

The Trends in Mutual Fund Industry in India: An Analysis

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ABSTRACT

The history of mutual funds dates support to 19th century when it was introduced in Europe, in particular, Great Britain. Robert Fleming set up in 1868 the first investment trust called Foreign and colonial investment trust which promised to manage the finances of the moneyed classes of Scotland by scattering the investment over a number of different stocks. This investment trust and other investment trusts which were afterward set up in Britain and the U.S., resembled today's close - ended mutual funds. The Indian Mutual Fund has passed through three phases. The first phase was between 1964 and 1987 and the only player was the Unit Trust of India, which had a total asset of Rs. 6,700 crores at the end of 1988. The second phase is between 1987 and 1993 during which period 8 Funds were established (6 by banks and one each by LIC and GIC). The total assets under management had grown to 61,028 crores at the end of 1994 and the number of schemes was 167. The third phase began with the entry of private and foreign sectors in the Mutual Fund industry in 1993. This paper aims to study the recent trends in mutual fund industry in India. It is observed that mutual funds have become an important part of investment matrix.

INTRODUCTION

Industrialization reflects nations self sufficiency's which is herculean task and requires judicious approach to justify factors involve. It can be possible by adopting balance economy structure which largely depends upon sound financial health of the nation and its economy. Liberalization multiplied global competition which translated into growth and resulted high earning and saving. To cater the universal economic and political competition, government has to play parental role in money supply which is possible through sound earning and social saving of the investor and their risk taking psychology. Generally decisions about investment are quiet crucial for an investors as they are influenced by many factors and have considerations like company goodwill, government policies, economics of sales and the trend in a particular sector, economic and social environment, risk and return, level of earning of the individual, his educational background, marital status and demographic variables etc. Traditional finance and economic theory is based on the notion of "rational man" which is based on the assumption that individuals are smart enough to understand complicated puzzles and conduct endless instantaneous optimizations and classical economic literature consider human beings as rational entities with having incredible ability of making right decisions in the situation of complete transparency. Herbert Simon, on the other hand emphasizes that in decision making human beings are suffocated rational not absolute rational.

Trends in Mutual Fund Industry

The mutual fund industry maintained its growth momentum during 2018-19 as well. The industry saw gross resources mobilisation to the tune of ₹ 243.9 lakh crore during 2018-19 compared to ₹ 210.0 lakh crore during 2017-18. The AUM of mutual fund industry grew by 11.4 per cent to ₹ 23.8 lakh crore at the end of March 2019 from ₹ 21.4 lakh crore at the end of March 2018. The net resources mobilised by all mutual funds in India were ₹ 1.1 lakh crore during 2018-19.

Private sector mutual funds continued to retain their dominance in the mutual fund industry in 2018-19 as well, with a share of 80.6 per cent in gross resource mobilisation and 56.1 per cent in net resource mobilisation. The gross resource mobilisation by the private sector mutual funds rose by 13.1 per cent to ₹ 196.5 lakh crore in 2018-19, while that by public sector mutual funds rose by 31.1 per cent to ₹ 47.4 lakh crore in 2018-19 as compared to the last year. The share of public sector mutual funds in gross resource mobilisation increased to 19.4 per cent during 2018-19 from 17.2 per cent in the previous year. Similarly, the share of public sector mutual funds in net resource mobilisation increased to 43.9 per cent in 2018-19 from 15.9 per cent in the previous year. The net resource mobilisation by private sector mutual funds decreased by 73.1 per cent to ₹ 0.62 lakh crore in 2018-19 from ₹ 2.3 lakh crore in 2017-18, while that by public sector mutual funds increased by 11.2 per cent from ₹ 0.43 lakh crore to ₹ 0.48 lakh crore during the same period

The open ended schemes of private sector mutual funds witnessed a net inflow of 0.6 lakh crore in 2018-19 compared to 2.3 lakh crore in the previous year and open ended scheme of public sector mutual funds saw a net inflow of 0.43 lakh crore in 2018-19 compared to 0.37 lakh crore during previous year. In the close-ended schemes, both private sector and public sector mutual funds were recorded net inflows during 2018-19.

