CHAPTER

10

REGULATORY ACTION, SUPERVISION AND ENFORCEMENT

SEBI's primary objectives are preserving the market integrity and ensuring investor protection. These goals are realized through a unified regulatory tripod comprising surveillance, supervision, and enforcement. As the modern securities market undergoes rapid transformation driven by the convergence of technological innovation, an expanding investor base, and complex financial products, the risk landscape has been fundamentally reshaped. To navigate these shifting outlines, SEBI has pivoted toward a dynamic regulatory architecture. This proactive stance ensures that the legal and regulatory frameworks evolve in tandem with financial innovation, effectively mitigating risks at their inception rather than reacting post-facto.

SEBI's operational strategy for market stability follows an integrated three-layer approach. First, surveillance is acting as the market's early-warning system. SEBI's mechanisms are designed to detect, deter, and pre-empt activities that could compromise market fairness. SEBI's supervisory regime utilizes both comprehensive and thematic inspections framework to monitor MIIs and intermediaries. This oversight ensures compliance with regulations, and protection of investor interests. Finally, when supervisory oversight identifies anomalies, SEBI initiates investigations to uncover potential securities law violations. The subsequent enforcement process is calibrated and progressive, ranging from cautionary advisories to market access restrictions. This chapter details the various supervisory and enforcement measures undertaken by SEBI during 2025-26.

10.1 MANNER OF OVERSEEING MARKETS

10.1.1 Surveillance

The role of surveillance has become increasingly critical in ensuring the integrity and stability of the securities market, particularly in light of the substantial rise in trading activity in recent years. Factors such as growing direct retail participation, a marked shift towards derivatives segment, and adoption of complex trading strategies by market participants have further heightened the need for enhanced oversight. Stock exchanges perform real-time surveillance of market segments to flag irregularities in trading activities. In addition, SEBI has a robust in-house surveillance infrastructure capable of monitoring activities across equity, equity derivatives, and commodity derivatives segments. This system is designed to detect market abuse, including emerging and sophisticated manipulative practices. The following section details major surveillance measures taken by SEBI during 2025-26.

A. Major Surveillance Measures

i. **Rationalisation of ESM:** The Enhanced Surveillance Measure (ESM) was launched in 2023 by exchanges to prevent abnormal price movements in micro-cap stocks (market cap < ₹1,000 crore). To support the ease of doing business, the ESM framework was updated in July 2025 to rationalize the criteria for shortlisting scrip for imposing ESM, movement from ESM Stage 1 to ESM Stage 2 and exit.

ii. **Extension of automated implementation of Trading Window Closure:** In accordance with the PIT Regulations, trading restrictions are applicable on Designated Persons of listed companies and their immediate relatives from the end of each quarter till 48 hours after the declaration of financial results for the quarter. The mechanism for automatic trading window closure through freezing of PAN at the security level was already operationalized for Designated Persons. Further, the automated trading window closure has been extended to the immediate relatives of Designated Persons from April 2025.

iii. **Outreach Initiatives on Insider Trading Regulations:** SEBI has undertaken a series of engagements to promote voluntary compliance and uphold market integrity through direct stakeholder interactions. In this regard, high-level sessions were held with listed banks on September 03, 2025 and November 10, 2025, respectively at SEBI's Head Office and Northern Regional Office (NRO), chaired by SEBI Chairman and Whole Time Member respectively. The dual responsibility of listed banks as a listed entity and as a fiduciary under PIT Regulations and the necessity of robust internal controls to prevent insider trading were emphasized during the sessions.

Further, an interactive session with various regulatory bodies was held on November 28, 2025 at NRO chaired by WTM. The regulatory obligations of statutory bodies along with importance of establishing rigorous protocols for protecting Unpublished Price Sensitive Information were highlighted during the session. In continuation, a session on Insider Trading Regulations was held on January 30, 2026, for the employees of Petroleum and Natural Gas Regulatory Board, sensitizing on the handling of price sensitive information and the need for maintaining the highest standards of confidentiality in compliance with SEBI (PIT) Regulations, 2015. These efforts reflect SEBI's ongoing commitment to fostering a transparent financial ecosystem through education and proactive engagement.

B. **Search and Seizure Operations:** In furtherance of its efforts to detect and address market misconduct, SEBI, conducted various Search and Seizure operations during 2025-26, covering 48 entities across 46 locations spanning 14 cities throughout the country.

C. **Surveillance Index:** The Surveillance index score arrived on the basis of specified parameters is intended to provide guidance to the respective boards of the MIIs to act as a performance benchmark to assess effectiveness of the surveillance function of the MIIs and to initiate measures for strengthening of the same. The output of the assessment of indices is envisaged to be supplementary to the surveillance inspections of the MIIs. In this regard, the evaluation of self-assessment, as submitted by the stock exchanges (viz. BSE, NSE and MSEI) and depositories (viz. CDSL and NSDL), has been carried out by SEBI.

D. **Surveillance Measures:** To mitigate excessive volatility and safeguard investor interests, stock exchanges implement proactive surveillance measures for scrips exhibiting unusual price-volume fluctuations or weak fundamentals. During 2025-26, on the Main Board 1,852 scrips were placed under Additional Surveillance Measures (ASM), while 1,873 scrips transitioned out of the framework. Simultaneously, on the SME platform, 602 scrips were brought under ASM oversight, whereas 599 scrips were moved out, reflecting a dynamic and consistent monitoring process across both market segments (**Table 10.1**).

10.1.2 Inspections

Section 11(2)(i) of SEBI Act, 1992 empowers SEBI to undertake inspection of market intermediaries as part of its regulatory and supervisory functions.

Table 10.1: Surveillance Measures Across Exchanges

Surveillance Measures	Main Board		SME Platform	
	2024-25	2025-26	2024-25	2025-26
Scrips Moved to ASM	2,185	1,852	555	602
Scrips Moved out of ASM	2,294	1,873	558	599
Scrips Moved to GSM	337	291	24	35
Scrips Moved out of GSM	360	360	27	37
Scrips Moved to Promoter Encumbrance	41	37	0	0
Scrips Moved out of Promoter Encumbrance	40	33	0	0
Scrips Moved to ASM Insolvency Resolution Proceedings (IBC Inclusions)	43	35	3	3
Scrips Moved out of ASM Insolvency Resolution Proceedings (IBC exclusions)	33	40	4	4
Scrips Moved to ESM	1,341	954	404	392
Scrips Moved out of ESM	1,397	1,239	146	522

Notes: i. A scrip that has moved in and out multiple times during the year is counted as one move-in and one move-out.
ii. A scrip may be part of multiple frameworks within the same year.

Source: BSE and NSE

These inspections are essential to ensure the integrity/discipline of the financial markets and to safeguard the interests of investors. Inspections of regulated entities are carried out both independently by SEBI and in collaboration with MIIs, with broader goals of compliance verification, encouraging ethical practices, preserving market integrity and proactively identifying emerging risks.

A. **Inspection of Market Infrastructure Institutions:** MIIs which include stock exchanges, clearing corporations, and depositories are the backbone of Indian securities market. Given their systemic importance, SEBI's inspection framework for them is more rigorous than for standard intermediaries. During 2025-26, comprehensive offsite inspections of NSE, MCX, MSEI, NCDEX, CDSL, NSDL, NCL, ICCL, NCCL and ARCL were conducted by SEBI. The objectives of such inspections were to assess their compliance with the relevant regulations/guidelines, systemic risk management, technological resilience to prevent technical glitches or cyber-attacks and improve the systems and procedures of the MIIs. Further, SEBI also conducted Thematic - ISC inspection of MCX and NCDEX during this year. During 2025-26, inspections of the surveillance functions of NSE, BSE and MSEI, NSDL and CDSL have been conducted in line with the prevailing practice. These inspections were conducted with the objective of improvement in the surveillance systems and procedures of the stock exchanges and depositories. In addition, SEBI carried out inspection of three exchanges for listing related issue.

B. **Inspection of Securities Market Service Providers:** During 2025-26, SEBI enhanced its supervisory capabilities by transitioning toward a continuous and technology-led monitoring framework. To streamline data sharing, SEBI developed a cloud-based platform for the secure exchange of inspection data and alerts with brokers and DPs, facilitating faster corrective actions. In addition, MIIs individually or jointly conducted regular, mandatory inspections of stock brokers/depository participants to ensure compliance with SEBI regulations, financial integrity, and investor protection. During 2025-26, SEBI and exchanges conducted 179 inspections (162 thematic and 17 comprehensive) of 106 brokers. Independently, exchanges completed 973 inspections of 822 brokers across various market segments. Further, SEBI and depositories conducted 28 joint inspections of 23 depository participants, while depositories executed 617 inspections of 583 depository participants to safeguard securities holding systems.

Beyond the brokerage ecosystem, SEBI maintains direct oversight of intermediaries who provide services in the securities market, including merchant bankers, investment advisers, research analysts, etc. SEBI conducts inspections regularly to ensure compliance with regulatory standards, keeping proper books of account, managing risks effectively, and handling client complaints appropriately. The details of such inspections are given in (**Table 10.2**).

C. **Inspection of Entities Associated with Fund Management Activities:** SEBI employs a risk-based supervision framework to monitor mutual funds, portfolio managers, and Registrars and Transfer Agents (RTAs). This prioritizes oversight by evaluating risk factors such as liquidity, credit risk, financial risk, market risk, technological risk and operational risks and impact metrics like AUM, etc. During 2025-26, SEBI initiated inspections of 23 portfolio managers, 23 mutual funds, and two RTAs for their mutual fund related activities. Further, SEBI outlines thematic inspection to address emerging concerns. During this year, 29 themes for mutual funds and six themes for portfolio managers were selected (**Table 10.3**).

Furthermore, SEBI leverages advanced offsite monitoring for mutual funds and portfolio managers, by integrating multi-source data from AMCs, RTAs, valuation agencies, index providers, custodians and AMFI into an algorithm-driven alert ecosystem. As of March 31, 2026, 217 alerts were deployed for mutual funds, 17 alerts for specialised investment funds

Table 10.2: Inspections of Securities Market Service Providers

Intermediary	2024-25	2025-26	
		No. of Entities	No. of Inspections
Merchant Banker	51#	31	32
Registrar to an Issue and Share Transfer Agent	56	17	25
Investment Adviser	207	54	211
Research Analyst	149	55	142
KYC Registration Agency	3	1	1
Credit Rating Agency	8	7	12
Debenture Trustee	11	7	7
ESG Ratings Provider	2	-	-
Designated Depository Participant	7	6	6
Custodian*	7	6	6
Online Bond Platform Provider	15	9	9

Notes: i. #Data on Merchant Banker includes 42 inspections pertaining to equity segment and 9 inspections pertaining to debt segment.

ii. *During custodian inspection, compliances by foreign venture capital investors was also checked.

Table 10.3: Inspections of Entities Associated with Fund Management Activities

Intermediary/Institution	2024-25	2025-26
Mutual Fund and its respective RTA	24	25
Portfolio Manager	13	23
Alternative Investment Fund	16	5
Venture Capital Fund	2	Nil
Real Estate Investment Trust	5	4
Infrastructure Investment Trust	17	13

and 90 alerts for portfolio managers, to ensure compliance under the respective regulations.

10.1.3 Investigation

SEBI derives its investigative powers from Section 11C of the SEBI Act, 1992. The process is structured to ensure market integrity and protect investor interests by identifying violations like insider trading, market manipulation, or fraudulent trade practices, and misstatement in financial statements etc. SEBI initiates an investigation when there is reasonable ground to believe that any transactions in securities which are being dealt with in a manner detrimental to investors or the securities market, and any intermediary or any person associated with the securities market has violated the provisions of SEBI Act, 1992 and regulations framed thereunder like PFUTP Regulations, PIT Regulations, etc. Investigation is initiated based on reference received from sources such as operational departments of SEBI, exchange reports, government agencies, media reports, complaints, etc.

At the outset, SEBI appoints an Investigating Authority (IA) for carrying out the investigation. The IA analyzes the collected evidence which may include market data (order and trade log, transaction statements, etc.), exchange report, depository data, KYC documents obtained from brokers, depository participants, etc., bank records like account statements and KYC details, information about the company including financial results and shareholding pattern, major corporate developments including events around them, call data records obtained from telecom service providers, information obtained from other market intermediaries and alleged entities, etc. Upon completion, the IA submits an investigation report to the appointing authority for further action as deemed fit. During 2025-26, SEBI had taken up 402 cases for investigations pertaining to various violations of securities laws and 338 cases were completed. The details of nature of investigations are given below:

A. **Investigations Relating to Illegal Trade Practice, etc.:** During 2025-26, 224 cases pertaining to insider trading, takeover, etc. were taken up for investigation and 204 cases were completed (**Table 10.4**).

