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FINDINGS, SUGGESTIONS AND CONCLUSION

The microscopic cross examination of the primary and secondary data reveals the following results. Primary and secondary data are explored completely to ascertain the important factors of the study, to identify the reasons for investors investing in mutual fund market, effect of mutual fund market reforms, relationship between financial sector reforms and mutual fund market reforms. The changes in the attitude of investors were noticed after the latest developments in mutual fund market in 1991. Now, the investors possess greater awareness through TV, newspaper and other sources of information. The transparency in mutual fund market is considered as one of the vital reforms that magnetically attracted the investors and increased their number. The classification of markets paved the way for the investors to make their own lucrative choice and made them to employ various strategies to overcome the impediments in investment procedures.

FINDINGS OF THE STUDY

The interesting findings that have emerged from the present study are summarized and given below:

➢ The analysis on personal demographic factors of respondents reveals that they are in the age group of 26 to 40, male are more enthusiastic to invest in mutual funds, are married and are graduates.

➢ More respondents having private employment with an annual income of Rs. 1 to 2 lacks favour investment in mutual funds. Nuclear family enhances interest to decisions. Higher the dependents, lesser the
investment strategies. Most of the investors are found to have their own homes. They also possess two wheelers.

- Investors’ awareness on mutual fund market reforms is classified between moderate and high.

- The investors accept equally the reforms in Private sector mutual funds, innovative, and return on investments. So, all the reforms are equally important and they reflect the reforms of mutual fund market.

- The investors’ opinion on reforms cannot be distinguished on their experience with mutual fund market dealings. So, the mutual fund market reforms are totally spread over all the investors equally independent of their number of years of dealing.

- The investors invested their money in mutual fund market to get maximum benefits before and after reforms. So the mutual fund market reforms just induces the investors to invest in mutual fund market, but the investors welcome any type of reforms in mutual fund market, provided they are really capable of providing better returns with low risk.

- All the respondents are aware of capital market reforms irrespective of whether they invest in mutual funds or not. This also implies that the more effective source of information plays an important role in updating the information to the investors.

- The investors also differ in their opinion on investing in Government Bonds and they also differ in identifying the reforms in mutual fund market. The investors who shifted their concentration towards investments in Government bonds are now rapidly returning to mutual fund market investments due to reforms in their elements. The
investors are very much attracted by the reforms in primary and Private sector mutual funds, change of instrument and return on investment.

➢ The investors are very much attracted towards change of instrument reforms in mutual fund market which in turn, induces them to invest more in primary and Private sector mutual funds.

➢ Some of the investors invest their money in gold and they do not have much knowledge about capital market reforms. The investors in gold are also turning their attention towards mutual fund market due to tremendous developments in the primary and Private sector mutual funds, change of instrument and return on investment.

➢ The investors’ option of investing in debentures distinguishes their ideas about general reforms, secondary reforms and return on investment. They possess the same opinion on public sector mutual funds reforms and change of instrument. They profoundly believe that the mutual fund market reforms of the above elements are really worthy for better returns.

➢ The investors who want to invest their money in mutual funds should possess a thorough knowledge about capital market reforms but others do not. The investors in mutual funds also possess a tendency to shift their investment pattern towards mutual fund market. They feel that the same amount of risk is involved in mutual funds and mutual fund market but in the case of returns, the mutual fund market provides better returns than the mutual fund.

➢ Some of the investors who invest in real estate, possess some ideas about capital market reforms. Even though it is found that investing
in real estate would give better returns, the investors shift their preference towards mutual fund market due to the latest reforms. They feel that they are able to get the same type of returns as that of real estate within a short span of time.

➢ The investors gave the first preference for returns, followed by tax benefits and then liquidity, for investing in mutual funds.

➢ When the investors expect more returns, they differ in their views about general reforms, secondary reforms and change of instrument whereas they have the same view on primary reforms and return on investment.

➢ When the investors expect liquidity from their investment, some of them are highly aware of capital market reforms but some others do not. But they possess the same view about change of instrument. The investors have identified more liquidity because of major reforms in primary and private sector mutual funds and return on investment. Settlement period has also been reduced.

➢ The investors who invest their money for tax benefits are well aware of general reforms, secondary reforms, change of instruments and return on investment.

