DEBT MARKET SNAPSHOT

Q1 FY27 Report

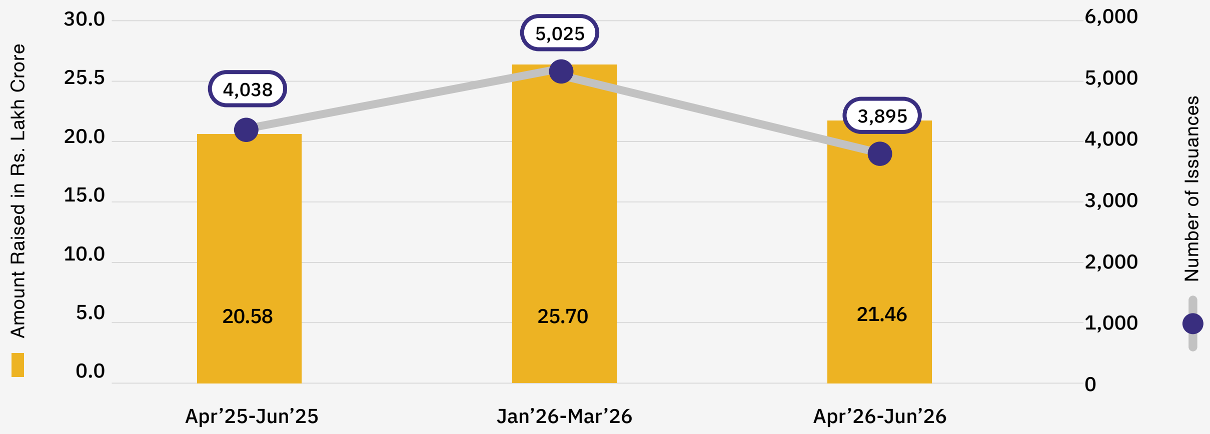
2026

NSE Cogencis

Debt Mobilisation holds firm YoY in Q1 FY27

Primary debt market in India recorded gross issuances of Rs.21.5 lakh crore in Q1 FY27, registering a sequential deceleration, but maintaining a steady growth trajectory YoY clocking a 4.3% rise.

Fund Raising in Primary Debt Market



The 16.5% sequential fall in borrowings was led by the government and finance companies that recorded a steep contraction in borrowing after the typical March-fiscal end surge. Government borrowings contracted by 18.3% QoQ to Rs.10 lakh crore, while finance companies mobilised Rs.8.08 lakh crore through the primary debt market in Q1FY27, a steep 25.9% lower than Q4FY26. Both segments recorded a YoY growth in borrowings. While for the government, the YoY growth was muted at 1.7%, for finance companies it was robust at 28.2%. Non-finance companies bucked the trend, recording a strong 33.1% sequential growth in borrowings to Rs.3.3 lakh crore, while the value fell short of their year-ago borrowings by 24.2%.

Total Debt Raised (Amount in Rs. Crore)

Debt Raised	Apr'25 - Jun'25	Jan'26 - Mar'26	Apr'26 - Jun'26	QoQ % Change	YoY% Change
Government	9,86,368	12,27,943	10,03,040	-18.32	1.69
Finance Companies	6,30,485	10,90,779	8,08,153	-25.91	28.18
Non-finance Companies	4,41,543	2,51,559	3,34,909	33.13	-24.15
Total	**20,58,395**	**25,70,281**	**21,46,103**	**-16.50**	**4.26**

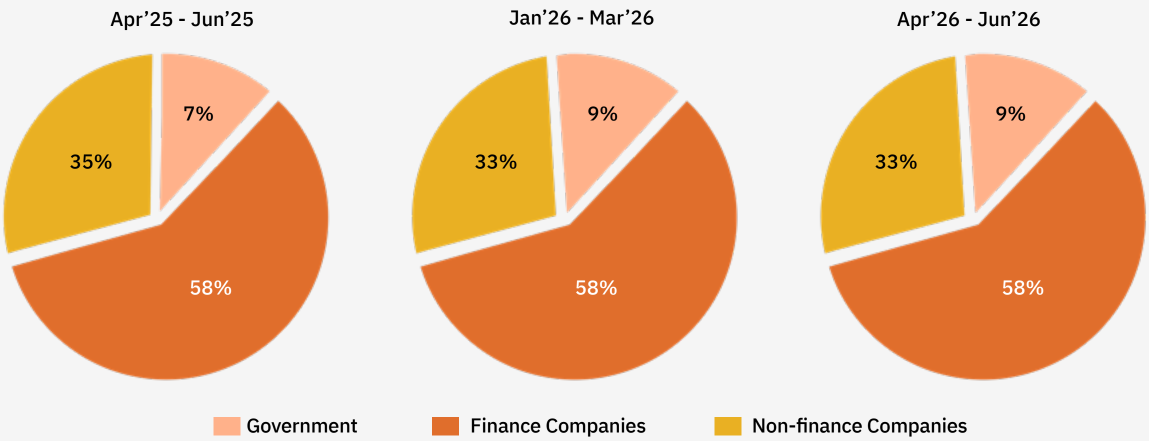
Note: Debt issuances include fresh as well as re-issuances of instruments during the period under consideration.

Issuance moderate, ticket size rises

Number of issuances moderated in Q1 FY27. At 3,895, the issuances were lower on both counts, marking a steep QoQ decline of 22.5% and a YoY decline of 3.5%.

The slowdown in issuances was broad-based. All three issuer categories reported a QoQ contraction in number of issuances. Issuances by government fell by 26.7% to 330, while those by finance and non-finance companies declined by 22.8% and 20.8%, respectively, to 2,262 and 1,303 in the same order. On a YoY basis, only the government recorded an expansion in issuances. Both finance and non-finance companies could not match their year-ago issuance levels in Q1FY27.

Number of Issuances



Despite lower issuances, total fund mobilisation increased YoY by 4.3%, reflecting an expansion in average issue size to Rs.551 crore in Q1 FY27 from Rs.510 crore in Q1FY26. Government remained the largest, with an average issue size of Rs.3,040. The average issue size by finance companies was Rs.357 crore and that by the non-finance companies was even lower at Rs.257 crore.

Debt Raised	Apr'25 - Jun'25	Jan'26 - Mar'26	Apr'26 - Jun'26	QoQ % Change	YoY% Change
Government	285	450	330	-26.67	15.79
Finance Companies	2,346	2,930	2,262	-22.80	-3.58
Non-finance Companies	1,407	1,645	1,303	-20.79	-7.39
Total	**4,038**	**5,025**	**3,895**	**-22.49**	**-3.54**

Borrowing Mix Tilted towards Short-term

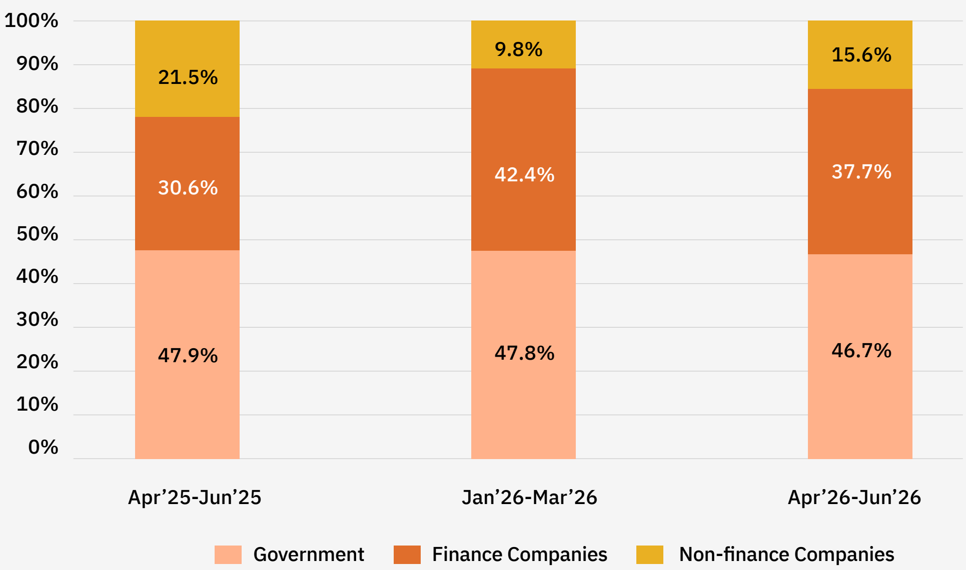
The composition of primary market debt instruments changed markedly in Q1 FY27. Borrowers relied more on short-term instruments to meet their funding requirements while long-term fund raising softened. The share of short-term borrowings in total primary market debt mobilisation increased to 58% from 55% in the preceding quarter and 52% in the corresponding year-ago quarter.

The shift in maturity preference of borrowers reflects a cautious fundraising environment, where borrowers preferred shorter tenor amid evolving interest rate expectations and uncertainty over the timing of monetary easing by the RBI. Fund mobilisation against Certificate of Deposit (CD) and Commercial Paper (CP) issuances increased strongly YoY, in the range of 19-29%. However, government borrowings against T-bills did not show much movement, both sequentially and annually.

CP issuances increased QoQ by 25.3% to Rs.5.3 lakh crore in Q1 FY27. The three government-owned financial institutions – NABARD, SIDBI and EXIM – who have traditionally been the biggest issuers of CPs, mobilised Rs.49,430 crore, Rs.25,200 crore and Rs.24,425 crore, respectively. The major private CP issuers in Q1 FY27 were Reliance Retail Ventures with a fund raising of Rs.28,225 crore, ICICI Securities with Rs.27,082 crore and Bajaj Finance with Rs.21,635 crore.

