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Original Research Paper

Engineering

A STUDY ON EQUITY INVESTOR'S CULTURE WITH SPECIAL REFERENCE TO WORKING WOMEN IN TAMILNADU STATE

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KEYWORDS :

INTRODUCTION

The women investor's culture represented by equity share occupies a strategic place among various economic units in a country as it contributes substantially to the domestic savings efforts. An understanding of the savings behavior of this sector is of crucial importance in devising appropriate savings policies. The word savings here implies the residual amount that is available for a person for investment after meeting all his consumption expenses and repayment of loans. The economic system depends on an adequate supply of capital from private investors. The savings of individual investors are the primary source of capital investment for business expansion. The future of the free enterprise system depends mainly, and almost exclusively on the continued ability and willingness of individuals with larger incomes to provide the capital and funds needed to finance the growth. Individual investors can give funds to the Industry either by participating in its equity or by subscribing to its debt instruments. This participation may be either direct or indirect, through mutual funds. Whatever be the form, their assistance is necessary for the Industry. If the savings of the individuals are not appropriately trapped, then it may find its way into unproductive channels such as investment in Gold or it may lead to the unscrupulous rise in the consumption pattern, both of which are for the economy. Hence there is a right need to tap the savings of the Individuals for productive Investment. Shukla [2016] I in his research paper, about investor's preference towards investment Avenues and concluded that the criteria of investment as safety and low risk. If the savings of the individuals are not appropriately trapped, then it may find its way into unproductive channels such as investment in Gold or it may lead to the incredible rise in the consumption pattern, both of which are not good for the economy. The research proposal that the demographic factors that Educational qualification, occupation, age, income and amount of equity investments choose the investing styles of the investors notably, Hence there is a right need to tap the savings of the Individuals for productive investment.

Total Resources Mobilized by Corporate Sector (`crore)

Month	Equity Issues			Debt Issues			Total Resource Mobilization (4+7)
	Public & Rights	Private Placements	Total (2+3)	Public	Private Placements	Total (5+6)	
1	2	3	4	5	6	7	8
2015-16	25,077	65,102	90,179	34,112	4,58,073	4,92,185	5,82,364
2016-17$	33,369	44,816	78,185	29,353	5,55,082	5,84,435	6,62,620
Apr-16	3,569	3,829	7,398	0	41,079	41,079	48,477
May-16	847	5,480	6,327	899	59,801	60,700	67,028
Jun-16	1,518	2,070	3,589	1,000	33,576	34,576	38,165
Jul-16	1,659	1,525	3,184	500	36,774	37,274	40,458
Aug-16	2,636	580	3,216	14,000	71,165	85,165	88,381
Sep-16	7,703	7,928	15,631	7,493	67,952	75,445	91,076
Oct-16	5,287	7,339	12,626	0	70,396	70,396	83,021
Nov-16	1,209	2,567	3,777	0	38,645	38,645	42,421
Dec-16	1,381	3,201	4,581	0	59,587	59,587	64,168
Jan-17	5,120	9,025	14,145	3,768	45,957	49,725	63,870
Feb-17	2,439	1,272	3,711	1,693	30,151	31,844	35,555

Sources: SEBI Annual report 2015-2016

Resource mobilization through equity segments deteriorated 13.3% during 2016-17 compared to 2015-16 to the tune of 11994 crores. In the case of Debt issues markets are increasing to 92250 crores during 2016-17 compared to 2015-16 that is 18.74%. So the resources mobilized through primary market are very minimum, that is not by the expected GDP growth in 2016-17 compared to 2015-16. The hike is an aggregate of 13.78% in 2016-17. Mobilization of Capital resources through private placement is 76723 crore hike in 2016-17 compared to 2015-16 that is 14.66%. Whereas capital resources mobilized through Public and Rights issues of 3533 crores are increasing in the year 2016-17 when compared to 6% during 2015-16. The securities market facilitates the internationalization of the enterprises and offers society with all sorts of comforts, and this happens through the inflow of capital in the form of portfolio investment. Financial markets across the globe are undergoing reflective, unprecedented and fast-paced changes.

