# Project Report

## "COMPARATIVE STUDY ON HDFC MUTUAL FUND AND ICICI MUTUAL FUND"

Submitted to

**G.S. College of Commerce & Economics**

**Nagpur**

In partial fulfillment for the award of the degree of

**Bachelor of Business Administration**

**Submitted by**

**RAVI SHARMA**

**Under the Guidance of**

**DR. PRAGATI PANDEY**

G.S. College Of Commerce & Economics, Nagpur

**Academic Year 2021 – 22**

# CERTIFICATE

This is to certify that **"RAVI SHARMA"** has submitted the project report titled **"COMPARATIVE STUDY ON HDFC MUTUAL FUND AND ICICI MUTUAL FUND",** towards partial fulfillment of **BACHELOR OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate.

It is further certified that he/she has ingeniously completed his/her project as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.

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| **Dr. PRAGATI PANDEY** | **Dr. AFSAR SHEIKH** |
| **(Project Guide)** | **(Co-ordinator)** |

**Place:**NAGPUR
**Date:**

# DECLARATION

**I here-by declare that the project with title "COMPARATIVE STUDY ON HDFC MUTUAL FUND AND ICICI MUTUAL FUND'' has been completed by me in partial fulfillment of BACHELOR OF BUSINESS ADMINISTRATION degree examination as prescribed by Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course undertaken by me.**

**RAVI SHARMA**

**Place:NAGPUR**

**Date:**

# ACKNOWLEDGEMENT

**With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to Dr. N. Y. Khandait, Principal, G.S. College of Commerce & Economics, Nagpur.**

**I am extremely thankful to my Project Guide Prof.** DR.PRAGATI PANDEY **for his/her guideline throughout the project. I tender my sincere regards to Co-ordinator** Dr. AFSAR SHEIKH **for giving me outstanding guidance, enthusiastic suggestions and invaluable encouragement which helped me in the completion of the project.**

**I will fail in my duty if I do not thank the Non-Teaching staff of the college for their Co-operation.**

**I would like to thank all those who helped me in making this project complete and successful.**

**RAVI SHARMA**

**Place:** NAGPUR
**Date:**

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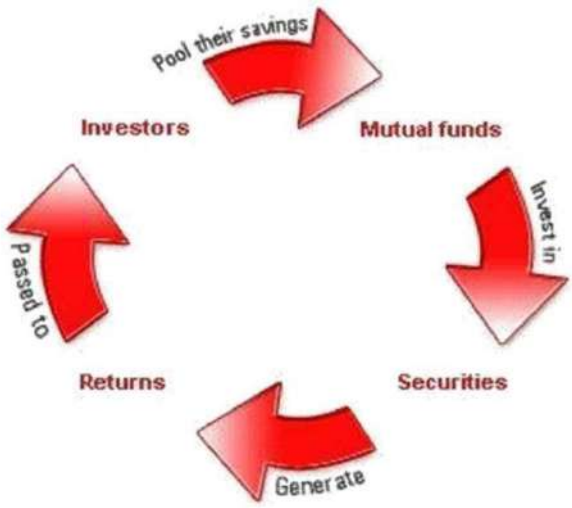
# INTRODUCTION

# CHAPTER 1: INTRODUCTION

A mutual fund could be a trust that pools the savings of variety of investors, World Health Organization share a typical money goal. The money therefore collected is then endowed in capital market instruments like shares, debentures and alternative securities. The financial gain attained through these investments and also the capital appreciations accomplished are shared by its unit holders in proportion to the amount of units in hand by them. Therefore, a Mutual fund is that the most fitted investment for the mortal because it offers a chance to take a position during a diversified, -professionally managed basket of securities at a comparatively low price.

The project plan is to project mutual funds because the higher avenue for investment. Mutual fund is productive package for a lay-investor with restricted finances. open-end fund could be a terribly previous apply in U.S., and it's created a recent entry into Asian country. Mortal in Asian country still finds 'Bank' as a secure door for investment. This shows that mutual funds haven't gained a robust foot-hold in his life.

The project creates associate awareness that the mutual fund is worthy investment apply. The assorted schemes of mutual funds give the capitalist with a good vary of investment choices in step with his risk-bearing capacities and interest. Besides, they additionally provide a handy comeback to the capitalist. The project analyses varied schemes of open-end fund by taking totally {Different completely different} open-end fund schemes from different AMC'S. the longer term challenges for mutual funds in Asian country are thought of.




**DEFINITION**

A mutual fund could be a company that brings along cash from many folks and invests it in stocks, bonds or alternative assets. The combined holdings of stocks, bonds or alternative assets the fund owns are referred to as its portfolio. Every capitalist within the fund owns shares, that represent part of those holdings.

A mutual fund could be a professionally-managed investment theme, typically travel by Associate in Nursing plus Management Company that brings along a bunch of individuals and invests their cash in stocks, bonds and alternative securities

## HISTORY OF MUTUAL FUND

The mutual fund business in India started in 1963 with the formation of fund of India, at the initiative of the govt. of India and depository financial institution. The history of mutual funds in India are often loosely divided into four distinct phases:

**First part – 1964-87**

Unit Trust of India (UTI) was established on 1963 by Associate in Nursing Act of Parliament. it had been founded by the {reserve bank Federal depository financial institution depository financial institution bank banking concern banking company} of {India Republic of India Bharat Asian Country Asian nation} and functioned below the regulative and body management of the Reserve Bank of India. In 1978 UTI was de-linked from the tally and also the Industrial Development Bank of India (IDBI) took over the regulative and body management in situ of tally.

the primary theme launched by UTI was Unit theme 1964. At the tip of 1988 UTI had Rs.6700 crores of assets below management.

**Second part – 1987-1993 (Entry of Public Sector Funds)**

1987 marked the entry of non- UTI, public sector mutual funds founded by public sector banks and life assurance Corporation of {India Republic of India Bharat Asian Country Asian nation} (LIC) and General Insurance Corporation of India (GIC). SBI fund was the primary non- UTI fund established in June 1987 followed by geographic region bank fund (Dec 87), Punjab full service bank fund (Aug 89), Indian Bank fund (Nov 89), Bank of India (Jun90), Bank of Baroda fund (Oct 92). LIC established its fund in June1989 whereas GIC had founded its fund in Dec 1990.At the tip of 1993, the fund business had assets below management of Rs.47004 crores.

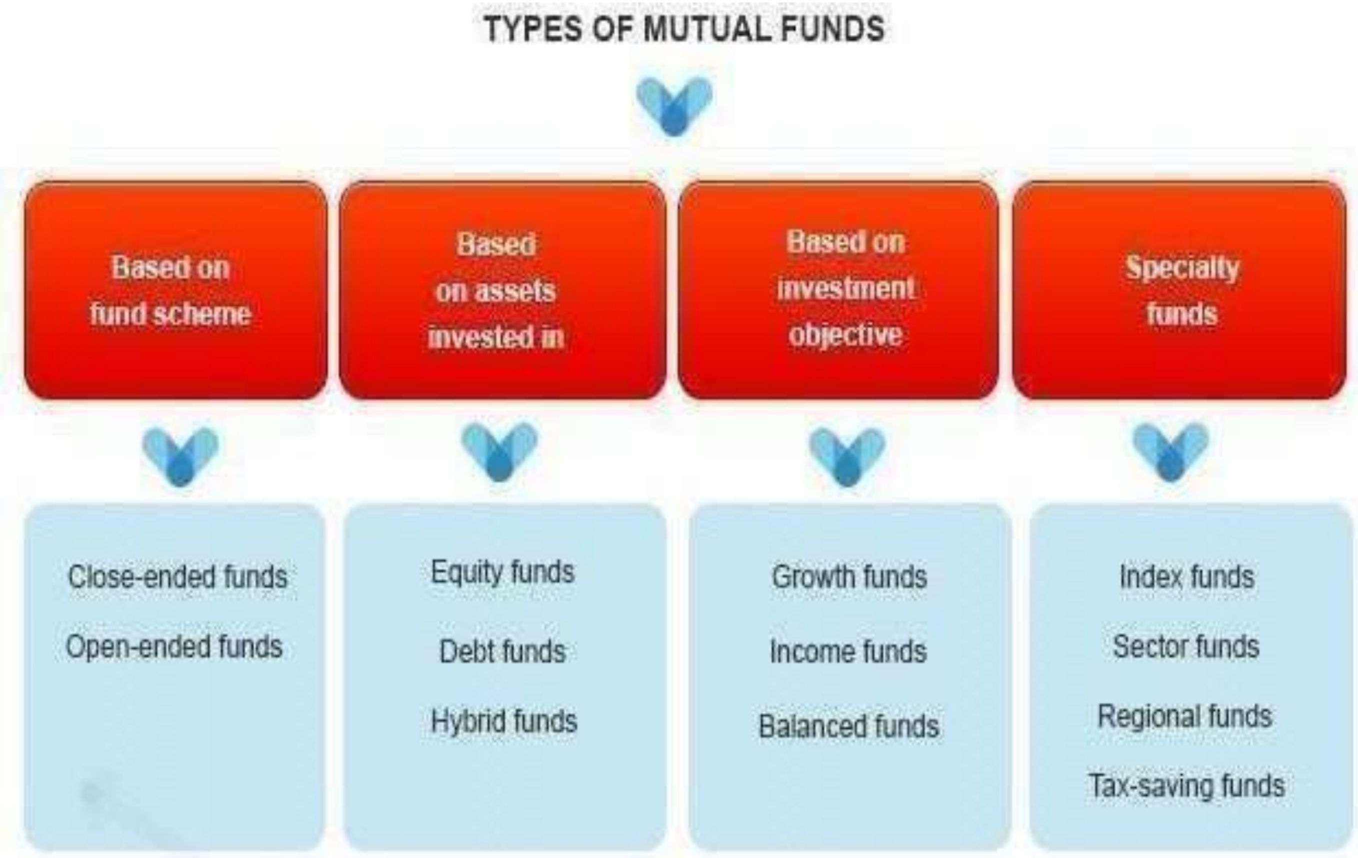
**Third part – 1993-2003 (Entry of personal Sector Funds)**

With the entry of personal sector funds in 1993, a replacement era started within the Indian fund business, giving the Indian investors a wider alternative of fund families. Also, 1993was the year during which the primary fund laws came into being, below that all mutual funds, except UTI were to be registered and ruled. The erstwhile Kothari9Pioneer (now incorporate with Franklin Templeton) was the primary personal sector fund registered in July 1993.The 1993 SEBI (Mutual Fund) laws were substituted by a additional comprehensive and revised fund laws in 1996. The business currently functions below the SEBI (Mutual Fund) laws 1996.

**Fourth part – since Feb 2003**

In Feb 2003, following the repeal of the fund of India Act 1963 UTI was divided into 2 separate entities. One is that the such that endeavor of the fund of India with assets below management of Rs.29835 crores as at the tip of January2003, representing loosely, the assets folks sixty-four theme, assured come back and sure alternative schemes. the desired endeavor of fund of India, functioning below Associate in Nursing administrator and below the principles framed by Government of India and doesn't come back below the orbit of the fund laws. The second is that the UTI fund Ltd, sponsored by SBI, PNB, BOB and LIC. it's registered with SEBI and functions below the fund laws.

# TYPES OF MUTUAL FUNDS



## Types of Mutual Funds:

Wide variety of Mutual Fund Schemes exists to cater to the needs such as financial position, risk tolerance and return expectations etc. The table below gives an overview into the existing types of schemes in the Industry.

**By Structure**

- Open Ended Funds
- Close Ended Funds
- Interval Funds

**By Investment Objective**

- Growth Funds
- Income Funds
- Balanced Funds
- Money Market Fund

**Other Schemes**

- Tax Saving Funds
- Special Funds
- Index Funds
- Sector Specific Fund

A. fund supported FUNDSCHEME:

There are 2 key sorts of mutual funds on the idea of the constitution of the fund. This primarily affects once investors should buy fund units and sell them.

- **CLOSE-ENDEDSCHEMES:**

These schemes have mounted maturity periods. Investors should buy into these funds throughout the amount once these funds are open within the initial issue. Once that window closes, such schemes cannot issue new units except just in case of bonus or rights problems.

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- **OPEN-ENDEDSCHEMES:**

These funds, not like close-ended schemes, don't have a set maturity amount. Investors should buyer sell units at NAV-related costs from and to the fund, on any business day. These schemes have unlimited capitalization, don't have a set maturity, there's no cap on the quantity will you'll |you'll be able to} get from the fund and also the total capital can continue to grow.

These funds aren't typically listed on any exchange.

Open-ended schemes are most well-liked for his or her liquidity. Such funds will issue and redeem units any time throughout the lifetime of a theme. Hence, unit capital of open-ended funds will fluctuate on each day.

The advantages of open-ended funds over close-ended are as follows:

Investors will exit any time they require. The supply company directly takes the responsibility of providing an entry and an exit. This provides prepared liquidity to the investors and avoids reliance on transfer deeds, signature verifications and dangerous deliveries.

Investors will entry any time they require. Thus, AN open-ended fund permits one to enter the fund at any time.

- **Interval Schemes:**

Interval theme mix the options of open-ended and close-ended funds. The units is also listed within the stock exchange or is also open available or redemption throughout pre-determined intervals at NAV-related costs. mounted maturity plans, or, FMPs are example of these sort of schemes.

B. **BYNATURE**:

1. **Equity fund**:

These funds invest a most a part of their corpus into equities holdings. The structure of the fund might vary totally different completely different} for various schemes and also the fund manager’s outlook on different stocks. The equity funds are sub-classified relying upon their investment objectives, as follows:

- Diversified equity funds.
- Sector specified fund.
- Tax saving funds

Equity investments are meant for a extended time horizon, therefore equity funds rank high on the risk-return matrix.

2. **Debt fund:**

The objectives of that fund are to speculate in debt papers. Government authorities, personal firms, banks and money establishments are a number of the main issuers of debt papers. By investment in certificate of indebtedness, these funds guarantee low risk and supply stable financial gain to the investors. Debt funds are any classified as:

- **Gilt funds**: Invest their corpus in securities issued by government, popularly referred to as Government of Asian country debt papers. These funds carry zero default risk however are related to charge per unit Risk. These schemes are safer as they invest in papers backed by government.