B. **Investigations Relating to Fraudulent and Unfair Trade Practices:** During 2025-26, 121 cases pertaining to Fraudulent and Unfair Trade

Table 10.4: Trends of Investigations

Particulars	Cases Taken up		Cases Completed	
	2024-25	2025-26	2024-25	2025-26
Insider Trading	287	221	192	202
Takeovers	-	2	-	1
Miscellaneous*	7	1	4	1
Total	**294**	**224**	**196**	**204**

Note: *Miscellaneous includes alleged violations of/related to - i) routing of funds, ii) FPI regulations, iii) Minimum public shareholding etc. Since several investigation cases involve multiple allegations of violations, water-tight classification under specific category becomes difficult. Therefore, cases have been classified on the basis of main charge/ violations.

Table 10.5: Fraudulent and Unfair Trade Practices Cases

Particulars	Cases Taken-up		Cases Completed	
	2024-25	2025-26	2024-25	2025-26
Price and Volume Manipulation cases	61	72	46	43
Front Running	44	49	51	51
Others[#]	1	-	8	-
Total	**106**	**121**	**105**	**94**

Note: #Others include cases related to issue of debt securities and minimum public shareholding.

Practices were taken up for investigation and 94 cases were completed (**Table 10.5**).

C. **Investigations Relating to Financial Statements Fraud:** During 2025-26, 57 cases pertaining to financial statement fraud were taken up for investigation and 40 cases were completed (**Table 10.6**).

10.1.4 Enforcement Function

Effective enforcement is fundamental to cultivating a culture of accountability and compliance within the securities market. By ensuring that market abuses are met with swift and decisive action, SEBI's enforcement framework serves as a powerful deterrent against misconduct. To maintain transparency and investor confidence, SEBI emphasizes timely, consistent, and proportionate intervention. SEBI adopts a dual-track enforcement mechanism, utilizing both administrative/civil proceedings and criminal prosecutions to address contraventions at every level of misconduct.

A. **Enforcement Mechanisms:** SEBI exercises its enforcement powers upon identifying violations of securities laws with an aim to safeguard market integrity. SEBI's enforcement approach is anchored in a robust legal framework that enables it to take calibrated actions against violations of securities laws. Depending on the nature and severity of the breach, SEBI empowers various statutory tools under the SEBI Act, 1992, to ensure accountability and investor protection. This includes issuing interim and final directions such as market debarments, the impounding of illicit proceeds, imposing penalty and cease-and-desist orders to prevent immediate harm to investors. In addition, SEBI may initiate enquiry proceedings to suspend or cancel intermediary registrations, undertake adjudication for monetary penalties, or pursue criminal prosecution in Special Courts for serious fraud. This multi-tiered architecture ensures that every infraction is met with a proportionate and effective response, reinforcing overall market discipline and investor confidence.

B. **Enforcement Actions Taken**

i. **Proceedings under Section 11/11(4)/11B/11D of SEBI Act, 1992:** During 2025-26, 51 cases

Table 10.6: Financial Statements Fraud Cases

Particulars	Cases Taken Up		Cases Completed	
	2024-25	2025-26	2024-25	2025-26
Financial Statements Fraud	59	53	55	34
Miscellaneous*	0	4	0	6
Total	**59**	**57**	**55**	**40**

Note: *Miscellaneous includes alleged violations of/ by - i) Listing Conditions ii) Statutory Auditor iii) Disclosure requirements.

were added under sections 11/11(4)/11B/11D, while 62 cases were disposed of. At the end of March 31, 2026, 158 cases were pending. (**Table 10.7**).

ii. **Enquiry Proceedings:** Under the Intermediaries Regulations, 2008, enquiry proceedings have two stages. The first stage is before the Designated Authority (DA) who is appointed to prepare a report recommending one of the measures stipulated in the regulations such as suspension/ cancellation of certificate of registration, issue of censure, etc. The second stage is before the Designated Member (DM) who, after considering the recommendations made by the DA passes appropriate orders.

   a. **Proceedings by Designated Authority:** During 2025-26, enquiry was initiated by Designated Authority in 12 cases and reports were submitted in 24 cases. Enquiry was pending in 20 cases at the end of the year (**Table 10.8**).

   b. **Proceedings by Designated Member:** Upon submission of Enquiry reports, the recommendations made by the DA are placed before the DM for passing of final orders under Regulation 27 of SEBI (Intermediaries) Regulations. During 2025-26, 22 enquiry cases were added while 42 were disposed of and 16 enquiry proceedings were pending at the end of the period (**Table 10.9**).

Table 10.8: Age-wise Analysis of Proceedings by Designated Authority

Particulars	2024-25	2025-26
Cases pending at the beginning of the period	56	31
Cases added during the period	25	12
Enquiry Reports submitted during the year	50*	24
Cases pending at the end of the period	31	20
Break-up of pending cases at the end of the period		
Cases older than 2 years	1	5
Cases older than 1 but less than 2 years	16	5
Cases less than 1 year	14	10

Note: *During 2024-25, in one enquiry matter, proceedings were infructuous as the registration of the notice got cancelled; and hence, the net disposal is 49.

Table 10.7: Age-wise Analysis of Proceedings u/s 11 of the SEBI Act, 1992

Particulars	No. of cases	
	2024-25	2025-26
Cases pending at the beginning of the period	145	169
Cases added during the period	113	51
Cases closed during the year	89	62
Cases pending at the end of the period	169	158
Break-up of pending cases at the end of the period		
Cases older than 2 years	37	54
Cases older than 1 but less than 2 years	50	63
Cases less than 1 year	82	41

Note: Cases closed indicate passing of final directions.

Table 10.9: Age-wise Analysis of Proceedings by Designated Member

Particulars	2024-25	2025-26
Cases pending at the beginning of the period	12	36
Cases added during the period	51	22
Cases closed during the year	27	42
Cases pending at the end of the period	36	16
Break-up of pending cases at the end of the period		
Cases older than 2 years	8	10
Cases older than 1 year but less than 2 years	19	6
Cases less than 1 year	9	0

Note: During 2025-26, enquiry reports submitted to the DM by DA were 24. However, DA has been appointed for 22 cases. Cases closed indicate passing of final directions.

iii. **Adjudication Proceedings:** Pursuant to the investigation, if sufficient evidences of violations are found, adjudication proceedings are initiated. Under chapter VIA of the SEBI Act, 1992, SEBI appoints an Adjudicating Officer (AO) for conducting enquiry and imposing monetary penalties for contravention of any provision of the SEBI Act, 1992 or any rules or regulations made thereunder. During 2025-26, SEBI initiated adjudication proceedings in 135 cases, while disposing of 319 cases. At the end of March 31, 2026, 294 cases were pending for action (**Table 10.10**).

iv. **Prosecution Proceedings:** SEBI is empowered to initiate prosecution, if any person contravenes or attempts to contravene or abets the contravention of provisions of securities law or of any rule or regulations made thereunder. SEBI is also empowered to initiate prosecution proceedings in instances of non-payment of penalty imposed by the adjudication officer or the Board or if the person does not comply with the directions or order issued by the Board under relevant Acts or with summons issued by the Investigating Authority appointed by the Board. Apart from the above, SEBI is also empowered to initiate prosecution for violation of certain provisions of the Companies Act, 2013. These proceedings are based on complaints filed by SEBI and are tried by the SEBI Special Courts/ Sessions Court/ Designated Court. The offences under the relevant securities laws are compoundable by the Court. During 2025-26, SEBI initiated 65 prosecution cases, while the Courts disposed of 64 cases. At the end of March 31, 2026, there were 1,049 prosecution cases pending before various Courts (**Table 10.11**).

Table 10.10: Age-wise Analysis of Adjudication Proceedings

Particulars	2024-25	2025-26
Cases pending at the beginning of the period	1,236	478
Cases added during the period	204	135
Cases disposed of during the year	962	319
Cases pending at the end of the period	478	294
Break-up of pending cases at the end of the period		
Cases older than 2 years	315	181
Cases older than 1 but less than 2 years	49	23
Cases less than 1 year	114	90

Table 10.11: Age-wise Analysis of Prosecution Proceedings

Particulars	2024-25	2025-26
Cases pending at the beginning of the period	1,106	1,048
Cases added during the year	42	65
Cases disposed of during the period	100	64
Cases pending at the end of the period	1,048	1,049
Break-up of pending cases at the end of the period		
Cases older than 2 years	967	946
Cases older than 1 year but less than 2 years	40	39
Cases less than 1 year	41	64

10.2 REGULATORY ACTIONS

10.2.1 Order Passed

SEBI has a structured enforcement framework that ensures market integrity and investor protection. SEBI initiates several types of regulatory actions depending on the nature and severity of the violation. The various type of regulatory actions initiated during 2025-26 are given below.

A. **Proceedings under SEBI (Intermediaries) Regulations, 2008:** During 2025-26, SEBI

Table 10.12: Order Passed under SEBI (Intermediaries) Regulations, 2008

Year	No. of Orders Passed	No. of Entities
2024-25	27	53
2025-26	42	44

Note: The order passed includes final directions.

passed 42 final orders against 44 entities while in 2024-25, 27 orders were passed against 53 entities.

B. **Proceeding under section 11/11(4)/11B/11D of SEBI Act 1992:** SEBI issued both interim/ confirmatory and final direction under section 11 of SEBI Act, 1992.

During 2025-26, SEBI issued 15 interim/ confirmatory orders against 94 entities and 62 final orders against 437 entities. In these orders, SEBI's directions involved either restraining entities from accessing the securities market, freezing bank accounts or impounding proceeds of a fraudulent transaction and forcing them to give up "ill-gotten gains" made through illegal activities.

C. **Proceeding in respect of CIS and DPI matters:** No order w.r.t CIS and DPI matter has been passed during 2025-26 compared to one confirmatory order passed in respect of CIS passed during 2024-25 (**Table 10.14**).

D. **Other Regulatory Actions:** In addition to major regulatory actions, SEBI issues administrative warnings, deficiency letters and advice letters against registered/recognised intermediaries/ institutions, pursuant to inspections and investigations. The details of such regulatory actions are given below:

i. **Regulatory Action pursuant to Investigation:** During 2025-26, administrative warning

Table 10.13: Order in respect of Debarment/Disgorgement/Penalty

Nature of Violation	2024-25				2025-26			
	Interim/ confirmatory	No. of Entities	Final	No. of Entities	Interim/ confirmatory	No. of Entities	Final	No. of Entities
PFUTP Regulations	7	75	47	285	7	41	14	193
PIT Regulations			6	28	2	13	2	8
LODR Regulations	5	68	7	42	1	6	10	65
IA/RA Regulations	2	11	0	0	1	3	9	16
Others*	12	32	29	116	4	31	27	155
Total	**26**	**186**	**89**	**471**	**15**	**94**	**62**	**437**

Notes: i. There may be more than one violation against an entity; for the purpose of this table, the most relevant nature of violation is considered.

ii. *Inter-alia includes entities who have availed settlement, proceedings disposed against entities without any further direction, etc.

Table 10.14: Order in respect of CIS and DPI matters

Nature of Violation	2024-25				2025-26			
	Interim/ confirmatory	No of Entities	final	No of Entities	Interim/ confirmatory	No of Entities	final	No of Entities
CIS	1*	8	-	-	Nil			
DPI	Nil				Nil			

Note: *Indicates confirmatory order in the matter of Growpital Platform dated April 26, 2024.

Table 10.15: Action Taken against MIIs and/or their Associated Entities

Type of Letters	2024-25	2025-26
Administrative warning/ warning	27*	7
Deficiency	44	13
Advisory	118#	50

Notes: **i.** #One advisory letter issued in the context of Alternative Fund Management.

ii. *Includes three administrative warnings with respect to equity listed securities issued to stock exchanges.

letters were issued to 357 entities compared to 352 entities in 2024-25.

ii. **Regulatory Action pursuant to Inspection/ Supervision**

a. **Market Infrastructure Institutions:** Pursuant to the inspections and offsite supervision undertaken during the year, SEBI issued administrative warning letters, deficiency letters, and advisory letters against the MIIs (**Table 10.15**).

b. **Intermediaries associated with Securities Market Service Providers:** Based on inspections, in-house alerts, the regulatory actions taken/initiated against various securities market service providers are provided in **Table 10.16**.

c. **Intermediaries/Institutions Associated with Fund Management Activities:** Supervisory process also includes analysis of periodic filings made by asset management companies viz. compliance test reports and half yearly trustee reports and filings made by portfolio managers viz, corporate governance report, certificate of compliance with PMS regulations and circulars and certificate of compliance with performance reporting guidelines. Regulatory actions taken against various other entities associated with fund management activities are provided in **Table 10.17**.

