CHAPTER V
SUMMARY OF FINDINGS, EXPECTATIONS OF INVESTORS, A MODEL FOR INVESTMENT DECISION-MAKING, SUGGESTIONS AND CONCLUSION.
FINDINGS AND SUGGESTIONS

INTRODUCTION

Since independence, the prime objective of Government policy in India is to promote a rapid and balanced industrial growth. Five year plans provided an impetus to this intention. As the development is a continuous process, it requires the utilisation of resources more effectively to achieve the accepted means. Sustaining the development mainly depends on the availability of large volume of capital. Availability of adequate finance ensures systematic and uninterrupted development generally in the economy of the country and particularly in the field of business. Necessary finance can be made available if the financial intermediaries perform their work efficiently and effectively. Banks, Non-banking finance companies, Post offices, Share markets are the major intermediaries. These organisations help the retail investors to save and invest their money for a specific purpose. In other words, in a country like ours, thousands collected from millions will have far reaching impact rather than millions collected from thousands. Hence, these financial institution have dual role to play, primarily they undertake the responsibility of savings of individual investors and secondarily help the nation to generate the necessary funds.

Practically speaking, with so many participants, the financial market has become complex and is beyond the understanding of ordinary man. There are numerous regulatory organisations such as RBI, SEBI and CLB etc. to regulate dealings in financial market. Under the regulation of above organisations, the financial market integrates the demand and supply of finance. Mobilisation of funds for a meaningful purpose results in fostering the growth of industry and eventually the economic development of the nation. Therefore, the savers of
money become the backbone of the industrial and national development and only with their behest the country could prosper. Savers and investors are indispensable to the community and so the government is to encourage savings so that more funds will be available.

According to David Recordo, there are two ways to accumulate the capital; it may be saved in consequence of increased revenue or of diminished consumption. Instantly increasing the revenue and reducing the consumption is not possible but could be effected gradually. While some countries save between 30 to 40 per cent of Gross Domestic Product, India’s saving rate is around 24 percent. The current saving rate is not encouraging and supports the old school of thought that country like India cannot provide entire resources for investment from within.

It is true that capital is shy but still there are possibilities for increasing the percentage of savings. Individual income rises marginally and the optimistic view towards future has been increasing. A recent survey conducted in USA reveals that people will be living longer in the forthcoming years. Naturally, there is inclination in everyone’s mind that future will be meaningful if savings are at the required level. Hence, now-a-days the individuals savings gains momentum invariably in all the countries.

In India, there are three major sources of saving namely, households, corporate and Government sectors. The estimates of Central Statistical Organisation, Reserve Bank of India and other premier institutions confirm that household sector alone contributes nearly three fourth of the total capital contribution and the other two sectors’ contributions are considerably decreased. The chances of tapping the external borrowing also seems to be bleak as our country already exploited the source beyond its capacity. Under this present
situation, it is true to say that household sector is the only source through which savings could be augmented. Generally, personal savings are called household savings where individual investors' effort serves the purpose.

The individual investors include salaried class, self-employed and businessmen. Among the above, the salaried class have some distinctive features like fixed source of income and information support from the workplace etc. The practice of savings and investments are the function of income. Hence, with assured monthly income, salaried class investors assume great importance in view of their capacity to save regularly and investing. Therefore, the present study is aimed to focus the savings and investment practices and pattern of investors of salaried class. Investors' behaviour with regard to all types of investment avenues were considered and the present study was carried out in Coimbatore District of Tamil Nadu.

Data pertaining to the savings and investment pattern of investors were collected from 500 investors based on their employment status. Carefully constructed questionnaires were used to collect data. Personal factors of investors were considered as independent variables to analyse the data. Relevant statistical techniques have been used to interpret the data and diagrammatic and pictorial representations have also been used.

