

# Indian companies' rupee bond issuance at record in 2023 on jumbo debt sales - Reuters News

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Mostly Positive



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By Dharamraj Dhutia

MUMBAI, Dec 7 (Reuters) - Indian firms have raised a record amount from rupee bond markets this year, with large-sized issues in recent months driving such borrowings.

Indian companies raised around 914 billion rupees (\$10.97 billion) through the private placement of bonds in November, pushing the overall issuance to 8.83 trillion rupees for 2023, the highest for any calendar year, according to data from information provider Prime Database.

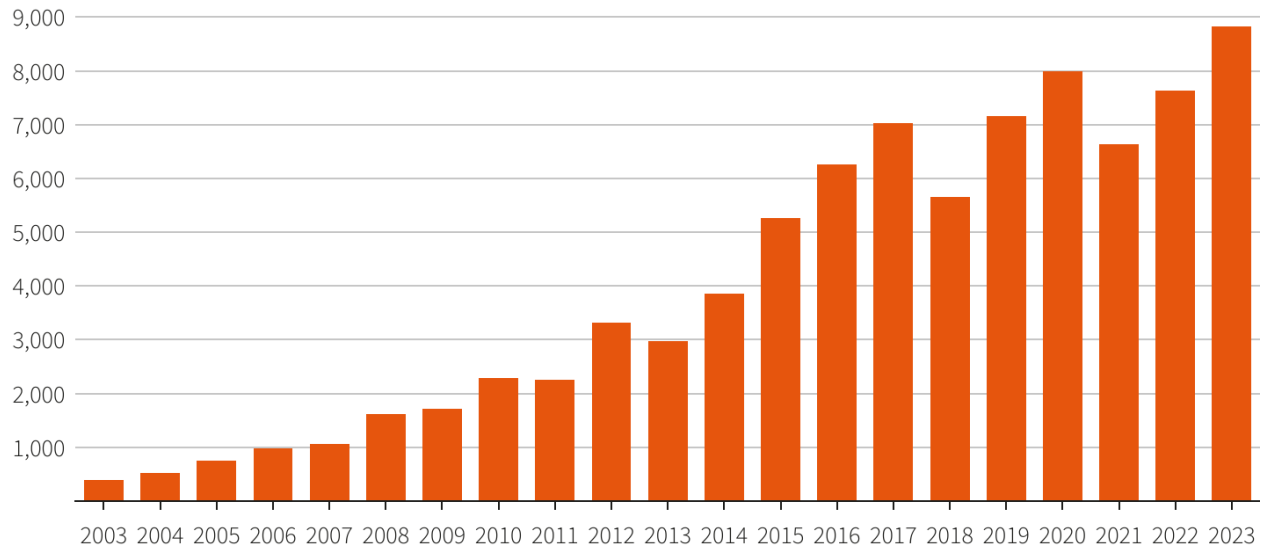
Large borrowers are trying to lock in rates at current levels, said bankers.

"Since corporate bond yields had not risen sharply in the rate hike cycle, going ahead, they may not go down drastically," said Shameek Ray, head of debt capital markets at ICICI Securities Primary Dealership.

"It makes sense for large issuers to lock in funding at these rates for longer term, even if this is not the bottom of the cycle, as the bottom would not be drastically lower."

## Indian firms have raised a record amount from corporate bonds in 2023

In billion Indian rupees



Note: Data for 2023 is till November

Source: Prime Database

Reliance Industries, REC and State Bank of India raised more than 400 billion rupees, cumulatively, in November.

December started with Bank of Baroda raising 50 billion rupees and [Bharti Telecom](#) raising 80 billion rupees, via its largest-ever bond issue.

In addition, Canara Bank and REC will raise 35 billion rupees and 60 billion rupees, respectively, while SBI is set to launch a perpetual bond issue worth 50-100 billion rupees. State-run [NaBFID](#) will come up with a 100-billion-rupee bond issue.

