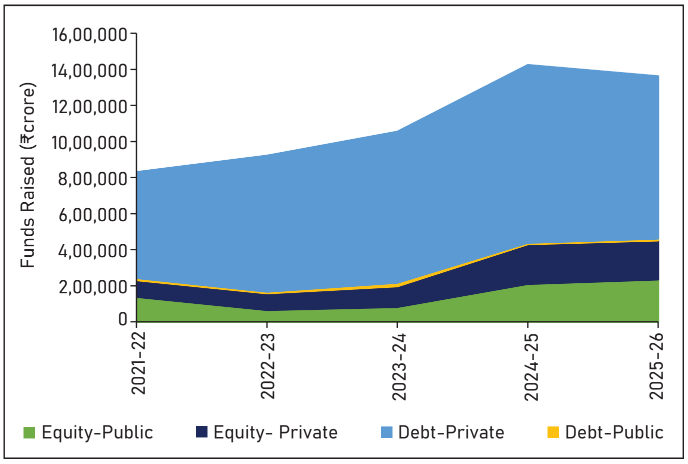
CHAPTER
3

PRIMARY MARKETS

Primary market is built on a foundation of public trust, providing a transparent and regulated environment for companies to raise capital and for investors to grow their wealth. It ensures that the entire process of capital formation is rooted in the core values of investor protection, informed decision-making and fair disclosures. By effectively bridging the gap between idle savings and productive investments in equity and debt, a well-functioning primary market serves as a catalyst for national growth. Reflecting this robustness, the total resource mobilization from primary markets stood at ₹13.6 lakh crore in 2025-26. Although this represents a 4.4 per cent moderation from the preceding year, the underlying activity underscores the continued depth and maturity of India's primary markets **(Chart 3.1)**.

The following sections provide various policy measures taken by SEBI during 2025-26 to further refine the primary market landscape, alongside a review of market trends that highlight its robustness.

Chart 3.1: Trends in Fund Mobilisation through Equity and Debt (₹crore)



Note: Note: Equity-Public includes IPO, FPO and Rights issue.
Source: BSE and NSE

3.1 EQUITY MARKET

In a year marked by global headwinds and domestic volatility, India's primary equity markets demonstrated remarkable resilience, scaling a new peak in capital mobilisation. Total fundraising through IPOs, FPOs, and rights issues reached ₹2.3 lakh crore, a 11.7 per cent increase over the preceding year. This momentum was fuelled by strong macroeconomic fundamentals and deepening retail participation, which effectively cushioned the impact of geopolitical shifts and FPI outflows. To support this momentum, SEBI streamlined capital raising processes and introduced measures to further bolster market trust. The following section outlines the key developmental and regulatory policies implemented by SEBI to foster the primary equity markets during 2025-26:

3.1.1 Policy Developments

A. **Special measures to facilitate voluntary delisting:** SEBI has eased voluntary delisting norms for Public Sector Undertakings (PSUs) where the government and/or other PSUs hold 90 per cent or more of the shares **(Box 3.1)**.

B. **Startup IPO and reverse flipping reforms:** To facilitate the reverse flipping of startups relocating back to India, IPO norms regarding holding periods, promoter contributions, and employee stock options has been relaxed. The one-year pre-IPO holding period exemption for OFS was extended to equity shares derived from compulsorily convertible securities (CCS) acquired via approved restructuring schemes. Additionally, entities such as AIFs, FVCIs, scheduled commercial banks, and insurance companies, were permitted to contribute toward the minimum promoter contribution using

Box 3.1: Introduction of a Special Framework for Voluntary Delisting of PSUs

Overview of SEBI (Delisting of Equity Shares) Regulations

Under Delisting Regulations, delisting of a company is considered successful only if the post-offer shareholding of the promoter/promoter group along with the shares tendered/offered by public shareholders reaches at least 90 per cent of the company's issued capital. Additionally, Regulation 19A stipulates that the final exit price offered to shareholders cannot be lower than the stipulated floor price. While these safeguards protect investor interests, certain institutional challenges necessitated a more nuanced approach for PSUs.

The PSU Challenge: Valuation Disconnect

In certain PSUs with low public float, share prices often trade at levels that do not reflect the company's actual financial performance, net worth, or operations. Because these entities are government-backed, they are perceived as lower risk, leading to inflated market prices that far exceed their book value. Under the erstwhile framework, the floor price was determined using a 60-day volume-weighted average market price. For frequently traded PSUs, this methodology often resulted in an inflated floor price that did not reflect intrinsic value, thereby imposing a disproportionate budgetary burden on the Government.

Special Measures for PSU Delisting

To address these challenges and facilitate the ease of doing business, SEBI introduced a dedicated carve-out for eligible PSUs as below:

i. **Eligibility Criteria:** PSUs (other than banks, NBFCs and insurance companies) in which aggregate shareholding of Government of India and/or any PSUs equals or exceeds 90 per cent of total issued shares.

ii. **Procedural Relaxations:** The requirement for a two-thirds majority approval in favour of the delisting from public shareholders is waived. Delisting will occur through a fixed price delisting process which shall be at least 15 per cent premium over the floor price.

iii. **Enhanced Floor Price Methodology:** The floor price under this route should be at least the highest of:

- The volume-weighted average price paid or payable for acquisitions by the acquirer during the 52 weeks immediately preceding the reference date;
- The highest price paid or payable for any acquisition by the acquirer during the 26 weeks immediately preceding the reference date;
- The price determined by a joint valuation report from two independent registered valuers, taking into account various financial parameters as on reference date.

iv. **Post-Delisting Voluntary Strike-Off:** If an eligible PSU undergoes a voluntary strike-off within 30 days from the expiry of the one-year period subsequent to delisting:

- Any amount due to the public shareholders who did not tender their shares during the period of one year from the date of delisting shall be transferred to an appropriate account of designated stock exchange. The amount would be held for a period of seven years during which investors can claim their dues from the exchange.
- After seven years, the remaining amount, if any, shall be transferred to the IEPF for entities established under Companies Act, 2013 or SEBI's IPEF. For any claims to be made subsequent to such transfer, the investors can approach the designated stock exchange, which will be reimbursed by IEPF or IPEF as applicable.

shares from converted CCS. Further, founders who transitioned into official promoter roles were legally permitted to retain their existing ESOPs and share-based benefits, provided those options were granted at least one year before filing the draft red herring prospectus, removing the previous requirement to liquidate them.