Economic prospects for FY 2016-17

While public investment and urban consumption were the significant drivers of growth in FY 2015-16, a revival of private investment and rural consumption is critical if growth is to remain active in FY 2016-17 and FY 2017-18, given the likely sluggish recovery in the advanced economies and the bleak outlook for global trade. Urban consumption is expected to receive a boost due to the implementation of 7th Pay Commission recommendations. Rural incomes and spending received an increase in the Budget 2016-17 as it supports programs aimed to improve agricultural productivity and funding of the government employment scheme for poor rural families. An expectation of normal monsoon to above-normal monsoon gives hope to mitigate some of the pressure on food prices, which firmed up in the second half of FY 2015-16. Public investment will continue to be an essential driver of growth, as the government is expected to use savings from oil to further boost government investment. Ongoing development by private corporations, reductions in policy rates and positive externalities from public investment are likely to initiate a recovery in private investment. The manufacturing purchasing managers. index declined for six consecutive months to December but rose in January, February, and March 2016 on new orders and exports. The services index has been more robust, reaching a 21-month high in January but then falling in February and again rising in March 2016 on a marginal increase in output. RBI s monetary policy over the last year had rested on rate cuts and liquidity measures – in that sequence of events and importance. The central bank has signaled an accommodative monetary stance and delivered a 25bp rate cut in April 2016 to bring down the policy repo rate to 6.5% in line with market expectations and stuck to its "accommodative" forward guidance. RBI s projection for March 2017iv CPI is at 5%, and they target it to be 4.2% by early 2018. Thus, while aggressive rate cuts are unlikely, FY 2016 may see some monetary easing. The lending rates of the banks have not come down in tandem with the RBI rate cuts, and the focus of the RBI is now on the transmission n of these rate cuts.

PRIMARY AND SECONDARY MARKET

At present, there are 23 operative stock exchanges in India. Most of the stock exchanges are incorporated as "Association of Persons" of Section 25 under the Companies Act (V K Bhalla)v. The core component of the secondary market is the stock exchange. The stock exchange amount raised through Main Board IPOs in FY 2015-16 was 15,374.99 Crore as against 1,374.62 Crore in FY 2014-15, a tenfold increase. Further, there were no Follow-on Public Offers ("FPO") in FY 2015-16. In addition to the 24 IPOs on the Main Board, another 38 companies raised 237.34 Crore through the SME IPO process in FY 2015-16. The total amount mobilized through Privately Placed Debt Securities at BSE in FY 2015-16 was 2, 35,402Crore as against 2,46,221Crore in FY 2014-15. During FY 2015-16, there were 20 public issues of bonds which mobilized 34,461 Crore as against 10,716 Crore from general aspects of relationships in the FY 2014-15.

Further out of these 20 public issues, 15 issues were exclusively listed on BSE (75%). The BSE platform was used to collect 89,537 Crore, and the average bids garnered through BSE s Internet-based- Book Building Software ("iBBS") platform for these public debt issuances was 96%. During FY 2015-16 there were 18 Offer for Sale ("OFS") issues, of which BSE was appointed as the Designated Stock Exchange in 14 issues (78%). Out of the 14 OFS issues, ten issues were conducted exclusively on the BSE platform. In FY 2015-16, the total amount raised through OFS issues was 19,813.87 Crore. During the year, SEBI has extended Stock Exchange Mechanism route of the secondary market to tender shares by investors for any Buyback/Delisting or Take Over offer. BSE enabled this facility through its iBBS platform as an Offer to buy ("OTB") window. BSE has again emerged as the market leader in this new product offering. Since inception, there were 37 OTB issues, of which BSE was appointed as the Designated Stock Exchange in 5 points, and 28 issues were conducted exclusively on the BSE platform.

