Address by
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Hon'ble Minister of State for Jal Shakti, Dr. Raj Bhushan Choudhary, Hon'ble Member of Parliament, Ms. P.T. Usha, Shri Dhananjay Shukla, President, ICSI, Shri Pawan G. Chandak, Vice President, ICSI, distinguished Company Secretaries, and leaders from the corporate governance ecosystem. Good evening to all of you!

It is a pleasure to be among a community that rarely seeks the spotlight, yet plays an indispensable role in keeping India's capital markets credible, resilient, and trusted.

Let me begin with a simple observation. When markets function smoothly, governance is often invisible. But when governance fails, its absence becomes painfully visible — to investors, to regulators, and sometimes, to the broader economy. In that moment, questions are asked not only of the management, but also of processes, disclosures, and institutional safeguards.

And that is where the role of the Company Secretary becomes central.

In listed companies, you operate at a unique intersection — between law and business, between boards and management, and between regulatory intent and corporate reality.

You are the custodians of balance — ensuring that growth is pursued responsibly, and that compliance serves a purpose beyond mere form.

As India's markets grow in scale and sophistication, this balancing role has never been more critical.

India's Capital Markets: Growth, Depth and Responsibility

Before we speak about governance, it is useful to pause and reflect on the scale and transformation of Indian capital markets.

Over the last decade, our market has witnessed a remarkable expansion. The number of listed companies has grown steadily to over 5500. Market capitalisation has multiplied several times since FY15, to reach over Rs.470 trillion as at end of Nov-2025. Scaled to the size of economy, it now stands at around 134% of GDP, compared to 81% in FY15.

In terms of participation, the number of investors has risen from 4.3 crore in FY20 to 13.7 crore. There are more than 5.8 crore mutual fund investors in the country holding Rs.81 trillion of assets. This growth has been supported by steady SIP flows, which now stands at over Rs.29,000 crore on a monthly basis.

Over the past decade, capital markets — equity and debt together — have facilitated average issuances of ₹9.6 trillion every year. This indicates that the capital markets are no longer a peripheral funding avenue. They now account for a growing share of capital formation, enabling companies to raise resources efficiently, transparently, and at scale. This shift has profound implications. Listed companies are no longer answerable only to a small group of shareholders or lenders. They are accountable to a wide and diverse investor base — spanning geographies, income levels, and risk appetites.

With this growth comes responsibility.

As participation deepens, expectations rise — expectations of fairness, good governance, and credible oversight.

Markets can tolerate business risk; what they struggle to tolerate is governance uncertainty. And as the market expands, even small governance lapses can have amplified consequences.

This is why corporate governance is not a parallel concern to market growth — it is its foundation.

Corporate Governance: From Compliance to Credibility

Corporate governance in listed companies is often discussed in terms of regulations — board composition, committee structures, disclosures, thresholds. These are, of course, necessary. But governance, at its core, is not merely about procedural compliance. It is about credibility.

Credibility in how decisions are taken.

Credibility in how conflicts are managed.

Credibility in how information is shared with investors.

For listed companies, governance is the mechanism through which dispersed shareholders place trust in those who manage their capital. It ensures that power is exercised with restraint, and discretion is accompanied by accountability.

Many governance failures we have seen — in India and globally — arose from a mindset that viewed governance as a procedural burden rather than a strategic asset. Shortcuts were rationalised, disclosures were minimised, and exceptions slowly became norms.

This is where the Company Secretary plays a vital role. You are often the first to see the gap between regulatory form and governance substance. You are the ones who translate broad principles into boardroom practices — ensuring that governance is not something done for regulators, but something done for the long-term health of the company.

The Company Secretary: From Compliance Officer to Governance Advisor

Traditionally, the Company Secretary was seen primarily as a compliance professional — ensuring filings were timely, registers were maintained, and statutory requirements were met. That role remains important, but it is no longer sufficient.

Trusted Advisor

In today's listed companies, the Company Secretary is increasingly a governance advisor.

You support boards in understanding not just what the law requires, but what good governance demands. You help management navigate complex regulatory landscapes without compromising integrity. You ensure that board deliberations are structured, informed, and properly recorded — not as a matter of formality, but as a matter of accountability.

