<u>Speaking Notes of Shri Amarjeet Singh, WTM, SEBI at the Moneycontrol Mutual Fund Summit, Ahmedabad - *From Savings to Solutions: Powering Har Ghar Mutual Fund with Purpose and Protection*</u>

February 17, 2026

1. Good afternoon. It is a pleasure to be here. I thank Moneycontrol for inviting me.

2. The theme of this event, *"From Savings to Solutions: Powering Har Ghar Mutual Fund with Purpose and Protection",* captures a profound shift underway in India's financial landscape. For decades, India has been a nation of savers. Today, we are steadily becoming a nation of investors.

3. The composition of household financial savings has changed significantly over the past decade. As per the latest Economic Survey, the share of equity and mutual funds in annual household financial savings increased from around 2% in FY12 to over 15% in FY 25. In contrast, the share of deposits declined from over 58 % in FY12 to around 35 % in FY25.

4. This shift has coincided with a steady rise in SIP contributions (monthly SIP flows in January 2026 stood at ~INR 31,000 crore) increase in demat accounts, and increasing retail participation across geographies. Mutual funds are at the center of this transformation. They serve as a powerful vehicle for democratizing wealth creation and contribute to India's growth story.

5. My remarks are broadly in three parts today. First, I will share some reflections on the growth of the mutual fund industry. Next, I will outline recent initiatives undertaken by SEBI to support and strengthen this growth. Finally, I will conclude with some thoughts on Ethics and Culture as a key component for orderly and sustainable expansion in the future.

A. *Growth of Mutual Funds*

6. Although the Indian mutual fund industry dates back over 60 years, it is during the last decade that its growth has really stood out and captured greater attention.

7. Over the past 10 years, the industry AUM has grown more than 6 fold to over INR 81 trillion as on January 31, 2026. The number of unique mutual fund investors has grown from about 1 crore a decade ago to almost 5.9 crores. While this is undoubtedly good news, however, as more money flows into mutual funds, the need for quality investment opportunities gains importance.

8. Domestic institutional investors led by Mutual Funds, have recently surpassed the ownership share of FPIs in the NSE-listed universe.

9. Digitisation has played a powerful enabling role in this transformation. Aadhaar-enabled KYC, mobile-based investing, online execution platforms and seamless payment systems have reduced friction in onboarding and transactions.

10. Despite this remarkable growth, the journey to *Har Ghar* Mutual Fund is far from complete. Over 52% of the industry AUM still comes from the top 5 cities alone (Mumbai, Delhi, Bengaluru, Pune and Kolkata).

11. In this context, a recent SEBI investor survey provides some interesting insights. While 53% of households are aware of mutual funds or ETFs, only about 6.7% actually invest. In rural India, awareness falls to 45%, and participation to around 4%. Participation is closely linked with education levels, income brackets and occupational profiles.

12. We therefore need to do more in terms of enhancing access and participation. The idea of wealth creation has to percolate down to lower income segments. We all have to come together to make it happen. The market eco-system should not only benefit sophisticated investors, its benefits should also extend to lower income

groups. This is particularly important in the context of income inequalities in our society.

B. Recent initiatives of SEBI

13. Regulators play a key role in expanding access to financial products. And as participation widens, our responsibility to ensure strong investor protection becomes even more critical. Let me share a few recent measures taken by SEBI in this context:

14. **Expanding reach**

    a. We recognize that expanding mutual fund penetration beyond the top cities involves higher costs and longer gestation periods. Smaller towns and semi-urban areas often require more conversations and deeper trust-building.

    b. Keeping this structural reality in mind, SEBI has recently re-enabled an additional incentive framework for investments mobilized from B-30 locations. This framework, is effective from March 01, 2026.

    c. On similar lines, SEBI has introduced an additional incentive for Mutual Fund distributors to encourage greater onboarding of women investors, who have been historically under-represented in capital markets.

    d. Another important initiative has been the introduction of the Chhoti SIP of ₹250 to enable participation from lower income segments and advance the larger objective of financial inclusion.

    e. These measures have the potential to realize the dream of Har Ghar Mein Mutual Fund.

15. **Expanding the investment spectrum**

a. While widening access is important, the range of investment options must also evolve. The SEBI survey shows that investors in mutual funds seek long term growth and goal-driven strategies. Mutual funds are well positioned to deliver this with a wide range of products.

b. Recognizing that investor needs are differentiated, SEBI introduced Specialized Investment Funds (SIFs) which bridge the gap between mutual funds and portfolio management services. As on December 31, 2025, the total AUM under the investment strategies offered by SIFs stands at INR 4,892 crores.

c. Similarly, the recent regulatory change enabling greater participation of mutual funds in Real Estate Investment Trusts through their reclassification as equity-related instruments further expands investment opportunities and supports diversified portfolio construction.

