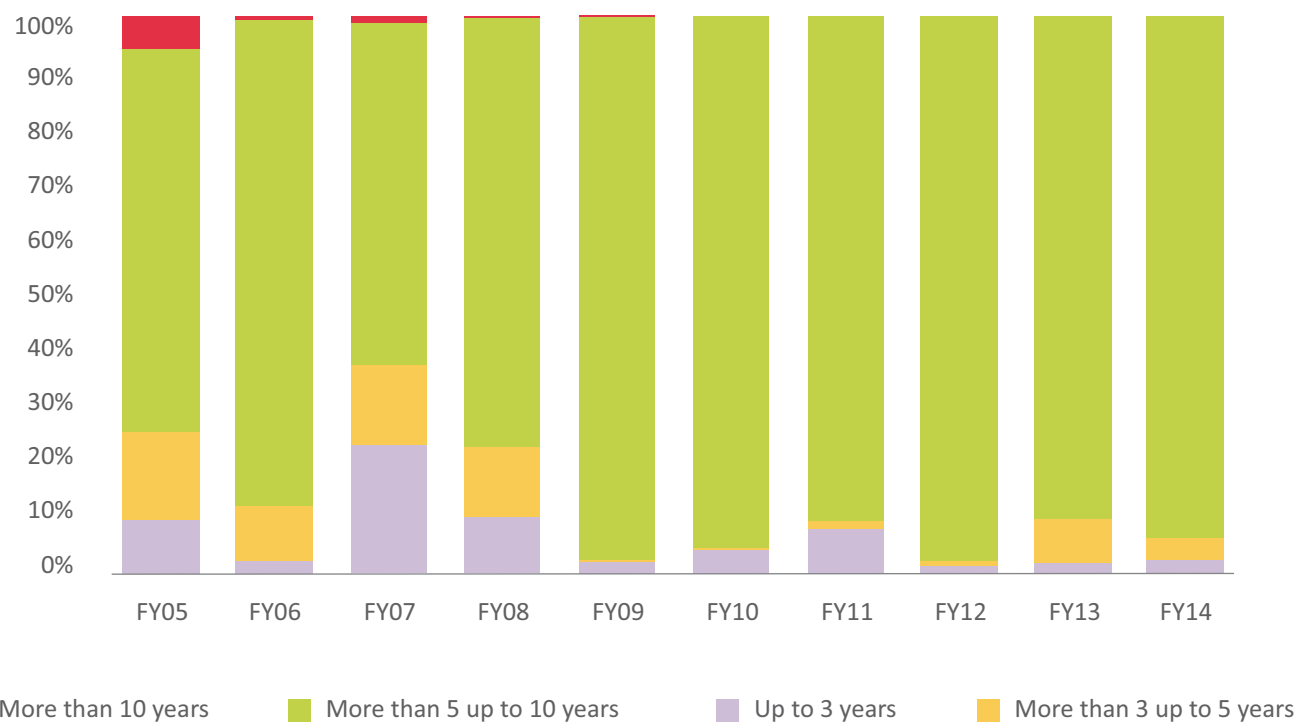
Chart 29: Andhra, Bengal, Maharashtra bonds are much-sought after



Source: CCIL, CRISIL Research
Numbers indicate average annual trading volume (Rs Cr) for the last 10 years for each state

Over 90% of the trades in SDLs were in 5-10 year maturity segment

Chart 30: Limited appetite for bonds with less than 5 years maturity

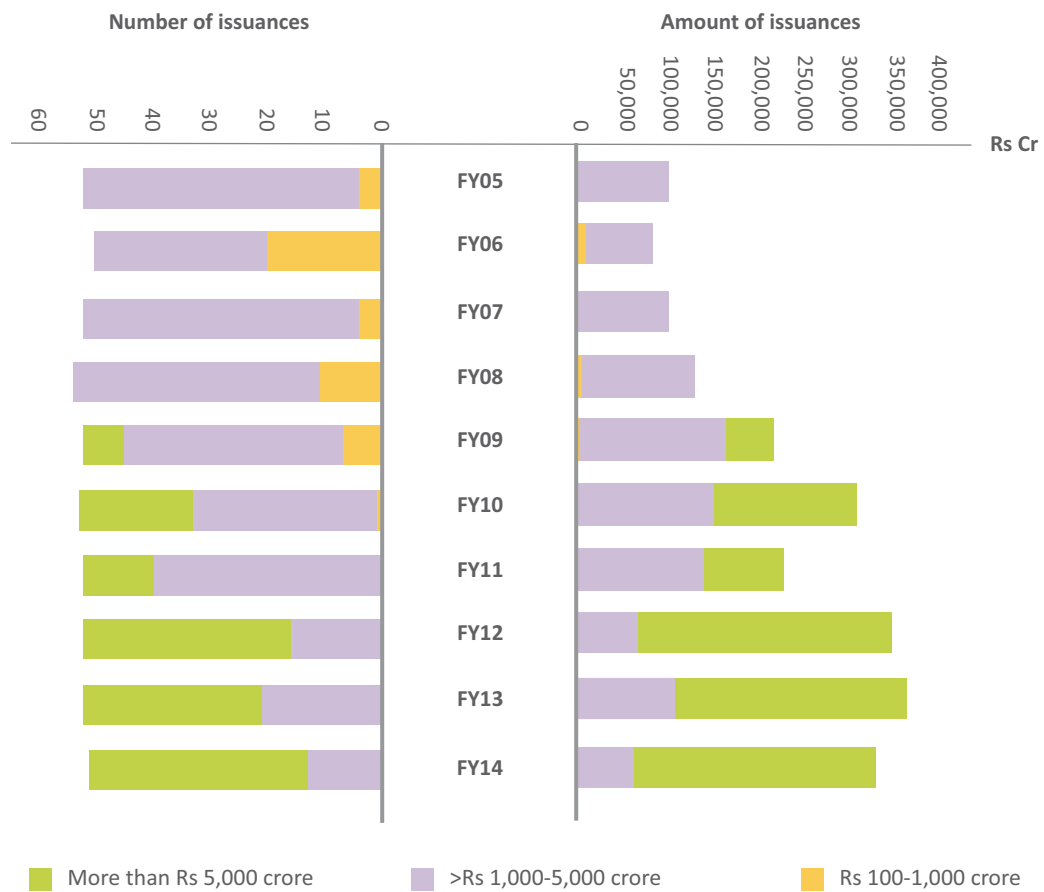


Note Maturity refers to residual maturity of the instruments
Source: CCIL (fiscals 2009-2014), CRISIL Research (fiscals 2005-2008)

TREASURY BILLS

Large-ticket issuances continued to grow for 91-day T-Bills, especially of more than Rs. 5,000 crore. For the fourth year in a row, there was no issuance below Rs. 1,000 crore.

Chart 31: Issuances over Rs 5,000 crore on the rise



Source: RBI

For the first time in a decade, issuances of more than Rs. 5,000 crore were seen for 182-day T-Bills. Smaller issuances, such as less than Rs. 1,000 crore, waned.

