

## **Study Mobilizations of Savings Through Mutual Fund Preference with Pondicherry State**

**G.JAYANTHI**

Research Scholar, Department of Commerce  
Vivekanandha College of Arts & Science for Women  
Elayampalayam, Tiruchengode, Tamilnadu.

**Dr.V. SELVAM,**

Asst. Professor, Department of Commerce  
Vivekanandha College of Arts & Science for Women  
Elayampalayam, Tiruchengode, Tamilnadu.

**Dr.K.KAMALAKKANNAN**

HOD cum Professor, Department of Commerce,  
PSV College of Arts and Science  
Mullodai, Pondicherry.

### **ABSTRACT**

A mutual fund is a professionally managed investment fund that pools money from many investors to purchase securities. It is a trust that pools the savings of a number of investors who share a common financial goal. A mutual fund is an investment vehicle that pools investors' money and invests it in stock market-linked financial instruments such as stocks and bonds to generate returns. The combined holding of the fund is known as its portfolio. It collects the savings from the small investors, invest them in government and other corporate securities and earn income through interest and dividends, besides capital gains. Mutual fund is a collective savings scheme. It places an important role in mobilizing the savings of the small investors and channeling the same for productive ventures in the Indian economy. Each fund is divided in two equal portions or unit. Units are allotted to the person in proportion of his investment in mutual fund. Each fund is a pool of diversified securities. A mutual fund is nothing more than a collection of stocks and or bonds. A mutual fund is a professionally managed type of collective investment scheme that pools money from many investors to buy stocks, bonds, short-term money market instrument, and/or other securities. They have a who identify the right stocks and debt instruments and construct a portfolio that promises to deliver the best possible 'consttrained'returns at the minimum possible cost. In effect, it involves outsourcing the management of money. As in case of an investor while making an investment, faces a problem in relation with selection of appropriate scheme of investment. This research is identify to fill this gap and help the investor public, whose saving potentials are increasing, to invest their savings, which may help mobilizing resources for the economic development of the country. The study the role of mutual fund in the mobilization of savings and examine the structure and growth

pattern of mutual fund industry then analyses the attitude of mutual fund investors towards the factors like safety, liquidity, tax benefits, returns and savings. The research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done systematically. This uses various instruments for performing the research operations and it deals with research design, data collection methods and various statistical tools.

The research is “Study Mobilizations of Savings through Mutual Fund Preference with Pondicherry State” is carried with the objectives of evaluating the various kinds of mutual funds available in the market and found that open ended fund is the most popular and more using fund in the market. The research point out some suggestions which helps to improve the performance of mutual fund Pondicherry and few companies and brokers it also helps to attract new investors.

**Keywords:** Introduction of Mutual Funds, Scope, Objectives, Types, Role of mutual funds in the financial market, Limitation, Conclusion etc.

## **INTRODUCTION:**

A mutual fund is a professionally managed investment fund that pools money from many investors to purchase securities. It is a trust that pools the savings of a number of investors who share a common financial goal. A mutual fund is an investment vehicle that pools investors' money and invests it in stock market-linked financial instruments such as stocks and bonds to generate returns. The combined holding of the fund is known as its portfolio. It collects the savings from the small investors, invest them in government and other corporate securities and earn income through interest and dividends, besides capital gains. Mutual fund is a collective savings scheme. It places an important role in mobilizing the savings of the small investors and channeling the same for productive ventures in the Indian economy. Each fund is divided in two equal portions or unit. Units are allotted to the person in proportion of his investment in mutual fund. Each fund is a pool of diversified securities. A mutual fund is nothing more than a collection of stocks and or bonds. A mutual fund is a professionally managed type of collective investment scheme that pools money from many investors to buy stocks, bonds, short-term money market instrument, and/or other securities. It is made up of money that is financial intermediary. Savings of investors are collected and these funds are invested in a large and well diversified portfolio of securities such as money market instruments, corporate and government bonds and equity shares of joint stock companies. In other words a mutual fund is just the connecting bridge or a financial intermediary that allows a group of investors to pool their money together with a predetermined investment objective .The mutual fund will have a fund manager who is responsible for investing the gathered money into specific securities..When we invest in mutual fund, we are buying units or portions of the mutual fund and thus on investing becomes a shareholder or unit holder of the fund .mutual fund emerged as professional financial intermediaries bridging the time and skill constraint. They have a who identify the right stocks and debt instruments and construct a portfolio that promises to deliver the best possible

‘constrained’ returns at the minimum possible cost. In effect, it involves outsourcing the management of money.