- Income funds: Invest a serious portion into varied certificate of indebtedness like bonds,company debentures and government securities.

- MIPs: Investors maximum of the whole corpus in certificate of indebtedness whereas they take minimum exposure in equities. It gets good thing about each equity and debt market. These schemes rank slightly high on the risk-return matrix in comparison with alternative debt schemes.

- Short Term Plans(STPs): Meant for invest horizon for 3 to 6 months. These funds primarily invest in brief term papers like certificate of deposits(CDs) and industrial papers(CPs). Some portion of the corpus is additionally invested with in company debentures.

- **Liquid funds**: additionally, referred to as market Schemes, these funds provide simple liquidity and preservation of capital. These schemes invest in an exceedingly short instruments like treasury bills, inter-bank decision market, CPs & CDs. These funds are meant for short money management of company homes And are meant for an investment horizon of one day to three months. These schemes rank low on risk-return matrix and are thought-about to be safest amongst all classes of fund.

**3. Balanced funds:**

Because the name suggests they, are a combination of each equity and debt fund. They invest in each equities and stuck financial gain securities, that are in line with pre-defined investment objectives of the schemes. These aims to supply investors with the most effective of each the worlds. Equity half provides growth and also the debt half stability in returns.

C. **BY INVESTMENT OBJECTIVE**:

1. **Growth theme**: Growth scheme are referred to as equity schemes. The aim of those schemes is to supply capital appreciation over medium to long run. The schemes ordinarily invest a serious a part of their fund in equities and are willing connected short-term decline in worth for potential future appreciation.

2. **Financial gain schemes**: financial gain schemes are referred to as debt schemes. The aim of those schemes is to supply often and steady financial gain of investors. These schemes typically investment mounted financial gain securities like bonds and company debentures. Capital appreciation in such schemes is also restricted.

3. **Balanced schemes**: Balanced schemes aims to supply each growth and financial gain by sporadically distributing an element of the financial gain and capital gains they earn. These schemes invest in each shares and stuck financial gain securities, within the proportion indicated in their supply document(ordinarily50-50).

4. **Market schemes**: market schemes aims to supply simple liquidity, preservation of capital and moderate financial gain. These schemes typically invest in safer, short instruments, such as treasury bills, certificates of deposits, cash equivalent and lay bank decision cash.

5. Load funds: Load fund is one that charges a commission for entry or exit. That is ,each time you get or sell units within the fund, a commission are going to be owed. sometimes entry and exit load vary from one hundred forty five to twenty-eight. it may well be price paying the load ,if the fund contains a sensible performance history.

6. **No-load funds**: A no-load funds is one that doesn't charge a commission for entry and exit.That is, no commission is owed on purchase or sale of units within the fund. The advantage of and load fund is that the whole corpus is place to figure

**OTHERSCHEME**:

Tax saving themes: Tax saving scheme supply tax rebates to the investors underneath law prescribed from time to time. Under sec.88 of the tax Act, contributions created to any equity connected saving schemes(ELSS) are eligible for rebate.

Index theme: Index scheme makes an attempt to duplicate the performance of the actual index like BSE Sensex or the NSE fifty. the portfolio of those schemes can incorporates solely those stocks that represent the index. the proportion of every stock to the whole holding are going to be the image of the stock market index weightage. And hence, the returns from such schemes would be a lot of or less like those of the index.

Sector Specific schemes: These are the funds that invest within the securities of solely those sectors or industries as laid out in the supply documents e.g. prescription drugs, code FMCG, fossil fuel stocks, etc. The returns in these funds are keen about the performance of the several sector/industries. whereas these funds might provide higher returns, they're a lot of risky compare to wide-ranging funds. capitalist must keep a watch on the performance of these sectors/industries And should exit at an applicable time.

## BENEFITS OF MUTUAL FUNDS

1. **Skilled Management**:

Mutual Funds give the services of tough and delicate professionals, backed by a fervent investment analysis team that analyses the performance and prospects of firms and selects appropriate investments to realize the objectives of the theme.

2. **Diversification**:

Mutual Funds invest in a very variety of firms across a broad crosswise of industries and sectors. This diversification reduces the chance as a result of rarely do all stocks decline at the identical time and within the same proportion. You succeed this diversification through a investment trust with way less cash than you'll be able to do on your own.

3. **Convenient Administration**:

Investing in a very investment trust reduces work and helps you avoid several issues like unhealthy deliveries, delayed payments and follow up with brokers and corporations. Mutual Funds save sometime and create investment straightforward and convenient.

4. **Come back Potential**:

Over a medium to long-run, Mutual Funds have the potential to produce a better come back as they invest in a very varied basket of selected securities.

5. **Low Costs**:

Mutual Funds are comparatively more cost-effective thanks to invest compared to directly investment within the capital markets as a result of the advantages of scale in brokerage, protective and different fees translate into lower prices for investors.

6. **Liquidity**:

In open-end schemes, the capitalist gets the money back promptly at internet quality worth connected costs from the investment trust. In closed-end schemes, the units is oversubscribed on a stock market at the prevailing market value or the capitalist will avail of the ability of direct repurchase at NAV connected costs by the investment trust.

**7. Transparency:**

Investors get regular data on the worth of your investment additionally to speech act on the precise investments created by the theme, the proportion endowed in every category of assets and therefore the fund manager's investment strategy and outlook.

8. **Flexibility**:

Through options like regular investment plans, regular withdrawal plans and dividend reinvestment plans, one will consistently invest or withdraw funds consistent with your wants and convenience.

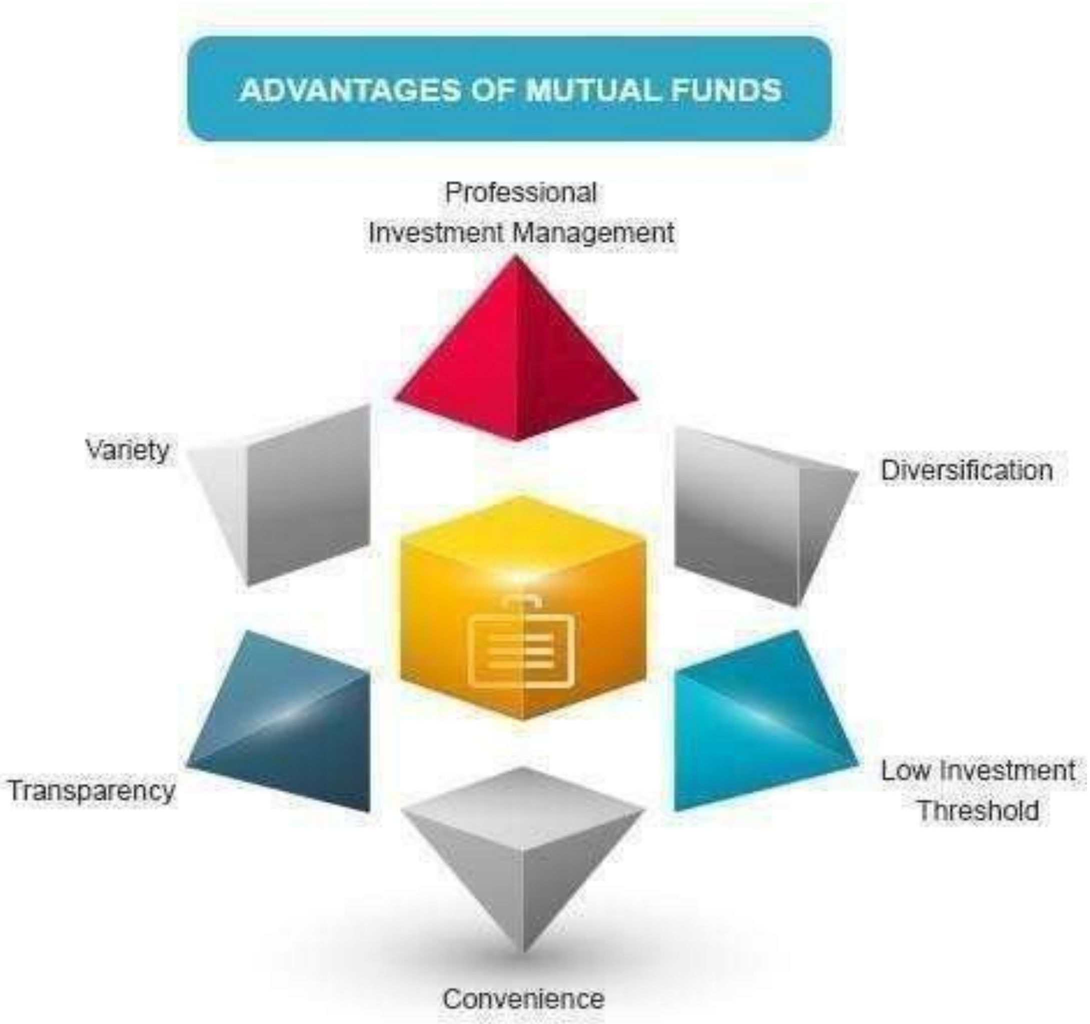
### 9. Affordability:

Investors singly might lack ample funds to take a position in best stocks. A investment trust due to its giant corpus permits even a little capitalist to require the advantage of its investment strategy.

### 10. **Well Regulated**:

All Mutual Funds are registered with SEBI and that they perform among the provisions of strict laws designed to safeguard the interests of investors. The operations of Mutual Funds are frequently monitored by SEBI.

## ADVANTAGES OF MULUAL FUNDS FOR INVESTORS




**Professional Management**

Mutual funds supply investors the chance to earn Associate in Nursing financial gain or build their wealth through skilled management of their investible funds. There are many aspects to such skilled management viz. finance in line with the investment objective, finance supported adequate analysis, and guaranteeing that prudent investment processes are followed.

**Affordable Portfolio Diversification**

Units of a theme offer investors exposure to a spread of securities command within the investment portfolio of the theme. Thus, even a little investment of Rs5, 000 in a very investment trust theme will offer investors a heterogenous investment portfolio With diversification, Associate in Nursing capitalist ensures that each one the eggs don't seem to be within the same basket. Consequently, the capitalist is a smaller amount doubtless to lose cash on all the investments at the identical time. Instead, they'll deliver the goods the diversification through Associate in Nursing investment of some thousand rupees in a very investment trust theme.

**Economies of Scale**

The pooling of huge sums of cash from such a big amount of investors makes it doable for the investment trust to interact skilled managers to manage the investment. Individual investors with tiny amounts to speculate cannot, by themselves, afford to interact such skilled management. massive investment corpus results in varied alternative economies of scale. Further, the upper group action volume makes it doable to barter higher terms with brokers, bankers and alternative service suppliers.

**Liquidity**

At times, investors in money markets are cursed a security that they can't realize a emptor – worse, occasionally they can't realize the corporate they endowed in! Such investments, whose price the capitalist cannot simply notice within the market, are technically known as illiquid investments and should lead to losses for the capitalist. Investors in a very investment trust theme will recover the worth of the moneys endowed, from the investment trust itself.. Schemes, wherever the money is recovered from the investment trust solely on closure of the theme, are listed in a very exchange. In such schemes, the capitalist will sell the units within the exchange to recover the prevailing price of the investment.

**Tax Deferral**

Mutual funds don't seem to be susceptible to pay tax on the financial gain they earn. If the identical financial gain were to be earned by the capitalist directly, then tax might need to be paid within the same twelvemonth. By choosing such choices, it's doable for the capitalist to defer the liabilities. This helps investors to lawfully build their wealth quicker than would are the case, if they were to pay tax on the financial gain every year.

**Tax advantages**

Specific schemes of mutual funds (Equity joined Savings Schemes) offer investors the advantage of deduction of the number endowed, from their financial gain that's susceptible to tax. This reduces their assessable financial gain, and so the e liabilities.

Dividends received from investment trust schemes are tax-exempt within the hands of the investors. However, dividends from sure classes of schemes are subject to dividend distribution tax, that is paid by the theme before the dividend is distributed to the capitalist.

**Convenient choices**

The options offered below a theme permit investor to structure their investments in line with their liquidity preference and tax position. there's additionally nice group action conveniences just like the ability of withdraw solely a part of the money from the investment account, ability to speculate extra amounts to the account, fitting systematic transactions.

**Investment Comfort**

Once Associate in Nursing investment is formed with an investment trust, they create it convenient for the capitalist to form any purchases with little documentation. This simplifies subsequent investment activity.

**Regulatory Comfort**

The regulator, Securities & Exchange Board of Republic of India (SEBI), has mandated strict checks and balances within the structure of mutual funds and their activities. These are careful within the subsequent units. investment trust investors have the benefit of such protection.

**Variety**

While finance in mutual funds, you're spoilt for selection. you have got variety of investment trust schemes to decide on from, which can invest in a very whole vary of industries and sectors,totally different types of assets, and so on. There are funds that specialize in valuable stocks, technology stocks, bonds, or a combination of stocks and bonds. In fact, the best challenge is sorting through the range and selecting the simplest for you.

**Transparency**

SEBI laws for mutual funds have created the business terribly clear. you'll be able to track the investments that are created on your behalf to understand the sectors and stocks being endowed in.

# LIMITATIONS OF MUTUAL FUNDS

**Lack of portfolio customization**

Some securities homes supply Portfolio Management Schemes (PMS) to massive investors. In a PMS, the capitalist has higher management over what securities are bought and sold-out on his behalf. On the opposite hand, a unit-holder in a very investment trust is simply {one of |one among one in a very one amongst one in every of} many thousand investors in a theme. Once a unit-holder has bought into the theme, investment management is left to the fund manager (within the broad parameters of the investment objective). Thus, the unit-holder cannot influence what securities or investments the theme would get.

**Choice overload**

Over 800 investment trust schemes offered by quite forty mutual funds – and multiple choices among those schemes – build it troublesome for investors to decide on between them. Larger dissemination of trade info through varied media and handiness of skilled advisors within the market ought to facilitate investors handle this overload.