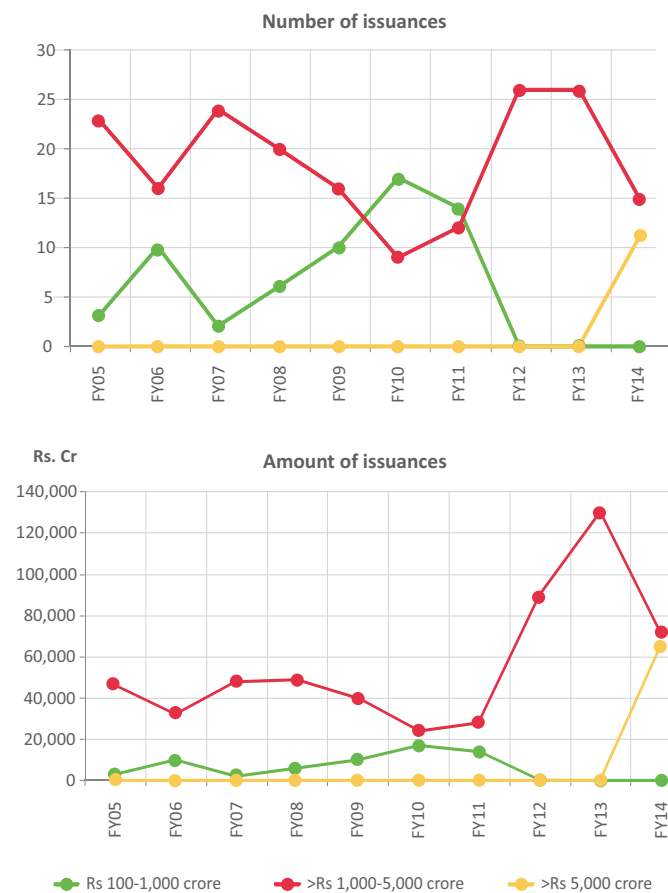
Chart 32: Issuances of Rs 5000 crore and more surge



Source: RBI

The pattern was similar for 364-day T-Bills. Issuances above Rs. 5,000 crore were seen for the first time in a decade, while those below Rs. 1,000 crore ceased.

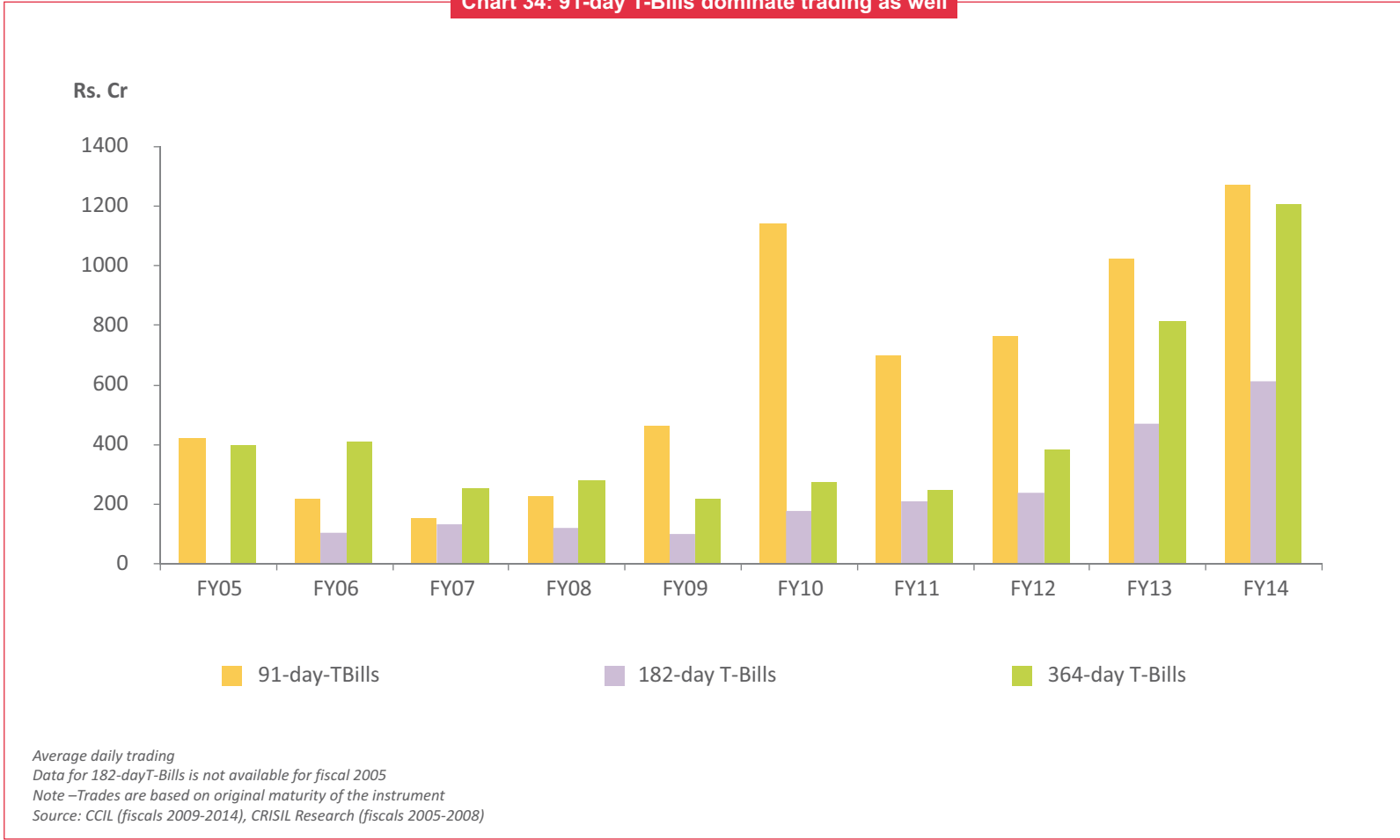
Chart 33: Issuances of Rs 1000-5000 crore and more than 5000 crore get close



Source: RBI

Daily trading volume continued to grow for T-Bills. While the 91-day ones were the most traded, the 182-day ones were the least. Overall growth in trading was more than 34% with 364-day T-Bills posting the highest growth of 47%.

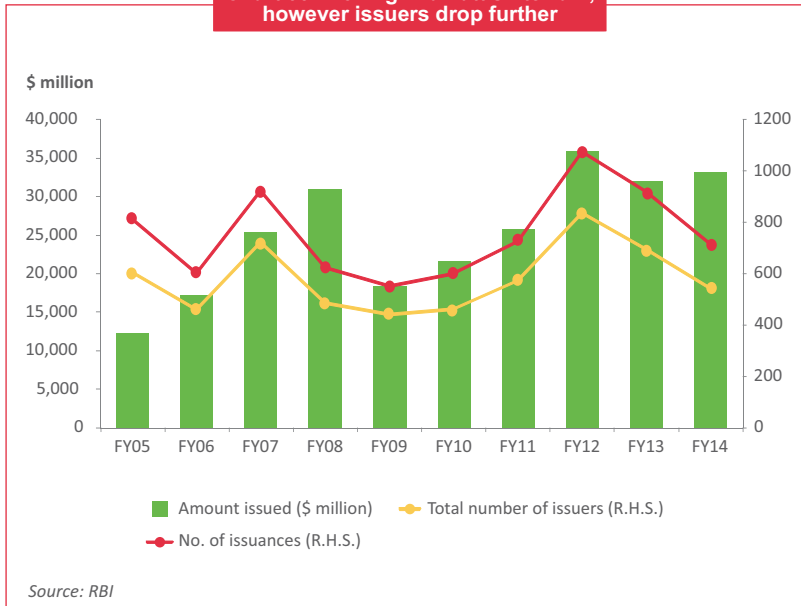
Chart 34: 91-day T-Bills dominate trading as well



EXTERNAL COMMERCIAL BORROWINGS/FOREIGN CURRENCY CONVERTIBLE BONDS

Borrowings through external commercial borrowings (ECBs) and foreign currency convertible bonds (FCCBs) grew marginally. But the number of issuers and issuances fell sharply, suggesting a rise in the average ticket size per borrower and per borrowing.

Chart 35: Moving in a flattish terrain, however issuers drop further



There was a sharp rise in foreign borrowings with less than 3 year and between 3 to 5 year tenures. On the other hand, issuances of 5 years and more dropped.

