Project Report

”A STUDY OF MUTUAL FUND COMPARISON BETWEEN SBI AND HDFC ’’

Submitted to

G. S. College of Commerce & Economics, Nagpur

Affiliated to

Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur

In partial fulfillment for the award of the degree of

Bachelor of Business Administration

Submitted by

VEDANT B. SHARMA

Under the Guidance of

PROF. LEENA KAPSE

G.S. College Of Commerce & Economics, Nagpur

Academic Year 2022 – 23

G.S. College Of Commerce & Economics , Nagpur

Academic Year 2022 – 23

CERTIFICATE

This is to certify that **" Vedant Sharma''** has submitted the project report titled **"A Study Of Mutual Fund Comparison Between SBI And HDFC'',** 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.

Prof. Leena Kapse **Dr. Afsar Sheikh**

(Project Guide) **(Co-ordinator)**

Place: nagpur

Date:

DECLARATION

I here-by declare that the project with title "A Study Of Mutual Fund Comparison Between SBI And HDFC'' has been completed by me in partial fulfillment of BACHELOR OF BUSINES 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.

Vedant B. Sharma

Place: Nagpur

Date:

ACKNOWLEDGEMENT

With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to DR. S.S KATHALEY, Principal, G.S. College of Commerce & Economics, Nagpur.

I am extremely thankful to my Project Guide PROF. LEENA KAPSE for her guideline throughout the project. I tender my sincere regards to Co-ordinator, DR. AFSAR SIR 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.

VEDANT SHARMA

Place:

Date:-

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EXECUTIVE SUMMARY

A Mutual fund is a scheme in which several people invest their money for a financial clause. The collected money is invested in Capital markets & the money which they earned. is divided based on the number of units which they hold.

The Mutual fund Industry was started in India in a small way with the UTI creating what was effectively a small savings division within the RBL. This was fairly successful for the next 25 years as it gave investors good returns. Due to this RBI gave a go ahead to Public sector banks & financial institution to start Mutual Funds in India and their success gave way to Private sector Mutual Funds.

The advantages of Mutual Funds are Portfolio Diversification, Liquidity, Professional Management, Ease of Companies, Less Risk, Low Transaction cost, Transparency, Safety.

The Disadvantages of Mutual Funds are Cost, Index Does Better, Fees, No Control over Investments, Profitability of High returns reduced significantly, and Personal Tax situation is not considered.

Mutual Funds have to follow specific rules and regulation which are prescribed by the SEBI. AMFI is the apex body of all the Asset Management companies and is registered with the SEBI. Association of Mutual Funds India has brought down the Indian Mutual Fund Industry to a professional and healthy market with ethical lines enhancing.

There are many types of mutual funds in India. You can classify on the basis of BY STRUCTURE (Open Ended Schemes. Close-Ended Schemes & Interval schemes), BY NATURE (Equity Fund, Debt Fund, Balanced Fund), BY INVESTMENT OBJECTIVE (Growth Schemes, Income Schemes, Balanced Schemes & Money Market Schemes). OTHER SCHEMES (Tax Saving Schemes, Index Schemes, Sector Specific).

Mutual Funds are very easy to buy and sell. You can buy mutual funds directly from company or a broker. Before Investing in Mutual Funds one has to look at all the factors like performance of the mutual funds from last 5 years, the returns given by mutual funds from last 5 years & the company's net worth has to be considered.

There are two types of Mutual Funds in India Public Sector Mutual Fund & private sector mutual Fund. In Public Sector Mutual Funds there are UTI Mutual Fund, State bank of India Mutual Funds, Bank of Baroda Mutual Funds & In Private sector Mutual Funds there are Birla Sun Life Mutual, HDFC Mutual Fund, SBI Prudential Mutual Fund, Reliance Mutual Fund etc.

The Most trend of Mutual Funds is the aggressive expansion of Mutual Funds. Nowadays there is lot of Competition within the Mutual Fund as there are lot of private sector & Public sector mutual funds have entered the industry.

Returns Comparison has been done between two Mutual Fund Companies like HDFC Mutual Fund & SBI Mutual Fund. In this comparison we had taken both small & midcap companies. In which markets they have invested the investors' money and how the return for the 5 years has been done. It gives you an idea how you can and where you can invest.

"Mutual Funds are Subject to Market Risk, Please read the offer document before Investing"

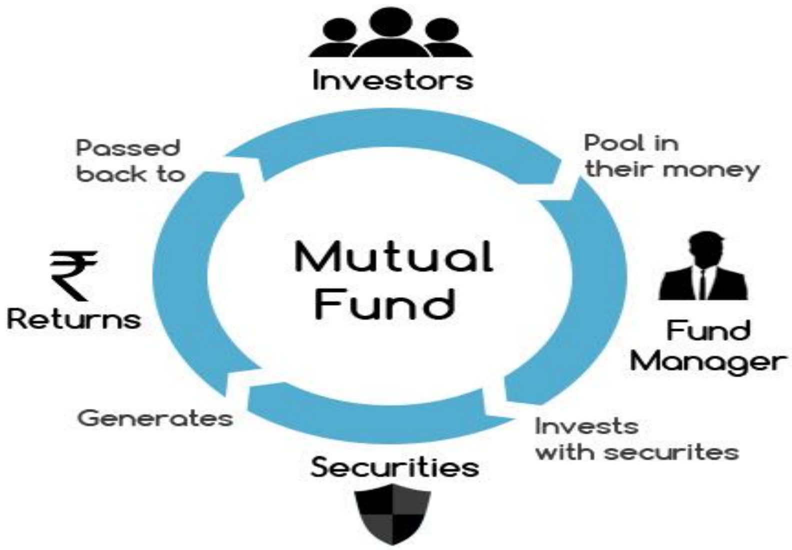
INTRODUCTION

Mutual Fund is the pool of the money, based on the trust who invests the savings of a number of investors who shares a common financial goal, like the capital appreciation and dividend earning. The money thus collect is then invested in capital market instruments such as shares, debentures, and foreign market. Investors invest money and get the units as per the unit value which we called as NAV (net assets value).

Mutual Fund is the most suitable investment for the common man as it offers an opportunity to invest in diversified portfolio management, good research team, professionally managed Indian stock as well as the foreign market, the main aim of the fund manager is to taking the script that have under value and future will rising, then fund manager sell out the stock. Fund manager concentration on risk-return trade off, where minimize the risk and maximize the return through diversification of the portfolio. The most common features of the mutual fund unit are low cost.

Most open-end Mutual Fund continuously offers new shares to investors. It is also known as open ended investment company. It is different from close ended companies.

Investment in securities are spread across a wide cross section of industries and sectors thus the risk is reduced. Diversification reduces the risk because not all stocks may move in the same direction in same proportion at same time. Mutual Funds issues units to the investors in accordance with quantum of money invested by them. Investors of Mutual Funds are known as “unit holders”. The profits and losses are shared by the investor in proportion to their investment. The Mutual Fund comes out with different schemes that varies from time to time.



DEFINITION OF MUTUAL FUNDS :-

"**A mutual fund** is a pool of money from numerous investors who wish to save or make money just like you. Investing in a mutual fund can be a lot easier than buying and selling individual stocks and bonds on your own. Investors can sell their shares when they want."

"**A mutual fund** is nothing more than a collection of stocks and/or bonds. You can think of a mutual fund as a company that brings together a group of people and invests their money in stocks, bonds, and other securities. Each investor owns shares, which represent a portion of the holdings of the fund."

ADVANTAGE OF MUTUAL FUNDS :-

- **Portfolio Diversification** :- Investing in a diversified portfolio can be very expensive. The nice thing about mutual funds that they allow anyone to hold a diversified portfolio. The reason why investors invest in a diversified portfolio is because it increases the expected returns while minimizing the risk.

- **Liquidity** :- Another nice advantage to mutual funds is that the assets are liquid. In financial language, liquidity basically refers to converting your assets to cash with relative case. Mutual funds are considered liquid assets since there is high demand for many of the funds in the marketplace.

- **Professional Management** :- Mutual funds do not require a great deal of time or knowledge from the Investor because they are managed by professional managers. They can be a big help to inexperienced investor who is looking to maximize their financial goals.

- **Ease of Companies** :- Mutual funds are also convenient because they are easy to compare. This is because many mutual fund dealer allow the investor to compare the funds on metrics such as level of risk, return price. Because Information is easily available, the Investor is able to make wise decisions.

- **Less Risk** :- Investors acquire a diversified portfolio of securities even with a small investment in a mutual fund. The risk in diversified portfolio is lesser than investing in 2 or 3 securities.

- **Low Transaction cost** :- Due to Economies of scale mutual funds pay lesser transaction cost. The benefits are passed on to investors.

- **Transparency** :- Funds provide investors with updated information pertaining to market & schemes. All material facts are disclosed to the investor as required by regulator.

