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An Empirical Study on Investor Perception of Systematic Investment Plan for Achieving Financial Goal and Wealth Creation with Regard to Bastar District

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ABSTRACT

Systematic Investment Plan (SIP) has emerged as one of the most effective investment avenues for disciplined savings, long-term wealth creation, and the achievement of financial goals. However, limited empirical research has examined investors' perceptions of SIPs in tribal and semi-urban regions such as Bastar District, Chhattisgarh. The present study aims to analyze investor perception towards SIPs, identify the factors influencing investment decisions, and evaluate the effectiveness of SIPs in achieving financial goals and wealth creation. The study is based on primary data collected from 100 investors using a structured questionnaire. Descriptive statistics and the Chi-square test were employed to analyze the data. The findings indicate that most investors perceive SIP as a reliable, affordable, and disciplined investment option that supports long-term financial security through the benefits of compounding and rupee-cost averaging. Financial advisors, digital media, and financial literacy significantly influence investment decisions. The study concludes that enhancing investor awareness and financial education can promote SIP adoption and strengthen financial inclusion in Bastar District.

KEYWORDS: *Systematic Investment Plan (SIP); Investor Perception; Financial Goals; Wealth Creation; Mutual Funds; Financial Literacy; Investment Behaviour; Bastar District.*

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INTRODUCTION

Homo sapiens the early human beings inhabited on the planet earth between 200,000 to 300,000 years ago. Then began the journey of Human civilization which saw the stages of being a nomad to living a settled life. As the humans starting living a settled life their needs grew and for the fulfilment of their need they first started barter system which later gave genesis to money. With the advent of money and monetary aspect in various transactions the craving to save it for future came in to being. Then succeeded the stage of getting returns for the money saved and the terminology of Investment was born. The foundations of first investment were laid in 1700 in Europe. In the 1600, shipping had become a lucrative business. The British, Dutch, and French ships were regularly making the Journeys by ships to the East Indies and Asia to bring back goods from the East, from spices to silk. While there was a demand for these goods, the voyages were risky. As a result, ship owners sought investors to fund the voyage and investors would receive a percentage of the proceeds if the trip was successful. The Amsterdam Stock Exchange (now known as "Euronext Amsterdam"), which opened in 1602, is often regarded as the predecessor to the stock exchanges used today. In India corporate shares started trading in 1830s mainly of banks and cotton presses. In 1875 a small group of brokers formed "The native Share Brokers Association" that is today known as "Bombay Stock Exchange". In 19th and 20th century stock exchanges cropped up in Ahmedabad , Madras and Calcutta. In 1956 India passed Securities Contract regulation act which formalised Stock trading in India. After the cognizance with Share Market, new approaches of to investment in share market was sought after. In these endeavours the first the mutual Fund was launched in India by Unit Trust of India named US 64 in the year 1964 which is termed as first phase of Mutual funds in India. The second phase which was from 1987 saw the public sector entities like LIC, GIC entering the arena of Mutual Funds. The first bank to launch Mutual Fund in India was State bank of India. The third phase which began after the new economic policy of 1991 saw the entry of private entities in the sector. This phase was from 1993 and this also saw the launch of first ever Systematic Investment Plan in India. The first SIP was launched by Franklin Templeton Mutual Fund in 1993, and it was called" Mutual Fund Systematic Investment Plan".

Systematic Investment Plan is mechanism of investing in mutual fund where the investor invests a fixed amount above a particular threshold as per once capacity at designated time intervals. SIP has emerged one of the most convenient means of investing in the share market as it provides opportunity to all be a part of share market investment journey. SIP is an auto debit recurring investment which is invested in a scheme of mutual fund of your choice. The investment will fetch you a specified units at a particular NAV (Net Asset Value) according to the price of bundle of shares you would opt as per the scheme of the Mutual fund. NAV at a particular date will be value of assets (ie investments) of mutual fund at that date minus liabilities at the date divided by the number of units. For Example: If you select a scheme of ICICI Mutual Fund, ie ICICI Blue-chip fund and start an SIP of 1000 rupees to be deducted on 5^{th} of every month., The amount will be deducted on the aforesaid date and will be invested in the bundle of blue-chip shares in the market. The price of the bundle of shares will determine the NAV of units allotted if price of those shares is high then the NAV will be higher and if price is low the NAV will less and more units will be allotted. Pros of Investment through SIP.

