Role of FinTech in Expanding Mutual Fund Participation: Insights from AMFI Data

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Abstract

Financial services sector of India has been transformed with the rise of financial technology (FinTech). This study investigates the role of FinTech in escalating the mutual fund participation by analysing secondary data taken from the Association of Mutual Funds in India (AMFI) over the last decade (2016-2025). The research is mainly focussed on understanding how technological advances have impacted participation of investors, their investment patterns and the overall growth of the mutual fund industry.

Descriptive and Analytical research designed has been adopted in this research. Total mutual fund folios, retail investors participation, systematic investment plan (SIP) contributions, assets under management (AUM), equity and non-equity investment distribution, institutional versus retail share and rural-urban investment patterns have been used as key indicators. These factors serve as proxies to evaluate changes in behaviour of investors and their participation levels. Analytical tools such as trend analysis, compound annual growth rate (CAGR) and percentage analysis have been used to assess the data.

During the post-2020 period, a significant growth can be noticed in mutual fund participation through the findings which reflects accelerated digital adoption. To facilitate accessible and disciplined investment practices, digital platforms have played a significant role with the help of consistent increase in folios and SIP contributions. A greater retail participation and enhanced interest for equity-oriented investments can be noticed which suggests that there is an improvement in financial awareness and risk appetite of investors. In addition to this, the rise of investments in rural and semi-urban areas highlights the contribution of FinTech to financial inclusion.

The results of study highlight that FinTech has played a vital role in accelerating mutual fund participation in India by improving efficiency, accessibility and inclusivity. The findings also provide valuable insights for policymakers, financial institutions and FinTech firms in encouraging broader investor engagement.

Keywords: - *Fintech; Mutual Funds; Assets Under Management (AUM); Systematic Investment Plan (SIPs); Financial Inclusion; Digital adoption; Investors' participation; Rural-Urban Divide; AMFI Reports*

1. Introduction

1.1 Background

During the past decade, a remarkable transformation can be noticed in Indian mutual fund industry. This investment has become a favourite avenue for investments by retail investors. The rise of FinTech platforms has become the real game-changer for enhancing the mutual fund investments.

Old roadblocks to investing has been removed with the rise of FinTech tools like e-KYC, mobile apps and easy SIP auto debits system. These platforms are user-friendly which has made the investments an easy-going process. In the arena of digitalization, retail participation is increasing particularly in rural areas. Ultimately, these FinTech enablers have transformed the investments growth across India and contributed in financial inclusion.

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1.2 Problem Statement

Despite the accelerating growth in Indian mutual fund industry, the overall participation of retail investors is still very low in comparison to massive population and savings potential of India. Because of barriers like lack of financial awareness, financial procedural complexities, geographical barriers, mutual fund investments have been restricted. However, the FinTech platforms have emerged as main instrument in increasing mutual fund investments, but it is important to evaluate its impact on investments.

Most existing researches focus on FinTech and investment behaviour through primary datasets. There is still a noticeable lack of empirical research based on reliable secondary datasets. In this context, AMFI (Association of Mutual Funds in India) provides an enough data to evaluate changes in investors participation over time.

Therefore, the central problem addressed in this study is to assess whether FinTech has actually contributed in expanding mutual fund investments by retail investors.

1.3 Objectives

a. To evaluate growth trends in mutual fund participation using AMFI data
b. To analyse the role of FinTech in increasing retail investor participation
c. To study changes in investment patterns (equity, SIP, AUM)
d. To assess the impact of technology on financial inclusion
e. To offer evidence-based recommendation for sustainable growth.
f. To supplement a future research agenda.

1.4 Scope and Significance

This study utilizes secondary AMFI data from 2016 to 2025 to analyse how FinTech has contributed in expanding mutual fund participation in India. It tracks macro-level growth by analysing key indicators such as total assets, folios, SIPs contribution and the shift between rural and urban investing. By taking a systematic approach, this study is focused mainly on industry-wide trends during this massive boom of digitalization.

This study is significant by providing understanding how technological advancements have impacted the growth of mutual fund investments by retail investors in India. The findings are extremely beneficial for policy makers by providing insights for boosting financial inclusion. In addition to this, it bridges a major academic gap by using real industry-level data instead of just relying on surveys based on primary data.

Literature Review

Recent researches show that FinTech enablers have been able to appeal more investors for making investments in mutual funds by making investing cheaper, easier and highly accessible. These digital tools also lift financial literacy and lower barriers to entry, making it much simpler for first time and every day participation by retailers. India, people have started using digital tools for making investments in mutual funds. This research bridges a research gap by using AMFI data to analyse the actual trends.

2.1 FinTech and Financial Inclusion

FinTech is helpful to improve financial access by reducing the barriers like location, information and cost barriers as quoted by **Bech (2020). Amnas, Selvam and Parayitam (2024)** quoted that these digital enablers boost financial inclusion and financial literacy. Although success of digital tools depends mainly on trust, security and regulatory support. **Singh (2025)** also emphasized this enormous potential for underserved rural populations, while warning about ongoing weak digital literacy and cybersecurity risks. Most of the literature advocates the role of FinTech in boosting mutual fund participation.

