

**A**

**Report On**

**“INVESTOR BEHAVIOR IN ONLINE TRADING FOR SANGUINE  
CAPITAL”**

**Submitted by**

**Saubhagyalaxmi Singh**  
**Registration No: 2006258180**  
**Batch: 2020-2022**

In partial fulfillment of the recruitment for the degree of MBA under  
**BIJU PATNAIK UNIVERSITY OF TECHNOLOGY, ROURKELA, ODISHA**

**Under the Guidance of**

<b>Mr. Vishal Gupta</b> Co-Founder & CFO Sanguine Capital (Corporate Guide)	<b>Dr. Ramakrishna Mishra</b> Associate Professor, Finance BIITM, Bhubaneswar (Faculty Guide)
--------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------



**Estd. 1999**

# **CERTIFICATE OF DECLARATION**

I, students of BIITM(2020-22), hereby declare that the project report on **“Investors Behavior In Online Trading For Sanguine Capital”** has been done under the guidance and involvement of Mr. Vishal Gupta, **Sanguine Capital**, Faridabad and **Dr. Ramkrushna Mishra**, institute of management studies , Bhubaneswar for the for the period of 1<sup>st</sup> June 2021 to 16 July 2021

This report embodies the finding based on my study, observation.

---

**Saubhagyalaxmi Singh**

Student

**Biju Patnaik IT Institute of Management Studies**

**Date:**

# **CERTIFICATION OF COMPLETION**

This is to certify that

**Ms. Saubhagyalaxmi Singh**

student of Biju Patnaik institute of IT & Management studies, Bhubaneswar, has successfully completed her Summer internship Program 2021 conducted by Sanguine Capital from 1<sup>st</sup> june 2021 to 16<sup>th</sup> june 2021 on project entitled, "Investors Behaviour in Online Trading for Sanguine Capital, Faridabad"

We have noticed that, during the period, he has shown keen interest in her assignments and was also regular in attendance.

Date:

**(Signature of Equity manager)**

**(Signature of guide)**

# ACKNOWLEDGEMENT

I would like to express my sincere gratitude to the training heads Mr. Jayant Karwata (Founder) and Mr. Vishal Gupta (Relationship Manager) Sanguine Capital, for guiding me throughout my summer internship and research project. His encouragement, time and effort are greatly appreciated.

I would then like to thank my faculty guide, Dr. Ramkrushna Mishra, (Academic Professor of finance dept.) Biju Patnaik Institute of IT & Management Studies, Bhubaneswar, for all his valuable inputs and constant support towards me throughout my project and providing me an opportunity to learn outside the classroom. It was a truly wonderful learning experience.

I would like to dedicate this project to my parents. Without their help and constant support this project would not have been possible.

Last but not the least, I would like to thank all the respondents who offered their opinions and suggestions and sometimes critical views throughout the survey which made me constantly update myself come out with a successful project.

(Student's Signature)

**SAUBHAGYALAXMI SINGH**

## **ABSTRACT**

The project aims to make a detailed study of Securities Market and its functions in context of Indian Stock exchanges (BSE and NSE) and a comparative analysis of Products of Sanguine Capital with some well-known selected companies and in the process identify the strengths and weaknesses of Sanguine Capital.

The project aims to understand Indian Securities Market in context of BSE and NSE. Also understand the trading mechanism of Stock Exchanges in India. The project aims also to know primary market and secondary market.

The project consists of a detailed analysis of the comparison of various products on Sanguine Capital with that of the selected major players in the market.

After a detailed study, I would find out the merits and demerits of the Sanguine Capital. Finally I would like to interpret the results of the project by combining both the primary and the secondary data analyses then identified the areas where the company is really strong and the areas where it needs to have a second look.

The Project helped me enhance my knowledge on various technicalities of the Indian Securities Market and gave me a broader prospective of various investment opportunities available in the market.

## TABLE OF CONTENTS

<b>Chapter No.</b>	<b>CONTENTS</b>	<b>Page No.</b>
	CERTIFICATION OF DECLARATION	<b>2</b>
	CERTIFICATION OF COMPLETION	<b>3</b>
	ACKNOWLEDGEMENT	<b>4</b>
	ABSTRACT	<b>5</b>
	TABLE OF CONTENT	<b>6</b>
<b>1</b>	<b>INTRODUCTION</b>	<b>7</b>
	OBJECTIVE OF THE PROJECT , RESEARCH METHODOLOGY	<b>17</b>
	SCOPE	<b>19</b>
	LIMITATION	<b>20</b>
<b>2</b>	<b>COMPANY &amp; INDUSTRY ANALYSIS</b>	<b>20</b>
	INTRODUCTION TO COMPANY	<b>21</b>
	INDUSTRY ANALYSIS	<b>27</b>
<b>3</b>	<b>COMPETITOR &amp; CUSTOMER ANALYSIS</b>	<b>31</b>
<b>4</b>	<b>DATA INTERPRETATION &amp; FINDING</b>	<b>38</b>
<b>5</b>	<b>SUGGESTION &amp; CONCLUSION</b>	<b>52</b>
	ANNEXURE	<b>54</b>
	BIBLIOGRAPHY	<b>57</b>

## CHAPTER 1

# **INTRODUCTION, OBJECTIVE OF THE PROJECT, METHODOLOGY, SCOPE & LIMITATION**

# INTRODUCTION

The stock market is where investors connect to buy and sell investment most commonly, stocks which are shares of ownership in a public company.

An **investor** is an individual that puts money into an entity such as a business for a financial return. The main goal of investor is to minimize risk and maximize return. The act of putting money into a business or organization to earn a profit is called **investing**. **Intraday** trader are trader who do not hold any position overnight Le the share buy and sell with in the same day **Short-term** trading is trading strategies in stock market which the time duration between entry and exit is within a range of few days to few weeks. **Medium-term** trading is trading strategies in stock market which the time duration between entry and exit is within a range of three months to one year. **Long-term** trading is trading strategies in stock market which the time duration between entry and exit is more than one year.

**Online trading** is electronic trading with the help of internet and computers. The user can search for stocked available on different exchange. To began trading online need to open an online trading account with an online broking firm. Angel broking offers reliable Demate and trading account with low maintenance cost and affordable brokerage. Demate account as equivalent to a bank account which holds money. It is easy and convenient to hold securities in this account, safer than physical share which are in paper from due to theft, forgery, and reduces risk of delayed settlement. India began dematerialized system in 1996.

A **financial market** is a market in which people trade financial securities and derivatives at low transaction costs. Some of the securities include stocks and bonds, raw materials and precious metals, which are known in the financial markets as commodities. The term market is sometimes used for what are more strictly exchanges, organizations that facilitate the trade in financial securities, e.g., a stock exchange or commodity exchange. This may be a physical location (such as the New York Stock Exchange (NYSE), London Stock Exchange (LSE), JSE Limited (JSE), Bombay Stock Exchange (BSE) or an electronic system such as NASDAQ, Much trading of stocks takes place on an exchange; still, corporate actions (merger, spinoff) are outside an exchange,



while any two companies or people, for whatever reason, may agree to sell the stock from the one to the other without using an exchange.

Trading of currencies and bonds is largely on a bilateral basis, although some bonds trade on a stock exchange, and people are building electronic systems for these as well, to stock exchanges. There are also global initiatives such as the United Nations Sustainable Development Goal 10 which has a target to improve regulation and monitoring of global financial markets.

### **Types of financial markets**

Within the financial sector, the term financial markets is often used to refer just to the markets that are used to raise finance. For long term finance, the Capital markets for short term finance, the Money markets. Another common use of the term is as a catchall for all the markets in the financial sector, as per examples in the breakdown below.

- Capital markets which consist of:
  - Stock markets, which provide financing through the issuance of shares or common stock, and enable the subsequent trading thereof.
  - Commodity markets, The commodity market is a market that trades in the primary economic sector rather than manufactured products, Soft commodities is a term generally referred as to commodities that are grown, rather than mined such as crops (corn, wheat, soybean, fruit and vegetable), livestock, cocoa, coffee and sugar and Hard commodities is a term generally referred as to commodities that are mined such as gold, gemstones and other metals and generally drilled such as oil and gas.
- Money markets, which provide short term debt financing and investment.
- Derivatives markets, which provide instruments for the management of financial risk.
- Futures markets, which provide standardized forward contracts for trading products at some future date; see also forward market.
- Foreign exchange markets, which facilitate the trading of foreign exchange.

- Cryptocurrency market which facilitate the trading of digital assets and financial technologies.
- Spot market
- Interbank lending market

The capital markets may also be divided into primary markets and secondary markets. Newly formed (issued) securities are bought or sold in primary markets, such as during initial public Offerings. Secondary markets allow investors to buy and sell existing securities. The transactions in primary markets exist between issuers and investors, while secondary market transactions exist among investors. Liquidity is a crucial aspect of securities that are traded in secondary markets. Liquidity refers to the ease with which a security can be sold without a loss of value. Securities with an active secondary market mean that there are many buyers and sellers at a given point in time. Investors benefit from liquid securities because they can sell their assets whenever they want; an illiquid security may force the seller to get rid of their asset at a large discount. Primary market is where securities are created. It's in this market that firms sell (lot) new stocks and bonds to the public for the first time. An initial public offering, or IPO, is an example of a primary market. These trades provide an opportunity for investors to buy securities from the bank that did the initial underwriting for a particular stock. An IPO occurs when a private company issues stock to the public for the first time

