

# TITLE: AN IN-DEPTH OPINION ANALYSIS ON THE GENERAL PUBLIC ABOUT CHIT BUSINESS AT SELECTED DISTRICTS IN TAMILNADU

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## ABSTRACT

*Chit Funds are indigenous financial institutions in India that combines credit and savings in a single scheme. "Chit" means a transaction (whether called chit fund, chit, kuri or by any other name), by which the foreman enters into an agreement with a number of subscribers that everyone of them shall subscribe a certain sum for a certain period and each subscriber in his turn as determined by lot or by auction, shall be entitled to a prized amount. An investment is a commitment of funds made in the expectation of some positive rate of return. Investors who are investing in stocks, bonds and mutual funds now have chit fund as an alternative means of investment. But there are a number of reasons an individual investor to invest in Chit funds. Chit Fund is an attractive Investment Option which caters to people from all walks of life. It is especially beneficial to the Households, Salaried Class, Professionals, Businessmen and Self Employed. In this study find out the active chit fund companies in Tamilnadu and chit funds opinion from general public especially those who known about chit funds but not committed it and how many people's are not aware chit funds yet.*

**Keywords:** *Chit Fund, Money, Trust, Saving, Subscription, Default.*

## 1. INTRODUCTION

Unlike the modern 'banking system', borrowed from the concept of the western countries, Chit is an absolutely Indian concept and traces back from an ancient history. The nucleus of the concept is basically based on mutual trust, confidence and co-operation.

It embodies the very principle of "No one stands to loose and all stands to gain". The sole objective of the chit concept is to cater to the financial requirements through the blend of both credit and saving processes in one scheme. Chits, thus act as an important financial tool, providing access to finance for both small and medium business enterprises and individuals with pressing or urgent cash requirements. The Chit funds, commonly called as "Save and Borrow" schemes are the Indian equivalent to Rotating Savings and Credit Associations (ROSCA), which are popular in many countries such as Cambodia, Korea and Indonesia.

The Chit Fund is typically an indigenous financial institution peculiar to the South India, particularly Kerala, Andhra Pradesh and Tamil Nadu. Usually, the term used is 'Chitty' from where 'Chit' comes whereas 'Kuri' or 'PanamPayattu' is the name widely used in Cochin and Malabar regions.

The Chit Funds found their way when banking and credit facilities were inadequate and under-developed on one hand and on the other hand, people had no other option but to depend and rely on indigenous

sources to a large extent. Their presence was further reinforced due to poor communication systems and moreover due to decline of barter and the emergence of money as the Centre of economic activity.

In the preliminary stages, the entire periodical collection was given to one member of the group, the same decided by lot or what was known as '*kudavolai*'. On the day of appointment, the names of members were to be written on olais (palm leaves) and were to be put in a small earthen kudam (pot), from which one name was pulled out to decide the person who would get the entire collection of grains.

### 1.1 Definition

As per Section 2 (b) of the Chit Funds Act 1982, chit means "a transaction whether called chit, chit fund, chitty, kuri or by any other name by or under which a person enters into an agreement with a specified number of persons that every one of them shall subscribe a certain sum of money (or a certain quantity of grain instead) by way of periodical instalments over a definite period and that each such subscriber shall, in his turn, as determined by lot or by auction or by tender or in such other manner as may be specified in the chit agreement, be entitled to the prize amount."

### 1.2 Regulatory Framework

In India, the Chit fund business is regulated under the Central Act of Chit Funds Act, 1982 and the Rules framed under this Act by the various State Governments for this purpose. Some of the State formulated statutes governing Chit Fund business across India are:-

1. Kerala – Kerala Chitties Act 1975
2. Tamil Nadu – Tamil Nadu Chit Funds Act, 1961
3. Karnataka: The Chit Funds (Karnataka) Rules, 1983
4. Andhra Pradesh – The Andhra Pradesh Chit Funds Act, 1971
5. New Delhi- The Chit Funds Act, 1982 and Delhi Chit Funds Rules, 2007
6. Maharashtra – Maharashtra Chit Fund Act 1975
7. Uttar Pradesh: Uttar Pradesh Chit Funds Act, 1975
8. Goa, Daman & Diu: The Goa, Daman and Diu Chit Funds Act, 1973
9. Pudducherry: The Pondicherry Chit Funds Act, 1966

However, the Central Government has not framed any Rules of operation for them. In the circumstances, registration and regulation of Chit funds are carried out by the respective State Governments under the Rules framed by them. Thus, Chit Fund companies are regulated under the Chit Fund Act, 1982, which is a Central Act, and is implemented by the State Governments.

