

Key Highlights: Debt Market at IFSC (2024-2025)

Introduction:

Debt Market at IFSC

GIFT IFSC continues to strengthen its role as a global gateway for Indian debt issuances. With **57 debt issuances totaling USD 6.99 billion in FY 2024–25**, IFSC has become a critical platform for Indian financial institutions, especially NBFCs, to tap into international capital.

This report highlights key trends, sectoral shifts, and the rise of sustainable finance, offering valuable insights into the evolving debt landscape at IFSC.

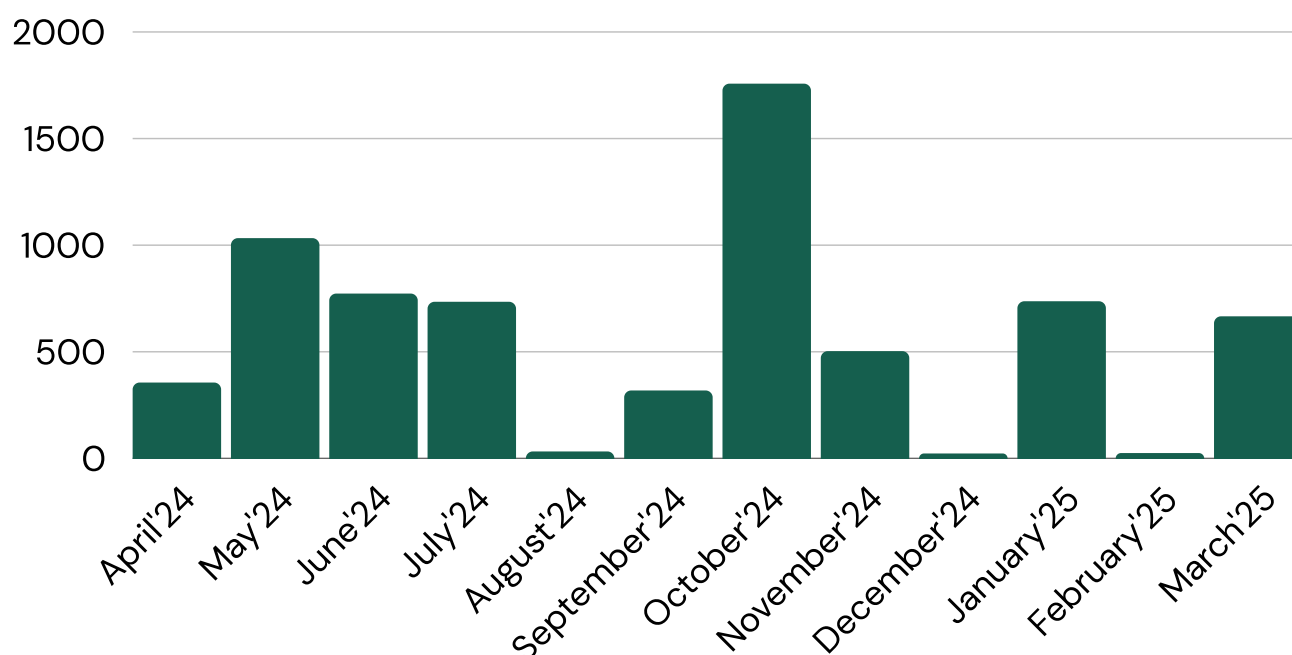
Market Size and Composition

Cumulative Issuance:

In FY 2024-25, IFSC saw a **total debt issuance of USD 6.99 Bn across 57 listings**, highlighting its role as a key global capital hub.

Issuance Trends:

Issuance volumes fluctuated throughout 2024-25, but the total for the year hit **USD 6.99 Bn**, showcasing a strong market presence.

