"GROWTH OF MUTUAL FUND INDUSTRY IN INDIA : AN EMERGING ISSUE IN CAPITAL MARKET "

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Abstract
The landscape of the Indian Capital Market in India is continuously changing, evolving the regulatory changes being undertaken, which is the leading market participant like the asset management companies (AMCs) and IFA'S to restructure their policies and strategies and follow business models which will help in yielding sustainable results . Some of the other trends which have emerged strongly over the past year are heavy outflows triggered by market volatility and analogies which requires linking of asset management companies with banks, to increase the strength of distribution networks. Mutual funds acts as a vehicle to mobilize money from investors, to invest in different securities and markets, in accordance with the investment objectives agreed upon, between the investors and the mutual fund. According to Association of Mutual Funds in India (AMFI), "A mutual fund is a trust that pools the savings of a number of investors who share common financial goal. Anybody with an investible surplus of as little as a few thousand rupees can invest in mutual funds. This investor buys units of a selected mutual fund scheme that has a predefined investment objective and strategy So mutual funds have now become an important medium for investment for the average investor. So its necessary to understand the mechanism of Mutual Funds in India. The whole Research paper is divided into five sections. In the first part , we have discussed the conceptual framework of mutual fund. In the next section, we have focused on the growth of mutual fund industry in India. In the third section, we have analysed the trends in the mutual fund industry. Then, we have discussed the challenges of mutual fund industry and finally, the way ahead for mutual fund industry in India.

Keywords: Mutual Funds, Trends, Growth, Challenges.

Introduction

Saving is the portion of our income that is not spent. When such savings are invested to generate higher returns, it is called investment. An investment is viewed as a commitment of funds made with the expectation of some return in future known as capital appreciation. Traditional Investment options included Land, livestock and precious metals. In mid of 19th century, revolution in investment took place through the banking channel as it provide many other investment options like Fixed deposits (FDs), government bonds, Public Provident Fund (PPF),Indira vikas patra to its investors. With the growth of capital market, investment in securities became a good option for creation of wealth. However, greater risk and lack of knowledge about the movement of securities prices were also associated with them. Therefore, mutual funds emerged as an ultra modern vehicle of investment. Mutual fund is pooling of investment. **.(Mohamed Zaheeruddin,etal(2013).**

Mutual funds acts as a vehicle to mobilize money from investors, to invest in different securities and markets, in accordance with the investment objectives agreed upon, between the investors and the mutual fund. According to Association of Mutual Funds in India (AMFI), "A mutual fund is a trust that pools the savings of a number of investors who share common financial goal. Anybody with an investible surplus of as little as a few thousand rupees can invest in mutual funds. This investor buys units of a selected mutual fund scheme that has a predefined investment objective and strategy." It is a mechanism for pooling the resources by issuing units to the small and corporate investors and investing funds in different securities in accordance with the defined objectives as disclosed in offer document. Mutual fund is based on the trust who invests the savings of a number of investors who shares a common financial goal, like the capital appreciation and dividend earning. The money thus contributed is then invested in various capital market instruments such as stocks, bonds and other foreign market instruments. Mutual fund is valued daily and reports a price called as a Net Asset Value (NAV) per share. The main aim of the fund manager is to buy stocks that have higher expectation of growth in near future and then the fund manager will sell out the stock and generate returns . A Fund manager takes the decision how to buy or sell the stocks , with the aim of generating higher returns for its investors. That will happen only if the value of the investment selected by the fund manager increases. Generally the most common characteristics of the mutual fund unit are low cost. Each share of the mutual fund represents an investor's proportionate ownership of the funds holdings and the income those holdings may generate. Mutual funds also have certain unique feature that investors need to consider before making the decision to invest.

