

SUMMER PROJECT REPORT

“To understand about mutual funds”

Submitted to:

Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur

Submitted by:

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Department of Management Sciences and Research, G.S. College of
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Institution



Academic Year 2020-21



CERTIFICATE

This is to certify that the investigation described in this report titled “**To understand about mutual funds**” has been carried out by **Mr. Aditya Shyam Umbarkar** during the summer internship project. The study was done in the organisation, **VED Advisory Services Private Limited**, in partial fulfillment of the requirement for the degree of Master of Business Administration of **R. T. M. Nagpur University, Nagpur**.

This work is the own work of the candidate, complete in all respects and is of sufficiently high standard to warrant its submission to the said degree.

The assistance and resources used for this work are duly acknowledged.

Dr. Ashwini Purohit
(Director)

CERTIFICATE

सुखस्य मूलं धर्मः।
धर्मस्य मूलम् अर्थः॥
चाणक्य सूत्र



ADVISORY SERVICES PVT. LTD.

AMFI Registered Mutual Fund Distributor

Date: 23.09.2020

Certificate

Mr. Aditya Shyam Umbarkar, student of MBA Part II (Third Semester) had completed successfully his "Summer Internship Program 2020" at VED Advisory Services Private Limited. He worked with us since July 28, 2020 till September 23, 2020 as a trainee under SIP 2020.

He is always eager to learn new things. In his SIP, he tried to understand the functions of Mutual Fund concept and Wealth Creation Journey through this investment. He helped us in day to day working of our office.

We wish him "All The Best" for his great future and carrier in the field of Finance.

VED ADVISORY SERVICES PVT. LTD.

P. Fadnis
Prasad Heramb Fadnis

Director

VED Advisory Services Pvt Ltd

VED Money
Think Beyond 20 Years...

ACKNOWLEDGEMENT

It is a matter of pride and privilege for me to have done a summer internship project in “**VED Advisory Services Private Limited**” and I am sincerely thankful to them for providing this opportunity to me.

I am thankful to “**Mr. Prasad Heramb Fadnavis**” for guiding me through this project and continuously encouraging me. It would not have been possible to complete this project without his support.

I am also thankful to all the faculty members of Department of Management Sciences and Research, G S College of Commerce and Economics, Nagpur and particularly my mentor “**Dr. / Prof. Geeta Naidu**” for helping me during the project.

Finally, I am grateful to my family and friends for their unending support.

Aditya Shyam Umbarkar
(Name and Signature of the Student)

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Introduction

Mutual fund is a pool of fund from various investors with a common investment objective and is managed by an investment professional who invests in different asset classes to meet the investment objectives. Mutual fund constructs multiple schemes with different investment objectives in order to cater to investors with discrete investment objectives. The primary aim of mutual fund scheme is to create wealth or earn income by investing in diverse assets.

Mutual Funds announce mutual fund schemes with definite investment objectives and seek investment from the investors. Investors invest in the mutual funds schemes which are in line with their investment objectives. When a mutual fund scheme is made available for the first time to investors for investment, it is called 'New Fund Offer' (NFO). In an NFO, investors can buy the units at face value. Thereafter, investors have to buy units at a price called 'Net Asset Value' (NAV).

Net Asset Value (NAV) of fund:

The net asset value is the worth of each unit in mutual fund scheme as of any particular date.

Company Profile

VED Advisory Services Pvt. Ltd. is an organization established by Mr. Prasad Heramb Fadnavis, director in the year 2017. The organization has been actively involved in awareness generation aimed towards wealth generation and financial security through various investment opportunities. The organization is handling over Rs.100 Crores of asset under management (AUM).

The organization offers customized and hand crafted solutions for all investment related needs.

Services provided are: Mutual Funds, Bonds, Fixed Deposits, Insurance, Shares.

Terminologies

FATCA - It stands for “Foreign Account Tax Compliance Act”. In 2010 US enacted a new law called FATCA. According to this act, individual who is a resident of USA or who is financially connected to the US or who has any tax residency in US has to disclose his / her foreign income and investment details to the USA tax authorities.

As per AMFI’s circular, from 1st January 2016 all mutual funds have been advised to make it mandatory for existing investors too.

CAMS - It stands for “Computer Age Management Services”. This is an organization used by Mutual Fund companies and other financial institutions to record transactions and maintain these records.

Karvy - Karvy is a financial services company in India. It is involved in financial services like equity, commodities trading, depository and wealth management services and distribution of other financial products. Karvy is working as Registrar for Mutual fund.

Objective of study

The objective of study is to understand about mutual funds.

Scope of Study

By studying or getting an education about mutual fund an individual can become financially literate. Mutual fund helps in wealth creation in long term which many people in India don't know due to lack of financial literacy.

Need of study

While studying about mutual funds I learned that investing in it is very convenient. By investing in a single fund we can gain access to a broad range of the financial market. Mutual funds are easy to buy and sell. One can either engage the services of a distributor or agent to transact in funds or do it over the internet themselves.

Therefore, it is important to study about mutual funds as we get lots of knowledge about financial markets.

Contribution during SIP

- Created an online personal information form, risk profiler form & feedback form.
- In recent few months organization decided to make their various services online and for that purpose I got the task to create the above forms. Through this I helped the organization to cater our mother earth by taking a step towards paperless work.
- Created the customer in the system of an organization as well as registering customer in NSE.
- Helped the organization to keep proper recording of documents and arranging them in files in systematic way.
- Helped the organization in maintaining monthly transaction reports systematically.

Limitations

I have learned lots of things about mutual funds and investment in it by looking into the portfolio of the clients of organization. But I don't have any personal experience about investment in mutual funds.

Research Methodology

The research methodology which I used while studying about mutual funds is observatory methodology. While studying I participated in various tasks of the organization and observed and learned about the systematic way of performing the tasks.

Findings

During my study I found that each individual can invest in mutual funds.

Mutual funds helps in creating wealth and gives financial solutions to people as per their goals. At present mutual funds gives better returns than traditional investment tools.

Conclusion

In 45 days of my SIP I came to know that Mutual Fund Investment is beneficial for every individual. Presently Mutual Fund gives us complete financial solution and investment tools as per the requirement of individuals. Every person can choose various mutual fund schemes for their different financial needs as per their risk profile and financial goals. Mutual Fund Investment is Wealth Creation tool in long term.

Suggestion

In India people are aware about mutual funds but don't have any knowledge about it and also have many misconceptions. Hence, we must educate people about mutual funds like what it is, how it works, etc.