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Biju Patnaik Institute of Information Technology & Management Studies

PROJECT REPORT ON

“PERFORMANCE OF EQUITY IN STOCK MARKET”

**(SUBMITTED FOR MBA IN BIJUPATNAIK INSTITUTE OF
INFORMATION TECHNOLOGY AND MANAGEMENT AFFILIATED TO
BIJUPATNAIK UNIVERSITY OF TECHNOLOGY**

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REGD NO.- 2006258027

Batch - 2020-22

Under the guidance of

Professor. Ramkrushna Mishra

Professor - (FINANCE)





**“BIJU PATNAIK INSTITUTE OF IT
& MANAGEMENT STUDIES”**



A PROJECT REPORT ON:
PERFORMANCE OF EQUITY IN STOCK MARKET

SUBMITTED BY

SASWATI NAIK
Regd no:- 2006258027

UNDER THE GUIDANCE Of

INTERNAL GUIDE:
Mr. Ramkrushna Mishra

CORPORATE GUIDE:
Mr. Jayant kwatra

In partial fulfilment of Award of the Degree
OF
MASTER OF BUSINESS ADMINISTRATION

ACKNOWLEDGEMENT

Apart from my own effort, the success of this project depends largely on the encouragement and guidelines of many other. I take this opportunity to express my gratitude to the people who have been instrumental in the successful completion of this project. I take this opportunity to express my deep sense of gratitude and appreciation to my project guide.

FINSKOOL, FARIDABAD for providing me summer training in his reputed organization and giving me a chance to have the experience of actual online promotional activities.

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I would like to thank my project faculty guide **Mr.R.K.MISHRA (Asst prof. FINANCE)** for her constant follow up, support encouragement, and guidance to complete this project within the time allotted time frame.

SASWATI NAIK
(SIGNATURE)

ABSTRACT:

The present paper is based on the study of comparing and analyzing the equity fund schemes in respect of bare risk and return. Further the paper compares and analyzes the mutual fund schemes in respect of bare risk and return. The research also studies the average risk and average return of selected companies of Mutual Funds as well as of Equity Shares. The paper in the end, studies the relationship between the risk and return of Equity Shares and Mutual Funds.

KEYWORDS —Equity Shares, Mutual Funds, Return, Risk,



DECLARATION:

I Ms.Saswati Naik hereby declare that the project work titled “**PERFORMANCE OF EQUITY IN STOCK MARKET**”. Is the original work done by me. And submitted to BPUT, ODISHA. In partially fulfillment of requirement for the award of Master of Business Administration is a record of original work done by me under the supervision of **R.K. Mishra.**

Reg.No. 2006258027

Date:



Saswati Naik

Signature of student

CERTIFICATE FROM INTERNAL GUIDE

This is to certify that the report of the Major Project Work on the topic which is submitted by **Saswati Naik** in partial fulfillment of the requirement for the award of the of Master of Business Administration of **Biju Patnaik University of Technology, Odisha**, is a bonafide record of the candidate's own work carried out by her under my supervision.



PROF. DR RAMKRUSHNA MISHRA

SIGNATURE

CERTIFICATE

This is to certify that **SASWATI NAIK**, Regd No. – **2006258027** has completed her work on the given topic of “**PERFORMANCE OF EQUITY IN STOCK MARKET**” and has submitted the report in partial fulfillment of 2 years full time course **MASTER OF BUSINESS ADMINISTRATION** for the academic year **2020-2022** under my guidance and direction. The said report is based on bona-fide information and not submitted for the award of any degree/diploma of any other university/Institution.



Place: Bhubaneswar

Date:

Signature

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INTRODUCTION

OVERVIEW ON STOCK MARKET

A stock market, equity market or share market is the aggregation of buyers and sellers (a loose network of economic transactions, not a physical facility or discrete entity) of stocks (also called shares), which represent ownership claims on businesses; these may include securities listed on a public stock exchange as well as those only traded privately. Examples of the latter include shares of private companies which are sold to investors through equity crowdfunding platforms. Stock exchanges list shares of common equity as well as other security types, e.g. Corporate bonds and convertible bonds. The stock market refers to the collection of markets and exchanges where the issuing and trading of equities or stocks of publicly held companies, bonds, and other classes of securities take place. This trade is either through formal exchanges or over-the-counter (OTC) marketplaces. The stock market is one of the most vital components of a free-market economy. It provides companies with access to capital in exchange for giving investors a slice of ownership. It can be difficult for investors to imagine a time when the stock market and the NYSE, in particular, wasn't synonymous with investing. Of course, it wasn't always this way. There were many steps along the road to our current system of exchange. In fact, the first stock exchange thrived for decades without a single stock being traded. Belgium boasted a stock exchange as far back as 1531 in Antwerp. Brokers and moneylenders would meet there to deal with business, government, and even individual debt issues. It is odd to think of a stock exchange that traded exclusively in promissory notes and bonds,

A stock market is one of the most important sources for companies to raise money. It allows businesses to be publicly traded or raise additional capital for expansion by selling the shares of ownership of the company in a public market.

Most of the trading in the Indian stock market takes place on two stock exchanges. They are –

- ✓ The Bombay Stock Exchange (BSE)
- ✓ The National Stock Exchange (NSE)



Understanding the Stock Market

The stock market allows numerous buyers and sellers of securities to meet, interact, and transact. Stock markets allow for price discovery for shares of corporations and serve as a barometer for the overall economy. Since the number of stock market participants is huge, one can often be assured of a fair price and a high degree of liquidity as various market participants compete with one another for the best price. A stock market is a regulated and controlled environment. In the United States, the main regulators include the Securities and Exchange Commission (SEC) and market participants under the purview of the Financial Industry Regulatory Authority (FINRA).²¹ Since the stock market brings together hundreds of thousands of market participants who wish to buy and sell shares, it ensures fair pricing practices and

transparency in transactions. While earlier stock markets used to issue and deal in paper-based physical share certificates, the modern-day computerized stock markets operate electronically.

How the Stock Market Works

In a nutshell, stock markets provide a secure and regulated environment where market participants can transact in shares and other eligible financial instruments with confidence, with zero to low operational risk. Operating under the defined rules as stated by the regulator, the stock markets act as primary markets and secondary markets.³

As a primary market, the stock market allows companies to issue and sell their shares to the common public for the first time through the process of an initial public offering (IPO). This activity helps companies raise necessary capital from investors. It essentially means that a company divides itself into a number of shares (for example, 20 million shares) and sells a part of those shares (say, 5 million shares) to the public at a price (for instance, \$10 per share).³

To facilitate this process, a company needs a marketplace where these shares can be sold. This marketplace is provided by the stock market. If everything goes according to plan, then the company will successfully sell the 5 million shares at a price of \$10 per share and collect \$50 million worth of funds. Investors will get the company shares, which they can expect to hold for their preferred duration, in anticipation of rising in share price and any potential income in the form of dividend payments. The

stock exchange acts as a facilitator for this capital-raising process and receives a fee for its services from the company and its financial partners. **Stock Market Participants**
Along with long-term investors and short-term traders, many different types of players are associated with the stock market. Each has a unique role, but many of the roles are intertwined and depend on each other to make the market run effectively.

