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Systematic investment plans and changing investment behaviour of Indian investors: A secondary-data study

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Abstract
The Indian mutual fund industry experienced substantial growth during the period following the COVID-19 pandemic, and Systematic Investment Plans (SIPs) became an increasingly prominent route for retail participation. This article examines SIP growth and changing investment behaviour among Indian investors using published secondary data for the period around 2020–2025. The study considers SIP contributions, SIP accounts, assets under management, digital access, financial awareness, changing preferences for market-linked investments, and challenges affecting continuation.
Information was drawn from the Association of Mutual Funds in India, the Securities and Exchange Board of India, and selected academic and industry publications. The reviewed data showed a marked increase in annual SIP contributions, account numbers and SIP assets under management. The source report recorded annual SIP contributions of approximately ₹2.89 lakh crore for financial year 2024–2025 and reported that mutual fund industry assets had reached a substantial level by March 2025. The evidence also indicated that mobile investment platforms, simplified onboarding and recurring payment facilities had made participation more convenient. However, the aggregate data did not establish that these factors directly caused the growth. Financial literacy gaps, unsuitable product selection, geographic concentration and discontinuation remained relevant concerns. The article concludes that sustainable growth in systematic investing requires clear risk communication, goal-based planning, investor education and better understanding of why investors continue or stop contributions.

Keywords: Systematic investment plan, investor behaviour, mutual funds, financial literacy digital investment, India

Introduction
Investment behaviour in India has gradually broadened beyond conventional savings such as bank deposits, gold and real estate. Mutual funds and other market-linked products have become more visible within household financial planning, although traditional assets continue to play an important role [8, 14]. A Systematic Investment Plan (SIP) allows an investor to contribute a fixed amount to a mutual fund at regular intervals. The approach can encourage a consistent investment habit and reduce the pressure to identify a single ideal time to enter the market. It does not guarantee returns or remove the risk of the underlying scheme [7, 11].
The period after the COVID-19 shock coincided with increased attention to financial resilience, wider use of digital financial services and greater public discussion of investment. The source report, drawing on Association of Mutual Funds in India publications, reported annual SIP contributions of ₹2.89 lakh crore in financial year 2024–2025 and mutual fund industry assets under management of ₹65.74 lakh crore at the end of March 2025 [20]. These developments make it useful to examine not only the scale of SIP growth but also the behavioural and institutional factors associated with it.
The article therefore analyses published SIP trends and discusses how digital access, financial awareness, investment goals and market experience may relate to investor participation. It also considers the limitations of aggregate industry data and the need for investor-level research.

Materials and Methods Research design
A descriptive and analytical research design was used. The descriptive component summarised reported trends in SIP inflows, SIP accounts and SIP assets under management. The analytical component interpreted these patterns alongside published discussions of investor behaviour, digital access and financial literacy.

Nature and sources of data
The study relied entirely on secondary data; no primary survey or personal interview was conducted. Sources identified in the underlying research report included the Association of Mutual Funds in India (AMFI), the Securities and Exchange Board of India (SEBI), selected academic publications and industry reports. Numerical series reproduced in the tables were taken from the supplied research report. Where that report contained different values

for the same indicator in different tables, the figures are presented as reported and are not silently reconciled.

Study period and analysis

The broad study period covered the post-pandemic expansion of SIP participation, with annual series reported from financial year 2021–2022 through 2025–2026. The final financial-year values are marked as reported in the source and may represent provisional or incomplete-period figures; they should not be interpreted as audited full-year outcomes without verification. Trend comparison and descriptive interpretation were used. No causal statistical model was estimated.

Analytical limitations

Because the study used aggregated published information, it could not directly measure individual investors' motivations, risk tolerance, income constraints or reasons for discontinuation. Reported impact ratings for factors such as financial awareness and digital platforms were treated as descriptive classifications rather than proof of causation.

Results

The supplied report showed an upward trend in annual SIP inflows, SIP account numbers and SIP assets under management across the reported financial years. The annual inflow series increased from

₹1,24,566 crore in 2021–2022 to ₹3,49,589 crore in 2025–2026 as reported in one of the source tables. The account series rose from 4.80 crore to 11.60 crore, while SIP assets under management increased from ₹5,26,372 crore to ₹15,20,000 crore.

A second comparative table in the source report gave different annual inflow figures for some years. For example, it recorded ₹2,63,426 crore for 2024–2025 and ₹2,89,352 crore for 2025–2026. These differences indicate that the source tables may use different reporting bases or contain inconsistencies. The reported figures therefore support a broad upward trend, but precise year-to-year comparisons require checking against the original AMFI releases.

