Findings, Suggestions & Conclusion
CHAPTER – VI
FINDINGS, SUGGESTIONS AND CONCLUSION

FINDINGS

The object wise findings of the study “Investors attitude towards capital market with special reference to share trading in Coimbatore city” are presented below.

Objective 1: To Understand the Investors Investment attitude towards share market.

- Majority of the respondents are male(78.4%), belongs to the age group of 30-60(59.8%) years, married(75.4%), having educated up to college level and salaried people(57.8%), whose earnings (52.4%) are below Rs.15,000/- per month, who are in joint family (65.2%), whose family size is 4 members(56.2%), and having two(51.4%) earning members in the family and (52.0%) of the respondents have a family monthly income of less than Rs.25,000/.
- Majority (70.6%) of the respondents are having telephone facilities for communication.
- Most (44.6%) of the respondents are from urban areas.
- Majority (79.8%) of the respondents opinion about the secondary market is Good.
- Most (43.8%) of the respondents are doing the trading through the brokers.
- Majority (90%) of the respondents Investments in the share market is based on tips.
- The respondents irrespective of their Age, Martial status, Education, Type of family, Income, Residence, Number of earning members in the family and aged upto 60 years, have high level of agreeability towards “More investment More return”.
- The female respondents, unmarried, salaried, one earning member in the family have high level of agreeability towards the statement “High Risk High Return” in the capital market.
• There is significant difference in the level of Agreeability between the respondent of different age group in respect of "More Investment more return", "High risk high return", "High volume low brokerage", "Secondary market grow more return than IPO", "Capital market returns are higher than Bank post office returns".

• There is significant difference in the level of Agreeability between the Gender of the respondent in respect of More investment more return, "High risk high return", "Big broker better service", "High volume Low brokerage", "Secondary market grow more return then IPO", "Generally capital market returns are higher than bank ,post office returns".

• There is significant difference in the level of Agreeability between the respondents marital status in respect of "More investment more return", "High risk high return", "Big broker better service", "High Volume Low brokerage", "Secondary market grow more return than IPO".

• There is significant difference in the level of Agreeability between the respondents educational level in respect of "More investment more return". "Investing in A group shares is less risky than others", "Liquidity is much higher".

• There is significant difference in the level of Agreeability between the different occupational level of the respondents in respect of "High Risk and High Return", "On-Line Trading is better than direct trading", "Secondary market grow more return than IPO".

• There is significant difference in the level of Agreeability between the respondents Individual Income in respect of "More investment more return", "High risk high return", "Big broker better services", "On-Line trading is better then direct trading", "Mutual funds are better than secondary market", "Secondary market grow more return than IPO".
• There is significant difference in the level of Agreeability between the respondents different family type in respect of “More investment more return”, “High risk high return”, “Big broker better services”, “High volume low brokerage”, “Mutual funds are better than secondary market”.

• There is significant difference in the level of Agreeability between the respondents residence in respect of “High risk high return”, “Big broker better services”, “High volume low brokerage”, “On line trading is better than direct trading”, “Investing in A group shares is less risky than others”, “Mutual funds are better than secondary market”, “Secondary market grow more return than IPO”, “Generally capital market returns are higher than post office & bank returns”, “Liquidity is much higher”.

• There is significant difference in the level of Agreeability between the number of members in the respondents family in respect of “More investment more return, high risk high return”, “Generally capital market returns are higher than bank & post office returns”, “liquidity is much higher”.

• There is significant difference in the level of Agreeability between the respondents total family income per month in respect of “More investment more return”, “High risk high return”, “Big broker better services”, “High volume low brokerage”, “On line trading is better than direct trading”, “Investing in A group shares is less risky than others”, “Secondary market grow more return than IPO”, “Liquidity is much higher”.

• There is significant difference in the level of Agreeability between the number earning members in the respondents family in respect of “More investment more return”, “On line trading is better than direct trading”, “Investing in A group shares is less risky than others”, “Liquidity is much higher”.

• There is significant difference in the level of Agreeability between the monthly savings of respondents in respect of more investment “More return, high risk high
return”, “Big broker better services”, “On line trading is better than direct trading”, “Investing in A group shares is less risky than others”. “Secondary market grow more return than IPO”. “Generally capital market returns are higher than bank & post office returns”.

