



**National Institute of  
Securities Markets**

A Capacity Building Initiative of SEBI

# NEWSLETTER

## June - 2026



**June 2026, Volume 54**

# FROM DIRECTOR'S DESK

The secret to building wealth isn't a complex algorithm or a lucky stock tip. It is actually much simpler and a lot more boring. To secure your financial future, you only need to master three fundamental principles.

**Start investing early** though it is never too late to start, the earlier you start, the harder your money will work for you.

**Make repeated and systematic investments** invest systematically and regularly. This will ensure that the power of compounding will help you build wealth.

**Be patient** stay invested for the long haul - An investor who is patient and remains invested over a long period of time will reap the benefits of his patience by earning significantly better returns.

## Earlier is better

As the adage goes, the best time to plant a tree is 20 years ago; the second-best time is today. The same is true about investing. It is never too late to start, but the earlier you start, the harder your money will work for you. This is simply because of the sheer power of compounding. Consider this startling contrast:

- A lifetime investor who invested ₹1,000 every month from the day he was born until age 65 (assuming a 10% return) would retire with over ₹7.8 crores.
- An investor who procrastinated and waited until age 20 to start that same ₹1,000 monthly investment would end up with a nest egg of just ₹1.05 crores at the age of 65.



A 20-year delay has a jaw-dropping impact on your wealth accumulation. Time is the greatest asset you have, and you must not waste it waiting for the perfect moment to invest.

## Invest systematically

Consistency is the only engine that keeps the compounding machine running. When you invest regularly, you remove the stress of “timing the market” and replace it with the discipline of “time in the market”. The difference between investing once in a while and investing every month could be staggering. If you invest ₹1,000 every month for 40 years (at 10% return), you’ll end up with ₹63.7 lakhs. If your investments are only occasional, it would be difficult to predict what your accumulated corpus would be after 40 years.

## Invest for the long haul

In a world of instant gratification, patience is a competitive advantage. The true magic of wealth creation happens in the final years of your journey. Growth isn't linear; it's exponential. A lump-sum investment of ₹1,000 invested for 40 years, will grow 5 times to 6 times more than a similar amount invested for 20 years.



Rate of return	20-year term	40-year term
9%	₹5,604	₹31,409
10%	₹6,727	₹45,259

Wealth creation is a marathon and not a sprint. Only by starting today, investing regularly, and staying patient can you get to the finish line.

**Sashi Krishnan**  
Director, NISM

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# INDIAN ECONOMY IN NUMBERS

Macro Indicators	As On			% Change in last	
	29-05-2026	30-05-2025	31-05-2023	1 year	3 years
 Nifty 50	23547.75	24750.70	18534.40	-4.86	27.05
 BSE Sensex 30	74775.74	81451.01	62969.13	-8.20	18.75
 Nifty P/E	20.27	22.32	21.59		
 BSE Sensex P/E	20.10	22.78	23.21		
 RBI Repo Rate	5.25	6.00	6.50	-75 bps	-125 bps
 10 Yr G Sec (Gol) %	7.00	6.25	6.98	74 bps	1 bps
 INR USD	95.38	85.48	82.68	-11.59	-15.37
 GST Collection (Rs Lac Cr)	1.94	1.88	1.57	3.19	23.61
 GDP growth rate %	7.8	7.0	6.2		
 CPI %	3.48	0.99	2.96		
 WPI %	8.30	0.39	-3.61		
 BSE Mkt Cap (Rs Lac Cr)	464.47	445.09	283.90	4.35	63.60
 NSE Mkt Cap (Rs Lac Cr)	465.35	442.02	281.81	5.28	65.13
 PMS – Industry AUM (Rs Lac Cr)	41.42	38.66	28.01	7.14	47.89
 AIF – Total funds raised (Rs Lac Cr)	6.79	5.63	3.66	20.46	85.64
 Indian Mutual Fund Industry's AUM (Rs Lac Cr)	81.94	72.18	42.95	13.52	90.80

Source: AMFI, NSE, BSE, Trading Economics, MOSPI, RBI

# CONGRATULATIONS!

Lucky winners of May 2026 Quiz

**Geetesh Arora**

**Harish Yadav**

**Rohan Pal**



Win Attractive Cash Prizes by Answering a Simple Quiz  
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# Financial Markets Developments

## Higher Oil Prices Reshape India's Fixed Income Outlook

The rise in crude oil prices and ongoing Middle East tensions have altered India's inflation, currency and growth outlook, creating a more challenging environment for bond markets. While India enters this phase with stronger macro fundamentals, higher oil prices could pressure inflation and the current account. Market participants expect the RBI to rely on calibrated rate actions, liquidity management and forex interventions rather than aggressive tightening.

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## India-US 10-Year Bond Yield Spread Narrows to Multi-Year Low

The spread between India's 10-year government bond yield and the US 10-year Treasury yield narrowed to around 250 basis points, reflecting relatively stable domestic yields alongside elevated US rates. The trend has implications for foreign capital flows, currency movements and the relative attractiveness of Indian debt markets.

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## FPIs Extend Selling Streak, Withdraw Over ₹32,000 Crore in May

Foreign Portfolio Investors remained net sellers of Indian equities in May, withdrawing more than ₹32,000 crore amid global uncertainty, elevated US yields and risk-off sentiment. The continued outflows highlight persistent caution among overseas investors, although strong domestic institutional participation helped absorb the selling pressure.

