

## RESEARCH PAPER

# MUTUAL FUNDS IN INDIA VIS-A-VIS DEVELOPED MARKETS: A GROWTH OVERVIEW

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### ABSTRACT

Mutual fund is an important segment of the financial system in India. It is a mechanism for pooling the savings of large number of investors for collective investments with the objective of ensuring attractive yields and appreciation in their value.

The mutual fund industry is expected to play a vital role in financial intermediation in the Indian economy; hence mutual funds collective ability to draw investment funds and the mode of use of those funds are of considerable interest. The Indian mutual funds industry is still in its infancy as compared to its global counterparts. Yet, the industry has made remarkable strides in growing both in size and numbers. The present study focuses on examining the growth of the Indian mutual funds vis-à-vis developed market during pre and post- financial crisis. The 43 AMCs operating in the industry are diverse in size and dominated by few who own more than half of the assets held by the industry. The industry also beats major developed markets in terms of growth in assets and garnering fresh business though the percentage share in global business remains minuscule.

### KEYWORDS

*Mutual Funds, AUM, AMC, Redemption, Sales.*

## 1. INTRODUCTION

The mutual fund industry has established itself globally. The size of the industry in terms of number of funds is the largest in Europe, while United States ranks at the top in terms of volume of Asset under Management. Driven mainly by a favourable global business environment, the industry in the recent past could register for itself spectacular growth as total profits in both the developed and the emerging markets in the world could reach unprecedented heights.

From economic perspective, the mutual fund industry serves as an important intermediary in the savings-investment channel and so is rightly seen today as a crucial source of economic growth. As per reports released by World Bank, the asset under management of the mutual fund industry currently accounts for a significant proportion of the GDP especially in the developed-country markets. The industry, as is claimed, offers attractive returns to shareholders, which are often decisively higher than the returns offered by the banking and other financial sectors. The numerous shifts that have taken place within and around the mutual funds industry (which include, among others, the shifts in flows from traditional mutual funds to alternative products and from stellar growth of ETF products, and also the rise of direct-to-consumer distribution channels) together with the ongoing technological advances (more particularly, digital distribution, mobile telephony, social media, big data, analytics, cloud computing, block chain, Fin Tech and robo-advisors, to mention a few) have brought in for the asset management industry a paradigm-shift and are shaping now the direction and the growth of the industry across the globe.

The Indian mutual funds industry too could register for itself a modest growth as is evident from its having more than 17 trillion of asset (in Rupee terms) under management. This signifies nearly a five-fold increase within a span of less than 10 years. This current size of the industry needs to be weighed against the fact that industry's journey was started with the formation of Unit Trust of India which could have its first sale recorded only in July 1964. Not less than 40 asset management companies are currently operating in the country that together offer more than a thousand schemes spread across 5.2 crores of investor accounts.

However, despite growth, the mutual fund industry's penetration levels in India still appear unimpressive when compared with the attained levels in the developed economies of the globe. Investors' contribution towards mutual funds has consistently remained skewed towards the investments coming from the corporate sector; the investments by the retail investors have lagged far behind. The focus of the industry has been by and large on the investors in metros and other cities; while the inclusion of the population in the countryside in MF schemes remained throughout rather a remote proposition. This certainly is indicative of the less-than optimal actualisation of the

growth-potential of the industry in this country. A more serious concern, of course, has been the industry's ability or initiative in coming closer to the investors, particularly, in the matter of maintenance of transparency of operations and in promoting an unhindered framework/channel of information-flow.

## 2. HISTORY OF MUTUAL FUNDS IN INDIA

At the beginning of the mutual fund industry in the early 1960s, there was only one government owned fund, namely, the Unit Trust of India (UTI). Following the onset of the liberalisation of Indian economy, this industry was also being liberalised since 1993. As a result, other asset management companies (AMCs) started coming in, resulting in the opening up of a wide range of choices of mutual fund products for the Indian investors. With the entry of the new players and launching of the new mutual fund products across asset classes, the growth of the industry got a fillip.

The Indian mutual funds industry, of late, has witnessed modest growth in the recent past. By the end of December, 2015, as many as 44 fund houses were doing their business in the Indian financial market, offering more than a thousand schemes over an asset base of ₹13.46 lakh crores. Investments in equity funds in 2015 were more than double to that of 2008. However, the fact that the AUM to GDP ratio of the industry still is lower than the industry counterparts in the developed and also in some of the emerging economies of the globe, points towards the latent potential for diverting wealth from physical assets to financial assets in India.