### **STATEMENT OF THE PROBLEM:**

Now a days the mutual fund scheme could attain from the investors and whether this financial asset is worth investing is the main problem before the common individual investors. The investors are confused of various kinds of securities, his excess of wealth and rise of various investment schemes, emotional attachment to money, lack of financial inclusion, traditional thinking, fear of loss and risk and return characteristics of schemes. The investor need to make investment in a scheme which maximizes the return and minimizes the risk. So the research is focused on the “Study Mobilizations of Savings through Mutual Fund Preference with Pondicherry State” and the research makes an attempt to analyses the problem of investors in relation with the management of their individual securities etc.

### **OBJECTIVES OF THE STUDY**

- ✓ To analysis the role of mutual fund in the mobilization of savings.
- ✓ To find out the awareness level of investors of mutual fund.
- ✓ To examine the structure and growth pattern of mutual fund industry.
- ✓ To find out the attitude of mutual fund investors towards the factors like safety, liquidity, tax benefits, returns and savings

### **SIGNIFICANCE OF THE STUDY:**

Mutual funds offer professional investment management and potential diversification. They also offer three ways to earn money: Dividend Payments. A fund may earn income from dividends on stock or interest on bonds, Advantages and benefits of investing in Mutual Funds in India, 1.Liquidity, 2.Diversification, 3.Expert Management,

4. Flexibility to invest in Smaller Amounts, 5.Accessibility, 5.Mutual Funds are Easy to Buy.

6. Schemes for Every Financial Goals, 7.Safety and Transparency, 7.Lower cost.Mutual fund industry is of recent origin in India and is growing very fast to emerge as a major player in mobilization of savings. Investors as well as the public are curious about the performance of various mutual fund schemes.

### **LIMITATIONS OF THE STUDY**

- To find the research is based mainly on the data collected through primary sources provided by the consumer in the form of answering questionnaire,

- To find the research is secondary resources provided by the company and also through the internet,
- To find the research conducted by using some samples i.e., 80 respondents from the number.
- Limited time for research etc.

### **SCOPE OF THE STUDY:**

A Mutual is a trust that pools the savings of a number of investors who share a common financial goal. The money thus collected is then invested in capital market instruments such shares, debentures and other. They give assured and consistent return they provide high return with low risk. Mutual fund diversifies the risk of the investor by investing in a basket of asset. Thus various mutual fund schemes provide various benefits to the investor there by increase economies of scale of the investors, and fact that investing in mutual fund lead to economic development of the country.

### **RESEARCH METHODOLOGY:**

The research of the title "Study Mobilizations of Savings through Mutual Fund Preference with Pondicherry State " The research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done systematically. This uses various instruments for performing the research operations and it deals with research design, data collection methods and various statistical tools.

### **SOURCES OF DATA:**

1. Primary Data 2. Secondary Data: Primary data are those data which are collected for the first time. The primary data has been collected with the help of questionnaire which is distributed and collected from the respondents of Pondicherry. Secondary data are collected from various websites, SEBI bulletins, RBI bulletins etc.

### **SAMPLING DESIGN AND SIZE:**

The sampling technique involved convenience sampling. Convenience sampling is a non-probability sampling technique where subjects are selected because of their convenient accessibility proximity to the researcher.

### **TOOLS FOR ANALYSIS:**

The analyses of the data obtained through primary data, the research itself used the mathematical and statistical tools are 1.Mann Whitney u test,2.Kruska wallies test, 3.Henry garret ranking, 4.Chi-square etc and tools for presentation 1.Tables,2.Pie diagram etc.

## REVIEW OF LITERATURE

**PRITIMAN:** Conducted a study of investors perception towards mutual fund in the city of Aurangabad by collecting primary data from thirty professionals like those who wants invest in mutual fund and the investment options in Andrapradesh, the research aims at to know the investors view towards mutual fund to know the awareness of mutual fund in Andrapradesh people and to know the preference of people for investment it founds that investors are not choosing or feeling confident in investing in mutual fund because they think that mutual fund is risky than other investment option the awareness level of mutual fund among the investors are very low because of only having the partial knowledge about the mutual fund which prevent them to invest in mutual fund to avoid risk bearing factor and lose of money.

**DR.RAJESH KUMAR AND NITINGOEL:** In their study attempted to analyses the purpose behind making investment factors considered before making investment and method used for evaluating the performance of mutual fund defielencles in functioning of mutual fund and investors perception about future prospect of fund growth. Income and liquidity are the important objectives of the mutual fund investment are found by the study and absolute return on the mutual fund scheme as the basis for evaluating their performance.