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## NCDEX Launches India's First Weather Derivative Contract

NCDEX introduced India's first exchange-traded weather derivative, 'RainMumbai', providing market participants with a tool to allow businesses and traders to hedge financial exposure arising from Mumbai's monsoon variability across the June-to-September season.

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## Municipal Bond Market Expands as More Cities Prepare Market Borrowings

India's municipal bond market is witnessing broader participation, with nearly a dozen cities preparing debut issuances. The trend reflects growing adoption of market-based financing for urban infrastructure and could deepen the domestic debt market beyond traditional sovereign and corporate issuers.

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## Gold Loan Market Continues to Expand as Borrowers Leverage Rising Gold Values

India's gold loan market maintained strong growth momentum in FY26, supported by elevated gold prices and sustained demand for secured credit. Southern states continued to account for a significant share of gold-backed lending activity.

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## Equity Market Outlook Remains Constructive Despite Global Oil-Price Risks

Market experts remain constructive on Indian equities over the medium term, although elevated crude oil prices and geopolitical developments could contribute to short-term volatility. Domestic consumption, financials and manufacturing-linked sectors continue to be viewed favorably.

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## DII Ownership Reaches Record High as FPI Share Falls to Multi-Year Low

Domestic institutional investor ownership in listed companies reached a record high, while foreign portfolio investor holdings fell to a 17-year low. The shift underscores the increasing influence of domestic savings, mutual funds and insurance capital in Indian equity markets.

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## RBI Maintains Repo Rate at 5.25%, Revises Growth and Inflation Outlook

The RBI kept the repo rate unchanged at 5.25% and retained a neutral policy stance in its June 2026 MPC meeting. While lowering its FY27 GDP growth forecast to 6.6%, the central bank raised its inflation projection to 5.1%, citing global uncertainties and higher crude oil prices.

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## Regulatory Developments

### SEBI Operationalises Past Risk and Return Verification Agency (PaRRVA) Framework

SEBI has operationalised the Past Risk and Return Verification Agency (PaRRVA) framework from May 4, 2026, with CARE Ratings recognised as the PaRRVA and NSE as the Data Centre. Investment Advisers and Research Analysts intending to communicate verified past performance data must enrol with PaRRVA by August 3, 2026.

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Dr. Rachana Baid, writes on the implications of this regulatory initiative in this issue.

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### SEBI Issues Advisory on AI-Based Vulnerability Detection Tools

SEBI has issued an advisory to regulated entities regarding cybersecurity risks associated with advanced AI-based vulnerability detection tools. The regulator highlighted concerns relating to data confidentiality, system integrity and reliability of AI-generated outputs, and has constituted a dedicated task force, "cyber-suraksha.ai", to assess emerging AI-related cybersecurity threats and recommend appropriate safeguards.

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### SEBI Discontinues Investor Risk Reduction Access (IRRA) Platform

SEBI has discontinued the Investor Risk Reduction Access (IRRA) platform with immediate effect. The decision follows enhancements in brokers' business continuity arrangements, disaster recovery infrastructure, cybersecurity frameworks and the implementation of the Market Security Operations Centre (M-SoC). The platform had not been utilised since its introduction.

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### Social Stock Exchange Instruments Open New CSR Funding Avenue for Companies

Zero Coupon Zero Principal (ZCZP) instruments issued through the Social Stock Exchange have emerged as a new avenue for companies to deploy eligible Corporate Social Responsibility (CSR) funds. The framework enables listed Not-for-Profit Organisations to raise resources through regulated capital market mechanisms while supporting social sector initiatives.

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### RBI Annual Report 2025-26 Reviews Economic and Financial Sector Developments

The Reserve Bank of India released its Annual Report for 2025-26, reviewing developments in the economy, financial markets, banking sector and monetary policy during the year. The report also outlined regulatory initiatives, financial stability assessments and the outlook for key sectors of the economy.

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### SEBI Introduces Framework for 'Significant Indices'

SEBI has introduced a framework for identifying and regulating 'Significant Indices' under the SEBI (Index Providers) Regulations, 2024. An index will qualify as significant if mutual fund schemes tracking or benchmarking it maintain an average cumulative AUM exceeding ₹20,000 crore over the preceding six months. The framework also prescribes registration and organisational requirements for index providers offering such indices.

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### PFRDA Launches 'NPS Sanchay' for Informal Sector Subscribers

PFRDA has introduced 'NPS Sanchay', a simplified variant of the National Pension System under the All-Citizen Model and Multi Scheme Framework. The scheme is designed to expand pension coverage among informal sector workers by simplifying investment choices and asset allocation. Indian citizens aged 18-85 years can enrol through online platforms or Points of Presence, subject to KYC requirements.

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### PFRDA Introduces New Retirement Income and Drawdown Options Under NPS

PFRDA has introduced a new retirement income scheme and additional drawdown options for National Pension System subscribers. The regulator has also eased annuity surrender rules under specified circumstances, providing greater flexibility in post-retirement income management and withdrawal choices for subscribers.

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### IFSCA Issues Master Circular for Broker Dealers and Clearing Members

IFSCA has issued a Master Circular consolidating regulatory instructions applicable to Broker Dealers and Clearing Members operating in GIFT IFSC. The circular brings together provisions relating to registration, governance, compliance, operational requirements and reporting obligations under a unified framework.

