

INVESTORS PERCEPTION TOWARDS SIP: STRATEGY TO IMPLEMENT FOR SALARIED EMPLOYEE

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ABSTRACT

Systematic Investment Plan (SIP) of investment is one of the best strategies for salaried employees for personal financial growth. This method will lead to invest little amount every month or a regulated period by the investor for better returns in future. At the same time returns will be depends on selection of scheme or plan and moderate risks with subject to market fluctuations. Hence, the decision to invest through SIP requires a proper understanding of personal income and market situations. With this study there is an attempt for finding the perception of investors towards SIP investment for personal financial development.

INTRODUCTION

A Systematic Investment Plan (SIP) is a method of investing a fixed sum regularly in mutual funds. SIPs allow individuals to invest a predetermined amount at regular intervals, typically monthly or quarterly, rather than making a lump-sum investment. This approach offers several benefits and can be particularly advantageous for employees. Here's an overview of SIP investment and how it can help employees:

Systematic Investment Plan (SIP):

- **Regular Investments:** SIP involves investing a fixed amount at regular intervals, often monthly.
- **Mutual Funds:** The invested money is directed into mutual funds, which are professionally managed investment funds that pool money from many investors to purchase securities.
- **Units Purchase:** With SIP, investors buy units of the mutual fund scheme. The number of units purchased depends on the Net Asset Value (NAV) of the scheme at the time of investment.
- **Flexibility:** Investors can choose the amount to be invested and the frequency of investment, and they can start or stop their SIPs as needed.

HOW SIP WORKS

1. **Choose a Mutual Fund:** Employees need to select a mutual fund scheme that aligns with their investment goals and risk tolerance.
2. **Set the Investment Amount:** Decide on a fixed amount to be invested regularly (e.g., monthly).

3. **Choose the SIP Tenure:**Determine the duration for which they wish to continue the SIP.
4. **Automatic Deductions:**The chosen amount is automatically deducted from the employee's bank account on the specified date and invested in the selected mutual fund.
5. **Accumulation of Units:**With each investment, employees purchase units of the mutual fund based on the current Net Asset Value (NAV).
6. **Monitoring and Adjustments:**Employees can monitor the performance of their SIP investments and make adjustments if necessary, such as increasing the SIP amount or switching to a different mutual fund.

By investing through SIPs, employees can steadily build wealth over time, manage their financial goals effectively, and reduce the stress associated with managing large, lump-sum investments.

BENEFITS OF SIP FOR EMPLOYEES

1. **Discipline in Savings:**SIP encourages regular savings and disciplined investing. Employees can invest a fixed amount every month, making it easier to manage their finances.
2. **Rupee Cost Averaging:**By investing a fixed amount regularly, employees can buy more units when prices are low and fewer units when prices are high. This averages out the cost of investment over time and reduces the impact of market volatility.
3. **Compounding Benefits:**The power of compounding helps grow the investment over time. Regular investments made through SIP can significantly accumulate due to compound interest.
4. **Affordable and Flexible:**SIP allows employees to start with a small amount, making it accessible for those who might not have large sums to invest. Employees can also adjust the SIP amount according to their financial situation.
5. **Convenience:**Investments through SIP can be automated, making it convenient for employees who do not have the time or expertise to manage their investments actively. The amount is deducted automatically from the bank account on a specified date.
6. **Long-Term Financial Goals:**SIPs are suitable for long-term financial goals such as retirement planning, buying a house, or funding education. They encourage a long-term investment horizon, which is crucial for wealth creation.
7. **Diversification:**By investing in mutual funds through SIP, employees get exposure to a diversified portfolio, which reduces risk compared to investing in individual stocks.
8. **Tax Benefits:**Certain mutual funds, like Equity-Linked Savings Schemes (ELSS), offer tax benefits under Section 80C of the Income Tax Act, making SIP in these funds an attractive option for tax planning.

REVIEW OF LITERATURE

1. **B. Kishori& M. Midhun (2019)**Choosing the best Investment plan is the significant work for each investor. Such an assessment of various shared fund which is put resources into both the plans. The portfolio execution is vastly improved for the deliberate investment plan execution when it is contrasted and once investment plan execution. The return level is additionally great during month

to month time spans. The profits during the different period is additionally extensive the equivalent. Thus a few general ideas of considering specific standards like liquidity, development, pay and so forth in choice of portfolio will help in keeping up with as well as expanding the portfolio execution.

