



International Journal of Research Publication and Reviews

Journal homepage: www.ijrpr.com ISSN 2582-7421

E-Marketing & Consumer Loyalty Towards Online Trading of Financial Products of ICICI

Sachin Bhati¹, Ms. Sushma Budshra²

¹student, ²Research Guide

Bachelor of Business Administration, Galgotias University

EXECUTIVE SUMMARY

Marketing is,

“The all-embracing function that links the business with customers needs and want in order to get the right product to the right place at the right price.”

“The achievement of corporate goals through meeting and exceeding customers needs better than the competition.”

In this competitive market every company upgrade their marketing strategies and prepare their business mission and vision in order to carry out their business in the long term process. Instead of fixed and known competition and stable customers preferences, today's companies work in a war zone of rapidly changing competition and technological advances, in order to acquire and retain more customer and stabilize their business.

This report has been undertaken for ICICIDirect.com to conduct “INNOVATION PROMOTIONAL ACTIVITIES AND THEIR IMPLICATION ON SALES A CASE OF ICICI DIRECT.COM IN BBSR” of protection plan and strategic approach in achieving leadership position for ICICI group. The data derived was analyzed to obtain interesting elevations. Conclusions have been drawn out and a list important responsible this survey factors and relevant figures backed with list constructive recommendations has been put up for improvements in different aspect where necessary. This report carries a short introduction of the company profile, details of the methodology followed, data analysis and results obtained along with the suggestions given.

INTRODUCTION

ICICI Bank is India's second-largest bank with total assets of about Rs. 2,513.89 bn (US\$ 56.3 bn) at March 2011 and profit after tax of Rs. 25.40 bn (US\$ 569 mn) for the year ended March 31, 2011 (Rs. 20.05 bn (US\$ 449 mn) for the year ended March 31, 2010). ICICI Bank has a network of about 614 branches and extension counters and over 2,200 ATMs. ICICI Bank offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialised subsidiaries and affiliates in the areas of investment banking, life and non-life insurance, venture capital and asset management. ICICI Bank set up its international banking group in fiscal 2002 to cater to the cross border needs of clients and leverage on its domestic banking strengths to offer products internationally. ICICI Bank currently has subsidiaries in the United Kingdom, Russia and Canada, branches in Singapore, Bahrain, Hong Kong, Sri Lanka and Dubai International Finance Centre and representative offices in the United States, United Arab Emirates, China, South Africa and Bangladesh. Our UK subsidiary has established a branch in Belgium. ICICI Bank is the most valuable bank in India in terms of market capitalisation. (Source: Overview at www.icicibank.com).

History :-

ICICI Bank was originally promoted in 1994 by ICICI Limited, an Indian financial institution, and was its wholly-owned subsidiary. ICICI's shareholding in ICICI Bank was reduced to 46% through a public offering of shares in India in fiscal 1998, an equity offering in the form of ADRs listed on the NYSE in fiscal 2000, ICICI Bank's acquisition of Bank of Madura Limited in an all-stock amalgamation in fiscal 2001, and secondary market sales by ICICI to institutional investors in fiscal 2001 and fiscal 2002. ICICI was formed in 1955 at the initiative of the World Bank, the Government of India and representatives of Indian industry. The principal objective was to create a development financial institution for providing medium-term and long-term project financing to Indian businesses. In the 1990s, ICICI transformed its business from a development financial institution offering only project finance to a diversified financial services group offering a wide variety of products and services, both directly and through a number of subsidiaries and affiliates like ICICI Bank. In 1999, ICICI become the first Indian company and the first bank or financial institution from non-Japan Asia to be listed on the NYSE. After consideration of various corporate structuring alternatives in the context of the emerging competitive scenario in the Indian banking industry, and the move towards universal banking, the managements of ICICI and ICICI Bank formed the view that the merger of ICICI with ICICI Bank would be

the optimal strategic alternative for both entities, and would create the optimal legal structure for the ICICI group's universal banking strategy. The merger would enhance value for ICICI shareholders through the merged entity's access to low-cost deposits, greater opportunities for earning fee-based income and the ability to participate in the payments system and provide transaction-banking services. The merger would enhance value for ICICI Bank shareholders through a large capital base and scale of operations, seamless access to ICICI's strong corporate relationships built up over five decades, entry into new business segments, higher market share in various business segments, particularly fee-based services, and access to the vast talent pool of ICICI and its subsidiaries. In October 2001, the Boards of Directors of ICICI and ICICI Bank approved the merger of ICICI and two of its wholly-owned retail finance subsidiaries, ICICI Personal Financial Services Limited and ICICI Capital Services Limited, with ICICI Bank. The merger was approved by shareholders of ICICI and ICICI Bank in January 2002, by the High Court of Gujarat at Ahmedabad in March 2002, and by the High Court of Judicature at Mumbai and the Reserve Bank of India in April 2002. Consequent to the merger, the ICICI group's financing and banking operations, both wholesale and retail, have been integrated in a single entity. ICICI Bank has formulated a Code of Business Conduct and Ethics for its directors and employees. Free float holding excludes all promoter holdings, strategic investments and cross holdings among public sector entities.

Private Banking :-

The chosen few know that the secret to success in life is living it to the fullest on your terms. Then life's luxuries follow naturally at home, at work, at play. Not as an exception, but as the rule.

At ICICI Bank, we believe, it should be the same when it comes to banking. A world where talented people, synchronized processes and innovative products come together to create seamless global banking solutions. Solutions that go beyond wealth management. Solutions that are uniquely tailored to your specific needs.

"Nothing contained herein shall constitute or be deemed to constitute an advise, an offer to sell/purchase or as an invitation or solicitation to do so for any securities of any entity.

ICICI Bank and/or its Affiliates ("ICICI Group") make no representation as to the accuracy, completeness or reliability of any information contained herein or otherwise provided and hereby disclaim any liability with regard to the same.

The information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent of ICICI Bank or the relevant owner of the intellectual property, as the case may be.

OBJECTIVE OF THE STUDY:-

The Objective of the Report is to map the information required to assess:-

1. Knowledge and a profound understanding of the products like Mutual Funds, IPOs, Equity ,derivative ,commodity & Online trading.
2. Study various aspects to analyze the Performance of the ICICI Products.
3. To study various provisos –
 - Prediction of the investor's outlook- To realize the vital facet to glance on before investing in a Scheme.

I.e. - Individual Risk Tolerance, Investing capacity, Relation among investors demographic property, age, Job etc. with their investing point of view.

4. Study various competitors of ICICIdirect.com .

RESEARCH METHODOLOGY:-

Research Methodology is a systematic method of discovering new facts or verifying old facts, their sequence, inter-relationship, casual explanation and the natural laws which governs them. Research Methodology explained by Redman and Mory are as follows systematized effort to gain new knowledge. Research Methodology is original contribution to the existing stock of knowledge making for its advancement. It is the pursuit of truth with the help of study. Observation, comparison and experiment. In short also covers the systematic method of finding solution to a problem is research. It also covers the systematic approach concerning generalization and the formulation of the theory. Different stages involved in research consists of enacting the problem, formulating a hypothesis, collecting the facts or data, analyzing the facts and reaching certain conclusion either in the form of solution towards the concerned problem or in generalization for some theoretical formulation .In Research Methodology mainly Data plays an important role.

The Data is divided in two parts:

- a) Primary Data. b) Secondary Data.

Primary is the data, which is collected directly by direct personal interview, interview, indirect oral investigation, Information received through local agents, drafting a schedule, drafting a questionnaire.

Secondary is the data, which is collected from the various books, magazine and material, reports, etc. The data which is stored in the organization and provide by the HR people are also secondary data. The various information is taken out regarding that subject as well other subject from various sources and stored. The last years data stored can also be secondary data. This data is kept for the internal use of the organization. This is the Research Methodology used in the project. The primary and secondary data method has been used in this project. Unless the data is collected no project can be complete. So both these data is very important in the project. The research instrument used for this survey is a structured questionnaire. The questionnaire contains both open-ended and closed-ended questions. The questionnaire provides a provision with respect to rating scales.

DATA ANALYSIS:-

All the above firms charge an annual maintenance charge of Rs 500 over and above the normal account opening charge, which is waived off for the first year. However it can be observed that apart from this there are many differences between the products of all the above-mentioned firms. It can be observed that all the above products differ not only in the way they charge the brokerage to their customers but also the services they give to them which also means that they may be targeting different types of customers. Some provide a 3 in 1 account which links the customer s demat account with his trading and savings account while some of them only provide a 2 in 1 account which only links the customer s demat account with his trading account. The advantage in a 3 in 1 account is that the customer can trade smoothly without facing any obstacles as his amount gets credited to the service provider s account quickly as there is a link between the demat account and the saving account of the customer. The advantage in having a 3 in 1 account especially with ICICI is that one can not only trade online but also trade offline. One can give cheques of a particular amount to ICICI in advance and can later trade within that much amount. This also reduces the risk of over trading which can prove very costly at times. However, with a 3 in 1 account the rigidity increases as the customer does not have a direct link between his demat and savings account or salary account. Another difference especially between ICICI and its various other competitors is regarding its account opening fees .ICICI charges Rs 750 while all its competitors i.e

5 PAISA, HDFC, Motilal Oswal and KOTAK charge a flat account opening fee of Rs500, rs 700, Rs 500 and Rs 750 respectively. This is because none of the competitors of ICICI provide as much flexibility as ICICI does. ICICI charges Rs 1 for those customers who have saving or salary account with them and hence provide them with software through which they can trade further efficiently. They overcome the problem which people who browse and trade go through such as website not in working condition, website or the page under construction. A website is also found slow as compared to software itself so obviously for the people who trade regularly and for those for whom even a slightest increase or decrease in the price of a particular stock makes the difference, 3 in 1 account is the best option available as compared to any other product or a service by anyone. Again ICICI also provides the normal browser based Services which is just like anyother web based product of any other competitor, be it Indiabulls or KOTAK or 5PAISA. It means that the company is not only targeting the high end customers which trade in bulk but is also trying to attract normal customers considering that the number of people in India who trade in bulk are far lesser than the huge mass that trades in normal quantities. Another point of difference between all the above-mentioned firms is that of the type of trading and the exposure given by them to their customers. Exposure means the freedom to trade till a particular amount.