### 1.3 Benefits of joining chit funds

- It inculcates the habit of compulsory regular saving.
- It earns dividends every month. So the net effective rate of return proves to be pretty attractive.
- For any unexpected financial requirement, bidding for the lump sum amount, could prove to be a better option than going through the hassles of a loan.
- Chit fund investments are not affected by any market fluctuations.
- Finance option through chit funds are easier to re-pay through the remaining monthly instalments.

### 1.4 Types of chit funds:

#### Registered chit funds:

Registered Chit funds are organized by Chit Fund companies and regulated by the Chit Fund Act. It is functioning with certain rules and regulations.

**Unregistered chit funds:**

An unregistered chit fund means unauthorized way of running chit schemes. These are not legalized and have no registration with the concerned authorities. These are informally run by the people who have very good social contacts.

**1.5 Safety of Chit Funds**

With the surplus of chit fund companies around, the safety of a chit fund lies in choosing the right one. In a registered chit fund company, under legal binding, the activities are regulated and institutionalized by the Chit Fund Act. And hence could be considered safe. However, other unregistered companies operating informally do exist. One needs to exercise caution while choosing where he desires to invest.

Chit funds definitely are an attractive option for regular saving. It inculcates a disciplined approach to financial planning. It has the added advantage of bringing a combination of savings as well as hassle free borrowing. This dual purpose investment tool could be a friend in need at times of unexpected financial emergencies.

**1.6 Significance of the study:**

The registered chit fund companies operations under the Chit Funds Act 1982. Registered chit funds companies are legal and safe than the unregistered chit fund companies. No act and legal rules for operating unregistered chit fund companies. In this study found out how many registered chit funds companies are functioning in Tamilnadu and the success of a firm depends on how the public are opinion about them. Two types of general public are considered first is known about chit funds another is unknown about chit funds. Though general public are known about chit funds they are committed or not. If not committed, why they are not committed even though they are known about chit funds. Chit funds must provide the best services to attract new customers and retain the existing customers.

**1.7 Statement of the problem**

Though chit fund companies are a category of Non-Banking Financial Companies (NBFC), chit funds are exempt from being registered with the Reserve Bank of India. But it is an eminent fact that there is a much larger unregistered chit fund companies on which have no consistent data. The continued popularity of the unregistered sector even after so many years of existence in India and the implementation of chit fund act 1982. The objective was to check the mushroom growth of unregistered Chit Funds by offering effective competition and thereby safeguarding the interests of the Chit subscribers. However, despite the remarkable growth of unregistered chit funds, there are many forces in the environment, which act as a threat to the registered organization and to the Chit industry as a whole. There is no official estimate of unaccounted for money circulating in the country plus there is a lack of knowledge and interest among the public on the chit funds.

Performance of a chit funds means performance in all the core areas and not limited to a few areas. Many studies have already been undertaken to study the performance of chit funds whereas they are limited to the financial area of chit funds. Considering the limitations of previous researches, an attempt is made by the researcher to study the overall performance of chit funds companies by taking into account all the core areas of performance, viz Financial performance, Human resource performance, Marketing performance and general public opinion which can be assessed their services.

**1.8 Objectives of the study**

1. To show the existing active registered chit fund companies functioning in Tamilnadu.
2. To make an in-depth opinion analysis on the general public about chit business at selected districts in Tamilnadu.

**1.9 Research Methodology****Research design:**

Descriptive research design has been used in this study.

**Operation definition of general public:**

In this research general public means those who are aware of chit funds but not committed it and those who are not aware in chit funds.

### Type of data collection

The researcher has used both primary data. The researcher has collected primary data from the general public during the study period in Trichy, Tiruppur and Erode districts.

### Sample Size

#### General public:

According to the General public 384 respondents are from the district of Trichy, Tiruppur and Erode in the state of Tamilnadu.

