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Assets Under Management In Mutual Fund Schemes In India: A Review

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Abstract: Investors invest their fund in the Indian stock markets directly and indirectly through mutual fund schemes. Investment in mutual fund schemes is comparatively less risk because the expert or fund manager of mutual fund schemes diversifies the risk of investment in the stock market and works on behalf of mutual fund investors for their investment in stock markets. During the year 2019-2020, 2020-2021, 2021-2022 and 2022-2023, total fund invested in mainly five types of mutual fund scheme in India, these are Income/Debt Oriented Schemes, Growth/Equity Oriented Schemes, Hybrid Schemes, Solution Oriented Schemes and Other Schemes. These total funds invested in this article are analysed on Net Assets under Management, Scheme Wise Growth and Significant Difference among the different mutual fund schemes. This paper shows that equity oriented schemes and index funds are preferable to investors and Net Assets under Management in different schemes are independently works in the Indian stock markets.

Keywords: Net Assets under Management, Index Fund, Mutual Fund Scheme.

I. INTRODUCTION

Investment in share market directly is very risky, its growth in different stock is also a very important issue to appreciate the capital but to make track the stock regularly is not possible to all the investors, stock market analysis is also not a simple task and this work to the retail investors is very complicated but investment in mutual funds is less risky and its growth in different schemes also beat sometimes the growth of stock markets, the expert or fund manager of mutual funds diversifies the risk in stock markets and tries to protect the capital invested on behalf of mutual fund investors. Different mutual fund managers use the different strategy to invest the amount of mutual fund scheme in the stock market in India. Investment in mutual fund for long period is always profitable to the investors. There are mainly five types of mutual fund scheme in India, these are Income/Debt Oriented Schemes, Growth/Equity Oriented Schemes, Hybrid Schemes, Solution Oriented Schemes and Other Schemes. These schemes are shown in the following Table-I:

Table-I: Mutual Fund Scheme				
Income/Debt Oriented Schemes	Growth/Equity Oriented Schemes	Hybrid Schemes	Solution Oriented Schemes	Other Schemes
Overnight Fund	Multi Cap Fund	Conservative Hybrid Fund	Retirement Fund	Index Funds
Liquid Fund	Large Cap Fund	Balanced Hybrid Fund/Aggressive Hybrid Fund	Children's Fund	GOLD ETF
Ultra Short Duration Fund	Large & Mid Cap Fund	Dynamic Asset Allocation/Balanced Advantage Fund		Other ETFs
Low Duration Fund	Mid Cap Fund	Multi Asset Allocation Fund		Fund of funds investing overseas
Money Market Fund	Small Cap Fund	Arbitrage Fund		
Short Duration Fund	Dividend Yield Fund Fund/Contra Fund	Equity Savings Fund		
Medium Duration Fund	Focused Fund			
Medium to Long Duration Fund	Sectoral/Thematic Funds			
Long Duration Fund	ELSS			
Dynamic Bond Fund	Flexi Cap Fund			
Corporate Bond Fund	-	-		
Credit Risk Fund	-	-	-	-
Banking and PSU Fund	-	-	-	-
Gilt Fund	-	-	-	-
Gilt Fund with 10 year constant duration	-	-	-	-

Source: AMFI Website

In this paper, Net Assets under Management in different schemes; Income/Debt Oriented Schemes, Growth/Equity Oriented Schemes, Hybrid Schemes, Solution Oriented Schemes and Other Schemes are analysed to find the Indian present financial economic trend in mutual fund investment, this total fund of mutual fund schemes is examined by the analysis of total Net Assets under Management in five mutual fund schemes, its growth and verification of significant difference in the Net Assets under Management in mutual fund schemes during 2019-2020, 2020-2021, 2021-2022 and 2022-2023 using one way ANOVA with the help of SPSS 20.

II. METHODOLOGY

This paper is descriptive in nature and secondary data is used to analyse the Net Assets under Management, its annual growth and significant difference among the different mutual fund schemes. This data as on 31st March, 2020, 31st March, 2021, 31st March, 2022 and 31st March, 2023 is collected from AMFI website. In this paper, Addition, net assets under management and scheme wise growth are analysed and One Way ANOVA are also used to find the significant difference among the four net assets under managements of mutual fund schemes.

III. OBJECTIVES OF THE STUDY

The main objectives of the study with respect to the topic are given below:

- To analysis of Net Assets under Management in different mutual fund schemes,
- To find the scheme wise growth for the four years,
- To verify the significant difference among the five Net Assets under Managements of mutual fund schemes.