Mutual fund Companies invest in various diversified securities and risk is minimized as it is spread across a wide cross-section of industries and sectors. Spreading the investment amoount reduces the risk, as all shares may not move in the same direction in the same proportion at the same time. This process of Diversification reduces risk and maximizes return. The mutual funds normally come out with a number of schemes with different investment objectives according to investors needs which are launched from time to time. Mutual fund companies are key contributors to the globalization of financial markets and act as a catalyst for the developing economies and generate capital flows.

The financial reforms in 1991 and cut throat competition in the economic environment and the mutual fund industry has opened new vistas to interested common investors and imparted much needed liquidity to the Indian financial system. Mandatory requirement for a mutual fund is to be registered with Securities and Exchange Board of India (SEBI) which regulates securities markets before it can procure funds from the general public.

Growth of the Mutual Fund Industry In India
An Economy is developed with strong financial Market and with Broad participation of investors. The mutual fund industry in India started its operations in 1963 keeping in mind this broad objective of strong financial market, Unit Trust of India (UTI) was incorporated with the initiative of the Reserve Bank of India (RBI) and the Government of India. The objective then was to attract small investors, catering to their needs and introduce them to capital market investments. Since then the origin and growth of mutual funds in India can be broadly divided into six phases

I Phase (1964-87) : Growth and Emergence of Unit Trust of India.
II Phase (1987-93) : Entry of Mutual Funds in Public Sector.
III Phase (1993-96) : Emergence of mutual Funds in Private sector.
IV Phase (1996-99) : Growth and SEBI Regulation.
V Phase (1999-2004) : Emergence of a Large and Uniform Industry.
VI Phase (From 2004 Onwards) : Consolidation and Growth:

Types of Mutual Funds Schemes
According to SEBI regulations, a mutual fund is free to design its schemes/products to suit the needs of various types of Investors .There are wide variety of mutual fund schemes exist according to their investment style that helps in meeting the needs such as balanced financial position, risk tolerance and return expectations that helps in achieving the financial goal of the investors. These are classified into three broad categories i.e., their Structure or Scheme of Operation, investment objective or portfolio and others.

According to their Structure

1. Open-Ended Schemes
2. Close-Ended Schemes
3. Interval Scheme

According to Investment Objective or Portfolio

1. Growth/Equity/Diversified Schemes
2. Income/Debt Schemes
3. Balanced Schemes
4. Money Market Funds

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Other Schemes

1. Tax Saving Schemes (Equity Linked Saving Scheme-ELSS).
2. Gilt Funds.
3. Index Funds.
4. Sector-Based Classification.
5. Exchange Traded Funds (ETFs).
6. Gold Exchange Traded Funds (GETFs) .
7. Fund of Funds (FOFs).

Schemes According To Their Structure

1. **Open-Ended -** In this scheme investors are free to buy or sell any number of units at any point of time units. Open ended Funds do not have a fixed maturity date. Open ended schemes have perpetual existence and investors are free to buy/sell units at any time at NAV-linked prices.
2. **Closed-Ended -** In India, Close ended scheme has a stipulated maturity period and investors can invest in the scheme when it is launched. The initial launch period is known as the NFO (New Fund Offer) period. Subscription are received only for a fixed or limiting period. Afterwards it is closed. Every closed ended schemes are listed on a stock exchange. At the end of the stipulated period the entire corpus is channelized and the proceeds are distributed to shareholders/investors.
3. **Interval** –Interval Schemes are the combination of open ended and closed ended schemes. They allow investors to sell or redeem units during at pre-defined intervals at NAV-related prices.

