FICCI

22nd ANNUAL CAPITAL MARKETS CONFERENCE #CAPAM 2025

Indian Capital Markets: Driving Growth through Innovation, Technology and Transparency



THE EXPERTS' VOICE

A Compendium of Articles

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Foreword

The year gone by marked another defining chapter in the evolution of India's securities markets — a period that demonstrated resilience amid global uncertainties, while advancing reforms and expanding participation. This progress has been driven by the collaborative efforts of SEBI, market infrastructure institutions, intermediaries, and market participants, alongside the ever-growing base of empowered investors who are now at the heart of India's growth story. Together, they are shaping our markets that fuel India's economic ascent and are also reinforcing India's position as an attractive investment destination for global capital.

Against this backdrop, FICCI's 22nd edition of Capital Markets Conference is envisioning the future of India's capital markets - fuelling growth, deepening participation, strengthening investor confidence and advancing India's position as a global investment hub. Accordingly, the theme of the year is ***'Indian Capital Markets: Driving Growth through Innovation, Technology and Transparency'*** - highlighting the transformative role of innovation, emerging technologies and enhanced transparency in the growth of capital markets.

On this occasion, we are pleased to present The Experts' Voice, a compendium of articles contributed by members of FICCI's National Committee on Capital Markets. The publication captures the policy imperatives and strategic interventions needed to unlock the transformative potential of India's capital markets and propel the country's economic journey to even greater heights.

We are grateful to Mr Tuhin Kanta Pandey, Chairman, SEBI for inaugurating CAPAM 2025.

We would also like to take this opportunity to thank the Regulator, senior bureaucrats and government officials for their participation in CAPAM 2025 and also for their support to the initiatives of FICCI National Committee on Capital Markets through the year.

We also express our appreciation for the members of FICCI's National Committee on Capital Markets who have contributed their valuable time and inputs over the years to strengthen FICCI's policy advocacy. A special thanks to all the members who have contributed to this compendium.

We do hope you will find this publication insightful.

Sunil Sanghai
Chairman

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Radhika Gupta
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FICCI Capital Markets Committee

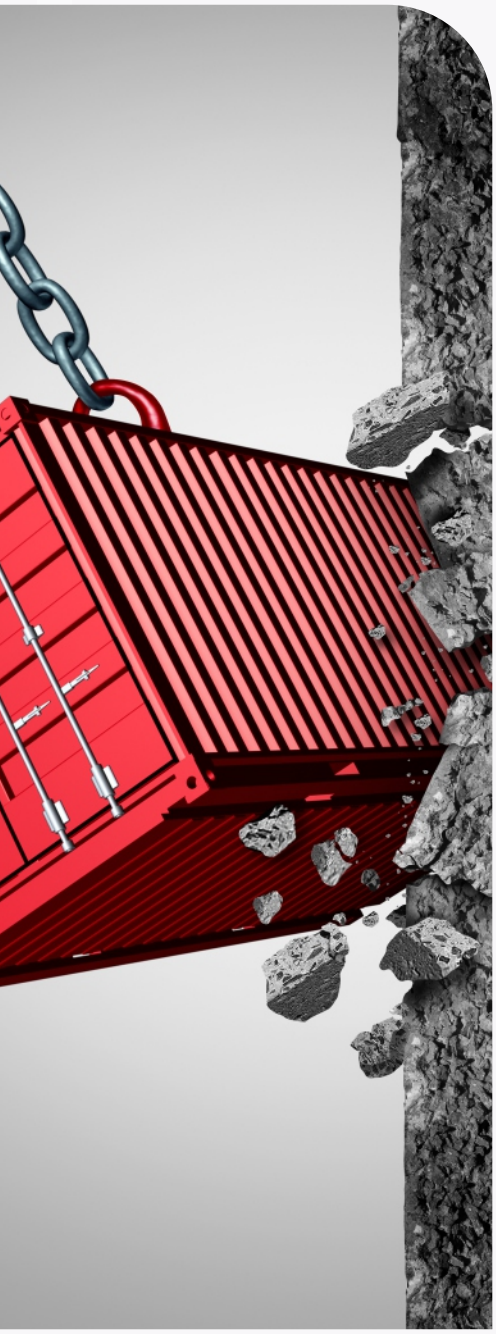
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Views on Tariff and FTA

Sunil Sanghai
Chairman, FICCI Capital Markets Committee and Founder & CEO
NovaaOne Capital



Tariff Woes – A Big, Beautiful Opportunity

"India has never been in distress because its fundamentals are sound," declared a global credit rating agency while upgrading India's sovereign credit rating to BBB. This places India among the higher-rated emerging economies- a very welcome development at a time when the United States has taken the unprecedented step of sharply increasing tariffs on Indian goods, making them among the highest in recent history.

The higher tariffs are expected to affect core export sectors such as textiles, gems and jewellery, marine products, auto components, and agriculture. A final tariff rate of around fifty percent could hit roughly fifty-five percent of our USD 87.3 billion merchandise exports to the US, which generated a USD 45.8 billion trade surplus last year. For labour-intensive industries-especially gems and jewellery, with nearly thirty percent of exports destined for the US-the effect could be severe. Several studies suggest that steep export levies could wipe out between USD 30 billion and USD 35 billion in overseas sales, potentially shaving nearly a full percentage point off GDP growth. Growth forecasts for FY26 have already been revised downward by around thirty basis points by various agencies, and the possibility of an additional 0.2 to 0.5 percent drag on the economy raises serious concerns.

Investor sentiment is already under pressure. Foreign portfolio investors have withdrawn USD 2billion from Indian equities in August so far, following outflows of USD 2 billion in July. Foreign direct investment is also showing a declining trend with some recent recovery. Without decisive policy action, this could set off a vicious cycle of weaker exports, slower growth, and volatile capital flows.

To turn this challenge into an opportunity, the government can consider the following ten measures.

1. **A massive geographical diversification of our exports**

   India's objective of reducing dependence on any single export market- particularly the US-should place strategic diversification at the forefront of trade policy. This involves not only negotiating better trade terms with emerging economies but also rolling out targeted support to Indian exporters. Africa and West Asia deserve top billing in this outreach, given their growing demand for key Indian products and services. India can build win–win partnerships by focusing on multiple sectors such as agriculture and agro-products, where advanced seed technologies can enhance food security; pharmaceuticals, where affordable medicines and scalable healthcare solutions can reach underserved markets; the automobile sector, where competitively priced models can meet the rising needs for both personal and commercial transport; and renewable energy, where India's proven solar PV systems and energy efficiency solutions can find ready markets. Such targeted engagement will open new growth corridors and insulate India from concentrated external risks.



2. **Transport infrastructure overhaul to slash logistics costs and propel manufacturing growth**

   Government data shows that every one rupee spent on infrastructure yields between ₹2.5 and ₹3.5 in GDP, underscoring the sector's immense impact on productivity, capacity expansion, and job creation. Reducing production costs is essential to making Indian goods more competitive. Additionally Indian's logistics cost has recently been estimated at 8 to 9% of GDP, with room to converge toward best-in-class peers.

   To address this gap, India must accelerate investments in infrastructure, integrate digital solutions, and reform regulations. This means fast-tracking the development of multi-modal logistics parks, modernising ports and inland waterways, and implementing standardised digital platforms for freight booking and tracking. Together, these steps will not only improve the manufacturing sector's contribution to GDP but also expand India's footprint in global trade.

3. **Boost forex with world-class tourism infrastructure**

   The tourism and hospitality sectors offer an important buffer against external headwinds. To position India as a top-tier tourism destination, it is essential to fast-track world-class infrastructure, including upgrading airports, road networks, and hospitality facilities in high-potential tourism circuits. This should be complemented by simplifying visa processes through expanded e-visa eligibility and expedited approvals, launching focused global marketing campaigns, creating curated cultural and adventure itineraries, and forming public–private partnerships to develop integrated resorts and heritage trails. These measures will elevate visitor experiences, encourage longer stays, and drive sustained growth in tourism-driven foreign currency inflows.

4. **Capital crescendo by foreign portfolio investors driving forex upsurge**

   To enhance foreign exchange inflows from portfolio investors, India must ensure regulatory clarity and policy consistency while streamlining digital onboarding for overseas investors. Introducing a settlement cycle that deepens market liquidity, harmonising tax treatment across asset classes, increasing investment limits, and offering innovative instruments can further strengthen participation. These measures, combined with stronger corporate governance, improved minority investor protections, and macroeconomic stability, will bolster confidence, deepen capital markets, and attract sustained portfolio capital.

5. **Harvesting reform to cultivate global competitiveness in agriculture**

   Reforming agricultural laws is pivotal for enhancing global competitiveness and improving ease of doing business in the sector. With agriculture contributing roughly fifteen percent of GDP and employing nearly half the workforce,

enacting a central law to guarantee unfettered inter-state trade would eliminate arbitrary movement restrictions. Incentives for crop diversification into pulses, oilseeds, and other high-value commodities could boost farmer incomes and resilience. Modernising APMCs through public–private partnerships to provide on-site cleaning, grading, and cold-storage facilities will improve quality and reduce post-harvest losses, while developing agro-processing zones and building strong rural–market linkages will help integrate producers into both national and international value chains.

6. **Land and labour reforms to forge India's manufacturing future**

   Reforming land laws to streamline acquisition, secure clear title transfers, and consolidate fragmented plots can significantly lower barriers to setting up factories. By creating dedicated land banks and fast-track dispute resolution mechanisms, India could shorten project gestation periods, reduce financing costs, and boost investor confidence. Greater land-use flexibility and transparent pricing would also improve India's ease-of-doing-business rankings, making the country more attractive to multinational corporations. Consolidating multiple labour laws into a single modern code with flexible hiring rules, clear registration, and expedited dispute resolution would cut compliance costs and help manufacturers adjust their workforce quickly. Aligning these regulations with global benchmarks will attract foreign investment and integrate India more firmly into global supply chains.

   Reviving the mining sector should also be part of this strategy. Although mining currently contributes only 2–2.5 percent of GDP, it represents nearly eleven percent of industrial GDP and employs millions. Reforms such as easing exploration norms through the MMDR Amendment Bill 2025, introducing a State Mining Index for best practice sharing, and launching a policy for recovering critical minerals from mining tailings will be key. Additional measures could include an "Explore in India" mission to speed up exploration-to-mining transitions, wider use of technology such as drones, AI, and GIS for surveying, and development of dedicated mining corridors to lower costs.

7. **Simplifying taxation to boost business ease and global competitiveness**

   Streamlining GST into fewer slabs and including sectors like petroleum under a unified framework can reduce compliance burdens, eliminate cascading tax effects, and enable smoother interstate commerce. The newly approved Income Tax Bill 2025, replacing the decades-old 1961 Act, is a landmark reform aimed at reducing the complexity of the tax code, lowering compliance hurdles for individuals and companies, and modernising direct tax procedures. Together, these reforms will enhance policy predictability, cut transaction costs, and make India a more attractive destination for business.

8. **Divesting high-quality premium state assets to attract global capital**

   Privatising or partially divesting stakes in marquee public-sector entities can deliver a double benefit by generating significant

foreign exchange inflows from global investors and improving the efficiency of these enterprises.

9. **Leveraging remittances to offset export-driven forex losses**

   In FY2024–25, remittances from the Indian diaspora reached a record of approximately USD 136 billion. These inflows now account for more than ten percent of India's gross current account inflows and cover nearly forty-seven percent of the merchandise trade deficit. Even a steady increase in remittances can act as a cushion for India's forex reserves, offsetting outflows caused by trade deficits or tariff-related export losses, and stabilising the rupee against external shocks.

10. **Fuel forex growth through strategic global capacity centres and BPO hub expansion**

    India's Global Capability Centres and BPOs are powerful engines for foreign interest and forex inflow. As of 2025, India hosts nearly 1,700 GCCs, accounting for more than half of the global total, and the number is projected to reach 2,100-2,200 by 2030, generating between USD 99 billion and USD 105 billion in revenue and employing around 2.5-2.8 million professionals. These centres have evolved from cost-arbitrage units into hubs of innovation, AI, R&D, and global strategic operations, making India an attractive base for multinational corporations. State governments are supporting this expansion through targeted policies, including the promotion of Tier-2 cities. By tapping into new verticals such as portfolio management, financial analytics, and technology-driven services, this ecosystem not only attracts foreign capital but also positions India as a strategic innovation and decision-making hub.

To rise, shine, and secure its future in an increasingly competitive global landscape, India must convert this adversity into an opportunity by implementing bold and pragmatic reforms, unlocking stalled initiatives, and strengthening domestic demand. By modernising policymaking, the country can turn these tariff challenges into a truly big, beautiful opportunity.

Be Ready to Export: India-UK FTA is a Transformational Leap

India's signing of its 13th Free Trade Agreement (FTA), this time with the United Kingdom, marks a watershed moment in our trade and economic journey. While India has previously signed important FTAs with Japan, Singapore, Australia and the UAE, the India-UK deal stands out for its depth, breadth, and long-term potential.

Though the full impact will play out over the next decade, early signs of transformation will be visible much sooner. This agreement is more than just a trade pact, it is a strategic shift in India's global trade posture.

The Twin Impact: Tariffs and Trade Processes

Most conversations around FTAs focus on tariff reductions, and rightly so. The India-UK FTA provides near-total elimination of duties (around 99%) on traded goods over time. For sectors such as textiles, gems and jewellery, leather, farm produce, and

processed food, this opens vast new market opportunities in the UK.

However, just as significant, and often underappreciated, is the simplification of trade processes. The promise of clearer tariff structures, reduced documentation burdens, and potential customs clearance within 48 hours could be a game changer. For many exporters, especially MSMEs, these process frictions are the real bottlenecks. Removing them will have an immediate impact.

India's Expanding Trade Architecture

With the India-UK deal, India now has 13 FTAs and around 6 Preferential Trade Agreements (PTAs) in place. Coupled with improving infrastructure such as industrial clusters, road-rail-port connectivity, and digitized logistics, we are well-positioned to accelerate our export-led growth.

This is the time to scale up, not just capacity but ambition.

MSMEs and Employment: The Hidden Engine

The FTA's greatest impact will likely be felt in labour-intensive, MSME-driven sectors. Industries such as textiles, handicrafts, food processing, and leather goods are key beneficiaries. These are also the sectors that create millions of jobs.

