

# Performance and Evaluation of SBI Mutual Funds in India

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**Abstract:-** The present study focuses on the performance evaluation of selected SBI Mutual Funds schemes which have been playing a vital role in the Indian economy. A Mutual fund is an organization which comes into existence through a sponsor. In India mutual funds come into existence in 1964 with the establishment of UTI through a separate Act in parliament.

**Keywords:-** Debt, Equity, Financial Services, Financial System, Mutual Fund.

## I. INTRODUCTION

The economic development of a country is closely linked to the financial system which refers to a set of Institutional arrangement through which financial surpluses in the economy are mobilized from surplus units and transferred to the deficit units. The financial system is based on four basic components like financial markets, financial institutions, financial services and financial instruments. All these play a significant role in the smooth transfer of the funds and facilitate productive / effective allocation. The main aim of the financial system is to provide an efficient service to the capital market the progress of which is the barometer of a country's economic progress. Some of the important intermediaries operating in the financial markets include investment bankers, underwriters, stock exchanges, registrars, depositories, custodians, portfolio managers, mutual funds, financial advisers, financial consultants, primary dealers, satellite dealers, self regulatory organizations etc., Financial markets are mainly classified as money market and capital market. Financial institutions comprises of commercial banks (in the public and private sector), cooperative banks, regional rural banks and development banks and non-bank financial institutions and leasing companies and other institutions like LIC, GIC, UTI, Mutual Funds, Provident Fund, Post Office, Banks etc., The banking system is by far the most dominant segment of the financial sector accounting for over 80 percent of the funds flowing through the financial sector. The main function of all these financial institutions is financial intermediation i.e., facilitating the flow of saving from savers to industrial houses. Financial services in general refers to all activities involved in the transformation of saving into investment.

### ➤ *Concept of Mutual Fund:*

In order to improve the standard of living it is inevitable for us to improve our purchasing power. Small saving schemes like bank deposits, post office savings etc., are no longer considered as investment avenues which will help us to withstand the increasing inflation rate. Hence a new financial instrument namely mutual fund has been designed which not only takes care of increasing inflation but also is considered as a safe investment vehicle now a days which will carry out savings to the risky capital market. This is true particularly in case of small and retail investors who expect steady returns on the investments. Small investors face a number of problems in the share market because of their limited resources, lack of professional advice lack of information etc., Mutual Funds comes to the rescue of small investors in this respect. It is a special type of institutional device or an investment vehicle through which the savings of investors are mobilized and invested under the guidance of a team of experts in wide variety of portfolios of corporate securities in such a way so as to minimize risk, while ensuring safety and steady return on investment. And it is helpful to capital market, by providing the required capital to a large number of companies which have potential projects to undertake. Thus Mutual Funds play a vital role in the economic development of a country.

The Securities and Exchange Board of India Mutual Funds Regulation Act, 1993 defines a Mutual Fund as “a fund established in the form of a trust by a sponsor, to raise monies by the trustees through the sale of units to the public under one or more schemes, for investing in securities in accordance with these regulations”

### ➤ *SBI Mutual Funds:*

State Bank of India (SBI) is the biggest commercial bank and holds a special position in the modern commercial Banking system in India. SBI came into existence on July 1<sup>st</sup> 1955 after the nationalization of Imperial Bank of India. The Imperial Bank of India was established in 1921 by the amalgamation of three Presidency Banks of Madras, Bombay and Bengal. State Bank of India performs all functions of commercial banks: it also functions as an agent of the RBI at centers where the RBI has no branches. The bank started with an authorized capital of Rs. 20 crores, which has been divided into 20 lakhs shares of Rs. 100 each. The issued capital of SBI is 5.6 crores. The management of SBI is under the control of a Central Board of Director Lists consisting of 20 members. At present there are seven state associated banks

under the control of SBI through SBI (Subsidiary Banks) Act, 1959. The State Bank of India group accounted for about 29 percent of deposits, 31 percent of advances and about 27 percent of the offices of all scheduled commercial banks in India. There are 15000s branches for SBI in India and 52 branches abroad. It is the biggest branch Bank in the world.