**PRITAM .P. KOTHARI AND SHIVAGANGA.C.MINDARGI:** The investor's attitude towards mutual fund with special reference to investors in Sholapur city. This study provides future of mutual funds industries information as well as awareness level among people and it also helps the management as how to the mutual funds are performing in the current market situation . This study is descriptive in nature based on survey method by using both primary and secondary data. Primary data is collected from 200 respondents from Sholapur city through questionnaire.

**JAYABRATA BANERJEE AND SWARNENDU ROY:** Conducted a technical analysis towards customer perception on mutual fund products with collecting response from 1051 respondents covering different group of investors the study found that customer orientation is necessary in the market small investors are buy mutual fund due to the multiple reason depending upon customers risk return trade off the reason for investing in mutual fund is reduction in the bank interest rates high degree of volatility in Indian stock market and bond market also in recession due to its interest party.

**CONCEPT OF MUTUAL FUND:** Mutual fund is an investment vehicle that is made up of a pool of funds collected from many investors for the purpose of investing in securities such as stock, bonds, money market instrument and similar assets. Each shareholder participates proportionally in the gain or loss of the fund. Mutual fund units or shares are issued and can typically be purchased redeemed as needed at the fund's current Net Asset Value (NAV) per share, which is sometimes expressed as NAVPS. Mutual funds as an intermediation mechanism and products play an important role in India's financial sector development. Apart from pooling resources from small investors, they also provide informed decision making mechanism to them.

Thus they contribute to not only financial sector participation, but also financial inclusion and thereby enhance market efficiency. Additionally they contribute to financial stability and help in enhancing market transparency.

## **HISTORY OF MUTUAL FUNDS IN INDIA**

A robust financial market with funds flowing from retail investors is essential for a developed economy. First mutual fund was set up in 1963, by Unit Trust of India (UTI), at the initiative of the Government of India and RBI with a view to boost savings and investments. Participation in the income, profits and gains earned by UTI from the acquisition, holding, management and disposal of securities was made available to retail investors.

**First Phase:** In 1978, UTI was de-linked from the RBI and IDBI took over the regulatory and administrative control of UTI. US-64 was the first scheme launched by UTI which was the best scheme of UTI for a long period of time.

**Second Phase:** SBI Mutual Fund was the first non-UTI mutual fund set up in June 1987, followed by Can bank Mutual Fund (Dec. 1987), PNB Mutual Fund (Aug. 1989), Indian Bank (Nov. 1989), Bank of India (Jun. 1990) and Bank of Baroda Mutual Fund (Oct. 1992).

**Third Phase:** The Former Kothari Pioneer (now merged with Franklin Templeton MF) was the first private sector MF registered in July 1993. A new era started in the Indian MF industry in 1993 when private sector mutual funds entered the fray, providing Indian investors a diverse choice of MF products.

**Fourth Phase:** In February 2003, the UTI Act, 1963 was repealed and UTI was bifurcated into two separate entities e.g. the Specified Undertaking of the Unit Trust of India (SUUTI) and UTI Mutual Fund which functions under the SEBI MF Regulations, 1996.

**Fifth Phase since 2012:** Taking note of the lack of penetration of Mutual Funds, especially in tier II and tier III cities, and keeping in view of the interest of various stakeholders, SEBI initiated several positive measures in September 2012 to revive the sluggish Indian Mutual Fund industry and to increase MFs' penetration in the remote corners of the country.

## **STRUCTURE OF THE INDIAN MUTUAL FUND INDUSTRY**

The Indian mutual fund Industry is dominated by the Unit Trust of India and which has a total corpus of Rs 700bn collected from more than 20 million Investors. The UTI has many funds/schemes in all categories i.e. equity, balanced, Income etc with some being The NIS Academy, Aurangabad. Open ended and some being closed ended. The unit trust scheme 1964 commonly referred to as US64, which is a balanced fund, is the biggest scheme with a corpus of about Rs 200bn. UTI was floated by financial institution and is governed by a special act of the Parliament. Most of its Investors believe that the UTI is government owned and controlled which, while legally incorrect, is true for all practical purposes. The second largest categories of mutual funds

are the ones floated by nationalized banks. Can bank Asset management floated by Canara Bank and SBI Funds Management floated by the State Bank of India are the largest of these. GIC AMC floated by General Insurance Corporation and Jeevan Bima Sahayog AMC floated by the LIC are some of the prominent ones. The aggregate corpus of funds managed by this category of AMC's is about Rs 150 billion. The third largest categories of the mutual funds are the once floated by the private sector and by the foreign asset management companies. The largest of these are Prudential ICICI AMC and Birla SUN LIFE AMC. The aggregate corpus of the asset managed by this category of AMC s is in excess of Rs 250bn.

