A STUDY ON TOP PERFORMED EQUITY – FMCG MUTUAL FUND SCHEMES IN INDIA

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CONCEPT OF MUTUAL FUND
A Mutual Fund is a trust that pools the savings of a number of investors who share a common financial goal. The money thus collected is then invested in capital market instruments such as shares, debentures and other securities. The income earned through these investments and the capital appreciation realised are shared by its unit holders in proportion to the number of units owned by them. Thus a Mutual Fund is the most suitable investment for the common man as it offers an opportunity to invest in a diversified, professionally managed basket of securities at a relatively low cost.

MUTUAL FUND & CAPITAL MARKET
Indian institute of capital market (IICM) aims is to educate and develop professionals for the securities industry in India and other developing countries, other objectives like to function on a Centre for creating investors awareness through research & turning and to provide specialized consultancy related to the securities industry.

Capital market play vital role for the growth of Mutual fund in India, capital market divided into the two parts one is the primary market and another is secondary market, primary market concern with issue management, as per the mutual fund concern the primary called as the NFO New Fund Offer, all the AMC (Assets Management Company) are issuing all the funds all the way through the NFO, Every NFO came with particularly investment

ROLE OF SEBI
An index fund scheme’ means a mutual fund scheme that invests in securities in the same proportion as an index of securities;” A mutual fund may lend and borrow securities in accordance with the framework relating to short selling and securities lending and borrowing specified by the Board.

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ROLE OF AMFI (ASSOCIATION MUTUAL FUND IN INDIA)

The Association of Mutual Funds in India (AMFI) is dedicated to developing the Indian Mutual Fund Industry on professional, healthy and ethical lines and to enhance and maintain standards in all areas with a view to protecting and promoting the interests of mutual funds and their unit holders.

Tax Planning and Mutual Fund Investors in India opt for the tax-saving mutual fund schemes for the simple reason that it helps them to save money. The tax-saving mutual funds or the equity-linked savings schemes (ELSS) receive certain tax exemptions under Section 88 of the Income Tax Act.

NISM (National Institute of Securities Market) NISM has the sub-part of national stock exchange. National stock exchange established one branch who handling the activities which have been related with the capital market and security market. Here the national institute market has six constitutes of securities markets (1. Investors, 2. Regulation, 3. Intermediaries, 4. Opinion Market, 5. Knowledge Generate, 6. Issuer).

PRUDENTIAL ICICI MUTUAL FUND

The mutual fund of ICICI is a joint venture with Prudential Plc. of America, one of the largest life insurance companies in the US of A. Prudential ICICI Mutual Fund was setup on 13th of October, 1993 with two sponsors, Prudential Plc. and ICICI Ltd. The Trustee Company formed is Prudential ICICI Trust Ltd. and the AMC is Prudential ICICI Asset Management Company Limited incorporated on 22nd of June, 1993.

STATE BANK OF INDIA MUTUAL FUND

State Bank of India Mutual Fund is the first Bank sponsored Mutual Fund to launch offshore fund, the India Magnum Fund with a corpus of Rs. 225 cr. approximately. Today it is the largest Bank sponsored Mutual Fund in India. They have already launched 35 Schemes out of which 15 have already yielded handsome returns to investors. State Bank of India Mutual Fund has more than Rs. 5,500 Crores as AUM. Now it has an investor base of over 8 Lakhs spread over 18 schemes.

TYPES OF MUTUAL FUND SCHEMES

Wide varieties of Mutual Fund Schemes exist to cater to the needs such as financial position, risk tolerance and return expectations etc. The table below gives an overview into the existing of schemes in the Industry.

<table>
<thead>
<tr>
<th>Structure</th>
<th>Investment Objective</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open-ended schemes</td>
<td>Growth schemes, Income schemes, Balanced schemes, Money market schemes</td>
<td>Tax saving schemes, Index schemes, Sector specific schemes</td>
</tr>
<tr>
<td>Close-ended schemes</td>
<td>Interval schemes</td>
<td></td>
</tr>
</tbody>
</table>

STRUCTURE BASED SCHEMES

**Open-ended Schemes**: These have no fixed maturity period. Open-ended schemes are available for subscription and redemption (purchase and sale) on an ongoing basis. The units are bought and sold at NAV related prices.