Stockbrokers, also known as registered representatives in the United States, are licensed professionals who buy and sell securities on behalf of investors. The brokers act as intermediaries between the stock exchanges and the investors by buying and selling stocks on behalf of the investors. An account with a retail broker is needed to gain access to the markets.

Portfolio managers are professionals who invest portfolios, or collections of securities, for clients. These managers get recommendations from analysts and make the buy or sell decisions for the portfolio. Mutual fund companies, hedge funds, and pension plans use portfolio managers to make decisions and set the investment strategies for the money that they hold.

Investment bankers represent companies in various capacities, such as private companies that want to go public via an IPO or companies that are involved in pending mergers and acquisitions. They take care of the listing process in compliance with the regulatory requirements of the stock market.

Custodians and depot service providers are institutions that hold on to customers' securities for safekeeping to minimize the risk of their theft or loss. These institutions also operate in sync with the exchange to transfer shares to/from the respective accounts of transacting parties based on trading on the stock market.

Market makers are broker-dealers who facilitate the trading of shares by posting bid and ask prices and maintaining an inventory of shares. They ensure sufficient liquidity

in the market for a particular (set of) share(s) and profit from the difference between the bid and the ask price that they quote.

Speculators engage in directional bets in the market with individual stocks or broader indexes. Speculators can take long positions by buying shares, or a short position by short selling. Some speculators hold on to their positions for a relatively long time based on fundamental or technical analysis. Others trade quickly and often, as in the case of day traders.

Arbitrageurs are traders who identify mispricing in the market for relatively low-risk profits. By doing so, they keep the market more efficient. Algorithmic and high-frequency trading (HFT) programs are often engaged in this type of arbitrage.

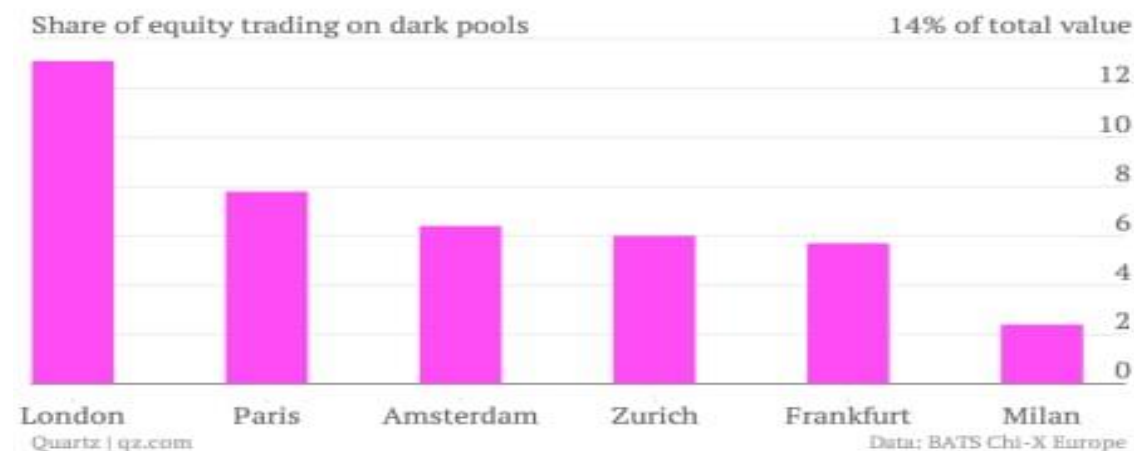
Stock exchanges operate as for-profit institutes and charge a fee for their services. The primary source of income for these stock exchanges is the revenue from the transaction fees that are charged for each trade carried out on its platform. Additionally, exchanges earn revenue from the listing fee charged to companies during the IPO process and other follow-on offerings. An exchange also earns from selling market data generated on its platform—such as real-time data, historical data, summary data, and reference data—which is vital for equity research and other uses. Many exchanges will also sell technology products, such as a trading terminal and dedicated network connection to the exchange, to the interested parties for a suitable fee.

Competition Faced by Stock Markets

While individual stock exchanges compete against each other to get maximum transaction volume, stock markets as a whole may be facing competitive threats on two fronts.

Dark Pools

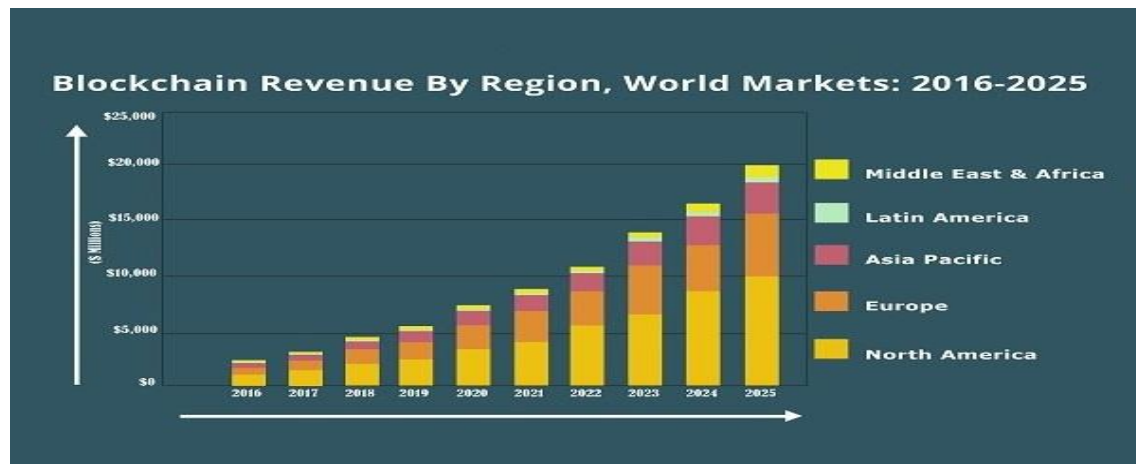
Dark pools, which are private exchanges or forums for securities trading and operate within private groups, are posing a challenge to public stock markets. Though their legal validity is subject to local regulations, they are gaining popularity as participants save big on transaction fees.



Blockchain Ventures

Amid the rising popularity of blockchains, many crypto exchanges have emerged. Such exchanges are venues for trading cryptocurrencies and derivatives associated with that asset class. Though their popularity remains limited, they pose a threat to

the traditional stock market model by automating a bulk of the work done by various stock market participants and by offering zero- to low-cost services.