➢ The investors who are influenced by the dependents of the family, have high awareness on secondary reforms and return on investment.

➢ In the case of private sector mutual fund reforms, all the investors are equally well aware and differ significantly in their knowledge of other reforms. So, consultants are prevailing upon them to have knowledge about private sector mutual fund reforms.
➢ In the case of secondary reforms the investors cannot be distinguished in terms of their awareness when their investment decisions are influenced by friends and relatives.

➢ There is an association between preference on investment in mutual fund market and cluster of awareness on mutual fund market reforms, i.e., after knowing the capital market reforms only, the investors decide to invest in Public sector mutual funds and Private sector mutual funds.

➢ The reforms in primary and Private sector mutual funds have induced the investors in allocation of funds for investment in the mutual fund.

➢ There is an association between criteria for investment and cluster of awareness of capital market reforms. This shows that the investors are well aware that the capital market reforms give certain specific directions for investment.

➢ The capital market reforms affect the investment in the banking industry. More number of investors are enthusiastic in investing in banking industry.

➢ The investors have the knowledge about Public sector mutual fund reforms before they invest in cement industries.

➢ The investors make more investment in pharmaceutical industry after the mutual fund market reforms.

➢ The capital market reforms influence the investors to invest more in textile industry.

➢ The investment in steel industry has grown because of the awareness of investments in mutual fund market reforms.
Changes in instruments do not have any effect on investment in IT industry.

The investors find vast scope for their investments in manufacturing industry after the implementation of capital market reforms. Other reforms do not have any role to play in investments in the manufacturing industry.

The investors are changing their investments towards automobile industry after capital market reforms.

The investors are very much aware of the risks involved in investing in mutual fund market, because it depends on the performance of firms in which they have invested.

Most of the investors prefer investments through NSE because of mutual fund market reforms.

The investors are able to get information about BSE through the reforms of elements in mutual fund market.

The investors in MSE possess the same opinion about primary and private sector mutual funds and return on investment.

The different reasons for preference of mutual funds arise due to mutual fund market reforms.

There is no association between dealing with electronic mutual funds and elements of mutual fund market reforms. This shows that the investors feel that electronic share is conveniently introduced in mutual fund market due to advancement in the scientific world and economy, in the use of the reforms in mutual fund market does not
have any role to play with technological advancement. E-broking is growing at a faster rate.

- Most of the information are obtained through Newspapers, i.e. 77.5% of the investors are able to get more information about mutual fund market. The investors are able to get perfect information about mutual fund market through newspapers.

- The demographic variables of investors are useful for them to identify the general mutual fund market reforms.

- The nature of the family decides the investors' awareness on the Public sector mutual funds reforms in cluster one.

- Income, vehicle ownership and number of dependents create the awareness among investors on Public sector mutual funds reforms.

- Gender, income and ownership of the house decide their high awareness on Private sector mutual funds reforms.

- The marital status and income of the investors make them to possess moderate awareness on change of instrument.

- The moderate awareness on return on investment can be obtained by the marital status, occupation, income and ownership of house, of the investors.

- The high awareness on return on investment is decided by their occupation and number of dependents in the family.

- The mutual fund market reforms open fascinating vistas for investment by investors and their demographic variables affect their awareness on mutual fund market reforms.
The latest developments in mutual fund market in India are grouped into five areas based on factor analysis – Company Reforms, Growth Reforms, Educative Reforms, Attractive Reforms, and Innovative Reforms.

The investors in mutual fund market are distributed into three categories over their awareness of the latest developments in mutual fund market and they are coming under high, moderate and low.

The investors are very much attracted by mutual fund market after understanding the attractive financial sector reforms. The transparency about the performance of the companies issuing the mutual funds and continuous monitoring by the Central Government and RBI have raised the confidence among the investors despite the market risk. The investors are willing to invest their hard earned money to have lucrative returns in a short span of time.

The recent developments in mutual fund market have made a good effect on reforms in the financial market. Collectively, these developments are aimed at reforming the primary and Private sector mutual funds. Positive changes in the instrument and better returns to the investors prevail in the current situation.

All the demographic variables like age, education, income, family, nature of investors are related to investments in understanding the latest developments in the mutual fund market.

