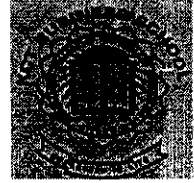


P-3193



**A STUDY ON CASH MANAGEMENT OF  
POLARIS SOFTWARE LAB LIMITED, CHENNAI**

**By**

**V. NISHANTHINI THAIYANAYAGI**

**Reg. No. 0820400029**

**Of**

**Department of Management Studies  
Kumaraguru College of Technology  
Coimbatore**

**A PROJECT REPORT**

**Submitted to the**

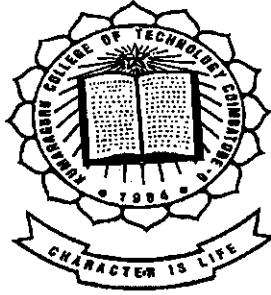
**FACULTY OF MANAGEMENT STUDIES**

**In partial fulfilment of the requirements  
for the award of the degree**

**of**

**MASTER OF BUSINESS ADMINISTRATION**

**June, 2010**



**DEPARTMENT OF MANAGEMENT STUDIES**  
**KUMARAGURU COLLEGE OF TECHNOLOGY (AUTONOMOUS)**  
**COIMBATORE**

**BONAFIDE CERTIFICATE**

Certified that this project titled "A STUDY ON CASH MANAGEMENT OF POLARIS LAB LIMITED," is the bonafide work of Ms. V. NISHANTHINI THAIYANAYAGI who carried out this project under my supervision. Certified further, that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

**PROF. K. R. AYYASWAMY**  
Faculty Guide

**PROF S.V.DEVANATHAN**  
Director

Evaluated and viva-voce conducted on .....14/06/10.....

  
Examiner I  
Examiner II

*Certificate*

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DATE: 11/06/2010

**TO WHOMSOEVER IT MAY CONCERN**

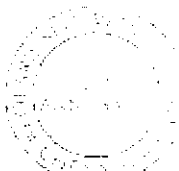
This is to certify that Ms .V. NIISHANTHINI THAIYANAYAGI (0820400028) a student of KCT Business School, (a Group of Kumaraguru College of Technology, Coimbatore) has undergone three months project and training from 5<sup>th</sup> April, 2010 to 10<sup>th</sup> June, 2010. During her project work she exhibited high level of discipline and was sincere at her work.

We wish her success for her future.

Yours truly,

For Polaris Software Lab Limited

  
K S Parthasarathy  
Sr. Consultant - Statutory & Compliance



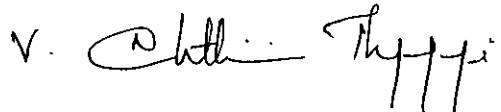
# *Declaration*

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## DECLARATION

I hereby declare that the dissertation entitled "A STUDY ON CASH MANAGEMENT OF POLARIS SOFTWARE LAB LIMITED" submitted for the MASTER OF BUSINESS ADMINISTRATION degree is my original work and the dissertation has not formed the basis for the reward of any Degree, Associateship, Fellowship or any other similar titles.

Date: 14/06/10  
Place: Coimbatore



V. NISHANTHINI THAIYANAYAGI

## **EXECUTIVE SUMMARY**

In a business anything done financially affects cash eventually. Cash is to a business is what blood is to a living body. A business cannot operate without its life-blood cash, and without cash management, there may remain no cash to operate. Cash movement in a business is two-way traffic. It keeps on moving in and out of business. The inflow and outflow of cash never coincides. Important aspect which is unique to cash management is time dimension associated with the movement of cash. Due to non-synchronicity of cash inflow and outflow, the inflow may be more than the outflow or the outflow may be more than the inflow at a particular point of time. This needs regulation. Left to itself cash flow is apt to follow monsoonic pattern, and showers of cash may be heavy, scanty or just normal. Hence there is a dire need to control its movement through skillful cash management. The primary aim of cash management is to ensure that there should be enough cash availability when the needs arise, not too much, but never too little.

# *Acknowledgement*

---



## **ACKNOWLEDGEMENT**

I thank the GOD, Almighty for his blessings bestowed upon me, which gave strength, confidence and health for completing this project.

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# *Contents*

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<b>Table of Contents</b>		
<b>CHAPTER</b>	<b>CONTENTS</b>	<b>PAGE NO.</b>
	Executive summary	
	Acknowledgement	
	List of tables	
<b>1</b>	<b>INTRODUCTION</b>	<b>1</b>
	1.1 Back ground of the study	8
	1.2 Review of literature	8
	1.3 Objective of the Project	11
	1.4 Scope of the study	11
	1.5 Research Methodology	11
	a) Type of study	12
	b) Sampling Design	12
	c) Method of data collection	12
	d) Tools of analysis	12
	1.6 Limitation of the study	12
<b>2</b>	<b>ORGANIZATION PROFILE</b>	<b>13</b>
	2.1 History of the organization	13
	2.2 Management	17
	2.3 Organization Structure	17
	2.4 Product profile & Market potential	18
	2.5 Competitive Strength of the industry	19
<b>3</b>	<b>MICRO MACRO ANALYSIS</b>	<b>28</b>
<b>4</b>	<b>DATA ANALYSIS AND INTERPRETATION</b>	<b>39</b>
<b>5</b>	<b>CONCLUSIONS</b>	<b>89</b>
	5.1 Results & Discussions	89
	5.2 Considered Recommendations	91
<b>6</b>	<b>BIBLIOGRAPHY</b>	<b>92</b>

# *Introduction*

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## **CHAPTER 1**

### **1.1 INTRODUCTION:**

#### **CASH MANAGEMENT**

Cash management is concerned with the managing of: i) Cash flows into and out of the firm, ii) Cash flows within the firm, and iii) Cash balances held by the firm at a point of time by financing deficit or investing surplus cash. It can be represented by a cash management cycle. Sales generate cash which has to be disbursed out. The surplus cash has to be invested while deficit has to be borrowed. Cash management seeks to accomplish this cycle at a minimum cost. At the same time, it also seeks liquidity and control. Cash management assumes more importance than other current assets because cash is the most significant and the least productive asset that a firm holds. However, Cash is unproductive. Unlike fixed assets or inventories, it does not produce goods for sale. Therefore, the aim of cash management is to maintain adequate control over cash position to keep the firm sufficiently liquid and to use excess cash in some profitable way.

#### **IMPORTANCE OF CASH MANAGEMENT:**

Cash management is also important because it is difficult to predict cash flows accurately, particularly the inflows, and there is no perfect coincidence between the inflows and outflows of cash. During some periods, Cash outflows will exceed cash inflows, because of payment of taxes, dividends or seasonal inventory build up. At other times, Cash inflow will be more than Cash payments because there may be large cash sales and debtors may be realized in large sums promptly, Further, cash management is significant because cash constitutes the smallest portion of the total current assets, yet management's

considerable time is devoted in managing it. In recent past, a number of innovations have been done in cash management techniques. An obvious aim of the firm these days is to manage its cash affairs in such a way as to keep cash balances at a minimum level and to invest the surplus cash in profitable investment opportunities.

In order to resolve the uncertainty about the cash flow prediction and lack of synchronization between cash receipts and payments, the firm should develop appropriate strategies for cash management. The firm should evolve strategies regarding the following four facets of cash management:

**Cash Planning:**

Cash inflows and outflows should be planned to project cash surplus or deficit for each period of the planning period. Cash budget should be prepared for this purpose.

**Managing the cash flows:**

The flow of cash should be properly managed. The cash inflows should be accelerated while, as far as possible, the cash outflows should be decelerated.

**Optimum cash level:**

The firm should decide about the appropriate level of cash balances. The cost of excess cash and danger of cash deficiency should be matched to determine the optimum level of cash balances.

### **Investing surplus cash:**

The surplus cash balances should be properly invested to earn profits. The firm should decide about the division of such cash balance between alternatives short term investment opportunities such as bank deposits, marketable securities, or inter-corporate lending.

The ideal cash management system will depend on the firm's products, organization structure, competition, culture and options available. The task is complex, and decisions taken can affect important areas of the firm. For example, to improve collections if the credit period is reduced, it may affect sales. However, in certain cases, even without fundamental changes, it is possible to significantly reduce cost of cash management system by choosing a right bank and controlling the collections properly.

### **Cash Planning:**

Cash flows are inseparable parts of the business operations of firm. A firm needs cash to invest in inventory, receivable and fixed assets to make payment for operating expenses in order to maintain growth in sales and earnings. It is possible that firm may be making adequate profits, but may suffer from the shortage of cash as its growing needs may be consuming cash very fast. The 'cash poor' position of the firm can be corrected if its cash needs are planned in advance. At times, a firm can have excess cash may remain idle. Again, such excess cash flows can be anticipated and properly invested if cash planning is resorted to. Cash Planning is a technique to plan and control the use of cash. It helps to anticipate the future cash flows and needs of the firm. It helps to anticipate the future cash flows and needs of the firm and reduces the possibility of idle cash balances (which lowers firm's profitability) and cash deficits(which can cause the firm's failure).

## **Cash forecasts:**

Cash forecasts are needed to prepare cash budgets. Cash forecasting may be done on short or long term basis. Generally, forecasts covering periods of one year or less are considered short-term; those extending beyond one year are considered long-term.

### **Short term Cash Forecasts:**

It is comparatively easy to make short-term cash forecasts. The important functions of carefully developed short-term cash forecasts are:

- To determine operating cash requirement
- To anticipate short-term financing
- To manage investment of surplus cash

The short-term forecast helps in determining the cash requirements for a predetermined period to run a business. If the cash requirements are not determined, it would not be possible for the management to know-how much cash balance is to be kept in hand, to what extent bank financing be depended upon and whether surplus funds would be available to invest in marketable securities.

To know the operating cash requirements, cash flow projections have to be made by the firm by a firm. As stated earlier, there is hardly a perfect matching between cash inflows and outflows. With the short-term cash forecasts, however, the financial manager is enabled to adjust these differences in favor of the firm.

It is well-known that, for their temporary financing needs, most companies depend upon banks. One of the significant roles of the short term



forecasts is to pinpoint when the money will be needed and when it can be repaid. With such forecasts in hand, it will not be difficult for the financial manager to negotiate the short term financing arrangements with banks. This in fact convinces bankers about the ability of the management to run its business.

The third function of the short-term cash forecasts is to help in managing the investment of surplus cash in marketable securities. Carefully and skillfully designed cash forecast helps a firm to:

- i) Select securities with appropriate maturities and reasonable risk.
- ii) avoid over and under-investing and
- iii) maximize profits by investing idle money.

Short run forecasts serve many other purposes. For example, multi-divisional firms use them as a tool to coordinate the flow of funds between their various divisions as well as to make financing arrangements for these operations. These forecasts may also be useful in determining the margins or minimum balances to be maintained with banks.

### **INVESTING SURPLUS CASH IN SECURITIES:**

There is a close relationship between cash and money market securities or other short-term investment alternatives. Investment in these alternatives should be properly managed. Excess cash should normally be invested in those alternatives that can be conveniently and promptly converted into cash. Cash in excess of the requirement of operating cash balances may be held for two reasons. First, the working capital requirements of the firm fluctuate because of the elements of seasonality and business cycles. The excess cash may build up during slack seasons but it would be needed when the demand picks up. Thus, excess cash during slack season is idle temporarily, but has a predictable requirement later on. Second, excess cash may be held as a buffer to

meet unpredictable financial needs. A firm holds extra cash because cash flows cannot be predicted with certainty. Cash balance held to cover the future exigencies is called the precautionary balance and is usually invested in the short-term money market investments until needed.

Instead of holding excess cash for the above mentioned purpose, the firm may meet its precautionary requirements as and when they arise by making short term borrowings. The Choice between the short-term borrowings and liquid assets holding will depend upon the firm's policy regarding the mix of short-term financing.

The excess amount of cash held by the firm to meet its variable cash requirements and future contingencies should be temporarily invested in marketable securities, which can be regarded as near moneys. A number of marketable securities may be available in the market. The financial manager must decide about the portfolio of marketable securities in which the firm's surplus cash should be invested.

### **SELECTING MARKET OPPORTUNITIES:**

A firm can invest its excess cash in many types of securities or short-term investment opportunities. As the firm invests its temporary cash balance, its primary criterion in selecting a security or investment opportunities will be its quickest convertibility into cash, when the need for cash arises. Besides this, the firm would also be interested in the fact that when it sells the security or liquidates investment, it, at least, gets the amount of cash equal to the investment outlay. Thus, in choosing among alternative investment, the firm should examine three basic features of security: safety, maturity and marketability.

**Safety:**

Usually, a firm would be interested in receiving as high a return on its investment as is possible. But the higher returns yielding securities or investment alternatives are relatively more risky. The firm would invest in very safe securities as the cash balance invested in them is needed in near future. Thus, the firm would tend to invest in the highest yielding marketable securities subject to the constraint that the securities have acceptable level of risk. The risk referred here is the default risk. To minimize the chances of default risk and ensure safety of principal or interest, the firm should invest in safe securities.

**Maturity:**

Maturity refers to the time period over which interest and principal are to be made. The price of long-term security fluctuates more widely with the interest rate changes than the price of short term security. Over time, interest rates have a tendency to change. Because of these two factors, the long-term securities are relatively risky. For safety reasons, therefore, the firms for the purpose of investing excess cash prefer short-term securities.

**Marketability:**

Marketability refers to the convenience and speed to which a security or an investment can be converted into cash. The two important aspects of marketability are price and time. If the security can be sold quickly without loss of price, it is highly liquid or marketable. The governmental treasury bills fall under this category. If the security needs time to sell without loss, it is considered illiquid. As the funds invested in marketable securities will be needed by the firm in near future, it would invest in the securities that are readily marketable. The securities that have low marketability usually have higher yields in order to attract investment. Thus, differences in marketability also cause differences in the security yields.

