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Original Article

Investment Pattern in Mutual Funds in India through UPI and Other Online Platforms: A Descriptive Study

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Abstract: *The Indian mutual fund industry has undergone a decisive shift toward digital distribution over the past decade, with the Unified Payments Interface (UPI) emerging as a central payment rail for recurring investments. This descriptive paper examines investment patterns in Indian mutual funds through UPI and other online platforms using secondary data drawn primarily from the Association of Mutual Funds in India (AMFI), the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI), and the National Payments Corporation of India (NPCI), covering the period from March 2020 to mid-2026. Industry assets under management grew from approximately ₹22.26 lakh crore in March 2020 to ₹65.74 lakh crore in March 2025 and beyond ₹82 lakh crore by June 2026, accompanied by a corresponding rise in Systematic Investment Plan (SIP) accounts, direct-plan penetration, and app-based platform adoption. The study finds that while digital and UPI-linked payment channels have become the default mode for registering and servicing SIPs, structural patterns including continued geographic concentration in top-30 cities, a persistent reliance on distributors among new millennial investors, and a rising SIP discontinuation ratio indicate that digital access has not uniformly translated into deeper or more resilient participation. The paper concludes by noting the gap between policy-driven accessibility initiatives and actual investor uptake.*

Keywords: *Mutual Funds, UPI, Digital Investment Platforms, Systematic Investment Plan, India, AMFI, Descriptive Study, Fintech.*

I. INTRODUCTION

India's mutual fund industry has moved from a distributor-led, paper-based business to one substantially mediated by mobile applications and instant digital payments within roughly a decade. Two developments have driven this shift. The first is regulatory: the Securities and Exchange Board of India's 2012 mandate requiring fund houses to offer direct plans alongside distributor-sold regular plans opened a commission-free route that digital platforms were later built around. The second is infrastructural: the launch of the Unified Payments Interface (UPI) by the National Payments Corporation of India (NPCI) in April 2016 created a real-time, mobile-first payment rail that has since been extended, through the UPI Autopay mandate feature, to recurring investment payments such as systematic investment plan (SIP) instalments.

The scale of this transformation is considerable. UPI itself processed 24,161.69 crore transactions worth ₹314.23 lakh crore in fiscal 2025–26, more than 12,000 times its transaction volume in its first full year of operation, and had onboarded 55.49 crore users by June 2026. Over the same broad period, the mutual fund industry's assets under management (AUM) nearly tripled, rising from ₹22.26 lakh crore in March 2020 to ₹65.74 lakh crore in March 2025, while the number of investor folios crossed 23 crore. A growing share of this growth has been channelled through systematic investment plans registered and serviced via UPI Autopay, direct-plan structures accessed through mobile applications, and asset-management-company or aggregator platforms that did not exist, or were marginal, a decade ago.

However, aggregate growth figures can obscure as much as they reveal. The same data that show record SIP inflows also show a rising ratio of SIP discontinuation, continued concentration of assets in a small number of large cities, and evidence that a majority of new investors, even young ones, still enter the industry through human distributors rather than self-directed digital platforms. Understanding the actual pattern, rather than the headline trend, of mutual fund investment through UPI and other online platforms therefore requires a systematic, descriptive examination of the available secondary data.

This paper undertakes that examination using secondary data published by AMFI, SEBI, RBI, NPCI, and CRISIL, supplemented by reputable financial press reporting of these releases—section 2 briefly reviews related literature. Section 3 states the study's objectives, and Section 4 describes the research methodology. Section 5 presents the descriptive analysis across eight dimensions: overall industry growth, digital payment infrastructure, SIP patterns, direct-versus-regular plan adoption, digital platform growth, geographic distribution, demographic patterns, and cautionary signals in the data. Section 6 summarises key findings, Section 7 offers suggestions, and Section 8 concludes.

II. REVIEW OF LITERATURE

Technology-acceptance research on Indian retail investors provides the closest academic precedent for this study. Nair et al. (2023) show that mobile-application adoption for online trading and investment among Indian retail investors follows a UTAUT-consistent pattern, with adoption behaviour becoming self-reinforcing once initial familiarity is established. Continuance-intention research on Indian FinTech payment applications similarly finds that trust and post-adoption satisfaction, rather than the features that drove initial sign-up, best explain sustained digital payment use (Savitha et al., 2022), a finding directly relevant to interpreting the SIP-persistency patterns examined in Section 5.8 of this paper.

