
NON RESIDENTIAL INDIANS APPROCH TO THE STOCK MARKET: A STUDY BASED ON DOHA(QATAR)

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ABSTRACT

Stock market is one of the best investment method in India, which is giving high returns than any other investments. An important part of this study is to find out the approach of the non-resident Indians to the stock market investments. A study was conducted in Doha from 20th December 2017 to 20th January 2018 to find out the approach of the NRIs to the stock market. The result shows most of the NRIs doesn't have much information about the stock market and doesn't know the requirements and procedure to start the investments. Also some of the NRIs are thinking about the stock market investment is a fraud like money chain illegal business. Proper awareness can change the attitude of the NRIs to change their approach to the stock market investment.

Key Words: Stock market, Non Residential Indians(NRIs), Stock Exchanges, Securities and Exchange Board of India

INTRODUCTION

Stock Market is a type of Capital market which deals with the issuance and trading of shares and stocks at a certain price. The share trading in the Indian equity market takes place through the stock exchanges. The Procedure and requirements to start the investment is not complicated but still most of the NRIs keep away from the stock market investment. Proper awareness is the best way to increase the knowledge of NRIs and to attract the stock market investments.

LITERATURE REVIEW

Stock market investment is very famous method of investment in the world. In India, still most of people keep away from the stock market investment. This study concentrated on NRIs those who is living in Doha, Qatar. Prior to proceed to the approach of the stock market investment, we have to go through the terms like stock exchanges, Securities and Exchange Board of India, What is a stock?, How to invest in stock market ?.

Stock Exchanges

Stock exchanges provide an organized market for transactions shares, securities, etc. There are total 21 no's of exchanges registered under Securities and Exchange Board of India (SEBI) in India. National Stock Exchange of India (NSE) and Bombay Stock Exchange of India (BSE)is the major stock

exchanges in India. Most of the share trading in the Indian equity market takes place through these two stock exchanges. Both these exchanges have followed the same trading mechanism, trading hours, settlement process, etc.

Securities and Exchange Board of India (SEBI)

The Securities and Exchange Board of India (SEBI) is the regulator for the securities market in India. It was established in the year 1988 and given statutory powers on 30 January 1992 through the SEBI Act, 1992. The main function of SEBI is to protect the interests of investors to promote the development and to regulate the market.

What is a stock?

Stock is defined as a share of ownership of a company. On the other hand, refers to the stock certificate of any company. Holding a particular company's share makes a person to a shareholder. Companies issue "shares" to raise capital for funding their business operations while investors invest in the share in order to share the risks or rewards of the business of the company. The reward or benefit for investors could be in the form of Dividends , Bonus, etc

How to invest in stock market ?

There are different ways to invest in stock markets depending on a person familiarity, risk appetite, Portfolio, saving and other factors.

To start investing in stocks directly it requires a trading cum demat account which will be linked to their bank account. The opening of the trading and demat account is just like an opening a bank account that includes some documentation formalities, which are mandatory to be completed. Now a days the AADHAR is a compulsory document for all the investments in India. Once the account is open ,the account holder can start investing in the stock market.

GENERAL APPROCH OF THE NRIS TO THE STOCK MARKET

The general approach of the NRIs toward the stock market investment is not attractive. The NRIs are not getting attracted by the stock market investments.

METHODOLOGY TO FIND OUT THE APPROCH OF NRIS AGANST THE STOCK MARKET INVESTMENTS.

An important part of the stock market approach study is to find out the general approach of the NRIs living in Doha ,Qatar about stock market investments. A study performed to know the approach of the NRIs and has received valuable output from the NRIs.

