Address by Shri Tuhin Kanta Pandey, Chairman, SEBI
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Mr. Kamlesh Chandra Varshney, WTM, SEBI, Mr. Ashishkumar Chauhan, MD&CEO, NSE, Mr. Vijay Chandok, MD&CEO, NSDL, Mr. Nehal Vora, MD&CEO, CDSL, Mr. Sunil Sanghai, Chairman, FICCI Capital Markets Committee, Mr. Vijay Sankar, Senior Vice President, FICCI, Ms. Jyoti Vij, Director General, FICCI, distinguished guests, industry leaders, market participants, colleagues, ladies and gentlemen, a very good morning to all of you.

I am delighted to be here at FICCI's 23rd Annual Capital Markets Conference. This year's theme - "*Capital Markets as the Gateway to India's Future: AI, Financialization and New Investment Frontiers*" - asks us to consider the role our markets must play in India's tomorrow.

India's capital markets have transformed. They are no longer merely a barometer of economic activity - they are an important driver of it. They connect household savings with enterprise, global capital with domestic opportunity, and risk capital with new ideas.

The scale is significant. In FY 2025-26, equity issuances crossed ₹4.5 trillion, with around ₹1.9 trillion raised through 366 IPOs. Till end-July 2026, ₹260 billion has been raised through 79 IPOs, while potentially, around ₹2 trillion can be raised going ahead. Corporate bond issuances exceeded ₹9 trillion in FY 2025-26, while ₹2.7 trillion has already been raised in the first four months of FY26. AIF investments have risen to around ₹7 trillion till end-July 2026. Market capitalisation, today, is around 132% of GDP and we have around 149 million unique investors.

The shift is equally visible in household savings. Mutual fund assets are around ₹86 trillion, with SIP assets accounting for over one-fifth of industry assets. This is financialization in action - households are increasingly becoming investors in India's growth.

Businesses, too, have more financing channels - equity, debt, AIFs, REITs and InvITs. Capital markets, therefore, sit at a critical junction - between household aspirations and the financing needs of an economy that must grow, innovate and build at scale. Our task is to connect the two - efficiently, responsibly and sustainably.

From Scale to the Next Frontier

The next phase of our journey will not be defined by scale alone, but by how judiciously we use that scale.

First, financialization must become broader and deeper. Mutual funds and SIPs have brought more households into market-linked investments and strengthened domestic market resilience. But significant headroom remains. Participation must reach new geographies, demographics and investor segments, supported by a wider range of regulated products.

Second, technology is now integral to market infrastructure. Digital KYC, paperless onboarding, mobile platforms and electronic payments have reduced friction across the investment journey. Artificial Intelligence (AI) can strengthen surveillance, risk assessment, fraud detection and investor servicing. But it also brings risks of opacity, bias, cybersecurity, data protection and accountability. The question is not whether markets will use AI. The question is how we use it responsibly, while preserving trust.

Third, a growing economy will create new investment frontiers. India will need capital for infrastructure, technology, advanced manufacturing, energy transition, data centres and new-age enterprises, especially in AI, both hard infrastructure and applications. Efficient public markets, deeper bond markets, REITs and InvITs, AIFs and new fund-management products will all have a role to play.

This leads us to the central question - *how do we build markets that are deeper and more innovative, yet fairer, safer and more trusted?*

SEBI's Regulatory Approach

At SEBI, our approach is one of optimum regulation - regulation that is proportionate, forward-looking and supportive of market growth, without compromising investor protection or market integrity.

Primary markets

We have reintroduced open-market buy-backs through stock exchanges, simplified the process and made appointment of a Merchant Banker optional. To deepen retail participation in IPOs, a concise and standardised draft abridged prospectus will now be available at the DRHP stage, with simpler disclosures for investors.

AIFs:

For AIFs, GARUDA has reduced the launch timeline for regular schemes from 30 days to 10 working days, while Accredited Investor-only Funds and Angel Funds can launch immediately after registration or filing. We have also provided a relaxed regulatory framework for funds catering to sophisticated investors.

Foreign Investors:

For foreign investors, SWAGAT-FI provides a simpler investment pathway for objectively identified, low-risk FPIs. We have permitted netting of funds for FPI transactions to enhance operational efficiency and reduce funding cost. Re-KYC for NRIs has been made easier by doing away with the requirement of their physical presence in India.

Corporate Bonds, REITs & InvITs:

Debt issuers have been permitted to offer incentives in public issues to certain category of investors. Online Bond Platform Providers have been permitted to offer IFSCA regulated products as well as tax saving bonds issued by government backed entities.