Objective 2: To expose the Investors level of awareness towards dynamic and myriad environment impacts.

- The majority (55.4%) of the respondents of the study collected investment related information’s from Business Line newspaper, regularly watching Investment related information (61.8%) and the respondents (55.4%) who spent Rs.250/- per month for collecting investment related information’s.
- Most of the respondents (42.0%) regularly visiting websites to collect information.
- Majority (73.5%) of the respondents of the study are investing in shares, after reading the prospectus & companies Annual report (76.8%) and also satisfied (90.8%) with the quantum of information’s.
- Majority (64.6%) of the respondents are having at least one d-mat account and one trading account.
- Among the various aspects related to share market most of the respondents are highly satisfied with the “Earning Rate on the Investment”.
- Among the various statements related to capital market most of the respondents agreed the statement “More Investments More returns”.
- Among the various SEBI regulations majority of the respondents aware about “SEBI has been comprehensive authority for new capital”.
- The age, martial status, education, occupation, individual income, residence, total family Income, number of earning members, savings have significant influence on the source of information collected from news papers.
• The age, marital status, education, occupation, individual income, residence, number of members in family, total family income, number of earning members, savings have significant influence on the source of information collected from magazines.

• The education, individual income, residence, number of members in family, total family income, number of earning members, savings have significant influence on the amount spent for collecting investment related information.

• The respondents whose monthly family income is below Rs.25,000/- have high awareness on
  ➢ “SEBI has right to regulate stock market intermediaries”

• The respondents whose monthly family income is above Rs.25,000/- have more awareness on
  ➢ “SEBI has been give comprehensive authority to regulate stock exchange” in the share market.

• There is significant difference in the level of Agreeability between the different age group of the respondents in respect of
  ➢ SEBI has been give comprehensive authority to regulate stock exchange.
  ➢ SEBI has issued norms for recording the amount of brokerage in the brokers contract notebook regularly.
  ➢ SEBI has band the preferential allotment of shares at a discount.
  ➢ SEBI has fixed lock in period for promoters quota of shares.

• There is significant difference in the level of Agreeability between the gender of the respondents in respect of
  ➢ SEBI has instructed the brokers to keep their clients money in separate bank account.

• There is significant difference in the level of Agreeability between marital status of the respondents in respect of
- SEBI has regulate the stock exchange intermediaries.
- SEBI has band the preferential allotment of shares at a discount.

- There is significant difference in the level of Agreeability between the educational level of the respondents in respect of
  - SEBI has given comprehensive authority to regulate stock exchange.
  - SEBI has the sole authority for new capital issues.
  - SEBI has a right to regulate stock market intermediaries.
  - SEBI has issued norms for recording the amount of brokerage in the brokers contract book regularly.
  - SEBI has instructed the brokers to keep their clients money in separate bank account.
  - SEBI has band the preferential allotment of shares at a discount
  - SEBI has fixed lock in period for promoters quota of shares.
  - SEBI has introduced Buy-back scheme.
  - SEBI has granted a new right to share holders to decide about the rate of premium.

- There is significant difference in the level of Agreeability between occupational level of the respondents in respect of
  - SEBI has been given comprehensive authority to regulate stock exchange.
  - SEBI has instructed the brokers to keep their clients money in separate bank account
  - SEBI has fixed lock in period for promoters quota of shares.

- There is significant difference in the level of Agreeability between respondents individual income in respect of
  - SEBI has issued norms for recording the amount of brokerage in the brokers contract notebook regularly.
SEBI has instructed the brokers to keep their clients money in separate bank account.
SEBI has band the preferential allotment of shares at a discount.
SEBI has fixed lock in period for promoters quota of shares.
SEBI has introduced Buy-back scheme.
SEBI has granted a new right to share holders to decide about the rate of premium.

There is significant difference in the level of Agreeability between the residence of the respondents in respect of
SEBI has been given comprehensive authority to regulate stock exchange.
SEBI is the sole authority for new capital issues.
SEBI has a right to regulate stock market intermediaries.
SEBI has instructed the brokers to keep their clients money in separate bank account.
SEBI has fixed lock in period for promoters quota of shares.

There is significant difference in the level of Agreeability between the family type of the respondents in respect of
SEBI has a right to regulate stock market intermediaries.
SEBI has band the preferential allotment of shares at a discount.
SEBI has fixed lock in period for promoters quota of shares.
SEBI has introduced a new scheme of d mat for solving major problems of paper work.
SEBI has introduced Buy-back scheme.