State Bank of India Mutual Fund was the first to sponsor a mutual fund in India in the public sector in 1987. SBI Capital Markets Ltd was the principal trustee to SBI Mutual Fund (SBIMF). The SBI Mutual Fund launched its first scheme - 'Magnum Regular Income Scheme 87' in 1987 and mobilized Rs. 131 crores. The main objective is to provide a regular income of 12 percent. Thereafter, SBI

Mutual Fund launched several schemes under the brand name of 'Magnum'. In October 1989, SBIMF launched 'India Magnum Fund' an offshore fund in collaboration with Morgan Stanley of the US. In 1993, 'Magnum Multiplier Plus' a growth-oriented scheme, was launched and it mobilized Rs. 948 crores, which is a record in the non-UTI category mutual funds. In 1994, SBIMF launched 'Magnum Bond Fund' to pass on the benefits of debt market. The main objective of the scheme is to invest on fixed income securities, debentures and bonds. This is the first debt-oriented mutual funds scheme in India. At present out of 46 mutual funds operating in Indian mutual fund industry the SBI Mutual Fund is in the sixth position on the basis of AAUM (Average Assets Under Management) This is presented in Table 1.

S. NO.,	Mutual Fund Name	Excluding Fund of Funds – Domestic but including Fund of Funds - Overseas	Fund of Funds – Domestic	Total	Ranking	TYPE
1	Axis Mutual Fund	2250810	10715.9	2261526	13	PUBLIC
2	Baroda Pioneer Mutual Fund	710059	0	710059	24	PUBLIC
3	Birla Sun Life Mutual Fund	10261586	7429.42	10269015	4	PUBLIC
4	BNP Paribas Mutual Fund	392145.1	0	392145.1	28	
5	BOI AXA Mutual Fund	251914.5	0	251914.5	31	
5	BOI AXA Mutual Fund	251914.5	0	251914.5	31	
6	Canara Robeco Mutual Fund	878531.4	13953.7	892485.1	21	PUBLIC
7	Deutsche Mutual Fund	2250755	0	2250755	14	PRIVATE
8	DSP BlackRock Mutual Fund	3748263	116894	3865157	10	PRIVATE
9	Edelweiss Mutual Fund	37970.24	0	37970.24	41	PUBLIC
10	Escorts Mutual Fund	25286.11	0	25286.11	43	PUBLIC
11	Franklin Templeton Mutual Fund	5561115	91215.8	5652331	8	PRIVATE
12	Goldman Sachs Mutual Fund	649821.3	0	649821.3	25	
13	HDFC Mutual Fund	14148078	35397.7	14183476	1	PUBLIC
14	HSBC Mutual Fund	887787.8	55154.2	942942	20	PRIVATE
15	ICICI Prudential Mutual Fund	12766350	9722.69	12776073	2	PUBLIC
16	IDBI Mutual Fund	709673.1	7726.93	717400	23	PUBLIC
17	IDFC Mutual Fund	4573797	11280.5	4585077	9	PRIVATE
18	IIFCL Mutual Fund (IDF)	31384.87	0	31384.87	42	PRIVATE
19	IIFL Mutual Fund	20203.29	0	20203.29	44	PRIVATE
20	IL&FS Mutual Fund (IDF)	79227.22	0	79227.22	36	PRIVATE
21	Indiabulls Mutual Fund	290536.2	0	290536.2	30	PRIVATE
22	ING Mutual Fund	53457.51	17721.7	71179.22	37	PRIVATE
23	JM Financial Mutual Fund	1197614	0	1197614	19	PRIVATE
24	JPMorgan Mutual Fund	1537968	0	1537968	18	PRIVATE
25	Kotak Mahindra Mutual Fund	3744526	31784.1	3776310	11	PUBLIC

