SUMMARY OF FINDINGS AND CONCLUSION
CHAPTER IX
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9.1. INTRODUCTION

Mutual fund industry is changing its hue as an imperative investment option in the metrocities and towns for the retail investors in India. It offers an array of schemes for risk takers and risk averters to meet their diversified financial objectives. Booming stock markets and innovative marketing strategies of mutual fund companies in India influence the retail investors to invest their surplus funds in different schemes of mutual fund companies with or without complete knowledge of mutual fund. The level of awareness however, is likely to boost the level of funds invested in various schemes thereby accelerating the pace of the mutual fund companies growth. The present study has, therefore, been undertaken. i. To examine investment information seeking behaviour of mutual fund investors, ii. To ascertain investment behaviour of investors, iii. To find out the level of awareness and iv. To suggest suitable measures to enhance the level of awareness and to formulate measures to protect the interests of the investors.

9.2. ANALYSIS OF DATA

This study is based on the data collected through questionnaires and the needed particulars. Data collected from investors have been analysed through i. ANOVA ii. Chi-square test iii. Factor analysis iv. "t" Test v. Mean and vi. Discriminant analysis. These tools have been used to (i) to find out the information seeking behaviour of mutual fund investors (ii) to study the investor behaviour and (iii) to examine the level of awareness about mutual fund. We used mean score, "t" test, chi-square test, ANOVA and factor analysis while investor choice and analysis of mutual funds. The choice the investor is certainly determined by their exposure to the recent business developments in news papers, magazines and other electronic media. Further Discriminant analysis is done on the basis of the following factors (i) Investors Rights (ii) Association of mutual fund in India (iii) Sponsor (iv) Trustees (v) Asset management company (vi) Custodian (vii) SEBI-Regulations. This Discriminant analysis is certainly useful to distinguish non-regular investors from regular investors.
9.3. SUMMARY OF FINDINGS

The results of the study are brought out in the following paragraphs.

9.3.1. SOCIO-ECONOMIC PROFILE OF SAMPLE INVESTORS:

i. **Area**: Out of 613 investors, 398 (64.9%) belong to urban and 215 (35.1%) hail from rural places.

ii. **Sex**: Out of 613 investors, 411 (67%) are males and 202 (33%) are females.

iii. **Age**: Majority of the investors (304, 49.6%) are below 30 years of age.

iv. **Marital Status**: Out of 613 investors, 367 (59.9%) are married while 246 (40.1%) are unmarried.

v. **Education**: Most of the investors (308, 50.2%) are post graduates.

vi. **Number of Dependents**: Majority of the investors 270 (44%) have two dependents.

vii. **Monthly Income**: Most of the investors (264, 43.1%) have monthly income ranging up to Rs.10,000.

viii. **Total Family Income**: Family income of 178 (29%) investors ranges between Rs.20,001 and Rs.30,000.

ix. **Personal Savings Per month**: A majority of the investors 372 (60.7%) are able to save upto Rs.5000 per month.

x. **Occupation**: Most of the investors 192 (31.3%) belong to salaried class.

9.3.2. INFORMATION SEEKING BEHAVIOUR OF INVESTOR

i. **Newspaper Preferred**: Most of the investor (211, 34.4%) prefer to read Business Line. Chi-square test reveals that the most preferred newspaper is Business Line.

ii. **Financial Magazine**: Majority of the investor (182, 29.7%) prefer to read Mutual Fund Insight. The Chi-square test shows that the most preferred financial magazine is Mutual Fund Insight.

iii. **Frequency of Viewing of Television Programme**: A majority of the investors 263 (42.90%) occasionally view investment-related programs in television.
iv. **Frequency of browsing Internet:** Most of the (251, 40.95%) investors occasionally browse investment-related sites in the web.

v. **Mutual funds and Offer document:** A majority of Investors (433, 70.6%) always read the offer document before investing in mutual fund.

vi. **Amount spent for gathering Investment Information:** Most of the (301, 49.10%) investors are spending Rs500/- per month for gathering investment-related information.

vii. **Distribution Channel and Investment in Mutual Fund:** Most of the 240 (39.2%) investors prefer to buy mutual fund through distribution companies. There exists a significant association between distribution channel and investment in mutual fund.

