

Mutual Funds update for

April 2019

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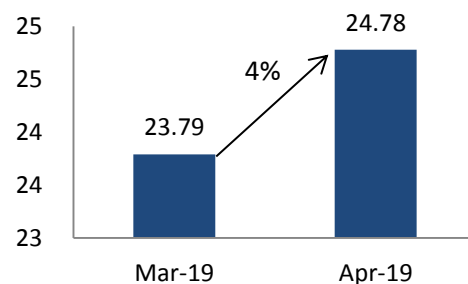
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Assets under Management (AUMs) of the Indian Mutual Fund (MF) industry grew to Rs.24.78 lk cr in Apr-19 registering a growth of ~4% over the previous month. This translates to an asset base addition of Rs. 0.99 lk cr within the first month of FY20. However, this growth rate of ~4% is just half of the growth registered in corresponding period last year.

Chart 1: AUM of Indian MF industry (in Rs. lakh crore)



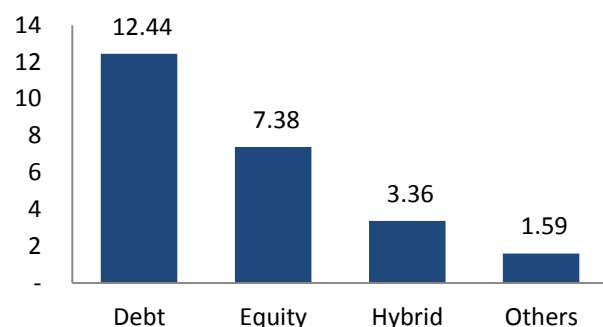
Source: SEBI

The total number of folios as on 30th April, 2019 stood at 8.27 crore, out of which the largest were in equity schemes with 72% share.

Scheme wise resource mobilisation

Net assets of debt, equity and hybrid schemes as on 30th April 2019, stood at Rs. 12.44, Rs. 7.38 and Rs. 3.36 lk cr respectively. While debt schemes accounted for the largest share of AUMs at 50.2%, equity schemes contributed 29.8%, followed by hybrid schemes at 13.6%. The remaining 6.4% was contributed by solution oriented and other schemes.

Chart 2: Scheme wise AUMs in April-19 (in Rs. lakh crore)

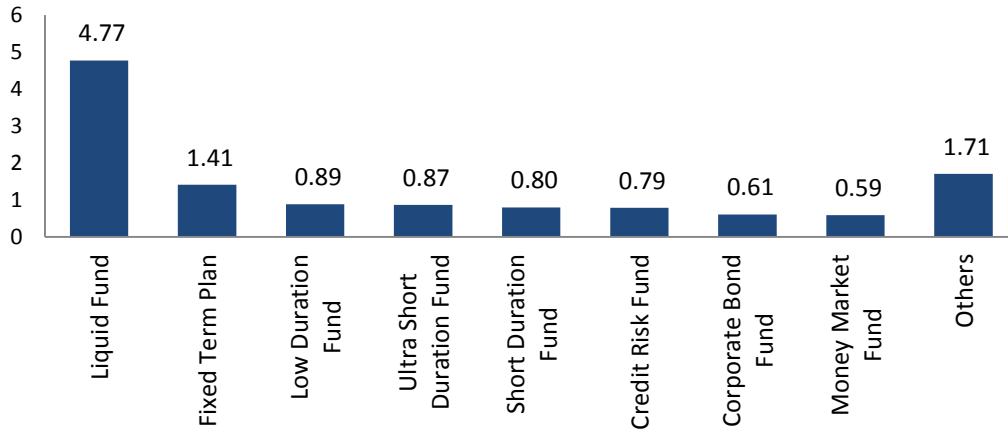


Source: SEBI

Others include solution oriented and other schemes

Out of the total net assets of debt MFs of 12.44 lk cr, liquid funds have the largest share of 38%, followed by fixed term plans of 11% and low duration funds of 7%. The net assets of debt schemes as on 30th April 2019 is depicted in chart 3.

