



# A Study of Financial system and mutual fund at Indoworth India Ltd., Butibori, Nagpur

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## Abstract:

*Mutual Funds have become a widely popular and effective way for investors to participate in financial markets in an easy, low-cost fashion, while muting risk characteristics by spreading the investment across different types of securities, also known as diversification. It can play a central role in an individual's investment strategy. They offer the potential for capital growth and income through investment performance, dividends and distributions under the guidance of a portfolio manager who makes investment decisions on behalf of mutual fund unit holders. Over the past decade, mutual funds have increasingly become the investor's vehicle of choice for long-term investment. It becomes pertinent to study the performance of the mutual fund. The relation between risk-return determines the performance of a mutual fund scheme. As risk is commensurate with return, therefore, providing maximum return on the investment made within the acceptable associated risk level helps in segregating the better performers from the laggards. Many asset management companies are working in India, so it is necessary to study the performance of its which may be useful for the investors to select the right mutual fund.*

## keywords

*laggards, diversification, characteristics, commensurate ,potential*

## Introduction

Mutual Funds have become a widely popular and effective way for investors to participate in financial markets in an easy, low-cost fashion, while muting risk characteristics by spreading the investment across different types of securities, also known as diversification. It can play a central role in an individual's investment strategy. They offer the potential for capital growth and income through

investment performance, dividends and distributions under the guidance of a portfolio manager who makes investment decisions on behalf of mutual fund unit holders. Over the past decade, mutual funds have increasingly become the investor's vehicle of choice for long-term investment. It becomes pertinent to study the performance of the mutual fund. The relation between risk-return determines the performance of a mutual fund scheme. As risk is commensurate with return, therefore, providing maximum return on the investment made within the acceptable associated risk level helps in segregating the better performers from the laggards. Many asset management companies are working in India, so it is necessary to study the performance of its which may be useful for the investors to select the right mutual fund.

A mutual fund is a common pool of money into which investors with common investment objectives place their contributions that are to be invested, in accordance with the stated objective of the scheme. The investment manager invests the money collected into assets that are defined 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, and Gilts etc. The most important variable that decides whether you will meet your target or not is the nature of the actual investments. The first step in getting this right is to decide what kind of asset class you need to invest in. Asset class refers to debt or equity. This is the primary decision you will have to make.

## Company Profile

INDOWORTH India Limited is the Indian wing of multinational Lohiya group. This is the first venture of the group in India in natural fibers.

## Vision of the company

- We will be world's most respected & admired export services.



- We will achieve our targets towards productivity and market by demonstrating the highest level of the integrity, delivering consistently superior performance & creating value for our employees and customer.

## Mission of the company

- To be respected, nationwide full service with a force on growth Segment of the economy.
- To build strong relationship with our employers and our employees and customers.
- To be service of community in which we work and live in.

## Objectives of the study

1. To find the awareness among the investor about the Mutual Fund.
2. To find out the market position of different Mutual Funds.
3. To study the scope of Mutual Funds Industry in future.
4. To study the beneficiary aspect of Mutual Fund.

## Hypothesis

**H<sub>01</sub>**: There is no significant difference in find awareness among the investo about the Mutual Fund.

**H<sub>02</sub>**: There is no significant difference in find out the market position of different Mutual Funds.

**H<sub>03</sub>**: There is no significant difference in study the scope of Mutual Funds industry in the future.

**H<sub>04</sub>**: There is no significant difference in the beneficiary aspect of Mutual Fund.

## Scope of the study

Scope of Mutual Funds is grown enormously over the year. In the first age of Mutual Fund, when the investment management companies started to offer Mutual Funds, choices were few. Even though people invested their money as these funds offered

then diversified investment option for the first time. By investing in these Mutual Funds they were able to diversify their investment in common mutual, preferred Mutual's, bonds and other financial securities. At the same time they also enjoyed the advantage of liquidity. With Mutual Funds, they got the scope of easy access to their invested funds on requirement.

But, in today's world, Scope of Mutual Funds has become so wide, that people sometimes take long time to decided the mutual fund type, they are going to invest in several investment management companies have emerged over the years, who offer various types of Mutual Funds. Each type carrying unique characteristic benefited features.

## Limitations

1. It is difficult to make the study of a topic within limited time duration.
2. The study is limited to selected Mutual Fund schemes.
3. It is not possible to reveal some of the financial data owing to the policies and procedures laid down by Indoworth India Ltd.

## Research Methodology

Research methodology comprises the procedures used for generating, collecting and evaluating data.

## Research Design

Types of Research : Descriptive Research  
Sample Size : 150  
Sampling : Multistage  
Data collection : Questionnaire, Personal Interview  
Type of Questionnaire : Close end, open end  
Statistical Instrument : Tables and Graphs, t-test

## Data collection

### 1) Primary data

Primary data has been collected by the method of Personal Interview by using questionnaire, observations and examining documents and records.



## 2) Secondary data

Secondary data will be collected from company records, journals, books, diary, newspaper, internet article annual reports, etc. Secondary data also collected by magazines, websites, etc..

## Scope for future Research

A big boom has been witnessed in mutual fund industry in recent times. A larger number of new players have entered in the market and trying to gain market share in his rapidly improving market. The research was carried on in Indoworth India limited. The study will know the preference of the customers, which company, portfolio, mode of investment, and option for getting and so on they prefer. This project may help the company to make further planning and strategy.

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