Chart 36: Borrowing upto 5 years rise sharply in fiscal 2014

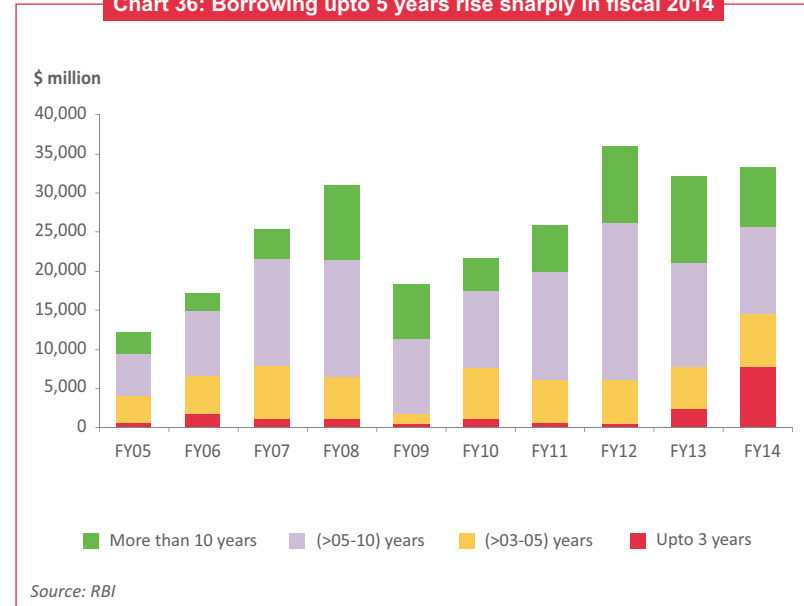


Table 5: Issuances of \$10 million or less dominate

Number of issuances										
Issue size	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Up to \$10 million	653	394	607	334	320	380	441	610	569	457
>\$10-50 million	101	108	211	186	169	143	186	328	230	145
>\$50 million	56	98	103	105	64	77	99	136	119	112
Grand Total	810	600	921	625	553	600	726	1074	918	714

Source: RBI

Table 6: But most of the money gathered was through bigger-sized issues

Total issuances (\$ million)										
Issue size	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Up to \$10 million	1,497	1,005	1,586	1,218	1,078	1,186	1,603	2,344	1,934	1,325
>\$10-50 million	2,407	2,724	5,119	4,785	4,162	3,176	4,294	7,806	5,250	3,466
>\$50 million	8,349	13,444	18,647	24,956	13,124	17,307	19,878	25,817	24,873	28,446
Grand Total	12,253	17,172	25,353	30,957	18,363	21,671	25,776	35,966	32,058	33,238

Source: RBI

CHRONOLOGY OF KEY DEBT MARKET MILESTONES

CHRONOLOGY OF KEY DEBT MARKET MILESTONES

Government

RBI

SEBI

Years

2002

2003

2004

2005

2006

2007

2008

2009

2010

2011

2012

2013

2014

Scheme of non-competitive bidding introduced. NDS operationalised, guaranteed settlement of trades in G-Secs provided by CCIL

Guidelines for exchange traded interest rate derivatives issued

Settlement of G-Sec trades on DvP-III basis introduced

Negotiated dealing system-order matching system NDS-OM introduced

Recommendations of high level expert committee for the development of the corporate bond and securitisation markets accepted

Clarification on issues of regulatory jurisdiction of RBI and SEBI was provided

SDLs made eligible securities under the liquidity adjustment facility repos

Announcements related to launch of exchange based interest rate futures, separation of equity option from convertible bonds to boost trading, market based system for classifying instruments based on complexity, TDS exemption for listed and demat instruments

Non-competitive bidding for SDLs introduced

Interest rate futures (IRFs) reintroduced with modifications

Reporting platform for all secondary market transactions in CPs and CDs operationalised by FIMMDA

Introduction of guidelines permitting repo in corporate bonds

Introduction of STRIPS in G-Secs

IRF on 91-day T-Bills permitted

Announcement of setting up of Infrastructure debt fund under NBFC and AMC route

Introduction of credit default swaps (CDS) on corporate bonds

NBFCs permitted to set up IDFs

Introduction of web-based system for access to NDS auction and NDS-OM to facilitate direct participation by retail and mid-segment investors

Inflation indexed bonds introduced

Short-term debt securities permitted for corporate repo

CDS for unlisted rated corporate bonds permitted

Credit enhancements in securitisation transactions for both banks and NBFCs
Introduced cash settled Interest Rate Futures on 10-year Government of India security

Allows EPFO to invest upto 55% in debt securities issued by bodies corporate

Announcement on Real Estate and Infrastructure Investment Trusts

Amendment in provisions related to issuances of corporate bonds - single rating instead of dual for public/rights issue, removal of least rating criteria, removal of structural restrictions (maturity, put/call options)

Amendments to listing agreements to ensure electronic transfer of interest and redemption

Introduction of mandatory dissemination, by Issuer, of key information relating to default, creation of charge and rating etc.

NSE, BSE and FIMMDA operationalised corporate bond trade reporting platforms

Standards, prevalent in G-Sec market, related to shut period, lot size and day count conventions introduced for corporate Bonds

SEBI (Public Offer and Listing of Securitised Debt Instruments) Regulations, 2008 and SEBI (Issue and Listing of Debt Securities) Regulations, 2008 were notified

CoBoSAC ("Corporate Bonds and Securitisation Advisory Committee") was set up for making recommendations on developing bond and securitisation market

Simplified listing agreement for debt securities

Mandatory reporting of inter-scheme transfers of Corporate Bonds by Mutual funds

Mandatory usage of interest rate convention of actual/actual by issuers

Guidelines for Issue and Listing of Structured Products/Market Linked Debentures

Record date to be not more than 15 days prior to book closure for all prospective privately placed issues of corporate bonds

Mutual funds permitted to set up an IDF

SEBI issued a Risk Management Framework for Dedicated Debt Segment on Stock Exchanges

Regulated entities mandated to shift clearing and settlement of OTC trades in debt instruments including CPs and CDs to clearing corporation

Stock exchanges allowed to create a debt segment for trading

Inclusion of FIIs in list of strategic investors in infrastructure debt funds

Registered FPI allowed to invest in the credit enhanced bonds up to a limit of USD 5 billion

Framework for Real Estate and Infrastructure Investment Trusts

Centralised database for corporate bonds to provide comprehensive information on corporate bonds to various market participants

ANNEXURES

Recent product innovations

a. Alternative Investment Funds:

Alternative Investment Funds (AIFs) are funds established or incorporated in India with the purpose of pooling capital from Indian and foreign investors for investment as per a pre-decided policy. AIFs include debt funds, hedge funds, infrastructure funds, private equity funds, SME funds, social venture funds and venture capital funds. The AIF regulation was introduced by the Securities and Exchange Board of India in 2012 for ensuring a level playing field, avoiding regulatory gaps, encouraging formation of new capital and providing investor protection. The minimum corpus required for these funds is Rs 20 crore (except angel funds where it is Rs. 10 crore) and the minimum investment by an investor Rs 1 crore (except angel funds where it is Rs. 25 lakh). These funds need to be registered under any one of three categories – Category I, Category II and Category III – of AIFs.

