Address by
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Good morning, everyone,

It is a pleasure to address this distinguished gathering of global and domestic institutional investors. I would like to thank the ‘Kotak Securities’ for bringing together such a wide cross-section of institutional investors. Platforms like this help deepen dialogue. They also help align long-term capital with long-term growth.

Today, investors across the world are chasing growth in a far more complex environment. Global supply chains are being reconfigured. Geopolitical tensions are shaping trade and finance. And technological changes are disrupting traditional forms of business. In such a world, growth is no longer just about returns. It is about resilience, credibility, and predictability.

India’s proposition is simple. We offer scale. We offer growth. And we are building markets that are transparent, well-governed, and investable for long-term institutional capital. As a regulator, our role is to ensure that growth is not just fast, but also credible and durable.

India’s Growth Story: Why Capital Markets Matter

India’s growth story is anchored in strong fundamentals. A young and aspirational population. Rising domestic demand. A rapidly expanding digital public infrastructure. A renewed push for manufacturing. And steady formalisation of the economy.

But growth becomes meaningful for investors only when it is converted into investable opportunities. This is where capital markets matter. Our markets connect household savings with enterprise growth. They connect global capital with domestic opportunity. They convert macro growth into portfolios, projects, and productive capacity.

This structural shift is already visible. India today has over 140 million unique investors. Household savings are moving steadily towards financial assets. Capital markets are no longer a niche segment of the economy. They are becoming a core transmission channel of growth.

This transformation is also reflected in the scale of capital formation. Between FY16 and FY26 (till January), around ₹105 trillion has been raised through equity and debt issuances.

Our IPO market has been particularly vibrant. In FY26 (April–Jan), companies raised about ₹1.8 trillion through 329 IPOs as compared to around ₹1.7 trillion raised through 320 IPOs in FY25. This reflects not just market appetite, but issuer confidence in public markets as a platform for long-term capital.

The corporate bond market has also expanded steadily. It has grown at a CAGR of about 12% since FY15, reaching ₹58.2 trillion as of end of Jan-2026.

The asset management industry has seen a structural expansion. Mutual Fund AUM has grown from about ₹12 trillion in FY16 to nearly ₹81 trillion now.

Foreign portfolio investors continue to be an important part of this ecosystem. Equity assets under custody of FPIs have grown more than three-fold to about ₹71 trillion by end of Jan-2026, as compared to about ₹19 trillion at the end of FY16. Including debt and other instruments, total FPI assets under custody stand at about ₹78 trillion.

FPI flows are inherently cyclical. They respond to global liquidity conditions, currency movements, relative valuations, and policy stances of major central banks. What adds strength to India's market structure today is the growing counterbalance from domestic institutional investors. This makes our markets more resilient during global risk-off phases.

India's performance in global indices also reflects this evolving maturity. Over the last six years, MSCI India (USD) Index has delivered a CAGR of around 9%, compared to about 6% for the MSCI Emerging Markets Index. Performance, of course, may vary across market phases. But consistency over time shapes long-term allocation decisions.

Regulatory Reforms: Making India Investable

As market grows in scale and complexity, regulation itself becomes a form of supporting infrastructure. At SEBI, our approach is to have optimum regulation.

We are conscious that the excessive regulations can create what economists call Type I errors - where genuine, compliant businesses face unintended hurdles. At the other extreme, very light-touch regulation - in the pursuit of growth - risks Type II errors - missing bad actors and systemic risks.

Our effort is to optimise the regulations. To protect investors. To preserve market integrity. And at the same time, to enable growth and ease of doing business.

Growth becomes investable only when access is simple, processes are predictable, and markets function smoothly. Over the last few years, we have introduced several regulatory reforms focused on precisely this.

Easier Market Access for FPIs

We have introduced the SWAGAT–FIs[1] framework. It enables single-window access and simplified compliance for trusted foreign investors. We have eased regulatory requirements for FPIs investing exclusively in Government Securities. The onboarding process has been streamlined through simplified registration forms, standard operating procedures, and a tracker portal to monitor application status.

We have also strengthened engagement with the foreign investor community through a dedicated outreach cell and a consolidated 'India Market Access' portal.

Market microstructure reforms - such as the closing auction session in equities will help improve price discovery and reduce tracking error for passive funds. Reforms in block deals and the introduction of a common contract note bring clarity and consistency to large institutional transactions. We have also increased the number of permissible anchor investors allottees for allocations above ₹2,500 million.

Deepening Markets and Supporting Institutional Investors

Our consistent focus is on building deeper and more diverse markets. To facilitate capital raising, we have simplified listing frameworks, reduced listing timelines, and have taken steps to ease minimum public offer thresholds for large issuers.

To bridge the space between mutual funds and portfolio management services, we have introduced the Specialised Investment Fund (SIF). We have comprehensively reviewed mutual fund regulations to simplify compliance, improve structural coherence, and strengthen transparency. This includes rationalising reporting requirements, reducing duplicative filings, and enabling more digital-first disclosures.

We have taken steps to strengthen anchor investor participation in IPOs. The anchor portion has been increased to 40%, with a defined allocation for mutual funds, life insurers, and pension funds. This encourages structured participation by long-term domestic institutions and improves the quality and stability of the anchor book.

[1] Single Window Automatic and Generalised Access for Trusted Foreign Investors

To expand the investor pool in high-value AIF strategies, we have reduced the minimum investment threshold for Large Value Funds from ₹70 crore to ₹25 crore for accredited investors.

From Jan 01, 2026, investments by mutual funds and SIFs in REITs are treated as equity-related investments, encouraging broader participation. We have also expanded the scope of strategic investors in REITs and InvITs to include a wider set of Qualified Institutional Buyers (QIBs), including pension funds and provident funds with adequate corpus.

All these steps are aimed at making markets deeper, simpler and more accessible for institutional investors.

Way Forward: Chasing Sustainable Growth

New Engines of Market Growth

India’s market is evolving beyond traditional instruments. The AIF ecosystem has grown from ₹0.1 trillion in FY15 to about ₹6.5 trillion by end of Dec-2025, channeling risk capital into startups, private credit, and emerging sectors. REITs and InvITs are enabling institutional participation in real assets and infrastructure. This broadening of products deepens the market and aligns long-term capital with long-term assets.

Our regulatory approach is to support these new growth frontiers while ensuring that complexity is matched with appropriate governance and risk management.

Market Quality as the Growth Multiplier

As India’s economy scales, the role of capital markets will become even more central. The next phase of growth will be shaped not just by volumes and valuations, but by market quality - governance standards, disclosure discipline, depth of liquidity, and resilience of institutions.

Technology, including AI, will play an increasing role in strengthening surveillance, improving risk management, enhancing transparency and deepening investor awareness. The focus, therefore, is on building markets that are efficient in good times and resilient in volatile times.

Closing Remarks

In a world where growth opportunities are uneven and often uncertain, India’s capital markets are evolving into a platform that combines scale with stability, and opportunity with improving market quality.

The convergence of strong domestic institutional participation and sustained global interest is reshaping the character of our markets.

As India’s enterprises expand and its economy deepens, capital markets will remain central to mobilising savings, allocating capital efficiently, and supporting innovation and infrastructure.

The trajectory ahead is not just one of larger markets, but of stronger institutions and more resilient market structures - laying the foundation for long-term, sustainable growth.

Thank You.