According to Investment Objective or Portfolio

1. **Growth/Equity/Diversified Schemes**: **-** Equities are a popular mutual fund category amongst retail investors. In such type of scheme investors can expect capital appreciation in the long run but equities could be a high risky investment in the short term. If investors are at their prime earning stage and their vision is for long-term benefits then growth schemes could be an ideal investment.
2. **Debt/ Income** – Debt funds concentrate their investment in debt securities (government securities, CP's, CD's. The Principal source of their income return is the interest earned on the fixed income securities in the portfolio. Capital appreciation is low in Debt funds. This is a relatively low risk-low return investment avenue which is ideal for investors seeing a steady income.
3. **Balanced -** This scheme allows investors to enjoy capital appreciation and income at regular intervals. Investment is made in both equities and debt securities; the ratio of investment in Debt and equity is pre-stated and disclosed in the scheme related offer document. These are ideal for the risk averse investors.
4. **Money Market/ Liquid** – This scheme is ideal for those investors whose objective is to utilize their savings in short term instruments while awaiting better options. These schemes invest in short-term debt instruments which provides a safest investment option and helps in providing reasonable returns for their investors.

Other Schemes.

1. **Tax Saving/Equity Linked Saving Scheme (ELSS) -** This scheme offers tax benefits to its investors. The funds are invested in equities thereby offering long-term capital appreciation benefits. Tax saving mutual funds known as Equity Linked Savings Schemes has a minimum 3-year lock-in period.
2. **Gilt Schemes/Funds**: Gilt funds invest only in securities issued by the Government known as G-Sec. G-Sec is free of credit risk although exposed to interest rate risk . Income for such funds may be generated through the (i)receipt of coupon payments (ii) amortization of the discount on the instrument(iii) Purchase/sale of securities in the underlying portfolio. These schemes also provide long term growth opportunities..
3. **Index Scheme -** Index schemes is a widely popular concept in the west. This scheme allows the investor to follow a passive investment strategy where investments would replicate the movements of benchmark indices like Sensex, Nifty, etc.

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4. **Sectoral Based Classification** - Sectoral funds are invested in shares of a specific sector like auto, Information technology, pharmaceuticals, banking etc. or segments of the capital market like large caps, mid caps and small caps. These schemes are related to high risk-high return opportunity of the sector where funds are invested.
5. **Exchange Traded Funds**: The ETFs can be bought and sold on the stock exchange (s), at prices that are usually close to the actual intra-day NAV of the scheme. They provide to the investors a fund that closely follows the performance of an index, with the ability to buy or sell on an intra-day basis. The ETFs are highly flexible and can be used as a tool for gaining instant exposure to equity markets, equalizing cash or for arbitraying between the cash and future market.
6. **Gold - Exchange Traded Funds** : In the Gold exchange traded funds scheme, investment is done with the objective to track the domestic prices of Gold . These are passive instruments of investments. They are traded in the stock exchange on real time basis. These are based on Gold prices and invest in Gold bullion. HDFC GOLD ETF,UTI Gold ETF are the prevailing schemes of different fund houses operating in the Mutual Fund industry.
7. **Fund of Fund** : In Fund of Fund Scheme, the Fund Manager will select and invest in those schemes of different funds which are performing well in the market. It gives an advantage of flexibility to the Investor to invest in Equity , Debt and Hybrid Schemes. It helps in diversifying the risk by spreading investments across innumerable assets. The portfolio for a Fund of Fund are the units of other Mutual Funds schemes either from the same AMC or other mutual fund houses.

Conceptual Framework

Regulatory Framework of Mutual Funds in India.

1. Sponsor
2. Trustees
3. Asset Management Company (AMC)
4. Custodian

The trust is established by sponsor(s), who is like the promoter of a company. The trustees of the mutual funds hold its property for the benefit of the unit-holders. The AMC manages the funds by making investments in various types of securities. The custodian holds the securities of various schemes of the fund in the custody. The trustees are vested with the general power of supervision and direction over AMC and they monitor the performance and compliance of the SEBI regulations by the mutualfunds.

Review of Literature

Friend, et al;(1962) carried out the pioneering work on the mutual funds . The study involved 152 mutual funds with an annual data from 1953 to 1958 and found that mutual fund schemes earned an average annual return of 12.4 percent, while their benchmark earned a return of 12.6 percent. Results did not suggest widespread inefficiency in the industry.

Treynor and Mazuy (1966) suggested that improvement in the rate of return was due to the fund manager's ability to identify under priced industries and companies.