C. **Reforms on anchor investor allocation framework in IPOs:** Anchor investor allocations were modified to enhance the participation of long-term institutional investors in IPOs, categories I (up to ₹10 crore) and II (₹10 crore to ₹250 crore) were merged into a single category for allocations up to ₹250 crore, which allows 2 to 15 allottees with a minimum investment of ₹5 crore per investor. For allocations exceeding ₹250 crore, a minimum of 5 and a maximum of 15 investors are permitted, with an additional 15 investors allowed for every extra ₹250 crore or part thereof, subject to the same ₹5 crore minimum allotment. Further, IRDAI-registered life insurance companies and PFRDA-registered pension funds have been included alongside domestic mutual funds in the reserved anchor portion, expanding the total anchor reservation to 40 per cent, with 33.33 per cent for mutual funds and 6.67 per cent for life insurance/ pension funds.

D. **Revamped framework for MPO and MPS norms:** The framework for minimum public offer and minimum public shareholding norms was revamped into a six-tier post-issue capital-based structure. This reform permitted large issuers to undertake smaller IPOs, thereby reducing the initial dilution burden requirements and providing extended, flexible timelines to meet the 25 per cent MPS threshold.

E. **Rationalized related party transaction framework:** Related party transaction (RPT) framework was rationalized by replacing the flat ₹1,000 crore materiality threshold with a scale-based cap of up to ₹5,000 crore linked to a listed entity's annual consolidated turnover (and a ₹50 crore or 10 per cent limit for SMEs effective from April 1, 2025). The revised rules streamline subsidiary RPTs by requiring audit committee approval only if transactions exceed ₹1 crore and 10 per cent of the subsidiary's turnover, while simplifying disclosure mandates by exempting smaller transactions under ₹1 crore from detailed reporting. Additionally, the framework codifies shareholder omnibus approval validity periods directly into the regulations and clarifies that holding company strictly refers to a listed holding company.

F. **Review of SSE framework:** To enhance the efficiency and reach of the Social Stock Exchange (SSE), following measures were implemented vide amendments to ICDR Regulations and LODR Regulations:

i. Inclusion of additional legal structures, such as trusts registered under the Indian Registration Act, 1908, and alignment of eligible social activities with Schedule VII of the Companies Act.

ii. Disclosure requirements for not-for-profit organizations (NPOs) were bifurcated into separate financial and non-financial aspects, with distinct timelines.

iii. NPOs were permitted to self-report their annual impact reports for projects that were not funded through the SSE mechanism.

iv. To make individual investing more accessible, the minimum investment for Social Impact Funds was slashed from ₹2 lakh to ₹1,000, aligning it with the minimum application size for subscribing to zero coupon zero principal instruments.

G. **Facilitating ease of doing business:** In order to facilitate ease of doing business, enhance retail participation and to streamline the listing process, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 were amended to bring in the following measures:

i. The lock-in requirements for pre-issue capital held by non-promoters were amended to allow for pledged securities. Depositories are now mandated to mark such pledged shares as non-transferable for the lock-in duration, ensuring that any invocation or release of the pledge automatically maintains the lock-in for the remaining period.

ii. To streamline disclosures, a concise and standardized summary of the offer document in the form of abridged prospectus must now be filed at the DRHP stage and hosted online for easier investor access.

iii. Mandatory dematerialization requirements were extended to include the promoter group, selling shareholders, KMPs, senior management, QIBs, directors etc. Consequently, these stakeholders were required to dematerialize their holdings prior to the filing of the DRHP by the issuer.

iv. Placement document for QIP by listed entities were simplified and streamlined by leveraging existing public information to reduce data duplication. The disclosures in the following areas were converted into concise summaries:

- Risk factors specified in relation to the issue, the objects of the issue and the material risks;
- Providing summary of financial position;
- Providing a summary of issuer's business and the industry in which it operates.

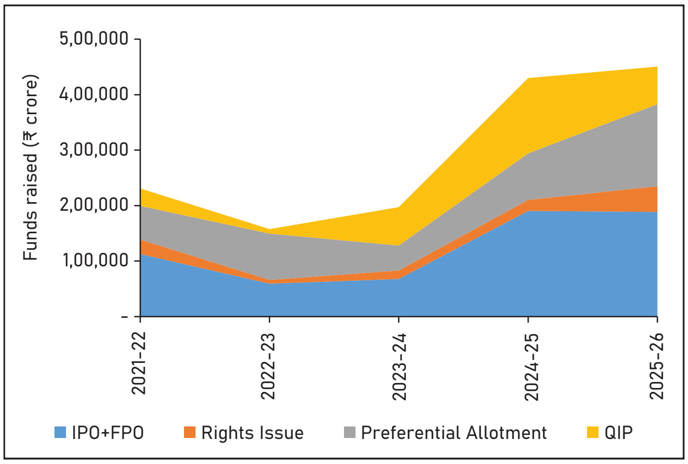
3.1.2 Market Activity and Trends Observed

A. **Resource mobilisation through public and rights issues:** During 2025-26, fundraising through equity public issues (IPOs and FPOs) declined by 0.9 percent compared to 2024-25, reaching ₹1.9 lakh crore (**Chart 3.2a**). Despite this dip in value, the number of newly listed companies rose to 366, up from 320 in the previous year (**Chart 3.2b**). Notably, SME listings reached a historic peak of 257, compared to 241 in 2024-25. On the main board, IPOs totalled 109 during the year, with the median issue size increasing to ₹760 crore from ₹740 crore in 2024-25. These main board IPOs successfully raised ₹1.8 lakh crore, marking an 8.9 percent increase over the previous year.

During 2025-26, the number of rights issues declined slightly to 139, compared to 142 in 2024-25; however, the total amount mobilized surged by 134.2 percent (**Table 3.1**). The largest rights issue was particularly dominant, accounting for approximately 54 percent of the total amount raised through rights issues during 2025-26.

