Address by Shri Tuhin Kanta Pandey, Chairman, SEBI
Outlook Money 40After40
"Building Trust in the Indian Capital Markets"
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Good morning everyone!

I am delighted to be at Outlook Money's '40After40' event. I see a vibrant mix of audience here today - professionals in their prime and those in retirement. Whether you are 35 or 65, financial security is paramount - therefore, your choice as an investor matters.

For most of you, financial security is not a single milestone. It is a lifelong journey - building a retirement corpus, protecting it from inflation, and ensuring a steady income post-retirement. The securities market can play a powerful role in that journey by offering long-term wealth creation, diversification beyond traditional savings, and access to professionally managed products that can match your life goals.

None of this works without trust - because when you invest, you rely on a system of disclosures, fair markets, accountable intermediaries, and effective redressal mechanisms.

Trust matters even more today because participation, especially retail, is expanding rapidly.

Rise of Retail Investors

Investing is now part of everyday conversation - in homes, in offices, and unfortunately, also through unverified "tips" on social media.

India's investor base has expanded sharply. Over the last five years, investor participation has risen multi-fold and is now around **14 crores**. This means that investing is no longer limited to a few large cities. Technology has made on-boarding easier, access wider, and participation more inclusive.

But here is the reality we must confront - ***General awareness about securities markets is merely the first step in the knowledge ladder.***

SEBI's Investor Survey shows a gap between **awareness** and **informed participation**. It means many investors are entering markets with only moderate knowledge - making them vulnerable to mis-selling, scams, and risks they do not fully understand. Therefore, trust has to be built - through protection, transparency, and education.

Responsible Investing

Warren Buffett once observed, *"Someone's sitting in the shade today because someone planted a tree a long time ago."*

Retirement planning is a long journey. You build your future shade through patient steps over time, not quick moves for instant comfort.

So what could we do?

1. Diversify, i.e., not to depend on just one option. An investment portfolio is usually not a single product. It is a **mix** - based on age, income, responsibilities, and risk appetite. In

capital markets, one can think about diversification across **equity**, **mutual funds**, **corporate bonds**, **REITs** and **InvITs**, and **commodities**.

2. Match our investments to our risk capacity and **avoid investments** that we do not understand.

3. Not to rely on **unsolicited offers, anonymous tips, or "guaranteed return"** messages on social media. Rely on **verified sources**, registered investment advisors, well research pooled vehicles, as well as our own research. Always **check** whether an intermediary is **actually registered**.

As they say - ***If it sounds too good to be true, it probably is.***

Investor-centric steps taken by SEBI

SEBI's approach to **building trust** has been to embed it in the structure of our markets.

A. Protection of Investor Assets

You may have read about investors being duped by entities claiming to be registered with SEBI and guaranteeing returns on investments. Such entities ask for payments through a payment mode, often a QR code or a UPI handle. Such entities also induce investors to download cloned mobile applications of registered intermediaries.

SEBI is tackling the proliferation of cyber fraud and scams head-on, through certain protective measures.

SEBI Check ensures that your payments go only to SEBI registered intermediaries. In less than 30 seconds, this facility will tell you whether a payment mode is verified and safe to use or not. SEBI has mandated a new UPI valid structure for all registered intermediaries who collect funds from investors. Payment handles of such intermediaries will contain a unique identifier of "@valid".

SEBI has mandated the stock exchanges to maintain a white-list of mobile applications of stock brokers. The same is also available on the investor website of SEBI - www.investor.sebi.gov.in. Investors should download trading applications using only the links given on the exchange websites.

SEBI actively monitors digital platforms for misleading content related to investments. Such content is escalated to social media platforms for being taken down. Regulated entities are barred from associating with unregulated advisors on social media.

To minimize the risk of your assets being mis-utilized, the securities you purchase are now credited directly into your demat account, while your funds are maintained with the Clearing Corporations. You have full control over your trading account and can immediately freeze it if any suspicious activity is detected, similar to blocking a credit or debit card.

The framework to pledge securities has been strengthened to protect the interests of investors who pledge their securities.

A special window has been opened to allow investors to have rightful access to their securities, which are in physical form[1].