26	L&T Mutual Fund	2067271	0	2067271	15	PUBLIC
27	LIC NOMURA Mutual Fund	815849.8	0	815849.8	22	PUBLIC
28	Mirae Asset Mutual Fund	124486.2	0	124486.2	34	PRIVATE
29	Motilal Oswal Mutual Fund	104750.4	0	104750.4	35	PUBLIC
30	Peerless Mutual Fund	249423.6	0	249423.6	32	PUBLIC
31	PineBridge Mutual Fund	66624.53	0	66624.53	38	
32	PPFAS Mutual Fund	47889.96	0	47889.96	40	
33	Pramerica Mutual Fund	206021.9	0	206021.9	33	PRIVATE
34	PRINCIPAL Mutual Fund	475358.2	0	475358.2	26	PRIVATE
35	Quantum Mutual Fund	48956.63	2004.98	50961.61	39	PRIVATE
36	Reliance Mutual Fund	12206836	131798	12338634	3	PUBLIC
37	Religare Invesco Mutual Fund	1764743	1992.83	1766735	17	PRIVATE
38	Sahara Mutual Fund	14818.69	0	14818.69	45	PRIVATE
<b>39</b>	<b>SBI Mutual Fund</b>	<b>7284989</b>	<b>68043.2</b>	<b>7353032</b>	<b>6</b>	<b>PUBLIC</b>
40	Shriram Mutual Fund	2932.61	0	2932.61	46	PRIVATE
41	SREI Mutual Fund (IDF)	0	0	0		PRIVATE
42	Sundaram Mutual Fund	1894356	0	1894356	16	PRIVATE
43	Tata Mutual Fund	2454384	0	2454384	12	PUBLIC
44	Taurus Mutual Fund	441085.2	0	441085.2	27	PRIVATE
45	Union KBC Mutual Fund	319163.9	0	319163.9	29	PUBLIC
46	UTI Mutual Fund	8324991	0	8324991	5	PUBLIC

Table 1:- Average Assets Under Management (Aaum) For The Quarter Of July – September - 2018 ( Rupees In Lakhs)  
(source-AMFI)

For the purpose of detailed analysis of the performance of SBI mutual fund schemes, three categories of schemes floated by SBI Mutual Fund - Income Schemes, Equity Schemes (ELSS) (other than ELSS) have been chosen as they together constitute more than 58.53 percent of the AAUM of SBI Mutual Fund . This is evident from the presented in Table 2.

S.NO.	CATEGORY	AUM	%
1	Liquid/Money Market	2,752,195.77	37.42
2	Gilt	27,915.58	0.37
3	Income	2,613,788.36	35.54
4	Equity- ELSS	530,508.36	7.21
5	Equity (other than ELSS)	1,167,113.60	15.87
6	Balanced	82,514.20	1.12
7	GOLD EFT	110,451.41	1.50
8	Other EFT	502.05	0.0068
9	Fund of Fund investing overseas	0	0
10	FOF-Domestic	68,043.16	0.92
	Total	7,353,032.49	100

Table 2:- Asset under Management of SBI Mutual Funds for the Quarter Ended 30/09/2018 :- (Figures in Lakhs)  
(Souce: SBI Mf Annual Reports)

Before stating the objectives of the study , a brief review of past studies is presented here to identify the gaps in the research work carried out in the area of Mutual

Funds in general and Mutual Funds floated by Banking sector in particular

## II. REVIEW OF LITERATURE

A brief review of past research studies on Mutual Funds in general and SBI mutual funds in particular are presented here to identify the research gaps and bring out the significance of the present study. There is a vast body of literature on research works carried out by eminent scholars and financial experts on different aspects of the capital market. But, the literature on mutual funds is scanty.

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 1.3 percent. 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. Tripathy, (2004)<sup>8</sup> has evaluated performance of 31 Equity Linked Savings mutual fund Schemes in India over the period 1994-95 to 2001-2002. She examined the investment performance of Indian mutual funds by applying six performance measures. Paitpal Singh and Singla (2000)<sup>9</sup> have evaluated the performance of 12 growth oriented mutual funds which were selected on the basis stratified random sampling. Narasimhan and Vijayalakshmi (2000)<sup>10</sup> have made an empirical study of fund managers timing ability and diversification benefits on the performance of 76 mutual funds selected. DC Anjaria & Dhaivat Anjaria (2000)<sup>11</sup> deals with the history of mutual funds in India, types of mutual funds, marketing of mutual funds and SEBI guidelines regarding mutual funds. Sethu, (1999)<sup>12</sup> has examined the market timing ability. A Mutual Fund managers excess returns after adjusting for systematic risk and portfolio adequacy of 18 open-ended growth schemes during March 1985 to July 1999. M.S.Turan and B.S. Bodla (1998)<sup>13</sup> has analyzed the growth of mutual fund industry in terms of number of schemes launched, resources mobilized, and number of investors, gain to investors in terms of average return on NAVs and the risk associated with these returns.