## **1.2 BACKGROUND OF THE STUDY**

Cash is the important current asset for the operations of the business. Cash is the basic input needed to keep the business running on a continuous basis; It is also the ultimate output expected to be realized by selling the service or product manufactured by the firm. The firm should keep sufficient cash, neither more or less. Cash Shortage will disrupt the firm's manufacturing operations while excessive cash will simply remain idle, without contributing anything towards profitability. Thus, a major function of the financial manager is to maintain a sound cash position.

Cash is the money which a firm can disburse immediately without any restriction. The term Cash includes coins, currency and cheques held by the firm, and balances in the bank accounts. Sometimes near cash items, such as marketable Securities or bank times deposits are also included in cash. The basic characteristic of near cash assets is that they can readily be converted into cash. Generally, when a firm has excess cash, it invests it in marketable securities. This kind of investments contributes some profit in the firm.

## **1.2 REVIEW OF LITERATURE**

According to Venkat Srinivasan and Yong H Kim in the topic "Deterministic cash flow management: State of the art and research directions" has discussed that Cash flow management has attracted the increasing attention of both academicians and practitioners in recent time. There is increasing emphasis on cash management as a vital organizational function and evidence indicates that the role and responsibilities of cash managers are expanding beyond conventional boundaries. In an earlier article, Gregory presented an excellent review of a limited class of cash management models. This paper attempts to review the rather large body of deterministic cash flow models that were not reviewed by Gregory. The review places the models in proper perspective by identifying the underlying decision processes and points out the

somewhat narrow focus of these models. A modified taxonomy of cash management decisions is suggested as a possible framework for future research. The paper also recognizes the tremendous growth in information and computer technology and its implications for normative modeling efforts in cash management.”

According to Erkki K. Laitinen & Teija Laitinen in the topic ‘Cash Management Behavior and Failure Prediction’ has said that the purpose of this study is to evaluate the information contained in static and dynamic inventory cash management models to predict failure in a sample of 41 small and middle-sized Finnish bankrupt firms and their nonbankrupt counterparts. The results indicate that the estimates of the (scale) elasticity of cash balance with respect to the volume of transactions (approximated by net sales) are significantly lower for the failed firms. Furthermore, only the scale elasticity appears to be a statistically significant discriminating variable, and only in the first year before bankruptcy. This estimate remarkably increased the Lachenbruch validated classification accuracy based on traditional financial variables.

According to International Research Journal of Finance and Economics in the topic Treasury Management versus Cash Management has said that Cash management can be seen from two different perspectives depending on how many responsibilities it includes: treasury management (or basic cash management) and advanced cash management. Specifically, treasury management handles actual cash management at companies, and one of its main functions is to establish the optimum cash level so that payments can be made and received as necessary for the proper operation of the company. The second concept includes not only treasury management but also other tasks such as treasury forecasting, negotiation and establishment of relationships with financial institutions and financial risk management. Cash management refers to that part of the working capital that makes up the optimal level needed by a company treasury. However, if the profit opportunities available in the process of

cash flow creation are to be maximized, this scope must be broadened to take in more operational decisions, since optimum cash levels are influenced by other factors outside the restrictive concept of "treasury". Linking these concepts with the concepts of monetary theory reveals that the initial reasons for cash management were transaction and precaution, and those reasons were then joined by speculation, taking it closer to the overall concept of treasury management in the broad sense of the term.

### **1.3 OBJECTIVE OF THE STUDY**

#### **1.3.1 Primary objective:**

To study the Cash management of Polaris Software Lab Ltd

#### **1.3.2 Secondary objectives:**

- To reallocate available funds to meet emerging, short-term priorities.
- To gain insights about functioning of Polaris cash management

#### **1.3.3 STATEMENT OF THE PROBLEM:**

The company invests its surplus funds in mutual funds. They invest the funds in most of the liquid schemes which provides minimum returns for the organization. For getting higher returns or increasing the cash flow, the organization has to invest in some other schemes which provide higher return for them.

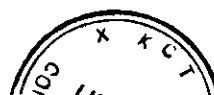
#### **1.3.4 SCOPE OF THE STUDY:**

The scope of the study is to give better options for the company for increasing the cash inflows of the organization.

### **1.6 RESEARCH METHODOLOGY:**

#### **Introduction**

Research is a careful inquiry or examination to discover new information or relationship to expand and to verify existing knowledge. Research Methodology is a way to solve systemically the research problem. It explains the various steps generally adopted in studying research problem to know not only the research method or technique but also the methodology.



### **1.6.1 Type of Study:**

#### **Analytical Study:**

In analytical research, the researcher has to use facts or information already available, and analyze these to critical evaluation of the material. This is an analytical study.

### **1.6.2 Sampling Design**

A systematic process that connects all the details of the sampling, right from the determination of sample size of the collection of the data.

#### **Method of Sampling:**

Judgment Sampling

#### **Method of Data collection:**

The data used for the study is secondary data. Investment details from the company are obtained as well as the data is being obtained from the [www.mutual fund India.com](http://www.mutualfundindia.com) website.

#### **Time period covered:**

3 years covering 1<sup>st</sup> April 2007 to 31<sup>st</sup> March 2010

### **LIMITATIONS OF THE STUDY:**

- Due to time constraint only 10 mutual funds was taken for the study.
- Analysis was carried with the help of data over a period of only 3 years and less than 3 years in certain cases.



*Organization  
Profile*

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## CHAPTER 2

### ORGANISATION PROFILE

#### 2.1 HISTORY OF THE ORGANISATION:

Polaris Software Lab Ltd. was incorporated in 1993. Polaris was one of the first vendors that Citigroup chose to partner with, when it entered India. Simultaneously, Citigroup started its own company called COSL (Citibank Overseas Software Ltd) which strategized and operationalized Citigroup's vision of leveraging India. COSL was later renamed Orbitech, and later merged with Polaris. Today, Polaris is an amalgamation of these two organizations.

Polaris Software is the world's most sophisticated banking and insurance software company. Polaris is the chosen outsourcing partner for 10 of the top 15 global banks and 6 of the 10 top global insurance companies. Polaris offers state-of-the-art, comprehensive solutions for core banking, corporate banking, wealth & asset management and insurance. Over the last two decades, Polaris has implemented its solutions and services among 200 of the world's largest financial institutions. Polaris Software is also recognized by the world's top analysts (Forrester and Gartner) as global leaders in banking and insurance software.

Polaris Software Lab Ltd incorporates

1994

Developed banking software for Citibank India

1995

Quality processes aligned to SEI- CMM Level 3. Konark Trust was formed.

1996

Operations set up in USA. Corporate Social Responsibility initiative, Ullas Trust was formed.

1997

First Overseas development Center commissioned for Citibank. Polestar Foundation formed. Polaris awarded "Most Innovative Company."

1998

First large Offshore Contract CDC started. Quality Processes aligned to SEI-CMM Level 4. Quality Processes ISO -9001 certified. Birth of Polaris Retail InfoTech Limited (PRIL).

1999

First ATM Development Lab. First secure Lab awarded "Best International Business Excellence" Award

2000

Foundation development center inaugurated in Chennai

2001

World's First CMMI level 5 company, NASSCOM uses Polaris software, rated as 'Fastest growing company in India' by Computers Today and Business World

2003

Merger with OrbiTech (Citigroup subsidiary), launched Intellect suite of products for banking solutions, ranked 9th by NASSCOM Top 20 exporters, received Mother Teresa Corporate Citizen Award

2005

Launched Intellect banking platforms

2006

Opened 'Super Specialty Center for Investment Banking

2007

Corporate Banking" New Center in Mumbai, launched PACE Lab in Sydney

2008

Polaris launches 'Unified Portal' for Corporate Banking, agrees to acquire SEEC, Inc.

2009

Polaris acquires Laser Soft Infosystems Ltd.

### **From Experience to Expertise**

Polaris' intimated understanding of the Money business distinguishes it from all others.

While the rest of the Indian IT industry was busy building expertise on COBOL, Java and Lotus, Polaris built expertise around Banking, Financial Services and Insurance (BFSI) specializing on industry segments such as

Investment Banking, Retail Banking, Credit Cards, Corporate Banking, and Insurance.

Polaris organized itself into 7 Business Solution Centers (BSC's). Each BSC houses expertise in one domain area. For example, the Hyderabad BSC houses investment banking & wealth management expertise and is the world's first specialty center for Investment Banking.

Polaris is proud to serve the world's most prestigious banks, including Citigroup, SEB, Shinsei Bank, Mekong Housing Bank, Saigon Hanoi Bank, Al Hilal Bank, and Deutsche Leasing, to name a few. Polaris' strength lies in its people: World-class bankers, peerless information technology experts, and quality assurance gurus all work together to ensure the best possible outcomes for clients.

#### **Polaris Vision:**

- Create the environment to attain personal mastery to push new frontiers
- Unleash the collective knowledge potential
- Achieve global stature by helping customers win in their market place
- Grow the value of Polaris every year
- Anchor the family and its aspirations
- Impact the society at large
- Rooted in Polaris Values – Passion, Humility, Integrity, Respect, FUN - 'PHIR FUN'

#### **Polaris Mission:**

“To be a reliable and responsive Techno-Business Solution partner and provide cost-effective timely solution, meeting customer expectation through continuous process improvement and Win relationships in the Banking, Financial Services and Insurance space”

## **GLOBAL PRESENCE:**

Headquartered in Chennai, Polaris has offices in Seoul, Tokyo, Sydney, Melbourne, Hong Kong, Singapore, India, Dubai, Bahrain, Riyadh, London, Belfast, Zurich, Frankfurt, Toronto, New York, Chicago, Fremont, Chile, and Madrid.

## **2.2 MANAGEMENT:**

The Chairman and Managing Director manage the day-to-day affairs of the company. The company has an optimum combination of Executive, Non executive and independent directors to maintain the independence of the Board All pecuniary relationship or transactions of the non-executive directors are disclosed in the Annual Report of the company.

### **Board of Directors of the company:**

- Chairman and Managing Director – Mr. Arun Jain.
- Practicing Chartered Accountant – Mr. Abhay Agarwal.
- Managing Director, Citigroup Venture Capital International – Mr. Anil Khanna.
- Managing Director - Citi Venture Capital International – Mr. Anil Nagu.
- Sr. Lawyer, Supreme Court –Mr. Arvind Kumar.
- Head - Department of Electrical Engineering Indian Institute of Technology (IIT) Madras, India. – Mr. Ashok Jhunjunwala.
- Chairman, Maruti Suzuki Limited –Mr. R.C.Bhargava.
- President & Chief Operating Officer, ICICI One Source Limited –Mr. Raju Venkatraman.
- Former Secretary (Telecom), Chairman MTNL and a telecom expert – Mr. Satya Pal

### **2.3 Products Profile:**

Their products are the intellect suite of banking products. Some of the products are:

- Core Banking
- Consumer Finance
- Credit Cards
- Portals
- Cash & Liquidity
- Risk & Treasury
- Wealth
- Investor Services
- Smart Branch

Some of the services offered by them are:

#### **Consulting Services**

- Architecture Design
- Modernization Roadmap
- Multi-channel

#### **Outsourcing**

- Legacy to SOA Modernization
- Application Development & Management
- Global Roll out
- Independent Testing
- Enterprise Applications: CRM/ERP
- BPO

**Key Strength:**

The strength of Polaris lies in its people. A unique blend of techno-bankers, banking & insurance practitioners, technology experts & quality process gurus helps Polaris create enduring value in any relationship. At Polaris we call this philosophy 'The Economics of Expertise'.

- Expertise that benefits the consumers of our customers
- Expertise that helps our customers reach their goals better and faster
- Expertise that helps our employees satisfy their desire to add value and make a difference
- Expertise that helps our shareholders derive more returns from their investments
- Expertise that helps builds more experts in society

**Rewards and recognition:**

- World's first CMMI (Capability Maturity Model Integrated) Level 5 Certified Company.
- Certified as ISO 9001, BS 7799, and CMMI Level 5 and SEI CMM Level 5 Company.
- Recognized by the Smithsonian Institution in 1993 for creating the first ever banking solution on distributed architecture.
- Won for the second consecutive year Global Services 100 in the specialty applications development category
- Polaris Intellect Treasury won the "The Banker Capital Markets Projects Award" in 2007



**Corporate social responsibility:**

Polaris Software Lab started the Ullas Trust in 1997 to nurture dreams and encourage a 'can do' spirit among economically challenged adolescent students. Polaris associates support and manage this trust. Each "Polarite" mentors a disadvantage school student, acting as a role model and providing 40% of a scholarship. (Polaris contributes the rest.)

The Ullas Trust organizes educative and informative sessions (You can do it) for the students, where volunteers from the organization teach computer and Internet Basics and counsel on career prospects.

## **CASH MANAGEMENT AT POLARIS SOFTWARE LAB LTD.**

Cash management at Polaris aims at evolving strategies for dealing with various facets of cash management. These facets include the following:

- **Optimum Utilization of Operating Cash**

Implementation of a sound cash management programme is based on rapid generation, efficient utilization and effective conservation of its cash resources. Cash flow is a circle. The quantum and speed of the flow can be regulated through prudent financial planning facilitating the running of business with the minimum cash balance. This can be achieved by making a proper analysis of operative cash flow cycle along with efficient management of working capital.

- **Cash Forecasting**

Cash forecasting is backbone of cash planning. It forewarns a business regarding expected cash problems, which it may encounter, thus assisting it to regulate further cash flow movements. Lack of cash planning results in spasmodic cash flows.

- **Cash Management Techniques:**

Every business is interested in accelerating its cash collections and decelerating cash payments so as to exploit its scarce cash resources to the maximum. There are techniques in the cash management which a business to achieve this objective.

- **Liquidity Analysis:**

The importance of liquidity in a business cannot be over emphasized. If one does the autopsies of the businesses that failed, he would find that the major reason for the failure was their inability to remain liquid. Liquidity has an intimate relationship with efficient utilization of cash. It helps in the attainment of optimum level of liquidity.