### **RECENT TRENDS IN THE MUTUAL FUND INDUSTRY**

The most important in the mutual fund industry is the aggressive expansion of the foreign owned mutual fund companies and the decline of the companies floated by the nationalized bank and smaller private sector players. Many nationalized banks got into the mutual fund business In the early nineties and go off to a good start due to the Stock market boom prevailing then. These banks did not really understand the mutual fund business and they just viewed it as another kind of banking activity. Few hired specialized staff and generally choose to transfer staff from the parent organization. Some schemes had offered guaranteed returns and their parent organization had to bail out these AMCs by paying large amount of money the difference between the guaranteed and actual returns.

### **FUTURE SCENARIO:**

The asset base will continue to grow at an annual rate of about 30 to 35% over the next few years as investor's shift their asset from banks and other traditional avenues. Some of the older public and private sector players will either close or be taken over. Out of ten public sectors players five will sell out, close down or merge with strong players in three to four years. In the private sector this trend has already started with two mergers and one takeover. Here too some of them will down their shutter in the near future to come. But this does not mean there is no room for other players. The market will witness a flurry of new players entering the area. There will be a large number of offers from various asset management companies in times to come. Some big names like Fidelity, Principal and Old Mutual etc. are looking at Indian market seriously. The mutual fund industry is awaiting the derivation In India as this would enable it to hedge its risk and this in turn would be reflected in its Net Asset Value (NAV).

### **ROLE OF SEBI IN MUTUAL FUND:**

In the year 1992 SEBI act was passed. The objectives of SEBI are - to protect the interest of investors in securities, to promote the development of, and to regulate the securities market. As far as mutual are concerned SEBI formulates policies and regulation the mutual fund to protect the Interest of the investors. SEBI notified regulation for mutual funds in 1993. Thereafter mutual fund sponsored by private sector entities were allowed to enter the capital market, the regulations were fully revised in 1996 and been amended. Therefore, from time to time SEBI has

also issued guidelines to the mutual fund from time to time to protect the interest of the investors. All mutual funds whether promoted by public sector or private sector entities including those promoted by foreign entities are governed by the same set of regulation. There is no distinction in regulatory requirement of the mutual fund and all are subject to monitoring and inspecting by SEBI. The risks associated with the scheme launched by mutual funds sponsored by these entities are of similar type.

### **TYPES OF MUTUAL FUNDS:**

**Open ended funds:** Investors can buy and sell the units from the fund at any point of time. **Close-ended funds:** These funds raise money from investors only once. Therefore, after the offer Period, fresh investments cannot be made into the fund. If the fund is listed on a stocks exchange the units can be traded like stocks (E.g., Morgan Stanley Growth Fund). Recently, most of the New Fund Offers of close ended funds provided liquidity window on a periodic basis such as monthly or weekly. Redemption of units can be made during specified intervals. Therefore, such funds have relatively low liquidity.

### **INVESTMENT STRATEGIES**

**Systematic Investment Plan:** under this a fixed sum is Invested each month on a fixed date of a month, Payment is made through post-dated cheques or direct debit facilities. The investor gets fewer units when the NAY is high and more units when the NAV is low. This is called as the benefit of Rupee Cost Averaging (RCA).

**Systematic Transfer Plan:** under this an Investor Invest in debt oriented fund and give instructions to transfer a fixed sum, at a fixed Interval, to equity scheme of the same mutual fund.

**Systematic Withdrawal Plan:** If someone wishes to withdraw from a mutual fund then he can withdraws fixed amount each month.

**FACTORS OF SAVINGS:** The factors affecting savings are:

- ✓ The level of the real interest rate
- ✓ The level of per capita GDP, Fiscal policy, The proportion of labor remuneration in national income
- ✓ The distribution of income, Financial reforms, Uncertainty, The effects of taxation, etc.

### **MOBILISATION OF SAVINGS:**

Mobilization of savings is no matter how poor a person may seem s/he should be persuaded and encouraged to save as the income rises for reasons earlier mentioned. Mobilization of savings is low income individuals in developing countries clearly express a desire to build up savings. Saving therefore offer significant leverage for economic development and self-sufficiency and are valuable to both microfinance institutions and their clients or members.