For example, company ABCWXYZ inc hires five underwriting firms to determine the financial details of its IPO The underwriters detail that the issue price of the stock will be \$15 investors can then buy the IPO at this price directly from the issuing company. This is the first opportunity that investors have to contribute capital to a company through the purchase of its stock. A company's equity capital is comprised of the funds generated by the sale of stock on the primary market Types of Primary Offering companies to raise additional equity through the market after already having securities enter the secondary market. Current awestors are offered prorated rights based on the shares they currently own, and others can invest anew in newly minted shares Other types of primary market offerings for stocks include povate placement and preferential

allotment Private placement allows companies to sell directly to more significant investors such as hedge funds and banks without making shares publicly available while preferential allotment offers shares to select investors (usually hedge funds, banks and mutual funds) at a special price not available to the general public Similarly businesses and governments that want to generate debt capital can choose to issue new short and long term bonds on the primary market. New bonds are issued with coupon rates that correspond to the current interest rates at the time of issuance, which may be higher or lower than pre-existing bonds. The important thing to understand about the primary market is that securities are purchased directly from an au PR R Primary Market. The Secondary Market for buying equities, the secondary market is commonly referred to as the stock market. This includes the New York Stock Exchange (NYSE), Nasdaq, and all major exchanges around the world. The defining characteristic of the secondary market is that investors trade among themselves. That is, in the secondary market investors trade previously issued securities without the issuing companies involvement. For example, if you go to buy Amazon (AMZN) stock, you are dealing only with another investor who owns shares in Amazon. Amazon is not directly involved with the transaction. in the debt markets, while a bond is guaranteed to pay its owner the full par value at maturity, this date is often many years down the road. Instead, bondholders can sell bonds on the secondary market for a dy profit if interest rates have decreased since the issuance of their bond, making it more valuable to other investors due to its relatively higher coupon rate

The secondary market can be further broken down into two specialized categories

### **Auction Markets**

In the auction market, all individuals and institutions that want to trade securities congregate in one are and announce the prices at which they are willing to buy and sell. These are referred to as bid and ask prices. The idea is that an efficient market should prevail by bringing together all parties and having them publicly declare their prices.

Thus, theoretically, the best price of good need not be sought out because the convergence of buyers and sellers will cause mutually agreeable prices to emerge. The best example of an auction market in the New York Stock Exchange(NYSE)

### **Dealer Markets**

In contrast, dealer market does not require parties to converge in a central location. Rather, participants in the market are joined through electronic networks. The dealers hold an inventory of security, the stand ready to buy or sell with market participants. These dealers earn profits through the spread between the prices at which they buy and sell securities.

An example of a dealer market is the Nasdaq, in which the dealers, who are known as market makers, provide firm bid and ask prices at which they are willing to buy and sell a security. The theory is that competition between dealers will provide the best possible price for investors. The so-called & third & and Fourth markets relate to deals between broker-dealers and institutions through over the counter electronic networks and are therefore not as relevant to individual investors. The OTC Market Sometimes you & I'll hear a dealer market.

It referred to as an over-the-counter (OTC) market. The term originally meant a relatively unorganized system where trading did not occur at a physical place as we described above, but rather through dealer networks. The term was most likely derived from the off-Wall Street trading that boomed during the great bull market of the 1920s, in which shares were sold over-the-counter in stock shops. In other words, the stocks were not listed on a stock exchange. They were undisturbed; Over time, however, the meaning of OTC began to change. The Nasdaq was created in 1971 by the National Association of Securities Dealers (NASD) to bring liquidity to the companies that were trading through dealer networks.

At the time, few regulations were placed on shares trading over-the-counter, something the NASD sought to improve. As the Nasdaq has evolved over time to become a major exchange, the meaning of over the-counter has become fuzzier. Nowadays, the term over-the-counter generally refers to stocks that are not trading on a stock exchange such as the Nasdaq, NYSE, or American

Stock Exchange (AMEX). This means that the stock trades either on the over-the-counter bulletin board (OTCBB) or the pink sheets. Neither of these networks is an exchange in fact, they describe themselves as providers of pricing information for securities. OTCBB and pink sheet companies have far fewer regulations to comply with than those that trade shares on a stock exchange. Most securities that trade this way are penny stocks or are from very small companies. For these reasons, while the Nasdaq is still considered a dealer market and technically, an OTC today's Nasdaq is also a stock exchange and therefore, it is inaccurate to say that it trades in \$25.5 trillion. The market cap of the New York Stock Exchange, the largest stock exchange in the world, as of March 2020. Stock exchanges are considered to be part of the secondary market. Third and Fourth Markets You might also hear the terms third and fourth markets.

These concern individual investors because they involve significant volumes of shares to be transacted per trade. These markets deal with transactions between broker-dealers and large institutions through over-the-counter electronic networks. The third market comprises OTC transactions between broker-dealers and large institutions. The fourth market is made up of transactions that take place between large institutions. The main reason these third and fourth market transactions occur is to avoid placing these orders through the main exchange, which could greatly affect the price of the security.

Because access to the third and fourth markets is limited, their activities have little effect on the average investor. The Bottom Line Although not all of the activities that take place in the markets we have discussed affect individual investors, it is good to have a general understanding of the market structure.

The way in which securities are brought to the market and traded on various exchanges is central to the market's function. Just imagine if organized secondary markets did not exist, you'd have to personally track down other investors just to buy or sell stock, which would not be an easy task in fact, many investment. A scam revolves around securities that have to do with the secondary market, because unsuspecting investors can be swindled into buying them. The importance of markets and the ability to sell a security is often taken

for granted, but without a market investors have few options and can get stuck with big losses.

**Stock exchange** is an exchange where stockbrokers and traders can buy and sell securities, such as shares of stock, bonds, and other financial instruments. Stock exchanges may also provide facilities for the issue and redemption of such securities and instruments and capital events including the payment of income and dividends. Securities traded on a stock exchange include stock issued by listed companies, unit trusts, derivatives, pooled investment products and bonds. Stock exchanges often function as “continuous auction” markets with buyers and sellers consummating transactions via open outcry at a central location such as the floor of the exchange or by using an electronic trading platform.

## **BSE**

The BSE or the Bombay Stock Exchange is a lot older than its cousin. It was Asia’s first stock exchange. With a trading speed of 6 microseconds, the BSE is the fastest stock exchange in the world.

The BSE does have some interesting history. A man named Premchand Roychand founded the Native Share and Stock Brokers Association in the 19th century. In those times, it used to function in Dalal Street under a banyan tree - where traders would gather together to buy and sell stocks. Gradually, the network expanded and the exchange was established by the name of Bombay Stock Exchange in 1875.

## **NSE**

The NSE or National Stock Exchange is the leading stock exchange of India. It is the fourth largest in the world (based on equity trading volume). Based in Mumbai and established in 1992, it was the first stock exchange in India to offer a screen-based system for trading.

The NSE was initially set up with an aim to usher in transparency to the Indian market system, and it has ended up delivering on its aim quite well. With the

help of the government, the NSE successfully offers services such as trading, clearing as well as the settlement in debt and equities comprising domestic and international investors. To be able to trade a security on a certain stock exchange, the security must be listed there. Usually, there is a central location at least for record keeping, but trade is increasingly less linked to a physical place, as modern markets use electronic communication networks, which give them advantages of increased speed and reduced cost of transactions. Trade on an exchange is restricted to brokers who are members of the exchange. In recent years, various other trading venues, such as electronic communication networks, alternative trading systems and & dark pools & have taken much of the trading activity away from traditional stock exchanges. Initial public offerings of stocks and bonds to investors is done in the primary market and subsequent trading is done in the secondary market. A stock exchange is often the most important component of a stock market. Supply and demand in stock markets are driven by various factors that, as in all free markets, affect the price of stocks (see stock valuation).

**Trading** involves vigorous participation in the financial markets in comparison to investing, which works on a buy-and-hold strategy. The success of trading is dependant on the ability of a trader to be profitable over a period of time.

A trader is a person who gets involved in buying and selling of a financial asset in any financial market. He or she can buy or sell either for himself/herself or on behalf of another individual or institution. The main difference between an investor and a trader is the duration for which he or she holds on to the asset.

A trader is a person who engages in the short-term purchasing and selling of an equity either for an institution or for themselves. The disadvantages of trading include - capital gains taxes which is applicable to trades and the expenses of paying brokers in the form of multiple commission rates.

## **Types of Trader**

### **1) The Intraday Trader**

- Looks for multiple daily trades.
- Not interested in overnight risk.
- Aims for 10 to 20 positions a days.
- Extremely opportunistic.

## 2) The Swing Trader

- Focuses on price action and trends.
- Looks for definitive trends and reversals in prices.

## 3) The Mid Term Trader

- Utilises historical price trends.
- Predicts that history normally repeats itself.
- Ignores breaking news.

## 3) The Long Term Trader

- Adopts a buy and hold strategy.

An **order** consists of instructions to a broker or brokerage firm to purchase or sell a security on an investor's behalf. An order is the fundamental trading unit of a securities market. Orders are typically placed over the phone or online through a trading platform, although orders may increasingly be placed through automated trading systems and algorithms

### Types of Order

A **market order** is an order to buy or sell a security immediately. This type of order guarantees that the order will be executed, but does not guarantee the execution price

A **limit order** is an order to buy or sell a security at a specific price or better. A buy limit order can only be executed at the limit price or lower, and a sell limit order can only be executed at the limit price or higher.

A **stop order**, also referred to as a **stop-loss order** is an order to buy or sell a stock once the price of the stock reaches the specified price, known as the stop price.

A **buy stop order** is entered at a stop price above the current market price. Investors generally use a buy stop order to limit a loss or protect a profit on a stock that they have sold short.



## OBJECTIVES OF PROJECT

- **To choose right broker** : It is necessary to choose a good broker Firstly, the investor should screening to all the list of brokers and after Knowing all the services an brokerage provide by them and takes charges for the service then the investor could choose a suitable broker for the invest in Equity market.
- **To facilitate the process of investing and trading** : The process of investing and trading is much more simple just because of online transaction and broker . So a person can easily transfer and withdraw money from demate account with the guidance of the broker. He can easily choose in which stock to invest account to the risk.

## METHODOLOGY

The research to be followed is a step by step process. This makes the entire research process systematic as well as easy to handle in the right direction. The study would contain both exploratory research as well as conclusive research. The following steps will be a part of most formal research.