CD issuances in Q1FY27 amounted to Rs.3.19 lakh crore. While these appear strong compared YoY, the amount looks abysmally low compared to the preceding quarter, which had witnessed an unusually high fundraising of Rs.6.02 lakh crore as banks tapped the primary debt market aggressively to meet the rising demand for credit.

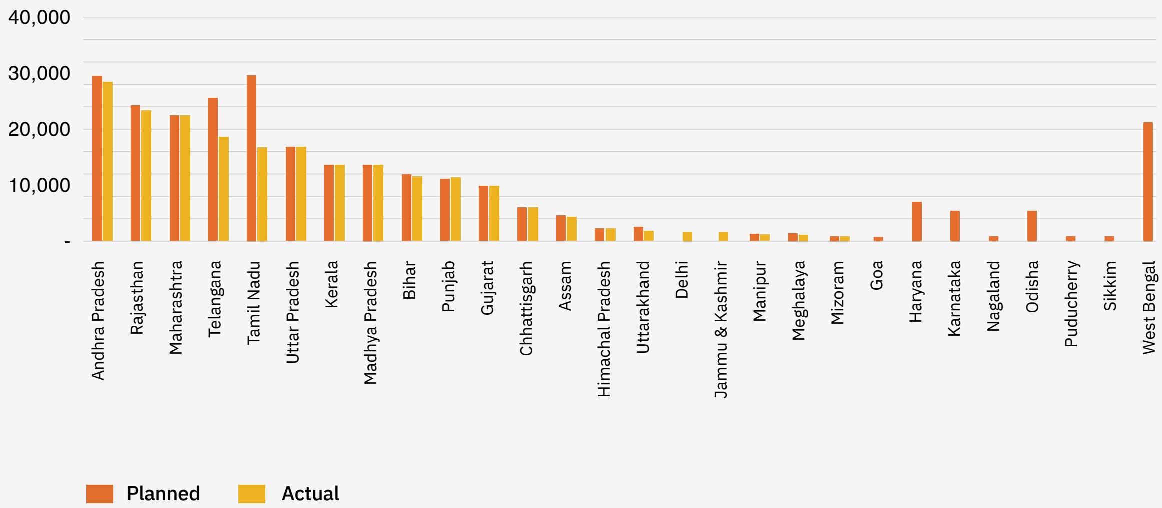
Broad Category-wise Distribution of Debt Raised



Within long-term instruments, the trend was mixed. Central Government' fund mobilisation through G-secs rose 2.2% YoY to Rs.4.11 lakh crore, closely tracking the RBI's borrowing calendar and indicating a smooth execution of the Centre's Annual market borrowing programme.

State Government's also recorded a 3.2% YoY increase in fund mobilisation against issuances State Government Securities (SGS). When compared to the preceding quarter, SGS borrowings marked a steep decline of 60.4%. The fall was more seasonal than structural. State borrowings usually peak in the last quarter of a fiscal to meet the year-end expenditure requirements, resulting in lower issuance requirement in the first quarter of the next fiscal.

State-wise Planned vs Actual Borrowing (Amount in Rs. Crore)



Corporate borrowings through bonds & debentures remained subdued during Q1FY27. The mobilisation, at Rs.2.93 lakh crore, was lower QoQ by 7.4% and YoY by 22.6%. The slower growth partially reflects subdued private capex, increased availability of bank credit and issuers postponing long-term borrowings amid expectations of softer interest rates later in the years. As a results, corporates were seen preferring flexible short-term instruments over locking into longer-tenor funding at high rates.

Instrument-wise (Amount in Rs. Crore)

Instrument	Apr'25 - Jun'25	Jan'26 - Mar'26	Apr'26 - Jun'26	QoQ % Change	YoY% Change
Government Securities (Gsec + Other approved)	4,02,058	3,11,000	4,10,695	32.1	2.1
Treasury Bills	3,83,461	3,93,867	3,85,118	-2.2	0.4
State Government Securities	2,00,849	5,23,076	2,07,227	-60.4	3.2
Bonds & Debentures	3,79,070	3,16,854	2,93,374	-7.4	-22.6
Non-convertible Debentures (NCDs)	2,36,009	1,72,563	2,12,315	23.0	-10.0
Convertible Debentures	47,425	39,632	14,986	-62.2	-68.4
Non-convertible Bonds	91,964	82,431	61,620	-25.2	-33.0
Others	3,672	22,229	4,454	-80.0	21.3
Foreign Currency Bond	82	163	287	75.9	249.2
Green Bond	0	0	0	NA	NA
Masala Bond	0	0	0	NA	NA
Pass Through Certificates	1,436	0	180	NA	-87.5
Security Receipts	0	0	0	NA	NA
Infrastructure Bond	1,579	21,309	3,986	-81.3	152.5
Municipal Bond	575	756	0	NA	NA
Certificate of Deposit	2,47,600	6,02,330	3,19,295	-47.0	29.0
Commercial Paper	4,45,357	4,23,154	5,30,393	25.3	19.1
Total Debt Raised through Instruments	**20,58,395**	**25,70,281**	**21,46,103**	**-16.5**	**4.3**

Government prefers long tenor, private short

The maturity profile of primary debt market issuances in Q1 FY27 reflects distinct financing strategies across user categories. While sovereign issuers continued to provide duration to the primary debt market, financial and non-financial corporates relied predominantly on shorter maturities.

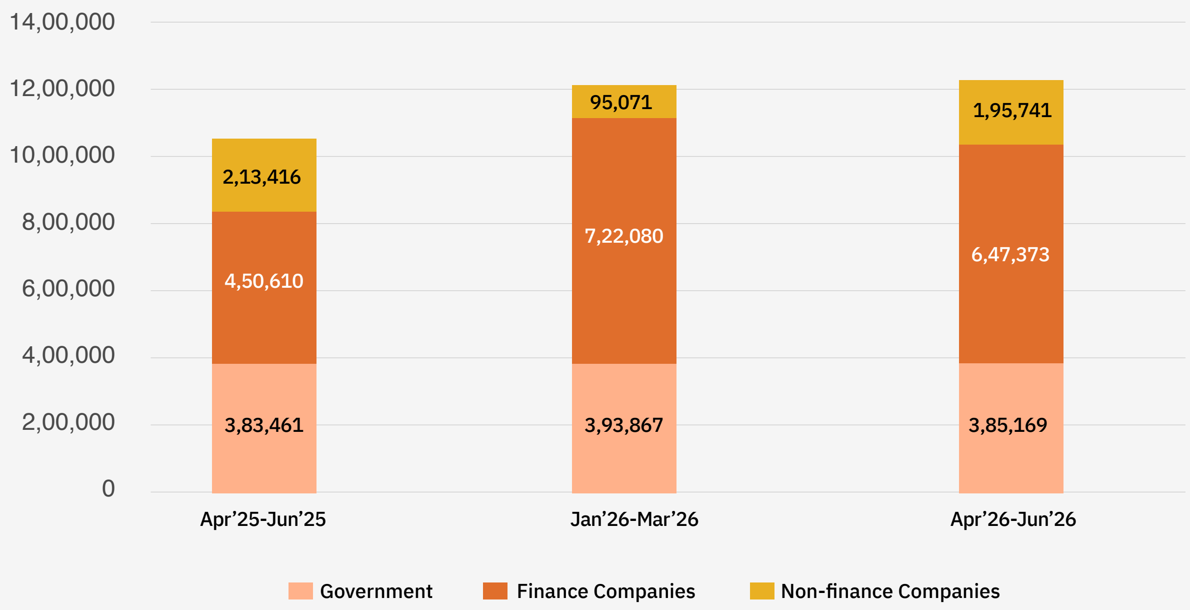
The Central and State Governments dominated the long-term debt segment, accounting for 80.4% of the issuances beyond five years. Central Government borrowings remained concentrated in 5-10 year and 10-years maturities, consistent with the RBI calendar. State Governments also remained active in the long-term debt segment.

Financial sector issuers exhibited a clear preference for shorter maturities up to 1 year. They relied mainly on CPs and CDs for liquidity management and balance sheet funding. Medium-term issuances in 3-5 years remailed selective.

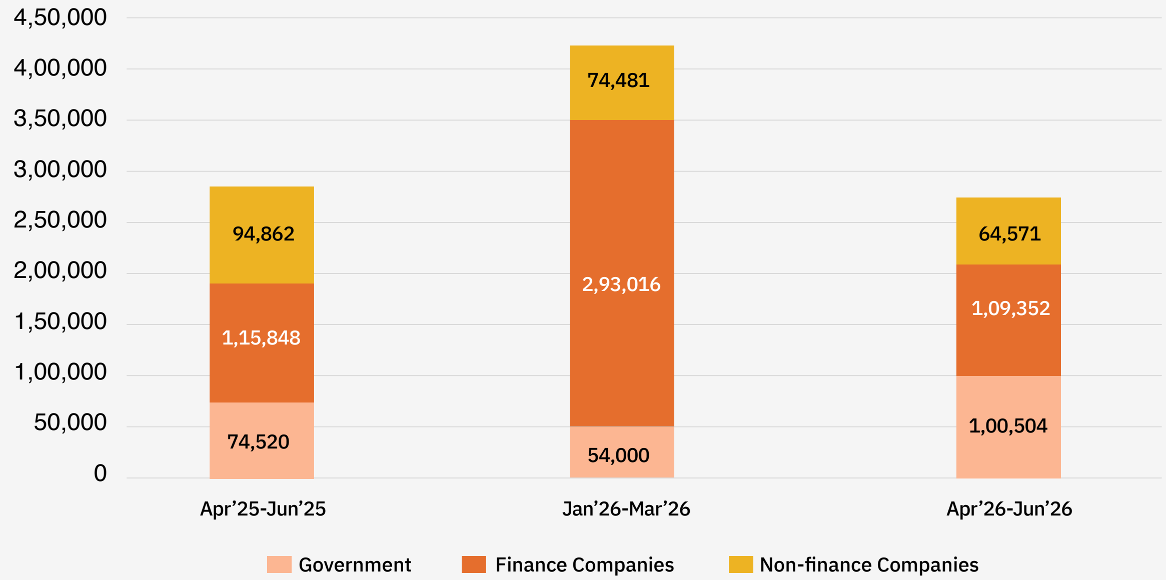
Non-finance companies also favoured short-term funding. Almost half of their borrowings during Q1 FY27 have a maturity of less than 1 year. This probably reflects adequate access to bank credit and measured approach towards fresh capital expenditure. Long-term borrowings by non-finance companies remained concentrated in the 3-5 year and the 5–10-year maturity buckets, while issuances with 10+ year maturities remained limited.