DISADVANTAGES OF MUTUAL FUNDS :-

- **Cost:-**The downside of mutual funds is that they have a high cost associated with them in relation to the returns they produce. This is because investors are not only charged for the price of the fund but they will often face additional fees. Depending on the fund, commission charges can be significant.You will need to pay fee that will go towards the fund manager.

- **Index Does Better:-** In some cases, the stock Index may outperform the mutual fund. However this is not always the case as it depends in large part on the mutual fund the investor has invested in, as well as the skill set of fund manager. Therefore, it is a good idea to do your research before investing in fund. It is historical data indicates that is consistently underperformed compared to an index, then it is not wise investment.

- **Fees:-**The fees that are charged will depend on the type of mutual fund purchased. If a fund is risk taker and more aggressive, the management fee will tend to be higher. In addition, the investor will also be required to pay taxes, transaction fees as well as other costs related to maintaining the fund.

- **No Control over Investments: -** You have absolutely no control over what the Fund manager Des with you money. You can't advise him on how your money is to be invested. You only sit back and hope for the best.

- **Profitability of High returns reduced significantly**:- A mutual fund contains a diversified basket of securities. If a single security outperforms by a significant margin the impact will be limited. Don't Expect your Investment to grow and give you profit Overnight. There will also be downward fall in the limits of the fund.

HISTORY OF MUTUAL FUNDS IN INDIA

A strong financial market with broad participation is essential for a developed economy. With this broad objective India's first mutual fund was establishment in 1963, namely, Unit Trust of India (UTI), at the initiative of the Government of India and Reserve Bank of India 'with a view to encouraging saving and investment and participation in the income, profits and gains accruing to the Corporation from the acquisition, holding, management and disposal of securities'.

In the last few years the MF Industry has grown significantly. The history of Mutual Funds in India can be broadly divided into five distinct phases as follows:

FIRST PHASE -1964-87

The Mutual Fund industry in India started in 1963 with formation of UTI in 1963 by an Act of Parliament and functioned under the Regulatory and administrative control of the Reserve Bank of India (RBI). In 1978, UTI was de-linked from the RBI and the Industrial Development Bank of India (IDBI) took over the regulatory and administrative control in place of RBI. Unit Scheme 1964 (US '64) was the first scheme launched by UTI. At the end of 1988, UTI had ₹ 6,700 crores of Assets Under Management (AUM).

SECOND PHASE -1987-1993(ENTRY OF PUBLIC SECTOR FUNDS)

The year 1987 marked the entry of public sector mutual funds set up by Public Sector banks and Life Insurance Corporation of India (LIC) and General Insurance Corporation of India (GIC). SBI Mutual Fund was the first 'non-UTI' mutual fund established in June 1987, followed by Can bank Mutual Fund (Dec. 1987), Punjab National Bank Mutual Fund (Aug. 1989), Indian Bank Mutual Fund (Nov 1989), Bank of India (Jun 1990), Bank of Baroda Mutual Fund (Oct. 1992). LIC established its mutual fund in June 1989, while GIC had set up its mutual fund in December 1990. At the end of 1993, the MF industry had assets under management of ₹47,004 crores.

THIRD PHASE -1993-2003-ENTRY OF PRIVATE SECTOR MUTUAL FUNDS

The Indian securities market gained greater importance with the establishment of SEBI in April 1992 to protect the interests of the investors in securities market and to promote the development of, and to regulate, the securities market.

In the year 1993, the first set of SEBI Mutual Fund Regulations came into being for all mutual funds, except UTI. The erstwhile Kothari Pioneer (now merged with Franklin Templeton MF) was the first private sector MF registered in July 1993. With the entry of private sector funds in 1993, a new era began in the Indian MF industry, giving the Indian investors a wider choice of MF products. The initial SEBI MF Regulations were revised and replaced in 1996 with a comprehensive set of regulations, viz., SEBI (Mutual Fund) Regulations, 1996 which is currently applicable.

The number of MFs increased over the years, with many foreign sponsors setting up mutual funds in India. Also the MF industry witnessed several mergers and acquisitions during this phase. As at the end of January 2003, there were 33 MFs with total AUM of ₹1,21,805 crores, out of which UTI alone had AUM of ₹44,541 crores.

FOURTH PHASE-SINCE FEBURARY 2003 – APRIL 2014

In February 2003, following the repeal of the Unit Trust of India Act 1963, UTI was bifurcated into two separate entities, viz., the Specified Undertaking of the Unit Trust of India (SUUTI) and UTI Mutual Fund which functions under the SEBI MF Regulations. With the bifurcation of the erstwhile UTI and several mergers taking place among different private sector funds, the MF industry entered its fourth phase of consolidation.

Following the global melt-down in the year 2009, securities markets all over the world had tanked and so was the case in India. Most investors who had entered the capital market during the peak, had lost money and their faith in MF products was shaken greatly. The abolition of Entry Load by SEBI, coupled with the after-effects of the global financial crisis, deepened the adverse impact on the Indian MF Industry, which struggled to recover and remodel itself for over two years, in an attempt to maintain its economic viability which is evident from the sluggish growth in MF Industry AUM between 2010 to 2013.

FIFTH (CURRENT) PHASE – SINCE MAY 2014

Taking cognisance of the lack of penetration of MFs, especially in tier II and tier III cities, and the need for greater alignment of the interest of various stakeholders, SEBI introduced several progressive measures in September 2012 to "re-energize" the Indian Mutual Fund industry and increase MFs' penetration.

In due course, the measures did succeed in reversing the negative trend that had set in after the global melt-down and improved significantly after the new Government was formed at the Center.

Since May 2014, the Industry has witnessed steady inflows and increase in the AUM as well as the number of investor folios (accounts).

The Industry's AUM crossed the milestone of ₹10 Trillion (₹10 Lakh Crore) for the first time as on 31st May 2014 and in a short span of about three years the AUM size had increased more than two folds and crossed ₹ 20 trillion (₹20 Lakh Crore) for the first time in August 2017. The AUM size crossed ₹ 30 trillion (₹30 Lakh Crore) for the first time in November 2020.

The overall size of the Indian MF Industry has grown from ₹ 8.26 trillion as on 31st January 2013 to ₹ 39.62 trillion as on 31st January 2023, around 5 fold increase in a span of 10 years.

The MF Industry's AUM has grown from ₹ 22.41 trillion as on January 31, 2018 to ₹39.62 trillion as on January 31, 2023, around 2 fold increase in a span of 5 years.

The no. of investor folios has gone up from 6.83 crore folios as on 31-Jan-2018 to 14.28 crore as on 31-Jan-2023, more than 2 fold increase in a span of 5 years.

On an average 12.42 lakh new folios are added every month in the last 5 years since January 2018.

The growth in the size of the industry has been possible due to the twin effects of the regulatory measures taken by SEBI in re-energising the MF Industry in September 2012 and the support from mutual fund distributors in expanding the retail base.

MF Distributors have been providing the much needed last mile connect with investors, particularly in smaller towns and this is not limited to just enabling investors to invest in appropriate schemes, but also in helping investors stay on course through bouts of market volatility and thus experience the benefit of investing in mutual funds. MF distributors have also had a major role in popularising Systematic Investment Plans (SIP) over the years. In April 2016, the no. of SIP accounts has crossed 1 crore mark and as on 31st January 2023 the total no. of SIP Accounts are 6.22 crore.

ASSOCIATION OF MUTUAL FUNDS IN INDIA (AMFI)

With the Increase in mutual fund players in India, a need for mutual fund association in India was generated to function as a non-profit organization. Association of Mutual Funds in India (AMFI) was incorporated on 22 August, 1995.

AMFI is an apex body of all Asset management Companies (AMC) which has been registered with SEBI. Till date all the AMCs are that have launched mutual fund schemes are its members. It functions under the supervision and guidelines of its Board of Director.

