

# VARIOUS INTERNAL SCHEMES OF MUTUL FUNDS AT INDIA BULLS LTD

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## **ABSTRACT**

The project is in the Mutual fund awareness. A co-financing fund is a scheme in which several people invest their money for the common financial purpose. The money raised is invested in major markets, the credit and cash market, which they have earned, is a dividend based on the number of units they hold. The joint venture industry in India has seen significant improvements in quantity and quality of product and service offerings in recent years. Along with this project it also touches on the aspect of the Strategic Investment Plan and the steps on how to invest in Mutual Fund.

An effort has been made to work on the concepts learned in Indiabulls Mutual Funds and other useful parameters for better study. This report outlines the implications of the mutual fund and investor awareness of low-risk joint ventures. Indiabulls Mutual Funds funds provide their investors with a platform to be part of the merger fund market. It also describes Mutual Fund as a financial product of how important it is to invest in MF in order to invest better and it is important to get a better return even though Mutual Fund. Essentially, the project is to understand investors, ethics and to give recommendations to ordinary investors on how to choose a deduction as a long-term investment option.

## **INTRODUCTION:**

A nation requires an enormous investment just as a creation to achieve monetary improvement. For this to occur there must be offices for investment funds. Reserve funds, as an investment, can be a profitable asset. Right now situation, the job of the budgetary framework is significant as they are managing the open investment funds by giving them an enthusiasm for the type of return. The development of the economy combined with the capital market in any nation is basic to fortify the monetary position. In India, the financial specialists are unexpectedly expanding which not just improves their money-related quality yet, also contributes generously to the development of the region's economy.

## **MONETARY SYSTEM:**

A framework is being planned by consolidating various parts which are joined together to achieve an objective. The framework which permits the trading of funds between moneylenders, speculators, and borrowers is known as a monetary framework.

Money related frameworks work at national, worldwide, and firm-explicit levels. It involves complex, firmly related administrations, markets, and establishments that are utilized to give an effective and normal linkage among financial specialists and investors. The mode of trade in the monetary framework is cash, credit, and fund. The current monetary framework includes both open and private area banks, money related instruments, monetary markets and money related go-betweens.

The money related framework is likely the most urgent institutional and useful medium for the change of the economy. A productive, expressive and all around created money related framework is essential for the quick development of the economy. The advancement and globalization of the Indian economy since the nineties has incredible ramifications on the future course of the money related framework

**NEED FOR THE STUDY:**

A mutual fund is a productive package for a lay-investor with limited finance. Mutual funds had gained prominence as a trustworthy investment option globally. The driving forces of Mutual funds are the "safety of the proposal" guaranteed, plus added advantage of capital appreciation together with the income earned in the form of interest and dividend. A mutual fund is the ideal investment option in the present complex and modern financial economy. The various schemes of mutual funds provide the investor with a wide range of investment options according to investors risk bearing capacities and interest apart they also provide a handy return to the investor. Mutual funds schemes are managed by respective Asset Management Companies (AMC's) sponsored by financial institutions, banks, private companies, and international firms. Therefore there is a need for such a study to bring a more meaningful outcome.

**SCOPE OF THE STUDY:**

The study examines the performance of open-ended mutual schemes at India bulls ltd. For the propose six different mutual fund schemes are selected for the study, the data required was collected from the company's Annual reports, books, company's website for 3 months.

**OBJECTIVES OF THE STUDY:**

1. To study the various Mutual Fund schemes.
2. To find out Risk associate with selected mutual fund schemes.
3. To make a comparative performance analysis of selected mutual fund schemes.

