



International Journal of Marketing Management

ISSN 2454 - 5007



www.ijmm.net

Email ID: editor@ijmm.net , ijmm.editor9@gmail.com

A STUDY ON MUTUAL FUNDS AT HDFC BANK LTD

Talari Kiran, Mr. B Kiran Kumar Reddy

ABSTRACT

Mutual funds have emerged as popular investment vehicles that allow individuals to pool their money and invest in a diversified portfolio of securities. This abstract provides an overview of mutual funds, their features, benefits, and considerations for investors looking to participate in these investment options. Mutual funds are professionally managed investment vehicles that pool money from multiple investors to invest in a diversified portfolio of stocks, bonds, or other securities. This abstract explores the structure and functioning of mutual funds, including the roles of fund managers, custodians, and trustees in managing the fund's assets. The abstract discusses the benefits of investing in mutual funds, such as diversification, professional management, liquidity, and accessibility. It highlights how mutual funds provide individuals with an opportunity to invest in a range of asset classes and market sectors without requiring substantial capital or extensive investment knowledge.

I. INTRODUCTION

A mutual fund is a strategy where numerous investors pool their funds for a shared financial goal. The money raised is invested in the capital market, and the profit is split among the holders of the various holdings. The UTI Act, which essentially established a modest savings section under the RBI, served as the foundation for the mutual fund business in India. Over a 25-year period, this expanded rather well and provided investors with a good return; as a result, in 1989, public sector banks and financial institutions were permitted to float mutual funds, and their performance emboldened the government to permit the private sector to enter this market. Professional management, diversity, economies of scale, simplicity, and liquidity are benefits of mutual funds. High fees, excessive diversity, potential tax repercussions, and management's inability to guarantee a higher return are among

drawbacks of mutual funds. Mutual fund costs and fees, which include purchase, redemption, exchange, management, account, and transaction costs, are the main issues. Certain charges raise the price of mutual funds. Depending on the nature of finances, a load is a type of commission.

It's simple to buy and sell mutual funds. Either directly from the fund business or through a third party, you can purchase them. Before investing in any funds, one should think about factors like goal, risk, the track record of the fund manager and the scheme, cost factor, etc. Mutual funds come in a plethora of different forms. The structure (open-ended vs. close-ended), nature (equity, debt, balanced), investment purpose (growth, income, money market), etc. of funds can all be used to categorize them.

1. , II-MBA, Department of Master of Business Administration, Malla Reddy Engineering College(Autonomous), Hyderabad E-mail:kiranvk1826@gmail.com
2. , Assistant Professor, Department of Master of Business Administration, Malla Reddy Engineering College(Autonomous), Hyderabad E-mail: kiranreddy.busi@gmail.com

II. REVIEW OF LITERATURE:-

➤ Sharma and Gupta (2018):

This study investigates the customer perception and preferences towards mutual funds, with a specific focus on HDFC Bank. The research highlights the factors influencing investors' decisions and analyzes their satisfaction levels with HDFC Bank's mutual fund offerings.

➤ Verma and Singhal (2020):

This research paper evaluates the performance of various mutual funds in India, including those offered by HDFC Bank. The study employs statistical tools to assess fund performance, risk-adjusted returns, and compares HDFC Bank's mutual funds with other prominent players in the market.

➤ Patel and Shah (2019):

This comparative study examines the mutual fund schemes offered by HDFC Bank and ICICI Bank, two leading banks in India. The research focuses on analyzing the performance, risk, and returns of mutual funds from both banks, providing insights into the strengths and weaknesses of HDFC Bank's offerings.

➤ Kumar and Agarwal (2017):

This study investigates the investment behavior and decision-making processes of investors in mutual funds, including those investing through HDFC Bank. The research explores the factors influencing investment choices, risk perception, and investor satisfaction with HDFC Bank's mutual fund services.

