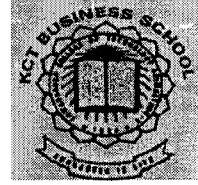


P-3214



**A STUDY ON THE INVESTORS' PERCEPTION OF KARVY'S PMS GREEN WALLET**

**A PROJECT REPORT**

**Submitted by**

**SRIVIDHYA MURUGAN**

Reg. No. 0820400051

**In partial fulfillment of the requirements**

**For the award of the degree**

**Of**

**MASTER OF BUSINESS ADMINISTRATION**

**JUNE, 2010**

**KCT Business School**

**Department of Management Studies**

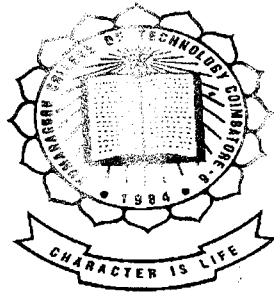
**Kumaraguru College of Technology**

**(An autonomous institution affiliated to Anna University, Coimbatore)**

**Coimbatore – 641 006**

*Certificate*


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**DEPARTMENT OF MANAGEMENT STUDIES  
KUMARA GURU COLLEGE OF TECHNOLOGY (AUTONOMOUS)  
COIMBATORE**

**BONAFIDE CERTIFICATE**

Certified that this project titled "A STUDY ON THE INVESTORS' PERCEPTION OF KARVY'S PMS GREEN WALLET" is the bonafide work of **Ms.SRIVIDHYA MURUGAN Reg. No. 0820400051** who carried out this project under my supervision. Certified further, that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

  
14/06/2016

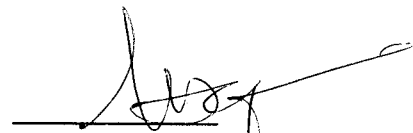
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Evaluated and viva-voce conducted on .....14/06/2016.....



**Examiner I**



**Examiner II**



## EXECUTIVE SUMMARY

The study aims to understand the investors' perception of the Karvy Portfolio Management Services and to identify the profile of the investors. The primary data is collected from the investors through emailed questionnaire.

The study gives an insight about the perception of the investors in the portfolio management services , It helps the company to understand better about the investors, to bridge the gap between the expectations of the investors regarding the services. It also makes the company make aware of the investors' expectations.

The sample of 30 was selected from the population of 290 investors. Weighted average method, chi square analysis and percentage analysis are used for the analysis by the researcher.

From the study it is found that most of the respondents are HNIs and NRIs. The majority of the investors invest for growth and income. It is also clear that most of the respondents are satisfied with the services provided by the Karvy PMS. It is also found that the investors are satisfied with the portfolio formation but portfolio revision and portfolio evaluation can be done frequently for the investors.

# *Declaration*

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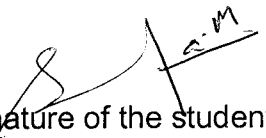
## DECLARATION

I, **SRIVIDHYA MURUGAN** Reg. No **08MBA51**, hereby declare that the project titled "**A STUDY ON INVESTORS' PERCEPTION OF KARVY'S PMS GREEN WALLET**" submitted to the Kumaraguru College of Technology Business school in partial fulfillment of the requirement for the award of the degree of master of business administration is a record of original work done by me during JUNE 2010 under the supervision and guidance of Senior Lecturer Mr.A.Senthil Kumar, faculty guide KCT Business School ,Kumaraguru College, Coimbatore-641006 and that it has not formed the basis of any degree/ diploma/ associate fellowship/ or other similar title to any candidate of the college.

Name: SRIVIDHYA MURUGAN

Registration No: 0820400051

Place: 14.06.2010

  
Signature of the student

# *Acknowledgement*

---



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I thank the GOD, Almighty for his blessings bestowed upon me, which gave strength, confidence and health for completing this project.

I express my sincere gratitude to our beloved Chairman **Arutchelvar Dr N.Mahalingam**, the prime guiding spirit of Kumaraguru College of Technology.

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I wish to reserve a warm and special note of thanks for my project guide to **Mr.S.Manivannan**, Distribution Head, Karvy Stock Broking Ltd., whose support and guidance helped me to complete this project successfully.

Finally, I take this opportunity to express my love and gratitude to my beloved parents for their being with me in my entire endeavor including this special achievement.

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# *Introduction*

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## CHAPTER 1

### INTRODUCTION

The art and science of making decisions about investment mix and policy, matching investments to objectives, asset allocation for individuals and institutions, and balancing risk against Performance.

Portfolio management is all about strengths, weaknesses, opportunities and threats in the choice of debt vs. equity, domestic vs. international, growth vs. safety, and many other tradeoffs encountered in the attempt to maximize return at a given appetite for risk.

A grouping of financial assets such as stocks, bonds and cash equivalents, as well as their mutual, exchange-traded and closed-fund counterparts. Portfolios are held directly by investors and/or managed by financial professionals.

In the case of mutual and exchange-traded funds (ETFs), there are two forms of portfolio management: passive and active. Passive management simply tracks a market index, commonly referred to as indexing or index investing. Active management involves a single manager, co-managers, or a team of managers who attempt to beat the market return by actively managing a fund's portfolio through investment decisions based on research and decisions on individual holdings. Closed-end funds are generally actively managed.

An investment strategy applied to a personal or corporate portfolio that determines its general purpose and constraints. Once a portfolio plan has been determined, investments adhering to the plan are bought and sold accordingly.

The portfolio manager is one of the most important factors to consider when looking at fund investing. Portfolio management can be active or passive (index tracking). Historical performance records indicate that only a minority of active fund managers beat the market indexes.

Prudence suggests that investors should construct an investment portfolio in accordance with risk tolerance and investing objectives. Think of an investment portfolio as a pie that is divided into pieces of varying sizes representing a variety of asset classes and/or types of investments to accomplish an appropriate risk-return portfolio allocation.

For example, a conservative investor might favour a portfolio with large cap value stocks, broad-based market index funds, investment-grade bonds and a position in liquid, high-grade cash equivalents. In contrast, a risk loving investor might add some small cap growth stocks to an aggressive, large cap growth stock position, assume some high-yield bond exposure, and look to real estate, international, and alternative investment opportunities for his or her portfolio.

### **Investment Philosophy and the Investment Universe**

Professional portfolio managers who work for an investment management company generally do not have a choice about the general investment philosophy used to govern the portfolios they manage. An investment firm may have strictly defined parameters for stock selection and investment management. An example would be a firm defining a value investment selection style using certain trading guidelines. Furthermore, portfolio managers are usually also constrained by market capitalization guidelines. Therefore, the first step in portfolio management is to understand the universe from which investments may be selected.

Another philosophical consideration is the analytical approach for the portfolio in question. Some firms or portfolios use a bottom-up approach, where investment decisions are made primarily by selecting stocks without consideration to sector selection or economic forecasts. Other styles may be top-down oriented and portfolio managers pay primary attention to analyzing entire sectors or macroeconomic trends as a starting point for analysis and stock selection. Many styles use a combination of these approaches.



## **Tax Sensitivity**

A lot of institutional equity portfolios, such as pension funds, are not taxable. This gives portfolio managers more managerial flexibility than taxable portfolios. Non-taxable portfolios may use greater exposure to dividend income and short-term capital gains than their taxable counterparts. Managers of taxable portfolios may need to pay special attention to stock holding periods, tax lots, capital losses, tax selling and dividend income generated by portfolios. Taxable portfolios may be more effective with a lower portfolio turnover rate relative to non-taxable portfolios.

Understanding the tax consequences of - or lack thereof - portfolio management activity is of primary importance in building and managing portfolios over time.

## **Building the Portfolio Model**

Whether running one portfolio or a thousand portfolios in one equity investment product or style, building and maintaining a portfolio model is a common aspect of equity portfolio management. A portfolio model is a standard against which individual portfolios are matched. Generally, portfolio managers will assign a percentage weighting to every stock in the portfolio model and then individual portfolios are modified to match up against this weighting mix. Portfolio models are usually computerized using software such as Microsoft Excel or specific portfolio management software tools.

For example, after doing some mix of company analysis, sector analysis and macroeconomic analysis, the portfolio manager may decide that he or she wants to own a relatively large weight of a particular stock. Perhaps in the portfolio manager's style, a relatively large weighting is 4% of the total portfolio value. By reducing the weighting of other stocks in the portfolio model or by reducing the overall cash weighting, the portfolio manager would buy enough stocks of a particular company in each portfolio to match up against the 4% model weight. All of the portfolios will look like each other (and the portfolio model), at least in terms of the 4% weighting on that particular stock.

In this way, the portfolio manager runs all portfolios in a similar or identical fashion given the specific style mandated by that portfolio group. He or she would expect all

portfolios in the group to generate returns in a standardized way relative to each other. All of the portfolios will also be very similar to each other in terms of the risk/reward profile. In effect, all of the analytical and security evaluation that the portfolio manager does is run on a model, and not on the individual portfolios.

### **Achieving Portfolio Efficiency**

Running all of his or her portfolios in a similar way allows a portfolio manager to achieve a remarkable analytical efficiency. The portfolio manager needs to only have an understanding of perhaps 30 or 40 stocks owned in similar proportions in all portfolios, rather than 100 or 200 stocks owned in various proportions in 1,000 different portfolio accounts. Analysis on the 30 or 40 stocks can be applied to all portfolios easily by changing model weights in the portfolio model over time. As the outlook on individual stocks changes over time, the portfolio manager only needs to change his or her model weightings to reflect the investment decision in all portfolios simultaneously.

The portfolio model can also be used to handle all day-to-day transactions at the individual portfolio level. New accounts can be set up quickly and efficiently by simply "buying against the model". Cash deposits and withdrawals can be handled in a similar way. If the portfolio is large enough, the model only really needs to be applied to the change in asset size to build a portfolio that looks just like the portfolio model. Smaller portfolios may be limited by stock board lot constraints, which may affect the portfolio manager's ability to accurately buy or sell to certain percentage weightings.

## 1.1 BACKGROUND OF THE STUDY

The Portfolio management is all about strengths, weaknesses, opportunities and threats in the choice of debt vs. equity, domestic vs. international, growth vs. safety, and many other tradeoffs encountered in the attempt to maximize return at a given appetite for risk. The investors of Karvy PMS are High Net worth Individuals (HNI) and the perception of those customers are very much essential for the better services in the organisation. The study gives an insight about the perception of the Karvy PMS investors.

