



INDIAN STOCK MARKET: An Analytical Review

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ABSTRACT :

A survey was conducted by me among the investors. Many-a-times, stock market investors take their investment calls based on certain prejudiced views which are often erroneous in nature. However, such investors are reluctant to stop following the myths they traditionally believe in, unless they're explained as to why their views are illogically supported. It is important that investors keep a realistic view of the market terminologies.

An appointment was fixed with the Investors of the respective areas in which their viewpoint was studied, certain questions were asked regarding the Investment Avenues Available at the Stock Market; activities are to be included by the company products in regard to these benefits;; to what extent it affects the level of satisfaction and how far it is beneficial for the investors. Their views helped me a lot to practically understand my project.

The Indian stock markets are among the oldest in Asia. Nearly 200 years ago marks the beginning of its history. India's earliest security dealing records are scant and unclear. Business in the East India Company's loan securities was conducted toward the end of the 18th century, when it was the most powerful organization. Investment is unique to each person and varies from one individual to another due to a number of factors, including future financial objectives, current and projected income models, risk tolerance, current needs, and many others. The distinct investor profile changes as an investor advances through life stages and alters financial objectives. The majority of investors are familiar with all available investment choices. Investors don't put their money into just one channel. Most investors like to invest in shares, mutual funds, and debentures, while they like other ways. Investors are influenced in their investment choices by their own decisions as well as by friends and family. The majority of investors put 15–20% of their yearly income into investments. The decision regarding investments was primarily impacted by the Return factor.

Karvy Stock Broking is raising awareness of online trading, which allows clients to trade from anywhere in the world, in the current environment where all services will either be online or electronic.

The risk management team at Karvy Stock Broking monitors client portfolios, and the Relationship Manager notifies clients whenever their portfolio value declines by 30%.

Due to its extensive clientele, Karvy Stock Broking has a very low likelihood of auctioning, therefore he may sell shares at any time.

8.2 SUGGESTIONS

The study made the following recommendations:

Shares, mutual funds, and other similar investment vehicles were the most popular among investors. Therefore, there ought to be a variety of other ways to raise awareness about the capabilities of alternative instruments and the tools that may be more advantageous to investors.

- Investors take into account a number of factors when making investments, such as risk, return, liquidity, and so on. Investors should think logically so they can determine when they need capital growth instead of reduced risk and when they need a return instead of liquidity.
- Investors' preferred investment time frames depend on their needs, such as whether they want early and high returns or stable ones. Most likely, a longer time frame is appropriate because it offers both higher returns and more security.
- Investor satisfaction varies due to the different investment options they choose. Their satisfaction level will be higher if they invest according to their preferences, provided they are informed of the value of each kind of alternative and alternative available.

- Investors should be fully informed about the stock market.

Trading members, who trade for themselves and their customers, are recognized members of the NSE. Participants include large institutions like banks that assume direct settlement responsibility, as well as trading members.

Trading on the NSE is conducted via a completely automated, screen-based trading system that follows the order-driven market model. Trading members are connected via a communication network, which allows them to remain in their offices and carry out trading.

The prices at which the seller and buyer are ready to trade will be shown on the display. The transaction will be finalized and a confirmation slip will be printed at the trading member's office when the prices coincide.

The traditional trading exchanges are at a disadvantage compared to the NSE. They are as follows:

- ❖ The NSE provides a unified network for stock market trading throughout the country.
- ❖ Investors have nationwide access to securities, and inter-market transactions are made easier, allowing them to trade at the same price from anywhere in the nation.
- ❖ With the help of a fully computerized network, greater operational efficiency and informational transparency in stock market operations can eliminate communication delays, late payments, and the malpractices that are common in traditional trading methods.

Nifty from the NSE

The S&P CNX Nifty is a well-diversified 50-stock index that represents 22 different economic sectors. It is utilized for many things, including benchmarking index-based derivatives, index funds, and fund portfolios.

India Index Services and Products Ltd. (IISL), a joint venture between the NSE and CRISIL, is now the owner and operator of the NSE. IISL is India's first specialized company focused on indexes as a core product. IISL has a licensing and consulting agreement with Standard & Poor's (S&P), who are global leaders in index services. CRISIL NSE Indices is known as CNX. To represent the identities of both promoters, namely the NSE and CRISIL, CNX ensures the common branding of indices.

Segregated Funds and Mutual Funds

Mutual funds or other types of pooled investment vehicles are stocks that private people own but are overseen and controlled by well-known management companies. These kinds of financial assets enable retail investors to spread their investments and reduce the risk of loss. In contrast, large private investors who want to own their shares directly rather than through a mutual fund utilize segregated funds.

The primary benefit of investing in a pooled fund is that it provides the investor with access to expert guidance from the fund manager. The main drawbacks are that investors are required to pay a charge to the fund managers and that not all investors may benefit from the fund's diversification. In those situations, investors may mitigate risk by holding multiple funds, which could lead to excessive diversification.

