

# A Study on Investors Perception towards Large-cap Equity Oriented Mutual Funds in India

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(Received December 02, 2020; Accepted January 07, 2021)

## ABSTRACT

**Purpose:** The large-cap equity fund is one of the mutual fund schemes and fund mobilized under this scheme is invested in equity securities of large-capitalized companies. This scheme is highly preferred scheme for investment by those who want to receive reasonably high return with less risk. The present study analyzes the profile, perception and satisfaction level of retail investors in large-cap equity funds. **Methodology:** This study is based on both primary and secondary data. The statistical tools used for analysing the data are percentage and likert five scale method. **Findings:** The investors' profile and perception analysis revealed that the majority of the investors are mid-aged people and men investors are more than women. Most of the investors have graduation and post graduation and belong to the small saving group. The investors from employment occupation are significantly high. The advertisement and internet is the main source of information for most of the investors. It is found that majority of the investors preferred the existing schemes in open-ended category. The Systematic Investment Plan (SIP) is highly preferred mode of investment by the investors. Similarly Investors satisfaction analysis revealed that more than fifty percent of respondent investors are satisfied on return aspect, but less than fifty percent of respondent investors are satisfied on risk aspect. In overall, the investors have moderately satisfied with large-cap equity fund investment on an average basis. **Implications:** The study implies that investors' satisfaction needs to be improved to the maximum extent in order to retain existing investors from switching process and to attract more investors towards investment in this scheme. **Originality:** There are many studies undertaken on investors' satisfaction in mutual fund investment. But, from the literature studies, it is observed that no one study has focused on investors' satisfaction towards large-cap equity mutual funds in particular in recent days.

**Keywords:** Large-cap Equity Funds, Retail investors, Likert five scale method, Perception and Satisfaction

## INTRODUCTION:

India has largest economy in the world and its development largely depends on multiple factors, among these few are playing very important role and one among these is capital formation. The Capital formation is process which makes availability of fresh capital for economic activities and it is a one of the major functions of financial system. But, in India level of capital formation is low compared to developed countries and it lacks the economic development of the country. The urgent need of hour is that increasing the level of capital formation and making it available for industries and manufacturing activities to maximum extent. In this direction, some institutions are already actively working and motivating people to make more savings and investment in efficient way. In particular, mutual fund companies are playing very significant role in capital formation by mobilizing funds from

**LITERATURE REVIEW:**

Jayant R. Kale and Venkatesh Panchapagesan (2012) conducted a research study titled *Indian Mutual Fund Industry: Opportunities and Challenges*. In this research paper, an overview of Indian mutual funds was studied. The study concluded that the mutual fund industry had grown and it has opportunities to grow in the future also. In spite of this growth, mutual funds remained a small player in Indian financial market. The According to the study, the reasons for this are poor financial literacy, equity culture, and weak supportive regulatory environment according to the study.

Dunna (2012) conducted a study which is entitled *Mutual Funds in India—Issues, Opportunities and Challenges*. The researcher examined various challenges and opportunities for the mutual fund industry since its inception. The study found that various financial and economic reforms have been made and these reforms have given a wave of opportunities to the industry.

Devakumar V.K. (1987), in his research paper entitled “Indian Stock Market”, tried to study the investors in Indian stock market. As per the study, there were very few investors in early 1985 and they were knowledgeable. During the year 1985, thousands of new investors entered the market. The new investors suffered from heavy losses compared to the professionals. A good number of investors have walked out of the stock market to safer areas like UTI units, NSC etc. There was a mild shift in investment preferences toward mutual funds also.

Shunmugham and Muthuswamy (2000) in their research paper entitled “Decision Process of Individual Investors in Indian Capital Market”, examined the decision-making process of individual investors in the capital market. The study reported that, among the various factors, psychological and sociological factors dominated the investment decision.

T.R. Rajeshwari and V.E. Ramamoorthy (2001), conducted a study entitled “Mutual-Know Thy Investors”, to examine the awareness level among retail investors about concept and functioning of mutual funds in Mumbai, Bangalore, and Hyderabad. The study concluded that large number of small investors with a great appetite for wealth entered the mutual fund industry. The awareness level was high and the study suggested that investors need to be educated about the risk involved in mutual funds investment.

