Address by
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Financial Express CFO Summit
June 20, 2025

Distinguished industry leaders, CFOs, senior journalists and esteemed guests, good evening to all of you!

“You cannot manage what you cannot measure.” – This famous quote by Peter Drucker highlights the importance of maintaining financial records for the decision-making.

So let me begin by acknowledging the critical role CFOs play in ensuring the financial integrity and accountability of listed companies. The capital markets depend heavily on timely, accurate, and reliable financial information. CFOs of companies play a central role in maintaining the financial discipline, transparency, and trust that form the foundation of the capital markets.

If we compare globally, the core financial and strategic responsibilities of CFOs in India broadly align with the international standards. The emerging trends in technology, analytics, ESG, cybersecurity and data governance continue to influence these responsibilities.

The position of a CFO is no longer confined to traditional financial reporting or cost management. Today's CFO is a custodian of governance, a technology adopter, and a key voice in shaping investor trust.

The market looks to you for credibility. Investors depend on your disclosures. Regulatory bodies rely on your adherence. Your roles and responsibility are also progressing with growth and expansion of the capital markets.

SEBI's Reforms: Enabling Growth, Ensuring Order

Indian capital market has witnessed unprecedented growth over past few years. In terms of capital formation, investor participation, growth in market capitalisation, assets under management by mutual funds, portfolio managers or investment by AIFs - the growth across segments has been phenomenal.

Indian capital market has facilitated capital raising of over Rs.54 lakh crore[1], over the last five years (which includes equity issuance, debt issuances and resource

[1] Over the past 5 years (FY21 to FY25), Rs. 54 lakh crore were raised from securities market, which included equity issuances of Rs.12.5 lakh crore, debt issuance of Rs.40 lakh crore and Rs. 1.5 lakh crore mobilized through REITs and InvITs.

mobilised through REITs and InvITs). FY25 marked a record year with Rs. 1.7 lakh crore raised through 320 IPOs - the highest number ever.

The market-cap of listed companies has increased at a CAGR of 15% over the last 10 years, to reach Rs.444 lakh crore as at the end of May-2025.

Keeping pace with the evolving and growing market, SEBI has been introducing reforms to improve the ease of doing business as well as strengthen the overall regulatory oversight to ensure the orderly functioning of markets and protect the interest of investors.

Let me highlight some of the key measures that we have taken -

Listed companies

- Rights issue process has been streamlined to facilitate completion in 23 working days from the date of Issuer's Board Meeting approving the Rights Issue.

- For debt-listed companies, the requirement to publish detailed newspaper advertisements of financial results have been made optional. Companies can now publish a small box advertisement with a QR code and web link to access the full financial results online.

- Flexibility in voluntary delisting has been provided by introduction of fixed price process as an alternate to reverse book building process.

- Quantitative threshold for determining 'materiality' of events / information has been specified for timely and clearer disclosures.

- Timelines for disclosure of outcome of meeting of the board of directors, concluded after trading hours, has been relaxed to 3 hours from earlier 30 minutes.

- Companies have been allowed to select assessment or assurance of BRSR Core disclosures. This would reduce compliance burden, cost and efforts for listed entities and their value chain partners.

- Now disclosures are required only for those value chain partners which contribute 2% or more of the entity's total purchases and sales (by value). Earlier, disclosures were required for all value chain partners covering upto 75% of entity's purchases and sales.

- Further, the ESG disclosures for value chain are now voluntary replacing the earlier 'comply-or-explain' requirement and are applicable from FY 2025–26.

- We have introduced single filing system for listed entities. Tech-enabled single filing system now eliminates the requirement of filing the same document across multiple exchanges.

Debt Market

On the debt side, market momentum is picking up, as reflected by corporate bond issuances reaching Rs.10 lakh crore in FY25. This is significantly higher than the average annual debt issuance of Rs.6.2 lakh crore, over the previous 10 years.

The corporate bond outstanding has increased to Rs.51.6 lakh crore, as at end of FY25. If we compare this figure with the banking sector, it equates to around 57% of outstanding bank credit to Industry and services. This ratio was around 43% a decade back. This rising proportion signifies the rapid growth of Indian corporate bond market.

To further strengthen and deepen the corporate bond market, SEBI has introduced several key measures, which includes-

- Streamlining the debt issuance process - To broaden the overall debt market, the electronic book mechanism has been made mandatory for the debt issuances of Rs. 20 crore or above (from Rs.50 crore or more, earlier).

- The scope of EBP platform has been expanded to include the issuance by REITs and InvITs as well.
- The timeline for listing of public issue of debt securities has been reduced from T+6 to T+3 working days. This will facilitate faster access to funds by the corporate.

- To make the debt market more inclusive the minimum face value for privately placed debt securities and non-convertible redeemable preference shares has been reduced from ₹1 lakh to ₹10,000.

- New liquidity window for non-convertible securities has been introduced by allowing issuers to offer put options. This would provide investors the option to exit their investments before maturity, if needed.

Asset Management Activity

The growth in asset management industry over the last few years has been phenomenal. The assets under management of Mutual Funds have seen a remarkable CAGR of 20% over the last 10 years. As at end of May-2025, the mutual fund AUM has now grown to Rs.72.2 lakh crore, as compared to around Rs.11 lakh crore in FY15.

- To provide a fillip to the asset management industry and simplify the requirements for passively managed schemes, we have introduced the 'Mutual Fund Lite' framework'.

- A new asset class - Specialised Investment Fund (SIF), has been introduced to provide more flexibility to the investors and bridge the gap between mutual funds and PMS.