**9.3.2.1.Level of Satisfaction on Agents/Financial Advisors:**

i. **Area:** We can find 64.9% of urban investors higher level of satisfaction with the financial advisor as well as mutual fund agents, where as only 35.1% of rural investors are satisfied with the same.

ii. **Marital Status:** Married and unmarried do not have same level of satisfaction of their services. Three hundred and sixty seven (59.9%) married investors have higher level of satisfaction than the unmarried investors.

iii. **Age:** The average score indicates that the age group above 50 years have high level of satisfaction compared to others. Higher the age group, higher is the level of satisfaction. The analysis of variance at five per cent significance level of satisfaction significantly differs across different age groups.

iv. **Educational Qualification:** The average score shows that 80 (13.1%) professionally qualified investors have a high level of satisfaction compared with others. Higher the educational qualification, higher is the level of satisfaction. There is an association between educational qualification of the investors and the levels of satisfaction with their services is revealed by the analysis of variance.

iv. **Occupation:** Average score has indicated that 107 (17.5%) investors belonging to professional occupation have a high level of satisfaction as compared with others.
The analysis of variance significance at five per cent level shows that the different occupations of the investors have different levels of satisfaction.

v. **Number of Dependent:** The 79 (12.9%) investors from the category of family with one dependent have a high level of satisfaction. It is found in the research, when the number of dependents increase, the level of satisfaction decreases. It is pointed out that that the analysis of variance proves association between the number of dependents and their level of satisfaction.

vi. **Monthly Income:** The average score found that the 139 (22.7%) investors whose monthly income above Rs.20,001 have a high level of satisfaction as compared with others. Higher the monthly income, the higher is level of satisfaction. Analysis of variance shows that level of satisfaction significantly differs among the investors with different monthly income.

vii. **Total Family Income:** The average score refers to the 72 (11.7%) investors whose monthly income is above Rs.40,001 have a high level of satisfaction compared with others. The total family income is directly proportionate to the investors satisfaction with the financial and agents services. Analysis of variance reveals that the level of satisfaction significance differs among the investors with different total family income.

9.3.2.2. Membership in the Investors Forum.

Out of 613 investors, 290 (47.31%) are members of the investor forum.

i. **Period of Association with Investors Forum**

As many as 135 (46.56%) investors have been associated with the investor forum for less than two years.

9.3.2.3. Level of Satisfaction on Investors Forum

i. **Area:** Urban and rural area investors do not have the same level of satisfaction about investor forum. One hundred and ninety six (67.59%) investors of urban area have a high level of satisfaction while compared with ninety four (32.41%) rural area investors.
ii. **Gender**: Male and female investors do not have the same level of satisfaction about investor forum. Two hundred and seventeen (74.83%) male investors have higher level of satisfaction than that of the female investors.

iii. **Marital Status**: Married and unmarried investors do not have the same level of satisfaction of their services. One hundred and eighty six (64.14%) married investors have a higher level of satisfaction than the one hundred and four (35.86%) unmarried investors.

iv. **Educational Qualification**: The 47 (16.21%) investors of professional degree holders have a high level of satisfaction compared with the rest. The higher the educational qualification, the higher is the level of satisfaction. Analysis of variance reveals that level of satisfaction significantly differs among the investors with different educational qualifications.

v. **Occupation**: The 100 (34.48) investors of salaried category have a high level of satisfaction on investor forum as compared to others. The analysis of variance variance brings to light different levels of satisfaction among the investors with different occupations.

vi. **Monthly Income**: The 77 (26.6%) investors with monthly income above Rs.20,001 have high level of satisfaction of services with investor forum. Satisfaction goes hand in hand with the monthly income. Monthly income of the investors and the level of satisfaction with investor forum are interlinked as revealed in the analysis of variance significance at five per cent level.

vii. **Number of Dependents**: The 58 (20%) investors belong to four and above dependent family group have a high level of satisfaction of services compared with others. It is found that the investors satisfaction of services is directly proportionate to number of dependents in the family. There is a higher level of satisfaction even among the families with more number of dependents. Analysis of variance reveals satisfaction level significantly differs among the investors with different number of dependent of family groups.
viii. **Personal Savings**: The above Rs.30,001 personal savings group has a high level of satisfaction of services with investor forum compared with others. Personal savings increases as does the awareness level. Analysis of variance satisfaction level significantly differs among the investors with different personal savings.

9.3.3.1. INVESTOR BEHAVIOUR

i. **Investment Experience**: Out of 613 investors, as many as 203 investors are new entrants and have less than one year of investment experience in mutual funds and 79 (12.9%) investors have above three years of experience in mutual fund investment.

ii. **Regularity of Investment in Mutual funds**: 258 (42.1%) investors are regular investors and 355 (57.9%) are not. Non-regular investors (355) outnumber regular investors.

iii. **Induced to Buy Mutual Fund**: Out of 613 investors, most (261 investors) are self-induced and the ones influenced by relatives are comparatively much fewer. The Chi-square test has found that there is a significant relationship between the inducers of investors and buying of the mutual fund.

iv. **Motive of the investment in Mutual Fund**: Most of the 274 (44.7%) investors are motivated by long term capital gains of the mutual fund schemes.

v. **Decision for investing in Mutual Fund**: Majority of the 269 (43.9%) investors have decided to invest in mutual fund within a week and the next major group of investors has taken the decision within a month.

vi. **Investment in Mutual Fund**: Most of the investors invested in mutual fund up to Rs 50,000.

vii. **Sources For Investment in Mutual Fund**: Majority of investors (397 investors) have used their own savings for making investment in mutual funds.

viii. **Percentage of Mutual fund to Total Investment**: Most of the investors seem to be very cautious about investment and prefer to invest a very small amount in mutual funds when compared with their total investments (up to 10%).
Preference for Different Investment Avenues: Chi-square test shows that there is an association between the investment avenues and preferences. It is shown that the investment avenues on the basis of five principles (Such as Safety liquidity, Reliability, Tax benefits, and High return) of investment by the investors have been considered. It is only because of Tax benefit that mutual funds are preferred.