## 1.2 REVIEW OF LITERATURE

Totok Sugiharto Eno L. Inanga Roy Sembel<sup>1</sup> conducted study in Jakarta Stock Exchange which provides the results of a survey of investment practices and perceptions by major portfolio investors (fund managers) currently active at the Jakarta Stock Exchange (JSX) in Indonesia. The paper also proffers some initial interpretation and analysis of their perceptions of the most important metrics used in valuation and their observation on social, political, economic, regulatory, technological, environmental and legal (SPERTEL) factors that influence the fundamental factors (EM metric) and values of equity shares (EV) of LQ45 firms quoted at JSX. The findings of the survey help to shed light on the adequacy of the information, which JSX provides investors to improve the quality of their hold, sell or buy decisions on their LQ45 portfolio distribution. We also illustrate how to construct a robust portfolio with multiple experts (priors) by solving a sequence of linear programs or a second-order cone program.

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<sup>1</sup> Totok Sugiharto Eno L. Inanga Roy Sembel "A Survey of Investors" Current Perceptions and Valuation Approaches at Jakarta Stock Exchange" International Research Journal of Finance and Economics - ; Sep2010, Vol. 205 Issue 2, p361-367.

Huang, Dashan Zhu, Shushang Fabozzi, Frank J.<sup>2</sup> conducted a study on Robust optimization, one of the most popular topics in the field of optimization and control since the late 1990s, deals with an optimization problem involving uncertain parameters. In this paper, we consider the relative robust conditional value-at-risk portfolio selection problem where the underlying probability distribution of portfolio return is only known to belong to a certain set. Our approach not only takes into account the worst-case scenarios of the uncertain distribution, but also pays attention to the best possible decision with respect to each realization of the distribution. We also illustrate how to construct a robust portfolio with multiple experts (priors) by solving a sequence of linear programs or a second-order cone program.

Elizabeth Dreike Almer Audrey A. Gramling Steven E. Kaplan<sup>3</sup> conducted a study on the frequency of earnings restatements which has been increasing over the last decade. Restating previous earnings erodes perceived trustworthiness and competence of management, giving firms strong incentives to take actions to enhance perceived credibility of future financial reports. Using an experimental case, we examine the ability of post-restatement actions taken by a firm to positively influence nonprofessional investors' perceptions of management financial reporting credibility. Our examination considers credibility judgments following two types of restatements – those resulting from fraud in which the character, ethics, and values of an organization may be called into question [Based on the information in the experimental case, non-professional investors take the role of potential equity investors and make a judgment about management's financial reporting credibility after reviewing a set of postrestatement actions taken by a firm. The possible actions include changes in four corporate governance mechanisms. Our results provide an important contribution to the literature by demonstrating that among non-professional

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<sup>2</sup> Huang, Dashan Zhu, Shushang Fabozzi, Frank J. Fukushima, Masao European Journal of Operational Research; May 2010, Vol. 203 Issue .1, Pp185-194.

<sup>3</sup> Elizabeth Dreike Almer Audrey A. Gramling Steven E. Kaplan "Impact of Post-restatement Actions Taken by a Firm on Non-professional Investors Credibility Perceptions, Sep 2010, Vol. 205 Issue 2, p459-468.

investors, perceptions of management financial reporting credibility are affected by the nature of the restatement. These results offer insight into the formation of a key credibility judgment made by non-professional investors following a trust-destroying event, an earnings restatement.

This study done by Bheemanagouda and J Madegowda<sup>4</sup> is to analyze and evaluate the investors' perception on the working of credit rating agencies in India. This study is mainly based on primary data. To collect the primary data, well-structured questionnaires were administered (during July-August 2008) personally and through e-mail, snail mail and stock broking franchisees to 600 randomly selected individual investors. Good responses were received from the investors particularly from different parts of Karnataka. However, the responses were only obtained from 362 individual investors, i.e., a response rate of only 60.33%. The responses collected were processed and analyzed to draw the meaningful inferences that could help in the improvement of the quality and usefulness of rating. The study is purely analytical, analyzing the investors'

perception about various aspects of working of credit rating services in India. 84% of the respondents are aware of credit rating agencies and credit rating. However, 14.4% of the respondents are unaware of credit rating agencies and credit rating. The remaining six respondents (1.6%) have not offered any response to this question but responded well to other related questions. The major contributory factor in creating awareness among the individual investors would perhaps

be the grading of IPO issues introduced recently during the euphoria in the market when a large number of retail investors actively involved in the capital market. Investment decisions are influenced by a number of factors that vary from one investor to another and also from one situation to another. However, the respondent investors were given a few influencing factors and asked to tick the factor/s

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<sup>4</sup> Bheemanagouda and J Madegowda "Working of Credit Rating Agencies in India: An Analysis of Investors' Perception" May 2010, Vol. 180 Issue 9, p1582-1590.

influencing their investment decisions. It can be observed from the responses of the respondent investors that the rating agencies certainly play an important role in the

Anagnostopoulos, K.P. Mamanis <sup>5</sup>formulated the portfolio selection as a tri-objective optimization problem so as to find tradeoffs between risk, return and the number of securities in the portfolio. Furthermore, quantity and class constraints are introduced into the model in order to limit the proportion of the portfolio invested in assets with common characteristics and to avoid very small holdings. Since the proposed portfolio selection model involves mixed integer decision variables and multiple objectives finding the exact efficient frontier may be very hard. Nevertheless, finding a good approximation of the efficient surface which provides the investor with a diverse set of portfolios capturing all possible tradeoffs between the objectives within limited computational time is usually acceptable. We experiment with the current state of the art evolutionary multiobjective optimization techniques, namely the Non-dominated Sorting Genetic Algorithm II (NSGA-II), Pareto Envelope-based Selection Algorithm (PESA) and Strength Pareto Evolutionary Algorithm 2 (SPEA2), for solving the mixed-integer multiobjective optimization problem and provide a performance comparison among them using metrics proposed by the community.

William N. Goetzmann and Alok Kumar <sup>6</sup> conducted a study that shows that U.S. individual investors hold under-diversified portfolio, where the level of under-diversification is greater among younger, low-income, less-educated, and less-sophisticated investors. The level of under-diversification is also correlated with investment choices that are consistent with over-confidence, trend-following

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<sup>5</sup> Anagnostopoulos, K.P. Mamanis G." A portfolio optimization model with three objectives and discrete variables" Computers & Operations Research; Jul2010, Vol. 37 Issue 7, p1285-1297

<sup>6</sup> William N. Goetzmann and Alok Kumar "Equity Portfolio Diversification" Apr 2010, Vol. 38 Issue 4, p1622-1634.

behavior, and local bias. Furthermore, investors who over-weight stocks with higher volatility and higher skewness are less diversified. In contrast, there is little evidence that portfolio size or transaction costs constrains diversification. Under-diversification is costly to most investors, but a small subset of investors under-diversify because of superior information.

Gutjahr, Walter J. Katzensteiner, Stefan Reiter, Peter Stummer, Christian Denk, Michaela<sup>7</sup> conducted a study that develops a multi-objective optimization model for project portfolio selection taking employee competencies and their evolution into account. The objectives can include economic gains as well as gains expressed in terms of aggregated competence increments according to pre-defined profiles. In order to determine Pareto-optimal solutions, the overall problem is decomposed into a master problem addressing the portfolio selection itself, and a slave problem dealing with a suitable assignment of personnel to the work packages of the selected projects over time. We provide an asymptotic approximation of the problem by a linearized formulation, which allows an efficient and exact solution of the slave problem. For the solution of the master problem, we compare the multi-objective metaheuristics NSGA-II and P-ACO. Experimental results both for synthetically generated test instances and for real-world test instances, based on an application case from the E-Commerce Competence Center Austria, are presented.

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<sup>7</sup> Gutjahr, Walter J. Katzensteiner, Stefan Reiter, Peter Stummer, Christian Denk, Michaela" Multi-objective decision analysis for competence-oriented project portfolio selection" European Journal of Operational Research; Sep2010, Vol. 205 Issue 3, p670-679

Stirling, Andy<sup>8</sup> conducted a research and this paper outlines a novel general framework for analysing energy diversity. A critical review of different reasons for policy interest reveals that diversity is more than a supply security strategy. There are particular synergies with strategies for transitions to sustainability. Yet – despite much important work – policy analysis tends to address only a subset of the properties of diversity and remains subject to ambiguity, neglect and special pleading. Developing earlier work, the paper proposes a more comprehensive heuristic framework, accommodating a wide range of different disciplinary and socio-political perspectives. It is argued that the associated multicriteria diversity analysis method provides a more systematic, complete and transparent way to articulate disparate perspectives and approaches and so help to inform more robust and accountable policymaking.



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<sup>8</sup> Stirling, Andy "Multicriteria diversity analysis: A novel heuristic framework for appraising energy portfolios"; Jun2009, Vol. 45 Issue 9, p122-134



### **1.3 STATEMENT OF THE PROBLEM**

The Karvy is the authorised portfolio manager of SEBI to enhance the wealth of a niche segment of investors. This service primarily meant for HNIs (High Net worth Individuals) offers customers a wide range of schemes. These unique schemes seek to achieve higher returns through broad based participation in equity markets. This is achieved by creating a diversified equity portfolio of small, medium and large capitalized companies. This study is undertaken to understand the perception of the investors of Karvy Portfolio Management Services and to study the process of the portfolio formation.

### **1.4 OBJECTIVES OF THE STUDY**

#### **1.4.1 Primary Objective**

- To understand the investors' perception of Karvy PMS.
- To understand about factors influencing the portfolio framing.

#### **1.4.2 Secondary Objective**

- To understand the process of the portfolio formation.
- To evaluate the PMS investors' profile in Karvy.
- To suggest the organization regarding the service provided based upon the investors' opinion and responses.

### **1.5 SCOPE OF THE STUDY**

The study is confined to the Karvy Stock Broking Limited, Tamil Nadu Zone. The responses are pertaining only to the Green Wallet Portfolio Management services clients of the firm.

## **1.6 METHODOLOGY**

### **1.6.1 Type of the study**

#### **Descriptive research**

The research is descriptive in nature as the study was done to find out the level of the customer satisfaction and it is based on the opinions of the customers. The researcher has no control over the variables and they are independent of the state of affairs.

### **1.6.2 VARIABLES IDENTIFIED FOR THE STUDY**

- Professional Management
- Continued Monitoring
- Research Support
- Identifying Investor Objectives
- Time taken to open the PMS account
- Portfolio construction
- Portfolio revision
- Portfolio evaluation
- Hassle-free operation
- Transparency in operation
- Customized Portfolio services
- Meeting the investors expectations
- Fees structure of PMS
- Liasoning of the PMS Manager

### **1.6.3 SAMPLING DESIGN**

Sample for the study has been selected based on the judgement sampling method. From the total population of 290, 30 investors are selected and assigned to the researcher by the organisation.

