



## A Study on the Performance of Mutual Fund in India

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### ABSTRACT: -

Mutual funds have been very popular during the last decade in India. It has become one of the most profitable ways of investment for investors in the country. A mutual fund is designed in such a way that it pools resources from different investors and then distributes its investment into many different holdings such as stocks, bonds, or other government securities to generate high safety and returns. This Research paper will explore the performance of mutual funds with their different ways and evaluation of mutual fund investments with the help of analyzing the data such as Assets Under Management, Net Resources Mobilized by Mutual Funds, Banks, and FI Sponsored. This Research will help the investors in different ways like the selection process to determine long and short-term investment needs by the growth and performance of Mutual Funds in India.

**KEYWORDS:** - Mutual Fund, Securities, Investments, FI, Investors, AAUM (Average Asset Under Management).

### INTRODUCTION: -

There are different ways of investment in India and the world. A mutual fund is one of the most profitable sources of Investment that gives higher returns to its investors. A mutual fund is a type of pool of money that is collected from investors, and it is invested according to the needs and objectives of investment. A mutual fund is created when investors put their money together. That is why it is known as a pool of the investor's funds. In a mutual fund, the contributor and beneficiary both are the same class of people. A mutual fund is a group of investments by different investors in equities, bonds, and government securities. This fund is managed by a professional person called Fund Manager. The entire fund is operated and invested as per the decision of the Fund Manager. The income generated by this fund is distributed or shared by different investors after deducting expenses.

In India Mutual Fund is established as a trust and registered under the Indian Trust Act, of 1882, with regulations of SEBI (Mutual Fund) Regulations.

### LITERATURE REVIEW: -

#### A Study on the growth and growth and Performance of Mutual

**Rajesh Chakrabarti, Sarat Malik, Sudhakar Khairnar, Aadhaar Verma (2020)**, In this study 'Penetration of Mutual Fund in India' authors have tried to find out the reason behind less penetration of mutual funds in India also to understand the reason the same. With the help of this study, the researcher has tried to make others understand the reason behind less penetration in mutual funds and also studied the key factors that play an important role in mutual fund penetration and success.

#### A Study of Mutual Funds in India

**Y. Maheshwari (2020)**- In this research paper 'A comparative study on the performance of selected Mutual Funds' the researcher has made a comparative study on selected mutual funds. This study aims at assessing the execution of mutual funds. The main aim of this research study is to contemplate money-related matters and Analysis of selected mutual funds schemes through some practical parameters.

**Mwabili Eric, Gwacha Annabahati (2023)**, In this study author has tried to assess mutual funds Cash- flow on investors' return. This study is based on secondary quantitative data. It has three variables EC, FG, and IR. This study is conducted on investors in Tanzania for a period of 8 years from secondary data. This study reveals that economic condition and fund growth both are positive and mutual fund provides a good return.

### RESEARCH METHODOLOGY: -

Research Methodology is the process by which one can systematically solve the research problem which is also known as a hypothesis. Research Methodology includes the design, data collection, hypothesis, and procedure by which data is collected and analyzed with the motive to reach the solution to the research question.

**OBJECTIVES OF THE STUDY: -**

1. To analyze the performance of Mutual funds in India.
2. To Analyze the Asset under Management in Mutual Funds in India.

**HYPOTHESIS: -**

Research work is a goal-oriented task because without any objective research cannot be done. The hypothesis is nothing but the research question for which a researcher works. The researcher is eager to find out the answer to the hypothesis. The outcome of this study is to know about the significance and growth of Mutual Funds in India.

H0- The performance of Mutual Funds in India has not shown significant growth. H1- The performance of Mutual Funds in India has shown significant growth.

**DATA COLLECTION**

Data collection can be done by two methods primary and secondary. As the study is based on a country therefore secondary data is preferable which is taken from the government's official sites. The data analyzed and interpreted in this study related to all companies are collected from the websites of SEBI.

