

***A Project Report***

***on***

***“MUTUAL FUNDS”***



**School of Banking, Financial Services and Insurance**

**Batch 2017- 2020**

**Faculty Mentor Submitted By:**

**Prof. Dr. Kapil Shrimal Anurag Chincholikar Batch 2017-2020**

**TO WHOMSOEVER IT MAY CONCERN**

This is to certify that the Summer Project Study Report, Titled “MUTUAL FUNDS**”** submitted by **Mr.Anurag Chincholikar** as partial fulfillment of requirement of the three year BBA (2017-2020) is a bonafide work carried out by the student at our Institute.

This Summer Project Study is his original work and has not been submitted to any other University/Institute.

**. ………………………… ………………………….**

Faculty mentor Director

**Date:**

**Place:**

**DECLARATION**

I, Anurag Chincholikar, student of BBA batch (2017-2020) declare that the project entitled ‘**MUTUAL FUNDS’,** is my own work conducted under the supervision of Dr. Kapil Shrimal as a partial fulfillment of Summer Internship Program for the course of BBA submitted to Dr. Kapil Shrimal and Symbiosis University of Applied Sciences, Indore **Department** : School of Banking, Financial Service and Insurance

I further declare that to the best of my knowledge the project does not contain any part of any work which has been submitted for any other project either in this institute or in any other without proper citation.

**Place : Indore**

**Date:………………………….. Signature of the Candidate**

**ACKNOWLEDGEMENT**

I hereby take the opportunity to express my profound sense of gratitude and reverence to all those who have helped and encouraged me towards the successful completion of the project. It has been a great experience working in **Swastika Investmart Ltd**. It gave me complete insight about how an organization not only services in cutthroat completion but also maintain a killer instinct in the competitive world.

I would like to thank my project guide **Dr. Kapil Shrimal** coordinator summer placement**,** for his immense guidance. A valuable help and provided me with the opportunity to complete the project under his guidance.

I would like to thank **Mr. Anirudh Sharma**, Corporate Trainer at Swastika Investmart Ltd, Indore for letting me the part of the organization for some period and guiding me so well about the organization.

I would also like to **Mrs. Yogeshwari Pathak** (Director) for providing us the opportunity to have this Summer Internship Programme.

**ANURAG CHINCHOLIKAR**

**BBA-BFSI VI (A)**

**EXECUTIVE SUMMARY**

Mutual funds pool money from different investors and invest in different investment sources like stocks, shares, bonds etc. A professional fund manager manages these and returns are paid in form of dividends. Some schemes assured fixed returns that are less in risk and some offer dividends based on the market fluctuations and prices. Mutual funds have to be subscribed in units and the purchase or sale is dependent on NAV (Net Asset Value), taking into consideration the exit and entry load factors into account.  
This project undertaken deals with customer perception with regard to mutual funds that is the schemes they prefer, the plans they are opting, the reasons behind such selections and also this project dealt with different investment options, which people prefer along with and apart from mutual funds. Like postal saving schemes, recurring deposits, bonds, and shares. The findings from this project is that most of the people are hesitant in going for new age investments like mutual funds and prefer to avert risks by investing in less riskier investment options like recurring deposits and so. Also, people going for investment in mutual funds are not going for high-risk portfolios and schemes but want to go for medium risk elements. And another finding is that most of the workingwomen does not prefer this type of investments.

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**CHAPTER 1**

**INTRODUCTION**

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* 1. **About swastika Investmart Pvt.**

Swastika Investmart Pvt. Ltd., a trusted name in the financial services area, provides you with the entire gamut of financial advisory services under one ceiling. It is one of the few organizations providing research and information on Indian capital markets mainly based on Technical Analysis and enjoys a strong reputation amongst investors, brokers and researchers. Our team is highly skilled with experienced analysis. Our efforts are to provide you more & more profit in every trade.

We are here to help you to grow your financial position by Short-Term investing or Trading in Indian Stock Market. Our flexible packages are so suitable to everybody, so you can choose our packages as per your requirement. We provide trade alerts via sms every day and live tips.

**1.2 VISION AND MISSION**

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**VISION**

“To be a prominent destination to enhance the Prosperity of its Clients, Investors, Associates and Employees, always*"*

To provide best value for money to clients through personalized service, innovative products, best trading and investment strategies and state-of-the-art technologies.