On the specific question of geographic and structural disparity, a recent AMFI-data-driven study finds that despite a decade of strong industry growth, urban (T30) centres continue to hold more than 80% of mutual fund AUM, with a rural-urban disparity index of 63.12% as of 2025, even as rural (B30) assets grew substantially in absolute terms (Kumar et al., 2026). This finding anticipates, and is examined in greater empirical detail using more recent data in Section 5.6 below.

Beyond these academic sources, the bulk of the material available on this topic consists of official data releases, regulatory circulars, and financial-press reporting on those releases, rather than peer-reviewed literature; this reflects the practical, fast-moving nature of the underlying payment and platform infrastructure. This paper treats such sources, where clearly attributed to an identifiable primary release (AMFI, SEBI, RBI, NPCI, or CRISIL), as legitimate secondary data for a descriptive study of this kind.

III. OBJECTIVES OF THE STUDY

1. To describe the growth trajectory of India's mutual fund industry, measured through assets under management and investor folios, over the period March 2020 to mid-2026.
2. To examine the role of UPI and related digital payment mechanisms in facilitating Systematic Investment Plan (SIP) registration and servicing.
3. To describe patterns of adoption of direct plans and app-based, non-traditional investment platforms.
4. To examine the geographic (T30/B30) and demographic (age and gender) patterns associated with digitally enabled mutual fund investment.
5. To identify emerging patterns including SIP discontinuation and the gap between digital-accessibility policy and actual investor uptake that qualify the overall growth narrative.

IV. RESEARCH METHODOLOGY

This study adopts a descriptive research design. Descriptive research is appropriate where the objective is to systematically describe the characteristics, patterns, and trends of a phenomenon as it currently exists, rather than to test causal hypotheses about relationships between variables; the latter task is undertaken separately in the author's companion conceptual paper on digital financial inclusion.

1. **Data source:** The study relies exclusively on secondary data. Primary sources include official publications and data releases of the Association of Mutual Funds in India (AMFI), the Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI), the National Payments Corporation of India (NPCI), and the AMFI-CRISIL Factbook and related CRISIL Intelligence research. These are supplemented by reporting from established Indian financial publications, principally Business Standard, where such reporting directly attributes and summarises data originally released by the bodies above or by registrar and transfer agents (RTAs) such as CAMS and KFin Technologies.
2. **Period of study:** The study primarily covers March 2020 to June 2026, chosen to capture both the acceleration of digital payment infrastructure following the COVID-19 pandemic and the most recent available data at the time of writing. Where a data series does not extend across the full period, the specific years available are stated alongside each figure.
3. **Tools of analysis:** As a descriptive study, the paper relies on percentage analysis, year-on-year and period-on-period growth rates, and trend description, presented through tables and charts, rather than inferential statistical testing. All figures are reproduced or computed from the cited secondary sources; no primary survey was conducted for this paper.
4. **Scope and limitation of method:** Because the study relies on secondary data, it is bound by the definitions, classifications (such as AMFI's T30/B30 city classification), and reporting periods used by the original sources, which are not always perfectly aligned across publications. Where figures from different sources appear to diverge, for example due to different reference dates, this is noted explicitly rather than reconciled by estimation.

V. DATA ANALYSIS AND INTERPRETATION

A) Growth of the Indian Mutual Fund Industry: AUM and Folio Trends

India's mutual fund industry has grown substantially over the study period. As Figure 1 shows, industry-wide assets under management (AUM) rose from ₹22.26 lakh crore in March 2020 to ₹65.74 lakh crore in March 2025, an increase of approximately 195% in five years. They continued to expand to approximately ₹82.22 lakh crore by June 2026 (Association of

Mutual Funds in India, 2025a, 2026). The pace of growth has not been uniform: the sharpest single-year jump occurred between March 2023 and March 2024 (from ₹39.42 lakh crore to ₹53.40 lakh crore, a rise of over 35%), aided by strong equity-market performance and record net inflows, while growth through calendar 2025 moderated to around 18%, the slowest annual pace in three years (Kumar, 2026).