In less than two years since the regulations were put in place, 123 entities¹ have been registered under AIFs – around 38 in Category I, 61 in Category II and 24 in Category III. As on September 30, 2014, about Rs. 559 crore was raised in Category I, of which Rs 349 crore was invested; in Category II, Rs. 3,686 crore was invested out of mobilisations of Rs 4,170 crore; in Category III, Rs. 1,544 crore was invested out of Rs 1,830 crore. Total commitments raised across the three categories were Rs 17,452 crore.

b. Inflation-indexed bonds:

RBI launched inflation-indexed bonds in 2013 to protect investor savings from inflation and discourage investments in physical gold, currently used as a hedge against inflation. The apex bank initially introduced inflation-indexed securities that were linked to the wholesale price index (WPI). However, considering the WPI may not appropriately reflect inflation at the retail level, the RBI launched Inflation Indexed National Savings

Securities-Cumulative (IINSS-C), linked to the consumer price index (CPI). Private institutions such as L&T have also issued inflation indexed bonds for corporate bond investors. Also launched were a few mutual fund schemes, which are supposed to invest their corpus in such securities.

c. Interest rate futures:

To provide market participants such as banks, insurance companies and provident funds a hedging mechanism against interest rate movements, the RBI has re-launched interest rate futures (IRFs) in the country. The product also seeks to enable investors to benefit from arbitrage opportunities (if available) and directional trading. This is the third launch of the product after 2003 and 2009; the previous versions had limitations such as physical settlement of contracts and underlying linkage to short term products with limited market depth. Under the newly introduced version, the RBI has linked the futures contract to the 10-year government bond, which is among the most liquid bonds available. Additionally, the contract can be cash settled on expiry, thereby offering greater flexibility to participants.

d. Infrastructure development funds:

IDFs were launched by the government in 2012 with the aim of funding the country's infrastructure needs and providing long-term investors an investment opportunity. IDFs were aimed to act as vehicles for refinancing the existing debt of infrastructure companies, thereby creating headroom for banks to lend to fresh infrastructure projects. An IDF can be set up either as a Trust (as mutual fund) or as a Company (as NBFC). Investments in both these formats are closed-ended with a minimum time horizon of 5 years and above.

There are currently three IDF-MFs (IIFCL, IL&FS and SREI) that are active. Assets under management in the IDF-MF route were Rs. 879 crore

¹Source: SEBI (as on November 2014)

as of end-FY14. There are two IDF-NBFCs India Infradebt and L&T IDF who have raised over Rs 550 crore between them.

e. Real estate investment trust

In a bid to revive the real estate market in the country, the government launched real estate investment trusts (REITs). In addition to meeting the financial problems faced by real estate developers and reducing pressure on the banking system, REITs aim to create a long-term investment avenue for investors. REITs are to be set up as trusts registered with SEBI. They are permitted to invest in commercial real estate assets, either directly or through SPVs. All REITs are to be closed-ended to start with, and expected to provide returns through rental income or capital gains from real estate.

Corporate Bonds

1. Outstanding amount for various fixed income securities

Type of Security	Outstanding as on March 2014 (Rs. Crore)
Corporate Bonds	1,467,397
Government Securities	3,697,910
SDLs	1,054,036
T-Bills	339,134
CDs	375,800
CPs	106,610
Total	7,040,887

Source: RBI, SEBI, CCIL

2. Primary issuances

Fiscal Year	Private placements						Mobilised amount through public placements Rs. Crore	Ratio of amount mobilised through public issuance to private placement	Total amount mobilised as % of GDP
	Number of issuers	Number of deals	Number of instruments	Mobilised amount Rs. Crore	Growth in amount mobilised	Amount mobilized as % of GDP			
2005	114	319	386	55,184	14%	1.9%	N.A.	N.A.	N.A.
2006	99	362	432	79,446	44%	2.4%	N.A.	N.A.	N.A.
2007	97	498	568	92,355	16%	2.3%	N.A.	N.A.	N.A.
2008	104	613	681	115,266	25%	2.5%	N.A.	N.A.	N.A.
2009	167	799	874	174,327	51%	3.3%	1,500	1%	3.3%
2010	192	803	879	189,478	9%	3.1%	2,500	1%	3.2%
2011	182	825	956	192,127	1%	2.7%	9,451	5%	2.8%
2012	164	1327	1939	251,437	31%	3.1%	35,611	14%	3.5%
2013	267	1828	2443	351,848	40%	3.7%	16,982	5%	3.9%
2014	245	1473	3524	270,946	-23%	2.4%	42,383	16%	2.8%

Source: SEBI, RBI, Prime Database

3. Sector-wise break-up of number and amount of issuances

Summary of sector-wise issuances (number of issues)											
Sector	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	
Agriculture & Allied Activities								1	1		
Industry	57	41	23	29	95	109	119	72	157	141	
Top 5	Banking/Term Lending	136	181	175	169	146	199	175	199	247	122
	Diversified	1			4	17	5	18	11	17	16
	Financial Services	106	123	286	395	522	446	491	1019	1328	1133
	Housing/ Civil Construction/ Real Estate	2		4	11	14	21	22	13	60	51
	Power Generation & Supply	21	14	14	7	21	25	24	23	28	41
Services	262	321	475	584	704	694	706	1254	1670	1332	
Of which	Financial Services	106	123	286	395	522	446	491	1019	1328	1133
	Banking/Term Lending	136	181	175	169	146	199	175	199	247	122
Grand Total	319	362	498	613	799	803	825	1327	1828	1473	

Source: Prime Database, CRISIL Research

Summary of sector-wise issuances (Amount Rs. Crore)											
Sector	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	
Agriculture & Allied Activities								250	400		
Industry	16,951	18,356	7,724	7,946	41,614	44,789	47,421	43,425	78,993	63,971	
Top 5	Banking/Term Lending	30,485	54,118	61,519	68,204	91,916	93,778	92,029	129,161	139,084	98,489
	Diversified	150			2,250	11,100	1,000	4,915	2,885	5,445	5,056
	Financial Services	5,062	5,859	21,463	36,269	31,335	39,271	44,384	64,682	105,662	95,300
	Oil Exploration/Drilling/ Refining		2,225			4,100	6,340	4,750	1,415	13,760	3,200
	Power Generation & Supply	8,725	7,660	6,748	3,468	12,671	16,474	19,025	23,615	21,408	20,942
Services	38,233	61,090	84,632	107,320	132,713	144,688	144,706	207,762	272,455	206,975	
Of which	Financial Services	5,062	5,859	21,463	36,269	31,335	39,271	44,384	64,682	105,662	95,300
	Banking/Term Lending	30,485	54,118	61,519	68,204	91,916	93,778	92,029	129,161	139,084	98,489
Grand Total	55,184	79,446	92,355	115,266	174,327	189,478	192,127	251,437	351,848	270,946	

Source: Prime Database, CRISIL Research

Detailed sector-wise break-up of primary issuances (Rs. Crore)										
Sector	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
State Financial Institutions	2,381	719	1,192	1,309	254	1,337	1,425	1,575	5,394	1,482
Public Sector Undertakings	6,441	10,719	6,178	3,526	11,814	22,355	12,850	27,176	39,851	31,784
State-Level Undertakings	3,519	889	752	1,348	4,738	2,085	1,981	4,184	8,584	3,686
Banks	9,301	27,554	36,046	25,902	38,596	38,679	19,481	14,974	24,495	14,388
NBFCs	4,690	5,486	12,050	15,072	17,951	17,643	12,877	26,697	45,777	38,774
Housing Finance Companies	5,972	6,925	9,370	21,105	12,719	16,805	29,801	36,367	57,850	55,106
Financial Institutions and others	17,535	25,060	25,755	41,051	53,720	53,942	72,112	113,520	109,425	82,434
Private – Non-financial Sector	5,346	2,093	1,013	5,953	34,533	36,767	41,599	26,946	60,473	43,291
Grand Total	55,184	79,446	92,355	115,266	174,327	189,613	192,127	251,437	351,848	270,946