#### **1.6.4 METHOD OF DATA COLLECTION**

The method of data collection is the primary source of data collection. Initially pilot study was conducted and the researcher suitably modified and structured the questionnaire. As the respondents are located across Tamil Nadu and the data was collected through e-mailed interview.

#### **1.6.5 SAMPLE SIZE AND AREA OF DATA COLLECTION**

From the universe of Karvy's PMS Customers, the Chennai Zone and Coimbatore Zone counting to 290 are considered as population. Non probability method is adopted for the study.

#### **1.6.6 TOOLS OF ANALYSIS**

The analysis is done with the percentage analysis, weighted average method and chi square test.

#### **1.7 LIMITATIONS**

- The population is limited only to 30 respondents.
- Only percentage analysis, weighted average method and chi square analysis have been done for the study

*Organization  
Profile*

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## CHAPTER 2

### ORGANISATION PROFILE

#### 2.1 HISTORY OF THE ORGANISATION-

The Karvy group was formed in 1983 at Hyderabad, India. Karvy ranks among the top player in almost all the fields it operates. Karvy was started by a group of five chartered accountants in 1979. The partners decided to offer, other than the audit services, value added services like corporate advisory services to their clients. The first firm in the group, Karvy Consultants Limited was incorporated on 23rd July, 1983. In a very short period, it became the largest Registrar and Transfer Agent in India. This business was spun off to form a separate joint venture with Computershare of Australia, in 2005. Karvy's foray into stock broking began with marketing IPOs, in 1993. Within a few years, Karvy began topping the IPO procurement league tables and it has consistently maintained its position among the top 5. Karvy was among the first few members of National Stock Exchange, in 1994 and became a member of The Stock Exchange, Mumbai in 2001. Dematerialization of shares gathered pace in mid-90s and Karvy was in the forefront educating investors on the advantages of dematerializing their shares. Today Karvy is among the top 5 Depository Participant in India.

Karvy Computershare Limited is India's largest Registrar and Transfer Agent with a client base of nearly 500 blue chip corporate, managing over 2 crore accounts. Karvy Stock Brokers Limited, member of National Stock Exchange of India and the Bombay Stock Exchange, ranks among the top 5 stock brokers in India. With over 6,00,000 active accounts, it ranks among the top 5 Depository Participant in India, registered with NSDL and CDSL. Karvy Comtrade, Member of NCDEX and MCX ranks among the top 3 commodity brokers in the country. Karvy Insurance Brokers is registered as a Broker with IRDA and ranks among the top 5 insurance agent in the country. Registered with AMFI as a corporate Agent, Karvy is also among the top Mutual Fund mobilizer with over Rs. 5,000 crores under management. Karvy Realty Services, which started in 2006, has quickly established itself as a broker who adds value, in the realty sector. Karvy Global offers niche off shoring services to clients in the US.

Karvy has 575 offices over 375 locations across India and overseas at Dubai and New York. Over 9,000 highly qualified people staff Karvy.

While the registry business is a 50:50 Joint Venture with Computershare of Australia, we have equity participation by ICICI Ventures Limited and Barings Asia Limited, in Karvy Stock Broking Limited. For a snapshot of our organization structure, please [click here](#).

Karvy has always believed in adding value to services it offers to clients. A top-notch research team based in Mumbai and Hyderabad supports its employees to advise clients on their investment needs. With the information overload today, Karvy's team of analysts help investors make the right calls, be it equities, mf, insurance. On a typical working day Karvy:

- Has more than 25,000 investors visiting our 575 offices
- Publishes / broadcasts at least 50 buy / sell calls
- Attends to 10,000+ telephone calls
- Mails 25,000 envelopes, containing Annual Reports, dividend cheques / advises, allotment / refund advises
- Executes 150,000+ trades on NSE / BSE
- Executes 50,000 debit / credit in the depository accounts
- Advises 3,000+ clients on the investments in mutual funds.

### **Mission**

Our mission is to be the preferred strategic partner to our customer, and we aim to achieve this leadership position by building an innovative, enterprising and technology driven organization while setting new standards of service delivery and business ethics.

## **Vision**

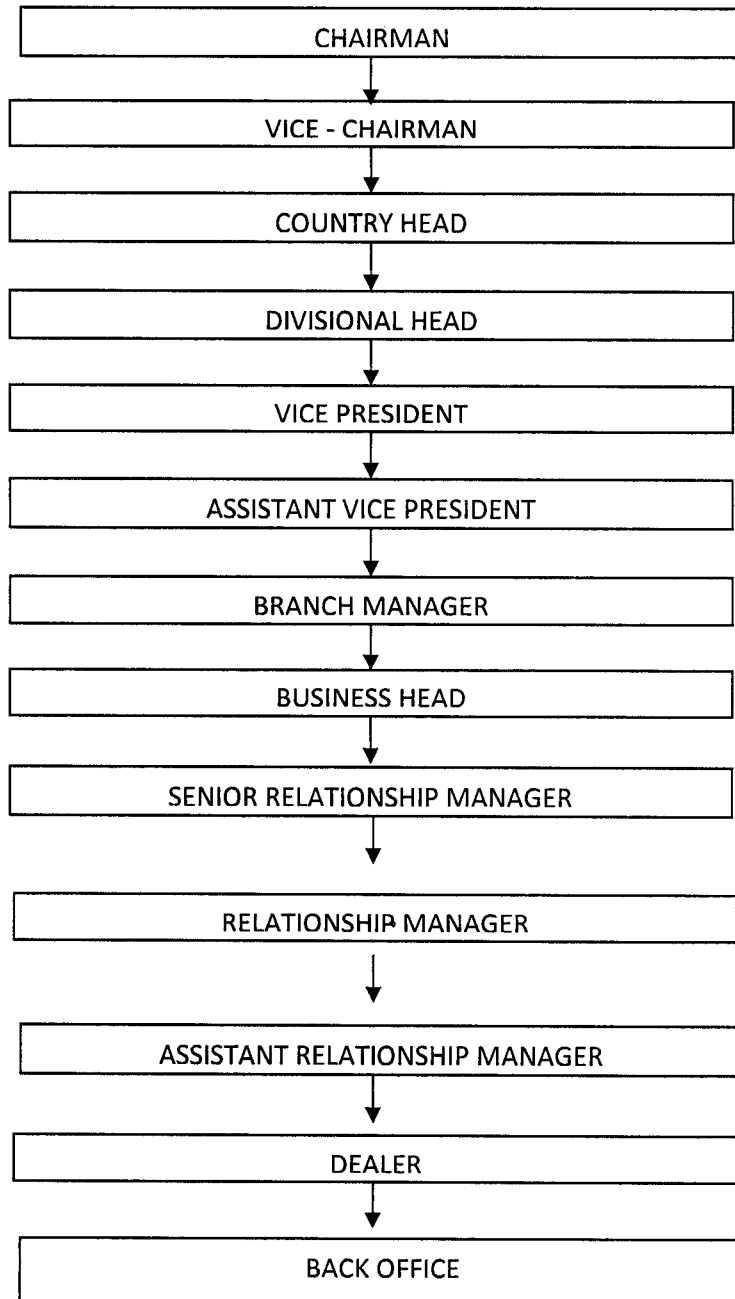
Our vision is to collaborate with customers in providing end to end business solutions through specialized competencies across business verticals and internalize service quality using innovative approaches

## **2.2 Management**

Top management of the company

- Mr. C Parthasarathy, Managing Director
- Mr. M Yugandhar, Managing Director
- Mr. M S Ramakrishna, Director
- Mr. Stuart Crosby, Chairman
- Mr. Mark Davis, Director
- Mr. Chandra Balaraman, Director

## 2.3 Organisation Structure





## 2.4 Products & Services

- Karvy Green Wallet
- Karvy Consultants Limited
- Karvy Stock Broking
- Depository Participants
- Karvy – the Finapolis
- Karvy Comtrade Limited
- Karvy Insurance Broking Ltd
- Karvy Investor Services Limited
- Karvy's Corporate Finance Group
- Karvy Realty (India) Limited
- Karvy Computershare Private Limited
- Karvy Global Services
- Karvy Financial Services Ltd.

### **Karvy Green Wallet**

Karvy Green Wallet is an endeavour specially designed by Karvy to enhance the wealth of a niche segment of investors. This service primarily meant for HNIs (High Net worth Individuals) offers customers a wide range of schemes. These unique schemes seek to achieve higher returns through broad based participation in equity markets. This is achieved by creating a diversified equity portfolio of small, medium and large capitalized companies.

### **Karvy Consultants Limited**

As the flagship company of the KARVY Group, KARVY Consultants Limited has always remained at the helm of organizational affairs, pioneering business policies, work ethic and channels of progress. Having emerged as a leader in the registry business, the first of the businesses that we ventured into, we have now transferred this business into a joint venture with Computershare Limited of Australia, the world's largest registrar. With the advent of depositories in the Indian capital market and the relationships that we have created in the registry business, we believe that we were

best positioned to venture into this activity as a Depository Participant. We were one of the early entrants registered as Depository Participant with NSDL (National Securities Depository Limited), the first Depository in the country and then with CDSL (Central Depository Services Limited).

### **Karvy Stock Broking**

KARVY Stock Broking Limited, one of the cornerstones of the KARVY edifice, flows freely towards attaining diverse goals of the customer through varied services. It creates a plethora of opportunities for the customer by opening up investment vistas backed by research-based advisory services. Here, growth knows no limits and success recognizes no boundaries. Helping the customer create waves in his portfolio and empowering the investor completely is the ultimate goal. KARVY Stock Broking Limited is a member of: 1) National Stock Exchange (NSE) , 2) Bombay Stock Exchange (BSE) Member - National Stock Exchange (NSE) and The Bombay Stock Exchange (BSE).

Karvy Stock Broking Limited, one of the cornerstones of the Karvy edifice, flows freely towards attaining diverse goals of the customer through varied services. Creating a plethora of opportunities for the customer by opening up investment vistas backed by research-based advisory services. Here, growth knows no limits and success recognizes no boundaries. Helping the customer create waves in his portfolio and empowering the investor completely is the ultimate goal.

### **Depository Participants**

The onset of the technology revolution in financial services Industry saw the emergence of Karvy as an electronic custodian registered with National Securities Depository Ltd (NSDL) and Central Securities Depository Ltd (CSDL) in 1998. Karvy set standards enabling further comfort to the investor by promoting paperless trading across the country and emerged as the top 3 Depository Participants in the country in terms of customer serviced.