REVIEW OF LITERATURE

Ravi Vyas (2012) in their paper made an attempt to examine on the number of factors that highlights investors' perception about mutual funds. It was found that mutual funds were not that much known to investors, still investor rely upon bank and post office deposits, most of the investor used to invest in mutual fund for not more than 3 years and they used to quit from the fund which were not giving desired results. Equity option and systematic investment plan (SIP) mode of investment were on top priority in investors' list. It was also found that maximum number of investors did not analyse risk in their investment and they were depend upon their broker and agent for this work.

Shalini Goyal and Daulay Bansal (2013) in their study focus on the entire journey of mutual fund industry in India. Its origin, its fall and rise throughout all these years and tried to predict what the future may hold for the Mutual Fund Investors in the long run. A mutual fund, also called an investment company, is an investment vehicle which pools the money of many investors. The fund's manager uses the money collected to purchase securities such as stocks and bonds. The securities purchased are referred to as the fund's portfolio. Restrictions on competing products may have acted as a catalyst for the development of money market and (short-term) bond funds. This study was conducted to analyze and compare the performance of different types of mutual funds in India and concluded that equity funds outperform income funds. This study further concludes that equity fund managers possess significant market timing ability and institutions funds managers are able to time their investments, but brokers operated funds did not show market timing ability. Further, it has been found empirically that fund managers are able to time their investments with the conditions in the market, and possesses significant timing ability.

Nilesh and Dipsh Dhanda (2015) describe the growth of mutual funds in India in terms of number of schemes and the net assets under management of mutual fund managers. The number of mutual fund schemes and the net assets under management of Indian mutual fund managers has increased during the study period. The growth of private sector mutual funds is restively high as compared to UTI and public sector mutual fund managers.

Poonam Gautam Sharma ((2016) in their study presents the attributes of mutual fund industry in India, its development since inception with UTI, entry of public sector, private sector and foreign enterprise, various schemes offered by companies especially started to meet small investor's needs. The author also explains the growth aspects of the mutual fund industry along with some guidelines that would result in safe investment and reasonable return. The study is to reveal the mutual fund industry from its inception to current position. The data used for the study is secondary in nature. To analyze the data various statistical tools like average, percentage and CAGR were used.

Shivangi Agarwal, Nawazish Mirza,m (2017) in their paper addresses the multiple research issues. These include measuring the performance of selected mutual schemes on the basis of risk and return and compare the performance of these selected schemes with benchmark index to see whether the scheme is outperforming or underperforming the benchmark. They also rank funds on the basis of performance and suggest strategies to invest in a mutual fund and therefore, our findings have significant relevance for investing public.

Uppily R. and K S Meenakshisundaram (2018) in their research work analysed their financial literacy level with respect to various debt mutual funds schemes. The study indicates that there is a significant relationship between age and awareness about gilt short term mutual fund, there is a significant relationship between age and awareness about hybrid debt oriented mutual fund. The study further indicates that there is significant difference between purpose of investment in debt mutual funds and source to know about mutual fund.

Udhayasankar R. and K. Maran (2018) in their research paper makes an attempt to identify various factors affecting perception of investors regarding investment in mutual funds. The study reveals that the investors feel that, the company should analysis perfectly before going to invest the specific fund schemes. The organization tries its level best to satisfy their customers by providing prompt services. The investors today are more sophisticated more selective and more demanding than ever before. Hence understanding the customer requirements can help the organization to survive and sustains and through in the long run.

Vasavi P and CH. Hema Venkata Siva Sree (2020) considers that the Mutual Fund industry is having its hands full to cater to various needs of the investors by coming up with new plans, schemes and options with respect to rate of returns, dividend frequency and liquidity. In view of the growing competition in the Mutual Funds industry, it was felt necessary to study the investor's orientation towards Mutual Funds i.e. their pattern of risk apatite and preferences in various schemes, plans and options in order to provide a better service.

Objectives of the Study

1. To trace the history and growth of mutual fund industry at global and national level.
2. To assess the progress of resource mobilization by the public and private sector mutual fund industries.

METHODOLOGY

The present study is descriptive in nature. The research method applied for the study is survey method.