**RESEARCH METHODOLOGY:**

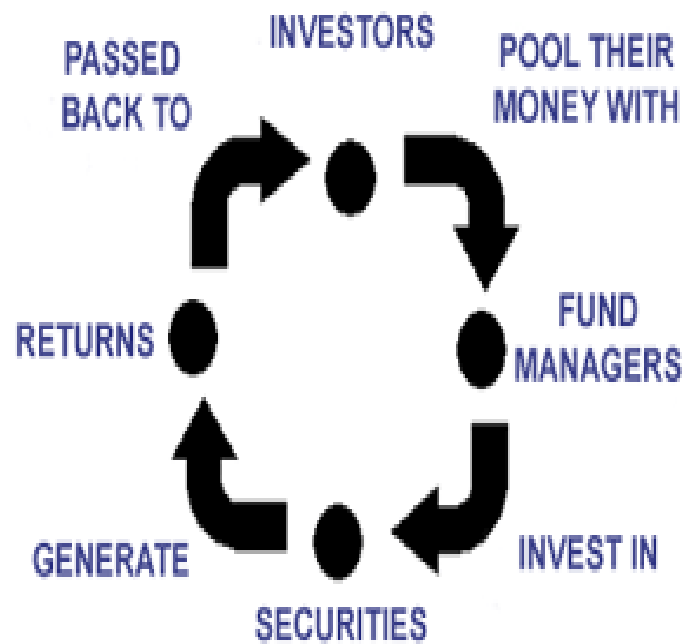
The required data was collected using secondary source company Annual records, books company's website.

**LIMITATIONS OF THE STUDY:**

1. The study is limited to the historical data of the India Bulls Ltd. for the period of 1<sup>st</sup> November 2022 to 30<sup>th</sup> January 2023.
2. The study is limited secondary data only and primary data is not considered.
3. The study is also continued to open-ended mutual fund schemes used by India Bulls ltd. and the conclusion drawn is specifically and cannot be generalized.

**4. REVIEW OF LITERATURE****CONCEPTUAL FRAMEWORK OF MUTUAL FUNDS:**

A Mutual fund is a trust that pools the savings of a number of investors who shar 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 realized is shared by its unit holders in proportion to the no. of units owned by them. Thus a mutual fund is the most suitable investment for a common man as it offers an opportunity to invest in a diversified, professionally managed basket of securities at a relatively low cost. The flow chart describes broadly the working of a mutual fund:



STRUCTURE OF MUTUAL FUNDS



The structure of M.F operations in India envisages a four tier establishment namely:

The Sponsor

The Trustees

The Custodians

## Asset Management Companies (AMC)

### INDUSTRY PROFILE

Mutual funds industry in India, the origin of mutual fund industry in India is with the introduction of the concept of mutual fund by UTI in the year 1963. Though the growth was slow, but it accelerated from the year 1987 when non UTI players entered the industry.

In the past decade, Indian mutual fund industry had seen dramatic improvements, both quality wise as well as quantity wise. Before, the monopoly of the market had seen an ending phase, the assets under management(AUM) was Rs.67bn.the private sector entry to the fund family rose the AUM to Rs.470bn in march 1993 and till April 2004, it reached the height of 1,540bn.

Putting the AUM of the Indian mutual funds industry into comparison, the total of it is less than the deposits of SBI alone, constitute less than 11% of the total deposits held by the Indian banking industry.

The main reason of its poor growth is that the mutual fund industry in India is new in the country. Large sections of India investors are yet to be intellectuated with the concept. Hence, it is the prime responsibility of all mutual companies, to market the product correctly abreast of selling.

### Major Mutual Fund Companies COMPANY PROFILE

Indiabulls Group is one of the country's leading business houses with interests in housing finance, real estate, securities, construction equipment leasing and facilities sector. The group had combined revenues of over Rs. 8,300 Cr and PAT of over Rs. 1,900 Cr for the year ended 31 March 2014. All the group companies are listed on the Bombay Stock Exchange, and the National Stock Exchange. The combined market capitalization of these companies as on 30th June 2014 was Rs. 17,900 Cr.

Indiabulls Ventures Limited (Formerly Indiabulls Securities Limited) is one of India's leading capital markets companies providing securities broking and advisory services. Indiabulls Ventures also provides depository services, equity research services to its clients and offers commodities trading through a separate company. These services are provided both through on-line and off-line distribution channels. Indiabulls Ventures is a pioneer of on-line securities trading in India. Indiabulls Ventures' in-house trading platform is one of the fastest and most efficient trading platforms in the country.

Indiabulls Group started with its securities trading business, which incubated the financial services business. The financial service business went on to incubate other businesses. Thus in many ways the securities business was the seed that today has grown to independently manage and separately listed business of the group. Indiabulls Ventures has been assigned the highest broker quality rating BQ1 by CRISIL.