Offering a wide trading platform with a dual membership at both NSDL and CDSL, we are a powerful medium for trading and settlement of dematerialized shares. We have established live DPMs, Internet access to accounts and an easier transaction

process in order to offer more convenience to individual and corporate investors. A team of professional and the latest technological expertise allocated exclusively to our demat division including technological enhancements like SPEED-e, make our response time quick and our delivery impeccable. A wide national network makes our efficiencies accessible to all.

### **Karvy – the Finapolis**

A 1600 team of highly qualified and dedicated professionals drawn from the best of academic and professional backgrounds are committed to maintaining high levels of client service delivery. This has propelled us to a position among the top distributors for equity and debt issues with an estimated market share of 15% in terms of applications mobilized, besides being established as the leading procurer in all public issues.

To further tap the immense growth potential in the capital markets we enhanced the scope of our retail brand, Karvy – the Finapolis , thereby providing planning and advisory services to the mass affluent. Here we understand the customer needs and lifestyle in the context of present earnings and provide adequate advisory services that will necessarily help in creating wealth. Judicious planning that is customized to meet the future needs of the customer deliver a service that is exemplary. The market-savvy and the ignorant investors, both find this service very satisfactory. The edge that we have over competition is our portfolio of offerings and our professional expertise. The investment planning for each customer is done with an unbiased attitude so that the service is truly customized.

Our monthly magazine, Finapolis, provides up-dated market information on market trends, investment options, opinions etc. Thus empowering the investor to base every financial move on rational thought and prudent analysis and embark on the path to wealth creation.

### **Karvy Comtrade Limited**

Commodities market, contrary to the beliefs of many people, has been in existence in India through the ages. However the recent attempt by the Government to permit Multi-commodity National levels exchanges has indeed given it, a shot in the arm. As a result two exchanges Multi Commodity Exchange (MCX) and National Commodity

and derivatives Exchange (NCDEX) have come into being. These exchanges, by virtue of their high profile promoters and stakeholders, bundle in themselves, online trading facilities, robust surveillance measures and a hassle-free settlement system. The futures contracts available on a wide spectrum of commodities like Gold, Silver, Cotton, Steel, Soya oil, Soya beans, Wheat, Sugar, Chana etc., provide excellent opportunities for hedging the risks of the farmers, importers, exporters, traders and large scale consumers. They also make open an avenue for quality investments in precious metals. The commodities market, as it is not affected by the movements of the stock market or debt market provides tremendous opportunities for better diversification of risk. Realizing this fact, even mutual funds are contemplating of entering into this market.

### **Karvy Insurance Broking Ltd**

At Karvy Insurance Broking Limited we provide both life and non-life insurance products to retail individuals, high net-worth clients and corporates. With the opening up of the insurance sector and with a large number of private players in the business, we are in a position to provide tailor made policies for different segments of customers. In our journey to emerge as a personal finance advisor, we will be better positioned to leverage our relationships with the product providers and place the requirements of our customers appropriately with the product providers. With Indian markets seeing a sea change, both in terms of investment pattern and attitude of investors, insurance is no more seen as only a tax saving product but also as an investment product. By setting up a separate entity, we would be positioned to provide the best of the products available in this business to our customers.

### **Karvy Investor Services Limited**

Deepening of the Financial Markets and an ever-increasing sophistication in corporate transactions, has made the role of Investment Bankers indispensable to organizations seeking professional expertise and counselling, in raising financial resources through capital market apart from Capital and Corporate Restructuring, Mergers & Acquisitions, Project Advisory and the entire gamut of Financial Market activities.

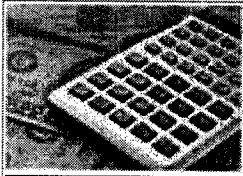
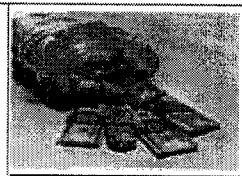
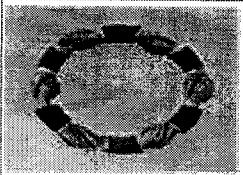

Karvy Investor Services Limited ('KISL'), a SEBI registered Merchant Banker has emerged as a leading Investment Banking entity in the country with over a decade of experience. KISL has built its reputation by capitalizing on its qualified professionals, who have successfully executed a large number of complex and unique transactions.

Our quality professional team and our work-oriented dedication have propelled us to offer value-added corporate financial services and act as a professional navigator for long term growth of our clients, who include leading corporates, State Governments, Foreign Institutional Investors, public and private sector companies and banks, in Indian and global markets.

### **Karvy's Corporate Finance Group**

The Corporate Finance Group (CFG) has been carved out as a specialized activity group having four verticals Equity Placements, Debt Syndication, Mergers & Acquisitions, and Corporate Advisory.

#### Banquet of Services

 <p><u>Equity Placement</u></p>	 <p><u>Debt Syndication</u></p>
 <p><u>Mergers &amp; Acquisition</u></p>	 <p><u>Corporate Advisory</u></p>

## **Karvy Realty (India) Limited**

Karvy Realty (India) Limited (KRIL) is promoted by the Karvy Group, India's largest financial services group. The group carries forward its legacy of trust and excellence in investor and customer services delivered with passion and the highest level of quality that align with global standards. Karvy Realty (India) Limited is engaged in the business of real estate and property services offering:

Buying/ selling/ renting of properties

Identifying valuable investments opportunities in the real estate sector

Facilitating financial support for real estate and investments in properties

Real estate portfolio advisory services.

## **Karvy Computershare Private Limited**

Karvy Computershare Private Limited is a joint venture between Computershare, Australia and Karvy Consultants Limited, India in the registry management services industry.

Computershare, Australia is the world's largest and only global share registry providing financial market services and technology to the global securities industry.

Karvy Corporate and Mutual Fund Share Registry and Investor Services business, India's No. 1 Registrar and Transfer Agent and rated as India's "Most Admired Registrar" for its overall excellence in volume management, quality processes and technology driven services.

Karvy Computershare came into existence with the coming together of two stalwarts – Computershare on the global scale and Karvy in the Indian domestic markets. The 50:50 venture would bring together global capabilities and local expertise in carrying forward the legacy of comprehensive registry management services in India and across the globe.

Computershare has over 6000 experienced professionals, Computershare operates

in five continents, providing services and solutions to listed companies, investors, employees, exchanges and other financial institutions while Karvy has handled over 675 issues as Registrar to Issues servicing over 16 million investors from multiple locations across India.

### **Karvy Global Services**

Karvy Global Services is a knowledge services company. We provide specialist resources to extend in house analyst teams in driving clear business results. We serve investment banks, insurance providers, brokerages, hedge funds, research agencies, and life settlement providers across the United States, Middle East, and Europe. Our clients have found our cost advantage, ability to scale efforts, and specialist knowledge regarding emerging markets to be a strong advantage in the new, fast, and unpredictable world.

Our areas of focus include equity and industry research, commodity research, credit analytics, technology-based workflow solutions, insurance policy and portfolio valuation, and other specialized services.

Incorporated in 2004, we are backed by over 25 years of experience through India's largest financial services company, the Karvy Group. We are located in New York and have our primary global delivery center in Hyderabad, India.

### **Karvy Financial Services**

Karvy Financial Services Ltd. is a wholly owned subsidiary of Karvy Stock Broking Ltd. Karvy Stock Broking Ltd a member of the National Stock Exchange of India and the Bombay Stock Exchange, ranks among the top 5 stock brokers in India. With over 6 Lac active accounts, it ranks among the top 5 Depository Participant in India, registered with NSDL and CDSL.

KARVY, our parent group is one of India's largest integrated financial services provider with a 25+ year operating history. KARVY covers the entire spectrum of financial services such as Stock Broking, Commodities Broking, Registry Services, Merchant Banking & Corporate Finance, Realty Services, Insurance Broking, and

Distribution of Financial products like mutual funds, bonds, Personal Finance Advisory Services BPO Service and Technology Services space. KARVY has a pan-India presence with over 500 offices in 350 locations across India and overseas at Dubai and New York.

The Karvy Customer:

Every 50th Indian is serviced by KARVY

Every 20th trade in stock market is done through KARVY

Every 10th Demat Account is held at KARVY

Every 6th Investor in India invests through Karvy

And now with an aim to finance every 100th Indian, KARVY Group, a pioneer in financial services in India, has forayed into retail finance space with its Non Banking Financial Corporation (NBFC) – Karvy Financial Services Ltd or Karvy Finance. Karvy Finance has a vision to be the “Category Champion” for Retail Finance in India. Karvy Finance aims to offer a complete bouquet of financial services products to its customers with secured and unsecured lending products (such as loans against securities, loans against property and personal/business loans).

Keeping in line with Karvy credo to be a leading and preferred financial services provider, our focus at Karvy Finance will be to provide the complete spectrum of financial services products to our customers and build a strong nationwide distribution footprint to emerge as the leader in Retail Finance.



## **MACRO-MICRO ANALYSIS**

## CHAPTER 3

### MACRO – MICRO ANALYSIS

Individual investors have ranging risk tolerances, liquidity needs and investment time horizons. A proper portfolio plan must take these factors into consideration along with any other unique requirements.

The person or persons responsible for investing a mutual, exchange-traded or closed-end fund's assets, implementing its investment strategy and managing the day-to-day portfolio trading. He is one of the most important factors to consider when looking at fund investing. Portfolio management can be active or passive (index tracking). Historical performance records indicate that only a minority of active fund managers beat the market indexes.

PIMCO is a global investment management firm that primarily focuses on portfolio management, account management and business management. PIMCO specializes in fixed income securities and manages the internationally known Total Return Fund. PIMCO was founded in 1971 by Mohamed A El-Erian and bond expert Bill Gross. The firm has grown to be one of the largest asset management firms in the world, with approximately \$1 trillion of assets under management.

#### Permanent Portfolio

A portfolio construction theory devised by free-market investment analyst Harry Browne in the 1980s. Browne constructed what he called the permanent portfolio, which he believed would be a safe and profitable portfolio in any economic climate. Using a variation of efficient market indexing, Browne stated that a portfolio equally split between growth stocks, precious metals, government bonds and Treasury-bills would be an ideal investment mixture for investors seeking safety and growth. Harry Browne argued that the portfolio mix would be profitable in all types of economic situations: growth stocks would prosper in expansionary markets, precious metals in inflationary markets, bonds in recessions and T-bills in depressions. Browne eventually created what was called the Permanent Portfolio Fund, with an asset mix similar to his theoretical portfolio in 1982. Over a 25-year period, the fund averaged an annual return of 6.38%, only losing money three times

## **Investment Philosophy and investment universe**

Professional portfolio managers who work for an investment management company generally do not have a choice about the general investment philosophy used to govern the portfolios they manage. An investment firm may have strictly defined parameters for stock selection and investment management. An example would be a firm defining a value investment selection style using certain trading guidelines. Furthermore, portfolio managers are usually also constrained by market capitalization guidelines. Therefore, the first step in portfolio management is to understand the universe from which investments may be selected.

