



Mobilization Patterns of Mutual Funds and Equity Issues in India: An Empirical Analysis

Dr. Joginder Singh

Assistant Professor of Commerce
Govt. College for Women, Rewari (Haryana)

Dr. Narpal Yadav

Associate Professor of Commerce
Ahir College, Rewari (Haryana)

Abstract

Liberalized economies have developed a strong capital market as an allocator of resources instead of traditional bank-based system. But, the efficiency of financial market depends on the existence of active and efficient financial intermediaries. These intermediaries play a significant role in elimination of market imperfection arising out of non-circulation of information to investors as well as borrowers. Among the various channels of financial intermediation, **mutual funds** and **equity issues** have emerged as the most dynamic instruments for mobilizing household and corporate savings.

Resource mobilized by mutual funds and their combine annual growth rate was more than equity issues. Proportion of private sector mutual funds in total resource mobilized was more than 56% except the years 2019-20 & 2022-23. Proportion of IPOs was almost increasing year to year in aggregate resources mobilized by equity issues. Co-efficient of co-relation among all the channels of resources mobilization was positive. Annual growth rate of mutual funds (private sector and public sector); equity issues (IPOs and Other than IPOs) showed fluctuating trend. The study helps to judge the contribution of mutual funds in resources mobilization in capital market is more than the other channels.

Key words: Mutual Funds, Equity Issues, IPOs, CAGR, AGR.

Received 26 Oct., 2025; Revised 07 Nov., 2025; Accepted 09 Nov., 2025 © The author(s) 2025.

Published with open access at www.questjournals.org

I. INTRODUCTION

Mutual funds provide investors—especially small and medium savers—an opportunity to participate in diversified portfolios managed by professional fund managers. Mutual funds play a dynamic role in mobilising saving by issuing units and transmitting the funds in capital market into productive investment. They help in allocation of assets in financial market by circulating resources from the saving market for investment in the capital market. They not only provide support to the corporate sector but also assist in the process of financial innovation. The increasing popularity of Systematic Investment Plans (SIPs), digital distribution platforms, and improved regulatory oversight by the SEBI have made mutual funds one of the preferred investment avenues for Indian households. In contrast, **equity issues**, including **Initial Public Offers (IPOs)** and **Further Public Offers (FPOs)**, represent the primary mechanism through which companies raise long-term funds directly from the capital market. The revival of IPO activity, particularly in the post-pandemic period, reflects rising investor confidence and the growing depth of India's equity market.

II. REVIEW OF LITERATURE

A review of existing studies reveals extensive work on mutual fund performance, investor behaviour, and IPO pricing in India; however, very few attempts have been made to integrate both channels—mutual funds

and equity issues—within a unified analytical framework. The following review highlights major empirical contributions relevant to this study.

1. **Gupta and Sharma (2019)** conducted a trend analysis of mutual fund resource mobilization and found that private sector mutual funds consistently outperformed public sector funds in terms of both mobilization and returns, owing to superior marketing and investor service networks.
2. **Kaur and Verma (2020)** focused on the risk–return relationship in equity-oriented mutual funds and concluded that the post-2015 period witnessed better risk-adjusted performance, mainly due to increased regulatory transparency by SEBI.
3. **Rao and Reddy (2021)** highlighted the cyclical nature of IPO markets in India, asserting that market conditions and liquidity play a dominant role in determining equity issue trends.
4. **Kumar and Arora (2022)** examined investor preferences for mutual funds versus direct equity investment. They concluded that investors with lower risk appetite and limited financial literacy preferred mutual funds over direct equity participation.
5. **Rajput and Chhabra (2023)** concluded that the number of people is increasing towards mutual funds through the increasing rate of AAUM every year. Also, concluded strategically investment in mutual funds one can beat inflation, generate good returns, build assets with less risk and advice of professionals. But strategy should be made before investments. India has still a wide scope for Mutual funds.
6. **Kaur and Kulaar (2024)** examined the growth of mutual fund assets –institution wise and schemes – wise. They observed that the industry indicates growth in all parameters such as the number of schemes, funds mobilized, the assets under management and institution-wise assets of mutual fund. They also observed that mutual fund assets are being considered as one of safest investments by investors.
7. **Deb (2025)** observed that in comparison to alternative investment avenues like NPS and Post Office schemes, mutual funds are generating superior returns for higher-risk tolerance investors.