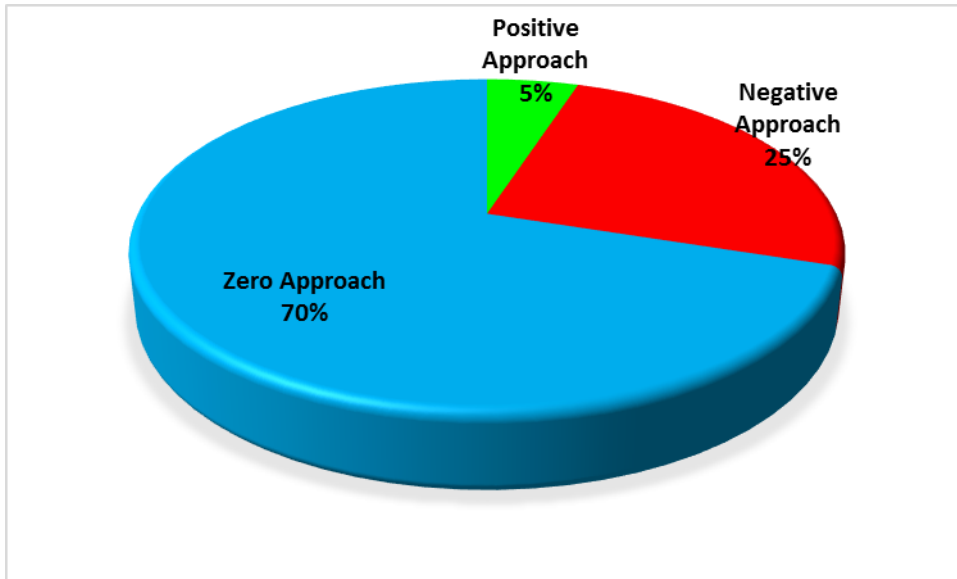
To perform the study ,considered the people living in all the standards which is those who is working as unskilled, skilled until the management levels of various organizations in Doha, Qatar. The skilled and management level category includes the people those who are working in the field

of Administration, Engineering ,Medical, Human Resources, Accounting, Information Technology, Marketing& Sales and Others of various industries in Doha, Qatar.

According to the study, we can classify the approach in to three major categories which is below

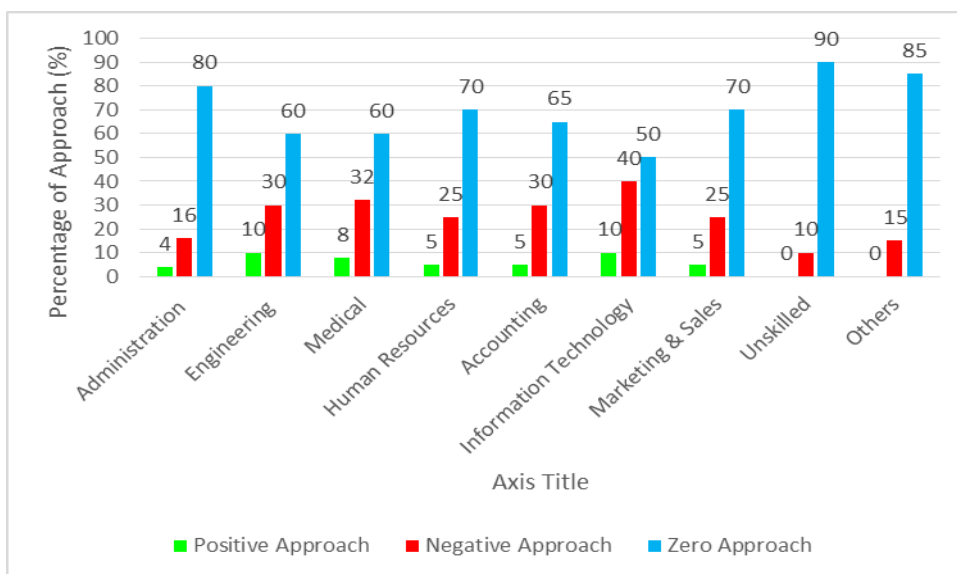
- 1) Positive Approach
- 2) Negative Approach
- 3) Zero Approach

The below pictures (Pic.1) shows the summary of the assessment result.



