



Title Investment Analysis of Retail Investor in Small Cap , Mid Cap and Large Cap Companies

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ABSTRACT

In the current economic scenario rate of interest are fluctuating in share market which leads to investment confusions so that investor is facing difficulty in taking investment decisions. investors have to consider various factors before choosing investment patterns such as risk, return, liquidity, stability and volatility. The investors must have adequate knowledge to identify stocks by their investment strategy. If investors have no idea about the stocks, then investors suffer losses. The stock market as inherent risk and varies from stock to stock. Stock market are divided on the basis of market capitalization like large cap, midcap, and small cap stocks. this categorization helps investors to take right decisions to select right stocks. Small caps companies market capitalization is not more than 5000 crores. These companies are comparatively smaller in terms of size and have significant potential with regard to growth and development. Mid-caps are the companies whose total market capital is more than 5000 crores but less than 20000 crores. Investing in this companies could be risky as compared to large cap sector but these companies have the capacity to become large cap in the long term and also offers growth potential as well as significant market growth. These share less volatile and very stable as compared to small cap and Mid Cap stocks. This study investigated the linkage between the large cap, midcap and small cap by analyzing perception of investors.

INTRODUCTION

Where to Invest

- **Stocks or Equities:** A share of stock is a piece of ownership of a public or private company. The investor may be entitled to dividend distributions generated from the company's net profit. The stock's value can also grow and sell for capital gains. The two primary types of stocks to invest in are [common](#) and [preferred](#).
- **Bonds or Fixed-Income Securities:** An investment that often demands an upfront investment, and pays recurring interest over time, called a coupon payment. At maturity, the investor receives the capital invested into the bond.
Like debt, bond investments are a mechanism for governments and companies to raise money.
- **Index Funds or Mutual Funds:** Index and mutual funds aggregate specific investments to craft one investment vehicle. An investor can buy shares of a single mutual fund that owns shares of multiple companies. Mutual funds are actively managed while index funds are often passively managed. This means that the investment professionals overseeing the mutual fund are trying to beat a specific benchmark, while index funds attempt to imitate a benchmark.
- **Real Estate:** Real estate investments are investments in physical, tangible spaces that can be utilized. Land can be built on, office buildings can be occupied, warehouses can store inventory, and residential properties can house families. Real estate investments may encompass acquiring sites, developing sites for specific uses, or purchasing ready-to-occupy operating sites.
- **Commodities:** Raw materials such as agriculture, energy, or metals are commodities. Investors can invest in tangible [commodities](#), like owning a bar of gold, or choose alternative investment products that represent digital ownership such as a gold ETF. Oil and gas are considered commodities.
- **Cryptocurrency:** A [blockchain](#)-based currency used to transact or hold digital value. Cryptocurrency companies can issue coins or tokens that may increase in value. These tokens can be used to transact with. Cryptocurrency can be staked on a blockchain where investors agree to lock their tokens on a network to help validate transactions. These investors are rewarded with additional tokens.
- **Collectibles:** Collecting or purchasing collectibles involves acquiring rare items in anticipation of those items increasing in value and demand. From sports memorabilia to comic books, these physical items often require substantial physical preservation, considering that older items usually carry higher value.

Who is retail investor

A retail investor is an individual who buys and sells investments for their own personal accounts, usually through a broker, bank, or mutual fund. They are also known as individual investors:

- **Characteristics**

Retail investors are non-professionals who invest their own money, usually on their own behalf. They are typically long-term investors who trade less frequently and at a minimal volume.

- **Investments**

Retail investors often invest in:

- Retirement accounts, such as 401(k)s
- Stocks
- Bonds
- Cryptocurrency

Define mid cap , large cap and small cap

In India, companies are categorized into large-cap, mid-cap, and small-cap based on their market capitalization:

- **Large-cap:** The top 100 companies by market value. Large-cap companies are also known as "blue-chip stocks".
- **Mid-cap:** Companies ranked 101st to 250th by market value.
- **Small-cap:** Companies ranked 251st and beyond by market value.

The market capitalization of a company is the total value of all its outstanding shares multiplied by the share price.

