Address by
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Good Evening, ladies and gentlemen!

It gives me immense pleasure to be part of this gathering. Let me begin by thanking the Indo-American Chamber of Commerce (IACC) for their commendable work in deepening economic ties between India and the U.S.

Today, I would like to share some thoughts on how India's capital markets are powering economic growth, the reforms that are making it easier to do business, and how these reforms are shaping India's expanding role in global trade and investment flows.

Capital Markets - Powering India's Growth Story

The Indian economy today is on a strong growth trajectory. Driven by strong domestic demand and investments in infrastructure, India has emerged as one of the fastest-growing major economies in the world. Over the past three years our economy has averaged quarterly GDP growth of about 7.8%. In terms of size, we are 4th largest economy in the world and poised to enter the top three in the near future.

Series of reforms by Government such as simplification of GST, introduction of New Income Tax Act, 2025, launch of National Single Window System[1] (NSWS) portal, massive public investment in infrastructure and continuous emphasis on ease of doing business - are facilitating investments, reducing costs and making India more competitive globally. These reforms are also set to strengthen consumption demand and accelerate the capital formation in the economy.

Growing in step with this economic strength, our securities markets are emerging as a critical enabler of capital formation. India's market-capitalisation to GDP ratio has risen from 69% in FY16 to around 129% now - a sign of deepening financialisation and increasing investor confidence.

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[1] Department for Promotion of Industry and Internal Trade (DPIIT) has developed the National Single Window System (NSWS) portal as a one-stop for taking all the regulatory approvals and services in the country. The platform promotes Accountability, Information Symmetry and Transparency within the G2B ecosystem by providing a national portal, PAN based verification and registration and access to more than 270+ G2B services at the central level.

Over the last 10 years[2], Indian capital market has facilitated capital raising of around Rs.93 trillion via equity and debt issuances - supporting growth across sectors.

In the current financial year so far[3], we have witnessed equity issuances of over Rs 1.8 trillion, and there are over 170 IPOs in the pipeline, which are expected to raise additional Rs. 2.7 trillion over period of time.

On debt side, market momentum is picking up, as reflected by corporate bond issuances reaching Rs.10 trillion in FY25 and Rs. 4.3 trillion in FY26 (Apr-Aug). Since FY15, our outstanding corporate bonds have increased at a CAGR of 12% to stand at Rs.53.6 trillion as at end of FY25. These numbers not just reflect strong primary market activity, but shows a renewed trust in the growth potential of many sectors.

Over the years, we have seen how securities market through IPOs, bonds, REITs, and InvITs etc. has supported financing of critical infrastructure in our country. The multiplier effect of this financing is evident through business expansions, jobs creation, improved productivity, and generation of wealth.

In terms of participation, increased access, simplified on-boarding and wider awareness has led a sharp rise in retail investors over past few years. The total number of unique investors in securities market ecosystem has more than tripled to reach around 134 million as end of Aug-2025 as compared to 42 million in Mar-2019, signalling the growing trust of retail investors in capital markets.

The retail participation in securities market is further reinforced by the growth in the mutual fund industry, with assets under management increasing to over Rs.75 trillion as at end of Aug-2025 from around Rs.24 trillion at end of Mar-2019.

The significant growth in AIF investments—from Rs. 1.1 trillion as of Mar-2019 to Rs. 5.7 trillion as of June-2025—reflects their growing relevance and potential to catalyse sustainable, inclusive economic growth in the decades ahead.

Reforms: Making Business Easier & Markets More Efficient

None of this would have been possible without a regulatory framework that continuously evolves with the needs of the economy. We have entered a phase where regulatory reforms are not just incremental — many of these are high-

[2] From FY2015-16 to FY2024-25

[3] FY2025-26 (Apr-Aug)

impact, aimed to reduce delays, risk, cost and facilitate the ease of doing business.

Some of such key reforms include-

Primary Market

- Reduction in IPO listing timeline from T+6 working days to T+3 working days – leading to faster access to IPO proceeds by the companies.
- Fast tracking of the right issue process, by requiring completion of rights issue within 23 working days from the board approval.
- Recently, SEBI has recommended changes in SCRR to ease Minimum Public Offer (MPO) thresholds for large issuers seeking to list on stock exchanges. Under the revised MPO requirements, issuers will be permitted to list with lower initial public float and an extended period will be permitted to achieve the MPS of 25% in a gradual manner.
- We have strengthened the anchor investor framework in IPOs by merging the two existing categories into a single bucket for allocations up to Rs 250 crore and permitted additional 15 anchor investors for every additional Rs 250 crore allocation.
- The overall anchor portion reservation has been increased from one-third to 40% of the total issue size, with one-third reserved for domestic mutual funds and the remaining for insurance companies and pension funds.
- These measures are expected to broaden the anchor investor participation and ease participation for large Foreign Portfolio Investors operating multiple funds.