Table 10.16: Action taken against Securities Market Service Providers

Intermediary	Administrative Warning		Deficiency Letter		Advisory Letter	
	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26
Credit Rating Agency	6	10	4	7	12	16
Custodian	8	2	0	0	0	4
Debenture Trustee	28	1	29	11	62	14
Depository Participant	5	7	3	0	4	0
Designated Depository Participant	4	1	0	0	0	5
Investment Adviser	36	33	4	12	3	7
KRA	0	1	0	1	0	0
Merchant Banker	85	19	6	2	15	7
Online Bond Platform Provider	58	15	10	1	64	21
Research Analyst	40	18	1	5	5	2
Registrars to an issue and Share Transfer Agent	43	7	18	4	0	0
Stock Broker	132	78	22	14	17	2

Table 10.17: Actions Taken against Entities Associated with Fund Management Activities

Intermediary/Institution	Administrative Warning		Deficiency Letter		Advisory Letter	
	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26
Alternative Investment Fund	44	14	262	428*	19	0
Foreign Portfolio Investor	956	68	0	15	0	103
Foreign Venture Capital Investor	0	0	0	0	0	1
Infrastructure Investment Trust	9	8	10	-	28	10
Mutual Fund and its Respective RTA	66	59	43	44	36	35
Portfolio Manager	128	49	134	95	101	79
Real Estate Investment Trust	3	0	2	0	8	7

Note: * Indicates deficiency cum advisory letters.

10.2.2 Adjudication Proceedings

During 2025-26, SEBI completed adjudication proceedings against 640 entities, through 319 orders. Out of these, no penalty was imposed against 123 entities and 46 entities opted for settlement. The types of violations for which these entities were penalized are given in **Table 10.18**.

Table 10.18: Nature of Adjudication Orders Passed

Particulars	No. of Entities	
	2024-25	2025-26
Nature of Violation		
PFUTP	239	233
Disclosure under SAST and PIT	4	10
Listing/ LODR	7	40
Stock Broker Regulations/ Circulars	44	35
Non-compliance with SEBI order	19	5
Insider Trading	15	12
CIS Regulations, 1999	1	0
Non-compliance with summon	2	13
Others	195	123
No Penalty /Settlement		
No Penalty/Not applicable	107	123
Settlement	660*	46
Total	**1,293**	**640**

Note: * Indicates inclusive of illiquid stock option matters settled under ISO Settlement Scheme, 2024.

In 2025-26, Adjudicating Officers levied penalties totaling ₹35.5 crore, with the largest share ₹23.9 crore imposed against 233 entities for PFUTP violations (**Table 10.19**).

During 2025-26, 88 adjudication orders were passed against registered intermediaries, of which maximum pertained to brokers (41), followed by Merchant Bankers (14), Investment Advisors (9), and remaining against various other intermediaries/ institutions (**Table 10.20**).

10.2.3 Recovery Proceedings

A. Recovery Cases: Section 28A of the SEBI Act, 1992 and the corresponding provisions of SCRA, 1956 and the Depositories Act, 1996 empower SEBI to recover money from persons who fail

Table 10.19: Penalties Levied by Adjudicating Officers in 2025-26

Nature of Violation	No. of Entities	Amount (in ₹ crore)
PFUTP	233	23.9
Insider Trading	12	1.4
Disclosure Violation	10	0.3
Other Violations#	254	9.9

Note: #includes Non-compliance, LODR, Stock Broker Regulations, Listing Related violations, FPI Regulations, AIF Regulations, Merchant Banking Regulations, CIS Regulations, Investor Grievance Related violations, etc.

Table 10.20: Adjudication Orders against Intermediaries/Institutions

Intermediary	2024-25	2025-26
Broker	58	41
Depository Participant	1	0
Merchant Banker	10	14
Investment Adviser	12	9
Registrars to Issue and Share Transfer Agent	6	3
Debenture Trustee	5	2
Alternative Investment Fund	5	6
Mutual Fund	4	1
Portfolio Manager	2	0
Designated Depository Participant	4	1
Research Analyst	4	9
Credit Rating Agency	4	1
Banker to an Issue	0	0
KYC Registration Agency	1	0
Venture Capital Fund	0	1
Total	**116**	**88**

to pay the penalty imposed by an Adjudicating Officer or fail to comply with any directions of the Board for refund of money or fail to comply with the direction of disgorgement order or fail to pay any fees due to the Board. The details of recovery proceedings for 2025-26 is given in **Table 10.21**.

i. **Active Recovery Cases:** As on March 31, 2026, 8,099 Recovery Certificates (RCs) have been generated, of which 3,394 RCs are active. The category-wise details of active RCs are given in **Table 10.22**.

ii. **Non-Active Recovery Cases:** Once all recovery methods are exhausted, cases with outstanding balances are categorized as 'non-active. For optimal utilisation of allocated resources towards dues which have better chances of recovery, dues in respect of such non-active cases are classified as Difficult to Recover (DTR). Further, with respect to cases where Committees have been appointed by the Hon'ble Courts or where parallel proceedings are pending, in order to avoid duplication and for better efficiency, dues in respect of such cases are also classified under this category. This classification is

Table 10.21: Details of Recovery Proceedings

Description	CIS and DPI Cases		Penalty/ Disgorgement/ Fee Cases		Total	
	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26
No. of Recovery Certificates / Notice of Demand drawn by SEBI	31	54	911	322	942	376
Amount covered under Certificates (₹crore)*	84.8	159.2	1,758.5	1,918.0	1,843.3	2,077.2
No. of Certificates Cancelled	2	7	90	44	92	51
Amount Recovered (₹crore)**	320.0	170.2	184.0	170.6	504.0	340.8
No. of Certificates where recovery is completed	2	6	384	318	386	324
No. of Certificates pending at the end of Financial Year	524	565	3,811	3,771	4,335	4,336***

Notes: i. *Amount covered under Certificates includes interest and cost till the date of issuance of Recovery Certificate.

ii. **Figures are subject to reconciliation with the banks. Further, recovery amount includes recovery from certificates issued in previous years.

iii. ***Out of the 4,336 pending Recovery Certificates, 3,394 recovery certificates are active and 942 Recovery Certificates have been categorized as Difficult to Recover.

Table 10.22: Category-wise Active Recovery Certificates

Category	No. of Active pending Recovery Certificates		Amount due with respect to active pending Recovery Certificates (₹ crore)	
	2024-25	2025-26	2024-25	2025-26
CIS/DPI	450	469	22,966.5	28,387.1
Disgorgement	138	171	2,451.4	3,024.5
Penalties	2,846	2,751	1,507.7	987.3
Fees	1	3	0.8	1.7
Total	**3,435**	**3,394**	**26,926.3**	**32,400.6**

in line with the policy approved by the Board and such classification of dues is purely an administrative act and does not preclude the Recovery Officers from recovering the amount as and when there is a change in any of the parameters for such classification. As on March 31, 2026, out of 942 DTR cases, 632 RCs involving an amount of ₹2,161 crore have been classified as Irrecoverable Cases (**Table 10.23**).

Another 310 RCs involving an amount of ₹84,962.7 crore are subject matter of Court appointed Committees, parallel proceedings, stay/ moratorium by the Courts / Tribunal, under Liquidation etc. (**Table 10.24**).

Table 10.23: Break-up of Cases

Parameter	As on March 31, 2025		As on March 31, 2026	
	No.	Amount (₹crore)	No.	Amount (₹crore)
Defunct Company	430	1,970.4	390	2,061.7
Untraceable	143	29.7	153*	51.6
Defaulter is alive but has no attachable assets	94	66.3	78	47.4
Death (no assets left behind)	11	0.4	11	0.3
Total	**678**	**2,066.8**	**632**	**2,161.0**

Note: *Out of the 153 certificates falling under untraceable parameter, 134 relate to individuals and 19 relate to companies amounting to ₹26.10 crore and ₹25.47 crore, respectively.

Table 10.24: Recovery Cases Pending at Courts or Tribunal and under Liquidation

Parameter	As on March 31, 2025		As on March 31, 2026	
	No.	Amount (₹ crore)	No.	Amount (₹ crore)
Pending before Court Appointed Committees	72	61,204	78	69,730.6
Parallel Proceedings pending before State PID Courts, NCLT, NCLAT and Supreme Court	36	12,341.2	34	12,006
Stay/Moratorium by Courts or Tribunals	94	2,176.1	179	2,981.5
Under Liquidation	19	12.3	19	244.6
Total	**221**	**75,733.6**	**310**	**84,962.7**

iii. **Cases sub-Judice before Various Forums:** There are a total 620 matters sub-judice before various Courts, Tribunals and other forums related to matters where recovery certificates are drawn. Recovery proceedings initiated under such recovery certificates are subject to the final decision of the Court or Tribunal or other forum (**Table 10.25**).

B. **Special Enforcement Cell:** The Special Enforcement Cell was constituted by SEBI to specifically implement the directions of the Hon'ble Supreme Court to refund the amounts collected from investors of Sahara India Real Estate Corporation Ltd (SIRECL) and Sahara Housing Investment Corporation Ltd (SHICL), together termed as "Saharas". The activities of SEBI in this matter are monitored by Justice (Retd.) B. N. Agarwal appointed by the Supreme Court in this matter. As on date, SEBI has filed 23 Status Reports.

i. **Recovery and Refund Status in Saharas Matter:** As on March 31, 2026, SEBI has recovered approximately ₹16,379 crore from ₹16,138 crore as on March 31 2025, against the principal liability of ₹25,781 crore. There was no fresh refund made during 2025-26. As of March 31, 2026, the total fund balance, including accrued interest in FDs across various nationalized banks, stood at approximately ₹21,505 crore after remitting ₹5,000 crore to the Central Registrar of Cooperative Societies for disbursing to the investors in schemes of Sahara Group of Co-operative Societies (in compliance with the Hon'ble Supreme Court Order dated September 12, 2025).

ii. **Latest Developments:** Saharas filed application No. 232665/2025 before Hon'ble Supreme Court and inter alia prayed for approval of sale of the entire remaining assets of Saharas outrightly in a single lot basis to Adani Properties Private Limited. On January 07, 2026, SEBI submitted its response before the Hon'ble Supreme Court emphasizing that any sale of the Sahara properties should be done in a transparent

Table 10.25: No. of Cases sub-judice before Various Forums

Court/Forum	No. of Cases		No. of Recovery certificates		Total amount as per Recovery Certificate (₹ crore)	
	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26
Supreme Court*	54	68	49	75	53,717	60,738**
High Court***	84	85	67	77	58,808	68,323
Securities Appellate Tribunal	329	404	377	478	15,425	3,131
State PID Courts, NCLT/ NCLAT, Civil Courts, Consumer Forum, etc.	72	63	36	39	64,123	66,014
Total	**539**	**620**	**529**	**669**	**1,92,073#**	**1,98,206#**

Notes: i. *Including the matter of PACL [Justice (Retd.) R. M. Lodha Committee], High Powered Sale Committee in the matter of Sai Prasad Group of Companies etc. which have been appointed by the Hon'ble Supreme Court of India.

ii. ** This covers RC amount involved in the matter of PACL, however, details with respect to recovered amount etc. is separately covered in the annual report in the relevant section.

iii. ***Including several cases where Justice S.P. Talukdar Committee has been appointed by the Hon'ble Calcutta High Court.

iv. #Data across multiple forums have been aggregated.

Table 10.26: Refund Status of PACL Investors

Refund Process	Type of Claim Applications	No. of Claim Applications	Amount Refunded (₹ crore)
First Refund Process (From January 02, 2018 till March 03, 2018)	Having claim amount upto ₹2,500	1,89,103 eligible applicants with claim amount upto ₹2,500	18.2
Second Refund Process (From February 08, 2019 till July 31, 2019)*	Having any outstanding claim amount.	33,85,298 eligible applications with any outstanding claim amount.	3,702.5
Total		**35,74,401 eligible applications**	**3,720.7**

Note: *The refund status is as on March 31, 2026.

and fair manner including providing the opportunities for participation in the sale to other interested purchasers and subject to the conditions mentioned by the Hon'ble Supreme Court in its order dated July 11, 2016. Currently, the matter is pending before the Hon'ble Supreme Court.

iii. **Update in SICCL matter:** SEBI issued order dated October 31, 2018, directing Sahara India Commercial Corporation Limited (SICCL) and its directors to, jointly and severally, refund the money to the investors/bondholders along with interest of 15 per cent per annum. SAT vide order dated March 09, 2026 upheld the SEBI order and dismissed the Appeal No. 250 and 251 of 2019 filed by SICCL and its Directors. However, SAT allowed the appeal no. 252 of 2019 filed by Managers and Company Secretary of SICCL.