Warren Boroson (1997)<sup>14</sup> observed that very few investments are as widely appealing as mutual funds. Sadhak (1997)<sup>15</sup> analyzed the marketing strategies and investment practices of mutual funds in India. Madhusoodanan (1996)<sup>16</sup> has examined the relationship between the expected return and risk by using portfolio method instead of individual security approach. Bogle (1994)<sup>17</sup> presents a guide to investors in developing and implementing an intelligent investment programme through mutual funds. Gupta (1993)<sup>18</sup> made a Household Investor survey with the main objective of soliciting data on the investor preferences for mutual funds and other financial assets. G Raju (1993)<sup>19</sup> in his study observed that only 23 percent of the investor population covered are aware of mutual fund schemes and the awareness level is less than that of government bonds. Devakumars (1987)<sup>20</sup> study reveals that prior to 1985, there were very few investors who are knowledgeable.

Review of the past research studies on Mutual Funds revealed that, even though there are many research studies on the performance of Mutual Funds in general, there are very few research studies on the performance of mutual funds in banking sector. In particular, research studies on the performance of SBI Mutual Fund, which is the first Mutual Fund in India in the banking sector are conspicuous by their absence. Hence, the present study assumes significance.

## III. OBJECTIVES OF STUDY

- To analyse Growth and Development of Mutual Fund Industry In India.
- To analyse the performance of selected Equity/Growth schemes of SBI Mutual Fund.
- To analyse the performance of selected Income/Debt schemes of SBI Mutual Fund.

## IV. METHODOLOGY AND TOOLS OF ANALYSIS

The present study focuses on the performance of Equity and Debt Mutual Funds schemes floated by SBI Mutual Fund during a span of five years i.e from April 1, 2014 to March 31, 2018. The portfolio of SBI mutual fund is compared with variables benchmark portfolios and other macro economic (Sensex and Nifty) and also with to draw meaningful interpretations. For the purpose of analysis of secondary data s relevant financial ratios and simple statistical measures like percentages and averages have been used at the appropriate places.

This study is completely based on the secondary data. This data are collected from various sources - Annual Reports of SBI Mutual Fund research articles on Mutual Funds, websites on mutual funds.

The literature has been collected from text books on Financial Services, Mutual Funds, published and unpublished research works on Mutual Funds.

## V. RESULTS

### ➤ Growth and Development of Mutual Fund Industry in India

This research paper presents the growth and development of Mutual Fund Industry in India. It also explains the growth and development of mutual fund industries in India as depicted in this chapter, the mutual fund industry in India started in 1964 with the formation of Unit Trust of India, at the initiative of the Government of India and the Reserve Bank. The first scheme launched by UTI were Unit Scheme 1964. At the end of 1988 UTI had Rs.6,700 crores of assets under management. In 1987 public sector mutual funds set up by public sector banks and Life Insurance Corporation of India (LIC) and General Insurance Corporation of India (GIC). SBI Mutual Fund was the first non- UTI Mutual Fund established in June

1987. The sales of Mutual Fund Industry in India have registered a positive growth during the study period. The highest growth rate recorded was in the year 2010-2011 (124.42 percent). By 2013-14 the AAUM have registered (6234 percent) Rs. 8,16,657 crores with the growing contribution in the industry. The number of schemes floated in Mutual Fund Industry in India has been increasing and registered an increase of 284 percent during the study period. Along with the number of schemes the mobilisation of funds also have registered a high growth of 340.82 percent during the study period.

### ➤ Performance of Selected Growth Schemes of SBI Mutual Funds

#### • Selected Equity Schemes of SBI Mutual Funds:

S. No	Name of The Fund	Type of Fund	Date of Inception	Object of the Fund	Portfolio of the Fund
1	SBI Magnum Equity Fund	Open-Ended	1/1/1991	Long term capital appreciation by investing in high growth companies along with liquidity	Equity and balanced Debt and money market instruments
2	SBI Magnum Multiplair Plus Series 1993	Open-Ended	28-02-1993	Cumulative capital appreciation	Equity and other capital market instruments
3	SBI TaxGain Scheme	Open-Ended	31-03-1993	Capital appreciation	Equity
4	SBI Magnum Global Fund 1994	Open-Ended	30-09-1994	With maximum growth opportunity	Equity ,high potential industries and bonds
5	SBI Midcap Fund	Open-Ended	15-04-2005	Long term growth	Equity
6	SBI Magnum Comma Fund	Open-Ended	30-06-2005	Growth	Equity
7	SBI Magnum Multicap Fund	Open-Ended	14-10-2005	Long term capital growth	Equity and money market instruments
8	SBI Blue Chip Fund	Open-Ended	17-02-2007	Long term growth i	Equity
9	SBI Infrastructure Fund Series I	Open-Ended	6/7/2007	Long term capital growth	Debt and money market instruments
10	SBI Tax advantage Series I	Close-Ended	3/12/2007	Capital appreciation and tax advantage	Equity

