THE ECONOMIC TIMES | Markets

India corporate bond boom may scale record in 2026 as borrowers lock in rates

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Synopsis
In anticipation of rising interest rates, Indian companies are poised to dramatically escalate their debt issuance activities. Many borrowers are keen to seize the moment in a supportive market environment. Leading this surge are top-rated public sector organizations and large enterprises. Financial experts highlight the need for urgent resolution of borrowing plans, suggesting that the volume of new debt could exceed last year's historic benchmarks.

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Debt issuance by Indian companies is likely to ramp up, possibly touching a record before the end of the year, as borrowers seek to tap the market before an expected increase in interest rates, bankers said.

Highly rated state-run borrowers and companies financing large acquisitions may carry forward the momentum from a strong first nine months of debt issuance.

RIL
NSE - 03:58 PM | 16 Nov 2026
1,344.80
5.10 (0.39%)
STOCK SCORE
ETPrime Only
1,348
1,340
1,332
Prev. Close: 1,339.7
09:14
12:54
15:30
STRONG BUY
Mean Recos by 23 Analysts
0 Strong Sell
0 Sell
0 Hold
10 Buy
13 Strong Buy
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KEY METRICS
PE Ratio (x) 22.16
EPS - TTM 60.68
MCap Rank 1
PB R 1.67
Face Value(₹) 10.00
Beta -0.34
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Indian companies raised about 8.5 trillion rupees ($89.70 billion) via private placements through September. Last month alone saw 1.43 trillion rupees of bonds issued, the highest monthly total in more than six years, data from Prime Database showed.

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Bankers expect the momentum to continue, putting this year's issuance on track to surpass the previous year's record 11.2 trillion rupees total.

"We expect issuance volumes to remain strong, and this could be a record year for supply, barring unforeseen volatility," said Akshay Naik, India head of **debt capital markets** at Citi.

"We are in touch with several inaugural issuers across mid- and large-sized corporates who are actively monitoring the market for the right issuance window."

Companies accelerated fundraising in September, including through a couple of large bond deals by infrequent borrower **Reliance Industries**, seeking to lock in funding ahead of an expected rise in borrowing costs.

India's central bank raised interest rates by 25 basis points this month and signaled that further increases were likely.

Investors widely expect another rate hike in December, with a larger 50-basis-point move possible. Facing the prospect of higher interest rates down the road, companies are bringing forward borrowing plans, analysts said.

"Some frontloading is already under way, and it is expected to continue through October and November," said Nishchay Nath, founder and chief executive officer of BondScanner, an online bond trading platform.

"Highly rated borrowers, including state-run companies, all-India financial institutions and large non-bank lenders, will keep coming to the market, as investor demand for top-rated debt remains deep."