# A STUDY ON AWARENESS OF MUTUAL FUNDS WITH REFERENCE TO ADITHYA BIRLA MONEY

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**Abstract**
A mutual fund is an investment company that pools money from shareholders and invests in a variety of securities, such as stocks, bonds, and money market instruments. Most open-end Mutual funds stand ready to buy back (redeem) their shares at their current net asset value, which depends on the total market value of the fund's investment portfolio at the time of redemption. Most open-end Mutual funds continuously offer new shares to investors. Also known as an open-end investment company, to differentiate it from a closed-end investment company. Mutual funds invest pooled cash of many investors to meet the fund's stated investment objective. Mutual funds stand ready to sell and redeem their shares at any time at the fund's current net asset value: total fund assets divided by shares outstanding. The study focuses on understanding the composition of the selected funds which determines the scope of performance for the funds, followed by use of ratios that are relevant in quantifying and understanding the risk and return relationships for each mutual fund scheme under consideration. The aim of the study is to analyze the awareness levels of the investors on the existing mutual fund schemes so as to identify the key sales driving forces of mutual fund schemes managed by Adithya Birla Money.

**Keywords:** Mutual Fund, Investment, Stock Markets, Stock Returns.

## 1. Introduction

Mutual fund is a mechanism for pooling the resources by issuing units to the investors and investing funds in securities in accordance with objectives as disclosed in the offer document. Investments in securities are spread across a wide cross-section of industries and sectors and thus the risk is reduced. Diversification reduces the risk because all stocks may not move in the same direction in the same proportion at the same time. Mutual fund issues units to the investors in accordance with the quantum of money invested by them. Investors of Mutual funds are known as unit holders. The profits or losses are shared by the investors in proportion to their investments. Mutual funds normally come out with a number of schemes with different investment objectives which are launched from time to time. In India, A Mutual fund is required to be registered with the Securities and Exchange Board of India (SEBI) which regulates securities markets before it can collect funds from the public. In Short, a Mutual fund is a common pool of money in to which investors with a common investment objective place their contributions that are to be invested in accordance with the stated investment objective of the scheme. The investment manager would invest the money collected from the investor into assets that are defined/ permitted by the stated objective of the scheme. For example, an equity fund would invest in equity and equity-related instruments and a debt fund would invest in bonds, debentures, gilts, etc. A mutual fund is a suitable investment for the common man as it offers an opportunity to invest in a diversified, professionally managed basket of securities at a relatively low cost.

## II. Review of Literature

**ShivamTripathi (2020)** Mutual fund industry in India is rising and investment in a mutual fund is less risky than financing in other risky instruments and is, therefore, a safer option for risk aggressive investors. Mutual Funds offer a stage for an investor to contribute to the Indian capital market with specialized fund management regardless of the amount invested. This paper attempts to study the outlook of citizens towards awareness with special reference to mutual funds. The population of the study is selected from the Ahmedabad city of Gujarat state of the country. The sample size is 100 and the researcher has used a convenient sampling method for the study. The findings of this study are that people are aware of mutual funds but still, people are not investing in mutual funds. It is expected that this study will help in India to plan successful strategies for increasing investment in mutual funds and they can spread more awareness about mutual funds.

**CA Jyoti J Patel (2020)** This paper attempts to study the outlook of citizens towards awareness with special reference to mutual funds. The population of the study is selected from the Gandhinagar city of Gujarat state of the country. The sample size is 60 and the researcher has used a convenient sampling method for the study. The findings of this study are that people are aware of mutual funds and people are also investing in mutual funds. The researcher also found that the majority of investors are considering mutual funds as risk-free Instruments. It is expected that this study will help Gujarat to plan successful strategies for increasing investment in mutual funds and they can spread more awareness about mutual funds.

**Dr. R. Thamilselvan (2021)** Investment is done with the motive of earning a regular return, risk-free. In our country, a number of investment measures can be seen ranging from insurance policies to shares or debentures. The type of investment chosen depends upon the income level and the risk-taking ability of the investor. Mutual Funds are an emerging model of investment with great potential as it's got diverging investing modes with regular return and minimized risk. But the awareness level it has with respect to the citizens of our country is really low. The vague knowledge of the same has forced many to stay away or even opt-out from such a mode of investment. This study has been adopted with the aim to study the awareness level mutual funds have among the investing population in India and to suggest better remedies to familiarize them among the population.