Table 3

(Source: SBI MF Annual Reports)

This research paper presents the selected equity schemes of SBI Mutual Funds. SBI Magnum is the oldest scheme which has been in existing for more than 24 years. This is followed by SBI Magnum plus series, SBI Tax gain Scheme which have been in existence for more than 22 years, SBI Magnum Global Fund comes next which has been in existence for more than 20 years SBI Midcap Fund , SBI Magnum Comma Fund , SBI Multi cap Fund has been in existence for about 10years SBI Blue Chip Fund , SBI Infrastructure Fund and SBI Tax Advantage Fund have been in existence for about 8 years out of 10 equity schemes selected for detailed analysis. SBI Tax Advantage scheme is only close-ended and all other are open-ended

schemes. The objective of these schemes is capital appreciation. Consequently, the portfolio of all these schemes comprises investment in equity of high potential industries and a small percentage debt and money market instrument.

This research paper deals with performance of selected equity schemes of SBI during 2014-2018 . The performance of 10 selected growth schemes presented here. The performance is evaluated in terms of Net Asset Value, Value Addition Value, Expense Ratio, Management Fee Ratio, Gross Income Ratio, Net Income Ratio, Portfolio Turnover Ratio, Portfolio investment in equity,

Investment in Growth Industries, Investment in Ever Green Industries, Investment in Cyclical Industries, Investment in Interest- Sensitive Industries, Investment in Certificate of deposits, Investment in Commercial paper and Investment in Other Mutual Funds and SBI equity schemes invested in companies listed Nifty and Sensex Indices.

The NAV is most important measure of the performance of a Mutual Fund. All the Mutual Funds in India periodically publish the NAVs of their schemes. The unit holders can quickly judge the performance of their schemes by looking at NAV. The NAV serves the purpose of the unit holders view at NAV just like market price by equity share holders.

The study revealed that NAV of SBI equity schemes has increased during the study period 2014-2018. It is observed that the NAV of both growth option and dividend option has increased during the study period. The highest NAV registered was in SBI Magnum global fund 1994 with 286.28 percent and 175.12 percent in growth option and dividend options respectively. This is followed by SBI midcap fund growth option (251.61 percent) dividend option (153.74 percent) SBI tax advantage fund series-1 growth option (138.09 percent) dividend option (138.09 percent). In the case of other selected schemes, it was observed that the percentage of growth was normal both in growth and dividend options. SBI Blue chip fund in growth option (150.19 percent) and dividend option (96.55 percent), SBI magnum multicap fund in growth option (115.01 percent) and dividend option (93.32 percent), SBI magnum multiplair scheme in growth option (155.83 percent) and dividend option (99.08 percent), SBI magnum comma in growth option (51.17 percent) and dividend option (27.23 percent), SBI magnum equity in growth option (162.95 percent) and dividend option (75.96 percent) and SBI tax gain scheme in growth option (150.30 percent) and dividend option (37.97 percent). The lowest percentage growth registered was in SBI infrastructure fund series 1 in growth option (134.51 percent) and dividend option (134.51 percent).

The study revealed that the value addition of SBI equity schemes have decreased during the study period 2014-2018. Except three schemes the other seven schemes have registered an increase in the value addition which is a positive and healthy sign. The highest value addition was registered in SBI equity fund (460.66), SBI global magnum fund 1994 (84.75). SBI magnum multiplair plus scheme 1993 with only 1 percent increase was the schemes with lowest growth.

The study revealed that Expenses ratio and Management fee ratio of SBI equity schemes have registered similar percentage increase. In all the SBI equity schemes the expenses ratio has increase during the study

period. Three out of ten schemes have registered highest expenses ratio and management fee ratio. The expenses ratio and management fee ratios have measured by 32.85 and 64.76 percent respectively in SBI magnum multicap fund. In SBI infrastructure fund these ratios have gone up by (50.54) and (77.89) SBI tax advantage series 1 (45.32) and (102.85) in the years 2009-201, 2010-2011 and 2011-2012.