### **MOBILISATION OF SAVINGS THROUGH MUTUAL FUND:**

Only by relating the savings and investment pattern of the people of the country the real size, magnitude and significance of the mutual fund industry can be assessed. The role of mutual funds in mobilizing savings of the household should also be verified by analyzing the proportion of mutual fund. Savings is one of the factors influence financial development. The primary mode through which this occurs is financial savings and in particular, intermediated financial savings. India is one of the few countries today to maintain a steady growth rate in domestic savings. Savings being the prime mover of economic development, Indian planners have always focused on this aspect of economic development. The Indian saving experience during the period 1970-71 to 1998-99 was marked by a simultaneous secular increase in the rate of Gross Domestic saving (GDS, as a percentage of GDP at current market prices) and the rise in the rate of financial saving of the household sector and private corporate sector.

### **ROLE OF MUTUAL FUNDS IN THE FINANCIAL MARKET**

Mutual fund is expert entity which helps an investor invest in equity and debt instruments indirectly rather than taking risk of investing money directly in these instruments. This helps investors earn good returns at low risk compared to returns at high risk if investors invest on their own directly in capital market. Mutual funds have assumed the important role as a financial intermediary mainly due to the complex and risky environment of the stock market. They have to play a two-fold role in the financial market, viz., 1.Promoter of capital market, and 2.Intermediary of household savings.

### **ADVANTAGES OF MUTUAL FUND:**

Mutual funds are managed by professionals organized firm called AMC (Asset Management Company) through professional fund managers who actively manage investment portfolio of various mutual fund schemes which deliver following benefits to investors

#### **(1) Portfolio Diversification:**

Mutual Funds invest in a diversified portfolio of financial instruments which enables a small investor to hold a diversified investment portfolio even if the amount of investment is small.

#### **(2) Low Risk:**

Even with a small amount of investment, Investors can acquire a diversified portfolio of financial instruments. The risk in a diversified portfolio of mutual fund scheme is lesser than investing directly in only 2 or 3 shares or bonds.

#### **(3) Low Transaction Costs:**

Due to the economies of scale mutual funds incur lesser transaction costs. These benefits are shared with the investors.

**(4) Liquidity:**

Units of a mutual fund can be redeemed easily with the funds being credited directly to the investors account through ECS payment.

**(5) Choice:**

Mutual funds offer investors with variety of schemes with diverse investment objectives. Investors, therefore, have a plenty of investing in a scheme matching their financial goals. These schemes further provide various plans/options e.g. dividend option or growth option or reinvestment option etc.

**(6) Transparency:**

Funds provide investors with latest information related to the markets and the schemes. All material facts are revealed to investors as per the guidelines of SEBI and AMFI. They provide on a daily basis latest NAV to investors.

**(7) Flexibility:**

Investors are also provided flexibility by Mutual Funds. Investors can transfer their units from a debt scheme to an equity scheme or a balanced scheme through systematic transfer plan option (STP). Option of systematic investment through monthly/quarterly instalments (SIP) and systematic withdrawal at regular intervals (SWP) is also offered to the investors in open-ended schemes.

**(8) Safety:**

Mutual Fund industry is fully regulated under SEBI rules where the interests of the investors are safeguarded. All funds have to be registered with SEBI and complete compliance with the rules and transparency is ensured.

Mutual funds portfolios are managed by expert professional managers possessing skills and qualifications to analyze the performance and prospects of companies. They actively manage portfolios through close monitoring on a daily basis, which is not possible for a retail investor

