

India Doesn't Need Just More Mutual Funds. It Needs More Wealth Builders.

Why India's Next Financial Revolution Will Be Built on Human Infrastructure



Madhu Lunawat
Managing Director &
Chief Executive Officer
Wealth Co.Asset
Management Holdings Pvt.
Ltd.,The

THERE ARE MOMENTS IN A NATION'S DEVELOPMENT when the central question quietly changes. For three decades, the question facing India's capital markets was what to build next. We built exchanges capable of handling billions of trades in a single session. We replaced paper share certificates, once lost or delayed for weeks after every trade, with dematerialised holdings that settle in moments. We built a payments architecture through UPI that other countries now study and attempt to copy. We built a regulator in SEBI confident enough to keep pace with all of it. And we built a mutual fund industry that today stewards more than **eighty lakh crore rupees** of household wealth, a scale few would have predicted at the turn of the century. Millions of citizens can now open an investment account from a phone in a matter of minutes, a transformation that would have seemed like fantasy to their parents. Few countries have democratised financial access at this scale in this short a time. This achievement deserves celebration. But every great achievement quietly reveals the next one, and India's next question is no longer what to build. It is who will help a billion people actually use what has already been built.

Every mature capital market rests on four pillars. **Regulation creates confidence. Technology creates access. Products create choice. People create trust.** India has built formidable, arguably world class, capability in the first three. The fourth pillar has never received comparable attention, even though it may be the one that decides how much of this architecture is ever actually used. Technology can connect an investor to a market within seconds. Only a trusted person can connect a family to a decision that

will shape the next twenty years of its life.

When India speaks of infrastructure, the images that come to mind are highways, railways, ports and digital networks. We rarely speak of **human infrastructure**, though history suggests it matters just as much. A school is not valuable because of its building. It is valuable because of its teachers. A hospital is not valuable because of its equipment. It is valuable because of its doctors. A court is not valuable because of its architecture. It is valuable because of the lawyers and judges who make justice legible to an ordinary citizen standing before it. Capital markets follow the same quiet law, even if we rarely admit it in public policy documents. The next phase of India's financial development therefore calls for something far less visible than technology and considerably harder to build, which is sustained investment in the people who translate complexity into confidence.

One of the more persistent misconceptions in finance is that wealth is created by choosing the perfect product. In practice, wealth is created by ordinary, consistent behaviour repeated over long periods, and undone just as often by its absence. Investors rarely walk away from markets because a product disappoints them. They walk away because fear arrives before conviction has had the chance to take root. Behavioural finance has spent decades documenting the mechanics of this failure. **Loss aversion** magnifies the pain of a temporary decline until it feels permanent. **Recency bias** convinces an investor that whatever the market has done in recent months, whether rally or crash, will continue indefinitely. **Overconfidence** encourages excessive risk when markets are rising, and fear forces an exit precisely when markets have fallen far enough to be attractive again. None of these instincts are unique to India, or to unsophisticated investors. They are simply how the human mind is built to respond to uncertainty and loss. What differs from one market to another is whether an investor has someone beside them at the moment fear peaks, whose only task is to hold them to a plan made in calmer times.

Some years ago, while visiting distributor partners in a small town in central India, I met a woman running her practice from a single room above a provision store, a handful of certificates on the wall and a client register she still kept partly by hand. I asked her, expecting an answer about product knowledge or platforms, what the hardest part of her work actually was. She said it was not fund selection. It was a phone call in March 2020, when three older clients rang her on the same evening, certain the world was ending, wanting to withdraw everything before the market opened the next day. She told me she visited each of them over the following two days and did not discuss markets at all. She spoke about a grandchild's school fees, still years away, and why that particular money did not need touching today. All three stayed invested. I have sat through a great many product committees since that afternoon, and I still think about her more often than I think about most of them. It reframed, for me, what this industry is actually in the business of building. Products create returns. People create conviction.

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Here is a number that surprises people inside the industry as much as outside it. In March 2026, a month in which monthly SIP contributions touched a record high of roughly thirty two thousand crore rupees, AMFI's own data showed

that slightly more SIP accounts were closed or completed than were newly registered, a stoppage ratio just over one hundred percent. Some of that is simply tenure completion, and none of it is cause for alarm on its own. But it sits oddly next to the headline number the industry prefers to repeat, and it is a useful reminder that record inflows in rupee terms can coexist quite comfortably with a rising number of individual investors quietly giving up.

There is a harder observation sitting underneath that number, one that people inside the industry rarely say out loud. Cost efficiency and investor wellbeing are not the same thing, even though we often talk about them as if they were. Direct, low cost plans have genuinely saved investors money on paper, and that is a real achievement worth keeping. But a lower expense ratio does very little for an investor who exits at the worst possible moment with no one available to talk them out of it. Cheaper is not always the same as better, at least not for every investor, and certainly not for the ones who need coaching more than they need a lower fee.