- **Profitable Deployment of Surplus Funds**

Due to non-synchronization of cash inflows and cash outflows the surplus cash may arise at certain points of time. If this cash surplus is deployed judiciously cash management will itself become a profit centre. However, much depends on the quantum of cash surplus and acceptability of market for its short-term investments.

- **Economical Borrowings**

Another product of non-synchronizations of cash inflows and cash outflows is emergence of deficits at various points of time. A business has to raise funds to the extent and for the period of deficits. Raising of funds at minimum cost is one of the important facets of cash management.

### **Purpose of Cash Management:**

Cash management is the stewardship or proper use of an entity's cash resources. It serves as the means to keep an organization functioning by making the best use of cash or liquid resources of the organization.

The function of cash management at Polaris is threefold:

#### **1. To eliminate idle cash balances:**

Every dollar held as cash rather than used to augment revenues or decrease expenditures represents a lost opportunity. Funds that are not needed to cover expected transactions can be used to buy back outstanding debt (and cease a flow of funds out of the Treasury for interest payments) or can be invested to generate a flow of funds into the Treasury's account. Minimizing idle cash balances requires accurate information about expected receipts and likely disbursements.

## **2. To deposit collections timely:**

Having funds in-hand is better than having accounts receivable. The cash is easier to convert immediately into value or goods. A receivable, an item to be converted in the future, often is subject to a transaction delay or a depreciation of value. Once funds are due to the Government, they should be converted to cash-in-hand immediately and deposited in the Treasury's account as soon as possible.

## **3. To properly time disbursements:**

Some payments must be made on a specified or legal date, such as Social Security payments. For such payments, there is no cash management decision. For other payments, such as vendor payments, discretion in timing is possible. Government vendors face the same cash management needs as the Government. They want to accelerate collections. One way vendors can do this is to offer discount terms for timely payment for goods sold.

## **CASH MANAGEMENT PROCESS**

The various processes that are involved in cash management are:

- Investment in mutual funds.
- Fund Transfers
- Fixing common exchange rates
- Bank Balance monitor
- Bank Guarantee
- Board Resolutions
- Bank coordination in A/c opening and closing
- Forward contract (Liquidation of funds)
- Bank Reconciliation
- Preparing cash flow statement

**FUND TRANSFER:****MAIN BANKERS FOR POLARIS:**

- Citi Bank
- HDFC Bank
- ICICI Bank

The company holds majority of the accounts in these two banks. These banks facilitate them in the fund transfer process. The funds from the company's account in these banks are being transferred to the required account by the bank. Fund requirements are being sent to the treasury department and these banks facilitate the fund transfer. Fund transfer is done through Citi Bank Online Banking through EFT or RTGS. These funds may be either for the purchase purpose or the payments to be made by the company in the form of salary etc.

**INVESTMENT IN MUTUAL FUNDS:**

In order to eliminate idle cash balances, company invests their surplus funds in mutual funds. All the excess funds available in bank a/c is being invested in Mutual Funds. Investment is made in the form of Liquid funds or Liquid Plus Funds. This forms one of the daily activities for the company. They invest around Rs.37, 889.89 lakhs in mutual funds.

**BANK RECONCILIATION:**

Bank reconciliation is the process of comparing and matching figures from the accounting records against those shown on a bank statement. The result is that any transactions in the accounting records not found on the bank statement are said to be outstanding.

Bank reconciliation allows companies or individuals to compare their account records to the bank's records of their account balance in order to uncover any possible discrepancies. Discrepancies could include: cheques

recorded as a lesser amount than what was presented to the bank; money received but not lodged; or payments taken from the bank account without the business's knowledge. A bank reconciliation done regularly can reduce the number of errors in an accounts system and make it easier to find missing purchases and sales invoices. A simple reconciliation formula used is usually:

Balance per Bank Records + Deposits in Transit - Outstanding Checks = Correct cash balance.

### **CURRENCY RATES UPDATION AND CREATION (FX rates):**

The objective of this process is to maintain the common exchange rates. The currency rates are being downloaded from the Oanda and Fedai websites. Current day rate, high, low and Average rates from the previous month are taken for India and their subsidiary companies at other nations. The proposed rate is calculated on the basis of the average rates and the current day rate. Rates will be published every month and all the rates should be reviewed by 20<sup>th</sup> of every month.

### **BANK BALANCES MONITOR:**

The balances in the banks have to be monitored. Based on the balances in the banks, they prepare the fund planner. Updation of weekly bank balances and monthly cash balances. Daily fund position has to be prepared.

### **BANK GUARANTEE:**

The treasury team receives the bank guarantee request. Bank Guarantee request contains the bank guarantee In favor of the address, bank guarantee value, the expiry date and the claim date. Bank Guarantee text has to be printed by the bank. After receiving the request, they need to check for the approval from the concerned heads. Then the BG request has to be sent to the bank for vetting. For renewal, the above process has to be followed along with BG No. and extension period.

## **LIQUIDITY MANAGEMENT:**

The company never keeps all the cash in its current account for the simple reason that the opportunity cost of Idle Cash is very high. That is why, they try to maintain, besides cash, other liquid assets which provide some return but at the same time can be converted into cash within a reasonably short time with relatively low risk. The various forms of Liquidity in which a firm can keep its cash are:-

### **Forms of Liquidity:**

#### **Cash Balance in the Current Account:**

This is the highest form of Liquidity Asset a company can conceive of, but the return provided by it is Nil. However, companies maintain approximately four to five percent of their total assets, on the average, in this form.

#### **Keeping Reserve Drawing Power under Cash Credit/Overdraft Arrangement:**

This form of Liquidity appears to be quite attractive as it can have access to bank borrowing. However, constraints imposed by the Banking Sector made it much less attractive than what it once used to be. Close scrutiny of the quarterly budgets of the companies by banks and imposition of penal Interest of 2 per cent over and above the normal rate of Interest on under- or over-utilization makes this form more tedious and time consuming. However, a built-in cushion may possibly be included while preparing the quarterly budgets and during some periods the full amount may be drawn.

The tax benefit on the Interest makes effective after tax rate to be much less costly, even if part of it is held in the form of Idle Cash. This not only

helps as a Liquid Source but also helps in obtaining equal or higher limits during the forthcoming years.

### **Marketable Securities:**

These are short-term securities of government such as treasury bills and other Gilt edged securities whose default risk is nil and, for that very reason, the return is low. It is preferable to ensure the maturity structure of these short-term securities with the likely period of excessive drain on the part of the company. Then, the transaction costs can be considerably minimized as early liquidation prior to maturity may result in low return from these assets.

### **Investment in Inter-Corporate Deposits:**

The company invests money with other companies in the form of short-term deposits ranging from two to three months to five or six month at remunerative rates. However, these deposits being unsecured in Nature are subject to considerable risk, unless the companies accepting such deposits have excellent antecedents to their paying habits.

From among the different forms of liquidity available to a company they make deliberate choice in selecting an appropriate mix that suits the liquidity requirements of the company and disposition of its management towards risk.



## **CHAPTER 3**

### **MACRO-MICRO ANALYSIS**

#### **INDUSTRY OVERVIEW:**

##### **3.1.1 INTRODUCTION:**

In an increasingly globalized world, significant complexity and uncertainty is getting attached to the unprecedented economic crisis. The Indian economy has also been impacted by the recessionary trends, with a slowdown in GDP growth to seven per cent. The focus and exponential growth in the domestic market has partially offset this fall and insulated the country, resulting in net over all momentum. The IT-BPO industry in India has today become a growth engine for the economy, contributing substantially to increases in the GDP, urban employment and exports, to achieve the vision of a “young and resilient” India. During the year, the sector maintained its double digit growth rate and was a net hirer. This growth has been fueled by increasing diversification in the geographic base and industry verticals, and adaptation in the service offerings portfolio. While the effects of the economic crisis are expected to linger in the near term future, the Indian IT-BPO industry has displayed resilience and tenacity in countering the unpredictable conditions and reiterating the viability of India’s fundamental value proposition. Consequently, India has retained its leadership position in the global sourcing market. The Indian IT-BPO industry is estimated to achieve revenues of USD 71.7 billion in FY2009, with the IT software and services industry accounting for USD .60 billion of revenues. During this period, direct employment is expected to reach nearly 2.23 million, an addition of 226,000 employees, while indirect job creation is estimated to touch 8 million. As a proportion of national GDP, the sector revenues have grown from 1.2 per cent in FY1998 to an estimated 5.8 per cent in FY2009. Software and services exports (including BPO) are expected to account for over 99 per cent of total exports, employing over 1.76 million employees.

While the current mood is that of “cautious optimism,” the industry is expected to witness sustainable growth over a two-year horizon, going past its USD 60billion export target in FY2011. While the industry has significant headroom for growth, competition is increasing, with a number of countries creating enabling business environments aimed at replicating India's success in the IT-BPO industry. Hence, concentrated efforts are required by all stakeholders to address the current challenges, to ensure that India realizes its potential, and maintains its leadership position

### **3.1.2 BUDGET 2009 & ITS IMPACT ON THE IT INDUSTRY:**

The Union budget presented gives a long term direction to inclusive growth, Infrastructure development, Education and employment generation of 12 million jobs a year.

In terms of the Impact on the IT industry, steps like the scrapping of the FBT, extension of the 10A benefits till 2011, increase in the MAT credit period to 10years and increased allocation to education are welcome steps. However, steps like the increase in MAT from 10 to 15% are going to have an adverse impact on the Industry in the short run and this is something we could have avoided.

On the personal taxation, while the increases in tax limits are nominal, the removal of surcharge on income tax will benefit number of employees in our industry. The Industry also welcomes the planned outlay of Rs. 2100 crores to create Educational infrastructure including setting up IIT's and interest waivers for educating students. These reforms will clearly bring in a manifold resource increase for employability in the technical stream.

### **3.1.3 PEST ANALYSIS FOR SOFTWARE INDUSTRY:**

#### **POLITICAL FACTOR:**

- Indian political structure is considered stable enough expect the fact that there is a fear of hung Parliament (no clear majority)-Positive factor
- U.S. government has declared that U.S companies that outsource IT work to other locations other than U.S. will not get tax benefit-Negative factor.
- Government owned companies and PSUs have decided to give more IT projects to Indian IT companies-Positive factor.
- Terrorist attack or war-Negative factor.

#### **ECONOMICAL FACTOR:**

- Global IT spending (demand)-Negative factor.
- Domestic IT Spending (Demand): Domestic Market grow by 20% & reach approximately USD 20 billion in 2008-09 Nasscom-Positive factor.
- Currency Fluctuation – Negative Factor.
- Decline in real estate prices has resulted reducing the rental expenditure – Positive Factor.
- Attrition: Due to recession, the layoffs and job-cuts have resulted in
- low attrition rate – Positive Factor.
- Economic attractiveness: Due to cost advantage and other factors – Positive Factor.

#### **SOCIAL FACTOR:**

- Language Spoken: English is widely spoken language in India. English medium is the most accepted medium of education – Positive Factor.
- Education: Large number of technical institutes and universities over the countries provide IT education. – Positive Factor.
- Working age population – Positive Factor.

## **TECHNOLOGICAL FACTOR:**

### **Telephonic factor (Positive Factor):**

- India has the world lowest call rates
- Expected to have total subscribers base of about 500 million by 2010.
- India has the second largest telephone network after china.
- Enterprise telephone services, 3G, wi-max, VPN, poised to grow.

### **Internet Backbone:**

Due to IT revolution in 90's India is well connected with undersea optical cables (Positive Factor)

### **New IT Technologies:**

Technologies like SOA, web 2.0, High definition content, grid computing, and innovation in low cost technologies is presenting new challenges & opportunities for Indian IT industry. (Positive Factor)

## **STP OF SOFTWARE INDUSTRY**

### **SEGMENTATION:**

Market segmentation is a process that segments a market into smaller sub-markets, called segments. Segments are to be homogeneous or have similar attributes. Purchasing patterns and trends can appear prominently in certain segments. Good market segmentation is to create segments where prominent patterns can emerge. Market segmentation may be used to analyze the followings;

#### **Market responsiveness analysis:**

This is very useful in direct marketing since market responsiveness of product offerings can be readily available.

#### **Market Trend Analysis:**

Analyzing segment-by-segment changes of sales revenues can reveal market trends. Trending information is vital in preparing for ever-changing markets.

Segmentation offers deals with a specific function within the enterprise such as data processing, accounting, human resources, plant maintenance,

engineering design, manufacturing, inventory control, etc. This is the most likely domain for a product or service, but you must recognize that the other domains may also get involved if the purchase of the product or service becomes a high profile decision. This purchase decision will be made by the prospect's functional management.

### **TARGETING:**

The dynamics of IT industry is changing and IT firms are now preparing themselves to meet new challenges. Traditionally, Indian IT firms have been deriving sales from the Americas and Europe but going forward, the CAGRs of these regions will be low where as the Asian market is expected to grow at a very fast pace and approach the market size of the European markets by 2011. The emerging Latin American and Middle-East/African markets, though smaller in size, are also expected to have a higher CAGR. The growth in the Asia-Pacific Region is expected to be higher mainly on account of growth in spends in China and India.

### **POSITIONING:**

India has firmed up its position in the global software industry and global software biggies too are setting up huge R&D facilities in the country. However, India still accounts for only about 2.5% of the global IT services market, according to Nasscom.

But we have a strategic planning assumption that states India's IT services could grow to \$50 billion in 2008 from \$18-19 billion currently. In offshore IT services, India has 85% share and so would by far be no.1. This is good considering that the feat has been achieved in a span of less than two years. Over the years, Indian IT service companies have established themselves firmly on the global stage. More than two-thirds of Fortune 500 firms turn to them for part of their IT and business process outsourcing needs. Some, such as Tata Consultancy Services (TCS), Infosys Technologies and Wipro Technologies,

have become global brands, competing head-to-head with multinational IT service providers.

