

Vol 5 Issue 3 Dec 2015

ISSN No : 2249-894X

*Monthly Multidisciplinary
Research Journal*

*Review Of
Research Journal*

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GROWTH AND PERFORMANCE OF INDIAN OPEN-END INVESTMENT COMPANY TRADE THROUGHOUT PAST DECADES

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ABSTRACT

Investment is that the sacrifice of bound gift worth for the unsure future reward. Investment is associate activity that's engaged in by those that have savings. Savings directed into investment. With the savings endowed in varied choices obtainable to the folks, the cash act because the driver for the expansion of the country. Indian money scene too presents a embarrassment of avenues to the investors. the most objective of the capitalist is to reduce the chance and maximize the comeback. Mutual funds represent the foremost acceptable

investment chance for many investors. As money markets become additional subtle and complicated, investors would like a money mediator WHO provides the specified data and skilled experience on no-hit finance.

KEYWORDS : Growth and Performance of Indian ,Indian economic system .



INTRODUCTION:

Here mutual funds act as associate mediator. {In adjuring aim associate exceedingly in a very} fashionable economy money establishments act as an intermediaries between lenders and borrowers. Money markets area unit the backbone of associate financial set-up and aid assortment of scarce capital across the productive sectors of the economy. The Indian economic

system has forever had a well-defined institutional structure. The open-end investment company trade could be a quick growing sector of the Indian money Markets. They need become major vehicle for mobilization of savings, particularly from the little and ménage savers for investment within the capital market. Mutual Funds entered the capital of India Market in 1964 with a read to produce the advantage of diversification of risk, assured returns, and skilled management. Medium frequency industries have already entered into a world of exciting innovative merchandise. These merchandise area unit currently tailor created to suit specific desires of investors. Intense competition and involvement of personal players within the race of MFs have forced skilled managers to bring

innovation in mutual funds. Thus, mutual funds trade has affected from providing some of schemes like equity, debt or balanced funds to liquid, market, sector specific funds, index funds and gilt edged funds.

The open-end investment company trade could be a quick growing sector of the Indian money Markets. they need become major vehicle for mobilization of savings, particularly from the little and ménage savers for investment within the capital market. Mutual Funds entered the capital of India Market in 1964 with a read to produce the advantage of diversification of risk, assured returns, and skilled management. A open-end investment company could be a special sort of investment establishment that acts as associate investment passage. It pools the savings, notably of the comparatively little investors, and invests them in a very well varied portfolio of sound investment. Open-end investment company issue securities to the investors in accordance with the quantum of cash endowed by them. The profit or losses area unit shared by the investors in proportion to their investments. The investment mediator supply a spread of services to the comparatively little investors WHO on their own cannot with success construct associated manage an investment portfolio principally thanks to the little size of their funds, lack of experience and skill.

NEED FOR THE STUDY

The study is conducted on varied dimension of growth of open-end investment company trade embrace Growth of plus below management, establishment wise, sector wise open-end investment company sales and redemption, theme wise resource mobilization, total range of schemes and total range of folios. Moreover, there has been an eternal modification within the economic and business atmosphere, resulting in the emergence of recent opportunities to the new entrants and to those already in field. Investment in open-end investment company instruments has shown extraordinary growth throughout the recent past. The analyses area unit conducted mistreatment the revealed knowledge obtainable in Association of open-end investment company India. The scope of the study was {to below stand to know to grasp} the quantity of schemes under every class, sector wise contribution in open-end investment company trade and class wise resource mobilization for various schemes. The Indian open-end investment company trade is undergoing a metamorphosis that unknowingly marks some extent of inflection for the market participants. However, even amidst volatile market conditions, average assets below management indicated spirited growth of quite 800 p.c in India.

Institution-wise Assets below Management from March 2004 to March 2014. Once freeing, share of Indian open-end investment company firms, venture preponderantly Indian firms associated with non-public sector have augmented their plus base manifold. Assets below Management from all sectors of mutual funds on March 2004 accounted for Rs. 1, 39,616 crore. It remittent to Rs. 4, 17,300 large integer by March 2009 and once more raised year by year and reached to as high as Rs. 9, 05,120 large integer by the March 2014.. Moreover, bifurcation of the UTI and exclusion of the assets of specified undertaking of the UTI is also an other effect. The analysis reveals that the sales of Public sector, private sector-Indian, Joint venture predominantly Indian, institutions sales have increased and the joint venture predominantly foreign sales have been decreased.

Total open-end investment company sales from all schemes throughout the year March 2004 were Rs. 5, 90,190 crore. It's gone up to Rs.97, 68,401 crore by the March 2014. Out of the total sales bank sponsored (7.90%), institution sponsored (3.71%) and private sector sponsored (88.37%). once bifurcation of the UTI in the year 2004 all bank sponsored below public sector have shown below 2 heads as joint venture preponderantly Indian and others. Sales of venture preponderantly Indian have augmented from three.71% to 7.81 per cent by the year 2004 to 2014 and therefore the sales of

venture preponderantly foreign have augmented from zero.06% to 1.66% . The sales of different mutual funds augmented from seven.08% to 9.79% from the year 2005 to 2014.

