Address by Shri Tuhin Kanta Pandey, Chairman, SEBI
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Mr. Amarjeet Singh, WTM, SEBI, Mr. Manoj Kumar, ED, SEBI, Mr. Sundeep Sikka, Chairman, AMFI, Mr. Sashi Krishnan, Director, NISM, Mr. Venkat Chalasani, Chief Executive, AMFI, distinguished guests, leaders of the mutual fund industry, colleagues, ladies and gentlemen. Good evening!

I am delighted to be amongst all of you today. I thank AMFI for inviting me to address its Annual General Meeting.

India's capital markets have transformed significantly over the past decade. They are larger, deeper and increasingly broad-based. Today, we have over 14 crore unique investors, with household savings steadily moving towards financial assets.

Between FY16 and July 2026, over ₹110 lakh crore was raised through equity and debt issuances. Mutual funds have been central to this journey. Industry AUM has grown from around ₹15 lakh crore in July 2016 to ₹86 lakh crore in July 2026 - a CAGR of about 19%. Monthly SIP contributions touched around ₹32,000 crore in July 2026. Unique mutual fund investors have crossed 6 crore.

A growing domestic investor base is also strengthening our markets. Domestic investor holding, which includes Mutual Funds, in equity market capitalization has exceeded 26%, at end of June 2026[1]. The growing institutional role of MFs is also visible in primary markets. A recent study points to the relatively patient behaviour by mutual funds as anchor investors, with exit rates lower than those of FPIs[2]. This is an encouraging indication of the role that long-term domestic institutional capital can play in our markets.

Mutual funds perform a dual role - helping households participate in India's growth and channeling their savings into the productive economy.

This scale is also becoming more broad-based. Mutual funds are the most widely recognized securities-market product, with 53% of Indian households aware of mutual funds and ETFs[3]. SIPs now account for more than 20% of industry AUM. B-30 assets have grown strongly and women investors account for 34.5% of individual investor AUM[4].

These are encouraging signs. But success cannot be measured only by AUM, number of folios or schemes. It must ultimately be measured by investor outcomes. That must define the next phase of the mutual fund industry.

[1] Source: NSE
[2] Source: Study on Exit Behaviour of Anchor Investors in Mainboard IPOs
[3] Source: SEBI Investor Survey 2025
[4] Source: AMFI-Crisil Factbook 2026

Our Approach to Regulating Mutual Funds

As the industry evolves, regulation must evolve with it. At SEBI, our approach has been to simplify where possible, facilitate responsible growth and remain firm on investor protection.

Ease of Doing Business

We have sought to reduce unnecessary regulatory friction. The new SEBI (Mutual Funds) Regulations, 2026, have simplified the regulatory architecture and removed redundant provisions. We have discontinued 52 repetitive reports and notices, allowing compliance resources to focus on risks that matter.

We have also simplified mutual fund registration through a single, comprehensive application form, removing duplication and providing a clear checklist of requirements. This will enable faster processing without diluting regulatory standards.

The revised borrowing framework similarly gives AMCs greater flexibility to meet specified intraday liquidity needs, while retaining appropriate safeguards.

Developmental Measures

Our second focus is to deepen the market and widen investor choice. Specialized Investment Funds have created a regulated space that sits between mutual funds and PMS. Scheme rationalization will reduce clutter and improve comparability, while Life Cycle Funds offer another avenue for long-term, goal-based investing.

Recognizing REITs as equity-related instruments will facilitate greater mutual fund participation in this asset class.

At the same time, B-30 and women-investor incentives are aimed at bringing new investors into regulated financial products, rather than merely shifting existing assets.

Regulatory and Investor Protection Measures

Growth must be backed by strong safeguards. We have made mutual fund costs more transparent by clearly separating the base expense ratio, brokerage, transaction costs and statutory levies. The maximum permissible exit load has been rationalized from 5% to 3%, which limits excessive cost burden on investors.

We have also strengthened the institutional framework for preventing market abuse through standardized reporting and tighter compliance and internal controls.