### **Data collection methods:**

For data collection, we have to identify and select which type of data is to research. At this stage; we have to organize a field survey to collect the data. One of the important tools for conducting market research is the availability of necessary and useful data.

### **Information Sources:**

Primary sources -

Primary data will give more prominent picture about modern Facilities of the broking firms

We are considering various sources to collect the primary data like:

- Sales Executives
- End users (Customers).

Secondary Sources -

Data collected from the following sources

- Websites of Various broking Firms
- Newspaper.

## **SCOPE OF THE STUDY**

This project aims to make an understanding of security market and trading procedures regarding to BSE and NSE. Also about various types of traders and trading orders in stock market. This study is also AIMS to comparative study of sanguine capital with its competitors in Indian security market.

FENSKOOL

## **LIMITATIONS**

1. The study aims to understand the Indian security market in respect of BSE and NSE stock exchanges only.
2. The study is only about trading procedures & various types of orders. It doesn't forecast about future prices of any security.
3. It is not provide any kind of valuation techniques of company.

## **CHAPTER 2**

# **INTRODUCTION TO COMPANY & INDUSTRY ANALYSIS**



Incorporated in 2017 by Mr. Jayant Kwatra, Ms. Aarti Khatri & Mr. Vishal Gupta. Headquartered in Faridabad, Haryana. India's best advisory firm which offers Education & Advisory Services of Financial Market. Providing a wide range of financial services and investment solutions as well as Financial Market Education. Sanguine Capital is a diversified financial services company in India offering brokerage services across the asset classes of equities (cash and derivatives), commodities and wealth management, distribution of third party financial products. Sanguine Capital is a member of all the leading Equity, Commodities, Derivatives, Currency & Spot Commodity Exchange of India.

#### **MARKET SEGMENT:**

The securities market has two independent segments: the primary and the secondary market.

The primary market is the channel for creation of new securities. These securities are issued by public limited companies or by government agencies. In the primary market the resources are mobilized either through the public issue or through private placement route. It is a public issue if anybody and everybody can subscribe for it, whereas if the issue is made available to selected group of person it is termed as private placement. There are two major types of issues of securities, the corporate entities who issue mainly debt and equity instruments and the government (central as well as state) who issue debt securities. These new securities issued in the primary market are traded in the secondary market.

The secondary market enables participants who hold securities to adjust their holdings in response to changes in their assessment of risk and returns. The secondary market operates through two mediums, namely, the over the-

counter (OTC) market and the exchange-traded market. OTC markets are informal markets where trades are negotiated. Most of the trades in the government securities are in the OTC market. All the spot trades where securities are traded for immediate delivery and payment take place in the OTC market. The other option is to trade using the infrastructure provided by the stock exchanges.

### **‘Sanguine Capital’ Market Position:**

Sanguine Capital is a legendary name in financial services. Sanguine Capital’s credit is defined by its mission to succeed, passion for professionalism, excellent work ethics and customer centric values.

Today Sanguine Capital is well known as a premier financial services enterprise, offering a broad spectrum of customized services to its clients, both corporate and retail. Services that Sanguine Capital constantly upgrade and improve are because of company’s skill in leveraging technology. What bears ample testimony to Sanguine Capital’s success is the faith reposed in company by valued investors and customers, all across the country. Indeed, with Sanguine Capital’s wide network touching every corner of the country, even the most remote investor can easily access Sanguine Capital’s services and benefit from company’s expert advice.

### **Vision Statement:**

Company’s vision is very crystal clear and mind frame very directed. “To Educate & Empower our clients & help them achieve Financial Independence”. Company believes in creating long-term relationship & become the financial advisor for generation.

### **Advantages in Trading With Sanguine Capital:**

Large avenues of investment solutions and financial services under one roof. Personalized solution and attention offered to each investor. Research support and timely advice by our high-tech research wing. An extensive network of branch offices. A perfect blend of latest technology and rich

experience of over 10 years.Honesty, transparency and fairness imbibed in all dealings.

### **PRODUCT & SERVICES by Sanguine Capital:**

SC customer have the advantage of trading in all the market segments together in the same window, as they understand the need of transactions to be executed with high speed and reduced time

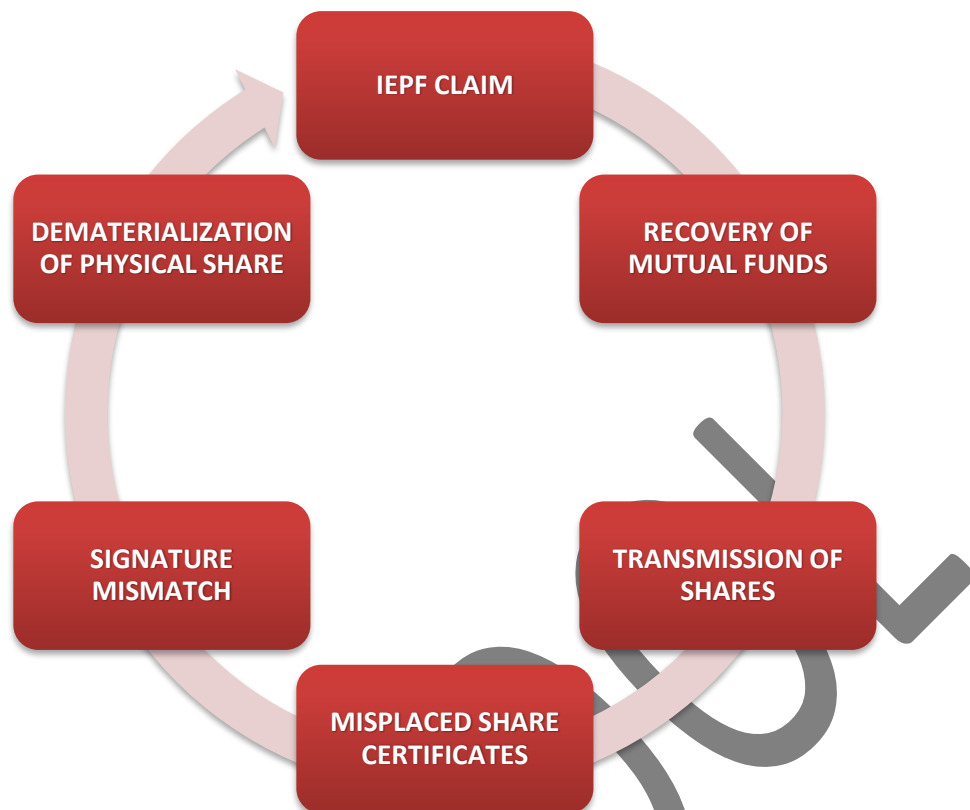
#### **Their key Products offered are as follows:**

- Equity Trading
- Commodity Trading
- Depository Services
- Portfolio Tracker
- Portfolio Management

The firms have been listed in the publication on various parameters such as number of terminals, regions, sub brokers, offices, employees and products & services offered. Terminal-wise listing is provided in the descending order of terminals, whereas other aspects of information such as number of sub

brokers, offices, employees and products & services are provided in an alphabetical manner for all the firms together. A standardized format has been used for reporting the information on the firms.

### **Services**



### ❖ Dematerialization of physical shares

As per SEBI regularizations shares can be transferred or sold only in demat form. This does not mean that the old share certificates have become redundant. You can keep the physical share certificates 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 & then initiate the required transaction.

### ❖ IEPF Claim



As per Section 124(6) of Act, 2013 all shares in respect of which dividend remains unpaid or unclaimed for 7 consecutive years have to be transferred to Investor Education and Protection Fund (IEPF). The process to get shares retrieved from IEPF suspense account is a tedious one. 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 and hassle free recovery from the IEPF Authority.

### ❖ Recovery of Mutual Funds

Hundreds of crores are lying unclaimed in the forms of redemption amount 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 Funds houses where investment is made, Sanguine Capital can assist in retrieval of information and recovery of those unclaimed mutual funds.

### ❖ Transmission of Shares

Sometimes Share Transmission becomes very clumsy, It can take a toll on you especially if you are not seeking proper professional advice. Sanguine Capital is offering assistance to our respected clients on various issues regarding Share Transmission. Have a look at some of the possible challenges you might face during transmission of share. Mixing up transfer of shares with transmission of shares: One of the widely experienced problems is not to find out the difference between transfer and transmission of shares.

### ❖ Misplaced share Certificates

- Physical documents are always prone to be lost or misplaced. But, when it comes to your investment documents like share certificates, it becomes very tedious to prove your ownership. Thus, this poses a high risk of losing your hard-earned money. Sanguine Capital experts help you in recovering such duplicate share certificates from the Company in a hassle-free manner.

### ❖ Signature Mismatch

Many of our clients use multiple signatures for security reasons & at times they forget which signature was used while purchasing a particular stock. · Such & many more reasons lead to mismatch of your signatures. Sanguine Capital is here to help you in process of updating of new signature in Company's record to avoid hassles & delays. Sanguine Capital Institutional Equities team has been providing India investment ideas and trading services to leading institutional investors from all over the world for the past 8 years.