For example- if a person is trading with Rs10000 and if the exposure provided by his service provider is 4 times than he can trade upto the value of Rs 40000. Now, over here, ICICI provides exposure of 10times but only on daily trading and not on delivery based trading as compared to others who do provide exposure on delivery as well. This aspect needs to be looked into as there are many traders who would like to get exposure on delivery and not just on daily trading.

PRODUCTS AND SERVICES:-



Equity

Trade with cash or through innovative services like Margin, Margin Plus*.



Derivatives

Trade with ease in Future & Options and obtain higher leverage with FuturePlus.



Investment Planning

It works with people to assess their financial goals and recommend steps to take to help in making them a reality.



[Mutual Funds](#)

Start an SIP or invest in a Top Rated mutual fund scheme.



[Life Insurance](#)

It helps people to secure their future risk with range of Insurance Product.



[General Insurance](#)

General Insurance products cover Health, Home, Motor and Travel.



[Fixed Deposits and Bonds](#)

Low risk instruments such as Corporate Fixed Deposits, Bonds and Government Schemes.



[Trade Racer Web](#)

Experience the features of an advanced trading platform on the website.



[Tax Services](#)

It advises people on a range of Tax topics, from Tax planning to Tax filing.



[eSafe](#)

Safeguard our key documents by keeping them in our electronic locker.



[Trade Racer](#)

Brace yourself with a power packed trading experience with Trade Racer.



[Centre for Financial Learning](#)

Join our Premium Learning Programmes in your city on Equity, Futures & Options and more.



[New Pension System \(NPS\)](#)

Fulfill your financial needs post retirement by accumulating a pension corpus under NPS.



[Wealth](#)

Comprehensive Investment Solution including non-traditional Products such as Private Equity, Structured Products, PMS etc.



[NRI Services](#)

Away from home Country? you can still trade & invest in Indian stock market in simplest way through ICICIdirect.com



[Loans](#)

Get Home Loan, Car Loan or more....

ONLINE TRADING:-

WHAT IS ONLINE TRADING?

SEBI committee has approved the use of Internet as an order routing system (ORS) for communicating clients orders to the exchanges through brokers. ORS enables investors to place orders with his broker on an online basis. Once the broker's system receives the order, it checks the authenticity of the client electronically and then routes the order to the appropriate exchange for execution. On execution of the order, it is confirmed on real time basis. The orders originating from the PCs of the investors are routed through the Internet to the trading terminals of the designated brokers with whom they are connected and further to the exchange for trade execution. Soon after these orders are matched and result into trades, the investors get confirmation about them on their PCs through the same Internet route. Online trading allows you to buy and sell shares on the stock exchanges (BSE and NSE) through the Internet. It is truly a powerful medium to be in direct control of your investments. The Internet revolution has been changing the fundamentals of our society. It shapes the way we communicate and the way we do business. It brings us closer and closer to vital sources of information. It provides us with means to directly interact with service oriented computer systems tailored to our specific needs; therefore, we can serve ourselves better by making our own decisions

A) BTST (BUY TODAY SELL TOMORROW)

BTST is the facility that allows the customers to sell his shares even one day after the buy trade date, without waiting for the receipts into the demat accounts.

2. BONDS

Investments online in bonds and postal savings instruments like KVP and NSC is the most convenient with ICICIdirect.com. The customer can keep the holdings in the safely in the demat mode and on maturity he can get the benefits of the online redemption.

3. INSURANCES

ICICIdirect.com is basically deals with two types of insurances.

- ICICI prudential (life insurances)
- ICICI Lombard (general insurances)

The life insurance like lifetime pension II plan and the general insurances like home insurance, car insurance, health insurance, travel insurance and personal protect cover offered by ICICI Prudential life insurance and ICICI Lombard general insurance respectively can applied for online through ICICIdirect.com.

4. IPO (Initial Public Offering)

A customer can also invest in Initial Public Offers (IPOs) and Bonds online without going through the hassles of filling any application form/paperwork.

Get in-depth analyses of new IPOs issues (Initial Public Offerings) which are about to hit the market and analysis on these. IPO calendar, recent IPO listings, prospectus/offer documents, and IPO analysis are few of the features, which help you, keep on top of the IPO markets.

ICICIdirect.com provides the customer the easiest way to invest in IPOs.

Just Login → Select IPO → Enter the amount → And it's done

On allotment, shares will be credited directly to your demat accounts. It is completely hassle free with zero paper work requirements.

5) LOANS

A customer can apply for loans after the opening of the demat accounts. But the conditions and methodology is slightly different here. After the opening of the demat accounts if the overall portfolio of the customer is more than Rs.1, 00,000 then the investors can apply for loans. In this case his requirements will be sending to the loan departments of the bank. They will take care of the customer.

ICICIdirect.com is not taking any kind of brokerage charges for loans.

ICICIdirect.com offers various options while investing in Mutual Funds to its customers.

Purchase:

A investor may invest/purchase Prudential ICICI MF, JM MF, Alliance MF, Franklin Templeton MF, Sundaram MF, Birla Sun Life MF, HDFC MF, Principal MF, UTI MF, Standard Chartered MF, Reliance MF, Kotak MF, Tata MF, DSP Merrill Lynch MF, ING Vysya MF, CHOLA MF, Deutsche MF, HSBC MF and Fidelity MF without the hassles of filling application forms.

Redemption:

In addition to giving hassle-free paperless redemption, ICICIdirect.com offers faster liquidity. You can redeem the mutual fund units through ICICIdirect.com. The money will be credited to your bank account automatically 3 days after the order placement date.

Switch:

To suit the changing needs investors may wish to shift monies between different schemes. You can switch your monies online from one scheme to another in the same fund family without any hassles.

Systematic Investment plans (SIP):

SIP allows the investors to invest a certain sum of money over a period of time periodically. Just fill in the investment amount, the period of investment and the frequency of investing and submit. ICICIdirect.com will do the rest for its investors automatically investing periodically for him.

Systematic withdrawal plan:

This allows the investor to withdraw a certain sum of money over a period of time periodically.

Transfer-in:

Investors can convert his existing Mutual funds into electronic mode through a transfer-in request.

7. DERIVATIVES

Investors can trade in two ways in this category of product. These are,

A) FUTURE

B) OPTION

A) FUTURES

Through ICICIdirect.com, investors can now trade in index and stock futures on the NSE. In futures trading, you take buy/sell positions in index or stock(s) contracts having a longer contract period of up to 3 months.

Trading in FUTURES is simple! If, during the course of the contract life, the price moves in your favor (i.e. rises in case you have a buy position or falls in case you have a sell position), you make a profit.

Presently only selected stocks, which meet the criteria on liquidity and volume, have been enabled for futures trading for the investors.

B) OPTION

An option is a contract, which gives the buyer the right to buy or sell shares at a specific price, on or before a specific date. For this, the buyer has to pay to the seller some money, which is called premium. There is no obligation on the buyer to complete the transaction if the price is not favorable to him.

To take the buy/sell position on index/stock options, you have to place certain % of order value as margin. With options trading, you can leverage on your trading limit by taking buy/sell positions much more than what you could have taken in cash segment.

The Buyer of a **Call Option** has the Right but not the Obligation to Purchase the Underlying Asset at the specified strike price by paying a premium whereas the Seller of the Call has the obligation of selling the Underlying Asset at the specified Strike price.

The Buyer of a **Put Option** has the Right but not the Obligation to Sell the Underlying Asset at the specified strike price by paying a premium whereas the Seller of the Put has the obligation of buying the Underlying Asset at the specified Strike price.

By paying lesser amount of premium, you can create positions under OPTIONS and take advantage of more trading opportunities.

8. COMMODITIES

Commodity trading is nothing but trading in commodity derivatives (futures or options). In other words, if you are keen at taking a buy/sell position based on the future performance of commodities like gold, silver, agricultural commodities, metals, crude etc; then you could do so by trading in commodity derivatives.

Commodity derivatives are traded at the commodity exchanges. There are currently 2 major commodity exchanges NCDEX (National Commodity and Derivative Exchange) and MCX (Multi-Commodity Exchange). Gold, Silver, Agri-commodities including grains, pulses, spices, oils and oilseeds, mentha oil, metals and crude are some of the commodities that the exchanges deal in.

DIFFERENCE BETWEEN THE PATTERNS OF TRADING

Trading in physical gold	Trading in gold derivatives
Involves paying huge amount of money, as it has to cover the entire cost of the gold transacted.	Involves paying a small amount of money as it has to cover only a margin of 12-15% of the entire cost of the gold transacted.
Involves costs of keeping gold secure plus the worries and anxiety resulting out of efforts to keep gold safe.	ZERO such costs incurred.
Cumbersome to avail best price opportunities in market.	Very easy to avail best price opportunities in market

(PHYSICAL VS DEMAT)

THE MERITS FOR THE CUSTOMERS TO INVEST IN COMMODITIES WITH ICICIDirect.com

- 1) India's No.1 online trading platform
- 2) Integrated Online Platform
 - a. Anonymity
 - b. Anywhere - Anytime Convenience
- 3) Unbiased Approach (Member of both NCDEX & MCX)

Currently offering NCDEX platform only.

- 4) Daily market outlook report before market opens and intra-day calls during the trading hours.
- 5) Reliable monthly & weekly research reports in association with experts in the field of commodities.
- 6) Comprehensive research reports on various commodities enabling you to understand the basic fundamentals of the market.
- 7) Exclusive tie-up with Agriwatch, the leading content provider of the country in the field of Agri-commodities

- 8) The company is currently giving a special offer to all customers to subscribe to the "Commodity Weekly" at a reduced annual subscription rate of Rs 350/- instead of Rs 500/-
- 9) All these make ICICIdirect.com a strong information provider in commodity markets

FEATURES OF THE PRODUCTS AND SERVICES :-

EQUITY AND DERIVATIVES:

Interest Rate Linked Structured Products

Interest rate linked structured products offer returns linked to movement of interest rates and allow you to benefit from your views on these movements. A Callable Range Accrual product offers a high coupon for all days on which a specified interest rate benchmark remains within a pre-specified range. A CMS Spread Range Accrual product offers a high coupon on all days on which the difference between a longer tenor rate and a shorter tenor rate is more than zero.

Equity Linked Structured Products

Through these, you can take a bullish or a bearish view on a particular stock, basket of stocks, index, and basket of indices. A principal protected Equity Index-linked Note allows you to participate in the performance of an index, while preserving your capital in case of adverse movement of the index.

What is Mutual Fund?