9.3.3.2. Factor Analysis-Impact of Factors While Investing In Mutual Fund

The Factor Analysis using Varimax Rotations has resulted in Four derived factors with each having an Eigen value of greater than one. In the RCM, only those variables which have a factor loading greater than 0.5 are grouped under their respective derived factors. The 18 different variables are (i) Professional Management (ii) Mutual fund Regulations (iii) Conveneince (iv) Low transaction cost (v) Information Adequacy (vi) Choice of Schemes (vii) Tax Benefits (viii) Real Earnings of the company (ix) Growth prospect of the company (x) Return on Investment (xi) Repurchase facility (xii) Past Record of Organization (xiii) Credit Rating (xiv) Easy transferability (xv) Business condition at the time (xvi) Lock in period (xvii) Grievance redressal (xviii) Investor Right Adherence are then loaded on Four derived factors.

All the four factors extracted have been given names on the basis of variables included in each case. They have been named as.

F1: Mutual Fund Company  F2: Investor Grievance

To sum up the above analysis, the growth prospect of the company attracts the investor while looking at the profile of the organization for investment. Almost every investor firmly believes that grievance redressal is vital. For the improvement of mutual fund, the effective addressing of grievance redressal can be said to be the major factor from the investor’s point of view. It is said that Regulations of mutual fund influences mutual fund investor to invest more. The product service is also essential for development of mutual fund.

9.3.3.3. Factor Analysis-Reasons For Not Investing More In Mutual Fund

Factor analysis using varimax rotations results in two derived factors with each having an Eigen value of variables which have a factor loading greater than 0.5 and are...
grouped under their respective derived factors. Hence, these eight different variables are listed out as follows: (i) Returns from Mutual fund have been less than expected (ii) Professionally expert managers have under-performed (iii) Growth in the unit value has been very low (iv) There is insecurity of investment due to the connivance between fund managers and corporate houses (v) Non understanding of certain technical terms and conditions permits the withdrawal of scheme by the fund abruptly (vi) There is absence of any law regarding participation of fund holders in making decisions concerning portfolio selection (vii) Grievance redressal has not been effective (viii) Management cost charged on the funds has been high

The two factors extracted have been named on the basis of various variables included in each case. The factors F1 and F2 have been named as

F1 – Regulation and control of mutual funds and F2 – Under performance by mutual funds

From the factor analysis, it could be concluded that investors generally feel that regulatory bodies like SEBI and AMFI have to concentrate much on controlling the working of mutual funds Moreover, the funds have under-performed as against expectation and management has been inefficient, thereby discouraging investors to keep their funds parked in mutual funds.

9.3.3.4. Variables Influencing Investment In Mutual Fund:

i. **Gender**: Variable influencing male and female investors are not the same. Male investors consider more variable as compared to women investors.

ii. **Marital status**: Variable influencing married and unmarried investors are not same. Married investors take in to account more variable than the unmarried.

iii. **Age**: Investors above 50 years age group consider more variable than others. Increase in age group leads to increase in variable level. Analysis of variance reveals that variable influencing level significantly differs among the investors with different age groups.

iv. **Educational Qualification**: Average score indicates that 80 (13.1%) investors with professional graduation have high level of variables influencing while investing in mutual fund as with regard to others. The higher the Educational qualification of an
investor, the higher is variable level. Analysis of variance reveals that variable influencing level significantly differs among the investors with different educational qualification.

v. **Occupation:** Average score shows that 135(22%) investors of business group have high level of variable influencing while investing in mutual fund and Retired group have low level. Analysis of variance significance at five per cent level found that the different occupations of investors have different levels of variable influencing while investing in mutual fund.

vi. **Number of Dependents:** Average score shows that 91(14.8%) investors of four dependents family group have high level variable influencing while investing investing in mutual fund when compared to others. Increase in dependent of family group leads to increase in variable level. The analysis of variance proves that level of variable significantly differs among the investors with different number of dependent group.