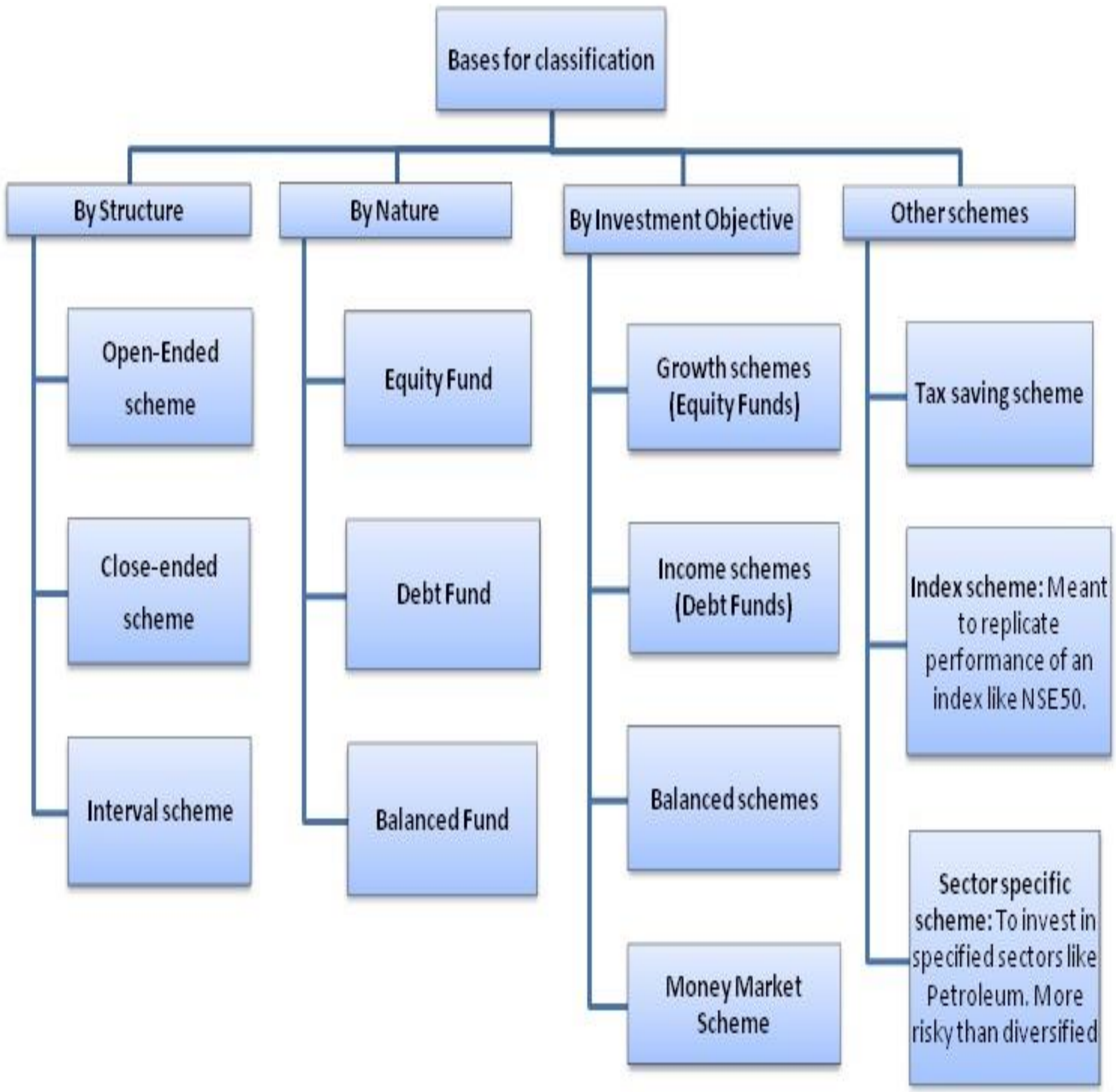
Association of Mutual Funds India has brought down the Indian Mutual Fund Industry to a professional and healthy market with ethical lines enhancing.

THE OBJECTIVES OF ASSOCIATION OF MUTUAL FUNDS IN INDIA

- The Association of Mutual Fund of India with 30 registered AMCs of the country. It has certain defined objectives with the guidelines of its board of directors. The objectives are as follows.
- The mutual fund association of India maintains high professional and ethical standards in all areas of operation of the industry.
- It also recommends and promotes the top class business practices and code of conduct which is followed by members and related people engaged in the activities of mutual fund and asset management including agencies connected or involved in the field of capital markets and financial services.
- To interact with the Securities and Exchange Board of India (SEBI) and to represent To SEBI on all matters concerning the mutual fund industry.
- To represent to the Government, Reserve Bank of India and other bodies on all matters relating to the Mutual Fund Industry.
- To undertake nationwide investor awareness programme so as to promote proper understanding of the concept and working of mutual funds.
- To Dessisimate information on Mutual Fund Industry and to undertake studies and research directly and/or in association with other bodies.
- To regulate conduct of distributors including disciplinary actions (cancellation of ARN) for violation of code of conduct.

TYPES OF MUTUAL FUNDS SCHEMES IN INDIA

TYPES OF MUTUAL FUNDS



Wide variety of Mutual Fund Schemes 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-ENDED SCHEMES:

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.

OPEN-ENDED SCHEMES:

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 unit 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.

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.

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.

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 I' time investors.

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.

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.

SBI MUTUAL FUND:

The SBI mutual fund Private Ltd is a joint venture between "The state bank of India" and Society Generate Asset management (France). The fund manages over Rs 42,100 crore of assets and has a diverse profile of Investors actively parking their investments across 38 active schemes.

At SBI Mutual Fund we know that every investor has unique financial goals and requires a different sets of products. Which is why we have a wide range of schemes that fulfills every kind of Investors requirements. Each scheme is managed by devising a different strategy which is reflective of the investors profile and carries with different risks and rewards.

Vision:- "To be the most preferred and the largest fund house for all asset classes, with a consistent track record of excellent returns and best standards in customer service, product innovation, technology and HR practices."

SBI Funds Management has emerged as one of the largest player in India advising various financial institutions, pension funds, and local and international asset management companies.

SBI Funds makes one of the largest investment management firms in India, managing investment mandates of over 5.4 million investors.

EQUITY FUNDS & SCHEMES

The Primary objective of the equity asset class is to provide capital growth/ appreciation by Investing in the equity & equity related instrument companies over medium and long term. There are range of Schemes available which fulfill. Every Kind of Investors Requirements. Each Scheme Provides different strategy which is reflective of the investors profile and carries with it different risks and rewards.

1) Equity Schemes
2) Debt/Income Schemes
3) Liquid Scheme.
4) Hybrid Schemes.
5) Fixed Maturity Plans
6) Exchange Traded Schemes

DIFFERENT TYPES OF FUNDS OFFERED BY SBI MUTUAL FUNDS

- **Equity Funds**: These funds invest in equity shares of companies and are suitable for investors with a high-risk appetite. SBI Mutual Funds offer several types of equity funds, such as large-cap funds, mid-cap funds, small-cap funds, sector-specific funds, and thematic funds.

- **Debt Funds**: These funds invest in fixed-income securities such as government bonds, corporate bonds, and money market instruments. They are suitable for investors who are looking for a regular income stream and have a lower risk appetite. SBI Mutual Funds offer various types of debt funds such as liquid funds, ultra-short-term funds, short-term funds, medium to long-term funds, and dynamic bond funds.

- **Hybrid Funds**: These funds invest in a combination of equity and debt instruments and are suitable for investors who want a mix of capital appreciation and regular income. SBI Mutual Funds offer several types of hybrid funds such as aggressive hybrid funds, conservative hybrid funds, balanced advantage funds, and multi-asset allocation funds.

- **Index Funds**: These funds invest in the same proportion as a particular market index such as Nifty 50 or Sensex. They are suitable for investors who want to passively invest in the market without taking active stock-picking decisions. SBI Mutual Funds offer index funds that track the Nifty 50, Sensex, and other major indices.

- **Solution-Oriented Funds**: These funds are designed to meet specific financial goals such as retirement planning or children's education. SBI Mutual Funds offer solution-oriented funds such as retirement funds and children's funds.

- **International Funds**: These funds invest in international markets and are suitable for investors who want to diversify their portfolio beyond the Indian market. SBI Mutual Funds offer international funds that invest in markets such as the US, Europe, Japan, and China.

WHY SELECT SBI MUTUAL FUNDS?

some general factors that may influence someone's decision to choose SBI Mutual Fund:

- **Track Record**: SBI Mutual Fund has been in the market for a long time and has a good track record of delivering consistent returns to investors.

- **Diversification**: SBI Mutual Fund offers a wide range of funds that cater to different investment needs and risk profiles. This provides investors with the opportunity to diversify their portfolio across various asset classes.

- **Experienced Management**: SBI Mutual Fund has a team of experienced fund managers who have a proven track record of making sound investment decisions.

- **Customer Service**: SBI Mutual Fund has a strong customer service team that helps investors with their queries and concerns.

- **Brand Reputation**: SBI is a well-known and respected brand in India, and SBI Mutual Fund benefits from its strong brand reputation.

REVIEW LITERATURE

Mutual funds are investment vehicles that pool money from a large number of investors to purchase a diversified portfolio of securities such as stocks, bonds, and other financial instruments. HDFC and SBI are two of the most popular mutual fund companies in India. In this review, we will examine the literature on the comparison of mutual funds offered by HDFC and SBI.