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## Economy Related Updates

### WPI Inflation Rises to 42-Month High of 8.3% in April

India's Wholesale Price Index (WPI) inflation accelerated to 8.3% in April 2026, the highest level in 42 months. The increase was driven by higher prices of fuel, energy products, manufactured goods, and select food commodities, highlighting persistent cost pressures across the economy.

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### RBI Transfers Record ₹2.87 Lakh Crore Surplus to Government

The RBI approved a record surplus transfer of ₹2.87 lakh crore to the central government for FY26. The payout is expected to strengthen government finances, provide additional fiscal space for expenditure and infrastructure investment, and help manage economic uncertainties arising from global geopolitical developments.

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### Fuel Price Hikes Boost Profitability of Oil Marketing Companies

Recent fuel price increases have improved the financial position of oil marketing companies (OMCs), helping offset pressures from higher crude oil costs. Industry data indicate that while profitability has improved, gains remain linked to fluctuations in global oil prices and inventory costs rather than exceptional windfall earnings.

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### Cabinet Approves Emergency Credit Line Guarantee Scheme 5.0

The Union Cabinet approved the Emergency Credit Line Guarantee Scheme (ECLGS) 5.0 to provide additional credit support to eligible sectors facing financial stress. The scheme aims to facilitate access to working capital, support business continuity, and strengthen economic recovery in vulnerable segments.

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### CEA Warns of Fragmenting Global Economic Order, Calls for Greater Resilience

Chief Economic Adviser V. Anantha Nageswaran stated that the global economic environment is becoming increasingly fragmented due to geopolitical tensions, trade realignments, and supply-chain disruptions. He emphasized the need for India to strengthen competitiveness, build economic resilience, and adapt to a more challenging global landscape.

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### Heatwaves Put Pressure on Dairy and Poultry Production

Rising temperatures across several regions have increased heat stress on livestock, affecting milk yields and poultry productivity. Industry participants are adopting cooling measures and feed-management strategies to mitigate production losses during the summer season.

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### RBI Expects Indian Economy to Remain Resilient Despite West Asia Conflict Risks

In its Annual Report, the RBI stated that India's economy is expected to remain resilient in FY27 despite uncertainties arising from geopolitical tensions in West Asia. The central bank highlighted strong domestic demand, healthy corporate and bank balance sheets, and continued public investment as key growth supports.

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### India Maintains Strong Growth Momentum Amid Robust Domestic Demand

India remains among the fastest-growing major economies, supported by robust domestic demand, rising investments, and strong economic activity. The country recorded stable inflation, healthy foreign exchange reserves, and record GST collections during FY 2025–26. Continued policy support for manufacturing, infrastructure, and technology is expected to strengthen long-term growth prospects and global competitiveness.

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### India's Composite PMI Moderates to 58.1 in May

India's flash Composite PMI eased to 58.1 in May from the previous month but remained firmly in expansion territory. Manufacturing and services activity continued to grow, supported by strong domestic demand and new business inflows.

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# Global Financial Developments

## Chief Economists Warn of Slower Global Growth Amid Rising Geopolitical and Trade Risks

The World Economic Forum's May 2026 Chief Economists Outlook highlighted weakening global growth prospects, with economists citing trade fragmentation, geopolitical tensions, and policy uncertainty as key risks. The report also noted concerns over inflation persistence and uneven recovery across regions.

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## Global Banking Sector Reports Strong Profitability Despite Economic Uncertainty

McKinsey's Global Banking Annual Review noted that banks maintained strong profitability in 2025, supported by higher interest rates and resilient balance sheets. However, the report cautioned that slowing growth, rising competition, and digital disruption could pressure earnings going forward.

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## China's Industrial Profits Show Improvement Amid Policy Support Measures

Official Chinese data released in May indicated a recovery in industrial profits, supported by targeted stimulus measures and stabilising manufacturing activity. The improvement was viewed as a positive sign for China's broader economic recovery.

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## OECD Research Programme Highlights Growing Focus on Sustainable Agriculture and Food Security

The OECD's Cooperative Research Programme released findings emphasising sustainable agricultural productivity, climate resilience, and food security as key priorities for global economic stability and long-term growth.

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## Global Insurance Industry Expands 7.1% Amid Rising Demand and Risk Awareness

According to Allianz data, the global insurance market grew by 7.1% in 2025, supported by higher demand for protection products, premium growth, and increased awareness of climate and economic risks.

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## Global metal forming fluids market is projected to grow by 3.9%

Market forecasts released in May pointed to continued long-term demand for industrial metals, supported by infrastructure spending, manufacturing activity, and energy-transition investments across major economies.

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## Taiwan Overtakes India as World's Fifth-Largest Equity Market

Taiwan surpassed India in market capitalisation rankings during May, driven by strong gains in semiconductor and AI-related stocks. The development reflects the growing global investor focus on technology and advanced manufacturing sectors.

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## Markets Price in Potential ECB Tightening as Euro Strengthens

Currency markets increased expectations of future ECB policy tightening in May, helping the euro strengthen against the US dollar. Investors responded to resilient euro-area economic data and changing interest-rate expectations.

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## Bitcoin Drops Out of Top 10 Global Assets as AI-Linked Stocks Gain Investor Attention

Bitcoin fell out of the world's ten largest assets by market value in May as investor capital increasingly flowed toward artificial intelligence and technology-related companies. The shift highlighted changing market preferences toward growth-oriented sectors.