16. **The right communication**

Another striking insight from the investor survey is that India's investment culture remains deeply risk-averse — nearly 80% of households prioritize capital preservation. As more households enter markets, this expansion must be anchored in informed participation, with realistic expectations around returns, volatility and risks. Clear and transparent communication is essential to sustaining trust.

17. **Protection**

a. SEBI continues to be focused on retail protection and market stability. Competition must be promoted. Innovation must be enabled. But investor interests remain paramount.

b. We have recently undertaken a comprehensive review and redrafting of the mutual fund regulations. The new regulations aim to enhance clarity, improve structural coherence, and simplify compliance. The norms pertaining to total expense ratio, have also been rationalized and simplified, towards greater transparency and clarity for investors.

c. Surveillance and enforcement are central to investor protection. And in today's market, effective surveillance requires technological capability. Let me talk about surveillance at three levels i.e. at SEBI, AMCs and AMFI level.

SEBI

d. SEBI has significantly ramped up its supervision and monitoring with the use of technology in recent years. Online tools now effectively supplement onsite inspections. Alert-based offsite inspections enable comprehensive data-driven supervision of AMCs.

e. We have recently launched two additional tools. Both are AI-driven supervisory tools. One is R(AI)DAR (Regulatory AI Driven Advertisement Reviewer) and another one Project SUDARSAN (Surveillance of Unauthorized Digital Activity via Real-time Scanner for ANti-fraud). These tools scan social media and advertisements to detect potential fraud and mis-selling.

AMCs

f. The first line of defense however continues to be with AMCs. SEBI has prescribed a structured institutional mechanism to be implemented by AMCs which can proactively identify and deter instances of potential market abuse including front-running and fraudulent transactions in securities. I would like to remind and emphasize the need for effective implementation of this mechanism by AMCs.

AMFI

g. The industry must also strengthen mechanisms to prevent mis-selling and unethical practices. AMFI’s quarterly reports highlight instances such as unauthorized switches, forgery and fraud. These are visible violations. More concerning, however, are cases where investors may not even realise that a product was unsuitable for them. It is this less visible dimension that the industry needs to guard against.

C. Ethics and culture

18. Let me now finally turn to Ethics and Culture. First the context - we recognize that the investment landscape is rapidly changing. Competition is fierce. Pressure to innovate, to grow AUM, and to deliver superior returns has become more intense. The growth of online platforms and the increasing influence of digital channels and social media is shaping how investors access information and make decisions.

19. In such an environment, it can be tempting to chase growth at any cost. Rules and regulations therefore, play a vital role in providing the necessary guardrails that protect investors and ensure discipline. Yet, rules can only take us so far. If compliance becomes only about ticking boxes, we miss the bigger picture.

20. What truly matters is outcomes —investor outcomes and market outcomes. That is why it is not enough to focus only on scaling up — we must scale responsibly, and in the right way. A strong culture of ethical behavior amongst all players in the Mutual fund eco system.is the best safeguard against the lure of quick wins. It is the key to ensuring that investor interests are always placed above short-term gains; and that long term value creation remains our guiding principle. I believe self-driven ethical conduct will be critical for orderly and responsible growth of the industry.

21. I believe AMFI has constituted an ethics committee which is a very laudable step. It may be worthwhile for the industry to explore scaling and institutionalizing this initiative. The use of AI tools to detect mis-selling, online ethics training modules, development of practical case studies on ethical dilemmas – are some avenues that can be explored.

22. SEBI, through NISM, would be willing to partner with the industry for capacity-building in ethics for key participants in the ecosystem — including distributors and AMC professionals. An appropriate structure could be worked out in consultation with the industry, possibly in the form of a dedicated school or institute of ethics under the aegis of NISM.

D. Concluding Remarks

To conclude, the mutual fund industry today is no longer serving a narrow urban segment. Mutual funds are not just financial products—they are partnerships in India's rise. The industry is confidently marching towards INR 100 lac cr. mark. It is increasingly reaching first-time investors, small-ticket SIP participants, and households transitioning from fixed deposits to market-linked instruments.

As this base broadens, all stakeholders — AMCs, distributors, industry bodies and regulators — share a collective responsibility to ensure that this transition is stable, transparent and sustainable.

If we align innovation with integrity, expansion with ethics, and growth with strong safeguards, the vision of Har Ghar Mutual Fund can move beyond aspiration and become a defining feature of India’s financial landscape.

Thank You !