

A STUDY ON MUTUAL FUNDS PERFORMANCE OFFERED BY BANKING COMPANIES IN INDIA

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ABSTRACT

The mutual fund industry in India has registered significant growth during the past decade or so, and has emerged as a significant financial intermediary. The growing importance of Indian mutual funds may be noted, in terms of the increased mobilization of funds and the increasing number of schemes and investors in the industry. To fulfill the expectations of millions of account holders, the mutual funds are required to function as successful institutional investors. We hope that attempt should highlight the efficiency and true competence of fund managers and augment the existing framework for identifying successful fund managers. It should benefit the investors, regulators, fund managers and other participants in the mutual fund industry in general. It is, generally, believed that professional fund managers have expertise in managing investments as they have access to information that is normally not available to common investors. In addition, they are supposed to possess superior analytical skills for making investment decisions. Thus, they are expected to provide a relatively higher rate of return on managed portfolios. However, higher returns per say may not indicate superior performance. The higher return may arise due to higher exposure to risk on investments, or may be attributed to luck or general market boom, rather than pure skill. This aspect is particularly worrying in case of India because of the less mature capital market conditions, wild fluctuations of the equity market, and lesser awareness among common investors..We try and adopt this idea throughout this study and try to look at various aspects of performance of equity mutual funds in India. With the current growing popularity of mutual funds particularly equity mutual funds in India, we think the study is appropriately timed. Mutual fund in Indian context is a challengeable phenomenon. It has attained commanding heights in the financial scenario of India. The main focus of this study is to compare the performance of SBI mutual fund scheme and ICICI prudential mutual fund scheme with the help of net asset value and the benchmark set by the association of mutual fund of India and to measure the risk and return associated with scheme and how they affect the performance of the scheme and to also study the capital invested in the current year.

Keywords: Net asset value, sharpe ratio, treynor ratio, jenson alpha ratio, beta and standard deviation.

INTRODUCTION

1.1 OVERVIEW

A Mutual Fund is a trust that pools the savings of a number of investors who share a common financial goal. The money thus collected is invested by the fund manager in different types of securities depending upon the objective of the scheme. These could range from shares to debentures to money market instruments. The income earned through these investments and the capital appreciation realized by the scheme is shared by its unit holders in proportion to the number of units owned by them. Thus a Mutual Fund is the most suitable investment for the common man as it offers an opportunity to invest in a diversified, professionally managed portfolio at a relatively low cost. The small savings of all the investors are put together to increase the buying power and hire a professional manager to invest and monitor the money. Each Mutual Fund scheme has a defined investment objective and strategy.

1.2 NET ASSET VALUE (NAV)-

NAV stands for Net Asset Value. The performance of a mutual fund scheme is denoted by its NAV per unit.

NAV per unit is the market value of securities of a scheme divided by the total number of units of the scheme on a given date. NAVs of mutual fund schemes are published on respective mutual funds' websites as well as AMFI's website daily.

Unlike stocks, where the price is driven by the stock market and changes from minute-to-minute, NAVs of mutual fund schemes are declared at the end of each trading day after markets are closed, in accordance with SEBI Mutual Fund Regulations. Further, Units of mutual fund schemes under all scheme (except Liquid & Overnight funds) are allotted only at prospective NAV, i.e., the NAV that would be declared at the end of the day, based on the closing market value of the securities held in the respective schemes . A mutual fund may accept applications even after the cut-off time, but you will get the NAV of the next business day. Further, the cut-off time rules apply for redemptions too.

1.2.1 COMPUTATION OF NAV-

A NAV computation is undertaken once at the end of each trading day based on the closing [market prices](#) of the portfolio's securities. The formula for a mutual fund's NAV calculation is straightforward:

$$\text{NAV} = (\text{Assets} - \text{Liabilities}) / \text{Total number of outstanding shares}$$

The total value figure is important to investors because it is from here that the price per unit of a fund can be calculated. By dividing the total value of a fund by the number of outstanding units, you are left with the price per unit—the form of measurement in which NAV is usually quoted. As such, the price of [a mutual fund is updated](#) around the same time as the NAV

IS HIGH NAV GOOD OR BAD-

A high NAV indicates nothing on its own, except that the fund holds a large value of assets. What is important is to compare things on a relative basis, such as the NAV of one growth fund to another. It is also important to compare a fund's NAV to its market price. If the NAV is much higher than the current market price, it may signal a good buying opportunity.

1.3 BANKING COMPANY

A "banking company" means any company which transacts the business of banking in India and includes the State Bank and a subsidiary bank, but does not include the Tamil Nadu Industrial Investment Corporation Limited.

A banking company means and includes any company which carries on the business or which transacts the business of banking in India. Therefore, any company which is engaged in trade or manufacture, which accepts deposits of money from the public for the purpose of financing its business only, shall not be deemed to carry on the business of banking.

1.4 BANKING COMPANY IN INDIA

The Reserve Bank of India is the official Central Banking Authority for the smooth supervision of the banking industry in India. RBI regulates the banking monetary policy in India. Banks are classified into 4 broad categories – Commercial Banks, Small Finance Banks, Payment Banks and Co-operative Banks. Commercial Banks are further classified into Public sector banks and Private sector banks. With the merger of banks in 2019, there are a total of 12 public sector banks and 21 private sector banks in India.