Selected monthly observations also increased over the period. March SIP contributions were reported as ₹12,328 crore in 2021–2022 and ₹32,087 crore in 2025–2026. The source report classified financial awareness, digital platforms, long-term wealth creation and market performance as high-impact factors, while tax benefits were classified as moderate. These ratings were descriptive and were not derived from a reported causal test.

The source report also described the growing role of online KYC, mobile applications and automated payments in making SIP participation more convenient. It identified SIP discontinuation, financial-literacy gaps, geographic concentration and suitability concerns as continuing challenges.

The reported expansion of SIP inflows, accounts and assets suggests that systematic investing has become an important channel for retail participation in Indian mutual funds. Periodic contributions can connect investment with monthly household cash flow and reduce reliance on large one-time decisions. The rise in SIP participation is consistent with published discussions of the growing role of mutual funds in household financial portfolios [7, 20].

Digital onboarding, mobile applications and recurring payment facilities may reduce administrative barriers, particularly for younger and first-time investors. Convenience alone, however, does not ensure good investment decisions. Frequent portfolio checking, return chasing and unverified online recommendations can encourage short-term reactions. Digital access should therefore be supported by understandable disclosures and education about the risks of the selected scheme [15, 16].

SIP is an investment method rather than an asset class. The level of risk depends on the underlying mutual-fund scheme and its investments. Investors should consider their financial goals, time horizon, income stability, emergency reserves and ability to tolerate losses before selecting a scheme. A fixed monthly contribution may encourage discipline, but it cannot guarantee a profit or protect an investor from market declines.

The source report also noted that SIP discontinuation requires careful interpretation. An investor may stop contributions because of job loss, an emergency, a change in goals or dissatisfaction with short-term performance. Consequently, discontinuation counts alone do not establish that an investor has failed. More detailed primary research would be needed to distinguish temporary financial pressure from unsuitable product selection or behavioural reactions.

For Gujarat and other smaller-city markets, regional-language investor education and assisted digital services may help broaden access. Such efforts should focus on risk, diversification, fraud awareness and goal-based planning rather than promoting particular products. Future research could compare adoption and continuation across age, gender, income, occupation and location.

Table 1: Year-wise SIP inflows reported in the supplied research document

Financial year	SIP inflows (₹ crore)
2021–2022	1,24,566
2022–2023	1,55,972
2023–2024	1,99,219
2024–2025	2,89,356
2025–2026*	3,49,589

Source: supplied research report, Table 1. *The source report does not establish whether this is a complete-year or provisional figure. Other tables in the same report contain different values for some years.

Table 2: SIP account growth reported in the supplied research document

Financial year	SIP accounts (crore)
2021–2022	4.80
2022–2023	6.36
2023–2024	8.75
2024–2025	10.38
2025–2026*	11.60

Source: supplied research report, Table 2. *Status of the financial-year figure should be verified against the original publication.

Table 3: SIP assets under management reported in the supplied research document

Financial year	SIP AUM (₹ crore)
2021–2022	5,26,372
2022–2023	6,83,189
2023–2024	10,71,275
2024–2025	13,35,188
2025–2026*	15,20,000

Source: supplied research report, Table 3. AUM means assets under management. *Status of the financial-year figure should be verified.

Table 4: Selected monthly SIP contribution observations

Financial year	April	June	September	December	March
2021–2022	8,376	9,156	10,351	11,305	12,328
2022–2023	11,863	12,276	12,976	13,573	14,276
2023–2024	13,728	14,734	16,042	17,610	19,271
2024–2025	20,371	21,262	24,509	26,459	25,926
2025–2026*	26,632	27,269	29,102	30,124	32,087

Source: supplied research report, monthly SIP tables. Values are in ₹ crore. These observations are reproduced as provided and should be checked against original monthly releases before publication.

Table 5: Factors influencing SIP investments as classified in the source report

Factor	Reported impact	Factor	Reported impact
Financial awareness	High	Financial awareness	High
Digital platforms	High	Digital platforms	High
Long-term wealth creation	High	Long-term wealth creation	High
Tax benefits	Moderate	Tax benefits	Moderate
Market performance	High	Market performance	High

Source: supplied research report, Table 5. The impact labels are descriptive ratings from the source document and should not be interpreted as statistically established causal effects.

Conclusion

This secondary-data study found that SIP inflows, account numbers and SIP assets under management increased substantially across the financial-year series reported in the supplied research document.

Digital convenience, financial awareness and long-term wealth-creation goals were identified as relevant factors associated with adoption, while suitability concerns, financial-literacy gaps and discontinuation remained important challenges. Since the evidence was aggregate and descriptive, it did not establish causal relationships between these factors and SIP growth. Sustainable development of systematic investing will require transparent risk communication, goal-based financial planning, stronger investor education and more detailed research into investor decisions and discontinuation.

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