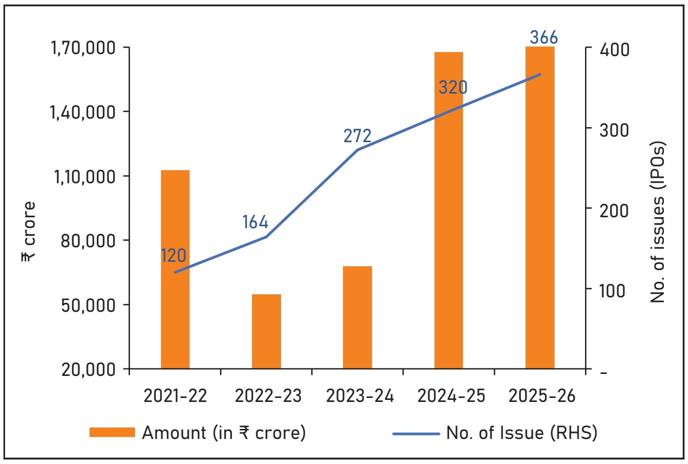
An analysis was conducted on 543 mainboard IPOs and 1,391 SME IPOs listed between April

Chart 3.2a: Fund Mobilisation through Equity Issues (₹crore)



Source: BSE and NSE

Chart 3.2b: Trend in IPO Volumes



Note: The data includes issuances in both Mainboard and SME Platform.
Source: BSE and NSE

Table 3.1: Resource Mobilisation through Public and Rights Issues

Particulars	2024-25		2025-26		Percentage Share in Total Amount Raised	
	No.	Amount (₹crore)	No.	Amount (₹crore)	2024-25	2025-26
1) Public Issues, of which	**322**	**1,90,478**	**367**	**1,88,704**	**90.6**	**80.3**
A) IPOs of which	320	1,72,328	366	1,88,616	82.0	80.3
a) Only OFS Issue	15	58,994	19	50,849	28.1	21.6
b) Only Fresh Issue	215	22,108	214	21,866	10.5	9.3
c) Both (OFS + Fresh Issue)	90	91,226	133	1,15,901	43.4	49.3
Breakup of Both (OFS + Fresh Issue)						
OFS component	-	46,630	-	57,735	22.2	24.6
Fresh capital component	-	44,596	-	58,166	21.2	24.8
B) FPOs	2	18,150	1	88	8.6	0.04
2) Rights Issues	**142**	**19,712**	**139**	**46,168**	**9.4**	**19.7**
Total (1+2)	**464**	**2,10,190**	**506**	**2,34,872**	**100**	**100**

Note: The data is inclusive of amount raised on the SME platform.
Source: BSE and NSE

2011 and December 2025, highlighting trends in fresh capital raising and OFS (**Box 3.2**).

i. **Sector-wise resource mobilisatio**n: During 2025-26, of the 506 issues that accessed

Box 3.2: IPO: Trends in Fresh Issue/OFS

Background

Over the past decade, India's IPO market has matured into a vibrant ecosystem that enables companies to finance growth through fresh capital, and offers a transparent avenue for orderly shareholder exits via OFS.

An analysis of the IPO activity of the companies listed on Indian stock exchanges between April 2011 and December 2025, captured the trends of fresh capital raising and OFS across 543 mainboard IPOs and 1,391 SME IPOs. These IPOs mobilized ₹7.9 lakh crore during the said period, out of which ₹2.9 lakh crore (37 per cent of the total) were fresh proceeds while ₹5 lakh crore (63 per cent) went to selling shareholders (OFS).

Further, the analysis also covered utilization of net IPO proceeds (as disclosed in the offer documents) for 1,620 IPOs during the period, revealing the trends in intended deployment of the capital mobilized.

Trends of Fresh Issue/OFS in IPOs

i. For Mainboard IPOs, proportion of OFS rose from sub-50 per cent levels (2011–2015) to consistently above 60 per cent from 2016 onwards. OFS reached peak of 87 per cent in 2020 and remained very high during 2018-2022. Recent years show a relative decline in OFS share, indicating a partial shift towards fresh capital raising.

ii. Across almost all years, larger IPOs consistently exhibit higher OFS proportions. The ₹1000+ crore segment shows persistently high OFS, generally in the 60–90 per cent range from 2016 onwards.

iii. The share of 'OFS-Dominant' main board IPOs (having OFS proportion above 70 per cent) has declined significantly from over a half during 2017–2021 to about one-fourth in recent years, indicating a shift towards more balanced, capital formation oriented IPO structures.

iv. SME IPOs remained predominantly fresh-issue, with OFS generally remaining in the range of 0 to 27 per cent.

India consistently exhibits the higher OFS proportion

Across almost all years since 2013, India's OFS share dominated other markets, often exceeding 50 per cent of total IPO size. In contrast, as per the data available in Bloomberg, IPOs of China and Hong Kong showed negligible OFS share (0-4 per cent), while US (ranging from 6-29 per cent) and South Korea (7-49 per cent) issues recorded moderate and cyclical OFS usage.

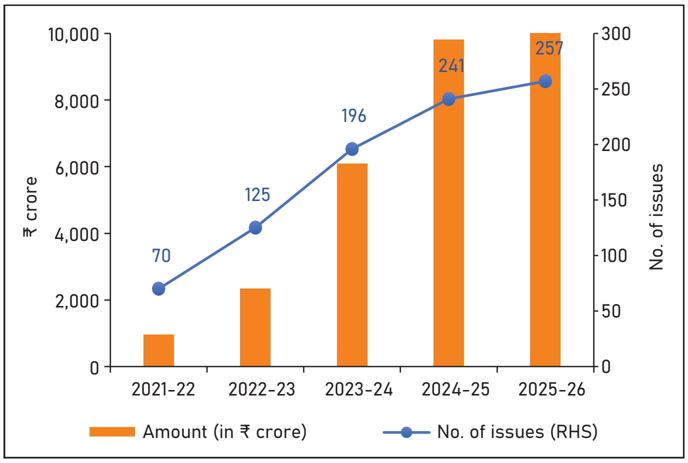
the market, 504 were from private sector while only two belonged to the public sector. Consequently, private sector accounted for 98.8 percent of the total resources mobilized during the year.

ii. **Size-wise resource mobilisation:** During 2025-26, capital raised was concentrated in large-scale offerings. A total of 78 issues, each exceeding ₹500 crore in size, mobilized ₹2,01,619 crore, representing 85.8 percent of the total resources raised during the period (**Table 3.2**).

iii. **Industry-wise Resource Mobilisation:** From an industrial perspective, the 'Financial Services' category led resource mobilization in 2025-26, accounting for 28.6 percent of the total capital raised. This was followed by 'Metals & Mining' at 12.0 percent and 'Consumer Services' at 11.3 percent **(Table 3.3)**.

iv. **Resource mobilisation on SME Platform**: The SME platform maintained its upward trajectory during 2025-26, seeing growth in both the number of listings and the total capital raised. A total of 257 companies were listed on the platform, mobilizing ₹11,587 crore - an increase of 18.1 percent over the amount raised in 2024-25 (**Chart 3.3**). The average issue size grew to ₹45.1 crore, up from ₹40.7 crore in the previous year.

Chart 3.3: Resource Mobilisation through SME IPOs



Source: BSE and NSE

During 2025-26, out of 257 issues listed on the SME platform, three issues were of issue size '₹5 crore or more but less than ₹10 crore', 197 issues were of issue size '₹10 crore or more but less than ₹25 crore' and 57 issues were of issue size '₹25 crore or more' (**Chart 3.4**).