The investors' behavior had changed with regard to clusters of investors of the latest developments in mutual fund market. As the clusters of investors are based on their interest and awareness of mutual fund market, it can profoundly be stated that the investors are
also exploring the avenues like real estate, gold and Government bonds to get more returns with less risk.

- There is no significant relationship between the number of years’ dealing in mutual fund market and variability of the latest developments in mutual fund market i.e., some investors are continuously investing in mutual fund market with their own understanding of the developments in mutual fund market and they feel it as an advantage for their investment.

- The company reforms and educative reforms severely affect the investor’s decision to decide the percentage of investment in mutual fund market.

- The investors strongly agree that investment in mutual fund market alone gives more returns coupled with minimum market risk. So they prefer investment in share as rank 1 followed by fixed deposit, real estate, mutual funds, Government bonds, gold and debentures. Their first preference is mainly due to appreciable returns.

- The investors gave the first preference to better returns followed by liquidity and tax benefits and all types of investors expect more returns with less risk. So they prefer investment in mutual funds.

- The head of the family of the investors considers only growth and innovative reforms during the investment process.

- The dependents of the family contribute to the ideas of investment in mutual fund market and they suggest ideas about educative reforms like transparency and choosing the companies for the selection of mutual funds.
The consultants possess vast and wide knowledge about the reforms in mutual fund market. The consultants use different and convenient strategies for their clients. The strategies of the consultants vary as per the requirements of their clients.

Friends and relatives do not offer their ideas regarding mutual fund market reforms.

The investors are interested in investing in primary and Private sector mutual funds. They provided better returns in the short span of time and also with the minimum risk.

The investors think that the investment in Public sector mutual funds should give immediate returns in a short period of time and they vary with regard to markets.

The latest criteria used by the investors always reveal their investment pattern and their awareness of mutual fund market. So, the criteria for investment pattern and their awareness depend upon the latest developments in mutual fund market.

Investors invest their money safely in banks in the form of deposits and give second preference to the IT industry followed by cement and pharmaceutical industry. This also shows that the investors concentrate more on the safety of their investments in banks.

The risk in mutual fund market investment is absolutely independent of the clusters of the latest developments in mutual fund market. The risk factor is always known and investors take calculated risk.

The investors’ first notion on investment is the strategic calculation regarding safety, return and liquidity. They also give, but less importance to the conservative methods of investment and risk taking.
Moreover, they are very calculative in earning more profit from their investments.

➢ The investors investing in Private sector mutual funds give first preference to NSE followed by BSE and MSE. The NSE is the most popular exchange among the investors of mutual fund market.

➢ The reputation of mutual funds exchange is the major reason for investment in Private sector mutual funds. The investors and the brokers always determine the reputation of mutual funds exchange and the latest developments like online trading which affect the way of functioning of the fund managers.

➢ There is a strong association between experience with electronic share dealing and the latest developments in mutual fund market. In fact, it is introduced as one of the consequences of the latest developments.

➢ The investors possess appreciable knowledge about malpractices that occur in the form of scams. So they often enrich their knowledge about the rapid change in trends in mutual fund market.

➢ There is no association between awareness of investors on custodial service and their clusters. They also feel that there are no custodial services offered by banks regarding mutual fund market dealings. The banks should make the dealings in mutual fund market easy and expedite their activities.
SUGGESTIONS

Based on the study, the following suggestions are made:

➢ There should be more transparency about the companies and their performance so that the investors can decide their investments in the appropriate scheme of mutual funds.

➢ Corporate governance has to be implemented in all mutual funds exchange.

➢ 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.

➢ Strategies like hedging, index futures and so on, must emerge in the mutual fund market to reduce the market risk and provisions must be made to ensure the return, at least, of the principal amount of the investors.

➢ Suitable strategies must be deployed to encourage women investors. Awareness programmes have to be conducted in all places to induce women investors to play a healthy role.

➢ The competition to mutual fund market has come from instructional investors like mutual funds and real estate. So the companies must be careful enough in issuing their mutual funds.

➢ Transparency must be ensured both in Public sector mutual funds and Private sector mutual funds on an equal footing to help the investors to ensure that they make rational investment decisions and that their capital is not lost.
Mutual funds, Debentures and bonds are familiar to urban investors. But the awareness of their counterparts in rural areas about these are very low.

