Address by
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"Financing India's Momentum''
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Shri Amol Dethe, Editor, ET-BFSI, distinguished guests, ladies and gentlemen, a very good morning to you all!

It is a pleasure to address this gathering of leaders from banking, capital markets, insurance, pension and the wider financial ecosystem.

Today, financial markets form the backbone of India's growth journey—mobilising savings, allocating capital, managing risks, and shaping the confidence with which households and enterprises plan their future. Today's conversation is not merely about recent progress; it is about the direction in which the Indian financial system is moving and the role each of us plays in strengthening trust, efficiency, and inclusion.

In many ways, India's financial sector has become one of the strongest pillars supporting our economic aspirations, and it is steadily evolving into a system capable of meeting the demands of a fast-growing economy.

Financial Sector and Economic Momentum

India's macroeconomic story continues to show remarkable resilience amidst global headwinds and uncertainty. With growth accelerating and domestic investment reviving, our economy expanded by 8.2% in the Sept-2025 quarter. The recent estimate of annual real GDP growth for FY26 is now at 7.3%—reinforcing India's position as the fastest-growing major economy. Strong fundamentals and decisive policy actions have together strengthened this momentum.

The progress of the financial sector has been central to this performance. Recent economic reforms, coupled with initiatives across banking, capital markets, insurance and pension sectors, have created an ecosystem that complements economic growth rather than merely reacting to it.

Income tax amendments introduced earlier, along with the latest GST reforms, have the potential to boost consumption and accelerate the capex cycle in the economy. The new Labour Codes aimed at promoting ease of doing business while safeguarding workers' rights and welfare have the potential to spur economic activities.

Recent amendments[1] in banking laws mark a shift towards enhancing governance standards, improving audit quality, strengthening depositor protection, and promoting operational efficiency in the banking sector.

[1] Banking Laws (Amendment) Act, 2025

Similarly, in the pension sector, the introduction of the new MSF framework[2] by PFRDA is a step towards widening the outreach of NPS in the non-government sector and provides greater flexibility to subscribers and pension fund managers.

In our securities market, we have taken a series of reforms to facilitate capital formation, simplify processes, optimise regulations and strengthen overall market governance.

Simplified listing frameworks, changes in rules to ease Minimum Public Offer (MPO) thresholds for large issuers, and the strengthening of the corporate bond market architecture have made capital raising more efficient and transparent.

We have allowed promoters to retain ESOPs[3] or similar benefits post-listing to ensure that the alignment of incentives remains intact, while at the same time maintaining transparency and fairness.

Steps have been taken to provide additional relaxations and operational flexibilities to Accredited Investor-only (AI-only) schemes of AIFs. We have reduced the minimum investment threshold for Large Value Funds and permitted AIFs to offer co-investment opportunities to their Accredited Investors.

For foreign investors, measures have been taken to streamline onboarding and reduce documentation to facilitate smoother market access. Recently, SEBI has introduced the SWAGAT-FIs[4] framework to facilitate easier investment access, unified registration and much reduced compliance requirements for eligible foreign investors. Further, we have also eased regulatory compliances for FPIs investing only in Government Securities.

Recently, we have introduced several measures for REITs and InvITs to boost retail participation, liquidity and governance. Some of these include reclassifying REITs as "equity" for easier mutual fund inclusion, launching SM REITs for smaller assets, reducing minimum investment thresholds to ₹25 lakh for private placement and improving disclosure and reporting timelines.

Measures such as introduction of validated UPI handles, SEBI Check facility, direct pay-out of securities/funds into clients' accounts, and the facility to voluntarily freeze trading accounts in case of suspicious activity have enhanced investor protection in the securities market.

To promote broader retail participation—especially from under-represented segments—the incentive structure for mutual fund distributors has been revised to encourage flows from B-30 cities and onboarding of first-time women investors.

[2] Multiple Scheme Framework (MSF)
[3] Employee Stock Options
[4] Single Window Automatic and Generalised Access for Trusted Foreign Investors

We have also strengthened the governance framework of stock exchanges and clearing corporations, including periodic independent evaluations and enhanced accountability of key directors.

Together, these measures reflect a financial system that is not only expanding but also maturing in the way it balances innovation, investor protection and long-term stability.

India’s Capital Market: Scale, Depth and Broadening Participation

The transformation in India's capital markets over the past few years has been profound. As of November 2025, total demat accounts have crossed 21 crore, with around one lakh demat accounts being added daily.

In terms of unique investors, the number has risen from about four crore in FY19 to around 13.6 crore today. This widening investor base reflects not just rising incomes and aspirations but also trust in market institutions and regulatory frameworks.

The capital market continues to play a vital role in financing India’s growth. With over 5,500 listed companies, equity and debt issuances amounted to ₹14.3 lakh crore in FY25, and in the first eight months of FY26 alone (April–November), an additional ₹9.2 lakh crore has been mobilised.

In FY25, capital market issuances accounted for 14.5% of Gross Fixed Capital Formation (GFCF), up from 12.6% in FY15 - indicating that markets are increasingly becoming a key channel for funding long-term infrastructure and productive assets.