III. OBJECTIVES OF THE STUDY

1. To analyse the trend and growth pattern of funds mobilized through mutual funds and equity issues (IPO and non-IPO).
2. To examine Co –efficient of co –relation among all the channels of resources mobilization.
3. To compare sector-wise (private and public) resource mobilization by mutual funds.
4. To compare resource mobilization through IPOs and Other Non- IPOs

IV. RESEARCH METHODOLOGY

Data Source:

The study is entirely based on **secondary data**, obtained from various issues of the *SEBI Handbook of Statistics* for the financial years 2013-14 to 2023-24 (accessed on September 25, 2025).

Period of Study:

Study period was chosen from 2013-14 to 2023-24 to capture long-term trends and eliminate short-term market fluctuations.

Analytical Tools Used:

Trend Analysis was used to evaluate the direction and magnitude of growth over time. To measure the annualized rate of change in resource mobilization Compound Annual Growth Rate (CAGR) was used. Average Growth Rate (AGR) was used to represent the mean percentage change over the period and to find out the relationship between funds mobilized through mutual funds and equity issues. Coefficient of Correlation (r) was used to examine the relationship between funds mobilized through mutual funds & equity issues, between public & private sector mutual funds, and IPO & non-IPO issues. The 't' – test is applied to judge the co –efficient of co- relation is significant or not.

V. DATA ANALYSIS

As per objectives of this research paper analysis can be classified in the following three categories: -

(a) To analyse the trend and growth pattern of funds mobilized through mutual funds and equity issues (IPO and non-IPO) and relationship between them in India during 2013-14 to 2023-24. Table -1 presents comparison of net funds mobilized by mutual funds and equity issues (IPO & other than IPO) for the study period. Contribution of mutual funds in aggregate fund mobilization in primary capital market was in the range of 53 to 91. 63 %. AGR was highly fluctuating i.e. (-) 59.64 to 393.41 in the study period. Trend values are presenting increasing trend in this period. Combined annual growth rate (CAGR) was 19.34%. So, mutual funds should plan to positive annual growth rate and maintain their share in aggregate. Contribution of equity issues

was below 50% during study period. Annual growth rate was highly fluctuating and even negative also in 2014-15, 2018-19 and 2022-23, but trending values are presenting increasing trend. Its combine annual growth rate (CAGR) was 19.17 %. Co-efficient of co-relation for net fund mobilization by mutual funds and equity issues was positives i.e 0.457. The 't' value 1.54 is insignificant. Annual growth rate of aggregate fund mobilized during the study period was fluctuating and even negative also some years. Trend values presenting increasing trends. CAGR was 19.31%. From the above it can be inferred that contribution of mutual funds in fund mobilization is more than IPOs. However, annual growth rate of both components separately and collectively was highly fluctuating even negative also during the study period, but trends of all these was increasing. Perhaps economic fluctuation affects annual growth rate of fund mobilization. That's why annual growth rate is fluctuating and negative.

Table -1 Comparison of Net Funds Mobilized by Mutual Funds and Equity Issues (IPO + Other than IPO) from 2013-14 to 2023-24 (₹ Crores)

Period	Net Funds Mobilized by Mutual Funds				Funds Mobilized through Equity Issues				Aggregate Resources Mobilized		
	Amt.	Contribution in Aggregate (%)	AGR	Yc	Amt.	Contribution in Aggregate (%)	AGR	Yc	Amt.	AGR	Yc
2013-14	53,783	81.67		306095	12,068	18.33		10748 ₆	65,851		413581
2014-15	1,03,288	91.63	92.05	428834	9,434	8.37	-21.83	15376 ₃	1,12,722	71	582597
2015-16	1,34,180	83.54	29.91	551574	26,431	16.46	180.17	20003 ₉	1,60,611	42	751614
2016-17	3,43,049	91.35	155.66	674314	32,483	8.65	22.90	24631 ₆	3,75,532	134	920630
2017-18	2,71,797	73.15	-20.77	797053	99,765	26.85	207.13	29259 ₂	3,71,562	-1	1089646
2018-19	1,09,701	85.75	-59.64	919793	18,235	14.25	-81.72	33886 ₉	1,27,936	-66	1258662
2019-20	87,301	53.15	-20.42	1042532	76,965	46.85	322.07	38514 ₅	1,64,266	28	1427678
2020-21	2,14,743	66.10	145.98	1165272	1,10,118	33.9	43.08	43142 ₂	3,24,861	98	1596694
2021-22	2,46,729	63.98	14.90	1288012	1,38,895	36.02	26.13	47769 ₈	3,85,624	19	1765710
2022-23	76,226	53.66	-69.11	1410751	65,824	46.34	-52.61	52397 ₅	1,42,050	-63	1934726
2023-24	3,76,109	81.90	393.41	1533491	83,093	18.1	26.24	57025 ₁	4,59,202	223	2103742
CAGR	19.34%				19.17%				19.31%		
r	0.457										
't' -test	1.54										