Debt Raised by Maturity Bucket (Amount in Rs. Crore)

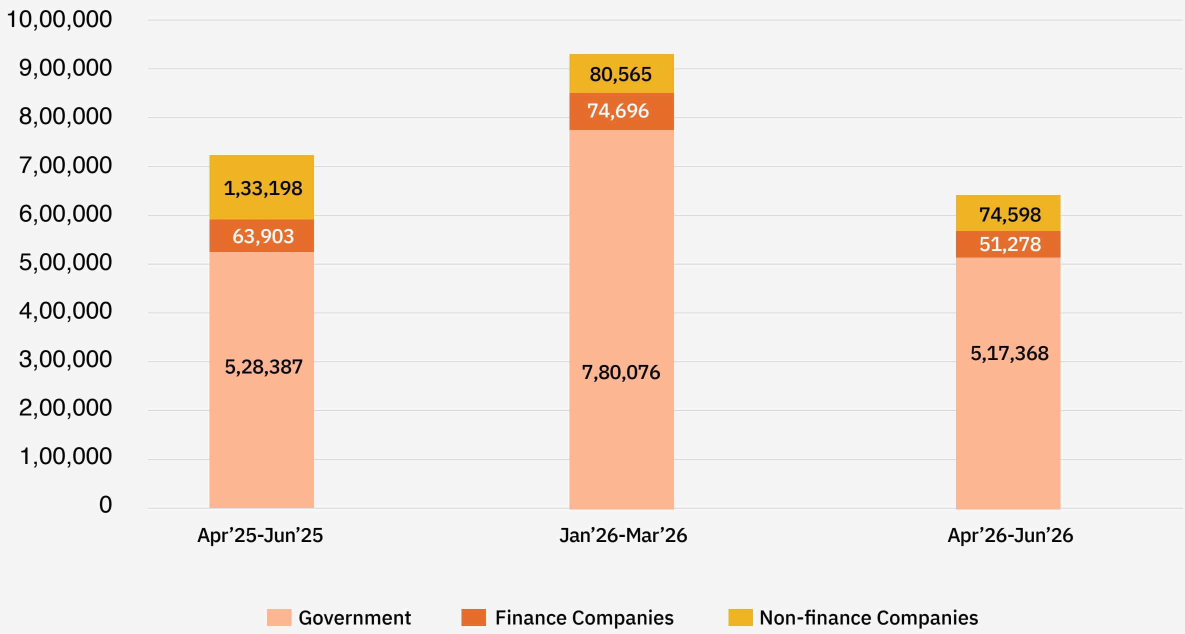
Short-Term Debt (Less than 1 Year Maturity)



Medium Term Debt (1-5 Year Maturity)



Long Term Debt (More than 5 Year Maturity)

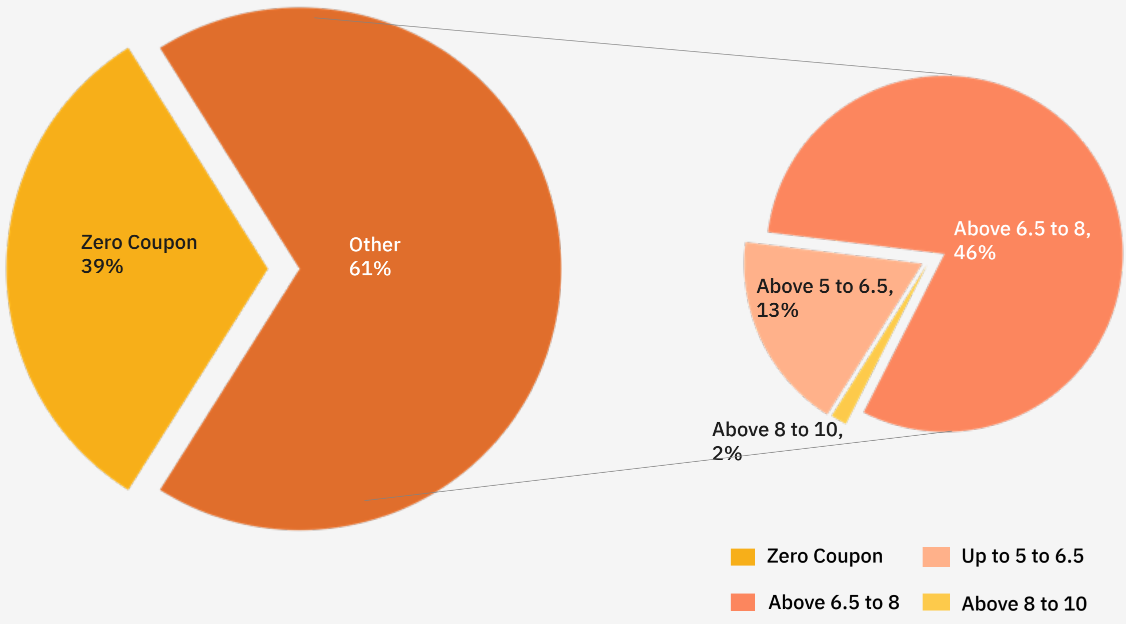


Debt by Maturity Bucket (Amount in Rs. Crore)

Government	Apr'25 - Jun'25	Jan'26 - Mar'26	Apr'26 - Jun'26	QoQ % Change	YoY% Change
Up to 1Year	3,83,461	3,93,867	3,85,169	-2.21	0.45
Above 1Year to 3Years	18,000	9,000	33,102	267.80	83.90
Above 3Year to 5Years	56,520	45,000	67,402	49.78	19.25
Above 5Year to 10Years	1,54,027	2,93,089	1,45,576	-50.33	-5.49
Above 10Year to 15Years	1,48,095	1,94,373	1,59,610	-17.88	7.77
Above 15Year to 20Years	25,530	93,249	44,104	-52.70	72.75
Above 20Year to 30Years	90,607	1,17,325	74,009	-36.92	-18.32
Above 30Years	1,10,127	82,040	94,069	14.66	-14.58
Finance Companies					
Up to 1Year	4,50,610	7,22,080	6,47,373	-10.35	43.67
Above 1Year to 3Years	70,784	2,35,885	45,760	-80.60	-35.35
Above 3Year to 5Years	45,064	57,130	63,592	11.31	41.12
Above 5Year to 10Years	49,174	39,947	40,912	2.42	-16.80
Above 10Year to 15Years	12,617	29,651	10,186	-65.65	-19.27
Above 15Year to 20Years	2,000	5,048	180	-96.43	-91.00
Above 20Year to 30Years	112	0	0	NA	NA
Above 30Years	0	50	0	NA	NA
Perpetual	125	988	150	-84.82	20.00
Non-finance Companies					
Upto 1Year	2,13,416	95,071	1,95,741	105.89	-8.28
Above 1Year to 3Years	37,490	27,779	13,778	-50.40	-63.25
Above 3Year to 5Years	57,372	46,702	50,792	8.76	-11.47
Above 5Year to 10Years	46,307	37,003	19,366	-47.67	-58.18
Above 10Year to 15Years	66,689	23,277	15,902	-31.68	-76.15
Above 15Year to 20Years	14,201	3,834	6,277	63.72	-55.80
Above 20Year to 30Years	3,880	15,436	8,010	-48.11	106.46
Above 30Years	2,122	1,015	25,043	2,367.89	1080.05
Perpetual	66	1,442	0	NA	NA
Total					
Upto 1Year	10,47,486	12,11,018	12,28,284	1.43	17.26
Above 1Year to 3Years	1,26,274	2,72,664	92,640	-66.02	-26.64
Above 3Year to 5Years	1,58,956	1,48,832	1,81,786	22.14	14.36
Above 5Year to 10Years	2,49,508	3,70,039	2,05,853	-44.37	-17.50
Above 10Year to 15Years	2,27,402	2,47,300	1,85,698	-24.91	-18.34
Above 15Year to 20Years	41,731	1,02,131	50,561	-50.49	21.16
Above 20Year to 30Years	94,599	1,32,762	82,019	-38.22	-13.30
Above 30Years	1,12,250	83,105	1,19,112	43.33	6.11
Perpetual	191	2,430	150	-93.83	-21.65