C. **PACL Cell :** As per the direction of the Hon'ble Supreme Court, SEBI had constituted a committee under the chairmanship of Justice (Retd.) R.M. Lodha (hereinafter referred to as the "Committee") for the purpose of disposing of the properties of PACL Ltd. and the distribution of sale proceeds to the investors of PACL Ltd.

i. **Status of Refunds in PACL Matter:** The refund process began in 2018, with a subsequent online claim window opened in 2019 for all the PACL Ltd investors. Due to limited corpus available for disposal, the Committee decided to pay the claims of investors in a staggered manner. As on March 31, 2026, the Committee has effected refunds of ₹3,721 crore to 35,74,401 eligible applicants (**Table 10.26**).

ii. **Sale of Properties of PACL:** The Committee, in a report dated September 24, 2021 had suggested two proposals/ options for the sale of properties of PACL Ltd for the consideration of the Hon'ble Supreme Court, viz.

- Proposal I - Proposal to sell 1000 properties of the highest book value; and
- Proposal II - Proposal for the sale of all the properties in a cluster (all properties in a district to be considered as one unit)

The Hon'ble Supreme Court vide its order dated August 8, 2024 in Civil Appeal No. 13301/2015, has accepted the above proposal II. Accordingly, the Committee initiated the process for auction of properties of PACL and it is ongoing. As on March 31, 2026, the Committee has auctioned properties spread across 27 districts, realizing a total amount of ₹3,620.7 crore.

10.2.4 Prosecution Proceedings

During 2025-26, 65 prosecution cases were launched against 176 persons/ entities, taking total prosecution

Table 10.27: Prosecutions Launched

Year	During the Year		As at end of the Year	
	No. of cases	Against No. of Persons/Entities	No. of cases	Against No. of Persons/Entities
2024-25	42	69	2,078	8,570
2025-26	65	176	2,143	8,746

Table 10.28: Nature of Violations in Prosecutions Launched

Nature of Violation	No. of cases filed	
	2024-25	2025-26
Non-payment of Penalty imposed by Adjudication Officer/WTM	30	51
Violation of CIS Regulations, 1999	1	1
Non-compliance with Directions issued by the Board	5	10
Violation of PFUTP Regulations, 2003	0	2
SEBI Act r/w Indian Penal Code/ Bharatiya Nyaya Sanhita, 2023	1	0
Non-compliance with Summons Issued by the Investigating Officer	3	1
Violations under Companies Act, 1956/ 2013	2	0
Total	**42**	**65**

cases initiated to 2,143 (against 8,746 entities) as on March 31, 2026 (**Table 10.27**).

Out of the total prosecution cases filed upto March 31, 2026, the share of Head Office/Western Region was 63.5 per cent and the corresponding pendency was 58.2 per cent. The region-wise data on prosecution cases filed and pending are given in **Table 10.29.**

SEBI initiates prosecutions for violation of provisions of the SEBI Act, 1992; Depositories Act, 1996; SCRA, 1956; Companies Act, 1956/2013; and the Indian Penal Code, 1860/ Bharatiya Nyaya Sanhita, 2023. As on March 31, 2026, 2,143 prosecution cases have been launched, of which 1,828 cases pertained to violation of the provisions under the SEBI Act, 1992 (**Table 10.30**).

Table 10.29: Region-wise Data on Prosecution Cases Filed and Pending

Region	No. Cases Filed upto		No. of Cases Pending upto	
	2024-25	2025-26	2024-25	2025-26
Head Office/ Western Region	1,306	1,360	615	611
Northern Region	392	393	154	149
Southern Region	126	126	91	91
Eastern Region	254	264	188	198
Total	**2,078**	**2,143**	**1,048**	**1,049**

As on March 31, 2026, the Courts have disposed of 1,094 prosecution cases filed by SEBI, out of which 295 cases resulted in convictions and 405 cases were compounded (**Table 10.31**).

Table 10.30: Nature of Prosecution Cases filed

Violation Alleged w.r.t.	Number of Cases launched upto	
	March 31, 2025	March 31, 2026
SEBI Act, 1992	1,763	1,828
SEBI Act, 1992 & SCRA, 1956	100	100
SEBI Act, 1992, SCRA & Companies Act 1956/2013	2	2
SEBI Act, 1992 & Companies Act 1956/2013	75	75
SEBI Act, 1992 & Indian Penal Code, 1860/(Bharatiya Nyaya Sanhita, 2023)	6	6
Companies Act, 1956	87	87
SCRA, 1956	7	7
Depositories Act, 1996	29	29
Indian Penal Code, 1860	9	9
Total	**2,078**	**2,143**

Note: The table incorporates all Prosecution Cases filed since 1992

Table 10.31: Number of Prosecution Cases decided by the Courts

Type of Decision	As on March 31, 2025	As on March 31, 2026
Convictions	276	295
Compounded	378	405
Abated	61	66
Dismissed/Discharged	173	174
Withdrawn	109	110
Acquitted	33	42
Others	0	2
Total	**1,030**	**1,094**

Note: Includes all prosecution cases decided since 1992

10.2.5 Settlement and Compounding

I. **Settlement:** During 2025-26, SEBI received 439 applications for settlement and disposed of 170 applications by passing appropriate settlement orders, while 199 applications were rejected, withdrawn or returned. Settlement Orders were passed for alleged violations of various regulations, viz., SEBI (SAST) Regulations, 2011; SEBI (PIT) Regulations, 2011; SEBI (PFUPT) Regulations, 2003; SEBI (LODR), 2015; SEBI (FPI) Regulations, 2019; SEBI (AIF) Regulations, 2012; SEBI (RTAs) Regulations, 1993; SEBI (MF) Regulations, 1996.

SEBI collected ₹109.8 crore towards settlement charges, of which ₹74.2 crore was received towards summary settlement charges (**Table 10.32**). In addition, ₹11.3 crore was collected as disgorgement charges.

Table 10.32: Settlement Applications Filed with SEBI

Particular	2024-25	2025-26
Pending at the beginning of the period	282	429
No. of settlement applications received	703	439
No. of applications disposed of by passing orders[1]	284	170
No. of applications rejected/ withdrawn/returned	272	199
Pending at the end of the period	429	499
Settlement Amount (₹ crore)	798.9	109.8[2]

Notes: i. [1]The number of applications may include disposal of applications filed during previous financial years.
ii. [2]Out of total settlement amount of ₹109,81,89,058.45/-; ₹74,21,875/- was received towards summary settlement charges. Additionally, ₹11,28,67,974.30/- was received towards disgorgement charges.

Additionally, SEBI had introduced the Venture Capital Funds Settlement Scheme, 2025, in terms of Regulation 26 of the SEBI (Settlement Proceedings) Regulations, 2018, wherein a total of 29 entities had availed the scheme and ₹2 crore has been received towards settlement terms. The Settlement Scheme for association with certain Algo platforms, 2025, was also introduced and a total of 111 entities had availed the scheme and ₹1.11 crore were received towards settlement terms. The settlement amounts received from the settlement schemes were credited to the Consolidated Fund of India (**Table 10.33**).

Table 10.33: Settlement Schemes

Settlement Scheme	Date of Settlement order	No. of entities who availed the scheme	Settlement Amount collected for remittance to CFI (₹)
Venture Capital Funds Settlement Scheme, 2025	March 9, 2026	29	1,99,50,000
Settlement Scheme for association with certain Algo Platforms, 2025	March 17, 2026	111	1,11,00,000

Table 10.34: Compounding Applications Filed by the Accused in Criminal Courts

Particular	2024-25	2025-26
Pending applications at the beginning of the period	65	107
Number of applications filed	88	46
Number of applications compounded	36	35
Number of applications rejected	10	33
Pending at the end of the period	107	85
Compounding charges received by SEBI (₹lakh)	**708.8**	**767.7**

II. **Compounding:** During 2025-26, 46 compounding applications were filed before the court. 35 applications were compounded and an amount of ₹767.7 lakh was received towards compounding charges. As on March 31, 2026, there were 85 applications pending with Courts for compounding (**Table 10.34**).

10.3 LITIGATIONS

A. **Appeals in SAT:** During 2025-26, the Bench of the Hon'ble Securities Appellate Tribunal (SAT) comprised of Justice P.S. Dinesh Kumar, Presiding Officer; Dr. Dheeraj Bhatnagar, Technical Member and Ms. Meera Swarup, Technical Member. 429 new appeals were filed in 2025-26 before the Hon'ble SAT, as compared to 533 appeals filed in the preceding year, reflecting a downward trend in the number of appeals being filed before the Hon'ble SAT. The Hon'ble SAT disposed of 323 appeals during 2025-26, of which 148 appeals pertained to PFUTP & insider trading cases. At the end of March 31, 2026, 1,066 appeals were pending before the Hon'ble SAT.

Table 10.35: Status of Appeals before SAT

Status of Appeals	2024-25	2025-26
Appeals pending at the beginning of the year	849	960
Appeals filed during the year	533	429
Appeals Dismissed	308	135
Appeals Remanded	21	28
Appeals Allowed	23	47
SEBI orders upheld with modifications	42	88
Appeals withdrawn	28	25
Appeals Pending at the end of the year	**960**	**1,066**

B. **Litigations in Supreme Court:** As on March 31, 2026, there were 539 cases pending before the Supreme Court (excluding recovery related litigations), compared to 520 pending in the previous year (**Table 10.36**). During 2025-26, 73 cases were added and 54 cases disposed of.

C. **Litigations in High Courts:** As on March 31, 2026, there were 884 litigation cases pending before the High Courts (excluding prosecution and recovery related litigations), compared to 886 litigation cases in the previous year. During 2025-26, 201 litigation cases have been filed in High Court and 203 cases were disposed of (**Table 10.37**).

As on March 31, 2026, 349 cases pertaining to prosecution litigations were pending before

Table 10.36: Status of Litigation before Supreme Court

Particulars	2024-25			2025-26		
	Filed	Disposed	Pending	Filed	Disposed	Pending
Cases filed by SEBI	7	10	272	16	16	272
Cases filed by Parties	74	70	248	57	38	267
Total	**81**	**80**	**520**	**73**	**54**	**539**

Note: Figures are inclusive of 15Z, non-15Z and prosecution related litigation and exclude recovery related litigations.

Table 10.37: Status of Litigation before High Courts

Particulars	2024-25			2025-26		
	Filed	Disposed	Pending	Filed	Disposed	Pending
Cases filed by SEBI	15	18	52	5	12	45
Cases filed by Parties	166	170	834	196	191	839
Total	**181**	**188**	**886**	**201**	**203**	**884**

Note: Figures are exclusive of prosecution and recovery related litigations.

High Court compared to 313 litigations at the end of previous year (**Table 10.38**).

D. **Litigations in Other Courts:** As on March 31, 2026, there were 449 litigation cases pending before Other Forums (apart from Supreme Court, High Court, SAT and prosecution cases filed by SEBI) compared to 539 cases in the previous year. During 2025-26, 117 litigation cases have been filed and 207 cases have been disposed (**Table 10.39**).

Among the 449 pending litigations, 254 litigations are pending at Consumer forum, followed by 110 litigations (at civil court), and 58 litigations (at NCLT).

Apart from the above, as on March 31, 2026, there were 25 criminal cases filed by parties which are pending before various subordinate courts across the country, compared to eight cases in the previous year. During 2025-26, 24 new cases were filed and seven cases were disposed of (**Table 10.41**).

E. **Important Court Pronouncements**

I. **Supreme Court of India**

i. **Order dated October 7, 2025- Madhyam Agrivet Industries Ltd. & Ors. vs. SEBI (C.A. No. 7885/2024)**

The Civil Appeal was preferred by Madhyam Agrivet Industries Ltd. (appellant) challenging the order dated 22.05.2024 passed by the Ld. SAT whereby the prayer seeking various documents pertaining to internal notings, inter-department transfers etc. was rejected.

Table 10.38: Status of Litigation before High Courts arising out of Prosecution

Particulars	2024-25			2025-26		
	Filed	Disposed	Pending	Filed	Disposed	Pending
Cases filed by SEBI	24	3	60	20	8	72
Cases filed by Parties	47	24	253	72	48	277
Total	**71**	**27**	**313**	**92**	**56**	**349**

Table 10.39: Status of Litigation before Other Forums

Particulars	2024-25			2025-26		
	Filed	Disposed	Pending	Filed	Disposed	Pending
Cases filed by SEBI	12	12	18	8	7	19
Cases filed by Parties	98	115	521	109	200	430
Total	**110**	**127**	**539**	**117**	**207**	**449**

Note: Figures are excluding prosecution and recovery litigations.

Table 10.40: Fora-Wise status of Cases

Forum	Pending as on March 31, 2025	Filed	Disposed	Pending as on March 31, 2026
Civil Court	114	25	29	110
Consumer Forum	333	34	113	254
NCLT	63	37	42	58
NCLAT	13	7	11	9
Labour Commissioner/ Labour Court	8	2	3	7
Commissioner of GST & CX/ Sales Tax Appellate Tribunal	0	0	0	0
Commissioner of Income Tax	2	2	2	2
Permanent Lok Adalat	2	1	1	2
The Debt Recovery Tribunal	1	0	0	1
Bar Council of India	1	0	0	1
Other	2	9	6	5
Total	**539**	**117**	**207**	**449**

Note: Figures are excluding prosecution and recovery litigations.

