

India Inc likely to step up corporate bond issuances

STRATEGIC MOVE. Companies seek to mobilise capital before borrowing costs rise

K Ram Kumar
Mumbai

India Inc may step up corporate bond issuances in the run up to the Reserve Bank of India's upcoming bi-monthly monetary policy review meeting, which is expected to kick-start a rate hike cycle amid rising inflationary pressures.

Companies may prefer mobilising funds at lower rates before the borrowing costs go up.

The central bank's rate setting panel — the Monetary Policy Committee — is seen raising the policy repo rate by 25 basis points from 5.25 per cent to 5.5 per cent at its three-day meeting beginning October 5 to tamp down price pressures.

This could have a ripple effect, resulting in an increase in the cost of borrowing for corporates.

In the current financial year so far (up to September 21, 2026), India Inc has mopped up ₹5,09,777 crore via debt private placement (DPP) vis-a-vis the year ago period's ₹5,21,666 crore, according to Prime Database.

CLEAR CHANGE

While DPP in the current financial year so far is just about



RECORD MOP-UP

- In the current fiscal (up to September 21, 2026), India Inc has mopped up ₹5,09,777 crore via debt private placement
- Corporates raised ₹76,026 crore via DPP in September so far against ₹67,006 crore in August 2026

2 per cent lower as compared to the year-ago period, it is gathering momentum.

As per data compiled by Prime Database, corporates raised ₹76,026 crore via DPP in September so far (up to 21st) against ₹67,006 crore in August 2026.

Venkatkrishnan Srinivasan, Founder & Managing Partner, Rockfort Fin-cap LLP, observed that the Indian corporate bond market is witnessing a clear change in issuer behaviour, with many large corporates and banking and financial services issuers bringing for-

ward their borrowing plans while the funding environment is still supported by exceptionally high system liquidity.

"Issuers with near-term funding requirements are, therefore, looking at the current window to secure funds before the full impact of a potential rate and liquidity repricing gets reflected across the yield curve. The growing expectation of at least a 25 basis points repo rate hike in October is already influencing issuer behaviour. There is a visible trend among companies to tie up funds before

the next leg of the rate cycle," he said.

BORROWING LINE-UP

In this regard, Venkatkrishnan cited the example of Reliance Industries returning to the domestic bond market after nearly three years with a ₹12,500 crore five-year issue at a 7.47 per cent coupon.

Several large public sector enterprises, banking & financial services players and private corporate issuers have also been active in the current month.

Moreover, what is particularly noticeable is the breadth of issuers returning to the market in September, with Reliance, REC, PFC, SIDBI, Canara Bank, Bajaj Finance, Tata Capital, HDB Financial Services and Shriram Finance being among the large names that have been active or prominent in the September borrowing line-up.

"The current behaviour suggests that issuers are increasingly willing to accept the prevailing coupon rather than take the risk of substantially higher funding costs later. If the current momentum continues, September could potentially see corporate bond issuances cross ₹1 lakh crore," per Venkatkrishnan's assessment.