The mutual funds were introduced in the year 1822 in Belgium. Soon thereafter, Great Britain and France followed suit. In UK in 1914, as many as 90 investment trusts were in operation (Subrahmanyam 2009: 213). The first mutual fund in USA under the name The Boston Personal Property Trust was established in the year 1893. As against these early global developments, mutual funds in India made a beginning only in the 1960s.

The history of mutual@ funds in India can be broadly divided into four distinct phases.

**First Phase: 1964-1987:** The Unit Trust of India (UTI) came into being in 1963 by an Act of Parliament. In the initial years, UTI functioned under the Regulatory and administrative control of the Reserve Bank of India. In 1978, the Industrial Development Bank of India (IDBI) took over the regulatory and administrative control of UTI. The first scheme launched by UTI was the Unit Scheme 1964. By the end of 1988, UTI had ₹6,700 crores of assets under management.

**Second Phase: 1987-1993 (Entry of Public Sector Funds):** 1987 marked the beginning of the second phase of growth of the industry since when mutual funds were being set-up by public sector banks and insurance

corporations. Mutual funds were set up in this phase by State Bank of India (June 1987), Canara Bank (December 1987), Punjab National Bank (August, 1989), Indian Bank (November, 1989), Bank of India (June, 1990), Bank of Baroda (October, 1992), Life Insurance Corporation of India (LIC) (June, 1989) and General Insurance Corporation of India (GIC) (December, 1990). By the end of 1993, the mutual fund industry had assets under management to the tune of around ₹47,004 crores.

**Third Phase: 1993-2003 (Entry of Private Sector Funds):** The industry came within the ambit of liberalisation in 1993. The first private sector mutual fund (Kothari Pioneer, now merged with Franklin Templeton) was registered in July, 1993. In the wake of the outbreak of scams in the stock market (Harshad Mehta Scam) and the entry of the private sector into the field, a detailed regulatory framework having the Securities and Exchange Board of India (SEBI) in the centre stage was instituted. The 1993 set of SEBI (Mutual Fund) Regulations were replaced by a more comprehensive set of Mutual Fund Regulations in 1996 that remains in force till date.

The industry witnessed in this phase also the entry of foreign mutual funds. A new era of mergers and acquisitions began. By the end of January 2003, 33 mutual funds were operating with total assets of ₹1,21,805 crores. The Unit Trust of India was continuing as the industry leader with assets under management of around ₹44,541 crores.

**Fourth Phase: since February 2003:** Following the repeal of the Unit Trust of India Act, 1963, the UTI was bifurcated into two separate entities in February 2003. The first of the two entities was the Specified Undertaking of the Unit Trust of India with assets under management of ₹29,835 crores as at the end of January 2003 (representing broadly, the assets of US 64 scheme, assured return and certain other schemes). This entity functions under an administrator under the rules framed by Government of India and does not come under the purview of the Mutual Fund Regulations.

The other entity was the UTI Mutual Fund, sponsored jointly by SBI, PNB, BOB and LIC, which was registered with SEBI and now functions under the Mutual Fund Regulations.

This fourth phase of the industry's growth is still continuing when with a continuing spate of mergers of different private sector firms, the mutual fund industry is consolidating its operations and growth.

### 3. CURRENT STATUS OF THE INDUSTRY

There is rich diversity in the sector as the asset management industry offers a mix of traditional mutual fund products and alternatives (real estate and hedge funds). The investor universe that the industry taps covers insurance funds, pension funds; sovereign wealth funds

(SWFs) and high net worth individuals (HNIs)/mass affluent/retail investors. The Indian asset management industry particularly has witnessed notable growth despite discontinuities in the recent years. India has been amongst the fastest growing markets for mutual funds since 2004; in the five-year period from 2004 to 2008 (as of December) the Indian mutual fund industry grew at 29 per cent CAGR as against the global average of 4 per cent. Over this period, the mutual fund industry in mature markets like the US and France grew at 4 per cent, while some of the emerging markets viz. China and Brazil exceeded the growth witnessed in the Indian market. After a sluggish growth post the financial crisis of 2009, Mutual Fund industry has been seeing double digit growth since 2012. AUM for Mutual Fund industry in India saw a year-on-year growth of 21.04 per cent in the year ending December, 2015.