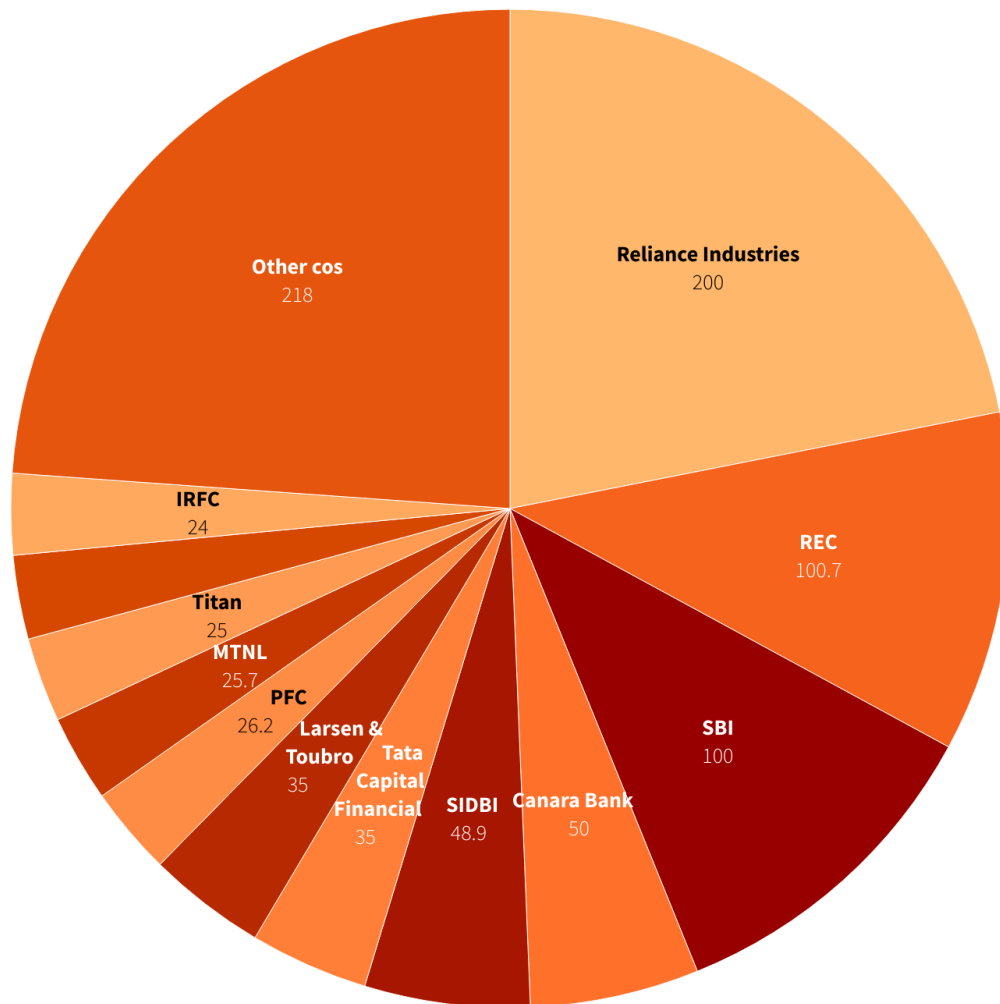
Lenders Axis Bank and ICICI Bank may also come up with large infrastructure bond sales, traders said.

Apart from the interest rate environment, banks may have hit limits prescribed for lending to individual borrowers, prompting these firms to tap the bond market, Ray said.

## 12 Indian firms raised 76% of total borrowings via corporate bonds

Amount in billion Indian rupees

● Reliance Industries (200) ● REC (100.7) ● SBI (100) ● Canara Bank (50) ● SIDBI (48.9) ● Tata Capital Financial (35)  
● Larsen & Toubro (35) ● PFC (26.2) ● MTNL (25.7) ● Titan (25) ● GMR Goa International (24.8) ● IRFC (24) ● Other cos (218)



Note: Cos raised around 914 billion rupees via pvt placement in Nov

Source: Reuters, Prime Database

Rising inflows with insurance companies and mutual funds ensured that the supply was absorbed without any major impact on yields, traders said.

While the longer-tenor issues of SBI and RIL saw a large state-run insurance company corner a major part of the issues, shorter-duration papers have been lapped up by mutual funds.

"The corporate bond yield curve is quite flat and mutual funds are tanking up on short-duration bonds at attractive levels," said Sandeep Bagla, CEO at Trust Mutual Fund.

(\$1 = 83.3257 Indian rupees)

(Reporting by Dharamraj Dhutia; additional reporting by Bhakti Tambe; Editing by Sohini Goswami)

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