### 9.3.3.5. Appraisal Criteria of Mutual Fund

i. **Area:** Urban and rural areas do not share the same criteria for performance of mutual fund. The urban area has identified the many factors of the performance appraisal criteria compared with rural areas.

ii. **Gender:** Male and female investors do not have same level of appraisal criteria of mutual fund. Four hundred and eleven (67%) male investors have a high level of appraisal criteria of mutual fund while compared with the two hundred and two (33%) female investors.

iii. **Marital Status:** Married and unmarried investors do not have same level of appraisal criteria of mutual fund. Three hundred and sixty seven (59.9%) married investors have low level of importance when compared with the unmarried investors.

iv. **Age:** Average score shows that above 50 years of age group has high level of importance of appraisal criteria of mutual fund. Age group increases along with the
increase in importance of appraisal criteria. Analysis of variance shows that level of appraisal criteria significantly differs among the investors with different age groups.

v. **Educational Qualification:** Average score shows that the 80 (13.1%) investors with professional qualification have a high level of importance of appraisal compared to others. The higher the educational qualification of an investor, the higher is the level of importance of appraisal. Analysis of variance reveals that level of appraisal criteria significantly differs among the investors with different educational qualification.

vi. **Monthly Income:** Average score shows that 139 (22.7%) investors with a monthly income of above Rs 20,001 have a high level of appraisal in mutual fund as compared to others. When monthly income of investors increases, the importance of appraisal criteria also goes high. Monthly income of an investor and level of appraisal about mutual fund are interlinked as revealed by the analysis of variance significance at five per cent level.

vii. **Total Family Income:** Average score refers that the 72 (11.7%) investors belonging to total family income above Rs 40,001 who have a high level appraisal as with regard to other total family income group. The higher the total family monthly income, the higher is the level of importance of appraisal criteria. The analysis of variance reveals that level of appraisal significantly differs among the investors with different level of age group.

viii. **Number of Dependents:** Average score shows that the four and above dependents family group consisting of 270 (44%) investors have high level of importance of appraisal as compared to others. When dependent family group of investor increases the importance of appraisal criteria also goes high. Number of dependents of an investor and level of appraisal about mutual fund are interlinked as revealed by the analysis of variance significance at five per cent level.

ix. **Personal Savings:** Average score indicates that the personal savings above Rs30,001 have a high level of importance of appraisal as compared to the other personal savings groups. When personal savings group of investors increases the importance of appraisal criteria also goes. The analysis of variance reveals that level of appraisal significantly differs among the investors with different level of personal savings.
9.3.3.6 Opinion About Not Investing More in Mutual Fund

i. **Area:** Urban and rural area investors do not have the same level of opinion about not investing more in mutual fund. One hundred and thirty four (58%) investors of urban area have a low level of opinion while compared with that of ninety seven (42%) rural area investors.

ii. **Marital Status:** One hundred and fifty two married investors (65.80%) do not invest in mutual fund whereas unmarried ones amount to 34.20%.

iii. **Age:** Average score indicates that the investors of below 30 years have high level of opinion about not investing more in Mutual fund compared to others. Higher the age group, higher is low level of opinion. Analysis of variance shows that level of opinion level significantly differs among the investors in different age group.

iv. **Educational Qualifications:** Average score increases positively along with increase in educational qualification of investors. Educational qualifications of the investors and the tendency to invest much in mutual fund go together as indicated by the analysis of variance.

v. **Occupation:** Analysis of variance shows that level of opinion significantly differs among the investors with different occupation. Twenty nine investors of a professional group do not any considered opinion of mutual funds investments in comparison with others.

vi. **Number of Dependents:** Average score shows that any increase in the number of dependents in the family groups will certainly affect the considerable investment in mutual funds. Analysis of variance reveals that level of opinion significantly differs among the investors with different number of dependents.

vii. **Personal Savings:** Average score shows that fifty five (23.81%) investors with personal savings ranging between Rs.5001 and Rs.10,000 do not subscribe to mutual fund investment. Personal savings of the investors and level of opinion are interlinked as revealed by the analysis variance at five per cent level.

9.3.3.7 Types of Fund Schemes Preference: Most of the investors (246) prefer growth schemes while very few investors prefer sector specific schemes.
9.3.3.8. Mutual fund Investment Companies: The most preferred company to invest in mutual funds by the investors is Reliance (27.9%) while Birla Sun life and Tata companies are preferred by the least number of investors (1.8%).

9.3.3.9. Preference For Mutual Fund Schemes: There are different types of mutual fund schemes opted by the investors. 455 investors prefer open-ended schemes and 158 investors prefer close-ended schemes. Chi-square test reveals that the significance relevance of the educational qualification, occupation, monthly income, total family income and personal savings investors with choice in investing in mutual fund schemes.

9.3.3.10. Preference for Investment in Closed Ended Scheme

Out of 613 investors, 309 investors highly prefer three-year close-ended scheme as compared with other close-ended schemes.

9.3.3.11. Preference for Structuring Return From Mutual Fund

Out of 613 investors, 279 investors showed a marked preference for dividend option while 222 plumped for growth. 112 investors prefer re-investment option. Most of the investors prefer dividend options where as re-investment option is made by the least number of investors.