The choice of a large-cap, mid-cap, or small-cap fund depends on an investor's risk tolerance, investment goals, and investment timeframe:

- **Large-cap funds**

These funds prioritize stability and lower risk, making them ideal for conservative investors.

- **Mid-cap funds**

These funds offer a balance, providing growth potential with moderate risk.

- **Small-cap funds**

These funds hold the allure of potentially high returns, but come with the most significant risk.

2. Review of literature

Swapna (2016) The study informs investors about stocks and encourages them to invest in a profitable sector by calculating the risk and return of individual stocks and analysing the risk and return of selected companies. the primary goals of investment are to generate highest return at lowest risk. this study suggests the number of investors to invest on fundamentally strong companies rather than looking into high returns of weak companies

Suresh and Harshita (2017) Using Markowitz and Sharpe's models, the research article compares the link between stock risk and return. The goal of the research is to determine the level of variance in Returns by comparing the various models and determining whether the results are consistent. Investors will be able to compare market risk of various investments using Beta's output.

.R. Karrupasamy, Vanaja. V (2013) The study's goal is to evaluate the performance of various large cap, small cap, and mid cap equity mutual fund schemes based on returns and comparisons to their benchmarks, as well as to evaluate the performance of various funds using risk adjusted measures as suggested by Sharpe, Treynor, and Jensen. this study suggested to invest on large cap schemes for not more than 2 years and investment more than 3 years can be made in small and midcaps sectors

2.1 Objectives of the Study

To identify the factors influencing on investment decisions

1. To analyze the risk factor associated with the large cap, mid and small caps
2. To examine the perception of investors in terms of growth and liquidity.

Research Methodology

1. Research Design

This study adopts a **descriptive research design** aimed at understanding and analyzing the investment behavior of retail investors across different categories of companies—namely Large Cap, Mid Cap, and Small Cap—in India. The research seeks to identify patterns, preferences, and decision-making factors influencing retail investors, with a particular focus on the Gwalior city region.

3. Data Sources

Primary Data

Primary data was collected through a structured questionnaire survey administered to retail investors in Gwalior city, Madhya Pradesh. The questionnaire was designed to gather information on:

- Demographics of investors (age, income, occupation)
- Investment preferences (Large, Mid, or Small Cap)
- Risk appetite and investment goals
- Sources of investment information
- Decision-making behavior

A **Google Form** was used to collect and compile responses electronically.

b. Secondary Data

Secondary data was collected from credible and recognized online platforms such as:

- Screener.in — a financial analytics website offering data on company performance, market capitalization classification, and investor trends.
- Other reliable sources including published reports from SEBI, NSE, and AMFI.

2.6 Limitations of the study

1. conclusions were taken from the information based on the assumption that the data was accurate.
2. The results of the study cannot be generalized.
3. this study has been limited to gwalior city

3. Data analysis and Interpretation

Large cap – companies



Overview of the Graph

- **X-axis:** Years (2021 to 2025)
- **Y-axis:** Percentage of **retail investor**
- **Legend:** Lists five companies:
 - **ITC** (pink)
 - **ICICI Bank** (cyan)
 - **Nestle India** (dark blue)
 - **Infosys** (green)
 - **Bharti Airtel** (yellow-green)

Data Insights by Company

ITC (Pink)

- **2021 & 2022** Highest retail investor (45%)
- **2023–2025** Sharp decline (15% onwards)
- **Trend:** **Strong downward** trend starting from 2023.

ICICI Bank (Cyan)

- Consistent values around **10–11%** across all years.
- **Trend:** **Stable** in retail investor.

Nestle India (Dark Blue)

- Fairly **steady** around **16–17%**, minor fluctuations.
- Trend** **Flat/stable** with no significant changes.