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## Global Bond Markets Experience Sharp Volatility Following Middle East Tensions

Global bond markets saw significant volatility during May as the Iran conflict influenced inflation expectations, energy prices, and interest-rate outlooks. Investors reassessed risks across sovereign debt markets amid heightened uncertainty.

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## EU, Brazil and China Launch Coalition to Strengthen Global Carbon Markets

The European Union, Brazil, and China announced a new international coalition aimed at improving the transparency, credibility, and effectiveness of carbon markets. The initiative seeks to enhance cooperation on climate finance and emissions trading mechanisms.

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## Launch of Certification Examination

### NISM-Series-XXV-B: Persons Associated with Investment Advice (Sales and Other Non-Core Services) Certification Examination

This examination seeks to create a common minimum knowledge benchmark for the persons associated with investment advice, defined under Regulation 2(r) of the SEBI (Investment Advisers) Regulations, 2013. The examination only caters to Persons Associated with Investment Advice who perform sales and other non-core services.

The NISM-Series-XXV-B: Persons Associated with Investment Advice (Sales and Other Non-Core Services) Certification Examination will be available to the candidates with effect from June 01, 2026.

- ✓ Duration - 60 minutes
- ✓ Pass Percentage - 50% (No negative marking)
- ✓ Exam Fee - ₹1,500 + applicable taxes
- ✓ Certificate Validity - 3 years
- ✓ Mode - Internet-based, remotely proctored exam (online)



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### Answer questions of the quiz to win attractive prizes

Three lucky winners who give all correct answers will be given Cash prizes of **Rs. 1000/- each!!!**  
Last date to participate is June 30<sup>th</sup>, 2026

Terms and conditions apply.\*

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## NISM Director's Masterclass Series

In this masterclass, Srinu Srinivasan highlighted the critical role of private capital in financing innovation, infrastructure, SMEs, startups, and India's long-term economic ambitions. He explained that India's alternative investment industry remains underpenetrated despite significant growth opportunities, with private alternatives dominating the AIF ecosystem.

The discussion covered private equity, venture capital, private credit, real estate funds, hedge funds, co-investments, secondaries, and continuation vehicles, while noting that Category III hedge funds face growth constraints due to regulatory and tax structures. He emphasized the need for greater participation from pension and insurance funds, expanded domestic capital formation, and increased funding for venture capital and private credit.

The session also examined evolving investment themes such as manufacturing, frontier technologies, space, and national security, alongside the importance of liquidity solutions through co-investments and secondary markets. Key concepts including IRR, MoIC, valuation, benchmarking, manager selection, vintage risk, liquidity risk, and portfolio diversification were discussed. The masterclass concluded with an overview of recent SEBI reforms, including improvements in fund operations, winding-up mechanisms, ease of doing business, and the accredited investor framework, aimed at strengthening investor protection and supporting the growth of India's alternative investment ecosystem.



## FROM NISM'S PGP CLASSROOMS TO REAL-WORLD FINANCE



### Unlocking India's Hedge Fund Potential: Proposed Regulatory Innovations for AIF Category III

In his dissertation, "Unlocking India's Hedge Fund Potential: Proposed Regulatory Innovations for AIF Category III," Pranav Batra examines the regulatory framework governing Category III Alternative Investment Funds (AIFs), which serve as India's closest equivalent to hedge funds. The study compares India's framework with global hedge fund hubs such as the United States, United Kingdom, Singapore, and Mauritius, focusing on taxation, leverage, investor eligibility, concentration limits, and market access.

The dissertation identifies several **structural constraints faced by Category III AIFs**, including the absence of pass-through taxation, a leverage cap of two times net asset value (NAV), a minimum investment requirement of ₹1 crore, concentration limits of 10% per investee company (20% for Large Value Funds), and limited market access, including restrictions on commodity participation and short-selling. The study compares these restrictions with global jurisdictions that rely more heavily on **disclosure, transparency, and accredited investor frameworks**.

Through comparative regulatory analysis and case studies, the research highlights that India's current tax treatment places domestic investors at a disadvantage, while leverage restrictions, entry barriers, concentration caps, and limited market access constrain strategy flexibility and limit the industry's ability to innovate and compete globally.