Supporting these sectors through improved access, reduced costs, and better logistics has a multiplier effect, not just on exports, but on livelihoods across the country.

Services and Skilled Mobility

India's services sector, especially in IT, consulting, finance, education, and creative fields, depends heavily on the free movement of professionals. The India-UK FTA is expected to streamline visa regimes and ease temporary mobility, allowing talent to flow more freely.

While India's financial services sector is already largely open to FDI, areas like accounting, auditing, and advisory could benefit from mutual recognition and regulatory alignment.

A Clear Strategic Shift

The India-UK FTA represents a philosophical and policy transition. India is clearly moving from protectionism to global integration, balancing domestic priorities with international competitiveness.

This agreement includes, Near-universal tariff elimination, Enhanced services and procurement access, Social and environmental safeguards, Commitments on investment and innovation.

It sets the stage for India's deeper integration into global value chains, especially at a time when supply chains are being redefined worldwide.

Execution Will Be Key

As with all policy shifts, implementation is everything. The success of this FTA depends on, Regulatory clarity and consistency, Industry alignment, Infrastructure support, And above all, execution at the ground level.

The natural question arises: Are we ready?

We faced the same question in 1991, when India opened its economy. History shows that we didn't just survive the change, we thrived. The India of today is far more prepared, resilient, and capable.

A Bold Step Toward a Developed India

This FTA is more than an economic arrangement, it is a strategic and symbolic move. It reflects India's aspiration to lead, to compete, and to be counted among the world's most open, dynamic, and forward-looking economies.

Credit must go to our leadership for taking this bold, long-term view, and aligning it with the needs of industry, employment, and inclusive growth. The message is clear: the world is opening its markets to India. It's time for us to step forward, and lead from the front.



Democratising Wealth Creation: The Role of Mutual Funds in a Transparent, Tech-Enabled Capital Market

Radhika Gupta
MD & CEO, Edelweiss Asset Management Limited (EAML)



Mutual funds have come a long way – from a concept in urban India to a preferred way of investing in the financial markets for retail investors. As of June 30, 2025, the mutual funds industry managed assets worth Rs 74 trillion from Rs 10 trillion in CY2015. The key stakeholders in the mutual fund industry are optimistic of crossing the Rs 100 trillion mark in the near future. The industry has been growing at a healthy rate, as investors spread across the country opt to invest across asset classes through various schemes of mutual funds.

Mutual funds are playing a transformational role in enabling retail participation across Bharat, and not just India. A confluence of supportive digital ecosystem, transparent business practices, product innovation along with robust regulatory framework have ensured that each Indian gets equal opportunity to participate in the wealth creation bandwagon in our expanding economy.

Technology has brought lasting changes in many walks of life, including the way we invest in various asset classes, such as stocks, bonds, real estate and precious metals. Gone are the days when only informed individuals from the upper crust of the society could invest in capital markets.

Technology has been the biggest enabler and made life easy for all stakeholders involved. Take the simple example of completing a know-your-client (KYC) process and onboarding an investor on an investor platform. JAM trinity – Jandhan bank account, Aadhar and mobile have ensured that this

AMFI AUM source - https://www.amfiindia.com/research-information/amfi-monthly

entire process gets completed in minutes and with the help of digital banking the investor can start investing in mutual funds.

The role of technology is not limited to facilitating transactions. It also empowers investors with information about a product as well as about general investing and personal finance. Mutual funds industry has taken a structured approach towards investor education. Investor education guidelines issued by the capital market regulator – Securities & Exchange Board of India are followed in letter and spirit by the mutual fund industry.

Digital methods are used to reach out to investors. Many mobile applications to transact in mutual funds that are launched and maintained by stakeholders – be it mutual fund houses or distributors, have helped investors to understand mutual fund products and how they can be used to achieve their financial goals. Importantly, the content – be it text, graphic or video, is now available across Indian languages. This helps engage investors better and provide a better understanding of how mutual funds work to their advantage, making them more confident while investing.

Technology has also helped to resolve service-related issues of investors. For example, non-financial transactions like registration of nominee, change of nominee, adding a new bank account to the folio can be done online in a seamless manner using mobile applications. One-time-password (OTP) based approach ensures that the customer remains in full control of her investments. Two factor authentication implemented by the industry boosts the confidence of the investors.

A strong technological backbone ensures that the investors are empowered; and their interests are protected. The regulator has regularly reviewed the mutual fund regulations and come out with a more robust regulatory framework that ensures alignment of interests of all stakeholders with each other. In the last few years directives such as rationalisation & categorisation of mutual fund schemes, segregated portfolio creation, swing pricing mechanism, risk disclosures such as potential risk class matrix and risk-o-meter, stress testing of mutual fund schemes, secure fund movement from the investors' bank account to mutual fund's bank account and back, and various measures to ensure skin in the game for both the asset management company as well as key employees of the asset management companies with the investment strategies they offer, have ensured that there is a significant increase in transparency and accountability of the mutual fund operations. This not only makes a mutual fund product stronger, investors feel safer but also brings down systemic risk. Simple measures backed by technology – be it use of SMS and email to communicate with the investors, not only helps them keep a tab of their investments but also helps them understand new developments around product and compliance.

An informed and confident investor demands for more alternatives while investing. Mutual funds are aware of this trend. Especially the Gen-Z investors are savvy and they are keen to explore mutual fund products in greater detail. Mutual fund industry has been working hard on product innovation. Data driven approach to investing has made the investment processes more robust and compliant. This data-driven approach also helps in crafting new products. Factor funds and related strategies use quantitative investment strategies.

Mutual fund industry has been expanding their product portfolios on both actively managed funds' front as well as passively managed. Emerging themes are being identified and products around them are being offered in a cost-effective manner. Passively managed funds – especially the exchange traded funds (ETF), offered at minimal costs are a big draw

for young investors. ETFs tracking thematic and sectoral indices are also a big hit with savvy investors keen on diversification. ETFs also click better with a large investor base because they often come at a relatively low ticket size and ease of transaction on the stock exchange platform.

Investors focused on investing across asset classes in a tax efficient manner are selecting multi asset funds and other hybrid schemes. They not only bring in the best of all asset classes, but also reduce the risk by combining uncorrelated asset classes together. This may lead to better investor experience.

Rising awareness, clear product positioning and technology driven consumer connect together have made mutual funds, especially systematic investment plans a popular choice for many investors. Digital ecosystem has made small ticket SIPs possible. This has triggered the financial inclusion process in a true sense. Small investors from remote locations are joining the wealth creation journey by starting their SIPs in mutual fund schemes. Mutual funds collected Rs 27,269 crore through SIP in June 2025. Nine years ago in June 2016, this number was Rs 3,310 crore. Though the rising number of SIP can be seen as a sign of financial inclusion or democratisation of wealth creation, this is just a beginning. As we move ahead towards Viksit Bharat 2047, financial well-being becomes the focus.

In this context, mutual funds help investors identify their persona as investor, understand their asset allocation in the light of their financial goals and risk-taking capacity, and prepare a plan to achieve those goals.

On the whole, wealth creation is all about sticking to a disciplined investment process using a well-regulated product like a mutual fund and not about getting the highest return possible. A structured approach is more likely to help the majority of investors realise their financial goals.

Disclaimer - Radhika Gupta, is the MD & CEO at Edelweiss Asset Management Limited (EAML) and the views expressed above are her own.

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY

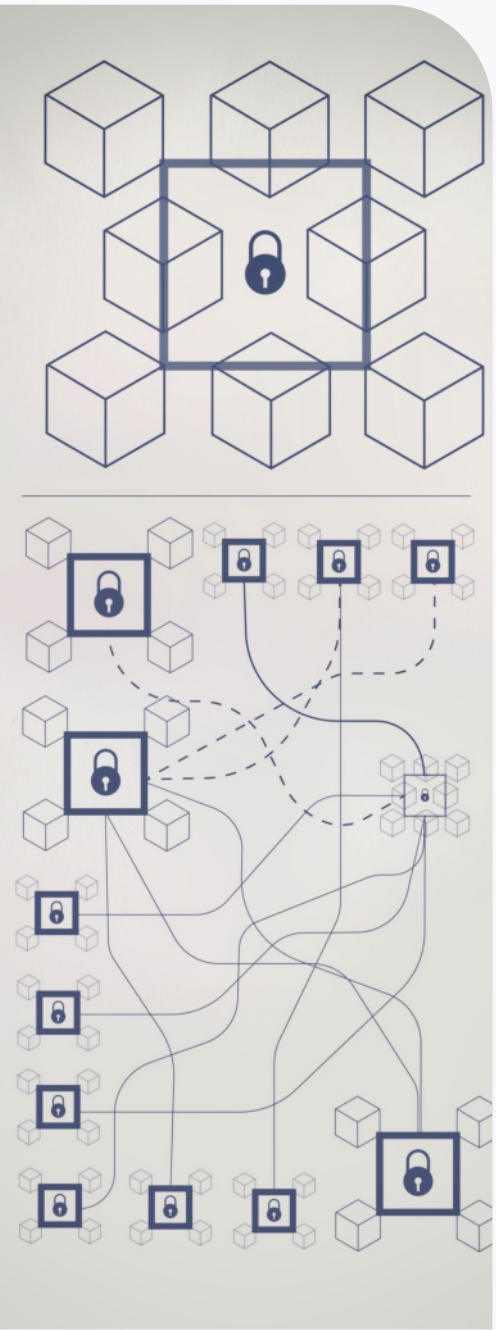


SIP AUM Source - https://www.amfiindia.com/mutual-fund



Beyond Transparency: How NSDL's Security & Covenant Monitoring Platform is Reshaping Corporate Bonds

Vijay Chandok
Managing Director & CEO
National Securities Depository Limited



Introduction:

The Indian capital market stands at the cusp of a transformative era, driven by a relentless pursuit of innovation, technological adoption, and enhanced transparency. As a foundational institution in India's capital market infrastructure, the National Securities Depository Limited (NSDL) has consistently championed these very principles. It is in this spirit that we proudly present the significant advancements brought forth by our state-of-the-art Security & Covenant Monitoring platform. This innovative platform launched in year 2022, leverages Distributed Ledger Technology (DLT), commonly known as blockchain, to usher in a new era of discipline, standardization, and transparency within the Indian listed corporate bond market, ultimately fortifying investor interests.

NSDL's Legacy in Capital Market Transformation:

NSDL, as India's pioneering and a leading central securities depository, has played a pivotal role in shaping the modern Indian capital market. Our journey began with the dematerialization of securities, a revolutionary step that significantly enhanced efficiency, reduced risks, and increased investor confidence across various financial instruments. Our continuous contributions have been instrumental in building a robust, secure, and transparent market ecosystem. The introduction of the Security & Covenant Monitoring platform is a natural and strategic extension of our unwavering commitment to market integrity and investor protection, reflecting our dedication to driving growth through technological innovation.

Addressing Historical Challenges in the Corporate Bond Market:

Historically, the corporate bond market grappled with significant systemic challenges. Security and covenant monitoring suffered from fragmented data management, information asymmetry, and the inherent risks of manipulation. Debenture Trustees often faced an uphill battle in ensuring compliance, addressing defaults, and effectively enforcing security. Complex processes made it difficult to track asset cover and covenant adherence, increasing investor risks due to the absence of a unified, transparent system. Recognizing these critical issues, the Securities and Exchange Board of India (SEBI) emphasized the dire need for a robust platform for security and covenant monitoring, which led to NSDL's development of this blockchain-based solution.



Key Features and Functionality: A Testament to Innovation:

Our blockchain-based Security & Covenant Monitoring platform offers a comprehensive suite of features meticulously designed to address these historical pain points and enhance overall market efficiency and transparency:

- **Authoritative Data Store:** The platform creates an immutable, time-stamped record of listed debentures and the assets backing them, serving as a source of truth for all stakeholders.
- **Asset Creation and Validation:** Issuers can capture detailed information about the assets securing the listed debentures, including their type, description, location, valuation, and identification attributes. Debenture Trustees (DTs) validate these asset details, ensuring accuracy and preventing duplication.
- **Covenant Recording and Monitoring:** Issuers are required to record the covenants of the debenture issuance, as outlined in the Debenture Trust Deed, on the platform. This includes financial covenants, non-financial covenants, and clauses related to asset cover.
- **Asset Cover Monitoring:** The platform facilitates the continuous monitoring of the asset cover ratio. Issuers periodically report the status and valuation of the underlying assets, which are then verified by the Debenture Trustees.
- **Charge Management:** The system meticulously records details of any charges or encumbrances created on the secured assets and added on Registrar of Companies (ROC)/ Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI)/ National e-Governance Services Limited (NESL).
- **Cash Flow Monitoring:** The platform allows issuers to record and monitor interest payments and redemption events related to the debentures, which are further reviewed and confirmed by debenture trustee.



- **Credit Rating Monitoring:** Issuers can record and periodically update their credit ratings on the platform, with these updates being subsequently confirmed by the respective Rating Agencies.
- **Alert Mechanisms:** The system includes automated alerts for various events, such as the submission, acceptance, or rejection of information, as well as for periodic and event-based compliance requirements.
- **Audit Trail:** All transactions and modifications on the platform are recorded with cryptographic signatures and timestamps, providing a verifiable and immutable audit trail.

Driving Growth through Enhanced Transparency and Technology:

The benefits of this Security & Covenant Monitoring (SCM) platform for the corporate bond ecosystem are profound, directly aligning with the conference's overall theme:

- **Complete Digitization and Streamlined Workflows:** It offers a workflow-based platform providing complete digitization of the process.
- **Unified View and Single Source of Truth:** It maintains a unified view and single source of record for all involved parties.
- **Streamlined Asset Valuation:** Facilitates in streamlining the periodic asset valuation and approval processes.
- **Cryptographically Secure and Tamper-Proof Ledger:** The non-disputable records on the Distributed Ledger Technology (DLT) Blockchain platform are cryptographically secure and offer the benefits of data auditability and a tamper-proof ledger, thus strengthening investor confidence in the market.
- **Effective Asset Management:** System-generated unique asset ID assigned to an asset of the issuer for effective asset creation as well as tracking.
- **Prevention of Duplicity and Enhanced Interoperability:** It avoids duplicity of assets by providing an alert to stakeholders through appropriate validation/duplicate checks in the internal system and sharing key asset attributes with another depository due to interoperability between depositories.
- **Proactive Compliance Management:** Provides periodic alerts to Debenture trustees & Issuers on the upcoming compliances.