Over the past 10 years, our market capitalisation has expanded significantly - from 81% of GDP in FY15 to around 134% today - signalling the growing role of equity in fuelling economic growth.

The evolution of the mutual fund industry is equally striking. Assets have grown from around 9% of GDP in FY15 to about 23% of GDP today. This reflects households’ shift towards organised savings, disciplined investing and long-term wealth creation.

Participation is also diversifying geographically. Around 19% of total mutual fund assets i.e. around ₹14.5 trillion - now originate from beyond the top 30 cities. About 27% of retail investors now invest in direct plans, up from 24% a year ago. These trends demonstrate increasing financial awareness and growing investor confidence across the country.

Strengthening Regulatory Architecture

As participation widens and the investor base becomes more diverse, our focus has also been to strengthen the regulatory architecture that upholds the integrity of the market.

A growing market is a welcome sign, but a growing market built on strong governance, clarity and accountability is what truly sustains investor confidence. This philosophy has guided our actions over the years.

One significant area of progress has been the governance landscape for listed entities. SEBI's initiatives have shifted boards from ceremonial oversight to active, independent stewardship. The framework for board composition now places strong emphasis on independence, diversity and accountability.

Strengthening the role of the compliance officer is another safeguard. By designating the compliance officer as a Key Managerial Personnel and ensuring that the position is held by a whole-time employee not more than one level below the board, we have reinforced the accountability framework within companies.

Recognising the growing complexity and size of listed entities, we have introduced provisions that promote higher governance standards—such as encouraging the presence of women independent directors, increasing the number of meetings of independent directors, and expanding the applicability of the Risk Management Committee to the top 2,000 listed companies.

At the market level, we have also taken measured steps to strengthen the equity derivatives framework. The regulatory changes are being implemented in a phased manner in line with a defined roadmap, enabling participants and market infrastructure institutions to transition smoothly. Our approach remains data-driven: we will continue to monitor market trends, risk indicators and participant behaviour.

Way Forward

Looking ahead, we will continue to strengthen investor protection, deepen market development and enhance ease of doing business. Our endeavour is to create a regulatory environment that is clearer, simpler and more responsive to market needs.

Ease of Doing Business

We are undertaking a comprehensive review of SEBI regulations to make them more objective, contemporary and easier to comply with. Some of the key regulations under review include:

- SEBI (Mutual Funds) Regulations, 1996 – The review aims to balance the ease of compliance for mutual funds and reduction in cost for the investors

- SEBI (Stock Brokers) Regulations, 1992 – The review will make regulations more relevant, simple and streamlined
- SEBI (LODR) Regulations, 2015 – The review aims to remove redundancies and ambiguities and update the regulations to meet emerging requirements of the market.

Besides these regulations, we also reviewing and updating the master circular related to FPIs and DDPs. This exercise will streamline processes, reduce overlaps and enhance clarity for the market participants.

To further simplify investor onboarding, we are considering a proposal to provide access to supplementary Account Opening Form (AOF) information through KRAs. This will help avoid repetitive submissions by investors and help intermediaries with cleaner, consistent and verified data flowing through the system.

Market Development

Our focus will remain on developing deeper and more vibrant markets.

We will continue strengthening the corporate bond market, expanding the AIF ecosystem and encouraging greater domestic and foreign participation. Introducing new products, rationalising frameworks and enabling more flexible investment structures will remain our key priorities.

Promoting Investors' Interests

Earlier this week, we launched PaRRVA[5] for intermediaries to present verified performance data. For investors, this initiative will build greater trust and improve decision-making by relying on credible and uniform performance information.

To reduce unclaimed financial assets and to create awareness about MITRA platform, SEBI, along with IEPFA[6] and market institutions, has conducted several joint 'Niveshak Shivir' programmes. These efforts will continue, with a focus on investor facilitation and reclaim support.

On the investor education and awareness front, we will expand outreach efforts through multi-media, multi-lingual and multi-agency approach. We are also partnering with Ministry of Panchayati Raj to reach out to block level and panchayat level institutions.

[5] Past Risk and Return Verification Agency
[6] Investor Education and Protection Fund Authority (IEPFA)

Collaboration Across Regulators

Today, investors in the securities market can already access a consolidated statement of their holdings across products such as equities, debt instruments and mutual funds through the depositories.

Can we think of having a consolidated statement for the entire financial market ecosystem—with all financial assets reflected in one place? Isn't it desirable?

This initiative can be an empowerment tool for millions of households and investors.

We intend to take this idea forward with other financial sector regulators in the inter-regulatory forum.

Conclusion

As we move forward, our endeavour is to nurture a financial system where growth, governance and convenience reinforce each other. The task before us is not merely regulatory; it is developmental.

With the collective expertise present in this room, I have no doubt that we are well placed to build the next phase of India's financial architecture. The reforms we undertake today—whether large or subtle—shape the experience of investors for decades to come.

India's financial system stands at a moment of both opportunity and responsibility. The opportunity lies in a growing economy, rising household savings and expanding digital access. The responsibility lies in ensuring that this growth is supported by systems that are resilient, fair and easy to navigate.

If we are able to deliver on this twin mandate, we will not only deepen our markets but also strengthen the very foundation of economic participation in our country.

Thank you.