
**A Project Report on Financial Performance Analysis of Mutual Fund ICICI
Prudential Mutual Fund**

¹M. Swathi,²P.V.N.Nataraj

¹Department of MBA, Sri Chaitanya Institute of Technology & Research Ugc Autonomous Institution
Khammam

²Department of MBA, Sri Chaitanya Institute of Technology & Research Ugc Autonomous Institution
Khammam

Abstract

Financial performance analysis is an important process used to evaluate the profitability, growth, efficiency, and financial stability of an organization or investment institution. This study focuses on analyzing the financial performance of ICICI Prudential Mutual Fund, one of the leading mutual fund companies in India. Mutual funds play a significant role in the financial market by providing investment opportunities to individuals through professionally managed portfolios. The study examines the growth of assets under management, return performance, investment strategies, risk management practices, and profitability of the mutual fund. Financial analysis helps investors understand the performance and reliability of the fund in generating returns and managing investment risks. The research also highlights the importance of mutual funds in wealth creation and financial planning. The study concludes that effective fund management and strong financial strategies contribute significantly to the growth and performance of ICICI Prudential Mutual Fund.

Keywords: Financial Performance Analysis, ICICI Prudential Mutual Fund, Mutual Fund Performance, Investment Analysis, Risk-Return Analysis, Portfolio Management, NAV Analysis, Fund Performance Evaluation, Asset Allocation, Investor Decision-Making.

I. INTRODUCTION

Mutual funds are financial investment instruments that collect money from multiple investors and invest it in diversified portfolios such as stocks, bonds, and other securities. Mutual funds provide investors with professional fund management, diversification, liquidity, and opportunities for wealth creation. In India, the mutual fund industry has experienced rapid growth due to increasing investor awareness, financial literacy, and market participation. ICICI Prudential Mutual Fund is one of the leading asset management companies in India, offering a wide range of investment schemes to different categories of investors. Financial performance analysis of mutual funds helps evaluate their profitability, efficiency, asset growth, return generation, and risk management practices. Proper analysis also enables investors to make informed investment decisions based on the performance and stability of the fund. The

company uses various investment strategies and portfolio management techniques to maximize returns and minimize investment risks. This study aims to analyze the financial performance of ICICI Prudential Mutual Fund and understand the factors contributing to its growth, operational efficiency, and market performance.

Research Objective:

- To study the concept and importance of mutual funds.
- To analyze the financial performance of ICICI Prudential Mutual Fund.
- To examine the growth of assets under management (AUM).
- To study the profitability and return performance of the mutual fund.

- To analyze the investment strategies adopted by the company.
- To understand the role of portfolio diversification in risk reduction.
- To examine the risk management practices followed by the mutual fund.
- To study the impact of market conditions on mutual fund performance.
- To analyze investor satisfaction and confidence towards the fund.
- To evaluate the efficiency of fund management practices.
- To examine the relationship between risk and return in mutual fund investments.

Research Methodology:

- The study is based on both primary and secondary data collection methods.
- Secondary data was collected from annual reports, journals, books, and websites.
- Financial statements and performance reports of ICICI Prudential Mutual Fund were analyzed.
- Ratio analysis and percentage analysis methods were used for interpretation.
- Comparative analysis was conducted to study financial growth trends.
- Data related to returns, investments, and assets under management were examined.
- Statistical and financial tools were used for analyzing performance.

- Research articles related to mutual funds and investment analysis were reviewed.
- Graphs, charts, and tables were used for data presentation and interpretation.

II. REVIEW OF LITERATURE

Several researchers have emphasized the importance of mutual funds in providing investment opportunities and supporting financial market development. Studies reveal that mutual funds help investors achieve diversification, professional fund management, liquidity, and risk reduction. Previous research indicates that financial performance analysis of mutual funds helps investors evaluate profitability, return consistency, and investment efficiency. Researchers observed that factors such as market conditions, fund management strategies, portfolio diversification, and economic trends significantly influence mutual fund performance. Literature related to mutual funds highlights that risk management practices and proper asset allocation improve investment stability and profitability. Studies on the Indian mutual fund industry also reveal that increasing investor awareness and technological advancements have contributed to the rapid growth of mutual fund investments. Research further suggests that companies with strong fund management practices and efficient portfolio strategies achieve better financial performance and investor confidence.