**No management over prices**

All the investor's moneys are pooled along in a very theme. prices incurred for managing the theme are shared by all the Unit-holders in proportion to their holding of Units within the theme. Therefore, a private capitalist has no management over the prices in a very theme. SEBI has but obligatory bound limits on the expenses that may be charged to any them.

**No Guarantees**

No investment is innocent. If the whole securities market declines in worth, the worth of investment trust shares can go down also. irrespective of however balanced the portfolio. capitalist encounters less risk after they invest in mutual funds than once the get and sell shares on own. However, anyone United Nations agency invest through an investment trust runs the danger of losing cash.

**Management risk**

When you invest in investment trust, you depend upon the fund's manager to form the correct call concerning the fund's portfolio. If the manager doesn't perform as we have attend to hoped, than we have a tendency to might not build the maximum amount cash, of course or as your investment would have created in different security.

## MUTUAL FUNDS IN ASIANNATION

The first introduction of a investment trust in Asian nation occurred in 1963, once the govt of {India Republic of Asian nation Bharat Asian country Asian nation} launched unit investment trust of India (UTI). UTI enjoyed a monopoly within the Indian investment trust market till 1987, once a bunch of different government-controlled Indian monetary corporations established their own funds, as well as banking concern of Asian nation, geographic region Bank, and geographical region commercial bank. The primary personal sector fund to work in Asian nation was Kothari Pioneer, that later unified with Franklin Templeton. In 1996, SEBI, the regulator of mutual funds in Asian nation, developed the investment trust Regulation that could be a comprehensive regulative framework.

- **Major Investment Trust Corporations In Asian nation**

**1. ABN AMRO investment trust**

ABN AMRO investment trust was setup on Apr fifteen, 2004 with ABN AMRO Trustee (India) Pvt. Ltd. because the Trustee Company. The AMC, ABN AMRO quality Management (India) Ltd. was incorporated on November four, 2003. Deutsche Bank A Gis that the shoulder of ABN AMRO investment trust.

**2. BIRLA SUN LIFE investment trust**

Birla Sun Life investment trust is that the venture of Hindu deity Birla cluster and Sun Life monetary. Sun Life monetary could be an international organization evolved in 1871 and is being delineate in North American nation, the US, the

Philippines, Japan, land and island except Asian nation. Birla Sun life investment trust follows a conservative long approach to investment. Recently it crossed a Supreme Truth of Rs.10, 000 crores.

**3. HDFC investment trust**

HDFC investment trust was setup on June thirty, 2000 with 2 sponsors specifically development Finance Corporation restricted and customary Life Investment restricted.

**4. Desert investment trust**

Sahara investment trust was setup on Gregorian calendar month eighteen, 1996 with desert Asian nation monetary Corporation Ltd. because the sponsor. desert Assets Management Company personal restricted incorporated on August thirty one, 1995works because the AMC of desert investment trust. The paid up capital of the AMCstands at Rs.25.8 crore.

**5. Banking concern OF Asian nation investment trust**

State Bank of Asian nation investment trust is that the initial Bank sponsored investment trust to launch offshore fund, the Asian nation wine bottle Fund with a corpus of Rs.225 large integer or so. these days it's the biggest Bank sponsored investment trust in Asian nation. They already launched thirty-five schemes out of that fifteen have already yield handsome returns to investors. banking concern of Asian nation investment trust has quite Rs.5, five hundred crores as Supreme Truth. currently it's associate capitalist base of over eight lakhs adjoin eighteen schemes.

**6. TATA investment trust**

TATA investment trust could be a Trust beneath the Indian Trust Act, 1882. The sponsors for Tata investment trust are Tata Sons Ltd., and Tata Investment Corporation Ltd. the investment manager is Tata management restricted is one in every of the quickest within the country with quite Rs.7703 large integer (as on 2005) of Supreme Truth.

**7. Unit investment trust OF Asian nation investment trust**

UTI quality Management Company personal restricted, established in Gregorian calendar month twenty four, 200 3 manages the UTI 000 large integer. The sponsors of UTI investment trust are Bank of Baroda, geographical region commercial bank, banking concern of Asian nation, and insurance Corporation of Asian nation. The schemes of UTI investment trust are Liquid Funds, assets Management Funds, Index Funds and Balanced funds.

# CHAPTER 2: COMPANY PROFILE

# HDFC MUTUAL FUNDS:

Housing Development Finance Corporation Limited, most commonly known as HDFC, is a leading financial conglomerate in India. Originally a mortgage firm, HDFC was established in the year 1977. Since then, it has become a fully-fledged financial giant consisting of the main subsidiary such as HDFC Bank, HDFC Asset Management Company, and HDFC Standard Life Insurance Company Limited. The services offered by the firm range from House Loans to Mutual Funds and Insurance Products.

HDFC Mutual funds, one of the leading asset management companies in India, specifically in mutual funds and SIP. Sponsored by Standard Life Investment Limited, HDFC Mutual funds were instituted under the aegis of HDFC. HDFC Trustee Company Limited is the trustee of the corporation. the first product was launched in the year 2000 by the company and has full grown to a large extent, since then to offers mutual funds categories in 11 different kinds of fund.

One of the Largest fund Managers of India, HDFC Mutual Funds, in its recent move, has acquired Morgan Stanley’s Business, while they were exiting the country . HDFC has bought Morgan Stanley’s eight schemes worth rupees 3290 crores all together. This step has set HDFC Mutual Fund ahead of all its entrants in the market of Mutual Funds.

## Types of HDFC Mutual Funds:

A wide array of mutual funds is offered by HDFC Mutual Funds products for its customers, fans, parents and investors. They vary from Fund of Funds (FOFs) schemes to liquid funds to regular debt and equity funds, amongst a wide range of other mutual fund products.

**Equity or Growth fund:**

The growth funds by HDFC Mutual Funds are intended to make investments primarily in equity based market. Managing such funds could be passive or active (index funds). Different fund selections offered in the scheme are intended to suit short-term or long-term investment requirements of the consumers.

**Debt or Income Fund:**

HDFC debt fund or income fund is an innovative scheme that aims at investing in instruments like long-term or short-term bond, debts, money markets, etc. the intent of such investments is to create an income for the one who is investing his money and this is exactly what almost all the plans provided by HDFC Mutual Funds do.

**Liquid funds:**

Liquid funds make investments in securities. These investments come with a maturity period of 91 days. And this make them a brilliant investment option with lowest possible risks for the investors. They even have a propensity to be a better choice for liquidity. Liquid funds offered by HDFC MF come without exit loads making it a brilliant choice, even for the 1st timeinvestors.

**Children's Gift Funds:**

HDFC MF's Children's Gift Funds is another brilliant schemes which has been carefully designed and thoughtfully conceptualized to offer an opportunity to the investors to grow their capital in fairly longer period of time. This means that investment made in HDFC Children's Gift Funds can further be put to use for the requirements and needs of children as they grow older.

**Exchange Traded Funds:**

The Exchange Traded Funds, abbreviated as ETF's by HDFC Mutual Fund is a kind of schemes where funds are traded in stock market. They provide an option with higher liquidity and are pocket-friendly with lesser fees as against mutual funds products. These funds are invested in the firm of gold, which can be highly risky.

**Quarterly Interval Funds:**

Quarterly interval funds are the mutual funds allow investors to make investments in both close- ended and open-ended schemes. You can sell them or redeem them at predetermined time. Here, the investment is usually made in government securities and bonds, and even in debt markets.

**Annual Interval Fund – Series 1:**

HDFC MF's Annual Interval Funds are quite similar to the Quarterly Interval Funds. These mutual funds invest in government securities and money markets. They also come up with predefined intervals for redeeming or selling and are investments with low risk.

**Rajiv Gandhi Equity Savings Scheme:**

The Rajiv Gandhi Equity Savings Scheme (RGESS) by HDFCMF is one of the most innovative products offered by HDFC MF. This is an equity investment scheme that provides tax benefits to the investors. It intends to persuade small investors to invest their money in the relatively lucrative capital markets.

**Fixed Maturity Plans:**

HDFC MF's Fixed Maturity Plans are the mutual funds where an investment in made in debt markets and government securities. These mutual funds involve low risk for the investors and could be close-ended schemes.

**Fund to fund schemes:**

The fund of funds schemes invest in other mutual funds. This brilliant schemes provided by HDFC Mutual Funds are more likely to be an open-ended scheme and comes with the comparatively higher risk. However, the returns offered by these schemes are also higher as compared to other mutual fund schemes.

**HDFC Capital Protection Oriented Schemes:**

HDFC Capital Protection Oriented Schemes is aimed at creating a regular stream of income for the investors by making investment in debt markets. These schemes invest in instruments that come with a fix maturity dates and provide investors with low risk.

## Why choose HDFC mutual fund?

HDFC Mutual Fund has a wide variety of products to ensure something for every sort of investor. HDFC prides itself of tendering the investor with an opportunity to invest beneficially. Here are some other features that will make it clear why you must invest in HDFC Mutual funds:

- A Lot of products that the company offers have a CRISIL rating of 3 or above.
- The investors are offered with a wide range of mutual fund schemes to investing.
- Innumerable tax benefits are available on offer for investors investing in HDFC Mutual fund.
- Investors have access to all sorts of funds ranging from short-term funds to long-term funds. Also, investors have easy access to take their pick from open-ended and close-ended funds.
- The firm has something or the other to suit investors risk appetite of every sort of investors' Mutual Fund offers a wide range of products with low, moderate, and high-risk.

## ICICI PRUDENTIAL MUTUAL FUND:

**ICICI** Prudential mutual Fund offers a variety of corporate and retail investment solutions across different investment instruments like fixed income, gold, and equity.

- It aims at providing the investors with financial solutions to help them accomplish their financial objectives. Consistently, it has been the innovation force and introduced products in accordance with the customer needs, leading to a diversified portfolio of 57 (approx.) mutual fund instruments. The mutual fund investor base has witnessed a sky-high growth from 210 to over 2 Million, which beats the trumpets of the company's success.
- ICICI Prudential Mutual Fund gained a lot from managing funds in coordination with its prime objectives of investment and is capable of delivering better risk- adjusted returns.
- The coherent long-term performance was attained on the basis of strengthened fundamentals. The process-driven investment approach is to provide adequate flexibility to fund managers so that they are able to manage their funds and that too, in their own style.

- Over the last 18 years, the fund house has won the trust of its investors and emerged as the topmost preferred Indian investment solution provider. The fund house has aspired to fulfill its legal responsibility of managing investment holders' wealth with diligence and prudence.

**BEST ICICI MUTUAL FUNDS**

**The Key Features of ICICI PRUDENTIAL MUTUAL FUND**

ICICI Prudential Mutual Fund provides its customers with a wide range of benefits that make it the most preferred fund house. The following are the key features of ICICIPMF:

- The biggest advantage you get when you invest in ICICI Prudential Mutual Fund is that it has enabled a CRISIL credit rating AAA mutual funds for most of its investment products.
- ICICIPMF takes care of its investors by having an unbiased service providing approach. It enables its small scale investors to make the investment(s) using easy and affordable Systematic Investment Plans (SIPs), which enables the investors to make payments on a monthly basis.
- Its wide range of funds or make investment gives the customers an adequate number of options to select from.

## Different Types of Funds Offered by ICICI Prudential Mutual Fund

ICICI Prudential Mutual Fund offers an investor a wide range of investment funds to make their investment in. These funds are classified into the types mention below:

1. **Equity Funds**

   ICICIPMF offers Equity funds as a mutual fund investment vehicle that makes investments in the stock market, to be specific. It aspires to provide its investors with higher returns on their investments by investing in medium-higher risk funds. Through the index funds, equity funds are handled either passively or actively. These funds assist the investors in creating their substantial financial profile with the help of long-term investments.

2. **Hybrid or Balanced Funds**

   This is the investment option by ICICI Prudential that invests the investors' money in the equity as well as in the debt market. The degree of magnitude entirely depends upon the kind of hybrid fusion it is. When the fund happens to be a debt-hybrid, a major share of the investment is invested in the debt market and the remaining share in the equity market. When it is the other way around, it becomes equity hybrid fund.

3. **Debt Funds**

These funds are investment vehicles that make investments in short or long-term bonds, security products, money markets, etc. They aspire to make use of the available capital in order to generate wealth. Meanwhile, the amount of the initial investment is preserved. For the investors looking forward to neutralizing their risk levels while creating the income option debt funds are an ideal investment option.

4. **Fund of Funds**

Fund of Funds is the investment that ICICI PF makes in other mutual fund types. The fund deals with multiple risk thresholds. In addition to that, it enables diversification by making

investments across the category of available funds.

5. **Exchange-Traded Funds**

These funds offered by ICICI Prudential Mutual Fund are closer to the stock markets that are eligible to be traded like stocks and make investment mostly in stocks of the corporations, precious metals, and currencies. The biggest benefit of this fund is that it allows you to buy and selling throughout the day.

## Why Select ICICI Prudential Mutual Fund?

The following are the benefits associated with investing in ICICI Prudential Mutual Fund.

- **Credibility-** It provides banking and other financial services that speak a lot for its goodwill.
- **The Force behind CRISIL-** It was a key player in setting up of the CRISIL rating system.
- **Helped Government-** It aided the government in the promotion of the NSE (i.e. NATIONAL STOCK EXCHANGE) and the NCDEX (i.e. NATIONAL COMMODITIES AND DERIVATIVESEXCHANGE).

# CHAPTER 3: REVIEW OF LITERATURE

**Dr. Sandeep Bansal, Deepak Garg and Sanjeev K Saini (2012),** have studied Impact of Sharpe Ratio &Treynor's Ratio on Selected Mutual Fund Schemes. This paper examines the performance of selected mutual fund schemes, that the risk profile of the aggregate mutual fund universe can be accurately compared by a simple market index that offers comparative monthly liquidity, returns, systematic & unsystematic risk and complete fund analysis by using the special reference of Sharpe ratio and Treynor's ratio.

