Address by Shri Tuhin Kanta Pandey, Chairman, SEBI
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“India Rising: The Role of Capital Markets”
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Mr. Sandeep Bakshi, MD and CEO, ICICI Bank, Mr. T. K. Srirang, MD and CEO, ICICI Securities, leaders from finance, business, media, ladies and gentlemen, a very good morning to all of you!

It is a pleasure to address this distinguished gathering of market participants, issuers, investors, and leaders of our financial ecosystem.

Let me begin with a simple question.

When we say “India Rising”, what does it really mean for each of us in this room?

Is it about higher GDP numbers?

Better infrastructure?

Or is it something deeper - a shift in how India saves, invests, and creates wealth?

Because at its core, India’s growth story today is not just about economic expansion. It is about formalisation. It is about the financialisation of savings. And importantly, it is about trust in institutions.

India in a Changing Global Landscape

We are living in uncertain times. Ongoing geopolitical developments, including war in West Asia, continue to affect inflation, trade flows, exchange rates, and external balances. Many economies are navigating uneven recoveries.

And yet, amid this uncertainty, India stands out for its resilience.

India remains one of the fastest-growing major economies, with growth estimated at 7.7% in FY26. However, due to the headwinds, there is some moderation in FY27 growth estimates (to 6.6%), and upside risks of higher current account deficit and inflation.

India’s growth is anchored in domestic consumption, strong public investment, and improving private sector participation. Public capital expenditure[1] has nearly doubled as a share of total expenditure—from about 12% in FY21 to 23% in FY26.

[1] Union government expenditure

Rapid improvements in physical connectivity such as roads, railways, ports, airports, and rural and urban mobility act as important growth enablers.

Our energy transition is accelerating, with more than half of installed capacity now coming from non-fossil sources.

And our digital public infrastructure has become a global benchmark - enabling inclusion, reducing costs, and strengthening governance. Investments in telecom connectivity, data centres and supply chains for electronics, semiconductor manufacturing, and battery storage are becoming key building blocks of a digital AI-driven economy.

So yes—India is rising.

From Growth to Markets

But growth alone does not create prosperity. Growth must translate into opportunity. Opportunity into investment. And investment into wealth creation.

This is where capital markets play a defining role.

They are not merely reflecting India's growth—they are enabling it.

They connect household savings with enterprise. They bring global capital into domestic opportunity. They convert economic momentum into investable assets.

And the scale of this transformation is significant.

In FY26, our equity issuance crossed ₹4.5 trillion. IPO activity remained strong, with 366 issuances raising about ₹1.9 trillion. Corporate bond issuances exceeded ₹9 trillion.

Market capitalisation has grown from 69% of GDP a decade ago to about 128% today.

AIF investments have grown more than five-fold in recent years.

We now have around 145 million investors in the securities market, growing at over 20% annually.

Mutual fund assets have expanded from ₹12 trillion to over ₹80 trillion.

This expanding base of investors is also reflected in how households are allocating their savings.

Household participation in capital markets has been rising steadily. Household financial savings to GDP have increased to 21.7% in FY25, from around 20% in FY23.

A revised methodology introduced by SEBI - using granular market-level data and a wider coverage of instruments - now presents a more accurate picture of this trend.

Together, these developments point to a clear shift - capital markets are increasingly becoming a core avenue for household savings and wealth creation.

Such broad-based participation also places a greater responsibility on market design and regulation.

Making Growth Investable: The Reform Journey

But markets of this scale do not evolve on their own. They require a framework that balances ease of access, efficiency, and trust.

At the regulatory level, our approach has been consistent—optimum regulation.

Regulation that protects investors. Preserves market integrity. And enables growth.

Because growth becomes investable only when access is simple, processes are predictable, and markets function smoothly.

Let me briefly touch upon how this approach has translated into action.

Facilitating Capital Formation

We have significantly improved the efficiency of capital raising.

IPO timelines have been reduced. Rights issues have been made faster.

Listing norms have been rationalised to enable large issuers to list without immediate dilution pressures.

We have also enabled companies undertaking reverse flipping to access markets more seamlessly, including allowing founders to retain ESOPs granted prior to IPO filings.