#### Sample size determination of general public – unknown population:

Sample size determination of general public is – 384

Trichy - 168

Tripur - 115

Erode - 101

### Hypothesis

1. There is no association between Gender and the aware of chit Funds Companies
2. There is no association between Age and the aware of chit Funds Companies
3. There is no association between Education and the aware of chit Funds Companies
4. There is no association between Monthly income and the aware of chit Funds Companies
5. There is no association between Gender and the aware of which type of chit Funds
6. There is no association between Age and the aware of which type of chit Funds Companies
7. There is no association between Education and the aware of which type of chit Funds.
8. There is no association between Monthly income and the aware of which type of chit Funds Companies.

### Tools used:

Percentage and Chi-Square test have been used in the present study.

## 2. REVIEW OF ITERATURE

**Ramesh Kumar. V** (2013): This research focus on the chit fund organization in Tamilnadu. Descriptive research design has been used in this study. Both primary data and secondary data are used for this research. The study period was 2003-2005. Probability sampling technique has been used for the study. It concluded that Even though there are many institutions providing the financial assistance and financial facilities, the chit funds organizations laid down their own path in the NBFC sectors.

**Naga SanthiSree.V** (2013): The study is contemplated with this in the backdrop and it assumes indisputable significance in the contemporary times of government's policy emphasis on financial inclusion and the explosive growth of NBFCs. The study is based on primary and secondary data. The sampling procedure adopted is non probability sampling and the type of sampling followed is convenience sampling. The sample size of the chit operators consists of 228 managerial and operating staff of the select 12 registered chit fund companies in the state of Andhra Pradesh along with branches and 6 unregistered chit fund companies. Hence, it is concluded that though most of them opined that the important reason for the default of the companies is diversion of funds into various other purposes, it is not only the reason but all the other given reasons are also considerably affecting the default of the companies.

**Sankararaman**(2012): This paper shows the importance given by the people towards chit funds in Chennai city also said that People have good knowledge and confidence about chit fund. It has reached the people because of the simple method and systems. The statistical tool concluded that income and age is one of the important factors in deciding about the savings in chit fund.

**Preethi Rao (2007):** In this paper mainly focus about Chit fund and small business. It is greater financial sources for small business; it has been suffered by the money lenders with their high cost of loans and banks with their strong procedures. They can save the money in chit funds while in any emergency need for money. It also explains chit funds are more suitable financing model for small business mainly because they do not require filing of income tax returns and other accurate certification. The Author has point out that the reasons of failures of chit funds, especially the regulatory problems owing to the stringent rules recommended by the Government and the increased costs of operations for the registered chit fund companies. Since of these reasons, the registered companies are moving their functions towards unregistered companies.

**Prof. Mudit Kapoor (2007):** opined that the chit funds are an essential for small businesses and low-income households. Registered chit funds are not considered about low value chit schemes due to increased operational costs and stringent rules imposed by Government. Chit funds are very safe method for both financing and saving. They are providing loans at lower interest rates than money lenders and banks. The size of the unregistered chit funds is stated about 67 times of the registered industry in Delhi and 3.2 times in Chennai. On an average 50% of chit fund clients are poor households and most of them save for particular target events like marriage, education etc., and also they value the flexible provision of credit. Subscribers are feel comfortable with the bidding process and 96% of them perceiving registered chit industry as safe or very safe.

**Stefan Klonner(2003):** Pointed that in India, ROSCAs mostly appeared in the southern parts of the country and are identified throughout the country as 'chit funds' or chits. ROSCAs can offer insurance for homogenous. Bidding ROSCA enables participants to obtain funds when they observe a particularly profitable investment project. Homogeneous individuals prefer a bidding ROSCA because it can allocate funds to the participant with most urgent need and facilitates risk sharing among risk adverse individuals.

**Silpy Gupta (2003):** explained that the Chit Funds Schemes today have become the easiest choice of saving and borrowing technique. Investors are becoming the victims and taking high risks in name of such chit funds. People are notable to identify the difference between a registered chit fund company which are legal and safe than the unregistered chit fund companies. This paper makes an attempt to illustrate the working principle of a recognized chit fund company and their difference between registered and unregistered chit Fund Company and awareness among people before making their choice and decision of selecting a chit fund scheme. This paper is based on the secondary data collected from government websites, interviews given by government officials and other published records.