The study revealed that the Gross Income ratio and Net Income ratio of SBI equity schemes. Seven out of ten schemes have registered an increase in gross income ratio and net income ratio during the study period 2014-2018. SBI magnum equity fund registered the highest increase in net income ratio with 1297.71 percent. SBI tax advantage series 1528.87 percent where as the registered highest increase in gross income ratio SBI magnum multiplair plus registered the lowest increase in gross income ratio 50.87 percent SBI infrastructure fund registered lowest increase in net income ratio 12.97 percent.

The portfolio turn over ratio of SBI equity schemes revealed that seven out of ten schemes have registered increase during the study period 2014-2018. Highest portfolio turn over ratio registered SBI infrastructure fund (118.75) and the lowest portfolio turn over ratio registered was in SBI blue chip fund (1.86)

The portfolio of selected equity schemes of SBI revealed that five out of ten schemes have invested 100% in equity two out of ten schemes have invested 99% in equity, three out of ten schemes have invested on average 96% in equity. Industry wise portfolio revealed that majority portion (60%) of funds are invested in Growth industries. 20% of funds invested in Ever green industries 10 % of funds were invested in cyclical industries and 10 % funds invested in Interest – Sensitive industries. Apart from this the selected SBI equity mutual funds schemes have also invested in short instruments like Commercial paper, Certificate of Deposits and other Mutual Fund but the proportion of investment is very less in them. The company wise investment revealed that in seven schemes out of ten have invested in companies listed in Nifty and Sensex Indices. This shows professional approach in investments as they are safe, liquidity, with assured return providing companies. Such an approach is perfectly in tune with the expected to in of unit holders.

#### ➤ *Performance of Selected Debt Schemes of SBI Mutual Funds*

- *Debt Schemes Floated By SBI Mutual Funds as an 2014 – 2018*

S. NO	Name of the Fund	Type of Fund	Date of Inception	Object of the Fund	Portfolio of the Fund
1	SBI Magnum Income Fund	Open-ended	6-11-1998	Capital gains and Regular dividends	Debt and Money market instruments
2	SBI Magnum Insta cash fund	Open-ended	13-5-1999	Earn returns	Money market instruments
3	SBI Guilt fund	Open-ended	11-12-2000	Earn returns	Government securities
4	SBI Magnum monthly Income Plan	Open-ended	22-2-2001	Regular income and liquidity	Equity Debt and Money market instruments
5	SBI Magnum Children Benefit Plan	Open -ended	28-12-2001	Capital appreciation	Equity Debt and Money market instruments
6	SBI Regular Savings Fund	Open -ended	1-10-2003	Capital appreciation	Equity Debt and Money market instruments
7	SBI Edge fund	Open-ended	1-10-2003	Capital appreciation	Equity Debt and Money market instruments
8	SBI Premier Liquid Fund	Open-ended	17-11-2003	Capital appreciation	Debt and Money market instruments
9	SBI Dynamic Bond Fund	Open-ended	15-12-2003	Earn returns	Debt and Money market instruments
10	SBI magnum monthly income plan –Floater	Open-ended	9-11-2005	Regular income and liquidity	Equity Debt and Money market instruments

Table 4

(Source: SBI MF Annual Reports)

SBI Magnum Income Fund is the oldest fund which has been in existence for more than 17 years. This is followed by SBI Magnum Insta Cash Fund which has been in existence for more than 16 years, SBI Guilt Fund comes next which has been in existence for more than 15 years SBI Magnum Monthly Income Plan and SBI Magnum Children Benefit Plan have been in existence for about 14 years SBI Regular Savings Fund, SBI Edge Fund, SBI Premier Liquid Fund and SBI Dynamic Bond Fund have been in existence for about 12 years SBI magnum monthly Income plan-floater has been in existence for about 8 years. Out of 10 debt schemes selected for detailed analysis, all funds are open-ended schemes. The objective of these schemes is Regular income and liquidity, capital appreciation and earn returns. Consequently the portfolio of all these schemes comprise investment in debt and money market instrument and Equity.

This research paper deals with performance of selected debt schemes of SBI during the 2014-2018. SBI Mutual Fund has floated 18 debt schemes. Out of these 10 debt schemes have been selected for detailed analysis. The performance of debt schemes is represented in terms of Net Asset Value, Value Addition Value, Expense Ratio, Management Fee Ratio, Gross Income Ratio, Net Income Ratio, Portfolio investment in Listed Securities, Unlisted Securities, Commercial paper, Treasury Bills, Other Mutual Funds and also detailed analysis in Listed Securities and Unlisted Securities for all Debt schemes.