**NehaChaudhary (2016)** The amount of investor knowledge and confidence is critical to a mutual fund's performance. Age, education, gender, and profession all influence investing patterns. The current survey is being carried out with the goal of determining the degree of investor knowledge. The research had a sample size of 99 respondents and was done in Tezpur. Investors were found to have a poor degree of knowledge regarding mutual funds, according to the survey. There was also a substantial disparity in the degree of awareness among investors with various educational backgrounds and genders.

**SailajaVedala (2018)** The evaluation was conducted with the goal of quantifying "Client Awareness towards Different Types of Mutual Funds." It focuses on the potential effects of evaluating the demands and levels of fulfillment of more shared reserve goods. It also seeks to provide recommendations on how to improve the current level of recognition. The evaluation will assist the company in gaining a better knowledge of the buyers' aspirations, future demands, and necessities, as well as their objections. The evaluation was mostly focused on the progress of a product or concept in the Chennai market. In her review, the scientist used a Descriptive research strategy. In her evaluation, the analyst used the primary information-gathering strategy by restricting a structured Questionnaire. In her review, the scientist used a beneficial type of examining method. The professional interprets the example as 204. The expert used the following measuring apparatuses for Analysis and Interpretation, specifically Simple Percentage Analysis, Chi-Square Test, Karl Pearson's Correlation, and One Way Anova. The scientist touched base with the true findings in her evaluation based on the analysis and interpretation, and suggestions are made in such a way that the customers may achieve wealth development.

**Dr.RamandeepSaini (2011)**Over the last several years, Indian mutual funds have grown in popularity. Previously, only UTI had a monopoly in this business, but as time has passed, numerous new competitors have joined the market, causing the UTI monopoly to crumble and the industry to confront fierce competition. With the passage of time, this business has become a household name in India's financial system. As a result, it's critical to understand how investors see the sector. The current research looks at mutual fund investments and how they relate to investor behaviour. Investors' opinions and perceptions on a variety of topics have been investigated, including the type of mutual fund scheme, the main goal of investing in a mutual fund scheme, the role of financial advisors and brokers, investors' opinions on factors that attract them to invest in mutual funds, sources of information, deficiencies in the services provided by mutual fund managers, and the challenges that the Indian mutual fund industry faces, among others.

**Binod Kumar Singh (2009)**A mutual fund is a professionally managed pooled investment vehicle that pools money from a number of participants and invests it in stocks, bonds, short-term money market instruments, and/or other assets. A mutual fund is essentially a financial intermediary that enables a group of investors to combine their money with the goal of achieving a certain investment goal. The mutual fund will be managed by a fund manager who will be in charge of investing the pooled funds in certain securities (usually stocks or bonds). Mutual funds are one of the most cost-effective and simple to invest in assets ever devised. The amount of mutual fund awareness, acceptance, reasons driving mutual fund investment, elements that investors would evaluate before investing in mutual funds, and knowledge of systematic investment plans have all been investigated in this article. The form of the mutual fund, its operation, the comparison of mutual fund and bank investments, and the computation of NAV are all discussed in this article.

**Dr. Komati Durga Prasad (2019)** The investor's knowledge of mutual funds in Bengaluru is examined in this research. Because the population of Bengaluru city is so huge, it is difficult to choose group the investors in a sample. In comparison to prior times, investment opportunities are shifting from low-risk to higher-risk ventures. The data also demonstrate that in comparison to other traditional investments with lower risks and returns, the rise of investments in the stock market has grown to a substantial level. Investors' lack of expertise with mutual funds, along with aggressive marketing by promises bigger returns, has resulted in a loss of investor trust owing to the failure to provide larger returns. This necessitates Asset Management Companies (AMCs) to comprehend the speculators' reserve/conspire determination/changing behavior in order to form suitable products to fulfill the financial experts' shifting budgetary demands. With this as a basis, research was conducted among 128 mutual fund investors in Bengaluru to investigate the variables that influence their fund/scheme selection. Z-Test and One-way ANOVA analysis were used to examine the differences in mutual fund awareness using SPSS. As a result, the purpose of this research is to assess investor knowledge about mutual funds.