9.3.3.12. Average Rate of Return

Most of the investors, numbering 207 (33.8%) have an average rate of return ranging from 46% to 60%.

9.3.3.13. Utilization of Dividend Income

As many as 281 investors prefer to reinvest the dividend income in the same company, only when very few investors have other options for investing it.

9.3.3.14. Extent of Assuming Risk

The 193 investors prefer to take risk to any extent. 339 investors consider that they can take risk only up to some extent and 81 investors are not at all ready to take any type of risk. Most of the investors are ready to take risk to some extent and are a little cautious. Eighty one investors are not willing to take any type of risk and would like to be risk-averse.
9.3.3.15. Mutual fund Investment and Loss in the Past Period

163 investors were reported to have incurred loss in the past period in mutual funds and 450 investors asserted that they did not incur any loss in mutual funds. It was obvious that a majority of the investors did not meet any considerable loss due to the investment in mutual funds.

9.3.3.16. Reasons for Loss

The reason for loss is strong because of market conditions and 53 investors out of 163 investors have pointed it out. The reason "Non assured return" is also cited for loss while investing in mutual funds as opined by 22 investors. More than the not the loss arises due to the instability or fluctuations in the market while investing in mutual funds.

9.3.3.17. Investor Grievances

Out of 613 investors, 195(31.8%) are reported to have had grievances while 418(68.2%) have none.

9.3.3.18 Details of Investors' Grievances

62(31.79%) investors, out of 195 investors consider that an unreasonable amount of commission is the major grievance and it is followed by 48(24.62%) investors who cited delay in getting payments. Lack of redressal of complaints is the grievance of only 15(7.69%) investors.

9.3.4. LEVEL OF AWARENESS AMONG MUTUAL FUND INVESTORS

9.3.4.1. Investor Rights

i. **Area:** Rural and urban area investors do not have the same level of awareness on "Investor Rights". Three hundred and ninety eight urban area investors have a higher level of awareness on investor rights than that of the rural area investors.

ii. **Educational Qualification:** Average score indicates that the professionally qualified investors have apparently higher level of awareness about investor rights above all. Average awareness score increases along with increase in educational qualification of investors as does awareness level. Analysis of variance reveals that awareness level significantly differs among the investors with different educational qualifications.
iii.  **Occupation:** Analysis of variance shows that awareness level significantly differs among the investors with different occupation. The salaried group of 192 (31.3%) has a high level of awareness about the investors rights whereas the retired group 76(12.4%) has very low level of awareness.

iv.  **Monthly Income:** Average score shows that the above Rs 20,001 monthly income group has a high level of awareness about investors rights among others. When the monthly income increases, the level of awareness also increases. Analysis of variance shows that awareness level significantly differs among the investors with different levels of monthly income.

v.  **Number of Dependents**: Average score shows that 91 (14.8%) investors of four and above dependents group have a high level of awareness compared with the other dependent group. The more the dependents, the higher is the awareness level. The number of dependents in the family of the investors and level of awareness about investor rights are interlinked as revealed by the analysis of variance significance at five per cent level.

vi.  **Personal Savings:** Average score shows the Investors, with personal savings above Rs30,001 have higher level of awareness about investors rights as above all. The average awareness score increases directly in proportion to the personal savings. Analysis of variance reveals that awareness level significantly differs among the investors with different levels of personal savings.

9.3.4.2. Association of Mutual Fund in India (AMFI):

i.  **Area:** Urban and rural area investors do not have the same level of awareness about AMFI. Three hundred and ninety eight investors of urban area have high level of awareness when compared with the two hundred and fifteen rural area investors.

ii.  **Gender:** Male and female investors do not have the same level of awareness about AMFI. Four hundred and eleven male investors have a low level of awareness about AMFI while compared with the two hundred and two female investors.

iii.  **Age:** Average score indicates the 98 (16%) investors belonging to the group above 50 years have a high level of awareness about AMFI compared with other age
groups. The average awareness score has a positive impact on the age group. Further analysis of variance shows that awareness level significantly differs among the investors in different age groups.

iv. **Educational Qualification**: The 80(13.1%) professionally qualified investors have high level of awareness about AMFI above all. Educational qualification of an investors reflects on awareness level. Further Analysis of variance shows that awareness level significantly differs among the investors with different educational qualification about AMFI.

v. **Occupation**: There is a considerable degree of awareness on the functions of AMFI among the professionals(107,17.5%). Occupation of investors and level awareness about AMFI are interlinked as revealed by the analysis of variance.

vi. **Monthly Income**: Awareness score on AMFI is determined by monthly income in the case of mutual fund investors. There is a remarkable increase in awareness among the group having an income of Rs20,001 and above per month. Analysis of variance shows that awareness level significantly differs among the investors with different level of monthly income.