The proceedings emanated from a Show Cause Notice (SCN) dated 19.10.2023 issued to the appellants for allegations *inter alia* pertaining to irregularities of distribution of sale proceeds to public shareholders resulting out of sale of wholly owned subsidiary and dairy product business and irregularities in delisting of shares and manipulation in the books of accounts.

Pursuant to the SCN, the Appellants sought inspection of certain documents and thereafter additional documents were allegedly sought. Respondent vide email dated 31.01.2024 denied the seeking

Table 10.41: Fora-wise status of Criminal Cases Filed by Parties

Forum	Pending as on March 31, 2025	Filed during 2025-26	Disposed during 2025-26	Pending as on March 31, 2026
SEBI Special Court, Mumbai	0	3	3	0
City Civil & Sessions Court, Mumbai	0	4	2	2
West District & Sessions Court, Tis Hazari, Delhi	3	0	0	3
New Delhi District & Sessions Court, Patiala House, Delhi	0	1	1	0
South District & Sessions Court, Saket, Delhi	0	1	0	1
Chief Judicial Magistrate/Judicial Magistrate, Jalandhar, Punjab	3	2	0	5
Judicial Magistrate, Mansa, Punjab	0	1	0	1
Judicial Magistrate, Gurugram, Haryana	0	9	0	9
Judicial Magistrate, Karnal, Haryana	0	1	0	1
Metropolitan Magistrate, Bandra, Mumbai	0	2	1	1
Metropolitan Magistrate, Chandigarh	2	0	0	2
Total	**8**	**24**	**7**	**25**

additional documents and asked the Appellants to file its reply. The Appellant then challenged the said email before SAT and sought several documents including the SCN issued to Independent Directors and/ or other officials of the Appellant, complete chain of communication between Forensic Auditor and the Respondent, documents pertaining to investigation from October 2020, inter-department transfers, communication between departments of SEBI, etc.

The SAT allowed the inspection of SCNs issued to Independent directors while rejecting the prayer for other documents as mentioned above. The SAT observed that the internal and inter-departmental notings are part of a process within SEBI which culminate in the Investigation Report and finally lead to the issuance of the SCNs and also observed that providing the Forensic Audit Report and the Investigation Report to the Appellants redresses their grievances.

Before the Hon'ble Supreme Court, the Appellants argued that they are entitled to such documents as all those documents are relevant and inter-department transfer of documents/ notings reflect the views of various department and would influence the decision of the competent authority in determining the specific violations, etc.

However, Hon'ble Court while dismissing the Appeal observed that they are not inclined to interfere with the order of SAT and further observed that any documents relied on by SEBI will be provided to the appellants.

ii. **Common order dated December 1, 2025– Elara India Opportunities Fund Limited vs. SEBI & Ors. (C.A. No. 14194 of 2025) along with Vespera Fund Limited vs. SEBI (C.A No. 14195 of 2025)**

The Appeal was preferred by Elara India Opportunities Fund Ltd (Elara) and Vespera Fund Ltd (Vespera) against SAT order dated 15.10.2025 whereby SAT had upheld SEBI letter dated 28.03.2025 rejecting the application seeking exemption from strict enforcement of certain provision of the SEBI (FPI) Regulations, 2019 (FPI Regulations).

Regulations 22(6) and 22(7) of the FPI Regulations specifically require the FPIs to disclose information or documents in relation to the persons with any ownership, economic interest or control in the FPI in the manner specified by the Board. Further, vide its Circular dated 24.08.2023, SEBI mandated additional granular disclosures viz. ownership by natural persons etc. for the FPIs holding more than 50 per cent of its Indian equity AUM in a single Indian corporate group. The deadlines provided under the circular were extended by 180 days, for liquidation of all holdings in case of non-compliance of the relevant disclosures. After expiry of this period, the unsold securities of FPI was to be deemed to be compulsorily written-off by the FPI and FPI shall lose any beneficial interest in the said securities.

Elara had invested 82.13 per cent and Vespera had invested 72.99 per cent of assets in the Adani Group, which was more than 50 per cent threshold in single Indian corporate group. However, both the entities failed to comply with the requirement of making granular disclosures as per the abovementioned circular. Therefore, their registration as an FPI was rendered invalid, were required to liquidate their securities and exit the Indian securities market. Although the Appellants liquidated their securities in terms of the circulars, however, they retained certain warrants purchased by them during 2023-24.

On 04.02.2025, the Appellants filed its application under regulation 43B of the FPI regulations for exemption from strict enforcement of FPI Regulations and requested that they may be allowed to exercise conversion of the warrants subscribed by them, receive shares so allotted in its demat accounts and thereafter sell the shares. Vide SEBI letter dated 29.03.2025, the application filed by the appellants was rejected.

The Appeals filed before Ld. SAT were dismissed vide order dated 15.10.2025 wherein the Ld. SAT observed that the August 2023 circular has been issued in view of the concerns that entities with large Indian equity portfolios could potentially disrupt the orderly functioning of securities markets by misusing the FPI route. It was also observed that the Appellants took a conscious decision to subscribe to the warrants in the violation of August 2023 circular and the same is completely in variance with their conduct of liquidating their remaining securities.

Pursuant thereto, Appeals were preferred by Elara and Vespera before the Hon'ble Supreme Court. The Hon'ble Court, vide its order dated 01.12.2025 dismissed the Appeals and upheld the SAT order dated 15.10.2025.

iii. **Common order dated April 07, 2025 – SEBI vs. Ram Kishori Gupta and anr. (Civil Appeal no. 7941 of 2019) and other connected appeals**

An order dated February 20, 2008 was passed by SEBI against Vital Communications Ltd (VCL) and its promoters and directors in relation to alleged misleading advertisements issued by VCL with regard to buyback of its shares, issue of bonus shares and preferential issue of shares.

One Mrs. Ram Kishori Gupta and her husband, Mr. Harishchandra Gupta (Collectively referred to as "the Guptas") claimed compensation from SEBI for the losses suffered by them in connection with the shares of VCL, which was denied by SEBI. Pursuant to an appeal filed by the Guptas, the SAT while upholding the aforesaid SEBI order against VCL and others, directed SEBI to consider directing VCL to refund the actual amount spent by the Guptas on purchasing the shares in question with appropriate interest and as per law.

WTM SEBI vide order dated July 31, 2014 restrained 24 Noticees from accessing the securities market and prohibited them from dealing in securities. Vide report of SEBI regarding non feasibility of quantification of any ill-gotten gains by VCL, promoter group of preferential allottees was informed to the Guptas.

Aggrieved by the aforesaid report of SEBI, the Guptas filed appeal before the Ld. SAT which was disposed of by the SAT vide order dated August 27, 2015 directing WTM SEBI to pass appropriate orders on merits, after hearing the Guptas.

WTM SEBI vide order dated September 28, 2018 directed VCL and its various directors/ entities to jointly and severally disgorge their unlawful gains of ₹4,55,91,232 along with interest.

Appeals against the aforesaid order of WTM SEBI was filed by the Guptas before the Ld. SAT for denial of restitution by the said order of WTM, and by VCL and others against the direction of disgorgement. Vide order dated August 02, 2019 the Ld. SAT held that as violation by VCL had been conclusively proved by the order dated September 28, 2018, therefore SEBI was directed to compensate the Guptas to the extent of ₹18,25,041.

Being aggrieved by the order dated August 02, 2019 SEBI filed an appeal before the Hon'ble Supreme Court. The Guptas also filed an appeal before the Hon'ble Supreme Court.

On the appeals filed by VLC and others, the SAT vide order dated December 20, 2021, held that:

- WTM SEBI's order dated December 16, 2014 to its Investigation Department to examine the feasibility of quantifying ill-gotten gains and to issue requisite notices for disgorgement, was wholly without jurisdiction.
- No fresh proceedings on the same cause of action could have been initiated under Sections 11 and 11B of the SEBI Act, 1992 after the order dated July 31, 2014 attained finality.
- The order dated September 28, 2018 was, therefore, held to be barred by the principle of res judicata.

Further, the Ld. SAT vide its order dated December 20, 2021 also imposed cost of ₹2,00,000 to be paid by SEBI to each of the appellants.

The said order of the Ld. SAT was challenged by SEBI before the Hon'ble Supreme Court. The Hon'ble Court vide its order dated April 07, 2025 while allowing the Civil Appeal filed by SEBI in CA no. 7941 of 2019, inter alia, held that:

- The illegalities committed by VCL and the other entities had financial implications which may have warranted a direction for disgorgement, but once the SEBI choose not to issue such a direction in the first instance and was satisfied with lesser penalties in its order dated July 31, 2014, the question of permitting SEBI, without just cause, to revisit the said final order and pass fresh directions does not arise. Doing so would be violative of public policy and the principle of res judicata.
- The compensation claim of the Guptas against SEBI was decided by the Ld. SAT's order dated April 30, 2013, which also attained finality and it was not open to them to reopen the same.

  Consequently, the Civil Appeal (Diary) No. 42829 of 2019 filed by the Guptas was dismissed by the Hon'ble Supreme Court. Vide the same order, it was also held that SEBI's appeals against the impugned order of the Ld. SAT is devoid of merit. However, the direction of the Ld. SAT imposing cost of ₹ 2,00,000/- on SEBI to be paid to VCL and the other noticees each was set aside and allowed the Civil Appeal Nos.1649-1652 of 2022 to that extent.

iv. **Order dated December 02, 2025 in the matter of Reliance Industries Ltd. & Ors. v. SEBI (CA No. 9511/2025)**

SEBI conducted an investigation in the suspected insider trading activities in the scrip of Reliance Industries Ltd. ("RIL"/ "Company"). It was observed that news about impending Jio-Facebook deal was published in the Financial Times (FT), London on March 24, 2020 post market hours and thereafter, the said news report of FT was widely circulated in Indian media on the same day and next day. Post publication of the said news articles, the scrip price of the Company went up by almost 15 per cent on March 25, 2020.

Pursuant to investigation, adjudication proceedings were initiated against RIL and its Compliance Officers (being Ms. Savitri Parekh and Mr. K. Sethuraman, Appellant Nos. 2 and 3 respectively). Adjudicating Officer (AO), vide Order dt. June 20, 2022, held that Appellants did not comply with the provision of principles of fair disclosure of UPSI (Unpublished Price Sensitive Information) and did not issue any clarification on the same, and therefore, Appellants were liable for the violation of provisions of Principle No. 4 under Schedule A - Principles of Fair Disclosure for purposes of code of practices and procedures for Fair Disclosure of UPSI read with Regulation 8(1) of SEBI (PIT) Regulations, 2015 read with Regulation 30(11) of SEBI (LODR) Regulations, 2015. Accordingly, AO imposed a penalty of ₹30,00,000 under Section 15HB of the SEBI Act to be paid jointly and severally by the Appellants.

In appeal by Appellants before the Ld. Securities Appellate Tribunal (SAT), the Ld. SAT while dismissing the appeal *inter alia* held as under:

- All material information under LODR may not be price sensitive for the purpose of PIT Regulations. Conversely, merely because the material information is required to be disclosed to the stock exchanges, it cannot be held to be UPSI. What is 'price sensitive' is essentially 'material', but the converse is not true.
- The scope of LODR and PIT Regulations while overlapping at some places, is different. The standard of disclosure is much higher in PIT Regulations and the dispute in the instant matter cannot be reduced to mere non-compliance of Regulation 30(11) of LODR Regulations and germane issued is to determine whether appellants may be held to be in violation of PIT Regulations or not.
- Principle 1 of the PIT Regulations requires the company to make prompt disclosure as and when a credible and concrete information comes into being in order to make it generally available whereas Principle 4 makes it obligatory to make prompt disclosure, of a UPSI which is disclosed selectively, to make information generally available. It was the responsibility of the company to make prompt disclosure when it was selectively disclosed in certain media and in order to protect the interest of its shareholder, the duty was casted upon the company to make the disclosure.
- The appellants' submission that the information cannot be held concrete or credible till a binding agreement is signed and that accepting such submission would defeat the purpose of PIT Regulations cannot be accepted.
- In respect of a materially price sensitive matter in the nature of significant cross-border investment in a company such as RIL, the information may be held as 'generally available' only when company authenticates it and not merely on the basis of a newspaper leakage, not authenticated by the company.

