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AN EMPIRICAL STUDY TO IDENTIFY THE PERCEPTION OF INVESTORS ON MAKING INVESTMENTS IN INFRA-FUNDS

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1.1 ABSTRACT

Background: There is a lot of talk among buyers about Infra-Funds, which shows how popular they are. The background of this paper talks about how investors feel about putting their money into infrastructure funds, which cover areas like transportation, energy, telecommunications, and urban growth. That is, investments in businesses that work in the infrastructure area.

Key objective: The core objective of the study was to identify the perception of investors on making investments in infra-funds.

Idea behind the study: The present research paper attempts to identify the respondent's opinion on different dimensions of Infrastructure mutual funds. The applicability of the concepts from varied angles in the real life in the perception of the respondents was the main idea behind the study.

Research Methodology: The study was conducted utilising a sample of 154 investors from Southern Rajasthan, usually meant to improve or preserve standards in a given field. The research is based on primary data and uses a method called Purposive sampling for data collecting. Ten Likert statements were framed to find the opinions of the respondents on the applicability of Infra funds.

Findings: The results exhibited that Infra funds are always on the hitlist of investors, investors should research properly and ensure the fund aligns with country's overall financial goals and risk appetite. The perception of the respondents stood common and thus, the null hypothesis was accepted .

Keywords: Infrastructure Mutual Funds, Southern Rajasthan.

1.2 INTRODUCTION

The main job of a mutual fund is to collect money from many investors and spend it in a wide range of securities in order to make money and spread risk across many assets. Funds that let investors "mutually" buy stocks, bonds, and other investments let investors share their money with other investors. Professional money managers run them and decide what stocks, bonds, and other things to buy and when to sell them. The investors are able to see all of the fund's purchases and any money that they make. They have many different financial plans and styles.

As an investment vehicle, an infrastructure fund in mutual funds focuses on companies that build, manage, and run important infrastructure projects like roads, ports, and utilities, with the goal of long-term capital growth and income. Infrastructure funds put their money into businesses in the infrastructure sector, which includes companies that work with utilities, transportation, energy, and communications. Mutual funds in the infrastructure sector offer benefits such as tailored exposure to a growing industry, professional management, and the chance for higher returns. Most of the time, these funds buy stocks or bonds of infrastructure companies. Sometimes, they even put money directly into infrastructure projects. Roads, highways, railways, airports, ports, power plants, green energy projects, water treatment plants, telecommunication networks, and power transmission and distribution networks are all examples of infrastructure assets. The goal of infrastructure funds is to make money and increase the value of their investments over time by putting their money into assets that will earn money and increase in value over time thanks to steady cash flows, government backing, and rising demand for basic services. Putting money into infrastructure funds can help buyers spread their risk, since infrastructure assets often have different risk profiles than regular stocks. Most of the time, infrastructure projects are a big part of making the economy grow, which is good for infrastructure funds. A lot of infrastructure investments have steady cash flows, which can give investors a steady stream of money.

Many pieces of infrastructure are run as monopolies by the government, which makes it hard for new companies to join. Monopolies like these have been around for decades and can bring in steady cash flow and rewards that help the economy grow. Infrastructure assets are different from other types of assets because they can provide stable cash flow, protect against inflation, have a lower risk of capital loss, and have low links with other asset classes. Infrastructure can help a diverse portfolio earn more money and have less risk. Infrastructure funds put money into things like power, transportation, water, and trash management that are needed for society to run smoothly. These thematic mutual funds put their money into a wide range of infrastructure sectors, such as cement, metals, oil and gas, capital goods, building, and so on.

1.3 REVIEW OF LITERATURE

(K.Lakshya *et al.*, 2025) The study concludes that investors generally perceive SBI mutual funds positively, particularly appreciating their reliability and comprehensive service offerings. However, it also identifies areas for improvement, specifically in fee structures and the clarity of communication with investors. Key determinants of investor satisfaction were identified, including liquidity, higher returns, company reputation, and fund performance, which can guide SBI mutual funds in enhancing investor relations and optimising their product offerings.

(**Zirma, 2023)** JKN participant satisfaction is influenced by health facility services, including facilities and infrastructure, waiting room and chairs, completeness of medical devices and sophisticated equipment, and accessibility of Health Facilities. Collaboration between BPJS Kesehatan and Partner Banks to provide Supply Infrastructure Financing (SIF) to Health Facilities is important for business development funds, which in turn can contribute to improving the quality of service and satisfaction of JKN participants.