## **8P'S OF IT INDUSTRY**

### **1. Product:**

The product aspects of marketing deal with the specifications of the services, and how it relates to the end-user's needs and wants. The scope of a product generally includes supporting elements such as warranties, guarantees, and support.

### **2. People:**

For service marketers, the core of the service element is the interaction between those providing services and the customer, which is known as service encounter. To achieve customer satisfaction appropriate processes are designed to ensure that the service encounter meets customer expectations.

To deliver the satisfactory services, the employees of a company have to play an important role. Employees must possess personal qualities, ability to understand and satisfy customer needs, flexibility, skills and knowledge. Friendly and warm employees increase customer loyalty.

### **3. Place:**

In service place refers to location and use of distribution channels. It is referring to the channel by which a service is sold (e.g. online vs. retail), which geographic region or industry, to which segment (young adults, families, business people) etc. also referring to how the environment in which the product is sold in can affect sales.

### **4. Process:**

In Service Industry Process refers to how a service is provided and delivered to the customer. IT relies on processes to consistently deliver high quality solutions while executing a growing number of engagements from multiple locations. Values, vision and policies form the first level of our three-tiered process architecture. They are implemented through process execution at the

next level. These processes are defined with clear ownership using the ETVX (Entry, Task, Verification, and Exit) paradigm and clearly defined roles and responsibilities.

### **5. Productivity:**

Productivity refers to the success or failure of any business, so the quality of the product should be very good for his companies have different quality standards which are certified by the quality department and are approved all over the world. If one does not have approved quality standards then he develops its own to meet the quality that is demanded by the customers.

### **6. Price:**

Software pricing strategy is price planning for a software firm takes into view factors such as overall marketing objectives, consumer demand, product attributes, competitors' pricing, and market and economic trends. When a firm launches a product, the pricing decision is one of the most critical decisions. Software pricing has been concentrated the internal business objectives of vendors such as costs, specified margins, and the competition.

On the marketing point of view, the goal of pricing strategy is to set a price that is the pecuniary equivalent of the value perceived by the customer in the product in order to meet the profit and achieve investment goals.

### **7. Promotion:**

Over here, services and project consulting is through contract or agreement between the parties and promotions are carried out only for the particular client selected as upgrading and extended service for a particular period, etc. This includes advertising sales promotion, publicity, and personal selling. Branding refers to the various methods of promoting the product, brand, or company.

## **GROWTH IN REVENUES:**

- Indian IT-BPO grew by 12 per cent in FY2009 to reach USD 71.7 billion in aggregate revenue. Software and services exports (includes exports of IT services, BPO, Engineering Services and R&D and Software products) reached USD 47 billion, contributing nearly 66 per cent to the over all IT-BPO revenue aggregate.
- IT-BPO exports (including hardware exports) reached USD 47.3 billion in FY2009 as against USD 40.9 billion in FY2008, a growth of 16 per cent.
- While the US (60 per cent) and the UK (19 per cent) remained the largest IT-BPO export markets in FY2008, the industry footprint is steadily expanding to other geographies - with exports to Continental Europe in particular growing at a CAGR of more than 51 per cent over FY2004-2008.
- The industry's vertical market exposure is well diversified across several mature and emerging sectors. Banking, Financial Services and Insurance (BFSI) remained the largest vertical market for Indian IT-BPO exports, followed by Hi-tech/Telecom which together accounted for 61 per cent of the Indian IT-BPO exports in FY2008.
- Domestic IT market (including hardware) reached USD 24.3 billion in FY2009 as against USD 23.1 billion in FY2008, a growth of 5.3 per cent. Hardware grew at 2.6 per cent; Software and services spending supported by increasing adoption, grew by almost 8 per cent.
- Direct employment in Indian IT-BPO crossed the 2.2 million mark, an increase of about 226,000 professionals over FY2008; indirect job creation is estimated at about 8 million.
- IT services (incl. engineering services, R&D, Software products) exports, BPO exports and domestic IT industry provides direct employment to 947,000, 790,000 and 500,000 professionals respectively.
- As a proportion of national GDP, the sector revenues have grown from 1.2 per cent in FY1998 to an estimated 5.8 per cent in FY2009. Net value-added by this sector, to the economy, is estimated at 3.5-4.1 per cent for FY2009.



- Exports - Contributing 66 per cent to the overall revenue aggregate, exports remained the mainstay of the Indian IT-BPO growth story. Software and services exports, accounting for over 99 per cent of the total exports, reached USD 47 billion and directly employed over 1.7 million professionals in FY2009.
- Broad-based growth across all the segments of IT services, BPO, Software products and engineering services, is reinforcing India's leadership as the key sourcing location for a wide range of technology related services with Increasing traction in RIM & Application management and widening service portfolios
- IT services (excluding BPO, product development and engineering services), contributed 57 per cent to total exports to reach USD 26.9 billion.
- BPO services exports, up 18 per cent, was the fastest growing segment across software and services exports driven by scale as well as scope. BPO service portfolio was strengthened by vertical specialization and global delivery capabilities.
- Complementing the strong growth in IT services and BPO exports was the continued growth across Software product development and engineering services, which also reflected India's increasing role in global technology IP creation. Export revenues from these relatively high-value-added services such as engineering and R&D, offshore product development and made-in-India software products grew at 15 per cent, and clocked USD 7.3 billion in FY2009.
- Domestic – In FY2009, domestic market (including hardware) grew at nearly 19 per cent in INR terms to reach INR 1,113 billion (USD 24.3 billion); domestic software and services market reached INR 572 billion (USD 12.5 billion).

**DOMESTIC MARKET MATURITY:**

- Technology adoption in the domestic market also reported steady gains in FY2009. This segment is expected to reach INR 1,113 billion (USD 24.3 billion) in FY2009, reporting healthy growth across all key segments.
- Domestic IT services spends are estimated to grow 20 per cent to touch INR 380 billion (USD 8.3 billion) terms and are showing strong signs of increasing sophistication as building enterprise IT infrastructures and applications, networking and communication become key priorities for India Inc.
- Software and BPO spending growth in the domestic market is being supported by increasing adoption. While the software product segment registered a growth 15 per cent (INR 103 billion, USD 2.3 billion), domestic BPO segment recorded the fastest growth of about 40 per cent to reach INR 88.7 billion (USD 1.9 billion). Hardware segment reached INR 541 billion (USD 11.8 billion) in FY2009, a growth of 17 per cent over FY2008.

**GOING FORWARD:**

- The global technology related spending is expected to reduce for the first 2-3 quarters of 2009 on account of the downturn but is expected to pick up in 2010.
- Greater focus on cost and operational efficiencies in the recessionary environment is expected to enhance global sourcing.
- There would be pricing pressures coupled with contract renegotiations due to the economic uncertainty. India Inc would remain focused on tactical measures to achieve cost savings and greater productivity.
- Services and software segments are estimated to cross USD 1.2 trillion by 2012. This is more than the 5.2 per cent growth expected in the total IT spending.

- The worldwide BPO market is expected to grow at a CAGR of 11.9 per cent to reach USD 181 billion by 2012, while ITO market is expected to grow at a CAGR of 6.9 per cent and reach USD 275 billion by 2012.
- The huge potential for global sourcing is further highlighted by an addressable market size of USD 500 billion in 2008, which is more than five times bigger than the current market.
- The industry will continue to diversify in terms of geographies, verticals and service lines.
- SMBs are expected to emerge as a significant opportunity due to lower IT adoption currently.
- Lack of working age population in the developed economies and a significant long term cost arbitrage indicates India's sustained cost competitiveness.
- Service providers are expected to enhance focus to domestic market to de-risk business and tap into the local growth opportunities.
- India Inc. is likely to increase its focus on developing a comprehensive risks framework and identify steps in managing them.
- Key stakeholders needs to work seamlessly so as to maximizes the opportunity and highlight India on the global map, as the industry is expected to be India's growth engine.

*Analysis and  
Interpretations*

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## CHAPTER 4

### DATA ANALYSIS AND INTERPRETATION

#### 4.1 YIELD OF HDFC EQUITY BASED MUTUAL FUNDS

##### 4.1.1 YIELD OF HDFC EQUITY BASED FUNDS FOR THE FINANCIAL YEAR 2010-2009

Schemes	NAV for the financial year 2010-2009		Yield for the yr 2009-10
	NAV as on 31st March 2010	NAV as on 1 <sup>st</sup> April 2009	
<b>Equity Based Funds:</b>			
<b>HDFC Mutual Fund</b>			
HDFC Equity Fund- Dividend	43.42	22.11	96.38
HDFC Equity Fund- Growth	236.27	110.15	114.50

#### INTERPRETATION:

The above table shows that the yield for HDFC Equity Fund- Dividend scheme for the financial year 2009-10 is 96.38%. Yield for HDFC Equity Fund-growth for 2009-10 is 114.50%.

#### 4.1.2 YIELD OF HDFC EQUITY BASED FUNDS FOR THE FY 2009-08

Schemes	NAV for the financial year 2008-09		Yield for the yr 2008-2009
	NAV as on 31st March 2009	NAV as on 1 <sup>st</sup> April 2008	
<b>Equity Based Funds:</b>			
<b>HDFC Mutual Fund</b>			
HDFC Equity Fund- Dividend	21.85	38.03	(42.55)
HDFC Equity Fund- Growth	108.85	164.84	(33.97)

#### INTERPRETATION:

The table 4.1.2 shows that the yield for HDFC Equity Fund- Dividend Scheme for the financial year 2008-09 is (42.55) % and the yield for HDFC Equity Fund- growth scheme for 2008-09 is (33.97) %.

#### 4.1.3 YIELD OF HDFC EQUITY BASED FUNDS FOR THE FINANCIAL YEAR 2008-07

Schemes	NAV for the financial year 2008-07		Yield for the year 2008-07
	NAV as on 31st March 2008	NAV as on 1st April 2007	
<b>Equity Based Funds:</b>			
<b>HDFC Mutual Fund</b>			
HDFC Equity Fund- Dividend	38.25	35.887	6.58
HDFC Equity Fund- Growth	165.79	136.747	21.24

#### INTERPRETATION:

The above table shows that the yield for HDFC Equity Fund- Dividend scheme for the financial year 2009-10 is 6.58%. Yield for HDFC Equity Fund- growth scheme for 2009-10 is 21.24%.

#### INFERENCE:

It has been inferred that HDFC Equity Fund – growth scheme has been providing higher yield for the investors. The fund has been performing well for the past three financial years.

## 4.2 YIELD OF TATA EQUITY BASED MUTUAL FUNDS

### 4.2.1 YIELD OF TATA EQUITY BASED FUNDS FOR THE FY 2010-2009

Schemes	NAV for the financial year 2010-2009		Yield for the year 2010-2009
	NAV as on 31st March 2010	NAV as on 1 <sup>st</sup> April 2009	
<b>TATA Mutual Fund</b>			
TATA Equity Management Fund- Dividend	12.53	7.0448	77.86
TATA Equity Management Fund- Growth	13.5	7.66	76.24
TATA Equity Opportunities Fund- Dividend	22.25	12.85	73.15
TATA Equity Opportunities Fund- Growth	79.57	38.82	104.97
Tata Equity P/E Fund-Growth	43.9	21.32	105.91

#### INTERPRETATION:

The above table shows that the yield of Tata Equity management fund- div. scheme is 77.86%. The yield of Tata Equity Management Fund-Growth scheme is 7.24%. The yield of Tata equity opportunities fund-div. scheme is 73.15% and the yield of TATA Equity Opportunities Fund-Growth scheme is 104.97% and the yield of Tata Equity P/E Fund-Growth scheme is 105.91%.



#### 4.2.2 YIELD OF TATA EQUITY BASED FUNDS FOR THE FY 2009-08

Schemes	NAV for the financial year 2009-2008		Yield for the yr 2008-2009
	NAV AS ON 31st March 2009	NAV as on 1 <sup>st</sup> April 2008	
<b>TATA Mutual Fund</b>			
TATA Equity Management Fund-Dividend	7.0448	10.21	(31.00)
TATA Equity Management Fund-Growth	7.5942	11.01	(31.02)
TATA Equity Opportunities Fund-Dividend	12.75	22.86	(44.23)
TATA Equity Opportunities Fund-Growth	38.5158	70.52	(45.38)
Tata Equity P/E Fund-Growth	21.0536	32.82	(35.85)

#### INTERPRETATION:

The above table shows that the yield of Tata Equity management fund-div. scheme is (31.00) %. The yield of Tata Equity Management Fund- Growth scheme is (31.02) %. The yield of Tata equity opportunities fund-div. scheme is (31.02) % and the yield of TATA Equity Opportunities Fund-Growth scheme is (45.38) % and the yield of Tata Equity P/E Fund-Growth scheme is (35.85) %.

#### 4.2.3 YIELD OF TATA EQUITY BASED FUNDS FOR THE FY 2008-07

Schemes	NAV for the financial year 2008-07		Yield for the year 2008-07
	NAV as on 31st March 2008	NAV as on 1st April 2007	
<b>TATA Mutual Fund</b>			
TATA Equity Management Fund-Dividend	10.28	13.4842	(23.76)
TATA Equity Management Fund-Growth	11.088	10.6306	4.30
TATA Equity Opportunities Fund-Dividend	23.0998	19.34	19.44
TATA Equity Opportunities Fund-Growth	71.2481	52.9676	34.51
Tata Equity P/E Fund-Growth	32.9947	23.2069	42.18

#### INTERPRETATION:

The above table shows that the yield of Tata Equity management fund-div. scheme is (23.76) %. The yield of Tata Equity Management Fund- Growth is 4.30 %.The yield of Tata equity opportunities fund-div. scheme is 19.44. The yield of TATA Equity Opportunities Fund-Growth scheme is 34.51% and the yield of Tata Equity P/E Fund-Growth scheme is 42.18%.