Debt Raised by Coupon Rate – Government Securities

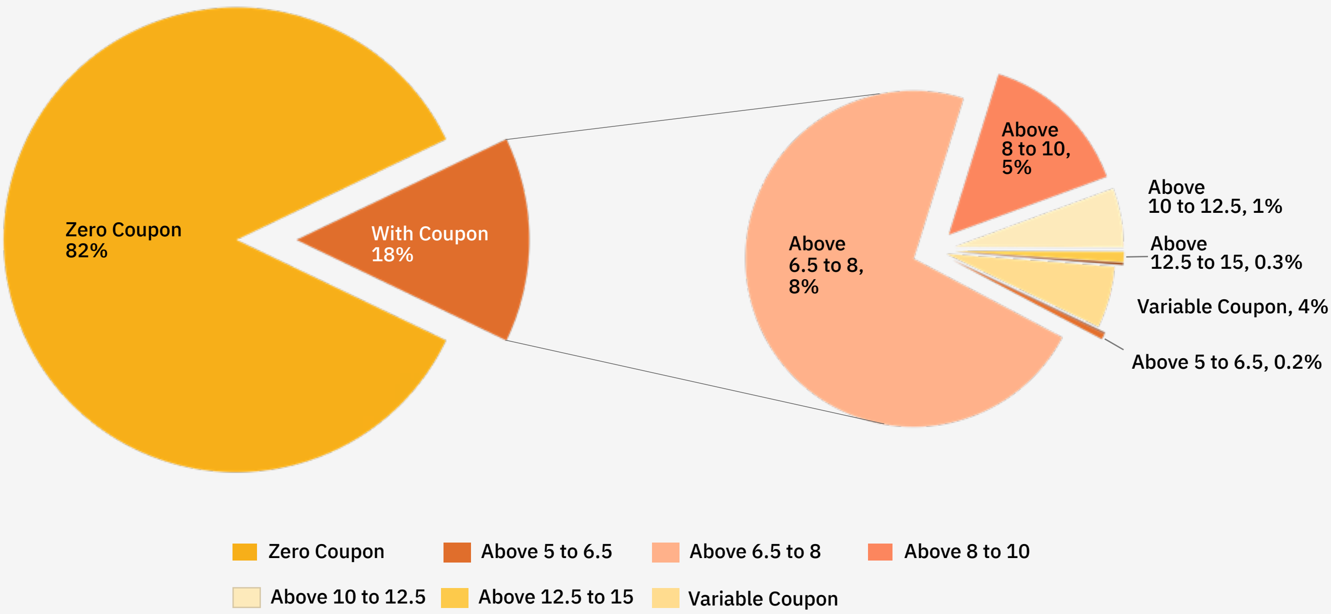
Debt By Coupon - Government (Q1 FY27)



Coupon Rate	Apr'25 - Jun'25		Jan'26 - Mar'26		Apr'26 - Jun'26	
	Number of Issuances	Amount (In Rs. Crore)	Number of Issuances	Amount (In Rs. Crore)	Number of Issuances	Amount (In Rs. Crore)
Zero Coupon	91	3,84,519	33	3,93,867	115	3,87,814
Upto 5	0	0	0	0	0	0
Above 5 to 6.5	12	1,02,905	7	1,50,000	7	1,30,000
Above 6.5 to 8	182	4,98,944	400	6,72,016	195	4,62,127
Above 8 to 10	0	0	10	12,060	13	23,100
Total	**285**	**9,86,368**	**450**	**12,27,943**	**330**	**10,03,040**

Debt Raised by Coupon Rate – Finance Companies

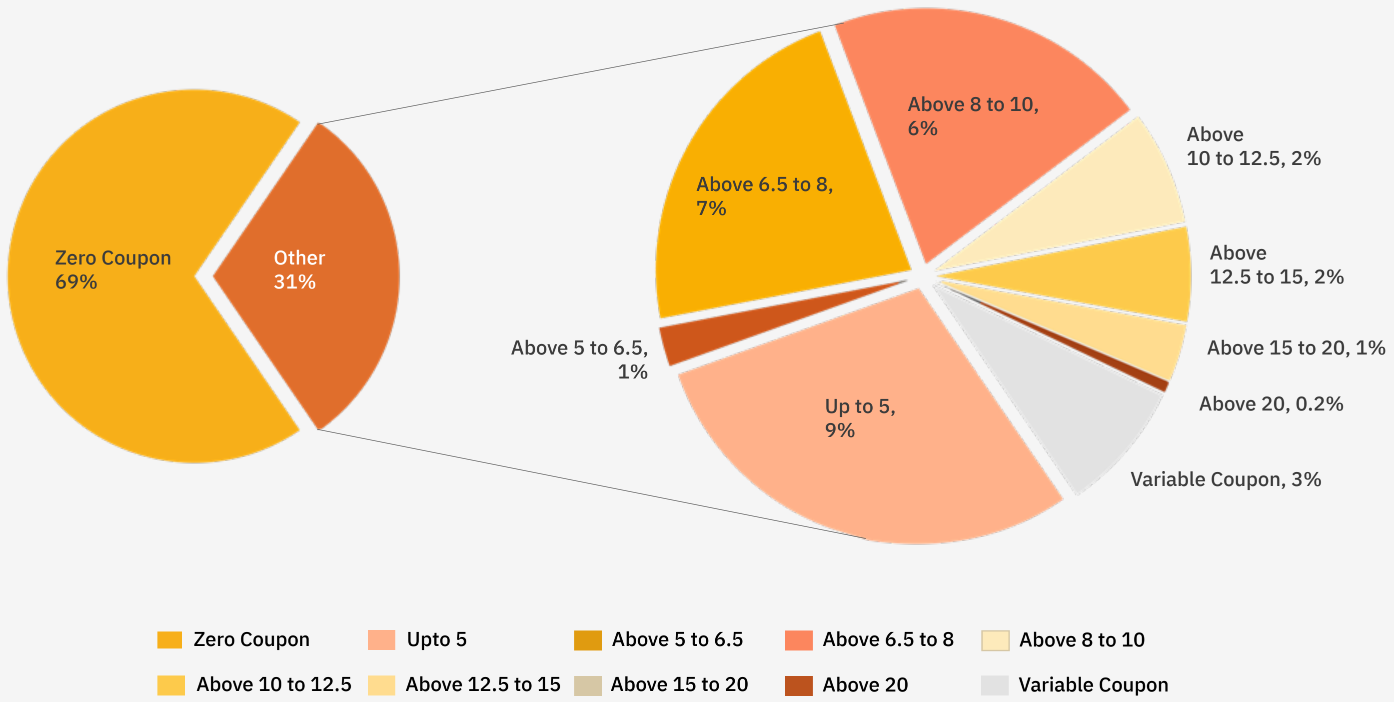
Debt by Coupon- Finance Companies (Q1 FY27)



Coupon Rate	Apr'25 - Jun'25		Jan'26 - Mar'26		Apr'26 - Jun'26	
	Number of Issuances	Amount (In Rs. Crore)	Number of Issuances	Amount (In Rs. Crore)	Number of Issuances	Amount (In Rs. Crore)
Zero Coupon	1,119	4,84,417	1,497	9,38,864	1,343	6,56,984
Upto 5	7	148	18	878	2	0
Above 5 to 6.5	8	6450	24	856	8	1,361
Above 6.5 to 8	128	1,02,572	112	1,15,664	70	66,289
Above 8 to 10	211	23,437	246	15,806	158	42,751
Above 10 to 12.5	419	5,271	444	8,443	293	9,776
Above 12.5 to 15	117	629	137	1,942	84	2,323
Above 15 to 20	36	317	42	455	24	292
Above 20	0	0	0	0	0	0
Variable Coupon	299	7,244	410	7,873	280	28,377
Total	**2,344**	**6,30,485**	**2,930**	**10,90,779**	**2,262**	**8,08,153**

Debt Raised by Coupon Rate – Non-finance Companies

Debt by Coupon– Non-finance (Q1 FY27)



Coupon Rate	Apr'25 - Jun'25		Jan'26 - Mar'26		Apr'26 - Jun'26	
	Number of Issuances	Amount (In Rs. Crore)	Number of Issuances	Amount (In Rs. Crore)	Number of Issuances	Amount (In Rs. Crore)
Zero Coupon	673	2,85,751	619	1,26,504	648	2,31,525
Upto 5	101	5,832	169	15,561	72	30,060
Above 5 to 6.5	21	11,680	27	2,744	17	2,549
Above 6.5 to 8	81	90,650	73	45,691	45	22,952
Above 8 to 10	104	18,178	103	25,629	94	21,211
Above 10 to 12.5	115	7,731	262	10,277	149	7,454
Above 12.5 to 15	151	5,930	198	9,096	118	6,142
Above 15 to 20	70	8,535	78	5,213	63	3,732
Above 20	12	1,170	9	633	5	688
Variable Coupon	79	6,086	107	10,212	92	8,596
Total	**1,407**	**4,41,543**	**1,645**	**2,51,559**	**1,303**	**3,34,909**