vii. **Total Family Income**: Total family income is a significant factor in the process of accumulating the details on the various aspects of AMFI. It is found 72 (11.7%) investors with total family income above Rs 40,001 have greater awareness than the usual level. Analysis of variance reveals that awareness level significantly differs among the investors with different total family income.

viii. **Personal Savings**: The distinct average score of investors belong to Rs30,000 category have usually high level of awareness about AMFI. This awareness is directly proportionate to their personal savings. It is proved that the Analysis of variance reveals that awareness level significantly differs among the investors with different personal savings.

ix. **Number of Dependents**: Average score shows that the four and above dependents family group has a high level of awareness about AMFI as compared to others. An increase in the dependents of a family group, results increase in the level of awareness.
awareness. Analysis of variance shows that awareness level significantly differs among the investors with different number of dependents.

9.3.4.3. Sponsor

i. **Area:** Urban and rural area investors do not have same level of awareness about sponsor. Three hundred and ninety eight investors of urban area have high level of awareness when compared with the two hundred and fifteen rural area investors.

ii. **Age:** Average score specifies a greater amount of awareness among the investors in the age group of 50 and above. The age group increases as does awareness level. The analysis of variance significance at five per cent level indicates that the different age groups of investors have different levels of awareness.

iii. **Educational Qualification:** Awareness of professionally qualified investors is above average in the case of sponsor as exemplified in the analysis of variance.

iv. **Occupation:** The business group has a high level of awareness about sponsor as compared to others. Occupation of an investors and level of awareness about sponsor are interlinked as revealed by the analysis of variance significance at five per cent level.

v. **Monthly Income:** Average score indicates the above Rs 20,001 monthly income group has a high level of awareness about sponsor as compared to others. Higher the monthly income, higher is the level of awareness. Analysis of variance reveals that awareness level significantly differs among the investors with different monthly income.

vi. **Total Family Income:** Average score shows that the 72 (11.7%) investors belonging to above Rs40,001 total family income group have high level of awareness about sponsor as compared to other. The average awareness score increases leading to a corresponding increase in the monthly income. Total family income of investors and the level of awareness about sponsor are interlinked as revealed by the analysis of variance significance at five per cent level.

vii. **Number of Dependents:** Average score indicates the four dependents group has a high level of awareness about sponsor as compared with other. The more the
dependents, the higher is the awareness level. Analysis of variance shows that awareness level significantly differs among the investors with different number of dependent family group.

viii. **Personal Savings:** The distinct average score of investors belong to above Rs30,001 category have usually high level of awareness about sponsor. This awareness is directly proportionate to their personal savings. It is proved that the Analysis of variance reveals that awareness level significantly differs among the investors with different personal savings.

9.3.4.4. Trustees

i. **Marital Status:** Married and unmarried investors do not have the same level of awareness about trustees. Three hundred and sixty seven married investors have a high level of awareness about the trustees when compared with two hundred and forty six unmarried investors

ii. **Educational Qualification:** Average score shows the 80(13.1%) investors of professionally qualified investors have a higher level of awareness about trustees compared with others. The average awareness score increases in proportion to the educational qualification. Analysis variance reveals that awareness level significantly differs among the investors with different educational qualification.

iii. **Occupation:** The 107 (17.5%) investors belonging to professional group have higher level of awareness about the trustees among others. Occupation of investors and level of awareness about trustees are interlinked as revealed by the analysis of variance significance at five per cent level.

9.3.4.5. Asset Management Company (AMC):

i. **Area:** Urban and rural area investors do not have same level of awareness about AMC. Three hundred and ninety eight investors of urban area have high level of awareness when compared with the two hundred and fifteen rural area investors.

ii. **Age:** Average score indicates the 98 (16.0%) investors who belong to above 50 years age group have a high level of awareness about AMC above all. The age
group increases along with increase in level of awareness. Analysis of variance shows that awareness level significantly differs among the investors with different age group.

iii. **Occupation**: The 76 investors of the retired group (12.4%) have the highest level of awareness about the AMC among others. Occupation of an investor and level of awareness about AMV are interlinked as revealed by the analysis of variance significance at five per cent level.

iv. **Monthly Income**: Average score indicates the above Rs 20,001 (43.1%) monthly income group has a high level of awareness about AMC above all. Monthly income increases along with the increase in awareness level. Analysis of variance shows that awareness level significantly differs among the investors with different level of monthly income.

v. **Total Family Income**: Average score shows that the 72 (11.7%) investors who belong to family income group Above Rs40,001 have a high level of awareness about AMC as compared to others. The total family income increases leading positively to an increase in awareness level. Further analysis of variance reveals that awareness level significantly differs among the investors with different level of total family income.

vi. **Number of Dependents**: Average score shows that the four and above dependents group consisting of 91 (14.8%) investors have a high level of awareness about AMC as compared with others. The more the number of dependents the greater is the level of awareness. The number of dependents in the family of the investors and level of awareness about investor AMC are interlinked as revealed by the analysis of variance significance at five per cent level.

