

Bond market is tilting back to listed debt—and it may last

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Listed bonds in India are poised to claw back market share from unlisted issuances as participation from domestic mutual funds and global investors pushes companies towards more transparent mechanisms of fund raising. Market participants expect more bonds to be listed on Indian exchanges in 2026 and beyond.

So far in 2025—up to 9 December—companies have raised ₹8.66 trillion in listed bonds, including private placements and public issues, as per data from Primedatabase.com. In the whole of 2024, this number stood at ₹9.3 trillion. By contrast, companies tapped the unlisted space for ₹2 trillion in debt this year, compared with ₹1.9 trillion in 2024.

Although unlisted bonds have gained some market share this year, experts remain hopeful of listed debt growing at a faster clip going forward. Primedatabase.com data shows unlisted bonds gained about 200 basis points (bps) in market share in the broader bond market, even as listed securities accounted for the bulk of issuances.

So far in 2025, 18.8% of the money raised in the domestic bond market was through unlisted debt, up from 16.8% in 2024.

Pranav Haldea, managing director of Prime Database Group, attributed the steady rise in listed bond issuances to regulatory measures, particu-

Firming up

Companies raised ₹8.66 trillion through listed bonds in 2025, close to 2024's ₹9.3 trillion, while unlisted debt rose to ₹2 trillion.

Issue amount (₹ crore) for listed bonds	mint	Issue amount (₹ crore) for unlisted bonds	
Private	Public	Private	Public
2020 7,66,192	7,110	2020 49,627	0
2021 6,04,543	15,305	2021 67,824	0
2022 6,58,152	7,373	2022 1,09,064	0
2023 7,97,068	18,541	2023 1,97,481	0
2024 9,31,003	11,462	2024 1,90,459	0
2025* 8,58,536	8,225	2025* 2,00,524	0

*Till 9 Dec 2025

Note: If a deal includes multiple transactions across different years, each has been counted under the respective year.

Source: primedatabase.com

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larly rules that channel mutual fund investments towards listed debt rather than unlisted paper.

At the same time, Haldea pointed that unlisted bond issuances are also gaining ground, fuelled by the growing prominence of

private credit funds. For high net-worth individuals (HNI) or institutional investors willing to take on higher risk in pursuit of better returns, unlisted bonds by lower-rated issuers can make sense, he said.

Unlisted bonds are privately negotiated and do not trade on exchanges, unlike listed bonds, which offer greater transparency and easier exit; to compensate investors for lower liquidity and higher risk, unlisted bonds generally offer higher yields.

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Against this backdrop, the benchmark 10-year yield was at 6.5924% as of earlier today, having closed at 6.5931% on Monday.

One factor often missed, however, is that the earlier decline in listed bond deal counts was regulatory rather than demand-driven, said Venkatkrishnan Srinivasan, founder at Rockfort Fincap, a corporate and structured finance advisory firm.

The Securities and Exchange Board of India (Sebi) deliberately tightened ISIN creation rules, encouraging issuers to consolidate multiple tranches under fewer ISINs to improve secondary market liquidity and price discovery. This mechanically reduced the number of listed deals even as funding needs remained intact, he explained.

An ISIN (International Securities Identification Number) is a unique, 12-character alphanumeric code that globally identifies a specific bond.

"Tighter ISIN norms and a growing policy focus on building liquid, tradable bond markets have further pushed issuers toward listed formats," Srinivasan said.

Global investors, meanwhile, are steadily increasing allocations to India, drawn by the need for exposure as well as rising sovereign and corporate inclusion in global indices and the strengthening of ESG frameworks. Together, these factors reinforce India's long-term investment appeal, market participants say.

For some, the surge in listings marks a coming-of-age for India's credit markets. Issuers are increasingly turning to market-linked funding to reduce reliance on banks, particularly as private credit demand grows.

Exchange-listed bonds offer clear advantages: broader distribution, lower refinancing risk, and sharper visibility with institutional investors.

On the investor side, domestic institutions, especially mutual funds, insurers and alternative investment funds, have expanded their allocations to corporate bonds but require standardised documentation, clean settlement and publicly available pricing.

An exchange listing fulfils all three, said Chirag Doshi, executive director and chief investment officer—Fixed Income at LGT Wealth India.

Stronger market plumbing has also played a role. The

Electronic Bidding Platform system, interoperable clearing, Request for Quote platforms and online bond marketplaces have reduced friction across issuance and trading, Doshi explained.

As costs and execution risks fall, issuers once reliant on private bilateral deals are becoming more comfortable tapping the listed market, he added.

Several industry participants believe the shift is fundamentally structural. While issuance levels fluctuate with liquidity conditions and interest-rate cycles, steady improvements in regulation, transparency, platforms and investor sophistication suggest that listed bonds will increasingly dominate the corporate funding mix.

Banks will remain central in credit intermediation, Doshi said, but large corporations, infra platforms and high-quality mid-sized issuers are embedding capital-market funding into their long-term planning rather than treating it as episodic.

For mid-sized issuers, listing opens access to non-bank capital, reduces concentration risk and improves pricing competition. Over time, consistent disclosure and timely servicing build investor confidence, allowing issuers to borrow at lower costs.

This cycle of price discovery, seasoning and repricing is a hallmark of a healthy bond market and is becoming more evident in India, he said.

(Subhana Shaikh contributed to this story)

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