Address by Chairman, SEBI
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“Strengthening India’s Financial Markets - Depth, Efficiency and Stability”
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Shri Ashishkumar Chauhan, MD & CEO, NSE, Ms. Sunita Ramnathkar, President, IMC, Mr. Ajit Mangrulkar, Director General, IMC, Mr. Mrugank Paranjpe, IMC, industry leaders, market participants, members of the media, ladies and gentlemen. Good morning.

It is a pleasure to be with you at the Capital Markets Conference 2026. The theme - *Strengthening India’s Financial Markets: Depth, Efficiency and Stability* - aptly captures the central task before us.

The current geopolitical tensions in West Asia remind us again that markets do not function in isolation. A disruption in one region can affect energy prices, trade dynamics, inflation expectations, capital flows, and investor sentiment across the world. For India, this underlines the need for markets that are deep enough to mobilise domestic and global capital, efficient enough to absorb information quickly, and stable enough to withstand external shocks.

The four sessions today on equities, debt markets, commodity derivatives, and technology and AI capture the event theme well. They reflect the questions before every market: how to grow, how to deepen, how to manage risk, and how to regulate for the future.

Forward-looking Regulation

Markets are changing fast. Investors, products, technology, and risks are all evolving. Regulation must also evolve to find the right balance. Too little regulation can damage trust. Too much can slow growth.

At SEBI, our approach is optimum regulation - proportionate and risk-based regulation that is focused on enabling growth with guardrails.

A forward-looking regulator must constantly ask - Are we making capital-raising easier? Is the extent and nature of disclosures fit for purpose or do they need modifications? Are we adequately handling market development while protecting new investors?

India needs long-term capital and market-based finance. Investors need better choices. Market development and investor protection must therefore move together. Across all market segments, our effort has been to support growth while managing risk. Recently, we have brought in changes to our process to facilitate a time-bound launch of funds by AIF industry consistent with adequate oversight.

This approach is especially relevant for debt markets, where the next phase must focus on issuer diversity, liquidity, and wider investor participation. A deeper bond market will complement equities and support long-term financing for infrastructure and enterprise.

But ease of doing business and flexibility must come with accountability. A forward-looking regulation is not necessarily a light-touch regulation. It is a smart and an optimum regulation.

Market Integrity

Market integrity is non-negotiable. A market may be large, liquid and technologically advanced. But without trust, it cannot be strong.

Growth and liquidity create lasting confidence only when supported by fair conduct, transparent disclosure and strong surveillance. Integrity means fair prices, reliable disclosures, accountable intermediaries, resilient infrastructure and credible enforcement.

Listed companies must treat disclosure as a duty, not a formality. Governance must be real, not decorative. Boards must ask tough yet constructive questions. As we have indicated earlier, SEBI will also initiate a multi-year initiative aimed at capacity building of independent directors in association with industry associations, academic institutions and professional bodies.

Intermediaries are not merely service providers. Merchant bankers, brokers, investment advisers, research analysts, portfolio managers and distributors are gatekeepers of trust.

Market Infrastructure Institutions carry a special responsibility. Exchanges, clearing corporations and depositories are the backbone of our markets. As markets grow, the governance, technology and resilience of MIIs must remain strong.

Market integrity is built before a crisis. It cannot be fully repaired after trust is broken.

Responsible Innovation

A growing India needs innovation that solves real problems - reducing friction, widening access, lowering costs and supporting capital formation.

Digital onboarding, faster settlement, direct pay-out, online bond platforms, REITs, InvITs, AIFs, municipal bonds, green bonds and commodity derivative markets show how products and processes can deepen markets, widen access, and improve risk management.

But innovation also brings risk. New products may be misunderstood. Technology may be misused. Algorithms may move faster than human controls. Digital platforms may become channels for fraud.

This is especially relevant as next-generation AI models become more powerful. While these tools can help identify weaknesses faster, they can also exploit vulnerabilities at speed and scale. In an interconnected securities market, a single weak link can create wider risks. Regulated entities have to stay ahead of such risks through stronger cyber resilience, continuous monitoring, and faster remediation. SEBI is in constant touch with market participants and relevant stakeholders as the latest challenge after Mythos-and similar AI models test our resilience. SEBI will soon issue an initial advisory on risks emanating from such models and AI-led vulnerability detection tools.

Investor Empowerment

While investor protection will always remain central to SEBI's mandate, the next phase is investor empowerment. Protection prevents harm. Empowerment builds capability.

India has seen a sharp rise in investor participation - through mutual funds, digital platforms, and young investors entering the market. This is positive. But participation must be responsible.

Access must be matched with awareness. Choice must be matched with suitability. Convenience must be matched with caution. Investor education must therefore be simple, practical, and continuous.

Risks, costs, incentives and grievance mechanisms must be explained clearly and upfront. Investor empowerment must also include protection from fraud. Investors must know who is regulated, how to verify an intermediary, where to lodge grievances, and why guaranteed-return claims in securities markets are a warning sign.

This is a shared responsibility. Industry must communicate simply. Intermediaries must disclose honestly. Platforms must design responsibly. Investors must pause before they act. That is how participation becomes durable.

Project Jagrook is our effort to make investor awareness a unified national mission. It will bring together SEBI, the MIIs, AMFI, and NISM, through a 360-degree campaign combining physical and digital outreach. The aim is not just wider participation, but about responsible participation. It will empower investors to ask the right questions, make informed choices, and enter the market with confidence, not confusion.

Concluding Remarks

A deep market brings issuers, investors, products, liquidity, and long-term capital together. An efficient market moves capital with lower friction and clearer information. A stable market absorbs shocks because risks are understood, disclosed, and managed.

No regulator can build such markets alone. Regulators set the framework. Industry gives life to it. Issuers bring credibility. Intermediaries shape conduct. MIIs provide the backbone. Investors provide trust and capital.

Let us all come together to build markets that do not merely reflect India’s growth, but power it.

Thank you. Jai Hind!