CONCLUSIONS, FINDINGS AND SUGGESTIONS.

- **Introduction.**
- **Conclusions / Findings.**
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Introduction:

The mutual funds industry is still nascent in India, but has assumed considerable significance in the post liberalized market economy. A mutual fund is just the connecting bridge or a financial intermediary that allows a group of investors to pool their money together with predetermined investment objectives. The mutual fund will have a fund manager who is responsible for investing the gathered money into specific securities. In purchasing mutual funds, investors look for capital appreciation, liquidity and safety. Therefore, markets are required to design the products keeping those objectives in mind. Products that are customized are designed to suit the risk profile of the customer and his investment objectives are offered in the market and also focus on the price of the fund which are chiefly depends on the underlying stocks performances and the stock market trends. Further mutual fund are considered as one of the best available investments are compare to others and they are very cost efficient and also easy to invest in, thus by pooling money together in a mutual fund, investors can construct portfolio of stocks or bonds with much lower trading costs than if they tried to do it on their own, therefore the industry should focus on making existing products more attractive by adding on a number of services features and cost control measures through mutual funds diversification, and minimizing risk and maximizing return.
Conclusions / Findings:

The following conclusions are drawn from the study:

1. A Mutual Fund is a trust that pools the savings of a number of investors who share a common financial goal.

2. The money thus collected is then invested in capital market instruments such as shares, debentures and other securities.

3. The income earned through these investments and the capital appreciation realized is shared by its unit holders in proportion to the number of units owned by them.

4. Thus a Mutual Fund is the most suitable investment for the common man as it offers an opportunity to invest in a diversified, professionally managed basket of securities at a relatively low cost.

5. Mutual fund as an investment destination is gaining momentum and in future mutual fund must emerge as a strong capital appreciation tool for the purpose of financial planning.

6. Mutual funds pool money from thousands of investors, so everyday investors are putting money into the fund as well as withdrawing investments. To maintain liquidity and the capacity to accommodate withdrawals, funds typically have to keep a large portion of their portfolios as cash. Having ample cash is
great for liquidity, but money sitting around as cash is not working for investor and thus is not very advantageous.

7. Mutual funds creates awareness among urban and rural middle class people about the benefits of investment in capital market, through profitable and safe avenues, mutual fund could be able to make up a large amount of the surplus funds available with these people.

8. Mutual funds are the institutions, which collectively manage the funds obtained from different investors and work as conduits from savings to investment.

9. To conclude we can say mutual fund is a best investment vehicle for retired persons, as well as to those who want regular returns on their investment. Mutual fund is also better and preferable for those who want their capital appreciation.

10. Both the companies (UTI And SBI) are doing considerable achievements in mutual fund industry. There are also so many competitors involved those effects on both companies.

11. Small investors face a lot of problems in the share market, limited resources, lack of professional advice, lack of information, etc. Mutual funds have come as a much needed help to these investors.
12. With the emphasis on increase in domestic savings and improvement in deployment of investment through markets, the need and scope for mutual fund operation has increased.

13. Mutual funds provide investors with professional management, but it comes at a cost.

14. Investors have more faith on SBI’s mutual fund. As the age increases investors are much satisfied, see more risk & become more risk adverse. Old people prefer lower risk. Some investors are not highly satisfied by company rules & employee behavior. Investors think that SBI provides better returns than UTI.

15. Investors can conveniently buy and sell units at Net Asset Value (NAV) related prices which are declared on a daily basis. The key feature of open-end schemes is liquidity.

16. A close-ended fund or scheme has a stipulated maturity period e.g. 5-7 years. The fund is open for subscription only during a specified period at the time of launch of the scheme. Investors can invest in the scheme at the time of the initial public issue and thereafter they can buy or sell the units of the scheme on the stock exchanges where the units are listed.

17. Mutual funds are funds that pool the money of several investors to invest in equity or debt markets. Mutual Funds could be of Growth funds, Income funds and Balanced funds.
18. The downward phase of the stock market has a negative impact on mutual fund industry.