**Dr. K. Vernia and Dr. A. Kishore Kumar (Jan 2014)**, conducted a research on Comparative Performance Analysis of Select Indian Mutual Fund Schemes. This study analyzes the performance of Indian owned mutual funds and compares their performance. The performance of these funds was analyzed using a five year NAVs and portfolio allocation. Findings of the study reveals that, mutual funds out perform naïve investment. Mutual funds as a medium-to-long term investment option are preferred as a suitable investment option by investors.

**Dr Surender Kumar Gupta and Dr. Sandeep Bansal (Jul 2012)**, have done a Comparative Study on Debt Scheme of Mutual Fund of Reliance and Birla Sunlife. This study provides an overview of the performance of debt scheme of mutual fund of Reliance, and Birla Sunlife withthe help of Sharpe Index after calculating Net Asset Values and Standard Deviation. This study reveals that returns on Debt Schemes are close to Benchmark return (Crisil Composite Debt Fund Index: 4.34%) and Risk Free Return: 6% (average adjusted for last five year).

**Prof. V. Vanaja and Dr. R. Kiarostami (2013)**, have done a Study on the Performance of select Private Sector Balanced Category Mutual Fund Schemes in India. This study of performance evaluation would help the investors to choose the best schemes available and will also help the AUM's in better portfolio construction and can rectify the problems of underperforming schemes. The objective of the study is to evaluate the performance of select Private sector balanced schemes on the basis of returns and comparison with their bench marks and also to appraise the performance of differentcategory of funds using risk adjusted measures as suggested by Sharpe, Treynor and Jensen.

**E. Priyadarshini and Dr. A. Chandra adult male (2011),** have done Prediction of the web quality Values of Indian Mutual Funds victimization Auto- Regressive Integrated Moving Average (Arima). during this paper, a number of the mutual funds in India had been sculptural victimization Box-Jenkins autoregressive integrated moving average (ARIMA) methodology. Validity of the models was tested victimization normal applied math techniques and therefore the future NAV values of the mutual funds are forecasted.

**Dr. Ranjit Singh, Dr. Anurag Singh and Dr. H. Ramanand Singh (August 2011),** have done analysis on Positioning of Mutual Funds among settlement and Sub-Urban Investors. within the recent past the many proportion of the investment of the urban capitalist is being

attracted by the mutual funds. This has LED to the saturation of the market within the urban areas. so as to extend their capitalist base, the open-end fund firms are exploring the opportunities within the little cities and sub-urban areas. however promoting the mutual funds within these areas needs the positioning of the merchandise in the minds of the investors in a very completely different method. The merchandise has got to be acceptable to the investors, it ought to be reasonable to the investors, it ought to be created accessible to them and at the identical time the investors ought to remember of it. the current paper deals with of these problems. It measures the degree of influence on acceptableness, affordability, accessibility and awareness among the little city and sub-urban investors on their investment selections.

**Prof. Kalpesh P Hindu deity and faculty member. Mahesh K Patel (Jul 2012),** have done a Comparative Study On Performance analysis of open-end fund Schemes Of Indian firms. During this paper the performance analysis of Indian mutual funds is dispensed through relative performance index, risk-return analysis, Treynor's quantitative relation, Sharp's quantitative relation, Sharp's live, Jensen's live, and Fame's live. the info used is daily closing NAVs. The supply of information is web site of Association of Mutual Funds in India (AMFI). The study amount is first January 2007 to thirty first Dec, 2011. The results of performance measures recommend that almost all of the open-end fund have given positive come throughout 2007 to 2011.

**C. Srinivas Yadav and Hemanth N C (Feb 2014),** have studied Performance of hand-picked Equity Growth Mutual Funds in India: AN Empirical Study throughout first Gregorian calendar month 2010 To thirty first might 2013. The study evaluates performance of hand-picked growth equity funds in India, dispensed victimizations portfolio performance analysis techniques like Sharpe and Treynor live. Sample CNX great has been taken because the benchmark. The study conducted with fifteen equity growth Schemes (NAV) were chosen from high ten AMCs ( supported AUM) for the amount first Gregorian calendar month 2010 to thirty first might 2013(3years).

**Rahul Single, Anuradha and Dr Sanjay Singla (May 2013),** have done Performance Appraisal of Growth open-end fund. The paper examines the performance of twenty five Growth open-end fund Schemes. Over the fundamental measure Gregorian calendar month 2004 to Dec 2008. For this purpose 3 techniques are used (I) Beta (II) Sharpe quantitative relation (III) Treynor quantitative relation. Rank is given consistent with result drawn from this theme and comparison is additionally created between results drawn from completely different schemes and unremarkably the various are insignificant.

**Dhime Jani and Dr. Rajeev religious belief (Dec 2013),** have studied Role of Mutual Funds in Indian financial set-up as a Key Resource Mobiliser. This paper tries to spot, the link between terrorist organization mobilized by open-end fund firms and gross domestic product growth of the India. to search out parametric statistic Kendall's letter of the alphabet b and spearman's letter correlation ship was applied, the info vary was hand-picked from 1998-99 to 2009-10.

**Dr. R. Narayanaswamy and V. Ratnangi (Apr 2013),** have done Performance analysis of Equity Mutual Funds (On hand-picked Equity corporation Funds). This study, basically, deals with the equity mutual funds that are offered for investment by the varied fund homes in India. This study principally targeted on the performance of hand-picked equity corporation open-end fund schemes in terms of risk- come relationship. the most objectives of this analysis work are to analysis monetary performance of hand-picked open-end fund schemes through the applied math parameters like (alpha, beta, variance, r-squared, Sharpe ratio).

**Dr. Ashok Khurana and Kavita Panjwai (Nov, 2010),** have analyzed Hybrid Mutual Funds. fund returns may be compared victimization expectation & combined Annual rate of growth. Risk may be analyzed by looking for variance, Beta whereas performance analysis relies on Risk-Return adjustment. Key quantitative relations like Sharpe quantitative relation and Treynor ratio are used for Risk-Return analysis. Funds are compared with a benchmark, business average, associate degreed analysis of volatility and come back per unit to seek out however well they're performing arts with relation to the value in danger analysis may be done to seek out the utmost doable losses during a month given the capitalist had created an investment in this month. supported the quantitative study conducted company a fund is chosen because the best fund within the Balance fund growth scheme.

**Vibha Lambda (Feb 2014),** has done associate degree analysis of Portfolio Management in Asian country. the aim of gift study is to analyses the scope and importance of portfolio management in Asian country. This paper conjointly focuses on the categories and steps of portfolio management that a portfolio manager ought to fancy offer most returns and minimum risk to his purchasers for his or her investments.

**Dr. N. K. Sathya Pal Sharma and Ravikumar. R (2013),** have done the Analysis of the danger and come back Relationship of Equity based mostly fund in Asian country. during this paper a trial has been created to investigate the performance of equity based mostly mutual funds. a complete of fifteen schemes offered by a pair of personal sector firms and a couple of public sector firms, are studied over the amount Gregorian calendar month 1999 to Gregorian calendar month 2013 (15years). The analysis has been created victimization the risk-return relationship and Capital plus rating model (CAPM).

**B. Raja Manner and Dr. B. Rama Reddy (Oct 2012),** Review and Performance of choose Mutual Funds Operated By Personal Sector Banks: Axis Equity and Kotak fifty Funds – Growth possibility. the 2 mutual funds (i) Axis Equity (G) and (ii) Kotak fifty (G) are reviewed intimately with a quick introduction of the fund homes itself. The funds are then statistically evaluated

by correlation with the benchmark. Sample CNX dandy, variance, Sharpe’s Index. Treynor’s quantitative relation, Jenson’s alpha, Fame’s live and money supply.

**Mrs. Shashikala and Dr. A. Lakshmi (Jan 2014)**, have studied The fund Performance Between 2008 And 2010: Comparative Analysis. The paper entitled “comparative analysis of fund performance between 2008 & 2010. The paper was undertaken to understand the when meltdown amount risks and returns of 2008 prime hundred mutual funds and compare with 2010prime hundred mutual funds revealed in Business these days.

**S. Palani and P. Chinar Mohamed (Dec 2013)**, have done study of Public and personal Sector fund in Asian nation. Development of capital market during a country is a very important necessity that solely would modify industrial development, Business growth and there by contribution towards economic development. with none doubt it might be explicit that economic development, measured within the style of growth in gross domestic product or NNP is one amongst the objectives of each country within the world. A well-integrated national economy alone might hasten economic process that it will through channelizing productive resources towards industrial growth and development.

**Ja friar shad Hasan, (2013),** has studied The Performance analysis of Indian fund trade past, gift and Future. this text can discuss the past performance of the Indian fund trade and also the pace of growth it achieved when being succumbed to regulative changes by SEBI, international factors and its non-performance that affected the trade and its sentiments. it'll additionally analyses the long run implications of this changes that are being enforced by the regulator.

**Dr. K. Mallikarjun Rao and H. Ranjeet arcane, (Jul 2013),** have studied Risk Adjusted Performance analysis of selected Balanced fund Schemes in Asian nation. during this paper, an endeavor has been created to review the performance of selected balanced schemes of mutual funds supported risk-return relationship models and varied measures. Balanced schemes of mutual funds are those that are principally most popular by Indian investors due to their balanced portfolio in equity and debt. a complete of ten schemes offered by varied mutual funds are studied over the period of time Apr, 2010 to March, 2013 (3 years).

**Sowmya. G, (Jan 2014),** has studied Performance analysis of Mutual Funds in Asian nation. The objectives of this are to understand the essential ideas and terminologies of the mutual funds publicly restricted firms and personal restricted firms. to research performance and growth of

selected mutual funds schemes with their NAV and their returns. to spot the comeback variance and to supply suggestions supported the analysis.

**Ms. Shalini Goyal and Ms. Dayanara (2013)**, have done A Study on Mutual Funds in Asian nation. This paper focuses on the complete journey of fund trade in Asian nation. Its origin, its fall and rise throughout of these years and tried to predict what future} could hold for the fund Investors within the long run. This study was conducted to research and compare the performance of various kinds of mutual funds in Asian nation and over that equity funds trounce financial gain funds.

**Megapode, (2013)**,has done Comparative Study of Performance of Actively Managed Funds and Index Funds in Asian nation. Actively Managed funds continuously overlapped passively managed funds or

Index Funds this analysis deals with a comparative analysis between the performance of each of the funds, actively managed and passively managed. T check is applied to check their means that and by this analysis the derived results shows that although actively managed funds offers additional returns.

**Striatal and Meenakshi Renee, (Jul 2012) ,**have done A Comparative Analysis of fund Schemes in Asian nation. the current paper investigates the performance of twenty nine open- ended Growth - minded equity schemes for the amount from Apr 2005 to March 2011 (six years)

of transition economy. Monthly NAV of various schemes are wont to calculate the returns from the fund schemes. BSE- Sensex has been used for market portfolio. Historical performance of choose schemes were evaluated on the idea of Sharpe, Treynor and Jensen’s live whose results are helpful for investors for taking higher investment selections..

**Dr. R. Kiarostami and academician V. Vanaja, (Jul. 2013),** A Study on the Performance of hand-picked corporation and tiny & middle Cap fund Schemes In Bharat. the target of the study is to judge the performance of various fund schemes (Large Cap, little & middle cap Equity Schemes) on the idea of returns and comparison with their bench marks and additionally to appraise the performance of various class of funds victimizations risk adjusted measures as recommended by Sharpe, Treynor and Johannes Wilhelm Jensen. The study discovered the

investors for investment below a pair of years will opt for corporation schemes and investment on the far side three years will be created in little & middle cap schemes.

**G. Pratap and Dr. A. Raja Mohan (Dec 2013),** have done A Study on standing of Awareness among fund Investors in Tram lined. Mutual funds became a crucial negotiate between households and money markets, significantly the equity market. Mutual funds have enabled associate increasing variety of households to enter money markets and also the distributed investment structure of funds and distributed risk contributed enormously within the growth of mutual funds. it's necessary to check the attention of fund among the investors.

**Dr. Nail Iqbal (Jul 2013)**, has studied penetration and Investment Pattern of fund business in Bharat. penetration may be a term that indicates however deeply a product or service has become entrenched with a given client market. The degree of penetration is commonly measured by the number of sales that are generated inside the market itself. A product that generates one-fifth of the sales created inside a given market would be aforesaid to own a better rate of penetration that an identical product that realizes simple fraction of the whole sales inside that very same market. determinant what constitutes the patron market is essential to the method of properly scheming penetration.

**Dr. Binod Kumar Singh, (Mar 2012)** has done A Study on Investors' perspective towards Mutual Funds as associate Investment choice. during this paper, structure of mutual fund, operations of fund, comparison between investment in fund and bank and calculation of NAVetc. are thought-about. during this paper the impacts of assorted demographic factors on investors' perspective towards fund are studied. For measurement numerous phenomena and analyzing the collected information effectively and with efficiency for drawing sound conclusions.

**Dr. Sandeep Bansal, Sanjeev Kumar, Dr. Surender Kumar Gupta and Sachi Singla (Jun 2012)**,have done a Study of hand-picked Dividend fund Schemes with Jenson's Alpha Model. during this gift paper we have a {tendency to we tend to} apply a risk-adjusted live referred to as Jensen's Alpha Model on ten indiscriminately hand-picked dividend fund schemes that estimates what proportion a manager's foretelling ability contributes to the fund's returns.

# CHAPTER 4: RESEARCH STUDY

# OBJECTIVES

- To know the satisfaction level of HDFC MF and ICICIMF.
- To study behavior of people regarding risk factors involved in mutual funds.
- To understand the concept of parameters of mutual fund.
- To analyze which provide better returns from HDFC & ICICI.
- To make people aware about various mutual funds schemes/plan.
- To make investors aware about the high returns on mutual funds.

## NEED & SCOPE OF THE STUDY:-

- To make people aware about concept of mutual fund.
- To provide information regarding advantages and demerits of mutual fund.
- To advice where to invest or not to invest.
- To provide information regarding types of mutual fund which is beneficial for whom.