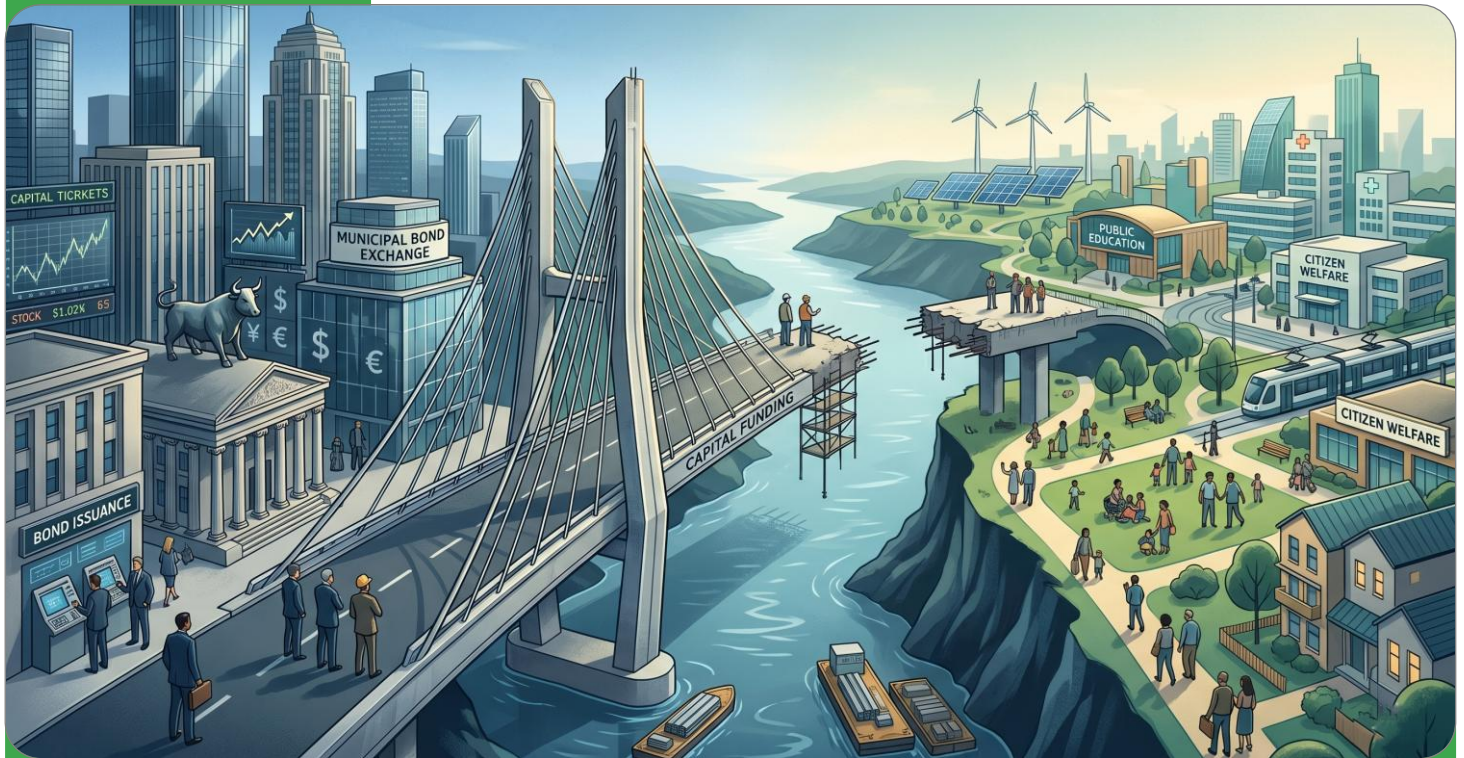
The dissertation concludes that **India possesses the capital, talent, and investor appetite** needed to support a stronger hedge fund ecosystem, but regulatory reforms are required to unlock this potential. It recommends measures such as pass-through taxation, disclosure-based oversight, broader accredited investor participation, and expanded market access, while emphasizing the **importance of safeguards** such as phased implementation, enhanced disclosures, and stronger regulatory oversight.

***Pranav Batra was a student of NISM's Postgraduate Program in Securities Markets 2024-25 (Research Analysis) Specialization and for this dissertation worked under the guidance of Mr. Archit Lohia.***

A copy of the full dissertation and research findings are available in NISM Library.

[Click here to know more about the course](#)

## Expert Article



### The Successful Default: When a Municipal Bond Served Investors but Failed Citizens

#### Background

One of the early success stories of municipal bond issuance in India was Pune Municipal Corporation (PMC)'s ₹200 crore bond issue in June 2017 which was oversubscribed six times. PMC also earned a five-year 2% interest subvention incentive from the Union Government linked to the bond issue. Throughout the 10-year issue period, PMC has complied with the requirements under the Securities and Exchange Board of India's (SEBI) Issue and Listing of Municipal Debt Securities Regulations-2015 (ILMDS Regulations) and is set to repay investors in 2027 when the bonds are due for redemption.<sup>i</sup>

#### All is not well

PMC should be a role model for municipalities aiming to tap the bond market to finance their development plans. Except that there is a small twist. Money raised has remained unutilised for nine years, since the 24x7 water supply project for which the bonds were issued never took off due to land acquisition and contracting issues.<sup>ii</sup> PMC now finds itself with the unenviable reputation of being the darling of investors and the bad boy of Pune citizens simultaneously.

#### Investor interest – PROTECTED

Adherence to the ILMDS Regulations has ensured that bond proceeds have remained ringfenced from general funds of PMC and are available to repay bondholders. PMC has been regular in servicing half-yearly interest payments. It continues to be credit-rated AA+ (Stable). Investing bond proceeds in fixed deposits pending utilisation has ensured that PMC earned interest on idle funds which contributed to bond interest-servicing.

#### Public interest – COMPROMISED

"Financial masterstroke" - you would say. But what about public interest, which seems to have taken a beating on multiple counts. Citizens are yet to see the water supply infrastructure. The Union Government's interest subsidy incentive will now enrich bondholders without producing anything tangible for Pune city. A rough calculation puts the aggregate cost of the bond issue - in the form of interest and other expenses at over ₹50 crore over the issue period.

