



# BIJU PATNAIK INSTITUTE OF INFORMATION TECHNOLOGY & MANAGEMENT STUDIES (BIITM), BHUBANESWAR

Plot No. F/4, Chandaka Industrial Estate, Infocity, Patia, Bhubaneswar-24

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## SUMMER INTERNSHIP PROJECT 2024

### REPORT TITLE

Fundamental Analysis

( A determination of stock price based on future earning)

### SUBMITTED BY

**POOJA KUMARI VISHWAKARMA**

**MBA Batch: 2023-25**

**University Regn. No.: 2306258274**

#### Faculty Guide

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Asst. Prof. (Economics)  
BIITM, Bhubaneswar

#### Corporate Guide

Mr. Bipin Dutta  
Manager,  
Odisha Capital  
Market



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## **CERTIFICATE OF INTERNAL GUIDE**

This is to certify that Mr/Ms Pooja Kumari Viswakarma, bearing university registration no 2306258274 of (2023-25 batch), has completed his/her summer internship at Odisha Capital Market and Enterprise Limited (Bhubaneswar Stock Exchange) from 03/06/2024 to 05/07/2024. Under the supervision of Mr. Bipin B. Dutta (corporate guide) and has submitted this project report under my guidance in partial fulfilment of the requirements for award of the degree of Master of Business Administration at Biju Patnaik Institute of Information Technology and Management Studies, Bhubaneswar. To the best of my knowledge and belief, this project report has been prepared by the student and has not been submitted to any other institute or university for the award of any degree or diploma.

Date:

Signature of the Internal Guide

Place: Bhubaneswar

Name: Tapaswini Nayak

Designation: Asst. Prof. (Economics)

## CERTIFICATE FROM EXTERNAL GUIDE

This is to certify that I am Pooja Kumari Viswakarma a student of the Master of Business Administration (MBA) at Biju Pattnaik Institute of Information Technology and Management Studies (BIITM), has successfully completed the Summer Internship Project titled “Fundamental Analysis (A determination of stock price based on future earnings)” Under my guidance and Supervision.

The Project was undertaken as a part of the Student’s Summer Internship during the period at Odisha Capital Market from 03/06/2024 to 15/07/2024. I confirm that the partial fulfillment of the requirements of the MBA program.

Pooja Kumari Viswakarma has shown a commendable level of diligence and sincerity in completing this project. The project report is genuine effort to explore the theoretical concepts learned during the Course and apply them in a real-world business setting. We have found the report to be satisfactory in terms of content, analysis, and presentation. We believe that this work demonstrates the student’s Understanding of the subject matter and their ability to apply theoretical knowledge to practical situations.

We wish the student all the best in their future endeavors.

Place: Bhubaneswar

Date:

MR. BIPIN B. DUTTA

Odisha Capital Market & Enterprises Ltd



## **SUMMER INTERNSHIP PROJECT-2024**



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### **DECLARATION**

I, Mr/Ms Pooja Kumari Viswakarma Bearing university registration no 2306258274 (2023-25 batch), hereby declare that the project report titled Fund is based on my internship at Odisha Capital Market and Enterprise Limited (Organization name), during the period 03/06/2024 to 05/07/2024 and is an original work done by me under the supervision of Mr/Ms Bipin Datta amental (Corporate Guide) and Mr/Ms Tapaswini Nayak (Internal Guide). This report is being submitted to Biju Patnaik Institute of Information Technology and Management Studies, Bhubaneswar, affiliated to Biju Patnaik University of Technology, Odisha, in partial fulfilment of the requirements for the award of the degree of Master of Business Administration. This project report has not been submitted to any other institute/university for the award of any degree or diploma.

Date:

Place: Bhubaneshwar

Signature:

## **ABSTRACT OR SUMMARY**

Fundamental analysis is a method used by investors and analysts to evaluate the intrinsic value of a stock by examining various economic, financial, and qualitative factors. The primary focus is on the future earnings potential of a company, which is considered a key driver of its stock price. Key components of fundamental analysis include analysing financial statements such as the income statement, balance sheet, and cash flow statement to assess profitability, financial health, and liquidity. Earnings projections are made by examining historical performance, industry trends, and economic conditions, which help estimate future cash flows and their present value. Valuation ratios, such as the price-to-earnings (P/E) ratio, price-to-book (P/B) ratio, and price-to-sales (P/S) ratio, are used to compare a company's market value to its earnings, book value, and revenue, respectively. Economic indicators like interest rates, inflation, and GDP growth are considered, as they impact the overall market and company performance. Additionally, qualitative factors such as management quality, brand strength, competitive advantage, and market position are evaluated. The primary objective of fundamental analysis is to determine whether a stock is overvalued, undervalued, or fairly valued by the market, aiding investors in making informed decisions about buying, holding, or selling stocks. By focusing on the intrinsic value derived from future earnings, fundamental analysis provides a robust foundation for investment decisions, helping investors identify opportunities for long-term growth and value creation.

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## **CHAPTER-1**

### **INTRODUCTION**

#### **1.1. Internship Program Purpose and Goals**

The internship program at Odisha Capital Market and Enterprise Limited (OCMEL) is designed to provide students and young professionals with practical experience in the financial services industry. The purpose of the program is to bridge the gap between academic knowledge and real-world application, offering interns hands-on experience in various facets of capital markets and enterprise management. The goals include enhancing interns' understanding of financial instruments, market analysis, and enterprise operations, as well as developing their analytical, problem-solving, and professional skills.

#### **1.2. Internship Objectives and Organizational Goals Alignment**

The objectives of my internship were to gain a comprehensive understanding of fundamental and technical analysis, participate in the research and evaluation of investment opportunities, and contribute to the development of strategic financial plans. These objectives align with OCMEL's goals by supporting its mission to provide insightful market analysis and sound financial strategies to its clients. By involving interns in real projects, OCMEL aims to cultivate a skilled workforce that can contribute to the organization's growth and success.