Investors are the hub of the mutual fund 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.

Mutual fund market should create a higher level critical factors involved in making investment decisions.

Companies should provide information/education to investors at large with detailed data including the role of SEBI to make them smart.

Regarding mutual fund market issues, more journals, newspapers and TV media should cover the subject so as to have a wider reach to the investors.

The investors should be provided with an opportunity to trade in International Fund markets.

As far as the mutual fund market is concerned, research carried out is very less. So, SEBI and other agencies should provide assistance to carry out advanced research in this area.

Credit rating agencies should rate the equities and mutual funds for the benefit of the investors.

SEBI and other intermediaries should evolve suitable strategies to tap the funds in the rural markets by conducting awareness programmes, marketing through self help groups, sale of mutual fund units through village and rural co-operative banks and other measures.
IMPLICATIONS OF THE STUDY

This study would be of immense help to managers, particularly, financial managers who take decisions regarding investment and investors' attitude towards mutual fund market. The study will help investment consultants in identifying the appropriate investment avenues. The credit rating agencies can use the information for their investment rating. Investors’ preference for mutual funds will help policy makers in formulating suitable policies and strategies and initiate appropriate reforms. The study helps in timing and type of instruments for new issues in mutual fund market. Fund managers can introduce technological advancements in trading. In short, this piece of research work has become quite friendly to all the three groups of players in the mutual fund market viz., the investors, the issuers and the intermediaries.

SCOPE FOR FURTHER RESEARCH

Based on the study done by the researcher, the following suggestions are identified for further research:

- Since the present study is at a city level, it could be extended to the State level and subsequently to national level.
- The effect of reforms in mutual fund market may be studied in the light of rural investors.
- The study may further be carried out to analyze the effect of reforms on the functioning of fund managers.
- A study on the awareness of women investors about mutual fund market reforms could be attempted.
- Implications of internet mutual funds trading in India can be taken up for study.
- Effect of technological innovation in mutual fund markets can be studied.

**CONCLUSION**

Indian mutual fund market has now grown into a great material market with a lot of qualitative inputs and emphasis on investor protection and disclosure norms. The market has become automated, transparent and self-driven. It has integrated with global markets, with Indian companies seeking listing on foreign mutual funds exchange, off shore investments coming to India and foreign mutual funds floating their schemes and thus bringing expertise in to our markets. India has achieved the distinction of possessing the largest population of investors next to the U.K. Perhaps ours is the only country to have the largest number of listed companies with around 24 Regional Fund managers and National Fund managers most of them automated. India now has world class regulatory system in place. Thus, at the dawn of the new millennium, mutual funds market has increased the wealth of Indian companies and investors. No doubt strong economic recovery, upturn in demand, improved market structure, and other measures have also been the contributory driving forces.

Further, financial services sector is considered to be the nucleus of the growth model designed for the economic development of a vast country like India. Financial services and markets constitute significant components of the financial system. Development and reforms in this field are inevitable for the growth of our developing economy. Accordingly, a lot of financial
reforms have been made, as and when required, for the welfare of the investors and the institutions.

The investors of to-day are well informed than their predecessors of yesterdays. They are better informed and better treated. They want to be secure when they aspire to become rich, want to save while they are tempted to spend, want to feel the joy of pride and avoid the pain of regret. However, every agency in the mutual fund market should plan their strategies for profiting the investors in the long term. The potential investor must be properly educated and guided in a manner that more idle resources and resources invested in other avenues are diverted towards the mutual fund market. Increase in GDP (9%), raising of sensex to around 20,000, more participation of MNCS with their FDI, and such other factors result in the progress of the Indian economy and improvement in the awareness of the prudent Indian investor. If and when all financial reforms are implemented, the Indian mutual fund market will not only be on par with developed mutual fund markets of the world, but will also become the paradise of the investors. As a note of concluding this study, it is very apt to quote Mr. V.H. Pandya, the Senior Executive Director of SEBI who sums thus: “as the winds of reforms and liberalization continue to blow, our mutual fund market is not only growing very rapidly, but also adapting itself to new procedures, practices and patterns. With the entry of various players in the market, it is poised to achieve unprecedented levels of growth in the near future”.

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