➤ Jain and Malhotra (2021):

This research paper explores the role of technology in improving the investor experience in mutual funds, with HDFC Bank as a case study. The study examines the adoption and impact of digital platforms, mobile applications, and online services provided by HDFC Bank to enhance customer convenience and satisfaction.

III. NEED FOR THE STUDY

Buying shares in a mutual fund is an easy way to diversify your investments across many securities and asset categories such as equity, debt and gold, which helps in spreading the risk - so you won't have all your eggs in one basket.

- Mutual funds are dynamic financial intuitions which play crucial role in an economy by mobilizing savings and investing them in the capital market.
- The activities of mutual funds have both short and long term impact on the savings in the capital market and the national economy.
- Mutual funds, trust, assist the process of financial deepening & intermediation.
- To banking at the same time they also compete with banks and other financial intuitions.

IV. OBJECTIVES OF THE STUDY

- To show the wide range of investment options available in MF's by explaining various schemes offered by different AMC's.
- To help an investor to make a right choice of investment, while considering the inherent risk factors.
- To understand the recent trends in the MF world.
- To understand the risk and return of the various schemes.
- To find out the various problems faced by Indian mutual funds and possible solutions.
- Growth Oriented Scheme
- Income Oriented Scheme
- Balanced Fund

V. SCOPE OF THE STUDY

Even though people invested their money in mutual funds as these funds offered them diversified investment option for the first time. By investing in these funds they were able to diversify their investment in common stocks, preferred stocks, bonds

and other financial securities. A big boom has been witnessed in Mutual Fund Industry in recent times. A large number of new players have entered the market and trying to gain market share in this rapidly improving market. The study will help to know the preferences of the customers, which company, portfolio, mode of investment, option for getting return and so on they prefer. This project report may help the company to make further planning and strategy

- The study is limited to the analysis made for a Growth scheme offered by four AMC's.
- Each scheme is calculated their risk and return using different performance measurement theories.

VI. RESEARCH METHODOLOGY

For this study a survey conducted by collecting information from various sources. For the purpose of collecting information both primary and secondary data was used. The study is mainly aims to know the study undertaken is of exploratory in nature. The present chapter deals with the database and research methodology. This chapter explains the research design, universe of the study, selection oversample, data collection techniques and tools used in data analysis.

This study is basically depends on

Primary Data

Secondary Data

Primary data: The primary data collected from the different companies through enquiry.

Secondary data:

The secondary data collected from the different sites, brochures, news papers, company offer documents, different books and through suggestions from the project guide and from the faculty members of our college.

TOOLS USED IN THIS PROJECT

The following parameters were considered for analysis:

Beta

Alpha

Correlation coefficient

Treynor's Ratio

Sharpe's Ratio

VII. LIMITATIONS OF THE STUDY:

- The study is conducted in short period, due to which the study may not be detailed in all aspects.
- The study is limited only to the analysis of different schemes and its suitability to different investors according to their risk-taking ability.
- The study is based on secondary data available from monthly fact sheets, web sites; offer documents, magazines and newspapers etc., as primary data was not accessible.
- The study is limited by the detailed study of various schemes.
- The NAV'S are not uniform.
- The data collected for this study is not proper because some mutual funds are not disclosing the correct information.
- The study is not exempt from limitations of Sharpe Treynor and Jensen measure.
- Unique risk is completely ignored in all the measure