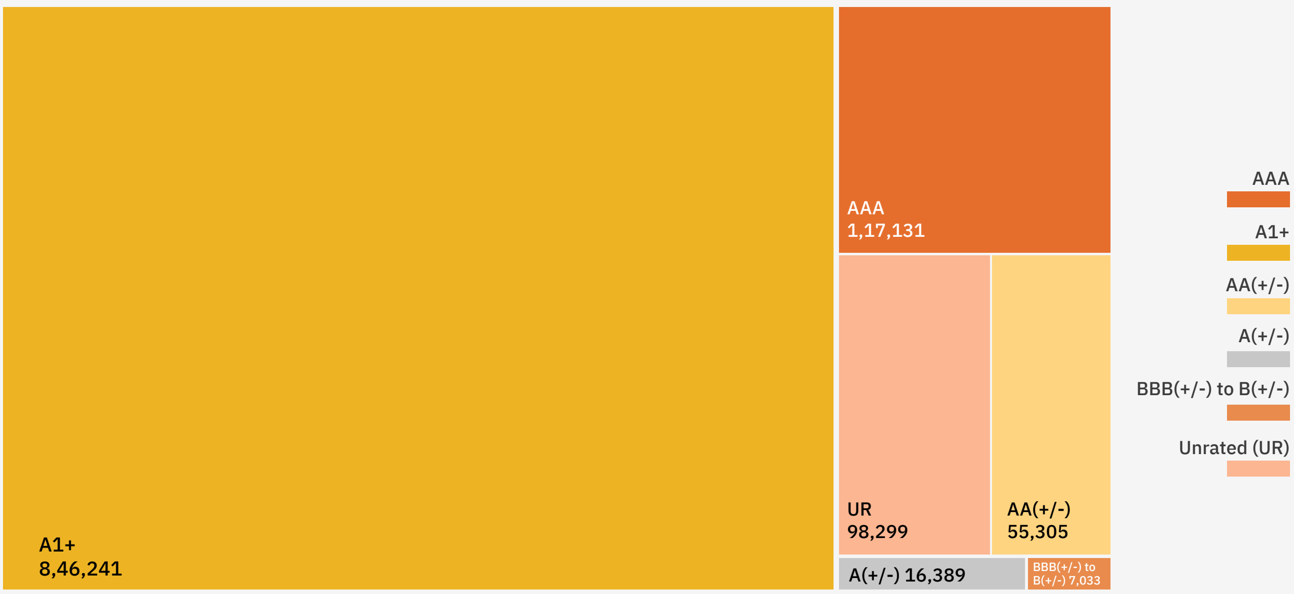
Strong preference for credit quality

Investor preference for highly rated instruments remained firmly intact in Q1 FY27. The market was dominated by top-rated securities across long and short-term instruments.
Within the long-term maturities, AAA rated instruments accounted for 39.8% of the total mobilisation, while AA rated instruments contributed another 18.8%. Together, securities rated AA and above represented nearly 60% of the long-term fund raising in Q1FY27. Lower rated instruments remained negligible despite favourable liquidity conditions, highlighting the limited appetite for credit risk. Over 33.4% of the long-term borrowings were raised through unrated instruments. These largely comprised of issuances where ratings are either not mandated, or the instruments are privately placed with informed investors.

The short-term market displayed a stronger quality bias. A1+ rated instruments accounted for almost the entire market, 99.8%. This reflects the conservative investor strategy adopted by banks, mutual funds and treasury participants. Strong demand for high quality money market instruments, along with comfortable liquidity enabled top rate issuers access short-term funding at competitive rate.

Overall, the rating profile indicates that India's debt market continues to favour established issuers with strong balance sheets with the investors showing clear preference for credit quality over incremental yields. This trend impolitely indicates the relatively limited access of lower-rated issuers to market-based financing.

Rating-wise Break-up of Debt Raised



Debt Raised across Long Term Rating Scale (Amount in Rs. Crore)

Rating Scale	Finance	Non-finance	Total	% of Total Raised
AAA	94,517	22,614	1,17,131	39.82
AA (+/-)	34,682	20,622	55,305	18.80
A (+/-)	12,583	3,806	16,389	5.57
BBB (+/-)	4,395	2,010	6,405	2.18
BB (+/-)	96	431	527	0.18
B (+/-)	0	101	101	0.03
UR	8,739	89,560	98,299	33.42
Total	**1,55,012**	**1,39,145**	**2,94,157**	

Debt Raised across Short-Term Rating Scale (Amount in Rs. Crore)

Rating Scale	Finance	Non-finance	Total	% of Total Raised
A1+	6,50,709	1,95,532	8,46,241	99.74
A1	1,759	163	1,922	0.23
A2+	20	0	20	0.002
A2	5	20	25	0.003
A3+	231	0	231	0.03
A3	0	0	0	0.00
Total	**6,52,723**	**1,95,715**	**8,48,438**	

Average Coupon Rate Across Rating Scale and Maturity Bucket

Rating Scale	Up to 1 yr	Above 1-3 yrs	Above 3-5 yrs	Above 5-10 yrs	Above 10-15 yrs	Above 15-20 yrs	Above 20-30 yrs	Above 30 yrs	Perpetual
AAA	-	7.70	7.66	6.89	7.75	7.67	-	-	-
AA+	-	7.02	8.45	8.62	8.63	7.88	8.50	-	-
AA	-	7.56	3.46	7.62	8.95	-	-	-	9.90
AA-	-	8.34	9.63	10.38	-	-	-	-	-
A+	-	8.56	3.39	6.27	9.79	-	-	-	-
A	-	9.47	7.39	9.61	-	-	7.00	-	-
A-	-	11.50	12.28	10.96	-	-	-	-	-
BBB+	-	10.42	9.99	0.00	-	-	-	-	-
BBB	-	12.01	12.00	14.50	-	-	-	-	-
BBB-	-	11.22	10.07	9.75	-	-	-	-	-
BB+	-	14.00	7.63	11.00	-	-	-	-	-
BB	-	11.41	18.00	-	-	-	-	-	-
BB-	-	-	13.25	11.50	-	-	-	-	-
B-	-	14.20	18.00	-	-	-	-	-	-
UR*	18.00	26.00	24.00	18.00	18.00	12.00	13.00	10.00	-

Note: Considered max in each bucket*

Top 10 Issuers by Issue Size (Amount in Rs. Crore)

Issuer Names	Apr'26 - Jun'26	% of Total Debt Raised Excluding Government
National Bank for Agriculture and Rural Development	60,460	5.29
Bank Of Baroda	50,680	4.43
Small Industries Development Bank Of India	43,275	3.79
Union Bank Of India	38,175	3.34
Bajaj Finance Ltd.	34,056	2.98
HDFC Bank Ltd.	33,715	2.95
Canara Bank	32,210	2.82
Reliance Retail Ventures Ltd.	28,225	2.47
ICICI Securities Ltd.	27,082	2.37
Eqyizen Investment Pvt Ltd.	25,500	2.23
Sum of Top 10	**3,73,378**	**32.66**
Total Debt Raised excluding Government	**11,43,062**	

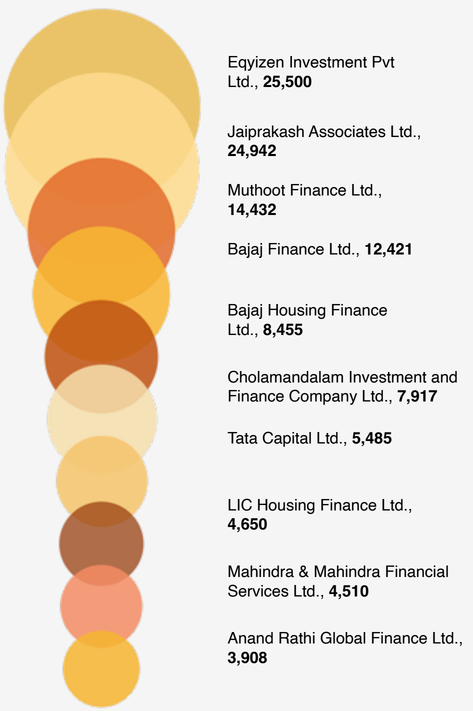
Top 10 States by Issue Size (Amount in Rs. Crore)

State Names	Apr'26 - Jun'26	% of Total Debt Raised by State Government
Government of Andhra Pradesh	28,600	13.80
Government of Rajasthan	23,550	11.36
Government of Maharashtra	22,800	11.00
Government of Telangana	18,900	9.12
Government of Tamil Nadu	17,000	8.20
Government of Uttar Pradesh	16,800	8.11
Government of Kerala	13,800	6.66
Government of Madhya Pradesh	13,800	6.66
Government of Bihar	11,675	5.63
Government of Punjab	11,234	5.42
Sum of Top 10	**1,78,159**	**85.97**
Total Debt Raised by State Government	**2,07,227**	

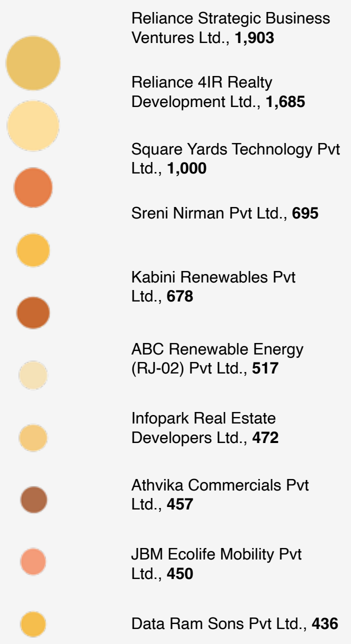
Top 10 Trustees (Raised Solely or Jointly) (Amount in Rs. Crore)

Trustee Names	Apr'26 - Jun'26	% of Total Debt Raised Excluding Government
Beacon Trusteeship Ltd.	3,532	0.31
Axis Trustee Services Ltd.	3,126	0.27
Catalyst Trusteeship Ltd.	1,433	0.13
SBICAP Trustee Company Ltd.	1,080	0.09
Vistra ITCL (India) Ltd.	649	0.06
IDBI Trusteeship Services Ltd.	555	0.05
Vardhman Trusteeship Pvt Ltd.	340	0.03
Mitcon Credentia Trusteeship Services Ltd.	156	0.01
Piramal Trusteeship Services Pvt Ltd.	100	0.01
Universal Trusteeship Services Ltd.	4	0.00
Sum of Top 10	**10,975**	**0.96**
Total Debt Raised excluding Government	**11,42,882**	

