



A study of pre – post performance of selected Bluechip fund in India

Author : Patel Krenish Dineshbhai

Designation : M.com Research Scholar

Institute Name : Parul Institute of commerce

Author : Dr. Ajay Trivedi

Designation : Professor & Dean

Institute Name : Parul Institute of commerce

Author : Dr. Ashwin Patel

Designation : Assistant Professor

Institute Name : Parul Institute of commerce

Abstract

Mutual fund intuitions play vital role in economic development of country. A well established mutual fund market is the key factor for economic growth in many developed countries. India opens the market for different investment to provide variety of financial products. Systematic investment planning Was introduced in the Indian financial system with view to provide comparatively safer investment at the doorstep of the common investors. Most of people wants to invest in mutual funds. But there is large variety of schemes available in the market. At this situation investor prefers mostly Bluechip fund as it is less risker than other funds. So in this manuscript main focus is on the analysis of performance of Bluechip fund so it will help to investors to take decision about which scheme supposed to choose. So for the study purpose 4 Bluechip funds has been selected. For investor there is no need to pay attention towards the past performance of the mutual fund performance. So for the purpose the secondary data has been considered for the performance analysis and it was achieved by using various tools and technique.

Key Words

Blue chip fund, Performance, Evaluation, Return.

Introduction

Blue-chip fund aims to provide investors with chance for long-term growth in capital through an active management of investments in a diversified basket of equity stocks of companies whose market capitalization is at least equal to or more than the least market capitalized stock of S&P BSE 100 Index. The fund is suitable

for investors who want exposure to blue-chip Indian companies from a medium to long-term view point. A Mutual fund is a pool of money that is managed on behalf of the investors, by a Professional fund manager. The manager uses the money to buy stocks, bonds, and other securities according to specific investment scope that has been established for the fund. A mutual fund is the best investment option for a common investor as it offers scope to invest in a different, professionally managed portfolio at a approximately lower cost. Mutual Funds in India are governed by the SEBI (Mutual Fund) Regulations 1996 as amended from time to time. Mutual funds play a crucial role in reducing risk and transaction cost while investing in the stock markets. They offer a more well-organized route of investing. In the process of encouraging more investments, they help in realizing true prices of securities. This, in turn, helps to attract investments through the initial public offer route and activate the savings of Indian households. According to the SEBI mandate, large-cap funds invest at least 80% of the corpus in shares of the top 100 companies by market capitalization. It is a similar definition for Blue Chip funds which invest in the top 100 Companies. In my research I choose two private sector bank Kotak Mahindra bank and ICICI bank. And two public sector bank State bank of India and Bank of Baroda.

Review of Literature

- **Dr. Nalla Bala Kalyan & Dr. P. Subramanyam (2017)** in the research paper A mutual fund comprising investments in blue-chip stocks, these funds are measured low risk since the underlying securities are from well established, stable companies with a history of paying dividends and maintaining value despite fluctuations in the adjoining market. Blue chip funds may be chosen as part of a conservative investment strategy. The most important objective of all mutual funds is to provide better returns to investors by minimizing risk associated with the capital market investment. State Bank of India Mutual Fund (SBI MF) is one of the largest mutual funds in the country with an investor base of over 5.4 million. With over 20 years of rich experience in fund management, State Bank of India Mutual Fund brings forward its expertise in consistently delivering value to its investors. The target of this paper is to evaluate the performance of State Bank of India blue chip fund comparing with a benchmark for the period of 2014-2016.
- **BANDARU JEEVAN SUSHEEL(2020)** in this research paper Mutual Funds is a instrument in which a group of investors pool their savings and invest for the purpose of achieving their common financial objective. The importance of mutual funds have increased rapidly in the financial world. There are certain regulations that are laid down by the “Investment Company Act, 1940”, which the mutual fund companies must follow to decide how the funds raised are to be invested. The main aim of this paper is to select the most preferable fund among 4 large-cap bluechip funds by analysis, which is done by using various financial tests like Average return, Standard deviation, Sharpe Ratio, Treynor Ratio and Jensen Value.
- **Kantesha Sanningammanavara, Girish K & Manjunath S(2016)** in this research paper the authors bring out a detailed evaluation of selected large and small and mid- cap mutual funds in India for period of four years starting from 2011 to 2014. The purpose of this study is to know which the best fund in terms of risk is and return thereby the investors can make investment on those funds. The appraisal of the performance the selected mutual funds, we have used the well know models of Sharpe, Treynor and

Jensen. The results disclose that the returns of small and mid-cap funds are better than the large cap funds and the higher total risk was found for the large cap funds. The results also disclose that the SBI and ICICI large cap and small and mid-cap funds performed well compared to other funds.