B. **Resource mobilisation through QIP:** QIP is an alternative mechanism for the listed companies to raise funds from qualified institutional

Table 3.2: Size-wise Resource Mobilisation

Issue Size	2024-25		2025-26		Percentage Share in Total Amount	
	No.	Amount (₹crore)	No.	Amount (₹crore)	2024-25	2025-26
< ₹ 5 crore	9	30	2	8	0.0	0.0
≥ ₹ 5 crore & < ₹ 10 crore	28	207	15	113	0.1	0.0
≥ ₹ 10 crore & < ₹ 50 crore	256	8,098	251	7,860	3.9	3.3
≥ ₹ 50 crore & < ₹ 100 crore	54	3,694	86	6,199	1.8	2.6
≥ ₹ 100 crore & < ₹ 500 crore	55	12,182	74	19,074	5.8	8.1
≥ ₹ 500 crore	62	1,85,979	78	2,01,619	88.5	85.8
Total	**464**	**2,10,190**	**506**	**2,34,872**	**100**	**100**

Note: The data includes both public and rights issues.
Source: BSE and NSE

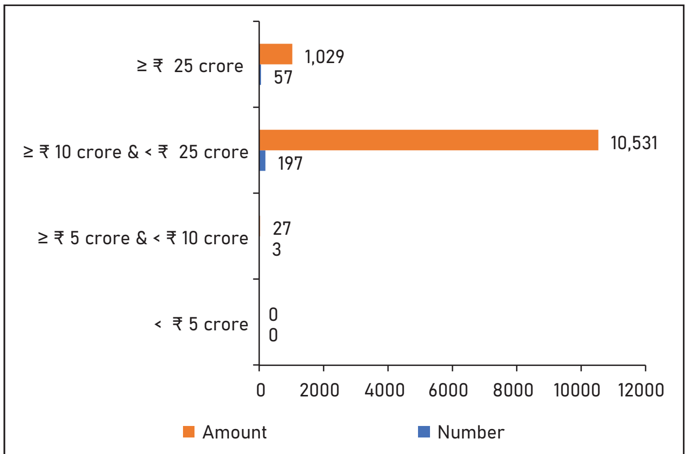
Table 3.3: Industry-wise Resource Mobilisation

Sector	2024-25			2025-26		
	No.	Amount (₹crore)	Percentage Share in Total Amount	No.	Amount (₹crore)	Percentage Share in Total Amount
Automobile and Auto Components	19	36,659	17.4	13	10,788	4.6
Capital Goods	86	18,127	8.6	92	20,658	8.8
Chemicals	23	4,611	2.2	33	4,325	1.8
Construction	26	9,425	4.5	28	5,068	2.2
Construction Materials	1	400	0.2	2	4,100	1.7
Consumer Durables	24	3,128	1.5	37	18,432	7.8
Consumer Services	23	28,696	13.7	27	26,455	11.3
Fast Moving Consumer Goods	38	6,689	3.2	43	5,137	2.2
Financial Services	43	23,962	11.4	43	67,241	28.6
Forest Materials	2	85	0.0	6	247	0.1
Healthcare	23	14,820	7.1	32	9,784	4.2
Information Technology	22	14,566	6.9	37	8,329	3.5
Media, Entertainment & Publication	8	221	0.1	13	1,005	0.4
Metals & Mining	4	342	0.2	12	28,222	12.0
Power	3	10,298	4.9	2	3,129	1.3
Oil, Gas & Consumables Fuels	3	79	0.0	4	3,928	1.7
Realty	8	2,643	1.3	5	4,061	1.7
Services	64	9,306	4.4	49	11,855	5.0
Telecommunication	4	22,725	10.8	2	844	0.4
Textiles	29	1,597	0.8	23	1,201	0.5
Utilities	10	1,803	0.9	2	57	0.0
Diversified	1	7	0.0	1	6	0.0
Total	**464**	**2,10,190**	**100**	**506**	**2,34,872**	**100**

Source: BSE and NSE

investors in the domestic market. During 2025-26, ₹67,853 crore was raised through QIPs (including institutional placement programme - IIP), representing a 50 percent decline from the ₹1,35,597 crore raised during 2024-25 (**Table 3.4**). However, the average QIP issue size grew to ₹1,885 crore, up from ₹1,490 crore in the previous year.

Chart 3.4: Size-wise Resource Mobilisation of SME Issuers



Source: BSE and NSE

Table 3.4: Resource Mobilisation through Qualified Institutional Placement

Year	Total	
	No. of Issues	Amount (₹crore)
2024-25	91	1,35,597
2025-26	36	67,853

Source: BSE and NSE

Table 3.5: Resource Mobilisation through Preferential Allotments

Year	Only NSE		Only BSE		Only MSEI		Common		Total	
	No. of Issues	Amount (₹crore)	No. of Issues	Amount (₹crore)	No. of Issues	Amount (₹crore)	No. of Issues	Amount (₹crore)	No. of Issues	Amount (₹crore)
2024-25	149	4,198	478	20,194	6	87	355	59,604	988	84,084
2025-26	203	3,679	691	17,029	7	71	403	1,27,441	1,304	1,48,219

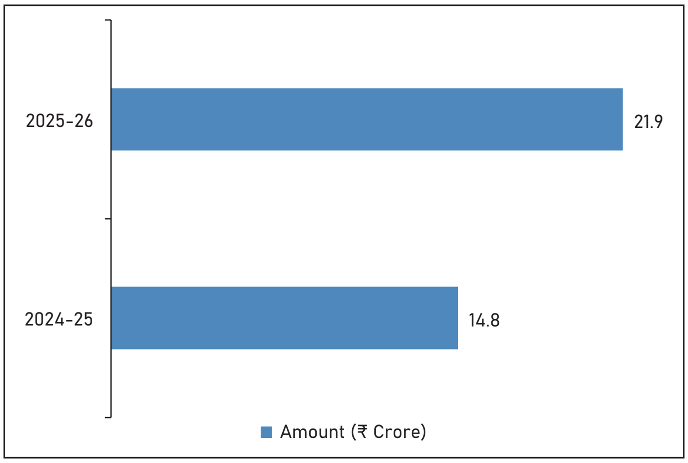
Source: BSE, MSEI and NSE

C. **Resource mobilisation through preferential allotments:** Preferential allotment serves as an alternative mode of resource mobilization for listed companies, enabling the issuance of shares or convertible securities to a select group of investors. During 2025-26, the capital raised through preferential issues reached ₹1,48,219 crore, marking a significant increase of 76.3 per cent compared to previous year (**Table 3.5**).