Public and Private Sector Mutual funds

As on March 31, 2019, there are 45 mutual funds registered with SEBI, of which 37 are from private sector and eight (including UTI) are from public sector. To protect investor interests and to promote a fair and orderly securities market, SEBI ensures the integrity of the markets by detecting market frauds on a proactive basis, investigating abusive, manipulative or illegal dealings in the securities market and taking punitive action to punish the wrong-doers, while simultaneously reviewing policies and procedures to minimize the risk of recurrence of such practices.

The entry of private sector funds in Indian mutual fund industry Indian investors are give a wider choice of fund families. This was the year in which the first Mutual Fund Regulations came into being, under which all mutual funds, except UTI were to be registered and governed. The erstwhile Kothari Pioneer (now merged with Franklin Templeton) was the first private sector mutual fund registered in July 1993. The 1993 SEBI (Mutual Fund) Regulations were substituted by a more comprehensive and revised Mutual Fund Regulations in 1996. The industry now functions under the SEBI (Mutual Fund) Regulations 1996. The number of mutual fund houses went on increasing, with many foreign mutual funds setting up funds in India and also the industry has witnessed several mergers and acquisitions.

RESULTS AND DISCUSSIONS

Table 1 presents the data with regard to category-wise resource mobilisation by mutual funds in India

Table 1: Category-wise Resource Mobilisation by Mutual Funds: Public/Private Sector

(₹ Crore)

Period	Gross Mobilisation				Redemption*				Net Inflow				Assets at the End of Period
	Private Sector	Public Sector	UTI	Total	Private Sector	Public Sector	UTI	Total	Private Sector	Public Sector	UTI	Total	
2010-11	69,22,924	7,83,858	11,52,733	88,59,515	69,42,140	8,00,494	11,66,288	89,08,921	-19,215	-16,636	-13,555	-49,406	5,92,250
2011-12	56,83,744	5,22,453	6,13,482	68,19,679	56,99,189	5,25,637	6,16,877	68,41,702	-15,446	-3,184	-3,394	-22,024	5,87,217
2012-13	59,87,889	6,33,350	6,46,646	72,67,885	59,19,979	6,28,720	6,42,647	71,91,346	67,911	4,629	3,999	76,539	7,01,443
2013-14	80,49,397	8,02,352	9,16,351	97,68,101	80,00,559	8,01,951	9,11,808	97,14,318	48,838	401	4,543	53,783	8,25,240
2014-15	91,43,962	19,42,297	NA	1,10,86,260	90,40,262	19,42,710	NA	1,09,82,972	1,03,700	-412	NA	1,03,288	10,82,757
2015-16	1,11,26,277	26,39,279	NA	1,37,65,555	1,10,34,883	25,96,492	NA	1,36,31,375	91,394	42,787	NA	1,34,181	12,32,824
2016-17	1,42,47,937	33,67,612	NA	1,76,15,549	1,39,68,549	33,03,951	NA	1,72,72,500	2,79,388	63,661	NA	3,43,049	17,54,619
2017-18	1,73,82,189	36,16,463	NA	2,09,98,652	1,71,53,718	35,73,137	NA	2,07,26,855	2,28,471	43,326	NA	2,71,797	21,36,036
2018-19	1,96,52,989	47,41,374	NA	2,43,94,362	1,95,91,483	46,93,178	NA	2,42,84,661	61,505	48,196	NA	1,09,701	23,79,663
Apr 18-Dec 18	1,44,69,181	34,44,490	NA	1,79,13,671	1,44,32,854	33,94,115	NA	1,78,26,969	36,327	50,376	NA	86,702	22,85,912
Apr 19-Dec 19	1,25,16,197	29,51,162	NA	1,54,67,359	1,24,06,687	28,84,797	NA	1,52,85,484	1,15,510	66,365	NA	1,81,875	2,29,40,962

Notes:

1. * Includes repurchases as well as redemption

2. Erstwhile UTI has been divided into UTI Mutual Fund (registered with SEBI) and the Specified Undertaking of UTI (not registered with SEBI). Above data contains information only for UTI Mutual Fund.

3. Since April 2014, the figures for UTI Mutual Fund are being reported with those of public sector MFs.

Source: SEBI.