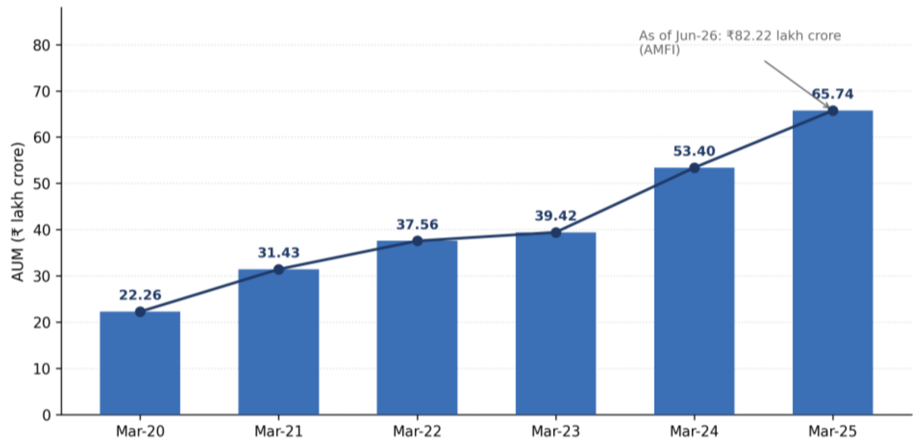

Figure 1. India’s Mutual Fund Industry AUM, March 2020 To March 2025, With The Latest (June 2026) Figure Annotated

Source: *AMFI (2025a, 2026)*

Folio counts a proxy for investment accounts, though not unique investors, since one investor may hold multiple folios rose even faster in percentage terms than AUM in the most recent year on record: from 17.79 crore in March 2024 to 23.45 crore in March 2025, an increase of approximately 32% (Association of Mutual Funds in India, 2025a). Equity-oriented scheme folios accounted for roughly 70% of the total and grew 33.4% over the same year, indicating that most of the recent expansion in investor accounts has occurred through equity-oriented, typically SIP-linked, investments (Association of Mutual Funds in India, 2025a).

India's mutual fund AUM-to-GDP ratio reached an all-time high of 19.9% as of March 2025 (Association of Mutual Funds in India, 2025a). While this represents genuine progress, AMFI itself notes that this level of penetration remains well below that of many developed economies, indicating considerable headroom for further growth. It is this headroom, combined with the observation that industry growth has coincided closely with the maturation of India's digital payment infrastructure, that motivates the more granular examination of digital and UPI-linked investment patterns undertaken below.

B) Rise of UPI and Digital Payment Infrastructure for Mutual Fund Investment

The Unified Payments Interface, launched by NPCI on 11th April 2016 under RBI's regulatory oversight, provides the payment backbone against which digital mutual fund investment patterns must be read. UPI's own growth has been dramatic: annual transaction volume rose from 2 crore transactions in fiscal 2016–17 to 24,161.69 crore transactions worth ₹314.23 lakh crore in fiscal 2025–26, a nearly 12,000-fold increase in volume, with 55.49 crore users onboarded by June 2026 and 703 banks integrated, up from 44 at launch (Press Information Bureau, 2026). UPI is now estimated to account for approximately 85% of India's digital retail payment volume (Press Information Bureau, 2026).

For mutual fund investment specifically, UPI's relevance operates through two related mechanisms, summarised in Table 1: one-time payments lump-sum purchases and initial SIP instalments and UPI Autopay, a mandate-based feature authorising recurring, automatic debits for subsequent SIP instalments without requiring approval of each payment. Since the RBI raised the UPI Autopay limit for recurring mutual fund and insurance payments from ₹15,000 to ₹1,00,000 per transaction, and further streamlined authentication requirements under its Digital Payments – E-mandate Framework, 2026 (issued 22 April 2026), UPI Autopay has become viable for the great majority of individual SIP instalment sizes, competing directly with the older NACH-based electronic mandate (eNACH), which permits higher per-instalment limits of up to ₹1 crore but typically requires slower bank-level authentication to set up (Reserve Bank of India, 2026).

Table 1. Digital Payment Mechanisms Available for Mutual Fund Investment in India

Mechanisms	Regulators	Typical limits	Typical usage
UPI (one-time)	NPCI / RBI	Up to ₹2 lakh (platform-dependent)	Lump-sum purchase; first SIP instalment

UPI Autopay (mandate)	NPCI / RBI	Up to ₹1,00,000 per instalment	Recurring SIP instalments
eNACH / e-Mandate	NPCI / RBI (bank-authenticated)	Up to ₹1 crore per instalment	Large-ticket recurring SIPs
Net banking	Individual banks	Bank-defined	One-time purchases and redemptions
NEFT / RTGS	RBI	No upper cap (RTGS min. ₹2 lakh)	Large lump-sum transfers

Regulators have also moved to standardise and secure UPI-based mutual fund payments specifically. SEBI's circular of 11 June 2025 mandated a structured UPI-handle system under which registered intermediaries, including AMCs and RTAs, must use validated UPI IDs bearing a recognisable category suffix, allowing investors to visually confirm that a payment request originates from a SEBI-recognised entity before authorising it (Securities and Exchange Board of India, 2025b). Registrars have built dedicated infrastructure around this: CAMS, which services approximately 68% of industry AUM on behalf of around ten asset management companies including SBI, HDFC, and ICICI Prudential mutual funds, operates a UPI-enabled payment product (CAMS Pay) specifically for mutual fund transactions (Business Standard, 2025b; Reflections Vista, 2025).