## HYPOTHESIS

Hypothesis 1

H0: customers do not prefer more about HDFC mutual fund.

H1: customers prefer more about HDFC mutual fund.

Hypothesis 2

H0: HDFC mutual funds do not give more return to their investor as they have low market exposure as compared to ICICI mutual fund.

H1: ICICI mutual funds have more return exposure and earning possibility.

# RESEARCH METHODOLOGY

**Research is divided into two parts**

- Research method
- Sample design

## TYPE OF RESEARCH

It is a descriptive type of research, as the descriptive of the conditions exist presently. It includes survey and fact-finding enquiries of different kinds.

## RESEARCH METHOD

Research methods are understood as all those methods and techniques that are used for conduction of research. Research methods or techniques refer to methods their searcher as in performing research operation. In other words, all those methods which are used by the researchers during studying his research problems are termed as research methods. Since the object of research, particularly the applied research is to arrive at a solution for a given problem, the available data and the unknown aspects of the problem must be related to each other to make a solution possible. Keeping this in view took the following two methods:

- Analysis of documents
- Interview

## COLLECTION OF DATA

### Primary data

I have used questionnaire as primary source for collecting data for my study.

### Secondary data

I have collected my secondary data from websites and journal and books.

## SAMPLING

### SAMPLING PROCEDURE

The sample was selected out of some of the investors and brokers in HDFC and ICICI mutual fund and near by that area, irrespective of them being investors or not or services or not. It was also collected through personal visits to persons,by formal and informal talks and through filling up the questionnaire prepared. The datahas been analyzed by using mathematical/Statistical tool

### SAMPLE SIZE

The sample size of my project is limited to 60 people only.

### SAMPLE DESIGN

Data has been presented with the help of bar graph, pie charts, line graphs etc.

### LIMITATION

The research made was basically between two companies HDFC AND ICICI Mutual fund therefore the restriction of time period which was limited for two months and due to less time period the data collected is only for two companies.

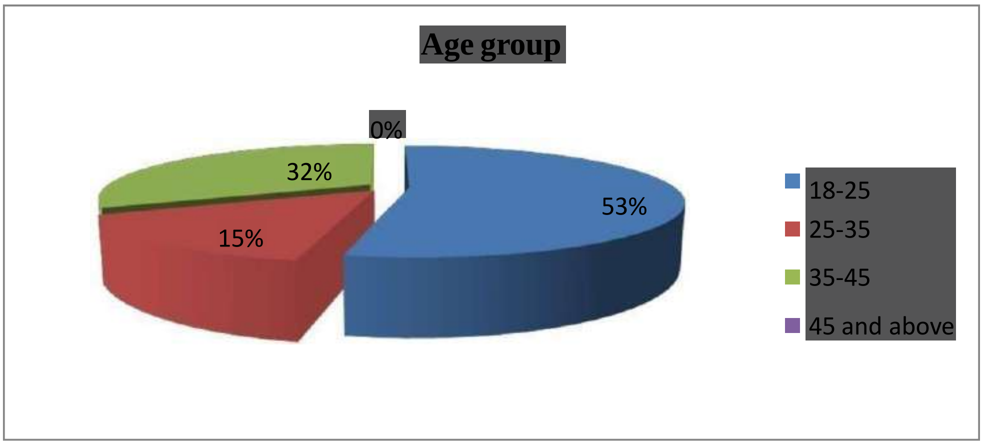
Due to high risk involved in mutual people hesitate to invest in mutual funds they want secure investments.

# CHAPTER 5: DATA INTERPRETATION AND ANALYSIS

**INTRODUCTION: Above data has been collected from 60 respondents. The questions are asked to mixed group of people are:**

1. (a) Age distribution of the investors of Nagpur.

| Age Group | 18-25 | 25-35 | 35-45 | 45 and above |
|---|---|---|---|---|
| No. | 53% | 15% | 32% | 0 |

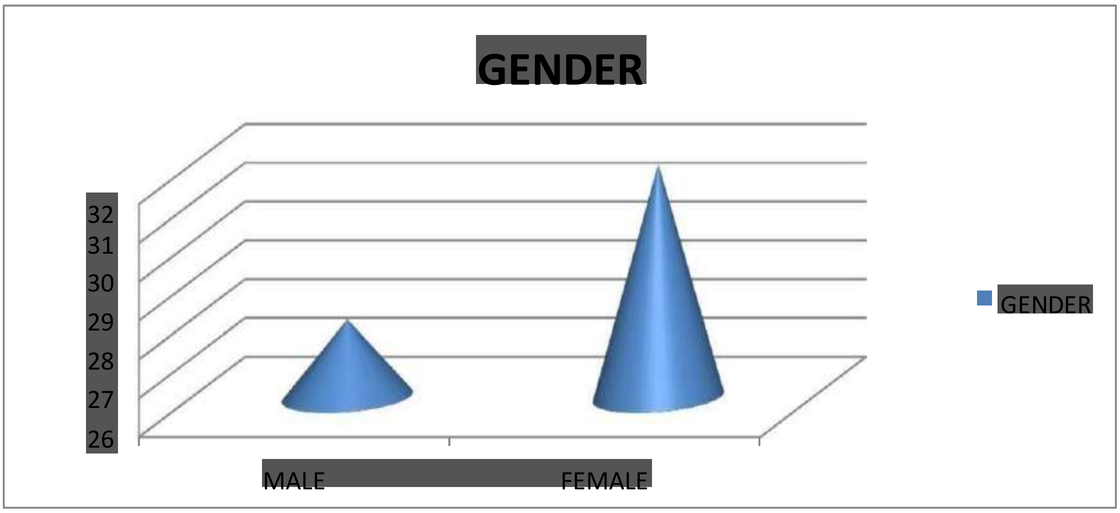



**Interpretation:**

According to this chart out of 60 person the most are in the age group of 18-25, the second most age group is 35-45 i.e. 32%. 45 and above age group is having no response.

(b) Gender of the investor.

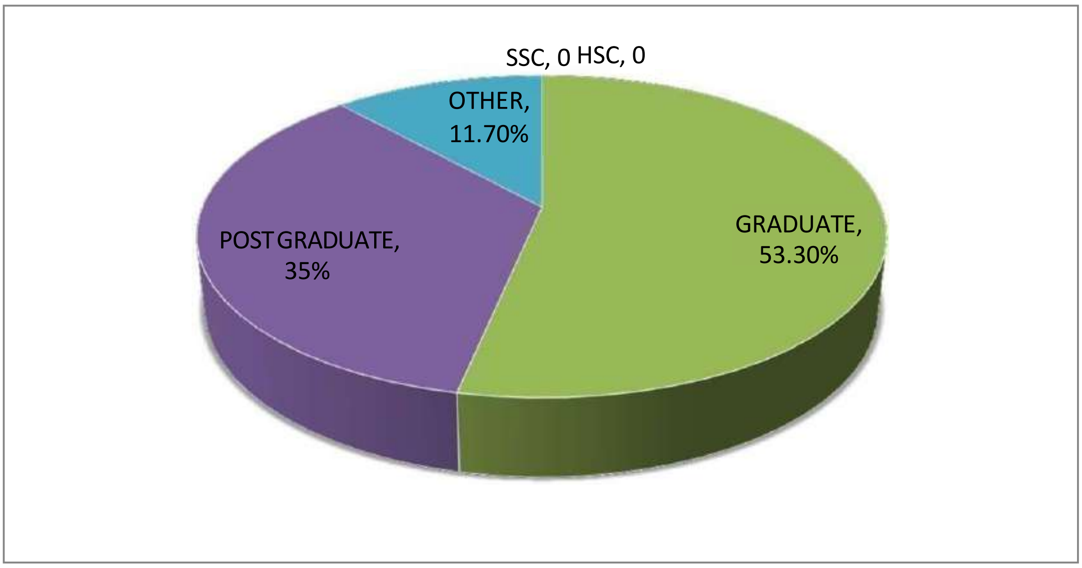
| GENDER | MALE | FEMALE |
|---|---|---|
| **NO. OF RESPONDENCE** | 28 | 32 |




**Interpretation:**
According to the above data there were 28 male and 32 female investors.

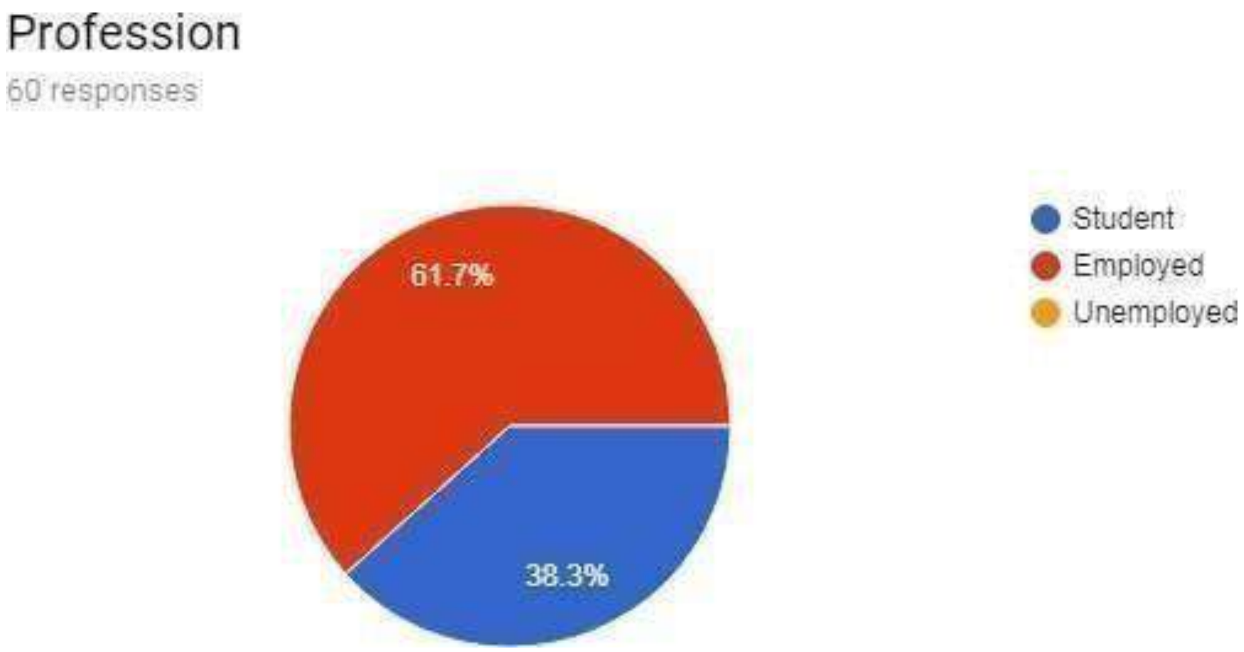
(c) Qualification of the investors

| QUALIFICATION | SSC | HSC | GRADUATE | POST GRADUATE | OTHER |
|---|---|---|---|---|---|
| INVESTORS | NIL | NIL | 53.3% | 35% | 11.7% |



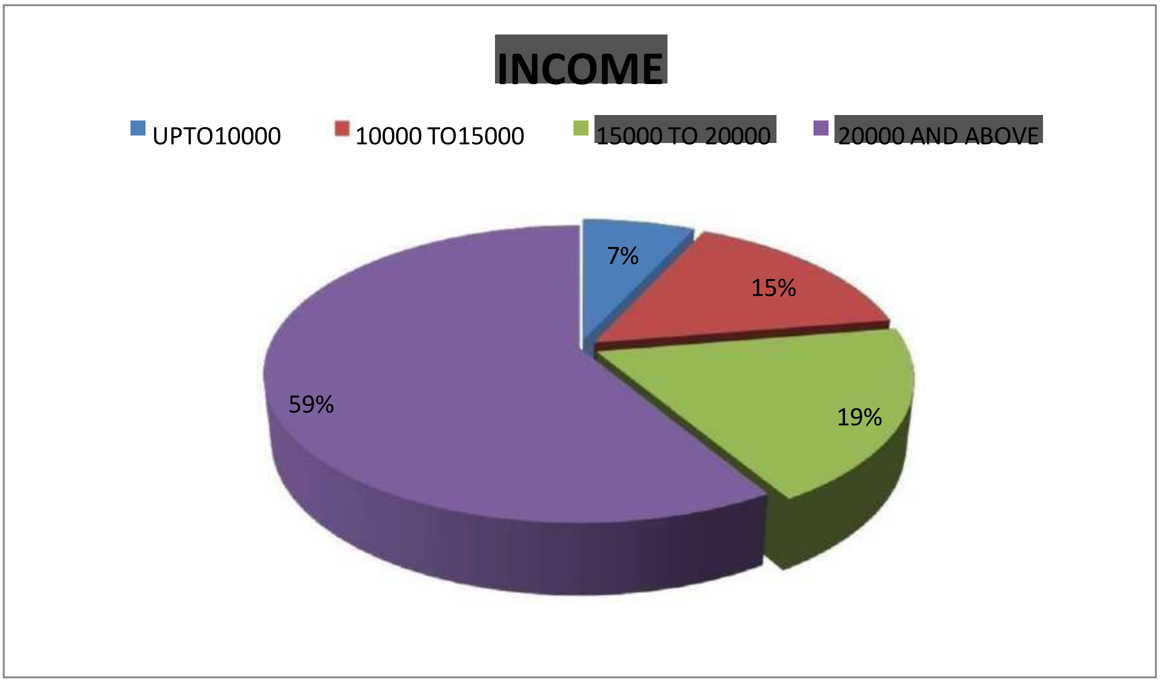
(D) PROFESSION OF THE INVESTORS.