Source: Prime Database, CRISIL Research

4. Size-wise break-up of number and amount of issuances

No. of Issues										
Issue Size	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Rs.10 Crore & below	27	25	45	48	172	158	192	375	496	477
>Rs.10 Crore -25 Crore	43	69	97	131	140	95	102	297	290	218
>Rs.25 Crore - 50 Crore	60	63	92	107	129	98	93	166	235	184
>Rs.50 Crore -100 Crore	31	22	32	57	38	54	45	58	134	108
>Rs.100 Crore & above	158	183	232	270	320	398	393	431	673	486
Grand Total	319	362	498	613	799	803	825	1327	1828	1473

Source: Prime Database

Amount (Rs. Crore)										
Issue Size	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Rs.10 Crore & below	212	202	374	429	1,162	904	1,197	2,408	2,109	2,160
>Rs.10 Crore -25 Crore	913	1,449	2,079	2,845	2,722	1,904	2,171	5,415	5,613	4,251
>Rs.25 Crore - 50 Crore	2,546	2,692	3,978	4,618	5,629	4,366	4,268	6,572	9,729	7,609
>Rs.50 Crore -100 Crore	2,263	1,622	2,229	4,074	2,650	3,918	3,330	4,183	9,292	7,594
>Rs.100 Crore & above	49,250	73,481	83,696	103,301	162,164	178,386	181,161	232,859	325,105	249,333
Grand Total	55,184	79,446	92,355	115,266	174,327	189,478	192,127	251,437	351,848	270,946

Source: Prime Database

5. Private sector vs non-private sector

Amount (Rs. Crore)										
Issuer category	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Non-Private Sector	44,993	71,616	77,815	93,577	119,693	134,300	132,088	193,303	238,111	181,343
Private Sector	10,191	7,829	14,541	21,689	54,634	55,178	60,039	58,134	113,737	89,603
Grand Total	55,184	79,445	92,356	115,266	174,327	189,478	192,127	251,437	351,848	270,946
Share of private sector	18%	10%	16%	19%	31%	29%	31%	23%	32%	33%

Source: Prime Database

6. Rating-wise break-up of number and amount of issuances

Number of issues										
Rating	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
AAA	165	169	284	335	371	297	318	375	566	391
AA+	41	84	97	100	176	279	226	574	536	520
AA	33	38	52	88	136	84	87	151	222	207
AA-	13	7	7	14	29	54	80	131	320	190
A+	5	3	3	13	16	38	53	23	31	29
A	15	7	10	14	10	19	16	21	67	38
A-	7	4	1		3	6	5	12	20	7
BBB+	5	1	2	3	9	5	2	4	5	17
BBB	3				3		5	1	8	12
BBB-						1	3	3	6	21
BB+							1		3	12
BB		1				2		2	2	3
BB-							1		7	10
B+									2	8
B									2	1
B-										1
C								1	4	4
A1+	9	17	11	12	38					
A1	1	4	1		1					
Not Rated	22	27	30	34	7	18	28	29	28	2
Grand Total	319	362	498	613	799	803	825	1327	1829*	1473

*Note: The rating-wise issuances are 1,829, whereas total issuances are 1,828 during the year

Source: Prime Database

Amount (Rs. Crore)										
Rating category	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
AAA	34,684	55,241	69,753	89,273	122,856	131,208	132,075	189,447	226,311	189,396
AA+	5,968	13,682	10,438	9,152	21,349	19,758	18,775	28,054	54,742	36,917
AA	5,279	3,990	6,440	5,372	16,393	14,285	10,851	12,587	25,351	15,360
AA-	556	841	680	1,606	3,235	5,023	13,856	6,237	16,946	9,404
A+	605	435	132	1,112	3,171	8,911	8,178	2,167	3,735	5,880
A	3,275	425	2,279	2,858	1,131	4,498	5,844	6,175	12,015	5,207
A-	1,200	448	48		200	2,168	890	3,414	2,536	2,243
BBB+	725	2	74	770	1,485	705	150	918	208	453
BBB	327				987		507	32	884	1,104
BBB-						83	445	323	518	2,501
BB+							250		192	450
BB		200				275		495	95	98
BB-							84		2,935	791
B+									198	444
B									155	6
B-										17
C								53	477	571
A1+	770	1,115	821	389	1,368					
A1	160	90	390		25					
Not Rated	1,635	2,983	1,301	4,734	2,127	2,564	222	1,535	4,977	103
Grand Total	55,184	79,452*	92,355	115,266	174,327	189,478	192,127	251,437	3,52,272#	270,946

*Rating-wise issuances tot up to Rs 79,452 Crore, whereas total issuances are Rs 79,446 Crore during the year

#Rating-wise issuances tot up to Rs 352,272 Crore, whereas total issuances are Rs 351,848 Crore during the year

Source: Prime Database

7. Maturity-wise number of issuances

Number of instruments										
Maturity buckets	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Up to 3 years	140	110	229	344	317	335	466	1096	1203	2609
>3-5 years	61	60	55	106	190	160	195	228	505	472
>5-10 years	132	182	132	107	151	172	178	386	577	354
>10 years	23	31	61	50	59	76	117	229	158	81
N. A.	30	49	91	74	157	136				
Total	386	432	568	681	874	879	956	1939	2443	3516

N A: Not available

Source: Prime Database

8. Interest rates and sovereign yields for the last 10 years

Fiscal year	Interest rate*	Sovereign yield [^]	Difference
2005	6.00%	6.84%	0.84%
2006	6.50%	7.54%	1.04%
2007	7.75%	8.17%	0.42%
2008	7.75%	8.02%	0.27%
2009	5.00%	7.13%	2.13%
2010	5.00%	7.98%	2.98%
2011	6.75%	8.23%	1.48%
2012	8.50%	8.82%	0.32%
2013	7.50%	8.24%	0.74%
2014	8.00%	9.29%	1.29%

*repo rate as on March end

[^]10 Year benchmark G-sec Yield as on March end

Source: RBI, CRISIL Research

9. Rating-wise spreads

Fiscal year	Rating-wise spreads [^]			
	AAA	AA+	AA	AA-
2005	0.78%	1.12%	1.54%	2.08%
2006	0.96%	1.21%	1.63%	2.17%
2007	1.68%	1.98%	2.35%	2.89%
2008	1.40%	1.80%	2.17%	2.66%
2009	2.02%	2.69%	3.06%	3.55%
2010	0.86%	1.06%	1.44%	1.84%
2011	0.94%	1.09%	1.50%	1.90%
2012	0.69%	0.84%	1.36%	1.76%
2013	0.61%	0.94%	1.42%	1.82%
2014	0.30%	0.63%	1.11%	1.51%

[^] Average spread over 10 Year benchmark G-sec Yield as on March end

Source: CRISIL Research

10. Top 10 issuers* in the last 10 years

Issuer	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Power Finance Corp. Ltd.	1,594	5,671	4,652	7,359	12,809	12,289	13,756	28,605	30,277	24,698
Housing Development Finance Corp. Ltd.	5,050	5,515	6,750	16,566	5,250	6,800	13,865	20,895	33,180	24,269
Rural Electrification Corp. Ltd.	5,160	4,894	1,473	6,474	11,367	14,254	13,227	22,862	21,782	24,253
National Bank for Agriculture & Rural Development	4,346	3,150	9,859	12,503	4,879	0	8,020	17,914	17,414	0
LIC Housing Finance Ltd.	850	1,100	1,695	2,650	4,485	7,365	11,373	10,420	15,656	20,850
Infrastructure Development Fin. Co. Ltd.	1,150	1,850	2,232	5,302	3,136	8,172	11,457	10,458	4,713	7,398
Power Grid Corp. of India Ltd.	750	2,000	4,725	2,770	3,698	5,478	6,368	9,698	8,830	9,091
Export-Import Bank of India	905	2,860	2,602	3,445	2,592	2,050	5,557	7,425	10,617	10,462
Indian Railway Finance Corp. Ltd.	240	1,300	1,620	5,225	5,971	5,591	5,990	5,116	2,214	3,000
State Bank of India	0	3,283	9,428	6,024	8,000	2,000	0	0	0	2,000