Several ease of doing business and developmental measures have been taken to scale up the REIT and InvIT ecosystem viz., reclassifying REITs as equity, broadening the scope of Strategic Investor to deepen the investor base, permitting privately listed InvITs to invest in greenfield projects, etc.

Mutual Funds:

The MF regulations have been comprehensively revamped to make them more contemporary and simplified. Mutual funds have also been given the operational flexibility to carry our intraday borrowings for specific purposes, with safeguards to preserve unitholder interest.

Market Intermediaries

Our inspection approach has become more risk-based. Routine and repetitive inspections of compliant entities are being reduced, while supervisory attention is being directed towards entities with higher risk scores, alerts or market intelligence.

AI & Technology

Every SEBI-regulated entity remains fully responsible for any AI or machine-learning tool it uses, whether developed in-house or procured from a third party. That responsibility extends to the privacy, security and integrity of investor data, as well as to the outputs generated.

Through Project SUDARSAN and R(AI)DAR, SEBI has leveraged AI to identify suspicious financial promotions and potentially misleading advertisements. We have also created a Cyber Suraksha Portal[1] to strengthen information-sharing and cyber resilience across the market ecosystem.

Across these segments, our approach is consistent - simplify where we can, calibrate regulation to risk and sophistication, enable capital formation, and keep safeguards strong.

Way Ahead

Our next phase of growth must use technology intelligently, widen investment opportunities, deepen financing channels and make regulation more future-ready.

[1] Cyber Suraksha Portal: https://cybersuraksha-ai.sebi.gov.in

First, we must widen investment frontiers.

- Under the proposed framework for Portfolio Managers, we are consulting on permitting client funds to be invested in foreign securities, a Mutual Fund-only PMS for mass-affluent investors, and a framework to support global fund-management activity from India.
- We are also reviewing the Accredited Investor framework to simplify accreditation and widen the pool of sophisticated investors.

Second, capital must flow more easily in both directions.

- We have proposed simpler digital onboarding for Persons Resident Outside India without requiring physical presence in India.
- Wider FPI participation in non-agricultural commodity derivatives is being considered, with safeguards.
- Issuance of Depository Receipts against units of REITs and publicly listed InvITs has also been proposed to widen access to foreign capital.

Third, we must deepen markets that finance growth.

- The SLBM and Short selling frameworks are being reviewed to deepen the cash markets.
- In debt markets, proposals include greater ISIN flexibility, support for ESG debt and exploration of corporate-bond tokenisation.
- The proposed 'Credit Risk-o-Meter' will also enable retail investors to grasp debt risk easily.
- For REITs and InvITs, we are examining greater flexibility for investment in under-construction projects within prudential limits.

Fourth, technology must strengthen both market infrastructure and regulatory oversight.

- We are examining an IT Resilience Index for MIIs to provide an objective framework for assessing the resilience of critical systems.
- We are also working with MIIs to expand API-based connectivity and interoperability.
- We will shortly be issuing guidelines for responsible use of AI/ ML in our markets. These guidelines will provide for a tiered approach, with emphasis on clear accountability and governance controls. The framework shall require 'Kill Switch' and 'Humans in the Loop' controls, along with data controls. The aim is to balance innovation with investor protection.

Finally, the rulebook itself must keep pace.

- The Settlement Regulations are undergoing a comprehensive overhaul. The proposed framework will be rational, less discretionary, simpler and faster.

- The LODR and delisting frameworks are also under review. We are reviewing the SME IPO framework to make capital raising easier for genuine SMEs, while maintaining investor protection and market integrity.
- The proposed Common Advertisement Code will put in place common standards of fairness, disclosure and accountability on regulated entities in the age of social media and digital distribution.

Before I conclude, industry associations will have an important role in our journey. With a wide network across India, industry associations are well placed to identify high-potential enterprises in sectors such as manufacturing, energy, IT and logistics that are ready to access the capital markets. I urge the industry associations to adopt a cluster-based outreach approach - identifying emerging enterprises, educating them on the benefits and responsibilities of listing and helping them understand the pathways available. Such an approach can meaningfully broaden India's listed corporate base. SEBI will be happy to support such outreach efforts.

Concluding Remarks

India's capital markets are entering a new phase. We first built institutions, then scale. The task now is to turn that scale into depth, resilience and opportunity.

AI, financialization and new investment frontiers are not separate themes. Together, they can make markets smarter, widen participation and connect capital with new businesses, assets and opportunities. But all of this rests on one foundation - Trust.

Our responsibility is to keep this gateway to India's future open, efficient, innovative and trusted.

I wish the conference every success.

Thank you. Jai Hind!