Asset Management

- On asset management side, SEBI has introduced Mutual Funds Lite (MF Lite) framework for passively managed mutual fund schemes. This framework will encourage innovation, reduce compliance and make passive investments more accessible to the investors.
- To bridge the gap between Mutual Funds and Portfolio Management Services, we have introduced Specialized Investment Funds (SIF).
- Recently we have reclassified REITs as “equity” for investments by mutual funds and expanded the scope of “Strategic Investor” for REITs and InvITs, to facilitate wider investor participation in these products.
- We have reduced the minimum investment threshold for Large Value Funds (LVFs) schemes of AIF from Rs. 70 crore to Rs. 25 crore to facilitate higher investor participation.

- To facilitate co-investment by accredited investors, Category I and Category II AIFs are now permitted to form a separate Co-Investment Vehicles (CIV schemes), in addition to the existing option of using the Portfolio Management Services (PMS) route.

Foreign Investors

- For foreign investors, SEBI has introduced Single Window Automatic and Generalised Access for Trusted Foreign Investors ('SWAGAT – FIs') Framework. This will facilitate easier investment access, unified registration, minimized compliance requirements and documentation for eligible investors.
- We have also eased regulatory compliances for FPIs investing only in Government Securities. Such investors will be exempted from certain disclosure and reporting requirements, which are otherwise applicable to regular FPIs.
- For easing the on-boarding process of FPIs, we have introduced simplified registration forms for FPIs, put in place SOP of registration and a tracker portal for seamlessly tracking the registration applications by the applicants.
- To facilitates increased and direct engagement with the foreign investing community, SEBI has established a FPI outreach cell.
- Recently we have also launched a dedicated portal - 'India market Access' for current & prospective FPIs, which will act as a consolidated source of all regulatory and procedural information with regard to foreign investment in India's securities market.

Together, all these measures are expected to facilitate ease of doing business in Indian market and add to the confidence of both domestic and foreign players.

Global Trade & Investment: Deepening Ties

As India strengthens its regulatory foundation and market depth, its global investment and trade partnerships are following suit.

The U.S. remains among India's top partners in FDI equity inflows. Since April 2000 to June 2025, the cumulative FDI equity inflow from the U.S. has exceeded USD 76 billion, accounting for over 10% of total FDI equity inflows into the country. Services sectors comprising financial, banking, insurance, business services etc. are the major beneficiaries of foreign investments with 16% share in total FDI equity inflows.

In terms of Foreign Portfolio Investments, equity AUC (Assets Under Custody) of FPIs from the U.S. have grown at a CAGR of 18% between Apr-2019 to Aug-2025, outpacing the overall FPI equity AUC annual growth rate of around 15%, during the same period. As of end of Aug-2025, U.S. FPI equity AUC stood at around USD 346 billion, making up about 43% of total FPI equity AUC in India.

India's increasing integration with global financial ecosystem is further reflected by rise in India's weight in MSCI Emerging Market Index from around 8.7% in Dec-2015 to 16.2% as at end of Aug-2025.

These statistics indicate how closely India is integrated with global financial markets, particularly with the United States. The rising scale of cross-border investments are strengthening the economic ties across nations and deepening financial cooperation.

Way Ahead

As we look ahead, the Indian capital markets stand at the cusp of a new growth cycle - one that combines reform, innovation, and global integration. SEBI continues to work relentlessly towards its mandate - to protect the interest of investors in securities, promote the development of and to regulate the securities market.

Our efforts are underway to further deepen the corporate bond market, facilitate the capital formation and promote ease of investments by the investors – both domestic as well as foreign. Towards these objectives, fresh proposals such as introduction of a closing auction session in equity cash segment and review of the block deal framework are under consideration. The consultation papers on these reforms have already been released for public comments and feedback. Additionally, to facilitate the ease of investments by foreign investors in India, we are engaging with various stakeholders to streamline the KYC norms across the regulators. This will further simplify the on-boarding of foreign investors and would lead to their seamless participation into the Indian financial ecosystem.

I think the journey ahead is not just about sustaining the current pace of growth and reforms but it's about reimagining India's capital markets for the next decade. This is an opportunity for all of us - regulators, businesses, investors and other stakeholders to shape a marketplace that drives economic expansion while staying resilient and future-ready.

I look forward to our continued collaboration, innovation, and growth in the years ahead. Thank you for your attention.

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