*Based on aggregate issuances in last 10 years

Source: Prime Database

11. Average daily trading

Fiscal year	Average daily trading (Rs. Crore)
2009	630
2010	1,613
2011	2,437
2012	2,476
2013	3,047
2014	4,025

Source: FIMMDA

12. Maturity-wise annual trading

Residual maturity	FY09		FY10		FY11		FY12		FY13		FY14	
	Rs Crore	% of Total	Rs Crore	% of Total	Rs Crore	% of Total	Rs Crore	% of Total	Rs Crore	% of Total	Rs Crore	% of Total
Up to 3 years	41,892	28.55%	224,614	58.52%	402,614	66.90%	344,841	58.52%	339,693	46.07%	472,847	48.15%
>3-5 years	29,467	20.08%	53,962	14.06%	55,504	9.22%	74,523	12.65%	147,973	20.07%	226,315	23.04%
>5-10 years	59,726	40.70%	77,778	20.27%	85,629	14.23%	117,147	19.88%	182,262	24.72%	189,858	19.33%
>10 years	15,634	10.65%	27,246	7.10%	58,097	9.65%	52,711	8.95%	67,450	9.15%	92,567	9.43%
N.A.	25	0.02%	200	0.05%							500	0.05%
Grand Total	146,744	100.00%	383,801	100.00%	601,844	100.00%	589,222	100.00%	737,378	100.00%	982,088	100.00%

N A: Not available

Source: FIMMDA

Certificates of Deposit (CDs)

1. Average daily trading

Financial year	Amount (Rs. Crore)
2011*	8,459
2012	8,467
2013	7,410
2014	6,919

*From Aug 2010
Source: FIMMDA

2. Maturity-wise annual trading

Residual maturity	Amount (Rs. Crore)			
	FY11*	FY12	FY13	FY14
Up to 91 Days	1,000,007	1,530,341	1,254,390	1,183,495
>91-182 Days	186,812	182,189	185,702	109,702
>182-365 Days	166,320	283,821	353,011	388,186
>365 Days	360	1,816	0	0
Total	1,353,498	1,998,165	1,793,102	1,681,383

*From Aug 2010
Source: FIMMDA

Commercial Papers (CPs)

1. Average daily trading

Fiscal year	Amount (Rs. Crore)
2011*	1,360
2012	2,181
2013	2,417
2014	2,285

*From Aug 2010
Source: FIMMDA

2. Maturity-wise annual trading

Residual maturity	Amount (Rs. Crore)			
	FY11*	FY12	FY13	FY14
Up to 91 Days	186,200	469,050	535,065	509,450
>91-182 Days	15,061	22,625	24,789	19,025
>182-365 Days	13,502	23,015	24,918	24,495
>365 Days				
Total	214,763	514,690	584,772	552,970

*From Aug 2010
Source: FIMMDA

Government Securities (G-Secs)

1. Primary issuances

Fiscal year	Amount (Rs. Crore)	Amount issued as a percentage of GDP
2005	105,350	3.7%
2006	143,000	4.4%
2007	162,000	4.1%
2008	270,000	5.9%
2009	272,000	5.1%
2010	424,000	7.0%
2011	439,000	6.1%
2012	517,000	6.3%
2013	558,000	5.9%
2014	568,500	5.0%

Source: RBI, CRISIL Research

2. Size-wise amount issued

Issue size	Amount (Rs. Crore)									
	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Up to Rs 5,000 Crore	63,350	97,000	102,000	198,000	129,000	290,000	421,000	340,000	298,000	331,500
More than Rs 5,000 Crore	42,000	46,000	60,000	72,000	143,000	134,000	18,000	177,000	260,000	237,000
Total	105,350	143,000	162,000	270,000	272,000	424,000	439,000	517,000	558,000	568,500
% of issuances up to Rs 5,000 Crore	60%	68%	63%	73%	47%	68%	96%	66%	53%	58%

Source: RBI, CRISIL Research

3. Maturity-wise amount issued

Amount (Rs. Crore)										
Maturity buckets	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Up to 3 years	25,000	6,000	16,000	96,000	11,000	5,000	11,000			2,000
>3-5 years	3,000		10,000	18,000	15,000	58,000	57,000	18,000	50,000	9,000
>5-10 years	15,000	40,000	69,000	89,000	143,000	169,000	162,000	252,000	189,000	244,500
>10-20 years	44,000	55,000	24,000	25,000	32,000	136,000	154,000	177,000	241,000	213,000
>20-30 years	18,350	42,000	43,000	42,000	71,000	56,000	55,000	70,000	75,000	100,000
>30 years									3,000	
Grand Total	105,350	143,000	162,000	270,000	272,000	424,000	439,000	517,000	558,000	568,500

Source: RBI, CRISIL Research

Maturity-wise issuance as a % of total										
Maturity buckets	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Up to 3 years	23.73%	4.20%	9.88%	35.56%	4.04%	1.18%	2.51%	0.00%	0.00%	0.35%
>3-5 years	2.85%	0.00%	6.17%	6.67%	5.51%	13.68%	12.98%	3.48%	8.96%	1.58%
>5-10 years	14.24%	27.97%	42.59%	32.96%	52.57%	39.86%	36.90%	48.74%	33.87%	43.01%
>10-20 years	41.77%	38.46%	14.81%	9.26%	11.76%	32.08%	35.08%	34.24%	43.19%	37.47%
>20-30 years	17.42%	29.37%	26.54%	15.56%	26.10%	13.21%	12.53%	13.54%	13.44%	17.59%
>30 years	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.54%	0.00%
Grand Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: RBI, CRISIL Research

4. Average daily trading

Fiscal Year	Amount (Rs. Crore)
FY09	8,254
FY10	10,353
FY11	10,238
FY12	12,973
FY13	24,462
FY14	32,710

Source: CCIL

5. Maturity-wise annual trading

Amount (Rs. Crore)						
Residual maturity	FY09	FY10	FY11	FY12	FY13	FY14
Up to 3 years	189,193	241,551	113,212	36,798	31,955	87,110
>3-5 years	51,424	218,251	210,690	39,235	284,693	506,321
>5-10 years	1,179,318	1,423,186	1,158,778	1,937,553	2,522,769	4,012,652
>10 years	503,175	529,168	1,035,778	1,087,067	3,080,326	3,342,498
Total	1,923,110	2,412,156	2,518,458	3,100,653	5,919,743	7,948,581

Source: CCIL

State Development Loans (SDLs)

1. Primary issuances

Fiscal year	Amount (Rs. Crore)	Amount issued as a percentage of GDP
2005	34,487	1.2%
2006	14,995	0.5%
2007	21,064	0.5%
2008	69,238	1.5%
2009	120,070	2.3%
2010	117,333	1.9%
2011	99,129	1.4%
2012	159,610	1.9%
2013	171,147	1.8%
2014	200,507	1.8%

Source: RBI (fiscals 2010-2014), CRISIL Research (fiscals 2005-2009)

