Reform is a relay: India's capital markets, 1990–2026

Key reforms were started by one government and completed by another. Markets grew alongside.

Summary: Reform enabled the growth, helped by global and domestic tailwinds.

~70x
Market cap (US$)
US$ 60 bn → US$ 4 tn+

~12x
GDP (US$)
US$ 350 bn → ~US$ 4.2 tn

~74x
Sensex (in ₹)
~1,000 → ~74,400 · ~12.6% a year

~14x
Sensex (in US$)
After ~80% rupee fall · ~7.5% a year

The baton passed: four reforms that each spanned more than one government

Market plumbing	1992 SEBI gets statutory powers	1994 NSE screen-based trading	1996 Depositories law enables demat	2023 T+1 settlement
GST	2000 States' committee formed	2006 GST roadmap announced	2011 Constitution bill tabled	2017 GST goes live
PSU listings	1991 First PSU stake sales	1999 Disinvestment dept. set up	2010 Coal India IPO	2022 LIC IPO
Digital rails	2008 NPCI set up	2010 First Aadhaar issued	2016 UPI launched	2023 UPI tops 10 bn txns a month

Takeaway: the common thread across 36 years is continuity of policy direction, not any single government. Reform enabled growth, alongside global liquidity, the IT-services boom, demographics and rising domestic savings.

Approximate figures. Sensex: ~1,000 (Jul 1990) → ~74,400 (16 Oct 2026); a price index of 30 leading stocks, reconstituted over time, excluding dividends. US$ basis: ~₹17.5 → ~₹95 per US$. Market cap also grows through new listings. Nifty 50 (base 1,000, Nov 1995; ~22,650 now) shows a similar trend. Idea courtesy: Shri Ajit Dayal, Quantum.

In 1990, India was a closed and insular economy. The market capitalisation of publicly listed stocks was US$ 60 billion and our GDP was US$ 350 billion. As on Oct. 2026, a series of reforms by successive governments has seen the market cap of India surge over 70 times in 36 years to US$ 4 trillion while GDP has surged 12x to US$ 4 trillion. The BSE-30 Index has delivered an astounding growth of 150x in INR and – after adjusting for the nearly 80% decline in the value of the Indian Rupee since 1991 – that is still a dollar increase of 25x in 36 years. Governments – be it Congress or BJP, be it single party or coalition – have contributed to this mind-boggling success of the growth in India's capital markets. *[Courtesy: Shri Ajit Dayal of Quantum Investment]*

Gratitude to each of them in creating a thriving formal economy, relevant capacity building, systems-processes and employment opportunities. Regards, Ram

Table below summarizes things:

Regime / Alliance	Lead Party	Total Duration	BSE SENSEX Level Shift (Approx.)	Key Structural Contribution
Narasimha Rao & Manmohan / UPA	Congress (INC)	179 Months	~1,000 → 3,800 (1990s) 5,000 → 24,000 (2000s)	LPG Reforms, Creation of SEBI/NSE, Telecom Deregulation, Global Capital Integration.
Vajpayee & Modi / NDA	BJP	215 Months	3,800 → 5,000 (Vajpayee) 24,000 → 74,000+ (Modi)	Disinvestment, National Highways, GST, IBC, UPI, Corporate Tax Cuts, PLI Schemes.
United Front / Others	Third Front	38 Months	Maintained steady momentum	Dream Budget of 1997, early capital market liberalization.

Summary: Bipartisan consensus on policy continuity has allowed market capitalization to scale from $60 billion to $4 trillion and GDP to surge 12x over 36 years, demonstrating that India's capital growth transcends political cycles.

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