Jensen (1968) derived a risk adjusted measure of portfolio performance that estimates how much a manager's ability contributes to a fund's return.

Carlson (1970) examined the performance of mutual funds relative to size, expense-ratio and a new funds factor The results indicated no relationship with size or expense ratio although there was a relationship between performance and a measure of new cash into funds.

Ippolito (1989) conducted a study and found that there was no significant relationship between performance.

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Tripathy, Nalini Prava (1996) identified that the Indian capital market expanded tremendously as a result of economic reforms, globalization and privatization.The study suggested that, mutual funds should build investors' confidence through schemes which helps in meeting the diversified needs of investors, speedy disposal of information, improved transparency in operation, better customer service and assured benefits of professionalism..

Krishnamurthi S (1997) identified mutual funds as an ideal investment vehicle for small and medium investors with limited resources, to reap the benefits of investing in blue chip shares through firm allotment in primary market, avoid dud shares, access to price sensitive information and spread risk along with the benefits of professional fund management.

Sapar & Narayan(2003) examines the performance of Indian mutual funds in a bear market through relative performance index, riskreturn analysis, Treynor's ratio, Sharp's ratio, Sharp's measure, Jensen's measure, and Fama'smeasure with a sample of 269 open ended schemes (out oftotal schemes of 433). Rao D. N (2006) studied t hefinancial performance of selected opeendedequity mutual fundschemes for the period 1st April 2005to 31st March 2006 pertaining to the two dominant invetment styles and tested the hypothesis whether the differences in performanceare statistically significant. The analysis showedthat growth plans have generated higher returns than that of dividend plans but at a higher risk studied classified the 419 openended equity mutual fund schemes into si x dfferent investment styles.

Agrawal Deepak & Patidar Deepak (2009) studied the empirically testing on the basis of fund manager performance and analyzing data at the fundmanager and investor levels. The study revealed that the performance is affected by the saving and investment habits of the people and at the second side the confidence and loyalty of t he fund Manager and rewards affects the performance of the MF industry in India..

Mehta Sushilkumar (2010) analyze the performance of mutual fund schemes of SBI and UTI and found out that SBI schemes have performed better then the UTI in the year 2007-2008.

Selvam et.al (2011) studied the risk and return relationship of Indian mutual fund schemes. The study found out t hat out of thirty five sample schemes, eleven showed significant tvalues and all other twenty four sample schemes did not prove significant relationship between the risk and return.Ramanujam,(2015) opined that the Assets mobilized through mutual funds was increased to 9,05,120 crores in the year 2014. Assets Under Management from all sectors of mutual funds on March 2004 accounted for Rs. 1,39,616 crore. It has decreased to Rs. 4,17,300 crore by March 2009 and again rised year by year and reached to as high as Rs. 9,05,120 crore by the March 2014.

Prasanna K Baral (2016)The resources mobilized by mutual funds in India have recorded a two fold increase during the study period. Sector-wise analysis revealed that the share of private sector mutual funds in the resources mobilized was as high as 82 per cent**.**

Bhanoth(2017)in his paper documents the tendency of mutual fund managers to follow analyst recommendation revisions when they trade stocks, and the impact of these analyst revision-motivated mutual fund herds´ on stock prices. We find evidence that mutual fund herding impacts stock prices to a much greater degree during our sample period (1995 to2006) than during prior-studied periods. Most importantly, we find that mutual fund herds for most prominently following a consensus revision in analyst recommendations. Positive consensus recommendation revisions result, most frequently,in a herd of funds buying a stock.

Research Methodology

Objectives of The Study

The present paper is basically based on secondary data. This paper attempts to analyze the growth of mutual fund industry for the last eight year period i.e. March 2010 to March 2017. Major objectives of this paper are:

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1. To analyse Growth of Asset Under Management.
2. To analyse the Growth of Asset under Management Institution Wise.
3. To examine Sector wise Mutual Fund Sales.
4. To examine the total number of Schemes and Number of folios

Research Design/Methods of Data Collection
The present study is descriptive in nature. The study is based on the secondary data includes books, journals, periodicals, publication of various mutual fund organisations, website of AMFI, website of SEBI, government publications and websites of various mutual fund companies.