## 2.1 Research gap

Review of earlier studies in chit funds has helped the researcher to identify the research gap. Many studies gathered opinion only chit subscribers who are committed in chit funds. From the detailed literature review, it is understood that as per knowledge there is no study mentioned about the active chit funds companies in tamilnadu and no study covered the people who are not committed even though they are known about chit funds and how many people are unknowing about chit funds till at present. So the researcher identifies this research gap and carry research on the topic "Comparative performance analysis of chit funds (Both registered and unregistered) in select districts of Tamilnadu"

## 3. CHIT FUND COMPANIES IN TAMILNADU

### 3.1 Active Chit funds companies of Tamilnadu:

Tamilnadu has 32 districts with 1220 active chit funds companies and also consists of 9 district registrars (IGs) and 50 deputy inspector general (DIGs) of registration.

The following table shows that 32 districts and total number of active registered chit funds companies in each districts of Taminadu.

**District wise active Chit funds companies in Tamilnadu**

S.NO	District Name	No.of Companies
1	Ariyalur	46
2	Chennai	70
3	Coimbatore	58
4	Cuddalore	58
5	Dharmapuri	16
6	Dindigul	18
7	Erode	56
8	Kancheepuram	67

9	Kanniyakumari	33
10	Karur	15
11	Krishnagiri	14
12	Madurai	57
13	Nagapattinam	41
14	Namakkal	31
15	Nilgiris	6
16	Perambalur	28
17	Pudukottai	10
18	Ramanathapuram	22
19	Salem	16
20	Sivagangai	25
21	Thanjavur	18
22	Theni	12
23	Tirunelveli	57
24	Thiruvallur	45
25	Thiruvannamalai	28
26	Thiruvarur	17
27	Thoothukudi	57
28	Trichy	94
29	Tiruppur	62
30	Vellore	61
31	Villupuram	25
32	Virudunagar	57
	<b>Total</b>	<b>1220</b>

Source: Tamilnadu all district registrars

#### 4. ANALYSIS AND INTERPERTATION

To make an in – depth opinion analysis on the general public about chit business at selected districts in Tamilnadu.

Gender classification among general public

Table 4.1 Gender

S.No	Gender	General Public	
		Number	Percentage
1	Male	177	46.1
2	Female	207	53.9
	Total	384	100.0

Source: Primary Data

Interpretation:

From the above table the general public of chit funds are 177 male with a percentage of 46.1. In comparison to male employees females are 207 with a percentage of 53.9.

Age Group classification among general public

Table 4.2 Age

S.No	Age	General Public	
		Number	Percentage

1	Below 30yrs	30	7.9
2	30 – 40yrs	113	29.4
3	41 – 50yrs	149	38.8
4	Above 51yrs	92	23.9
	Total	384	100.0

Source: Primary Data

#### Interpretation:

From the above table it is clear that the age group among the general public below 30 years constitutes 30 respondents or 7.9 percent. 30-40 years which constitute 113 respondents or 29.4 percent. The age group of 41-50 years constitutes the highest number of 149 respondents yielding a percentage of 38.8. The age group above 51 years which reveals 92 with a percentage of 23.9.

#### Education classification among general public:

**Table 4.3 Education**

S.No	Education	General Public	
		Number	Percentage
1	Up to HSC	171	44.6
2	UG	97	25.3
3	PG	56	14.5
4	Professional	29	7.6
5	Others	31	8.0
	Total	384	100.0

Source: Primary Data

#### Interpretation:

The number of general public who are up to HSC is the highest number of 171 or 44.6 percent. Under graduates which constitute 97 respondents or 25.3 percent. Post graduates which constitute 56 respondents or 14.5 percent. Education up to professional is 29 or 7.6 percent. The number of general public in 'others' category is 31 and constitute 8.0 percent.