**DATA ANALYSIS AND INTERPRETATION:**

**1.1 CLASSIFICATION ON THE BASIS OF PERCENTAGE OF SAVING INVESTED IN**

**MUTUAL FUND**

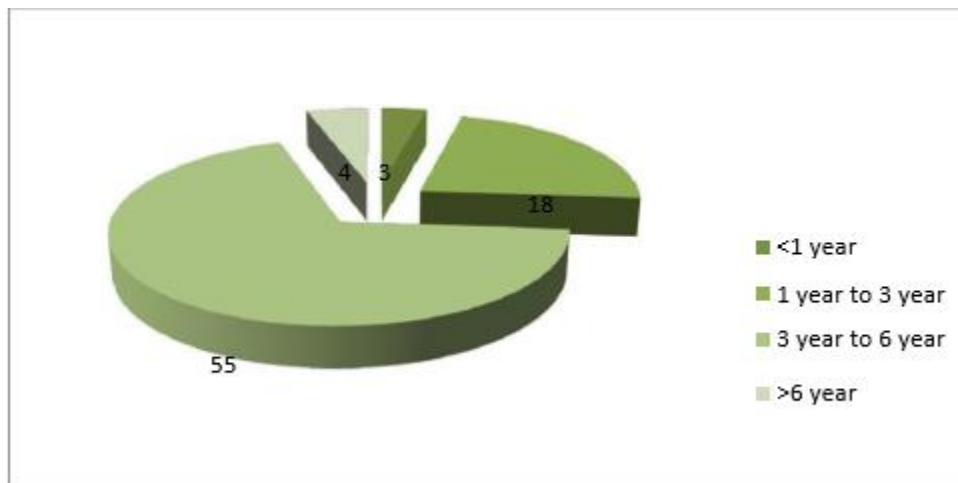
Percentage of saving	No of respondents	Percentage
Up to 10%	17	21.25
10 -25%	26	32.5
25-50%	22	27.5

Above 50%	15	18.75
Total	80	100

**1.2 CLASSIFICATION ON THE BASIS OF PERIOD OF INVESTING IN MUTUAL FUND**

Period	No of respondent	Percentage
Below 1 year	3	3.75
1 year to 3 year	18	22.5
3 year to 6 year	55	68.75
Above 6 year	4	5
Total	80	100

**PERIOD OF INVESTING IN MUTUAL FUND**



**CHART 1.2**

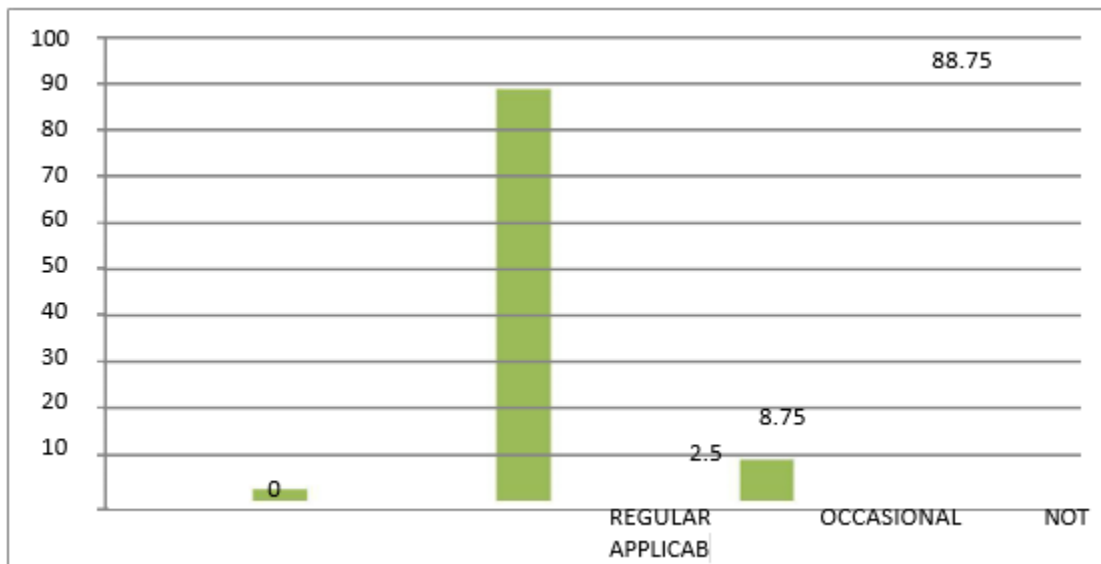
**Interpretation:**

From the above table show that majority of the respondent will prefer 3 year to 6 year as investing in mutual fund (68.75%).and then 1 year to 3 year (22.5%).and then Above 6 year 5% and Below 1 year (3.75%) respectively.

**1.3 CLASSIFICATION ON THE BASIS OF SAVING HABIT OF RESPONDENT**

Saving habit	No of respondent	percentage
Regular	2	2.5
Occasional	71	88.75
Not applicable	7	8.75
Total	80	100