FINSKOOOL

FENSKOOL

## INDUSTRY ANALYSIS

## **ENVIRONMENTAL ANALYSIS (PESTLE)**

### **POLITICAL:**

The capital market of India is very vulnerable. India has been politically instable in the past but it is a little politically stable now-a-days. The political instability of the country has a very strong impact on the capital market. The share market of India changes as the political changes took place. The BSE Index, SENSEX goes up and down with any kind of small and big political news, like, if there is news that a particular political party has withdrawn its support from the ruling party, and then the capital market will go down with a bang. The capital market of India is too weak and is based on speculations. The political stability of the country is very important for the stability and growth of capital market in India. The political imbalance or balance of the country is the major factor in deciding the capital market of India. The political factors include:

- employment laws
- tax policy
- trade restrictions and tariffs
- political stability

### **ECONOMICAL:**

The economical measures taken by the government of India has a very strong relationship with the capital market. Whenever the annual budget is announced the capital market goes up and down with the economical policies of the government. If the policies are supportive to the companies then the capital market takes it positively and if there is any other policy that is not supportive and it is not welcomed then the capital market goes down. Like, in the case of allocation of 3-G spectrum, those companies that got the license for 3-G, they witnessed sharp growth in their share values so the economic policies play a major part in the growth and decline of the capital market and again if there is relaxation on any kind of taxes on items of automobile industry

then the share of automobile sector goes up and virtually strengthen the capital market .The economical factors include: inflation rate

- economic growth
- exchange rates
- interest rates

## **SOCIAL:**

India is a country of unity in diversity .India is socially rich but the capital market is not very attached with the social factors .Yes, there is some relation between the social factors with the capital market. If there is any big social factor then to some extent it affects the capital market but small social factors don't impact at all. Like, there was opposition of reliance fresh in many cities and many stores were closed. The share prices of the reliance fresh went down but the impact was on and individual firm there was not much impact on the capital market on a whole the social factors have not much of impact on the capital market in India. The social factors include:

- career attitudes
- population growth rate
- age distribution
- emphasis on safety
- health consciousness

## **TECHNOLOGICAL:**

The technological factors have not that much effect on the capital market. India is technological backward country. Same as social factors, technological factor can have an effect on an individual form but it cannot have a big impact on a whole of capital market. The Bajaj got a patent on its dts-i technology, and launched it in its new bike but it does not effect on capital market. The technological change in India is always on a lower basis and it doesn't effect on country as a whole. The technological factors include:

- R&D activity
- technology incentives
- rate of technological change
- automation

## **ENVIRONMENTAL FACTORS:**

Initially The environmental factors don't play a vital role in the capital market. But the time has changed and people are more eco-friendly. This is really bothering them that if any firm or industry is environment friendly or not. An increasing number of people, investors, corporate executives are paying importance to these facts, the capital markets still see the environment as a liability. They believe that it is of no use for their strategy. The environmental performance is even under-valued by the markets.

## **LEGAL FACTORS:**

Legal factors play an important role in the development and sustain the capital market. Legal issues relating to any industry or firm decides the fate of the capital market. If the govt. of India or the parliament introduces a new law that can affect the running of the industry then the industry will be demotivated and this demonization will lead to the demonization of the investors and will result in the fall of capital market. Like after the Hardhat Mehta scam, new rules and regulations were introduced like PAN card was made necessary for trading, if any investor was investing too much money in a small firm, then the investors were questioned etc. These regulations were meant to maintain transparency in the capital market, but at that time, investment was discouraged. Legal factors are necessary for the improvement and stability of the capital market.

FENSKOOL

## CHAPTER 3

# COMPETITOR & CUSTOMER ANALYSIS

## COMPETTITOR ANALYSIS

Sanguine Capital has many competitors out of which 3 major competitors are:

1. HDFC Securities
2. Zerodha
3. Sharekhan

### ❖ **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

Industry: Financial Services

Founded: 2000

Headquarters: Mumbai, Maharashtra, India

Key People: Bharat Shah, Chairman Dhiraj Relli Managing Director & CEO

Parent: HDFC Bank

Website: [www.hdfcsec.com](http://www.hdfcsec.com)

#### **Zerodha:**

Zerodha Broking Limited is an Indian financial services company offering retail brokerage, currencies and commodities trading, mutual funds, and bonds. With an active client base of 5 million users, Zerodha is the largest retail stockbroker in India, contributing more than 15% of daily retail volumes across all Indian stock exchanges.

## **Products**

**Equities** – Investment in stocks of listed companies

**Mutual Funds** – Investment in mutual funds including equity, hybrid, tax saving or debt schemes from asset management companies

**IPOs** - Investment 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

**Smallcases** - Investment in a curated basket of stocks based on a theme or market trend.

## **Services**

Delivery trades in equity are free of cost; however, for intraday trades of any size, a flat fee of ₹20 or 0.03% (whichever is lower) per executed order is charged across all segments (i.e., across NSE, BSE and currency).

## **Recognition**

Zerodha won the BSE-Dun & Bradstreet Emerging Equity Broking House award in 2014 and 2015.

Zerodha won the Bootstrap Champ award at the 2016

NSE Retail Broker of the Year in 2018.

Economic Times Startup Awards 2020.

## **About**

Type: Private

Industry: Stockbroker

Founded: August 15, 2010

Headquarters: Bangalore, Karnataka, India

Founder: Nithin Kamath & Nikhil Kamath

URL: [www.zerodha.com](http://www.zerodha.com)

Users: 5 Million+

### **Sharekhan:**

Sharekhan was founded by Mumbai-based entrepreneur Shripal Morakhia in 2000. Sharekhan pioneered the online retail brokerage industry and leveraged on the first wave of digitization, when dematerialization (demat) of securities came into effect and electronic trading was introduced in the stock exchanges.

In India, Sharekhan has 4800+ employees, and is present in over 575 cities through 153 branches, and more than 2,500 business partners. The company has 1.4 million customer base and on an average, executes more than 4 lakh trades per day.



### **Products and Services:**

- **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

Industry: Financial Services

Founded: February, 2000

Headquarters: Mumbai, Maharashtra, India

CEO: **Jaideep Arora**

Website: [www.sherkhan.com](http://www.sherkhan.com)

# CUSTOMER ANALYSIS

## About the Customers:

Customers of Sanguine Capital can be anyone. Which means anyone can invest in equities but basically salaried employees and business organization are major customers of mutual fund. Almost 3.7% of people have already invested equity market and rest 96.3% are unaware about the benefits and also about the return provided by equities in India.

As anyone can invest in equities with some knowledge of equity market for different categories of customers such as institutional Investors, business organisation, agricultural investors and or any other individuals.

## **CHAPTER 4**

### **DATA INTERPRETATION & FINDING**

ENSKOOL

## **DATA PRESENTATION & INTERPRETATION**

Data analysis is the next step after the field survey is over. This portion of the research requires a lot of attention and patience, as the project may be distracted from its objectives very easily if the analysis has not been performed with due care and diligence. In this process all the information received is transformed in to some meaningful form of presentation such as tables or charts.

As I took sample size of 100 people. According to their gender, age, salary, professionalism, interest of invest, which firm they would like to invest and further questions asked according to need of research study.

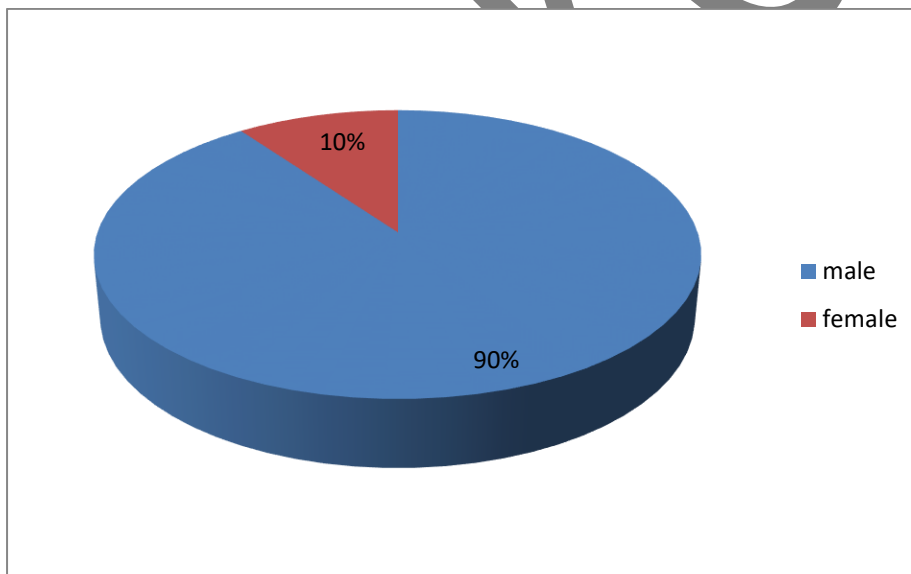
**As Sample size 100 out of which 90 are male and 10 are female:**