vii. **Personal Savings**: Personal savings is a significant factor in the process of accumulating the details on the various aspects of AMFI. It is found 72 (11.7%) investors with personal savings above Rs 30,001 have greater awareness than the usual level. Analysis of variance reveals that awareness level significantly differs among the investors with different personal savings.
9.3.4.6 Custodian

i. **Area:** Urban and rural area investors do not have same level of awareness about custodian. Three hundred and ninety eight investors of urban area have high level of awareness when compared with the two hundred and fifteen rural area investors.

ii. **Marital Status:** Married and unmarried investors do not have same level of awareness about custodian. Three hundred and sixty seven married investors have high level of awareness about the trustees when compared with two hundred and forty six unmarried investors.

iii. **Age:** Average score shows that 98(16%) investors of above 50 years group have a high level of awareness about custodian as compared to others. Age group increases as does the awareness level. Further analysis of variance shows that awareness level significantly differs among the investors with different age groups.

iv. **Educational Qualification:** Average score indicates that 80(13.1%) investors with professionally qualified have high level of awareness about custodian among others. Higher the educational qualification, higher is level of awareness. Analysis variance reveals that awareness level significantly differs among the investors with different educational qualification.

v. **Monthly Income:** Average score shows that 139 (22.7%) investors whose monthly income is above Rs 20,001 have a high level of awareness about custodian as compared to others. Monthly income increases along with the increase in awareness level. Analysis of variance shows that awareness level significantly differs among the investors with different level of monthly income.

vi. **Number of Dependents:** Average score shows the 91 (14.8%) investors of the four dependents family group have comparatively a high level of awareness about custodian. Increase in dependents family group, increase is level of awareness. Analysis of variance shows that awareness level significantly differs among the investors with different number of dependents.

vii. **Personal Savings:** Average score indicates that the investors whose personal savings is above Rs 30,001 have high level of awareness about custodian as
compared with other. Average awareness score increases leading to positively an increase in personal savings. Analysis of variance reveals that awareness level significantly differs among the investors with different levels of personal savings.

9.3.4.7. SEBI regulations

i. **Area**: Urban and rural area investors do not have same level of awareness about SEBI regulations. Three hundred and ninety eight investors of urban area have high level of awareness when compared with rural area investors.

ii. **Marital Status**: Married investors consider high level of awareness about SEBI regulations than the unmarried.

iii. **Age**: Investors above 50 years age group consider high level of awareness about SEBI revised regulations than others. Age group increases as does the awareness level. The analysis of variance significance at five per cent level indicates that the different age groups of investors have different levels of awareness.

iv. **Occupation**: The Professional occupation group of investors have the highest level of awareness as compared to others. Occupation of investors and level of awareness about SEBI revised regulations are interlinked as revealed by the analysis of variance significance at five per cent level.

v. **Monthly Income**: Average score shows that 139 (22.7%) investors coming under up to Rs 20,001 monthly income have the highest level of awareness about SEBI Regulations among others. The average awareness score increases in proportion to the monthly income. Analysis of variance shows that awareness level significantly differs among the investors with different level of monthly income.

vi. **Total Family Income**: Average score refers that the 72 (11.7%) investors belonging total family income above Rs 40,001 have the highest level of awareness about SEBI regulations above all. The average awareness score increases resulting in a corresponding increase in total family income. Total family income of investors and the level of awareness about SEBI are interlinked as revealed by the analysis of variance significance at five per cent level.
vii. **Number of Dependents**: Average score indicates that the 91(14.8%) investors belonging to four and above dependents group have the highest level of awareness as compared to other. The more the number of dependents of a family group the higher is the average awareness. The number of dependents in the family of the investors and level of awareness about SEBI revised regulations are interlinked as revealed by the analysis of variance significance at five per cent level.

viii. **Personal Savings**: The distinct average score of investors belong to above Rs30,001 category have usually high level of awareness about sponsor. This awareness is directly proportionate to their personal savings. It is proved that the Analysis of variance reveals that awareness level significantly differs among the investors with different personal savings.

9.3.4.8. Regular and Non- Regular Investors- Discriminant Analysis

This research work is to find out which variables that influence regular and non regular investors among (i) Awareness about investor rights (ii) Awareness about Association of mutual fund in India (iii) Awareness about sponsor (iv) Awareness about the Trustees (v) Awareness about the Asset management company (vi) Awareness about the custodian and (vii) Awareness about the SEBI Regulations. 87 per cent of the total group are being correctly classified based on the above awareness. Among the regular investor, 88 per cent of the regular investors have been correctly classified. In sharp contrast 12 per cent are misclassified. Among the Non-Regular investors 66 per cent of them are correctly classified while 34 per cent of them misclassified. However, a majority of both the groups are being correctly classified. To conclude, Investor Rights, Trustees, and Asset management Company are the major influencing factors of awareness that discriminate the two groups.