As the Mutual Funds industry in India grows, riding on strong macroeconomic parameters, there is a lot of investor wealth lying untapped. An improvement in the economic environment over the last 3-4 years has helped all categories of mutual fund investors to increase their investment in mutual funds. Increase in personal income fuelled by growth in GDP has led to an improvement in the surplus available for household saving. Indian households saving pattern has for the first time in 15 years shown a decline in savings in physical assets, and the same has been channelized to financial assets. The industry garners less than 3 per cent of the incremental investible surplus from the household financial savings pie. As the culture shifts from savings to investments, there is a huge opportunity to gain additional market share.

Mature markets of USA and Europe have demonstrated lower CAGR for the 5-year period starting from the beginning of this decade. Higher growth in India represents the latent potential of the Indian market which can be tapped to improve the penetration of the mutual fund industry in India. Moreover, these mature economies have developed a high AUM/GDP ratio over the years. However, India is far behind the global average and a number of developing countries like Brazil, Spain and Mexico in terms of AUM/GDP ratio which is considered to be a key mutual fund penetration indicator. It clearly indicates that there is a huge scope of diverting wealth from physical assets to financial assets in India.

Sharp growth in the overall mutual fund market has clearly been unable to achieve the allied goal of increased penetration in the B15 market. A close comparison of the distribution of AUM between the top 15 cities by GDP (T15) and the remaining cities over the last four years reveals that the share of B15 cities (those below the top 15) has been stagnant, at 14 to 16 per cent of the industry's total AUM by the end of March 2015. Even within the T15 cities, the top five alone contribute to approximately 72 per cent of the total AUM at present which reflects an unprecedented potential for future growth of the industry.

The Indian mutual fund industry in terms of regulatory framework is believed to match up to the most developed markets globally. The regulator, Securities and Exchange Board of India (SEBI), has consistently introduced several regulatory measures and amendments aimed at protecting the interests of the small investor that augurs well for the long term growth of the industry. Based on the current initiatives undertaken by the government and regulatory bodies, McKinsey and CII had forecasted a GDP growth rate between 6.5 to 8 per cent to be attained over the next decade (CII & McKinsey 2015: 3).

An increase in GDP as well as good stock market performance over the last two–three years provided investors and especially retail investors with an opportunity to use mutual funds to create wealth. The shift in preference from traditional savings channels to mutual funds and other assets has been made possible due to the awareness building exercises undertaken by the AMCs, demographic shift in customer base as well as availability of products that match the needs of the customers. This has been accentuated by the roll-out and subsequent customer adoption of initiatives that leveraged technology and the interplay amongst all these factors helped in the growth of the industry.

### 3.1 CATEGORY-WISE ASSETS UNDER MANAGEMENT OF INDIAN AMCS

Table-1 represents the Category-wise average assets under management (AAUM) managed by the different AMCs. It is evident from the table that the combined AAUM of all the 43 asset management companies under the three broad categories (Bank Sponsored, Institutions and Private Sector) operating in India as on 31<sup>st</sup> March, 2015 is ₹11,88,690 crores, of which the share of private sector is found to be the highest, (over 80 per cent). Mutual funds sponsored by Banks contribute just over 16 per cent while the institution sponsored funds owns the least (0.81 per cent). In the private sector, funds operating as joint-ventures and predominantly owned by Indian companies grab the highest share (48 per cent), followed by funds operating under full Indian ownership (25 per cent). It reflects the ownership of more than 70 per cent of AAUM under these two categories of AMCs. The remaining 27 per cent is jointly contributed by the rest of 17 AMCs in the private sector. The top-5 AMCs as per their share of AAUM are found to be HDFC Asset Management Company Limited (13.60 per cent), ICICI Prudential Asset Management Company Limited (12.50 per cent), Reliance Capital Asset Management Limited (11.54 per cent), Birla Sun Life Asset Management Company Limited (10.07 per cent) and UTI Asset Management Company Limited (7.80 per cent). The combined share of these five mutual funds is totalled to be more than 55 per cent, which means that more than half of the AAUM of the mutual funds industry is owned by only 5 AMCs and the rest is contributed by the remaining 38 AMCs. There are 25 AMCs whose individual share to total AAUM is found to be less than one per cent with the lowest coming from Shriram Asset

Management Company.