There is significant difference in the level of Agreeability between the total family income of the respondents in respect of
SEBI has been give comprehensive authority to regulate stock exchange.
- SEBI is the sole authority for new capital issues.
- SEBI has issued norms for recording the amount of brokerage in the brokers contract book regularly.
- SEBI has instructed the brokers to keep their clients money in separate bank account.
- SEBI has band the preferential allotment of shares at a discount.
- SEBI has fixed lock in period for promoters quota of shares.
- SEBI has introduced a new scheme of d mat for solving major problems of paper work.
- SEBI has introduced Buy-back scheme.
- SEBI has granted a new right to share holders to decide about the rate of premium.

- There is significant difference in the level of Agreeability between the number of members in the family of the respondents in respect of
  - SEBI has been given comprehensive authority to regulate stock exchange.
  - SEBI is the sole authority for new capital issues.
  - SEBI has fixed lock in period for promoters quota of shares.
  - SEBI has introduced Buy-back scheme.
  - SEBI has granted a new right to share holders to decide about the rate of premium.

- There is significant difference in the level of Agreeability between the Number of earning members of the respondents in respect of
  - SEBI has been give comprehensive authority to regulate stock exchange.
  - SEBI has issued norms for recording the amount of brokerage in the brokers contact book regularly.
SEBI has instructed the brokers to keep their clients' money in separate bank account.

SEBI has banned the preferential allotment of shares at a discount.

SEBI has fixed lock-in period for promoters' quota of shares.

SEBI has introduced a new scheme of demat for solving major problems of paperwork.

SEBI has introduced Buy-back scheme. It is concluded that there is no significant difference in the level of Agreeableness between the monthly savings of the respondents.

Objective 3: To examine the Investors' Investment pattern and threadbare the investors' behavior.

- Majority (70.8%) of the respondents of the study are investing in both the primary & secondary markets and using sub-brokers for investing in the secondary market.

- Among the various factors related to the primary & secondary market, "Viability" is given top-priority by the Investors.

- Majority (56.4%) of the Investors' nature of investment is long-term.

- Most (48.0%) of the investors are interested to invest in the IT field.

- All the personal factors of the respondents have significant influence on the sector of investments.

- The age, gender, education, occupation, individual income, residence, number of members in family, total family income, savings have significant influence on trading in the secondary market.

- The age, marital status, education, occupation, individual income, family type, residence, numbers of members in family, total family income, earning members, savings have significant influence on the frequency of investment schedule.
• The age, gender, education, occupation, individual income, family type, residence, number of members in family, total family income, savings of the respondents have significant influence on through the persons whom they are trading.

• The age, marital status, education, occupation, individual income, family type, numbers of members in family, total family income, earning members, savings have significant influence on the type of return on investments preferred by the investors.

• The respondents prefer to invest their returns in “shares” followed by “Mutual fund” and “Real Estates”. Irrespective of the category in which they belong Professionally Educated respondents prefer to invest their returns in “Bank deposits” followed by “Shares” & “Mutual Funds”.

• Irrespective of the category in which the respondents belong to Whom It May Concern: their age, gender, education level, marital status, family type, occupational level, Individual income, Number of members in the family, Number of earning members, savings have given top priority to “Reinvestment in shares” for their utilization of their return on investments followed by “family commitments”.

Objective 4: To find out the probable investment objectives and factors influencing the process.

• The respondents of the study given top priority to Both the cash Dividend and bonus shares as their Return On Investments.

• Among the various sector of Investments Majority of the respondents of the study are selected Investments in shares and who face 5-10% of level of risk.

• Majority of the respondents are deposited Rs.50,000 as margin money for On-Line trading.

• Among the various aspects related to the share market the most of the respondents agreed Rate of Return is high.
• Among the various activities related to the share market most of the respondents of the study satisfied with earning rate on the investment.

• Among the various statements relating to the capital market most of the respondents agreed the statement More Investment More return.

• The age, martial status, education, individual income, residence, number of members in family, total family income, number of earning members, savings have significant influence on analyzing the companies report before investing in shares of the company.

• The age, gender, education, occupation, individual income, family type, residence, number of members in family, total family income, savings of the respondents have significant influence on through the persons whom they are trading.