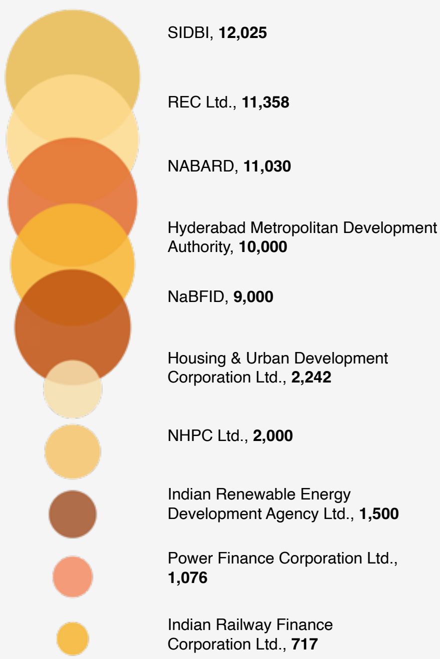
Bonds and Debentures Issued by Top 10 Issuers (Amount in Rs. Crore)



Non-Convertible Debentures



Convertible Debentures



Non-convertible Bonds

Top 10 Non-Convertible Debenture Issuers by Issue Size (Amount in Rs. Crore)

Non-Convertible Debentures issued By Top 5 Issuers	Apr'26 - Jun'26	% of Total Debt Raised by Non-Convertible Debentures
Eqyizen Investment Pvt Ltd.	25,500	12.01
Jaiprakash Associates Ltd.	24,942	11.75
Muthoot Finance Ltd.	14,432	6.80
Bajaj Finance Ltd.	12,421	5.85
Bajaj Housing Finance Ltd.	8,455	3.98
Cholamandalam Investment and Finance Company Ltd.	7,917	3.73
Tata Capital Ltd.	5,485	2.58
LIC Housing Finance Ltd.	4,650	2.19
Mahindra & Mahindra Financial Services Ltd.	4,510	2.12
Anand Rathi Global Finance Ltd.	3,908	1.84
Sum of Top 10	**1,12,219**	**52.86**
Total Debt Raised by Non-Convertible Debentures	**2,12,315**	

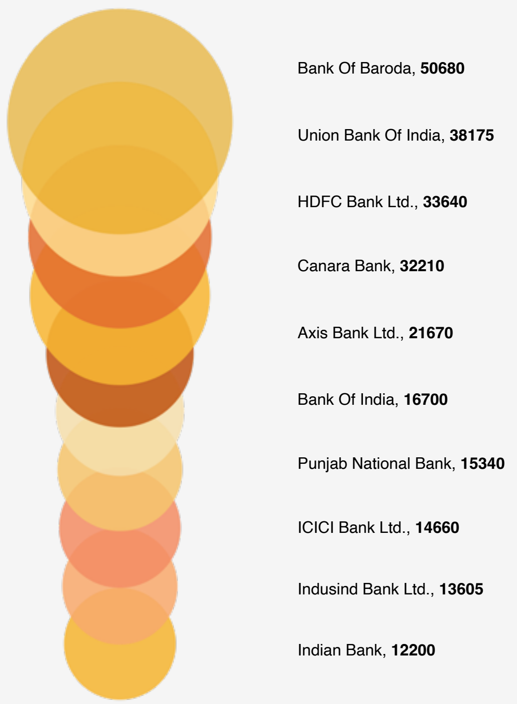
Top 10 Convertible Debenture Issuers by Issue Size (Amount in Rs. Crore)

Convertible Debentures issued By Top 10 Issuers	Apr'26 - Jun'26	% of Total Debt Raised by Convertible Debentures
Reliance Strategic Business Ventures Ltd.	1,903	12.70
Reliance 4IR Realty Development Ltd.	1,685	11.24
Square Yards Technology Pvt Ltd.	1,000	6.67
Sreni Nirman Pvt Ltd.	695	4.64
Kabini Renewables Pvt Ltd.	678	4.53
ABC Renewable Energy (RJ-02) Pvt Ltd.	517	3.45
Infopark Real Estate Developers Ltd.	472	3.15
Athvika Commercials Pvt Ltd.	457	3.05
JBM Ecolife Mobility Pvt Ltd.	450	3.00
Data Ram Sons Pvt Ltd.	436	2.91
Sum of Top 10	**8,292**	**55.33**
Total Debt Raised by Convertible Debentures	**14,986**	

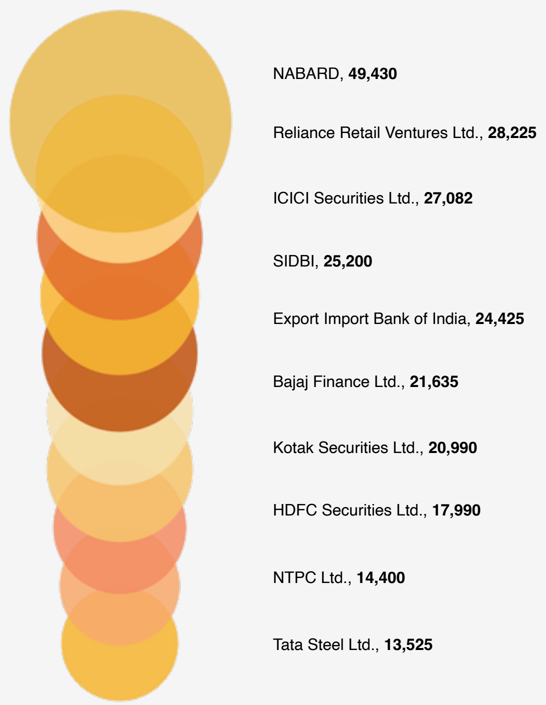
Top 10 Non-Convertible Bonds Issuers by Issue Size (Amount in Rs. Crore)

Non-Convertible Bonds issued By Top 10 Issuers	Apr'26 - Jun'26	% of Total Debt Raised by Non-Convertible Bonds
Small Industries Development Bank Of India	12,025	19.51
REC Ltd.	11,358	18.43
National Bank For Agriculture And Rural Development	11,030	17.90
Hyderabad Metropolitan Development Authority	10,000	16.23
National Bank For Financing Infrastructure And Development	9,000	14.61
Housing & Urban Development Corporation Ltd.	2,242	3.64
NHPC Ltd.	2,000	3.25
Indian Renewable Energy Development Agency Ltd.	1,500	2.43
Power Finance Corporation Ltd.	1,076	1.75
Indian Railway Finance Corporation Ltd.	717	1.16
Sum of Top 10	**60,947**	**98.91**
Total Debt Raised by Non-Convertible Bonds	**61,620**	

CPs and CDs Issued by Top 10 Issuers (Amount in Rs. Crore)



Commercial Paper (CP)



Certificate of Deposit (CD)

Top 10 Commercial Paper Issuers by Issue Size (Amount in Rs. Crore)

Commercial Paper issued By Top 10 Issuers	Apr'26 - Jun'26	% of Total Debt Raised by Commercial Paper
National Bank for Agriculture And Rural Development	49,430	9.32
Reliance Retail Ventures Ltd.	28,225	5.32
ICICI Securities Ltd.	27,082	5.11
Small Industries Development Bank Of India	25,200	4.75
Export Import Bank of India	24,425	4.61
Bajaj Finance Ltd.	21,635	4.08
Kotak Securities Ltd.	20,990	3.96
HDFC Securities Ltd.	17,990	3.39
NTPC Ltd.	14,400	2.71
Tata Steel Ltd.	13,525	2.55
Sum of Top 10	**2,42,902**	**45.80**
Total Debt Raised by Commercial Paper	**5,30,393**	

Top 10 Certificate of Deposit Issuers by Issue Size (Amount in Rs. Crore)

Certificate of Deposit issued By Top 10 Issuers	Apr'26 - Jun'26	% of Total Debt Raised by Certificate of Deposit
Bank Of Baroda	50,680	15.87
Union Bank Of India	38,175	11.96
HDFC Bank Ltd.	33,640	10.54
Canara Bank	32,210	10.09
Axis Bank Ltd.	21,670	6.79
Bank Of India	16,700	5.23
Punjab National Bank	15,340	4.80
ICICI Bank Ltd.	14,660	4.59
Indusind Bank Ltd.	13,605	4.26
Indian Bank	12,200	3.82
Sum of Top 10	**2,48,880**	**77.95**
Total Debt Raised by Certificate of Deposit	**3,19,295**	

Top 10 Traded Government Securities (Amount in Rs. Crore)

Security	Traded Volume (In Crore)	% of Total Traded
06.48 GS 2035	14,54,625	45.96
06.94 GS 2036	7,35,405	23.24
06.68 GS 2040	3,59,920	11.37
06.36 GS 2031	1,42,730	4.51
06.90 GS 2065	83,945	2.65
07.24 GS 2055	48,610	1.54
06.68 GS 2033	32,055	1.01
06.33 GS 2035	21,765	0.69
06.01 GS 2030	19,650	0.62
07.06 GS 2028	11,160	0.35
Total Traded in Quarter	**31,64,800**	

Top 10 Traded Corporate Securities (Amount in Rs. Crore)

Description	Traded Volume (In Crore)	% of Total Traded
NABARD - Non-Convertible Bonds - 7.44% - 17-Jul-2029	32,478	2.43
Apex Homes Pvt Ltd. - NCD - 30-Oct-2027	23,786	1.78
NABARD - Non-Convertible Bonds - 7.48% - 15-Sep-2028	23,153	1.73
NABARD - Non-Convertible Bonds - 7.58% - 31-Jul-2026	21,909	1.64
NABARD - Non-Convertible Bonds - 7.80% - 15-Mar-2027	14,164	1.06
SIDBI - Non-Convertible Bonds - 7.44% - 04-Sep-2026	14,160	1.06
NABARD - Non-Convertible Bonds - 7.53% - 24-Mar-2028	13,540	1.01
NABARD - Non-Convertible Bonds - 7.50% - 31-Aug-2026	13,280	0.99
NABARD - Non-Convertible Bonds - 7.44% - 24-Feb-2028	11,820	0.88
SIDBI - Non-Convertible Bonds - 7.43% - 31-Aug-2026	10,000	0.75
Total Traded in Quarter	**13,36,149**	