**NEED FOR THE STUDY:**

Mutual fund schemes are classified based on different factors and one among them is capitalisation. Based on capitalisation the schemes are classified as small cap, midcap and large cap funds. In respect of equity schemes, small cap equity funds are those which are investing funds in equity securities of small scale companies. Mid Cap equity funds are those which are investing in equity securities of mid size Companies. Whereas, the large cap equity mutual fund is one which invests mobilised funds in the equity shares of large capitalised companies. The large capitalised companies are those whose capital size is large. The many Asset Management companies are offering large cap equity schemes and investors also prefer this scheme for investment since it is comparatively less risky funds in respect of equity category. But it is generally known fact that making investment decisions has become a complex one for retail investors as multiple factors influence on it. The extent of influence of these factors is different from one factor to another factor or one investor to another investor or from one time to another time for the same investors. The information about what is influencing more and less on investor decisions is very much important and required one for Asset Management companies or fund managers to make the best decision regarding fund performance. Based on the literature review it is also found that none of studies have been focused on investors' perception on large cap equity funds in recent days. Hence, it is decided to undertake study on investors' perception towards large cap equity mutual funds in India.

**OBJECTIVES FOR THE STUDY:**

The objectives of the present study are as follows:

1. To study the demographic profile of investors in large-cap equity funds
2. To analyze the perception of investors towards in large-cap equity funds and
3. To examine the satisfaction level of investors in large-cap funds

**METHODOLOGY:**

The methodology is designed keeping in view the nature and objectives of the study.

**Data collection:**

This research study is based on primary data and secondary data. The primary data has been collected from a survey method using a structured questionnaire. The secondary data has been collected from mutual fund websites, Journals and Books.

**Sample Size:**

The sample size of the research study is 360 investors in large-cap equity mutual funds. These investors are chosen from various districts, especially from employment, industrial and trade centers, in Karnataka state. The convenient random sampling method is adopted for collecting primary data.

**Statistical Tools:**

In this study, percentage method, ranking method and likert five scales Method have been used for processing and analyzing the primary data collected to arrive at a reliable conclusion.

**RESULTS DISCUSSION:**

The analysis of the study has three sections. The first section explains the demographic profile of respondent-investors and in the second third section, the perception and satisfaction of investors in large-cap equity mutual funds have been analyzed and interpreted.

**Profile of the Respondent-Investors:**

The analysis of demographic factors is a pre-requisite for research study before it gets into the main area of the study. This is because the demographic factors are primary factors which have an influence on the investment decision of individual investors. In this view, the demographic profile of respondent-investors is presented in table 1.

**Table 1: Profile of Respondent-Investors in Large-cap Equity oriented Mutual Funds**

Sl. No.	Demographic Factors	Options	Respondents	Percentage
01	Age (in completed years)	Below 20	Nil	-
		21-30	37	10.3
		31-40	96	26.7
		41-50	112	31.1
		51-60	90	25.0
		61 and above	25	6.0
		<b>Total</b>	<b>360</b>	<b>100</b>
02	Gender	Male	261	72.50
		Female	99	27.50
		<b>Total</b>	<b>360</b>	<b>100</b>
03	Occupation	Business	55	15.39
		Agriculture	Nil	-
		Profession	50	13.89
		Employment	221	61.39
		Any other	34	9.44
		<b>Total</b>	<b>360</b>	<b>100</b>
04	Education	SSLC	20	5.56
		PUC	43	11.94
		Graduation	134	37.22
		Post-graduation	105	29.17
		Any other	58	16.11
		<b>Total</b>	<b>360</b>	<b>100</b>
05	Marital Status	Married	285	79.17
		Unmarried	75	20.83
		<b>Total</b>	<b>360</b>	<b>100</b>
06	Monthly Income (Rs.)	Below 20,000	35	9.72
		20,000-40,000	85	23.61
		40,000-60,000	144	40.00
		Above 60,000	96	26.67
		<b>Total</b>	<b>360</b>	<b>100</b>

Sl. No.	Demographic Factors	Options	Respondents	Percentage
07	Monthly Savings (% out of monthly income)	Less than 11	87	24.17
		11-20	<b>119</b>	<b>33.06</b>
		20-30	84	23.33
		30-40	23	6.39
		40-50	28	7.78
		Above 50	<b>19</b>	<b>5.28</b>
		<b>Total</b>	<b>360</b>	<b>100</b>

Sources: Prepared based on Primary Data

### Age:

Age is considered as an important parameter in the study because the saving preference of investors usually differs according to their age. So the sample respondents are classified according to their age. From the table, it is observed that the majority of respondents belong to the age group of 21-60 years. It seems that result is very natural as this is the potential earning period of the life of a human being. Here it is noted that respondents with above 60 years are very few. It is also natural on account of retirement and decline in risk taking ability.