- Disciplined Investing.
- Rupee Cost averaging.
- Power of Compounding.
- Convenience and Flexibility.

The SIP has become an attractive form of Investment and its flow has increased tremendously especially after covid pandemic.

Sr. No	Financial Year	SIP Flows (in crores)
1	2016-17	43,921
2	2017-18	67,190
3	2018-19	92,693
4	2019-20	1,00,084
5	2020-21	96,080
6	2021-22	1,24,566
7	2022-23	1,55,972
8	2023-24	1,99,219
9	2024-25	2,89,000

Review of Literature

The Indian investment landscape has undergone a significant transformation over the last decade, driven by increasing financial awareness, technological advancements, and greater accessibility to mutual fund products. Among the various investment avenues available, the Systematic Investment Plan (SIP) has emerged as one of the most preferred investment options for retail investors. SIP enables investors to invest a fixed amount at regular intervals, thereby encouraging disciplined savings, minimizing the impact of market volatility through rupee-cost averaging, and facilitating long-term wealth creation. As financial goals such as children's education, retirement planning, home ownership, and wealth accumulation become increasingly important, researchers have shown growing interest in understanding investor perception towards SIPs. One of the earliest comprehensive studies in this area was conducted by Poddar and Dmello (2023), who examined investors' perception of Systematic Investment Plans in India. Their study revealed that investors perceive SIP as a convenient, flexible, and low-risk investment avenue because it allows investment in small instalments and reduces the burden of market timing. The authors further observed that financial literacy and investment awareness significantly influence an individual's willingness to invest through SIPs. Investors possessing higher levels of financial knowledge demonstrated greater confidence in mutual fund investments and were more likely to continue their SIPs during periods of market fluctuations. However, the study was conducted on a broad national sample and did not investigate regional differences in investor behaviour, particularly in economically and socially diverse districts such as Bastar. A systematic review by Yeo, Lim, and Yii (2024) further strengthened the understanding of financial planning behaviour. After reviewing numerous empirical studies, the authors concluded that financial literacy, investment knowledge, financial attitude, self-control, and risk tolerance collectively shape investment decisions and long-term financial planning. Their findings suggest that individuals with better financial planning behaviour are more likely to adopt systematic investment strategies such as SIPs and successfully achieve their financial objectives. Although the study offers a strong theoretical framework for understanding investor behaviour, it does not specifically focus on SIP investment practices or the Indian mutual fund industry. Behavioural finance has also become an important area of research in explaining investment decisions. Savale and Bhardwaj (2025) investigated the psychological factors influencing investors' preference for SIP and Systematic Withdrawal Plans (SWPs). The study highlighted that behavioural biases such as overconfidence, herd mentality, anchoring, and loss aversion significantly affect investment decisions. The researchers found that investors with greater financial literacy and higher investment discipline tend to remain invested through SIPs even during volatile market conditions, thereby achieving superior long-term returns through the power of compounding. Nevertheless, the study primarily examined behavioural biases without considering geographical and socio-economic variations among investors. Similarly, Parimala, Purohit, and Srinithi (2025) examined investor perception towards SIP schemes in Madurai using statistical tools such as correlation analysis and ANOVA. Their findings indicated that affordability, investment flexibility, convenience, and long-term wealth creation are the major reasons behind investors' preference for SIPs. The study also revealed that demographic variables, particularly age, income, occupation, and educational qualification, significantly influence investment decisions. Furthermore, investor satisfaction with SIP performance positively affected their intention to continue investing. However, since the study was conducted in an urban setting, its findings cannot be generalized to rural or tribal populations where investment awareness and financial inclusion levels differ considerably. Research conducted by Roy (2025) also supports the growing acceptance of SIPs among retail investors. The study found that investor awareness, expected returns, trust in mutual fund companies, and risk perception significantly influence investment preferences. Most respondents considered SIP an effective tool for fulfilling long-term financial goals, including retirement planning, children's education, marriage expenses, and wealth accumulation. The author emphasized that investor education and transparent communication by financial institutions are essential for increasing participation in mutual fund investments. However, the study paid limited attention to the influence of socio-economic diversity on investment behaviour.