2. **Venkatesh Palraj, M, Urugan Krishnamoorthy (2022)**, The survey uncovers how investors feel about the organized investment plans presented by Aditya Brila Capital. An organized investment plan, specifically, can assist people with building both short-and long haul riches. Common funds are a practical contributing other option. It shows unequivocally what Aditya Brila's staff understands with respect to their efficient financial planning thoughts. Investigation uncovers that investors know with the possibility of efficient investment planning. They are talented in exploring the organization's projects and different administrations. Most of investors are daring individuals who are happy with the web-based entryway administration given by the business. Most of them effectively encourage individuals to put resources into efficient investment plans since they have a good view toward these methodologies.
3. **Reema Dominic, Nima Dominic, Akhila P A (2023)** Systematic investment plan plot in common fund is an investment conspire that permits investors to make fixed standard investments at foreordained times. It is a device made explicitly for investors who need to make customary, little investments that will develop their abundance after some time. It imparts the act of reliable saving and deters market timing and hypothesis.
4. **Dr. Rajinder S.Aurora (2020)**, On the premise of this review, I can reason that Shared Fund Taste is a month to month based investment plan through which an investor could put a decent aggregate into common funds consistently at pre-chosen dates. This assists with supporting the investor from market precariousness and infers greatest advantage as the investment is finished at customary premise independent of economic situations. Taste is an element particularly intended for investors who wish to contribute modest quantities consistently to create financial momentum over an extensive stretch of time. It teaches the propensity for normal reserve funds and doesn't characterize the time span of investment and assists the investors with keeping away from hypothesis in the business sectors. The review would be useful for the little investors by going into market by utilizing the Methodical investment plan. Like each investment road, Taste additionally experiences different weaknesses yet it actually is by all accounts one of the most mind-blowing investment choice that anyone could hope to find to a drawn-out investor particularly the Initial time investors, Salaried individuals and so on.

OBJECTIVES

1. To find the perception of salaried employees towards SIP investment.
2. To examine the significance of SIP investment on personal development.
3. To give suggestions on SIP plan of investment to the salaried employees

RESEARCH METHODOLOGY

1. **Primary Data:** The Primary data was collected through structured questionnaire by giving to the salaried employees in Kurnool city of Andhra Pradesh.

2. **Secondary Data:** Through Newspapers, magazines, research papers and books the secondary data was collected for effective reference.

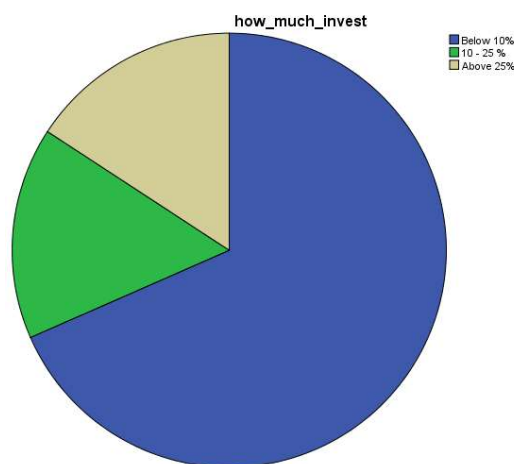
Data Sampling

The data was collected from the respondents who are salaried employees and investing their money through Systematic Investment Plan (SIP) in Kurnool City of Andhra Pradesh. Issued structured questionnaire to the respondents for collecting the data as convenience sampling. Total respondents identified was 150, but received response from 133 people without any error and unfilled applications.

DATA ANALYSIS

Table: 01- How Much Invest					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 10%	91	68.4	68.4	68.4
	10 - 25 %	21	15.8	15.8	84.2
	Above 25%	21	15.8	15.8	100.0
	Total	133	100.0	100.0	

Inference: The above table displaying the share of investment by the respondents. Majority of respondents (68.4 Percentage) are willing to invest below 10 percentage of their total salary. The other 10 to 20 percentage and above 25 percentage are together share is more than 30 percentage. Hence, the salaried employees are interested to invest from their salary as a periodical way but majority are not exceeding 10 percentage of their total salary.