#### Monthly Income classification among general public

**Table 4.4 Monthly Income**

S.No	Monthly Income	General Public	
		Number	Percentage
1	Below 5000	70	18.2
2	5000 – 10000	189	49.3
3	10001 – 20000	57	14.8
4	20001 – 30000	39	10.1
5	Above 30001	29	7.6
	Total	384	100.0

Source: Primary Data

#### Interpretation:

The income among the general public below 5000 constitutes 70 respondents or 18.2 percent. 5001 – 10000 constitute the highest number of 189 respondents or 49.3 percent. The income 10001 – 20000 constitutes 57 respondents yielding a percentage of 14.8. The income 20001 – 30000 constitutes 39 respondents yielding a percentage of 10.1. The income of above 30000 Constitutes 29 respondents yielding a percentage of 7.6.

#### Aware of chit funds among general public

**Table 4.5 Know about chit funds**

S.No	Aware of chit	General Public	
		Number	Percentage

	funds		
1	Yes	296	77
2	No	88	23
	Total	384	100.0
Gender	Pearson chi-square: 97.141 <sup>b</sup> , df:1, sig:0.000<0.05		
Age	Pearson chi-square: 37.950 <sup>b</sup> , df:3, sig:0.000<0.05		
Education	Pearson chi-square: 303.993 <sup>a</sup> , df:4, sig:0.000<0.05		
Monthly income	Pearson chi-square: 309.642 <sup>a</sup> , df:4, sig:0.000<0.05		

Source: Primary Data

### Interpretation:

From the above table it is clear that know about chit funds among general public 'Yes' category constitutes highest number of 296 respondents or 77 percent. 'No' category constitutes the 88 respondents or 23 percent.

#### Hypothesis H<sub>0</sub>: There is no association between Gender and the aware of chit Funds Companies

It is found from the above table that the significance value is less than 0.05. So Hypothesis H<sub>0</sub>: no association between Gender of the public and the aware of chit Funds Companies, is rejected. The difference between the gender and the aware of chit funds is significant. Hence it is concluded that the Gender has influence on aware of chit funds.

#### Hypothesis H<sub>0</sub>: There is no association between Age and the aware of chit Funds Companies

It is found from the above table that the significance value is less than 0.05. So Hypothesis H<sub>0</sub>: no association between Age of the public and the aware of chit Funds Companies, is rejected. The difference between the Age and the aware of chit funds is significant. Hence it is concluded that the Age has influence on aware of chit funds.

#### Hypothesis H<sub>0</sub>: There is no association between Education and the aware of chit Funds Companies

It is found from the above table that the significance value is less than 0.05. So Hypothesis H<sub>0</sub>: no association between Education of the public and the aware of chit Funds Companies, is rejected. The difference between the Education and the aware of chit funds is significant. Hence it is concluded that the Education has influence on aware of chit funds.

#### Hypothesis H<sub>0</sub>: There is no association between Monthly income and the aware of chit Funds companies

It is found from the above table that the significance value is less than 0.05. So Hypothesis H<sub>0</sub>: no association between Monthly income of the public and the aware of chit Funds Companies, is rejected. The difference between the Monthly income and the aware of chit funds is significant. Hence it is concluded that the Monthly income has influence on aware of chit funds.

### If Yes Know about which type chit funds among general public

Table 4.6 Know about type of chit funds

S.No	Know about which type of chit funds	General Public	
		Number	Percentage
1	Registered	99	33.4
2	Un registered	125	42.2
3	Both	72	24.4
	Total	296	100.0
Gender	Pearson chi-square: 173.138 <sup>a</sup> , df:2, sig:0.000<0.05		
Age	Pearson chi-square: 202.663 <sup>a</sup> , df:6, sig:0.000<0.05		
Education	Pearson chi-square: 209.957 <sup>a</sup> , df:4, sig:0.000<0.05		
Monthly Income	Pearson chi-square: 299.358 <sup>a</sup> , df:4, sig:0.000<0.05		



**Source: Primary Data****Interpretation:**

From the above table it is clear that know about registered chit funds among general public constitutes 99 respondents or 33.4 percent. Know about Unregistered chit funds among general public constitutes the highest number of 125 respondents or 42.2 percent. Both (know about registered and unregistered) category constitutes the 72 respondents or 24.4 percent.

**Hypothesis H<sub>0</sub>: There is no association between Gender and the aware of which type of chit Funds companies**

It is found from the above table that the significance value is less than 0.05. So Hypothesis H<sub>0</sub>: no association between Gender of the public and the aware of type chit Funds Companies, is rejected. The difference between the Gender and the aware of type of chit funds is significant. Hence it is concluded that the Gender has influence on aware of type of chit funds.