In another empirical investigation, John, Balan, and Manoj (2026) explored investor perception towards SIPs in Coimbatore. The researchers observed that disciplined investing, affordability, convenience, and systematic wealth accumulation were the primary motivations for investing through SIPs. Despite the increasing popularity of SIPs, lack of financial awareness, misconceptions regarding market risks, and inadequate investment education continued to discourage many potential investors. The authors recommended strengthening investor awareness programmes to improve financial inclusion. Although the study provides valuable insights into urban investment behaviour, its applicability to economically backward and tribal regions remain limited. An empirical analysis by Oza (2026) further demonstrated that SIP is one of the most effective financial planning tools available for retail investors. Based on data collected from 400 respondents, the study concluded that SIP encourages regular investment habits, minimizes market timing risk, promotes the benefits of compounding, and assists investors in achieving long-term financial goals. The author also emphasized that continuous monitoring of investment portfolios and enhanced financial literacy improve investment performance and investor satisfaction. Nevertheless, the study mainly represented urban investors and overlooked regions with lower financial penetration. Industry reports also provide valuable evidence supporting the effectiveness of SIPs. The ET Wealth–CRISIL SIP Study (2026) reported that investors who continue SIP investments consistently for ten years or more have an extremely low probability of experiencing capital losses. The report concluded that disciplined investing over a long period is considerably more effective than attempting to predict market movements. This finding reinforces the principle that "time in the market is more important than timing the market," highlighting SIP as one of the most reliable instruments for long-term wealth creation. Overall, the existing literature consistently indicates that Systematic Investment Plans promote disciplined investment behaviour, improve financial planning, and facilitate long-term wealth creation. Previous studies identify financial literacy, awareness, risk perception, demographic characteristics, investment attitude, and behavioural factors as the major determinants influencing investor perception towards SIPs. While these studies contribute significantly to the understanding of investor behaviour, most empirical evidence is concentrated in metropolitan cities and economically developed regions. A critical review of the literature reveals a noticeable research gap. Very limited empirical research has examined investor perception towards SIPs in Bastar District, a region characterized by unique socio-economic conditions, relatively low levels of financial literacy, and a predominantly tribal population. Investment awareness, access to financial products, income patterns, and financial decision-making processes in Bastar are likely to differ substantially from those observed in urban India. Therefore, an empirical investigation in this region is necessary to understand investors' perception of SIPs, identify the factors influencing their investment decisions, and evaluate the role of SIPs in achieving financial goals and long-term wealth creation. The present study attempts to address this gap by providing region-specific evidence that can contribute to academic literature as well as policy formulation for improving financial inclusion and investment awareness in underdeveloped regions.

International Journal of Management, Economics and Commerce, Noel Daliwala, Jan-June 2024, M A Study on Risk Adjusted Performance of Open –ended Equity Mid cap and Multi –Cap Mutual Fund Schemes in India by Sharpe ratio: (PRE COVID SCENARIO) The Researcher suggests that much work has been done in the field of mutual fund on basis of many models but an appropriate model has not been established which this study tries to address.

The study analyzed and studied the risk-adjusted performance of open-ended mutual fund schemes in India for 10 years ranging between 1st January, 2009 to 31st December, 2019. The objectives of the study were:

A. To examine the risk-return performance of open-ended mutual fund schemes using the Sharpe ratio.
B. To evaluate the performance of open-ended mutual fund schemes using the risk-adjusted model of William F Sharp.

The Sharpe Ratio measures the returns of the mutual fund with the returns of bench mark index the study uses BSE SENSEX as the index.