III. DATA ANALYSIS & INFERENCES

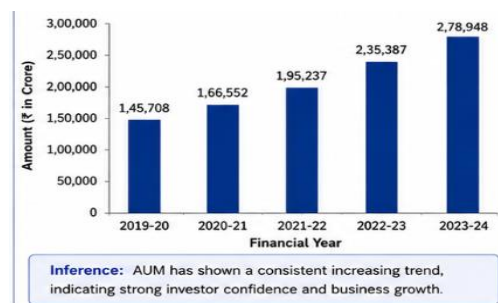


Fig 1: Growth Of Assets Under Management

INTERPRETATION :

This graph shows the continuous growth in Assets Under Management of ICICI Prudential Mutual Fund over the years. The increasing AUM indicates higher investor confidence, strong fund performance, and growth in mutual fund investments. It also reflects the company's expanding market presence.

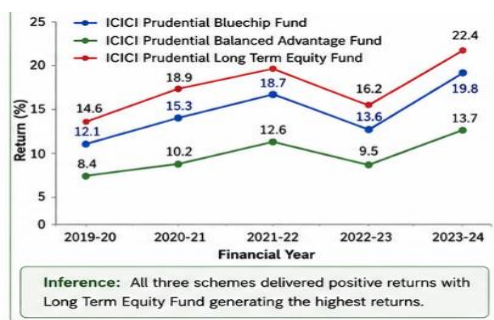


Fig 2: Performance Of Selected Schemes

INTERPRETATION:

The graph explains the return performance of different mutual fund schemes offered by ICICI Prudential Mutual Fund. All schemes have shown positive returns over the years, with Long Term Equity Fund generating comparatively higher returns. This reflects effective portfolio management and investment strategies.

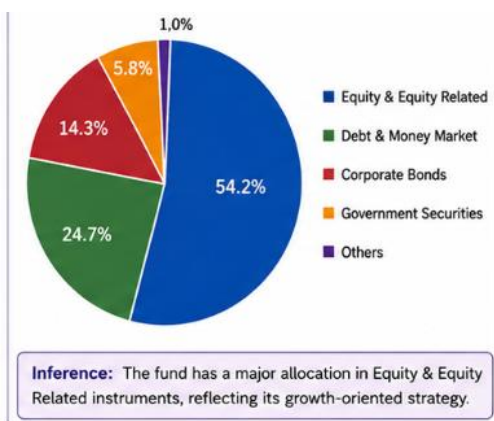


Fig 3: Portfolio Allocation

INTERPRETATION:

This graph represents the portfolio allocation of the mutual fund across different investment categories. A major portion of investments is allocated to equity and equity-related instruments, followed by debt and corporate bonds. Diversified allocation helps reduce investment risks and improve returns.



Fig 4: Profit After Tax

INTERPRETATION :

The graph highlights the increase in profit after tax of ICICI Prudential Mutual Fund over different financial years. The steady growth in profits indicates improved operational efficiency, strong financial performance, and better fund management practices.

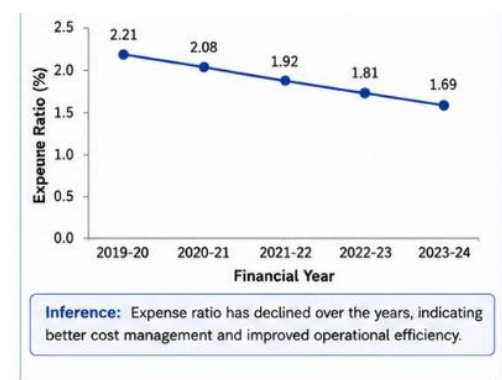


Fig 5: Expense Ratio

INTERPRETATION :

This graph shows the decline in the expense ratio over the years. A lower expense ratio indicates better cost management and higher efficiency in fund operations. It also benefits investors by improving their overall investment returns and value.