2.2 FinTech and Mutual Fund Investment Behaviour

FinTech has outperformed the importance of traditional mutual fund channels by giving investors direct digital access for making investments, transactions and tracking portfolios. It has also disrupted the role of financial advisors. Srivastav et al. (2024) advocated that digital convenience and real time information directly affect investment decision. Ahir, Ahir and Jani (2026) pointed out that undoubtedly FinTech are being popular nowadays, but traditional channels still hold an advantage in trust and personal advice.

2.3 FinTech, Digitalization and Retail Participation

FinTech platforms and digital tools have successfully reduced the entry barriers through seamless mobile

applications, direct portfolio access and reducing the role of financial advisors. Hessa and Chaudhary (2026) have validated this trend and shown that FinTech enablers have affected the growth of mutual fuds by motivating young Indians.

2.4 FinTech, SIPs and Systematic Investment Behaviour

There is a drastic transformation in SIPs through digital investment platforms. A record SIP AUM can be noticed through AMFI data. Smaller cities have contributed more in mutual fund investments and boosted financial inclusion. This study addresses the critical gap by evaluating long-term SIP growth alongside widening expansion in folios and industry AUM.

2.5 FinTech and Geographical Financial Inclusion

Beck (2020) pointed out that although digital and regulatory barriers exist, still Fintech has the potential to expand financial access to underserved populations.

2.6 FinTech and the Changing Structure of Mutual Fund Participation

Contribution of Fintech can be witness through reshaped mutual fund participation by increasing folio growth, democratizing access for retail investors and changing shift of assets preferences. AMFI-CRISIL Factbook highlights that 62% of AUM is controlled by individual investors which demonstrates that technological advancements directly impact the scale and makeup of financial participation.

Research Methodology

3.1 Research Questions

RQ1. How has the overall participation in the Indian mutual fund industry evolved during 2016–2025 in terms of Total AUM and total number of folios?

RQ2. How has the composition of mutual fund participation changed over the study period in terms of equity and non-equity folios and their respective contributions to total AUM?

RQ3. What trends are evident in SIP contributions, and what do these trends indicate about the increasing adoption of systematic and technology-enabled investment practices?

RQ4. How has the participation of retail and institutional (non-retail) investors changed during 2016–2025, and what does this reveal about the changing structure of mutual fund participation?

RQ5. To what extent has mutual fund participation expanded geographically, as reflected in the changing rural (B30) and urban (T30) contributions to total AUM during 2019–2025?

RQ6. What do the combined trends in AUM, folios, SIP contributions, equity/non-equity participation, retail/institutional participation, and rural–urban AUM suggest about the role of FinTech in expanding and democratizing mutual fund participation in India?

3.2 Data Collection and Methodology

The study employs secondary data obtained primarily from the Association of Mutual Funds in India (AMFI), covering the period 2016–2025. The data were collected from AMFI annual reports, monthly/annual industry statistics and AMFI Factbook publications. The study focuses on key indicators of mutual fund participation, including Total AUM, total number of folios, equity and non-equity folios, equity and non-equity contribution to total AUM, SIP contribution, retail investor participation, institutional (non-retail) participation, and rural and urban AUM. These indicators were selected to capture the scale, composition and geographical expansion of mutual fund participation in India.

The study employs quantitative descriptive and trend-based analysis to examine the evolution of the Indian mutual fund industry during the study period. Year-wise changes and growth patterns in AUM and folios were examined to assess the expansion of overall participation. The composition of equity and non-equity folios and their respective contribution to total AUM was analysed to identify changes in investor preferences and asset allocation patterns.

Further, SIP contribution trends were examined as an indicator of systematic and sustained participation in mutual funds. The study also analyses changes in retail and institutional (non-retail) participation to assess the changing structure of the investor base. The rural and urban AUM distribution was analysed to examine the geographical expansion of mutual fund participation and the potential contribution of technology-enabled financial access to broader financial inclusion.

Percentage shares, year-on-year changes and comparative ratios were calculated wherever appropriate. Trend analysis was used to identify the direction and magnitude of changes across the study period. The findings are interpreted in the context of the growing FinTech ecosystem, particularly its potential

role in improving accessibility, convenience and participation in mutual fund investments.

Graphical presentation includes line charts, bar charts and percentage-share graphs to illustrate trends in AUM, folios, SIP contributions, investor categories, asset-class composition and rural–urban participation. The study is descriptive in nature and uses aggregate industry-level data; therefore, the observed trends are interpreted as evidence consistent with the expanding role of FinTech, rather than as proof of a direct causal relationship between FinTech adoption and mutual fund participation.