A precise, independently verified industry-wide figure for the exact share of new SIP registrations completed via UPI, as opposed to eNACH, net banking, or physical mandates, was not available from an official AMFI or NPCI release at the time of writing. Industry commentary nonetheless consistently describes UPI as having become the default, most commonly selected mandate option for new and small-ticket SIPs, reflecting its faster, mobile-first setup relative to eNACH (Billcut, 2026); this qualitative pattern is at least consistent with UPI's broader displacement of other digital payment modes across Indian retail finance.

C) SIP Investment Pattern: Growth and the UPI Autopay Effect

Systematic Investment Plans (SIPs), through which investors commit to regular, typically monthly, contributions, are the investment structure most directly linked to UPI Autopay adoption, since each instalment corresponds to a single recurring digital debit. Figure 2 compares four SIP-related metrics between fiscal 2023–24 and fiscal 2024–25, drawing on AMFI's Annual Report. New SIP accounts registered rose from 4.28 crore in FY24 to 6.80 crore in FY25; contributing (active) SIP accounts rose from 6.38 crore (April 2024) to 8.11 crore (March 2025), up 27.17%; annual SIP contributions rose from ₹1.99 lakh crore to ₹2.89 lakh crore, up 45.24%; and SIP assets under management rose from ₹10.72 lakh crore to ₹13.35 lakh crore, up 24.59% (Association of Mutual Funds in India, 2025a).

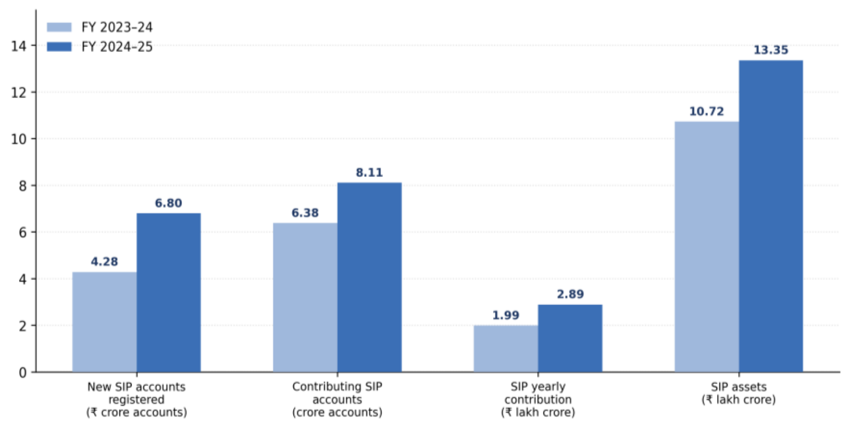

Figure 2. SIP growth metrics, FY 2023–24 vs FY 2024–25.

Source: *AMFI Annual Report Fiscal 2025*

This growth has continued into fiscal 2026: monthly SIP contributions reached a record ₹32,087 crore in March 2026, moderating only slightly to ₹31,115 crore in April 2026 (Finnovate, 2026). SIP assets have stabilised at between 20.16% and 20.73% of total industry AUM over the twelve months to April 2026, indicating that while SIPs continue to grow in absolute terms, their share of the total asset base has plateaued rather than continuing to expand (Finnovate, 2026).

The direct-plan share within SIP assets specifically has also risen, from 12% in March 2020 to 21% in March 2025 (Association of Mutual Funds in India, 2025a), consistent with UPI Autopay having lowered the friction of setting up a direct, commission-free SIP without a distributor's assistance. Holding-period data reported by AMFI reinforces a broader shift toward patience: the proportion of SIP assets held for more than five years increased substantially between March 2020 and March 2025 in both direct and regular plans, and in both T30 and B30 cities, while the proportion held for under one year fell correspondingly

(Association of Mutual Funds in India, 2025a), suggesting that easier digital registration has not come at the cost of shorter average holding periods.

D) Direct vs Regular Plan Adoption: The Digital Platform Effect

SEBI's 2012 mandate requiring AMCs to offer a commission-free direct plan alongside the traditional, distributor-sold regular plan created the structural opening that digital, direct-plan-only platforms such as Groww, Kuvera, Paytm Money, and ET Money were later built to fill. Table 2 summarises the resulting shift. The direct plan's share of total industry AUM rose from 27.4% in March 2019 to 41.2% in March 2024, while the regular plan's share declined from 62.6% to 58.8% (Upstox, 2025, citing the AMFI-CRISIL Factbook 2024). As of June 2024, this translated into ₹25.37 lakh crore held in direct plans against ₹35.79 lakh crore in regular plans, out of 19.10 crore total folios, of which 6.15 crore were direct-plan folios and 12.95 crore regular-plan folios (Upstox, 2025).