Another philosophical consideration is the analytical approach for the portfolio in question. Some firms or portfolios use a bottom-up approach, where investment decisions are made primarily by selecting stocks without consideration to sector selection or economic forecasts. Other styles may be top-down oriented and portfolio managers pay primary attention to analyzing entire sectors or macroeconomic trends as a starting point for analysis and stock selection. Many styles use a combination of these approaches.

### **Tax Sensitivity**

A lot of institutional equity portfolios, such as pension funds, are not taxable. This gives portfolio managers more managerial flexibility than taxable portfolios. Non-taxable portfolios may use greater exposure to dividend income and short-term capital gains than their taxable counterparts. Managers of taxable portfolios may need to pay special attention to stock holding periods, tax lots, capital losses, tax selling and dividend income generated by portfolios. Taxable portfolios may be more effective with a lower portfolio turnover rate relative to non-taxable portfolios. Understanding the tax consequences of - or lack thereof - portfolio management activity is of primary importance in building and managing portfolios over time.

## **Building the Portfolio Model**

Whether running one portfolio or a thousand portfolios in one equity investment product or style, building and maintaining a portfolio model is a common aspect of equity portfolio management. A portfolio model is a standard against which individual portfolios are matched. Generally, portfolio managers will assign a percentage weighting to every stock in the portfolio model and then individual portfolios are modified to match up against this weighting mix. Portfolio models are usually computerized using software such as Microsoft Excel or specific portfolio management software tools.

For example, after doing some mix of company analysis, sector analysis and macroeconomic analysis, the portfolio manager may decide that he or she wants to own a relatively large weight of a particular stock. Perhaps in the portfolio manager's style, a relatively large weighting is 4% of the total portfolio value. By reducing the weighting of other stocks in the portfolio model or by reducing the overall cash weighting, the portfolio manager would buy enough stocks of a particular company in each portfolio to match up against the 4% model weight. All of the portfolios will look like each other (and the portfolio model), at least in terms of the 4% weighting on that particular stock.

In this way, the portfolio manager runs all portfolios in a similar or identical fashion given the specific style mandated by that portfolio group. He or she would expect all portfolios in the group to generate returns in a standardized way relative to each other. All of the portfolios will also be very similar to each other in terms of the risk/reward profile. In effect, all of the analytical and security evaluation that the portfolio manager does is run on a model, and not on the individual portfolios.

### **Achieving Portfolio Efficiency**

Running all of his or her portfolios in a similar way allows a portfolio manager to achieve a remarkable analytical efficiency. The portfolio manager needs to only have an understanding of perhaps 30 or 40 stocks owned in similar proportions in all portfolios, rather than 100 or 200 stocks owned in various proportions in 1,000 different portfolio accounts. Analysis on the 30 or 40 stocks can be applied to all portfolios easily by changing model weights in the portfolio model over time. As the outlook on individual stocks changes over time, the portfolio manager only needs to change his or her model weightings to reflect the investment decision in all portfolios simultaneously.

The portfolio model can also be used to handle all day-to-day transactions at the individual portfolio level. New accounts can be set up quickly and efficiently by simply "buying against the model". Cash deposits and withdrawals can be handled in a similar way. If the portfolio is large enough, the model only really needs to be applied to the change in asset size to build a portfolio that looks just like the portfolio model. Smaller portfolios may be limited by stock board lot constraints, which may affect the portfolio manager's ability to accurately buy or sell to certain percentage weightings.

*Analysis and  
Interpretations*

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## CHAPTER 4

### DATA ANALYSIS & INTERPRETATION

#### SECTION 1 : RESPONSES FROM THE QUESTIONNAIRE

The objective regarding the investor perception of the Karvy Green Wallet is known by the responses of the investors.

#### Age of respondents

**Table 4.1**

Age in Years	Respondents	Percentage
30 and Under	2	6.7
31 to 40	5	16.7
41 to 50	8	26.7
51 to 65	12	40.0
Over 65	3	10.0
Total	30	100.0

#### Interpretation:

The table 3.1 classifies the data according to their ages. Majority of the respondents (about 40%) are from the age group of 51 to 65. 26.7%(8 respondents) are from the age group of 41-50, 16.7%(5 respondents) from 31 to 40 age group. 10% are from the age group above 65 and the remaining 6.7% are under the age group of 30.

#### Inference:

It inferred that the majority of the respondents ie. 40% of the respondents are from the age group 51-65 years.

**Gender of respondents****Table4.2**

<b>Gender</b>	<b>Respondents</b>	<b>Percentage</b>
Male	19	63.3
Female	11	36.7
<b>Total</b>	<b>30</b>	<b>100.0</b>

**Interpretation:**

The table 4.2 shows that the respondents are distributed mostly in Male (19 respondents) comprising 63.3% and remaining 36.7% are female respondents.

**Inference:**

It can be inferred that majority of the respondents ie.  $\frac{2}{3}^{\text{rd}}$  of the respondents in the Karvy PMS are male respondents.



**Citizenship****Table 4.3**

<b>Citizenship</b>	<b>Respondents</b>	<b>Percentage</b>
Indian Citizen	11	36.7
NRI	19	63.3
<b>Total</b>	<b>30</b>	<b>100.0</b>

**Interpretation:**

The above table shows the citizenship status of the respondents. About 63.3% are NRIs comprising 19 respondents and 36.7% of the respondents are Indian citizens consisting of the 11 respondents.

**Inference:**

It can be inferred that  $2/3^{\text{rd}}$  of the respondents are NRIs.

## Occupation of the respondents

**Table 4.4**

<b>Occupation</b>	<b>Respondents</b>	<b>Percentage</b>
Employed	6	20
Professional	11	36.7
Business	12	40.0
Homemaker	1	3.3
<b>Total</b>	<b>30</b>	<b>100.0</b>

### Interpretation:

The table 4.4 shows the occupation of the respondents. Majority of the respondents are doing Business(12 respondents) comprising 40% ,36.7% are professionals(11 respondents) and 20% of the respondents are employed and 3.3% are home makers

### Inference:

Therefore it can be inferred that majority of the respondents ie. 40% and 36.7% are businessmen and professionals respectively.

### Average taxable annual income

**Table 4.5**

Salary	Respondents	Percentage
Below Rs.10 lakhs	2	6.7
Rs.10-20 lakhs	2	6.7
Rs.20-35 lakhs	7	23.3
Above Rs.35 lakhs	19	63.3
Total	30	100

**Interpretation:**

The table shows the Average taxable annual income of the respondents. The majority of the respondents have an income above Rs.35 lakhs comprising 63.3% and 23.3% of the respondents having an income level of Rs.20-35 lakhs, 6.7% each respondents from the income level of Rs.10-20 lakhs and Rs.10 lakhs.

**Inference:**

It can be inferred that majority of the respondents ie. 63.3% have an average taxable annual income level above Rs.35 lakhs.

**Percentage of investment****Table 4.6**

<b>Percentage of investments</b>	<b>Respondents</b>	<b>Percentage</b>
0-15%	13	43.3
15%-35%	16	53.3
Total	29	96.7

**Interpretation:**

The table above shows that 53.3% respondents invest about 15-35% of their income and 43.3% invest only 0-15% of the average annual taxable income. One of the respondents did not reply to this question.

**Inference:**

It can be inferred that majority of the respondents ie 53.3% are investing about 15-35% of their average taxable annual income.

**Source of funds****Table 4.7**

<b>Source of funds</b>	<b>Respondents</b>	<b>Percentage</b>
Savings / Personal	22	73.3
Loans	8	26.7
Total	30	100.0

**Interpretation:**

The table 4.7 shows that the 26.7% respondents invest with loan funds and most of the respondents 73.3% invest from their savings/personal income.

**Inference:**

It can be inferred that majority of the respondents ie.  $\frac{3}{4}$ <sup>th</sup> of the respondents invest from the personal savings.

### Knowledge about investments

**Table 4.8**

<b>Knowledge</b>	<b>Respondents</b>	<b>Percentage</b>
Some knowledge	4	13.3
Moderate amount of knowledge	19	63.3
Good working knowledge	7	23.3
Total	30	100.0

**Interpretation:**

The above table shows that 63.3% of the investors (19 respondents) have moderate knowledge regarding investments, 23.3% of them are good knowledge and 13.3% have some knowledge about investments.

**Inference:**

It can be inferred that  $\frac{2}{3}^{\text{rd}}$  of the investors ie 63.3% have moderate knowledge about the investments.

### Primary objective for investment

Table 4.9

Primary Objective	Respondents	Percentage
Current income	2	6.7
Growth and income	15	50.0
Conservative growth	11	36.7
Aggressive growth	2	6.7
Total	30	100.0

#### Interpretation:

The table shows the primary objective towards investments of the respondents and half of the respondents' primary objective is growth and income, 36.7% invests for conservative growth, and 2% of the respondents invest for current income and the remaining for aggressive growth.

#### Inference:

It can be inferred that half of the respondents' primary objective towards investments is for conservative growth in their investments of the portfolio in Karvy.

## Years of investment

**Table 4.10**

<b>Yearsof investment</b>	<b>Respondents</b>	<b>Percentage</b>
1-3 years	1	3.3
3-5 years	6	20.0
5 years above	23	76.7
Total	30	100.0

### Interpretation:

The table shows the number of years of investment of the respondents. Majority of the respondents (about 76.7%) have been investing for more than 5 years, 20% for 3-5 years and 3% for 1-3 years.

### Inference:

It can be inferred that  $\frac{3}{4}$ <sup>th</sup> of the respondents ie. 76.7% have been investing for more than 5 years.



**PMS Plan****Table 4.11**

<b>Green Wallet</b>	<b>Respondents</b>	<b>Percentage</b>
K sensible	10	33.3
K Aggressive	15	50.0
K Energetic	5	16.7
Total	30	100.0

**Interpretation:**

The table shows the Portfolio plan of the respondents with Karvy PMS. Half of the respondents have taken K aggressive plan, 33% in K Sensible and 17% in K energetic.

**Inference:**

It can be inferred that half of the respondents invest in K Aggressive plan.