(**Jefferson S *et al.*, 2022)** The paper concludes that infrastructure investment has positive externalities that stimulate economic growth by reducing uncertainty and fostering the emergence of private conventions and expectations, which in turn encourage private investment. It also highlights that discontinuities in infrastructure investments can lead to reduced sensitivity of private aggregate investment to its determinants, suggesting important implications for economic policy in maintaining consistent infrastructure spending to support private investment stability.

(**Malavika, 2022)** The study concluded that customers of public sector mutual funds are generally satisfied due to the improved responsiveness to customer complaints, indicating that effective communication and support play a significant role in customer satisfaction. The findings suggest that by analysing customer perceptions, expectations, and experiences, public sector mutual funds can develop new strategies aimed at enhancing customer-friendly approaches, which could lead to increased sales and improved overall customer satisfaction.

(**Virendra, 2021)** The quality of infrastructure service delivery is influenced by a complex interaction between human, economic, and technical systems, as well as the environment, highlighting the need for a holistic approach to service provision. Customers' perceptions of service quality are shaped by their expectations, which are influenced by factors such as word-of-mouth communications, personal needs, past experiences, and external communications, suggesting that improving these areas can enhance customer satisfaction.

(**Aditya Prasad, 2020)** The study concludes that individuals in Cuttack City show a preference for traditional investment options over mutual funds, indicating a potential reluctance to embrace newer investment vehicles despite their benefits. It was found that investors who do engage with mutual funds tend to favour equity options and Systematic Investment Plans (SIPS), but they often rely on fund managers and brokers for guidance, showing a lack of interest in analysing the risks associated with their investments.

(**Keerthi *et al.*, 2018**) The study concludes that customer value is the primary driver of company value, emphasising that it is not influenced by factors such as income or age. This highlights the importance of understanding and prioritising customer interests in all dealings to create true value for both customers and the organisation. It is noted that while the Indian mutual fund industry is experiencing significant growth, a substantial portion of potential investors remains outside the industry. To address this challenge, increasing financial knowledge and awareness among investors is essential, as well as enhancing the distribution network and investor services to reach a broader audience beyond major cities.

(**Anahita *et al.*, 2016**) The research concludes that the presented service quality has a positive and significant effect on the level of investor satisfaction in the Pars Special Economic Energy Zone, with the basic factor quality being the most important, followed by performance factor quality and motivational factor quality. The study suggests that organisations should focus on improving service quality by establishing industrial wastewater systems, utilising internet tools for investment requests, and creating systems to address investor feedback, which can enhance investor satisfaction and attract more investments.

(**Augustine Edobor, 2016**) The paper concludes that Nigeria should seriously consider the introduction of specialist infrastructure mutual funds managed by large asset management firms to effectively bridge the existing funding gap for infrastructure projects. This approach would enable a broader segment of the population to participate in infrastructure investments, as opposed to private equity infrastructure funds that primarily benefit high-net-worth individuals. It emphasises that the pooling of individual contributions through unit trust schemes can significantly impact funding for public-private partnership (PPP) projects, providing necessary financial resources while also generating income for investors through dividends and fund appreciation.

1.4 RESEARCH METHODOLOGY

1.4.1 Research Objective

The primary objective of the survey was to identify the perception of investors on making investments in infra-funds.

1.4.2 Research Design

The study is exploratory in nature due to the absence of any pre-existing data, or earlier studies utilized for statistical analysis by the researcher.

1.4.3 Sampling Technique

The sampling method employed in the thesis was Judgmental Non-Probability Sampling.

1.4.4 Data

The study was carried out in using a sample of 154 investors from Southern Rajasthan, typically established to enhance or uphold standards in a specific discipline. The study is Primary data based and involves purposive sampling is the methodology utilized for data sampling. A set of ten Likert statements were drafted to determine the respondents' views on the Infra mutual funds.

1.4.5 Sample Area

The sample area for research is Southern Rajasthan which includes; Udaipur, Rajsamand, Dungarpur, Banswara, Pratapgarh, and Chittorgarh. It was attempted to rationally collect the data from the stated areas.