1.4.1 LEGAL REGULATIONS:

Banking Regulation Act 1949, is the main piece of central legislation in India embody in such specific provisions relating to the banking business. The law relating to banking, as we find in India today, is the outcome of the gradual process of evolution, before 1949. The Indian Companies Act, 1913, contained special provisions relating to banking companies which were felt in adequate and were subsequently incorporated in the comprehensive legislation passed in 1949 under the name of Banking Companies Act, 1949. Since its enforcement in 1949, this Act was suitably amended a number of times to insert new provisions and to amend the existing ones to suit the needs of changing circumstances and to plug the most significant amendment of the Act was effected by Banking Laws (Amendment) Act, 1968, which introduced 'Social control' on banks by inserting regulatory provisions of far reaching significance. Banking regulation act is a regulatory body for Banking companies. It provides a number of sections which aim at ensuring better management of banking companies and confers wide powers on the reserve bank in this regard.

LITERATURE REVIEW

RAJ,MANISHA;VERMA,TANYA;BANSAL,SHRUTI;JAIN,ASHITA(2018) conducted a research to evaluate the performance of HDFC and SBI mutual funds to find out which fund performed better in terms of risk and return involved and concluded that returns of SBI mutual funds are relatively higher than HDFC mutual funds and SBI mutual funds were having low standard deviation when compared to HDFC mutual funds thus depicting less risk involvement. Correlation coefficient of HDFC balanced and growth mutual funds was found to be higher than SBI balanced and equity mutual funds which means that HDFC funds performance pattern have been in line with bench mark index (85-100%) whereas SBI performance was not in line with benchmark index . Risk involvement in SBI mutual funds was found less in comparison to HDFC mutual funds it indicated that the funds were performing well in respect to risk associated with it in accordance with Sharpe and treynor ratio. Conclusively it was found that SBI mutual funds as a whole relatively performed better than HDFC mutual funds.

KAUR(2018) conducted a research to find out the factors that are systematically related to the performance of mutual funds. The current study looks at how certain fund characteristics affect mutual fund performance. For this, the information on Indian equities mutual funds from 2004 to 2013 was used by the researcher. The Generalized Method of Moment is the most effective estimator system used to estimate the dynamic panel data (sys- GMM). The findings demonstrate that the fund performance measured with conditional Carhart alpha was explained by the prior year's performance, flow to funds, and cash ratio. The earlier observed lack of persistence in the performance of mutual funds have resulted from failing to take the dynamic influence of the dependent variable into account. Researchers also looked at whether naive beta techniques used by mutual funds are systematically impacted by mutual fund features. The results demonstrate how fund attributes including size, expense ratio, portfolio turnover ratio, and age influence mutual fund trading strategy. The study has ramifications for mutual fund investors since they can use a strategy based on historical one-year risk adjusted conditional Carhart alpha.

PATIL(2017) conducted a research to evaluate the performance of IDBI and HDFC growth oriented mutual fund schemes. The researcher has used Sharpe Ratio, Treynor's Ratio & Jensen's Ratio to study the comparative performance during the period. In this research paper, it is observed that, the average rate return of the selected mutual funds have been very high ranging from 21 per cent to 25.4 per cent and the return of these funds have been low volatile involving less risk. The Treynor Ratio of HDFC mutual fund

scheme has been 29.14261 indicating that this fund has paid highest return on investment as against the level of risk involved in the investment. The study also found out that HDFC growth fund has maximum sharpe ratio indicating higher risk with a potential of better returns.

SONI,DR.SHRI PRAKASH;BANKAPUE,DEEPALI;BHUTADA,MAHESH(2015) conducted a research on schemes available at KOTAK mutual funds and HDFC mutual funds to find out the best scheme available for investors by comparing their performance . They found out that both the companies are offering similar types of schemes for different sectors and taking similar amount of risk so they provided similar average return with minimum fluctuations in last five years. KOTAK select focus is the best scheme in the large cap equity, HDFC mid cap is the best scheme in the mid cap sector And HDFC balanced funds is the best scheme in balanced funds for investment. They concluded that HDFC mutual funds liquid scheme always beat inflation rate and give positive performance but low returns so those investors who want constant return can consider this scheme. Those investors who are not risk adverse should select KOTAK tax saver and HDFC Top 200 as these schemes are aggressive in nature.

KANDPAL, DR.VINAY AND KAVIDAYAL,PROF. P.C.(2014) carried out a research on the selected private and public sector mutual funds schemes in India to find out which sector's scheme performed better in terms of risk associated with it . They considered HDFC premier multi cap , HDFC growth fund and HDFC core and satellite mutual funds under the category of private sector mutual funds to compare with five years (2008-2013) selected public sector mutual funds . The study found that HDFC growth fund has maximum Sharpe ratio and also ranked second as per treynor ratio which indicated that they have higher risk (beta greater than 1) and hence can be considered while investing as they have potential of higher returns. Public sector fund performance have been in line with benchmark index (78-100%) whereas HDFC growth fund performance was above the benchmark index. So the private sector mutual funds performed better than the public sector mutual funds in specific time period.