The share of the Indian non-public sector mutual funds that was twenty four.23 per cent in March 2004 had step by step augmented to twenty nine.09 per cent in 2014 thanks to gap of the many innovative and capitalist friendly schemes. The sales of venture preponderantly Indian has augmented from twenty two.81% per cent to forty six.04% per cent between the years 2004 and 2014 and therefore the sales of venture preponderantly foreign shows a decrease of thirty six.76% within the year two004 to 2.59% within the year 2014.

Redemptions from bank sponsored open-end investment company venture preponderantly augmented from three.57% to 7.79%, venture preponderantly foreign schemes have gone up from zero.05 to 1.67 %, and different bank sponsored mutual funds augmented from seven.46% to 9.85%.

Redemptions of Indian non-public sector mutual funds that were nearly twenty four.50 per cent in March 2004 has augmented to twenty nine.15 per cent by the March 2014. And redemptions of Joint venture mutual funds dominated by Indian share, which were 23.42 per cent in March 2004, have gone up to 45.98 per cent by the March 2014. And joint venture predominantly foreign though increased from 33.94 per cent to 40 per cent in the year 2005 and it has decreased to 2.61 per cent by the March 2014 due to fluctuations in sales.

The sales of all the schemes is increased from 839662 in the year 2004 to 3,043,077 in the year 2013 and the redemption of all the schemes is also increased from 837508 to 2889295. The net utilization of the resources by mutual fund in all the schemes goes up by 2154 to 153781. The sale of income schemes are increased from 2004 to 2010 and it goes down in the last two years and sale of growth scheme is reduced from 37233 to 15999. The sale of balanced scheme is goes down to 1639 in the year 2012-13. The exchange listed fund is started within the year 2006-07 and therefore the total sales is around ninety nine crores and its augmented to 1359 Crore within the year 2012-13.

The total range of open all over theme augmented from 403 to 777, closed all over schemes goes up from forty eight to 796 and interval schemes is started within the year 2009 and it remittent from sixty eight to sixty five schemes. In open-ended theme, financial gain familiarized open-ended theme (49.63%), growth familiarized open-ended theme (41.94%) and balanced familiarized open-ended (8.44%) contributed for the year 2005. The financial gain familiarized open-ended theme remittent from forty nine.63% to 45.82%, closed all over theme augmented from fifty eight.33% to 95.10% and interval theme augmented from ninety seven.06% within the year 2009 to 100% within the year 2014. the expansion familiarized open-ended theme remittent from forty one.94% to 41.83%, closed all over theme remittent from thirty-nine.58% to 4.77% and interval theme started within the year 2009 and it shows a proportion of two.94% and remittent to two.78% within the year 2011.

SUMMARY OF FINDINGS

Total mutual fund sales from all schemes during the year March 2004 were Rs. 5, 90,190 crore. It has gone up to Rs.97, 68,401 large integers by the March 2014 and therefore the total open-end investment company redemptions from all schemes in March 2001 were Rs. 5, 43,381crore. This has increased to Rs. 97, 14,318 crore to the year March 2014. The scheme wise resource mobilization shown that the sales of all the schemes is increased from 839662 in the year 2004 to 3,043,077 in the year 2013 and the redemption of all the schemes is also increased from 837508 to 2889295. The net utilization of the resources by mutual fund in all the schemes goes up by 2154 to 153781. The total number of open ended scheme increased from 403 to 777, closed ended schemes goes up from 48 to 796 and interval schemes is started in the year 2009 and it decreased from 68 to 65 schemes. The total

number of folios in all the schemes during the year 2009 was 47598163 crore and it goes down to 39548410 crore due to number of folio reduced in growth and fund of fund schemes.

CONCLUSION

On the basis of above analysis, it can be concluded that the asset under management shown a growth of Rs. 9,05,120. The asset under management of all the sectors, mutual fund sales, mutual fund redemption, and scheme wise resource mobilization, total number of schemes has been increased from the year 2004 to 2014. The total number of folios shows an decrease from the year 2004 to 2014 due to number of folios reduced in growth and funds of fund schemes. The Indian Mutual Fund Industry on Dec 2014 with a total AUM of Rs. 11.11 lakh crore as against last year's figure of Rs.8.25 lakh crore - a growth of 35%. This shows that the investor preference towards financial assets is increasing. One of the drivers for the AUM is equity AUM, which increased from Rs.1.58 lakh crore to Rs.2.79 lakh crore as on November 2014. The surge in the value of share prices and an increase in interest from investors helped equity AUM rise.

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