Swastika is committed for:

* Integrity and transparency in all transactions,
* Providing investment solutions based on quality and unbiased research,
* Providing personalized services to all investors and business associates,
* Achieving success through client’s growth

**MISSION**

* Institutional Broking – Empanelment with Banks, FIs, & Insurance Companies
* Mutual Fund business
* Merchant Banking Services
* Registrar & Transfer Agents Services
* Equity Placement & Venture Capital Funding
* Dealing in Forex
* Financing & Loans Syndication.

**1.3 OBJECTIVE OF THE STUDY**

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This project “Mutual Funds” was conducted so as to understand the concept of mutual fund. The study was undertaken at Swastika Investmart Pvt ltd (Y.N Road)

* To give a brief idea about the benefits available from mutual fund investment.
* To give an idea of the types of schemes available
* To discuss about the market trends of mutual fund investment
* To study some of the mutual fund schemes
* To study some mutual fund companies and their funds
* Observe the fund management process of mutual fund
* Explore the recent development in the mutual fund in India
* To give an idea about the regulations of mutual funds.

**1.4 SERVICES**

**1. Stock Market**

**2. Commodity**

**3. Currency**

**4. Depository Services**

**5. Merchant Banking**

**6. Portfolio Management**

**7. Mutual Fund**

**8. Capital Market Institute**

**1. STOCK MARKET**

* **Equity**

The recent volatility in the market has created a lot of confusion and apprehension in the investor community. There is a dilemma of what to buy, sell or hold and when to take the action. Money maker gives the perfect solution to stay profitable in the stock market with its market experience, thorough research and analysis, trading solutions and personalized services.

* **Derivatives**

Derivatives enable the investor to earn greater returns (at greater risk) by leveraging your position i.e. by a lower initial investment. Derivatives have the potential to benefit from both rise and fall in the market and can also be used as a risk management tool by the investors. Swastika aspires to make derivatives trading an easy and profitable venture for its investors.

**Offering**

**i. Online Trading**

* Access to NSE and BSE
* Combined view the trading account and balances
* Online cash Management
* Integrated support via NSE NOW, ODIN

**ii. Research**

* Daily Research calls for intraday as well as positional trades via Software, Instant Messaging and SMS
* Segment specific calls (Cash, Futures, Options, Index, Index Options)
* Dedicated Portfolio Management Services for investor specific needs and financial goals

**2. COMMODITY**

Commodity market offers more than 40 commodities across various segments such as bullion, metals, energy, and a number of Agri-commodities on its platform. MCX was the first exchange in India to initiate evening sessions to synchronize with the trading hours of global exchanges in London, New York and other major international markets.

**Offering:**

* Access to MCX and NCDEX
* Competitive Brokerage Schemes
* Personalized service to time entry and exit point
* Research calls for all commodity categories: Base metals, Energy, precious metal and agricultural product

**3. CURRENCY**

The currency market is the largest and most liquid financial market in the world with a turnover of more than $ 5 Trillion on a daily basis. With the introduction of currency derivatives in 2008, the Indian market is poised for growth by increasing its share in the world forex trade.

Swastika extends the opportunity to benefit from this market in India. We offer a simple, convenient and profitable platform to trade and hedge in the Currency derivatives market and diversify your investment portfolio.

**4. DEPOSITORY SERVICES**

Demat services provide solutions to problems faced by investors while dealing with securities. A DP account is necessary for each and every participant in the stock market. It is a safe and fast means to trade and invest in the securities market.

**Offering:**

* Swastika is a Depository Participant with the Central Depository Services Limited (CDSL)
* Competitive pricing for Depository Services
* Support In dematerialization of physical securities
* Technologically advanced and user friendly Demat Back Office Software

**5. MERCHANT BANKING**

Swastika is registered with SEBI as a Category-I Merchant Banker. It is one of the very few listed companies who are involved in Merchant Banking Services and it also has a dedicated team of Merchant Banking Professionals striving hard to provide excellent services and complete satisfaction to their clients.

The ongoing projects include IPO for SMEs in sectors of Agro-tech, Education, Exports and NBFC. They are also currently providing Debt Syndication for companies involved in Sugar, Organic and Chemical Industries. With the experience gained, we are ready to serve all the sectors of the industry.