Infosys (Green)

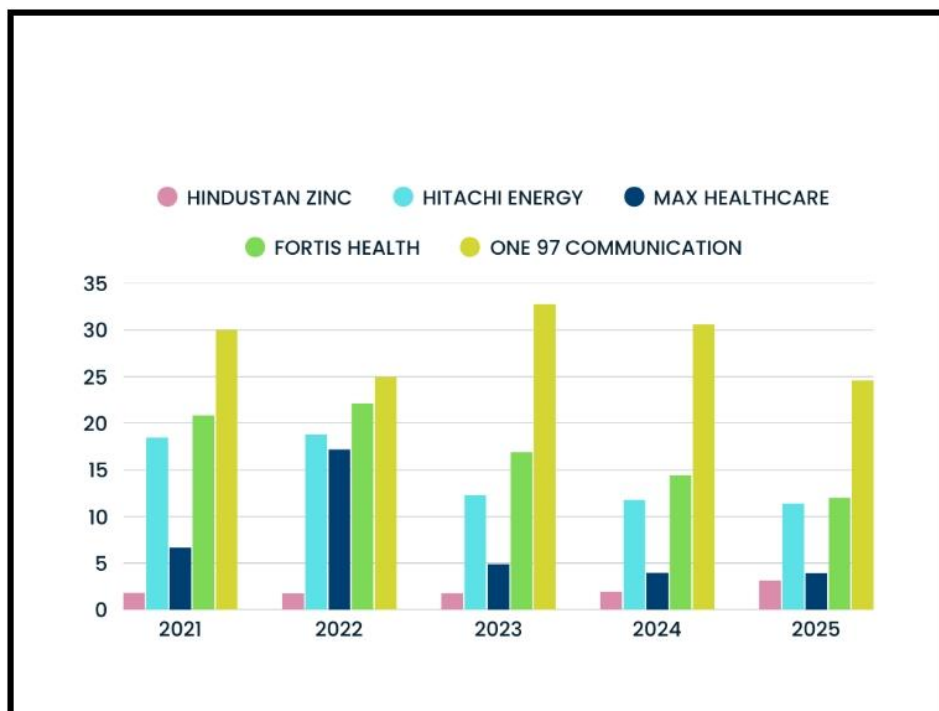
- 2021**: - 31%, **2022**: peak - 36%
- Gradual decline from 2023 onward, reaching -14% by 2025
- Trend**: **Gradual downward** trend after peaking in 2022.

Bharti Airtel (Yellow-Green)

- Consistently low ownership (5%) slight dip over the years
- Trend**- **Slightly decreasing**, but relatively flat.

Large cap companies / Trends

- ITC and Infosys** both show a **significant decrease** in retail investor after 2022.
- ICICI Bank, Nestle India, and Bharti Airtel** show **stability** or **minor changes** in investor .
- 2023 appears to be a **turning point**, especially for ITC and Infosys.
- No company shows a significant **upward** trend in retail shareholder —mostly flat or declining.

**Overview of the Graph**

- X-axis:** Years from **2021 to 2025**
- Y-axis:** **Percentage of retail investor**
- Companies Represented:**
 - Hindustan Zinc** (pink)
 - Hitachi Energy** (cyan)
 - Max Healthcare** (dark blue)
 - Fortis Health** (light green)
 - One 97 Communication** (yellow-green)

Company-wise Insights**Hindustan Zinc (Pink)**

- Very low retail investor across all years, starting around **2%** and gradually increasing to around **4%** by 2025.
- Trend**: **Slight upward**, but remains the **lowest** among all.

Hitachi Energy (Cyan)

- Fairly steady from **2021–2022** (18–19%)
- Drops sharply in **2023** (13%), and stays around **11–12%** for 2024–2025.
- Trend**: **Declining** after 2022.

Max Healthcare (Dark Blue)

- 2021**: - 6%
- Peaks at **17%** in 2022, then drops to - 4–5% in 2023 onward.

- **Trend: Spike in 2022**, followed by a **sharp decline**.

