## India Inc raises ₹58K cr from overseas market in FY25

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# Companies raise ₹58K cr from overseas capital market in FY25

## 28.5% rise driven by lower hedging cost, demand for high-yield papers

**SUBRATA PANDA**
Mumbai, 2 April

Indian companies have raised around ₹58,000 crore from overseas capital markets in the recently concluded financial year (FY25).

This was driven by a decline in hedging costs and strong demand for high-yield Indian papers among global investors.

According to data from Primedatabase, domestic companies have raised ₹57, 815 crore in FY25, up 28.5 per cent from FY24, where the domestic companies raised ₹45,007 crore. In FY23, Indian companies raised ₹15,592 crore from the same route. However, in FY22 and FY21, the amount raised by Indian companies from overseas capital markets was significantly higher. In FY22, they raised over ₹99,000 crore, and in FY21, they mopped up around ₹66,000 crore.

According to data, in FY25, Exim Bank was the largest issuer, raising ₹8,643.68 crore, followed by State Bank of India (SBI) with ₹5,049 crore and Shriram Finance with ₹4,189.44 crore. State-owned REC ranked fourth, raising ₹4,183 crore, followed by Piramal Capital and Housing Finance (PCHFL) with ₹3,771 crore.

"Indian issuers are making a strong comeback in offshore bond markets, driven by a mix of strategic diversification, regulatory shifts, and improving global liquidity conditions. The lucrative and decrease in hedging costs, rising global investor appetite for Indian credit, and anticipation of rate cuts by major central banks have further accelerated this trend. Additionally, India's inclusion in global bond indices has enhanced the visibility of Indian debt, attracting more offshore capital," said Venkatakrishnan Srinivasan, founder and managing partner of Rockfort Fincap LLP.

He further added AAA-rated public sector entities and renewable energy firms continue to tap offshore bond markets for long-tenor funding, while non-banking financial companies (NBFCs) and lower-rated issuers, facing domestic liquidity constraints, are increasingly exploring offshore alternatives.

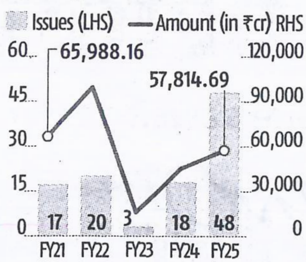
In November 2023, the RBI had increased risk weights for bank loans to NBFCs, thereby nudging shadow banks to diversify their funding sources beyond traditional bank loans. This regulatory push led NBFCs to explore alternative financing avenues, including the domestic and overseas bond markets.

As a result, major NBFCs such as Shriram Finance, PCHFL, Manappuram Finance, Muthoot Finance, and Tata Capital among others, have tapped the overseas capital market for funds in FY25.

Additionally, market participants noted that many renewable energy firms, particularly those rated AA and below, struggle to secure long-tenure funding in domestic markets.

### BOND BOOM

**Overseas capital market offerings via debt**




Source: primedatabase.com

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