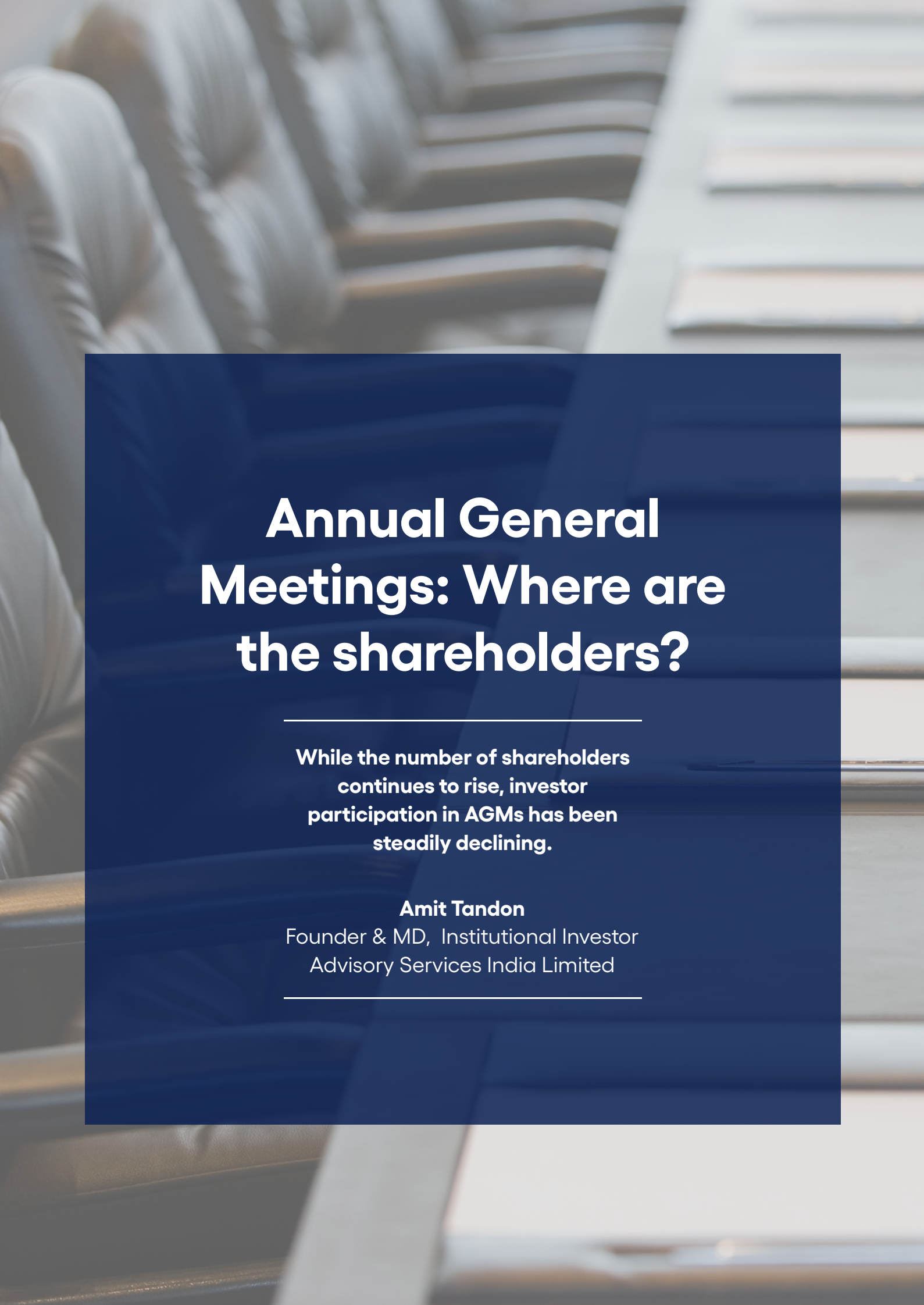
Impact and Future Outlook:

We are proud to report the rapid and widespread adoption of the NSDL Security & Covenant Monitoring Platform, which is quickly becoming an industry standard. The platform actively monitors over 4,000 secured ISINs for asset quality and security, and more than 5,000 ISINs for covenant compliance, interest payments, and redemption. With over 550 issuers and 11 debenture trustees now utilizing the system, its widespread embrace underscores its vital role in enhancing transparency and efficiency within the Indian corporate bond market.

Conclusion:

The NSDL Security & Covenant Monitoring platform, powered by cutting-edge blockchain technology, represents a crucial advancement in the Indian corporate bond market. By providing a transparent, standardized, and secure system for monitoring security and covenants, it unequivocally demonstrates how innovation and technology can drive growth. This platform is not merely a tool; it is a testament to our commitment to enhance investor protection, improve market discipline, and contribute substantively to the overall growth and stability of the Indian financial ecosystem, aligning perfectly with the vision for a more robust and dynamic Indian Capital Market.





Annual General Meetings: Where are the shareholders?

While the number of shareholders continues to rise, investor participation in AGMs has been steadily declining.

Amit Tandon
Founder & MD, Institutional Investor Advisory Services India Limited



Writing about the East India Company in the 1700's, Nick Robins in his book 'The Corporation that changed the world' wrote that 'the (East India) Company operated as a limited property-based democracy that was run for and by its shareholders……(The) companies' shareholders, that had to have UKP500 of nominal stock, before they could vote either in the quarterly meetings of the Court of Proprietors held in March, June, September and December, or at the annual meeting in April. This was the high point in the company's calendar, when over a thousand shareholders would gather to elect a slate of 24 directors.'

Three-centuries later, that time of the year is on us again. As Indian companies have a March year-end, and six months after that to hold their shareholder meeting, we are heading into the Annual AGM season. Most of the 4300 listed companies, and innumerable more unlisted companies will soon be holding their annual general meeting (AGM). But the disconnect between the potential and actual shareholder participation is striking. Just 12,155 of the 69.24 million shareholders in the Nifty-50 companies attended the AGM either physically or virtually. The statistics alone begs the question, have shareholder meetings outlived their usefulness?

Till before the pandemic enveloped us, the considered view was that virtual meetings held the key to their remaining relevant. Physical meetings had their drawbacks including distance, time and cost of travel to attend a meeting. Driven by newer technologies, virtual or remote meetings gave

shareholders better access, eliminating the need to travel, allowed investors to juggle more than one in a day, and were nearly always costless. Allowing a larger set of shareholder access to meetings, was to mark the end of shareholder tourism, and reaffirm the primacy of the AGM. And for a brief moment this seemed true. 307,630 investors virtually attended the Reliance Industries meeting. This was more than double the 147,620 investors who attended the 2019 AGMs of the Nifty-50 companies.

But the Reliance 2020 meeting was a blip, as the numbers subsequently collapsed. Even the shift to hybrid meetings, i.e. both physical and virtual attendance has not helped, despite the increase in retail ownership. Less than 0.02% of shareholders now attend meetings.

AGMs matter because in addition to a slice of the company's cash flow proportionate to your equity ownership, a company's shares come with certain rights. These include the right to call for a general meeting, to elect their representative on the board, to access company documents, and to engage with the board and management on critical issues. And as Indian regulations offer a low degree of delegation to the board, investors get to vote on innumerable items, such as approving accounts, signing off on related party transactions or appointing a cost auditor. These rights – for the most, are exercised at the AGM.

The sequence of the meeting was designed with this purpose. Investors received the shareholders' notice and had the right to attend an AGM, seek clarifications and ask questions. This afforded companies an opportunity to plead their case directly with their shareholders and convince the undecided. It was only after hearing what the management proffered that shareholder voted. Today the process has, for all intents and purposes, put the cart before. Now e-voting closes before the date of the AGM. Other than the handful of retail shareholders



who may vote at the meeting venue, institutional investors send their vote to the custodians well before the meeting. Consequently, an important reason to show up at the AGM no longer exists. And while changing these timelines seems an obvious solution, these too are suboptimal.

Moving on, while investors see value in the vote (- voting shares trade at higher valuations than those with lower voting rights), given their limited ability to influence voting outcomes, they most prize the opportunity to interact with senior management that AGMs provide. This engagement gave investors an opportunity not just to understand firsthand from management its business strategy and outlook but to read the mood. AGMs also served a social purpose by providing investors with a forum to exchange ideas with other shareholders.

The quality of discourse at AGMs, hybrid included, also is of concern. To simply get done with the AGM, managements sidestep issues, leaving serous investors weary of attending. More so as they have there are many more opportunities to meet management. For institutional investors there are quarterly calls and meetings, sell side broker conferences, direct one-on-one meetings, non-deal road shows and investor days. Each of these provides them with an opportunity to engage with management in a format that is richer than what an AGM might offer. Retail investors also participate in investor calls, hear management speak on business channels, and a lucky few even manage face-to-face meetings. What was once a very important reason to show up at the AGM, no longer holds. As these interactions bring greater transparency to the market, regulators cannot force such interactions to take place only during an AGM.

Today the two primary purposes of a shareholder meeting - voting and engagement with management, fall outside the box. After over 350 years of being fit for purpose, AGMs today are broken and need a cure.

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Indian Capital Market in 2025: Pioneering Growth Through Innovation, Technology, and Transparency

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In 2025, India's capital market has emerged as a powerful engine of economic progress and financial democratization. What was once a system accessible primarily to a niche group of investors has now evolved into one of the most dynamic, inclusive, and technologically advanced capital markets in the world. This transformation has been underpinned by a visionary combination of regulatory foresight, technological disruption, and a renewed emphasis on transparency and trust.

From regulatory frameworks that encourage innovation to platforms that empower first-time investors, India's capital market story is no longer just about growth - it's about pioneering a new model of equitable, efficient, and futuristic finance.

India's capital markets have undergone a profound transformation - evolving from a fragmented, paper-based trading framework to one of the most technologically advanced and efficient ecosystems globally. Over the past three decades, the National Stock Exchange of India (NSE) has been at the heart of this journey, catalysing change through innovation, transparency, and inclusivity.

Innovation in Action: Catalysts for Structural Growth

At the heart of this transformation lies innovation - both in regulatory approach and market structure. The Securities and Exchange Board of India (SEBI) has led the charge in 2025 with sweeping reforms designed to simplify processes, attract wider participation, and ensure long-term resilience.

New rules enabling co-investment through Alternative Investment Funds (AIFs) are drawing more institutional and retail participation into start-up and early-stage ventures, bridging funding gaps and nurturing the entrepreneurial ecosystem.

Simpler norms for IPOs and ESOPs have made capital raising easier for emerging enterprises. Meanwhile, the liberalization of demat mandates and entry norms is reducing friction for new investors and expanding access to capital markets across India's Tier-II and Tier-III cities.

These regulatory shifts have also spurred the rise of new financial products and vehicles. ESG-linked securities, green bonds, and asset-backed tokens are attracting interest from a growing base of sustainability-conscious investors. Start-ups are also leveraging fractional ownership models and tokenized assets to reach a broader investor base. These innovations are not just modernizing how capital is raised and invested—they are realigning capital flows toward future-forward, sustainable sectors.



Capital Markets Growth: Scale and Impact

India's capital markets have expanded exponentially. In rupee terms, market capitalization has grown from ₹3.6 lakh crore in March 1995 to ₹459 lakh crore (US$5.4 trillion) in June 2025 - an increase of 128 times in rupee terms and 47 times in dollar terms. This scale and pace of growth is unparalleled among peer economies with similar per capita income levels.

The market capitalization-to-GDP ratio - a key indicator of financial market depth—has surged from approximately 60% in FY2014 to 124% in FY2025. This reflects not just the size of the markets, but the increasing confidence of Indian and global investors in India's economic story.

The Technology Transformation: Digital-first Markets

If innovation is the engine of India's capital market growth, technology is the fuel. The adoption of digital tools has not only accelerated transactions but also dramatically broadened investor access.

e-KYC has become faster and more secure with AI-powered verification systems. Opening a demat account is now a matter of minutes, not days. Trading platforms offer real-time execution, seamless mobile integration, and advanced tools for analysis and decision-making. The transition to online investing - once a convenience - has become a foundational feature of the Indian financial landscape.

Perhaps the most significant leap forward is in the adoption of block chain and distributed ledger technologies. These are now being piloted for everything from post-trade settlement to regulatory compliance. Asset tokenization especially in real estate and private equity has made previously illiquid investments more accessible, divisible, and tradable.



Market infrastructure institutions are also embracing AI and machine learning for real-time risk assessment, market surveillance, and investor behavior analysis. These advancements have significantly improved fraud detection and market stability. RegTech solutions are helping intermediaries and institutions comply more efficiently with evolving regulations, while ensuring robust data protection and cybersecurity.

The Retail Participation Boom

Nowhere is the transformation more visible than in the surge of retail participation. From just 3.6 crore demat accounts in 2019 to over 19.4 crore in 2025, the increase underscores a democratization of market access that few predicted a decade ago.

Digital financial literacy campaigns, gamified learning apps, and SEBI-backed education portals have made investing more intuitive and less intimidating. Women, students, gig workers, and small business owners are now a growing demographic in the investor base, further boosting retail depth.

Domestic institutional investors too have gained prominence, with their share rising from 13% to 20%, reflecting deeper confidence in India's markets. While foreign institutional investment remains important, India's market is now increasingly shaped by Indian investors a structural shift that adds resilience and long-term stability.

The Central Role of Capital Markets in India's Financial System

India's capital markets have now grown to represent nearly 1.7 times the size of the banking sector as of June 2025 - a stark contrast from March 1999, when they accounted for just three-fifths of the banking system's size. This transition underscores the increasing role capital markets play in financial intermediation, infrastructure financing, and long-term wealth creation.

Greater financial literacy improved digital access, and trust in regulation have brought a paradigm shift in investor behaviour from traditional savings instruments to market-linked avenues. The democratization of finance is real: one in five Indian households now participates directly in the equity markets.

Product Innovation and Global Integration

India today ranks among the top four global equity markets by size, and third by number of trades in the cash segment. NSE continues to expand the market's depth through innovative instruments such as electricity futures, sovereign green bonds, and products on the GIFT IFSC platform offering investors new avenues for diversification and sustainability-linked investing.

India's regulatory and technological credibility has also bolstered capital inflows manifested in growing levels of FDI and FPI reinforcing India's stature as a reliable investment destination.