3.3 Limitations

The study is subject to certain limitations inherent in secondary data-based research. Firstly, the analysis relies on aggregated data from AMFI, which does not capture individual investor behaviour, psychological factors, or decision-making processes. Secondly, the use of proxy variables such as folios, SIP contributions, and AUM may not fully represent the direct impact of FinTech, as multiple external factors (e.g., market performance, policy changes) also influence these indicators. Additionally, the availability of SIP data is limited, restricting a more detailed long-term analysis of systematic investment behaviour. Further, rural and urban (B30–T30) AUM data is available only for the period 2019 to 2025, which constrains the ability to examine long-term trends in financial inclusion. Lastly, the study adopts a macro-level approach and does not incorporate primary data, which may limit the depth of behavioural insights.

4. Data analysis and interpretation

This section presents a detailed analysis of eleven key variables derived from AMFI reports (2019-2025), integrated with insights from the documents.

4.1 Growth Trend in Total Assets Under Management (AUM)

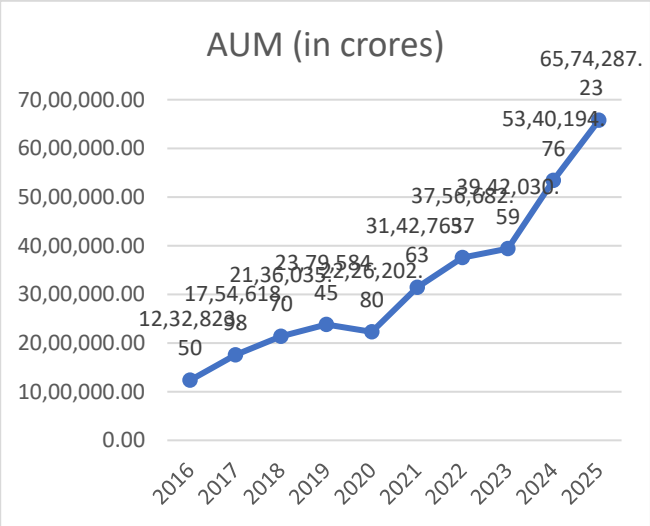
Assets Under Management (AUM) evaluates the total market value of assets managed by mutual fund institutions on behalf of investors. It is a significant metric for the size, depth and growth of the mutual fund industry.

Tracking AUM is relevant for this present research because the data over 2016-2025 provides a macro-level baseline to assess whether the expansion of volume of investments correlates with the rise of digital financial services. It also informs about the overall transition of household and institutional savings towards professionally management instruments especially mutual funds during the FinTech era. This variable is also helpful in establishing the relationship of accelerating growth of mutual funds investment and rollout of tech-driven retail distribution channels.

Table 4.1: Total Assets Under Management (AUM), 2016–2025

Years	AUM (in crores)
2016	**12,32,823.50**
2017	**17,54,618.98**
2018	**21,36,035.70**
2019	**23,79,584.45**
2020	**22,26,202.80**
2021	**31,42,763.63**
2022	**37,56,682.57**
2023	**39,42,030.59**
2024	**53,40,194.76**
2025	**65,74,287.23**

Figure 4.1: Trend in Total Assets Under Management (AUM), 2016–2025



Interpretation

During the period of 2016 to 2025, the Indian mutual fund industry has demonstrated a remarkable growth i.e., a fivefold expansion with AUM surging from Rs. 12.33 lakh crore to Rs. 22.26 lakh crore.

The gradual expansion can be noticed during the period from 2016 to 2019. It dipped to Rs. 22.26 lakh crore in 2020 due to the impact of COVID-19 pandemic, financial market volatility and uncertainty in sentiments of investors. But it recovered strongly in 2021 with a rise to Rs. 31.42 lakh crore and continued showing upward trend afterwards.

The emergence of smartphones, mobile apps, easy digital identify checks and automated investment tools

made it easy for the investors to invest in mutual funds. With the advancements in the field of financial technology (FinTech), more investors have started investing in the market which has been helpful for a steady economy and good market returns.

4.2 Growth Trend in Total Number of Mutual Fund Folios

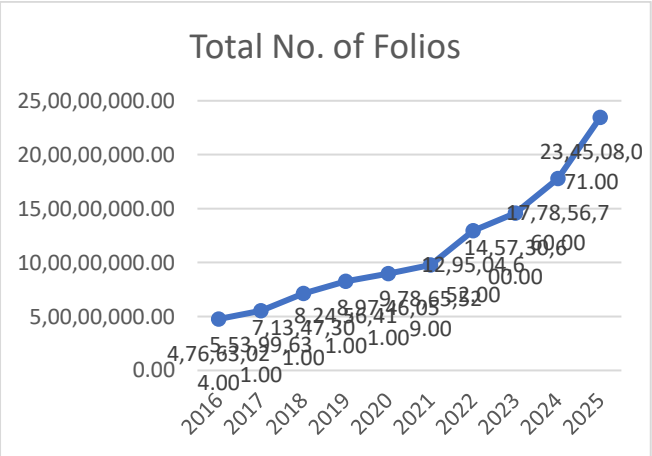
Total number of mutual fund folios represents the total number of investors accounts registered with mutual fund schemes in India. It functions as a primary proxy for the expanding participation of mutual fund investors.

This variable is helpful to evaluate how FinTech interventions have reduced the on-boarding barriers for investments in mutual funds.