K,DHANALAKSHMI(2013) carried out a research on the performance of SBI and HDFC mutual funds with special reference to equity, gilt and balanced mutual funds to find out which mutual fund scheme has remarked financial performance. The researcher used Sharpe ratio, Treynor ratio, Jensen alpha ratio. The study covers only three years performance of the funds i.e. from January 2010 to December 2012. Beta of HDFC mutual funds was less than that of SBI mutual funds thus indicating that their investment will be less volatile than the market and therefore less risk involvement. The ratios indicated that HDFC funds is performing well in respect to risk associated with it. The study concluded that HDFC mutual funds has more desirability due to less risk involved , in comparison to SBI mutual funds HDFC mutual funds have shown low standard deviation implying low volatility which affected the returns of the scheme positively.

RESEARCH METHODOLOGY

3.1 METHODOLOGY

To achieve research objective Quantitative Research method is used as it focus on quantifying the collection and analysis of data. The data is collected via secondary sources.

3.2 RESEARCH DESIGN

Analytical Research design is used in this study as it uses already available facts, data, information which is analyzed to do critical evaluation to find out the results.

3.3 DATA COLLECTION METHOD

The data will be collected with the help of secondary sources and primary sources {in case required}.

3.3.1 DATA SOURCES

- Government Publications
- Trade Journals
- Relevant website
- SEBI- Reports and Publications
- AMFI- Reports and Publications

3.3.2 TOOLS AND TECHNIQUES

- Sharpe ratio
- Treynor ratio
- Jensen alpha ratio
- Beta
- Standard deviation

3.4 SAMPLE OF STUDY

The research will be based on mutual fund scheme offered by top two Banking companies of India.

3.5 NAME OF ENTITIES

SBI Fund Management Pvt. Ltd.

ICICI Prudential Asset Management Company Ltd.

3.6 OBJECTIVE

- To compare the performance of SBI mutual fund scheme and ICICI prudential mutual fund scheme.
- To identify the risk and return associated with SBI mutual fund scheme and ICICI prudential mutual fund scheme.
- To study the magnitude of SBI mutual fund scheme and ICICI prudential mutual fund scheme for the current year.

3.7 SCOPE OF STUDY

SBI mutual fund scheme and ICICI prudential mutual fund scheme are currently the most recognized funds in India. They are the biggest asset management companies in India.

DATA ANALYSIS AND INTERPRETATION

The research will be based on mutual funds of top two banking companies of India which are SBI funds management Pvt. Ltd. and ICICI prudential asset management company Ltd. For the study blue chip growth fund, small cap growth fund and liquid growth fund of both the company has been analyzed.

OBJECTIVE-1: TO COMPARE THE PERFORMANCE OF SBI MUTUAL FUNDS SCHEME AND ICICI PRUDENTIAL MUTUAL FUND SCHEME

To compare the performance of SBI mutual fund scheme and ICICI prudential mutual fund scheme, net asset value (NAV) of the schemes and the benchmark set by the companies for their respective funds will be used. These two are considered as appropriate parameters for measuring the performance by association of mutual funds in India.

4.1.1 COMPARING THE NET ASSET VALUE OF SBI MUTUAL FUNDS SCHEME AND ICICI PRUDENTIAL MUTUAL FUND SCHEME

DATE	SBI MUTUAL FUND SCHEME			ICICI PRUDENTIAL MUTUAL FUND SCHEME		
	BLUE CHIP GROWTH FUND	SMALL CAP GROWTH FUND	LIQUID GROWTH FUND	BLUE CHIP GROWTH FUND	SMALL CAP GROWTH FUND	LIQUID GROWTH FUND
30-NOV-2018	37.1171	49.4370	2847.2081	40.0200	23.0200	268.8648
30-NOV-2019	41.3191	53.6961	3038.1542	43.9900	25.4400	287.1908
30-NOV-2020	45.6071	67.6457	3170.9700	47.3800	29.6700	300.0409
30-NOV-2021	59.8000	103.7962	3273.0111	63.7400	50.8600	309.5587
30-NOV-2022	65.5372	116.0790	3419.7052	71.6800	54.9700	323.4045

TABLE:1 -NAV of SBI mutual fund scheme and ICICI prudential mutual fund scheme

SOURCE: Publications of AMFI, <https://www.amfiindia.com>

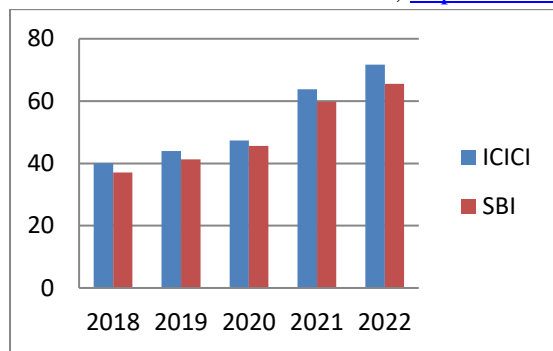


Figure: 1 –Comparing the blue chip growth fund as on 30 Nov (Date on x-axis and value of NAV in rupees on y-axis)

