

## COMPARATIVE ANALYSIS ON VARIOUS SCHEMES-WITH REFERENCE TO KOTAK MAHINDRA BANK.

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### ABSTRACT

Mutual Funds are professionally managed pool of money from a group of investors. A Mutual fund manager invests your funds in securities including stocks and bonds, Money Market instruments or some combination and decides the best time to buy and sell. By pooling your resources with other investors in Mutual Funds, you can diversify even a small investment over a wide spectrum. With the emergence of the capital market at the center stage of the Indian financial system from its marginal role a decade earlier, the Indian capital market also witnessed during the same period a significant institutional development in the form of diversified structure of Mutual Funds. A Mutual fund is a special type of investment institution which acts as an investment conduit. It pools the savings, particularly of the relatively small investors, and invests them in a well-diversified portfolio of sound investment. As an investment intermediary, it offers a variety of services/advantages to the relatively small investors who on their own cannot successfully construct and manage investment portfolio mainly due to the small size of their funds, lack of expertise and experience, and so on. These services include the diversification of portfolio, expertise of the professional management, liquidity of investment, tax shelter, reduced risk and reduced cost.

**Keywords:** Mutual Funds Schemes, Process, SBI Mutual Funds

### 1. INTRODUCTION

Mutual fund is the most suitable investment mode for the common man as it offers an opportunity to invest in a diversified, professionally managed portfolio at a relatively low cost. Anybody with an investible surplus of as little as a few thousand rupees can invest in mutual funds. Each Mutual fund scheme has a defined investment objective and strategy. The most important trend in the Mutual Fund industry is the aggressive expansion of the foreign owned Mutual Fund companies and the decline of the companies floated by nationalized banks and smaller private sector players.

Funds issue and redeem shares on demand at the fund's net asset value (NAV). Mutual fund management fees typically range between 0.5% and 2% of assets per year, exchange fees and other administrative charges also apply.



According to SEBI - Mutual Fund is defined as - “A fund established in the form of a trust to raise money’s through the sale of units to the public or a section of the public under one or more schemes for investing in securities, including money market instruments.”

Mutual Fund is a mechanism for pooling the resources by issuing units to the investors and investing funds in securities in accordance with objectives as disclosed in the offer document.

A mutual fund is a pool of money managed by a professional Fund Manager. It is a trust that collects money from a number of investors who share a common investment objective and invests the same in equities, bonds, money market instruments and/or other securities.

## 2. REVIEW OF LITERATURE

- ❖ **Dr.M. Anbukarasi & Mithuna.R** (2018) analyzed the performance of select mutual fund schemes of a particular company. For this purpose, schemes are classified based on their nature which includes equity and debt funds. With the help of statistical tools, the top five performing schemes were identified in each classification. The study found out reasons for underperformance of certain schemes which may be because of volatility and diversification. Suggestions include proper regulations and diversification and better allocation of resources will reduce risks.
- ❖ **R. Narayanasamy & V. Rathnamani, (2013)** had evaluated the performance of selected equity mutual funds offered by various fund houses in India. The main objective of the study is to analyze the financial performance of selected mutual fund schemes through statistical parameters and concluded that all funds had performed well during the study period whereas the performance of all the funds is affected by the fall of CNX NIFTY (2011). The researcher has also suggested the investors to consider statistical parameters to ensure consistent performance of mutual funds.
- ❖ **Muralidhar Prasad Ayaluru, (2016)** has selected top 10 performing schemes offered by Reliance Mutual Funds to compare the risk and return offered by these schemes. The researcher had collected Daily NAV's for the period of five years (2009-2014). The researcher had used BSE Sensex and NSE-Nifty for the purpose of Benchmarking and Comparison. And he observed that Reliance Small Cap Funds have moderate risk and moderate returns whereas Reliance Bank Funds hold High Returns with High Risks.
- ❖ **Faisal Mahmood & Ghulam Rubbaniy, (2016)** analyzed the performance of equity mutual funds during the period of 1999-2012. The researcher had considered Fund Performance as Dependent Variable. Liquidity, Fund Size and Fund Turnover as Explanatory variable and Fund Expenses and Management fee as Control variables As a result, The Researchers concluded that Fund Size, Liquidity and Turnover has economically and statistically significant impact on performance in Multi-Linear Regression and FE Models. Fund Expenses have an economically significant but statistically insignificant. Management fee has an economically and statistically significant but have a negative impact on fund performance at 5% level.

