

CHAPTER-VII

FINDINGS, SUGGESTIONS AND CONCLUSION

7.1. INTRODUCTION:

The study analyses about the investors perception and preferences towards the mutual funds. It explains that many investors prefer to invest in the mutual fund in order to have high returns at the low level of risk, safety and liquidity. The world of investment has been changing day-by-day. So, investors perception and preferences towards investment pattern have changed. The investors behavioural aspects, performance and their investment decision are highly influenced by their socio-economic profile as well as the investment characteristic. After reviewing the literature, researcher considers age, gender, education, occupation, marital status and annual income for the socio-economic profile and other mutual fund investment details as the profile of investors.

Here an attempt is being made to recapitulate the main findings of the study and offer some suggestions to popularise the mutual funds.

7.2. FINDINGS:

The following are some of the important findings of the present study.

1. It has been found that majority (75 percent) of the respondents belong to male category. It may be because of more awareness and knowledge when compared to female respondents.
2. It is found that 36.67 percent and 31.67 percent of the respondents belong to the age group of 31-40 years and 41-50 years respectively. Normally when a man reached at the age of 30 years he/she feels that more necessity for investing in mutual funds schemes for the future benefits and safety.
3. It is found from the present study that 40 percent and 30 percent of the respondents belong to graduate and post-graduate respectively. It indicates that educated people are showing more interest in investing in mutual funds schemes.
4. It is found in the present study that majority of the respondents i.e. 140 belongs to salaried class who have invested more in mutual funds schemes. It may be because of regular income earned by the salaried persons, future safety and assured benefits of investment in mutual funds schemes.
5. It is found that majority i.e.255 (85 percent) of the respondents are married people. Married persons are having more responsibility when compared to an unmarried person.
6. It is found that 105 (i.e.35 percent) of the respondents belongs to annual income group of Rs.1,00,001-Rs.3,00,000 followed by 90 (i.e.30 percent) respondents in the category of Rs.3,00,001-Rs.5,00,000. So, it indicates that people who belong to the middle class category are investing more in mutual funds. Income means what a person acquires in return for his/her service. Income is one of the most decisive factors. It is essential to know the socio-economic status of any group in the society.

7. It can be observed that 105 (i.e.35 percent) of respondents annually save their money between Rs.50,001-Rs.1,00,000 for investing.
8. It is found that 105(i.e.35 percent) of the respondents are invested their money in mutual funds schemes is less than Rs.5,000. Followed by 72(i.e.24 percent) of the respondents Rs.5,001-Rs.10,000, 53(i.e.17.67 percent) of the respondents Rs.10,000-Rs.20,000. It may be the reason that minimum amount of investment in mutual funds schemes is Rs.5,000.
9. It can be observed that more number of respondents have got information about the mutual funds schemes through brokers (90 respondents) and advertisement (73 respondents).
10. It is found that 110 (i.e.36.67 percent) of the respondents belongs to 6 to 8 size family members followed by 30 percent who are above 8 members.
11. It is found in the study that 180(i.e.60 percent) of the respondents used brokers as channels for investing in mutual funds schemes.
12. It is observed that 60 (i.e.20 percent) and 45 (i.e.15 percent) of the respondents have invested in the growth and tax savings funds. The reason is that growth fund provides the regular income and capital appreciation and tax saving scheme offer a tax exemption for investors.
13. It is noticed that 194(i.e.64.67 percent) of the respondents have paid money through cheques. It can be said that they felt safety of their money to transact through banks for investment in mutual fund schemes.
14. It is found that 125 (i.e.41.67 percent) of the respondents have invested money in mutual funds schemes on yearly basis. Some investors have invested when the market value of scheme is high. Many people invested on regular basis and some of them invested occasionally.