NABARD National Bank for Agriculture and Rural Development
SIDBI Small Industries Development Bank of India
NCD Non-Convertible Debentures

Inflation Edges Higher Amid Emerging Price Pressures

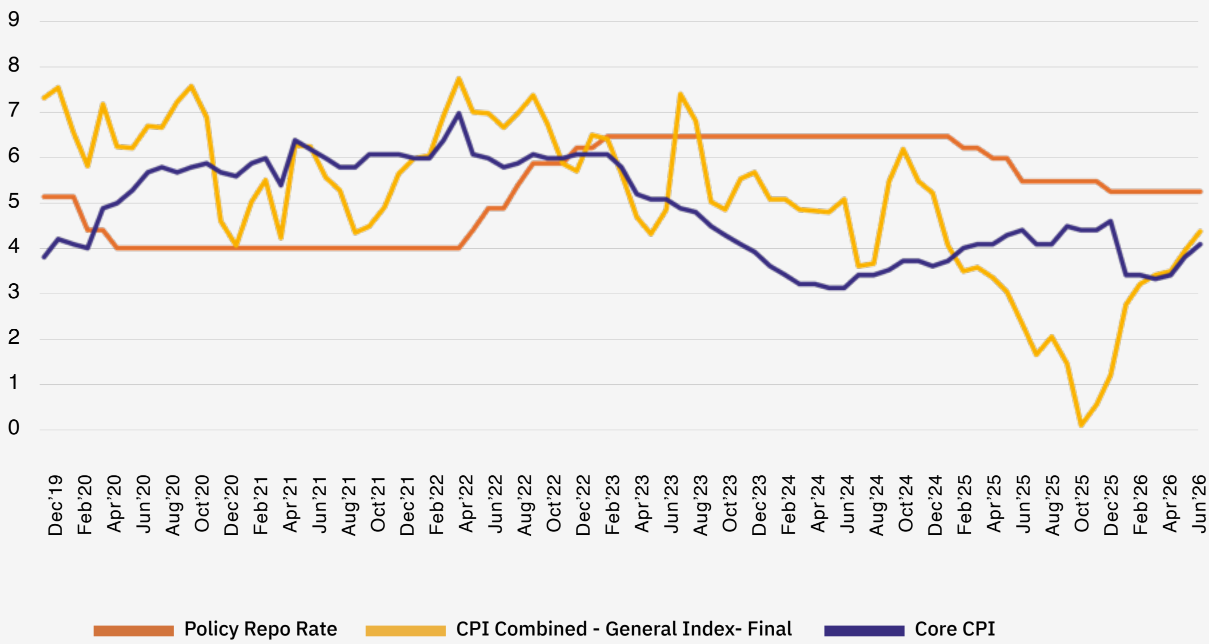
Consumer price inflation rose to 4.38% in June 2026 from 3.93% in May 2026. While food and fuel inflation were the major drivers, core inflation (excluding food and fuel) remained relatively stable at around 4%. This suggests that underlying demand-side price pressures are still contained.

Food inflation increased to 5.32% in June 2026 from 4.78% in May 2026, driven by higher prices of cereals, vegetables and protein-rich items. During the same period, fuel & light inflation rose a tad to 2.67% from 2.55%. This is reflection of an incomplete pass through of global crude oil price rise post West-Asia conflict.

Despite a sequential rise, average inflation during Q1 FY27 at around 3.93% remained below the RBI's medium-term target of 4% and its projection of 4.2% for the quarter, as softer inflation in the first two months of the quarter offset the June 2026 increase.

Going forward, inflation pressures are likely to remain elevated due to uncertainty around south-west monsoon, volatile crude oil prices and global geo-political tensions. The RBI projects inflation to average 5.1% in FY27. It expects inflation to edge closer to the upper limit of its inflation tolerance band of 2-6% in Q3 FY 27 before easing mildly to 5.4% in the last quarter of the fiscal.

Policy Rate vs CPI Combined vs Core CPI



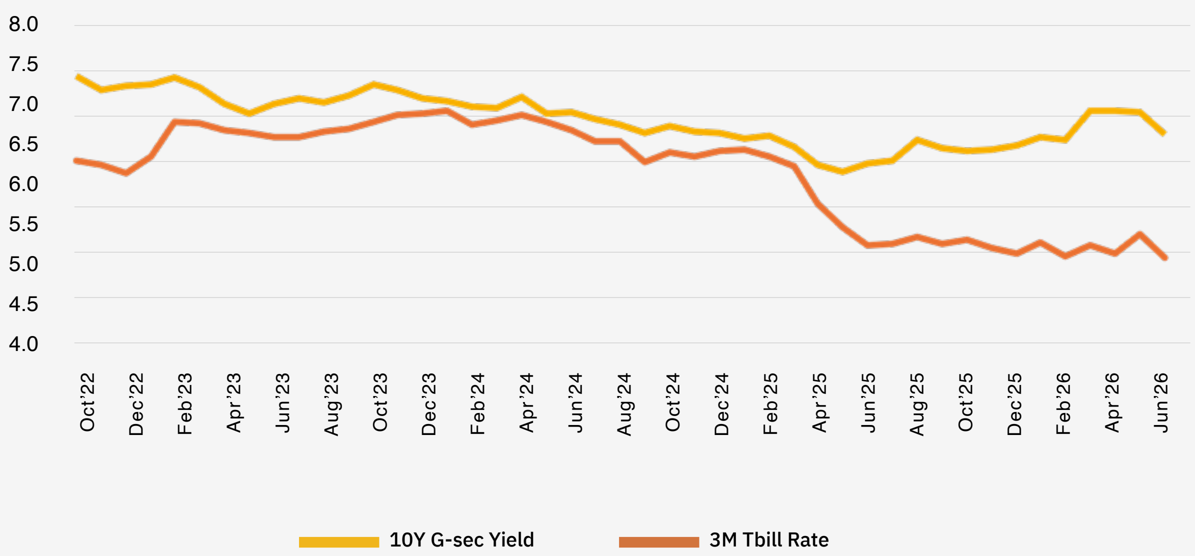
Bond yields ease on Abundant Liquidity

The Reserve Bank of India (RBI), in its June 2026 Monetary Policy Review, kept the policy repo rate unchanged at 5.25% and decided to continue with the Neutral stance. Liquidity conditions remained comfortable through a large part of Q1 FY27, which kept overnight money market rates close to the policy rate.

The benchmark 10-year G-sec yield eased by 28 bps through the quarter – from 7.02% at the end of March 2026 to 6.73% at end-June 2026. Soft inflation, expectations of lower interest rates and FPI interest in Indian debt outweighed concerns over higher government borrowings. The decline in domestic bond yields, however, was limited by elevated US treasury yields amid uncertainty over the Federal Reserves' policy outlook.

The yield curve steepened modestly during Q1FY27 as short-term yields declined faster than long-term yields, reflecting the expectations of RBI's easing cycle nearing its end. Yield of 1-year G-sec declined by 14 bps and that on 5-year G-sec by 34 bps vis-à-vis the 28 bps fall in 10-year G-sec yield.

10 Year G-sec, 3M Tbill

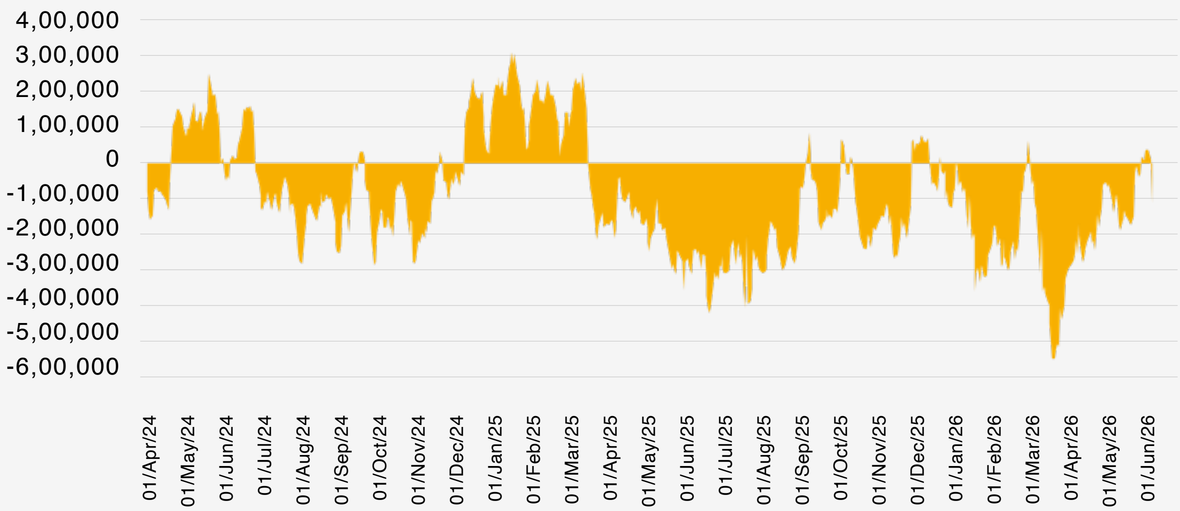


Liquidity in Surplus Despite FPI outflows

Banking system liquidity remained comfortable during Q1 FY27 despite FPI outflows of USD 11.1 billion. Average daily liquidity under the RBI's Liquidity Adjustment Facility (LAF) remained in surplus around Rs.2.6 lakh crore, despite transitory pressures around GST payments of over Rs.1.85 lakh crore in April and Rs.2.01 lakh crore in May, and the June advance tax cycle. The Central Government stuck to its market borrowings schedule, raising a gross amount of Rs.4.9 lakh crore during Q1 FY27. Strong government spending helped replenish the liquidity in the system.