| PROFESSION | STUDENT | EMPLOYED | UNEMPLOYED |
|---|---|---|---|
| | 61.1% | 38.3% | NIL |



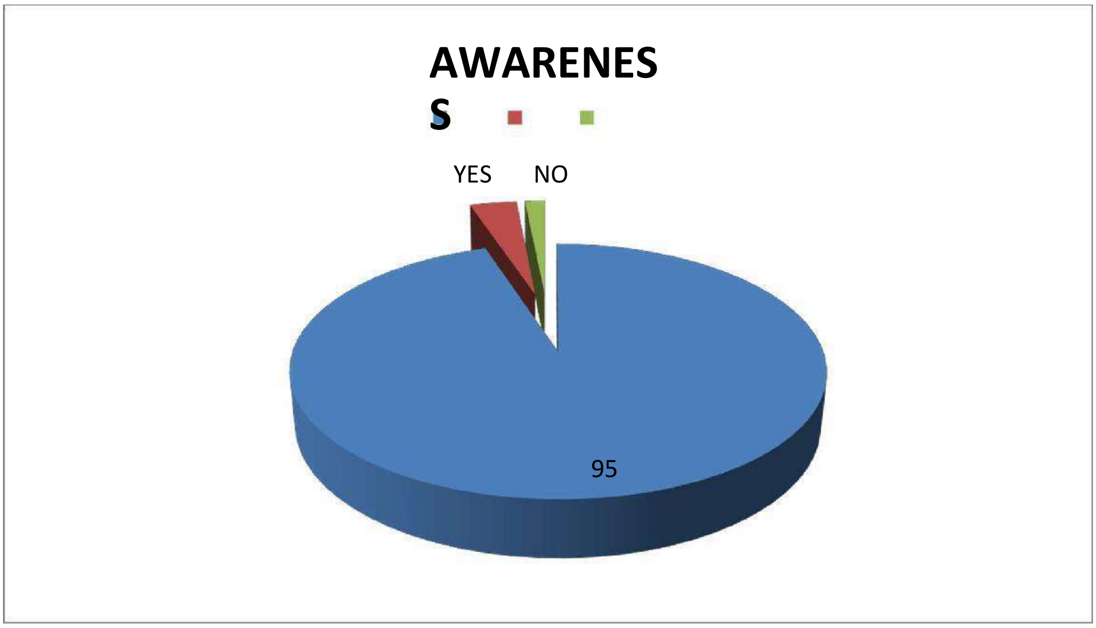
(e) APPROXIMATE MONTHLY INCOME OF THEINVESTORS.

| INCOME | UP TO 10000 | 10000 TO 15000 | 15000 TO 20000 | 20000 AND ABOVE |
|---|---|---|---|---|
| NO. OF RESPONDENTS | 7% | 15% | 19% | 59% |



2. AWARENESS ABOUT MUTUALFUND

| RESPOND | YES | NO | MAYBE |
|---|---|---|---|
| NO OF RESPONDENTS | 95% | 3.5% | 1.5% |

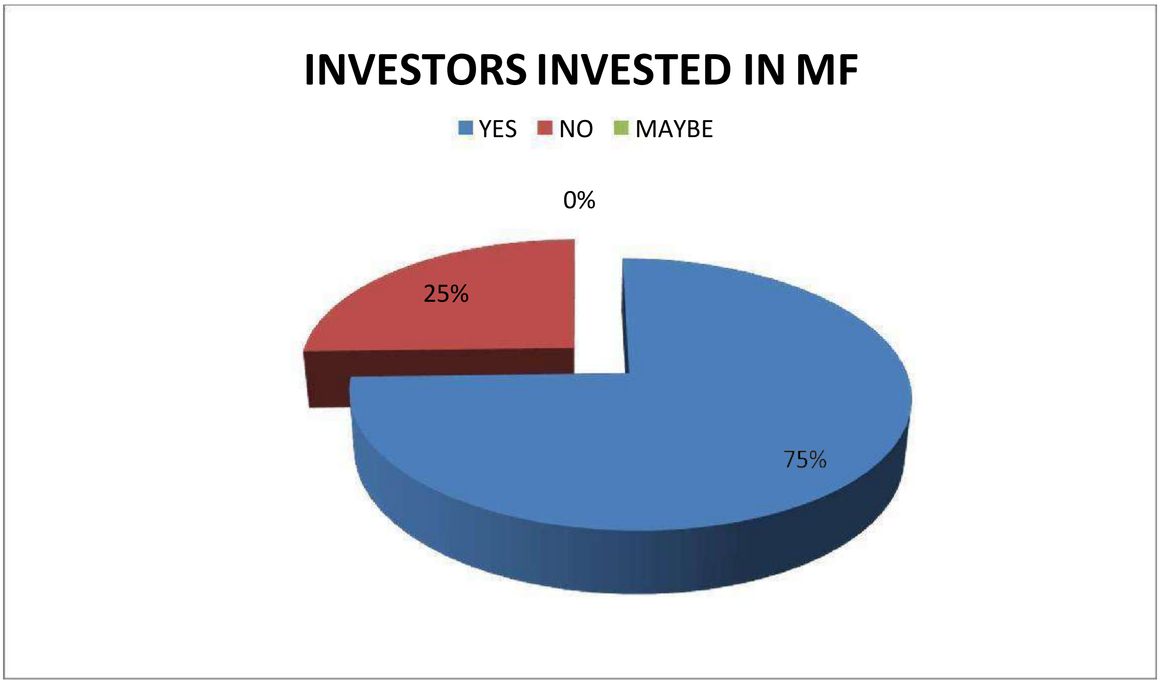



**INTERPRETATION**

From the above diagram it is analyzed that about 95% of the people are aware about mutual fund and rest are not familiar with and other are not sure.

3. INVESTOR INVESTED IN MUTUALFUNDS

| RESPONSE | NO OF RESPONDENTS |
|---|---|
| YES | 74.6% |
| NO | 25.4% |
| MAYBE | NIL |

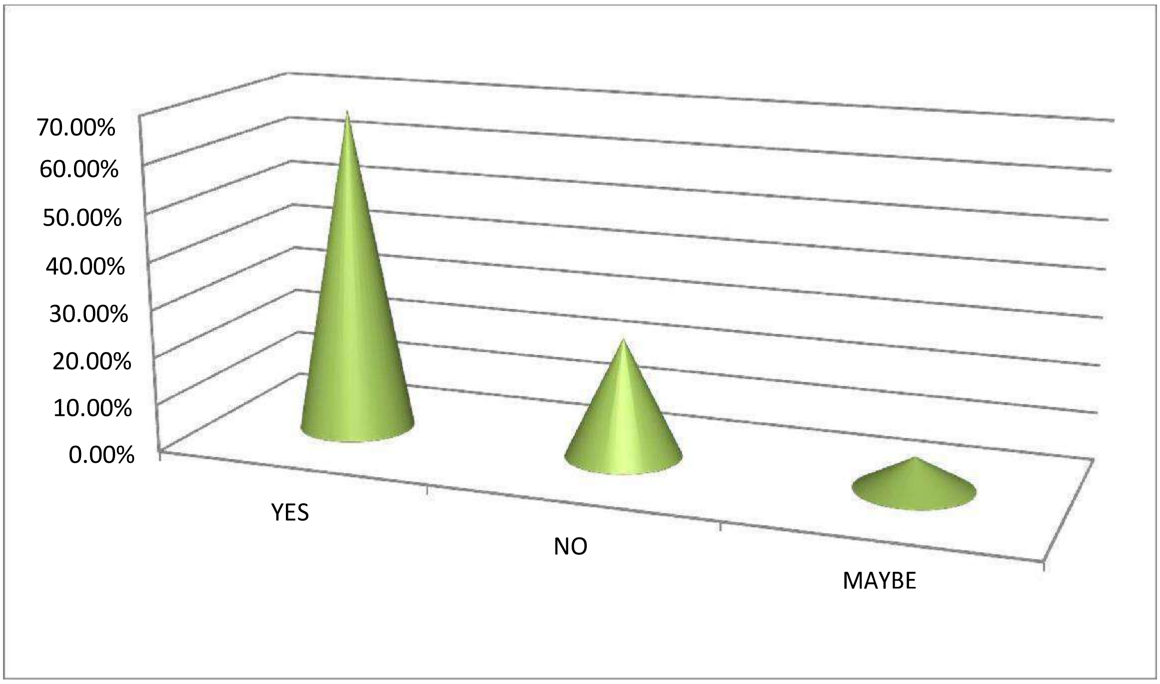



**INTERPRETATION**

About 75% of the people invest in mutual fund and rest 25% do not invest in mutual fund.

4. EXSITING AND NEW INVESTOR IN MUTUAL FUND

| RESPONSE | NO OF RESPONDENTS |
|---|---|
| YES | 68.3% |
| NO | 25% |
| MAYBE | 6.7% |

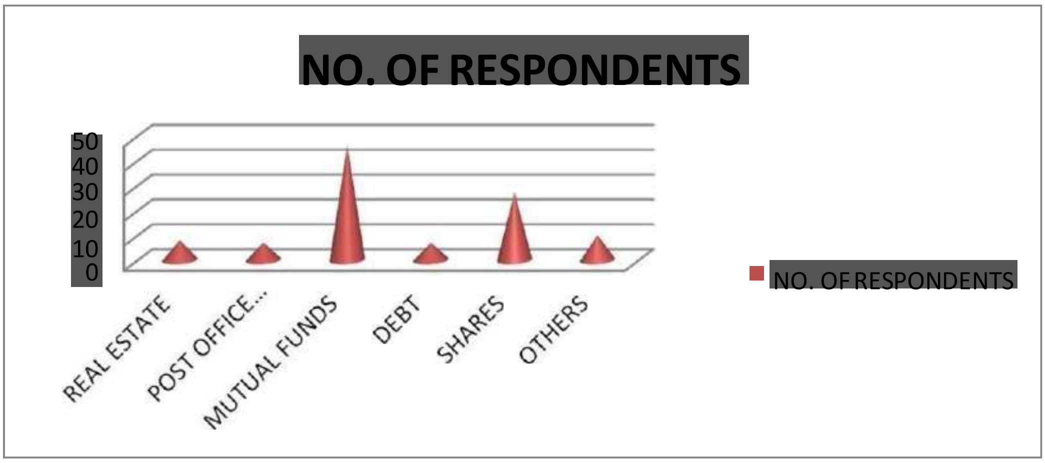



**INTERPRETATION**

In the diagram given above it is interpreted that about 68.3% investors are a regular investors and only 25% investors are not a regular investor.

5. DIFFERENT INVESTMENT PORFOLIO BYINVESTOR

| RESPONSE | NO OF RESPONDENTS |
|---|---|
| REAL ESTATE | 8 |
| POST OFFICE SCHEME | 7 |
| MUTUAL FUNDS | 46 |
| DEBT | 7 |
| SHARES | 27 |
| OTHER | 10 |

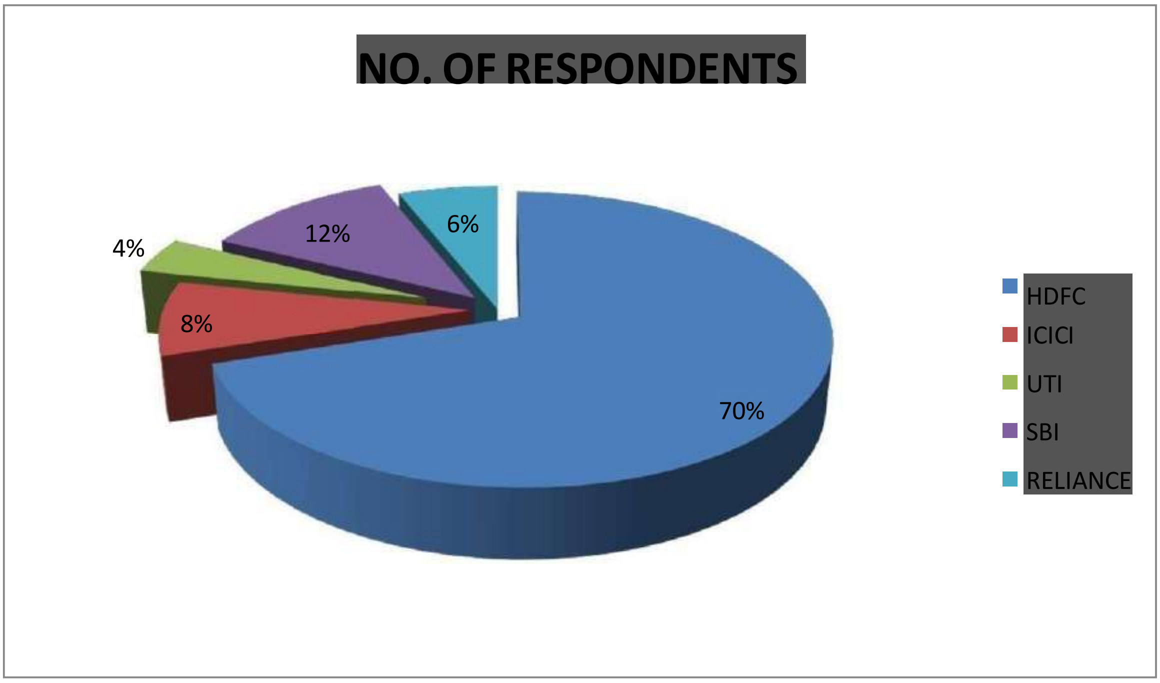



**INTERPRETATION**

From the above diagram we come to know that most of the investor like to invest in mutual fund out of 60 respondents 46 respondents choose mutual fund as their investment portfolio (76.7%) and the second largest investment that the investors invest is in shares that is out of 60 respondents 27 respondents invest in shares as their investment portfolio (45%). About 8 respondents out of 60 respondents invest real estate i.e. (13.3% ). The post office scheme and debt have the same number of respondents 7 respondents out of 60 respondents (11.7%) and the rest 10 respondents invest in other investment portfolio scheme.

