Address by Shri Tuhin Kanta Pandey, Chairman, SEBI
SEBI's Vision for Financialization in India
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Good afternoon, ladies and gentlemen.

It is a pleasure to be here today amidst investment professionals. You are not just managing capital but are channelling the aspirations of millions of Indian households through the capital markets.

We stand at a pivotal moment in India's economic journey. The story of India's growth is no not just about GDP numbers. It is about a compositional shift in how our households save and invest. It is the story of financialization.

Today, I will share with you a few perspectives on SEBI's vision for this new era.

Capital Markets: Deepening Trust, Breadth, and Participation

First, let's talk about the foundation.

Shift from Savers to Stakeholders

We are witnessing a nation of savers transitioning to a nation of investors. Today, unique investors exceed 130 million, while unique MF investors exceed 56 million. Monthly SIP flows today exceed ₹280 billion, with the MF industry's AUM crossing over ₹75 trillion. Individuals[1] now own 18.5% of NSE-listed companies[2].

The rise of domestic capital is a sign that millions of Indian households, motivated by long-term financial goals, want to be part of India's growth story.

However, results of SEBI's nationwide investor survey[3] have identified a lot of untapped potential. I urge you to make constructive use of this study to co-create new products and technologies to make our markets more inclusive and resilient.

Enhancing 'Ease of Investment'

[1] Directly and through Mutual Funds
[2] NSE data
[3] Survey results are available at https://www.sebi.gov.in/reports-and-statistics/research/sep-2025/investor-survey-2025_96982.html

SEBI's focus has been on reducing friction in investing. Technology has been our greatest ally in this endeavour.

Adoption of e-KYC processes and mobile-first platforms have democratized access for first-time investors. A T+1 settlement cycle reduces risk and gives investors faster access to capital. Direct pay-out of securities into client accounts simplifies the ownership process. ASBA in secondary markets via UPI has made investing cost-efficient.

For issuers, IPO listing timeline has been compressed to T+3 days, ensuring faster access to proceeds. Capital raising norms have been relaxed to encourage companies to reverse flip and list in India. We are encouraging new-age companies to list by allowing their founders to retain ESOPs granted a year before IPO filing.

Changes have been recommended to ease Minimum Public Offer thresholds, which will permit large issuers to list with lower initial public float. Timeline to achieve MPS has also been rationalized, consistent with due regard to liquidity, so that regular dilution does not affect existing public shareholders.

Building Guardrails for Governance and Market Integrity

The second pillar is a dynamic regulatory approach to governance.

Confronting New-Age Risks with Modern Solutions

We have moved from reactive supervision to predictive oversight. We are identifying risks as they emerge and using technology to mitigate them.

Our surveillance system now uses rule-based alerts to proactively identify market manipulation patterns. SEBI's offsite inspections leverage technology to supervise our MIIs and intermediaries.

Investors can use the new sub-system of UPI - "Validated UPI handles" - along with "SEBI Check" facility to easily verify the authenticity of payment details of SEBI intermediaries. This aims to curb cyber frauds.

The regulatory framework for Algorithmic and High-Frequency Trading, which account for significant volumes in our markets, will be kept updated to ensure fairness and transparency.

Empowering Investors

Ultimately, the most effective regulation is an empowered investor. The recently launched Unified App of the Depositories gives investors a consolidated view of their securities, eliminating the need for multiple logins. The app also integrates recommendations of proxy advisors on resolutions empowering investors to vote seamlessly.

Investors can now voluntary freeze/ block their trading accounts (similar to ATM cards), in case they find any suspicious activity.

Protecting investors from cyber frauds and misleading advice of unregistered finfluencers will continue to be a major objective of our efforts in collaboration with all stakeholders. Social media is being pro-actively monitored to take down manipulative content.

Our goal is to move beyond just protection. We aim to build true investor resilience through tools, transparency, and education.

Architecting the Future: Innovation, Inclusion, and Global Integration

Finally, let's look ahead. Our vision is to create a market that is not just for today, but for the coming decades of India's growth.

Expanding the Product Landscape - Instruments for a New India

A maturing market needs a variety of instruments - for capital formation and risk management.

To simplify passive investing, we introduced the MF Lite framework. We brought in Specialized Investment Funds to bridge the gap between mutual funds and PMS.

We are reviewing the framework that permits AMCs to carry out business activities to ease business norms and to enhance the scope of permissible activities. Skin-in-the game requirements for AMC employees have been eased, while ensuring that unitholders interest is still protected.

REITs and InvITs have grown phenomenally. The recently reclassification of REITs as equity will enhance inflows from equity oriented MF schemes.

The AIF segment, catering to risk capital and alternative investments, has expanded five-fold in just six years to over ₹5.7 trillion. Several measures have been taken to facilitate orderly growth this industry. Steps are being taken to promote adoption of 'Accredited Investor' status by investors.

Strengthening India's agri and non-agri commodity markets is important for SEBI. We are looking to enhance institutional participation to make this market more attractive for hedging.

Deepening our cash equities market and improving the derivatives market is a high priority for us. We will be thoughtful and consultative in suggesting further measures to improve these markets in this regard.

We have taken concrete steps to deepen the corporate bond market, making it more accessible for issuers and investors. We are examining bond derivatives, as another initiative to deepen this market. Growth of Muni-bonds is being facilitated through regulatory reforms and outreach programmes.

India as the Investment Destination of Choice

The world sees India's potential. Our task is to make accessing it seamless. For foreign investors, we have introduced the 'SWAGAT-FI' framework - a single window for trusted investors to get unified registration and minimum compliance. We have eased regulatory compliances for FPIs investing only in Government Securities. Our goal is simple - fully digitalize the entire FPI registration process to make it possible in just a few days.

Another urgent goal for us is to streamline NRI KYC norms to allow them to easily participate in our markets.

Way Ahead

We are working towards building a market that is inclusive, digitally empowered, and resilient. This journey of financialization is central to the larger vision of a developed India.

In closing, the road ahead is one of partnership. As regulators, we will continue to build the guardrails. But as the leaders of this industry, you will have to drive innovation and uphold the integrity that this new era demands.

Let us work together to build a market where every Indian household has the opportunity to participate in and contribute to the nation's prosperity.

Thank you. Jai Hind!