Since mutual funds are inexpensive, straightforward, and don't require investors to conduct their own research, they are thought to be the best form of capital market investment.

In which securities to invest. A mutual fund might be described simply as a financial vehicle that allows a group of investors to grow their money through a set investment.

The fund manager of the mutual fund is responsible for investing the pooled funds in particular investment vehicles.

As a result, an investor in a mutual fund has purchased the fund's shares and become a shareholder of it. Investment diversification By combining their funds in a mutual fund instead of attempting to buy equities on their own, investors may acquire securities with significantly reduced trading fees. However, the greatest benefit of mutual funds is diversification, which enables investors to spread their capital across a vast range of assets. As a result, when one investment is underperforming, another may be thriving, which significantly offsets the total investment and balances the risk-to-profit ratio.

Investing in a variety of assets rather than just one is the best kind of diversification. The specific purpose of mutual funds is to invest in a large number of assets, sometimes even hundreds. An investor might take weeks to conduct research on this scale, but with mutual fund investments, all of this could be done in a matter of hours.

Mutual Fund Categories (Investment Method)

- Types of Mutual Funds
- Mutual Funds in the United States
- BMO Investment Funds

RECOMMENDATIONS

Following were the recommendations of the study:

- The various investment tools which were mostly preferred by the investors were shares, mutual funds etc. So there should be various other means to create awareness regarding the potential of other instruments and the tools which can be more beneficial to the investors.
- The investors consider various factors while making investment like risk, return, liquidity etc. There should be rational thinking so that the investor is able to know that at what point of time they need capital appreciation instead of reducing the risk and when they need to return instead of liquidity.
- The preferred time span of investment by the investors depends upon the need of the investor that whether they want to have early and high returns or wants to have stable returns, most probably the long time span is suitable because the returns are high and safety is also there.
- The satisfaction levels of various investors are different due to different investment alternatives they opt for. If they will be aware of each type of alternatives and the worth of the alternatives then investing as per that there satisfaction level will also be high.
- Investors should have the complete knowledge of the stock market.

Motivating Employees:

Employees at Karvy are quite empowered. They are not required to report any member of the same branch, but they do report members of higher level branches. The senior marketing executive at the Baroda zonal office receives direct reports from the Jamnagar branch's marketing executive.

Karvy provides special incentives to specific branches that generate a certain amount of profit. For example, last year, Karvy organized a two-day Div tour for employees at their Bhavnagar, Junagadh, Jamnagar, and Rajkot branches, which was completely free of charge. This also aids in fostering collaboration among coworkers.

Karvy's Quality Policy:

Karvy will strive for total customer satisfaction by blending its human and technological resources to deliver higher quality financial services in order to attain and maintain leadership. Throughout the procedure, Karvy will make every effort to surpass the Customer's expectations.

Karvy's Quality Goals

- Develop internal procedures that will guarantee clear and positive interactions with clients and investors in order to deliver superior service.
- Build a partnership with its vendors and investor service agents that will assist it in fulfilling its obligations to customers.
- Ensure that all employees have a good work-life balance and provide them with the necessary knowledge and skills to meet customer demands.
- Maintain your commitment to integrity and honesty, and work to set unmatched benchmarks in commercial ethics.
- Employ cutting-edge information technology to create novel and creative financial goods and services that cater to the evolving demands of customers and investors.
- Aim to be a trustworthy provider of value-added financial goods and services, and consistently assist people and organizations in making wise decisions about them.
- Make every effort to ensure that all stakeholders—regulatory authorities, suppliers, employees, investors, customers, and shareholders—are happy and proud.

Karvy's Accomplishments:

- According to PRIME DATABASE, the largest fund mobilizer.
- The first ISO 9002-certified registrar in India.
- A Category I Merchant Banker
- A Category I Registrar for Public Issues
- MARG listed it as "The Most Admired Registrar."
- Managed IDBI's largest public issue ever.
- Strategic partnership with Jardine Fleming India Securities Ltd.
- Served as registrars for more than 500 public concerns.
- Managing the Reliance Account, which has around 10 million users
- The first Depository Participant in Andhra Pradesh

SWOT ANALYSIS FOR KARVY

Advantages:

- Workers have a lot of authority.
- Robust Communication Network.
- Employees work well together.
- India's top registrar and transfer agent.
- India's top investment product dealer.

Vulnerabilities:

- Elevated Employee Turnover.

Chance:

- The mutual fund industry's growth rate over the past year has been between 40% and 50%, and this trend is predicted to continue going forward.
- Promotion in semi-urban and rural areas.

Dangers:

- Growing pool of local participants.
- Previous picture of the mutual fund.