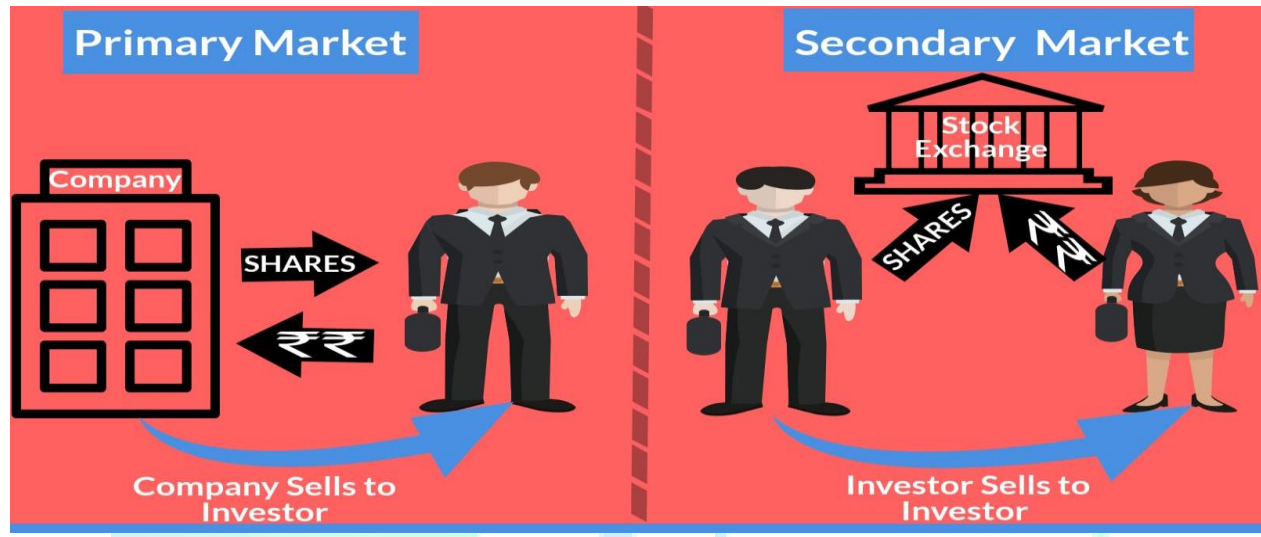
A stock exchange facilitates stock brokers to trade company stocks and other securities. A stock may be bought or sold only if it is listed on an exchange. Thus, it is the meeting place of the stock buyers and sellers. India's premier stock exchanges are the Bombay Stock Exchange and the National Stock Exchange.

Investing in the stock market is among the most common ways investors attempt to grow their money, but it's also among the riskier investment options available.

Understanding the basic concept of the stock market is a first step in becoming an informed investor. While the stock market is an extremely complex system, its basic traits are much simpler.

Types Of Share Market

There are two types of share market;



➤ Primary share market

A company enters the primary market to raise funds. It is in the primary market that a company gets registered to issue shares to the public and raise money. Companies generally get listed on the stock exchange through the primary market route. In case a company is selling shares for the first time, it is called an Initial Public Offering or IPO, after which the company becomes public. While going for an IPO the company has to provide details about itself, its financials, its promoters, its businesses, stocks being issued, price band and so on.

➤ Secondary share market

The secondary market is where investors buy and sell securities, they already own. It is what most people typically think of as the "stock market," though stocks are also sold on the primary market when they are first issued.

Difference Between Primary Market and Secondary Market

The primary market is where securities are created. Here securities are issued by companies for the first time. New stocks and bonds are offered to the public via an initial public offering (IPO). The secondary market, on the contrary, refers to exchanges such as BSE or New York Stock Exchange or Nasdaq where stocks are traded.

A company may have different types of capital requirements depending on its present stage of growth. A well-established company may not require long-term capital. In that case, they may opt for equity financing i.e. raising capital via the sale of shares.

But another company, which has a proven track record and now wishes to expand operations may go for an IPO. While equity financing is a secondary market operation, launching an IPO happens in the primary market.

Features of Primary Market:

A company tends to turn to the primary market for its long-term capital needs. Fulfilling the need for long term capital is therefore a feature of a primary market. A fresh issue of securities takes place in the primary market. The buyers are usually institutional investors and retail investors.

Features of Secondary Market:

The secondary market helps companies fulfil short-term liquidity requirements. It facilitates the marketability of existing securities.

It also ensures true and fair dealing for the protection of the investor's interest.

Primary Market vs Secondary Market

Securities that are issued in a market are referred to as the primary market. When the company gets listed on an exchange the stocks are then traded in the secondary market.

The primary market is also known as a new issue market and the secondary market is known as after issue market. Depending upon the demand and supply of the securities traded the prices in the secondary market vary. But the prices in the primary market are fixed.

Unlike the secondary market, the primary market provides financing to the new and the old companies.

In the primary market, investors have an option to purchase the shares directly from the company, whereas in the secondary market, the investors buy and sell the securities among themselves.

Investment bankers do the selling in a primary market. In the secondary market, the broker acts as an intermediary while the trading is done.

In the primary market, the company stands to gain from the sale of security. While in the secondary market, an investor gains from the securities.

The securities in the primary market can only be sold once, while in the secondary market sale and purchase is an ever-going process.

The amount that is received from the securities becomes capital for a company whereas; in the case of the secondary market, the same reflects as the income of investors.

❖ **IMPORTANCE OF STOCK MARKET:**

The stock market allows companies to raise money by offering stock shares and corporate bonds. It lets investors participate in the financial achievements of the companies, making money through dividends. Dividends are cuts of the company's profits. Investors also make a profit by selling appreciated stocks. This is known as a capital gain. Of course, the downside is that investors can lose money as well if the share price falls or if the investor must sell the shares at a loss.

One of the whole points of open exchange is to provide transparency and opportunity for all investors. Furthermore, laws and governing bodies, such as the SEC, exist to "level the playing field" for investors. However, there are undeniable advantages that institutional investors and professional money managers have over the individual investor. Advantages of large institutional investors include the timely access to privileged information, full-time research departments, vast amounts of capital to invest, discounts on commissions, transaction fees, and even share prices based on the large dollar amount they invest, political influence, and more significant experience. While the internet has been somewhat of an equalizing factor, the reality is that many institutional clients get news and analysis before the public does and can act on information more quickly. Over-the-counter (OTC) and listed securities are the two.

primary types of securities transacted on stock markets. Listed securities are those stocks traded on exchanges. These securities need to meet reporting regulations of the SEC as well as the requirements of the exchanges where they trade. Over-the-counter securities are exchanged directly between parties, usually via a dealer network. These securities do not list on any stock market exchange but will show on the pink sheets. Pink sheet security often will not meet the requirements to list on an exchange and tend to have a low float, such as closely held companies or thinly traded stocks.