The findings on the habit of savings and investment of salaried class are useful. They are of great practical important for financial policy formulators as well as for individual investment practices. The findings provide new insight into traditionally held views. The findings of the study are presented below:
5.1 PROFILE OF INVESTORS

The profile of the sample investors reveals that an average Indian salaried class investor is middle aged, educated and aware of most of the investment avenues, exercising care in selecting the investment channel, with an ambition to save faster, the details of which are given below.

5.1.1. Among the sample investors, majority are young (between 21 and 40 years of age). Among the young investors, 21-30 years of age class is the least deviated age group from the average and 31-40 years of age group is seen with maximum deviation. The average age of young investor is 32 years whereas it is 49 in case of elder age investors. A positive correlation is found between the age and the income of investors.

5.1.2. 55 percent of the sample investors were employed in private sector.

5.1.3. Two-third of investors is in clerical and managerial cadre and the rest are professionals, teaching and technical positions.

5.1.4. Male investors dominate the savings and investment scene as they constitute 70 percent of sample and rest is female investors.

5.1.5. As far as salaried class is concerned 80 percent are in urban areas (both in city and towns) and only 20 percent are in rural sector.

5.1.6. Around 48 percent of investors are in rental house and 39 percent in quarters provided by the employer own a house.
5.1.7. The family size of 38 percent of investors is 4 to 5 members and 8 to 9 member families are around 15 percent. Average family size of sample investors is 5.25 and nearly 55 percent of families have the number of members below the average.

5.1.8. 54 percent of families have only one earner and 30 percent are double income families.

5.1.9. As a maximum, 38 percent of investors families' annual expenses range from Rs.48,001 to 60,000. Only 8 percent of families spend between Rs.60,001 and 72,000 p.a. The average annual expenses of families is Rs.46,900 and 47 percent of families have such expenses below the average.

5.1.10. Nearly 28 percent of families in the study area have an annual income between Rs.1,20,001 and 1,60,000. With regard to income, sample investors are uniformly distributed except Rs.2,00,001-2,40,000 income category, where only 4 percent represented the sample.

5.1.11. Around 30 percent of investors have their spouse employed and 47 percent of investors' family save between Rs.30,001-60,000 annually. A positive association is noticed between the income and level of savings.

5.2 AWARENESS AND ATTITUDE

5.2.1. Among the identified 13 investment avenues, all the investors knew about the bank deposits. 96 percent are aware of chit funds as a saving medium. 95 percent know about gold and silver as a saving vehicle. Unit Trust of India Schemes, Plantation Schemes are not popular, as most of
the investors are not aware of them. With regard to overall awareness level 25 percent have high awareness and the rest 29 percent are with low awareness.

5.2.2. Age and education of investors influence the level of awareness. Similarly, the awareness level depends on the income of investors. On the other hand, the type of institution and the employment status do not influence the level of awareness. But the place of residence of the investors plays significant role in creating awareness.

5.2.3. 38 percent of investors receive investment information from friends and relatives. Parents become the source of information to 15 percent. Advertisements provide such investment information to 13 percent of investors.

5.2.4. Advertisements, friends and relatives are the prominent sources of information to young investors and elder age investors mostly get information from investment consultants, share brokers, Investor Association and parents.

5.2.5. 32 percent of investors are of the opinion that the advertisement on investment matters given by Government is fair and reasonable but not the private company advertisements. 23 percent have stated that both the government and the private company advertisements are good.

5.2.6. 62 percent of investors are subscribing to journals/magazines for investment information. 87 percent of city investors, 85 percent of town investors and 18 percent of village investors are subscribing to investment related publications.
5.2.7. Significant association is found between the level of education and the subscription of publications for investment information. Likewise, employment status also influences the investors to subscribe to the publications in this regard.

5.2.8. 40 percent of investors spend Rs.100 to 200 per month for purchasing publications and 32 percent spend below Rs.100 per month. While high income investors spend more for getting investment information, low income investors also spend for such investment information in line with their income. Nearly 80 percent of investors in 51-60 years of age group subscribe to publications.