Aggrieved by the same, the subject appeal was filed before the Hon'ble Supreme Court. When the matter was taken up for hearing on December 02, 2025, the Appellants made their submissions on applicability of Regulations 30(10) & 30(11) of the LODR Regulations in the instant matter and that a company cannot be bound to clarify every news article especially when the deal was still being negotiated. Further, Appellant submitted before the Hon'ble Court that upon publication in the newspapers, the information became generally available information and that the same was also observed by AO, SEBI. At this stage, Ld. SG, appearing for SEBI, informed the Hon'ble Court that subsequent to publication of the news article on March 24, 2020, there was an increase in the price of the scrip by 15 per cent.

The Hon'ble Court, vide its order dated December 02, 2025, dismissed the appeal *inter alia* observing that no case for interference is made out on the conclusion drawn by SEBI with respect to the violation of the 2015 Regulations, whereby there is a statutory duty of disclosing unpublished/ selectively published price sensitive information so as to make it generally available and embargo against insider trading, particularly in view of the fact that post publication of news articles, the price rise in the scrip was almost 15 per cent (against the previous day closing price) whereas post corporate announcement, the price rise was around 10 per cent.

v. **Order dated March 17, 2026 in the matter of SEBI Vs Terrascope Ventures Ltd & Ors [Civil Appeal Nos 5209-5211 of 2022]**

The Appeal has been filed by SEBI against the Common Order of the SAT dated June 6, 2022 (the "Impugned Order") whereby the SAT had quashed and set aside 3 different orders of the Adjudicating Officer on the same date i.e. April 29, 2020 (the "AO Orders") against the Respondent No 1 Company Terrascope Ventures Ltd and its two Directors – Respondent No. 2 Ms. Geeta Manoharlal Saraf and Respondent No. 3 Mr. Manoharlal Saraf.

Pursuant to an investigation by SEBI, it was found that the proceeds raised through the preferential issue by the Respondent No 1 Company were not utilized as per the disclosed objects of the preferential issue and were instead utilized for other purposes such as investment in shares and providing loans and advances. In view thereof, the AO had held that such an act amounted to misleading the investors and had imposed a penalty of ₹ 1 crore against the Respondent No 1 Company under Section 15HA of the SEBI Act, 1992 and Section 23E of the Securities Contracts (Regulation) Act, 1956 (the "SCRA") for violation of Regulation 3 and 4 of the SEBI (PFUTP) Regulations, 2003 and Section 21 of the SCRA read with clause 43 of the Listing Agreement respectively while a penalty of ₹ 25 lakh each was imposed on Respondents No 2 and 3 under Section 15HA of the SEBI Act, 1992.

The said order was challenged before the Ld. SAT wherein it was argued by the Respondent No. 1 Company and Respondents No 2 and 3 herein that vide a special resolution at a later date, the variance in the utilization of the proceeds of the issue were ratified. The Ld. SAT concurred with this argument and set aside the AO Orders which was challenged by the Board before the Hon'ble Supreme Court.

While noting the contentions of both the parties after a detailed hearing, the order was reserved on September 16, 2025 and was pronounced on March 17, 2026. The Hon'ble Court allowed the SEBI appeal and set aside order of the Ld. SAT, inter alia, with the following reasoning:

- The object of the SEBI Act and the Regulations are to pre-empt manipulative trading and check all kinds of impermissible conduct resorted by parties, so that the innocent investor is not misled. Any practice which does not conform to the fair and transparent principles of trades in the stock market would be captured under the rubric of unfair trade practices in the securities market.

- The ambit of fraud under PFUTP Regulations is broader than the normal meaning assigned to the term, illustrated by its very definition under the PFUTP Regulations which even excludes the requirement of deceit. The Bench held that the diversion of funds by the Respondents for a purpose different to the one set out at the time of preferential issue misled the investors and was a breach of Regulation 3, 4(2)(f), 4(2)(k) and 4(2)(r) of the PFUTP Regulations.

- Failure to furnish the details pertaining to the variation in the utilization of proceeds also attracted the penalty under Section 23E of SCRA.

- SEBI regulations such as the PFUTP Regulations has public law dimensions since it protects the rights of several stakeholders and a liability which is crystalized through the regulatory provisions cannot be wiped off by a private resolution, by contending that the shareholders have condoned the action.

- An illegality or an ultra-vires act cannot be ratified subsequently through a shareholder resolution.

- The provisions of the SEBI Act, 1992 provides for initiation of separate and distinct proceedings for violation of the provisions of the SEBI Act, 1992 and the regulations made thereunder.

II. High Court

a. Common order dated December 01, 2025- Hemant Kulshrestha vs. SEBI and others [W.P. (L) no. 31373 of 2025] and connected petition - High Court of Judicature at Bombay

These petitions were filed challenging the IPO of WeWork India Private Ltd. (**Company**) on the ground of misleading disclosures in the Draft Red Herring Prospectus (**DRHP**) of the Company pertaining to its brand ownership and precarious financial position. It was also alleged that certain criminal proceedings against the promoters of the company were not disclosed in the DRHP/ RHP and that SEBI should apply the 'fit and proper' criteria to the company which is applicable to registered intermediaries. While dismissing the writ petitions, the Court observed that SEBI General Order no. 1 of 2012 *inter alia* stipulates that SEBI does not regulate on merit or approve the documents of offer/issue of securities, but only mandates true, fair and adequate disclosures and that the role of SEBI is limited to the supervision of functioning of the Book Running Lead Manager whose larger duty pertains to making adequate disclosures. It was further observed that the Observation Letter issued by SEBI shows that SEBI has applied its mind, and the steps taken by it are satisfactory. The connected petition filed by Mr. Vinay Bansal was dismissed with costs of ₹1 lakh payable to the Maharashtra State Legal Services Authority.

b. **Order dated September 17, 2025- Chandrakant C. Shah vs. SEBI & AMFI (Public Interest Litigation No. 84 of 2024) - Hon'ble High Court of Judicature at Bombay**

A Public Interest Litigation ("PIL") was filed seeking directions to SEBI to revoke the liberty granted to Association of Mutual Funds in India ("AMFI") for carrying out investor education and awareness initiatives/programs and discontinuing its advertisement campaigns titled "Mutual Funds Sahi Hai", "Mutual Funds Mein SIP Sahi Hai" and "Be Patient and Stay Invested" alleging these campaigns are reckless, misleading and create a false impression of assured financial safety in the minds of general public in mutual fund investments and further that the campaign neither educates the investors nor does it disclose the risks inherent in the sale and purchase of mutual funds. The Court noted that it had dismissed an earlier PIL No. 26 of 2025 on similar grounds and that a subsequent Special Leave to Appeal SLP No. 13341 of 2025 filed before the Supreme Court was duly dismissed. The Court held that easy access to justice should not be misused as a license to file and pursue misconceived petitions and reiterated that only a person acting *bona fide* and possessing sufficient interest in the subject matter of a PIL has the *locus standi* to approach the Court for redressal of violations of fundamental rights or genuine infractions of statutory provisions. Since the writ petitioner did not meet the requirements laid down in the said judicial tests, the PIL was dismissed by the High Court on September 17, 2025 as no substantial public interest was found to be involved therein.

c. **Order dated 11.12.2025 in the matter of SEBI vs Amit Jain (LPA 412/2018) and Amit Jain vs. SEBI (LPA 550/2018) before Hon'ble Delhi High Court.**

The case involved cross appeals between SEBI and Amit Jain against a Hon'ble Delhi High Court's Single Bench judgment dated 09.07.2018. The Single Judge had quashed SEBI's SCN dated 14.11.2013 and adjudication proceedings initiated against Mr. Amit Jain while observing that SEBI had not recorded an opinion under Rule 3 of the SEBI Adjudication Rules, 1995 before appointing an Adjudicating Officer (AO).

The case originated from BSE's communication to SEBI regarding suspicious trades in the scrip of Himalaya Granites Ltd. shares. SEBI's internal committees examined the transactions and recommended initiation of adjudication proceedings for disclosure violations under the PIT Regulations, 1992. Based on these recommendations, SEBI appointed an AO under Section 15-I of the SEBI Act and the AO issued a SCN against Mr. Amit Jain alleging violation of Regulations 13(3) and 13(5) of the PIT Regulations, 1992. Mr. Amit Jain submitted reply to the SCN and appeared for hearing before the AO without raising any objections regarding the procedure followed for appointment of the AO. Subsequently, the petitioner challenged the notice before the Delhi High Court through a writ petition, inter alia, on the following grounds:

- SEBI had not recorded an opinion under Rule 3 of the SEBI Adjudication Rules, 1995 before appointing an Adjudicating Officer.
- The WTM SEBI was required to follow the procedure for adjudication given under the PIT Regulations, 1992 and give a finding on violation of the said regulations qua the petitioner before appointing Adjudicating Officer in the matter.
- After the WTM, SEBI finds that the petitioner has violated PIT Regulations, 1992, the role of the Adjudicating Officer would be limited to determining the quantum of penalty.

The Single Judge, Delhi High Court, inter alia, held that:

- The formation of opinion by SEBI before appointing the AO was mandatory, and since it was absent, the proceedings were invalid.
- The petitioner's contention that the WTM, SEBI should have given a finding on violation of PIT Regulations, 1992 before appointment of adjudicating officer is unmerited.

SEBI preferred an appeal against the Single Judge order vide LPAD 412/2018, arguing that appointment of the AO is only an administrative step, not requiring a detailed recorded opinion and that the scheme of Rules 3, 4, and 5 of the Adjudication Rules has been misunderstood. Amit Jain also preferred an appeal (LPA 550/2018) against the finding of Hon'ble Single Judge that his contention that the WTM, SEBI should have given a finding on violation of the PIT Regulations, 1992 before appointment of adjudicating officer is unmerited.

The Division Bench of Hon'ble Delhi High Court analyzed the statutory framework of Section 15A, Section 15-I, and the Adjudication Rules. While allowing SEBI's appeal (LPA 412/2018) and dismissing Amit Jain's appeal (LPA 550/2018), the Hon'ble Delhi High Court, inter alia, held that:

- the appointment of an Adjudicating Officer is an administrative step and merely initiates the inquiry process and therefore, the Single Judge misinterpreted the procedural scheme of the Adjudication Rules.
- no prior order under Regulation 14 of the PIT Regulations is required before initiating adjudication under Chapter VI-A of the SEBI Act.

d. **Order dated September 01, 2025 in the mater of SEBI vs CRB Capital Markets Limited before Hon'ble Delhi High Court. Co. PET. 379/2009.**

As part of its mutual fund activities, CRB Mutual Fund had launched a close-ended scheme i.e. the "Arihant Mangal Growth Scheme" in the year 1994. The Scheme was opened for subscriptions between August 19, 1994 to September 20, 1994, during which a sum of ₹229.28 crores was collected from 19,324 individual investors and 72 non-individual investors, which sums to a total of 19,396 investors.

SEBI conducted inspection of the records of CRB Mutual Funds in December 1994, which revealed multiple violations of securities laws and systemic deficiencies on the part of CRB Capital Markets Ltd. (Settlor), CRB Trustees (Trustee), CRB Asset Management Company (AMC). A SCN dated December 12, 1995 was issued by SEBI which resulted in order dated April 24, 1996 prohibiting the Respondents no. 1, 2 and 3 from lunching new scheme until June 1997.

In r 1997, the Reserve Bank of India filed a winding up petition against CRB Capital Markets Limited before Hon'ble Delhi High Court being Co.Pet.191/1997. Thereafter, a petition was filed by the Petitioner/ SEBI in the year 1997 as Trust Petition No. 3 of 1997 before the Hon'ble Bombay High Court for:

- safeguarding the interest of investors of Arihant Mangal Growth Scheme.
- seeking to appoint any fit and proper person/entity to take charge of all the property and assets of Respondent No. 2, 3 and 4 i.e. i.e., CRB Trustees, CRB Asset Management Company, and IIT Corporate Services respectively and the assets of the Mutual Funds and the Arihant Mangal Growth scheme for such period as the Court may deem fit and proper.

The Hon'ble Bombay High Court vide order dated October 09, 1997 appointed Mr. M.L.T Fernandes as a Provisional Administrator (who had continued till his demise on 24.02.2012). Vide order dated May 29, 2013, Hon'ble Delhi High Court disposed the Co.Pet. 379/2009 while setting up a Special Committee for performing various functions, including the function to wind up the Arihant Mangal.

The Special Committee was constituted for a period of one year only from the date of order dated May 29, 2013, however, the tenure was extended from time to time and had come to an end on 27.05.2023 as the tenure was not extended by the Hon'ble High Court. Several applications were filed in the matter by SEBI pertaining to the functioning of the Special Committee including Co. Appl. No. 420/2022, 506/2024 and 403/2025 inter alia seeking (i) Replacement of Special Committee with the Special Cell to be constituted by SEBI and denying further extension to the Special Committee, (ii) forensic audit of all the records of the Special Committee, and (iii) recovering the disbursements made by Special Committee to the CRB Group.

