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**Research Paper**

**A Study on Performance of mutual funds with respect to SBI**

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**Abstract**

Mutual funds have emerged as one of the most popular investment avenues for retail and institutional investors in India, offering diversification, professional management, and relatively lower risk compared to direct equity investment. Among the leading mutual fund providers, the State Bank of India (SBI) Mutual Fund has established a strong presence, offering a wide range of equity, debt, and hybrid schemes catering to different investor profiles. This study focuses on analyzing the performance of SBI mutual funds with respect to risk, return, Net Asset Value (NAV) fluctuations, and consistency in delivering returns over a specified period. The evaluation is carried out using key financial indicators such as Sharpe Ratio, Treynor Ratio, Jensen's Alpha, and Standard Deviation, which help assess both the risk-adjusted returns and fund efficiency. The findings highlight how SBI mutual funds perform in comparison to benchmark indices and investor expectations, providing insights into the fund manager's competency and the schemes' ability to meet long-term wealth creation goals. This research contributes to investor awareness by identifying the strengths and weaknesses of SBI mutual fund schemes, enabling individuals to make informed decisions regarding their portfolio allocation.

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## **INTRODUCTION**

The first introduction of a mutual fund in India occurred in 1963, when the Government of India launched Unit Trust of India (UTI). Until 1987, UTI enjoyed a monopoly in the Indian mutual fund market. Then a host of other government-controlled Indian financial companies came up with their own funds. These included State Bank of India, Canara Bank, and Punjab National Bank. This market was made open to private players in 1993, as a result of the historic constitutional amendments brought forward by the then Congress-led government under the existing regime of Liberalization, Privatization and Globalization (LPG). The first private sector fund to operate in India was Kothari Pioneer, which later merged with Franklin Templeton.

## **CONCEPT OF MUTUAL FUND**

A mutual fund is a common pool of money into which investors place their contributions that are to be invested in accordance with a stated objective. The ownership of the fund is thus joint or “mutual”; the fund belongs to all investors. A single investor’s ownership of the fund is in the same proportion as the amount of the contribution made by him or her bears to the total amount of the fund.

Mutual Funds are trusts, which accept savings from investors and invest the same in diversified financial instruments in terms of objectives set out in the trusts deed with the view to reduce the risk and maximize the income and capital appreciation for distribution for the members. A Mutual Fund is a corporation and the fund manager’s

interest is to professionally manage the funds provided by the investors and provide a return on them after deducting reasonable management fees.

### **Definition:**

A mutual fund is an investment that pools your money with the money of an unlimited number of other investors. In return, you and the other investors each own shares of the fund. The fund’s assets are invested according to an investment objective into the fund’s portfolio of investments. Aggressive growth funds seek long-term capital growth by investing primarily in stocks of fast-growing smaller companies or market segments. Aggressive growth funds are also called capital appreciation funds

### **Research Problem:**

Although mutual funds have become a preferred investment option in India, investors still face challenges in selecting the right schemes due to fluctuating market conditions, varying risk-return profiles, and differences in fund management strategies. While SBI Mutual Fund is one of the largest and most trusted fund houses, there is limited clarity on how effectively its schemes perform compared to benchmarks and whether they deliver consistent risk-adjusted returns. The problem lies in understanding whether SBI mutual funds truly maximize investor wealth, balance risk and return efficiently, and align with the diverse financial goals of investors. Therefore, the study seeks to critically evaluate the performance of SBI mutual funds using established performance indicators, thereby addressing the gap in investor knowledge and decision-making.

### **Research Methodology:**

This Report is based on primary as well as secondary data, however primary data collection was given more important since it is overbearing factor in attitude studies. One of the most important users of Research Methodology is that it helps in identifying the problem, collecting, analysing the required information or data and providing an alternative

solution to the problem. It also helps in collecting the vital information that is required by the Top Management to assist them for the better decision making both day to day decisions and critical ones.

**Research Design:** Descriptive Design  
**Data Collection Method:** Survey Method  
**Universe:** Nagpur

**Sampling Method:** The sample was collected through personal visits, formally and informal talks and through filling up the Questionnaire prepared. The data has been analyzed by using mathematical or statistical tools.

**Sample Size:** 100 respondents

**Sampling Unit:** Businessmen, students ,  
 Organization Empolyees

**Data Source:** Primary data Secondary data

**Data Collection Instrument:**  
 Structured Questionnaire

**Sample Design:** Data has been presented with the help of Bar Graph, Pie Chart, and Line Graph etc.

## **II.LITERATURE REVIEW**

1. "A Study on Performance Analysis of Selected Mutual Fund Schemes in India"  
 Authors Name: Dr. P. Venkatesh, Dr. V.