Pic.1

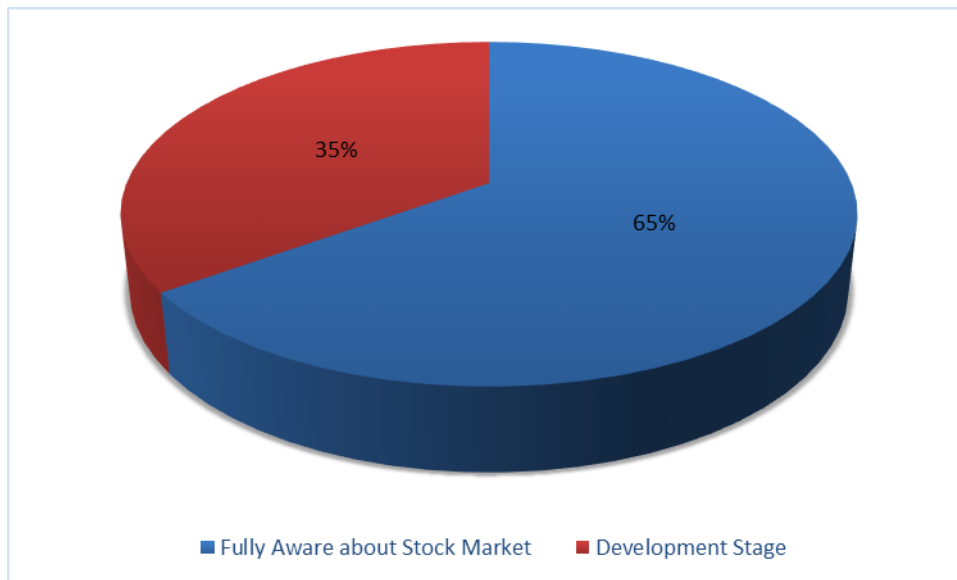
The below picture (Pic.2) shows the detailed approach of the NRIs participated in the based on their professions.



Pic.2

1) Positive Approach

The Positive approach is to put maximum effort and interest to gaining the best return from the market. It does not mean to trade a lot or invest a lot in the market because that may in the end be counterproductive. This can be a maximum effort to find out the right stock at right time and also should have the ability to take risk. Some of the NRIs think that the stock market is like a wealth box. Once open it, it would create more wealth and earning. The NRIs think this is the best way for investment to increase their wealth. This category is very keen and most of them know the methodology to increase their wealth via stock market investment. But some of these investors doesn't have much knowledge but they are trying to learn (development stage) more about the investment strategies to manage their investment in stock market.



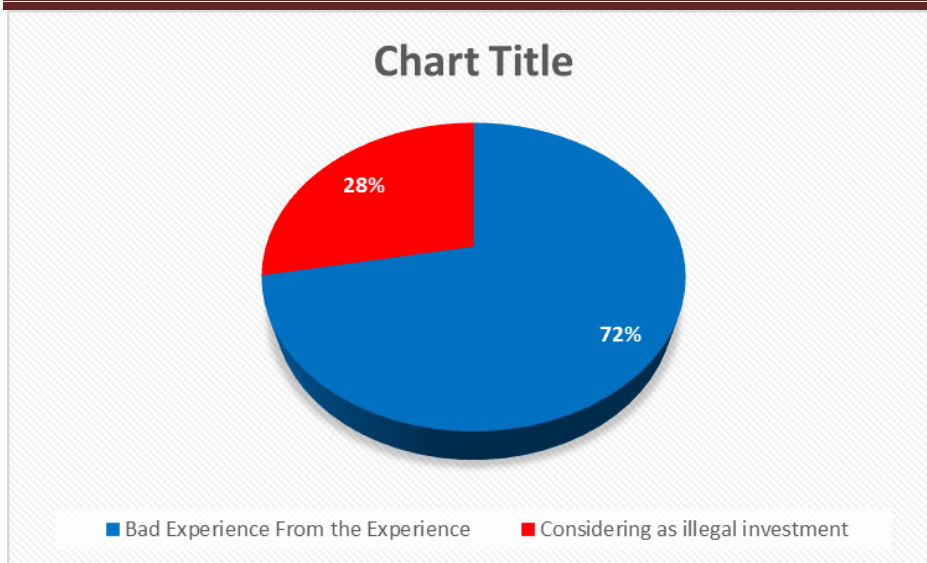
Pic.3

The above picture(Pic.3) shows the result of the Positive Approach

2) Negative Approach.