2. State-wise break-up of amount issued

State	Amount (Rs. Crore)									
	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Andhra Pradesh	1,634	1,202	2,726	6,650	10,934	12,383	12,000	15,875	20,000	25,400
Arunachal Pradesh	445	386	108	185	26	79	0	33	170	230
Assam	2,028	684	857	1,005	3,101	1,747	800	0	300	0
Bihar	1,634	262	0	1,196	3,700	3,207	2,600	4,281	7,100	6,500
Chattisgarh	643	0	0	0	0	700	0	0	1,500	3,000
Goa	445	78	100	400	500	600	300	670	850	990
Gujarat	940	116	0	6,775	7,659	9,000	11,293	16,500	14,800	16,840
Haryana	1,240	458	0	0	2,795	4,000	4,450	6,528	9,330	12,893
Himachal Pradesh	1,634	348	512	1,673	1,812	1,420	645	1,440	2,360	2,682
Jammu & Kashmir	1,634	367	691	2,226	1,757	1,327	500	1,500	3,600	4,100
Jharkhand	1,240	225	401	1,192	1,294	1,070	2,408	3,175	2,150	1,180
Karnataka	1,240	28	0	750	7,417	5,750	2,000	7,500	9,300	14,895
Kerala	1,568	1,413	2,168	4,297	5,516	5,456	5,500	8,880	11,583	12,800
Madhya Pradesh	1,212	872	1,420	1,600	7,145	5,048	3,700	4,000	4,500	5,000
Maharashtra	1,851	1,012	1,738	8,520	17,762	14,650	10,127	20,500	16,313	24,431

Source: RBI (fiscals 2010-2014), CRISIL Research (fiscals 2005-2009)

Amount (Rs. Crore)										
State	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Manipur	965	265	99	247	303	503	258	150	275	350
Meghalaya	965	342	202	196	259	274	190	310	385	340
Mizoram	662	429	129	147	156	155	267	300	186	260
Nagaland	1,160	424	293	369	1,367	317	355	580	655	535
Orissa	1,334	28	0	0	0	0	0	0	0	0
Punjab	1,184	1,199	981	4,121	5,061	3,885	4,928	8,267	9,700	9,000
Rajasthan	1,240	528	1,724	4,775	6,406	7,500	6,180	4,617	8,500	8,800
Sikkim	839	445	115	250	293	328	0	40	94	215
Tamil Nadu	1,516	1,568	1,814	4,450	8,298	10,599	8,050	13,490	15,300	17,200
Tripura	1,139	181	35	0	156	350	285	500	645	550
Union Territory of Puducherry	0	0	0	337	350	500	600	533	302	500
Uttar Pradesh	1,634	891	3,248	5,300	12,594	13,503	11,200	16,118	9,500	7,750
Uttarakhand	445	504	369	971	1,011	300	992	1,400	1,750	2,500
West Bengal	2,014	741	1,336	11,607	12,397	12,681	9,502	22,423	20,000	21,566
Total	34,487	14,995	21,064	69,238	120,070	117,333	99,129	159,610	171,147	200,507

Source: RBI (fiscals 2010-2014), CRISIL Research (fiscals 2005-2009)

3. Size-wise break-up of number and amount of issuances

Number of issues										
Issue Size	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Up to Rs 100 Crore	47	49	22	19	12	16	19	21	24	28
> Rs 100 Crore up to Rs 1,000 Crore	109	40	48	86	98	96	115	126	152	170
> Rs 1,000 Crore			2	16	30	37	13	49	46	55
Grand Total	156	89	72	121	140	149	147	196	222	253

Source: RBI (fiscal 2010-2014), CRISIL Research (fiscal 2005-2009)

Amount (Rs. Crore)										
Issue Size	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Up to Rs 100 Crore	1,504	2,222	1,129	1,073	737	1,227	1,415	1,533	1,490	1,970
> Rs 100 Crore up to Rs 1,000 Crore	32,984	12,773	16,687	42,783	56,394	58,361	78,186	78,805	99,399	110,821
> Rs 1,000 Crore			3,248	25,381	62,939	57,744	19,529	79,272	70,258	87,716
Grand Total	34,487	14,995	21,064	69,238	120,070	117,333	99,129	159,610	171,147	200,507

Source: RBI (fiscals 2010-2014), CRISIL Research (fiscals 2005-2009)

4. Top 10 issuer states based on aggregate amount issued in the last 10 years

Amount (Rs. Crore)												
Rank	State	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Total
1	Maharashtra	1,851	1,012	1,738	8,520	17,762	14,650	10,127	20,500	16,313	24,431	116,902
2	West Bengal	2,014	741	1,336	11,607	12,397	12,681	9,502	22,423	20,000	21,566	114,268
3	Andhra Pradesh	1,634	1,202	2,726	6,650	10,934	12,383	12,000	15,875	20,000	25,400	108,804
4	Gujarat	940	116	0	6,775	7,659	9,000	11,293	16,500	14,800	16,840	83,922
5	Tamil Nadu	1,516	1,568	1,814	4,450	8,298	10,599	8,050	13,490	15,300	17,200	82,286
6	Uttar Pradesh	1,634	891	3,248	5,300	12,594	13,503	11,200	16,118	9,500	7,750	81,738
7	Kerala	1,568	1,413	2,168	4,297	5,516	5,456	5,500	8,880	11,583	12,800	59,180
8	Rajasthan	1,240	528	1,724	4,775	6,406	7,500	6,180	4,617	8,500	8,800	50,270
9	Karnataka	1,240	28	0	750	7,417	5,750	2,000	7,500	9,300	14,895	48,880
10	Punjab	1,184	1,199	981	4,121	5,061	3,885	4,928	8,267	9,700	9,000	48,327

Source: RBI, CRISIL Research

5. Aggregate amount issued by top 10 issuers* as a percentage of GSDP

Amount (Rs. Crore)											
	FY04	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Total amount issued by top 10 issuers*	17,959	14,822	8,698	15,735	57,244	94,044	95,407	80,779	134,170	134,996	
Total GSDP of top 10 issuer states	1,719,682	2,042,662	2,352,312	2,756,939	3,205,080	3,654,692	4,210,797	5,056,910	5,837,308	6,510,168	
Issued amount as % of GSDP	1.0%	0.7%	0.4%	0.6%	1.8%	2.6%	2.3%	1.6%	2.3%	2.1%	

*Based on aggregate amount issued in last 10 years

Source: MOSPI, RBI, CRISIL Research

6. State-wise amount issued by top 10 issuers* as a percentage of GSDP

State	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Maharashtra	0.4%	0.2%	0.3%	1.2%	2.4%	1.7%	0.9%	1.6%	1.2%	1.7%
West Bengal	1.0%	0.3%	0.5%	3.9%	3.6%	3.2%	2.0%	4.1%	3.2%	3.1%
Andhra Pradesh	0.7%	0.5%	0.9%	1.8%	2.6%	2.6%	2.1%	2.4%	2.7%	3.0%
Gujarat	0.5%	0.0%	0.0%	2.1%	2.1%	2.1%	2.1%	2.7%	2.2%	NA
Tamil Nadu	0.7%	0.6%	0.6%	1.3%	2.1%	2.2%	1.4%	2.1%	2.1%	2.0%
Uttar Pradesh	0.6%	0.3%	1.0%	1.4%	2.8%	2.6%	1.9%	2.4%	1.2%	0.9%
Kerala	1.3%	1.0%	1.4%	2.5%	2.7%	2.4%	2.0%	2.8%	3.3%	NA
Rajasthan	1.0%	0.4%	1.0%	2.5%	2.8%	2.8%	1.8%	1.1%	1.9%	1.7%
Karnataka	0.7%	0.0%	0.0%	0.3%	2.4%	1.7%	0.5%	1.6%	1.8%	2.6%
Punjab	1.2%	1.1%	0.8%	2.7%	2.9%	2.0%	2.2%	3.2%	3.3%	2.8%

*Based on aggregate amount issued in last 10 years
 Source: MOSPI, RBI, CRISIL Research

7. Maturity-wise amount issued

Maturity Bucket	Amount (Rs. Crore)									
	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Up to 5 years									10,600	2,987
> 5 years up to 10 years	27,361	14,995	21,064	68,888	120,070	117,333	99,129	159,610	160,547	197,520
> 10 years	7,127			350						
Total	34,487	14,995	21,064	69,238	120,070	117,333	99,129	159,610	171,147	200,507