Exercising Judgment

Let me ask a question many of you may relate to:

How often does a critical governance issue surface not as a clear violation, but as a grey area — something that is technically permissible, yet institutionally uncomfortable?

In such moments, interpretation must be accompanied by informed judgment. Not just "Can we do this?", but "How will this be perceived by investors, regulators, and the market tomorrow?"

This advisory role requires judgment, confidence, and sometimes, courage. It requires the ability to speak truthfully — and respectfully — in boardrooms where commercial pressures may be high.

Enabling Informed and Accountable Decision-Making

Consider board composition and independence. Regulations lay down minimum requirements, but effectiveness depends on how independent directors are enabled to function — through timely information, meaningful agendas, and an environment that encourages questioning.

Similarly, board committees — audit committees, nomination and remuneration committees, risk management committees — are only as effective as the processes that support them. It is crucial to ensure that these committees are not ceremonial bodies, but forums for genuine oversight.

In many cases, governance red flags emerge gradually — through recurring related-party transactions, inconsistent disclosures, or opaque decision-making.

Identifying patterns, ensuring proper escalation, and documenting dissent when required are not mechanical tasks. They demand professional judgment and ethical clarity.

It is often said that governance failures are obvious in hindsight. The real test lies in foresight — in recognising early signals and responding before trust is eroded.

Regulatory Reforms: Strengthening Governance While Enabling Growth

As regulators, we recognise that governance frameworks must evolve alongside markets. Over the years, SEBI has undertaken a series of reforms aimed at strengthening corporate governance in listed companies, while also improving ease of doing business. These reforms span disclosures, board oversight, accountability mechanisms, and investor protection.

We have strengthened periodic disclosure requirements and mandated the top 250 listed companies to confirm, deny, or clarify market rumours in cases of material price movement. We have strengthened the position of the Compliance Officer by designating the role as a Key Managerial Personnel and requiring it to be a whole-time position not more than one level below the board of directors.

Governance oversight has been further reinforced by strengthening the secretarial audit framework under the LODR Regulations, including clearer provisions relating to the appointment, reappointment, and removal of secretarial auditors. We have also reviewed and simplified industry standards for related-party transactions to improve consistency and clarity.

On the disclosure front, we have introduced improvements in price band advertisements to enhance transparency for investors. These advertisements will now clearly indicate whether an issuer proposes to list on the Main Board or the SME Exchange, along with clearer information on issue size and the split between fresh issue and offer-for-sale components at both ends of the price band.

Just in the last board meeting this week, SEBI Board approved a series of important measures, which include-

- Introduction of an abridged prospectus at the draft offer document stage, in addition to the existing requirement at the offer document filing stage - to improve information accessibility, enhance investor comprehension, and encourage more informed participation by investors in the IPO process.
- Measures to facilitate issuer compliance with lock-in requirements even where certain shares are pledged
- A comprehensive review of SEBI Mutual Funds and Stock Brokers Regulations
- Measures to ease the transfer of physical securities
- Measures to deepen the corporate bond market

These reforms reflect a calibrated regulatory approach — strengthening governance standards, enhancing transparency, and protecting investor interests, while reducing friction for compliant listed entities.

However, regulation can only set the framework. Its true effectiveness depends on how deeply these reforms are internalised and applied in practice by boards and governance professionals.

Way Forward: Reimagining the Governance Compact

As we look ahead, the role of Company Secretaries in listed companies will continue to expand - not in volume of compliance, but in depth of responsibility.

Capital markets will grow more complex. Investors will become more discerning. Information will travel faster, and reputational risks will materialise quicker than ever before. In such an environment, governance cannot be reactive.

The future belongs to professionals who can anticipate risks, guide boards through ambiguity, and uphold institutional integrity even under pressure.

Let me conclude with this thought.

Strong capital markets are not built only on capital. They are built on confidence. Confidence that rules are applied fairly. Confidence that disclosures can be trusted. Confidence that boards act as stewards, not merely managers.

You are among the most important custodians of that confidence. Your work may not always be visible. It may not always be celebrated. But it is foundational. And as India's markets continue their journey of growth and global integration, your role in shaping credible, well-governed listed companies will remain indispensable.

I wish you continued professional strength, ethical clarity, and the confidence to uphold the highest standards of governance.

Thank you.

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