D. **Resource mobilisation through social stock exchange:** During 2025-26, five non-profit organizations were listed on the SSE of the BSE/ NSE. These listings raised ₹21.9 crore, up from ₹14.8 crore mobilized through six issuances in 2024-25 (**Chart 3.5**).

E. **Regulatory approvals:** During 2025-26, 244 new applications for public issuances were received and 61 applications were carried over from the previous year, of which, 247 offer documents were processed. The median processing time for these applications (excluding the time for which queries were pending with intermediaries or with other regulator) was 25 working days. By the end of 2025-26, 58 applications remained pending (**Table 3.6**).

Chart 3.5: Fund Mobilisation through SSE (₹crore)



Source: BSE and NSE

Table 3.6: Time Taken for Regulatory Approval of Applications for Public Issues

Year	Total Applications received	Processed	Pending	Median (Average) Time for Processing of Applications* (Working days)
2024-25	190	164	61	26 (28)
2025-26*	244	247	58	25 (27)

Notes: i. *Represents the median (average) time taken, excluding the time for which the queries were pending with intermediary or with other regulator.

ii. During 2025-26, the median (average) time taken including the time for which the queries were pending with intermediary or with other regulator is 84 (86) working days.

3.2 DEBT MARKET AND HYBRIDS

During 2025-26, the Indian corporate bond market experienced a contraction for the first time since 2021-22, declining by 8.4 per cent to ₹9.1 lakh crore. Despite the dip in overall fund mobilisation, the market demonstrated resilience as the number of issuances rose to 1,967. To sustain this momentum and counter the drop in volume, SEBI implemented various measures focused on deepening market liquidity, expanding retail investor participation, and leveraging advanced digital technology.

Key policy initiatives implemented by SEBI during 2025-26 to foster and develop the corporate debt market are detailed below:

3.2.1 Policy Developments

A. **Streamlining Cash Flow Disclosure:** The Request for Quote platform (RFQ) framework was reviewed and the yield-to-price computation for non-convertible securities (NCS) was streamlined by using scheduled due dates instead of actual payment dates. Further, issuers were mandated to submit a detailed interest/dividend/redemption cash flow schedule to the centralised database upon ISIN activation.

B. **Enhancing utility of EBP Platform:** To enhance the efficacy and utility of private debt placements, the provisions related to the Electronic Book Provider (EBP) platform were revised as follows:

   i. Mandatory EBP threshold was reduced from ₹50 crore to ₹20 crore.

   ii. Private placements of securitised debt instruments, REITs, SM REITs and InvITs were permitted on the EBP platform.

   iii. Anchor investor portion was enhanced based on credit rating of the instrument.

   iv. Submission timelines for placement memoranda was reduced for first-time issuers.

   v. Disclosure requirements were strengthened related to green shoe option.

   vi. Disclosures by EBP on their website upon completion of the issue were enhanced.

   vii. Allotment on pro-rata basis was permitted, where two or more bids were received at the same cut-off coupon/price/spread.

C. **Permitting debt issuers to offer incentives in public issues:** To encourage broader participation of certain categories of investors and provide a significant fillip to public issuances in the debt market, issuers were permitted to provide incentives such as additional interest or price discounts to specific retail investor categories, including senior citizens, women, and defence personnel, to boost participation in the corporate debt market. These financial benefits are restricted to initial allottees and cease upon any transfer or transmission of the securities.

D. **Framework for independent review of green debt securities:** Green debt securities framework was revised by aligning third-party reviewer requirements with broader ESG debt instrument norms to prevent greenwashing. The updated mandate required issuers to appoint independent external reviewers, including SEBI-registered ESG rating providers, to certify that all issuances met regulatory definitions, project eligibility criteria, and disclosure standards. To ensure impartiality, these expert reviewers operated completely independent of the issuer's management and under conflict-free remuneration structures, while issuers disclosed the exact scope of this certification within their official offer documents.

E. **Transfer of unclaimed amount to the IEPF:** SEBI (LODR) Regulations were amended, to align the timelines for transferring unclaimed interest and principal on listed NCS with Section 125 of the Companies Act and the Investor Education and Protection Fund (IEPF) Rules. Earlier, the Companies Act mandated transfers seven years after maturity, while LODR regulations required transfers seven years after the funds entered an escrow account. The amendment resolved this discrepancy by synchronizing both frameworks, mandating all listed entities to transfer unclaimed amounts to the IEPF only after seven years from the actual date of maturity of the security.

F. **Reporting timelines for NCS Issuers:** The reporting framework for issuers of NCS was streamlined to ensure debenture trustees received timely information for protecting investor interests and monitoring security cover. Issuers were required to submit security cover certificates, pledged security values, and debt service reserve account values quarterly within 60 days, or 75 days for the final quarter. Personal guarantors' net worth certificates were mandated half-yearly within 60 days, while corporate guarantors' audited financials or valuations were due annually within 60 days of the financial year's end. Furthermore, asset valuations and title search reports for immovable or movable assets had to be submitted every three years within 60 days from the end of the financial year.

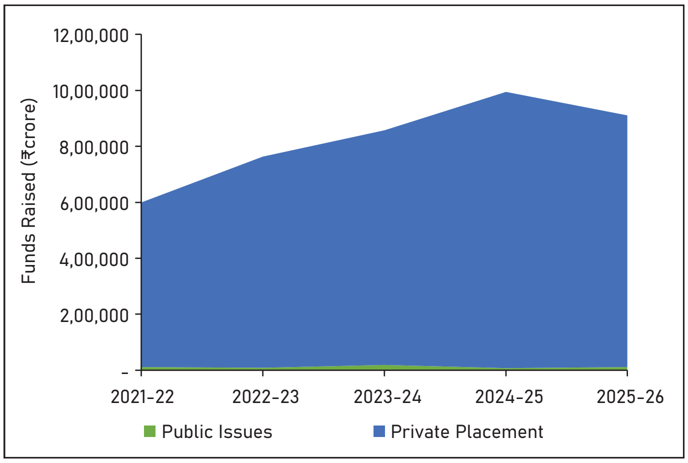
G. **Periodic disclosure requirements for Securitised Debt Instruments:** To enhance transparency and provide investors with periodic, granular data regarding the quality and performance of underlying assets, trustees of Special Purpose Distinct Entities (SPDEs) were mandated to submit specific disclosures on a half-yearly basis to both the Board and designated stock exchanges. This regulatory shift aligned disclosure norms with banking standards, forcing originators to deliver audited quarterly data to trustees and necessitating annual credit rating reviews to strictly protect investor interests through heightened asset oversight.

