

## *WORKING TITLE:*

### **Analysis of UTI Mutual Funds**

## *PURPOSE / SYNOPSIS:*

With the opening up of the Indian economy in the wake of globalization, big companies including multinationals have entered the Indian markets. Shares of so many big and upcoming companies have flooded the markets. It has made it difficult to research and decide on the portfolio that would yield the best result. In the present rally of Sensex/ NSE, it becomes more difficult to invest in Mutual Funds.

Industry mutual funds are financial intermediaries, which collect the savings of investors and invest them in a large and diversified portfolio of securities such as money market instruments, corporate and government bonds, and equity shares of joint stock companies.

UTI had given birth to **INDIAN MUTUAL FUNDS INDUSTRY**, with 118 schemes and corpus of Rs. 25,192 crores. It has onus to become the largest Fund house of the country, managing a market share of more than 70%.

This research is exploratory in nature. Data has been collected from various primary and secondary sources. The choice of sample scheme was guided by the fact that a reasonable amount of information was available and representing the true picture of Indian Mutual Funds Market.

It is estimated that 15% of our population (working class of various age & income brackets) have never heard of Mutual Funds, which shows the moderated awareness level. This addresses a need for better marketing.

In India, the trend is that investors invest when there is a boom in the stock market and withdraw their holdings in the time of slump. This is absolutely contrary to how the system works abroad as investments take place in the slump period when greater units can be purchased with the same amount of money. Withdrawals' are correspondingly done in boom as maximum return is achieved. This is the right strategy and Mutual Funds companies are trying to create this awareness among customers.

In the end it is concluded and recommended that there is a need for better marketing to increase awareness, focus on building a relationship of trust and commitment with the investors, provide better rate of returns to the investors than offered by other investment options by providing better service to the customers.

### **AIM:**

This project deals with the structure of the Indian Mutual Funds Industry and an in-depth analysis of UTI Mutual Funds. It thus aims to analyse the scope and potential of not only UTI, but also the entire MF market as a whole, and what measures can be taken up to increase the size of the market.

### **RESEARCH OBJECTIVE:**

The MF industry is fast gaining popularity in today's unpredictable financial scenario. It is emerging as one of the most lucrative investment options. **The primary objective of the project is to gain a detailed insight into this industry.**

The document has been designed to serve a two-fold purpose. The first, which is also the main objective of the project, is to reflect our understanding of this industry. The second is to provide the reader similar detailed knowledge.

The objective is also to analyze the position of UTI in the Indian markets and outline the factors which makes UTI the leading player in the MF industry. Also, there has been a focus on the rules, regulations and general obligations which are pertaining to the MF schemes offered.

The prime objective of the research is to determine the perception of the Indian investor in MFs and this is demonstrated in the latter part of the report.

### **SCOPE:**

The study is not restricted to any particular field in the MF market, or UTI MF. The study covers all major areas important to understand the function and importance of MFs, like types, markets, the growth, etc.

### **SOURCE OF INFORMATION**

- This research is majorly based on secondary data, i.e., Journals, periodicals and published reports of the company, websites, magazines and newspapers.
- A personal interview was the general public was conducted to understand their perspective about MFs.

## ***RESEARCH METHODOLOGY:***

### **Comparison of UTI with other players (sector wise).**

Consumer (investor) perception about MFs. This research is exploratory in nature and data will be collected from various primary and secondary sources. The choice of sample scheme is guided by the fact that a reasonable amount of information is available and representing true picture of Indian mutual fund industry.

The methodology adopted for the completion of this project is divided into four stages:

The first stage includes understanding of the Concept, Structure and policy in the Indian MF industry and secondary data for this purpose is collected through various books on MFs, business newspapers, magazines, trade journals, annual & quarterly performance reports of the concerned MFs companies and websites.

The second stage includes the input stage in which various types of information data are to be collected related to various MFs. The data is also to be collected through discussions & interviews with the representatives of the companies.

In The third stage the results will be arranged to arrive at a conclusion. In this context, the perspectives of the Indian customer of the MFs are perceived.

In the last stage, the output is analyzed with the help of various accounting and statistical tools like financial ratios and average.

## ***LIMITATIONS:***

The major constraint faced in the making of the project is time & money. The time is not enough to know in detail about all the factors, measure the performance of all MF cos. and analyze the same.

Most of the data is collected from the companies' official websites, which might be manipulated or exaggerated.

However, despite these limitations, a humble attempt is made to present useful; information and format with an analytical picture of the study with suggestions.