### 3.2 GLOBAL TREND IN MUTUAL FUNDS BUSINESS

Global trend in mutual funds business is assessed in terms of total net assets and net sales in Table-2. The Indian mutual funds industry witnessed an unprecedented growth in net assets (in US \$ terms) as compared to her global counterparts during 2004 to 2015. While the net assets of mutual funds worldwide increased by 130 per cent and that of US and Europe increased by 119 per cent and 126 per cent respectively, Indian mutual funds' net assets grew by 412 per cent during 2004 to 2015. The net assets of mutual funds worldwide experienced a healthy growth rate during 2004-2007 growing by over 22 per cent in the year 2006 and close to 20 per cent during 2007. But, as an immediate effect of the global financial crisis, net assets worldwide declined sharply by over 27 per cent in 2008. There was a strong revival of over 32 per cent in 2009 and thereafter, barring the year 2011, the net assets of mutual funds worldwide maintained a moderate growth rate hovering around 10 per cent, except in the year 2015 during which the net assets increased merely by 0.32 per cent over the previous year. The year 2009 was found to be the best performing year for the mutual funds industry across the globe as the net assets of mutual fund worldwide increased by a record growth rate of over 32 per cent and that of Americas, US and Europe also increased by 26 per cent, 24 per cent and 42 per cent respectively. During the same year, Indian mutual funds industry recorded an overwhelming growth rate of 107 per cent withstanding the highest ever decline of over 42 per cent during 2008 after recording exponential growth rate in the preceding three consecutive years. The Indian mutual funds industry performed comparatively much better during the 2005-09 period maintaining a healthy average growth rate of close to 44 per cent whereas the US and European mutual funds industry grew by only 9 per cent and just over 12 per cent respectively. The net assets of mutual funds' worldwide increased by almost 11 per cent during the same period. But, during the post-financial crisis period, net assets across the major economies registered a uniform growth rate of approximately 7 percent barring the Asia Pacific region which grew at an average growth rate of almost 10 per cent during the same period.

Although Indian mutual funds industry performed exceptionally well in terms of growth in net assets as compared to other global players, but its share of net assets remains insignificant. Americas consistently seized almost 55 per cent share of global net assets and US has the world's largest mutual fund industry comprising almost half of the global share in terms of assets. But, from 2009 onwards, the US share of global net assets has declined marginally maintaining an average share of close to 48 per cent of the total assets worldwide. Europe as a whole occupies the second position after US with an average share of over 34 per cent of the net assets

worldwide. On the contrary, Asia Pacific's share of global net assets always remained very low contributing almost 10 per cent barring few years and India contributes not even one per cent to the total assets of mutual funds worldwide. During 2004, India's share to global net assets was merely 0.20 per cent wherefrom it increased continuously for four consecutive years and reached 0.42 per cent during 2007 before it slips to 0.33 per cent during 2008. But in 2009, it bounced back strongly to reach the historic level of 0.52 per cent. There has been significant ups and downs in India's share to global net assets of mutual funds during 2010 to 2014 but 2015 was found to be the revival year as the Indian mutual funds industry, after recovering a lot of its lost grounds, could recapture a share of 0.45 per cent of the total net assets worldwide.

### 3.3 NET SALES OF MUTUAL FUNDS WORLDWIDE

Investor demand for mutual fund worldwide, as measured by net new cash flow - the dollar value of new fund sales, less redemption - increased by 112 per cent during 2005 wherefrom it started declining gradually to experience negative growth (-82.09 per cent) in the year 2008, though the net flow was still positive in absolute terms [Table-3]. The growth in net sales of mutual funds worldwide experienced severe ups and downs during the post financial crisis period of 2008. After recovering during 2009 to grow by 76 per cent, the net sales worldwide increased by just over 4 per cent during 2010 and thereafter, declined by almost 32 per cent during 2011 before registering a record growth rate of above 254 per cent during 2012. During 2013 to 2015, the growth in net sales of mutual funds worldwide found to be very poor except during 2014 in which the net sales grew by almost 39 per cent. During 2005 to 2007, Indian mutual fund industry completely outperformed the major global markets in terms of growth in net sales. The growth in net sales in India was found to be approximately 1354 per cent during 2005 as compared to 154 percent in Americas, 166 percent for US, 65 percent for Europe and only 58 percent in Asia Pacific regions. This trend continued till 2007 during which the growth in net sales of Indian mutual funds was found to be almost double to that of Americas, US and Asia Pacific regions and more than 4 times the growth of global net sales during 2006 and 7 times to that during 2007. The net sales of mutual funds across the globe declined drastically during 2008 mainly driven by the global financial crisis and Europe topped the list with approximately 535 per cent fall in net sales followed by India with approximately 90 per cent decline in net sales. Globally, the net sale depleted by 82 per cent which was 51 per cent in the Asia Pacific region, 50 per cent in the Americas and with almost 44 per cent negative growth in net sales, US was the least affected mutual fund market. The condition of European mutual funds industry worsened right from 2006 with net sales declining by 7 per cent which deepened consistently till 2011 except for the year 2010 wherein it recorded an improvement to the extent of over 54 per cent. During 2009, the scenario