5.2.9. 58 percent of investors have stated that they receive sufficient information for investment decision making. While 90 percent of city investors receive adequate information, only 12 percent of village investors get such information for investment decisions.

5.2.10. Among the city investors, 31 percent are aware of the existence of Investors' Association in Coimbatore but only 9 percent have become member in it. In case of town investors, 19 percent know the association and only 3 percent are members. Though 3 percent of village investors are aware of Coimbatore Investors' Association, none has become the member. Among the city investors who are members in the Association, 25 percent are of the opinion that the Investors' Association is useful.

5.3 SAVINGS PATTERN OF INVESTORS:
5.3.1 More than two-thirds of investors are either very much satisfied or satisfied with their level of savings. As expected, high income investors
are the more satisfied than the low income investors. However, the size of the equity does not influence the level of satisfaction.

5.3.2. Children's well being is the main reason for savings of investors. Aspiration for a comfortable living and disrespect to moneymere are the other important reasons for such saving.

5.3.3. Among the dissatisfied investors, 57 percent feel the cost of living is too much and 32 percent are of opinion that their income is inadequate. Irrespective of income level, all categories of investors feel dissatisfied by high cost of living.

5.3.4. Majority of the sample investors being 54 percent has stated that they learnt the saving habit from their parents and the rest from spouse. Mostly young investors are influenced by their parents and the spouse of elder age investors plays a considerable role in inculcating the sense of saving among elders.

5.3.5. Being the salaried class, majority of investors saves for providing a better education to their children. Secondly, they want to own a house for their children. Securing a job/establishing a business is least preferred by investors though they are very vital.

5.3.6. About 60 percent of investors prefer to save first and purchase necessary household items. While 56 percent of city investors aspire so. 80 percent of female investors wish to save first as against 49 percent of male investors.
5.3.7. 45 percent of investors are able to save up to 20 percent of their annual income and 31 percent save between 21 and 40 percent. The variation in saving rate among low saving investors is considerably less when compared to other two groups. No significant difference is noticed between urban and rural investors in connection with rate of saving. But the educational level of investors does influence the level of saving. The type of working institution also influences the rate of saving.

5.3.8. Significant correlation is found between the size of the family and the rate of savings by investors. Further, negative correlation exists between the expenses of family and the rate of savings.

5.3.9. 38 percent of investors have additional income apart from their salary income and out of which, 63 percent have created it by their own effort and the rest 37 percent have such additional income from their ancestral property.

5.3.10. Out of 500 investors covered, only 1.2 percent have received financial assistance from abroad. All these investors belong to high income category.

5.3.11. Bank deposits serve as a prime mode of saving among all types of investors. 19 percent save through chit funds in addition to the bank deposits. 72 percent of investors have confirmed that they save regularly.

5.3.12. Among the sample investors, more than 90 percent have committed saving habit. Out of this, 31 percent do such committed saving through chit funds and recurring deposit. 7 different modes of committed saving were identified and investors are found saving through all these modes.
5.3.13. 52 percent of investors are able to increase their savings from time to time. Further, 76 percent of Government employees and 32 percent of private sector employees could increase their savings. No noticeable difference is found among city, town and village investors with regard to increment in saving.

5.4 INVESTMENT PATTERN OF INVESTORS:

5.4.1. 30 percent of investors are able to convert only 26-50 percent of their savings into investments. On the other hand, 27 percent convert 76-100 percent of savings. The conversion ratio among the low saving investors is more than the high saving investors. Similarly investors with small family size convert a major portion of savings. The statistical analysis confirms that the negative association between the family expenses and the rate of conversion of savings. Around 50 percent of urban investors convert 50 percent of savings and the same was done by 80 percent of rural investors.

5.4.2. 43 percent of investors indicate the cost of living as the reason for non-conversion of entire savings into investments and 38 percent say, it is by unexpected expenses, they could not do full conversion.