1.5 Likert Statements

The variables under study were presented to the respondents through a set of 10 Likert statements, which have been mentioned below:

1. Infra Funds provide impressive returns.
2. The government's focus on infrastructure adds value to infrastructure funds.
3. Even the best infra funds are not immune to cyclical risks.
4. When the economy is going through turbulence, there is no big difference between Infra and other funds.
5. It is equally safe and risky to invest in any of the mutual fund types.
6. Stable financing is crucial for infrastructure projects, which is a big challenge.
7. The challenges of obtaining necessary approvals and clearances can be time-consuming and complex, leading to delays and cost overruns.
8. The sector regularly faces Revenue shortfalls.
9. The asset-intensive nature of infrastructure assets means that they carry heavy fixed costs.
10. Short-term fluctuations may impact assets without long-term contracted cash flows.

1.6 NORMALITY TESTING

Table 1.1: Normality Testing

	Statistics	p
Kolmogorov-Smirnov	0.2	<.001
Shapiro-Wilk	0.81	<.001

As depicted in the table above, the data deviate from normality, so a non-parametric test (One-Sample Wilcoxon test) was applied.

1.7 HYPOTHESIS

H_{01}: There is so significant difference in the perception of respondents on the applicability of Infra funds.

To test the hypothesis mentioned above, a one-sample Wilcoxon test was applied, and the results so derived have been presented below

Table 1.2: Wilcoxon test

	W	z	p
Mean Score	10814	9.75	<.001

As depicted in the table above, the p-value is less than 0.05, indicating that the sample is not drawn from a population with a mean score of 2.5.

Table 1.3: Summary of Ranks

***** Test Value = 2.5***

	n	Mean Rank	Sum of Ranks
Negative Ranks	17	30.06	511
Positive Ranks	133	81.31	10814
Ties	4		
Total	154		

Furthermore, the Summary of Ranks indicates that the positive ranks exceed the negative ranks, suggesting that investors tend to favour the agreement side of the statements.

Table 1.4: Descriptive statistics

	n	Mean	Median	Standard deviation
Mean Score	154	4.02	4.3	1.17

The table above indicates that the mean score was more than 3, and the median value of 4.3 indicates that 50% of the investors had a mean score of more than 4.3.

Based on the above work, the researcher accepts the null hypothesis and concludes that there is no significant difference in the perception of respondents on the applicability of Infra funds.

1.8 FINDINGS:

In the long run, investing in infrastructure funds can pay off. It appears that India's economy is poised for growth, and infrastructure will play a crucial role in that development. However, one should do their homework and ensure that the fund aligns with the country's overall financial objectives and its willingness to take on risk. There are some problems with investing in infrastructure funds, such as regulatory hurdles, lengthy procedures, infrastructure companies having a lot of debt, and the need for long-term financing. These issues can affect project timelines and the overall success of the fund. The fact that most of the respondents gave neutral answers shows that investors need more information before they can trust fund managers.

1.9 SUGGESTIONS:

The following are the suggestions that are worthy of improving and raising the infrastructure sector and the overall Infra funds:

1. Make public-private partnerships (PPPs) stronger. PPPs can help fill the funding gap and bring in private sector knowledge, money, and new ideas. Standardizing the terms of concessions can make things clearer and bring in more private investment. Making sure that projects are carried out well and finished on time will help PPPs work better.

2. Strengthening the bond market to provide long-term financing for building projects is one way to improve financial mechanisms. Using strategies to turn assets into cash to make money for new building projects. Think about bringing back the Design, Build, Finance, Operate, and Transfer (DBFOT) approach for project management. Bond guarantees or enhanced credit funds could help with problems like rising NPAs and banks' reluctance to fund building projects.

3. Simplify project management and execution by using cutting-edge project management tools and technologies like AR, UAVs, 3D printing, IoT, and BIM to cut down on project timelines. Focusing on projects that will have a big impact on the economy and giving priority to projects that will fill in important building gaps. Streamlining the steps needed to buy land so that projects can go quickly and without any problems. Making it a priority for local communities to be involved in infrastructure projects will help meet their needs and give them a sense of control.

4. Putting Human Capital Development First: To get skilled workers for building projects, programs like job training, apprenticeships, and workforce development should be given top priority. helping to create new technologies and methods by supporting research and new ideas in areas related to infrastructure. To help build human capital, encouraging partnerships between the public and private sectors.

5. Improve financial innovations: looking into new ideas like reusing assets and securitization to get money for new investments in infrastructure. To make sure that growth lasts, encourage long-term investments in infrastructure. Reduce the risk of an asset-liability mismatch in funding infrastructure.

6. Making buyers more aware of the situation: It's becoming more common for fund managers to make investments without fully understanding them. This needs to be fixed right away. This is a wake-up call, not because the money isn't being handled well, but because choices should be made with more information.

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