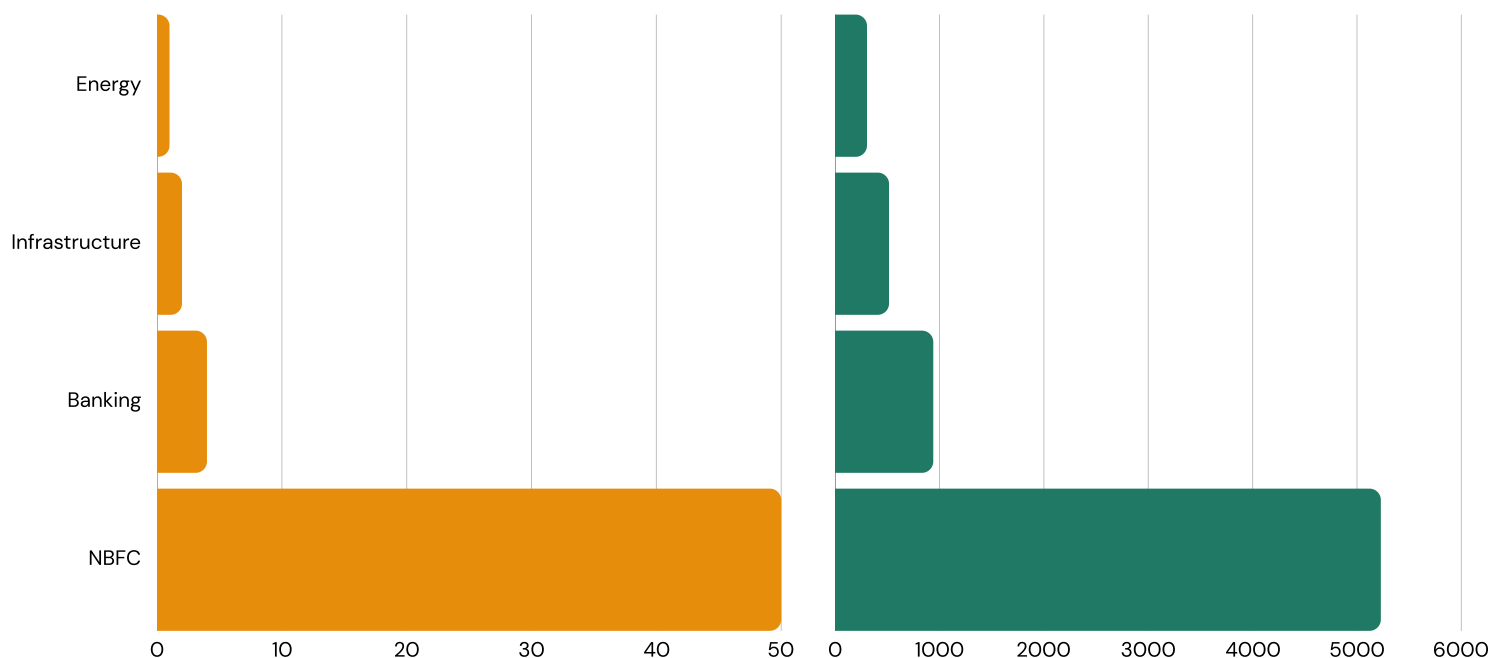


Sectoral Distribution:

NBFCs led the market with **50 issuances totaling USD 5.23 Bn**, emphasizing IFSC's importance in connecting Indian financials to global markets.