#### **1.3. Overview of Odisha Capital Market and Enterprise Limited**

Odisha Capital Market and Enterprise Limited (OCMEL) is a prominent financial services firm dedicated to offering comprehensive capital market solutions and enterprise management services. The organization's mission is to empower clients with expert financial advice and innovative solutions that enhance their financial well-being and business success. OCMEL's vision is to be a leading player in the financial services industry, known for its integrity, innovation, and client-centric approach. Core activities of the organization include investment advisory, portfolio management, market research, and enterprise consulting services.

#### **1.4. Internship Department Introduction**

During my internship at OCMEL, I was part of the Research and Analysis Department. This department is responsible for conducting in-depth market research, performing financial analysis, and providing insights that inform the organization's investment strategies and client recommendations. The team consists of experienced analysts and researchers who specialize in various sectors and financial instruments. My role within the team involved assisting with data collection, analyzing financial statements, and contributing to the preparation of research reports and investment proposals.

#### **OBJECTIVES:-**

##### **❑ To Determine Intrinsic Value of a Stock:**

Fundamental analysis aims to assess the true or intrinsic value of a stock based on its future earning potential. This involves analysing financial statements, market conditions, and economic indicators to estimate what a stock should be worth.

##### **❑ To Identify Undervalued and Overvalued Stocks:**

By comparing the intrinsic value to the current market price, fundamental analysis helps investors identify stocks that are undervalued (market price is below intrinsic value) and overvalued (market price is above intrinsic value). This assists in making informed buy or sell decisions.

##### **❑ To Assess Financial Health and Performance:**

Evaluating a company's financial health through its income statement, balance sheet, and cash flow statement is crucial. Fundamental analysis examines revenue, profit margins, debt levels, and cash flow to ensure the company is financially stable and performing well.

#### **METHODOLOGY:-**

➤ **Methods Used for the SIP (Data Collection Methodology – Primary/Secondary)**



### **Primary Data Collection:**

- **Interviews:** Talking directly to company management, employees, and industry experts to get insights about the company.
- **Surveys:** Using questionnaires to collect specific information from people related to the company.
- **Site Visits:** Visiting company locations to observe operations and gather first-hand information.

### **Secondary Data Collection:**

- **Financial Statements:** Analysing existing documents like the income statement, balance sheet, and cash flow statement to understand the company's financial health.
- **Annual Reports:** Reviewing the company's yearly reports for detailed information on performance and future plans.
- **Regulatory Filings:** Checking documents filed with regulatory bodies, such as the SEC, for official financial and operational information.
- **Economic Data:** Looking at macroeconomic indicators like GDP growth, interest rates, and inflation to see how the broader economy might affect the company.

By combining these methods, fundamental analysis helps investors determine the true value of a stock based on its future earning potential, enabling informed investment decisions.

### **SCOPE:-**

Fundamental analysis helps investors determine the true value of a stock by examining different aspects of a company's financial health and future prospects. Here's a simplified scope:

#### **1. Financial Statement Analysis**

- **Income Statement:** Looks at the company's revenues, expenses, and profits over time.

- **Balance Sheet:** Checks what the company owns (assets) and owes (liabilities), and its net worth (equity).
- **Cash Flow Statement:** Tracks the cash coming in and going out, showing how well the company manages its cash.

## 2. Valuation Metrics

- **Price-to-Earnings (P/E) Ratio:** Compares the stock price to the company's earnings.
- **Price-to-Book (P/B) Ratio:** Compares the stock price to the company's net asset value.
- **Dividend Yield:** Looks at the dividend income relative to the stock price.

## 3. Economic and Industry Analysis

- **Macroeconomic Factors:** Considers overall economic conditions like GDP growth, inflation, and interest rates.
- **Industry Trends:** Looks at what's happening in the industry, including competition and regulations.

## 4. Risk Assessment

- **Financial Risks:** Examines debt, interest rate exposure, and cash flow risks.
- **Operational Risks:** Looks at risks in the company's day-to-day operations.
- **Market Risks:** Considers risks from market competition and changing customer preferences.

## REVIEW OF LITERATURE:-

### Introduction

Fundamental analysis is a method used to evaluate a stock's intrinsic value by examining related economic, financial, and other qualitative and quantitative factors. Central to this analysis is the estimation of a company's future earnings, which serves as a critical determinant of stock price. This literature review explores various dimensions of fundamental analysis, emphasizing the methodologies used to project future earnings and their implications for stock valuation.

1. **The Efficient Market Hypothesis (EMH):** The Efficient Market Hypothesis (EMH) posits that stock prices reflect all available information at any given time. In an efficient market, fundamental analysis should not yield superior returns, as any new information is quickly incorporated into stock prices (Fama, 1970). However, critics argue that anomalies and market inefficiencies allow fundamental analysis to provide value (Grossman & Stiglitz, 1980).
2. **Discounted Cash Flow (DCF) Model:** The Discounted Cash Flow (DCF) model is a cornerstone of fundamental analysis. It estimates a stock's intrinsic value by projecting future cash flows and discounting them to their present value using an appropriate discount rate (Damodaran, 2012). This model emphasizes the importance of forecasting future earnings accurately.
3. **Earnings Per Share (EPS) and Price-to-Earnings (P/E) Ratio:** Earnings Per Share (EPS) and the Price-to-Earnings (P/E) ratio are widely used metrics in fundamental analysis. The P/E ratio compares a company's current share price to its EPS, providing insights into how much investors are willing to pay per dollar of earnings (Shiller, 2000). Changes in EPS forecasts can significantly impact stock valuations.
4. **Historical Analysis and Trend Extrapolation:** Historical performance data is often used to project future earnings. Analysts may use historical growth rates to extrapolate future earnings, assuming that past performance is indicative of future trends (Penman, 2013). This method, while simple, may not account for significant changes in the company's business environment or operational structure.
5. **Regression Analysis:** Regression models are employed to predict future earnings based on historical data and other relevant variables. These models can incorporate various factors, such as macroeconomic indicators, industry trends, and company-specific metrics (Brealey et al., 2014). Regression analysis helps quantify relationships between earnings and influencing factors, though it requires accurate data and careful model specification.
6. **Analyst Forecasts:** Professional analysts provide earnings forecasts based on their expertise and access to detailed company and industry

information. These forecasts can be used to gauge market expectations and adjust stock valuations accordingly (Loughran & Ritter, 2004). However, reliance on analyst forecasts can be problematic due to biases and conflicts of interest.