The RBI actively calibrated liquidity through a mix of absorption and infusion operations. Variable Rate Reverse Repo (VRRR) auctions were used to absorb surplus funds, while a Rs.50,000 crore Variable Rate Repo (VRR) operation provided short-term liquidity support. The apex bank also conducted a USD 5 billion three-year USD/INR sell-buy swap auction, thereby injecting rupee liquidity into the banking system. These measures, along with structural liquidity support from the CRR reduction to 3% (Rs.2.5 lakh crore release), helped maintain a comfortable liquidity position during the quarter.

Net Liquidity Injected (Amount in Rs. Crore)



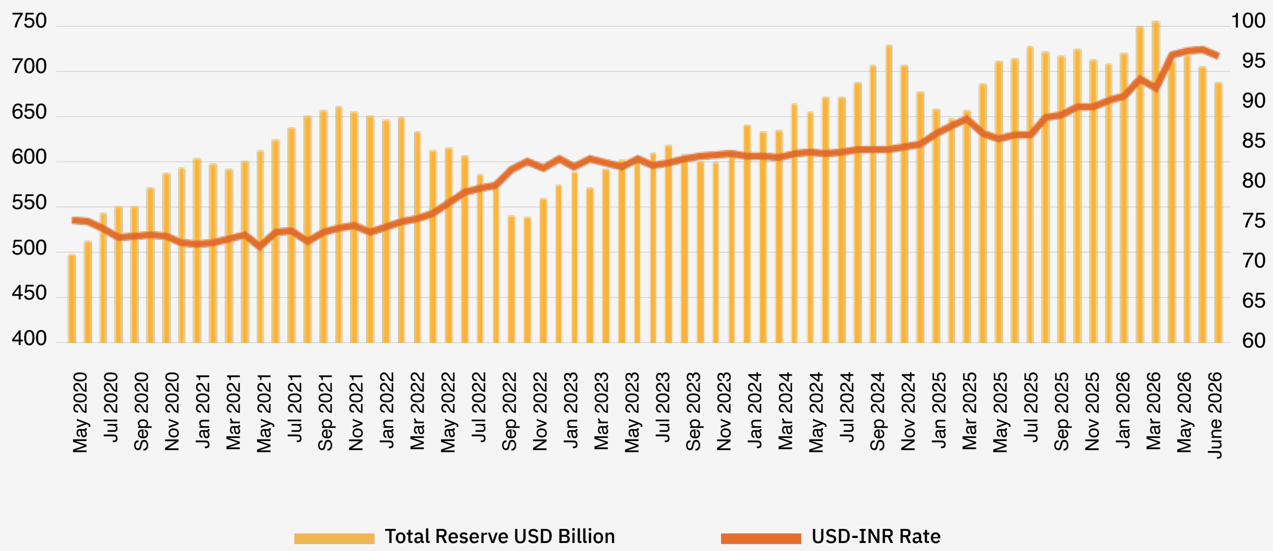
Policy support limits Rupee depreciation

The Indian Rupee (INR) weakened during Q1 FY27 amid global risk aversion caused by the West Asia conflict, higher crude oil prices and US dollar strength. The currency depreciated against the USD during the first two months of the quarter, touching a record low of Rs.96.96 per dollar on May 20, 2026.

The RBI stepped in to support the currency, announcing a slew of measures in June. It introduced a concessional forex swap facility for eligible external commercial borrowings (ECBs) by public sector entities and for banks mobilising NRI deposits with 3–5-year maturities, extended the period for realisation and repatriation of export proceeds from 9 months to 15 months and expanded the Fully Accessible Route (FAR) for Government securities, while continuing intervention in the foreign exchange market. The Central Government complimented by exempting capital gains and withholding taxes on eligible foreign investments in Government.

FPIs received these moves positively and pumped in money into Indian debt instruments. Consequently, aggregate FPI flows turned positive USD 531 billion in June 2025, after a large withdrawal of USD 10.6 billion during April-May 2026. This provided the much-needed support to the Indian currency unit which appreciated to Rs.94.6 against the US dollar by end-June 2026.

USD-INR and Forex Reserve

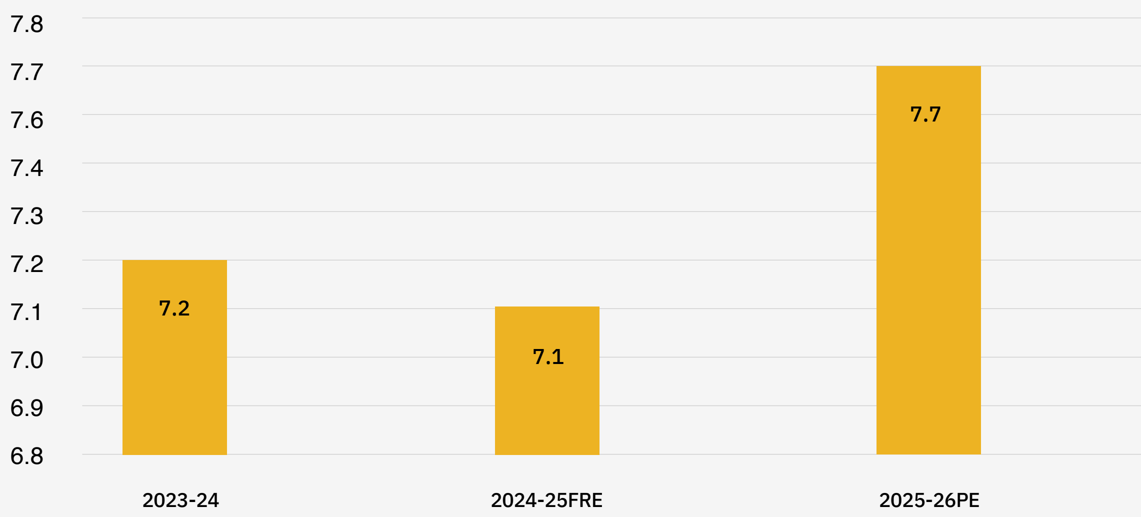


Growth Holds Firm Amid Global Uncertainty

India's economy entered FY27 on a firm footing after expanding by 7.4% in FY26. While the RBI projects real GDP to grow by 6.6% in FY27, multilateral agencies like IMF and World Bank expect it to range between 6.3-6.4%. While this implies some moderation in growth for India amid the West Asia conflict, the country is expected to retain the title of the fastest growing major economy in the world.

High-frequency indicators for Q1 FY27 remain encouraging. Manufacturing PMI averaged above 58, while services PMI remained above 60, signalling broad-based expansion. Gross GST collections exceeded Rs.2 lakh crore in each of the first three months of FY27, reflecting healthy domestic activity. Merchandise exports remained resilient despite global trade uncertainties, while industrial output continued to recover. While lower policy rates and continued public capital expenditure are expected to support growth, the progress of the southwest monsoon remains crucial for agricultural output, rural demand and food inflation.

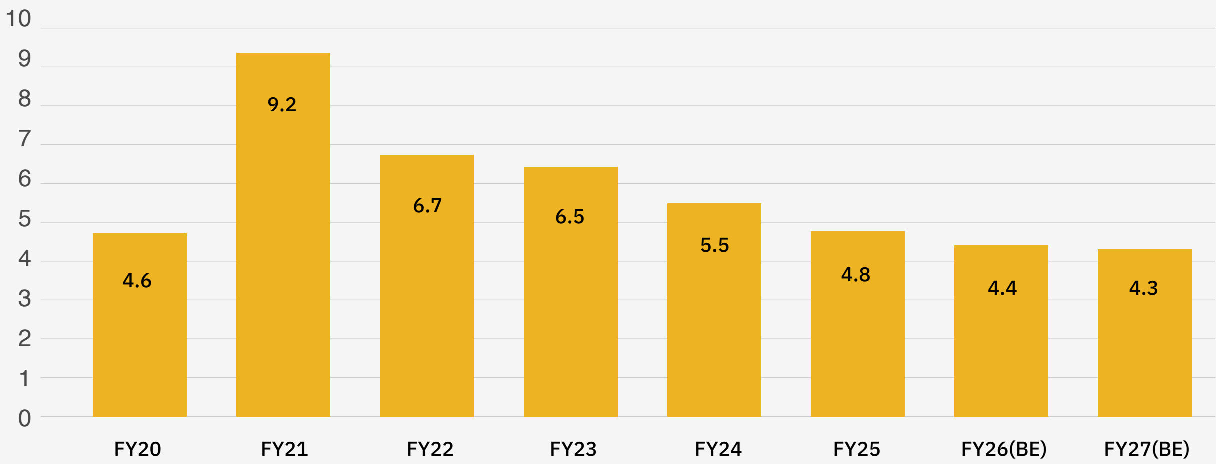
GDP at 2022-23 Constant Prices (YoY % Change)



Fiscal Trends Reflect Front-loading of Expenditure

The Central Government's gross fiscal deficit widened during April-May 2027, to Rs.1.6 lakh crore compared to Rs.13,163 crore in the corresponding period last year. This was a reflection of front-loading expenditure, while receipts remained muted. Total expenditure grew year-on-year by a strong 18.1%, led by a sharp increase in interest payments, while both revenue and capital expenditure also increased. On the receipts side, net tax revenue, non-tax revenue and non-debt capital remained lower than a year earlier. Despite the weak start, only 9.6% of the budgeted fiscal deficit had been utilised by end-May 2026, suggesting that the fiscal position remains consistent with the government's annual consolidation target.

Fiscal Deficit (% to GDP)



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Notes

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