Mutual fund is a trust that pools the savings, which are then invested in capital market instruments as shares, debentures and other securities. It works in a different manner than other savings organizations like post office, banks etc.

Mutual fund works by issuing units to the investors and investing funds in securities in accordance with objectives as disclosed in offer document.

Investments in securities are spread across a wide cross-section of industries and sectors and thus the risk is reduced. Diversification reduces the risk because all stocks may not move in the same direction in the same proportion at the same time. Mutual fund issues units to the investors in accordance with quantum of money invested by them. Investors of mutual funds are known as unit holders.

The profits or losses are shared by the investors in proportion to their investments. The mutual funds normally come out with a number of schemes with different investment objectives which are launched from time to time. A mutual fund is required to be registered with Securities and Exchange Board of India (SEBI) which regulates securities markets before it can collect funds from the public

Types of Mutual Fund:-

Money Market		A mutual fund which invests solely in short-term debt instruments like treasury bills, trade bills etc.
Exchange Traded Fund		An exchange traded fund representing a basket of stocks that trades on the exchange through out the day with intra-day pricing.
Equity Funds		A mutual fund that invests predominantly in Equity shares of companies.
Gilt Funds		A mutual fund that invests in government Guaranteed securities.
Income Fund		A mutual fund that invests in all types of Fixed-Income securities.
Balanced fund		A mutual fund which invests in equity shares, debentures, government bonds and Unit Trust certificates so as to balance gain with risk
Sectoral Fund		A mutual Fund that invests in equity shares of companies operating in a particular sector of the economy.
Index Fund		A mutual fund whose portfolio of shares is identical to a well –known index, such as the S&P CNX Nifty

Mutual Fund V/s IPO

IPO's of companies may open at lower or higher price than the issue price depending on market sentiment and perception of investors. However, in the case of mutual funds, the par value of the units may not rise or fall immediately after allotment. A mutual fund scheme takes some time to make investment in securities. NAV of the scheme depends on the value of securities in which the funds have been deployed.

Demat Services

ICICI Bank Demat Services boasts of an ever-growing customer base of over 16.83 lacs customer base as on 10.02.11 account holders. In our continuous endeavor to offer best of the class services to our customers we offer the following features:

Consolidation Demat Account:

Dematerialise your physical shares in various holding patterns and consolidate all such scattered holdings into your primary demat account at reduced cost.

Digitally Signed Statement:

Receive your account statement and bill by email.

Corporate Benefit Tracking:

Track your dividend, interest, bonus through your account statement.

Mobile Request:

Access your demat account by sending SMS to enquire about Holdings, Transactions, Bill & ISIN details.

Mobile Alerts:

Receive SMS alerts for all debits/credits as well as for any request which cannot be processed.

- Dedicated customer care executives specially trained at our call centre, to handle all your queries.
- Countrywide network of over 235 branches, you are never far from an ICICI Bank Demat Services outlet.

You will find our service charges very competitive - offering the best value for your money.

Account Opening

You can download the account opening forms from the site and submit them at our [branches offering Demat services](#). Viewing these files would need Acrobat Reader installed on your machine. This will use approximately 5MB of hard disk space. [Click here](#) to download Acrobat Reader. You can also visit the branches offering Demat service for opening the Demat account. There is no fee for opening a DP account with ICICI. However, a nominal fee will be levied towards services, as per our tariff. You can choose between [Standard Rate Card or Frequent Trader Rate Card](#) as per your trading volume. Or if you wish to hold your Bonds in Demat form you can choose [Bond Rate Card](#).

Account Opening Form to Open Securities Account

- [Resident Non Corporate Account Opening Form](#)
- [Resident Corporate Account Opening Form](#)
- [NRI Account Opening Form](#)
- [Declaration Cum Undertaking Form for NRI Repatriable Account](#)
- [Checklist for Filling NRI Demat Account Opening Form](#)

* Submission of Passport and Valid Visa Copy is mandatory for NRI Customers for opening a Depository Participant (DP) Account with effect from 7th May 2007

For NRI's

No approval from the Reserve Bank of India (RBI) is required for opening a Depository Participant (DP) Account. However, if you do not hold any shares at the time of opening the account, please enter in the account opening form as follows:

1. Submission of Passport and Valid Visa Copy is mandatory for NRI Customers for opening a Depository Participant (DP) Account with effect from 7th May 2007

2.RBI reference no: No Holdings

3.RBI approval date: Present date

Service Charges & Fees of ICICI Bank Demat Accounts (NSDL) :-

Charge Head	Standard Charges	Frequent/Sub-brokersCharges
A/c Opening	Nil	Nil
Annual Service Charges	Rs. 500/- (Rs 450/- for customers receiving statements by e-mail)	Rs. 1250/- (Rs 1200/- for customers receiving statements by e-mail)
Agreement Stamp Paper	Rs. 100/-	Rs. 100/-
Buy - Market and Off-Market	Nil	Nil
Sell - Market and Off-Market (% of transaction value of each ISIN) - Max. Rs. 500 for debt instruments		
• For trade done on www.icicidirect.com	Nil	Nil
• For instruction submitted through Internet (e-instructions)	0.04% (Min. Rs. 10/-)	0.02% (Min. Rs. 5/-)
• For instruction submitted through Call Centre (e-instructions)	0.04% (Min. Rs. 15/-)	0.02% (Min. Rs. 10/-)
• For instruction submitted through Branches	0.04% (Min. Rs. 30/-)	0.02% (Min. Rs. 15/-)
Rejection/fails	Rs. 30 /-	Rs. 15/-
Extra charges for processing of instructions submitted on the execution date late (accepted at Client's risk)		
• For instruction submitted through Internet (e-instructions)	Nil	Nil
• For instruction submitted through Call Centre (e-instructions)	Nil	Nil
• For instruction submitted through Branches	Rs. 10/- per ISIN	Rs. 10/- per ISIN
Dematerialisation		

For each request form	Rs. 35/-	Rs. 35/-
Extra for each certificate	Rs. 2/-	Rs. 2/-
Rematerialisation (For each request form)	Rs.20 for every hundred securities or part thereof OR a flat fee of Rs.20 per request, whichever is higher.	Rs.20 for every hundred securities or part thereof OR a flat fee of Rs.20 per request, whichever is higher.
Closure of Account	Nil	Nil
Pledge Creation/Closure/Confirmation/Invocation (% of value for each ISIN in each request)		
• If ICICI Bank is the counter party	0.02% (Min. Rs. 15/-)	0.02% (Min. Rs. 15/-)
• If ICICI Bank is not the counter party	0.04% (Min. Rs. 30/-)	0.04% (Min. Rs. 30/-)
Additional Account Statements	Rs. 20/-	Rs. 20/-

NSDL charges are chargeable extra at actuals. Present NSDL Charges are :

Sell - Market and Off-Market	Rs 4.50/- per debit instruction (Nil for commercial paper and short-term debt instruments)
Remat	Rs.10 for every hundred securities or part thereof ; or a flat fee of Rs.10 per certificate whichever is higher.
Pledge Creation	Rs. 25/- per instruction

Service Charges & Fees of ICICI Bank Demat Accounts (CDSL) :-

Charge Head	Standard Charges
A/c Opening	Nil
Annual Service Charges	Payable yearly in advance - Rs.500/- (Rs.450/- for customers receiving statements by email) for Resident Non Corporates / For Corporates / Clearing Members Rs.1000/-
Agreement Stamp Paper	Rs. 100/-
Buy - Market and Off-Market (% of transaction value of each ISIN) - Max. Rs. 500 for debt instruments	Nil
Sell - Market and Off-Market (% of transaction value of each ISIN) - Max. Rs. 500 for debt instruments	

• Instruction submitted through Internet (E-inst / IVR)	0.04% (Min. Rs. 10 and Max Rs.25000)
• Instruction submitted through Call Centre	0.04% (Min. Rs. 15 and Max Rs.25000)
• Instruction submitted at Branches	0.04% (Min. Rs. 30 and Max Rs.25000) (Nil for Trades done on www.icidirect.com)
Rejection/fails	Rs. 30 /-
• For each request form	Rs. 35/-
Extra for each certificate	Rs. 2/-
Rematerialisation	Rs. 10 for every hundred securities or part thereof ; or a flat fee of Rs.10 per Certificate, whichever is higher for Resident Non Corporates / Corporates (Not Applicable for Clearing Members)
Closure of Account	Nil
Pledge Creation/Closure/Confirmation/ (% of value for each ISIN in each request)	Invocation
• If ICICI Bank is the counter party	0.02% (Min. Rs. 15 and Max. Rs.25000)
• If ICICI Bank is not the counter party	0.04% (Min. Rs. 30 and Max Rs.25000) (Not Applicable for Clearing Members)
Additional Account Statements	Rs. 25/-

CDSL charges are chargeable extra at actuals. Present CDSL Charges are :

Sell - Market and Off-Market	Rs. 5.50/- per debit instruction (nil for commercial paper and short-term debt instruments)
Remat Charges	A fee of Rs.10/- for every 100 securities or part thereof; or a Flat fee of Rs.10/- per certificate, whichever is higher payable on confirmation of the request. However no fee shall be collected in case of Government Securities and Mutual Fund Units
Pledge Creation	Rs. 12/- per instruction

Returns

Return is the gain or loss for a security in a particular period, consisting of income plus [capital gains](#) relative to investment. It is usually quoted as a percentage.

Absolute Return (less than a year)

The return that an asset achieves over a period is called absolute return. This measure simply looks at the percent appreciation or depreciation that an asset faces over a period of time.

For example if there has been a 5% increase in the price of Ford stock over the past year then the holders of Ford stock have achieved a absolute return of 5% over the past year

Annualized Returns (more than or equal to 1 year)

It standardizes returns generated in a greater than a year to a per year basis thereby facilitating easy measurement and comparison of performance. It takes into account the fact that the return of an investment over all the periods under measurement is compounded, i.e. the fund's returns in previous periods are accrued.

Point to point return

In the point to point return the returns are calculated as of a particular date.

For E.g.: Here the 3 year return will be calculated from as on 30 Mar – 2003 to 30 Mar-2005. Here there are only two data points i.e. 30 Mar – 2003 and 30 Mar-2005. Here the returns will be calculated between the NAV prevailing on 30 Mar – 2003 & on 30 Mar – 2005. The time period between 30th Mar – 2003 and 30th Mar-2005 is not taken into consideration.

