# Speaking Notes of Shri Amarjeet Singh, WTM, SEBI at the PMS Pragyan 2026

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## A. Introduction

1. Good morning. It is a pleasure to be here today. A warm welcome to all the participants at this brainstorming event.

2. We met the PMS industry at NISM recently few months ago. Today's symposium reflects our continued commitment to deepen our engagement with our regulated entities. Such engagements should lead to positive outcomes for all stakeholders.

3. India remains among the fastest-growing major economies. This has many positive dimensions. From a narrow but relevant perspective, this growth will also lead to a rise in the number of affluent investors who seek professionally managed investment solutions beyond standardized products. Given the increasing size, breadth and depth of our markets today, there is sufficient space for all models - mutual funds, PMS, and AIFs - to co-exist and grow.

4. Portfolio Management Services is a growing industry, where we need to reflect on what is working, what are the pain points, and what more can be done to facilitate ease of doing business, support responsible market expansion, and strengthen investor trust. We are open to receiving suggestions and practical inputs from the industry.

5. My remarks today are in three parts. First, I will touch upon the PMS industry landscape. Then, I will briefly mention our regulatory approach and a few key reforms that have been undertaken. Finally, I will conclude with a few expectations from the industry.

## B. Industry landscape

6. The PMS industry is now an important part of India's wealth management ecosystem.

7. In the past decade, the total assets[1] managed by portfolio managers, has grown from INR 10.4 lakh crore to INR 41.4 lakh crore[2], at a CAGR of around 15%. At over INR 30 lakh crore, EPFO / PF assets account for a substantial share of the industry. Client growth also stands out - the total number of clients is now around 2.16 lakh.

8. Discretionary PMS continues to be the anchor of the industry, accounting for nearly 85% of assets and over 95% of the client base. In the past decade, discretionary AUM (non-EPFO/PF) has grown at a CAGR of over 20%, indicating increased client preference to delegate active management of their portfolios.

9. The number of registered portfolio managers has also grown steadily, and currently stands at 516[3].

10. Distributor expansion has remained strong. During FY 2025 - 26, nearly 9,000 individual distributors and more than 1,300 non-individual distributors were added. Total number of distributors stand at 20,798.

11. I would also like to compliment APMI for the role it has played in a short time in bringing greater structure to the PMS ecosystem. Since its inception in 2021, APMI has served as an important bridge between the industry and SEBI. Through constructive dialogue and collaboration, it has contributed to policy formulation, standardization and the promotion of good practices across the industry. I believe the APMI website is also well-designed and serves as a useful resource platform.

## C. Regulatory Approach and key reforms

12. PMS occupies a distinct position in our regulatory architecture. The core strength of PMS lies in flexibility — tailored mandates and strategy choice aligned to investor goals and risk appetite. It offers a distinct value proposition and serves a different segment of investors, as compared to other fund management products.

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[1] Discretionary, non-discretionary, co-investment and advisory
[2] As on March 31, 2026
[3] As on May 13, 2026

13. Our approach has been to maintain a relatively light-touch and proportionate framework, while ensuring that core principles of investor protection, transparency, fiduciary duty and risk management are not diluted.

14. To facilitate responsible growth of the industry, a number of measures have been taken by SEBI in the recent past. These include streamlining digital on-boarding of clients, facilitating regulation of PMS distributors through APMI, issuing uniform guidelines for change in distributor and on handling inflow and outflow of funds and securities. As part of simplification, transfer of PMS business has also been permitted, subject to prior approval from SEBI.

15. Another important step is the sharing of common inspection observations and deviations noted over recent years. This practice has been useful in the mutual fund industry and has now been introduced for the PMS sector. The objective is to help the industry learn from recurring issues, strengthen systems and controls and ensure compliance in letter and spirit.

## D. Some expectations from the industry

16. Let me now turn to some key expectations from the industry.

17. <u>Maintaining investor trust</u>

    a. First and most importantly, the trust factor in PMS is especially important. The ticket size is higher, and the relationship is more customized. Therefore, the expectation from the industry is also higher, as compared to standardized products like mutual funds. Sustained growth will depend on maintaining trust in the industry.

    b. Investor sophistication should not be presumed merely from ticket size. Suitability, risk appetite, investment horizon, liquidity needs and concentration risks must be properly assessed.

    c. Building a culture of responsible and ethical conduct will ultimately go a long way in sustaining trust in the industry. Tone at the top that prioritizes integrity, transparency and accountability, effective communication, capacity building, prudent incentive and remuneration structures are some core elements of good culture and governance.

18. Following good practices

    a. Secondly, the PMS industry should look at good practices from other segments of the market, particularly mutual funds. There are useful lessons in areas such as investor service, convenience, grievance handling, disclosures and operational standardization. The industry should also look at the good global practices for takeaways, if any.

    b. The industry should aim to go beyond compliance. Regulations can set the minimum. Trust is built when institutions consistently do more than the minimum.

19. Responsible use of technology

    a. Third, technology must be used responsibly. Technology has delivered speed and convenience, but it also brings new risks. Cybersecurity, resilience and data protection are now key business risks and central to investor protection. SEBI has issued a Cybersecurity and Cyber Resilience Framework for PMS.

    b. Portfolio managers should conduct proper audit and checks of technology service providers. Agreements with third parties should have adequate risk transfer and risk mitigation clauses, and must ensure strict adherence to data privacy and cybersecurity requirements.

    c. A related point is the need for firms to communicate responsibly about the use of AI. Exaggerated claims or selective disclosures can mislead investors and erode trust.

## E. Concluding Remarks

20. The PMS industry has scaled meaningfully and has the potential to grow further. Technology, Governance, fiduciary responsibility, operational resilience and an investor focus, will be key to building the next decade of growth.

21. Let me elaborate on the promises of technology a little bit. The acceleration of artificial intelligence, big data and distributed ledger technology are path breaking and could fundamentally reset the industry. This could lead to changes in processes, at the firm level as well as system-wide, and enable transactions that are more efficient, more transparent, more traceable and less susceptible to error. It means portfolios could be created that are fully customized to individual investors.

22. And we are there to help you navigate the next level of evolution. The focus of today's discussion should not be on merely reducing regulation for its own sake, but on how can we make the regulatory framework more effective, proportionate and aligned with investor outcomes? We need to think beyond the visible and think of the new growth enablers.

23. "Pragyan" is an apt term for today's session. The word evokes wisdom, insight and deeper understanding. It captures the intended spirit of this discussion — thoughtful reflection, open dialogue and collective learning. I once again welcome all of you and wish you fruitful discussions.

Thank You !