**Close-ended Schemes**: These schemes have stipulated maturity period. Typically, you can invest in them for between 3 to 10 years. These schemes are open for subscription only during a specified period at the time of their launch. In case of listed schemes, you can invest in the scheme at the time of the

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Interval Schemes: Interval schemes are a combination of open-ended and close-ended schemes. These schemes remain open for sale and repurchase only during a specified period.

Objectives Based Schemes:

Growth Schemes: Growth schemes are designed to provide optimum returns through capital appreciation over medium to long term. Major parts of their fund are invested in equities. So, though there could be a decline in their value in the short-term these schemes deliver results in the long run. It is an ideal option for those in their prime earning years.

Income Schemes: If you are looking for regular and steady returns go for income schemes. These schemes generally invest in fixed income securities such as bond and corporate debentures. Their returns may not be as attractive as growth schemes but they are steady and less risky as compared to equity schemes. If you have retired or need capital stability and income to supplement your current earning opt for an income scheme.

Balanced Schemes: Balanced funds give you the best of growth and income schemes. A balanced fund invests both in equities and fixed income securities. Their returns are generally less volatile as compared to pure equity fund.

Liquid Schemes: Liquid schemes are also known as money market schemes. These schemes generally invest in safer short-term instruments such as treasury bills, certificated of deposit, commercial paper and government securities. It is a good idea to invest your surplus funds for short periods in liquid schemes.

Other Schemes:

Tax Saving Schemes: If you are investing because you want to save tax, go for these schemes. They offer deduction from gross total income to the investors, at present, under Sec. 80C of the Income Tax Act. The fund invested to any Equity Linked Saving Scheme (ELSS) are eligible for deduction up to Rs. 100000 every financial year. Its growth oriented and invests predominantly.

Special Schemes:

Index Funds: Index Funds replicate the portfolio index such as the BSE Sensitive Index, S&P NSE 50 Index (NIFTY), etc. These schemes invest in the securities in the same weightage comprising of an index.

Sector Specific Funds: Sector specific funds take advantage of the boom or expected upturn in a particular industry or sector by investing in them. So if software or pharmaceuticals is expected to do well, you have funds that invest in the stocks of only these sectors. The returns in these funds are dependent on the performance of the respective sectors or industries.

LITERATURE REVIEW


In this study, an attempt had been made to the performance of selected schemes of mutual funds based on risk-return relationship models and measures. A total of 23 schemes offered by six private sector mutual funds and three public sector mutual funds have been studied over the time period April 1996 to March 2009 (13 years). The analysis had been made on the basis of mean return, beta risk, and coefficient of determination, Sharpe ratio, Treynor ratio and Jensen Alpha. The overall analysis found Franklin Templeton and UTI being the best performers and Birla Sun life, HDFC and LIC mutual funds showing poor below-average performance when measured against the risk-return relationship models.


This study was conducted to analyze and compare the performance of different types of mutual funds in Pakistan, and concluded that equity funds outperform income funds. These funds are further classified into broker backed and institutional backed funds for detail analysis. Findings showed that within equity funds, broker backed category showed better performance than institutional funds. On the
other hand, among income funds, institutional funds are outperforming broker backed funds. Further, it has been found empirically that fund managers are able to time their investments with the conditions in the market, and possess significant timing ability. This study further concludes that equity fund managers possess significant market timing ability and institutions funds managers are able to time their investments, but brokers operated funds did not show market timing ability.

This study evaluated the market timing abilities of Indian fund managers of thirty-one tax planning schemes in India over the period December, 1995 to January, 2004 by using Jensen & Mazuy model and Henriksson and Merton model. The study indicated that the fund managers had not been successful in reaping returns in excess of the market; rather they were timing the market in the wrong direction.

SCOPE OF THE STUDY
The scope of the study objective is to investigate the return on investment in share market and to understand the fund sponsor qualities influencing the selection of MFs/ FMCG Schemes. Also to find out that how far the FMCG mutual fund schemes are able to win the confidence of the investors. The researcher’s study is considering the top performance of FMCG equity mutual fund schemes in India. Now, the researcher study purpose is to know the return on investment in share market for FMCG equity mutual fund schemes. FMCG Sector is fast growing sector. This industry investments is giving good return or not for the small investors through mutual funds.

