Address by Shri Tuhin Kanta Pandey, Chairman, SEBI
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Distinguished guests, industry leaders, ladies and gentlemen, a very good morning to you all!

I thank Business Standard for bringing together leaders from across financial markets. Securities markets, banking and insurance each serve a distinct purpose. Together, they help channel savings towards businesses, infrastructure and the long-term financial goals of households.

India's financing needs are changing. Businesses need capital to start, expand and invest in new technology. Infrastructure requires long-term funding. Households need dependable ways to save and invest over time.

The financial system must connect these needs with different sources of capital. Banks, insurers, investment funds and securities markets each have a role. Today, I will focus on how securities markets can deepen that connection, and on the reforms and institutional capabilities needed to sustain it.

A market that has grown in scale and reach

The growth of our markets is clear. The market-capitalisation-to-GDP ratio has risen from 69 per cent in FY16 to about 130 per cent today. Outstanding corporate bonds are nearly ₹61 trillion—close to 55 per cent of bank credit to industry and services.

Mutual fund assets have grown by about 20 per cent a year over the past decade and now stand at around 23 per cent of India's GDP. Average monthly SIP contributions in FY27, up to September, were around ₹32,000 crore — more than four times the level in FY19.

These figures point to two important changes. Businesses have access to a larger pool of market-based finance. At the same time, more household savings are reaching financial markets through funds and other investment channels.

That brings opportunity, but also a practical question: are we developing markets that can meet the different financing needs of the economy?

Matching capital with economic needs

A young enterprise may need risk capital. A company adding manufacturing capacity may need equity and working capital. A highway, renewable energy project or logistics facility may need funding over a much longer period.

No single source of finance can meet all these needs. Banks, bond markets, equity markets and investment funds can complement one another. Corporate bonds can give companies another source of long-term debt. REITs and InvITs can connect suitable investors with income-generating real estate and infrastructure assets. Mutual funds, PMS, and AIFs provide investment choices for different needs and risk appetites.

A market's role continues after capital is raised. Effective price discovery and liquidity in the secondary market help investors adjust their positions and support confidence in future issuances. Market development must therefore address both fundraising and what happens after the funds are raised.

Our reforms address these connected needs: widening financing choices, making access more efficient, protecting investors, preserving market integrity and strengthening risk management. I will touch on each in turn.

Widening financing choices and improving access

Market development

A developing economy needs a range of investment options. SEBI has supported market development by facilitating new products and processes that respond to different investor needs.

To bridge the space between mutual funds and portfolio management services, we have introduced the Specialised Investment Fund (SIF).

The Portfolio Managers Route for Investing in Mutual Fund units, or PRIM, will provide another channel for portfolio managers to invest clients' funds in direct mutual fund plans, including SIFs.

Recent changes to the accredited investor framework simplify accreditation and broaden the pool of eligible investors, while retaining appropriate safeguards.

On the financing side, we have streamlined IPO processes and reduced timelines for IPOs and rights issues. We have also shortened the listing timeline for public issues of debt securities. Certain small-value private placements, with a face value of

₹10,000, are exempt from the mandatory merchant banker appointment, subject to the applicable conditions.

We have relaxed the requirement for mandatory listing of all outstanding unlisted non-convertible debt securities (NCD) by an issuer who proposes to list its NCD for the first time.

In the alternative investment space, a fast-track mechanism has been introduced to reduce time to market for fund launches. Greater regulatory flexibility has also been enabled for schemes meant exclusively for accredited investors.

Ease of doing Business

To promote ease of doing business, SEBI has introduced single filing system for listed entities. Tech-enabled single filing system now eliminates the requirement of filing the same document across multiple exchanges.

For stock brokers, *Samuhik Prativedan Manch* allows common compliance reports to be submitted through one exchange instead of several. We are working to extend a similar facility to depositories. These arrangements reduce duplication while retaining the required reports.

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

For eligible foreign portfolio investors, the *SWAGAT-FI* framework simplifies access and compliance, particularly for long-term institutional investors. We have also introduced a framework for net settlement of funds for eligible FPI transactions in the cash market. FPIs have also been permitted to participate in non-cash-settled non-agricultural commodity derivative contracts and non-agricultural index derivative contracts.

Across these measures, the objective is to make market access clearer and more efficient, while keeping requirements proportionate to the risks and activities involved. As access improves, investor understanding and protection become even more important.

Protecting investors and preserving integrity

Investor Awareness and Protection

Efficiency alone cannot sustain participation. Investors also need to understand the products they buy, trust the channels they use and know where to seek help.

An informed investor is better equipped to understand risks, make decisions and seek help when needed.