Further, during the year, SEBI also changed the guidelines and regulations for public issue of equity shares. Thus, the Applications Supported by Blocked Amount ("ASBA") mechanism was made mandatory, and the listing of shares is required to be completed within six days in place of 12 days permitted earlier. The average bids garnered through BSE s iBBS platform after the streamlining of the IPO process was 61%. In the Budget 2016, Government has given further relaxation in the matter of taxation for REIT and Invites. BSE has started engaging with the regulators and market participants for the successful rollout of this product and for a new asset class to be available to investors on its Trading Platform.Provides a platform for investors to buy and sell securities from each other and in regulated manner (NiSM)vi. The two leading stock exchanges in India are the BSE and the NSE. MSEI is the third national level stock exchange started to function in 2013. Vii A market index tracks the market movement. Most leading indices are weighted by Market capitalization to take into account the fact that more the number of shares issued and, greater the number of portfolio in which they may be held. The most widely tracked indices in India are BSE Sensitive Index (Sensex),MSEI Flagship Index (SX40), and the CNX Nifty (Fifty).

The Indian stock market witnessed moderate gain during February 2017. At the end of February 2017, S&P BSE Sensex closed at 28,743.32Crore witnessing a 3.9 percent gain over its last months closing at 27,655.96Crore. The Nifty 50 also increased by 3.7 percent to close at 8,879.60„Crore at the end of February 2017 compared to previous month s closing at 8,561.30. S&P BSE Sensex and Nifty 50 touched their intraday highs of 29,065.31Crore and 8,982.15 Crore respectively on February 23, 2017. Both Sensex and Nifty touched their intraday lows of 27,590.1 Crore and 8,537.5 Crore respectively on February 01, 2017. Reflecting the steady trend in market movements, the market capitalisation of BSE at the end of February 2017 increased by4.5 percent to 1,17,59,367 crore from 1,12,56,330 at the end of January 2017. Market capitalization at NSE also rose to 1, 15,62,210 crore from 1,10,47,315 crore during the same period witnessing a gain of 4.7 percent. The P/E ratios of S&P BSE Sensex and Nifty 50 were 21.9 and 23.1 respectively at the end of February 2017 compared to 21.6 and 22.9 respectively a month ago. The monthly turnover of BSE (cash segment) increased by 5.5 percent to 68,330 crore in February 2017 from 64,764 crore in January 2017. The monthly turnover of NSE (cash segment) also increased by 17.6 percent to 4, 76,300 crore in February 2017 from 4,05,119 crore in January 2017[viii].

BACKGROUND OF THE STUDY

The equity investor culture in the capital market is used as the primary tool to activate funds for the economic growth of the country. The renovation of saving for the household, investing in institutions, the formation of financial assets and the growth of asset-related products are the essential function of the capital market. For the constant growth of the economy in any country, well- functioning of security market is needed; the security market provides a bridge between critical savers and ultimate investors, the chance to position the investments of the careful at the disposal of the original, thus hopeful to raise the total level of investment and growth. It allocates scarce savings to the enterprises and forces them to focus on their performance, which is continuously evaluated through share prices in the market. It thus converts a given stock of invested funds to a significant flow of goods and services. The growth of securities market changes the quantum and composition of savings and asset of the households. The availability of yield-bearing securities induces people to consume less and invest more in high elastic, divisible, liquid securities. A robust domestic stock market show forms the basis for the well relating to the household group to raise funds in the international markets. The securities market facilitates the internationalized of the economy by between it with the break of the world. This relationship happens through the inflow of capital in the form of portfolio investment. Financial markets across the globe are undergoing reflective, unprecedented and fast-paced changes. Knowledge has revolutionized the processes and order explosion has sparked off remarkable changes in the way the world market has been operating. Change has become an unexpected experience.

