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# Growth of mutual funds industry in India

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## Abstract

*Mutual funds are such an option of safe and secure investment. Public invest their savings and safe their money. On demand of public and first choice of public make it popular and because of this company can run their business in upward direction. In March 2025 company growth is six folds which is unbelievable for any investment company it is possible only with the help of various financial literacy and awareness for savings. Digital payment system is also a factor to promote mutual funds. This research paper throw light on development of mutual funds from past to present. AUM of company what challenges face by company is also explain via research. The industry assets increased 10.83 lakh crore to 65.74 lakh crore . Mutual fund is just like a vehicle that pulls our investment so far and provides us various opportunities of growth and development.*

***Keywords; AUM, Development, secure, unbelievable***

## INTRODUCTION

Introduction of mutual funds: Mutual funds are type of investment in which people invest their savings and they give huge benefit on it. company develop their centers all over India because people wants to invest in it for providing better and prompt services company need more branches According to SEBI data, industry net assets were approximately ₹10.83 lakh crore in March 2015. By March 2025, industry AUM had reached approximately ₹65.74 lakh crore. The growth was not uniform due to covid 19 it was decline. Mutual funds are the securities which are available in market on which people can easily trust.

Objective of Study: This research is conduct with following objectives :

- To growth on investment in Mutual funds
- To evaluate Assets Under Management in Mutual funds
- To examine the role of SIP investors
- To study challenges faced by industry
- To identify the factors responsible for growth
- To evaluate future prospects of mutual funds

Research Methodology: This research is based on secondary data with the help of which objective of research achieve. In secondary data following sources use

- Securities and exchange board of India
- Association of Mutual funds in India
- Publications of Government of India
- Publication by Reserve Bank of India
- Annual Reports and publications of Industry

**Historical Growth of Mutual Funds:** Industry starts with UTI unit trust of India after the entry of various banks and financial institutions Mutual funds came into market various private financial institutions start mutual funds which give a drastic change in security market .

**Expansion in 2000:** year 2000 is a year in which various new states also made by government of India and parallel growth and starting of mutual funds also came in to market.

**Expansion between 2014-2020:** In 2014 mutual funds capture 60% security market people trust on industry and the Industry AUM is 10 lakh crore in 2014 in 2017 it crossed up to 20 lakh crore

Digital and SIP growth:

- SIP investments
- Online mutual-fund platforms
- Mobile investment applications
- Direct plans
- Index funds and ETFs
- Participation from smaller cities
- First-time retail investors

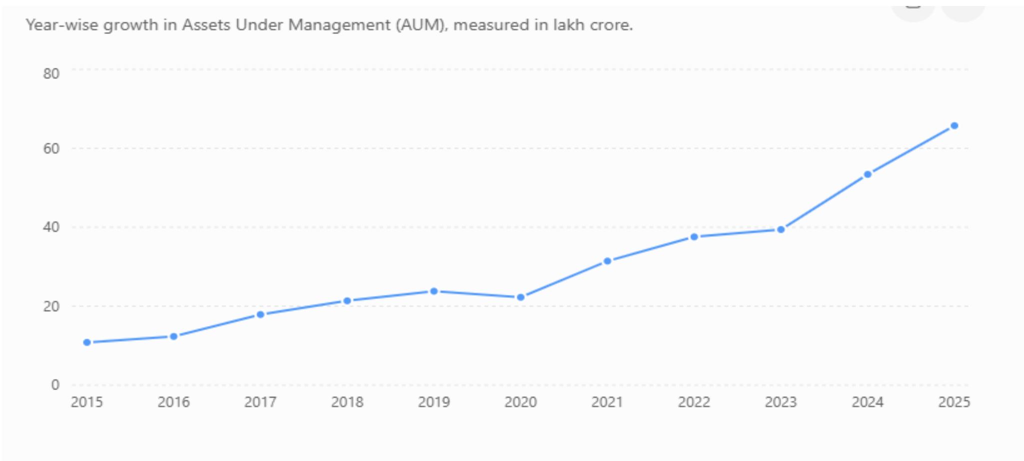
Digital and SIP provide online platforms and which help in increase the investors in Mutual funds which are the factor of growth in AUM and also helps in growth and development of country . Govt use funds for various development programs and flow money in the economy and motivate and encourage people for savings and regular investment.

**Growth of Mutual funds :** mutual funds grow and a small plant of mutual funds now become a big tree to provide shelter and cool air to survive in difficult period .

| Year | AUM in Lakh Crore | Financial change |
|---|---|---|
| 2015 | 10.83 | ---- |
| 2016 | 12.33 | 13.9% |
| 2017 | 17.89 | 45.1% |
| 2018 | 21.36 | 19.4% |
| 2019 | 23.8 | 11.4% |
| 2020 | 22.26 | -6.5% |
| 2021 | 31.43 | 41.2% |
| 2022 | 37.56 | 19.5% |
| 2023 | 39.42 | 5.0% |
| 2024 | 53.40 | 35.5% |
| 2025 | 65.74 | 23.1% |

With the help of above data it is clear that Asset under Management is highly increase in 2017 which is 45.1% then continuous decline in 2018 & 2019 due to covid -19 it become negative in 2020then after covid it again increase highly with 41.2% and after that in 2023 people aware more about their investment and increase in AUM by 35.5% in 2025 it is in 23.1%

Graphical presentation of growth :




**Growth Analysis:** AUM increased from 10.83 lakh core in 2015 to 65.74 lakh crore in 2025, with a temporary decline in 2020 and strong increase in 2021 and 2024.

**Role of SIP Investors in Growth of Mutual funds:** SIP means systematic investment plan in which people deposit monthly quarterly half yearly and annual basis investment and companies invest this funds in mutual funds. Mutual funds industry also provide SIP facilities with the help of it public attract and aware for savings and improve saving habits which give them financial stability followings are the role of SIP

- Disciplined Investing
- Rupee cost Averaging
- Power of compounding

- Market Risk Mitigation
- High Assesability
- Flexibility

SIP helps in discipline investing habits which increase value of rupee and also help in increase in power compounding with the help of SIP govt able to increase flow of money in the economy which help in economic growth and development.

**Challenges faced by Mutual funds:** Mutual funds faced various problems likes

- Less awareness of client
- Regulatory compliance pressure
- Markets volatility
- Consumer anxiety
- Adapting to technology
- Time management struggle
- Competition from direct plan

Above challenges faced by mutual funds in present days where we all adopt various technologies and digitalization but still we are not able to understand various schemes and also we not aware about saving and investment without investment circular flow of money in economy is not possible so when company generate interest in the mind of public then they achieve goal of company sometimes consumer's anxiety is also make hurdles in growth of mutual funds.

## CONCLUSION

Mutual funds grow in upward direction but still companies face various challenges for rapid and balanced growth. It is important to work on solving hurdles. Make plans and attractive schemes for development and growth. Mutual funds are best and safe option for investors but due to lake of awareness only few people know about it and they systematic investment done so for more concern of public it is important for company to work on it arrange various programs for explaining the benefit of mutual funds with the help of this types of programs we achieve the target of increase in savings and if public invest in mutual funds Govt can easily run various development programs and also circular flow of money in the economy is possible which help in self employment and also improve technical education which increase our production capacity and save our time .

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