**Male**

**Female**

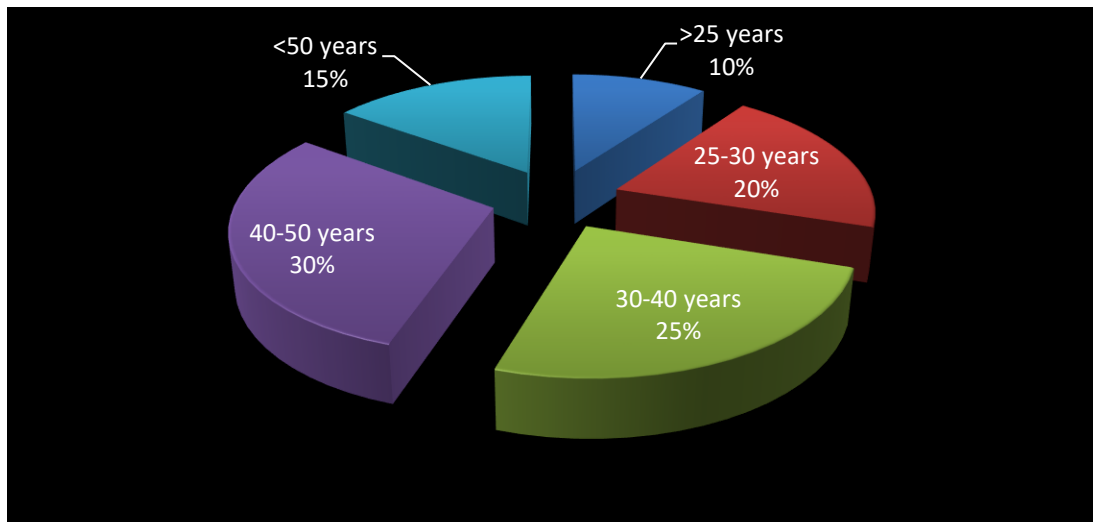
**90**

**10**



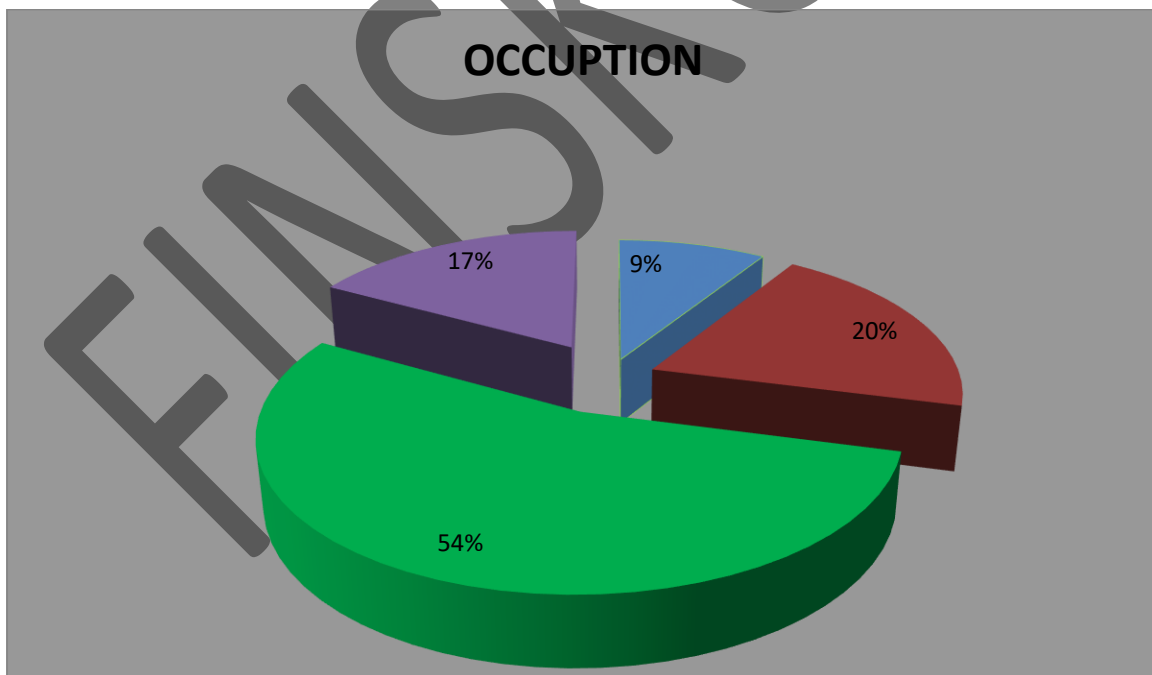
**Following graph shows the age of respondents and the target respondents were only those individuals whose age is above 25 years**

>25	25-30yr	30-40yr	40-50yr	<50yr
10%	20%	25%	30%	15%



Following graph shows the occupation of the respondents:-

Self Employed	Businessman	Salaried
Professionals	20%	54%
17%	9%	



Graph below shows the annual income of the respondents. Only those respondents are considered whose annual income is above 3 lakh rupees per annum. Even the target customers for the company were only those individuals whose annual income is above Rs. 300000



>300000Rs.

3-6lac

6-10lac

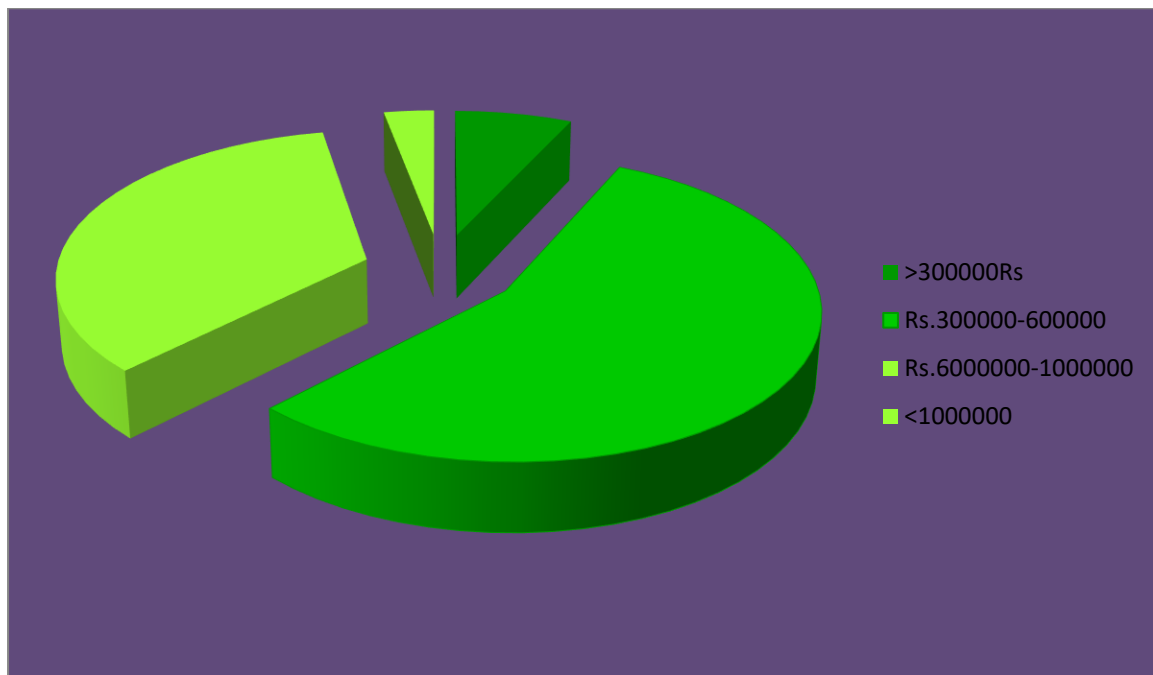
<10 lac

7%

56%

35%

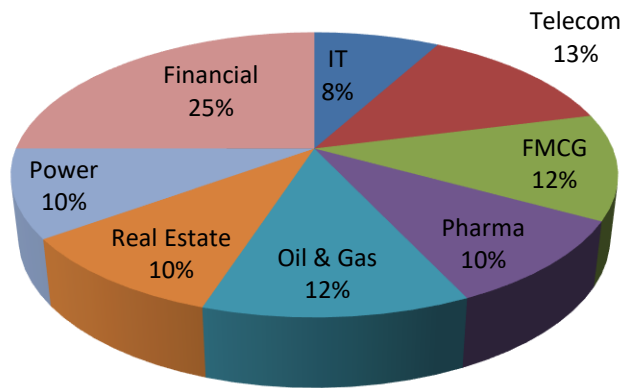
3%



Graph below shows the preferred sectors for investment in equities. The most preferred sector is financial sector as it is expected that this sector will grow very fast. The second most preferred sector is Oil & Gas sector because in this sector the major players are the Government owned industries and as the economy will develop the consumption of oil and gas will increase. The third most preferred sectors are FMCG and TELECOM sectors. FMCG sector stocks are the defensive stocks and TELECOM sector is one of the fast growing sectors.

IT	Telecom	FMCG	Pharma	Oil	&	Real	Power
Financial				Gas	Estate		
8%	13%	12%	10%	12%	10%	10%	25%

## Preferred Sector to invest in Equities

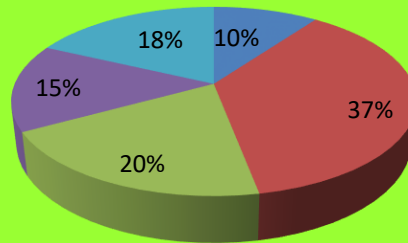


Following graph shows the different preferred tools of investment by the individuals. The most preferred tool is the Mutual Funds. After the financial crisis and the collapse of stock market many investors had lost their money and their confidence is shaken. Moreover mutual funds are more safer investment instruments in comparison to others and also the rate of return on them is high and even the risk is lower than equities and they are preferred because investing in them is exempted from taxation. Mutual funds are followed by the bonds which are risk free and also the rate of return is good.

Derivatives	Mutual Funds	Bonds	Insurance	Equity
10%	3%	20%	15%	18%

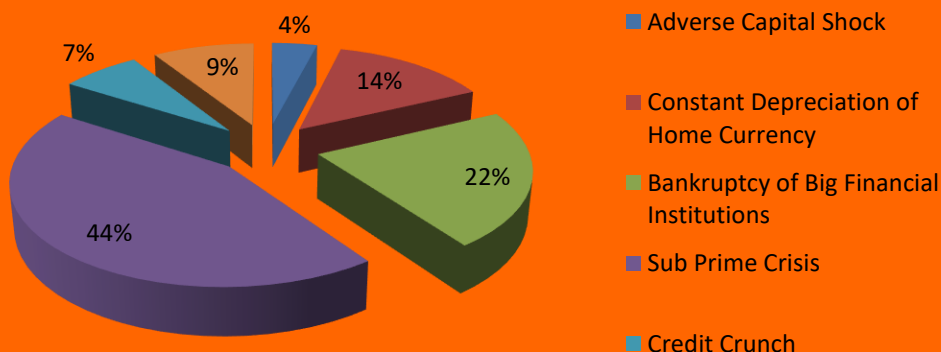
## PREFERRED TOOL OF INVESTMENT IN CAPITAL MARKET

Derivatives Mutual funds Bonds Insurance Equity

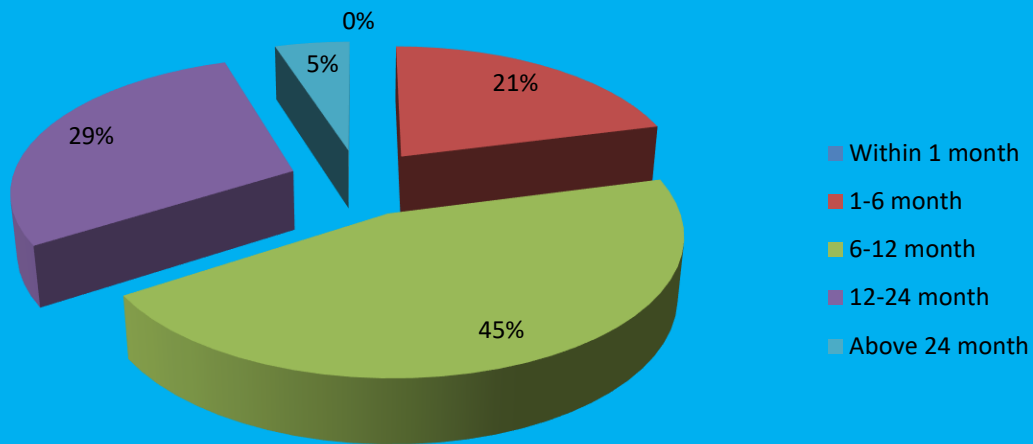


The following chart shows the reason for the collapse of Sensex. Most of the respondents believed that subprime crisis was the main reason for the downfall of Sensex as it forced the FIIs to withdraw their money from Indian markets back to their parent countries. The second most believed reason is the bankruptcy of the financial institutions.