### RESEARCH GAP:

This comparative study aims to analyze and evaluate the performance of different categories of mutual fund schemes and also to find out which fund scheme performs better than the other fund schemes.

### OBJECTIVES:

- ❖ The Main objective of this project is to study and analyze Open-Ended EQUITY growth schemes of five Mutual Funds and to compare and rank each of them.
- ❖ To give a broad idea on basics, structure, constituents, characteristics, advantages, disadvantages, types, and risk associated with Mutual Funds.
- ❖ The objective of the research is to study and analyze the awareness level of investors of mutual funds
- ❖ The Tax benefits of investing in Mutual Funds under various schemes

## 3. RESEARCH METHODOLOGY

### Need For the Study

The basic purpose of the study is to give broad idea on Mutual Funds and analyze various schemes to highlight the diversified investment that Mutual Fund offers to its investors. Through this study one can understand how to invest in Mutual Funds and turn the raw investment into ripen fruits by taking wise decisions, taking the risk factors into account.

### Scope of the Study:

- ❖ The Study covers the basic meaning, concept, structure and the organization of the Mutual Funds.
- ❖ The Study is restricted to explain only the returns provided by the Mutual Funds from various schemes.
- ❖ Under this study investments relating to Open-Ended EQUITY Growth Fund of Mutual Funds are taken into account.

❖ The theoretical part of the study include the following concepts:-

- Characteristics of Mutual Funds.
- Advantages/ Disadvantages of Mutual Funds.
- Net Asset Value (NAV).
- Investment Process.
- Risk return grid of Mutual Funds.
- SEBI guidelines.

#### Significance of the study

- (1) The Study presents basic concept and trends in the Mutual fund Industry.
- (2) The Study enables a fresh investor to understand easily the various benefits offered by Mutual Funds and their working in the Market.
- (3) The Study provides a clear idea on growth of Mutual Funds from past to the present scenario and its scope in the future.
- (4) The Study gives a brief idea on the Open- Ended EQUITY Growth Schemes of five major organizations.
- (5) At the end of the study, one can conclude what type of investments would be ideal with reference to the risk taking abilities of the investors and which type of investments would suit their financial needs and goals.

#### Methodology

All information related to the topic needs to be carefully scrutinized to avoid the risk of biased analysis. Having once identified which information is relevant and need to be collected, we will have to define how this will be done.

##### ★ Research Design:

Research design is some statement or specification of procedures for collecting and analyzing the information required for the solution of some specific problem. Here, the exploratory research is used as investigation and is mainly concerned with determining the trends and returns in Mutual Funds and Bank returns.

##### ★ Data Collection Methods:

The key for creating useful system is selectivity in collection of data and linking that selectivity to the analysis and decision issue of the action to be taken. The accuracy of collected data is of great significance for drawing correct and valid conclusions from the research.

##### ★ Sources of Information:

Data available in marketing research are either primary or secondary. Primary Data is not included in this study, only secondary data is taken in to account since, it is a comparative analysis

##### Secondary Data:

Secondary data can be defined as - “data collected by someone else for purpose other than solving the problem being investigated”. Secondary data is collected from external sources which include information from published material of SEBI and some of the information is collected online. The data sources also include various books, magazines, newspapers, websites etc. The organization profile is collected from the ZEN Securities Limited.

##### Sampling:

##### Sample procedure:

Sample was selected from the mutual fund companies in India.

##### Sample size:

There are 44 mutual fund companies in India. Out of these have taken following five companies

- HDFC Asset Management Company Limited
- Reliance Capital Asset Management Ltd
- L&T Investment Management Limited
- Franklin Templeton Asset Management (India) Private Limited
- ICICI Prudential Asset Mgmt. Company Limited

#### Tools used for analysis

##### Tabulation:

A Table is a systematic arrangement of statistical data in rows and columns. Rows are horizontal arrangements whereas columns are vertical arrangements. Tabulation is a systematic presentation of data in a form suitable for analysis and interpretation.