**Hypothesis H<sub>0</sub>: There is no association between Age and the aware of which type of chit Funds companies**

It is found from the above table that the significance value is less than 0.05. So Hypothesis H<sub>0</sub>: no association between Age of the public and the aware of type chit Funds Companies, is rejected. The difference between the Age and the aware of type of chit funds is significant. Hence it is concluded that the Age has influence on aware of type of chit funds.

**Hypothesis H<sub>0</sub>: There is no association between Education and the aware of which type of chit Funds companies**

It is found from the above table that the significance value is less than 0.05. So Hypothesis H<sub>0</sub>: no association between Education of the public and the aware of type chit Funds Companies, is rejected. The difference between the Education and the aware of type of chit funds is significant. Hence it is concluded that the Education has influence on aware of type of chit funds.

**Hypothesis H<sub>0</sub>: There is no association between Monthly income and the aware of which type of chit Funds companies**

It is found from the above table that the significance value is less than 0.05. So Hypothesis H<sub>0</sub>: no association between Monthly income of the public and the aware of type chit Funds Companies, is rejected. The difference between the Monthly income and the aware of type of chit funds is significant. Hence it is concluded that the Monthly income has influence on aware of type of chit funds.

**What the reason is for did not use chit funds among general public****Table 4.7 Reason for did not use in chit funds**

S.No	Reason for did not use chit funds	know about registered chit funds but not committed reason		know about un registered chit funds but not committed reason		know about both category of chit funds but not committed reason	
		Number	Percentage	Number	Percentage	Number	Percentage
1	It's not a profitable savings option	12	12.1	0	0	32	44.5
2	No satisfactory return when compared to other savings	24	24.4	0	0	21	29.2
3	No safety	1	1.0	67	53.6	4	5.6
4	Not nearby company	55	55.5	5	4.0	0	0
5	Returns are not guaranteed	3	3.0	36	28.8	2	2.7
6	Risky investment	4	4.0	17	13.6	13	18.0
	Total	99	100.0	125	100.0	72	25 percent

**Source: Primary Data****Interpretation:**

From the above table it is clear that know about registered chit funds but not committed it among general public the reason is It's not a profitable investment option constitutes 12 respondents or 12.1 percent. No satisfactory return when compared to other investments constitutes 24 respondents or 24.4 percent. No safety

constitutes 24 respondents or 1.0 percent. Not nearby company constitutes the highest number of 55 respondents or 55.5 percent. Returns are not guaranteed constitutes 3 respondents or 3.0 percent. Risky investment constitutes 4 respondents or 4.0 percent.

From the above table it is clear that know about unregistered chit funds but not committed it among general public the reason is It's not a profitable investment option constitutes no respondents. No satisfactory return when compared to other investments also constitutes no respondents. No safety constitutes the highest number of 67 respondents or 53.6 percent. Not nearby company constitutes 5 respondents or 4.0 percent. Returns are not guaranteed constitutes 36 respondents or 28.8 percent. Risky investment constitutes 17 respondents or 13.6 percent.

From the above table it is clear that know about both (know about registered and unregistered) chit funds but not committed it among general public the reason is It's not a profitable investment option constitutes the highest number of 32 respondents or 44.5 percent.. No satisfactory return when compared to other investments constitutes 21 respondents or 29.2 percent. No safety constitutes of 4 respondents or 5.6 percent. Not nearby company constitutes no respondents. Returns are not guaranteed constitutes 2 respondents or 2.7 percent. Risky investment constitutes 13 respondents or 18.0 percent.

**According to you, which one do you rate as the best savings option?**

**Table 4.8 Best investment instrument**

S.No	Saving option	General Public	
		Number	Percentage
1	Bank	139	36.2
2	Capital market	18	4.7
3	Post office	163	42.5
4	Real Estate	26	6.7
5	Others	38	9.9
	Total	384	100.0

**Source: Primary Data**

**Interpretation:**

From the above table it is clear that the best investment option other than chit funds among general public is bank constitutes 139 respondents or 36.2 percent. Capital market constitutes 18 respondents or 4.7 percent. Post office constitutes the highest number of 163 respondents or 42.5 percent. Real estate constitutes 26 respondents or 6.7 percent. 'Others' category constitutes 38 respondents or 9.9 percent.