## REASON FOR THE DOWNFALL OF SENSEX FROM 21k TO 8k



## EXPECTATION OF MARKET RECOVERY

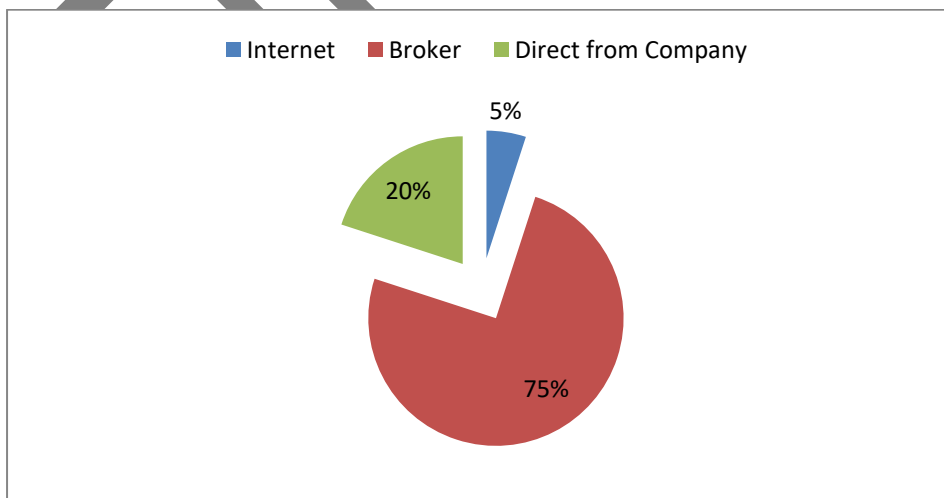


Questionnaire through which I came to know Psychology of people towards Share Trading

**Q. Through which of the channels do you usually buy a financial product?**

Internet Company      Broker      Direct from

5%      75%      20%

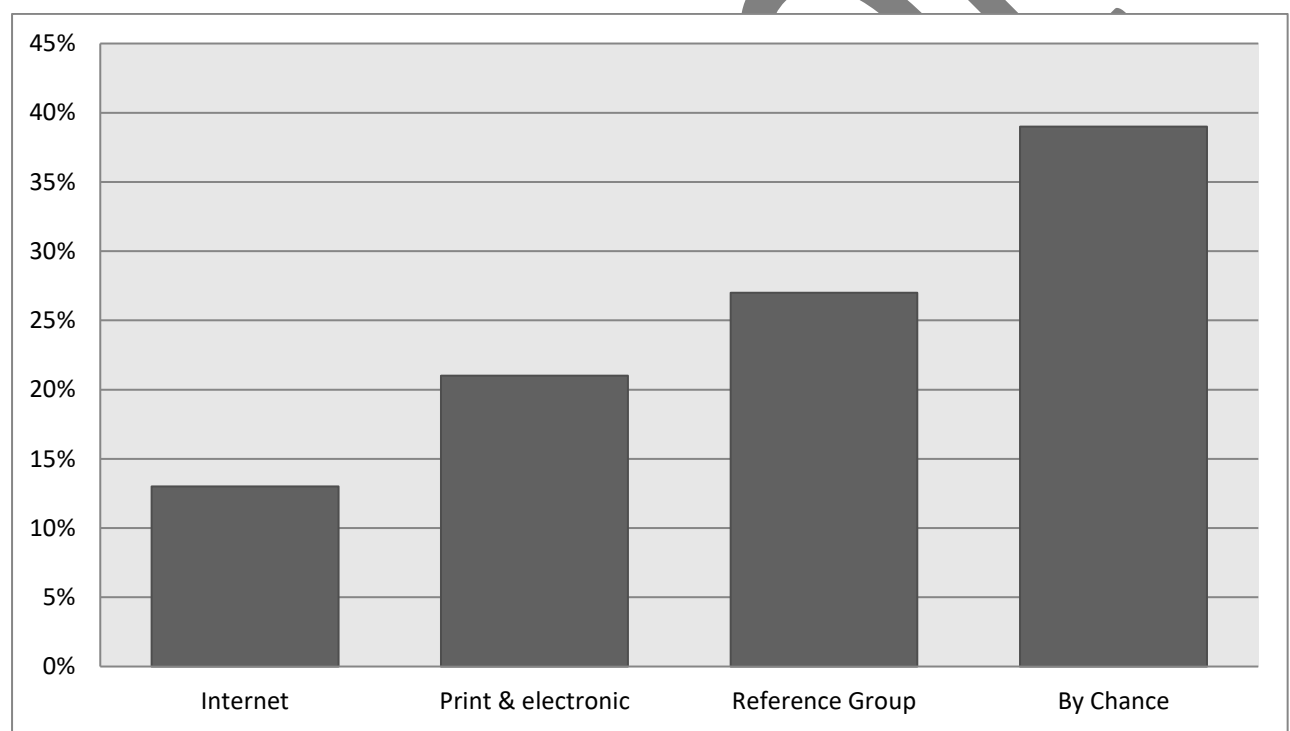


When it comes to channels of buying a financial product most of the people prefer to buy it from a broker as it is the most trusted source and they have a

good market and product knowledge. Many people like to inquire themselves directly from the company while 5% of the people look for internet as a medium. This graph shows that broking business is a profitable one as it attracts the large volume of potential customers

**Q. How do you come know about Edelweiss?**

Internet	Print & electronic	Reference Group	By Chance
13%	21%	27%	39%



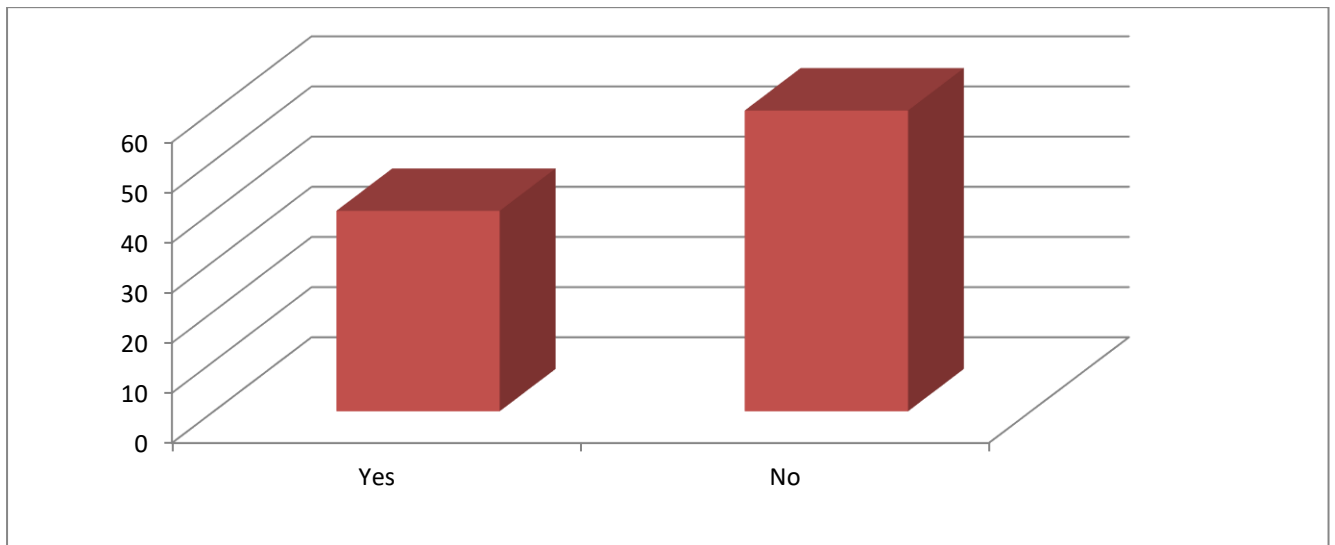
The above responses shows that most of the people came to know about Edelweiss by chance while many through reference group. This shows that the company needs to work a lot towards creating Brand Awareness. Reference group is a good source of information about the company.

**Q. Are you aware of broking facilities given by Edelweiss Financial Services Ltd.?**

**Yes** **No**

40

60



60% of people are not aware of the share market facilities given by the Edelweiss Company and 40% of people are aware of it.

