Address by
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“Decade of Disruption, Century of Change: India’s Next Regulatory Frontier”
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Good afternoon, everyone,

I am delighted to address this distinguished gathering of leaders from finance, business, media, and the wider ecosystem.

This decade has been a decade of disruption. We have passed through a global pandemic of epic proportions. We face, on an ongoing basis, unprecedented level of geopolitical tensions, trade uncertainties, and tariff barriers. And “the coming wave” of AI, synthetic biology and other technologies, as Mustafa Suleyman eloquently articulates, is a compelling challenge- or shall we say- a predicament for humanity.

Yet, even amid these shocks, India’s capital markets have not only remained resilient but have also recorded strong and sustained growth. This speaks of the underlying strength of our market institutions and the growing confidence of investors.

In the years ahead, the four Ts — Trust, Technology, Transparency and Teamwork — will guide our approach. The nature of challenges may evolve, but disruption itself may remain a constant. We therefore need markets that are resilient by design, capable of navigating geo-fragmentation, technological shifts, and other emerging risks, while continuing to support growth and innovation.

This is the context in which we speak of India’s next regulatory frontier.

Regulation can no longer be only reactive. It must become anticipatory. It must move with markets, not behind them. Today I will draw your attention to recent developments in SEBI’s capital market regulation and our endeavour for “optimum regulation” as we negotiate the emerging challenges.

Growth in Indian Capital Markets

India’s capital markets are transforming at an unprecedented pace. Household savings are increasingly finding their way into capital markets. Capital market participation has expanded at a scale we could not have imagined a decade ago. We now have about 140 million unique investors. This is financialisation in action.

Market capitalisation has grown more than four-fold in the last ten years, to over ₹470 trillion today. As a share of GDP, it has risen from around 81% in FY15 to 138% today. This is not just growth in numbers. It is a structural shift in how the economy is financed.

Capital raising in our market has also seen strong momentum. In FY25, equity and debt issuances together amounted to about ₹14.3 trillion. In FY26 so far, from April to January, an additional ₹11.6 trillion has already been mobilised, which included capital raising through 329 IPOs.

In 2025, India led in IPO activity globally with record number of IPOs and stood third in terms of IPO proceeds[1].

Mutual funds have become a major channel for household participation. Assets under management have grown from around 9% of GDP in FY15 to about 23% today. SIP assets now represent nearly 20% of total mutual fund assets.

The ownership structure of listed companies is also changing. Individuals and mutual funds together now own around 21% of listed equity, compared to 13% in FY15. This means the Indian household is no longer a peripheral participant. It is now central to the equity story of India.

But growth also brings new risks. More participants mean more responsibility. More innovation means more complexity. This is where regulation must evolve.

The Evolving Regulatory Architecture

Regulation itself has changed with the market. We are moving from a framework that focused largely on entities to one that focuses on their activities and risks. We are moving from silo oversight to a more coordinated regulatory architecture.

We are also moving from static rules to dynamic supervision. The role of the regulator is not limited to regulations. It is about being a market developer. A guardian of integrity. And a protector of investors.

Regulatory consistency and proportionality matter. They are not constraints on growth. They are enablers of confidence. As markets scale, the quality of regulation becomes as important as the quantity of capital they attract.

Key Reforms: Building Trust, Depth and Resilience

Let me now turn to some of the key reforms that are shaping this next phase of market development. These reforms are not about fixing yesterday's problems alone. They are about preparing for tomorrow's markets.

Deepening Markets and Expanding Products

To support India's expanding economic aspirations, we are building deeper and more diverse markets.

[1] NSE Market Pulse, January 2026.

Indian securities market is the first major market to implement T+1 settlement cycle. This reduction in settlement cycle has resulted in reduced risk, faster access to capital and improved operational efficiency in the market.

Our market microstructure allows for granular client level visibility as compared to omnibus structure in many advance markets. Our depositories are handling over 210 million demat accounts, while exchanges process around 40 million trades in a day in cash market segment.

To facilitate capital raising we have simplified listing frameworks, reduced listing timelines, and proposed easing of Minimum Public Offer thresholds for large issuers.

SEBI has taken several steps to strengthen the corporate bond market. Introduction of Electronic Book Provider (EBP) platform led to increased efficiency and better price discovery in primary market. The Request for Quote (RFQ) and Online Bond Platform Providers (OBPP) are helping improved price discovery, secondary market activity. Further, RBI and SEBI are looking forward to introducing a framework for derivatives on corporate bond indices, which will further deepen the corporate bond market.