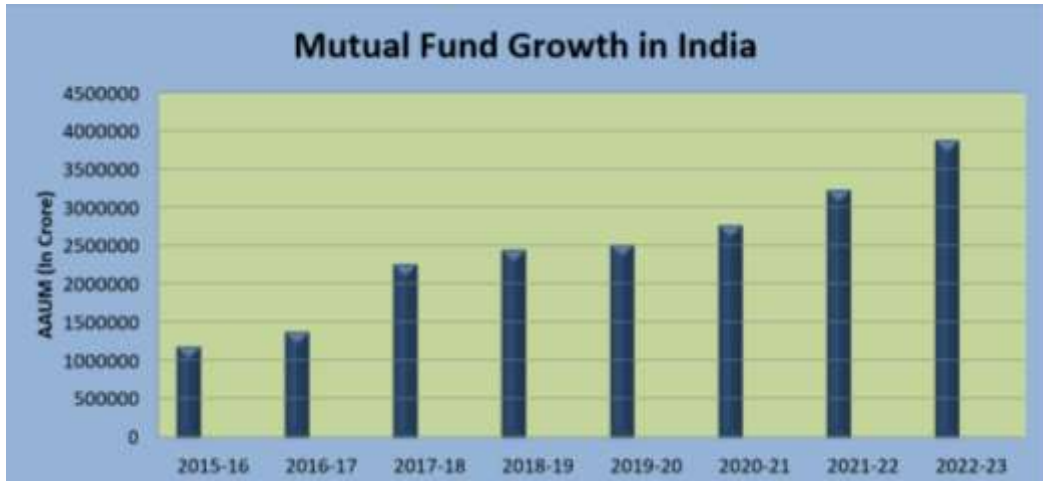
**ANALYSIS OF THE STUDY:-****ASSETS UNDER MANAGEMENT OF MUTUAL FUNDS IN INDIA**

Analysis and interpretation of the study will be based on the growth of Mutual Funds in India. The growth can be judged by the number of assets involved in the mutual funds in different schemes. Data has been taken from SEBI's

Official site where Average Asset Under Management from the year 2015-16 to 2022-23. The growth is shown through the schedule and graphical representation of the data. There is significant growth has been shown in the area of Mutual funds. The average asset under management is increasing every year and a significant increase in investment percentage is shown. The below table summarizes that every additional year the total Average Asset under Management is increasing during the Corona Pandemic investment level decreased a bit but still people kept on investing in Mutual Funds. A close analysis of the data says that the best year was 2017-18 as it shows a huge percentage change in mutual funds.

Table: Average Assets Under Management year wise

YEAR	AAUM (In Crore)
2015-16	1193164.56
2016-17	1385588.81
2017-18	2270693.64
2018-19	2458015.95
2019-20	2527632.75
2020-21	2778150.21
2021-22	3242537.14
2022-23	3888960.07

