

MUTUAL FUND TREND ANALYSIS IN INDIAN CAPITAL MARKET**R. Priyadarshini**Dhanalakshmi Srinivasan College of Engineering, Coimbatore, Tamil Nadu, INDIA
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ABSTRACT

Mutual fund industry has experienced a drastic growth within the past twenty years. Increase within the number of schemes with increased mobilization of funds in the past few years provide benefits to the importance of Indian mutual funds industry. To satisfy the expectations of many retail investors, the mutual funds are required to function as successful institutional investors. Proper assessment of varied fund performance and their comparison with other funds helps retail investors for creating investment decisions. This paper examines the performance of mutual fund schemes compares these returns with SBI domestic term deposit rates. While considering the interest of retail investors simple statistical techniques like averages and rate of returns are used. The results obtained from the study clearly depicts that, in most of the cases the mutual fund schemes have failed even to supply the return of SBI domestic term deposits.

INTRODUCTION

The Indian mutual fund industry is a very competitive segment in the capital market and the same time fastest growing for the last two decades. Asset management companies facilitating intermediation and portfolio diversification to help the investors to get the better rate of return for their investment in mutual fund. This paper focus on to assess the total asset under management sector wise, scheme wise to analyze the trend of the mutual fund industry.

OBJECTIVES

1. To evaluate the mutual fund performance.
2. To analyze the scheme wise performance of mutual fund.
3. To analyze the private sector performance compare to public sector performance.

MATERIALS AND METHODS

In the light of the above objectives this study used only secondary data. All financial data have been collected from the SEBI web site and Microsoft office Excel 2007 used for data analysis. For analysis of data this study has been taken past five years from 2013 to 2017. The financial information are mobilization of resource by mutual funds, sector wise mobilization of resources,

Scheme wise resource mobilization and scheme wise assets under management for the past five years.

RESULTS AND DISCUSSION

| Sl.No. | Year | Assets at the end of the period |
|--------|---------|---------------------------------|
| 1 | 2012-13 | 701443 |
| 2 | 2013-14 | 825240 |
| 3 | 2014-15 | 1082757 |
| 4 | 2015-16 | 1232824 |
| 5 | 2016-17 | 1754619 |

Source: SEBI Annual Report

Table No.1 discloses the fund gross inflows from the period of 2013 to 2017. The table shows above all the five years the trend of the cash inflows increasing year by year. As compared the base year(2013) value (701443) to next year 2014 there is 17.64% cash inflow increased. The cash inflows of 2015 year compared to the base year there is 54.36% cash inflows increased. While 2016 cash inflows compared to the base year there is 75.75% cash inflows increased. The last year 2017 cash inflows compared to the base year there is 150.14% increase.

| Private Sector Mutual Funds | | | | | |
|-----------------------------|---------|--------------|---------------|----------|----------|
| Sl.No. | Year | Open - ended | Close - ended | Interval | Total |
| 1 | 2012-13 | 5862749 | 85175 | 7022 | 5927947 |
| 2 | 2013-14 | 7912853 | 121634 | 14909 | 8049397 |
| 3 | 2014-15 | 9097753 | 43785 | 2423 | 9143962 |
| 4 | 2015-16 | 11092349 | 33134 | 793 | 11126277 |
| 5 | 2016-17 | 14227271 | 20507 | 159 | 14247937 |

Source: SEBI Annual Report

Table No. 2 disclose the sector wise fund inflows past five years, it is assumed year 2013 is a base year. While comparing total cash inflows of the private sector in the year 2014 compared to the base year there is increasing of cash inflow 35.78%. In the year 2015 inflows of funds compared to the base year there is increasing of inflows 54.25%. In the year 2016 cash inflow compared to the base year there is increasing of cash inflows 87.69%. While comparing the last year 2017 cash inflows the base year there is increasing of inflows 140.35%.

| Public Sector Mutual Funds | | | | | |
|----------------------------|---------|--------------|---------------|----------|--------|
| Sl.No. | Year | Open - ended | Close - ended | Interval | Total |
| 1 | 2012-13 | 698358 | 8230 | NA | 706589 |

| | | | | | |
|---|---------|---------|-------|------|---------|
| 2 | 2013-14 | 1694672 | 22733 | 1296 | 1718703 |
| 3 | 2014-15 | 1928467 | 13760 | 69 | 1942297 |
| 4 | 2015-16 | 2629048 | 9998 | 232 | 2639279 |
| 5 | 2016-17 | 3359950 | 7522 | 140 | 3367612 |