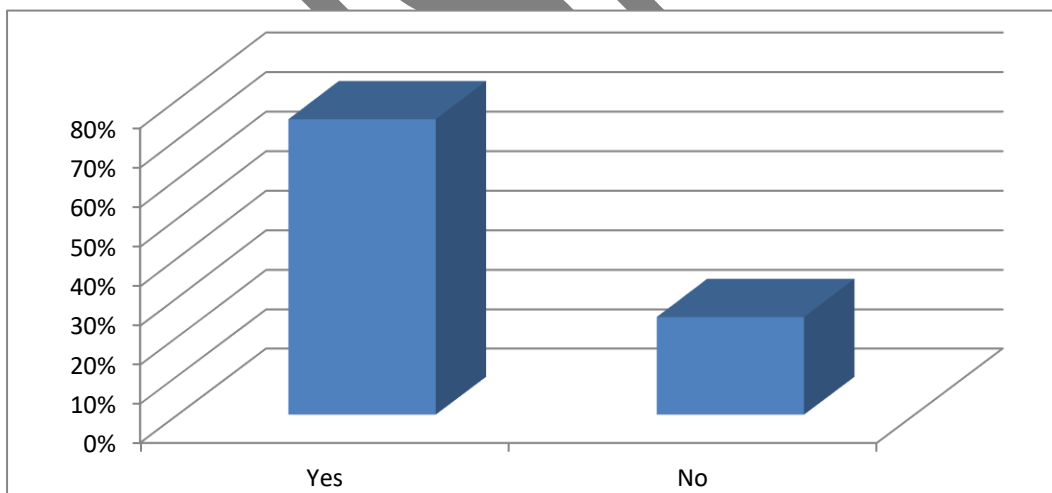
**Q. Are you using Demate Account from Edelweiss?**

Yes

No

75%

25%



People who knows Demate Account facilities of Edelweiss, out of which 75% people are using these facility and 25% are not and moving towards other companies.

**Q. Best company in Broking according to you?**

ICICI

finskool

Motilal

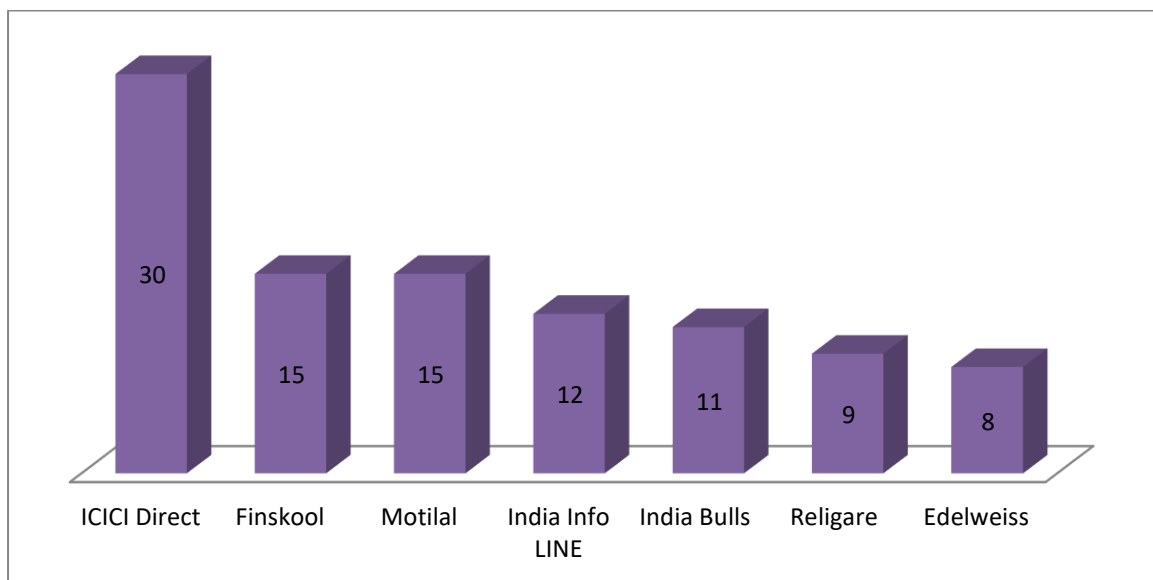
India

India

Religare

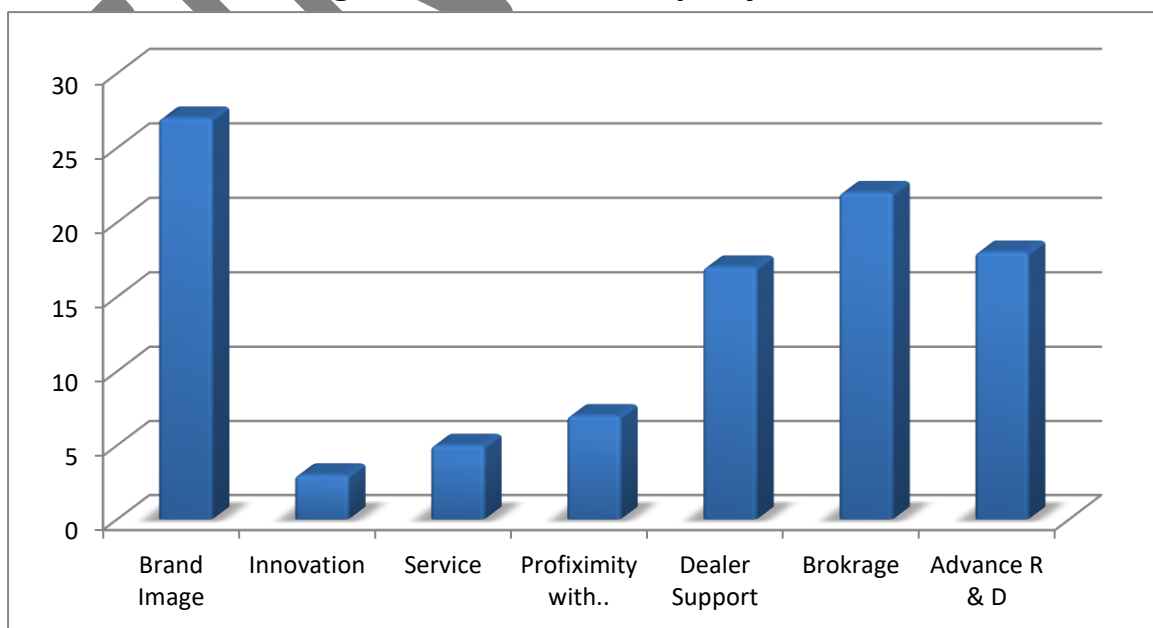
Edelweiss

Direct			Info line	Bulls		
30	15	15	12	11	9	8



According to survey carried by me through questionnaire ICICI direct is more preferable for most of the people. When it comes to the option they slightly move towards companies which are well known to them.

### Q. Factors affecting the choice of company ?

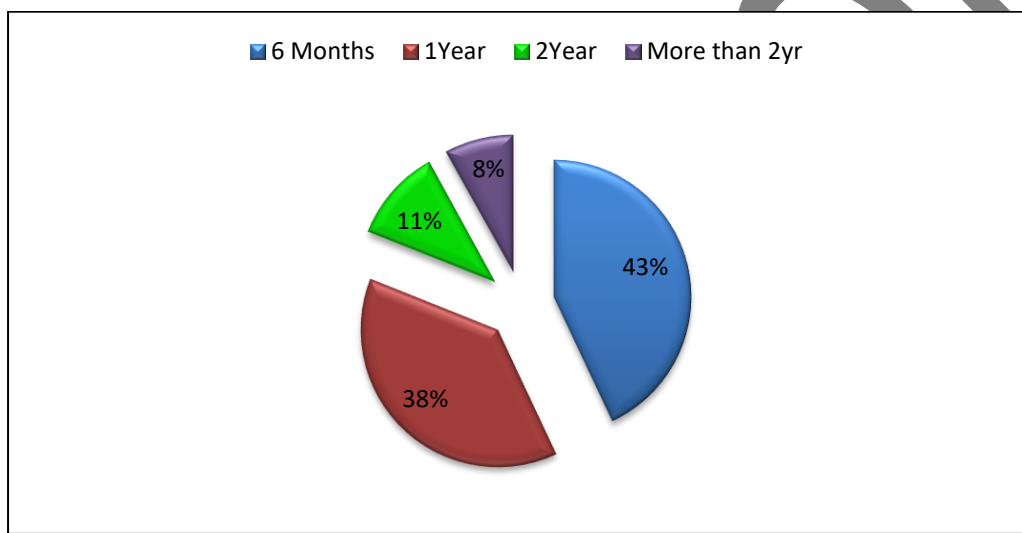


Through this question we can say that Brand image of any company that does matters for customer. After that customer will go with low broking charges by any company. And third and most important factor is Research & Development department of company.

### **Analysis of questionnaire with existing clients:-**

Same questions were asked to the existing clients of the company. And following is their analysis.

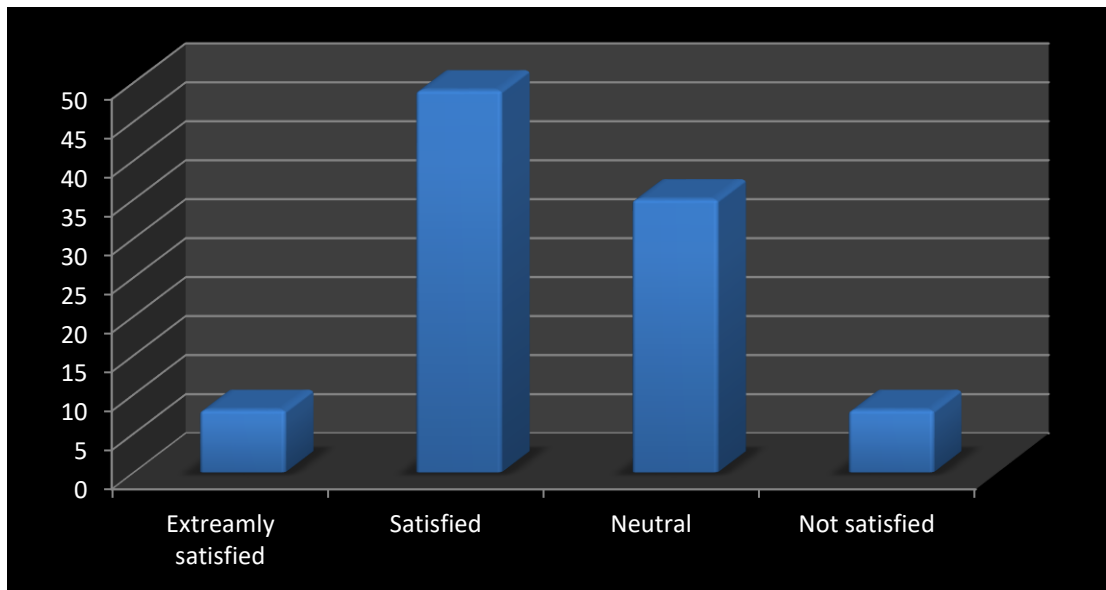
#### **Association with the company**



Most of the customer are new to the company. It can be conclude that company has done good job in case of sales.