**6. PORTFOLIO MANAGEMENT**

Money market recognizes the individuals’ needs and manages their investments professionally to achieve specific investment objectives, and not to forget, relieving individuals from the day-to-day hassles which investments require.

Money maker Ltd with more than 1.5 decade of experience & expertise in stock broking and equity research offers professional PMS product to their customers.

**7. MUTUAL FUND**

A Mutual Fund is a body corporate that pools the savings of a number of investors and invests the same in a variety of different financial instruments, or securities.

The investment objectives of a Mutual fund specify the class of securities a Mutual Fund can invest in. Mutual Funds invest in various asset classes like equity, bonds, debentures, commercial paper and government securities.

**8. CAPITAL MARKET INSTITUTE**

Money maker institution of Financial Market & Research is a fully dedicated Institute for Educating and Training Aspirants in the field of Financial Markets. SIFMR is an initiative taken by Money maker Ltd. group member NSE, BSE, MCX, NCDEX, CDSL and central India’s leading Financial Market Company having a quality experience of broking in Financial Markets and having more than 300 share shops serving and advising the Investor community. Swastika has dedicated group of professionals who are active participants and has vast experience in the financial markets.

**CHAPTER 2**

**PROJECT UNDERTAKEN**

**2.1 Objective of the study**

* Learn to basic knowledge of MUTUAL FUNDS.
* To operate the software of the mutual fund.
* Carefully observation of how it works.
* Getting to know about sip and lumpsum investment.

**2.2 Job Area:**

My job was to firstly observe the senior employees of Mutual fund, how they attend the calls of their client, and make them aware of mutual funds and benefits, and with same how well to convince them to invest in mutual funds.

**'Mutual Fund'**

A mutual fund is an investment vehicle made up of a pool of money collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and other assets. Mutual funds are operated by professional money managers, who allocate the fund's investments and attempt to produce capital gains and/ or income for the fund's investors. A mutual fund's portfolio is structured and maintained to match the investment objectives stated in its prospectus

**2.3 INVESTING IN MUTUAL FUNDS**

There are two primary ways of investing in a mutual fund — lump sum and SIP. A lump sum investment is a one-time investment while a SIP (Systematic Investment Plan) is a recurring investment.

A lump sum investment is generally considered when the investor has a big corpus to invest. This could be money received after retirement or from the sale of a house or from an inheritance or it might just be the case that you have accumulated money in your bank account and wish to invest it now. There can be many reasons to consider a lump sum investment, but a SIP is generally recommended. This is more so in the case of investments in an equity mutual fund.

## ****2.4 Benefits of SIP over Lumpsum Investments****

A SIP has the following benefits over a lump sum investment:

### a. No worry of timing the market

The markets have always been volatile. Investors often face confusion regarding the best time to enter the market. If you invest a big amount in a market high and the markets crash after you have invested, you will lose out on a major portion of your investment.   
  
With a SIP, your money is spread over time and only some parts of your entire investment will be at a peak, which will allow you not only limit losses but also invest at a low with the next SIP installments

### b. Rupee cost averaging

A SIP allows you to invest at different levels of the market. When the market is low, the fund manager will be able to buy more units as compared to when the market is at its peak. It will help to reduce the per-unit cost of buying the units. This phenomenon is known as rupee cost averaging. Ultimately, you will end up with higher gains.

### c. Build the habit of investing

When you initiate a SIP, a fixed sum is transferred from your bank account to the mutual fund scheme. It is a disciplined way of investing and inculcates the habit of saving.  
  
The earlier you start, the larger the corpus that you may accumulate.

### d. Ideal for budding investors

If you are someone who has just started a career, then SIP is your thing. You can begin investing and get exposure to equities even with a nominal amount. As your income increases in future, you may step-up your investments.

SIP investments can also earn higher long-term returns as compared to lump sum investments. You can still invest a lump sum amount in a debt fund, but SIPs are the way to go when it comes to investing in equity funds.

**2.5 Top mutual funds investing companies**

* ICICI Prudential Focused Bluechip Equity Fund
* Aditya Birla Sun Life Small & Midcap Fund
* Tata Equity PE Fund
* HDFC Monthly Income Plan – MTP
* L&T Tax Advantage Fund
* SBI Nifty Index Fund
* Kotak Corporate Bond Fund
* Canara Robeco Gilt PGS
* DSP BlackRock Balanced Fund
* Axis Liquid Fund

**2.6 SWOT ANALYSIS OF THE COMPANY**

**STRENGTH**

\* Financial Sector, a thrust area and a rapidly growing industry

\* Tie-up arrangement with the authorized dealers of various products for Leasing and Hire-Purchase.