5.4.3. 95 percent in the income range of Rs.40,000-80,000 investors convert only a part of their savings and in case of Rs.2,00,001-2,40,000 income range investors, 33 percent effect partial conversion. On an average, 80 percent of young investors do partial conversion and 69 percent of elder age investors convert partially.
5.4.4. 57 percent of investors invest their money whenever they have surplus and 25 percent invest regularly at the end of the financial year. A small segment of 18 percent invest every month.

5.4.5. The prominent mode of investment among all category investors is the bank deposits, as it preferred by 82 percent followed by the provident fund schemes, which are preferred by 78 percent. Thirdly, 73 percent of investors invest in gold and silver. 67 percent invest in chit funds. Only 8 percent have invested in plantation schemes and 7 percent in mutual funds.

5.4.6. Investors of different age classes do not show much difference when they invest in banks. But in case of Chit Fund investments, a vast majority of elder age investors prefer it than the youngsters. Corporate Securities have mostly attracted the investors in the age group between 31 and 40.

5.4.7. Nearly one-third of sample investors has group investment practices. They form a group by having friends, relatives, neighbours and then make a collective effort in investment. 56 percent of investors in the income range of Rs.2, 00,001-2,40,000 has group investments. Likewise, 60 percent of investors in 31-40 years of age have such group investment practices.

5.4.8. Private money lending is a very common practice in the study area. 38 percent of investors lend regularly or occasionally. Mostly elder age investors (around 80 percent) lend privately either by taking promissory note or by executing legal documents.
5.4.9. 42 percent of investors in private sector employment own a business either in the form of proprietorship concern or partnership. Apart from the above, 54 percent of Government sector employees and 46 percent private sector employees run business in the name of spouse, son and daughter.

5.4.10. Apart from savings, 17 percent of investors have the practice of borrowing money for investment. 8 percent dispose the old assets and 3 percent sell the securities for the investment purpose. 9 percent of investors have invested by realising the gifts received.

5.4.11. 38 percent of investors have expressed their willingness to invest in financial assets if lumpsum amount like arrears of salary, bonus etc. is received. 22 percent prefer to lend to friends and relatives. Most of the young investors want to invest in financial assets.

5.4.12. While investing, majority investors consider the safety aspect as the most important factor. Regular return from investments was the other motive next to safety. Capital appreciation is also preferred by investors. With regard to self-evaluation; 42 percent of investors do not consider themselves to be a good investment decision maker.

5.4.13. 56 percent of investors have the feeling that they have succeeded in their investment activities. Among them, 33 percent succeeded because of their quick decisions at right time and for another 32 percent, their own technique helped them.

5.4.14. Among those who have failed in investment activity, 42 percent were badly influenced by others and for another 39 percent investors, the situation
went wrong soon after their investment decisions. 56 percent of investors are of opinion that their investment helped them to achieve the specific purpose for which it was intended.

5.4.15. 73 percent of investors expect a higher return and 21 percent expect more tax benefits with regard to expected rate of return, 45 percent of investors want a return between 21 and 30 percent per annum. Positive correlation is noticed between the age and expected return of investors. Nearly one half of the urban investors expect a return between 21 and 30 percent whereas 61 percent of rural investors want a return ranging from 10 to 20 percent p.a.

5.4.16. A positive association is found between the family size and expected rate of return. There is a negative correlation between the income and expected rate of return of investors.

5.4.17. Maximum of 38 percent of investors had bad experiences in non-banking finance company investments. Next, 29 percent of investors had bad experience in private lending investments. 17 percent in real estate and 21 percent in Chit Fund had also bad experiences.