#### INFERENCE:

It has been inferred that the yield of Tata Equity P/E Fund-Growth scheme was higher for the three financial years.

### 4.3 YIELD OF SBI EQUITY BASED MUTUAL FUNDS:

#### 4.3.1 YIELD OF SBI EQUITY BASED FUNDS FOR THE FY 2010-2009

Schemes	NAV for the financial year 2010-09		Yield for the yr 2009-10
	NAV as on 31st March 2010	NAV as on 1 <sup>st</sup> April 2009	
<b>SBI Mutual Fund</b>			
SBI Magnum Equity Fund-Dividend	30	18.85	59.15
SBI Magnum Equity Fund-Growth	40.63	21.43	89.59

#### INTERPRETATION:

The above table shows that the yield for SBI Magnum Equity Fund- Dividend Scheme for the financial year 2009-10 is 59.15%. Yield for SBI Magnum Equity Fund- growth Scheme for 2009-10 is 89.59%.

#### 4.3.2 YIELD OF SBI EQUITY BASED FUNDS FOR THE FY 2009-08

Schemes	NAV for the financial year 2009-08		Yield for the yr 2009-2008
	NAV as on 31st March 2009	NAV as on 1 <sup>st</sup> April 2008	
<b>SBI Mutual Fund</b>			
SBI Magnum Equity Fund-Dividend	18.03	28.95	(37.72)
SBI Magnum Equity Fund-Growth	20.49	32.93	(37.78)

#### INTERPRETATION:

The above table shows that the yield for SBI Magnum Equity Fund- Dividend Scheme for the financial year 2009-08 is (37.72) % and the yield for SBI Magnum Equity Fund- growth Scheme for 2009-08 is (37.78) %.

#### 4.3.3 YIELD OF SBI EQUITY BASED FUNDS FOR THE FY 2008-07

Schemes	NAV for the financial year 2008-07		Yield for the year 2008-07
	NAV as on 31st March 2008	NAV as on 1st April 2007	
<b>SBI Mutual Fund</b>			
SBI Magnum Equity Fund-Dividend	29.06	25.56	13.69
SBI Magnum Equity Fund-Growth	33.05	25.6	29.10

#### INTERPRETATION:

The above table shows that the yield for SBI Magnum Equity Fund-Dividend Scheme for the financial year 2008-07 is 13.69%. Yield for SBI Magnum Equity Fund- growth Scheme for 2008-07 is 29.10%.

#### INFERENCE:

It has been inferred that the yield of SBI Magnum Equity Fund-Growth scheme has been providing higher yield when compared to the other schemes.

#### 4.4 YIELD OF RELIANCE EQUITY BASED MUTUAL FUNDS:

##### 4.4.1 YIELD OF RELIANCE EQUITY BASED FUNDS FOR THE FY 2010-09

Schemes	NAV for the financial year 2010-09		Yield for the year 2010-09
	NAV as on 31 <sup>st</sup> March 2010	NAV as on 1 <sup>st</sup> April 2009	
<b>Reliance Mutual Fund</b>			
Reliance Equity Advantage Fund-IP-Bonus	11.9473	7.05	69.47
Reliance Equity Advantage Fund-IP-Dividend	11.79	7.05	67.23
Reliance Equity Advantage Fund-IP-Growth	11.79	7.05	67.23
Reliance Equity Advantage Fund-Retail-Bonus	11.6	6.96	66.67
Reliance Equity Advantage Fund-Retail-Dividend	11.6	6.96	66.67
Reliance Equity Advantage Fund-Retail-Growth	11.6	6.96	66.67
Reliance Equity Fund-Bonus	14.83	9.38	58.10
Reliance Equity Fund-Dividend	14.83	9.38	58.10
Reliance Equity Fund-Growth	14.83	9.38	58.10
Reliance Equity Opportunities Fund-Bonus	31.09	13.67	127.43
Reliance Equity Opportunities Fund-Dividend	31.09	13.67	127.43

**INTERPRETATION:**

The above table shows that the yield of Reliance Equity Advantage Fund-IP-Bonus Scheme for the year 2010-2009 is 69.47%. The yield of Reliance Equity Advantage Fund-IP-Dividend Scheme is 67.23% and that of Reliance Equity Advantage Fund-IP-Growth Scheme is 67.23%. The yield of Reliance Equity Advantage Fund-Retail-Bonus Scheme is 66.67% and the yield of Reliance Equity Advantage Fund-Retail-Dividend Scheme is 66.67%. The yield of Reliance Equity Advantage Fund-Retail-Growth Scheme is 66.67% and the yield of Reliance Equity Fund-Bonus Scheme is 58.10%. The yield of Reliance Equity Fund-Dividend Scheme is 58.10% and the yield of Reliance Equity Fund-Growth Scheme is 58.10%. The yield of Reliance Equity Opportunities Fund-Bonus Scheme and Reliance Equity Opportunities Fund-Dividend Scheme is 127.43%.

## 4.4.2 YIELD OF RELIANCE EQUITY BASED FUNDS FOR THE FY 2009-08

Schemes	NAV for the financial year 2009-08		Yield for the yr 2008-2009
	NAV as on 31 <sup>st</sup> March 2009	NAV as on 1 <sup>st</sup> April 2008	
<b>Reliance Mutual Fund</b>			
Reliance Equity Advantage Fund-IP-Bonus	6.9579	10.19	(31.72)
Reliance Equity Advantage Fund-IP-Dividend	6.96	10.19	(31.70)
Reliance Equity Advantage Fund-IP-Growth	6.9579	10.1896	(31.72)
Reliance Equity Advantage Fund-Retail-Bonus	6.8635	10.07	(31.84)
Reliance Equity Advantage Fund-Retail-Dividend	6.8635	10.07	(31.84)
Reliance Equity Advantage Fund-Retail-Growth	6.8635	10.07	(31.84)
Reliance Equity Fund-Bonus	9.29	13.36	(30.46)
Reliance Equity Fund-Dividend	9.2882	13.36	(30.48)
Reliance Equity Fund-Growth	9.2882	13.36	(30.48)
Reliance Equity Opportunities Fund-Bonus	13.526	21.71	(37.70)
Reliance Equity Opportunities Fund-Dividend	13.526	21.71	(37.70)



**INTERPRETATION:**

The above table shows that the yield of Reliance Equity Advantage Fund-IP-Bonus Scheme for the year 2009-08 is (31.72) %. The yield of Reliance Equity Advantage Fund-IP-Dividend Scheme is (31.70) % and that of Reliance Equity Advantage Fund-IP-Growth Scheme is (31.72) %. The yield of Reliance Equity Advantage Fund-Retail-Bonus Scheme is (31.84) % and the yield of Reliance Equity Advantage Fund-Retail-Dividend Scheme is (31.84) %. The yield of Reliance Equity Advantage Fund-Retail-Growth Scheme is (31.84) % and the yield of Reliance Equity Fund-Bonus Scheme is (30.46) %. The yield of Reliance Equity Fund-Dividend Scheme is (30.48) % and the yield of Reliance Equity Fund-Growth Scheme is (30.48) %. The yield of Reliance Equity Opportunities Fund-Bonus Scheme and Reliance Equity Opportunities Fund-Dividend Scheme is (37.70)%.

#### 4.4.3 YIELD OF RELIANCE EQUITY BASED FUNDS FOR THE FY 2008-07

Schemes	NAV for the financial year 2008-07		Yield for the year 2008-07
	NAV as on 31st March 2008	NAV as on 1st April 2007	
<b>Reliance Mutual Fund</b>			
Reliance Equity Advantage Fund-IP- Bonus	10.16	9.719	4.54
Reliance Equity Advantage Fund-IP- Dividend	10.1574	9.7626	4.04
Reliance Equity Advantage Fund-IP- Growth	10.16	9.7626	4.07
Reliance Equity Advantage Fund- Retail-Bonus	10.043	9.7625	2.87
Reliance Equity Advantage Fund- Retail-Dividend	10.043	9.7625	2.87
Reliance Equity Advantage Fund- Retail-Growth	10.043	9.7625	2.87
Reliance Equity Fund-Bonus	13.28	10.64	24.81
Reliance Equity Fund-Dividend	13.28	10.64	24.81
Reliance Equity Fund-Growth	13.28	10.64	24.81
Reliance Equity Opportunities Fund- Bonus	21.8593	19.606	11.49
Reliance Equity Opportunities Fund- Dividend	21.8593	19.606	11.49

**INTERPRETATION:**

The above table shows that the yield of Reliance Equity Advantage Fund-IP-Bonus Scheme for the year 2008-07 is 4.54 %. The yield of Reliance Equity Advantage Fund-IP-Dividend Scheme is 4.04 % and that of Reliance Equity Advantage Fund-IP-Growth Scheme is 4.07 %. The yield of Reliance Equity Advantage Fund-Retail-Bonus Scheme is 2.87 % and the yield of Reliance Equity Advantage Fund-Retail-Dividend Scheme is 2.87 %. The yield of Reliance Equity Advantage Fund-Retail-Growth Scheme is 2.87 % and the yield of Reliance Equity Fund-Bonus Scheme is 24.81 %. The yield of Reliance Equity Fund-Dividend Scheme is 24.81 % and the yield of Reliance Equity Fund-Growth Scheme is 24.81 %. The yield of Reliance Equity Opportunities Fund-Bonus Scheme and Reliance Equity Opportunities Fund-Dividend Scheme is 11.49%.

**INFERENCE:**

It has been inferred that the Reliance Equity Opportunities Fund-Bonus Scheme and Reliance Equity Opportunities Fund-Dividend Scheme has been providing higher yield to the investors.

#### 4.5 YIELD OF DSP BLACK ROCK EQUITY BASED MUTUAL FUNDS:

##### 4.5.1 YIELD OF DSP BLACK ROCK EQUITY BASED MUTUAL FUNDS FOR THE FINANCIAL YEAR 2010-2009.

Schemes	NAV for the financial year 2010-2009		Yield for the yr 2010-2009
	NAV as on 31st March 2010	NAV as on 1 <sup>st</sup> April 2009	
<b>DSP BlackRock Mutual Fund</b>			
DSP BlackRock Equity Fund-Dividend	46.67	29.42	58.63
DSP BlackRock equity Fund-Growth	14.76	7.7	91.69
DSP BlackRock Equity Fund-IP-Growth	15.4	12.3	25.20

#### INTERPRETATION:

The table shows that the yield of DSP BlackRock Equity Fund-Dividend Scheme is 58.63%. The yield of DSP BlackRock equity Fund- Growth Scheme is 91.69% and the yield of DSP BlackRock Equity Fund-IP-Growth is 25.20%.

#### 4.5.2 YIELD OF DSP BLACK ROCK EQUITY BASED MUTUAL FUNDS FOR THE FINANCIAL YEAR 2009-08.

Schemes	NAV for the financial year 2009-08		Yield for the yr 2009-08
	NAV as on 31st March 2009	NAV as on 1 <sup>st</sup> April 2008	
<b>DSP BlackRock Mutual Fund</b>			
DSP BlackRock Equity Fund-Dividend	29.306	42.41	(30.90)
DSP BlackRock equity Fund-Growth	7.67	11.09	(30.84)
DSP BlackRock Equity Fund-IP-Growth	12.26	15	(18.27)

#### INTERPRETATION:

The table shows that the yield of DSP BlackRock Equity Fund-Dividend Scheme for the year 2009-08 is (30.90) %. The yield of DSP BlackRock equity Fund- Growth Scheme is (30.84) % and the yield of DSP BlackRock Equity Fund-IP-Growth is (18.27) %.

#### 4.5.2 YIELD OF DSP BLACK ROCK EQUITY BASED MUTUAL FUNDS FOR THE FINANCIAL YEAR 2008-07.

Schemes	NAV for the financial year 2008-09		Yield for the year 2009-08
	NAV as on 31st March 2008	NAV as on 1st April 2007	
<b>DSP BlackRock Mutual Fund</b>			
DSP BlackRock Equity Fund-Dividend	42.416	36.122	17.42
DSP BlackRock equity Fund-Growth	11.094	10	10.94
DSP BlackRock Equity Fund-IP-Growth	15.43	14	10.21

#### INTERPRETATION:

The table shows that the yield of DSP BlackRock Equity Fund-Dividend Scheme is 17.42 %. The yield of DSP BlackRock equity Fund- Growth Scheme is 10.94 % and the yield of DSP BlackRock Equity Fund-IP-Growth is 10.21%.

#### INFERENCE:

It has been inferred that DSP BlackRock Equity fund-Growth Scheme has provided better yield than the other two schemes.

#### 4.6 YIELD OF KOTAK MAHINDRA EQUITY BASED MUTUAL FUNDS:

##### 4.6.1 YIELD OF KOTAK MAHINDRA EQUITY BASED MUTUAL FUNDS FOR THE FINANCIAL YEAR 2010-2009

Schemes	NAV for the financial year 2009-10		Yield for the yr 2009-10
	NAV as on 31st March 2010	NAV as on 1 <sup>st</sup> April 2009	
<b>Kotak Mutual Fund</b>			
Kotak Equity Arbitrage Fund-Dividend	10.6	10	6.00
Kotak emerging Equity Scheme-Dividend	11.01	7.9	30
Kotak emerging Equity Scheme-Growth	11.05	6.4	72.66

#### INTERPRETATION:

The above table shows that the yield of Kotak Equity Arbitrage Fund-Dividend Scheme is 6%. The yield of Kotak Emerging Equity Scheme-Dividend is 30% and that of Kotak emerging Equity Scheme-Growth is 72.66%.