The Road Ahead: Global Competitiveness and Sustainable Growth

As we look beyond 2025, India's capital market appears well-positioned to compete with the world's leading financial ecosystems. With an eye on global benchmarks and a heart rooted in inclusive development, India's capital markets are poised to drive not just national economic ambitions but also redefine the global capital landscape. The coming years will likely see Indian exchanges, intermediaries, and investors playing a more prominent role in shaping global financial flows.

Conclusion

2025 marks a pivotal year for India's capital markets a year where bold reforms, digital transformation, and a relentless pursuit of transparency have set new benchmarks. More than just a financial system, India's capital market has become a symbol of the country's aspiration to grow responsibly, invest wisely, and include broadly.

As the market continues to evolve, it offers a compelling blueprint for how developing economies can leapfrog into global competitiveness by placing trust, technology, and transparency at the center of their financial architecture.





Innovation, Technology and Transparency in Capital Markets - Cornerstone for Long-term Wealth Creation for Retail Investors!

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&

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Managing Director, Financial Services Risk Consulting, PwC



Innovation, technology and transparency are reshaping India's capital markets, opening new avenues for investing for retail investors. These shifts are laying the foundation for long-term wealth creation and wider financial inclusion. The article explores key capital market initiatives, various regulatory measures empowering retail investors for long-term wealth creation, key contemporary challenges, impact of AI in capital markets and strategic approach to be adopted holistically for sustainable capital markets growth.

Strategic role of retail investors in Indian Capital Markets

Retail investors help drive capital formation by channeling household savings into markets, unlocking idle funds for economic growth. Their growing participation is key to building a vibrant and inclusive capital market. According to the NSE report, household financial assets in equities and mutual funds are expected to increase from 16% to 24% by FY33[1], indicating their growing influence. Further, today's capital market transformation, facilitated by supportive products, regulations and increased digital penetration, fuels this growth of economic activity and investment. This trend is evident as retail investors' influence expands,

[1] NSE Report - Indian Capital Markets (July, 2024)

evidenced through record SIP inflows of ₹27,269 crore in June 2025[2], surge in demat accounts from 55 million in FY21 to 192 million in FY25[3] and rising participation in IPOs. Inclusive economic participation of retail investors, in the development of Indian capital markets, is of strategic importance in driving the Viksit Bharat vision of $30 trillion economy by 2047[4].

However, ensuring the sustainability of this progress requires a shift in mindset, prioritizing long-term wealth over speculative behavior / short-term gratification mindset. SEBI's latest research reveals that 91% of individual traders experienced net losses in F&O in FY25[5], with total losses surpassing INR 1 lakh crore. Regulators should therefore prioritize continuous transformational reforms, investor awareness and education and drive collaboration with MIIs and market intermediaries to safeguard capital markets against emerging risks and fuel long-term capital formation.

Innovations in capital markets eco-system underpinning multiple opportunities for wealth creation

India's capital market reforms have paved the way for inclusive, informed, and innovation-driven retail investing. With transparent regulations, a diverse product ecosystem, and advanced technology platforms, long-term wealth creation is now accessible to every Indian.

Key initiatives benefiting retail investors for long-term wealth creation, are as follows:

Financial inclusion and broader participation through digital KYC framework for persons with disabilities, micro-SIPs, multi-lingual options (CAS statements, chatbots) through depositories and through growing account aggregator framework.



[2] AMFI Website - https://www.amfiindia.com/mutual-fund
[3] Business Standard Article titled "Highest-ever 192.4 mn demat accounts opened in FY25, brokerages add 41.1 mn" (April, 2025)
[4] Ministry of External Affairs – Economic Diplomacy Division
[5] SEBI - Comparative study of growth in trading in Equity Derivatives Segment (EDS) vis-à-vis Cash Market after recent measures (July, 2025)

Global market innovations by SEBI and MIIs towards evolving T+0 and instantaneous settlements, ahead of developed markets like US, EU, UK and Switzerland, shall be empowering investors with faster access to funds and securities, benefit of same day margin free-up, enhanced liquidity, trust, and participation in capital markets.

Unique products/ platforms through MIIs such as BSE StAR MF and NSE NMF II providing unified access to online investing in MFs, SME platforms and wide range of low-cost ETFs.

Proliferation of super-apps by intermediaries enabling access to wide range of products, markets and strategies anytime, anywhere.

Online Bond Platform Providers (OBPP), RBI Retail Direct portal and trading in NDS-OM platform through non-bank brokers have democratized access to India's diversified fixed income instruments for long-term investing in a safe and transparent manner.

Global investing gateways through NSE IEX / BSE IEX and *Global Access Provider (GAP) - regulations under consultation process*.

Innovative financial products such as newly introduced Specialized Investment Funds (SIF) allows investors to participate in custom strategies like private credit, thematic equity, structured debt, with minimum investments of 10 lakhs.

ESG focused investing enabled through regulated framework for issuance of social bonds, sustainability bonds together with green debt securities.

AI / ML technologies are advancing retail investor's experience through smarter, user-friendly and tailored solutions, such as:

- Cutting-edge digital platforms, like robo-advisors, empower investors with powerful data-driven insights and personalized advice, finely tuned to individual goals and risk preferences.
- Algorithmic trading for retail investors with real-time data analysis and market research, empowering retail investors with institutional tools.
- AI-driven real-time alerts and nudges during investments boosts risk management measures.

Pivotal role played by SEBI in driving transparency and investor protection

Amid rapid technological advancements, regulatory frameworks are essential for market integrity and transparency. By focusing on disclosure, oversight, and fairness,



recent regulatory efforts enhance market dynamics and provide comprehensive protection, enabling retail investors to navigate modern markets securely.

Key transformative regulatory measures include:

- Protection of client assets through direct payout of securities, upstreaming of funds, trading supported by blocked amount in secondary market.
- Continuous efforts towards comprehensive disclosures framework viz. RPT, BRSR, LODR, PIT, etc. enhancing transparency and informed investing.
- Risk-based approach to regulate and supervise systematically important intermediaries (QSBs, QRTAs)
- Enhanced governance framework for regulating MIIs (independent performance evaluation, internal audit mechanism, etc.)
- Shift towards trail income models encouraging sustainable investment strategies by aligning advisor incentives with long-term performance
- Operationalization of PaRRVA framework for verification of risk-return metrics
- SCORES and Online Dispute Resolution (ODR) portals access for faster grievance redressal
- SEBI Check, a digital initiative to combat cyber fraud and phishing
- SEBI's consultation paper outlining a tiered framework emphasizing responsible usage of AI & ML for India's capital markets

Innovation, backed by strong regulatory transparency, has unlocked numerous avenues for wealth creation and retail investor participation. However, despite these promising advancements, retail investors continue to face persistent challenges and vulnerabilities, which hinder responsible investing:

- AI and Emerging Technology driven Risks:
  - Cyber-security threats like identity threats and data breaches
  - Exposure to deepfakes, scams and misleading content
  - Algorithmic trading and F&O speculation misused without understanding risks
- Behavioral and Knowledge Gaps:
  - Impulsive trading driven by herd instincts and FOMO
  - Lack of financial literacy and understanding of portfolio diversification
  - Susceptibility to market influencers and social media trends
- Structural and Market Manipulation Risks:
  - Retail investors often fall prey to pump-and-dump schemes
  - Overexposure to high-risk trades like expiry-day options, benefiting institutional players

A holistic approach is the key for sustainable capital markets growth

An inclusive and comprehensive approach is crucial to address the constantly evolving challenges of capital markets. Collective efforts from regulators and market participants that fosters AI governance with responsibility and accountability, continuous innovative regulatory measures and heightened awareness instilling responsible investing amongst retail investors, can pave the way for long-term sustainable growth in capital markets.

AI adoption by market participants that proactively embed regulatory principles into their AI strategies will be best positioned to capture efficiencies, foster trust, and meet their objectives with confidence. It is imperative that evolution of AI governance and adequate guardrails should be a collective responsibility of the wider ecosystem and its participants, thereby safeguarding investor's interest in the long run.

SEBI's consultation paper dated 20 June 2025 on guidelines for responsible usage of AI / ML in Indian capital markets comprehensively covers the core-guiding principles for model governance, investor protection disclosure, testing framework, fairness and bias, data privacy and cyber security measures. However, emerging regulatory themes around data governance, operational resilience, accountability and human oversight will certainly be an evolving subject matter of AI governance and its responsible usage.

Bold regulatory measures with strategic foresight have played a pivotal role in strengthening the capital markets ecosystem in India. However, looking at the current challenges, initiatives on regulatory measures to bridge the unhealthy imbalance in the turnover between the cash and F&O markets would be of strategic importance. Also, more importantly the zero-tolerance approach of regulatory actions towards any major issues impacting market integrity / abuse has always been forthcoming from a retail investor standpoint.



Responsible investing is crucial for retail investors for sustainable wealth creation. It is important to be aware of common pitfalls, resort to informed investing and avoid speculative nature of trading in F&O markets. Further, it is important to seek guidance only from qualified investment advisors / research analysts and stay away from informal tips / hearsay. Participating in investor education and awareness campaigns will foster the right investing mindset, allowing investors to be part of the growth journey.

Investors should focus on creating a diversified portfolio in the capital markets, based on their goals and their risk profile, by leveraging the varied products, digital tools and ecosystems provided by regulators and MIIs.

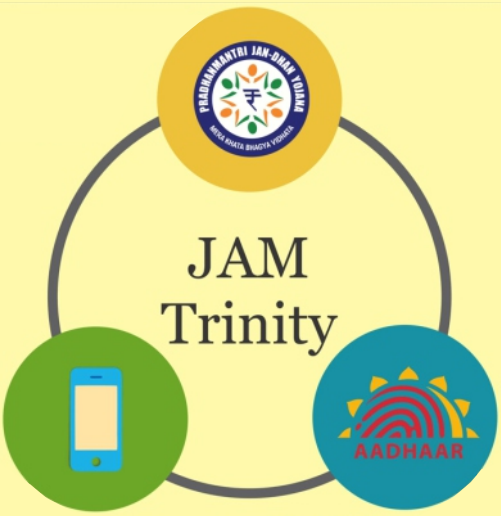
Conclusion

The transformation of India's capital market, driven by advancements in AI and regulatory enhancements, is reshaping the retail investor experience. Improved access, simplified investment processes, and robust protective measures have empowered investors to navigate the complexities of the market confidently despite challenges. As innovative strategies continue to unfold, retail investors can enjoy a more inclusive and resilient financial ecosystem, aligned with the vision of Viksit Bharat 2047. This progress supports the nation's long-term ambitions for sustainable wealth creation and economic advancement. With strong governance and technological prowess paving the way, retail investors are set to thrive in a dynamic market environment, poised for growth and success, contributing to India's prosperous future.



Creating India's Retirement Security: A National Imperative

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India is at a pivotal point in its economic journey. With strong macroeconomic fundamentals, the momentum of structural reforms, and a demographic dividend, the country is on a journey towards becoming a developed country by 2047. Our capital markets have deepened significantly - supported by the rise of mutual funds especially through SIPs and growing retail participation under the robust oversight of SEBI. This has fostered trust and long-term financial inclusion.

Simultaneously, India has made remarkable strides in building foundational social infrastructure. The JAM trinity—Jan Dhan accounts, Aadhaar, and mobile penetration—has empowered direct benefit transfers and improved targeting of welfare schemes. Government initiatives aimed at enhancing dignity in living, especially for the economically vulnerable, are commendable. These platforms have laid a strong foundation, yet one crucial pillar remains underdeveloped—retirement security.

Retirement security is emerging as one of the most critical socio-economic challenges of our time. A nation that celebrates its youth must also prepare for its ageing. With rising life expectancy, falling fertility, and urbanisation-driven nuclearisation of families, the traditional support systems for the elderly

are weakening. India will have over 300 million citizens aged 60 and above by 2050, requiring a new social compact—one that ensures not just longevity, but financial dignity in old age.

Rising life expectancy and surging healthcare costs

With Indians living longer—our average life expectancy is now around 70.8 years—retirement isn't a short phase but a significant life stage spanning 10–15 years, or more. This extended period, coupled with soaring healthcare costs, demand careful financial planning. Medical inflation in India, at around 14%, is among the highest in Asia, making medical treatments expensive year after year. A major illness can cost lakhs, eroding savings. With our elderly population set to reach 38 crores by 2050, securing financial future for these golden years is absolutely vital.

Most critical, yet most ignored financial goal

With medical advancement and increasing life expectancy, the number of years one lives post-retirement has increased; however, the number of years is an unknown variable, which makes retirement planning critical, yet challenging. This uncertainty means a retiree might need to fund expenses for 15, 20, or even 25+ years post-work. Further, considering that retirement is a goal which is in the distant future, most people tend to put off planning for retirement till it's too late. And even those who do plan, undermine the impact of inflation (both price and lifestyle) over a long time frame.