Research Methodology

Objective of study

1. To study the various Blue-chip fund in India.
2. To analysis the risk and return involved in blue-chip fund.
3. To evaluate the performance of selected blue-chip fund.
4. To study the impact of pre – post performance of blue-chip fund

Research Design

The Comparative study of Blue-chip fund before and after COVID of the selected Indian banks. And is totally based on the Secondary Data of the Financial Statements of the banks. That's why Descriptive Research Design is used for the current research study.

Limitation of study

1. This study is mostly based on secondary data derived from the annual reports of industry. The dependability and the finding are contingent upon the data published in annual report.
2. There are many method for evaluation of Financial Performance. There are no common views among skillful.
3. The study is limited to three years before covid and after covid.
4. Accounting ratios have its own limitation, which also applied in the study.

Period of study

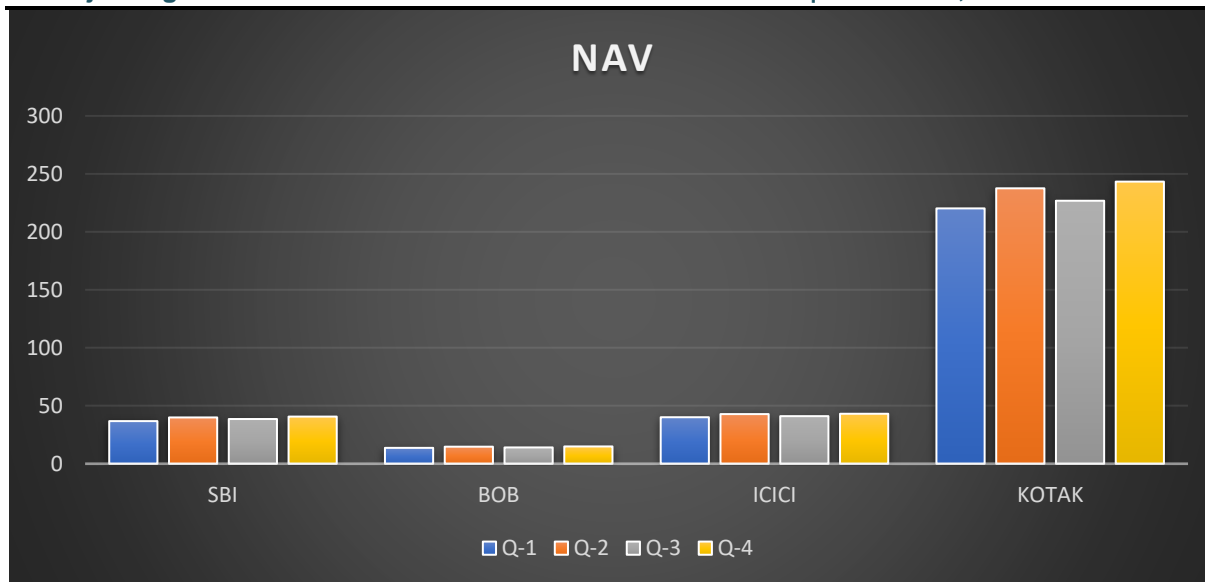
The present research study has covered the data of last three years. The study period is three years, starting from calendar year 2019 to 2021.

Data Collection

The study is based on secondary data. The essential data for the study have been collected from the annual reports, Journals, Research Paper, Articles, Books and Websites like www.moeycontrol.com, amfiindia.com and selected banks.