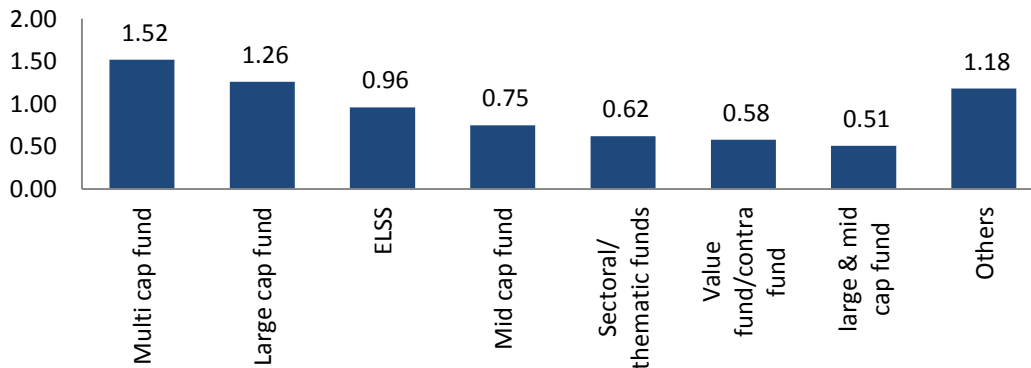
Chart 3: Net assets of debt schemes as on 30th April 2019 (in Rs. lakh crore)



Source: SEBI

Within equity schemes, the largest proportion of net assets is of multi cap fund (21%), large cap (17%) and ELSS (13%). The net assets of equity schemes as on 30th April 2019 is depicted in chart 4.

Chart 4: Net assets of equity schemes as on 30th April 2019 (in Rs. lakh crore)



Source: SEBI

Deployment of funds by MFs

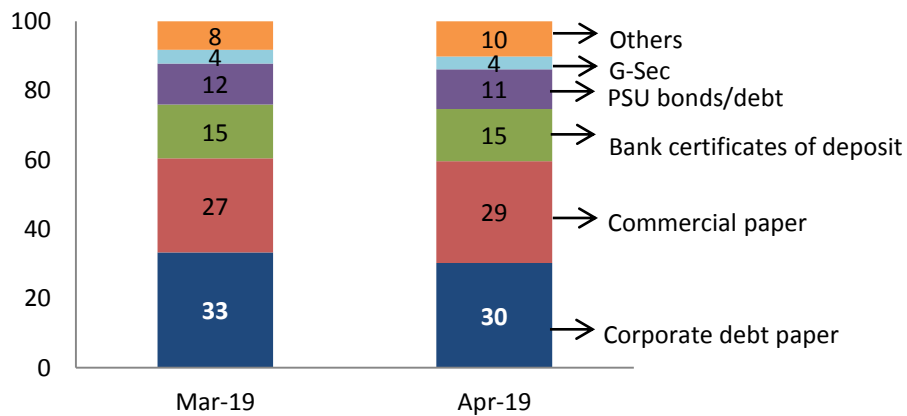
(a) Debt MF

The largest share of funds deployed by debt MFs are in short term duration instruments of less than 90 days, followed by long duration instruments of 33.3%, 12.9% funds are parked in instruments with maturity from 182 days to 1 year. The remaining 5.1% is parked in instruments with maturity from 90 days to 182 days.

Chart 5 depicts the funds invested by debt MFs in various instruments in March-19 and Apr-19. Key observations from the chart are as follows:

- Corporate debt papers have the highest fund exposure of Rs.4.2 lk cr, with a share of 30% in debt MFs in Apr-19. The exposure has reduced by Rs. 0.14 lk cr over the previous month. This segment includes floating rate bonds, non- convertible debentures, etc.
- Commercial papers have the second highest exposure of Rs. 4.09 lk cr, with a share of 29%, a growth from 27% in previous month.
- Funds deployed in bank certificate of deposit and GSecs are stable with shares of 15% and 4% respectively in Apr-19.
- Investment in other asset types is increased to 10% in Apr-19. This category includes treasury bills, other money market investments, equity linked debentures/notes, asset backed securities, bank FD, etc.

Chart 5: Deployment of funds by debt MFs (% of AUM)



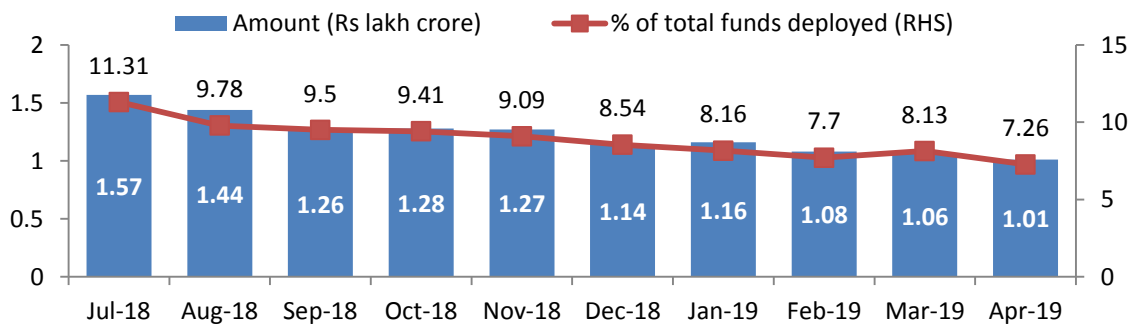
Source: SEBI; Note: figures are rounded off to the nearest digit

Exposure of MFs to NBFCs

Overall exposure of MFs to NBFCs stood at Rs.2.06 lk cr in Apr-19, a drop of Rs. 0.58 lk cr since July-18, when the liquidity crisis began. While the amount has reduced, the percentage share also dropped from 19.04% in July-18 to 14.81% in Apr-19.