OBJECTIVES OF THE STUDY
- To find FMCG Mutual funds schemes giving good return in the share market
- To study the return on Top performed FMCG equity mutual fund schemes in share market.
- To know how far the Top performed FMCG equity mutual fund schemes are able to win the confidence of the investors

HYPOTHESIS
- The broader hypothesis for the study would be as under.
- Ho: There would be no significant difference in performance of various FMCG equity mutual fund schemes in various Companies.
- H1: There would be significant difference in performance of various FMCG equity mutual fund schemes in various Companies.

TOOLSOFANALYSIS

RATE OF RETURN METHOD
\[ R = \frac{(P1-P0+D1)}{P0} \]  Whereas \( P1 \) is the price at the end of the year \( P0 \) at the beginning And \( D1 \) is the dividends received during the year.
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### THE TOP THREE FMCG MUTUAL FUND SCHEMES IN HALF YEARLY PERFORMANCE

<table>
<thead>
<tr>
<th>Period (6 months)</th>
<th>SBI FMCG - DIRECT- GRWOTH</th>
<th>SBI FMCG - GRWOTH</th>
<th>ICICI Prudential - DIRECT-GRWOTH</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Purchase Price</td>
<td>Sales price</td>
<td>Return</td>
</tr>
<tr>
<td>Period I (1/1/2013 to 28/06/2013)</td>
<td>53.14</td>
<td>50.44</td>
<td>5.08</td>
</tr>
<tr>
<td>Period II (1/7/2013 to 31/12/2013)</td>
<td>55.62</td>
<td>54.14</td>
<td>2.66</td>
</tr>
<tr>
<td>Period III (1/1/2014 to 30/06/2014)</td>
<td>59.93</td>
<td>55.67</td>
<td>7.11</td>
</tr>
<tr>
<td>Period IV (1/7/2014 to 31/12/2014)</td>
<td>73.28</td>
<td>60.42</td>
<td>17.55</td>
</tr>
<tr>
<td>Period V (1/1/2015 to 30/06/2015 )</td>
<td>73.87</td>
<td>73.24</td>
<td>0.85</td>
</tr>
<tr>
<td>Period VI (1/7/2015 to 31/12/2015)</td>
<td>78.02</td>
<td>73.76</td>
<td>5.46</td>
</tr>
</tbody>
</table>

SBI FMCG - DIRECT- GRWOTH fund is given 17.55% maximum return in IVth Period (1/7/2014 to 31/12/2014), second maximum return is 7.11% in IIIrd Period (1/1/2014 to 30/06/2014) and the another maximum in VIth period (1/7/2015 to 31/12/2015) and Ith Period (1/1/2013 to 28/06/2013) are 5.46% and 5.08% respectively. This fund given very lowest return in Vth Period (1/1/2015 to 30/06/2015 ) and IIth Period (1/7/2013 to 31/12/2013) are 0.85% and 2.66% respectively.

SBI FMCG - GRWOTH fund is provided 15.93% maximum return in IVth Period (1/7/2014 to 31/12/2014), second maximum return is 6.82% in IIIrd Period (1/1/2014 to 30/06/2014) and the another maximum in VIth period (1/7/2015 to 31/12/2015) and Ith Period (1/1/2013 to 28/06/2013) are 4.98% and 4.18% respectively. This fund given very lowest return in Vth Period (1/1/2015 to 30/06/2015) and IIth Period (1/7/2013 to 31/12/2013) are 0.26 and 2.33 respectively.

ICICI FMCG - GRWOTH fund is provided 19.80% maximum return in IVth Period (1/7/2014 to 31/12/2014), second maximum return is 5.85% in IIIrd Period (1/1/2014 to 30/06/2014) and the another maximum in Ith Period (1/7/2015 to 31/12/2015) and Vth Period (1/1/2013 to 28/06/2013) is 4.27%. This fund given very lowest return in Vth Period (1/1/2015 to 30/06/2015) is 1.98.