Table 2: Direct vs. Regular Plan Adoption in India's Mutual Fund Industry

Metrics	Earlier period	Latest period
Direct plan share of total industry AUM	27.4% (Mar-2019)	41.2% (Mar-2024)
Regular plan share of total industry AUM	62.6% (Mar-2019)	58.8% (Mar-2024)
Direct plan share of SIP AUM specifically	12% (Mar-2020)	21% (Mar-2025)
Direct plan share of active SIP accounts	20% (≈2019)	31% (≈2022)
Retail investor AUM held in regular plans	—	≈86% (2020 data)
Direct-plan AUM share held by corporates	—	60.4% (2024 Factbook)

This aggregate shift, however, masks a significant compositional pattern. AMFI-CRISIL data show corporate investors account for 60.4% of total direct-plan AUM, with HNIs and retail investors together dominating regular-plan AUM (41.6% and 36.8% respectively) (Upstox, 2025). Separately reported AMFI data indicate that as much as 86% of retail investor AUM remains held through regular, distributor-sold plans (Cafemutual, 2020). This suggests that much of the headline growth in direct-plan AUM share has been driven by institutional and corporate money moving to the cheaper direct route rather than by a comparable mass shift among individual retail investors, even as digital platforms have made direct plans technically accessible to them. Within SIPs specifically, the direct-plan share of active accounts did rise from 20% to 31% over three years to 2022 (Kumar, 2022b), indicating that the retail shift, while real, has been more gradual and is concentrated in newer, typically app-originated SIP flows rather than in the stock of older regular-plan assets.

E) Growth of Digital-Only Investment Platforms

Alongside the direct-plan shift, a distinct category of app-based investment platforms, most without a legacy distributor network, has grown into some of the largest participants in Indian retail investing by user count. Figure 3 traces active user growth for two prominent platforms using NSE active-client data, a widely used proxy for platform scale even though these firms offer both mutual fund and equity broking services. Groww's active user base rose from approximately 0.78 million in March 2021 to 3.85 million in March 2022, 5.78 million in March 2023, and 6.63 million by September 2023, before reaching approximately 13.06 million and a market-leading 28.64% share of active NSE clients, having overtaken Zerodha — the long-standing leader — in active-client count during 2023 (CBInsights, 2026; TradingView/Moneycontrol, 2023). Zerodha's active client base grew more steadily, from 3.4 million in March 2021 to approximately 6.85 million more recently (CBInsights, 2026).

Consolidation has accompanied this growth: Groww acquired the wealth-management platform Fisdom in May 2025 at a valuation of approximately $150 million (CBInsights, 2026), and both Groww and Zerodha have since launched their own SEBI-registered asset management companies, with Zerodha Mutual Fund and Groww Mutual Fund reporting AUM of approximately ₹6,349 crore and ₹2,000 crore respectively as of June 2025 (5paisa, 2026); this AMC-level AUM should not be confused with the much larger volume of third-party mutual fund assets these platforms distribute on behalf of other fund houses. A distinguishing feature of this platform category is that most default to, or exclusively offer, direct plans: Groww, Kuvera, Paytm Money, and ET Money are commonly cited as direct-plan-only platforms, structurally reinforcing the direct-plan growth pattern described in Section 5.4 (FinGrad, 2025).

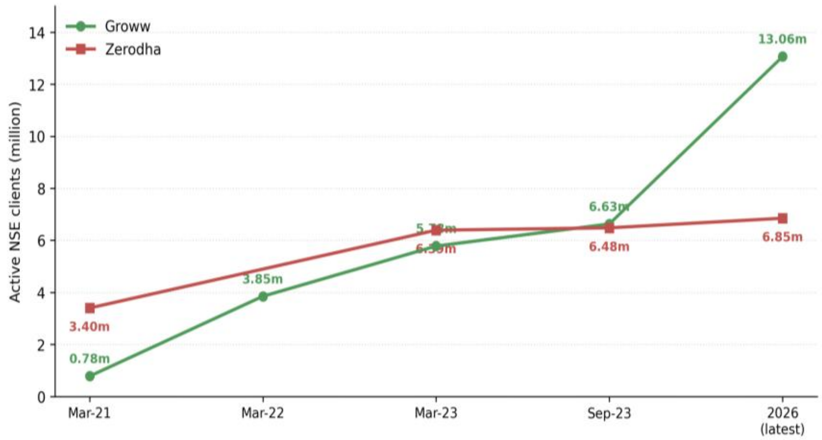

Figure 3. Active user Growth on two Leading Digital Investment Platforms

Source: *NSE active-client data as reported by CBInsights (2026) and Moneycontrol/TradingView (2023)*