Selvakumar, Dr. D. Shanthi Revathi, Dr. K. Maran

Year: 2020

Conclusion: The present study analyzed the performance of the 10 open-ended growth oriented equity schemes during the period 2015 to 2019. The average returns of all the funds are positive during the study period. The performance of the funds is evaluated using Sharpe, Treynor and Jensen measure. The results from this measure will be useful to the investors for taking investment decisions. The values of beta of all the schemes except one used in the analysis is less than one indicating that the funds are less volatile than the market. The negative value of Sharpe index of all the schemes indicate that the returns generated are lower than the benchmark. The negative Treynor index and Jensen alpha shows the underperformance of the funds. HDFC Equity Fund and SBI Mutual Fund schemes are suitable for investors who are aiming for high returns but the risk associated with the fund is greater. HDFC Mid-Cap Opportunities Fund and Kotak Mutual Fund schemes is recommended when the investors are expecting moderate returns with moderate risk. The ASBL Mutual Fund is mostly not recommended as it

produces low return with higher level of risk. The Nippon Mutual Fund can be suitable for investors expecting consistent return as the beta value shows the low volatility of the fund compared to the market.

2. “Performance analysis of mutual fund: a comparative study of the selected debt mutual fund scheme in India”

Author Name: Komal B. Sharma

Year: 2020

Conclusion: From the foregoing performance analysis of the selected five Debt funds, it's clear that three funds have performed well and two funds had not performed well during the study period. The sharp fall in the NIFTY during the year 2019 has impacted the performance of all the selected funds. In the ultimate analysis, it may be concluded that all the funds have performed well in the high volatile market movement expect Axis Corporate Debt fund & HSBC Debt Fund. Therefore, investors need to consider statistical parameters like alpha, beta, standard deviation while investing in mutual funds apart from considering NAV and TOTAL RETURN to ensure consistent performance of mutual funds.

3. Report on Mutual Funds by Sampath Kumar & Nawazish Mishra

• Indian mutual fund market has now grown into a great material market with a lot of qualitative inputs and emphasis on investor protection and disclosure norms. • The study found that 90% of the schemes performed better than their benchmark. It indicates that at the time of research, the funds performed in a better way, hence the investors who are interested in consistent returns may choose investment in these schemes. Carhart Mark 1997 on persistence in mutual fund performance/ On determination of the fund performance need to identify risk and measure fund returns. The paper demonstrates how to identify schemes and division of the portfolio.

4. Binod Kumar Singh (2012)<sup>1</sup> has observed various factors influences us the investor's attitude towards mutual funds. Agapova (2011)<sup>2</sup> has examined the cross-sectional differences among money market mutual funds (MMMFs) in the context of sponsoring fund families and found that flows to family non-MMMFs Raju and Rao (2011)<sup>3</sup> evaluated the performance of selected mutual fund schemes in India during January 2008 to December 2010 by

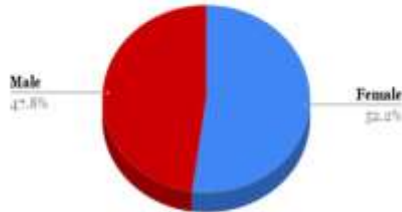
using various performance measurements James

P.M. (2009)<sup>4</sup> in his thesis made an attempt to examine the financial performance of 29 Asset Management Companies (AMC) in India and evaluated the performance of 581 schemes floated by them. Sujatha,(2007)<sup>5</sup> in her article discussed the SEBI guidelines for Real Estate Mutual Funds (REMFs) with regard to investment criteria, regulatory safeguards and structure of the REMFs. Shukla, (2006)<sup>6</sup> in his study observed that Indian MFs industry is dominated by institutional investors who hold about 65% of the Indian mutual fund assets, whereas retail investors account for only

5. Muthappan and Danodharan (2006)<sup>7</sup> have made an attempt to evaluate the performance of selected Mutual Fund schemes in India during the period 1995 to 2000. They applied various performance measures such as Sharpe ratio, Treynor ratio, Jensen measure, Sharpe differential return and Fama's components of performance to examine the risk and return of selected mutual funds.