### CSR policy

Other main listed companies:

**DATA ANALYSIS AND INTERPRETATION****STATEMENT SHOWING THAT RISK AND RETURNS OF INDIABULLS MUTUAL FUND**

Historical NAV for a period From 01-Nov-2022 to 30-Jan-2023					
Indiabulls Mutual Fund					
Indiabulls Blue Chip Fund					
<b>Indiabulls Blue Chip Fund - Growth Option</b>					
NAV date	Net Asset Value	Returns	Average returns	Difference (D)	D <sup>2</sup>
1-Nov-22	23.09				
4-Nov-22	23.1	0.0453	0.0149	0.0303	0.0009
5-Nov-22	23.05	-0.2362	0.0149	-0.2412	0.0582
6-Nov-22	23.14	0.4082	0.0149	0.3932	0.1546
7-Nov-22	23.23	0.3613	0.0149	0.3464	0.1231
8-Nov-22	23.08	-0.6301	0.0149	-0.6450	0.4160
11-Nov-22	23.1	0.0906	0.0149	0.0756	0.0057
13-Nov-22	23.05	-0.2362	0.0149	-0.2412	0.0582
14-Nov-22	23.14	0.4082	0.0149	0.3932	0.1546
15-Nov-22	23.18	0.1807	0.0149	0.1657	0.0275
18-Nov-22	23.08	-0.4509	0.0149	-0.4658	0.2370
22-Nov-22	23.16	0.3623	0.0149	0.3474	0.1237
23-Nov-22	23.26	0.4513	0.0149	0.4363	0.2004
23-Nov-22	23.24	-0.0898	0.0149	-0.1048	0.0110
23-Nov-22	23.13	-0.4946	0.0149	-0.5096	0.2596

25-Nov-22	23.37	1.0845	0.0149	1.0696	1.1439
26-Nov-22	23.37	0.0000	0.0149	-0.0149	0.0002
27-Nov-22	23.46	0.4023	0.0149	0.3874	0.1501
28-Nov-22	23.54	0.3562	0.0149	0.3412	0.1164
29-Nov-22	23.35	-0.8429	0.0149	-0.8579	0.7360
2-Dec-22	23.35	0.0000	0.0149	-0.0149	0.0002
3-Dec-22	23.28	-0.3132	0.0149	-0.3281	0.1077
4-Dec-22	23.37	0.4039	0.0149	0.3890	0.1513
5-Dec-22	23.35	-0.0894	0.0149	-0.1044	0.0109
6-Dec-22	23.18	-0.7606	0.0149	-0.7756	0.6015
9-Dec-22	23.18	0.0000	0.0149	-0.0149	0.0002
10-Dec-22	23.05	-0.5861	0.0149	-0.6011	0.3613
11-Dec-22	23.15	0.4535	0.0149	0.4386	0.2023
12-Dec-22	23.28	0.5869	0.0149	0.5723	0.3271
13-Dec-22	23.52	1.0772	0.0149	1.0623	1.1284
16-Dec-22	23.49	-0.1332	0.0149	-0.1482	0.0232
17-Dec-22	23.66	0.7559	0.0149	0.7409	0.5490
18-Dec-22	23.73	0.3089	0.0149	0.2940	0.0864
22-Dec-22	23.81	0.3523	0.0149	0.3370	0.1136
23-Dec-22	23.87	0.2630	0.0149	0.2481	0.0616
23-Dec-22	23.82	-0.2386	0.0149	-0.2336	0.0546
24-Dec-22	23.72	-0.4382	0.0149	-0.4532	0.2354
26-Dec-22	23.55	-0.7482	0.0149	-0.7632	0.5825
27-Dec-22	23.78	1.0231	0.0149	1.0050	1.0100

30-Dec-22	23.74	-0.1756	0.0149	-0.2005	0.0363
31-Dec-22	23.57	-0.7476	0.0149	-0.7625	0.5814
1-Jan-23	23.58	0.0443	0.0149	0.0294	0.0009
2-Jan-23	23.75	0.7529	0.0149	0.7379	0.5445
3-Jan-23	23.64	-0.4835	0.0149	-0.4985	0.2485
6-Jan-23	23.22	-1.9876	0.0149	-2.0026	4.0103
7-Jan-23	23.33	0.6309	0.0149	0.6160	0.3794
8-Jan-23	23.32	-0.0448	0.0149	-0.0597	0.0036
9-Jan-23	23.66	1.5233	0.0149	1.5084	2.2751
10-Jan-23	23.69	0.1324	0.0149	0.1174	0.0138
13-Jan-23	23.73	0.1763	0.0149	0.1613	0.0260
14-Jan-23	23.78	0.2322	0.0149	0.2350	0.0423
15-Jan-23	23.76	-0.0878	0.0149	-0.1027	0.0106
16-Jan-23	23.85	0.3954	0.0149	0.3805	0.1448
17-Jan-23	23.83	-0.0875	0.0149	-0.1025	0.0105
23-Jan-23	23.48	-1.5331	0.0149	-1.5480	2.3964
23-Jan-23	23.39	-0.4004	0.0149	-0.4153	0.1725
23-Jan-23	23.27	-0.5360	0.0149	-0.5509	0.3035
23-Jan-23	23.42	0.6736	0.0149	0.6586	0.4338
24-Jan-23	23.58	0.7136	0.0149	0.6987	0.4882
27-Jan-23	23.38	-0.8857	0.0149	-0.9007	0.8112
28-Jan-23	23.31	-0.3128	0.0149	-0.3277	0.1074