Calculation of Sharpe Ratio

Si=Ri−Rf

Σi

Here,
Si= The Sharpe ratio of ith scheme.
Ri= Return of the ith mutual fund scheme.
Rf= Risk-free rate of return.
σi= Standard deviation of the ith scheme.

The study revealed that Invesco Multi cap fund was the top-rated fund with a sharpe ratio of 0.52387399. The worst performing fund in the multi-cap fund category is the LIC MF Multicap Fund with a Sharpe ratio 0.222522846. Such a study was also carried out in midcap category. The conclusion of the study was that those mutual funds who had a balance between risk and return performed better.

Objectives of the Study:

1. To examine the factors influencing investor perception of investment in Systematic Investment Plan (SIP)
2. To evaluate the influence of financial advisors and Media on Investor Perception of SIP.
3. To Analyze effectiveness of SIP with relation to accomplishing Financial Goals.
4. To Examine Demographic variation and identify factors such as Income, Education in perception and adoption of SIP.
5. To study the contribution of SIP in wealth creation.

Research Gap

While several studies have explored investor behavior and perception towards Systematic Investment Plans (SIPs) at the national and metropolitan levels, there is a noticeable lack of region-specific research focused on semi-urban or rural areas like Bastar. Most existing literature emphasizes urban investors' understanding, preferences, and investment patterns regarding SIPs, often overlooking the unique socio-economic, educational, and cultural factors that influence investment decisions in smaller towns. The geographical focus of the study is Bastar District of Chhattisgarh. The region includes urban as well as semi urban investors, allowing insights in to varying investment behaviour and awareness level. The sample size of the study is 100.

Research Findings:

1. Out of all 100 respondents, 50% were aged between 20 years to30 years, 26% were aged between 31years to 40 years, 12% were aged between 41years to 50years, 12% were age above 50 years.
2. Out of the 100 respondents, 48% were employees engaged in structured jobs ,28% run their own businesses, 18% were students currently pursuing their studies, and 6% were professionals." Majority respondents were engaging in structure jobs.
3. Out of all the respondents, most respondent earn ₹2.5lakh to ₹5 lakh (32%), smaller portion earn less than ₹2.5lakh (24%), While above ₹10lakh they were under ₹10 lakh to ₹20 lakh (6%), more than ₹20 lakh (6%).
4. majority of respondents (60%) have been investing in SIPs for up to three years. Around one- fourth (24%) have been investing for over 5 years, while a smaller group (16%) has invested for 3 to 5 years. This indicates a significant number of relatively new investors in SIPs
5. the majority of respondents (88%) invest less than 20% of their monthly income in SIPs. A smaller group (8%) invest 20 to 30%, while few (4%)

allocate more than 30%. This highlights up preference for keeping SIP investments within a lower percentage of income

6. majority of respondents invest in SIPs to benefit for compounding (40%), Followed by generating wealth (34%). Achieving financial goal is less common (26%), And most no one invests solely to mitigate risk (0%).
7. 58% of investors sought Advice from a financial advisor before starting their SIP investments, while 42% make their decision without consulting anyone.
8. majority of respondents (60%) consider online platforms the most trustworthy source of information. Newspapers are the next trusted (20%), followed by television channels (14%), while magazines hold the least trust (6%). This highlights the growing reliance on digital media over traditional formats
9. data reveals that longer-term SIPs are much better for achieving financial goals.Only2% of people prefer a 1-year SIP, while the majority—72%—choose SIPs lasting more than 5 years, indicating higher trust in long-term investment for better returns shorter durations like 3 years (12%) and 5 years (14%) are far less popular. Longer investment commitment is key to success in SIPs.
10. Majority of respondents (44%) focus on purchasing capital assets through investment inSIPs. Retirement safety comes next, with (34%) prioritizing financial stability for later years. 12% invest for children's education, and (10%) aim current asset purchases
11. majority of respondents find SIP investments helpful in reaching their financial goals, with 24% rating them as "very effective", and 56% rating them as “effective”. Another 20% are unsure, while none considered SIPs ineffective. This highlights positive perceptions overall
12. data reveals that most people believe SIP investments are safer than lump sum investments.30% are strongly agree, 54% are agree, while 16% remain neutral. Interestingly, no one disagrees with this view, showing widespread trust in SIP as a safer choice.