Cycle of Nations – Young today, aging tomorrow

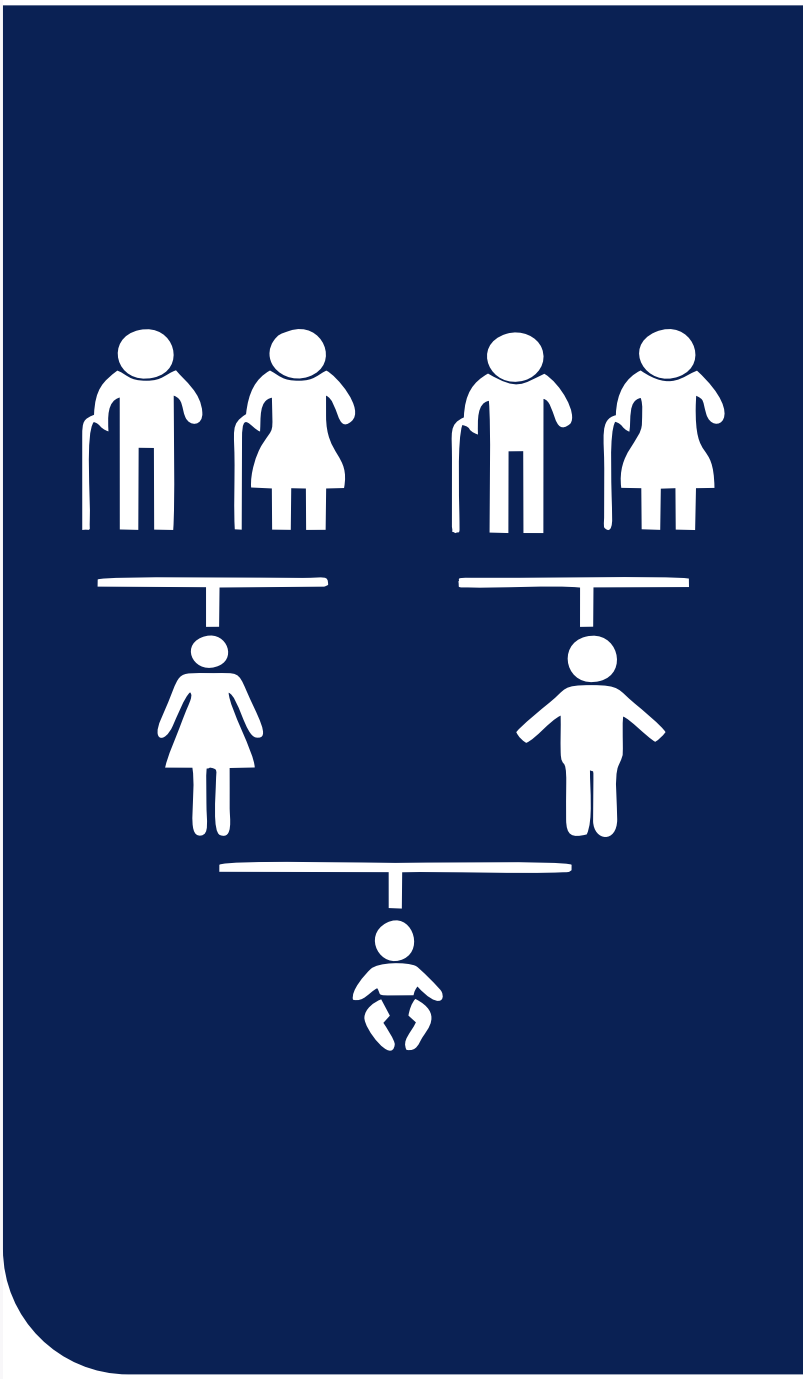
India today is at a demographic crossroad. Today, we are the most populous country in the world with a large young population. While headlines focus on our demographic dividend, the demographic composition is not going to stay the same forever. A case in point is that of China—the country we overtook on the population leaderboard. While an aging and shrinking China has many implications for the global economy, it has also brought into focus the potential challenges that could be faced by the elderly, especially in an aging country, where the working-age population could be outnumbered by the elderly.

4-2-1 problem

With an inverted pyramid, also known as the 4-2-1 problem (four grandparents and two parents being dependent on a single child) and lack of social security benefits, China is staring at a demographic predicament. Although India's population is relatively young (median age of 28 years vs. 38 years for China) and is expected to decline only after 2050, steps in the right direction today could avoid the possibility of a large greying population without adequate means of sustenance. As ironic as it may sound, gradual increase in life expectancy (doubled from ~35 in 1950s to ~70 now and expected to increase further) makes matters worse. Today, India has an elderly population of ~15 crore—around 10% of the total population. By 2050, this number is expected to reach ~35 crore or ~20% of the population. To put that into perspective, that's approximately the current population of the United States. Societal changes like shift to nuclear families from traditional joint family set-ups place even greater onus on individuals to plan their own retirement.

Social security alone cannot suffice

India, on its part, has done a commendable job on the front of social security over the last few years. However, that alone cannot be the go-to solution in old age for the masses. 2023's civil unrest in France being a case in point (protests against raising of minimum retirement age for full pension). Further, the



rise in share of gig workers, without noteworthy social security benefits, also brings into focus the need for financial planning. Union Budget 2025–26 took significant steps to address the social security needs of gig workers, a rapidly growing segment of the workforce projected to reach 2.35 crore by 2029–30. Formal registration/identification of gig workers and extension of healthcare benefits under PM-JAY (Pradhan Mantri Jan Arogya Yojana) were much needed. While these provisions mark a significant step towards the social security and well-being of gig workers, ultimate responsibility for building a substantial retirement corpus still largely rests on the individual gig workers.

Retirement Gap – Not just an India-specific phenomenon

According to World Economic Forum, the retirement savings gap had widened to USD 70 trillion in 2015 for eight of the world's largest economies. That number is expected to further increase to USD 400 trillion by 2050. In the US too, a staggering 26% of non-retired adults did not have any retirement savings, as per a US Federal Reserve Survey of 2020. In the US, however, the presence of social security provides a key buffer, serving as the most common source of income in retirement (~80% US retirees received income from social security in 2020, as per US Federal Reserve Survey). In India, in the absence of similar retirement benefits, and with retirement age lower than most major economies, the most likely avenue for creating a retirement corpus happens to be through investments in risk assets like equities, provided the same is done with a long-term investment horizon.

Mobilising Household Wealth for a Better Future

Historically, Indian households have stored most of their wealth in physical assets like real estate and gold, a stark contrast to global trends. Despite owning significant property, few expect to sell it for old-age expenses. The 2017 RBI report highlighted that over 50% of households still rely on their children for financial support in old age, a risky bet on future generations' incomes. This locks up a large portion of the nation's wealth in illiquid assets, hindering both individual financial security and national economic growth.

Recently, this pattern has begun to shift, with more Indians investing in financial assets beyond traditional fixed deposits. The surge in Demat accounts and SIPs (Systematic Investment Plans) proves this. However, with overall equity penetration in India still a mere 5%, there's much room for growth. Equities, especially through mutual funds, are ideal for long-term retirement savings, as they consistently beat inflation over 15–20-year horizons.

Equally vital is continuous investor education—building awareness and trust, particularly among first-time savers entering financial markets for retirement planning.

Furthermore, a deeper equity market is crucial for India's growth ambitions. Our massive infrastructure and development goals require substantial risk capital, both domestic and foreign. Healthy equity inflows help the government sell assets efficiently. Even our booming startup scene, while fueled by foreign VC funds post-2020, needs more Indian risk capital.

While foreign equity flows are welcome, they can be volatile, exposing markets to capital flight during crises. Strong domestic equity flows, like those from Indian Mutual Funds, provide vital stability, making our markets more resilient. This stability attracts more foreign investors and fosters overall financial health and macroeconomic stability. Wider participation in equities also promotes a more equitable distribution of wealth, allowing more citizens to benefit from India's growth.

Therefore, a supportive policy environment for long-term investments is essential. As we focus on making our economy "Aatmanirbhar" (self-reliant), we must not overlook the importance of domestic risk capital for financial self-reliance. Despite recently surpassing China in population, we lag significantly in per capita income (China's $13,687 vs. India's $2,878 in 2025). This divergence, especially since 1990 when India's per capita income was higher ($368 vs. China's $318), highlights China's focus on manufacturing and infrastructure – areas now prioritized by Indian policymakers. By learning from global successes and failures, India can unlock its true potential.



Equally important is the development of a robust long-term bond market that can channel patient capital—especially from retirement-linked investments—into infrastructure and nation-building projects.

Taxation frameworks should remain in harmony with the national vision for retirement security—encouraging disciplined long-term savings while supporting a virtuous, inclusive growth cycle.

By enabling long-term investing at scale, mutual funds can help secure India's economic resilience and individual retirements. The time has come to elevate this foundation—with sharper alignment, wider participation, and a shared purpose.



Investor of Tomorrow: Designing Platforms for a Digitally Fluent and Atmanirbhar India

Nehal Vora
MD and CEO, CDSL



The Rise of the *Atmanirbhar* Investor

India's securities markets are undergoing a quiet revolution - one led not by institutions alone, but by a new generation of investors who are younger, digital-first, and determined to chart their own financial journeys. Retail investors aren't just showing up, they're reshaping the market. With participation in the cash segment rising from 33% in FY19 to 48% in Q1 FY26, and about 80-85% of SIP accounts contributing less than ₹5,000 a month, the signal is loud and clear: investors are younger, more tech-savvy, and wish to take the control of their own future. Their needs are evolving; and so must our systems.

It is a movement powered by small, consistent steps taken by crores of individuals across states and income groups. The investor of tomorrow is not waiting to be served - they are seeking platforms that feel intuitive, secure, and genuinely empowering.

New India's New Investor: Young, Digital, and Diverse

It is evident that the average age of investors has significantly declined in recent years. This youth-led surge is matched by geographic diversity. About 80% of CDSL's demat accounts are now from Tier 2 and Tier 3 cities. Women investors have at CDSL have also grown by 39% since 2019, with 66% in the 26-50 age

group. Together, these shifts signal a new era where participation in financial markets is becoming a lived reality for many across India.

India has about 80 cr internet users. This digital foundation is reshaping investor behavior. Mobile-first engagement is now the norm. Investors expect seamless onboarding, real-time access, and personalized insights. The platforms they use must evolve from transactional tools to trusted companions.

Designing Platforms That Empower

CDSL's evolution reflects this shift. Under the guidance of our regulator, SEBI, CDSL has built platforms that are not just for scale, but for inclusivity and empowerment as well:



- **Enhanced electronic Consolidated Account Statement (eCAS),** available in 23 languages, consolidates holdings across stocks, bonds, pension and mutual funds into a single PAN-linked view. We sent out around 26 cr eCAS statements in FY24-25. **Integration with DigiLocker** provides 24/7 access to electronic consolidated account statement, reinforcing trust and convenience.
- **MyEasi,** CDSL's mobile and web platform, offers a unified interface for portfolio tracking, eVoting, and proxy advisory insights—features once reserved for institutional investors. The investor app also offers investors access to Transaction cum Holding Statements in one place and; monitoring open positions and margin details across various exchanges and clearing corporations, making it easier to track investments and manage risks effectively. In July 2025, this app has been further upgraded with a new feature that enables retail shareholders to access proxy advisor recommendations while voting on company resolutions through the e-Voting system.
- **Electronic Delivery Instruction Slips (eDIS)** replaces traditional trade execution with secure, OTP-based authorization, giving investors full control over their transactions. Active traders, too, benefit from designed services, like the Demat Debit and Pledge Instruction (DDPI), designed to meet their specific needs.
- **Direct Payout** ensures that securities are credited directly to investor accounts by clearing corporations—without the involvement of intermediaries, thus reducing settlement risk.
- The **Margin Pledge** system further ensures ease of investing – securities remain in customers' demat accounts with depository flags indicating pledges, enhancing liquidity while preserving regulatory safeguards.

- **System Driven Disclosures (SDD)** automate regulatory compliance, enhancing transparency for both issuers and investors.
- **CDSL Buddy,** our multilingual chatbot, delivers real-time support in four languages, making investing accessible even to first-time users.

Empowering Through Education and Inclusion

As Mahatma Gandhi once said, "The future depends on what you do today." This timeless insight holds great relevance today as we must match the promise of technology with the power of knowledge to prepare investors for a more vibrant and secure market participation in the future. Despite an overall literacy rate of 77.7%, financial literacy lags significantly behind at just 27%, according to data from the National Centre for Financial Education (NCFE). This stark contrast highlights the urgency for targeted educational initiatives—ones that not only bridge this critical gap but also equip investors with the confidence and clarity needed to navigate an increasingly complex financial landscape.

Therefore, it is no surprise that financial literacy is the foundation of *Atmanirbharta*. All MIIs in the ecosystem are working cohesively to empower investors through education – programs designed for the needs of different investors. Through the **Investor Protection Fund**, CDSL conducted 2,526 awareness programs in FY 2024–25 across 513 districts and 15 languages. Over 60% of these sessions were held in Tier III cities, with targeted outreach to border regions and underserved communities. Initiatives like **AtmanirbHER** and **Empowering Our Protectors** extend financial education to women and veterans respectively, ensuring that inclusion is not just a metric, but a mindset.

The launch of **cdslipf.com,** a multilingual investor education website, further simplifies market concepts and promotes responsible investing through interactive content tailored to different experience levels. This platform is available in in 12 languages – English, Hindi, Assamese, Bengali, Gujarati, Marathi, Kannada, Malayalam, Tamil, Telugu, Oriya, and Punjabi.

These programs go beyond language - they're designed to connect through multiple formats and modes of expression. From rap songs to Instagram filters, classroom-style lectures to Nukkad Nataks, they're designed to resonate with diverse audiences. By meeting people where they are, we aim to support a wide range of investor needs and we remain committed to making these efforts even more inclusive.

Investor-Centric Innovation in Action

The investor of tomorrow is not defined by age or geography, but by mindset. They seek platforms that grow with them, offering clarity, control, and confidence. CDSL's journey is not just about digitizing infrastructure; it's about humanizing it.

As we look ahead, institutional agility must mean more than speed, it must mean relevance. By harnessing AI-driven support, predictive analytics, and collaborative innovation, we're creating investor-responsive systems that evolve in sync with their needs and decisions.

With over 20 crore demat accounts in India today, the securities markets stand on the brink of profound transformation. Driving this change is the Atmanirbhar investor - well-informed, digitally empowered, and increasingly confident in shaping their financial future. Ultimately, our goal is to harness technology to embed transparency, paving the way for enduring trust—and in doing so, elevate the ultimate T, the Tricolor, as a beacon of progress and pride.



Indian Capital Market: Driving Growth through Innovation, Technology, and Transparency

Nilesh Shah
MD & CEO, Kotak Mahindra Asset Management



Indian's capital markets have evolved from a domestic focus to a global playing field. Today, we are competing with the best in the world. Someone, somewhere, has better data, faster tools and smarter algorithms. In trading, we have already seen what this means. Nine out of ten traders lose money because one person is using technology better.

This wave is now entering the investment world too. If we don't use tools like AI, machine learning, and data analysis, we'll be left behind. This is not optional anymore, it's necessary. Our capital markets must grow with the times. And the key to this growth is innovation.

Innovation: Competing with the best

We're in a global race now. Innovation is not just about launching a new product or idea. It's about staying one step ahead in an intensely competitive world. Today, success comes not only from experience and intuition but also from how well we use technology to solve problems, take decisions and add value.

While I continue to upskill in emerging technologies, my focus is also on enabling the younger generation to lead innovation ensuring our organization adopts change with purpose and measurable impact.

We must not use AI or digital tools just because everyone else is doing it. We must use them to deliver better outcomes: lower costs, faster decisions, improved customer experiences and ultimately, greater returns.