Sector-wise Distribution

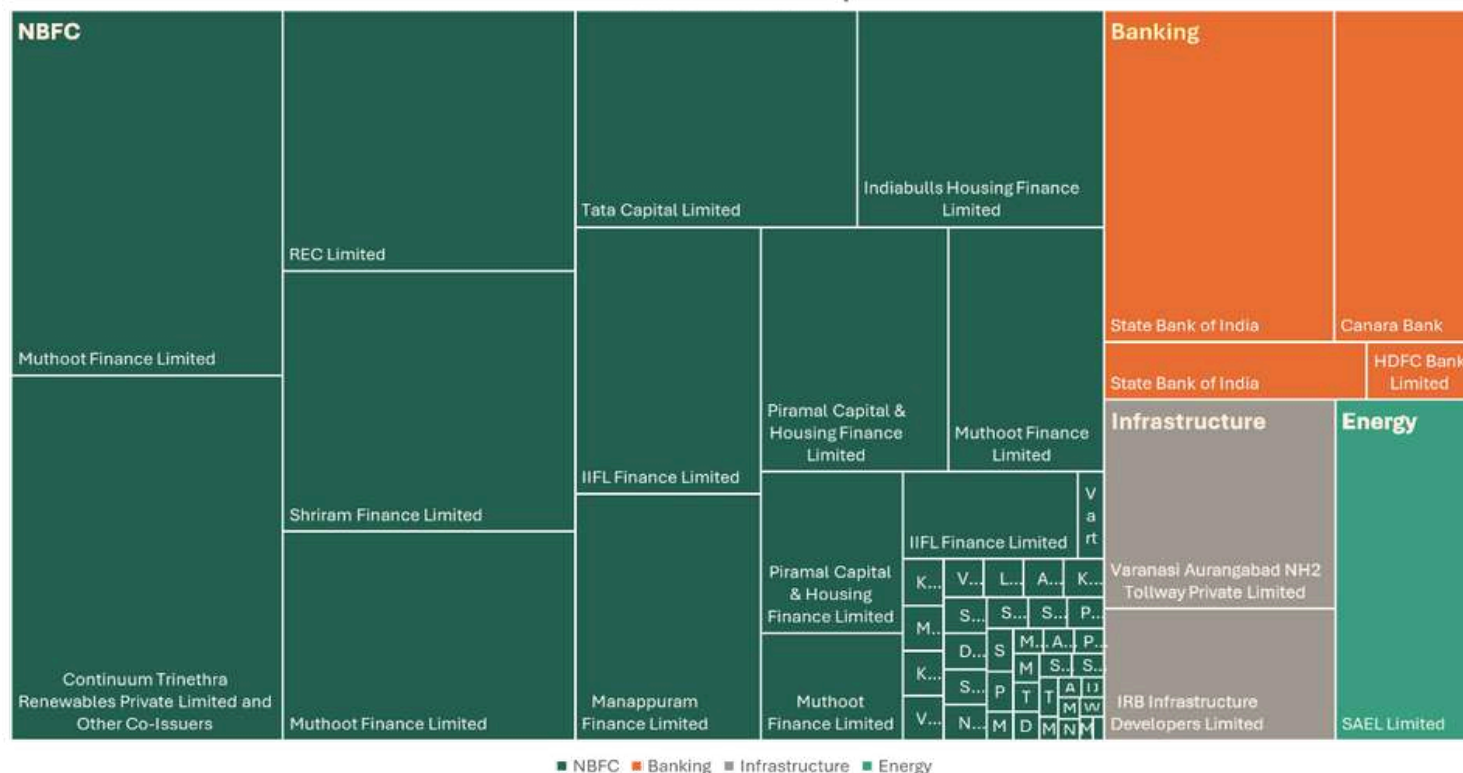
Total Issuance in USD Mn.



(NBFC here includes microfinance institutions, housing finance companies etc.)

Issuer Profile:

Issuer Profile Map



Top issuers in FY 2024-25:

- **Muthoot Finance:** USD 650 Mn (9.3%)
- **Continuum Trinethra:** USD 650 Mn (9.3%)
- **State Bank of India:** USD 500 Mn (7.2%)
- **REC Limited:** USD 500 Mn (7.2%)
- **Shriram Finance:** USD 500 Mn (7.2%)

These five issuers made up **40% of the total market volume**.