Hypothesis and Hypothesis testing

- **H$_0$:** Financial advisors and Media have no significant influence on Investor perception towards SIP.
- **H$_1$:** Financial advisors and Media have significant influence on Investor perception towards SIP

Did you Consult any Financial Advisors Before Investing in SIP?

Particular	Number of Respondents	Percentage
Yes	58	58%
No	42	42%
Total	100	100%

The research tool to be applied is Chi Square test

A. degree of freedom Df = n-1= 2-1 =1

Chi square formula:

$$X^2=\sum\frac{(O-E)^2}{E}$$

$$X^2=\sum \frac{(58-50)^2}{50} - \sum \frac{(42-50)^2}{50}$$

X^2= 2.56 (At significance level of 5% and degree of freedom of 1 the critical value is 3.841.and the calculated value is 2.56which is less than critical value, so null hypothesis is failed to be rejected).

Investment in SIPs is not effective in achieving Financial Goals. Investment in SIPs is effective in achieving Financial Goals.

Do You Find Your Investmentin Sip Effective in Achieving Your Financial Goals?

Particular	Number of Respondents	Percentage
Very effective	24	24%
Effective	56	56%
Cannot say	20	20%
Not effective	0	0%
Total	100	100%

The statistical tool to be used is Chi square test.

A. degree of freedom Df = n-1= 4-1 =3

Chi square formula:

$$X^2=\sum\frac{(O-E)^2}{E}$$

$$X^2= 64.48$$

At significance level of 5% and degree of freedom of 3 the critical value is 7.815.and the calculated value is 64.48 which is greater than critical value, so alternate hypothesis is to be accepted So most respondents feel that SIP is most effective way of achieving Financial Goals. SIP Investors in Bastar District does not have a long-term perspective in achievement of wealth creation goals. SIP Investors in Bastar District have a long-term perspective in achievement of wealth creation goals.

What is the Time Frame one Should Give for the Achieving Objective of Wealth Creation?

Particular	Number of Respondents	Percentage
1 to 3 years	4	4%
3 to 5 years	6	6%
5 to 10 years	50	50%
10years&above	40	40%
Total	100	100%

The statistical tool which is most appropriate is Chi Square Goodness Fit Test.

Chi square formula:

$$X^2=\sum\frac{(O-E)^2}{E}$$

Let us assume that 70% respondents have long term vision for wealth creation and 30% have short term.

$X^2=\sum \underline{(10-30)^2} + X^2=\sum \underline{(90-70)^2} = 13.33+5.71=19.04$

Degree of freedom Df= 2-1=1

At 5 % significance level and degree of freedom 1 the critical value is3. 841.So, the Calculated value is greater than Critical value19.04>3. 841.So, the null hypothesis is rejected which means SIP Investors in Bastar have long term perspective for wealth creation.

Conclusion

Investors in the Bastar district with knowledge of SIPs likely perceive them as a powerful tool for wealth creation and financial goal attainment. The key features of SIPs—including their ability to mitigate market volatility through rupee cost averaging and promote disciplined saving—are viewed favorably by those who understand them. A major finding would be that while SIPs are positively regarded by informed investors, overall awareness and financial literacy are likely low in the Bastar district, especially when compared to more traditional investment options like bank and post office deposits. This lack of awareness represents a significant hurdle to broader SIP adoption. The study would probably reveal that investors in the Bastar district rely heavily on professional advice from agents, brokers, and friends and family when making investment decisions. This indicates that financial intermediaries play a crucial role in building trust and promoting SIPs in the region. Informed investors, particularly those with more investment experience, would likely show a strong preference for equity-based SIPs due to their potential for higher returns compared to debt plans. The study would likely find a correlation between demographic variables like age, income, and occupation and an investor's attitude and amount invested in SIPs. For example, professionals with stable incomes would probably invest more, and younger investors may initially prefer less risky debt plans

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