Source: Compiled from data available in Handbook of SEBI and web site of AMFI. Assessed on Sept.25, 2025.

(b) To compare sector-wise (private and public) resource mobilization by mutual funds.

Table -2 shows comparison of Sector –wise (Private & Public) Resource Mobilized by Mutual Funds (₹ Crores). Contribution of private sector mutual funds in aggregate net inflow of funds was above 56% except the years 2019-20 and 2022-23. Annual growth rate was highly fluctuating i.e (-) 73.08 % in 2018-19 to 1831.46 % in 2023-24. Trend values of this sector presenting positive trend and its CAGR was 18.59 %. Public sectors' share in aggregate was not constant below 44 % except the years 2019-20 & 2022-23 where it was 72.44 and 79.02 % respectively. Here, it should be noted that in 2014-15 it was negative also.

**Table 2 Comparison of Sector –wise (Private & Public) Resource Mobilized by Mutual Funds
(₹ Crores)**

Period	Private Sector				Public Sector				Aggregate Net Inflow		
	Amt.	Contribution in Aggregate (%)	AGR	Yc	Amt.	Contribution in Aggregate (%)	AGR	Yc	Amt.	AGR	Yc
2013-14	48,838	90.81		219075	4,944	9.19		87019	53,783		306095
2014-15	1,03,700	100.4	112.33	305159	-413	-0.4	-108.35	123675	1,03,288	92	428834
2015-16	91,394	68.11	-11.87	391242	42,787	31.89	10460.05	160331	1,34,180	30	551574
2016-17	2,79,388	81.44	205.70	477325	63,661	18.56	48.79	196988	3,43,049	156	674314
2017-18	2,28,471	84.06	-18.22	563409	43,326	15.94	-31.94	233644	2,71,797	-21	797053
2018-19	61,505	56.07	-73.08	649492	48,196	43.93	11.24	270300	1,09,701	-60	919793
2019-20	24,059	27.56	-60.88	735576	63,241	72.44	31.22	306956	87,301	-20	1042532
2020-21	1,42,378	66.3	491.79	821659	72,365	33.7	14.43	343612	2,14,743	146	1165272
2021-22	1,48,287	60.1	4.15	907743	98,443	39.9	36.04	380268	2,46,730	15	1288012
2022-23	15,993	20.98	-89.21	993826	60,242	79.02	-38.81	416924	76,236	-69	1410751
2023-24	3,08,898	84.79	1831.46	1079909	46,442	15.21	-22.91	453581	3,55,340	366	1533491
CAGR	18.59%				24.93%				19.34%		
r	0.23										
't' -test	0.71										

Source: AMFI

Annual growth rate of this sector was too highly fluctuating (-) 108. 35 % in 2014-15 and 10460.05 in 2015-16. It was negative five years in the study period of eleven years. But, this sector trend values are presenting increasing trend in this matter. Its CAGR was very high i.e. 24.93%. Co-efficient of co-relation between private and public sector resources mobilized through mutual funds was positive i.e. 0.23. The 't' value 0.71 is insignificant. So, it can be inferred that mutual funds schemes and investment pattern of both sectors have a significant difference. However contribution of private sector in aggregate fund mobilization was higher than public sector but its CAGR is less than public sector. So private sector should invest its fund more wisely to increase its CAGR. On the other hand, public sector should prepare its investment plans with more investment objectives to attract funds. Both sectors should try to reduce fluctuation in their AGR.