Sources: SEBI Annual Report

Table No.3 depicts the performance of the public sectors mutual fund in Indian capital market. It is assumed the base year is 2013. In the year 2014 total inflow of funds compared to base year there is increasing of inflows 143.24%. The next year 2015 cash inflow compared to the base year there is increasing of inflows 174.88%. While comparing 2016 total inflow of funds to the base year there is increasing of funds inflows 273.52%. In the year 2017 funds inflow compared to the base year there is increasing on funds inflows 376.60%.

| Schemes | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|----------------|----------------|-----------------|-----------------|-----------------|
| A. Income / Debt Oriented Schemes | | | | | |
| i) Liquid / Money | 6365420 | 9098547 | 10405265 | 13010039 | 16,423,253 |
| ii) Gilt | 12886 | 9917 | 13,133 | 13,158 | 12,007 |
| iii)Debt (other than assured returns) | 835273 | 600736 | 493503 | 527953 | 868350 |
| iv)Infrastructure Debt Fund (IDF) | 0 | 562 | 188 | 403 | 0 |
| B. Growth/ Equity Oriented Schemes | | | | | |
| i) ELSS | 2641 | 2661 | 8343 | 9981 | 14624 |
| ii) Others | 40723 | 43432 | 139829 | 155295 | 204926 |
| C. Balanced Schemes | 5205 | 3435 | 15417 | 28487 | 50621 |
| D. Exchange Traded Funds | | | | | |
| i) Gold ETF | 2767 | 403 | 118.27 | 28.25 | 86 |
| ii) Other ETFs | 2285 | 6466 | 9856 | 19938 | 41335 |
| E. Fund of Funds Investing Overseas | 686 | 1941 | 609 | 274 | 347 |
| Total | 7267885 | 9768100 | 11086259 | 13765555 | 17615549 |

Source: SEBI Annual Report

The table No.4 explains the scheme wise fund mobilization performance for the past five years; it is assumed year 2013 is a base year. The funds inflows of the year 2014 compared to the base year there is increasing of cash inflows 34.40%. The total funds flows of the year 2015 compared to base year 2013 there is increasing of funds inflows 52.54%. In the year 2016 funds mobilization performance compared to the base year there is increasing of funds inflows 89.40%. While comparing 2017 inflows of funds to the base year 2013 there is increasing of inflows 142.38%.

| Table No. 5 Scheme-wise Assets Under Management as on 2012 to 2017(Rs.Crore) | | | | | |
|--|---------------|----------------|----------------|----------------|----------------|
| Schemes | 2013 | 2014 | 2015 | 2016 | 2017 |
| A. Income/ Debt Oriented Schemes | | | | | |
| i) Liquid/Money | 93392 | 133280 | 162562 | 199404 | 314,086 |
| ii) Gilt | 8074 | 6114 | 14,614 | 16,306 | 14,875 |
| iii)Debt(other than assured returns) | 395985 | 460672 | 515772 | 565460 | 743783 |
| iv)Infrastructure Debt Fund (IDF) | 0 | 879 | 1,179 | 1730 | 1908 |
| B. Growth/ Equity Oriented Schemes | | | | | |
| i) ELSS | 22746 | 25547 | 39470 | 41696 | 61403 |
| ii) Others | 149762 | 165560 | 305669 | 344707 | 482138 |
| C. Balanced Schemes | 16307 | 716793 | 26368 | 39146 | 84762 |
| D. Exchange Traded Funds | | | | | |
| i) Gold ETF | 11648 | 8676 | 6655 | 6346 | 5480 |
| ii) Other ETFs | 1477 | 4528 | 8060 | 16063 | 44436 |
| E. Fund of Funds Investing Overseas | 2053 | 3191 | 2408 | 1967 | 1747 |
| Total | 701444 | 1525240 | 1082757 | 1232825 | 1754618 |

Source: SEBI Annual Report

Table No.5 shows that asset under management scheme wise for the past five years, for calculation of asset under management trend performance it assumed 2013 year as a base year. The total assets under management of the year 2014 compared to base year 2013 there is increasing of AUM 117.44%. In the year 2015 total assets under management compared to base year there is increasing of AUM 54.36%. The total AUM of the year 2016 funds compared to base year there is increasing of assets under management 75.76%. While comparing the assets under management in the year 2017 compared to the base year 150.14%.

CONCLUSION

Time plays important role in investment strategy. Market is always fluctuating it reflect promising return some time above the promising return also. Markets act differently if we are going to compare five year performance or month. Short term markets generally volatile, while in the long term perspective there will be stable performance and gradually increasing returns to the investors. Investment objectives of the investors differ from person to person but all the investors expecting good returns while making investment. As rightly put by the business magnet Warren Buffet, "Invest for the Long Term", such investments ensure far more benefits when compared to investments with short-term horizon. Before investing hard-earned funds, one needs to understand the working of markets and the risks associated with investing, which is not easily possible with short-term investments.

References:

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