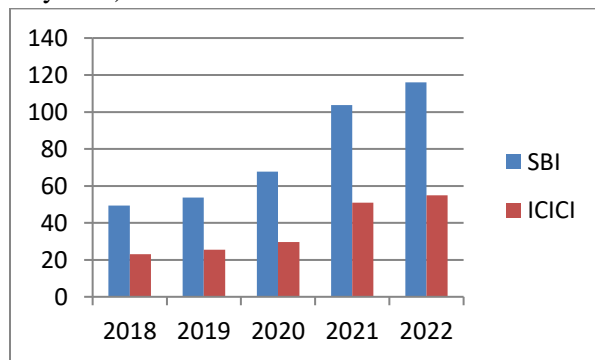


Figure: 2 –Comparing the small cap growth fund as on 30 Nov (Date on x-axis and value of NAV in rupees on y-axis)

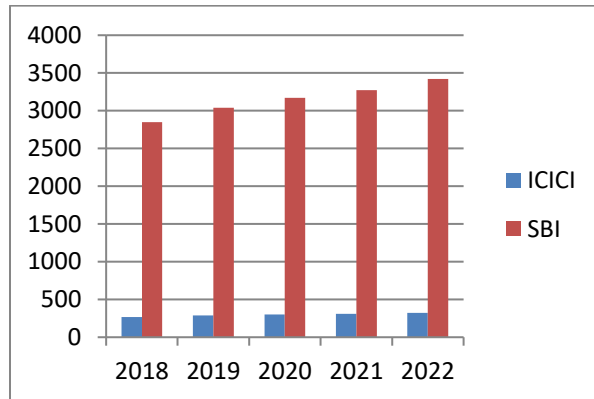


Figure: 3 –Comparing the liquid growth fund as on 30 Nov (Date on x-axis and value of NAV in rupees on y-axis)

As per the NAV of blue chip growth fund of both companies for the session 2018-2022 ICICI prudential mutual fund scheme has a greater NAV with respect to another. As per the NAV of small cap growth fund of both companies for the session 2018-2022 SBI mutual fund scheme has a greater NAV with respect to another. As per the NAV of liquid growth fund of both companies for the session 2018-2022 SBI mutual fund scheme has a greater NAV with respect to another

4.1.2 COMPARING THE BENCHMARK AND PERFORMANCE OF ICICI PRUDENTIAL MUTUAL FUND SCHEME

YEAR	ICICI PRUDENTIAL BLUECHIP GROWTH FUND	
	BENCHMARK (%)	RETURN (%)
2018	5.56	1.09
2019	11.29	9.92
2020	9.62	7.64
2021	33.15	36.29
2022	10.99	12.46

TABLE:2-Benchmark and performance of ICICI prudential blue chip growth fund

SOURCE: Publications of AMFI, <https://www.amfiindia.com>

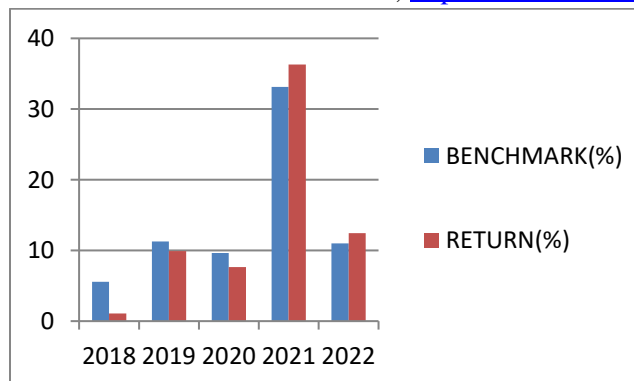


FIGURE: 4-BENCHMARK AND RETURN IN PERCENTAGE OF ICICI PRUDENTIAL BLUECHIP GROWTH FUND

As per the table 2, ICICI prudential blue chip growth fund has not performed up to the benchmarks for the session 2018-2022.

YEAR	ICICI PRUDENTIAL SMALL CAP GROWTH FUND	
	BENCHMARK (%)	RETURN (%)
2018	25.18	-21.27
2019	-4.72	10.51
2020	18.48	16.48
2021	67.32	71.82
2022	4.45	8.08

TABLE:3- Benchmark and performance of ICICI prudential small cap growth fund

SOURCE: Publications of AMFI, <https://www.amfiindia.com>

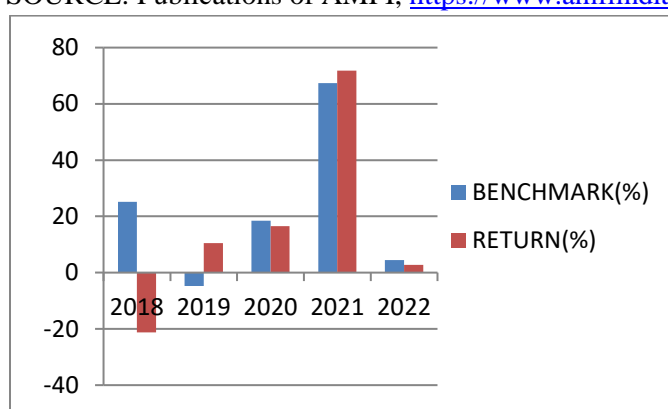


FIGURE: 5-BENCHMARK AND RETURN IN PERCENTAGE OF ICICI PRUDENTIAL SMALL CAP GROWTH FUND

As per the table 3, ICICI prudential small cap growth fund has not performed up to the benchmarks for the session 2018, 2020, 2022 but has performed better than benchmark in the session 2019, 2021.