19. Poor growth rate in NAV of public sector mutual funds badly affected the industry.

20. Unsatisfactory investor servicing by Mutual Fund Company causes investors staying away from the mutual funds.

21. The defective fund management policy too much weightage on certain specific industries namely IT sector decreases the NAV of schemes.

22. Adverse developments in the mutual fund industry especially in economic crisis badly shock the confidence of the small investors in mutual funds.

23. Majority of the investors are not aware of mutual fund industry and the products offered by it.

24. Political instability leads to a threat of capital market and performance of mutual funds.

25. Total Assets Under Management of Indian mutual funds have shown growth patterns over the last decade.
26. Governments provide tax incentives for investors in mutual funds. This differs based on the specific asset classes. The government wants the funds directed to and also on the level of sophistication of the markets.

27. It is a common fact that the capital markets aren't the friendliest of places for the smaller investors. This point is driven home for the investors by big events that occur in the market, especially scams and crashes.

28. One way to look at mutual funds is as a wealth creation tool, but the big difference in the fund flows into mutual funds is that mutual funds hold a big chunk of the retirement Market's assets.

29. Some of the industry biggies are exploring the opportunities in pension reform by positioning themselves as the front-runners in the Pension Fund arena.

30. Companies are now focusing on distribution channels of Financial Planners and E-commerce, as they will stand to benefit enormously if these trends gain significance.

31. A Mutual Fund investment is by nature subject to market risks and does not guarantee a return.
32. Investor might want to consider Fixed Income Mutual Fund Products such as Fixed Maturity Plan, Income Funds or Floating Rate Funds if he/she seeks a capital protection.

33. The industry is also having a profound impact on financial markets. While UTI has always been a dominant player on the bourses as well as the debt markets, the new generations of private funds, which have gained substantial mass, are now flexing their muscles.

34. Mutual Funds have shifted their focus to the recession free sectors like pharmaceuticals, FMCG and technology sector.

35. One of the major factors contributing to the growth of mutual fund industry has been the booming stock market with an optimistic domestic economy. Second most important reason for this growth is a favorable regulatory regime which has been enforced by SEBI. This regulatory board has improved the market surveillance to protect the investor's interest.

36. Top mutual funds Companies also suffer because of the fluctuations in the market.

37. The hallmark of any mutual fund is to out-perform the market both in rising and falling conditions, besides ensuring benefits of diversification. During the study period, the schemes out-performed the market in terms of absolute returns. The
performance of the mutual funds schemes were in line with that of the market as evident from the positive beta values.

38. The few schemes did not provide adequate return in terms of systematic risk and unsystematic risk. However, the schemes ensured positive returns due to stock selection skills of fund managers. The market performance had a significant positive influence on the entire sample schemes' performance. The present net asset values of schemes are positively and significantly correlated with its past net asset value for all the time lags signifying consistency in successive period returns.

39. The study says that investors in future would prefer mutual funds for their investment destination rather than choosing to park their funds in stock markets because of safer returns and lower degree of risk as compared to other markets.

40. Mutual funds would be one of the major instruments of wealth creation and wealth saving in the years to come, giving positive results. The consistency in the performance of mutual funds has been a major factor that has attracted many investors.

41. The Indian mutual funds industry has been growing at a healthy pace of 16.68 per cent for the past ten years and the trend will move further.
42. The study has revealed the futuristic nature of investors; they invest for future security and certainty. However, there were some investors who invest in order to meet their current requirements. In addition, it has been clearly indicated that investments that are long-term are preferred more over medium-term and short-term investments.

43. The industry also faces a number of issues which are characterized by lack of investor awareness, low penetration levels, high dependence on corporate sector and spiralling cost of operations.

44. The survey reveals that the most preferred investment vehicle is Bank Deposits, with Mutual Funds ranking next in the order among choices.