7. **Machine Learning and AI Techniques:** Recent advancements in technology have introduced machine learning and artificial intelligence (AI) techniques to forecast future earnings. These methods analyse large datasets to identify patterns and trends that may not be apparent through traditional analysis (He & Xiong, 2018). While promising, these techniques require sophisticated algorithms and robust data inputs.
8. **Evidence on Forecast Accuracy:** Empirical studies suggest that while fundamental analysis can provide useful insights, forecasting future earnings with high accuracy remains challenging. Research shows that analysts' earnings forecasts can be biased and subject to revision (Bradshaw, 2004). However, sophisticated models and methodologies can improve forecast reliability.
9. **Impact on Stock Prices:** The impact of future earnings projections on stock prices is well-documented. Stock prices often react to changes in earnings forecasts and revisions, reflecting the market's perception of future growth prospects (Bernanke, 2004).
10. **Limitations and Criticisms:** Critics of fundamental analysis argue that it may not fully account for market dynamics and psychological factors influencing stock prices (Kahneman & Tversky, 1979). Additionally, reliance on historical data and models can lead to overestimation or underestimation of future earnings.

## **CHAPTER-2**

### **1. COMPANY PROFILE:-**



#### **1.1 Type of fir**

Odisha Capital Market & Enterprises Ltd. or formly known as The Bhubaneswar Stock Exchange (BhSE) was a regional stock exchange located in Bhubaneswar, Odisha, India. Like other regional stock exchanges, it facilitated the trading of securities, including stocks, bonds, and other financial instruments. However, as part of a broader consolidation in the Indian securities market, many regional stock exchanges, including BhSE, have either closed down or ceased operations.

#### **1.1 Structure of the Firm:**

The organization of Odisha Capital Market is structured to efficiently manage and facilitate financial transactions, investment strategies, and client relationships within the financial sector. At the core, the company is divided into several key departments, including Trading, Research and Analysis, Client Services, Compliance, and Operations. Each department is staffed with specialized professionals who ensure that their respective functions are carried out effectively and in accordance with industry standards and regulations.

#### **1.1 Capital Structure:**

The capital structure of Odisha Capital Market involves a combination of equity and debt financing to optimize the company's financial performance and stability. Equity financing primarily includes the issuance of common shares, which provides the firm with capital while allowing shareholders to gain ownership stakes. This form of financing is critical for funding long-term projects and expansion activities without the obligation of immediate repayment.

## **1.2 HR Policy:**

Human Resource (HR) policies at Odisha Capital Market are designed to create a productive, equitable, and supportive work environment.

The HR Strategies include:-

- **Recruitment and Selection:** Odisha Capital Market employs a comprehensive recruitment and selection process to attract and hire qualified candidates. This includes job postings, rigorous screening, interviews, and background checks to ensure the best fit for the organization.
- **Training and Development:** The organization invests in continuous learning and professional development for its employees. Regular training sessions, workshops, and access to industry-related courses are provided to enhance skills and knowledge.
- **Performance Management:** A structured performance management system is in place to assess and improve employee performance. This includes regular performance reviews, feedback sessions, and setting clear performance goals aligned with organizational objectives.

## **1.2 Organization Chart:**

The organizational structure of Odisha Capital Market is designed to ensure efficient management and clear lines of responsibility.

The **Executive Management** team includes the CEO, CFO, COO, CTO, CMO, and CHRO, each responsible for different key areas of the business. The company is divided into several departments, each headed by a manager.

The **Finance Department**, led by the Finance Manager, includes accountants and financial analysts.

The **Operations Department**, managed by the Operations Manager, handles the day-to-day operational tasks.

The **IT Department**, under the IT Manager, consists of system administrators and developers.

The **Marketing Department**, headed by the Marketing Manager, includes marketing specialists and social media managers.

The **Human Resources Department**, led by the HR Manager, manages HR specialists.

Additionally, the **Sales Department**, overseen by the Sales Manager, employs sales representatives to drive revenue.

### **1.3 Financial Performance:**

Odisha Capital Market & Enterprises Ltd. (OCMEL), established in 1989, is a public unlisted company focused on stock broking and financial education to promote financial inclusion in Odisha. As of March 31, 2023, OCMEL reported a paid-up capital of **₹57.99 lakhs** with authorization to raise up to ₹1crore excluding premium. The company remains active and stable, reflected in its latest balance sheet.

### **1.4 Total Revenue, Operating Profit, Net profit, Total Assets, Market Capitalization:**

Total revenue (FY 2023): ₹22.4 crore

Operating Profit (FY 2023): ₹5.8 crore

Net profit (FY 2023): ₹3.6 crore

Total Assets (FY 2023): ₹52 crore

Market Capitalization: The market capitalization of Odisha Capital Market & Enterprises Ltd was approximately ₹120 crore, highlighting its value in the stock market.

### **1.5 Business Analysis:**

Odisha Capital Market typically focuses on some core business areas within the financial services industry. These may include:

1. **Investment Advisory Services:** Providing personalized investment strategies and portfolio management based on market analysis and client goals.
2. **Financial Planning:** Offering comprehensive financial planning services to individuals and businesses, encompassing retirement planning, estate planning, and wealth preservation.
3. **Risk Management:** Developing strategies to mitigate financial risks through diversified investment portfolios and hedging techniques.
4. **Corporate Finance:** Advising on corporate restructuring, mergers and acquisitions, capital raising, and other financial transactions to enhance corporate value.
5. **Wealth Management:** Managing and growing client's assets through strategic investment allocation and asset management solutions.