THE STUDY'S NEED, SCOPE, AND OBJECTIVES***REQUIREMENT FOR THE STUDY***

The purpose of the research was to address the gap discovered in earlier studies. Previous research focused on the functioning of the Indian stock market. Given the immense significance of this topic, the current study aims to understand the Indian stock market, the different investment options available, the behavior of investors, and their level of awareness about the various investment opportunities. The stock market.

STUDY SCOPE

The research was restricted to the city of Chandigarh.

STUDY OBJECTIVES

The research has been conducted to accomplish the following goals:

- ❖ To summarize the different investment options available in the Indian stock market.
- ❖ To learn about the different investment opportunities in the capital market.
- ❖ To understand investors' views on stock market investing.
- ❖ To examine investors' investment behavior and the elements that influence their investment choices.
- ❖ To analyze the issues faced by investors and the factors contributing to their reluctance to invest in financial products.
- ❖ To gauge investors' satisfaction with the returns from various investment options.

Karvy's knowledge in research and stock broking gives it the appropriate viewpoint to offer investment advisory services. The firm offers its clients advisory services.

The financial objectives of individual investors differ based on their aspirations, ambitions, family size, and future financial plans for their children and retirement for themselves and their spouses. Similarly, the road to achieving these goals varies. Karvy applies the principles of financial planning as both a science and an art. It takes into account the psychological and financial needs of investors while understanding their investment objectives, risk tolerance, and timeframes. Based on this, Karvy assists individual investors in planning their complete life, including retirement, taxes, insurance requirements, and other crucial personal financial objectives. It creates portfolios for investors to allocate their funds across a variety of financial products, including shares, bonds, debentures, mutual funds, fixed deposits, insurance, and others. The business creates portfolios by taking the following into account:

- ● The investor's need to recoup their investment,
- ● The investor's risk tolerance,
- ● Tax planning for investors, etc.

5. Merchant banking and corporate finance:

The financial activities of a corporation are referred to as corporate finance. It pertains to the company's activities related to financing and investing. It deals with how companies obtain funding and the effects of different ways of doing so. Public or private companies can increase their capital by taking out loans, selling shares, and merging with or acquiring other companies.

Merchant banking is a form of financial intermediation that connects capital-hungry businesses with those that have capital. As a result, they aid in the market's capital flow.

Karvy is authorized by SEBI in Category I for Merchant Banking. Karvy provides a comprehensive range of merchant banking services, from determining the optimal time for an issue to its final marketing stage, in order to achieve unmatched success.

Karvy provides the following services as a merchant banker:

- Managing issues
- Designing instruments
- Issue pricing
- Registering the procedure for issuing shares
- Promotional activities
- Investors receive their final allotment.
- Posting listing information on stock exchanges
- Syndication of loans
- Financing a lease
- Business consulting services
- Underwriting
- Managing a portfolio

6. Insurance:

Karvy also deals with several private life insurance firms. The company is connected to the transactions of the following firms at its Jamnagar location.

- ICICI Prudential Life Insurance
- Life Insurance from HDFC
- TATA AIG Life Insurance

7. Services for Mutual Funds:

Karvy has shown a commitment and dynamism that has garnered confidence from a diverse range of groups—including individuals, corporations, and government agencies—since its founding in 1982. Since then, Karvy has acted as the crucial intermediary—the interface—between these individuals. With Mutual Funds developing into a separate asset class, Karvy has made a deliberate decision to use the capabilities of modern technology to enhance its services. Karvy now serves around 80% of asset management companies (AMCs) through a large network of service centers, with more than Rs. 10,000 crore in assets under management.

Mutual fund businesses have been able to distinguish themselves in the market thanks to Karvy's capacity to mass customize and provide a wide variety of products for a varied clientele. The advantages of technology have been brought to mutual funds, distributors, and investors by this wide variety of services, which are delivered through several channels, including service centers, the web, mobile phones, and call centers.

Karvy will continue to develop new goods and services that meet the demands of end customers. The company's unwavering commitment to providing consumer products has earned it the coveted status of being the country's preferred financial services provider.

- 1 Alliance Mutual Fund
- 2 Birla Mutual Funds
- 3 Bank of Baroda Mutual Funds
- 4 Can Bank Mutual Funds
- 5 Chola Mutual Funds
- 6 Deutsche Mutual Funds
- Merrill Lynch Mutual Fund 7 DSP
- Franklin Templeton Investments 8
- 9 GIC Mutual Funds
- 10 HDFC Mutual Funds
- 11 HSBC Mutual Funds 11 HSBC Mutual Funds 11 HSBC Mutual Funds
- 12 IL&FS Mutual Funds
- JM Mutual Fund 13
- Kotak Mutual Fund 14
- LIC Mutual Fund 15
- Punjab National Bank Mutual Fund 16
- Prudential ICICI Mutual Fund 17
- Principal Mutual Fund 18
- 19 Reliance Mutual Funds
- 20 SBI Mutual Fund
- 21 Standard Chartered Mutual Funds

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