Table 4.2: Year-wise Growth in Total Number of Mutual Fund Folios in India, 2016–2025

Years	Total No. of Folios
2016	4,76,63,024.00
2017	5,53,99,631.00
2018	7,13,47,301.00
2019	8,24,56,411.00
2020	8,97,46,051.00
2021	9,78,65,529.00
2022	12,95,04,652.00
2023	14,57,30,600.00
2024	17,78,56,760.00
2025	23,45,08,071.00

Figure 4.2: Trend in Total Number of Mutual Fund Folios in India, 2016–2025



Interpretation

A rise in mutual fund folios i.e., 4.76 crore in 2016 to 23.45 crore in 2025 can be noticed from the table which indicates almost a five-fold expansion. Although growth of folio was relatively steady during 2016-2019, but it showed a stronger growth after 2020 i.e., 14 crore folios jump in just five years. This rapid growth is the result of widespread penetration of low-cost, mobile apps and automated micro-investing tools. It demonstrates that FinTech-enabled services have contributed to the rise of investors participation in mutual funds in India.

6.3 Trend in Equity Folios and Their Share in Total Folios

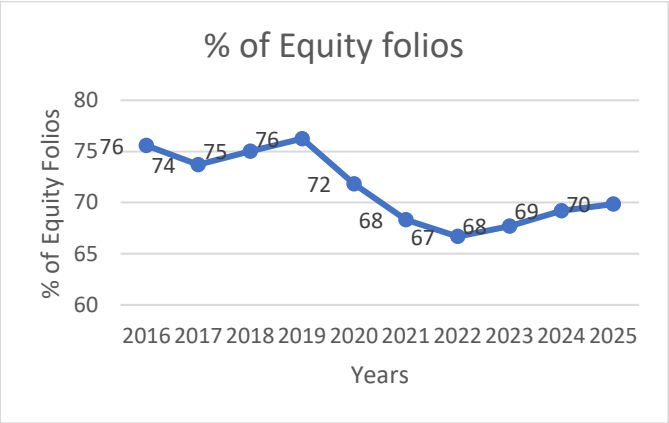
Equity folios represent the absolute count of mutual fund folios held in equity-oriented schemes. These variable measures two major dimensions such as the absolute growth of investors participation in equity and the relative preference for equity-oriented mutual funds. It demonstrates the shift of investors mindset in terms of risk tolerance during the FinTech revolution.

This metric is helpful to evaluate whether the rise in mutual fund participation has been accompanied by greater participation in equity-oriented schemes. It is a symbol of sustainable increase in equity folios for long-term wealth creation.

Table 6.3: Year-wise Trend in Equity Folios and Their Share in Total Folios in India, 2016–2025

Years	Equity Folios	% of Equity folios
2016	**3,60,25,062.00**	**76**
2017	**4,08,26,211.00**	**74**
2018	**5,35,34,985.00**	**75**
2019	**6,28,74,496.00**	**76**
2020	**6,44,64,591.00**	**72**
2021	**6,68,60,816.00**	**68**
2022	**8,63,55,947.00**	**67**
2023	**9,86,48,846.00**	**68**
2024	**12,30,99,525.00**	**69**
2025	**16,38,24,672.00**	**70**

Figure 6.3: Trend in Equity Folios and Their Share in Total Folios in India, 2016–2025



Interpretation

A substantial expansion can be witnessed in equity-oriented mutual fund investments during 2016-2025. A sharp rise of around 12.78 crore in number of equity folios can be noticed. However, the number of equity folios demonstrated a fluctuating pattern i.e., it moved to peak at 76% in 2019, then moved down to 67% in 2022 and rebounded to 70% by 2025. This signifies revolution in FinTech infrastructure which acts as an efficient channel for simplified digital investments in equity-oriented investments by mutual fund investors.

6.4 Trend in Non-Equity Folios and Their Share in Total Folios

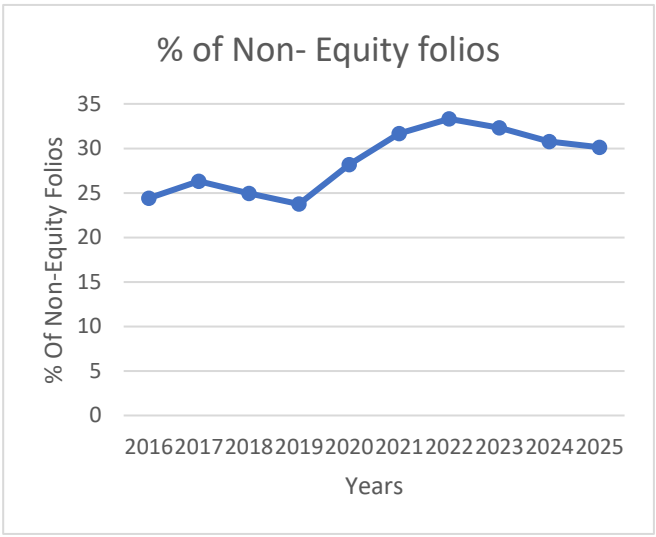
Non-equity folios represent the mutual fund investments held debt, liquid and other relatively lower risk categories funds especially non-equity funds. For this study, this metric is critical to understand preferences of investors towards stable and diversified schemes rather than solely on risky investments i.e., equity investments. It gives information about the understanding of the changing composition of mutual fund participation by considering non-equity folios in terms of absolute numbers and percentage share.