(c) Comparison of resource mobilization through IPOs and Other Non- IPOs: - This section consist the analysis of table 3. This table presents that contribution of IPOs in aggregate resources mobilization was increasing year to year except in the Covid – 19

**Table -3 Comparison of Resources Mobilized by IPOs and Other than IPOs from 2013- 14 to 2023 -24
(₹ Crores)**

Period	IPOs (Mainboard + SME platform)				Other than IPOs (FPOs + Right Issues)				Aggregate Resources Mobilized		
	Amt.	Contribution in Aggregate (%)	AGR	Yc	Amt.	Contribution in Aggregate (%)	AGR	Yc	Amt.	AGR	Yc
2013-14	1,548	12.83		69687	10,520	87.17		37800	12,068		107486
2014-15	1,647	17.46	6.40	100261	7,787	82.54	-25.98	53502	9,434	-22	153763
2015-16	15,677	59.31	851.85	130835	10,755	40.69	38.11	69205	26,432	180	200039

2016-17	29,200	89.89	86.26	161409	3,284	10.11	-69.47	84908	32,484	23	246316
2017-18	78,493	78.68	168.81	191982	21,272	21.32	547.75	100611	99,765	207	292592
2018-19	16,087	88.21	-79.51	222556	2,149	11.78	-89.90	116314	18,236	-82	338869
2019-20	21,286	27.66	32.32	253130	55,679	72.34	2490.93	132016	76,965	322	385145
2020-21	31,030	28.18	45.78	283704	79,089	71.82	42.04	147719	1,10,119	43	431422
2021-22	1,12,553	81.03	262.72	314277	26,342	18.97	-66.69	163422	1,38,895	26	477698
2022-23	54,773	83.21	-51.34	344851	11,051	16.79	-58.05	179125	65,824	-53	523975
2023-24	67,955	81.78	24.07	375425	15,137	18.22	36.97	194828	83,092	26	570251
CAGR	41%				0.03%				19.17%		
r	0.086										
‘t’ -test	0.26										

Source: Compiled from data available in Handbook of SEBI. Assessed on Sept.25, 2025.

period i.e. 2019-20 & 2020-21. Its AGR was fluctuating but positive except the years 2018-19 and 2022-23. Trend values were presenting increasing trend. CAGR of IPOs was very high that is 41%. Contribution of Other than IPOs in aggregate resources mobilization was decreasing year to year in the study period. But it should be noted that their contribution increase in Corona period. Its AGR was fluctuating and negative except in some years where it was positive. It is also surprising that its trend values were presenting increasing trend, perhaps, due to fund mobilize in corona period. CAGR of this component was very low i.e. 0.03% in study period. AGR of aggregate resources mobilization by IPOs and Other than IPOs was fluctuating but positive in eleven years of study period except the year 2014-14, 2018-19 and 2022-23 where it was negative. Trend of aggregate was increasing. CAGR of aggregate was 19.17%. Co-efficient of co-relation in fund mobilization by IPOs and Other than IPOs was positive i.e. 0.086. The 't' value 0.26 is insignificant. It can be inferred that IPOs are dominating in resource mobilization.

VI. FINDINGS

In net cell, fund mobilized by mutual funds was more than the IPOs and their contribution was in the range of 53 to 91. 63 %. Annual growth rate of funds mobilized by mutual funds; equity issues (IPOs & non-IPOs) and aggregate was fluctuating and negative also. However trend of fund mobilization showed an increasing trend to all. CAGR of mutual funds was more than equity issues. Co- relation between mutual funds and equity issues was positives (0.457). Contribution of private sector mutual funds in aggregate net inflow of funds was above 56%. Annual growth rate of both sector (Private & Public) as well as aggregate was highly fluctuating and even negative also some years of study period. Trend values were presenting positive trend. It should be noted that CAGR of public sector mutual funds was very high (24.93%) in comparison to private sector (18.5%). There was very low co-relation between private and public sector but positive (0.23). So, it can be inferred that mutual funds schemes and investment pattern of both sectors have a significant difference. However contribution of private sector in aggregate fund mobilization was higher than public sector but its CAGR is less than public sector. So private sector should invest its fund more wisely to increase its CAGR. On the other hand, public sector should prepare its investment plans with more investment objectives to attract funds. Both sectors should try to reduce fluctuation in their AGR. Share of IPOs in total resource mobilization by (IPOs and Other than IPOs) was increasing year to year except corona period. Annual growth rate of fund mobilization by IPOs and aggregate was fluctuating but positive, whereas other than IPOs was negative also. CAGR of IPOs during the study period was very high i.e. 41% in comparison to other than IPOs (0.03%) and aggregate (19.17%). Co-relation in fund mobilization by IPOs and Other than IPOs was very high and positive (0.86). It can be inferred that IPOs are dominating in resource mobilization.