Stock market analysis enables investors to identify the intrinsic worth of a security even before investing in it. All the stock market tips are formulated after thorough research by experts. There are two types of analysis are present- Fundamental Analysis & Technical Analysis. By using stock analysis, investors and traders arrive at equity buying and selling decisions.

Fundamental analysis is a method used to determine the value of a stock by analyzing the financial data that is fundamental to a company. It is a stock valuation method that uses financial and economic analysis to predict the movement of stock prices.



HISTORY OF EQUITY MARKET:

Market-oriented economic reforms in India began in 1991. with the removal of administrative controls on bank credit and primary market for securities, the capital Market came to occupy a larger role in shaping resource allocation in the country. This led to a heightened interest amongst policy makers in the institutional development of securities markets. The efforts towards empowering the securities markets regulator (SEBI) and the first efforts towards attracting foreign portfolio investments began early in the reforms process Almost immediately after the reforms began, there was a prominent scandal on the fixed income and equity markets, which was exposed in April 1992. This set the stage for an unusual policy intervention the establishment of a securities exchange, the National Stock Exchange (NSE), by the government. From 1996 onwards, debates about policy issues on the equity markets were dominated by questions about the role for leveraged trading. There was a proposal to have a spot market based on "rolling settlement" (where leverage is limited to intra-day positions only), In 2001, a major crisis broke on the equity market. It involved numerous elements: large leveraged positions which went wrong, accusations of market manipulation, a payment crisis at the Calcutta exchange, fraud in the banking system, ethics violations at the Bombay stock exchange This crisis was valuable in breaking this five years deadlock and moving with reforms.in

June 2001 trading in index options commenced & within a matter of weeks, liquidity improved sharply Over the 1990s, the equity market became a nationwide platform with real-time capability for trading and settling stock transactions. However, comparable improvements in the infrastructure for of both exchange institutions and SERI is highly limited

What is meant by Interest?

When we borrow money, we are expected to pay for using it this is known as interest Interest is an amount charged to the borrower for the privilege of using the lender's

money. Interest is usually calculated as a percentage of the principal balance (the amount of money borrowed). The percentage rate may be fixed for the life of the loan, or it may be variable, depending on the terms of the loan.

What factors determine interest rates?

When we talk of interest rates, there are different types of interest rates-rates that banks offer to their depositors, rates that they lend to their borrowers, the rate at which the Government borrows in the Bond/Government Securities market, rates offered to investors in small savings schemes like NSC, PPF, rates at which companies issue fixed deposits etc. The factors which govern these interest rates are mostly economy related and are commonly referred to as macroeconomic factors. Some of these factors are:

- Demand for money
- Level of Government borrowings
- Supply of money
- Inflation rate The Reserve Bank of India and the Government policies

What are various options available for investment?

One may invest in

Physical assets

Like real estate, gold jewellery, commodities etc.

Financial assets

Such as fixed deposits with banks, small saving instruments with post offices insurance provident/pension fund etc. or securities market related instruments like shares.

bonds, debentures etc.

What are various Short-term financial options available for investment?

Broadly speaking, savings bank account, money market/liquid funds and fixed deposits with banks may be considered as short-term financial investment options:

Savings Bank Account

It is often the first banking product people use, which offer low interest (4%-5% p.a.), making them only marginally better than fixed deposits.

Money Market or Liquid Funds

Are a specialized form of mutual funds that invest extremely short-term fixed income instruments and thereby provide easy liquidity. Unlike most mutual funds, money market funds are primarily oriented towards protecting your capital and then, aim to maximize returns. Fixed Deposits with Banks Are also referred to as term deposits and minimum investment period for bank FDs is 30 days.

Fixed Deposits with banks

Are for investors with low-risk appetite, and may be considered for 6-12 months investment period as normally

What are various Long-term financial options available for investment?

Post Office Savings Schemes, Public Provident Fund. Company Fixed Deposits, Bonds and Debentures, Mutual Funds etc.

Post Office Savings:

Post Office Monthly Income Scheme is a low risk saving instrument, which can be availed through any post office.

Public Provident Fund:

A long-term savings instrument with a maturity of 15 years and interest payable at 8% per annum compounded annually. A PPF account can be opened through a nationalized bank anytime during the year and is open all through the year for depositing money. Tax benefits are available for amount invested and interest accrued tax-free. A withdrawal is permissible every year from the seventh financial year of the date of opening of the account and the amount of withdrawal will be limited to 50% of the balance at credit at the end of the 4th year immediately preceding the year in which the amount is withdrawn or at the end of the preceding year whichever is lower than the amount of loan if any.

Company Fixed Deposits:

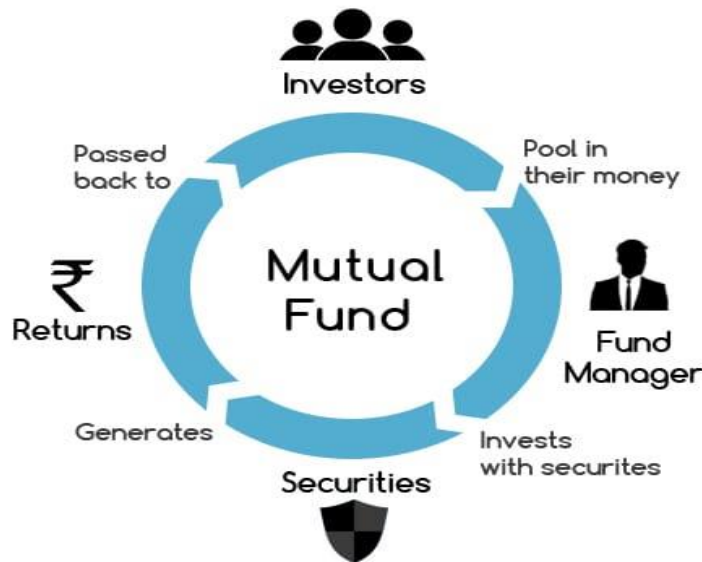
These are short-term (six months) to medium-term (three to five years) borrowings by companies at a fixed rate of interest which is payable monthly, quarterly, semi 10 annually or annually. They can also be cumulative fixed deposits where the entire principal along with the interest is paid at the end of the loan period.

Bonds:

It is a fixed income (debt) instrument issued for a period of more than one year with the purpose of raising capital. The central or state government corporations and similar institutions sell bonds. A bond is generally a promise to repay the principal along with a fixed rate of interest on a specified date, called the Maturity Date.

Mutual Funds:

These are funds operated by an investment company which raise money from the public and invests in a group of assets (shares, debentures etc.), in accordance with a stated set of objectives. It is a substitute for those who are unable to invest directly in equities or debt because of resource, time or knowledge constraints.