Rolling return

In the rolling return the returns are between two different dates here for e.g. from 1-Apr-2002 to 1-Apr-2005, calculated on a daily, weekly, monthly or yearly basis.

For example, the 3 year rolling return for 1-Apr-2005, covers 1-Apr-2002 through 1-Apr-2005 on a daily basis.

It is more appropriate measure of performance than Point To Point returns since here the returns are calculated on a daily basis between two different time periods.

Expense Ratio

Expense Ratio is the percentage of assets that are spent to run a mutual fund. A 1.5% expense ratio means the AMC charges Rs1.50 for every Rs100 in assets under management. A lower expense ratio means a more cost-effective fund.

Ways to measure risk :-

Standard Deviation

It measures the variability i.e. how much the returns will deviate from the average. Higher standard deviation signifies greater variability in the returns i.e. higher risk.

Beta ratio

It is a widely used measure of risk. It is the true relationship between returns given by a security and the benchmark index. If the beta ratio for a stock is 1.4 then that stock can rise or fall 1.4 times the market, i.e. it is more volatile.

Sharpe Ratio

This ratio measures how much return a security has given per unit of risk, where risk is measured by Standard Deviation. It measures the risk adjusted performance of any security against a risk-free asset like cash.

The formula is

$$\bullet \quad SR(x) = \frac{R - r}{StdDev(R)}$$

Where

SR is the Sharpe ratio

x is amount of investment

R is the average annual rate of return of x

r is the best available rate of return of a risk-free like cash

StdDev(R) is the standard deviation of R

The higher the Sharpe ratio, the better the risk / reward relationship of the investment

The Treynor Ratio

Developed by Jack Treynor, this performance measure evaluates funds on the basis of Treynor's Index. This Index is a ratio of return generated by the fund over and above risk free rate of return (generally taken to be the return on securities backed by the government, as there is no credit risk associated), during a given period and systematic risk associated with it (beta). Symbolically, it can be represented as:

Treynor's Index (Ti) = (Ri - Rf)/Bi.

Where, Ri represents return on fund, Rf is risk free rate of return and Bi is beta of the fund.

All risk-averse investors would like to maximize this value. While a high and positive Treynor's Index shows a superior risk-adjusted performance of a fund, a low and negative Treynor's Index is an indication of unfavourable performance

Jensen's alpha

Jensen's Measure represents the extra return over and above the expected return. Expected return is calculated by using the market return, portfolio beta and risk free rate of return.

Positive Jensen's measure indicates that the fund has been able to outperform the benchmark index. Within a group of funds the highest alpha represents the best performing fund. A portfolio with a consistently positive excess return (adjusted for risk) will have a positive alpha.

STOCK MARKET

Stock exchange or Bourse is a corporation or mutual organization which provides facilities for stock brokers & traders, to trade company stocks & other securities.

The securities traded on a stock exchange include: [shares](#) issued by companies, [unit trusts](#) and other pooled investment products and [Bonds](#). To be able to trade a security on a certain stock exchange, it has to be listed there. Usually there is a central location at least for recordkeeping, but trade is less and less linked to such a physical place, as modern markets are [electronic networks](#), which gives them advantages of speed and cost of transactions. Trade on an exchange is by members only. A stock exchange is often the most important component of a [stock market](#). There is usually no compulsion to issue stock via the stock exchange itself, nor must stock be subsequently traded on the exchange. Such trading is said to be off exchange or [over-the-counter](#). This is the usual way that [Bonds](#) are traded. The initial offering of stocks and bonds to [investors](#) is by definition done in the [primary market](#) and subsequent trading is done in the [secondary market](#). Increasingly more and more stock exchanges are part of a global market for securities. Supply and demand in stock a market is driven by various factors which, as in all free market affect the price of stocks.

Although common, the term 'the stock market' is a somewhat abstract concept for the mechanism that enables the trading of company stocks. It is also used to describe the totality of all stocks and sometimes other securities, with the exception of bonds, commodities, and derivatives. The term is used especially to apply within one country as, for example, in the phrase "the stock market was up today", or in the term "stock market bubble". Bonds are still traditionally traded in an informal, (over the counter) market known as the bond market. Commodities are traded in commodities market, and derivatives are traded in a variety of markets (but, like bonds, mostly 'over-the-counter').

DIFFERENT KIND OF INVESTMENT**Life Insurance**

Life Insurance policies are another kind of investment that is fairly popular. It is a way to ensure income for your family when you die. It allows you a sense of security and provides a valuable tax deduction.

Stocks

Stocks are a unique kind of investment because they allow you to take partial ownership in a company. Because of this, the returns are potentially bigger and they have a history of being a wise way to invest your money.

Bonds

A bond is basically a promise note from the government or a private company. You agree to give them a set amount of money as a loan and they keep it for a set number of years with a predetermined amount of interest. This is typically a safe bet and one that is a good investment for a first time investor because there is little risk of losing your money.

Mutual Funds

Mutual funds are a kind of investment that are based on the gains and losses of a shareholder. Basically one person manages the money of several or many investors and invests in a list of various stocks to lessen the effect of any losses that may occur.

Money Market Funds

A good short-term investment is a Money Market Fund. With this kind of investment you can earn interest as an independent shareholder.

Annuities

If you are interested in tax-deferred income, then annuities may be the right kind of investment for you. This is an agreement between you and the insurer. It works to produce income for you and protect your earning potential.

Brokered Certificates of Deposit (CDs)

CDs are a kind of investment where you deposit money for a set amount of time. The good thing about CDs is that you can take the money out at any time without paying a penalty fee. We all know life isn't predictable, so this is a nice feature to have in your option.

Real Estate

Real Estate is a tangible kind of investment. It includes your land and anything permanently attached to your piece of property. This may include your home, rental properties, your company or empty pieces of land. Real estate is typically a smart and can make you a lot of money over time of investment kinds.

INVESTING IN SHARE MARKET:-

Before you embark on any investment approach it is best to search yourself to see which elements are present in yourself and attempt to root out the attributes of the ego-driven investor and bolster the characteristics of the results-oriented investor. To understand why stock investing is inherently different than gambling, first we need to review what common stocks are. In the most basic terms, a share of common stock entitles the owner of that share to a fraction of what is left over after all other stakeholders in a business have been paid. Stocks have had their ups and downs, but have trended steadily higher in value over the years. And, they have increased in value at a faster pace, on average, than rupees invested in more predictable vehicles such as bonds or treasury bills. It is this steady upward progression in the value of stocks that sets them apart from gambling in a major way. You could buy a set of stocks, and hold them for the rest of your life. Although they would fluctuate in value over your lifetime, chances are they would greatly increase in value during that period of time. However, no other person would have lost money simply because your portfolio of stocks gained in value. This is not true with gambling. In gambling, every rupee won is a rupee lost by someone else. It must be this way because gambling produces nothing, creates nothing, and therefore can only return to a winner what it took from a loser. The value of common stocks increases without taking wealth away from anyone; in fact when the stock prices increase, the amount of aggregate wealth increases for society as a whole. Every stock investor needs to know why investing and gambling are two totally different pursuits. Once a person realize this, it will give him confidence in pursuing a long-term plan for investing and will make one less prone to the destructive forces of fear and greed. We probably already know that, over the long term, the stock market generates returns higher than any deposit account. Using figures adjusted for inflation, the stock market has returned an average of 8.2% a year since 1918, while cash in the building society would have generated just a 1.6% annual return over the same timescale. Indeed, over any ten-year period since 1918, the stock market has beaten cash 97% of the time. So, with that outperformance in mind, have you just set up your online dealing account to help start improving your investment returns? Or perhaps you've already bought some shares, only to see your portfolio suffering badly from some poor investment decisions?

Although many investors would like to think so, there is no such thing as the "correct" way to invest. That said, there are plenty of "incorrect" ways! What brings real success to stock market investment is not so much the actual method of investing, but the investor's application, knowledge and profound belief in a preferred and sound process.

The foundations of successful investing in the Stock Market lie in:

- 1) Thinking about the long term;
- 2) Thinking about buying shares as buying a part-ownership of a business, and;
- 3) Thinking about valuation.

Over a couple of years, a share price will largely run in tandem with the profitability and potential of the underlying business. In the short term, however, a share price will seemingly take on a life of its own. Daily, weekly and monthly share price movements, in isolation, typically bear no relation to what's going on within the company concerned. By investing in shares you are putting your money at risk. While the long-term rate of return from the stock market has been significantly greater than cash in a building society, it is far, far more volatile. So if you invest for a short time, your performance is much more uncertain. Investing works best when it is done over many years, such as saving for your retirement. If you need your money for a specific purpose, like a deposit on a house or a tax bill, then you definitely should not be investing that money in shares at all. Here, the only sensible answer is to stick the money in a high interest savings account. The risk of doing anything else with it is just not worth it.

It's very rare that an investor can consistently pick stock market winners solely through gut feel or intuition. Forming a set of sensible guidelines and having the discipline to stick to them should always increase the chances of owning more suitable investments. Whether it's considering companies of a certain industry, or keeping to companies that exhibit certain financial criteria, remaining with what you know best and feel comfortable with will always limit any stock market heartache. For the novice investor, the stock market can be a bewildering place. There are hundreds of different companies out there, spread over various industries. And with every company issuing a never-ending stream of corporate news and mystifying accounts too, there's a real danger of "information overload". However, applying just one investment philosophy and sticking to it leads to clear-cut thinking and better investment decisions. The information overload is curtailed, as the number of investment possibilities reduces significantly.

Becoming a market-beating investor means finding a suitable investment style, continually developing it further, and ignoring companies that don't meet your criteria. Alternatively, if you never get an investment strategy firmly in mind, you're more likely to be swayed by those who can supposedly offer a stock market shortcut. It's so easy to just fall back and rely on investment "tips". But whether it's following the advice of stockbrokers, media pundits, the Sunday broadsheets or specialist investment magazines, continually acting upon other people's advice ultimately leads to stock market disaster.

Background of Exchanges

The stock trading history in India is obscured in the mists of time. Historical records, as and where they exist, rarely speak about business and speculative activity except in passing. However, the origin of stock broking in the country may go back to a time, when shares, [debentures](#) and bonds representing titles to property were first issued on the condition of transfer from one person to another and the earliest record of dealings in securities in India is the East India Company's loan securities, way back in the 18th century.