This metric is useful for the present research as it examines the role of FinTech as a platform for motivating holistic wealth allocation in terms of investments made in non-risky investment avenues. It also provides information about the success of FinTech enables services providing assistance to investors for comparing schemes and diversifying portfolios etc.

Table 6.4: Year-wise Trend in Non-Equity Folios and Their Share in Total Folios in India, 2016–2025

Years	*Non-Equity Folios*	*% of Non-Equity Folios*
2016	*1,16,37,962.00*	*24*
2017	*1,45,73,420.00*	*26*
2018	*1,78,12,316.00*	*25*
2019	*1,95,81,915.00*	*24*
2020	*2,52,81,460.00*	*28*
2021	*3,10,04,713.00*	*32*
2022	*4,31,48,705.00*	*33*
2023	*4,70,81,754.00*	*32*
2024	*5,47,57,235.00*	*31*
2025	*7,06,83,399.00*	*30*

Figure 6.4: Trend in Non-Equity Folios and Their Share in Total Folios in India, 2016–2025



Interpretation

A sharp rise of non-equity mutual fund participation can be seen through the data provided in the table. Non-equity folios demonstrated a more than sixfold jump between 2016 and 2025 which is an increase from 1.16 crore to 7.06 crore. It went to peak at a 33% portfolio share during the pandemic period. This proves the investors' confidence towards digital platforms for safety and capital formation during volatile market conditions.

6.5 Comparative Analysis of Equity and Non-Equity Folios

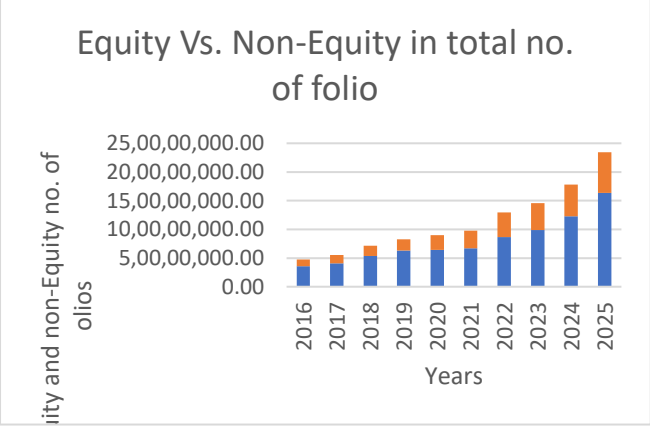
This comparison assesses the growth and relative expansion of mutual fund investments in high-growth equity-oriented schemes and non-equity-oriented schemes.

It helps to understand if FinTech platforms have been adopted broad based across different asset class or only to equity-oriented schemes.

Table 6.5: Comparative Growth in Equity and Non-Equity Folios in India, 2016–2025

Years	Equity Folios	Non-Equity Folios
2016	**3,60,25,062.00**	1,16,37,962.00
2017	**4,08,26,211.00**	1,45,73,420.00
2018	**5,35,34,985.00**	1,78,12,316.00
2019	**6,28,74,496.00**	1,95,81,915.00
2020	**6,44,64,591.00**	2,52,81,460.00
2021	**6,68,60,816.00**	3,10,04,713.00
2022	**8,63,55,947.00**	4,31,48,705.00
2023	**9,86,48,846.00**	4,70,81,754.00
2024	**12,30,99,525.00**	5,47,57,235.00
2025	**16,38,24,672.00**	7,06,83,399.00

Figure 6.5: Comparative Trend in Equity and Non-Equity Folios in India, 2016–2025



Interpretation

It can be noticed from the table or graph that both categories showed substantial increase over the period from 2016 to 2025. However, equity-oriented schemes held the majority share in terms of mutual fund investments. The rise of non-equity-oriented schemes confirms that FinTech enables services have been able to serve mutual fund investors with varying risk appetites rather promoting one asset class over another class.

6.6 Trend in Equity and Non-Equity Contribution to Total AUM

This parameter indicates how much of the assets being managed by industry are allocated to equity-oriented and non-equity-oriented mutual fund schemes.

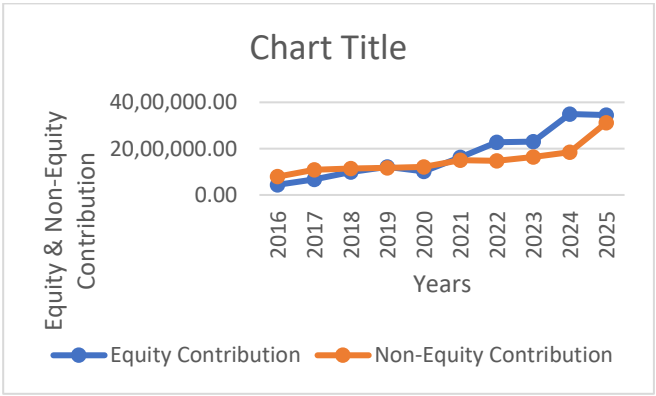
AUM reflects the actual monetary value of mutual fund investments held between equity and debt assets to measure monetary wealth deployment.