5.4.18 Among the total sample, 60 percent expressed their intention to invest in real estate in future. In addition, 50 percent are ready to invest in Chit Funds and 54 percent in Government Securities.
5.5 A MODEL FOR INVESTMENT DECISION MAKING

Based on the behaviour of investors, a model for investment decision making is formulated and presented in figure 5.1. The model consists of several stages. In the first stage, the investor has to determine the practice of savings. Therefore, he must create the capacity to save. Secondly, he should acquire knowledge about various savings and investment vehicles. Then, he has to outline his investment objectives. Stage three is to execute the plan. Based on the knowledge acquired coupled with investment goal, he has to decide the mode to invest. In this process, he may also decide not to invest at all. Again, he may prepare to wait or search for suitable investment opportunity. In stage four, the investor must exercise proper care to withdraw the benefits in time. Savings and investment is always a continuous process and hence, he must repeat the model again and again. Besides the suggested model, main sources of investment information, influencing factors of savings and preferential factors of investing (in the order of preference) have also been given.
Fig 5.1

A Suggested Model for investment decision-making
to the salaried class

- Intention or determination of savings
- Creation of capacity to save
- Gaining knowledge on various savings & investment vehicles
- Defining investment goal
- Investment decision
- Not to invest
  - Waiting or searching for suitable opportunity
- To invest
  - Continuously watching up of investment climate
  - Timely withdrawal of benefits

Sources of investment information:
(in the order of preference)
1. Friends and relatives
2. Parents
3. Advertisements
4. Investment consultants

Preferential factors while investing:
1. Safety of money
2. Regular return
3. Capital appreciation
4. High return
5. Tax benefits
6. Long term benefits
5.6 EXPECTATIONS OF INVESTORS

All investors invariably expect unmixed, clear information on savings and investment opportunities. They point out that none of the media is providing such reliable information. They also report that most of the magazines and journals are biased because of the influence of concerned institution. Mostly, deliberately favoured news is published, concealing the reality of the matter. Since most of the publications resort to this practice, the investors with real interest in investment practice could not pick up a single journal/magazine to be upto date.

Investors are also not fully satisfied with the publications of Governments with regard to the investment opportunities. In the past, Government had many set backs in its duty to disclose correct information to the public in time. Investors quote many instances, where government came forward to disclose the information or rescue the investors from unscrupulous institutions only after happening of miserable events. They expect timely disclosure of relevant information by the Government.

Many private sector finance companies failed to meet their repayment schedule and hence dispute arise between the investors and institutions. Government's belated intervention in the past resulted in the loss of crores of rupees of investors. They also expect that the Government must speed up the court proceedings so that the investors already in misery will find a solution. The long pending court proceedings ultimately increases their burden.

Almost all the investors feel that the rate of interest on Government securities is very less when compared to the return available outside. For such higher return, investors are tempted to invest with private parties. Investors expect the Government to enhance the rate of interest slightly higher than the present. This will ensure satisfied return to them and safety of capital.
Some investors reported that they had subscribed retirement benefit plans of Unit Trust of India and Private Sector Mutual Fund Organisation. They expect some additional tax concession from the Government. Since these schemes are mostly subscribed by private sector employees, the tax concession will be a boost for their saving habit.

5.7 SUGGESTIONS

5.7.1 SAVING CULTURE The Central and State Government should spread saving and investment habit by making foolproof safety mechanism. Only with prevalence of a healthy atmosphere, individual investors will be inclined to deploy their funds on a continuous basis in various types of financial instruments of government.

5.7.2 AWARENESS PROGRAMME Investor education is the need of the hour. Though number of institutions part with investor education, they are not sufficient. A mass and continuous awareness programme shall be conducted. Before investing, one has to equip himself with relevant information, which will have a long run impact on his investment practices. But in practice, investors with little time to discuss investment matters are not serious in the matter. Owing to the availability of little relevant information, general talks and rumours induce the investors to choose the investment instrument though it does not suit his interest. Hence, a systematic and long run investors awareness programme would be a boon to the investing community.

Governmental organisations operating in the field of finance and voluntary organization like Rotary Club, Lions Club and Banking Companies may individually or jointly take part in educating the investors. The participation of
these institutions in the line would be a great social cause and ultimately the country's resources will be diverted in a right way.

The information center or public relations office of most of the financial institutions has been made use for other purposes. Therefore, the very purpose of these offices has been defeated and no useful purpose is served to the public. They must be viewed as an office of giving relevant and genuine information sought by the public.