#### What can be done to prevent this?

Land acquisition and contracting issues are long known to be the bane of public sector infrastructure projects in India. Regardless of the source of finance, the financial repercussions of stalled projects can be substantial. However, that should not justify a shift away from debt financing to fund urban growth. The focus should be on mitigating risks of project failure through better planning, best-in-class procurement and contract management, better monitoring, and effective dispute resolution, while continuing to exploit market sources of financing. In parallel, the emphasis should be on mechanisms to reduce the financial impact of project failures, when they occur. SEBI has recently (May 2026) issued a consultative paper proposing significant changes to the ILMDS Regulations to boost municipal bond issuances.<sup>iii</sup> While the proposed changes address the demand side, this article discusses five complementary design improvements to mitigate risks arising from poor absorptive capacity of money raised on municipal bonds.

## 1. Project readiness criteria

The ILMDS Regulations currently mandate prior approvals for projects to be eligible for bond issuance. Additionally, mandating minimum readiness criteria can help reduce uncertainties associated with project commencement as well as timely completion. Examples of readiness criteria include 80% land availability, environmental clearances, power and water availability, and proof of commitment for the issuer's contribution.

## 2. Project substitution mechanism

In addition to project(s) directly covered in a bond issue, allowing issuers to include - in the offer document - a supplementary list of pre-screened projects matching the risk-return profile of the main project(s) could be useful. In the eventuality that one or more of the main projects faces delay for various reasons, the issuer may be allowed to use the bond proceeds for projects in the 'supplementary list,' subject to approvals. Currently a "change in the use of proceeds" requires a special resolution by 75% of the investors, which issuers find difficult to organise.

## 3. Tranche-based "just-in-time" funding

The ILMDS Regulations currently allow multiple tranche fund raises using a Shelf Offer Document up to one year from the opening of the first tranche. Expanding the window to two years can help issuers plan drawdowns closer to fund requirement commensurate to project progress. Further, the Shelf Offer route can be made mandatory for projects with lower levels of readiness along with a ceiling on the first tranche amount.



## 4. Outcome-linked incentives

The current scheme of incentives for municipal bonds under the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) scheme (₹13 crore for every ₹100 crore raised) and the new incentive scheme announced in the 2026 Union budget (₹100 crore for individual issuances above ₹1,000 crore) are offered as bullet incentives on successful listing of bonds. Linking incentives to milestones such as project technical readiness, commencement, completion, and satisfactory bond servicing can ensure that the issuer has "skin in the game" throughout the bond lifecycle.<sup>iv</sup>

## 5. Early redemption for purpose washing

The ILMDS Regulations currently require an issuer to submit a half-yearly report on the status of implementation of projects financed from bond proceeds, along with reasons for delays if any. However, no consequences are prescribed for chronic delays. SEBI's more recent frameworks for Green Debt Securities (GDS) and Environment, Social, and Governance Debt Securities (ESGDS) provide for early-redemption triggers if the issuer is found "purpose-washing," i.e., using the proceeds for non-ESG objectives.<sup>v</sup> A provision can be introduced in the ILMDS Regulations on similar lines, under which, non-utilisation of bond proceeds beyond a specified period triggers early redemption.

## Conclusion

Although PMC's is an isolated case, more such incidents can erode investor faith in municipal bonds and prove counter-productive to the Government's efforts to improve their uptake. PMC's case provides valuable feedback on the design, governing mechanism, and real-life usage of municipal bonds. Imbibing such lessons into product features early on would ensure that municipal bonds serve not just investor interests but also produce tangible outcomes for urban dwellers.

### Authored by:

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<sup>i</sup> [PMC to return unused ₹200 crore municipal bond funds to investors](#)

<sup>ii</sup> [When municipal bonds fund nothing – Ms. Astha Agarwalla - Basic is Beautiful](#)

<sup>iii</sup> [Consultation Paper on review of the ILMDS Regulations – SEBI - May 2026](#)

<sup>iv</sup> [Municipal Bonds need more than incentives to fund India's cities \[Commentary\] – Dr. Ravikant Joshi – Mongabay India](#)

<sup>v</sup> [Chapter IX-A of SEBI's Master Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper](#)

[Checkout eLearning course on Municipal Bonds by NISM](#)

## SEBI, NISM and IICA SIGN an MoU



The Securities and Exchange Board of India (SEBI), the National Institute of Securities Markets (NISM), and the Indian Institute of Corporate Affairs (IICA) have signed a Memorandum of Understanding (MoU) to enhance corporate governance, ESG (Environmental, Social and Governance) practices, and the overall development of India's capital markets.

The collaboration will focus on capacity building, research, policy development, certification programmes, and executive education for market participants and regulators.

The initiative also aims to strengthen sustainability disclosures, improve investor education, support MSME access to capital markets, and promote evidence-based regulatory research. The partnership reflects the growing importance of governance and sustainability in building a transparent, resilient, and globally competitive financial ecosystem.

## Faculty Development Programme on Empowering Educators by Building their Expertise in Securities Markets

NISM conducted a five-day Faculty Development Programme (FDP) titled "Empowering Educators by Building their Expertise in Securities Markets" from May 18–22, 2026, at its Patalganga campus, with participation from over 100 faculty members representing Higher Educational Institutions across India. The programme was inaugurated by Dr Rachana Baid, Dean – Academics, NISM, and featured a keynote address by Shri Sashi Krishnan, Director, NISM, on India's evolving financial ecosystem and the growing significance of capital markets.

