Unlisted Corporate Bond Issues Enter Fast Lane

Share in total corp debt sales rising as many companies take this route to bypass disclosure and compliance norms

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Mumbai: The share of unlisted bonds in India's aggregate corporate debt sales has risen steadily as even highly rated companies, including the likes of Bajaj Finance and Vedanta, choose negotiated deals with a select bunch of buyers to avoid extensive disclosures and compliance checklists that apply to listed securities, market participants said.

Also, there is a business case for unlisted bonds when the issue size is relatively smaller, according to experts. Unlisted bonds accounted for 40% of total corporate bond issuances in May 2026, up from 31% in May 2025, market data showed. Of the total ₹94,749 crore of corporate bonds issued in May this year, unlisted debt accounted for ₹38,487 crore.

Several large borrowings in the unlisted space have also been lined up for July. "These deals are negotiated one-on-one between the issuer and the investor, and lately the proportion of unlisted and unrated bonds has been increasing," said Venkatakrishnan Srinivasan, managing partner, Rockfort Fincap, a debt advisory firm. "Also, unlisted bonds do not necessarily come from lower-rated companies."

Better-rated unlisted bonds have raised money at fine rates with a select set of investors. Lower-rated bond issues, by contrast, often raised funds at high teens or issued zero coupon instruments. For instance, Vedanta Ltd, rated AA+, and Bajaj Finance, rated AAA by Crisil, recently raised significant amounts via unlisted bond issuances despite their strong credit profiles.

Blue-chips' Play ▸▸ 13

Blue-chips' Play

▸▸ From Page 1

Vedanta raised Rs 5,000 crore in May, while Bajaj Finance raised Rs 7,000 crore last week. Government-backed Indian Railway Finance Corp had raised Rs 5,000 crore in December 2025, Prime Database data showed.

In May, Greenko UP01 IREP raised Rs 1,600 crore, while Square Yards Technology raised Rs 1,000 crore through unlisted bonds.

The largest issuer that month was Jaiprakash Associates, which was recently acquired by the Adani Group through the bankruptcy process. The company raised Rs 24,941 crore in May, largely to repay creditors.

In June, GMR Estate Management raised Rs 1,400 crore, while Asandas & Sons, which operates under the HyFun Foods brand, raised Rs 1,375 crore.

Shapoorji Pallonji Group companies have also chosen not to list their bonds for public trading.

Porteast Investment, a group company, raised Rs 28,600 crore in May last year, while another group firm, Eqyizen Investment, is in advanced discussions to garner Rs 25,500 crore. Proceeds from both bond issuances are being used primarily to refinance existing debt, allowing the group to extend maturities.