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## MF industry asset size to touch ₹20 lakh cr by '18

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Abu Dhabi

RELIANCE Mutual Fund says the Indian mutual fund sector will reach Rs 20 lakh crore in asset size by 2018 and investors should take active part in \$1.5 trillion wealth creation opportunity that will unfold in the Indian market over the next six-seven years. The domestic mutual fund industry's total assets stood at Rs 11.8 lakh crore at the end of April.

"The MF industry is on a strong growth path. The new government has done a lot of things to breath a new lease of life into the capital markets. We were earlier projecting that MF industry as a whole would touch Rs 20 lakh crore by 2020 but now we see that milestone being achieved in 2018 itself. Retail investors are coming back in droves and investor behaviour is changing," said Sundeep Sikka, CEO of Reliance Capital Asset Management, the asset manager of Reliance Mutual Fund.

In FY14, Indian MF industry saw 22 lakh folios being added while investor accounts totalled to above Rs 4 crore. The folio count is expected to more than double (10 crore) in five years, Sikka said.

The Narendra Modi government will soon complete its first year in office and the reform initiatives it has undertaken are projected to add value to both the Indian economy as well as the financial markets, he added.

"We are taking a lot of steps to become the gateway for global investors when think of India. We have tied up with Samsung Investments to help garner Korean



### Good times

- MF industry in India is set to grow at 18.6% per annum to top ₹20 lakh crore by 2018
- In FY14, MF industry saw 22 lakh folios being added. Investor accounts totalled above ₹4 crore
- The folio count is expected to more than double (10 crore) in the coming five years

investors looking to bet on Indian markets. We have offices in Singapore, Mauritius and Dubai. RCAM manages and advises assets worth over Rs 10,000 crore for global investors," Sikka said. Sikka and other officials were speaking at a select media interaction in the capital city of UAE.

"Just the impact of 14 mega reforms in the works in India is \$2 trillion over the next few years. This will help India grow from a \$2 trillion economy now to a \$4 trillion economy. This doubling of GDP (gross domestic product) can lead to the stock market doubling in size as well. India's market capitalisation is now \$1.5 trillion. We estimate that in the next 6-7 years, the potential for wealth creation is \$1.5 trillion and more," said Suresh Singhania, CEO of equity investment, Reliance

Mutual Fund. India is a structural story and there are many interesting credit opportunities that can be captured on the fixed income as well.

"It's not a cyclical story. It's a structural story. It's for the long term. In last few years, fiscal deficit led to the springing of many issues. With oil and food prices falling, inflation is coming down. Manufacturing activity is happening. The quality of fiscal consolidation done by the government is good. Debt mutual products are expected to also add to investor wealth," said Amit Tripathi, head of fixed income investment, Reliance Mutual Fund.

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(The correspondent's visit to Abu Dhabi was hosted by Reliance Mutual Fund)