Period of the study: The study on performance evaluation of Mutual Funds will cover the period from 2010-2011 to 2017- 18.

Collection of the Data
For the purpose of the study, two sets of data would be collected. One set of data will be collected from secondary sources which include the Chartered Financial Analyst , Capital Market, Outlook, RBI Reports on Currency and Finance, RBI Bulletin , SEBI annual reports, Management Accountant, Portfolio Organizer, Economic and Political Weekly, Finance India etc. The data relating to growth of mutual fund industry and regulatory framework of mutual fund will be collected from www.sebi.gov.in. The required data relating to Net Asset Value (NAV) of various equity mutual fund schemes would be collected on monthly basis (first date of each month) for the study period from the Financial Express, Economic Times, Business Standard and various websites such as www.amfiindia.com, www.mutualfundindia.com.

Limitations And Scope of the Study
1. The study is restricted to eight years starting from 2010 till 2017 .
2. The study confine only to Indian mutual fund industry.
3. Since the study is mostly based on the secondary data,the short comings of the use of secondary data is inevitable.

The study is conducted on various dimension of growth of mutual fund industry include Growth of asset under management, institution wise, sector wise mutual fund sales and redemption, scheme wise resource mobilization, Total Number of Schemes and Total Number of Folios. Moreover, there has been a continuous change in the economic and business environment, leading to the emergence of new opportunities to the new entrants and to those already in field. Investment in mutual fund instruments has shown phenomenal growth during the recent past. The analysis are conducted using the published data available in Association of Mutual Fund India. The scope of the study was to understand the number of schemes under each category, sector wise contribution in mutual fund industry and category wise resource mobilization for different schemes.

Analysis and Interpretation: Analysis of Growth of Mutual Fund Industry In India From 2010 To 2017.

Growth of Asset under Management of Indian Mutual Fund Industry

Table-1

Year	AUM (Rs. Crore)
2010-2011	5,92,250
2011-2012	5,87,217
2012-2013	7,01443
2013-2014	8,25,240
2014-2015	1,08,2757
2015-2016	12,32,824
2016-2017	17,54,619

Source: AMFI Quarterly data

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Above TABLE – 5.1 indicates, in year 2010 assets mobilized through mutual funds was 5,92,250 crores and in the year 2017 assets mobilized was increased to 17,54,619 crores. The Indian mutual fund industry is undergoing a metamorphosis, which inadvertently marks a point of inflection for the market participants. However, even amidst volatile market conditions, average assets under management indicated vibrant growth of more than 800 percent in India.

Growth of Asset Under Management Institution Wise

Table-2

	2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
Public sector								
A.Bank sponsored								
Joint venture-predominantly Indian	44007 (7.17)	49496 (7.06)	51082 (7.68)	67978 (8.32)	76836 (8.48)	88803 (7.47)	120036	170517
Joint venture-predominantly foreign	2077 (0.34)	2585 (0.37)	4191 (0.63)	7303 (0.89)	8106 (0.89)	7172 (.060)	9656	10324
Others	66451 (10.82)	70717 (10.08)	64404 (9.68)	75699 (9.27)	80162 (8.86)	100095 (8.42)	113144	147945
B. Institutions	25105 (4.09)	11915 (1.69)						
Indian					168 (0.02)	331 (.006)	358 (.008)	
Joint Venture-Predominantly Indian			5799 (0.87)	7185 (0.88)	10584 (1.17)	9313 (.078)	13156	21887
C.Private Sector								
Indian	186980 (30.45)	241048 (34.37)	190584 (28.66)	229649 (28.12)	229255 (25.33)	299220 (25.17)	334206	251552
Foreign	45347 (7.39)	54679 (7.79)	57693 (8.67)	57247 (7.01)	58938 (6.51)	86524 (6.42)	81278	118491
Joint Venture-Predominantly Indian	225248 (36.69)	254045 (36.23)	274487 (41.28)	343943 (42.12)	412466 (45.57)	567131 (47.71)	636692	1068592
Joint venture-predominantly foreign	18764 (3.05)	16773 (2.39)	16552 (2.48)	27653 (3.38)	28605 (3.16)	30101 (2.53)	18930	14159
Others							25987	26117
Total	**6,13979**	**7,01258**	**66,4792**	**81,6657**	**9,05120**	**11,88690**	**13,53,443**	**18,29,584**