YEAR	ICICI PRUDENTIAL LIQUID GROWTH FUND	
	BENCHMARK (%)	RETURN (%)
2018	7.45	7.29
2019	7.04	6.85
2020	4.82	4.46
2021	3.57	3.17
2022	4.84	4.47

TABLE:4- Benchmark and performance of ICICI prudential liquid growth fund

SOURCE: Publications of AMFI, <https://www.amfiindia.com>

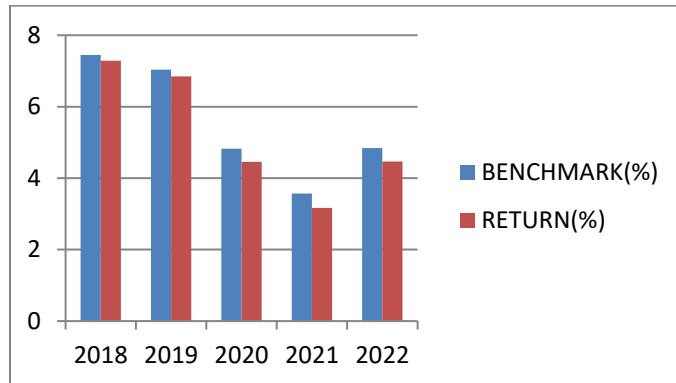


FIGURE: 6-BENCHMARK AND RETURN IN PERCENTAGE OF ICICI PRUDENTIAL LIQUID GROWTH FUND

As per the table 4, ICICI prudential liquid growth fund has not performed up to the benchmarks for the session 2018-2022.

4.1.3 COMPARING THE BENCHMARK AND PERFORMANCE OF SBI MUTUAL FUND SCHEME

YEAR	SBI BLUECHIP GROWTH FUND	
	BENCHMARK (%)	RETURN (%)
2018	5.29	-1.61
2019	10.53	11.32
2020	10.17	10.29
2021	33.95	32.34
2022	11.83	9.59

TABLE:5- Benchmark and performance of SBI blue chip growth fund

SOURCE: Publications of AMFI, <https://www.amfindia.com>

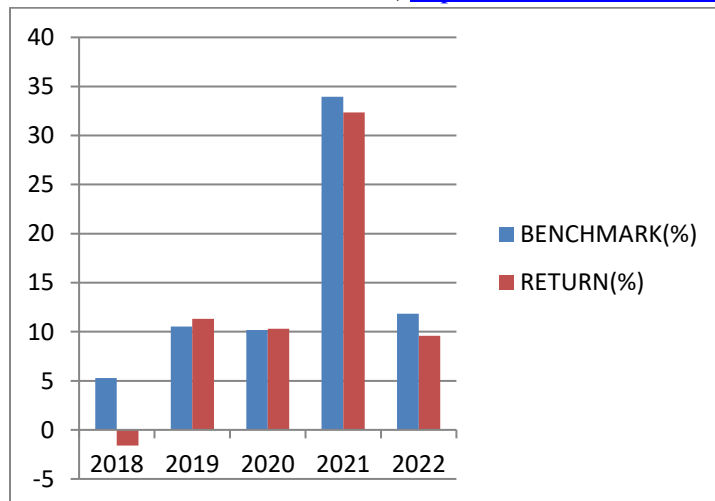


FIGURE: 7-BENCHMARK AND RETURN IN PERCENTAGE OF SBI BLUECHIP GROWTH FUND

As per the table 5, SBI blue chip growth fund has not performed up to the benchmarks for the session 2018, 2021, 2022 but has performed better than benchmark in the session 2019, 2020.

YEAR	SBI SMALL CAP GROWTH FUND	
	BENCHMARK (%)	RETURN (%)
2018	-20.24	-15.87
2019	-5.02	8.62
2020	26.55	25.74
2021	66.21	54.56
2022	6.07	11.83

TABLE:6- Benchmark and performance of SBI small cap growth fund

SOURCE: Publications of AMFI, <https://www.amfiindia.com>

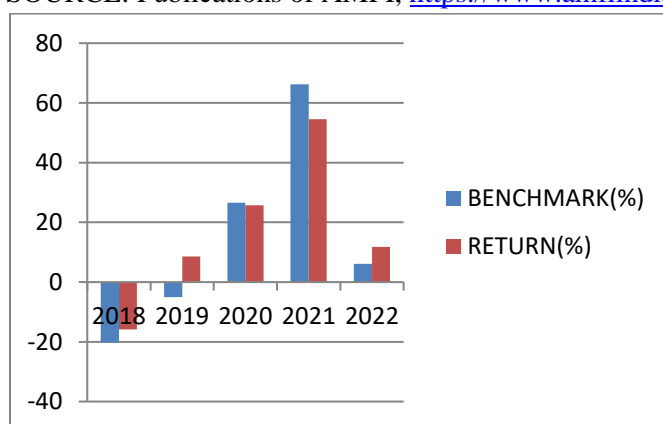


FIGURE: 8-BENCHMARK AND RETURN IN PERCENTAGE OF SBI SMALL CAP GROWTH FUND

As per the table 6, SBI small cap growth fund has not performed up to the benchmarks for the session 2020, 2021 but has performed better than benchmark in the session 2018, 2019, 2022.