**Dr. B. Ravi Kumar (2017)** The capital market has benefited from a rise in small and medium-sized investors' investments in mutual funds. Most investors are aware of mutual funds and their advantages, such as tax advantages, lower risk, and lower costs. In the past 15 years, India's mutual fund sector has seen unprecedented growth. The increase in the number of schemes provided by Indian mutual funds from 403 in 2002-03 to 1294 in 2011-12 demonstrates investors' preference for mutual funds. The resources mobilized by public sector funds ranged from Rs. 314706 crores in 2002-03 to Rs. 10, 019,023 crores in 2009-10, with public sector mutual funds accounting for almost 80% of the total money mobilized. The purpose of this research is to find out how knowledgeable investors are about mutual funds.

**Rabia Shah (2016)** Advertising, regardless of the sector in which it operates, plays a key role in raising awareness about a company's services. This article investigates the impact of advertising on mutual fund products in terms of raising awareness. The influence of advertising on fund awareness was investigated using ArifHabib Investment Limited as a case study. For this reason, employees were questioned. The qualitative research approach is employed by the researchers due to the investigative character of the study. According to the findings, advertisements have a good influence on consumers' awareness of mutual fund products. Throughout the research, the importance of advertising in building brand recognition in the financial industry is demonstrated.

## III. Need for the study

- The study focuses on the composition of the selected funds which determines the scope of performance for the funds.
- Followed by the use of ratios that are relevant in quantifying and understanding the risk and return relationships for each mutual fund scheme under consideration.

- A comparative analysis of the mutual fund schemes is done to see which fund has performed the best.
- This study is significant to the company as it looks into the minute details that differentiate the performances of funds of different companies with the same theme or sector under similar market conditions. This would help the company to develop.

**IV. Scope of the study**

- To study the Awareness of Mutual funds the data is confined to five years (i.e) 2017-2021.
- Study is conducted at Adithya Birla Money-Hyderabad wing.
- Measures of Growth fund- Beta, Standard Deviation, R Squared, Sharpe Ratio, Portfolio Turnover Ratio are used to analyze the data.
- The sample data comprises of five years balance sheets of Adithya Birla Money.

**V. Objectives of the study**

- ❖ The objective of the research is to study and analyze the awareness level of investors of mutual funds.
- ❖ To measure the satisfaction level of investors regarding mutual funds.
- ❖ An attempt has been made to measure various variables playing in the minds of investors in terms of safety, liquidity, service, returns, and tax saving.
- ❖ To get insight knowledge about mutual funds
- ❖ Understanding the different ratios & portfolios so as to present distributors with these terms, by this, managing the relationship with the distributors.

**VI. Research methodology**

**RESEARCH DESIGN**

This is a systematic way to solve the research problem and it is an important component of the study without which researchers may not be able to obtain the format. A research design is the arrangement of conditions for the collection and analysis of data in a manager that aims to combine for collection and analysis of data relevant to the research purpose with economy in procedure.

a. **DATA SOURCES**: Only Secondary data sources are used to collect the relevant data for the study. The secondary data has been used to make things clearer.

*(i)* **Secondary Data**: Indirect collection of data from sources containing past or recent past information like Annual publications, Fact sheets of mutual funds, newspapers & Magazines, etc.

**VII. Limitations for the study**

- ✓ The study is restricted to a few funds managed by Adithya Birla money.
- ✓ Future plans of the company can't be anticipated.
- ✓ The Study duration is limited to
- ✓ The analysis is depending upon annual reports of the company only.

**VIII. Empirical Results**

This section is dedicated to presenting the results of the data analysis performed on different funds managed by different fund managers during the study period.

**ICICI GROWTH FUND (an open-ended equity growth scheme) Objective:**

The essential speculation target of the plan is to accomplish long-haul development of capital by interest in value and value-related security through a exploration-based venture approach.

| ***Type of instrument*** | ***Allocation (% of net assets)*** |
|---|---|

| | |
|---|---|
| Equity and equity-related instrument | 65-100% |
| Debt & Money market instrument | Up-to 35% |

