Preface

Behavioural Pattern, as the term used in this study, refers to the application of various thinking pattern and attitude of household investors (through empirical data to investigate the decision process and future strategy) towards Indian capital market. The context is of a small emerging market of North East India.

"Household Investors" can build a strong India and bring revolution in capital market. They can help the country to achieve the dream of “India 2020” which aims at making India a developed country. They may be small but their commitment is astonishing. They need protection and guidance from regulators (not sympathy) because they are the ultimate sufferer of all scam / fraud happening in capital market.

This study is an effort to provide an insight into the growth and development of capital market in the North Eastern Region after various reform measures are initiated by SEBI to spread the capital market in the doorstep of household investors through out the country. In the context of Globalisation, Assam and the North-Eastern States are strategically located because of their proximity to the East and South-East Asian countries. The aerial distance from Guwahati to Singapore, Malaysia or to Thailand is less than the distance to Mumbai or Chennai. There is a positive trend in the growth of capital market in North East with proper policy framework.

Problems faced by “Household Investors” need to be addressed urgently by all stakeholder, their problem should not only be confined to big cities and towns but across the nook and corner of the country. Majority of them feel unsafe as they have to spend sleepless nights from the day their hard earned savings were put in “Share Bazar".

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Regulators always think about household investors, want to protect them, and made new commitments (forgetting the earlier ones). In the same way intermediaries, brokers, industrialist, business associations, financial institutions, banks, mutual fund and corporate also have sympathy towards them but still scam / fraud took place and investors suffered the most. It seems to be known to all what is needed to done but nobody does it.

This study is a small exercise to bring to the notice of the Society that if we want we can protect ourselves by increasing our awareness level and investment knowledge. Household investors know their responsibilities but they need financial guidance. It is the duty of the Government to encourage capital market, but simultaneously Government should also protect the household investors, as they are the heart of the developed capital market.

This research study discusses the behavioural pattern of household investors of North East India with regard to the capital market and to find out strategies for expansion of capital market activities in this part of the country. For this purpose, a model is being suggested for easy accessibility for capital market for rural household investors. For the convenience of exposition, the whole study has been divided into seven chapters, Chapter I: Introduction; Chapter II: Household Savings & Investment; Chapter III: Capital Market in North East India: Growth & Development; Chapter IV: Personal and Investment Profile of Respondents; Chapter V: Awareness Level and Perceptions; Chapter VI: Investors' Preferences and Portfolio Practices and Chapter VII: Summary of Findings & Conclusions.

I sincerely hope this study would help the policy maker in particular and Society as a whole to create healthy climate in the capital market to ensure adequate protection to the household investors.