FPI

As regards foreign investments, the long-term trend of foreign portfolio investments in India remains strong. The assets under custody of Foreign Portfolio Investors (FPIs) has increased from Rs.24 lakh crore at the end of FY15 to Rs. 78 lakh crore, as at end of May-2025.

To facilitate the foreign investments through FPIs into the country, we have taken several measures. Some of the key measures, I may highlight, are-

- On-boarding process of Foreign Portfolio Investors has been streamlined to reduce time taken to grant registration, to open demat and trading account.

- A dedicated FPI outreach cell within SEBI has been set up to directly engage with foreign investing community.

- To provide flexibility to FPIs in dealing with their securities post expiry of their registration, a suitable framework has been put in place.

- To facilitate investments by FPIs in G-Secs, SEBI has recently approved a proposal to relax certain regulatory requirements for all existing and prospective FPIs that exclusively invest in G-Secs. These relaxations include harmonisation of KYC review, non-furnishing of investor group details, permission to intimate material changes in 30 days (instead of 7 days).

AIF

- On Alternative Investment Fund side, a couple of days ago, SEBI has decided to permit Category I & II AIFs to offer Co-investment scheme ('CIV scheme') in addition to the extant PMS route. This will facilitate AIFs and investors to co-invest and will support capital formation in unlisted companies through AIFs.

- In addition, it has been decided to include Accredited Investors as QIBs for the purpose of investment into Angel Funds. This will facilitate Angel Funds to reach to a wider pool of eligible investors, while staying in conformity with Companies Act.

- To provide flexibility to Angel Funds, the floor and cap for investment in an investee company has been relaxed from Rs. 25 lakh-10 crore to Rs.10 lakh-25 crore, respectively.

- Greater flexibility has been provided to AIFs in managing their unliquidated investments, through the introduction of a dissolution period.

- Category I and II AIFs have been allowed to create encumbrances on the equity of its investee companies in infrastructure sector to facilitate the raising of debt or loans by such investee companies.

- Investments of Category II AIFs in listed debt securities rated 'A' or below, will now be treated as akin to investments in unlisted securities for the purpose of compliance by Category II AIFs. This will facilitate AIFs to comply with minimum investment norms in unlisted securities and give a fillip to issuance of and trading in lesser rated debt securities.

REITs/INVITs

- To enhance ease of doing business for REITs and InvITs, SEBI has decided to permit Holdco to REITs/InvITs to adjust its negative net cash flows against the cash received from SPV to arrive at cash flows for distribution.

- In addition, a proposal has been approved to align the timelines for submission of various reports – including quarterly reports to be submitted to stock exchanges, trustees, and the board of the investment manager and valuation reports – with the timelines for submission of financial results.

Measures to Strengthen Regulatory framework

These measures indicate that SEBI's objective is to reduce friction for businesses and promote development of the securities market. At the same time, SEBI is also committed to strengthen the regulatory architecture and protect the interest of investors in the securities market.

To strengthen governance of MIIs, we have mandated that in addition to the internal evaluation, the performance evaluation of MIIs and its Statutory

Committees is to be done through an external independent agency once in three years.

To ensure that only credible companies access capital markets, for SME IPOs, we have introduced new set of eligibility criteria in terms of profitability, cap on offer for sale (OFS), restriction on the use of IPO proceeds towards loan repayment by promoters, and introduced phased release of lock-in on promoter contribution.

Besides, main board related party transaction (RPT) norms have been extended to SME listed entities, with materiality threshold of 10 per cent of the turnover or ₹50 crore, whichever is lower.

To mitigate the risk of misuse of securities of the client by the stock broker, it has been mandated that the securities for pay-out shall be credited directly to the respective client's demat account by the Clearing Corporations.

We have also prescribed a range of measures to strengthen the equity index derivatives framework. These measures are expected to taper the heightened market activity on expiry day and de-risk the system from sudden unexpected shocks.

Strengthening the Corporate Governance

At the heart of market confidence lies strong corporate governance. Our push toward better governance practices—be it enhanced board independence, disclosure of material events, or scrutiny of promoter-related transactions—is aimed at improving accountability across the board.

Instances of false, inadequate, inaccurate, misleading and delayed disclosures of material information by listed entities leads to information asymmetry in the market.

To strengthen the independence of independent directors (IDs) and enhance their effectiveness in the protection of interests of minority shareholders, we have mandated that at least 2/3rd of the members of the audit committee must be independent directors.

To address the issue of perpetuity of special rights and do away with practice of permanent board seats, we have brought in periodic shareholders' approval once in 5 years, for any special right granted to a shareholder of a listed entity. And, also periodic shareholders' approval (5 years) for any director serving on the board of a listed entity.

Way forward

We understand that the landscape is not without challenges. Growing business and regulatory complexities, compliances, cybersecurity risks and resource constraints, are real and pressing.

We are actively working to strike a balance between regulatory rigour and ease of doing business. We are open to deliberate the genuine concerns of the industry.

At SEBI, the policy-making process involves extensive discussion with the stakeholders. Feedback received through public consultation are deliberated within SEBI and in advisory committee meetings. Around 100 consultation papers issued in FY2024-25 are testimony to our commitment to engage with stakeholders and work as a team.

As CFOs, you all are playing a very critical role in maintaining the financial discipline, transparency, and trust in the capital market by ensuring compliance with specified regulations, maintaining an effective control framework and facilitating audits.

We count on you to uphold the highest standards of corporate integrity, foster investor confidence, and trust. Let us work together, across industry and institutions, to build a resilient and inclusive Indian securities market.

Thank You.