reversed completely and India bounced back to deliver an outstanding growth of 1463 per cent (approx.) in net sales while the global mutual fund industry as a whole was also found to align itself in the same line by capturing a 76 per cent growth. But, the situation deteriorated for Americas, US, Europe and Asia Pacific regions during the same period as the growth in net sales of these markets decelerated further as compared to the previous year. The net sales in the Americas declined by 67 per cent and the same for US, Europe and Asia Pacific regions fell by almost 81 per cent, 158 per cent and 87 per cent respectively during the same year. The effect of financial crisis continued to persist in the year 2010 too during which all the major financial markets experienced significant decline in bringing new money to the mutual funds industry except Europe. For Indian mutual funds industry, the decline was found to be highest with 183 per cent fall in net inflow of funds, which was 122 per cent for Asia Pacific region, 105 per cent for US and approximately 53 per cent for Americas. Contrary to that, the European market registered a rise of 54 per cent in net sales and worldwide it increased by 5 per cent during the same period. The net sales of mutual funds across major financial markets around the world exhibited significant improvement during 2011 and 2012. In the year 2011, the net sales in the US market increased by 3020 per cent and that in Asia Pacific region grew by 1700 per cent. The Americas and Indian market experienced a growth of 206 per cent and 101 per cent respectively in the inflow of new cash flows during the same time. But, the net sales worldwide and in the European market witnessed a fall of almost 32 per cent and 100 per cent respectively in the same year. The trend of positive growth in net sales continued in the year 2012 too led by Europe which recorded an unprecedented jump in net sales. It increased from \$282 million to \$382316 million. Indian mutual funds industry too recorded an unparalleled growth rate of 2876 per cent in the same year. US market grew by 191 per cent followed by the Asia Pacific region, growing by 176 per cent and Americas by 139 per cent. After passing through many ups and downs since 2005, the net sales of mutual funds worldwide recorded an outstanding growth rate of 254 per cent, a triple digit growth for the first time during 2012. During 2013, once again the net sales of mutual fund industry across the major financial markets dwindled though the European market witnessed a growth of 27 per cent over the previous year. The net sales worldwide also increased by just over 5 per cent in the same time period. The Indian market experienced the worst hit thus declining by almost 83 per cent. The US and Americas markets also declined by approximately 5 per cent each while the fall in net sales in Asia Pacific region was over 7 per cent. In the year 2014, the mutual funds industry once again regained the investors' confidence and achieved positive growth in net sales. The Indian market grew the highest recording a growth rate of close to 190 per cent followed by Asia Pacific region with 142 per cent and Europe with 27 per cent growth in net sales. Both the US and Americas grew by over 2.5 per cent each in the same year while the net sales worldwide increased by

close to 39 per cent. India continued the impressive growth rally in the year 2015 too thus growing by 320 per cent and so was the Asia Pacific region which also grew by 152 per cent. But, the net sales in Americas, US and European mutual funds industry declined by close to 33 per cent, 37 per cent and 11 per cent respectively whereas the net sales worldwide grew by 8.67 per cent.

### 3.4 GROWTH IN AUM OF INDIAN MUTUAL FUNDS

Chart-I reveals the trend of growth in combined assets under management of all the mutual funds operating in India. The assets under management (AUM) of the industry increased consistently during 2004-05 to 2007-08 at an average growth rate of 39.42 percent with the highest growth (55 per cent) achieved during the year-end 2006 to 2008. This was followed by a contraction of about 17 per cent at the end of March 2009 under the impact of global financial crisis and consequent liquidity shortage and uncertainties in the Indian financial markets. The combined effect of downfall in Indian stock market along with a decline in valuation of assets of equity mutual funds due to the equity price crash, the Indian mutual funds suffered an outflow of ₹28296 crores. By the end of March 2010, the combined AUM of Indian mutual funds jumped by over 47 per cent. This may be because of the combined effect of significant rise in valuation of assets in the Indian stock market and tremendous increase in the net inflow of funds during the course of the year. The Indian benchmark index, the Sensex, which was at sub-10,000 levels at end-March 2009, rose above 17,500 at end-March 2010. Lower policy rates also led to higher valuation of debt funds. This growth was in line with the trends of a revival in global mutual funds' assets and was accentuated by the landmark decision by the Indian regulator, Securities and Exchange Board of India (SEBI), to abolish entry load for all mutual funds effective August 2009. The combined AUM of the Indian mutual funds experienced a slight decline in the succeeding two years being driven by net outflow of funds. The AUM declined by 3.54 per cent by the end of March 2011 and 0.85 per cent by the end of March 2012. Thereafter, the Indian mutual funds industry experienced consistent rise in the net inflow of funds fuelled by increased sales and comparatively low redemption which contributed together to generate over 19 per cent growth in AUM by the year ending March 2013 with a slightly lesser growth rate of 17.64 per cent by end-March, 2014 and increased by almost twice to grow by 31 per cent by the year ending March 2015 as compared to March 2014.