What Is Equity Market? - Meaning, Benefits & Types

Equity trading enables investors to become partial owners of the organization. When a company issues shares to the investors in return for money, these shares are called equities. The equity meaning in share market is nothing but these shares which investors can buy or sell. The equity market is also called a stock market where traders buy or sell shares. The companies listed on exchanges offer a fraction of their equity to public investors.

Understanding an Equity Market:

The equity market is a marketplace for traders where they buy or sell stocks. Investors can invest in public or private stocks. Public stocks are traded on exchanges, unlike private stocks which are traded privately. Initially, when an organization is set up it is private and later it goes on to launch its IPO. IPO launch makes the private company available for public investors. Whereas private stocks of a company are available to limited investors like employees or other specific traders. Companies get listed on stock exchanges with a motive to earn capital from

public investors and use it for their growth or expansion. On contrary to equity financing debt financing involves loans and other borrowing methods to earn capital.

How is Equity Market in India?

In India, equities are traded on exchanges called as National Stock Exchange, Bombay Stock Exchange, and Metropolitan Stock Exchange. There are companies listed on these exchanges and shares of these companies are bought or sold by the investors. In India, the two forms of equity trading are the spot/cash market and the futures market. In the spot/cash equity trading the stocks are available for immediate delivery in the public financial market. Whereas in the future market the stocks are traded later at a scheduled date.

What is 'Growth' in Equity Market?

Traders look for investment opportunities in small companies which have greater growth potential. Investors are generally attracted by such growth stocks and make big bids in the live equity market. They invest in both Indian stocks and global stocks with higher growth potential.

How Do Equity Markets Work?

The equity market operates similarly to a house auction where buyers and sellers bid different prices to the trade. In this case, the house is an equity market and things are the shares of the companies listed on the stock exchanges. Investors can buy these shares through IPO in the primary market or the secondary market. The stock market is regulated and maintained by stock exchanges and various other financial entities.

The concept behind how the stock market works is simple. Think of an auction house where buyers and sellers negotiate prices and make trades. Now, substitute the auction house and items with equity market and shares. Companies list their shares on an exchange. Investors can buy shares in the primary market i.e. IPOs, and secondary market.

The stock market is regulated by a financial watchdog. The equity market is maintained by stock exchanges, and various stakeholders like brokers, dealers, clearing corporations etc. It is an extended family of institutions and this is the true equity market meaning

What Is the Difference Between Stock and Equity?

There is virtually no difference between stock and equity. These two words are commonly used to mean shares. Stock and equity are just synonyms. Equity share trading is done via online equity trading systems.

What Is Equity meaning in NSE?

In NSE equity is referred to as the stock market. The stock market has two sections the new issues (primary) market and the stock (secondary) market. At present more than 1300 securities are available for trading on NSE. Screen-based trading enables people across India to trade and invest. The trading system of NSE is called National Exchange for Automated Trading or “NEAT”.

Benefits of Equity:

Following are the benefits of the equity market:

- Equity market investments offer more returns during inflation as compared to other forms of assets. This makes it possible for the investors to keep up with the lifestyle without cutting down on any expenses even when the prices of goods are gradually increasing.
- Despite greater risks, investors can generate huge profits from the returns. The returns earned from the equity market are more as compared to a savings account or a fixed deposit.
- Trading in options market can minimize the risks and amplify profits
- Investors with good knowledge and enough research can earn huge profits in the longer run
- Investors can generate steady income in the form of dividends. Dividends are paid to shareholders from the profits earned by the company

Procedures of Equity market

- **TRADING**

The stock exchanges in India offer an automated screen-based trading platform that is well equipped, fully automated, and computerized. Any trader can benefit from this open trade system, they can buy or sell trades and place their orders which best suit their requirements.

- **CLEANING & SETTLEMENT**

The exchanges of India clear and settle all the trades that are executed during any trading day. These exchanges function using well-defined settlement cycles which have no room for any deviations and/or deferments. These exchanges operate in a way that ensures movements of the funds and shares are completed in the right manner without any mismanagement. The exchanges of the Indian stock market follow the settlement cycle of T+2. This means that all securities and funds movements are completed two days after Day 1 (Day 1 is the day on which trades are executed). After the T+2 cycle, buyers receive credits of the shares in their Demat account, and sellers receive the sale proceeds in the bank accounts within two days.

Equity for a Shareholder:

In addition to the value of equities, the shareholder must be aware of the value of a personal share of the equity. This value is equal to the difference between total liabilities owed from total assets owned.

$$\text{Equity} = \text{Value of Assets} - \text{Value of Liabilities}$$

EQUITY INVESTMENT RETURN:

When it comes to long-term equity investment you must be aware of the return on equity offered by the company. Return on equity lets you identify the company's ability to use investors' funds to expand and generate profit. If you are investing in a company for the long run it is of utmost importance to keep an eye on this factor and understand the benefits of investing in that particular company.

To sum up, the equity market offers different benefits against inflation and continues to offer decent returns despite the risk factor. If you are well versed with the stock market and its basic operation you can build a huge corpus with the help of different types of equity investments.

Advantages & Disadvantages Of Equity Market-

Advantages Of Equity Market

- Great wealth creation:

The biggest benefit of the equity market is the opportunity to make huge profit. Many investors have experienced big returns that can never be given by any other financial investment.

- Enter and exit easily:

In case of equity market, you can easily enter and exit a stock. This should be compared to when you want to sell a house, where you cannot sell it on your own will always.

- Lower taxes

When an equity is sold for profit after holding for more than 1 year, the profit attracts 10% tax. In case of fixed deposits, the tax rate is as per the individual's tax rate i.e up to 30%.

Disadvantage Of Equity Market

- Lack of understanding can be costly:

If you do not properly do research or invest in bad stocks, your chances of making losses are high in a equity market live type situation. So, be careful.

- Equity market can be volatile

Equity investment return does not move in a straight line. There are upswings and downswings in the live equity market.

- There is risk of capital erosion

Equity share trading involves a chance of capital erosion.

CHAPTER-2

COMPANY HISTORY





INTRODUCTION:

- It was incorporated in 2017 by Mr. Jayant Kwatra, Ms. Aarti Khatri & Mr. Vishal Gupta.
 - It is India's best advisory firm that offers Education as well as Advisory Services Of Financial Market.
 - It is headquartered in Faridabad, Haryana.
 - It is a diversified financial services company in India offering brokerage services across the asset classes of equities, commodities & wealth management, distribution of third party financial products.
- It is a member of all the leading equity, commodities, derivatives, currency & spot commodity exchange of India.



MARKET SEGMENT:

The securities market has 2 independent segments.