### Gender:

In India, gender plays an important role in any decision of an individual. Coming to the investment in a large-cap equity mutual fund, male respondents are 261 and female respondents are just 99. It accounted for 72.50 percent for male and 27.50 percent for female. It clearly shows that male respondents are more than four times of female respondents.

### Occupation:

The occupation is one of the important determinants of savings and investment decision. From the table, it is noticed that the majority of the respondents surveyed are from employment zone (61.39 percent). The 15.39 percent of respondents are businessmen and 13.89 percent are professionals. The respondents belong to other category is 9.44 percent. So it is clear that people with employment have comparatively much interest in large-cap equity funds.

### Education:

The fund preference and general perception of investors with regard to mutual fund investment, most of the times, depends on educational qualification. In general, people with high educational qualification have more awareness and can take a rational decision. It is observed that 134 respondents have graduation. It constituted 29.17 percent of total respondents. Next to that 105 respondents have post-graduation and it accounted for 29.17 percent of respondents. The respondents with SSLC and PUC are just 63 and it accounts for 17.50 percent in total respondents. Hence it is found that majority of the respondent-investors have the qualification of higher education. So it indicates that the respondents have more awareness and study of their perception provides a better input to arrive at meaningful outcome.

### Marital Status:

Marital status certainly influences the savings of individuals and family. It is hereby observed that 285 respondents are married. It is accounted for 79.17 percent of respondents. And 75 respondents are unmarried and it accounted for 20.83 percent in total respondents. It clearly shows that married people have more interest in large-cap equity funds.

### Monthly Income:

Income is major determinant of savings and investment in mutual funds. 144 respondents belong to the monthly income group of Rs. 40,000 to 60,000. This group accounted for 40 percent of total respondents. 96 respondents are having monthly income of more than Rs. 60,000. And 85 respondents accounting for 23.61 percent are having monthly income between Rs. 20,000 to 40,000. Only 9.72 percent of respondents belong to the monthly income group of less than Rs. 20,000. Majority of respondents have monthly income more than Rs. 40,000. They fall under the higher income groups considered for the study.

**Monthly Savings:**

Savings is related to income and financial obligation of individuals. In turn, investment is directly related to savings. Higher savings lead to high investment or vice-versa. Keeping this in view the sample respondents are classified according to their monthly savings. The majority of the respondent-investors have savings between 11-20 percent of their income. The 84 respondents accounting 23.33 percent have savings between 20 to 30 percent in the income. And 87 respondents have savings which are less than 11 percent of income. The respondents having savings above of 30 percent are comparatively less. From the analysis, it is said that majority of the people have savings between 11-20 percent.

**Investors Perception towards Large-cap Equity Mutual Funds :**

The perception of respondent-investors is analyzed on various aspects of mid-cap equity mutual funds. The details of it are presented in table 2.

**Table 2: Investors Perception towards Large-cap Equity Mutual Funds**

Sl. No.	Factors	Options	Respondents	Percentage
1	Investment (% of Savings)	Less than 11	221	61.39
		11-20	58	16.11
		21-30	46	12.78
		31-40	19	5.28
		41-50	16	4.44
		Above 50	Nil	-
		<b>Total</b>	<b>360</b>	<b>100</b>
2	Sources of Information	Brokers / Agents	291	80.83
		Scheme Information Document	235	65.28
		Advertisement	303	84.17
		Annual Report	93	25.83
		News Papers	197	54.72
		Magazines	83	23.06
		Friends	220	61.11
		Relatives	120	33.33
		Internet	294	81.67
		Others	174	48.33
3	Types	Open-ended Scheme	306	85.00
		Close-ended Scheme	62	17.22
		Interval Scheme	12	3.33
4	Nature	New Fund Offer	102	28.33
		Existing Mutual Fund Scheme	312	86.67
5	Investment Way	Agents/ Brokers/ Distributors	274	76.11
		Direct	167	46.39
6	Mode of Investment	Lumpsum	89	24.72
		SIP	310	86.11
		Irregular Interval	53	14.72
7	Investment Methods	Cheque	166	46.11
		Online	84	23.33
		Net Banking	53	14.72
		Card Services	31	8.61
		Auto debit System	242	67.22
		Others	33	9.17