Technology: A Tool for Growth

Take the IT sector as an example. Today, it's not about large-cap vs. mid-cap. It's about who is using technology better. We're seeing mid-cap IT firms win big contracts because they are agile and AI-driven, while some large-cap companies are still slow to adapt, even in recruitment.

This sector has become bottom-up. The winners are those offering clients cheaper, faster and smarter solutions regardless of their size. The market rewards innovation. Companies that fail to innovate are at risk of becoming irrelevant like the dinosaurs of yesterday.

It's not just companies, though. I've met Gen Z investors who impress me with their grasp of data and technology. They use screeners, tools and dashboards like seasoned professionals. Some of them are poised to become legends. But there's also a cautionary tale here.

Too many young investors are blindly following tips on WhatsApp or getting influenced by AI-generated deepfakes of known personalities giving false advice. Technology is a double-edged sword. It can make you a hero or a victim. The difference lies in how you use it.

Transparency: The Backbone of Trust

One of the Indian capital market's biggest strengths is transparency. We have a strong regulator in SEBI and our mutual funds follow well-defined rules and disclosure norms. This builds trust -something money alone can't buy.

During the COVID crisis, India didn't just take care of its own. We produced and supplied vaccines to nations in need. That's what makes us a trusted partner globally. The same approach should reflect in our capital markets.

Look at the global electronics industry. Not every country can manufacture semiconductors, but India can become a trusted supplier or even the world's testing hub. What we need is capability and credibility.

Retail investors will come when they feel safe. They need to know that markets are fair and if they lose money, it's due to market risks and not manipulation. Building trust is not a one-time effort, it's a continuous process.



The Role of Mutual Funds: Financial Inclusion for Every Indian

Mutual funds play a central role in helping more Indians participate in the capital market. SIPs (Systematic Investment Plans) are one of the most powerful tools of financial inclusion. They're like planting a tree - you water it every month and one day, you enjoy the shade.

We must take SIPs to every town, every village. Today's young investors may not read balance sheets, but they recognize and trust brands. That's where we must begin. Our job is to convert traders into long-term investors. There's a big difference.

Traders often chase quick profits. Investors build wealth over time. And when we help people make that shift, we don't just create returns - we create financial security and dignity.

Balancing Tech with a Human Touch: No Investor Left Behind

As we digitize, we must ensure that technology becomes a bridge and not a barrier. India is a land of contrasts. Urban sophistication exists alongside rural simplicity. While some investors use apps and AI bots, others still prefer forms, passbooks and face-to-face advice.

These preferences are not old-fashioned. They are valid. Our systems must respect and serve both "India" and "Bharat." Everyone deserves access to financial opportunity, regardless of their digital literacy.

We strongly believe in inclusive innovation. Technology should be combined with empathy. A machine can crunch numbers, but it cannot guide, reassure, or understand emotions.

We must also guard against digital fraud. As the mutual fund industry becomes more digital, we need stronger safeguards, better education and ethical responsibility. Innovation must elevate lives and not exploit vulnerabilities.

Challenges Ahead: Strategic Thinking in a Complex World

India stands at a crossroads. Every major product today - be it semiconductors, 5G or AI has become strategic. And when everything becomes strategic, it leaves little room for open commerce.

But we've shown during the COVID crisis that India can find answers. We must aim to be the world's trusted partner in health, technology and investments. We must be the nation that creates solutions, not just demands them.

This also applies to capital markets. To deepen our markets, we need a culture of discipline and responsibility among institutions, investors and intermediaries.

Final Thoughts: The Market Rewards the Patient

To every young investor, I say this—apart from your parents, no one cares as much about your financial well-being as you do. Take responsibility. Learn from the mistakes of others. Why go through pain when you can gain wisdom for free?

Don't chase hype. Don't fall for tips. Avoid becoming the next cautionary tale. Instead, follow processes. Stay disciplined. In the long run, the market rewards patience and punishes overconfidence.

India's capital market has all the ingredients for long-term success—liquidity, technology, innovation, and transparency. What we need now is visionary leadership, inclusive systems, and responsible investors.

The road ahead won't be easy. But it's full of opportunity. If we embrace innovation with wisdom, use technology responsibly and remain transparent in all we do and there would be no reason why we can't lead the world.

Let's not miss the bus.

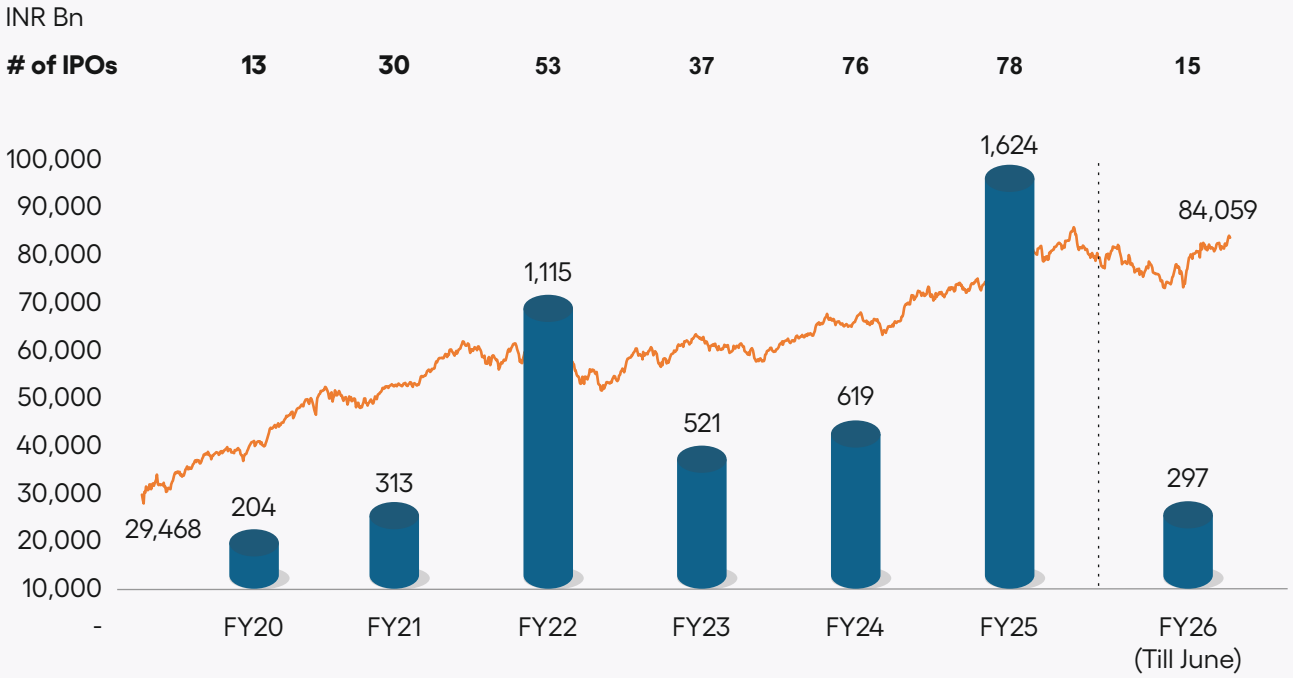


Indian Capital Markets: Driving Growth through Innovation, Technology and Transparency

Virendra Bansal
Managing Director and CEO
SBICAPS

As India prepares to emerge as the world's third largest economy by 2027 and reaching an estimated GDP of USD 10 trillion by 2033, Indian Capital Markets stand out as a critical growth lever, encouraging economic activity and attracting investment domestically and globally. Indian Capital Markets have made a significant transition that has reshaped the country's financial landscape. As India aims to become the third largest economy in the world, access to well-functioning capital markets is essential for Corporates and Individuals alike to unlock growth and prosperity. Technology and Innovations in Capital Markets not only has improved access to but also made capital markets transparent, vibrant and efficient.

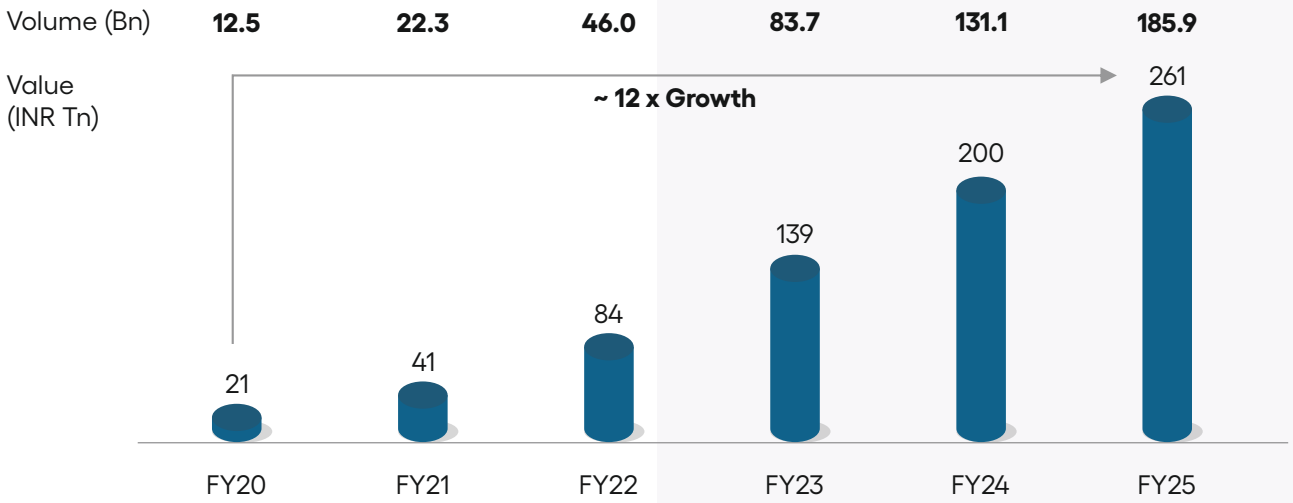
IPO Volume Growth Underscores Market Optimism



Source – Prime Database, BSE

A fast-growing economy, higher disposable incomes, and a unique digital architecture called the India Stack have made it easier for millions to invest in shares for the first time. India's progress in digitization has significantly contributed to an increase in financial inclusion across the country. This India Stack infrastructure has been revolutionizing access to finance and capital markets. The India Stack has helped in kicking off a retail revolution in the capital markets. Digital payment methods, like the Unified Payments Interface (UPI), have revolutionized transactions by making them more accessible and convenient for a broader segment of the population. As an interoperable system, UPI has allowed banks, NBFCs and Fintechs to build apps that allow the fast, cheap, and seamless transfer of payment orders between individuals, companies, and government institutions. The India Stack and UPI combined with innovations in capital markets like ASBA have provided millions of retail investors to access capital markets, create wealth and participate in India's growth march.

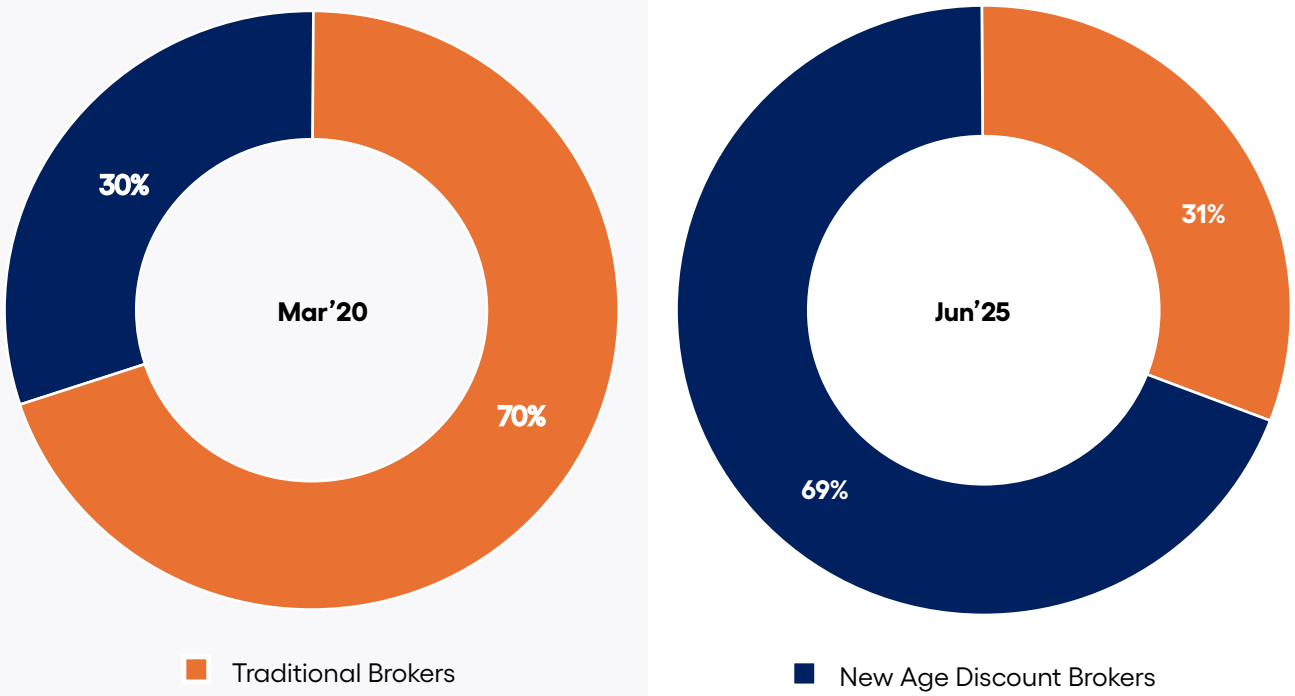
UPI transactions value continue to rise with surge in volumes



Source – Research Reports

For retail investors, the UPI and ASBA already dominates IPO applications, and India's National Payments Corporation of India is taking it a step further. In collaboration with clearing houses and brokerages, it has recently began testing a UPI for the secondary markets. Technological Innovations like the India Stack is enabling seamless access to Indian Capital Markets and facilitating investment avenues for retail investors which would drive the demand for equities. New-age fintech brokers have changed the way Indian investors trade - by offering easy-to-use platforms and low-cost services. These platforms have grown from having just a 5% market by Active clients to nearly 70% market share today.

