Address by Shri Tuhin Kanta Pandey, Chairman, SEBI
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Distinguished guests, investors, corporate leaders, colleagues, ladies and gentlemen, a very good morning to all of you.

I am delighted to be at the 11th J.P. Morgan India Conference. We meet at a time of severe geo-political headwinds and consequential uncertainties in the economic environment.

Trade relationships are being recast. Supply chains are getting fragmented. International logistics are under stress. Artificial Intelligence and other technologies are disrupting traditional business models.

Yet, we need to be resilient and move forward.

Against this backdrop, I would like to focus on three things: *the scale of India's capital markets, the regulatory approach supporting their growth and the road ahead.*

Snapshot of Indian Capital Markets

Let me begin with the scale of the opportunity. India continues to demonstrate resilience. Real GDP grew by 7.8% in the first quarter of FY 2026-27, notwithstanding a difficult global environment.

India's equity market today has a market capitalization of around US$5 trillion. Over the past decade, more than ₹100 trillion has been raised through equity and debt issuances.

The momentum has continued in FY 2026-27, with around ₹600 billion raised through IPOs so far. Importantly, around 55% of IPO proceeds have represented fresh capital going to companies. Going ahead, potentially, around ₹2 trillion can be raised through IPOs.

Outstanding corporate bonds have risen from around ₹20 trillion in FY 2015-16 to about ₹61 trillion today. More than ₹4.3 trillion has already been raised through corporate bonds in FY 2026-27.

Participation has expanded just as significantly. India today has around 149 million unique securities-market investors. Mutual fund assets have nearly tripled in five years, from around ₹37 trillion to ₹87 trillion. The growing depth of household financial savings is also visible in SIPs, with SIP assets now accounting for more than one-fifth of mutual fund AUM. Alongside this, the alternative-investment ecosystem has grown to about ₹17 trillion of AIF commitments, while REITs and InvITs together manage around ₹9.2 trillion of assets.

Foreign portfolio investors continue to be an important part of this ecosystem, with assets under custody of around USD 818 billion, or about ₹78 trillion. Recent flows also show renewed interest, with FPIs turning net buyers of Indian equities for the second consecutive month in August. Moreover, primary market issuances continue to attract FPIs.

These numbers point to a structural change. India’s capital markets have become a large and diversified platform connecting domestic savings and global capital with enterprise and investment opportunities.

Reforms Journey

The question is whether regulation is keeping pace with this scale. Our approach has been to reduce avoidable friction, calibrate regulation to risk and sophistication, and retain strong safeguards. Let me highlight a few areas.

On capital formation, our approach has been to make access to public markets simpler and faster. We seek to remove requirements that add time or cost without adding commensurate protection. Processes have therefore been rationalised, disclosures simplified and requirements calibrated to the size and nature of the issuer.

For foreign investors, our approach has been to reduce friction across the entire investment journey. At entry, onboarding is becoming faster, digital and more proportionate to risk. SWAGAT-FI reflects this approach for trusted, low-risk investors, with around 205 FPIs already using the framework since it became operational from June 01, 2026.

On-boarding process is getting streamlined using technology and digitisation, while application status can now be tracked in real time. Digitally signed Power of Attorney is permitted, removing the need for notarisation, apostillisation or consularisation.

Beyond onboarding, we are reducing operational friction. The block-window framework has been comprehensively reviewed, netting of funds has been permitted to reduce funding costs, and FPIs investing only in Government Securities face simpler requirements. The objective is easier access and more efficient participation, with safeguards proportionate to risk.

In alternative investments, regulation must recognise investor sophistication. Sophisticated and retail investors need not be regulated identically. We have, therefore, provided greater flexibility to accredited investors and large-value funds, while retaining clear governance and accountability. The aim is to let patient, specialised capital reach opportunities that conventional finance may not serve.

In corporate bonds, our approach has been to develop the entire market ecosystem - not merely increase issuance. A deeper market requires a wider issuer base, better price discovery, broader participation and greater secondary-market liquidity. Our reforms have therefore addressed issuance, distribution, market infrastructure and investor understanding together. More recently, we successfully launched Demat 2.0, a pilot for tokenisation of corporate bonds on a private, permissioned DLT network operated by the depositories.

Our reforms philosophy also extends to the rulebook itself. We have comprehensively revamped the Stock Broker and Mutual Fund Regulations - making the rulebooks simpler, more contemporary and better aligned with today's markets, without diluting investor protection.

A common thread amidst these reforms is simple: *regulate according to risk, simplify where possible, use technology intelligently and keep trust at the centre.*

Way Ahead

The next phase is about *easier access, deeper markets and greater resilience.*

Global market access will remain a priority. We are examining simpler digital onboarding for Persons Resident Outside India, wider FPI participation in non-agricultural commodity derivatives with appropriate safeguards and Depository Receipts against units of REITs and publicly listed InvITs.

But regulatory simplification must be matched by innovation among market intermediaries. We are already seeing Designated Depository Participants use digital workflows and API-based integration to significantly reduce FPI onboarding timelines. We encourage wider adoption of such technology-led solutions. *The objective should be to make ease of access a feature of the system, not an exception.*

Market architecture must also become more efficient and responsive. We are consulting on net settlement of funds for mutual fund schemes in the cash market, while retaining appropriate safeguards. Having successfully established the Closing Auction Session as an important market structure reform, we intend to address concerns in respect of settlement price for derivatives on expiry days and other related issues. A consultation paper has already been issued inviting public comments.

We will also continue to deepen the cash market by widening participation, improving securities borrowing and lending, and supporting hedging and arbitrage. The objective is better liquidity, stronger price discovery and more efficient interaction between the cash and derivatives markets.

Corporate bonds need the next layer of depth and participation. Work is under way on developing a comprehensive market-making framework covering liquidity, market infrastructure and repo access. We are also consulting on Fixed Income Channel Partners to widen distribution through regulated online bond platforms, while the proposed Credit Risk-o-Meter seeks to make credit risk easier to understand. *Access must widen, but understanding must widen with it.*

We also need broader pools of long-term and sophisticated capital. The Accredited Investor framework is under review. In portfolio management, proposals under consideration include investment in foreign securities and framework that can support global fund-management activity from India.

As markets become more technology-driven, resilience and governance must keep pace. We are consulting on stronger business-continuity and disaster-recovery arrangements for MIIs, extending appropriate IT and cyber-security requirements to subsidiaries performing critical functions, and strengthening governance and capability requirements for key MII roles. Technology may change how markets operate, but accountability and resilience cannot be outsourced.

Concluding Remarks

India's opportunity rests on economic scale, growing domestic savings and increasingly deep capital markets. Our task is to translate these strengths into productive investment.

At SEBI, our objective is clear: reduce unnecessary friction, deepen markets and strengthen safeguards where risks are real - so that Indian markets remain accessible, resilient and trusted by domestic and global investors.

Thank you.