IV. FINDINGS

- ICICI Prudential Mutual Fund maintains strong financial performance and market growth.
- Assets under management have increased consistently over the years.
- Diversified investment portfolios help reduce investment risks.
- Professional fund management improves return generation and investment efficiency.
- Risk management practices support investment stability and profitability.
- Investor awareness and financial literacy increase mutual fund participation.
- The company provides a wide range of investment schemes for different investors.
- Market fluctuations directly influence mutual fund returns and performance.
- Technology and digital platforms improve investor accessibility and services.
- Proper asset allocation supports long-term investment growth.
- Investor confidence in mutual funds has increased significantly in recent years.

V. CONCLUSION

Financial performance analysis helps evaluate the efficiency, profitability, and stability of mutual fund organizations. ICICI Prudential Mutual Fund has shown strong growth and effective investment management practices over the years. The study reveals that diversified portfolios, professional fund management, and strong risk management strategies contribute significantly to the financial performance of the company. Mutual funds provide investors with opportunities for wealth creation, risk diversification, and long-term financial growth. However, market volatility and economic fluctuations continue to influence investment returns and performance. Proper

investment planning, effective portfolio management, and investor awareness are essential for achieving long-term financial success in mutual fund investments.

- Mutual funds support wealth creation and investment diversification.
- ICICI Prudential Mutual Fund maintains strong financial performance.
- Diversified portfolios help reduce investment risks.
- Professional fund management improves return generation.
- Assets under management have increased consistently.
- SIP investments encourage disciplined investment habits.

VI. FUTURE SCOPE

The future scope of the study on the financial performance of ICICI Prudential Mutual Fund can be extended by analyzing the performance of different mutual fund schemes over a longer period. Future research can examine equity, debt, hybrid, index, and thematic schemes to identify variations in returns, risk, consistency, and growth across different market conditions.

Further studies can compare the performance of ICICI Prudential Mutual Fund with other leading asset management companies in India. Measures such as Sharpe Ratio, Treynor Ratio, Jensen's Alpha, standard deviation, beta, and portfolio returns can be used to evaluate risk-adjusted performance and determine the competitive position of the fund house.

Future research can also examine the influence of macroeconomic factors on mutual fund performance. Changes in interest rates, inflation, GDP growth, stock-market volatility, government policies, exchange rates, and global economic conditions may affect fund returns and investor behaviour. Incorporating these factors can provide a more comprehensive understanding of variations in mutual fund performance.

Another important area for future research is the application of advanced analytical

techniques. Statistical modelling, time-series analysis, artificial intelligence, machine learning, and predictive analytics can be used to analyze NAV movements and forecast potential fund performance. These methods may assist investors and fund managers in improving portfolio allocation and managing investment risks.

Finally, future studies can focus on investor behaviour toward ICICI Prudential Mutual Fund schemes. Factors such as financial literacy, risk tolerance, investment objectives, age, income, investment experience, and investment horizon can be examined. Combining financial performance analysis with investor preferences and behavioural factors can provide broader insights and help improve investment products, portfolio strategies, and long-term investor satisfaction.