**Reputation of chit funds among the general public:**

**Table 4.9 Reputation of chit funds among the investors**

S.No	Reputation of chit funds among the investors	General Public	
		Number	Percentage
1	Create awareness	77	20.1
2	Improve trust worthiness	46	11.9
3	Government should monitor chit business	135	35.1
4	Conduct chit funds through government bodies	104	27.1
5	Need autonomous regulatory body like IRDA, SEBI & TRAI etc..	22	5.8
	Total	384	100.0

**Source: Primary Data**

**Interpretation:**

From the above table it is clear that the opinion among general public for improve Reputation of chit funds is Create awareness constitutes 77 respondents or 20.1 percent. Improve trust worthiness constitutes 46 respondents or 11.9 percent. Government should monitor chit business constitutes the highest number of 135 respondents or 37.8 percent. Conduct chit funds through government bodies constitutes 104 respondents or 30.2 percent.

## 5. FINDINGS, SUGGESTION AND CONCLUSION

**Findings**

1. In general public most of the respondents (54 percent) are female and they are not committed in chit funds.
2. In general public most of the respondents (39 percent) are in the age of 41-50yrs.
3. In general public most of the respondents (45 percent) are educated up to HSC and they are not committed in chit funds.
4. Most of the respondents (49 percent) are in the income group of 5000-10000 among general public.
5. Most of the respondents (77 percent) are known about chit funds among general public.
6. The difference between the gender and the aware of chit funds is significant. Hence it is concluded that the Gender has influence on aware of chit funds.
7. The difference between the Age and the aware of chit funds is significant. Hence it is concluded that the Age has influence on aware of chit funds.
8. The difference between the Education and the aware of chit funds is significant. Hence it is concluded that the Education has influence on aware of chit funds.
9. The difference between the Monthly income and the aware of chit funds is significant. Hence it is concluded that the Monthly income has influence on aware of chit funds.
10. Among 77 percent of general public Most of the respondents (43 percent) are known about unregistered chit funds.
11. The difference between the Gender and the aware of type of chit funds is significant. Hence it is concluded that the Gender has influence on aware of type of chit funds.
12. The difference between the Age and the aware of type of chit funds is significant. Hence it is concluded that the Age has influence on aware of type of chit funds.
13. The difference between the Education and the aware of type of chit funds is significant. Hence it is concluded that the Education has influence on aware of type of chit funds.
14. The difference between the Monthly income and the aware of type of chit funds is significant. Hence it is concluded that the Monthly income has influence on aware of type of chit funds.
15. Most of the general public (known about registered chit funds only) are not committed in registered chit funds for the reason is not nearby chit funds companies, Most of the general public (known about unregistered chit funds only) are not committed in unregistered chit funds for the reason is no safety and Most of the general public (known about registered and unregistered chit funds) are not committed in both type of chit funds for the reason is It's not a profitable investment option.
16. Most of the general public (43percent) are choose post office is a best savings option compared to others.
17. Most of the general public (38 percent) are suggests for Reputation of chit funds among the public is Government should monitor chit business.

### **Suggestions from general public**

1. Some general public are unaware about chit funds till now. So chit companies try to contact various programmes for chit awareness among public. Through this people are chance to commit in chit funds.
2. Most of the general public known about only in unregistered chit funds. so registered chit companies try to educate chit funds' activities.
3. According to the general public opinion for improve reputation of chit funds is
  - a) Create awareness
  - b) Improve trust worthiness
  - c) Government should monitor chit business
  - d) Conduct chit funds through government bodies
  - e) Need autonomous regulatory body like IRDA, SEBI & TRAI etc..

### **Conclusion**

Chit funds are a very good tool for financing the activities of small businesses. In recent years, there have been some unscrupulous activities in the industry that have instigated the Government to take serious measures. A chit fund is not a scalable model unless the chit manager or company has sufficient personal resources as a backup for financial contingencies. Chit Funds have survived the test of time and have become an important part of the culture and traditions of the people of Tamilnadu.

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