##### Presentation of data:

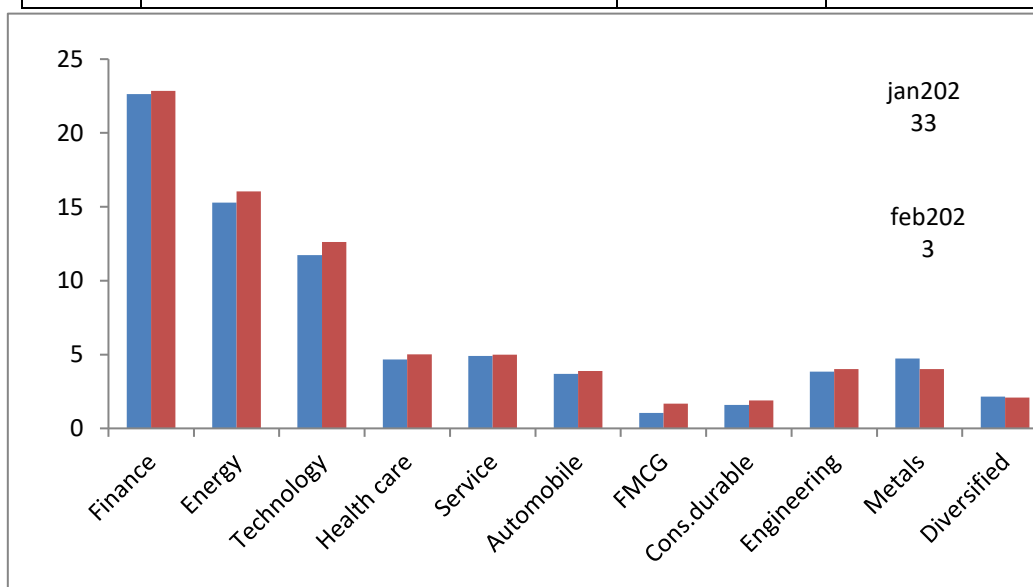
Statistical data can be effectively presented in the form of diagrams and graphs. The diagrams used are as follows:

- ❖ **Pie charts:** The Pie charts are used to represent a component on a percentage basis. Each part of a component is shown as the percentage of whole component. Pie Charts are used to represent the percentage share of Equity, Debt & Money Market components of Balanced Growth Fund.
- ❖ **Bar diagrams:** The Bar Diagrams are used specifically for categorical data series. They consist of the group of equidistant rectangles, one for each group or category of data in which the values of magnitudes are represented by length or height of rectangles.

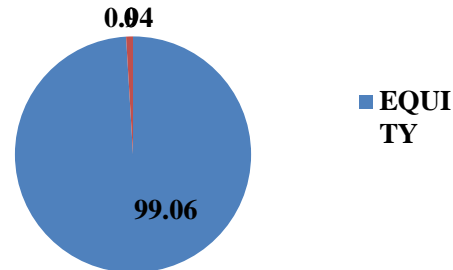
## 4. DATA ANALYSIS & INTERPRETATION

### HDFC Equity growth fund

	Sector	Jan 2023	Feb2023
A	Finance	22.63	22.85
B	Energy	15.29	16.05
C	Technology	12.73	12.62
D	Health care	4.67	5.02
E	Service	4.90	4.99
F	Automobile	3.70	3.88
G	FMCG	1.05	1.67
H	Cons.durable	1.58	1.90
I	Engineering	3.84	4.02
J	Metals	4.74	4.02
K	Diversified	2.16	2.08
L	Construction	2.01	3.04
M	Communication	4.08	4.85
N	Textiles	4.08	2.80