Source-www.amfi.com

Sector Wise Mutual Fund Sales

Table-3 **(Rsincrores)**

	2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**
A.Bank sponsored								
Joint venture-predominantly Indian	45133 (4.51)	612440 (6.91)	466091 (6.83)	565731 (7.78)	762765 (7.81)	9,08,848	1,264,156	13,94,266 (7.91)
Joint venture-	94606	88903	67881	125626	162362	1,56,437	185,636	2,51,155

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predominantly foreign	(0.94)	(1.00)	(0.99)	(1.73)	(1.66)			(1.42)
Others	881851 (8.80)	853331 (9.63)	645870 (9.47)	774208 (10.65)	955938 (9.79)	10,33450	1,375,124	19,73,346 (11.20)
B. Institutions	987155 (9.85)	470820 (5.31)						
Indian					300 (0.003)			
Joint Venture-Predominantly Indian			34490 (0.51)	35591 (0.49)	78984 (8.81)	79,531	239,244	3,72,909 (2.11)
C.Private Sector								
Indian	186980 (30.45)				229255 (25.33)	32,50,536	3,695,129	27,96,100 (15.87)
Foreign	45,347 (7.39)				58938 (6.51)	2,89,407	221,916	5,46,824
Joint Venture-Predominantly Indian	225248 (36.69)				412466 (45.57)	50,28,911	6,134,482	97,04,586 (56.58)
Joint venture-predominantly foreign	18,764 (3.05)				28605 (3.16)	3,39,140	196,659	1,30,128 (.738)
Others							453,209	4,46,235 (2.533)
Total	10019023	8859515	6819679	7267885	9768401	1,10,86,260	13,765,555	1,76,15,549

Source-www.amfi.com

Table shows reveals trends in the sales of mutual funds of public and private sector from March 2010 to 2017. The analysis reveals that the sales of Mutual Funds of Public sector, private sector-Indian, Joint venture predominantly Indian, institutions sales have increased and the joint venture predominanatly foreign sales have also been increased.

Total mutual fund sales from all schemes during the year March 2010 were Rs. 1,0019023 crore. It has gone up to Rs1,76,15,549 crore by the March 2017.

Out of the total sales bank sponsored (19.01%), institution sponsored(2.11%) and private sector sponsored (86.88%). Sales of joint venture predominantly Indian have increased from 4.51% to 7.91 per cent by the year 2010 to 2017 and the sales of joint venture predominantly foreign have increased from 0.94% to 1.92% . The sales of other mutual funds increased from 8.80% to 11.20% from 2010 to 2017

The sales of institutions were 9.85% in March 2010, which came down to 2.11 per cent in March 2017 merger of the because of merger of GIC Mutual Fund into Tata Mutual Fund.Introduction of innovative schemes and buoyancy of secondary market lead to8.81% in March 2014.