Sl. No.	Factors	Options	Respondents	Percentage
8	Expected Risk Level	High Risk	94	26.11
		Moderate Risk	187	51.94
		Low Risk	51	14.17
		Avoid Taking Risk	28	7.78
		<b>Total</b>	<b>360</b>	<b>100.00</b>
9	Experience about expected Risk	Yes	237	65.83
		No	123	34.17
		<b>Total</b>	<b>360</b>	<b>100.00</b>
10	Expected Annual Return	5 to 10	Nil	
		11 to 15	58	16.11
		16 to 20	179	49.72
		Above 20	123	34.17
		<b>Total</b>	<b>360</b>	<b>100.00</b>
11	Experience About Expected Return	Yes	185	51.39
		No	175	48.61
		<b>Total</b>	<b>360</b>	<b>100.00</b>
12	Investment Time Horizon	Less than 5 years	35	9.72
		5 to 10 years	82	22.78
		11 to 15 years	155	43.06
		16 to 20 years	67	18.61
		Above 20 years	21	5.83
		<b>Total</b>	<b>360</b>	<b>100.00</b>

**Sources:** Prepared based on Primary Data

#### Investment:

It is observed from the table that 221 respondents accounting 61.39 percent are investing less than 11 percent of their saving in large-equity mutual funds. The number of respondents investing 11 to 20 percent of their savings is 16.11 percent. The respondents investing higher percentage of their savings in large-cap equity mutual funds are less. The study clearly shows that majority of the respondents are investing less than 1/10<sup>th</sup> of their saving in mutual funds.

#### Sources of information:

From the table, it is clear that 303 number of respondents constituting 84.17 percent information relating to the mutual funds from advertisement. The internet followed by brokers and scheme information document are also a major source of information for mutual fund investors. The friends and newspapers are a source of information about mutual fund for investors. From this analysis it is very clear that advertisement and internet agents are the main source of information for investors.

#### Types of mutual funds:

From the table, it is noticed that therefore are three types in mutual funds namely open ended scheme close ended scheme and interval scheme. It is observed that out of 360 respondents, 306 respondents accounting for 85 percent are invested in open ended scheme. The 62 respondents having a share of 17.22 percent are invested funds in closed ended scheme. The number of respondents invested in interval scheme is 12 which constitute 3.33 percent in total number of respondents.

#### Nature of funds:

There are two types of funds based on nature. One is new fund offer and another one is existing mutual fund scheme. In respect of large cap equity Mutual Fund, 102 respondents are chosen new fund offer for investment. These respondents constitute 28.33 percent in total. The number of respondents has chosen existing mutual fund scheme are 312 which accounts is 6.67 percent.

**Investment way:**

There are two ways for investment. One is indirect investment and second one is direct investment. In respect of large cap equity mutual fund schemes, most of the investors are choosing indirect investment way that is through agents or broker for distributors. From the table it is noticed that 274 respondents have made an investment through agents or brokers. The percentage of these respondents is 76.11 percent which is more than three fourth of total number of respondents. The respondents who have made an investment directly are 167 which constitute 46.39 percent. Hence it is very clear that most of the mutual fund investors are investing funds through their agents or brokers.

**Mode of investment:**

From the table it is observed that 310 respondents accounting 86.11 percent are making an investment in large cap equity mutual fund scheme through SIP. 89 respondents having a share of 24.72 percent are making investment in lump sum. The 53 respondents having a share of 14.72 percent are making investment in large cap equity mutual fund scheme with irregular intervals. Finally the analysis shows that SIP is the most popular mode of investment in large cap equity mutual fund scheme.