### CHART SHOWING ASSET ALLOCATION OF HDFC GROWTH FUND

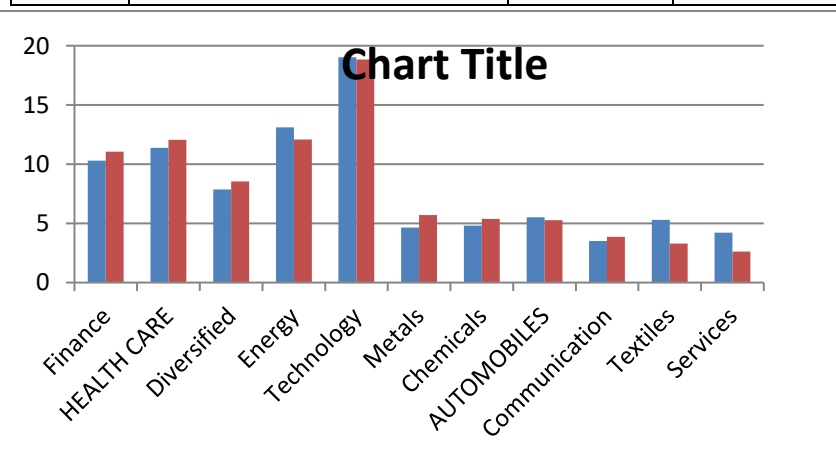


If you observe two months portfolio January and February, you can see some differences in values. Reason is Fund Manager will churn portfolio every month. So asset allocation changes every month. But investor's units will be same. Portfolio of equity is 99.06%, but the above portfolio shows less than 99.06% reason, is here I have taken only 14 sectors for every fund. This will not get any affect for the analysis.

The HDFC EQUITY Fund Portfolio consists of 99.06% Equity holdings, 0.94% Debt, AND other instruments. It is evident from the data that though the investors have high risk taking ability, their investment not getting balanced in this category, so here investors have high risk and high returns. The advantage of equity fund based on market conditions in bullish zone, portfolio allocations can increase to 110% also. It is evident that fund manager is bullish side on market. Here investor can enjoy maximum returns.

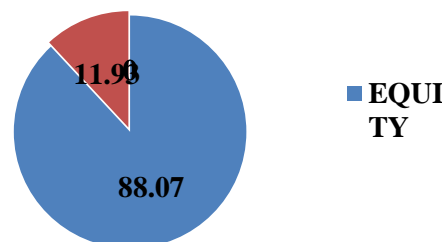
#### Reliance Equity growth fund

	Sector	Jan 2023	Feb2023
A	Finance	11.29	12.05
B	HEALTH CARE	12.37	12.05
C	Diversified	7.85	8.53
D	Energy	13.12	12.08
E	Technology	19.02	18.85
F	Metals	4.65	5.70
G	Chemicals	4.80	5.37
H	AUTOMOBILES	5.50	5.28
I	Communication	3.51	3.85
J	Textiles	5.30	3.30
K	Services	4.22	2.62
l	fmcg	2.95	2.08
M	constrction	2.45	2.01



TYPE OF ASSET	PERCENTAGE
Equity	88.07
Debt, and other instruments	12.93

### CHART SHOWING ASSET ALLOCATION OF RELIANCE GROWTH FUND



The Reliance Growth Fund Portfolio consists of 88.07% Equity holdings, 12.93% Debt, and other instruments.. It is evident from the data that though the Investors have high risk taking ability in this fund also. Here fund managers can take minimum of 80% in equity but when taking this example into consideration fund managers taking above 90% weight of equity into their portfolio, it's evident that fund managers more bullish on market.

## 5. CONCLUSION

The biggest advantage with Mutual Funds is that the investor doesn't need huge amount to be invested in all his favorite stocks and bonds. Most Mutual Funds have a minimum investment of Rs.5000. As most of the investors in the market have less risk-taking capabilities, the balanced fund investments are suitable one than equity funds. The Equity fund investments are a combination of Equity, is more than 80% so here they will give least priority to Debt & Money markets. As such, the investments are diversified and the risk is very high in this type of funds. The Equity Fund Investments will not able to provide, steady and assured returns in short term but one can expect capital appreciation in longer term. The investors, this is one of the important reasons, for choosing the equity investment for long term.

## 6. REFERENCES

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