9.4. SUGGESTIONS

The following suggestions are made to improve the level of awareness. The suggestions are provided under three headings namely, i) Suggestions to the AMFI and SEBI ii) Suggestions to the investors iii) Suggestions to the mutual fund company.
9.4.1. AMFI AND SEBI

i. SEBI and AMFI should ensure greater transparency in the investment policies of mutual funds. AMFI should act as a watch dog in protecting the interest of small investors.

ii. Awareness of mutual funds and their schemes is essential for the growth and survival of mutual funds. For this purpose investor education must be strengthened. The AMFI has published two booklets “Making mutual funds work for you and selling mutual funds made easy. These two publications shall be translated into regional languages and distributed them widely. The AMFI should undertake a well-designated and comprehensive programme of investor education particularly aimed at rural investors.

iii. Mutual funds marketing network leaves much to be desired. The AMFI should think of producing standard training literature and also establish an institute for training and research.

iv. Since the products of mutual funds compete with other small savings schemes assured returns on income schemes should be permitted subject to the conditions laid down in SEBI(Mutual fund) regulations otherwise, the products of mutual funds cannot have that charm and attraction as National Savings Certificates, bonds etc., Income schemes should invest a large proportion of funds gathered in bonds (Which are rated) rather than in shares, particularly when conditions in the stock market are uncertain.

v. While regulating AMCs to bring more transparency, SEBI should create awareness about MFs to the retail investor and safeguard their interests.

vi. Redressal of grievances of investors is of paramount importance. Hence SEBI a scheme on the lines of banking ombudsman scheme should be formulated to enable the investors to approach it for redressal of grievances, if any.

vii. The SEBI should effectively instruct all mutual funds to follow the uniform procedure for calculation of NAV.
viii. Tax concessions mutual funds schemes should be at par with NSCs, post office saving schemes etc. Otherwise small investors cannot be weaned away from those schemes. Same treatment should be given to all savings schemes which are intended for small investors. The units of mutual funds may be included in the securities eligible for exemption for capital gains tax.

ix. SEBI should consider the idea that when new schemes are launched, it is desirable that they are subject to rating by the reputed credit rating agencies.

x. SEBI should adequate steps and measures to ensure the participation of rural areas in Mutual Fund Activities. It is recommended that the rural investors be clearly enlightened about the mutual fund schemes.

xi. SEBI should safeguard investors against failures of any scheme provided to investors by creating a protection fund.

xii. Adequate safeguards should be ensured by SEBI before permitting non bank financial institutions (which are under cloud) in opening mutual fund subsidiaries as they are found in recent times to be involved in financial irregularities.

9.4.2. INVESTORS

i. The first and foremost thing that an investor needs to do is to read the prospectus/offer document completely and carefully before deciding on making investments in the mutual funds.

ii. Investors should be careful in selecting a fund with investment objectives and preferences, return objectives, time horizon and risk tolerances that meet the requirements.

iii. While selecting a fund, the investors should take the into account a fund that has a detailed asset allocation strategy by fund type category to reflect the investment objectives of the fund.

iv. The investors should carefully examine the fees and expenses charged by the fund and they could the back or front-end loads, management expense ratio and other expenses of the fund.
v. To compare performance of the scheme with other schemes or other funds is essential for the investors.

vi. Investors could easily get an updated information if and when they join the member forum

9.4.3. MUTUAL FUND COMPANIES

i. There should be a better product conceptualization to cater to the needs of investors with different objectives and risk taking abilities. There is a greater need for introduction of innovative products.

ii. Media support seems to be negligible. They are replete with appealing advertisements. Mutual funds should resort to similar propaganda techniques.

iii. It is better that the mutual funds promote professional and institutional distributors rather than depend totally on agents who are more often than not semi-educated.

iv. Mutual funds should adopt aggressive marketing techniques in the face of keen competition from other instruments.

9.5. SCOPE OF FURTHER RESEARCH

The awareness of mutual fund investors is not confined to Coimbatore District alone. It may exist at international level as well. Research on the following directions may be taken up.

i. A research can be conducted to study perceptions of institutional investors towards mutual fund.

ii. A study could be made by comparing two different states regarding mutual funds and investors perception on it.

iii. Research on private and public sector can be conducted in relation to Financial performance analysis.

iv. Impact of return of selected fund and investor behaviour may be studied.

v. Risk- return analysis of foreign mutual fund and its impact on Indian investor is another area of research.
9.6. CONCLUSION

The researcher in this study has made a sincere attempt to analyse mutual fund investor awareness. On the basis of the results of the study, the researcher has made some definite suggestions to the SEBI, AMFI, Investors and Mutual fund companies. The researcher hopes that, the awareness of investors will be raised to a considerable extent if all these suggestions are implemented.