**Investment Methods:**

It is very interestingly noticed that 242 respondents which accounts 67.22 percent are using auto debit system for making a payment towards investment in large cap equity Mutual Fund. The 166 respondents having a share of 46.11 percent is making an investment through cheque. The online and other kinds of methods are used by 20.33 percent and 9.17 percent respectively

**Expected Level of Risk:**

The above table reveals that Out of 360 respondents, 187 respondents are expecting moderate risk in their investment. The percentage of these respondents is 51.94 percent which is little more than one fourth of total number of respondents. The 94 respondents accounting 26.11 percent are expecting high risk. Coming to the next, 51 respondents having a share of 14.17 percent are expecting low risk. It is also important to note that 28 respondents having a share of 7.78 percent are not at all ready to take any risk.

**Experience about Expected Risk:**

It is importantly seen that 237 respondents having a share of 65.83 percent are experienced expected risk in their investment. Whereas 123 respondents are not experiencing expected level risk in investment.

**Expected Annual Return:**

From the table it is noted that 179 respondents are expecting return in the range of 16 to 20 percent. The percentage of these respondents is 49.72 percent. The 123 respondents are expecting return above 20 percent. The 58 respondents are expecting return in the range of 11 to 15 percent. Thus, it is very important that no one respondents or expecting return at less than 11 percent.

**Experience about Expected Return:**

In connection with expected annual return of respondents, it is observed that 185 respondents having a share of 51.39 percent are receiving expected annual return from their investment. However, there are 175 respondents which accounts 48.61 percent are not receiving expected return from their investment.

**Investment Time Horizon:**

From the table it is noticed that out of 360 respondents, 243 respondents accounting 67.5 percent are investing funds for longer period of time that is above 11 years. The number of respondents making investment for less than 11 years is 117 which account 32.50 percent. These investors need to change their investment time horizon in order make their investment more worth.

**Respondent-investors' Satisfaction towards Investment in Large-cap Equity Investment:**

In this section, the analysis is made on investors' satisfaction on investment in large-cap equity funds. The details of it are presented in table 3.

**Table 3: Respondent-investors' Satisfaction Level towards Investment in Mutual Funds**

Sl. No.	Options	Large-cap Funds					
		Number of Respondents					
		Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Total
01	Schemes	124 (34.44)	99 (27.50)	28 (7.78)	65 (18.06)	44 (12.22)	360 (100)
02	Risk	66 (18.33)	91 (25.28)	62 (17.22)	49 (13.61)	92 (25.56)	360 (100)
03	Return	135 (37.50)	102 (28.33)	12 (3.33)	73 (20.28)	38 (10.56)	360 (100)
04	Investment services	52 (14.44)	31 (8.61)	78 (21.61)	136 (37.78)	63 (17.50)	360 (100)
05	Relationship	89 (24.72)	116 (32.22)	85 (23.61)	36 (10)	34 (9.44)	360 (100)
06	Redemption services	48 (13.33)	94 (26.11)	134 (37.22)	34 (9.44)	50 (13.89)	360 (100)
07	Grievance redressal services	81 (22.50)	75 (20.83)	143 (39.72)	41 (11.39)	20 (5.56)	360 (100)
08	Fund Management	132 (36.67)	110 (30.56)	31 (8.61)	68 (18.89)	19 (5.28)	360 (100)
09	NAV Updating	76 (21.11)	156 (43.33)	30 (8.33)	65 (18.06)	33 (9.17)	360 (100)
10	Transparency	112 (31.11)	82 (22.78)	60 (16.67)	51 (14.17)	55 (15.28)	360 (100)
11	Exit Load	109 (30.28)	98 (27.22)	116 (32.22)	14 (3.89)	23 (6.39)	360 (100)
12	Promptness in giving information	59 (16.39)	138 (38.33)	51 (14.17)	29 (8.06)	83 (23.06)	360 (100)
13	Clarification towards technical doubts	99 (27.50)	141 (39.17)	36 (10)	21 (5.83)	63 (17.50)	360 (100)
14	Reminding next contribution payment times	131 (36.39)	142 (39.44)	17 (4.72)	45 (12.50)	25 (6.94)	360 (100)
15	Informing time about default payment	56 (15.56)	127 (35.28)	78 (21.67)	52 (14.44)	47 (13.06)	360 (100)