6. Preference of the investor in different fund houses.

| **RESPONSE** | HDFC | ICICI | UTI | SBI | RELIANCE |
|---|---|---|---|---|---|
| **NO OF RESPONDENTS** | 70% | 8% | 4% | 12% | 6% |

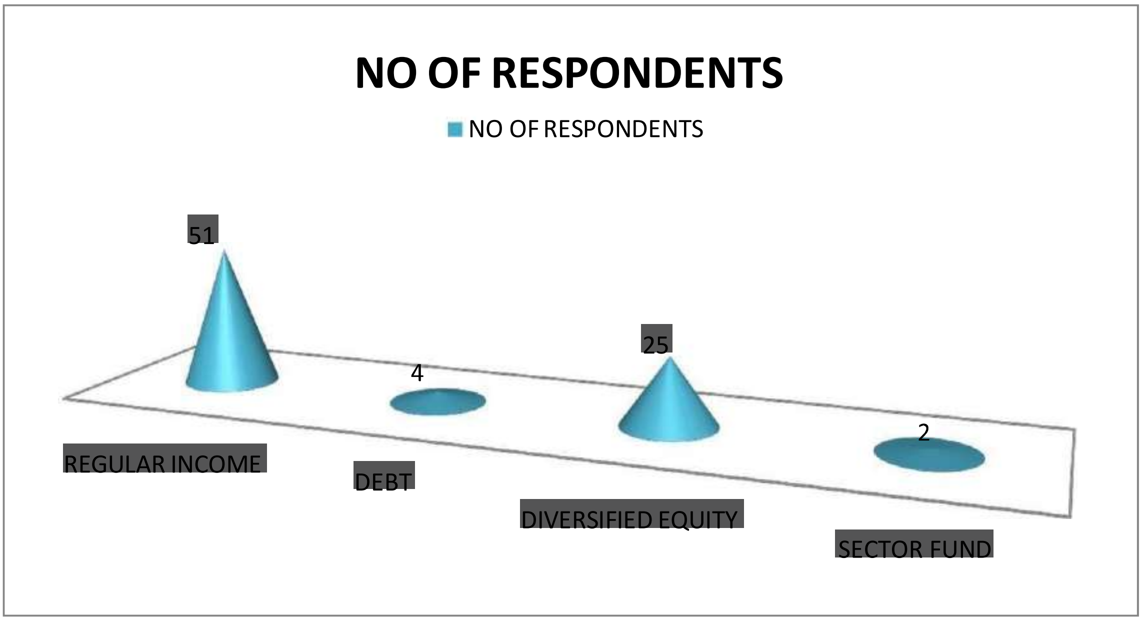



**INTERPRETATION**

There are many companies where investors can invest in Mutual Fund for example HDFC, ICICI,UTI, SBI, RELIANCE Mutual Fund etc. from the above diagram it is interpreted that about 70% of the investors invest in HDFC Mutual funds. Therefore, we get to know that HDFC is the most preferable mutual fund company than other company Only 8.3% investors invest in ICICI Mutual Funds. And about 12% invest in SBI Mutual Fund and rest other invest in other companies.

7. PREFERNCE OF THEINVESTORS

| RESPONSE | REGULAR INCOME | DEBT | DIVERSIFIED EQUITY | SECTOR FUND |
|---|---|---|---|---|
| **NO OF RESPONDENTS** | 51 | 4 | 25 | 2 |

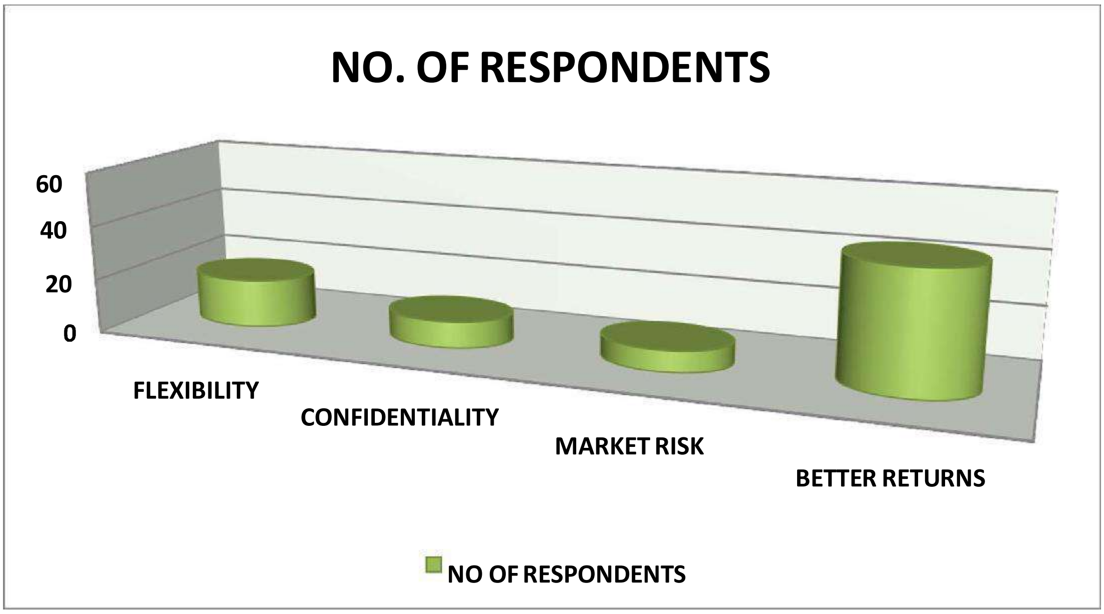



**INTERPRETATION**

From the above diagram 85% of the investor prefer regular income i.e 51 out of 60 respondents .About 41.7% investor prefer diversified equity i.e. 25out of 60 respondents. Only 6.7% investor prefer debt i.e. out of 60 out of 4 respondents invest in debt. And least type of fund is of sector fund which is preferable by investor by 3.3% i.e. 2 of 60 respondents. From this we get to know that investors prefer more regular income compare to other types of fund.

8. ATTRACTION TOWARDS THE FEATURES OF MUTUALFUND

| **RESPONSE** | FLEXIBILITY | CONFIDENTIALITY | MARKET RISK | BETTER RETURNS |
|---|---|---|---|---|
| **NO OF RESPONDENTS** | 18 | 10 | 8 | 44 |

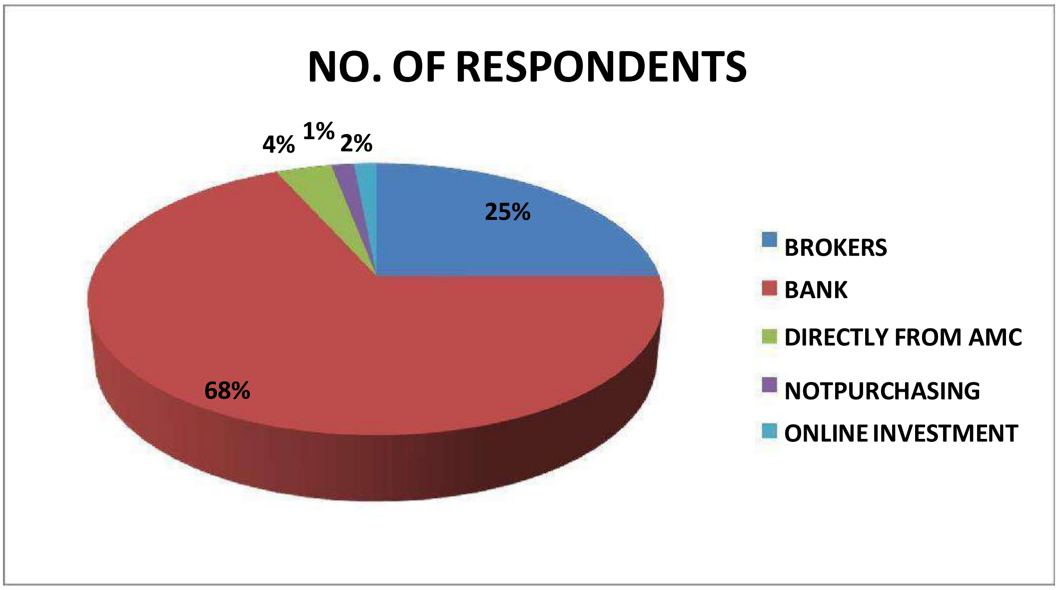



**INTERPRETATION**

There are various features that attract the investors to invest in Mutual Funds. From the above diagram we come to know that the investors are attracted mostly in better returns i.e. 77.2% (44 out of 60 respondents) and the second highest features that attracts the investors is flexibility feature having about to 31.6% (8 respondents out of 60 respondents). About 17.5% investors are attracted by confidentiality features i.e.(10 out of 60 respondents).And the least preferable by the investors are market risk that is about 14% (8 out of 60 respondents).

9. PURCHASING OF MUTUALFUNDS

| **RESPONSE** | BROKERS | BANK | DIRECTLY FROM AMC | NOT PURCHASING | ONLINE INVESTMENT |
|---|---|---|---|---|---|
| **NO OF RESPONDENTS** | 25 % | 68% | 4% | 1.5% | 1.5% |

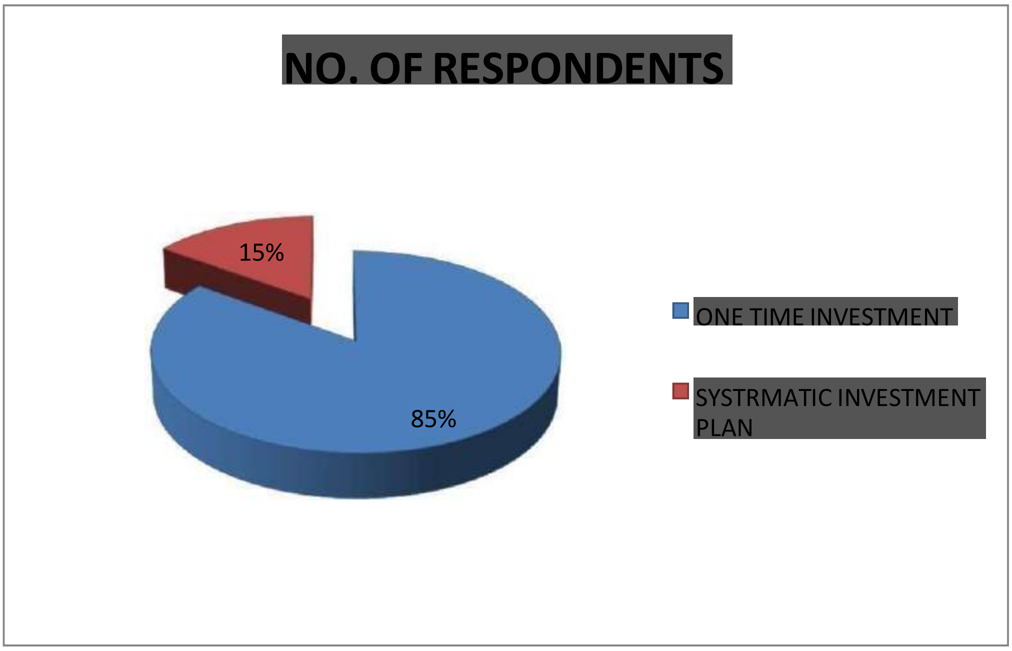



**INTERPRETATION**

The above diagrams interpret that most of the majority investors purchase Mutual Funds from bank having 68.3% and secondly most preferable is brokers having 25% and the rest of the investors purchase from other mode. Therefore, the investors are more convenient in purchasing mutual fund from bank and brokers.

10. MODE OF INVESTMENT IN MUTUAL FUND

| RESPONSE | ONE TIME INVESTMENT | SYSTRMATIC INVESTMENT PLAN |
|---|---|---|
| **NO OF RESPONDENTS** | 85% | 15% |



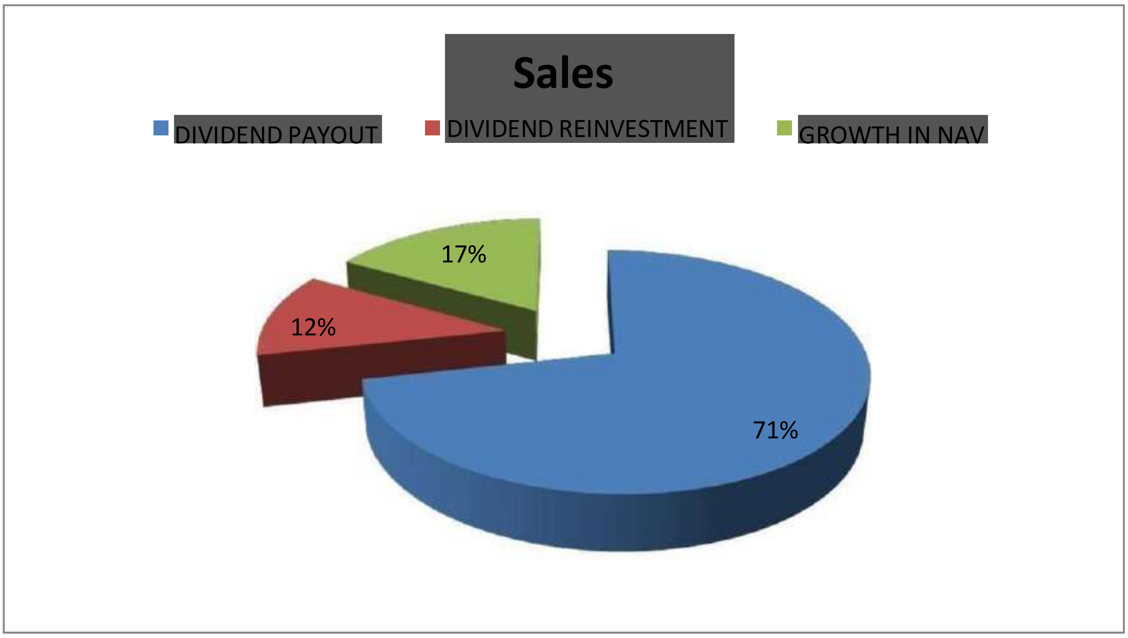

**INTERPRETATION**

The above diagram is about the mode of investments which the investors prefer.

The most preferable mode of investment investor prefer is systematic investment plan (SIP)which is about 85% and only 15% of the investor prefer one-time investment.