3.2.2 Market Activity and Trends Observed

A. **Corporate Bonds:** Despite a consistent upward trend since 2021-22, the total funds mobilized through debt issuances declined by 8.4 per cent to ₹9,11,078 crore during 2025-26 (**Chart 3.6 and Table 3.7**). The market remained skewed toward private placements, which accounted for 98.8 per cent of the total funds mobilized. While resource mobilization through public issuances increased by 39.2 per cent to ₹11,343 crore.

During 2025-26, ₹11,343 crore was raised through 43 public issues, comprising 40 issues from the financial sector and three from the

Chart 3.6: Resource Mobilisation through Debt Issues



Source: BSE and NSE

Table 3.7: Resource Mobilization through Debt Issues

Category	2024-25		2025-26	
	No. of Issues	Amount (₹crore)	No. of Issues	Amount (₹crore)
Public Issues#	43	8,149	43	11,343
Private Placement*, *of which*	1,659	9,86,735	1,924	8,99,736
EBP Issues	*1,347*	*9,52,521*	*1,602*	*8,60,614*
Total	**1,702**	**9,94,884**	**1,967**	**9,11,078**

Notes: i. #Data for public debt issues has been taken on the basis of final post issuance reports received.
ii. *Listed issues; EBP - Electronic Book Provider issues included in the total.

Source: BSE and NSE.

Table 3.8: Size-wise Resource Mobilization through Public Debt Issues

Issue Size	2024-25			2025-26		
	No. of Issues	Amount (₹crore)	Percentage Share in Total Amount	No. of Issues	Amount (₹crore)	Percentage Share in Total Amount
< ₹ 50 crore	0	0	0.0	0	0	0.0
≥ ₹ 50 crore & < ₹ 100 crore	14	1022	12.5	11	941	8.3
≥ ₹ 100 crore & < ₹ 500 crore	27	5,327	65.4	26	5,679	50.1
≥ ₹ 500 crore	2	1,800	22.1	6	4,722	41.6
Total	**43**	**8,149**	**100**	**43**	**11,343**	**100**

Source: BSE and NSE

Table 3.9: Details on Listed Commercial Papers

Year	No. of Issuers which Listed CPs	No. of Unique ISINs	Value of Listed CPs (₹ crore) at the end of the period	Total Amount Outstanding of Listed CPs at the end of the period (₹ crore)
2024-25	245	4,222	15,48,091	4,30,663
2025-26	275	4,492	16,68,834	4,46,583

Note: The above information pertains to total number of issuers who listed their CPs and unique ISINs listed.
Source: BSE and NSE

non-financial sector. Size-wise comparison shows that 50.1 per cent of the total funds were mobilized through issues ranging between ₹100 crore and ₹500 crore. Similarly, issues exceeding ₹500 crore accounted for 41.6 per cent of the total funds mobilized (**Table 3.8**).

B. **Listed Commercial Papers:** The value of CPs listed on exchanges increased by 7.8 per cent to ₹16,68,834 crore in 2025-26 as compared to ₹15,48,091 crore in 2024-25 (**Table 3.9**).

Box 3.3 highlights the targeted stakeholder engagement programs undertaken by SEBI to strengthen the corporate bond, municipal bond and REIT/InvIT ecosystems in India.

C. **Issuance of Municipal Bonds:** During 2025-26, the municipal bond market witnessed a surge

Box 3.3: Deepening India's Corporate Bond, Municipal Bond and REIT/InvIT Ecosystem

During 2025-26, SEBI conducted 22 outreach programs aimed at deepening institutional participation, enhancing investor awareness and strengthening issuer capacity across the REIT/InvIT, corporate bond and municipal bond markets.

REITs & InvITs

- A Pan-India outreach programme was organised to promote greater participation by insurance companies and pension funds in REITs and InvITs. In this program representatives of 49 insurance companies, 12 pension funds, IRDAI, PFRDA, Bharat InvIT Association, Indian REIT Association and REIT/InvIT Managers participated. The recommendations of the participants were shared with PFRDA and IRDAI.
- Four outreach programmes were conducted with State governments namely Uttar Pradesh, Rajasthan, Tamil Nadu and Gujarat to create awareness regarding the use of REITs and InvITs as innovative instruments for monetisation of State Government assets and accelerating infrastructure development.

(Contd...)

Corporate Bonds

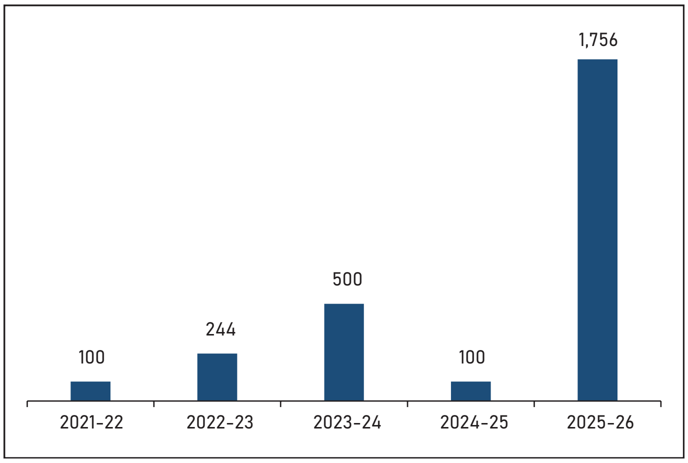
- A Pan-India outreach program to encourage corporates to leverage the bond market for their capital requirements was conducted. In this program, four investor awareness videos, a documentary on the evolution of India's bond market, and the "Bonds – Ek Sashakt Bandhan" campaign identity were launched.
- 12 bond-focused investor awareness programmes across country for students, corporates, public sector officials, law enforcement personnel and industry associations were conducted.

Municipal Bonds

- Four municipal bond outreach programmes were organised across Kerala, Madhya Pradesh, Chhattisgarh and Tamil Nadu to build awareness among Urban Local Bodies and State Government departments about raising funds through municipal bond.

Going forward, SEBI will continue to engage with the stakeholders to support the development of India's Corporate Bond, Municipal Bond and REIT/InvIT markets.

Chart 3.7: Fund Mobilisation by Municipal Corporations (₹crore)



Source: SEBI

in activity, as 14 issues raised ₹1,756 crore. This marked a significant expansion compared to the previous year, during which the market saw a single issuance that raised ₹100 crore (**Chart 3.7**). This increased traction was backed by SEBI's targeted outreach by conducting four municipal bond awareness programs during the year.

3.3 CORPORATE GOVERNANCE AND CORPORATE RESTRUCTURING

The following sections highlight the major policy measures taken by SEBI in 2025-26 for enhancing transparency and governance of listed entities and also show key trends in corporate restructuring.