This metric evaluates whether the allocation of investment wealth between equity and non-equity instruments have accompanied the expansion of mutual fund participation. This variable is also helpful to understand the convenience provided by FinTech enabled services to monitor and reallocate investments.

Table 6.6: Year-wise Trend in Equity and Non-Equity Contribution to Total AUM in India, 2016–2025

Years	Equity Contribution	Non-Equity Contribution
2016	4,41,009.68	7,91,813.91
2017	6,72,699.62	10,81,919.57
2018	9,93,344.65	11,42,691.15
2019	12,05,640.93	11,73,943.27
2020	10,18,640.14	12,07,562.72
2021	16,33,501.62	15,09,261.89
2022	22,82,563.97	14,74,118.60
2023	23,03,477.77	16,38,552.99
2024	34,95,531.51	18,44,663.21
2025	34,51,451.90	31,22,835.28

Figure 6.6: Comparative Trend in Equity and Non-Equity Contribution to Total AUM in India, 2016–2025



5. Interpretation

A major structural shift can be observed in 2021 when equity AUM overtook no-equity AUM by reaching Rs. 34.51 lakh crore in comparison to Rs. 31.22 lakh crore by 2025. This landmark signifies growing maturity of retail investors and willingness of investors to channelise their savings towards substantial wealth creation into equity-oriented schemes through digital platforms.

6.7 Trend in SIP Contribution to Total AUM

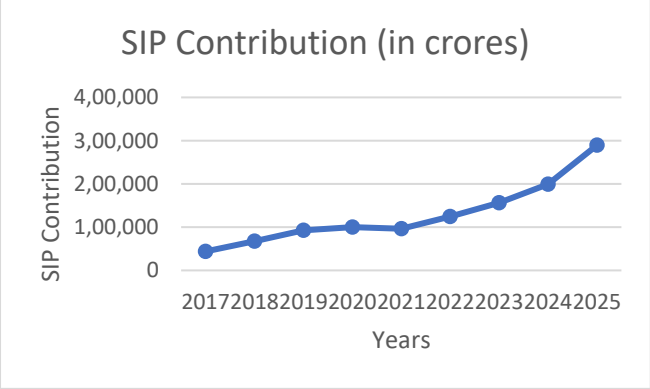
A Systematic Investment Plan (SIP) represents the regular, monthly fixed investments into mutual fund scheme. SIP contribution refers to total amount invested in mutual fund schemes through SIPs.

This is an important indicator of disciplined retail participation and changing investment behaviour in the mutual fund industry. This variable is significant from a FinTech perspective as it demonstrates that various digital financial tools like UPI auto-debits, mobile apps, digital payments and e-mandates have been facilitating retail investors in mutual funds regularly.

Table 6.7: Year-wise Trend in SIP Contribution to Mutual Fund AUM in India, 2017–2025

Years	SIP Contribution in crores
2017	43,921
2018	67,190
2019	92,693
2020	1,00,084
2021	96,080
2022	1,24,566
2023	1,55,972
2024	1,99,219
2025	2,89,352

Figure 6.7: Trend in SIP Contribution to Mutual Fund AUM in India, 2017–2025



Interpretation

The data demonstrates a substantial rise in SIP contributions during 2017-2025 i.e., from Rs. 43,921 crores to Rs. 2,89,352 crore showing sixfold jump. This accelerated growth in SIP contribution confirms that FinTech enabled services have been able to appeal recurring savings habits of investors successfully and digital platforms have acted as an enabler of systematic mutual fund investments.

6.8 Trend in Retail Investors in Equity and Non-Equity Segments

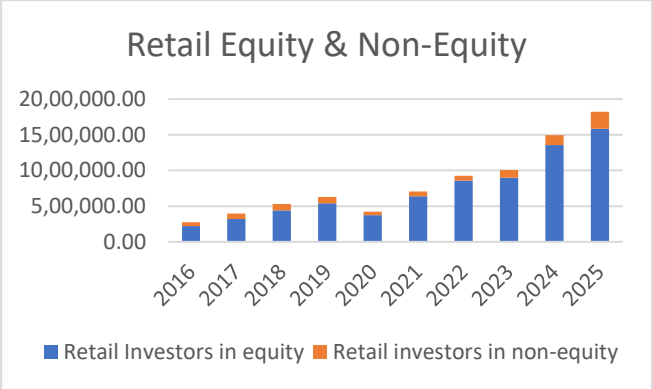
This variable is significant tool to assess the number of retail investors participating in equity and non-equity mutual fund segments over the given period i.e., 2016 to 2025.