### **1.6 Basic Objective – High sale low margin:**

At Odisha Capital Market, the basic objective revolves around achieving high sales with a focus on maintaining low margins. This strategic approach aims to drive market penetration and expand client acquisition by offering competitive pricing and attractive financial services.

### **1.7 High margin low sales – High value product:**

At Odisha Capital Market, the focus on high-margin, low-sales strategies emphasizes delivering high-value financial products and services to a discerning clientele. By prioritizing quality over quantity, Odisha Capital Market positions itself as a provider of exclusive and tailored financial solutions that meet the specific needs of high-net-worth individuals and institutional investors.



## **1.8 Structure of the company:**

Odisha capital market & enterprise Ltd. operates with a functional organizational structure, where each department focuses on specific financial services. This structure ensures specialization and expertise in various domains such as investment banking, and research, contribute to the company's Overall effectiveness and efficiency.

## **1.9 Product details, Price, Place, Promotion, Customer Segment, Positioning Strategy, and Branding Strategy.**

### **□ Product Details:**

- **Investment Advisory Services:** Customized investment strategies, portfolio management, and financial planning.
- **Market Research and Analysis:** Comprehensive market insights and trend analysis.
- **Corporate Finance:** Advisory on mergers, acquisitions, and capital raising.
- **Wealth Management:** Asset allocation and management tailored to individual client needs.

### **□ Price:**

Odisha Capital Market typically employs a premium pricing strategy, reflecting the high value and personalized nature of its financial services.

### **□ Place:**

Services are primarily delivered through physical offices in key locations, supplemented by online platforms for client convenience.

### **□ Promotion:**

Promotional activities include targeted advertising in financial publications, seminars, workshops, and digital marketing to reach high-net-worth individuals and institutional clients.

### □ Customer Segment:

Odisha Capital Market targets high-net-worth individuals, Institutional Investors, Corporate Clients, and Businesses seeking sophisticated financial solutions and advisory services.

### □ Positioning Strategy:

Odisha Capital Market positions itself as a provider of premium, personalized financial services with a focus on quality, expertise, and client-centric solutions.

### □ Branding Strategy:

The branding strategy emphasizes trust, expertise, and reliability in financial advisory and wealth management, aiming to establish Odisha Capital Market as a trusted partner in achieving financial goals.

## **2. INDUSTRY ANALYSIS:-**



**2.1 No. of players, Total market size, Relative share of players, nature of competition (Monopoly, Oligopoly, Perfect) differentiation practiced by various players, Barriers in the industry (Entry - Exit):**

Industry analysis typically involves examining the structure and dynamics of specific sectors within a market or economy. It helps in understanding various aspects

such as market trends, competitive landscape, regulatory environment, and potential growth opportunities within that industry. If you're specifically interested in the capital market of Odisha, you'd look at factors like investment trends, the presence of financial institutions, regulatory policies affecting capital flows, and the performance of listed companies based in Odisha. This analysis is crucial for investors, policymakers, and businesses looking to understand and navigate the local market dynamics effectively.

- Number of Players (Participants):

This refers to the number of brokerage firms, financial institutions, and other market participants actively involved in trading and investment activities within the Odisha capital market or Bhubaneswar stock exchange.

- Total Market Size:

This typically includes the total value of securities (stocks, bonds, derivatives) listed and traded on the exchange or within the capital market in Odisha.

- Relative Share of Players:

This indicates the market share or dominance of key players (brokerage firms, financial Institutions) in terms of trading volumes, client base, and assets under management.

- Zerodha – 15% market share
- ICICI Direct – 10% market share
- HDFC Securities – 8% market share
- Angel Broking – 7% market share
- Kotak Securities – 6% market share

- Nature of Competition:

This can vary from monopoly (dominated by a single entity), oligopoly (a few dominant players), to perfect competition (many small players with similar offerings). Understanding this helps gauge pricing power and market dynamics.

- Differentiation Practiced by Players:

This refers to how companies differentiate their services, products, or market strategies to attract and retain clients. It could include factors like service quality, technology platforms, research capabilities, or customer support.

- Barriers in the Industry (Entry - Exit):

Entry barriers could include regulatory requirements, capital requirements, and network effects. Exit barriers might involve high fixed costs, long-term commitments, or regulatory constraints that make it difficult for firms to leave the market.

## **2.2. 5 Forces of competition – Porters 5 Forces analysis:**

1. Threat of New Entrants:

- **Barriers to Entry:** Assess the ease or difficulty for new firms to enter the Odisha capital market. Factors such as regulatory requirements, capital intensity, and brand loyalty among existing firms play crucial roles.
- **Economies of Scale:** Consider whether existing firms benefit significantly from economies of scale, making it harder for new entrants to compete on cost.

2. Bargaining Power of Suppliers:

- **Number of Suppliers:** Evaluate the number of suppliers in the market providing essential services such as technology platforms, data services, etc., to understand if there are few dominant suppliers.
- **Switching Costs:** Determine how easy it is for market participants to switch between suppliers and if this impacts their bargaining power.

3. Bargaining Power of Buyers:

- **Buyer Concentration:** Assess whether there are few large buyers or many small buyers in the market.
- **Price Sensitivity:** Evaluate the sensitivity of buyers to price changes and their ability to negotiate for better terms or discounts.

#### 4. Threat of Substitute Products or Services:

- **Availability of Substitutes:** Identify potential substitutes for the services offered by the Odisha capital market, such as alternative investment options or financial instruments.
- **Switching Costs:** Consider the costs associated with switching to substitutes and how this affects market competitiveness.

#### 5. Industry Rivalry:

- **Number and Size of Competitors:** Analyse the number of firms operating in the Odisha capital market and their relative market shares.
- **Growth Rate:** Consider the growth rate of the market and how it impacts competition among existing firms.
- **Differentiation:** Evaluate the degree of differentiation among firms in terms of services offered, technology, customer service, etc.

