

**Address by**  
**Shri Tuhin Kanta Pandey, Chairman, SEBI**  
**BSE Event - Celebrating 40 Years of the Sensex**  
**January 02, 2026**

Good evening to all distinguished guests, Mr. Sundararaman Ramamurthy, CEO, BSE, Mr. Amarjeet Singh and Mr. Kamlesh Chandra Varshney, Whole Time Members of SEBI, Mr. C. S. Setty, Chairman, SBI, board members of BSE, SEBI colleagues, market veterans, representatives of institutions, ladies and gentlemen.

May I begin by wishing you all a very happy New Year.

It is a pleasure to join you on this occasion to celebrate 40 years of the Sensex—a milestone that goes well beyond the anniversary of an index. This moment invites us to reflect not merely on market movements or headline numbers, but on the institutional journey of India's securities market, and its role in supporting economic growth, enterprise, and household participation.

Indian securities market is deeply intertwined with the history of the Bombay Stock Exchange - one of the oldest stock exchanges in Asia. Very few institutions anywhere in the world have witnessed and endured global crisis such as the World Wars, the Great Depression of 1929, Oil shock, Dot-com bubble-burst, the Global Financial Crisis, and more recent COVID-19 pandemic, Ukraine crisis and ongoing geo-political turmoil. The BSE is one such institution—its longevity itself a testament to resilience, adaptability and trust.

During its rich institutional history, the launch of the Sensex in 1986 marked a defining moment in the evolution of India's capital markets.

### **The Sensex and India's Economic Transformation**

When the Sensex was introduced, India's economy and markets were very different from what we see today. Trading was manual, market participation was limited, and the economy was relatively inward-looking.

Yet, the idea behind the Sensex was forward-looking—to create a transparent, representative and credible benchmark that reflected the performance of leading companies in the economy. Over the last four decades, the Sensex has stood the test of time as a robust market indicator, mirroring India's economic transformation and the growing maturity of our capital markets.

As India liberalised and integrated with global markets, the index evolved alongside the economy. Its changing composition reflected:

- The rise of private enterprise,

- Shifts from traditional industries to services, finance and technology, and
- Deeper linkages between domestic markets and global capital.

## **Continuity, Governance and Long-Term Value**

It is indeed remarkable to note that a few companies that were part of the Sensex at its inception continue to be constituents even today. Over four decades marked by liberalisation, technological disruption, regulatory evolution and global shocks, these enterprises have adapted without losing sight of their core principles.

Their continued presence is not a coincidence. It reflects sustained attention to governance, competitiveness and long-term value creation. In many ways, this continuity reminds us that while markets respond to cycles, enduring value is built across generations.

## **Evolution of Market Infrastructure**

The journey of the Sensex is inseparable from the evolution of India's broader market infrastructure.

Over the past four decades, exchanges have transformed from traditional trading floors into technology-driven, demutualised and professionally governed market institutions. This transformation has been complemented by the development of a strong supporting ecosystem—clearing corporations managing counterparty risk, depositories ensuring safety and efficiency of holdings, and intermediaries operating within clearly defined regulatory responsibilities.

Together, these institutions have ensured that growth in volumes and participation has been accompanied by strong risk management, operational resilience and orderly markets.

## **Regulation, Reform and Institutional Learning**

There was a time when market closures, settlement delays and operational disruptions were seen as an unavoidable part of investing. Each such episode, however, became a catalyst for reform.

The shift to screen-based trading, the move towards shorter settlement cycles, and continuous improvements in corporate governance standards fundamentally transformed how Indian markets function. Many of the strengths

we take for granted today were shaped not overnight, but through lessons learned patiently and institutionally.

No market can sustain growth without trust. And trust, in turn, rests on appropriate regulation, transparency and effective enforcement.

Over time, India's securities market regulation has matured—from fragmented oversight to a comprehensive and evolving regulatory framework. The focus has consistently been on market integrity, investor protection and systemic stability.

## **Strengthening Governance of Market Infrastructure Institutions**

As participation widens and the investor base becomes more diverse, our focus has also been on strengthening the regulatory architecture that upholds the integrity of the market.

Market Infrastructure Institutions—exchanges, clearing corporations and depositories—are the foundational pillars of the securities ecosystem. Their governance must therefore be unimpeachable.

