

# ICC's 16th Mutual Fund Summit Explores India's Financial Evolution Towards Vikshit Bharat 2047

*Experts discuss the transition from financial inclusion to well-being*

**Kolkata, 30<sup>th</sup> November 2024:** Indian Chamber of Commerce (ICC) hosted its 16th Mutual Fund Summit, focusing on Vikshit Bharat 2047 - Transitioning from Financial Inclusion to Financial Wellbeing and navigating exponential changes through expert insights. The session featured thought-provoking contributions from Mr Venkat Nageswar Chalasani, Chief Executive, Association of Mutual Funds in India (AMFI); Mr Ananth Narayan Gopalakrishnan, Whole Time Member, Securities and Exchange Board of India (SEBI); Mr Sashi Krishnan, Former CEO-NPS Trust and Director, National Institute of Securities Market; Mr K.S Rao, EVP, Head of Investor Education and Distribution Development, Aditya Birla Sun Life AMC Ltd; Mr Joydeep K Roy, Partner-PwC, India Financial Services Advisory Leader & Global Health Insurance Practice Leader; Mr Abhishek Kabra, MD, Samara Capital; Atanu Sen, Chairman, ICC National Expert Committee - BFSI, Former MD & CEO, SBI Life Insurance and Former Deputy MD, State Bank of India; Mr Arun Laddha, Co-Chairman, ICC National Expert Committee - BFSI; and Mr Sudhin Roy Chowdhury, Former Member (Life) IRDAI & Mentor of Insurance - ICC National Expert Committee – BFSI.

**Commenting on the occasion, Atanu Sen, Chairman ICC National Expert Committee BFSI and Former MD & CEO SBI Life Insurance Company Ltd, Former Deputy MD, State Bank of India, said,** “India's 2047 vision focuses on universal financial inclusion to foster economic growth and nation-building. Despite innovations like UPI enhancing accessibility, only 47 million of 750 million PAN holders invest in mutual funds, reflecting a 3.2% penetration rate. The sector's growth potential is significant, driven by rising financial literacy and fintech adoption.”

**Setting the tone for the conference, Arun Laddha, Co-Chairman ICC National Expert Committee-BFSI, said,** “India's mutual fund sector continues its rapid growth, with assets under management reaching ₹62.26 lakh crore by October 2024. Fuelled by AI advancements and increased digital accessibility, the industry is expanding in smaller cities, driving financial inclusion. Regulatory measures and educational initiatives aim to sustain long-term industry development.”

**Explaining the growth opportunities and challenges in India's mutual fund ecosystem, Ananth Narayan Gopalakrishnan, Whole Time Member, Securities and Exchange Board of India,** “The mutual fund ecosystem has made extraordinary progress over the years, marked by a surge in unique investors from 2 crores in 2019 to over 5.1 crores today and Assets Under Management (AUM) skyrocketing from ₹23 lakh crores to ₹67 lakh crores. This incredible growth brings with it a responsibility to preserve the ecosystem. Nonetheless, Mutual funds are inherently tied to market risks. Financial inclusion in capital markets differs from banking. Investors must approach with eyes wide open, understanding there are no guarantees, only opportunities coupled with risks. This is the unique nature of mutual funds: they promise returns but demand a commitment to understanding volatility. Despite recent market volatility, mutual funds continue to deliver robust returns—close to 15% CAGR over five years, with indices providing 10-12% in FY24 despite fluctuations. However, this stability should not breed complacency. The industry must enhance risk awareness among investors, ensuring they recognise that market fluctuations are not anomalies but integral to the process. India's mutual

fund industry benefits from unparalleled access to data. Unlike global markets where granular data is sparse, our exchanges and depositories can analyse investments down to the individual level. This resource should be utilised to enhance risk management, guide investor behaviour and stress-test market scenarios. The findings—such as 93% of F&O traders losing money—underscore the importance of informed participation. As an ecosystem, we must address inefficiencies like redemption delays. With technology enabling near-instantaneous transfers, the shift to T+0 settlement must be prioritised. Faster processes will instil confidence among investors and enhance the overall experience. The mutual fund ecosystem's growth is undeniable, but this progress demands caution. Bad actors or oversight lapses could harm the very tree yielding golden fruits. As custodians of this ecosystem, we must embrace analytics, transparency and collaboration to protect its integrity.”