F) Geographic Pattern: T30 vs B30 Cities in the Digital Era

AMFI classifies Indian cities into two groups for distribution-analysis purposes: the Top 30 (T30) cities by mutual fund AUM, and all other locations, described as Beyond 30 (B30). Figure 4 traces the T30/B30 AUM split from December 2017 to June 2025. Despite the intervening decade of digital platform growth, the shift has been modest: T30 cities held 88.16% of industry AUM in December 2017 and still held approximately 82% as of June 2025, with B30's share rising correspondingly from 11.84% to approximately 18% (Cafemutual, 2018; Business Standard, 2021; Stable Investor, 2022; Association of Mutual Funds in India, 2025b). A recent academic analysis of AMFI data similarly reports a rural-urban AUM ‘disparity index’ of 63.12% as of 2025, even as rural (B30) AUM grew in absolute terms from approximately ₹3.79 lakh crore in 2019 to ₹14.20 lakh crore in 2025 (Kumar et al., 2026).

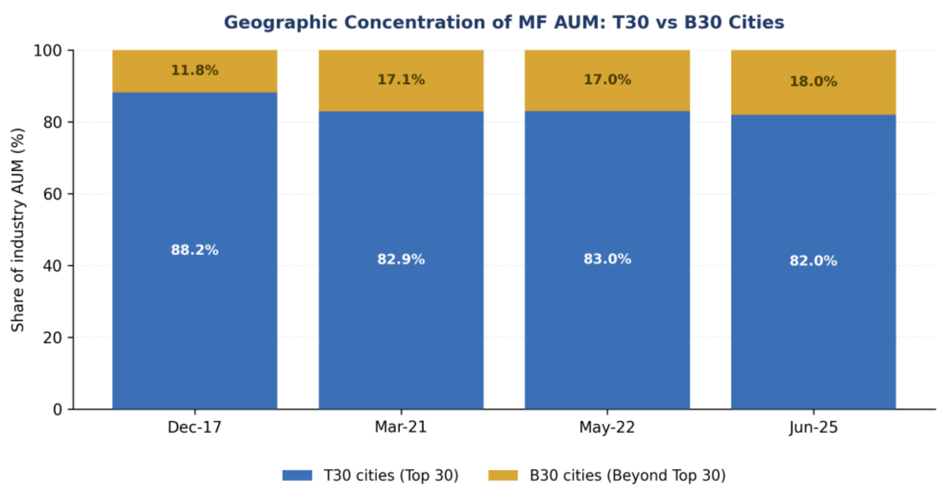

Figure 4. Share of Mutual Fund AUM Held in T30 vs. B30 Cities, December 2017 to June 2025

This stock-level persistence of geographic concentration contrasts with a more encouraging pattern in new investor flows. AMFI data reported in mid-2025 indicate that more than 50% of new investor folios in the mutual fund industry now originate from B30 cities (Zerodha Fund House, 2025), a figure broadly corroborated by industry estimates that 55–60% of new SIP registrations now come from beyond the top 30 cities (IBEF, 2026). Individual (as opposed to institutional) investor assets are also considerably more B30-weighted than the industry aggregate: as of June 2025, 27.39% of individual investor assets originated from B30 locations, compared with just 4.64% of institutional assets, indicating that the B30 opportunity in Indian mutual funds is overwhelmingly a retail, not an institutional, phenomenon (Association of Mutual Funds in India, 2025b).

Taken together, these figures suggest that digital and UPI-enabled platforms have altered the flow of new participation more than they have yet altered the accumulated stock of industry assets, a distinction the following sub-sections return to when examining discontinuation patterns.

G) Demographic Pattern: Age and Gender in Digital Mutual Fund Investment

Age: Industry reporting in 2025 placed close to half of India's mutual fund investor base, and a similar share of new SIP accounts, in the youngest segments of the investor population. One widely cited 2025 report found that approximately 48% of the mutual fund investor base fell within the 18–30 age bracket (Rurash Financials, 2025, citing Economic Times), while separate industry analysis estimated that investors under 35 opened around 40% of all new SIP accounts in 2025, and that Millennials and Generation Z together held approximately 48% of mutual fund assets by value (IBEF, 2026). AMFI's own fiscal 2025 data support the qualitative direction of this trend, showing that younger investors direct a distinctly higher share of their net flows into equity-oriented schemes than older age brackets, which favour debt and hybrid categories (Association of Mutual Funds in India, 2025a).