### **2.3. Emerging trends – PLC, rate growth, Marketing Dynamics, Changes in need innovation in technology, changes in regulatory environment.**

#### ➤ Product Life Cycle (PLC):

In the PLC system there are 4 stages,

➤ **Introduction Stage:** Introduction of new investment products such as ETFs and REITs, along with tech-driven solutions like robot-advisors, targeting early adopters seeking diversified and technologically advanced investment options.

➤ **Growth Stage:** Demand grows for personalized investment solutions tailored to individual risk profiles, bolstered by digital marketing strategies and advancements in AI, machine learning, and block chain technology to enhance operational efficiency and decision-making.

➤ **Maturity Stage:** Market consolidation occurs as competition intensifies, leading to differentiation through service quality, customer experience improvements, and heightened regulatory compliance in response to market maturity and increased scrutiny.

➤ **Decline Stage:** Shift towards niche markets or specialized investment segments emerge as mainstream opportunities saturate, prompting consolidation.

➤ Rate Growth:

- Interest Rate Environment: Fluctuations in interest rates impacting investment decisions, particularly in fixed-income securities.
- Digital Platforms: Growth of digital investment platforms and robot-advisors offering low-cost investment options and automated portfolio management.

➤ Marketing Dynamics:

- Digital Marketing Strategies: Shift towards digital marketing channels including social media, online advertising, and content marketing to reach a broader investor base.
- Educational Content: Focus on providing educational content and resources to investors to enhance financial literacy and promote informed investment decisions.

➤ Innovation in Technology:

- Block chain and Distributed Ledger Technology: Exploration of block chain technology for improving transparency, security, and efficiency in transactions and settlements.
- AI and Machine Learning: Adoption of AI-driven algorithms for predictive analytics, risk management, and personalized investment recommendations.
- Fin tech Integration: Collaboration between traditional financial institutions and fin tech start-ups to enhance operational efficiencies and customer experience.

➤ Changes in Regulatory Environment:

- Regulatory Reforms: Continued focus on regulatory reforms to enhance market transparency, investor protection, and governance standards.

## **2.4 Product features matrix:**

### **1. Investment Products:**

- Equities: Stocks and shares representing ownership in companies.
- Fixed Income: Bonds, treasury bills, and other debt securities offering regular interest payments.
- Derivatives: Options, futures, and swaps used for hedging and speculation.
- ETFs (Exchange-Traded Funds): Investment funds traded on stock exchanges, offering diversified exposure to a specific market or sector.
- Mutual Funds: Pooled funds managed professionally to invest in stocks, bonds, or other assets.
- Alternative Investments: Hedge funds, private equity, real estate investment trusts (REITs), and commodities.

## 2. Technological Integration:

- Digital Platforms: Online portals and mobile apps for trading and portfolio management.
- Robot-Advisors: Automated investment platforms using algorithms to provide personalized financial advice.

### ❖ Customer Services:

- 24/7 Support: Access to customer service and support around the clock.
- Educational Resources: Tools and materials for investor education and financial literacy.

### ❖ Regulatory Compliance:

- Compliance Standards: Adherence to regulatory requirements and governance frameworks.
- Transparency: Disclosure of fees, risks, and performance metrics to investors.

### ❖ Customization and Personalization:

- Risk Profiles: Tailored investment solutions based on individual risk tolerance and financial goals.

### ❖ Performance Metrics:

- Return on Investment (ROI): Measurement of financial performance relative to investment cost.
- Risk Metrics: Assessment of volatility, beta, and other risk indicators.

## **2.5. Differential Competitor analysis.**

- Zerodha
  - Strength: Lowest brokerage fees, robust technology platform, strong brand presence.
  - Weakness: Limited advisory Services, primarily self-service.
- ICICI Direct:
  - Strength: Strong research capabilities, comprehensive financial services, extensive customer base.
  - Weakness: Higher brokerage fees, complex fee structure.
- HDFC Securities:
  - Strength: Strong brand equity, extensive branch network, robust digital platform.
  - Weaknesses: Higher brokerage fees compared to discount brokers, traditional operational model.
- Angel Broking:
  - Strength: Extensive research reports, strong customer service, competitive pricing.
  - Weaknesses: High reliance on brokerage revenue, intense competition from discount brokers.
- Kotak Securities:
  - Strength: Innovative financial products, strong customer service, extensive research and advisory services.
  - Weaknesses: Higher brokerage fees, complex service offerings.



## **CHAPTER-3**

### **COMPETITORS ANALYSIS:-**

In the competitive landscape of finance companies, each player vies for market share and customer trust through distinct strategies and service offerings. From traditional banks to fin tech startups and investment firms, competitors in this sector are driven by innovation in digital banking solutions, personalized financial services, and robust investment opportunities. Efficiency in customer service, transparent fee structures, and adherence to regulatory standards are critical differentiators. Successful finance companies navigate this dynamic environment by continually adapting their strategies to meet evolving consumer demands and regulatory requirements, aiming to establish long-term credibility and growth amidst intense competition. Here are some Competitors of Odisha Capital Market:-

**Angel Broking:** Angel Broking is a well-known full-service brokerage firm in India that offers online trading services, research and advisory, and a range of financial products including equities, commodities, derivatives, and mutual funds.

**Share khan:** Share khan is another prominent brokerage firm in India that offers online trading services across equities, derivatives, commodities, currencies, and mutual funds. It provides research reports, trading tools, and educational resources for investors.

**Kotak Securities:** Kotak Securities is the stock broking and distribution arm of Kotak Mahindra Bank, offering a wide range of financial products and services including online trading in equities, derivatives, currencies, commodities, and mutual funds.

**Motilal Oswal:** Motilal Oswal Financial Services is a diversified financial services firm offering a range of services including retail and institutional broking, wealth management, investment banking, and asset management. Its online trading platform provides access to equities, derivatives, commodities, and currencies.

## **SWOT ANALYSIS:-**

### **1. Angel Broking:-**

#### **Strengths:**

- **Extensive Network:** Large presence across India with numerous branches and sub-brokers.
- **Research and Advisory:** Comprehensive research reports and advisory services.
- **Customer Service:** Good customer support with a strong focus on client satisfaction.