Anchor investor norms have been broadened to allow participation from large FPIs operating multiple funds—helping deepen institutional participation.

On the debt side, the corporate bond market architecture has been strengthened. The Electronic Book Provider platform has been expanded to include issuances by REITs and InvITs, improving transparency and efficiency. In pursuance of budget announcement, a working group is sorting out operational details to introduce market-making framework to improve liquidity in corporate bond market. Additionally, SEBI and RBI are working together to introduce derivatives on corporate bond indices.

Easing Access for Global Capital

We have taken several steps to facilitate foreign investor participation.

The SWAGAT framework provides a single-window, streamlined onboarding experience for trusted investors. Regulatory requirements for FPIs investing in government securities have been eased. Processes have been simplified through standardised forms, digital signature-based document submission and tracking mechanisms. We are working with custodian banks and RBI for further substantial reduction in the timelines for FPI registration and onboarding.

Operational efficiency will also improve through measures like net settlement of funds—reducing costs and operational friction.

Complementing these, broader policy measures - such as the latest tax exemptions for FPIs on government securities and removal of certain investment limits in corporate debt – will further facilitate capital flows into debt market.

Market structure reforms—such as enhancements to closing auctions and block deal frameworks—have improved price discovery and liquidity.

Alternative Investment Ecosystem

In the AIF space, we have introduced a calibrated, facilitative framework.

We have enabled regulatory flexibility for accredited investor-only schemes and permitted encumbrance structures in infrastructure investments to support long-term financing.

A fast-track mechanism has been introduced to reduce time-to-market for fund launch.

We have introduced lighter compliance for inoperative funds, flexibility in retaining liquidation proceeds in specific scenarios, and dematerialisation of AIF units and investments.

Ease of Doing Business for Intermediaries

Equally important has been our focus on ease of doing business.

We have comprehensively reviewed the stock broker regulations —making it simpler, clearer, and more aligned with evolving market practices.

Operational flexibility has been enhanced, including allowing diversification into activities regulated by other financial sector regulators.

Compliance has been streamlined through initiatives such as a common reporting platform - Samuhik Prativedan Manch - eliminating duplication across exchanges.

The penalty framework has been rationalised to ensure consistency and avoid multiple penalties for the same violation.

We have also introduced a calibrated framework for addressing technical glitches - focusing on material risks while easing the burden on smaller brokers.

The objective across these reforms is simple.

Reduce friction.

Improve clarity.

And enable growth - without diluting safeguards.

Trust: The Core of Market Growth

But even the best frameworks cannot substitute for trust.

And this is where intermediaries play a defining role.

Stock brokers, in particular, are the face of the market for millions of investors.

They are the first point of contact. They interpret complexity. They shape investor experience.

And with that comes responsibility.

Responsibility to ensure robust onboarding through proper KYC.

Responsibility to prevent misuse and fraud.

Responsibility to provide fair, transparent, and prompt service.

And above all, responsibility to act with integrity - avoiding conflicts of interest and mis-selling.

Because ultimately, investors experience the market through intermediaries.

The Road Ahead

As markets evolve, regulation must evolve with them.

We are currently reviewing the framework for variable net worth requirements for stock brokers - so that capital requirements better reflect operational scale and risk.

We are examining improvements in price discovery, particularly through the pre-open call auction mechanism for IPOs and relisted securities - to ensure more stable and efficient market openings.

We are also working towards easing compliance requirements for research analysts, including rationalising requirements such as call recording obligations in institutional interactions.

For mutual funds, we are proposing a more practical framework for the use of intraday borrowing - not just as a contingency tool, but as an efficient mechanism for managing temporary liquidity mismatches.

Keeping the Investor at the Centre

As we move forward, it may help to remember one simple anchor.

Every reform we design…

every system we build…

every transaction we enable…

ultimately reaches one person—the investor.

If the investor feels informed, protected, and fairly treated,

confidence will follow… participation will deepen…

and markets will continue to grow on a strong and sustainable foundation.

And that is the direction we should all strive to build towards.

Thank you.

Jai Hind.