YEAR	SBI LIQUID GROWTH FUND	
	BENCHMARK (%)	RETURN (%)
2018	7.45	7.23
2019	7.04	6.73
2020	4.82	4.36
2021	3.57	3.22
2022	4.75	4.48

TABLE:7- Benchmark and performance of SBI liquid growth fund

SOURCE: Publications of AMFI, <https://www.amfiindia.com>

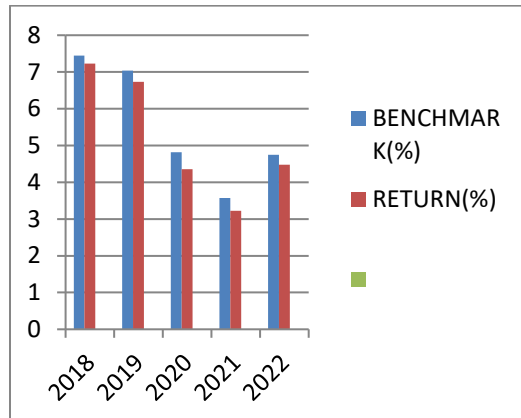


FIGURE: 9-BENCHMARK AND RETURN IN PERCENTAGE OF SBI LIQUID GROWTH FUND

As per the table 7, SBI liquid growth fund has not performed up to the benchmarks for the session 2018-2022.

OBJECTIVE: 2-TO IDENTIFY THE RISK AND RETURN ASSOCIATED WITH SBI MUTUAL FUND SCHEME AND ICICI PRUDENTIAL MUTUAL FUND SCHEME

To compare the risk of schemes of both companies, the standard deviations, beta, Sharpe ratio, Treynor ratio, Jensen alpha of each schemes and return given by each fund will be compared in accordance with publications of association of mutual fund in India.

4.2.1 COMPARISON OF RISK OF MUTUAL FUND SCHEME OFFERED BY SBI AND ICICI ON BASIS OF RETURN OF 3 YEARS

PARAMETERS	BLUE CHIP GROWTH FUND	
	SBI	ICICI
STANDARD DEVIATION	21.45	20.86
BETA	0.95	0.93
SHARPE RATIO	0.44	0.50
TREYNOR RATIO	0.10	0.11
JENSEN ALPHA	0.76	1.51

TABLE:8-Risk of SBI blue chip growth fund and ICICI prudential blue chip growth fund SOURCE: Publications of AMFI, <https://www.amfiindia.com>

As per the table 8, standard deviation of ICICI is lower than of SBI so there are higher chances that ICICI might give similar return in future whereas return of SBI might vary , so we can imply that SBI is riskier. Beta value of ICICI is lower than of SBI so there are higher chances that ICICI might give similar return in future whereas return of SBI might vary , so we can imply that SBI is riskier. Sharpe ratio of ICICI is higher in comparison to SBI so it has higher risk adjusted return .Treynor ratio of ICICI is higher in comparison to SBI so it has higher risk adjusted return .Alpha of ICICI is higher in comparison to SBI so it has higher risk adjusted return .

PARAMETERS	SMALL CAP GROWTH FUND	
	SBI	ICICI
STANDARD DEVIATION	20	20.08
BETA	0.68	0.74
SHARPE RATIO	0.95	0.86

TREYNOR RATIO	0.26	0.24
JENSEN ALPHA	11.25	10.66

TABLE:9-Risk of SBI small cap growth fund and ICICI prudential small cap growth fund

SOURCE: Publications of AMFI, <https://www.amfiindia.com>

As per the table 9, standard deviation of SBI is lower than of ICICI so there are higher chances that SBI might give similar return in future whereas return of ICICI might vary , so we can imply that ICICI is riskier. Beta value of SBI is lower than of ICICI so there are higher chances that SBI might give similar return in future whereas return of ICICI might vary , so we can imply that ICICI is riskier. Sharpe ratio of SBI is higher in comparison to ICICI so it has higher risk adjusted return .Treyndor ratio of SBI is higher in comparison to ICICI so it has higher risk adjusted return . Alpha of SBI is higher in comparison to ICICI so it has higher risk adjusted return .

PARAMETERS	LIQUID GROWTH FUND	
	SBI	ICICI
STANDARD DEVIATION	0.10	0.11
BETA	0.98	1.04
TREYNOR RATIO	-0.02	-0.02
JENSEN ALPHA	-0.32	-0.25

TABLE:10 -Risk of SBI liquid growth fund and ICICI prudential liquid growth fund

SOURCE: Publications of AMFI, <https://www.amfiindia.com>

As per the table 10, standard deviation of SBI is lower than of ICICI so there are higher chances that SBI might give similar return in future whereas return of ICICI might vary , so we can imply that ICICI is riskier. Beta value of SBI is lower than of ICICI so there are higher chances that SBI might give similar return in future whereas return of ICICI might vary , so we can imply that ICICI is riskier. Treynor ratio of both funds is same. Alpha of ICICI is higher in comparison to SBI so it has higher risk adjusted return .