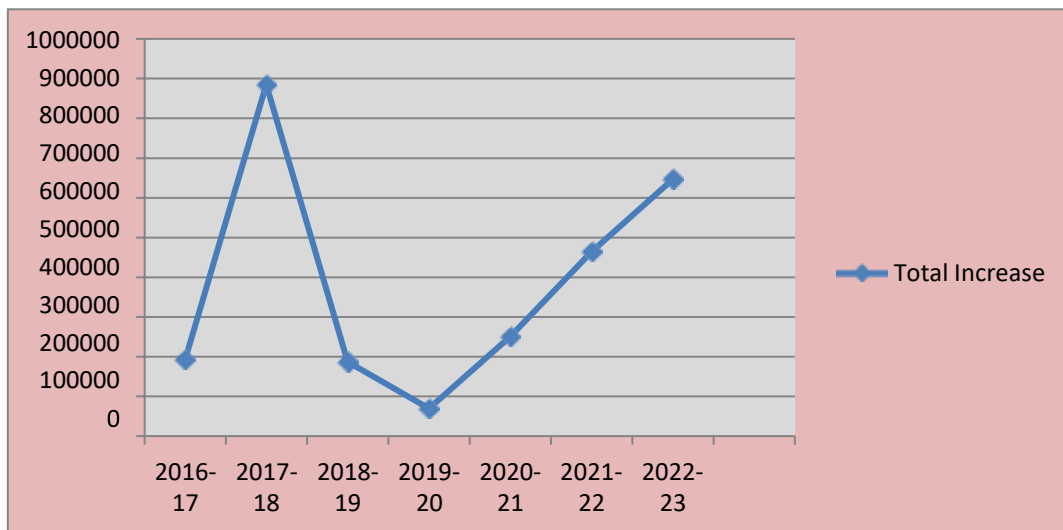


Graph: Average Asset Under Management year wise

In addition to the above analysis, growth has been measured in the percentage here, which shows that there is a significant increase in the year 2017-18 by 38.97 percent, whereas it was lowest in the year 2019-20 just by 2.83%. The reason for the low investment rate this year was Corona Pandemic, otherwise, people are aware and the rate is also increasing. Other reasons may also affect the rate of investment, it may be people are more aware and ready to take more risks in stocks, or maybe because of pandemic market failure fear. Even for all these reasons there is a growth shown in the total amount increase. In the latest year, 2022-23 investment is 16.62% which shows comparatively good growth.

Table: Percentage and Amount increase in AAUM year wise

YEAR	AAUM (In Crore)	Increase	% Increase
2015-16	1193164.56	-	-
2016-17	1385588.81	192424.25	13.89
2017-18	2270693.64	885104.83	38.97
2018-19	2458015.95	187322.31	7.62
2019-20	2527632.75	69616.8	2.83
2020-21	2778150.21	250517.46	9.02
2021-22	3242537.14	464386.93	14.32
2022-23	3888960.07	646422.93	16.62



Graph: Graph showing Percentage and Amount increase in AAUM year wise

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## FINDINGS OF THE STUDY: -

This Study finds that the growth of Mutual Funds in India is good and people are now aware of the investments because of the level of education which is increasing day by day among people. The data analysis clearly shows a significant growth of Mutual Funds which shows that AAUM is increasing every year even after the terrible pandemic. This shows that people are relying on mutual funds but at the same time, it shows the scope for more improvements. During the study, a few things are found that people are more interested in mutual funds because they want to invest money in such kind of areas where they can get good returns. The first reason is everybody wants to fight inflation, everyone knows that inflation reduces the value of money over a period, the annual average inflation in India in the past 10 years is around 6%. Mutual funds are giving good returns in this comparison which is why people prefer Mutual Funds. Secondly, when people look at various investment avenues to put their money, most of them look at the best returns which the investment can provide. Generally, people compare FDs or this kind of traditional method. Though when we think about the fixed deposit returns, Mutual funds provide better returns of around 10%-12% in the long run which of course better than the other traditional investment venues. The third thing which people consider is that all of us are different and are in different professions, it becomes difficult for people to keep check all the time on different stocks therefore they want

professionals to care about their investments. These experts are skilled enough to run tests on equipment and find out the exact fault in the functionality, and also they are able to fix these problems. It is their expertise in their domain that makes investors' life easy. These people are experienced professionals. Forth thing which people take into consideration is a risk factor, which is less in this investment avenue and that is why people are more attracted. A mutual fund can offer this because they do diversification of portfolios. It basically cushions the negative impact of the investment. Individually it is difficult to build a diversified portfolio for everyone because it needs a huge investment to buy bonds, debentures, and equity.

Although mutual funds are a good option always but at the same type different people have different appetites for investment therefore middle-class people of India are happy with this criterion and others are looking into another investment venue. Those who can play with high-risk they go with other investments as they pay high returns. And other people who do not want to get into risk at all are still stuck with the FDs and RDs. These are the causes of the comparatively slow growth of Mutual Funds in India.

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## CONCLUSION: -

After doing a deep study it can be concluded that the number of people is increasing towards mutual funds it can be concluded through the increasing rate of AAUM every year. Also, it can be concluded that one can beat inflation with mutual funds, and can generate good returns, build assets with less risk, and advice of professionals. But strategy should be made before investments. India has still a wide scope for Mutual funds. But there is a need to make people aware of the Mutual funds' benefits.

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