Mainly the people under this category have bad experience from stock market investment and some of them are afraid to invest in the stock market. This is mainly due to these people doesn't have much idea and they are believing the tips of various people and blindly investing on the market. Mainly these people don't have an investment strategy. With the help of a financial advisor these people can create a good investment in the market

Few of NRIs think that stock market investment will not give any profit. It will give only losses and the investment like illegal money chain businesses.



Pic.4

The above picture(Pic.4) shows the result of the Negative Approach

3) Zero Approach

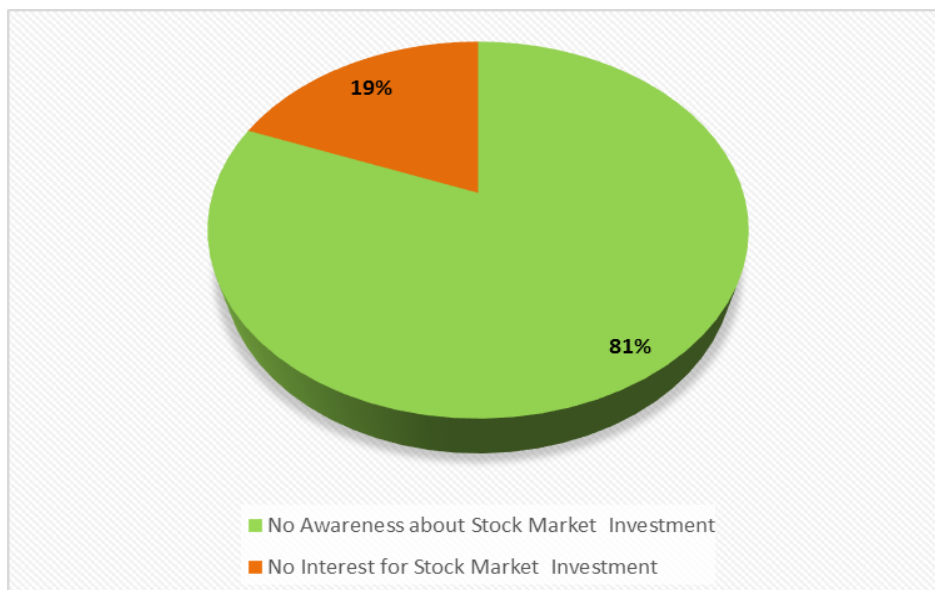
Most of the people falls under this category, it is because of their unawareness and dislikes (no interest).Some of the NRIs in this category have no interest for investment due to the various reasons.

1) No awareness about the stock market investment

The NRIs under this category shows they don't have any idea about the stock market investment.

2)No interest to the stock market investment

The NRIs under this category shows they don't have any interest to the stock market investments.



Pic.5

The above picture (Pic.5) shows the result of the Zero Approach

CONCLUSION

Stock market investment is one of the best investment option for NRIs. The general approach of the people is not attractive towards the stock market investment because of mainly the NRIs are not getting proper guidance, awareness and assistance to begin the stock market investments. By providing them with proper knowledge only it is possible to change the attitude and approach of the NRIs about the stock market investments.

REFERANCES

- 1) Securities and Exchange Board of India (SEBI) Guidelines & Circulars related to the NRI investment & Trading
- 2) Reserve Bank Of India Guidelines for NRI Trading & Investment in Indian Companies by FIIs/NRIs/PIOs (http://www.rbi.org.in/scripts/BS_FiiUser.aspx)
- 3) National Stock Exchange of India-FAQs FOR NRI - TRADING ACCOUNT (https://www.nseindia.com/content/members/faq_NRI_TA.pdf)⁴
- 4) Ministry of External Affairs, Government of India –Guidance for the Portfolio Investment Scheme for NRIs (<https://www.mea.gov.in/images/pdf/shares-and-securities.pdf>)
- 5)ICICI Bank NRI Investment in India(<https://www.icicibank.com/nri-banking/investments/overview-investment.page>)
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