The NAV of selected SBI Debt Funds has increased during the study period, except SBI Magnum Income Fund in growth option, SBI Magnum monthly Income Plan – Floater in dividend option. The highest NAV registered in SBI Magnum Income Fund in dividend option SBI Magnum monthly Income Plan – Floater in growth option.

The Value Addition of all selected debt funds has increased during the study period, except SBI magnum Guilt, SBI regular savings fund and SBI Edge funds. The highest value addition was registered in SBI magnum income fund.

The study revealed that of expense ratio and management fee ratio for selected SBI Debt Funds during the study period. Seven out of ten schemes have registered increase in Expenses ratio and management fee ratio. Highest increase in expenses ratio was found in SBI magnum children benefit fund highest management fee ratio was in SBI magnum income fund. The lowest expenses ratio was registered in SBI magnum guilt fund (5.81) are the lowest management ratio in SBI regular savings fund ( 50.4)

The study revealed that the Gross Income and Net income ratios for selected SBI Debt funds during the study period have increased. Four out of ten schemes have registered an increase in gross income ratio and net income ratio. Highest gross income ratio was found in SBI regular savings highest net income ratio was found in SBI regular savings on the after found the lowest gross income ratio was in SBI magnum floater (8.30) and lowest net income ratio was in sbi premier liquid fund (5.33)

Analysis of portfolio of investment for selected Debt funds revealed that they have invested both in listed and unlisted securities. Mostly all debt funds have invested in debentures and bonds which is not in tune well their investment objectives stated in their offer documents. Only a few funds have invested in both equity and debt that but their investment in equity is highly insignificant fulfill the objectives stated.

## VI. DISCUSSIONS

- Every investor planning to commit his/her savings in mutual funds read the offer documents, their portfolio of investments, consult others if they do not possess the required knowledge and choose the scheme that suits their investment attitude. Risk takers will choose growth funds and risk averters will go for income funds. Thus, it is the responsibility of the fund manager to adhere to the objectives stated in the offer documents. Surprisingly, even in SBI mutual fund which is one of the top mutual fund operating in India, it is found that the schemes have deviated from their offer documents while making investments. Thus it is suggested that the schemes should not deviate from the portfolio stated in their offer document so as to gain the confidence of the investors and to retain them in the long run.
- NAV is the most important variable to judge the performance of the mutual fund schemes. The unit holders redesign/re construct their portfolios after analyzing the trend in the NAV declared by the schemes. As per SEBI, the mutual funds are required to declare their NAVs on daily and regular basis. Even though NAVs are declared every day by the SBI schemes, they are not made transparent by publishing in dailies like market prices of equity shares. Business dailies publish such information and such data is made available in the websites. All the unit holders may not have access and knowledge to business dailies and websites and hence, revision of portfolios becomes difficult. It is therefore suggested that data on NAVs of different schemes must be made available in dailies like the market price of equity shares.
- The State Bank of India with its wide network of branches which has sponsored 21 equity schemes and 18 debt schemes and the first bank to enter into mutual fund industry has to come up with more innovative schemes and products and expand its customer base. More particularly, they have to penetrate into the semi urban and rural areas by designing products suitable to investment attitudes to improve their market share.
- SBI Infrastructure fund had the highest expense and management ratio SBI Magnum Insta cash fund and SBI children benefit plan under performed due to indicated lower NAVs, and value additions indicating thereby poor performance of the fund managers. As these are open ended schemes, continuous decline in NAVs and value addition will have an immediate effect on the unit holders can exit from them at any point of time. This is suggested that these schemes should focus on controlling expense and management fee ratios and timing and composition of their portfolios.

## VII. CONCLUSION

Finally it can be concluded that the SBI Mutual Funds, Equity and Debt schemes have performed reasonable, by well in spite of reduction in the NAVs, Value addition and increase in the expense and management ratios of some of the selected schemes SBI magnum global fund, SBI midcap fund, SBI tax advantage fund, SBI magnum

Income fund and SBI magnum monthly Income plan Schemes are in the forefront and are giving strong competition to the similar schemes floated by other mutual funds. SBI infrastructure fund, SBI magnum children benefit and SBI Insta cash fund Schemes are lagging behind due to their low NAV, Value addition and deviation of their portfolios from their offer documents. The high volatility in the stock market during the period of study also has exerted great influence on the performance of these selected schemes.

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