Address by Shri Tuhin Kanta Pandey, Chairman, SEBI
PMS Conclave - Way Ahead for the PMS Industry
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Shri Amarjeet Singh, WTM, SEBI, Shri Manoj Kumar, ED, SEBI, Shri Sashi Krishnan, Director, NISM, APMI office bearers, industry leaders, ladies and gentlemen.

Good morning to all of you!

Let me begin by welcoming all of you to the PMS Conclave, organized in collaboration with NISM and APMI. I am delighted to be here among professionals who are shaping bespoke wealth management in India. As fiduciaries, you sit close to investor assets, their trust, and most importantly, their future.

This conclave has been designed as a practical, discussion-led forum, not a one-way event. The sessions bring together regulatory perspective, inspection insights, audit experience, and industry viewpoints. The objective is simple - open discussion, practical learning, and at least one useful takeaway for each participant.

Today, I will share my thoughts on the evolving PMS industry, the strengths that support its growth, and the responsibilities that come with offering differentiated wealth solutions.

Growth of PMS in India

The PMS industry has seen strong growth. Non-EPFO/PF AUM has risen from about ₹5 trillion in FY 2020-21 to about ₹10.5 trillion, as on January 31, 2026, implying a CAGR of ~17%.

Client growth also stands out. Total clients, as on January 31, 2026, are about 2.15 lakh, an almost 50% increase from 2022. The number of registered portfolio managers has also increased from 361 to 501 over the same broad period.

Distributor expansion has remained strong - with more than 7,000 individual registrations added in FY26[1]. This reflects rising investor interest and wider distribution reach.

India remains among the fastest-growing major economies and is on a trajectory to becoming the world's third-largest economy. This growth will also power a rise in the number of affluent investors - investors who seek professionally managed investment solutions beyond standardised products.

Your industry is well placed to serve this demand. Your core strength lies in flexibility - tailored mandates, sharper portfolio customisation, and strategy choice aligned to investor goals and risk appetite.

At the same time, durable growth will depend on discipline and trust. Sustained growth will come from consistent performance, sound risk management, clear communication, and investor-centric conduct - not from market momentum alone.

[1] APMI PMS Industry Compendium, December 2025

Steps taken by SEBI to strengthen the PMS industry

SEBI's approach has been one of Optimum Regulation - easing unnecessary frictions while strengthening investor protection. Let me briefly highlight a few steps taken to strengthen the PMS ecosystem.

Ease of doing business and Market Development

We have streamlined digital onboarding and simplified disclosure documents. We have facilitated the regulation of PMS distributors through APMI. Uniform guidelines on how portfolio managers are required to handle inflow and outflow of client assets have been issued.

Re-KYC for NRI clients has been made easier by doing away with the requirement of their physical presence in India.

We have allowed the transfer of PMS business from one portfolio manager to another, in a simple, time-bound manner.

We are sharing common inspection observations and deviations with the industry. You can now proactively improve your systems and reduce repeat violations.

Investor Protection

We have prescribed the norms for performance reporting and benchmarking. Clients can now have access to investor grievance data from PMS websites.

Investor transparency has been enhanced through disclosure of a mandatory fee calculation tool with high-water mark. Clients have to be mandatorily provided with a 'Most Important Terms and Conditions' document.

Way Ahead

Let me now turn to the way ahead for the PMS industry.

We propose to carry out a comprehensive review of the SEBI (Portfolio Managers) Regulations, 2020, so that the framework remains effective, adaptable, and aligned with evolving market dynamics.

But regulation alone cannot build a strong industry. The real strength of PMS will come from what firms do every day - in governance, suitability, technology and conduct.

First, governance standards must rise with scale. As PMS, you manage concentrated, high-stakes portfolios. This requires strong internal controls, clear segregation across business units, disciplined documentation, with staffing that matches scale and complexity of business.

Second, investor suitability must remain at the core. A PMS strategy is good only if it is suitable for that investor. Risk profiling, suitability assessment, and client communication must be clear, consistent, and evidence-based. Going ahead, PMS distributor conduct matters - the industry must guard against mis-selling.

Third, use technology with responsibility. Audit your technology service providers. Your vendor contracts must have strong risk mitigation and data privacy clauses. Do not forget business continuity - investors should not face denial of service.

At a broader level, it is also important to recognise that mutual funds, PMS, and newer offerings such as Specialized Investment Funds serve different investor needs. This differentiation is both natural and necessary in a market as diverse as India. The strong scale of both segments - mutual funds with AUM of about ₹81 trillion and PMS with AUM of about ₹10.5 trillion - shows the significant potential for growth in both segments. The opportunity ahead is to grow responsibly and support healthy development of our markets.

APMI has become a bridge between SEBI and the industry, helping standardise practices and promote transparency. Your work on developing a central repository of SEBI circulars and communications and in ensuring data integrity for SEBI’s off-site supervision has been commendable.

Going ahead, APMI has to work on positioning PMS as the preferred choice for informed investors. You have to drive outreach programs that demystify this product, highlight its differentiated features, and build trust among investors.

Closing remarks

In closing, the future of PMS is bright. But your growth will come with responsibilities.

As a regulator, we will provide enabling frameworks. As an industry, you must uphold governance, discipline, and investor-first conduct.

I am confident that after today's conclave, participants will leave with a clearer understanding of regulatory expectations, stronger awareness of governance standards, and actionable ideas to strengthen investor trust, risk management, and fiduciary conduct in the PMS industry.

Thank you.