This tool is helpful to evaluate whether FinTech enables services have democratized market access for normal household investors and reduced various traditional barriers.

Table 6.8: Year-wise Trend in Retail Investors in Equity and Non-Equity Mutual Fund Segments, 2016–2025

Years	Retail Investors in equity	Retail investors in non-equity
2016	2,19,688.09	56,111.75
2017	3,19,215.63	77,210.84
2018	4,42,417.23	86,881.81
2019	5,39,542.03	90,305.49
2020	3,72,987.61	48,786.13
2021	6,36,645.80	67,525.41
2022	8,59,038.33	66,146.03
2023	8,99,632.90	1,07,597.79
2024	13,57,750.93	1,35,380.37
2025	15,85,353.40	2,37,382.58

Figure 6.8: Comparative Trend in Retail Investors in Equity and Non-Equity Mutual Fund Segments, 2016–2025



Interpretation

Substantial growth in both equity and non-equity participation can be observed during 2016-2025. The number of investors surged more than seven-fold from 2.19 lakh in 2016 to 15.85 lakh in 2025.

It reveals that digital platforms have been able to motivate mutual fund investors for wealth creation through equities. It signifies the increasing vital role of FinTech for retail participation in mutual funds.

6.9 Trend in Institutional (Non-Retail) Share in Total AUM

This metric represents the proportion of total AUM controlled by non-retail investors such as corporations,

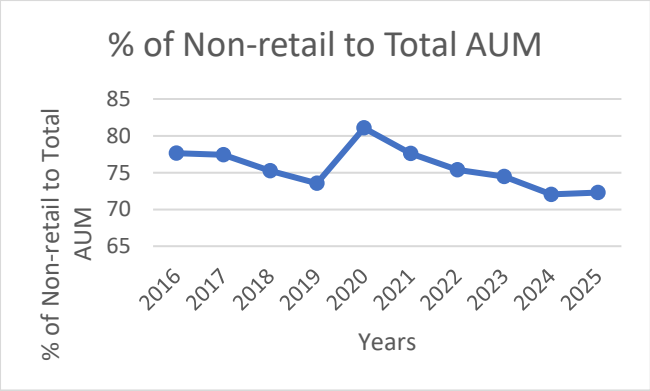
banks and institutional investors. It indicates the relative composition of the assets base of mutual fund industry and assists to assess whether the industry remains dominated by non-retail investors.

This variable measures how FinTech innovations have catalysed retail mobilization to reshape the composition of aggregate asset base of industry

Table 6.9: Year-wise Trend in Institutional (Non-Retail) Share in Total AUM, 2016–2025

Years	Institutional Investors	Total AUM	% of Non-retail to Total AUM
2016	9,57,023.75	12,32,823.59	78
2017	13,58,192.72	17,54,619.19	77
2018	16,06,736.76	21,36,035.80	75
2019	17,49,736.68	23,79,584.20	74
2020	18,04,429.12	22,26,202.86	81
2021	24,38,592.30	31,42,763.51	78
2022	28,31,498.21	37,56,682.57	75
2023	29,34,800.07	39,42,030.76	74
2024	38,47,063.42	53,40,194.72	72
2025	47,51,551.20	65,74,287.18	72

Figure 6.9: Trend in Institutional (Non-Retail) Share in Total AUM, 2016–2025



5. Interpretation

The data shows that the majority of mutual fund (AUM) is dominated by the institutional investors. However, their absolute assets reached Rs. 47.51 lakh crore, but their overall share dropped from 78% in 2016 to 72% in 2025. It reveals that retail participation is increasing due to FinTech innovations.

6.10 Trend in Rural (B30) and Urban (T30) Contribution to Total AUM

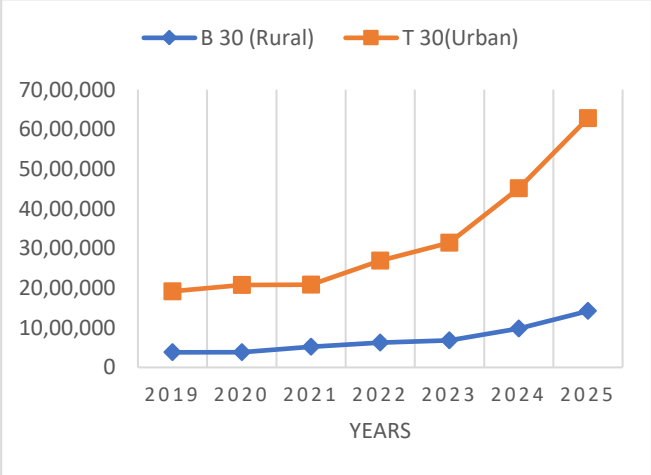
This variable explains the contribution in mutual funds investments across rural and urban areas. It is helpful to measure geographical expansion of mutual fund participation.

This parameter is particularly useful to investigate the role of FinTech in reducing barriers in mutual fund investments in rural areas.