**WEAKNESS**

\* The Company is engaged in the business of Finance and by its very nature is exposed to credit and investment risks. The Company's profitability may be affected due to default in payments of lease and hire purchase installments by the clients

\* In the absence of stake of any Financial Institution/Bank there shall be no monitoring of the funds raised through this issue and deployment of funds is left entirely to the promoters.

**OPPORTUNITIES**

\* Company intend to capitalize the growing opportunities in leasing and hire purchase

**THREATS**

\* The Company is likely to face competition from new companies in addition to the existing players in the financial sector.

**CHAPTER 3**

**METHODOLOGY**

**3.1 Introduction to Mutual Funds**

A mutual fund offers investors the opportunity to pool their money with other investors in an investment that’s managed by professional investment managers. Mutual funds invest in stocks, bonds or other securities according to each fund’s objective.

### 3.2 Understanding the Risks of Investing in Mutual Funds

Stocks, bonds, and mutual funds all involve some level of market risk, which is the possibility of fluctuation in value or even the loss of principal (the amount you originally invested).

For example, you could invest $1,000 for 10 years and end up with $950. Although receiving a negative return like this over a 10-year period is extremely rare, it is possible. It is more reasonable to expect an average of return of somewhere between 7 and 10 percent for stock investments, including stock mutual funds, for periods of 10 years or more. However, there are short periods, such as 1 year, where your stock mutual fund can decline in value by as much as 30 to 40 percent. Similarly, you could have gains of more than 50% in one year.

So, whether you're investing in individual stocks or a stock mutual fund, you need to have some reasonable expectations about how the stock market behaves. And more importantly, how you will react in the brief but inevitable extremes? Will you sell your mutual funds if they lose 10% in 3 months? Before you begin investing, it's best to get an idea of your risk tolerance.

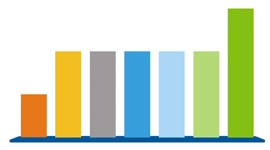
**3.3 ADVANTAGES: -**



1. **Professional Management** — A mutual fund offers investors access to full-time, professional money managers who have the expertise, experience and resources to actively buy, sell, and monitor investments.



2. **Diversification** — Buying shares in a mutual fund is an easy way to diversify your investments across many securities, which is just another way of saying that you won't have all your eggs in one basket. If one investment decreases in value, another investment in the portfolio may increase.



3. **Affordability** — For many people, it would be more costly to purchase directly all of the individual securities held by a single mutual fund. By contrast, the minimum initial investments for most mutual funds are more affordable.



4. **Liquidity** — Most mutual funds allow you to sell your fund shares on any day the stock markets are open, so you have easy access to your money. Of course, the value of your shares, when redeemed, may be worth more or less than their original cost.

**3.4 HOW DOES SIP WORKS: -**

**How to invest in SIP**

Investing in SIP is easy if done in a proper manner. The procedure of investing in SIP is as follows-

* Get your KYC (know Your Customer) Registration done with any of the KRAs or through online distributors
* Open your account to invest in Mutual Funds
* Select a best Mutual fund you wish to invest
* Choose a convenient date and the amount you need to invest
* Opt for a biller so that the SIP amount gets deducted automatically every month

**How to cancel your SIP?**

Just as the process to invest is easy, the cancellation is easy as well. Investors can cancel their SIP at any time they want. To cancel the SIP, you have to fill a SIP cancellation form. The details to be filled in a SIP form include-

* Folio Number
* Scheme Name
* Applicants Name
* Pan Number
* MF Plan & Option (Growth, Dividend, Bonus)
* SIP Amount
* SIP Period: Start Date and End Date
* Bank details of ECS deducted

SIP cancellation is done within 30 days approximately after submitting the cancellation form.

**CHAPTER 4**

**WEEKLY OVERVIEW**

**Week 1**

First three days was classroom training in which we were given a couple of sheets and everything was discussed point to point. The official training of interns was done by Mr. Aniruddh Sharma as he is the Corporate trainer at Indore Office.

An ice breaking session was held on the **first day** that dealt with how the company came into existence and its goals.