**Asset allocation pattern of the scheme: Benchmark index: BSE 100**

**Name of the fund manager: Mr. Sunil Singhania**

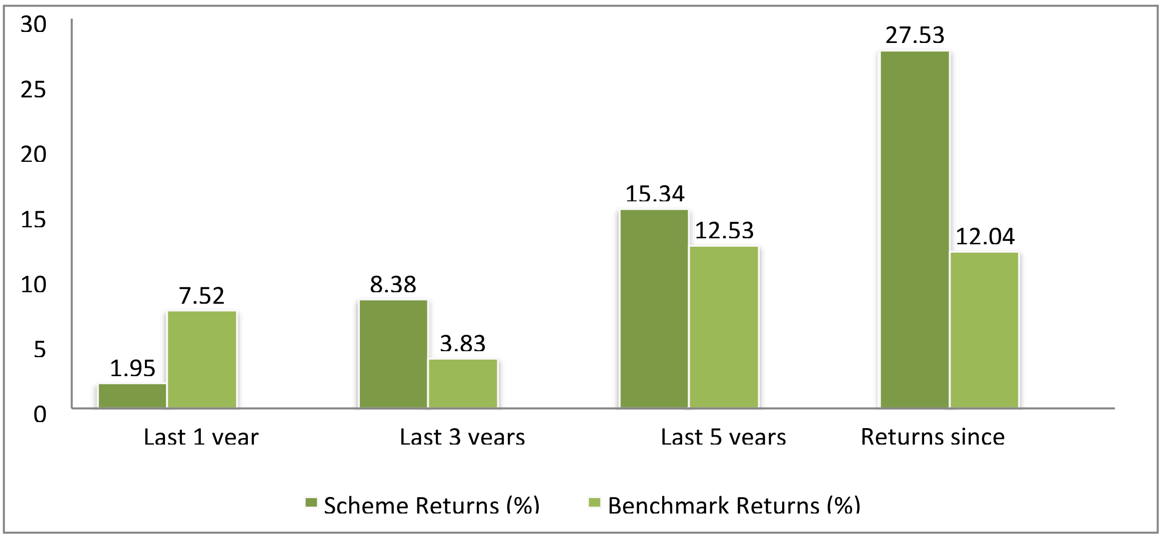
**Plans and options_ Growth plan: growth option**

**Bonus option _Dividend plan: reinvestment option_ Dividend payout option**

| ***Period*** | ***Scheme Returns (%)*** | ***Benchmark Returns (%)*** |
|---|---|---|
| Last 1 year | 1.95 | 7.52 |
| Last 3 years | 8.38 | 3.83 |
| Last 5 years | 15.34 | 12.53 |
| Returns since inception | 27.53 | 12.04 |

**Table No: 1.1 Performance of ICICI growth fund**

**Source: Author's CompilationGraph NO: 1.1.a Performance of ICICI growth fund Source:**




**Author's Compilation**

Plan Returns since initiation is 27.53% and benchmark returns are 12.04%. When contrasted with benchmark returns and plan restores, the exhibition of the plan returns is acceptable. It is observed from the data that the performance of ICICI growth fund is quite good in four out of five years Scheme Returns since inception is 33.37% and benchmark returns are 28.35%. When compared to benchmark returns and scheme returns, the performance of the scheme returns is good. From the analysis we came to know that taking 100% assets equity and equity-related instrument if the investment of 0-80%. Then debt and money market instrument will be 0- 20% with this the performance of the ICICI has brought a compound annualized returns for the last 1 year the scheme returns i.e.., -11.6% and benchmark returns is -14.3%. In the same way, the last 3 years' scheme returns is 3.26% and benchmark returns are -1.32%. The last 5 years' scheme returns are 21.24% and benchmark returns are 9.77%. Scheme returns since inception are 31.42% and benchmark returns are 14.84%. When compared to benchmark returns and scheme returns, the performance of the scheme returns are good. Analysis resulted in taking 100% assets equity and equity-related instrument if the investment of 0-80%. Then debt and money market instrument will be 0- 20% with this the performance of the ICICI has brought a compound annualized returns for the last 1 year the scheme returns i.e.., 14.53% and benchmark returns is 16.44%. In the same way, the last 3 years' scheme returns are 34.06% and benchmark returns are 13.28%. In the last 5 years, scheme returns are 26.69% and benchmark returns are 13.53%. Scheme returns since inception are 28.49% and benchmark returns are 16.18%. When compared to benchmark returns and scheme returns, the performance of the scheme returns is good. Data analysis revealed that taking 100% assets equity and equity-related instrument if the investment of 0-80%.