It is evident from table 1 that the share of private sector in gross mobilization of sources under mutual funds is higher than public sector. The share of gross mobilization of resources by private sector ranges between 83.34 per cent (2011-12) to 78.14 per cent ((2010-11). The share of UTI in gross mobilization resources in 201-11 is 13.01 per cent and its share is lowest (8.90 per cent) in 2012-13. With regard to redemption of mutual funds more or less same trends are noticeable. However the net inflow of funds in case of both public and private sectors is showing negative trends during the first 2 years of study. Further with regard to public sector in 2014-15 also negative trends are visible.

Transactions on Stock Exchanges by Mutual Funds

The trends with regard to transactions on stock exchanges by mutual funds are presented in table 2.

Table 2: Trends in Transactions on Stock Exchanges by Mutual Funds

(₹ crore)

Period	Equity			Debt			Total		
	Gross Purchase	Gross Sales	Net Purchase / Sales	Gross Purchase	Gross Sales	Net Purchase / Sales	Gross Purchase	Gross Sales	Net Purchase / Sales
2010-11	1,54,919	1,74,893	-19,975	7,64,142	5,15,290	2,48,854	9,19,060	6,90,183	2,28,879
2011-12	1,32,137	1,33,494	-1,358	11,16,760	7,81,940	3,34,820	12,48,897	9,15,434	3,33,463
2012-13	1,13,758	1,36,507	-22,749	15,23,393	10,49,934	4,73,460	16,37,150	11,86,440	4,50,711
2013-14	1,12,131	1,33,356	-21,224	15,38,087	9,94,842	5,43,247	16,50,219	11,28,197	5,22,023
2014-15	2,31,409	1,90,687	40,722	17,17,155	11,30,138	5,87,018	19,48,565	13,20,825	6,27,741
2015-16	2,81,334	2,15,191	66,143	14,97,676	11,21,386	3,76,290	17,79,010	13,36,577	4,42,433
2016-17	3,76,874	3,20,316	56,559	16,05,937	12,86,084	3,19,853	19,82,812	16,06,399	3,76,412
2017-18	6,67,009	5,25,240	1,41,769	18,25,231	14,54,515	3,70,716	24,92,240	19,79,755	5,12,485
2018-19	7,08,991	6,21,112	87,879	22,67,416	18,77,490	3,89,925	29,76,407	24,98,603	4,77,804
2019-20*	5,33,652	4,83,353	50,299	16,88,060	13,01,776	3,86,284	22,21,712	17,85,129	4,36,583

* as on December 31 2019 Source: SEBI

It is evident from table 2 that the net equity purchase/ sales of mutual funds in the country are showing negative trends during first four years of study. On the other hand the debt purchase/ sales of mutual funds in the country are showing positive trends during 10 years of study. The total net purchase/ sale of mutual funds in India were gradually increasing during first 5 years of study, there after it is unevenly distributed. The total gross purchase of mutual funds is highest in 2018-19 (₹ 24, 98,603) and touched lowest ebb in 2010-11 (₹. 9, 19,060). It means during 9 years of the gross purchases increased more than 3 times.

Unit Holding Pattern of Mutual Funds

The month-wise data on unit holding pattern of mutual funds is presented in table 3.

Table 3: Month Wise Unit Holding Pattern of Mutual Funds

Month	Total AUM (Rs. Crore)	AUM held by (Rs. Crore)				Percentage of AUM held (per cent)			
		Corporates	HNIs	Retail Investors	Banks	Corporates	HNIs	Retail Investors	Banks
Apr-10	7,98,290	3,89,182	1,19,825	1,58,636	1,30,647	48.8	15.0	19.9	16.4
May-10						49.3	17.1	22.5	11.1