## 4. CONCLUSION

A total of 43 asset management companies operating in India, which are classified as Bank sponsored, Institution and Private Sector, are having a combined average assets under management of ₹11,88,690 crores, as on 31<sup>st</sup> March, 2015. More than 80 per cent of this combined AAUM are managed by private sector. Top five AMCs, as per their share of AAUM, are HDFC Asset Management Company Limited, ICICI Prudential Asset management Companies

Limited, Reliance Capital Asset management Limited, Birla Sun Life Asset Management Company Limited and UTI Asset Management Company Limited. More than 55 percent of the total AAUM is managed by these top five AMCs. There are twenty five AMCs whose share to total AAUM is less than one per cent. Shriram Asset Management Company was found to be the smallest mutual fund by the size of AAUM.

Comparison of Indian mutual funds industry with her global counterparts in terms of growth in net assets during the study period reveals that the net asset worldwide increased by 130 per cent and that of US and Europe increased by 119 per cent and 126 per cent respectively. India recorded an increase of 412 per cent in net assets during 2004 to 2015. During 2009, which is considered as the revival period considering the aftermath of global financial crisis; the net assets of mutual funds worldwide increased by a record growth rate of 32 per cent and that of Americas, US and Europe increased by 26 per cent, 24 per cent and 42 per cent respectively. But, India recorded a growth rate of 107 per cent. Despite registering a modest growth in net assets compared to global counterparts, India's share of total net assets worldwide remained a major cause of concern. While Americas maintained a share of 55 per cent of the global net assets and US contributed more than half to the world's mutual funds business with Europe occupying the second position with more than 34 per cent share, India's share remained less than 1 per cent to the total net assets worldwide.

Observing the trend of growth in net sales of mutual funds among the major players worldwide, it can be summarised that India had a much better performance in terms of growth in sales than US, Europe and the world as a whole. It can be seen that during 2005, when the sales in Americas increased by 154 per cent and that of US and Europe increased by 166 per cent and 65 per cent respectively, India experienced an increase of 1354 per cent in net sales during the same period and the trend continue to follow, even improved, in the year 2007 too when the net sales of Indian mutual funds industry outgrew the other major markets worldwide. During 2009 too, when the net sales of the mature markets worldwide declined, Indian mutual fund industry registered a growth in net sales by 1463 per cent. In the year 2010, when all the major markets experienced a decline in bringing new money with US lost 105 percent, Asia Pacific as a whole was down by 122 per cent and Americas lost 53 per cent, India's sale declined by 183 per cent. During 2012 too, the net sales of India increased by 2876 per cent while the growth in US was 191 per cent and that of Asia Pacific and Americas was 176 and 139 per cent.

As on 31<sup>st</sup> March, 2015, the total assets under management (AUM) of the Indian mutual fund industry was found to be ₹1082757 crores, which was 624 per cent more than ₹149554 crores recorded during the end of March, 2005. The growth of AUM reflected an overall upward trend during the entire period of the study growing

with an average growth rate of almost 23 per cent. The highest growth in AUM during the period of the study was recorded at almost 54 per cent during 2007-08 and the lowest (-17 per cent) during 2008-09. The AUM grew

consistently during 2004-05 to 2007-08 registering an average growth rate of almost 40 per cent, which was dropped to 13 per cent during the post financial crisis period.