45. Growth funds schemes are ranked first, followed by Income Schemes and Balanced Schemes.

46. The survey further reveals that the scheme selection decision is made by respondents on their own, and the other sources influencing their selection decision are Newspapers and Magazines, Brokers and Agents, Television, Friends suggestions and Direct Mail in that order.

47. Mutual funds Asset Under Management (AUM) of UTI of Rs. 52,465 crore and of SBI Rs. 29,493 crores was in the month of
Feb. 2008. UTI’s AUM decreased up to 48,983 crores and SBI Mutual funds also having decreased figures that Rs. 29,179 crores. As far as percentage is concern -1.06 per cent change has been seen of SBI mutual funds while the change has seen of UTI mutual funds of -6.64 per cent.

48. Highest number of respondents i.e. 46 (18.40 per cent) belongs to 36 to 40 age groups and lowest number of respondents are from 20 to 25 age groups. It can be concluded from the above table that younger respondents are more attracted towards mutual fund investment. The study concludes that majority of the investors (67.60 per cent) belongs to the age group of 31 to 50.

49. Out of the total selected respondents highest number of respondents i.e. 118 (47.20 per cent) are from service category followed by 106 (42.40 per cent) respondents from business class, 18 respondents (7.20 per cent) from retired person category, 6 (2.40 per cent) and 2 (0.80 per cent) respondents Agriculture and House Wife category.

50. Total number of respondent were 21 (8.40 per cent) those who were having annual income up to Rs. 1 lakh, followed by 29 respondents (11.60 percent) from income Rs. 1 lakh to 2 lakhs, 41 respondents (16.40 per cent) from income Rs. 2 to 3 lakhs, 45 respondents (18 per cent) from income Rs. 3 to 4 lakhs, 54 respondents (21.60 per cent) from income Rs. 4 to 5 lakhs and
60 respondents (24 per cent) from income Rs. 5 lakhs and above respectively.

51. It is seen from the above Table that 71 respondents (28.40 per cent) fill more secured in investment in the bank deposits and 59 respondents (23.60 per cent) fill more secured in investing life insurance schemes. 57 respondents (22.80 per cent) feel more secured in investing in Mutual funds schemes and 36 respondents (14.60 per cent) feel more secured in investing in shares & debentures while 27 respondents 10.80 per cent) feel secured in investing in postal saving.

52. Out of total 250 respondents 37 respondents (14.80 per cent) have invested their amount up to Rs. 10,000 – 50,000 in mutual funds. 95 respondents (38 per cent) invested the amount up to Rs. 50,001 – 1,00,000 in mutual funds and 74 respondents (29.60 per cent) have invested the amount up to Rs. 1,00,001 – 1,50,000 in mutual funds. 29 respondents (11.60 per cent) and 15 respondents (6 per cent) have investment the amount Rs. 1,50,001 to 2,00,000 and 2,00,001 and above in the mutual funds respectively. It can be concluded that only 6 per cent respondents have their investment in (2 lakh and above) in the mutual funds. The percentage of investment of Rs. 50,001 – 1,00,000 is more in mutual funds i.e. 38 per cent.

53. Many investors (46 per cent) have been come to know about the mutual funds company by their brokers or consultant, 48 (19.20
per cent) get the information about mutual funds from the media, 36 (14.40 per cent) respondents avail the information from the mutual fund company’s employee, 32 (12.80 per cent) respondents have informed about the mutual fund by their friends, only 19 (7.60 per cent) respondents are told that they know about mutual fund investment from their family members. It is concludes from the table that the role of Brokers / Consultant and media is very prominent in Mutual Fund Investments.

54. 36 (14.40 per cent) investors have time of investment less than one year. 49 (19.60 per cent) respondents have time duration of their investment between of 1-2 year. 76 (30.40 per cent) investors have time duration between 2-3 year & 64 respondents invested their amount in mutual funds for 3-4 years and only 25 respondents going with 4-5 years investment time schedule. The study concludes that maximum investor interested to keep their investment during 2-4 years.