3.3.1 Policy Developments

A. **Framework for Environment, Social and Governance Debt Securities:** The operational framework for the issuance of social, sustainability, and sustainability-linked bonds was introduced, which, alongside green debt securities, were collectively termed as Environment, Social, and Governance (ESG) Debt Securities (**Box 3.4**).

B. **Threshold for identification of HVDLE:** The high value debt listed entity (HVDLE) identification threshold was raised from ₹1,000 crore to ₹5,000 crore while aligning governance standards with equity-listed norms, such as substituting income with turnover for subsidiary thresholds. Key reforms included mandating special resolutions for directors over age 75, enforcing a three-month timeline to fill board and KMP vacancies, and exempting nominee directors from shareholder approval. The amendments also streamlined RPTs and intra-group asset sales while retaining the requirements of obtaining no objection certificate of debenture trustee and debenture holders to ensure rigorous oversight for large-scale debt issuers.

3.3.2 Merger and Acquisition Deals

A. **Open Offer:** During 2025-26, 122 open offers with offer size of ₹35,185 crore were closed compared to 71 open offers with open offer size

Box 3.4: Expansion of the Sustainable Finance Ecosystem- Framework for ESG Debt Securities

Overview

SEBI has introduced a comprehensive operational framework for Environment, Social, and Governance (ESG) Debt Securities. The Government's focus on enhancing capital availability for climate adaptation and mitigation directly complements SEBI's efforts to broaden the sustainable finance landscape. While the regulatory landscape for green debt securities was already established, this new framework expands the sustainable finance frontier to include social, sustainability, and sustainability-linked bonds, providing corporate issuers a structured and transparent pathway to mobilize capital for both social impact and environmental resilience.

Scope and Taxonomy of ESG Instruments

The framework defines three primary categories of ESG debt securities (excluding green debt securities) which are listed or proposed to be listed on a recognized stock exchange. The definitions of these bonds as per SEBI NCS Regulations and SEBI LODR regulations are given below:

i. **Social bonds:** Securities raised for social projects aiming to mitigate specific social issues or achieve positive outcomes for target populations. Eligible projects include affordable housing, clean drinking water, healthcare, education, and employment generation.

ii. **Sustainability bonds:** Securities where proceeds are utilized for a combination of eligible green and social projects.

iii. **Sustainability-linked bonds:** Securities with financial or structural characteristics linked to predefined sustainability objectives, measured through key performance indicators (KPIs) and sustainability performance targets.

Disclosure Requirements

To ensure transparency and market integrity, issuers are required to adhere to following stringent disclosure standards:

i. **Initial disclosures:** Offer documents must detail social/sustainability objectives, project selection processes, tracking procedures for funds, and perceived social or achievement risks.

ii. **Continuous disclosures:** Annual reports must include the utilization of proceeds (verified by an external auditor), the performance of selected KPIs and the qualitative/quantitative impact of the projects.

iii. **Impact reporting:** Issuers of social bonds must report social impacts on a project-by-project basis, following recognized standards or taxonomies.

Independent review and oversight

i. **Mandatory external review:** Issuers have to appoint an independent third-party reviewer or certifier to verify alignment with recognized international or Indian standards.

ii. **Eligible entities**: Reviewers are independent of the issuer's management and possess ESG expertise. SEB registered ERPs are also eligible for this role.

iii. **Review scope:** The reviewers are required to assess the relevance and reliability of KPIs, the ambition level of sustainability targets, and the credibility of the strategy to achieve them.

Mitigating "Purpose-Washing"

To prevent misleading claims and ensure market credibility, the framework mandates:

i. Issuers to continuously monitor operations to ensure they reduce the adverse social/sustainable impacts as mentioned in the offer documents.

ii. Funds should only be used for the specific social or sustainability categories defined in the framework.

iii. If an issuer fails to meet these standards, they have to inform investors and, if required, by a majority of debenture holders, they have to undertake early redemption of the securities.

iv. Issuers are prohibited from using misleading labels, hiding negative trade-offs, or cherry-picking data from research to highlight social practices/ sustainable practices better than they are.

v. Issuers to maintain the highest standards associated with their bond labels while adhering to their assigned credit ratings.

vi. The issuers to quantify negative externalities associated with the use of funds.

vii. Issuers should not make untrue statements about being certified by a third party if they are not.

Table 3.10: Trends in Open Offers

Year	Objectives						Total	
	Change in Control		Consolidation of Holdings		Substantial Acquisition		No. of Offers	Amount (₹crore)
	No. of Offers	Amount (₹crore)	No. of Offers	Amount (₹crore)	No. of Offers	Amount (₹crore)		
2024-25	70	15,451	1	6	-	-	71	15,457
2025-26	118	35,135	2	31	2	19	122	35,185

of ₹15,457 crore during 2024-25. Out of the 122 open offers closed during the year, 118 open offers with offer size of ₹35,135 crore were made with the objective of change in control and two open offers of size ₹31 crore were made with the objective of consolidation of holdings (**Table 3.10**).

B. **Buy-Back:** Buyback is the process by which a company repurchases its own shares from the marketplace. During 2025-26, the total buyback offer size surged to ₹19,238 crore, marking 143.6 percent increase over the ₹7,897 crore in 2024-25. The average utilization reached 99.9 percent of the total offer size, up from 98.8 percent in the preceding year. All 17 buyback offers during 2025-26 were conducted through the tender offer route, compared to 36 tender offers in 2024-25 (**Table 3.11**). This shift aligned with the regulatory phase-out of open market buybacks, which took full effect on April 1, 2025.

3.3.3 Issuance of observations on offer documents

A. **Observations on offer documents:** During 2025-26, 156 draft letters of offer were processed, comprising 113 letters of offer received during the year and 43 that had been carried over from the previous year. SEBI issued observations for 125 filings, while no filings were withdrawn. As of March 31, 2026, 31 draft letters of offer remained pending with SEBI for the issuance of observation letters (**Table 3.12**).