- 1) Primary market
- 2) Secondary market

Primary Market

- It is the channel for creation of new securities that issued by public limited companies or government agencies.
- In the primary market, the resources are mobilized either through public issue or private placement route.
- It is a public issue if everybody can apply for this, but when it is available to the selected group of persons then called private placement.
- The new securities issued in the primary market are traded in the secondary market

Secondary Market

- The secondary market enables participants who hold securities to adjust their holdings in response to changes in their assessment of risk and return.
- The secondary market operates through 2 medium-
 - (A) OTC(Over-the-counter) : Informal market where trades are negotiated.
 - (B) Exchange Traded Market: Here trade uses the infrastructure provided by the stock exchange.

SANGUINE CAPITAL MARKET POSITION:

- It is India's one of the best advisory firms which offers Education & Advisory Services of Financial Market.
- Sanguine Capital's credit is defined by its mission to succeed, passion for professionalism, excellent work ethics and customer centric values.
- Services that Sanguine capital constantly upgrade and improve are because of company's skill in leveraging technology.
- Its success is due to the faith reposed in company by valued investors and customers all over the country.
- As its network touches every corner of the country, the most remote investor can easily access Sanguine capital's services and benefit from its expert advice

VISION STATEMENT:

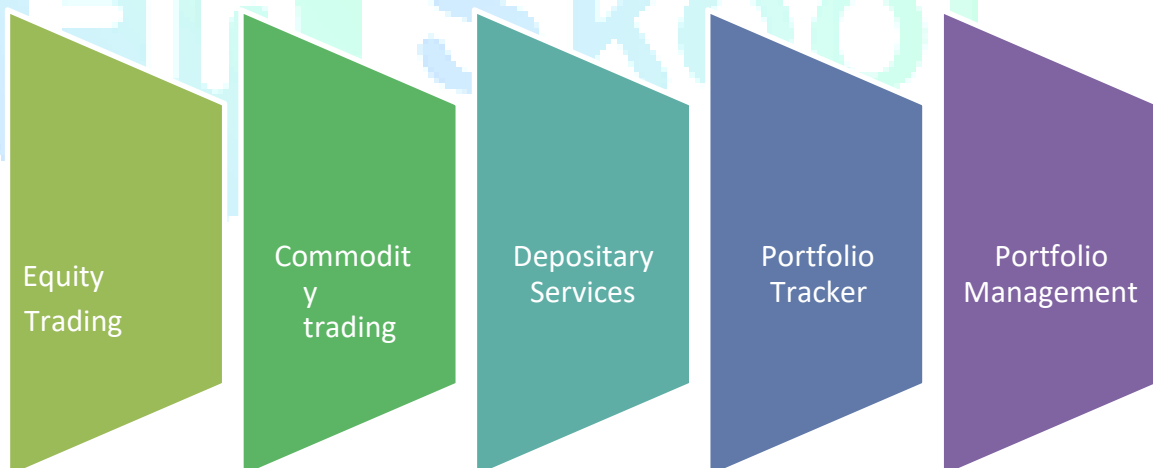
- Company's vision is very crystal: - "To Educate & Empower our clients and help them achieve Financial Independence".
- Company believes in creating long term relationship & become the financial advisor for the generation.

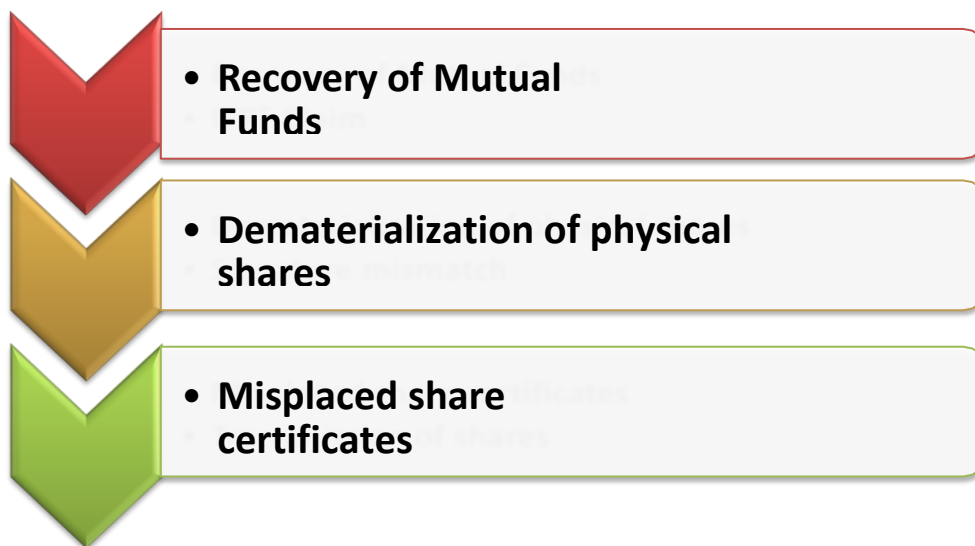
ADVANTAGES IN TRADING WITH SANGUINE CAPITAL:

- Research support and timely advice by our high-tech research wing.
- A perfect blend of latest technology and rich experience of over 10 years.
- Transparency and fairness you can find here.
- Personalized solution and attention offered to each investor.
- An extensive network of branch offices across the country.

PRODUCT & SERVICES PROVIDED BY SANGUINE CAPITAL

- ❖ Sanguine Capital provides some key products





[SERVICES OF SANGUINE CAPITAL]

RECOVERY OF MUTUAL FUNDS:

- Sanguine Capital provides service in redemption of Mutual fund which remain unclaimed due to some reasons.
- Even if you don't have details of your mutual fund, but you remember the name of mutual fund houses where the investment is made, Sanguine Capital can assist in retrieval of information and recovery of those unclaimed mutual funds.

IEPF CLAIM:

- As per section 124(6) of Act, 2013 all the shares in respect of which dividend remains unpaid or unclaimed for 7 consecutive years have to be transferred to Investor Education & Protection Fund (IEPF).
- For claiming any of these shares, the applicant needs to file an application with the IEPF Authority along with the necessary documents, Sanguine Capital helps in speedy recovery from IEPF authority.

DEMATERIALIZATION OF PHYSICAL SHARES:

- ✚ As per SEBI, shares can be transferred or sold only in demat form. You can keep the physical share certificate only till the time you don't want to sell or transfer them to someone else.
- ✚ To sell or transfer the shares you would first need to dematerialize them and then initiate the required transaction.
- ✚ Sanguine Capital offers complete solution to the clients for dematerialization of physical share certificates & their sale or transfer.

SIGNATURE MISMATCH:

Most of the clients use multiple signatures for security reasons & at that time they forget which signatures are used while purchasing a particular stock.

Such & many more reasons lead to mismatch of signature of the customers.

Sanguine Capital experts help in the process of updating of new signature in Company's record to avoid delays.