Fortis Health (Light Green)

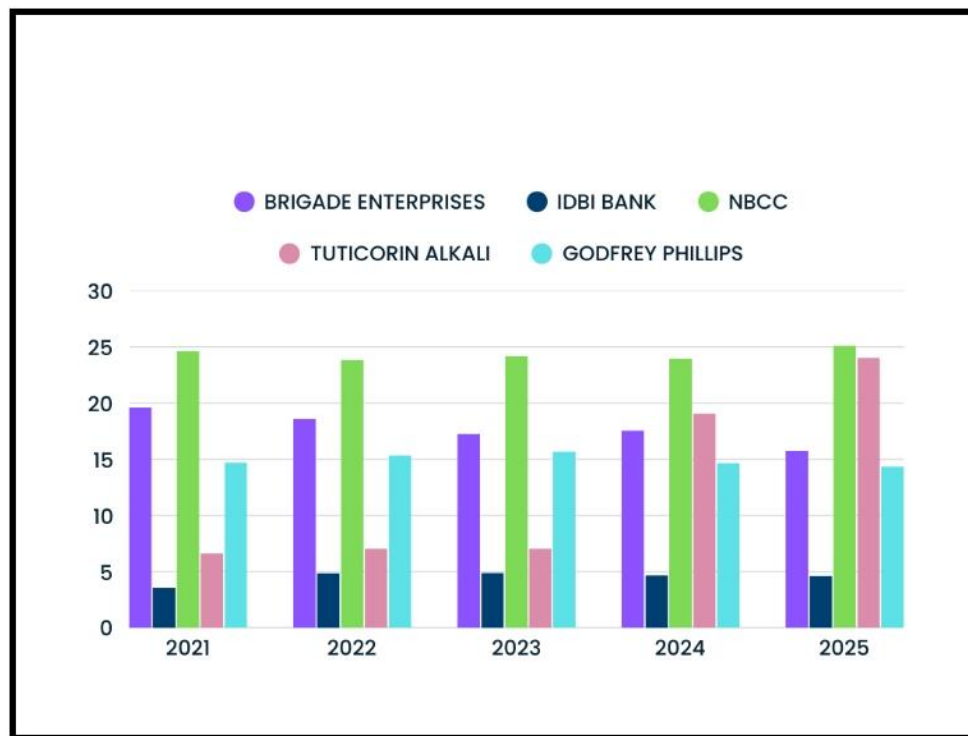
- **2021–2022**: Strong ownership (21–22%)
- Steady drop from **2023 to 2025**, reaching 12%
- **Trend: Consistent downward** trend.

One 97 Communication (Yellow-Green)

- **Highest** retail investor throughout all years
- Starts at 30% in 2021, dips in **2022**, peaks again in **2023 (33%)**, then gradual decline till **2025 (25%)**
- **Trend: Fluctuating**, but still leads among peers.

Overall Observations & Trends

1. **Declining Trend:**
 - **Hitachi Energy, Max Healthcare, and Fortis Health** all show notable **declines in retail investor** after 2022.
 - **Max Healthcare** has the most dramatic spike and fall (a "one-year wonder" in 2022).
2. **Stability & Resilience:**
 - **One 97 Communication** maintains the **strongest and most stable** investor position, though it slightly declines after peaking in 2023.
3. **Rising Trend:**
 - **Hindustan Zinc**, although low overall, shows a **slow but consistent increase**.
4. **2022 as a Pivotal Year:**
 - Several companies peaked or changed direction in 2022—indicating possible **market or investor sentiment shifts** around that time.



Overview of the Graph

- **X-axis:** Years from **2021 to 2025**
- **Y-axis:** Percentage of retail investor
- **Companies Represented:**
 - **Brigade Enterprises** (purple)
 - **IDBI Bank** (dark blue)
 - **NBCC** (light green)
 - **Tuticorin Alkali** (pink)
 - **Godfrey Phillips** (cyan)

Company-wise Insights

Brigade Enterprises (Purple)

- Starts at 20% in 2021

- Gradually declines to 16% by 2025
- **Trend: Moderate downward trend**

IDBI Bank (Dark Blue)

- Consistently low retail investor (4–5%) across all years
- **Trend: Flat and stable**

NBCC (Light Green)

- **2021–2024:** Consistently strong at 24%
- Slight increase in **2025** to 25%
- **Trend: Stable**, with a slight uptick in 2025

Tuticorin Alkali (Pink)

- **2021–2023:** Around 7%
- **2024–2025:** Sharp rise, peaking around **24%** in 2025
- **Trend: Strong upward** trend in the last two years