#### 4.6.2 YIELD OF KOTAK MAHINDRA EQUITY BASED MUTUAL FUNDS FOR THE FINANCIAL YEAR 2009-08

Schemes	NAV for the financial year 2008-09		Yield for the yr 2008-2009
	NAV as on 31st March 2009	NAV as on 1 <sup>st</sup> April 2008	
<b>Kotak Mutual Fund</b>			
Kotak Equity Arbitrage Fund-Dividend	10.5	10.3	1.94
Kotak emerging Equity Scheme-Dividend	10	10.71	(6.63)
Kotak emerging Equity Scheme-Growth	10.6	8.4	26.19

#### INTERPRETATION:

The above table shows that the yield of Kotak Equity Arbitrage Fund-Dividend Scheme is 1.94%. The yield of Kotak Emerging Equity Scheme-Dividend is -6.63% and that of Kotak emerging Equity Fund-Growth Scheme is 26.91%.



#### 4.6.3 YIELD OF KOTAK MAHINDRA EQUITY BASED MUTUAL FUNDS FOR THE FINANCIAL YEAR 2008-07

Schemes	NAV for the financial year 2008-09		Yield for the year 2009-08
	NAV as on 31st March 2008	NAV as on 1st April 2007	
<b>Kotak Mutual Fund</b>			
Kotak Equity Arbitrage Fund-Dividend	10.8	10.4	3.85
Kotak emerging Equity Scheme-Dividend	10.83	9.996	8.34
Kotak emerging Equity Scheme-Growth	10.8	7.8	38.46

#### INTERPRETATION:

The above table shows that the yield of Kotak Equity Arbitrage Fund-Dividend Scheme is 3.85%. The yield of Kotak Emerging Equity Scheme-Dividend is 8.34% and that of Kotak emerging Equity Fund-Growth Scheme is 38.46%.

#### INFERENCE:

It has been inferred that the yield of Kotak emerging Equity Fund-Growth Scheme is higher than the remaining schemes.

#### 4.7 YIELD OF SUNDARAM BNP PARIBAS EQUITY BASED MUTUAL FUNDS:

##### 4.7.1 YIELD OF SUNDARAM BNP PARIBAS EQUITY BASED MUTUAL FUNDS FOR THE FINANCIAL YEAR 2010-2009

Schemes	NAV for the financial year 2009-10		Yield for the yr 2009-10
	NAV as on 31st March 2010	NAV as on 1 <sup>st</sup> April 2009	
<b>Sundaram BNP Paribas Mutual Fund</b>			
Sundaram BNP Paribas Equity Multiplier Fund-Dividend	10.8	5.8775	83.75
Sundaram BNP Paribas Equity Multiplier Fund-Growth	13.24	7.6421	73.25

#### INTERPRETATION:

The above table shows that the yield of Sundaram BNP Paribas Equity Multiplier Fund-Dividend Scheme is 83.75% and that of Sundaram BNP Paribas Equity Multiplier Fund-Growth Scheme is 73.25%.

#### 4.7.2 YIELD OF SUNDARAM BNP PARIBAS EQUITY BASED MUTUAL FUNDS FOR THE FINANCIAL YEAR 2009-08

Schemes	NAV for the financial year 2009-08		Yield for the year 2009-08
	NAV as on 31st March 2009	NAV as on 1 <sup>st</sup> April 2008	
<b>Sundaram BNP Paribas Mutual Fund</b>			
Sundaram BNP Paribas Equity Multiplier Fund-Dividend	5.88	9.75	(39.69)
Sundaram BNP Paribas Equity Multiplier Fund-Growth	7.19	11.82	(39.17)

#### INTERPRETATION:

The above table shows that the yield of Sundaram BNP Paribas Equity Multiplier Fund-Dividend Scheme is (39.69) % and that of Sundaram BNP Paribas Equity Multiplier Fund-Growth Scheme is (39.17) %.

#### 4.7.3 YIELD OF SUNDARAM BNP PARIBAS EQUITY BASED MUTUAL FUNDS FOR THE FINANCIAL YEAR 2008-07

Schemes	NAV for the financial year 2008-07		Yield for the year 2008-07
	NAV as on 31st March 2008	NAV as on 1st April 2007	
<b>Sundaram BNP Paribas Mutual Fund</b>			
Sundaram BNP Paribas Equity Multiplier Fund-Dividend	9.747	9.7852	(0.39)
Sundaram BNP Paribas Equity Multiplier Fund-Growth	11.8238	9.7852	20.83

#### INTERPRETATION:

The above table shows that the yield of Sundaram BNP Paribas Equity Multiplier Fund-Dividend Scheme is (0.39) % and that of Sundaram BNP Paribas Equity Multiplier Fund-Growth Scheme is 20.83%.

#### INFERENCE:

It has been referred that the yield of Sundaram BNP Paribas Equity Multiplier Fund-Growth Scheme is higher.

#### 4.8 YIELD OF FRANKLIN TEMPLETON EQUITY BASED MUTUAL FUNDS

##### 4.8.1 YIELD OF FRANKLIN TEMPLETON EQUITY BASED MUTUAL FUNDS FOR THE FINANCIAL YEAR 2010-2009

Schemes	NAV for the financial year 2010-09		Yield for the yr 2009-10
	NAV as on 31 <sup>st</sup> March 2010	NAV as on 1 <sup>st</sup> April 2009	
<b>Franklin Templeton Mutual Fund</b>			
Franklin Asian Equity Fund- Dividend	10.05	7.08	41.95
Franklin Asian Equity Fund- Growth	10.05	7.08	41.95

#### INTERPRETATION:

The table shows that the yield of Franklin Asian Equity Fund- Dividend Scheme is 41.95% and that of Franklin Asian Equity Fund- Growth Scheme is 41.95%.

#### 4.8.2 YIELD OF FRANKLIN TEMPLETON EQUITY BASED MUTUAL FUNDS FOR THE FINANCIAL YEAR 2009-08

Schemes	NAV for the financial year 2009-08		Yield for the yr 2008-2009
	NAV as on 31st March 2009	NAV as on 1 <sup>st</sup> April 2008	
<b>Franklin Templeton Mutual Fund</b>			
Franklin Asian Equity Fund- Dividend	7.06	8.89	(20.58)
Franklin Asian Equity Fund- Growth	7.06	8.89	(20.58)

#### INTERPRETATION:

The table shows that the yield of Franklin Asian Equity Fund- Dividend Scheme is (20.58) % and that of Franklin Asian Equity Fund- Growth Scheme is (20.58)%.

#### 4.8.3 YIELD OF FRANKLIN TEMPLETON EQUITY BASED MUTUAL FUNDS FOR THE FINANCIAL YEAR 2008-2007

Schemes	NAV for the financial year 2008-07		Yield for the year 2008-07
	NAV as on 31st March 2008	NAV as on 1st April 2007	
<b>Franklin Templeton Mutual Fund</b>			
Franklin Asian Equity Fund- Dividend	8.96	8	12.00
Franklin Asian Equity Fund- Growth	8.96	8	12.00

#### INTERPRETATION:

The table shows that the yield of Franklin Asian Equity Fund- Dividend Scheme is 12 % and that of Franklin Asian Equity Fund- Growth Scheme is 12%.

#### INFERENCE:

It has been inferred that the yield of Franklin Asian Equity Fund- Dividend Scheme and Franklin Asian Equity Fund- Growth Scheme are more or less the same for the three financial years.

#### 4.9 YIELD OF BIRLA SUN LIFE EQUITY BASED MUTUAL FUNDS

##### 4.9.1 YIELD OF BIRLA SUN LIFE EQUITY BASED MUTUAL FUNDS FOR THE FINANCIAL YEAR 2010-2009

Schemes	NAV for the financial year 2010-09		Yield for the yr 2009-10
	NAV as on 31st March 2010	NAV as on 1 <sup>st</sup> April 2009	
<b>Birla Sun Life Mutual Fund</b>			
Birla Sun Life Equity Fund-Dividend	71.12	40.33	76.35
Birla Sun Life Equity Fund-Growth	252.08	127.07	98.38

#### INTERPRETATION:

The table shows that the yield of Birla Sun Life Equity Fund-Dividend Scheme for the financial year 2010-09 is 76.35% and that of Birla Sun Life Equity Fund-Growth Scheme is 98.38%



#### 4.9.2 YIELD OF BIRLA SUN LIFE EQUITY BASED MUTUAL FUNDS FOR THE FINANCIAL YEAR 2009-08

Schemes	NAV for the financial year 2009-08		Yield for the yr 2008-2009
	NAV as on 31st March 2009	NAV as on 1 <sup>st</sup> April 2008	
<b>Birla Sun Life Mutual Fund</b>			
Birla Sun Life Equity Fund-Dividend	40.95	68.8	(40.48)
Birla Sun Life Equity Fund-Growth	125.15	211.51	(40.83)

#### INTERPRETATION:

The table shows that the yield of Birla Sun Life Equity Fund-Dividend Scheme for the financial year 2009-08 is (40.48) % and that of Birla Sun Life Equity Fund-Growth Scheme is (40.83) %

#### 4.9.3 YIELD OF BIRLA SUN LIFE EQUITY BASED MUTUAL FUNDS FOR THE FINANCIAL YEAR 2008-07

Schemes	NAV for the financial year 2008-07		Yield for the year 2008-07
	NAV as on 31st March 2008	NAV as on 1st April 2007	
<b>Birla Sun Life Mutual Fund</b>			
Birla Sun Life Equity Fund-Dividend	68.15	64.09	6.33
Birla Sun Life Equity Fund-Growth	213.51	174.25	22.53

#### INTERPRETATION:

The table shows that the yield of Birla Sun Life Equity Fund-Dividend Scheme for the financial year 2009-08 is 6.33 % and that of Birla Sun Life Equity Fund-Growth Scheme is 22.53 %

#### INFERENCE:

It has been inferred that the Birla Sun Life Equity Fund-Growth Scheme as been providing high yield for the investors.

#### 4.10 YIELD OF TATA MUTUAL FUNDS

##### 4.10.1 YIELD OF TATA MUTUAL FUNDS FOR THE FINANCIAL YEAR 2009-10

Schemes	NAV for the financial year 2010-09		Yield for the yr 2009-10
	NAV as on 31 <sup>st</sup> March 2010	NAV as on 1 <sup>st</sup> April 2009	
<b>Tata Mutual Fund</b>			
Tata Liquid High Investment Plan – Daily	1,114.34	1,114.34	0.00
Tata Liquid High Investment Plan – Growth	1,527.68	1,467.66	4.09
Tata Liquid High Investment Plan – Monthly	1,019.57	1,019.75	(0.02)
Tata Liquid High Investment Plan – Weekly	1,146.66	1,146.72	(0.01)
Tata Liquid Retail Investment Plan – Daily	1,116.81	1,116.81	(0.00)
Tata Liquid Retail Investment Plan – Growth	2,113.11	2,031.99	3.99

#### INTERPRETATION:

The table shows that the yield of Tata Liquid High Investment Plan – Daily Scheme is 0%. The yield of Tata Liquid High Investment Plan – Growth Scheme is 4.09% and that of Tata Liquid High Investment Plan – Monthly Scheme is -0.02%. The yield of Tata Liquid High Investment Plan – Weekly Scheme is -0.01% and that of Tata Liquid Retail Investment Plan – Daily Scheme is 0% and that of Tata Liquid Retail Investment Plan – Growth Scheme is 3.99%.

#### 4.10.2 YIELD OF TATA MUTUAL FUNDS FOR THE FINANCIAL YEAR 2009-08

Schemes	NAV for the financial year 2009-08		Yield for the yr 2009-08
	NAV AS ON 31st March 2009	NAV as on 1 <sup>st</sup> April 2008	
Tata Mutual Fund			
Tata Liquid High Investment Plan – Daily	1,114.34	1,114.34	0.00
Tata Liquid High Investment Plan – Growth	1,467.40	1,351.62	8.57
Tata Liquid High Investment Plan – Monthly	1,019.57	1,019.80	(0.02)
Tata Liquid High Investment Plan – Weekly	1,146.52	1,146.52	0.00
Tata Liquid Retail Investment Plan – Daily	1,116.81	1,116.81	(0.00)
Tata Liquid Retail Investment Plan – Growth	2,031.63	1,873.51	8.44

#### INTERPRETATION:

The table shows that the yield of Tata Liquid High Investment Plan – Daily Scheme is 0%. The yield of Tata Liquid High Investment Plan – Growth Scheme is 8.57% and that of Tata Liquid High Investment Plan – Monthly Scheme is -0.02%. The yield of Tata Liquid High Investment Plan – Weekly Scheme is 0% and that of Tata Liquid Retail Investment Plan – Daily Scheme is 0% and that of Tata Liquid Retail Investment Plan – Growth Scheme is 8.44%

#### 4.10.3 YIELD OF TATA MUTUAL FUNDS FOR THE FINANCIAL YEAR 2008-2007

Schemes	NAV for the financial year 2008-07		Yield for the year 2008-07
	NAV as on 31st March 2008	NAV as on 1st April 2007	
Tata Mutual Fund			
Tata Liquid High Investment Plan – Daily	1,114.34	1,114.3379	0.00
Tata Liquid High Investment Plan – Growth	1,351.62	1,251.01	8.04
Tata Liquid High Investment Plan – Monthly	1,019.57	1,020.08	(0.05)
Tata Liquid High Investment Plan – Weekly	1,148.12	1,148.19	(0.01)
Tata Liquid Retail Investment Plan – Daily	1,116.81	1,116.81	(0.00)
Tata Liquid Retail Investment Plan – Growth	1,873.08	1,735.25	7.94

#### INTERPRETATION:

The table shows that the yield of Tata Liquid High Investment Plan – Daily Scheme is 0%. The yield of Tata Liquid High Investment Plan – Growth Scheme is 8.04% and that of Tata Liquid High Investment Plan – Monthly Scheme is -0.05%. The yield of Tata Liquid High Investment Plan – Weekly Scheme is -0.01% and that of Tata Liquid Retail Investment Plan – Daily Scheme is 0% and that of Tata Liquid Retail Investment Plan – Growth Scheme is 7.94%

#### 4.11 YIELD OF RELIANCE MUTUAL FUNDS

##### 4.11.1 YIELD OF RELIANCE MUTUAL FUNDS FOR THE FINANCIAL YEAR 2010-2009

Schemes	NAV for the financial year 2010-09		Yield for the yr 2009-10
	NAV as on 31 <sup>st</sup> March 2010	NAV as on 1 <sup>st</sup> April 2009	
Reliance Liquid Fund-Cash Plan-Daily Dividend Option	11.14	11.1415	(0.01)
Reliance Liquid Fund-Cash Plan-Growth	15.01	14.67	2.32
Reliance Liquid Fund-Institutional Plan-Daily Dividend Option	15.29	15.29	-
Reliance Liquid Fund-Institutional Plan-Growth Option	22.46	21.4589	4.67
Reliance Liquid Fund-Institutional Plan-Monthly Dividend	21.76	18.46	17.88
Reliance Liquid Fund-Institutional Plan-Weekly Dividend	15.31	15.31	-
Reliance Liquid Fund-Treasury Plan-Retail Option - Daily Dividend Option	15.24	15.24	-

#### INTERPRETATION:

The table shows that the yield of Reliance Liquid Fund-Cash Plan-Daily Dividend Option Scheme is -0.01%. The yield of Reliance Liquid Fund-Cash Plan-Growth Scheme is 2.32% and that of Reliance Liquid Fund-Institutional Plan-Daily Dividend Option Scheme is 0%. The yield of Scheme is Reliance Liquid Fund-Institutional Plan-Growth Option Scheme is 4.67% and that of Reliance Liquid Fund-Institutional Plan-Monthly Dividend scheme is 17.88% and that of Reliance Liquid Fund-Institutional Plan-Weekly Dividend Scheme is 0%.