MISPLACED SHARE CERTIFICATES:

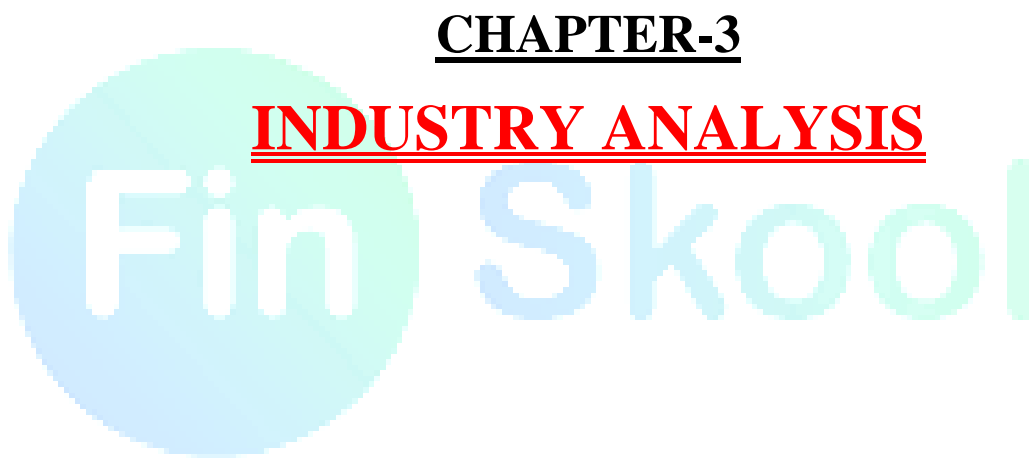
Physical documents are always prone to be misplaced. This leads to a high risk of losing hard earned money.

Sanguine Capital experts help in recovering such duplicate share certificates from the company in a hassle free manner.

TRANSMISSION OF SHARES:

Sometimes share Transmission becomes very clumsy. It can create problems if you are not seeking proper professional advice.

Sanguine Capital is offering assistance to the respected clients on various issues regarding share Transmission.



CHAPTER-3

INDUSTRY ANALYSIS

ENVIRONMENTAL ANALYSIS (PESTEL):

PESTEL Stands for Political, Economic, Social, Technological, Environmental & Legal Factors.

POLITICAL FACTORS:

- Intellectual property protection.
- Favoured trading partners.
- Level of corruption especially levels of regulation in service sectors.
- Pricing regulations
- Mandatory employee benefits.
- Product labelling and other requirements in security & protection services.
- Industrial safety regulations in the service sector.
- Trade regulation and tariff related to services.
- Taxation- Tax rates and incentives.

ECONOMIC FACTORS:

- Exchange rates & stability of host country currency.
- Comparative advantages of host country and services sectors in the particular country.
- Educational level in the economy.
- Economic growth rate.
- Inflation & Interest rates.
- Unemployment rate.
- Labor costs and productivity in the economy.
- Infrastructure quality in security & protection services industry.
- Government intervention in the free market and related services.

SOCIAL FACTORS:

- Demographic and skill level of the population.
- Leisure interest.
- Entrepreneurial spirit and broader nature of the society.
- Educational level and education standard in this security.

TECHNOLOGICAL FACTORS:

- Impact on cost structure in security and protection services industries.
- Technology's impact on product offering.
- Rate of technology diffusion.
- Recent technology developments by SMC Global securities ltd.

ENVIRONMENTAL FACTORS:

- Weather
- Changes in climate
- Recycling
- Waste management in service sectors
- Laws related to environment pollution
- Attitudes through "green" or ecological product
- Support for renewable energy

LEGAL FACTORS:

- Discrimination law
- Employment law
- Health and safety law
- Data protection
- Consumer protection and e-commerce
- Anti-trust law in security and protection services industry

SWOT ANALYSIS:

SWOT stands for strength weakness opportunity and threat.

STRENGTH:

- ❖ Strong customer relationship.
- ❖ Wide range of product and services.
- ❖ Qualified and experienced employees.
- ❖ Broad networking having several branches across the country.

WEAKNESS:

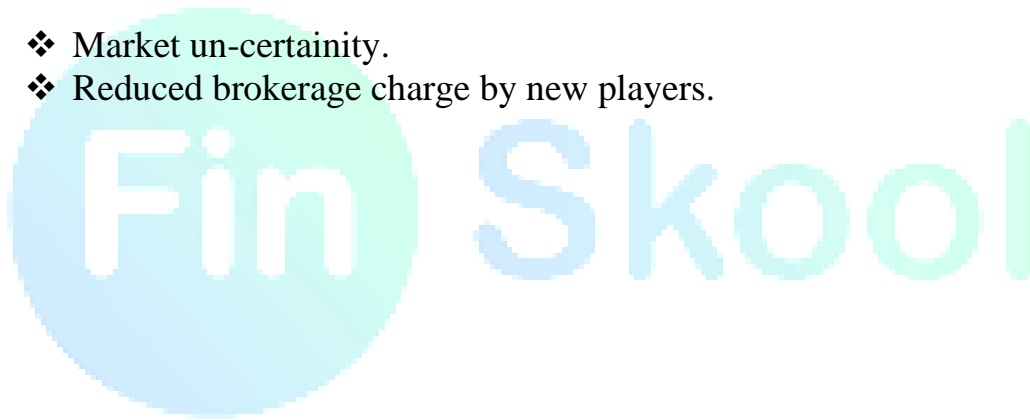
- ❖ Lack of loyal client.
- ❖ Company turnover generally depend upon the market performance.
- ❖ Lack of proper advertisement.

OPPORTUNITY:

- ❖ Marketing at urban area.
- ❖ Continuous growth of consumer awareness regarding equity market.
- ❖ Positive outlook of people towards financial products.

THREATS:

- ❖ Market un-certainty.
- ❖ Reduced brokerage charge by new players.



CHAPTER-4

COMPETITOR ANALYSIS

Sanguine capital has so many competitors. Out of them 4 major competitors are:

1. SHAREKHAN
2. ZERODHA
3. ICICI SECURITIES
4. HDFC SECURITIES

● **SHAREKHAN:**



- It was founded by Mumbai based entrepreneur Shripal Morakhia in 2000.
- It pioneered the online retail brokerage industry and leveraged on the first wave of digitalization, when demat of securities came into effect.
- The company has 1.4 million customer base and executes more than 4 lakh trades per day.
- It is present over 575 cities through 153 branches.

○ ABOUT:

- Type- Private
- Industry- Financial Services
- Establishment- February 2000
- Headquarter- Mumbai

- CEO- Jaideep Arora
- URL- www.sharekhan.com

● **ZERODHA**

- Zerodha Broking Limited is an Indian Financial service company.
- It provides currencies, retail brokerage mutual funds, bonds etc.
- It is the largest retail stockbroker in India having active client base of 5 million users.