This youth-oriented growth, however, has not been purely digital in its distribution channel. A report by registrar CAMS found that while more than half of all new investors added to CAMS-serviced mutual funds between FY19 and FY23 were millennials, 95% of these new millennial investors were brought in through distributors or investment advisors rather than direct, self-service digital channels, and 89% of first-time millennial investors in FY23 were located in T30 cities (Kumar, 2023). This finding complicates a purely ‘digital-native’ narrative of youth participation: even technologically comfortable younger investors have, at least through the earlier part of the study period, most commonly entered mutual funds via a human intermediary.

Gender: Women's participation has grown steadily but remains a minority share of the investor base. As of March 2025, women constituted approximately 25.7–25.9% of the industry's 5.34 crore unique individual investors, up from 24.2% a year earlier (Association of Mutual Funds in India, 2025a). A separate AMFI-CRISIL study reported that women, despite being a minority of unique investors, held 33% of individual investor AUM, indicating a materially higher average investment size among women than men (Kumar, 2025a). Women's AUM more than doubled from ₹4.59 trillion in March 2019 to ₹11.25 trillion in March 2024, and the proportion of women's AUM held for more than five years rose from 8.8% to 21.3% over the same period (Kumar, 2025a). Geographically, women investors mirror the broader T30 concentration, with T30 locations accounting for 74.8% of women-linked AUM as of March 2024, although B30's share of women's AUM rose from 20.1% to 25.2% since 2019; notably, younger (under-35) women in B30 cities hold a higher share of B30 women's AUM (15.1%) than their T30 counterparts do of T30 women's AUM (9.4%), suggesting young women in smaller cities are, on this measure, comparatively more active investors than young women in large cities (Kumar, 2025a).

E) Emerging Cautionary Signals: SIP Discontinuation and the Sachetisation Gap

Not every pattern in the recent data points toward deepening digital participation. Two signals in particular qualify the growth narrative presented above.

First, the SIP discontinuation, or ‘stoppage,’ ratio the number of SIP accounts closed or matured as a percentage of new SIP registrations in a given period has risen over time and crossed 100% in March and April 2026, meaning more SIP accounts ended than began in those months (Finnovate, 2026). Part of this rise reflects a one-time administrative clean-up: AMFI removed approximately 1.43 crore dormant SIP folios between January and April 2025, temporarily inflating the ratio (Finnovate, 2026). Even excluding this effect, the ratio's underlying trajectory from 41% in 2021 to 51% in 2022 (Kumar, 2022a) indicates that SIP discontinuation has been a persistent and growing feature of the market even as headline registration and contribution figures have grown, and that easier digital registration through UPI Autopay has not been matched by a proportionate improvement in SIP persistency.

Second, SEBI and AMFI's flagship accessibility initiative the sachetisation of SIPs into ₹250-per-month ‘Chhoti SIP’ products explicitly designed to be UPI/Autopay-friendly and to draw first-time, low-income investors into the market (Securities and Exchange Board of India, 2025a) had achieved only limited uptake as of November 2025: registrar CAMS reported approximately 1,800 Chhoti SIP registrations and KFin Technologies approximately 150, a combined total of roughly 2,000 registrations industry-wide, some eighteen months after the initiative was first proposed (Kumar, 2025b). AMFI's own leadership attributed part of the shortfall to technical difficulties in identifying eligible investors across registrars, rather than to a lack of investor interest alone (Kumar, 2025b).

Taken together, these two signals suggest that while the payment and platform infrastructure for low-friction, UPI-enabled mutual fund investment is now largely in place, converting that infrastructure into durable, low-ticket, first-time investor participation is the explicit goal of policies such as sachetisation, but remains a substantially incomplete project. This gap between platform-level accessibility and investor-level outcomes lends empirical support to the theoretical distinction this paper's companion conceptual paper draws between digital access and the psychological and behavioural conditions required to convert that access into sustained investment behaviour.