11. RETURN ON INVESTMENTPLAN

| **RESPONSE** | DIVIDEND PAYOUT | DIVIDEND REINVESTMENT | GROWTH IN NAV |
|---|---|---|---|
| **NO OF RESPONDENTS** | 71% | 12% | 17% |



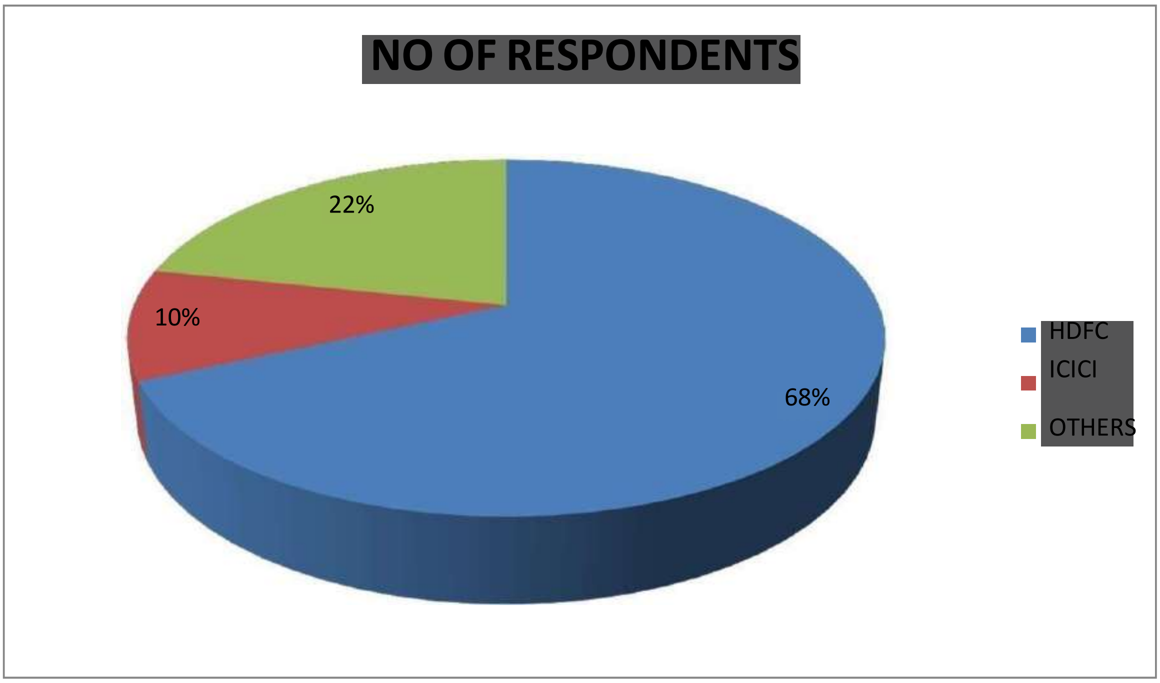

**INTERPRETATION**

From the above diagram we come to know that:

71% investors receive returns every year from dividend payout.
17% of the investors receive returns every year from growth in NAV .
12% of the investors receive returns every year from dividend re-investment.

12. HDFC OR ICICI - THE BETTERRETURNS

| RESPONSE | HDFC | ICICI | OTHERS |
|---|---|---|---|
| **NO OF RESPONDENTS** | 68% | 10% | 22% |



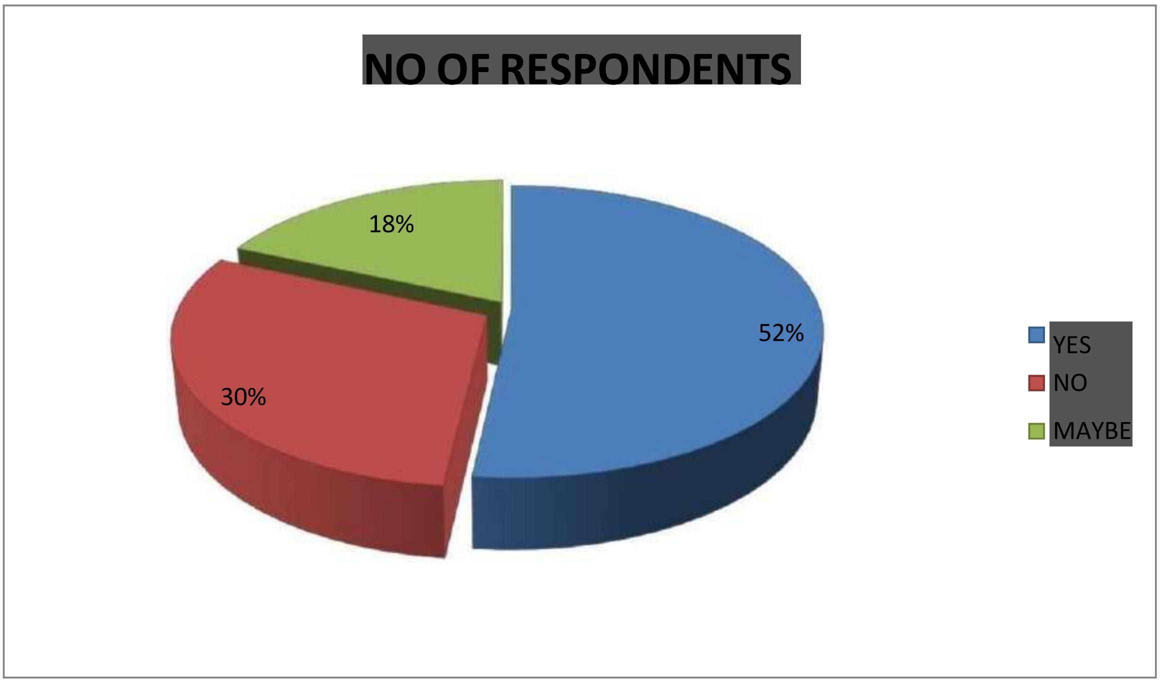

**INTERPRETATION**

As we discussed earlier most of the investors invest in HDFC mutual fund the main reason is due to better returns of that company to their investors.

- About 68% investors think that HDFC mutual fund provides better return than any other company.
- About 10% investors think that ICICI mutual fund provides better return than any other company.
- And about 22% investors think that other company provides better returns.

13. EXCHANGE OF INVESTMENT BETWEEN HDFC ANDICICI.

| RESPONSE | YES | NO | MAYBE |
|---|---|---|---|
| NO OF RESPONDENTS | 52% | 30% | 18% |

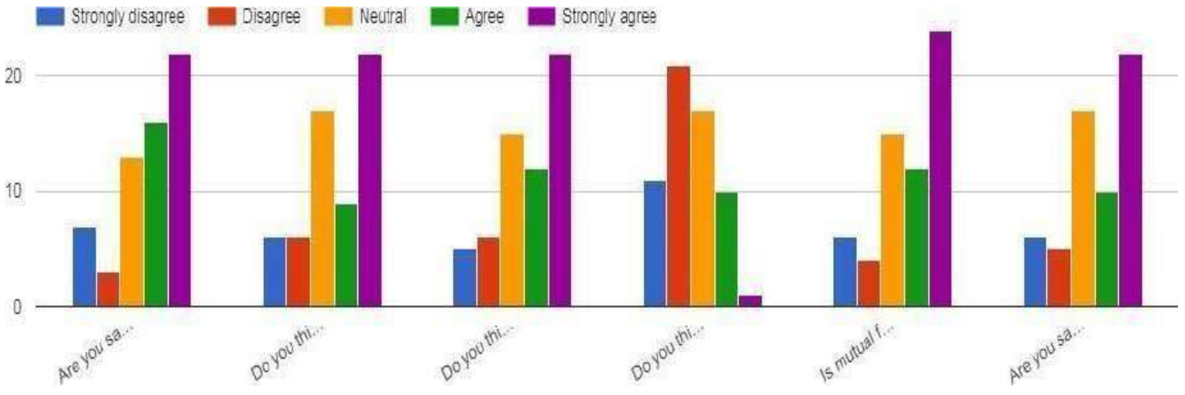



**INTERPRETATION**

From the above diagram we come to know that:

- About 52% investors would like to exchange investment with one another between HDFC and ICICI mutual fund.
- About 30% investors would not like to exchange investment with one another between HDFC and ICICI mutual fund.
- About 18% are not sure about the exchange of investment with another with HDFC and ICICI mutual fund.

14. The acceptance level of investors between HDFC and ICICI Mutual Fund:




**INTERPRETATION**

- **Satisfaction level related to mutual fund by investors**

  - 22 respondents are strongly agree by the mutual fund services.
  - 16 respondents agree by the mutual fund services.
  - 13 respondents are neutral by the mutual fund services.
  - 3 respondents disagree with the services and 7 respondents strongly disagree.

- **Satisfaction level by the investors between the services provided by Factual fund and ICICI mutual fund**

  - It is interpreted that 22 respondents are **strongly agree** about the services provided by HDFC mutual fund than ICICI Mutual fund.
  - About 9 respondents **agree** that HDFC provides better service than Circuital fund.
  - About 17 respondents are **neutral** about the fact that HDFC provides better service than ICICI mutual fund.
  - About 6 respondents **disagree** that HDFC provides better service than ICICI Mutual fund.
  - About 6 respondents **strongly disagree** about the fact that HDFC provides better service than ICICI Mutual fund.

- **Satisfaction level by the investors between the returns provided by HDFC mutual fund and ICICI in mutual fund.**

  - 22 respondents **strongly agree** that HDFC mutual funds provide better return than ICICI mutual fund.
  - And 12 respondents **agree** that HDFC provides better returns than Circuital fund.
  - 15 respondents are **neutral** about the better returns among both the company.About 6 respondents **disagree** that HDFC provides better return than ICICI Mutual fund.
  - 5 respondents **strongly disagree** that HDFC provides better return than ICICI Mutual fund.

- **Preference of investor that which mf provides better return.**

It is interpreted that only 1 respondent **strongly agree** that ICICI Mutual funds provide lesser risk than HDFC Mutual fund.
About 10 respondent **agree** that ICICI provides lesser risk than HDFC Mutual Fund.
17 respondents are **neutral** about the fact that ICICI Mutual fund provide lesser risk than HDFC mutual fund.
21 respondents are **disagree** that ICICI provided Lesser risk than HDFC Mutual fund.
About 11 respondents **strongly disagree** about the fact that ICICI Mutual fund provides lesser risk than HDFC Mutual fund.

- **Mutual fund as the better investment plan**

About 24 respondents **strongly agree** that mutual fund investment is better than other investment. About 12 respondents **agree** that mutual fund investment is better than other investment.
15 respondents are **neutral** about the investment.
4 respondents **disagree** that mutual fund is better than other investment.
6 respondents **strongly disagree** that mutual fund investment is better than other investment.

- **Satisfaction of the investors towards norms, documentation and formalities** From the above bar graph 22 respondents **strongly agree** by the companies norms, documentation, and formalities. 10 respondents **agree** by the company's norms, documentation and formalities.17 respondents are **neutral** and 5 respondents **disagree** and 6 respondents **strongly disagree.**

# CHAPTER 6 Findings :

In my research I have founded following things:

- Investors have more faith HDFC's mutual fund.
- As the age increases investors are much satisfied, see more risk & become more risk adverse. Old people & Widows prefer lower risk.
- Investors are not highly satisfied by company rules & employee behavior.
- Investors think that HDFC provides better returns than ICICI.

# CHAPTER 7: CONCLUSION

## Conclusion:

The research entitled “A COMPARATIVE STUDY ON HDFC MUTUAL FUND AND ICICI MUTUAL FUND” was undertaken to study the comparison between HDFC Mutual fund and ICICI Mutual fund.

We get to know that people invest more in HDFC MUTUAL FUND compare to ICICI MUTUAL FUND this is due to better returns provided by HDFC MUTUAL FUND and most of the people wants to exchange their investment with one another.

And from my study I get to know that most of the people are familiar with the HDFC mutual fund rather than ICICI mutual due to the following factors:

- Due to better services provided by HDFC mutual fund than ICICI mutual fund.
- Due to better returns provided by HDFC mutual fund than ICICI mutual fund.
- Due to low risk compare to ICICI mutual fund.
- It is also found that old people prefer low risk than youngster.

# CHAPTER 8 SUGGESTION & RECOMMENDATION

## Suggestion and recommendation

- Mutual fund have advantages and disadvantages compared to direct investing in individual fund scheme.
- The primary advantages of mutual funds are that they provide high level of diversification, good returns when market is on growing side, low risk to invested amount.
- Now a days in market there are various Mutual Funds of many Public and Private sectors banks, Manufacturing companies
- One should invest more in tax benefit mutual funds so that we can save in both the ways.
- One should invest in mutual fund very carefully and by doing lots of research and comparing mutual fund which are doing well in current market at the time of investment.
- Mutual fund can be selected by keeping in mind our various goals or requirement of fund by future planning such as retirement plan, children's higher education Planning ,children marriage, medical requirements, etc and many more such reasons.

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FINANCIAL MARKET AND SERVICES

-Gordon and Natarajan

**WEBSITE:**

www.ICICI.com

www.HDFC.com

www.amfiindia.com

**SEARCH ENGINE:**

www.google.com

www.altavista.com

www.yahoo.com

## ANNEXURE

**QUESTIONARIE:**

1. Name
2. Age
3. Gender
4. Qualification
5. Profession
6. Monthly Income
7. Do you know about mutual fund?
8. From Where did you get to know about mutual fund?
9. Do you invest in mutual fund?
10. Are you a regular or a new investor in mutual fund?
11. Your investment portfolio consists?
12. With which company do you have invested in mutual fund?
13. Which Type of fund you prefer the?
14. Which features attract you the most while choosing a specific mutual ?
15. From where you purchase mutual fund
16. When you invest in fund which mode of investment will you ?
17. How would you like to receive return every year ?
18. What do you think which mutual fund provides better ?
19. Would you like to exchange you investment with one another between HDFC ANDICICI mutual fund ?
20. Is mutual fund is beneficial?