On the **second day** we were taught about AIDA Model which is basically means – Attention, interest, desire and action. It is a model used in marketing that describes the steps a customer goes through in the process of purchasing a product.

On the **third day** an informative session took place in which we were taught about the Mutual Funds from very basic start.

On **fourth** and **fifth day** we get to know about the IPO (Initial Public Offering) and how to fill the Application form of a certain company’s IPO.

**Week 2**

In this week, I started attending the calls of prospective customers to clear their doubts and mistakes. At the end of each day I submitted names and client ids of the total number of people contacted, their status and office visits (if any).

I also sent brochures and other details of some other programs that were going to happen in coming days on WhatsApp so that the person can get to know about some new paid workshops. Follow up calls were also done to these people and all their questions were also answered.

In this time, I learned how to deal with customers and also faced a lot of rejections and learnt to be patient. I tried to bring as many people I can in the office because it’s the best way to gain their trust in a face to face meeting rather than on a call. Also, I noticed that people take you more seriously when you ask them to visit the office.

**Week 3**

In this week, I have contacted every management colleges in Indore to fix a meeting with them and pitch them about a Financial Market’s Workshop for their students that was going to held in a few weeks. At the end of every day I’ve to update the list of colleges after following up with them and report with the mentor.

I did my first sale in this week. I sold the course to Maharaja Ranjit Singh College of Professional Sciences, Indore. I got cheque of Rs 30,000.

That was the first cheque I deposited in the bank on my own. I made the most sales from 3 other interns who joined with me.

Until this time, most of the people I know who might be interested in the course were contacted so I started calling friends of friends and pitching them. This was a whole new experience as I took names of my friends but didn’t actually know the people I was calling.

At the end of the week, the CFO of the company, Mr. Abhishek Raghunathan who is working actively in Indore head office came to our office to oversee the activities. He motivated us and also, we discussed some of the problems we faced in the office and tried to bring up the solutions of the same.

I was also given responsibility of doing a welcome call to a list of students who joined the program. In this call, I had to tell them a couple of rules and also answers their queries if they had any.

**Week 4**

In this week, I was given to visit every colleges where we fixed a meeting and explain them about the workshop in a detailed way and ask them to join as many students they can in the workshop.

I also did my second sale in this week, I sold the Financial Market’s workshop to students of Christian Eminent College, Indore and started their workshop as soon as possible.

I was trained on how to use the software and the sales tracker. I was also in touch with people from Pune, Chandigarh and Rajasthan.

**Week 5-6**

In these weeks I’ve given a responsibility to inspect every Authorised Person (AP) means any person – Individual, partnership firm – who is appointed by our company and who is provided access to trading platform of a stock exchange as an agent of our company.

In the inspection process I’ve to visit every AP’s office with one of our head and fill the digital inspection form in an app. Also, I’ve to submit of pictures of their offices as a proof of their performance.

**CHAPTER 5**

**SUGGESTIONS & CONCLUSIONS**

**5.1 SUGGESTION:**

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* Company should focus more on mutual fund department.
* Company should tell the client about the quarterly service in the starting.
* Company should recruit more staff for mutual fund department.
* Mutual fund department must be expanded equally with other departments.

**5.2 CONCLUSION**

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While doing my summer internship program I came to a conclusion that this training has helped me much in getting the thorough knowledge about some of the stock broking companies and mutual fund investing companies how these companies are competing against each other for getting the more market share, how they are applying different marketing strategies to attract customers and making them satisfied.

Company gave knowledge about the mutual funds and IPO and its benefits; how does it provide services the customers of which I was totally ignorant when I started my project. I gathered much more knowledge about how does a broking company works and what all things are done. Its services, its strategies, and how every employee of it work hard to achieve the organizational goal I.e. achieve maximum knowledge about my department.

One thing that I noticed during my field work that many people of Indore not much more aware about the mutual fund’s benefits and types of mutual funds to invest and various services of Swastika which had to be there. They are ignorant about customer with lack of knowledge and information about it scared them of investing money in mutual funds. So, to generate awareness among them advertising campaign can result in fruitful results. Only a limited percentage of people are enjoying investing money in mutual funds in Indore.

The company should organize the seminars and similar activities to enhance the knowledge of prospective and exiting customers, so that they can feel more comfortable while investing in stock market and mutual funds trusting swastika as a trustable broking company

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