**Source:** Table is prepared based on primary data collected from the field survey.

**Note:** Figures in the parantheses refer to percentage of respondents.

Table 3. exhibits the degree of satisfaction of investors towards investment in the large-cap fund. Based on fifteen parameters, the satisfaction level of investors is measured. The satisfaction with each parameter is explained below:



**Schemes:**

As the study is concerned with the large-cap equity scheme, investors' satisfaction on the scheme is a very important matter. In this regard, it is observed that there are 34.44 percent of respondents who are highly satisfied with the scheme. The 27.50 (99 respondents) percent of respondents are just satisfied. Both put together the total number of respondents satisfied with the scheme is 61.94 percent. The total number of respondents not satisfied with the scheme is 30.28 percent which comprises both dissatisfied and highly dissatisfied category. The 7.78 percent of respondents have a neutral opinion on the scheme. Based on the analysis, it is clear that nearly 40 percent of respondents are not satisfied with the schemes. A regular research is required to design schemes to cater to the needs of diverse investors.

**Risk:**

With regard to risk experienced by the respondents, 43.61 percent of total respondents are satisfied. Out of total satisfied respondents, 18.33 percent are highly satisfied and 25.28 percent are just satisfied. The dissatisfied respondents are 13.66 percent and highly dissatisfied respondents are 25.56 percent. Both put together, 39.17 percent of total respondents are dissatisfied. Dissatisfied respondents are less than satisfied respondents. However, dissatisfied respondents number seems to be high as large-cap funds are comparatively less risky funds. In between satisfied and dissatisfied there are 17.22 percent of respondents with a neutral opinion on the risk factor. The analysis indicates that there is a necessity on the part of fund managers to adopt proper risk management techniques.

**Return:**

On return aspect, 37.50 percent of respondents are highly satisfied and 28.33 percent are just satisfied. The total satisfied respondents are 65.83 (i.e. 237 respondents) percent. This part of success is to be enjoyed by the fund managers. However, there are 30.84 percent respondents who have dissatisfaction on the return of the scheme. This clearly tells that schemes performance is not good. There are also 3.33 percent respondents who have a neutral opinion. A sizeable chunk of investors are not satisfied with the return. The investment basically made for the purpose of generating a good return. When it is not possible dissatisfied may switch over to add more to the problems. Hence, the fund managers rework the strategies to meet the expectations of investors or they should convince the investors stating unavoidable and unfavourable market conditions.

**Investment Services:**

In the survey, it is found that 23.05 percent respondents have satisfied with investment services. It accounts for less than 1/3<sup>rd</sup> of total respondents. The more number of respondents (55.28 percent) have dissatisfaction on investment services. The respondents with a neutral opinion are 21.61 percent. It is hereby noted that investment services need to be improved as it is first ranked factor in respect of influencing on investment decision according to the analysis carried out in the previous table i.e. 5.33.

**Relationship:**

With regard to relationship, out of total respondents, 56.94 percent of respondents are satisfied and 19.44 percent respondents are dissatisfied. So it is found that dissatisfied respondents are comparatively less. Though there are nearly 1/4<sup>th</sup> of respondents with a neutral opinion on the relationship between investors and mutual fund houses. Therefore it is necessary to incorporate as an important issue and AMCs should give due importance to this factor.

**Redemption services:**

Redemption services are another important factor on which total 39.44 percent respondents are satisfied. Out of total satisfied respondents, highly satisfied respondents are less than just satisfied respondents. There are 23.33 percent respondents who have dissatisfaction on redemption services. In dissatisfaction, highly dissatisfied respondents are more than just dissatisfied respondents. It is important to note that there are a large number of respondents who have a neutral opinion on redemption services. The hard earned money saved and invested with a primary motive of getting it back to meet the contingencies or the set goals. If the redemption services are not upto mark, the basic objective of investment will be defeated.