IMPORTANT OF THE STUDY

Indian Capital market is one of the most extended upward markets in the world. It has developed memorably during the recent years in tune with the global financial markets. The Indian Capital Market comprises of two segments namely, the Primary and the Secondary market. The new number of securities takes place in the primary market and trading among investors takes place in the secondary market. The primary market is the primary channel during which the savings of the households are mobilized by the companies honestly for investment purposes. It is the Centre stage of the capital market that boosts industrial and financial activities by providing long-term funds to the corporate and the government. It infuses new securities; add volume and the broader base of securities in the secondary market. The secondary market affords liquidity to the investment in securities and reflects the general health of the economy.

Indian businesses mostly raise funds during the capital market. Two types of capital are fundamentally raised viz., Equity and Debt. Equity forms part of the net worth and the Debt forms element of the external legal responsibility of the firm. The capital raised through equity is superior to that of debt capital for both the firm and the investor. Investment enhances the borrowing power of the firm from banks and financial institutions. If a firm can mobilize sizable amount of equity capital through primary market, it can approach banks to fund long-term investment. From the investor's point of view, it could be noticed that over the long term, the equity investments have out-performed debt and other asset classes across the globe. In India, looking at the eight years Compounded Annual Growth Rate (CAGR), equity returns have outperformed debt to the tune of 15.8 percent The Indian Capital Market has witnessed extraordinary jubilation from the early nineties, and it has won critical appreciation from various quarters.

At present, there are 19 Stock Exchanges in India. The National Stock Exchange (NSE) and 18, Bombay Stock Exchange (BSE) together account for more than 99 percent of the total turnover having a combined market capitalization of $ 125.5 billion. Around 7120 companies are listed in NSE and BSE. The success of equity issues depends on the confidence of the investors. If investors perceive high profitability prospects, invest in the equity of investors namely, institutional investors and retail investors. Institutional investors are enormous investors who operate through Portfolio Managers. Portfolio Managers only shuffle around the holdings in the existing scrip's in their hold back, based on their evaluation of different scraps, but they inject the much-needed risk capital to upcoming enterprises to undertake new industrial activities. Even Foreign Institutional Investors (FII s) generally bring wealth into the country only to obtain shares in the live Blue Chip Companies but do not provide risk capital to the corporate world. It is the Retail Investor, i.e. the household sector, who is the only source of providing risk capital. The Retail Investor provides this risk capital, either directly by investing in the equity market or through collective schemes popularly called as Mutual Funds. They are around 39 Mutual Funds contribution about 600 plans to the households, managing assets to the tune of Rs. 3, 10,171 corers (the US $ 68 billion) at the end of October 2006. Indian retail investors have been directly participating in equity markets and taking price fluctuations for decades. The household sector generates more than $ 30 billion of savings every year, which is available to the Indian financial system. It is the only source of providing risk capital within the country.

SCOPE OF THE STUDY

Traditionally, finance theory based on women investor's decision through a lens of risk and return and the choice should be reasonable and independent one. Behavioral finance recognizes and evidences that emotions and group instincts play an important role in influencing decision making. Various institutional investors and individual investors are aware about such psychological behavior while making investment decision. This irrational behavior helps us to know the impoverishment of the financial literacy level which creates uncertainty in the game of investment. As a result, the traditional economic theory relating to the efficiency of the stock market is demonstrated incorrect. In this context, it is very significant for an investor to be aware of the various psychological phenomena and they should identify the ways to overcome while making investment. Investor behavior is characterized by volatility and overreaction. Some of the irrational behaviors have evidenced the group instincts, overconfidence, anchoring among others. A group instinct refers to the practice of the investors to follow the crowd and not having independent decisions. Due to the movement of market, investors were subject to fear of knowledge about marketing information. Therefore, investors have a strong desire towards what others do. Identification of all such behavior helps the investor making proper investment. Apart from the psychological factors, demographic factors also influences the financial decision make process. Hence this study it helps to analyze the various factors that affect the investors investing behavior.