• The respondents irrespective of their Age, marital status, education, occupation, individual income, family type, residence, number of family members, Number of earning members, savings have given top priority to the “risk” factor followed by the “Return” factor in the primary market.

• The respondents irrespective of their gender, education, occupation, individual income, family type, residence, total family income, number of earning members, savings have given top priority to the “Risk” factor followed by “Return” factor in the secondary market.

• The respondents irrespective of their Gender, Martial status, Education, Occupation, Income, Number of earning members in the family and aged upto 60 years have high level of agreeability towards “Rate of return is high”.

• The respondents with nuclear family, above Rs.1 lakh has income have high level of agreeability towards “Diversification of risk is high”.

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• The respondents irrespective of their Age, Gender, Martial status, Education, Occupation, Individual Income, Number of earning members, Family size are more satisfied with “the services provided by the broker”, the nuclear type of the respondents respectively and the respondents with family size of 4 & above members in a family are more satisfied on “Earning rate of their investment” in the share market.

• There is significant difference in the level of satisfaction between the respondent of different age group in respect of “services provided by the broker”, “sources of information available for investment”, “Brokerage & other charges payable by the investor”, “Risk and return factor on investment”, “Frequency of investor meeting conducted by the broker”.

• There is significant difference in the level of satisfaction between the Gender of the respondent in respect of “Promptness in receiving shares & payment by the broker”, “Brokerage & other charges payable by the investor”, “Risk and return factor on investment”.

• There is significant difference in the level of satisfaction between the respondents martial status in respect of “services provided by the broker”, “Frequency of investor meeting conducted by the broker”.

• There is significant difference in the level of satisfaction between the respondents educational level “Services provided by the broker”, “promptness in receiving shares & payment made by the broker”, “Technical support available, Updation of financial & dmat holding from the broker”, “Risk and return factor on investment”, “Frequency of investor meeting conducted by the broker”, “Performance of portfolio shares”.

• There is significant difference in the level of satisfaction between the respondent of different level of income in respect of “updation of financial and dmat account”.
holding from the broker”, “Risk and return factor on investment”, “Frequency of investor meeting conducted by the broker”, “Performance of portfolio shares”.

- There is significant difference in the level of satisfaction between the respondents different occupational level in respect of “promptness in receiving shares & payment from broker”, “Technical support available”, “updation of financial statement and dmat holding from the broker”, “Frequency of investor meeting conducted by the broker”.

- There is significant difference in the level of satisfaction between the respondents family type, “Risk and return factor on investment”, “earning rate on investment”, “performance of the portfolio shares”.

- There is significant difference in the level of satisfaction between the respondents in different area of residence in respect of “sources of information available for investment”, “Promptness in receiving shares & payment made by the broker”, “Brokerage & other charges payable by the investor”, “Earning rate of investment”, “Frequency of investor meeting conducted by the broker”, “performance of the portfolio shares”.

- There is significant difference in the level of satisfaction between the Number of members in the family of the respondent “updation of financial statements”, “Earning rate on investment”.

- There is significant difference in the level of satisfaction between the respondents monthly total income in respect of, “sources of information available for investment”, “Promptness in receiving shares & Payment made by the broker”, “Technical support available”, “Frequency of investor meeting conducted by the broker”, “performance of your portfolio shares”.

- There is significant difference in the level of satisfaction between the Number of earning members in the family of the respondent in respect of, “sources of
information available for investment", "Earning rate on the investment", "performance of the portfolio shares".

- There is significant difference in the level of satisfaction between the respondents monthly savings in respect of, "Promptness in receiving shares and payment made by the broker", "Technical support available", "Brokerage & other charges payable by the investor", "Updation of financial and demat holding from the broker", "Earning rate on the investment", "performance of portfolio shares".