Month	Total AUM (Rs. Crore)	AUM held by (Rs. Crore)				Percentage of AUM held (per cent)			
		Corporates	HNIs	Retail Investors	Banks	Corporates	HNIs	Retail Investors	Banks
	7,07,377	3,48,508	1,20,821	1,59,357	78,690				
Jun-10	6,32,293	3,28,703	1,23,945	1,60,265	19,381	52.0	19.6	25.3	3.1
Jul-10	6,63,864	3,34,715	1,26,575	1,58,522	44,052	50.4	19.1	23.9	6.6
Aug-10	7,07,913	3,31,437	1,29,363	1,60,632	86,481	46.8	18.3	22.7	12.2
Sep-10	6,67,324	3,29,140	1,34,504	1,71,385	32,296	49.3	20.2	25.7	4.8
Oct-10	6,47,519	3,08,909	1,34,968	1,68,256	35,386	47.7	20.8	26.0	5.5
Nov-10	6,62,660	3,18,824	1,36,357	1,61,362	46,117	48.1	20.6	24.4	7.0
Dec-10	6,24,282	2,94,136	1,40,470	1,64,617	25,060	47.1	22.5	26.4	4.0
Jan-11	6,86,361	3,18,854	1,34,883	1,50,360	82,264	46.5	19.7	21.9	12.0
Feb-11	7,03,975	3,23,700	1,36,096	1,45,710	98,468	46.0	19.3	20.7	14.0
Mar-11	5,94,720	2,72,562	1,43,636	1,56,751	21,771	45.8	24.2	26.4	3.7
Apr-11	7,81,791	3,49,588	1,46,576	1,56,054	1,29,573	44.7	18.7	20.0	16.6
May-11	7,29,503	3,38,543	1,49,277	1,53,391	88,291	46.4	20.5	21.0	12.1
Jun-11	6,73,443	3,13,474	1,51,661	1,56,007	52,301	46.5	22.5	23.2	7.8
Jul-11	7,24,009	3,39,516	1,57,476	1,56,179	70,837	46.9	21.8	21.6	9.8
Aug-11	6,96,346	3,35,698	1,54,054	1,45,862	60,732	48.2	22.1	20.9	8.7
Sep-11	6,42,438	3,04,175	1,55,785	1,45,944	36,533	47.3	24.2	22.7	5.7
Oct-11	6,94,916	3,28,825	1,62,074	1,51,886	52,131	47.3	23.3	21.9	7.5
Nov-11	6,83,214	3,35,436	1,61,094	1,41,881	44,803	49.1	23.6	20.8	6.6
Dec-11	6,12,140	3,01,648	1,54,582	1,35,498	20,412	49.3	25.3	22.1	3.3
Jan-12	6,61,236	3,13,912	1,59,706	1,50,308	37,309	47.5	24.2	22.7	5.6
Feb-12	6,74,905	3,18,558	1,66,646	1,55,547	34,153	47.2	24.7	23.0	5.1
Mar-12	5,88,955	2,55,695	1,63,132	1,54,435	15,692	43.4	27.7	26.2	2.7
Apr-12	6,81,633	3,18,719	1,67,403	1,54,443	41,069	46.8	24.6	22.7	6.0
May-12	7,02,267	3,39,982	1,67,797	1,46,603	47,886	48.4	23.9	20.9	6.8
Jun-12	6,90,199	3,40,531	1,72,047	1,53,352	24,269	49.3	24.9	22.2	3.5
Jul-12	7,31,948	3,50,906	1,75,340	1,53,211	52,490	47.9	24.0	20.9	7.2
Aug-12	7,54,891	3,72,619	1,79,533	1,50,592	52,147	49.4	23.8	19.9	6.9
Sep-12	7,27,348	3,45,474	1,84,378	1,62,194	35,302	47.5	25.3	22.3	4.9