Godfrey Phillips (Cyan)

- Slight fluctuations, hovering around 14–16% across years
- **Trend: Relatively stable** with minor dips in 2024–2025

Overall Observations & Trends

- Rising Star:**
 - **Tuticorin Alkali** has the most dramatic change — a **major rise** in retail investor starting in 2024. This could indicate **renewed investor confidence or strategic shifts**.
- Steady Leaders:**
 - **NBCC** maintains **strong and consistent retail investor**, possibly showing sustained investor trust or stable fundamentals.
- Slow Decliners:**
 - **Brigade Enterprises** is gradually losing shareholder interest — could reflect moderate underperformance or shifts in sentiment.
- Stable Laggards:**
 - **IDBI Bank** remains at the bottom in terms of retail investor and shows **no real movement**, possibly indicating **low interest or stagnant positioning**.
- Godfrey Phillips:**
 - Shows a stable but **slightly tapering** pattern — consistent but with a mild decline in the last two years.

Summary of Small Cap Trends

- **Upward Momentum:** Tuticorin Alkali
- **Consistent Confidence:** NBCC
- **Mild Weakness:** Brigade Enterprises, Godfrey Phillips
- **Low & Flat:** IDBI Bank

LARGE CAP ([ITC](#), [ICICI Bank](#), [Nestle India](#), [Infosys](#), [Bharti Airtel](#))

- **ITC:** Strong start (45%) then big drop in 2023 and stable after.
- **Infosys:** Peaked in 2022, then steadily declined till 2025.
- **Nestle India:** Consistent (16–17%) through all years.
- **ICICI Bank:** Slight downward trend.
- **Bharti Airtel:** Very low and **declining**.

📉 Trend:

General **decline in retail investor** post-2022, suggesting **profit booking, market saturation, or shifting interest away from giants**.

MID CAP ([Hindustan Zinc](#), [Hitachi Energy](#), [Max Healthcare](#), [Fortis Health](#), [One 97 Communication](#))

- **One 97 Communication:** Dominant in retail investors, but shows **fluctuations**.
- **Max Healthcare & Hitachi Energy:** Peaked in 2022 and **fell sharply** after.
- **Fortis Health:** Declining.
- **Hindustan Zinc:** Low but **rising slowly**.

📈 Trend:

Volatility with a downward tilt post-2022 — investors may have **cashied out after gains** or reallocated to newer bets. However, **some value-buying starts to emerge** in selective stocks like Hindustan Zinc.

SMALL CAP ([Brigade Enterprises](#), [IDBI Bank](#), [NBCC](#), [Tuticorin Alkali](#), [Godfrey Phillips](#))

- **Tuticorin Alkali:** Massive spike after 2023.
- **NBCC:** Stable and strong throughout.
- **Brigade Enterprises & Godfrey Phillips:** Mild decline.
- **IDBI Bank:** Flat and low.

📈 Trend:

Emerging interest post-2023, particularly in **Tuticorin Alkali**. Investors might be **diversifying into riskier but high-potential plays**. Small caps showing signs of **long-term positioning** and fresh accumulation.

□ Cross-Segment Trends

Aspect	Large Cap	Mid Cap	Small Cap
2021–2022 Sentiment	Bullish	Bullish	Moderate
Post-2022 Trend	Decline/Stagnant	Decline/Volatile	Rise in selective counters
Volatility	Low–Moderate	High	Moderate
Emerging Interest (2024+)	Minimal	Slight in Hindustan Zinc	High (Tuticorin Alkali, NBCC)
Consistent Performers	Nestle India	One 97 Communication (peak)	NBCC, Godfrey Phillips
Declining Confidence	Infosys, ITC	Fortis Health, Max Healthcare	Brigade Enterprises, IDBI Bank

Conclusion

1. 2022 was a peak year across segments — likely driven by a market rally or post-COVID optimism.
2. Large Caps saw divestments, suggesting investors may have moved capital elsewhere after strong runs.
3. Mid Caps experienced volatility, and some were short-term bets.
4. Small Caps gained traction in 2024–2025, indicating a strategic pivot to high-growth potential.

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