**Speaking on advancing financial inclusion and literacy in India, Venkat Nageswar Chalasani, Chief Executive, Association of Mutual Funds in India, said, “**Despite fluctuations in global markets, the Indian economy has demonstrated stability and promise. All indicators, including reports from global rating agencies and institutions like the World Bank, project India as a leading driver of growth. However, achieving the vision of becoming a developed nation by 2047 is not just the dream of our Prime Minister but a shared responsibility for all of us. To truly realise this vision, financial prosperity must reach every corner of the country. This brings us to the importance of financial literacy. While India boasts an overall literacy rate of 75%, financial literacy lags significantly at just 27%, as per NCFB surveys. Bridging this gap is crucial to ensuring that all citizens can benefit from the opportunities our economy offers. The Association of Mutual Funds in India (AMFI) has been pivotal in driving financial literacy and inclusion. Recognising the need to engage with people at every level, AMFI has taken several initiatives. Through mass media campaigns, such as advertisements during IPL and extensive outreach programs, AMFI has leveraged popular platforms to spread awareness about mutual funds. Additionally, grassroots engagement has been a priority. Last year alone, AMFI and its partners conducted over 13,000 investor education programmes, reaching more than 16.5 lakh individuals. These efforts also include targeting schools and colleges to instil financial literacy early. Technology has been another significant enabler. With advancements like paperless onboarding via Aadhaar-based KYC, mutual fund investments have become more accessible. The push towards using mobile applications and digital platforms is further enhancing reach, even in remote areas where physical branches are absent. While the mutual fund industry has grown exponentially, there is much more to be done. Expanding distribution networks is essential, especially in underserved regions. AMFI plans to partner with local businesses and kirana stores to bring financial products to the grassroots. Ensuring ethical practices is another critical area. Training programs for distributors are being scaled up to promote suitable products based on investors' risk profiles. Integrating financial education into curricula is also a key focus area. Collaborations with universities like Delhi University and the Institute of Chartered Financial Analysts of India aim to make financial literacy a part of formal education. Additionally, leveraging data insights is vital. AMFI has started publishing detailed reports analysing investment patterns across regions, gender and demographics. These insights guide strategies for targeted interventions. Lastly, innovation and transparency are indispensable. To maintain investor trust, the industry must continue innovating while enhancing disclosure practices. Regular stress testing and improved reporting systems are steps in this direction.”

**Alluding to the nuances of financial literacy, Sashi Krishnan, former CEO-NPS Trust and Director, National Institute of Securities Market, said, “**While 78 crore Indians have

bank accounts with 52 crores under Jan Dhan Yojana and half owned by women, 20% of these accounts remain inactive. True financial inclusion requires not just access but also literacy and fluency, helping individuals, especially in rural areas, make informed financial decisions and manage aspirations sustainably.”

**In a special address on ‘Shikshit Investor for Viksit Bharat’ K.S Rao, EVP and Head of Investor Education and Distribution Development, Aditya Birla Sun Life AMC LTD, said,** “India has evolved from a savings-driven economy to one focused on investments and wealth creation. However, challenges remain, particularly in financial planning education, managing volatility and achieving sustainable growth. To foster financial independence, literacy must evolve, targeting diverse groups and enabling disciplined strategies for long-term prosperity.”

**Addressing the considerations for standard savings of living maintenance and risks, Joydeep K Roy, Partner-PwC, India Financial Services Advisory Leadership & Global Health Insurance Practice Leader said,** “India’s financial future depends on addressing its demographic shift, with a young population facing rising healthcare costs and longevity challenges. Retirement planning, often delayed, must begin earlier to ensure financial independence. Solutions include real estate, reverse mortgages, health savings accounts and proactive health management while fostering a cultural shift towards early retirement savings.”

**Commenting on private equity, Abhishek Kabra, MD, Samara Capital said,** “Private equity in India is gaining traction, evolving with strong growth potential due to market inefficiencies and higher returns. Despite global private equity AUM reaching \$8.2 trillion, India’s share remains small, with venture capital and growth equity leading the market. The sector provides access to high-growth industries and long-term investment opportunities.”

**Delivering the Vote of Thanks, Former Member (Life) IRDAI & Mentor of Insurance-ICC National Expert Committee-BFSI said,** “The mutual fund industry has evolved significantly with notable growth in both innovation and accessibility. With the rise of fintech solutions, mutual funds have become more accessible, offering investors seamless access via online platforms. The industry is poised for greater penetration, especially in smaller cities. Innovations like mobile apps have simplified investment tracking, underscoring the sector’s progress and future potential.”