As a matter of onerous duty, the business community must come forward to create awareness about the prospective malpractice in the field of finance. It should be a part of social service of business establishments.

It was reported that a section of the investing community remains silent about the problems/grievances without referring them to any of the procedure to approach the authorities concerned. Those who know the procedure hesitate to approach fearing the compliance of cumbersome formalities and leave the grievance unredressed. Through mass media like television, radio and newspaper the investor education programme should be frequently conducted.

5.7.3 ARRESTING OF INFLATION Unlike others, Salaried class investors have a constraint - fixed income. Within the fixed income, many of the investors find it difficult to overcome the effect of inflation. The pay rise generally does not equate the increased cost of living. Though investors could effect savings, such saving does not increase in proportion with pay rise. Due to the constant increase in prices, a serious damage is caused to the economic condition of middle and lower class salaried group. Hence, the Government must exercise some more control to arrest the inflation rate.
5.7.4 SPECIAL CONCESSION Other category investors like businessmen and self-employed have nothing to worry about tax deducted at source. Hence, many of them deliberately resort to tax evasion by dishonest means like suppression of income, falsifying records, maintaining improper records and statements, concealment of facts etc. Again, they tend to take advantage of the loopholes of tax laws. But salaried class does not resort to such type of illegal exercises. Therefore, they must be given concession in payment of Taxes. Moreover, the Central Government may give total tax exemption on interest on deposits in commercial bank or in specific nationalised bank. If this pioneering step is understood in right spirit and given a way for its functioning, the Government could certainly mobilise billions of rupees from salaried class alone.

5.7.5 AN EXCLUSIVE ORGANISATION The prime objective of regulatory agencies - Reserve Bank of India, Securities and Exchange Board of India, Company Law Board, Police and Court etc. is to protect the investors. In spite of their bulk expenditure on investor protection, they could not safeguard the interest of investors. A separate organization equipped with adequate power to monitor the investment and finance companies is to be established. Compulsory registration with Reserve Bank of India alone does not serve the purpose. Instead an exclusive organization may be promoted to re-establish the confidence lost by investors.

5.7.6 AUDIT MECHANISM Experts in the field of Non-banking finance companies sector have already indicated that the audit mechanism of these companies has become futile to assess their real picture. Revamping of auditing system will inject the new blood to the sinking sector.

5.7.7 HIGH RISK INVESTORS Some investors assume high risk when they invest in high return instruments. No doubt high returns are offered as a reward
for high risk. Hence, it is suggested not to extend the investor protection measures to high risk investors at the cost of others. Practically, ordinary (low risk) investors need no protection because they invest in safe instruments. But high risk investors are protected against possible loss and thus they invest in high risk investment avenues again and again. Hence, the cost of protecting the high risk investors may be recovered only from them and not to be met at the cost of others.

5.7.8 BENCHMARK Though Government and Judiciary have been deeply concerned at the plight of small investors, no concrete steps had been taken so far. In order to curtail the frequent and instant collapse of financial institution, a benchmark of financial background may be fixed to the companies taking public money. Registration should be denied at the inception itself if the background of owners/partners is not up to the level prescribed.

It was observed that most of the investors of salaried class invest in Government securities only to avail the tax benefit. As the tax laws provide a maximum of Rs.12,000 (Rs.14,000 as per 1999 finance bill) tax rebate, investors divert the excess money into some other unproductive assets. Thereby, Government looses huge money. Hence, this tax rebate limit may be enhanced giving way for more investment in Government securities. Investors should feel that investment in government securities is profitable and they should not look upon as tax saving plan.

5.7.9 BANK INTEREST RATE It was reported recently that around 20-25 percent of our national revenue is paid off as interest for the external borrowings. Instead funds available within is to be tapped by providing attractive rate of interest. The main reason for poor contribution by internal sources is very low bank interest rates. Therefore, commercial banks have become 'efficient custodian' of finance
only for a shorter period. In other words, banking facilities are used mainly for keeping 'savings' rather than for investing. Bank rates are often reduced and have become unattractive. The bank interest rates should be enhanced to attract more investors. The difference between the rate of interest offered by the bank and other prevailing market rate must be as minimum as possible.