#### 4.11.2 YIELD OF RELIANCE MUTUAL FUNDS FOR THE FINANCIAL YEAR 2009-2008.

Schemes	NAV for the financial year 2009-08		Yield for the yr 2009-2008
	NAV as on 31 <sup>st</sup> March 2009	NAV as on 1 <sup>st</sup> April 2008	
Reliance Liquid Fund-Cash Plan-Daily Dividend Option	11.14	11.14	(0.01)
Reliance Liquid Fund-Cash Plan-Growth	14.6703	13.81	6.26
Reliance Liquid Fund-Institutional Plan-Daily Dividend Option	15.2872	15.29	(0.02)
Reliance Liquid Fund-Institutional Plan-Growth Option	21.45	19.71	8.83
Reliance Liquid Fund-Institutional Plan-Monthly Dividend	18.4544	15.98	15.48
Reliance Liquid Fund-Institutional Plan-Weekly Dividend	15.3059	15.32	(0.09)
Reliance Liquid Fund-Treasury Plan-Retail Option - Daily Dividend Option	15.2426	15.24	0.02

#### INTERPRETATION:

The table shows that the yield of Reliance Liquid Fund-Cash Plan-Daily Dividend Option Scheme is -0.01%. The yield of Reliance Liquid Fund-Cash Plan-Growth Scheme is 6.26% and that of Reliance Liquid Fund-Institutional Plan-Daily Dividend Option Scheme is -0.02%. The yield of Scheme is Reliance Liquid Fund-Institutional Plan-Growth Option Scheme is 8.83% and that of Reliance Liquid Fund-Institutional Plan-Monthly Dividend scheme is 15.48% and that of Reliance Liquid Fund-Institutional Plan-Weekly Dividend Scheme is 0.09%.

**4.11.3 YIELD OF RELIANCE MUTUAL FUNDS FOR THE FINANCIAL YEAR  
2008-2007.**

Schemes	NAV for the financial year 2008-07		Yield for the year 2008-07
	NAV as on 31st March 2008	NAV as on 1st April 2007	
Reliance Liquid Fund-Cash Plan-Daily Dividend Option	11.14	11.1411	(0.01)
Reliance Liquid Fund-Cash Plan-Growth	13.8	13.1308	5.10
Reliance Liquid Fund-Institutional Plan-Daily Dividend Option	15.2872	15.2862	0.01
Reliance Liquid Fund-Institutional Plan-Growth Option	19.7	18.2535	7.92
Reliance Liquid Fund-Institutional Plan-Monthly Dividend	15.9763	10.8248	47.59
Reliance Liquid Fund-Institutional Plan-Weekly Dividend	15.3138	15.3193	(0.04)
Reliance Liquid Fund-Treasury Plan-Retail Option - Daily Dividend Option	15.2426	15.2416	0.01



**INTERPRETATION:**

The table shows that the yield of Reliance Liquid Fund-Cash Plan-Daily Dividend Option Scheme is -0.01%. The yield of Reliance Liquid Fund-Cash Plan-Growth Scheme is 5.10% and that of Reliance Liquid Fund-Institutional Plan-Daily Dividend Option Scheme is 0.01%. The yield of Scheme is Reliance Liquid Fund-Institutional Plan-Growth Option Scheme is 7.92% and that of Reliance Liquid Fund-Institutional Plan-Monthly Dividend scheme is 47.59% and that of Reliance Liquid Fund-Institutional Plan-Weekly Dividend Scheme is -0.04%.

**INFERENCE:**

It has been inferred that the yield of Reliance Liquid Fund-Institutional Plan-Growth Option Scheme and that of Reliance Liquid Fund-Institutional Plan-Monthly Dividend scheme is higher than that of other funds.

#### 4.11 YIELD OF RELIANCE MUTUAL FUNDS

##### 4.11.4 YIELD OF RELIANCE MUTUAL FUNDS FOR THE FINANCIAL YEAR 2010-2009.

Schemes	NAV for the financial year 2010-09		Yield for the yr 2010-09
	NAV as on 31 <sup>st</sup> March 2010	NAV as on 1 <sup>st</sup> April 2009	
Reliance Liquid Fund-Treasury Plan-Retail Option - Growth Option Growth Plan	22.08	21.13	4.50
Reliance Liquid Fund-Treasury Plan-Retail Option - Weekly Dividend	10.35	10.35	-
Reliance Liquid Fund-Treasury Plan-Retail Plan Monthly Dividend	13.32	13.25	0.53
Reliance Liquid Fund-Treasury Plan-Retail Plan Quarterly Dividend Option	12.16	12.1759	(0.13)
Reliance Liquidity Fund-Dividend Plan-Daily Dividend Reinvestment	10	10.0031	(0.03)

#### INTERPRETATION:

The table shows that the yield of Reliance Liquid Fund-Treasury Plan-Retail Option - Growth Option Growth Plan Scheme is 4.50% and that of Reliance Liquid Fund-Treasury Plan-Retail Option - Weekly Dividend Scheme is 0%. The yield of Reliance Liquid Fund-Treasury Plan-Retail Plan Monthly Dividend Scheme is 0.53%. The yield of Reliance Liquid Fund-Treasury Plan-Retail Plan Quarterly Dividend Option and Reliance Liquidity Fund-Dividend Plan-Daily Dividend Reinvestment are -0.13% and -0.03% respectively.

#### 4.11.5 YIELD OF RELIANCE MUTUAL FUNDS FOR THE FINANCIAL YEAR 2009-2008

Schemes	NAV for the financial year 2009-08		Yield for the yr 2008-2009
	NAV AS ON 31st March 2009	NAV as on 1April 2008	
Reliance Liquid Fund-Treasury Plan-Retail Option - Growth Option Growth Plan	21.122	19.46	8.54
Reliance Liquid Fund-Treasury Plan-Retail Option - Weekly Dividend	10.3436	10.35	(0.06)
Reliance Liquid Fund-Treasury Plan-Retail Plan Monthly Dividend	13.2518	12.21	8.53
Reliance Liquid Fund-Treasury Plan-Retail Plan Quarterly Dividend Option	12.17	11.67	4.26
Reliance Liquidity Fund-Dividend Plan-Daily Dividend Reinvestment	10	10.00	(0.03)
Reliance Liquidity Fund-Growth Plan-Growth Option	13.25	12.16	8.93

#### INTERPRETATION:

The table shows that the yield of Reliance Liquid Fund-Treasury Plan-Retail Option - Growth Option Growth Plan Scheme is 8.54% and that of Reliance Liquid Fund-Treasury Plan-Retail Option - Weekly Dividend Scheme is -0.06%. The yield of Reliance Liquid Fund-Treasury Plan-Retail Plan Monthly Dividend Scheme is 8.53%. The yield of Reliance Liquid Fund-Treasury Plan-Retail Plan Quarterly Dividend Option and Reliance Liquidity Fund-Dividend Plan-Daily Dividend Reinvestment are -0.03% and 8.93% respectively

#### 4.11.6 YIELD OF RELIANCE MUTUAL FUNDS FOR THE FINANCIAL YEAR 2008-2007

Schemes	NAV for the financial year 2008-07		Yield for the year 2008-07
	NAV as on 31st March 2008	NAV as on 1st April 2007	
Reliance Liquid Fund-Treasury Plan-Retail Option - Growth Option Growth Plan	19.4567	18.08	7.61
Reliance Liquid Fund-Treasury Plan-Retail Option - Weekly Dividend	10.3488	10.3525	(0.04)
Reliance Liquid Fund-Treasury Plan-Retail Plan Monthly Dividend	12.2039	11.4107	6.95
Reliance Liquid Fund-Treasury Plan-Retail Plan Quarterly Dividend Option	11.67	17.0993	(31.75)
Reliance Liquidity Fund-Dividend Plan-Daily Dividend Reinvestment	10	10.0031	(0.03)
Reliance Liquidity Fund-Growth Plan-Growth Option	12.16	11.2529	8.06

#### INTERPRETATION:

The table shows that the yield of Reliance Liquid Fund-Treasury Plan-Retail Option - Growth Option Growth Plan Scheme is 7.61% and that of Reliance Liquid Fund-Treasury Plan-Retail Option - Weekly Dividend Scheme is -0.04%. The yield of Reliance Liquid Fund-Treasury Plan-Retail Plan Monthly

Dividend Scheme is 6.95%. The yield of Reliance Liquid Fund-Treasury Plan-Retail Plan Quarterly Dividend Option and Reliance Liquidity Fund-Dividend Plan-Daily Dividend Reinvestment are -31.75% and -0.03% respectively

**INFERENCE:**

It has been inferred that the yield of Reliance Liquid Fund-Treasury Plan-Retail Option - Growth Option Growth Plan and that of Reliance Liquidity Fund-Growth Plan-Growth Option provide higher yields to the investors.

#### 4.12 YIELD OF DSP BLACK ROCK MUTUAL FUNDS

##### 4.12.1 YIELD OF DSP BLACK ROCK MUTUAL FUNDS FOR THE FINANCIAL YEAR 2010-2009.

Schemes	NAV for the financial year 2010-09		Yield for the yr 2009-10
	NAV for the financial year 2010-09	NAV as on 1 April 2009	
DSP BlackRock Mutual Fund			
DSP BlackRock Liquidity Fund - Regular Plan - Daily Dividend	10.01	10.01	-
DSP BlackRock Liquidity Fund - Regular Plan – Growth	21.88	21.14	3.50
DSP BlackRock Liquidity Fund - Regular Plan Weekly Dividend	12.42	12.41	0.08
DSP BlackRock Liquidity Fund- Institutional Plan-Daily Dividend	1,000.32	1,000.20	0.01
DSP BlackRock Liquidity Fund- Institutional Plan-Growth	1,316.90	1,268.92	3.78
DSP BlackRock Liquidity Fund- Institutional Plan-Growth	1,000.98	1,001.31	(0.03)

#### INTERPRETATION:

The table shows that the yield of DSP BlackRock Liquidity Fund - Regular Plan - Daily Dividend is 0% and the yield of DSP BlackRock Liquidity Fund - Regular Plan – Growth Scheme is 3.50% and that of DSP BlackRock Liquidity Fund - Regular Plan Weekly Dividend scheme is 0.08%. The yield of DSP BlackRock Liquidity Fund- Institutional Plan-Daily Dividend Scheme is 0.01% and that of DSP BlackRock Liquidity Fund- Institutional Plan-Growth Scheme is 3.78%. The yield of DSP BlackRock Liquidity Fund- Institutional Plan-Growth Scheme is -0.03%.

#### 4.12.2 YIELD OF DSP BLACK ROCK MUTUAL FUNDS FOR THE FINANCIAL YEAR 2009-2008

Schemes	NAV for the financial year 2009-08		Yield for the yr 2008-2009
	NAV AS ON 31st March 2009	NAV as on 1April 2008	
DSP BlackRock Mutual Fund			
DSP BlackRock Liquidity Fund - Regular Plan - Daily Dividend	10.01	10.01	-
DSP BlackRock Liquidity Fund - Regular Plan – Growth	21.1319	19.56	8.03
DSP BlackRock Liquidity Fund - Regular Plan Weekly Dividend	12.411	12.41	(0.02)
DSP BlackRock Liquidity Fund-Institutional Plan-Daily Dividend	1,000.20	1,000.20	-
DSP BlackRock Liquidity Fund-Institutional Plan-Growth	1,268.68	1,171.81	8.27
DSP BlackRock Liquidity Fund-Institutional Plan-Weekly Dividend	1,001.12	1,001.36	(0.02)

#### INTERPRETATION:

The table shows that the yield of DSP Black Rock Liquidity Fund - Regular Plan - Daily Dividend is 0% and the yield of DSP Black Rock Liquidity Fund - Regular Plan – Growth Scheme is 8.03% and that of DSP Black Rock Liquidity Fund - Regular Plan Weekly Dividend scheme is -0.02%. The yield of DSP Black Rock Liquidity Fund- Institutional Plan-Daily Dividend Scheme is 0% and that of DSP Black Rock Liquidity Fund- Institutional Plan-Growth Scheme is 8.27%. The yield of DSP Black Rock Liquidity Fund- Institutional Plan-Growth Scheme is -0.02%.