Instrument Analysis

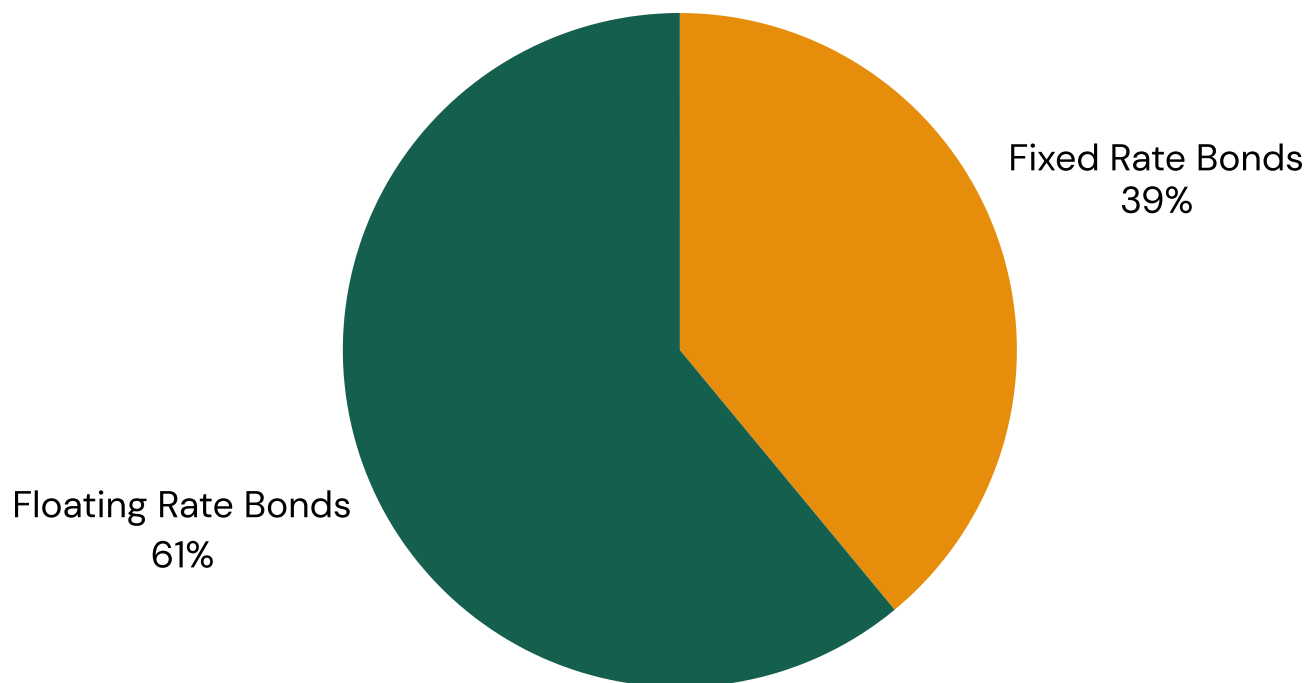


Fixed vs Floating Rate

- **Fixed Rate Bonds:** 22 issuances (38.6%) totaling \$6.66 Bn (95% of value).
- **Floating Rate Bonds:** 35 issuances (61.4%) totaling \$329.2 Mn (5% of value).

Fixed-rate bonds dominate with larger issuances, while floating-rate bonds are used for smaller, specialized funding.

Instrument Distribution



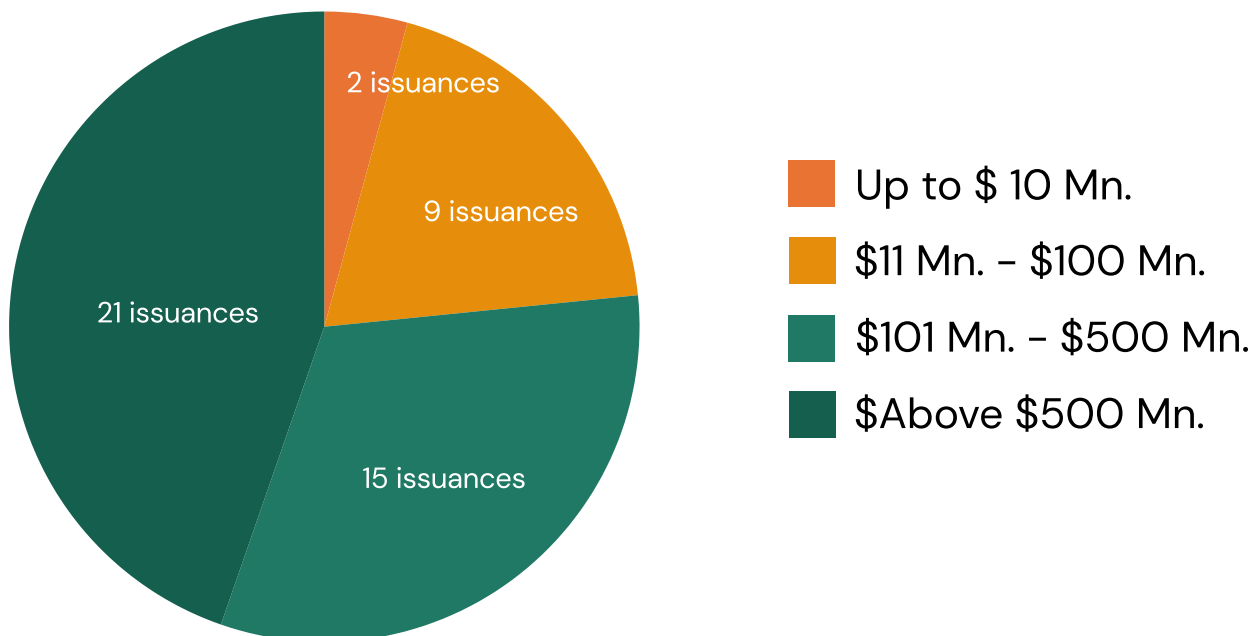
Average size: Fixed-rate – \$302.76Mn, Floating-rate – \$9.37 Mn.

Coupon Rates

- **Fixed Rate Bonds:** 3.75% to 9.7%, Average: 6.63%. Most common: 6–9%.
- **Floating Rate Bonds:** SOFR-linked, with spreads ranging from SOFR + 0.95% to SOFR + 5.0%. Average spread: SOFR + 4.43%.