### THE TOP THREE FMCG MUTUAL FUND SCHEMES IN YEARLY PERFORMANCE

<table>
<thead>
<tr>
<th>Period (1 year)</th>
<th>SBI FMCG - DIRECT-GRWOTH</th>
<th>SBI FMCG - GRWOTH</th>
<th>ICICI Prudential - DIRECT-GRWOTH</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Purchase Price</td>
<td>Sales price</td>
<td>Return</td>
</tr>
<tr>
<td>Period I (1/1/2013 to 31/12/2013)</td>
<td>55.62</td>
<td>50.44</td>
<td>9.31</td>
</tr>
<tr>
<td>Period II (1/1/2014 to 31/12/2014)</td>
<td>73.28</td>
<td>55.67</td>
<td>24.03</td>
</tr>
<tr>
<td>Period III (1/1/2015 to 31/12/2015)</td>
<td>78.02</td>
<td>73.24</td>
<td>6.13</td>
</tr>
</tbody>
</table>
SBI FMCG - DIRECT- GRWOTH fund is given 24.03% maximum return in II\textsuperscript{nd} Period (1/1/2014 to 1/12/2014), second maximum return is 9.31% in I\textsuperscript{st} Period (1/1/2014 to 30/06/2014). This fund given very lowest return in III\textsuperscript{rd} Period (1/1/2015 to 1/12/2015) is 6.13%.

SBI FMCG - GRWOTH fund is provided 23.53% maximum return in II\textsuperscript{nd} Period (1/1/2014 to 1/12/2014), second maximum return is 8.14% in I\textsuperscript{st} Period (1/1/2014 to 30/06/2014). This fund given very lowest return in III\textsuperscript{rd} Period (1/1/2015 to 1/12/2015) is 5.10%.

ICICI FMCG - GRWOTH fund is provided 24.70% maximum return in II\textsuperscript{nd} Period (1/1/2014 to 1/12/2014), second maximum return is 8.56% in I\textsuperscript{st} Period (1/1/2014 to 30/06/2014). This fund given very lowest return in III\textsuperscript{rd} Period (1/1/2015 to 1/12/2015) is 5.15%.

<table>
<thead>
<tr>
<th>THE TOP THREE FMCG MUTUAL FUND SCHEMES IN THREE YEAR PERFORMANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Period (3 year)</td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td>Period I (1/1/2013 to 31/12/2015)</td>
</tr>
</tbody>
</table>

The maximum return is 35.35% given by SBI FMCG - DIRECT-GRWOTH fund, second maximum return was 35% from ICICI FMCG - GRWOTH fund and Third maximum return was 33.36% given by SBI FMCG - GRWOTH fund.

FINDINGS AND SUGGESTIONS

Half yearly Basis
The top three FMCG Mutual fund schemes given in highly return in IV\textsuperscript{th} Period (1/7/2014 to 31/12/2014) and lowest return in in V\textsuperscript{th} Period (1/1/2015 to 30/06/2015) by SBI FMCG - DIRECT-GRWOTH fund, SBI FMCG - GRWOTH fund and ICICI FMCG - GRWOTH fund.

Yearly Basis
The top three FMCG Mutual fund schemes given in highly return in II\textsuperscript{nd} Period (1/1/2014 to 1/12/2014), and lowest return in in III\textsuperscript{rd} Period (1/1/2015 to 1/12/2015) by SBI FMCG - DIRECT-GRWOTH fund, SBI FMCG - GRWOTH fund and ICICI FMCG - GRWOTH fund.

Three year Basis
The top three FMCG Mutual fund schemes performed to I\textsuperscript{st} rank for SBI FMCG - DIRECT-GRWOTH, II\textsuperscript{nd} rank for ICICI FMCG - GRWOTH fund and III\textsuperscript{rd} rank for SBI FMCG - GRWOTH fund.

CONCLUSION
The three top perform FMCG’s funds are given good return based on fixed income securities. The Equity - FMCG Mutual fund schemes can able to face inflation rate and lesser risk with good return. So, these types of Equity - FMCG’s funds are encouraging the small investors to invest to meet out economy growth with lesser risk. Its express FMCG sectors perform share market price and provide good return to the society.

REFERENCES


CMA. Dr. M. Sheik Mohamed and Mr. M. Kaja Muhadeen, “A Study on Top Performed Equity – FMCG Mutual Fund Schemes In India” - (ICAM 2016)