**Table 1: AMC-wise Average Assets under Management (as on 31 March, 2015)**

Sl. No.	Name of the Asset Management Company	Average Assets under Management (AAUM) (₹ in crore)	Percentage Share of AAUM
A	<b>BANK SPONSORED</b>		
(i)	Joint Ventures - Predominantly Indian		
1	BOI AXA Investment Managers Private Limited	3,518	0.30
2	Canara Robeco Asset Management Co. Ltd.	7,617	0.64
3	SBI Funds Management Private Ltd.	74,942	6.30
4	Union KBC Asset Management Company Pvt. Ltd	2,726	0.23
	Total A(i)	88,803	7.47
(ii)	Joint Ventures - Predominantly Foreign		
1	Baroda Pioneer Asset Management Company Limited	7,172	0.60
	Total A(ii)	7,172	0.60
(iii)	Others		
1	IDBI Asset Management Ltd.	7,344	0.62
2	UTI Asset Management Company Ltd.	92,751	7.80
	Total A(iii)	1,00,095	8.42
	Total A(i+ii+iii)	1,96,070	16.49
B	<b>INSTITUTIONS</b>		
(i)	Indian		
1	IIFCL Asset Management Co. Ltd.	331	0.03
	Total B(i)	331	0.03
(ii)	Joint Ventures - Predominantly Indian		
1	LIC NOMURA Mutual Fund Asset Management Co. Ltd.	9,313	0.78
	Total B(ii)	9,313	0.78
	Total B(i+ii)	9,644	0.81
C	<b>PRIVATE SECTOR</b>		
(i)	Indian		
1	Deutsche Asset management (India) Private Ltd.	22,427	1.89
2	Edelweiss Asset Management Limited	755	0.06
3	Escorts Asset Management Ltd.	253	0.02
4	IL&FS Infra Asset Management Limited	882	0.07
5	India Infoline Asset Management Co. Ltd.	346	0.03
6	Indiabulls Asset Management Company Ltd.	3,590	0.30
7	JM Financial Asset Management Ltd.	12,231	1.03
8	Kotak Mahindra Asset Management Co. Ltd.	41,378	3.48
9	L&T Investment Management Limited	22,497	1.89
10	Motilal Oswal Asset Management Co. Ltd.	2,114	0.18



Table1 (Continued..)

Sl. No.	Name of the Asset Management Company	Average Assets under Management (AAUM) (₹ in crore)	Percentage Share of AAUM
11	Peerless Funds Management Co. Ltd.	1,302	0.11
12	PPFAS Asset Management Pvt. Ltd.	575	0.05
13	Quantum Asset Management Co. Private Ltd.	575	0.05
14	Reliance Capital Asset Management Ltd.	1,37,124	11.54
15	Sahara Asset Management Co. Private Ltd.	144	0.01
16	Shriram Asset Management Co. Ltd	34	0.00
17	Sundaram Asset Management Company Limited	21,875	1.84
18	Tata Asset Management Ltd.	26,968	2.27
19	Taurus Asset Management Co. Ltd.	4,150	0.35
	Total C(i)	2,99,220	25.17
(ii)	Foreign		
1	BNP Paribas Asset Management India Private Limited	3,915	0.33
2	Franklin Templeton Asset Management (India) Private Ltd.	70,444	5.93
3	Goldman Sachs Asset Management (India) Private Limited	8,038	0.68
4	Mirae Asset Global Investment (India) Private Ltd.	1,818	0.15
5	Pramerica Asset Managers Private Limited	2,309	0.19
(iii)	Joint Ventures - Predominantly Indian		
1	Axis Asset Management Company Ltd.	26,624	2.24
2	Birla Sun Life Asset Management Co. Ltd.	1,19,752	10.07
3	DSP BlackRock Investment Managers Private Ltd.	37,838	3.18
4	HDFC Asset Management Co. Ltd.	1,61,634	13.60
5	ICICI Prudential Asset Management Co. Ltd.	1,48,559	12.50
6	IDFC Asset Management Company Limited	51,715	4.35
7	Religare Invesco Asset Management Company Private Limited	21,009	1.77
	Total C(iii)	5,67,131	47.71
(iv)	Joint Ventures Predominantly Foreign		
1	HSBC Asset Management (India) Private Ltd.	8,242	0.69
2	JP Morgan Asset Management (India) Private Ltd.	15,641	1.32
3	Principal Pnb Asset Management Co. Private Ltd.	6,218	0.52
	Total C(iv)	30,101	2.53
	Total C(i+ii+iii+iv)	9,82,976	82.69
	Total (A+B+C)	11,88,690	100.00

Source: Based on the data collected from AMFI Quarterly Newsletter - Update; various issues

Table 2: Worldwide Net Assets of Mutual Funds: 2004-2015(U.S. mn \$, year-end)

Year	World	Americas	US	Europe	Asia Pacific	India
2004	16164793	8792450	8106939	5640450	1677887	32846
2005	17771366	9764271	8904824	6002249	1939251	40546
2006	21807505	11469062	10396508	7803906	2456511	58219
2007	26129564	13421149	11999523	8934864	3678330	108582
2008	18974521	10579430	9601090	6288138	2037536	62805
2009	25088939	13355373	11889750	8912070	2715235	130284
2010	27374359	14591545	12825352	9573876	3067323	111421