I am aware of how that sounds, coming from someone who runs an asset management company. It is still true. It seemed worth saying plainly rather than dancing around it.

None of this is an argument against low costs, or against technology. Both matter enormously, and neither should be rolled back. Technology has transformed investing, and will keep transforming it. Artificial intelligence will make advice faster to deliver and portfolios sharper to construct. None of this should be resisted, and much of it should be welcomed. But there remains a great deal that technology cannot yet do on its own. It cannot fully manufacture empathy, or understand the particular shape of a family's aspirations, or talk a frightened investor through a specific bad evening when a portfolio statement looks alarming. An algorithm can answer a question with precision. It cannot always answer a fear with patience. The choice ahead, then, is not artificial intelligence in place of human judgement. It is artificial intelligence in service of human judgement, technology that makes an advisor faster, more informed and more available, never redundant. Technology democratises access. Trust democratises participation. India has invested enormously in the first. It is time to invest just as seriously in the second.

Technology democratises access. Trust democratises participation.

Perhaps it is time to reconsider the language the industry uses for itself. The term Mutual Fund Distributor describes an activity. It does not describe a purpose. The best professionals in this industry today are no longer, in any meaningful sense, distributors of product. They have become financial educators, behavioural coaches, goal planners, risk managers, and in the truest sense of the phrase, family wealth partners across generations. This is not a change in title so much as a change in the nature of the relationship, from a single transaction to a decades long partnership that survives market cycles, career changes, marriages, inheritances and retirements. It may be more honest, and more useful to the public conversation, to simply call them what they have become. **Wealth builders.**

India's aspiration to become a developed economy will require enormous domestic capital, and that capital can only come from household savings that are currently, in large part, sitting outside the financial system, in land, buildings and gold. Every family that shifts even a modest portion of its savings from an unproductive asset into a long horizon financial one performs a small act of **capital formation**. Repeated across tens of millions of households, that quiet shift is what eventually funds the factories, the highways and the enterprises a growing nation will need financed from within. Financial inclusion, seen this way, is not merely a matter of opening more accounts. It is a matter of building confidence at scale, and confidence has always been built through relationships rather than registrations.

One of India's largest untapped opportunities lies in expanding the ranks of women wealth builders. Across Indian households, women increasingly influence, and often lead, decisions about education, healthcare, security and retirement, the very goals that long term investing is meant to serve. A woman advising other women, in a language and idiom that feels familiar, addressing questions about security and independence with lived understanding rather than a script, is likely to unlock participation that no advertising campaign could achieve on its own. This is already beginning to take a tangible shape. Community programmes such as **MF Didi** work through women's self help groups in smaller towns, identifying capable and often well educated women who have simply never had a formal route into paid work, and walking them through certification until they are equipped to serve their own neighbourhoods as trusted distributors. The insight behind such efforts is a modest but important one. India does not need to invent a new channel of trust to reach these households. It only needs to recognise a channel that already exists, the women's self help group, and give it a financial vocabulary. This is not a matter of representation for its own sake. It is one of the most direct and underused levers available for deepening financial inclusion in precisely the households that need it most.

Building this human infrastructure at the scale India needs, hundreds of thousands of well trained, well governed and well respected wealth builders reaching every district of the country, deserves to be treated as seriously as any highway, port or digital payment rail. It calls for education that goes well beyond a single certification exam, for continuing professional development in behavioural finance, tax and estate planning, for ethics treated with the same seriousness as examinations, and for financial literacy programmes aimed at citizens themselves, since even the most skilled advisor cannot build conviction with an investor who has never been taught why patience compounds and panic erodes. It calls, too, for recognising distribution as entrepreneurship in its own right. A wealth builder in a district town who serves a few hundred families over twenty years is not merely moving product. That person is building a small enterprise that creates local employment and keeps household savings working within the formal economy, one relationship at a time. Initiatives now emerging under names as unassuming as **MF Dost** carry this idea to its logical conclusion, taking capable but underemployed young Indians and handholding them through certification into an independent practice of their own, built on the simple premise that a good advisor should first be a trusted friend.

The name itself makes the argument better than any policy paper could. Before India needs another product, it needs more people willing to be, quite literally, a friend to the investor.

India has already demonstrated that it can build world class financial infrastructure. The task now is ensuring that every Indian family has the confidence to actually use it. History is unlikely to remember this era chiefly for the number of mutual funds launched, or the sophistication of the technology built around them, or the size of assets under management. It will remember whether India found a way to turn millions of ordinary families into long term wealth creators, and whether it recognised, early enough, that the didis and dosto building that trust one household at a time were not merely distributors but nation builders in the truest sense. That future will not be built by products alone. It will be built by people. **India's greatest wealth creation engine will never be a mutual fund. It will always be the trusted wealth builder who helps a family believe in its own future, one conversation, one plan and one decade at a time.**

The views expressed here are personal.