The FDP covered a wide range of topics, including securities markets, investment instruments, mutual funds, financial planning, equity derivatives, PMS and AIFs, financial statement analysis, valuation, data science, machine learning, and prompt engineering.



### Schedule of Regional Round 2026

<b>Mumbai</b> Western Regional Round	July <b>18-19</b> 2026	<b>Kolkata</b> Eastern Regional Round	August <b>22-23</b> 2026
<b>New Delhi</b> Northern Regional Round	August <b>01-02</b> 2026	<b>Guwahati</b> North-Eastern Regional Round	September <b>12-13</b> 2026
<b>Bangalore</b> Southern Regional Round	August <b>08-09</b> 2026	<b>Bhopal</b> Central Regional Round	September <b>19-20</b> 2026
<b>Grand Finale</b> NISM Campus	November <b>28-29</b> 2026		

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## Your Gateway to Market Experience – Study Tours

In May 2026, NISM successfully conducted three study tours of varying durations at its Patalganga campus comprising two three-day and one five-day study tour. These study tours offered participants a comprehensive exposure to the securities markets through expert-led sessions, hands-on simulation exercises, and immersive campus-based learning experiences. The programmes were designed to enhance participants' practical understanding of financial markets while fostering interactive and experiential learning.

### Participating Institutions

#### K.S.Rangasamy College of Technology, Tiruchengode - Tamil Nadu

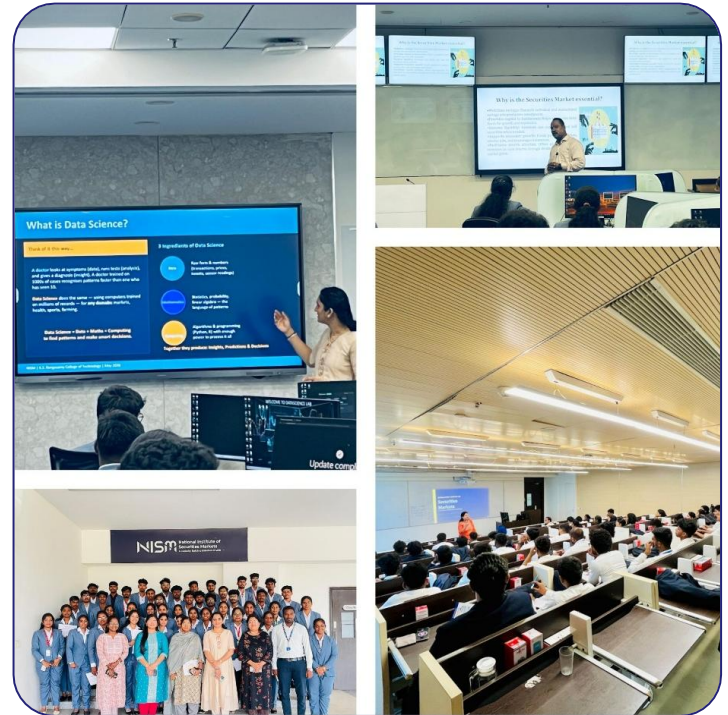
Three-day study tour  
(46 Students & 2 Faculty Members)

#### Mahatma Gandhi Vidya Peetha Trust (Dayananda Sagar Business Academy), Bengaluru – Karnataka

Three-day study tour  
(47 Students & 4 Faculty Members)

#### Arka Educational and Cultural Trust - Arka Jain University, Jamshedpur - Jharkhand

Five-day study tour  
(41 Students & 2 Faculty Members)



### Topics Covered During Study Tour(s)

Faculty Member	Topic(s) Delivered
<b>Mr. Arup Mukherjee</b>	Derivatives- Introduction, Underlying Markets, Introduction to Forwards and Futures, Introduction to Options – Options on Equities and Currencies
	Option Trading Strategies – Strategies using Equity Options and Currency options
	Introduction to Trading, Clearing, Settlement & Risk Management, Legal and Regulatory Environment
	Accounting treatment for derivative contracts, Taxation of derivative transaction in securities, Sales Practices, Code of Conduct and Investor Protection Measures
<b>Ms. Kalyanee Sarkale</b>	Overview & Career in Securities Markets
	Introduction - Derivatives
	Introduction - Mutual Funds
<b>Dr. Shrishti Khare</b>	Regulatory Aspects in Securities Markets
<b>Dr. Rupali Sathe</b>	Application of Data Science in Securities Markets &
	Data Visualization through Power BI
	Data Visualization through Google Data Analytics
<b>Mr. Vijay Thorat</b>	Hands-on Trading Simulation Lab

The programme was well received by the participants.

## MDP Trainings During May 2026

### Two days training program for Officers of Adfactor PR | May 14-15, 2026

The National Institute of Securities Markets (NISM) successfully conducted a two days training program for Officers of Adfactor PR during May 14-15, 2026. The session provided participants with a comprehensive understanding of the Indian capital market ecosystem, covering its evolution, regulatory framework, and key market processes. Through discussions on IPOs, trading mechanisms, disclosure requirements, insider trading regulations, mergers and acquisitions, buy-backs, and delisting, attendees gained valuable insights into market operations and investor protection. The hands-on equity trading simulation further enhanced their practical understanding of secondary market functioning.