● ABOUT:

- Type – Private
- Industry- Stockbroker
- Establishment – August 15, 2010
- Headquarters: Bangalore, Karnatak
- URL – www.zerodha.com
- Users- 5 million above

● PRODUCTS:

- Equities – Investment in stocks of listed companies
- IPOs- Investment in Initial public offerings

- MFs- Investment in mutual funds including equity, tax savings, hybrids etc.
- Derivatives – speculate on the price movement of stocks or index through its derivative products.
- SERVICES:
 - Delivery trades in equity are free of cost.
 - For industry trades of any size, a flat fee of Rs. 20 or 0.03% per executed order is charged across all segments.
- RECOGNITION:
 - Largest retail stockbroker in India
 - It won the bse – Dun & Bradstreet Emerging equity Broking House Award In 2014 & 2015
 - NSE Retail Broker Of The Year in 2018
 - Economic Times Startup Awards 2020
 - Bootstrap Champ Award 2016

● **ICICI SECURITIES**

- It is a technology-based firm offering a wide range of financial services like investment banking, retail broking, institutional broking etc.
- It is also associated with financial product distribution activities like dealing in securities and corporate advisory services in the united-states.
- It is the 2nd largest non-bank mutual fund distributor.



ABOUT:

- Type- Private
- Industry- Financial services
- Establishment- 9 March 1995
- Headquarter- Mumbai
- URL- www.icicidirect.com
- Parent organization- ICICI Bank

PRODUCTS & SERVICES:

- ICICI offers 3-in-1 account for the most convenient way to invest in share market in India.
- The 3-in-1 account is the combination of 'ICICI Bank Saving Account', 'ICICI Direct Demat and Trading Account'.
- IPOs- invest in Initial Public Offering
- Bonds, NCDs & Corporate FDs- Invest in fixed income instruments like bonds, NCDs, Corporate funds etc.
- Derivatives- Speculate on the price movement of stocks or Index through its derivative products viz. Futures and Options.
- ETFs- Invest in Exchange traded funds.
- SIPs- Systematic investment plan that allows automated investments.

RECOGNITION:

- It won the Gold Award in the 'Retail Broker Of The Year' at the Outlook Money Conclave 2020.
- It was awarded the 'Workplace Excellence Award' under the Corporate Real Estate category by INFHRA.
- It won the Bronze Award at the Advertising Club Bangalore's Bing Bang Awards for media & wellness.

• ***HDFC SECURITIES***

HDFC Securities Limited is a financial services intermediary and a subsidiary of HDFC bank a private sector bank in India. It is one of the leading stock broking companies in India and have completed 19 years of operation. HDFC securities was founded in the year 2000 and is headquartered in Mumbai with branches across major cities and towns in India.



PRODUCTS AND SERVICES:

HDFC securities provide a 3-in-1 Online Investment Account which is a combination of HDFC Bank Savings and demat account along with an HDFC securities trading account.

- **EQUITIES** - Invest online in stocks of listed companies
- **Mutual Funds:** Invest in mutual funds including equity, hybrid, tax saving or debt schemes from asset management companies
- **SIPS** - Systematic investment plan that allows automated investments
- **IPOS** - Invest in initial public offerings (IPO)
- **Derivatives** - Hedge or speculate on the price movement of stocks or index through its derivative products viz. Futures and Options
- **Bonds, NCDs & Corporate FDs** - Invest in fixed income instruments such as bonds, NCDs and Corporate Funds
- **ETFs** - Invest in Exchange Traded Funds.
- **Value Added Services** - Provides investing and trading ideas, along with financial tools and calculators, tax solutions, will planning and robot advisors.
- **MCX** - Invest in bullion, metals, energy and agricultural commodities. •

SMALLCASES - Invest in accurate basket of stocks based on a theme or market trend.

ABOUT:

- Type: Private
- Headquarters: Mumbai, Maharashtra, India
- Key People: Bharat Shah, Chairman Dhiraj Relli Managing Director &
- CEO
- Parent: HDFC Bank
- Website: www.hdfcsec.com



CHAPTER-5

CUSTOMER ANALYSIS



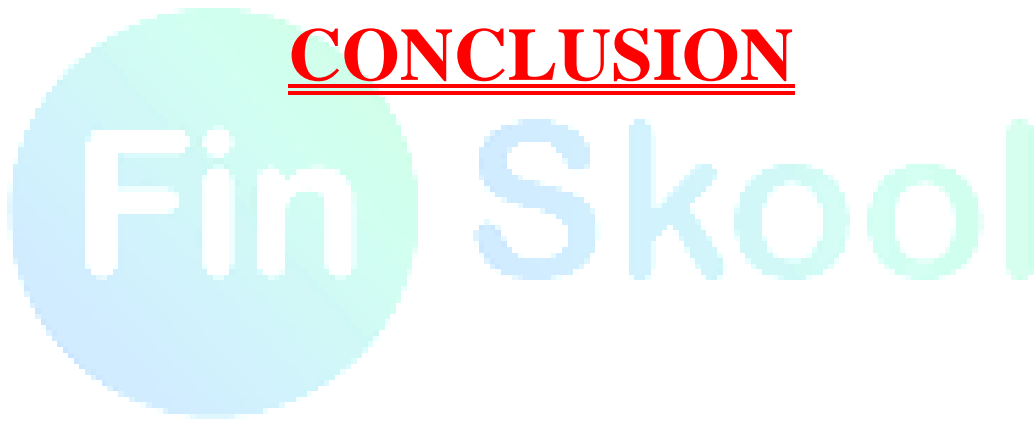
ABOUT CUSTOMERS:

1. Customers of Sanguine Capital can be anyone.
2. Anyone can invest in equities but basically business organization and salaried employees are major customers of mutual fund.
3. Almost 3.7% of people have already invested in equity market and rest 96.3% are unaware about its benefits.
4. The focus of this entire service is in the satisfaction level of customers.
5. Some most prominent stockbrokers in the list are ICICI securities (15.80 lakh clients), Angel Broking(15.64 lakh clients), HDFC Securities(9.57 lakh securities), Groww(7.80 lakh clients) etc.
6. For attracting more and more customers you have to always update your website, recontact old customers, offer new customers discounts and promotions etc



CHAPTER-6

CONCLUSION



To be a successful investor in stock market, it requires complete understanding of the Indian Stock Market and also the psyche of the small investors. It is observed that many people have fear in investing their money in stock market because they feel their money will not be secure here because it deals with a lot of risk and uncertainty. So they need the knowledge of Stock market and terms related to it. Many people have not yet invested in stock market due to the lack of awareness and perfect knowledge although they have money to invest. Brand image plays an important role for the investment as well. People open their demat account for trading in those companies where they have faith or they are familiar with. Financial advisors also play a great role in generating lead. They can convince the investors easily by their innovative and convincing way of talking.



CHAPTER-7

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- Master of Stock market by Ashu Dutt
- Investment Management by Preeti Singh.
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