VI. KEY FINDINGS

1. Industry AUM grew from ₹22.26 lakh crore to ₹65.74 lakh crore between March 2020 and March 2025, and surpassed ₹82 lakh crore by June 2026, with growth moderating to approximately 18% in calendar 2025 after a sharper 35%+ rise in FY24.
2. UPI has become the primary digital rail underpinning this growth, with UPI Autopay's ₹1,00,000 mandate limit and the 2026 e-mandate framework removing most earlier friction around recurring SIP payments, alongside SEBI's validated-UPI-ID security framework introduced in June 2025.
3. SIP metrics grew sharply in FY25 (new registrations +59%, contributing accounts +27%, annual contributions +45%, SIP AUM +25%); however, SIP assets have plateaued at roughly 20–21% of total industry AUM since 2024, and the SIP stoppage ratio exceeded 100% in early 2026.
4. Direct-plan AUM share rose from 27.4% to 41.2% of the industry between 2019 and 2024, but this shift is disproportionately driven by corporate and HNI money; 86% of retail AUM remains in regular, distributor-sold plans, even as direct-plan SIP accounts rose from 20% to 31% of active SIPs.
5. Digital-only platforms have achieved genuine scale; Groww's active user base grew over 16-fold between March 2021 and 2026 to overtake Zerodha as India's largest broker by active clients, though this scale is concentrated in broking-linked platforms rather than pure mutual-fund apps.
6. Geographic concentration in T30 cities has eased only marginally at the level of accumulated AUM (88% to 82% since 2017) but has shifted more visibly in new investor flows, with over half of new folios and 55–60% of new SIP registrations now originating from B30 locations.
7. Younger investors (under 30–35) represent close to half the investor base and a similar share of new SIP accounts, but a majority of new millennial investors still enter through distributors rather than self-directed digital channels, qualifying the assumption that youth participation is synonymous with digital, intermediary-free investing.
8. Women's participation rose from 24.2% to approximately 25.7–25.9% of unique investors between March 2024 and March 2025; women hold a disproportionate 33% of individual AUM and increasingly long holding periods, though participation remains concentrated in T30 cities.
9. Policy-driven accessibility initiatives, notably the ₹250 Chhoti SIP sachetisation programme, have seen only marginal uptake (roughly 2,000 registrations nationally as of November 2025), indicating that UPI-enabled payment access alone has not been sufficient to convert policy intent into first-time investor behaviour at scale.

VII. SUGGESTIONS

1. Registrars and AMCs should prioritise resolving the operational and identification bottlenecks that have slowed Chhoti SIP uptake, since the payment-side infrastructure (UPI Autopay, validated UPI IDs) is largely ready; the constraint appears to lie in onboarding and eligibility-verification workflows rather than in payment technology itself.
2. Given that a majority of new millennial investors, and the great majority of B30 assets in absolute terms, continue to be intermediated by distributors, digital platforms and AMCs seeking deeper retail penetration in direct plans should consider hybrid models combining UPI-based self-service payment with lightweight human or AI-assisted advisory support, rather than assuming a purely self-directed app experience will substitute for the trust distributors currently provide.
3. Given the rising SIP stoppage ratio, platforms and AMCs should invest in persistency-focused product design, for example, UPI-based pause-and-resume features, proactive low-balance notifications ahead of an Autopay debit, and goal-linked nudges rather than optimising primarily for the ease of initial SIP registration.
4. Because individual, B30, and gender-based participation gaps persist even where AUM-level growth looks strong, future AMFI and SEBI investor-education initiatives, and future academic research, should track flow-based metrics (new registrations, new folios) separately from stock-based metrics (accumulated AUM share), since this paper finds these two lenses can tell materially different stories about the same underlying digital transformation.
5. An empirical, primary-data study of the kind proposed in the author's companion conceptual paper is recommended as a next step, to establish the individual-level behavioural mechanisms, including trust in UPI-based payment security and platform-specific risk perception, that connect the platform-level patterns described here to individual investment decisions.

VIII. CONCLUSION

This paper has described, using secondary data from AMFI, SEBI, RBI, NPCI, and CRISIL, how investment in Indian mutual funds through UPI and other online platforms has evolved between March 2020 and mid-2026. The evidence supports a genuine and substantial digital transformation: assets under management, SIP accounts, direct-plan penetration, and app-based platform user bases have all grown considerably, underpinned by UPI's emergence as India's dominant real-time payment rail and by regulatory efforts to make UPI-based mutual fund payments faster and more secure. At the same time, the same secondary data reveal a more qualified picture than aggregate growth figures alone would suggest: geographic concentration in India's largest cities persists at the level of accumulated assets even as new participation broadens; a majority of new, including young, investors continue to rely on human distributors rather than self-directed digital channels; and flagship low-ticket accessibility initiatives such as Chhoti SIP have so far achieved only marginal uptake. Digital and UPI-enabled infrastructure, in other words, appears to be a necessary but not sufficient condition for converting India's mutual fund growth into broader-based, more resilient investor participation. These descriptive findings, and particularly the gap they identify between platform-level access and investor-level behaviour, motivate the empirical validation of the behavioural framework proposed in the author's companion conceptual paper as the next stage of this research programme.

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