**Purpose behind the investment****Table 4.12**

<b>Purpose</b>	<b>Respondents</b>	<b>Percentage</b>
Wealth creation	11	36.7
Tax saving	7	23.3
Earn returns	8	26.7
Future expenses	4	13.3
Total	30	100.0

**Interpretation:**

The table shows the purpose behind the investment motive of the respondents. Majority of the respondents (about 36.7%) intention was to create wealth, 26.7% for tax saving, 23.3% to earn returns and 13.3% respondents invest for future expenses.

**Inference:**

It can be inferred that majority of the respondents i.e. 36.7% have been investing for wealth creation as main intention behind the investment.

**Growth rate****Table 4.13**

<b>Growth rate</b>	<b>Respondents</b>	<b>Percentage</b>
Beat the benchmark growth rate	14	46.7
Reflect the benchmark growth rate	16	53.3
Total	30	100.0

**Interpretation:**

The table 4.13 shows the respondents expectation over the growth rate. 53.3% respondents wants to reflect the benchmark growth rate and remaining 46.7% wants to beat the benchmark.

**Inference:**

It can be inferred that more than half of the respondents ie. 53.3% wants to reflect the benchmark growth rate.

**Fees structure of PMS****Table 4.14**

<b>Fees Structure</b>	<b>Respondents</b>	<b>Percentage</b>
With profit sharing	20	66.7
Without profit sharing	10	33.3
Total	30	100.0

**Interpretation:**

The table 4.14 shows the respondents fees structure plan with Karvy. 66.7% respondents have fee structure with profit sharing and remaining 33.3% have fees structure without profit sharing.

**Inference:**

It can be inferred that majority of the respondents ie. 66.7% have PMS fees structure with profit sharing.

**Monitoring of portfolio****Table 4.15**

<b>Frequency</b>	<b>Respondents</b>	<b>Percentage</b>
Daily	6	20.0
Monthly	22	73.3
Occasionally	2	6.7
Total	30	100.0

**Interpretation:**

The table 4.15 shows how often the respondents monitor their portfolio. Majority of the respondents (about 73.3%) monitors the portfolio every month, 20% monitors daily and 6.7% occasionally.

**Inference:**

It can be inferred that around  $\frac{3}{4}$ <sup>th</sup> of the respondents ie. 73.3% monitors the PMS plan monthly.

**Web portal****Table 4.16**

<b>Web portal</b>	<b>Respondents</b>	<b>Percentage</b>
Yes	25	83.3
No	5	16.7
Total	30	100.0

**Interpretation:**

The table above shows the web portal support of the Karvy Green Wallet PMS from the respondents. 83.3% finds the web portal to be investor friendly and the remaining is not comfortable with the web portal.

**Inference:**

It can be inferred from that majority of the respondents ie 83.3% finds the web portal useful and investment friendly.

**Acknowledgement documents****Table 4.17**

<b>Acknowledgement</b>	<b>Respondents</b>	<b>Percentage</b>
Physical form	0	0
Statement of Accounts	30	100.0
Total	30	100.0

**Interpretation:**

The table above shows the acknowledgement documents received by the investors. All the respondents receive the statement of accounts only

**Inference:**

It can be inferred that the only statement of accounts is given to the respondents of the Karvy PMS.

**Frequency of acknowledgment****Table 4.18**

<b>Frequency</b>	<b>Respondents</b>	<b>Percentage</b>
Yearly	0	0
Quarterly	30	100.0
Yearly	0	0
<b>Total</b>	<b>30</b>	<b>100.0</b>

**Interpretation:**

The table above shows the frequency of the acknowledgement documents to be received by the respondents. All the respondents receive the documents for every quarter.

**Inference:**

It can be inferred that all the respondents receive the document very quarter.



## Form of documents

**Table 4.19**

<b>Form</b>	<b>Respondents</b>	<b>Percentage</b>
Email	0	0
Physical form	0	0
Both	30	100.0
Total	30	100.0

### Interpretation:

The table above shows the form of the documents to be received by the respondents periodically. All the respondents receive the documents by both physical form and through email.

### Inference:

It can be inferred that all the respondents receive the document through physical form and by email.

### Acknowledgement information

Table 4.20

Form	Respondents	Percentage
Yes	28	93.3
No	2	6.7
Total	30	100.0

**Interpretation:**

The table above shows whether the acknowledgement documents provide according to the expectation. 93.3% of the respondents' expectation has been met and the 6.7% of the respondents are not satisfied with the acknowledgement.

**Inference:**

It can be inferred that majority of the respondents ie 93.3% are satisfied with the acknowledgment provided.

## Knowledge about Karvy Green wallet

**Table 4.21**

<b>Knowledge</b>	<b>Respondents</b>	<b>Percentage</b>
Advertisement	6	20
Friends-relatives	22	73.3
Others	2	6.7
Total	30	100.0

**Interpretation:**

The table 4.21 shows how the respondent knows about the Karvy Green Wallet. About 73.3% of the respondents came to know about it through their friends and relatives, 20% by the advertisement and 6.7% through other sources.

**Inference:**

It can be inferred that majority of the respondents have known Karvy through their friends and relatives. Hence peer influence make a vital role.

**Weighted Average for the satisfaction level of the investors – Table 4.22**

Parameters	Highly satisfied	Satisfied	Neither Satisfied nor dissatisfied	Dis-satisfied	Highly dissatisfied	Total	Weighted average
	5*0.2	4*0.2	3*0.2	2*0.2	1*0.2		
Professional Management	22	6.4	0	0	0	28.4	0.95 Highly satisfied
Continued Monitoring	6	13.6	3	0.8	0	23.4	0.78 Satisfied
Research Support	10	10.4	3	0.8	0	24.2	0.81 Satisfied
Identifying Investor Objectives	2	14.4	6	0	0	22.4	0.75 Satisfied
Time taken to open the PMS account	4	12.8	4.8	0.8	0	22.4	0.75 Satisfied
Portfolio construction	6	15.2	3	0	0	24.2	0.81 Satisfied
Portfolio revision	2	9.6	8.4	0.8	0	20.8	0.69 Neither Satisfied or satisfied

Portfolio evaluation	1	9.6	9		0.8	0	20.4	0.68	Neither Satisfied or satisfied
Hassle-free operation	0	8.8	7.8		2.4	0	19	0.63	Neither Satisfied or satisfied
Transparency in operation	1	7.2	4.8		4.8	0	17.8	0.59	Neither Satisfied or satisfied
Customized Portfolio services	6	14.4	3.6		0	0	24	0.80	Satisfied
Meeting the investors expectations	3	15.2	4.8		0	0	23	0.77	Satisfied
Fees structure of PMS	0	6.4	9.6		2.4	0	18.4	0.61	Neither Satisfied or satisfied
Liasoning of the PMS Manager	0	15.2	6		0.4	0	21.6	0.72	Satisfied
Overall services rendered	2	18.4	3		0	0	23.4	0.78	Satisfied

**Interpretation:**

For the professional management of the portfolio, the respondents are highly satisfied. For Continued Monitoring, Research Support, Identifying Investor Objectives, Time taken to open the PMS account, Portfolio construction Customized Portfolio services and Meeting the investors expectations, the respondents are satisfied. For Portfolio revision, Portfolio evaluation, Hassle-free operation and Transparency in operation, the respondents are neither satisfied nor dissatisfied.

**Inference:**

The respondents are satisfied with the overall services provided by the Karvy PMS.

## CHI - SQUARE ANALYSIS BETWEEN PLAN OF THE RESPONDENTS AND EXPECTED RATE OF GROWTH.

### Hypothesis Taken:

**H<sub>0</sub>:** There is no significant relationship between PMS plan of the respondents and the growth rate expected.

**H<sub>1</sub>:** There exists significant relationship between PMS plan of the respondents and the growth rate expected.

**Cross tabulation Table 4.23**

Rate of growth Cross tabulation				
		Beat the benchmark growth rate	Reflect the benchmark growth rate	
GreenWallet	K sensible	2	8	10
	K Aggressive	9	6	15
	K Energetic	3	2	5
Total		14	16	30

## Test results summary

**Chi-Square Tests Table 4.24**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.286 <sup>a</sup>	2	.117
Likelihood Ratio	4.527	2	.104
Linear-by-Linear Association	3.046	1	.081
N of Valid Cases	30		

- a. 3 cells (50.0%) have expected count less than 5. The minimum expected count is 2.33.

### Interpretation

The above table shows that the chi-square value between PMS plan of the investor respondents and their expected growth rate is 4.286, with the degree of freedom as 2. The asymptote significance is 0.117. Since the value of asymptote significance is more than 0.05, the null hypothesis is accepted and alternative hypothesis is rejected.

### Inference

Hence, there is no significant relationship between PMS plan of the respondents and growth rate expected.



## CHI - SQUARE ANALYSIS BETWEEN AGE OF THE RESPONDENTS AND RATE OF GROWTH .

### Hypothesis Taken:

$H_0$ : There is no significant relationship between age of the respondents and the rate of growth.

$H_1$ : There exists significant relationship between age of the respondents and the rate of growth.

**Cross tabulation Table 4.25**

		Rateofgrowth		Total
		Beat the benchmark growth rate	Reflect the benchmark growth rate	
Age	30 and Under	1	1	2
	31 to 40	2	3	5
	41 to 50	6	2	8
	51 to 65	4	8	12
	Over 65	1	2	3
Total		14	16	30

## Test results summary

**Chi-Square Tests Table 4.26**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	3.750 <sup>a</sup>	4	.441
Likelihood Ratio	3.860	4	.425
Linear-by-Linear Association	.548	1	.459
N of Valid Cases	30		

a. 8 cells (80.0%) have expected count less than 5.

The minimum expected count is .93.

### Interpretation

The above table shows that the chi-square value between age and growth rate expected and their expected growth rate is 3.750, with the degree of freedom as 4. The asymptote significance is 0.441. Since the value of asymptote significance is more than 0.05, the null hypothesis is accepted and alternative hypothesis is rejected.

### Inference

Hence, there is no significant relationship between age of the respondents and rate of growth.

## Ranks interpretation

**Table 4.27**

Factors	Total	Overall rank
Profitability	74	3
Safety	62	1
Aggressive growth	105	5
Liquidity	73	2
Marketability	149	6
Passive growth	131	4

Interpretation and inference:

30 respondents ranked Safety as first parameter in Investment, then in following order liquidity, profitability, passive growth and finally aggressive growth.

## SECTION II : CUSTOMISED PORTFOLIO FOR GREENWALLET CLIENTS

The following are the some of the portfolio with the sectoral and company wise weightage of Karvy Green Wallet.