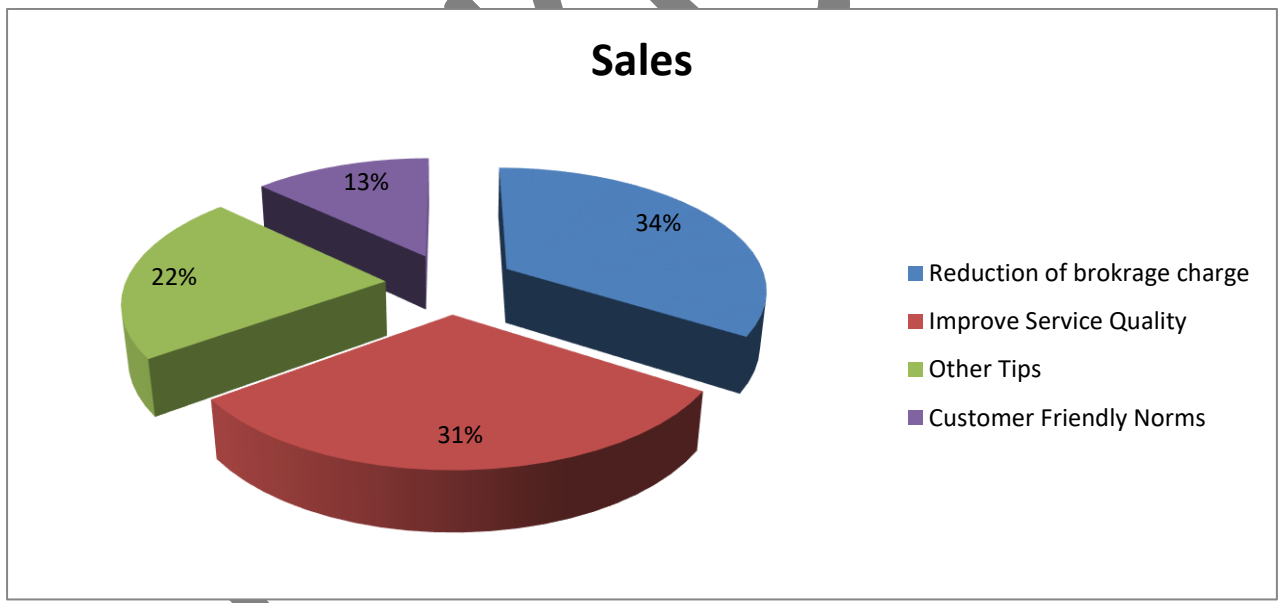
#### **Satisfaction Levels of Customer**





49% of the customers are satisfied and 8% dissatisfied. The company needs to work on these customers and minimize their dissatisfaction.

### Expectation of Customer



Most of the customers want the brokerage to be reduced and services to be improved.

### **Summary of Finding**

The Management Efficiency ratios indicate that since Edelweiss moved into retail in 2007, it has been doing well in terms of profit but after 2008 due to

recession profit of Edelweiss has reduced but still the company is in a better position than some of its competitors.

- ❖ Sanguine Capital hasn't been financially stable according to the financial stability ratios. The assets of Edelweiss increased in the year 2008 and then immediately decreased to a great extent in 2009. The funds borrowed have reduced in 2009 in comparison to 2008 which shows a slight improvement for Edelweiss.
- ❖ According to the profitability ratios, Edelweiss displays a trend of reducing net profit through the three years. This is due to increase in the shareholders funds and also due to recession which affected the net profit of Edelweiss in 2009.
- ❖ Taking into account all three years, Edelweiss has been efficient with respect to certain ratios but hasn't been up to the standards. Till 2008, it has been able to collect its debts efficiently but then due to recession this ability suppressed. Also the market price per share of Edelweiss had a reducing trend which lowered the earnings per share and the price earning ratio. But at the same time Edelweiss increased the dividend and reduced the debts making it efficient in certain areas.
- ❖ Even though companies net profit has been decreased than also there is a increase in Dividend Per Share over a period of time, which means company is attracting its shareholders.
- ❖ The debt equity ratio doesn't show much variation. This indicates that every year the increase or decrease in the debt and equity has more or less been proportionate.
- ❖ Current ratio is on a brighter side though it has declined as compared to '08 in '09. This brings the company in a better position as far as the creditors are concerned.
- ❖ Debtor's ratio had increased in '08 but came down in '09, this is result of the declined sales of the company.
- ❖ A decline in interest coverage ratio is an indicator of the facts that the profit before interest and tax of the company has reduced. Though it has improved in '09 as compared to '08, the improvement is not substantial.
- ❖ An obvious impact of decline in sales is on the profits ratios of the company. In spite of a 17.18% decline in sales in '09 as compared to '08,

the company has been able to maintain a positive and a reasonably good profit position.

- ❖ Return on capital employed by the company is showing reducing trend. The capital base of the company has increased in '08 and has remained constant in '09. However, the ROE ratio has been reduced by 50%. This is not good news for the owner's of the company, as profitability of their investment in the company has been reduced dramatically. Similar analysis can be made for net worth ratio as it has also declined drastically.
- ❖ Despite of not so favorable result in '09 as compared to '07 and '08, the company has declared a good dividend for the shareholders. This shows that the company is more interested in pleasing the shareholders than accumulating funds for the future plans of the company. This policy is further indicated by an improved dividend payout ratio of the company.
- ❖ A decline in the earning per share is as a result of decline in the profits of the company. Thus amount of profit available per share has gone down.
- ❖ Increase in the debt collection ratio is not a good sign, as it means that the company's collection department is taking more time to recover funds from the debtors. This is even worse as the company's sales have reduced. Thus the company has not been able to manage the debtors properly, despite of reduction decline in sales.
- ❖ Proprietary ratio is showing an improvement. This indicates that the company has enough assets to cover the proprietary funds (owners' fund).
- ❖ Capital gearing ratio indicates the risk taking capacity of the company. Higher ratio is risky, but profitable for the equity shareholders. On the other hand lower ratio is safe, but not preferred by the equity shareholders. In the present case a decline in this ratio indicates that the risk to the company has reduced, but this might not go well with the shareholders.

**CHAPTER 5**  
**SUGGESTION & CONCLUSION**

## **Recommendations and Suggestions**

The 45days that I spend in the company and having closely observed the working I would suggest the following points that I feel would benefit the company and help them attract more clients towards it.

Following are the recommendations:-

- ❖ The company only concentrates on getting advance brokerage the different brokerage plan that they have are only about advance brokerage.
- ❖ If somebody is not ready to give advance brokerage than there is nothing that the company could offer them. There is no alternate plan with them so they lose out on customers.
- ❖ The company is also very rigid in its approach; they are not ready to give discounts beyond a certain point even if it means losing a client.
- ❖ The company should be flexible in its approach and brokerage plans in order to get new clients.
- ❖ The company should try to concentrate on tier B and C town which are rapidly growing and are the new emerging markets.

## ANNEXURE

Dear

Customer,

As an Equity Advisory of currently working with Sanguine Capital. I want to thank you for giving us the opportunity to serve you. Please help us serve you better by taking a couple of minutes to tell us about the service that you have received so far. We appreciate your business and want to make sure we meet your expectations.

.....

### 1. Annual Income?

- a) > 3 lakh
- b) 3 lakh- 5lakh
- c) 5 lakh- 7 lakh
- d) 7 lakh and above

### 2. What are the possible sources that you search for financial product information before making any decision?

- a) Television/Radio
- b) Internet/Website
- b) Newspaper/Magazine
- d) friends
- e) Word of Mouth
- f) others, please specify

### 3. Through which one of the channels do you usually buy a financial product?

- a) Internet
- b) Broker
- c) Direct from the company
- d) others

### 4. What is your preferable tool of investment?

- a) Bank deposits
- b) Real Estate
- c) Derivative instruments
- d) Mutual funds
- e) Gold and bullion
- f) Equity shares

### 5. How did you come to know about Sanguine Capital?



Service of the firms					
Dealer support and guidance					

## Personal Information

(i) Name: .....

(ii) Age: ☐ less than 25 ☐ 25-30 ☐ 30-40 ☐ 40-50 ☐ more than 50

(iii) Gender: ☐ male ☐ female

(iv) Marital status: ☐ Married ☐ Single

(v) Educational Qualif: ☐ 10th pass ☐ 12th pass ☐ graduate ☐ post graduate

(vi) Occupation: ☐ service ☐ business ☐ profession ☐ other, please specify

Phone no:

Email

id: Signature:



## BIBILOGHAPHY

Resources and facilities which I would like to use these are listed below:

- Concerned faculty's guidance
- Internet like [www.edelweiss.in](http://www.edelweiss.in), Wikipedia
- Magazine
- Newspaper like Economic Times
- My knowledge about stock market and experience with customer in Edelweiss Financial Services Ltd.
- All the data which I have collected from company and customer perception, thinking towards are trading.