Vide judgement dated September 01, 2025, Hon'ble Delhi High Court inter alia directed SEBI to establish a Special Cell to replace the Special Committee and take over all the records of the Special Committee, presently under the lock and key put by the Local Commissioner appointed by Hon'ble Delhi High Court. Further, in view of the manner of distribution of funds adopted by the Special Committee, Hon'ble Delhi High Court permitted SEBI to conduct a Forensic Audit of all the records, bank accounts, documents etc., pertaining to the Arihant Mangal Growth Scheme and the Special Committee in accordance with law.

III. Securities Appellate Tribunal

a. Order dated 16 January 2026 in Appeal No. 838/2022- Bombay Dyeing and Manufacturing Company Ltd and Anr. vs SEBI and other connected 3 appeals in the matter of Bombay Dyeing and Manufacturing Company Ltd.

Pursuant to receipt of complaints, investigation was initiated against Bombay Dyeing and Manufacturing Company Ltd. (BDMCL) for the period 2011-12 to 2018-19 wherein it was revealed that a scheme has been devised by BDMCL to misrepresent its financials, by recognizing inflated revenue and booking inflated profits through sales of flats to SCAL Services Ltd (SCAL) between

2011-12 to 2017-18. BDMCL had entered into 11 MoUs with SCAL, a negative net worth company, for the sale of 325 flats for an aggregate consideration of approximately ₹3,033 crore and recognized revenue of ₹2,493 crore and profit of ₹1,302 crore in its books from 2011-12 to 2017-18, even though, the net amount received with respect to said MoUs was merely 7.5 per cent of the revenue recognized by BDMCL. It was also revealed that prior to entering into the said MoUs, BDMCL reduced its shareholding in SCAL from 49 per cent to 19 per cent and not categorized SCAL as its associate company escaping consolidation of financial as required under the Companies Act, 2013, relevant Accounting Standards and SEBI Regulations. Investigation also found that BDMCL recognised bulk sales under MoUs for booking inflated revenue and profits, however SCAL had not recorded any corresponding purchases in its books except recording the difference between sales and purchase price of flats at the time of the final sale of flats. Furthermore, several factors, including common registered office, shared management, financial dependence, and routing of funds to SCAL through group entities, suggested that SCAL was functioning as an extended arm of BDMCL. Accordingly, SCNs were issued to the BDMCL and other noticees alleging violation of SEBI (PFUTP) Regulations, 2003 and SEBI (LODR) Regulations, 2015. Subsequently, WTM and Adjudicating Officer, SEBI passed orders concluding that a well-orchestrated device was employed by BDMCL along with other noticees for fraudulently misrepresenting the financial statements by inflating the revenues and profits during 2011-12 to 2017-18, of a listed company BDMCL to display it as a consistent profit making enterprise at a time when the financial statements would in fact display a gloomy state of affairs and further held that non genuine MoUs with to SCAL have been entered into with no real transfer of risk and reward. Upon challenge, by a 2:1 majority, the appeals were allowed to set aside the impugned orders.

The majority bench of SAT (technical members of SAT) held that the MoUs did transfer risks and rewards and that the unregistered or inadequately stamped nature of MoUs did not render them invalid and further accepted the differential accounting treatment adopted by BDMCL for the sale of flats and SCAL for the purchase of flats. The majority judgement held that evidence on record does not establish that the MOUs entered into with SCAL for sale of flats were non-genuine transactions to inflate revenue/ profits of BDMCL and held that successful selling of some of these flats to ultimate buyers by SCAL was sufficient proof of genuineness of the MOUs. The fraudulent intent in reducing shareholding was also rejected by the majority judgement, noting that the transaction predated the relevant provisions of the Companies Act, 2013 and held that the alleged misstatements did not amount to fraudulent and unfair trade practices in the securities market in the absence of evidence of price manipulation, investor exit or unlawful gains. The majority bench of SAT further held that since there was no fraudulent scheme, the appeal filed by other appellants including the CFOs and Audit Committee Members of BDMCL too deserves to be allowed.

The minority judgment authored by the Hon'ble Presiding Officer, SAT, dissented with the majority view and *inter-alia* held that it was a classic case of fraud in the securities market as there was no real sale of flats except on paper only and that no genuine consideration had flown between BDMCL and SCAL that could be termed as profit. The minority judgement, further viewed that the misuse of company as a device to conceal their wrong doing is largely writ on its face and that this was a fit case to pierce the corporate veil to know the real owners of SCAL. It was also observed that had SCAL not been an extended arm of BDMCL, neither SCAL would have ventured to make an offer of purchase nor would BDMCL have agreed to make bulk sale of its flats worth several hundred crores to a negative net worth company. The SAT minority judgement further observed that the artificial profits lure gullible investors to invest in the scrip and such market abuse cannot be countenanced. Further, the minority judgement affirmed SEBI's jurisdiction over unlisted company SCAL while holding that it is no more res integra that a person or entity involved in manipulation is liable for action. Further w.r.t the appeal filed by the CFOs and Audit Committee Members, Independent Directors of BDMCL, SAT minority judgement held that they were holding high positions with high pay packets and they cannot be heard to contend that they are not responsible for the acts and omissions.

The Hon'ble Presiding Officer while dismissing the appeals also imposed cost of ₹ 50 lakh and ₹ 10 lakh on the Appellants in Appeal no. 838/2022 and 839/2022.

b. **Order dated May 02, 2025 in Appeal No. 603 of 2022 Reliance Industries Ltd. & Ors. vs SEBI in the matter of Reliance Industries Ltd.**

SEBI conducted an investigation into suspected insider trading activities in the scrip of Reliance Industries Ltd. (RIL) for the period September 01, 2019 to May 07, 2020. The investigation revealed that media reports concerning the proposed investment by Facebook in Jio Platforms Limited were published in the months of March and April 2020, prior to the corporate announcement made by RIL on April 22, 2020 about such investment. The first such report was published by Financial Times, London on March 24, 2020 after the market hours which was widely circulated in Indian media on the same day and the next day. The scrip price of the RIL went up by almost 15 per cent on March 25, 2020, post publication of said news articles.

However, the Appellants failed to comply with the principles of Fair Disclosure of Unpublished Price Sensitive Information (fair disclosure of UPSI) enumerated under Schedule A of SEBI (PIT) Regulations, 2015 which mandate a company to promptly disseminate any UPSI that gets disclosed selectively, inadvertently or otherwise, so that the information becomes generally available and that, the Appellants failed to provide necessary clarification to the stock exchanges in respect of the news being circulated, as required under Regulation 30(11) of SEBI (LODR) Regulations, 2015 which provides that a listed company to *suo motu* confirm or deny any reported event or information to the stock exchanges. Accordingly, adjudication proceedings were initiated against the entities where after, a penalty of Rs.30 lakh was imposed jointly and severally upon the Appellants under section 15HB of the SEBI Act, 1992.

The SAT *inter alia* held that when information was circulated in the media from unknown sources, the Appellants were under an obligation to make prompt disclosures. The contention of the Appellants that only a binding agreement can be considered as credible information, thereby warranting its disclosure to the stock exchanges, was rejected as untenable as such an interpretation would defeat the spirit of the SEBI (PIT) Regulations, 2015. The SAT further observed that permitting speculative information to circulate without timely clarification adversely affects the integrity of the securities market. Accordingly, the SAT had dismissed the appeal.

c. **Order dated July 16, 2025 in Appeal No. 333 of 2025 – Infrastructure Watchdog vs SEBI in the matter of IPO of Smartworks Co-working Spaces Ltd.**

Smartworks Co-working Space Ltd. (Company) filed a DRHP with SEBI on August 14, 2024 and a RHP on July 04, 2025. In the meanwhile, Infrastructure Watchdog (the Appellant) filed various complaints with SEBI alleging irregularities and statutory non-compliance in the IPO process, including non-disclosure of proceedings before various authorities including the proceedings before the Income Tax Authority. It was further alleged that the RHP dated July 04, 2025 issued by the Company is in violation of the SEBI (ICDR) Regulations, 2018, the SEBI Act, 1992 and the Companies Act, 2013. Aggrieved by the alleged inaction on the part of SEBI on the complaints, the Appellant filed an appeal before the SAT and *inter alia* prayed for a direction to SEBI to initiate investigation into the affairs of the company and its promoters and to restrain the company from proceeding with the IPO process.

While opposing the maintainability of the appeal, SEBI maintained that the issues raised by the Appellant in the complaints as well as by other complainants, had been duly dealt with and appropriately disclosed, which was disputed by the Appellants. On issue as to whether SEBI had failed in its statutory duty and whether interference with the IPO process was warranted, the SAT held that disclosure obligations under the SEBI (ICDR) Regulations, 2018 arises in respect of pending litigation, regulatory actions, tax demands/notices, etc. The Appellant had solely relied upon internal reports of Income Tax Department to allege irregularities in the company, the findings whereof are indicative in nature and admittedly no notice has been issued to the company on the basis of such reports. Therefore, till any notice is received, no disclosure is required under the SEBI (ICDR) Regulations, 2018. Nevertheless, the complaint of the Appellant which refers to such reports had been disclosed by way of addendum. The SAT further observed that the Appellant was not an investor and the IPO had been oversubscribed by institutional investors as well as retail investors. Hence, the investors have made informed decision to invest in the company and any interference at that stage would adversely affect investor interests. Therefore, the SAT held that SEBI could not be said to have failed in ensuring compliance with the disclosure requirements. Accordingly, the SAT had dismissed the appeal.

IV. **SEBI Special Court**

a. **Orders dated June 10, 2025 in SEBI SPL Case No.172 of 2014- SEBI v. Rijuta Finvest Private Ltd. and SEBI SPL Case No. 174 of 2014- SEBI v. Damyanti Finvest Private Ltd.**

Prosecution was launched by SEBI in two separate complaints against Rijuta Finvest Private Limited and its four Directors and Damyanti Finvest Private Limited and its four Directors (all Directors were common in both the companies) under section 24(1) r/w section 11(3) of the SEBI Act, 1992 for failing to furnish the information/record sought by Investigating Authority (IA).

During the trial, two of the directors of both the companies (Accused No.4 and Accused No.5) had died and hence the matter was abated against them in both the complaints.

The Hon'ble SEBI Special Court vide its orders dated 10.06.2025 in both complaints held that evidence on record established and proved beyond all reasonable doubt that the tried accused persons being the director of Accused Companies failed to produce the necessary documents as per the summons and thus committed the offence punishable under Section 24(1) read with 27 of the SEBI Act, 1992 and hence proved guilty. The Hon'ble Court in both the matters separately sentenced each accused i.e. Accused No. 1, Accused No. 2 and Accused No. 3 to pay fine of ₹2 Lakh, in default of payment of fine, Accused No. 2 and Accused No. 3 are directed to undergo simple imprisonment for one month each. The fine of Accused No. 1 Company was directed to be paid by Accused No. 2 and Accused No. 3 and further simple imprisonment of one month, in default of payment of fine.

b. **Order dated July 19, 2025 in SEBI SPL. Case No. 352/2014 – SEBI v. M'Belle International Pvt. Ltd. & Ors.**

Prosecution was launched by SEBI against M'Belle International Pvt. Ltd. and its five directors under Section 24(2) r/w Section 27 of the SEBI Act, 1992 for the offence of non-payment of penalty of ₹ 1 crore imposed by the Adjudicating Officer vide order dated June 30, 2004.

During the course of the proceedings, the Accused No. 1/ Company was struck off from the Register of Companies. The case against Accused No. 2 got abated. After conclusion of trial and arguments, the Hon'ble Court held that SEBI has proved beyond reasonable doubt that Accused no. 3 and 4 are the directors of the accused company and that they had failed to comply with the adjudication order and therefore, committed an offence under Section 24(2) r/w Section 27 of the SEBI Act. The Hon'ble Court observed that any claim of a violation of principles of natural justice during the adjudication proceedings or before the passing of the adjudication order are immaterial and as the Hon'ble SAT has been constituted specifically for challenging orders of SEBI, the instant forum is not the appropriate one for dealing with or raising the said contentions.

Accordingly, the Hon'ble Court convicted Accused Nos. 3 and 4 imposing a punishment by the way of fine of ₹1 crore on each of them, and also directed that 50 per cent of the fine amount is to be paid to SEBI as compensation. The Accused No. 5 was not found guilty on the ground that she had resigned from her directorship.

c. **Order dated February 7, 2026 in SEBI SPL. Case No. 244/2020 – SEBI v. Wada Arun Asbestos Products Pvt. Ltd. & Ors.**

Prosecution was launched by SEBI against Wada Arun Asbestos Products Pvt. Ltd. and its three directors under Section 24(1) r/w Section 27 of the SEBI Act, 1992 for non furnishing of information sought by investigating Authority vide summons issued under Section 11(3) of SEBI Act.

