EXECUTIVE SUMMARY OF MINOR RESEARCH PROJECT
(Granted by UGC)

MRP NO.: F23-1749 (General/122/(WRO) XII Plan
dated 16th March, 2017

Title of the Project:
A Study of Satisfaction Level of Mutual Fund Investors
(With Special Reference to IDBI Mutual Fund Schemes)

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Introduction:

A Mutual Fund pools the money of people with certain investment goals. The money
invested in various securities depending on the objectives of the mutual fund scheme and the
profits (or loss) are shared among investors’ in proportion to their investment.

The mutual fund is a type of professionally-managed collective investment scheme which
pools money from many investors. The profit gained from investments is shared to unit
holders in proportion to the number of units owned by them. 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.

Hence study was undertaken to ascertain the Investors’ Satisfaction Level with special
reference to IDBI Mutual Funds in Thane District.

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The main Objectives of the study were as follows:

- To study the Mutual Funds in India.
- To study the various schemes offered by IDBI Mutual Fund House.
To study the factors responsible for investment in Mutual Fund.
To know about the extent of satisfaction level of IDBI Mutual Fund House Investors.

Research Methodology:
In the present study, on the basis of the Primary data which is collected, the researcher studied about association between various demographic factors and investment decisions regarding mutual fund type, period of holding, source of information, mode of investment and motivating factor while investing in IDBI Mutual Fund schemes. Further the researcher also ranked the administration and working & performance of the IDBI Mutual Fund schemes with regards to customers’ satisfaction level. The data was collected using convenience sampling. Descriptive Data Analysis Techniques are used along with Chi Square Test for Hypothesis Testing.

On the basis of secondary data the researcher studied about the mutual fund industry in India, factors responsible for investment in mutual funds and various schemes offered by IDBI Mutual Funds and their performance.

Findings:
From the primary data analysis it is found that the investors are satisfied with regards to liquidity and safety but highly unsatisfied about transaction cost. With respect to returns, services offered and overall working they are somewhat satisfied. But in case of mutual schemes offered investors are not able to judge it correctly as 50% of the investors answered neither satisfied nor dissatisfied. This may be due to lack of technical knowledge about the pattern and working of mutual fund schemes.

From the secondary data further it is analyzed that the investors complaints against the mutual fund house are very negligible but it is also observed that there is increasing trend in last three years.

Suggestions:
IDBI Mutual Fund House should pay special attention to seek the customers’ satisfaction at the higher level and to increase their AUM (Asset Under Management).
- High expense ratio should be kept in control.
- Minimum investment amount in some of the scheme is very high i.e. Rs. 5,000/- which should be brought down to Rs.500/- which will increase the investor base.
- Number of Investor Awareness Programs should be increased as well as it’s information about the performance of existing schemes and new schemes to be launched should be reached to existing and potential investors. Financial Advisors should also made to participate the same.
- Financial Advisors should be given more information and motivation for marketing the schemes.
- More concentration should be shown towards the retired people as they have good investment potential.
- Portfolio should be managed in such a way to give consistent good returns and safety to investors.

The investors should also study minutely the factsheet of mutual fund schemes launched to get the information about the objectives of the schemes and their needs and expectation while investing in the scheme. The investors should take the maximum advantage of the information uploaded on the website by IDBI Mutual Fund House and keep themselves updated to decide the right time of entry and exit in the various schemes to get the maximum returns.

**Conclusion:**

The investor satisfaction in case of mutual funds depends upon amount of trust and dependence the investor has with Asset Management Company and benefits in return actually delivered to investor by the company.

**Benefit to Society:**

After reading the report, the reader will get the basic knowledge about the investment in Mutual Fund and it’s progress in India. And mainly a thorough knowledge about the various schemes of mutual fund launched by the IDBI Mutual Fund House. The readers can judge the working as well as performance of the various IDBI mutual fund schemes as well as the level of investor satisfaction regards to various parameters. This will also help the IDBI Mutual Fund House to understand the gap between investors’ expectation and their performance at various levels.