Emergence of New Age Discount Brokers Reflected in Growing Market Share

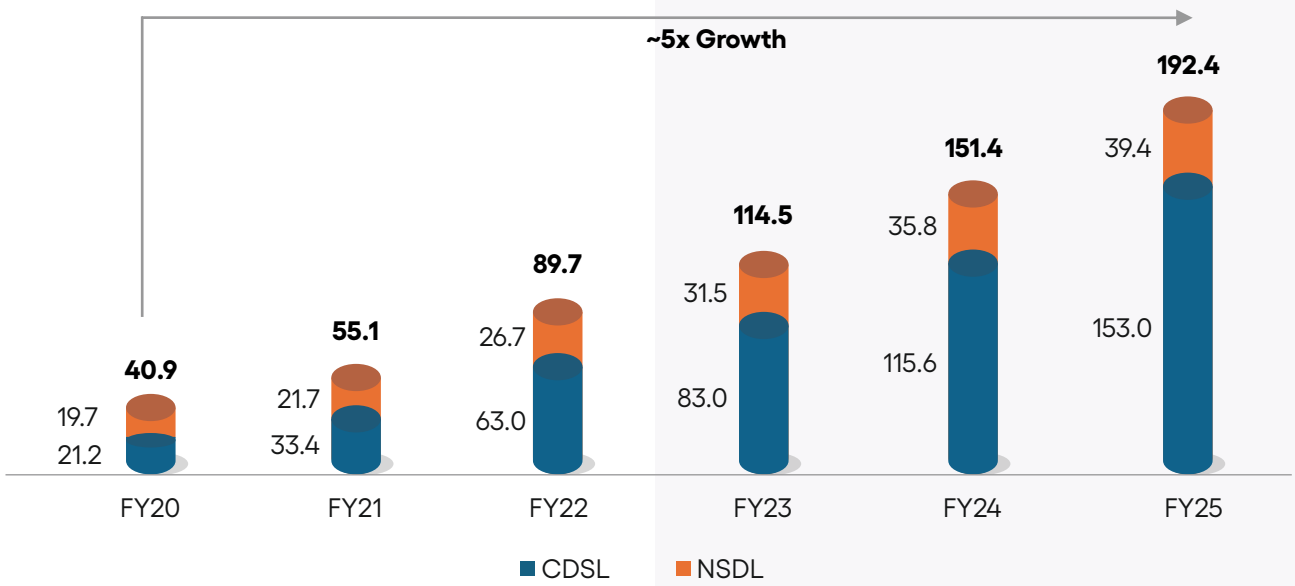


Source – NSE-Active Client

Over the past five years, the number of demat accounts in India has soared from about 41 million to over 192 million as of FY25, reflecting a sharp rise in retail participation in capital markets. During this period, the Nifty 50 index has delivered over 200% returns since FY19, far outpacing most major global stock indices. This shift highlights a clear trend of Indian investors moving away from traditional assets like bank deposits and real estate in pursuit of higher returns through equities.

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Demat Account Growth in India



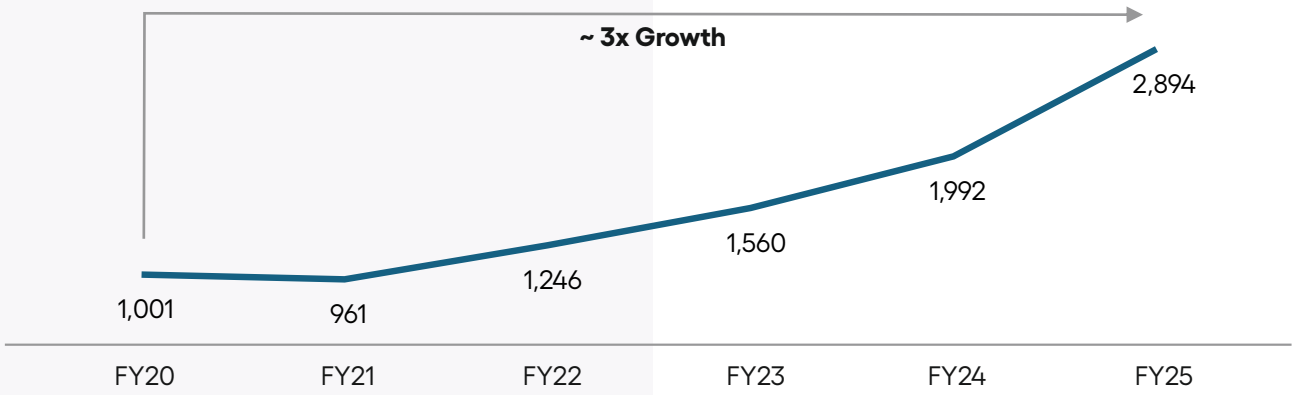
Source – Research Report

As Indian Retail Investors participate in Capital Markets, there has been a significant deepening of capital available to Corporates, Promoters and Financial Sponsors in India. India continues to be one of the most active markets for raising new money, and it ranks high on the global stage. Retail demand for Shares, Mutual Funds and Alternative Investments has created a powerful source of capital to be supplied to India's Corporate Growth Engines. India's IPO market had its best-ever year in 2024, with $20.5 billion raised, second only to the U.S., riding high on money inflows from domestic investors who have become wealthier on growth in the world's fifth-largest economy and were optimistic about more economic growth.

India's asset management industry, including Mutual Funds (MF), Portfolio Management Services (PMS) and Alternative Investment Funds (AIF), has seen a growth of 19% in the last decade. Specifically in the MF industry, India is seeing rapid penetration with more participation from tier-2 and tier-3 cities and overall growth in Systematic Investment Plans (SIP). The average monthly investments through SIPs have tripled between FY21 and FY25, reaching INR 240 Bn. As a result, the average AUM for mutual funds now stands at INR 72.1 trillion – 6x the scale a decade ago

INR Bn

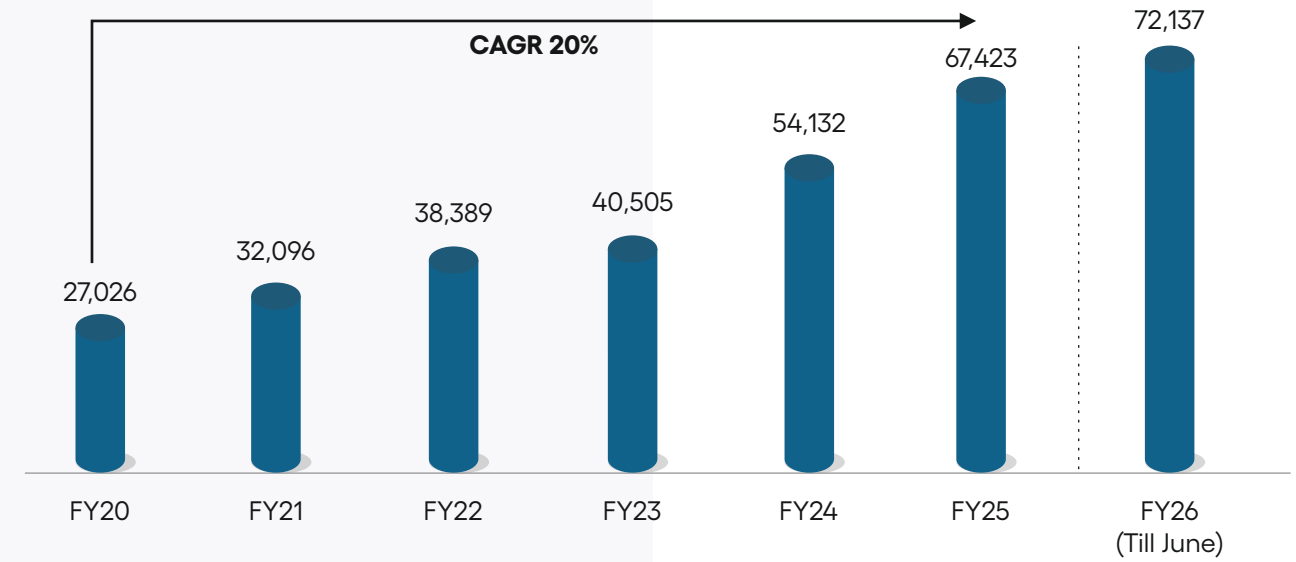
SIP Conribution in India over the Years



Source – AMFI

Mutual Fund Industry AUM Growth

INR Bn



Source – AMFI

As of April 2025, the total market capitalisation of all companies listed on the Bombay Stock Exchange (BSE) has surpassed $5 trillion. This milestone makes India the fifth country worldwide after the United States, China, Japan, and Hong Kong, to achieve a stock market valuation above $5 trillion. The sharp recovery was driven by broad-based gains across large, mid, and small-cap stocks, highlighting India's growing status in the global equity markets.

Evolving Regulations

Rapid market expansion due to increasing participation in capital markets enhances the need for greater regulatory vigilance to ensure smooth functioning of capital markets. Indian Market Regulators have been at the forefront of reinforcing a holistic approach to technology and the role it can play in managing risk and compliance Technology has emerged as a gamechanger for markets world over. In India, SEBI leverages Technology as an enablement tool to improve productivity, optimize costs and enhance accessibility of the markets for the masses. Significant wins over the years include use of digital KYC, digital apps, shortest settlement cycles, integration with India's robust digital payments infrastructure, application supported by blocked amount (ASBA), among others.

The regulator of the capital markets has made many several significant and effective changes over the years. These changes helped ensure higher accountability while also bringing better accessibility in the markets. For instance, SEBI rules on intra-day trading came into full force after a phased approach. Rather than collecting minimum margins at the end of the day from clients for leveraged positions, brokers are obliged to collect them upfront. Moreover, clearing houses must also ensure that minimum margins are maintained at all times, and brokers face penalties if leverage surpasses specified thresholds. Market participants also have to deal with shorter settlement periods for trades, which in India must be wrapped within 24 hours (T+1). The Regulator is also already planning to shift to same-day settlement (T+0) and then instant settlement.



Over the last few years, several technological innovations and reforms have been successfully developed and implemented, offering investors benefits and protection in equal measure. Some of these are global-firsts, putting Indian capital markets on the map. Some of these changes, specifically relating to the Capital Markets include:

- Enhanced disclosure in offer documents
- Option for confidential pre-filing of offer documents to safeguard issuer's interests by limiting sharing of confidential information in the market and providing flexibility in decision making for IPO issuance
- Fast-track IPO clearances/approvals based on tech enabled process re-engineering at SEBI, also bringing transparency in the process
- Amendments related to Objects of the Issue
- Reforms around eKYC, availability of low value SIPs, enhanced transparency in IPOs, pledging/ repledging
- Move to T+1 settlement, with optionality for T+0, allows Indian investors to settle transactions within relatively shorter duration than in other countries
- Shorter timeline for IPO listings
- Application Supported by Blocked Amount (ASBA) for secondary trading, already well

established in primary markets, makes sure investors do not lose out interest income while subscribing to an issue or trading.

- Two-way portability among clearing corporations (through SaaS module), ensures business continuity
- Reduction of MF redemption timelines to T+2 days
- Regulatory framework for online bond platforms to bring standardization and transparency among the online bond platforms to enable investor protection
- Implementation a conducive environment for emergence of new products and players. These initiatives include facilitating development of REITS and InvITs market through faster listing timelines, standardized guidelines, regulatory framework for small and medium REITs (with asset value as low as INR 50 Cr), Introduction of Electronic Gold Receipts (EGRs), an exchange traded security with underlying physical gold assets, to increase tradability of physical gold assets, dematerialization of AIFs to improve transparency and enable effective monitoring of transactions, Introduction of Regulatory Sandbox for SEBI regulated entities and Innovation Sandbox for Fintech players and non-SEBI regulated entities providing live environments for testing new solutions, fostering innovation among market participants, etc.

Playing an equally critical role are market infrastructure institutions (MIIs) including the stock exchanges, clearing corporations, depositories as well as market participants i.e., brokers, asset management companies, custodians, and several others, that have adopted and implemented changes with speed and technological agility

Conclusion

Indian capital markets are going through a transformational phase, spurred by industry-first technological innovations and reforms. These reforms and technology enablement introduced in the capital markets by the regulator have played a pivotal role in encouraging broader adoption and smoother functioning. These reforms have also enhanced the overall risk management and resilience of the market. As India strides to fulfil its destiny as one of the leading global capital markets in the world, Technology and Innovation in Capital Markets is creating a level playing field and transparency for all Indians by enabling access and offering the opportunity to millions of Indians to participate in India's growth and value creation story.



FICCI Capital Markets Committee's Initiatives

1. Interaction with Mr Tuhin Kanta Pandey, Chairman, SEBI – 7th May 2025 at SEBI, Mumbai

A roundtable interaction was organised with Mr Tuhin Kanta Pandey, Chairman, SEBI. Dr Ruchi Chojer, Executive Director, SEBI, Mr Pramod Rao, then Executive Director, SEBI and other senior officials from SEBI were also present. Members discussed a wide range of regulatory issues impacting industry representing listed companies, AIFs, mutual funds, debt capital market and investors. Discussions focused on key regulations including LODR, Takeover, ICDR and Delisting.



2. Interaction with Mr Ashwani Bhatia, former Whole Time Member, SEBI - 11th February 2025 in Mumbai

A roundtable interaction was organized with Mr Ashwani Bhatia, former Whole Time Member, SEBI. Mr Pramod Rao, then Executive Director, SEBI and other senior officials from SEBI were also present. Members of the Committee highlighted several issues affecting the capital market ecosystem vis-à-vis Merchant Bankers Regulations, REITs and InvITs, corporate bond market, compliance related issues under SEBI LODR Regulations, ease of doing business and provided suggestions for further growth of the capital markets.



3. Interaction with Mr Ajay Bhushan Pandey, Vice President (Investment Solutions), Asian Infrastructure Investment Bank (AIIB) - 31st July 2025 in Mumbai

FICCI hosted an interactive session with Dr Ajay Bhushan Pandey, Vice President (Investment Solutions), Asian Infrastructure Investment Bank (AIIB) on 31st July in Mumbai. He highlighted AIIB's goal of achieving 50% private sector participation in its investments by 2030 and the significant opportunity this presents for India, AIIB's second-largest member by capital contribution. He shared AIIB's visionary investment approach, structured around four thematic priorities centred to Green Infrastructure, Connectivity and Regional Cooperation, Technology-enabled Infrastructure and Private Capital Mobilization. The session, led by Mr Sunil Sanghai brought together key industry leaders, an 11-member delegation from AIIB, senior leadership from financial institutions and members of Indian industry.