- A study conducted by Singh and Singh (2019) compared the performance of mutual funds offered by HDFC and SBI over a period of five years. The study found that HDFC had better performance in terms of return on investment and fund management fees. HDFC also had a higher proportion of large-cap stocks in its portfolio compared to SBI. However, SBI had a higher proportion of mid-cap and small-cap stocks in its portfolio, which could potentially provide higher returns in the long run.

- Another study by Sharma and Bansal (2020) compared the risk-adjusted returns of mutual funds offered by HDFC and SBI. The study found that HDFC had better risk-adjusted returns compared to SBI, indicating that HDFC had a better risk management strategy in place. The study also found that HDFC had a higher proportion of debt securities in its portfolio compared to SBI, which could potentially provide more stable returns.

- In a study by Kumar and Kumar (2019), the authors analyzed the fund performance of HDFC and SBI mutual funds over a period of three years. The study found that HDFC had a better overall performance compared to SBI, with higher returns and lower volatility. HDFC also had a higher proportion of large-cap stocks in its portfolio, which could potentially provide more stable returns in the long run.

- Overall, the literature suggests that HDFC has performed better than SBI in terms of overall returns and risk management. However, SBI's portfolio composition of mid-cap and small-cap stocks may provide higher returns in the long run. Investors should carefully evaluate their investment objectives and risk tolerance before making a decision on which mutual fund company to invest in.

OBJECTIVE OF STUDY

- To compare the performance of SBI mutual funds and HDFC mutual funds.
- To evaluate risk and return between SBI and HDFC mutual funds.
- To know the various schemes offered by SBI and HDFC mutual funds.
- To find out which is better option for investment for investors between SBI and HDFC mutual funds.
- To evaluate investment performance of selected mutual funds in terms ofrisk and return, using the various statistical tools and parameters.

NEED AND SCOPE OF STUDY

- This study will help to understand the mutual fund products of SBI and HDFC Mutual Funds.

- This study will help to understand market dominance of SBI and HDFC mutual fund.

- This comparative analysis will help to understand the Structure of mutual fund products of SBI and HDFC Mutual Funds.

- To find out which is better option for investment for investors between SBI and HDFC Mutual Funds.

HYPOTHESIS

H0:- Past performance of Mutual Funds Scheme is not related to their efficiency.

H1:- Past performance of Mutual funds Scheme is related to their efficiency

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 SBI 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 data has 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 SBI 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.

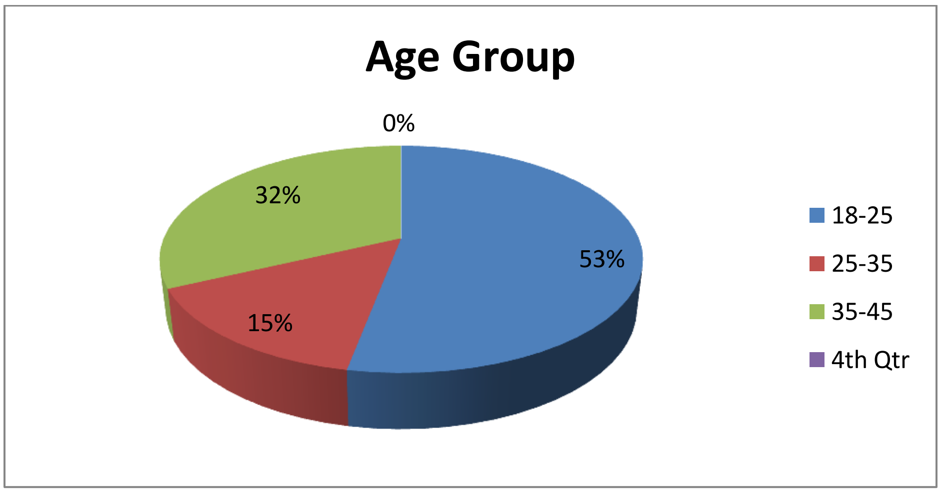
Due to high risk involved in mutual people hesitate to invest in mutual funds they want secure investments.

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

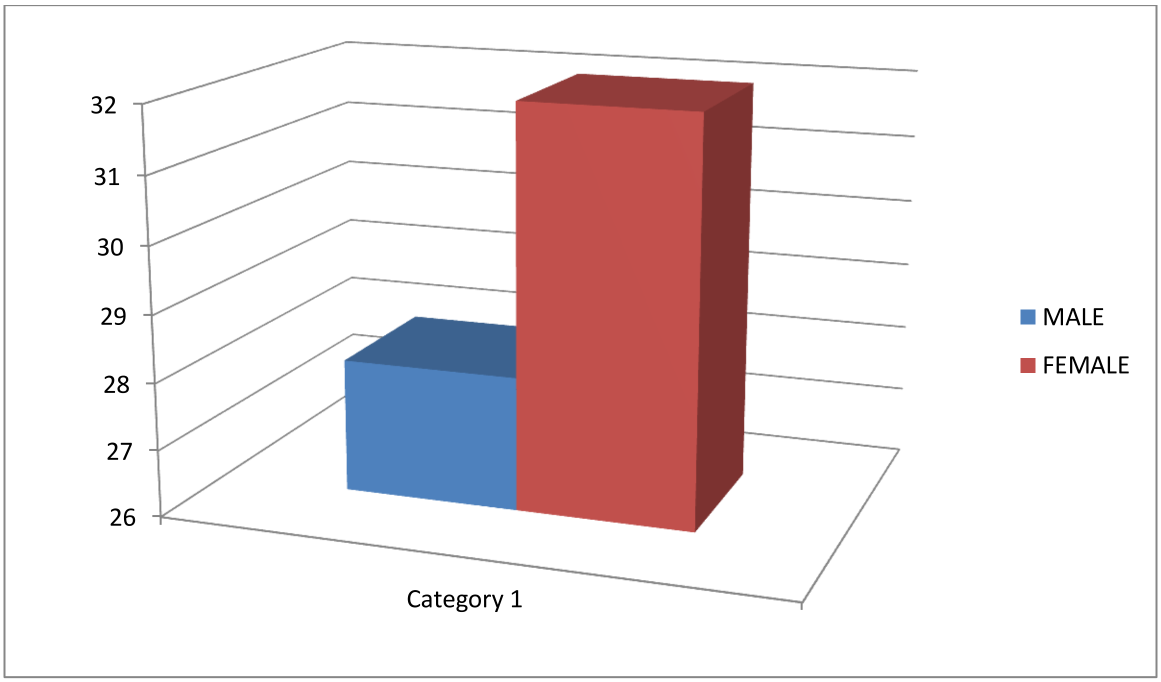


Interpretation:

According to this chart out of 60 persons 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

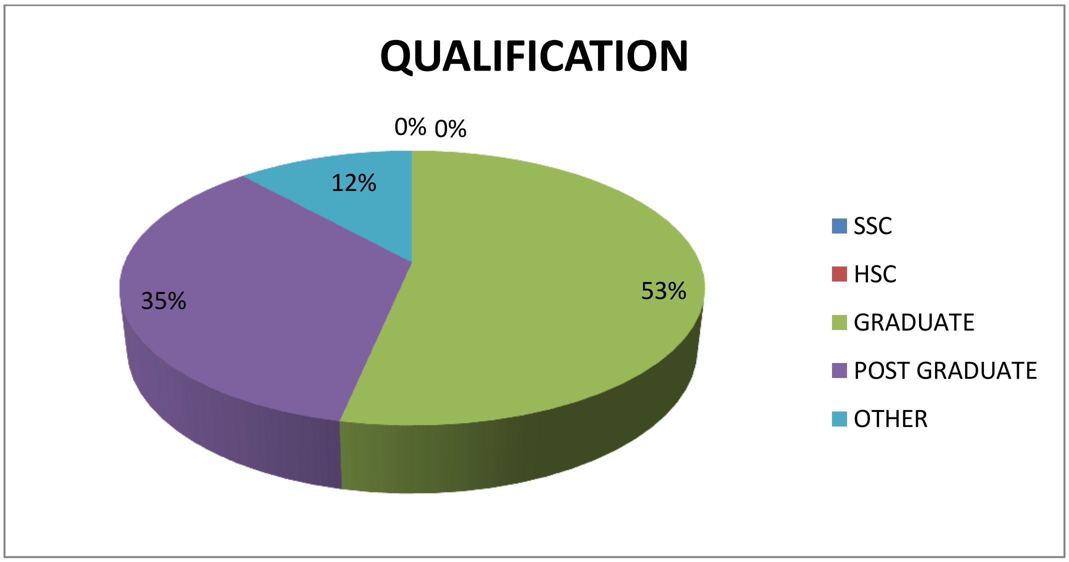


Interpretation:

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

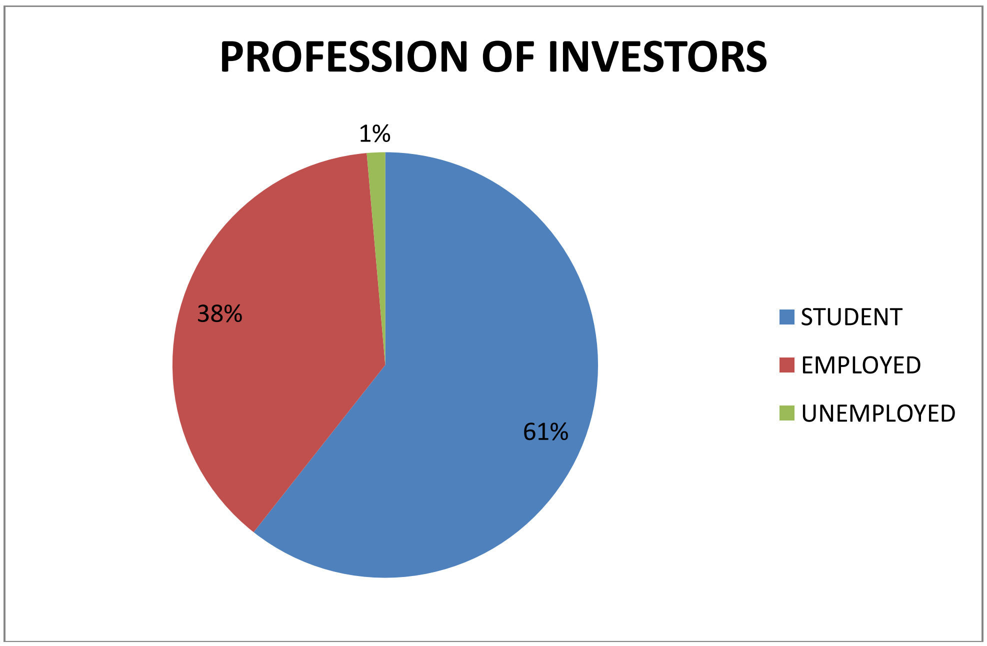
(c) Qualification of the investors

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



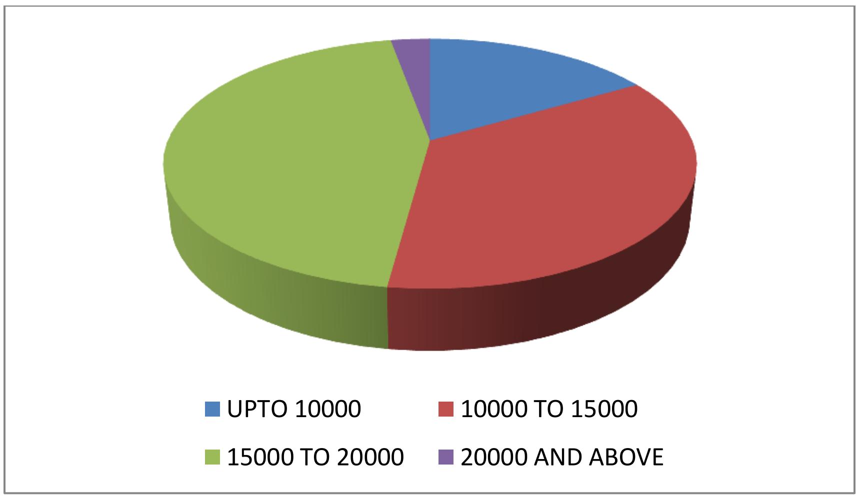
(D) PROFESSION OF THE INVESTORS.

PROFESSION	STUDENT	EMPLOYED	UNEMPLOYED
	61.1%	38.3%	NIL



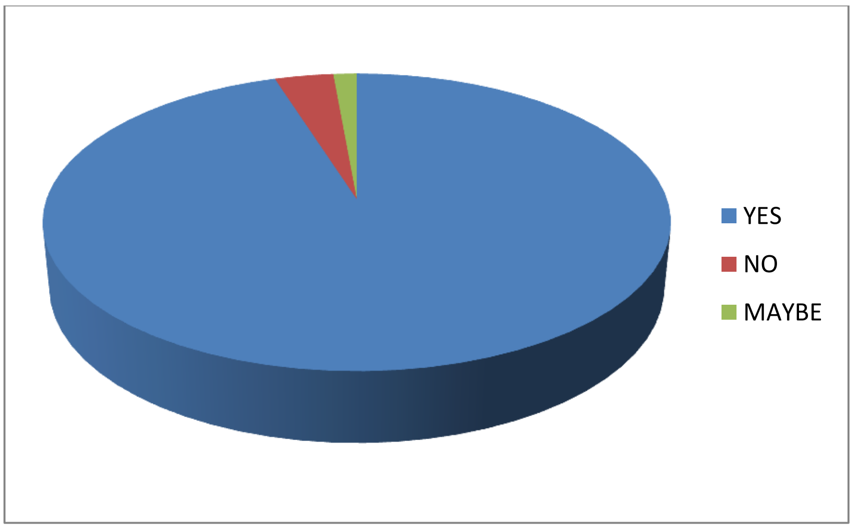
(e) APPROXIMATE MONTHLY INCOME OF INVESTORS.

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



2. AWARENESS ABOUT MUTUAL FUND

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

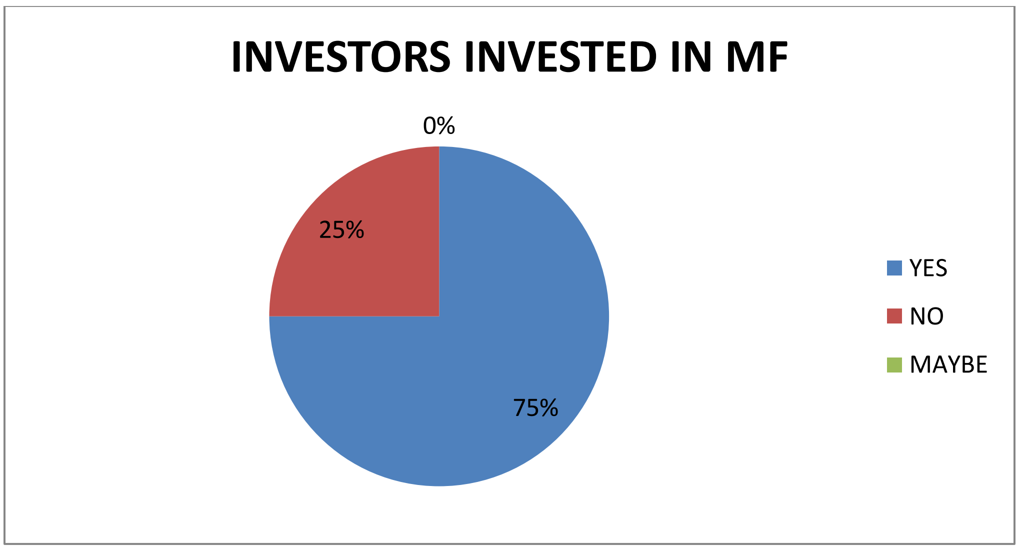


INTERPRETATION:

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

3. INVESTOR INVESTED IN MUTUAL FUNDS

RESPONSE	NO OF RESPONDENTS
YES	74.6%
NO	25.6%
MAYBE	NIL

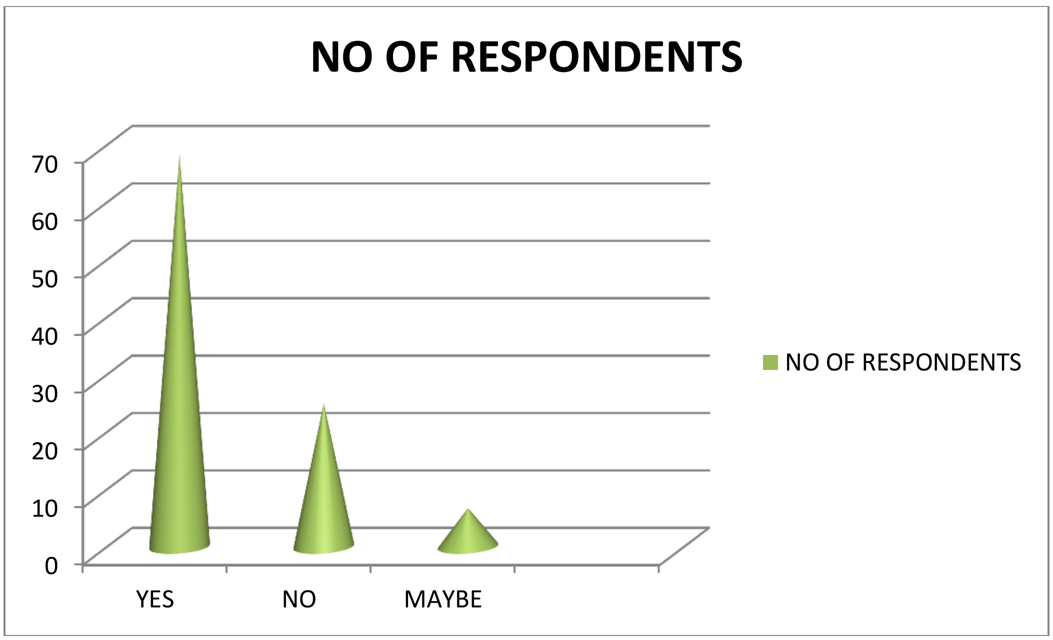


INTERPRETATION:

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

4. EXISTING AND NEW INVESTORS IN MUTUAL FUND

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

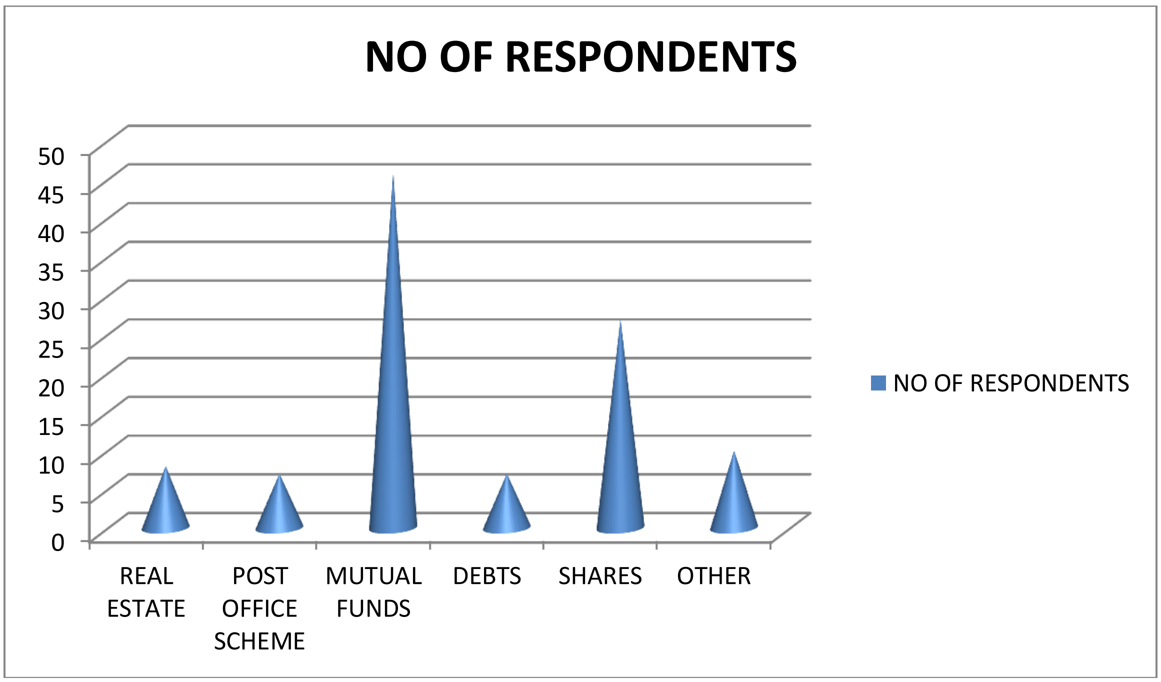


INTERPRETATION:

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 PORTFOLIO BY INVESTOR

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

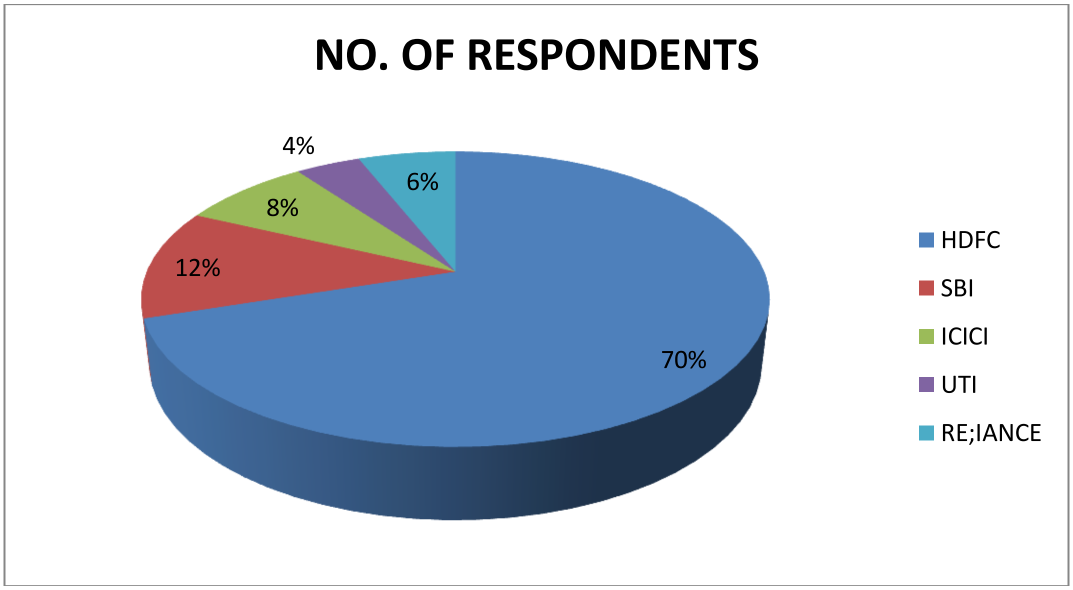


INTERPRETATION:

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	SBI	UTI	RELIANCE
NO. OF RESPONDENTS	70%	12%	8%	4%	6%

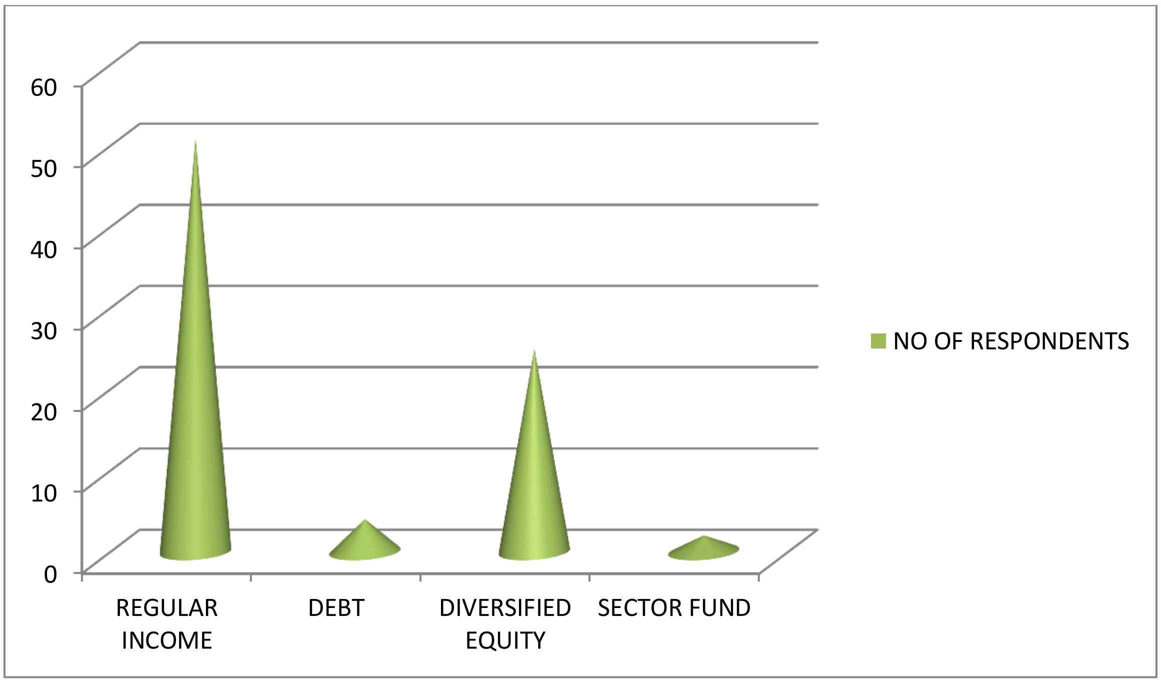


INTERPRETATION:

There are many companies where investors can invest in Mutual Fund for example HDFC, SBI,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 SBI Mutual Funds. And about 12% invest in SBI Mutual Fund and rest other invest in other companies.