4.2.2 COMPARISON OF RETURN GIVEN BY EACH SCHEME OF SBI AND ICICI

YEAR	RETURN (%)	
	SBI	ICICI
2018	-1.61	1.09
2019	11.32	9.92
2020	10.29	7.64
2021	32.34	36.29
2022	9.59	12.46

TABLE:11- Return given by blue chip growth fund as on 30 nov

SOURCE: Publications of AMFI, <https://www.amfiindia.com>

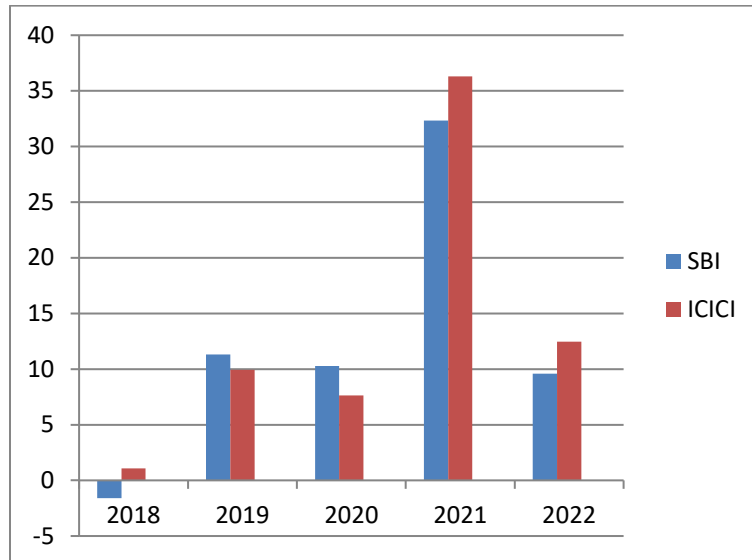


FIGURE: 10- RETURN IN PERCENTAGE OF BLUECHIP GROWTH FUND

As per table 11, returns of ICICI was lower than SBI in session 2019,2020 but the returns of ICICI was more than of SBI in session 2018,2021,2022.

YEAR	RETURN (%)	
	SBI	ICICI
2018	-15.81	-21.27
2019	8.62	10.51
2020	25.74	16.48
2021	54.56	71.82
2022	11.83	8.08

TABLE:12- Return given by small cap growth fund as on 30 nov

SOURCE: Publications of AMFI, <https://www.amfiindia.com>

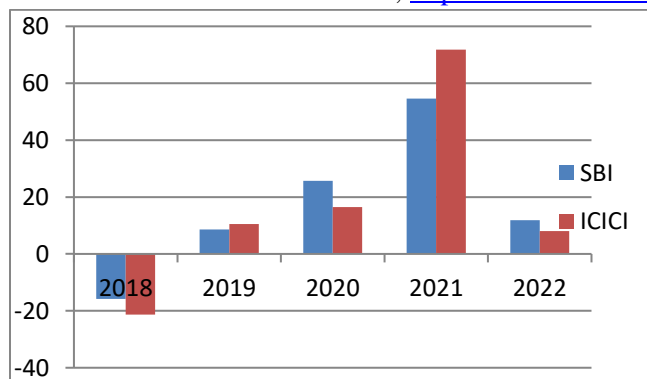


FIGURE: 11- RETURN IN PERCENTAGE OF SMALL CAP GROWTH FUND

As per table 12, returns of ICICI was lower than SBI in session 2018,2020,2022 but the returns of ICICI was more than of SBI in session 2019,2021.

YEAR	RETURN (%)	
	SBI	ICICI
2018	-15.81	-21.27
2019	8.62	10.51
2020	25.74	16.48
2021	54.56	71.82
2022	11.83	8.08

2018	7.23	7.29
2019	6.73	6.85
2020	4.36	4.46
2021	3.32	3.17
2022	4.48	4.47

TABLE: 13- Return given by liquid growth fund as on 30 nov

SOURCE: Publications of AMFI, <https://www.amfindia.com>

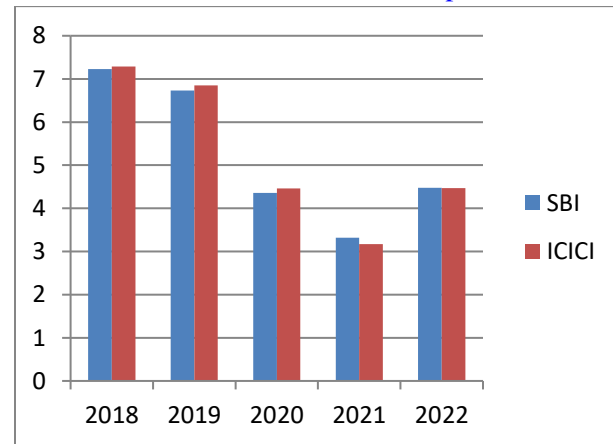


FIGURE: 12- RETURN IN PERCENTAGE OF LIQUID GROWTH FUND

As per table 13, returns of ICICI was lower than SBI in session 2021,2022 but the returns of ICICI was more than of SBI in session 2018,2019,202