55. The matter related to satisfaction from services of the selected companies was covered in Table No. 7.09. For this purpose five categories were fixed. It is evident from the study that highest number of respondents i.e. 105 (42 per cent) were satisfied followed by 74 (29.60 per cent) respondents were highly satisfied by mutual fund companies, Whereas 35 (14 per cent) respondent were not- satisfied, 27 (10.80 per cent) respondents were highly dissatisfied from the services and behavior of
mutual fund companies and 9 respondents not given their opinion clearly.

56. Highest number i.e. 118 (47.20 per cent) respondents were preferred to Growth funds, followed by 95 (38 per cent) respondents give priority to income funds and 37 (14.80 per cent) invested their funds in Balanced funds. It is concludes from the table that maximum respondents (47.20 per cent) preferred to growth mutual fund schemes.

57. The Table shows that out of the 250 selected respondents; the highest number of respondents i.e. 91 (36.40 per cent) invested in mutual funds for the purpose of good returns (Income), followed by 79 (31.60 per cent) prefer their capital appreciation approach, 33 (13.20 per cent) invested their saving for getting tax benefits, 31 (12.40 per cent) wants liquidity option from mutual funds and then invested in this type, very less percentages i.e. only 6.40 preferred future prospects. The study concludes that maximum number of investor give priority to higher returns and capital appreciation factors. Investors must always remember that risk and returns go hand in hand. If one wants more returns, one will have to take more risk.

58. Highest number of respondent i.e.97 (38.80 per cent) are satisfied from companies norms and formalities, followed by 69 (27.60 per cent) respondent are highly satisfied, whereas 46 (18.40 per cent) respondent are not satisfied, 33 (13.20 per cent)
highly dissatisfied and 2 per cent respondent don’t want to tell their opinion. The study concludes that 66.4 per cent respondent were satisfied from the companies norms, formalities and documentation policy (i.e. filling up the forms etc.)

59. According to the collected data; 114 (45.60 per cent) respondents told that SBI mutual funds provided them better returns; while 103 (41.20 per cent) respondents told that UTI provides better returns and only 13.20 per cent respondents expressed that both the companies provides them better returns. The conclusion drawn from the study is that SBI mutual funds provide better returns to their investors compare with UTI mutual funds.

60. Out of selected respondents 109 (43.60 per cent) respondents preferred security measures while investment in mutual funds, other 85 (34 per cent) respondents give importance to liquidity and 56 (22.40 per cent) respondent look that mutual funds; who will gives them higher income. As far as the security, Liquidity and Income is concern; the study concludes that maximum investors (43.60 per cent) give priority to security measures and only 22.40 per cent respondents are given priority to income option.

61. It is revealed from the study that 106 (42.40 per cent) investors said that they would like to change their investment with another better mutual fund company. But 144 (57.60 per cent)
investors said that they are ok with their companies (i.e. UTI and SBI Mutual funds) and they wouldn’t like to exchange their investment.

62. Comparisons among different investment options are not valid for all time as the financial markets are now deregulated and dynamic, causing frequent changes on comparative returns from time to time. Each year, mutual funds and other options may give different returns. For ex. when the banks increase or reduce the deposit interest rates. The mutual funds’ performance may look better or worse. If the government changes the PPF interest rate; again there will be an impact on the comparative status of different option. In today’s scenario the opportunity cost in terms of return is too high for bank deposits to be compared with other options its liquidity is also extremely low, though safety is considered high.

63. UTI has an investor base of over 8 Lakhs spread over 18 schemes. Unit Trust of India Mutual Fund UTI Asset Management Company manages the UTI Mutual Fund with the support of UTI Trustee Company Private Limited. UTI Asset Management Company presently manages a corpus of over Rs.20,000 Crore. The sponsors of UTI Mutual Fund are Bank of Baroda (BOB), Punjab National Bank (PNB), State Bank of India (SBI), and Life Insurance Corporation of India (LIC).
64. SBI Mutual Fund was the first non-UTI Mutual Fund established in June 1987 followed by Can bank Mutual Fund (Dec 87), Punjab National Bank Mutual Fund (Aug 89), Indian Bank Mutual Fund (Nov 89), Bank of India (Jun 90), Bank of Baroda Mutual Fund (Oct 92). LIC established its mutual fund in June 1989 while GIC had set up its mutual fund in December 1990. UTI is the undisputed leader.