**SAVING HABIT OF RESPONDENT**



**CHART 1.3**

**Interpretation:**

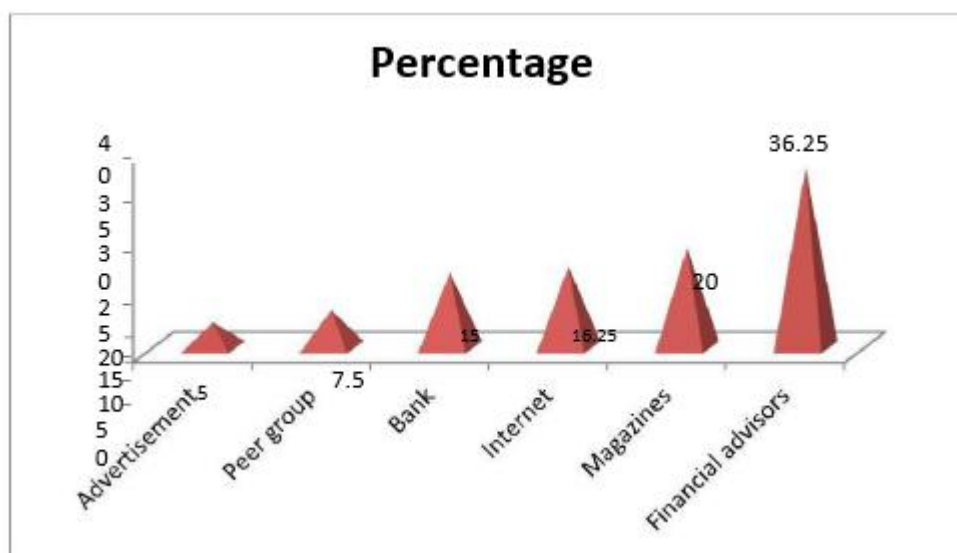
From the above table it is show that most of the respondents are in occasional investors in mutual fund(88.75%).and then the investors will prefer not applicable as case may be(8.75%).And then the investors will regular investors in mutual fund (2.5%)

**1.4 CLASSIFICATION ON THE BASIS OF SOURCES OF MUTUAL FUND**

SOURCES	NO OF RESPONDENT	PERCENTAGE
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Advertisement	4	5
Peer group	6	7.5
Bank	12	15
Internet	13	16.25
Magazines	16	20
Financial advisors	29	36.25
Total	80	100

**SOURCES OF MUTUAL FUND**



**CHART 1.4**

**Interpretation:**

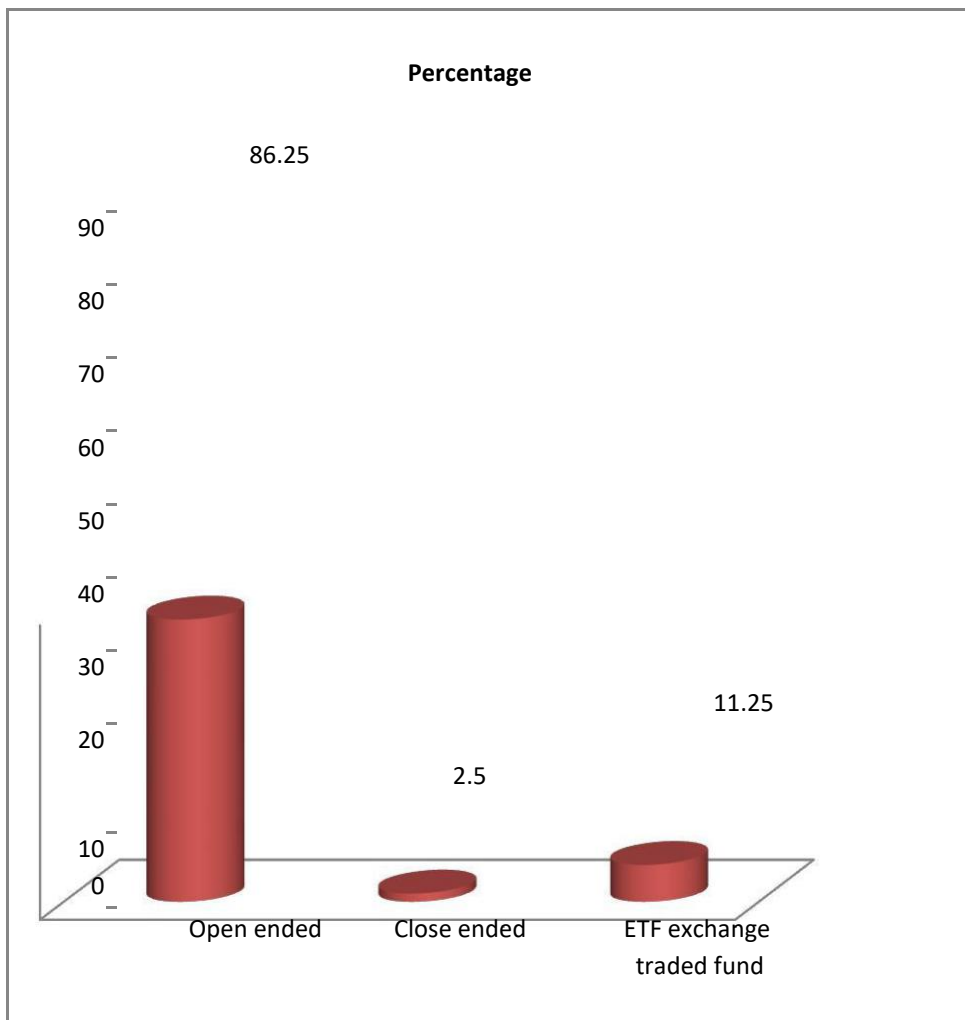
From the above table it is show that majority of the respondent prefer financial advisors for getting the sources of information related in mutual fund 36.25%.and then the investors will prefer the magazines 20% and then prefer internet 16.25%.and then the investors will prefer the bank for getting the information 15%.and then the investors will prefer peer group 7.5%.and then only they aware in advertisement 5%.