To this end:

We have mandated external independent performance evaluations of MIIs and their statutory committees once every three years, in addition to internal evaluations.

We have issued new guidelines to strengthen board governance, including norms relating to the appointment of key directors and clearer reporting lines for Key Management Personnel to Executive Directors (EDs).

The Chief Technology Officer (CTO) and Chief Information Security Officer (CISO) will report to the ED of Vertical-1 (Critical Operations), who will report to the Governing Board of the MII on a quarterly basis.

These measures are aimed at ensuring that as markets scale, institutional governance remains robust and credible.

## **Looking Ahead**

As we look ahead, the next phase of market development will be defined not just by scale, but by quality and sophistication.

Our priorities include:

- continued strengthening of corporate governance standards,
- promoting sustainable finance and long-term value creation,

- encouraging innovation while keeping investor protection at the centre, and
- responsible use of technology and data in market operations and supervision.

As markets evolve emerging technologies—particularly artificial intelligence—along with deeper global linkages, bring new efficiencies but also fresh complexities. The next frontier therefore lies in anticipating risks before they surface.

### Responsible use of AI Technology

At SEBI, we are continuously upgrading our technological capabilities to enhance market integrity, supervision and investor protection. We have internally developed several technology-driven tools to support this objective. Let me briefly highlight a few of them.

- **SEBI Sudarshan** for surveillance of unauthorised digital activity - This AI-powered market surveillance system detects fraudsters who pose as registered IA/RA<sup>1</sup> to mislead the public on social media platforms.
- **SEBI R(AI)DAR** -Regulatory AI-driven advertisement reviewer – This tool monitors and analyzes the AMC advertisements for any potential violation of code of conduct of advertisement issues by SEBI.
- **Sentiment Analysis** of Corporate Announcements is a tool that classifies disclosures by listed entities as ‘material’ or ‘non-material’ and assists in the generation of timely surveillance alerts.
- **AI-driven inspection for Cyber Health Check-up**: AI-driven Inspection tool is currently under development to strengthen risk-based supervision of regulated entities. This tool will analyse cyber audit reports, identify control gaps, and classify entities based on their risk exposure—thereby enhancing supervisory effectiveness.

### Strengthening Technological Architecture

Alongside supervisory tools, it is equally important to strengthen technological architecture of our securities market. Let me discuss a few of our initiatives-

**SEBI Check and Validated UPI handles:** We have introduced “Validated UPI Handles” to prevent cyber frauds and enabled instant verification of genuine intermediary bank accounts or UPI ID via the “SEBI Check” facility.

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<sup>1</sup> Investment Advisors and Financial Analysts

**Cybersecurity and Cyber Resilience Framework (CSCRF)** has been put in place to enhance cyber preparedness across regulated entities and ensure resilience against evolving cyber threats.

**Market SOC<sup>2</sup>:** To provide cyber security solutions to smaller REs who lack knowledge and expertise in cybersecurity, we have developed market SOC with active participation from BSE. This will bridge the technological gap for small REs and provide them robust SOC services.

**Technology Roadmap for MIIs:** SEBI is in the process of constituting a Working Group to develop a Technology Roadmap for Market Infrastructure Institutions (MIIs). This roadmap will provide MIIs a structured 5-years (short-term) and a 10-years (long-term) strategic technology vision for the securities market ecosystem.

Amid rapidly evolving market ecosystem, exchanges, other MIIs and market institutions must continue to invest in technology, risk management and cyber resilience - ensuring that innovation strengthens - not weakens - market integrity.

### **Closing: An Enduring Institution**

As we celebrate 40 years of the Sensex, we are reminded that enduring markets are not built on momentary highs or cycles of optimism. They are built on institutions that inspire trust, regulation that evolves with markets, and systems that continuously adapt and upgrade.

The Sensex today stands not merely as an index, but as a testament to India's capital market journey—one shaped by continuity, reform, institutional strength and a forward-looking embrace of technology.

I congratulate all stakeholders who have contributed to this journey, and I wish the Indian securities market continued strength, credibility and resilience in the decades ahead.

Thank you.

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<sup>2</sup> Security Operations Centre - assesses and alerts security threats in real time thereby continuously improves organization's security posture