65. SEBI is the regulator of all mutual funds. The present position is that RBI is involved with the mutual fund industry only to the limited extent of being the regulator of the sponsor of bank sponsored mutual funds. The finance ministry is the supervisor of both RBI and SEBI. The ministry of finance is also the appellate authority under SEBI Regulation. Aggrieved parties can make appeal to the Ministry of Finance on the SEBI ruling relating the Mutual Fund.

66. Mutual funds are cornering the maximum attention of the investors in today’s scenario be it individual or corporate investors. This is because of the reason that there is a perception amongst these investors that mutual funds give quick and more returns as compared to other avenues and instruments of investments. This is the most prominent factor for the acceptance and growth of mutual funds amongst the populace of India in recent times.
The study says that mutual funds would be one of the major instruments of wealth creation and wealth saving in the years to come, giving positive results.

**Recommendations / Suggestions:**

As mutual fund has entered into the Indian Capital market, growing profitable enough to attract competitors into this cherished territory encouraging competition among all the mutual fund operators, there is need to take some strategy to bring more confidence among investors for which mutual fund would be able to project the image successfully. The following are some suggestions which are based on the conclusions and findings.

1. The advisor / broker / consultant recommending a mutual fund to a potential investor, the investor would expect proper advice on which funds have a good performance track record. The mutual funds advisors have to know how to measure and evaluate the performance of the different funds available to the investors. The need to compare the performance of the different funds requires the advisors to have knowledge of the correct and appropriate measures of evaluating the fund performance.

2. With the stock market soaring the investors are attracted towards mutual funds schemes. Only a small segment of the investors still in Mutual Funds and the main sources of information still are the financial advisors followed by advertisements in different media.
3. The Indian investors generally invest over a period of 2-3 years. Also there is a tendency to invest in fixed deposits due to the security attached to it. In order to excel and make mutual funds a success, companies still need to create awareness and understand the psyche of the Indian customer.

4. Mutual funds investment plans allow the investors to make systematic withdrawal from his fund investment account on a periodic basis, thereby providing the same benefit as regular income. The investor must withdraw a specific minimum amount with the facility to have withdrawal amounts sent to his residence by cheque or credited directly into his bank account. The amount withdrawn is treated as redemption of units at the applicable NAV as specified in the offer document.

5. While a large number of people are area of mutual fund comparing a very less number invests into it. On asking how they get knowledge of mutual fund a large number of them attributed to broker and media. Even banks today follow the role of the investment advisors. Very few get any information from the e-media or relatives/friends. Hence, AMCs must increase the awareness about their product through Electronic media (TVs, Cables, Radios, internet, etc.) as well as and should not just constrained itself to the print advertisement.
6. Mutual funds are also income funds and their aim is to provide easy liquidity, preservation and appreciation of capital and moderate income. These schemes invest exclusively in safer short-term instruments such as treasury bills, certificates of deposit, commercial paper and inter-bank call money, government securities, etc. Returns on these schemes fluctuate much less compared to other funds. These funds are appropriate for corporate and individual investors as a means to park their surplus funds for short periods.

7. UTI should try to provide better returns to its investors as compare to SBI. Both companies should try to invest in better securities for better profits.

8. Both companies (UTI and SBI) should try to satisfy their customer by better customer service or by improving customer relationship management.

9. SBI and UTI Mutual Companies should try to make people initiative towards risk. Investors should be made fully aware of the concept of mutual fund & all the terms and conditions. Both should more emphasize on advertising, as it is the most powerful tool to position and brand in the minds of customers.