After appreciating the evidence, the Hon'ble Court held that Accused No. 1/ Company and the accused Nos. 2 to 4 being its directors failed to furnish the information as required by the summons issued under Section 11(3) of SEBI Act and have committed offence punishable under Section 24(1) r/w Section 27 of SEBI Act.

Accordingly, the accused persons were convicted for offence punishable under Section 24(1) r/w Section 27 of SEBI Act and they were imposed a fine of ₹10 Lakh each. Further, the directors were also sentenced to undergo imprisonment till rising of the Court.

d. **Order dated March 7, 2026 in SEBI SPL. Case No. 114/2015- SEBI v. Amit Shantilal Mehta**

Prosecution was launched by SEBI against Amit Shantilal Mehta under Section 24(2) of the SEBI Act, 1992 for non- payment of penalty imposed by Adjudicating Officer vide order dated 12.01.2011.

After appreciating the evidence, the Hon'ble Court held that the adjudication order was duly proved and that communications were sent to the correct address through registered post. Applying the presumption of deemed service under Section 27 of the General Clauses Act, the Court found that the accused failed to rebut such presumption.

Accordingly, the Hon'ble Court convicted the accused and sentenced to undergo simple imprisonment of two months along with fine of ₹ 10 Lakh and further simple imprisonment of six months, in default of payment of fine.

e. **Order dated January 12, 2026 in Ct. Case No. 568/2013 – SEBI v. Araya Plantation and Farm Developers Ltd. & Ors.**

Prosecution was launched by SEBI against Araya Plantation and Farm Developers Ltd. and its directors under Section 24 (1) r/w Section 27 of the SEBI Act, 1992 for the violation of the provisions of Section 12 (1B) of the SEBI Act, 1992 and SEBI (CIS) Regulations, 1999.

SEBI, vide its order dated 07.12.2000, had directed the company to make repayment of amount mobilized from the investors. Since the Company had failed to make an application for registration as a CIS and also failed to make the repayments, accordingly, the prosecution was launched.

After appreciating the evidence, the Hon'ble Court held that the company had mobilized funds to the tune of ₹ 6.2 crore in violation of the provisions of the CIS Regulations, 1999 and the co-accused, being the directors of the company were liable for the violation committed by the company under Section 27 of the SEBI Act, 1992.

Accordingly, the Hon'ble Court sentenced Araya Plantation and Farm Developers Ltd with a fine amount of ₹ 4.5 crore and two of its directors were sentenced to undergo simple imprisonment for a period of one year and payment of fine amount of ₹ 50 lakh each, and further simple imprisonment of three months, in default of payment of fine.

10.4 AMENDMENTS TO REGULATIONS

The list of 51 amendments made to various regulations during 2025-26 is given below. The details of major amendments of regulations have been given in respective chapters.

Sl. No.	Date	Title
		Amendment Regulations – 51
1	April 2, 2025	SEBI (Infrastructure Investment Trusts) (Amendment) Regulations, 2025
2	April 23, 2025	SEBI (Real Estate Investment Trusts) (Amendment) Regulations, 2025
3	April 2, 2025	SEBI (Credit Rating Agencies) (Second Amendment) Regulations, 2025
4	April 29, 2025	SEBI (Infrastructure Investment Trusts) (Second Amendment) Regulations, 2025
5	April 30, 2025	SEBI (Depositories and Participants) (Second Amendment) Regulations, 2025
6	May 1, 2025	SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2025
7	May 1, 2025	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Third Amendment) Regulations, 2025
8	May 1, 2025	SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2025
9	May 5, 2025	SEBI (Issue and Listing of Securitised Debt Instruments and Security Receipts) (Amendment) Regulations, 2025
10	May 23, 2025	SEBI (Alternative Investment Funds) (Amendment) Regulations, 2025
11	July 15, 2025	SEBI (Certification of Associated Persons in the Securities Markets) (Amendment) Regulations, 2025
12	Aug 6, 2025	SEBI (Research Analysts) (Amendment) Regulations, 2025
13	Aug 7, 2025	SEBI (Investment Advisers) (Amendment) Regulations, 2025
14	Aug 12, 2025	SEBI (Foreign Portfolio Investors) (Amendment) Regulations, 2025
15	Sep 2, 2025	SEBI (Investor Protection and Education Fund) (Amendment) Regulations, 2025
16	Sep 3, 2025	SEBI (Real Estate Investment Trusts) (Second Amendment) Regulations, 2025
17	Sep 3,2025	SEBI (Infrastructure Investment Trusts) (Third Amendment) Regulations, 2025
18	Sep 3, 2025	SEBI (Delisting of Equity Shares) (Amendment) Regulations, 2025
19	Sep 3, 2025	SEBI (Portfolio Managers) (Amendment) Regulations, 2025
20	Sep 8, 2025	SEBI (Employees' Service) (Amendment) Regulations, 2025
21	Sep 8, 2025	SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2025
22	Sep 8, 2025	SEBI (Share Based Employee Benefits and Sweat Equity) (Amendment) Regulations, 2025
23	Sep 8, 2025	SEBI (Alternative Investment Funds) (Second Amendment) Regulations, 2025
24	Sep 8, 2025	SEBI (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2025
25	Sep 23, 2025	SEBI (Custodian) (Amendment) Regulations, 2025
26	Oct 27, 2025	SEBI (Debenture Trustees) (Amendment) Regulations, 2025
27	Oct 27, 2025	SEBI (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2025
28	Oct 28, 2025	SEBI (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2025
29	Nov 1, 2025	SEBI (Mutual Funds) (Second Amendment) Regulations, 2025
30	Nov 1, 2025	SEBI (Issue of Capital and Disclosure Requirements) (Third Amendment) Regulations, 2025
31	Nov 19, 2025	SEBI (Alternative Investment Funds) (Third Amendment) Regulations, 2025
32	Nov 19, 2025	SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2025

Sl. No.	Date	Title
33	Nov 22, 2025	SEBI (Depositories and Participants) (Third Amendment) Regulations, 2025
34	Nov 22, 2025	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) (Fourth Amendment) Regulations, 2025
35	Nov 25, 2025	SEBI (Research Analysts) (Second Amendment) Regulations, 2025
36	Nov 25, 2025	SEBI (Investment Advisers) (Second Amendment) Regulations, 2025
37	Dec 03, 2025	SEBI (Foreign Venture Capital Investors) (Amendment) Regulations, 2025
38	Dec 03, 2025	SEBI (Foreign Portfolio Investors) (Second Amendment) Regulations, 2025
39	Dec 04, 2025	SEBI (Share Based Employee Benefits and Sweat Equity) (Second Amendment) Regulations, 2025
40	Dec 05, 2025	SEBI (Substitution of Registered Post with Speed Post) (Amendment) Regulations, 2025
41	Dec 05, 2025	SEBI (Intermediaries) (Third Amendment) Regulations, 2025
42	Dec 05, 2025	SEBI (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2025
43	Dec 05, 2025	SEBI (Merchant Bankers) (Amendment) Regulations, 2025
44	Dec 11, 2025	SEBI (Infrastructure Investment Trusts) (Fourth Amendment) Regulations, 2025
45	Dec 11, 2025	SEBI (Real Estate Investment Trusts) (Third Amendment) Regulations, 2025
46	Dec 16, 2025	SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2025
47	Dec 16, 2025	SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 2025
48	Jan 15, 2026	SEBI (Credit Rating Agencies) (Amendment) Regulations, 2026
49	Jan 21, 2026	SEBI (Issue and Listing of Non-Convertible Securities) (Amendment) Regulations, 2026
50	Jan 22, 2026	SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2026
51	Mar 21, 2026	SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2026

10.5 NEW REGULATIONS (AIMS AND OBJECTIVES)

The following list provides the new regulations issued by SEBI during 2025-26, revamping the existing regulations.

10.6 PROGRESS OR IMPACT ASSESSMENT OF THE NEW REGULATIONS/ RULES

i. **Introduction of faster Rights Issue Framework:** SEBI introduced the faster

New Regulation	Aims and Objectives
SEBI (Registrars to an Issue and Share Transfer Agents), Regulations, 2025 notified on December 15, 2025	A comprehensive overhaul of the RTA regulatory framework was undertaken and new SEBI (Registrar to an Issue and Share Transfer Agent) Regulations, 2025 were notified. Key features of the revised regulatory framework include the following: • Introduction of activity-based regulations for RTAs wherein it was specified that services of RTAs only with respect to listed companies will come under SEBI's regulatory purview. • Doing away with categorization of RTAs; introduction of common definition for RTAs in place of existing separate definition • Net-worth requirement and revision in fee structure; Inclusion of securities premium for computation of net-worth • Introduction of institutional mechanism for RTAs These reforms aimed to align regulatory oversight with evolving market practices while improving ease of compliance.
SEBI (Stock Brokers Regulations), 2026 notified on January 07,2026	SEBI (Stock Brokers) Regulations, 2026 (SB Regulations) were notified on January 07, 2026 to simplify and modernize the existing framework for stock brokers with the objective to provide clarity, remove redundancies, align with contemporary market environment and practices and to facilitate ease of compliance. These regulations replaced the erstwhile SEBI (Stock Brokers) Regulations, 1992. Key changes include reorganizing the regulations into 11 chapters, deleting unnecessary schedules and integrating relevant content into the main regulations, and prescribing registration forms via circulars (in consultation with the Industry Standard Forum). The SB Regulations streamline the regulatory framework by consolidating duplicate provisions (e.g., underwriting, code of conduct), clarify key definitions (e.g., clearing member, proprietary trading, designated director), and introduce compliance-friendly measures such as enabling joint inspections, allowing electronic maintenance of books, etc.
SEBI (Mutual Funds), Regulations, 2026 notified on January 14,2026	SEBI issued the Mutual Funds Regulations, 2026, replacing the 1996 Regulations, and thereby comprehensively overhauling the mutual fund regulatory landscape. The primary aims and objectives of these regulations are to modernize the industry's "foundational architecture" by prioritizing transparency, structural simplicity, and investor protection. Through this regulations, SEBI seeks to enhance readability and ease of compliance for AMCs and trustees. The core objective is the unbundling of costs through the new Base Expense Ratio framework, ensuring that investors have a clear view of management fees versus statutory levies. The new regulations will help in strengthening investor protection, transparency, and governance standards within the mutual fund ecosystem.

rights issue framework from April 2025 onwards. Resource mobilization through rights issue more than doubled in 2025-26, with 139 rights issues raising ₹46,168 crore, up from ₹19,172 crore (across 142 issues) in 2024-25. This surge indicates that the framework is successfully achieving its objective of streamlining the process.

ii. **Revamping the framework for Social Stock Exchange:** Pursuant to the reduction in the minimum application size for donors to ₹1,000, retail participation has increased manifold. Before the change, retail donors contributed 3.6 per cent of the total funds raised; after the reduction, their share significantly increased to 14.7 per cent, reflecting deepening retail engagement in the social capital market.

iii. **Introduction of the Accredited Investors (AIs) Framework:** The Accreditation Framework was introduced in 2021 to identify a class of sophisticated investors who have the ability and willingness to invest in relatively riskier investment products and have minimal regulatory oversight. Considering the fact that AIFs are intended for sophisticated investors, SEBI's long term vision is to transition from 'minimum commitment threshold' to 'only accreditation status' as a metric of risk sophistication of an AIF investor. To support this transition, the various policy measures were introduced.

- To provide flexibility to AIs to make co-investment in unlisted securities, SEBI established a framework for AIFs to make co-investment in September 2025. This allowed Category I & II AIFs to offer AIs co-investment through a Co-investment scheme, as an additional route apart from Co-investment PMS route, which is available for all AIF investors.

- To ensure that Angel Funds on-board only investors with the necessary risk appetite after proper verification, SEBI introduced a revised regulatory framework for Angel Funds in September 2025. Angel Funds have been mandated to on-board and offer investment opportunities to only AIs, certified under extant SEBI accreditation framework. A glide path of one year has been provided to existing Angel Funds to transition to AI only regime. On the strength of the aforesaid mandate, substantial flexibilities have been extended to Angel Funds for investment in start-ups.

- As a regulatory measure to provide fillip to accreditation, SEBI introduced a separate category of AIF schemes exclusive to AIs in December 2025, providing regulatory flexibilities along with the reduction in minimum investment threshold for Large Value funds from ₹70 crore to ₹25 crore. Further, to facilitate ease of accreditation, SEBI simplified the requirements for grant of accreditation in January 2026.

The current accreditation numbers indicate growing traction in accreditation. The number of AIs increased from 649 in May 2025 to 2,773 as of April 30, 2026, constituting a 327 per cent growth over the 11-month period. To sustain this momentum, SEBI will continue to actively engage with the AIF industry and accreditation agencies to further streamline and facilitate the accreditation process.