### PORTFOLIO NO.01

<ul style="list-style-type: none"> <li>Industrial capital goods</li> </ul>	15.42
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>Crompton greaves 4.06</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>BEL 3.94</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>Thermax 2.36</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>Siemens 2.15</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>Sterlite Technologies .99</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>AIA Engineering .97</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>Texmaco .95</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li>Banks</li> </ul>	14.50
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>HDFC 4.09</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>ICICI 3.40</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>Axis bank 2.12</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>SBI 2.06</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>BOB 1.83</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>Central Bank 1</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li>Power</li> </ul>	10.46
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>Tata power 2.93</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>CESC 2.2</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>KEC 1.84</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>National Thermal Power 1.83</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>Jyoti Structures .84</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>Power Grid .82</li> </ul> </li> </ul>	

• Finance	9.22
Rural Electrification 3.51	
LIC 3.49	
HDFC 2.22	
• Construction project	8.45
Voltas 3.44	
L&T 3.21	
GMR 1.1	
Nagarjuna .7	
• Petroleum Products	5.43
Reliance 5.43	
• Ferrous Metals	4.82
Jindal Steel & Power 3.01	
Usha Martin 1.07	
Maharashtra seamless .74	
• Non Ferrous metals	4.72
Sterlite Indus 2.68	
Hindustan zinc 1.18	
Hindalco .86	
• Construction	4.53
IVRCL 2.25	
Simplex 1.19	
Mahindra lifespace 1.09	
• Oil	3.57
ONGC 3.07	
Aban Loyd .5	
• Transportation	3.54
Container corporation 1.63	
Mundra port & Special Economic 1.47	

	The Great Eastern Shipping .44	
	• Cement	3.26
	Jaiprakash 2.08	
	Rain commodities 1.01	
	Grasim .17	
	• Telecom services	2.65
	Bharati 1.95	
	Tata .7	
	• Minerals/mining	2.19
	Gujarat mineral 1.18	
	Gujarat nre coke 1.01	
	• Industrial products	1.83
	Cummins 1.02	
	Bharat forge .81	
	• Auto	1.67
	Ashok Leyland 1.67	
	• Gas	1.23
	GAIL 1.67	
	• Cash & others	2.51

**Interpretation:**

Above portfolio has industrial capital goods sector comprising of Crompton greaves ,BEL, Thermax, Siemens, Sterlite technologies, AIA engineering and Texmaco has 15.42% weightage, banking sector comprising of HDFC, ICICI , Axis Bank, SBI, BoB, Central Bank has 14.50% weightage and power sector comprising of Tata power, CESC, KEC, National Thermal power jyoti structures and Power Grid has 10.46%.The portfolio also compromises 2.51% of the cash and other liquid assets.

**Inference:**

More than 40% of the portfolio compromises industrial capital goods, banking sector and power sector in the above portfolio.

## PORTFOLIO NO.02

• Software	14.94
Wipro 3.56	
Infosys technologies 2.83	
Patni computer systems 2.39	
Mphasis 2.30	
HCL Technologies 1.55	
Firstsource solutions 1.34	
Zenith technologies .96	
Persistent technologies .01	
• Pharmaceuticals	12.8
Lupin 4.21	
Dr.Reddy's laboratories 3.40	
Cipla 1.82	
Fresenius kabi Oncology 1.71	
Unichem laboratories 1.11	
Torrent pharmaceuticals .56	
• Banks	10.75
Axis bank 3.00	
SBI 2.99	
PNB 2.34	
HDFC 1.39	
ICICI 1.03	
• Power	10.27
Tata power 3.21	
LIC 3.49	
KEC international 4.19	
• Industrial capital goods	5.49
Crompton Greaves 3.51	



	AIA engineering 1.98	
	• Consumer non durable	5.33
	ITC Ltd 3.60	
	Tata tea 1.73	
	• Cement	5.25
	Grasim 2.03	
	Ambuja cements 1.72	
	Rain commodities 1.5	
	• Auto	4.79
	Mahindra & Mahindra 2.98	
	Bajaj auto 1.81	
	• Ferrous metals	4.15
	Jindal steel & power 2.78	
	Tata steel 1.37	
	• Petroleum products	3.79
	Reliance industries 3.79	
	• Finance	3.69
	Crisil 1.89	
	Rural electrification 1.80	
	• Gas	3.04
	Gujarat gas company 3.04	
	• Media & entertainment	2.42
	Zee entertainment 2.42	
	• Oil & gas	2.37
	ONGC 2.37	
	• Construction project	2.07
	L&T 2.07	
	• Cash & others	8.85

**Interpretation:**

Above portfolio has software sector comprising of Wipro Infosys technologies Patni computer systems Mphasis ,HCL Technologies, First source solutions Zenith technologies and Persistent technologies has 14.94% weightage, pharmaceutical sector comprising of Lupin, Dr.Reddy's laboratories, Cipla, Fresenius kabi Oncology and Unichem laboratories Torrent pharmaceuticals has 12.80% weightage and banking sector comprising of Axis bank, SBI, PNB, HDFC and ICICI has 10.27%.The portfolio also comprises 8.85% of the cash and other liquid assets.

**Inference:**

More than 36% of the portfolio comprises software sector, pharmaceuticals and banking sector in the above portfolio.

## PORTFOLIO NO.03

• Construction	2.30
Nagaarjuna construction	2.30
• Bank	1.96
Indian bank	1.3
ING vysya Bank	.66
• Software	1.54
Mphasis	1.54
• Power	1.44
KEC international	.75
Jyoti structures	.69
• Finance	.87
HDFC Ltd	.87
• Industrial capital goods	.77
BEL	.77
• Auto	.63
Bajaj auto	.63
• Oil	.61
ONGC	.61
<b>Debt</b>	
• SAIL	5.11
• Power finance corporation	5.90
• Indian railway finance corporation	5.28
• Rural electrification	2.07
• Sundaram finance	5.32
• ICICI bank	5.01
<b>Cash &amp; others</b>	
• Cash & others	61.19

**Interpretation:**

Above portfolio has cash and other liquid funds assets for 61%, debt instruments comprising SAIL, Power finance corporation, Indian railway finance corporation, Rural electrification, Sundaram finance and ICICI bank for around 27% and remaining in equity.

**Inference:**

The above table infers that the portfolio no.03 is more conservative and liquid compared to other portfolio available with 61% invested in cash and other liquid funds.

## PORTFOLIO NO.04

• Auto	10.67
Mahindra & Mahindra 4.10	
Bajaj Auto 3.63	
Tata motors 1.99	
Ashok Leyland .95	
• Finance	10.67
LIC Housing 3.61	
Rural electrification Ltd 3.35	
HDFC 2.95	
India Infoline 1.50	
• Software	10.3
Infosys 3.70	
Mphasis 2.75	
Wipro 2.35	
Oracle financial services software 1.50	
• Banks	9.28
HDFC Bank 3.93	
ICICI bank 3.44	
Axis bank 1.11	
SBI .80	
• Petroleum products	7.50
Reliance industries 5.13	
HPCL 2.37	
• Pharmaceuticals	6.54

	Cadilla health care ltd 3.32	
	Lupin 3.22	
	• Construction project	6.29
	Voltas ltd 2.84	
	Nagaarjuna construction 1.95	
	Larsen & turbo 1.50	
	• Industrial capital goods	6.21
	Crompton greaves 2.82	
	BEL 2.56	
	Sterlite Technologies .63	
	Texmaco .20	
	• Transportation	5.99
	The Great Eastern Shipping Co Ltd 2.06	
	Jet airways 1.89	
	Mundra port & Special Economic Zone 1.42	
	Container corporation .82	
	• Cement	3.92
	Jai prakash associates 1.97	
	Shree cement 1.95	
	• Media & entertainment	3.87
	Zee entertainment 2.33	
	Sun Network 1.54	
	• Non ferrous metals	3.43
	Sterlite industries 2.40	
	Hindalco industries 1.40	
	• Consumer non durable	3.43
	Nestle India Ltd 2.29	

	United spirits 1.14	
•	Power	3.18
	KEC international 2.30	
	Jyoti industries .88	
•	Oil	2.26
	ONGC 2.26	
•	Industrial products	1.08
	Jain irrigation systems 1.08	
•	Gas	1.06
	Gujarat gas company 1.06	
•	Cash & others	3.95

#### Interpretation:

Above portfolio has auto sector comprising of Mahindra & Mahindra, Bajaj Auto, Tata motors, and Ashok Leyland has 10.67% weightage, finance sector comprising of LIC Housing, Rural electrification Ltd ,HDFC and India Infoline has 10.67% weightage and software sector comprising of Infosys, Mphasis Wipro Oracle financial services has 10.3%.The portfolio also comprises 3.95% of the cash and other liquid assets.

#### Inference:

The portfolio has more than 30% being invested in auto sector, finance sector and software sector.

**PORTFOLIO NO.05**

• Software	16.36
Oracle financial services software 3.51	
Infosys technologies 2.97	
Wipro 2.88	
Patni computer systems 2.30	
HCL technologies 2.27	
Mindtree consulting Ltd 0.32	
Persistent systems 0.02	
• Consumer non durable	7.01
Mcleod russel Ltd 2.32	
Nestle India Ltd 2.18	
United spirits 1.60	
Jayshree tea 0.91	
• Pharmaceuticals	6.79
Lupin Ltd 3.57	
Cadilla healthcare Ltd 2.87	
Torrent pharmaceuticals 0.35	
• Finance	5.96
Rural electrification Ltd 2.93	
LIC housing finance Ltd 2.53	
HDFC Ltd 0.50	
• Industrial capital goods	5.29
Crompton greaves 3.23	
BEL 2.06	



• Banks	5.17
HDFC Bank 2.72	
Federal bank 1.32	
ICICI bank 1.13	
• Construction project	6.29
Larsen & turbo 2.07	
Voltas ltd 2.03	
• Media & entertainment	4.05
Zee entertainment 1.72	
Sun TV network 1.57	
TV today 0.76	
• Auto	4.00
Mahindra & Mahindra 1.82	
Esc orts 0.98	
Tata motors 0.83	
Bajaj auto 0.37	
• Petroleum products	3.93
Reliance industries 3.93	
• Cement	3.38
Jaiprakash associates 1.78	
Grasim industries 1.6	
• Non ferrous metals	1.98
Sterlite industries 1.2	
Hindalco industries 0.78	
• Power	1.71
KEC international 1.71	
• Industrial products	1.45
Sintex Inds 1.45	
• Retailing	1.0

	Pantaloon 1.0	
•	Gas	0.96
	Gujarat state petronet Ltd 0.96	
•	Pesticides	0.87
	Rallis India Ltd 0.87	
•	Minerals & mining	0.59
	Nava Bharat ventures Ltd 0.59	
•	Oil	0.29
	ONGC 0.29	
<b>DEBT PORTFOLIO</b>		
	EXIM Bank	5.55
	State bank of Bikaner & Jaipur	5.47
	IDBI Bank	3.65
	ICICI bank	1.83
	PNB	1.82
	Canara bank	1.78
	<b>CASH &amp; OTHERS</b>	5.04

**Interpretation:**

Above portfolio has software sector comprising of Oracle financial services software Infosys technologies, Wipro, Patni computer systems, HCL technologies, Mindtree consulting Ltd and Persistent systems has 16.36% weightage, consumer non durable sector comprising of Mcleod russel Ltd ,Nestle India Ltd ,United spirits and Jayshree tea has 7.01% weightage and pharmaceuticals sector comprising of Lupin Ltd Cadilla healthcare Ltd and Torrent pharmaceuticals has 6.79%.The portfolio also compromises around 16% of the debt and 5.04% of cash and other liquid assets.