7. PREFERENCE OF THE INVESTORS

RESPONSE	REGULAR INCOME	DEBT	DIVERSIFIED EQUITY	SECTOR FUND
NO.OF RESPONDENTS	51	4	25	2

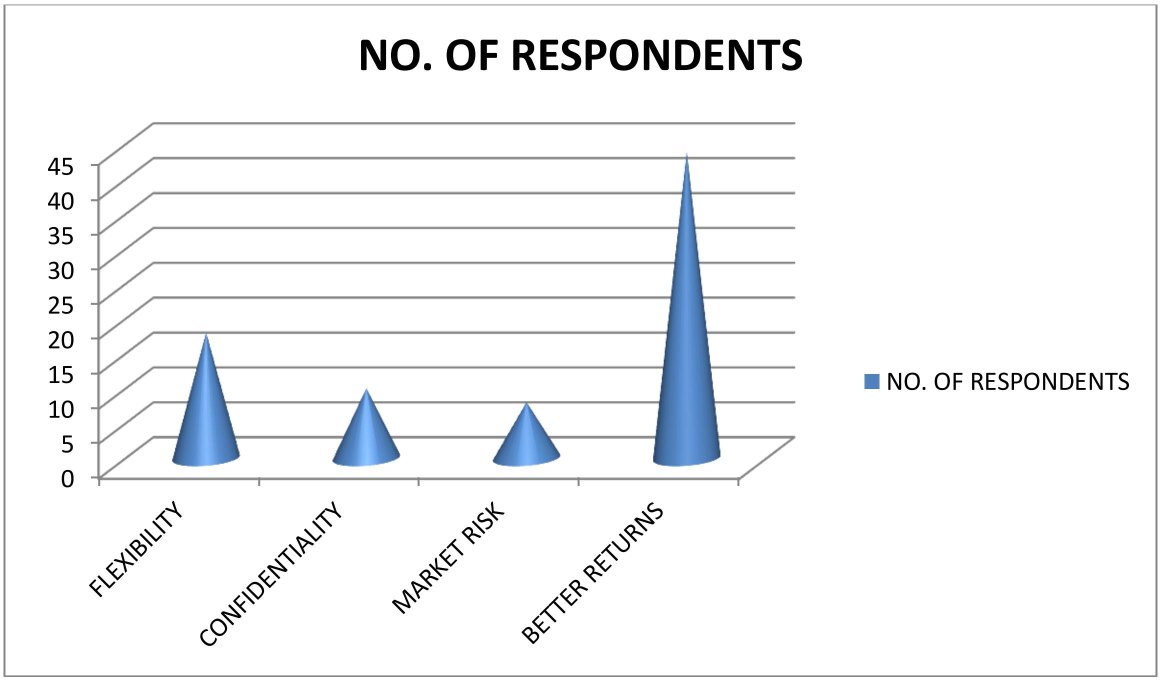


INTERPRETATION:

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. 25 out 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 MUTUAL FUND

RESPONSE	FLEXIBILITY	CONFIDENTIALITY	MARKET RISK	BETTER RETURNS
NO.OF RESPONDENTS	18	10	8	44

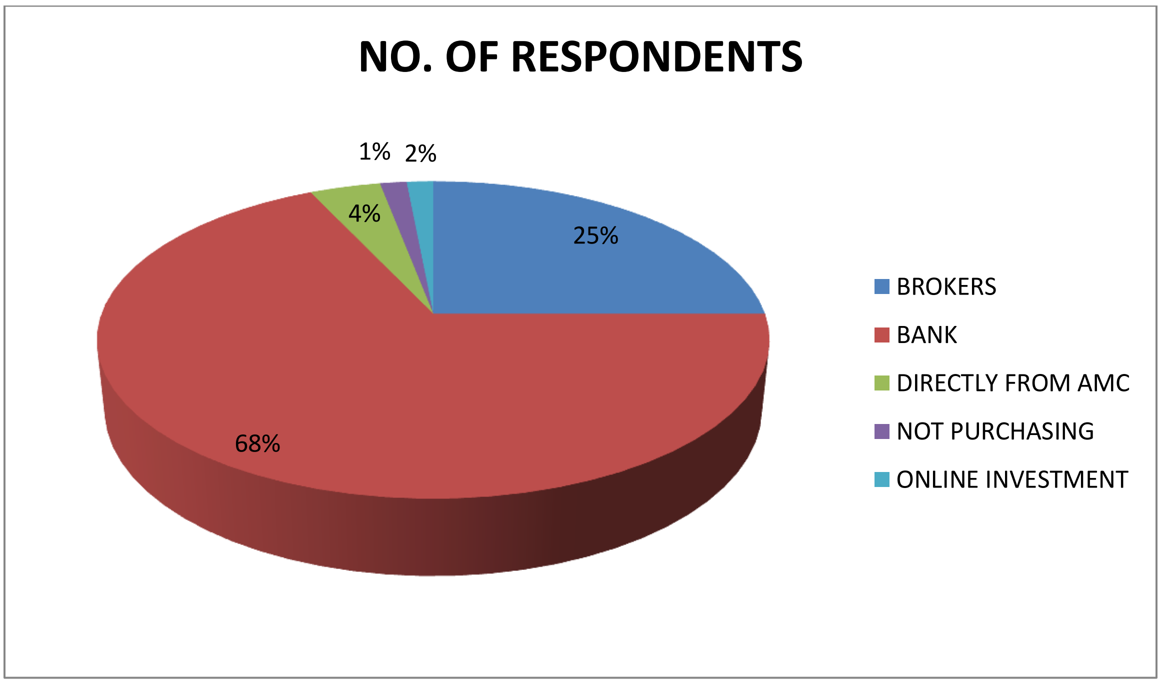


INTERPRETATION:

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 MUTUAL FUNDS

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

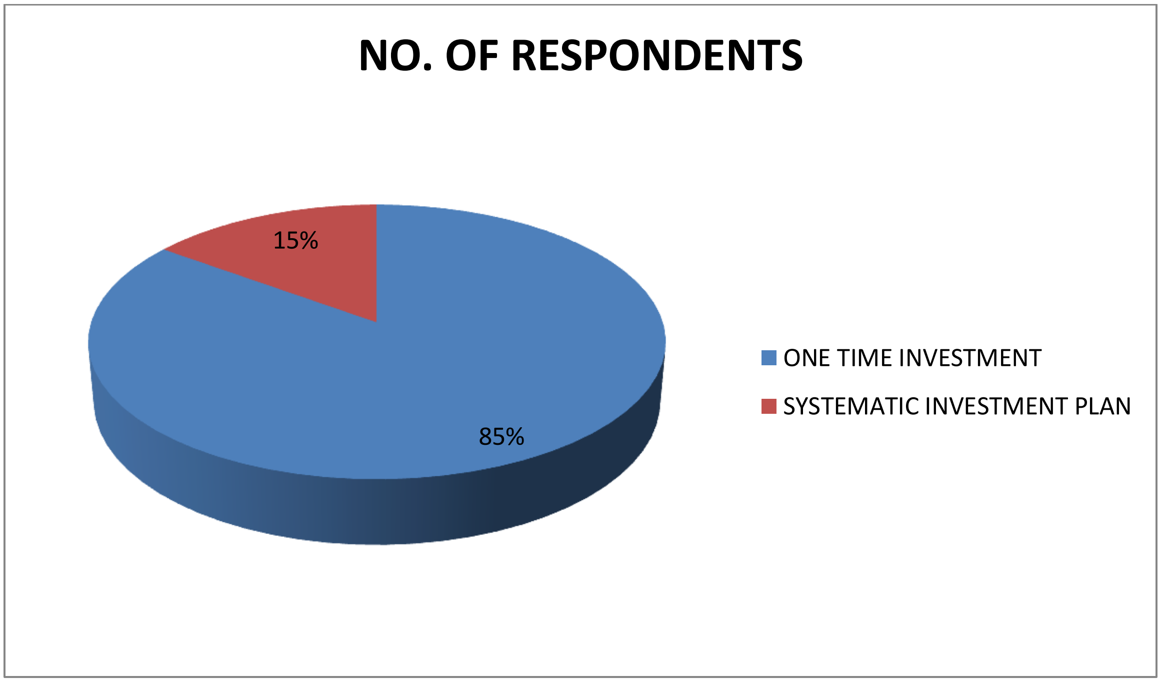


INTERPRETATION:

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 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	SYSTEMATIC INVESTMENT PLAN
NO.OF RESPONDENTS	85%	15%