The first stock exchange in India, [Bombay Stock Exchange](#) was established in 1875 as 'The Native Share and Stockbrokers Association' and has evolved over the years into its present status as the premier stock exchange in the country. It may be noted that BSE is the oldest stock exchange in Asia, even older than the [Tokyo Stock Exchange](#), which was founded in 1878. The country's second stock exchange was established in Ahmedabad in 1894, followed by the Calcutta Stock Exchange (CSE). CSE can also trace its origin back to 19th century. From a get together under a 'neem tree' way back in the 1830s, the CSE was formally established in May 1908.

India's other major stock exchange [National Stock Exchange](#) (NSE), promoted by leading financial institutions, was established in April 1993. Over the years, several stock exchanges have been established in the major cities of India. There are now 23 recognized stock exchanges — Mumbai (BSE, NSE and OTC), Calcutta, Delhi, Chennai, Ahmedabad, Bangalore, Bhubhaneswar, Coimbatore, Guwahati, Hyderabad, Jaipur, Kochi, Kanpur, Ludhiana, Mangalore, Patna, Pune, Rajkot, Vadodara, Indore and Meerut. Today, most of the global stock exchanges have become highly efficient, computerized organizations. Computerized networks also made it possible to connect to each other and have fostered the growth of an open, global securities market.

Though Stock Broking was practiced in Calcutta as early as 1836, the members of the broking profession had neither any code of conduct for their guidance, nor any permanent place for congregation. The centre of their activity was near a neem tree, where at present, stands the offices of the Chartered Bank (now known as Standard Chartered) on Netaji Subhas Road, Calcutta. In 1905, Chartered Bank began to construct their own building, which led brokers to shift the arena of their operation, to the neighbourhood of the recent Allahabad Bank.

The brokers had no shelter and business was carried on in the open place. The inconvenience of such trading, prompted brokers to organise themselves and in May 1908, an association was formed under the name and style of the **Calcutta Stock Exchange Association** at 2, China Bazar Street.

At the time of incorporation in 1908, the Stock Exchange had 150 members. Today the total membership has risen to more than 900, which contains several corporate and institutional members. The number of companies listed on the Exchange is more than 4800. The Annual turnover of the Exchange in 2004-05 was to the tune of around Rs. 12, 00,000 crores. The Calcutta Stock Exchange has been granted permanent recognition by the Central Government with effect from April 14, 1980 under the relevant provisions of the Securities Contracts (Regulation) Act, 1956, with a view to render useful service to investors.

In December 1993, SEBI directed the stock exchanges to discontinue the traditional system of carry forward of transactions (badla). Subsequently, it proposed an alternative system in March 1994, but no agreement could be reached on implementing this system. In February 1995, SEBI set up the G. S. Patel Committee (GSPC) to review the system of carry forward transactions. The GSPC submitted its report in March 1995. SEBI adopted the system recommended by the GSPC with some modifications in its decisions of July 27, 1995 and October 5, 1995.

This Revised Carry Forward System (RCFS) was implemented in the BSE in January 1996, but the other exchanges in which the traditional carry forward system had been prevalent before December 1993 did not come forward to adopt the RCFS. A year after the implementation of RCFS, the President of the BSE wrote to SEBI in January 1997 requesting a relaxation of certain aspects of the RCFS to make it more practical and efficient. In its meeting of March 27, 1997, SEBI reviewed the entire sequence of developments relating to the RCFS and specifically noted that while introducing the RCFS in July 1995, SEBI had decided that "the implementation of the revised carry forward system would be reviewed periodically by the Board, the first review being after three months".

BOMBAY STOCK EXCHANGE

Background: The BSE Sensitive Index (1978-79=100) has, to a considerable extent, been serving the purpose of quantifying the price movements as also reflecting the sensitivity of the market in an effective manner.

The number of companies listed on the Bombay Stock Exchange has registered a phenomenal increase from 992 in the year 1980 to about 4800 companies by the end of April 2005 and their combined market capitalization rose from Rs. 5,421 crores to around Rs. 18, 00,000crores at the end April 2011.

These factors necessitated compilation of a new broad-based index series reflecting the present market trends in a more effective manner and providing a better representation of the increased equity stocks, market capitalization as also the newly emerged industry groups. Towards this end, the Exchange constructed and launched on 27th May 1994, two index series viz. the BSE-200 and the DOLLEX.

Coverage: The equity shares of 200 selected companies from the specified and non-specified lists of this Exchange have been considered for inclusion in the sample for 'BSE-200'. The selection of companies has primarily been done on the basis of current market capitalization of the listed scrips on the exchange. Besides market capitalization, the market activity of the companies as reflected by the volumes of turnover and certain fundamental factors were considered for the final selection of the 200 companies.

Choice of Base Year: The financial year 1989-90 has been chosen as the base year for the price stability exhibited during that year and due to its proximity to the current period.

NATIONAL STOCK EXCHANGE

Located in India's financial capital Mumbai, the National Stock Exchange (NSE) is the third largest stock exchange in the world. During 31 December 2005, NSE VSAT terminals, 2799 in total, were spanning across 320 cities of India.

While, the turnover in BSE stood at around Rs 2,950 crore as on August 17, 2005, the turnover in NSE was Rs 3,926 crore. The volumes (numbers of shares traded) of NSE at 2.94 crore was also much higher than the volumes of BSE. The NSE has rewritten a number of rules and upset many traditions. As the derivatives segment has immense effect on the cash market, the movement in this segment mostly determines the trend in the market.

Against nearly 1,400 companies listed on the NSE, the BSE has nearly 4,800 listed companies. Despite such a huge number of listed companies, the total market capitalisation of BSE is around Rs 20 lakh crore. On the other hand the NSE has a total market cap of Rs 19.7 lakh crore.

The most tracked index on NSE, [CNX Nifty](#) also has more number of stocks than the BSE Sensex. While, the Nifty represents 50 stocks, the Sensex represents only 30 stocks. The presence of more stocks on Nifty also gives a better valuation than Sensex.

Hurdles for online share trading :-

1. Internet fraud

In India, we see this kind of frauds happening in different way due to nature of our society. Here when you talk to broker's staff while buying or selling, he will usually advise you to buy share which he has bought and plans to dump when price goes up.

We have seen enough of PUMP and DUMP even without help of internet in cases of Harshad Mehta boom of 1992 and Ketan Parekh boom of 2000 (he even had cult following with Index of 10 shares called K-10).

Today lot of investor's depending on TV channel for recommendation about stocks to sell, or buy or hold. Channels like CNBS offer array of experts from economist to brokers to analyst. Most of these people have vested interest in stocks they recommend and promote.

One of the most common forms of securities fraud on the Internet involves an imposter who attempts to manipulate the price of a stock by disseminating phony press releases or information, or creating phony websites. A recent example of this scheme is the hoax perpetrated against US based, PairGain Technologies.

2. Volatility of India's Stock Markets

Recent market developments have once more focused attention on the volatility that has come to characterise India's stock markets.

Movements in the Sensex during the two years have clearly been driven by the behaviour of foreign institutional investors (FIIs), who were responsible for net equity purchases of as much as \$6.6 and \$8.5 billion respectively in 2003 and 2004. These figures compare with a peak level of net purchases of \$3.1 billion as far back as 1996 and net investments by FIIs of just \$753 million in 2002. In sum, the sudden FII interest in Indian markets in the last two years account for the two bouts of medium-term buoyancy that the Sensex recently displayed.

Given the presence of foreign institutional investors in Sensex companies and their active trading behaviour, their role in determining share price movements must be considerable. Indian stock markets are known to be narrow and shallow in the sense that there are few companies whose shares are actively traded. Thus, although there are more than 4700 companies listed on the stock exchange, the BSE Sensex incorporates just 30 companies, trading in whose shares is seen as indicative of market activity. This shallowness would also mean that the effects of FII activity would be exaggerated by the influence their behaviour has on other retail investors, who, in herd-like fashion tend to follow the FIIs when making their investment decisions.

3. Rampant Speculation

The Indian stock markets are perhaps the only place in the world where you can buy shares without having to put money on the table and sell shares you do not own. This extraordinary situation has facilitated rampant speculation by all sorts of operators – the indigenous variety, FIIs and even our own native financial institutions (FIs) as the massive UTI scandal of recent years has demonstrated. So, when the stock markets were made to collapse by a record 800-plus points on May 17 under the pretext that the Left is opposed to divestment, the profits reaped by short sellers were astronomical and incalculable.

Could this situation have been avoided? As aforesaid, the answer is yes. The electronic monitoring system in both the Bombay Stock Exchange and the bigger National Stock Exchange automatically stopped trading for half-an-hour when the two markets respectively collapsed by 10 percentage points. Thereafter when trading resumed and the markets fell further to another stipulated lower level, the electronic system automatically stopped all trading again for another two hours.

A similar situation had occurred on Tuesday, September 11, 2001, the day of the terrorist attacks in New York City. At the end of the day the stock exchange authorities of both the New York Stock Exchange and the heavily-weighted software exchange called NASDAQ suspended all trading for the remainder three working days during that fateful week to safeguard investor interests.

Effect of technology

The growth in technology and communications has impacted every aspect of business in some or the other form. These effects are enduring and have changed the very way in which business is carried out.

The stock market is one such institution whose very existence has been challenged by the growth in information technology. IT has turned the very idea of a stock market on its head.

Technology has impacted the working of stock markets in every sense. However, a useful starting point for this study would be the study of dematerialization, or demat as it is popularly known as. This is simply because demat has changed the way stocks are held and traded and therefore has effect on every other function of the market.

Dematerialization in simple terms means the conversion of shares from physical to electronic form.

Demat, enabled by the use of technology is probably is single most important factor which has repercussions on every aspect of the stock markets.

Demat in India started with the creation of NSDL (National stock depository limited) in 1996. UTI, was one of the first institutions to use demat when it decided to dematerialize 50% of its holdings in 1997. SEBI gave a boost to demat, with compulsory trading on shares in demat form in specified scrips by institutional investors from Jan 15, 1998.