VII. REFERENCES

- [1] W. F. Sharpe, "Mutual fund performance," *The Journal of Business*, vol. 39, no. 1, pp. 119–138, 1966, doi: 10.1086/294846.
- [2] M. C. Jensen, "The performance of mutual funds in the period 1945–1964," *The Journal of Finance*, vol. 23, no. 2, pp. 389–416, 1968, doi: 10.1111/j.1540-6261.1968.tb00815.x.
- [3] M. M. Carhart, "On persistence in mutual fund performance," *The Journal of Finance*, vol. 52, no. 1, pp. 57–82, 1997, doi: 10.1111/j.1540-6261.1997.tb03808.x.
- [4] R. Wermers, "Mutual fund performance: An empirical decomposition into stock-picking talent, style, transactions costs, and expenses," *The Journal of Finance*, vol. 55, no. 4, pp. 1655–1695, 2000, doi: 10.1111/0022-1082.00263.
- [5] E. F. Fama and K. R. French, "Luck versus skill in the cross-section of mutual fund returns," *The Journal of Finance*, vol. 65, no. 5, pp. 1915–1947, 2010, doi: 10.1111/j.1540-6261.2010.01598.x.
- [6] M. Grinblatt and S. Titman, "The persistence of mutual fund performance," *The Journal of Finance*, vol. 47, no. 5, pp. 1977–1984, 1992, doi: 10.1111/j.1540-6261.1992.tb04685.x.
- [7] M. Grinblatt and S. Titman, "Mutual fund performance: An analysis of quarterly portfolio holdings," *The Journal of Business*, vol. 62, no. 3, pp. 393–416, 1989, doi: 10.1086/296468.
- [8] E. M. Ferson and R. W. Schadt, "Measuring fund strategy and performance in changing economic conditions," *The Journal of Finance*, vol. 51, no. 2, pp. 425–461, 1996, doi: 10.1111/j.1540-6261.1996.tb02690.x.
- [9] J. L. Treynor, "How to rate management of investment funds," *Harvard Business Review*, vol. 43, no. 1, pp. 63–75, 1965. DOI: Not available.
- [10] F. Modigliani and L. Modigliani, "Risk-adjusted performance," *Journal of Portfolio Management*, vol. 23, no. 2, pp. 45–54, 1997, doi: 10.3905/jpm.23.2.45.
- [11] N. Lakshmi, M. Deo, and B. Murugesan, "Performance of the Indian mutual funds: A study with special reference to growth schemes," *Paradigm*, vol. 4, no. 3, 2008, doi: 10.1177/097324700800400308.
- [12] K. Arora, "Risk-adjusted performance evaluation of Indian mutual fund schemes," *Paradigm*, vol. 19, no. 1, pp. 79–94, 2015, doi: 10.1177/0971890715585203.
- [13] S. Prakash and C. Sundar, "Quantitative analysis of Indian mutual funds: Equity schemes," *Indian Journal of Finance*, vol. 8, no. 10, pp. 20–32, 2014, doi: 10.17010/ijf/2014/v8i10/71846.
- [14] R. Mishra and V. Ahuja, "Performance evaluation of Indian mutual funds during bull and bear periods," *Indian Journal of Finance*, vol. 10, no. 8, pp. 24–42, 2016, doi: 10.17010/ijf/2016/v10i8/99318.
- [15] S. Dasgupta and M. Patel, "Performance evaluation of Indian mutual funds using data envelopment analysis," *IIMS Journal of Management Science*, vol. 6, no. 1, 2015, doi: 10.5958/0976-173X.2015.00006.8.
- [16] S. Sehgal and S. Babbar, "Evaluating alternative performance benchmarks for Indian mutual fund industry," *Journal of Advances in Management Research*, vol. 14, no. 2, pp. 222–250, 2017, doi: 10.1108/JAMR-04-2016-0028.
- [17] S. G. Deb, "Persistence in performance of actively managed equity mutual funds: New Indian evidence," *IIMB Management*



International Journal of DATA SCIENCE AND IOT MANAGEMENT SYSTEM

Peer Reviewed, Referred & Indexed Journal

ISSN: 3068-272X

www.ijdim.com

Original Research Paper

Review, vol. 31, no. 2, pp. 145–156, 2019,
doi: 10.1016/j.iimb.2019.03.014.

[18] A. Chatterjee and A. Chatterjee,
“Testing the skill of mutual fund managers:
Evidence from India,” *Managerial Finance*,
2015, doi: 10.1108/MF-04-2014-0112.

[19] R. Veeravel, “Short-term persistence
performance of equity mutual fund returns:
Evidence from India,” *Copernican Journal of
Finance & Accounting*, 2023, doi:
10.12775/CJFA.2023.017.

[20] S. Krishnaprabha, “Performance
evaluation of selected mutual funds in India,”
*Asian Journal of Research in Social Sciences
and Humanities*, vol. 6, no. 7, pp. 1225–1237,
2016, doi: 10.5958/2249-
7315.2016.00507.4.