5.7.10 UNDUE DIVERSION In recent days, the investment of salaried class in real estates has increased manifold. The reasons are many. On one side, Government failed to mobilise the savings due to very low interest rate and on the other side, several other investment avenues frequently disappointed investors. Entry of mass of investors in one field would normally lead to hoarding of black money. At the same time, the same leads to inflation. Hence, the Government may stop this undue diversion of money in real estates by encouraging the salaried class in the following ways:

(a) Government may raise the rate of interest by on all government securities and deposits of commercial banks to make it more attractive. Public feel that government securities provide safety but not profitability. There is a tendency to forgo safety to some extent to earn profits.

(b) Government may extend tax concession to some other instruments also.

5.7.11 RETIREMENT BENEFITS There must be educative programmes for the investors when they get lumpsum payment like retirement benefits, bonus etc. As things stand today, no organisation has got a plan to help these retiring people when the person gets his lifetime earning at the end of his service, he is to be educated and guided properly to ensure a fixed income. The deposits will provide more funds for the government purposes also. There should be a special programme to help these people.
5.7.12 LEGAL DOCUMENT For deposits, there is no legal documents equivalent to the prospectus. At the same time, unlike SEBI's control over the issue managers in shares, the deposit brokers are not bound by any legal control. As a result, public deposit schemes are treated secondary to the shares and other capital market instruments. Hence, it is suggested that private sector companies must be ordered to issue a legal document (like prospectus) making full disclosure for accepting deposits from the public. Moreover, the deposit brokers may also be held responsible for their involvement in deposit mobilisation.

5.7.13 ADDITIONAL TAX CONCESSION Some investors reported that they had subscribed retirement benefit plans of Unit Trust of India and Private Sector Mutual Fund Organisations. They expect some additional tax concession from the Government. Since these schemes are mostly subscribed by private sector employees, the tax concession will be a boost for their saving habit.

5.8 SUGGESTIONS FOR FURTHER RESEARCH

The current study has covered the aspects like investment climate in India, awareness, attitude, savings pattern and investment practices of salaried class investors. Expectations and problems from the investors' point of view have also been discussed. As the overall aim of the study is to evaluate the investing pattern of investors, emphasis was given to those aspects that help in the attainment of the specific objectives framed.

Investment market in India has been discussed from the point of view of salaried class to give an idea about its present state. Therefore, a study based on other sections of the community namely businessmen, self-employed and pensioners may be carried out. Like the present study, the suggested studies may also go a long way in throwing light on the functioning of finance market in India. Further, studies from the point of view of sub-classes of exclusive salaried
group such as employees of banks, educational institutions, manufacturing concerns etc. would also be of purposeful. Research on the above lines is considered to be meaningful under the present Indian conditions.

CONCLUSION

In this study, the researcher has made an attempt to analyse the savings and investment pattern of salaried class investors. An in-depth analysis is done to identify the level of awareness, attitude, factors which influence the investors to save and invest, average savings of investors, pattern of savings, conversion of savings into investments and investment preferences etc. Questions like why people save and what make them not to invest are also analysed in-depth and interpreted. It is hoped that the saving public (particularly salaried class) will analyse in their savings and investment practices to move towards greater savings and more investments. Organisations and government departments working to improve investment practices will also be benefited by these findings.

In this study, the researcher has identified the problems faced by the savers and investors along with their expectations. The impending problems could be solved by taking necessary steps in the right direction. Hence, appropriate recommendations have been made to make the investment climate more congenial and attractive to the investing community. Areas are identified where the financial intermediaries can tune the minds of investors towards greater savings and investments. The researcher would feel amply rewarded if the study proves to be useful in one way or other to the investors, intermediaries and to the government.