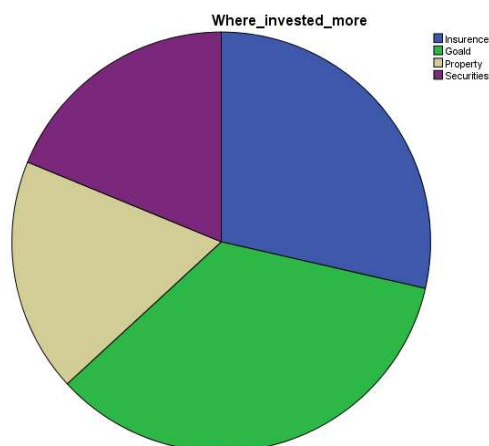


Investment Share

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Insurance	38	28.6	28.6	28.6
	Gold	46	34.6	34.6	63.2
	Property	24	18.0	18.0	81.2

	Securities	25	18.8	18.8	100.0
	Total	133	100.0	100.0	

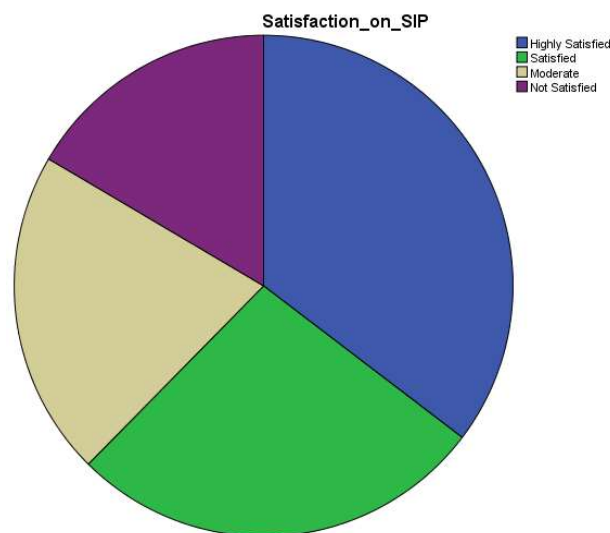
Inference: Inference: The above table displaying the share of investment in different platforms of investments. Majority of respondents (34.6 Percentage) are willing to invest on gold rather than others. Also, in another investment platform of insurance is near to the majority (28.6 percentage). Hence, the salaried employees are interested to invest in traditional investments like gold and tax benefit insurance schemes for their security. At the same time investing to properties and securities are showing less interest or not interested to use form their salaries.



Satisfaction on SIP Investment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Highly Satisfied	47	35.3	35.3	35.3
	Satisfied	36	27.1	27.1	62.4
	Moderate	28	21.1	21.1	83.5
	Not Satisfied	22	16.5	16.5	100.0
	Total	133	100.0	100.0	

Inference: The above table is displaying the satisfaction level of SIP investments. The majority of respondents (35.3 Percentage) are highly satisfied with their SIP investments and suggesting to others to invest on SIP schemes for their personal financial development. Even though they have different platforms of investments, but the respondents are satisfied with SIP investments for their personal financial development.



FINDINGS

1. It is found that the salaried employees are interested to invest from their salary as a periodically systematic payments, but majority of respondents are not showing interest to exceed their investment more than 10 percentage of their total salary.
2. It is found that the salaried employees are interested to invest in traditional investments like gold and tax benefit insurance schemes for their security.
3. It is found that, at the same time investing to properties and securities are showing less interest or not interested to use from their salaries.
4. It is found that, even though they have different platforms of investment opportunities the respondents are satisfied with SIP investments for their personal financial development.

SUGGESTIONS

1. It is suggested that the respondents are taking investment decisions with not exceeding 10 percentage of their salaries, it is a good sign of investment for with less risk.
2. It is suggested that the salaried employees can focus on extended investment opportunities like choosing best schemes of securities and properties for sustained economic growth. Instead of choosing traditional investment like insurances and gold.

CONCLUSION

The systematic Investment Plan (SIP) is one of the best method of choosing investment plan in mutual funds. This method will reduce the risk of paying more or lumpsum money at a time. The salaried employees are the people who can choose the plan of budget at every month. It is not possible to pay lumpsum money at a time, if they plan for little money every month by using SIP in a long run the investor will definitely can get more interest by their patience. According to the study majority of people are showing interest to invest in traditional platforms like purchasing gold or planning insurance schemes, technically these methods are not say like worthy but, investment in securities like mutual

funds will give the more interest in a long run. This will helps to the salaried employees for future personal financial development.

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