

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
UNSTARRED QUESTION NO. 141

ANSWERED ON MONDAY, 3RD FEBRUARY, 2025/ MAGHA 14, 1946 (SAKA)

Changing Investment Trends

QUESTION

141. SHRI NAVEEN JINDAL:

Will the Minister of Finance be pleased to state:

- (a) whether the last decade has witnessed more than 100% increase in the investment in mutual funds and about 70% increase in pension and equity funds and if so, the reasons thereof;
- (b) whether it is a fact that there has been a decrease in fixed deposits, savings and current accounts deposits and if so, the details and the reasons thereof; and
- (c) the ramifications of these trends in short, medium and long term respectively on the economy?

ANSWER

MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)

(a): The last decade has witnessed a significant increase in investments in equity markets, mutual funds and pension funds. The amount raised by equity issuances has increased from Rs. 0.81 lakh crore at the end of 2013-14 to Rs. 1.97 lakh crore at the end of 2023-24, registering a Compound Annual Growth Rate (CAGR) of 9.2%. The Assets Under Management (AUM) of mutual funds grew from Rs. 8.25 lakh crore in 2013-14 to Rs. 53.41 lakh crore in 2023-24 with a CAGR of 20.5%. The AUM of National Pension System (NPS) and Atal Pension Yojana (APY) has grown from Rs. 0.48 lakh crore in 2013-14 to Rs. 11.73

lakh crore in 2023-24 with a CAGR of 37.6%. This increase can be attributed to increasing awareness amongst investors, rapid digitization, technology driven user-friendly investment mechanisms, robust economic growth prospects and measures taken by the financial sector regulators to foster ease of investment.

(b): Current and Saving Accounts deposits have shown an increase from Rs. 31.51 lakh crore in 2014-15 to Rs. 84.69 lakh crore in FY 2023-24, registering an increase of 168.7%. Term deposits have shown an increase from Rs. 59.59 lakh crore in 2014-15 to Rs. 128.9 lakh crore in FY 2023-24, registering an increase of 116.4%.

(c): The increasing trend of investments in mutual funds, equities, and pension funds has led to greater financial inclusion and increased capital inflow into financial markets which, in turn, has led to enhanced liquidity and depth in financial markets and strengthened participation of domestic savings in capital formation. Higher pension and equity investments are also expected to enable better management of capital needs by individuals and improvement in their living standards. These trends strengthen the role the financial markets in supplying sustained resources for long-term economic growth and wealth creation.
