CP issuances touch 5-year high in June

Fundraising by Indian corporates through commercial papers (CPs) route surged to a nearly five-year high in June, driven by favourable pricing, seasonal working capital requirements and refinancing of existing debt.

According to Prime Database data, corporates raised ₹2.53 trillion through CPs in June, up 84.6% from ₹1.37 trillion in May. On a year-on-year basis, issuances rose 59.4% from ₹1.59 trillion in June 2025. CPs are short-term debt instruments used by corporates to raise funds between 7 days and one year. The June mobilisation was the highest since July 2021, when companies had raised ₹2.69 trillion through CPs, the data showed. "Corporates preferred CPs over bank borrowings wherever pricing was favourable. Many issuers also refinanced existing obligations and built precautionary liquidity buffers. The easing interest rate environment and expectations of comfortable liquidity further encouraged issuances," said V Ramachandra Reddy, head of treasury at The Karur Vysya Bank. PTI