Table 6.10: Year-wise Trend in B30 and T30 Contribution to Total AUM, 2019–2025

Years	B 30 (Rural)	T 30(Urban)
2019	3,79,562	19,18,324
2020	3,84,959	20,78,454
2021	5,23,487	20,85,923
2022	6,24,367	26,93,708
2023	6,83,949	31,45,928
2024	9,82,728	45,18,000
2025	14,19,816	62,80,604

Figure 6.10: Comparative Trend in B30 and T30 Contribution to Total AUM, 2019–2025



5. Interpretation

The data demonstrates that AUM got increased from Rs. 19.18 lakh crore to 62.80 lakh crore. The sharper rise in both segments after 2022 signifies that FinTech has been able to contribute in broadening base of mutual funds investment across geographical areas.

5. Discussion: Key findings, Implications and Challenges

5.1 Key findings

1. Significant Growth in Mutual Fund Participation

The study demonstrates a substantial rise in total folios and AUM during the period of 2016 to 2025. It indicates an extensive expansion in participation of investors in mutual funds.

2. Accelerated Growth in the Post-2020 Period
FinTech platforms have played a vital role in enabling seamless investments during the given period by contributing in sharper rise in AUM, folios and SIP contributions especially after 2020.

3. Rise in SIP Contributions Indicates Disciplined Investing
Contributions to SIP have grown significantly over the years which highlights a shift towards disciplined investments. It signifies the increasing role of FinTech features such as mobile apps, auto debit, robo-advisors etc.

4. Increasing Retail Participation
With the help of improved accessibility through digital enablers, the share of retail investors has shown substantial growth in their participation.

5. Dominance and Growth of Equity Investments
Digital channels have been proved to enable investors in making investments in equity-oriented investments through access to market information.

6. Growth in Non-Equity Investments Reflects Diversification
FinTech tools have offered enough guidance to investors for diversifying their portfolios particularly in non-equity folios and AUM.

7. Expansion of Participation in Rural (B30) Areas
FinTech platforms have been successful in reducing geographical barriers in making mutual funds' investments which indicates improved financial inclusion.

8. Shift from Institutional to Retail-Driven Market
A transition from institutional investments to retail investments can be observed which indicates growing awareness among retail investors.

9. FinTech as a Key Enabler of Accessibility and Convenience
New investors are being attracted towards making mutual funds' investments with the help of simplified investments process by FinTech platforms.

10. Technology-Driven Transformation of Investor Behaviour
Digital tools provide transparency which motivates investors for informed, long term and goal-based investment strategies.

5.2 Implications

Policy Implications: Investors' protection should be given priority by regulators. for that financial literacy programs should be conducted to leverage their participation.

Industry Implications: Goal based instruments or products should be introduced by AMCs to tap B30 (rural) segments.

Economic Implications: Savings of investors should be channelised for boosting GDP.

5.3 Challenges

1. Digital Divide between Urban and Rural Areas: - Although there is a growth of FinTech platforms, a noticeable gap can be observed between urban and rural areas in terms of financial participation and digital access.

2. Low Financial Literacy among Investors: - Adequate financial knowledge is required among investors to make informed decisions.

3**. Cybersecurity and Data Privacy Concerns:** -There is a possibility of data breaches, fraud and cyber-attacks which highlights a concern for safety of personal and financial information of investors.

4. Over-Reliance on Technology without Advisory Support: -Investors make take risky decision without proper financial guidance by solely depending upon technology.

5. Market Volatility and External Economic Factors: -However, FinTech platforms have been proved as a good support, but it cannot save investors from market risks, uncertainties in economy.

6. Regulatory and Compliance Challenges: - Regular updates are required in regulatory frameworks to avoid emerging risks associated with digital financial services.

7. Limited Availability of Granular Data: -The study does not express the detailed insights into FinTech usage patterns directly as the study relies on aggregated AMFI data.

6. Future Research Agenda

1. Surveys and interviews can be conducted to capture perceptions, attitudes and behavioural biases of investors.

2. Studies on FinTech adoption in rural areas can be conducted to examine barriers in adoption of mutual funds investments.

3. Research can be undertaken to assess how algorithm-based recommendations by advance technologies impact investment decisions.

4. Relative effectiveness of brokers and financial advisors with FinTech platforms can be compared.

5. By using longer time horizons and more granular datasets can be used to evaluated the influence of FinTech on mutual fund investments.

6. Conclusion and Recommendations

The Indian mutual fund industry has witnessed a massive growth during the period of 2016 to 2025 due to increasing mutual fund investments by retail investors. Now people are more inclined towards long-term investing instead of short-term goals. And it can be seen by a sharp rise in regular monthly investments in SIP and equity funds. Now this investments culture is spreading in rural areas too across the country. Although it is immeasurable, but this rise is due to FinTech enablers such as easy-to-use apps and digital platforms which has made investments as an easy option.

Recommendations

As the investors are growing day by day, regulators and platforms must take enough steps to secure, simplify the sign-up process and make digital apps safer from cyber threats. Financial education is also a need of an hour. Companies should enter into rural areas to expand the growth of mutual funds.

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