

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2794
ANSWERED ON:13.03.2015
SHIFT OF INVESTORS FROM DEBT TO EQUITY MARKET
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Will the Minister of FINANCE be pleased to state:

- (a) whether Government has noted a shift of investors from Debt fund to Equity fund on account of rise in sensex; and
(b) if so, the details thereof and along with reasons therefor and the reaction of Government thereto?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a) and (b): The Securities and Exchange Board of India (SEBI) has informed that the Assets under Management (AUM) for the mutual fund industry have increased by 45.69% from Rs 8.25 lakh crores as on March 31, 2014 to Rs 12.02 lakh crores as on February 28, 2015.

The AUM of income/debt oriented schemes has increased by Rs 2,11,839.88 crore (35.25%) from Rs 6,00,945 crore as on March 31, 2014 to Rs 8,12,784 crore as on February 28, 2015 while the AUM under growth / equity oriented schemes has increased by Rs 1,57,898.47 (80.3%) from Rs 1,95,635.54 crore as on March 31, 2014 to Rs 3,53,534.01 crore as on February 28, 2015.

In the debt schemes, there have been net inflows of Rs.1.43 lakh crore during the current financial year 2014-15 (upto Feb 28, 2015) as compared to Rs.0.63 lakh crore during 2013-14. In the Equity schemes, there have been net inflows of Rs.0.64 lakh crore during the current financial year 2014-15 (upto Feb 28, 2015) as compared to net outflow of Rs.0.06 lakh crore during 2013-14.

The total number of folios has increased from 4.05 crore as on March 31, 2014 to 4.20 crore as on February 28, 2015 (i.e. an increase of 3.70%). In the debt schemes, the number of folios has increased from 68.67 lakhs as on March 31, 2014 to 72.06 lakhs as on February 28, 2015 (i.e. an increase of 4.93%) while in the equity schemes, the number of folios has increased from 2.94 crore as on March 31, 2014 to 3.14 crore as on February 28, 2015 (i.e. an increase of 6.80%).

Further, the increase in the Equity AUM could be attributed to the net inflow of funds from new as well as existing investors and also as a result of mark-to-market gains. Thus, it cannot be conclusively said that there has been a shift of investors from debt funds to equity funds.