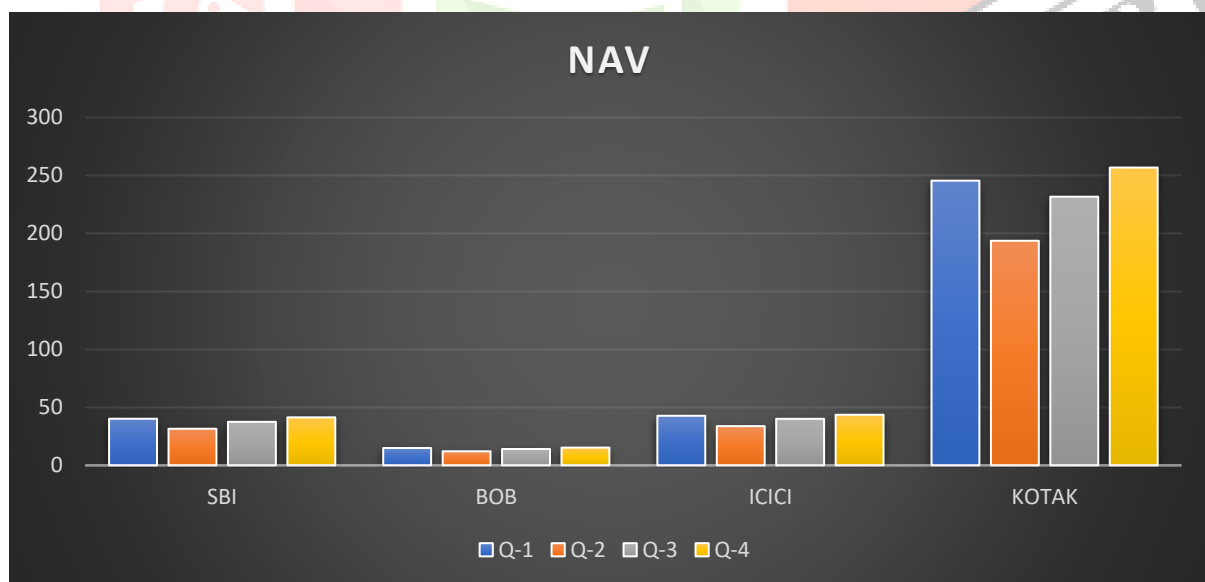
Data Analysis and Interpretation

Year	Quarter	SBI	BOB	ICICI	KOTAK
2019	Q-1	36.78	13.71	40.13	220.23
	Q-2	39.95	14.73	42.83	237.54
	Q-3	38.58	14.08	41.06	226.83
	Q-4	40.69	14.94	43.12	243.33



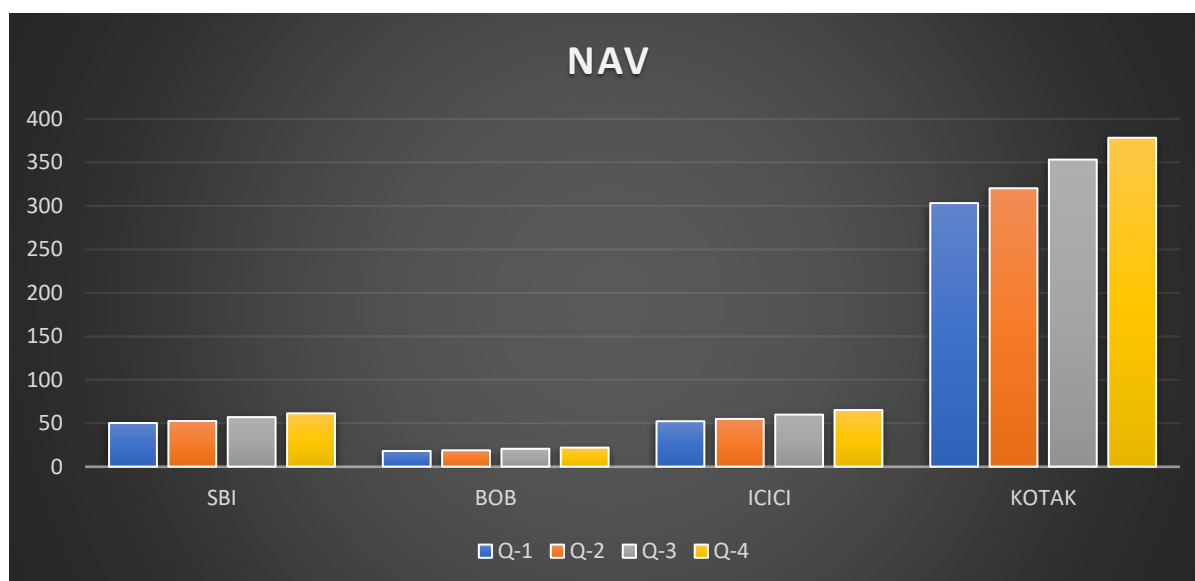
In above chart Q-1 highest NAV of Kotak Mahindra Bank 220.23 and lowest NAV is Bank of Baroda 13.71. In above chart Q-2 highest NAV is Kotak Mahindra Bank 237.54 and lowest NAV is Bank of Baroda 14.73. Q-3 highest NAV is Kotak Mahindra Bank 226.83 and lowest NAV is Bank of Baroda 14.08. Q-4 highest NAV is Kotak Mahindra Bank 243.33 and lowest NAV is Bank of Baroda is 14.94.

Year	Quarter	SBI	BOB	ICICI	KOTAK
2020	Q-1	40.22	14.96	42.78	245.55
	Q-2	31.59	12.15	33.85	193.71
	Q-3	37.57	14.11	40.15	231.72
	Q-4	41.42	15.35	43.66	256.85



In above chart Q-1 highest NAV of Kotak Mahindra Bank 245.55 and lowest NAV is Bank of Baroda 14.96. In above chart Q-2 highest NAV is Kotak Mahindra Bank 193.71 and lowest NAV is Bank of Baroda 12.15. Q-3 highest NAV is Kotak Mahindra Bank 231.72 and lowest NAV is Bank of Baroda 14.11. Q-4 highest NAV is Kotak Mahindra Bank 256.85 and lowest NAV is Bank of Baroda is 15.35.