15. It is found that according to garret ranking techniques 1st rank is given by the respondents for pension and provident fund and last rank (10th) for chits while giving preference to various investment avenues by the investors.
16. It is found that 119 (i.e.39.67 percent) and 67 (i.e.22.33 percent) of the respondents have expected a high return and tax exemption as the reason for investment in mutual funds schemes respectively. It is because of mutual funds schemes that provide regular and high return and tax benefits for the investors.
17. It is found that 106 (i.e.35.33 percent) of the respondents are expected the proper balanced risk of their investment in mutual funds schemes. Every investment is risky because some risks are controllable by the investors and some of them issuers of securities by planning. Others cannot be so controlled and they are to be borne compulsorily by the investor.
18. It is found that 114 (i.e.38 percent) and 83 (i.e.27.67 percent) of the respondents have expected very high safety and high safety of their investments in mutual funds schemes respectively. It may be because of the safety that one of the attributes for the investment.
19. It is found that 118 (i.e.39.33 percent) of the respondents have 5-10 years of experience in investing mutual funds schemes. Experience is very important factor to be considered in mutual funds schemes because of more experience investors, have the more knowledge about the risk, return, safety and liquidity.
20. It is found that during the study period growth of Asset Under Management (AUM) has increased from Rs.1,49,600 crores in the year 2004-05 to Rs.8,25,240 crores during the year 2013-14.
21. It is found that the number of custodians and amounts has increased from 639 and Rs.1,26,286 crores in the year 2004-05 to 1815 and Rs.7,65,820 crores during the year 2013-14.

22. It has been found that during the study period total resource mobilisation by mutual funds industries increased from Rs. 8,39,708 crores in the year 2004-05 to Rs.97,68,100 crores during the year 2013-14.
23. It is observed that highest scheme-wise resource mobilisation by mutual funds industries are income/debt scheme which increased from Rs.7,98,673 crores in the year 2004-05 to Rs.97,09,762 crores during the year 2013-14.
24. It is found that SEBI registered market intermediaries/ institutions increased from 39 in the year 2004-05 to 50 during the year 2013-14.
25. It is found that majority of the respondents i.e.61.7 percent are agreed that mutual funds are useful for small investors.
26. It has been found that 49 percent of the respondents are agreed that the mutual funds give higher returns than other investments.
27. It is found that 46.4 percent of the respondents are agreed that mutual funds with large corpus of fund perform better in the market.
28. It is found that most of the respondents (i.e.47.7 percent) are agreed that public sector mutual funds are more secured than private sector mutual funds.
29. It is found that 53.6 percent respondents are agreed that public sector mutual funds perform better.
30. It is found in the present study that 57 percent of the respondents are agreed that mutual funds have better professional expertise than individual investor.
31. It is found that 52.6 percent of the respondents are agreed that there is a total transparency in mutual funds operations.
32. It was found that 65.3 percent of the respondents are agreed that returns from mutual funds are more than expected.

33. It is found in the present study that 65.9 percent of the respondents are agreed that mutual funds provide easy withdrawal facilities to investors.
34. It is found that 59.3 percent of the respondents are agreed that mutual funds provide better tax benefits to investors.
35. It is found in the present study that 58.3 percent of the respondents are agreed that management costs charged to the funds are reasonable.
36. It is found in the present study that 64 percent of the respondents are agreed that mutual funds provide innovative schemes with different objectives to the investors.
37. It is found that 68.6 percent of the respondents are agreed that the regulatory bodies like SEBI and others are able to control funds properly.
38. It is found in the present study that 64.3 percent of the respondents are agreed that the mutual funds are healthy for Indian environment.
39. It is found that 72 percent of the respondents are agreed that information on mutual funds is easily available to the investors.

7.3. SUGGESTIONS:

The following suggestions have been offered in the light of findings.