Regulation 11 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, provides a formal mechanism for acquirers to seek an exemption from the mandatory open offer obligations. During 2025-26, 47 applications were filed with SEBI seeking

Table 3.12: Status of Draft Letters of Offers for Open Offers

Status	2024-25	2025-26
Pending draft letters of offer at the beginning of the year	23	43
Draft letters of offer received during the period	107	113
Total	**130**	**156**
Observations issued by SEBI during the year	86	125
Offers withdrawn	1	0
Draft letter of offers in process at the end of the year	43	31

Table 3.11: Buy-back through Tender Offer

Particulars	2024-25			2025-26		
	No. of Cases	Buy-back Size (₹crore)	Actual Amount Utilized for Buy-back (₹crore)	No. of Cases	Buy-back Size (₹crore)	Actual Amount Utilized for Buy-back (₹crore)
Cases Received and Closed	36	7,897	7,800	16	19,216	19,212
Cases Received but not Closed	-	-	-	1	22	-

Table 3.13: Exemption applications under Regulation 11 of Takeover Regulations

Status	2024-25	2025-26
Application pending at the beginning of year	15	13
Applications received during the year	43	47
Total applications	58	60
Applications disposed during the year	45	47
of which		
Exemption granted	19	33
Exemption not granted	-	-
Returned/Withdrawn/Not maintainable (without passing order)	26	14
Applications in process at the end of the year	13	13

exemption as compared to 43 during 2024-25. Among the outstanding 60 applications, 33 applications were granted exemption from making open offer vis-à-vis 19 during 2024-25, 14 applications were returned/withdrawn/not maintainable (disposed without passing an order) and 13 applications were under process as on March 31, 2026 **(Table 3.13).**

B. **Schemes of arrangement:** Listed entities undertaking a scheme of arrangement (merger, amalgamation, reduction of capital) are required to file draft documents with stock exchanges for an observation/no-objection letter, according to SEBI LODR Regulation 37, before filing with any Court or Tribunal. SEBI receives draft documents from stock exchanges and issues observations. During 2025-26, SEBI issued observations on 92 draft scheme documents, compared to 65 in 2024-25 (**Table 3.14**).

Table 3.14: Schemes of Arrangement

Year	Observations Issued
2024-25	65
2025-26	92

3.3.4 Defaulter companies listed at exchanges and penal action

SEBI issued a SOP outlining the punitive measures to be taken by stock exchanges in case listed entities are non-compliant with the provisions of SEBI (LODR) Regulations, 2015. The SOP encourages better compliance culture by outlining a well-defined procedure for stock exchanges to follow while levying penalties and taking subsequent actions. During 2025-26, the demat account of promoter(s) of 626 companies were frozen, 31 companies were suspended and fines aggregating ₹64 crore were levied for non-compliance with the SOP **(Table 3.15)**.

Table 3.15: Actions Taken by Exchanges for Non-compliance

Actions Taken	2024-25			2025-26		
	BSE	NSE	MSEI	BSE	NSE	MSEI
Fines Levied* (₹crore)	34.5	29.8	2.9	32.1*	29.5*	2.3*
No. of Companies in which Demat Account of Promoter(s) were Frozen	457	73	36	486	99	41
No. of Companies Suspended (Non-Compliance with SOP)	32	9#	0	22	8#	1

Notes: i. * Data for 2025-26 is provisional.
ii. The fine is not levied for the quarter ended March 31, 2026 as on date.
iii. # Suspended under SEBI Master Circular No. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 issued on July 11, 2023 and last updated on January 30, 2026.

3.4 INTERMEDIARIES ASSOCIATED

Market intermediaries occupy a pivotal position within the securities ecosystem, serving as critical conduits between issuers and investors to facilitate efficient market operations. To maintain high standards of market integrity and safeguard investor interests, SEBI regulates these entities through comprehensive frameworks while implementing measures to enhance the ease of doing business. The subsequent sections provide the major policy developments and the market trends related to intermediaries associated with primary market.

3.4.1 Policy Developments

A. **SEBI (Merchant Bankers) Regulations, 1992:** Merchant Bankers regulations were amended to permit registered entities to undertake non-SEBI regulated, fee-based financial services through a strictly segregated separate business unit protected by a Chinese wall. This regulatory framework ring-fenced a merchant banker's net worth from unregulated activities and mandated explicit client disclosures stating that SEBI's investor protection mechanisms did not apply to such services. Further, the amendments restructured merchant bankers into a two-tier system, designating Category 1 firms with a minimum net worth of ₹50 crore for all permitted activities and Category 2 firms with a minimum net worth of ₹10 crore for all functions except the management of Main Board equity issues. Additionally, the updated rules required these professionals to maintain 25 percent of their net worth in liquid assets, meet specific three-year cumulative revenue targets, and ensure that all compliance officers held professional legal or secretarial qualifications.

B. **Strengthening the role of Debenture Trustees:** To strengthen the position of debenture trustees (DTs) and enhance their supervisory powers, structural independence, and operational efficiency during issuer defaults, the SEBI (DT), Regulations, 1993 were amended to introduce the following:

   i. **Expanded supervisory powers:** DTs are now explicitly authorized to inspect corporate records and access books of accounts directly, replacing passive inspection clauses with the power to demand information from issuers and intermediaries.

   ii. **Structural ring-fencing:** Trustees must segregate non-SEBI regulated activities into separate business units protected by Chinese walls, ensuring operational independence through distinct staff and records while disclosing that SEBI protections do not apply to unregulated services.

   iii. **Streamlined expense recovery:** The framework now permits DTs to utilize the recovery expense fund for predefined legal and recovery costs without prior investor consent, enabling swifter action to protect stakeholder interests during defaults.

3.4.2 Market Activity and Trends Observed

A. **Registered intermediaries associated with the primary market**: During 2025-26, new registrations were granted to 17 merchant bankers, seven registrars to issue and share transfer agent and one banker to an issue (**Table 3.16**).

   As on March 31, 2026, there were 240 merchant bankers, 80 registrar to issue and share transfer agents, 60 bankers to an issue and 25 debenture trustees registered with SEBI (**Table 3.17**).

Table 3.16: Status of Registration of Intermediaries

Type of Intermediary	Opening Balance	Application Received during 2025-26	Registration Granted during 2025-26	Application Rejected/Returned/ Withdrawn during 2025-26	Pending as on March 31, 2026	Median time for Processing Applications (in Working Days)	
						2025-26	2024-25
Merchant Banker	1	29	17	5	8	5#	39
Registrar to Issue and Share Transfer Agent	2	15	7	3	7	48	50
Bankers to an Issue	1	3	1	0	3	3#	39

Notes: i. #Working days between the date of receipt of complete information/documents from applicant and the date of the approval of the said application (excluding the time taken by applicant to submit requisite documents).

ii. During 2025-26, the median processing time for Merchant Banker and Bankers to an Issue applications was 89 and 94 days, respectively. These figures include the 90-day grace period provided to applicants for completing documentation.

Table 3.17: Registered Intermediaries Associated with the Primary Market

Type of Intermediary	No. of Registered intermediaries			
	Registered as on March 31, 2025	Registration Granted during 2025-26	Registration Surrendered/Cancelled during 2025-26	Registered as on March 31, 2026
Merchant Bankers	230	17	7	240
Registrar to Issue and Share Transfer Agent	77	7	4	80
Bankers to an Issue	60	1	1	60
Debenture Trustees	25	0	0	25