VIII. DATA ANALYSIS AND INTERPRETATION

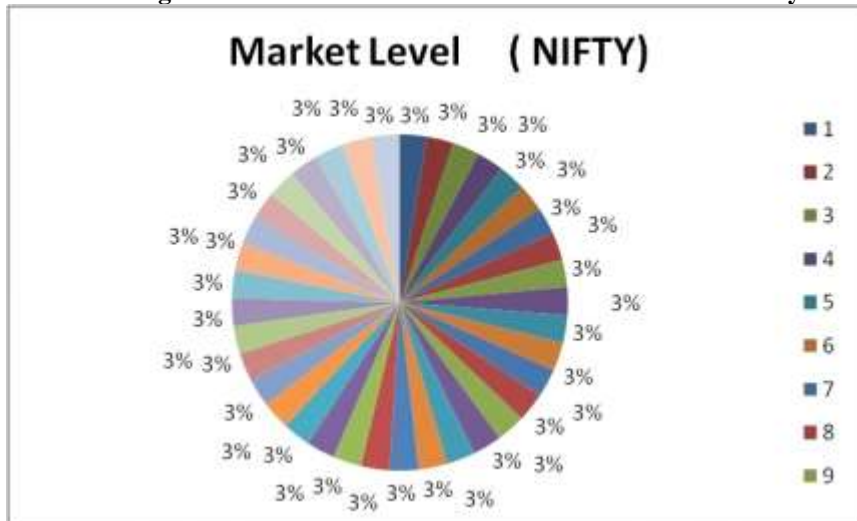
Table 4.2: Calculations of Risk of SBI Magnum Balanced Fund- Growth For the period of 1st December 2022 to 22nd January 2023

Date	Market Level (NIFTY)	returns	SBI Balanced Growth	Magnum Fund- returns
22/01/2023	7376.65		92.37	
21/01/2023	7357.00	-19.65	91.38	-0.99
20/01/2023	7381.8	24.8	91.24	-0.14
19/01/2023	7420.35	38.55	92.12	0.88
19/01/2023	7561.65	141.3	91.30	-0.82
15/01/2023	7467.4	-94.25	92.89	1.59
14/01/2023	7557.9	90.5	94.20	1.31
13/01/2023	7587.2	29.3	94.63	0.43
12/01/2023	7527.45	-59.75	94.93	0.3

11/01/2023	7611.65	84.2	95.46	0.53
08/01/2023	7673.35	61.7	95.87	0.41
07/01/2023	7788.05	114.7	95.25	-0.62
06/01/2023	7828.4	40.35	96.38	1.13
05/01/2023	7924.55	96.15	96.29	-0.09
04/01/2023	7938.45	13.9	96.34	0.05
01/01/2023	7897.8	-40.65	97.43	1.09
31/12/2022	7938.6	40.8	96.99	-0.44
30/12/2022	7929.2	-9.4	96.61	-0.38
29/12/2022	7863.2	-66	96.76	0.15
28/12/2022	7888.75	25.55	96.67	-0.09
23/12/2022	7830.45	-58.3	96.27	-0.4
22/12/2022	7829.4	-1.05	96.13	-0.14
21/12/2022	7745.65	-83.75	95.44	-0.69
19/12/2022	7828.9	83.25	95.55	0.11
18/12/2022	7783.05	-45.85	95.37	-0.19
16/12/2022	7725.25	-57.8	95.68	0.31
15/12/2022	7659.15	-66.1	94.91	-0.77
14/12/2022	7558.2	-100.95	94.55	-0.36
11/12/2022	7699.6	141.4	94.08	-0.47
10/12/2022	7643.3	-56.3	93.99	-0.09
09/12/2022	7695.5	52.2	94.32	0.33
08/12/2022	7738.5	43	93.94	-0.38
07/12/2022	7816.55	78.05	94.82	0.88
04/12/2022	7818.6	1.05	95.28	0.46
03/12/2022	7902.3	84.7	95.46	0.19
02/12/2022	7976.7	74.4	95.74	0.28
01/12/2022	7958.15	-19.55	96.06	0.32
Average		15.74		0.153

Stranded Deviation (SD)	1.48	0.08
Beta	0.57	

Graphical Presentation of SBI Magnum Balanced Fund-Growth For the month of January 2023



INTERPRETATION:

SBI Magnum Balanced Fund-Growth has been analyzed and it is found that there is a positive growth. However on the basis of the avg returns of SBI there is a growth 0.15 as against the index avg of 14.74 the beta being less than 1 the stock is not highly volatile.