10. Investors should make the investment with proper planning keeping in mind their investment objectives.
11. Investors should read the offer document carefully before investing in any scheme of the mutual funds.

12. Investors should also consult brokers or agents to seek information and advice but their decision should not merely be based on agents advice rather the decision should be based on their careful investigation.

13. The investors should select a particular investment option on basis of their need and risk tolerance.

14. The investors should diversify their investment portfolio in order to reduce the risk.

15. The investors should continuously monitor their investments.

16. The companies should provide all relevant information to the investors time to time.

17. Keep up the brand image in the minds of people through better performance both in the case of returns as well as after sales services.

18. Give more financial information to the investors so that they can take decisions of their own investment.
19. Improve the quality of agents in their job through training and give them better incentives.

20. Make service available at every branch of SBI or State Bank’s Groups for better and easy accessibility.

21. Improve the performance of various schemes by employing right technique of investment analysis so as to generate attractive returns irrespective of the state of the market conditions whether it is rising falling or static.

22. Avoid delay in receipt of Unit Certificate as well as in encashing.

23. Make aggressive sales promotion by advertisements.

24. Strengthen investor service through the launching of more investor service centers in the Aurangabad as well as in the big cities and taluka places.

25. Steps should be taken to improve the efficiency of fund managers because the performance of mutual funds depends a great deal on them. Proper training should be provided in order to improve their efficiency in managing the funds to the best extent.
26. An attractive performance would enhance investors’ confidence. It is crucial for mutual funds to adopt such an approach rather than launch new schemes for the sake of competing.

27. An investor should carefully study various mutual fund schemes before investing in them keeping in mind his own needs of growth returns, capital appreciation or tax saving.

28. An investor should take into account his risk taking capacity, age factor, financial position, etc.

29. Investors must always remember that risk and returns go hand in hand. If one wants more returns, one will have to take more risk.

30. Investors shall not drop on top or poor performed mutual fund units to quickly.

31. Investor doesn’t put all investment in the same mutual fund. Diversify and invest in variety of funds.

32. Investor need to be educated about the various mutual fund schemes and their objects through appropriate publicity measures, issuing broachers, etc.

33. Improves the confidence among investors through appropriate communications and relationship.
34. Mutual fund agents may understand the investment goals and identify the needs of investors and guided to the investors about right combination of investment.

35. A mutual fund agent has to build relationship with customers through superior and prompt services.

36. As there is no comprehensive law to regulate the mutual fund in India, uniform coordinated regulations by a single agency would be formed which would provide the shelter to the investors.

37. The investors are not willing to invest in mutual fund unless a minimum return is assured, it is very essential to create in the mind of the investors that mutual funds are market instruments and associated with market risk hence mutual fund could not offer guaranteed income.

38. All the mutual funds are operated in the public sector. Hence private sector may be allowed to float mutual funds, intensifying competition in this industry. Due to operations of many mutual funds, there will be need for appropriate guidelines for self-regulation in respect of publicity and inter-scheme transactions within each mutual fund.

39. The growth of mutual fund tends to increase the shareholdings in good companies, give rise the fear of destabilizing among
industrial group, hence introduction of non-voting shares and lowering the debt-equity ratio help to remove these apprehension.

40. As there is no distinction between trustees, sponsors and fund managers, it is necessary to regulate frame work for a clear demarcation between the role of constituents, such as shelter, trustee and fund manager to protect the interest of the small investors.

41. Steps should be taken for funds to make fair and truthful disclosures of information to the investors, so that subscribers know what risk they are taking by investing in fund.

42. Infrastructure bottlenecks will have to be removed and banking and postal systems will have to be taken place for growth of mutual funds.

43. Mutual funds need to take advantage of modern technology like computer and telecommunications to render service to the investors.

44. Mutual funds are made by investors and investor’s interest ought to be paramount by setting standard of behaviours and efficiency through self- regularizations and professionalism.
45. With the structural liberalization policies no doubt Indian economy is likely to return to a high growth path in few years. Hence; mutual fund organizations are needed to up-grade their skills and technology. Success of mutual fund however would bright depending upon the implementation of suggestions.