OBJECTIVE-3: TO STUDY THE MAGNITUDE OF SBI MUTUAL FUND SCHEME AND ICICI PRUDENTIAL MUTUAL FUND SCHEME FOR THE CURRENT YEAR

To study the magnitude and dimensions of SBI mutual fund scheme and ICICI prudential mutual fund scheme, capital invested and asset and sector allocation will be used .

4.3.1 MAGNITUDE OF SBI MUTUAL FUND SCHEME AND ICICI PRUDENTIAL MUTUAL FUND SCHEME

NAME OF SCHEME	CAPITAL INVESTED (IN CR.)
SBI BLUECHIP GROWTH FUND	34309.19
SBI SMALL CAP GROWTH FUND	15292.33
SBI LIQUID GROWTH FUND	63099.51
ICICI PRUDENTIAL BLUECHIP GROWTH FUND	34640.35
ICICI PRUDENTIAL SMALL CAP GROWTH FUND	4598.77
ICICI PRUDENTIAL LIQUID GROWTH FUND	47482.72

TABLE: 14 -Magnitude of SBI mutual fund scheme and ICICI prudential mutual fund scheme

SOURCE: Publications of AMFI, <https://www.amfindia.com>

As per the table 14, ICICI has invested more capital in blue chip growth fund whereas SBI has invested more in the small cap growth fund and liquid growth fund in comparison to another.

CONCLUSION

After conducting the research on “A STUDY ON MUTUAL FUNDS PERFORMANCE OFFERED BY BANKING COMPANIES IN INDIA” to achieve the following objectives:

- To compare the performance of SBI mutual fund scheme and ICICI prudential mutual fund scheme.
- To identify the risk and return associated with SBI mutual fund scheme and ICICI prudential mutual fund scheme.
- To study the magnitude of SBI mutual fund scheme and ICICI prudential mutual fund scheme for the current year.

The study have concluded that:

- ICICI prudential mutual fund scheme has greater NAV in comparison to SBI in case of blue chip growth fund whereas SBI mutual fund scheme has greater NAV in comparison to ICICI in case of small cap and liquid growth fund.
- ICICI prudential mutual fund scheme and SBI mutual fund scheme has not performed up to their benchmarks for most of years.
- In case of blue chip growth fund, Standard deviation of ICICI is lower than of SBI so there are higher chances that ICICI might give similar return in future whereas return of SBI might vary , so we can imply that SBI is riskier. Beta value of ICICI is lower than of SBI so there are higher chances that ICICI might give similar return in future whereas return of SBI might vary , so we can imply that SBI is riskier. Sharpe ratio of ICICI is higher in comparison to SBI so it has higher risk adjusted return .Treynor ratio of ICICI is higher in comparison to SBI so it has higher risk adjusted return . Alpha of ICICI is higher in comparison to SBI so it has higher risk adjusted return . Hence, we can imply that ICICI prudential blue chip growth fund is less riskier in comparison to SBI blue chip growth fund.
- In case of small cap growth fund, standard deviation of SBI is lower than of ICICI so there are higher chances that SBI might give similar return in future whereas return of ICICI might vary , so we can imply that ICICI is riskier. Beta value of SBI is lower than of ICICI so there are higher chances that SBI might give similar return in future whereas return of ICICI might vary , so we can imply that ICICI is riskier. Sharpe ratio of SBI is higher in comparison to ICICI so it has higher risk adjusted return .Treynor ratio of SBI is higher in comparison to ICICI so it has higher risk adjusted return . Alpha of SBI is higher in comparison to ICICI so it has higher risk adjusted return . Hence, we can imply that SBI small cap growth fund is less riskier in comparison to ICICI prudential small cap growth fund.
- In case of liquid growth fund, standard deviation of SBI is lower than of ICICI so there are higher chances that SBI might give similar return in future whereas return of ICICI might vary , so we can imply that ICICI is riskier. Beta value of SBI is lower than of ICICI so there are higher chances that SBI might give similar return in future whereas return of ICICI might vary , so we can imply that ICICI is riskier. Treynor ratio of both funds is same. Alpha of ICICI is higher in comparison to SBI so it has higher risk adjusted return . Hence, we can imply that both companies fund have similar risk.
- ICICI provided better return in the current year for blue chip growth fund whereas SBI provided better return in current year for small cap growth fund and liquid growth fund.

- ICICI has invested more capital in blue chip growth fund whereas SBI has invested more in the small cap growth fund and liquid growth fund in comparison to another.

Hence on the basis of the study we can imply that ICICI prudential mutual fund scheme has performed better than SBI mutual fund scheme in case of blue chip growth fund whereas SBI mutual fund scheme has performed better in case of small cap growth fund and liquid growth fund than ICICI prudential mutual fund scheme.

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