#### 4.12.3 YIELD OF DSP BLACK ROCK MUTUAL FUNDS FOR THE FINANCIAL YEAR 2008-07

Schemes	NAV for the financial year 2008-07		Yield for the year 2008-07
	NAV as on 31st March 2008	NAV as on 1st April 2007	
<b>DSP BlackRock Mutual Fund</b>			
DSP BlackRock Liquidity Fund - Regular Plan - Daily Dividend	10.01	10.01	-
DSP BlackRock Liquidity Fund - Regular Plan – Growth	19.57	18.32	6.82
DSP BlackRock Liquidity Fund - Regular Plan Weekly Dividend	12.41	12.41	-
DSP BlackRock Liquidity Fund-Institutional Plan-Daily Dividend	1,000.20	1,000.20	-
DSP BlackRock Liquidity Fund-Institutional Plan-Growth	1,171.54	1,093.84	7.10
DSP BlackRock Liquidity Fund-Institutional Plan-Weekly Dividend	1,001.13	1,000.67	0.05



**INTERPRETATION:**

The table shows that the yield of DSP Black Rock Liquidity Fund - Regular Plan - Daily Dividend is 0% and the yield of DSP Black Rock Liquidity Fund - Regular Plan – Growth Scheme is 6.82% and that of DSP Black Rock Liquidity Fund - Regular Plan Weekly Dividend scheme is 0%. The yield of DSP Black Rock Liquidity Fund- Institutional Plan-Daily Dividend Scheme is 0% and that of DSP Black Rock Liquidity Fund- Institutional Plan-Growth Scheme is 7.10%. The yield of DSP Black Rock Liquidity Fund- Institutional Plan-Growth Scheme is 0.05%.

**INFERENCE:**

It has been inferred that the yield of DSP Black Rock Liquidity Fund - Regular Plan – Growth Scheme and that of DSP Black Rock Liquidity Fund- Institutional Plan-Growth Scheme is higher.

#### 4.14 YIELD OF KOTAK MUTUAL FUNDS

##### 4.14.1 YIELD OF KOTAK MAHINDRA MUTUAL FUNDS FOR THE FINANCIAL YEAR 2010-2009.

Schemes	NAV for the financial year 2010-09		Yield for the yr 2009-10
	NAV as on 31 <sup>st</sup> March 2010	NAV as on 1 <sup>st</sup> April 2009	
Kotak Liquid-Institutional Plan - (Daily Dividend)	12.23	12.23	-
Kotak Liquid-Institutional Plan (Growth)	18.23	17.54	3.93
Kotak Liquid-Institutional Plan (Weekly Dividend)	10.02	10.03	(0.10)
Kotak Liquid-Institutional Premium Plan - (Daily Dividend)	12.23	12.23	-
Kotak Liquid-Institutional Premium Plan - (Dividend)	10.06	10.04	0.20
Kotak Liquid-Institutional Premium Plan - (Growth)	18.66	17.83	4.66
Kotak Liquid-Regular (Dividend)	10.02	10.03	(0.10)
Kotak Liquid-Regular (Growth)	17.85	17.8573	(0.04)

#### INTERPRETATION:

The table shows that the yield of Kotak Liquid-Institutional Plan - (Daily Dividend) is 0% and the yield of Kotak Liquid-Institutional Plan (Growth) scheme is 3.93%. The yield of Kotak liquid-Institutional Plan (Weekly Dividend) scheme is -0.10% and that of Kotak Liquid-Institutional Premium Plan - (Daily Dividend)

scheme is 0%. The yield of Kotak Liquid-Institutional Premium Plan - (Dividend) scheme is 0.20% and that of Kotak Liquid-Institutional Premium Plan - (Growth)scheme is 4.66%. The yield of Kotak Liquid-Regular (Dividend) scheme is -0.10%.

#### 4.14.2 YIELD OF KOTAK MAHINDRA MUTUAL FUNDS FOR THE FINANCIAL YEAR 2009-08

Schemes	NAV for the financial year 2009-08		Yield for the yr 2008-2009
	NAV as on 31st March 2009	NAV as on 1 <sup>st</sup> April 2008	
Kotak Liquid-Institutional Plan - (Daily Dividend)	12.2281	12.23	(0.02)
Kotak Liquid-Institutional Plan (Growth)	17.5394	16.18	8.41
Kotak Liquid-Institutional Plan (Weekly Dividend)	10.0245	10.03	(0.01)
Kotak Liquid-Institutional Premium Plan - (Daily Dividend)	12.2281	12.23	(0.02)
Kotak Liquid-Institutional Premium Plan - (Dividend)	10.0374	10.04	(0.03)
Kotak Liquid-Institutional Premium Plan - (Growth)	17.8308	16.37	8.93
Kotak Liquid-Regular (Dividend)	10.024	10.02	(0.00)
Kotak Liquid-Regular (Growth)	17.8495	15.89	12.33

#### INTERPRETATION:

The table shows that the yield of Kotak Liquid-Institutional Plan - (Daily Dividend) is -0.02% and the yield of Kotak Liquid-Institutional Plan (Growth) scheme is 8.41%. The yield of Kotak liquid-Institutional Plan (Weekly Dividend) scheme is -0.01% and that of Kotak Liquid-Institutional Premium Plan - (Daily Dividend) scheme is -0.02%. The yield of Kotak Liquid-Institutional Premium Plan - (Dividend) scheme is -0.03% and that of Kotak Liquid-Institutional Premium Plan - (Growth)scheme is 4.66%. The yield of Kotak Liquid-Regular (growth) scheme is 12.33%.

#### 4.14.3 YIELD OF KOTAK MAHINDRA MUTUAL FUNDS FOR THE FINANCIAL YEAR 2008-07

Schemes	NAV for the financial year 2008-07		Yield for the year 2008-07
	NAV as on 31st March 2008	NAV as on 1st April 2007	
Kotak Liquid-Institutional Plan - (Daily Dividend)	12.2281	12.2281	-
Kotak Liquid-Institutional Plan (Growth)	16.18	15.0367	7.60
Kotak Liquid-Institutional Plan (Weekly Dividend)	10.04	10.0385	0.01
Kotak Liquid-Institutional Premium Plan - (Daily Dividend)	12.2281	12.2281	-
Kotak Liquid-Institutional Premium Plan - (Dividend)	10.0521	10.0521	-
Kotak Liquid-Institutional Premium Plan - (Growth)	16.36	15.15	7.99
Kotak Liquid-Regular (Dividend)	10.04	10.0355	0.04
Kotak Liquid-Regular (Growth)	15.89	14.8	7.36

**INTERPRETATION:**

The table shows that the yield of Kotak Liquid-Institutional Plan - (Daily Dividend) is 0% and the yield of Kotak Liquid-Institutional Plan (Growth) scheme is 7.60%. The yield of Kotak liquid-Institutional Plan (Weekly Dividend) scheme is 0.01% and that of Kotak Liquid-Institutional Premium Plan - (Daily Dividend) scheme is 0%. The yield of Kotak Liquid-Institutional Premium Plan - (Dividend) scheme is 0% and that of Kotak Liquid-Institutional Premium Plan - (Growth) scheme is 7.99%. The yield of Kotak Liquid-Regular (growth) scheme is 7.36%.

**INFERENCE:**

It has been inferred that the yield of Kotak Liquid-Institutional Premium Plan - (Growth) scheme and that of Kotak Liquid-Regular (growth) scheme is higher than the other yields.

**INVESTMENTS MADE BY POLARIS IN MUTUAL FUNDS**

**FOR THE YEAR 2008-2007**

	<b>MARCH 31 2008 RS. IN LACS)</b>	<b>NAV as of 31st March 2008</b>	<b>NAV as of 31st April 2007</b>	<b>Yie</b>
<b>8 AL F81 D</b>				
D TATA Floater Fund - Daily Dividend	592.11	10.0356	10.0201	0.15
IC floating rate income fund short term plan dividend investment	17.80	10.08	10.0809	(0.01)
S money plus fund- inst plan daily dividend	932.98	10.01	10.0082	0.02
ance Short term Fund Retail Plan Div Plan	419.73	10.56	10.4801	0.76
pleton India Short Term Income Plan Weekly Dividend - dividend reinvestment	412.34	1081.19	1088.3889	(0.66)
liquid plus fund institutional daily dividend	308.10	10.0121	10.0121	-
Prudential institutional short term monthly dividend	304.73	11.1359	11.0192	1.06
nk flexi debt fund daily dividend	511.30	10.0311	10.034	(0.03)

India treasury Plus fund institutional daily dividend	306.57	10.0109	10	0.11
FA FIP fund series A1 IP Mthly. Dividend	303.05	10.0205	10.0208	(0.00)
short term Income fund- dividend	301.32	11.5197	11.1849	2.99
FCQuarterly interval fund Plan B- WP-Dividend	300.00	10.2111	10	2.111
FCQuarterly interval fund Plan C- WP-Dividend	500.00	10.135	10	1.35
ance Liquid Plus IP- daily dividend reinvestment	1.32	10	10.0031	(0.03)
impleton India Ultra Short bond fund-Super IP-Dividend	502.49	10.02	10.0116	0.08
daram BNP Paribas Select focus-Dividend	170.77	11.6481	12.4781	(6.65)

REFERENCE:

It has been found that the highest yield for the year 2008-07, they obtained was 2.111 from HDFC Quarterly interval fund plan B-Dividend



**INVESTMENTS MADE BY POLARIS IN MUTUAL**

**FUNDS**

**FOR THE YEAR 2008-2009**

<b>MUTUAL FUNDS</b>	<b>NAV as on 31st March 2009</b>	<b>NAV as on 1st April 2008</b>	<b>Yield</b>
D TATA Floater Fund - Daily Dividend	10.0356	10.0356	-
Treasury Advantage Fund-IP- Daily Dividend	1000.29	1000.21	0.01
FIC Cash Mgmt Fund-Treasury Advantage-WP-Dly	10.0315	10.0315	-
a Sun Life Savings Fund-IP- Daily Dividend	10.0068	10.0068	-
ance Medium Term Fund-Daily Dividend	17.1	17.0955	0.03
a Sun Life DBF-Retail-Monthly Dividend	10.15	10.06	0.89
ICI Prudential Short Term Plan-Fortnightly Dividend	11.7603	10.8538	8.35
FIC HIF-STP-Dividend	10.6054	10.6409	(0.33)
a Sun Life Short Term Fund-IP-Daily Dividend	10.0055	10.0055	-
ICI Prudential Flexible Income Plan Daily Dividend Investment	10.5735	10.5735	-
Liquid Plus Fund-IP-Daily Dividend	1019.45	1019.45	-

IC Short Term Plan-Dividend	10.3411	10.3453	(0.04)
Bank Floater-Long Term-Daily Dividend	10.08	10	0.80

**RENCE:**

It has been inferred that the organisation has obtained highest yield for the year 2008-09 from ICICI Prudential Short Term Plan-Dividend. Other Mutual funds have provided have very less yield.

*Fündlings*

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## CHAPTER 5

### FINDINGS AND SUGGESTIONS

#### FINDINGS:

- It has been inferred that HDFC Equity Fund – growth scheme has been providing higher yield for the investors. The fund has been performing well for the past three financial years.
- It has been inferred that the yield of Tata Equity P/E Fund-Growth scheme was higher for the three financial years.
- It has been inferred that the yield of SBI Magnum Equity Fund-Growth scheme has been providing higher yield when compared to the other schemes.
- It has been inferred that the Reliance Equity Opportunities Fund-Bonus Scheme and Reliance Equity Opportunities Fund-Dividend Scheme has been providing higher yield to the investors.
- It has been inferred that DSP BlackRock Equity fund-Growth Scheme has provided better yield than the other two schemes.
- It has been inferred that the yield of Kotak emerging Equity Fund-Growth Scheme is higher than the remaining schemes.
- It has been referred that the yield of Sundaram BNP Paribas Equity Multiplier Fund-Growth Scheme is higher.
- It has been inferred that the yield of Franklin Asian Equity Fund- Dividend Scheme and Franklin Asian Equity Fund- Growth Scheme are more or less the same for the three financial years.
- It has been inferred that the Birla Sun Life Equity Fund-Growth Scheme as been providing high yield for the investors.
- It has been inferred that the yield of Reliance Liquid Fund-Institutional Plan-Growth Option Scheme and that of Reliance Liquid Fund-Institutional Plan-Monthly Dividend scheme is higher than that of other funds.

- It has been inferred that the yield of Reliance Liquid Fund-Treasury Plan-Retail Option - Growth Option Growth Plan and that of Reliance Liquidity Fund-Growth Plan-Growth Option provide higher yields to the investors.
- It has been inferred that the yield of DSP Black Rock Liquidity Fund - Regular Plan – Growth Scheme and that of DSP Black Rock Liquidity Fund- Institutional Plan-Growth Scheme is higher .
- It has been inferred that the yield of Kotak Liquid-Institutional Premium Plan - (Growth) scheme and that of Kotak Liquid-Regular (growth) scheme is higher than the other yields.
- It has been found that the highest yield for the year 2008-07, they obtained was 2.111 from HDFC Quarterly interval fund planB-WP-Dividend.
- It has been inferred that the organization has obtained highest yield for the year 2008-09 from ICICI Prudential Short Term Plan-Fortnightly Dividend. Other Mutual funds have provided have very less yield

# *Suggestions*

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**SUGGESTIONS:**

- As far as process of cash management process is concerned, the organization has to bring the automation of cash flow statement as the present process is time consuming for them.
- The organization has to bring about the automatic updation of the currency rates to prevent the loss in the exchange rates.
- The organization has to invest in some of the equity based funds even though it is risky since it provides higher returns to the organization.
- The company has to invest in some of the growth option of liquid funds since it provides high return to the company.

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