**1.5 CLASSIFICATION ON THE BASIS OF PREFERENCE OF INVESTORS ON MUTUAL FUND:**

CHOICE	NO OF RESPONDENT	PERCENTAGE
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Open ended	69	86.25
Close ended	2	2.5
ETF exchange traded fund	9	11.25
Total	80	100

**PREFERENCE OF INVESTORS ON INVESTMENT**



**CHART 1.5**

**Interpretation:**

From the above table show that majority of the respondent will prefer the open ended scheme (86.25%).and then the investors will prefer the ETF exchange traded fund (11.25%).and some respondents will prefer close ended scheme(2.5%).

### 1.6 CLASSIFICATION ON THE BASIS OF PREFERENCE INVESTORS ON CHANNEL

CHANNEL	No of respondent	Percentage
Financial advisor	24	30
Banks	14	17.5
AMC	12	15
Online	21	26.25
Others	9	11.25
Total	80	100

#### Interpretation:

From the table show that majority of the respondent will prefer financial advisors as their channel 24 and then the investors will choose online 21 and then choose banks 14 and then choose AMC 12, and then the investors will choose other channel 9.

#### FINDINGS AND SUGGESTIONS

- Select mutual fund in blue chip equities it is more profitable
- More awareness and information should be given to investors and also to attract new investors.
- Improve the performance of inter mediaries (brokers)
- Better to invest in more than one fund to spread the risk (diversification)
- To attract the investors to mutual fund the companies will play an important role to bring low risk, high return, safety mutual funds.
- The GOVT sector investors are strongly agrees that mutual fund is a powerful tool for mobilisation of savings in our country but NRIs are least agree with this opinion.
- The main purpose of saving is to meet emergencies. The other purposes are to meet educational expenses, to meet marriage expenses, etc.
- Respondents are mostly aware about Equity oriented scheme.
- 86.25% respondents will prefer the open ended scheme.
- Most of the investors had invested in SBI and RELIANCE mutual fund.

- The research shows that, mostly respondents preferred Return & savings while investment.
- 40% respondent's expectation from mutual fund is capital appreciation.
- Most of the respondents give first preference to Return & savings.
- Most of the respondents are influenced by the better return and diversification while investing in mutual fund.
- 71.2% respondents will prefer hybrid portfolio and the least preferred portfolio was equity.
- The research shows that 45% respondent will choose dividend reinvestment as mode of return.
- In Pondicherry, largely the semi urban people subscribe mutual funds schemes and the investment by the rural people is very negligible.
- 88.5% respondents are occasional investors in mutual fund.
- 57.5% respondent's income were belonging to more than 5 lakh , 55% respondent's expenditure is between 2 - 2.5 lakh and 32.5% investors are will choose 10-to 25% as their percentage on saving.

## CONCLUSION

The research is mobilization of savings through mutual fund is carried with the objectives of evaluating the various kinds of mutual funds available in the market. The research is found that open ended fund is the most popular and more using fund in the market. The factors influencing to the selection of mutual fund includes return, safety and risk. Investors give more importance to these three factors. There are some problems also faced by investors of mutual fund is very less and female investors are not much more invested in mutual fund. Investors use magazines as the source of information provider and brokers also play a vital role in this sector. The research point out some suggestions which helps to improve the performance of mutual fund and companies and brokers it also helps to attract new investors.

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