The share of the Indian private sector mutual funds which was 30.47 per cent in March 2004 has been decreased from 15.87 per cent in 2017. The sales of Joint Venture predominantly Indian has increased from 36.69% per cent to56.58 % per cent between the years 2010 and 2017 due to opening of many innovative and investor friendly schemes and the sales of joint venture predominantly foreign shows a decrease of 3.05% in the year 2010 to 0.738% in the year 2017

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Table-4 Total number of schemes in Mutual Funds

Category Month and year	Growth	ELSS	Income	Balanced	Gilt	Liquid/ MM	Investing Overseas	ETF's		Total
March 2010	267	36	182	29	35	56	7	14	15	641
%	41.65	5.62	28.39	4.52	5.46	8.74	1.09	2.18	2.34	100
March 2011	318	36	210	31	37	51	10	18	16	727
%	41.74	4.95	28.89	4.26	5.09	7.02	1.38	2.48	2.20	100
March 2012	299	36	229	29	42	55	14	21	20	745
%	40.13	4.83	30.74	3.89	5.64	7.38	1.88	2.82	2.68	100
March 2013	292	36	237	32	42	55	14	23	21	752
%	38.8	4.78	31.5	4.2	5.5	7.31	1.86	3.05	2.7	100
March 2014	311	52	259	30	44	53	14	26	27	816
%	38.11	6.37	31.74	3.67	5.39	6.49	1.71	3.18	3.3	100
March 2015	379	55	267	25	45	52	14	34	31	902
%	42.01	6.09	29.6	2.77	4.98	5.76	1.55	3.76	3.43	100
March 2016	413	60	261	28	41	53	13	45	30	944
%	43.75	6.35	27.64	2.96	4.34	5.61	1.37	4.76	3.17	100
March 2017	1575	64	420	30	41	52	12	51	29	2274
%	69.26	2.81	18.4	1.31	1.80	2.28	.52	2.24	1.27	100

Source-www.sebi.com

Analysis of the Table

As on March 31, 2017, there were 2,274 mutual fund schemes of which 1,575 were income/debt oriented schemes, 420 were growth/equity oriented schemes, and 30 were balanced schemes (Table 2.60). In addition, there were 52 ETFs, of which 12 were gold ETFs and 51 were non-gold ETFs. There were also 29 schemes operating as fund of funds schemes which invest in overseas securities.

The Indian mutual fund industry has been one of the fastest growing and most competitive segments of the financial sector. Its net inflow has been highest since 2010-2011 and the assets under management are at an all-time high. This growth may be contributed both to a positive outlook as well as well-timed and paced initiatives by SEBI to re-energise the mutualfund industry from time to time. The year 2014-15 saw the introduction of the concept of seed capital, increase in cash transaction limits for investors and increase in minimum net worth for asset management companies (AMCs) to launch and manage new schemes as some of the regulatory reforms undertaken by SEBI.

Summary of Findings

The Assets mobilized through mutual funds was increased to **17,54,619** crores in the year 2017. Assets Under Management from all sectors of mutual funds on March 2014 accounted for Rs. **1,08,2757**1 crore. It has decreased to Rs. 4,17,300 crore by March 2009 and again rised year by year and reached to as high as Rs. 10827571 crore by the March 2014. Total mutual fund sales from all schemes during the year March 2014 were Rs.9,768401 crore. It has gone up to Rs. **16,06,399** crore by the end of March 2017.

Conclusion & Recommendations

On the basis of above analysis, it can be concluded that the asset under management shown agrowth of Rs. 17,54,619 Crores. The asset under management of all the sectors, mutual fund sales, mutual fund redemption, and scheme wise resource mobilization, total number of schemes has been increased from the year 2010 to 2017. The total number of folios shows a decrease from the year 2010 to 2017 due to number of folios reduced in growth and funds of fund schemes. The Indian Mutual Fund Industry on Dec 2017 with a total AUM of Rs.17,54,619 crores as against last year's figure of Rs.12,32,824 crore - a growth of 42.3%. This shows that the investor preference towards financial assets is increasing. One of the drivers for the AUM is equity AUM, which increased from Rs.1.58 lakh crore to Rs.3,20,316 crore as on November 2017. The surge in the value of share prices and an increase in interest from investors helped equity AUM rise.

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