1. Investor education is a very important factor for Indian environment. Research and awareness programmes should be conducted for investors.
2. During the period of the study, it was found that majority of the investors invest their money in growth and tax saving fund. This indicates that more effort has to be made by the mutual funds to create awareness among the investors regarding the earning potential of their schemes.
3. Education also plays a key role in mutual fund investment. Highly qualified persons use the internet for getting the information. Their behaviour of getting information is different from other respondents. Mutual funds companies should update their websites regularly.
4. Mutual funds companies should launch new and innovative schemes according to the varied needs of the investors. There is a lack of innovative products in the market. People have the capacity to invest and this capacity has to be explored by the mutual funds companies. With the increasing awareness among the retail investors about capital markets, the mutual funds companies should come up with innovative schemes to fulfill the requirement of the retail investors.
5. Mutual funds companies should dispatch their annual report in time to their investors so that the investors are informed about the company's financial position. This will help the investor to know the status of their investment and plan further.
6. Mutual funds company should develop varied products with the different risk-return combination in order to meet the investment needs of different categories.

7. Safety is the most important attributes of investment. Most of the investors have expected more safety of their investment. So it is suggested that mutual funds company should give more preference to safety of money.
8. Mutual funds company is not providing information adequately regarding their schemes. Therefore it can be suggested that mutual fund company should provide the information to investors through newspapers, prospects, magazines etc in time.
9. The minimum amount of investment in various schemes of mutual fund is i.e.Rs.5,000, it should be reduced to Rs.500 so that it will help to the people with low and middle-income group to invest in the mutual fund schemes.
10. Mutual fund company should properly maintain its investment portfolio to provide better services to its unit holders.
11. It should be mandatory for mutual fund companies to establish investor grievance cell. A separate ombudsman scheme should be initiated for redressing the grievances of mutual fund investors effectively. Each mutual fund should be required to establish its own investor's grievance cell. This will help to sort out investor's grievance.
12. Mutual funds should build investors confidence through schemes meeting the diversified needs of investors, speedy disposal of information, improved transparency in operation, better customer service and assured benefits of professionalism.
13. It is suggested that the investors should not consider only one or two factors for investing in mutual fund but they should consider other factors such as higher return, degree of transparency, efficient service, fund management and Reputation of mutual fund in selection of mutual funds.
14. Innovative technologies like integration of fund managers, dematerialization, online trading, creation and development of

web pages must be brought in mutual fund markets for its growth and attracting the educated investors.

15. Investors are the hub of the mutual funds market. Their satisfaction is the most important factor. Hence, the satisfaction of the investor should be ensured by providing safety, return and liquidity for their investments.
16. Investors should think before investing, collect and analyze enough information about the funds plan to invest. Try to know the AMC, fund manager and his experience and research section of the particular fund which is selected for investment.

7.4. CONCLUSION:

Mutual funds companies should come forward with full support for the investors in terms of advisory services, participation of investors in portfolio design, ensure full disclosure of related information to investors, and ensure that proper consultancy is given by mutual fund companies to the investors in understanding the terms and conditions of different mutual fund schemes, such as type of fund designing should be promoted that will ensure the satisfaction of the needs of the investors. Mutual funds information should be published in an investor-friendly language and style to educate investors. It should be developed by mutual fund companies so as to enable the investors to analyze the risks associated with investments made by them.

There has been a tremendous growth in the mutual fund industry in India, attracting large investments not only from the domestic investors but also from the foreign investors. The growing middle-class household families with limited risk-bearing capacity, it provides better returns than any other long-term securities. The high rate of savings and a rapid liberalizing economy is expected to elevate the mutual fund sector to new hikes.

Today, a lot of investment opportunities are available to the investors in the financial markets. According to the investors opinion, the main reason for the quick popularity of the mutual funds is the guarantee to redeem at net asset values. The investors have realized the benefits of investing in mutual funds.

7.5. SCOPE FOR FURTHER RESEARCH:

Mutual Fund is a wide area of research that no single study can cover its different dimensions. Based on the study done by the researcher, the following areas are identified for further research.

- Since the present study is restricted to Hyderabad Karnataka area level, it could be extended to the state level and subsequently to the national level.
- Attitudes of institutional and corporate investors towards mutual funds.
- A comparative study of investors perceptions and attitude towards mutual funds between the two cities, one of them should be a metropolitan area.
- Investors attitude towards a particular asset management company's funds may be analyzed.
- Study on the mutual funds investment style.
- The performance of mutual funds industry in India.