4. Annual Capital Markets Conference (CAPAM) - 2nd August 2024 at Hotel Sofitel, Mumbai

Organized under the aegis of FICCI's Capital Markets Committee, the 21st edition of FICCI's Capital Markets Conference (CAPAM) was held on 2nd August 2024 in Mumbai.

The Conference was inaugurated by Chief Guest, Ms Madhabi Puri Buch, Chairperson, SEBI. On the occasion, The Experts' Voice, a compendium of articles written by key market experts was released by SEBI Chairperson.

Distinguished speakers included Mr Tuhin Kanta Pandey, then Secretary, DIPAM, Ministry of Finance and Mr K Rajaraman, Chairman, IFSCA. Other key speakers included Mr Ananth Narayan G, Whole Time Member, SEBI; Mr Kamlesh Varshney, Whole Time Member, SEBI; Mr Amarjeet Singh, Whole Time Member, SEBI; Mr K V Kamath, Chairman, NaBFID and Dr K V Subramanian, Executive Director, IMF and former Chief Economic Adviser, Government of India.

The conference theme being 'Capital Market Reforms 2.0 for Viksit Bharat'; discussions focused on the next wave of transformative changes in Indian capital markets that would help India achieve its full potential and propel the country to unprecedented development and prosperity, the vision of Viksit Bharat. Sessions were held around the theme of Strengthening and Regulating Market Infrastructure, Regulating Finfluencers, Unlocking Market Opportunities, Securities Markets - The Road Ahead, Unlocking Global Potential at GIFT IFSC and Disinvestment.

The Conference was attended by over 400 participants and was very well covered by the media.

5. Masterclass on new compliance requirements under Industry Standards on Related Party Transactions - 5th March 2025, Online

An interactive Masterclass was organised for members to provide guidance on RPT compliances under SEBI LODR Regulations, 2015, as per Industry Standards on 'Minimum information to be provided for Review of Audit Committee and Shareholders for Approval of RPT'. Key Speakers included Mr Bharat Vasani, Senior Adviser-Corporate Laws, Cyril Amarchand Mangaldas, Ms Savithri Parekh, CS & Compliance Officer, Reliance Industries Ltd and Mr Pramod Kumar Rai, CS & Compliance Officer, Nestlé India Ltd.

6. Masterclass on Amendments to SEBI ICDR Regulations - 24th April 2025, Online

A Masterclass on amendments to SEBI ICDR Regulations was organized online on 24th April 2025. Experts provided detailed insights and guidance on key aspects of IPO framework, rights issues process and disclosure requirements under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. Key speakers included Mr Prashant Gupta, National Practice Head - Capital Markets, Shardul Amarchand Mangaldas, Mr Sayantan Dutta, Partner - Capital Markets, Shardul Amarchand Mangaldas and Mr Gaurav Goyal, Senior Vice President, Axis Capital.

7. FICCI - NISM Webinar on Investments in Green Bonds - 17th October 2024

FICCI, in collaboration with the National Institute of Securities Markets (NISM), the educational arm of Securities and Exchange Board of India (SEBI) organized an investor awareness session on the theme Investments in Green Bonds, to provide investors with a comprehensive understanding of what green bonds are, current trends and the growing market for green bonds and why they represent a smart and responsible investment choice.

Policy Recommendations

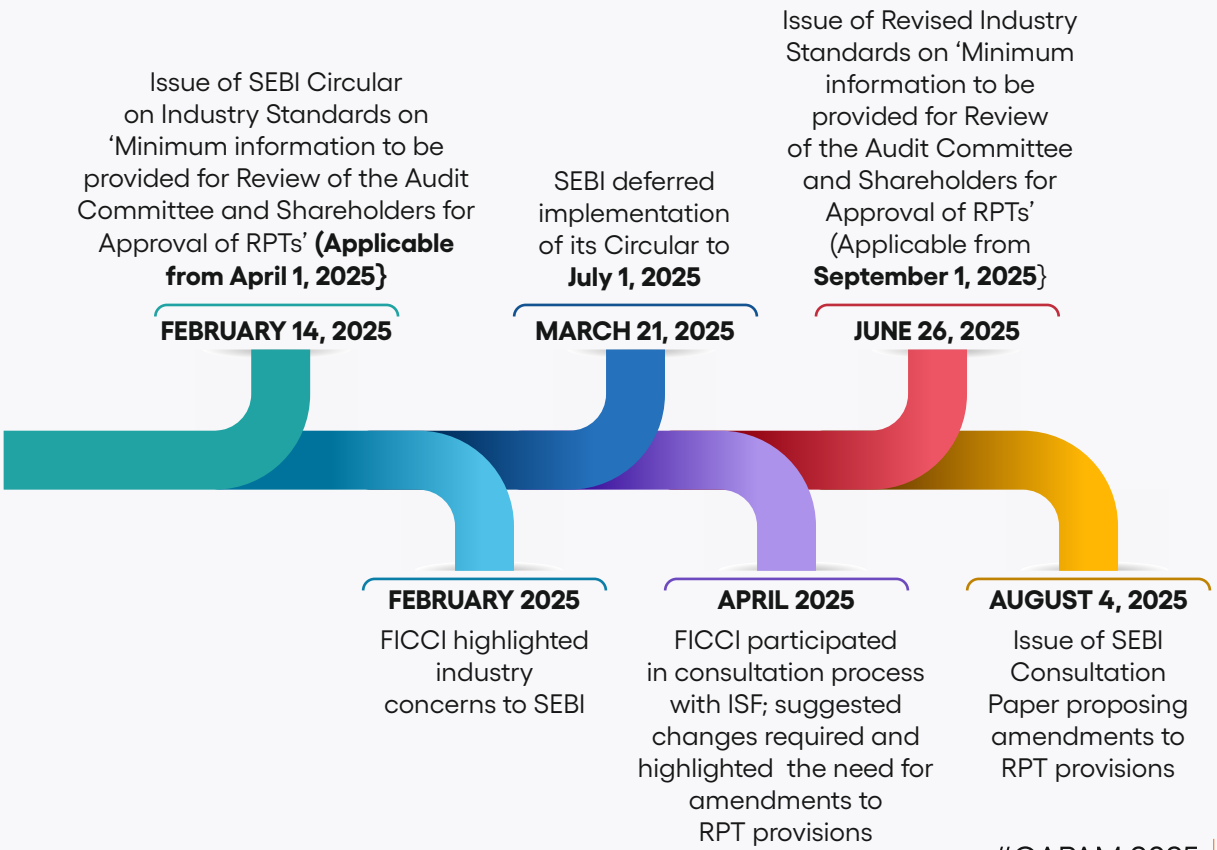
- **Suggestions to Industry Standards Forum on Industry Standards on 'Minimum Information to be provided for Review of Audit Committee and Shareholders for Approval of RPTs'**

In continuation of SEBI's Circular dated 14 February 2025 on Industry Standards for RPT Disclosures, FICCI had organized a session to familiarize compliance officers with the new requirements. The session witnessed participation from over 150 representatives from 120 companies, during which several concerns were discussed. Key issues highlighted included the expanded definition of related party, additional certification requirements, and the significant increase in Audit Committee responsibilities, among others.

Based on these concerns, FICCI made a representation to SEBI, requesting deferment of the Standards and a reassessment of certain provisions. Post which, SEBI deferred the implementation of the Standards by three months, up to 1 July 2025, with the Circular further stating that the Industry Standards Forum will consider feedback received for simplification of the Standards and release them in a time-bound manner to meet the revised timelines.

Following the consultation and review process, the revised Standards have now been made applicable with effect from 1st September 2025. During the deliberations, FICCI had also highlighted the need for amendments required under RPT provisions. Taking industry inputs into cognisance, SEBI has issued a Consultation Paper on August 4, 2025 proposing further amendments to RPT provisions. Aimed at promoting the ease of doing business, the Paper proposes amendments in the RPT framework, based on recommendations from the Advisory Committee on Listing Obligations and Disclosures (ACLOD). The proposals aim to address practical challenges faced by listed entities while maintaining robust governance standards.

FICCI will continue to support the Industry Standards Forum in ensuring that concerns raised by industry members are addressed.



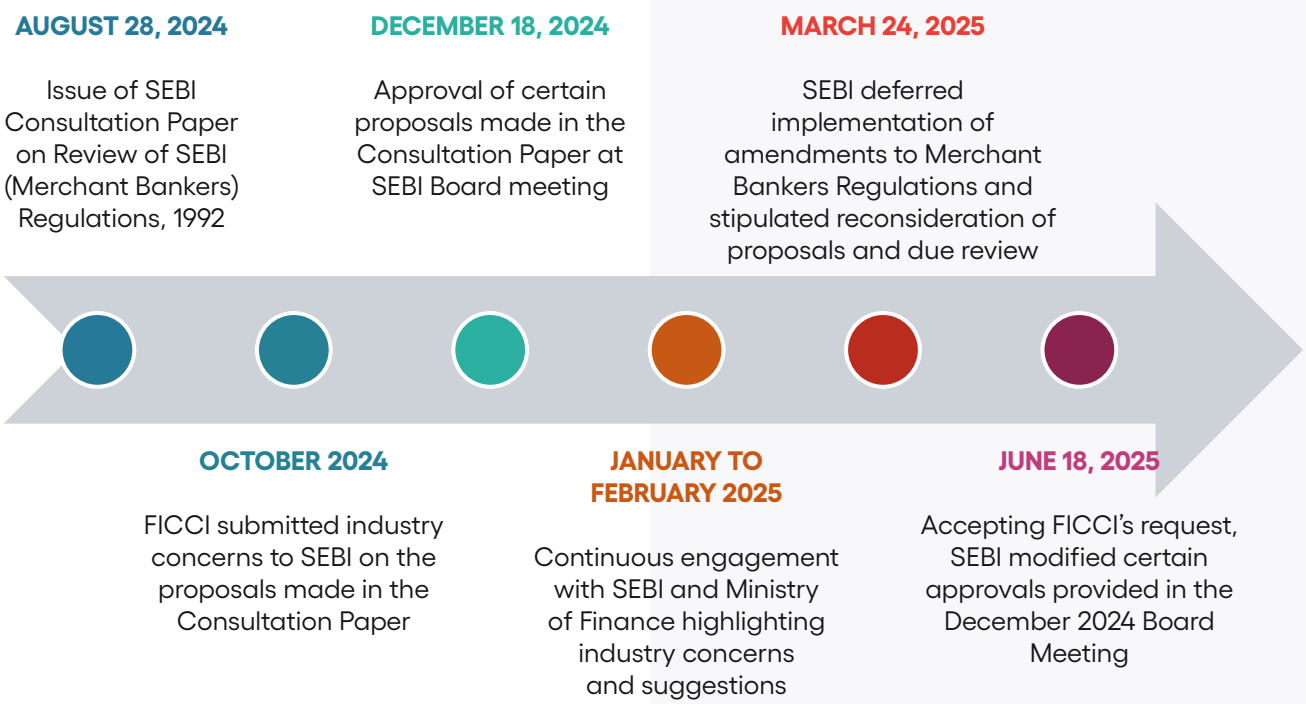
- **Suggestions to SEBI on Amendments to SEBI Merchant Bankers Regulations**

Following amendments announced by SEBI to the Merchant Bankers Regulations, FICCI made a detailed submission, pointing out concerns over restrictions limiting merchant bankers to a narrower set of activities pertaining to listed/ proposed to be listed securities, mandatory hiving-off of certain transactions such as private placements and M&A advisory for unlisted companies and proposed increase in net worth requirements.

This was followed up with a series of engagements with SEBI and the Ministry of Finance, where FICCI consistently emphasized the need for a regulatory framework that supports sectoral growth while ensuring a level playing field.

Subsequently, SEBI announced deferment of the proposed amendments, acknowledging the issues raised by stakeholders and committing to a wider review. And at its Board meeting held on 18th June 2025, SEBI approved key amendments to the Merchant Bankers Regulations. Importantly, the earlier requirement for merchant bankers to hive off activities not regulated by SEBI has been relaxed. Merchant bankers will now be permitted to undertake such activities within the same legal entity, subject to specified conditions.

This outcome reflects the value of sustained engagement and the strength of industry's collective voice through FICCI.



- **Follow-up Note post Interaction with Chairman, SEBI**

Pursuant to the roundtable interaction with Chairman, SEBI on 7th May 2025, a detailed note was submitted outlining specific suggestions for further strengthening and deepening India's capital market. These included recommendations on harmonizing promoter lock-in under Schemes of Arrangement & ICDR Regulations, rationalising definition of 'Acquirer' under Delisting Regulations, strengthening the AIF ecosystem, streamlining documentation for privately placed listed bonds, boosting retail participation in mutual funds, suggestions related to Takeover Code, PIT Regulations and other pertinent issues.

- **Streamlining Conversion of Private InvITs to Public**

FICCI had made a representation to SEBI with recommendations aimed at promoting liquidity, attracting broader institutional participation, and accelerating the growth of India's public InvIT ecosystem. Through its Circular dated 8 August 2025, SEBI has simplified the framework for converting private listed Infrastructure Investment Trusts (InvITs) into public InvITs, streamlining sponsor holding norms and aligning disclosure requirements with follow-on offers.

- **Suggestions on Consultation Papers issued by SEBI**

Based on inputs received from committee members, detailed submissions have been made through the year on the following Consultation Papers issued by the Regulator from time to time:

1. Draft Circular on Amendments to Master Circular on Online Resolution of Disputes in Indian Securities Market
2. Aspects related to Secretarial Compliance Report, Appointment of Auditors & RPTs
3. Draft circular for Management Statement and Auditor's/Independent Practitioner's Report on digital assurance
4. Draft Circular on Strengthening of ESG Rating Providers
5. Sachetisation of investment in mutual fund schemes
6. Proposed review of the definition of Unpublished Price Sensitive Information (UPSI) under SEBI (Prohibition of Insider Trading) Regulations, 2015 to bring regulatory clarity, certainty and uniformity of compliance in the ecosystem
7. Proposals for REITs and InvITs
8. Review of Merchant Bankers Regulations
9. Maintenance of Record of Mandatory Communication by Regulated Entities
10. Streamlining the process and reduction in timelines of Bonus Issue (enabling T+2 trading of shares where T being record date)
11. Proposed amendments to SEBI (Prohibition of Insider Trading) Regulations, 2015 to rationalize the scope of the expression 'connected person'

NOTES

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