Address by
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Financing India's Future - SEBI's Perspective for a Self-Reliant India
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Shri C. S. Setty, Chairman, SBI, Managing Directors of SBI, fellow regulators, industry leaders, colleagues from the State Bank of India, ladies and gentlemen.

It is a pleasure to be here at the 12th SBI Banking & Economics Conclave. The theme, '*India's Quest for Self-Reliance in a Fragmented World Order*', truly captures the spirit of our present times. We navigate a global landscape marked by geopolitical shifts, trade complexities, and rapid technological change, all of which challenge established norms.

Our journey towards self-reliance will require channelizing our nation's savings into productive investments - in modern infrastructure, advanced manufacturing, and energy transition as well as strategic sectors like semiconductors, rare earth metals, and defence. Capital markets will be crucial to fund these ambitions.

Changing paradigm of household investment

The foundation of any self-reliant economy is its own people's capital.

We are witnessing a fundamental shift in how Indian households save and invest. SEBI's investor survey tells us that investors are motivated by long-term growth, building additional income, and goal-based financial strategies.

The numbers speak for themselves. The count of unique investors in our capital market has surged from just over 38 million in FY2019 to nearly 135 million now. The number of unique mutual fund investors has jumped from 10 million a decade ago to over 56 million now. Households savings channelled into mutual funds grew at a CAGR of 24% between FY21-FY25, far outpacing the 9% growth in bank deposits[1]. This isn't just financialization - we are witnessing democratisation of wealth creation.

This shift has created a powerful domestic counter-balance to volatile global flows. The rise of Systematic Investment Plans, now crossing ₹280 billion monthly, provides

[1] Source: RBI and AMFI

stable capital. Individuals, directly and via MFs, now hold a record 18.8% of NSE-listed firms[2]. Our domestic strength now provides stability in a fragmented world.

In the current financial year alone, equity and debt issuances have crossed ₹7 trillion. A strong IPO pipeline indicates continued confidence in our markets. Instruments like REITs and InvITs have channelled significant capital into vital real estate and infrastructure assets. AIF commitments, channelling risk capital into the unlisted space, have grown at a CAGR of 30% over the last 5 years. Municipal bonds, though nascent, offer a direct route for cities to fund their own development.

Nevertheless, India still remains a predominantly bank-led economy. Outstanding bank credit to industry and services stands at ₹91 trillion[3], while outstanding corporate bonds stand at ₹54 trillion. This highlights our primary challenge and our greatest opportunity. Deepening our equity, bond, and alternate investment markets is imperative to diversify and provide an alternate source of funding for our ambitions.

Capital Markets - An Engine for Self-Reliance

In a fragmented world, our markets have to be investor and issuer friendly. Investors will commit capital when they believe the market to be fair, transparent, well-regulated, and capable of withstanding shocks. Our enterprises need more than just a resilient market - they need an efficient one. This is where easing norms of doing business becomes crucial. SEBI's role is a dual one - to ensure market integrity and to be an enabler of efficient capital formation.

Let me touch upon some key reforms taken by SEBI.

Ease of Doing Business

Fund raising timelines: IPO listing timelines have been shortened to T+3, while rights issue timeline has been reduced to 23 days, from average of 317 days taken earlier.

Simplifying documentation: The placement document for qualified institutional placement has been streamlined, by eliminating duplication of information which is already public.

Large issuer listing: Changes have been recommended to allow scale-based guidelines for issuers to list with lower initial public float, consistent with market

[2] NSE data as on Sep 30, 2025
[3] Source: RBI October 2025 bulletin

absorption capacity and minority shareholders' interest. Timeline to meet MPS has also been rationalized, with due regard to liquidity.

Anchor investor norms: The number of permissible anchor investors has been increased. Registered life insurance companies and pension funds are now included in the portion reserved for anchor investors.

Development of the Market

AIFs: We have reduced the minimum investment for Large Value Funds from ₹700 million to ₹250 million to facilitate higher investor participation. Steps are being taken to promote the adoption of Accredited Investor status in our ecosystem.