Month	Total AUM (Rs. Crore)	AUM held by (Rs. Crore)				Percentage of AUM held (per cent)			
		Corporates	HNIs	Retail Investors	Banks	Corporates	HNIs	Retail Investors	Banks
Oct-12	7,71,701	3,71,240	1,87,613	1,60,634	52,214	48.1	24.3	20.8	6.8
Nov-12	8,03,041	3,91,761	1,95,148	1,66,010	50,122	48.8	24.3	20.7	6.2
Dec-12	7,69,071	3,77,081	1,94,961	1,66,600	30,428	49.0	25.4	21.7	4.0
Jan-13	8,27,213	4,05,585	2,00,351	1,66,066	55,210	49.0	24.2	20.1	6.7
Feb-13	8,16,724	4,11,386	1,97,886	1,55,686	51,766	50.4	24.2	19.1	6.3
Mar-13	7,05,148	3,35,296	1,98,891	1,54,461	16,501	47.5	28.2	21.9	2.3
Apr-13	8,25,815	4,13,673	2,18,086	1,41,411	52,645	50.1	26.4	17.1	6.4
May-13	8,68,094	4,43,488	2,26,718	1,38,990	58,898	51.1	26.1	16.0	6.8
Jun-13	8,11,403	4,23,307	2,27,671	1,34,836	25,588	52.2	28.1	16.6	3.2
Jul-13	7,73,089	3,99,593	2,23,691	1,31,031	18,774	51.7	28.9	16.9	2.4
Aug-13	7,66,684	3,98,963	2,23,246	1,28,218	16,256	52.0	29.1	16.7	2.1
Sep-13	7,62,549	3,83,696	2,29,130	1,33,844	15,879	50.3	30.0	17.6	2.1
Oct-13	8,48,258	4,23,395	2,36,438	1,41,852	46,573	49.9	27.9	16.7	5.5
Nov-13	8,90,143	4,55,002	2,38,214	1,42,878	54,049	51.1	26.8	16.1	6.1
Dec-13	8,45,387	4,36,467	2,38,197	1,45,700	25,023	51.6	28.2	17.2	3.0
Jan-14	9,04,965	4,66,979	2,43,986	1,39,104	54,896	51.6	27.0	15.4	6.1
Feb-14	9,17,438	4,74,483	2,46,492	1,42,593	53,871	51.7	26.9	15.5	5.9
Mar-14	8,27,786	4,08,135	2,48,549	1,52,843	18,260	49.3	30.0	18.5	2.2
Apr-14	9,47,252	4,80,880	2,51,873	1,52,871	61,627	50.8	26.6	16.1	6.5
May-14	10,12,787	5,14,634	2,61,354	1,68,912	67,887	50.8	25.8	16.7	6.7
Jun-14	9,85,403	5,08,257	2,73,695	1,81,862	21,589	51.6	27.8	18.5	2.2
Jul-14	10,26,707	5,06,635	2,76,572	1,81,699	61,801	49.3	26.9	17.7	6.0
Aug-14	10,36,604	5,00,909	2,83,327	1,88,015	64,353	48.3	27.3	18.1	6.2
Sep-14	9,96,838	4,82,911	2,88,398	1,92,850	32,679	48.4	28.9	19.3	3.3
Oct-14	11,00,020	5,30,044	3,00,836	2,02,309	66,830	48.2	27.3	18.4	6.1
Nov-14	11,18,311	5,30,198	3,10,258	2,10,410	67,446	47.4	27.7	18.8	6.0
Dec-14	10,75,987	5,18,695	3,17,483	2,12,102	27,708	48.2	29.5	19.7	2.6
Jan-15	11,60,971	5,65,689	3,05,811	2,33,860	55,611	48.7	26.3	20.1	4.8
Feb-15						48.5	27.0	19.4	5.1