RESEARCH GAP

Although extensive literature exists on mutual fund performance, capital market efficiency, and IPO pricing in India, but there are a few studies have simultaneously analysed mutual fund and equity issue mobilization over a long period (2013-14 to 2023-24), covering both aggregate and disaggregated data. While earlier works often employ single indicators (such as CAGR or ratio analysis), this study combines CAGR, AGR, trend analysis, and correlation to present a comprehensive picture of capital formation trends. There is limited empirical work assessing the post-pandemic shifts (2020 onwards) in investor behaviour and resource mobilization patterns in India's capital markets.

This study thus fills an important empirical void by providing an integrated, data-driven comparison of the two principal channels of financial intermediation in India.

VII. CONCLUSION

The empirical analysis concludes that mutual funds are dominating in resource mobilization and CAGR over equity issues (IPOs + Other than IPOs). These have emerged as a stable channel of resource mobilization in Indian capital market, while equity issues continue to play a cyclical yet vital role in corporate financing. Annual growth rate of funds mobilized by mutual funds; equity issues (IPOs & non-IPOs) and aggregate was fluctuating and negative also. There was positive co-relation between both the channels. The 't' value 1.54 is insignificant. Share of private sector mutual funds in aggregate resource mobilization (private + public) was more than the public sector, it was above 56%. But, in the matter of CAGR, public sector was very high (24.93%). Co-relation between private and public sector mutual funds was positive (0.23). The 't' value 0.71 is insignificant. Except corona period share of IPOs in total resource mobilization by (IPOs and Other than IPOs) was increasing year to year. It should be noted that annual growth rate of Other than IPOs was fluctuating and negative also. CAGR of IPOs during the study period was very high (41%) in comparison to other than IPOs (0.03%) and aggregate (19.17%). There was positive (0.086) co-relation between IPOs and Other than IPOs in the matter of resource mobilization. The 't' value 0.26 is insignificant. It can be inferred that IPOs are dominating in resource mobilization.

REFERENCES

- [1]. AMFI, various issues (2013-14 to 2023-24).
- [2]. Deb (2025). Analysing the Growth Trajectory and Performance Efficiency of Mutual Funds in India. *IOSR Journal of Business and Management (IOSR-JBM)* e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 27, Issue 6. Ser. 9 (June 2025), PP 50-59.
- [3]. Gupta, R. & Sharma, V. (2019). *Performance Analysis of Public and Private Sector Mutual Funds*. *Indian Journal of Economics and Development*.
- [4]. Kaur and Kulaar (2024). Growth and Performance of Indian Mutual Fund Industry during Past Years. *International Journal of Humanities Social Science and Management (IJHSSM)* Volume 4, Issue 3, May.-June, 2024, pp: 344-347
- [5]. Kaur, S. & Verma, P. (2020). *Risk-Return Analysis of Equity-Oriented Mutual Funds in India*. *Global Business Review*.
- [6]. Kumar, A. & Arora, N. (2022). *Investor Preference between Mutual Funds and Direct Equity Investment*. *Indian Journal of Research in Commerce & Management*.
- [7]. Rao, K. & Reddy, D. (2021). *IPO Market Cyclicity and Investor Behavior in India*. *Asia-Pacific Journal of Business Administration*.
- [8]. **Rajput and Chhabra (2023)**. A Study on the Performance of Mutual Fund in India. *International Journal of Research Publication and Reviews*. Vol 4, No 10, ISSN 2582-7421, Pp 2706-2709 October 2023.
- [9]. Raju; Manjunath and Nithya (2018). A STUDY ON PERFORMANCE EVALUATION OF SELECTED INDIAN EQUITY MUTUAL FUNDS. *International Journal of Creative Research Thoughts (IJCRT)* Volume 6, Issue 1 January 2018, ISSN: 2320-2882, Pp 381-89.
- [10]. SEBI Handbook of Statistics, various issues (2013-14 to 2023-24).
- [11]. Sharma, R. & Mehta, D. (2023). *Post-Pandemic Capital Market Dynamics in India*. *Journal of Contemporary Finance*.