Corporate Bond Market: SEBI has focused on opening this market to retail investors - face value of corporate bonds has been reduced to ₹10,000/-; Online Bond Platform Providers (OBPP) have been introduced to facilitate online transactions in bonds; RFQ platform for secondary market; and liquidity window facility introduced to provide exit option to retail. Regulatory framework has also been issued for green bonds, social bonds and sustainability-linked bonds. However, much more needs to be done to deepen this market.

REITs and InvITs: 'Strategic Investor' category has been expanded to allow REITs and InvITs to attract capital from institutional investors. Classifying REITs as "equity" is also expected to further enhance liquidity of these instruments.

Market Integrity

Cyber resilience: A comprehensive Cybersecurity and Cyber Resilience Framework (CSCRF) has been mandated for all regulated entities. Smaller intermediaries will be supported by NSE and BSE by setting up a Market-Security Operations Centre.

Governance in MIIs: These are our first line of defence. Measures have been taken to ensure they always prioritize public interest over commercial considerations.

Stress testing MF schemes: These norms, for small and mid-cap MF schemes, directly enhance market resilience, requiring fund managers to ensure prudent liquidity management.

Secure payment modes: UPI has transformed payments in the securities market. The 'Valid UPI Handles' and the 'SEBI Check' utility of SEBI has create a secure digital pathway for investors, ensuring that payments go only to registered intermediaries. Around ₹440 billion of investor funds have entered the capital markets through these validated UPI handles.

Surveillance: Our revamped in-house systems are using AI and data analytics to generate alerts for manipulative trading patterns. We will keep our regulatory framework for Algorithmic and High-Frequency Trading updated to ensure fairness and transparency.

Social media platforms: Digital platforms are being actively monitored for misleading content. We have escalated over one lakh pieces of such content to be taken down by these platforms.

I have to also acknowledge some of the steps taken by RBI for the capital markets[4]. The increase in the IPO financing limit for individuals from ₹1 million to ₹2.5 million will enable deeper retail participation in large public issues. RBI has also enhanced the limit for lending by banks against units of REITs and InvITs, while removing the ceiling on lending against listed debt securities. This will make these instruments more attractive as investment avenues.

The government has also recently specified municipal debt securities as eligible for repo and reverse repo transactions. They can now be used by banks and institutions for short-term liquidity management. Their increased demand will empower our cities to fund their own development.

Way Ahead

Looking ahead, how do we position India's capital markets for the next decade of growth and self-reliance?

First and foremost, education will be the key to ensuring responsible participation, especially as millions of new investors join the market. We are shifting from basic literacy to targeted education, focusing on market specific risks, and dealing with unregistered entities. The outcome of our nationwide survey is helping us understand investor behaviour and our outreach programs will be tailored accordingly.

For IPO bound companies, the existing contents of the Offer Document summary will be further rationalized. This summary will also be made available separately to investors from the Offer Document, to encourage informed feedback from them. The

[4] RBI Press Release dated Oct 01, 2025

process for IPO bound companies, whose pre-IPO shares are pledged, is being streamlined. The proposed framework will ensure that lock-in requirements are automatically enforced even if the pledge is invoked or released, thereby preventing listing delays. Consultation papers for these proposals are expected to be out soon.

For the corporate bond market, our way forward will be to make debt instruments more attractive for retail. We have floated a proposal to allow debt issuers to offer incentives to certain investor categories to encourage retail participation and other rationalization measures. A nationwide education campaign to make investors aware about this market will be rolled out shortly. RBI and SEBI are also consulting on introduction of bond derivatives.

Strengthening the commodity markets is a priority for SEBI. We will work with RBI towards a regulatory framework to enable prudent institutional (banks, insurance companies, and pension funds) access to the commodity markets. A proposal to allow FPIs to trade in non-cash settled non-agricultural commodity derivative contracts is currently under examination.

In closing, financing India's future in this complex global environment is a shared responsibility. SEBI is committed to being a responsive, forward-looking regulator. We value the insights of all stakeholders present here today - policymakers, fellow regulators, industry leaders. Your partnership is crucial as we navigate the path towards a ₹5 trillion economy and beyond.

Let us work together to build a capital market ecosystem that is robust, inclusive, and truly fuels India’s quest for self-reliance.

Thank you. Jai Hind!