Bombay Stock Exchange and the National Stock Exchange are the two primary stock exchange evidence the growth of the capital market in India which increases the market capitalization of the stock exchange both at the national and international level regarding the number of securities traded. In the last decade, there was a considerable increase in the inflow of funds from the Foreign Institutional Investors. When the stock market is growing individual investors share that growth and profit. The data reveals that various agencies show that individual investors especially retail investors are shying away from the capital market Hence there is a need to study individual investors and perceptions in the capital market This study is on individual investors as buyers of corporate securities. Developing an economy like India, for corporate securities so that the by issuing securities to the public. Individual investors have a considerable role in the smooth functioning of the capital market and ensuring the capital flows into the most efficient hands. Given the high savings rate of households, the challenge before the policymakers and regulators is how to attract these savings into the capital market. Individual investors should take a pivotal role in corporate governance as well. Unlike institutional investors, individual investors have small holdings in the capital, and they are scattered. Hence there is a need to protect their rights. There is not much of shareholders activism in India, especially in Tamil Nadu. Tamil Nadu has only a few registered investors associations with SEBI, The state of Tamil Nadu is one of the developed countries in India with massive potential for participation in the capital market. Investor studies relating to the state of Tamil Nadu is minimal. Hence this study is undertaken to gain an insight into the women investor behavior.

OBJECTIVES OF THE STUDY

1. To examine the structure and working of the Indian financial system and market operations.

2. To study the investment pattern among the equity share of women investor.

3. To sketch the woman investor's profile based on their personal, social economic and the design of their investments.

4. To identify the factors that influences the choice of financing of the equity share in women investor.

5. To determine the risk and return on investments by equity share in women investor.

HYPOTHESES

1. There is a significant relationship between genders of investors.

2. Group behavior varies significantly among the age groups of women investors

3. Risk tolerance varies considerably with the age of the women investors

4. There exists a relationship between risk tolerances and the gender groups of the women investors.

METHODOLOGY OF THE STUDY

This study based on the women investors' behavior in Capital Market, both in analytical and descriptive nature. It depends upon both primary and secondary data. The methodology is the explanation segment which governs the outcome of the research. It encompasses and directs the researcher to research a systematic process which ensures and facilitates the truthfulness of the findings. It deals with the data collected for the study, sources of data, sampling plan the population of the study, location of the research, instrument used to collect data, method of obtaining data, analysis and interpretation of the received data with different statistical tools in order to find out the strength of the received data and limitation of the study.

SAMPLING PLAN

Since the population of the selected locations for the research is very large and all the Respondents could not be interviewed due to practical difficulties; only selected samples have been taken up for the study. Many investors were unwilling to disclose their financial details especially amount of money invested in different investment avenues. Hence the data were collected from the respondents who were willing to disclose the information. The simple random sampling method is used for the study. When the target population is finely distributed across an immeasurable are this method of simple random sampling is suitable for data collection. To have an illustration from different socio-economic groups, cluster sampling is done to select the respondents.

LOCATION OF THE STUDY

The research adopted a simple random sampling method. The respondents are residents of Tamilnadu state in the age group of 20 years to 65 years including the different strata of women investors like the student, Investment & Fund Managers, Retired salaried class, Stock Brokers, and Investment Advisors.

FRAMEWORK ANALYSIS

This research is based on primary data which were collected from the investors through a questionnaire. Secondary data is also utilized, which were obtained from the published source like books, journals, magazines, annual report. The data collected from sources is scrutinized, edited and tabulated. The data were analyzed using statistical package for social sciences (SPSS- IBM-21). The following analytical tools are used in the study. Measures of central tendency and measures of dispersion, Kruskal Wallis test, One-way analysis of variance, Factor analysis, K-means cluster analysis. Multiple discriminate analyses, multiple regression analysis, Non-parametric chi-square analysis, and percentage analysis have been employed.

LIMITATIONS OF THE STUDY

The study is confined to the Tamilnadu state, and therefore the conclusion cannot be comprehensive to the entire universe. The Findings, Suggestions and the outcome may be applicable only to the retail equity investors and not for other Institutional investors. Reliability and Validity of the statistical data are obtained from the opinion given by women investors which may differ from time to time because of their psychological temperament.