### III. DATA ANALYSIS AND INTERPRETATION

Sr. No	Frequency	Percentage
Male	47.8	47.8 %
Female	52.2	52.2 %
Total	100	100%

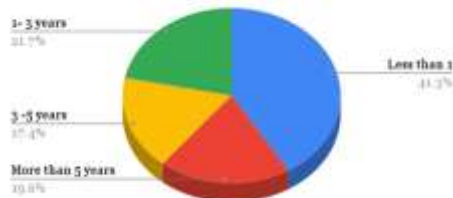


**Interpretation:** This indicates that in the given population or dataset, females percentage (52.2%) males (47.8%). The total of the two percentages is 100%, representing the entire population or dataset.

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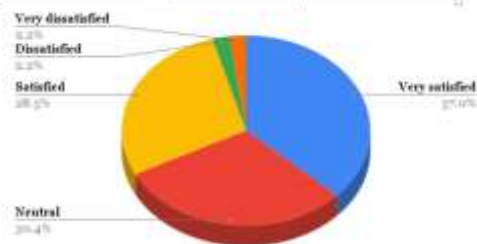
Sr. No	Frequency	Percentage
Less than 1	41.3	41.3 %
1- 3 years	21.7	21.7%
3 -5 years	17.4	17.4%
More than 5 years	19.6	19.6%
Total	100	100%



**Interpretation:**

The data shows that a significant portion (41.3%) of the respondents have been investing in mutual funds for less than 1 year, indicating a high proportion of new or recent investors. Around 21.7% have been invested for 1-3 years, while 17.4% have invested for 3-5 years. Interestingly, 19.6% have been long-term investors, with more than 5 years of experience in mutual funds.

Sr. No	Frequency	Percentage
Very satisfied	37.0	37.0%
Satisfied	28.3	28.3%
Neutral	30.4	30.4%
Dissatisfied	2.2	2.2%
Very dissatisfied	2.2	2.2%
Total	100	100%



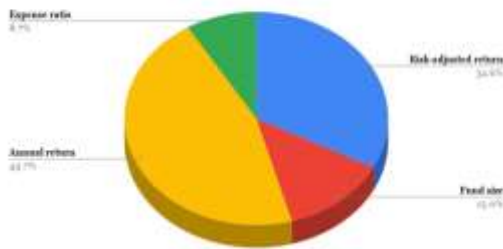
**INTERPRETATION:**

The data shows an overall positive sentiment towards SBI mutual funds' performance. A combined 65.3% of respondents expressed satisfaction, with 37% being very satisfied and 28.3% satisfied. However, a higher percentage (30.4%) remained neutral about SBI's performance compared to Nippon. The dissatisfaction levels were relatively low, with only 4.4% expressing

dissatisfaction (2.2% dissatisfied and 2.2% very dissatisfied).

Annual return  
Risk-adjusted return (Sharpe ratio, Sorting ratio, etc.)  
Expense ratio  
Fund size  
Peer comparison

Sr. No	Frequency	Percentage
Annual return	45.7	45.7%
Risk-adjusted return	32.6	32.6%
Expense ratio	8.7	8.7%
Fund size	13	13%
Peer comparison	0	0%
<b>Total</b>	<b>100</b>	<b>100%</b>



**INTERPRETATION:**

Annual return emerged as the top metric, with 45.7% of respondents citing it as their primary evaluation criteria. This suggests a focus on the absolute returns generated by the funds over a year. Risk-adjusted return, which accounts for the risk taken to achieve those returns, was the second most popular metric at 32.6%, indicating an Emphasis on risk management and efficient returns. Fund size (13%) and expense ratio (8.7%) were relatively less prioritized compared to returns and risk metrics. Peer comparison did not feature as a primary metric for any of the respondents in this data set.

**IV.FINDINGS**

1. The equity schemes provide return for taking a risk and the debt schemes provide risk free return.
2. As per Analyses Nippon India fund give better return as compared to SBI Fund.
3. As per analyses, Nippon India give 31.13 % rate of return provides on 5 year tenure and SBI fund provide 27.1 % on 5 years tenure. Nippon India Mutual fund are low risk funds as compare to other.
4. Mutual Funds get the benefit of diversification to reduce risk and generate maximum returns.

**V.CONCLUSION**

After the analysis of the following data it can be concluded that Null Hypothesis (Ho) i.e. there is no significant difference in the performance of mutual funds perform by Nippon India Mutual Fund and SBI Mutual Fund is rejected. Hence, Alternative Hypothesis (H1) i.e. there is a significant difference in the performance of mutual funds perform by Nippon India Mutual Fund and SBI Mutual Fund is accepted.

**VI.REFERENCES**

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- <https://upstox.com/calculator/sip/>
- [www.sbi.com](http://www.sbi.com).
- www.Nippon India Mutual Fund