**Grievance Redressal Services:**

Grievance redressal service is a kind of system where investors' complaints are to be addressed. There are 43.33 percent respondents satisfied on grievance redressal services. Out of satisfied respondents, 22.50 percent are highly satisfied and 20.83 percent are just satisfied respondents. The 16.95 percent respondents are dissatisfied. Here it is important to note that 143 (39.72 percent) respondents have a neutral opinion towards grievance

redressal services. It is almost 2/5<sup>th</sup> of total respondents. The analysis shows that there are only 17 percent respondents dissatisfied over the redressal mechanism. Though the number is less, there is a mis-match between the claim by fund houses (based on secondary data) and opinion with respect to grievances redressal mechanism. The truth is to be unearthed by the regulators in the interest of the investors. The onus lies on the fund houses to keep the trust of investors.

**Fund Management:**

About fund management, there are 67.23 percent satisfied respondents who comprise both highly satisfied respondents (i.e. 36.67 percent) and just satisfied respondents (i.e. 30.56 percent). The 24.17 percent respondents are dissatisfied of fund management system. The 8.61 percent of respondents have a neutral opinion. So it is found that fund management is an important issue for investors. Respondents satisfied on fund management are reasonable.

**NAV Updating:**

NAV Updating is required for investors to know about their economic wealth in the marketplace. The 64.44 percent respondents are satisfied with NAV updating service. It is accounted nearly more than 3/5<sup>th</sup> of total respondents. Out of total satisfied respondents, 21.11 percent respondents are highly satisfied and 43.33 percent respondents are just satisfied. The dissatisfied respondents are 27.23 percent which comprises both highly dissatisfied and just dissatisfied. Total 30 respondents are having a neutral opinion on NAV updating. NAV updating is not done one to one. It is generally updated on the website. This information is available to everybody. Almost more than 1/3 of respondents, including respondents under neutral zone, do not have positive opinion on this service. It may be a lack of awareness. Hence, the fund houses should create awareness to have informed investors with them. Otherwise, these investors may mis-carry the information hampering the prosperity of the fund.

**Transparency:**

With regard to transparency, more than 50 percent of respondents are satisfied. Among satisfied respondents, highly satisfied respondents are more. The dissatisfied respondents are less than 1/3<sup>rd</sup> of total respondents. The respondents with a neutral opinion are 16.67 percent which is reasonably high. Transparency is the deciding factor which influences the growth of fund and fund houses. Though the majority of unit-holders considered for the study have given their positive responses, almost the equal number of respondents are not satisfied with regard to transparency.

**Exit Load:**

Exit load is an amount to be charged at time of redemption. The 30.28 percent respondents are highly satisfied with exit load. The just satisfied respondents are 27.22 percent. Put together satisfied respondents are 57.50 percent of total respondents. The dissatisfied respondents are 10.28 percent which is comparatively least. But respondents with a neutral opinion are 32.22 percent. So it seems to be very high. The exit load is generally applicable when the unit-holder redeems units within 365 days from the date of investment. These unit-holders who are dissatisfied may be dissatisfied on the rate which is applied in the form of exit load that should be reasonably charged.

**Promptness in giving information:**

Information, that too reliable information, is the most important and powerful variable in the investment world. The reliable and timely dissemination of information triggers the potential investors towards a particular fund and fund house and develops a sort of cohesiveness of existing unit-holders with the fund. 54.72 percent respondents are satisfied. The highly satisfied respondents are 16.39 percent and 38.33 percent are just satisfied. The dissatisfied respondents are 31.12 percent which includes both highly dissatisfied and just dissatisfied. The respondents with a neutral opinion are nearly 15 percent. So it found that dissatisfied respondents are reasonably high. On the analysis, it can be formed that the fund houses offering large-cap funds are not quite successful in satisfying the respondents on this factor.

**Clarification towards technical doubts:**

Clarification towards technical doubts is a factor which is considered to measure the satisfaction level of investors towards their investment in large-cap funds. There are satisfied respondents of 66.67 percent which comprises both highly satisfied and just satisfied respondents. It is observed that just satisfied respondents are more than two times of highly satisfied respondents. The 23.33 percent of respondents are dissatisfied. And there are 10 percent respondents with a neutral opinion. The technically may arise particularly to small investors. They need to be clarified to increase the investor-base. The brighter-side is a positive sign and a motivating factor. However,

the fund management should be look at the other side for the prosperity still, 1/3 of respondents have not got proper clarification. This needs to be addressed.