Issue Size Distribution

Issue Size Distribution



Issue Size Distribution Insights

Value Range	Count	Percentage	Issue Size (in USD Mn.)
Up to \$10 Mn.	21	36.84%	190.2
\$11 M. – \$100 Mn.	9	43.08%	403.50
\$101m – \$500m	15	26.31%	5096.30
Above \$500 Mn.	2	3.51%	1300.00
Total	57	100%	6990.00

The IFSC debt market shows a concentration in smaller issuances, with **36.84% of the total issuances being under USD 10 million**. This reflects the participation of smaller NBFCs and financial institutions testing the market.

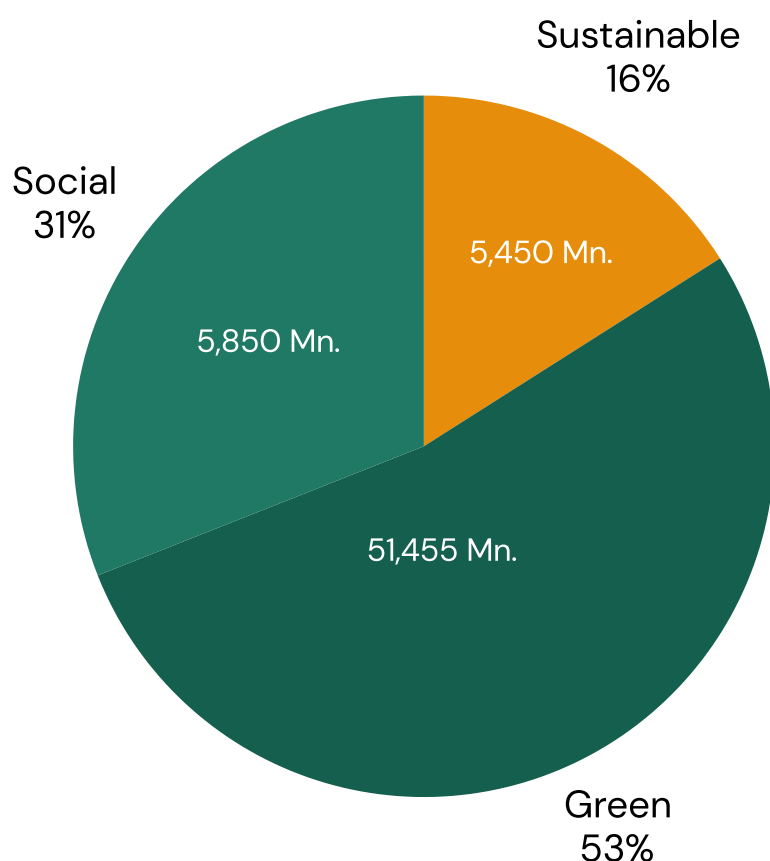
There is a notable gap between small and large issuances. This trend indicates two distinct market segments: **large corporations tapping into international bond markets and smaller institutions seeking specialized funding**.

Sustainable Finance

ESG-Focused Instruments

GIFT IFSC has become a hub for sustainable finance with notable growth in ESG-labeled bonds.

GSS+ Composition



- **Green Bonds:** USD 1.455 Bn (20.8% of total issuance)
- **Social Bonds:** USD 850 Mn (12.1% of total issuance)
- **Sustainable Bonds:** USD 450 Mn (6.43% of total issuance)

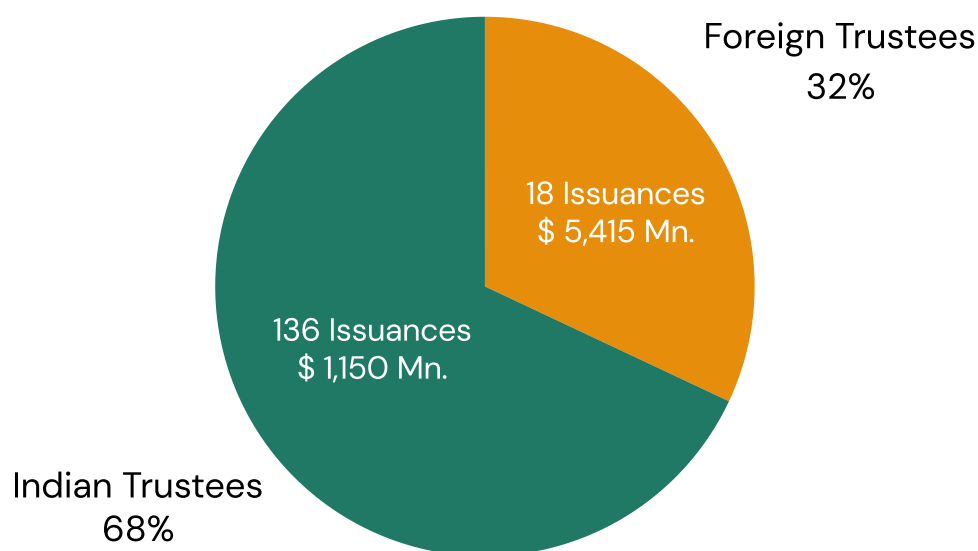
Sustainable finance instruments made up **39.4% of the total debt issuance**, showcasing a strong market interest in ESG investments.