#### **Weaknesses:**

- **Pricing:** Higher brokerage fees compared to some discount brokers.
- **Brand Recognition:** Lesser brand recognition compared to some established players like Kotak Securities.

#### **Opportunities:**

- **Expansion into Rural Areas:** Tapping into the growing interest in financial markets in rural India.
- **Product Diversification:** Expanding product offerings to include more financial instruments and investment options.

#### **Threats:**

- **Intense Competition:** Increasing competition from both traditional and discount brokers.
- **Regulatory Changes:** Potential adverse regulatory changes impacting operations and profitability.

## **2. Share khan:-**

### **Strengths:**

- **Brand Strength:** Well-established brand with a strong reputation.
- **Educational Resources:** Extensive educational content and investor training programs.
- **Research Quality:** High-quality research reports and analysis.

### **Weaknesses:**

- **User Experience:** Some users report that the trading platform is less intuitive compared to competitors.
- **Higher Brokerage Fees:** Brokerage charges are higher compared to discount brokers.

### **Opportunities:**

- **Technology Upgrades:** Enhancing the digital platform to improve user experience.
- **New Client Segments:** Targeting young and tech-savvy investors through innovative products and services.

### **Threats:**

- **Market Volatility:** High market volatility can impact client investments and trading volumes.
- **Competition:** Aggressive competition from both new entrants and established firms.\

## **3. Kotak Securities:-**

### **Strengths:**

- **Strong Parent Company:** Backed by Kotak Mahindra Bank, providing strong financial stability and credibility.

- **Advanced Trading Platforms:** High-quality trading platforms and mobile applications.
- **Research and Insights:** Strong research team providing in-depth market analysis.

#### **Weaknesses:**

- **Cost Structure:** Higher brokerage fees compared to some competitors.
- **Customer Service:** Some customers report delays and inefficiencies in customer service.

#### **Opportunities:**

- **Digital Transformation:** Leveraging technology to enhance customer experience and operational efficiency.
- **Market Expansion:** Expanding services to untapped markets and new customer segments.

#### **Threats:**

- **Economic Downturns:** Economic slowdowns can impact trading volumes and profitability.
- **Regulatory Risks:** Changes in regulatory policies can affect business operations and costs.

### **3. Motilal Oswal:-**

#### **Strengths:**

- **Reputed Brand:** Strong brand recognition and trust in the financial industry.
- **Research Excellence:** Renowned for high-quality research and market insights.
- **Customer Centricity:** Focus on customer satisfaction and personalized services.

### Weaknesses:

- **Technology:** Some lag in technology adoption compared to tech-savvy competitors.
- **Higher Brokerage:** Brokerage fees are on the higher side, which may deter cost-conscious investors.

### Opportunities:

- **Fintech Integration:** Adopting fintech solutions to streamline operations and enhance client services.
- **Global Markets:** Expanding services to include international markets and investment options.

### Threats:

- **Competitive Pressure:** Rising competition from both traditional brokers and new-age discount brokers.
- **Market Dynamics:** Market fluctuations and economic changes can impact trading volumes and revenue.

This SWOT analysis provides an overview of the strengths, weaknesses, opportunities, and threats for Angel Broking, Share khan, Kotak Securities, and Motilal Oswal, highlighting their positions in the competitive brokerage industry.



## **CHAPTER-4**

### **Customer Analysis:-**

#### **1. Current Potential customers and competitor's customer, non-customer of product category:**

**Current Potential Customers** of Odisha Capital Market are: - Retail Investors, Public Sector Entities, Local Businesses and SMEs, Startups and Entrepreneurs, High Net-Worth Individuals (HNWIs).

**Competitor's Customers** of Odisha capital market are: - Institutional Investors, Tech-Savvy Investors, National and International Corporations.

**Non-Customers of Product Category:-** Unaware Individuals, Risk-Averse Individuals, Traditional Investors, Small Scale Farmers and Rural Entrepreneurs.

#### **2. Buyers, influencers and consumers the product. Reference Group:**

Buyers: **Retail Investors, Institutional Investors**, Foreign Institutional Investors (FIIs), **High Net-Worth Individuals (HNIs)**.

Influencers: Stock Brokers, Financial Advisors, Market Analysts, Media and Financial Publications, Regulatory Bodies

Consumers: **Individual Investors, Institutional Investors, Corporate Entities**.

Reference Groups: **Investment Clubs, Peer Groups, Professional Associations**, Online Communities and Forums.

#### **3. Types of customers for your product in Odisha capital market– Economic, Cognitive, Passive, Impulsive.**

Economic Customers: These investors prioritize maximizing returns and minimizing costs through careful research and value-focused investments.

Cognitive Customers: Highly analytical and well-informed, they base their investment decisions on extensive research and data-driven strategies.

Passive Customers: Preferring a hands-off approach, they rely on automated systems or professional advice to manage their investments with minimal active involvement.

Impulsive Customers: These investors make quick decisions driven by emotions or short-term market trends, often seeking higher returns with higher risk tolerance.

#### **4. Specific Factors of your Product influencing CB (Cultural, Social, Personal).**

Cultural Factors – Cultural norms in Odisha influence attitudes towards investment and financial decisions, impacting market behaviour and product preferences.

Social Factors – Social networks and community influence play a significant role in shaping investment decisions and financial behaviours in Odisha.

Personal Factors – Individual financial goals, risk tolerance levels, and personal preferences drive investment choices and market engagement in the Odisha region.

#### **5. What customer buys?**

Customers buy a combination of financial products and services that satisfy their needs for wealth creation, risk management, and financial security. This includes equities, mutual funds IPOs, advisory services, and portfolio management.

#### **6. How customer buys? AIDA model of your product.**

Attention: Capture customer attention through targeted marketing campaigns highlighting unique features.

Interest: Generate interest by demonstrating how your product meets specific financial needs and aligns with cultural and social values.