B. Access to Information

Your decision to invest is largely based on disclosures mandated by SEBI. Therefore, we are strengthening disclosures in practical ways.

The draft offer document and price band advertisements for IPOs are designed to contain standardised, materially complete, and verifiable disclosures, backed by due diligence and strengthened through SEBI's scrutiny and public feedback.

An abridged prospectus containing all IPO related key disclosures will be made available at the draft offer stage. Investors will not have to rely on unverified sources.

Mutual fund expenses have been made more transparent, enabling investors to evaluate their costs and value received.

PaRRVA[2], a unique initiative, will give investors access to verified performance claims of registered intermediaries. You are now protected from unverified claims made by unregistered entities.

The Unified Investor app[3] gives you a consolidated view of your holdings and allows you to monitor all your open positions and margin details. This app also provides the facility to electronically vote on resolutions of listed companies.

C. Ease of Investment

Aadhaar-based e-KYC allows instant online verification thereby eliminating the need for physical paperwork. Your validated KYC details are stored in a centralized database, which is accessible to all regulated entities.

For cost-effective investments, investors can avail the facility of a Basic Services Demat Account, which has minimum maintenance charges if value of holdings is upto ₹10 lakhs.

Systematic Withdrawal Plans and Systematic Transfer Plans, which help investors structure their MF investments into a sustainable retirement corpus, will soon be made available for units held in demat form as well.

To widen access to corporate bonds, we have reduced the minimum investment threshold in privately placed corporate bonds to ₹10,000. We have permitted Online Bond Platform Providers to allow retail investors to deal online in bonds.

Process of transmission of securities from nominee(s) to legal heir(s) has been streamlined to resolve issues of capital gains tax being applied on the nominee(s). Consolidated account statements have been integrated with DigiLocker to prevent the creation of unclaimed assets. Similarly, MITRA[4], a searchable database of unclaimed mutual fund folios, is in place where investors can identify their forgotten investments.

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[1] Window is open till February 04, 2027
[2] Past Risk and Return Verification Agency
[3] MyEasi app by CDSL and SPEED-e app by NSDL
[4] Mutual Fund Investment Tracing and Retrieval Assistant

D. Grievance Redressal

SCORES 2.0[5], a revamped grievance redressal system, has been introduced. Timelines to redress grievances have been reduced and investors have access to two levels of review. The SMART ODR[6] platform leverages technology to resolve disputes outside of courtrooms, providing convenience, transparency, and speed. Since August 2023, this system has resolved around 8900 disputes worth ₹670 crores.

Way Ahead

Looking forward, we are guided by the philosophy of optimum regulation. We want innovation and market development to flourish, but not at the cost of market integrity or your protection.

Cyber fraud will continue to increase as digital channels become more influential. We will continue our relentless efforts to combat these frauds - through technology, tightening processes, and spreading awareness. I urge you to remain vigilant. Please share details of the SEBI Check facility and white-listed apps with your family members, especially senior citizens, as they are most vulnerable to such frauds.

We are working to deepen the equities market as well as to make the corporate bonds and hybrid securities markets more accessible to retail. This will ensure that you have more diversified options beyond traditional investment avenues.

Investor trust ultimately rests on how decisions are taken, disclosed, and overseen. SEBI will continue to strengthen corporate governance norms - both in listed companies and in Market Infrastructure Institutions.

SEBI's investor awareness campaigns and the widespread use of regional languages in our outreach will continue. Our campaigns going ahead will cover multiple formats - digital, multi-media, physical interaction - to build a new generation of informed, responsible investors.

Closing

Let me end with one last question - ***What is the one thing you can do today to become a safer, more confident investor?***

My answer would be - ***Take one step from awareness to knowledge.***

Ask questions. Verify sources. Diversify thoughtfully. And invest with your life cycle goals in mind - not with the emotions of the moment.

At SEBI, we will keep strengthening transparency, improving investor protection, and making markets more trustworthy - so that you can invest with confidence.

Thank you.

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[5] SCORES - SEBI Complaint Redressal System
[6] SMART ODR - Securities Market Approach for Resolution Through Online Dispute Resolution