As seen in chart 6, after the liquidity crisis triggered in the NBFC space, MFs withdrew almost 36% of their investments from CPs of NBFCs. The percentage share of funds deployed by MFs in CPs of NBFCs in Apr-19 is at 7.26% and amount held is Rs. 1.01 lk cr.

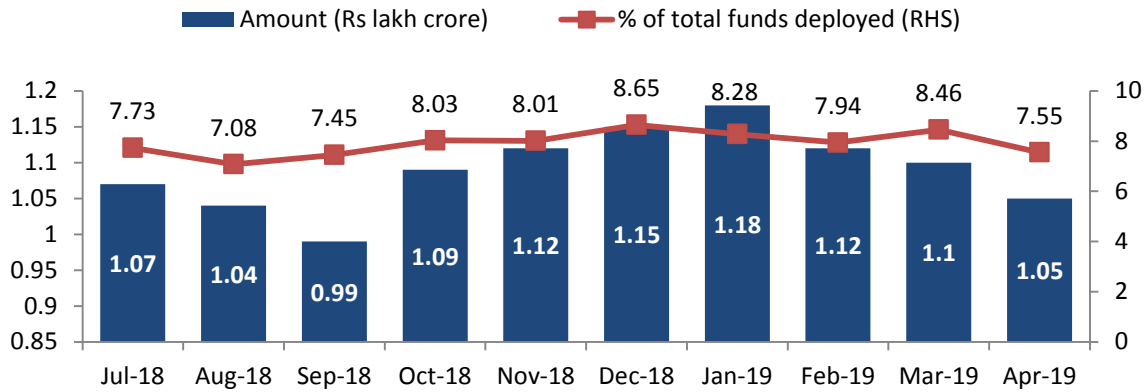
Chart 6: Exposure of MF to CPs of NBFCs



Source: SEBI

Deployment of funds in corporate debt paper of NBFCs show a different trend (chart 7) wherein Oct-18 onwards the exposure to NBFCs rose, but Feb-19 onwards is on a downward trend. In Apr-19, funds held in this segment were Rs.1.05 lk cr.

Chart 7: Exposure of MF to corporate debt paper of NBFCs

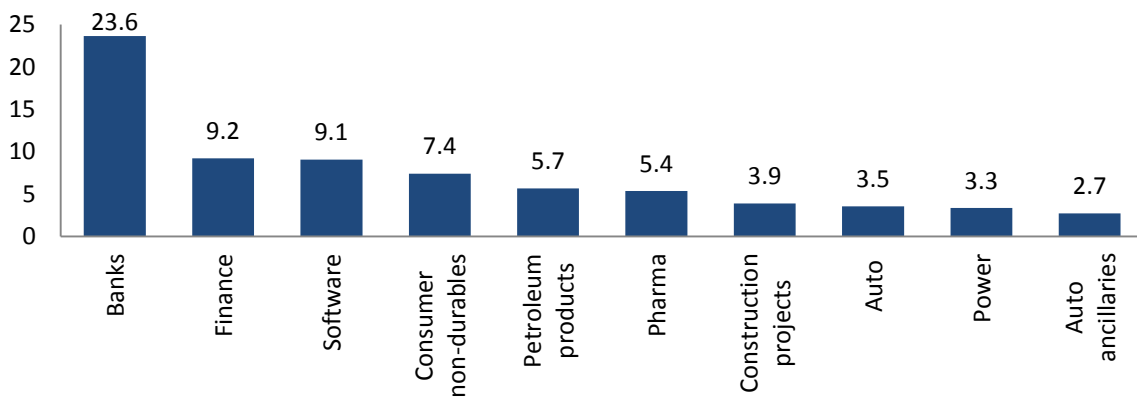


Source: SEBI

(b) Equity MF

Banks, finance, software, consumer non-durables and petroleum products were the top 5 sectors where equity MFs deployed their funds in Apr-19 and they cumulatively accounted for ~55% share. The top 10 sectors in Apr-19 are depicted in chart 8.

Chart 8: Top sectors with highest deployment of funds by equity MFs (% of equity AUM)



Source: SEBI

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