29-Jan-23	23.39	0.3586	0.0149	0.3436	0.1181
30-Jan-23	23.27	-0.5360	0.0149	-0.5509	0.3035
	Total	0.0149		Total	23.9691
	Average				

Average Returns( Ri) = 0.0149

$$\text{Variance} = \frac{\sum d^2}{n-1}$$

$$= 0.364589$$

$$\text{Risk}(\sigma) = \sqrt{\text{Variance}}$$

$$= 0.603812$$

$$\text{Sharpe Performance Ratio} = \frac{R_i - R_f}{\sigma}$$

Risk-free returns  
= 7% per annum

$$= 0.07$$

$$\text{Sharpe Performance Ratio} = \frac{(0.0149 - 0.07)}{0.603812}$$

$$= -0.0913$$

#### FINDINGS:

- In **Indiabulls Bule Chip Fund- Growth Option**. It has an average return of 0.0149, the risk is 0.603872, the variance is 0.364589 and Sharpe performance ratio value is - 0.0913
- In **Equity Hybrid Fund – Regular Plan**. An average return of 0.0092, the risk is 0.453384, the variance is 0.235557385 and the Sharpe performance ratio value is - 0.2958.
- In **Liquid Fund – Direct Plan**. Has an average return of 0.0144, the risk is 0.001476, the variance is 2.15466 and the Sharpe performance ratio value is -37.669.
- In **Overnight Fund Regular Plan**. An average of 0.012, the risk is 0.000866, the variance is 7.4949 and Sharpe performance ratio value is -66.282
- In **Ultra Short Term Fund Direct Plan-Growth Option**. Has the average returns are 0.0232, the risk is 0.015433, the variance is 0.000238 and the Sharpe performance ratio value is - 3.0973.
- In **Ultra Short Term Fund – Direct Plan In Dividend Option**. An average return is 0.000466, the risk is 0.004962, the variance is 2.4626 and the Sharpe performance ratio value is -14.013.

#### SUGGESTIONS:

- In Indiabulls, after comparison in returns, the prior suggestion for investment lies in the scheme “**Ultra short term funds – growth option**”.As it has higher returns i.e., 0.0232. So the investor can go for the investment.
- The next second prior for an investor to invest in the scheme “**Blue Chip Fund – Growth**



**option**". It has a return of 0.0149 and the risk is also high compared to other schemes i.e., 0.603872. An investor can think of the investment if he is afforded to handle the risk.

- According to Sharpe's performance ratio the highest negative mutual fund schemes lie in the **"Overnight Fund Regular Plan"**. Clearly explains the non- investment option to the investor.

## CONCLUSION

Mutual funds in the present knowledge society have become the expanding horizon in financial markets which, however, is subject to market risk. Despite that, it has a low risk as compared to the stock market. In the present financial environment, the investors are inclined towards the agencies and showing trust towards mutual funds than any other financial products. As discussed, mutual funds are always subject to market risk and it is truly accessed in performance evaluation of mutual funds schemes under the purview of the study for a given period.

The performance evaluation measurement ratios such as Sharpe, Treynor, and Jensen are generally used by the fund managers to take the decision of investment and to diversify a portfolio.

Further, there is an immediate impact of execution assessment among the financial specialists who utilize data inferred in observing their ventures. On the premise of such assessment, the financial specialists know the pattern of development of a specific plan driving consequently, resetting their alternatives for the venture. Hence a reasonable system is required to comprehend what a reserve director is doing.

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