Process of conversion of securities into the demat form

Securities specified as being eligible for dematerialization by the depository in its bye laws and as under the SEBI (Depositories and Participants) Regulations, 1996 (the Regulations) can be converted or issued in a dematerialized form. The process of conversion of securities into a dematerialized form or the issuance of the same in a dematerialized form can be explained thus:

1. Firstly, the issuer company, whose securities are eligible for dematerialization, has to enter into an agreement with a depository for dematerialization of securities already issued, or proposed to be issued to the public or existing shareholders .
2. The investor is given an option to hold the securities in a dematerialized form and it is his prerogative to exercise the option to hold the securities in that manner.
3. The depository enters into an agreement with the participants who are the agents of the depository and co-functionaries in the process of dematerialization of securities.
4. Any person can then enter into an agreement, through the participant, with the depository for availing the services provided by the depository.
5. Upon the entering into such agreement with the depository, the person has to surrender the certificate pertaining to the securities sought to be dematerialized to the issuer. This surrender is affected in the following manner
 - (i) the person (beneficial owner) who has entered into an agreement with the participant for dematerialization of the securities has to inform the participant about the details of the certificate of such securities.
 - (ii) the beneficial owner has to then surrender the said certificate to the participant.
 - (iii) the participant informs the depository about the particulars of the securities to be dematerialized and the agreement entered into between him and the beneficial owner.
 - (iv) the participant then transfers the certificate pertaining to the said securities to the issuer along with the details and particulars of the securities.
 - (v) these certificates are mutilated upon receipt by the issuer and substituted in the records against the name of the depository, who is the registered owner of the said securities. A certificate to this effect is sent to the depository and all stock exchanges where the security is listed.
 - (vi) subsequent to this, the depository enters the name of the person who has surrendered the certificate of security as the beneficial owner of the dematerialized securities.
 - (vii) the depository also enters the name of the participant through whom the process has been carried out and sends an intimation of the same to the said participant.

Depository System (working model)

NSDL carries out its activities through various functionaries called business partners who include Depository Participants (DPs), Issuing companies and their Registrars and Share Transfer Agents, Clearing corporations/ Clearing Houses of Stock Exchanges. NSDL is electronically linked to each of these business partners via a satellite link through Very Small Aperture Terminals (VSATs) or through Leased land lines. The entire integrated system (including the electronic links and the software at NSDL and each business partner's end) is called the "NEST" [National Electronic Settlement & Transfer] system.

Benefits of Depository System :-

In the depository system, the ownership and transfer of securities takes place by means of electronic book entries. At the outset, this system rids the capital market of the dangers related to handling of paper. NSDL provides numerous direct and indirect benefits, like:

- **Elimination of bad deliveries**

In the depository environment, once holdings of an investor are dematerialized, the question of bad delivery does not arise i.e. they cannot be held "under objection". In the physical environment, buyer was required to take the risk of transfer and face uncertainty of the quality of assets purchased. In a depository environment good money certainly begets good quality of assets.

- **Elimination of all risks associated with physical certificates**

Dealing in physical securities have associated security risks of theft of stocks, mutilation of certificates, loss of certificates during movements through and from the registrars, thus exposing the investor to the cost of obtaining duplicate certificates and advertisements, etc. This problem does not arise in the depository environment.

- **Immediate transfer and registration of securities**

In the depository environment, once the securities are credited to the investors account on pay out, he becomes the legal owner of the securities. There is no further need to send it to the company's registrar for registration. Having purchased securities in the physical environment, the investor has to send it to the company's registrar so that the change of ownership can be registered. This process usually takes around three to four months and is rarely completed within the statutory framework of two months thus exposing the investor to opportunity cost of delay in transfer and to risk of loss in transit. To overcome this, the normally accepted practice is to hold the securities in street names i.e. not to register the change of ownership. However, if the investors miss a book closure the securities are not good for delivery and the investor would also stand to lose his corporate entitlements.

- **No stamp duty**

For transfer of any kind of securities in the depository. This waiver extends to equity shares, debt instruments and units of mutual funds.

- **Faster settlement cycle**

The exclusive demat segments follow rolling settlement cycle of T+2 i.e. the settlement of trades will be on the 2nd working day from the trade day. This will enable faster turnover of stock and more liquidity with the investor.

- **Faster disbursement of non cash corporate benefits like rights, bonus, etc.**

NSDL provides for direct credit of non cash corporate entitlements to an investors account, thereby ensuring faster disbursement and avoiding risk of loss of certificates in transit.

- **Reduction in brokerage by many brokers for trading in dematerialized Securities**

Brokers provide this benefit to investors as dealing in dematerialized securities reduces their back office cost of handling paper and also eliminates the risk of being the introducing broker.

- **Reduction in handling of huge volumes of paper**

Periodic status reports to investors on their holdings and transactions, leading to better controls

- **Elimination of problems related to change of address of investor, transmission, etc**

In case of change of address or transmission of demat shares, investors are saved from undergoing the entire change procedure with each company or registrar. Investors have to only inform their DP with all relevant documents and the required changes are effected in the database of all the companies, where the investor is a registered holder of securities.

- **Elimination of problems related to selling securities on behalf of a minor**

A natural guardian is not required to take court approval for selling demat securities on behalf of a minor.

- **Ease in portfolio monitoring**

Since statement of account gives a consolidated position of investments in all instruments.

Disadvantages of Dematerialization

The disadvantages of dematerialization of securities can be summarized as follows:

A. Trading in securities may become uncontrolled in case of dematerialized securities.

B. It is incumbent upon the capital market regulator to keep a close watch on the trading in dematerialized securities and see to it that trading does not act as a detriment to investors. The role of key market players in case of dematerialized securities, such as stock-brokers, needs to be supervised as they have the capability of manipulating the market.

C. Multiple regulatory frameworks have to be confirmed to, including the Depositories Act, Regulations and the various Bye Laws of various depositories. Additionally, agreements are entered at various levels in the process of dematerialization. These may cause anxiety to the investor desirous of simplicity in terms of transactions in dematerialized securities. However, the advantages of dematerialization outweigh its disadvantages and the changes ushered

in by SEBI and the Central Government in terms of compulsory dematerialization of securities is important for developing the securities market to a degree of advancement. Freely traded securities are an essential component of such an advanced market and dematerialization addresses such issues and is a step towards the advancement of the market.

Rematerialization

Rematerialization is the process by which a client can get his electronic holdings converted into physical certificates. The client has to submit the rematerialisation request to the DP with whom he has an account along with a Remat request form. The physical shares will be posted by the company directly to the clients.

Trades

For all sales made by clients, the shares will have to be given to the broker, so that the Pay In can be made by the broker to the stock exchange concerned. For that it's essential that the shares be transferred to the account of the broker well before the deadline date.

You must confirm with your broker the settlement date and settlement number and then submit your instructions to your DP. Also it's important to give the instructions to your DP as early as possible.

Pledge

Pledge enables you to obtain loans against your dematerialised shares. So you get liquidity without having to sell your shares. A highly simplified procedure may be availed of for pledging of securities in the electronic mode. The pledged securities continue to be reflected in the DP account of the clients (pledgor) but the concerned securities are "blocked" and cannot be used for any transactions. As and when the pledge is to be removed, based on confirmations received from both the pledgor and the pledgee, the blocked securities will be released to "Free Balance" of the account holder. In spite of these optimistic numbers, online trading in India is at a very nascent stage (about 5-8 percent of total traded volumes) compared to countries like South Korea (60 percent), US (40 percent) and UK (20 percent). Online trading in the year 2000-2001 accounted for only Rs 50,170 crore out of total traded volume of Rs 25,08,445 crore.

There are currently close to 50 online brokerages in India with ICICIDirect, KotakStreet, Sharekhan, Motilal Oswal, IndiaBulls and 5Paisa being some major players. However, due to limited volumes, no online brokerage is currently making money and a shakeout is imminent in the near future. The going is expected to get tougher with the advent of capital account convertibility. On an average, Rs 40 crore per day (Rs 1,000 crore per month) is likely to be the threshold breakeven for online brokerages. There is scope for multiple players as the entire segment is in a growth stage.

While there are many factors that need to be understood to justify this assertion, one simple fact is worthy of note. The average age of the Indian Internet user as cited by a recent IDC survey is 27 years. The average age of the head (and financial decision taker) of the Indian equity-investor household, as revealed by the SEBI-NCAER study of Indian investors in 2000 is 45 years. The older, experienced equity investor is not online today and the fact that older, mature investors are not 'tech-positive' and hence unlikely to move to online trading is a major barrier to the growth of e-broking in India.

Here, the numbers of banks with a strong online presence are very few - again, dominated by new private banks and foreign banks. Both have lesser reach owing to a smaller network in the country. The relative inability of large public-sector banks to offer facilities for Internet banking is a barrier in this regard. Besides, Internet penetration in India is still very low and concerns about security also tend to predominate. In markets like the US, online brokerages are advertised very heavily. Online trading in India has so far not seen similar levels of aggressive advertising, with the exception of ICICI Direct and India bulls. Besides, only scripts that have been compulsorily dematerialized can be traded on the net here.

Brand building, assurances of security, developing multiple delivery channels with anytime telephonic grievance redressed options in some directions, which may be of use for the immediate future. Online trading firms can also market themselves aggressively to students who are entering the professional arena, ensuring that their entry into equity happens online. One of the major issues governing trading is the prevailing uncertainty in the market.

COMPETITORS:-

Hence, notwithstanding the current sentiment in the market, potential for online trading is still immense in India. With a more transparent system, increased awareness, and a sustained bullish market we would surely be heading to become the largest online stock trading country by the turn of the next decade.

- SHARE KHAN
- 5 PAISA
- MOTILAL OSWAL
- INDIA BULLS
- HDFC SECURITIES



ICICI Direct website (ICICIDirect.com) is an investment portal of ICICI Securities (I-Sec); an integrated securities firm part of famous Mumbai, India based ICICI Group. ICICI Group is India's 2nd largest financial institution and ICICI Bank is No.1 private bank for many years.

ICICI Securities is the biggest equity house in India proving online and offline services including investment banking, institutional broking, retail broking, private wealth management, and financial product distribution.

ICICIDirect.com is the flagship website of ICICI Securities providing secure and integrated 3-in-1 share trading account. The featured services provided by ICICI Direct includes equity trading in BSE and NSE, Margin Trading, Trading in Derivatives, Mutual Fund investment, Investment in Public Offers (IPO's) through ASBA, General & Life Insurances, Fixed Deposits, Pension Schemes etc.

The service which made ICICIDirect top broker for retail investors is the unique 3-in-1 online trading account. This account includes a bank account, a share broker account and a demat account. All transitions between these 3 accounts are seamless and absolutely no manual or paper work involved. For example, when an investors buys a share, a trade is made though though share broker account, money get automatically deducted from the bank account and the shares are transferred to the demat account. Similarly when an investor sells a share through ICICIDirect.com, trade is made by brokerage account, shares are withdrawn from Demat account and money is credited to the bank account which is immediately available for any other transaction including buying groceries or cash withdrawal from ATM.

