



Indian Chamber of Commerce

Press Release

8th ICC Mutual Fund Summit 2015

Kolkata, 18th Feb, 2015: The myth about Mutual Fund industry on its biased focus on the corporate sector at the cost of small investors proved wrong last year with new investors from B15 cities outnumbering the top 15 cities of the country: Mr Sundeep Sikka, Chairman-AMFI and President & CEO, Reliance Capital Asset Management Ltd.

Addressing the gathering at the “8th ICC Fund Summit 2015” organized by the Indian Chamber of Commerce today in Kolkata, Mr Sundeep Sikka, Chairman-AMFI and President & CEO, Reliance Capital Asset Management Ltd, expressed hope and optimism about how the Indian Mutual Fund Industry is performing today and will perform in future. He shared some interesting hard core statistics which bear testimony of the upward growth trajectory of Indian Mutual Fund last year. The number of registered investors increased from 8 lakh crore in 2013 to touch 12 lakh crore in 2015. Sensex has returned 20% and INR 20 lakh crore growth expected by 2020 will be achieved much earlier if this growth rate remains intact. Foreign investment in Indian fund houses also seen a considerable increase as INR 65,000 crore net money in Mutual Funds is held by foreign portfolio. The market is merrier with equity investors getting richer by INR 5.5 lakh crore and investors from B15 cities has outnumbered the investors from top 15 cities, revealing an interesting trend of increased reach, customer awareness and changed asset portfolio in tier II and tier-III cities of India. AMFI played a key role in the dramatic turn of Indian funds market with a strengthened focus on financial awareness, simpler process of mutual fund investment, better transparency and enhanced data-sharing. SEBI has pro-actively supported the Mutual Fund industry and played a key component to fuel the growth and success tested today, felt Mr Sikka.

Mr Dinesh Khara, MD & CEO, SBI Funds Management Pvt Ltd, opined that India is now a more matured market and regulators are more concerned post 2008 global meltdown. With more thematic funds on offer, investors are more learned although fund houses need to enhance their reach. One of the major reasons behind investors' inclination towards safe and certain returns is that India still lacks the social security network like Western countries, felt Mr Khara. According to him, we need better technological collaboration between Fund houses and distributors to increase customer reach. To increase penetration, the Fund houses also should come out with very articulated return projection based on which customers would take decision prior to investment, he said.

Mr Dhirendra Kumar, Founder & CEO, Value Research India Pvt Ltd, said Indian Mutual Fund industry witnessed a dramatic turn-around in last one year. He briefed the contours of Mutual Fund industry in last 30 years based on which Indian Mutual Fund industry took its shape today. Stringent norms put forth by Regulator, the pro-active Government policies to bring in business are the

driving factors for the Indian Mutual Fund's remarkable recovery. However, the perception about MF products' short-term gain over-looking its long term benefits remain an inherent problem of Indian investors, cautioned Mr Kumar.

Mr B M Reddy, MD & CEO, Calcutta Stock Exchange, called for greater fund mobilization by bringing in liquidity from professionals from various fields and micro-scale investors with investments under Jan-Dhan scheme. He suggested that although contribution by B15 cities increased by 31%, they still contribute only 16% of total equity investment in India. Smaller cities possess huge potential as most of the liquid cash there is still channelized to cheat funds and for that we need to make people aware about the organized investment and design customize products according to their needs. To enhance reach, according to Mr Reddy, we need to make people financially educated and to achieve this end CSE is working relentlessly by running a series of Financial Literacy programmes across Kolkata.

Mr Prashant Vagal, Senior Vice President, NSDL, elaborated on the greater role of Demat account on Mutual Funds, thanks to Government's various initiatives. The infrastructure for enhancing customer reach needs to be full-proof, he felt. While mobile apps are there to immediately connect the investors to fund houses, most tier-III and tier-IV cities do not have proper internet facilities to use the apps. We need simpler products based on investors' need to mobilize the untapped resources, opined Mr Vagal.

Mr Shiv Siddhant Kaul, Senior Vice President, Indian Chamber of Commerce, said that to correct the disproportionate concentration of Asset Under Management (AUM) in tier I, tier II and tier III cities, it is important to find out ways to make ideal liquid to flow towards equity and debt markets, ramp up training and awareness of investors & enhance technology like sms based services, amongst others.

Dr Rajeev Singh, Director General, Indian Chamber of Commerce, proposed a formal Vote of Thanks at the closure of the Inaugural Session.

Other important dignitaries present in the Summit included industry leaders like **Mr Anil Chopra, Group CEO & Director, Bajaj Capital Ltd**, **Mr G Pradeep Kumar, CEO, Union KBC Asset Management Co Pvt Ltd**, **Ms Lakshmi Iyer, CIO- Debt & Head-Products, Kotak Mahindra Asset Management Co Ltd**, **Mr Suraj Kaeley, Group President, Sales & marketing, UTI Asset Management Co Ltd**, **Mr N K Prasad, President & CEO, CAMS**, **Mr Kiran Deshpande, COO, Baroda Pioneer Asset Management Co Ltd**, amongst others.

A **Knowledge Report** was published by ICC's "Knowledge Partner" **Value Research India** at the Inaugural Session of the flagship Summit.

For further information please contact:

Sreeraj Mitra / Kaushik Chatterjee / Saurav Mukherjee

Sagittarius Communications

Ph: 9007307884 / 8697719310 / 9830006528