46. The diversification has been broadened with the revolution and mutual fund has become a major investment destination by yielding more returns. Mutual fund as an investment destination is gaining momentum and in future mutual fund must emerge as a strong capital appreciation tool for the purpose of financial planning.

47. The investors must read the offer document of the mutual fund scheme very carefully. They may also look into the past track record of performance of the scheme or other schemes of the same mutual fund. They may also compare the performance with other schemes having similar investment objectives.

48. Though past performance of a scheme is not an indicator of its future performance and good performance in the past may or may not be sustained in the future, this is one of the important factors for making investment decision. In case of debt oriented schemes, apart from looking into past returns, the investors should also see the quality of debt instruments which is reflected in their rating. A scheme with lower rate of return but having investments in better rated instruments may be safer.
Similarly, in equities schemes also, investors may look for quality of portfolio. They may also seek advice of experts.

49. In the present scenario, the mutual fund investor has so many schemes to choose from and the decision to invest has become a difficult one. With a rapid increase in the number of fund houses and schemes, investors face a greater challenge in evaluating a particular fund’s performance. However, the use of a systematic performance evaluation technique helps the investors to take wise decisions so that they are able to achieve their investment objectives.

50. The other hurdles in this regard are lack of awareness, inferior distribution channel and limited banking services in the rural regions. The best instrument of investing money now-a-days is the mutual fund. Investing in a stock market has become risky these days due to the high volatility in the market.

51. Investors should study their ports and keep themselves informed about the performance of various schemes of different mutual funds. Investors can compare the performance of their schemes with those of other mutual funds under the same category. They can also compare the performance of equity oriented schemes with the benchmarks like BSE, Nifty Index.

52. On the basis of performance of the mutual funds, the investors should decide when to enter or exit from a mutual fund scheme.
53. The investors should know the track record of the company which has sponsored the mutual fund.

54. There is a need for Mutual Funds companies to come out with innovative products that cater to the ever changing customer requirements.

55. Increase transparency for mutual fund houses, particularly at the retail level.

56. The study says that investors in future would prefer mutual funds for their investment destination rather than choosing to park their funds in stock markets because of safer returns and lower degree of risk as compared to other markets.

57. Mutual funds would be one of the major instruments of wealth creation and wealth saving in the years to come, giving positive results. The consistency in the performance of mutual funds has been a major factor that has attracted many investors.

58. The study has revealed the futuristic nature of investors; they invest for future security and certainty. However, there were some investors who invest in order to meet their current requirements. In addition, it has been clearly indicated that investments that are long-term are preferred more over medium-term and short-term investments.
59. The focus of Industry players is shifting from sector based fund to more diversified fund as they carry less risk. Moreover the focus of industry is shifting from Debt based funds to Equity based funds which performance better

The Mutual Fund industry is still in its initial phase though it was established since 1963. Now that it has come under the influence of global mutual fund industry as well as getting all the impetus from the government for its development it is imperative to have a discussion on the future prospects of this industry in India. This study has made an attempt to understand the financial behaviour of Mutual Funds investors in connection with the UTI and SBI Mutual Funds scheme. Mutual funds are restructuring their business models to provide for increased efficiencies and investor satisfaction. The Indian mutual fund industry is passing through a transformation. The industry also faces a number of issues which are characterized by lack of investor awareness, low penetration levels, high dependence on corporate sector and spiraling cost of operations. The road ahead for the mutual fund industry will be paved by the performance of the capital markets. But, more importantly, it remains to be seen, how fund houses adapt themselves to changes in regulations, thereby shaping growth for the future. A continuously evolving regulatory framework makes it mandatory for the industry to elicit a clear growth path, making. It is easier to assess obstacles and tide over them with time. We can say that that maximum return is followed by maximum risk. According to the study it is concludes that the future of Mutual Funds in India will be very bright.