

News monitored for: JM Financial

## OVER ₹30,000 CR TO BE RAISED VIA BONDS THIS WEEK

AS THE YEAR draws to a close, companies and banks have lined up to raise over ₹30,000 crore through bond issuances this week, reports **Sachin Kumar**. ■ **PAGE 6**

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● INVESTOR APPETITE STAYS STRONG

# Bond binge: India Inc, banks to raise ₹30K crore this week

Several investors keen on completing their quota of investment in corporate bonds

SACHIN KUMAR  
Mumbai, December 18

AS THE CALENDAR year draws to a close, fundraising through bonds has surged. Companies and banks are aiming to raise over ₹30,000 crore through bond issuances this week, with HDFC Bank, Shriram Finance, and Tata Projects issuing bonds amounting to ₹13,500 crore on Monday.

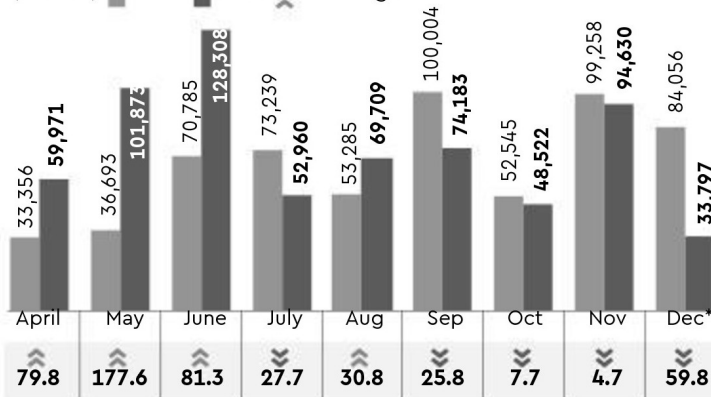
National Bank for Agriculture and Rural Development (Nabard) is planning to raise ₹10,000 crore through infrastructure bonds while Bank of Baroda is eyeing ₹2,500 crore via tier-II bonds on Wednesday. National Bank for Financing Infrastructure and Development (NaBFID) is aiming to mop up ₹10,000 crore through 15-year infrastructure bonds on Thursday.

Stability in bond yields, tight liquidity in the banking system and strong demand for long-tenure bonds have attracted issuers to the debt market, say experts.

“Volatility in yields makes investors and issuers cautious and

## BUZZING WITH ACTIVITY

(₹ crore) ■ FY23 ■ FY24 ⬆️ % change



\*up to December 13; Source: Bloomberg



Total



keep them away from the market. Yields have now stabilised because there is clarity over the future trajectory of interest rates,” Ajay Manglunia, managing director and head – investment grade group, JM Financial, told FE. “With the expectation of rates cooling off next year, investors do not want to miss the opportunity to invest in long-tenure bonds at a higher rate.”

HDFC Bank raised ₹7,425 crore at a coupon rate of 7.71% through its AAA-rated 10-year-long infra bonds – the first bond issuance from the lender since its merger with mortgage financier Housing Develop-

ment Finance Corporation in July.

Shriram Finance sold two bonds amounting to ₹2,000 crore and Tata Projects issued two bonds totalling ₹1,150 crore. Indian Renewable Energy Development Agency is planning to mop up ₹2,000 crore by issuing non-convertible debentures on Wednesday.

Experts expect fundraising through bonds to continue to remain strong in December.

“Last year, we saw strong fundraising via bonds in November and December. Companies and banks raised around ₹90,000 crore in November 2022 and ₹80,000

crore in last month via bonds,” said Venkatakrishnan Srinivasan, founder and managing partner at Rockfort Fincap. “They had raised ₹1 trillion via bonds in December last year. We are expecting high bond issuances this month. Several investors want to complete their quota of investment in corporate bonds, so the appetite is strong for AAA-rated term bonds.”

Last week, bond issuances by Power Finance Corporation and Indian Railway Finance Corporation received strong response, with investors bidding more than double the notified amount.