Month	Total AUM (Rs. Crore)	AUM held by (Rs. Crore)				Percentage of AUM held (per cent)			
		Corporates	HNIs	Retail Investors	Banks	Corporates	HNIs	Retail Investors	Banks
	11,81,205	5,72,669	3,18,338	2,29,488	60,709				
Mar-15	10,63,588	5,02,564	3,18,489	2,28,392	14,142	47.3	29.9	21.5	1.3
Apr-15	11,64,698	5,53,585	3,20,989	2,25,109	65,016	47.5	27.6	19.3	5.6
May-15	11,95,428	5,60,540	3,30,935	2,32,574	71,377	46.9	27.7	19.5	6.0
Jun-15	11,71,132	5,58,007	3,35,846	2,33,577	43,701	47.6	28.7	19.9	3.7
Jul-15	12,90,611	6,16,754	3,48,187	2,42,359	83,310	47.8	27.0	18.8	6.5
Aug-15	12,61,019	5,84,209	3,54,084	2,45,226	77,500	46.3	28.1	19.4	6.1
Sep-15	11,92,734	5,61,115	3,55,880	2,47,739	29,621	47.0	29.8	20.8	2.5
Oct-15	13,28,988	6,32,744	3,64,174	2,53,841	78,228	47.6	27.4	19.1	5.9
Nov-15	13,00,407	6,02,330	3,71,683	2,57,226	69,168	46.3	28.6	19.8	5.3
Dec-15	12,80,041	6,20,996	3,72,119	2,60,119	26,807	48.5	29.1	20.3	2.1
Jan-16	12,79,000	5,98,330	3,66,522	2,50,714	63,434	46.8	28.7	19.6	5.0
Feb-16	12,68,111	6,07,211	3,55,679	2,37,099	68,124	47.9	28.0	18.7	5.4
Mar-16	12,38,115	5,88,160	3,72,464	2,61,137	16,354	47.5	30.1	21.1	1.3
Apr-16	14,27,335	6,86,124	3,85,758	2,69,837	82,497	48.1	27.0	18.9	5.8
May-16	13,86,876	6,32,030	3,96,359	2,79,195	78,537	45.6	28.6	20.1	5.7
Jun-16	13,86,131	6,43,573	4,08,234	2,90,123	44,201	46.4	29.5	20.9	3.2
Jul-16	15,23,558	6,97,920	4,23,294	3,04,960	97,384	45.8	27.8	20.0	6.4
Aug-16	15,68,680	7,37,335	4,30,247	3,14,226	86,872	47.0	27.4	20.0	5.5
Sep-16	15,85,581	7,93,205	4,35,961	3,18,017	38,397	50.0	27.5	20.1	2.4
Oct-16	16,34,439	7,53,193	4,48,073	3,27,056	1,04,649	46.1	27.4	20.0	6.4
Nov-16	16,55,324	7,87,519	4,49,102	3,21,559	97,144	47.6	27.1	19.4	5.9
Dec-16	16,51,522	8,38,569	4,51,894	3,22,185	38,875	50.8	27.4	19.5	2.4
Jan-17	17,42,394	8,22,064	4,71,689	3,41,090	1,07,550	47.2	27.1	19.6	6.2
Feb-17	17,94,409	8,39,385	4,88,632	3,58,447	1,07,946	46.8	27.2	20.0	6.0
Mar-17	17,59,898	8,59,316	5,01,545	3,75,190	23,847	48.8	28.5	21.3	1.4
Apr-17	19,31,598	9,27,079	5,20,053	3,91,327	93,140	48.0	26.9	20.3	4.8
May-17	19,09,188	8,71,029	5,39,415	4,01,443	97,302	45.6	28.3	21.0	5.1
Jun-17	19,01,446	9,04,131	5,49,834	4,09,643	37,838	47.5	28.9	21.5	2.0