**Inference:**

The above table infers that portfolio no.05 is balanced with more than 30% of the funds invested in software sector, consumer durable and pharmaceuticals sector, 16% in debt and 5% in cash and others.

*Fündlings*

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## CHAPTER 5

### CONCLUSIONS

#### 5.1 Findings

- Majority of the respondents ie. 40% are from the age group 51-65 years
- Majority of the respondents 2/3<sup>rd</sup> of the respondents in the Karvy PMS are male respondents.
- Majority of the respondents 2/3<sup>rd</sup> of the respondents are NRIs
- Majority of the respondents ie. 40% and 36.7% are businessmen and professionals respectively.
- Majority of the respondents ie. 63.3% having an Average taxable annual income level above Rs.35 lakhs.
- Majority of the respondents ie 53.3% are investing about 15-35% of their income.
- Majority of the respondents ie. 3/4<sup>th</sup> of the respondents are invest from the savings.
- Majority of the respondents 2/3<sup>rd</sup> of the respondents ie 63.3% have moderately knowledge about the investments.
- 50% of the respondents' primary objective is for conservative growth of the portfolio in Karvy.
- Majority of the respondents 3/4<sup>th</sup> of the respondents ie. 76.7% have been investing for more than 5 years.
- Majority of the respondents, half of the respondents have been investing in K Aggressive plan of PMS.
- Majority of the respondents ie. 36.7% have been investing for wealth creation as main intention behind the investment.
- Majority of the respondents, more than half of the respondents ie. 53.3% wants to reflect the benchmark growth rate for their investments.
- Majority of the respondents ie 66.7% have fees structure with profit sharing with Karvy PMS.

- Majority of the respondents around 3/4<sup>th</sup> of the respondents ie. 73.3% monitors the PMS plan monthly.
- Majority of the respondents ie 83.3% finds the web portal useful and investment friendly.
- Only statement of accounts is given to all the respondents of the Karvy PMS.
- All the respondents receive the document very quarter.
- All the respondents receive the document through physical form and by email.
- Majority of the respondents ie 93.3% are satisfied with the acknowledgment provided.
- Majority of the respondents ie. 73.3% have known Karvy through their friends and relatives. Hence peer influence makes a vital role.

<b>Parameters</b>	<b>Overall Satisfaction Level</b>
Professional Management	Highly satisfied
Continued Monitoring	Satisfied
Research Support	Satisfied
Identifying Investor Objectives	Satisfied
Time taken to open the PMS account	Satisfied
Portfolio construction	Satisfied
Portfolio revision	Neither Satisfied or satisfied
Portfolio evaluation	Neither Satisfied or satisfied
Hassle-free operation	Neither Satisfied or satisfied
Transparency in operation	Neither Satisfied or satisfied
Customized Portfolio services	Satisfied
Meeting the respondents expectations	Satisfied
Fees structure of PMS	Neither Satisfied or satisfied
Liasoning of the PMS Manager	Satisfied
Overall services rendered	Satisfied

# *Suggestions*

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- There is no relationship between PMS plan of the respondents and growth rate expected.
- There is no relationship between age of the respondents and growth rate expected.
- 30 respondents ranked Safety as first parameter in Investment, then in following order liquidity, profitability, passive growth and finally aggressive growth.
- The portfolio no.01 has more than 40% of the funds invested in industrial capital goods, banking sector and power sector.
- The portfolio no.02 has more than 36% of the funds invested in software sector, pharmaceuticals and banking sector.
- The portfolio no.03 is more conservative and liquid compared to other portfolio available with 61% invested in cash and other liquid funds.
- The portfolio no:04 has more than 30% being invested in auto sector, finance sector and software sector..
- The Portfolio no.05 is balanced with more than 30% of the funds invested in software sector, consumer durable and pharmaceuticals sector,16% in debt and 5% in cash and others.

## **5.2 Suggestions**

The study is intended to analyse the perception of the respondents of Karvy PMS services. It is obvious from the study that the majority of the respondents are satisfied with the portfolio formation. The respondents want the portfolio to be received more often and monthly statement of accounts can be provided. Some of the suggestions for the Karvy PMS are given below:

- Respondents suggest providing statement of accounts every month instead of quarterly.

- More information and transparency regarding portfolio needed.
- Fees for the PMS can be reduced.
- Evaluation process must be given more importance
- More revision of portfolio can be done according to the market trend.

*Conclusion*

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### **5.3 Conclusions:**

The portfolio management services are more customised services for the High Net Worth Respondents. This research is to study the perception level of the respondents of the Karvy PMS. From the research it is found that most of the respondents are HNIs and NRIs. The majority of the respondents invest for growth and income. It is also clear that most of the respondents are satisfied with the services provided by the Karvy PMS. It is also found that the respondents are satisfied with the portfolio formation but portfolio revision and portfolio evaluation can be done frequently for the respondents

# *Bibliography*

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**ANNEXURE**

## A STUDY ON THE INVESTORS' PERCEPTION OF KARVY'S PMS GREEN WALLET

### - Questionnaire

I am Ms.Srividhya Murugan pursuing Masters Programme in Business Administration. I request a few minutes of your precious time to fill out the questionnaire below. Kindly fill your valuable responses in another word document attached herewith. The objective of study is to understand your perception about the Green Wallet PMS services of M/S.Karvy Limited and help improve your service experiences. This study is for academic research purposes only. Your valuable responses will be kept confidential to the best of investor interest.

Thanking you,

Ms.Srividhya Murugan

June 05, 2010.

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#### 1.a. Age in years

- (i)30 and under
- (ii)31 to 40
- (iii)41 to 50
- (iv)51 to 65
- (v)Over 65

#### b. Gender

- (i)Male
- (ii)Female

#### c. Your Citizenship status?

- (i)Indian citizen
- (ii)NRI
- (iii)PIO
- (iv)Foreign national

d. Occupation

- (i)Employed
- (ii)Professional
- (iii)Business
- (iv)Homemaker

e. Average taxable annual income

- (i)Below Rs.10 lakhs
- (ii)Rs.10-20 lakhs
- (iii)Rs.20-35 lakhs
- (iv)Above Rs.35 lakhs

f. What percentage of your income do you invest?

- (i)0-15%
- (ii)15%-35%
- (iii)35%-50%

2. What sources of funds do you utilize to invest or trade in the stock Market?

- (i)Savings / Personal
- (ii)Loans
- (iii)Pledging

3. Describe your investment knowledge about investments

- (i)Very little knowledge
- (ii)Some knowledge
- (iii)Moderate amount of knowledge
- (iv)Good working knowledge
- (v)Extensive knowledge/expert in investing



4. What is your primary objective for your investment?

- (i) Preservation of capital
- (ii) Current income
- (iii) Growth and income
- (iv) Conservative growth
- (v) Aggressive growth

5. Please rank your priorities when you make an investment.

Parameter	Rank (1 being Highest and 6 being the lowest)
Profitability	
Safety	
Aggressive growth	
Liquidity	
Marketability	
Passive growth	

6. From how many years are you trading or investing in stock market?

- (i) Less than 1 Year
- (ii) 1 - 3 years
- (iii) 3 - 5 years
- (iv) 5 years Above

7. Before your investments in PMS, your investments were in

- (i) Savings accounts and POIs.
- (ii) Investing in bonds
- (iii) Balanced mutual funds

- (iv) Individual stocks (IPO) and bonds
- (v) Many different financial instruments

8. Which plan of Green wallet you have invested?

- (i) K-sensible
- (ii) K-aggressive
- (iii) K-energetic

9.. What is the purpose behind the investment?

- (i) Wealth creation
- (ii) Tax saving
- (iii) Earn returns
- (iv) Future expenses

10. At which rate do you want your investment to grow?

- (i) Beat the benchmark growth rate
- (ii) Reflect the benchmark growth rate

11. Which fees structure of PMS do you have?

- (i) With profit sharing
- (ii) Without profit sharing

12. How often do you monitor your portfolio?

- (i) Daily
- (ii) Monthly
- (iii) Occasionally

13. Do you find the web portal of PMS, investor-friendly and serve your requirements?

- (i)Yes
- (ii)No

14. What acknowledgement documents have you received for your investment?

- (i)Contract note
- (ii)Statement of accounts
- (iii)Both

15. How often do you receive the above document?

- (i)Monthly
- (ii)Quarterly
- (iii)Half yearly
- (iv)Yearly

16. How do you receive the document?

- (i)Physical form
- (ii)E mail
- (iii)Both

17. Do the acknowledgement documents provide the information you expect?

- (i)Yes
- (ii)No

18. How did you know about Karvy Green Wallet PMS?

- (i)Advertisement
- (ii)Friends-Relatives
- (iii)Others

19. State the satisfaction level with regard to the PMS services of Karvy Green Wallet (Put ✓ mark)

Parameters	Highly satisfied	Satisfied	Neither satisfied nor dissatisfied	Dissatisfied	Highly dissatisfied
	5	4	3	2	1
Professional Management					
Continued Monitoring					
Research Support					
Identifying Investor Objectives					
Time taken to open the PMS account					
Portfolio construction					
Portfolio revision					
Portfolio evaluation					
Hassle-free operation					
Transparency in operation					
Customized Portfolio services					
Meeting the investors expectations					
Fees structure of PMS					

Liasoning of the PMS Manager					
Overall services rendered					

20. Suggestions if any, please

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My sincere thanks to you for the time spent.

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