Year	Quarter	SBI	BOB	ICICI	KOTAK
2021	Q-1	50.32	18.20	52.39	303.22
	Q-2	52.60	18.97	55.02	320.27
	Q-3	57.12	20.75	60.02	353.26
	Q-4	61.47	22.07	65.25	378.35



In above chart Q-1 highest NAV of Kotak Mahindra Bank 303.22 and lowest NAV is Bank of Baroda 18.20. In above chart Q-2 highest NAV is Kotak Mahindra Bank 320.27 and lowest NAV is Bank of Baroda 18.97. Q-3 highest NAV is Kotak Mahindra Bank 353.26 and lowest NAV is Bank of Baroda 20.75. Q-4 highest NAV is Kotak Mahindra Bank 378.35 and lowest NAV is Bank of Baroda is 22.07.

Descriptive Statistics:

SUMMARY				
Groups	Count	Sum	Average	Variance
SBI	12	528.3208	44.02674	83.3379
BOB	12	194.0333	16.16944	9.478586
ICICI	12	560.2667	46.68889	87.13729
Kotak	12	3210.865	267.5721	3308.475

Results of ANOVA

Source of Variation	SS	Df	MS	F	P-value	F crit
Between Groups	491039.4	3	163679.8	187.6831	0.0245	2.816466
Within Groups	38372.72	44	872.1072			
Total	529412.1	47				

Finding

I find that in 2019 Q-1 Kotak Bank is have highest NAV and Bank of Baroda have lowest NAV. In Q-2 Kotak Mahindra Bank have highest NAV and Bank of Baroda have lowest NAV. In Q-3 Kotak Mahindra Bank have highest NAV and Bank of Baroda lowest NAV. In Q-4 Kotak Mahindra Bank have highest NAV and Bank of Baroda lowest NAV.

I find that in 2020 Q-1 Kotak Bank is have highest NAV and Bank of Baroda have lowest NAV. In Q-2 Kotak Mahindra Bank have highest NAV and Bank of Baroda have lowest NAV. In Q-3 Kotak Mahindra Bank have highest NAV and Bank of Baroda lowest NAV. In Q-4 Kotak Mahindra Bank have highest NAV and Bank of Baroda lowest NAV.

I find that in 2021 Q-1 Kotak Bank is have highest NAV and Bank of Baroda have lowest NAV. In Q-2 Kotak Mahindra Bank have highest NAV and Bank of Baroda have lowest NAV. In Q-3 Kotak Mahindra Bank have highest NAV and Bank of Baroda lowest NAV. In Q-4 Kotak Mahindra Bank have highest NAV and Bank of Baroda lowest NAV.

Conclusion

This study investigated the performance of selected 4 open-ended, Bluechip fund scheme for three years starting from January 2019 to December 2020. Quarterly opening and closing NAV of different scheme have been used to calculate the returns from the fund schemes. The past performance of selected mutual fund schemes were studied to check the performance on the basis of quarterly basis average of NAV and increase and decrease of percentage of NAV. And whose result will be insight full for current and future prospective investors for taking wise investment and decisions. It has been seen that as below

I conclude that in 2019 Kotak Mahindra Bank blue-chip fund is give good return to the investor in all quarter comparison with other bank so it is stand first. Bank of Baroda blue-chip fund give lowest return to the investor so it is stand forth.

I conclude that in 2020 Kotak Mahindra Bank blue-chip fund is give good return to the investor in all quarter comparison with other bank so it is stand first. Bank of Baroda blue-chip fund give lowest return to the investor so it is stand forth.

I conclude that in 2021 Kotak Mahindra Bank blue-chip fund is give good return to the investor in all quarter comparison with other bank so it is stand first. Bank of Baroda blue-chip fund give lowest return to the investor so it is stand forth.

References

<https://www.amfiindia.com/net-asset-value>

<https://cleartax.in/s/blue-chip-funds>

<https://cleartax.in/s/advantages-disadvantages-mutual-funds>

<https://www.bankbazaar.com/mutual-fund/types-of-mutual-funds.html>

Subramanyam, D. N. (2017). A Study on performance of SBI Bluechip Fund At SBI mutual funds in India. *IJARIIIT*, 3(6), 44-53.

SUSHEEL, B. J. (2020). A Comparative Study on large cap bluechip Mutual fund. *jetir*, 611-619.