Responsibilities of AMCs, Trustees and AMFI

This brings me to the responsibilities of all of you in this room. The mutual fund industry manages public money, which brings with it a special fiduciary responsibility. As the industry grows in scale and complexity, governance and oversight must keep pace.

For AMCs, fiduciary responsibility must be reflected across the entire value chain - from investment decisions and valuation to distribution, disclosures and investor servicing.

Trust requires clear risk communication, fair treatment and robust due diligence. Strong internal controls must be in place to identify risks early. AMCs should ensure that the institutional mechanism for preventing market abuse is implemented effectively.

Operational resilience will become increasingly important. As the industry becomes more digital, AMCs must continue to strengthen fraud prevention, cyber resilience and protection of investor data. Outsourcing can improve efficiency but accountability must always remain with the AMC.

Technology and AI can further improve investment processes and investor service. But innovation must be supported by sound governance, transparent claims and clear human accountability.

Trustees are an important strength of the mutual fund governance architecture. They provide independent and informed oversight on behalf of unitholders. Trustees need timely information, should actively review key processes and identify emerging risks early.

The relationship between AMCs and trustees should therefore be one of constructive engagement, supported by independence of judgement and clarity of accountability. Ultimately, good governance is about ensuring that investor interest remains the focus of every important decision.

AMFI's role must also grow with the industry. Beyond representing industry concerns, it can help raise collective standards in investor servicing, data and technology, and identify emerging practices that may affect investor interest.

AMFI's collaboration with NISM to strengthen standards for MFDs is a welcome step. Its focus on fiduciary responsibility, compliance, data privacy and preventing mis-selling can raise the quality and professionalism of investor engagement.

Way Ahead

Looking ahead, our approach will continue on the path of simplification, responsible development and investor protection.

Ease of Doing Business

We will continue to remove unnecessary friction while preserving unitholder interest. SEBI is examining proposals on permitting net settlement for mutual fund schemes and suggestions on permissible activities to be carried out by AMCs (Regulation 21).

A Working Group is also reviewing the extant regulatory framework of MFDs and harmonize overlap, if any, between MFDs and Investment Advisers.

Developmental

Investor needs are changing and models of intermediation must change with them. We are consulting on a Mutual Fund-only PMS framework. This could enable eligible distributors to manage an investor's overall MF portfolio within a regulated framework.

We must deepen participation. The next generation of investors will increasingly come from smaller towns, first-time investors and under-represented segments. Products, distribution and communication must adapt accordingly.

Regulatory and Investor Protection

Supervision will become increasingly data-driven and technology-led. SEBI has strengthened its offsite surveillance through tools such as R(AI)DAR and Project SUDARSAN to identify misleading advertisements, impersonation and digital fraud.

Investor education must now move beyond telling people that investment products exist. Investors need to know how to assess risk, diversify, recognize fraud and exercise their rights. The objective must be to create better-informed and resilient investors.

In this context, AMFI's outreach to new and under-served investors through *Nivesh Didis, Pinkathon and Bharat Nivesh Mela* is welcome. These initiatives can help make mutual fund participation more informed and inclusive.

I also commend AMFI's sustained awareness efforts through its 'Mutual Funds Sahi Hai' campaign and its strong support for Project Jagrook - from campaign development and media outreach to on-ground programs. This partnership can help deepen investor awareness and strengthen investor protection.

Concluding Remarks

Let me conclude with one thought. The industry has built strong foundations of governance and investor trust. The challenge ahead is to sustain and deepen these standards as scale, complexity and competition increase.

The regulator can set the framework. But responsible growth ultimately depends on the choices made every day across the industry.

Perhaps, there is a simple test worth applying to those choices - *Is it in the investor's interest? Can it be explained transparently? And does it strengthen long-term trust?*

If the answer is yes, the industry will not just become larger. It will become stronger.

Let us continue to combine scale with investor centricity, innovation with integrity and technology with accountability.

Thank you. Jai Hind!