Though ICICI changes much higher fees and brokerage, for retail investor who does only few trades a month, a hassle free service is worth paying extra money for it.

ICICIDirect Trades In: BSE and NSE

Stock Broker Review Ratings

Overall Rating	Fees	Brokerage	Usability	Customer Service	93 votes
★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	

ICICI Direct's Trading Platforms

ICICI Direct offers 2 trading platforms to its customers:

1. Share Trading Account (Website Based Trading)

Website based online Share Trading Account by ICICIDirect is primarily for buying and selling of stocks at BSE and NSE. The ICICIDirect website allows Cash Trading, Margin Trading, MarginPLUS Trading, Spot Trading, Buy Today Sell Tomorrow, IPO Investment, Mutual Fund Investment etc.

ICICIDirect.com website is the primary Investment vehicle of ICICI Limited.

2. Trade Racer (Trading Terminal)

Trade Racer is a power packed Trading platform which provides an investor with Live streaming quotes & Research Calls, integrated fund transfer system along with multiple watch list facility. Investor can also do technical analysis with the help advance charting tools. Single Order entry page for Equities and Derivatives, Technical Analysis, Integrated Fund Transfer System, Customized Interface, Intra-day and EOD Charts and Shortcut keys for faster access to markets are some of the key features of Trade Racer Terminal.

ICICI Direct's Trading Brokerage, AMC and Fees

- Trading Account Opening Charges (One Time): Rs. 975
- Trading Annual maintenance charges (AMC): Rs 0
- [latest brokerage information](#) on ICICIDirect website.
- Demat Account Opening Charges (One Time): Rs. 100 (for Agreement Stamp Paper)
- Demat Account Annual Maintenance Charges (AMC): Rs. 500 (Rs 0/- for 1st year with 3 in 1 Account)
- Other [Demat Service Charges & Fees](#)

ICICI offers 2 types of brokerage plans to its customer:

1. I-Secure Plan (Flat brokerage Plan)

This plan offers Flat Brokerage (in %) irrespective of turnover value. This plan is suitable for traders / investors looking at secured and fixed brokerage.

2. I-Saver Plan (Variable brokerage plan)

This plan offers brokerage based on the trading volume i.e. high brokerage for low volume and low brokerage for high volume trades. This plan suitable for traders / investors who trade in high volumes and can benefit from low brokerage.



Share khan

Company Background

- Share khan is the retail broking arm of SSKI Securities Pvt Ltd. SSKI owns 56% in share khan, balance ownership is HSBC, First Carlyle, and Intel Pacific
- Exists Into broking since 80 years
- Focused on providing equity solutions to every segment
- Largest ground network of 250 Branded Share shops in 123 Cities

Online trading account

Share khan provides two types of trading account:

1. Classic account (For beginners and medium investor)
2. Speed Trade (For heavy investor)

ARE YOU AN INVESTOR?

The [Classic Account](#) enables you to trade online through our website, and gives you our research content.

ARE YOU AN ACTIVE TRADER?

[SPEEDTRADE](#) is a next-generation online trading product that brings the power of your broker's terminal to your PC.

The CLASSIC ACCOUNT is a Share khan online trading account, through which you can buy and sell shares through our website www.sharekhan.com in an instant.

Along with enabling access for you to trade online, the CLASSIC ACCOUNT also gives you our Dial-n-Trade service. With this service, all you have to do is dial 1-600-22-7050 to buy and sell shares using your phone.

Features of the CLASSIC ACCOUNT that enables you to invest effortlessly

- Online trading account for investing in Equities and Derivatives via sharekhan.com
- Integration of: Online trading + Bank + Demat account
- Instant cash transfer facility against purchase & sale of shares
- Reasonable transaction charges
- Instant order and trade confirmation by e-mail
- Streaming quotes
- Personalized market watch
- Single screen interface for cash, derivatives and more



Company Profile

5paisa is the trade name of India Info line Securities Private Limited (5paisa), member of National Stock Exchange and The Stock Exchange, Mumbai. 5paisa is a wholly owned subsidiary of India Infoline Ltd, India's leading and most popular finance and investment portal.

5paisa has emerged as one of leading players in e-broking space in India. Our key product offerings are as follows:

India Infoline was founded by a group of professionals in 1995, a seemingly distant past in the Internet age. Our meticulous research was published and distributed in printed form to a client base comprising the who's who of Indian business including leading MNCs, investment banks and consulting firms.

The quality of research was highly acclaimed and soon became the industry benchmark. Over the last few years, our research coverage has grown to cover practically all companies, sectors, economy and financial markets. The breadth and depth of our content is unmatched - stock markets, mutual funds, personal finance, taxation and economy

India Infoline Securities Pvt Ltd is a 100% subsidiary of India Infoline Ltd, which is engaged in the businesses of Equities broking and Portfolio Management Services. It holds memberships of both the leading stock exchanges of India viz. the Stock Exchange, Mumbai (BSE) and the National Stock Exchange (NSE). It offers broking services in the Cash and Derivatives segments of the NSE as well as the Cash segment of the BSE.

A SEBI authorized Portfolio Manager; it offers Portfolio Management Services to clients. These services are offered to clients as different schemes, which are based on differing investment strategies made to reflect the varied risk-return preferences of clients.

Investor Terminal (IT)

Investor Terminal is recommended for infrequent investors, who fall into the "Buy and Hold" school of investing, made very popular by Warren Buffet - the Oracle of Omaha. A typical retail investor is a busy corporate executive or businessmen who makes equity investments for long term and does not trade everyday.

He prefers a trading interface which works behind proxy and firewalls as they access the Internet and the stock markets from their work place, where a direct connection is difficult because of corporate IT security policies. This product does not have intra-day tick by tick charts.

Money tree Consultancy Services Pvt Ltd is a company in which India Infoline Ltd has a 75% stake. It is engaged in the business of loan products, distributing home loans and personal loans in two major cities of India. We have plans to ramp up the scale of operations and take the business to a pan-India level.

Across its 155 branches spread across India, around 3,500 people work with India Infoline Ltd. We are driven by the philosophy of 'Owner mindset' and each of our employee carries out his/ her duties as if the owner. This philosophy is not just an esoteric value and has been given an actual form by way of an active ESOPs scheme.

The India Infoline group, comprising the holding company, India Infoline Ltd and its wholly owned subsidiaries offers the entire gamut of investment products ranging from Equities and derivatives trading, Commodities trading, Portfolio Management Services, Mutual Funds, Life Insurance, Fixed deposits, GoI bonds and other small savings instruments.

India Infoline also owns and manages the websites, www.indiainfoline.com and www.5paisa.com. India Infoline Ltd is a company listed on both the leading stock exchanges in India namely the Stock Exchange, Mumbai (BSE) and the National Stock Exchange (NSE).

India Infoline is a forerunner in the field of equity research. India Infoline's research is acknowledged by none other than Forbes as 'Best of the Web' and '...a must read for investors in Asia'.

India Infoline's research is available not just over the internet but also on international wire services like **Bloomberg (Code: IILL)**, **Thomson First Call** and Internet Securities where it is amongst the most read Indian brokers.

The India Infoline group has a significant presence across the country owing to its 125 offices across 45 cities across India. All these offices are networked and are connected with the Corporate office in Mumbai. The group has invested significantly in technology and research, the results of which are there for everyone to see.

The 5paisa trading interface is one of the most advanced platforms available to retail investor in India.

The group has memberships on **BSE** and **NSE** for equities trading and on **MCX** and **NCDEX** for commodities trading. It has a SEBI license for Portfolio Management under which, various schemes are offered which have been consistently beating the benchmark indices since inception.

India Infoline is the one-stop shop for all investment needs for the Indian retail investor, from advice to execution, from east to west, online or offline.



MOTILAL OSWAL

Motilal Oswal Securities Ltd is one of the top-ranking broking houses in India, with a dominant position in both institutional and retail broking. Motilal Oswal Securities Ltd is amongst the best-capitalized firms in the broking industry in terms of net worth.

Motilal Oswal Securities Ltd was founded in 1987 as a small sub-broking unit, with just two people running the show. Focus on customer-first-attitude, ethical and transparent business practices respect for professionalism, research-based value investing and implementation of cutting-edge technology have enabled it to blossom into a thousand-member team. The institutional business unit has relationships with several leading foreign institutional investors (FIIs) in the US, UK, Hong Kong and Singapore

In a recent media report Motilal Oswal Securities Ltd. was rated as one of the top-10 brokers in terms of business transacted for FIIs. The retail business unit provides equity investment solutions to more than 1,00,000 investors through 300 outlets spanning 200 cities and 24 states. Motilal Oswal Securities Ltd provides services like Advice-Based Broking, Portfolio Management Services (PMS), E-Broking Services, Depository Services, Commodities Trading, and IPO and Mutual Fund Investment Advisory Services. Our Value PMS Scheme gave a 294% post-tax return for the period of February 2003 to August 2005. Motilal Oswal Securities Ltd's equity research has been consistently ranked very highly in surveys conducted by leading international publications like Asia Money and Institutional Investor. In Asia Money Brokers Poll 2003 Motilal Oswal Securities Ltd. has been rated as the Best Domestic Research House - Mega Funds, while in 2000 and 2002 it has been rated as the Best Domestic Equity Research House and Second best amongst Indian Brokerage firms respectively. The unique Wealth Creation Study, authored by Mr. Raamdeo Agrawal, Managing Director, is now in its tenth year. Investors keenly await the annual study for the wealth of information it has on how companies created wealth during the preceding five years.

The organization finds its strength in its team of young, talented and confident individuals. Qualified professionals carry out different functions under the able leadership of its promoters, Mr. Motilal Oswal and Mr. Raamdeo Agrawal. Its stringent employee selection process, focus on continuous training and adoption of best management practices drive Motilal Oswal Securities Ltd. quest to achieving its vision. One thing that sets Motilal Oswal Securities Ltd. apart is its time-tested and well-recognized equity research capability. With value investing at the core of its investment philosophy, a strong research team consistently provides high-performance ideas. These are in turn converted to sound, personalized investment strategies, keeping in view unique client needs. As a result, the Capital Market now recognizes Motilal Oswal Securities Ltd. as synonymous to Solid Research and Solid Advice. With this letter I have attached some collateral about our Portfolio Management Services to get a fair idea about our inherent strengths in the Capital markets, Portfolio Management and Equity Research. Motilal Oswal Securities has launched e-broking services. It reserves the right to decide the criteria based on which customers would be allowed to avail of these services. The content of the site and the interpretation of data are solely the personal views of the contributors. Motilal Oswal Securities reserves the right to make modifications and alterations to the content of the website. Users are advised to use the data for the purpose of information only and rely on their own judgment while making investment decisions. The investments discussed or recommended may not be suitable for all investors. Motilal Oswal Securities does not warranty the timeliness, accuracy or quality of the electronic content.