To bridge the gap between mutual funds and portfolio management services, we have introduced the Specialised Investment Fund (SIF).

For foreign investors, the SWAGAT–FIs framework now offers easier access through unified registration, simplified documentation, and streamlined compliance.

We are working towards paperless and digitally signed workflows to improve the FPI onboarding experience. Reforms in the block deal framework and the introduction of the Common Contract Note for institutional trades will bring greater clarity and consistency to large transactions.

The decision to introduce Closing Auction Session in the equity cash segment is another major step. It ensures that the closing price reflects collective market consensus. It also enables passive funds to transact at the closing price, helping reduce the tracking error.

Enhancing Market Participation

A market deepens only when supply and demand grow together.

We have revised the distributor incentive structures to encourage onboarding of first-time investors from ‘Beyond Top-30’ cities, and to enlarge participation of women investors in mutual funds.

To improve retail access, the minimum investment threshold in privately placed bonds has been reduced. Moreover, issuers can now offer incentives in public issues of debt securities.

Ease of Doing Business

To promote ease of doing business, we have streamlined IPO processes and created a single filing system to reduce duplication. Related party transaction disclosures have been simplified.

Flexibility has been introduced in BRSR Core, allowing listed companies to opt for assessment or assurance.

Comprehensive reviews of key regulations covering Mutual Funds and Stock Brokers have been undertaken to make them more coherent and contemporary, while the review of LODR and Settlement Regulations is ongoing.

We have implemented several reforms aiming at ease of business to promote Alternative Investment Fund (AIF) segment. We are also looking at the ease of exit too in addressing some practical difficulties.

Investor Protection and Awareness

Investor protection is not a separate pillar. It is embedded in everything we do.

We have introduced validated UPI handles and the SEBI Check tool to help investors verify intermediary bank accounts to prevent cyber frauds. The Unified Investor App provides a single view of holdings across depositories and simplifies e-voting. The MITRA platform helps track inactive mutual fund folios and improve KYC accuracy.

We have launched a unique initiative- called PaRRVA - to ensure that performance claims by intermediaries in future can be presented to investors in a verified and standardised manner by a third party.

To further facilitate the investors to get rightful access to their securities, recently we have opened a special window for transfer and dematerialisation ("demat") of physical securities. We propose to considerably ease the process of transmission of shares as inheritance.

To protect the interests of investors who pledge their securities, we have proposed to strengthen the pledge framework through depositories.

To further ease investor onboarding, we have also proposed to streamline KYC processes by enabling centralisation and portability of supplementary information at KRAs.

Additionally, we are aiming to strengthen the risk management within the KRA framework by introducing defined timelines for periodic review of KYC records.

These steps may appear operational. But collectively, they build trust. And trust is the true infrastructure of markets.

Strengthening Regulatory Architecture

As participation widens, governance standards must rise. Recognising this, we have taken several measures to strengthen governance and accountability across the ecosystem.

SEBI has designated the compliance officer as a Key Managerial Personnel, reinforcing accountability at the highest operational levels. Boards of listed companies are being nudged from ceremonial oversight to active stewardship.

We have also taken steps to enhance transparency and quality of disclosures. Disclosures in price band advertisements for public issues have been strengthened, and we are introducing an abridged prospectus at the draft offer stage to improve information accessibility for investors.

We have mandated that regulated entities disassociate from unregulated entities that make unverified claims on returns or performance.

Growth is welcome. But growth anchored in governance is what sustains confidence over the long run.

Way Forward: The New Regulatory Frontier

Technology is reshaping markets faster than any rulebook can.

Algorithmic trading, digital platforms, and AI-driven decision-making are now part of everyday market functioning. We are responding through SupTech, RegTech, stronger cybersecurity frameworks, and improved data governance.

We have set up a high-level expert working group to develop a short-term and a long-term strategic technology roadmap for the securities market ecosystem,

AI offers powerful tools for surveillance and fraud detection as well. But it also brings risks - opacity, bias, and concentration of technological power.

Regulation must therefore evolve - from supervising institutions to supervising systems and technology.

We must address concentration and interconnectedness risks. Strengthen data governance and consent architectures. And manage the boundary between regulated finance and unregulated digital spaces.

We are not on this journey alone. Regulation is a co-created ecosystem where-

The regulator sets direction and guardrails after due consultations,
Industry innovates responsibly,
Market institutions carry trust, and
Parliamentary and Judicial oversight, accountants and auditors, media and civil society strengthen accountability.

I urge you to work with us in shaping an ecosystem that can meet the demands of today, and the uncertainties of tomorrow.

Thank you.