IX. FINDINGS

- SBI Magnum Balanced Fund-Growth has been analyzed and it is found that there is a positive growth. However on the basis of the avg returns of SBI there is a growth 0.15 as against the index avg of 14.74 the beta being less than 1 the stock is not highly volatile.
- IDBI GOLD FUND-GROWTH has been analyzed and it is found that there is a negative growth. However on the basis of the avg returns of IDBI GOLD FUND-GROWTH there is a negative growth 0.004 as against the index avg of negative 0.19 the beta being less than 1 the stock is not highly volatile.
- India bull's blue chip fund-Growth has been analyzed and it is found that there is a positive growth. However on the basis of the avg returns of India bulls blue chip fund-Growth there is a negative growth 0.02 as against the index avg of negative 0.02 the beta being less than 0.12 the stock is not highly volatile.
- HDFC GOLD Fund –Growth has been analyzed and it is found that there is a negative growth. However on the basis of the avg returns of HDFC GOLD Fund –Growth there is a negative growth 0.008 as against the index avg of negative 0.02 the beta being less than 0.08 the stock is not highly volatile
- **SHARPE'S:** As per Sharpe performance measure, a high Sharpe ratio is preferable as it indicates a superior risk adjusted performance of a fund. From the above table Indiabulls blue chip fund-Growth and SBI show a better risk-adjusted performance out of top4 AMC'S.
- **TREYNOR'S:** As per TREYNOR'S ratio the Treynor's reward to volatility - having high positive index is favorable. Therefore, as per this ratio also SBI - Growth is preferable.

X. SUGGESTIONS

- Investing Checklist
- Financial goals & Time frame
- (Are you investing for retirement? A child's education? Or for current income?)
- Risk Taking Capacity
- Identify funds that fall into your Buy List

- Obtain and read the offer
- Documents match your objectives
- In terms of equity share and bond weightings, downside risk
- protection, tax benefits offered, dividend payout policy, sector focus
- Performance of various funds with similar objectives for at least 3-5 years
- Think hard about investing in sector funds For relatively aggressive investors
- Close touch with developments in sector, review portfolio regularly – Look for 'load' costs
- Management fees, annual expenses of the fund and sales loads
- Look for size and credentials
- Asset size less than Rs. 25 Crores
- Diversify, but not too much
- Invest regularly, choose the S-I-P
- MF- an integral part of your savings and wealth building plans.

XI. CONCLUSION

- From the study analysis conducted it is clear that in EQUITY FUNDS- SBI MUTUAL FUND is performing very well.
- Investing in Indiabulls blue chip fund-Growth will leads to profits.
- By seeing the overall performance SBI MUTUAL FUND is performing very well.
- The prospective investors are needed to be made aware of the investment in mutual funds.
- The Industry should keep consistency and transparency in its management and investors objectives.
- There is 100% areas.growth of mutual fund as foreign AMCS are in queue to enter the Indian markets.Mutual funds can also pertrate in to rural

XII. REFERENCE

- Gupta O.P. and Sehgal Sanjay (1996). "Investment Performance of Mutual Funds: The Indian Experience.
- Jaydev M (March 1996), "Mutual Fund Performance: An Analysis of Monthly Returns" Finance India Vol 4. Miglani S K (June 2010) "performance appraisal of Mutual Funds in India: Empirical evaluation of risk.

- Narsimhan, M.S. and Vijayalakshmi S..
"Performance Analysis of Mutual funds in India". Finance India XV, No.1, March 2001, PP. 155-174.
- Sahadevan, K.G. and Thiripalraju (1997). "Mutual Funds - Data Interpretations And Analysis", Prentice Hall of India Private Limited, New Delhi, (1997).

WEB REFERENCES:

- www.crisil.com
- www.mutualfundsindia.com