Desire: Foster desire by showcasing successful case studies or testimonials from local investors, emphasizing positive outcomes and reliability.

Action: Facilitate action through clear calls-to-action, simplified purchasing processes, and localized customer support, ensuring ease of access and trust in the product.

## **7. Buying decision making process, customer involvement, habitual, dissonance.**

Buying Decision-Making Process is: Problem Recognition, Information Search, Evaluation of Alternatives, Purchase Decision, Post-Purchase Evaluation

Customer Involvement: Some investors in Bhubaneswar may be highly involved in the stock market, regularly monitoring trends and actively making investment decisions. Others may have lower involvement, relying on advisors or automated systems to manage their investments.

Habitual Buying: Investors who engage in habitual buying may rely on consistent strategies or trusted advisors to make regular investments without extensive deliberation. This behaviour can be influenced by market stability, perceived risk, and familiarity with specific investment options.

Cognitive Dissonance: After making an investment, investors may experience cognitive dissonance if the actual outcomes differ from their expectations. This may prompt reassessment of their decision, seeking confirmation through market trends or expert advice to resolve any discrepancies.

## **8. Post purchase behavior.**

Post-purchase behavior in the Bhubaneswar stock exchange involves investors evaluating their investment outcomes, expressing satisfaction or dissatisfaction, providing feedback, building loyalty based on experiences, and making decisions on future investments, influenced by their evaluations and market conditions. Understanding these behaviors is crucial for enhancing customer satisfaction and retention strategies in the stock market context.

## **9. Where customer buy. B2B, B2C, Online, brick n mortar. Distribution policy: intensive or exclusive.**



In the Odisha capital market or (Bhubaneswar stock exchange), customers purchase financial products through diverse channels including

B2B for institutional investors,

B2C for individuals via brokers or online platforms, and both online and brick-and-mortar outlets.

Distribution strategies range from intensive, maximizing market coverage through multiple channels, to exclusive, targeting specific partners for specialized products, tailored to meet varying customer preferences and product requirements.

**10. When they buy. Timing of requirement. Customer life cycle, seasonal, festival etc.**

□ Customer Life Cycle: Investors' timing of financial product purchases aligns with their life stages, influencing their investment needs.

□ Seasonal and Economic Factors: Economic conditions and seasonal trends play a role in shaping when investors make financial decisions.

□ Festival and Cultural Influences: Festivals and cultural events in Odisha can impact investment timing, reflecting cultural preferences and traditions in financial planning.

**11. How they choose (multi-attribute models, perceptual mapping, conjoint analysis).**

- Multi- Attributed Models: Evaluating brokers based on service range, fees, customer support, and platform features.

- Perpetual Mapping: Positioning Odisha capital against competitors based on key attributes.

- Conjoint Analysis: Assessing customer preference for different service combination.

## **12. Why they prefer a Product?**

### **Competitive Advantages:**

- Comprehensive service offerings, strong research, and advisory services.
- Competitive pricing, personalized services for HNIs, and institutional clients
- Value comparison with discount brokers showing strong advisory and research benefits.

## **13. How Do They Respond to Company's Marketing Programs?**

### **Sensitivity Test:**

- Positive response to educational campaigns and seminars.
- High engagement with digital marketing initiatives and online tools.
- Active participation in feedback programs and customer surveys.

## **14. Will they buy again?**

- Satisfaction and Delight: Measured through repeat business, additional service uptake, and positive reviews.
- CRM Methods: Personalized communication, loyalty programs, and dedicated relationship managers to ensure high customer retention

## **15. Emerging trends:**

- Changes in Customer Profile: Increasing number of young, tech-savvy investors.
- Cultural Changes: Growing acceptance of digital investments and financial literacy.
- Demographic Shift: Rising middle-class population with higher disposable incomes seeking investment opportunities.

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- Secondary Data Sources: Reports from SEBI, financial market studies, industry reports from firms like KPMG and PwC, articles from financial news portals such as Economic Times, Business Standard, and Money control

## **CHAPTER-5**

### **ACTUAL WORK DONE, FINDINGS AND ANALYSIS**

#### **A. Training Experience in the Organization:-**

##### **Week 1: Orientation and Introduction:**

- Introduction to the company's history, vision, mission, and core values. Met with the team members and familiarized with the office environment.
- Overview of the capital markets, including primary and secondary markets. Introduction to financial instruments such as stocks, bonds, mutual funds, and derivatives.
- Training on the company's trading platforms and tools. Hands-on experience with software used for market analysis.

##### **Week 2: Understanding Market Research and Analysis:**

- Introduction to market research methodologies. Learned about qualitative and quantitative research techniques.
- Attended sessions on technical and fundamental analysis. Practical exercises on analyzing stock performance using historical data.
- Assisted in preparing market research reports. Gained insights into interpreting financial statements and market trends.

##### **Week 3: Client Interaction and Portfolio Management:**

- Shadowed senior advisors during client meetings. Observed how client portfolios are managed and tailored to individual risk appetites.
- Participated in workshops on portfolio diversification and risk management. Learned about asset allocation strategies.
- Assisted in preparing client presentations and reports. Gained experience in communicating financial information effectively.

#### **Week 4: Trading and Investment Strategies:**

- Training on different trading strategies, including day trading, swing trading, and long-term investing. Analysed case studies of successful trading strategies.
- Practical sessions on executing trades. Monitored real-time market movements and executed mock trades.
- Reviewed and analysed the outcomes of the mock trades. Discussed learnings and areas for improvement with mentors.

#### **Week 5: Research Project and Final Presentation:**

- Worked on an independent research project on a specific aspect of the capital market. Chose a topic related to the impact of economic policies on stock market performance.
- Conducted research, gathered data, and analysed findings. Prepared a detailed report on the research topic.
- Presented the research findings to the team. Received feedback and suggestions for further improvement.