Then debt and money market instrument will be 0- 20% with this the performance of the ICICI has brought a compound annualized returns for the last 1 year the scheme returns i.e.., 3.71% and benchmark returns is 3.01%. In the same way, the last 3 years' scheme returns are -0.19% and benchmark returns are -2.62%. The last 5 years' scheme returns are 8.05% and benchmark returns are 7.26%. Scheme returns since inception are 16.26% and benchmark returns are 11.90%. When compared to benchmark returns and scheme returns, the performance of the scheme returns is good. From the analysis we came to know that taking 100% assets equity and equity-related instrument if the investment of 75--100%. Then debt and money market instrument will be 25% with this the performance of the ICICI has brought a compound annualized returns for the last 1 year the scheme returns i.e.., 14.85% and benchmark returns is 7.52%. In the same way, the last 3 years' scheme returns are 16.71% and benchmark returns are 3.83%. The last 5 years' scheme returns are 15.97% and benchmark returns are 12.53%.

Scheme returns since inception are 23.01% and benchmark returns are 18.11%. When compared to benchmark returns and scheme returns, the performance of the scheme returns is good. Scheme Returns since inception is 5.71% and benchmark returns are 9.86%. When compared to benchmark returns and scheme returns, the performance of the scheme returns is good. Analysis revealed that taking 100% assets equity and equity-related instrument if the investment of 80-100%. Then debt and money market instrument will be up to 20% with this the performance of the ICICI has brought a compound annualized returns for the last 1 year the scheme returns i.e.., 10.32% and benchmark returns is 7.52%. In the same way, the last 3 years' scheme returns are 12.39% and benchmark returns are 3.83%. The last 5 years' scheme returns are 11.72% and benchmark returns are 12.53%. Scheme returns since inception are 13.83% and benchmark returns are 15.17%. When compared to benchmark returns and scheme returns, the performance of the scheme returns is good. Analysis of the information, we came to know that taking 100% assets equity and equity-related instrument if the investment of 80-100%. Then debt and money market instrument will be up to 20% with this the performance of the ICICI has brought a compound annualized returns for the last 1 year the scheme returns i.e.., 6.85% and benchmark returns is 7.82%. In the same way, the last 3 years' scheme returns are 16.01% and benchmark returns are 6.31%. The last 5 years' scheme returns are 10.21% and benchmark returns are 9.01%. Scheme returns since inception are 15.56% and benchmark returns are 8.20%. When compared to benchmark returns and scheme returns, the performance of the scheme returns is good.

## IX. Findings, Suggestions & Conclusion

### Findings

Out of Eight Selected Mutual reserves conspires, the profits of six plans surpassed their separate Benchmark lists, for example, BSE SENSEX-100; S%P CNX, and so forth.

- ICICI Growth subsidize is an open-finished value development plot. The principal target of the plan is to accomplish the long-haul development of capital. In the event that we take the exhibition of this plan, it has arrived at the benchmark file by 12.04%.
- ICICI Vision finance is an open-finished e-development plot. The primary target of the plan is to accomplish the long-haul development of capital. On the off chance that we take the presentation of this plan, it has arrived at the plan list by 12.04% for the present year.
- ICICI banking store is an open-finished financial area plot. The financial specialist in this plan

just puts resources into the banking segment, and venture system between 0-100percent.

**Suggestions**

- The investigation has taken a stab at demonstrating that negligible returns of a store or the past presentation aren't sufficient to settle on a dependable choice on venture for what's to come.
- There is a need to comprehend different accessible instruments of similar examination and their essentialness in settling on a speculation choice.
- These devices help in dissecting the consistency of execution of the assets over some stretch of time. Along these lines while giving a proposal to a potential financial specialist on speculations.

**Conclusion**

In the first place, making of investment Rs 1,000 or Rs 2,000 in an excessive number of plans doesn't really bring about broadening. Solicit yourself: what is the reason for expansion? You are expanding across resources to cut down the general hazard and amplify what comes back from your venture portfolio. Does the above methodology offer you these two advantages? Not so much. One, take a gander at these assets. Every one of them is from a similar resource class: value. That implies every one of them may fall simultaneously – just the degree of harm would vary. For instance, the huge top or worth reserve classifications fall not as much as, state, the mid-top or little top classifications. Two, do these speculations cut down the general hazard in the portfolio? At the point when you include each conceivable class without focusing on your profile, you may be doing the inverse. For instance, a traditionalist financial specialist including mid-top and little-top classifications could be counterproductive. Also, including segment subsidies only for expansion may reverse discharge. Three, now and again it may assist with cutting down the general hazard, yet it may likewise drag the general returns. For instance, if a shared reserve financial specialist enhances a lot into gold assets could assist him with bringing on the hazard, yet it will likewise cut down the profits.

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