Address by Shri Tuhin Kanta Pandey, Chairman, SEBI
CII Southern Region, Chennai
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Mr. R Dinesh, former President, CII, Mr. Thomas John Muthoot, Mr. P. Ravichandran, members of CII Southern Region, captains of business and industry, ladies and gentlemen - a very good morning to all!

We are meeting amidst the ongoing impact of Cyclone Ditwah in the coastal regions of Tamil Nadu, Puducherry and Andhra Pradesh with a hope that damage to life and property will be minimum. We convey our solidarity and support to the people and governments of affected UT and State governments at this juncture.

I am honoured to address this august audience comprising members from the CII's Southern Region today. This region has emerged as one of the principal growth engines of the national economy, accounting for roughly **30-31% of India’s GDP**.

The Southern states are deeply integrated with global value chains. They are among India’s leading destinations for FDI and important centres for manufacturing and services, exports and R&D, powered by IT-ITES hubs and clusters of automobile and electronics, pharma and engineering, leather and textiles and newly emerging data centres and AI industry. The region has also strong remittance and services-led economy model, a world class healthcare industry, tourism potential and a large proportion of Global Capability Centres (GCC). Several states consistently do well in per-capita income and GSDP growth, driven by capital formation, physical and social infrastructure, talent pools, innovation and digitalisation.

Tamil Nadu and Karnataka rank among the top three state economies after Maharashtra. Southern India also plays a prominent role in capital markets, sourcing nearly **₹12 trillion of mutual fund AUM** - about **65%** of which is invested in **equity schemes**. Karnataka, Tamil Nadu, and Telangana **rank in the top 10 states** in terms of total mutual fund AUM.

States like Karnataka, Tamil Nadu, and Kerala **exhibit securities-market penetration levels** above the **national average**[1].

These states are in a position to substantially increase their economic contribution by 2047, placing them at the heart of India’s Viksit Bharat goal.

Indian Capital Markets

Our capital markets are reliable, efficient, and fund India's productive sectors. Let me present some data points in this regard:

- From April to October of FY26, **equity capital** raised has already crossed **₹2.5 trillion**, while **corporate bond issuances** have touched almost **₹5.5 trillion**.

- The IPO pipeline remains healthy - companies have already raised around **₹700 billion** through 186 IPOs. We are globally ranked first in terms of number of IPOs and third in terms of value of IPOs.

[1] SEBI Investor survey 2025

- The corporate bond market has also strengthened significantly. Outstanding corporate bonds today stand at nearly **₹55 trillion**, close to **60% of bank credit**[2]. This shift strengthens our financial stability by diversifying funding channels.

- Wealth democratisation is most visible in mutual funds. AUM has grown from **₹24 trillion** in 2019 to around **₹80 trillion** today. Monthly SIPs now exceed about **₹290** billion.

- The **alternative investments** ecosystem, which channels risk capital into early-stage ventures and new-age businesses, has risen from **₹1.1 trillion** in March 2019 to ~ **₹5.7 trillion** today.

SEBI's Initiatives for Market Development

Let me speak about some of SEBI's recent initiatives:

Primary markets: Focus is on making it easier for issuers to raise capital.

- **Minimum Public Offer (MPO)** thresholds are being rationalised to allow companies with substantial market value to meet public float requirements through a gradual, orderly process.

- **SME platforms** are opening new avenues for smaller enterprises to raise capital. We have enhanced scrutiny and governance norms to ensure these platforms remain credible and protect investors.

- **Anchor investor framework in IPOs** has been modified to now also include long-term investors like Life Insurance and Pension Funds.

- Enabled **founders** to **retain certain ESOPs post-listing** ensures that the alignment of incentives remains intact, while at the same time maintaining transparency and fairness.

- **Scale-based thresholds** have been introduced in **related-party transactions (RPTs)** that balance the interests of investors and listed entities.

Corporate Bonds and Hybrid Securities: Focus is on enhancing transparency and accessibility in this space.

- Scope of **Electronic Book Provider (EBP)** platforms expanded to include **REITs and InvITs**, which are central to financing India's infrastructure.

- EBP usage threshold lowered for bond issuances to improve **transparency in price formation** in the corporate debt market.

- Minimum face value of bonds reduced to enable **retail access** through Online Bond Platform Providers.

- **REITs** classified as **equity** - they will be included in indices in a phased manner

- Several changes have been made for ease of doing business in **AIF regulations** drawing on risk-based approach to regulations. We will further facilitate Accredited Investor framework.

[2] To industries and services

Way Ahead

We shall follow an 'Optimum Regulation' approach - fewer, yet smarter rules that improve ease of doing business without compromising investor protection or market integrity.

While making changes in regulations, we will consult widely with all stakeholders for a balanced outcome, because we believe that co-created market frameworks will maintain trust and confidence as we explore wide opportunities to further develop our capital market.

Our investor survey highlights a significant challenge - while **63% of households are aware** of securities products, **only 9.5% have invested**. Moreover, **only 36% of investors** have **high to moderate knowledge** about securities market.

Our Investor Survey 2025 also shows that investors are seeking investor-education in their mother tongues. For example, Telugu and Tamil each is preferred by 7% of respondents, and Kannada by 5% of respondents,

SEBI is committed to bridging this gap through investor campaigns. We are launching multi-format and multi-lingual campaigns - digital, multi-media, and physical - to build a new generation of informed, responsible investors.

We are proposing to rationalise and simplify the **Offer Document Summary**, to be made available separately to investors, encouraging informed feedback and reducing reliance on unverified tips. This will also **dispense with the Abridged Prospectus**, reducing compliance for issuers.

A **comprehensive review** of SEBI's regulations is underway, covering **Stock Brokers, Mutual Funds, Settlement, and LODR Regulations**, to eliminate redundancy and update outdated constructs. Master circular for Stock Exchanges will be consolidated, simplified and rationalized chapter by chapter within next few months for better clarity and ease of doing business.

We will continue our focus on **building depth** in our **corporate bond market**. A comprehensive **awareness program on bonds** is needed to bring retail investors to this market. Developing the **commodities markets**, both agri and non-agri, is **high on our agenda**.

We aim to deliver a fast and efficient **FPI experience** through **end-to-end digital registration**, powered by paperless, digitally-signed workflows. The aim is to bring down the registration timeline from months to days. **Easing KYC norms for NRI investors** is also an important agenda.

Technology will remain a big focus- in market infrastructure institutions, in surveillance and supervision (SupTech and RegTech), in enabling innovation, onboarding and outreach for investors (fintech, AI).

We are committed to building markets that are efficient, transparent, and deep - markets that remain the primary engine of India's growth story.

Looking forward to a fruitful interaction ahead.

Thank you.