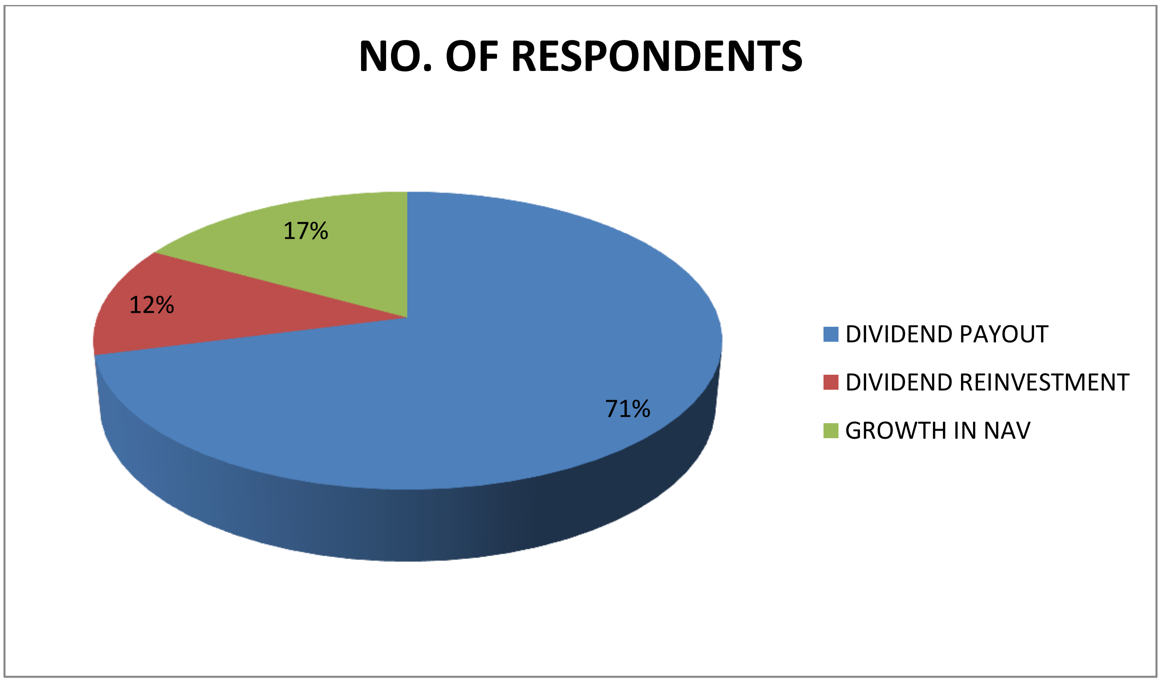
INTERPRETATION:

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 INVESTMENT PLAN

RESPONSE	DIVIDEND PAYOUT	DIVIDEND REINVESTMENT	GROWTH IN NAV
NO. OF RESPONDENTS	71%	12%	17%



INTERPRETATION:

From the above diagram we come to know that:

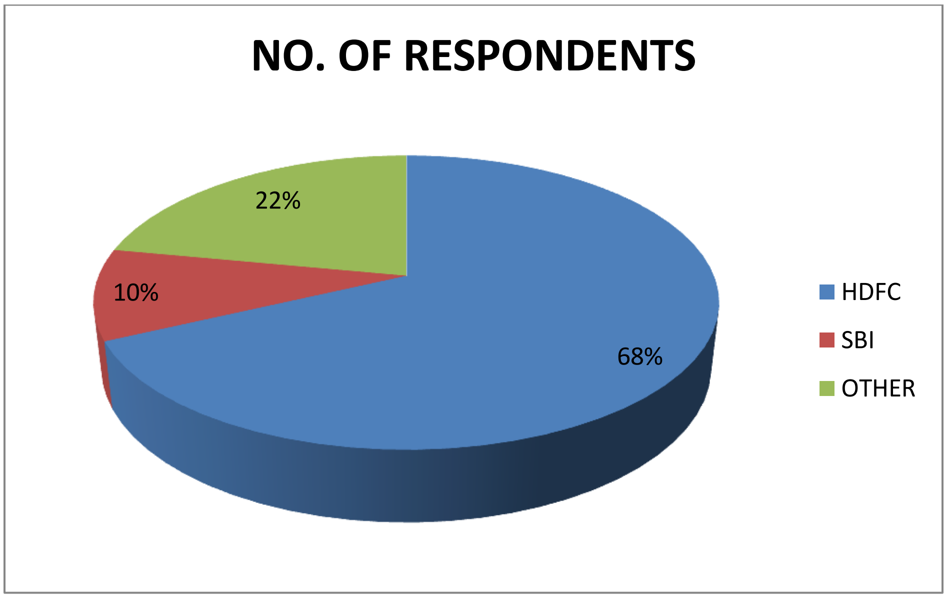
71% investors receive returns every year from dividend payout.

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 SBI- THE BETTER RETURNS

RESPONSE	HDFC	SBI	OTHERS
NO. OF RESPONDENTS	68%	10%	22%



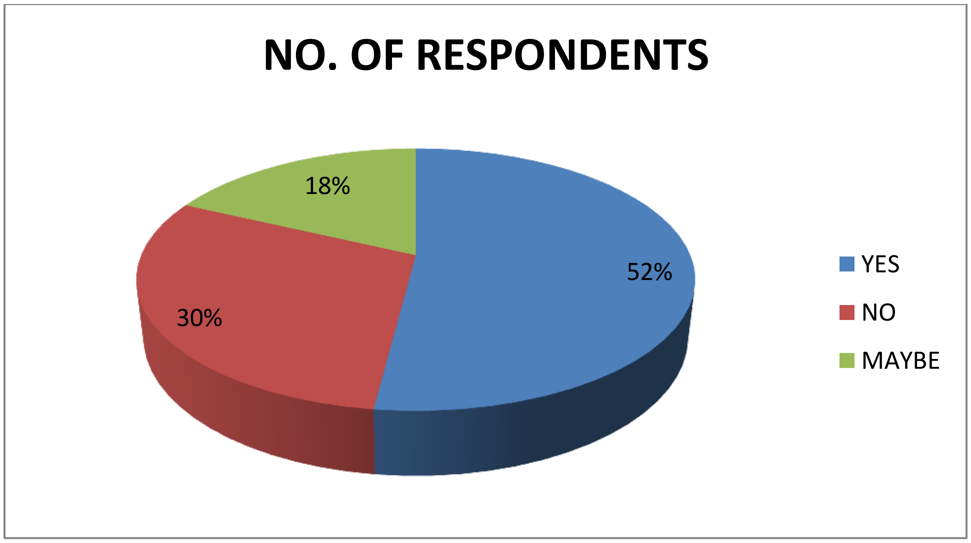
INTERPRETATION:

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 SBI 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 AND SBI.

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 SBI mutual fund.

About 30% investors would not like to exchange investment with one another between HDFC and SBI mutual fund.

About 18% are not sure about the exchange of investment with one another with HDFC and SBI mutual fund.

FINDING:-

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 SBI

CONCLUSION AND LIMITATION

CONCLUSION:-

The research entitled "a comparative study on HDFC mutual fund and SBI mutual fund" was undertaken to study the comparison between HDFC Mutual fund and SBI Mutual fund.

We get to know that people invest more in HDFC MUTUAL FUND compare to SBI 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 SBI mutual due to the following factors:

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

RECOMMENDATION AND SUGGESTION

RECOMMENDATION AND SUGGESTION:-

- 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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BIBLIOGRAPHY:-

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- **www.amfindia.com**
- **www.mutualfundsahihai.in**

ANNEXURE

QUESTIONARIE:

1. Name

2. Age

1. 18-25 years
2. 25-35 years
3. 35-45 years
4. 45 and above

3. Gender

1. Male
2. female

4. Qualification

1. SSC
2. HSC
3. Graduate
4. Post Graduate
5. other

5. Profession

1. Student
2. Employed
3. Unemployed

6. Monthly Income

1. Up to 10000
2. 10000 to 15000
3. 15000 to 20000
4. 20000 and above

7. Do you know about mutual fund?

1. Yes
2. No
3. Maybe

8. Investor invested in mutual funds?

1. Yes
2. No
3. Maybe

9. Existing and New investors in mutual funds?

1. Yes
2. No
3. Maybe

10. Different investment portfolio by investor?

1. Real Estate
2. Post Office Scheme
3. Mutual Funds
4. Debt
5. Shares
6. Other

11. With which company do you have invested in mutual fund?

    1. HDFC
    2. SBI
    3. ICICI
    4. UTI
    5. RELIANCE

12. Preference of the investors?

    1. Regular Income
    2. Debt
    3. Diversified Equity
    4. Sector Fund

13. Which features attract you the most while choosing a specific mutual?

    1. Flexibility
    2. Confidentiality
    3. Market Risk
    4. Better Returns

14. From where you purchase mutual fund?

    1. Brokers
    2. Bank
    3. Directly From AMC
    4. Not Purchasing
    5. Online Investment

15. When you invest in fund which mode of investment will you ?

    1. One Time Investment
    2. Systematic Investment Plan

16. How would you like to receive return every year?

1. Dividend Payout
2. Dividend Reinvestment
3. Growth In NAV

17. What do you think which mutual fund provides better returns?

1. HDFC
2. SBI
3. OTHERS

18. Would you like to exchange you investment with one another between HDFC AND SBI mutual fund ?

1. Yes
2. No
3. Maybe