Project *Jagrook* combines physical and digital investor-awareness efforts through a nationwide, multi-media and multi-lingual campaign involving several partners. Since its launch on 5 October, more than 130 crore WhatsApp messages have been sent across 13 languages.

Validated UPI handles and *SEBI Check* help investors verify payment details. *MITRA* helps investors trace inactive and unclaimed mutual fund folios.

SEBI is actively monitoring Social Media Platforms for misleading, manipulative and illegal contents. As of Oct 27, 2026, we have escalated more than 2.2 lakh contents to relevant Social Media Platform Providers for appropriate actions.

Strengthening Market integrity

To strengthen market integrity, we have progressively improved the governance standards of MIIs, their risk-management frameworks, and the transparency and quality of disclosures.

We have mandated regulated entities to disassociate from unregulated entities that make unverified claims on returns or performance.

We have specified norms for the appointment of key directors and mandated periodic performance evaluations of MIIs and their statutory committees by an independent external agency.

We are developing a technology roadmap for MIIs. It will set out a structured short-term and long-term technology vision for the securities-market ecosystem and support its resilience.

We have proposed amendments to the SEBI LODR Regulations to strengthen the monitoring and disclosure of the use of issue proceeds. These include empowering monitoring agencies to submit their reports directly to stock exchanges within a prescribed timeline.

We are also reviewing the SME framework. Proposals include determining eligibility based on post-issue market capitalisation and requiring larger issuers to follow Ind AS accounting standards.

Taken together, these measures seek to ensure that market growth is supported by robust governance, credible disclosures and sound risk management.

As markets grow more complex, technology becomes part of both their efficiency and their risk management.

Technology, risk and resilience

Technology is changing how investors access markets and how institutions manage them. It can improve service, risk assessment and supervision. AI-enabled tools can also help identify patterns that warrant closer examination.

Using AI well requires reliable data, effective model oversight and clarity about who is accountable for decisions. Faster and more automated processes make sound institutional judgement even more important.

Technology also creates dependencies across institutions and service providers. Cyber preparedness, business continuity and oversight of outsourced services are therefore essential parts of sound market functioning.

SEBI is working to implement the IOSCO Supervisory Toolkit for AI use in the Indian securities market. This will support risk management and the development of an agile AI governance framework.

To strengthen the cybersecurity of MIIs, we have proposed extending the applicable IT and cybersecurity framework to their subsidiaries as well.

Given concerns about the confidentiality and availability of frontier AI models, we are also exploring the possibility of developing a securities-market-specific AI model that could be built and governed domestically as a form of Digital Public Infrastructure.

On capacity building, we are planning a training programme with RRU and NISM for engineers who manage Security Operations Centre (SOC) operations. The programme will equip learners to use AI tools and techniques to analyse alerts, develop automated responses and improve the effectiveness of SOC operations.

Steps taken by SEBI and fellow financial-sector regulators have strengthened cybersecurity and resilience across financial markets.

The technology landscape, however, continues to evolve rapidly. The entire ecosystem must keep discussing emerging challenges and improving its collective cyber resilience.

Way Forward - Priorities for the next phase

The reforms I have outlined create important foundations. The next phase calls for sustained work to widen financing opportunities, deepen participation and ensure that the market can serve the economy through different conditions.

We need deeper equity, corporate bond, REIT and InvIT markets.

This requires a broader issuer base, stronger secondary-market liquidity and greater participation by institutional investors.

India will need both domestic and foreign capital to support its growth ambitions. Domestic savings provide an important foundation. International participation can widen the pool of capital and bring expertise.

We have taken steps to encourage institutional participation
in IPOs by increasing the anchor portion for eligible issues;
in AIFs by reducing the threshold for Large Value Funds; and
in REITs and InvITs, by including QIBs within the definition of strategic investors.

The broader aim is to build a deeper investor base across products and markets.

To facilitate foreign investor participation, we have streamlined access, eased digital onboarding and simplified procedures. We have also harmonised several compliance requirements with those in major global jurisdictions.

At the same time, we recognise that some compliance requirements in India remain more onerous than those in other major jurisdictions. We are reviewing these requirements and will issue a consultation paper to seek views on aligning them with global standards, while preserving the safeguards needed for investor protection and market integrity.

Closing

As I conclude, let me return to the larger purpose behind these reforms. They should help ensure that the growth of our markets creates better financing opportunities for businesses and meaningful opportunities for investors.

India’s markets have grown substantially. Our task now is to deepen them, make them work efficiently for issuers and investors, and ensure they remain fair, resilient and worthy of public trust. This is how financial markets can support India’s next phase of growth.

Thank you.