IV. LIMITATIONS OF THE STUDY

The limitations of the study are stated in the following way:

- Secondary data only is considered to analyse the data,
- Different mutual fund schemes are taken as per AMFI website,
- The present data as per March 31st is collected to find the result,
- The result of One Way ANOVA is taken only with the help of SPSS 20.

V. ANALYSIS AND FINDINGS

In this division, total amount of net assets under management in different mutual fund schemes is plotted and examined in the Table-II:

Scheme Name	Net Assets Under Management as on March 31, 2020 (Rs)	Net Assets Under Management as on March 31, 2021 (Rs)	Net Assets Under Management as on March 31, 2022 (Rs)	Net Assets Under Management as on March 31, 2023 (Rs)	Total (Rs)
Income/Debt Oriented Schemes	10,29,141.70	13,28,225.68	12,98,961.06	11,81,982.36	48,38,310.80
Growth/Equity Oriented Schemes	5,78,507.69	9,79,367.20	13,65,455.75	15,17,082.50	44,40,413.14
Hybrid Schemes	2,62,149.84	3,42,957.23	4,79,918.10	4,78,916.83	15,63,942.00
Solution Oriented Schemes	15,699.26	24,376.83	29,536.76	32,333.53	1,01,946.38
Other Schemes	1,65,235.12	3,21,625.62	5,21,928.23	6,97,522.48	17,06,311.45
Total	20,50,733.61	29,96,552.56	36,95,799.90	39,07,837.70	1,26,50,923.77

Source: AMFI Website

Findings:

Indian financial economic condition is getting stronger and GDP is increasing that is why investors in mutual funds are giving more leverage in equity oriented schemes for their investment and taking more risk to invest in the Indian economy to grow their fund.

In this part, scheme wise growth analysis of three years (2020-2021, 2021-2022 and 2022-2023) for Income/Debt Oriented Schemes, Growth/Equity Oriented Schemes, Hybrid Schemes, Solution Oriented Schemes and Other Schemes are shown in the Table-III:

Scheme Name	Net Assets Under Management as on March 31, 2020 (%)	Net Assets Under Management as on March 31, 2021 (%)	Net Assets Under Management as on March 31, 2022 (%)	Net Assets Under Management as on March 31, 2023 (%)	Average (%)
Income/Debt Oriented Schemes	-	29.06	-2.20	-9.01	5.95
Growth/Equity Oriented Schemes	-	69.29	39.42	11.10	39.94
Hybrid Schemes	-	30.82	39.94	-0.21	23.52
Solution Oriented Schemes	-	55.27	21.17	9.47	28.64
Other Schemes	-	94.65	62.28	33.64	63.52

Source: Computed on the basis of Table-II

Findings:

Table-III shows that average growth of other scheme and Growth/Equity Oriented Schemes are performing well in the study period, investors positively prefer to invest in the equity related products of mutual funds and index fund, exchange traded fund and fund of fund. Investors follow this principles because this strategy follows the growth of the stock markets in India as well as the growth of Indian economy and investors bear the risk to get more appreciation of their capital.

In this area, significant difference among net assets under management of the different mutual fund schemes is studied using the one way ANOVA. To verify the significant difference among the net assets under management of five mutual fund schemes, the following hypothesis are considered:

Hypothesis:

H_0 : Five mutual fund schemes are not significantly different

H_1 : Five mutual fund schemes are significantly different

The result and its critical analysis are shown in the following Table-IV:

Mutual fund	Parameter	Statistic	P-Value	Decision Rule	Decision on H_0
Five schemes	Income/Debt Oriented Schemes, Growth/Equity Oriented Schemes, Hybrid Schemes, Solution Oriented Schemes and Other Schemes	19.752	0.000	P-Value<0.05	Rejected

Source: Computed on the basis of Table-II using SPSS-20

Findings:

The null hypothesis is rejected and five mutual fund schemes in Table-III are significantly different for their total investment in the financial market, these schemes of mutual fund are selected on the basis of risk taken of the individual investors for the investment in the stock markets. It means investors decides to invest in mutual funds as per their needs, risk taken capacity and expected return on the invested amount.

VI. CONCLUSION

In this paper, investor's investment in mutual funds in various schemes depends on the expected return on invested fund, risk bearing capacity of investors and growth of stock markets. Investors mainly prefer to invest in Index Funds; GOLD ETF, Other ETFs, Fund of funds investing overseas and equity related mutual funds. It is also found that no proper relation exists in the Income/Debt Oriented Schemes, Growth/Equity Oriented Schemes, Hybrid Schemes, Solution Oriented Schemes and Other Schemes. The different mutual fund schemes and its net assets under management are collected by the asset management company and made its corpus on the basis of nature of mutual fund schemes and the first choice of investors to invest in mutual fund scheme.

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