Year	World	Americas	US	Europe	Asia Pacific	India
2011	26578593	14583246	12680481	8949093	2921278	87519
2012	30213561	16488566	14393789	10257646	3322199	114489
2013	34462543	18864164	16725436	11715462	3740049	107895
2014	37072351	20009504	17849645	12858573	4057800	136834
2015	37190528	19557328	17752399	12772328	4738804	168186

Note: Years mentioned indicate calendar years (January-December).  
The figures shown show the status as at the end of the calendar year, i.e. December 31.

Source: "Worldwide Total Net Assets of Mutual Funds", in Investment Company Institute *Factbook*, various Issues.

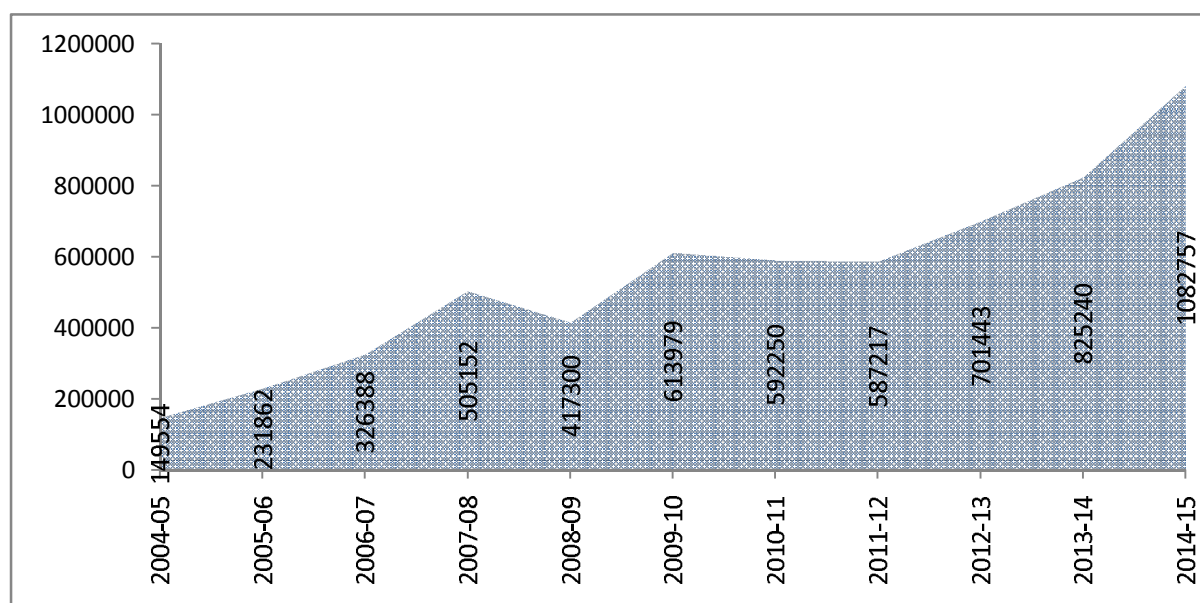
**Table 3: Worldwide Net Sales of Mutual Funds : 2004-2015 (U.S. mn \$, year-end)**

Year	World	Americas	US	Europe	Asia Pacific	India
2004	55524	14064	8041	29306	11617	394
2005	56863	13766	7975	30060	12427	445
2006	61854	14474	8117	33151	13479	468
2007	66345	15457	8024	35210	14847	555
2008	69032	16459	8022	36780	14909	551
2009	75293	17732	8463	41862	14795	590
2010	77836	18916	8478	42712	15265	658
2011	81429	20884	8722	43400	16198	680
2012	82410	22291	8784	42449	16703	692
2013	88747	23322	9009	43092	21271	699
2014	98832	24378	9339	49335	23948	768
2015	100494	25230	9710	47427	26510	804

Note: Years mentioned indicate calendar years (January-December).  
The figures shown show the status as at the end of the calendar year, i.e. December 31.

Source: "Worldwide Net Sales of Mutual Funds", in Investment Company Institute *Factbook*, various Issues.

**Chart I: Trend of Growth in Assets under Management of Indian Mutual Funds Industry: 2004-05-2014-15 (₹ in Crore)**



Source: Based on the data collected from Securities and Exchange Board of India: *Annual Report*, various issues

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