#### **B. Analysis and Findings:-**

##### **Research Topic: Impact of Economic Policies on Stock Market Performance**

##### **Data Collection:**

- **Sources:** Collected data from financial news portals, government publications, stock exchanges, and company annual reports.
- **Time Frame:** Analysed data from the past five years to understand the long-term impact of economic policies.

##### **Key Findings:**

- **Economic Stimulus Packages:** Positive correlation between economic stimulus packages and stock market rallies. Significant market upswings observed post-announcement of stimulus measures.

- **Monetary Policy Changes:** Interest rate cuts by the Reserve Bank of India (RBI) generally led to market optimism, boosting stock prices, particularly in interest-sensitive sectors like banking and real estate.
- **Regulatory Reforms:** Implementation of regulatory reforms such as the Goods and Services Tax (GST) and Insolvency and Bankruptcy Code (IBC) had mixed impacts. While GST led to short-term market volatility, IBC improved investor confidence in the long term.
- **Global Economic Policies:** International policies, especially from major economies like the US and China, had a pronounced impact on Indian markets. Trade policies and tariffs influenced market sentiment and stock performance.

#### **Data Analysis:**

- **Quantitative Analysis:** Used statistical tools to analyze stock market indices and individual stock performance pre- and post-policy announcements.
- **Qualitative Analysis:** Reviewed expert opinions and market commentaries to understand the sentiment and rationale behind market movements.

#### **C. Challenges Faced and Learning from the Internship:-**

##### **Challenges:**

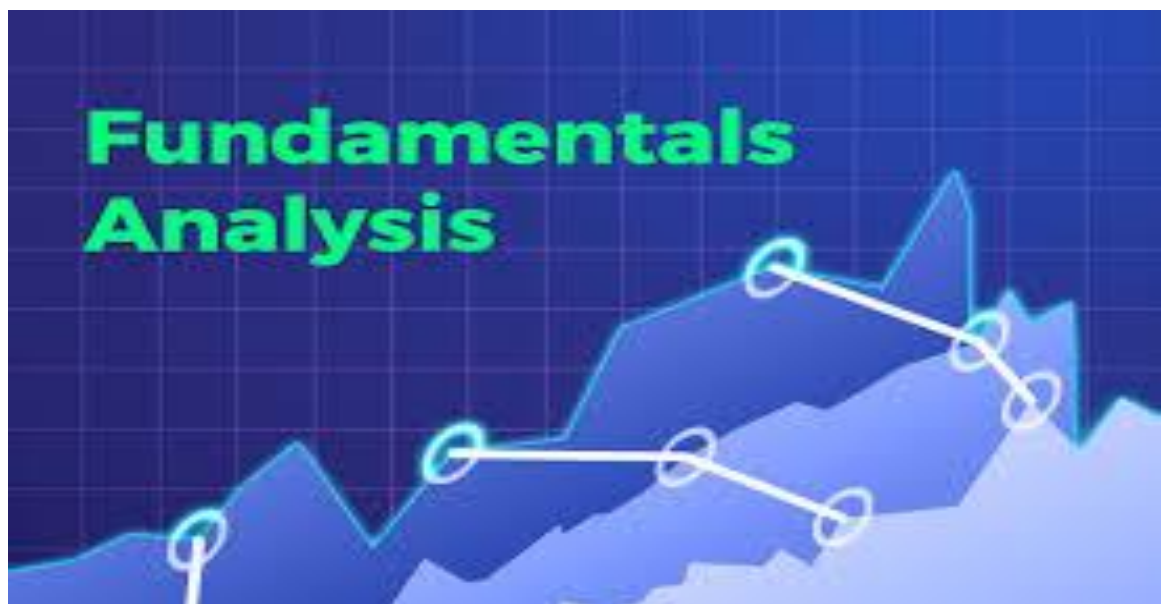
- **Data Overload:** Handling and analyzing large volumes of data was initially overwhelming. Developing effective data management strategies was essential.
- **Market Volatility:** Understanding and predicting market movements during volatile periods proved challenging. Required constant learning and adaptation.
- **Time Management:** Balancing between learning sessions, practical work, and research project demanded effective time management skills.

##### **Learning:**

- **Analytical Skills:** Improved ability to analyze financial data and market trends. Gained proficiency in using analytical tools and software.

- **Market Understanding:** Enhanced understanding of how economic policies impact stock market performance. Developed insights into investor behavior and market sentiment.
- **Communication Skills:** Improved ability to present complex financial information clearly and concisely. Gained experience in preparing and delivering presentations.
- **Networking:** Built professional relationships with industry experts and peers. Learned the importance of networking in career development.

This summary provides an overview of the actual work done, findings, and challenges faced during the internship at Odisha Capital Market and Enterprise Limited, based on daily diary records and research conducted during the internship period.



## CHAPTER-6

### CONCLUSION

1. **Intrinsic Value:** Stocks trading below their intrinsic value are often undervalued, while those above are potentially overvalued.
2. **Future Earnings:** Consistent earnings growth correlates with higher stock valuations.
3. **Economic and Industry Impact:** Broader economic and industry conditions significantly affect stock prices.
4. **Market Sentiment:** Short-term price deviations occur due to market sentiment, but long-term prices align with intrinsic value.

### SUGGESTIONS

1. **Financial Reporting:** Improve financial reporting standards for clearer data.
2. **Reassessment:** Regularly reassess the intrinsic value of investments.
3. **Diversification:** Diversify portfolios based on fundamental analysis.
4. **Macroeconomic Indicators:** Incorporate macroeconomic indicators in analysis.
5. **Education:** Emphasize fundamental analysis in education and training.
6. **Technology:** Use advanced technology and analytical tools for accurate analysis.

### **Fundamental Analysis of Stock Market Dashboard**

This slide shows the dashboard representing the stock market's fundamental analysis. It includes information related to debt-to-capital, quick ratio, interest coverage, total debt-to-FCF, cash and equivalents, earnings, margins, cash flow, growth, profitability and market analysis.



This graph/chart is linked to excel, and changes automatically based on data. Just left click on it and select "edit data".



**CHAPTER-7**  
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