### Program for PSU participants from Confederation of Indian Industry, New Delhi | May 19 & 20, 2026

A two-day study visit for Public Sector Enterprise (PSE) officials provided participants with insights into India's securities market ecosystem. The programme included sessions at the National Stock Exchange (NSE) and the Securities and Exchange Board of India (SEBI), followed by a hands-on trading simulation at the National Institute of Securities Markets (NISM). The visit offered valuable exposure to market operations, regulation, and trading practices, enhancing participants' understanding of the capital markets.



**Training for Officials of SBI Mutual Fund – “Aarambh” | May 14–16, 2026**



**Training Program on Investment Advisory for officers of ICICI Bank | May 18-20, 2026**



**Training Program for Empanelment of Securities Market Trainer (SEBI – SMARTs) | May 25-26, 2026**



**Training for SBI Officers on Mutual Funds and Wealth Management | May 15-16, 2026**



**Training programme for participants from SBI Funds Management Limited | May 15–16, 2026.**



**Training Program in Financial Planning and Wealth Management for officers of ICICI Bank | May 20-22, 2026**



## Webinar on “Equity Derivatives Fundamentals”

The webinar on ‘Equity Derivatives Fundamentals’ was organized on May 15, 2026 by NISM to provide a comprehensive introduction to the fundamentals of equity derivatives and their growing importance in modern financial markets. The session commenced with an overview of NISM’s mandate in capacity building for the securities market and highlighted its wide range of e-learning and certification programs designed for students, finance professionals, and market participants. The speakers emphasized the accessibility and practical relevance of NISM’s online courses, which cover various domains including derivatives, wealth management, and financial investigations.

**Mr. Vijay Kanchan** focused on the evolution and functioning of derivatives markets, explained how derivatives emerged globally after the collapse of the Bretton Woods system and were formally introduced in India in 2000. The webinar covered the major types of derivatives including forwards, futures, options, and swaps, with detailed explanations of forward and futures contracts. Participants learned about the advantages of exchange-traded futures over customized forward contracts, especially in terms of liquidity, standardization, and reduced counterparty risk through clearing corporations.



A significant portion of the session was devoted to options contracts, where the concepts of call and put options, rights and obligations of buyers and sellers, and asymmetric payoff structures were explained using practical examples. The webinar also highlighted the role of derivatives in risk management, hedging, speculation, and efficient price discovery. The interactive Q&A session addressed participant queries regarding derivative strategies, risk management, and career opportunities through NISM certifications, making the webinar highly informative and beneficial for beginners and aspiring finance professionals.

### NISM offerings on Equity Derivatives:



**Equity Derivatives**  
[\(Basic\)](#)



**Equity Derivatives**  
[\(Advanced\)](#)



**NISM-Series-VIII: Equity Derivatives**  
[Certification Examination](#)



**Equity and Derivatives Segments - Sales**  
[\(Soft Skills\) and \(Technical Skills\)](#)

## NISM IMPLEMENTS ACADEMIA ERP FOR STUDENTS' OPERATIONS

National Institute of Securities Markets (NISM) undertook a major digital transformation of its academic operations through the implementation of Academia ERP by Serosoft, an integrated Student Information System (SIS). Prior to implementation, NISM's academic processes relied on fragmented and legacy systems, with activities such as timetable management, attendance tracking, examinations, and communication operating on separate platforms. This resulted in process delays, extensive manual intervention, data redundancy, paper-based workflows, and limited real-time visibility for management.

To address these challenges, NISM deployed Academia as a centralized platform that unified key academic and administrative functions. The solution introduced automated timetable scheduling, biometric attendance integration, end-to-end examination and grading management, student and faculty portals, integrated fee payment systems, and multi-channel communication through email, SMS, and WhatsApp. This enabled seamless coordination across departments while significantly reducing manual effort and dependency on paper-based processes.

The implementation, completed between December 2025 and April 2026, delivered substantial operational improvements. NISM achieved a twofold increase in academic cycle execution speed, substantial improvement in operational efficiency and faster data access and reporting, and a significant reduction in paper dependency across workflows. Centralized data management also enhanced decision-making by providing leadership with real-time visibility into academic operations.



"With Academia by Serosoft, we've been able to bring all of these workflows into a single, integrated system, improving consistency, reducing manual dependencies, and making the entire academic cycle significantly more efficient."

**Mr. Pravin Ghadole**  
General Manager – IT, NISM

## NISM–FPSB India Inaugurates Batch II of PGPFP 2026–27

NISM, in collaboration with FPSB India, inaugurated Batch II of the Post Graduate Programme in Financial Planning (PGPFP) on 17 May 2026 through an online ceremony marking the commencement of a programme aimed at developing skilled and ethical financial planning professionals. The programme integrates NISM certifications with the globally recognized CFP® certification framework, aiming to develop competent and ethical financial planning professionals.

The inaugural ceremony was attended by key dignitaries, including Shashi Krishnan (Director, NISM), Chandrakant Sureka (CEO, FPSB India), and Dr. Rachana Baid (Dean – Academics, NISM), along with senior NISM faculty members. Dr. Meraj Inamdar, Programme Director, presented an overview of the programme and the student cohort.

With 29 participants, the programme offers comprehensive training in investment planning, tax planning, retirement planning, risk management, and estate planning, while emphasizing professional ethics and global financial advisory standards. The event concluded with a vote of thanks by Dr. Shrishti Khare.

## NISM FACULTY VOICES IN MEDIA

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## FROM NISM BLOGS



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