Source: RBI (fiscals 2010-2014), CRISIL Research (fiscals 2005-2009)

8. Average daily trading

Fiscal	Amount (Rs. Crore)
FY05	94
FY06	76
FY07	52
FY08	55
FY09	147
FY10	294
FY11	179
FY12	185
FY13	487
FY14	637

Source: CCIL (fiscals 2009-2014), CRISIL Research (fiscals 2005-2008)

9. Top 10 most actively traded SDLs*

State	Amount (Rs. Crore)
Andhra Pradesh	7,162
West Bengal	6,833
Maharashtra	6,120
Tamil Nadu	4,916
Gujarat	4,657
Uttar Pradesh	4,383
Karnataka	3,979
Kerala	3,272
Rajasthan	1,932
Punjab	1,709

*Based on average annual traded volume for the last 10 years
Source: CCIL (fiscals 2009-2014), CRISIL Research (fiscals 2005-2008)

10. Maturity-wise annual trading

Residual maturity	Amount (Rs. Crore)									
	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Up to 3 years	2,659	450	2,879	1,392	658	2,850	3,253	656	2,345	3,697
> 3 years up to 5 years	4,346	2,028	1,805	1,712	198	302	579	321	9,192	6,309
> 5 years up to 10 years	18,913	17,930	7,692	10,493	33,246	65,398	36,629	43,237	106,429	144,737
> 10 years	1,568	89	135	28	0					
Grand Total	27,486	20,498	12,511	13,626	34,103	68,549	40,462	44,214	117,966	154,743

Source: CCIL (fiscals 2009-2014), CRISIL Research (fiscals 2005-2008)

Treasury Bills (T-Bills)

1. Size-wise break-up of number and amount of issuances (91-day T-Bills)

Issue Size	Number of issues									
	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Rs 100-1,000 Crore	4	20	4	11	7	1				
>Rs 1,000-5,000 Crore	48	30	48	43	38	32	40	16	21	13
>Rs 5,000 Crore					7	20	12	36	31	38
Total	52	50	52	54	52	53	52	52	52	52

Source: RBI

Issue Size	Amount (Rs. Crore)									
	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Rs 100-1,000 Crore	2,000	10,000	2,000	5,500	3,500	500				
>Rs 1,000-5,000 Crore	96,000	70,000	96,000	119,000	154,000	146,000	135,000	65,000	105,000	60,000
>Rs 5,000 Crore					51,500	150,000	84,000	268,000	245,000	257,000
Total	98,000	80,000	98,000	124,500	209,000	296,500	219,000	333,000	350,000	317,000

Source: RBI

2. Size-wise break-up of number and amount of issuances (182-day T-Bills)

Issue Size	Number of issues								
	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Rs 100-1,000 Crore	10	2	5	7	7	4			
>Rs 1,000-5,000 Crore	15	24	21	19	20	22	26	26	15
>Rs 5,000 Crore									10
Total	25	26	26	26	27	26	26	26	25

Source: RBI

Issue Size	Amount (Rs. Crore)								
	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Rs 100-1,000 Crore	5,000	1,000	2,500	4,000	5,500	4,000			
>Rs 1,000-5,000 Crore	22,500	36,000	40,500	36,000	37,000	39,000	90,000	130,000	69,000
>Rs 5,000 Crore									60,000
Total	27,500	37,000	43,000	40,000	42,500	43,000	90,000	130,000	129,000

Source: RBI

3. Size-wise break-up of number and amount of issuances (364-day T-Bills)

Number of issues										
Issue Size	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Rs 100-1,000 Crore	3	10	2	6	10	17	14			
>Rs 1,000-5,000 Crore	23	16	24	20	16	9	12	26	26	15
>Rs 5,000 Crore										11
Total	26	26	26	26	26	26	26	26	26	26

Source: RBI

Amount (Rs. Crore)										
Issue Size	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Rs 100-1,000 Crore	3,000	10,000	2,000	6,000	10,000	17,000	14,000			
>Rs 1,000-5,000 Crore	46,000	32,000	48,000	49,000	40,000	24,000	28,000	90,000	130,000	71,000
>Rs 5,000 Crore										66,000
Total	49,000	42,000	50,000	55,000	50,000	41,000	42,000	90,000	130,000	137,000

Source: RBI

4. Average daily trading

Amount (Rs. Crore)										
	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
91-day T-Bills	421	220	152	226	463	1,141	699	762	1,023	1,272
182-day T-Bills	NA	104	133	121	102	179	209	240	470	612
364-day T-Bills	398	410	253	279	220	274	247	385	817	1,205
Total	820	733	539	625	785	1,594	1,155	1,387	2,311	3,089

NA: Not available

Source: CCIL (fiscal 2009-fiscal 2014), CRISIL Research (fiscal 2005-fiscal 2008)

External Commercial Borrowings/Foreign Currency Convertible Bonds

1. Issuances

Fiscal year	Number of issuers	Number of Issues	Amount (\$ million)
2005	604	810	12,253
2006	459	600	17,172
2007	722	921	25,353
2008	486	625	30,958
2009	440	553	18,363
2010	463	600	21,669
2011	571	726	25,776
2012	837	1074	35,967
2013	692	918	32,058
2014	543	714	33,238

Source: RBI

2. Maturity-wise break-up of amount issued

Maturity buckets	Amount (\$ million)									
	FY05	FY06	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14
Up to 3 years	555	1,683	1,017	1,061	495	1,129	563	521	2,457	7,739
>3-5 years	3,484	4,913	6,886	5,490	1,273	6,470	5,500	5,614	5,253	6,900
>5-10 years	5,381	8,382	13,744	14,928	9,603	9,767	13,875	20,044	13,333	10,957
>10 years	2,832	2,194	3,706	9,479	6,991	4,303	5,837	9,787	11,015	7,641
N A	1									
Total	12,253	17,172	25,353	30,958	18,363	21,669	25,776	35,967	32,058	33,238

N A: Not available

Source: RBI

ABBREVIATIONS

Abbreviation	Full form
BFSI	Banking, financial services and insurance
BSE	Bombay Stock Exchange
CCIL	Clearing Corporation of India Ltd
CD	Certificate of deposit
CP	Commercial paper
CRR	Cash reserve ratio
ECB	External commercial borrowing
EPFO	Employees' Provident Fund Organisation
FCCB	Foreign currency convertible bond
FII	Foreign institutional investor
FIMMDA	Fixed Income Money Market and Derivatives Association of India
FPI	Foreign portfolio investors
GSDP	Gross State Domestic Product
G-Secs	Government securities
HDFC	Housing Development Finance Corporation
IMF	International Monetary Fund
IRFC	Indian Railway Finance Corporation
LIC HF	LIC Housing Finance
NABARD	National Bank for Agriculture and Rural Development
NBFC	Non-banking finance company
NDS	Negotiated dealing system
NSDL	National Securities Depository Limited
NSE	National Stock Exchange
PFC	Power Finance Corporation
PGC	Power Grid Corporation
QFI	Qualified foreign investor
RBI	Reserve Bank of India
REC	Rural Electrification Corporation
SBI	State Bank of India
SDL	State development loan
SEBI	Securities and Exchange Board of India
SME	Small and medium-sized enterprises
T-Bill	Treasury bill

Analytical contact

Bhushan Kedar

Email: bhushan.kedar@crisil.com

Tel: +91 22 3342 8084

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CRISIL Limited
CRISIL House, Central Avenue
Hiranandani Business Park, Powai,
Mumbai - 400 076. India
Phone: +91 22 3342 3000 | Fax: +91 22 3342 3001
www.crisil.com