Month	Total AUM (Rs. Crore)	AUM held by (Rs. Crore)				Percentage of AUM held (per cent)			
		Corporates	HNIs	Retail Investors	Banks	Corporates	HNIs	Retail Investors	Banks
Jul-17	20,02,152	8,89,918	5,78,436	4,33,963	99,835	44.4	28.9	21.7	5.0
Aug-17	20,64,622	9,23,873	5,85,990	4,36,526	1,07,584	44.7	28.4	21.1	5.2
Sep-17	20,45,668	9,58,142	5,98,145	4,46,289	43,091	46.8	29.2	21.8	2.1
Oct-17	21,46,734	9,37,135	6,24,649	4,75,374	1,09,576	43.7	29.1	22.1	5.1
Nov-17	22,84,327	10,33,233	6,39,260	4,91,381	1,20,454	45.2	28.0	21.5	5.3
Dec-17	21,31,897	9,32,631	6,58,028	5,14,003	27,235	43.7	30.9	24.1	1.3
Jan-18	22,46,475	9,88,464	6,72,249	5,23,511	62,066	44.0	29.9	23.3	2.8
Feb-18	22,24,624	9,67,508	6,70,592	5,16,908	69,615	43.5	30.1	23.2	3.1
Mar-18	21,40,246	9,43,335	6,65,417	5,10,303	21,191	44.1	31.1	23.8	1.0
Apr-18	23,29,721	10,09,996	6,93,546	5,42,522	83,657	43.4	29.8	23.3	3.6
May-18	22,63,743	9,57,948	6,93,330	5,38,752	73,713	42.3	30.6	23.8	3.3
Jun-18	22,90,489	10,17,372	6,91,456	5,36,131	45,531	44.4	30.2	23.4	2.0
Jul-18	23,09,559	9,47,146	7,14,527	5,60,853	87,034	41.0	30.9	24.3	3.8
Aug-18	25,24,493	10,85,798	7,45,059	5,86,212	1,07,424	43.0	29.5	23.2	4.3
Sep-18	22,08,379	9,05,183	7,26,601	5,39,917	36,678	41.0	32.9	24.4	1.7
Oct-18	22,27,476	9,10,600	7,13,708	5,42,812	60,356	40.9	32.0	24.4	2.7
Nov-18	24,07,021	10,37,226	7,29,730	5,62,643	77,423	43.1	30.3	23.4	3.2
Dec-18	22,89,842	9,34,876	7,34,062	5,75,686	45,219	40.8	32.1	25.1	2.0
Jan-19	23,41,091	9,54,983	7,33,370	5,71,121	81,617	40.8	31.3	24.4	3.5
Feb-19	23,20,430	9,45,708	7,38,063	5,74,409	62,250	40.8	31.8	24.8	2.7
Mar-19	23,83,848	9,71,098	7,65,209	6,19,848	27,692	40.7	32.1	26.0	1.2
Apr-19	24,83,498	10,26,332	7,68,675	6,18,169	70,322	41.3	31.0	24.9	2.8
May-19	25,98,824	10,97,866	7,79,197	6,37,583	84,178	42.2	30.0	24.5	3.2
Jun-19	24,30,808	9,78,238	7,79,035	6,30,948	42,587	40.2	32.0	26.0	1.8
Jul-19	24,60,056	10,10,736	7,63,976	6,05,615	79,730	41.1	31.1	24.6	3.2
Aug-19	25,54,899	10,88,055	8,57,208	5,11,075	98,561	42.6	33.6	20.0	3.9
Sep-19	24,58,783	9,96,324	8,83,361	5,35,641	43,457	40.5	35.9	21.8	1.8
Oct-19	26,41,655	10,97,478	8,99,851	5,56,061	88,265	41.5	34.1	21.0	3.3
Nov-19						42.5	33.8	20.3	3.4

Month	Total AUM (Rs. Crore)	AUM held by (Rs. Crore)				Percentage of AUM held (per cent)			
		Corporates	HNIs	Retail Investors	Banks	Corporates	HNIs	Retail Investors	Banks
	27,14,329	11,53,815	9,18,685	5,50,285	91,583				
Dec-19	26,64,684	11,45,588	9,23,174	5,55,601	40,320	43.0	34.6	20.9	1.5

Source: SEBI

The total assets managed under mutual funds are highest in the Month of November 2019 (₹. 27, 14, 329 crores). With regard to corporates also the highest value of assets is registered in the same month and year. In case of High Net Worth Individuals (HNIs) the highest asset value is registered in December 2019. With regard to retail investors highest AUM (Assets under Management) is registered in May 2019 (₹. 6, 37,583). With regard AUM under Banks the highest amount is registered in April 2019 (₹.1, 30,647 crores). The percentage share of AUM held by corporates varies between 40.2 per cent (June 2019) to 52.2 per cent (June 2013). The percentage share of AUM held by HNIs varies between 15 per cent (April 2010) to 35.9 per cent (September 2019). The percentage share of AUM held by retail ranges between 15.4 per cent (January 2014) to 26.4 per cent (December 2010). The percentage share of AUM held by Banks varies between 1 per cent (March 2018) to 16.6 per cent (April 2011). The Indian mutual fund industry is one of the fastest growing segments of the financial sector. Buoyed by robust capital inflows and strong participation of retail investors, the asset base of the mutual fund industry stood at ₹.26,64,684 crore as on December 31, 2019.

CONCLUSION

The modern mutual fund was first introduced in Belgium in 1822. This form of investment soon spread to Great Britain and France. Mutual funds became popular in the United States in the 1920s and continue to be popular since the 1930s, especially open-end mutual funds. Mutual funds experienced a period of tremendous growth after World War II, especially in the 1980s and 1990s. To promote direct investment by the investors in existing and new schemes, the SEBI directed mutual funds / asset management companies (AMC) to provide a separate plan for direct investments with a lower expense ratio. Furthermore, no commission or brokerage can be paid from such plans. Mutual funds need to be positioned appropriately as a long term product in the investor's mind. Distributors hence need to be incentivised adequately in order to sell the product correctly to investors.

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