Market Infrastructure & Participants

Trustee Services

The trustee services market at IFSC is split between foreign and Indian trustees:

Trustee Services – Jurisdictional Distribution



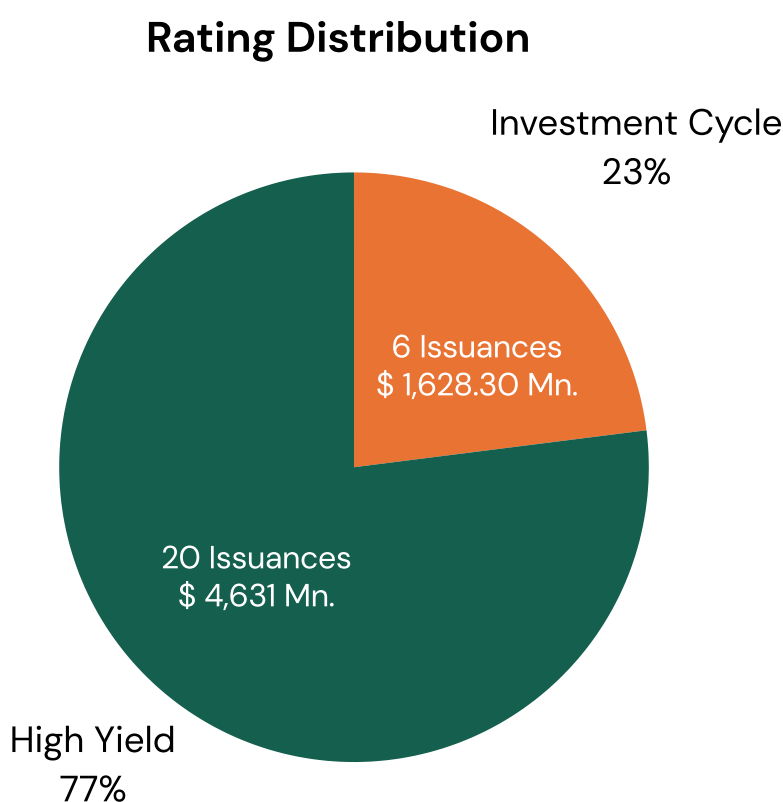
- **Foreign Trustees:** 17 issuances, total size: USD 5.415 Bn
- **Indian Trustees:** 36 issuances, total size: USD 1.15 Bn

Key trustees include Catalyst Trusteeship, BNY Mellon, Deutsche Bank, GLAS Trust, and Citicorp International.

Credit Rating Patterns

Rating Distribution

Of the 57 issuances, 26 (45.6%) were rated, representing **89.5% of the total volume**:



- **Investment Grade (BBB- and above)**: 6 issuances, USD 1.63 Bn
- **High Yield (BB+ and below)**: 20 issuances, USD 4.63 Bn

This mix indicates a preference for higher-rated bonds in terms of volume.

Key Takeaways

- **Growth in Debt Issuances:** IFSC continues to solidify its position as a key hub for global debt markets, with **USD 6.99 Bn raised** in FY 2024-25.
- **Sectoral Leadership:** **NBFCs dominate issuances**, showcasing IFSC's critical role in connecting Indian financials to international markets.
- **Rise of ESG:** Sustainable finance takes center stage, with green, social, and sustainable bonds making up **39.4% of total issuances**.
- **Diverse Instruments:** Both fixed and floating rate bonds play important roles, with **fixed-rate bonds leading larger issuances**.
- **Credit Rating Trends:** The market shows a **healthy mix of investment-grade and high-yield bonds**, indicating growing investor confidence.

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