**Objective 5: To identify the challenges and Issues faced by the Investors and to gauge the effectiveness of instituted investors protection mechanisms.**

- Most (40.02%) of the respondents become a member of Investor forum.
- Most (17.8%) of the respondents got less than 2 years membership in investor forum.
- Majority (51.0%) of the respondents of the study are satisfied with the level of information’s collected by the investor forum.
- The age, gender, education, occupation, individual income, residence, number of members in family, total family income, number of earning members, savings have *significant influence* on number of years associated with the investors forum.
- The respondents irrespective of their Age, Education, Occupation, Income, Residence, Number of earning members in the family years have express " Better rate of return" as their strength factor. The male and unmarried , respondents with two earning members who saves up to Rs.4000 per month have opted " Safety of Investment" as their strength factor in the share market.
- The respondents irrespective of their Age, Gender, Family type, Number of members in a family, and Number of earning members in the family and whose savings is up to Rs.6000 per month have expressed "Risk" as their weakness factor and The respondents whose age factor is 60 & above, married, educated up to school level,
professionals, residing at urban, suburban areas have opted “Demand and supply factors” as their weakness factor.

- The respondents irrespective of their age factor, Gender, marital status have identify “High return” as the opportunity factor followed by “Global market” and “selection of investment criteria” in the share market.

- The respondents irrespective of their age factor, gender, marital status, education, total members in a family, & their savings, have expressed “Political” as their threat factor followed by “Company performance” and “Industrial performance” as their Threat factor.

SUGGESTIONS

On the basis of the findings of the study, the following suggestions are made

- **Suggestions to the Investors**
  
  • With the revelation that investing practices is non-existent, among the age group below 30 years calls for enhanced concerted campaign for the same.
  
  • With future financial planning also relevant for the singles, whose income has arisen dramatically over years, their participation will be mutually beneficial exercise.
  
  • The sub-Urban, Rural areas and below collegiate education people can encouraged through various awareness programmes about the stock market.

  • The interest use effective participation of female is very low in the capital market, a sustained exercise on merit of capital investing can makes it gender neutral advantage.

  • The amount spent for collecting investment related information can be enhanced among the investors.
• Investors analyze the industry trend before their investment.

• Investor may be analyze about the economic trend prevailing during the term of investment.

• Systematic analysis may be done before investment in shares.

• The procedure involved in shares can be made known to any common individual.

➢ **Suggestions to the Company**

• The company's can initiate different programmes about the stock market in the hinder-level and among the school level students as their involvements in the transaction is belying their potential benefits to make the share trading more popular as in western countries.

• Company may opt for performance oriented advertisements.

• Investors can be made aware about the advantages involved in their Company’s Investment.

• Company’s may analyse the market situation before going for IPO

• Ethical means may be followed by the companies. So that the investor would prefer to invest.

• Company shares premium can be reduced at the time of IPO and more profit can be given to the shareholders so that the participation may be more.

➢ **Suggestions to SEBI**

• Ownership of shares may be fixed according to the share capital

• Small Investors investment can be encouraged more.

• Rules & Regulations can be more user friendly

• Influence of external forces and its impact on stock exchanges may be stopped.
• Regulations can be made in the security market according to the prevailing current situation.
• SEBI make sure that unauthorized funds does not flow in the stock market.

➤ Suggestions to the Brokers
• The loading charged by the broker if revised downward marginally has the inherent capacity to enlarge the capital investor base.
• On Line trading knowledge is found to be low, it can be made more broad based with innovative interventions.
• Broker’s can leverage their market intelligence to make brokage houses more attractive option.
• The brokers can give better guidance to their customers for proper investments.

➤ Suggestions to the Government
• External factors influence on stock market can be minimized.
• Country’s Inflation may be kept under control.

➤ Suggestions to the Reserve Bank of India
• Appropriate Foreign Institutional Investments /Foreign Depository Investment may be determined.
• CRR can be pre-fixed according to the economic situation of the country.

CONCLUSION

During the past decade, Indian capital market witnessed revolutionary changes. The individual investor is an important participant in the capital market form a very important part of the economy. Financial savings of households also play an important role in financing, development and growth of the economy. The larger the individual
investor’s participation in the stock market (or) in the primary market the more competitive and deeper the market gets. The study reveals that India’s economy looks upbeat with an increase in investment in the stock market by the individual investors. At the same time, it also seen that the market fluctuations are very high. Such high level of fluctuation (or) volatility make the situation complex and very difficult to predict the future trend of the stock market. In the process the investors find it difficult to make suitable decisions. If all the suggestions given in the study are carried out by the players involved in the share market will reach its new height in Indian economy and the investors also developed a disciplined attitude towards share market and maximize their returns against their investments.

“When you believe a think is true, you do it, you do not dream about it. That is your power”

- Swami Vivekananda