This website is for the exclusive purpose of transactions to be carried out within the territorial jurisdiction of India and all such transactions shall be governed by the laws in India. Notice is hereby given that Non Resident Indians (NRI's) and Foreign Nationals accessing this web site and opting to transact thereon shall do so after due verification at their end of their eligibility to do so. Motilal Oswal Securities Limited undertakes no responsibility for such pre-eligibility of qualification on part of Non-Resident Indians (NRI's) or Foreign Nationals to transact on this website,

SERVICES

DEPOSITORY SERVICES:

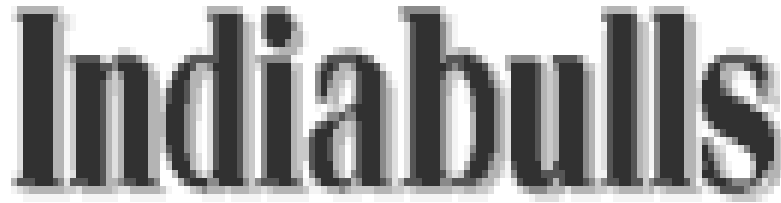
In the times of T+2 having a demat account linked to your trading account becomes really convenient. The non-trading members also can avail of our Depository services. You receive regular account reports and an efficient service at all times. MOST is a member of both NSDL and CDSL and the service is available at all our outlets in India

DERIVATIVES :

Derivatives (Futures & Options) are ideal instruments to protect your portfolio against risk. You can trade with index movements, hedge and leverage your portfolio by limiting risk but keeping your upside unlimited

EQUITY RESEARCH :

Equity Research is an inherent strength of MOST. MOST believes in picking investment opportunities where the underlying value is higher than the market price.



Indiabulls is a retail financial services company present in 70 locations covering 62 cities. It offers a full range of financial services and Products ranging from Equities to Insurance. 450 + Relationship Managers who act as personal financial advisors.

India bulls Financial Services Limited was incorporated on January 10, 2000 as M/s Orbis InfoTech Private Limited at New Delhi under the Companies Act, 1956 with Registration No. 55 - 103183. The name of Company was changed to M/s. India bulls Financial Services Private Limited on March 16, 2001 due to change in the main objects of the Company from InfoTech business to Investment & Financial Services business. It became a Public Limited Company on February 27, 2004 and the name of Company was changed to M/s. India bulls Financial Services Limited. The Company was promoted by three engineers from IIT Delhi, and has attracted more than Rs.700 million as investments from venture capital, private equity and institutional investors such as LNM India Internet Ventures Ltd., Transatlantic Corporation Ltd., Farallon Capital Partners, L.P., R R Capital Partners L.P., and Infinity Technology Trustee Pvt. Ltd. and has developed significant relationships with large commercial banks such as Citibank, HDFC Bank, Union Bank, ICICI Bank, ABN Amro Bank, Standard Chartered Bank, Lord Krishna Bank and IL&FS. The Company and its subsidiaries have facilities from the above mentioned banks and financial institutions aggregating to Rs. 1760 million. The Company headquarters are co-located in Mumbai and Delhi, allowing it to access the two most important regions for Indian financial markets, the Western region including Mumbai, rest of Maharashtra and Gujarat; and the Northern region, including the National Capital Territory of Delhi, nearby cities, parts of Haryana, Uttar Pradesh and Punjab; and access the highly skilled and educated workforce in these cities. The Marketing and Sales efforts are headquartered out of Mumbai, with a regional headquarter in Delhi; and its back office, risk management, internal finances etc. are headquartered out of Delhi, allowing The Company to scale these processes efficiently for the nationwide network,

- Indiabulls Financial Services Ltd fixes an issue price of Rs 19 per share for its initial public offering (IPO), which was oversubscribed 18.5 times. Indiabulls Financial Services IPO closed on September 10, with an impressive response from all categories of investors. The book was finally subscribed 18.5 times with over 1.3 lakh bids. The institutional portion was subscribed more than 12 times, the retail portion 25 times and the non-institutional portion 24 times.

Online Account Type

Signature Account: Plain Vanilla Account with focus on Equity Analysis. The equity analysis is a paid service even for A/c holders

Power Indiabulls: Account with sophisticated trading tools, low commissions and priority access to R.M

Pricing of IB Accounts

Signature Account

Account Opening : Rs 250

Demat: Rs 200 if POA is signed, No AMC for this DP

Initial Margin: NIL

Brokerage: Negotiable

Power Indiabulls

Account Opening: Rs 750

Demat: Rs 200 if POA is signed, No AMC (Annual maintenance charges) for this DP.



HDFC Securities.com

Company Background :

HDFC Securities Ltd, is promoted by the HDFC Bank, HDFC and Chase. Capital Partners and their associates. Pioneers in setting up Dial-a-share services with the largest team of Tele-brokers.

Online Account Type :

HDFC Online Trading A/c : Plain Vanilla Account with focus on 3 in 1 advantage.

Pricing of HDFC Account :

Account Opening : Rs 750

Demat: NIL, 1st year charges included in Account Opening

Initial Margin : Rs 5000/- for non HDFC Bank customers (AQB)

Brokerage :

Trading 0.15%* each side + ST

Delivery 0.50%** each side + ST

* Rs 25 Min Brokerage per transaction

** Rs 8 Min Brokerage per transaction

Deal Clinchers v/s HDFC Securities

Poor online Interface

Apart from having no product to cater to Day-Traders, the hdfsec.com website is plagued with downtime. The same is currently being revamped.

Lack of focus on Broking

The core business of HDFC is Housing Finance and that of HDFC Bank is Banking. Broking as a business is a small part of the portfolio of financial services and hence the commitment to resources is limited.

No Leverage

No leverage is available to clients even for Intra-Day trades, effectively all clients are on cash and carry system.

No flexibility in commercial terms

The delivery brokerage is pegged at 0.5% and trading at 0.15% each side, this makes it unviable for customers dealing in large volumes

RECOMMENDATION & SUGGESTIONS :-

- The brokerage structure needs to be revised. It is already on the higher side as compared to HDFC and KOTAK. Again, the brokerage charged should be customized.
- It should be based on the client's turnover. Slabs should be made on the basis of the client's turnover. Higher the turnover- lesser the brokerage.
- ICICI should also try and increase its level of presence in certain sections of the media such as Television and Radio. Tie-ups with business channels such as CNBC, NDTV PROFIT or ZEE BUSINESS can be of great advantage.

- ICICI can also sponsor certain business related events or programmes .It may lead to greater awareness about the product amongst the people .Already certain business houses are doing it. It is also a good idea from the point of view of maintaining corporate social responsibility. This will not only benefit the company s online share trading product but will also benefit the other products which may be launched later on.
- Increase the distribution network for in form of drop boxes and get in tie ups with mobile phone galleries with reliance web shops or set up drop boxes at railways stations which will facilitate easy payment opportunities for the client. The above mentioned steps might increase the company s expenditure initially but it can be a profitable exercise in the long run.

CONCLUSIONS

It can be concluded that ICICI, is veteran to the online share trading field, has been able to build a sound customer base if the survey conducted is to be believed. ICICI has a strong presence in almost every part of the country which can eventually lead to a very big customer base.

- The company will find it relatively easy to further introduce its other latest products through its strong reach throughout the country.
- It has varied product platforms which are specifically designed to cater to varied customer needs which leads to a conclusion that the firm has designed the product keeping the customer in mind.
- A sound base in almost the entire country and as much as six different mediums used by the company to reach out to potential customers means that the company is going all out to increase its market share.
- The brokerage charged by ICICI is relatively high as compared to some of the big players in the market such as HDFC and KOTAK and Motilal Oswal.
- An ICICI online trading customer can even trade offline and he/she need not have an internet connection. This facility is not available with all the companies providing online trading facility.
- Considering the data it can be concluded that there is a high level of penetration of online trading products, women are also beginning to trade online and it is the younger generation (18 to 35 yrs) that trades the most
- Considering the data it can also be concluded that most of the people are satisfied with their choices of online trading accounts and that ICICI DIRECT is a clear market leader as far as the popularity of the various online trading companies are concerned.

Bibliography

BOOKS AND NEWSPAPERS:-

- The Economic Times, Business Standard, Business line
- Securities Market (Basic) Module :--NCFM
- Economic Times.
- Training Kit Provided by the Sharekhan.
- Indian financial system by M.Y KHAN
- NSDL Depository operations module :--NCFM

WEBSITE:-

- www.icicidirect.com
- www.icicibank.com
- www.indiainfoline.com
- www.economicstimes.com
- <http://www.investopedia.com/articles/>
- www.nse-india.com
- www.bseindia.com
- www.moneycontrol.com
- www.sharekhan.com

AWARDS & PRIZES :-

-
- Franchisor of the year award 2009
 - Retail concept of the year awards 2009
 - ICICIdirect wins the prestigious Outlook Money - **India's Best e-Brokerage House for 2009.**
 - ICICIdirect has also won the **CNBC AWAAZ Consumer Award** for the Most Preferred Brand of Financial Advisory Services.
 - ICICIdirect been winning the prestigious Outlook Money - **India's Best e-Brokerage House for 2003-2004, 2004-2005, 2006-2007 and 2007-2008.**
 - ICICIdirect wins the prestigious Outlook Money - **India's Best e-Brokerage House for 2008.**
 - ICICIdirect, the neighborhood financial superstore won the prestigious **Franchise India `Service Retailer of the Year 2008** award.
 - **Best Broker** - Web 18 Genius of the Web Awards 2007
 - CMO Asia Awards for Excellence in Branding and Marketing -
 - **Brand Leadership Award (overall)**
 - **'Campaign of the Year' for the Trade Racer Campaign**
 - **Brand Excellence in Banking and Financial Services for the store format**
 - **Award for Brand Excellence in the Internet Business**
 - Frost and Sullivan Award for **Customer Service Leadership**