**Reminding next contribution payment times:**

It is found that there are more than 3/4<sup>th</sup> of total respondents who are satisfied with reminding next contribution payment times. The number of highly satisfied respondents and just satisfied respondents are almost same in a satisfied group. The 19.44 percent of respondents are dissatisfied. The highly dissatisfied respondents are comparatively less. The respondents with a neutral opinion are 4.72 percent which is comparatively less. It seems that the fund management team has to gear up in reminding the unit-holders to amass the corpus on time. This would be useful to both investors and fund houses.

**Informing time about default payment:**

Informing time about default payment is one of the factors on which 50.84 percent respondents are satisfied. In the satisfied group, highly satisfied respondents are 35.28 percent and just satisfied are 15.56 percent. There are 27.50 percent dissatisfied respondents on informing time about default payment. Between satisfied and dissatisfied respondents, there are 78 respondents accounting 21.67 percent with a neutral opinion on the factor. If the service mentioned in serial number 14 above is efficient, the pressure on this factor can drastically be reduced.

From a thorough analysis and interpretation, it is found that satisfied respondents are reasonably moderate. Reminding next contribution payment time factor has comparatively highest satisfied responses. Investment service factor has the least satisfied responses. It is also found that respondents with a neutral opinion seems to be high in respect of all factors except return and reminding next contribution payment time factors.

**FINDINGS AND SUGGESTIONS:**

The major findings and suggestions of the research study are given below:

**FINDINGS:**

1. It is found that middle-aged people (31 to 50 years) are very conscious in savings and investment.
2. It is also found that investment habit among men is more than that of women.
3. Respondents from the employment zone are more interested in mid-cap funds investment.
4. It is viewed that advertisement, followed by internet and agents are the main source of information for a large number of investors.
5. It is found that open-ended scheme is the most preferred and popular scheme than close-ended and interval scheme.
6. The study reveals that existing mutual funds are highly preferred funds by the majority of investors for investment.
7. The agent/distributor is a more familiar investment way as the more number of respondent-investors have adopted this route for investment.
8. The study pointed out that SIP is a highly preferred mode of investment for a large number of investors in large-cap funds.
9. It is pointed that majority of respondent-investors have been using the auto-debit system for making payment in large-cap funds.
10. It is found that more than 50 percent of respondent-investors are willing to take a moderate risk in large-cap equity mutual funds.
11. It is also pointed that majority of the investors are expecting return above 15 percent and none of the investors is expecting return less than 10 percent.
12. The study shows that satisfied respondent-investors are less on risk aspect.
13. It is also noted that respondent-investors have moderately satisfied with large-cap fund investment in overall.

**SUGGESTIONS:****To AMCs:**

1. As it is observed, young investors are comparatively less in total respondent-investors. So that it is necessary to motivate young people for investment in mutual funds.

2. AMC's are necessary to form schemes exclusively for women in order to attract them towards savings and investment in mutual funds.
3. The direct scheme is comparatively less preferred scheme even though the return on the direct scheme is higher than indirect scheme. It is happened because of lack of awareness and some other problems. So that AMC's are hereby advised to go with more and more advertisement.
4. It is highly noted that respondent-investors have low satisfaction with risk aspects. Therefore, it is advised the fund managers to use portfolio revision strategies effectively to improve the performance of the scheme.
5. The fund managers are advised to update with the new risk management tools so that they would be able to reduce risk to a greater extent and by that investors may be more satisfied.

#### **To Investors:**

1. The mutual funds are well regulated investment avenues like bank deposit etc. Hence, it is advised the investors to invest regularly in large-cap funds to reap the higher returns.
2. Equity investment gives return at a high rate in long-run. So that investors are advised to invest funds for a long-term period as possible.
3. Investment in mutual funds is subject to market risk. Therefore, investors are advised to keep a vigilant eye on fund performance. This helps investors to take switching decision.

#### **CONCLUSION:**

In the changed scenario, mutual funds are playing vital role in economic development of the nation. The AMC's are offering different schemes for investors and all these schemes are classified as equity scheme, debt scheme and balanced scheme. In equity category, there are different types based on different factors and each scheme has unique features relating to risk and return. The large-cap equity scheme is one which is largely preferred scheme by the investors who wish to take less risk to earn reasonably high return. This is only a scheme which addresses the risk issue in equity investment.

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